Minebea
Passion to Exceed Precision

Business Results

Fiscal Year Ended March 31, 2013

May 9, 2013
Minebea Co., Ltd.

1. Financial Results

2. Policy and Strategy

Financial Results

Hiroharu Katogi
Director, Senior Managing Executive Officer

May 9, 2013

Summary of Consolidated Business Results

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Net sales and operating income rise during a fiscal year free of any natural disasters, etc. while net income drops due to restructuring losses.

Results fall short of revised forecast.

(Millions of yen)	FY ended Mar. '12 Full year	FY ended Mar. '13 Full year	Change YoY	FY ended Mar.'13 November forecast Full year	VS. Forecast
Net sales	251,358	282,409	+12.4%	292,000	-3.3%
Operating income	8,599	10,169	+18.3%	15,500	-34.4%
Ordinary income	6,499	7,673	+18.1%	13,000	-41.0%
Net income	5,922	1,804	-69.5%	7,400	-75.6%
Net income per share (yen)	15.63	4.83	-69.1%	19.80	-75.6%

Foreign exchange rates	Mar. '12 Full year	Mar. '13 Full year
US$	¥79.07	¥82.33
Euro	¥110.20	¥106.48
Thai Baht	¥2.59	¥2.67
Chinese RMB	¥12.33	¥13.08

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Net sales for the fiscal year ended March 31, 2013, increased by 12.4% to total 282,409 million yen on a year-on-year basis. Operating income also increased by 18.3% to 10,169 million yen. However, net income dropped by 69.5% to 1,804 million yen. While sales had rebounded from the impact of last year's earthquake in Japan, flooding in Thailand, rising rare-earth materials prices, etc., the pace of recovery has been tapering off since early autumn due to the slowdown in the global economy. The decline of the Japanese yen that began last November has also pushed sales up. Operating income is also up. However, net income dropped due to large restructuring losses. We estimate a year-on-year foreign exchange gain of 7.8 billion yen in net sales and a loss of 0.4 billion yen in operating income due to the weaker Japanese yen and stronger Asian currencies.

Despite the gains we failed to achieve the revised forecast announced in November last year.

Summary of Consolidated Business Results for 4Q

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4Q operating income turned negative
due to significant and precipitous production adjustments in major products.

Large extraordinary restructuring losses to strengthen future profitability

(Millions of yen)	FY ended Mar. '12 4Q	FY ended Mar. '13 3Q	FY ended Mar. '13 4Q	Change YoY	Change QoQ
Net sales	62,193	71,705	71,601	+15.1%	-0.1%
Operating income	1,695	2,943	-474	N.M.	N.M.
Ordinary income	1,142	2,319	-1,587	N.M.	N.M.
Net income	6,208	1,076	-2,992	N.M.	N.M.
Net income per share (yen)	16.40	2.89	-8.02	N.M.	N.M.

Foreign exchange rates	4Q of FY Mar. '12	3Q of FY Mar. '13	4Q of FY Mar. '13
US$	¥78.27	¥79.79	¥90.08
Euro	¥103.28	¥103.36	¥120.02
Thai Baht	¥2.53	¥2.60	¥3.00
Chinese RMB	¥12.39	¥12.76	¥14.44

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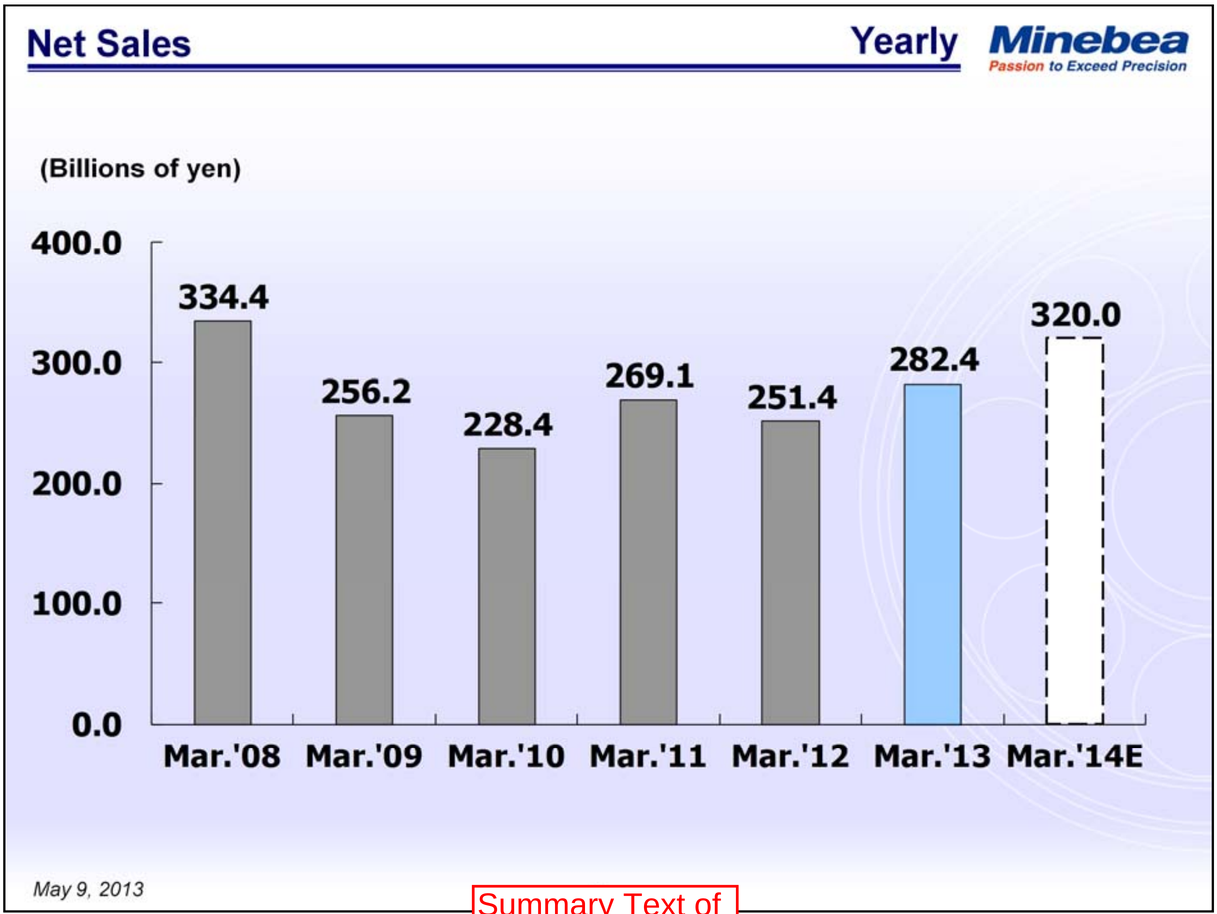
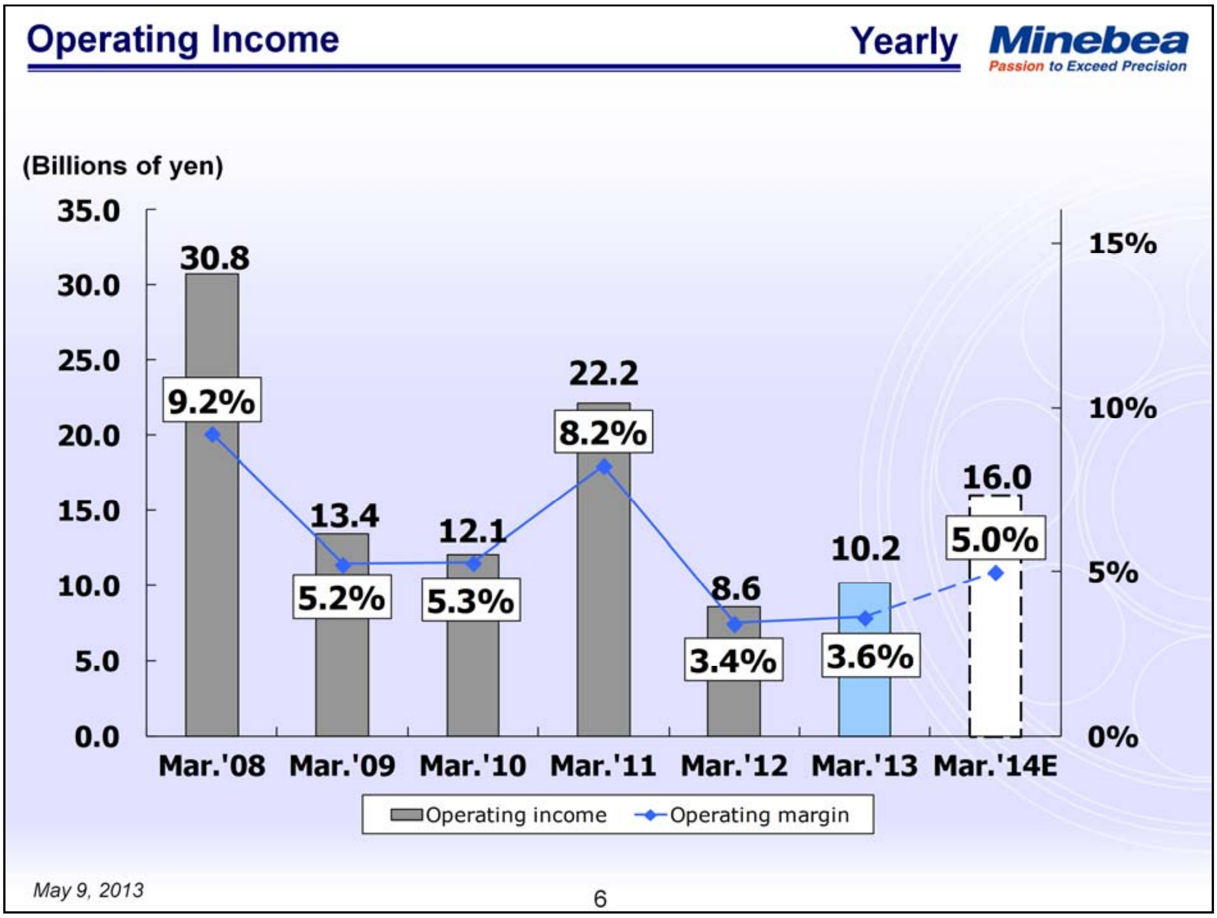
The fourth quarter of fiscal year ended March 31, 2013 saw significant and precipitous production adjustments in our major products as demand fell with the sinking global economy. Net sales during the quarter decreased 0.1% quarter-on-quarter to reach 71,601 million yen while we had an operating loss of 474 million yen as well as a net income loss of 2,992 million yen. Despite 6,892 million yen in extraordinary gains from the sale of the Omori factory property and an insurance claim payment related to the Thai floods, our extraordinary losses due to restructuring, retirement benefit expenses, etc. totaled 7,397 million yen.

We estimate a quarter-on-quarter foreign exchange gain of 6.9 billion yen in net sales. A currency impact on operating income was neutral quarter-on-quarter.

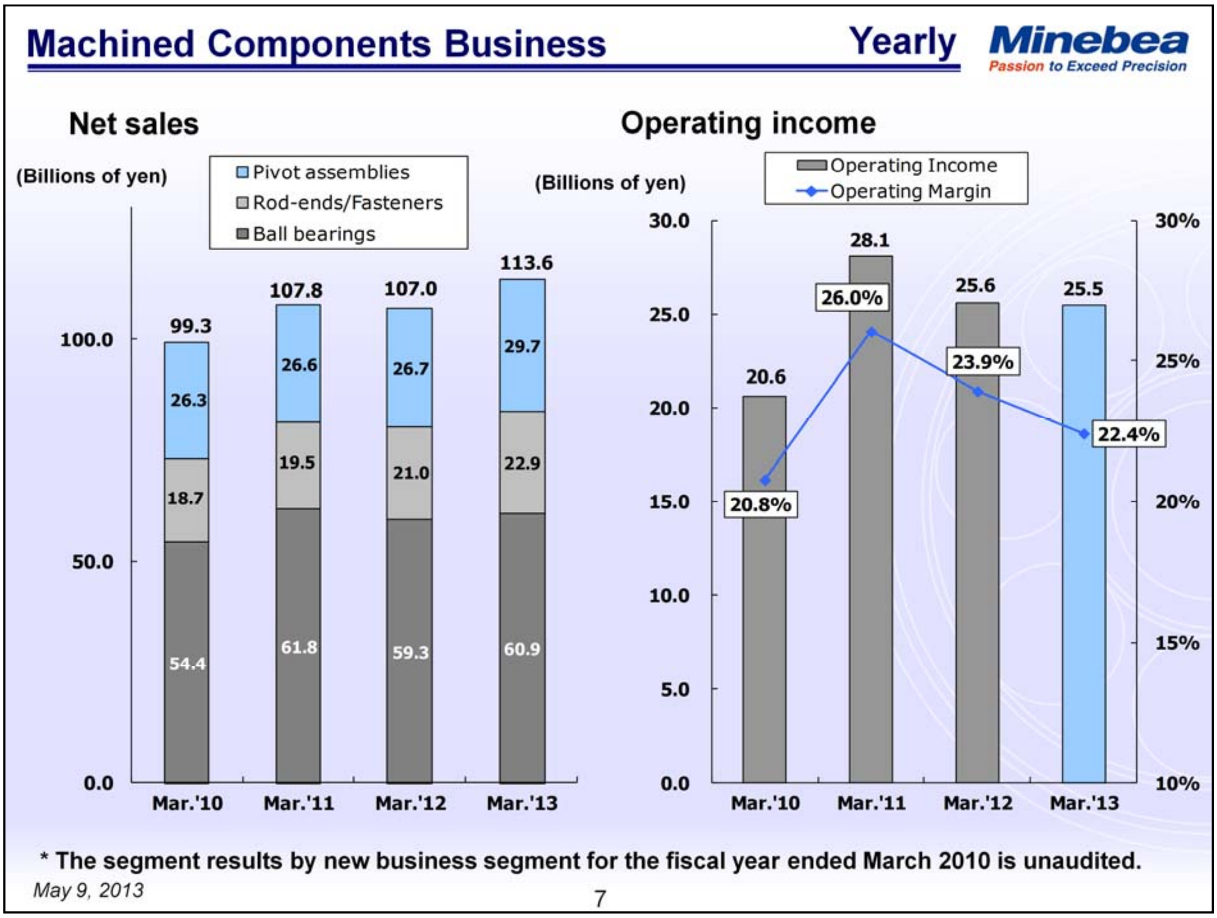


Summary Text of the Presentation of Fiscal Year Ended March 31, ****

In the fiscal year ended March 31, 20 p 12.4% year on year at 282.4 billion yen, which includes a foreign exchan yen due to the depreciation of the Japanese yen beginning in Novembe pect sales for the fiscal year ending March 31, 2014 to increase by 13% a bal economy fuels demand for many of our products and sales grow in cer



Operating income for the fiscal year ended March 31, 2013 increased by 18.3% year on year to 10.2 billion yen while the operating margin was up by 0.2 percentage points to 3.6%. Our estimates indicate that foreign exchange rates have caused our operating income to drop 0.4 billion yen year on year. Operating income for the fiscal year ending March 31, 2014 is projected to increase to 16.0 billion yen as growing sales along with higher capacity utilization and restructuring measures boost profitability.



Now I will touch on each business segment.

These graphs show annual net sales and operating income for the machined components business segment.

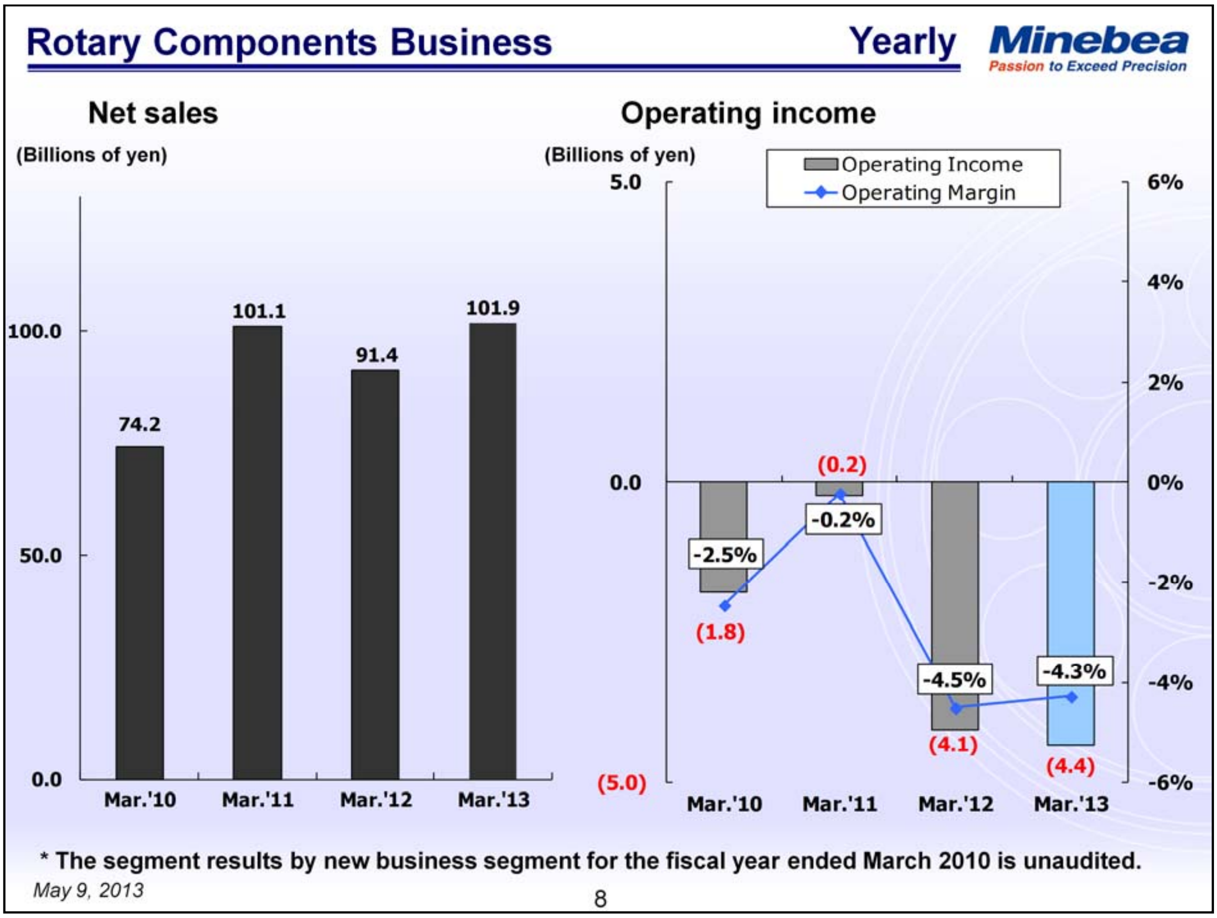
Net sales for the fiscal year ended March 31, 2013 totaled 113.6 billion yen, up 6.1% from the previous fiscal year. Operating income fell 0.6% to reach 25.5 billion yen while the operating margin was down 1.5 percentage points at 22.4%.

Net sales of ball bearings increased 2.7% from the previous fiscal year to 60.9 billion yen. The external shipment volume ended up at the same year-on-year level, thanks to a nice increase during the first quarter as demand bounced back once the floods in Thailand subsided. Unfortunately the global economic slowdown characterized by the prolonged European debt crisis and economic downturns in emerging markets like China took a toll on demand in many product markets from the second quarter onward. Internal shipment volumes of ball bearings also dropped during the second half of the fiscal year, especially for our HDD pivot assemblies as lagging personal computer sales meant a continuing decline in HDD demand. Even though we cut labor and other costs, profits dipped below what they were for the previous fiscal year due to higher unit production costs due to lower capacity utilization.

We forecast increased sales and improved profits for the fiscal year ending March 31, 2014 as we focus on marketing efforts aimed at both existing and new ball bearing applications while internal demand for HDDs hovers at the same level it was in the second half of the last fiscal year.

Sales of rod-ends and fasteners were up 9.0% year on year to hit 22.9 billion yen. The rising demand in the aircraft industry, that is expected to continue over the medium term, has fueled orders on top of the impact of the weaker yen on currency translations. The result has been steady earnings and we are now expanding capacity at our Lop Buri factory while shifting production from factories in Japan, U.S. and U.K. to improve profitability even further. We expect increased sales and profits for the fiscal year ending March 31, 2014. The recent Boeing 787 problem is moving forward and we understand that the plane will be up in the air again soon. In the meantime we have continued to ship our parts to customers as requested.

Although the HDD market began to dry up in the second quarter along with personal computer sales, pivot assembly sales increased 11.2% to 29.7 billion yen. The upturn came after gaining the market share of a competitor whose operations were knocked out by the Thai floods. We forecast lower sales and profits for the fiscal year ending March 31, 2014 as the HDD market remains flat.

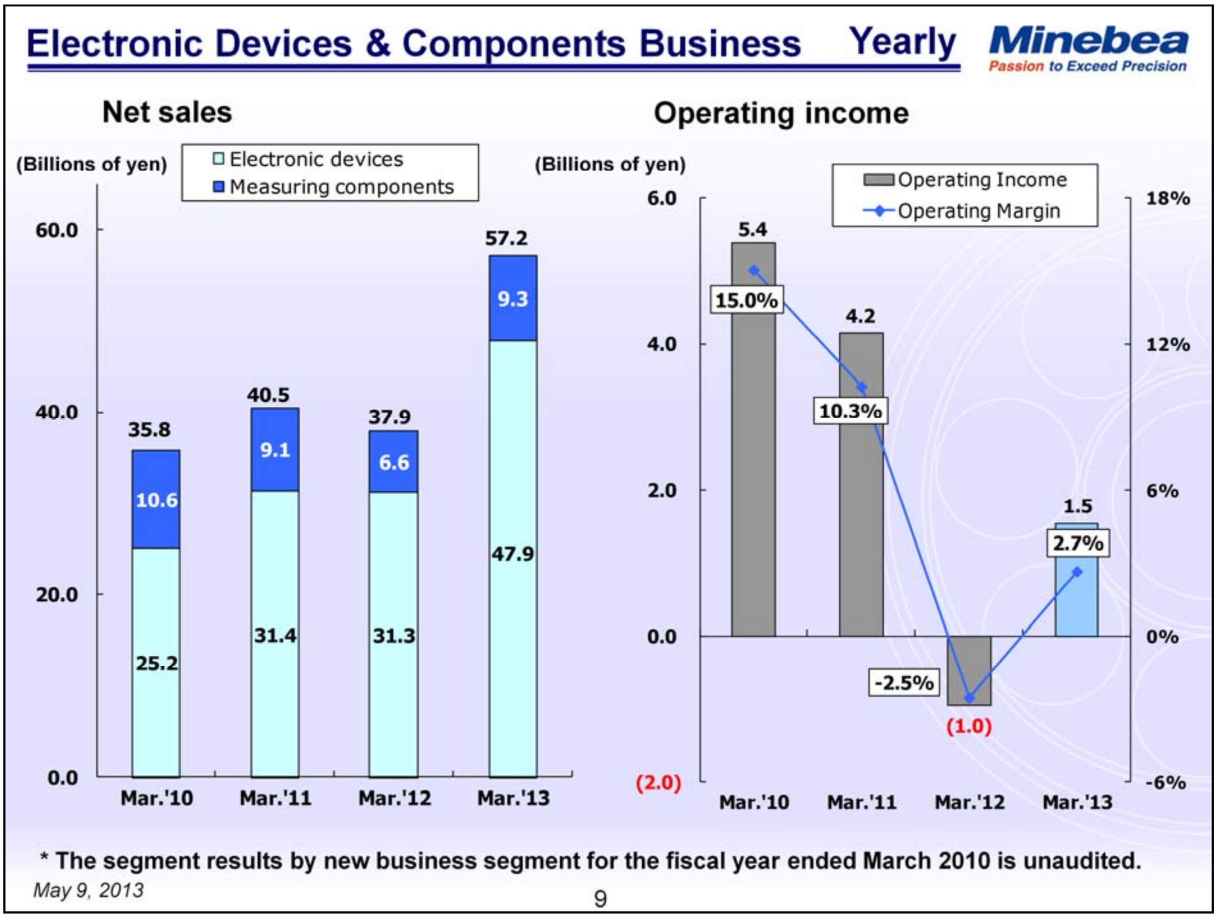


In the rotary component business segment, net sales for the fiscal year ended March 31, 2013 increased 11.6% from the previous fiscal year at 101.9 billion yen while year-on-year operating losses widened to 4.4 billion yen.

HDD spindle motors experienced an extraordinary loss. This was namely a loss on disaster of 1.7 billion yen due to interrupted operations at our HDD spindle motor parts factories in Thailand which were hit by the flooding there. While subtracting this loss from our nominal operating income resulted in negative profitability, the bottom line was slightly better than it was last fiscal year. This upswing was due to increased shipment volumes as the industry as a whole gradually recovered from the floods. While the HDD market shrunk from the second quarter onward due to stagnant PC sales, our market share increased mainly for Minebea's signature high-end products, including server motors and 7 mm height 2.5 inch HDDs. We expect to be back in the black with increased production volumes in the fiscal year ending March 31, 2014.

Sales in the information motor business fell off as demand for office automation products, factory automation products, automobiles, and home appliances continued to gradually shrink from the second quarter on. Lower sales widened operating losses despite further cost cuts in response to the tougher business environment.

Working against this market backdrop we moved ahead on restructuring with an eye to wiping out our losses. After terminating its joint venture motor business with Panasonic, Minebea absorbed the subsidiary company and reorganized its motor business in order to centralize operations. We exited from vibration motor business, shifted our micro actuator and DC brush motor production base to Cambodia and cut fixed costs for HDD spindle motors and fan motors. Due to these measures, we expect to see a return on our investment with much better profitability in the fiscal year ending March 31, 2014 .

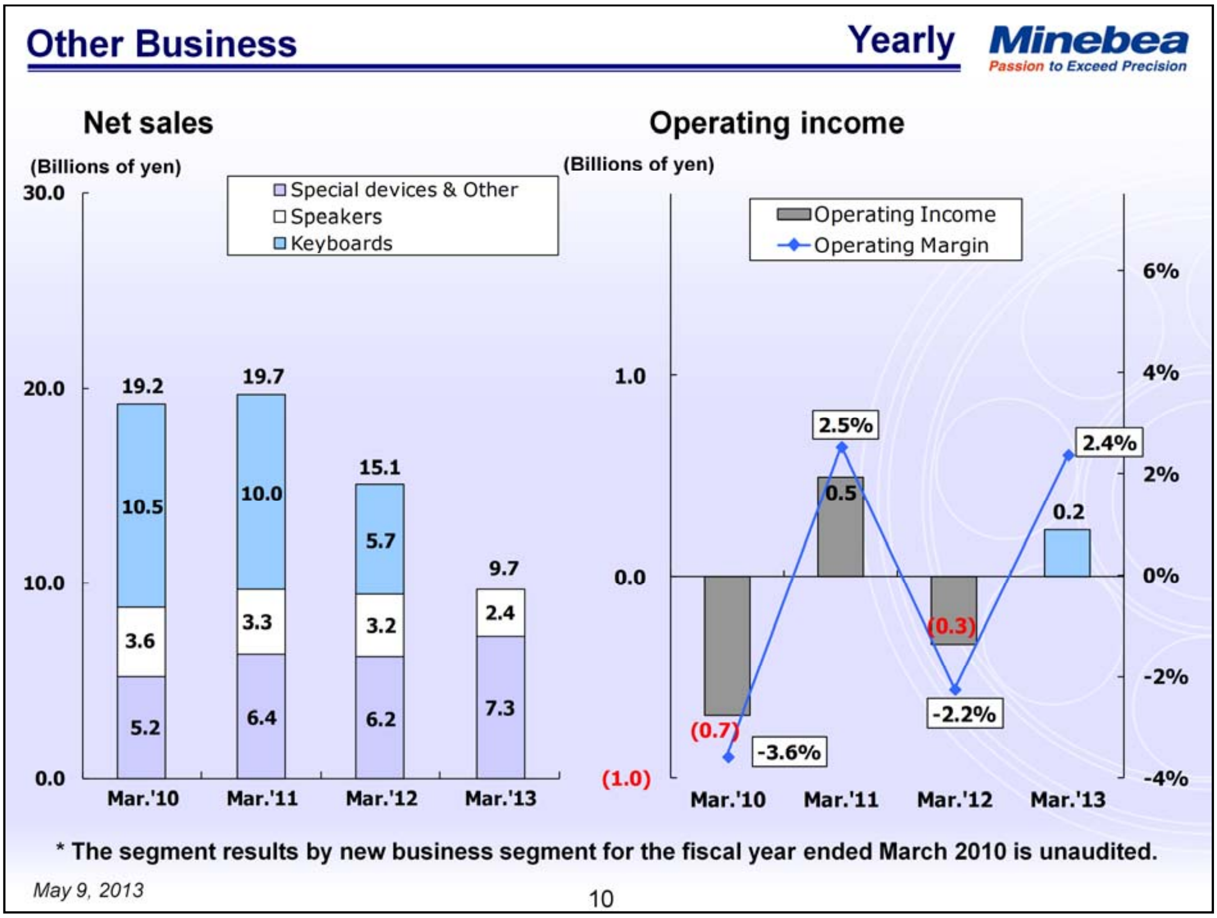


In the electronic devices and components business segment, net sales for the fiscal year ended March 31, 2013 were 57.2 billion yen, a 50.9% jump from the previous fiscal year due to a large increase in LED backlight sales which made up most of the electronic device business sales. Operating income reached 1.5 billion yen while the operating margin improved by 5.2 percentage points to reach 2.7%.

Net sales of electronic devices increased 53.0% over the previous year to total 47.9 billion yen. Despite soaring sales and profits of LED backlights that were fueled by large orders for smart phones and tablet PCs, we fell short of our forecast due to unexpected inventory adjustments made by a large customer after last December.

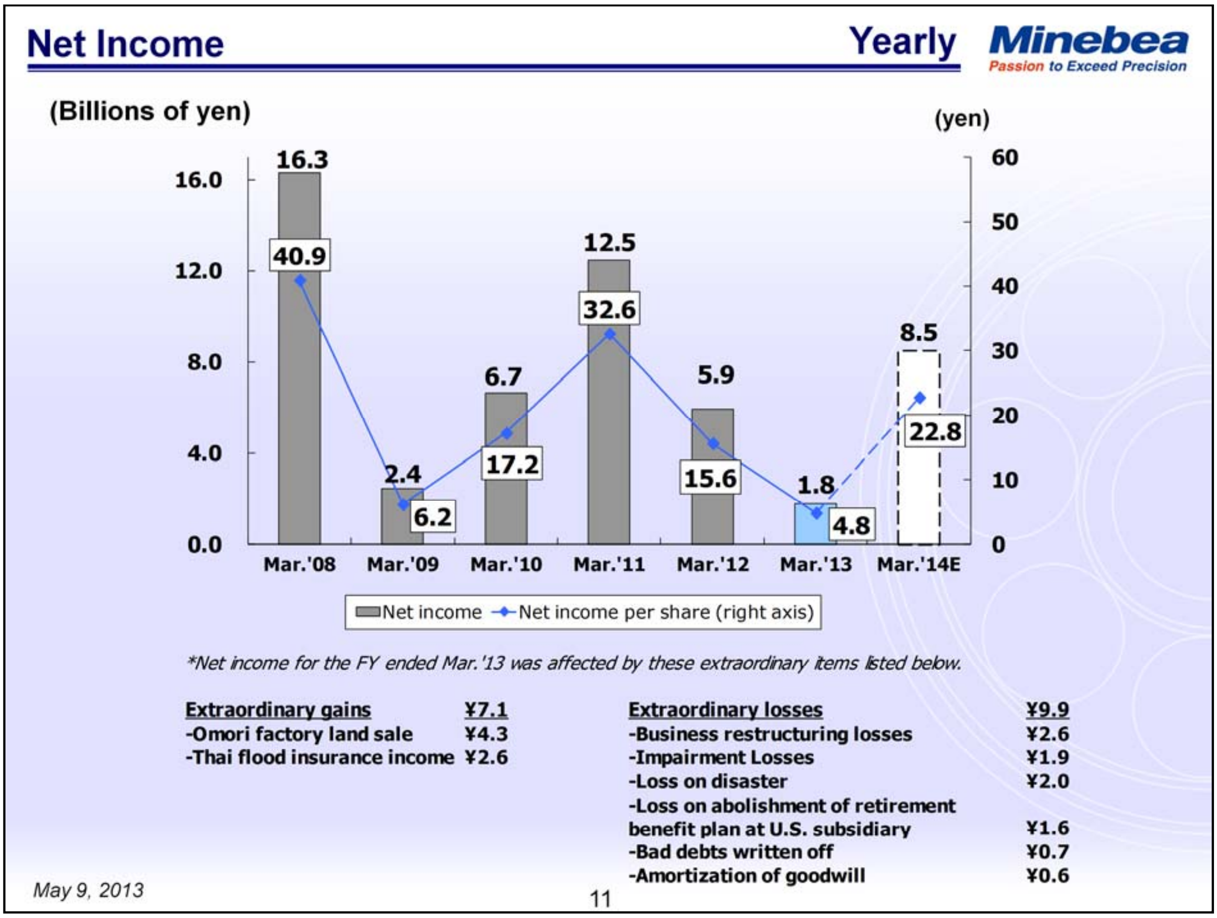
We expect to see sales and profits increase for the fiscal year ending March 31, 2014 as the smart phone and tablet PC markets expand. In order to improve profitability, we will expand our customer base and increase outsourcing to even out the ups and downs in production, and reduce labor costs by introducing semi-automated machines and expanding production at our Cambodian factory.

Net sales of measuring components rose 40.9% over the previous fiscal year to reach 9.3 billion yen due to increased demand in the North American automobile market. Profits remained steady and for the fiscal year ending March 31, 2014, we expect even higher sales and profits due to increased production of automobile parts.



In the other business segment, net sales for the fiscal year ended March 31, 2013 were 9.7 billion yen, down 35.5% year on year due to the downsizing of our keyboard business during the previous fiscal year. Operating income was 0.2 billion yen while the operating margin increased 4.6 percentage points year on year to reach 2.4%.

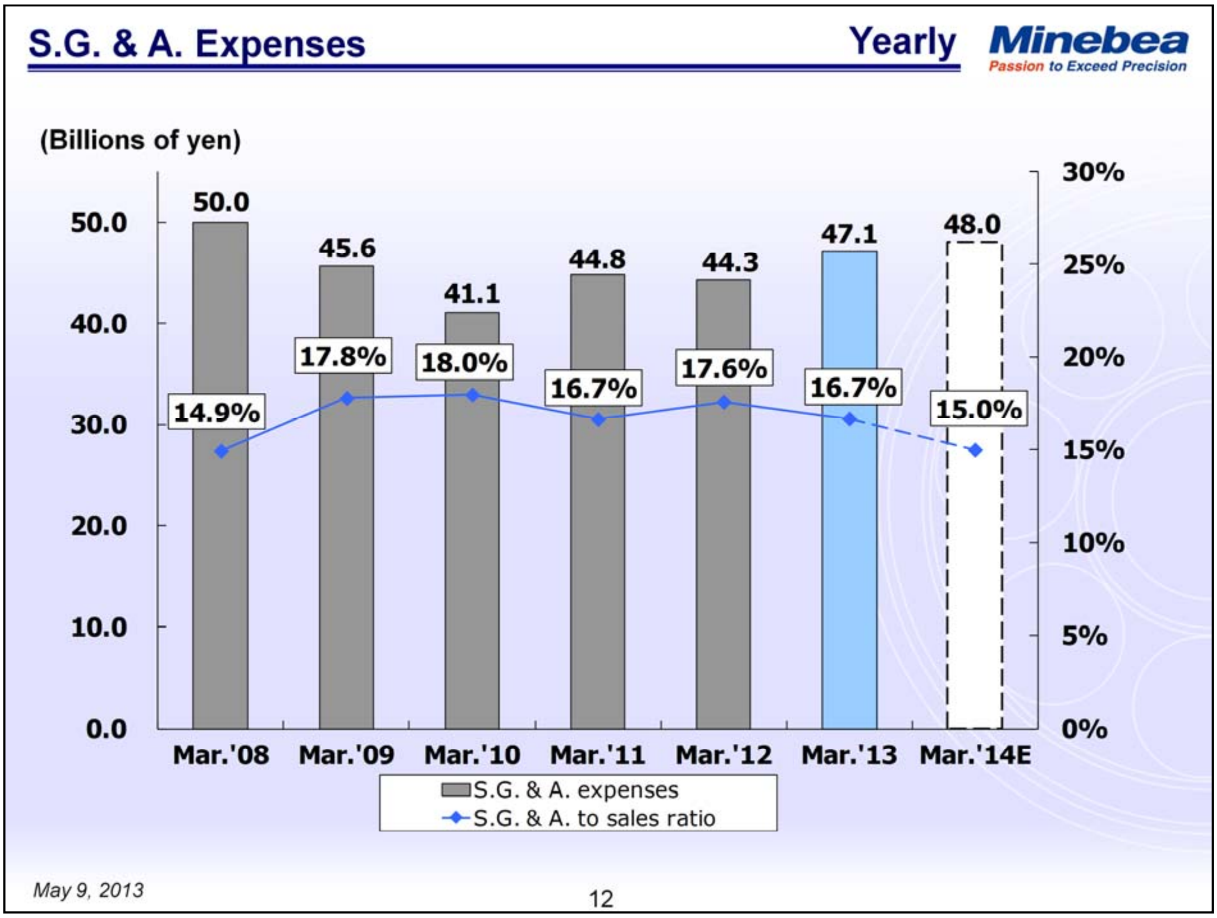
During the fiscal year ending March 31, 2014, we plan to pull our struggling speaker business out of the market. We also plan to relocate our Special Device business unit from the old Omori factory to the modernized Matsuida factory as we expand during the fiscal year.



Net income for the fiscal year ended March 31, 2013 decreased by 69.5% from the previous fiscal year to total 1.8 billion yen with net income per share totaling 4.8 yen.

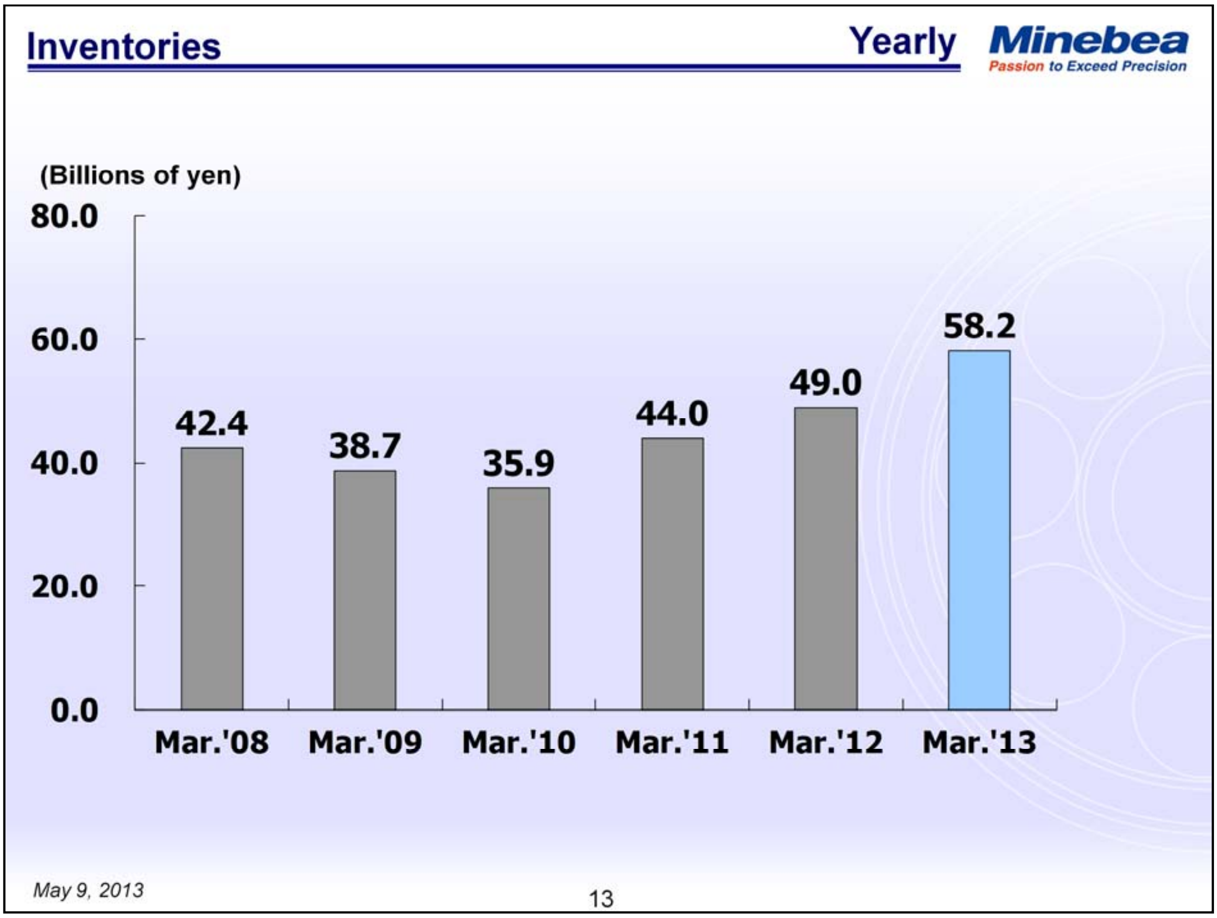
This drop was caused by extraordinary gains totaling 7.1 billion yen and extraordinary losses coming to 9.9 billion yen. The extraordinary gains included 4.3 billion yen from the sale of the Omori factory property and 2.6 billion yen from the insurance payout for the Thai floods. Extraordinary losses included 2.6 billion yen for business restructuring, 1.9 billion yen impairment losses, a 2.0 billion yen loss on disaster resulting from the Thai floods that temporarily impacted our operations there, and a 1.6 billion yen loss from the discontinuation of a retirement benefit plan at our U.S. subsidiary.

You can see from the slide that we expect to see a jump in net income during the fiscal year ending March 31, 2014. This increase is projected in light of the anticipated payoff from our restructuring efforts, etc. and the absence of any large extraordinary gains and losses.

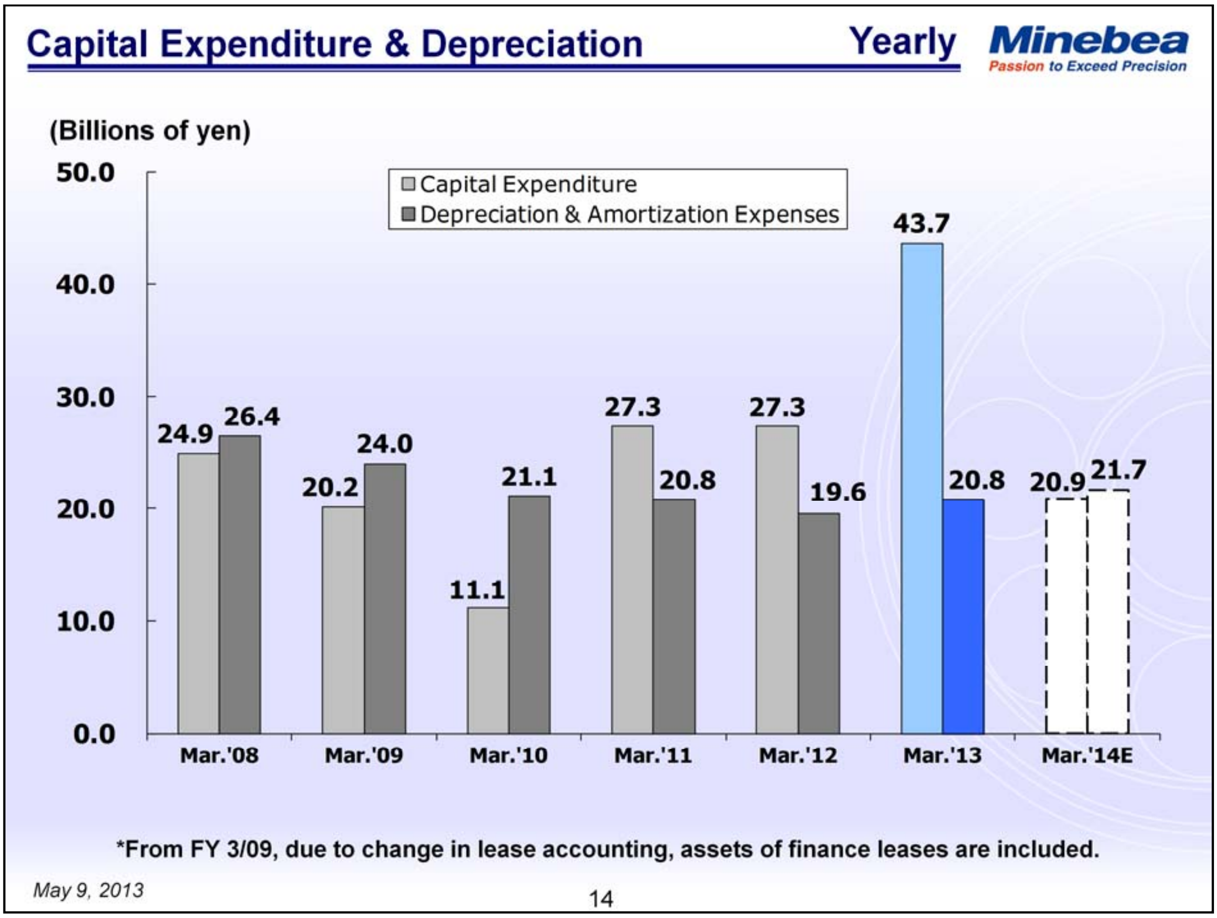


SG&A expenses for the fiscal year ended March 31, 2013 increased by 2.8 billion yen year on year to total 47.1 billion yen as sales increased. However, due to our expense reduction efforts, the SG&A expenses-to-sales ratio decreased by 0.9 percentage points to 16.7%. These SG&A expenses included a one-time 0.7 billion yen moving expense for the Tokyo Headquarters and a currency impact of +0.7 billion yen.

While we expect SG&A expenses to rise along with increasing sales during the fiscal year ending March 31, 2014, we will try to keep a lid on the SG&A expenses-to-sales ratio.

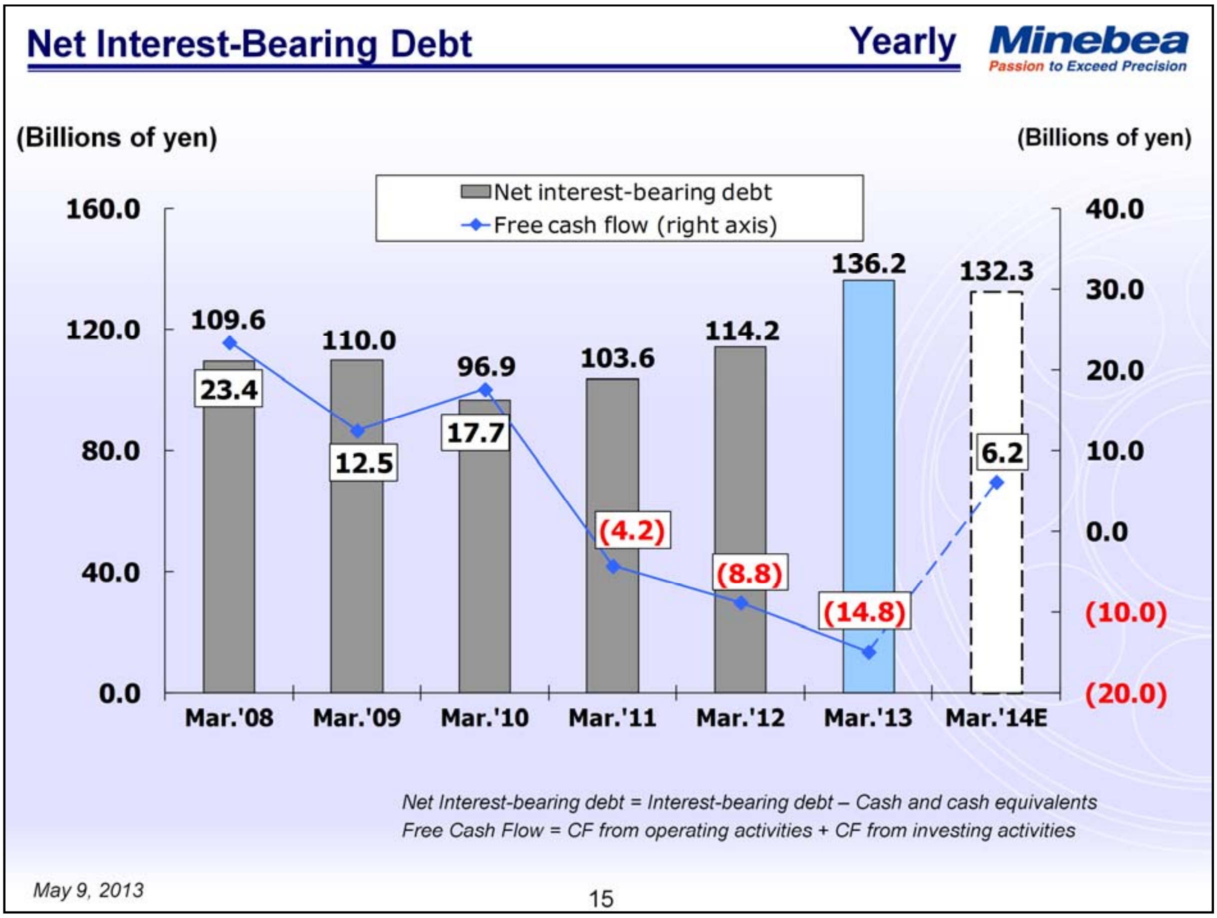


Inventories as of March 31, 2013 were up 9.2 billion yen year on year. This uptick was due to a positive currency impact of 8 billion yen as well as increased sales. When sales began to taper off in the second quarter we responded by cutting back production of ball bearings, pivot assemblies and other products with an eye to keeping our inventory to a minimum on a local currency basis.



Capital expenditures for the fiscal year ended March 31, 2013 totaled 43.7 billion yen while depreciation and amortization expenses for the period totaled 20.8 billion yen.

Capital expenditures for the fiscal year exceeded spending in recent years mainly because it included the 14 billion yen purchase of the new Tokyo Headquarters building. Since dark clouds continue to loom over the business horizon, we decided to curb and delay capital spending as much as possible from the latter half of the fiscal year. During the last few years, however, we have expanded our production capacity in growth areas and made investments aimed at recovery in the wake of the Thai floods. Excluding the new Tokyo Headquarters building which was not in the initial 36.0 billion yen plan, spending for the fiscal year actually came to 29.7 billion yen. For the fiscal year ending March 31, 2014, we also plan to keep capital expenditures to a minimum of 20.9 billion yen.



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

Net interest-bearing debt at the end of the fiscal year rose 22.0 billion yen year on year to total 136.2 billion yen. This increased debt is due to increased cash needs from production capacity expansion in growth areas, the acquisition of Moatech Co. equity, the purchase of the new Tokyo Headquarters building and other factors.

While free cash flow for the fiscal year amounted to negative 14.8 billion yen, for the fiscal year ending March 31, 2014, we expect to see a positive free cash flow at 6.2 billion yen as profits increase. We also plan to reduce net interest-bearing debt by utilizing the improved cash flow from the reduction of investments, inventory levels, etc.

Forecast for Fiscal Year Ending March 31, 2014

Minebea
Passion to Exceed Precision

Restructuring of motor business as well as higher sales of LED backlights, ball bearings, aircraft parts and hybrid components to push profits up

(Millions of yen)	FY ended Mar. '13 Full year	Fiscal Year ending Mar. '14 1st Half	2nd Half	Full year	Change YoY
Net sales	282,409	155,500	164,500	320,000	+13.3%
Operating income	10,169	6,800	9,200	16,000	+57.3%
Ordinary income	7,673	5,600	7,900	13,500	+75.9%
Net income	1,804	3,800	4,700	8,500	+371.2%
Net income per share (yen)	4.83	10.18	12.58	22.76	+371.2%

Foreign exchange rates	FY ended Mar. '13 Full year	FY ending Mar. '14 Assumption
US$	¥82.33	¥90.00
Euro	¥106.48	¥120.00
Thai Baht	¥2.67	¥3.00
Chinese RMB	¥13.08	¥14.40

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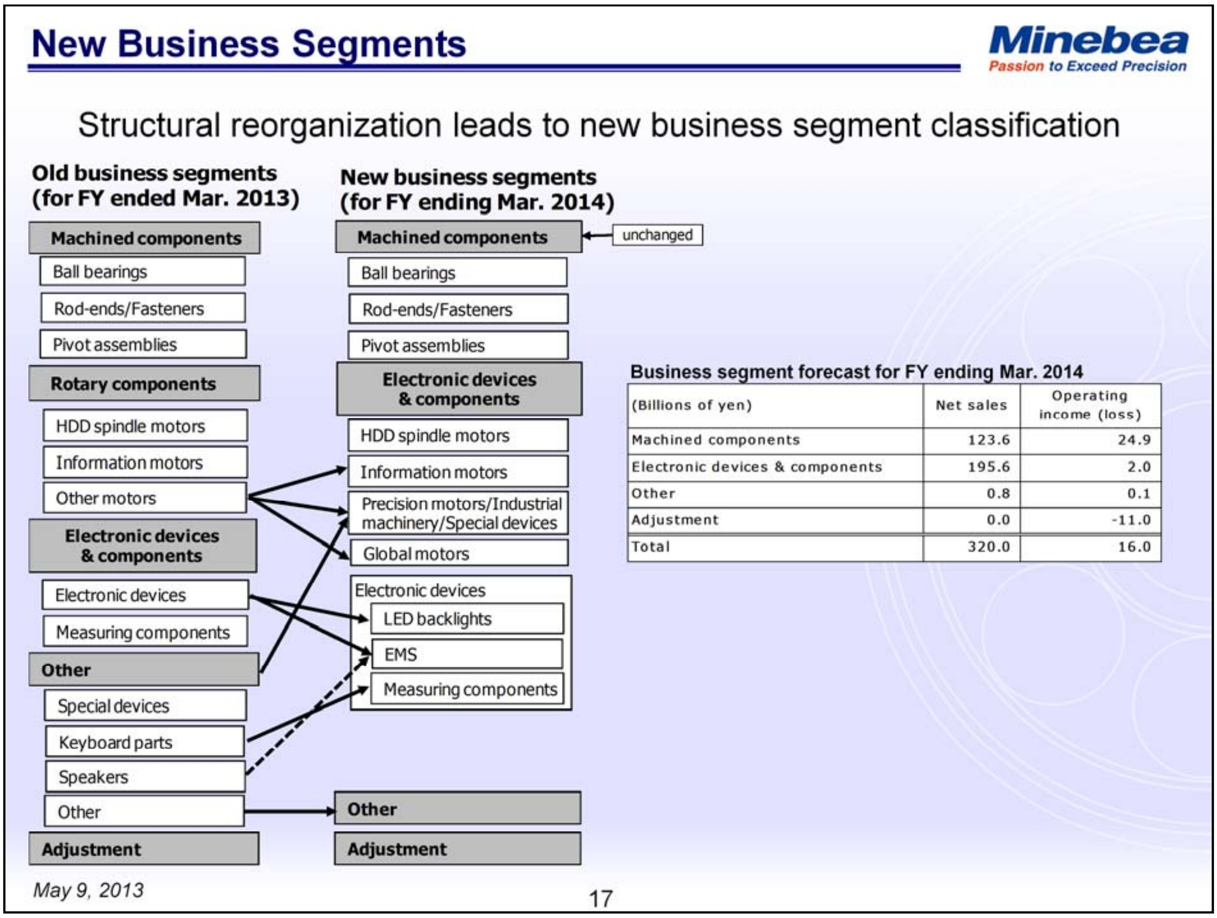
This is a summary of our forecast for the fiscal year ending March 31, 2014.

We are expecting significantly higher sales and profits due to increased sales from ball bearings, aircraft parts, hybrid components and LED backlights as well as improved motor business profitability due to restructuring.



(Billions of yen)	Net sales	Operating income (loss)
Machined components	123.6	24.9
Electronic devices & components	195.6	2.0
Other	0.8	0.1
Adjustment	0.0	-11.0
Total	320.0	16.0

Following the structural reorganization that took place in April, we will change our business segment classifications starting this fiscal year.

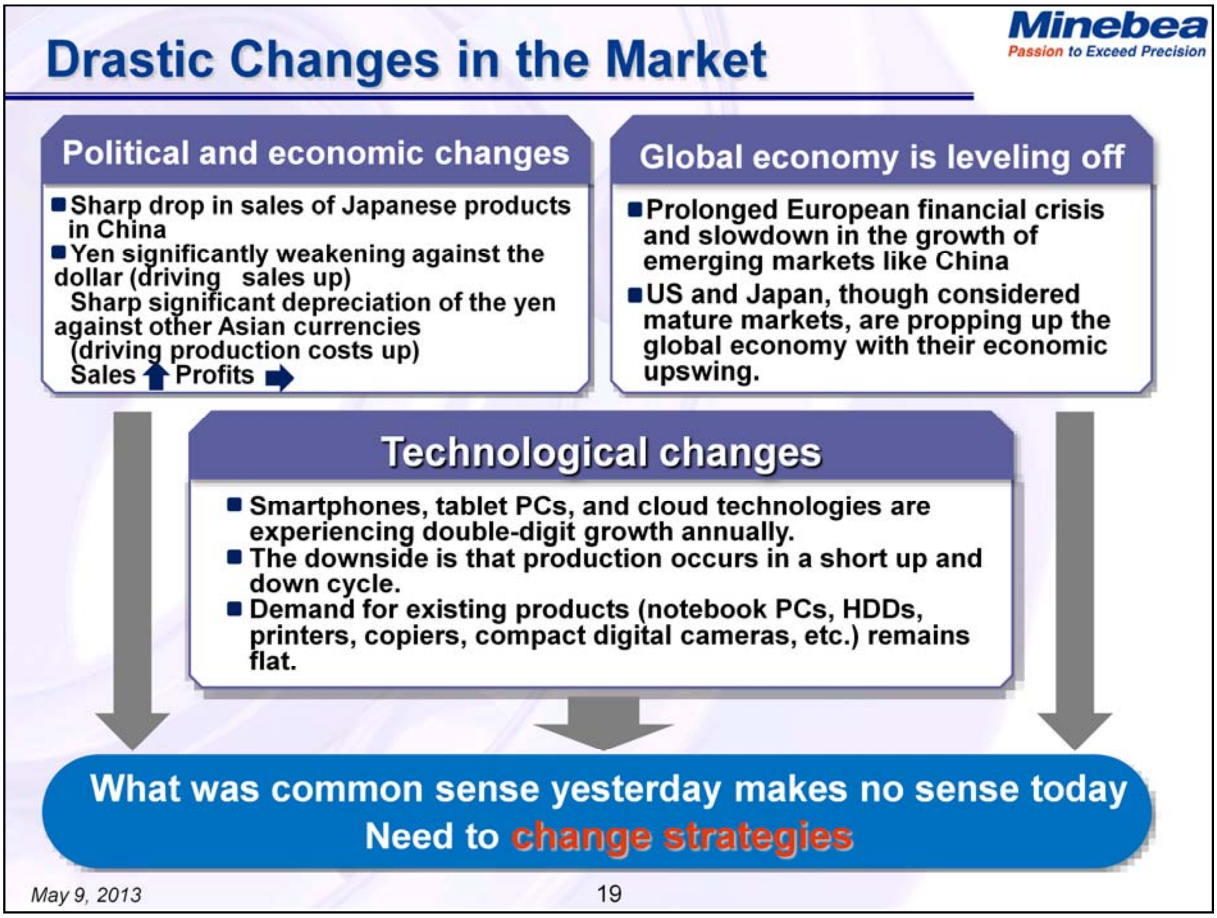
Our new business segment categories include, machined components, electronic devices and components, other, as well as adjustment. Major businesses included in each segment are shown in the diagram.

Business segment forecasts for the fiscal year ending March 31, 2014 based on the new classifications are shown in the table.

We expect higher sales in the machined components business segment due to increased ball bearing sales for existing as well as new applications, the expanding aircraft parts business, and expected gains on the weak yen. We also anticipate slightly lower profits due to lower ball bearing and pivot assembly sales for HDDs compared to the first half of the last fiscal year when demand soared in the wake of the Thai floods. We expect the HDD market to remain stable with sales hovering around the same level they were during the second half of the last fiscal year.

In the new Electronic Devices and Components business segment, the HDD spindle motor business is expected to bounce back with higher sales volumes due to its bigger market share. The information motor business is expected to pare down its losses significantly via restructuring, while the electronic device division will see significantly higher sales and profits from LED backlights and measuring components.

Now let's move on to policy and Strategies.

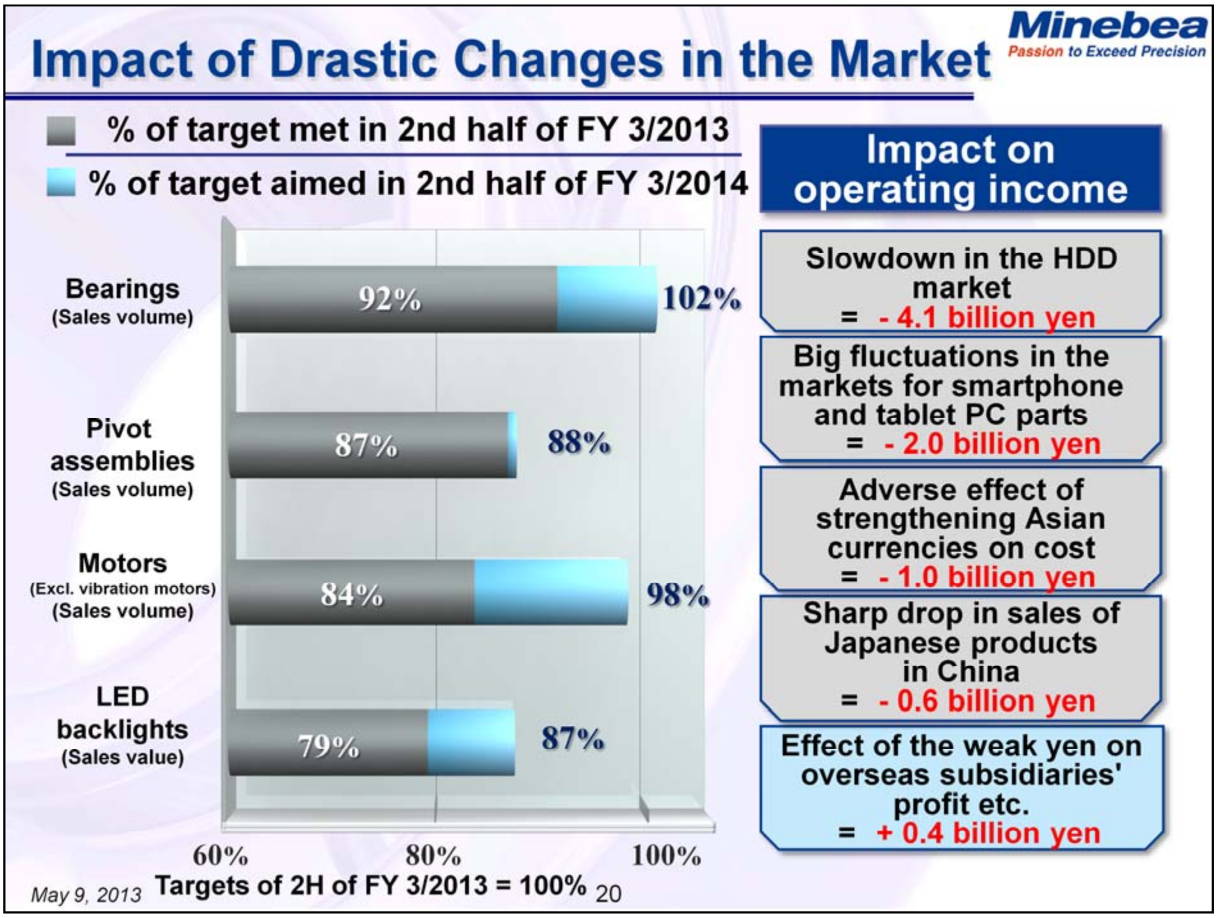


As explained earlier, our forecast for the second half of the fiscal year ended March 2013 was, I'm sorry to say, quite different from the actual results.

While Abenomics seems to have given the Japanese economy a shot in the arm, market conditions during the period of January through March were much worse than we could have ever imagined. Sales of personal computers, office automation equipment, industrial machinery, digital still cameras, and consumer electronics all fell. This left us with little choice but to make an unexpected production adjustment by cutting monthly ball bearing production to 160 million units in February. The slide illustrates the three factors behind this sudden adjustment, including the most notable one, changing technology. On top of a flagging economy, the introduction of new products like smartphones and tablet PCs kept demand for notebook PCs, hard disk drives, printers, copiers, and compact digital still cameras from rising.

On the bright side, we've started to see sales begin to take off with sales hitting 26 billion yen in April and the external sales volume of ball bearings reaching a record high of 132 million units. Since this trend is likely to continue into May and June, we are now rushing to boost production.

At any rate, we will need to keep our finger on the pulse of changing technology with an eye to keeping our strategies up to date.

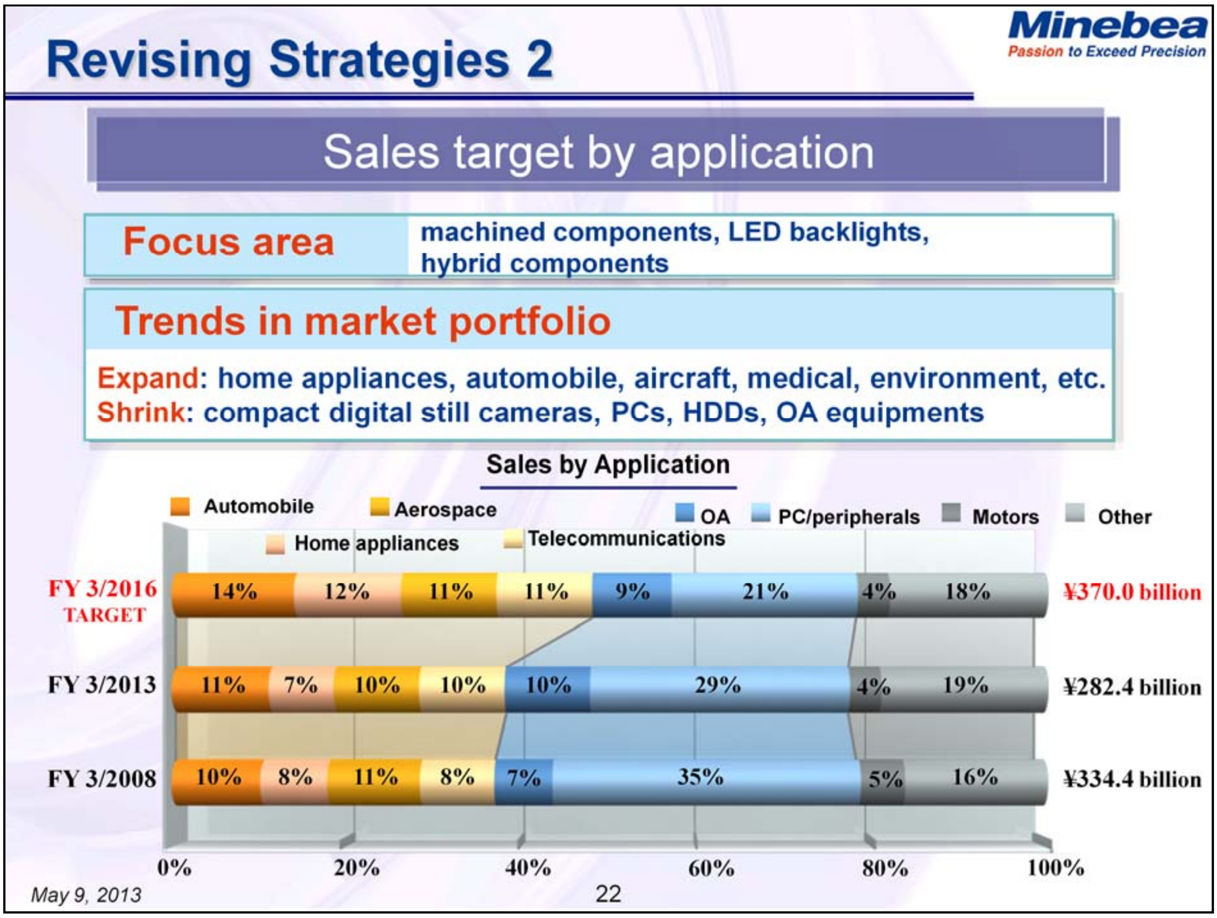


As you can see from the graph here, actual sales volume for the second half of the fiscal year ended March 2013 fell short of our target. The percentages of our targets met include 92% for bearings, 87% for pivot assemblies, and 84% for motors. LED backlight sales were less than 80% off the target due to drastic cutbacks in orders during January through March. You can see the impact of adverse market factors on operating income illustrated on the right side of the graph.

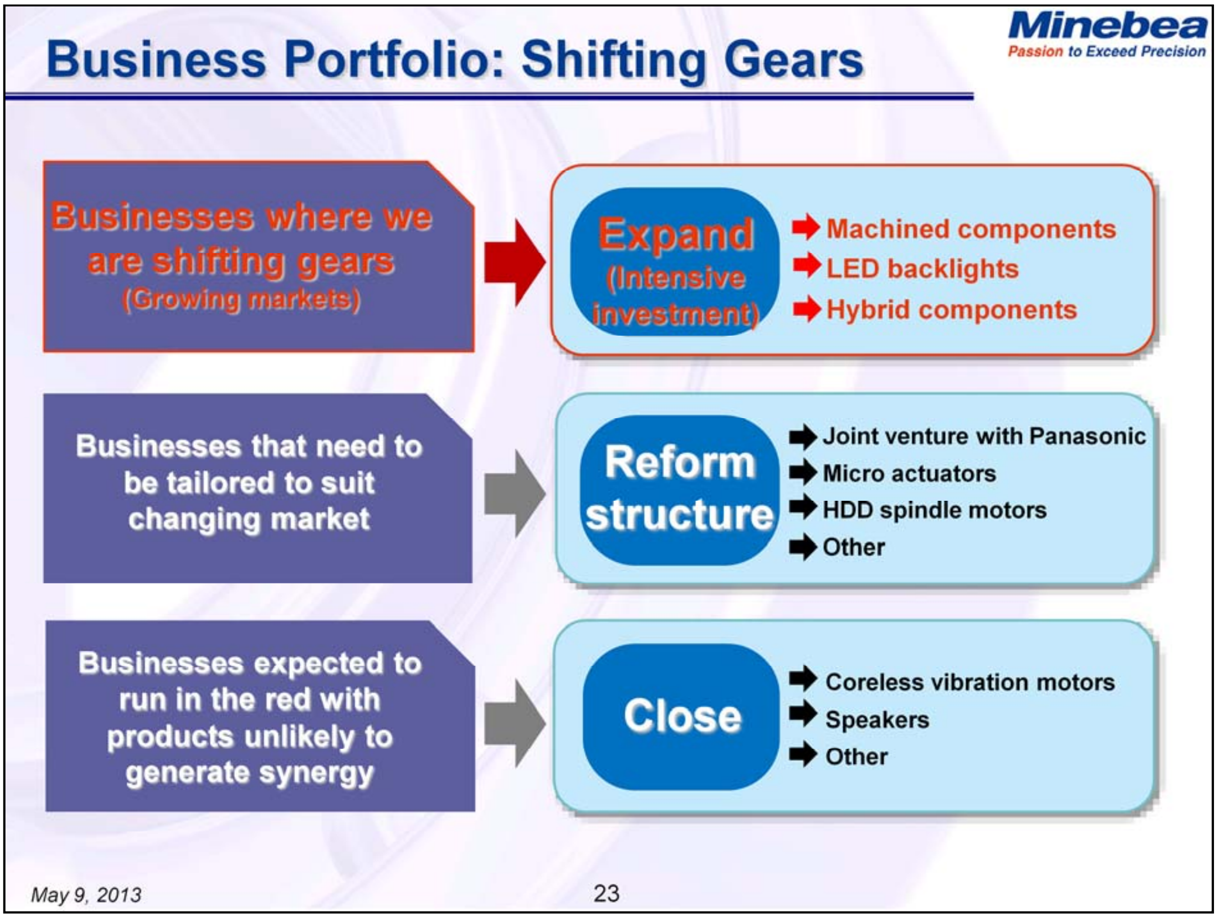
Sales are expected to edge up to the percentages shown in the graph in the second half of the fiscal year ending March 2014.

We saw Asian currencies shoot up in the fourth quarter of the fiscal year ended March 2013 with the Thai baht and Chinese renminbi making their strongest showing ever against the dollar. This should normally make parts and materials made in Japan cheaper to buy in these currencies. However, the fall of the yen, or the appreciation of these foreign currencies against the yen, is happening so fast and furious that it still has not positively affected our bottom line. This is one of the reasons why profits are down. We posted an operating deficit of 0.5 billion yen in the fourth quarter of the fiscal year ended March 2013. This figure includes a total of 0.7 billion yen expenses incurred for moving our Tokyo Head Office and foreign exchange losses. If we were to exclude these losses, we would see a small profit. These factors all lie behind the huge gap between our forecast and actual results.

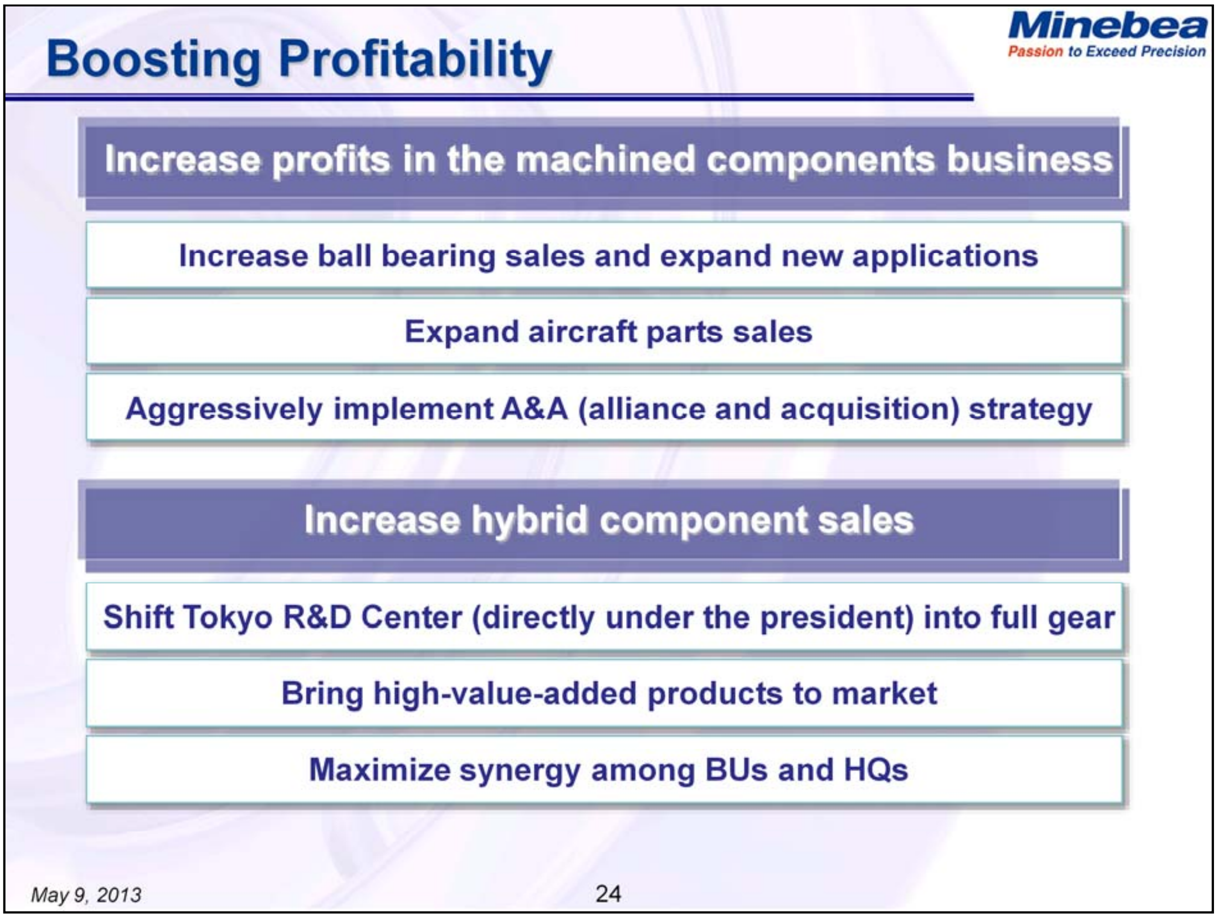
This slide shows the criteria we use to decide on which business to expand, restructure, or terminate.



This slide shows the market portfolio we are aiming for and how we are going to realize it from now on.



We expect markets and sales to expand for machined components, LED backlights, and hybrid components.



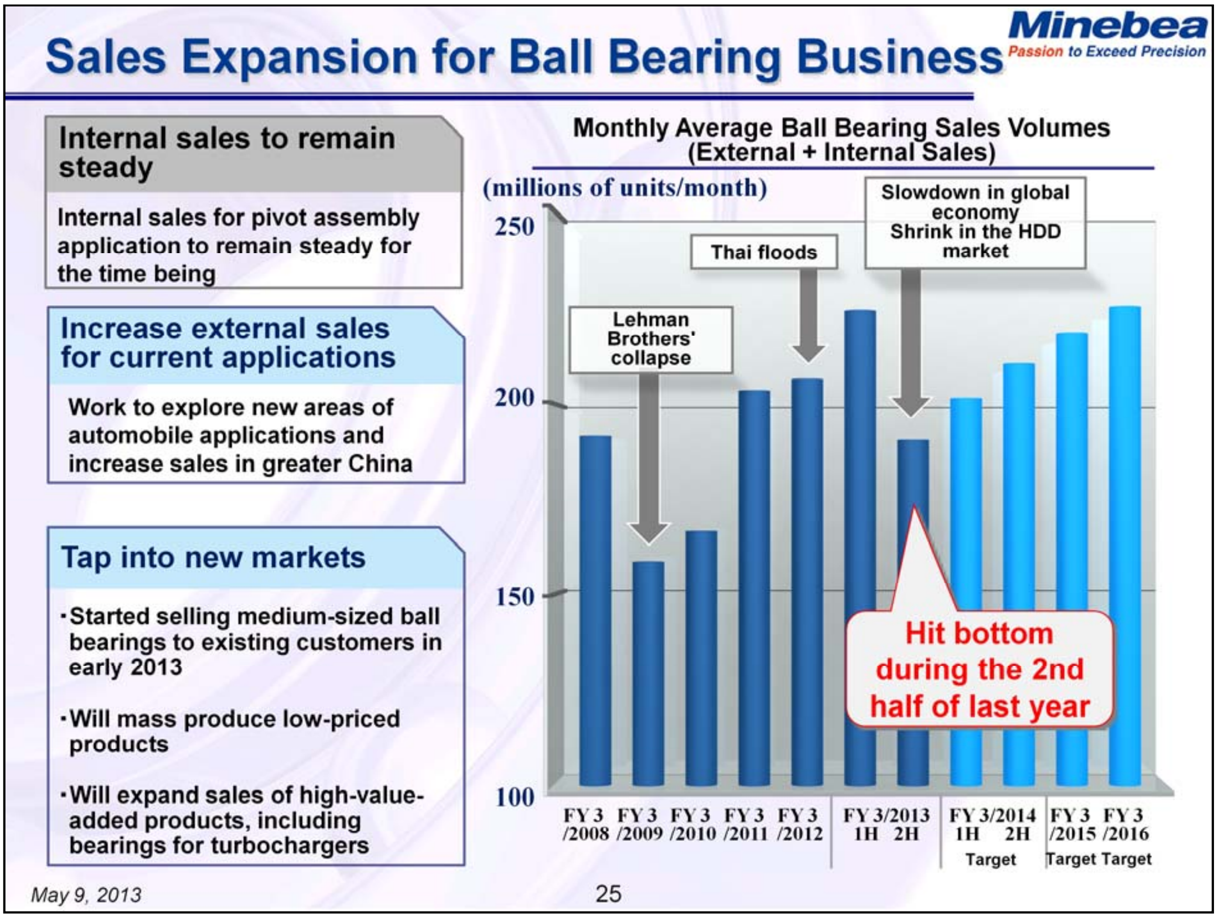
Based on the outlook that the HDD market will remain flat, we have been stepping up our efforts, since January, to increase sales of ball bearings to markets we were unable to focus on when we were too busy supplying products to the HDD market.

These efforts paid off in April's record high external sales volume but we're not done yet since we still see room for further sales growth.

We will also continue to focus on what we at Minebea call A&A, our acquisition and alliance strategy, in the machined component business. The acquisition of APB's business assets, which we announced yesterday, is part of that A&A strategy.

After moving to our new Tokyo Head Office building, the Tokyo Research & Development Center, which was designed to boost sales of hybrid components, has gotten off to a running start and is now in full swing operation. I look forward to the Tokyo Research & Development Center playing a central role in developing hybrid components as it harnesses our technological strengths from across the organization to make inroads into markets for high value-added products.

In light of the changing market conditions I talked about earlier, we intend to focus on our unique motor products about which I will go into further detail later on.

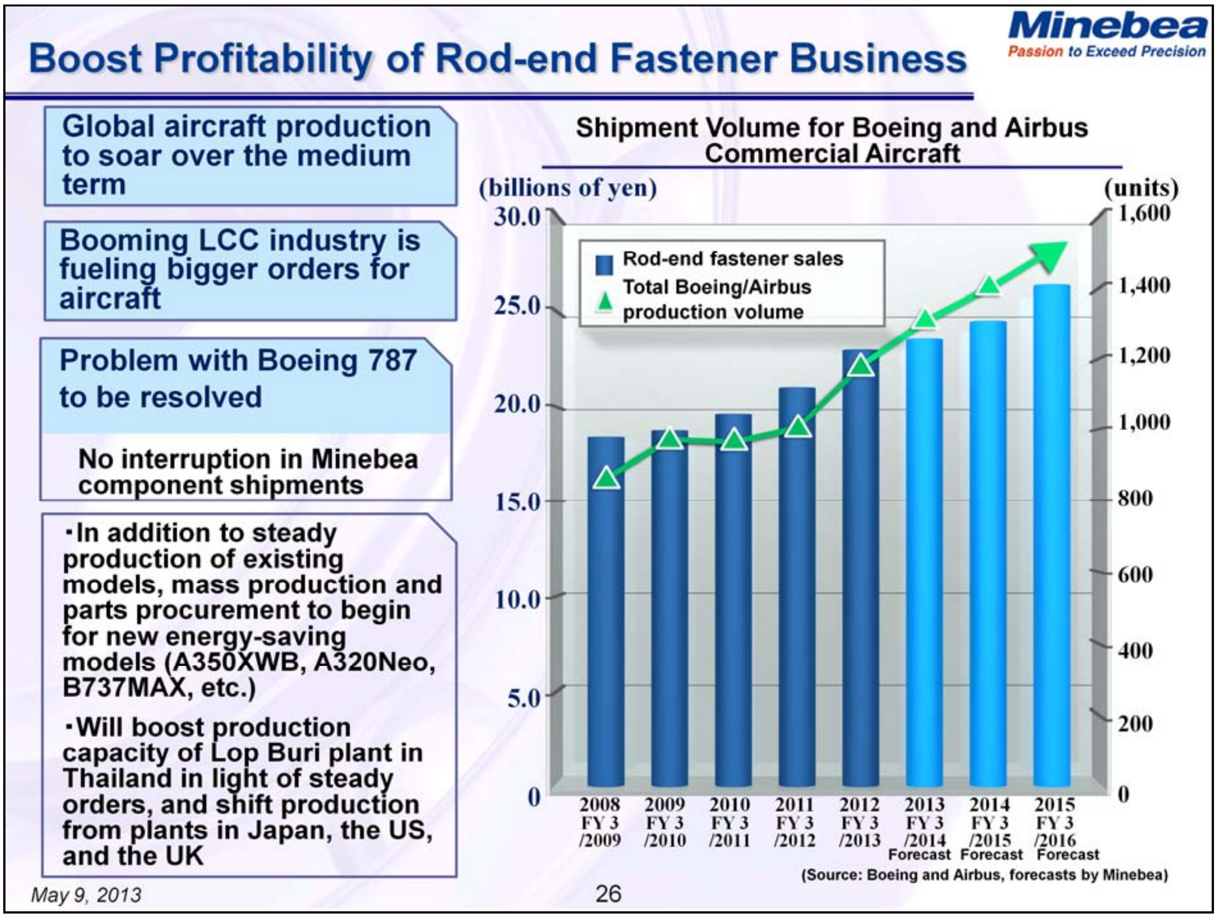


While ball bearing sales bottomed out in the second half of the last fiscal year,

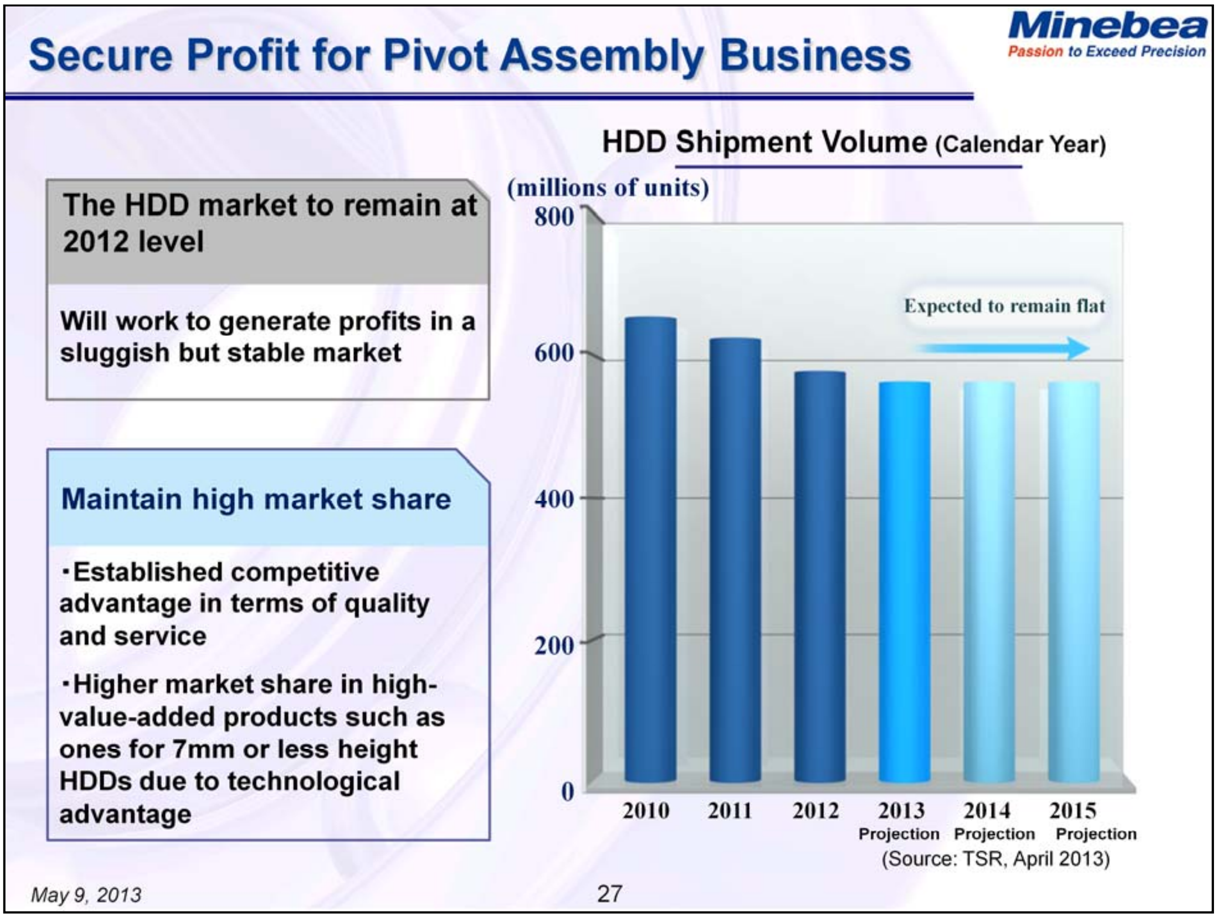
I believe the ball bearing market will definitely expand as the growth of emerging economies raise standard of living along with the sales of luxury products.

Currently ball bearing sales are up and may soar even higher.

Since we decided on this fiscal year's target back in February and March of this year when we were facing adverse market conditions, the profit margin target for machined components was set conservatively low. In addition to aiming for this target, we've set our sights on bringing profits for machined components up even further.

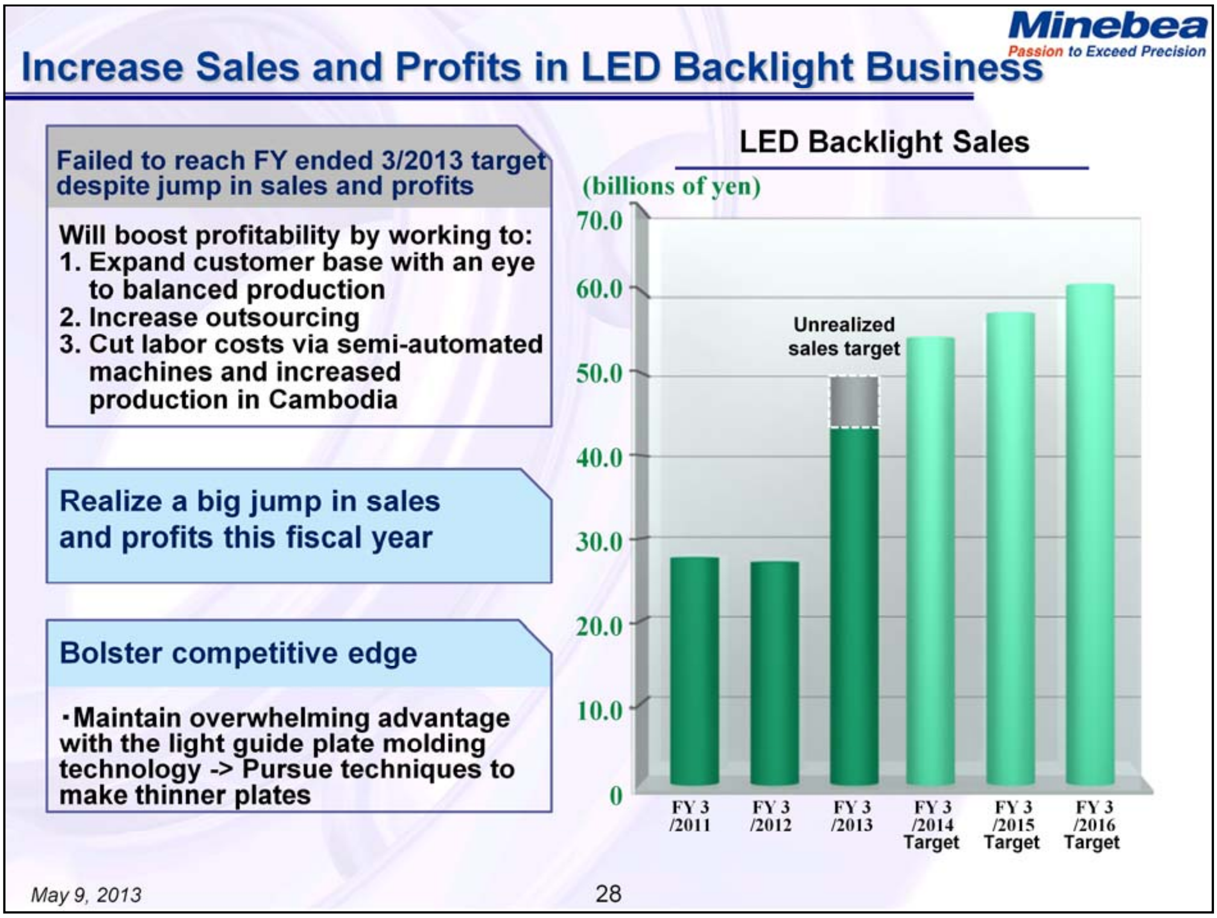


We do not expect any major problems with rod ends now that the Boeing 787 will be back in the air.



We project that pivot assembly sales will remain flat although we expect to see a new type of HDD application for network access servers in the future, which will hopefully improve the HDD market.

In the area of high value-added products entailing strict quality requirements for pivot assemblies, our products are highly valued by our customers. This should enable us to maintain a large market share as we keep our sights on generating steady profits from pivot assemblies.



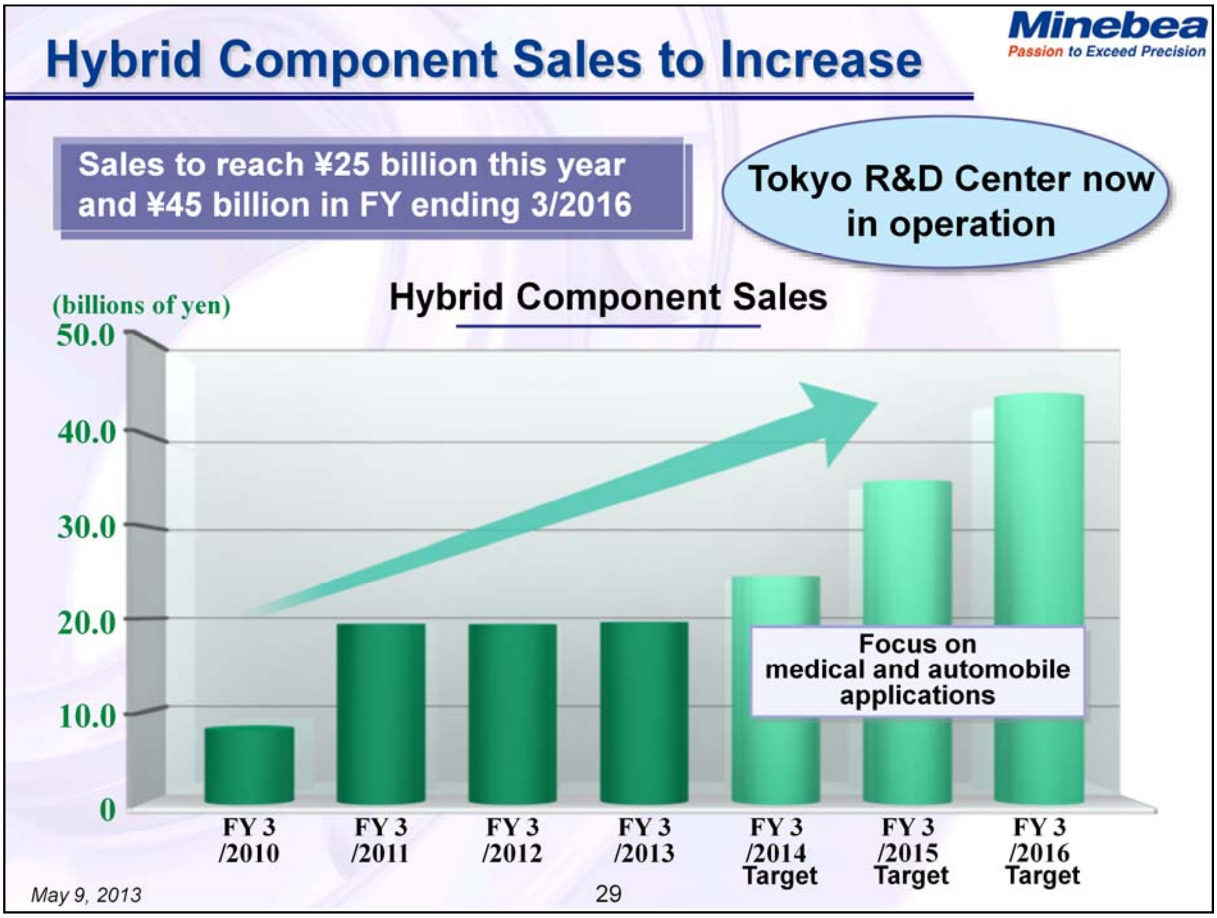
We saw demand for LED backlights spiral downward in the months of January through March. While we had expected in the beginning of the last fiscal year that sales might exceed our 50 billion yen target and reach 60 billion yen, production of LED backlights for tablet PCs had been rocky from the beginning of the fiscal year on top of various problems our customers were facing.

Although we were unable to reach our target last fiscal year, we will work to expand our customer base this fiscal year instead of relying on just one big customer. To start off, we have secured orders from Chinese smartphone manufacturers for LED backlights for their 27 smartphone models. The smartphone market exhibits tremendous growth potential with current annual sales of 720 million units expected to jump to 1.5 billion units in 2017.

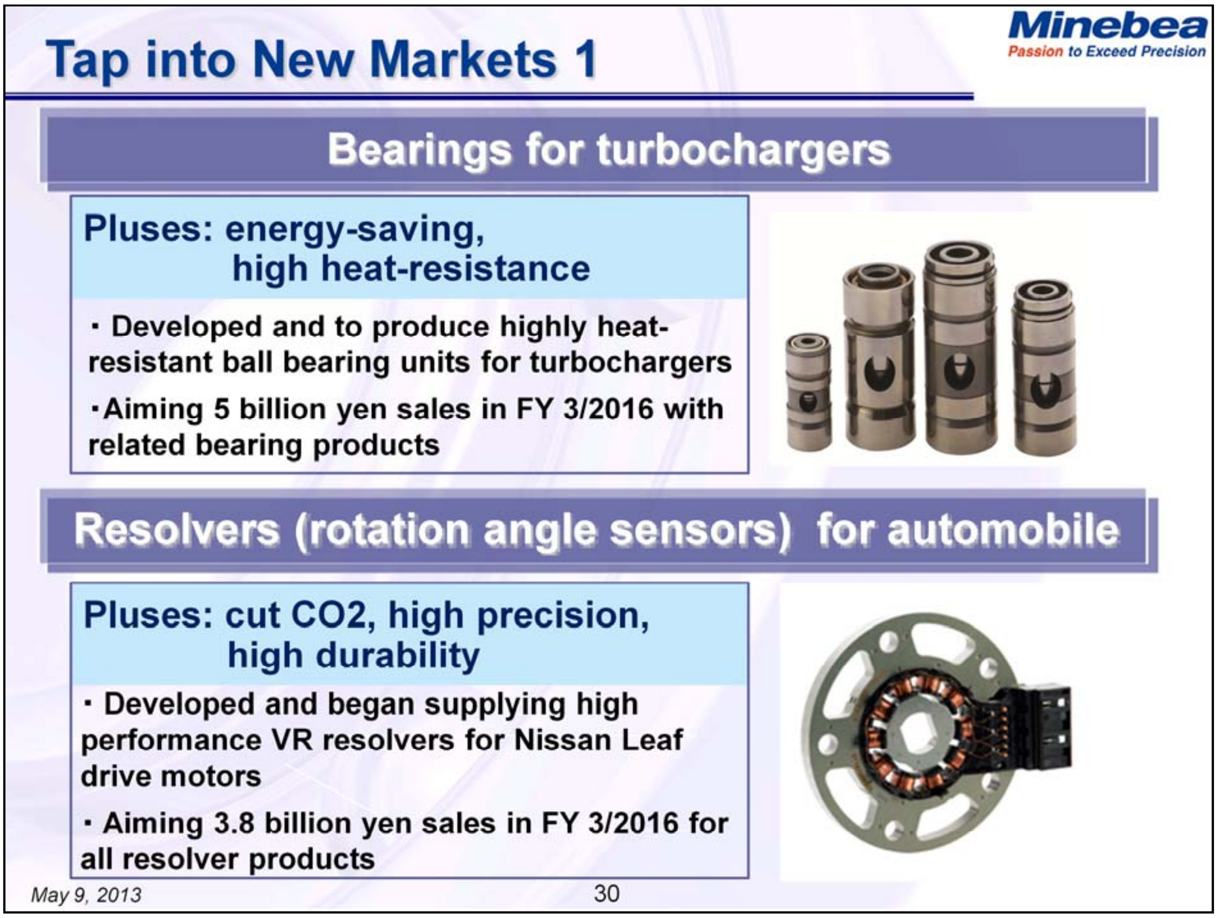
We are working on the strategies shown in the slide with an eye to making LED backlights one of our core products that will be a source of steady profits. As we announced at 5:00 p.m. today, we will form a capital and business alliance with the Korean firm, KJP. This will enable us to deal with sharply fluctuating demand in the market by outsourcing production.

Shipment of LED backlights for several tablet PC models will start in October this year, enabling us to better weather the seasonal demand fluctuations we always experience in October, November and onward.

We are determined to achieve our target for increased revenue and profit this fiscal year.



We have been aiming for 50 billion yen in hybrid components sales, and now that the Tokyo Research & Development Center is up and running, we will speed up efforts to increase sales.



In looking at our machined components, I would like to turn your attention to our turbocharger bearings. Today's need for fuel-efficient, energy saving vehicles is driving demand for automobile turbochargers up. While the market currently consumes 20 million units annually, that figure is projected to jump to 60 million units by 2020.

Our German subsidiary, myonic, developed an excellent product meeting the strict turbocharger requirement to spin at speeds of up to 200,000 rotations per minute under high temperature conditions. We put together the prototype and tested it at our Karuizawa facility. We are going to mass produce it in Thailand.

Using this product will make the price of the turbocharger part about a tenth of what it costs to buy conventional parts on the market that don't employ ball bearings. We are aiming for 5 billion yen in sales by the fiscal year ending March 2016. It is a winning formula for our machined components business. Targeted to a niche market, though it may be small, requiring cutting-edge technology, this product is the first to have been developed using our group’s combined technological strengths before being put through the paces in Karuizawa and finally mass produced in Thailand.

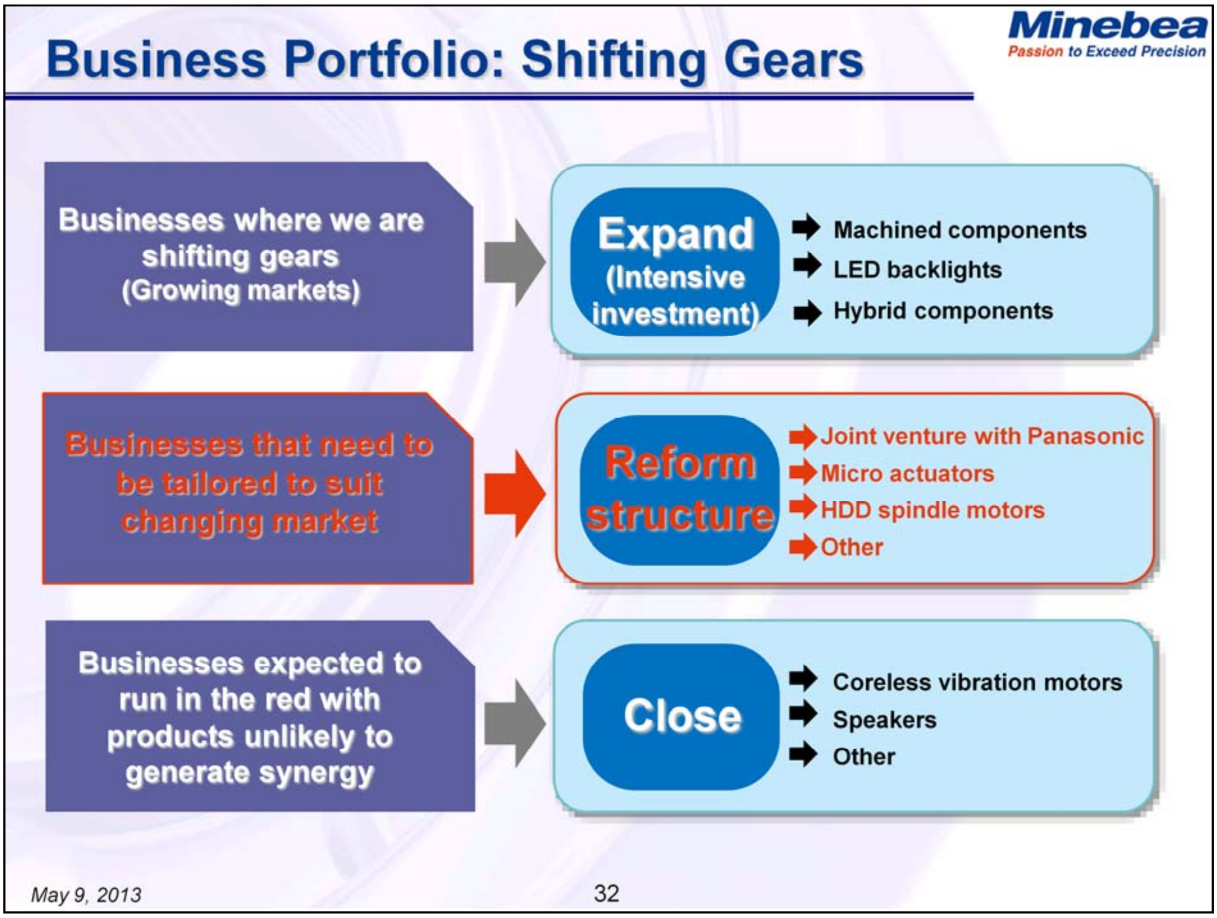
Expected to yield a high profit margin, the product is part of our efforts to enhance overall profitability in the machined components business.

I would also like to highlight the subject of an earlier announcement, our in-vehicle resolvers, for which we are looking to generate 3.8 billion yen in sales for the fiscal year ending March 2016.

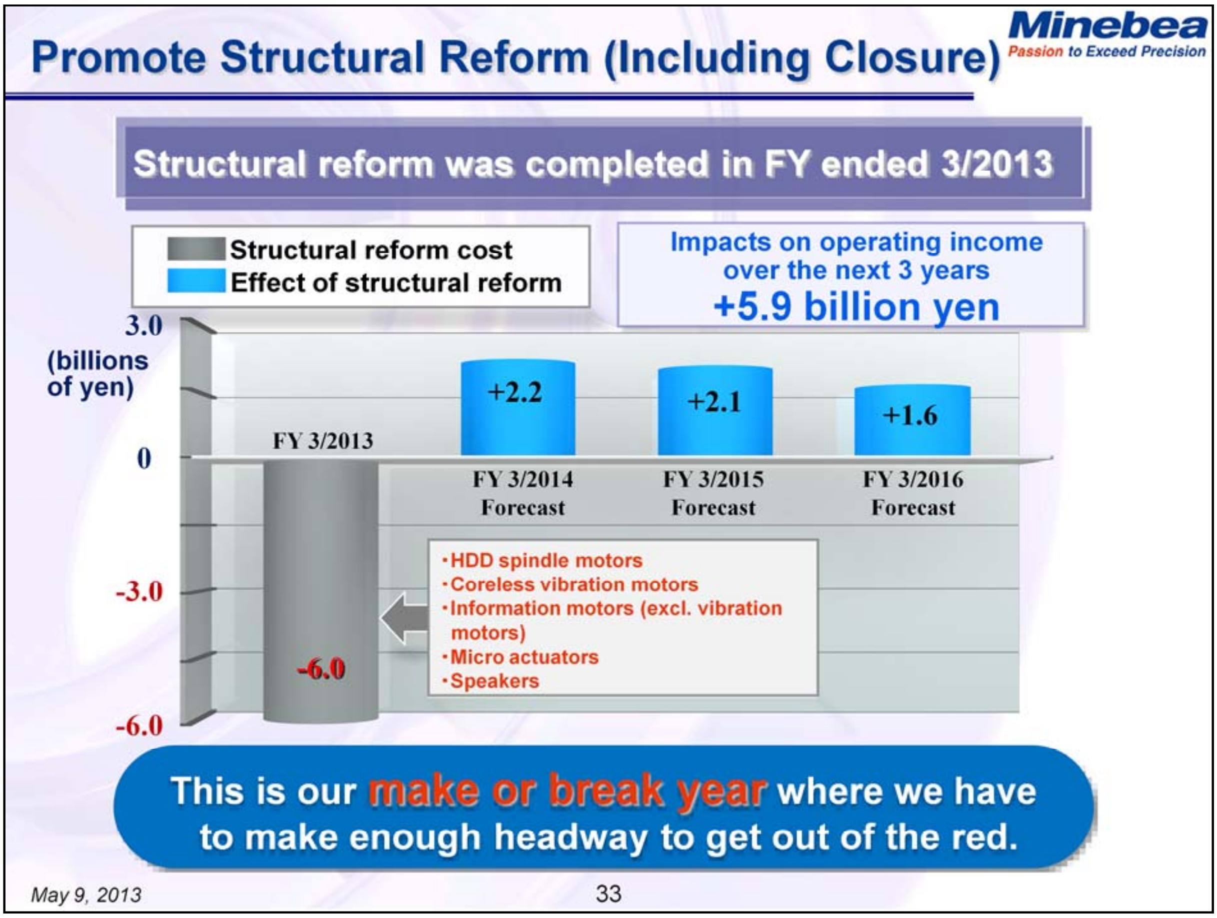
We have also successfully developed a new, ultra-thin light guide plate for LED backlights with a thickness of less than 0.3 mm. This development makes us the only manufacturer who can manufacture products less than 0.3 mm thick via mold injection.

The major barrier blocking smartphone development today is battery capacity. Smartphone makers want to make as much room as possible for a battery by eliminating space for other components, so that the device will run longer after charging. This 0.3 mm light guide plate is intended to meet such needs of smartphone manufacturers.

The LED backlight business is one area where we believe we can leverage our “best” and “one and only” strategies.



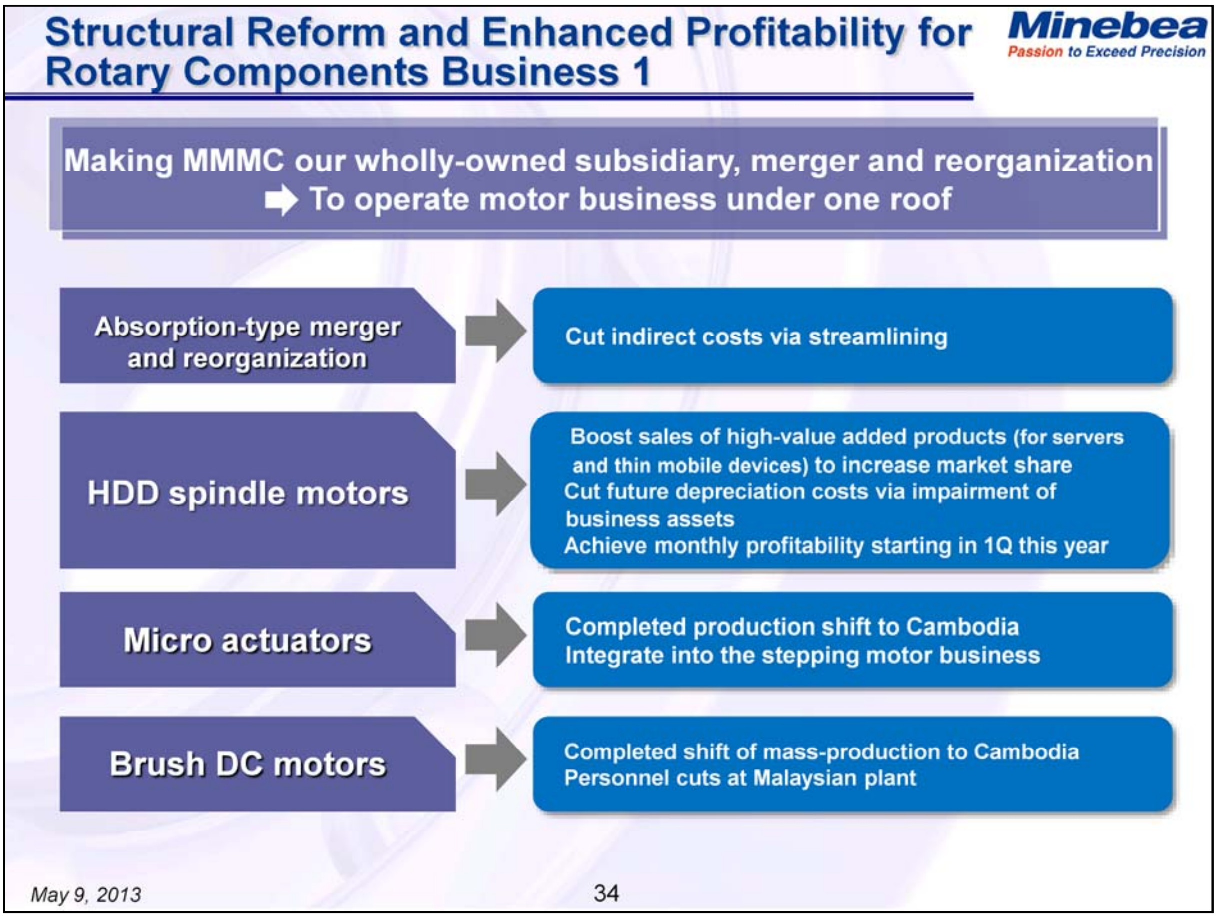
What may be problematic is the structural reforms we need to implement in response to the changes in markets. We have to dissolve the joint venture with Panasonic to cut overlapping costs, and we also had to restructure our operations for micro actuators, HDD spindle motors, and other products as well.



We posted an impairment loss on non-performing assets for HDD spindle motors.

On top of that, we had to pull out of the coreless vibration motor business in March, which left us with little choice but to close all the business' factories in China and let all the employees there go.

These tough measures were all part of the major restructuring of the information motor business.

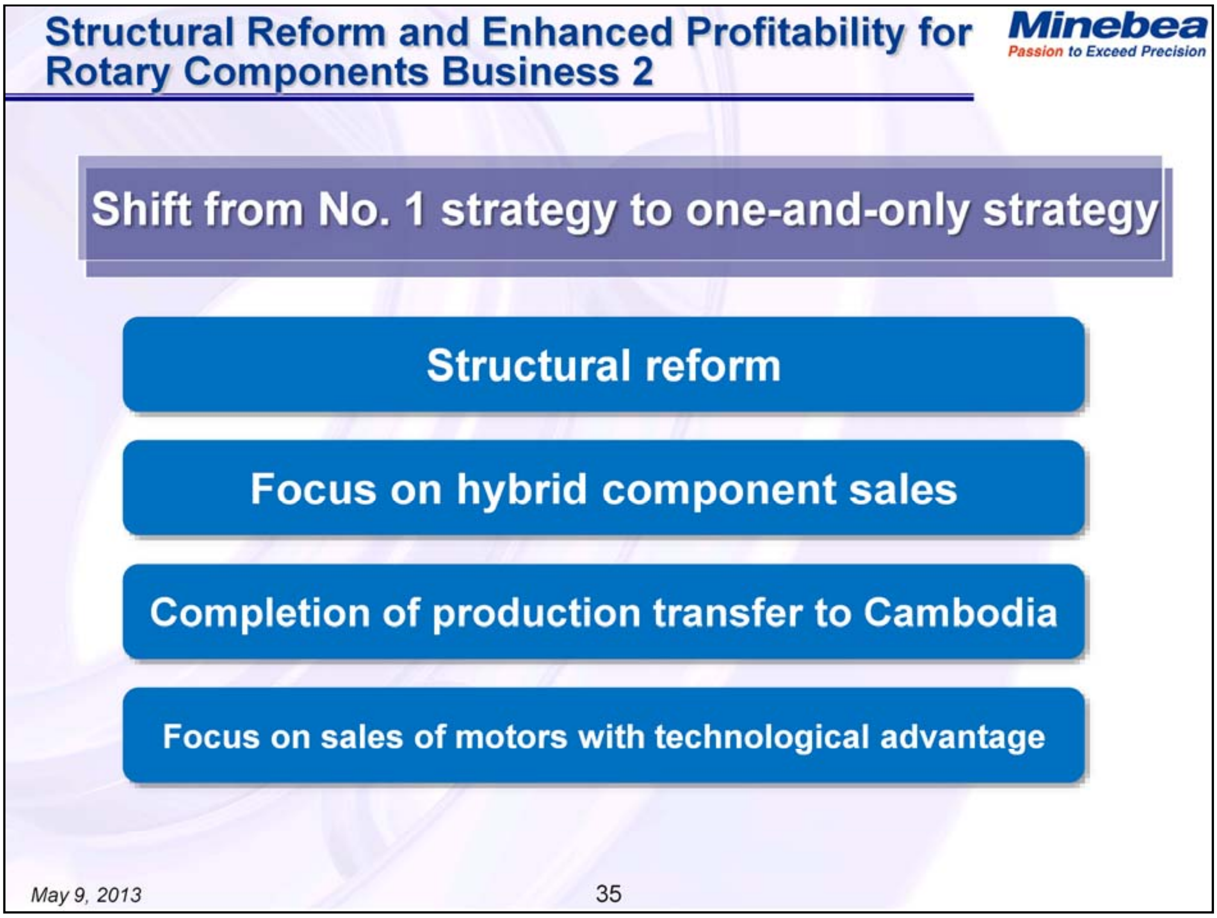


We streamlined MMMC operations to cut indirect costs.

Growing sales of high-value added products gave us a bigger share of the HDD spindle motor market while ongoing work to cut depreciation costs should put our monthly performance on the plus side starting in May.

We finished shifting micro actuator production to our Cambodian factory and got the go-ahead for all production lines from our customers. Now, we are working to boost production in Cambodia using the inventory of products we produced in China for the shift in production.

After completing the transfer of DC brush motor mass-production to Cambodia, we eliminated about 800 positions in Malaysia as part of the restructuring plan.



Now for the most difficult part.

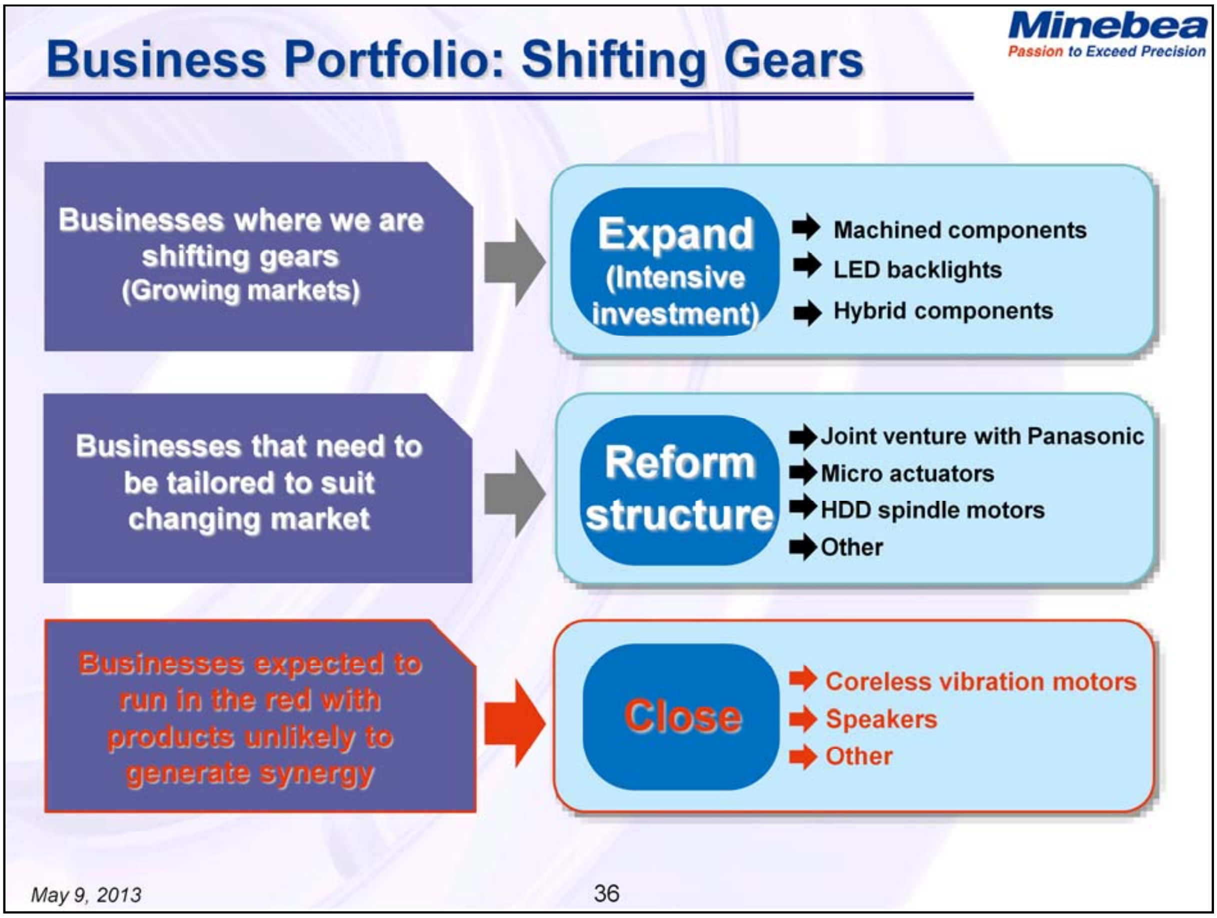
Foreign exchange factors have the biggest impact on our business segments that are running in the red. Although we implemented structural reforms for these businesses, we are still experiencing persistent problems affecting our overall operations.

As technology changes, we will keep pace with increasing sales of hybrid components. This is our “one and only” strategy in that we will move ahead with a focus on tapping into markets where we can harness our combined strengths and leveraging our technological advantages to boost motor sales. In terms of HDD spindle motors, we will zero in on high value-added products for servers and other applications. Our efforts invested in the high value-added S series of DC brush motors have finally begun to pay off and we are seeing that they are starting to dominate the market for single-lens reflex cameras, both with or without a mirror. Capable of generating the same torque as conventional motors in a small space, the S series motor is exactly what high-end camera manufacturers have been looking for. Our S series motor was recently adopted by one camera maker for its new small-size single-lens reflex camera and is now featured on its Web site. The plan is to aggressively market products like this that give us big leg up over the competition.

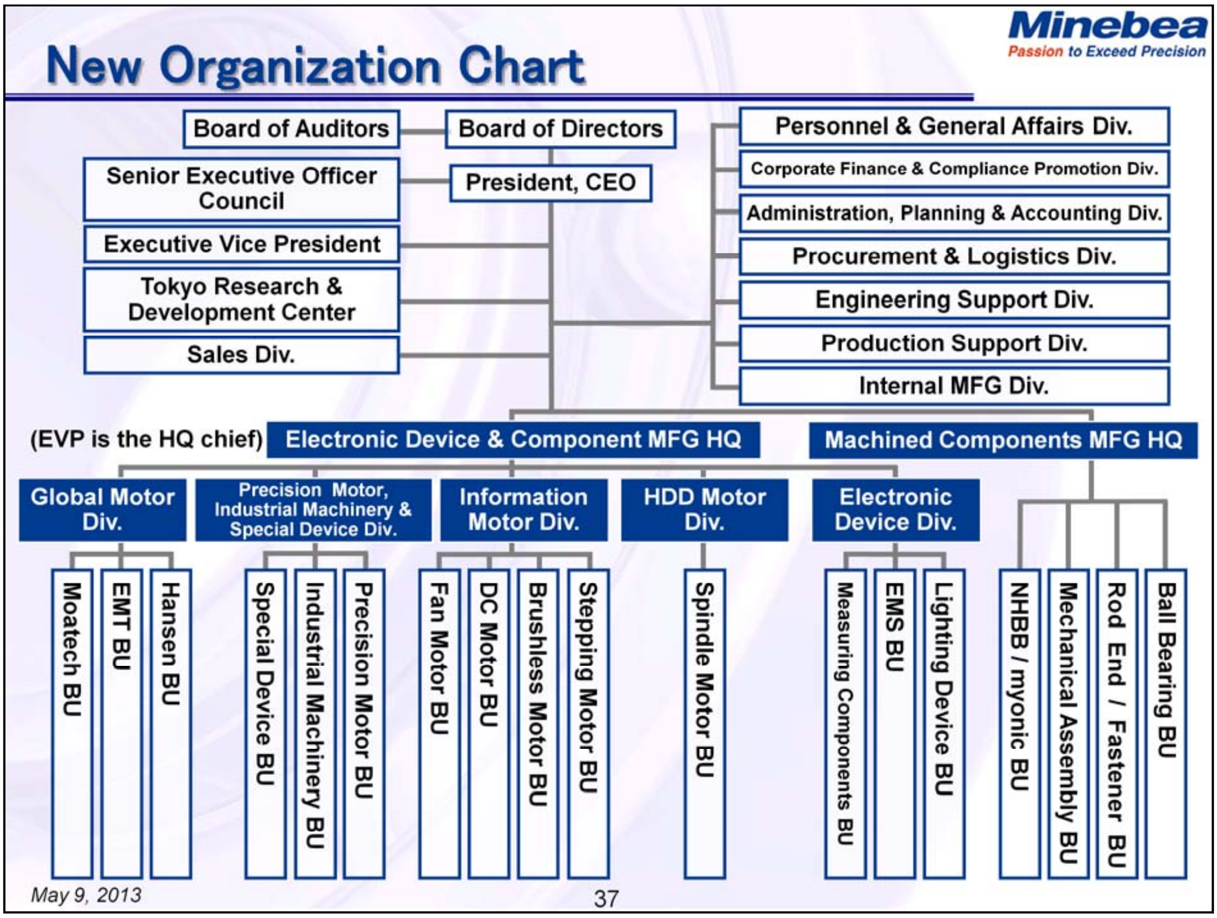
We reorganized the stepping motor business by merging the micro actuator, PM motor and HB motor businesses under one roof to be overseen by a single manager.

We will reallocate overlapping engineering and backup personnel.

Through these measures, we will soon turn the rotary components business into one of our major profit engines.



As you can see from the slide, we decided to terminate the coreless vibration motor and speaker businesses.



We made some organizational changes in line with the changes in our overall strategies. These changes included reorganizing our manufacturing divisions into the Electronic Device & Component Manufacturing Headquarters and the Machined Components Manufacturing Headquarters, just as we had done in the past. We believe this reorganization will pave the way to enhanced operational efficiency and speed. Minebea vice president, Koichi Dosho, will serve as the head of the Electronic Device & Component Manufacturing Headquarters.

Organizational Reform: Aims

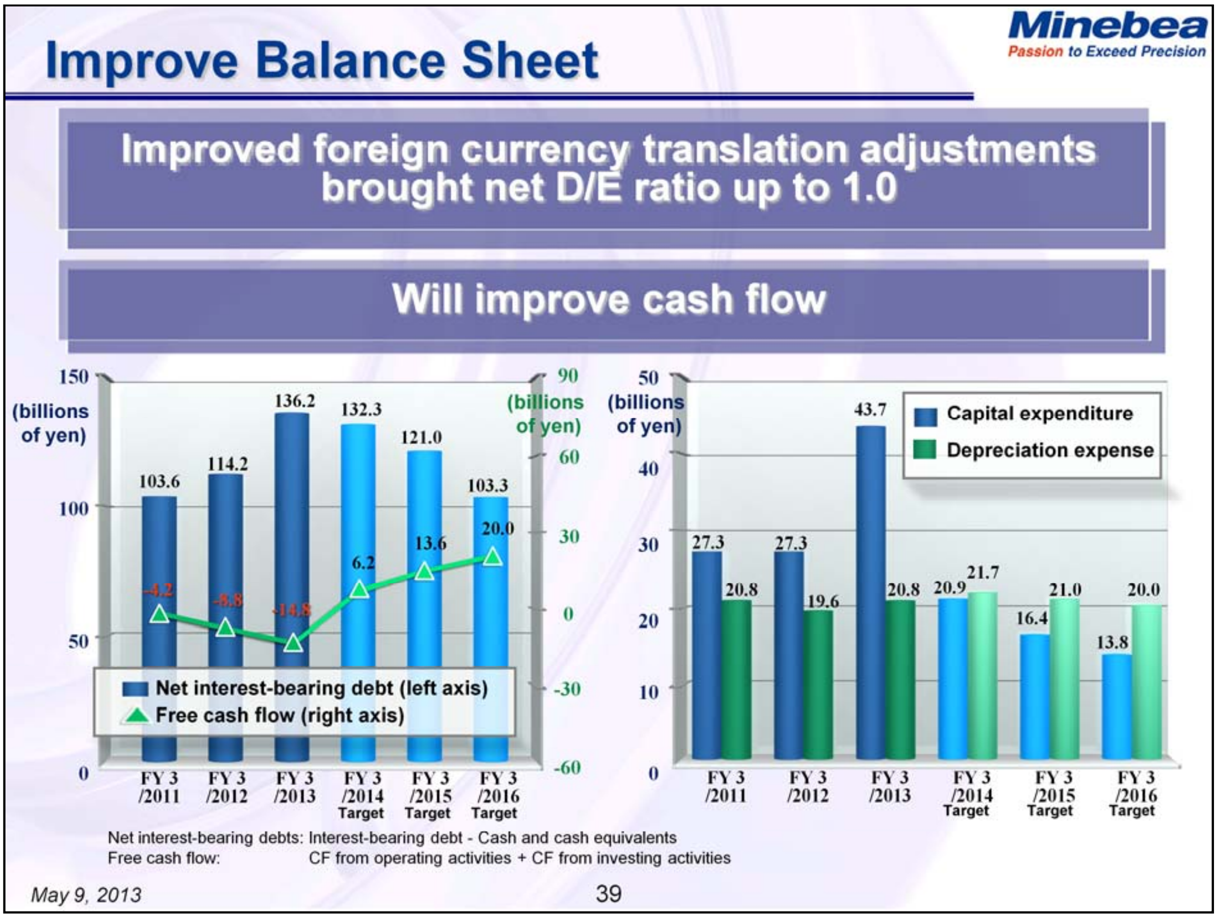
Minebea
Passion to Exceed Precision

Increase efficiency and speed of operations

Maximize synergy between sales and R&D via the new Electronic Device & Component Manufacturing HQ

Major organizational changes

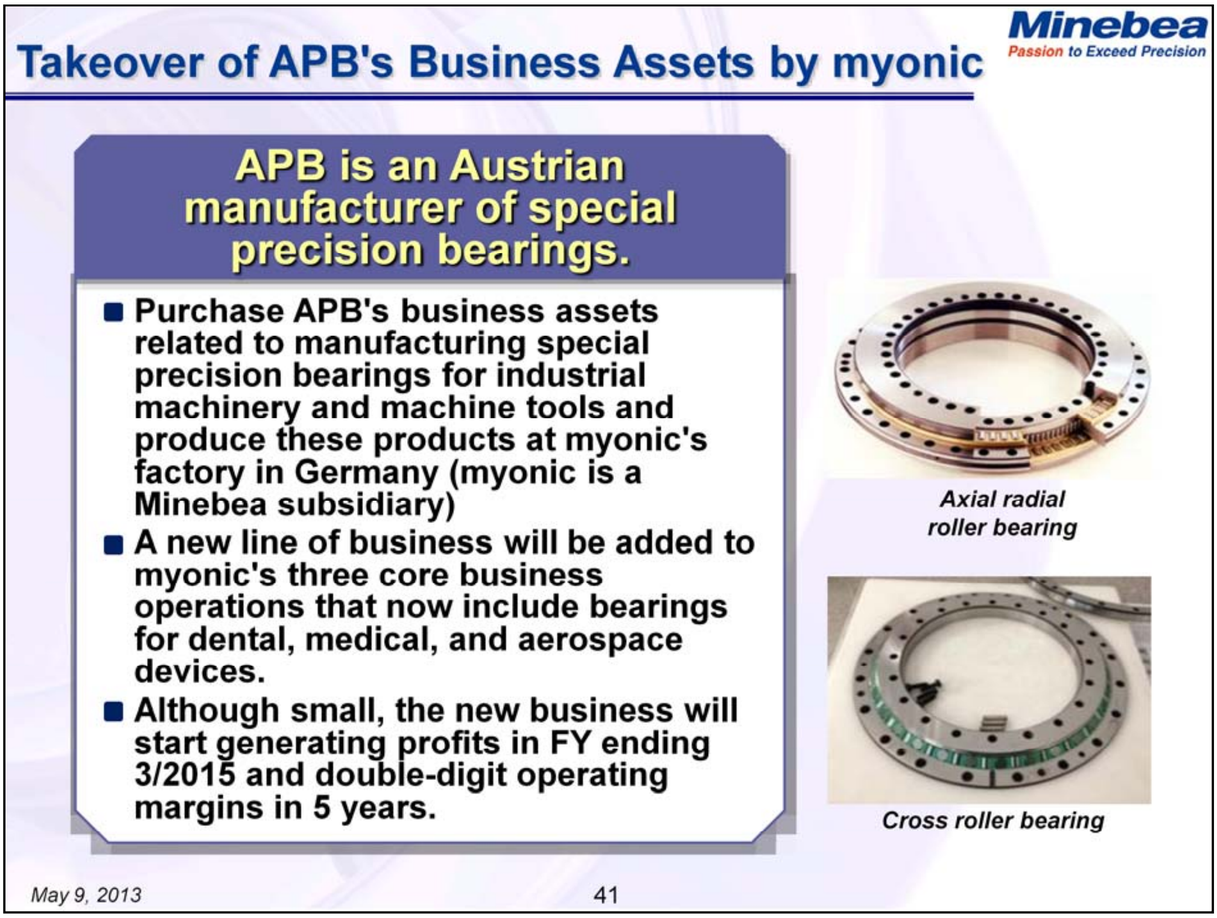
- Minebea absorbed Minebea Motor Manufacturing Corp., turning its 4 motor BUs into the Information Motor Division
- Merged the Micro Actuator BU with the Stepping Motor BU
- Placed the Precision Motor and Special Device BUs under the new Precision Motor, Industrial Machinery & Special Device Division
- Established the Tokyo Research & Development Center
- Merged the Rotary Component Manufacturing HQ, Electronic Device & Component Manufacturing HQ, HDD Motor Manufacturing HQ, Special Device Manufacturing HQ, and Global Motor Business HQ into the new Electronic Device & Component Manufacturing HQ
- No organizational change to the Machined Component Manufacturing HQ



The weak yen not only had a negative but also a positive impact on our balance sheet as better foreign currency translation adjustments quickly brought the net D/E ratio up to 1.0.

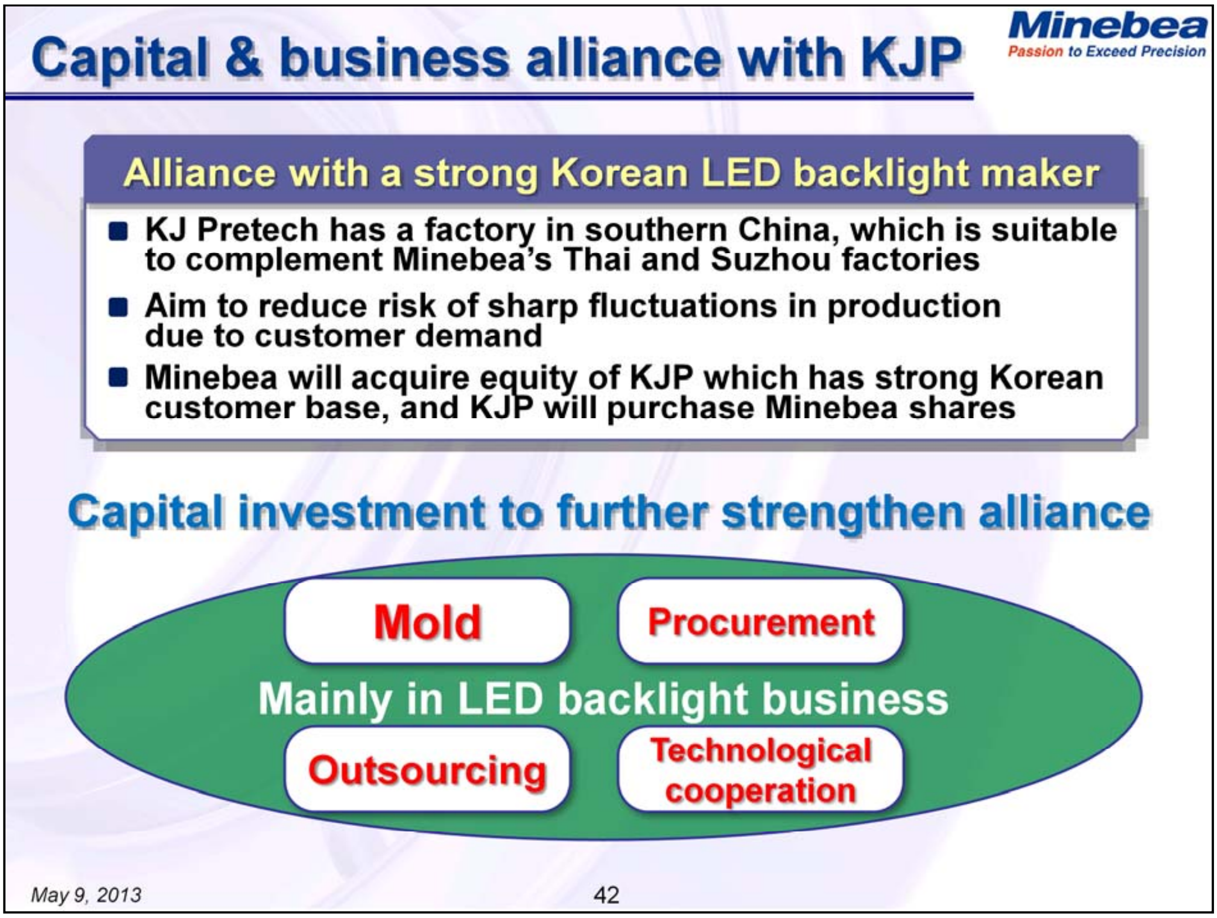
As far as our M&A and alliance strategies, while we were preparing for some major M&A deals, the fall of the yen since November 2012 has driven purchase prices up over 20% on a yen basis. In light of this development, we will think twice before entering into any large M&A deals. That doesn't mean we will give up on any large M&A opportunities. We will just be looking carefully for ways to minimize risk and team up with partners.

Our strategy for small to medium M&As is a different story where our acquisition of APB's business assets is an example of how we are stepping up efforts to strengthen the machined components business.

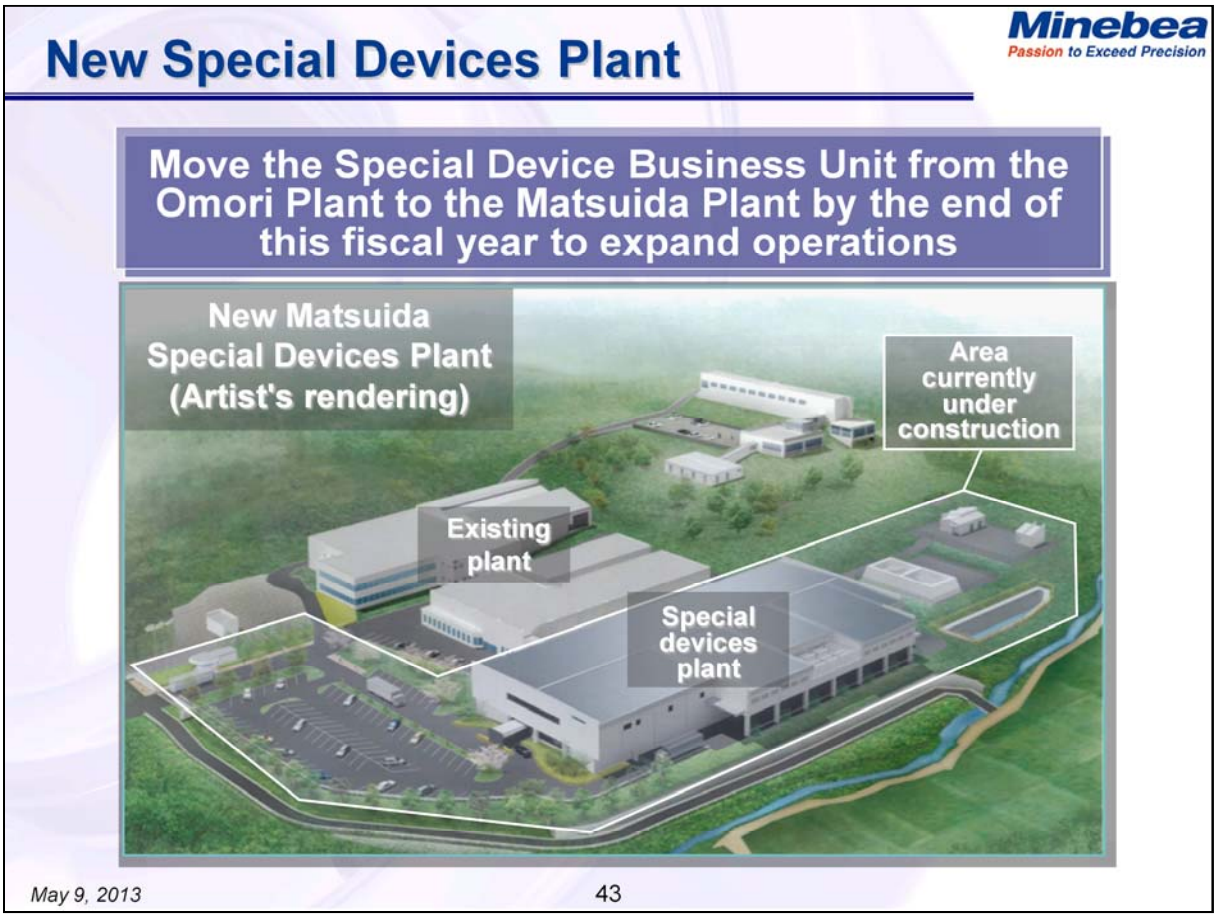


myonic bought APB's business assets. APB specializes in bearings with inner diameters ranging from 80 mm to 800 mm that are used in turn tables for machine tools. I hear that the European market for high precision AX bearings generates 8 billion yen annually.

Once myonic absorbs APB's technology, we are thinking about building on it at Karuizawa and expand our market opportunities just like we are doing with our turbocharger bearings.



This is about the capital and business alliance with KJP we announced at 5:00 p.m. today.



Our special device business has seen growing demand from the Ministry of Defense due to recent events. We have broken ground in Matsuida on a new plant outlined here.

The factory will have enough space to produce various types of actuators, not only for defense-related applications but also for consumer products. Although it will take some time, we are looking forward to applying the technological expertise we have gained in producing defense-related special devices to making consumer products.

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Dividend Policy

Dividend policy

FY ended 3/2013	year-end dividend: **4** yen/ share;	Total year: **7** yen /share
Dividend forecast for FY ending 3/2014:	Interim: **3** yen/share Year-end: **4** yen/share	

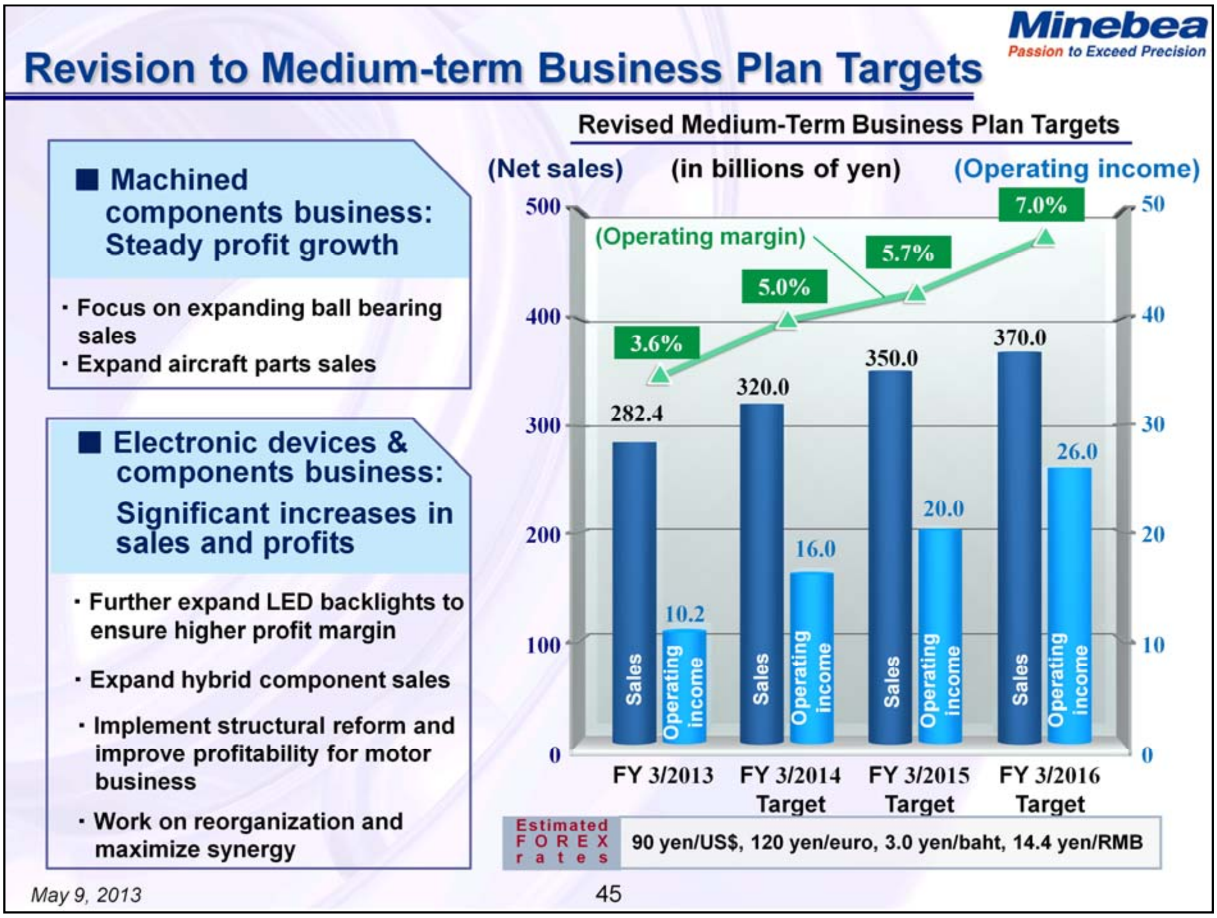
Our basic dividend policy gives priority to enhancing equity efficiency and improving returns to our shareholders, with dividends reflecting performance in light of the overall business environment while maintaining a stable and continuous distribution of profits.

Maintain strategies for repurchasing own shares

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

May 9, 2013 44

We will propose to pay an annual dividend of 7 yen per share.



While current market conditions have required us to revise the targets set in our medium-term business plan, we will work to achieve an operating income that goes beyond these targets.

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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.