



Business Results

Fiscal Year Ended March 31, 2010

May 7, 2010
Minebea Co., Ltd.

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

May 7, 2010

1



Financial Results

Hiroharu Katogi

Director, Senior Managing Executive Officer

May 7, 2010

2



Summary of Consolidated Business Results

Significantly improved sales and profits in the second half,
after the stragglings first half

(Millions of yen)	FY ended	FY ended	Change	Forecast announced	
	Mar. '09	Mar. '10		Full year	vs. forecast
	Full year	Full year	YoY		
Net sales	256,163	228,446	-10.8%	225,000	101.5%
Operating income	13,406	12,059	-10.0%	11,000	109.6%
Ordinary income	11,555	10,203	-11.7%	9,000	113.4%
Income before income taxes	6,834	9,261	+35.5%	8,000	115.8%
Net income	2,441	6,662	x 2.7	5,500	121.1%
Net income per share (yen)	6.18	17.20	x 2.8	14.17	121.4%

Foreign exchange rates	Mar. '09	Mar. '10
	Full year	Full year
US\$	¥100.83	¥93.04
Euro	¥145.65	¥131.10
Thai Baht	¥2.98	¥2.74
Chinese RMB	¥14.64	¥13.61

May 7, 2010

3



Looking at consolidated business results for the fiscal year ended March 31, 2010, net sales fell by 10.8% to 228,446 million yen on a year-on-year basis. Operating income was 12,059 million yen, down 10.0% compared to last fiscal year. But, net income jumped up to 6,662 million yen, 2.7 times that of last year.

During the first half, sales and profits were sluggish because of the huge drop in demand due to the global economic downturn, and the negative impact of foreign exchange fluctuations, especially the higher Japanese yen against the U.S. dollar. However, during the second half, sales and profits improved significantly as the global economy gradually recovered. Net income jumped up due to an approximately 1.7 billion yen corporate tax refund in the U.S., in addition to the absence of large extraordinary losses such as one related to a plant closure of last year.

Summary of Consolidated Business Results for 4Q

Net sales and profits continued to improve for the past four quarters

(Millions of yen)	FY ended Mar. '09 4Q	FY ended Mar. '10		Change	
		3Q	4Q	YoY	QoQ
Net sales	46,384	58,716	60,461	+30.3%	+3.0%
Operating income	-2,824	4,449	5,494	N.M.	+23.5%
Ordinary income	-3,430	3,988	5,185	N.M.	+30.0%
Income before income taxes	-6,187	3,808	4,724	N.M.	+24.1%
Net income	-6,211	3,936	3,090	N.M.	-21.5%
Net income per share (yen)	-15.61	10.16	8.06	N.M.	-20.7%

Foreign exchange rates	4Q of FY Mar. '09	3Q of FY Mar. '10	4Q of FY Mar. '10
US\$	¥92.80	¥89.49	¥90.43
Euro	¥122.57	¥132.51	¥126.07
Thai Baht	¥2.63	¥2.68	¥2.73
Chinese RMB	¥13.54	¥13.08	¥13.24

May 7, 2010

4



On the other hand, during the fourth quarter, net sales increased by 3.0% compared to the previous quarter to 60,461 million yen. Operating income increased by a large 23.5% on a quarter-on-quarter basis to 5,494 million yen. From the bottom of the March quarter last year, sales and profits improved for the four consecutive quarters.

Net sales improved due to significant demand recovery in many product markets such as PCs and HDDs especially in Asia, even though global economy has not yet fully recovered. Operating income improved due to increased sales, lower unit production costs in ball bearings and pivot assemblies caused by increased production volume, and cost reductions in many businesses.

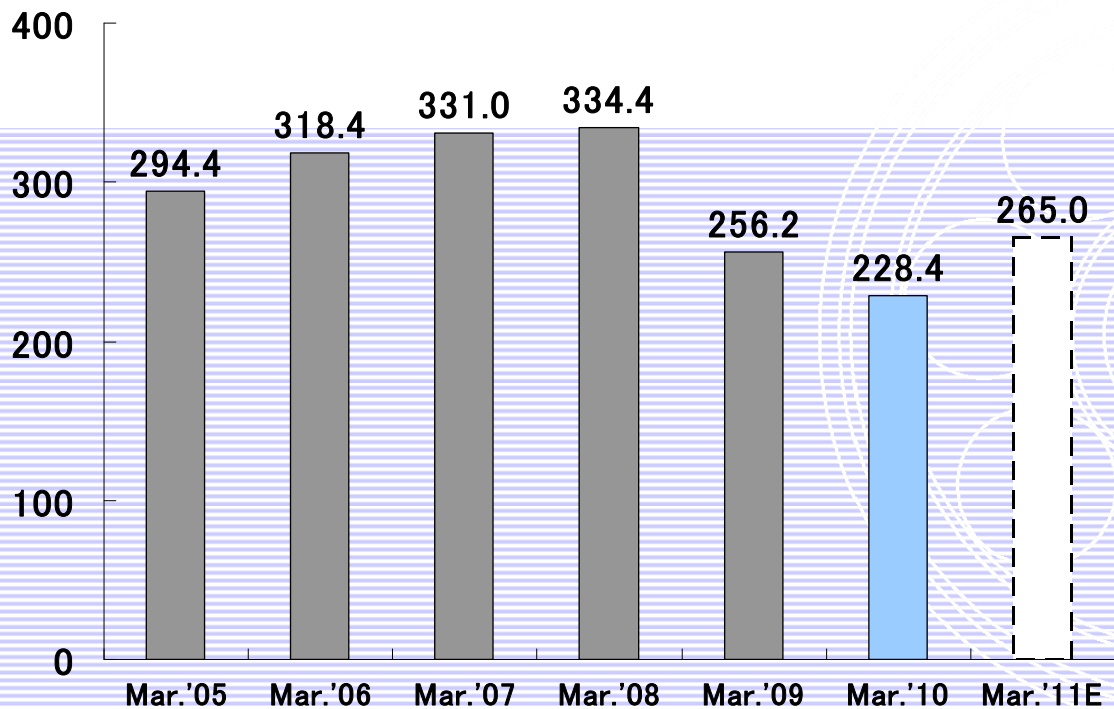
Net income was 3,090 million yen, down by 21.5% from the previous quarter, because of the approximately 1.7 billion yen corporate tax refund in the U.S., which was recorded in the previous quarter.

Net Sales

Yearly

(Billions of yen)

Decreased 10.8% YoY



May 7, 2010

5



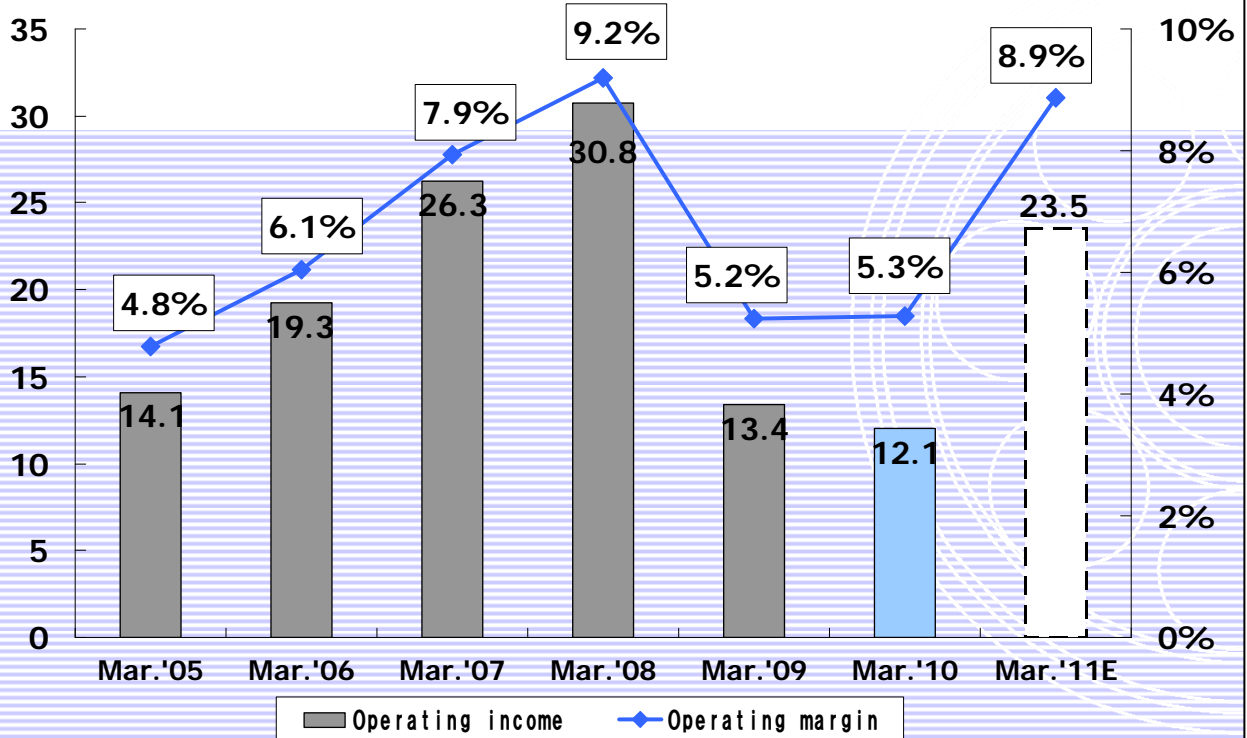
The graph shows net sales each year. In the fiscal year ended March 31, 2010, net sales were 228.4 billion yen which was a drop from our historic high two years ago, to the lowest level since the fiscal year ended September 1988. The currency impact on net sales, mainly the higher Japanese yen against the weaker U.S. dollar and Euro, was approximately a negative 12.8 billion yen from the last fiscal year. It is apparent that the global economic downturn had a huge negative impact on us.

But, as I explained earlier, our business results have been steadily recovering on a quarter-on-quarter basis. We also expect the global economy will continue its recovery. Therefore, we expect net sales of 265 billion yen for the fiscal year ending March 31, 2011.

Operating Income

Yearly

(Billions of yen)



May 7, 2010

6

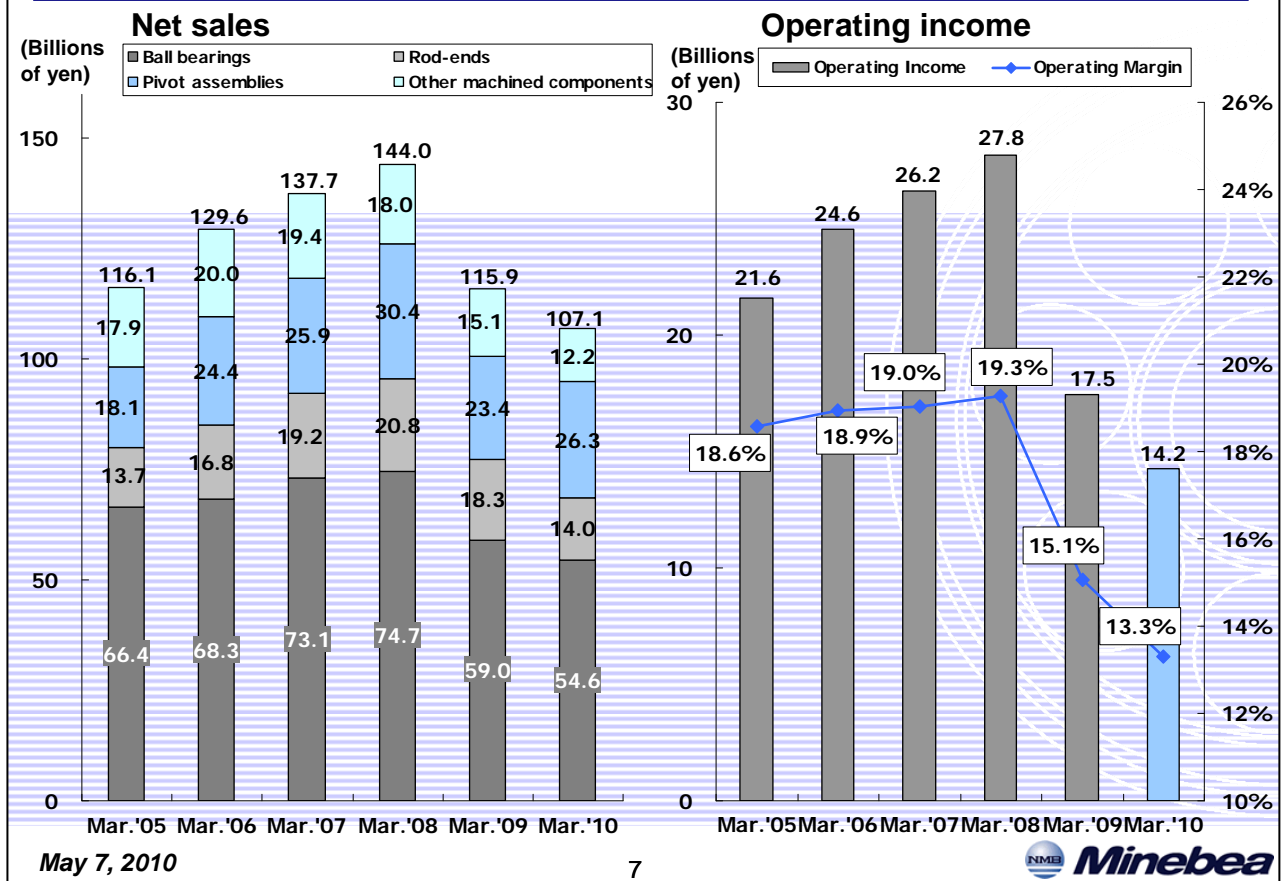


Operating income for the fiscal year ended March 31, 2010 dropped to 12.1 billion yen due to lower sales caused by the global economic downturn. This is the lowest level in 24 years, since the fiscal year ended September 1986. However, operating margin improved slightly to 5.3% due to lower unit production costs in ball bearings and pivot assemblies where quickly recovering demand pushed up production volume, and cost reductions and expense cuts in many businesses due to company-wide efforts. According to our estimate under certain assumptions, the impact of the foreign exchange fluctuations on operating income was a decrease of about 0.8 billion yen for the fiscal year compared to the previous fiscal year. The impact of the raw material price changes was approximately a positive 1 billion yen for the fiscal year compared to the previous fiscal year.

For the fiscal year ending March 31, 2011, operating income is projected to be 23.5 billion yen because our business results have been steadily recovering on a quarter-on-quarter basis, and also we expect the global economy to continue its recovery.

Machined Components Business

Yearly



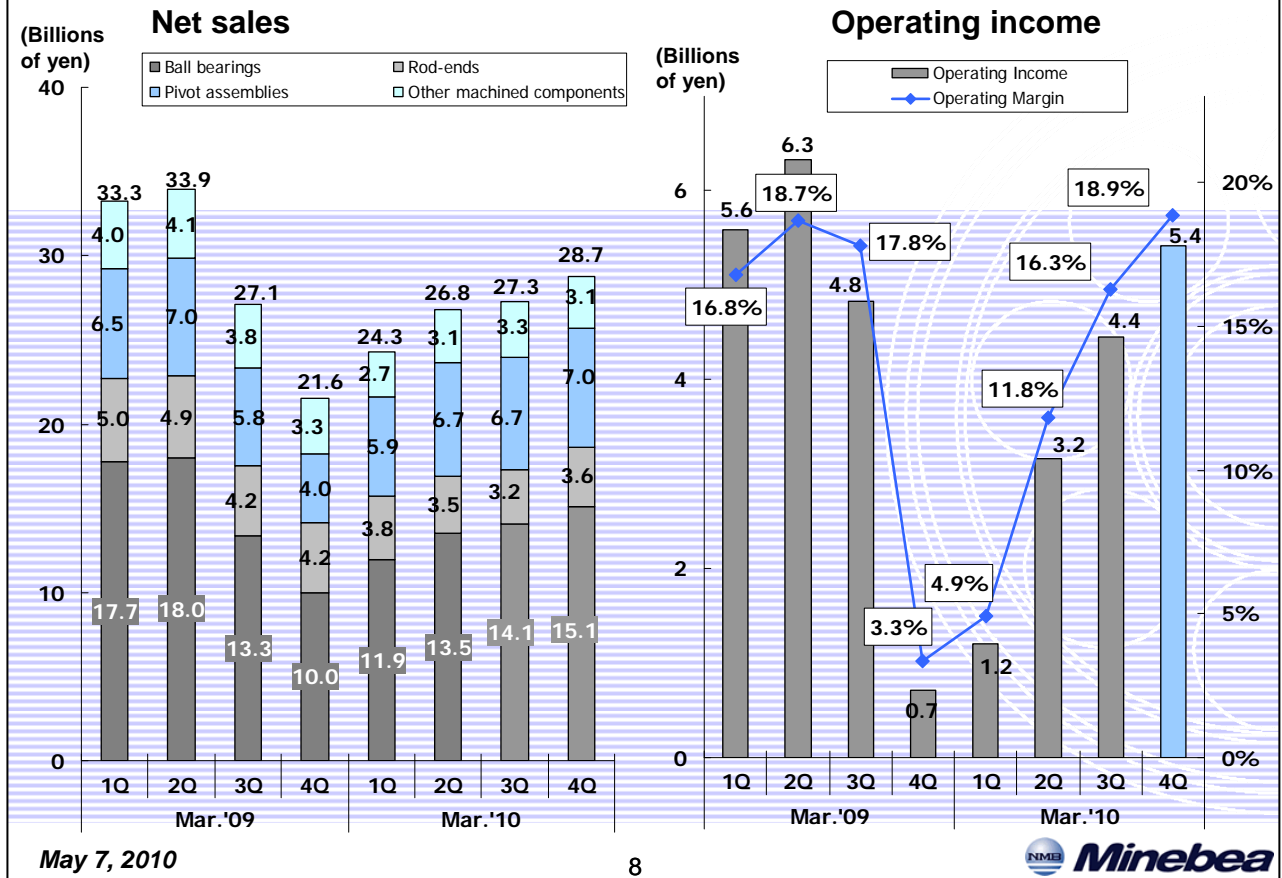
The graphs show net sales and operating income for the machined components business segment each year.

Net sales for the fiscal year ended March 31, 2010 totaled 107.1 billion yen, down 7.6% from the previous fiscal year. Sales were down in ball bearings, rod-end bearings and other machined components in two consecutive years due to the global economic downturn while sales of pivot assemblies, important HDD components, increased due to the robust HDD market.

Operating income was also down 18.5% to 14.2 billion yen. Although pivot assemblies' profits grew as production was at full capacity during the second half, rod-end bearings saw a small loss due to the weak aircraft parts market, and ball bearings' profits declined mainly due to the weak first half performance.

Machined Components Business

Quarterly

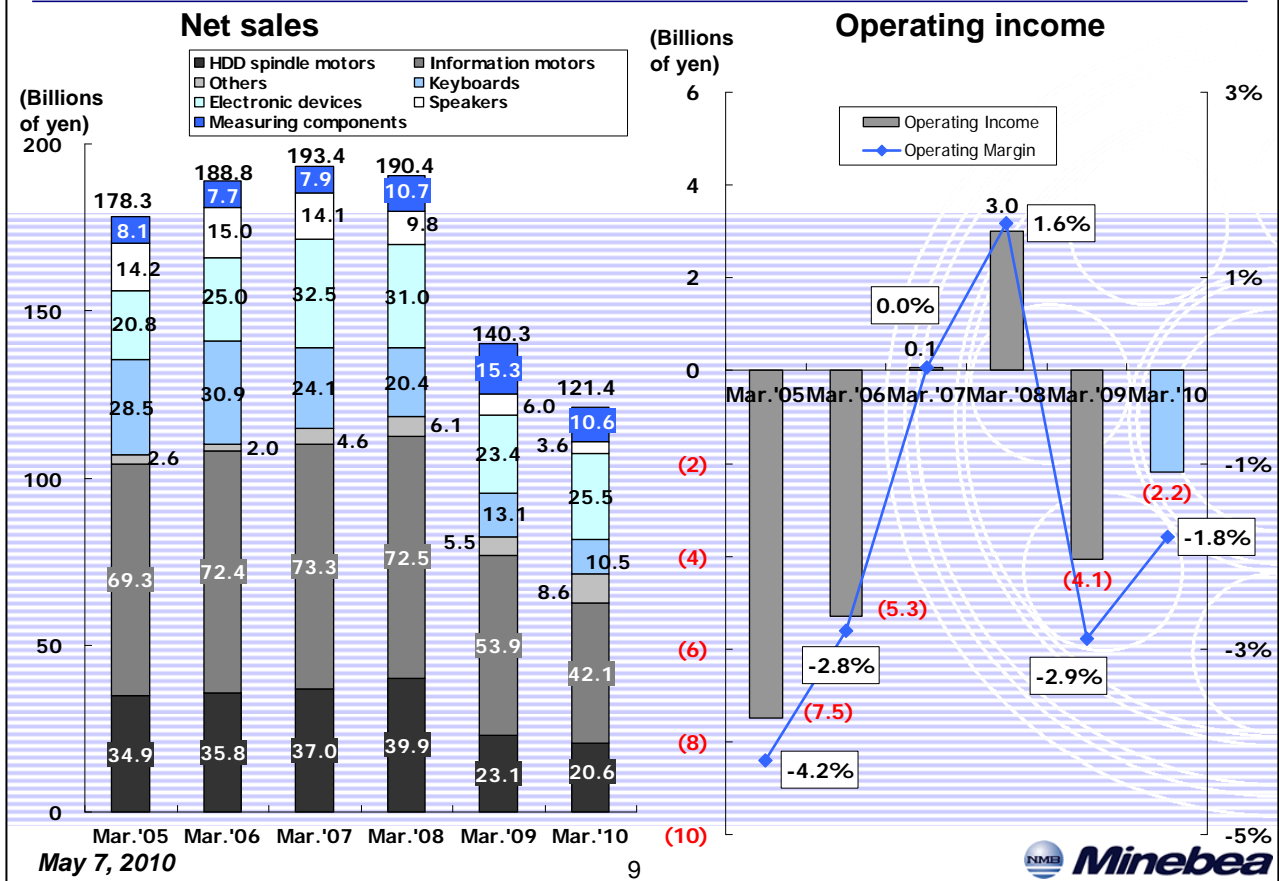


On the other hand, these graphs show quarterly net sales and operating income for the machined components business segment.

For the fourth quarter, net sales were up 5.3% from the previous quarter to 28.7 billion yen. Net sales increased in ball bearings, rod-end bearings and pivot assemblies on a quarter-on-quarter basis, due to the steady recovery of the global economy.

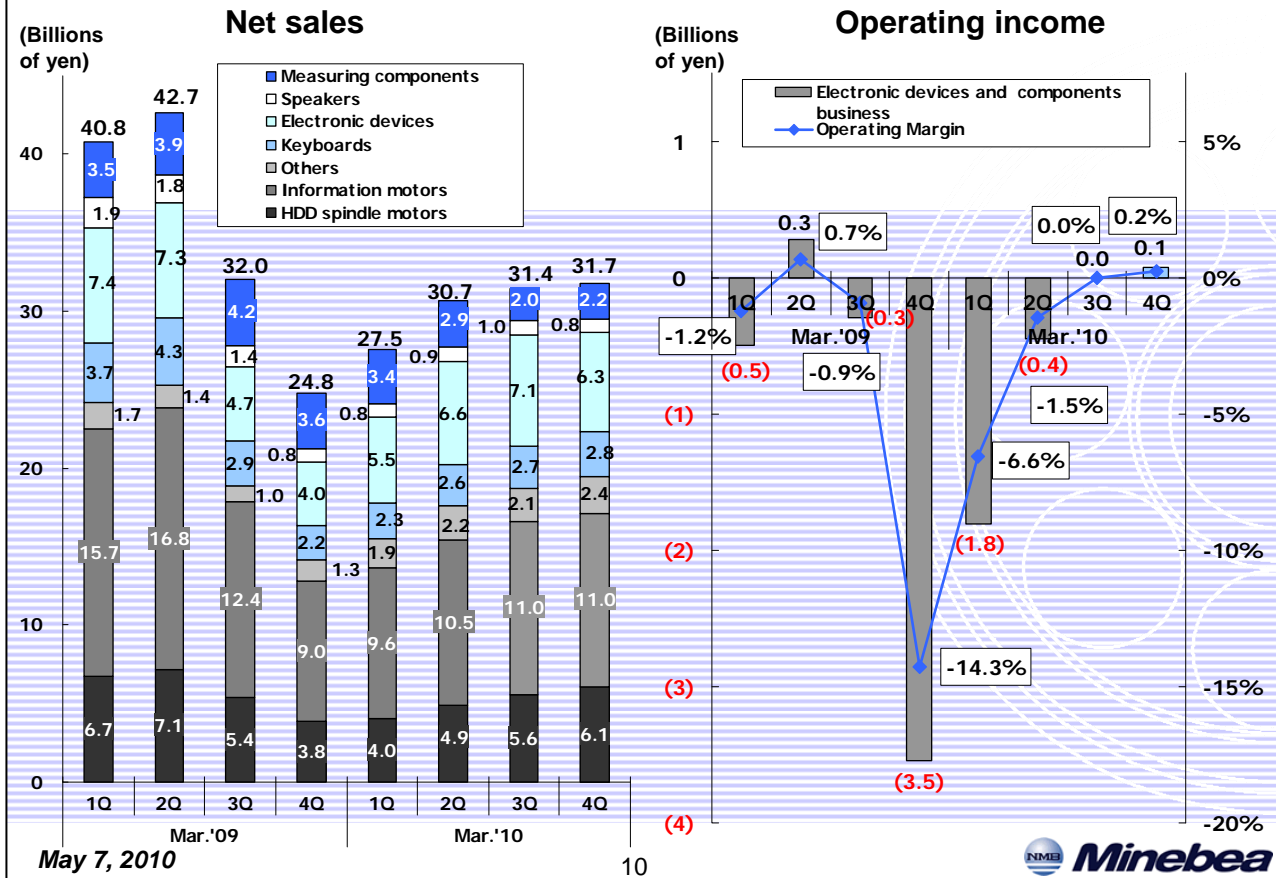
Operating income was 5.4 billion yen, up 21.8% from the previous quarter. A large improvement was made in ball bearings, and rod-end bearings turned to a small profit from the previous quarter's small loss, while pivot assemblies' profit declined.

Electronic Devices & Components Business Yearly



Let's look at the electronic devices and components business segment. Net sales for this fiscal year fell by 13.5% from the previous year to 121.4 billion yen. Sales were down in almost all areas, with the exception of electronic devices which enjoyed good sales in LED backlights. Operating loss shrunk to 2.2 billion yen from the previous fiscal year's 4.1 billion yen, due to improved production efficiency and reduced costs in reaction to the global economic downturn which pushed down our sales. Although profit decreased for measuring components because its game console related application passed its peak, electronic devices turned profitable, and losses shrunk for information motors, HDD spindle motors, keyboards and speakers.

Electronic Devices & Components Business Quarterly



On the other hand, these graphs show quarterly net sales and operating income for the electronic devices and components business segment.

The fourth quarter net sales for this segment were up 0.9% from the previous quarter to 31.7 billion yen. Sales increased in HDD spindle motors due to the robust HDD market, although there was a seasonal decline in LED backlights.

Operating income was a small 0.1 billion yen, but was positive for two quarters in a row. Although profit from LED backlights decreased, profitability improved for information motors, measuring components and keyboards. Profitability for HDD spindle motors remained unchanged.

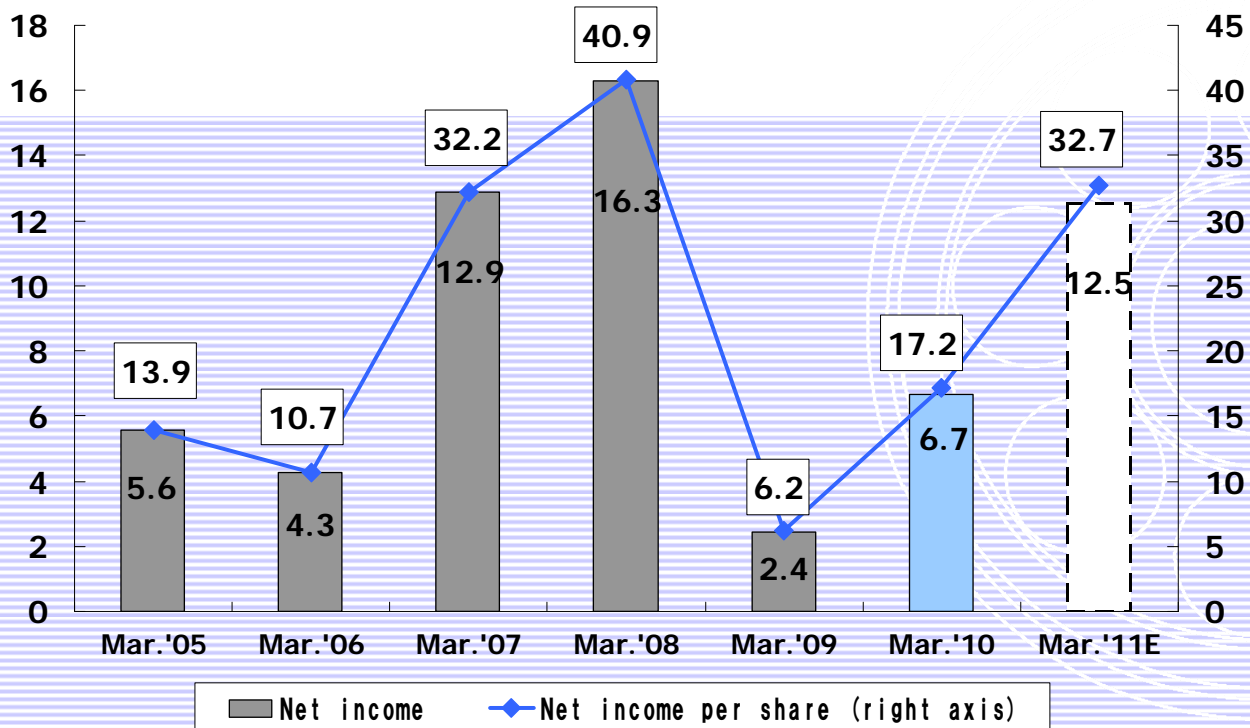
Net Income

Yearly

(Billions of yen)

Increased x 2.7 YoY

(yen)



May 7, 2010

11



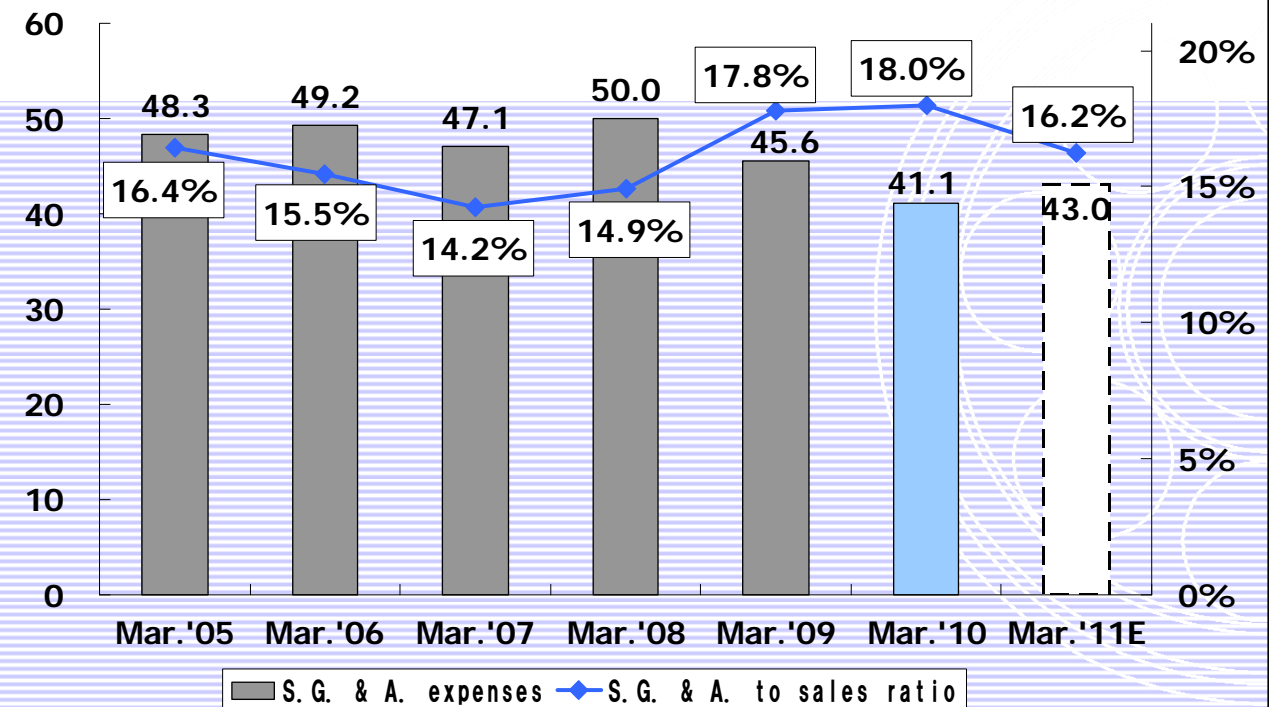
Net income increased to 6.7 billion yen. This is because, during this fiscal year, there were no large extraordinary losses such as one during the last fiscal year for the closure of the Skegness plant in the U.K., for the early retirement program implemented in Thailand, and others. The effective tax rate decreased from the previous year to 24.3%, mainly due to a corporate tax refund in the U.S.

Net income is projected to increase significantly for the fiscal year ending March 31, 2011, since we expect increases in net sales and operating income and no significant extraordinary losses.

S.G. & A. Expenses

Yearly

(Billions of yen)



May 7, 2010

12



We decreased the SG&A expenses by 4.5 billion yen due to our company-wide efforts to cut expenses, as shown in the establishment of the new Cost Reduction Promotion Office.

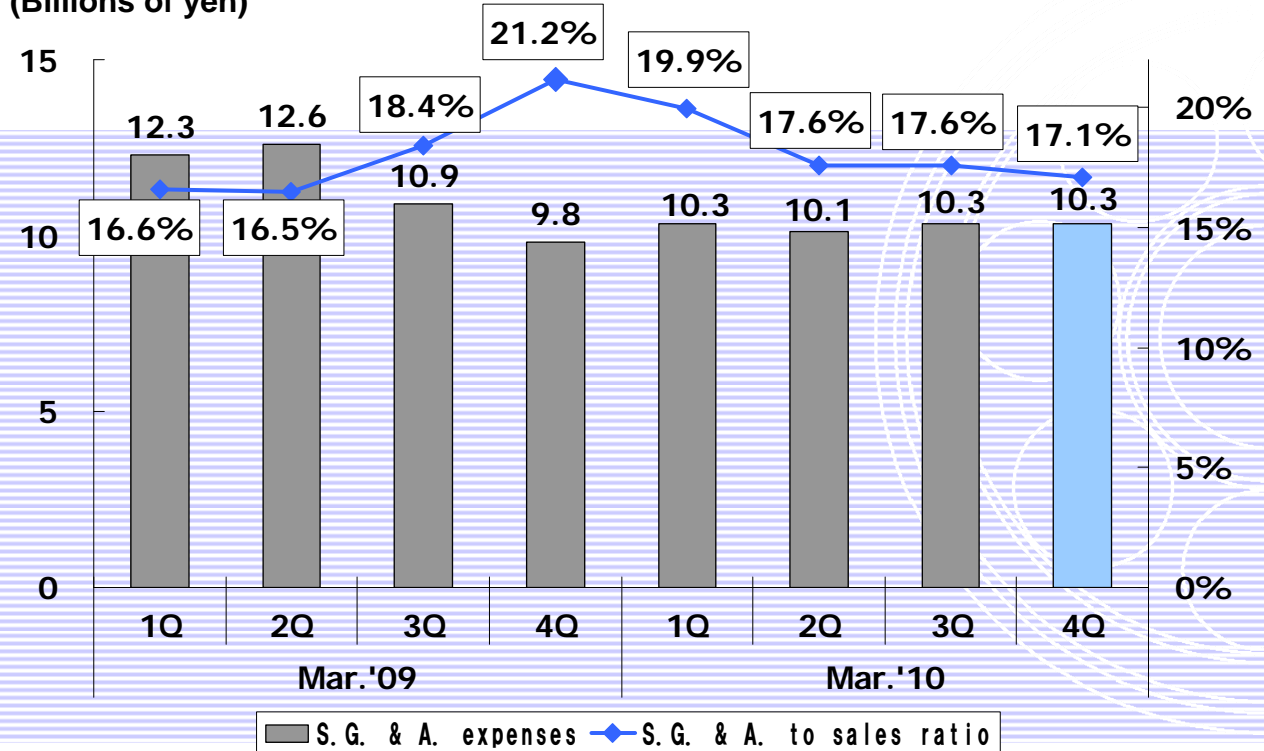
Unfortunately, the SG&A expenses to sales ratio increased slightly to 18.0%, because there was also a large decline in sales.

We expect that sales recovery will make higher SG&A expenses unavoidable, but we will make further cost reduction efforts, which we expect to deliver solid cuts in the SG&A expenses to sales ratio.

S.G. & A. Expenses

Quarterly

(Billions of yen)



May 7, 2010

13



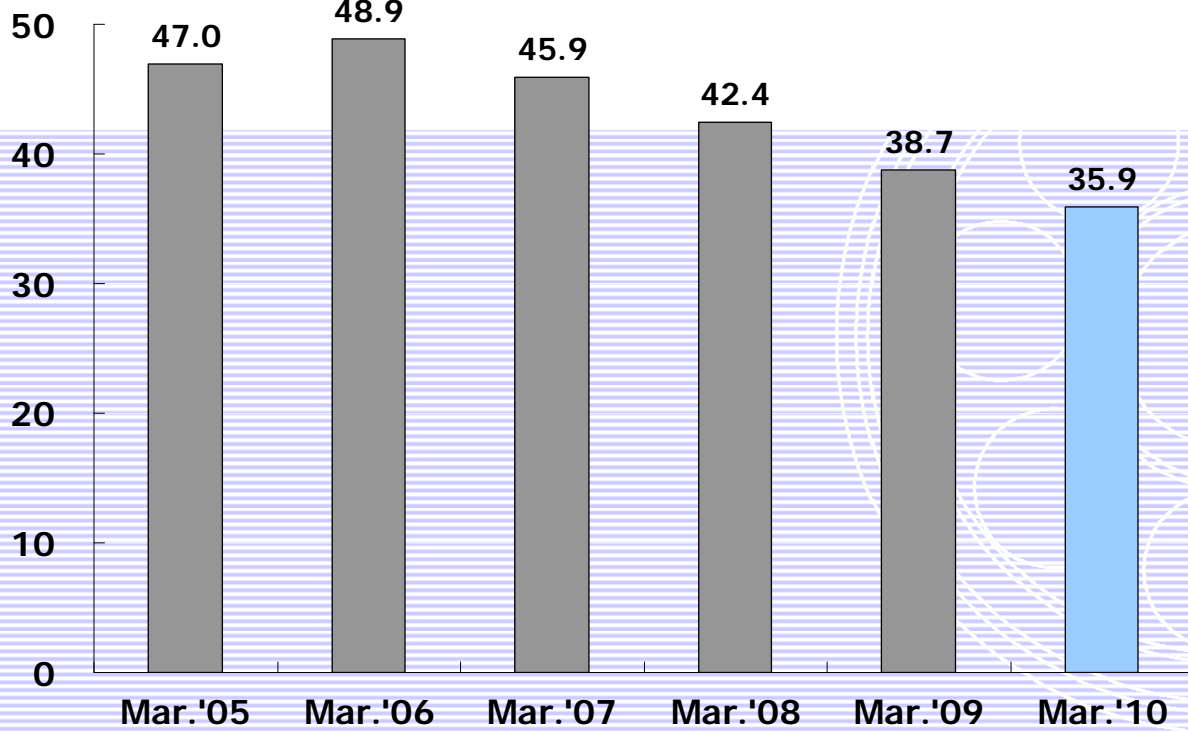
This graph shows quarterly SG&A expenses.

In the fourth quarter, SG&A expenses were flat, while net sales increased by 3% compared to the previous quarter. Therefore, the SG&A expenses to sales ratio decreased to 17.1%.

Inventories

Yearly

(Billions of yen)



May 7, 2010

14



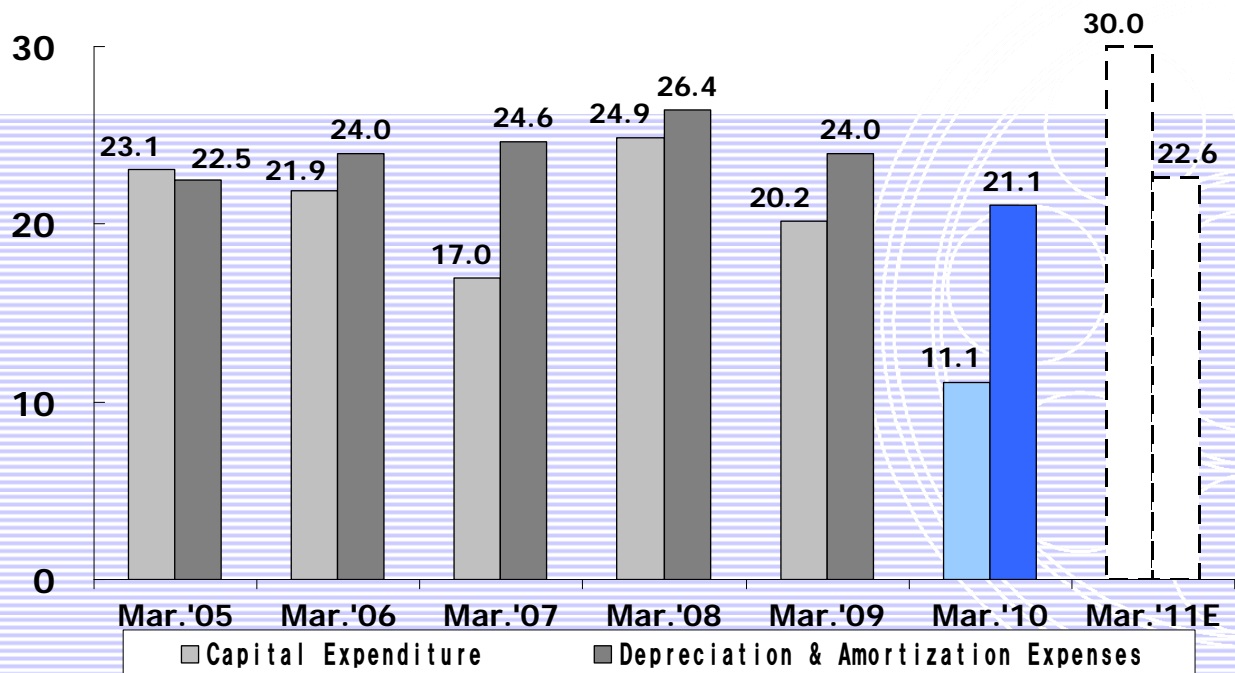
The graph shows inventories each year.

Inventories decreased by 2.8 billion yen from the previous year, due to the fact that recovery in demand for some products was even stronger than our increased production level. For these products, we need to increase inventories to more appropriate levels from the current low levels.

Capital Expenditure & Depreciation

Yearly

(Billions of yen)



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

May 7, 2010

15



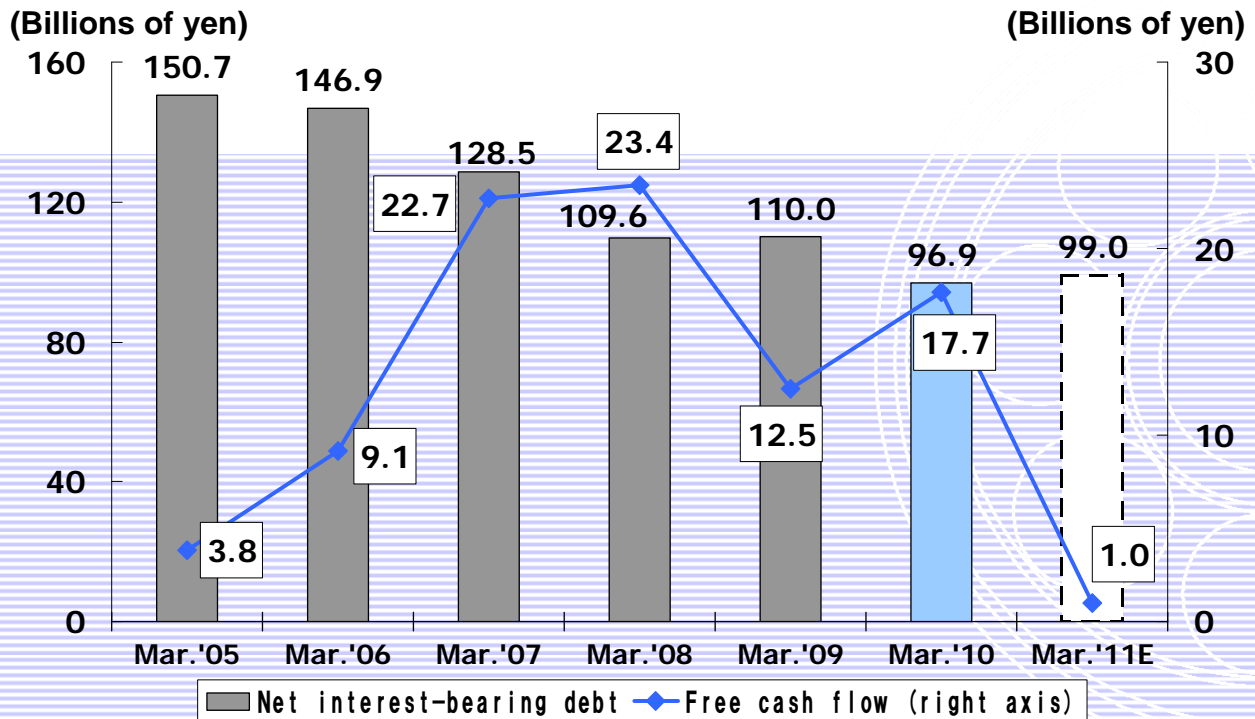
Capital expenditures for the fiscal year ended March 31, 2010 significantly decreased by 9.1 billion yen from the previous year, to 11.1 billion yen. This is almost as we had planned in consideration of the global economic downturn.

However, the global economy has already started to recover gradually. In some businesses, we have already seen demand pass the previous peaks. Therefore, we have started investments to expand our production capacity in LED backlights, pivot assemblies and HDD spindle motors. Since most of these investments will be booked this fiscal year, we project capital expenditures of 30 billion yen for this fiscal year.

This amount may increase even more, as we have also started to consider a large capacity expansion plan in ball bearings.

Net Interest-Bearing Debt

Yearly



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

May 7, 2010

16



This graph shows net interest-bearing debt each year, which is total interest-bearing debt minus cash and cash equivalents.

Net interest-bearing debt at the end of the fiscal year decreased by 13.1 billion yen below the previous year to 96.9 billion yen. We have successfully reduced net interest-bearing debt below our medium term target of 100 billion yen, due to suppressed capital expenditures and higher net income than we planned, although we implemented the E-Ship® employee shareholding incentive plan and a share buyback.

Although we will continue our efforts in creating cash flows, for the fiscal year ending March 31, 2011, free cash flows are projected to be 1 billion yen, because capital expenditures will increase by approximately 19 billion yen mainly due to capacity expansion plans. At the same time, we will also actively consider new investment opportunities for future growth.

Forecast for Fiscal Year Ending March 31, 2011

With gradual global economic recovery, stronger demand and tighter supply in several product markets are assumed

(Millions of yen)	FY ended Mar. '10 Full year	Fiscal Year ending Mar. '11			YoY
		1st Half	2nd Half	Full year	
Net sales	228,446	129,000	136,000	265,000	+16.0%
Operating income	12,059	10,900	12,600	23,500	+94.9%
Ordinary income	10,203	9,900	11,600	21,500	x 2.1
Income before income taxes	9,261	7,800	11,500	19,300	x 2.1
Net income	6,662	4,700	7,800	12,500	+87.6%
Net income per share (yen)	17.20	12.31	20.42	32.73	+90.3%

Foreign exchange rates	Mar. '10 Full year	FY ending Mar. '11 Assumption
US\$	¥93.04	¥90.00
Euro	¥131.10	¥132.00
Thai Baht	¥2.74	¥2.65
Chinese RMB	¥13.61	¥13.00

May 7, 2010

17



This is a summary of our forecast for this fiscal year ending March 31, 2011.

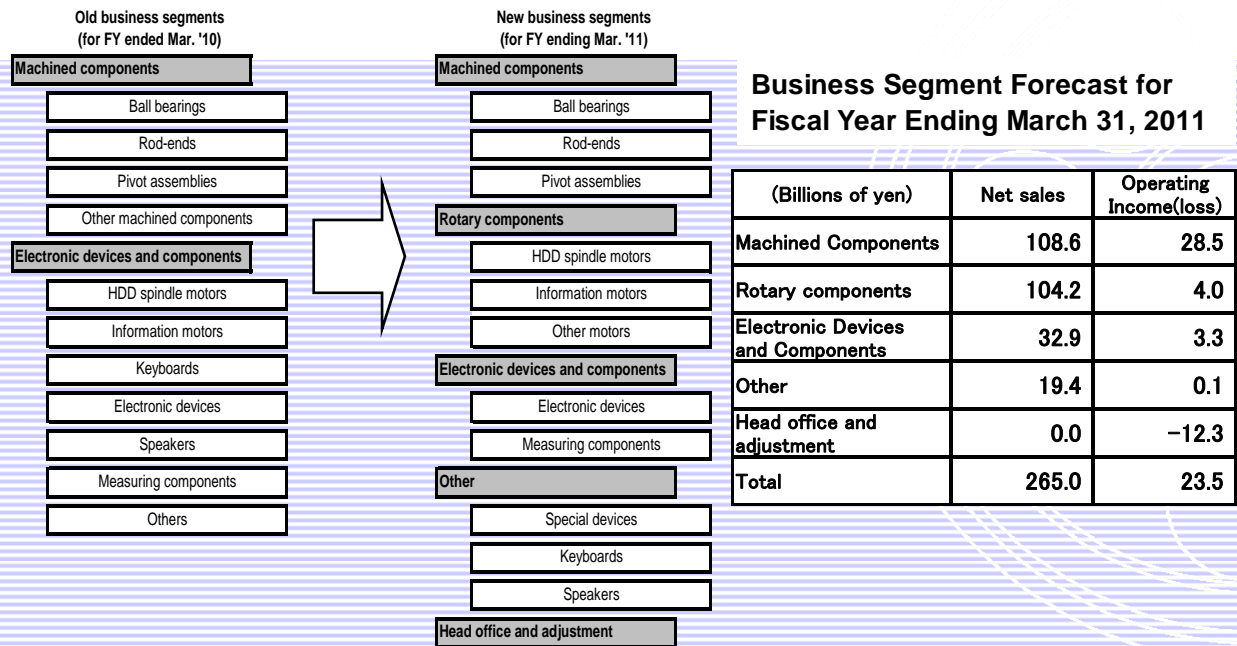
We assume that the global economy will continue to recover gradually. With this recovery, we also assume that our business performance will continue to improve on a quarter-on-quarter basis, and there would be stronger demand and a tighter supply situation in some product markets such as HDDs. We even expect the lagging aircraft part market will finally take off during the fiscal year.

Therefore, we expect a 16% increase in net sales.

Regarding operating income, we estimate it will almost double because the comprehensive measures we have taken to reduce fixed costs and cut expenses would propel profits to rise as sales increase. In addition, unit production costs in ball bearings and pivot assemblies would continue to decline as production volume increases. We expect net income to increase significantly as net sales and operating income increase, because we do not assume large extraordinary losses.

New Business Segments

Following amendments in the Japanese Accounting Standards, we will change our Business Segment as follows starting the fiscal year ending March 31, 2011.



May 7, 2010

18



Following amendments in the Japanese Accounting Standards, we will change our business segment classifications starting from this fiscal year.

Our new business segments are, Machined Components, Rotary Components, Electronic Devices and Components, Other, and Head Office and Adjustment. Major businesses included in each segment are shown in this figure.

Business segment forecasts based on the new classifications are shown in the table.

For this fiscal year, in ball bearings and pivot assemblies, we expect increases in both net sales and operating income. We expect flat net sales, but a return to positive operating income, for rod-end bearings for which the aircraft parts market had been slow to recover.

HDD spindle motors are expected to achieve increased sales and a return to profitability. With the newly joined Panasonic's information equipment motor business, net sales and operating income of information motors are expected to increase significantly. Electronic devices are expected to be flat in sales, with slightly lower profitability due to tougher competition. We expect lower sales and profitability for measuring components, because a game console related application passed its peak. Keyboards are expected to return to profitability. Speakers are expected to shrink losses.

Policy and Strategy

May 7, 2010

Yoshihisa Kainuma
Representative Director,
President and Chief Executive Officer

19

Now let's move on to policy and strategies.

I'm going to focus on three areas: our strategies over the last fiscal year, our strategies for this fiscal year, and finally our new three-year plan.

Review of Business Strategy for FY Ended March 2010

May 7, 2010

20

Let's look at how we did with implementing our business strategies for the last fiscal year.

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

May 7, 2010

21

This is the same material I used when introducing our business strategies last year. I said then that we had two missions, the first being to maximize earnings per share and increase shareholder value and the other to lay the foundation for our 100th anniversary. It's been a year since I took the reins as president and in that time I have focused my energy on moving ahead with all deliberate speed. I'd like to recap my decisions and management practices over the past year that have gradually boosted group wide operations.

Major Initiatives for FY3/2010 (1)

1. Boost vertical and horizontal strength
Reorganize business portfolio



Organizational restructuring and power shift

2. Expansion of motor business (1)



Agreement reached for taking over Panasonic's Information Equipment Motor Business

May 7, 2010

22

I'd like to once again touch on organizational restructuring and power shift, in pointing out our new corporate structure with five separate business headquarters and our acquisition of Panasonic's Information Equipment Motor Business.

Expansion of Motor Business



Acquired Panasonic's Information Equipment Motor Business

Strengthened motor engineer base

Enhanced intellectual property rights portfolio

Gained additional brushless DC motor product lines

Actively participated in reshuffling small size motor industry

Increased use of Minebea ball bearings

Expected to operate in the **black** since the beginning

May 7, 2010

23

We acquired Panasonic's Information Equipment Motor Business as of April 1. Our initial projection for annual sales was 15 billion yen and we are moving right on track. As you may know, today's overheated market has generated delivery delays for a number of products. Once we finish upgrading our equipment in June, I expect our sales to climb up 20% by the end of this fiscal year. While we expect to start off in the black, I will be able to give you more details once the first fiscal half is over.

Major Initiatives for FY3/2010 (1)

1. Boost vertical and horizontal strength
Reorganize business portfolio



Organizational restructuring and power shift

2. Expansion of motor business (1)



Agreement reached for taking over Panasonic's Information Equipment Motor Business

3. Expansion of motor business (2)



EMT Business Unit launched

May 7, 2010

24

Our second major initiative to expand the motor business included the launch of the EMT (European Motion Technologies) Business Unit.

Expansion of Motor Business: EMT Business Unit launched



EMT Business Unit (European Motion Technologies)



- Supply brushless DC motors to the European market
- Based in Germany, production facility in Slovakia
- 4 product lines:
 - Brushless DC motors for industrial equipment
 - Brushless DC motors for automotive applications
 - Large-sized blowers for HVAC systems
 - Piezo motors
- Aiming for sales of 3 billion yen in 3 years

May 7, 2010

25

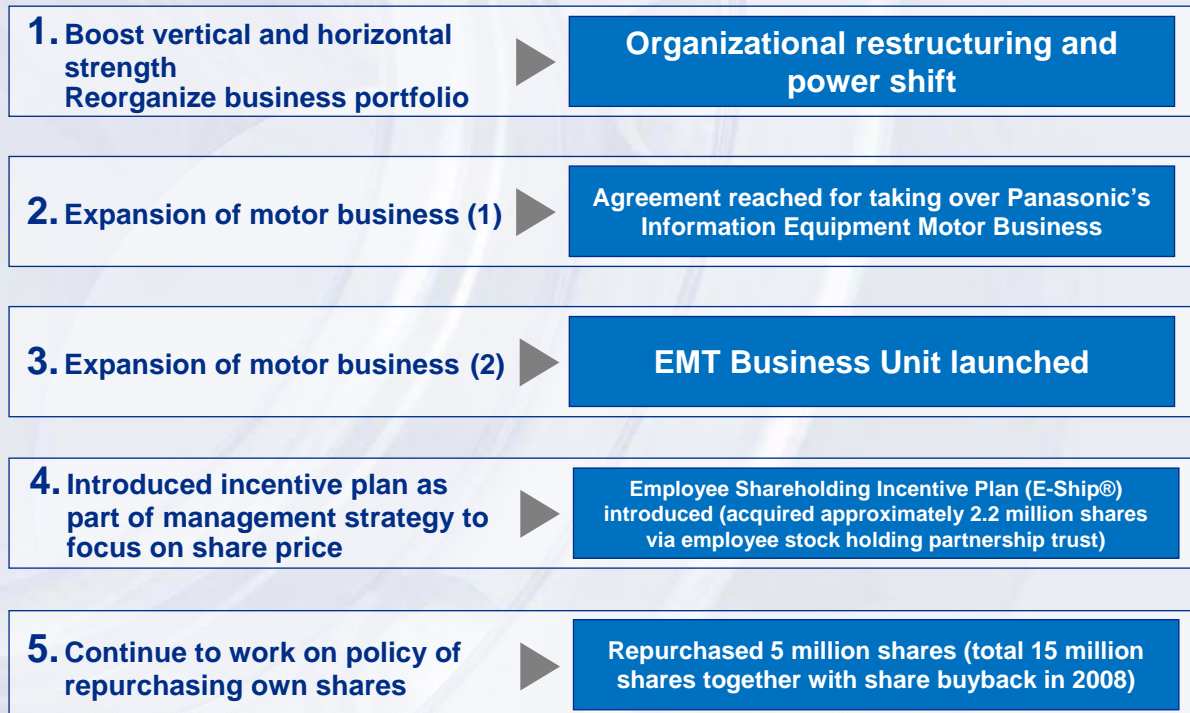
The EMT Business Unit is a spin off of Minebea's European subsidiary for motor development, PMDM, which employs more than 200 German engineers specializing primarily in rotary components. We launched the new unit with an eye to turning a cost center into a profit center.

You can see some of the product lines on the slide. The first picture on the left is an industrial motor for textile machines. Next to that is a motor for automotive and industrial applications, followed by a brushless motor with planetary gears, a large-sized blower and finally two piezo motors on the end. We have already received an order for piezo motors to be used in door locks which will be ready for shipment toward the end of this fiscal year.

The EMT Business Unit will manufacture these products at its plant in Slovakia. They will be made by Europeans for Europeans. Europe has a number of motor manufacturers that supply good high added value motors. Spinning off the EMT Business Unit from PMDM enables us to leverage its technological capability and create these kinds of commercially viable products.

While the EMT Business Unit operates under the Rotary Component Business Headquarters, it will be overseen by Minebea vice president, Koichi Dosho, for the time being. The new unit is moving ahead with an aim to bring in sales of 3 billion yen in three years.

Major Initiatives for FY3/2010 (1)



May 7, 2010

26

Last November we introduced the Employee Shareholding Incentive Plan (E-Ship®) via which we have acquired approximately 2.2 million shares. We repurchased 5 million shares, bringing the total number of repurchased shares to 15 million when combined with shares bought back in 2008.

Major Initiatives for FY3/2010 (2)

**6. Boost horizontal strength
[EMS] (1)**



Developed the COOL LEAF

Acquired DPM

May 7, 2010

27

Our strategy for boosting horizontal strength included two initiatives. The first involves the previously announced recent launch of the Cool Leaf line of EMS (electro mechanics solution) products.

EMS Products: Developed "COOL LEAF" Products

Horizontal Strength

Machined components

Rotary components

Electronic devices and components

Lighting devices
(Guide plates/optical designs)

Keyboards
(Electrostatic Capacity type)

Measuring components
(Force sensors)

Wireless technology
(2.4 GHz/PAN)

Vibration motors
(tactile feedback/haptics)

Progress in marketing

- Will be commercialized as an input terminal to be installed on doors
- Aggressively expanding field of applications

Developed first line of "COOL LEAF" products



Next Generation smart controllers

May 7, 2010

28

In order to survive in the extremely competitive keyboard market, we teamed up with Dr. Kazuo Kawasaki from Osaka University to jointly develop the Cool Leaf line of higher added value products. The line includes innovative input devices that combine lighting devices, keyboards, wireless technology, and measuring components. We plan to incorporate vibration motors in the products as well sometime in the future and are looking forward to seeing a gradual growth in sales during the second half of this fiscal year.

We demonstrated these products to a manufacturer of residential bath and kitchen fixtures who was so impressed that they will be incorporating it into a product to be showcased at its showroom recently opened near the Shanghai Expo site.

It's a product that is designed to enhance the quality of our lives. You wake up in the morning, stand in front of the bathroom mirror and then all of a sudden buttons appear on the mirror surface. With a simple touch of these buttons you can turn on the radio, air conditioner and more. The minute you walk away, it becomes an ordinary mirror. It can also be used as a remote control panel for your jet spray toilet seat. Serving double duty as a mirror and control panel, buttons will automatically appear on the mirror surface whenever the toilet is in use. We have high hopes for these high value added next-generation smart controllers.

Unfortunately, the keyboard products still require further technical development. We are currently working to overcome the hurdles we now face and are looking to begin marketing Cool Leaf keyboards by the fall. Our vision is to move one step ahead of the conventional keyboard business and take the market by total surprise with the next generation of input devices. We are committed to making this business a success and have a dedicated group of bright young employees who are driving the project forward. I firmly believe it's just a matter of time before it really takes off the ground.

Acquisition of DPM Co., Ltd.



Agreement reached for acquiring DPM Co., Ltd., a precision plastic gear mold maker

Overview of DPM Co., Ltd.

Address: 3-28-23 Haginaka, Ota-ku, Tokyo

Founded: May 1973

Capital: 100 million yen (FY 3/2010)

President: Koji Maruyama

Number of employees (consolidated): 160 (as of April 2010)

May 7, 2010

Agreement reached

June 30, 2010

Closing (scheduled)



May 7, 2010

29

The other initiative is the acquisition of DPM, which we just announced today. You can see DPM's head office/plant in Tokyo's Ota Ward in the top left photo. The photo on the right shows the Dongguan production facility in China's Guangzhou Province. DPM is a precision plastic gear mold maker. We bought out the company via Nippon Mirai Capital. One day, DPM's president came to me and explained some of DPM's business operations. Their operations instantly captured my interest. DPM has an extremely high level of technological capability and offers us a myriad of possibilities.

Acquisition of DPM Co., Ltd.

Advantages

- Can quickly design/produce molds for ultra-precision gears
- Can produce ultra-precision molded products using these molds
- Can design precision gears and gear boxes
- Enhance EMS (horizontal strength)
In-house production of precision plastic gears combined with small motors will increase our competitive edge and provide significant added value.

Extensive product lines and technologies

Boost horizontal strength

Enhanced ability to meet customer requirements

May 7, 2010

30

DPM can not only quickly design/produce molds for ultra-precision gears but probably has the highest or second highest production capacity in Japan. They can make gears using an injection molding machine with a 100-ton capacity or lower. Using this technology as a foundation, we can reach new heights in ultra-precision molding.

The acquisition will also boost our upstream operations. Once we fully develop the capacity to design gear boxes in house, we will be able to enhance our machined components capability and apply that to motor production to boost our horizontal strength. This will increase our competitive edge and provide significant added value. Although this is a small-scale acquisition for us, we can expect to reap big returns from it.

Major Initiatives for FY3/2010 (2)

**6. Boost horizontal strength
[EMS] (1)**



Developed the COOL LEAF

Acquired DPM

**7. Boost horizontal strength
[EMS] (2)**



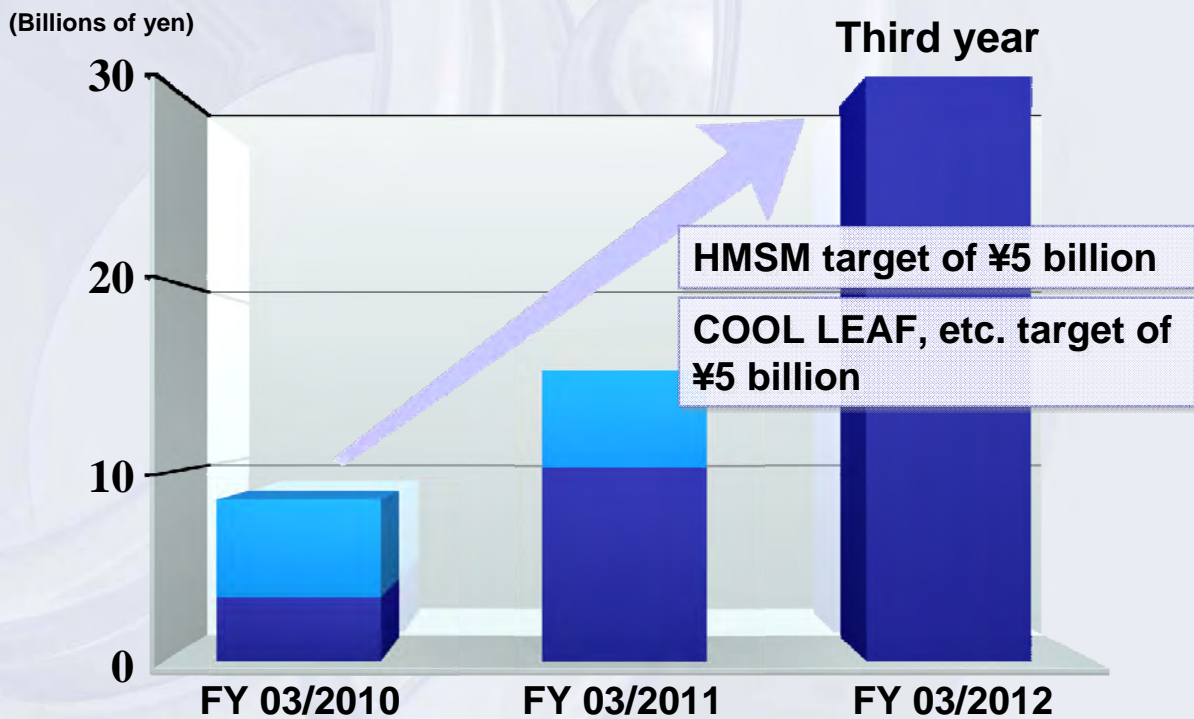
Progress on the EMS projects

May 7, 2010

31

Turning to EMS, we can see that the project is moving right on track.

Projected Increase of Hybrid Component Sales



May 7, 2010

32

The areas in dark blue on the graph indicate targeted sales growth for the hybrid components I told you about last year. We posted about 8 billion yen in sales of our existing hybrid components during the last fiscal year. This year, the second year of our hybrid component strategy, I expect sales to reach 15 billion yen including sales generated by the DPM acquisition I spoke of earlier. We are aiming for 30 billion yen in the third year. This target includes a downward revision of 5 billion yen to our initial 10 billion yen projection for HMSM sales. We are also looking to generating another 5 billion yen from sales of Cool Leaf products, which we will be fully launching in the latter half of this year, and others. The rest will come from sales of various other hybrid components we are currently working on.

Major Initiatives for FY3/2010 (2)

**6. Boost horizontal strength
[EMS] (1)**



Developed the COOL LEAF

Acquired DPM

**7. Boost horizontal strength
[EMS] (2)**



Progress on the EMS projects

8. IR for individual investors



Held individual investor meeting

9. Increase ball bearing production



**Record high level production
in March**

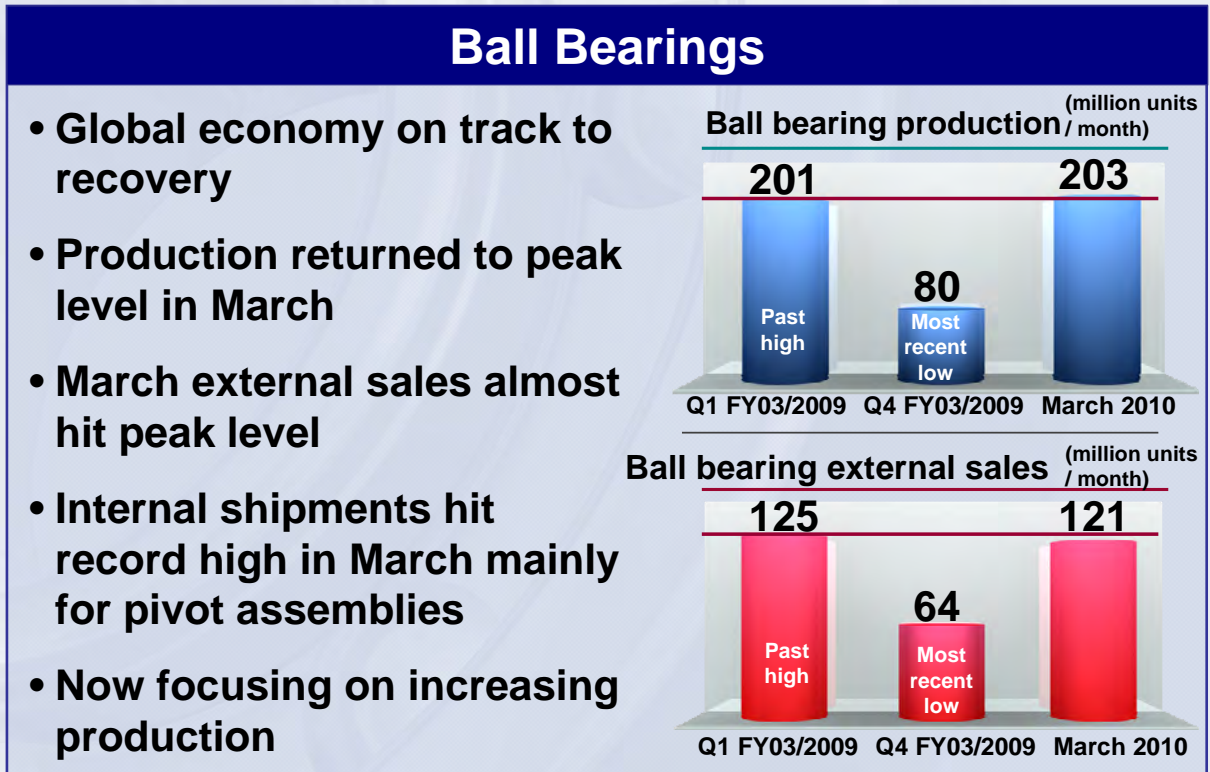
May 7, 2010

33

We held the first meeting for individual investors.

While we are working to increase ball bearing production, we are seeing tight supply and demand conditions.

Ball Bearing Production Hit Record High Level



May 7, 2010

34

With the current production facility, we should be able to produce 220 million units per month. Our monthly production volume hit a record high level of 203 million units in March, quite an achievement considering the Thai Songkran (New Year) holidays in April. We are continuing to step up operations to achieve record high production again in May and June.

Sales have been increasing significantly not only for in-house pivot assembly production but also for external customers. Since our inventory is very low, we continue to focus on increasing production.

Ball Bearing Business Strategies

[Market change after global economic downturn]

Expansion of market for low-priced, mass-produced products

Consider strategic entry into the market

Target: standard size

(Ball bearings for Chinese vacuum cleaner maker, etc.)

Measure

- [1] Reduce cost by increasing production at ball bearing plant in Shanghai
- [2] Use materials and components made in China
- [3] Depreciation expenses declining
- [4] Reduce indirect costs across the board
- [5] Consider M&A of Chinese ball bearing manufacturer, etc.

May 7, 2010

35

This slide sums up the strategy for expanding into the Chinese market for low-priced, mass-produced products I talked about at the investor meeting last November. Unfortunately, we don't have the production capacity to meet the current demand for existing products. We use 30 million Chinese ball bearings annually for the DC brushless motor operations we took over from Panasonic. We were initially planning to replace these with our ball bearings. Before we can do that we have to increase production for our existing lines of ball bearings and are now working hard to keep pace with the runaway market demand.

As noted earlier, in light of market conditions we have decided to shelve our strategy to enter into the low-priced, mass-produced ball bearings market in China for the time being.

Major Initiatives for FY3/2010 (2)

**6. Boost horizontal strength
[EMS] (1)**



Developed the COOL LEAF

Acquired DPM

**7. Boost horizontal strength
[EMS] (2)**



Progress on the EMS projects

8. IR for individual investors



Held individual investor meeting

9. Increase ball bearing production



**Record high level production
in March**

**10. Increase pivot assembly
production**



**Monthly production volume reached
record high**

May 7, 2010

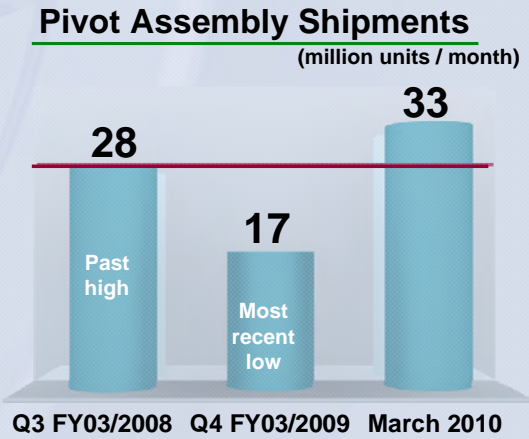
36

Skyrocketing demand for pivot assemblies in the hard disk drive (HDD) market is currently fueling increased ball bearing production and our monthly production volume has reached a record high.

Increasing Pivot Assembly Production

Pivot Assemblies

- Quick recovery of HDD market
 - PC market
 - Cloud computing
 - Home appliance market
 - Other emerging storage markets
- Shipment volume for March topped record high



May 7, 2010

37

The general consensus is that demand for HDDs will up for a while, so we must keep pace with increased production of pivot assemblies.

Major Initiatives for FY3/2010 (2)

**6. Boost horizontal strength
[EMS] (1)**



Developed the COOL LEAF

Acquired DPM

**7. Boost horizontal strength
[EMS] (2)**



Progress on the EMS projects

8. IR for individual investors



Held individual investor meeting

9. Increase ball bearing production



**Record high level production
in March**

**10. Increase pivot assembly
production**



**Monthly production volume reached
record high**

**11. Turn around businesses
running in the red**



**Turned the keyboard business
completely around**

May 7, 2010

38

Looking back on our initiatives to turn around businesses running in the red, we see that we successfully returned the keyboard business back to profitability for the March quarter.

Keyboard Business Completely Turned Around

Beefed up
production

Improved per capita productivity

Improved quality

Reduced scrap

Boosted ability to meet increased production
demand



Business returned to profitability in Q4

May 7, 2010

39

I assigned a manager I worked with when I was with Minebea Motor Manufacturing to oversee the Keyboard Business Unit back in June. Since then, our factory's production capacity has significantly increased as a result of improved per capita productivity. At the same time, we started to receive orders as the economy recovered. The monthly production volume at our factory in China, which used to produce 700,000 to 750,000 units per month, has now reached 950,000 units despite the fact that the factory employs fewer people than before. Our keyboard production in China has been so vastly improved that I expect to see the monthly production volume hit 1 million any day now.

Major Initiatives for FY3/2010 (2)

**6. Boost horizontal strength
[EMS] (1)**



Developed the COOL LEAF

Acquired DPM

**7. Boost horizontal strength
[EMS] (2)**



Progress on the EMS projects

8. IR for individual investors



Held individual investor meeting

9. Increase ball bearing production



**Record high level production
in March**

**10. Increase pivot assembly
production**



**Monthly production volume reached
record high**

**11. Turn around businesses
running in the red**



**Turned the keyboard business
completely around**

**12. Significantly improved results
in Electronic Devices and
Component segment**



**Profitability improved while sales
declined**

May 7, 2010

40

Finally, let's take a look at our initiatives for boosting performance in the electronic devices and component segment.

Significantly improved results in Electronic Devices and Component segment

Sales declined by 18.9 billion yen YoY



Operating loss shrunk by 1.9 billion yen YoY



**Sales down / Loss narrowed (returned to profitability)
Moving toward sales up / profit increase**

- Information motors (confirmed restructuring complete, returned to profitability already)
- Keyboards (returned to profitability in 4Q)

**Sales down / Loss narrowed (not yet returned to profitability)
Moving toward sales up / returning to profitability**

- HDD spindle motors
- Speakers

May 7, 2010

41

Looking at the electronic devices and component segment alone, operating loss shrunk by 1.9 billion yen year on year despite a year-on-year sales decline of 18.9 billion yen. This gain was due to the improved performance of spindle motors, information motors and keyboards.

While I have just highlighted 12 real successes with our business strategies, I'd be remiss if I didn't shed some light on the downside as well.

Downside (1) Failed to Turn Around Spindle Motor Business

Minuses

- Lower unit price
- Delay in production increase

Pluses

- Strong growth of HDD market
- Increased customer trust as a result of quality improvement measures
- Better product mix
- Supplying products for latest models
- Better competitive environment

Action

- Focus on boosting production yield
- Increase production capacity by 30% in June

6 months behind schedule in reaching positive profitability on a monthly basis

May 7, 2010

42

First of all, we failed to turn around the HDD spindle motor business. Our goal was to bounce back by the end of the last fiscal year and I take full responsibility as CEO for being unable to reach our goal. While I hesitate to make excuses, we cannot overlook the impact of declining unit prices on top of delayed production increases. While we made improvements in keyboard production, our efforts just didn't pay off as well for HDD spindle motors.

On the plus side, product quality has definitely improved and so has our technology. Our new HDD spindle motors have been given high marks by our customers and are outstanding products without a doubt. We can clearly see the roadblocks to profitability that remain and are poised to overcome them.

While an operational deficit had prevented us from overhauling our production equipment, we are planning to boost production capacity 30% by late June or July. This should enable us to dedicate machines to a single product line instead of constantly retooling the same machines to manufacture various lines with different product specs.

We are also optimizing our shop floor layout at different factories to find space. We will concentrate the bulk of our motor operations in the Lop Buri Plant and move machined components operations to the space created in the Bang Pa-in Plant. We are using the plant we acquired from FDK exclusively for machined components production. While we are running out of space at production facilities around the globe, thanks to the excellent foresight of Minebea's founders who planned our sites and facilities with an eye to future growth, we have enough room to meet any urgent need to increase production.

As the CEO, I'm committed to making our operations profitable once again by the end of September at the latest. Everyone at Minebea is pulling together to reach this goal. Once again I hate to make excuses, but we started last year with so many businesses running in the red and we had to scramble just to get them back on track. We are now zeroing in on boosting production and fixing the HDD spindle motor business, and I hope you will bear with us as we work to implement improvements.

Downside (2) Failed to Turn Around Speaker Business

Delay in sales recovery

Now focusing on high power micro speakers to increase sales



Enhance outsourcing strategy

May 7, 2010

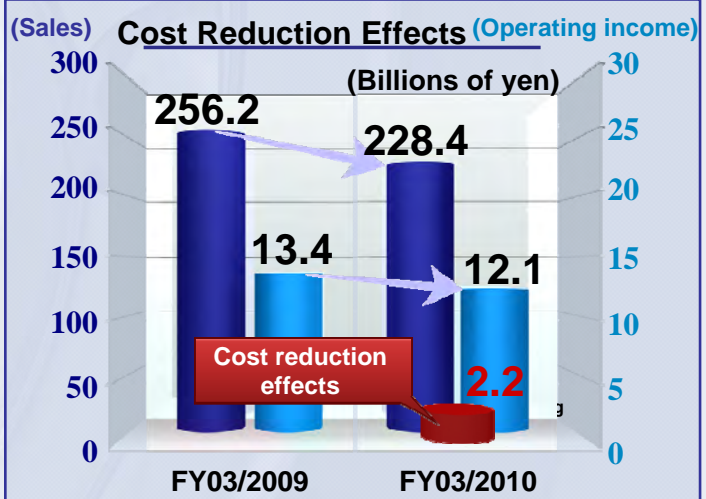
43

Also on the downside was our failure to turn around the speaker business, even though the financial loss was minor. Our new hyper micro speakers have received rave reviews. One television manufacturer has placed a fairly large order for use in its new model to be launched the year after next. We are beginning to see light at the end of the tunnel.

Results of Cost Cuts

Top-down and Bottom-up Cost Cuts in FY03/2010

- Implemented a system to solicit cost reduction proposals
- Eliminated wasteful spending and practices
- Reduced scrap
- Promoted energy and resource conservation
- Reduced factory-related expenses
- Cut shipping and transportation costs



Cost Reduction Policy for FY03/2011

Strengthen cost reduction system to cut waste further

(Cost reduction effects excludes fluctuations in sales and foreign exchange rates)

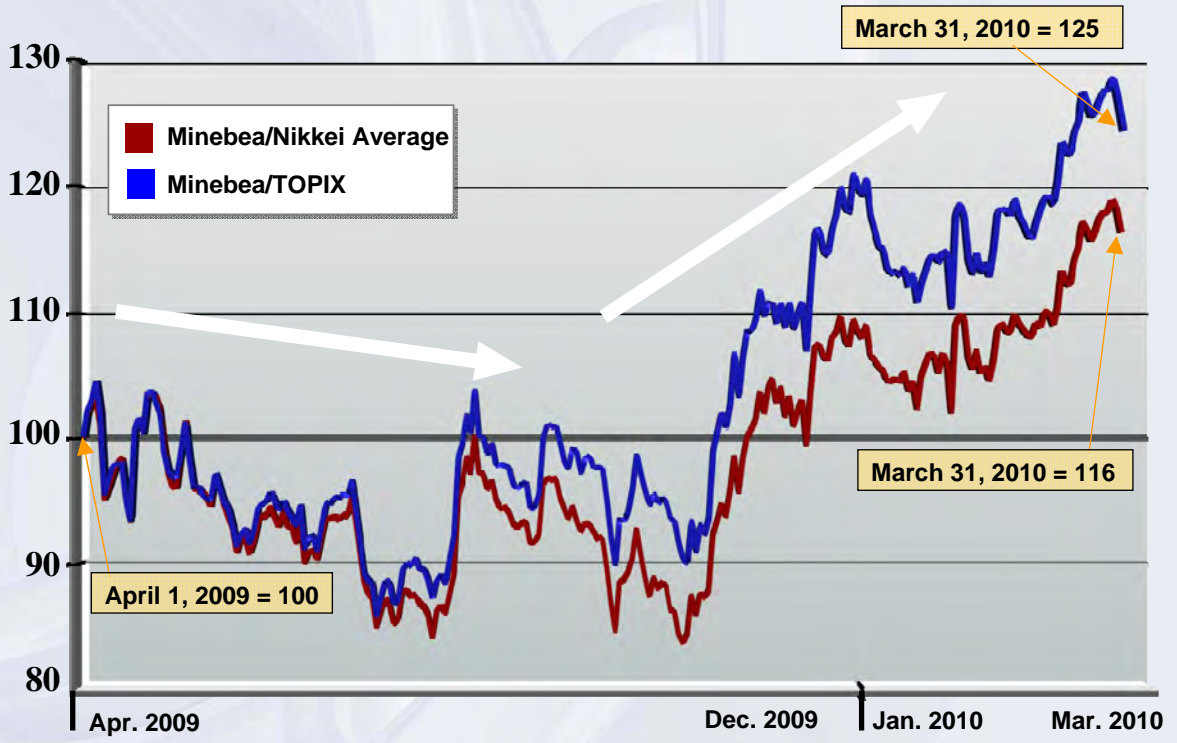
Instilling a keen sense of awareness

May 7, 2010

44

Here we can see the results of our cost cutting efforts. We were able to post 12.1 billion yen in operating income despite an overall sales decline due to a strong yen. According to our calculations, we cut about 2.2 billion yen in net cost excluding the impact of fluctuations in sales and foreign exchange rates. We will keep the Cost Reduction Promotion Office another year to focus on cutting travel, business trip management and IT expenses.

Relative Stock Performance Since I Became CEO



May 7, 2010

45

Our share price has been gradually rising since I became president. For the past year, I have been committed to maximizing shareholder value as my prime mission. I'm glad to report that our share performance has risen about 20% above the TOPIX index and the Nikkei average.

Road Map to Goals for FY Ending March 2011

May 7, 2010

46

Now I'd like to briefly talk about how we plan to reach this fiscal year's goals.

Business Strategy

**Machined
components**



No.1 (Market Leader) Strategy

Enhance ability to supply products and meet demand for better cost performance backed by our large market share
Tap into M&A and new market opportunities with an eye to further expansion

May 7, 2010

47

In the machined components business segment, we will essentially put all our energy into the “No. 1 Strategy.” Now that demand is recovering, it is the responsibility of manufacturers like us to keep pace with customer demand. We should not be afraid to take risks as we continue to move forward.

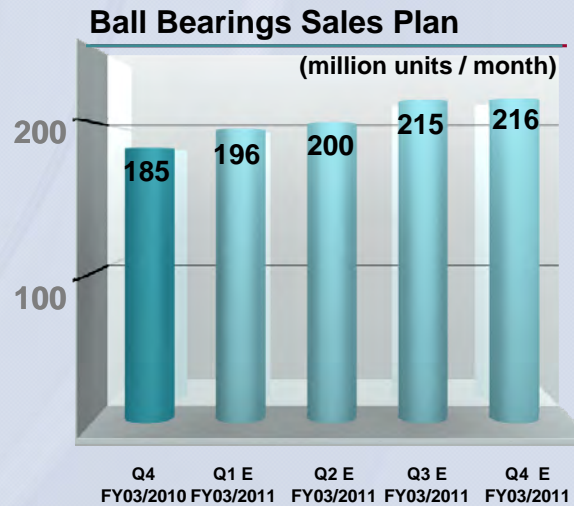
Machined Components Business (Ball Bearings)

Driving overall sales and profits
Market leader strategy

**Deciding to
 build a new
 factory !**

Ball bearings

- Increase production to keep pace with rising demand
- Reap the results of productivity improvement measures put in place during recession
- Temporarily suspend strategy targeting Chinese market for low-priced, mass-produced products



May 7, 2010

48

We decided to build a new production facility for ball bearings. We know that it will be constructed in Thailand but still need to spend a little more time before making a decision on whether to build it in Bang Pa-in or somewhere else. We will soon make a final decision and start constructing the first new ball bearing plant in two decades.

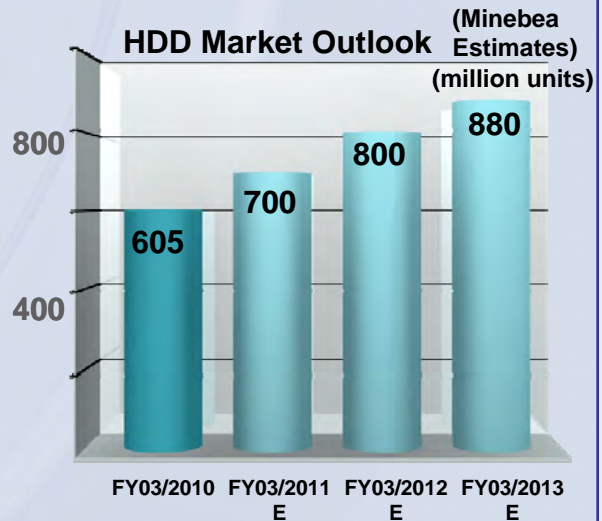
Machined Components Business (Pivot Assemblies)

Driving overall sales and profits
Market leader strategy

**Deciding to
 build a new
 factory !**

Pivot assemblies

- The HDD market is expected to grow at a double-digit percentage rate annually over the next few years.
- Boost monthly production capacity to 37 million units by August
- Prepare for increasing monthly production capacity to 45 million units
- Increase productivity



May 7, 2010

49

Likewise, we will increase production of pivot assemblies for HDDs to make the monthly production volume 37 million units by August and 45 million units by the end of this year. Although different companies have different forecasts for the HDD market, it's definitely on a significant upward trend.

Machined Components Business (Rod Ends)

Market expected to quickly recover
Market leader strategy

**Leveraging
 new
 factories !**

Rod ends

- Demand for aircraft is at the early stage of recovery
- Have boosted production capacity with new facilities designed for increasing future demand
 - New Karuizawa plant**
 - New surface treatment plant in Fujisawa**
- Will focus on expanding the product range
- Will reap the benefits of cost reduction measures
- Will keep eye out for M&A opportunities



May 7, 2010

50

I have some very good news to share with you, which is about rod ends. I've been telling you since last year that this year is going to be very stormy, but we can see that the aircraft market has entered an early stage of recovery. Boeing, who is one of our major customers, recently announced that it's going to increase production. I'm so glad that we had the confidence to go ahead and build new facilities in Karuizawa and Fujisawa in the face of this financial storm. The key strategy for machined components this year is to simply ride the wave as continues to swell.

Business Strategy

Machined components



No.1 (Market Leader) Strategy

Enhance ability to supply products and meet demand for better cost performance backed by our large market share
Tap into M&A and new market opportunities with an eye to further expansion

Rotary components



Solutions Providing Strategy

Products for cutting costs and increasing production volume
Products for bundling functions

May 7, 2010

51

I have told everyone at Minebea that the strategic focus for rotary components should be on providing solutions. There are different types of motors. If you take fan motors and vibration motors for example, we can satisfy our customers with their functions simply as they are. When it comes to these motors, we have to concentrate on cutting costs as well as quantity.

Other types of motors like brush motors, brushless motors, and stepping motors always come with something extra. As I've been saying since last year, the plan is to market these motors as hybrid products. We will ramp up our efforts to sell these products to customers as solutions by combining them with our machined component technologies.

Rotary Components Business

Strengthening foundation of the second pillar

Start looking for a new factory location !

Low-price and solutions providing strategy

Products for cutting costs and increasing production volume

Strengthen production to enhance quality and cut costs
Consolidate suppliers/raw materials and standardize components

Products for bundling functions

Add functions to products and seek synergy through companywide collaboration



Strengthen businesses that drive growth and profitability

Fan motors



Enhance product lineup

Stepping motors



Seek synergetic effect

Rebuild businesses that are running in the red

Drive business performance via the information equipment motor business acquired from Panasonic

Work on EMS (synergy with DPM)

Establish EMT Business Unit

May 7, 2010

52

This illustrates what I mean by strengthening the foundation of our second pillar. We will continue to pursue growth and profitability for our various motor businesses, including the DC brushless motor business we took over from Panasonic. We will also choose a new factory location by the end of this fiscal year to meet the needs of the motor business as it outgrows existing facilities.

Business Strategy

Machined components



No.1 (Market Leader) Strategy

Enhance ability to supply products and meet demand for better cost performance backed by our large market share
Tap into M&A and new market opportunities with an eye to further expansion

Rotary components



Solutions Providing Strategy

Products for cutting costs and increasing production volume
Products for bundling functions

Electronic devices & components / Special devices



“One-and-only” (differentiation) strategy

Offer high added value no other companies offer

May 7, 2010

53

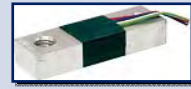
We will continue to pursue a strategy that sets our electronic devices and components as well as special devices miles apart from the competition's. I continually tell our employees to keep their eye on the kind of high added value that no other company delivers.

Turn them into profit engines

“One-and-only” strategy = differentiation

Offer high added value no other companies offer
Operations focused on core technologies
Rebuild businesses that are running in the red

LED backlights	Go for the highest market share with small and medium-sized products + 2 new plants in China
Measuring components	Improve strain gauges further and develop hybrid products
Circuit components	Focus on energy efficient products
Keyboards	Achieve sustainable profitability
Speakers	Specialize in high power micro speakers
Special devices	Work with the EMS Department to promote hybrid products



May 7, 2010

54

A shining example of this kind of added value product is our LED backlight. Our initial plan was to increase the monthly production volume from current 15 million units to 24 million units over a span of three years. Now we are thinking about increasing it to 21 million units by the end of this year. We just decided a few days ago to open two new factories in China. One will be in Xiamen and the other in Suzhou. We are very close to finalizing the building projects. Instead of buying land and building new facilities, we will operate these new factories out of existing facilities which we intend to lease. Designed to make products that are specifically tailored to individual customer needs, these facilities will give us a leg up in becoming number one in the market for small and medium-sized products.

Our strategy for other products, including measuring components, circuit components, keyboards, speakers, and special devices, for this year remains squarely focused on creating the kind of high added value that outclasses the competition.

Business Strategy

<p>Machined components</p>		<p>No.1 (Market Leader) Strategy Enhance ability to supply products and meet demand for better cost performance backed by our large market share Tap into M&A and new market opportunities with an eye to further expansion</p>
<p>Rotary components</p>		<p>Solutions Providing Strategy Products for cutting costs and increasing production volume Products for bundling functions</p>
<p>Electronic devices & components / Special devices</p>		<p>“One-and-only” (differentiation) strategy Offer high added value no other companies offer</p>
<p>HDD spindle motors</p>		<p>Profitability-focused strategy Return to profitability during this fiscal year Increase production volume in line with market growth</p>

May 7, 2010

55

The focus for the HDD spindle motors remains on profitability.

Making Spindle Motor Business Profitable

Creating a profit engine

Market outlook: HDD market to enter a new high growth stage

Profitability-focused strategy

- Enhance manufacturing capability to improve profitability
 - ⇒ Focus on increasing production yield
- Enhance ability to meet growing demand and price requirements
 - ⇒ Increase production volume to improve profitability
(Will increase production capacity by 30% in June)

Turn business around
during the first fiscal half

May 7, 2010

56

I have already explained this earlier and will report back to you at our next meeting in six months.

Medium-term Business Plan

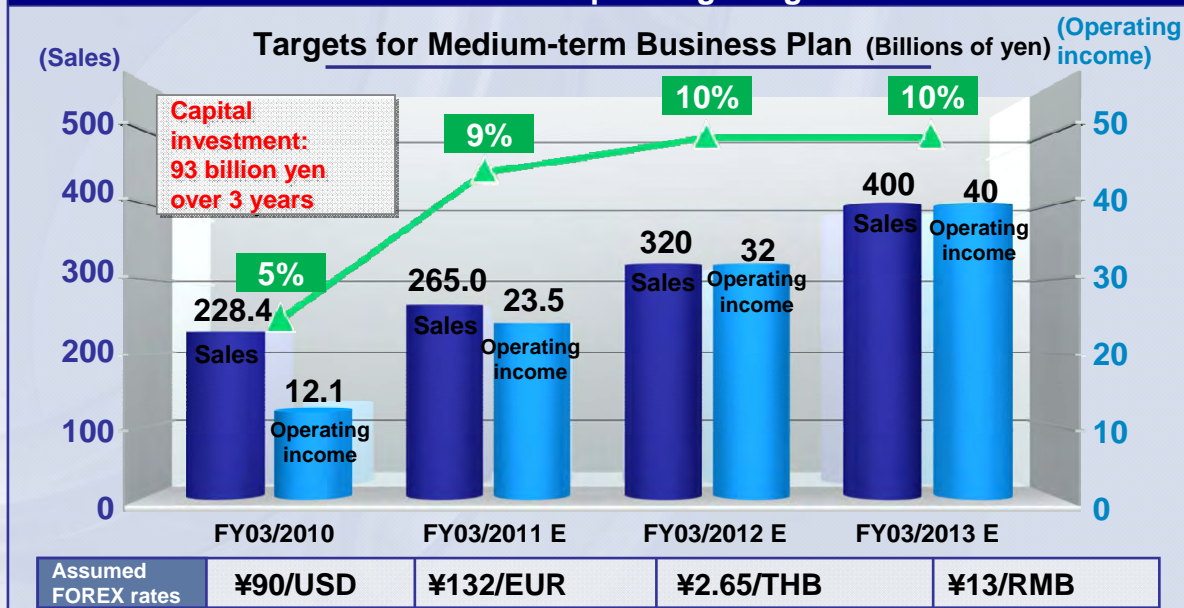
May 7, 2010

57

Finally, I would like to go over our medium-term business plan.

Medium-term Business Plan (Profitability to Recover and Increase)

Macro assumption: Global economy will be at 80% capacity in the 1st year, 90% the 2nd year, and 100% the 3rd year
3-year business plan image: Increase sales at least 10% every year
Ensure operating margin of 10%



May 7, 2010

58

We assume that the global economy will be at 80% capacity in the first year (this fiscal year), 90% the second year, and 100% the third year. While some people may say it's at 100% capacity now, some of the indicators I noted earlier suggest otherwise. The aircraft market has just started to bounce back. The office automation equipment industry has yet to fully recover. The luxury car market has in no way regained the strength it had before the collapse of Lehman Brothers. All this points to an overall economy that is still running at only 80% capacity. Since our business encompasses a number of different industries, including ball bearings, etc. our macroeconomic assumptions reflect overall economic conditions.

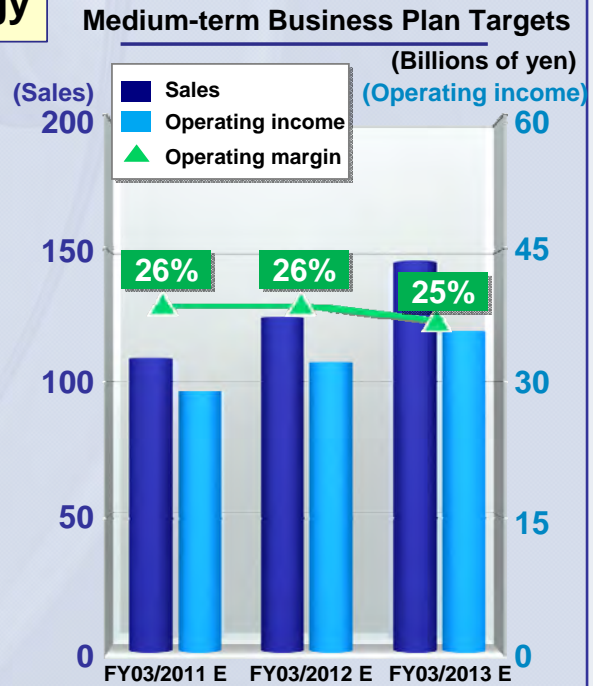
The highlight of our medium-term business plan entails a rather aggressive capital investment plan, spending 93 billion yen over the next three years. As you can see from this graph, we are aiming for an operating margin of 9% this year, 10% next year, and 10% again in the third year with 400 billion yen in sales and 40 billion yen in operating income. While this may seem too conservative or too far below the targets we are aiming for this year, I believe it is a good place to start.

Machined Components Business Segment

Plan to invest 48.4 billion yen over 3 years

No.1 (market leader) strategy

- Aim for 145 billion yen in sales in FY03/2013
- Enhance ability to supply products and meet demand for better cost performance backed by our large market share
 - New ball bearing plant to 250 million + unit / month**
 - New pivot assembly plant to 55 million unit / month**
 - Aircraft market recovery and new growth**
- Promote sales in emerging markets
- Tap into new market opportunities
- M&A for further expansion



May 7, 2010

59

We plan to invest 48.4 billion yen over the next three years on the machined components business segment. Investing in mainly new ball bearing and pivot assembly factories as well as areas related to the burgeoning aircraft industry will put us in position to catch a number of growing market waves.

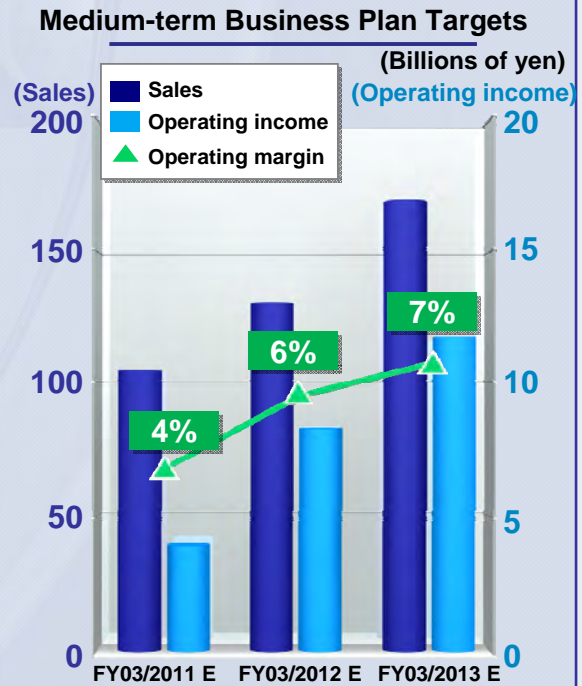
Rotary Components Business Segment

Plan to invest 22.2 billion yen over 3 years

Solutions Providing strategy

Input resources to second pillar

- Aim for 165 billion yen in sales in FY03/2013 (fan motors, stepping motors and HDD spindle motors will drive growth)
- Products for cutting costs and increasing production volume
 → Aim for No. 1 globally
- Products for bundling functions
 → Focus on profitability
- Opening a new motor plant inevitable



May 7, 2010

60

Over the next three years we plan to put 22.2 billion yen into the rotary components business segment. As mentioned earlier, we will focus on two areas with an eye to becoming number one: cutting costs while boosting production volume as well as supplying more functional products. Building a new motor production facility is a key component of this plan and we intend to iron out all the details by the end of this year.

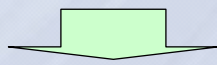
Rotary Components Business Segment (2) (Spindle Motor Business)

Boost production capacity to 9 million units/month in response to the growing HDD market

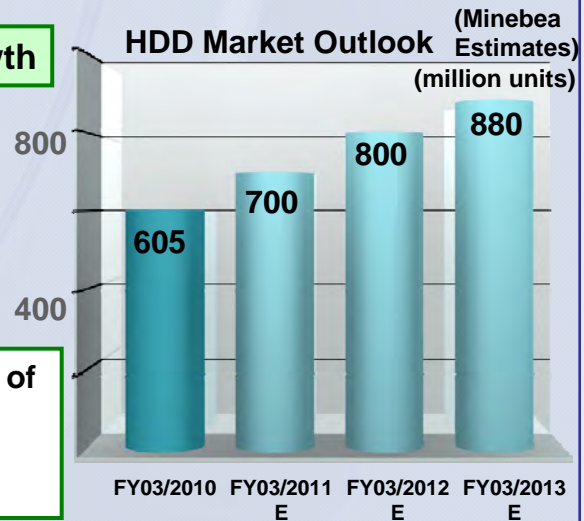
Business strategy

HDD market will see further growth

- Maintain market share as the second largest supplier
- Enhance ability to respond to lower prices



**Ensure monthly production capacity of
6.5 million units in the first year
7.5 million units in the second year
9 million units in the final year**



May 7, 2010

61

Our vision for the HDD spindle motor business includes boosting the monthly production volume of HDD spindle motors up to 9 million units. While we're not gearing up to take a chunk of our competitors' share of the market, we need at least that much production capacity to maintain our current market share at the present rate of growth.

Electronic Devices & Components Business Segment / Special Devices Business Segment



Plan to invest 22.4 billion yen over 3 years
 (including 9.9 billion yen welfare and IT investments)

One-and-only (differentiation) strategy

- Aim for 57 billion yen and 33 billion yen in sales respectively in FY03/2013
- Offer high added value no other companies offer with differentiated technologies
 - LED backlights
 - Circuit components
- Promote launching new hybrid products onto the market
 - Measuring components
 - Keyboards



May 7, 2010

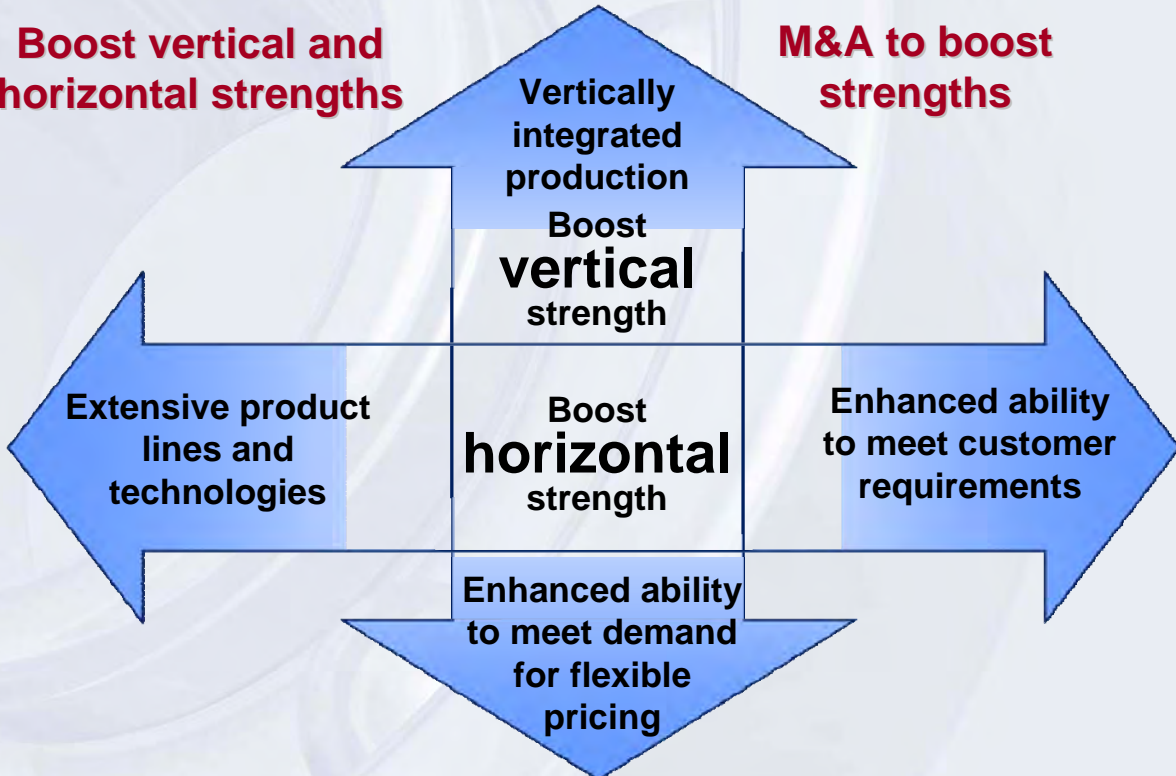
62

We plan to invest 22.4 billion yen over the next three years in the electronic devices & components business segment and the special devices business segment. This includes investments for LED backlights, circuit components, measuring components, and keyboard, which I talked about earlier. The future is looking brighter as signs point to a recovery in demand for measuring components employed in our customers' products.

Ongoing Policy

Boost vertical and horizontal strengths

M&A to boost strengths



May 7, 2010

63

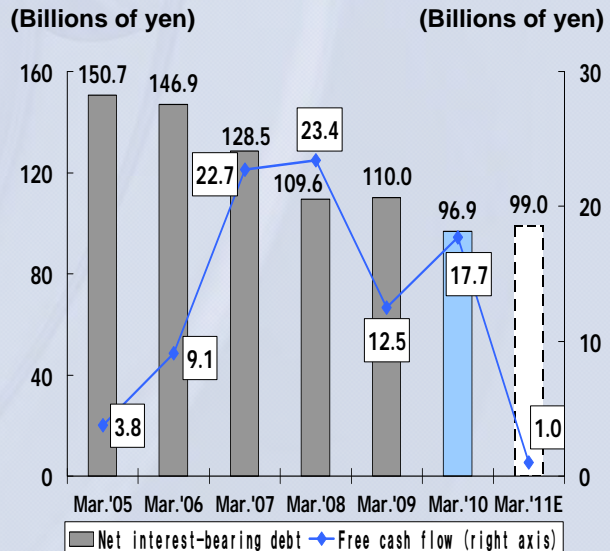
We will continue to boost our vertical and horizontal strengths to make the three-year plan fruitful.

Debt Reduction and Strategy for the Future

Brought net-interest bearing debt down below medium-term target of ¥100 billion

Maintain sound financial health

Focus more on investments for the future



May 7, 2010

64

We managed to bring net interest bearing debt down below the medium-term target of 100 billion yen. Net interest bearing debt totaled 96.9 billion yen as of March 31. Reducing interest bearing debt is not necessarily the most important thing for the future. If all goes well, the global economy or the scale of economy will probably grow. Thanks to the keen foresight of our founders who designed our production facilities for growth, we are able to find the space we need to boost our production capacity, the cornerstone of our operations. It's vital that we build on this foundation over the next three years so that we can ensure the vitality of our company for generations to come.

Dividend Policy

Dividend

FY03/2010 year-end dividend: **4** yen / share Total year: **7** yen / share

Dividend forecast for FY03/2011: Interim **3** yen / share

Year-end **4** yen / share

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 distribution of profits.

May 7, 2010

65

We continue to pay dividends of 7 yen per share per year. We hope you understand that even though our operations are picking up, the huge investments we've made precludes us from exceeding this 7-yen figure at the present time.

This concludes my presentation. Thank you very much.

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.

All the information in this document is the property of Minebea Co., Ltd. All parties are prohibited for whatever purpose to copy, modify, reproduce, transmit, etc. this information regardless of ways and means without prior written permission of Minebea Co., Ltd..

May 7, 2010

66