

Business Results

Second Quarter of Fiscal Year Ending March 31, 2009

October 31, 2008

Minebea Co., Ltd.



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

Financial Results

Hiroharu Katogi
Director, Senior Managing Executive Officer

Summary of Consolidated Business Results for 1H

Net Sales and Income decreased due to negative impacts from currency, higher raw materials costs and global economic slowdown

(Millions of yen)	Year ended Mar. '08	Year ending Mar. '09	Change yoy	1H of year ending Mar. '09	
	1H	1H		Original forecast	Vs. Forecast
Net sales	168,247	150,613	-10.5%	162,000	93.0%
Operating income	15,121	11,698	-22.6%	15,400	76.0%
Ordinary income	13,236	10,891	-17.7%	14,100	77.2%
Income before income taxes	12,196	10,102	-17.2%	13,500	74.8%
Net income	7,474	6,205	-17.0%	8,100	76.6%
Net income per share (yen)	18.73	15.55	-17.0%	20.30	76.6%

Foreign exchange rates	1H of FY Mar. '08	1H of FY Mar. '09	Remarks
US\$	¥119.64	¥105.67	() is on-shore rate reported by the Bank of Thailand. Large difference on on-shore Thai Baht rate and off-shore one disappeared in March, 2008 when Thailand lifted its restrictions on short-term capital inflows.
Euro	¥161.83	¥163.65	
Thai Baht	¥3.77 (¥3.47)	¥3.22	
Chinese RMB	¥15.68	¥15.25	

Summary of Consolidated Business Results for 2Q

From 1Q net sales and income increased due to improved impacts from currency and company-wide cost reduction efforts

(Millions of yen)	FY ended Mar.'08 2Q	FY ended Mar.'09		Change	
		1Q	2Q	YoY	QoQ
Net sales	86,481	74,041	76,572	-11.5%	+3.4%
Operating income	8,006	5,083	6,615	-17.4%	+30.1%
Ordinary income	6,984	4,685	6,206	-11.1%	+32.5%
Income before income taxes	6,720	4,057	6,044	-10.1%	+49.0%
Net income	4,341	2,635	3,570	-17.7%	+35.5%
Net income per share (yen)	10.88	6.60	8.95	-17.7%	+35.5%

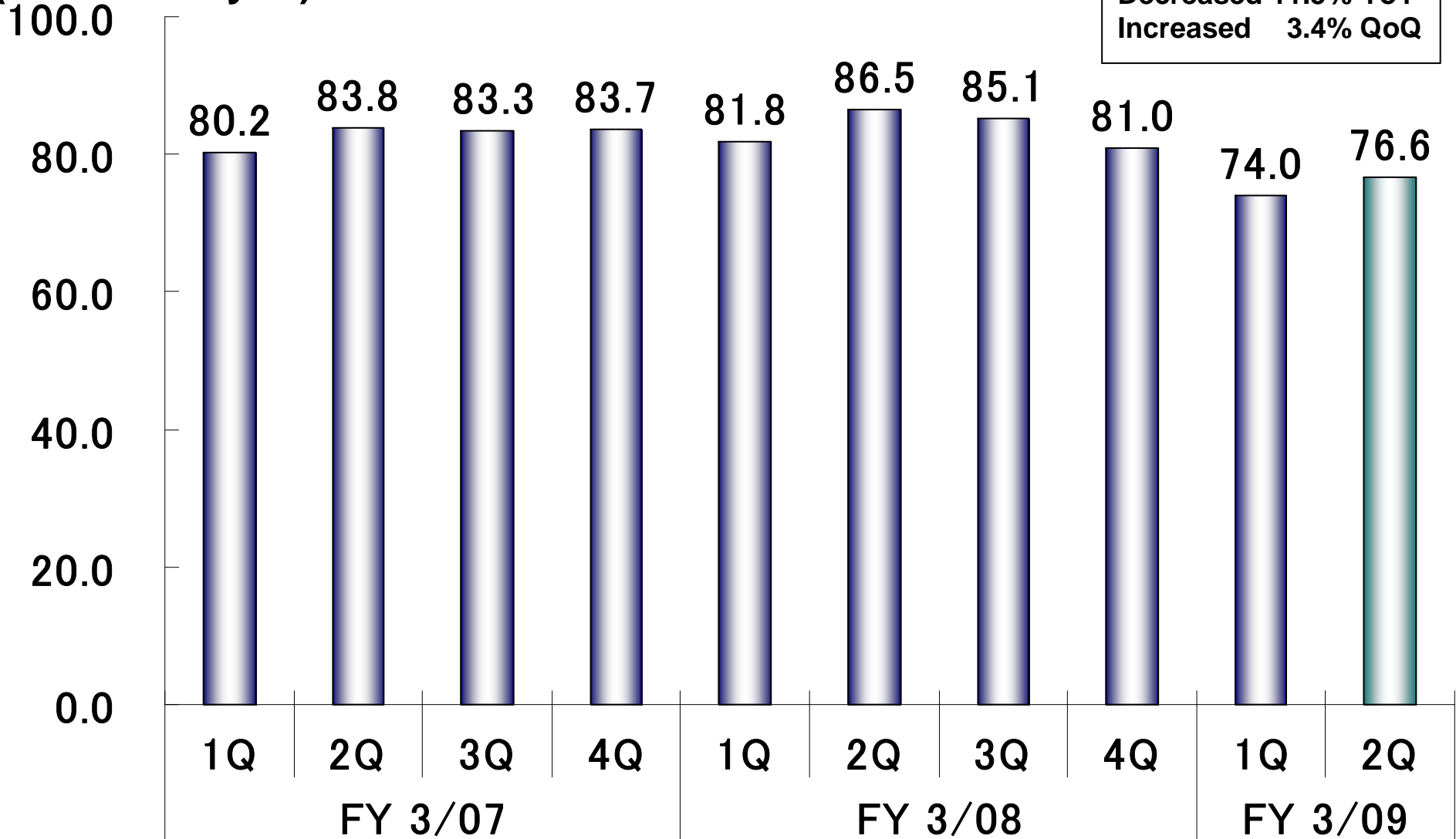
Foreign exchange rates	2Q of FY Mar. '08	1Q of FY Mar. '09	2Q of FY Mar. '09	Remarks
US\$	¥119.42	¥103.36	¥107.97	() is on-shore rate reported by the Bank of Thailand. Large difference on on-shore Thai Baht rate and off-shore one disappeared in March, 2008 when Thailand lifted its restrictions on short-term capital inflows.
Euro	¥162.43	¥161.48	¥165.81	
Thai Baht	¥3.84 (¥3.49)	¥3.24	¥3.20	
Chinese RMB	¥15.80	¥14.72	¥15.77	

Quarterly

Net Sales

(Billions of yen)

Decreased 11.5% YoY
Increased 3.4% QoQ

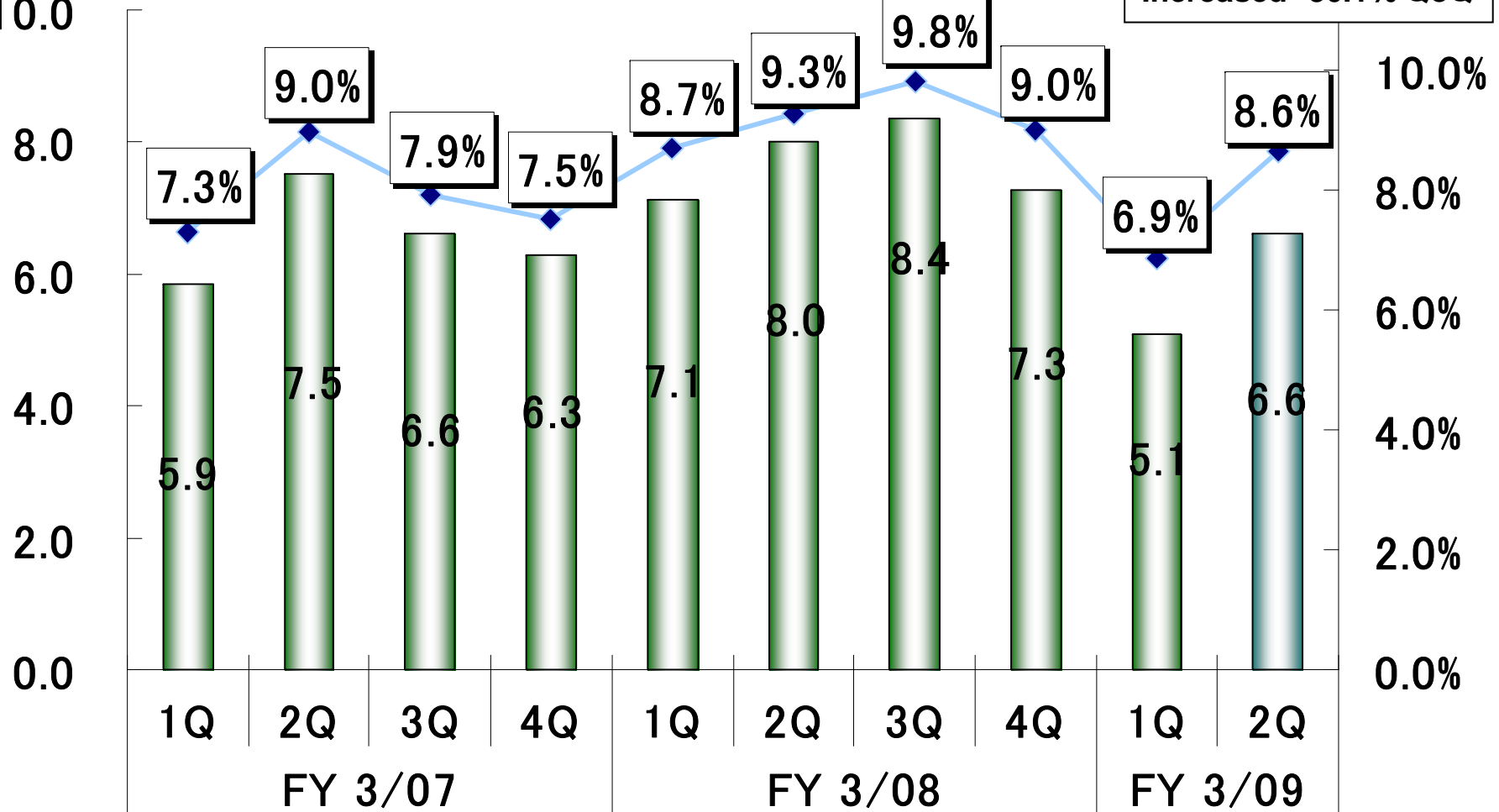


Quarterly

Operating Income

(Billions of yen)

10.0

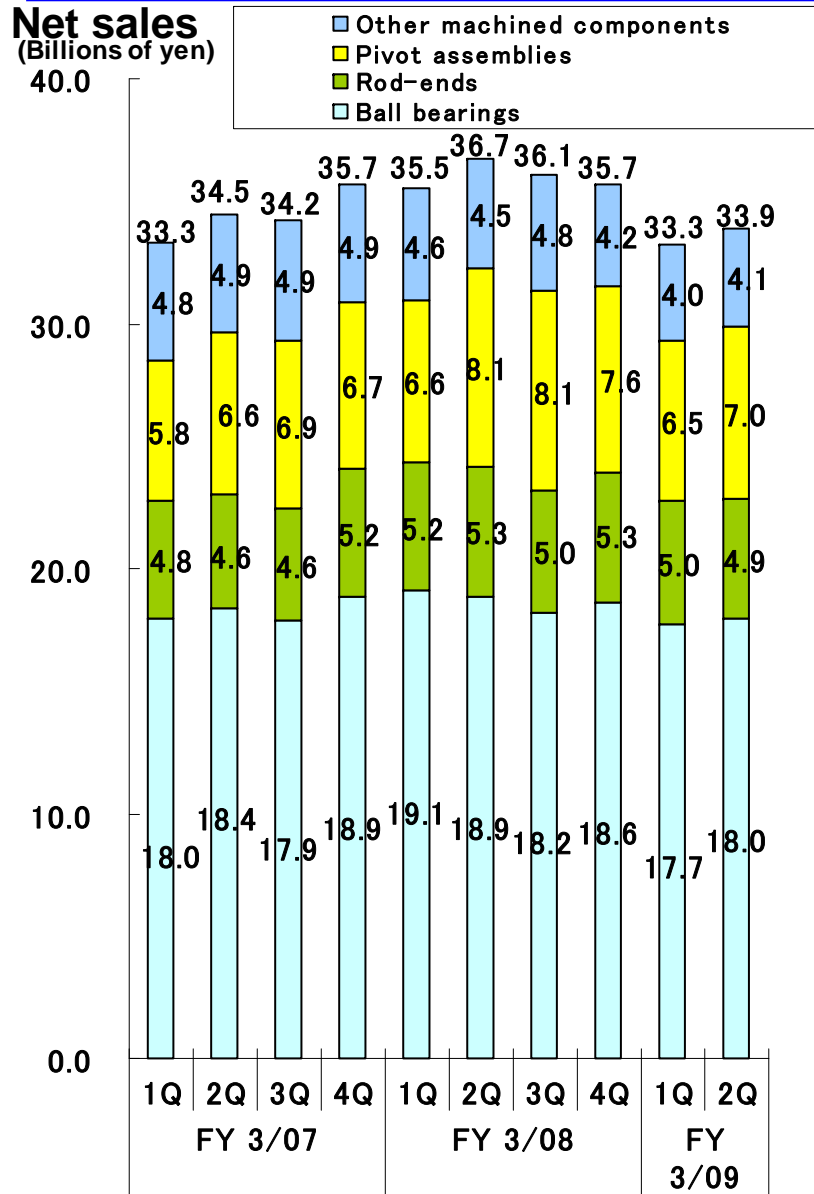


Decreased 17.4% YoY
Increased 30.1% QoQ

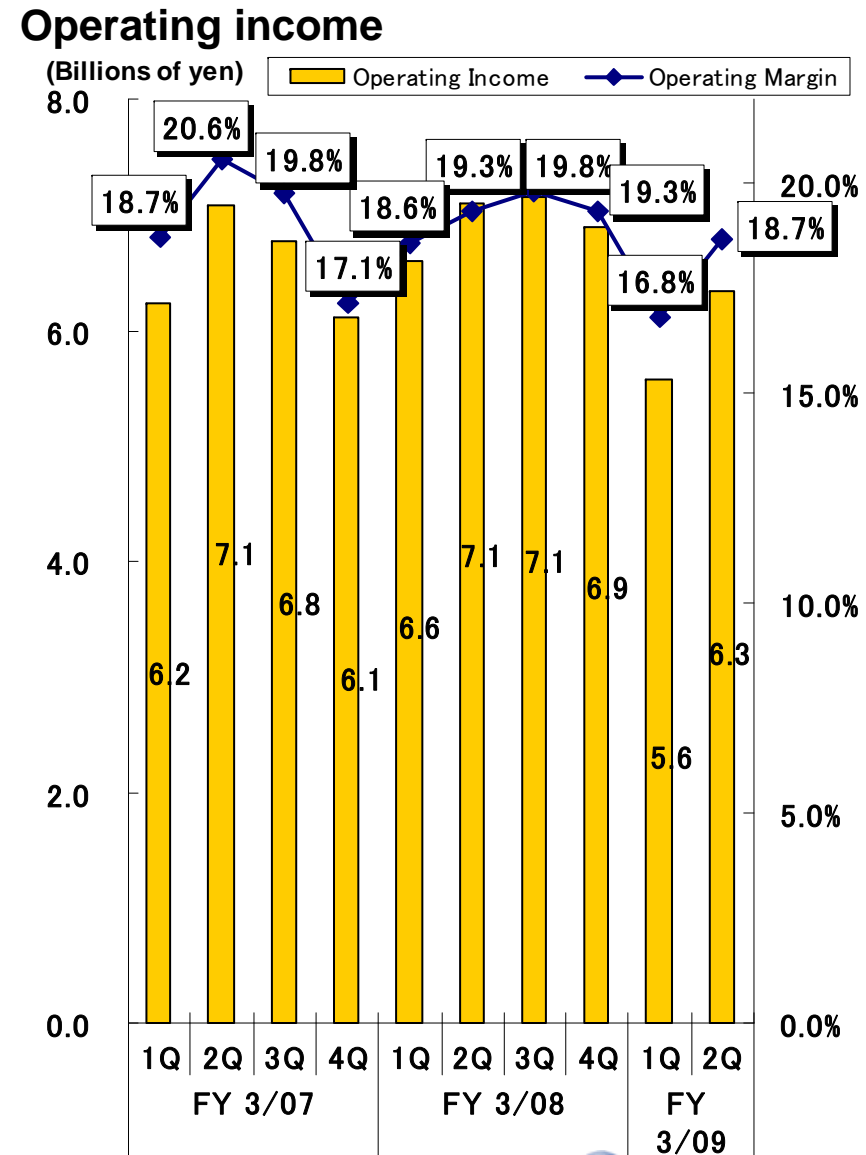
Operating income Operating margin

Business Segments

Machined Components Business

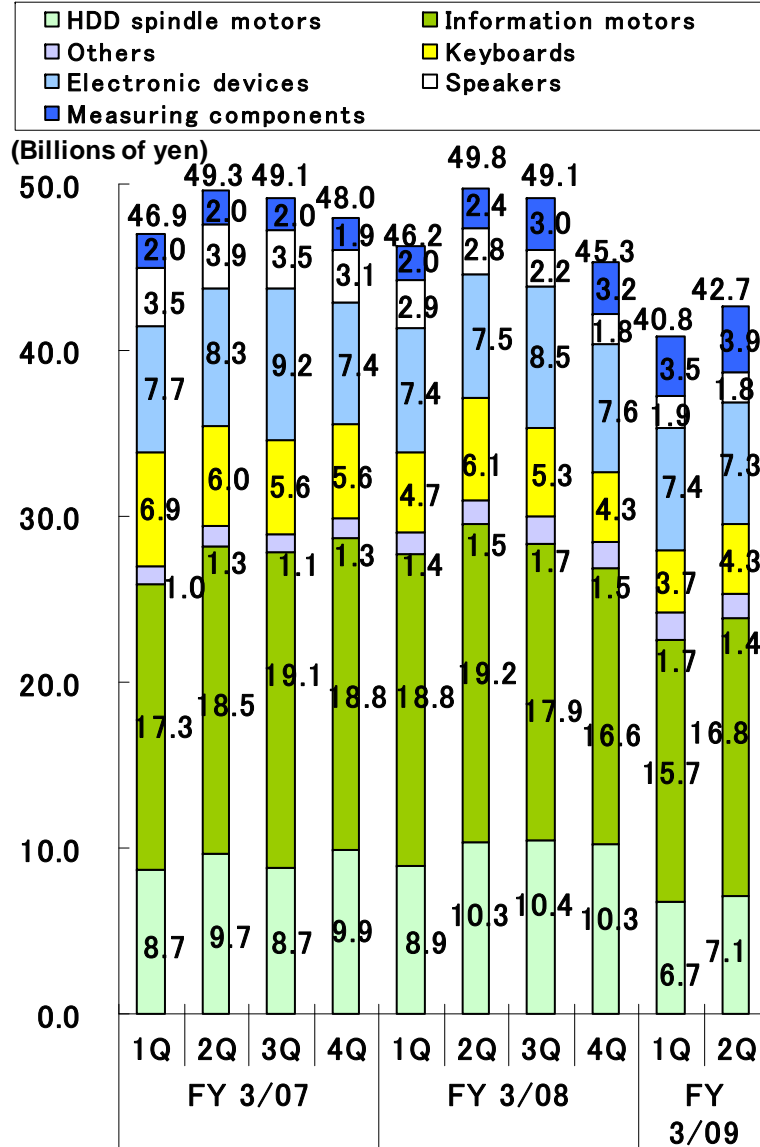


October 31, 2008



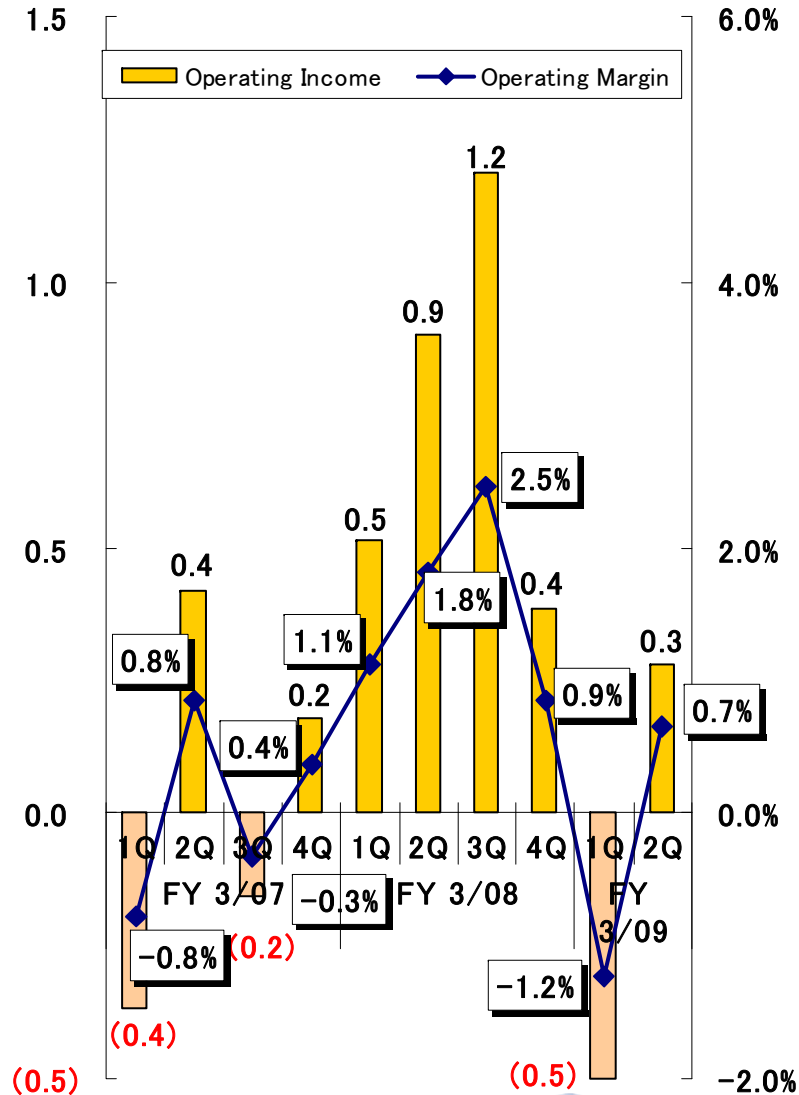
Business Segments Electronic Devices and Components Business

Net sales



October 31, 2008

Operating income (Billions of yen)

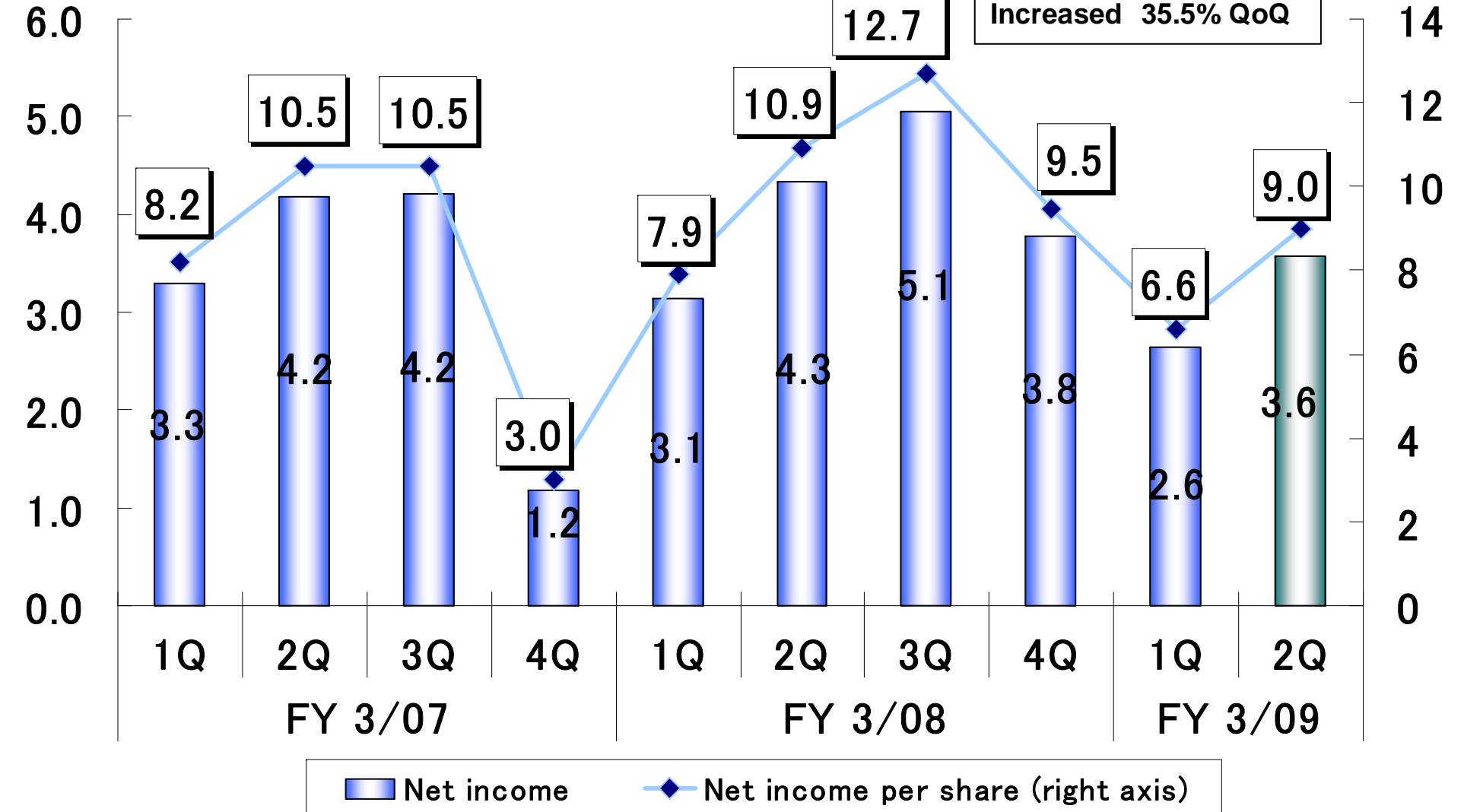


Quarterly

Net Income

(Billions of yen)

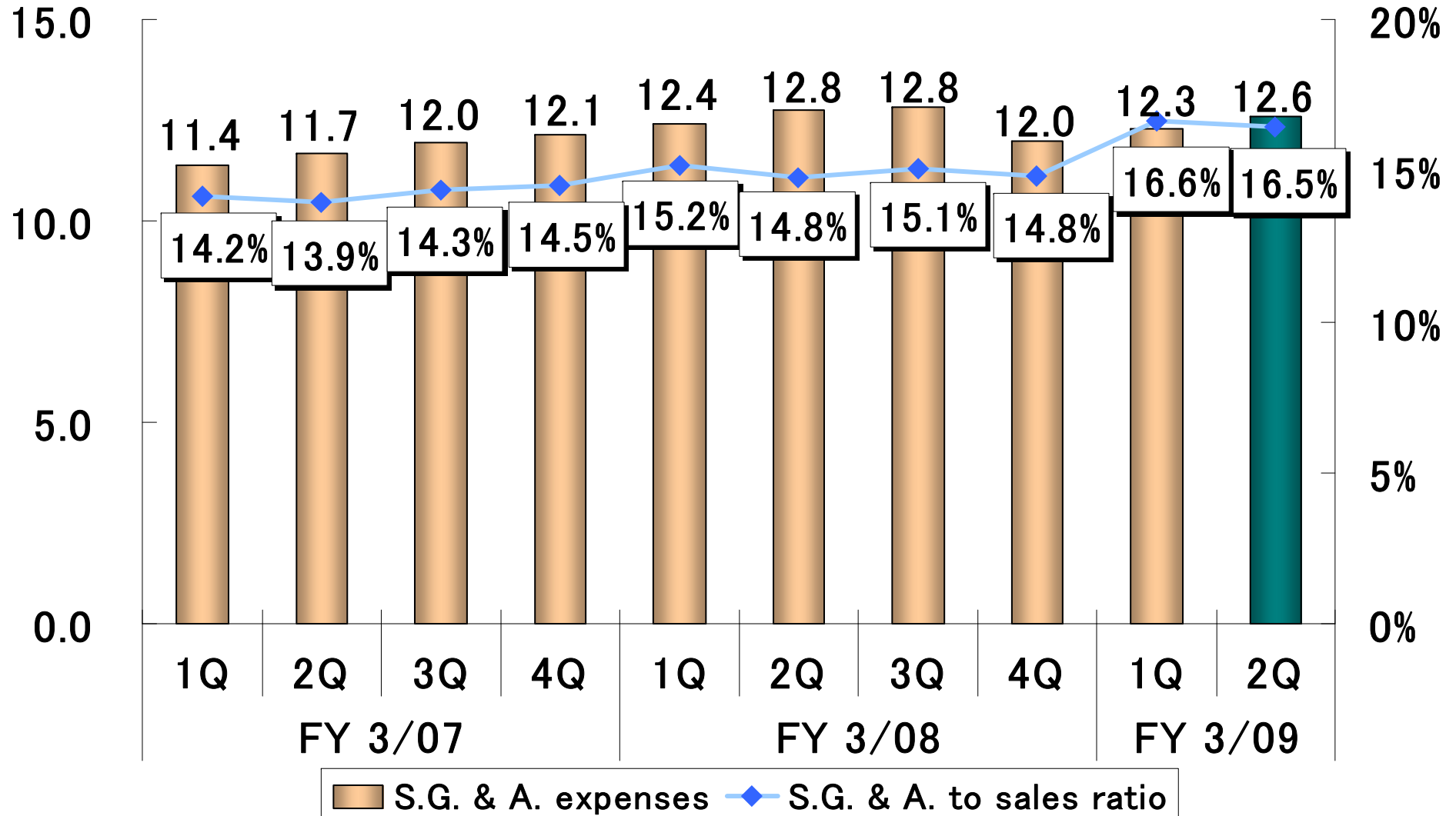
(Yen)



Quarterly

S.G. & A. Expenses

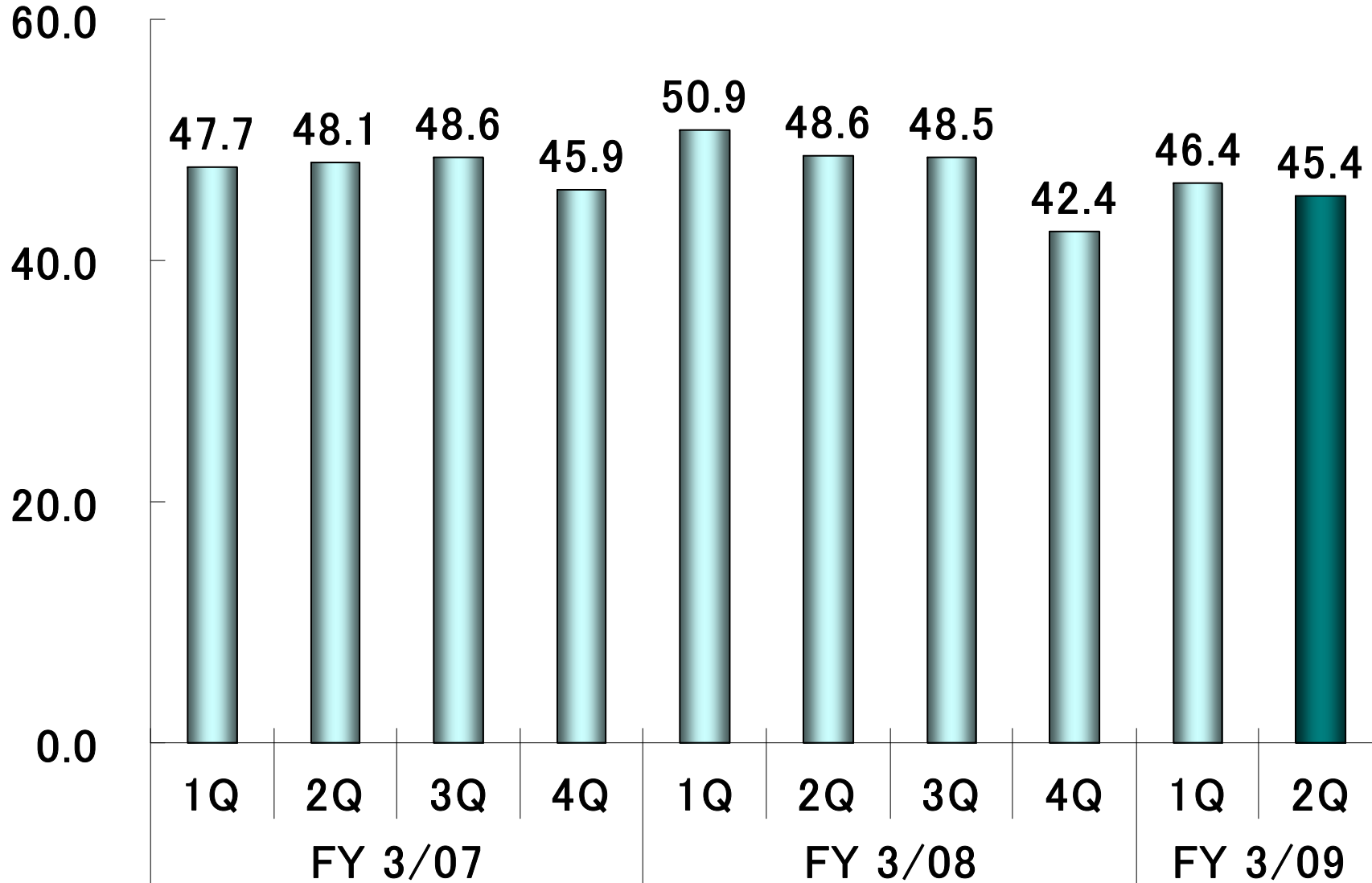
(Billions of yen)



Quarterly

Inventories

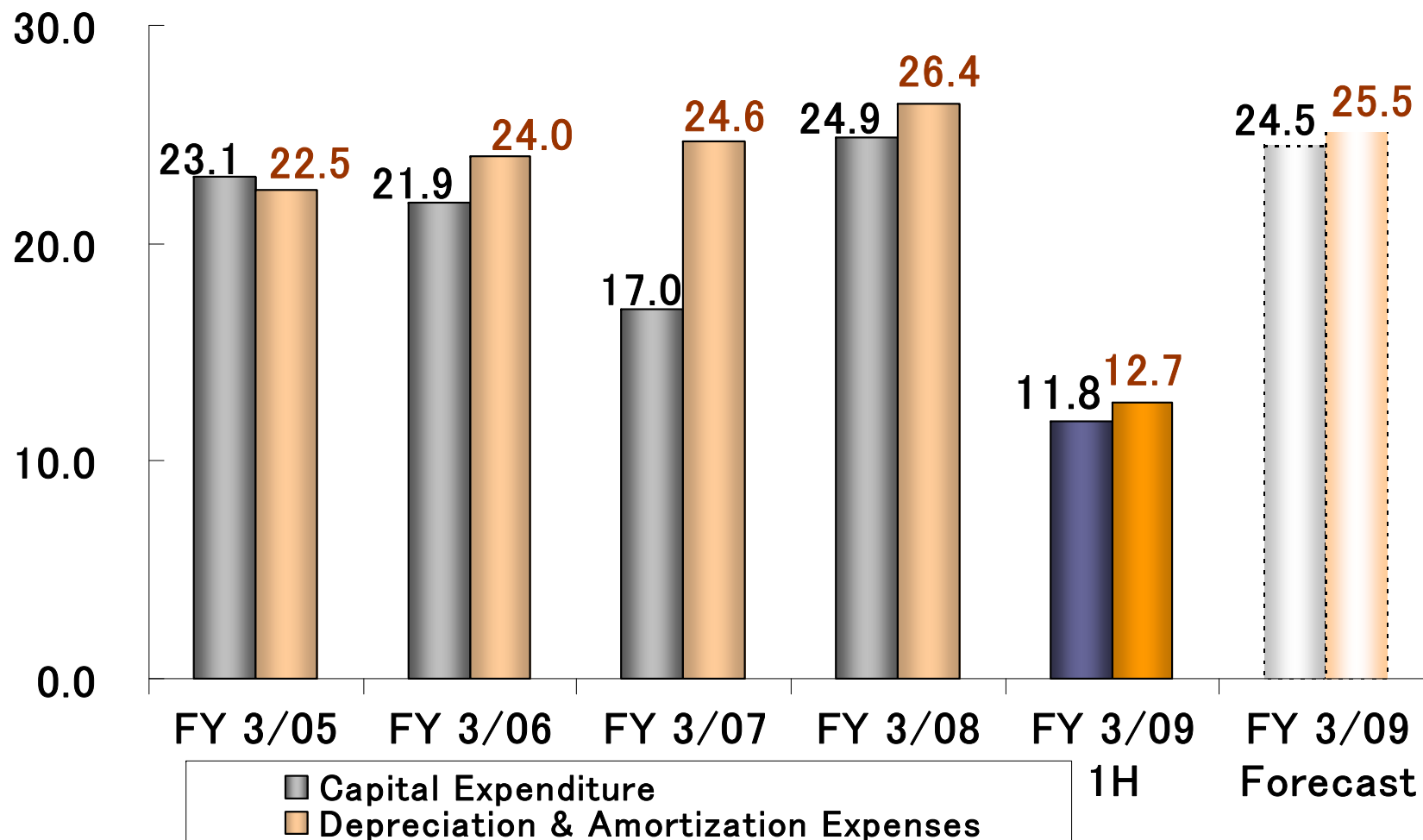
(Billions of yen)



Yearly

Capital Expenditure & Depreciation

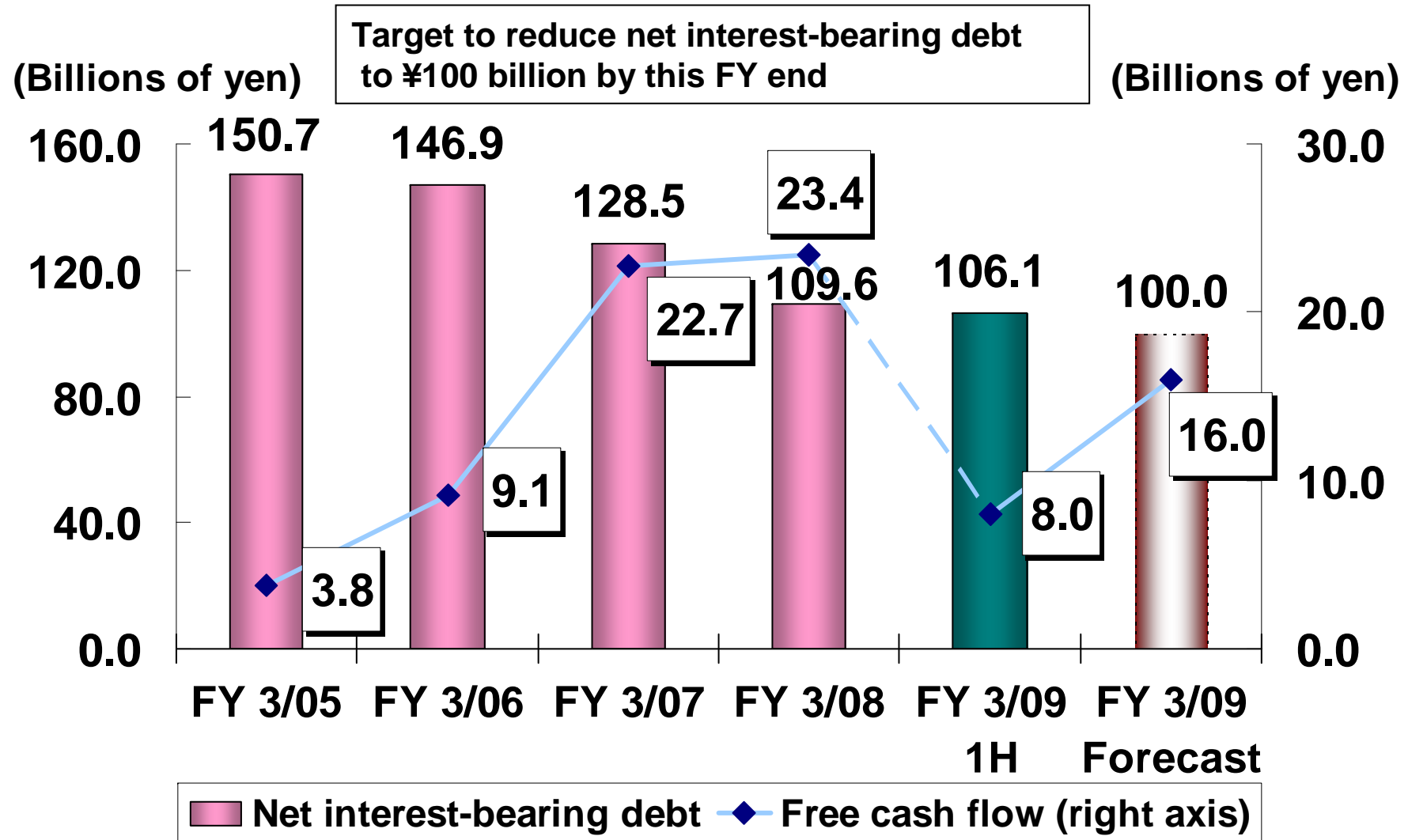
(Billions of yen)



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

Forecast for Fiscal Year Ending March 31, 2009

Full year forecast revised downward due to negative impacts from currency and global economic slowdown

(Millions of yen)	FY ended Mar.'08 Full year	Fiscal Year ending Mar.'09				Fiscal Year ending Mar.'09 Previous forecast		
		1H	2H revised forecast	Full year revised forecast (A)	yoy	2H	Full year (B)	Amount change (A)-(B)
Net sales	334,431	150,613	149,387	300,000	-10.3%	168,000	330,000	-30,000
Operating income	30,762	11,698	13,302	25,000	-18.7%	16,600	32,000	-7,000
Machined components business	27,750	11,916	12,084	24,000	-13.5%	14,300	28,000	-4,000
Electronic devices and components business	3,012	-218	1,218	1,000	-66.8%	2,300	4,000	-3,000
Ordinary income	27,691	10,891	12,109	23,000	-16.9%	15,400	29,500	-6,500
Income before income taxes	25,254	10,102	11,898	22,000	-12.9%	15,000	28,500	-6,500
Net income	16,303	6,205	6,295	12,500	-23.3%	8,900	17,000	-4,500
Net income per share (yen)	40.86	15.55	15.78	31.33	-23.3%	22.31	42.61	-11.28

Foreign exchange rates	FY ended Mar.'08	1H of FY Mar. '09	2H of FY Mar. '09 Assumption	FY ending Mar.'09 Assumption	Remarks
US\$	¥115.29	¥105.67	¥105.00	¥105.34	() is on-shore rate reported by the Bank of Thailand. Large difference on on-shore Thai Baht rate and off-shore one disappeared in March, 2008 when Thailand lifted its restrictions on short-term capital inflows.
Euro	¥162.18	¥163.65	¥140.00	¥151.83	
Thai Baht	¥3.70 (¥3.39)	¥3.22	¥3.00	¥3.11	
Chinese RMB	¥15.40	¥15.25	¥15.00	¥15.13	

Business Segments 2H Forecast for Fiscal Year Ending March 31, 2009

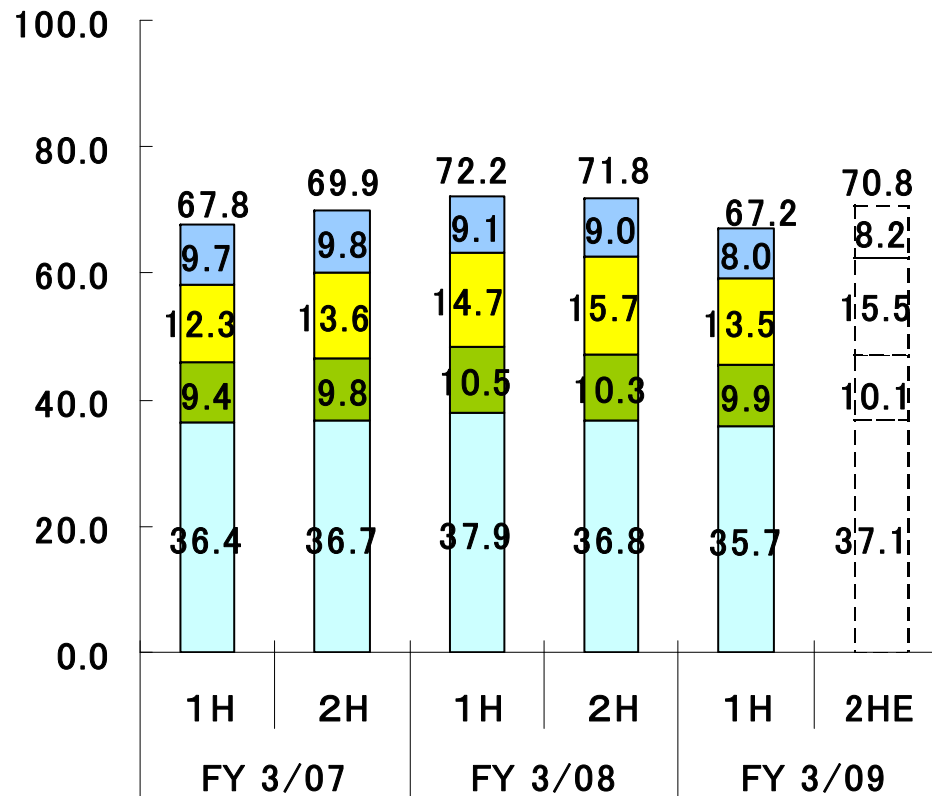
**Machined Components
Net Sales**

**Electronic Devices and Components Business
Net Sales**

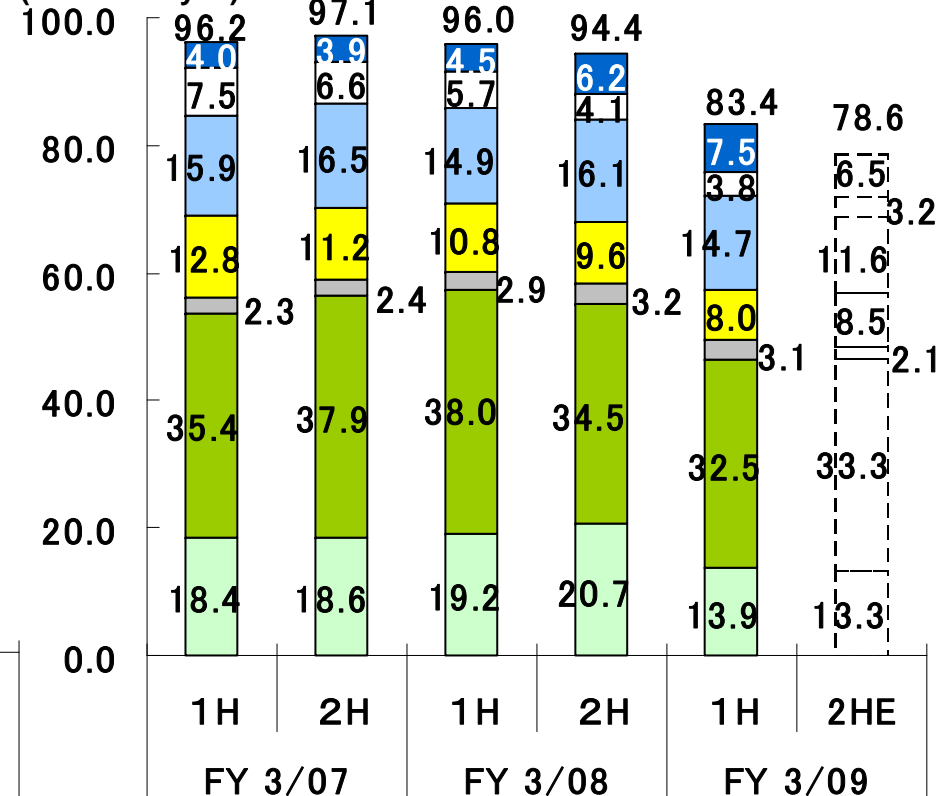
- Ball bearings
- Rod-ends
- Pivot assemblies
- Other machined components

- HDD spindle motors
- Information motors
- Others
- Keyboards
- Electronic devices
- Speakers
- Measuring components

(Billions of yen)



(Billions of yen)

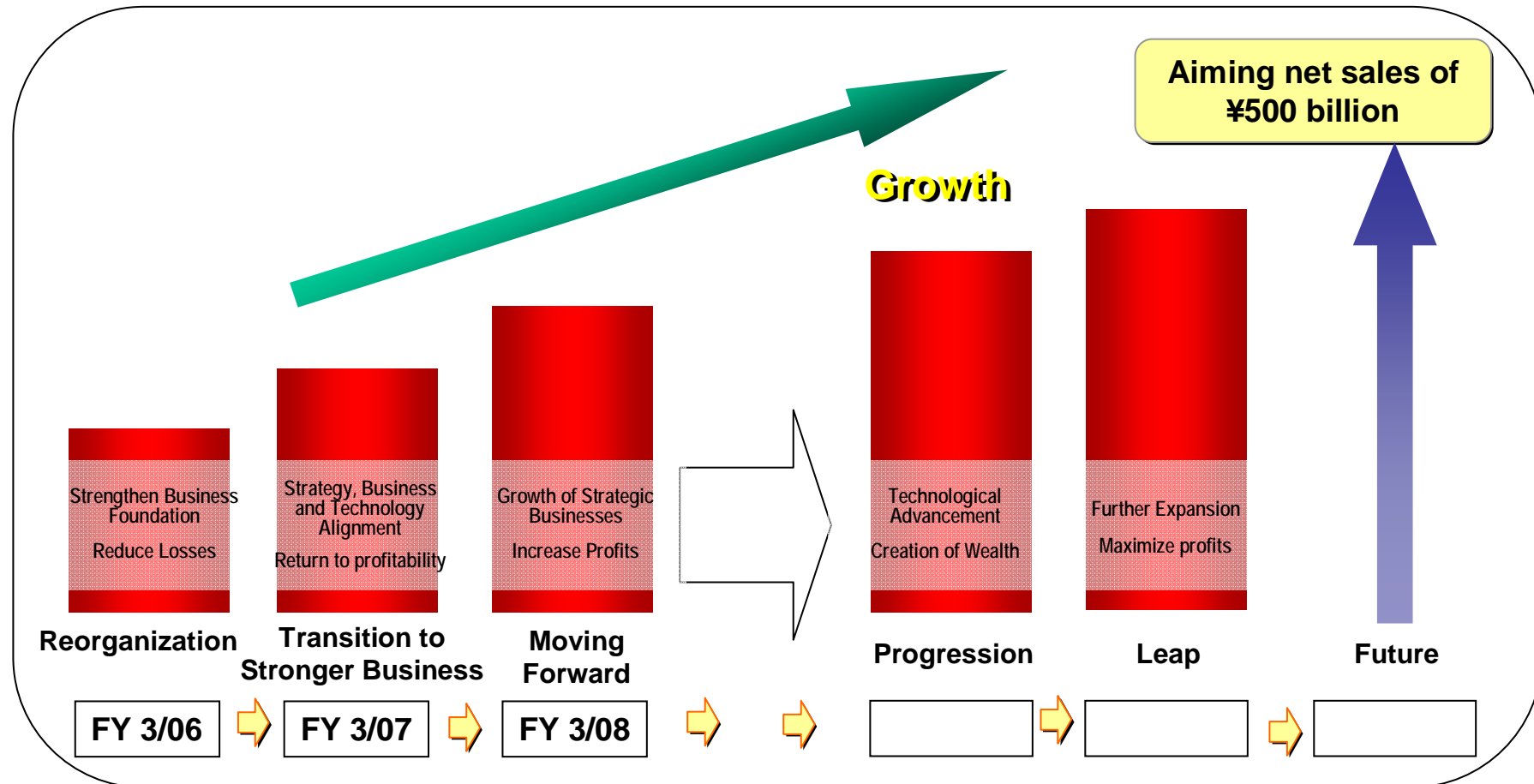


Policy and Strategy

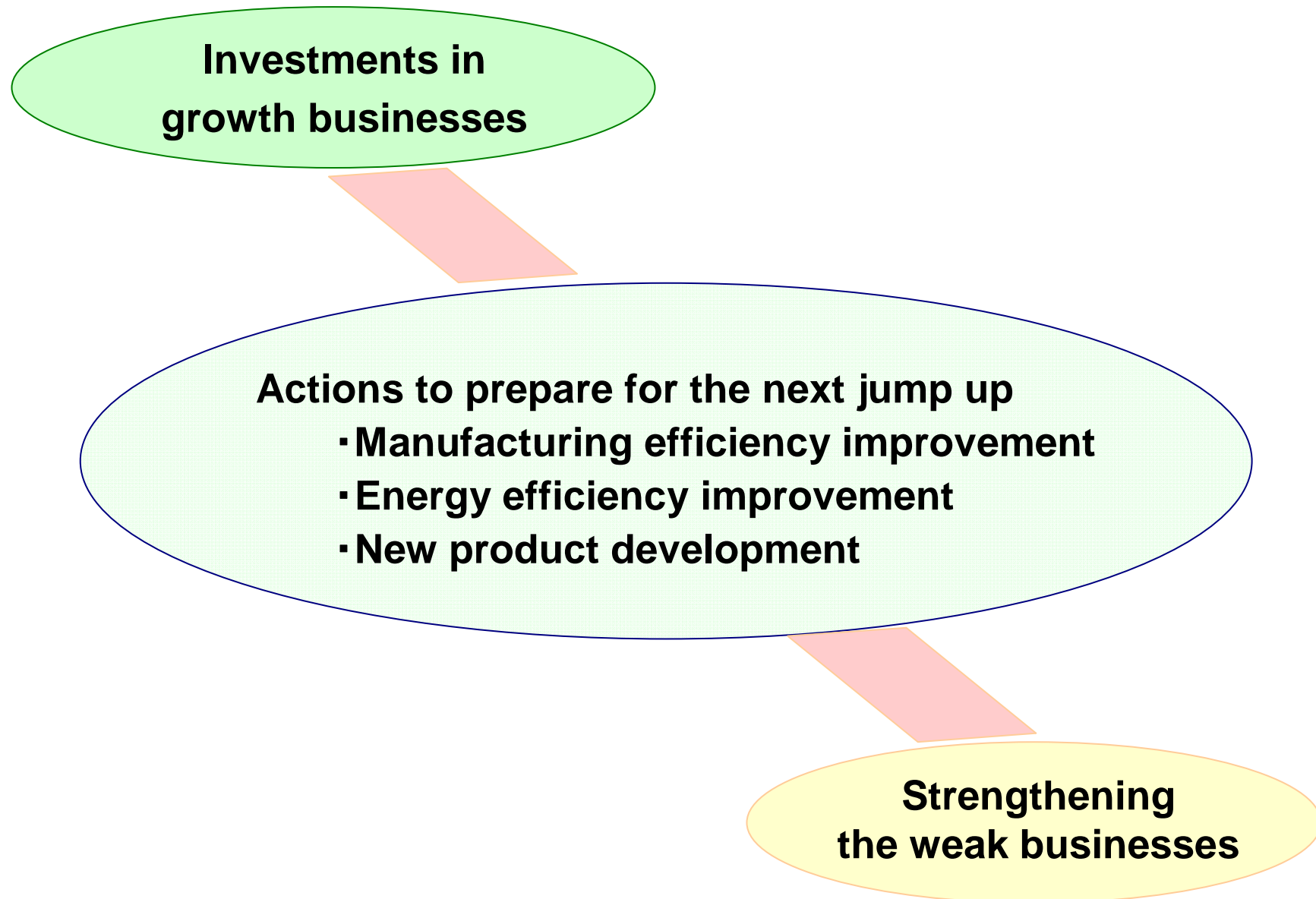
Takayuki Yamagishi
Representative Director,
President and Chief Executive Officer

Basic Policy for Growth

- Future sales target is maintained at 500 billion yen
- Considering current environment, target years are delayed



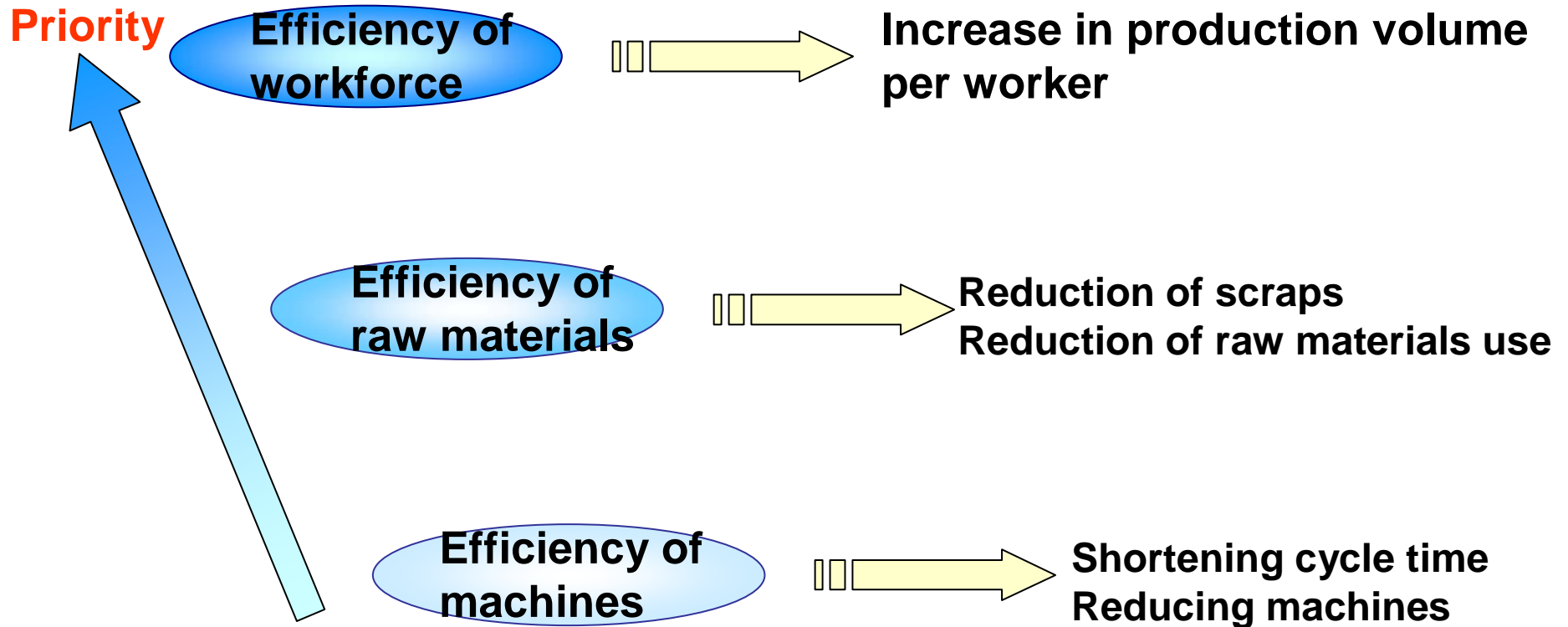
Actions under Deteriorating Business Conditions



Manufacturing Efficiency Improvement = Actions to prepare for the next jump up =

What priority on Which efficiency?

– actions to improve efficiency to prepare for the next jump up



Energy and Raw Materials Efficiency Improvement = Actions to prepare for the next jump up =

Aiming at energy efficient factory

Actions taken at new Thai factory = New initiative

- Improved energy efficiency
by integration of front-end processes
- Targeting 40% less electricity usage
- Improved recycling of cutting oil



**New ball bearing factory in Thailand
specialized for front-end processes**

Aiming at raw materials efficiency

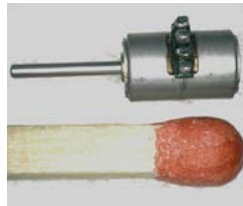
- Improved efficiency in raw materials use
- Recycling of water

New Product Development

= Actions to prepare for the next jump up =

Market introduction of Φ 3 mm Stepping Motor

- planning to produce several 100,000 per month in this FY



LED backlights for automobile (for displays of fuel consumption, gear position and others)

- Growing market of LED backlights for automobile

→ Expansion of product range



VR Resolvers for automobile (Angle sensor for electric power steering)

- Application of aircraft part technology
- increasing production for growing demand of electric power steering

HMSM (Heat Management System Module)

- Entering market in 2H of this FY
- Marketing for telecommunication industry

Strengthening the Weak Businesses = Further restructuring in motor business =

New strategy in HDD spindle motors

“Aiming profitability at 4 million units per month sales volume “
= lowering breakeven volume target

- Further cost reductions to lower breakeven point – low cost automation
- Doubling production volume per worker – reducing workers and better yields
- Increase ratio of 2.5 inch HDD spindle motors – to over 50%

Restructuring of stepping motor business

- Combining hybrid motors, PM motors and former FDK motor business
– Reorganization and fusion of market / technology

Minebea products
(Medium to large size)



FDK
products
(Small size)



Investments in Growth Businesses = Expansion in aircraft part business =

Ball Bearings

- Capacity expansion at Chatsworth factory (U.S.A.)
Introduced cutting and grinding machines
for medium-sized bearings
- Capacity expansion at Peterborough factory (U.S.A.)
Investment in roller bearings for aircraft



Rod-end Bearings

- New building at Karuizawa factory (expected to complete in March 2009)
Capacity expansion and increase in large mechanical parts
- Obtained NADCAP certification at Lop Buri factory (Thailand)
Integrated production capacity for stainless steel bearings for aircraft

Fasteners

- Established mass production of fasteners
for commercial aircraft



New Financial Strategy

Maintaining soundness of B/S

- Net interest-bearing debts are expected to reach medium-term target of 100 billion yen by this fiscal year end after putting priority to pay down debts in recent years with increased free cash flow.
- Keep maintaining soundness of B/S

M&A

“For synergy effects and accelerating growth”

- Final agreement reached to acquire FDK’s stepping motor business

Stock buyback

“Executing capital management policy to respond to changing environments”

- Stock buyback program declared
(up to ¥3.5 billion or 10 million shares maximum)
(from November 4, 2008 to December 16, 2008)

Dividend

“Dividends based on business performance,
while considering the overall business environments”

- Interim dividend of 5 yen / share declared (year-end forecast of 5 yen / share, total 10 yen / share forecast for this fiscal year)

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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