Minebea

Business Results

Fiscal Year Ended March 31, 2011

May 10, 2011

Minebea Co., Ltd.

1． Financial Results

2． Policy and Strategy

Financial Results

Hiroharu Katogi
Director, Senior Managing Executive Officer

Summary of Consolidated Business Results

Higher sales and profits

due to global demand recovery and cost cuts

(Millions of yen)	FY ended Mar. '10 Full year	FY ended Mar. '11 Full year	Change YoY
Net sales	228,446	269,139	+17.8%
Operating income	12,059	22,163	+83.8%
Ordinary income	10,203	20,364	+99.6%
Net income	6,662	12,465	+87.1%
Net income per share (yen)	17.20	32.61	+89.6%

Foreign exchange rates	Mar. '10 Full year	Mar. '11 Full year
US$	¥93.04	¥86.04
Euro	¥131.10	¥113.22
Thai Baht	¥2.74	¥2.75
Chinese RMB	¥13.61	¥12.78

Looking at consolidated business results for the fiscal year ended March 31, 2011, net sales increased by 17.8% to 269,139 million yen on a year-on-year basis. Operating income jumped up by 83.8% to 22,163 million yen compared to the last fiscal year. Net income also jumped up by 87.1% to 12,465 million yen.

During the fiscal year, although operating environment was negatively affected by factors such as the higher Japanese yen against the U.S. dollar and the euro, higher energy and raw materials prices, both our efforts to cut costs and global demand recovery from the Lehman Shock were behind these improved financial results.

Summary of Consolidated Business Results for 4Q

Lower sales and profits in 4Q Q on Q due to stalled demand recovery and supply chain disruption due to the Tohoku Earthquake

(Millions of yen)	FY ended Mar. '10	FY ended Mar. '11		Change	
	4Q	3Q	4Q	YoY	QoQ
Net sales	60,461	67,500	63,944	+5.8%	-5.3%
Operating income	5,494	5,597	4,194	-23.7%	-25.1%
Ordinary income	5,185	5,117	3,710	-28.4%	-27.5%
Net income	3,090	3,331	1,816	-41.2%	-45.5%
Net income per share (yen)	8.06	8.71	4.75	-41.1%	-45.5%

Foreign exchange rates	4Q of FY Mar. '10	3Q of FY Mar. '11	4Q of FY Mar. '11
US$	¥90.43	¥82.99	¥81.78
Euro	¥126.07	¥112.50	¥110.55
Thai Baht	¥2.73	¥2.75	¥2.67
Chinese RMB	¥13.24	¥12.40	¥12.39

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On the other hand, during the fourth quarter, net sales decreased by 5.3% compared to the previous quarter to 63,944 million yen. Operating income decreased by 25.1% on a quarter-on-quarter basis to 4,194 million yen. Net income also decreased by 45.5% to 1,816 million yen, due to a 3Q tax benefit from a real estate sale and several 4Q extraordinary losses.

Lower sales were caused by weak demand in many product markets due to seasonal factors and stalled demand recovery, in addition to supply chain disruption due to the Tohoku Earthquake in March. Profits were lower due to pricing pressure caused by slower HDD market demand and increased fixed costs caused by capacity expansion investments, as well as lower sales.

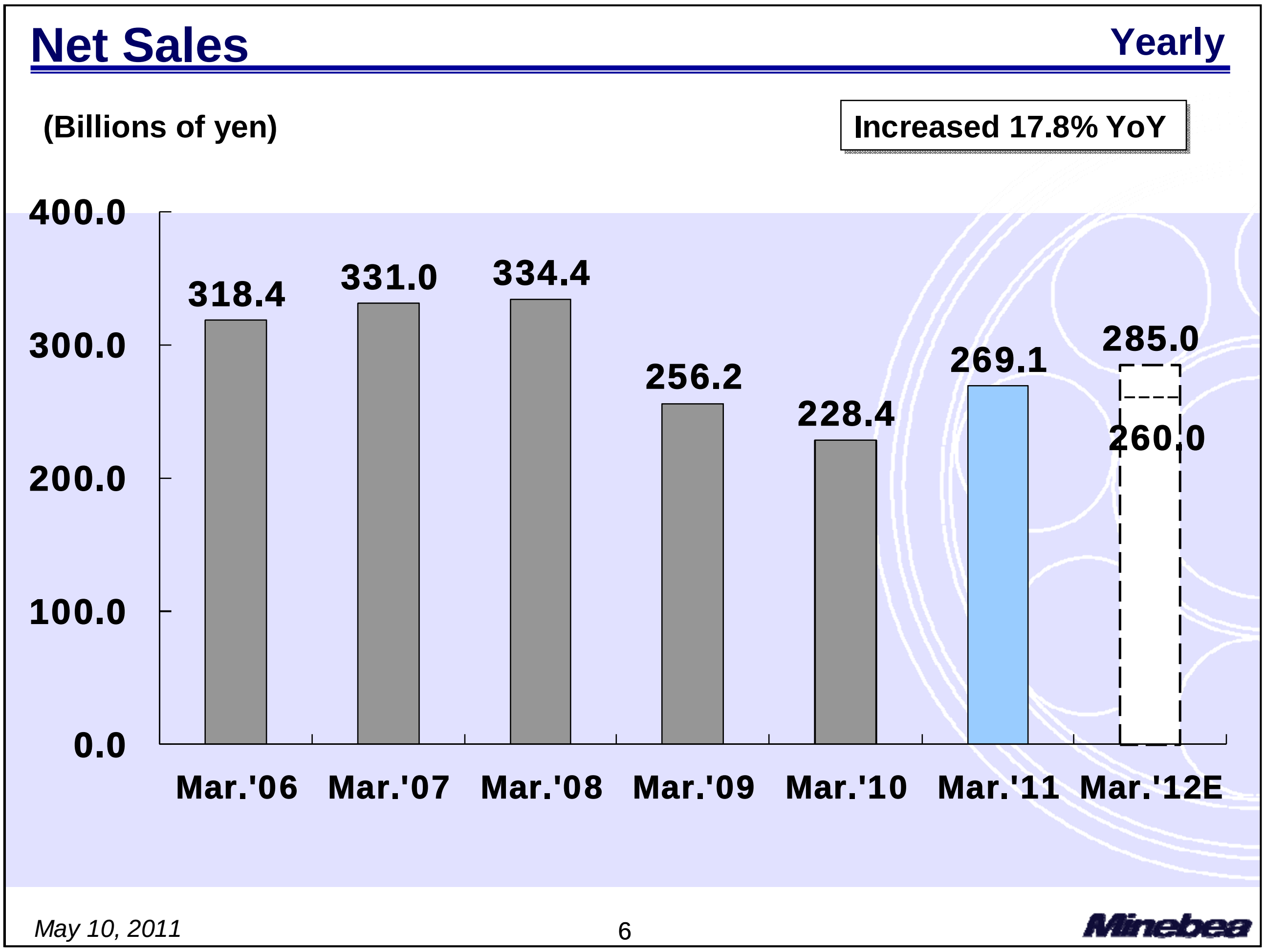
Sales and Operating Income by Business Segment

Operating income target was missed due to

HDD market slowdown and slower improvement in Rotary Components

(Millions of yen)	FY ended Mar. '10 Full year	FY ended Mar. '11 Full year	Change YoY	Forecast announced in November 2010 Full year	vs. forecast
Net sales	228,446	269,139	+17.8%	274,000	98.2%
Machined components	99,291	107,841	+8.6%	108,300	99.6%
Rotary components	74,185	101,139	+36.3%	106,000	95.4%
Electronic devices and components	35,780	40,502	+13.2%	39,800	101.8%
Other	19,189	19,657	+2.4%	19,900	98.8%
Adjustment	-	-	-	-	-
Operating income	12,059	22,163	+83.8%	25,000	88.7%
Machined components	20,634	28,088	+36.1%	28,300	99.3%
Rotary components	-1,826	-224	N.M.	1,700	N.M.
Electronic devices and components	5,384	4,160	-22.7%	4,700	88.5%
Other	-684	498	- ⇨ +	700	71.1%
Adjustment	-11,447	-10,358	-9.5%	-10,400	100.4%

We failed to achieve revised targets announced last November. The sales target was almost achieved. But the operating income target was not. Due to the slowdown in the HDD market, pivot assemblies and HDD spindle motors, both of which are important components of HDD, failed to achieve their targets. In the rotary component business segment, in addition to HDD spindle motors, vibration motors, brush DC motors and precision motors lost money. Stalled demand recovery, competitive pricing pressure, negative currency impacts and other factors in these businesses slowed down improvement compared to the targets.

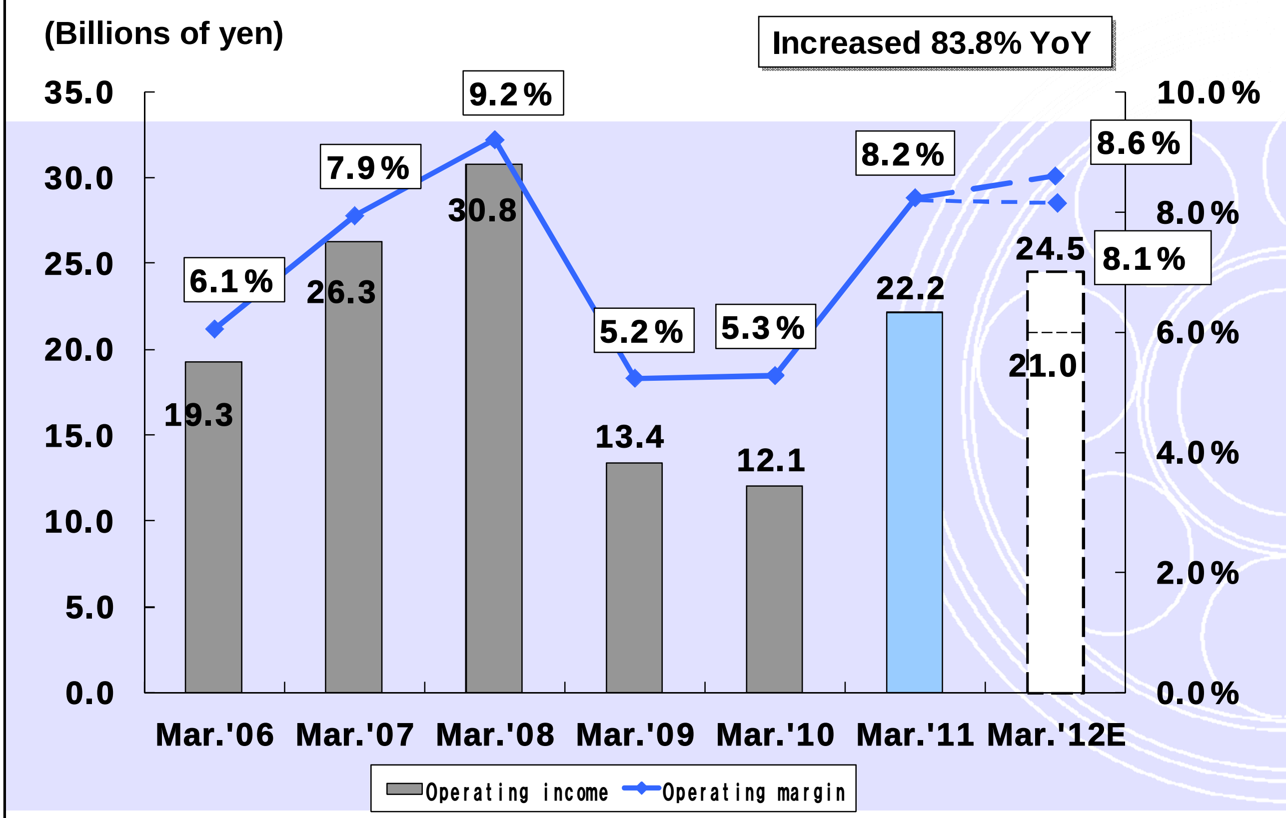


The graph shows net sales each year. In the fiscal year ended March 31, 2011, although the currency impact on net sales, mainly the higher Japanese yen against the weaker U.S. dollar and the euro, was quite large, approximately a negative 15.5 billion yen from the last fiscal year, net sales were 269.1 billion yen which was the first year-on-year increase in the last three years as global demand recovery from the Lehman Shock progressed.

We expect sales for the fiscal year ending March 31, 2012 will be in a range between 260 and 285 billion yen. We feel it is very difficult to foresee due to many factors starting from the impact on supply chain disruption in automobiles, electronics and other products due to the Tohoku Earthquake.

Operating Income

Yearly



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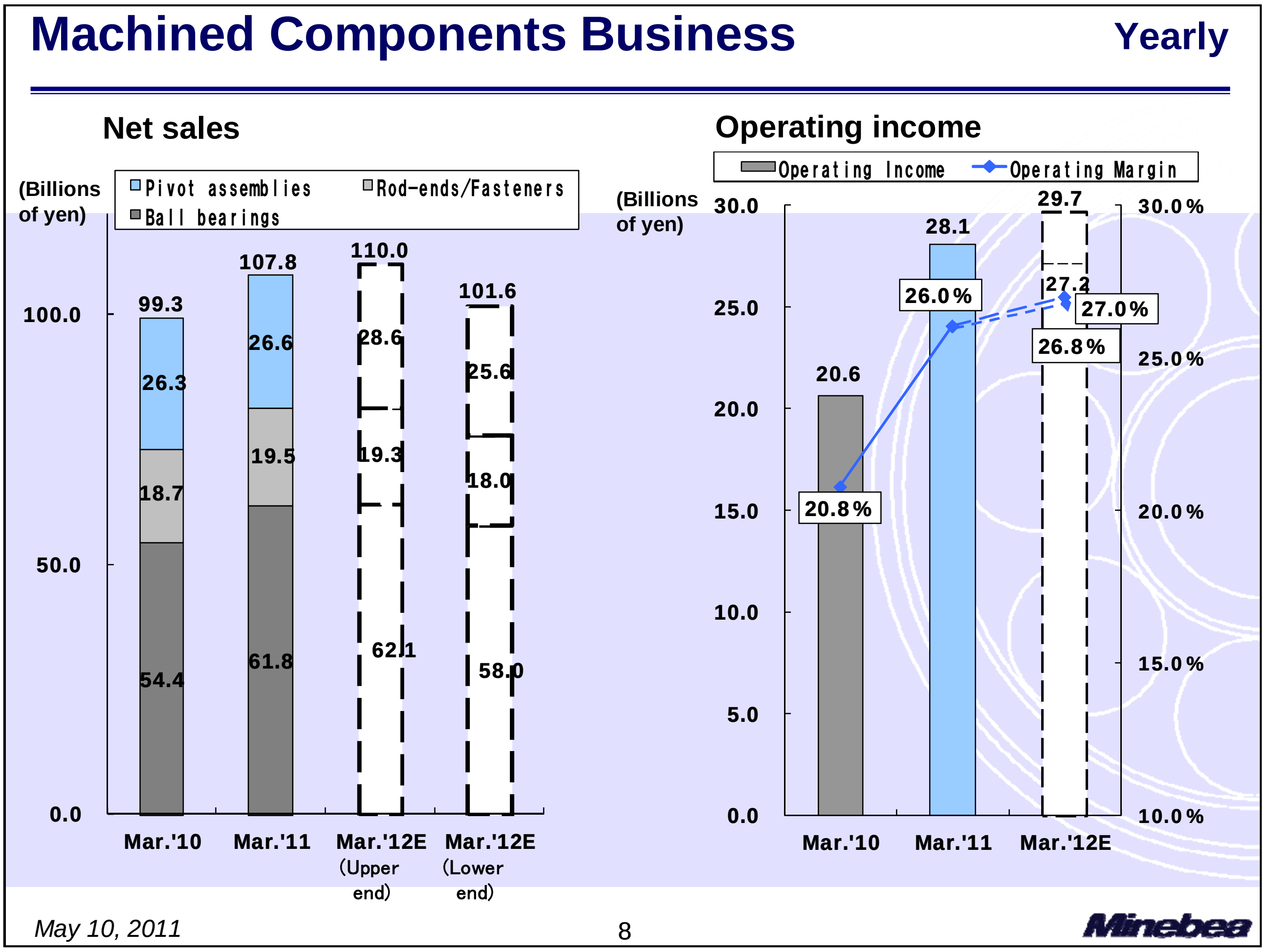
Operating income for the fiscal year ended March 31, 2011 increased greatly to 22.2 billion yen from the last fiscal year. Although the operating environment was negatively affected by factors such as the higher Japanese yen against the U.S. dollar and the euro, higher energy and raw materials prices, and labor cost hikes in Asian and other countries, our consistent efforts to improve productivity and cut costs in addition to global demand recovery from the Lehman Shock were behind this result. Operating margin jumped up to 8.2%, which is close to the pre-Lehman Shock level.

According to our estimate under certain assumptions, the impact of the foreign exchange fluctuations on operating income was a decrease of approximately 4.8 billion yen for the fiscal year compared to the previous fiscal year. The impact of the raw material price changes was approximately negative 1.2 billion yen for the fiscal year compared to the previous fiscal year.

Because we feel it is very difficult to foresee due to many factors starting from the impact on supply chain disruption in automobiles, electronics and other products due to the Tohoku Earthquake, operating income for the fiscal year ending March 31, 2012 is projected to be in a range between 21.0 and 24.5 billion yen.



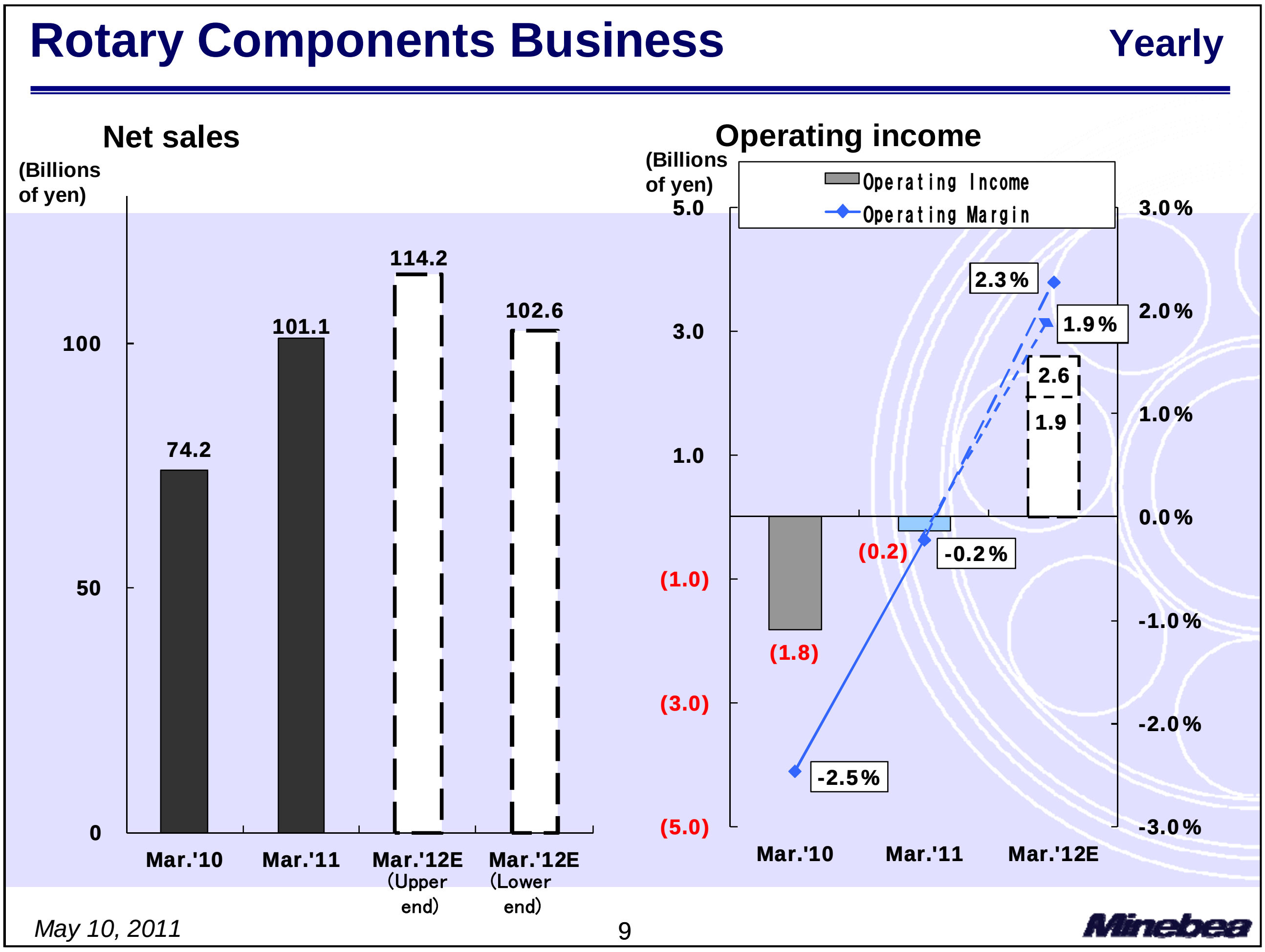
From here onwards, I will explain each business segment.

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

Net sales for the fiscal year ended March 31, 2011 totaled 107.8 billion yen, up 8.6% from the previous fiscal year. Although we had a negative currency impact on net sales, mainly the higher Japanese yen against the weaker U.S. dollar and the euro, this increase was benefitted by ball bearing production which was almost at full capacity for most of the period due to brisk sales triggered by global demand recovery.

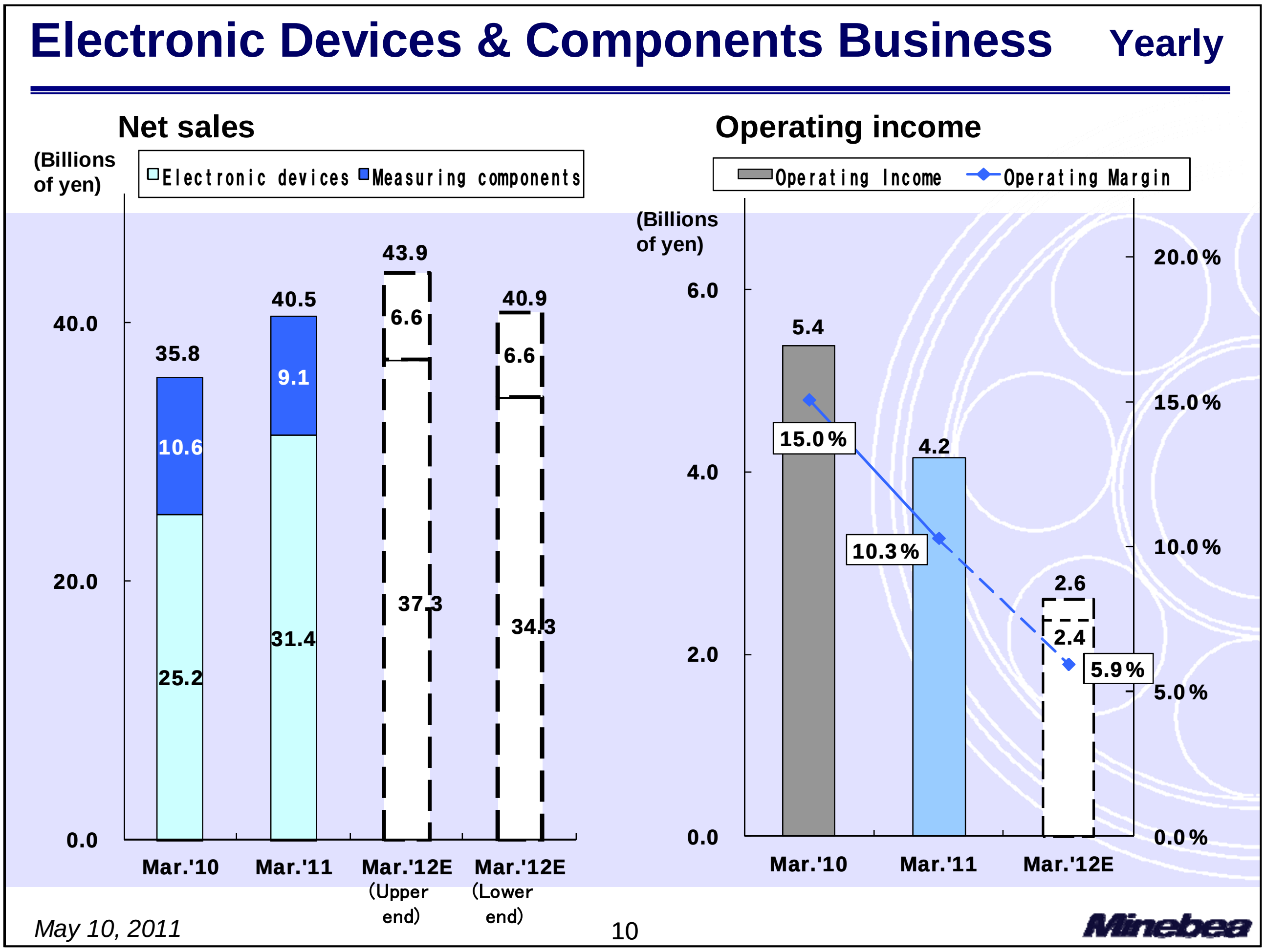
Operating income was also up 36.1% to 28.1 billion yen. Operating margin was up 5.2 percentage points to 26.0%. Although pivot assemblies' capacity expansion investments pushed up its fixed costs, this improvement was caused by increased sales and improved efficiency in ball bearings and rod-ends and fasteners.

For the fiscal year ending March 31, 2012, we forecast improved profits in rod-ends and fasteners due to expanding aircraft markets and higher factory utilization ratio and steady sales and profits in ball bearings, although in pivot assemblies we expect a continued difficult operating environment.



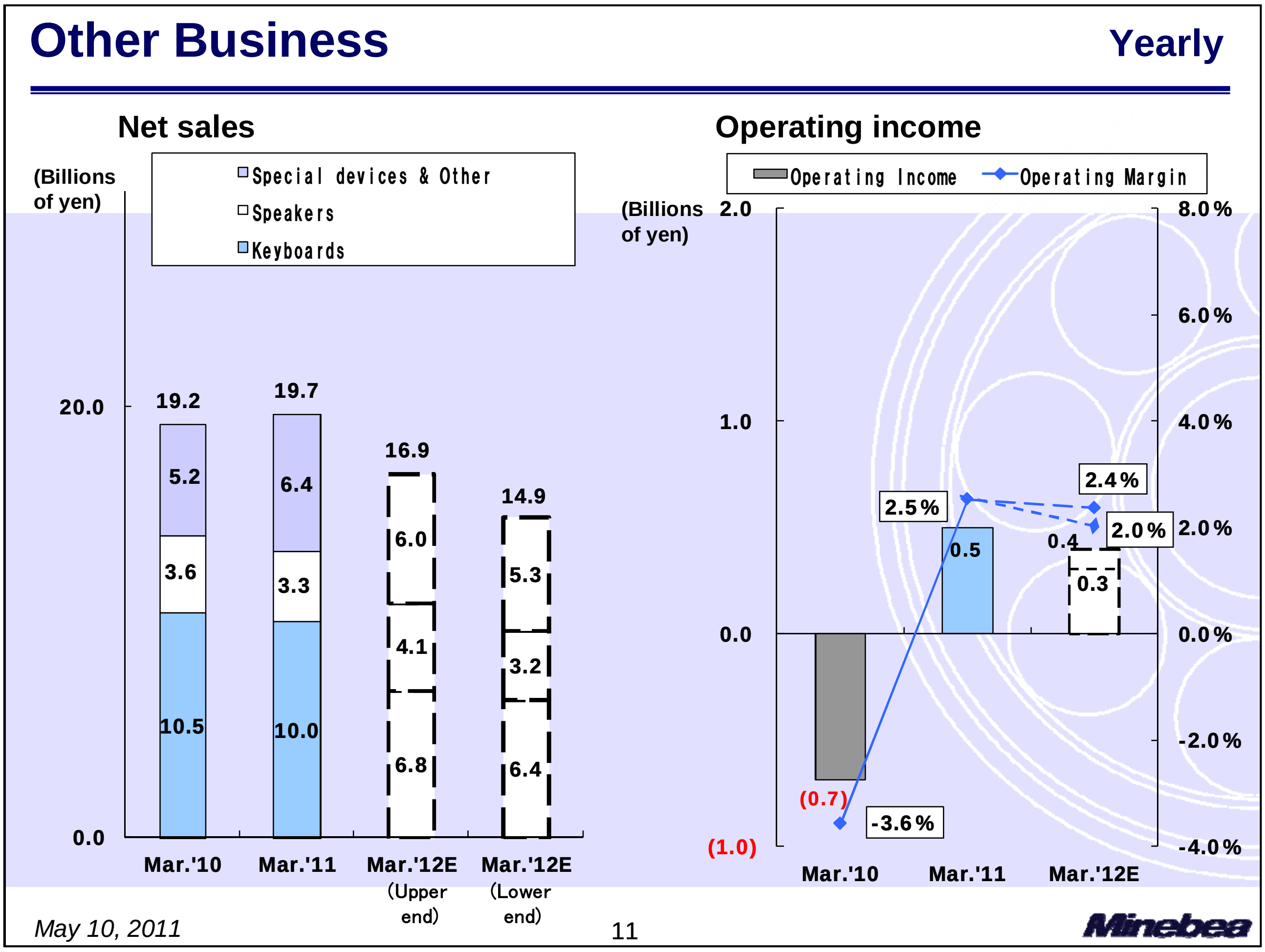
In the rotary component business segment, net sales for the fiscal year ended March 31, 2011 were 101.1 billion yen, up 36.3% from the previous fiscal year. Although we had a negative currency impact, mainly the higher Japanese yen against the weaker U.S. dollar and the euro, this increase was benefitted from a demand increase due to global economic recovery, and from the new addition of the brushless DC motor business which was acquired from Panasonic last April. Operating loss shrunk by 87.7% from the previous fiscal year to 0.2 billion yen. Operating margin improved to negative 0.2%. Even though we had negative factors such as a design quality problem in vibration motors and losses in brush DC motors and precision motors, this improvement was due to the new addition of the brushless DC motor business and better performance in HDD spindle motors and fan motors.

For the fiscal year ending March 31, 2012, we forecast improved performance in this segment due to efficiency improving measures to be taken in various businesses as well as strategic restructuring of our production system by quickly ramping up production at the new motor factory in Cambodia.



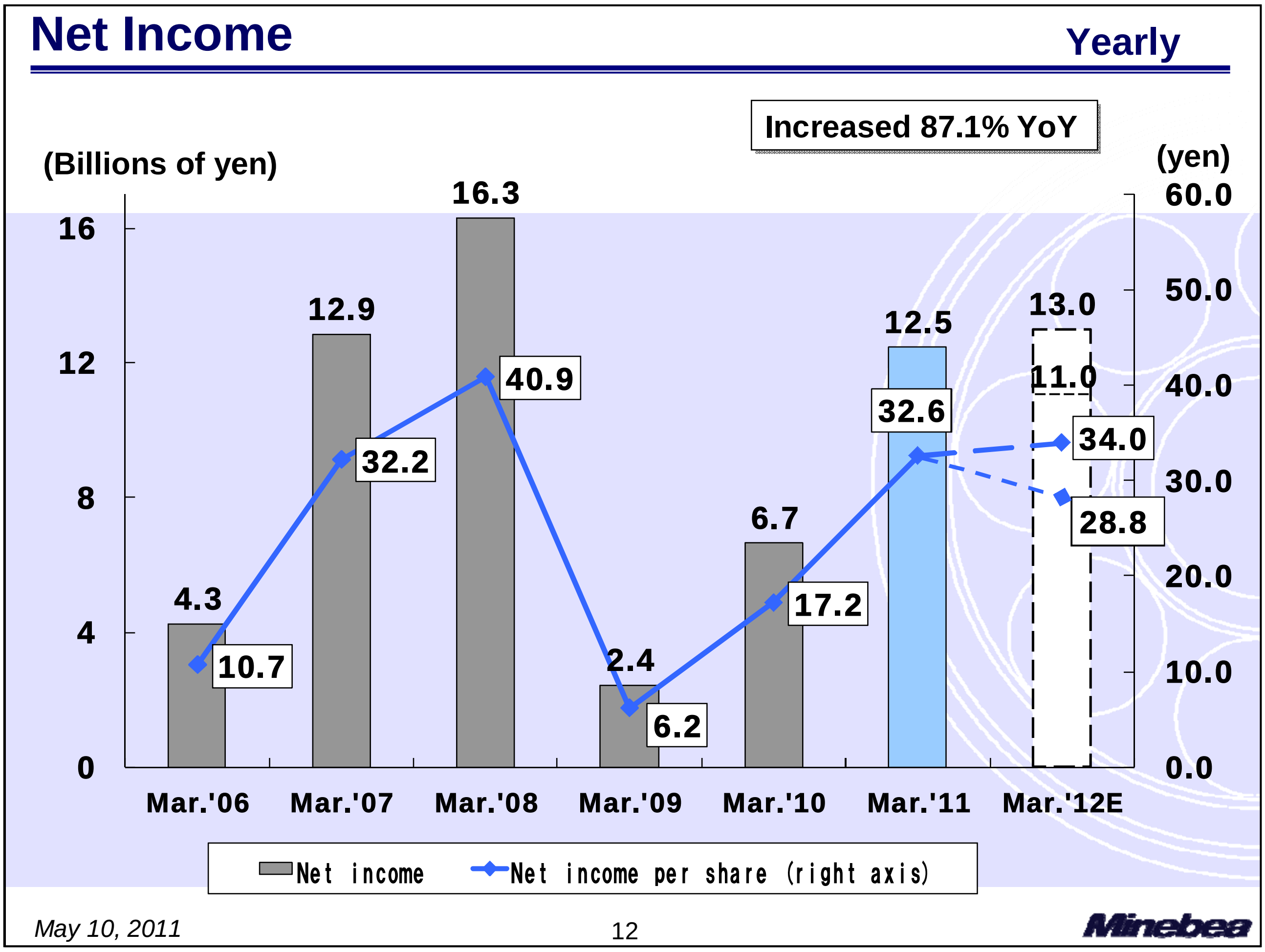
In the electronic device and component business segment, net sales for the fiscal year ended March 31, 2011 were 40.5 billion yen, up 13.2% from the previous fiscal year. Although measuring component sales for a game console product finished during the fiscal year, significant sales growth in LED backlights pushed up the segment total. However, operating income decreased by 22.7% to 4.2 billion yen and operating margin declined by 4.7 percentage points to 10.3%. This was mainly due to a sales decline in measuring components, which have higher margins than other products.

For the fiscal year ending March 31, 2012, we forecast even higher sales in LED backlights because the new Suzhou factory has started its operation. However, we forecast lower operating income due to lower sales in measuring components and one-time expenses related to starting up the new factory.



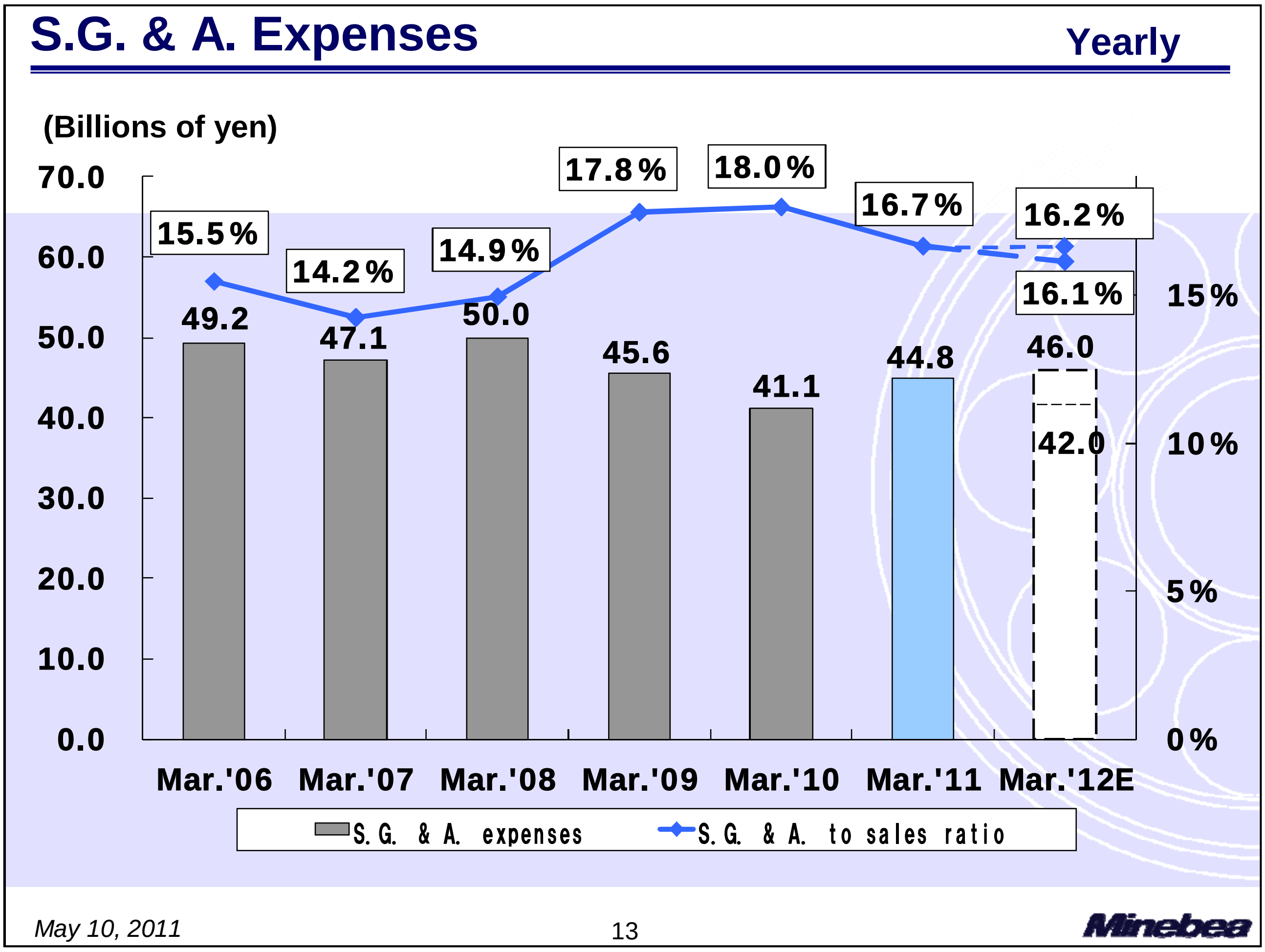
In the other business segment, net sales for the fiscal year ended March 31, 2011 were 19.7 billion yen, up 2.4% from the previous fiscal year due to an increase in special devices and others. Operating income turned positive to 0.5 billion yen because keyboards turned profitable and special devices and others improved their performance. Operating margin was 2.5%, 6.1 percentage points higher than the previous fiscal year.

For the fiscal year ending March 31, 2012, we forecast as shown in the slide due to lower keyboard sales for notebook PCs.



Net income increased significantly to 12.5 billion yen as operating income and ordinary income jumped up.

Net income is projected in a range, in the same way as projections for sales and operating income.

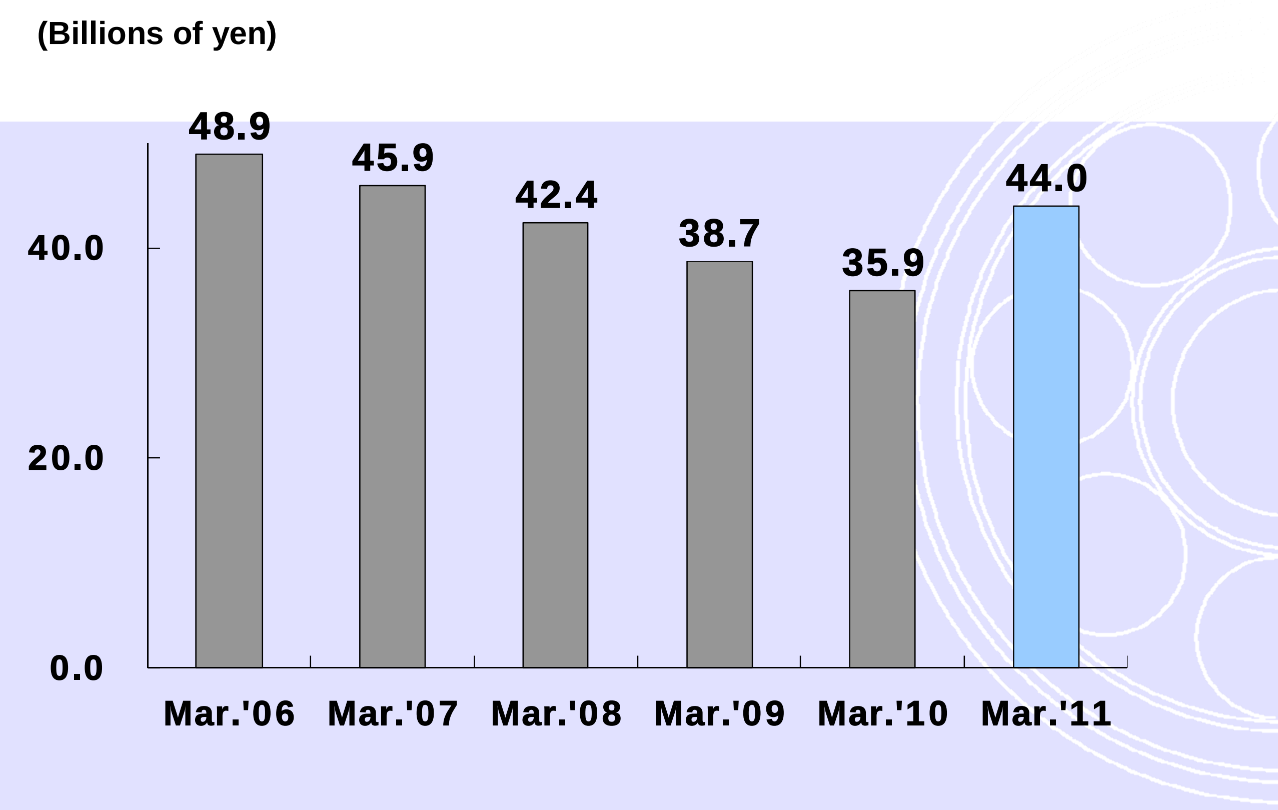


SG&A expenses for the fiscal year ended March 31, 2011 increased by 3.7 billion yen, due to increases in sales related expenses such as logistic costs compared to the previous fiscal year. On the other hand, SG&A expenses-to-sales ratio declined to 16.7%, which is a 1.3 percentage point improvement from the previous fiscal year, because of our continued companywide initiative to cut expenses.

For the fiscal year ending March 31, 2012, we expect an even lower SG&A expenses-to-sales ratio as we continue our efforts to hold expenses down.

Inventories

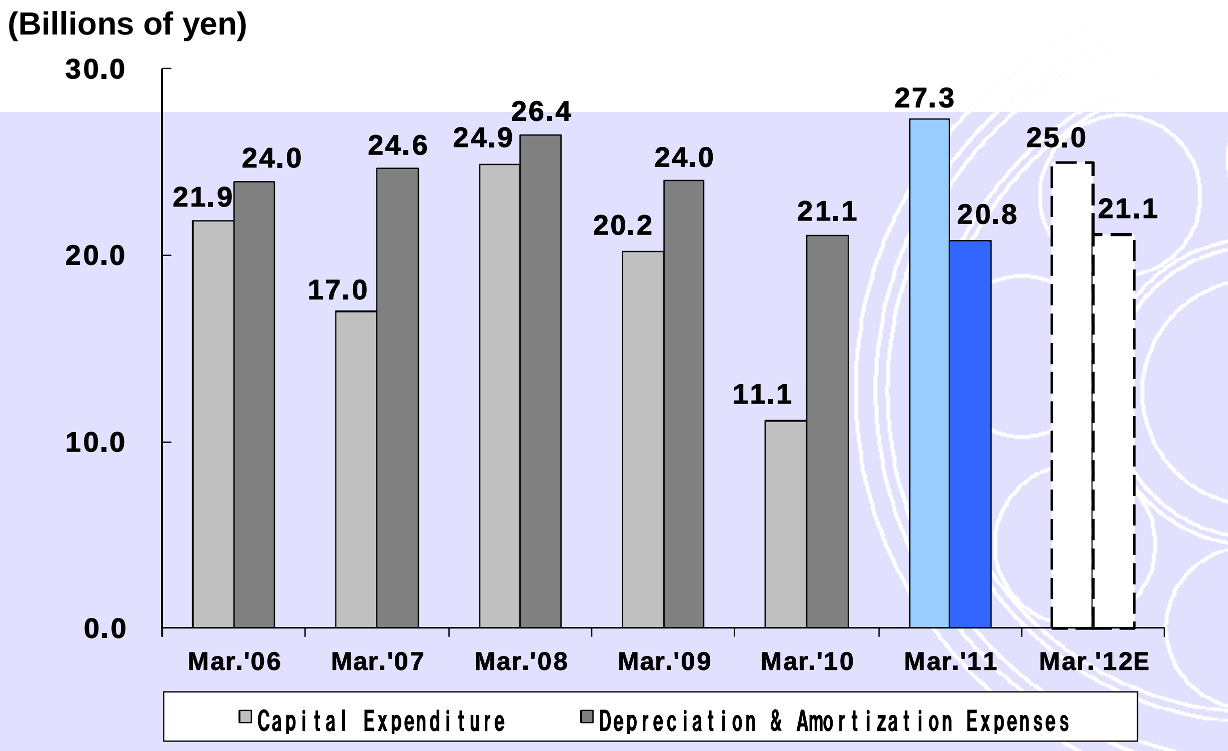
Yearly



Inventories as of March 31, 2011 increased by 8.1 billion yen compared to the end of the previous fiscal year. This was due to piling up stock in some businesses to avoid missing sales opportunities, and the acquisition of the brushless DC motor business from Panasonic. There was also an impact of supply chain disruption from the Tohoku Earthquake.

Capital Expenditure & Depreciation

Yearly



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

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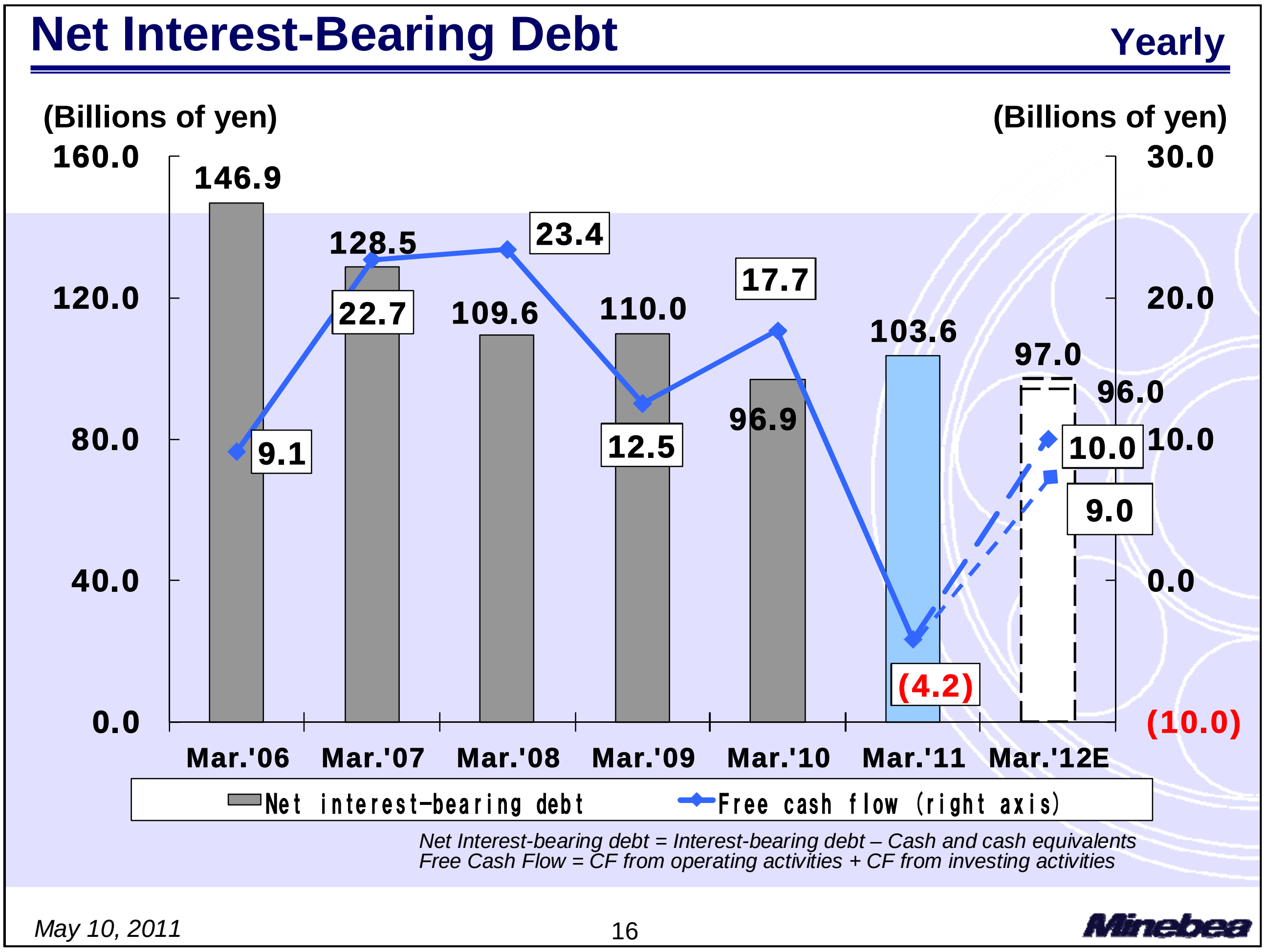
Capital expenditures for the fiscal year ended March 31, 2011 were originally planned at 30.0 billion yen as we were to aggressively expand our production capacity to respond to global economic recovery. We have worked to build a new ball bearing factory in Thailand, a new LED backlight factory in Suzhou, China, and a new small-motor factory in Cambodia. We have increased our production capacity in pivot assemblies and HDD spindle motors. We also realigned the production lines in our Thai factories. However, in the second half of the fiscal year, we noticed a change in our business environment as demand suddenly slowed down in some product markets such as the HDD market. We finished with a 27.3 billion yen investment for the fiscal year, as we trimmed our capital expenditure plan by cancelling a new pivot assembly plant in Thailand and others.

For the fiscal year ending March 31, 2012, we expect relatively high 25.0 billion yen of capital expenditures, as some of the investment projects we started last fiscal year will be accounted for this fiscal year. However, due to slowdown in demand growth in some businesses, we no longer have to increase our capacity at a pace assumed in the Medium-term Business Plan set up a year ago, and there are some supply chain disruptions in automobiles, electronics and other products caused by the Tohoku Earthquake in March. Therefore, we intend to minimize our capital expenditures by only investing in those which are necessary.



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

Free cash flow for the fiscal year ended March 31, 2011 decreased by 21.9 billion yen compared to the previous fiscal year, to negative 4.2 billion yen. This decrease was caused by a larger working capital requirement as we built up inventory to meet growing demand in addition to increased capital expenditures, even though net income increased. Accordingly, net interest-bearing debt at the end of the fiscal year increased by 6.7 billion yen from the previous fiscal year, to 103.6 billion yen.

We will continue our efforts in creating cash flows, and try to keep our net interest-bearing debt level at around 100 billion yen. As we do not assume the working capital requirement will increase significantly for the fiscal year ending March 31, 2012, we expect a positive 9 to 10 billion yen free cash flow range for the period.

Forecast for Fiscal Year Ending March 31, 2012

We assume economic recovery will pick up in the 2nd half as a base case. Upper and lower ends are set considering low visibility due to the Earthquake and other factors

(Millions of yen)	FY ended Mar. '11 Full year	Fiscal Year ending Mar. '12					
		1st Half		2nd Half		Full year	
		Upper end	Lower end	Upper end	Lower end	Upper end	Lower end
Net sales	269,139	135,000	123,000	150,000	137,000	285,000	260,000
Operating income	22,163	9,700	8,100	14,800	12,900	24,500	21,000
Ordinary income	20,364	8,700	7,100	13,800	11,900	22,500	19,000
Net income	12,465	4,400	3,300	8,600	7,700	13,000	11,000
Net income per share (yen)	32.61	11.50	8.62	22.47	20.13	33.97	28.75

Foreign exchange rates	Mar. '11 Full year	FY ending Mar. '12 Assumption
US$	¥86.04	¥84.00
Euro	¥113.22	¥111.00
Thai Baht	¥2.75	¥2.80
Chinese RMB	¥12.78	¥12.60

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This is a summary of our forecast for this fiscal year ending March 31, 2012.

We assume as a base case in that economic recovery will pick up in the 2nd half and our sales and profits will be weak in the first half but will increase in the second half contrary to what happened last fiscal year. On the other hand, it is very difficult currently to forecast due to the Tohoku Earthquake's impact, soaring raw material and energy costs, soaring labor costs in Asia, upward trends in interest rates in many parts of the world, political turmoil in Middle East countries, currency fluctuations, etc. We set upper and lower ends on our forecast range considering low visibility due to these factors.

Minebea

Policy and Strategy

May 10, 2011

Yoshihisa Kainuma

Representative Director,
President and Chief Executive Officer

Now let’s move on to policy and strategies.

Minebea

Why We Didn’t Reach Our Goals for the 2nd Half of FY Ended March 2011

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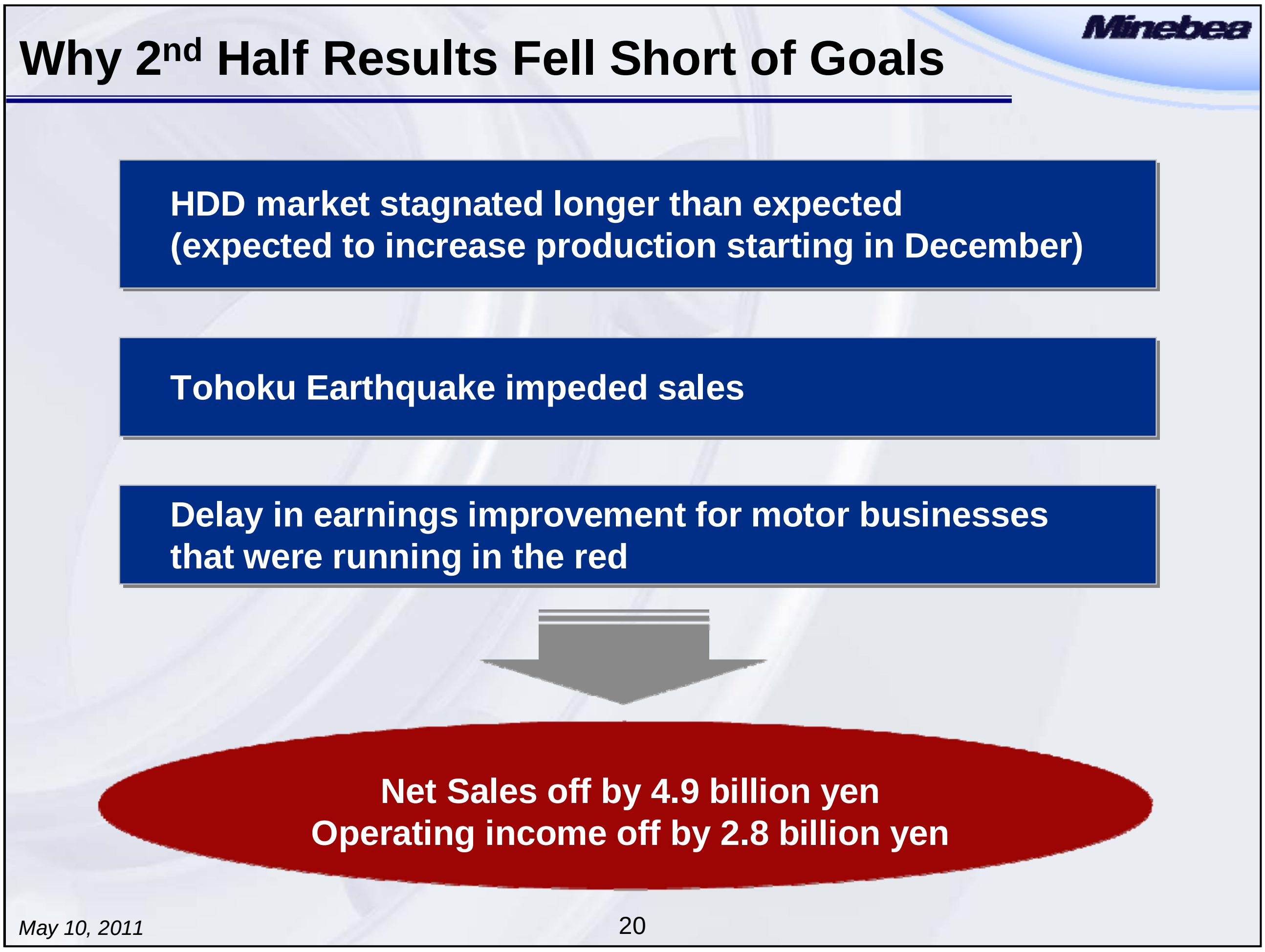
While we saw an approximate 10 billion yen year-on-year increase in operating income last year, the final results fell short of the goals announced at the November investor meeting by a little over 10%. I would like to begin with an explanation of why we didn't reach our goals.



Last year we had expected that the HDD market would grow at an annual rate of around 15%. In light of this forecast, Minebea and other component makers boosted their production capacity. As it turns out the market didn't grow as we had expected, so the scenario where the pivot assembly business would push our bottom line up never panned out.

The devastating earthquake that rocked northeastern Japan on March 11 significantly affected HDD spindle motors and other product lines. The sales volume of HDD spindle motors, which was already low to begin with, dropped approximately 30% because one of our customers was unable to secure a supply of IC chips for the particular HDD spindle motor model they used. This had a major impact on earnings. While the impact of the earthquake hit HDD spindle motors the hardest, our operations overall have been impacted in some way, with losses for March amounting to a little over 2 billion yen in sales and between 0.5 and 0.7 billion yen in operating income.

On top of the negative effects of the earthquake, earnings for some of our motor businesses that were running in the red did not increase as quickly as expected. Growth in earnings was stunted by the worse-than-expected effects of strong Asian currencies, hikes in material prices, a large wage increase in China, etc.

Achievements in FY ended March 2011

Minebea

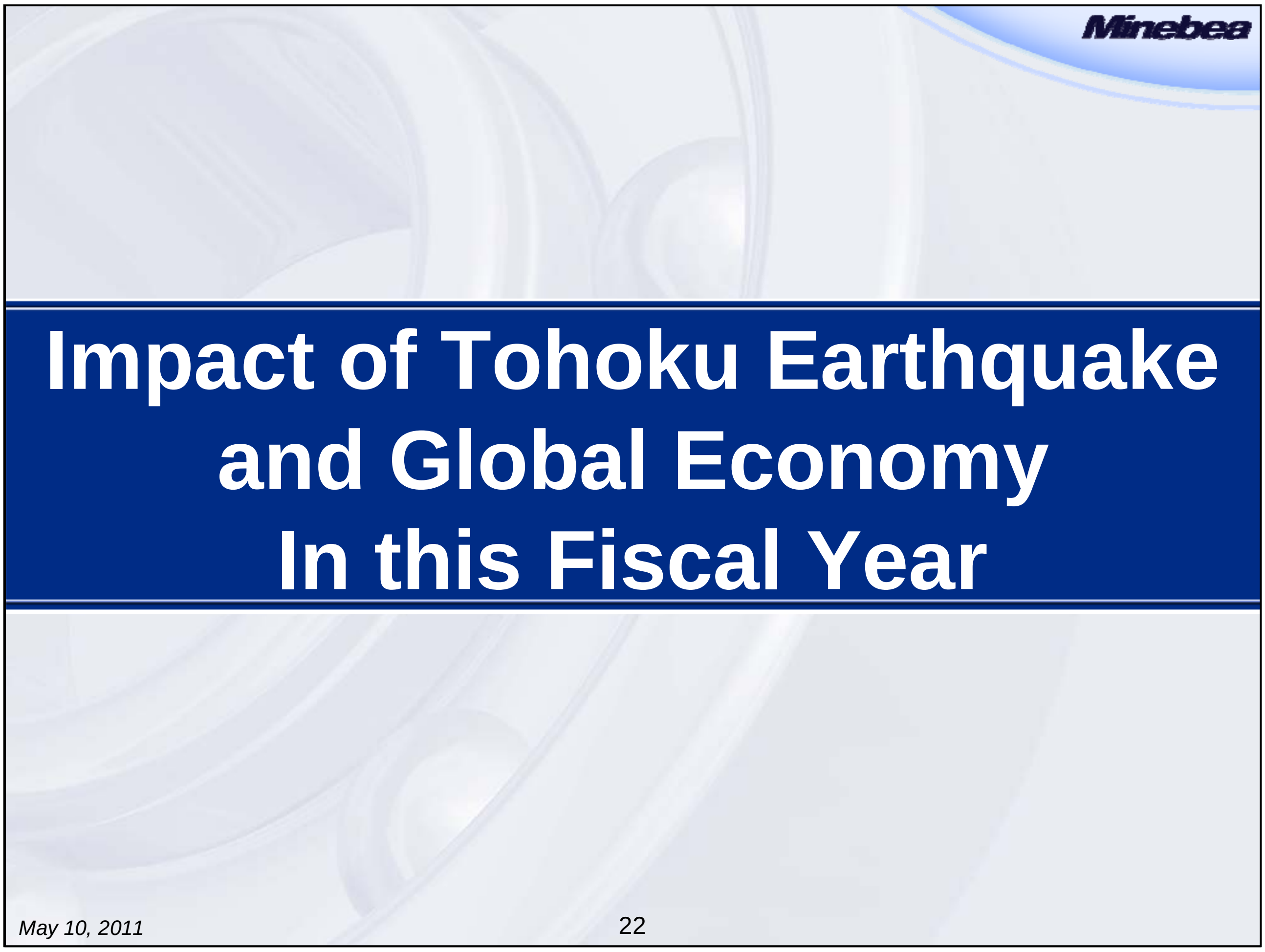
Fully turned the keyboard business around

Brushless DC motors started as a fully profitable business

New plant arrangements in Cambodia accelerated

Capacity expansion in ball bearings and LED backlights

This slide shows positive results we saw last fiscal year.



Now I'd like to focus on the current economic outlook for this fiscal year in light of the earthquake that hit northeastern Japan. This is a continually evolving scenario and the picture for our suppliers and related industries changes from day to day.

Impact of the Tohoku Earthquake

Production Equipment

- More than 90% of Minebea's production operations take place overseas. No damage caused to domestic factories.
- Operations were temporarily scaled down at the following factories due to rolling blackouts but they are back to normal now.
  Tokyo: Omori Plant, DPM
  Kanagawa: Fujisawa Plant Gunma: Matsuida Plant

Raw Materials and Components

- Basically no problem with the procurement of materials such as bearing steel
- Trying to trim finished goods inventory that are not essential

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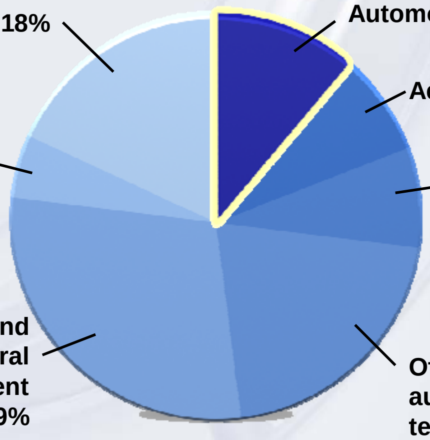
Fortunately, none of our production facilities were directly affected by the earthquake. Operations of our Fujisawa plants were temporarily suspended by rolling blackouts, but they are back to normal now. Although we initially had some concerns about raw materials and components, our fears have been put to rest.

Post-Quake Sales Forecast for Major Markets

Automobile Market Sales Forecast

Sales to Japanese auto makers will dip 40% for June quarter and 20% for September quarter below the forecast figures projected before the earthquake. Since we expect sales to recover during the second half, the full-year sales forecast will be 10% below the initial projection, with a 4% year-on-year decrease.

Sales by Market (FY 03/2011)



Automobile products

- Ball bearings
- Measuring components
- Resolvers
- Stepping motors
- Brush DC motors
- BLDC motors
- LED backlights
- Automotive fasteners

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Here are our post-quake sales forecasts for three selected markets.

While the outlook for automobile production is now clearer than it was, it is still hazy. This is what we expect for the automobile market.

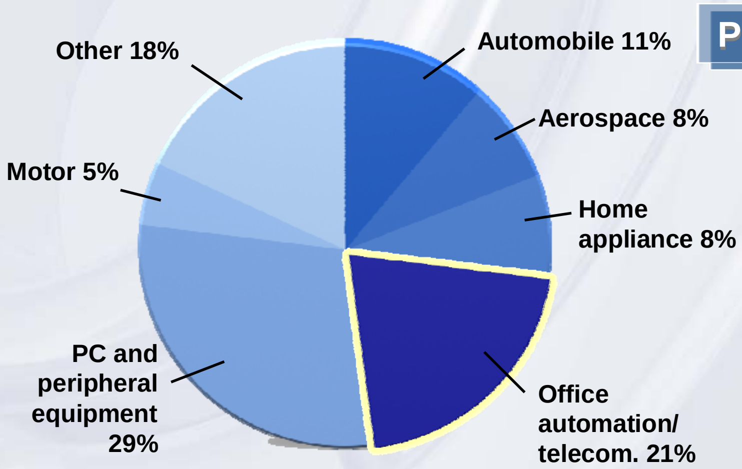
Post-Quake Sales Forecast for Major Markets

Minebea

Office Automation Equipment Market Sales Forecast

Sales to major Japanese office automation equipment makers during June quarter will be 20-25% lower than the forecast made before the earthquake. This decline will be offset in full-year sales, which are expected to increase 15% year on year.

Sales by Market (FY 03/2011)



Products for OA equipment

- Polygon mirror scanner motors
- Power brushless motors
- Stepping motors
- Fan motors
- Ball bearings

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The office automation equipment market is somewhat of a mixed bag. Some manufacturers were hit hard by the earthquake, while others went unscathed.

The post-quake sales decline will in the end be offset by full-year sales, which are expected to increase 15% year on year.

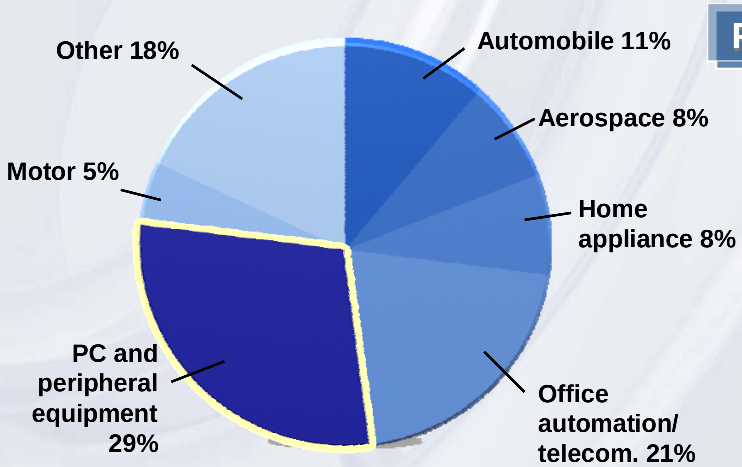
Post-Quake Sales Forecast for Major Markets

Minebea

HDD Market Sales Forecast

Sales to HDD manufacturers for June quarter will decline 4% below the forecast made before the earthquake. Sales for the whole fiscal year will be 3% lower due to the impact of the earthquake, but are expected to edge up 2% on a year-on-year basis.

Sales by Market (FY 03/2011)



Products for HDD

- Pivot assemblies
- HDD Spindle motors

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While the forecast we made last year for the HDD market was based on the assumption that the market would grow at an annual rate of around 15%, we decided that we should revise our strategy assuming now that the growth rate would be less than 5%. I will go over the revised sales strategy for ball bearings later on.

We now expect that the growth rate for this year will be no more than 2%.

Revisions to Medium-term Business Plan and Strategies

May 10, 2011

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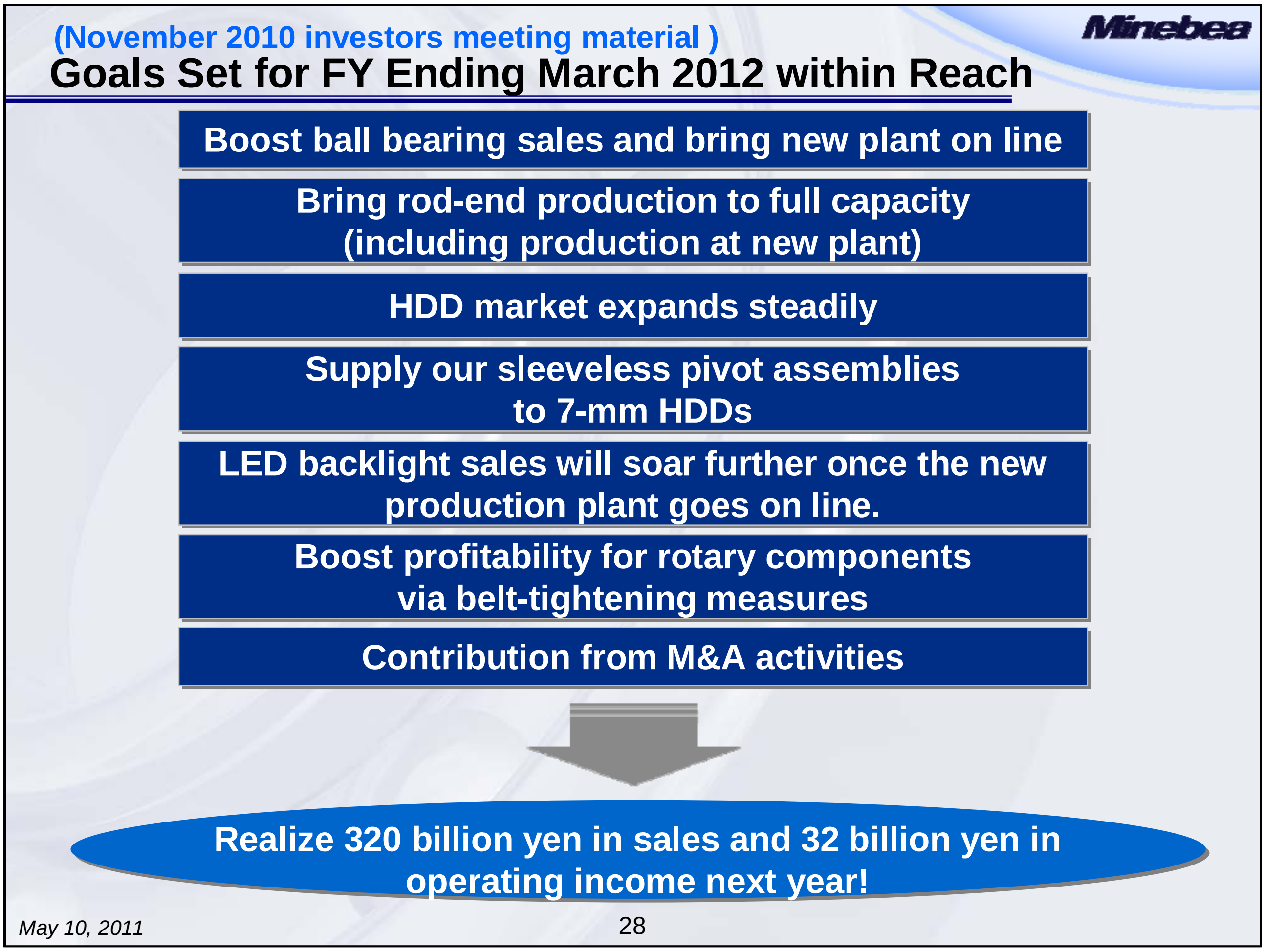
Working against this backdrop has given us cause to revise part of our medium-term business plan and strategies.



This is the same slide I used at the investor meeting held in November last year. I will use it as a reference to explain the changes we've made. We were planning to build two new ball bearing plants, one in Thailand and another in China which is targeting the low-priced mass-produced ball bearing market. In light of current events we are now rethinking this plan. After revising our annual growth forecast for the HDD market down from15%, we have decided it would be best to suspend construction of the new pivot assembly plant. The earthquake has also derailed our plans for boosting the profitability of rotary components. We don't expect to see profits rise this year as high as they have in the past.

Current circumstances have forced us to change the targets set for this year, the second year of our medium-term business plan.

In Light of Market Changes after Nov. 2010

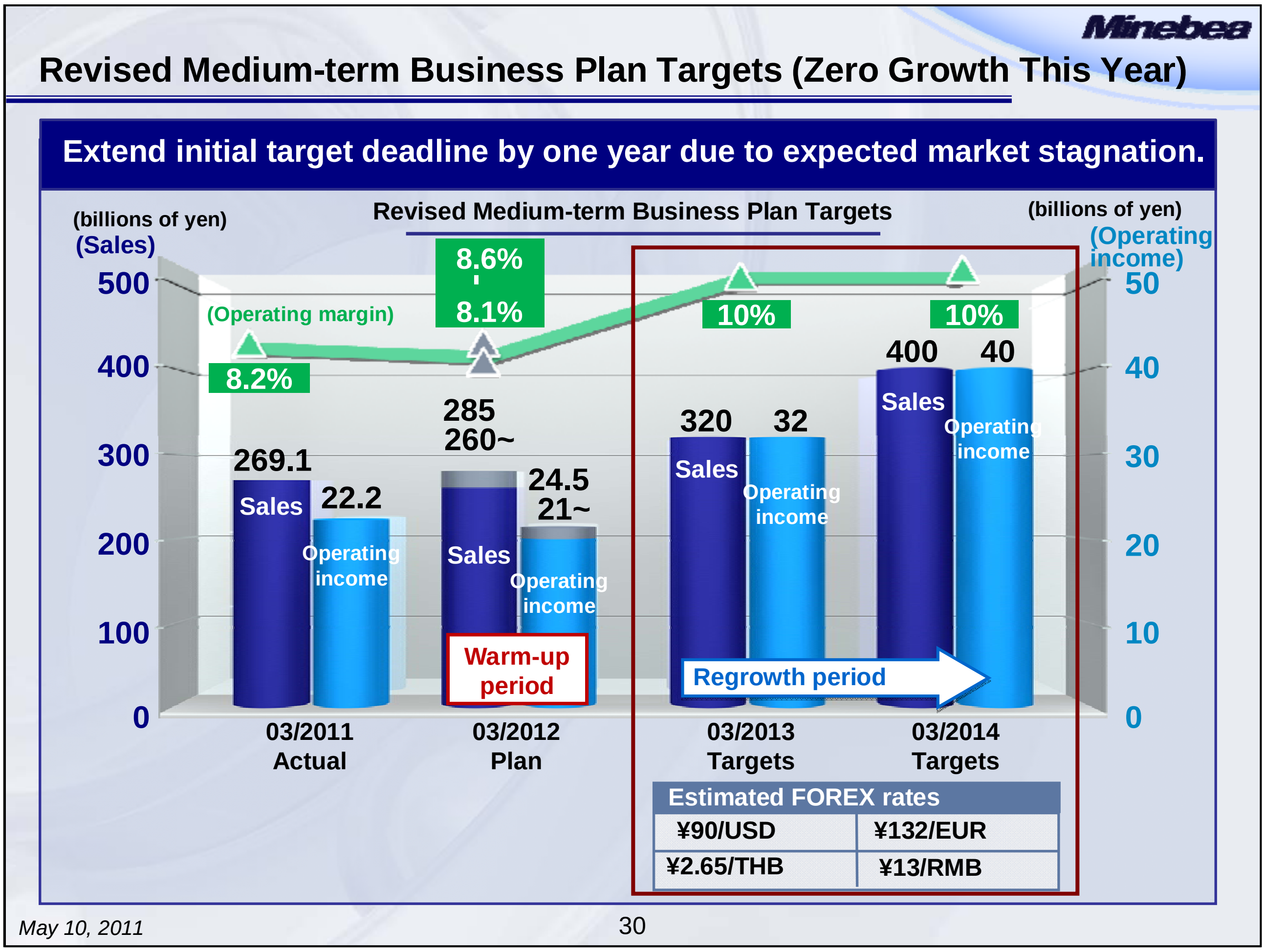
Bring rod-end production to full capacity (including production at new plant)

Supply our sleeveless pivot assemblies to 7-mm HDDs

LED backlight sales will soar further once the new production plant goes on line.

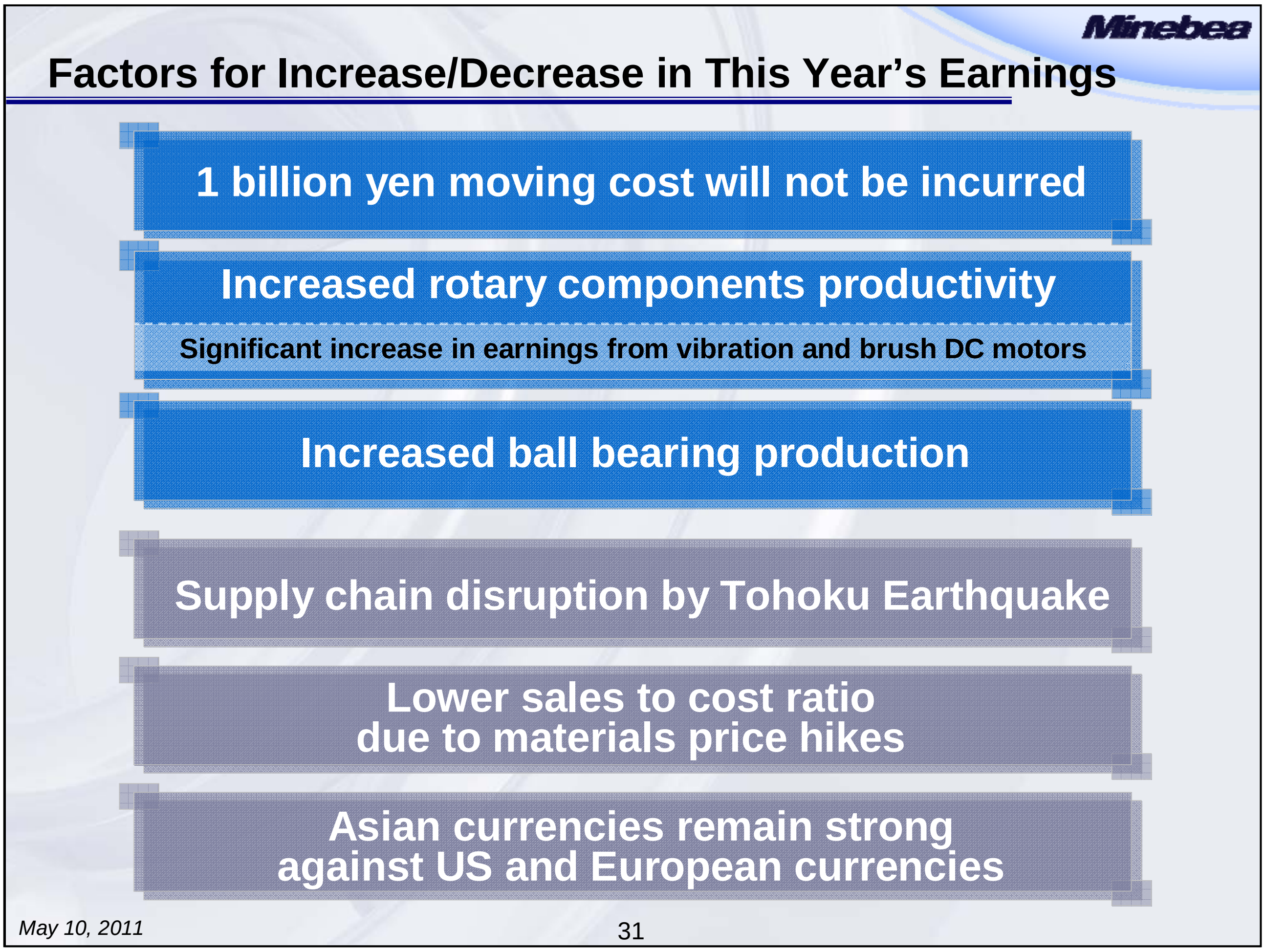
Contribution from M&A activities

We must revise medium-term business plan targets set for FY03/2012



This slide outlines the revised plan. Extending the three-year plan by one year, we are taking this crisis into an opportunity to use this year as a warm-up for our great leap forward next year.

Projected sales for this year will fall somewhere between 260 and 285 billion yen while operating income will be between 21 and 24.5 billion yen. Last year our earnings remained high in the first and second quarters but slowed down in the third quarter before sharply declining in the fourth quarter. This year, we had a slow start following on the heels of a stagnant fourth quarter but expect to see sales climb in the second and third quarters as the impact of the March 11 disasters gradually wanes. Today's hazy economic climate makes it extremely difficult to accurately predict future performance, so we've calculated our forecast figures within ranges.



Let's look at the factors behind the ups and downs in this year's earnings figures. We moved a number of production lines, including those for micro actuators, stepping motors and HDD spindle motors, as a result of realigning the Thai motor plant last year. Expenses associated with this transfer will not be incurred this year. We had assumed that operating income for rotary components would rise approximately 3 billion yen last November but were limited to raising it by only 2 billion yen this year. Operating income was hampered by various negative factors such as disruptions in the supply chain caused by the earthquake, materials price hikes, and strong Asian currencies.

While a large portion of ball bearing sales would have come from the pivot assembly market, we will take a different approach this year to boost ball bearing sales under the revised strategies that I will discuss in detail later.

Business Strategies [Revised]

Minebea

Cut capital investment and reduce depreciation costs

Revise ball bearing business strategies

Accelerate move to multi-location production system to minimize risk

Implement coping measures for falling HDD spindle motor prices

May 10, 2011

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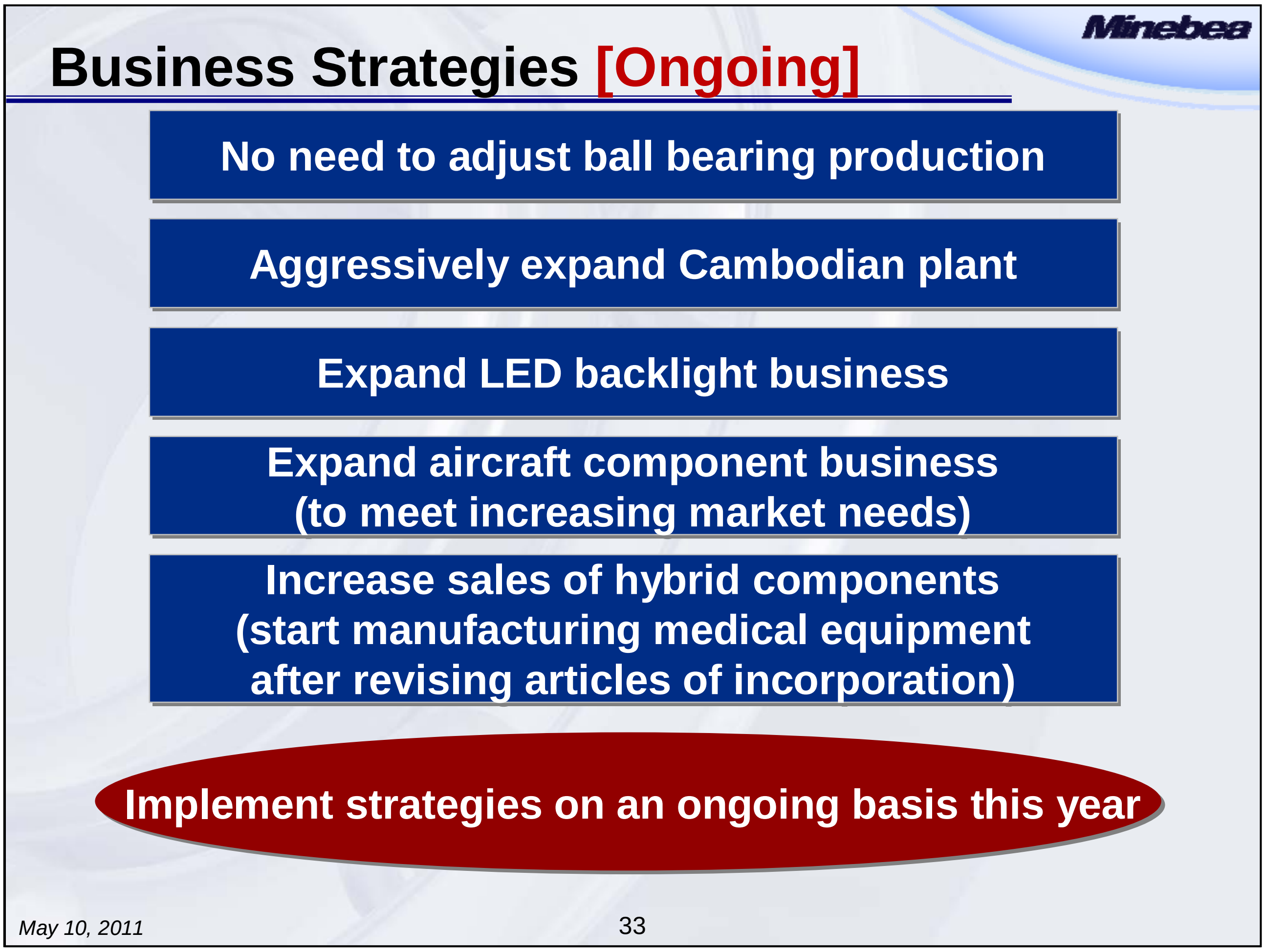
We made four changes to the strategies we announced in November last year.

First, we decided to suspend a part of the 93 billion yen capital investment included in the medium-term business plan in order to reduce depreciation costs.

Next we revised our ball bearing strategies, as I mentioned earlier.

One of the lessons we learned from the recent earthquake is that we should accelerate our shift to a multi-location production system in order to minimize risk. This is essential, especially for motor production.

We also need to implement measures to cope with falling HDD spindle motor prices.



These are ongoing strategies that we will continue to focus on and I will go into further detail about each later on. We will seek shareholder approval for adding the manufacture of medical equipment, under the "purpose of the company" outlined in the Minebea articles of incorporation, at the ordinary general shareholders meeting to be held in June. This move is designed to expand our hybrid component sales.

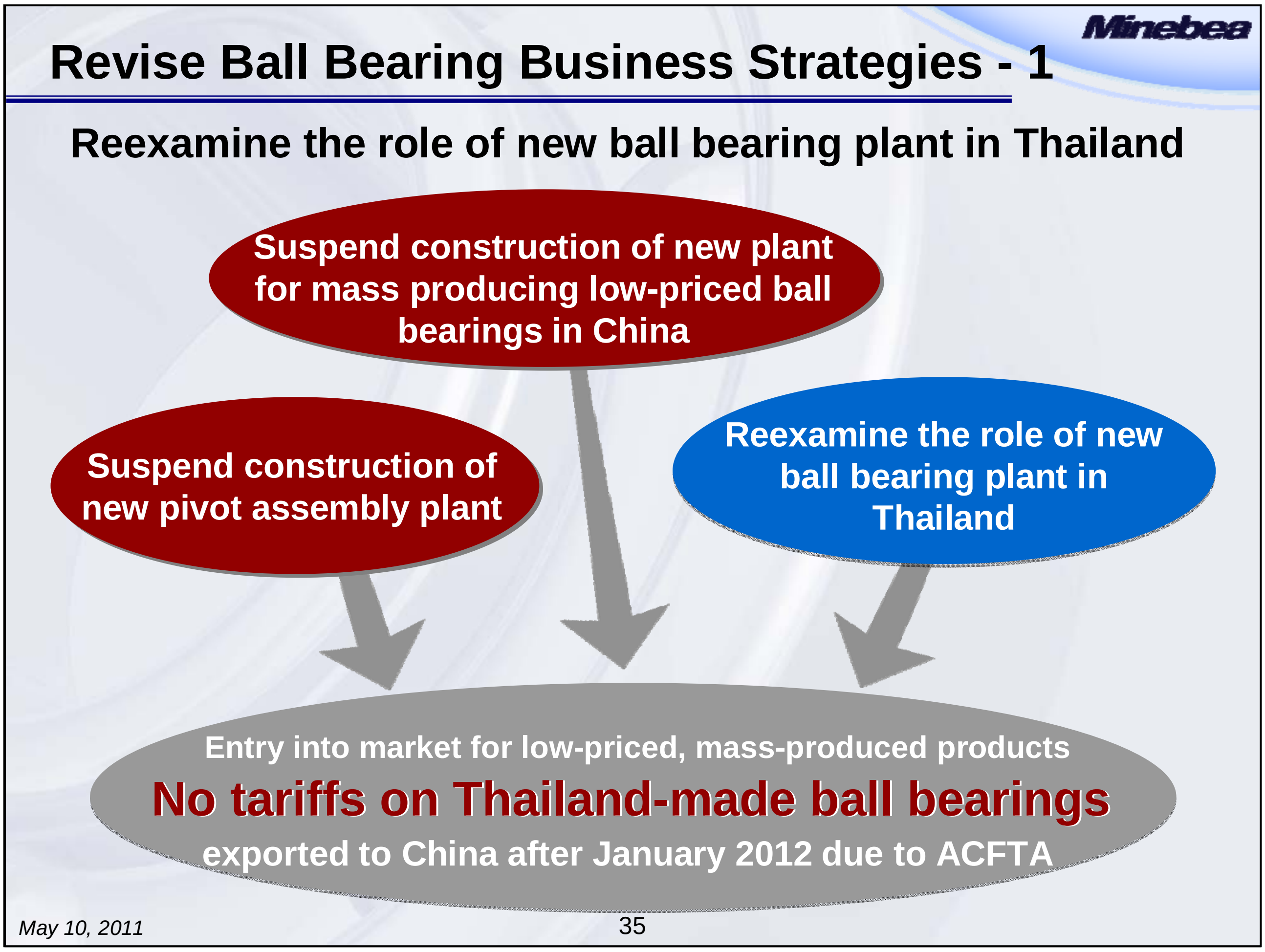
Cut Capital Investment and reduce Depreciation Costs

Suspend construction of new pivot assembly plant

Suspend construction of new plant for mass producing low-priced ball bearings in China

Reexamine the role of new ball bearing plant in Thailand

Although we initially outlined an aggressive capital investment plan amounting to 93 billion yen in our medium-term business plan, we decided to change directions on the assumption that the HDD market will slow down. This shift includes suspending construction of a new pivot assembly plant in Lop Buri as well as a new plant for mass producing low-priced ball bearings in China. We will also reexamine the role of the new ball bearing plant in Thailand, which was intended only to manufacture ball bearings to be used for pivot assembly production.



The new ball bearing plant being built in Thailand was designed as a dedicated ball-bearing-for-pivot-assembly plant. We had found a location for a new plant to mass produce low-priced ball bearings in China and were about to sign a contract.

An unpredictable HDD market, plus the cost advantage of the new ball bearing plant in Thailand, as well as the scheduled implementation of ACFTA (ASEAN-China Free Trade Area) in January next year has prompted us to shift gears. We will suspend the construction of the new Chinese plant and transform the role of the new Thai ball bearing plant from a dedicated ball-bearing-for-pivot-assembly plant to a multipurpose ball bearing plant designed to produce medium-sized ball bearings, low-priced ball bearings in addition to ball bearings for pivot assemblies. Our Thailand plant will mass produce low-priced ball bearings for export to China. While the tariff on ball bearing exports from Thailand to China used to be 8%, it is now 5%. Once ACFTA goes into effect in January 2012 there won't be any tariffs on Thailand-made ball bearings exported to China.

Revise Ball Bearing Business Strategies - 2

Minebea

Reexamine the role of new ball bearing plant in Thailand

Shift from dedicated pivot production plant to multipurpose ball bearing plant

- New ball bearing plant (Bang Pa-in, Thailand)
- Expansion of ball plant (Lop Buri, Thailand)
- Products: products for pivot assemblies; low-priced, mass-produced products targeted at emerging markets; and medium-sized products
- Scheduled to go on line in fall 2011

New ball bearing plant currently under construction (Bang Pa-in, Thailand)

You can see the plant on this slide. A new 270-meter-long building, next to the existing front-end processing facility, is currently under construction. Once the new building is completed, the entire plant will boast a combined length of approximately 400 meters.

This advanced resource-saving plant is designed to accommodate 800 employees on the production floor for maximum cost efficiency. Located right next to the existing Bang Pa-in plant, it requires virtually no indirect labor.

We have also set up shop in Brazil, China and India in order to strengthen our sales network in these emerging markets. Our plan is to make further inroads into these burgeoning markets that are expected to continue growing by leaps and bounds.

Minebea

Accelerate move to multi-location production system to minimize risk

Fan motors and other information motors are currently produced at a single factory

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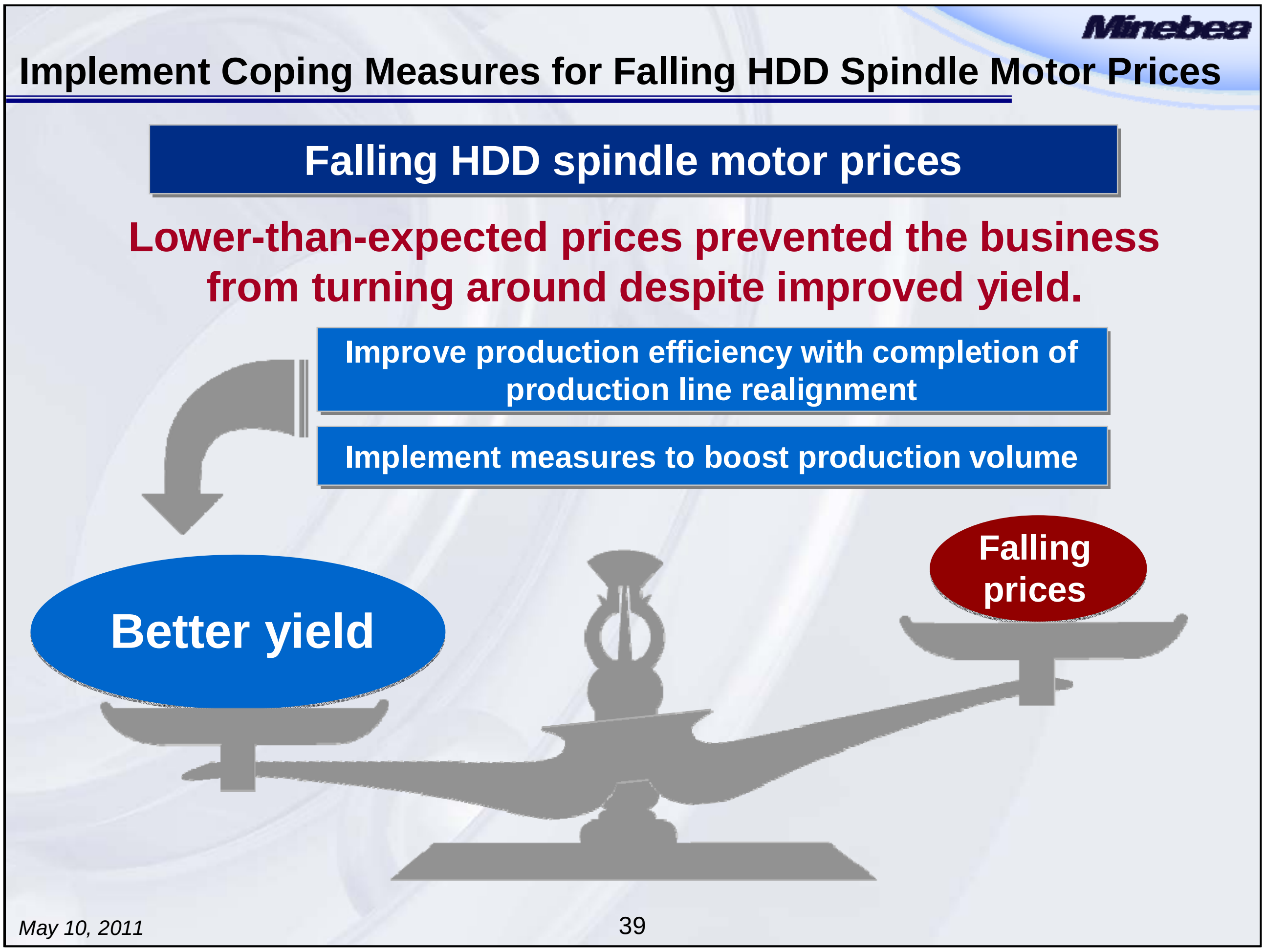
Need to expand production locations to minimize risk (lesson learned from earthquake)

Leverage Cambodian plant to promote dual-source production of motors

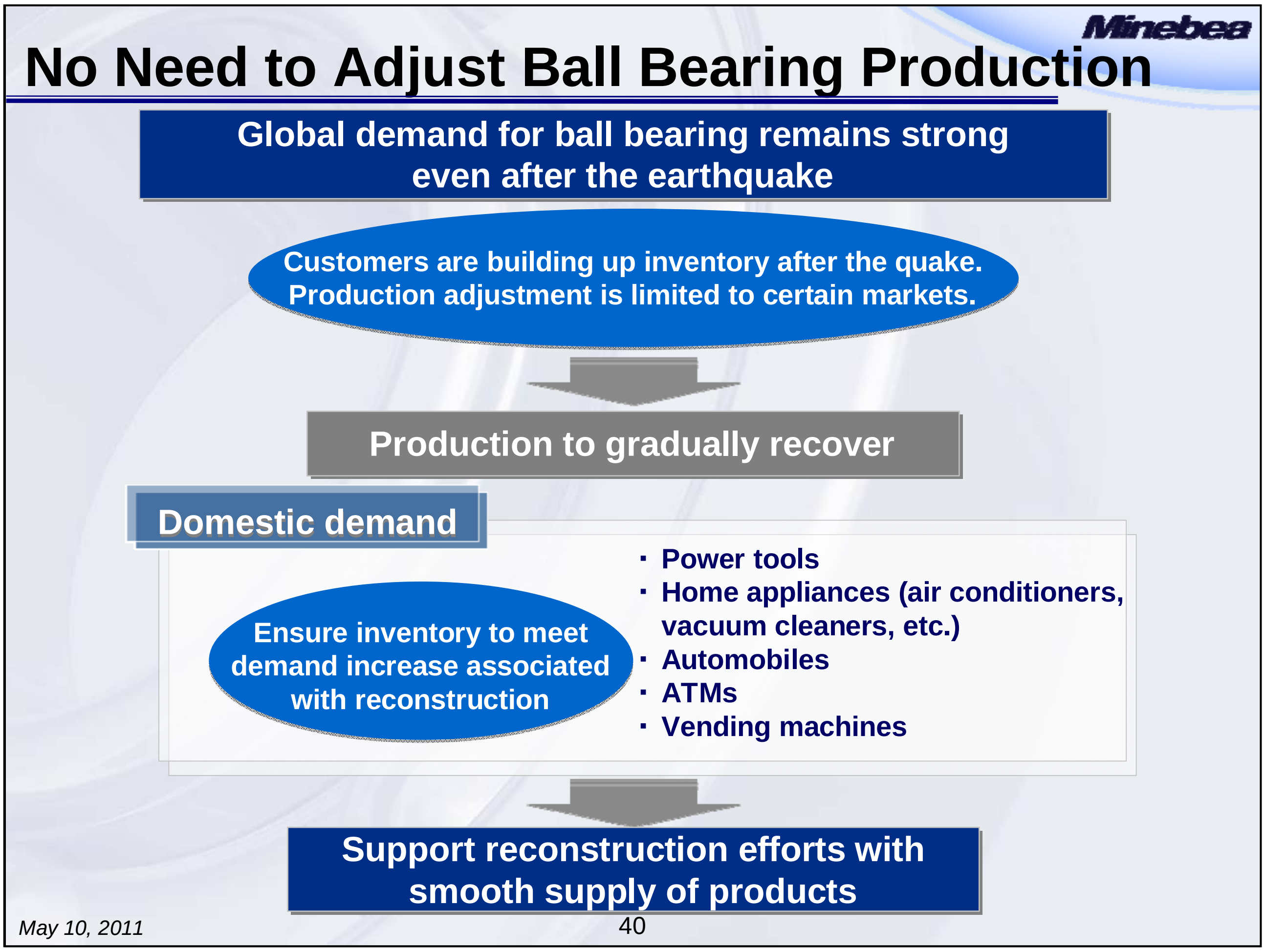
May 10, 2011 38

The experience of this recent earthquake has prompted us to swiftly implement a multi-location production system designed to minimize risk. While we are already producing machined components and electronic components in multiple locations, some of our motor products are produced in a single factory. It's vital that we diversify risk. That's why we are going to leverage our new Cambodian plant to begin dual-source production of motors.



We were able to significantly improve HDD spindle motor yield after concentrating a great deal of our, albeit limited, resources on the HDD spindle motor business.

The only downside to this effort was the bigger-than-expected price drop. Production declined about 30% in March due to the broken supply chain following the devastating earthquake, resulting in a larger deficit. Although production continued to lag in April, we have been informed by our customers that their production lines will start to pick up in May. We will implement measures to cope with falling prices, including boosting production efficiency and production volumes further, so we will be able to turn the HDD spindle motor business around as soon as possible.



Although ball bearing sales to domestic automobile makers declined, demand from other customers is still very strong. Demand for the products listed on the slide will increase in the areas affected by the earthquake as reconstruction work continues. We will keep ball bearing production up to support these reconstruction efforts.

Aggressively Expand Cambodian Plant - 1

Minebea

Obtained Pioneer Incentive, for exclusive right to produce small motors (50 W and lower) in Cambodia for 5 years

Early entry into Cambodian market ⇨ Aggressively expand

Temporary factory went on line in April 2011

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In December last year, we obtained the Pioneer Incentive, granting us the exclusive right to manufacture small motors in Cambodia. This means Minebea (Cambodia) Co., Ltd. will be Cambodia's sole producer of small motors of 50 watts or less for the first five years of production.

We will enhance the position of the new Cambodian plant for small motor production as we move quickly to leverage its strength.

Aggressively Expand Cambodian Plant - 2

Strategic positioning of Cambodian plant

Increase product lines

- **Micro actuators**
- **Brush DC motors**
- **Vibration motors**
- **Other information motors**

Minebea plant to open in December 2011

Rendering of Minebea plant

Construction of the plant is moving ahead quickly so it can go on line as scheduled this December. As you can see from the slide, it's going to be a big facility. Production of micro actuators and brush DC motors has already started at a leased facility and we are looking to start production of vibration motors and other motor products in Cambodia as soon as possible.

Expand LED Backlight Business -1

Minebea

Rapid growth of smartphone market

Boost LED backlight production capacity ahead of schedule

New LED backlight plant went on line in April 2011

Minebea Electronic Devices (Suzhou) Ltd. (China)

Gain major share of global market for small LED backlights
Monthly production capacity to reach 30 million units by fall 2011

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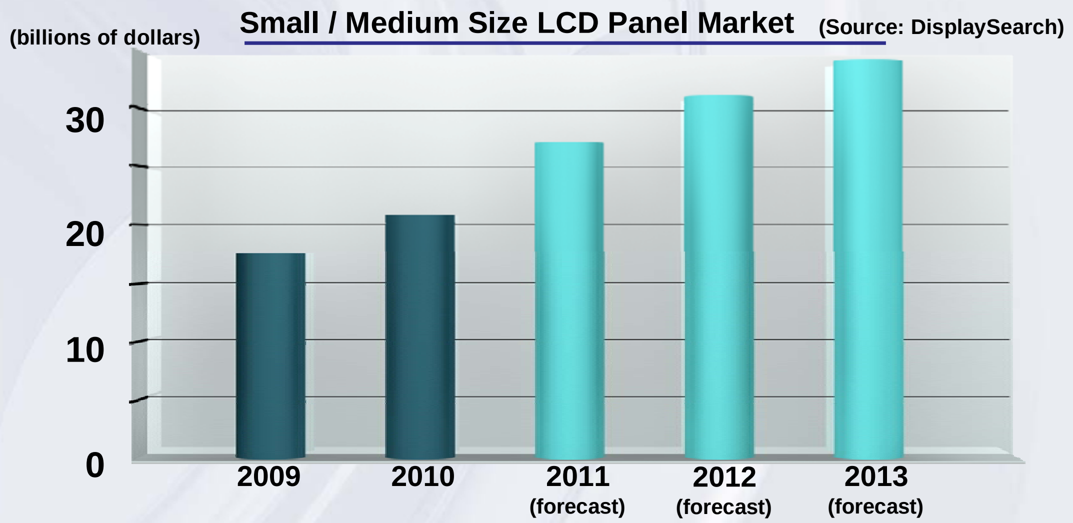
The LED backlight plant in Suzhou went on line in April as scheduled.

As the earthquake stifled the operations of one of our suppliers, LED backlight production volume declined in March and April, but production is back to normal now. We expect to see a spike in production this May and June.

The LED backlight business is projected to grow by a wide margin this year.

Expand LED Backlight Business -2



Focus on smartphone and tablet PC markets

LED lighting market quickly expanding worldwide
LED downlight market to reach 1 trillion yen by 2013

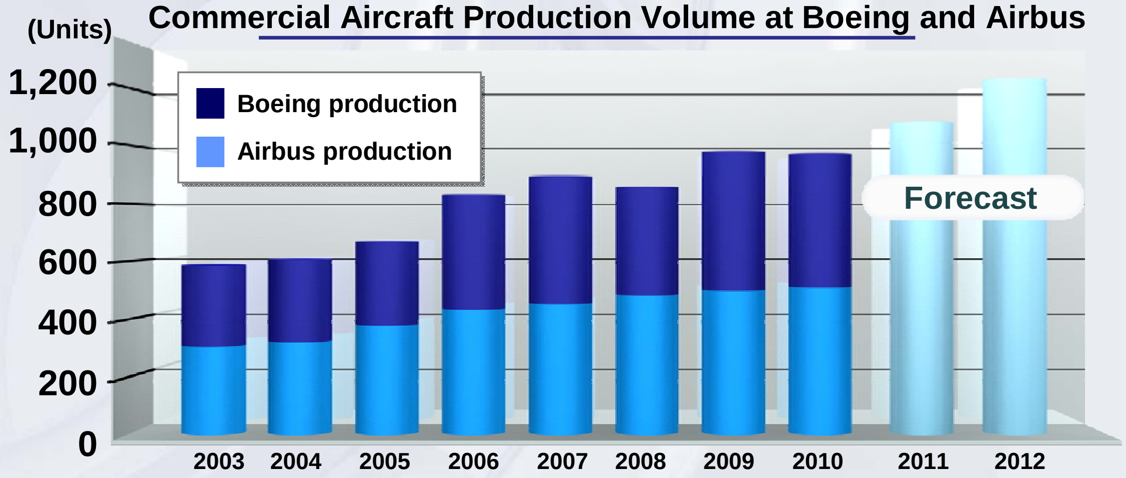
Gain the largest share of the global market for LED backlights for small and medium-size LCD panels

May 10, 2011

Expand Aircraft Component Business (to meet increasing market needs)

Increasing orders will fuel aircraft market growth over the medium run as production of new aircraft models shifts into high gear.

Commercial Aircraft Production Volume at Boeing and Airbus



(Source: Boeing, Airbus, forecast by Minebea)

- **Work on expanding product range**
- **Move more production to Thai plant to reduce costs**

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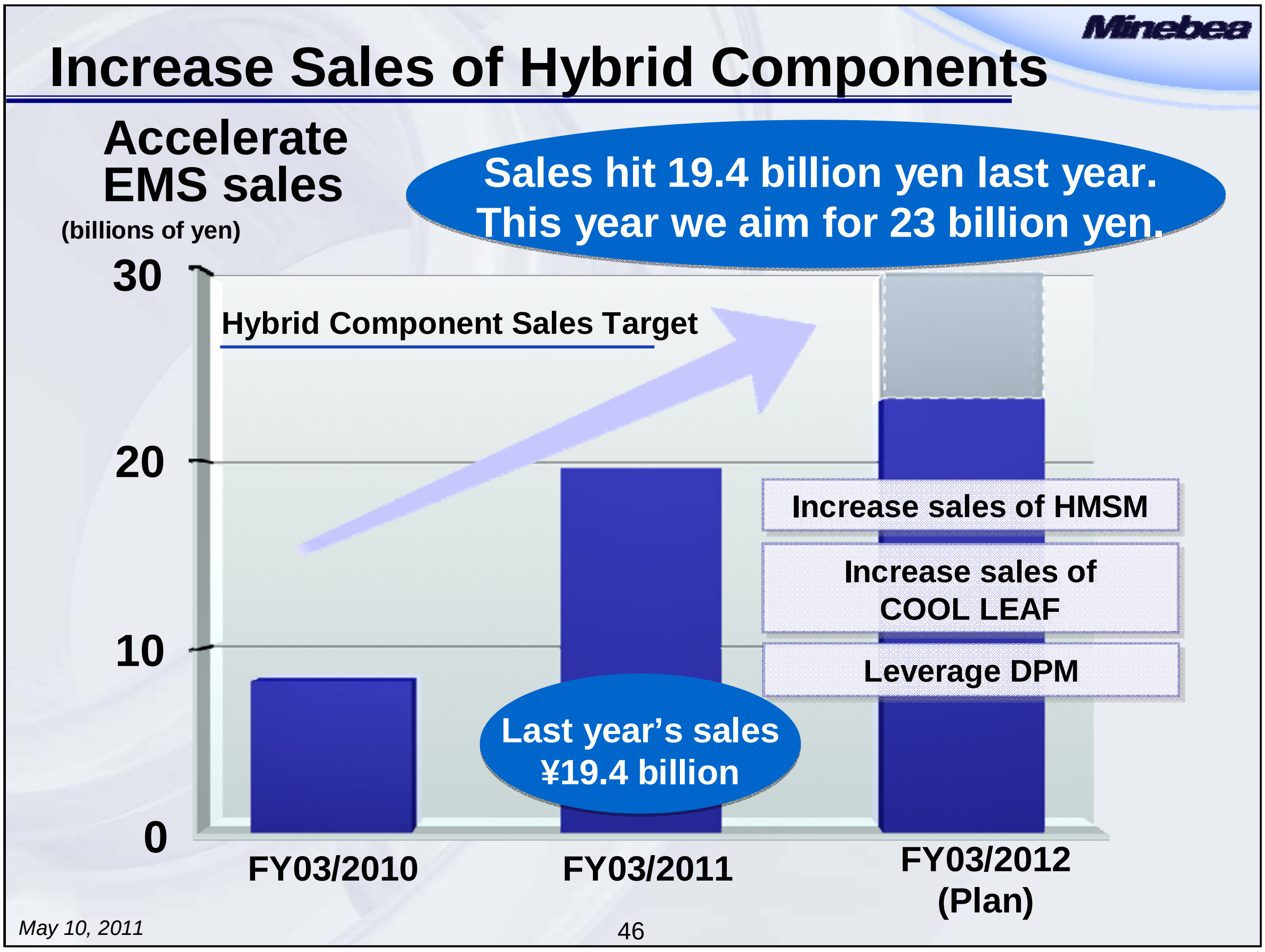
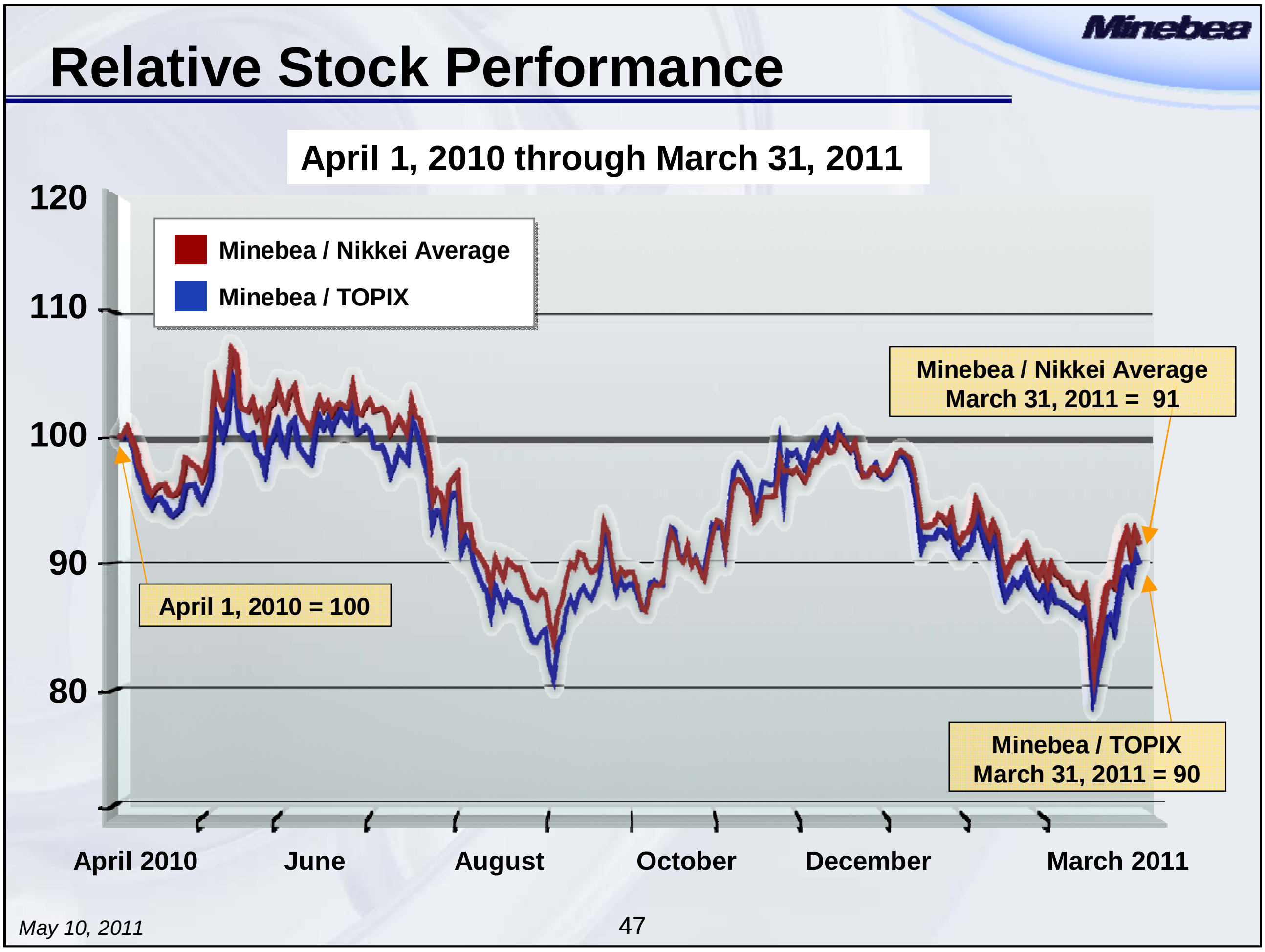
Production in the commercial aircraft market is also picking up pace.

The increasing sales of aircraft components we have projected should bring our bottom line up.



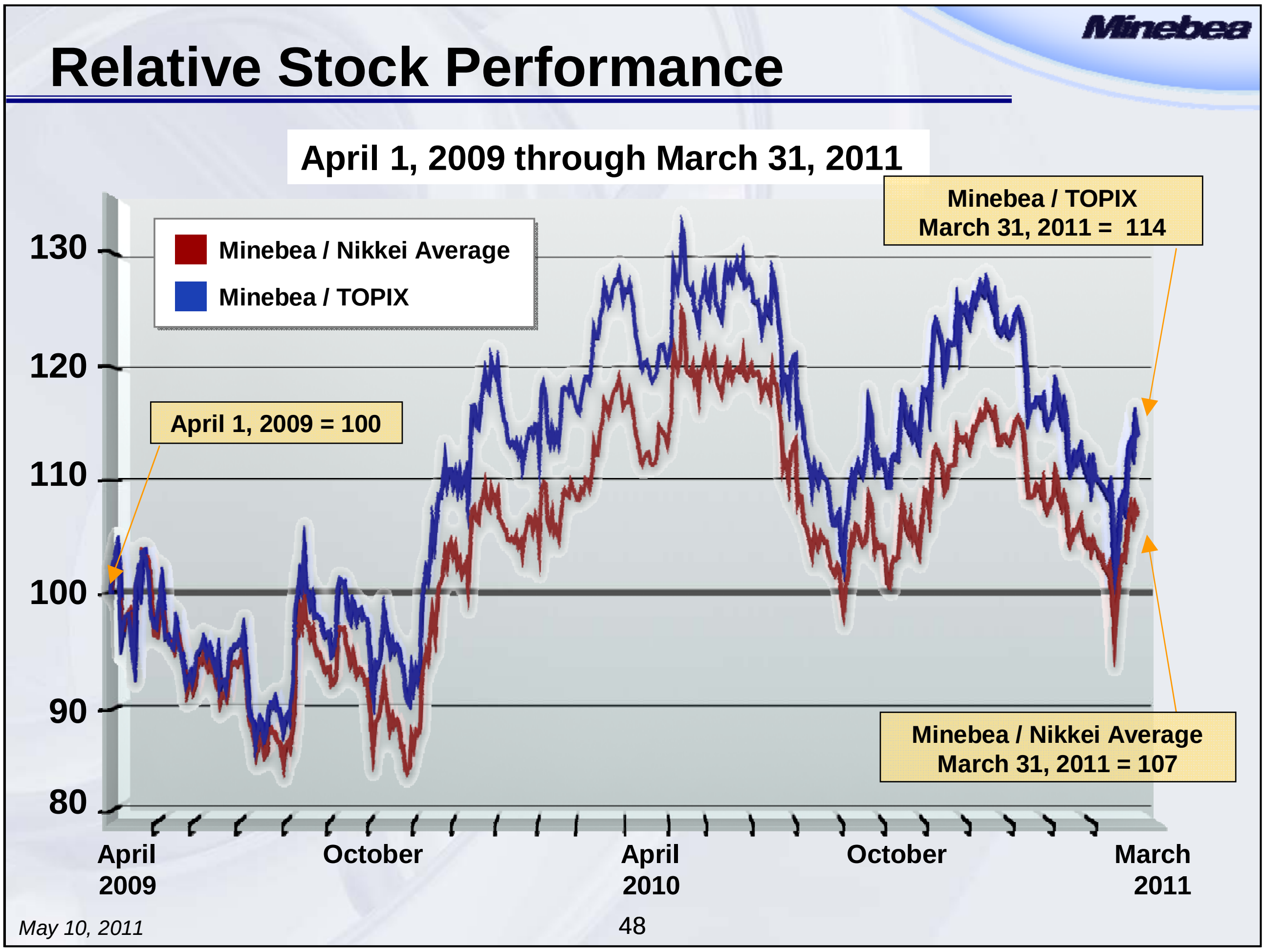
We've been aiming to achieve 30 billion yen in hybrid component sales by the fiscal year ending March 2012.

Last year we saw a surge in sales that brought the total to 19.4 billion yen. Unfortunately, our sales target for this fiscal year is limited to 23 billion yen. While sales of HMSM and COOL LEAF products are still slow, we expect sales to take off in the third year. Although pinning down a mass production method for our COOL LEAF line delayed its launch, we can now look forward to a mid-May release.



Since I've been president, I've always told people, both inside and outside the company, that our share price is our report card.

I'm afraid that our share price has dipped about 10% on the Nikkei Average or TOPIX since April 1, 2010.



Then again, if you compare it with the Nikkei Average or TOPIX from two years ago, the share price is up about 10%.

Financial Strategies

Dividend Policy

Dividend

FY03/11 year-end dividend: **4** yen/share Total year: **7** yen/share

Dividend forecast for FY03/12: 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.

We plan to continue to pay a dividend of 7 yen per share this year, with an interim dividend of 3 yen per share and a year-end dividend of 4 yen per share.

Minebea

Net Interest-bearing Debt, Repurchase, and M&A

Focus on creating free cash flow and maintaining sound financial structure

- **Continue to focus on maintaining sound financial structure and creating cash flow**
- **Keep net interest-bearing debt in ¥100 billion range**

Maintain strategy to repurchase own shares

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

M&A strategy

- **Work actively toward realizing M&As that create synergy and accelerate growth.**
- **Analyze our current status and work to further enhance our strengths while bolstering areas where we find weaknesses.**

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Our strategies for net interest-bearing debt, repurchase of our own shares, and M&A remain the same as before.

We would like to express our deepest condolences and sympathy to the victims of the Tohoku Earthquake and sincerely hope that all affected areas will recover from this tragedy as soon as possible.

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.