

## Outline

**Outline of Operations** Minebea's operations are divided into two business segments: Machined Components and Electronic Devices and Components. The Machined Components segment focuses on miniature and small-sized ball bearings, rod-end and spherical bearings, and pivot assemblies. In the current fiscal year, this segment accounted for 46.9% of consolidated net sales. The Electronic Devices and Components segment encompasses precision small motors, notably HDD spindle motors and fan motors; PC keyboards and other electronic devices; lighting devices, including light-emitting diodes (LED) backlights for liquid crystal displays (LCDs); backlight inverters; speakers; and measuring components. This segment represented 53.1% of consolidated net sales in the current fiscal year.

Our product development efforts are centered in Japan, Germany, Thailand and the United States. Our manufacturing network encompasses bases in Thailand, China, Japan, the United States, Singapore, Malaysia, Slovakia and the United Kingdom. Our largest manufacturing base, in Thailand, accounted for 53.2% of total consolidated production in the current fiscal year, while our manufacturing base in China accounted for 19.3%. Combined production at all our bases in Asia (excluding Japan) represented 79.0% of total production. Production outside of Japan accounted for 92.0% of total production.

We supply products to a number of key markets. Notable among these are the PC and peripheral equipment, OA and telecommunications equipment, automotive, aerospace and household electrical appliances markets, which accounted for 31.3%, 13.0%, 11.8%, 11.0% and 9.5%, respectively, of the current fiscal year's consolidated net sales. Many of our clients—manufacturers of these products—are expanding production outside Japan, Europe, and the Americas, particularly in China and other parts of Asia, and therefore sales to Asia (excluding Japan) represented 53.1% of consolidated net sales. Our second-largest geographic market is Japan, which currently accounts for 24.1% of consolidated net sales. Remaining sales are to North, Central and South America and to Europe.

In the current fiscal year, the Company underwent organizational changes on June 1, 2009. Business headquarters were established for each product group, to organically link the functions of business departments and headquarters and maximize operational efficiency, as well as clarifying the operational results of each product category and sharing various technologies within similar product groups. Business headquarters are formed for similar business departments, and certain functions previously assumed by the headquarters, including manufacturing, technology, marketing and sales, and procurement, were transferred to the new business headquarters with an expected improvement in operational efficiency. As a result, the Company formed 5 business headquarters and 16 business departments attached to these business headquarters, 4 divisions that support these sectors, 2 divisions created by reorganizing the previous office management headquarters, and 1 main headquarter.

In April 2010, the European Motion Technologies (EMT) department was established, bringing the total to 17 business departments.

## Principal Strategy

With the aim of evolving and growing as “a company that leads the competition through manufacturing and technological excellence,” we continue to implement initiatives designed to reinforce profitability and increase corporate value by expanding implementation of our vertically integrated manufacturing system, as well as by establishing mass production facilities and well-appointed R&D facilities, in markets around the world.

Recognizing innovation as the key to growth, we are addressing 3 priority tasks: developing new products, cultivating new markets and revolutionizing production technologies.

1. Ball bearings: To capitalize on untapped demand, we are taking steps to expand our production capacity and strengthen our development capabilities and production technologies for high-growth miniature ball bearings.
2. In response to the vigorous demand in the HDD-related market, we are pursuing a significant increase in the production of pivot assemblies and ball bearings.
3. Spindle motors: We endeavor to improve business performance by promoting cost reduction through increased production as well as meeting the market demand.
4. Precision components for aircraft applications: In this highly promising business, we are endeavoring to maximize growth by enhancing our existing rod-end bearings business, as well as by pushing forward with our expansion into large mechanical parts for aircraft, which incorporate sophisticated new processing technologies.
5. Fan motors and other precision small motors: We are stepping up efforts to expand our rotary components business into a second pillar of growth, alongside our core bearings and bearing-related products business.
6. In all product categories, we are increasing the weight of high-value-added products. At the same time, we are expanding our product lineup, thereby positioning us to respond to a broader range of market requirements.
7. We are reinforcing our ability to respond to pricing pressure and customer demands by reorganizing our business portfolio in a manner that enables us to surmount the barriers separating production, sales, technology and development functions to fully utilize our comprehensive strengths.
8. We are stepping up efforts to develop new markets and increase sales through the development of new “composite products” from the integration of technologies in electronic devices and machined components.
9. We are aggressively pursuing cost reduction efforts and strengthening our corporate structure to prepare for future expansion.