

Passion is POWER, Passion is SPEED, Passion is



Representative Director, President and Chief Executive Officer
Yoshihisa Kainuma

This is the first opportunity for me to address shareholders in an annual report. I hereby report you about Minebea's performance in fiscal year 2009, ended March 31, 2009, after which I will outline my basic management policies and take a look at prospects for the Company's growth in the future.

Consolidated Results of Operations

In fiscal 2009, the global economic downturn—triggered by shockwaves from the collapse of Lehman Brothers—drove down demand in many of the Minebea Group's key customer industries. The situation was exacerbated by a strong yen, which squeezed sales. As a consequence, Minebea reported a sharp decline of 23.4% in consolidated net sales, to ¥256.2 billion. Operating income fell 56.4%, to ¥13.4 billion, owing to appreciation of the Thai baht and soaring raw materials costs in the first half of the period and plummeting demand, which led to an abrupt decline in sales in the second half. Net income fell 85.0% from last year's record high, to ¥2.4 billion.

Management Policies

As president of Minebea, I see my primary immediate responsibility as being not only to lift the Company up so it is less exposed to the impact of the current economic downturn but also to manage the Company from a long-term perspective. To these ends, I have outlined a plan of action.

First, as chief executive officer I believe I have a mission to enhance corporate value. Accordingly, by maximizing the efficiency of our considerable management resources—people, products, funds and time—we will strive to boost earnings per

share. Recognizing that the key to fulfilling this mission is share price, I will continue to manage the Company with a keen focus on Minebea's share price. I also believe I have a mission to lay a foundation for Minebea's 100th anniversary. We celebrate our 60th anniversary in 2011. I will thus focus on a long-term vision that focuses on the next 40 years with the aim of setting a clear direction for Minebea and fostering a new generation of leaders who will lead the Company into the future.

Core Competencies

To date, our basic management policies have been to produce better products faster and cheaper in larger quantities than anyone else, and to win the competition through manufacturing and technological excellence. At this juncture, I would like to take another look at where our core competencies lie, with the aim of developing strategies that will further leverage these competencies to our advantage.

In the past, we have identified three core competencies: Our overseas production capabilities as one of the first Japanese companies to establish production bases overseas, our proprietary mass production technologies and our vertically integrated manufacturing system. While overseas production and mass production are no longer new or particularly exceptional, our vertically integrated manufacturing system—which encompasses all processes, from the production of parts through to assembly—is something truly unique that we have developed over a long period and which we believe will give us a major competitive edge in today's market.

We also boast an extensive product range that includes machined components, rotary components, electronic devices and components, and special devices. I think it is fair to say that there are very few other component manufacturers that offer as broad a selection of products as Minebea. This important strength constitutes another core competence.

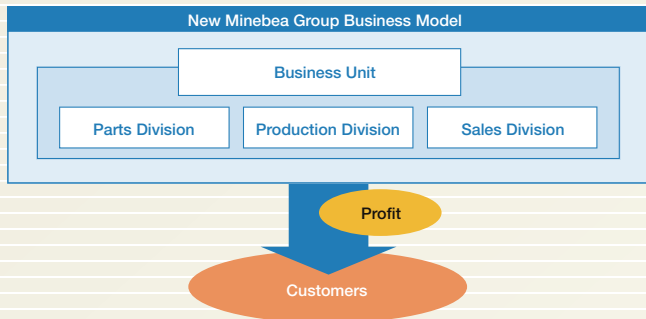
Looking ahead, we will reinforce awareness of these core competencies and introduce a new management strategy that emphasizes leveraging our overall integrated strength. I believe firmly that our ability to do this will be the most important key to further expanding the scope of our operations.

Reinforcing Vertical and Horizontal Strengths

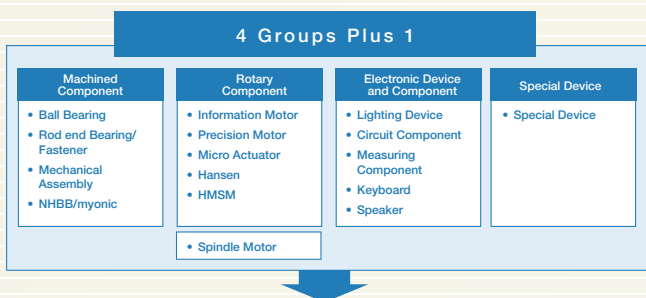
Four years ago we introduced an organizational structure comprising 14 business units supported by five operational headquarters. This structure played an important role in enabling us to improve our operating results. Effective June 1, 2009, we once again revised our business portfolio in line with our goal of leveraging overall integrated strength. Under our previous structure, we had divisions for producing molds, tools

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and dies, parts production, manufacturing and sales, each of which was accounted for as an independent profit center. This structure was designed to maximize the profitability of each business unit, and on this score it was highly effective. However, with the collapse of sales prices in recent years, triumphing over our competitors around the world depends on consolidating our overall integrated strength. To this end, we have introduced a new business model whereby parts, production and sales divisions have been incorporated into each business unit. For each business unit, we will endeavor to enhance the ability to withstand pricing pressure and increase sales. This will enable us to continue developing high-value-added products, as well as support the expansion of sales by facilitating a more strategic approach to securing orders in markets for lower-priced products. This reorganization is thus aimed at reinforcing vertically integrated strength.

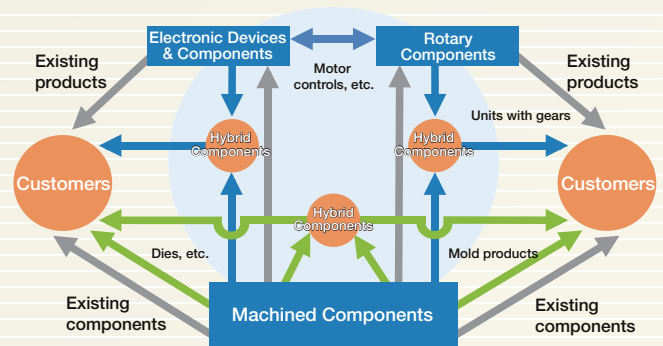


To enhance horizontally integrated strength, we have divided our operations into four groups: Machined Component, Rotary Component, Electronic Device and Component, and Special Device. The HDD Spindle Motor business, which would in theory be included in Rotary Component, has been established as an independent division. We will assign our best people to HDD spindle motor business.



Boost integrated strength through cross-organizational R&D/ sales activities and technology/information sharing

This grouping will ensure the optimal allocation of essential technologies and key human resources to each business group. This will generate synergy not only within each group but also among the four groups, thus facilitating business development that leverages our horizontally integrated strength in two ways.



The gray lines indicate Minebea's current business model. The green and blue arrows indicate new business development made possible through enhancement of Minebea's vertically and horizontally integrated strengths.

On another front, we are currently exploring the possibility of selling machined components, including molded parts and dies, to customers such as ones in the automotive industry in Thailand, which is referred to by many as the "Detroit of Asia". To date, we have manufactured those components exclusively for internal use.

Expanding Our Hybrid Components Business

In another move targeting horizontally integrated strength, we will focus on developing and expanding sales of hybrid components. Certain of these products are manufactured and sold as part of our machined component business. For example, we have prepared the groundwork to more aggressively market a high-value-added component for aerospace applications that consists of an ordinary rod-end bearing with an arm, hinge and shaft, which we currently manufacture at our new rod-end bearing facility in Karuizawa, Japan.

Many of the components in the electronic device and component business are used in combination with machined components—a concept we call "Electro Mechanics Solutions (EMS)"—and have developed a new business model for such hybrid components. We are currently allocating key internal technological resources in a bid to expand the scale of this business.

Core Businesses: Current Status and Future Directions

In our ball bearing business, we carried out a resolution to close down the Skegness Plant in the United Kingdom, a move that contributed to a reduction of fixed costs. On the other hand we have acquired myonic Holding GmbH of Germany, a company engaged in the manufacture and sale of specialty ball bearings, thereby gaining technologies for high-speed and thermal-resistant ball bearings. We look forward to capitalizing on myonic's outstanding technologies throughout the Minebea Group. In Europe, for example, the acquisition of myonic will strengthen our position in the markets for ball bearings for dental and medical equipment and enhance Group synergies by, among others, enabling us to establish a three-pronged global network in these businesses encompassing bases in Japan, North America and Europe.

In the rod-end bearing and fastener businesses, amid a slow-down in demand in the aerospace industry—the principal market for these components—we expect conditions to remain harsh over the short term. Nevertheless, we will continue to invest in promising aircraft components in line with existing investment plans.

For pivot assemblies for HDDs, since April 2009, we have seen an improvement in sales paralleling a recovery in the market for HDDs. Accordingly, we expect this category to contribute to profits in the future.

The rotary component business unfortunately finished in the red in fiscal 2009. Nevertheless, in the information motor business we have completed drastic measures aimed at restoring profitability and are thus ready to capitalize on the next economic upswing.

The micro actuator business, established following the acquisition of the FDK Corporation's stepping motor business, excels in the development and manufacture of small products. In this business, we are slated to begin manufacturing the world's smallest stepping motor, with a diameter of just 3.3 mm. We are also looking for synergies to emerge in the digital camera market, in which demand is picking up.

In the area of electronic devices and components, demand for LED backlights for mobile phones is on the road to recovery. We are also proceeding steadily with the development of large LED backlights, for which demand is expected to expand going forward.

Results in the measuring component business remain robust.

For speakers, we adopted a new business model outsourcing manufacturing operations. We continue to iron out problems in the area of craftsmanship and are devoting our best efforts to restoring this business to profitability.

Regarding keyboard business, restructuring measures succeeded in temporarily pushing this business back into the

black. Nevertheless, the business continues to feel the impact of plummeting demand in the PC market. Looking ahead, we will step up efforts to introduce new products—focusing on high-value-added offerings—in an effort to bolster results in this business. We expect demand for our keyboards to expand beyond PCs and PC peripherals to include a variety of input devices that make use of our unique technologies, thus enhancing our overall integrated strength.

We remain committed to restoring our HDD spindle motor business to profitability, and are implementing measures to ensure its continuing viability. The unique geopolitical situation of this business—technical functions in Germany, mass production in Thailand and technological support in Japan—means that it differs considerably from others. Many problems remain to be addressed, including those related to internal communication. Rebuilding our HDD spindle motors will be a true test of our competence as a global organization.

Passion: Our Most Important Strength

As representative director, president and chief executive officer, I am excited about leading the management and employees of the Minebea Group. I look forward to all of us rallying our strengths in the ongoing drive to enhance corporate value and ensure sustainable growth. I constantly expound the importance of keeping our eyes firmly focused on the future and approaching every challenge with passion. I believe that passion is without a doubt our most important strength—a strength that will speed up our march forward and drive future growth.

In closing, I am grateful to shareholders for their continued support of Minebea. I look forward to responding more effectively to your expectations in the years ahead.

June 26, 2009



Yoshihisa Kainuma
Representative Director,
President and Chief Executive Officer