

Minebea

Business Results

Third Quarter of Fiscal Year
Ending March 31, 2011

February 2, 2011
Minebea Co., Ltd.

Summary of Consolidated Business Results for 1Q-3Q

Despite currency impacts such as the stronger yen, demand recovery and cost cutting pushed net sales and profits higher

(Millions of yen)	FY ended Mar. '10 1Q-3Q	FY ending Mar. '11 1Q-3Q	Change YoY
Net sales	167,984	205,195	+22.2%
Operating income	6,564	17,969	x 2.7
Ordinary income	5,017	16,653	x 3.3
Income before income taxes	4,537	15,845	x 3.5
Net income	3,571	10,649	x 3.0
Net income per share (yen)	9.19	27.86	x 3.0

Foreign exchange rates	1Q-3Q of FY Mar. '10	1Q-3Q of FY Mar. '11
US\$	¥93.91	¥87.46
Euro	¥132.77	¥114.11
Thai Baht	¥2.75	¥2.77
Chinese RMB	¥13.74	¥12.91

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Looking at consolidated business results for the first nine months of the fiscal year ending March 31, 2011, net sales were 205,195 million yen, an increase by 22.2% from the same period last year; operating income was 17,969 million yen which was 2.7 times that of the same period last year; and net income was 10,649 million yen which was 3 times that of the same period last year.

Despite negative currency impacts such as the stronger Japanese yen, volume increases due to recovery in demand and cost cuts pushed profits higher compared to the same period last year.

Summary of Consolidated Business Results for 3Q

Currency impacts such as the stronger yen and a pose in growth of demand for some products affected results QoQ

(Millions of yen)	FY ended	FY ending		Change	
	Mar. '10	2Q	3Q	YoY	QoQ
	3Q				
Net sales	58,716	69,803	67,500	+15.0%	-3.3%
Operating income	4,449	6,346	5,597	+25.8%	-11.8%
Ordinary income	3,988	5,935	5,117	+28.3%	-13.8%
Income before income taxes	3,808	5,511	4,741	+24.5%	-14.0%
Net income	3,936	3,502	3,331	-15.4%	-4.9%
Net income per share (yen)	10.16	9.16	8.71	-14.3%	-4.9%

Foreign exchange rates	3Q of FY	2Q of FY	3Q of FY
	Mar. '10	Mar. '11	Mar. '11
US\$	¥89.49	¥86.58	¥82.99
Euro	¥132.51	¥109.31	¥112.50
Thai Baht	¥2.68	¥2.70	¥2.75
Chinese RMB	¥13.08	¥12.73	¥12.40

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However, in the third quarter of the fiscal year ending March 2011, net sales were 67,500 million yen, down 3.3% from the previous quarter. Operating income was 5,597 million yen, down 11.8% from the previous quarter. Net income was 3,331 million yen, down 4.9% from the previous quarter.

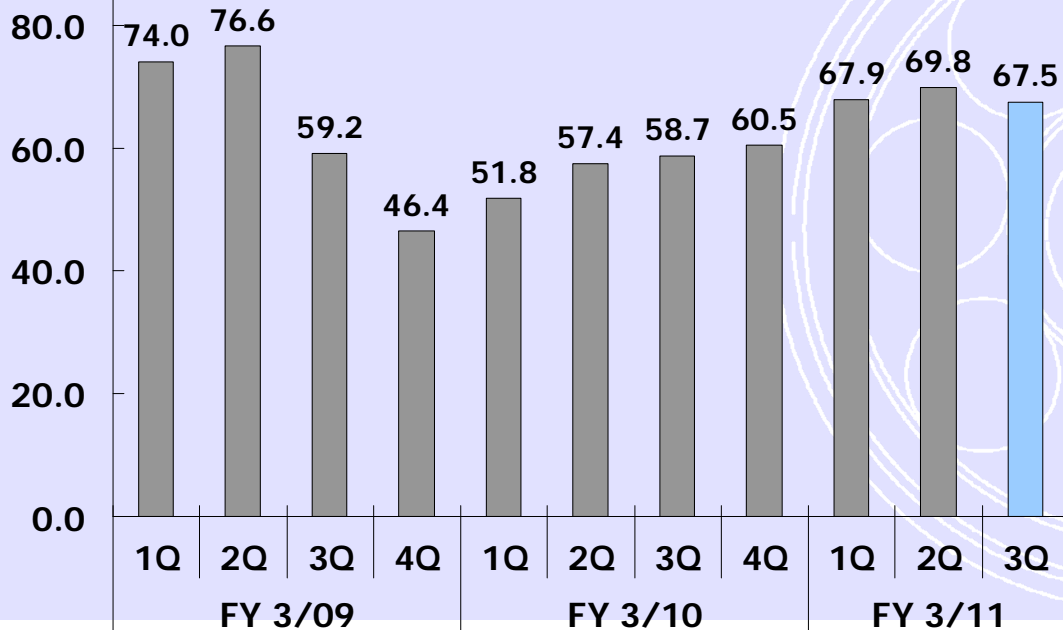
Ball bearing sales volume was firm, pivot assembly sales volume recovered slightly and LED backlight sales grew, and cost cutting progressed, but negative currency impacts such as the stronger Japanese yen and sales declines in motors and measuring components caused by a pause in demand growth affected the quarterly financial results compared to the previous quarter.

Net Sales

Quarterly

(Billions of yen)

100.0



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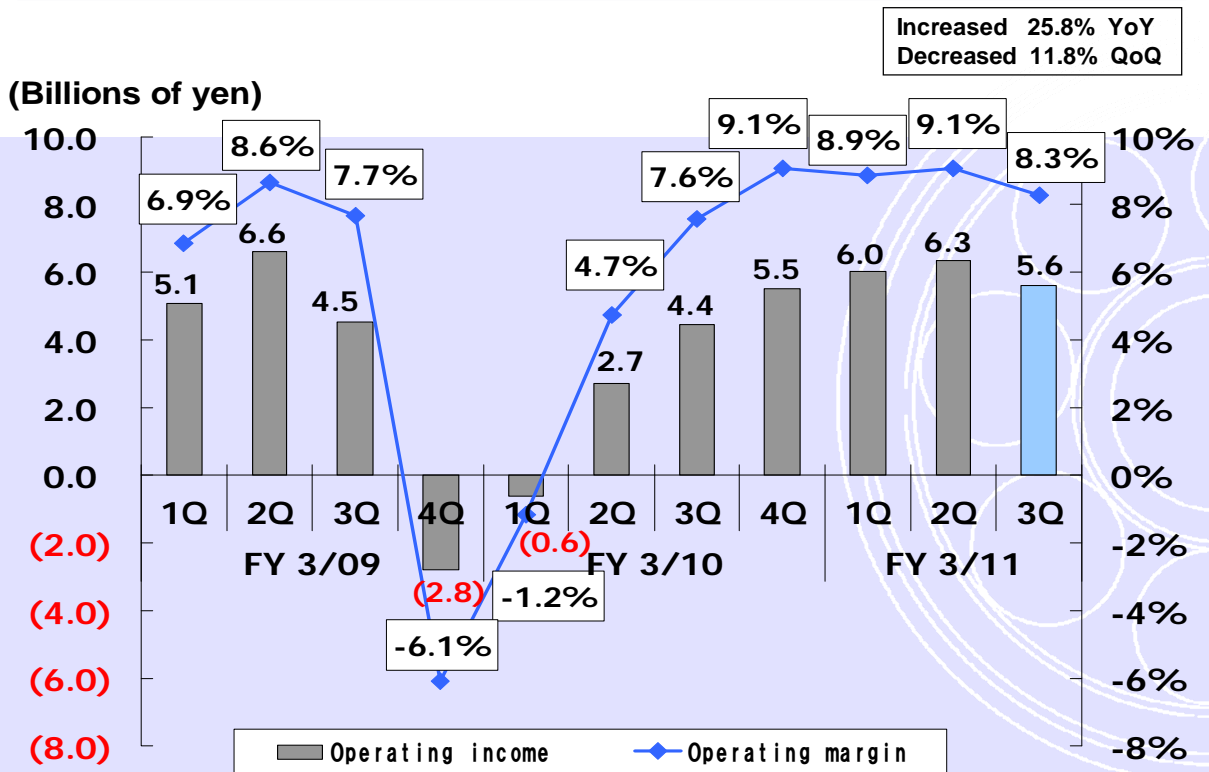
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In the third quarter of the fiscal year ending March 2011, net sales were up 15% to 67.5 billion yen from the same period last year. Recovery and growth of sales more than compensated for negative impacts of currency fluctuations. However, compared to the previous quarter, net sales decreased by 3.3% because of a pause in demand growth for some products in addition to the weaker U.S. dollar. Based on certain assumptions, we estimate the currency impact on net sales was approximately a negative 3.8 billion yen compared to the same period of the last fiscal year, and approximately a negative 1.4 billion yen from the previous quarter.

Operating Income

Quarterly



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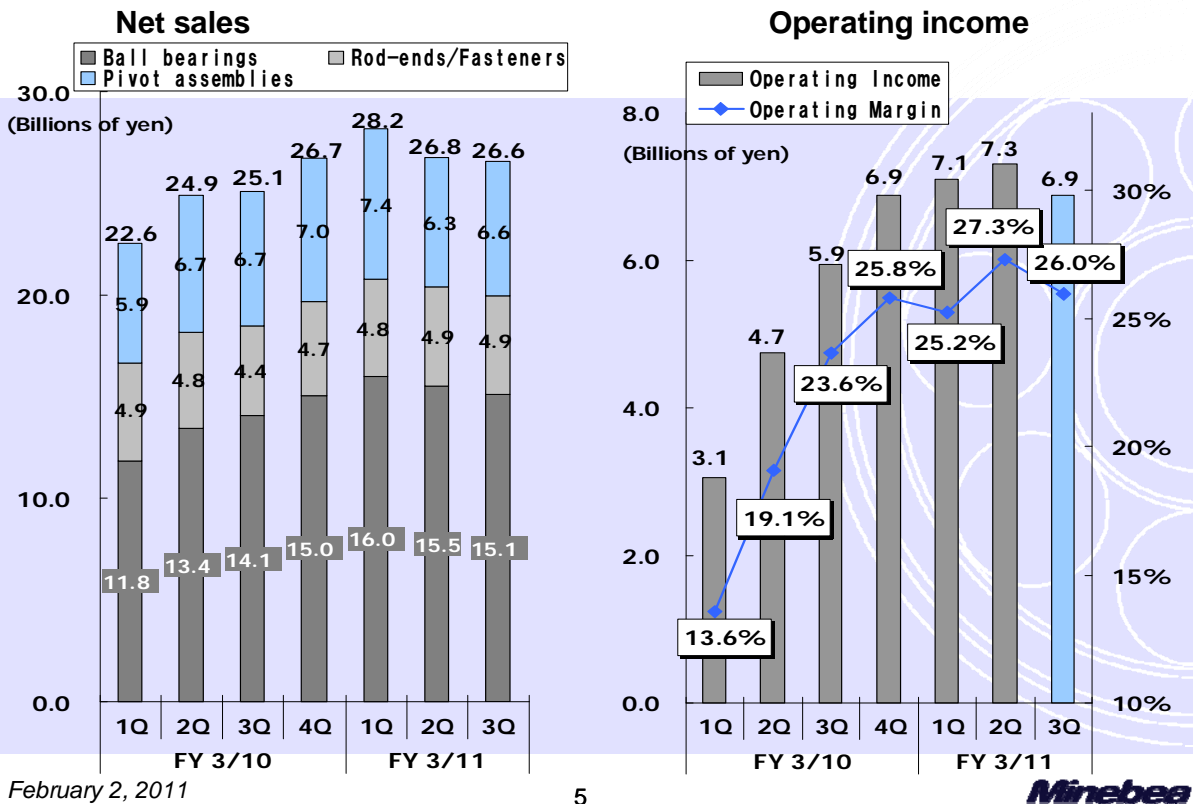
Operating income for the third quarter increased 25.8% from the same period last year to 5.6 billion yen, due to recovery and growth of sales and cost cutting. However, it decreased 11.8% from the second quarter due to negative currency impacts from the weaker U.S. dollar against the Japanese yen and the Thai baht, and sales declines in motors and measuring components. Operating margin decreased by 0.8 percentage points compared to the previous quarter, due to currency impacts.

Based on certain assumptions, we estimate the currency impact on operating income was approximately a negative 1.6 billion yen compared to the same period of the last fiscal year, and approximately a negative 0.5 billion yen compared to the previous quarter.

Machined Components Business

Quarterly

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



For the Machined Components business segment, third quarter net sales were 26.6 billion yen, down 0.9% from the previous quarter. Operating income was 6.9 billion yen, down 5.7% from the previous quarter. Operating margin was 26%, down 1.3 percentage points from the previous quarter.

Third quarter sales of miniature and small-sized ball bearings decreased by 2.6% from the previous quarter to 15.1 billion yen, due to a negative currency impact mainly from the weaker U.S. dollar. Profits in this business also decreased from the previous quarter. However, sales are still firm. Therefore, we are focusing on measures for future expansion, such as a new factory and an entry into the Chinese market for low-priced, mass-produced ball bearings.

Third quarter sales of rod-ends and fasteners were flat from the previous quarter at 4.9 billion yen due to negative impacts of the weaker U.S. dollar, which was offset by a production increase. Profits increased from the second quarter due to reduced costs. From now on, we expect gradually improved performance of this business because aircraft market is expected to expand in the mid to long term.

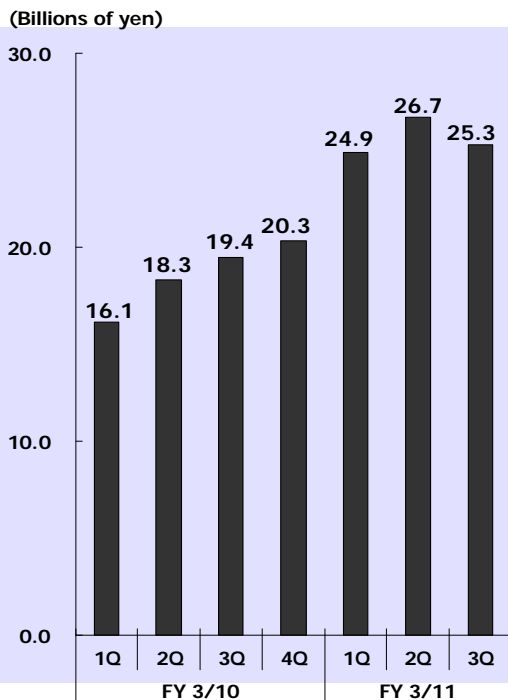
Third quarter sales of pivot assemblies for Hard Disk Drives increased by 4.8% from the previous quarter to 6.6 billion yen. This was due to increased sales volume partly offset by the weaker U.S. dollar. Profits were lower compared to the second quarter due to the weaker U.S. dollar against the Thai baht and higher fixed costs because of higher investments. We continue to focus on sales growth.

Rotary Components Business

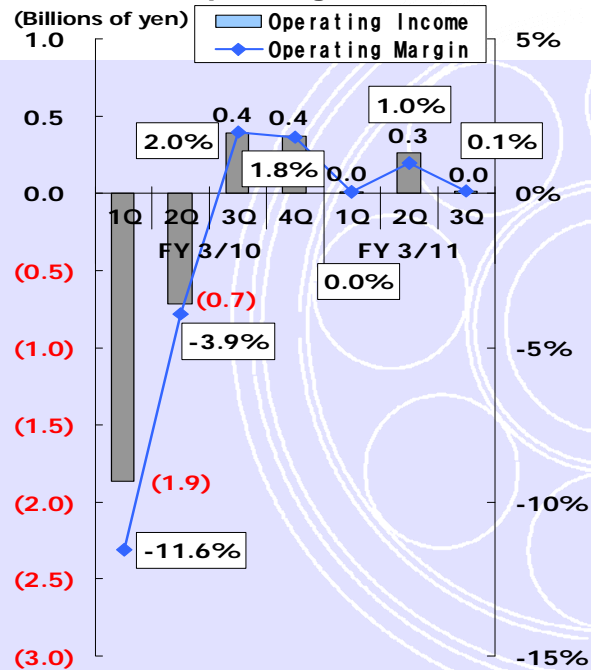
Quarterly

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

Net sales



Operating income



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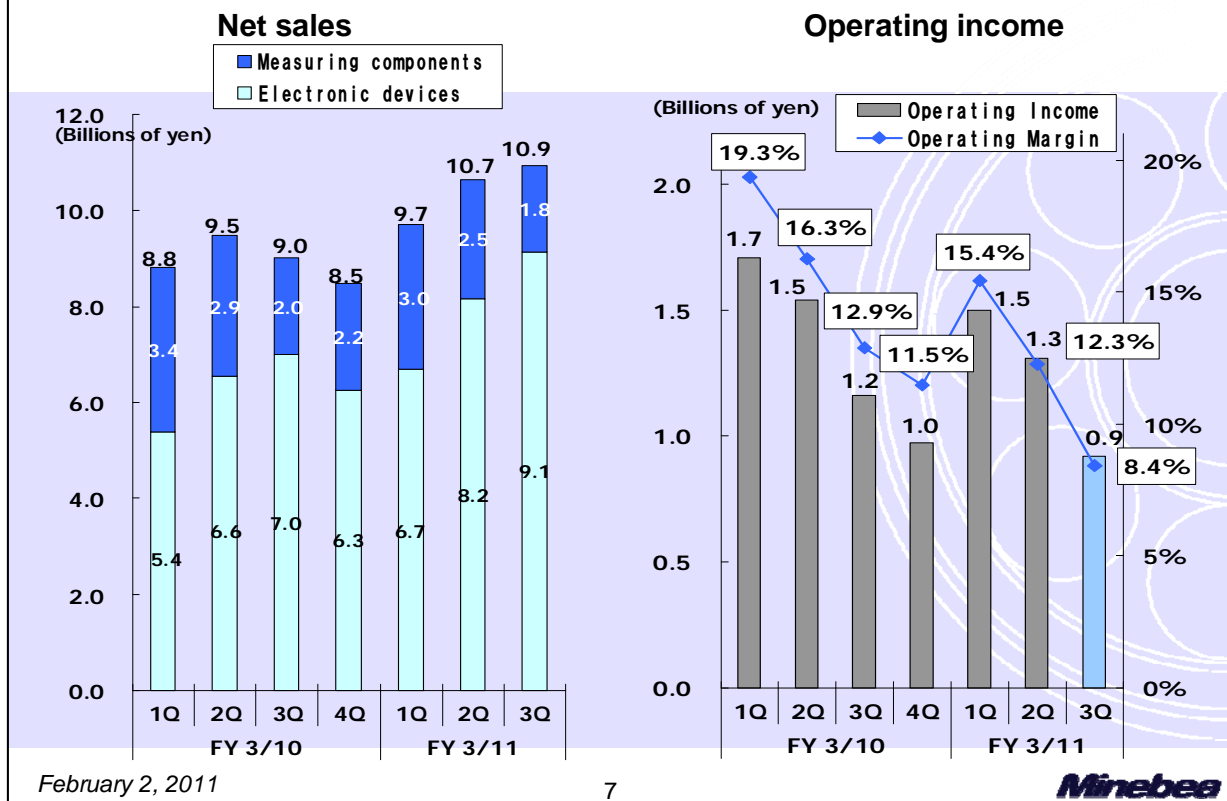
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In the Rotary Components business segment, third quarter net sales were 25.3 billion yen, down 5.4% from the second quarter; operating income decreased by 94% to 0.016 billion yen from the previous quarter, due to sales volume decreases in various markets such as for office automation and game console applications, in addition to negative currency impacts mainly from the U.S. dollar and deterioration in vibration motor results. Operating margin was 0.1%, down 0.9 percentage points from the previous quarter.

We are focusing on measures to improve business performance, and reorganizing motor plants such as setting up a new motor plant in Cambodia. Regarding HDD spindle motors, this business became profitable on a monthly basis in December due to improved production yield and efficiency. We aim to achieve profitability on a quarterly basis and full year basis by further strengthening this business.

Electronic Devices & Components Business Quarterly

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



In the Electronic Devices and Components business segment, third quarter net sales were 10.9 billion yen, up 2.6% from the second quarter due to increased sales in LED backlights despite negative currency impact. Operating income, however, was 0.9 billion yen, down 29.6% from the previous quarter due to decreased sales in measuring components. Operating margin was 8.4%, down 3.9 percentage points from the previous quarter.

Net sales of electronic devices increased by 11% from the second quarter to 9.1 billion yen, due to increased demand for LED backlights, mainly for smart phones. Profits of this business increased from the previous quarter.

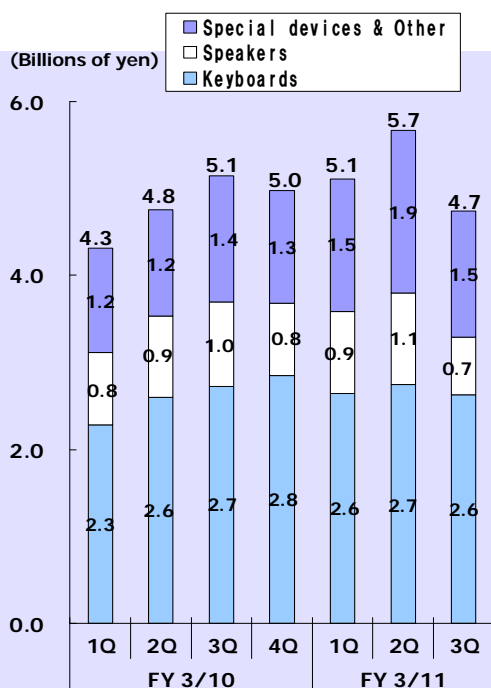
Net sales of measuring components decreased by 28% from the second quarter to 1.8 billion yen, due to decreased sales for a game console related application. Profits likewise decreased from the previous quarter.

Other Business

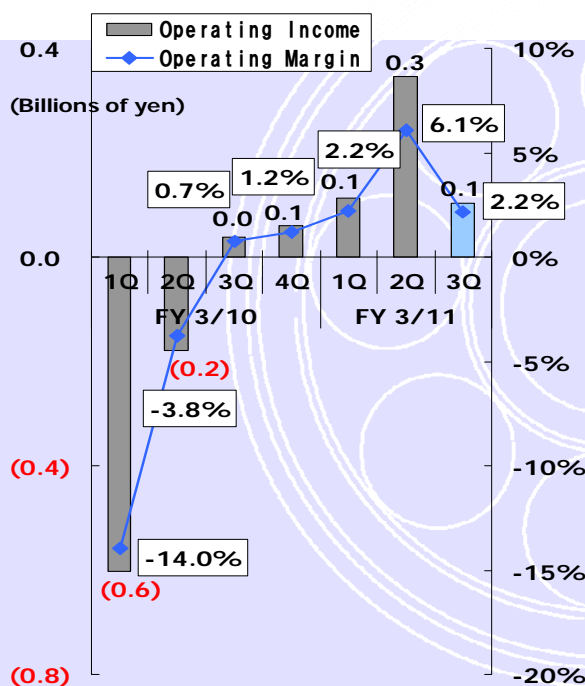
Quarterly

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

Net sales



Operating income



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In the Other business segment, third quarter net sales were 4.7 billion yen, down 16.2% from the second quarter. Operating income decreased by 70.4% from the previous quarter to 0.1 billion yen. Operating margin was 2.2%, down 3.9 percentage points from the previous quarter.

Net sales of keyboards decreased by 3.7% from the second quarter, to 2.6 billion yen. However, operating income of this business increased compared to the previous quarter.

Net sales of speakers decreased by 36.4% from the second quarter, to 0.7 billion yen. Its losses widened.

Net sales of special devices and other components decreased by 21.1% from the second quarter, to 1.5 billion yen. Its profits decreased from the previous quarter.

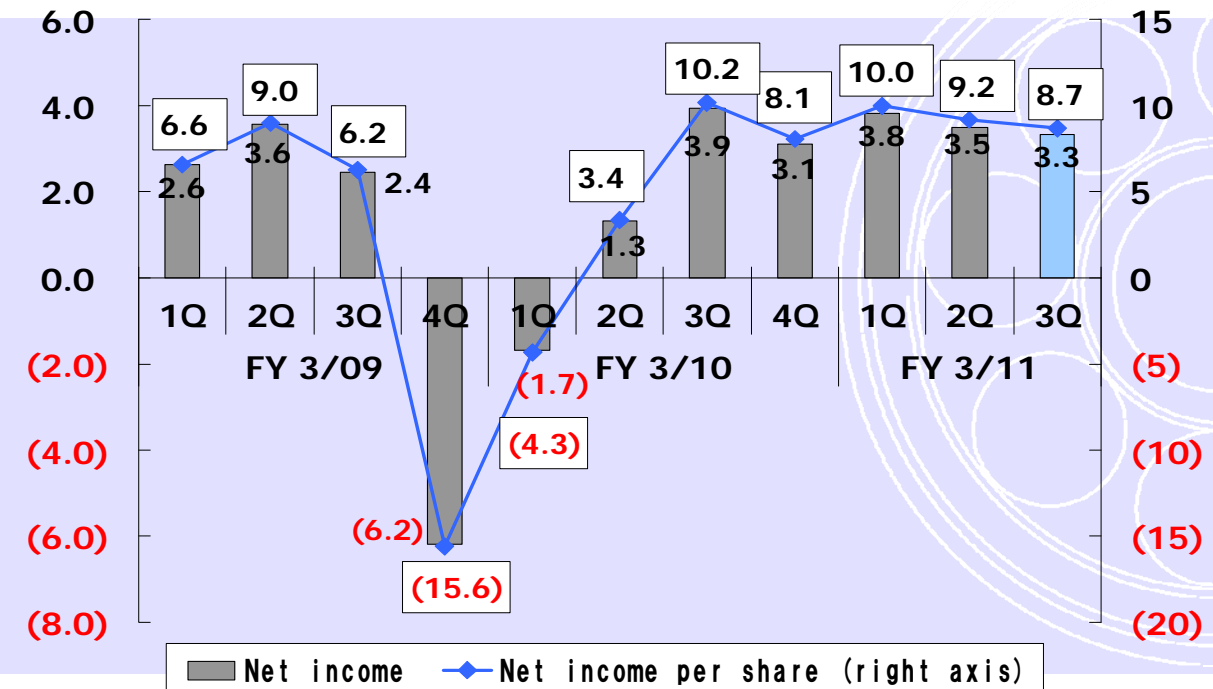
Net Income

Quarterly

Decreased 15.4% YoY
Decreased 4.9% QoQ

(Billions of yen)

(yen)



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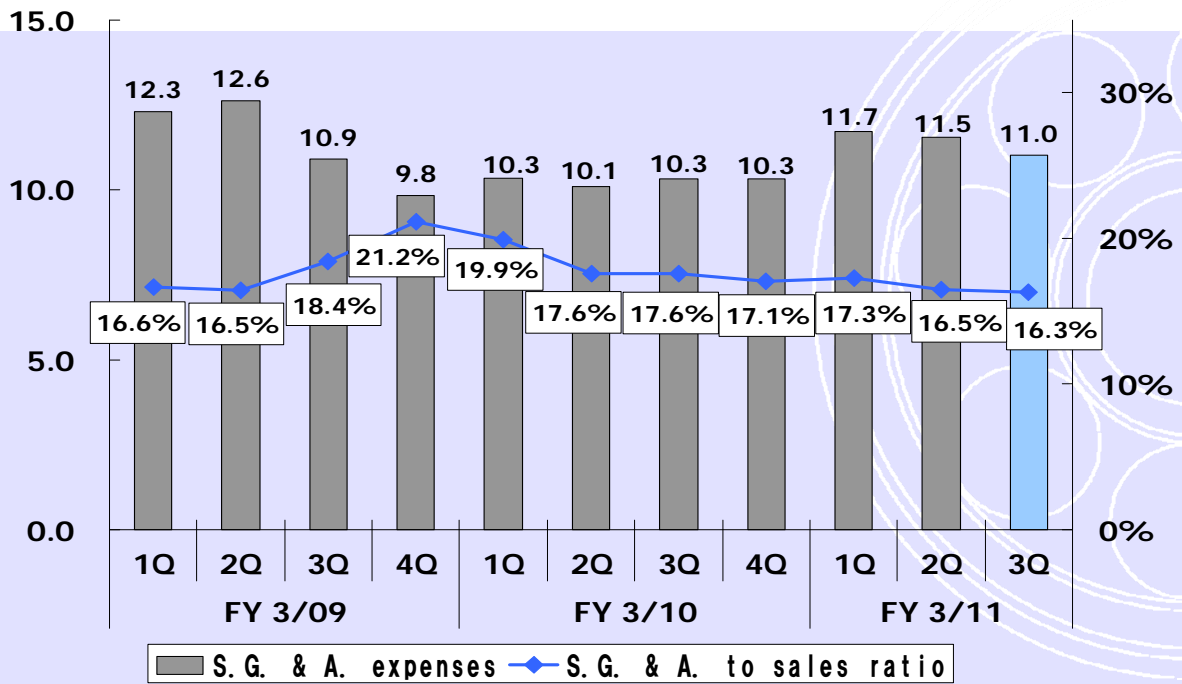
Net income for the third quarter decreased by 15.4% from the same period last year to 3.3 billion yen. This is mainly because we had an approximately 1.7 billion yen corporate tax refund in the U.S. for the same period last year. Compared to the previous quarter, net income decreased by 4.9% due to a decrease in operating income.

Net income per share was 8.7 yen.

S.G. & A. Expenses

Quarterly

(Billions of yen)



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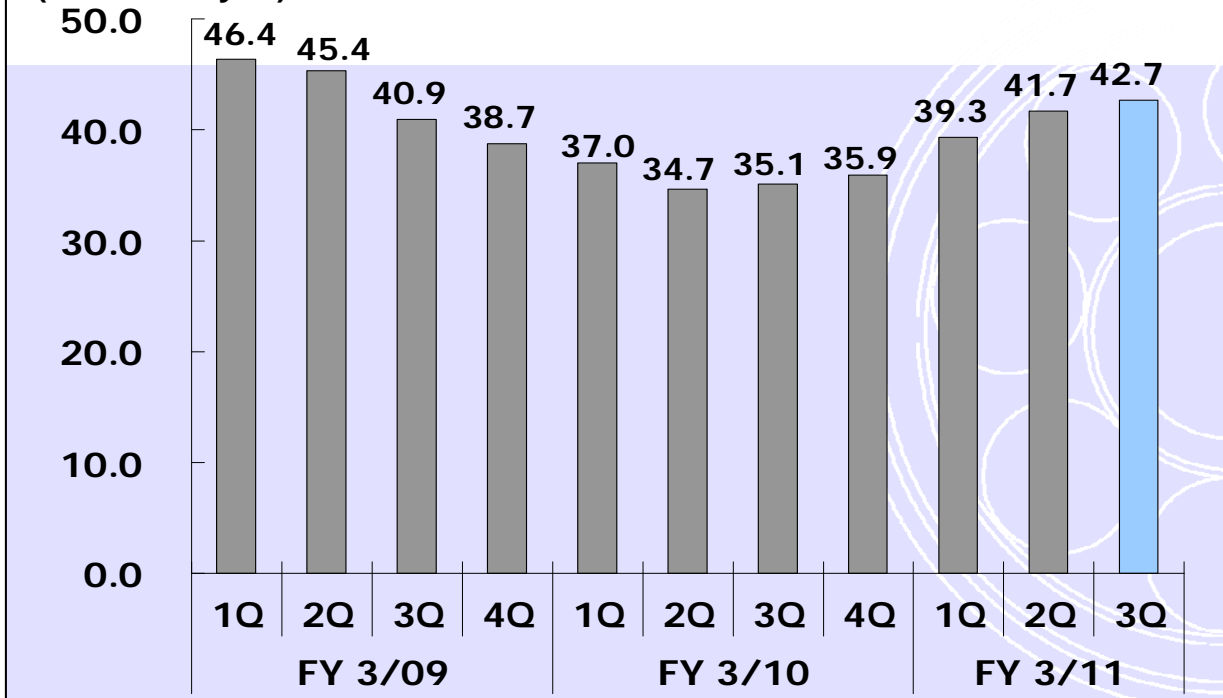
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SG&A expenses in the third quarter decreased 0.5 billion yen to 11.0 billion yen compared to the previous quarter. SG&A expenses-to-sales ratio declined to 16.3%, a 0.2 percentage point improvement from the previous quarter and a 1.3 percentage point improvement from the same period last year. This is due to positive effects of our companywide initiative to cut expenses. We will continue our efforts to hold expenses down.

Inventories

Quarterly

(Billions of yen)



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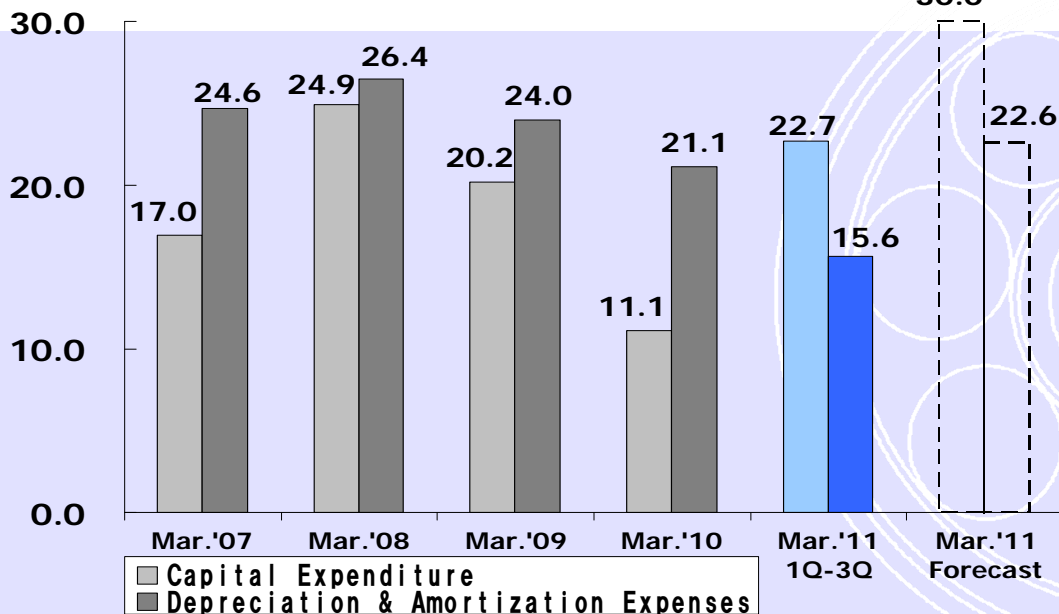
Inventories increased by 1.0 billion yen compared to the previous quarter.

This is due mainly to inventory growth to meet increasing demand in ball bearings and pivot assemblies, and an increase of work in process caused by increased production volume in LED backlights.

Capital Expenditure & Depreciation

Yearly

(Billions of yen)



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

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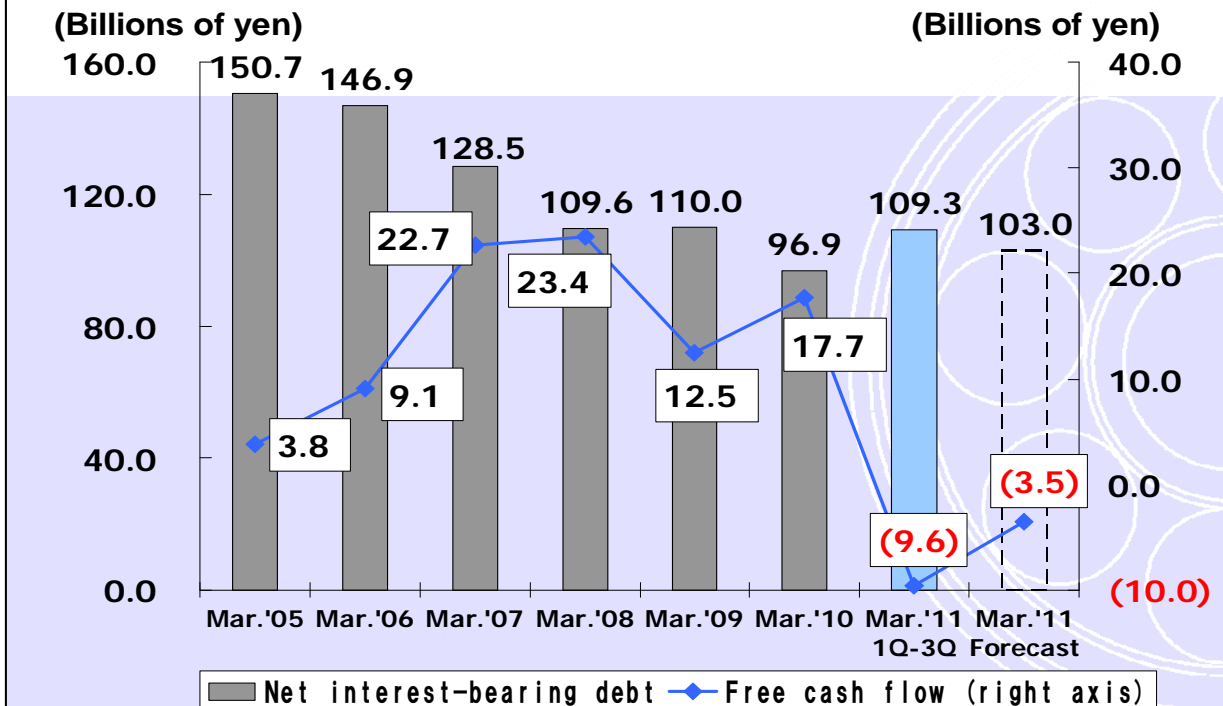
Capital expenditure for the first nine months of this fiscal year was 22.7 billion yen. Investments were made mainly to increase production capacity in pivot assemblies and others, as well as to reorganize motor production lines in Thailand.

We expect capital expenditure for the next fiscal year will also be higher than historical levels because of our new ball bearing factory, a new LED backlight factory and a new motor factory in Cambodia. However, regarding a new pivot assembly plant, because of the current unclear outlook for the HDD market, we are re-examining the timing.

Depreciation and amortization expenses for the first nine months of this fiscal year were 15.6 billion yen. Although capital expenditure is and will be higher for a while, depreciation and amortization expenses will stay at 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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Net interest-bearing debts, which are interest-bearing debts minus cash and cash equivalents, were 109.3 billion yen at the end of the third quarter, an increase of 12.4 billion yen from the end of the previous fiscal year. This is because of an increase in capital expenditures and increased needs for working capital due to increased sales. Although we will continue our efforts to create cash flow, free cash flow for this fiscal year is expected to be a negative 3.5 billion yen as capital expenditure will increase over last year, mainly for capacity expansion.

Forecast for Fiscal Year Ending March 31, 2011

Full year forecast unchanged

(Millions of yen)	FY ended Mar. '10	Fiscal Year ending Mar. '11	
	Full Year	Full Year Forecast(A)	YoY
Net sales	228,446	274,000	19.9%
Operating income	12,059	25,000	x 2.1
Ordinary income	10,203	23,100	x 2.3
Income before income taxes	9,261	21,000	x 2.3
Net income	6,662	13,500	x 2.0
Net income per share (yen)	17.20	35.32	x 2.1

Foreign exchange rates	FY Mar. '10 Full year	Full Year Assumption
US\$	¥93.04	¥85.85
Euro	¥131.10	¥113.34
Thai Baht	¥2.74	¥2.75
Chinese RMB	¥13.61	¥12.73

(Full year assumption rates are based on actual numbers in 1Q-3Q and assumed rates in 4Q)

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We do not change at this time our full year forecast for this fiscal year revised in November, because there is still some uncertainty regarding product market movements, foreign currency shifts and raw material costs.

Even though we feel the fourth quarter targets have become more challenging due to third quarter results which were less than our plan numbers, we will make all efforts to achieve the full year forecast while aiming for growth during the next fiscal year and beyond.

New LED Backlight Factory

Minebea Electronic Devices (Suzhou) Ltd. (Jiangsu Province, China)

Specifics : Integrated manufacturing plant from molding to assembly

February, 2011 Finish outer construction

March, 2011 Finish interior construction, start test production



Training for managers is underway at our Shanghai factory.

We plan to hire production workers after Chinese New Year holidays.

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In order to respond to growing demand for small to medium-sized LED backlights used in products such as smart phones, we are constructing a new LED backlight factory in Suzhou, China.

This photo is from last month. To start test production in March, we are working on outer and interior construction and hiring and training of workers.

By adding this new facility, Minebea is aiming to increase its total LED backlight production capacity from 20 million pieces per month to 30 million pieces per month in the next fiscal year.

New Factory in Cambodia

Minebea (Cambodia) Co., Ltd.

Rental factory is under construction in the Phnom Penh Special Economic Zone.

Plant is for assembling small and medium size motors, using parts and components supplied by Minebea plants in neighboring Thailand.

April, 2011 Start small-scale production

December, 2011 Complete own factory construction in the same area



Started hiring production workers in Cambodia and training them at Minebea facilities in Thailand and Malaysia.

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We have announced that we will establish a new factory in Cambodia. The project is moving forward on schedule.

The hiring of production workers in Cambodia has started. We have already sent the first selected group of workers to be trained at our facilities in Thailand.

A rental factory is under construction to start small-scale production in April. Then, we plan to increase number of workers to increase production gradually. By the end of this year, we also plan to complete construction of our own factory in the same area. We would like to expand this operation as an assembly plant for labor intensive motor products.

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Business Results

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

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

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

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

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