

Growth of the global economy was expected initially for the fiscal year ended March 2016, but the sense of uncertainty over the future strengthened in the second half of the term due to the deceleration of the emerging economies centered on China, a significant decline in resource prices and also the rapid progress of yen appreciation. Minebea has focused on thoroughgoing cost-cutting, the development of high value-added products and new technologies, and activities to expand sales in order to realize the further improvement of our earning power. As a result, net sales for the period finished at 609.8 billion yen, exceeding 600 billion yen for the first time since the company's founding. Profits were lower this term, with operating income of 51.4 billion yen and net income of 36.4 billion yen.

Key Strategies in the Fiscal Year Ended March 2016

During the period ended March 2016, we advanced the expansion of external sales volumes of ball bearings and achieved our highest ever figures on a monthly base. In addition, improvement of the profitability of the motor business progressed and in the area of measuring components, now called sensing devices, the acquisition of Sartorius Mechatronics T&H ("Sartorius MTH") group and existing business produced effects with certainty so we achieved excellent results. Meanwhile, LED backlights did not achieve their planned results due to the slowdown in the smart phone market and production adjustments by major customers.

In the machined components area, the monthly average external sales volume of ball bearings, the major product of the group, continued to grow year-on-year for the 14th consecutive quarter so we are continuing to have strong sales. We also increased sales of rod end bearings, which are used in aircraft, and are planning positive investments to expand production capacities in Japan and Thailand significantly from this term on. We advanced improvements in the production efficiency of pivot assemblies for hard disk drive units (HDD) so we are working on raising our global share further.

In the area of parts for electronics devices, we applied the light guide plates technology and resin molding technology cultivated in LED backlights to develop the SALIOT (Smart Adjustable Light for the Internet Of Things), the world's first LED lighting equipment that can vary the light distribution angle automatically, and have started mass production and sales. Furthermore, we increased our capital participation ratio in the Swiss firm PARADOX ENGINEERING SA ("PARADOX"), which we initiated capital participation in 2014, to make it a wholly-owned subsidiary. We are combining the wireless technology and network technology of PARADOX with the company's lighting technology to work on the development of highly efficient LED street lights.

The company has been selected under the Japanese Ministry of the Environment's "Financing Programme for Joint Crediting Mechanism Model Projects" as the company that will introduce



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these highly efficient LED street lights, and we are promoting the "Smart City Project in Phnom Penh" using wireless control technology in the capital city of Cambodia.

In the motor area, sales increased centered on products for automobiles, and the improvement of profitability progressed. Sales quantities in the HDD market are falling, but even within that trend, demand for high-end products is increasing steadily. The company's HDD spindle motors also specialize in the high-end so we will continue to supply high quality products in response to market needs.

Looking Back on Fiscal Year Ended March 2016

At the start of the period, high growth was expected for the Japanese economy against the backdrop of a weak yen, high stock prices and low crude oil prices. However, from early spring into summer, personal consumption, capital investment and exports were sluggish, etc., and the economy appeared stagnant. In the second half, the sense of uncertainty over the future strengthened due to the deceleration of the emerging economies centered on China, a significant decline in resource prices and also the rapid progress of yen appreciation. The US economy trended firmly centered on the service industries, and economic expansion continued centered on the household sector against the backdrop of improvement in the employment environment. In the European economy, decreases were apparent in exports outside of the region, but the mild economic recovery continued led by intraregional consumption. With regard to the Asian economy on the other hand, with the actual state of production overcapacity and the slowdown of investment in real estate development faced by China becoming gradually clear, the sense of uncertainty over the future of the Asian economy expanded. Because the ASEAN countries have a high degree of dependence on China, their exports to China struggled to grow. However, supported by policies including public investment and the stimulation of consumption, their

mild recovery continued.

In this economic environment, the group focused on thoroughgoing cost reductions, the development of high value-added products and new technologies, and activities to expand sales in order to realize the further improvement of our earning power.

Presenting results by segment gives the following. It should be noted that we have changed the company's organization from this consolidated fiscal year, such as including in-house manufacturing divisions in Electronic Device & Component Manufacturing Headquarters, so we have changed segment information in accordance with this. In the machined components segment, apart from ball bearings, which are the group's main products, there were mainly mechanical parts such as rod end bearings for use in aircraft and pivot assemblies for HDDs, as well as screws for use in automobiles and aircraft. Demand for ball bearings, our main products, trended favorably in all major markets, and both sales and profits increased. Sales of rod end bearings used in aircraft increased centered on products for civil aircraft, where demand for energy saving is strong. Pivot assemblies were affected by the contraction in scale of the HDD market and sales decreased very slightly. However, improvements in production efficiency advanced and operating profit increased.

In the electronics devices segment, electronics devices (LCD backlights and measuring components, etc.), HDD spindle motors, stepping motors, DC motors, fan motors, precision motors and special components are the main products. As for LCD backlights, while consumer intentions for high grade smart phones advanced, unit sales prices increased due to the expansion of demand for company products with excellent thin-model technology and increased purchased parts. But, in the second half of the term, a greater than expected divergence occurred between the quantities initially demanded by major customers and actual sales quantities. As a result, although sales increased greatly compared to the previous consolidated accounting year, they were below the initial forecast and profits were also down greatly compared to the previous consolidated accounting year. In measuring components, both sales and profits increased greatly, due also to the contribution of the Sartorius MT&H Group, which was acquired in the previous term. HDD spindle motors were affected by the contraction in scale of the HDD market and sales decreased very slightly. In stepping motors, both sales and profits increased centered on products for OA and automobiles.

In other segment, company-made machinery is the main products and revenue increased.

Outlook for Fiscal Year Ending March 2017 (as of May 2016)

It is expected that the Japanese economy during the period ending March 2017 will see domestic and foreign demand trend steadily, but there is a sense of uncertainty over the future of monetary and fiscal policy and there are concerns of an economic slowdown due to rapid yen appreciation. The mild recovery of the US economy is forecast to continue from now on too, supported by personal consumption. On the other hand, in Europe, although the mild recovery led by domestic demand is expected to continue, the sense of uncertainty has increased, including the problems of the sudden increase in refugees and

the potential exit of the UK from the EU. In the Asian economy, partly due to the slowing of the growth rate in China, an economic slowdown is forecast.

In such circumstances, although sales of ball bearings and motors, etc., are expected to be good, the group is forecasting conservatively in consideration of the most recent economic environment and exchange rates. For the period ending March 2017, we are expecting net sales of 560 billion yen, operating income of 45 billion yen, ordinary income of 44 billion yen and net income of 31 billion yen. It should be noted that the results forecast above does not incorporate any impacts due to the business integration between the company and Mitsumi Electric Co., Ltd.

In the machined components segment, in accordance with increases in global demand, we will further raise results for ball bearings, our main products, by continuing to advance positive sales expansion in the automobile industry and information communication device-related industries, etc., the input of new products and entries into new markets. In addition, sales expansion is forecast in the higher value-added special bearings area at myonic GmbH, our German subsidiary. With regard to rod end bearings, we will increase production and efficiency on a global scale, strengthen our superiority in delivery and costs, and expand sales for the growing aircraft market.

As for LCD backlights, our main products in the electronics devices business segment, we will make efforts to strengthen our ability to supply high value-added products such as ultra-thin light guide plates for high-end smart phones, and advance positive sales expansion and the input of new products. We forecast that by doing so, we will maintain and improve sales and profits. With regard to measuring components, we will advance the development of new products using sensor functions and sales expansion for the automobile market. We will further improve the quality of stepping motors and HDD spindle motors and reduce their costs, and advance sales expansion of high value-added products for automobiles and servers, etc., to further increase results.

In other segment, we will aim for the improvement of production efficiency in finished product divisions and for further increases in quality by focusing on increasing the precision of company-made machinery parts.

Sales and Operating Income Targets, and New "Five arrows" Strategies

In the fiscal year ended March 2016, net sales exceeded 600 billion yen for the first time ever. The company announced last year the medium to long-term target of achieving either net sales of 1 trillion yen or operating income of 100 billion yen by the fiscal year ending March 2020, whichever comes first. In order to achieve this challenging target, we will work to boost the profitability of our existing lines while developing new high value-added products. That includes leveraging the wealth of experience we have gained in manufacturing, sales, engineering and development as well as the commitment to restructuring our business portfolio, encompassing EMS (Electro Mechanics Solutions) business that is driven by our combined technological strengths in electronic devices and components as well as machined components, in order to provide flexible prices and meet the needs of our customers. We will actively work on restructuring our business portfolio and increasing corporate value via M&As and alliances.

At the same time we will focus on establishing large-scale overseas mass production facilities as well as R&D capabilities in light of regional risk assessment findings. In order to make substantial headway on these initiatives and boost our bottom line, we have developed new “Five Arrows” strategies that will guide us through the fiscal year ending March 2018.

New “Five arrows” strategies

[1] Sell 180 million ball bearings externally per month on average.

Bearing sales have steadily grown and the monthly external sales volume has reached 165 million units. We will cultivate new demand in existing product markets and develop new applications to achieve monthly external sales of 180 million units on average.

[2] Develop and boost sales of new “Electro Mechanics Solutions™” to take the EMS business to new heights.

While we have already achieved higher-than-projected EMS sales, we will work to establish the technological capability needed to make EMS more complex and sophisticated with an eye to developing and boosting sales of new products.

[3] Establish a business foundation for lighting devices and parts.

We will combine our optical and ultra-precision machining technologies with the wireless communication technology of PARADOX ENGINEERING SA, our consolidated subsidiary, to move forward with our smart city, new LED lighting device SALIOT (Smart Adjustable Light for the Internet of Things), and other businesses.

[4] Take sales of measuring components and related products to 50 billion yen..

We have set the annual sales target at 50 billion yen combined with the Sartorius Mechatronics T&H GmbH.

[5] Take aircraft components sales to 70 billion yen.

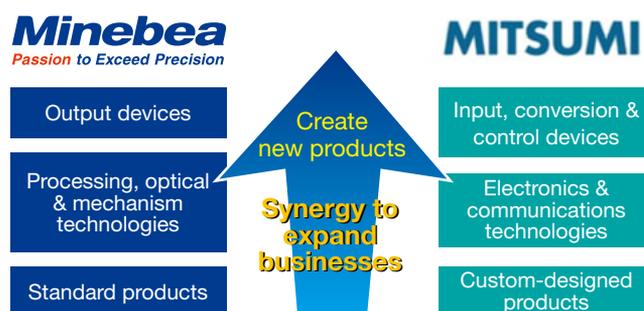
We will leverage our global presence and maximize synergy with our consolidated subsidiary, CEROBEAR GmbH, to tap new demand in the commercial aircraft market and supply components for new aircraft models with an aim to bringing rod-end bearing and other aircraft component sales to 70 billion yen.

* “Electro Mechanics Solutions” is a registered trademark (in Japan) of Minebea Co., Ltd.

In addition, the company and Mitsumi Electric Co., Ltd. concluded a business integration agreement and share exchange agreement to take effect on March 17, 2017. Both companies had considered business alliance, including integration with other companies, in order to realize further continuous growth and acceleration of development, as well as addressing their respective challenges in their business areas with the aim of enhancing performance and improving corporate value. As a result, both companies came to recognize that despite both operating in a similar industry, they were not competing much against each other but rather had different sources of competitiveness, and that they would be able to generate significant synergies in terms of mass production, sales, procurement and product development through full-scale collaboration. In particular, the companies believe that linking MITSUMI’s various developing technologies and products to Minebea’s in-house manufactured assembly equipment, mold design, manufacturing capacity and mass-production capacity of overseas factories would likely lead to expansion of customer base and sales, reduction of manufacturing cost, the introduction of innovative products,

provision of innovative solutions and other benefits. Under such circumstances, both companies came to share a common perception through mutual discussions that, in order to maximize their corporate value, it would be in the best course of action to aim to become a genuine solutions company by combining analog and digital technologies. Both companies’ management teams held discussions and investigations on multiple occasions from the time of conclusion of the basic agreement towards the realization of business integration and came to final agreement with regard to implementing this business integration and share exchange.

Synergy between Minebea’s ultra-precision machining and Mitsumi’s electronics technologies



**Passion is Power, Passion is Speed,
Passion is the Future**

We have produced more products with a large share of niche market through leveraging our advanced technological and product supplying capability with mass production. These efforts have enabled us to move ahead with laying a solid foundation for Minebea's 100th year of operations and achieve our best performance ever in the fiscal year ended March 2016. Aiming even higher, we announced a new medium-term target which we call “1 and/or 100 by 2020.” Those figures mean we are aiming for either one trillion yen in net sales or 100 billion yen in operating income by 2020, whichever comes first. We continue to enjoy the huge market share we have garnered for our anchor product line, miniature and small-sized ball bearings, as well as HDD pivot assemblies, rod-end bearings for aircraft, LED backlights for high-end thin smartphones, etc. All of us at Minebea will continue to work with passion as we steadily build on these products to ensure that when we reach our 100th anniversary, we will still be an indispensable parts manufacturer.

Thank you for your continued cooperation and support for the Minebea Group.

July 2016

Representative Director, President and Chief Executive Officer