

Business Results

Fiscal Year Ended March 31, 2016

May 10, 2016
Minebea Co., Ltd.

1. Financial Results

2. Policy and Strategy

Financial Results

Hiromi Yoda

Managing Executive Officer

Sales hit record highs 3 years in a row

(Millions of yen)	FY ended Mar. '15 Full year	FY ended Mar. '16 Full year	Change YoY	FY ended Mar.'16	
				February forecast Full year	VS. Forecast
Net sales	500,676	609,814	+21.8%	635,000	96.0%
Operating income	60,101	51,438	-14.4%	55,000	93.5%
Ordinary income	60,140	46,661	-22.4%	50,000	93.3%
Net income attributable to owners of the parent	39,887	36,386	-8.8%	40,000	91.0%
Net income per share (yen)	106.73	97.26	-8.9%	106.93	91.0%

Foreign exchange rates	FY ended Mar. '15 Full year	FY ended Mar. '16 Full year
US\$	¥109.19	¥120.78
Euro	¥139.38	¥132.75
Thai Baht	¥3.37	¥3.46
Chinese RMB	¥17.60	¥19.03

Summary of Consolidated Business Results for 4Q

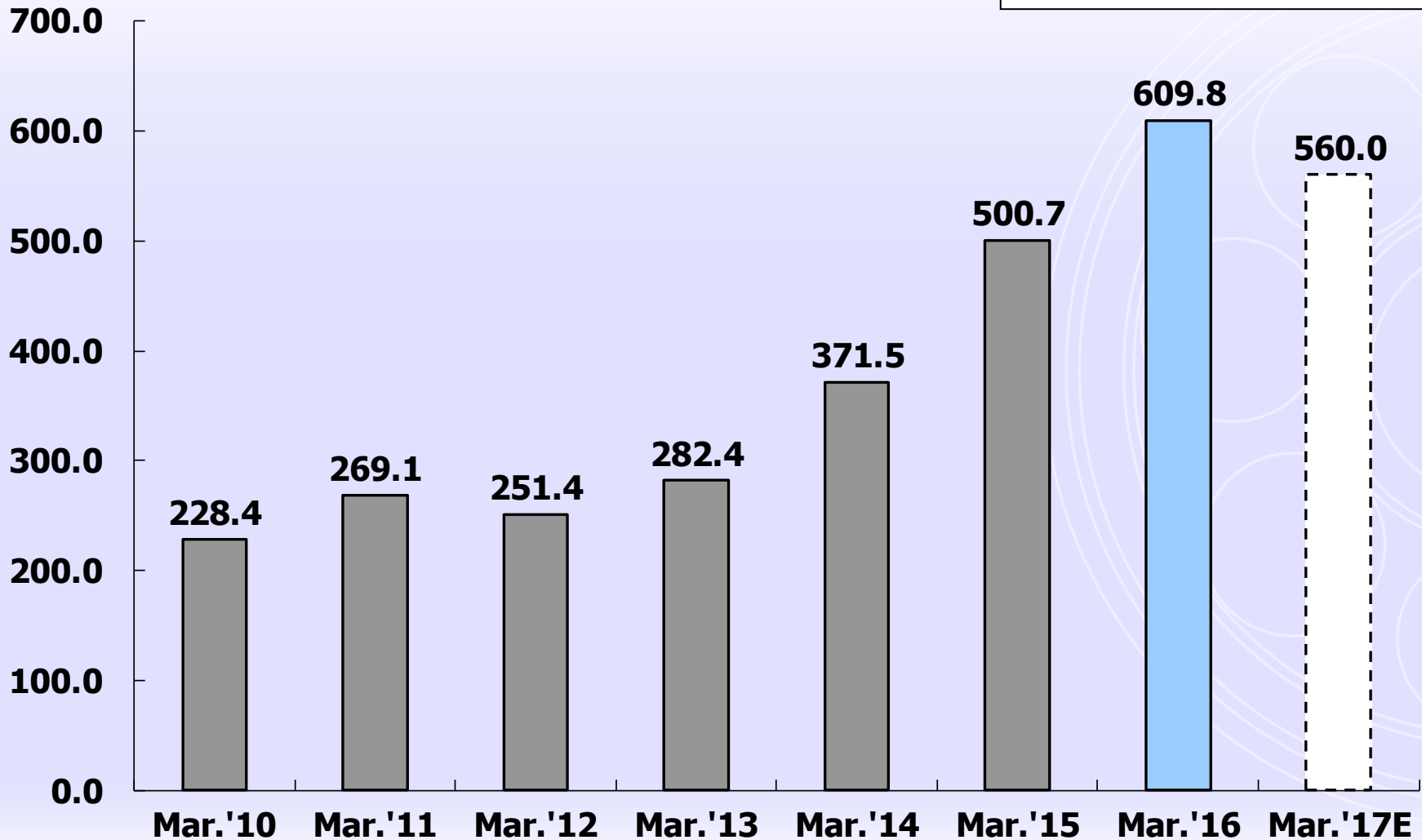
(Millions of yen)	FY ended Mar. '15	FY ended Mar. '16		Change	
	4Q	3Q	4Q	YoY	QoQ
Net sales	138,715	178,661	135,599	-2.2%	-24.1%
Operating income	16,259	15,484	8,536	-47.5%	-44.9%
Ordinary income	16,905	15,120	8,215	-51.4%	-45.7%
Net income attributable to owners of the parent	8,906	11,825	6,802	-23.6%	-42.5%
Net income per share (yen)	23.82	31.61	18.17	-23.7%	-42.5%

Foreign exchange rates	4Q of FY Mar. '15	3Q of FY Mar. '16	4Q of FY Mar. '16
US\$	¥119.36	¥121.23	¥118.37
Euro	¥138.02	¥132.56	¥129.35
Thai Baht	¥3.66	¥3.37	¥3.30
Chinese RMB	¥19.11	¥19.02	¥18.06

Sales hit record highs 3 years in a row

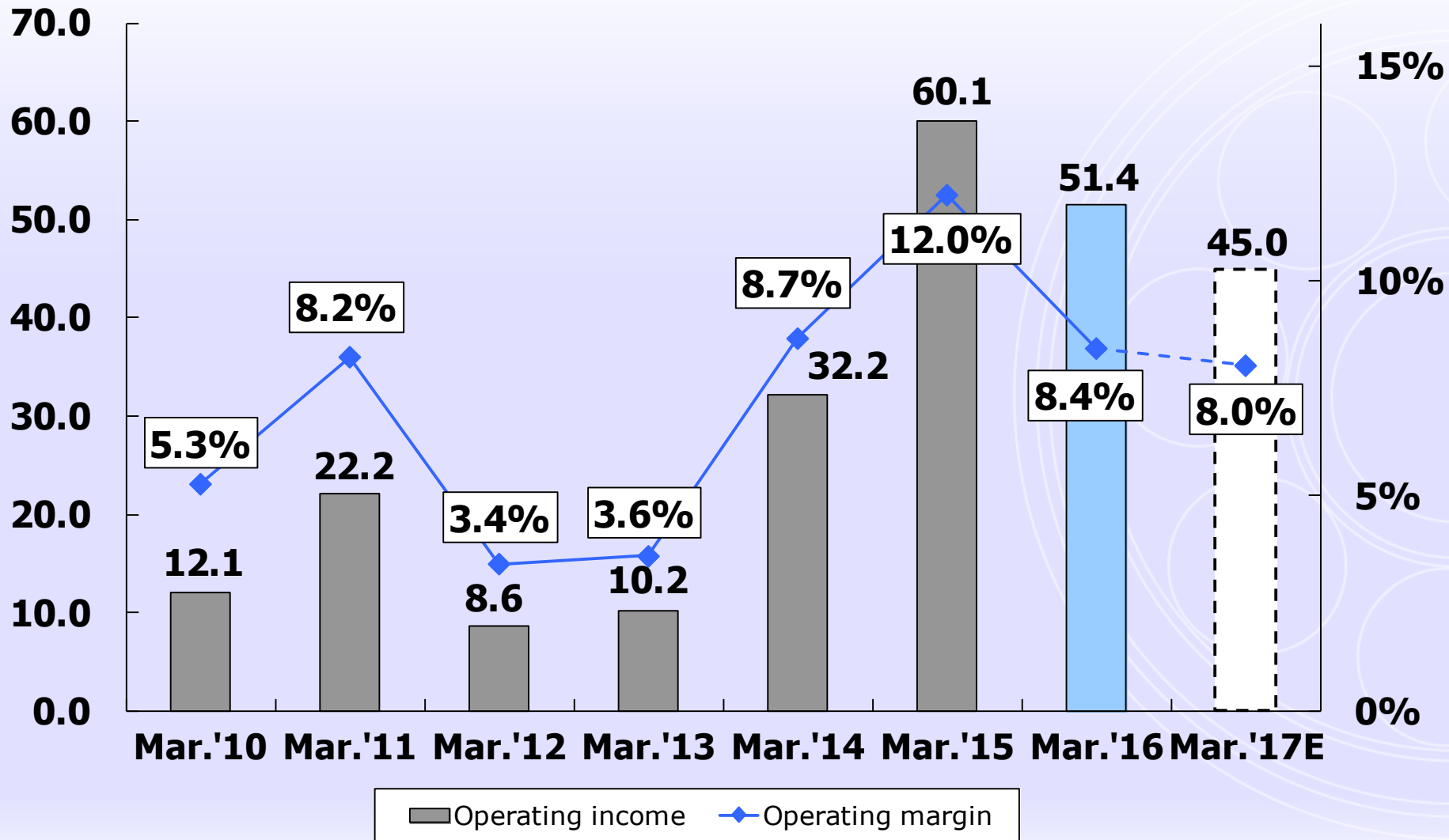
(Billions of yen)

Increased 21.8% YoY



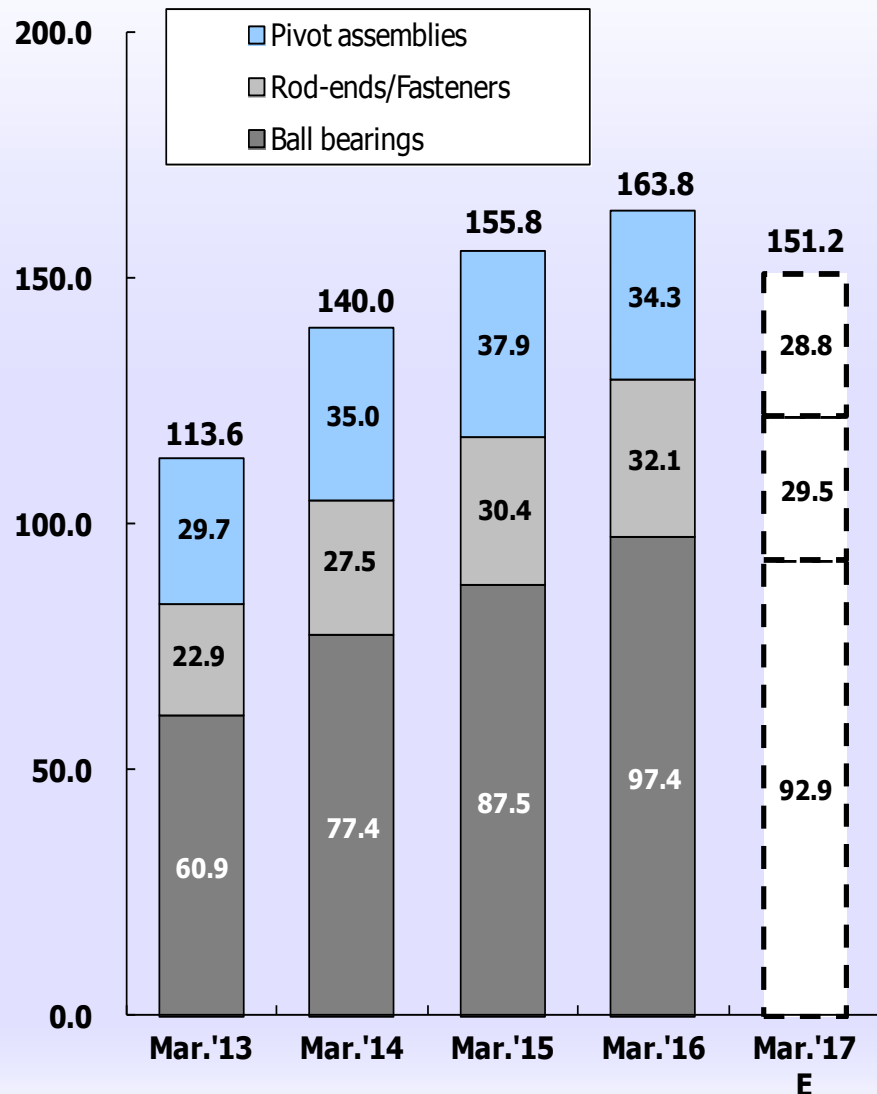
Decreased 14.4% YoY

(Billions of yen)



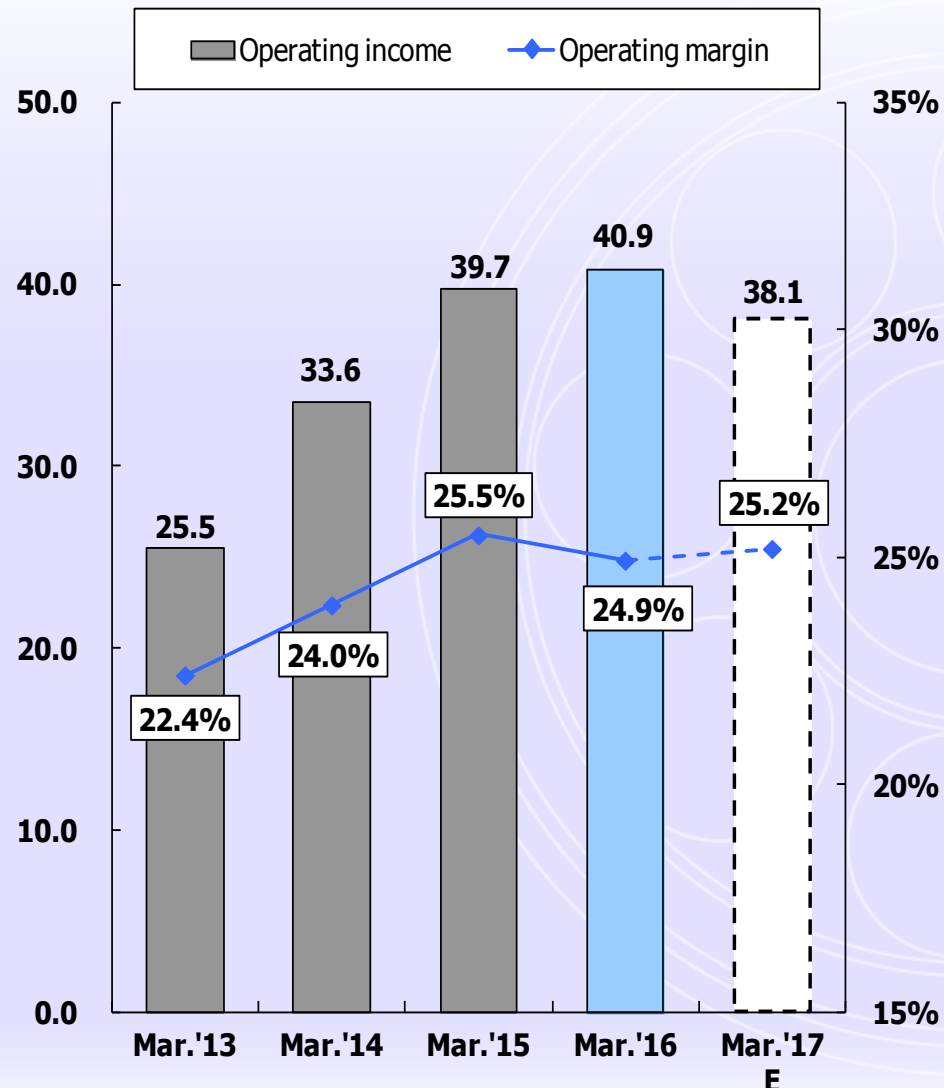
Net sales

(Billions of yen)



Operating income

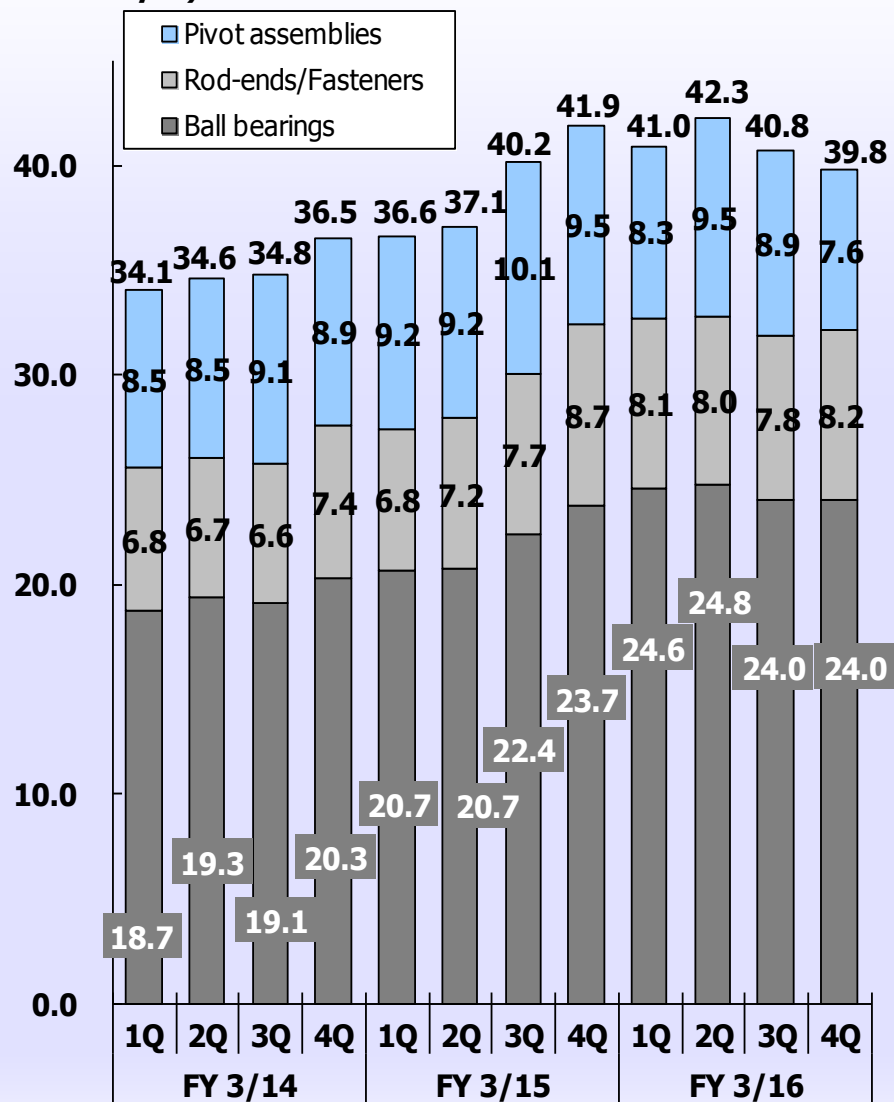
(Billions of yen)



*Due to minor changes in segment classification from FY3/16, FY3/15 numbers are also adjusted for comparison.

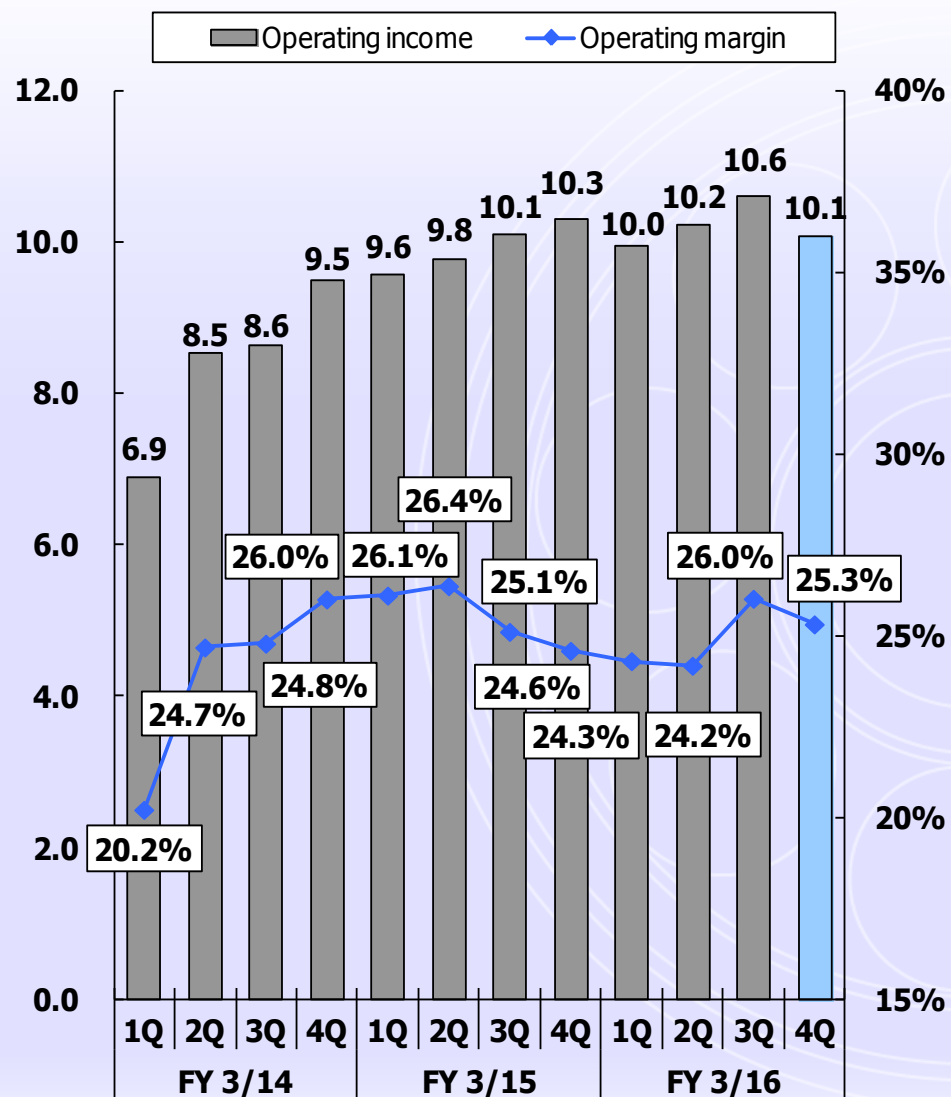
Net sales

(Billions of yen)



Operating income

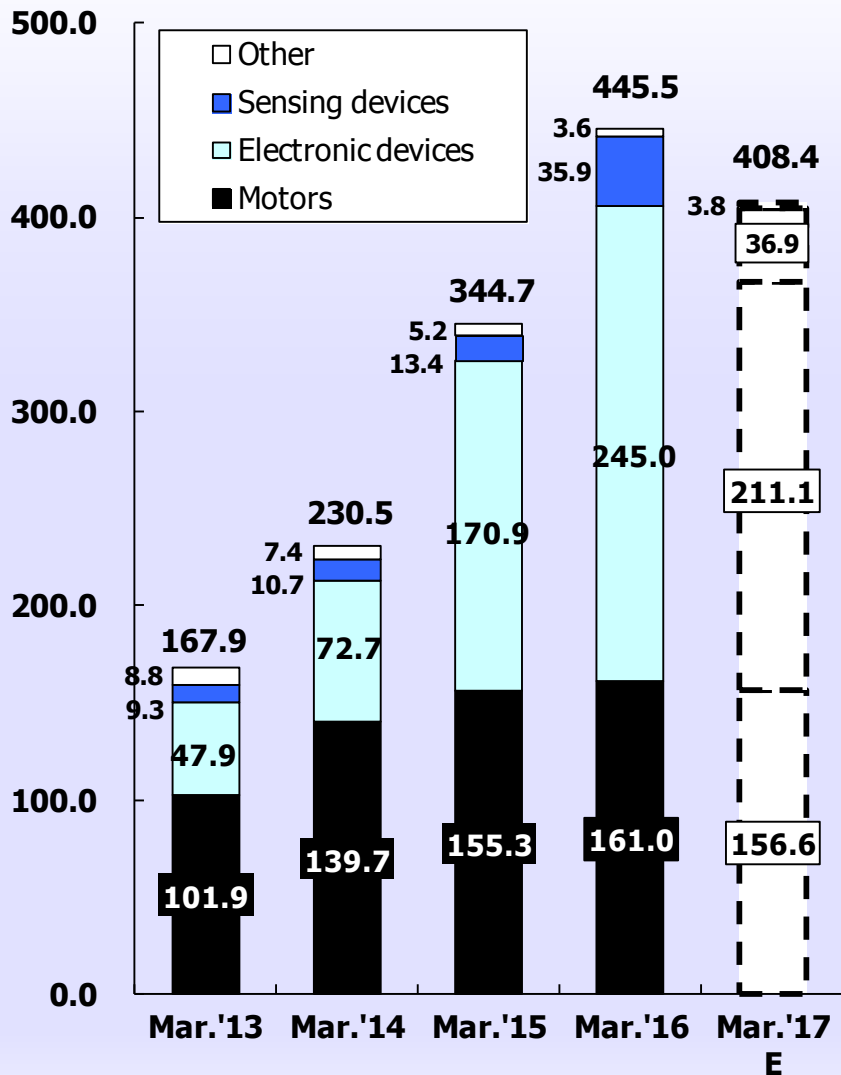
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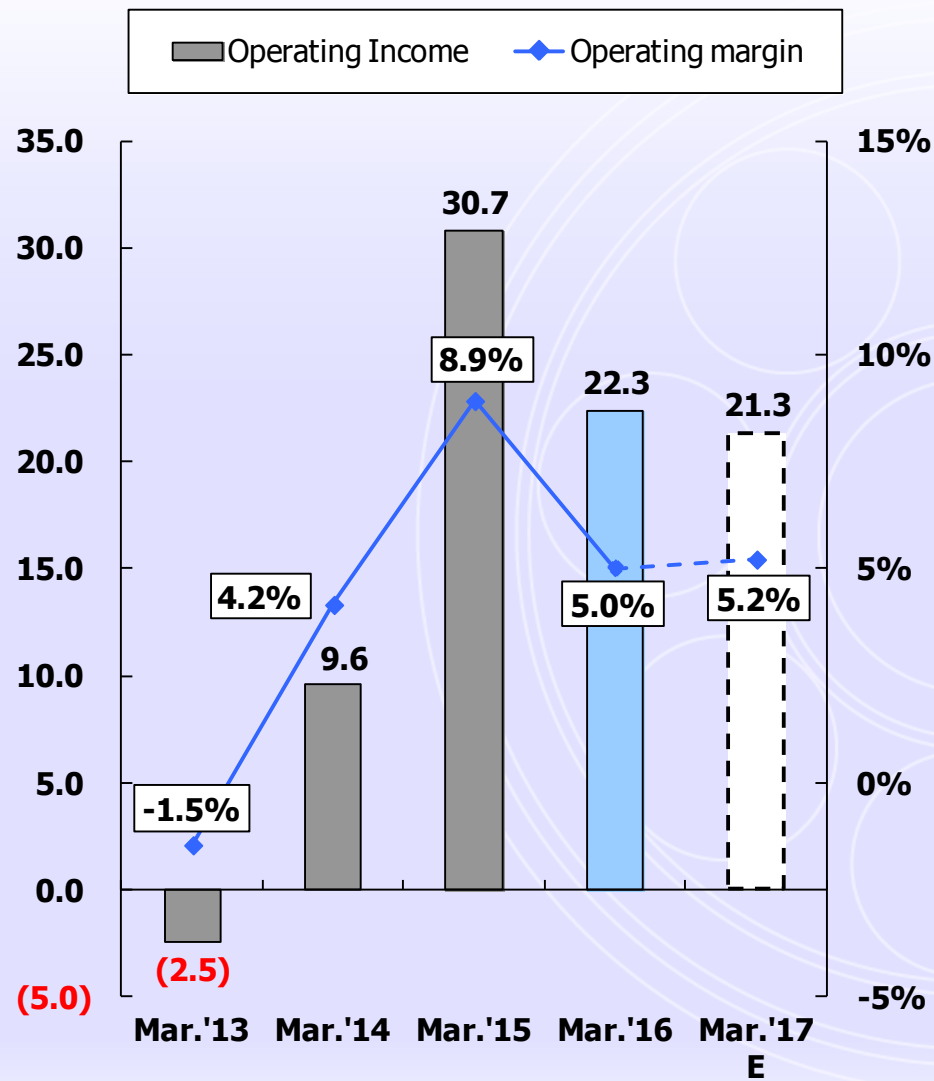
Net sales **Measuring components have changed their name to sensing devices in April 2016.*

(Billions of yen)



Operating income

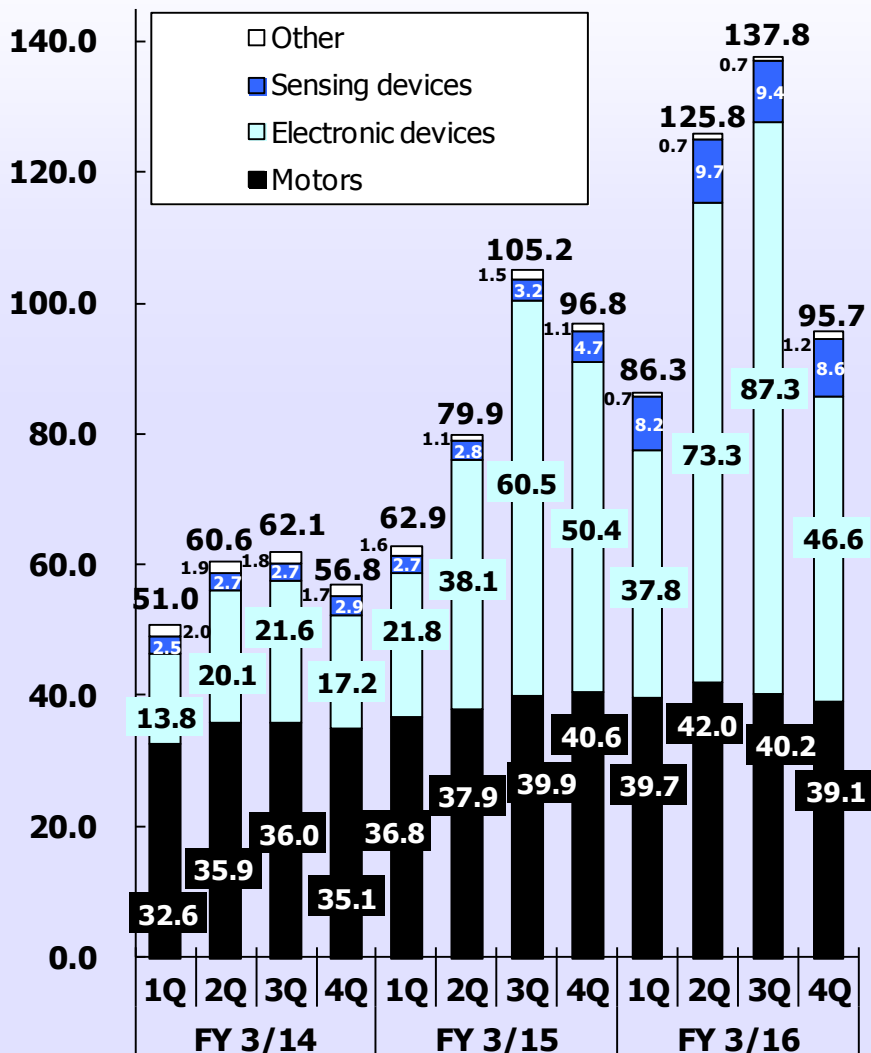
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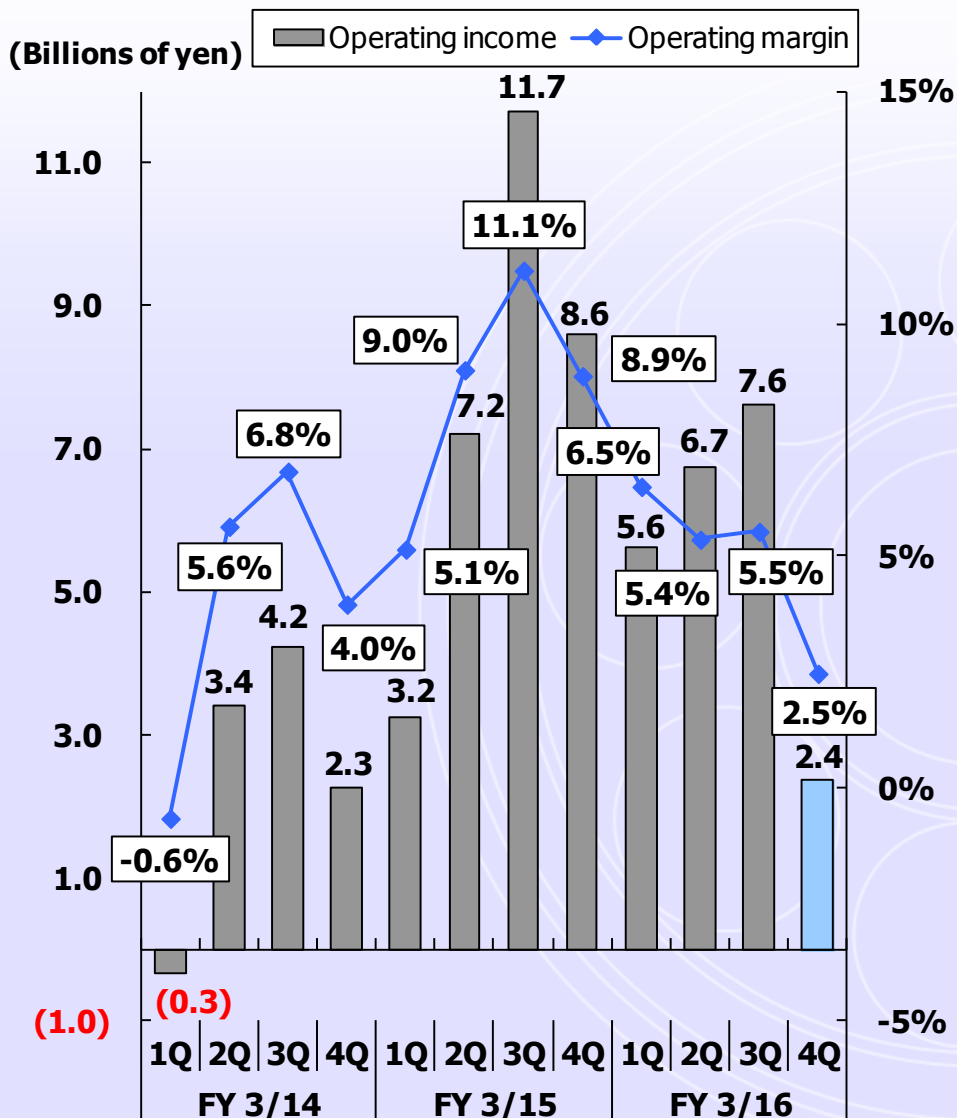
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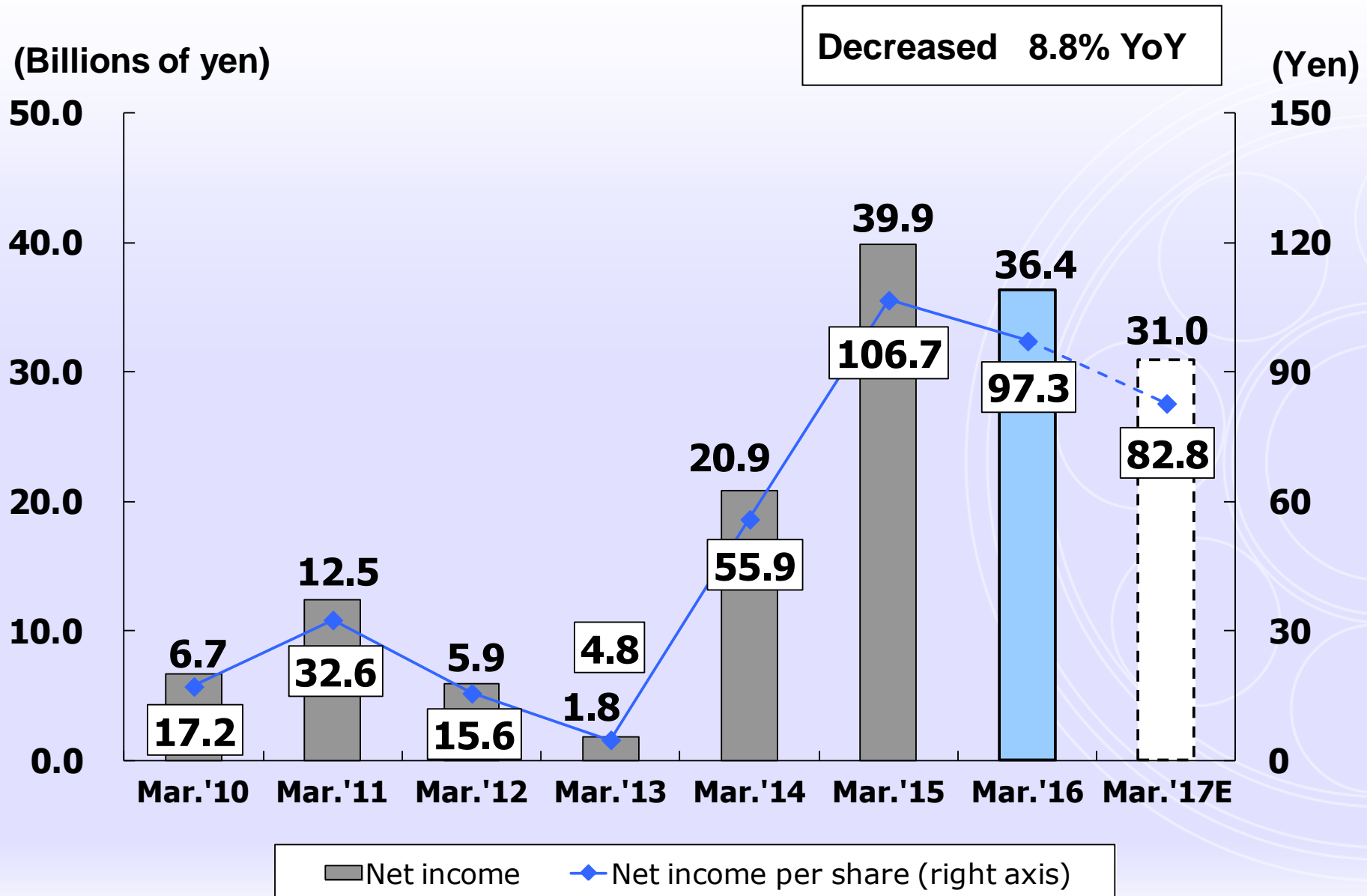


Operating income

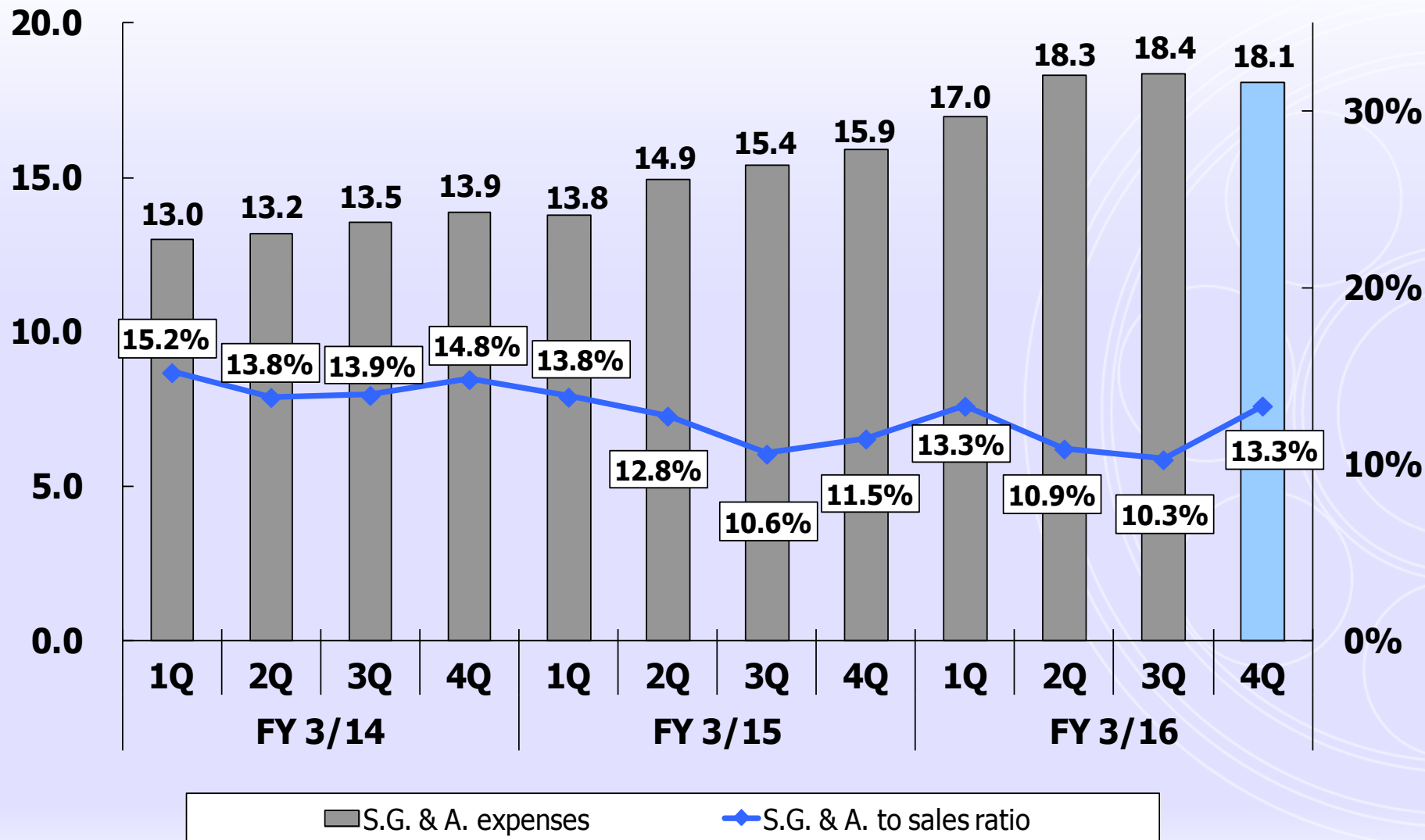
(Billions of yen)



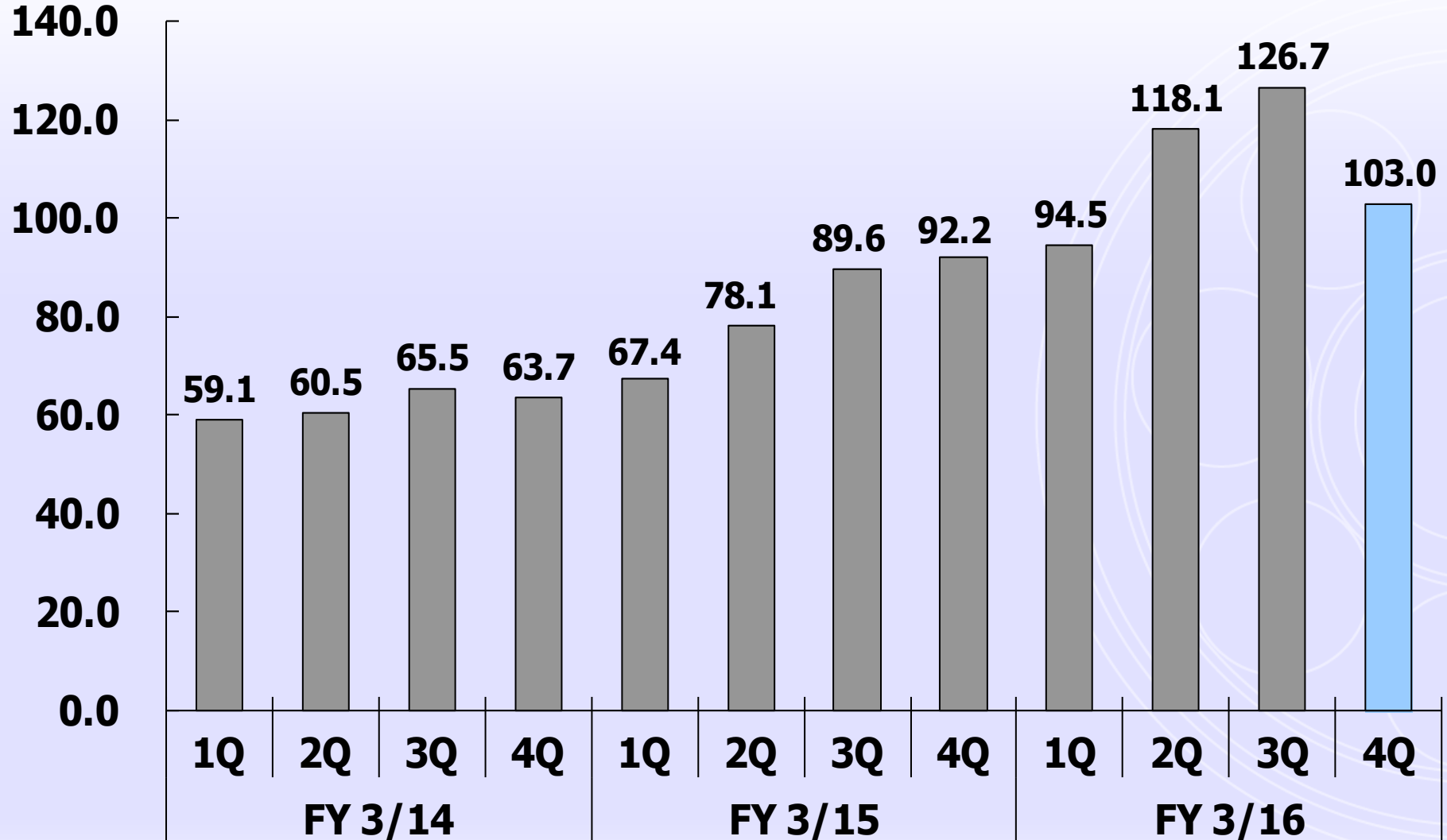
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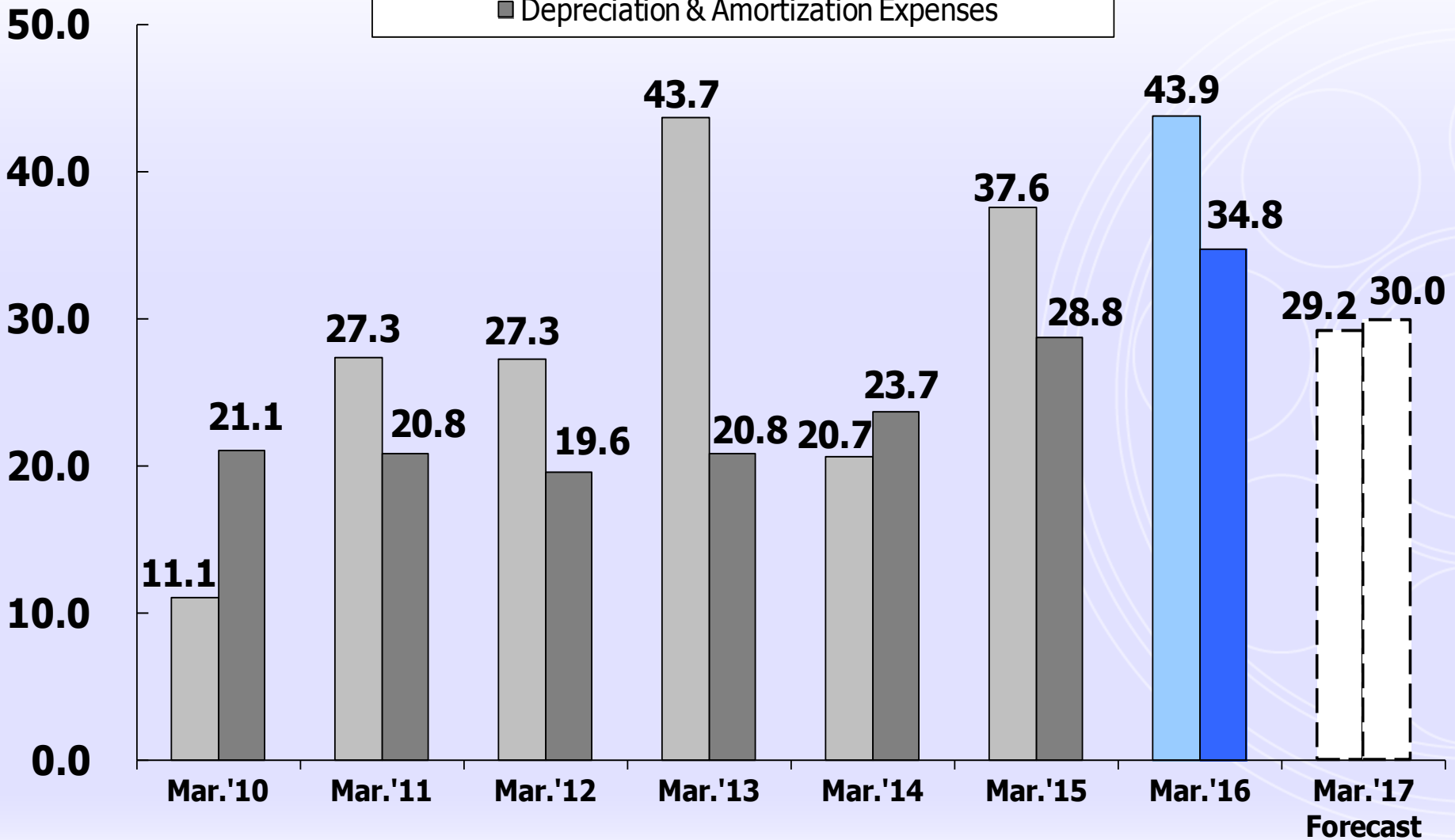
(Billions of yen)



(Billions of yen)

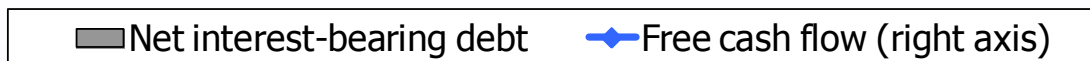


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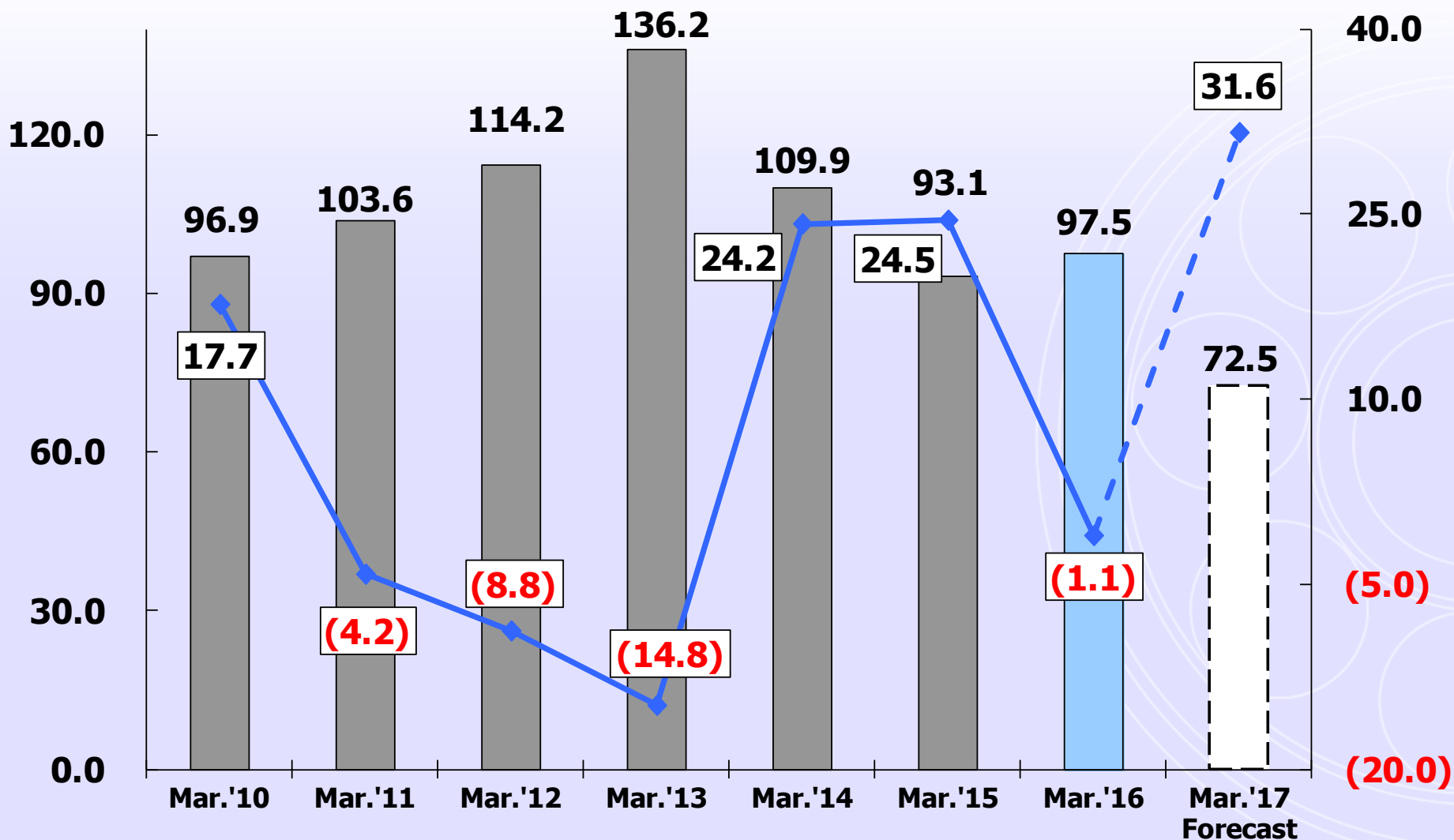


Net Interest-Bearing Debt/Free Cash Flow Yearly

(Billions of yen)



(Billions of yen)



Net interest-bearing debt = Interest-bearing debt – Cash and cash equivalents
Free Cash Flow = CF from operating activities + CF from investing activities

Clouded outlook for LED backlight market and strong yen signal lower sales and profits ahead

(Millions of yen)	FY ended Mar. '16 Full year	Fiscal year ending Mar. '17			YoY
		1st Half	2nd Half	Full year	
Net sales	609,814	260,000	300,000	560,000	-8.2%
Operating income	51,438	18,300	26,700	45,000	-12.5%
Ordinary income	46,661	17,800	26,200	44,000	-5.7%
Net income attributable to owners of the parent	36,386	12,100	18,900	31,000	-14.8%
Net income per share (yen)	97.26	32.32	50.48	82.80	-14.9%

Foreign exchange rates	Mar. '16 Full year	FY ending Mar. '17 Full year Assumption
US\$	¥120.78	¥105.00
Euro	¥132.75	¥122.00
Thai Baht	¥3.46	¥3.00
Chinese RMB	¥19.03	¥16.20

Forecast for Business Segment

(Millions of yen)	FY ended Mar. '16	Fiscal year ending Mar. '17			
		Full year	1st Half	2nd Half	Full year
Net sales	609,814	260,000	300,000	560,000	-8.2%
Machined components	163,811	75,100	76,100	151,200	-7.7%
Electronic devices and components	445,467	184,700	223,700	408,400	-8.3%
Other	536	200	200	400	-25.4%
Operating income	51,438	18,300	26,700	45,000	-12.5%
Machined components	40,854	18,200	19,900	38,100	-6.7%
Electronic devices and components	22,336	7,100	14,200	21,300	-4.6%
Other	-124	-200	-200	-400	X 3.2
Adjustment	-11,627	-6,800	-7,200	-14,000	+20.4%



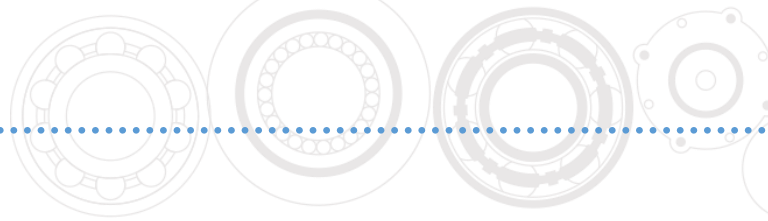
Policy and Strategy

May 10, 2016

Yoshihisa Kainuma

**Representative Director,
President and Chief Executive Officer**

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➤ **Future Developments (New Products)**

➤ **Dividend Policy**

Positive factors

1. Ball bearings external shipment volume up 7%
2. Motor profitability continued to improve
3. Sensing devices (former measuring components) profits jumped due to M&A and organic growth
4. Agreement to integrate with Mitsumi Electric

Negative factors

1. LED backlights underperformed
 - a. Slowdown in the smartphone market
 - b. Inventory adjustments by a U.S. customer
2. Stronger Japanese yen in 4Q
3. NHBB underperformed

Steady growth is expected for ball bearings, motors and sensing devices (former measuring components), but for now lower sales and profits from LED backlights are assumed conservatively.

Stronger yen assumptions make sales and profits lower.

(US\$=¥120.78 → ¥105 Euro=¥132.75 → ¥122 (FY 3/16 vs. FY 3/17E)

Thai Baht=¥3.46 → ¥3 Chinese Renminbi=¥19.03 → ¥16.2)

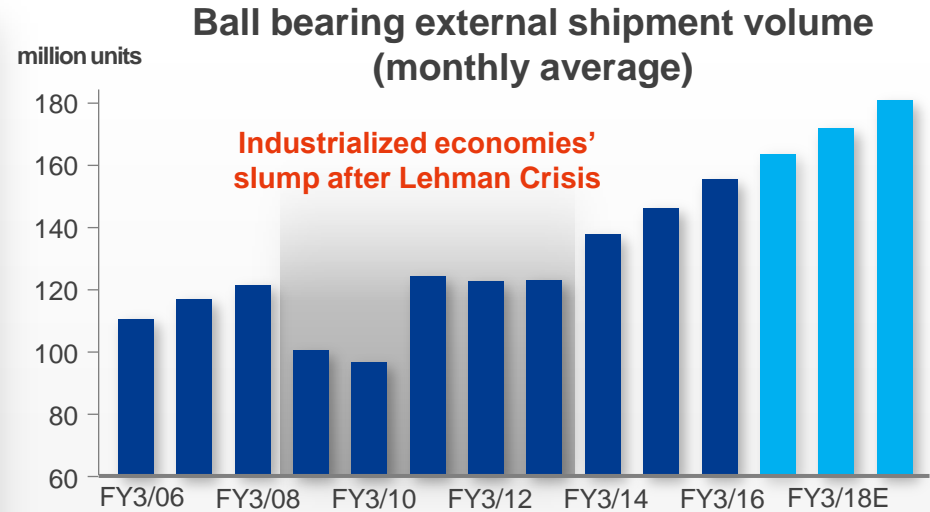
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External sales up year-on-year **14 quarters in a row !**

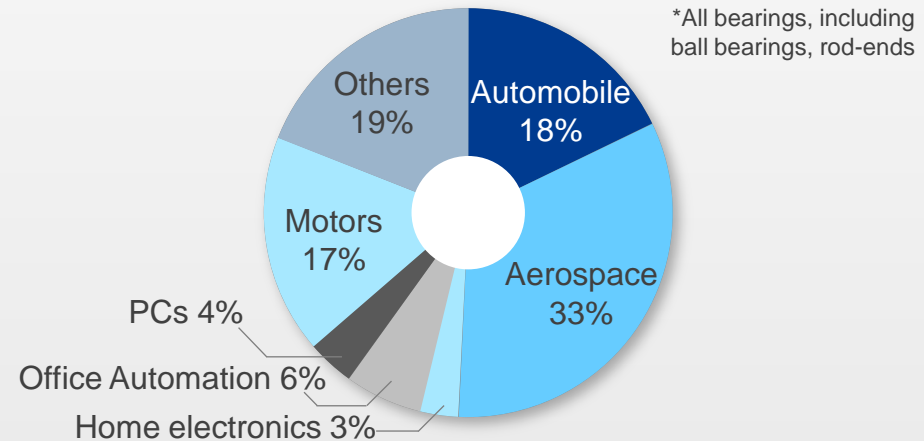
March external sales hit another record high at 165 million units

Growing external sales volume

- Miniature ball bearings are growing with high-end consumer products such as:
 1. Automobile : needs for energy saving with down-sizing, passenger comfort and safety.
 2. Fan motors : needs for cloud server cooling fan motors.
- External sales hit record highs 3 times last FY.
- **Grew 8 % a year for the last 3 years !!**



Bearing sales by user industry* (FY3/2016)



Formerly measuring components, the name was changed before the Mitsumi integration aimed at expanding sensor products.

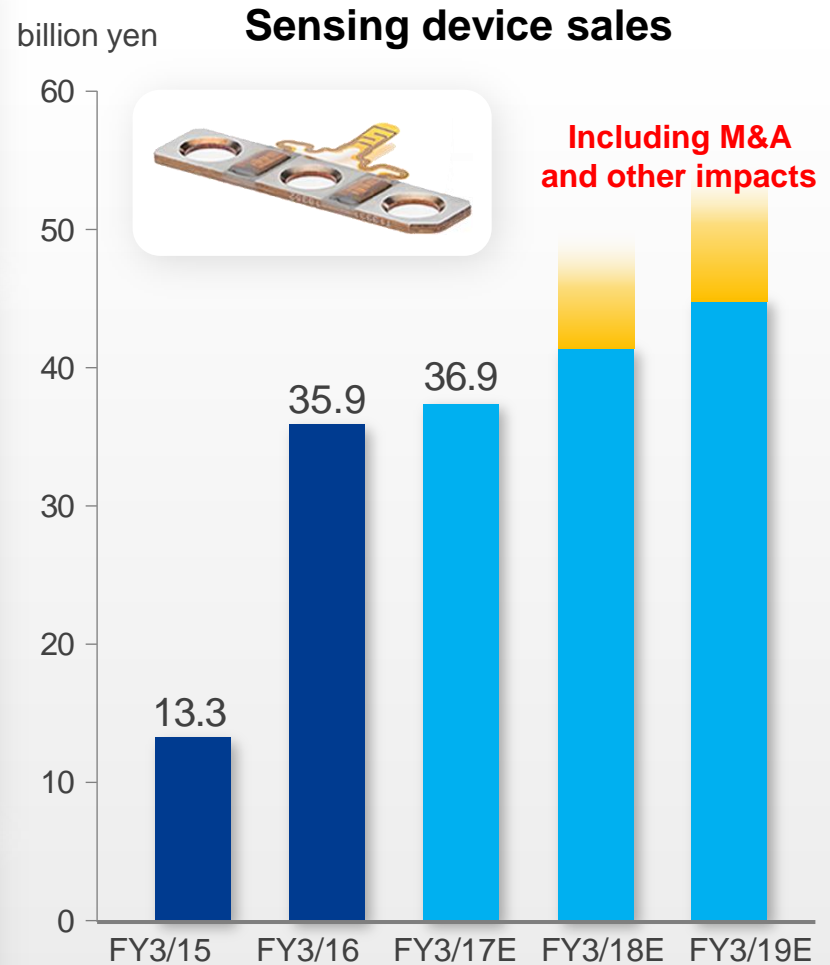
Steady growth of existing products

- Passenger seat sensor sales expanding in the North American automobile market due to wider customer base
- Production capacity has increased

Pursuing M&A synergy

- Sartorius MT&H acquired on February 2015.
 1. Broadening customer base via cross sales
 2. Utilizing Minebea components in Sartorius MT&H products.
- Maintained high OP margin even after Sartorius MT&H acquisition.
- Two French industrial weighing equipment companies acquired by Sartorius MT&H in April 2016.

Targeting sales of 50 billion in FY 3/18 from M&A's, etc.



Planning to invest aggressively this fiscal year

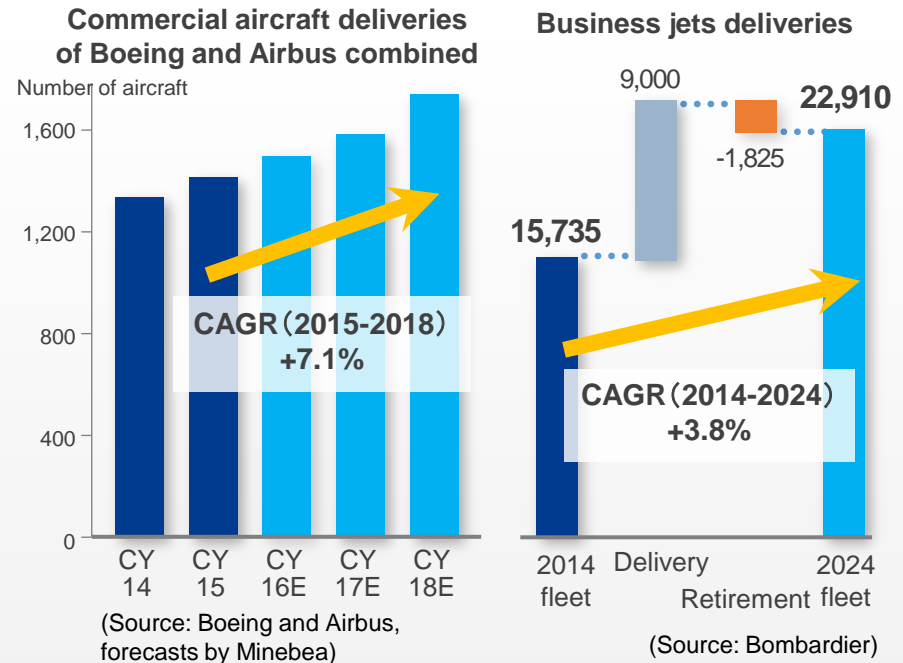
Aircraft production to grow

- Air traffic is growing with globalization. Airlines enjoying higher profits due to lower fuel costs need more and newer aircraft.
- Newer and energy efficient aircraft models' (B787, A350XWB, A320Neo, B737MAX, etc.) production rates are picking up.

Targeting sales of 70 billion yen over the next few years

- Expanding production capacity in Japan and Thailand.
- Enhancing marketing and production cooperation on global basis.
- Leveraging CEROBEAR acquisition with a focus on R&D of ceramic bearing aircraft parts.

Growing commercial aircraft deliveries



Measures to improve profitability in a shrinking HDD market

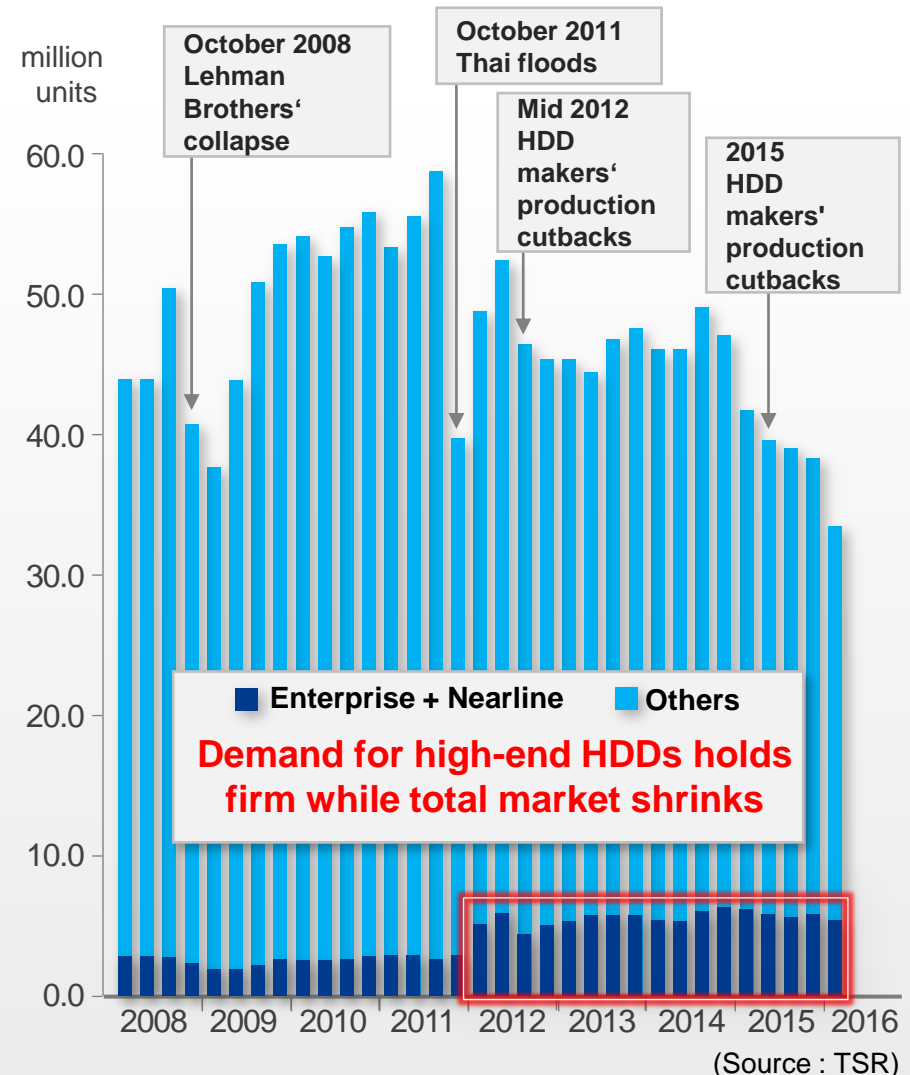
Focusing on firm high-end HDDs in shrinking market

- HDD market is declining due to 1. sluggish PC sales, 2. SSDs that are eroding HDD demand in the mobile device market, and 3. the shift to cloud computing that's reducing storage needs at PCs.
- High-end HDDs, on the other hand, are expected to grow further for cloud servers as cloud storage demand continues to rise.

Present and future of pivot assemblies and spindle motors

- Aiming to boost current 70+% share in the three player pivot assembly market.
- Focusing on high-end HDDs in the two player HDD spindle market.

HDD Market Shipment Volume
(monthly average)



Efficiency improves, but Sales and OP assumed to decline

Sales & OP are assumed to decline

- Due to inventory adjustment in 1Q, low visibility in the smartphone market and customer's demand, and stronger Japanese yen assumption

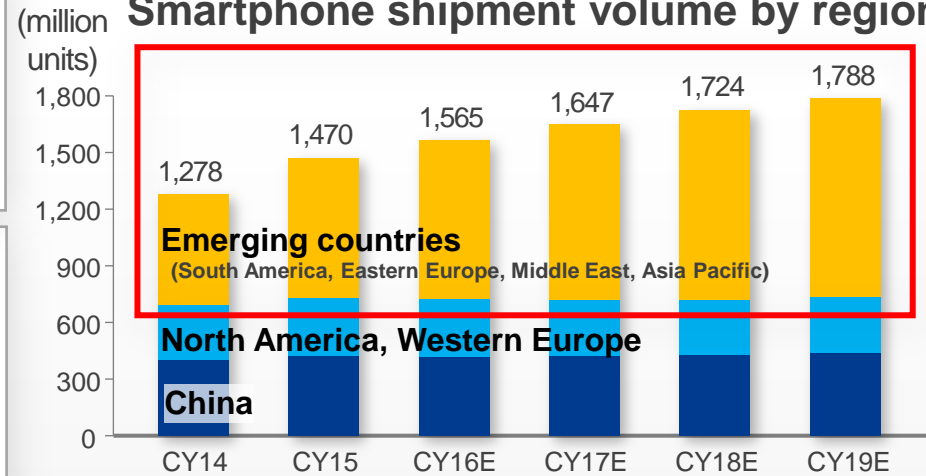
Capacity expansion completed and competitive edge strengthened

- Minebea completed its expansion plan last fiscal year, establishing an overwhelming production capacity with an aim to boosting efficiency in the high-quality small-sized LED backlight market.

Measures against OLED

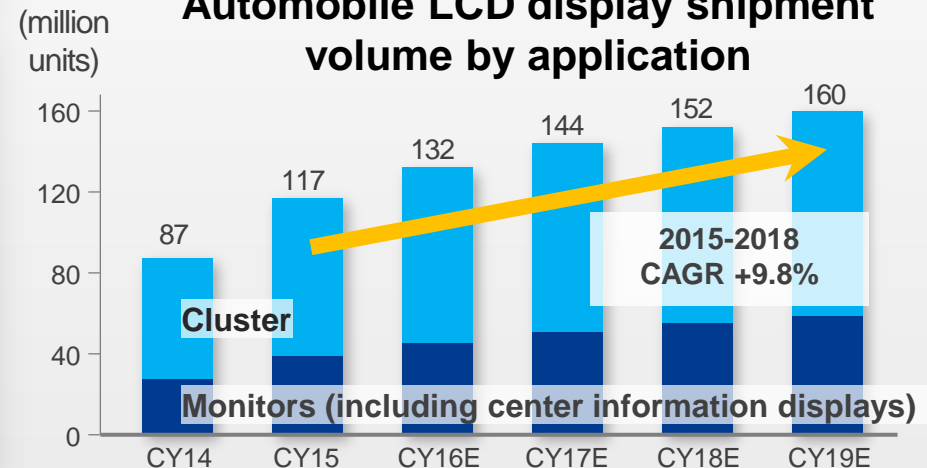
- Supply chain companies are jointly progressing a smartphone R&D project for ultra-thin LED chips and optical sheets to keep ahead of OLED.
- Focusing on automobile displays which requires much longer life, in order to counter a risk of volume decline next year.

Smartphone shipment volume by region



Source : IHS Display Search

Automobile LCD display shipment volume by application

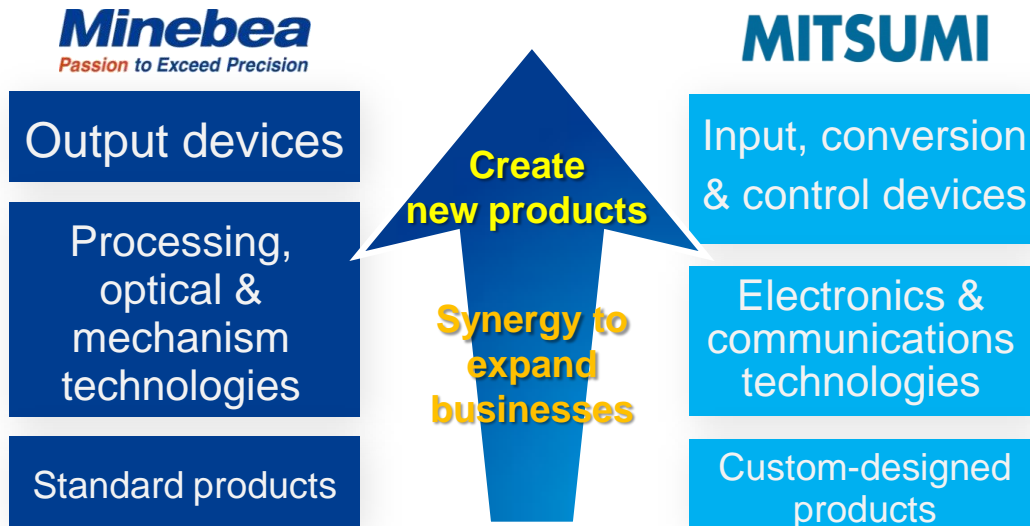


Source : IHS Display Search

Mitsumi integration an eye to FY 3/2018

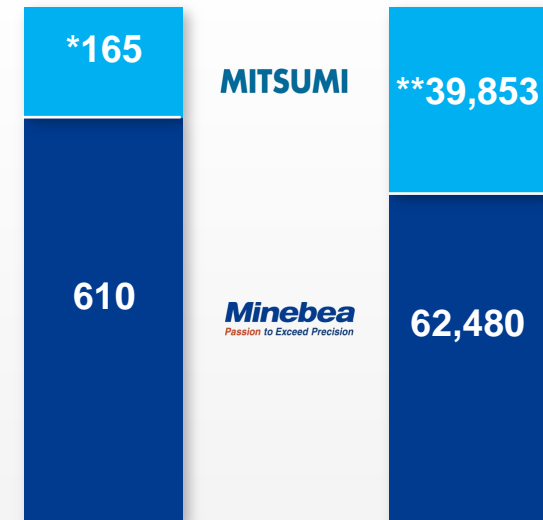
After approvals from anti-monopoly authorities
⇒ Preparing to jump start after Mitsumi integration

Synergy between Minebea's ultra-precision machining and Mitsumi's electronics technologies



Sales
(FY 3/2016 E)
(Billion yen)

Employees
(Minebea : End of 3/2016)
**(Mitsumi : End of 9/2015)



*Mitsumi sales are according to its forecast as of 3/30/2016

3/17/2017(Plan)

Start of Minebea Mitsumi

12/21/2015
Basic agreement

3/30/2016
Definitive agreement

Approval processes
might take longer

Applications to anti-monopoly
authorities (about 4 months)

Preparation for integration

Next year, 3 year business plan will be announced

12/27/2016
Mitsumi extraordinary
shareholders' meeting

1

**Acquisition of two French companies
by Sartorius MT&H**

2

**Accelerating SALIOT™ marketing
this year**

3

**Started clinical testing of
medical bed sensors**

1. Sartorius MT&H acquires two French industrial weighing equipment companies

Aiming for the biggest share of the French industrial weighing / inspection equipment market

AaZ Pesage

- Products & highly skilled services for diverse weighing applications using scales of own design
- Food, recycling & pharmaceutical customers
- Sales of 9.1 million euros in FY 12 / 2015

Centre Pesage

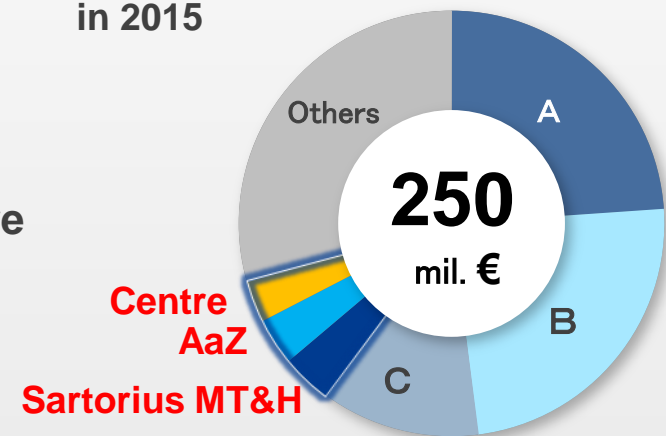
- Products & highly skilled services for diverse weighing applications with focus on truck scales
- Agriculture, environment & pharmaceutical customers
- Sales of 7.5 million euros in FY 12 / 2015

100% of both purchased for about 1.5 billion yen by Sartorius MT&H

Synergy

- Expanding customer base for Minebea and Sartorius MT&H products
- Strengthening product portfolio, particularly with system configuration embodying application software
- Increasing market share in growing food processing, hygienic & pharmaceutical applications

French industrial weighing / inspection equipment market in 2015



2. Accelerating SALIOT™ marketing this year

Accelerating marketing of SALIOT™ (Smart Adjustable Light for the Internet of Things)

- Premier Lighting Solutions Co., Ltd. was established in cooperation with CTI Holding Co., Ltd. in Thailand in October 2015. In March 2016, a showroom in Bangkok was opened to start sales activities on a full scale.
- Will establish a marketing channel in Japan and open a Tokyo showroom (by summer) In FY 3/2017.
- Installed at Isetan Mitsukoshi's Isetan Shinjuku store to 3/2/2016, on the 2nd and 5th floor to 4/19/2016, on the 5th floor and show windows on the ground floor to 4/27/2016, The Stage on the ground floor
- Also installed in Japan & abroad at a commercial complex, car dealer, museum



Display at Isetan Mitsukoshi's Isetan Shinjuku store

Participated in LIGHTFAIR International 2016 exhibition

- The world's largest annual architectural and commercial lighting trade show and conference from 4/26 to 4/28 in San Diego, California, U.S.A.
- Minebea displayed a new SALIOT™ product lineup plus wireless communication and networking technologies for smart city applications.
- **Minebea wins an Innovation Award in Track, Display, Undercabinet & Shelf !!**



Showroom in Bangkok



Light Fair International 2016

2. Establishing global sales network for SALIOT™

Sales cooperation agreement with the leading lighting equipment makers, OSRAM and EPL

Minebea
Passion to Exceed Precision

Strengthening product portfolio
Mass production
Establishing Japanese sales channel

OSRAM 

Sales cooperation
in Europe to begin
in or around December 2016

**Will soon pick
partners in Asia
and the Pacific**

EDISON PRICE
LIGHTING

Marketing partnership
in the US, Canada,
Mexico, and the Caribbean
in or around the Autumn 2016



PREMIER LIGHTING SOLUTIONS

Premier Lighting Solutions
Sales cooperation in
Thailand, etc.
PLS was established in cooperation
with CTI in October 2015

3. Started clinical testing of medical bed sensors

Ongoing joint research with IBM Japan & Chiba University Hospital Minebea to commercialize early next fiscal year

Body data monitoring

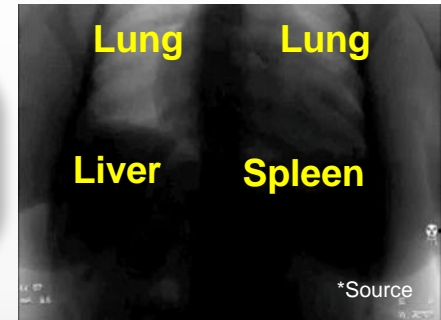
- Combined machine learning, cloud technologies and Minebea's high-precision load sensors
- Non-invasive, non-contact, real time monitoring of body weight and movement (direction, trajectory), breathing (frequency, depth, pattern), heartbeat & etc. of a person in bed.
- Providing assistance to healthcare workers & sense of security to patients
- **10+ related patents & design rights pending**

Accurate measurement

Identifying data & analysis

Feedback from medical practice

High-precision load sensors can detect **+/-100g shift of weight**



Nighttime monitoring is neither continuous nor reliable

Operating room - ICU
Patient monitoring display



Large gap

General ward (before discharge)

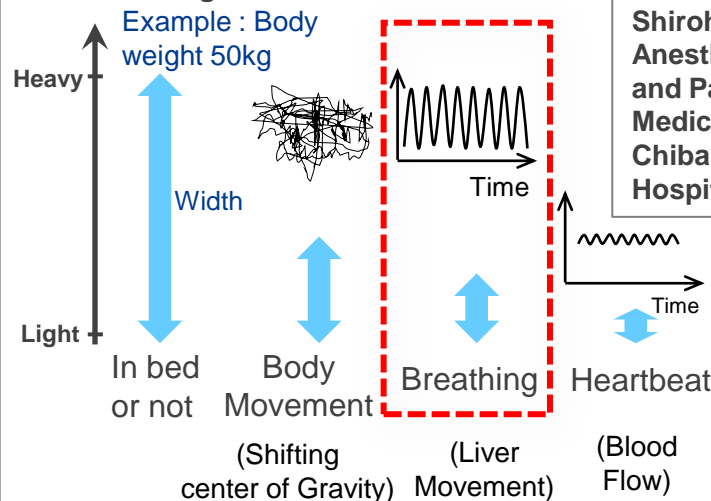
Nurses make rounds

2 - 4 times during the day & possibly only once at night to check blood pressure, heartbeat, body temperature and breathing.

Lack of nighttime staff = higher accident risk

*Source

Bed sensor signal



*Source : Professor Shiroh Isono
Anesthesiology, Pain and Palliative Care
Medicine Department,
Chiba University
Hospital

Sleeping
Awakening
Risk of Falling
Night Loitering

Dividend

FY ended
3/2016

year-end
dividend: **10** yen/
share;

Total
year: **20** yen
/share

Forecast for
FY ending 3/2017

Interim: **TBD** yen/share

Year-end: **TBD** yen/share

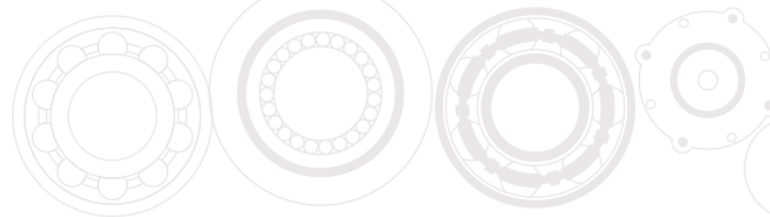
Aiming for about a 20% payout ratio for FY3/17

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.

Preparing to jump start after Mitsumi integration

Aim for large scale M&A to boost machined components business

Seek medium to small M&As and various alliances in selected areas



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.

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