Minebea
Passion to Exceed Precision

FASF MEMBERSHIP

BRIEF REPORT OF FINANCIAL RESULTS
〔under Japanese GAAP〕 (Consolidated)
(Year ended March 31 , 2012)

May 10, 2012

Registered
Company Name: MINEBEA CO., LTD. Common Stock Listings: Tokyo, Osaka and Nagoya
Code No: 6479 URL http://www.minebea.co.jp
Representative: Yoshihisa Kainuma Representative Director, President and Chief Executive Officer
Contact: Satoshi Yoneda General Manager of Accounting Department
Date planned to hold ordinary general meeting of shareholders: June 28, 2012
Expected date of payment for dividends: June 29, 2012
Date planned to file report of securities: June 28, 2012 Tel. (03) 5434-8611
Preparation of supplementary explanation material for quarterly financial results : Yes
Holding of presentation meeting for quarterly financial results : Yes (For Analyst)

(Amounts less than one million yen have been omitted.)

1. Business Performance (April 1, 2011 through March 31, 2012)

(1) Consolidated Results of Operations (%: Changes from previous fiscal year)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
Year ended March 31, 2012	251,358	(6.6)	8,599	(61.2)	6,499	(68.1)
Year ended March 31, 2011	269,139	17.8	22,163	83.8	20,364	99.6

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)
Year ended March 31, 2012	5,922	(52.5)	15.63	15.54
Year ended March 31, 2011	12,465	87.1	32.61	—

(Notes) Comprehensive Income: Year ended March 31, 2012: 4,046 million yen 0.9 %
Year ended March 31, 2011: 4,009 million yen (35.9) %

	Return (net income) on equity (%)	Return (ordinary income) on assets (%)	Return (operating income) on sales (%)
Year ended March 31, 2012	5.5	2.2	3.4
Year ended March 31, 2011	11.6	7.2	8.2

(Reference) Income or loss on investments: Year ended March 31, 2012: — million yen
Year ended March 31, 2011: 4 million yen

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
As of March 31, 2012	306,772	109,777	35.7	288.74
As of March 31, 2011	291,092	109,967	37.1	282.03

(Reference) Shareholders' equity: As of March 31, 2012: 109,393 million yen
As of March 31, 2011: 107,918 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financing activities (millions of yen)	Year end balance of cash and cash equivalents (millions of yen)
Year ended March 31, 2012	20,233	(29,018)	4,761	23,365
Year ended March 31, 2011	24,439	(28,631)	7,984	27,621

2. Dividends

	Dividends per share					Total dividends (for the year) (millions of yen)	Dividends payout (total) (%)	Dividends on net assets (total) (%)
	End of first quarter (yen)	End of second quarter (yen)	End of third quarter (yen)	Year-end (yen)	For the year (yen)			
Year ended March 31, 2011	—	3.00	—	4.00	7.00	2,677	21.5	2.5
Year ended March 31, 2012	—	3.00	—	4.00	7.00	2,672	44.8	2.5
Year ended March 31, 2013 (Forecast)	—	3.00	—	4.00	7.00		—	

3. Prospect for the Next Fiscal Year (April 1, 2012 through March 31, 2013)

(%: Changes from corresponding period of previous fiscal year)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
Six months ended Sep. 30, 2012	148,100	11.8	9,400	55.3	8,200	62.9
Year ended March 31, 2013	312,000	24.1	23,300	171.0	20,800	220.0

	Net income (millions of yen)	% Change	Net income per share (yen)
Six months ended Sep. 30, 2012	5,600	102.2	14.78
Year ended March 31, 2013	12,500	111.0	32.99

4. Others

(1) Changes in significant subsidiaries during the year (Changes in certain subsidiaries resulting in change in the scope of consolidation): None

(2) Changes in accounting policy, changes in accounting estimates, and restatements

1. Changes in accounting policy associated with revision of accounting standards, etc: None
2. Changes in accounting policy other than 1: None
3. Changes in accounting estimates: None
4. Restatements: None

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at end of year (including treasury stock):
   As of March 31, 2012: 399,167,695 shares
   As of March 31, 2011: 399,167,695 shares
2. Number of treasury shares at end of year:
   As of March 31, 2012: 20,308,981 shares
   As of March 31, 2011: 16,523,203 shares
3. Average number of shares:
   As of March 31, 2012: 379,013,837 shares
   As of March 31, 2011: 382,318,700 shares

* Explanation for implementation of audit procedures

Audit procedures for financial statements under the Financial Instruments and Exchange Law are not completed at the time of disclosure of this Brief Report of Financial Results.

* Explanation for appropriate use of financial forecasts and other special remarks

(Caution Concerning Forward-Looking Statements)

The above-mentioned forecasts are based on the information available as of the date when this information is disclosed, as well as on the assumptions as of the disclosing date of this information related with unpredictable parameters that are probable to affect our future business performances in the end. In other words, our actual performances are likely to differ greatly from these estimates depending on various factors that will take shape from now on. As for the assumptions used for these forecasts and other related items, please refer to ("1. Operating Performance," "(1) Analysis of Operating Performance") on page 4 of the documents attached hereunder.

(Investor Briefing Materials for Analysts)

Investor briefing materials will be made available via the Minebea corporate website (http://www.minebea.co.jp) on Thursday, May 10, 2012.

Index

1. Operating Performance

(1) Analysis of Operating Performance

1. Overview of the year

While the Japanese economy declined significantly due to the devastating 3-11 earthquake and tsunami that triggered the subsequent nuclear accident, it quickly rebounded over the summer. Despite an increase in domestic demand, the economy remained flat after that as exports declined due to the European sovereign debt crisis that put a damper on the local economy and pushed the yen up. The U.S., whose housing market has been plagued by an imbalance between supply and demand, saw a gradual recovery in its economy thanks to an improved labor market as well as an uptick in consumer spending and capital expenditures. The European economy sank as the sovereign debt crisis drove consumer spending and corporate capital expenditures down while governments across the region implemented belt-tightening measures. Although severe flooding delivered a major blow to the economy of Thailand, increased domestic spending fueled growth in the Chinese market while other nations across Asia gradually moved forward on a path to economic recovery. Unfortunately the sluggish performance of the European economy in the second half slowed down the pace of that recovery.

Working against this backdrop, the Minebea Group has been moving to cut costs, create high-value-added products, develop new technologies, and enhance its marketing approach in order to boost profitability. When severe flooding hit Thailand, we were still recovering from the impact of the 3-11 earthquake. Fortunately we avoided flood damage at three of our five main production facilities although the remaining two were hit hard. While we are moving ahead every month to offset the negative impact of the flooding, the lingering effect on sales and production as well as the appreciation of yen brought net sales down 17,781 million yen (-6.6%) to 251,358 million yen year on year. Our operating income also fell 13,564 million yen (-61.2%) to 8,599 million yen. Ordinary income fell 13,865 million yen (-68.1%) year on year to 6,499 million yen. Extraordinary loss included losses due to restructuring of the keyboard components business segment etc., which came to 1,602 million yen, as well as fixed costs associated with the slowdown caused by the flooding in Thailand and disposal of fixed and inventory assets etc., which totaled 7,844 million yen. Part of the insurance claim for flood damages was posted as extraordinary income totaling 9,614 million yen. Net income decreased 6,543 million yen (-52.5%) year on year to total 5,922 million yen.

Performance by segment is as follows:

Our products in the Machined components business segment include ball bearings, which are our mainstay product; mechanical components such as rod-end bearings primarily for use in aircraft and pivot assemblies for use in Hard Disk Drives (HDDs) and fasteners for automobiles and aircraft. Ball bearing sales were gradually recovering from the effects of the 3-11 earthquake until the second quarter when flooding in Thailand as well as the rising yen triggered disruptions in the supply chain and production adjustments by our clients. As flooding in Thailand shut down local facilities and interrupted power, we made it a priority to ensure the safety of our employees. While the interruption in operations put a major dent in sales and operating income for the third quarter, an increase in the sales volume of pivot assemblies in the fourth quarter, which will be detailed later on, helped us get back on track. While pivot assembly production for the HDD industry (our target market) had recovered with the completion of second quarter inventory adjustments, the ensuing flooding in Thailand forced our customers to temporarily shut down their operations due to supply-chain disruptions. Although this temporary suspension took a toll on our operations, we saw sales bounce back in the fourth quarter. The rod-end bearing business enjoyed robust sales thanks to the growing aviation market despite the strong yen.

Resulting net sales totaled 107,037 million yen for a year on year decrease of 804 million yen (-0.7%). Operating income fell 2,477 million yen (-8.8%) year on year to 25,611 million yen as operations at our bearing and pivot assembly plants temporarily slowed down following the floods in Thailand.

The core products of the Rotary components business include information motors (fan motors, stepping motors, DC brushless motors, vibration motors and DC brush motors), HDD spindle motors and other precision motors. Although sales of information motors and other precision motors increased during the second quarter once adjustments from the impact of the 3-11 earthquake were complete and demand recovered, it was severely impacted once again by price hikes for magnets and other raw materials as well as the flooding in Thailand that disrupted the supply chain and our customers' production operations. The lingering effect of the disrupted supply chain impacted our manufacturing operations during the fourth quarter, leading to a significant year-on-year decrease in both sales and operating income for information motors. Even though the second quarter market recovery and our enhanced production efficiency had put HDD spindle motor sales and operating income back in the black, the parts facility was damaged by the flooding in Thailand and production was dramatically impaired. Our customers and their parts manufacturers were also hit hard and suspended operations, forcing the entire industry to scale back production. We ultimately saw both sales and operating income bounce back in the fourth quarter as the market started to recover.

Overall, net sales for this consolidated fiscal year dropped 9,776 million yen (-9.7%) year on year to total 91,363 million yen. Although operating income for HDD spindle motors increased, information motor sales and profit fell sharply, bringing operating loss up 3,894 million yen year on year to total 4,118 million yen.

LCD backlights, inverters and measuring instruments make up the core products of the Electronic devices and components business. Production efficiency for LCD backlights dropped as the supply chain experienced materials delays in the face of the 3-11 earthquake and flooding in Thailand and also because we quickly increased production to make up for delay in supply. Production fell far short of our initial plan due to delay in launching the new plant in Suzhou, China. Both sales and profits dipped due to the discontinuation of game console measuring components, downward spiraling sales to the automobile industry, as well as the appreciation of the yen.

All these brought net sales for this consolidated fiscal year down 2,615 million yen (-6.5%) year on year to total 37,887 million yen. Operating income also fell 5,119 million yen year on year, resulting in an operating loss of 959 million yen, due to a sharp decline in the LCD backlight business.

The main products in the Other business segment are PC keyboards, speakers and special devices. The segment saw both sales and profits decrease for PC keyboards due to stagnant market conditions, a hike in plastic material prices, the rising yen, as well as the restructuring of the keyboard business segment aimed at shifting its focus to parts production. Net sales for this consolidated fiscal year fell 4,589 million yen (-23.3%) year on year to total 15,068 million yen. Operating loss was up 836 million yen year on year to total 338 million yen.

In addition to the figures shown above, 11,595 million yen in corporate expenses, etc. not belonging to any segment are shown as adjustments. Adjustments for previous fiscal year amounted to 10,358 million yen on a consolidated basis.

2. Outlook for the next fiscal year

We expect the Japanese economy to improve as consumer spending as well as demand associated with reconstruction from the 3-11 earthquake increases, although the downturn in the European economy and rising yen remain a concern. Rising employment and consumer spending is also expected to buoy the U.S. economy. The European economy, however, is expected to remain stagnant as the sovereign debt crisis drives capital expenditures and consumer spending down. We do not expect to see a major slowdown in the Asian economy thanks to robust domestic demand in China although we expect a drop in exports due to the adverse effect of the flagging European economy.

Since we expect our operating environment to improve as the economy recovers, we project net sales of 312,000 million yen, operating income of 23,300 million yen, ordinary income of 20,800 million yen, and net income of 12,500 million yen.

Outlook by segment for the full year is as follows:

Machined components business

The new plant in Thailand (Bang Pa-in) will boost our capacity to supply ball bearings, our primary product line, and enable us to fill the shortage of ball bearings for pivot assemblies. We will continue to expand sales of ball bearings to the automobile, information and telecommunications equipment industries while branching out into new markets. We will also keep working to increase production and sales of pivot assemblies as we improve our capacity to supply ball bearings. Once our new plant in Thailand (Lop Buri) goes on line, we will be able to boost production of rod-end bearings in Japan, the U.S., U.K., and Thailand so we will work to expand sales in the growing aircraft market.

Rotary components business

We expect that the information motor business will pick up as the impact of the flooding in Thailand subsides. We will focus on tapping into new markets and developing new products with an eye to improving performance while keeping an eye out for optimal production locations as part of our strategy to reduce material costs and increase production efficiency. Currently we are working on restructuring production locations, including transferring production equipment to the Cambodian plant that went on line at the end of last year. We will also maximize the production and sales functions of Moatech Co., Ltd., which will join the Minebea Group this coming fiscal year. While our HDD spindle motor production facilities were damaged by the Thai floods, we anticipate operations fully recovering and intend to further improve performance by enhancing production efficiency as well as cutting costs. We believe that continued progress will eventually enable us to turn around performance in the rotary component business.

Electronic devices and components business

LCD backlights, the main product line for this business segment, is expected to experience a jump in sales and profits as full-scale production of new products begin at the Thai plant with its enhanced production capacity and the new Suzhou plant in China. We also anticipate sales of measuring components picking up pace in the automobile market as well.

Other businesses

The special devices business is expected to grow steadily as performance in the keyboard business improves as a result of the reorganization.

(2) Analysis of Financial Position

1. Assets, Liabilities, and Net Assets

The Minebea Group has made strengthening its financial position a key policy. Initiatives aimed at shoring up their financial footing include reducing total assets, controlling capital investments and reducing liabilities.

Total assets at the end of the current consolidated fiscal year amounted to 306,772 million yen, up 15,680 million yen compared with the end of the previous year. Major reasons for this uptick include an increase in inventories due to rebounding production and sales as well as an upswing in tangible fixed assets as well as notes and accounts receivable.

Total liabilities at the end of the current consolidated fiscal year totaled 196,995 million yen, amounting to a year on year increase of 15,870 million yen. This rise was primarily due to increases in notes and accounts payable, long-term loans and short-term loans, and convertible bond-type bonds with subscription rights to shares.

Net assets came to 109,777 million yen, which decreased the equity ratio by 1.4% year on year to 35.7%.

2. Condition of cash flows

The balance of cash and cash equivalents in the current consolidated fiscal year totaled 23,365 million yen, down 4,255 million yen year on year.

Cash flows from various business activities during the current consolidated fiscal year and relevant factors are as follows:

Operating activities: Net cash provided by operating activities totaled 20,233 million yen due mainly to increases in earnings before income taxes and minority interests, notes and accounts receivable, notes and accounts payable, inventory assets, as well as depreciation and amortization costs. This amount includes a year on year decrease of 4,206 million yen due largely to a decrease in earnings before income taxes and minority interests etc.

Investing activities: Net cash used for investing activities increased 387 million yen year on year, to total 29,018 million yen due primarily to the acquisition of tangible fixed assets.

Financing activities: Cash flows from financing activities included an income of 4,761 million yen due to an increase in loans as well as the issuing of bonds and convertible bond-type bonds with subscription rights to shares despite the redemption of corporate bonds and dividend payments.

(3) Basic Policy for Profit Sharing and Dividends for the Current and the Next Fiscal Years

Our basic dividend policy gives priority to enhancing equity efficiency and improving returns to our shareholders with dividends reflecting performance in light of the overall business environment and set with an eye to maintaining a stable and continuous distribution of profits

For the current consolidated fiscal year, we paid an interim dividend of 3 yen per share in December 2011.

In line with our basic policy described above, we intend to make a proposal at this coming June's 66th ordinary general meeting of shareholders to pay a 4 yen per share year-end dividend for this consolidated fiscal year.

Next fiscal year we plan to pay an interim dividend of 3 yen per share as we did this year, and a year-end dividend of 4 yen per share (average of 7 yen for the entire year).

(4) Risk Management

The Minebea Group recognizes a variety of risks and uncertainties that have the potential to affect its operating results and/or financial position.

We recognized the following risks as of the end of this consolidated fiscal year:

1. Market risk

Principal markets for Minebea products, including those for PCs and peripheral equipment, information and telecommunications equipment and household electrical appliances, are intensely competitive and subject to significant fluctuations in demand. Our operating results and financial position are vulnerable to these fluctuations.

2. Foreign exchange risk

Since a significant portion of our consolidated net sales and production occur outside Japan, our business is vulnerable to risks associated with fluctuations in foreign currency exchange rates. We have entered into various currency exchange contracts and other derivatives transactions to hedge these risks but fluctuations in foreign currency exchange rates may affect our operating results and/or financial position over the long term.

3. R&D risk

While we focus on R&D to introduce a constant stream of new, high-quality products, we may not reap a financial reward from our R&D investments. There are no guarantees that our R&D efforts will yield successful products.

4. Legal risk

The Legal Department is responsible for managing risk related to lawsuits and other legal actions brought against Minebea Group operations in Japan and/or overseas. We are subject to the risk that lawsuits or other actions with the potential to affect our operating results and/or financial position may be brought against us in the future.

5. Risk related to price negotiations

We continue to face intense competition from lower-priced products made overseas. We are subject to the risk that we will be unable to maintain or increase our share should market needs shift to low-priced products.

6. Risk related to raw materials and logistics costs

We purchase a variety of materials from external suppliers and strive to ensure optimal inventory volumes for such materials and access to stable supplies of materials at steady prices. However, we are subject to the risk that rising prices for such materials may affect our operating results and/or financial position in the future.

7. Latent risk related to operations overseas

The Minebea Group's manufacturing activities are conducted primarily in Thailand, China, and Singapore. While we have been operating in these countries for quite some time, overseas operations are always subject to the following risks (any of which could have a negative impact on our operating results and/or financial position):

(a) Unexpected changes to laws or regulations
(b) Difficulty in attracting and securing qualified human resources
(c) Acts of terrorism or war, or other occurrences that could disrupt social order.

8. Risk related to natural and other disasters

An earthquake, flood or other natural disaster, nuclear accident, or an outbreak of a new type of infectious disease could have a significant impact on our production and sales activities if the operational bases of the Minebea Group or its suppliers were affected by such an incident.

9. Risk related to compliance and internal controls

We engage in a wide range of businesses all around the world and are subject to the laws and regulations that are in effect in each region. We have established and operate appropriate internal control systems needed to achieve our objectives. These systems ensure compliance with relevant laws and that the methods used to prepare our financial statements are appropriate. Still we are aware that these internal control systems cannot provide an absolute guarantee that these objectives will be met. They are also not a guarantee that all potential risks we may face, including legal violations, will be avoided. Changes in laws and regulations, including the interpretation or enforcement thereof, may make ensuring compliance more complex and could incur higher costs related to compliance.

10. Risk related to accrued post-retirement benefit and pension costs

We record the funded status of our pension plan (computed as the difference between the plan assets and the post-retirement benefit obligation) on our consolidated balance sheet. A decrease in the plan's assets will result in a decline in the fair value of pension assets. Changes in the discount rate or other terms and conditions, however, would result in an increase in the benefit obligation and a decline in the funded status. Such changes could result in an increase in pension costs.

11. Environmental risk

Our business is subject to various environmental laws and regulations that are in effect in the regions where we operate. Although we pay due attention to ensuring compliance with all such laws and regulations, we could be subject to losses in the event that an incident involving environmental contamination were to occur or in the event that the possibility of such an incident were to arise.

12. Risk related to M&As and alliances

We are aggressively seeking M&A and alliance opportunities. Such M&A and alliance initiatives may not produce results as initially expected or an alliance relationship may not be maintained due to a conflict of interest. We may provide our alliance partner with financial support if its financial health deteriorates or for other reasons. These initiatives could have an adverse effect on our business performance and financial condition.

13. Quality risk

Our products are used across a wide range of industries, especially for applications that require a high degree of precision (including end products that could affect human health and safety such as automobiles, aircraft, medical devices, etc.). We recognize the social responsibility we bear and have a system in place to ensure our products are of the highest quality. However, if our products are found to be defective, resulting in a serious accident, suspension of our customers' manufacturing operations, or product recall, we may incur significant expense, or lose public confidence, any of which could result in a material adverse effect on our operating results and financial condition.

14. Information management risk

From time to time, we obtain large amounts of important information, including personal information, through our business operations. We have information security policies that prevent undesired disclosure as well as unintended use of information. However, an information security breach could occur due to unforeseen circumstances. Addressing such an incident could incur huge losses and expose us to the risk of losing public confidence.

2. Condition of Group of Enterprises

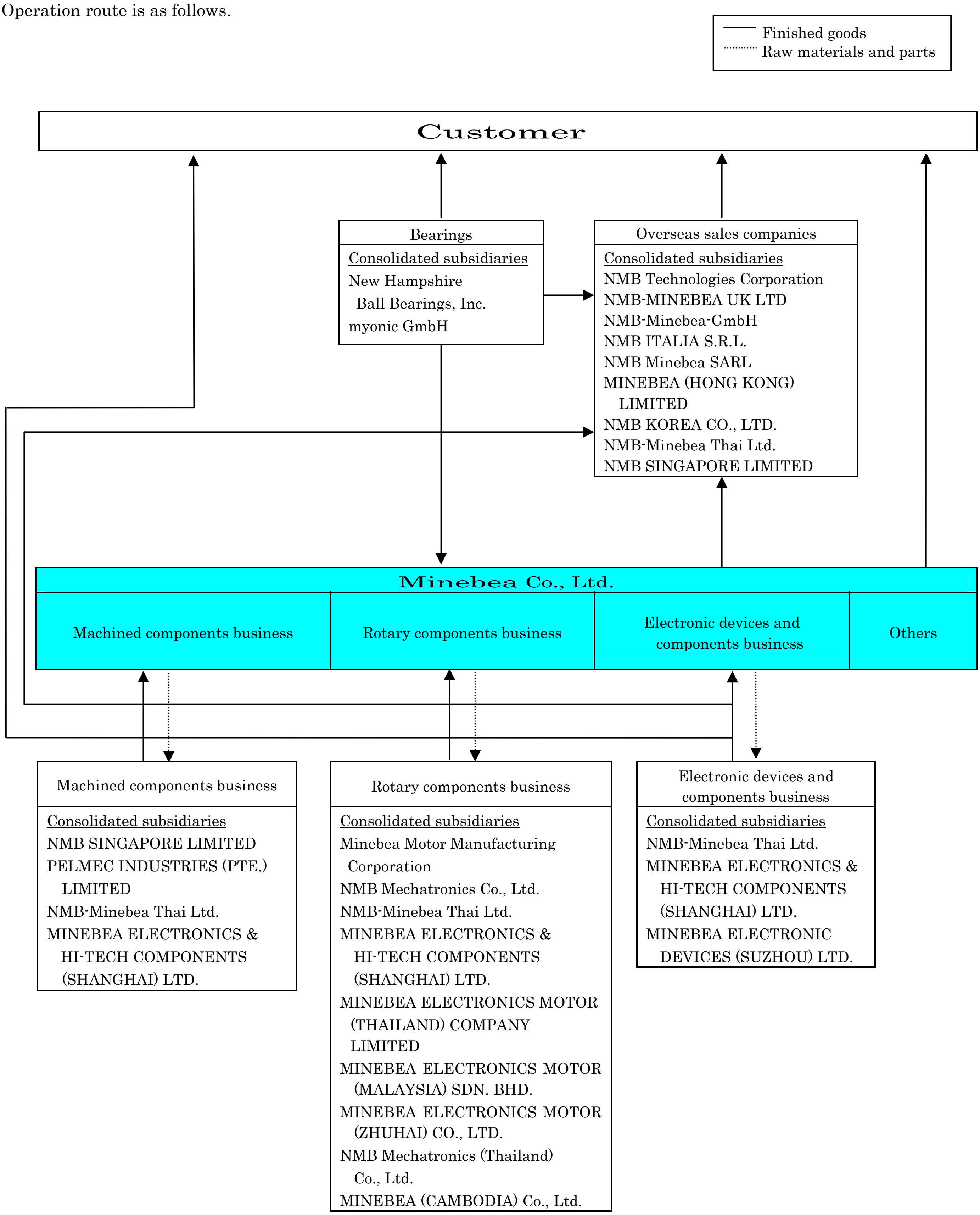
Minebea group consists of Minebea Co., Ltd. (the Company) and 44 related companies (40 consolidated subsidiaries and 4 non-consolidated subsidiaries). Minebea group produces and sells machined components, rotary components and electronic devices.

The Company and domestic consolidated subsidiaries, consolidated subsidiaries in U.S.A., Europe and Asia are in charge of production. The Company markets its products directly to Japanese customers. In overseas markets, the Company markets its products through its subsidiaries and branches in the United States, Europe and Asia.

The relationship between each segments, and main manufacturing and sales companies are as follows.

Segments	Operations	Manufacturing companies	Sales companies
Machined components business	Bearings	Minebea Co., Ltd. New Hampshire Ball Bearings, Inc. myonic GmbH NMB SINGAPORE LIMITED PELMEC INDUSTRIES (PTE.) LIMITED NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	Minebea Co., Ltd. NMB Technologies Corporation NMB-MINEBEA UK LTD NMB-Minebea-GmbH NMB ITALIA S.R.L. NMB Minebea SARL NMB-Minebea Thai Ltd. NMB SINGAPORE LIMITED MINEBEA (HONG KONG) LIMITED NMB KOREA CO., LTD.
	Rod-end bearings	Minebea Co., Ltd. New Hampshire Ball Bearings, Inc. NMB-MINEBEA UK LTD NMB-Minebea Thai Ltd.	
	Mechanical components Fasteners for automobiles and aircraft	Minebea Co., Ltd. NMB-Minebea Thai Ltd.	
Rotary components business	Information motors	Minebea Motor Manufacturing Corporation NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD. MINEBEA ELECTRONICS MOTOR (THAILAND) COMPANY LIMITED MINEBEA ELECTRONICS MOTOR (MALAYSIA) SDN.BHD. MINEBEA ELECTRONICS MOTOR (ZHUHAI) CO., LTD. MINEBEA (CAMBODIA) Co., Ltd.	
	Spindle motors	NMB-Minebea Thai Ltd.	
	Precision motors	Minebea Co., Ltd. NMB Mechatronics Co., Ltd. NMB-Minebea Thai Ltd. NMB Mechatronics (Thailand) Co., Ltd. MINEBEA (CAMBODIA) Co., Ltd.	
Electronic devices and components business	LCD backlights	Minebea Co., Ltd. NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD. MINEBEA ELECTRONIC DEVICES (SUZHOU) LTD.	
	Inverters Measuring instruments	Minebea Co., Ltd. NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	

Operation route is as follows.



3. Management Policy

(1) Basic Management Policy

The Minebea Group has adopted the following five principles as its basic policy for management.

(a) Be a company where our employees are proud to work
(b) Earn and preserve the trust of our valued customers
(c) Respond to our shareholders' expectations
(d) Work in harmony with the local community
(e) Promote and contribute to global society

Under this basic management policy, we have actively addressed the development of high value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display ultra-precision machining technologies and mass production technologies that are both the source of our competitiveness. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form that is easier to understand within and across the company.

In addition, we carry out our corporate social responsibility and pursue the further sophistication of our businesses by driving forward reduction of burdens on the environment arising from products and environmental protection activities; operating fair and appropriate businesses in line with compliance and corporate ethics; and implementing various initiatives in maintenance of good relationships with stakeholders, etc.

(2) Management Index

Our consolidated forecasts for fiscal year ending March 31, 2013 are as follows:

(Amount: millions of yen)

	Fiscal year ending March 2013	
Net sales	312,000	(124.1%)
Operating income	23,300	(271.0%)
Ordinary income	20,800	(320.0%)
Net income	12,500	(211.0%)
Capital investment	36,000	(131.8%)

(%): Year-on-year rate of change

(3) Future Management Strategies and Tasks

In accordance with the basic management policies as mentioned earlier, we aim to improve profitability and enhance corporate value based on a "vertically integrated manufacturing system" that takes advantage of "ultra-precision machining technologies", "large-scale volume production system," and "well-developed R&D system," which have been established worldwide, in order to ensure our place as "a company that leads the competition through manufacturing and technological excellence".

We will also aim to improve responsiveness to rapid changes in supply and demand and efficient use of funds by establishing a new supply chain designed to diversify components procurement. Our growth drivers to achieve this goal and sustainable growth are "utilization of the vertical and horizontal collective strengths of our group" and "increase of corporate values through M&As and alliances" in addition to "development of new products," "improvement of existing products," "constant improvement of production technologies," etc.

(a) In ball bearings, create and expand new demands by strengthening production capacity of miniature ball bearings that have much potential for growth and developing new products. We will also focus on production and marketing designed for emerging markets, and at the same time, will aim to further expand the high-profit business with responsiveness to dramatically changing business environments.
(b) We will lay the foundation needed to increase pivot assembly and ball bearing production in order to keep pace with the growing demand from hard disk-related markets.
(c) In the spindle motor business for HDDs, we will strive for earnings improvement by responding to market demands; pursuing the development of new products; increasing production; and implementing cost reductions.
(d) To further reinforce aircraft parts for which demand is expected to increase, we will formulate a global business strategy, and will enhance the basic technical capabilities of existing rod-end bearings. We will also continue to pursue the on-going deployment in the area of aircraft mechanical parts using advanced machining technologies.
(e) In the backlight business for LCD backlights, we will aim for increase and stabilization of sales and earnings by increasing production for smart phones and tablet PCs and pursuing expansion of businesses for automobile markets.
(f) Build our operations in the area of fan motors and other precision small motors into a second pillar of our operations after bearings and bearing-related products. We will also pursue deployment at the Cambodia plant, etc., aiming for earnings enhancement driven by increased production and cost reduction.
(g) Increase the ratio of high-value-added products in all product categories and diversify offerings to serve a broader market.
(h) We will strengthen our ability to provide flexible prices and ability to satisfy the requirements of our customers by always considering the re-organization of our business portfolios and demonstrating across-the-board management resources covering manufacturing, sales and marketing, engineering and development.

(i) We will develop new products by combining our electronic devices and components technologies, and machined components technologies, and cultivate new market such as medical field.
(j) We will strive for improved results by aggressively undertaking thorough and full-scale cost reduction initiatives as well as furthering the strengthening of our business structure.
(k) We will continue to keep an eye out for optimal production locations in order to minimize regional risks and be ready to expand production to multiple locations.
(l) We will actively enhance our corporate value through implementation of our M&A and business alliance strategy. (In order to realize this strategy, we entered into joint investment capital and business alliance with the Development Bank of Japan Inc. on February 2, 2012.)

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount: millions of yen)

	As of March 31, 2011	As of March 31, 2012
ASSETS		
Current assets	144,177	157,787
Cash and cash equivalents	29,590	28,330
Notes and accounts receivable	56,020	58,794
Marketable securities	828	787
Finished goods	16,433	16,897
Work in process	11,985	14,623
Raw materials	7,548	9,647
Supplies	3,581	3,531
Goods in transit	4,448	4,324
Deferred tax assets	3,779	4,374
Others	10,108	16,603
Allowance for doubtful receivables	(147)	(129)
Fixed assets	146,914	148,920
Tangible fixed assets	124,096	127,039
Buildings and structures	93,766	101,407
Machinery and transportation equipment	230,985	231,887
Tools, furniture and fixtures	43,025	43,206
Land	13,139	13,236
Leased assets	1,694	1,619
Construction in progress	4,853	6,514
Accumulated depreciation	(263,369)	(270,831)
Intangible fixed assets	7,430	5,479
Goodwill	5,555	4,222
Others	1,875	1,256
Investments and other assets	15,387	16,401
Investments in securities	8,003	8,050
Long-term loans receivable	19	19
Deferred tax assets	5,279	5,846
Others	2,100	2,498
Allowance for doubtful receivables	(14)	(13)
Deferred charges	—	65
Total assets	291,092	306,772

(Amount: millions of yen)

	As of March 31, 2011	As of March 31, 2012
LIABILITIES		
Current liabilities	116,862	115,713
Notes and accounts payable	18,630	23,336
Short-term loans payable	52,237	53,449
Current portion of long-term loans payable	12,632	15,157
Current portion of bonds	11,500	—
Lease obligations	364	280
Accrued income taxes	2,115	791
Accrued bonuses	3,976	3,818
Allowance for bonuses to directors	71	23
Allowance for after-care of products	37	16
Allowance for environmental remediation expenses	108	71
Allowance for business restructuring losses	112	104
Others	15,076	18,665
Long-term liabilities	64,262	81,281
Bonds	—	10,000
Convertible bond-type bonds with subscription rights to shares	—	7,700
Long-term loans payable	56,843	56,237
Lease obligations	403	442
Allowance for retirement benefits	4,280	4,666
Allowance for retirement benefits to executive officers	166	145
Allowance for environmental remediation expenses	1,005	943
Others	1,563	1,146
Total liabilities	181,125	196,995
NET ASSETS		
Shareholders' equity	195,337	197,023
Common stock	68,258	68,258
Capital surplus	94,823	94,756
Retained earnings	38,535	41,790
Treasury stock	(6,280)	(7,782)
Total accumulated other comprehensive income	(87,418)	(87,629)
Difference on revaluation of available-for-sale securities	(497)	89
Deferred gains or losses on hedges	0	(5)
Foreign currency translation adjustments	(84,638)	(85,395)
Unfunded retirement benefit obligation of foreign subsidiaries	(2,283)	(2,318)
Minority interests in consolidated subsidiaries	2,049	384
Total net assets	109,967	109,777
Total liabilities and net assets	291,092	306,772

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Amount: millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Net sales	269,139	251,358
Cost of sales	202,145	198,505
Gross profit	66,994	52,852
Selling, general and administrative expenses	44,830	44,253
Operating income	22,163	8,599
Other income	740	1,083
Interest income	230	446
Dividends income	158	158
Equity in net income of affiliate	4	—
Others	348	478
Other expenses	2,539	3,182
Interest expenses	1,832	2,320
Foreign currency exchange loss	286	20
Others	420	841
Ordinary income	20,364	6,499
Extraordinary income	114	9,861
Gain on sales of fixed assets	46	218
Insurance income	—	9,614
Gain on sales of investment securities	—	28
Reversal of loss for after-care of products	47	—
Reversal of allowance for business restructuring losses	20	—
Extraordinary loss	1,822	10,808
Loss on sales of fixed assets	82	24
Loss on disposal of fixed assets	301	82
Impairment loss	553	290
Loss on disaster	—	7,844
Business restructuring losses	105	1,602
Loss on valuation of investment securities	—	830
Loss on sales of stocks of subsidiaries and affiliates	38	—
Loss for after-care of products	245	90
Allowance for environmental remediation expenses	203	42
Spoilage expenses	291	—
Income before income taxes and minority interests	18,656	5,551
Income taxes		
Income taxes (including enterprise tax)	4,580	2,620
Adjustment of income taxes	964	(1,362)
Total income taxes	5,544	1,258
Income before minority interests	13,112	4,293
Minority interests in income (loss)	646	(1,629)
Net income	12,465	5,922

(Consolidated Statements of Comprehensive Income)

(Amount: millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Income before minority interests	13,112	4,293
Other comprehensive income:		
Difference on revaluation of available-for-sale securities	(589)	587
Deferred gains or losses on hedges	(7)	(5)
Foreign currency translation adjustments	(8,913)	(792)
Unfunded retirement benefit obligation of foreign subsidiaries	406	(35)
Total other comprehensive income	(9,103)	(246)
Total comprehensive income	4,009	4,046
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	3,444	5,711
Comprehensive income attributable to minority interests	564	(1,665)

(3) Consolidated Statements of Changes in Net Assets

(Amount: millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Shareholders' equity		
Common stock		
Balance at beginning of current fiscal year	68,258	68,258
Changes		
Total changes	—	—
Balance at end of current fiscal year	68,258	68,258
Capital surplus		
Balance at beginning of current fiscal year	94,767	94,823
Changes		
Disposal of treasury stocks	55	(70)
Transfer of loss on disposal of treasury stocks	—	3
Total changes	55	(66)
Balance at end of current fiscal year	94,823	94,756
Retained earnings		
Balance at beginning of current fiscal year	26,149	38,535
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	2,689	—
Changes		
Cash dividend from retained earnings	(2,674)	(2,665)
Change of scope of equity method	(94)	—
Net income	12,465	5,922
Transfer of loss on disposal of treasury stocks	—	(3)
Total changes	9,696	3,254
Balance at end of current fiscal year	38,535	41,790
Treasury stock		
Balance at beginning of current fiscal year	(6,571)	(6,280)
Changes		
Change of scope of equity method	3	—
Purchase of treasury stocks	(23)	(2,011)
Disposal of treasury stocks	310	509
Total changes	290	(1,502)
Balance at end of current fiscal year	(6,280)	(7,782)
Total shareholders' equity		
Balance at beginning of current fiscal year	182,604	195,337
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	2,689	—
Changes		
Cash dividend from retained earnings	(2,674)	(2,665)
Change of scope of equity method	(90)	—
Net income	12,465	5,922
Purchase of treasury stocks	(23)	(2,011)
Disposal of treasury stocks	365	439
Transfer of loss on disposal of treasury stocks	—	—
Total changes	10,043	1,685
Balance at end of current fiscal year	195,337	197,023

(Amount: millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Accumulated other comprehensive income		
Difference on revaluation of available-for-sale securities		
Balance at beginning of current fiscal year	91	(497)
Changes		
Changes (net) in non-shareholders' equity items	(589)	587
Total changes	(589)	587
Balance at end of current fiscal year	(497)	89
Deferred gains or losses on hedges		
Balance at beginning of current fiscal year	7	0
Changes		
Changes (net) in non-shareholders' equity items	(7)	(5)
Total changes	(7)	(5)
Balance at end of current fiscal year	0	(5)
Foreign currency translation adjustments		
Balance at beginning of current fiscal year	(75,808)	(84,638)
Changes		
Changes (net) in non-shareholders' equity items	(8,830)	(757)
Total changes	(8,830)	(757)
Balance at end of current fiscal year	(84,638)	(85,395)
Unfunded retirement benefit obligation of foreign subsidiaries		
Balance at beginning of current fiscal year	—	(2,283)
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	(2,689)	—
Changes		
Changes (net) in non-shareholders' equity items	406	(35)
Total changes	406	(35)
Balance at end of current fiscal year	(2,283)	(2,318)
Total accumulated other comprehensive income		
Balance at beginning of current fiscal year	(75,708)	(87,418)
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	(2,689)	—
Changes		
Changes (net) in non-shareholders' equity items	(9,020)	(211)
Total changes	(9,020)	(211)
Balance at end of current fiscal year	(87,418)	(87,629)
Minority interests in consolidated subsidiaries		
Balance at beginning of current fiscal year	1,485	2,049
Changes		
Changes (net) in non-shareholders' equity items	564	(1,665)
Total changes	564	(1,665)
Balance at end of current fiscal year	2,049	384

(Amount: millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Total net assets		
Balance at beginning of current fiscal year	108,381	109,967
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	—	—
Changes		
Cash dividend from retained earnings	(2,674)	(2,665)
Change of scope of equity method	(90)	—
Net income	12,465	5,922
Purchase of treasury stocks	(23)	(2,011)
Disposal of treasury stocks	365	439
Transfer of loss on disposal of treasury stocks	—	—
Changes (net) in non-shareholders' equity items	(8,456)	(1,876)
Total changes	1,586	(190)
Balance at end of current fiscal year	109,967	109,777

(4) Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
1. Cash flows from operating activities:		
Income before income taxes and minority interests	18,656	5,551
Depreciation and amortization	20,805	19,588
Impairment loss	553	775
Amortization of goodwill	1,320	1,332
Loss on disaster	—	2,239
Insurance income	—	(9,614)
Equity in net (income) loss of affiliate	(4)	—
Interest and dividends income	(388)	(605)
Interest expenses	1,832	2,320
Loss (gain) on sales of fixed assets	35	(194)
Loss on disposal of fixed assets	301	82
Loss (gain) on sales of investments in securities	—	(28)
Loss (gain) on valuation of investment securities	—	830
Loss (gain) on sales of stocks of subsidiaries and affiliates	38	—
Decrease (increase) in notes and accounts receivable	(7,140)	(3,651)
Decrease (increase) in inventories	(10,207)	(5,538)
Increase (decrease) in notes and accounts payable	2,906	4,928
Increase (decrease) in allowance for doubtful receivables	26	(12)
Increase (decrease) in accrued bonuses	346	(45)
Increase (decrease) in allowance for bonuses to directors	47	(48)
Increase (decrease) in allowance for retirement benefits	556	482
Decrease (increase) in prepaid pension cost	(488)	(460)
Increase (decrease) in allowance for retirement benefits to executive officers	36	(20)
Increase (decrease) in allowance for after-care of products	(256)	(20)
Increase (decrease) in allowance for environmental remediation expenses	146	(80)
Increase (decrease) in allowance for business restructuring losses	(4)	(14)
Others	371	1,675
Sub-total	29,495	19,472
Proceeds from insurance income	—	5,335
Interest and dividends received	388	605
Interest paid	(1,859)	(2,320)
Income taxes paid	(4,197)	(3,960)
Proceeds from income taxes refund	612	1,100
Net cash provided by operating activities	24,439	20,233
2. Cash flows from investing activities:		
Payments into time deposits	(3,753)	(7,676)
Proceeds from withdrawal of time deposits	3,315	4,870
Purchase of tangible fixed assets	(26,517)	(25,961)
Proceeds from sales of tangible fixed assets	953	510
Purchase of intangible fixed assets	(343)	(382)
Purchase of investments in securities	(165)	(244)
Proceeds from investments in securities	—	31
Purchase of investments in subsidiaries	(1,328)	—
Purchase of investments in capital of subsidiaries	—	(84)
Proceeds from investments in affiliates	18	—
Long-term loans receivables	(199)	(731)
Recovery of long-term loans receivables	91	682
Others	(703)	(31)
Net cash used in investing activities	(28,631)	(29,018)

(Amount: millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
3. Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	1,583	1,328
Proceeds from long-term loans	23,600	15,000
Repayment of long-term loans	(4,369)	(13,080)
Proceeds from issuance of bonds	—	9,949
Payment for redemption of bonds	(10,000)	(11,500)
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	—	7,680
Purchase of treasury stock	(23)	(2,011)
Proceeds from disposal of treasury stock	365	439
Cash dividends paid	(2,674)	(2,665)
Repayment of lease obligations	(497)	(379)
Net cash used in financing activities	7,984	4,761
4. Effect of exchange rate changes on cash and cash equivalents	(1,025)	(232)
5. Net increase (decrease) in cash and cash equivalents	2,766	(4,255)
6. Cash and cash equivalents at beginning of year	24,855	27,621
7. Cash and cash equivalents at end of year	27,621	23,365

(5) Notes on Going Concern Assumptions

Not applicable.

(6) Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation

(a) Number of consolidated companies..............40 companies

The names of principal consolidated subsidiaries, stated in 2. Condition of Group of Enterprises, are omitted.

(b) Non-consolidated subsidiaries etc.

Non-consolidated subsidiaries

DAIICHI SEIMITSU SANGYO CO., LTD.
DAIICHI PRECISION MOLD (HK) LIMITED
DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD
NMB-MINEBEA DO BRASIL IMPORTACAO E COMERCIO DE COMPONENTES DE PRECISAO LTDA

Among the above, NMB-MINEBEA DO BRASIL IMPORTACAO E COMERCIO DE COMPONENTES DE PRECISAO LTDA (Brazilian company) has been newly established in the current fiscal year.

(Reason for exclusion from the scope of consolidation)

The reason is that non-consolidated subsidiaries are all small operations, and each of their total assets, sales, net income (amount equivalent to equity), retained earnings (amount equivalent to equity), etc. has no significant impact on our consolidated financial statements.

2. Application of the equity method

(a) Number of affiliated companies....................0 companies

(b) Non-consolidated subsidiaries not accounted for by the equity method

DAIICHI SEIMITSU SANGYO CO., LTD., DAIICHI PRECISION MOLD (HK) LIMITED, DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD and NMB-MINEBEA DO BRASIL IMPORTACAO E COMERCIO DE COMPONENTES DE PRECISAO LTDA are excluded from the scope of application by the equity method, because their net income (amount equivalent to equity), retained earnings (amount equivalent to equity), etc. are not important for our consolidated financial statements.

3. Fiscal years, etc. of consolidated subsidiaries

Of the consolidated subsidiaries, regarding those whose balance sheet dates differ from the consolidated balance sheet date, the Company uses their financial statements based on the provisional settlements of accounts implemented as of the consolidated balance sheet date, in order to prepare the consolidated financial statements for the current fiscal year.

4. Accounting policies

(a) Valuation basis and method of significant assets

1. Securities

Other marketable securities

Securities with market value

The Company adopted the market value method based on market prices and other conditions at the end of the term. Also, the Company accounted for all valuation differences based on the direct net asset method and the sales costs are calculated by the moving average method.

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

Securities without market value

Non listed securities are stated at cost determined by the moving average method.

2. Derivatives

Market value method

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

3. Inventories

The Company and consolidated domestic subsidiaries state primarily at the moving average cost. (The balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

Consolidated overseas subsidiaries state at the lower of average cost or market.

(b) Method of significant depreciation

1. Tangible fixed assets (excluding leased assets)

The Company and consolidated domestic subsidiaries adopt the declining balance method.

Their major useful lives are as follows:

Buildings and structures	2 to 50 years
Machinery and transportation equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than 100,000 yen and less than 200,000 yen) over the 3 years each consolidated fiscal year.

Consolidated overseas subsidiaries mainly adopt the straight-line method.

2. Intangible fixed assets (excluding leased assets)

The Company and consolidated domestic subsidiaries mainly adopt the straight-line method. However, depreciation of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Consolidated overseas subsidiaries mainly adopt the straight-line method.

3. Leased assets

Lease assets related to finance lease transactions that do not involve transfer of ownership

The Company adopts the straight-line method of making lease periods depreciable lives and salvage values zero.

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

(c) Valuation basis of significant allowances

1. Allowance for doubtful receivables

The Company and consolidated domestic subsidiaries make the record in the amount required for the estimated uncollectible receivables based on actual losses of trade receivables and on collectability of specific receivables with loss possibilities.

Consolidated overseas subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the collectability of each receivable for possible losses on the receivables.

2. Accrued bonuses

The Company and consolidated domestic subsidiaries make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Consolidated overseas subsidiaries make the record on accrual basis.

3. Allowance for bonuses to directors

To provide for payment of bonuses to directors, the Company records an amount, based upon the estimated amount of payment for the current consolidated fiscal year.

4. Allowance for retirement benefits

Regarding the Company and its consolidated Japanese subsidiaries, to provide for payment of employee retirement benefits, the Company reported allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current consolidated fiscal year.

At the end of the current consolidated fiscal year, prepaid pension costs is included in others of investments and other assets.

Unrecognized prior service cost is amortized using the straight-line method over a period of 10 years as cost.

Over the 5 years within the average remaining length of employees' service, the Company will charge differences in mathematical calculation to expenses from the next term, in accordance with the straight-line method.

Regarding the Company's consolidated overseas subsidiaries, each subsidiary stated retirement benefits estimated to accrue at the end of the current consolidated fiscal year to provide for employee retirement benefits.

Actuarial gains and losses are amortized using the straight-line method over a period of 5 years, from the period subsequent to the period in which they are incurred.

5. Allowance for retirement benefits to executive officers

We posted retirement allowances to be required for payment at the end of the current consolidated fiscal year in accordance with regulations.

6. Allowance for after-care of products

Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future as expenses for after-care of products.

7. Allowance for environmental remediation expenses

Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future as environment-related expenses in the U.S.

8. Allowance for business restructuring losses

The Company and consolidated domestic subsidiaries post reasonably projected amounts to be incurred in the future, based on the decision of restructuring plans, such as the closures.

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

(d) Translation of foreign currency assets and liabilities in financial statements of the Company and consolidated subsidiaries

The Company and consolidated domestic subsidiaries translate monetary receivables and payables in foreign currency into yen at the spot exchange rates on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

Our consolidated overseas subsidiaries, assets and liabilities are translated into yen at the spot exchange rates at the consolidation date, while revenues and expenses are translated into yen at the average rates for the year. Exchange differences are included in foreign currency translation adjustments and minority interests in net assets.

(e) Accounting method of significant hedge transactions

1. Method of hedge accounting

The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

2. Hedging vehicles and hedged items

(Hedging vehicles)
Forward exchange contracts
Interest rate swaps
(Hedged items)
Monetary receivables and payables in foreign currency
Anticipated transactions in foreign currencies
Interest rates on borrowings

3. Hedge policy

Under the guidance of its Corporate Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

4. Method of assessing hedge effectiveness

Regarding forward exchange contracts, in principle, the Company allocates them to monetary receivable and payable with same maturities and same amounts in foreign currency at closing of forward exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.

Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

(Notes) The Company's consolidated overseas subsidiaries also used primarily the same accounting method listed above in 1-4.

(f) Amortization of goodwill and negative goodwill

1. The Company and consolidated domestic subsidiaries:
The goodwill is equally amortized for 10 years.
2. Our consolidated overseas subsidiaries:
The goodwill is equally amortized for 5 years.

(g) Range of cash in cash flow statements

Cash and cash equivalents consist of cash on hand, demand deposit and short-term investments which expire within 3 months from acquisition date, have high liquidity and are easily turned into cash.

(h) Others

1. Amortization of deferred charges
Deferred charges are equally amortized over the term of bonds issued (5 years).
2. Accounting method of consumption tax and other
Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

(Notes) The differences in accounting standards between our domestic consolidated companies and overseas consolidated companies are mainly due to overseas consolidated companies complying with the regulation "interim accounting procedures for overseas subsidiaries for the creation of consolidated financial statements" (Business Response Report No. 18).

(7) Additional information

(Application of Accounting Standard for Accounting Changes and Error Corrections, etc.)

For the accounting changes and error corrections after the beginning of the fiscal year, the Company has applied the Accounting Standard for Accounting Changes and Error Corrections (Business Accounting Standards No. 24; December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (Application Guidelines for Business Accounting Standards No. 24; December 4, 2009).

(8) Notes on Consolidated Financial Statements

(Consolidated Balance Sheets)

As of March 31, 2011	As of March 31, 2012
1. Lawsuit NMB-Minebea Thai Ltd., our consolidated subsidiary company located in Thailand, received (1) a revised assessment of income tax liability in the amount of 502 million baht on August 25, 2008 and (2) another revised assessment of income tax liability in the amount of 125 million baht on August 25, 2010 from the Revenue Department of the Kingdom of Thailand. The Company has not accepted these revised assessments, believing them to be unjust and without legal grounds, and regarding item (1), the Company petitioned the Revenue Department for redress on August 25, 2009, and regarding item (2), has petitioned the Revenue Department for redress. Regarding item (1), the Company has won the case as a result of the decision at the Tax Court of the Kingdom of Thailand on October 13, 2010, but the Revenue Department disagreed with this decision and appealed the case to the Supreme Court on December 9, 2010. On September 22, 2008 and September 23, 2010, payment of these amounts was made in subrogation, respectively, using a surety bond from a bank with which the Company does business.	1. Lawsuit NMB-Minebea Thai Ltd., our consolidated subsidiary company located in Thailand, received (1) a revised assessment of income tax liability in the amount of 502 million baht on August 25, 2008; (2) another revised assessment of income tax liability in the amount of 125 million baht on August 25, 2010; and (3) a third revised assessment of income tax liability in the amount of 101 million baht on August 11 and 22, 2011 from the Revenue Department of the Kingdom of Thailand. The Company has not accepted these revised assessments, believing them to be unjust and without legal grounds, and regarding item (1), the Company petitioned the Revenue Department for redress on August 25, 2009, and regarding items (2) and (3), has petitioned the Revenue Department for redress. Regarding item (1), the Company has won the case as a result of the decision at the Tax Court of the Kingdom of Thailand on October 13, 2010, but the Revenue Department disagreed with this decision and appealed the case to the Supreme Court on December 9, 2010. Payment of these amounts was made in subrogation on (1) September 22, 2008, (2) September 23, 2010 and (3) August 16, 2011, respectively, using a surety bond from a bank with which the Company does business.

(Consolidated Statements of Income)

Year ended March 31, 2011

1. Impairment loss

Outline of the asset groups on which impairment losses were recognized (Amount: millions of yen)

Use	Location	Impairment loss	
		Class	Amount
Idle assets	Two facilities- Former Ichinoseki plant and Kanegasaki plant (Ichinoseki City, Iwate Pref., etc.)	Buildings and structures	54
		Land	3
		Total	58
Property sold	Former Kyoto plant (Yawata City, Kyoto Pref.)	Land	247
		Total	247
Business assets	China (Zhuhai)	Machinery and transportation equipment	175
		Tools, furniture and fixtures	72
		Total	247
Total			553

Asset grouping method

Based on its business classification, the Minebea Group has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for the recognition of impairment losses

The above Idle assets (Buildings and structures and Land) have no future utilization plans. Due to this, the Company recognized impairment losses on those assets.

Also, Property sold (Land), the Company recognized an impairment loss in the third quarter of the year, because their recoverable values were lower than their book values.

Regarding business assets (Machinery and transportation equipment, and Tools, furniture and fixtures), the Company recognized an impairment loss because their cash flow is expected to be lower than the book value of the assets group in the future, owing to a deterioration in the earnings environment, and reduced the value to a recoverable value based on the use value.

Calculation method of collectable amounts

Idle assets and property sold are measured by net sales values and valued mainly based on real estate appraisal standards or by anticipated sales prices. Business assets are measured by use values and calculated by discounting the cash flows at 12.0% in the future.

Year ended March 31, 2012

1. Impairment loss

Outline of the asset groups on which impairment losses were recognized (Amount: millions of yen)

Use	Location	Impairment loss	
		Class	Amount
Idle assets	Two facilities- Former Ichinoseki plant and Kanegasaki plant (Ichinoseki City, Iwate Pref., etc.)	Land	13
		Total	13
Business assets	Keyboard business (China Shanghai)	Buildings and structures	1
		Machinery and transportation equipment	254
		Tools, furniture and fixtures	20
		Total	277
	Vibration motor business (China Zhuhai etc.)	Buildings and structures	1
		Machinery and transportation equipment	166
		Tools, furniture and fixtures	62
		Total	230
	In-house raw material production business (Thai Ayutthaya)	Buildings and structures	12
		Machinery and transportation equipment	237
		Tools, furniture and fixtures	4
		Total	253
Total			775

Asset grouping method

Based on its business classification, the Minebea Group has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Year ended March 31, 2011	Year ended March 31, 2012
	Reason for the recognition of impairment losses The above Idle assets (Land) have no future utilization plans. Due to this, the Company recognized impairment losses. Regarding business assets (Buildings and structures, Machinery and transportation equipment, Tools, furniture and fixtures), we recognized an impairment loss because their cash flow is expected to be lower than the book value of the assets group in the future due to business downsizing, deteriorated earnings or partial closures, and reduced the value to a recoverable value based on the net sale value or use value. Of these assets, 484 million yen (230 million yen in the vibration motor business and 253 million yen in the raw materials in-house manufacturing business) is included in “Business restructuring losses” under “Extraordinary loss.” Calculation method of collectable amounts Idle assets and certain business assets are measured by net sales values, and calculated based on appraisal values by third party. Other business assets are measured by use values, but the full amount of their book value is recorded as impairment loss because their cash flow is not expected in the future.
2. None	2. Loss on disaster This loss consists of fixed costs of 2,968 million yen incurred during the low-level operation caused by the large-scale floods in Thailand; a fixed assets disposal loss of 2,239 million yen; an inventory assets disposal loss of 418 million yen; and disaster measures expenses of 2,217 million yen.
3. Business restructuring losses Allowance as a result of the decision of restructuring plans.	3. Business restructuring losses This loss consists of a loss of 893 million yen incurred by the downsized keyboard business; a loss of 426 million yen incurred by deteriorated earnings in the vibration motor business; and a loss of 282 million yen incurred by a partial closure of the raw materials in-house manufacturing business.

(Segment Information etc.)

〔Segment Information〕

(a) Summary of reportable segments

Our reportable segments are segments for which separated financial information is available and subject to periodical reviews in order for the Company's Board of Directors to determine the distribution of management resources and evaluate performance.

The Company establishes business divisions by product in key business centers, and each of the business divisions formulates comprehensive domestic and overseas strategies regarding products in order to deploy its business activities.

Thus, the Company consists of segments by product on the basis of the business divisions, and the "Machined components business," "Rotary components business" and "Electronic devices and components business" are three reportable segments.

Our core products in the Machined components business are mechanical parts, such as ball bearings, rod-end bearings, pivot assemblies for HDDs; fasteners for automobile, aircraft, etc.. The Rotary components business includes a wide variety of motors, such as information motors (fan motors, stepping motors, DC brushless motors, vibration motors and DC brush motors); and spindle motors for HDDs. The Electronic devices and components business consists of LCD backlights, inverters and measuring instruments.

(b) Calculation method of amounts

The accounting method for the reported business segments is almost the same as that explained in "Basis of Presenting Consolidated Financial Statements".

Segment earnings are operating income-based figures. Inter-segment earnings and transfer are calculated based on invoice prices－the comprehensive judgment made after having considered factors including market prices and manufacturing costs.

(c) Information on net sales, profit or loss, assets, liabilities and other amounts by reported segment

(Year ended March 31, 2011)

(Amount: millions of yen)

	Reportable segments				Others *1	Total	Adjustment *2	Consolidated Financial Statements amount *3
	Machined components business	Rotary components business	Electronic devices and components business	Total				
Total sales								
(1) Sales to customers	107,841	101,139	40,502	249,482	19,657	269,139	—	269,139
(2) Sales to other segment	2,887	1,622	1,885	6,395	5,678	12,074	(12,074)	—
Total	110,728	102,761	42,387	255,878	25,335	281,214	(12,074)	269,139
Segment income (loss)	28,088	(224)	4,160	32,023	498	32,522	(10,358)	22,163
Segment assets	77,796	72,373	18,280	168,450	10,857	179,307	111,784	291,092
Other								
Depreciation	8,097	7,894	978	16,971	1,291	18,262	2,543	20,805
Increase in fixed assets	10,783	9,489	1,514	21,788	825	22,613	4,722	27,335

(Year ended March 31, 2012)

(Amount: millions of yen)

	Reportable segments				Others *1	Total	Adjustment *2	Consolidated Financial Statements amount *3
	Machined components business	Rotary components business	Electronic devices and components business	Total				
Total sales								
(1) Sales to customers	107,037	91,363	37,887	236,289	15,068	251,358	—	251,358
(2) Sales to other segment	2,684	1,280	2,338	6,303	5,653	11,956	(11,956)	—
Total	109,721	92,644	40,225	242,592	20,722	263,314	(11,956)	251,358
Segment income (loss)	25,611	(4,118)	(959)	20,533	(338)	20,194	(11,595)	8,599
Segment assets	82,614	70,752	22,491	175,858	10,064	185,923	120,849	306,772
Other								
Depreciation	7,520	6,824	1,162	15,507	1,100	16,608	2,980	19,588
Increase in fixed assets	8,500	7,462	2,647	18,610	470	19,081	8,225	27,306

(Notes) *1. The classification of “Others” is the business segment, which is not included in the reportable segments, and its products are mainly PC keyboards, speakers and special devices.

*2. The amount of the adjustment is as follows.

(a) Adjustments to segment income or loss include amortization of goodwill (-1,320 million yen last fiscal year, -1,332 million yen this fiscal year), as well as corporate expenses such as selling, general & administrative expenses in addition to research and development costs that do not belong to the reportable segments (-8,922 million yen last fiscal year, -10,221 million this fiscal year).

(b) Adjustments to segment assets include unamortized goodwill (5,555 million yen last fiscal year, 4,222 million yen this fiscal year), as well as assets related to administrative divisions that do not belong to the reportable segments (106,229 million yen last fiscal year, 116,627 million yen this fiscal year).

(c) The major part of the adjustments in depreciation is depreciation of equipment related to the administrative division, which does not belong to the reportable segments.

(d) The major part of the adjustments in increased tangible fixed assets and intangible fixed assets is capital investments in equipment related to the administrative division, which does not belong to the reportable segments.

*3. Segment income (loss) is adjusted with operating income in the Consolidated Financial Statements.

〔Information related to impairment loss of fixed assets by reportable segment〕

(Year ended March 31, 2011)

(Amount: millions of yen)

	Reportable segments				Others	All company	Total
	Machined components business	Rotary components business	Electronic devices and components business	Total			
Impairment loss	—	247	—	247	—	305	553

(Year ended March 31, 2012)

(Amount: millions of yen)

	Reportable segments				Others	All company	Total
	Machined components business	Rotary components business	Electronic devices and components business	Total			
Impairment loss	—	230	—	230	530	13	775

(Per Share Data)

	Year ended March 31, 2011	Year ended March 31, 2012
Net assets per share (yen)	282.03	288.74
Net income per share (yen)	32.61	15.63
Fully diluted net income per share (yen)	Not stated due to no residual securities in existence.	15.54

(Notes) 1. The following are the basis for calculating net assets per share.

	As of March 31, 2011	As of March 31, 2012
Total net assets (millions of yen)	109,967	109,777
Deduction from total net assets (millions of yen)	2,049	384
(Minority interests of the deduction)	(2,049)	(384)
Year-end net assets related to common stock (millions of yen)	107,918	109,393
Year-end common stock used for the calculation of net assets per share (shares)	382,644,492	378,858,714

2. The following are the basis for calculating net income per share and diluted net income per share.

	Year ended March 31, 2011	Year ended March 31, 2012
Net income (millions of yen)	12,465	5,922
Amount not available for common stock (millions of yen)	—	—
Net income related to common stock (millions of yen)	12,465	5,922
Average shares of common stock outstanding (shares)	382,318,700	379,013,837
Fully diluted net income per share		
Net income adjustments (millions of yen)	—	3
(Interest expense (after tax equivalents) (millions of yen))	(—)	(3)
Increased shares of common stock (shares)	—	2,258,024
(Convertible bond-type bonds with subscription rights to shares (shares))	(—)	(2,258,024)
Outline of the residual shares not included in the calculation of diluted net income per share due to no dilution effects	—	—

3. “Number of shares of common stock outstanding at year end used to calculate net assets per share” and “Average shares of common stock outstanding” deduct our shares, which are owned by the Employee Stock Holding Partnership Exclusive Trust Account.

(Subsequent Events)

Not applicable.

5. Others

(1) Amounts of Production, Orders Received, Sales

(a) Production

(Amount: millions of yen)

Business segments	Year ended March 31, 2012	Year - on - year
Machined components business	106,428	96.5%
Rotary components business	90,735	87.2%
Electronic devices and components business	37,095	92.9%
Others	14,360	77.8%
Total	248,618	91.1%

(Notes) Amounts are provided on the basis of their sales prices, after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.

(b) Orders Received

(Amount: millions of yen)

Business segments	Orders received	Year - on - year	Order backlog	Year - on - year
Machined components business	106,061	95.8%	36,407	97.4%
Rotary components business	92,443	90.5%	16,673	106.9%
Electronic devices and components business	37,523	94.8%	4,015	91.7%
Others	15,275	79.4%	5,076	104.3%
Total	251,302	92.5%	62,171	99.9%

(Notes) Amounts are provided on the basis of their sales prices, after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.

(c) Sales

(Amount: millions of yen)

Business segments	Year ended March 31, 2012	Year - on - year
Machined components business	107,037	99.3%
Rotary components business	91,363	90.3%
Electronic devices and components business	37,887	93.5%
Others	15,068	76.7%
Total	251,358	93.4%

(Notes) Amounts are provided after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.