

***Minebea***

# Business Results

**First Quarter of Fiscal Year  
Ending March 31, 2012**

**July 29, 2011**  
Minebea Co., Ltd.

## Summary of Consolidated Business Results for 1Q

**Profits declined due to supply chain disruption by the Tohoku Earthquake, worse product mix, higher wages and higher startup costs from new factories**

(Millions of yen)	FY ended Mar. '11		FY ending Mar. '12	Change	
	1Q	4Q	1Q	YoY	QoQ
Net sales	67,891	63,944	64,802	-4.5%	+1.3%
Operating income	6,024	4,194	2,303	-61.8%	-45.1%
Ordinary income	5,600	3,710	1,870	-66.6%	-49.6%
Net income	3,815	1,816	668	-82.5%	-63.2%
Net income per share (yen)	9.99	4.75	1.76	-82.4%	-62.9%

Foreign exchange rates	1Q of FY Mar. '11	4Q of FY Mar. '11	1Q of FY Mar. '12
US\$	¥92.81	¥81.78	¥82.04
Euro	¥120.53	¥110.55	¥118.54
Thai Baht	¥2.86	¥2.67	¥2.72
Chinese RMB	¥13.60	¥12.39	¥12.57

July 29, 2011

1

**Minebea**

Looking at consolidated business results for the first quarter of the fiscal year ending March 31, 2012, net sales were 64,802 million yen, an increase by 1.3% from the previous quarter; operating income was 2,303 million yen which was a decrease by 45.1% from the previous quarter; and net income was 668 million yen, a decrease by 63.2% from the previous quarter.

Net sales increased by 1.3% from the previous quarter due to firm sales growth overall in ball bearings, rod-ends and fasteners and pivot assemblies, despite negative impacts from the Tohoku Earthquake.

Operating income decreased because of the earthquake's negative impacts on our sales to automobile and office automation equipment industries resulting in a worse product mix, and on our LED backlight production due to shortage of some materials. Income was also decreased by higher wages, and startup costs of new Cambodia and Suzhou factories both which came online in April.

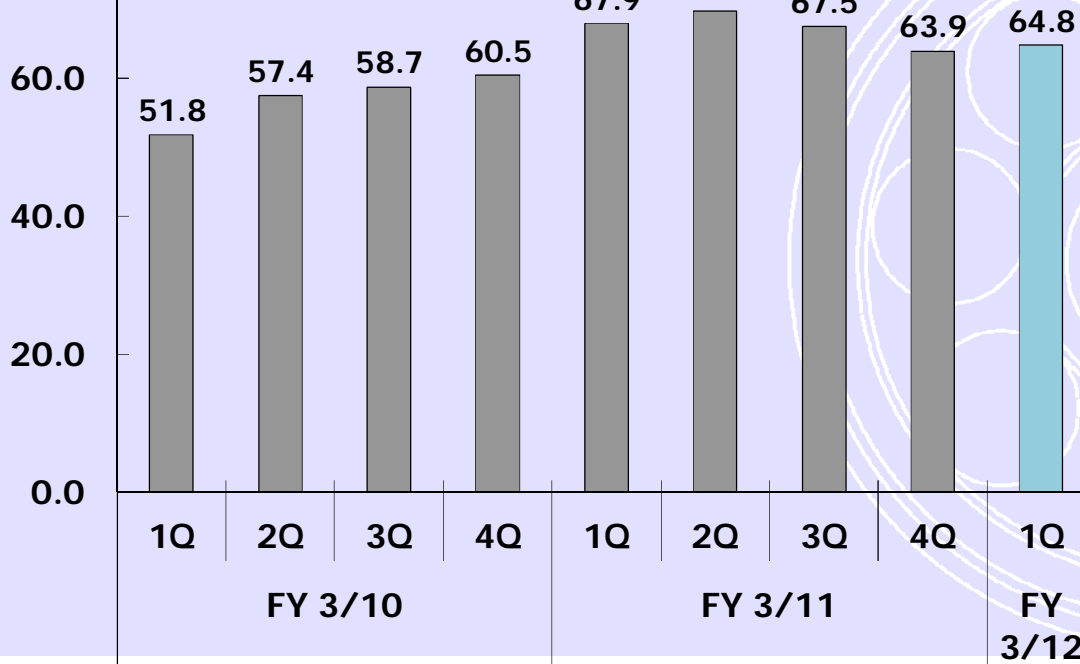
# Net Sales

Quarterly

(Billions of yen)

80.0

Decreased 4.5% YoY  
Increased 1.3% QoQ



July 29, 2011

2

Minebea

In the first quarter of the fiscal year ending March 2012, net sales were down 4.5% from the same period last year due to the weaker U.S. dollar against the Japanese yen and other currencies, even though global economy has been recovering. Based on certain assumptions, we estimate the currency impacts on net sales was approximately a negative 4.7 billion yen compared to the same period of the last fiscal year, and approximately a positive 0.8 billion yen from the previous quarter.

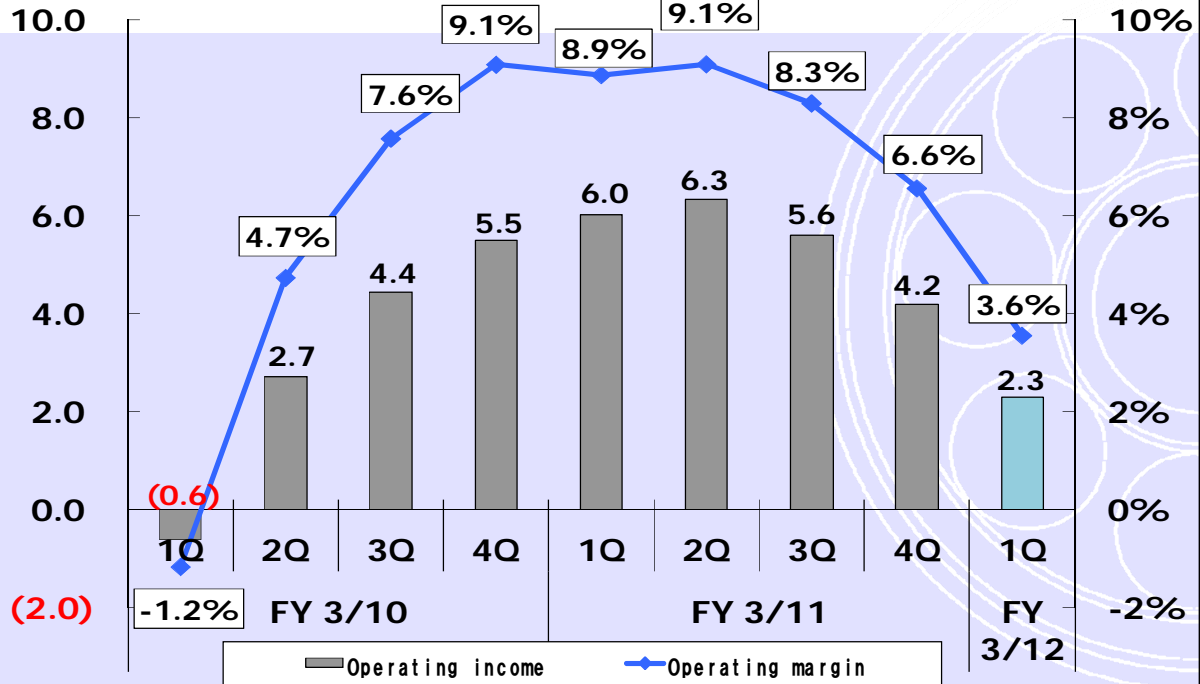
We expect higher net sales from the second quarter because recoveries in our customers' production from the quake are much faster than previously expected.

# Operating Income

Quarterly

Decreased 61.8% YoY  
Decreased 45.1% QoQ

(Billions of yen)



July 29, 2011

3

Minebea

Operating income for the first quarter decreased 61.8% from the same period last year to 2.3 billion yen due to the negative impacts from the earthquake and currency, worse product mix, higher wages, and startup costs from new factories. Operating margin decreased by 5.3 percentage points compared to the same period last year to 3.6%.

Based on certain assumptions, we estimate the currency impact on operating income was approximately a negative 0.3 billion yen compared to the same period of the last fiscal year, and almost no impact compared to the previous quarter.

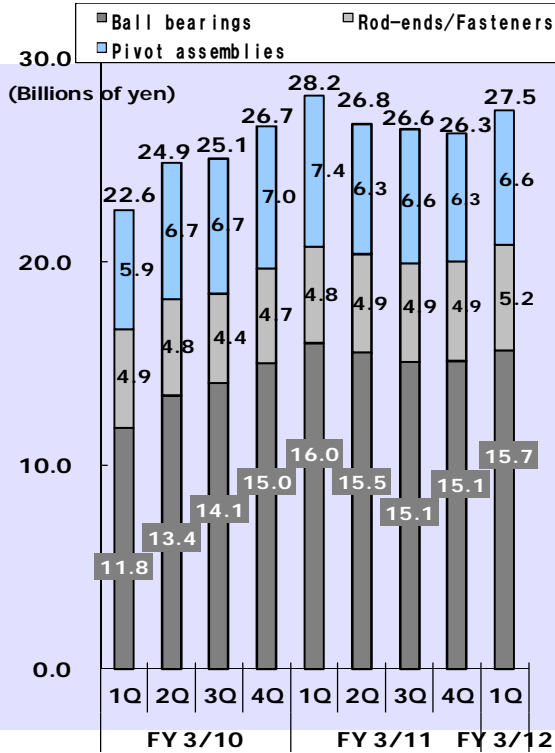
We expect operating income to see a large recovery from the second quarter as sales recover.

# Machined Components Business

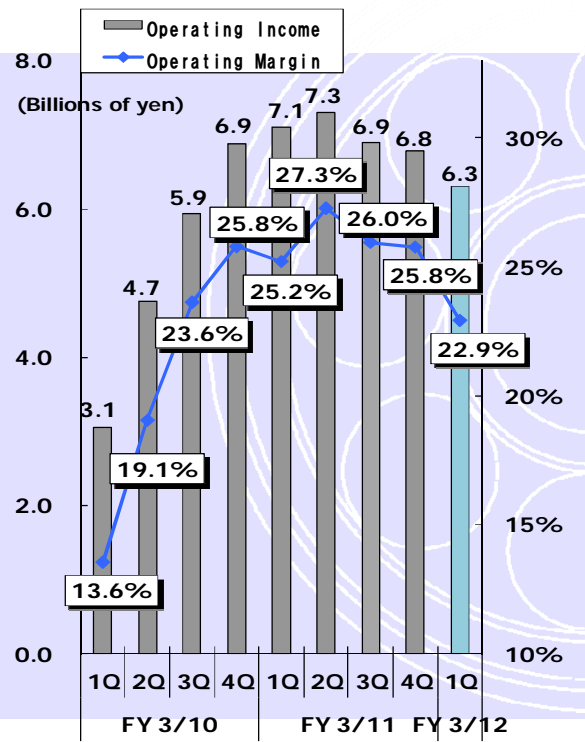
Quarterly

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

## Net sales



## Operating income



July 29, 2011

4

Minebea

For the Machined Components business segment, first quarter net sales were 27.5 billion yen, up 4.4% from the previous quarter. Operating income was 6.3 billion yen, down 7.1% from the previous quarter. Operating margin was 22.9%, down 2.9 percentage points from the previous quarter.

First quarter sales of miniature and small-sized ball bearings increased by 4.0% from the previous quarter to 15.7 billion yen due to strong global demand, despite the negative impacts from the earthquake in Japanese automobile and office automation equipment production. However, profits declined due to temporarily worsened product mix by the quake, higher material, electricity and wage costs and an increase in unrealized profits. Because markets are expected to expand firmly, we will increase our production capacity gradually as we have a new Thai factory ready by this autumn as scheduled.

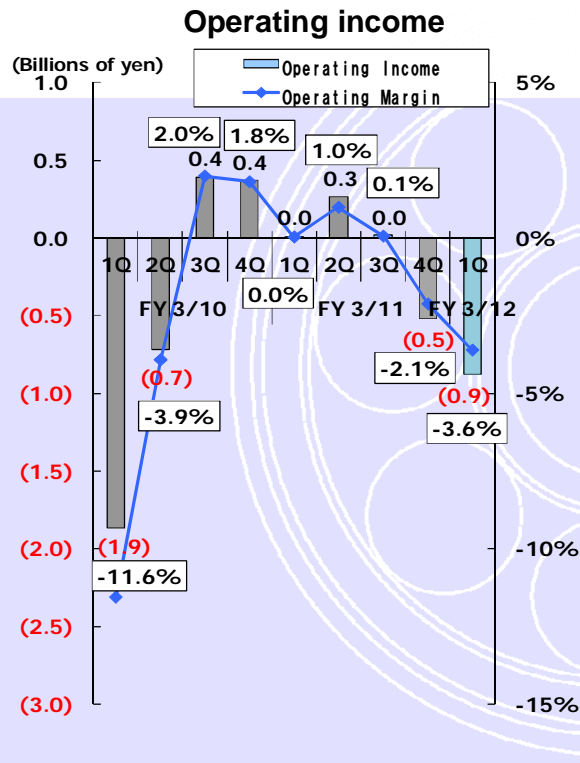
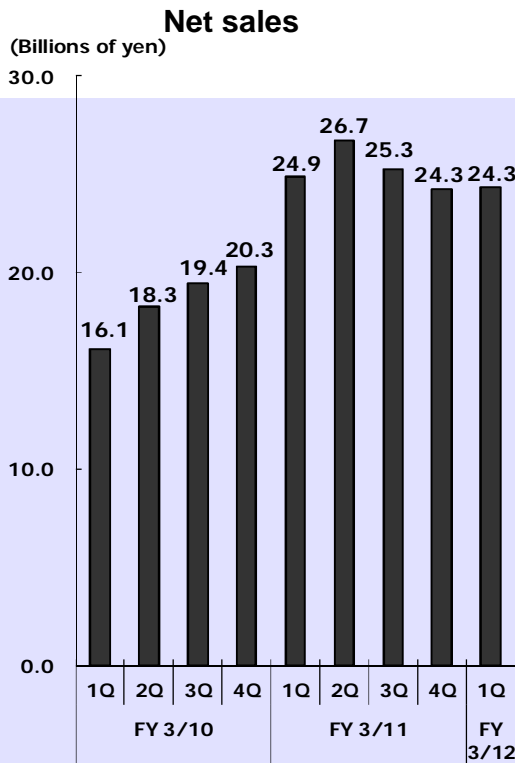
First quarter sales of rod-ends and fasteners increased 6.1% from the previous quarter to 5.2 billion yen, due to increased demand for aircraft. Profits also increased from the previous quarter. From now on, we expect improved performance of this business because the commercial aircraft market is expected to expand more due to introduction of new models.

First quarter sales of pivot assemblies for Hard Disk Drives increased by 4.8% from the previous quarter to 6.6 billion yen, due to increased sales volume. Profits were lower compared to the previous quarter, due to increased costs from the last fiscal year's capacity expansion. We will focus on sales growth as the HDD market expands since it has almost already recovered from negative impacts from the quake.

# Rotary Components Business

Quarterly

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



July 29, 2011

5

Minebea

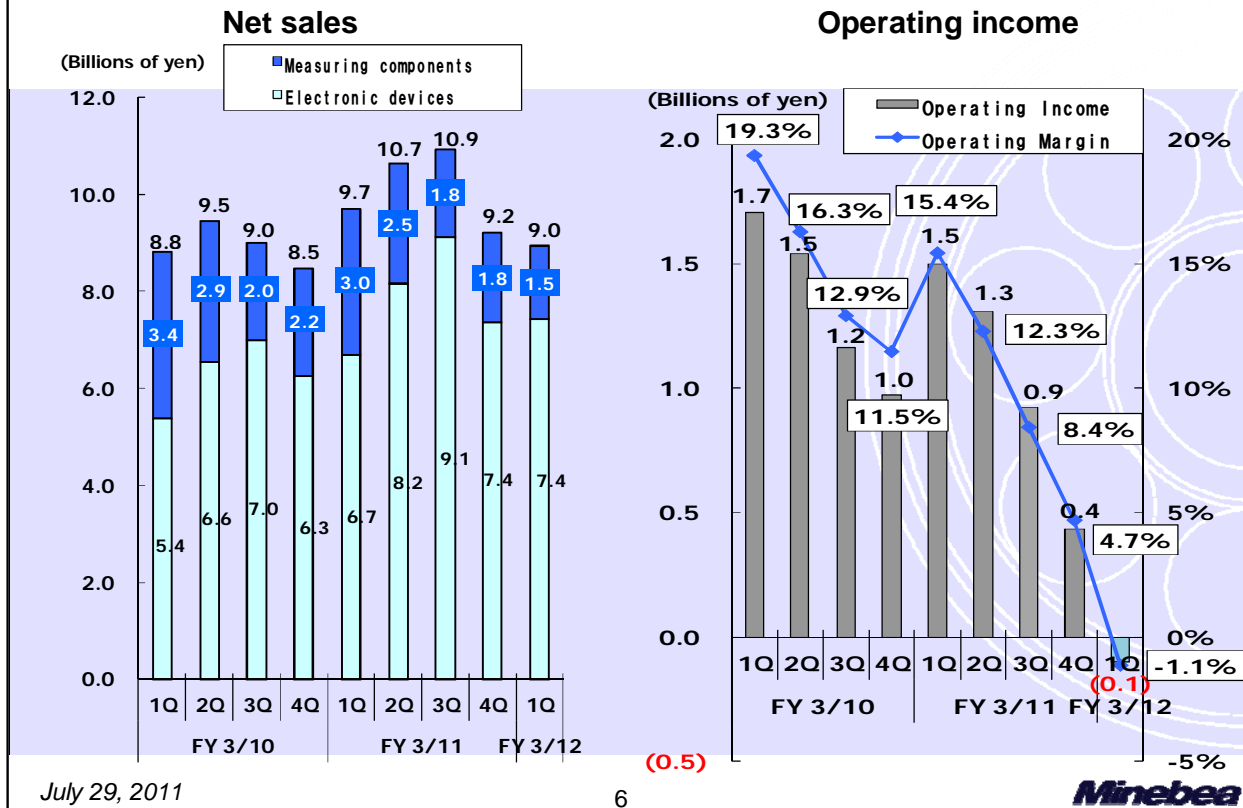
In the Rotary Components business segment, first quarter net sales were 24.3 billion yen, flat from the previous quarter because higher seasonal demand offset negative impacts from the earthquake which had disrupted our customers' supply chains in automobile and office automation equipment industries. The operating deficit widened from the previous quarter to 0.9 billion yen due to worse product mix caused by the earthquake, higher wages, and increased startup costs of the new Cambodian rental factory. Operating margin was negative 3.6%, down 1.5 percentage points from the previous quarter.

In the information motor business, sales of the high-value-added motors to office automation equipment industries declined due to the quake. The HDD spindle motor business had also suffered from the disruption to customers' supply chains due to the earthquake. As our customers' HDD production recovered month by month, our sales volume recovered and our operating losses improved. The operating losses for the quarter in total, however, stayed flat from the previous quarter.

We will focus on sales recovery and lower production costs in addition to strategic restructuring of our motor factories such as construction of our own new Cambodian factory, even though we expect much higher material costs including rare earths from the second quarter. We are working on raising product prices in order to respond to higher material costs.

# 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, first quarter net sales were 9.0 billion yen, down 2.7% from the previous quarter. Operating income turned slightly negative to 0.1 billion yen. Operating margin was negative 1.1%, down 5.8 percentage points from the previous quarter.

Net sales of electronic devices were flat from the previous quarter at 7.4 billion yen. However, profit turned negative. This is because of the earthquake's negative impacts on our LED backlight production, due to temporary shortage of some materials and increased startup costs of new Suzhou factory. The material shortage was already solved and our production came back to normal. This business turned profitable since June.

We will focus on strengthening our LED backlight production capacity, including a quick capacity increase at the new Suzhou factory, as sales are expected to jump up in August.

Net sales of measuring components decreased by 16.7% from the previous quarter to 1.5 billion yen, due to decreased automobile production caused by the earthquake. Profits likewise decreased from the previous quarter.

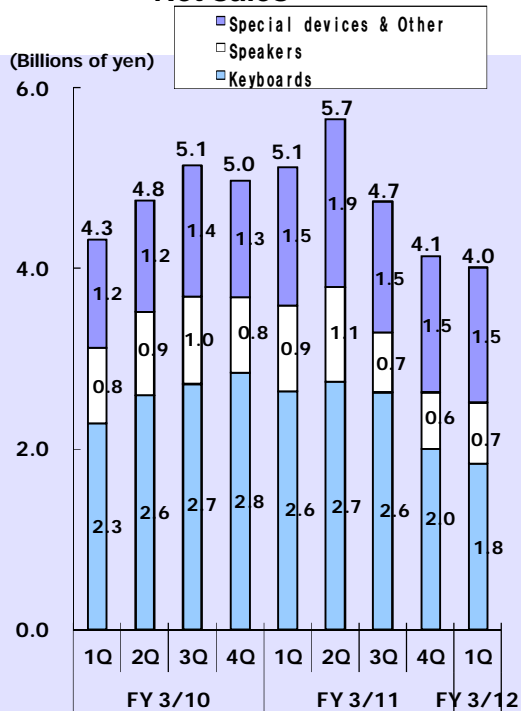
We expect sales are going to recover as automobile production recovers.

# Other Business

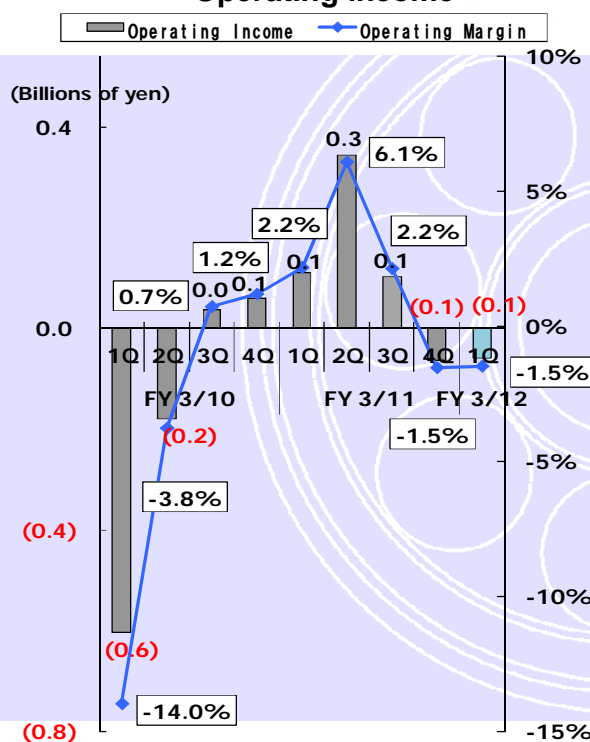
Quarterly

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

## Net sales



## Operating income



July 29, 2011

7

Minebea

In the Other business segment, first quarter net sales were 4.0 billion yen, down 3.1% from the previous quarter. Operating loss was 0.1 billion yen. Operating margin was negative 1.5%, flat from the previous quarter.

Net sales of keyboards decreased by 10.0% from the previous quarter, to 1.8 billion yen. Operating income of this business was slightly negative.

Net sales of speakers increased by 16.7% from the previous quarter, to 0.7 billion yen. Its losses narrowed.

Net sales of special devices and other components were flat from the previous quarter, at 1.5 billion yen. Its profits increased from the previous quarter.



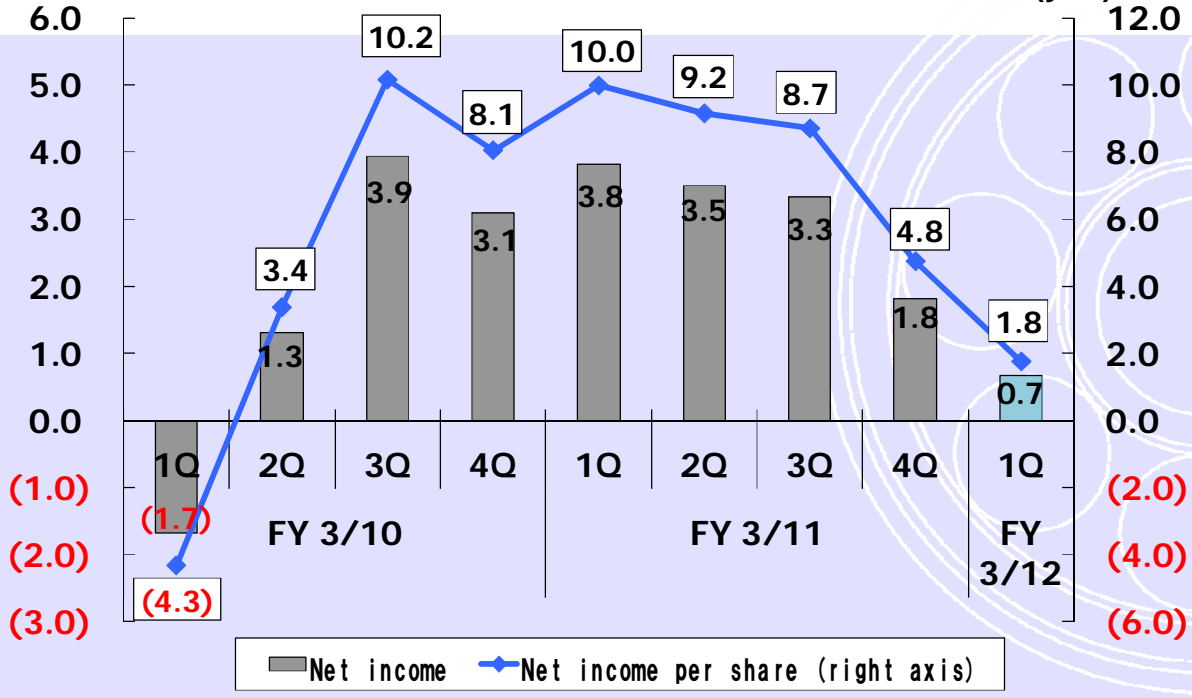
# Net Income

Quarterly

(Billions of yen)

(yen)

Decreased 82.4% YoY  
Decreased 62.9% QoQ



July 29, 2011

8

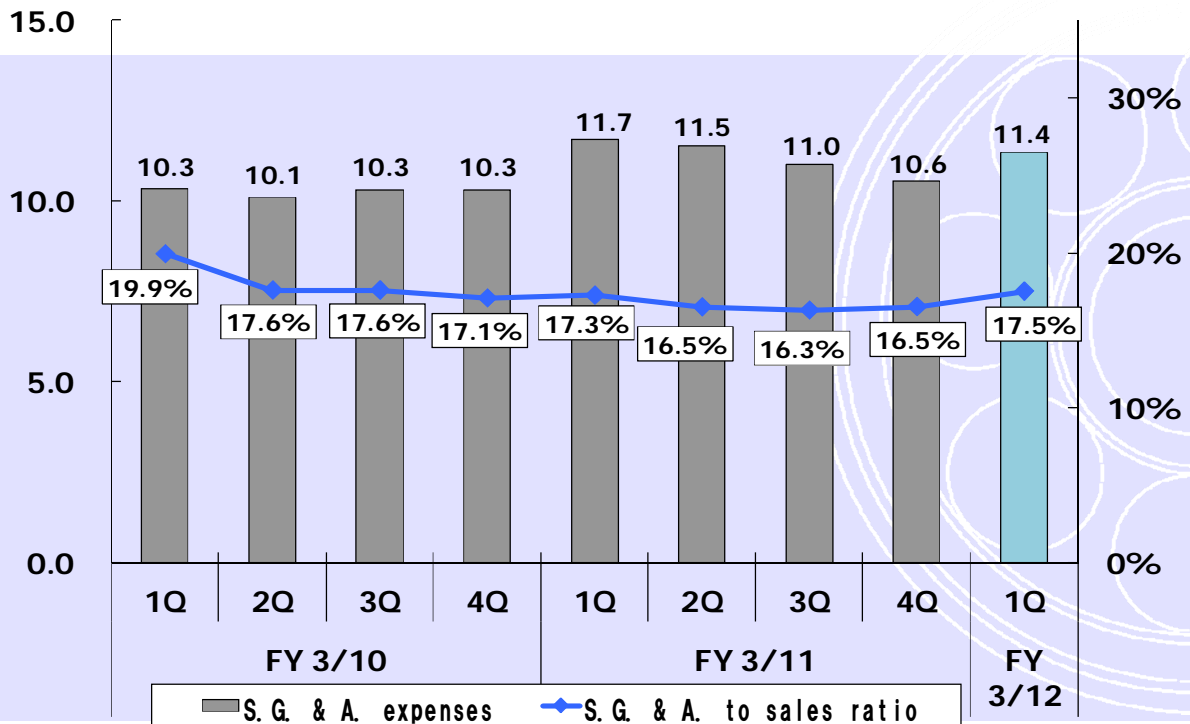


Net income for the first quarter decreased by 82.5% from the same period last year to 0.7 billion yen as operating income decreased. Net income per share was 1.8 yen.

# S.G. & A. Expenses

Quarterly

(Billions of yen)



July 29, 2011

9

Minebea

SG&A expenses in the first quarter increased 0.8 billion yen compared to the previous quarter to 11.4 billion yen. SG&A expenses-to-sales ratio increased by 1.0 percentage point to 17.5%.

This was mainly caused by higher wages, and increased startup expenses from new factories.

It is a tough business environment, we will continue our efforts to hold expenses down.

# Inventories

Quarterly

(Billions of yen)

50.0

40.0

30.0

20.0

10.0

0.0

1Q

2Q

3Q

4Q

1Q

2Q

3Q

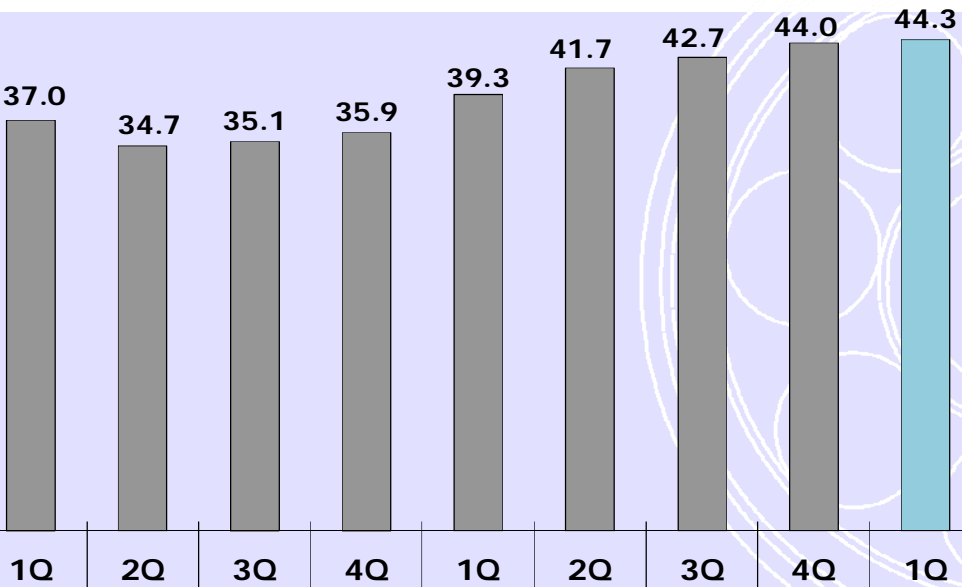
4Q

1Q

FY 3/10

FY 3/11

FY  
3/12



July 29, 2011

10

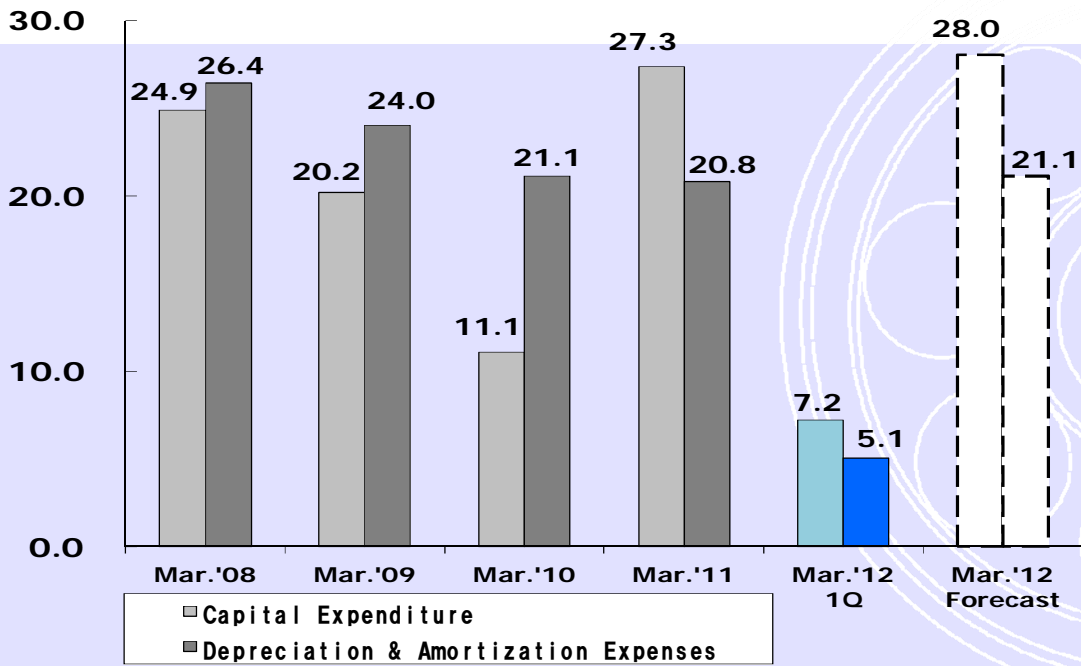
**Minebea**

Inventories increased by 0.3 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 a new addition of work in process at our new factories in Cambodia and Suzhou.

# Capital Expenditure & Depreciation

Yearly

(Billions of yen)



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

July 29, 2011

11

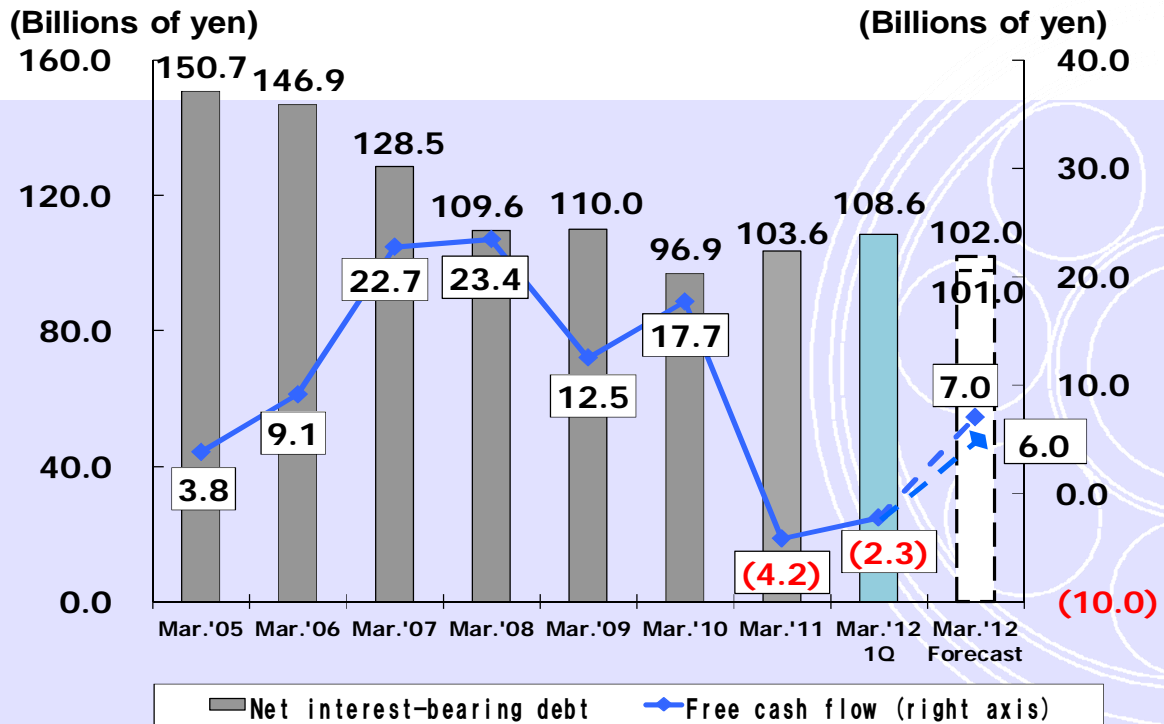
Minebea

Capital expenditure for the first quarter was 7.2 billion yen. Both a new LED backlight factory in Suzhou, China and a new rental motor factory in Cambodia came online in April. We are working on a new Thai ball bearing factory, our own new motor factory in Cambodia and a new multi-purpose factory in Lop Buri, Thailand.

Depreciation and amortization expenses for the first quarter were 5.1 billion yen.

# 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

July 29, 2011

12

Minebea

Net interest-bearing debts, which are interest-bearing debts minus cash and cash equivalents, were 108.6 billion yen at the end of the first quarter, an increase of 5.0 billion yen from the end of the previous fiscal year. This is because of increased cash needs for bonus payments, dividend payments, repurchases of our own shares and investments at new factories, in addition to lower profits.

Free cash flow for this fiscal year is expected to become positive, as profit increases from now on.

## Forecast for Fiscal Year Ending March 31, 2012

### Full year forecast unchanged

(Millions of yen)	FY ended	Fiscal Year ending Mar. '12					
	Mar. '11	1st Half		2nd Half		Full year	
	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	11.60	8.70	22.74	20.36	34.34	29.06

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

July 29, 2011

13

**Minebea**

We do not change at this time our full year forecast for this fiscal year announced in May. Although there is still some uncertainty regarding impacts from the earthquake, foreign currency shifts and raw material costs including rare earths, many product markets are showing their recovering trends and, at the same time, we are working on raising motor product prices.

## Starting to produce LED backlights for tablet PCs

April 2011: Suzhou LED backlight factory started operation



August 2011: expected to reach stepped-up production level

December 2011: expected to start producing LED backlights for tablet PCs

- Minebea secured big orders as its LED backlights are superior because they are thinner, brighter and are suitable for tablet PCs.
- Minebea has already equipped the Suzhou factory with new production machines so that no extra big investments are necessary.
- LED backlights will be produced mainly in Suzhou.

July 29, 2011

14

**Minebea**

We will start producing LED backlights for tablet PCs from December at our new Suzhou factory which came online in April, as we have secured large orders.

This was due to the fact that Minebea's LED backlights are superior since they are thinner and brighter, making them suitable for smart phones and tablet PCs.

Minebea has already equipped the Suzhou factory with new production machines for larger products to prepare for increasing demand for larger panels such for tablet PCs, so that no extra big investments are necessary.

We plan to focus our manufacturing of LED backlights for tablet PCs mainly at the Suzhou factory.

## Construction of new Thai and Cambodian factories

### Multi-purpose ball bearing factory in Thailand

Completed most of the exterior work and start operation in Autumn



Building area 20,500m<sup>2</sup>

### Own factory in Cambodia

Undergoing the foundation work and start operation at the end of 2011



Building area 28,000m<sup>2</sup>

July 29, 2011

15

**Minebea**

Regarding construction of new factories, we have almost completed exterior work for a new multi-purpose ball bearing factory building in Bang Pa-In, Thailand as scheduled. We plan to complete construction by the summer, and start operation in the autumn to produce ball bearings for pivot assemblies. We also plan to produce low-priced, mass-produced ball bearings for emerging markets, and medium-sized ball bearings later. We have started construction of our own new Cambodia factory in May and are currently working on its foundation such as piling. By the end of this year, we plan to complete a building and start operation.

We would like to expand this operation aggressively as an assembly plant for small motor products.



## Construction of multi-purpose factory in Lop Buri

Location: Lop Buri, Thailand

(site of a planned but stopped pivot assembly factory)

Building area: 19,000m<sup>2</sup>

Expected to complete: January 2012 (2 months quicker than normal)

Specifics: transfer motor parts production lines from existing buildings

Rendering of  
the new factory



### Utilizing open space in Lop Buri factory complex

- Expand LED backlight production capacity by May 2012 due to rapid expansion of smart phone market  
Minebea's total capacity will be 35 million units / month in FY March 2013
- Expand rod-end bearing production capacity

July 29, 2011

16

**Minebea**

We plan to build a new multi-purpose factory building in Lop Buri, Thailand where we originally planned but stopped building a pivot assembly factory. By utilizing already-done land preparation, it will take two-month-shorter than a normal construction period. This building is to house motor production lines to be moved from other buildings in the Lop Buri factory complex. Open spaces to be created by that will be utilized to expand our LED backlight production and rod-end bearing production in Lop Buri.

As smart phone markets flourish, our LED backlight order intake is growing rapidly. In addition, we have secured large orders recently, which require us to expand our production capacity quickly. We plan to bring these new production lines in operation in May 2012, to increase our total production capacity to 35 million units per month.

We also plan to expand our rod-end bearing production capacity in Lop Buri to meet demand and lower production costs, as the commercial airplane market grows steadily.

We will continue to focus on growing markets and invest aggressively if necessary.

# Minebea Co., Ltd.

## Business Results

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

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

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

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

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

July 29, 2011

17