

Business Results

Fiscal Year Ended March 31, 2009

May 8, 2009

Minebea Co., Ltd.



- 1. Financial Results**
- 2. Policy and Strategy**

Financial Results

Hiroharu Katogi
Director,
Senior Managing Executive Officer

Summary of Consolidated Business Results

Net Sales and Income decreased significantly due to currency impacts, higher raw material costs and global recession

(Millions of yen)	Year ended Mar. '08	Year ended Mar. '09	Change YoY	Forecast announced in January 2009	
	Full year	Full year		Full year	vs.forecast
Net sales	334,431	256,163	-23.4%	260,000	98.5%
Operating income	30,762	13,406	-56.4%	17,500	76.6%
Ordinary income	27,691	11,555	-58.3%	15,500	74.5%
Income before income taxes	25,254	6,834	-72.9%	11,500	59.4%
Net income	16,303	2,441	-85.0%	6,500	37.6%
Net income per share (yen)	40.86	6.18	-84.9%	16.46	37.5%

Foreign exchange rates	Mar. '08 Full year	Mar. '09 Full year	Remarks
US\$	¥115.29	¥100.83	() is on-shore rate reported by the Bank of Thailand. The large difference between the on-shore and off-shore Thai Baht rates disappeared in March, 2008 when Thailand lifted its restrictions on short-term capital inflows.
Euro	¥162.18	¥145.65	
Thai Baht	¥3.70 (¥3.39)	¥2.98	
Chinese RMB	¥15.40	¥14.64	

Quarterly Summary of Consolidated Business Results for 4Q

A significant decline in net sales caused losses

(Millions of yen)	FY ended Mar. '08 4Q	FY ended Mar. '09		Change	
		3Q	4Q	YoY	QoQ
Net sales	81,042	59,166	46,384	-42.8%	-21.6%
Operating income	7,286	4,532	-2,824	N.A.	N.A.
Ordinary income	6,999	4,094	-3,430	N.A.	N.A.
Income before income taxes	6,055	2,920	-6,187	N.A.	N.A.
Net income	3,775	2,447	-6,211	N.A.	N.A.
Net income per share (yen)	9.46	6.24	-15.61	N.A.	N.A.

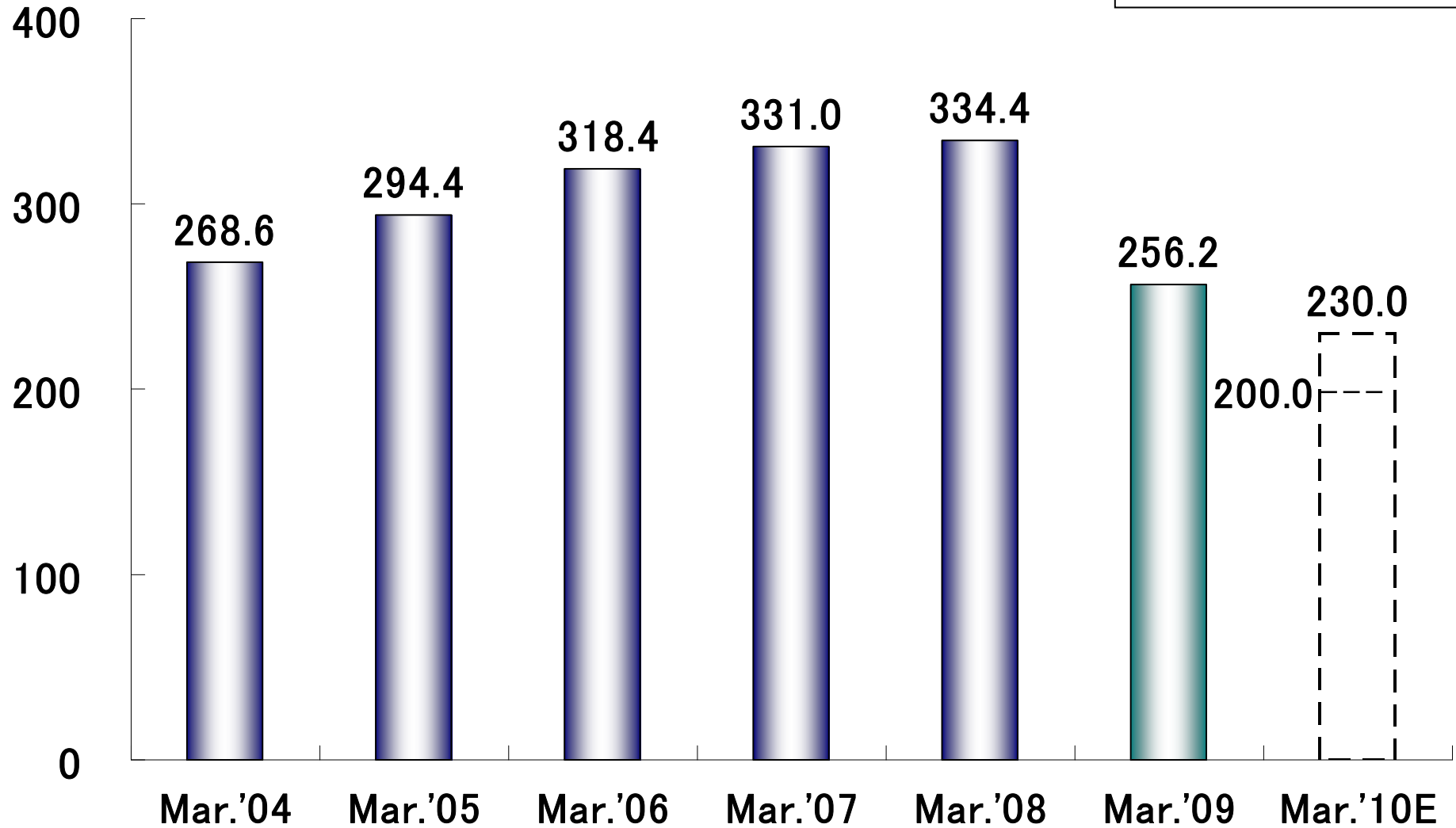
Foreign exchange rates	4Q of FY Mar. '08	3Q of FY Mar. '09	4Q of FY Mar. '09	Remarks
US\$	¥108.44	¥99.17	¥92.80	() is on-shore rate reported by the Bank of Thailand. The large difference between the on-shore and off-shore Thai Baht rates disappeared in March, 2008 when Thailand lifted its restrictions on short-term capital inflows.
Euro	¥161.16	¥132.72	¥122.57	
Thai Baht	¥3.60 (¥3.29)	¥2.85	¥2.63	
Chinese RMB	¥15.06	¥14.51	¥13.54	

Yearly

Net Sales

(Billions of yen)

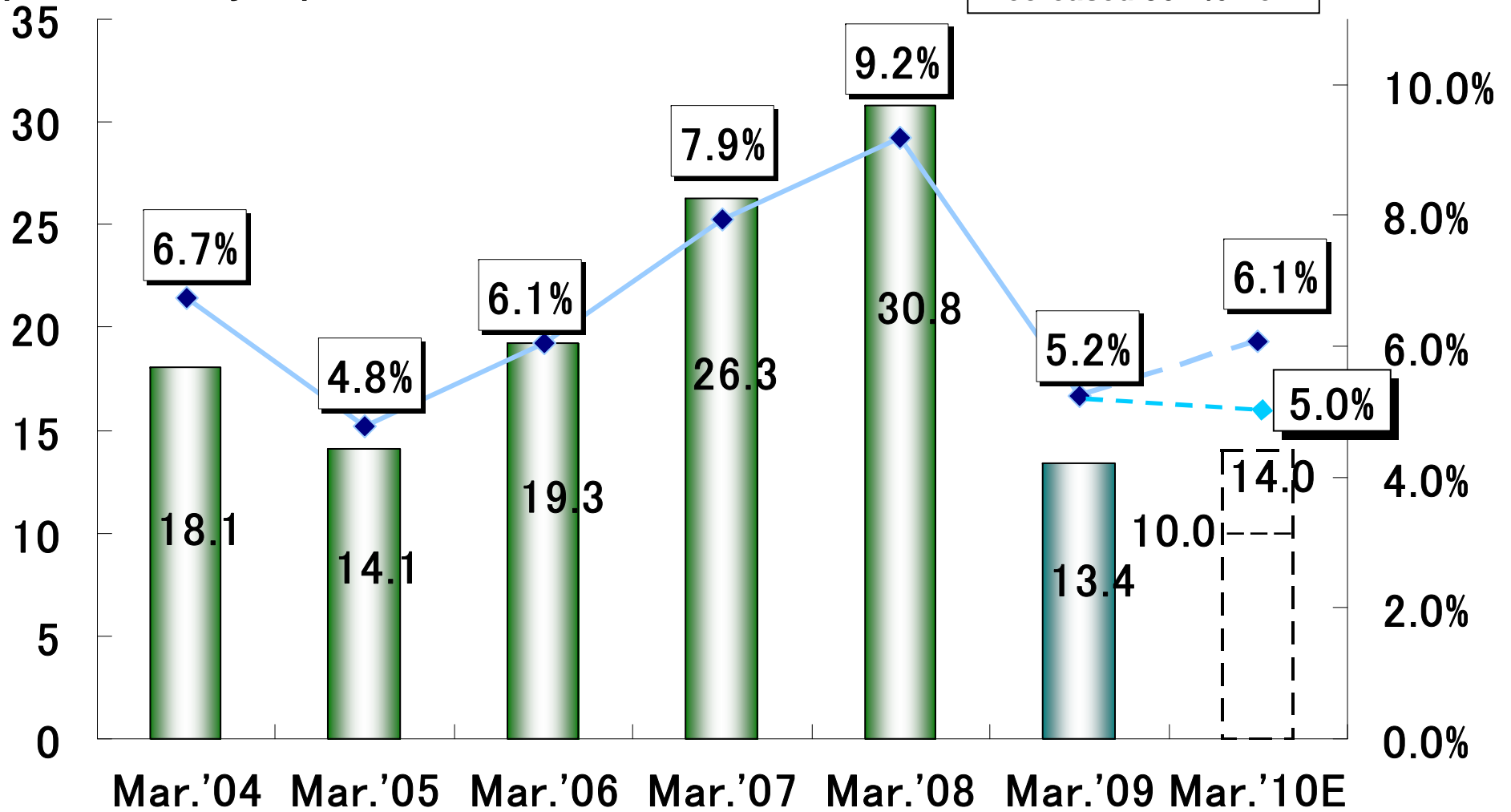
Decreased 23.4% YoY



Yearly

Operating Income

(Billions of yen)



Decreased 56.4% YoY

Operating income Operating margin

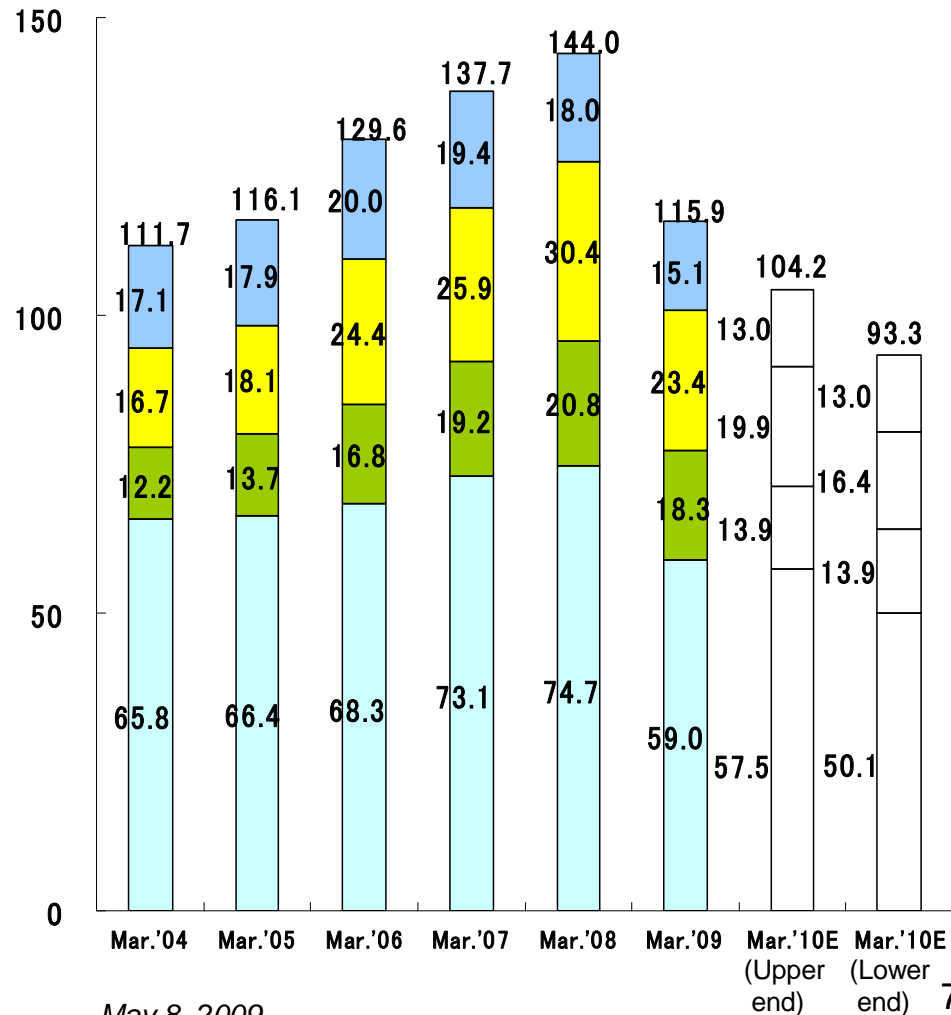
Business Segments

Machined Components Business

Net sales



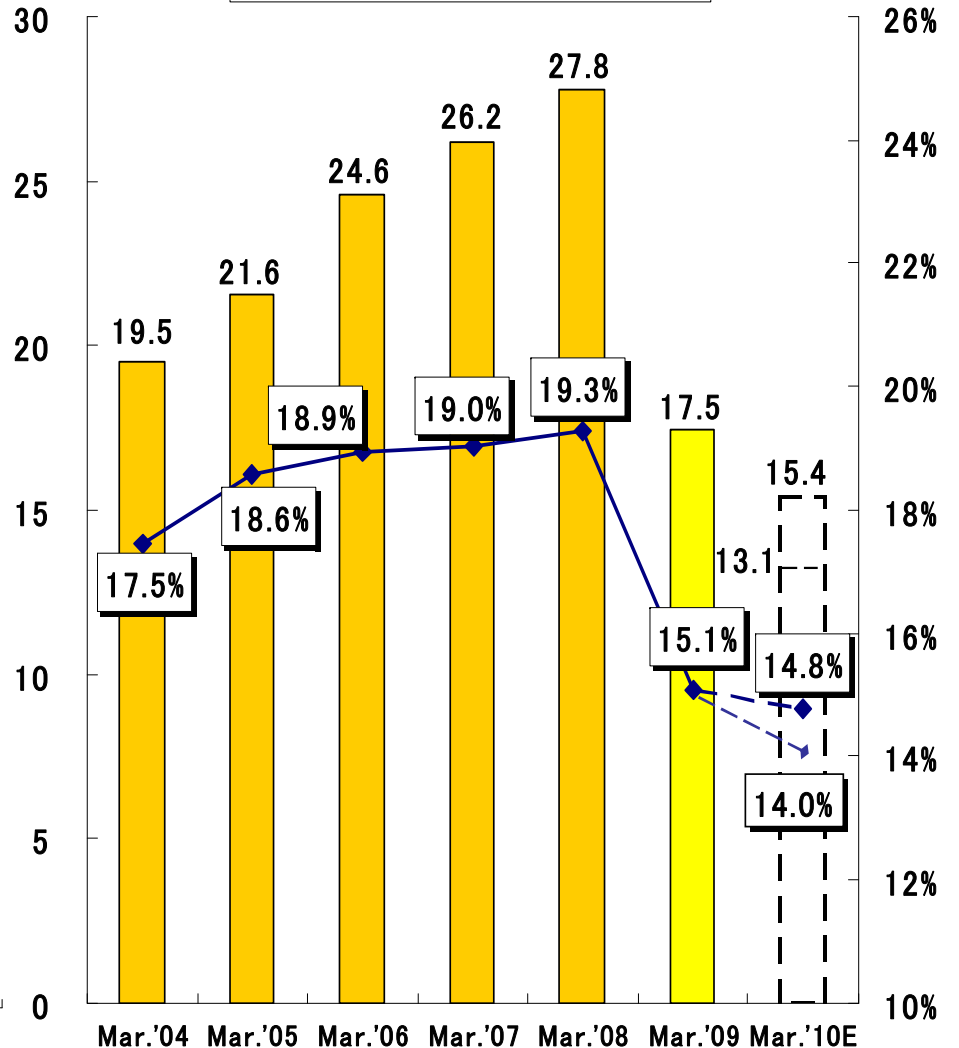
(Billions of yen)



May 8, 2009

Operating income

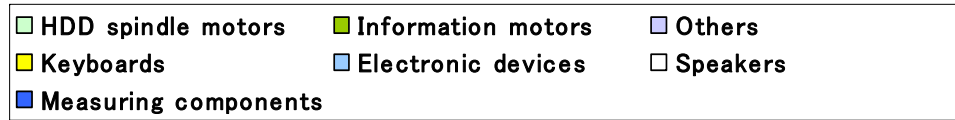
(Billions of yen) Operating Income Operating Margin



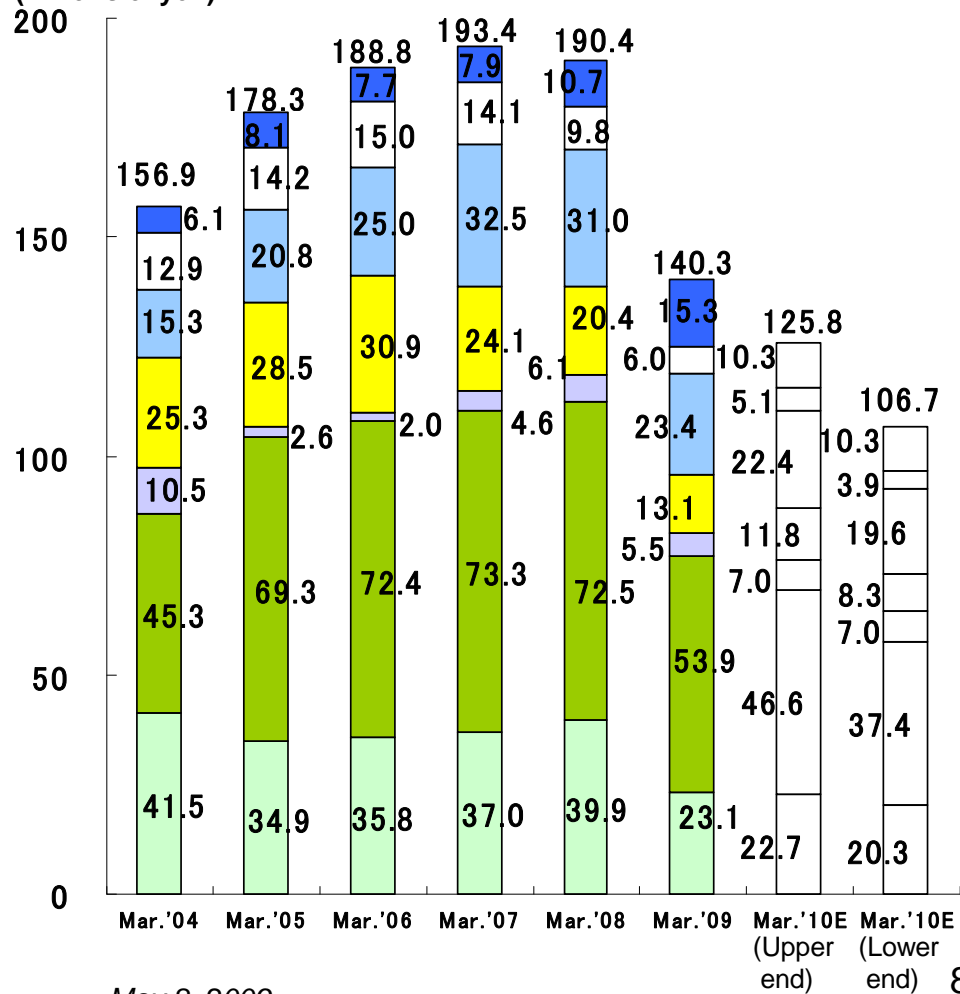
Business Segments

Electronic Devices & Components Business

Net sales



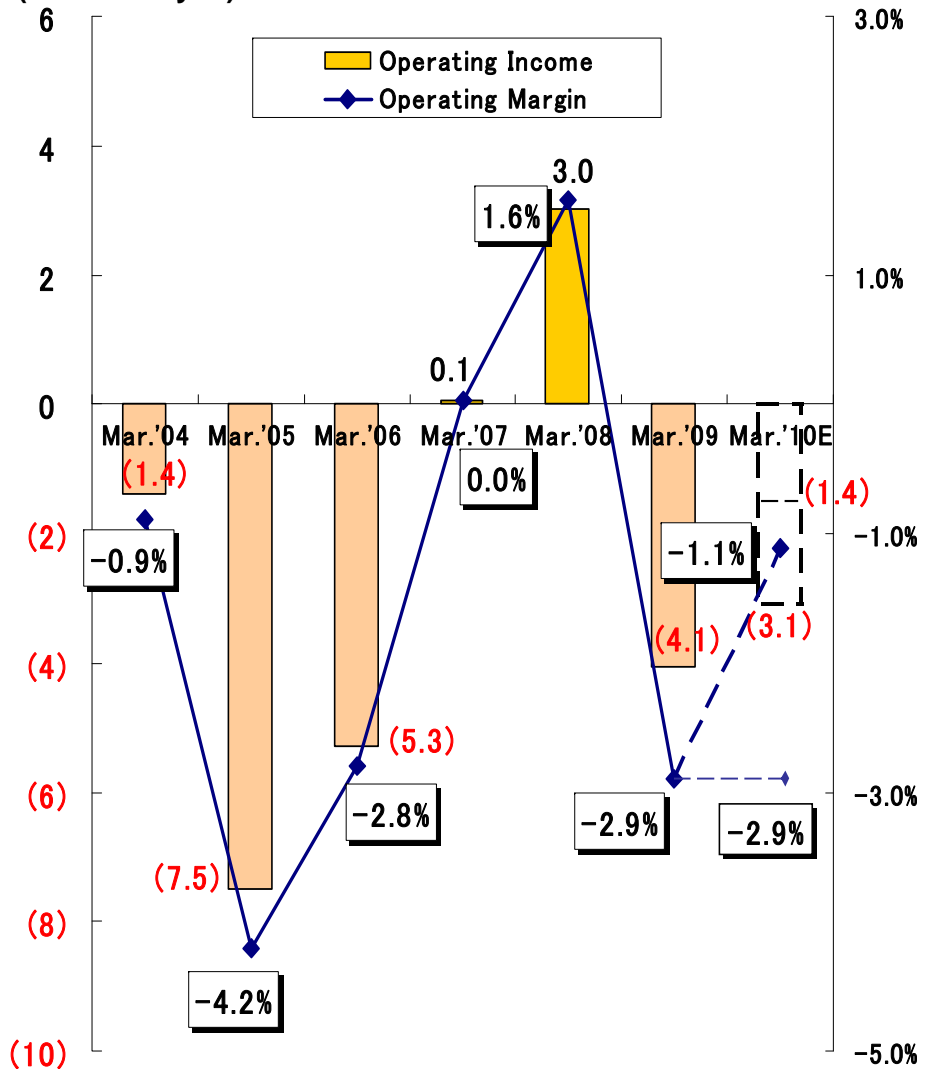
(Billions of yen)



May 8, 2009

Operating income

(Billions of yen)

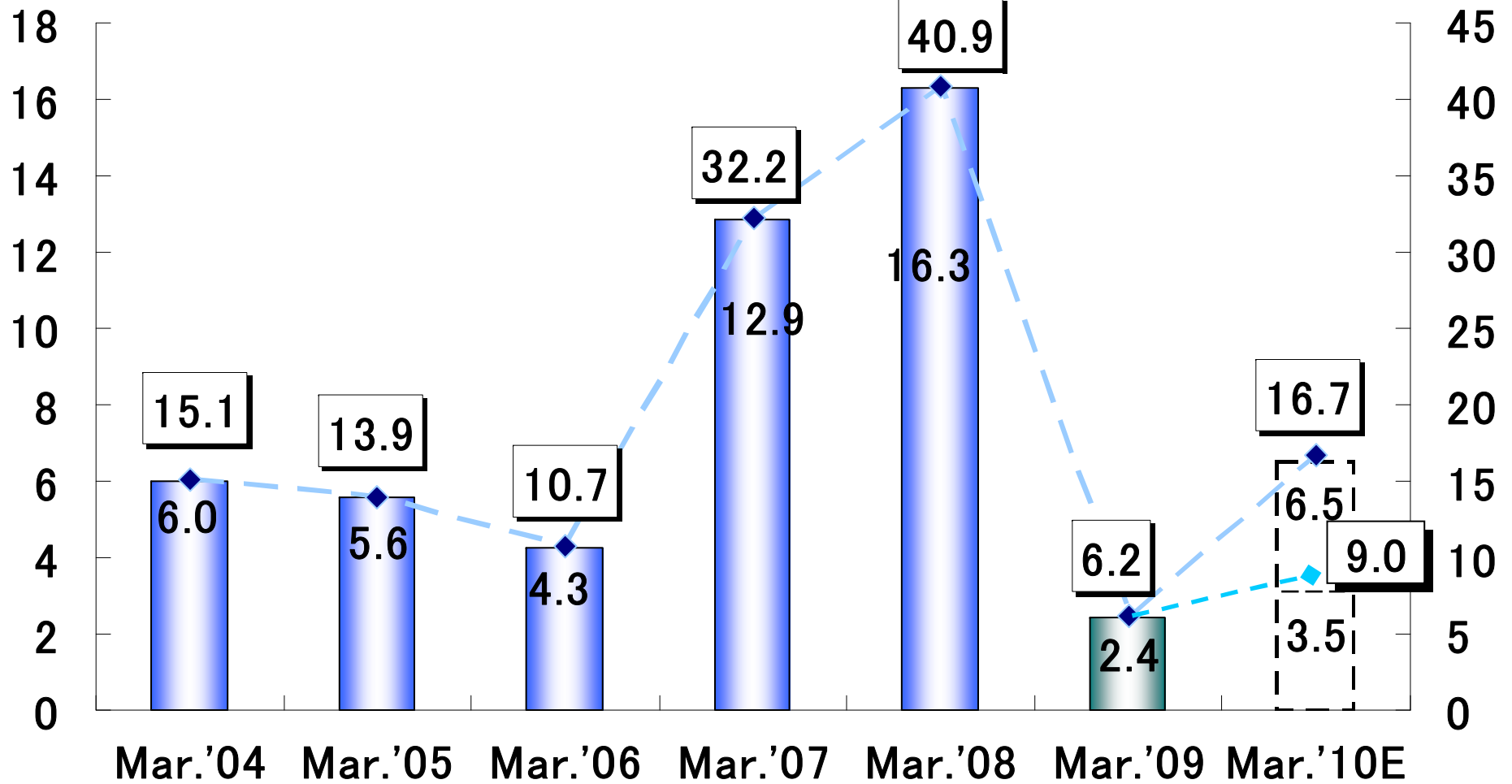


Yearly

Net Income

(Billions of yen)

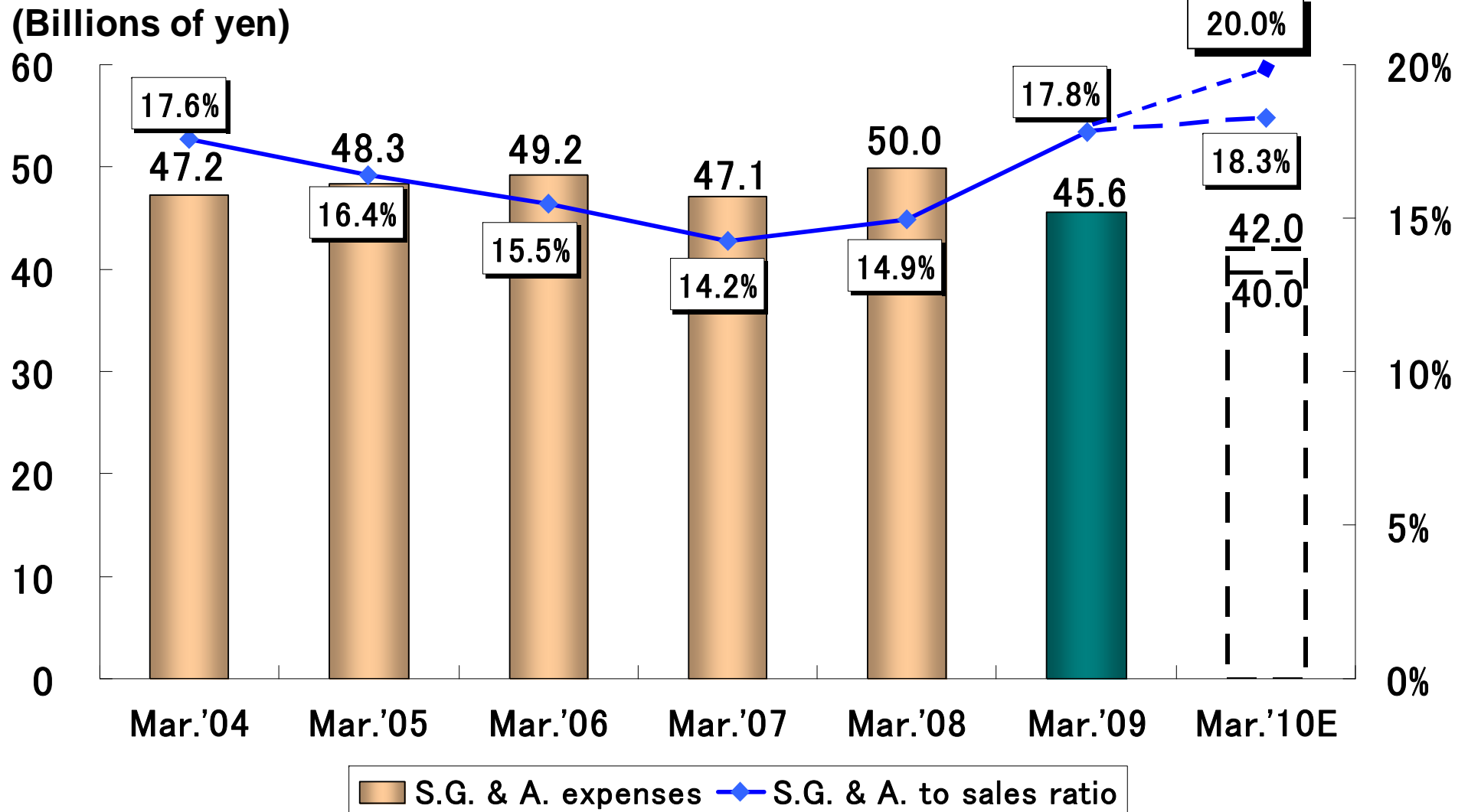
(Yen)



Net income Net income per share (right axis)

Yearly

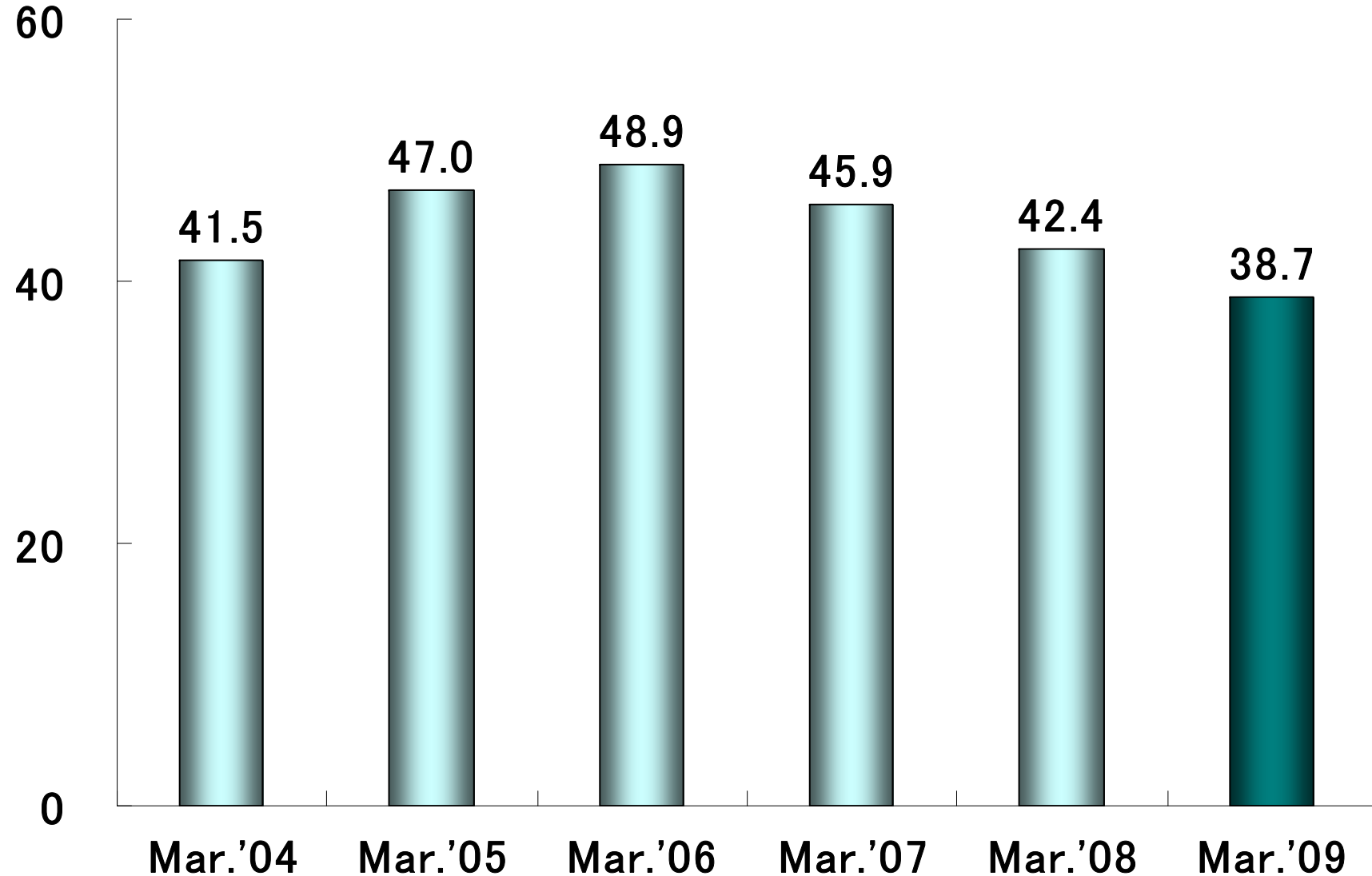
S.G. & A. Expenses



Yearly

Inventories

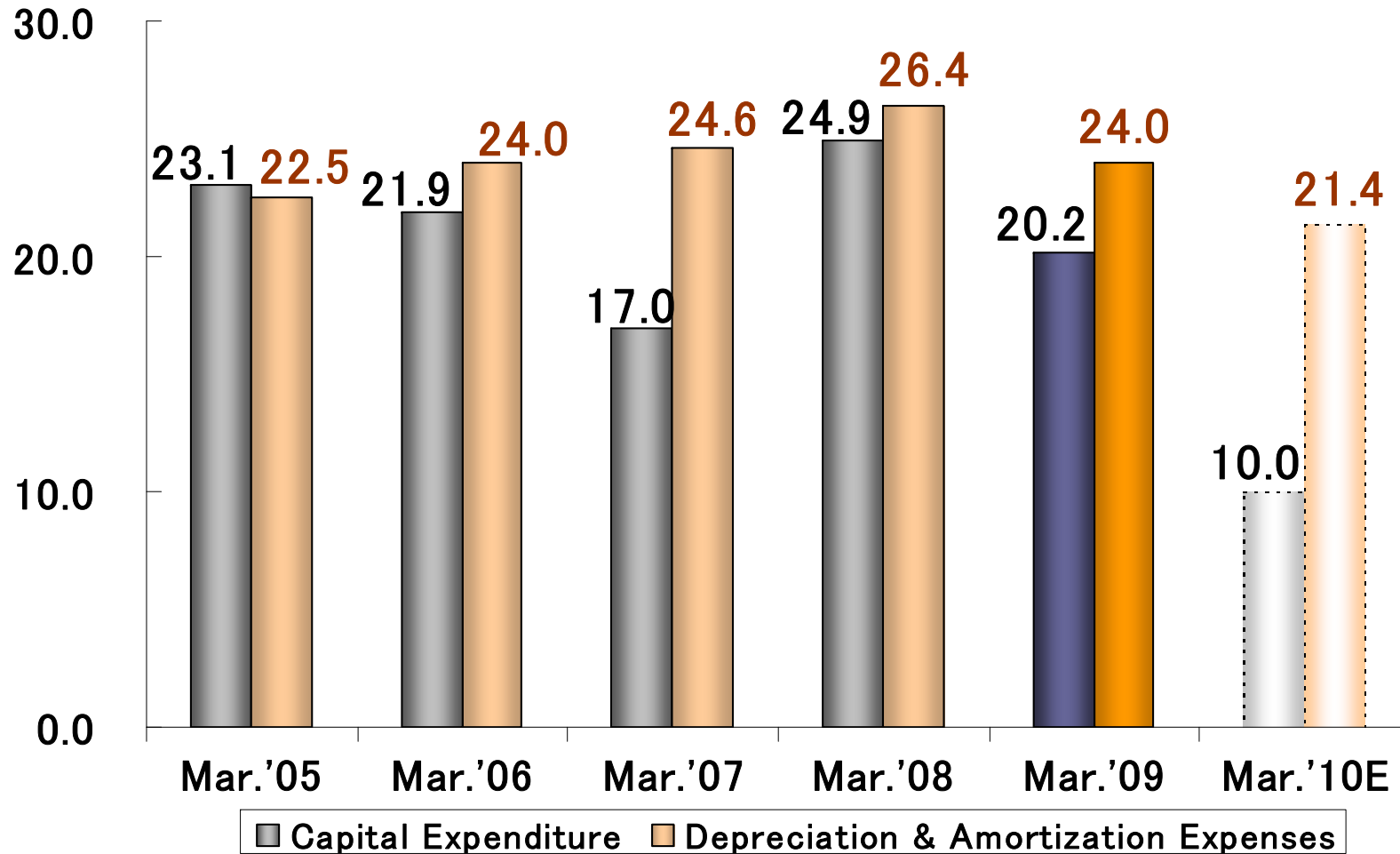
(Billions of yen)



Yearly

Capital Expenditure & Depreciation

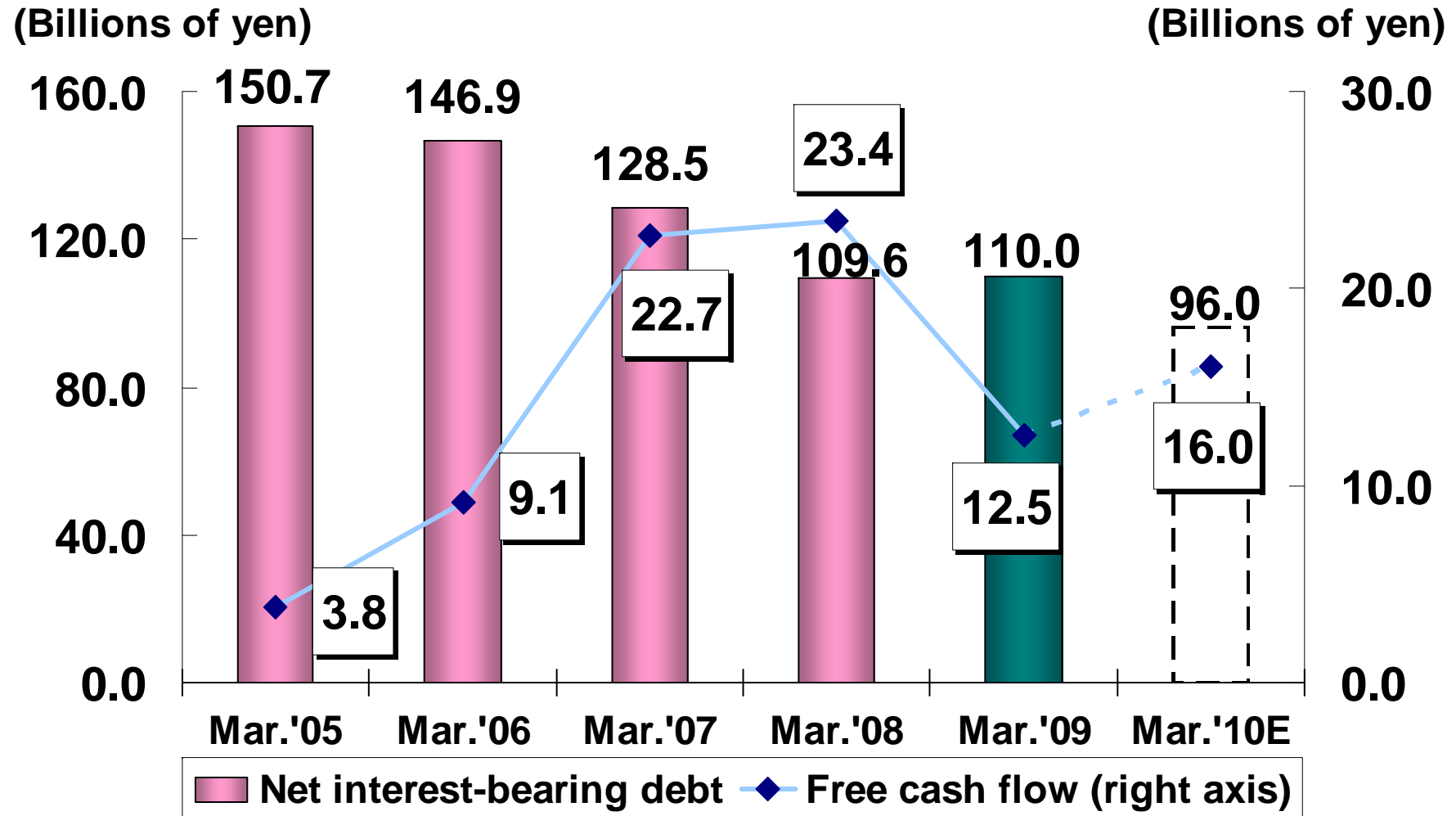
(Billions of yen)



*From FY 3/09, due to change in lease accounting, assets of finance leases are included.

Yearly

Net Interest-Bearing Debt



*Net Interest-bearing debt = Interest-bearing debt – Cash and cash equivalents
Free Cash Flow = CF from operating activities + CF from investing activities*

Cost Reduction Measures

Cuts in executive pay

- Executive pay cut by 5% to 30%. No executive bonuses this year.

Closure of UK Skegness factory

- Closed in April, about 2 billion yen per year cost reduction expected.

Early retirement program in Thailand

- 2,750 employees (about 10% of total) in Thailand applied and retired in March.
- About 2 billion yen per year cost reduction expected.

Forecast for Fiscal Year Ending March 31, 2010

A clear forecast is difficult, but we assume only limited and gradual global economic recovery this fiscal year

(Millions of yen)	FY ended Mar. '09 Full year	Fiscal Year ending Mar. '10					
		1st Half Range		2nd Half Range		Full year Range	
		Upper end	Lower end	Upper end	Lower end	Upper end	Lower end
Net sales	256,163	105,500	96,000	124,500	104,000	230,000	200,000
Operating income	13,406	3,500	1,800	10,500	8,200	14,000	10,000
Ordinary income	11,555	2,200	600	9,100	7,000	11,300	7,600
Income before income taxes	6,834	2,200	600	8,900	6,800	11,100	7,400
Net income	2,441	800	-700	5,700	4,200	6,500	3,500
Net income per share (yen)	6.18	2.06	-1.80	14.65	10.80	16.71	9.00

Foreign exchange rates	FY ended Mar. '09	FY ending Mar. '10 Assumption
US\$	¥100.83	¥91.00
Euro	¥145.65	¥128.00
Thai Baht	¥2.98	¥2.60
Chinese RMB	¥14.64	¥13.00

Policy and Strategy

Yoshihisa Kainuma

**Representative Director,
President and Chief Executive Officer**

My Mission as CEO

Increase earnings per share

**Maximize earnings per share and
increase shareholders' value**

**Increase
shareholders'
value**

Lay foundation for Minebea's 100th anniversary

**Enhance corporate resources
and be clear about exactly
where we are heading**

**Enhance
corporate
resources**

In Order to Increase Earnings Per Share



What exactly do we have to do?

How Can We Maximize Corporate Resource Efficiency?

Our previous basic management policy

Produce better products faster and cheaper in larger quantities than anyone else

Win the competition with manufacturing excellence and technological competency



What is our Strategy?

Must identify our competitive advantages

What is our core competency?

What Is Our Competitive Advantage?

Our unique characteristics

Vertically integrated production system from parts to finished products

Extensive product lines including Machined components, Rotary components, Electronic devices and components, and Special device



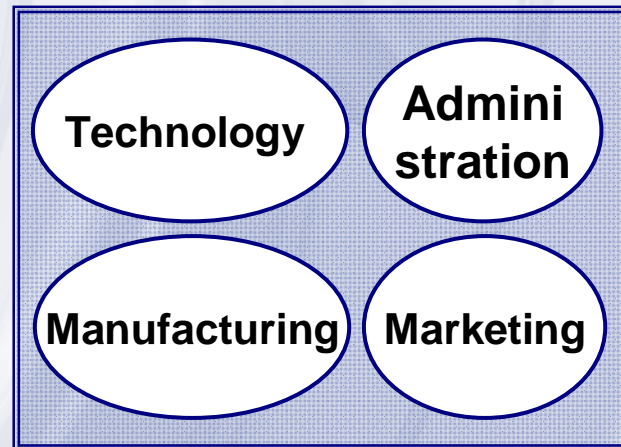
**Integrate these inherent corporate resources
to gain competitive edge**

Utilize our integrated strengths

How?

How Can We Integrate Our Strengths?

Must boost integration of our vertical and horizontal strengths



Boost Vertical Strength



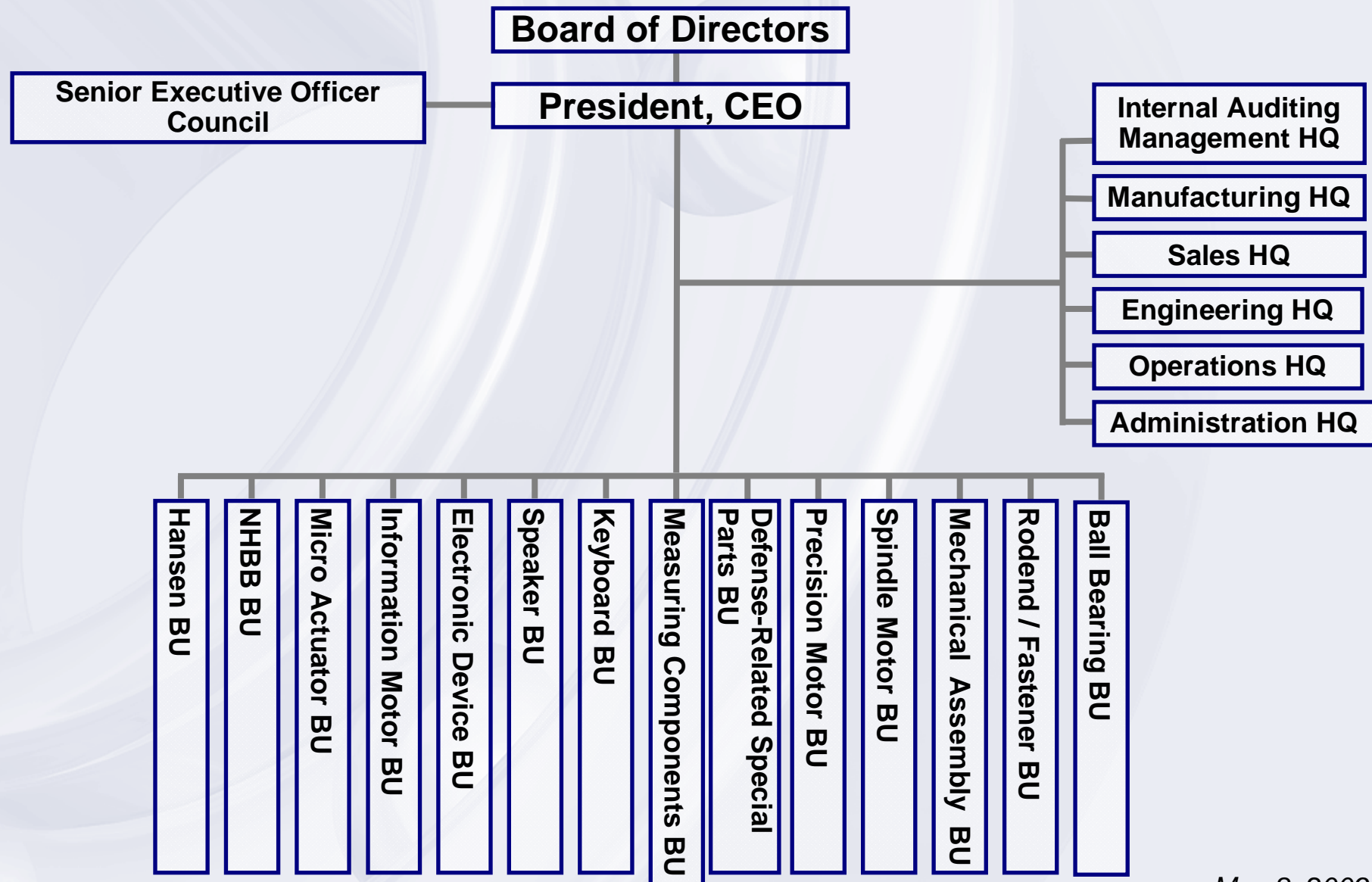
Enhance ability to meet demand for flexible pricing

Boost Horizontal Strength



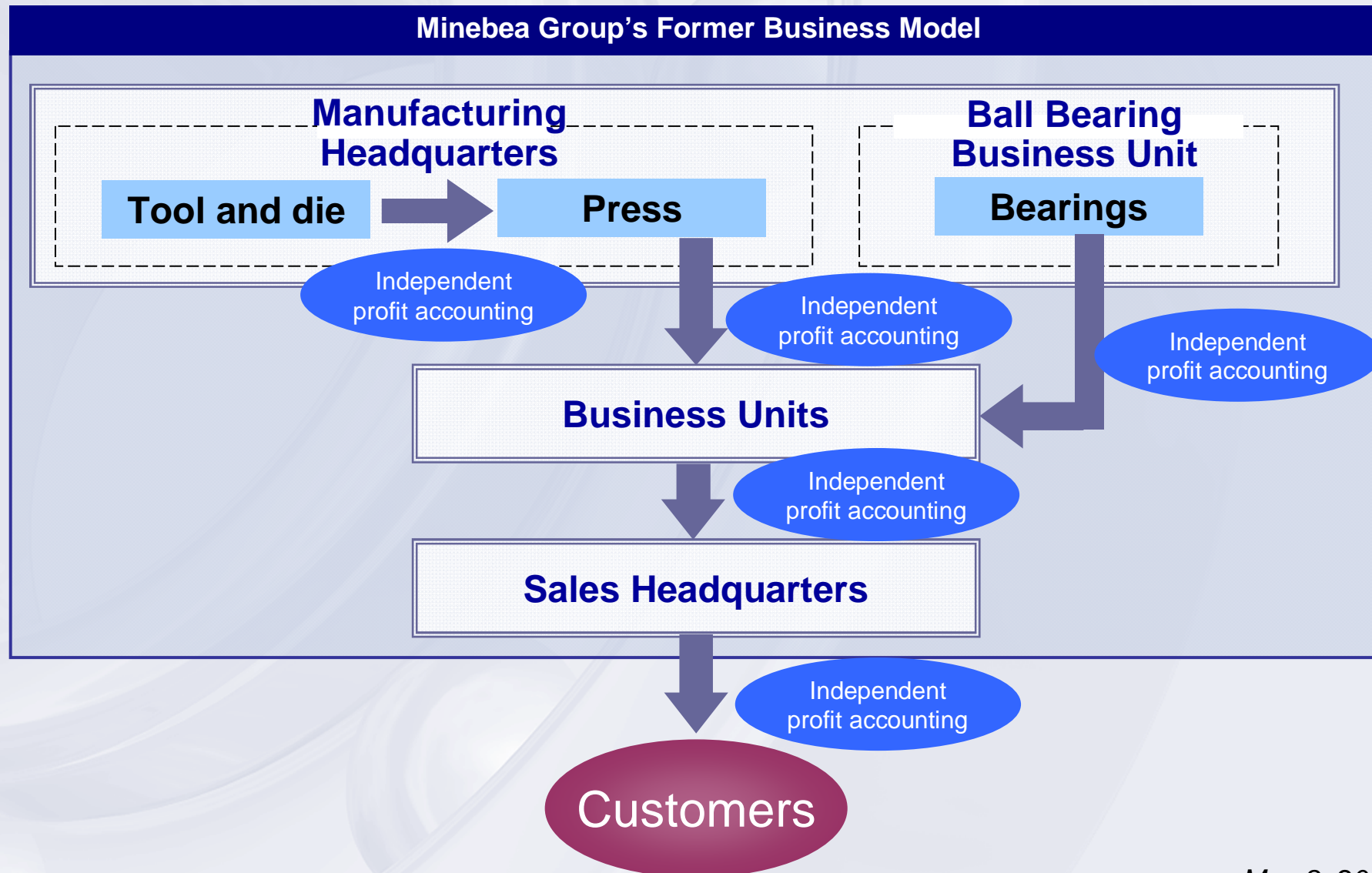
Enhance ability to meet customer requirements

Previous Organization Chart

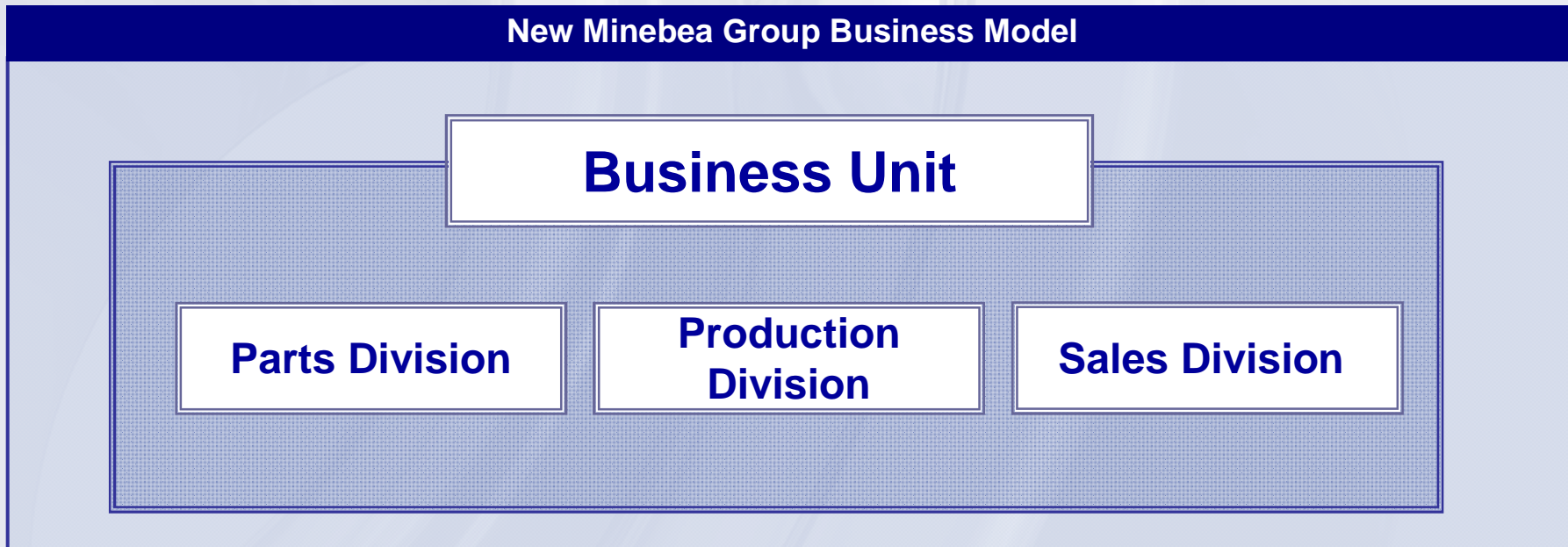


Boost Vertical Integrated Strength

Current System from Manufacturing to Delivery



After Organizational Change: To Enhance Price Competitiveness



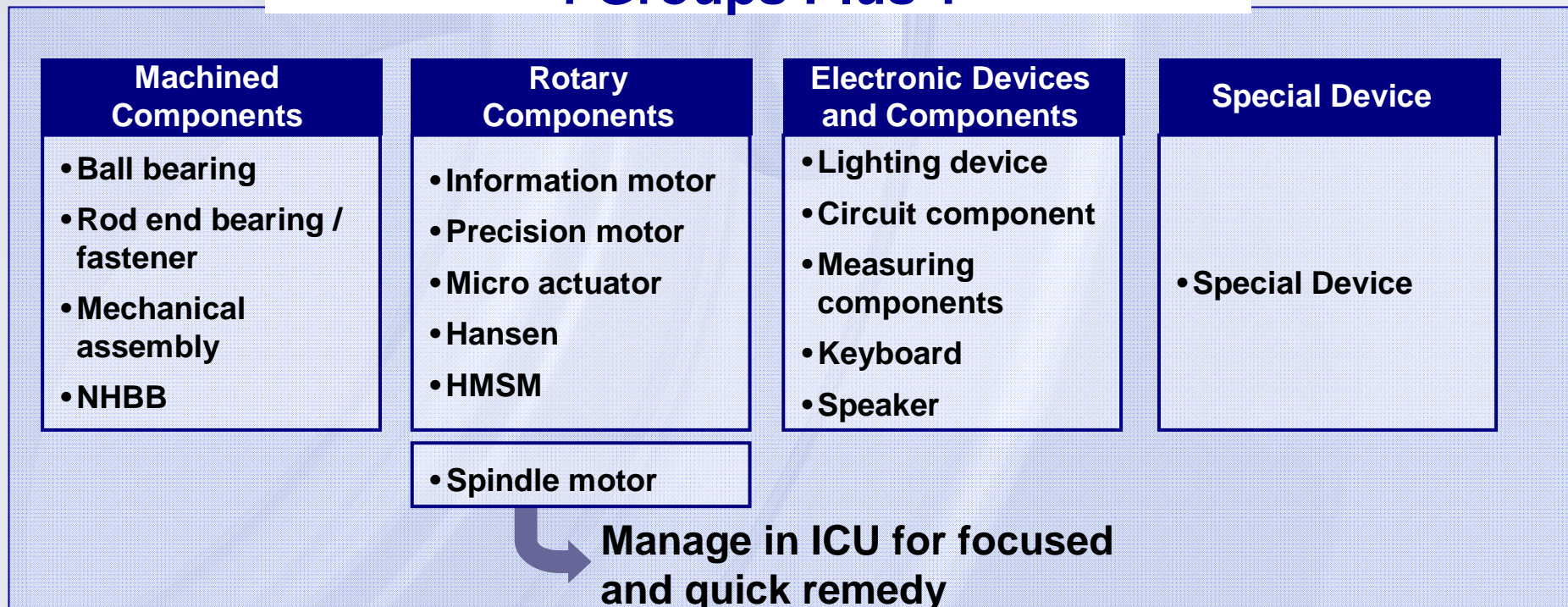
Profit

Customers

Boost Horizontal Integrated Strength (1)

Reorganize Business Portfolio

4 Groups Plus 1

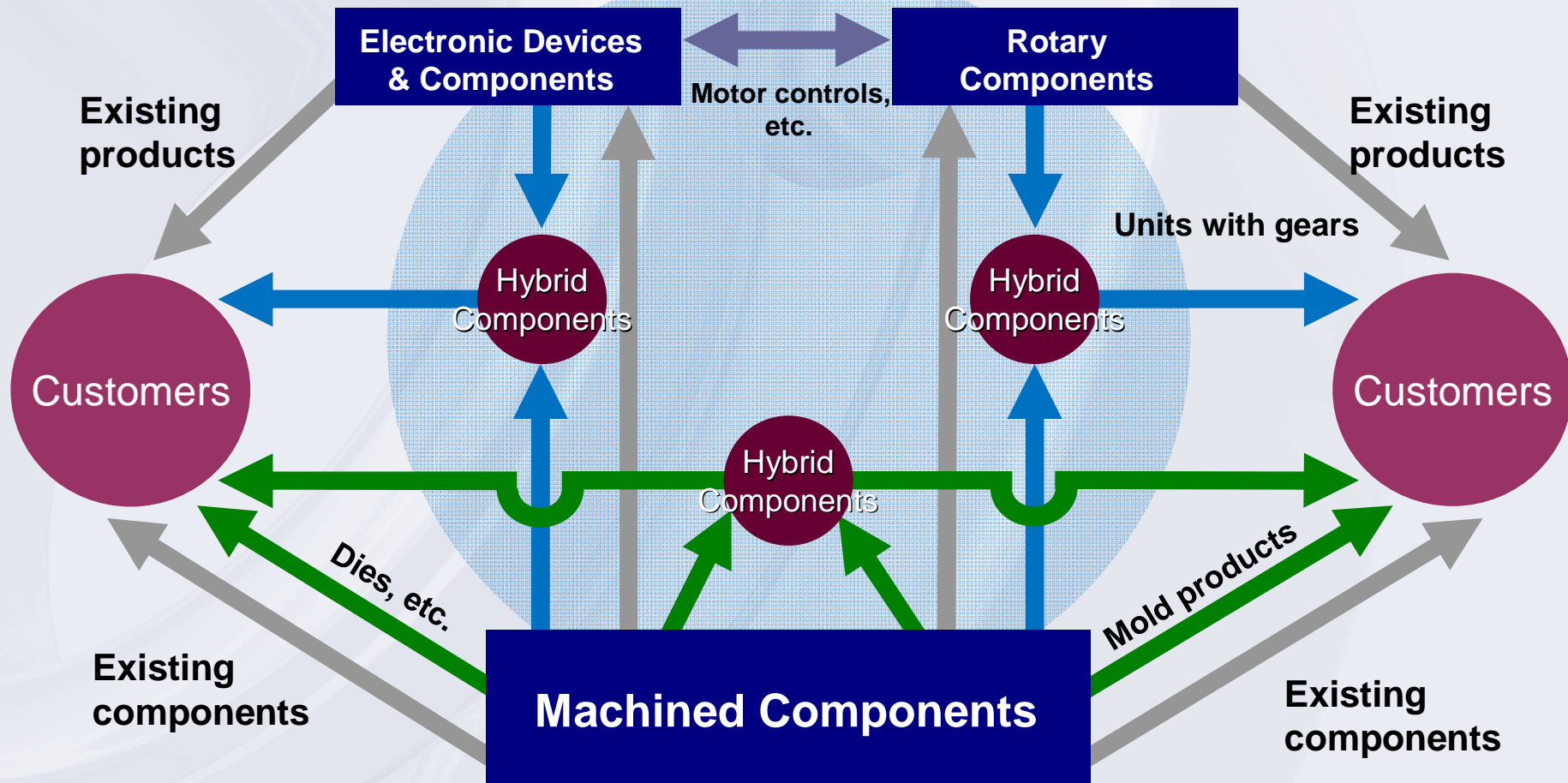


Boost integrated strength through cross-organizational R&D/sales activities and technology/information sharing

Boost Horizontal Integrated Strength (2)

Create New Business Model

(Sales of Hybrid Components)



Sales of hybrid components will also enable us to quickly meet customer requirements

Boost Horizontal Integrated Strength (3)

New Hybrid Components Concept

Horizontal
integrated strength



Electro **M**echanics **S**olution



**Strengthen development and marketing of
high-value-added hybrid products**

Boost Horizontal Integrated Strength (3)

Electro Mechanics Solutions: Product examples

Fan Motor + Mechanical Component + Electronic Circuits + Software

HMSM: Heat Management System Module
(Cooling system for data communications/processing equipment)



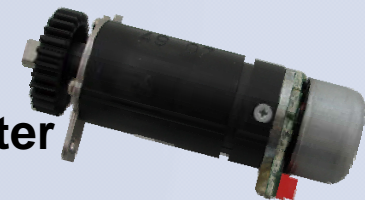
Stepping Motor + Gear

Stepping motor
for HVAC



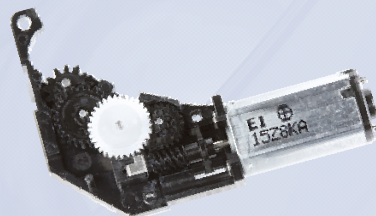
BLDC Motor + Gear Box

Motor for driving
mobile phone repeater
antenna

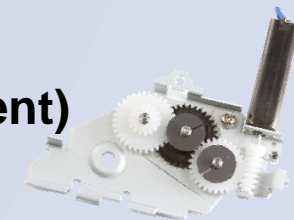


DC Motor + Gear + Plate

Digital camera
zoom drive unit

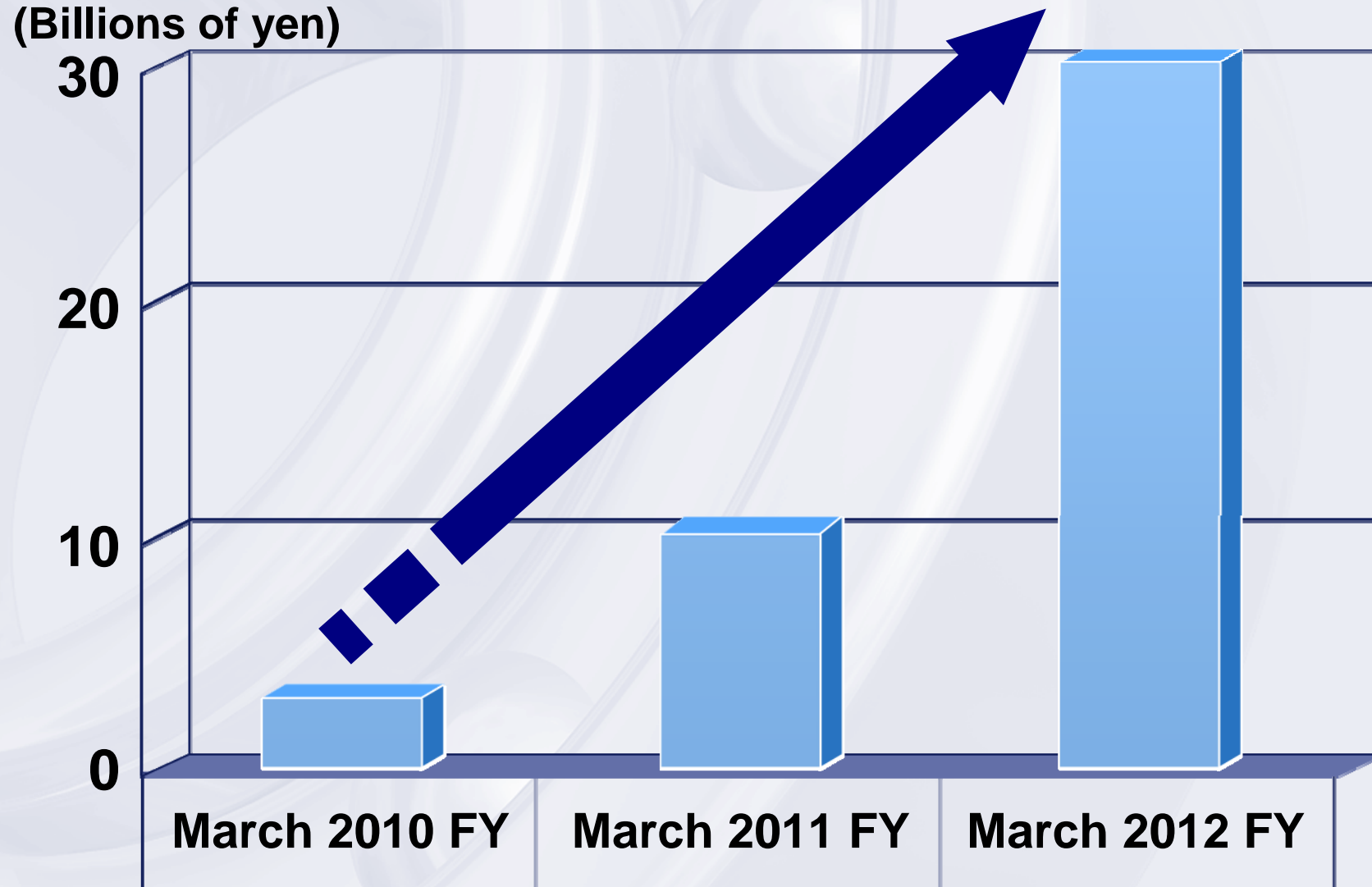


Drive unit
(under development)

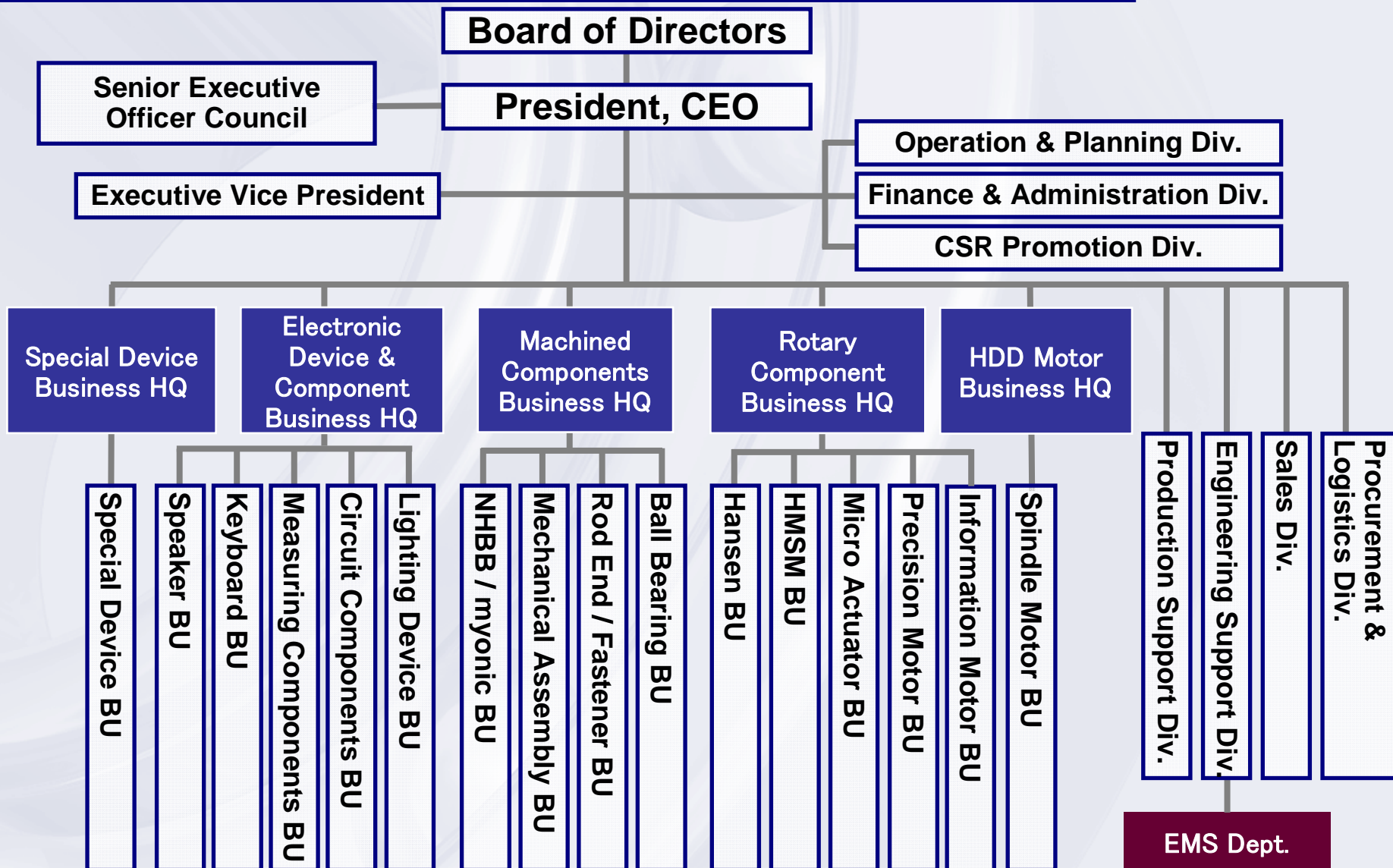


Boost Horizontal Integrated Strength (3)

Image of Expanding Hybrid Components Sales



New Organization Chart



Maximize Earnings Per Share

Need to take action beyond manufacturing

Establish new Cost Reduction Promotion Office

Review policy of repurchasing own shares

Consider various equity measures

Machined Components

Strengthen and expand this business area, which is our profit base

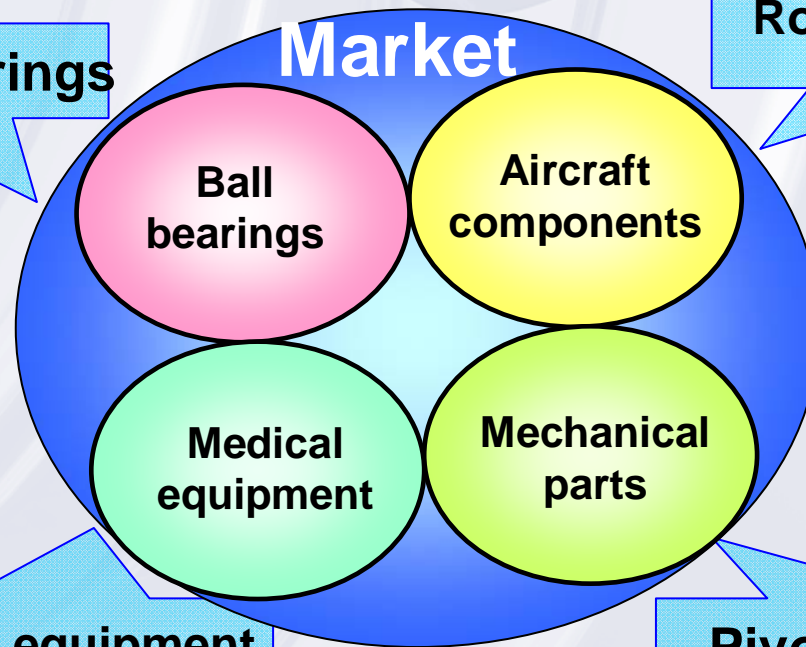
- Abrupt market slowdown → efforts to maintain profitability
- Enhanced operational and energy efficiency at the new ball bearing factory specializing in machining
- Closure of Skegness Plant in UK

- Expand product lines (hybrid products)
- Completion of new rod end factory
- Build new surface treatment factory in Fujisawa

Miniature ball bearings



Market



Rod-end bearings and fasteners



Bearings for medial equipment

- Strengthen by leveraging the acquisition of myonic
- Expand in Japan, U.S. and Europe

Pivot assemblies

- Ensure market share and profitability
- Develop new mechanical parts markets

Acquisition of myonic

1. About myonic

- (1) Founded: 1936 (as RMB SA)
- (2) Locations: Germany and Czech Republic (production), U.S. and Europe (sales)
- (3) Sales: 33 million euro (Year ending December 2008)

2. myonic product features

- (1) Large share in European market of bearing products for dental and medical equipment
- (2) Complex Assemblies: Ability to develop and manufacture high value added products (i.e. ball bearing assemblies for computer tomography and mammography devices)

3. Acquisition goals

- (1) Dental/medical equipment market: Japan (Minebea), US (NHBB) + Europe (myonic)

**Establish tri-polar structure with 3 brands ...
 Increase global share further**

- (2) Provide more extensive product line: High precision and quality
- (3) Expand in aerospace market

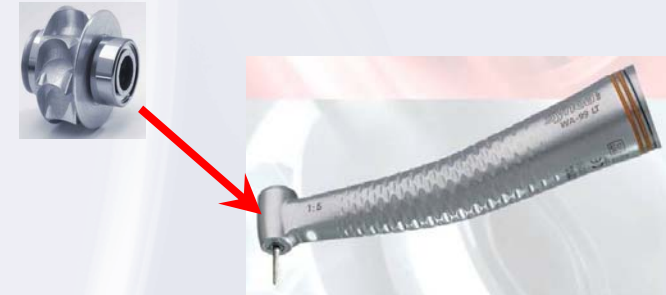
Acquisition of myonic

Products for medical/dental industry (63% of sales)

=> Expanding market

- Ball bearings for dental handpieces

- Features:
1. Handle ultra high speed: 500,000 rpm
 2. Superior retainer technology



- Ball bearing assemblies for computer tomography (CT) and mammography devices

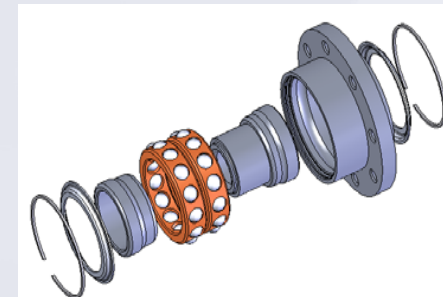
- Features:
1. Used in a vacuum at high temperature (about 540°C) to keep clean.
→ Grease cannot be used, so special coatings are employed for lubrication.
 2. Advanced processing and assembly techniques are required.



Products for aerospace industry (20% of sales)

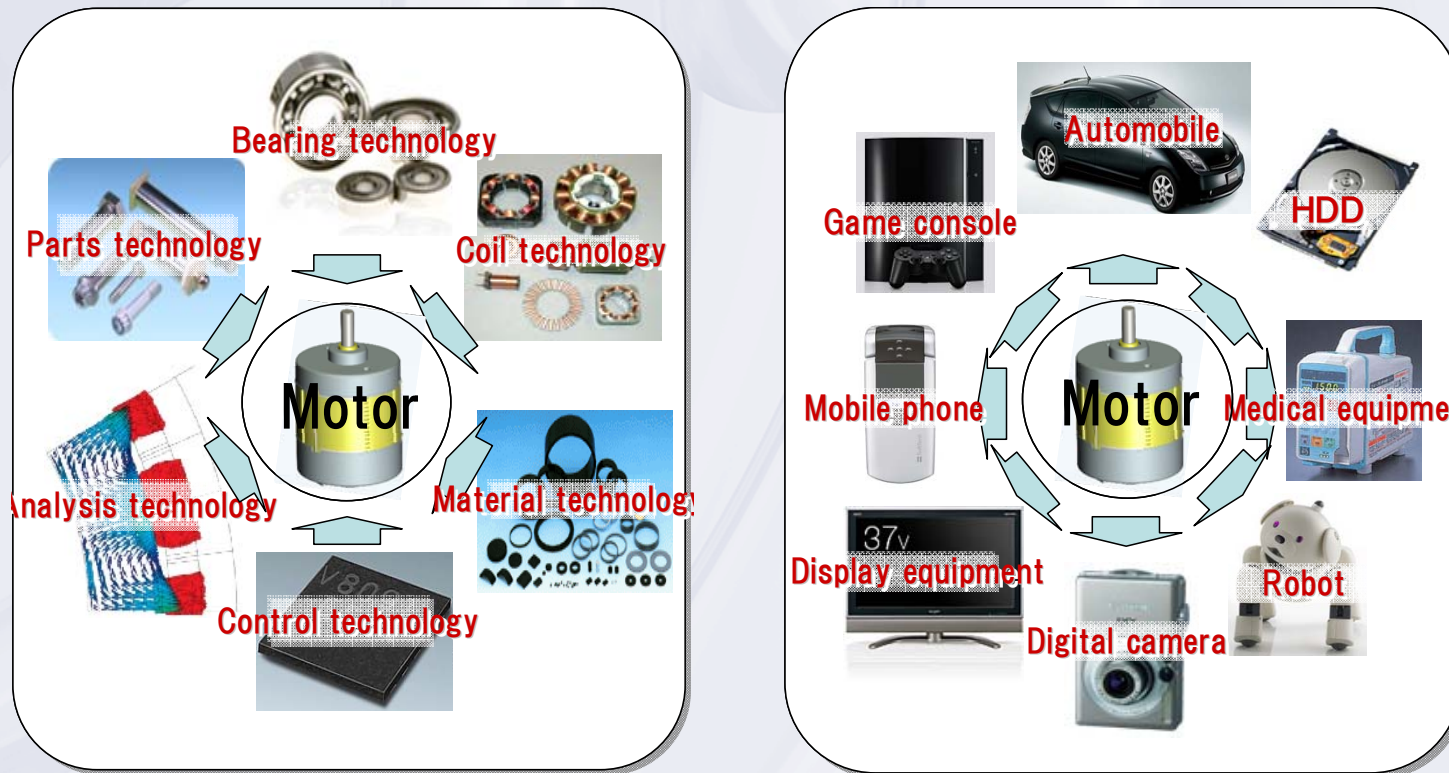
- Ball bearing assemblies for satellites

- Features:
1. Used in outer space environment (vacuum, extremely high/low temperatures).
→ Grease cannot be used, so special coatings are employed for lubrication.
 2. Advanced processing and assembly techniques are required.



Rotary Components

Create synergies by consolidating motor related businesses



Structural reform to make Information Motor business profitable has been completed

Launch of Micro Actuator Business Unit

Growth and synergies resulting from acquisition of FDK's stepping motor business

Advantages in design and processing of certain parts
=> Urgently implementing across the organization

Micro Actuator Business Unit

- (1) Product lines focusing on small size products measuring 10 mm or less in diameter
- (2) Currently working to bring more parts production in-house
- (3) Applications include auto focus of digital cameras, automobile HVAC, etc.

Synergy Effects

- Completion of product line Expand target market & enhance marketing capability
- Technological fusion and synergy Synergy between product technologies
Minebea's in-house production technology

New Products (See press release for more details)

- (1) Commercialization of the world's smallest stepping motor
3.3 mm diameter (20 steps). Mass production scheduled for end of 2009.
- (2) Mass production of 6 mm diameter stepping motor (40 steps)
First in the world to achieve 40 steps with this size
(For lens units. Working to expand to other areas of application.)



New DC Brush Motors (S Series)

Product Features

- (1) Small, lightweight, high torque
(same torque but half the volume of predecessors, or twice the torque but same volume as predecessors)
- (2) New rounded edge design for increased freedom of installation in equipment
- (3) Low noise (2-pole 3-slot => 4-pole 6-slot), low cogging, long life
- (4) Extensive product line from 5x5 mm to 30x30 mm

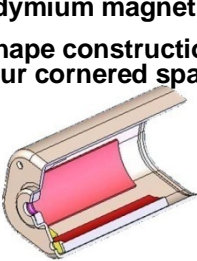
Major Applications

Electrical components, consumer electronics (DSC, optical drives, home appliances, etc.), industrial applications

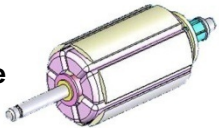

Major Patents Obtained

US patent obtained for square shape with magnets placed in four corners
Others


- Thin neodymium magnet
- Square shape construction
Use of four cornered space



- 90° brush angle
- Six maximum-width slot cores
- High density wiring
- Optimal magnetic circuit design





S Series




(Rounded edge)

Conventional



(Round)

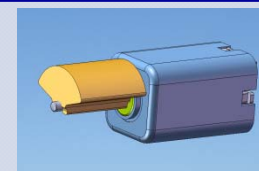


(Oval)

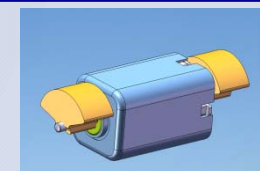
Magnet space

Application in Vibration Motors (LEGO Series)

1. Major applications: mobile phones, PDAs, handheld game consoles, etc.
2. Compact and high vibration, ideal for small devices
3. Can be used for both haptics and vibration functions thanks to enhanced start-up characteristics



Weight on one end



Weight on both ends

Electronic Device & Component

– Optical Devices – Sensors – Electronics –

LED Backlights

- Moving towards mass production of LED backlights for notebook PCs
- Working to expand customer base in the automobile industry
- Now expanding with aim to achieve largest market share in LED backlights for mobile and automobile applications
- Aiming at on TV applications

Measuring Components

- Expansion in the sensor business
- Develop new markets in addition to passenger seat and game console applications

Keyboards Speakers

- Improve keyboard business which had worse profitability
- Remaining tasks for improvements in speaker business

Final Challenges for HDD Spindle Motor Business

- Remaining tasks for improving profitability of HDD spindle motor business

Put the spindle motor business into ICU

Active involvement of relevant senior executive officers

Some positive developments in profitability improvement efforts in fiscal year ended March 31, 2009.

- Improved product mix: Focus on 2.5-inch products
- Improved yields

Sales volume target was not achieved due to worsened market conditions

- Actual results were 3.4 million units/month despite production/sales target of 4 million units/month

Implement thorough cost reductions to balance revenues and expenses this fiscal year

Rebuilding Keyboard Business

- **The business was back in the black for the fiscal year ending March, 2008, as a result of restructuring and a policy focusing on product mix. The business fell back into the red in the fiscal year ended March, 2009, due to declining sales on top of increased material costs, etc.**

Key strategies for the fiscal year ending March, 2010

- **Develop high-value-added products**
 - **Gain new customers with LED mounted keyboards, waterproof keyboards, etc.**
- **Cut costs and improve efficiency**
 - **Review dies, boost production efficiency, optimize personnel and increase personnel efficiency**
- **Develop new technologies for new markets**
 - **Develop new products like pointing sticks using proprietary technology**
 - **Develop new input devices**

Rebuilding Speaker Business

● Launch of fully fabless operations which had been planned at the beginning of the fiscal year ended March, 2009 was postponed to the second half of the fiscal year upon customer request. This as well as declining sales left the business in the red.

Key strategies for fiscal year ending March, 2010

- **Increase sales**
 - Increase business with existing customers and win new customers
- **Enhance design, technological and development capabilities to increase sales of new next-generation models**
- **Solve production problems**

Basic Financial Strategy

Maintain sound financial structure and flexible strategy

- Annual dividend of 7 yen (interim 5 yen and year end 2 yen) per share will be proposed due to large decreases in revenue and profit in the fiscal year ended March, 2009
- Net interest-bearing debts did not reach the 100 billion yen target due to abrupt changes in the operating environment as well as M&A, etc.
- Continue focus on maintaining a sound financial structure and creating cash flow with an eye to keeping net interest-bearing debts in 100 billion yen range.

Dividend Policy

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 while maintaining stable and continuous distributions of profits.

M&A

We will work actively toward realizing M&As that create synergy and accelerate growth.

- We will analyze our current status and work to further enhance our strengths while reinforcing areas where we find weaknesses.
- M&A is one of the tools we will use to enhance our integrated strength.

Minebea Co., Ltd.

Business Results

<http://www.minebea.co.jp/>

Any statements in the presentation which are not historical fact are future projections made based on certain assumptions and executive judgment drawn from currently available information.

Please note that actual performance may vary significantly from any particular projection due to various factors.

Factors affecting our actual performance include: (i) changes in economic conditions or demand trends around Minebea; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. However, this is not a complete list of the factors affecting actual performance.

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