Business Results

Second Quarter of Fiscal Year Ending March 31, 2011

November 2, 2010

Minebea Co., Ltd.

1. Financial Results

2. Policy and Strategy

Financial Results

Hiroharu Katogi
Director, Senior Managing Executive Officer

November 2, 2010

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Minebea

Summary of Consolidated Business Results for 1H

Despite the stronger yen, growing demand pushed first half results beyond our initial forecast

(Millions of yen)	FY ended Mar. '10 1H	FY ending Mar. '11 1H	Change YoY	1H of FY ending Mar. '11 Original forecast	1H of FY ending Mar. '11 vs. forecast
Net sales	109,268	137,695	+26.0%	129,000	106.7%
Operating income	2,115	12,371	× 5.8	10,900	113.5%
Ordinary income	1,029	11,536	× 11.2	9,900	116.5%
Income before income taxes	729	11,103	× 15.2	7,800	142.3%
Net income	-364	7,317	- ⇨ +	4,700	155.7%
Net income per share (yen)	-0.94	19.15	- ⇨ +	12.31	155.6%

Foreign exchange rates	1H of FY Mar. '10	1H of FY Mar. '11	1H of FY Mar. '11 Assumption
US$	¥96.12	¥89.70	¥90.00
Euro	¥132.90	¥114.92	¥132.00
Thai Baht	¥2.78	¥2.78	¥2.65
Chinese RMB	¥14.06	¥13.17	¥13.00

Looking at consolidated business results for the first half of the fiscal year ending March 31, 2011, net sales were 137,695 million yen which were up 26% compared to the same period last year, operating income was 12,371 million yen which was 5.8 times that of the same period last year, and net income was 7,317 million yen which turned positive from the loss of the same period last year.

These results were much better than our initial plan, due to increased demand for our products in ball bearing and various other markets with progress in global economic recovery, despite the stronger Japanese yen. The newly added brushless DC motor business from Panasonic also contributed.

Summary of Consolidated Business Results for 2Q

Despite the stronger yen, growing demand pushed second quarter net sales and operating income higher Q o Q

(Millions of yen)	FY ended Mar. '10	FY ending Mar. '11		Change	
	2Q	1Q	2Q	YoY	QoQ
Net sales	57,430	67,891	69,803	+21.5%	+2.8%
Operating income	2,720	6,024	6,346	× 2.3	+5.3%
Ordinary income	2,130	5,600	5,935	× 2.8	+6.0%
Income before income taxes	2,099	5,592	5,511	× 2.6	-1.4%
Net income	1,315	3,815	3,502	× 2.7	-8.2%
Net income per share (yen)	3.38	9.99	9.16	× 2.7	-8.3%

Foreign exchange rates	2Q of FY Mar. '10	1Q of FY Mar. '11	2Q of FY Mar. '11 Assumption
US$	¥94.74	¥92.81	¥86.58
Euro	¥134.24	¥120.53	¥109.31
Thai Baht	¥2.78	¥2.86	¥2.70
Chinese RMB	¥13.85	¥13.60	¥12.73

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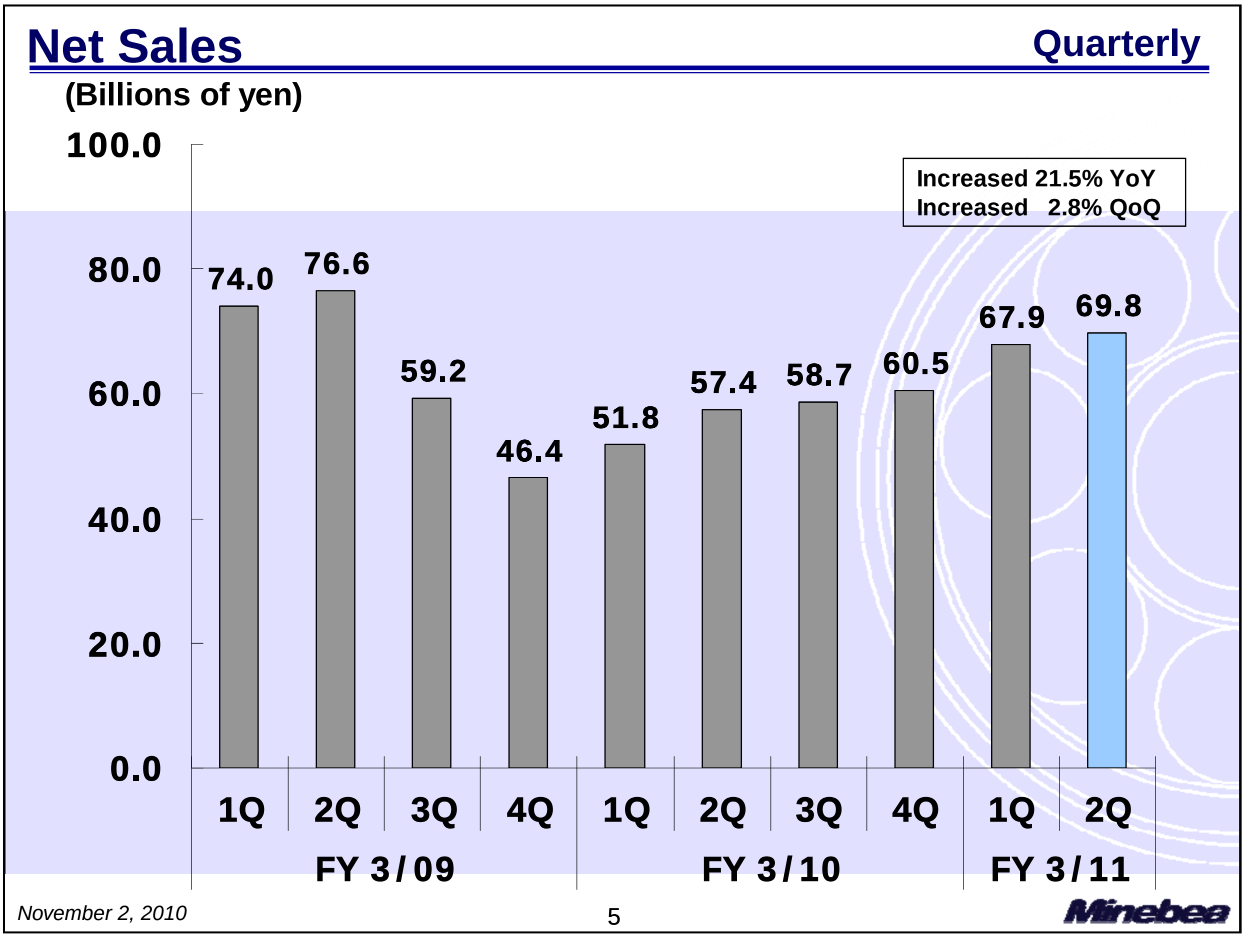
In the second quarter of the fiscal year ending March 2011, net sales were 69,803 million yen, up 2.8% from the first quarter. Operating income was 6,346 million yen, up 5.3% from the previous quarter. Net income was 3,502 million yen, down 8.2% from the previous quarter.

Despite the rapidly appreciating Japanese yen, earnings from machined components such as bearings were better. Increased sales of LED backlights, HDD spindle motors, brushless DC motors and other products also contributed to higher operating income.



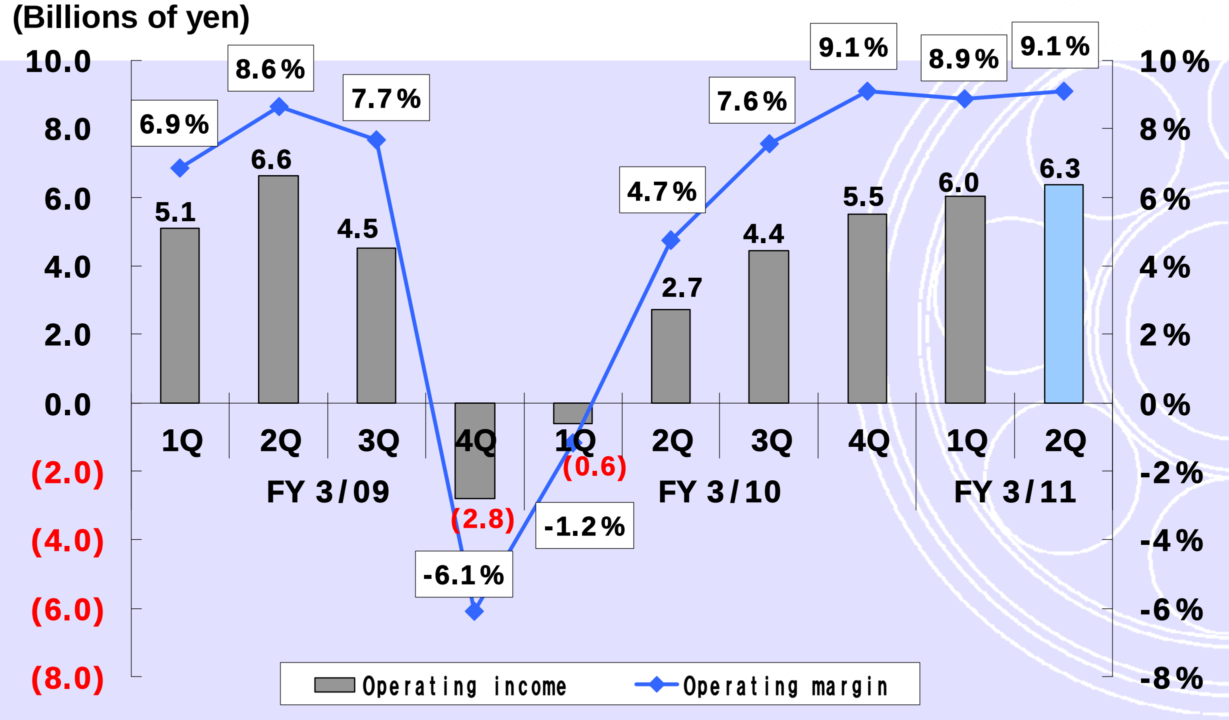
Net sales have been steadily recovering from the fourth quarter of the fiscal year ended March, 2009. In the second quarter of the fiscal year ending March 2011, net sales were up 2.8% to 69.8 billion yen from the previous quarter. Sales of ball bearings, LED backlights, various motors and other products have expanded this quarter despite the negative impacts from the stronger Japanese yen.

Based on certain assumptions, we estimate the currency impact on net sales was rather large, approximately a negative 3.9 billion yen, compared to the previous quarter, and approximately a negative 5.2 billion yen from the same period of the last fiscal year. For the first half, it was 6.9 billion yen compared to the same period last year.

Operating Income

Quarterly

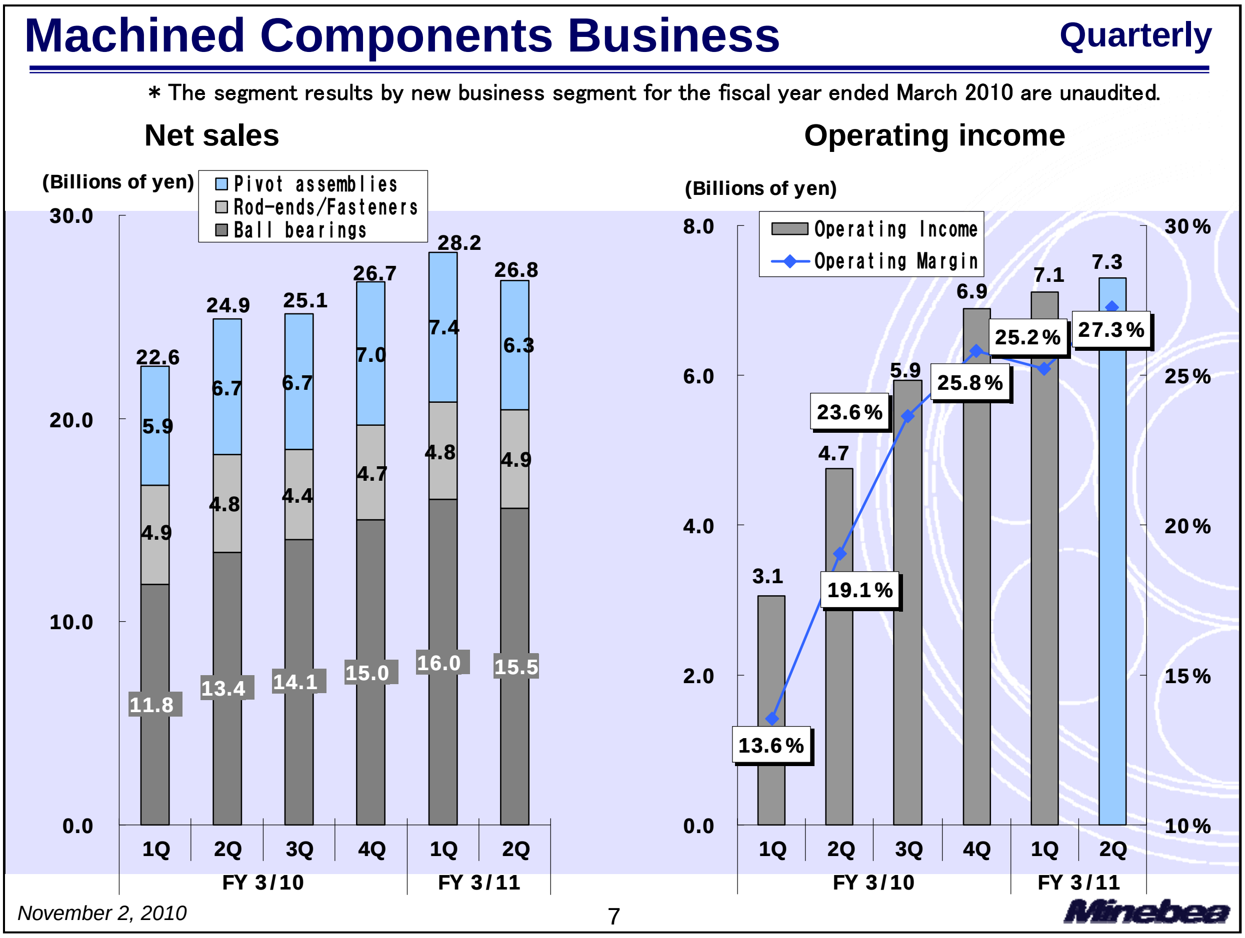
Increased X 2.3 YoY
Increased 5.3% QoQ



Operating income for the second quarter increased 5.3% from the first quarter to 6.3 billion yen as steady recovery has continued.

In addition to increases in sales volumes for a variety of products, declining unit production costs in ball bearings due to increased production volume also contributed to operating income. Positive impacts from reduced SG&A expenses also continued, which we will explain later. As a result, operating margin improved by 0.2 percentage points compared to the first quarter, to 9.1%.

Based on certain assumptions, we estimate the currency impact on operating income was approximately a negative 0.3 billion yen compared to the previous quarter, and approximately a negative 1.1 billion yen compared to the same period of the last fiscal year.

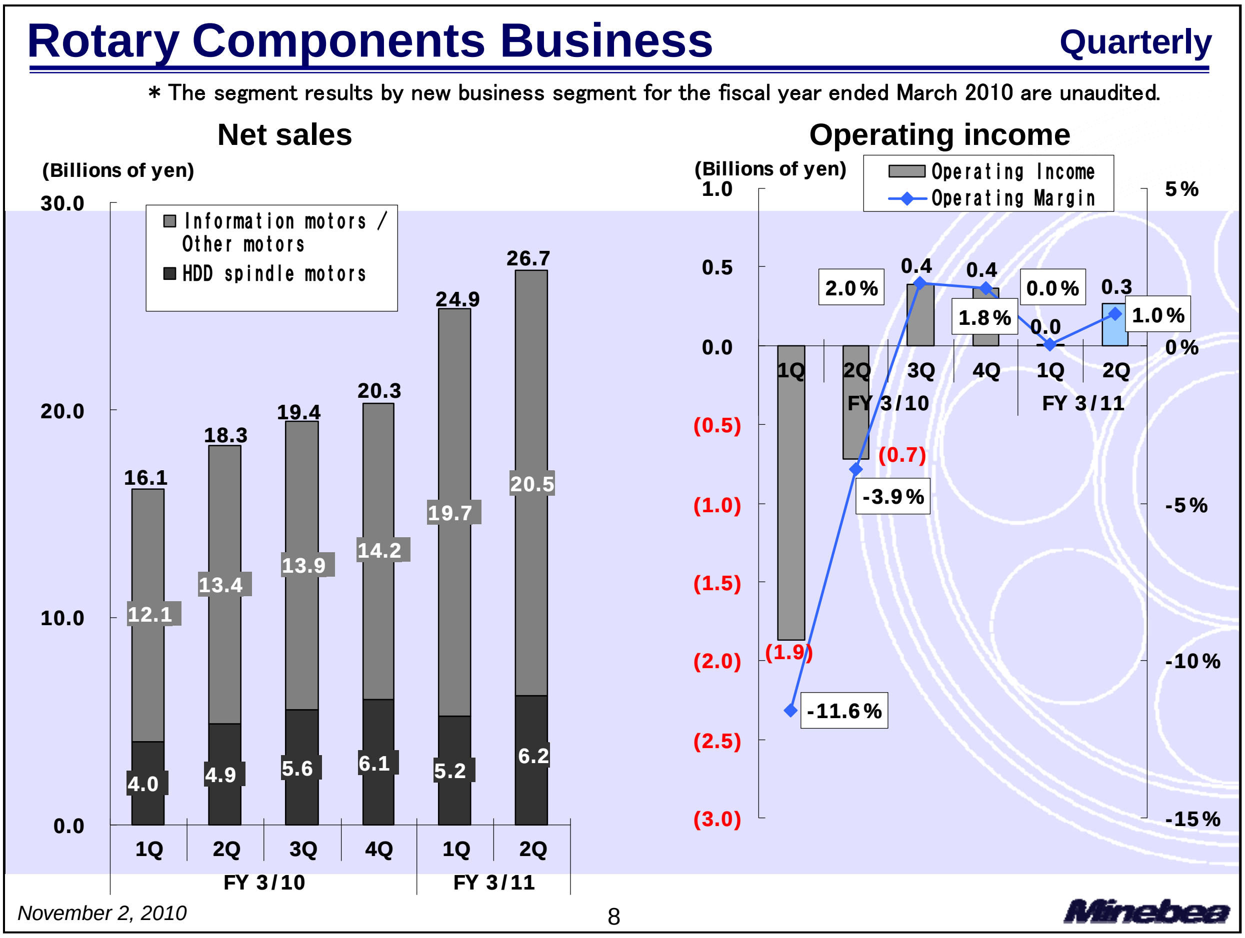


For the Machined Components business segment, second quarter net sales were 26.8 billion yen, down 5.0% from the previous quarter. Operating income, on the other hand, was 7.3 billion yen, up 2.8% from the previous quarter. Operating margin was 27.3%, up 2.1 percentage points from the previous quarter, due to the lower unit production costs of ball bearings and other factors.

Second quarter sales of miniature and small-sized ball bearings decreased by 3.1% from the previous quarter, to 15.5 billion yen. However, profits in this business increased from the previous quarter due to reduced unit production costs, as sales volume increases led to full capacity production despite negative impacts from currency fluctuations, mainly the weaker U.S. dollar.

Second quarter sales of rod-ends and fasteners increased by 2.1% from the previous quarter, to 4.9 billion yen. Profits increased from the first quarter due to reduced costs, although the stronger Japanese yen affected exports of Japan made products.

Second quarter sales of pivot assemblies for Hard Disk Drives decreased by 14.9% from the previous quarter, to 6.3 billion yen. This was due to lower sales volume caused by prolonged inventory adjustments in the HDD market since June. Profits were lower compared to the first quarter.



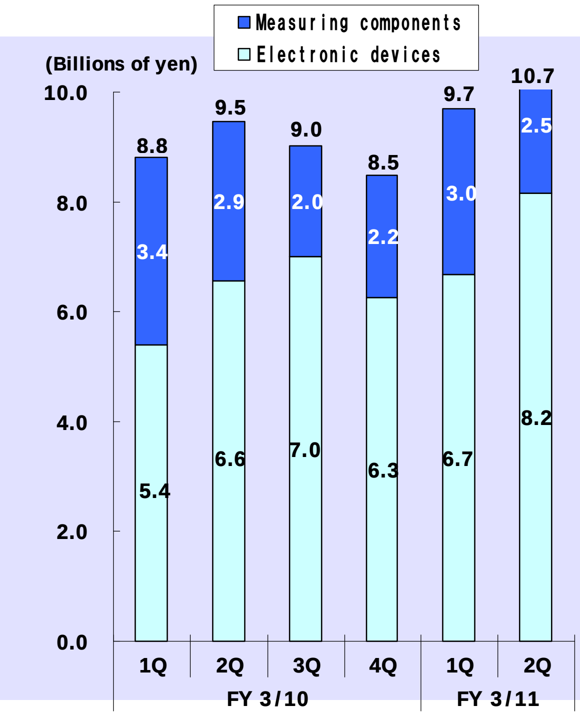
In the Rotary Components business segment, second quarter net sales were 26.7 billion yen, up 7.3% from the first quarter. Operating income increased to 0.3 billion yen from breakeven in the first quarter.

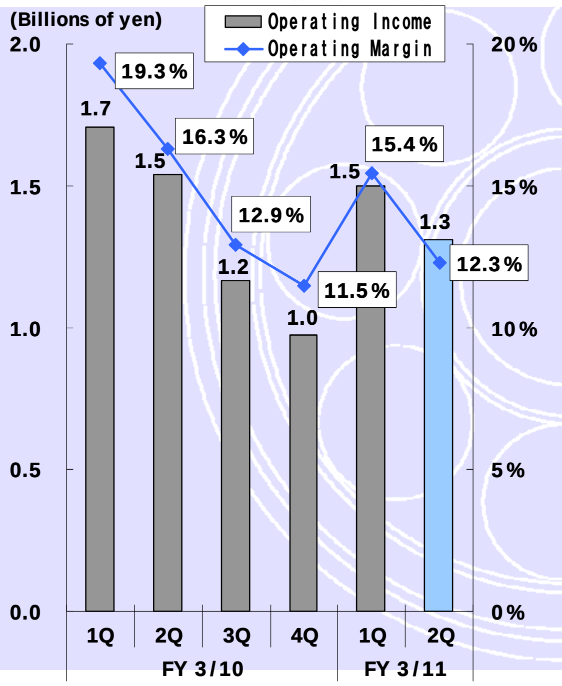
Net sales of HDD spindle motors increased by 19.2% from the first quarter to 6.2 billion yen. Operating losses in this business shrunk significantly from the previous quarter. This was mainly due to improved production efficiency and lower scrap costs from improved production yields, although a major realignment of production facilities and other factors caused one-time expenses as in the first quarter.

Net sales of information motors and other motors increased by 4.1% from the previous quarter, to 20.5 billion yen. Operating income from these businesses was almost flat from the previous quarter. Although profitability of vibration motors, precision motors and brush DC motors worsened, profitability of fan motors, brushless DC motors and stepping motors improved on higher sales volume.

Electronic Devices & Components Business Quarterly

＊The segment results by new business segment for the fiscal year ended March 2010 are unaudited.





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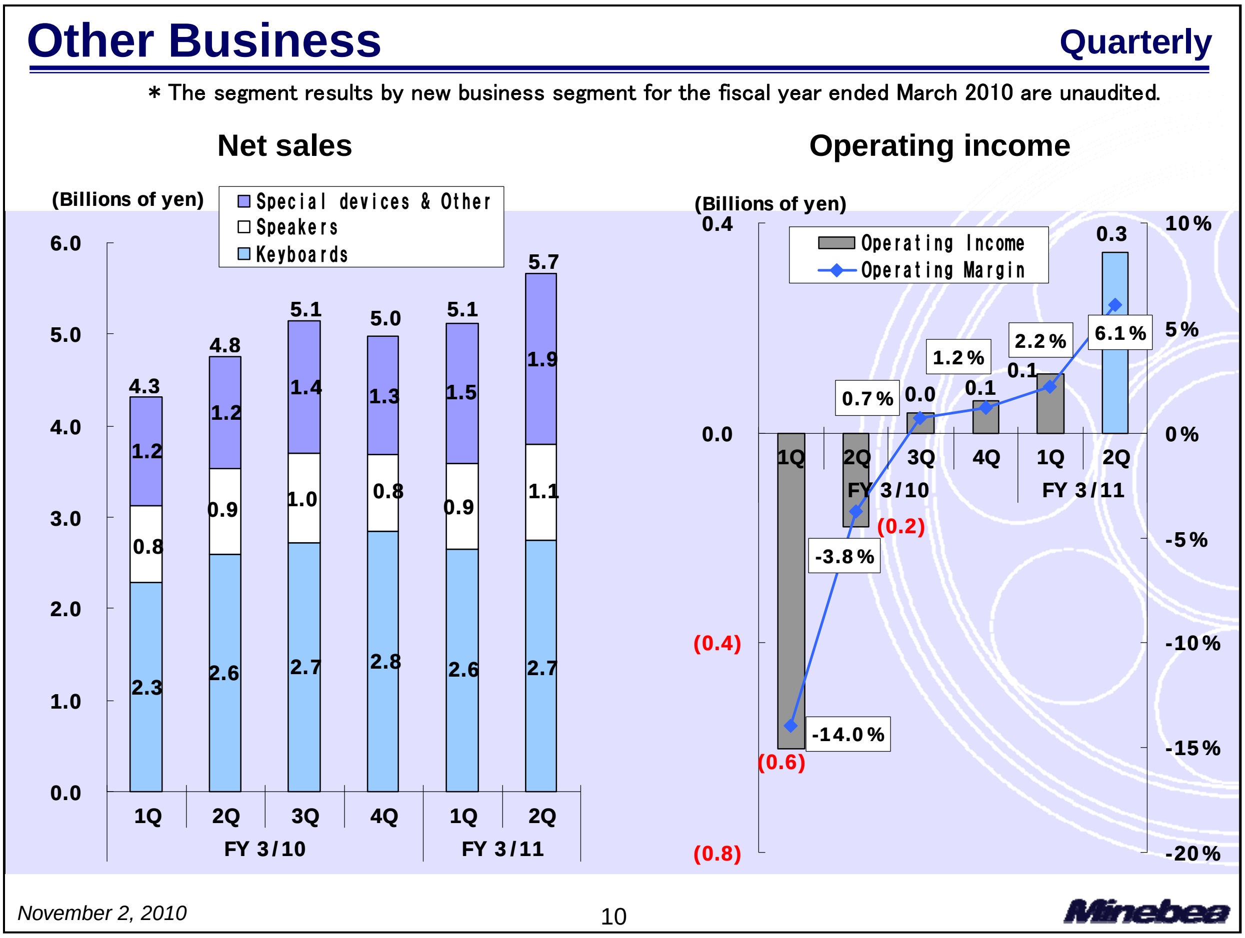
In the Electronic Devices and Components business segment, second quarter net sales were 10.7 billion yen, up 9.8% from the first quarter. Operating income, however, was 1.3 billion yen, down 12.6% from the first quarter. Operating margin was 12.3%, down 3.1 percentage points from the previous quarter.

Net sales of electronic devices jumped up by 22.4% from the first quarter to 8.2 billion yen, due to increased demand for LED backlights. Profits of this business also increased from the first quarter.

Net sales of measuring components decreased by 16.7% from the first quarter, to 2.5 billion yen. Profits likewise decreased from the previous quarter, because product sales for a game console related application have already peaked out.



In the Other business segment, second quarter net sales were 5.7 billion yen, up 10.7% from the first quarter. Operating income increased from the previous quarter to 0.3 billion yen. Operating margin was 6.1%, up 3.9 percentage points from the previous quarter.

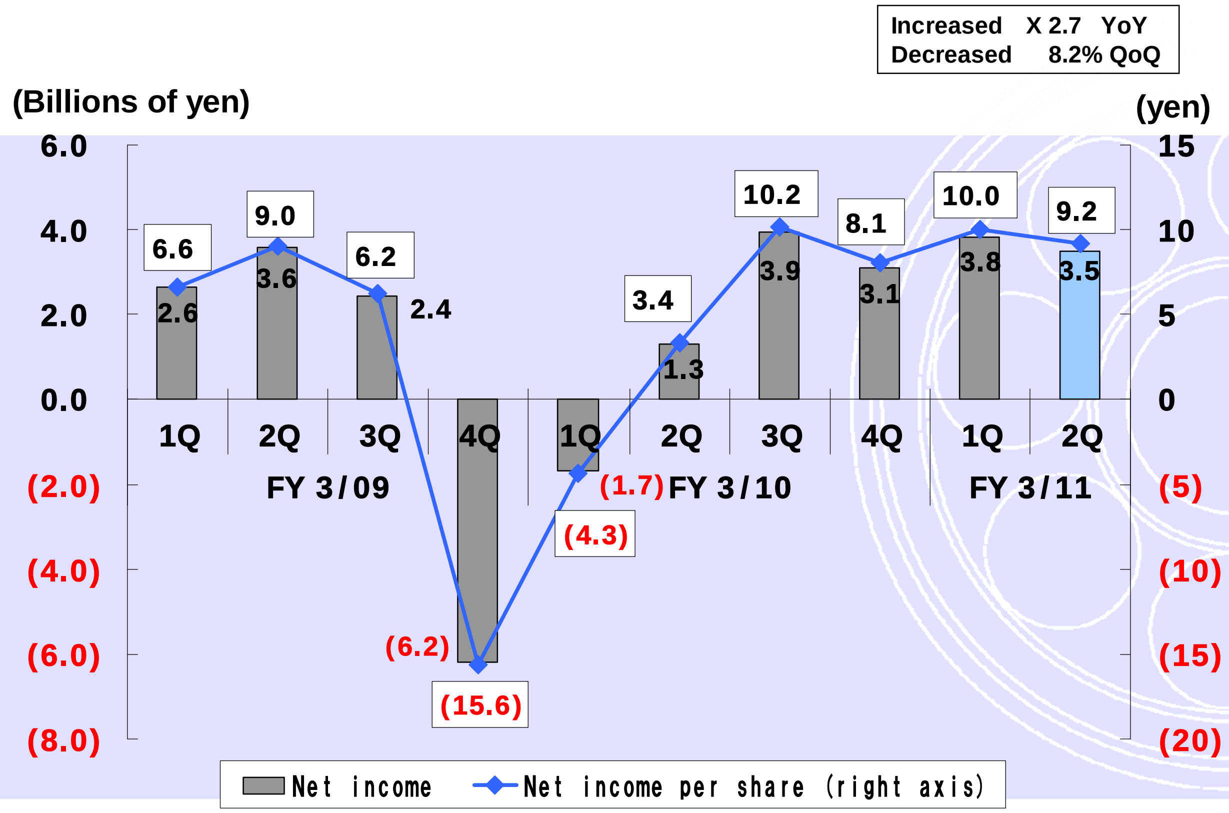
Net sales of keyboards increased by 3.8% from the first quarter, to 2.7 billion yen. Operating income of this business also increased compared to the previous quarter.

Net sales of speakers increased by 22.2% from the first quarter, to 1.1 billion yen. Losses shrunk to near breakeven as sales increased.

Net sales of special devices and other components increased by 26.7% from the first quarter, to 1.9 billion yen. Profits increased from the previous quarter.

Net Income

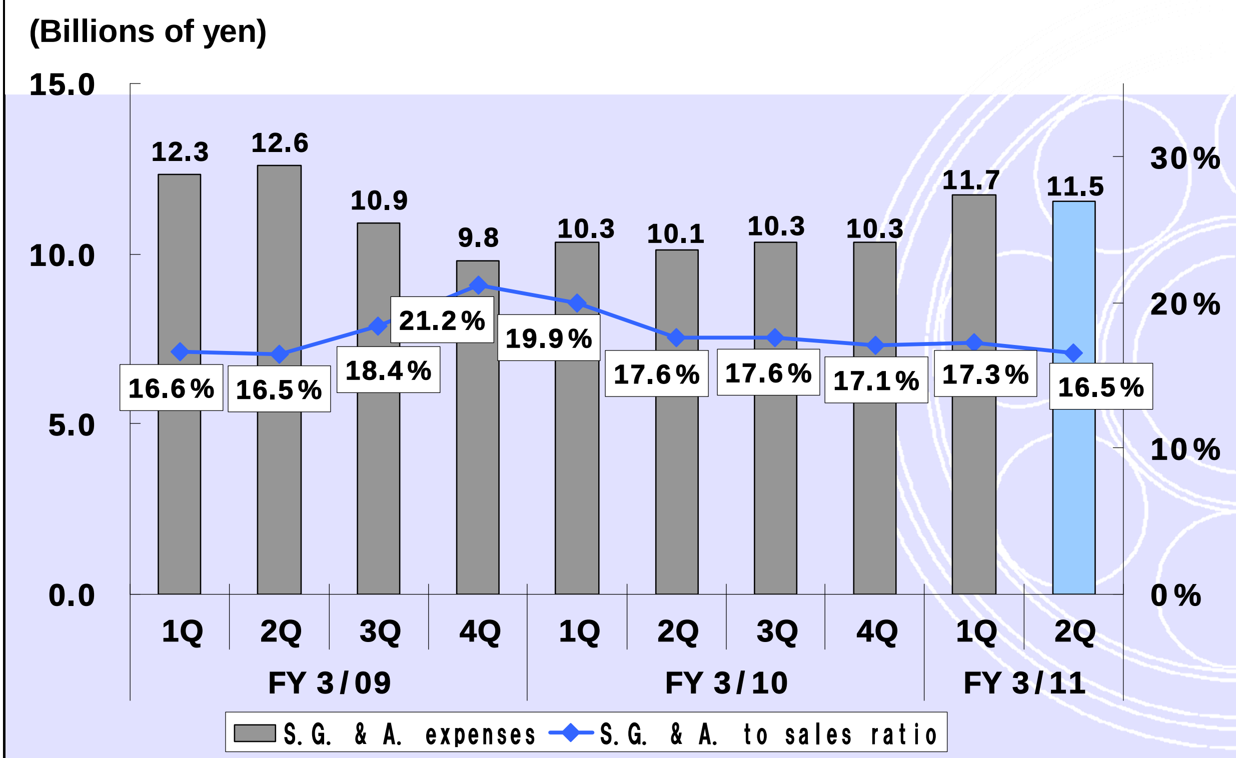
Quarterly



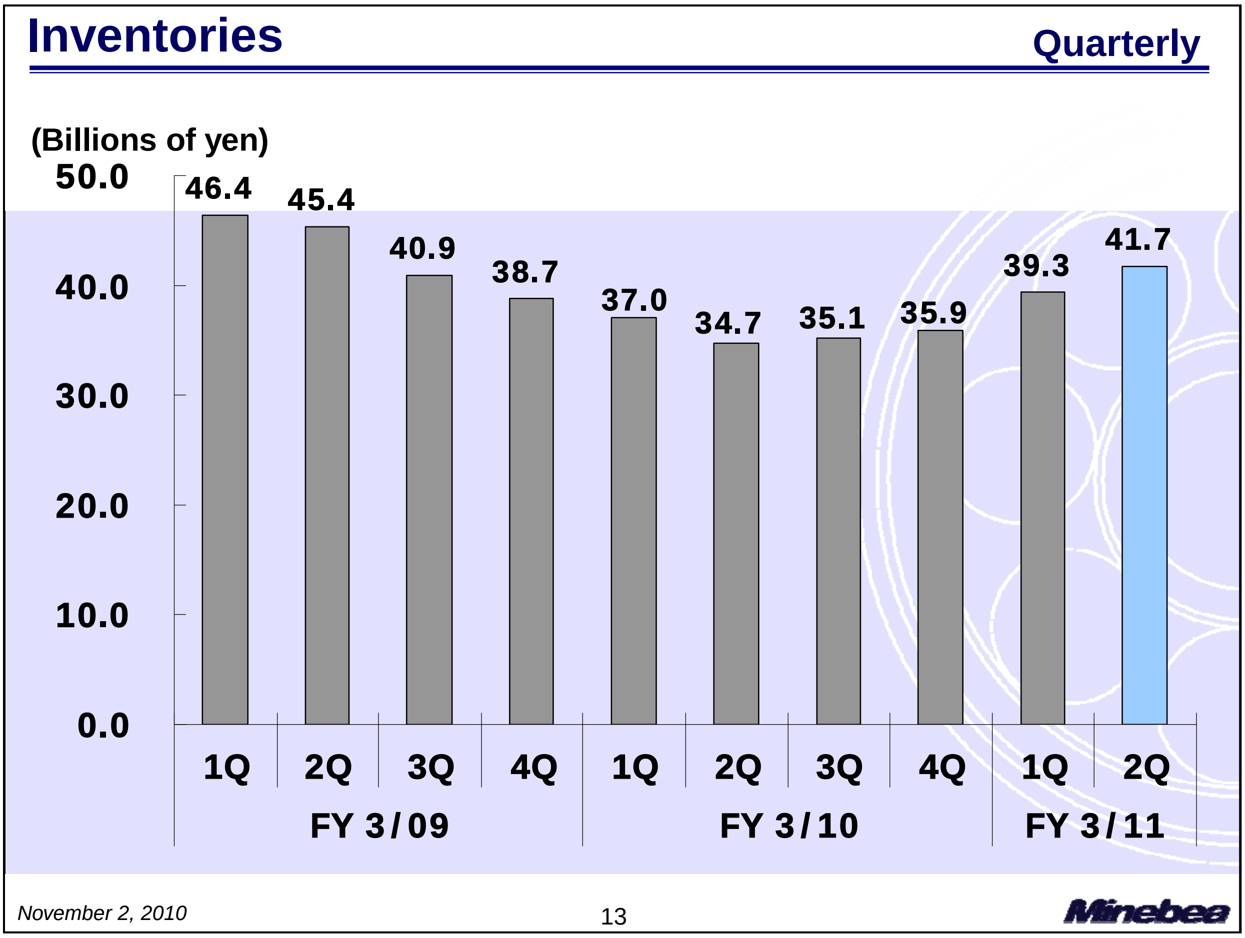
Net income for the second quarter was 3.5 billion yen, a 0.3 billion yen decrease from the previous quarter. Net income per share was 9.2 yen, a 0.8 yen decrease from the first quarter.

S.G. & A. Expenses

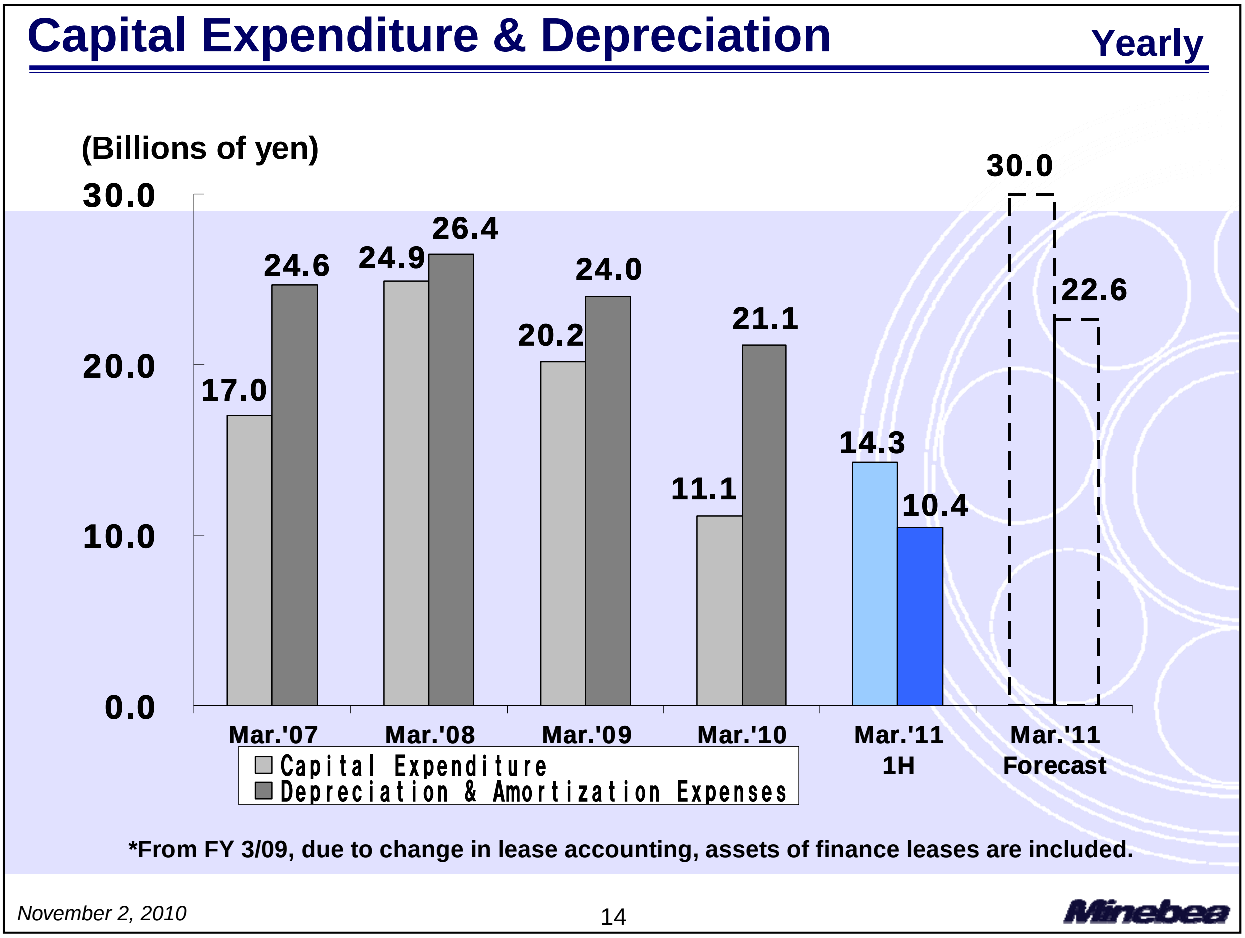
Quarterly



SG&A expenses in the second quarter decreased 0.2 billion yen to 11.5 billion yen compared to the first quarter, despite increased sales. This is due to positive effects of our companywide initiative to cut expenses. SG&A expenses-to-sales ratio declined to 16.5%, which is the same level as just before the Lehman Shock. We will continue our efforts to hold expenses down.



Inventories at the end of September increased by 2.4 billion yen compared to the end of the previous quarter, due mainly to inventory growth to meet increased sales.



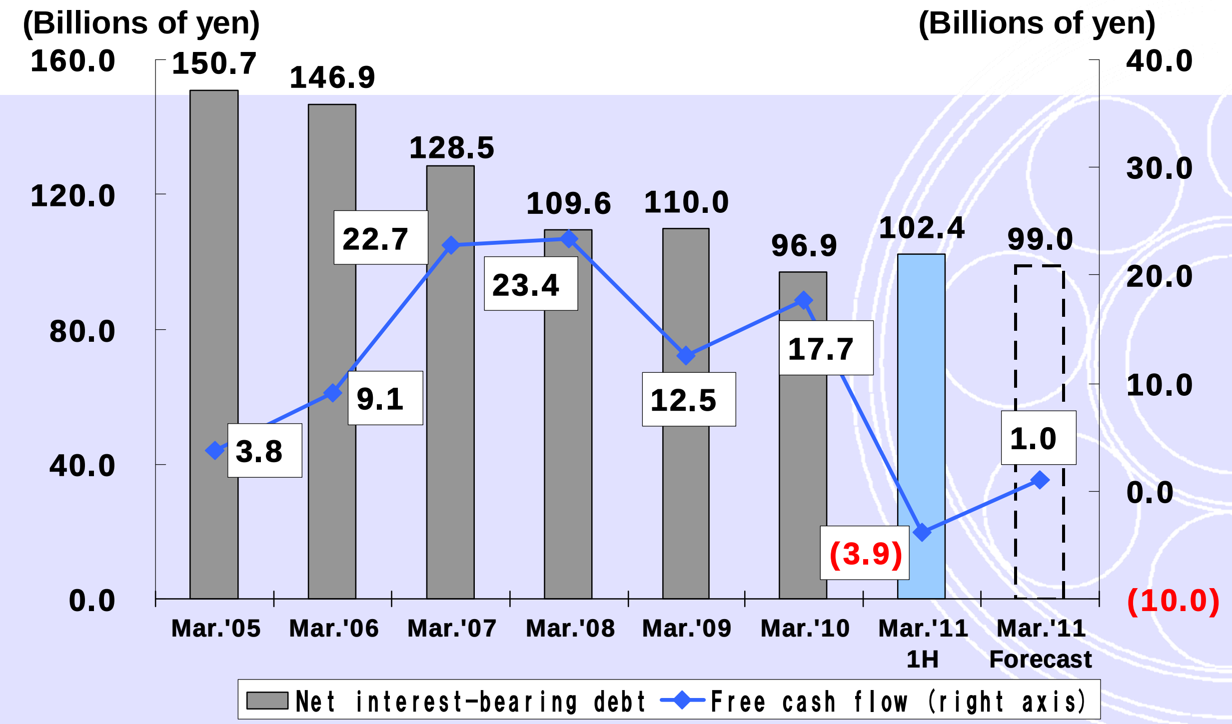
Capital expenditure for the first half was 14.3 billion yen. Investments were made mainly to increase production capacity in pivot assemblies and HDD spindle motors, as well as to reorganize motor production lines in Thailand.

Because of the current unclear outlook for the HDD market, we are re-examining the timing of starting further capacity expansion in pivot assemblies. Except for this, we plan to proceed with our new ball bearing factory, a new LED backlight factory and a new motor factory which we will explain later. Therefore, we expect capital expenditure for a while will be higher than historical levels.

Depreciation and amortization expenses for the second quarter were 10.4 billion yen. Although capital expenditure is and will be higher for a while, depreciation and amortization expenses will stay the same level as some assets will be fully depreciated in the near future.

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

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The graph shows interest-bearing debts minus cash and cash equivalents (i.e. net interest-bearing debts). Net interest-bearing debts were 102.4 billion yen at the end of the second quarter, an increase of 5.5 billion yen from the end of the previous fiscal year. This was due to an increase in working capital as a result of increased sales and increased capital expenditure.

Although we will continue our efforts to create cash flow, free cash flow for this fiscal year is expected to decrease to 1 billion yen as capital expenditure will increase over last year, mainly for capacity expansion. At the same time, we will also actively consider new investment opportunities for medium term growth.

Forecast for Fiscal Year Ending March 31, 2011

Full year forecast is revised upward

(based on the assumption that the global economy will recover to 80% capacity and foreign exchange rates will remain at the current level)

(Millions of yen)	FY ended Mar. '10	Fiscal Year ending Mar. '11				Fiscal Year ending Mar.'11 Previous forecast		
	Full Year	1H	2H revised Forecast	Full Year revised Forecast(A)	YoY	2H	Full Year (B)	Amount change (A)-(B)
Net sales	228,446	137,695	136,305	274,000	19.9%	136,000	265,000	9,000
Operating income	12,059	12,371	12,629	25,000	× 2.1	12,600	23,500	1,500
Ordinary income	10,203	11,536	11,564	23,100	× 2.3	11,600	21,500	1,600
Income before income taxes	9,261	11,103	9,897	21,000	× 2.3	11,500	19,300	1,700
Net income	6,662	7,317	6,183	13,500	× 2.0	7,800	12,500	1,000
Net income per share (yen)	17.20	19.15	16.17	35.32	× 2.1	20.42	32.73	2.59

Foreign exchange rates	Mar. '10 Full year	1H of FY Mar. '11	2H of FY Mar. '11 Assumption	FY ending Mar. '11 Assumption	2H of FY Mar. '11 Assumption	FY ending Mar. '11 Assumption
US$	¥93.04	¥89.70	¥81.00	¥85.35	¥90.00	¥90.00
Euro	¥131.10	¥114.92	¥111.00	¥112.96	¥132.00	¥132.00
Thai Baht	¥2.74	¥2.78	¥2.70	¥2.74	¥2.65	¥2.65
Chinese RMB	¥13.61	¥13.17	¥12.20	¥12.69	¥13.00	¥13.00

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We have revised upward our forecast for the full year, as the first half results were higher than our initial forecast. In addition, we revised our assumptions of foreign currency rates. At the same time, we have kept our second half forecast of sales, operating income and ordinary income basically unchanged, as our business environments have been fluctuating including foreign currency rates, and also we expect the global economy to only reach 80% recovery this fiscal year.

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Policy and Strategy

November 2, 2010

Yoshihisa Kainuma
Representative Director,
President and Chief Executive Officer

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Now let’s move on to policy and strategies.

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Review of Business Strategy for the First Half of FY Ending March 2011

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Let’s look at how we did with implementing our business strategies for the first half of this fiscal year.

First Half Results Beat Initial Projection

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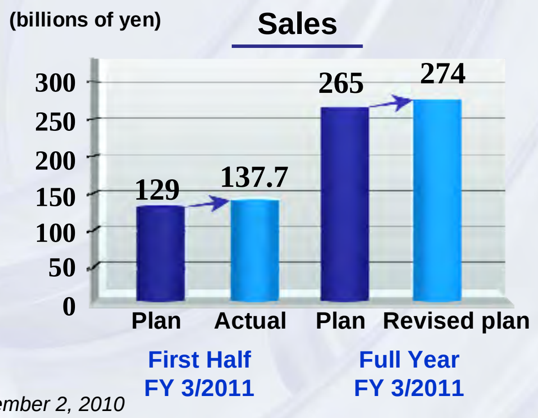
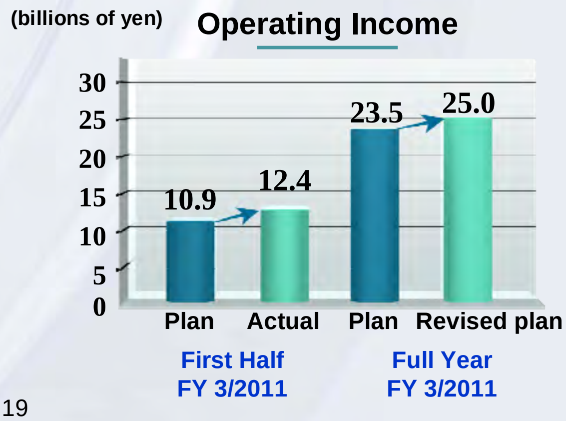
Despite the stronger yen, growing demand pushed first half results beyond our initial forecast.

Full-year forecast was revised upward.
(based on the assumption that the global economy will recover to 80% capacity and foreign exchange rates will remain at the current level)

Despite of low visibility in second half, we aim full year forecast by efforts including expense cuts





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Performance during the first fiscal half was extremely steady and exceeded our initial projection. Today, we are revising our full-year forecast upward to make this year's target 274 billion yen in sales and 25 billion yen in operating income on the assumption that the global economy will bounce back to 80% of its full capacity and that foreign exchange rates will remain at the current level of 81 yen against the U.S. dollar.

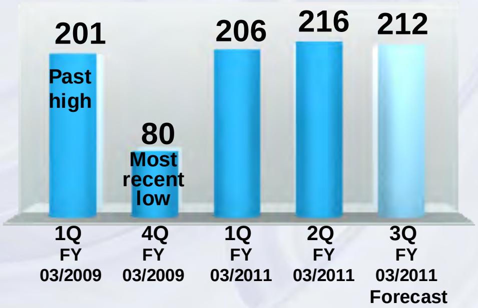
We should be able to achieve our goal of bringing this fiscal year's operating income up to 25 billion yen by implementing more aggressive cost reduction and other measures in the second fiscal half.

First Half Highlights (1)-1

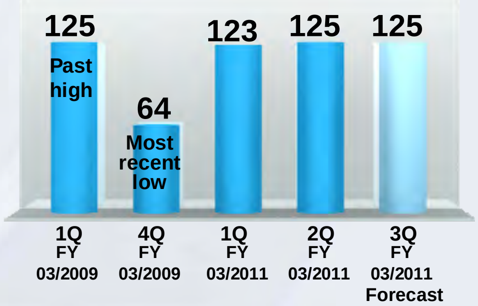
Ball Bearing Operations at Full Capacity

- Demand continued to grow in emerging markets and across the globe.
- Production in August reached record high at 221 million units/month.
- Internal sales of ball bearings for HDD pivot assemblies stalled after June.
- External sales will remain steady as we regain supply capacity and aggressively respond to growing demand in emerging markets.
- A new plant will be constructed in Bang Pa-in, Thailand as scheduled.

Monthly Ball Bearing Production Volume (in millions of units)



Monthly External Ball Bearing Sales (in millions of units)



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One of the major highlights of the first fiscal half was that ball bearing production increased to its full capacity level, with the monthly production volume reaching 221 million units in August. Once some of the machines transferred from our closed production plant in England are put into operation, monthly production capacity will reach 225 million units. This figure represents the maximum output when operating at full capacity. If we were to factor in limits on overtime hours and machine maintenance, we would come up with a more conservative estimate of 210 million plus units per month. However, we were able to confirm during the first fiscal half that we would in fact be able to bring monthly production capacity up to 225 million units if we really wanted to.

While internal sales of ball bearings for HDD pivot assemblies stalled after June, we expect sales to remain steady given the strong demand in emerging markets. Working against this backdrop, we will be moving on schedule to start construction on the new plant in Bang Pa-in, Thailand which we announced earlier in order to boost production.

This is the same slide I used at the investor meeting on May 7, 2010. Six months prior to that meeting I announced that we were considering expanding into the Chinese market for low-priced, mass-produced ball bearings using our excess production capacity with an eye to the acquisition of a Chinese ball bearing manufacturer. Then at the May meeting I noted that we suspended our plan for making inroads into the market using our excess production capacity in order to respond to the rapidly growing demand for ball bearings. While we have been looking into specific opportunities for acquiring a Chinese ball bearing manufacturer, we've decided that it's not going to happen. The primary reason is that Chinese ball bearing manufacturers do not have sufficient environmental controls in place at their production facilities. Another reason is that the way they do business is completely different from how we do business. Taking over their business means taking over their risks as well. That's why we decided not to go ahead with the M&A plan. During the process of investigating a possible M&A deal, we discovered that Chinese manufacturers are facing an uphill battle. This information has shed some new light on the advantage we have over the competition in the bearing market.

After a couple of detours we finally decided to go with our initial plan and are now moving on track to enter the market for low-priced, mass-produced products on our own. We will leverage not only parts and materials made in China but also Chinese-made machine tools to expand into the Chinese market. We are mainly targeting the markets for vacuum cleaners and air conditioners in China. Most air conditioners sold in China currently use AC motors. We expect that the market will make a shift to more energy-efficient air conditioner products that use brushless DC motors. That means air conditioner makers will likely have to use high-performance Japanese-made ball bearings like ours instead of the low-priced ball bearings currently made in China. The market for low-priced electric tools also looks promising. Then there is the market for low-priced, mass-produced 608 bearings. We anticipate the market for this most commonly used ball bearing size alone to generate demand for roughly 50 million units per month. In light of these market conditions, we have decided to dust off and resume the once shelved plan to enter the Chinese market all on our own.

The LED backlight business is one of the areas we've been seeing far more growth than we expected.

The sales volume for October hit 20 million units, and we are aiming for 22 million units this month. While our initial plan laid out in the medium-term business plan was to increase production capacity to 24 million units/month, we decided to raise the monthly production capacity to 30 million units. We are now working quickly to boost production.

First Half Highlights (3)

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Brushless DC Motor Business

Driving profits up since the first quarter

Booming OA market drove sales beyond our initial forecast.
Sales for this fiscal year are likely to reach approx. 20 billion yen!

Boost productivity and tap into new markets to achieve further growth

Polygon mirror scanner motor

Power brushless motor

Small brushless motor

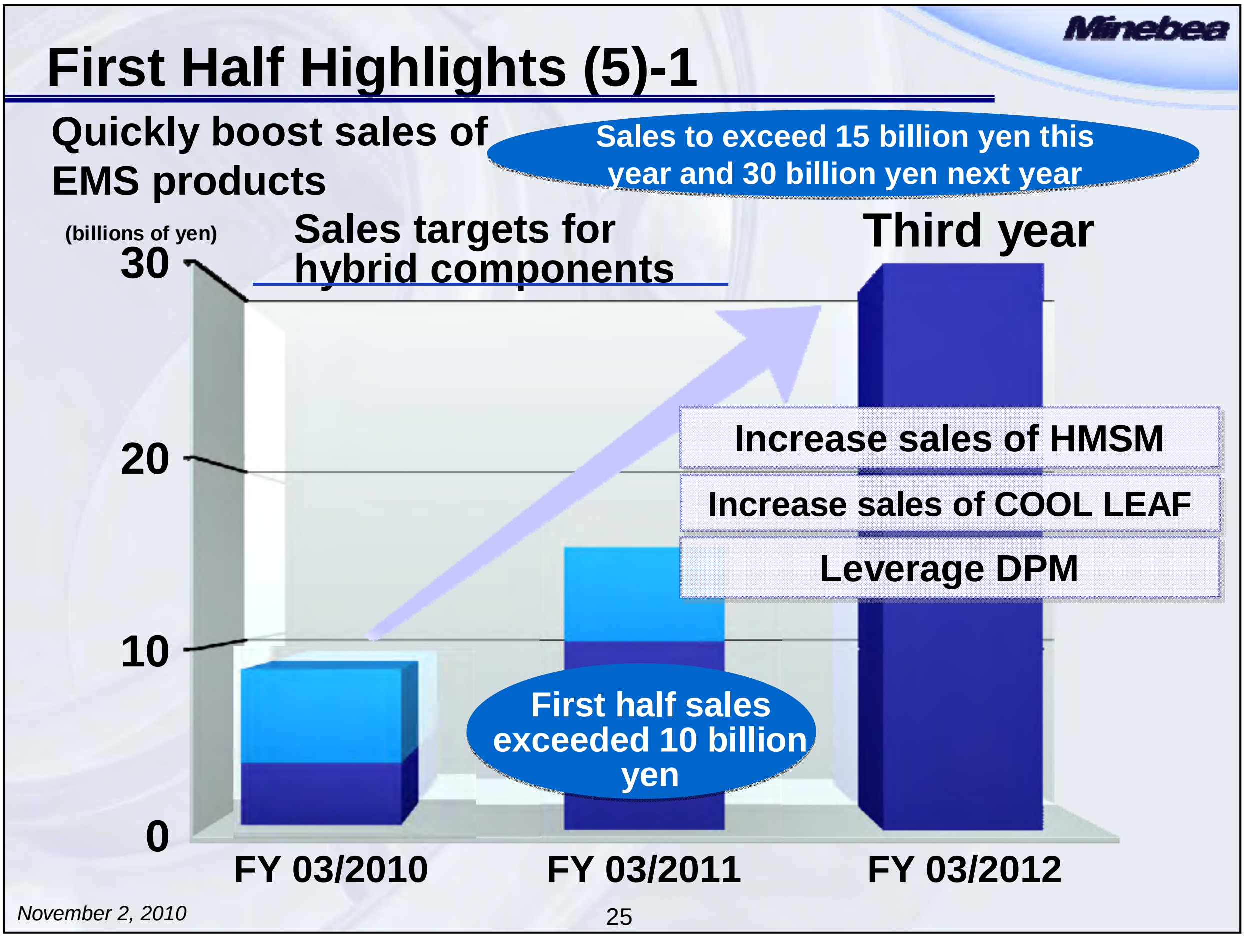
The third highlight for the first fiscal half was the brushless DC motor business.

I have said that the brushless DC motor business would operate in the black from the very beginning since we finalized the deal to take over the business last year. It’s actually been doing just that, generating profits right from the start. While we initially projected sales for this fiscal year to total 14 billion yen, we now expect that sales will reach approximately 20 billion yen thanks to the upbeat performance in the OA market. We will continue to work on building up productivity and tapping into new markets to achieve further growth.

The fourth highlight of the first fiscal half was improved profitability in the keyboard and speaker businesses.

I told you at the investor meeting held six months ago that the keyboard business was returning to profitability. The business generated profits in the fourth quarter of the last fiscal year as well as the first and second quarters of this fiscal year. While the keyboard business had suffered losses over a sustained period, we can now capitalize on its profitability to further expand our lines of high value-added products.

After beginning delivery of extremely thin, high power micro speakers for use in televisions, the speaker business became almost breakeven in September. We expect the sales volume for these high power micro speakers will continue to climb next year.



We are also seeing sales of EMS, or hybrid components, growing steadily.

While we were aiming for 15 billion yen in sales this year, sales already reached 10 billion yen in the first fiscal half and will likely hit about 18 billion yen by the end of this fiscal year. We are now aiming for 30 billion yen for the next fiscal year. Our focus on leveraging a wide range of EMS products including HMSM and Cool Leaf and synergy with DPM should enable us to achieve this 30 billion yen target.

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First Half Highlights (5)-2

Examples of Hybrid Products

Reagent pump for blood test equipment HB motor + rotor

Sample product: Switching actuator DC motor + gear assembly

Sample product: Iris mechanism PM stepping motor + gear assembly

Here are some of our hybrid products. The photo on the left is a reagent pump for blood test equipment made with a hybrid motor and a rotor. We plan to focus on this type of medical equipment as well. The photo in the middle is a switching actuator used for toilet seats and projectors. The third photo is an iris mechanism for projectors. We're moving ahead with our sights set on bringing more of these kinds of hybrid products to market.

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First Half Highlights (5)-3

COOL LEAF Finally Makes Market Debut !!

Completed keyboard firmware for multipoint touch input

Start selling in the second half

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We have some Cool Leaf products on display today in the lobby. Now that the software is finally complete, we will launch these Cool Leaf products on the market this month.

Able to process up to 600 words per minute, our Cool Leaf keyboard now offers multi-key input functionality that allows you to engage up to five keys at the same time. Since the keyboard is designed to be used in hospital, food factory, kitchen and clean room settings, we tested its performance while wearing surgical gloves and verified that it operated normally when wearing up to eight surgical gloves at the same time. This product incorporates a wealth of ergonomic data that our Keyboard Business Unit has gained over the years on top of the outstanding technologies possessed by the Circuit Components Business Unit. We have filed three patent rights for the unique software designed for this product.

First Half Highlights (6)

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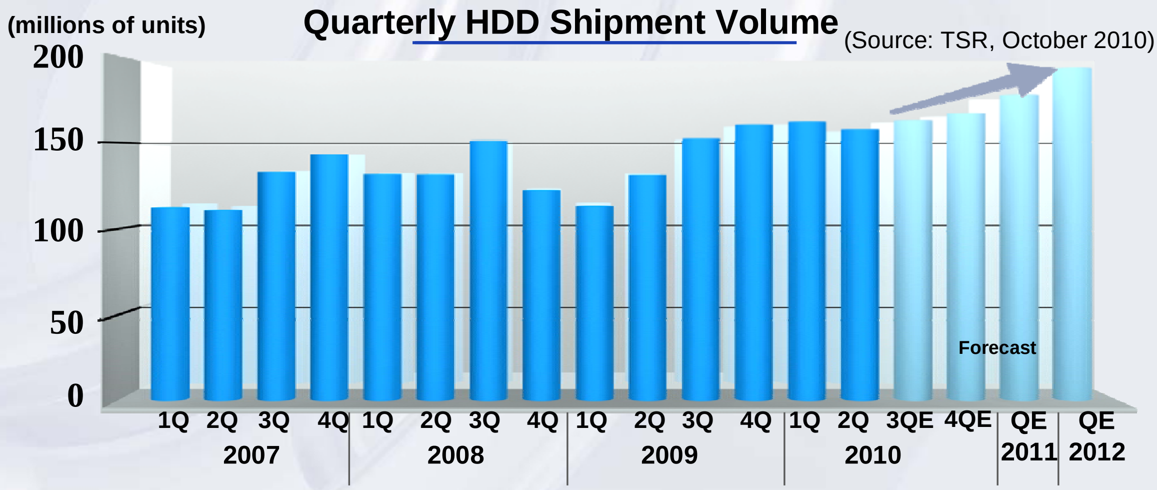
HDD Market Trend

- Demand for HDDs rose sharply after middle of 2009.
- The increase in demand stalled this June and has remained flat.
- There's no doubt about the growth potential of the HDD market in the medium run.



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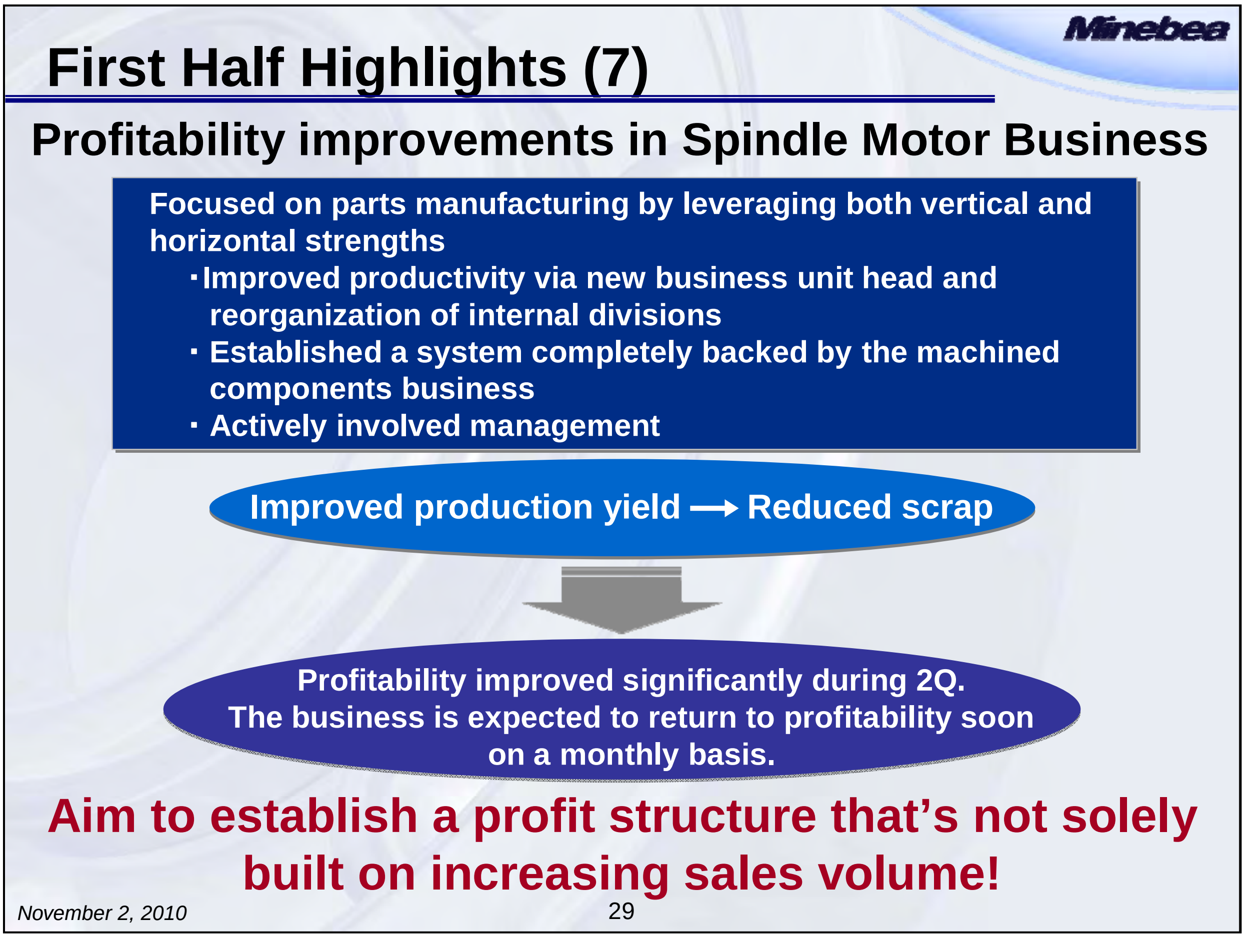
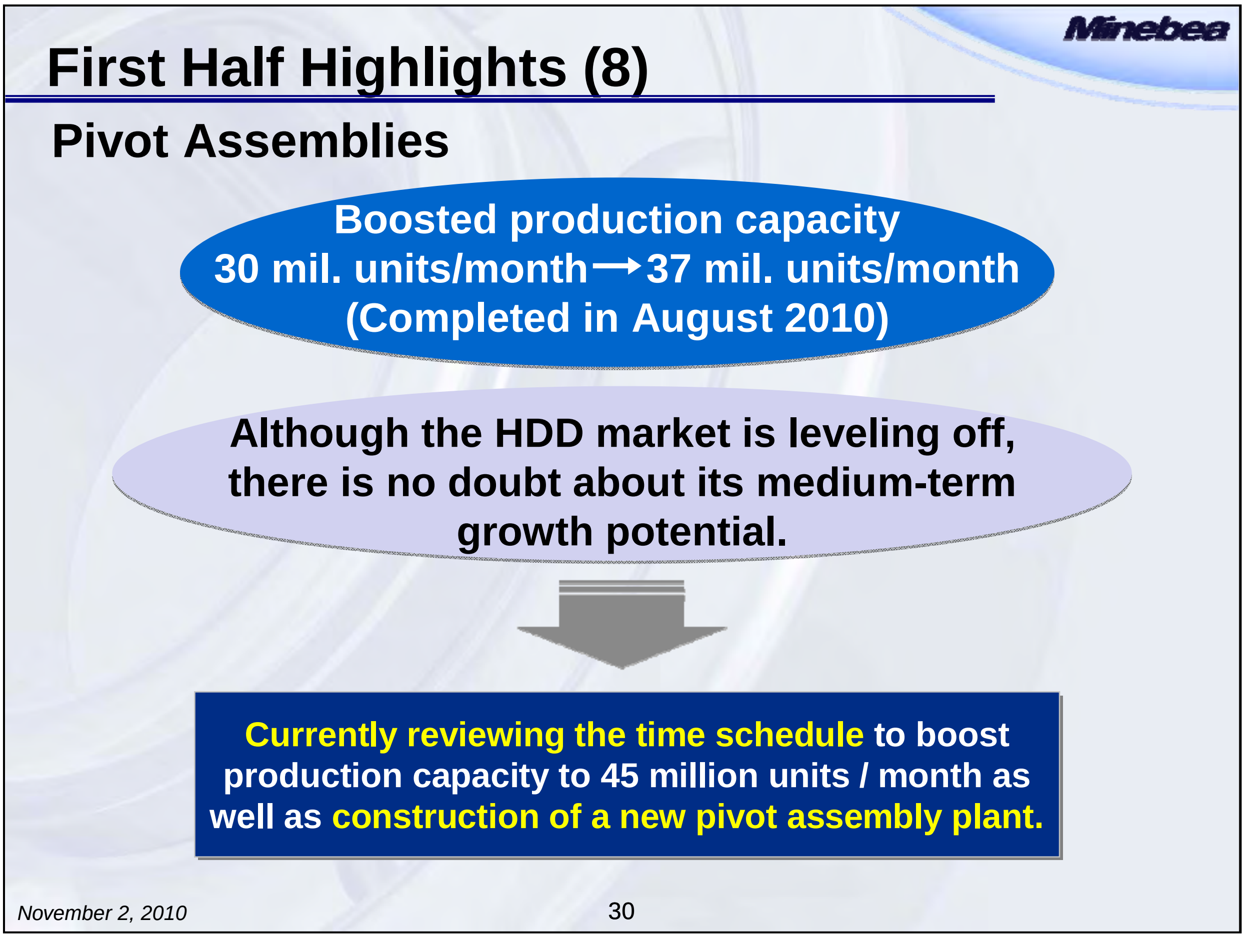
You are probably most concerned about the HDD market where demand has, in fact, come to a stand still. I'd like to assure you that the HDD market shows enormous growth potential in the medium run. According to recent reports, stock inventories in the HDD market are becoming depleted. Our pivot assembly sales for October exceeded 30 million units even though we had forecasted that the sales volume would not rise above 26 million units. We expect that the sales volume for this month will also exceed 30 million units. While we don't anticipate the demand for HDD to decline as much as has been feared, our projection is based on a rather conservative market forecast.



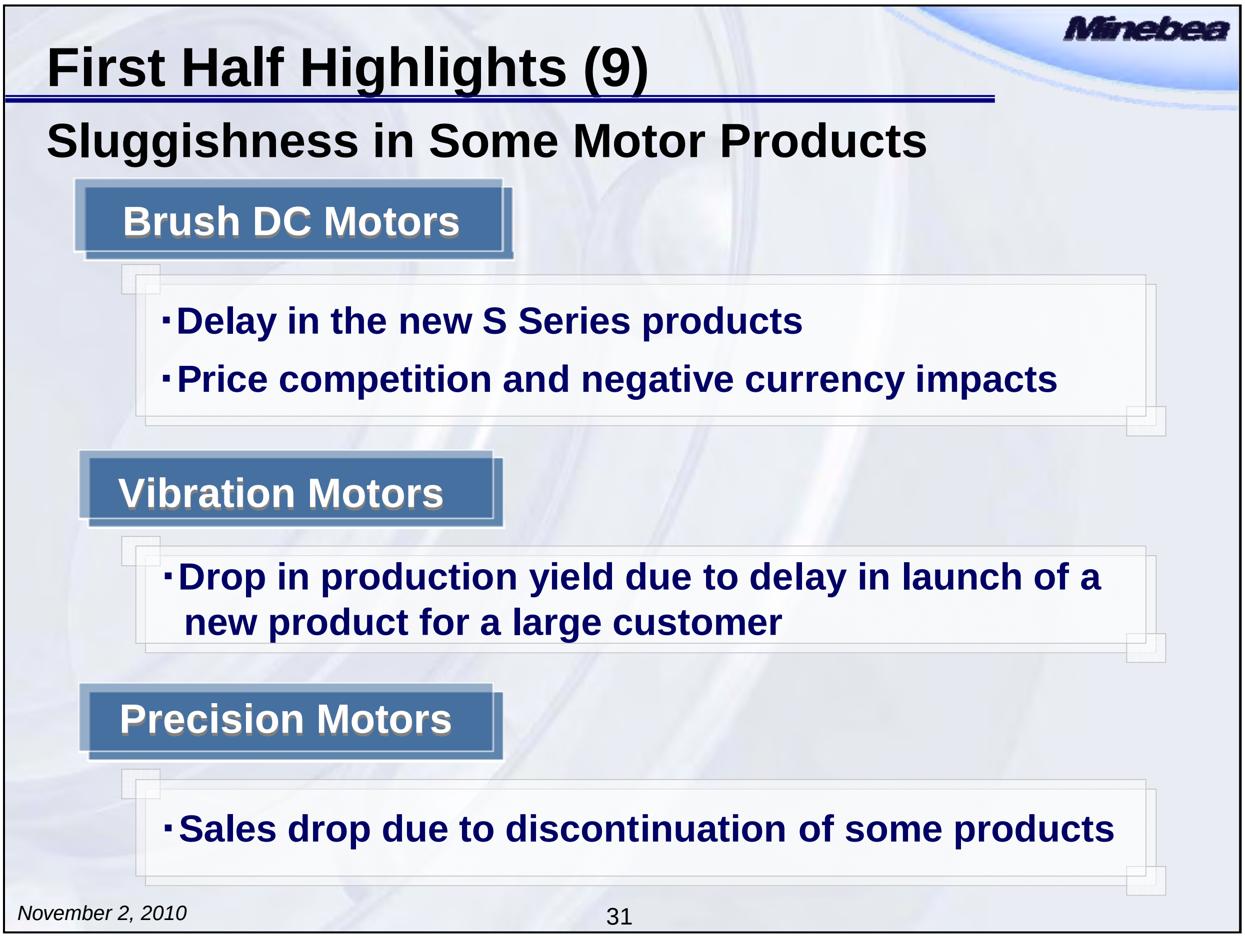
Performance in the HDD spindle motor business has finally started to pick up steam.

I've been making monthly visits to our spindle motor plant in Thailand since April to oversee shop floor operations with the Vice President Executive Officer. Back in April, I appointed a new business unit head, reorganized internal divisions, and beefed up the ranks with an infusion of employees from the Machined Component Business Headquarters who helped improve HDD spindle motor production. It was reassuring sign when I saw how this extra help boosted production yield and machine utilization in addition to reducing scrap for a significant improvement in profitability on a monthly basis.

While we have been relying on increasing production volumes and sales, we will now focus on building a solid revenue base by leveraging both our vertical and horizontal strengths. It seems that we have actually been heading in the right direction over the past several months.



We boosted monthly production capacity for pivot assemblies from 30 million to 37 million units. However, we will postpone the planned construction of a new plant due to the slump in the HDD market. If need be, we can boost monthly production capacity up to 45 million units with our current production plant alone. We decided that even though a new plant would enable us to increase our monthly production capacity to 55 million units, it would be premature to start building now.

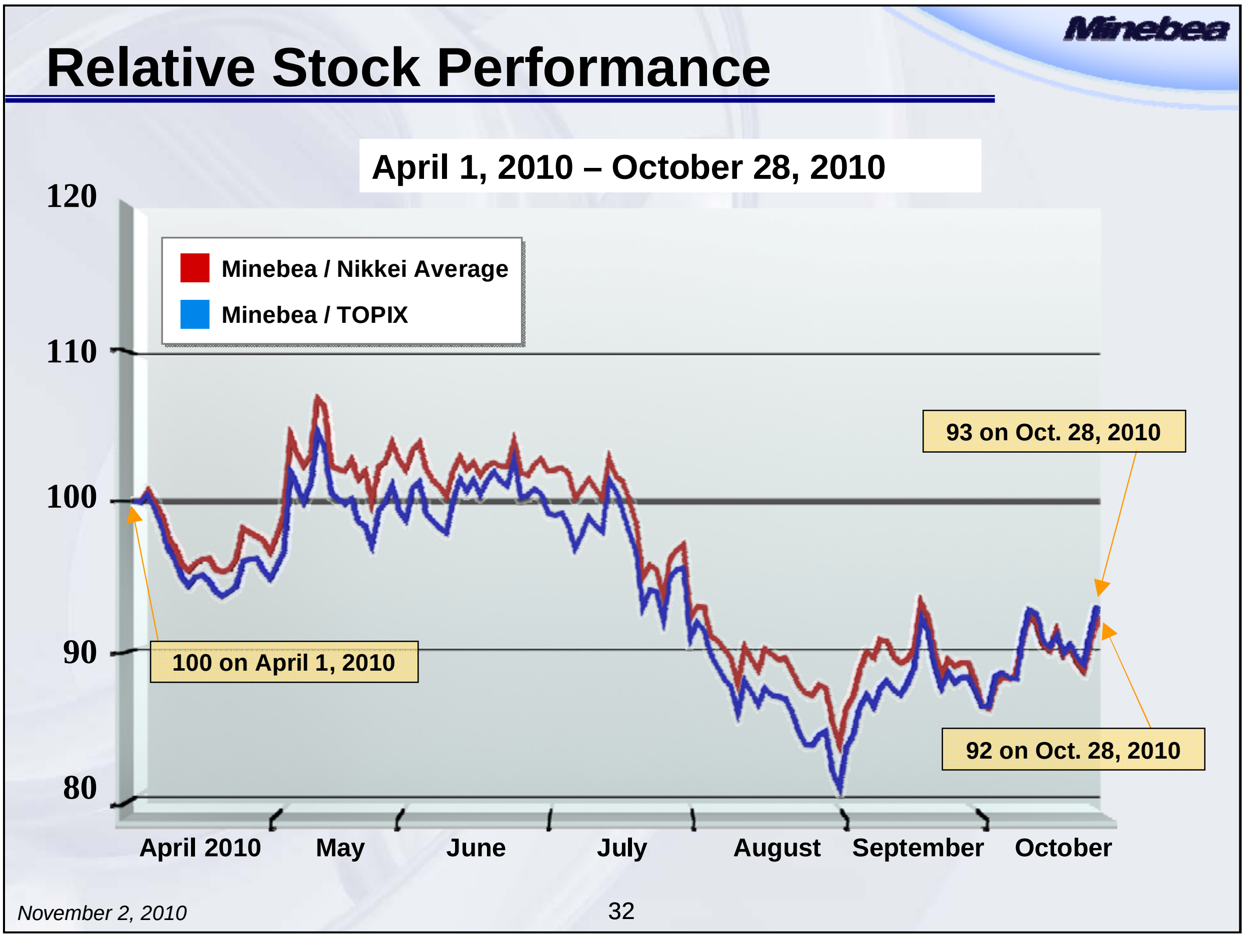


Despite all the upsides, there were some significant downsides that brought our first fiscal half earnings lower. In addition to the slow recovery of the HDD spindle motor business, the rotary components business suffered sluggish performance due to the poor sales performance of some of our motor products.

Losses widened for brush DC motors, vibration motors and precision motors as well. Lackluster sales of vibration motors were simply due to the drop in production yield triggered by the launch of a new product for a large customer, which generated a loss of almost 100 million yen per month. This is a setback due to an isolated incident, and earnings will improve once the production of that particular product ends.

The deficit in brush DC motors was due to the appreciation of the ringgit, the currency of Malaysia where our production operations are based, as well as a delay in our new S series products.

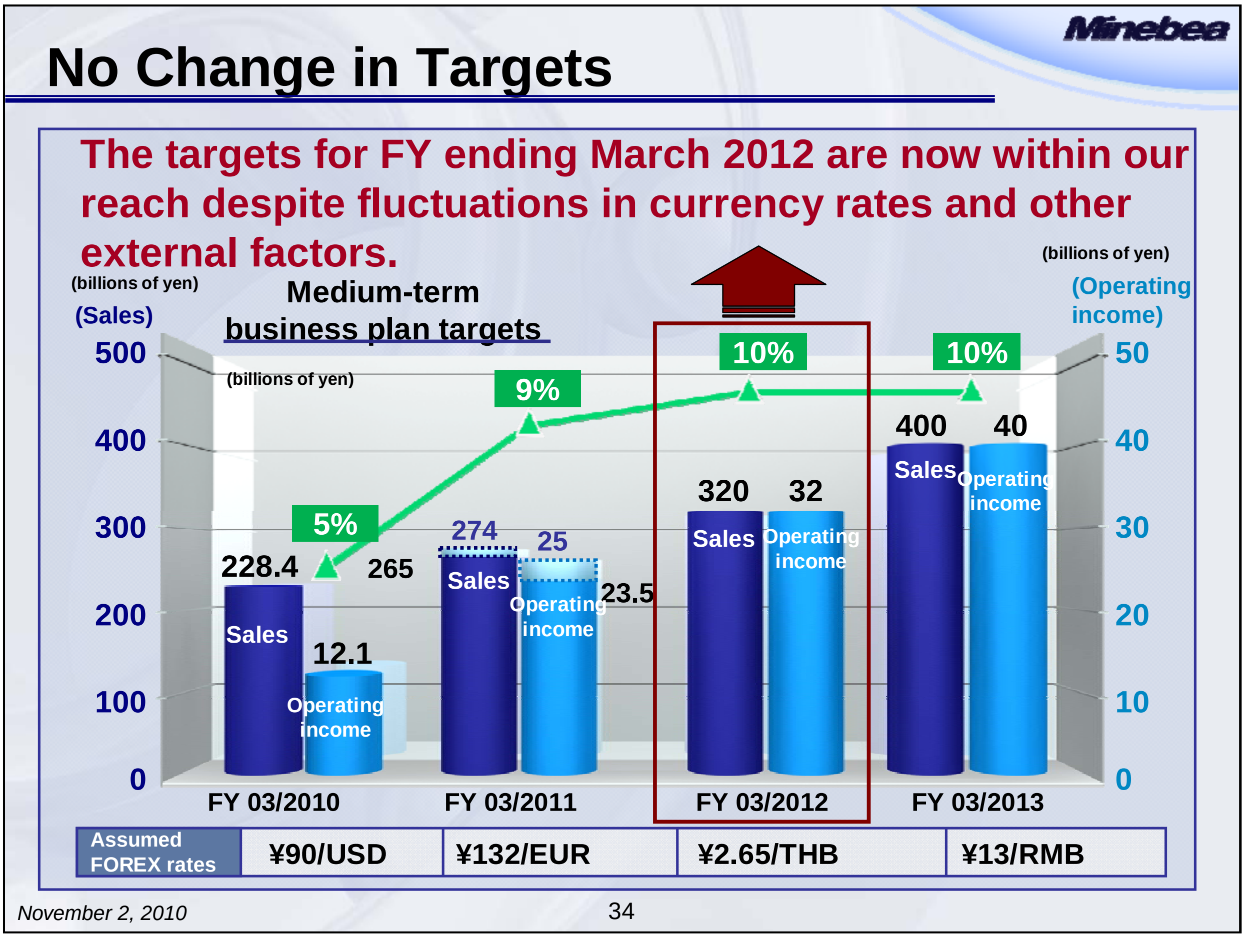
The performance of precision motors, which are mainly used in automobiles, is still reeling from the impact of the sluggish sales and R&D activities we experienced a few years ago. New product launches for the automobile industry always take time. I will explain more about how these motor products will do later on.



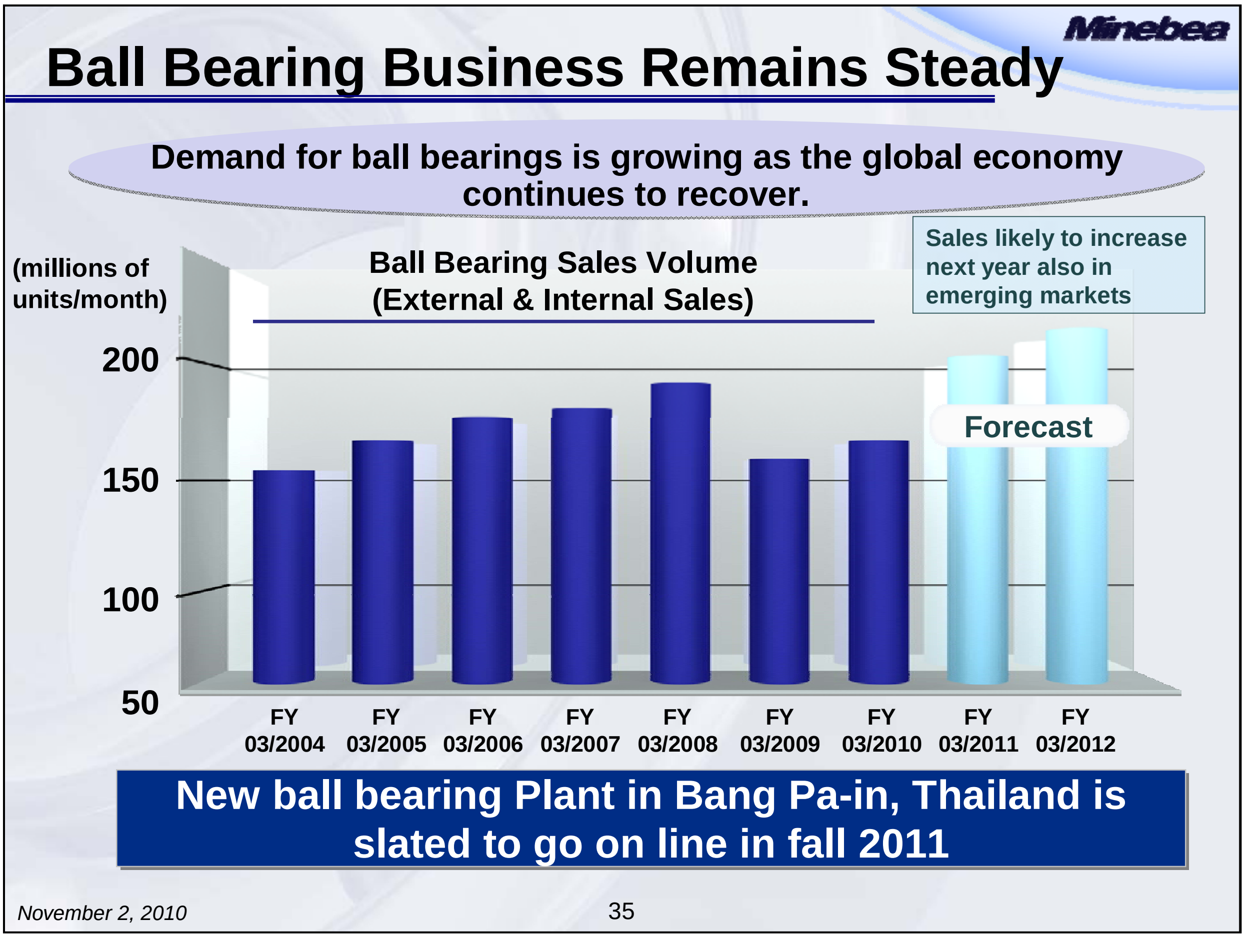
Since taking the reins as president, I've continually told everybody in the company that our stock performance is our report card. On the stock performance index, our stock price performed below the market average, falling to 93 on the TOPIX index and 92 on the Nikkei average as of October 28 compared with 100 as of April 1.

I interpret this as an indication that we are not moving quickly enough in implementing reforms within our organization and that the stock market is telling us to speed things up. I take this seriously and will step up our efforts in the second fiscal half.

Now I'm going to explain how we did with implementing our medium-term business plan, especially how we are doing and where we are going as we head into the second year of the plan next fiscal year. This explanation will also cover our forecast for the second half of this fiscal year.

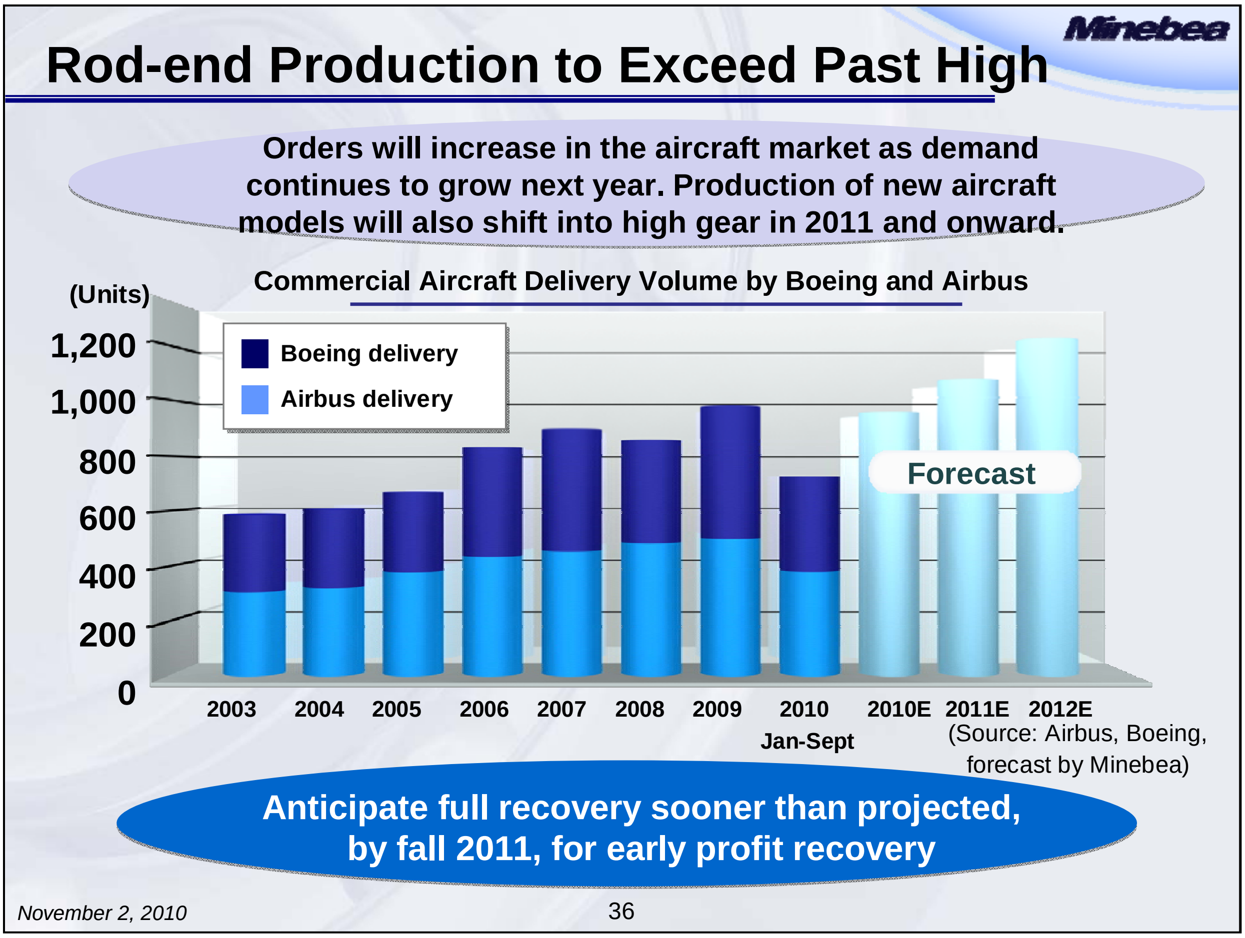


This slide shows our three-year plan we announced earlier. We are aiming for 320 billion yen in sales and 32 billion yen in operating income next year. These targets are now within our reach based on the assumption that foreign currency rates will be as indicated on the slide.



As I've mentioned earlier, the ball bearing business has been extremely upbeat. We expect that the business will continue to remain healthy as we move ahead with our new initiative at the end of this year to enter the Chinese market for low-priced, mass-produced ball bearings with products made in-house using Chinese-made materials and production equipment.

I recently travelled to India and China where I witnessed the rapid growth of these emerging markets first-hand and am sure that demand for ball bearings will also continue to grow.



As I have noted several times, the aircraft production that fuels most of the demand for our rod-end business is picking up. According to our estimates, monthly production volume of the Boeing 787 is expected to gradually increase from the current 2.5 to 10 by the end of 2012. Production at Airbus is also gearing up, with the monthly production volume for the A320 is estimated to rise from the current 34 to 40 by early 2012 and from 1.9 to 3.5 by mid 2012 for the A380. The outlook for the aircraft market is looking brighter as all indications point to an upward trajectory for the global economy in the next fiscal year.

LED Backlight Operations to Expand Further

Smartphone applications are fueling skyrocketing demand for LED backlights

Gain major share of the global market for small LED backlights
Step up on plan to boost production capacity with eye to early implementation

24 million units/month (Medium-term business plan) → **30 million units/month (Fall 2011)**

New plant in Suzhou, China is scheduled to go on line in March 2011.

◆ **Minebea Electronic Devices (Suzhou) Co., Ltd.**

Established	August 2010
Total floor area	Approx. 10,000 m² (two story building)

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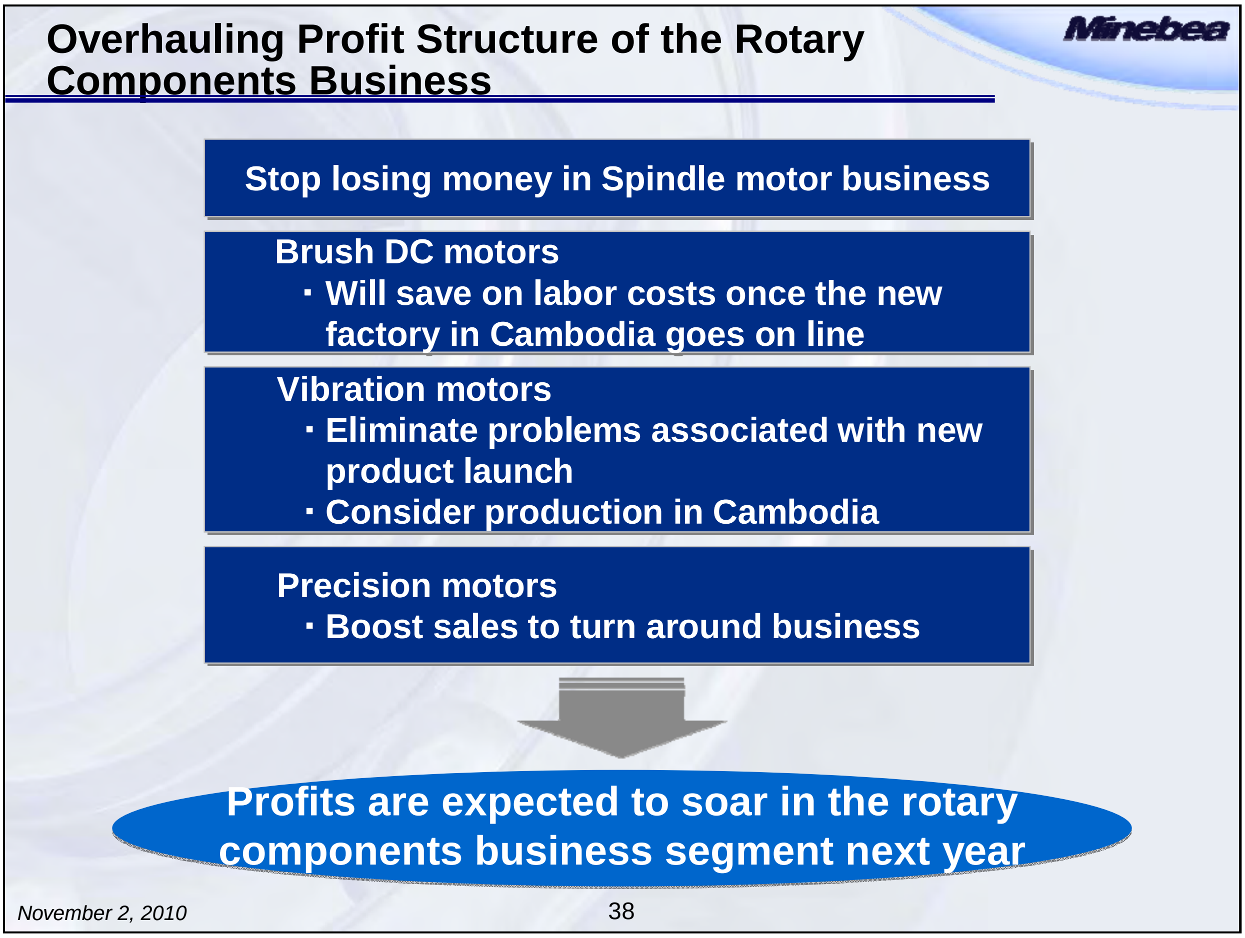
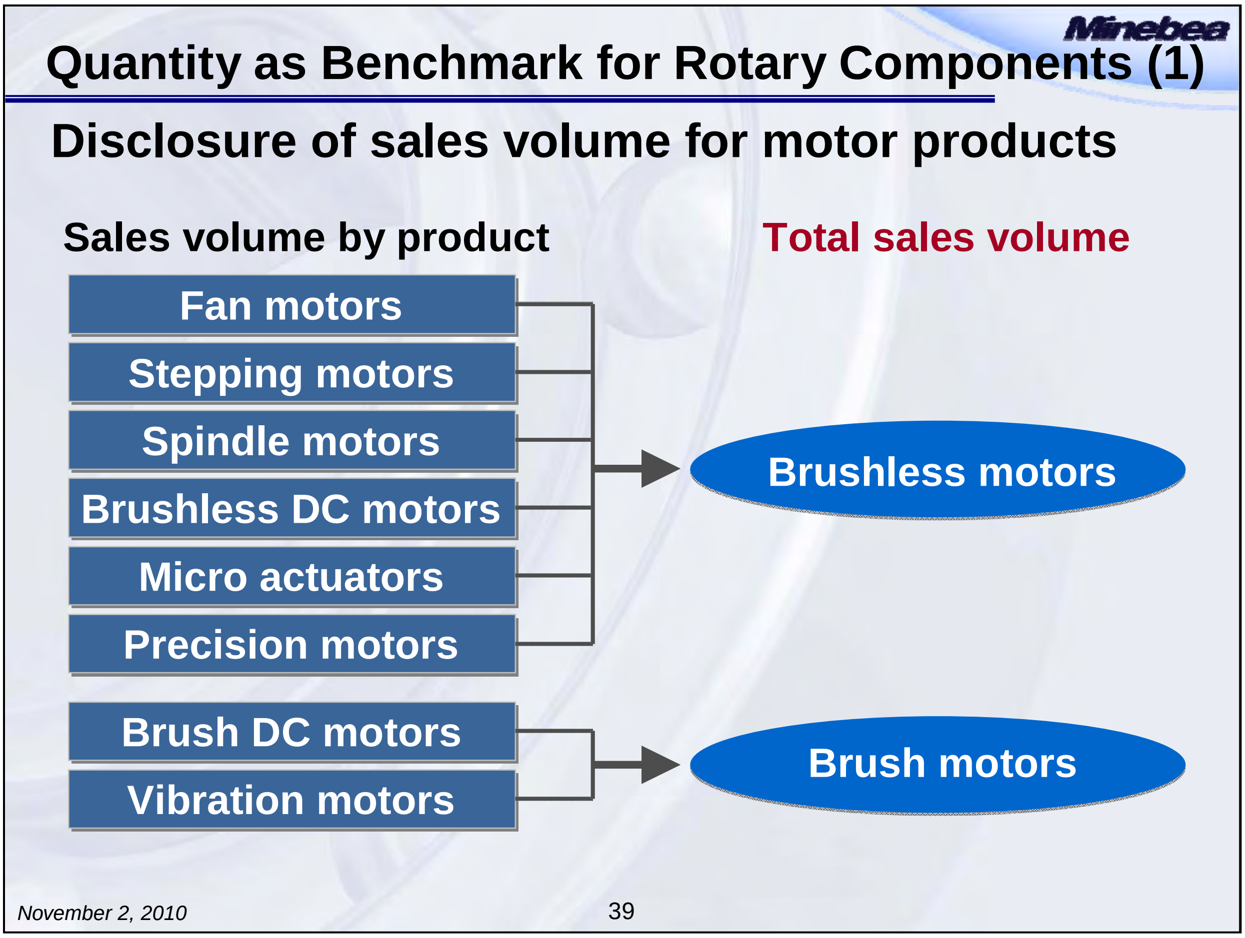
As I mentioned earlier, construction of a new production plant in Suzhou, China is moving full speed ahead with an eye to increasing the monthly production volume of LED backlights to 30 million units. Once completed, the two-story facility with a total floor area of approximately 10,000 m2 will boost our overall monthly production capacity to 30 million units next fall. As you are all aware, electronic components are frequently upgraded. We have to increase production while meeting new requirements for specification changes. Working in this ever-changing, fast paced environment has forged a business unit that's ready to take on any challenge that comes its way. I'm looking forward to seeing what lies ahead in the next fiscal year.



I said earlier that the rotary components business did not do well during the first fiscal half. I expect to see a drastic change in the profit structure next year. First of all, the HDD spindle motor business will no longer generate any losses. Losses from brush DC motors will also narrow. Then there is the new Cambodian plant, which I'll touch on a little later on. Vibration motors will definitely return to profitability since we will discontinue producing the products that are causing problems or replace them with other existing motors in January of next year. We have already secured orders for precision motors for the next fiscal year and expect to see marked improvements in the business.

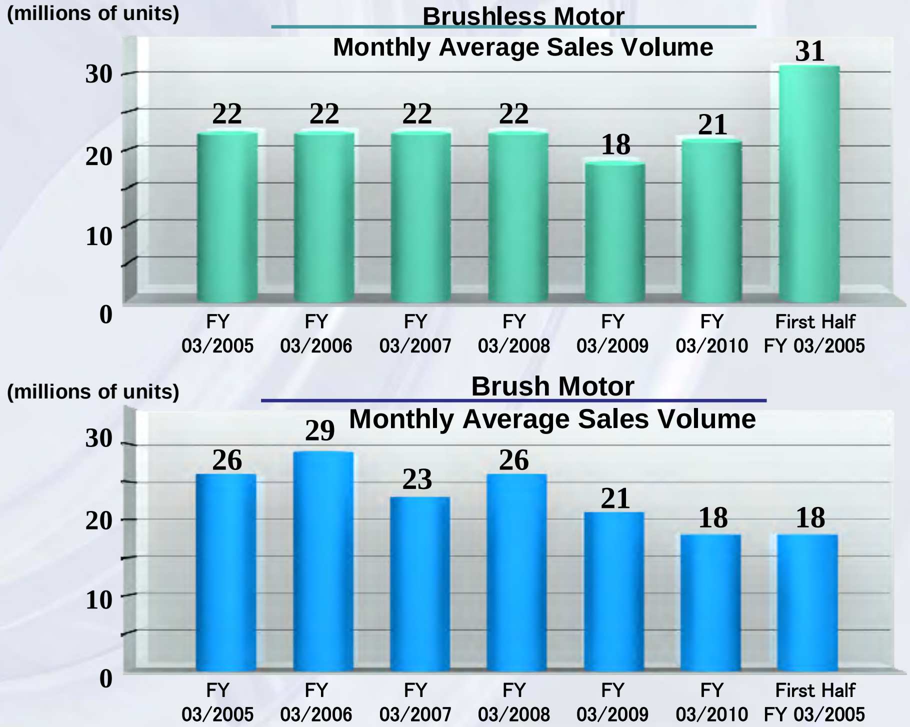
All these factors combined are expected to generate about an extra 3 billion yen operating income next fiscal year.



We will change the format in which we disclose financial data for the rotary components business in consideration to the common interest of our shareholders. We will announce the total sales volumes of brush motors and brushless motors instead of figures for individual products. Our goal has always been to increase operating margin rather than sales volume, and this change clearly reflects that goal.

Quantity as Benchmark for Rotary Components (2)

Sales Volume for Motor Products by Year (Monthly Average)



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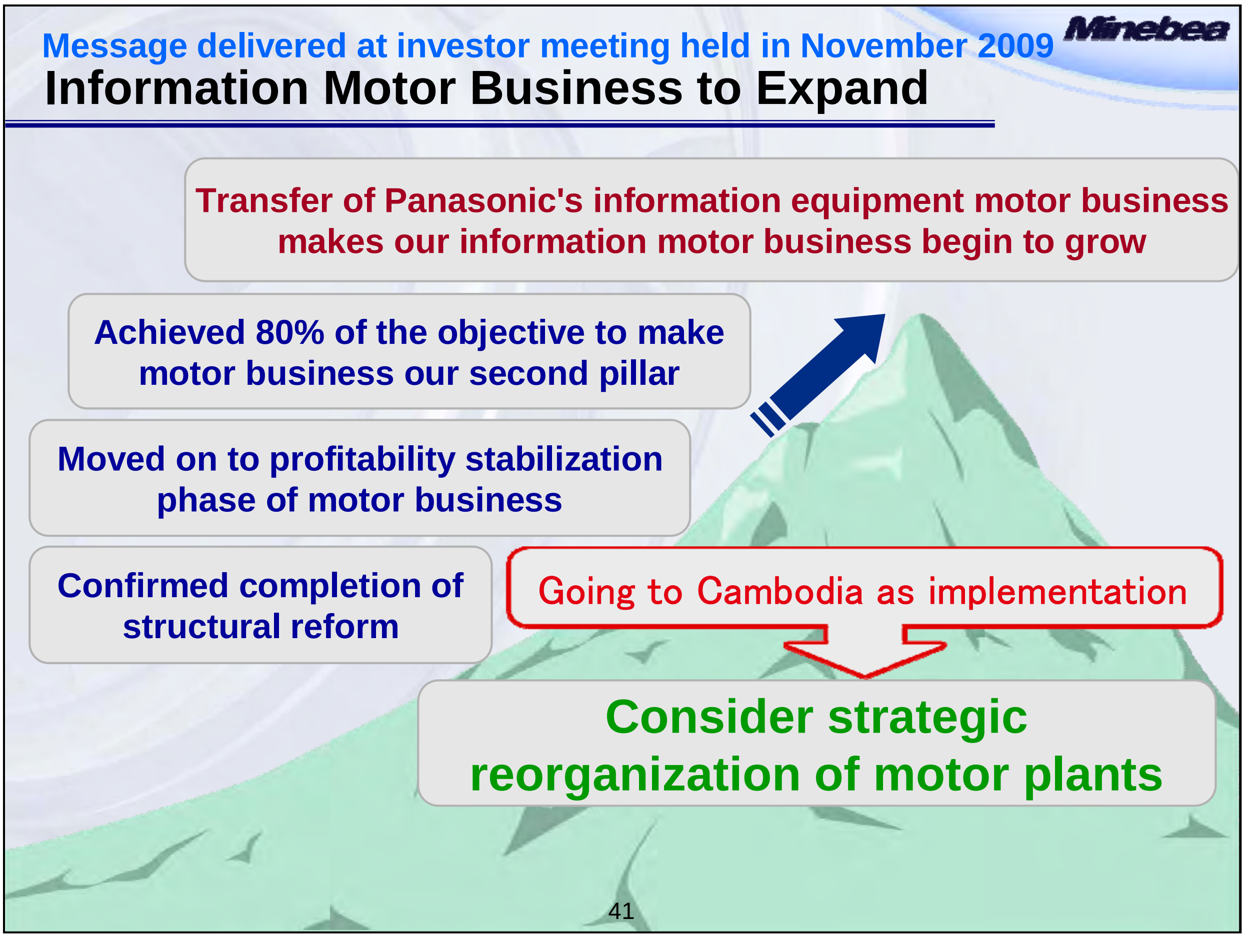
From now on, we will make the data publicly available in the format shown on this slide.



I promised you a year ago in November 2009 that we would consider the strategic reorganization of our motor plants. As part of this strategic reorganization, we are now thinking about opening a new plant in Cambodia. I came up with the idea of setting up shop in Cambodia when I was the president of Minebea Motor Manufacturing Corporation. I initially had to put the idea on hold due to the Lehman Shock and various M&A possibilities that came up. We are now moving ahead with concrete plans to enter the Cambodian market.

Minebea

Considering expansion into Cambodia (1)

Facts

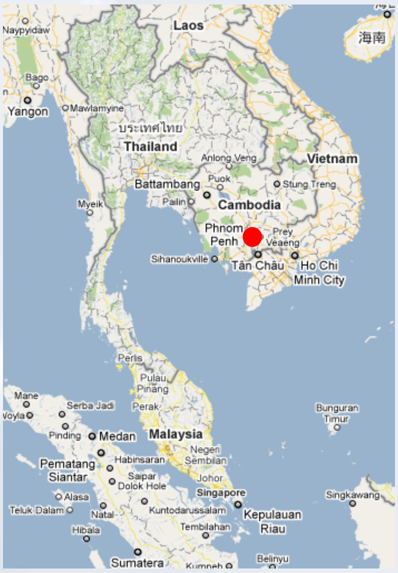
- Area: 180,000 km^2
  (about the same size as Japan's Honshu Island)
- Population: 13,400,000
- Capital: Phnom Penh
  (population: 1,330,000)
- Per capita GDP: Approx. US$800

Merits

- Cooperation with Minebea's Thai Plants
- Diversification of risk

Demerits

- Underdeveloped infrastructures: high utility cost, unstable power supply
- Industrial infrastructure: underdeveloped component industry
- Low literacy rate



(Source: Google Maps)

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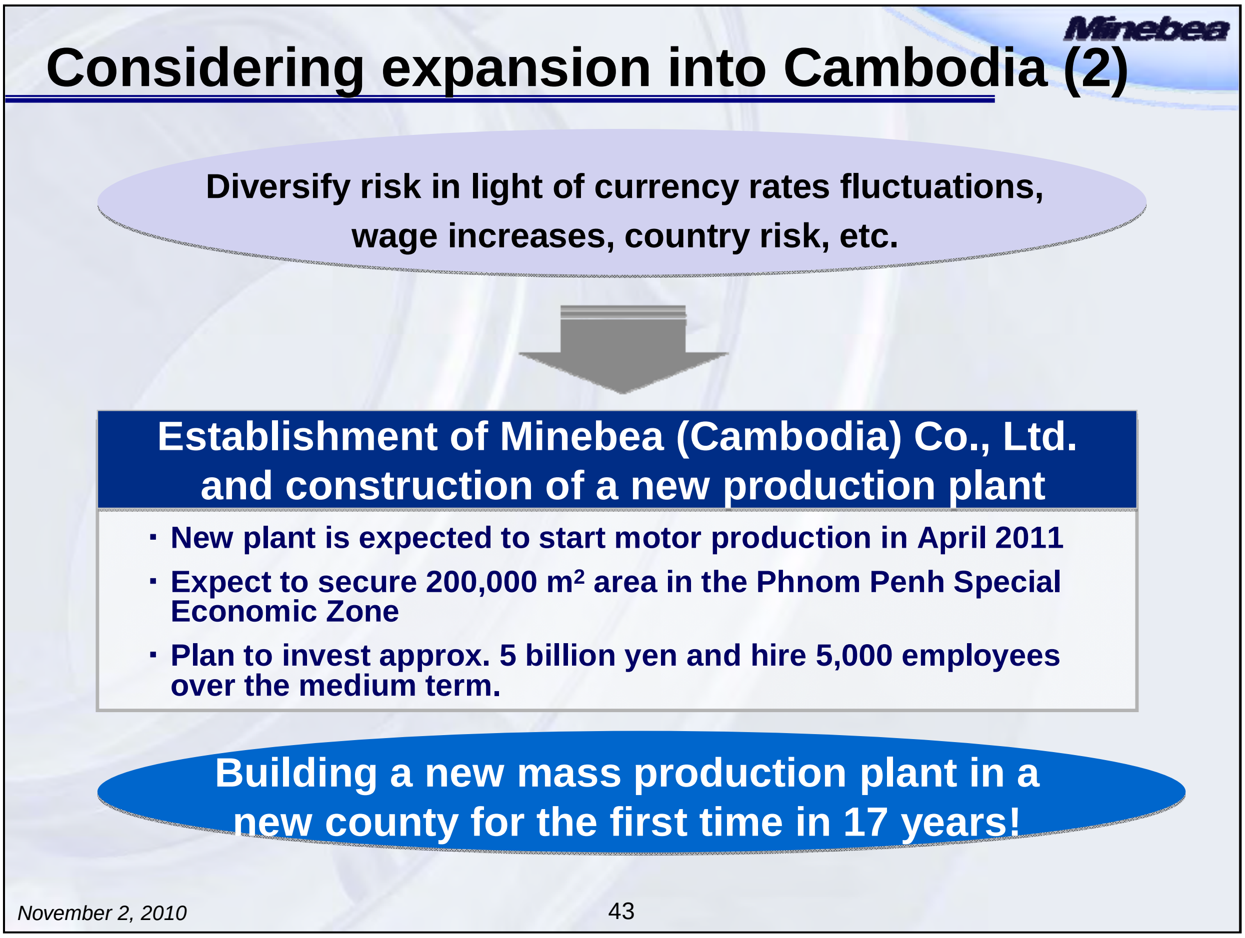
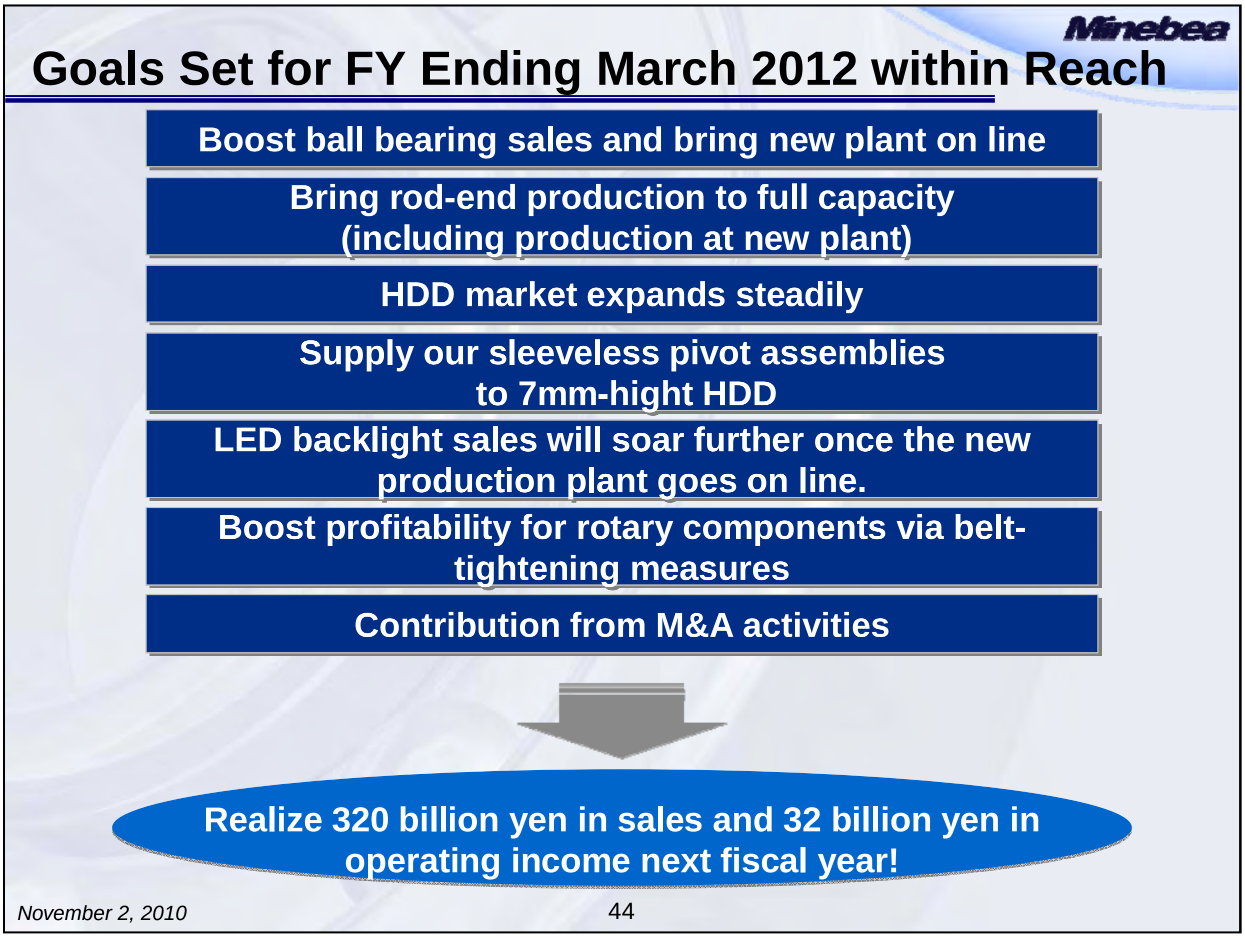
As shown in the slide, Cambodia is located between Thailand and Vietnam and has a population of 13.4 million. One of the merits of expanding into Cambodia is that it will enable us to more easily work with our excellent plants in Thailand. Now that we have about 32,000 employees in Thailand and about 16,000 thousand employees in China, we must consider diversifying risk.

Faced with the need to build up our workforce, we decided to expand into Thailand after selecting it out of a number of possible locations to base our production operations. Ten years later we expanded into China with an eye to making further inroads into the Chinese market. Over a decade has passed since then and we now operate throughout Asia partially as a result of M&As. One of the primary reasons for choosing to build in Cambodia is that we decided to strategically reorganize manufacturing operations for each product after carefully analyzing their separate characteristics.

There are also drawbacks to expanding into Cambodia, such as unstable power supply, high utility costs due to its underdeveloped infrastructure, as well as a low literacy rate. The component industry is still underdeveloped in Cambodia. In truth there are a lot of unknowns that make it difficult to plan out our operations in Cambodia. We've been in similar situations before however, where we have successfully opened a plant in Singapore more than 30 years ago, another in Thailand after that, followed by yet another in China. Our predecessors who successfully expanded our operations over the years have handed down a wealth of know-how that we can now leverage in Cambodia.



We established a new company called Minebea (Cambodia) Co., Ltd. While the slide says that we are considering expanding into Cambodia, we are actually waiting to see if the government grants we have requested will be approved. The decision to enter the Cambodian market will be officially finalized once all these grants come through. We plan to invest approximately 5 billion yen and hire about 5,000 people. The last time we built a new plant in a new country, was 17 years ago in Shanghai. We are hoping to celebrate the opening of the new Cambodian plant in conjunction with our 60th anniversary next year.



To sum everything up, we see that the goal of achieving 320 billion yen in sales and 32 billion yen in operating income for the fiscal year ending March 2012 are well within our grasp.

We plan to reach these targets by first boosting sales of ball bearings and bringing the new plant on line and secondly bringing rod-end production to full capacity. The third step focuses on riding the HDD market wave that is expected to continue expanding steadily next year. We got approval for our patented sleeveless pivot assemblies for 7-mm high HDDs from our customers and will start supplying them by the end of this fiscal year with an eye to becoming the market's top supplier. The monthly production volume of LED backlights will reach 30 million units next year. We will boost profitability for rotary components through belt-tightening measures. In numerical terms, I expect to see operating income increase roughly by 3 billion yen from rotary components and roughly 2 billion yen from the other five areas. Additional business operations gained through M&A activities will also contribute to our bottom line. While I cannot provide you with the details here, I can tell you that we always have M&A projects in the works. Altogether we are aiming for 320 billion yen in sales and 32 billion yen in operating income next year. We have taken all these initiatives into consideration in looking ahead into the second fiscal half to come up with the full-year forecast totaling 25 billion yen in operating income we have shown you today.

Financial Strategies

Financial Strategies

Focus on creating free cash flow and maintaining sound financial structure

- **Net-interest bearing debt is expected to reach the target of ¥99 billion as of the end of this fiscal year.**
- **Continue to focus on maintaining sound financial structure and creating cash flow with an eye to keeping net interest-bearing debt in ¥100 billion range.**

Dividend policy

- **Interim dividend of ¥3 per share will be paid as initially planned (combined with planned year-end dividend of ¥4 per share, ¥7 per share planned in total this fiscal year).**
- **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.**

Continue to work on policy of repurchasing own shares

- **Implement a flexible capital strategy in response to changes in the business environment.**

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Our financial strategies have remained essentially the same and the annual dividend will be seven yen. We will do our best to make the best decisions on repurchasing of our own shares so that we can implement a flexible capital strategy in response to changes in the business environment.

Minebea Co., Ltd.

Business Results

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

Any statements in this presentation which are not historical are future projections based on certain assumptions and executive judgments 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 but are not limited to: (i) changes in economic conditions or demand trends related to Minebea's business operations; (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.