Minebea Co., Ltd.
ANNUAL REPORT
2009
Year Ended March 31, 2009

For Minebea, competitiveness means ensuring both ultraprecision machining and mass production technologies

Minebea Co., Ltd., was established in 1951 as Japan's first specialized manufacturer of miniature ball bearings. Today, the Company is the world's leading comprehensive manufacturer of miniature ball bearings and high-precision components, supplying customers worldwide in the information and telecommunications equipment, aerospace, automotive and household electrical appliances industries.

As of March 31, 2009, the Minebea Group encompassed 40 subsidiaries and affiliates in 16 countries. The Group maintains 29 plants and 37 sales offices and employs more than 48,000 people.

Contents

Disclaimer Regarding Future Projections

In this annual report, all statements that are not historical facts are future projections made based on certain assumptions and our management's judgement drawn from currently available information. Accordingly, when evaluating our performance or value as a going concern, these projections should not be relied on entirely. Please note that actual performance may vary significantly from any particular projection, owing to various factors, including: (i) changes in economic indicators surrounding us, or in demand trends; (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. Please note, however, this is not a complete list of the factors affecting actual performance.

At a Glance

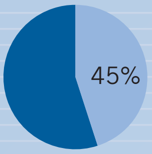
Year ended March 31, 2009

Machined Components

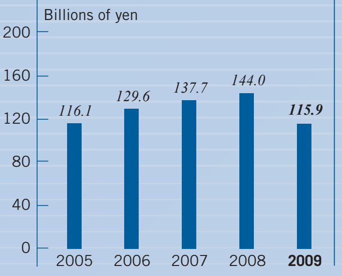
Principal Products

- **Bearings and Bearing-Related Products**
  - Miniature ball bearings
  - Small-sized ball bearings
  - Integrated-shaft ball bearings
  - Rod-end bearings
  - Spherical bearings
  - Roller bearings
  - Bushings
  - Pivot assemblies
  - Tape guides
- **Other Machined Components**
  - Aerospace fasteners
  - Automotive fasteners
  - Special devices
  - Magnetic clutches and brakes

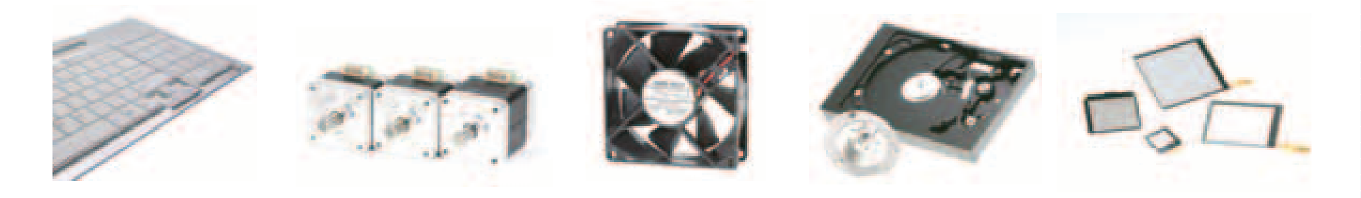
Percentage of net sales



Net Sales of Machined Components



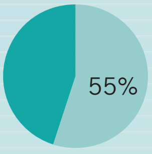
Electronic Devices and Components



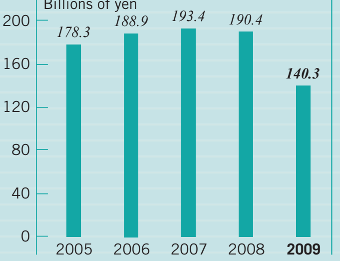
Principal Products

- **Rotary Components**
  - Hard disc drive (HDD) spindle motors
  - Fan motors
  - Hybrid-type stepping motors
  - Permanent magnet (PM)-type stepping motors
  - Brush DC motors
  - Vibration motors
  - Variable reductance (VR) resolvers
- **Other Electronic Devices and Components**
  - Personal computer (PC) keyboards
  - Speakers
  - Electronic devices
    - Color wheels
    - Lighting devices for liquid crystal displays (LCDs)
    - Backlight inverters
  - Measuring components
    - Strain gages
    - Load cells

Percentage of net sales



Net Sales of Electronic Devices and Components



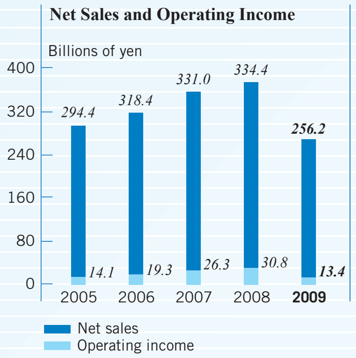
Consolidated Financial Highlights

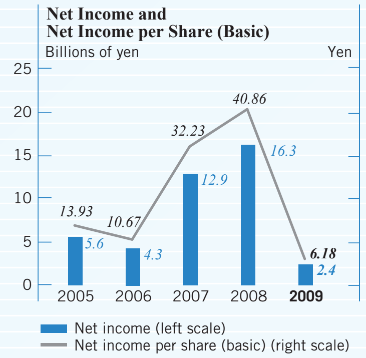
Years ended March 31

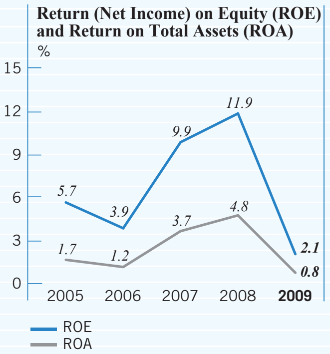
	Millions of yen		Percentage change	Thousands of U.S. dollars (Note)
	2009	2008	2009/2008	**2009**
Net sales	**¥256,163**	¥334,431	(23.4)%	**$2,607,793**
Operating income	**13,406**	30,762	(56.4)	**136,479**
Net income	**2,441**	16,303	(85.0)	**24,859**
Total net assets	**106,762**	131,730	(19.0)	**1,086,865**
Total assets	**285,396**	320,544	(11.0)	**2,905,393**
Return (net income) on equity	**2.1%**	11.9%		

	Yen		Percentage change	U.S. dollars (Note)
Per Share Data:				
Net income (basic)	**¥ 6.18**	¥ 40.86	(84.9)%	**$0.06**
Net assets	**271.93**	327.25	(16.9)	**2.77**
Cash dividends applicable to the year	**7.00**	10.00	(30.0)	**0.07**

Note: U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥98.23=US$1, the approximate rate of exchange on March 31, 2009.







Passion is POWER, Passion is SPEED, Passion is

Representative Director, President and Chief Executive Officer
Yoshihisa Kainuma

This is the first opportunity for me to address shareholders in an annual report. I hereby report you about Minebea's performance in fiscal year 2009, ended March 31, 2009, after which I will outline my basic management policies and take a look at prospects for the Company's growth in the future.

Consolidated Results of Operations

In fiscal 2009, the global economic downturn—triggered by shockwaves from the collapse of Lehman Brothers—drove down demand in many of the Minebea Group's key customer industries. The situation was exacerbated by a strong yen, which squeezed sales. As a consequence, Minebea reported a sharp decline of 23.4% in consolidated net sales, to ¥256.2 billion. Operating income fell 56.4%, to ¥13.4 billion, owing to appreciation of the Thai baht and soaring raw materials costs in the first half of the period and plummeting demand, which led to an abrupt decline in sales in the second half. Net income fell 85.0% from last year's record high, to ¥2.4 billion.

Management Policies

As president of Minebea, I see my primary immediate responsibility as being not only to lift the Company up so it is less exposed to the impact of the current economic downturn but also to manage the Company from a long-term perspective. To these ends, I have outlined a plan of action.

First, as chief executive officer I believe I have a mission to enhance corporate value. Accordingly, by maximizing the efficiency of our considerable management resources—people, products, funds and time—we will strive to boost earnings per share. Recognizing that the key to fulfilling this mission is share price, I will continue to manage the Company with a keen focus on Minebea's share price. I also believe I have a mission to lay a foundation for Minebea's 100th anniversary. We celebrate our 60th anniversary in 2011. I will thus focus on a long-term vision that focuses on the next 40 years with the aim of setting a clear direction for Minebea and fostering a new generation of leaders who will lead the Company into the future.

Core Competencies

To date, our basic management policies have been to produce better products faster and cheaper in larger quantities than anyone else, and to win the competition through manufacturing and technological excellence. At this juncture, I would like to take another look at where our core competencies lie, with the aim of developing strategies that will further leverage these competencies to our advantage.

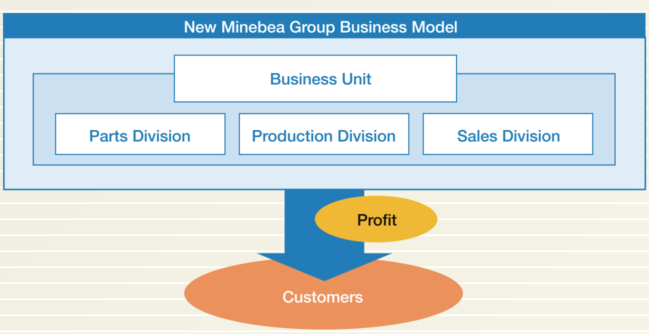
In the past, we have identified three core competencies: Our overseas production capabilities as one of the first Japanese companies to establish production bases overseas, our proprietary mass production technologies and our vertically integrated manufacturing system. While overseas production and mass production are no longer new or particularly exceptional, our vertically integrated manufacturing system—which encompasses all processes, from the production of parts through to assembly—is something truly unique that we have developed over a long period and which we believe will give us a major competitive edge in today's market.

We also boast an extensive product range that includes machined components, rotary components, electronic devices and components, and special devices. I think it is fair to say that there are very few other component manufacturers that offer as broad a selection of products as Minebea. This important strength constitutes another core competence.

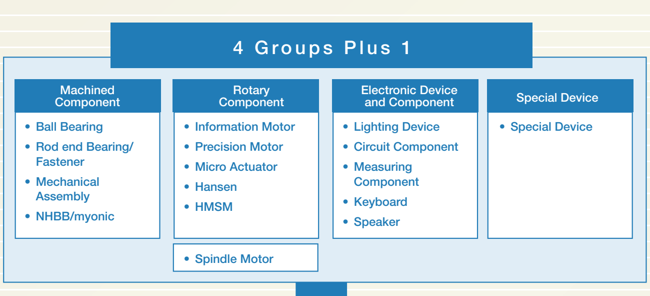
Looking ahead, we will reinforce awareness of these core competencies and introduce a new management strategy that emphasizes leveraging our overall integrated strength. I believe firmly that our ability to do this will be the most important key to further expanding the scope of our operations.

Reinforcing Vertical and Horizontal Strengths

Four years ago we introduced an organizational structure comprising 14 business units supported by five operational headquarters. This structure played an important role in enabling us to improve our operating results. Effective June 1, 2009, we once again revised our business portfolio in line with our goal of leveraging overall integrated strength. Under our previous structure, we had divisions for producing molds, tools and dies, parts production, manufacturing and sales, each of which was accounted for as an independent profit center. This structure was designed to maximize the profitability of each business unit, and on this score it was highly effective. However, with the collapse of sales prices in recent years, triumphing over our competitors around the world depends on consolidating our overall integrated strength. To this end, we have introduced a new business model whereby parts, production and sales divisions have been incorporated into each business unit. For each business unit, we will endeavor to enhance the ability to withstand pricing pressure and increase sales. This will enable us to continue developing high-value-added products, as well as support the expansion of sales by facilitating a more strategic approach to securing orders in markets for lower-priced products. This reorganization is thus aimed at reinforcing vertically integrated strength.

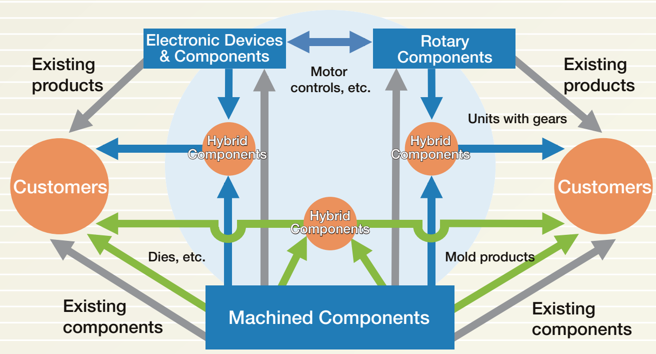


To enhance horizontally integrated strength, we have divided our operations into four groups: Machined Component, Rotary Component, Electronic Device and Component, and Special Device. The HDD Spindle Motor business, which would in theory be included in Rotary Component, has been established as an independent division. We will assign our best people to HDD spindle motor business.



Boost integrated strength through cross-organizational R&D/ sales activities and technology/information sharing

This grouping will ensure the optimal allocation of essential technologies and key human resources to each business group. This will generate synergy not only within each group but also among the four groups, thus facilitating business development that leverages our horizontally integrated strength in two ways.



The gray lines indicate Minebea's current business model. The green and blue arrows indicate new business development made possible through enhancement of Minebea's vertically and horizontally integrated strengths.

On another front, we are currently exploring the possibility of selling machined components, including molded parts and dies, to customers such as ones in the automotive industry in Thailand, which is referred to by many as the "Detroit of Asia". To date, we have manufactured those components exclusively for internal use.

Expanding Our Hybrid Components Business

In another move targeting horizontally integrated strength, we will focus on developing and expanding sales of hybrid components. Certain of these products are manufactured and sold as part of our machined component business. For example, we have prepared the groundwork to more aggressively market a high-value-added component for aerospace applications that consists of an ordinary rod-end bearing with an arm, hinge and shaft, which we currently manufacture at our new rod-end bearing facility in Karuizawa, Japan.

Many of the components in the electronic device and component business are used in combination with machined components—a concept we call "Electro Mechanics Solutions (EMS)"—and have developed a new business model for such hybrid components. We are currently allocating key internal technological resources in a bid to expand the scale of this business.

Core Businesses: Current Status and Future Directions

In our ball bearing business, we carried out a resolution to close down the Skegness Plant in the United Kingdom, a move that contributed to a reduction of fixed costs. On the other hand we have acquired myonic Holding GmbH of Germany, a company engaged in the manufacture and sale of specialty ball bearings, thereby gaining technologies for high-speed and thermal-resistant ball bearings. We look forward to capitalizing on myonic’s outstanding technologies throughout the Minebea Group. In Europe, for example, the acquisition of myonic will strengthen our position in the markets for ball bearings for dental and medical equipment and enhance Group synergies by, among others, enabling us to establish a three-pronged global network in these businesses encompassing bases in Japan, North America and Europe.

In the rod-end bearing and fastener businesses, amid a slowdown in demand in the aerospace industry—the principal market for these components—we expect conditions to remain harsh over the short term. Nevertheless, we will continue to invest in promising aircraft components in line with existing investment plans.

For pivot assemblies for HDDs, since April 2009, we have seen an improvement in sales paralleling a recovery in the market for HDDs. Accordingly, we expect this category to contribute to profits in the future.

The rotary component business unfortunately finished in the red in fiscal 2009. Nevertheless, in the information motor business we have completed drastic measures aimed at restoring profitability and are thus ready to capitalize on the next economic upswing.

The micro actuator business, established following the acquisition of the FDK Corporation’s stepping motor business, excels in the development and manufacture of small products. In this business, we are slated to begin manufacturing the world’s smallest stepping motor, with a diameter of just 3.3 mm. We are also looking for synergies to emerge in the digital camera market, in which demand is picking up.

In the area of electronic devices and components, demand for LED backlights for mobile phones is on the road to recovery. We are also proceeding steadily with the development of large LED backlights, for which demand is expected to expand going forward.

Results in the measuring component business remain robust.

For speakers, we adopted a new business model outsourcing manufacturing operations. We continue to iron out problems in the area of craftsmanship and are devoting our best efforts to restoring this business to profitability.

Regarding keyboard business, restructuring measures succeeded in temporarily pushing this business back into the black. Nevertheless, the business continues to feel the impact of plummeting demand in the PC market. Looking ahead, we will step up efforts to introduce new products—focusing on high-value-added offerings—in an effort to bolster results in this business. We expect demand for our keyboards to expand beyond PCs and PC peripherals to include a variety of input devices that make use of our unique technologies, thus enhancing our overall integrated strength.

We remain committed to restoring our HDD spindle motor business to profitability, and are implementing measures to ensure its continuing viability. The unique geopolitical situation of this business—technical functions in Germany, mass production in Thailand and technological support in Japan—means that it differs considerably from others. Many problems remain to be addressed, including those related to internal communication. Rebuilding our HDD spindle motors will be a true test of our competence as a global organization.

Passion: Our Most Important Strength

As representative director, president and chief executive officer, I am excited about leading the management and employees of the Minebea Group. I look forward to all of us rallying our strengths in the ongoing drive to enhance corporate value and ensure sustainable growth. I constantly expound the importance of keeping our eyes firmly focused on the future and approaching every challenge with passion. I believe that passion is without a doubt our most important strength—a strength that will speed up our march forward and drive future growth.

In closing, I am grateful to shareholders for their continued support of Minebea. I look forward to responding more effectively to your expectations in the years ahead.

June 26, 2009

Yoshihisa Kainuma
Representative Director,
President and Chief Executive Officer

Contributions to Society

In line with our five basic management principles, we are committed to ensuring Minebea is a company that works in harmony with the community and contributes to global society. To these ends, we continue to undertake a variety of initiatives, including establishing and contributing funds to foundations, cooperating with local authorities and supporting amateur sports.

Principal Initiatives in 2008

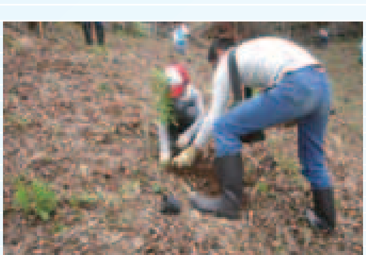
Educational Support for Children in Thailand: Activities of the Takahashi Foundation

The Takahashi Foundation was established in 1992 to celebrate the 10th anniversary of our operations in Thailand. Having added to the fund in 2007 local Minebea Group companies raised the fund to 80 million baht through special donations to commemorate a quarter-century of Minebea in Thailand. At present, the Foundation offers scholarships to impoverished students studying science and technology. To date, scholarships have been awarded to more than 500 students. The Foundation has also initiated a lunch fund project for needy primary school students and an environmental education project.

Children's painting and environmental bulletin board competition, held under the theme "Environment and Energy Protection," at Banchung School in Ayutthaya Province

Contributing to Local Communities: Clean-Up and Tree-Planting Efforts Near Minebea Plants

Clean-up events in the vicinity of the Karuizawa and Fujisawa plants in Japan



Tree-planting events near Minebea Plant's in Sendai, Japan

Donation of Wheelchair Scales

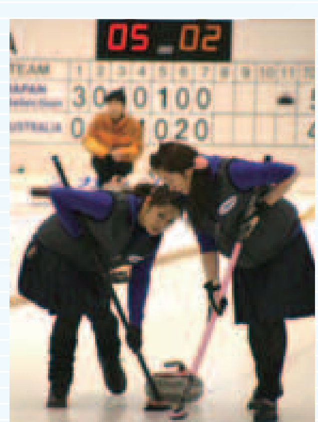
During the period under review, Minebea donated wheelchair scales designed and manufactured in-house to the social welfare divisions of the Fujsawa and Karuizawa city governments. These scales allow individuals in wheelchairs to weigh themselves without assistance.

Presentation ceremony at the Fujisawa mayor's office

Wheelchair scale

Promoting Amateur Sports: Assistance for Curlinghall Miyota

Minebea provides support for the operation of Curlinghall Miyota, a local sports club in the town of Miyota, Nagano Prefecture. The bench coats worn by the club's men's curling team, SC Karuizawa, and women's curling team, Team Nagano, were provided by Minebea in 2007. The coats feature Miyota's symbol on the back, a gold-banded lily.



Karuizawa International Curling Championship 2009

The Minebea Group recognizes environmental protection as a key management objective. In August 1993, we formulated our own Environmental Philosophy and Environmental Policy.

Minebea

ENVIRONMENTAL PHILOSOPHY

Established August 26, 1993
Revised April 1, 2009

Minebea strives to contribute to higher quality, more comfortable lifestyles by providing truly valuable products and services. At the same time, the Company works to minimize the environmental burden of its various activities and promote greater harmony, thereby contributing to the presentation and improvement of a healthy environment

Environmental Policy

1. Development and Design

Minebea shall focus on the development and design of products that contain no hazardous substances for the environment or the health and safety of humans, consume little energy and satisfy the "3R" (reduced, reused or recycled) criteria

2. Manufacturing

Minebea shall set targets and restructure and revise its manufacturing procedures by using materials that contain no hazardous substances for the environment or the health and safety of humans, thereby improving yield, reducing waste and lowering energy consumption.

3. Logistics

Minebea shall employ packing materials that contain no hazardous substances for the environment or the health and safety of humans and satisfy the "3R" criteria, as well as procedures that lower energy consumption and prevent the release of hazardous substances.

4. Cooperation with Authorities and Local Public Entities

Minebea shall observe environment-related rules and regulations imposed by the country and local authorities and support environmental conservation and prevention of pollution.

5. Overseas Activities

In its manufacturing and distribution activities overseas, Minebea shall observe environment-related rules and regulations imposed by local authorities and do its best to preserve environment and prevention of pollution in adjacent areas.
Minebea shall also be an aggressive supplier of new environmental protection technologies.

6. Environmental Audits

Minebea shall conduct periodical environmental audits at all of its manufacturing and other facilities with the aim of ensuring the effective implementation and continual improvement of its environmental management system.

7. Employee Education

Minebea shall require employees to attend courses to encourage their involvement in environmental protection activities in the workplace and at home.

8. Observe Minebea's Environmental Policy

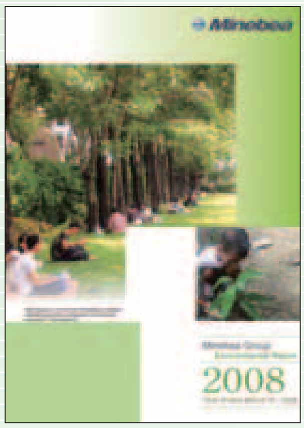
All Minebea Group employees and other individual working at our sites shall adhere to Minebea's Environmental Policy. If any individual has an environment-related concern, he/she shall report it promptly to his/her manager, who shall respond promptly

Yoshihisa Kainuma
Representative Director
President, Chief Executive Officer
Minebea Co., Ltd.

In line with the directions set forth in our Environmental Policy, we continue to promote a wide range of environmental protection activities.

Environmental Management Systems

All Minebea Group manufacturing facilities worldwide have acquired certification under ISO 14001, the International Organization for Standardization (ISO) standard for environmental management systems. Since 2003, we have also published an environmental report summarizing our environment-related initiatives and the results thereof.



Discontinuing or Reducing Use of Hazardous Substances

In April 1993, we became the first bearing manufacturer to eliminate specified chlorofluorocarbons used as cleaning agents at all Group plants worldwide. Since then, we have continued to take decisive steps to discontinue or reduce use of hazardous substances. In March 2008, the Material Process Laboratory, part of the Engineering Headquarters' Material and Process Development Division, acquired certification under ISO/IEC 17025:2005, the international standard for laboratory competence in measuring and analyzing the six substances governed by the European Union's Restriction of Hazardous Substances (RoHS) Directive.

Green Procurement

In July 2004, we published the first edition of the "Minebea Group Green Procurement Standard," under which we oblige suppliers to submit analysis data on chemical substances on materials and parts they deliver to Group companies. In December 2007, we published the revised third edition of this document, in line with which we conduct procurement that satisfies global laws and ordinances, including the RoHS Directive, enacted in July 2006, and China's Management Methods for Controlling Pollution Caused by Electronic Information Products Regulation, enacted in March 2007.

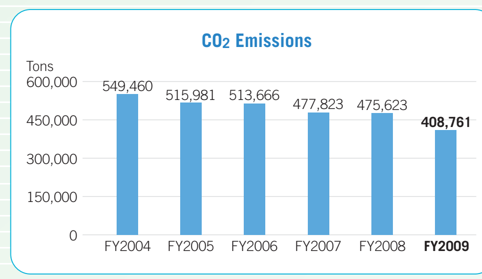
Environmental Activities in the Community

We are actively involved in environmental activities in the communities where the Minebea Group has plants. In Thailand, home to our largest manufacturing base, we are honored with numerous awards every year in recognition of our efforts to reduce energy consumption and protect the environment. In China, we established the Shanghai–Minebea Lake Dianshan-hu Environmental Protection Fund in April 1996, with the aim of helping preserve the water quality in Lake Dianshan-hu, located in the vicinity of a Minebea Group plant. The fund continues to assist with a variety of environmental protection efforts in and around Lake Dianshan-hu,

A local river after a dredging product supported by the Shanghai–Minebea Lake Dianshan-hu Environmental Protection Fund

Reduction of CO_2 Emissions

In fiscal 2009, total emissions of CO_2 into the atmosphere by Minebea Group plants worldwide amounted to 408,761 tons, a 26% decline from 549,460 tons recorded in fiscal 2004. The introduction of advanced countermeasures contributed to a 40% reduction in energy used by a new cutting facility at the Bang Pa-in Plant in Thailand, which commenced operations in July 2008, compared with the facility's predecessor.



New cutting and pressing facility at the Bang Pa-in Plant in Thailand

The Bang Pa-in Plant is awarded a prize for its cooperation in a project to protect the Chao Phraya River.

The Bang Pa-in Plant receives a an award as an Outstanding Energy Conservation Factory in the 2008 Thailand Energy Awards

Minebea has adopted five basic management principles as its basic policy for management, which are to "be a company where our employees are proud to work," "earn and preserve the trust of our valued customers," "respond to our shareholders' expectations," "work in harmony with the local community" and "promote and contribute to global society." Under this basic management policy, Minebea's business objective is to fulfill its social responsibilities to the various stakeholders—such as shareholders, business partners, local communities, employees and society—and maximize its corporate value. To achieve this business objective, Minebea has approached the enhancement and reinforcement of corporate governance as a key management theme. Also, to ensure the health of the management of the Company and strengthen corporate governance, Minebea is promoting the establishment, maintenance and expansion of an internal control system.

1. Basic Explanation of the Company's Organization

In response to the need for highly strategic business judgments and timely action, we have adopted a 10-member format for our Board of Directors. At the same time, by introducing an executive officer system, we have delegated significant authority from the Board of Directors to executive officers, and clearly divided the role of management/supervision functions from execution functions.

Moreover, with the aim of obtaining advice on all aspects of corporate management and strengthening the Board of Directors' functions to supervise organizations responsible for execution of duties, we have included two external members in the Board of Directors.

To strengthen the auditing function of the Board of Auditors, the Board of Auditors currently comprises five members, of which three are external auditors.

In addition to holding the Board of Auditors' meetings and attending the Board of Directors' meetings and other important meetings, the auditors—in conjunction with the accounting auditors and the Internal Audit Department—audit domestic offices and subsidiaries, overseas subsidiaries and directors' execution of duties.

2. Summary of Management Decisions, Supervision and Various Functions

(1) Supervision of Management

Minebea's supervision of management is done by the 10-member Board of Directors, which makes significant strategic business judgments that can facilitate prompt and highly strategic decision making. We have included two external members in the Board of Directors with the aim of obtaining advice on corporate management and strengthening the Board's functions to supervise the organizations responsible for execution of duties.

(2) Execution Function of Management

Minebea is building a system for the execution function of management that will reinforce diligent attendance of each division's operations in accordance with the Company's management policy, and revitalize and enhance the speed of management by introducing an executive officer system and delegating significant authority to corporate officers from the Board of Directors.

(3) Monitoring of Management

Minebea has built a monitoring system comprising five corporate auditors, of which three are external. Also, there are no titles or ranks for the Board members in an effort to enhance the monitoring of each Board member.

3. Enhancement of the Internal Control System

As set forth in the Basic Policy for the Internal Control System, Minebea has comprehensively implemented compliance, information storage, risk management, efficient performing duties, Group company control and auditing systems, and is working to further strengthen them. (For details, please refer to "4. Basic Policy for the Internal Control System and its Enhancement Situation.") Furthermore, to ensure the smooth establishment and handling of the internal control system for financial reporting and to link it organically and efficiently to the internal control system based on the Company Law, Minebea established an internal audit management headquarters, which is independent of the Company's execution function and comprises the internal auditing office, the internal control administration office and the compliance office.

Five Basic Management Principles

Minebea shall...

Be a company where our employees are proud to work

Earn and preserve the trust of our valued customers

Respond to our shareholders' expectations

Work in harmony with the local community

Promote and contribute to global society

4. Basic Policy for the Internal Control System and its Enhancement Situation

The Company's internal control system is necessary to ensure that the Board members' execution of duties conforms to laws and the Articles of Incorporation, and that the other operations of the Company are appropriate for a publicly listed corporate entity. By establishing an internal control system that disciplines business management, we will reinforce corporate governance and strongly fulfill the Company's social responsibilities, as well as further increase corporate value.

For this purpose, to ensure the health of management Minebea resolved the basic policy for the internal control system, based on the Company Law, at a Board of Directors' meeting. The structure of this system is as follows:

Structure of the Internal Control System

(1) Structure to assure that Board members', executive officers' and employees' execution of duties conforms to laws and the Articles of Incorporation (compliance system)
(2) Storage and management of information related to execution of duties by Board members and executive officers (information storage system)
(3) Rules for management of loss risk and other structures (risk management system)
(4) Structure that assures that the duties by Board members and executive officers are efficiently executed (system for the efficient performance of duties)
(5) Structure to ensure that the operations of the Company and its affiliated companies are adequate (system for management of Group companies)
(6) Structure to ensure that audits by the corporate auditors are effective (audit system and related matters)

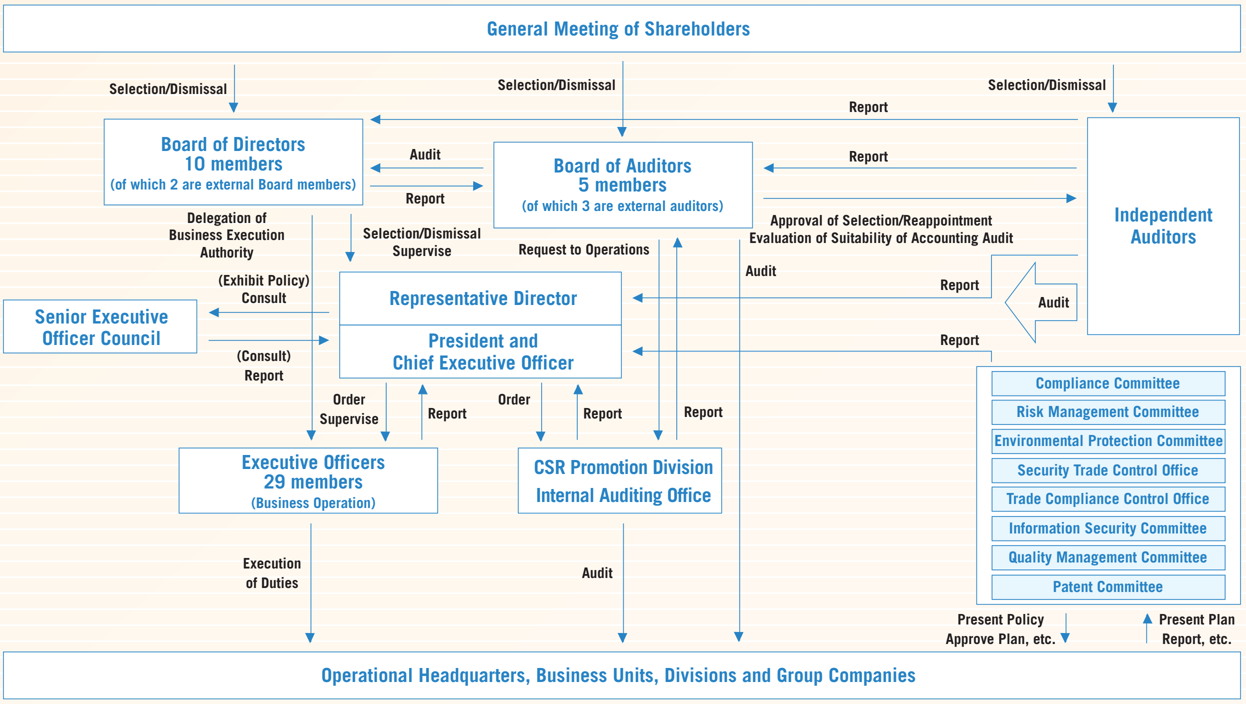
5. Internal Control over Financial Reporting

As part of its internal control system, Minebea has formulated a process for internal control to ensure the reliability of its financial reporting, which it continues to improve. The Company has also established and is implementing a basic framework for internal control over financial reporting that complies with Japan's Financial Instruments and Exchange Law.

In accordance with this framework, management assessed the Company's internal control of financial reporting as of March 31, 2009, and based on the results thereof concluded that the Company's internal control over financial reporting was effective as of that date. Management has published its conclusions in the Report on Internal Control System, which has been audited the Company's independent auditors, KPMG AZSA & Co.

(To see Management's Report on Internal Control System, please turn to page 50. Management's Report on Internal Control System is included within the scope of KPMG AZSA's audit for the annual report, and the Report of Independent Certified Public Accountants on page 51 is thus proof of its conclusion that Management's Report on Internal Control System was appropriate.)

Minebea's Corporate Governance System



A History of Achievements

1951	7	Nippon Miniature Bearing Co., Ltd., Japan's first specialized manufacturer of miniature ball bearings, is incorporated in Azusawa, Itabashi-ku, Tokyo.
1956	10	The Company relocates its headquarters to Nihonbashi-Kabuto-cho, Chuo-ku, Tokyo, and its factory to Aoki-cho, Kawaguchi, Saitama.
1959	6	A new plant is established at Aoki-cho, Kawaguchi, Saitama, to serve as the Company's integrated headquarters and factory.
1961	8	The Company's stock is listed on the over-the-counter market of the Tokyo Stock Exchange.
	10	With the establishment of the Second Section of the Tokyo Stock Exchange, the company's stock is listed on this section.
1962	11	A representative office is set up in the United States to cultivate the U.S. market.
1963	3	A plant is established in Karuizawa, Nagano. Some operations are relocated to the Karuizawa Plant.
1965	7	The Kawaguchi Factory is closed and its equipment is conveyed to Karuizawa. The Company's headquarter is shifted from Kawaguchi, Saitama, to Miyota-machi, Kitasaku-gun, Nagano.
1967	3	A representative office is set up in London to promote business in Europe.
1968	9	Subsidiary Nippon Miniature Bearing Corporation (the present NMB Technologies Corporation) is established in Los Angeles, California.
1970	10	The Company's stock listing is shifted from the Second Section to the First Section of the Tokyo Stock Exchange.
1971	4	Sales subsidiary NMB (U.K.) Ltd. is established in the United Kingdom.
	5	The Company's stock is listed on the First Sections of the Osaka Securities Exchange and Nagoya Stock Exchange.
	9	The Company acquires the U.S. firm Reed Instrument Corp. (the present Chatsworth Plant of New Hampshire Ball Bearings, Inc.) from SKF, Inc., of Sweden and commences production in the United States.
1972	2	Manufacturing subsidiary NMB Singapore Ltd. is established in Singapore. (Production begins in 1973.)
1974	9	The Company acquires Shinko Communication Industry Co., Ltd., a major strain gage manufacturer listed on the Second Section of the Tokyo Stock Exchange.
1975	1	The Company acquires U.S. company IMC Magnetics Corp., a listed manufacturer of small precision motors.
	7	The Company acquires a leading fastener producer, Tokyo Screw Co., Ltd. (the present Fujisawa Plant), and an electromagnetic clutch manufacturer, Shin Chuo Kogyo Co., Ltd. (the present Omori Plant), both of which are listed on the Second Section of the Tokyo Stock Exchange.
1977	9	The Company acquires Hansen Manufacturing Co., Inc. (the present Hansen Corporation), which is, at the time, the motor manufacturing division of Mallory Corp., a U.S. multinational.
	10	Sales subsidiary Nippon Miniature Bearing GmbH (the present NMB-Minebea-GmbH) is established in Germany.
1980	3	The Company acquires the Singapore factory of Koyo Seiko Co., Ltd., and establishes Pelmec Industries (Pte.) Ltd. to manufacture small-sized ball bearings.
	8	Manufacturing subsidiary NMB Thai Limited (the present NMB-Minebea Thai Ltd.) is established in Thailand. (Production begins in 1982.)
1981	1	The marketing division of the Company is spun off as subsidiary NMB (Japan) Corporation, which is charged with integrating marketing operations for all manufacturing companies in the Minebea Group.
	10	The Company absorbs four of its manufacturing affiliates—Tokyo Screw Co., Ltd., Shinko Communication Industry Co., Ltd., Shin Chuo Kogyo Co., Ltd., and Osaka Motor Wheel Co., Ltd.—and changes its name to Minebea Co., Ltd.
1982	9	Sales subsidiary NMB Italia S.r.l. is established in Italy.
1983	3	The Company acquires a cooling fan manufacturer, Kondo Electric Works Ltd. (the present NMB Electro Precision, Inc.).
1984	8	Two manufacturing subsidiaries, Minebea Thai Limited and Pelmec Thai Ltd. (the present NMB-Minebea Thai Ltd.), are established in Thailand.
1985	3	The Company acquires New Hampshire Ball Bearings, Inc., a listed U.S. ball bearing manufacturer.
	9	The Company acquires the Miami Lakes operations of Harris Corporation, a U.S. manufacturer of switching power supplies.
1986	5	The R&D Center and subsidiary Minebea Electronics Co., Ltd., are established in Asaba-cho, Iwata-gun (the present city of Fukuroi), Shizuoka.
1987	5	Manufacturing joint venture Thai Ferrite Co., Ltd. (the present NMB-Minebea Thai Ltd.), is established in Thailand.
1988	2	The Company acquires Rose Bearings Ltd. (the present NMB-Minebea UK Ltd), a U.K. manufacturer of rod-end and spherical bearings.
	3	Sales subsidiary NMB Technologies, Inc. (the present NMB Technologies Corporation), is established in the United States to coordinate sales and marketing of Minebea's electronic devices.

Manufacturing joint venture Minebea Electronics (Thailand) Company Limited (the present NMB-Minebea Thai Ltd.) is established.

| 12 Manufacturing subsidiaries NMB Hi-Tech Bearings Ltd. and NMB Precision Balls Limited (the present NMB-Minebea Thai Ltd.) are established in Thailand.

1989 | 1 Marketing subsidiary NMB France S.a.r.l. (the present NMB Minebea S.A.R.L.) is established.

1990 | 10 Papst-Minebea-Disc-Motor GmbH (the present Precision Motors Deutsche Minebea GmbH), a joint venture with Papst-Motoren GmbH & Co. KG, is established in Germany to manufacture HDD spindle motors.

| 11 Rose Bearings Ltd. (the present NMB-Minebea UK Ltd), in the United Kingdom, commences production of ball bearings at its Skegness Plant.

1992 | 2 The Company absorbs Sorensen Ltd. and reestablishes it as Minebea Electronics (UK) Ltd., a manufacturer of switching power supplies in Scotland.

1993 | 8 Joint venture agreement with Papst-Motoren GmbH & Co. KG of Germany is cancelled. The Company acquires all outstanding shares in Papst-Minebea-Disc-Motor GmbH and changes the company's name to Precision Motors Deutsche Minebea GmbH (PMDM).

| 10 Sales and R&D subsidiary Minebea Trading Pte. Ltd. is established in Singapore.

1994 | 4 Manufacturing subsidiary Minebea Electronics & Hi-Tech Components (Shanghai) Ltd. is established in China.

1996 | 8 A vertically integrated ball bearing production facility—Minebea's largest to date—commences operations in Shanghai.

| 10 U.K. subsidiary NMB (U.K.) Ltd. establishes a new PC keyboard printing plant in Inchinnan, Scotland.

1999 | 3 The Company commences quality evaluation and testing at the NMB Corporation Technical Center in the United States.

| 7 U.S. subsidiaries NMB Corporation and NMB Technologies, Inc., merge to form NMB Technologies Corporation.

2000 | 3 The Company acquires Kuen Dar (M) Sdn. Bhd., a Malaysian speaker box manufacturer.

2002 | 8 Huan Hsin Holdings Ltd., of Singapore, and Sheng Ding Pte. Ltd.—a joint venture between Minebea and Huan Hsin—establishes PC keyboard manufacturing subsidiary Shanghai Shun Ding Technologies Ltd. in China.

Minebea establishes sales company Minebea (Hong Kong) Ltd. in China.

| 9 Minebea establishes sales companies Minebea Trading (Shenzhen) Ltd. and Minebea Trading (Shanghai) Ltd. in China.

2004 | 4 Minebea establishes joint venture Minebea–Matsushita Motor Corporation (the present Minebea Motor Manufacturing Corporation) with Matsushita Electric Industrial Co., Ltd., with the aim of integrating the fan motor, stepping motor, vibration motor and brush DC motor businesses of the two parent companies.

| 7 Subsidiary NMB-Minebea UK Ltd establishes wholly owned subsidiary NMB Minebea Slovakia s.r.o. in the Slovak Republic and later shifts printing of Minebea's European-language PC keyboards to the new company.

2006 | 3 Minebea dissolves joint venture agreement with Huan Hsin Holdings Ltd. of Singapore and purchases all shares in joint venture Sheng Ding Pte. Ltd.

2008 | 4 Minebea amalgamates seven companies in Thailand (NMB Thai Ltd., Pelmec Thai Ltd., Minebea Thai Ltd., NMB Hi-Tech Bearings Ltd., NMB Precision Balls Limited, Minebea Electronics (Thailand) Co., Ltd., and Power Electronics of Minebea Co., Ltd.) under the name NMB-Minebea Thai Ltd.

| 7 Minebea opens the Advanced Electronic R&D Center Europe (Advanced Electronic Research and Development Centre Europe) in Odelzhausen, Germany.

2009 | 1 Minebea acquires the stepping motor division of FDK Corporation and establishes the Micro Actuator Business Unit.

| 3 Minebea acquires miniature and small-sized ball bearings manufacturer myonic Holding GmbH of Germany and its subsidiaries.


Germany
Advanced Electronic R&D Center Europe
(AERDCE)


Thailand
Navanakorn Plant
(Micro Actuator Business Unit)


Germany
myonic GmbH

Representative Director, President and Chief Executive Officer

Yoshihisa Kainuma

Director, Vice President Executive Officer

Koichi Dosho

Director, Senior Managing Executive Officer

Hiroharu Katogi
- Officer in charge of Operation & Planning Division

Akihiro Hirao
- Officer in charge of Engineering Support Division
- Chief of Special Device Business Headquarters
- Officer in charge of Engineering at HDD Motor Business Headquarters

Eiichi Kobayashi
- Chief of HDD Motor Business Headquarters

Hiroyuki Yajima
- Chief of Machined Component Business Headquarters
- Head of Ball Bearing Business Unit

Masayoshi Yamanaka
- Officer in charge of Sales Division

Hirotaka Fujita
- Chief of Rotary Component Business Headquarters
- Head of Information Motor Business Unit

Independent Directors

Kohshi Murakami

Takashi Matsuoka

Standing Corporate Auditors

Tosei Takenaka

Akifumi Kamoi

Standing External Corporate Auditor

Kazuaki Tanahashi

External Corporate Auditors

Isao Hiraide

Hirotaka Fujiwara

Senior Managing Executive Officers

Sakae Yashiro
- Officer in charge of Finance & Administration Division
- Chief of CSR Promotion Division

Managing Executive Officers

Susumu Fujisawa
- General Manager of Regional Affairs for China

Motoyuki Niijima
- Head of Measuring Components Business Unit at Electronic Device & Component Business Headquarters

Junichi Mochizuki
- Chief of Electronic Device & Component Business Headquarters

Tsugihiko Musha
- Head of RodEnd/Fastener Business unit at Machined Component Business Headquarters

Gary Yomantas
- General Manager of Regional Affairs for the Americas
- Head of NHBB/myonic Business Unit at Machined Component Business Headquarters

Executive Officers

Morihiro Iijima
- General Manager of Regional Affairs for South East Asia

Takashi Aiba
- Officer in charge of Procurement & Logistics Division

Daishiro Konomi
- General Manager of Regional Affairs for Europe

Tatsuo Matsuda
- Head of Procurement Department at Procurement & Logistics Division

Motoharu Akiyama
- Deputy Officer in charge of Engineering Support Division

Tamio Uchibori
- Head of Corporate Planning Department at Operation & Planning Division

Koichi Takeshita
- Deputy Chief of Rotary Component Business Headquarters

Tetsuya Tsuruta
- Head of Mechanical Assembly Business Unit at Machined Component Business Headquarters

Shuji Uehara
- Deputy Head of Information Motor Business Unit

Shigeru None
- Deputy Officer in charge of Sales Division

Kunio Shimba
- Deputy Officer in charge of Sales at HDD Motor Business Headquarters

Hiromi Yoda
- Deputy Officer in charge of Finance & Administration Division
- Head of Internal Control Promotion Office of CSR Promotion Division

Miyuki Furuya
- Deputy Chief of Rotary Component Business Headquarters

Harukazu Hase
- Head of Logistics Department at Procurement & Logistics Division

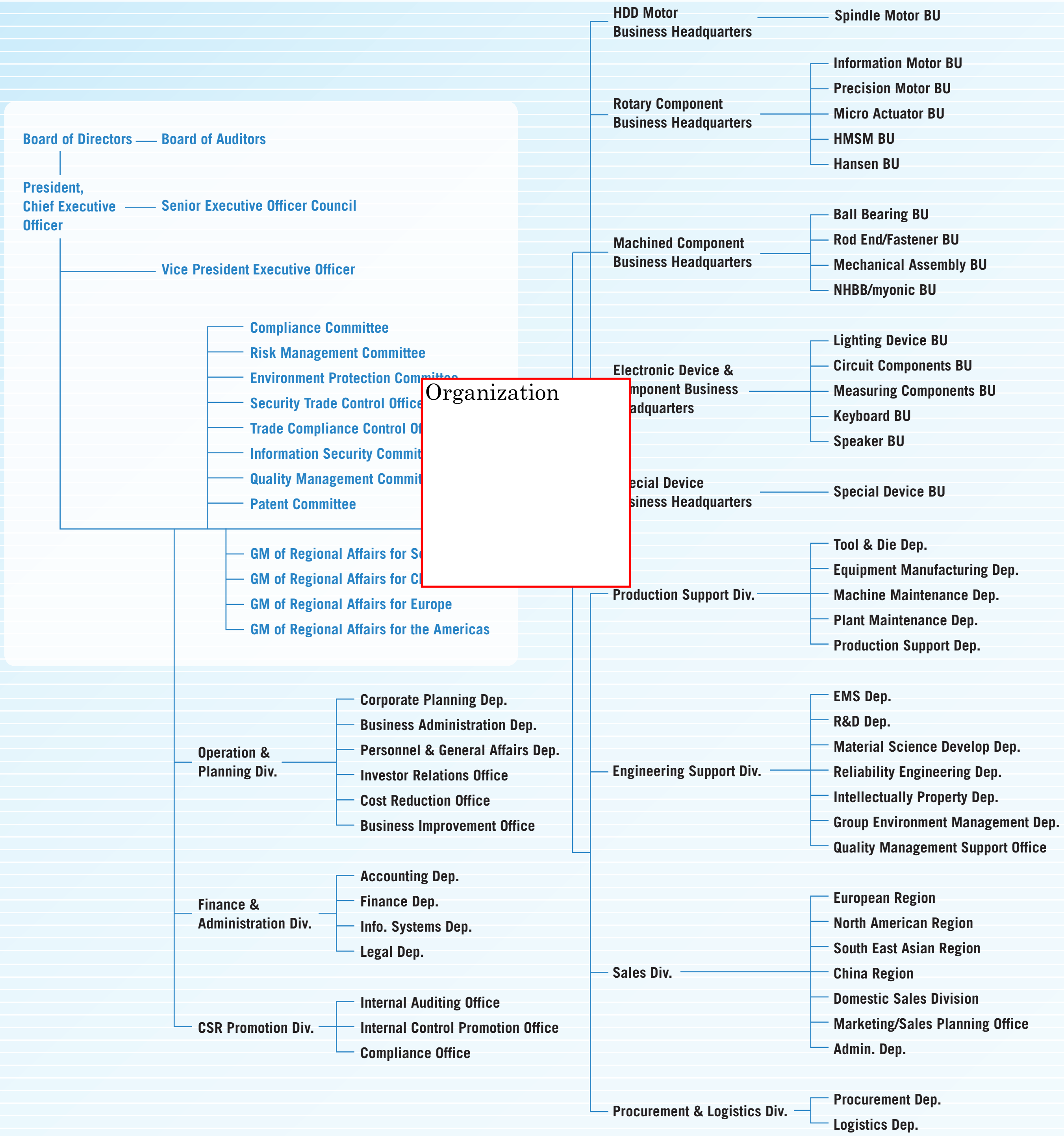
Kazunori Sawayama
- Officer in charge of Production Support Division

Ryozo Iwaya
- Head of Lighting Device Business Unit at Electronic Device & Component Business Headquarters

Note: Messrs. Kohshi Murakami and Takashi Matsuoka are independent directors as required under Article 2, Paragraph 15, of the Company Law. Mr. Kazuaki Tanahashi is an external auditor as required under Article 2, Paragraph 16, of the Company Law.

(As of June 26, 2009)

Organization



(As of June 1, 2009)

Contact Information

URL: http://www.minebea.co.jp/english/

For the latest information and more details on Minebea,
please visit our corporate web site.

Product purchasing and catalog requests:
Sales Headquarters
Tel: 81-3-5434-8711
Fax: 81-3-5434-8700

IR informations:
Investor Relations Office
Tel: 81-3-5434-8643
Fax: 81-3-5434-8607

Employment opportunities:
Personnel & General Affairs Department
Human Resources Development Office
Tel: 81-3-5434-8612
Fax: 81-3-5434-8601

Other inquiries:
Corporate Communications Office
Tel: 81-3-5434-8637
Fax: 81-3-5434-8607

Contents

Eleven-Year Summary

	2009	2008	2007	2006
Statement of Income Data:				
Net sales:	¥256,163	¥334,431	¥331,022	¥318,446
Machined components	115,872	144,034	137,662	129,595
Percentage of net sales	45%	43%	42%	41%
Electronic devices and components	140,291	190,397	193,360	188,851
Percentage of net sales	55%	57%	58%	59%
Consumer business and others	—	—	—	—
Percentage of net sales	—	—	—	—
Gross profit	¥ 59,025	¥ 80,721	¥ 73,378	¥ 68,511
Percentage of net sales	23.0%	24.1%	22.2%	21.5%
Operating income	13,406	30,762	26,265	19,269
Percentage of net sales	5.2%	9.2%	8.0%	6.0%
Net income (loss)	2,441	16,303	12,862	4,257
Percentage of net sales	1.0%	4.9%	3.9%	1.3%
Balance Sheet Data:				
Total assets	¥285,396	¥320,544	¥354,784	¥349,862
Total current assets	121,699	148,117	156,059	153,564
Total current liabilities	112,312	118,321	131,155	150,886
Short-term loans payable and current portion of long-term debt	80,990	65,352	71,761	91,772
Long-term debt	56,900	67,500	78,500	79,500
Working capital	9,387	29,796	24,905	2,678
Total net assets	106,762	131,730	142,558	118,209
Equity ratio	37.1%	40.7%	40.1%	33.6%
Per Share Data:				
Net income (loss):				
Basic	¥ 6.18	¥ 40.86	¥ 32.23	¥ 10.67
Diluted	—	—	—	—
Net assets	271.93	327.25	356.75	294.65
Cash dividends	7.00	10.00	10.00	7.00
Number of shares outstanding	399,167,695	399,167,695	399,167,695	399,167,695
Other Data:				
Return (net income) on equity	2.1%	11.9%	9.9%	3.9%
Return on total assets	0.8%	4.8%	3.7%	1.2%
Interest expense	¥ 2,646	¥ 4,402	¥ 5,224	¥ 4,771
Net cash provided by operating activities	37,064	46,893	37,902	28,237
Net cash used in investing activities	(24,554)	(23,461)	(15,180)	(19,120)
Free cash flow	12,510	23,432	22,722	9,117
Purchase of tangible fixed assets	18,429	24,888	16,969	21,897
Depreciation and amortization	25,027	27,502	25,727	25,045
Number of employees	48,443	50,549	49,563	47,526

Notes: 1. Effective from fiscal 2007, Minebea has applied the Accounting Standard for Presentation of Net Assets in the Balance Sheet and the Implementation Guidance for the Accounting Standard for Presentation of Net Assets in the Balance Sheet. Accordingly, "shareholders' equity" and "return on shareholders' equity" have been restated as "net assets" and "return (net income) on equity," respectively. Also, figures after fiscal 2006 include minority interests in net assets.

2. In fiscal 2006, Minebea restructured its PC keyboard business. As a consequence, the Company posted a business restructuring loss of ¥3,475 million in other expenses. The Company also showed an impairment loss of ¥967 million in other expenses resulting from the adoption of impairment accounting for fixed assets.

2005	2004	2003	2002	2001	2000	1999	2009
						Millions of yen	*Thousands of U.S. dollars (Note 9)*
¥294,422	¥268,574	¥272,202	¥279,344	¥287,045	¥284,757	¥305,324	$2,607,793
116,105	111,693	118,118	122,025	124,461	127,734	136,807	1,179,597
39%	42%	43%	44%	43%	45%	45%	
178,317	156,881	154,084	156,303	151,910	146,133	157,603	1,428,196
61%	58%	57%	56%	53%	51%	52%	
—	—	—	1,016	10,674	10,890	10,914	—
—	—	—	0%	4%	4%	3%	

2005	2004	2003	2002	2001	2000	1999	2009
¥ 62,403	¥ 65,313	¥ 68,702	¥ 73,283	¥ 84,117	¥ 81,534	¥ 90,161	$ 600,892
21.2%	24.3%	25.2%	26.2%	29.3%	28.6%	29.5%	
14,083	18,104	19,352	21,972	32,977	31,069	38,546	136,479
4.8%	6.7%	7.1%	7.9%	11.5%	10.9%	12.6%	
5,581	6,019	(2,434)	5,298	14,826	(2,677)	11,507	24,859
1.9%	2.2%	(0.9)%	1.9%	5.2%	(0.9)%	3.7%	

2005	2004	2003	2002	2001	2000	1999	2009
¥332,217	¥314,915	¥320,069	¥350,037	¥346,965	¥403,994	¥473,360	$2,905,393
147,295	138,953	127,447	131,548	137,106	153,658	219,826	1,238,922
141,449	167,626	134,459	156,908	127,290	124,085	197,071	1,143,353
87,112	119,643	81,262	103,461	66,531	68,022	142,828	824,495
85,341	51,842	85,862	79,212	118,629	124,690	128,223	579,253
5,846	(28,673)	(7,012)	(25,360)	9,816	29,573	22,755	95,569
102,088	93,866	98,213	112,732	100,574	154,357	145,705	1,086,865
30.7%	29.8%	30.7%	32.2%	29.0%	38.2%	30.8%	

2005	2004	2003	2002	2001	2000	1999	2009
						Yen	*U.S. dollars (Note 9)*
¥ 13.93	¥ 15.08	¥ (6.10)	¥ 13.27	¥ 37.14	¥ (6.72)	¥ 28.94	$0.06
13.27	14.51	(4.85)	12.60	34.10	(5.39)	26.32	—
255.82	235.21	246.08	282.42	251.96	386.71	366.29	2.77
7.00	7.00	7.00	7.00	7.00	7.00	7.00	0.07
399,167,695	399,167,695	399,167,695	399,167,695	399,167,695	399,150,527	397,787,828	

2005	2004	2003	2002	2001	2000	1999	2009
						Millions of yen	*Thousands of U.S. dollars (Note 9)*
5.7%	6.3%	(2.3)%	5.0%	11.6%	(1.8)%	8.0%	
1.7%	1.9%	(0.8)%	1.5%	4.0%	(0.6)%	2.4%	
¥ 3,361	¥ 3,213	¥ 4,765	¥ 5,673	¥ 7,553	¥ 7,897	¥ 12,231	$ 26,932
27,586	21,714	32,279	34,017	38,332	60,289	60,740	377,317
(23,789)	(14,932)	(16,233)	(24,346)	(33,099)	(13,298)	(17,254)	(249,968)
3,797	6,782	16,046	9,671	5,233	46,991	43,486	127,349
23,060	18,825	16,382	26,245	39,877	19,504	20,563	187,610
23,545	22,728	24,015	25,577	23,682	25,026	28,034	254,778
48,473	43,839	43,002	43,729	45,193	42,399	40,482	

3. Effective from fiscal 2005, Minebea calculates free cash flow by subtracting net cash used in investing activities from net cash provided by operating activities. Figures for previous fiscal years have been restated using this calculation.
4. In fiscal 2003, significant declines in the prices of stocks listed on major markets resulted in the impairment of shares in financial institutions and losses on devaluation of investment securities amounted to ¥4,945 million. In line with projected losses resulting from its withdrawal from switching power supplies and related businesses, the Company posted losses on liquidation of switching power supplies and related businesses of ¥3,144 million. The Company also posted ¥1,206 million in environmental remediation expenses incurred by U.S. subsidiaries.
5. In fiscal 2001, to concentrate resources in its best areas and improve financial strength, the Company transferred its shares in subsidiary Actus Corporation, posting other income of ¥5,215 million in gains on sales of investment securities in affiliates. The Company also showed other expenses of ¥2,762 million, in line with the projected loss on the withdrawal from the wheel business.
6. In fiscal 2000, to concentrate resources in its best areas and improve financial strength, the Company made decisions with regard to the transferral of its shares, etc., in Minebea Credit Co., Ltd., a wholly owned subsidiary; the liquidation of different affiliated companies; and other matters. As a result, the Company showed ¥25,782 million in other expenses as losses on liquidation of subsidiaries and affiliates. The Company also applied tax effect accounting overall, which resulted in ¥6,276 million in deferred income tax benefit.
7. In fiscal 2000, the Company reclassified its operations into three business segments and revised figures for the prior years.
8. Owing to a change in accounting standards, cash flows are shown in a new format in and after fiscal 2000.
9. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥98.23=US$1, the approximate rate of exchange on March 31, 2009.

Outline

Outline of Operations

Minebea's operations are divided into two business segments: Machined Components and Electronic Devices and Components. The Machined Components segment focuses on miniature and small-sized ball bearings, rod-end and spherical bearings, and pivot assemblies. In the current fiscal year, this segment accounted for 45.2% of consolidated net sales. The Electronic Devices and Components segment encompasses precision small motors, notably HDD spindle motors and fan motors; PC keyboards and other electronic devices; lighting devices, including light-emitting diodes (LED) backlights for liquid crystal displays (LCDs); backlight inverters; speakers; and measuring components. This segment represented 54.8% of consolidated net sales in the current fiscal year.

Our product development efforts are centered in Japan, Germany, Thailand and the United States. Our manufacturing network encompasses bases in Thailand, China, Japan, the United States, Singapore, Malaysia and the United Kingdom. Our largest manufacturing base, in Thailand, accounted for 48.3% of total consolidated production in the current fiscal year, while our manufacturing base in China accounted for 23.0%. Combined production at all our bases in Asia (excluding Japan) represented 77.2% of total production. Production outside of Japan accounted for 90.5% of total production.

We supply products to a number of key markets. Notable among these are the PC and peripheral equipment, OA and telecommunications equipment, aerospace, automotive and household electrical appliances markets, which accounted for 30.3%, 14.2%, 12.5%, 9.9% and 8.8%, respectively, of the current fiscal year's consolidated net sales. Many of our clients—manufacturers of these products—are expanding production outside Japan, Europe, and the Americas, particularly in China and other parts of Asia, and therefore sales to Asia (excluding Japan) represented 51.2% of consolidated net sales. Our second-largest geographic market is Japan, which currently accounts for 23.8% of consolidated net sales. Remaining sales are to North, Central and South America and to Europe.

In the current fiscal year, we continued to operate under a corporate structure comprising 14 business units and 6 headquarters—all reporting directly to the president and CEO—that was originally designed to ensure our organization ran smoothly and effectively. Effective June 1, 2009, we implemented a restructuring whereby these business units and headquarters were replaced with product group-specific business headquarters. Our objectives were to integrate the functions previously assigned to the business units and headquarters more organically, thereby maximizing efficiency, and at the same time to clarify the income and loss performance of each product group and facilitate the sharing of technologies initially adopted for specific products. Within each of the new business headquarters, we have established business units similar to those that existed under our previous structure. All functions previously belonging to the headquarters—including manufacturing, engineering, sales and materials procurement—deemed effective in enhancing efficiency have been transferred to the new business headquarters. As a consequence of these moves, we now have a corporate structure comprising 16 business units and 5 business headquarters; 4 support divisions; and 2 divisions and 1 headquarter responsible for back-office functions (formerly combined in a single headquarter).

Principal Strategy

With the aim of evolving and growing as "a company that leads the competition through manufacturing and technological excellence," we continue to implement initiatives designed to reinforce profitability and increase corporate value by expanding implementation of our vertically integrated manufacturing system, as well as by establishing mass production facilities and well-appointed R&D facilities, in markets around the world.

Recognizing innovation as the key to growth, we are addressing 3 priority tasks: developing new products, cultivating new markets and revolutionizing production technologies.

1. Ball bearings: To capitalize on untapped demand, we are taking steps to expand our production capacity and strengthen our development capabilities and production technologies for high-growth miniature ball bearings.
2. Precision components for aircraft applications: In this highly promising business, we are endeavoring to maximize growth by enhancing our existing rod-end bearings business, as well as by pushing forward with our expansion into large mechanical parts for aircraft, which incorporate sophisticated new processing technologies.
3. Fan motors and other precision small motors: We are stepping up efforts to expand our rotary components business into a second pillar of growth, alongside our core bearings and bearing-related products business.
4. In all product categories, we are increasing the weight of high-value-added products. At the same time, we are expanding our product lineup, thereby positioning us to respond to a broader range of market requirements.
5. We are reinforcing our ability to respond to pricing pressure and customer demands by reorganizing our business portfolio in a manner that enables us to surmount the barriers separating production, sales, technology and development functions and give full play to our comprehensive strengths.
6. We are taking decisive steps to reduce costs with the aim of promptly overcoming the current economic slump and laying the groundwork for a dramatic leap forward.

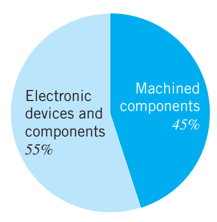
Segment Information

Years ended March 31	2009	2008	2007	2006	2005
					Millions of yen
Sales to External Customers by Business Segment					
Machined components	¥115,872	¥ 144,034	¥ 137,662	¥ 129,595	¥ 116,105
Electronic devices and components	140,291	190,397	193,360	188,851	178,317
Total	¥256,163	¥ 334,431	¥ 331,022	¥ 318,446	¥ 294,422
Operating Income (Loss) by Business Segment					
Machined components	¥ 17,469	¥ 27,750	¥ 26,195	¥ 24,556	¥ 21,572
Electronic devices and components	(4,063)	3,012	70	(5,287)	(7,489)
Total	¥ 13,406	¥ 30,762	¥ 26,265	¥ 19,269	¥ 14,083
Assets by Business Segment					
Machined components	¥162,194	¥ 189,149	¥ 216,595	¥ 205,437	¥ 194,180
Electronic devices and components	154,893	192,202	224,048	218,790	214,142
Eliminations or corporate	(31,691)	(60,807)	(85,859)	(74,365)	(76,105)
Total	¥285,396	¥ 320,544	¥ 354,784	¥ 349,862	¥ 332,217
Depreciation and Amortization by Business Segment					
Machined components	¥ 11,636	¥ 13,635	¥ 12,507	¥ 11,437	¥ 10,401
Electronic devices and components	12,352	12,808	12,141	12,535	12,061
Total	¥ 23,988	¥ 26,443	¥ 24,648	¥ 23,972	¥ 22,462
Impairment Loss by Business Segment					
Machined components	¥ 2	¥ 31	¥ 31	¥ 388	¥ —
Electronic devices and components	21	41	43	579	—
Total	¥ 23	¥ 72	¥ 74	¥ 967	¥ —
Capital Expenditure by Business Segment					
Machined components	¥ 10,320	¥ 12,292	¥ 8,423	¥ 12,279	¥ 11,400
Electronic devices and components	9,866	13,259	9,243	9,929	22,757
Total	¥ 20,186	¥ 25,551	¥ 17,666	¥ 22,208	¥ 34,157
Sales to External Customers by Geographic Segment					
Japan	¥ 59,154	¥ 75,378	¥ 83,265	¥ 77,856	¥ 76,660
Asia (excluding Japan)	129,243	170,474	162,330	155,423	137,424
North America	39,687	53,585	56,110	59,468	52,390
Europe	28,079	34,994	29,317	25,699	27,948
Total	¥256,163	¥ 334,431	¥ 331,022	¥ 318,446	¥ 294,422
Operating Income by Geographic Segment					
Japan	¥ 1,261	¥ 9,096	¥ 9,770	¥ 1,922	¥ 2,752
Asia (excluding Japan)	8,248	15,573	11,299	12,843	5,870
North America	2,833	4,476	3,730	2,888	4,510
Europe	1,064	1,617	1,466	1,616	951
Total	¥ 13,406	¥ 30,762	¥ 26,265	¥ 19,269	¥ 14,083
Assets by Geographic Segment					
Japan	¥112,111	¥ 127,492	¥ 162,335	¥ 161,968	¥ 169,239
Asia (excluding Japan)	180,024	231,262	258,046	247,186	223,995
North America	27,880	30,543	35,692	36,864	32,442
Europe	21,123	22,143	21,326	19,618	20,300
Eliminations or corporate	(55,742)	(90,896)	(122,615)	(115,774)	(113,759)
Total	¥285,396	¥ 320,544	¥ 354,784	¥ 349,862	¥ 332,217

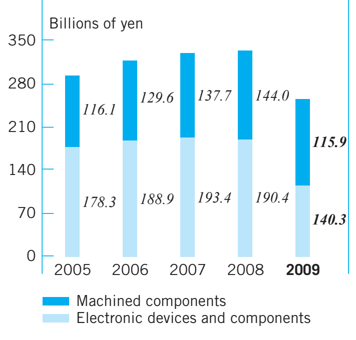
Financial Review

Results of Operations

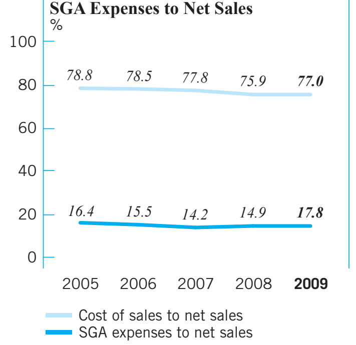
Net Sales by Business Segment



Net Sales by Business Segment



Cost of Sales to Net Sales and SGA Expenses to Net Sales



Net Sales

Consolidated net sales in the current fiscal year fell 23.4%, or ¥78,268 million, to ¥256,163 million.

During the period, the Japanese economy slid into a recession of unprecedented severity. Economic conditions were aggravated in the first half of the period by rising prices for crude oil and raw materials, and in the second half of the period by the global economic slump (owing to the widening impact of the financial crisis that originated in the United States), as well as by a sharp decline in exports (attributable to the steady appreciation of the yen) and substantial declines in private-sector capital investment and consumer spending. In an environment characterized by the expansion of the financial crisis and a deepening adjustment phase in the housing market, the U.S. economy also slumped sharply in the second half of the period as worsening corporate earnings in the automotive and other industries combined with the deterioration in employment figures and consumer spending to create a serious situation. The economies of Europe slid rapidly toward recession. In China, a shadow appeared over an economy that has seen rapid growth to date. There was also increasingly clear evidence of an overall slowdown elsewhere in Asia, owing to falling exports—a consequence of U.S. economic deterioration—and a worsening of conditions in financial markets.

In this environment, the Minebea Group focused on enhancing profitability through stringent cost-cutting measures, efforts to develop new, high-value-added products and technologies, and beneficial mergers and acquisitions (M&A) arrangements aimed at increasing sales and expanding the scale of our businesses. Nonetheless, consolidated net sales fell, owing to rapidly worsening economic conditions worldwide in the second half of the period, the impact of which was exacerbated by customers' inventory adjustments, and to fluctuating exchange rates—notably the appreciation of the yen. Income results were hampered by fluctuating exchange rates for other Asian currencies and rising raw materials prices in the first half, and by a major production cutback—implemented in response to slowing sales—in the second half of the period.

Cost of Sales

Cost of sales declined 22.3%, or ¥56,572 million, to ¥197,138 million. Cost of sales as a percentage of net sales rose 1.1 percentage points, to 77.0%. Cost of sales fell despite rising prices for steel materials and nonferrous metals, owing to stringent cost cutting, together with a steep decline in shipments—a consequence of the sharp deterioration of global economic conditions—and fluctuating exchange rates, notably the appreciation of the yen.

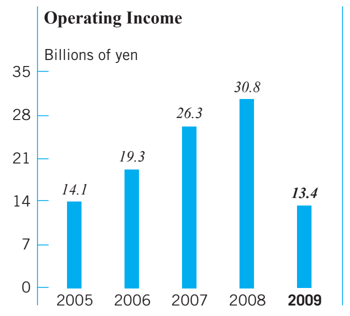
SGA Expenses

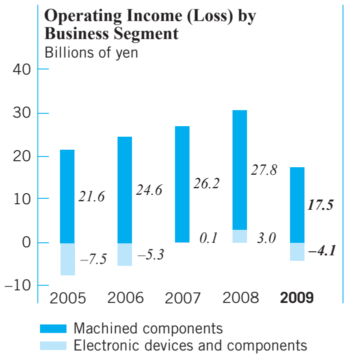
SGA expenses amounted to ¥45,619 million, down 8.7%, or ¥4,340 million. SGA expenses were equivalent to more than 17.5% of consolidated net sales, an increase of approximately 3 percentage points. The decline in SGA expenses was attributable to ongoing efforts to reduce costs, as well as to rapid global economic deterioration and fluctuating exchange rates, notably the appreciation of the yen.

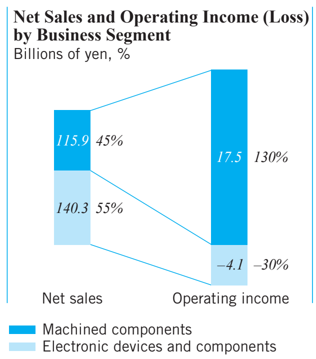
Cost of Sales and SGA Expenses

Millions of yen

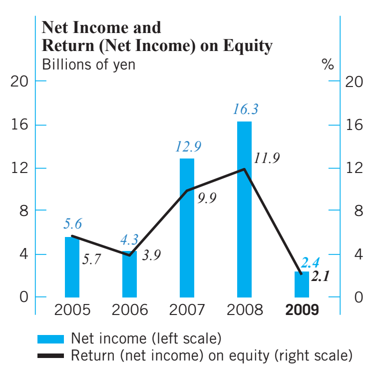
Years ended March 31	**2009**	2008	2007	2006	2005
Net sales	**¥256,163**	¥334,431	¥331,022	¥318,446	¥294,422
Cost of sales	**197,138**	253,710	257,644	249,935	232,019
Cost of sales to net sales	**77.0%**	75.9%	77.8%	78.5%	78.8%
Gross profit	**59,025**	80,721	73,378	68,511	62,403
SGA expenses	**45,619**	49,959	47,113	49,242	48,320
SGA expenses to net sales	**17.8%**	14.9%	14.2%	15.5%	16.4%







Note: Percentages represent contribution by business segment to total.



Operating Income

Operating income fell 56.4%, or ¥17,356 million, to ¥13,406 million. The operating margin declined 4.0 percentage points, to 5.2%. For more detailed information, refer to the section entitled "Performance by Business Segment" beginning on page 27.

Other Income (Expenses)

The net balance of other income (expenses) was expenses, i.e., a loss, of ¥6,572 million, ¥1,064 million greater than in the previous fiscal year. Interest expense declined ¥1,756 million, to ¥2,646 million, a consequence of falling interest rates worldwide. Other expenses also included a business restructuring loss of ¥1,793 million resulting from the closure of NMB-Minebea UK Ltd's Skegness Plant, a ball bearing manufacturing facility; special severance payments of ¥985 million, owing to personnel reductions in Thailand and the United States and outlays to accommodate the Company's and certain consolidated domestic subsidiaries' shift to a defined contribution pension plan; and ¥744 million as an allowance for environmental remediation expenses in the United States.

Income before Income Taxes and Minority Interests

Income before income taxes and minority interests totaled ¥6,834 million, down 72.9%, or ¥18,420 million.

Income Taxes

Income taxes declined ¥3,683 million, to ¥4,223 million. This is comprised of current income taxes, that is, corporate, inhabitant and business taxes, of ¥4,433 million, less a reversal of prior year's income taxes of ¥1,028 million, plus deferred income taxes of ¥818 million. The effective income tax rate climbed to 61.8%, from 31.3%, due to the decline in income before income taxes and minority interests and an increase in dividend payments from overseas subsidiaries.

Minority Interests

Minority interests amounted to ¥170 million, down ¥875 million from the previous fiscal year. This was primarily attributable to a deterioration in the earnings performance of joint venture Minebea Motor Manufacturing Corporation.

Net Income

As a consequence of the aforementioned factors, net income declined 85.0%, or ¥13,862 million, to ¥2,441 million. Basic net income per share was ¥6.18, down from ¥40.86 in the previous fiscal year.

Income

Millions of yen

Years ended March 31	**2009**	2008	2007	2006	2005
Operating income	**¥13,406**	¥30,762	¥26,265	¥19,269	¥14,083
Operating margin	**5.2%**	9.2%	8.0%	6.0%	4.8%
Net balance of other income (expenses)	**(6,572)**	(5,508)	(6,742)	(9,649)	(6,305)
Net income	**2,441**	16,303	12,862	4,257	5,581
Net income to net sales	**1.0%**	4.9%	3.9%	1.3%	1.9%
Net income per share (Yen):					
Basic	**6.18**	40.86	32.23	10.67	13.93
Diluted	**—**	—	—	—	13.27
Return (net income) on equity	**2.1%**	11.9%	9.9%	3.9%	5.7%
Return on total assets	**0.8%**	4.8%	3.7%	1.2%	1.7%

Financial Condition

Financial Policy and Liquidity

In its various businesses, the Minebea Group continues to operate in an environment characterized by accelerating product and technological development and intensifying global competition. In such an environment, we recognize the importance of ensuring the flexibility necessary to allow advance investment, enabling us to develop products that satisfy diverse customer expectations, and capital investment, allowing us to respond promptly to demand fluctuations. We strive to facilitate dynamic investment activities and strengthen our technological development capabilities by maintaining a sound financial position and a high degree of agility in our financing activities.

With the aim of reinforcing our financial position, we have set a goal to reduce net interest-bearing debt (¥109,995 million at the end of the current fiscal year) to below ¥100,000 million. Given the uncertain financial situation, we will endeavor to avoid financial risk and the increase of our interest burden by promoting efforts to expand income, shrink inventories and implement an effective investment plan that focuses on the efficient use of assets, thereby reducing interest-bearing debt. In terms of capital investment, we are promoting decisive investments in growth businesses. We are also corresponding to sharp declines in demand worldwide by making efficient investments.

To ensure the agility of our financing efforts, we obtained ratings for short-term debt up to a maximum of ¥10,000 million. To create a stronger, more stable structure for fund procurement, we strive to maintain solid relationships with key financial institutions in Japan and overseas and have taken steps to manage liquidity risks, including signing agreements to set up commitment lines.

Debt Ratings

As of May 2009	*Long-term debt*	*Short-term debt*
Moody's Investors Service	Baa2	—
Japan Credit Rating Agency, Ltd.	A	J–1
Japan Rating and Investment Information, Inc.	A–	a–1

Capital Investment

Capital investment in the current fiscal year totaled ¥20,182 million, down 18.9%, or ¥4,706 million, from the previous fiscal year, which comprised of ¥10,318 million in the Machined Components segment and ¥9,864 million in the Electronic Devices and Components segment. In the Machined Components segment, investments were used to rationalize production facilities for bearings and other products in Thailand, China, Singapore and the United States, and for facilities aimed at expanding production capacity for aircraft fasteners. In the Electronic Devices and Components segment, investments were applied to new facilities for HDD spindle motors and electronic devices in Thailand and for information motors in Thailand and China.

Capital investment included investments in purchases of intangible fixed assets (¥599 million) and in assets acquired through finance leases (¥1,154 million).

In the next fiscal year, we expect capital investment to be in the area of ¥10,000 million. Planned investments include the installation of equipment at our new production facility for aircraft components at the Karuizawa Plant and the construction of new surface treatment facilities at the Fujisawa Plant.

Dividends

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 distributions of profits.

It is also our policy to appropriate surplus earnings for the payment of cash dividends twice annually, at the interim and at the fiscal year-end. The year-end dividend is determined by way of a proposal that is voted on at the ordinary general meeting of shareholders, while the interim dividend is set by the Board of Directors.

In line with this policy, cash dividends for the current fiscal year were declared at ¥7.00 per share, including an interim dividend of ¥5.00 per share. As a result, the consolidated payout ratio was 113.3%.

Regarding the application of retained earnings, we will step up efforts to respond to changes in our operating environment by promoting efficient investments aimed at raising our cost competitiveness and reinforcing our technological and product development capabilities, thereby improving our responsiveness to market needs.

Free Cash Flow

Free cash flow (calculated by adding net cash flows from operating activities and net cash flows from investing activities) totaled ¥12,510 million, a decrease of 46.6%, or ¥10,922 million, from the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥37,064 million, down 21.0%, or ¥9,829 million, from the previous fiscal year. This change was mainly due to an ¥18,420 million decline in income before income taxes and minority interests from the previous fiscal year, to ¥6,834 million. Depreciation and amortization totaled ¥23,988 million, down ¥2,455 million.

Cash Flows from Investing Activities

Net cash used in investing activities increased 4.7%, or ¥1,093 million, to ¥24,554 million. Factors behind this change included ¥18,429 million to the purchase of tangible fixed assets, down ¥6,459 million, and payments for purchase of shares in subsidiaries totaling ¥7,265 million, nonexistent in the previous fiscal year.

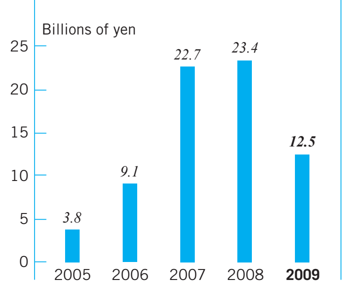
Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥6,975 million, down 66.1%, or ¥13,629 million. Principal applications of cash were cash dividends paid (¥5,985 million, an increase of ¥1,995 million from the previous fiscal year), the purchase of treasury stock (¥3,160 million, up ¥3,143 million) and payment for the redemption of bonds (¥15,000, up from zero). Financing activities generating cash included a net increase in short-term and long-term debt of ¥18,208 million, up ¥34,805 million from the previous fiscal year.

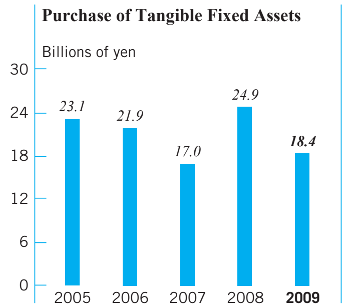
Cash and Cash Equivalents

Operating, investing and financing activities in the current fiscal year resulted in cash and cash equivalents at the end of year of ¥27,895 million, a net increase of ¥4,614 million, as free cash flow exceeded net cash used in financing activities.

Free Cash Flow



Purchase of Tangible Fixed Assets



Free Cash Flow

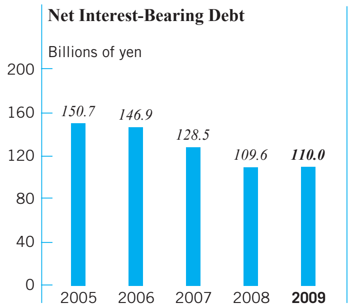
Millions of yen

Years ended March 31	**2009**	2008	2007	2006	2005
Net cash provided by operating activities	**¥ 37,064**	¥ 46,893	¥ 37,902	¥ 28,237	¥ 27,586
Net cash used in investing activities	**(24,554)**	(23,461)	(15,180)	(19,120)	(23,789)
Portion of above used in purchase of tangible fixed assets	**(18,429)**	(24,888)	(16,969)	(21,897)	(23,060)
Free cash flow	**12,510**	23,432	22,722	9,117	3,797

Assets, Liabilities and Net Assets

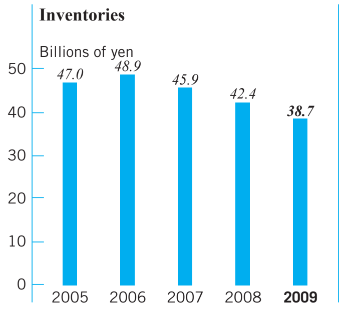
Total assets at the end of the current fiscal year amounted to ¥285,396 million, down 11.0%, or ¥35,148 million, from the end of previous fiscal year. This was primarily attributable to the reduced value of assets held by affiliates overseas when calculated in yen and declines in accounts receivable triggered by falling sales. Total net assets came to ¥106,762 million, while the equity ratio was 37.1%, down 3.6 percentage points. Net interest-bearing debt (total debt minus cash and cash equivalents) increased 0.4%, or ¥424 million, to ¥109,995 million. As a consequence, the net debt-to-equity ratio rose to 1.0 times.

Net Interest-Bearing Debt



Assets

With free cash flow exceeding net cash used in financing activities, cash and cash equivalents rose by a net total of ¥4,614 million, to ¥27,895 million. Notes and accounts receivable–trade were down ¥21,480 million, to ¥43,355 million, reflecting the decline in net sales. Inventories amounted to ¥38,737 million, a decline of ¥3,664 million. This decline reflected the impact of yen appreciation and M&A activity (approximately ¥3,800 million and ¥1,400 million, respectively), together with company-wide efforts to reduce inventories. Deferred tax assets (short-term) fell ¥5,354 million, to ¥3,144 million. As a consequence, total current assets fell 17.8%, or ¥26,418 million, to ¥121,699 million.



Total tangible fixed assets amounted to ¥135,406 million, down 10.1%, or ¥15,203 million. Purchase of fixed assets totaled ¥18,429 million, while depreciation and amortization amounted to ¥23,988 million. The negative impact of yen appreciation was approximately ¥12,200 million.

Total intangible fixed assets totaled ¥11,882 million, up 20.7%, or ¥2,035 million.

Total investments and other assets were ¥16,409 million, up 37.2%, or ¥4,453 million, owing to a ¥319 million decline in the equity value of investments in securities and a ¥6,002 million increase in deferred tax assets (long-term). Owing to such factors, total fixed assets amounted to ¥163,697 million, a decrease of 5.1%, or ¥8,715 million.

Deferred charges decreased from ¥15 million at the end of previous fiscal year to ¥0 million.

Liabilities

Notes and accounts payable–trade declined ¥14,391 million, to ¥9,664 million, as falling output reduced the volume of materials purchased. Short-term loans payable increased ¥8,538 million, to ¥58,890 million. The current portion of long-term debt rose ¥7,100 million, to ¥22,100 million. Owing to such factors, total current liabilities amounted to ¥112,312 million, down 5.1%, or ¥6,009 million.

Despite new borrowings, long-term debt declined 15.7%, or ¥10,600 million, to ¥56,900 million. As a consequence, total long-term liabilities declined 5.9%, or ¥4,171 million, to ¥66,322 million.

Net Assets

Total net assets fell 19.0%, or ¥24,968 million, to ¥106,762 million, owing to a ¥7,349 million decline in retained earnings, combined with a decrease of ¥12,348 million in foreign currency translation adjustments. Minority interests in consolidated subsidiaries declined 14.6%, or ¥169 million, to ¥986 million.

Financial Position

Millions of yen

As of March 31	**2009**	2008	2007	2006	2005
Total assets	**¥285,396**	¥320,544	¥354,784	¥349,862	¥332,217
Cash and cash equivalents	**27,895**	23,281	21,731	24,385	21,759
Total current assets	**121,699**	148,117	156,059	153,564	147,295
Inventories	**38,737**	42,401	45,904	48,914	46,963
Total current liabilities	**112,312**	118,321	131,155	150,886	141,449
Working capital	**9,387**	29,796	24,905	2,678	5,846
Interest-bearing debt	**137,890**	132,852	150,261	171,272	172,453
Net interest-bearing debt	**109,995**	109,571	128,530	146,887	150,694
Total net assets	**106,762**	131,730	142,558	118,209	102,088
Equity ratio	**37.1%**	40.7%	40.1%	33.6%	30.7%
Debt-to-equity ratio (Times)	**1.3**	1.0	1.1	1.5	1.7
Net debt-to-equity ratio (Times)	**1.0**	0.8	0.9	1.2	1.5
Net assets per share (Yen)	**271.93**	327.25	356.75	294.65	255.82

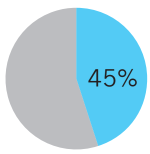
Note: Effective from fiscal 2007, Minebea has applied the Accounting Standard for Presentation of Net Assets in the Balance Sheet and the Implementation Guidance for the Accounting Standard for Presentation of Net Assets in the Balance Sheet. Accordingly, “shareholders’ equity,” “total shareholders’ equity/total assets” and “shareholders’ equity per share” have been restated as “net assets,” “equity ratio” and “net assets per share,” respectively. Also, figures after fiscal 2006 include minority interests in net assets.

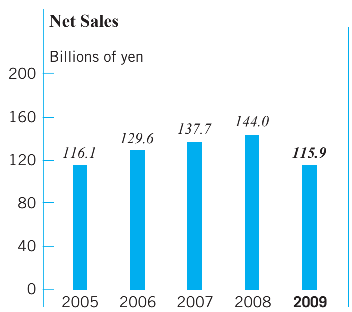
Segment Results

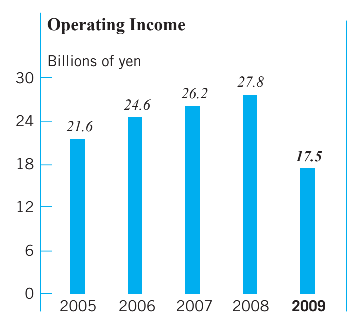
Performance by Business Segment

Machined Components

Percentage of net sales







Principal Products

- **Bearings and Bearing-Related Products**
  - Miniature ball bearings
  - Small-sized ball bearings
  - Integrated-shaft ball bearings
  - Rod-end bearings
  - Spherical bearings
  - Roller bearings
  - Bushings
  - Pivot assemblies
  - Tape guides
- **Other Machined Components**
  - Aerospace/automotive fasteners
  - Special machined components
  - Magnetic clutches and brakes

Net sales in the Machined Components segment amounted to ¥115,872 million, down 19.6%, or ¥28,162 million. Operating income fell 37.1%, or ¥10,281 million, to ¥17,469 million. The segment's operating margin, calculated using sales to external customers, declined 4.2 percentage points, to 15.1%. The decline in operating income occurred despite ongoing efforts to lower cost of sales, and was attributable to the impact of unfavorable foreign exchange rates and rising raw materials prices, as well as to falling shipments, a consequence of the global economic slump.

Principal Products and Applications and Minebea's Global Market Share

Principal Products	*Principal Applications*	*Global Market Share**
Bearings and bearing-related products		
Miniature and small-sized ball bearings	Small motors, household electrical appliances, information and telecommunications equipment, automobiles, industrial machinery	60%
Rod-end and spherical bearings	Aircraft	50%
Pivot assemblies	HDDs	60%
Other machined components		
Special machined components, fasteners	Aircraft, automobiles, industrial machinery	—

*Global market shares are in terms of units shipped, except the market share for rod-end and spherical bearings, which is in terms of sales value. Market shares are Minebea estimates based on information collected by the Company and by market research firms.

Business Activities and Ongoing Efforts

Sales of mainstay ball bearings and rod-end bearings were comparatively firm in the first half of the period, but fell from month to month in the second half of the period, a consequence of steadily worsening operating conditions—a consequence of the economic downturn—and the appreciation of the yen. Sales of pivot assemblies were also down, owing to ongoing inventory adjustments by HDD manufacturers—our principal customers for these products—in the second half, and to the impact of a strong yen.

In the miniature and small-sized ball bearings business, we continued to lower manufacturing costs through efforts to improve yield and rationalize operations. In addition to strengthening this business, in line with the theme of returning to the basics of manufacturing, we sought to reinforce development of basic technologies. To further reduce fixed costs, in April 2009 we closed the Skegness Plant of NMB-Minebea UK Ltd.

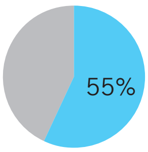
In the rod-end and spherical ball bearings business, we built a new production facility within the Karuizawa Plant, thereby positioning us to respond to an anticipated increase in demand from aircraft manufacturers. In addition to our existing rod-end and spherical bearings products, we are striving to enter the market for engine peripherals and large mechanical parts that incorporate sophisticated processing technologies.

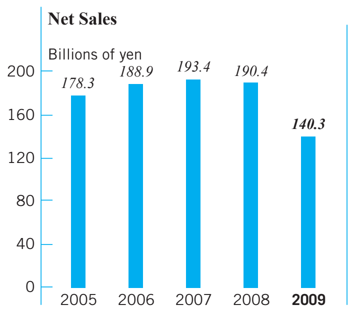
In pivot assemblies, we continue to implement measures aimed at lowering cost of sales by increasing yield.

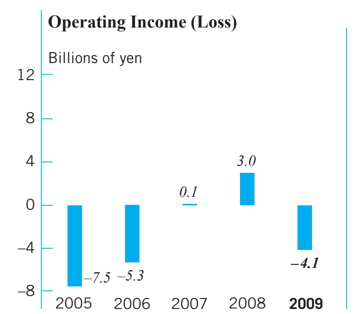
On another front, in March 2009, we introduced an early retirement program in Thailand with the aim of paring down our labor force in businesses in this segment.

Electronic Devices and Components

Percentage of net sales







Principal Products

Rotary Components
- HDD spindle motors
- Fan motors
- Hybrid-type stepping motors
- PM-type stepping motors
- Brush DC motors
- Vibration motors
- VR resolvers

Other Electronic Devices and Components
- PC keyboards
- Speakers
- Electronic devices
  - Color wheels
  - Lighting devices for LCDs
  - Backlight inverters
- Measuring components
  - Strain gages
  - Load cells

Net sales in the Electronic Devices and Components segment fell 26.3%, or ¥50,106 million, to ¥140,291 million. The segment reported an operating loss of ¥4,063 million, down from operating income of ¥3,012 million in the previous fiscal year. The operating margin was –2.9%, down 4.5 percentage points. The decline in net sales and operating income despite an increase in shipments of measuring components which is attributable to successful efforts to cultivate new markets, and were largely due to the appreciation of the yen and a decline in overall shipments as a consequence of stagnant economic conditions worldwide.

Principal Products and Applications and Minebea's Global Market Share

Principal Products	*Principal Applications*	*Global Market Share**
Rotary components		
HDD spindle motors	HDDs	8%
Information motors (fan motors, stepping motors, brush DC motors, vibration motors)	PCs and servers, information and telecommunications equipment, household electrical appliances, cellular phones, industrial machinery	2%–17%, depending on product
Other electronic devices and components		
PC keyboards	PCs	3%
Lighting devices for LCDs	Cellular phones, digital cameras, portable digital information terminals	9%
Speakers	Audio equipment, PCs, automobiles	—
Measuring components	Industrial machinery, automobiles, game consoles	—

*Global market shares are in terms of units shipped. Market shares are Minebea estimates based on information collected by the Company and by market research firms.

Business Activities and Ongoing Efforts

Sales of measuring components increased, bolstered by robust conditions in the market for game consoles. In contrast, sales of information motors, HDD spindle motors, LED backlights for LCDs and other electronics devices, and of PC keyboards and other electronic components declined, a consequence of rising raw materials prices in the first half of the period and a sharp deterioration of market conditions, together with customers' inventory adjustments and the appreciation of the yen in the second half. Segment sales results also reflected the absence of FDD head and magneto-optical disc (MOD) sales, owing to our withdrawal from these businesses in the previous fiscal year.

Our efforts in the area of HDD spindle motors continue to focus on stepping up production and sales of high-growth, high-priced 2.5-inch models. We are also working to improve yields and R&D capabilities.

In our information motors business, we are emphasizing the introduction of new products.

In PC keyboards, we are developing high-value-added products, lowering costs and enhancing efficiency.

In electronic devices, we are expanding our lineup of medium-sized LED backlights, for LCDs used in automobiles and other applications, as well as working to develop models for notebook PCs.

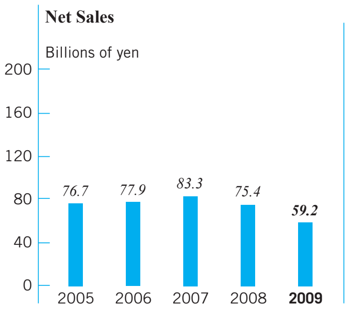
In the area of speakers, we are working to expand sales and improve production practices, while in measuring components we are striving to develop new products and cultivate new markets.

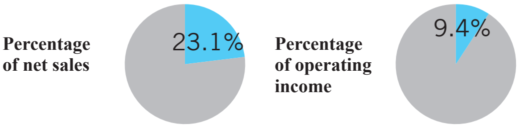
On another front, in March 2009, we introduced an early retirement program in Thailand with the aim of paring down our labor force in businesses in this segment.

Performance by Geographic Segment

Japan

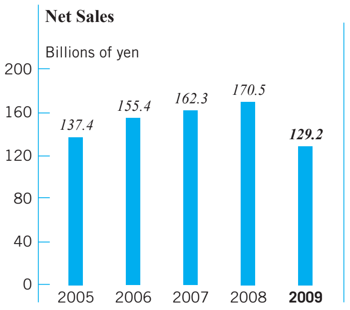
In Japan, sales of all products were weak, except for certain motors and electronics devices. In the current fiscal year, net sales amounted to ¥59,154 million, down 21.5%, or ¥16,224 million, and operating income plunged 86.1%, or ¥7,835 million, to ¥1,261 million.

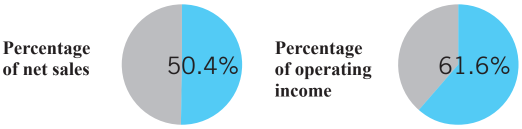




Asia (Excluding Japan)

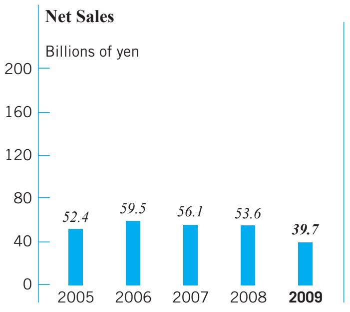
Asia includes the Greater China region, an important manufacturing base for many companies in Japan, Europe, the Americas and elsewhere. With the exception of measuring components, sales were sluggish, owing to the appreciation of the yen and falling shipments of HDD spindle motors and pivot assemblies, a consequence of production adjustments by customers. Net sales declined 24.2%, or ¥41,231 million, to ¥129,243 million, and operating income fell 47.0%, or ¥7,325 million, to ¥8,248 million.

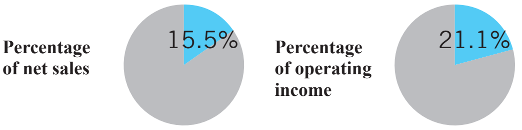




North America

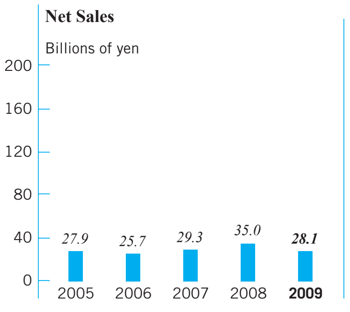
In North America, both orders and shipments of U.S.-manufactured ball bearings and rod-end bearings for aircraft-related industries were firm, but the appreciation of the yen pushed sales down. Sales of PC keyboards also declined, reflecting our move to focus on high-value-added models. Owing to these and other factors, we reported net sales of ¥39,687 million in North America, down 25.9%, or ¥13,898 million, and operating income of ¥2,833 million, a decrease of 36.7%, or ¥1,643 million.

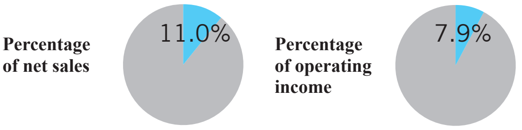




Europe

In Europe, sales of ball bearings and rod-end bearings remained comparatively firm despite the global economic downturn. Nonetheless, the strong yen hampered sales. Net sales declined 19.8%, or ¥6,915 million, to ¥28,079 million, and operating income fell 34.2%, or ¥553 million, to ¥1,064 million.





Note: Net sales figures represent sales to external customers.

Research and Development

Minebea manufactures and sells a wide range of products around the world. These include ball bearings and other precision components that apply its expertise in ball bearings; aircraft components, notably rod-end bearings and high-end fasteners; and electronic components used in state-of-the-art electronics equipment. Minebea and the companies of the Minebea Group also cooperate closely to conduct R&D in each of these fields.

Minebea has established 6 R&D bases, 2 in Japan (Karuizawa and Hamamatsu plants) and 1 each in Thailand, China, the United States and Europe. These bases strive to leverage their particular expertise and promote complementary R&D with the aim of accelerating the development of products that will lead to the creation of new businesses. Our facilities in Karuizawa, Thailand and China have acquired accreditation for the ISO17025 standard and are stepping up efforts with regard to analyzing and reducing emissions of hazardous substances targeted by environmental regulations, including those banned by the European Union's Restriction of Hazardous Substances (RoHS) directive, within the Minebea Group.

In the current fiscal year, R&D costs for the Minebea Group amounted to ¥9,458 million. This included ¥339 million allocated to basic research at R&D centers in Thailand and China, such as basic materials analysis, and other research that cannot be apportioned to individual business segments. R&D activities in our two segments in the current fiscal year are outlined below.

Machined Components

R&D in this segment focused on mainstay bearings, that is, on developing basic tribological technologies for materials and lubricants, among others, and on oil fill, electromechanical machining (ECM), diamond-like carbon (DLC) and other processes. Efforts are also emphasized on responding to the requirements of manufacturers in new areas in the IT, home electrical appliances, automobiles and aerospace industries through reliability engineering—aimed at, for example, minimizing particle generation, extending product life and enhancing electroconductivity—and applied engineering.

With the majority of HDDs now using perpendicular magnetic recording to achieve higher recording densities, the cleanliness of key components has become an increasingly crucial consideration. To ensure a high level of cleanliness for our mainstay HDD-related products, which include fluid dynamic bearings, spindle motors and base plates, we have actively developed clean manufacturing technologies.

We are also working to develop ever-smaller miniature ball bearings. Recently, we succeeded in developing the world's smallest miniature ball bearings, boasting an outer ring diameter of 1.5 mm and an inner ring diameter of just 0.5 mm.

In the area of bearings for the aerospace industry, we have completed development of and received approval for tierod mechanical assemblies, trunnion bearings for main landing gear and a wide range of bearings for flight control systems, by applying technology used in our rod-end bearings.

R&D costs in the Machined Components segment in the current fiscal year amounted to ¥2,408 million.

Electronic Devices and Components

Mainstay motors in this segment include fan motors, stepping motors, brush DC motors, brushless DC motors and HDD spindle motors. We are working to enhance our various core analysis technologies, control technologies and materials technologies, with the aim of being the first to launch advanced products that respond to customer requirements for compact size, high efficiency (low energy consumption), quietness and reliability, which vary depending on type of motor and application. In the area of stepping motors, we succeed in developing a unit with an external diameter of just 3.2mm–smaller than any other stepping motor in the world. This unit is currently undergoing assessment for a variety of applications. For magnetic application products, our R&D efforts emphasize materials technology, core technologies and product-related technologies. These efforts continue to yield such outstanding products as rare earth bond magnets and heat-resistant magnets for use in high-performance motors. To reinforce product development for heat management system modules (HMSMs), which we have resolved to commercialize in the next fiscal year, we began conducting R&D combining our motor, fan, electronics and other technologies.

In the area of display-related products, we developed a new high-brightness, high-efficiency LED backlight for LCDs, which we will market to manufacturers of cellular telephones and digital cameras. In addition to our noted ultraprecision machining, mold production and molding technologies, we succeeded in developing plastics molding technologies capable of accommodating larger, thinner optical devices and increasingly fine optical patterns. This has positioned us to expand our focus to include LED backlights for notebook and desktop PC monitors, for which LCDs have become the preferred type of display.

In electronics-related products, we are promoting the development of driving circuits for high-efficiency backlight inverters for cold cathodes. We are also pursuing cutting-edge development in such areas as driving circuits for rare gas fluorescent lamps, which are expected to contribute to efforts to conserve energy. Moreover, by shifting from analog to digital control circuits, we have succeeded in significantly reducing the number of parts used, as well as in improving control precision, thereby enabling us to reduce engineering lead times.

In the current fiscal year, R&D costs in the Electronic Devices and Components segment totaled ¥6,711 million.

Outlook for the Next Fiscal Year and Risk Management

Outlook for the Next Fiscal Year

(as of May 2009)

Against a backdrop of global recession, we expect the Japanese economy to wane in the first half of the period, owing to a projected deterioration of the employment situation and slowdown in personal consumption amid fears that falling exports, the appreciation of the yen and flagging sales will continue to weaken corporate profits, causing further deterioration of the employment situation and hampering personal consumption. In the second half of the period, however, we anticipate a return to gentle economic growth, supported by an improvement in exports, in tandem with economic recovery in the United States. Elsewhere in Asia, China's economy is also likely to recover. The worsening financial environment is likely to mean protracted production, inventory and employment adjustments in the United States, and to continue hampering personal consumption, and recessionary conditions are likely to persist in the United States. However, the launch of financial reconstruction plans and a large-scale economic stimulus package is expected to trigger a gradual recovery in the U.S. economy in the second half of the period.

In this environment, it is difficult to make accurate performance forecasts. As a consequence, we have formulated forecasts with broad upper and lower limits. Given the harsh economic climate worldwide, we believe that it will be impossible to avoid a decline in net sales. Accordingly, we forecast that net sales will be from 78% to 90% of the current fiscal year result. At the operating level, we forecast our result will be between 75% to 104% of operating income in the current fiscal year. While we are aware of the difficultly of realizing a dramatic improvement in our business performance in the current economic environment, we will work to further reduce costs, develop high-value-added products and cultivate new markets, thereby positioning ourselves to capitalize on the net global economic upswing.

In our Machined Components segment, we will take decisive steps to expand sales of mainstay ball bearings to the automobile and information and telecommunications equipment industries and, by maximizing economies of scale resulting from expanded sales to further reduce costs, to further improve results. We expect our rod-end bearings business to benefit from a firm market for these bearings for aerospace use, particularly in Europe and the United States. The acquisition of new subsidiaries and resulting addition of special bearings for medical equipment to our product lineup are expected to yield an increase in sales. In pivot assemblies, customers have largely completed production adjustments, so we expect demand to recover in the second half of the period.

In the Electronic Devices and Components segment, we will continue working to improve production efficiency, revamp our product mix and further improve results in the area of information motors, and anticipate a recovery in demand in the second half. The acquisition of new subsidiaries and establishment of the new Micro Actuator Division in the current fiscal year are expected to increase segment sales. In HDD spindle motors, we will strive to improve results by continuing to promote cost reductions and expanding sales of 2.5-inch motors. In PC keyboards, we will strive to bolster results by shifting the focus of our production and sales structure to superior-quality, high-end models. We have completed a reorganization of our speaker business and expect these efforts to have a positive impact in the next fiscal year. We will strive to improve sales of LED backlights, backlight inverters, measuring components and other products are also expected to advance favorably, but we do not expect to see a recovery until the second half of the period.

As a consequence of the abovementioned factors, as of May 2009, we forecast consolidated net sales of between ¥200,000 million and ¥230,000 million, operating income of between ¥10,000 million and ¥14,000 million, and net income of between ¥3,500 million and ¥6,500 million in the next fiscal year.

Risk Management

Minebea recognizes a variety of risks and uncertainties that have the potential to affect its operating results and/or financial position. On June 26, 2009, the date of our Japanese-language *Yuka Shoken Hokokusho*, the filing of which is required of all publicly traded companies in Japan, we recognized the following risks.

Market Risk

Principal markets for Minebea products, including those for PCs and peripheral equipment, information and telecommunications equipment and household electrical appliances, are intensely competitive and subject to significant fluctuations in demand. Accordingly, our operating results and financial position are vulnerable to sudden fluctuations in demand and changes in our customers' product requirements.

Foreign Exchange Risk

A significant portion of our consolidated net sales and production are in markets outside of Japan. Our business is thus vulnerable to risk associated with fluctuations in foreign currency exchange rates. We have entered into various currency exchange contracts and other derivatives transactions to hedge these risks, but fluctuations in foreign currency exchange rates may affect our operating results and/or financial position over the long term.

R&D Risk

With the aim of introducing a constant stream of new, high-quality products, we conduct extensive R&D. Nonetheless, there is no guarantee that R&D efforts will come to fruition. Accordingly, we are subject to the risk that significant R&D expenditures may not be rewarded with successful products.

Litigation Risk

The Legal Department is responsible for managing risk related to lawsuits and other legal actions brought against our operations in Japan and/or overseas. However, we are subject to the risk that lawsuits or other actions with the potential to affect our operating results and/or financial position may be brought against us in the future.

Risk Related to Price Negotiations

We continue to face intense competition from lower-priced products manufactured in other countries and regions. Accordingly, we are subject to the risk that we will be unable to maintain or increase our share should market needs shift to low-quality, low-priced products.

Risk Related to Raw Materials and Logistics Costs

We purchase a variety of materials from external suppliers and strive to ensure optimal inventory volumes for such materials and access to stable supplies of materials with stable prices. However, we are subject to the risk that rising prices for such materials may affect our operating results and/or financial position.

Latent Risk Related to Operations Overseas

The Minebea Group's manufacturing activities are conducted primarily in Thailand, China and Singapore. While considerable time has passed since we established operations in these countries, and while we continue to promote the integration of these operations, our operations overseas are subject to a number of risks that may have a negative impact on our operating results and/or financial position. These include unexpected changes to laws or regulations, difficulty in attracting and securing appropriate human resources, and acts of terrorism or war, or other acts that may cause social disruption.

Consolidated Balance Sheets

As of March 31, 2009 and 2008

Assets	Millions of yen 2009	Millions of yen 2008	Thousands of U.S. dollars (Note 3) 2009
Current Assets:			
Cash and cash equivalents	¥ 27,895	¥ 23,281	$ 283,984
Notes and accounts receivable:			
Trade	43,355	64,835	441,364
Other	1,400	866	14,252
	44,755	65,701	455,616
Allowance for doubtful receivables	(151)	(202)	(1,543)
Total notes and accounts receivable	44,604	65,499	454,073
Inventories (Note 2-e)	38,737	42,401	394,351
Deferred tax assets (Note 6)	3,144	8,498	32,002
Prepaid expenses and other current assets	7,319	8,438	74,512
Total current assets	121,699	148,117	1,238,922
Tangible Fixed Assets (Notes 2-f, 2-i and 5):			
Land	13,979	14,467	142,306
Buildings and structures	97,553	102,404	993,113
Machinery and transportation equipment	226,584	236,463	2,306,669
Tools, furniture and fixtures	43,822	45,836	446,112
Leased assets	2,784	—	28,343
Construction in progress	1,740	2,236	17,716
	386,462	401,406	3,934,259
Accumulated depreciation	(251,056)	(250,797)	(2,555,796)
Total tangible fixed assets	135,406	150,609	1,378,463
Intangible Fixed Assets:			
Goodwill (Note 2-j)	8,585	6,921	87,392
Other	3,297	2,926	33,567
Total intangible fixed assets	11,882	9,847	120,959
Investments and Other Assets:			
Investments in affiliate	154	156	1,563
Investments in securities (Note 2-g)	6,184	6,503	62,953
Long-term loans receivable	16	38	159
Deferred tax assets (Note 6)	7,979	1,977	81,228
Other (Note 2-h)	2,081	3,285	21,194
	16,414	11,959	167,097
Allowance for doubtful receivables	(5)	(3)	(51)
Total investments and other assets	16,409	11,956	167,046
Deferred Charges	0	15	3
Total Assets	¥ 285,396	¥ 320,544	$ 2,905,393

The accompanying notes to consolidated financial statements are an integral part of these statements.

Liabilities and Net Assets	*Millions of yen* 2009	*Millions of yen* 2008	*Thousands of U.S. dollars (Note 3)* 2009
Current Liabilities:			
Short-term loans payable (Note 4)	¥ 58,890	¥ 50,352	$ 599,513
Current portion of long-term debt (Note 4)	22,100	15,000	224,982
Notes and accounts payable:			
Trade	9,664	24,055	98,377
Other	4,786	9,648	48,722
Total notes and accounts payable	14,450	33,703	147,099
Income taxes payable (Note 6)	418	3,517	4,259
Lease obligations (Note 4)	858	—	8,734
Accrued expenses and other current liabilities (Note 6)	15,596	15,749	158,766
Total current liabilities	112,312	118,321	1,143,353
Long-Term Liabilities:			
Long-term debt (Note 4)	56,900	67,500	579,253
Lease obligations (Note 4)	1,130	—	11,510
Other (Notes 2-h and 6)	8,292	2,993	84,412
Total long-term liabilities	66,322	70,493	675,175
Total liabilities	178,634	188,814	1,818,528
Contingent Liabilities (Note 14)			
Net Assets (Note 10)**:**			
Shareholders' equity:			
Common stock			
Authorized: 1,000,000,000 shares			
Issued: March 31, 2009—399,167,695 shares			
March 31, 2008—399,167,695 shares	68,259	68,259	694,888
Capital surplus	94,757	94,757	964,641
Retained earnings	20,819	28,168	211,945
Treasury stock	(3,256)	(97)	(33,144)
Total shareholders' equity	180,579	191,087	1,838,330
Revaluation/translation differences:			
Differences on revaluation of available-for-sale securities	(189)	1,756	(1,927)
Deferred gains or losses on hedges	2	(0)	25
Foreign currency translation adjustments	(74,616)	(62,268)	(759,604)
Total revaluation/translation differences	(74,803)	(60,512)	(761,506)
Minority interests in consolidated subsidiaries	986	1,155	10,041
Total net assets	106,762	131,730	1,086,865
Total Liabilities and Net Assets	¥285,396	¥320,544	$2,905,393

Consolidated Statements of Income

Years ended March 31, 2009, 2008 and 2007

	Millions of yen 2009	2008	2007	Thousands of U.S. dollars (Note 3) 2009
Net Sales	**¥256,163**	¥334,431	¥331,022	**$2,607,793**
Cost of Sales (Note 9)	**197,138**	253,710	257,644	**2,006,901**
Gross profit	**59,025**	80,721	73,378	**600,892**
Selling, General and Administrative Expenses (Notes 2-j and 9)	**45,619**	49,959	47,113	**464,413**
Operating income	**13,406**	30,762	26,265	**136,479**
Other Income (Expenses):				
Interest income	**418**	688	544	**4,256**
Equity in net income of affiliate	**—**	14	—	**—**
Equity in net loss of affiliate	**(3)**	—	(5)	**(26)**
Interest expense	**(2,646)**	(4,402)	(5,224)	**(26,932)**
Foreign currency exchange losses	**(264)**	(474)	(680)	**(2,689)**
Losses on sales and disposals of tangible fixed assets	**(461)**	(713)	(1,688)	**(4,697)**
Gains (losses) on liquidation of subsidiaries and affiliates	**311**	(999)	(56)	**3,163**
Reversal of loss on after-care of products	**—**	—	572	**—**
Reversal of allowance for business restructuring losses	**49**	202	—	**494**
Impairment loss (Note 5)	**(23)**	(72)	(74)	**(234)**
Business restructuring loss	**(1,793)**	—	(40)	**(18,251)**
Settlement loss	**—**	—	(808)	**—**
Compensation payments	**—**	—	(70)	**—**
Allowance for environmental remediation expenses	**(744)**	—	—	**(7,572)**
Special severance payments (Note 2-h)	**(985)**	(165)	(304)	**(10,022)**
Retirement benefit expenses for overseas subsidiaries (Note 2-h)	**—**	(116)	—	**—**
Other, net	**(431)**	529	1,091	**(4,390)**
	(6,572)	(5,508)	(6,742)	**(66,900)**
Income before Income Taxes and Minority Interests	**6,834**	25,254	19,523	**69,579**
Income Taxes (Note 6):				
Current	**4,433**	8,497	6,249	**45,136**
Reversal of prior year's income taxes	**(1,028)**	—	—	**(10,469)**
Deferred (benefit)	**818**	(591)	813	**8,326**
	4,223	7,906	7,062	**42,993**
Minority Interests	**170**	1,045	(401)	**1,727**
Net Income	**¥ 2,441**	¥ 16,303	¥ 12,862	**$ 24,859**

	Yen 2009	2008	2007	U.S. dollars (Note 3) 2009
Per Share Data (Note 11):				
Net income (basic)	**¥6.18**	¥40.86	¥32.23	**$0.06**
Cash dividends applicable to the year	**7.00**	10.00	10.00	**0.07**

The accompanying notes to consolidated financial statements are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2009	2008	2007	2009
Shareholders' Equity				
Common Stock				
Balance at previous fiscal year-end	¥ 68,259	¥ 68,259	¥ 68,259	$ 694,888
Changes during current fiscal year				
Total changes during current fiscal year	—	—	—	—
Balance at current fiscal year-end	68,259	68,259	68,259	694,888
Capital Surplus				
Balance at previous fiscal year-end	94,757	94,757	94,757	964,644
Changes during current fiscal year				
Disposal of treasury stocks	(0)	0	0	(3)
Total changes during current fiscal year	(0)	0	0	(3)
Balance at current fiscal year -end	94,757	94,757	94,757	964,641
Retained Earnings				
Balance at previous fiscal year-end	28,168	15,855	6,983	286,766
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	(6,442)	—	—	(65,582)
Cash dividend from retained earnings	(1,994)	(3,990)	(3,990)	(20,309)
Net income	2,441	16,303	12,862	24,859
Decrease due to increase in unfunded retirement benefit obligation of foreign subsidiaries	(1,353)	—	—	(13,778)
Disposal of treasury stocks	(1)	—	—	(11)
Total changes during current fiscal year	(7,349)	12,313	8,872	(74,821)
Balance at current fiscal year -end	20,819	28,168	15,855	211,945
Treasury Stock				
Balance at previous fiscal year-end	(97)	(80)	(66)	(990)
Changes during current fiscal year				
Purchase of treasury stocks	(3,161)	(18)	(15)	(32,180)
Disposal of treasury stocks	2	1	1	26
Total changes during current fiscal year	(3,159)	(17)	(14)	(32,154)
Balance at current fiscal year -end	(3,256)	(97)	(80)	(33,144)
Total Shareholders' Equity				
Balance at previous fiscal year-end	191,087	178,791	169,933	1,945,308
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	(6,442)	—	—	(65,582)
Cash dividend from retained earnings	(1,994)	(3,990)	(3,990)	(20,309)
Net income	2,441	16,303	12,862	24,859
Decrease due to increase in unfunded retirement benefit obligation of foreign subsidiaries	(1,353)	—	—	(13,778)
Purchase of treasury stocks	(3,161)	(18)	(15)	(32,180)
Disposal of treasury stocks	1	1	1	12
Total changes during current fiscal year	(10,508)	12,296	8,858	(106,978)
Balance at current fiscal year -end	180,579	191,087	178,791	1,838,330
Revaluation/Translation Differences				
Differences on Revaluation of Available-for-Sale Securities				
Balance at previous fiscal year-end	1,756	3,295	4,428	17,875
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	(1,945)	(1,539)	(1,133)	(19,802)
Total changes during current fiscal year	(1,945)	(1,539)	(1,133)	(19,802)
Balance at current fiscal year -end	(189)	1,756	3,295	(1,927)
Deferred Gains or Losses on Hedges				
Balance at previous fiscal year-end	(0)	—	—	(1)
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	2	(0)	—	26
Total changes during current fiscal year	2	(0)	—	26
Balance at current fiscal year -end	2	(0)	—	25
Foreign Currency Translation Adjustments				
Balance at previous fiscal year-end	(62,268)	(39,732)	(56,784)	(633,905)
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	(12,348)	(22,536)	17,052	(125,699)
Total changes during current fiscal year	(12,348)	(22,536)	17,052	(125,699)
Balance at current fiscal year -end	(74,616)	(62,268)	(39,732)	(759,604)
Total Revaluation/Translation Differences				
Balance at previous fiscal year-end	(60,512)	(36,437)	(52,356)	(616,031)
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	(14,291)	(24,075)	15,919	(145,475)
Total changes during current fiscal year	(14,291)	(24,075)	15,919	(145,475)
Balance at current fiscal year -end	(74,803)	(60,512)	(36,437)	(761,506)
Minority Interests in Consolidated Subsidiaries				
Balance at previous fiscal year-end	1,155	204	632	11,765
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	(169)	951	(428)	(1,724)
Total changes during current fiscal year	(169)	951	(428)	(1,724)
Balance at current fiscal year -end	986	1,155	204	10,041
Total Net Assets				
Balance at previous fiscal year-end	131,730	142,558	118,209	1,341,042
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	(6,442)	—	—	(65,582)
Cash dividend from retained earnings	(1,994)	(3,990)	(3,990)	(20,309)
Net income	2,441	16,303	12,862	24,859
Decrease due to increase in unfunded retirement benefit obligation of foreign subsidiaries	(1,353)	—	—	(13,778)
Purchase of treasury stocks	(3,161)	(18)	(15)	(32,180)
Disposal of treasury stocks	1	1	1	12
Changes in non-shareholders' equity items (net)	(14,460)	(23,124)	15,491	(147,199)
Total changes during current fiscal year	(24,968)	(10,828)	24,349	(254,177)
Balance at current fiscal year -end	¥106,762	¥131,730	¥142,558	$1,086,865

The accompanying notes to consolidated financial statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2009	2008	2007	2009
Cash Flows from Operating Activities:				
Income before income taxes and minority interests	¥ 6,834	¥ 25,254	¥ 19,523	$ 69,579
Depreciation and amortization	23,988	26,443	24,648	244,200
Impairment loss (Note 5)	23	72	74	234
Amortization of goodwill (Note 2-j)	1,039	1,059	1,079	10,578
Interest and dividend income	(531)	(796)	(610)	(5,410)
Interest expense	2,646	4,402	5,224	26,932
(Gains) losses on sales and disposals of tangible fixed assets	424	531	1,505	4,314
Decrease (increase) in notes and accounts receivable–trade	20,145	939	(3,674)	205,077
Decrease (increase) in inventories	1,289	(1,545)	6,403	13,118
(Decrease) increase in notes and accounts payable–trade	(14,649)	(1,304)	(1,629)	(149,127)
(Decrease) increase in allowance for business restructuring losses	548	(264)	(2,650)	5,577
Settlement loss	—	—	808	—
(Gain) loss on liquidation of subsidiaries and affiliates	(311)	999	56	(3,163)
Decrease in warranty reserve	—	—	(577)	—
Other	3,788	5,015	(3,001)	38,566
Subtotal	45,233	60,805	47,179	460,475
Interest and dividends received	547	796	611	5,571
Interest paid	(2,647)	(4,438)	(5,252)	(26,945)
Income taxes paid	(6,069)	(9,462)	(4,636)	(61,784)
Payment for settlement	—	(808)	—	—
Net cash provided by operating activities	37,064	46,893	37,902	377,317
Cash Flows from Investing Activities:				
Purchase of tangible fixed assets	(18,429)	(24,888)	(16,969)	(187,610)
Proceeds from sales of tangible fixed assets	2,859	2,037	5,188	29,105
Purchase of intangible fixed assets	(599)	(663)	(697)	(6,096)
Payments for purchase of shares in subsidiaries (Note 12)	(7,265)	—	—	(73,960)
Long-term loans provided	(9)	(22)	(32)	(92)
Other	(1,111)	75	(2,670)	(11,315)
Net cash used in investing activities	(24,554)	(23,461)	(15,180)	(249,968)
Cash Flows from Financing Activities:				
Net increase (decrease) in short-term and long-term debt	3,208	(16,597)	(22,876)	32,660
Cash dividends paid	(5,985)	(3,990)	(2,793)	(60,929)
Purchase of treasury stock	(3,160)	(17)	(14)	(32,167)
Repayment of lease obligations	(1,038)	—	—	(10,567)
Net cash used in financing activities	(6,975)	(20,604)	(25,683)	(71,003)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(921)	(1,278)	307	(9,373)
Net increase (decrease) in cash and cash equivalents	4,614	1,550	(2,654)	46,973
Cash and Cash Equivalents at Beginning of Year	23,281	21,731	24,385	237,011
Cash and Cash Equivalents at End of Year	¥ 27,895	¥ 23,281	¥ 21,731	$ 283,984

The accompanying notes to consolidated financial statements are an integral part of these statements.

1. Basis of Presenting Financial Statements

The accompanying consolidated financial statements of Minebea Co., Ltd. (the "Company"), and its consolidated domestic and overseas subsidiaries are stated in Japanese yen, the accounts of which are maintained in accordance with the accounting principles generally accepted in the respective countries and audited by independent auditors in those countries.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Ministry of Finance in Japan as required by the Financial Instruments and Exchange Law of Japan, in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. For the purpose of this annual report, certain reclassifications have been made and additional information provided to present the accompanying consolidated financial statements in a format that is familiar to readers outside Japan.

2. Summary of Significant Accounting Policies

a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and 40 affiliated companies, including 39 consolidated subsidiaries and 1 equity-method affiliate. All significant intercompany balances, intercompany transactions and unrealized profits have been eliminated in consolidation.

In the year ended March 31, 2009, the scope of consolidation changed with the Company's acquisition of shares in 6 companies, which became consolidated subsidiaries. Owing to the merger of existing subsidiaries, the Company also deconsolidated 7 subsidiaries, the entire assets and liabilities of which were transferred to a newly established company. Separately, the Company liquidated 2 subsidiaries.

The Company has adopted two methods to consolidate the results of those subsidiaries that have a fiscal year-end of December 31. For certain subsidiaries, preliminary financial statements are prepared as of the Company's balance sheet date, while for others financial statements as of the subsidiary's balance sheet date are used, with necessary adjustments made to account for significant transactions between the subsidiary's balance sheet date and the Company's balance sheet date.

b) Translation of foreign currencies

Monetary assets and liabilities denominated in overseas currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date, except for certain accounts that were hedged by forward exchange contracts. Translation differences arising from the translation of the financial statements denominated in foreign currencies are recorded as minority interests in consolidated subsidiaries and foreign currency translation adjustments in net assets.

Financial statement items of consolidated overseas subsidiaries are translated into Japanese yen as follows:

Balance sheet items	At the rates of exchange prevailing at the balance sheet date
Statement of income items	At the average rate of exchange during the fiscal year

c) Cash equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be "cash equivalents."

d) Allowance for doubtful receivables

Allowance for doubtful receivables of the Company and its consolidated domestic subsidiaries is provided for normal receivables based on the historical write-off rate and for uncollectible receivables on a specific identification basis. Allowance for doubtful receivables of consolidated overseas subsidiaries is generally provided for estimated uncollectible receivables.

Allowance for doubtful receivables provided for consolidated subsidiary receivables is eliminated for consolidation purposes.

e) Inventories

Inventories of the Company and its consolidated domestic subsidiaries as of March 31, 2008, are stated at cost, as determined mainly by the moving average method. Inventories of the Company and its consolidated domestic subsidiaries as of March 31, 2009, are stated at cost, as determined mainly by the moving average method, with balance sheet inventory amounts calculated using lowered book values, reflecting a potential decline in profitability. Inventories of the Company's consolidated overseas subsidiaries are stated at the lower of cost or market as determined by the first-in, first-out method or the moving average method.

(Change of accounting policy)
To date, inventories held for ordinary sales have been calculated at cost by mainly using the moving average method. However, owing to the application of the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan (ASBJ) Statement No. 9, issued on July 5, 2006), from the year ended March 31, 2009, inventories are calculated at cost by mainly using the moving average method, with balance sheet inventory items calculated using lowered book values.

This resulted in a decrease of ¥228 million ($2,331 thousand) in operating income and income before income taxes and minority interests, respectively.

Inventories as of March 31, 2009 and 2008, comprised the following:

Inventories

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2009	2008	**2009**
Merchandise and finished goods	**¥16,840**	¥19,936	**$171,438**
Work in process	**11,506**	11,073	**117,136**
Raw materials	**7,246**	8,233	**73,761**
Supplies	**3,145**	3,159	**32,016**
	¥38,737	¥42,401	**$394,351**

f) Tangible fixed assets
Tangible fixed assets are stated at acquisition cost. Depreciation of the Company and its consolidated domestic subsidiaries is computed by the declining balance method based upon the estimated useful lives of the assets. The estimated useful lives of fixed assets are predominantly 2–50 years for buildings and structures, 2–15 years for machinery and transportation equipment and 2–20 years for tools, furniture and fixtures. In contrast, depreciation of consolidated overseas subsidiaries is computed primarily by the straight-line method based upon the estimated useful lives of the assets. Maintenance and normal repair expenses are charged against income as incurred, while significant renewals and improvements are capitalized.

(Change of accounting policy)
Effective from the year ended March 31, 2008, regarding the fixed assets purchased on or after April 1, 2007, the Company calculates depreciation expenses pursuant to the depreciation method provided in the revised Corporation Tax Law.

This resulted in a decrease of ¥201 million in operating income and income before income taxes and minority interests, respectively.

(Additional information)
Effective from the year ended March 31, 2008, of tangible fixed assets acquired on or before March 31, 2007, regarding those whose depreciation was completed up to their depreciable amounts, the Company depreciates their remaining book values equally over 5 years. This resulted in a decrease of ¥231 million in operating income and income before income taxes and minority interests, respectively.

In the year ended March 31, 2009, the Company reassessed the useful lives of its machinery and equipment concurrent with a review of depreciation methods implemented as a result of revisions to tax legislation in year 2008. As a consequence, the useful lives of certain machinery and equipment are different effective from the year ended March 31, 2009. This resulted in a decrease of ¥32 million ($335 thousand) in operating income and income before income taxes and minority interests, respectively.

g) Investments in securities
Investments in securities consist of equity securities of listed and unlisted companies and government bonds. Available-for-sale securities held by the Company or its domestic or overseas consolidated subsidiaries with fair value are stated at the closing quoted market price on March 31, 2009. Resulting valuation gains and losses are included, after the application of tax effect accounting, in net assets in the consolidated balance sheets. The cost of securities sold is calculated using the moving average method. Those securities with no fair value are stated at cost, as determined by the moving average method.

Owing to a change in holding purpose, effective from the year ended March 31, 2008, debt securities held by the Company's consolidated overseas subsidiaries classified as held-to-maturity securities have been reclassified as available-for-sale securities. The effect of this change is insignificant.

Available-for-Sale Securities with Fair Value

	2009 Acquisition cost (Millions of yen)	2009 Reported amount in balance sheet	2009 Difference	2008 Acquisition cost	2008 Reported amount in balance sheet	2008 Difference
Securities whose reported amounts in balance sheet exceed acquisition cost						
Equity securities	¥ —	¥ —	¥ —	¥3,078	¥5,172	¥2,094
Bonds	2,504	2,543	39	2,295	2,365	70
Securities whose reported amounts in balance sheet do not exceed acquisition cost						
Equity securities	3,082	2,889	(193)	3	2	(1)
Bonds	—	—	—	—	—	—
Total	¥5,586	¥5,432	¥(154)	¥5,376	¥7,539	¥2,163

	2009 Acquisition cost (Thousands of U.S. dollars (Note 3))	2009 Reported amount in balance sheet	2009 Difference
Securities whose reported amounts in balance sheet exceed acquisition cost			
Equity securities	$ —	$ —	$ —
Bonds	25,488	25,890	402
Securities whose reported amounts in balance sheet do not exceed acquisition cost			
Equity securities	31,375	29,413	(1,962)
Bonds	—	—	—
Total	$56,863	$55,303	$(1,560)

Available-for-Sale Securities Sold During the Fiscal Year

	2009 Amount of sale (Millions of yen)	2009 Gain on sale	2009 Loss on sale	2008 Amount of sale	2008 Gain on sale	2008 Loss on sale	2007 Amount of sale	2007 Gain on sale	2007 Loss on sale
Available-for-sale securities sold	¥—	¥—	¥—	¥—	¥—	¥—	¥1	¥0	¥—

	2009 Amount of sale (Thousands of U.S. dollars (Note 3))	2009 Gain on sale	2009 Loss on sale
Available-for-sale securities sold	$—	$—	$—

Available-for-Sale Securities with No Fair Value

	Millions of yen 2009 Reported amount in balance sheet	Millions of yen 2008 Reported amount in balance sheet	Thousands of U.S. dollars (Note 3) 2009 Reported amount in balance sheet
Available-for-sale securities			
Unlisted equity securities	¥1,531	¥474	$15,591

h) Accounting for retirement benefits

Effective April 1, 2000, the Company and its consolidated domestic subsidiaries have adopted the accounting standards for retirement benefits. To provide for the payment of retirement benefits to employees, the Company has made provisions based on the projected benefit obligations and the estimated plan assets as of March 31, 2009 and 2008, calculated on the basis of accrued retirement benefit obligations and prepaid pension costs as of March 31, 2009 and 2008.

Prepaid pension costs and accrued retirement benefits as of March 31, 2009 and 2008, are included in "Other" in "Investments and Other Assets" and "Other" in "Long-Term Liabilities", respectively.

Prior service costs are amortized using the straight-line method over a period of 10 years.
Actuarial gains and losses are amortized using the straight-line method over a period of 5 years, from the period subsequent to the period in which they are incurred.
Unrecognized prior service costs of consolidated overseas subsidiaries are amortized using the straight-line method over a period of 10 years.
Actuarial gains and losses of consolidated overseas subsidiaries are amortized using the straight-line method over a period of 10 years, from the period subsequent to the period in which they are incurred.

(Additional information)
Effective April 1, 2008, the Company and certain consolidated domestics subsidiaries abolished the tax-qualified pension plan it had previously employed and switched to a defined contribution pension plan and a defined benefit pension plan. Accordingly, the Company has applied the Guidance for Accounting for the Transfer between Retirement Benefit Plans (ASBJ Guidance No. 1, issued January 31, 2002).
Unrecognized prior service costs resulting from this change are amortized using the straight-line method over a period of 10 years.

Retirement benefit plans
Projected benefit obligations and the components thereof as of March 31, 2009 and 2008, are as follows:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
Projected Benefit Obligations	**2009**	2008	**2009**
Projected benefit obligations	**¥(29,725)**	¥(30,210)	**$(302,609)**
Plan assets at fair value	**17,741**	25,985	**180,604**
Unfunded projected benefit obligations	**(11,984)**	(4,225)	**(122,005)**
Unrecognized prior service cost	**2,978**	8	**30,317**
Unrecognized actuarial losses	**4,758**	4,221	**48,440**
Net amount recognized on consolidated balance sheets	**(4,248)**	4	**(43,248)**
Prepaid pension cost	**873**	1,711	**8,888**
Accrued retirement benefits	**¥ (5,121)**	¥ (1,707)	**$ (52,136)**

Net retirement benefit costs used for calculation for the years ended March 31, 2009, 2008 and 2007, are as follows:

	Millions of yen			*Thousands of U.S. dollars (Note 3)*
Net Retirement Benefit Costs	**2009**	2008	2007	**2009**
Service cost	**¥ 1,433**	¥ 1,279	¥ 2,269	**$ 14,588**
Interest cost	**1,187**	1,266	1,159	**12,091**
Expected return on plan assets	**(1,050)**	(1,403)	(1,343)	**(10,694)**
Amortization of prior service cost	**332**	2	2	**3,387**
Amortization of actuarial losses (gains)	**281**	(311)	(62)	**2,860**
Retirement benefit costs	**¥ 2,183**	¥ 833	¥ 2,025	**$ 22,232**
Loss on transition of retirement benefit plan	**375**	—	—	**3,814**
Special severance payments	**985**	165	304	**10,022**
Contributions to defined contribution pension plans	**143**	—	—	**1,452**
Total	**¥ 3,686**	998	2,329	**$ 37,520**

Other than the above retirement benefit costs, in the year ended March 31, 2008, we posted ¥116 million in retirement benefit costs for overseas subsidiaries in other expenses.

Assumptions used for calculation for the years ended March 31, 2009, 2008 and 2007, are as follows:

Assumptions Used for Calculation	**2009**	2008	2007
Discount rate	**mainly 2.0%**	mainly 2.5%	mainly 2.5%
Expected rate of return on plan assets	**mainly 2.5%**	mainly 2.5%	mainly 2.5%
Allocation of estimated amount of all retirement benefits to be paid at future retirement dates	**Equally to each service year using the estimated number of total service years**	Equally to each service year using the estimated number of total service years	Equally to each service year using the estimated number of total service years

i) Leases
In the year ended March 31, 2008, non-cancelable lease transactions were accounted for by the operating lease accounting method, except for those finance leases that stipulate the transfer of ownership of the leased property to the lessee, which are accounted for as finance leases. In the year ended March 31, 2009, such leases are depreciated using the straight-line method, whereby the lease term is the depreciable life of the asset and the salvage value is zero.

(Change of accounting policy)
To date, the Company has accounted for finance leases, except those that stipulate the transfer of ownership of the leased property to the lessee, using the same accounting method as for rental agreements. In the year ended March 31, 2009, however, the Company adopted the same accounting method as for ordinary sales transactions, in line with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, issued on June 17, 1993, and revised on March 30, 2007), and the Guidance on Accounting Standards for Lease Transactions (ASBJ Guidance No. 16, issued on January 18, 1994, Accounting System Committee of the Japanese Institute of Certified Public Accountants, and revised on March 30, 2007).

The effect of this change was insignificant.

j) Goodwill and negative goodwill
Excess of cost over net assets acquired for business acquisitions for the Company and its consolidated subsidiaries is amortized, amounting to ¥1,059 million and ¥1,079 million for the years ended March 31, 2008 and 2007, respectively, on a straight-line basis over a period ranging from 5 to 40 years in accordance with accounting procedures in their respective countries of domicile. For the year ended March 31, 2009 the amount was ¥1,039 million ($10,578 thousand), which is amortized on a straight-line basis over a period ranging from 5 to 10 years.

k) Current accounting for overseas subsidiaries
The Company has made necessary adjustments to its consolidated accounting process to accommodate the application of the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force (PITF) No. 18, issued on May 17, 2006), effective from the year ended March 31, 2009.

This resulted in an increase of ¥217 million ($2,211 thousand) in operating income and income before income taxes and minority interests, respectively.

l) Change in classification
To date, income from scrap sales has been included primarily in other income, as the amount incurred was minor. However, the materiality of the incurred amount has increased recently. With improvement of management system, accurate segmentation has become possible, and the Company changed its treatment of income from scrap sales from the year ended March 31, 2009, deducting it from cost of sales rather than including it in other income.

This resulted in a decrease of ¥223 million ($2,272 thousand) in cost of sales and other income, respectively, and corresponding increases in gross profit and operating income, but had no impact on income before income taxes and minority interests.

m) Reclassifications
Certain reclassifications of previous years' figures have been made to conform with the current year's classification.

3. Translation into U.S. Dollars

The accompanying financial statements are expressed in Japanese yen and, solely for the convenience of the reader, have also been translated into U.S. dollar amounts at the rate of ¥98.23=US$1, the approximate rate of exchange on March 31, 2009. The translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars.

4. Short-Term Loans Payable and Long-Term Debt

Short-term loans payable consists of notes payable to banks, principally due in 30 to 180 days. The average annual interest rates for short-term loans payable are 1.69% and 2.20% for the years ended March 31, 2009 and 2008, respectively.

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2009	2008	**2009**
Notes payable to banks	**¥58,890**	¥50,352	**$599,513**
Total	**¥58,890**	¥50,352	**$599,513**

Long-term debt as of March 31, 2009 and 2008, consists of the following:

	Millions of yen 2009	Millions of yen 2008	Thousands of U.S. dollars (Note 3) 2009
3.00% unsecured bonds payable in Japanese yen due 2008	¥ —	¥15,000	$ —
1.39% unsecured bonds payable in Japanese yen due 2010	10,000	10,000	101,802
1.26% unsecured bonds payable in Japanese yen due 2011	10,000	10,000	101,802
1.70% unsecured bonds payable in Japanese yen due 2012	1,500	1,500	15,270
0.85% to 2.05% loans from banks, other	57,500	46,000	585,361
Lease obligations	1,988	—	20,244
	80,988	82,500	824,479
Less current portion	22,958	15,000	233,716
	¥58,030	¥67,500	$590,763

The aggregate annual maturities of long-term debt outstanding as of March 31, 2009, are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 3)
2010	¥22,958	$233,716
2011	13,425	136,664
2012	22,862	232,744
2013	13,422	136,643
2014 and thereafter	8,321	84,712
	¥80,988	$824,479

5. Losses on Impairment of Fixed Assets

The asset groups for which the Company recognized impairment losses for the years ended March 31, 2009, 2008 and 2007, are as follows:

Losses on impairment

Use	*Location*	*Type of assets*	Millions of yen 2009	Millions of yen 2008	Millions of yen 2007	Thousands of U.S. dollars (Note 3) 2009
Idle assets	5 facilities, which are a plant in Malaysia, former Kyoto Plant, former Ichinoseki Plant, former Ibaraki Plant and former Kanegasaki Plant (Hachiman City, Kyoto Prefecture and others)	Buildings and structures	¥—	¥—	¥42	$ —
		Machinery and transportation equipment	19	—	6	193
		Tools, furniture and fixtures	—	—	—	—
		Land	4	72	26	41
		Total	¥23	¥72	¥74	$234

Method to group the assets

Assets are grouped largely by each minimal works that will bear independent cash flow in each business segment.

Reason for impairment losses having been recognized

The fixed assets (machinery and transportation equipment, land and others) for which impairment losses were recognized for the years ended March 31, 2009, 2008 and 2007, are currently idle assets and are not expected to be utilized effectively. In addition, the land price dropped significantly.

Method to calculate the recoverable amounts

The recoverable amounts were measured by the net realizable value, which is mainly based on the real estate valuation standards. Assets that cannot be sold or diverted to other usage are valued at zero.

6. Income Taxes

The Company and its consolidated domestic subsidiaries are subject to a number of different taxes based on income which, in the aggregate, resulted in an effective statutory rate of 39.0% for the years ended March 31, 2009, 2008 and 2007.

The income taxes of consolidated overseas subsidiaries are generally levied at lower rates than those currently applied in Japan. In addition, consolidated subsidiaries in Thailand are granted a tax exempt status by the Promotion of Investment Act, whereby earnings derived from the manufacture or sale of qualifying products are fully exempt from Thai income tax for a period of 3 to 8 years.

The income tax effect is recognized for temporary differences resulting from elimination of intercompany profit and certain adjustments made in the accompanying consolidated financial statements.

Net deferred tax assets of ¥10,009 million ($101,889 thousand) and ¥8,614 million as of March 31, 2009 and 2008, respectively, are included in the accompanying consolidated balance sheets and are composed of the following:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
Deferred Tax Assets	2009	2008	2009
Excess of allowed limit chargeable to accrued bonuses	¥ 860	¥ 872	$ 8,751
Excess of allowed limit chargeable to reserve for retirement benefits	1,772	454	18,040
Loss on revaluation of investment securities	363	1,374	3,695
Excess of allowed limit chargeable to allowance for doubtful accounts	—	4,054	—
Unrealized gains on sales of inventories	755	1,449	7,683
Unrealized gains on sales of fixed assets	928	—	9,447
Excess of allowed limit chargeable to depreciation	1,246	1,058	12,690
Impairment loss	129	128	1,312
Tax losses carried forward	3,343	1,630	34,035
Foreign tax credit carried forward	1,086	352	11,056
Others	1,733	1,352	17,645
Subtotal	12,215	12,723	124,354
Valuation allowance	(690)	(1,611)	(7,022)
Total deferred tax assets	¥11,525	¥11,112	$117,332

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
Deferred Tax Liabilities	2009	2008	2009
Depreciation allowed to overseas subsidiaries	¥ 1,077	¥1,346	$ 10,966
Differences on revaluation of available-for-sale securities	27	138	274
Prepaid pension costs	333	667	3,396
Others	79	347	807
Total deferred tax liabilities	1,516	2,498	15,443
Net deferred tax assets	¥10,009	¥8,614	$101,889

Net deferred tax assets are included in the accompanying consolidated balance sheets as follows:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2009	2008	2009
Current assets—Deferred tax assets	¥ 3,144	¥ 8,498	$ 32,002
Non-current assets—Deferred tax assets	7,979	1,977	81,228
Current liabilities—Others	(16)	(1,330)	(165)
Non-current liabilities—Others	(1,098)	(531)	(11,176)
Net deferred tax assets	¥10,009	¥ 8,614	$101,889

The reconciliation of the statutory tax rate in Japan and the effective tax rates appearing in the consolidated statements of income for the years ended March 31, 2009, 2008 and 2007, is shown below:

	2009	2008	2007
Statutory tax rate in Japan	39.0%	39.0%	39.0%
Adjustments:			
Amortization of goodwill	5.9	1.2	2.1
Difference of rates applied to overseas subsidiaries	(8.9)	(12.9)	(13.2)
Valuation allowance for operating losses of consolidated subsidiaries	—	(4.3)	5.7
Effect of dividend income eliminated for consolidation	57.4	8.3	2.8
Changes in tax rates	(16.7)	—	—
Prior year's income taxes	(15.0)	—	—
Other	0.1	0.0	(0.2)
Effective income tax rate	61.8%	31.3%	36.2%

7. Leases

Pro forma information for finance leases, except lease agreements which stipulate the transfer of ownership of the leased assets to the lessee, is as follows:

Acquisition Cost, Accumulated Depreciation and Net Book Value of Leased Assets

Millions of yen

	2008		
	Acquisition cost	*Accumulated depreciation*	*Net book value*
Machinery and transportation equipment	¥1,595	¥ 618	¥ 977
Tools, furniture and fixtures	2,225	1,201	1,024
Software	21	10	11
Total	¥3,841	¥1,829	¥2,012

Note: Because the outstanding future lease payments at the balance sheet date are not material as compared with the year-end balance of tangible assets, the interest portion is included in the pro forma amounts of acquisition cost.

Outstanding Future Lease Payments

Millions of yen

	2008
Due within 1 year	¥ 889
Due after 1 year	1,123
Total	¥2,012

Note: Because the outstanding future lease payments payable at the balance sheet date are not material as compared with the year-end balance of tangible fixed assets, the interest portion is included in the pro forma amounts of outstanding future lease payments payable.

Actual Lease Payments and Depreciation Expense

Millions of yen

	2008	2007
Actual lease payments	¥1,144	¥1,080
Depreciation	1,144	1,080

Depreciation of leased assets is computed on the straight-line method over the lease term with no residual value.

No impairment losses have been allocated to leased assets.

8. Derivatives

1. Content of transactions

The Minebea Group uses forward exchange contract transactions as well as interest rate swap transactions.

2. Transaction policy

The Minebea Group uses forward exchange contracts within the balance of its foreign currency receivable and payables, including the amounts that are ensured to arise in the future. The Group also uses interest rate swaps within the principal of its borrowings. The management of these transactions is guided by the Financial Department of the Company, and no speculative transactions are made.

3. Purpose of the use of transactions

The Minebea Group makes transactions of forward exchange contracts to hedge the fluctuation risks in foreign currency exchange rates related to export and import transactions, etc. The Group also makes interest rate swap transactions to hedge the fluctuation risks in the interest rates of its borrowings.

The Minebea Group makes derivative transactions, and by using the transactions, adopts hedge accounting.

(1) Method of Hedge Accounting

The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

(2) Hedging Vehicles and Hedged Items

(Hedging Vehicles)

Forward exchange contracts

Interest rate swaps

(Hedged Items)
Monetary receivables and payables in foreign currency
Anticipated transaction in foreign currencies
Interest rates on borrowings

(3) Hedge Policy
Under the guidance of its Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

(4) Method of Assessing Hedge Effectiveness
Regarding forward exchange contracts, in principle, the Company allocates them to monetary receivables and payables with same maturities and same amounts in foreign currency at closing of forward exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations. Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

4. Content of risks associated with transactions
Forward exchange and interest rate swap contracts have fluctuation risks in foreign exchange rates and interest rates, respectively.

The Minebea Group limits forward exchange contracts and interest rate swaps to the purpose of hedging those risks, and believes that there are almost no market risks.

The Minebea Group makes such transactions with highly rated and reliable financial institutions. Accordingly, it believes that there are almost no risks of the contracts not being fulfilled.

5. Risk management structure for transactions
Forward exchange contracts are executed and managed by the finance department of each company within the limit as mentioned in item 2. These transactions are periodically reported to the Finance Department of the Company, and are monitored by the Department.

Interest rate swap transactions are executed and managed by the Finance Department of the Company within the limit as mentioned in item 2. However, including details of such borrowing transactions, these transactions are pre-approved by the Board of Directors or the executive officer in charge of finance of the Company, depending upon the amounts of transactions.

9. Research and Development Expenses

Research and development expenses incurred by the Company and its consolidated subsidiaries are included in selling, general and administrative expenses and manufacturing costs.

Research and development expenses for the years ended March 31, 2009, 2008 and 2007, amounted to ¥9,458 million ($96,284 thousand), ¥9,950 million and ¥9,000 million, respectively.

10. Shareholders' Equity

The Corporation Law of Japan requires that an amount equivalent to 10% of cash dividends must be appropriated as a legal reserve or as additional paid-in capital upon the payment of said cash dividends until the aggregate of the legal reserve and additional paid-in capital equals 25% of common stock. Under the Corporation Law, the legal reserve and additional paid-in capital may be reversed without restriction on amount.

The Corporation Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings may be transferred among the accounts under certain conditions by resolution of the ordinary general meeting of shareholders.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Corporation Law.

Dividends are not accrued in the consolidated financial statements for the corresponding period, but are recorded in the subsequent accounting period after shareholders' approval has been obtained.

As of March 31, 2009, retained earnings included year-end dividends of ¥777 million ($7,920 thousand), or ¥2.00 ($0.02) per share, which was approved at the ordinary general meeting of shareholders held on June 26, 2009.

11. Per Share Data

Dividends per share shown in the consolidated statements of income have been presented on an accrual basis and include, in each fiscal year, dividends approved or to be approved after the fiscal year-end but applicable to the fiscal year.

Basic net income per share is based on the weighted average number of shares of common stock outstanding during each year.

Diluted net income per share is computed using the weighted average number of shares of common stock during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the conversion of convertible bonds. In calculating diluted net income per share, net income is adjusted by interest expense, net of income taxes, on the convertible bonds when such bonds are dilutive.

The number of shares used in calculating net income per share for the years ended March 31, 2009, 2008 and 2007, is as follows:

	Thousands of shares		
	2009	2008	2007
Basic	394,853	399,013	399,037
Diluted	—	—	—

Note: There are no shares of common stock with dilutive effects.

12. Cash Flow Information

In the year ended March 31, 2009, newly acquired subsidiaries NMB Mechatronics Co., Ltd. and myonic Holding GmbH and their four consolidated subsidiaries (NMB Mechatronics (Thailand) Co., Ltd., myonic GmbH, myonic Limited and myonic s.r.o.), were included in the Company's consolidated accounts. The composition of assets and liabilities at time of acquisition of, and payments for purchase of shares in these new consolidated subsidiaries is as follows:

NMB Mechatronics Co., Ltd.

	Millions of yen	*Thousands of U.S. dollars (Note 3)*
Current assets	¥ 3,025	$ 30,796
Fixed assets	657	6,695
Goodwill	2,335	23,770
Current liabilities	(3,101)	(31,571)
Long-term liabilities	(20)	(205)
Acquisition cost	2,896	29,485
Cash and cash equivalents	991	10,093
Payments for purchase of shares in subsidiaries	¥ 1,905	$ 19,392

myonic Holding GmbH

	Millions of yen	*Thousands of U.S. dollars (Note 3)*
Current assets	¥ 2,022	$ 20,585
Fixed assets	1,433	14,593
Goodwill	3,718	37,852
Current liabilities	(1,419)	(14,449)
Long-term liabilities	(69)	(701)
Acquisition cost	5,685	57,880
Cash and cash equivalents	325	3,312
Payments for purchase of shares in subsidiaries	¥ 5,360	$ 54,568

13. Litigation

There were no material claims outstanding or threatened against the Company or its consolidated subsidiaries as of March 31, 2008.

As of March 31, 2009, Thailand-based consolidated subsidiary NMB-Minebea Thai Ltd. was in receipt of a revised assessment of income tax liability in the amount of 502 million baht from the Revenue Department of the Kingdom of Thailand. The Company refuses to accept this revised assessment, believing it to be unjust and without legal grounds, and has petitioned the Revenue Department for redress.

On September 22, 2008, payment of this amount was made in subrogation using a surety bond from a bank with which the Company does business.

14. Contingent Liabilities

The Company and its consolidated subsidiaries had no material contingent liabilities as of March 31, 2009 or as of March 31, 2008.

15. Segment Information

The Company and its consolidated subsidiaries are engaged in two business segments: machined components, which includes bearings and bearing-related products, notably ball bearings, rod-end and spherical bearings and pivot assemblies, as well as other machined components, such as fasteners, and special machined components; and electronic devices and components, encompassing rotary components and other electronic devices and components, primarily PC keyboards and speakers.

The business segments of the Company and its consolidated subsidiaries as of March 31, 2009, 2008 and 2007, and for the years then ended are as follows:

Business Segments

Millions of yen

Year ended March 31, 2009	*Machined Components*	*Electronic Devices and Components*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	¥115,872	¥140,291	¥256,163	¥ —	¥256,163
Internal sales	1,318	383	1,701	(1,701)	—
Total sales	117,190	140,674	257,864	(1,701)	256,163
Operating expenses	99,721	144,737	244,458	(1,701)	242,757
Operating income (loss)	17,469	(4,063)	13,406	—	13,406
Assets	162,194	154,893	317,087	(31,691)	285,396
Depreciation and amortization	11,636	12,352	23,988	—	23,988
Impairment loss	2	21	23	—	23
Capital expenditure	10,320	9,866	20,186	—	20,186

Thousands of U.S. dollars (Note 3)

Year ended March 31, 2009	*Machined Components*	*Electronic Devices and Components*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	$1,179,597	$1,428,196	$2,607,793	$ —	$2,607,793
Internal sales	13,422	3,901	17,323	(17,323)	—
Total sales	1,193,019	1,432,097	2,625,116	(17,323)	2,607,793
Operating expenses	1,015,184	1,473,453	2,488,637	(17,323)	2,471,314
Operating income (loss)	177,835	(41,356)	136,479	—	136,479
Assets	1,651,171	1,576,841	3,228,012	(322,619)	2,905,393
Depreciation and amortization	118,451	125,749	244,200	—	244,200
Impairment loss	18	216	234	—	234
Capital expenditure	105,056	100,440	205,496	—	205,496

Millions of yen

Year ended March 31, 2008	*Machined Components*	*Electronic Devices and Components*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	¥144,034	¥190,397	¥334,431	¥ —	¥334,431
Internal sales	10,062	5,414	15,476	(15,476)	—
Total sales	154,096	195,811	349,907	(15,476)	334,431
Operating expenses	126,346	192,799	319,145	(15,476)	303,669
Operating income	27,750	3,012	30,762	—	30,762
Assets	189,149	192,202	381,351	(60,807)	320,544
Depreciation and amortization	13,635	12,808	26,443	—	26,443
Impairment loss	31	41	72	—	72
Capital expenditure	12,292	13,259	25,551	—	25,551

Year ended March 31, 2007	Machined Components	Electronic Devices and Components	Total before Eliminations	Eliminations or Corporate	Total
					Millions of yen
Sales to external customers	¥137,662	¥193,360	¥331,022	¥ —	¥331,022
Internal sales	7,213	4,135	11,348	(11,348)	—
Total sales	144,875	197,495	342,370	(11,348)	331,022
Operating expenses	118,680	197,425	316,105	(11,348)	304,757
Operating income	26,195	70	26,265	—	26,265
Assets	216,595	224,048	440,643	(85,859)	354,784
Depreciation and amortization	12,507	12,141	24,648	—	24,648
Impairment loss	31	43	74	—	74
Capital expenditure	8,423	9,243	17,666	—	17,666

The geographic segments of the Company and its consolidataed subsidiaries as of March 31, 2009, 2008 and 2007, and for the years then ended are outlined as follows:

Geographic Segments

Year ended March 31, 2009	Japan	Asia (excluding Japan)	North, America	Europe	Total before Eliminations	Eliminations or Corporate	Total
							Millions of yen
Sales to external customers	**¥ 59,154**	**¥129,243**	**¥39,687**	**¥28,079**	**¥256,163**	**¥ —**	**¥256,163**
Internal sales	**127,868**	**119,406**	**2,038**	**1,105**	**250,417**	**(250,417)**	**—**
Total sales	**187,022**	**248,649**	**41,725**	**29,184**	**506,580**	**(250,417)**	**256,163**
Operating expenses	**185,761**	**240,401**	**38,892**	**28,120**	**493,174**	**(250,417)**	**242,757**
Operating income	**1,261**	**8,248**	**2,833**	**1,064**	**13,406**	**—**	**13,406**
Assets	**112,111**	**180,024**	**27,880**	**21,123**	**341,138**	**(55,742)**	**285,396**

Year ended March 31, 2009	Japan	Asia (excluding Japan)	North, America	Europe	Total before Eliminations	Eliminations or Corporate	Total
							Thousands of U.S. dollars (Note 3)
Sales to external customers	**$ 602,201**	**$1,315,720**	**$404,023**	**$285,849**	**$2,607,793**	**$ —**	**$2,607,793**
Internal sales	**1,301,720**	**1,215,578**	**20,745**	**11,254**	**2,549,297**	**(2,549,297)**	**—**
Total sales	**1,903,921**	**2,531,298**	**424,768**	**297,103**	**5,157,090**	**(2,549,297)**	**2,607,793**
Operating expenses	**1,891,082**	**2,447,331**	**395,926**	**286,272**	**5,020,611**	**(2,549,297)**	**2,471,314**
Operating income	**12,839**	**83,967**	**28,842**	**10,831**	**136,479**	**—**	**136,479**
Assets	**1,141,311**	**1,832,680**	**283,822**	**215,040**	**3,472,853**	**(567,460)**	**2,905,393**

Year ended March 31, 2008	Japan	Asia (excluding Japan)	North, America	Europe	Total before Eliminations	Eliminations or Corporate	Total
							Millions of yen
Sales to external customers	¥ 75,378	¥170,474	¥53,585	¥34,994	¥334,431	¥ —	¥334,431
Internal sales	163,898	169,604	2,034	1,210	336,746	(336,746)	—
Total sales	239,276	340,078	55,619	36,204	671,177	(336,746)	334,431
Operating expenses	230,180	324,505	51,143	34,587	640,415	(336,746)	303,669
Operating income	9,096	15,573	4,476	1,617	30,762	—	30,762
Assets	127,492	231,262	30,543	22,143	411,440	(90,896)	320,544

Year ended March 31, 2007	Japan	Asia (excluding Japan)	North, America	Europe	Total before Eliminations	Eliminations or Corporate	Total
							Millions of yen
Sales to external customers	¥ 83,265	¥162,330	¥56,110	¥29,317	¥331,022	¥ —	¥331,022
Internal sales	163,915	165,062	1,751	1,081	331,809	(331,809)	—
Total sales	247,180	327,392	57,861	30,398	662,831	(331,809)	331,022
Operating expenses	237,410	316,093	54,131	28,932	636,566	(331,809)	304,757
Operating income	9,770	11,299	3,730	1,466	26,265	—	26,265
Assets	162,335	258,046	35,692	21,326	477,399	(122,615)	354,784

Overseas sales of the Company and its consolidated subsidiaries for the years ended March 31, 2009, 2008 and 2007, are summarized as follows:

Overseas Sales

Year ended March 31, 2009	To Asia (excluding Japan)	To North, Central and South America	To Europe	Total
				Millions of yen
Overseas sales	**¥130,952**	**¥33,629**	**¥30,515**	**¥195,096**
Consolidated net sales				**¥256,163**
Overseas sales as a percentage of consolidated net sales	**51.2%**	**13.1%**	**11.9%**	**76.2%**

Year ended March 31, 2009	To Asia (excluding Japan)	To North, Central and South America	To Europe	Total
				Thousands of U.S. dollars (Note 3)
Overseas sales	**$1,333,118**	**$342,353**	**$310,646**	**$1,986,117**
Consolidated net sales				**$2,607,793**
Overseas sales as a percentage of consolidated net sales	**51.2%**	**13.1%**	**11.9%**	**76.2%**

Year ended March 31, 2008	To Asia (excluding Japan)	To North, Central and South America	To Europe	Total
				Millions of yen
Overseas sales	¥174,483	¥43,139	¥39,421	¥257,043
Consolidated net sales				¥334,431
Overseas sales as a percentage of consolidated net sales	52.2%	12.9%	11.8%	76.9%

Year ended March 31, 2007	To Asia (excluding Japan)	To North, Central and South America	To Europe	Total
				Millions of yen
Overseas sales	¥166,256	¥44,927	¥35,120	¥246,303
Consolidated net sales				¥331,022
Overseas sales as a percentage of consolidated net sales	50.2%	13.6%	10.6%	74.4%

16. Subsequent Events

There were no significant events subsequent to March 31, 2009.

Internal Control Report

1.Framework of Internal Control Over Financial Reporting

The management of Minebea Co., Ltd., is responsible for the design and operation of the internal control over financial reporting ("ICOFR") that is performed by Minebea Co., Ltd. as well as that performed by its consolidated subsidiaries and affiliated company accounted for under the equity method (collectively "Minebea Group"). Therefore, in accordance with the report "On the Setting of the Standards and Practice Standards for Management Assessments and Audit Concerning Internal Control Over Financial Reporting (Council Opinions)" (issued by the Business Accounting Council on February 15, 2007), management ensures that processes include basic internal control elements and are designed and operated appropriately in compliance with the basic framework of internal control, and also that the information contained in financial reports prepared by the Minebea Group is both appropriate and reliable.

However, internal control may not function effectively in cases where errors in judgment are made, there is carelessness or when a group of employees conspire to thwart said control. Furthermore, internal control may not apply in the event of unforeseeable changes to internal or external environments or for irregular transactions. For these reasons internal control of financial reporting is not absolutely effective in achieving its purposes and may not always be able to prevent or discover material misstatements contained in financial reports.

2.Assessment Scope, Timing and Procedures

Basis of Presenting Internal Control Report

The report on ICOFR of the consolidated financial statements of Minebea Co., Ltd. ("Internal Control Report") is prepared on the basis of generally accepted assessment standards of internal control over financial reporting in Japan ("Assessment Standards") and is compiled from the Internal Control Report prepared by Minebea Co., Ltd. as required by the Financial Instruments and Exchange Law of Japan ("Law").

The Assessment Standards require management to assess the ICOFR, which consists of the internal control over the consolidated/parent-only financial statements included in the Annual Securities Report filed under the Law and the internal control over disclosure information and others included in the Annual Securities Report that materially affects the reliability of the financial statements.

The scope of management's assessment of ICOFR in this annual report is different from the scope required by the Assessment Standards. Management assessment of ICOFR for this annual report covers the ICOFR with respect to the accompanying consolidated financial statements only. In addition, as explained in Note 1 on the basis of financial statement presentation, the accompanying consolidated financial statements are reclassified and additional information are provided from the consolidated financial statements prepared for the purpose of the Law. The process of making reclassifications and the addition of certain information is for the convenience of readers outside Japan. Management voluntarily includes the process in its assessment of ICOFR, even though it is outside the scope of the Assessment Standards.

Scope of Assessment

The reference date for the assessment of ICOFR was March 31, 2009, the end of the current fiscal year, and the assessment of the Minebea Group was carried out based on the Assessment Standards.

The basic assessment procedures consisted of providing relevant personnel with questionnaire sheets and checklists after analyzing and understanding the details of both internal control with a significant impact on all consolidated financial reporting ("entity-level internal control") and internal control over accounting and financial reporting process; collecting their replies; making further inquiries to relevant personnel based on the answers to the questionnaires and checklists; inspecting relevant documents and verifying related records; and then selecting internal control incorporated into process in order to be performed simultaneously with the implementation of said process ("process-level internal control") to be assessed based on those results.

In order to assess the effectiveness of the process-level internal control described above, the details of the processes subject to assessment were first examined for the purpose of proper understanding and analysis. Key controls that were considered to have significant influence to the reliability of financial reporting were then identified and the design and operation statuses of those key controls were assessed accordingly.

For the scope of evaluation for ICOFR, assessment was carried out on entity-level internal control and internal control over accounting and financial reporting process which have a significant effect on the Minebea Group's consolidated financial reporting and for which it was considered appropriate to carry out assessment of design and operation status from a entity-level standpoint. This assessment was carried out at all of our business locations excluding 6 consolidated subsidiaries which were determined quantitatively and qualitatively insignificant.

For the scope of assessment for process-level internal control, 9 of our business locations were identified as significant business locations by using the accumulated data of each companies prior to consolidation elimination of the previous fiscal year and setting "total assets", "net assets", "sales" and "income before income taxes" as selection indicators which showed that these 9 business locations made up approximately 70% or greater of the above accumulated data for the selection indicators. Then, processes which affect sales, accounts receivables and inventories, which are the accounts closely associated with Minebea Group's business objectives, were assessed for these 9 business locations.

In addition, by considering the impact to the consolidated financial reporting, other significant processes were also included in the assessment.

3.Results of Assessment

Management concluded that as of March 31, 2009, ICOFR of the Minebea Group was effective.

4.Supplementary Information

Not applicable.

5.Other

Not applicable.

Yoshihisa Kainuma
Representative Director, President and Chief Executive Officer
June 26, 2009

KPMG

Independent Auditors' Report

To the Board of Directors of
Minebea Co., Ltd.:

Financial Statement Audit
We have audited the accompanying consolidated balance sheet of Minebea Co., Ltd. and consolidated subsidiaries as of March 31, 2009, and the related consolidated statements of income, changes in net assets and cash flows for the year then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of Minebea Co., Ltd. and consolidated subsidiaries for the years ended March 31, 2008 and 2007 were audited by other auditors whose report, dated June 27, 2008, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Minebea Co., Ltd. and subsidiaries as of March 31, 2009, and the consolidated results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Internal Control Audit
We also have audited the accompanying report on internal control over financial reporting of the consolidated financial statements of Minebea Co., Ltd. as of March 31, 2009 ("Internal Control Report"). The design and operation of internal control over financial reporting and the preparation of the Internal Control Report are the responsibility of the Company's management. Our responsibility is to independently express an opinion on the Internal Control Report based on our audit. Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Internal Control Report is free of material misstatement. An internal control audit is performed on a test basis and includes evaluating the appropriateness of the scope, procedures and result of the assessment determined and presented by management and the overall Internal Control Report presentation. We believe that our internal control audit provides a reasonable basis for our opinion.

In our opinion, the Internal Control Report referred to above, in which Minebea Co., Ltd. states that internal control over financial reporting of the consolidated financial statements was effective as of March 31, 2009, presents fairly, in all material respects, the assessment of internal control over financial reporting in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

KPMG AZSA & Co.

Tokyo, Japan
June 26, 2009

Principal Subsidiaries

Subsidiaries	Operations	Percentage of shares controlled by Minebea
Japan		
NMB Electro Precision, Inc.	Manufacture and sale of fan motors	100.0%
Minebea Motor Manufacturing Corporation	Manufacture and sale of electronic devices and components	60.0
NMB Sales Co., Ltd.	Sale of precision machined parts and electronic devices	100.0
NMB Mechatronics Co., Ltd.	Manufacture and sale of stepping motors	100.0
Thailand		
NMB-Minebea Thai Ltd.	Manufacture and sale of bearings, electronic devices and components	100.0
Minebea Electronics Motor (Thailand) Company Limited	Manufacture and sale of electronic devices and components	60.0
NMB Mechatronics (Thailand) Co., Ltd.	Manufacture and sale of stepping motors	100.0
China		
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	Manufacture and sale of bearings, fan motors and measuring components	100.0
Shanghai Shun Ding Technologies Ltd.	Manufacture and sale of PC keyboards and components	100.0
Minebea Technologies Taiwan Co., Ltd.	Sale of bearings, electronic devices and components	100.0
Minebea Trading (Shanghai) Ltd.	Sale of bearings, electronic devices and components	100.0
Minebea (Shenzhen) Ltd.	Sale of bearings, electronic devices and components	100.0
Minebea (Hong Kong) Ltd.	Sale of bearings, electronic devices and components	100.0
Minebea Electronics Motor (Zhuhai) Co., Ltd.	Manufacture and sale of electronic devices and components	60.0
Singapore		
NMB Singapore Ltd.	Manufacture and sale of bearings and machinery components	100.0
Pelmec Industries (Pte.) Ltd.	Manufacture and sale of bearings	100.0
Malaysia		
Minebea Electronics Motor		
United States		
NMB (USA) Inc.	Holding company	100.0
New Hampshire Ball Bearings, Inc.	Manufacture and sale of bearings	100.0
Hansen Corporation	Manufacture and sale of small motors	100.0
NMB Technologies Corporation	Sale of bearings, electronic devices and components	100.0
United Kingdom		
NMB-Minebea UK Ltd	Manufacture and sale of bearings, sale of electronic devices and components	100.0
myonic Limited	Sale of bearings and components	100.0
Germany		
Precision Motors Deutsche Minebea GmbH	Development, manufacture and sale of HDD spindle motors	100.0
NMB-Minebea-GmbH	Sale of bearings, electronic devices and components	100.0
myonic Holding GmbH	Holding company	100.0
myonic GmbH	Manufacture and sale of bearings and components	100.0
Italy		
NMB Italia S.r.l.	Sale of bearings, electronic devices and components	100.0
France		
NMB Minebea S.A.R.L.	Sale of bearings, electronic devices and components	100.0
Slovakia		
NMB-Minebea Slovakia s.r.o.	Manufacture of electronic devices and components	100.0
Czech Republic		
myonic s.r.o.	Manufacture and sale of bearings and components	100.0

Minebea Co., Ltd.

Corporate Information (As of June 2009)

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ARCO Tower, 19th Floor,
1-8-1, Shimo-Meguro,
Meguro-ku, Tokyo 153-8662, Japan
Tel: 81-3-5434-8611
Fax: 81-3-5434-8601
URL: http://www.minebea.co.jp/english/index.html

Registered Headquarters
4106-73, Oaza Miyota,
Miyota-machi, Kitasaku-gun,
Nagano 389-0293, Japan
Tel: 81-267-32-2200
Fax: 81-267-31-1350

Established
July 16, 1951

Independent Auditors
KPMG AZSA & Co.

Investor Information (As of March 31, 2009)

Common Stock
Authorized: 1,000,000,000 shares
Issued: 399,167,695 shares
Capital: ¥68,259 million
Shares per unit: 1,000

Common Stock Listings
Tokyo, Osaka and Nagoya

American Depositary Receipts
Ratio (ADR : ORD): 1 : 2
Exchange: Over-the-Counter (OTC)
Symbol: MNBEY
CUSIP: 602725301
Depositary: The Bank of New York Mellon
101 Barclay Street, 22nd floor,
New York, NY 10286, U.S.A.
Tel: 1-201-680-6825
U.S. toll-free: 888-269-2377
(888-BNY-ADRS)
URL: http://www.adrbnymellon.com/

Agent to manage Shareholders' Registry
The Sumitomo Trust and Banking Co., Ltd.
Tel: 81-120-176-417

Major Shareholders

Classification by Ownership of Shares

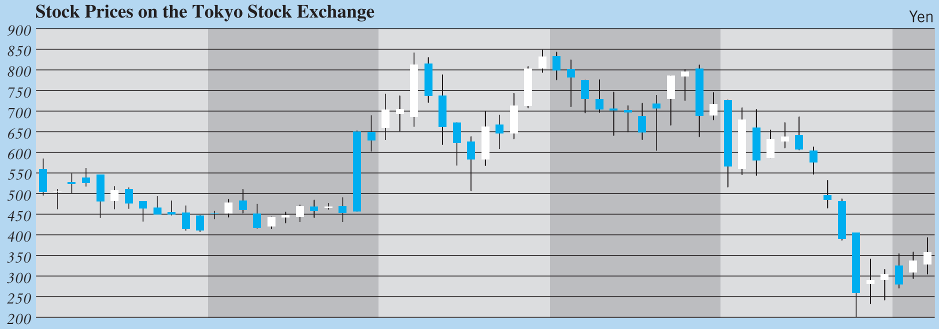
	Number of shareholders	Percentage of shareholders	Number of shares held (Thousand shares)	Percentage of shares outstanding
Japanese financial institutions	127	0.6%	205,271	51.5%
Overseas institutions	341	1.7	95,625	24.0
Other Japanese corporations	273	1.4	33,863	8.5
Individuals and others	19,234	96.3	63,688	16.0
Total	19,975	100.0%	398,447	100.0%

Top Ten Major Shareholders

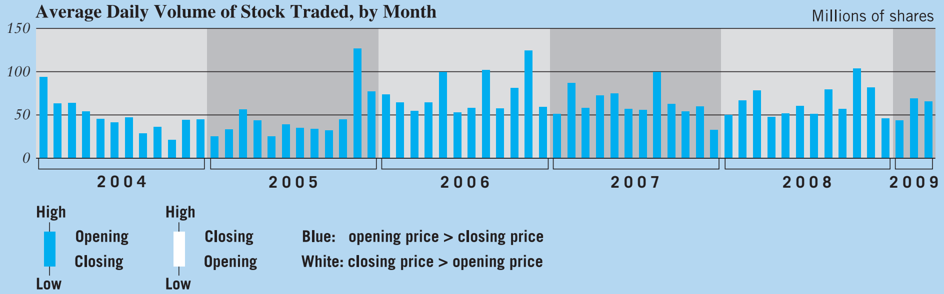
	Number of shares held (Shares)	Percentage of shares outstanding
Japan Trustee Services Bank, Ltd. (Trust Account)	37,645,000	9.43%
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	25,971,000	6.51
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,636,000	6.42
Japan Trustee Services Bank, Ltd. (Trust Account 4)	20,010,000	5.01
The Sumitomo Trust & Banking Co., Ltd.	15,349,000	3.85
Keiaisha Co., Ltd.	15,000,000	3.76
Takahashi Industrial and Economic Research Foundation	12,347,330	3.09
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057,839	2.52
Sumitomo Mitsui Banking Corporation	10,000,475	2.51
Nikko City Trust and Banking Corporation (Trust Account)	5,501,000	1.38

*The Company holds 10,183,931 shares of treasury stock, which are excluded from the above list.

Stock Prices on the Tokyo Stock Exchange



Average Daily Volume of Stock Traded, by Month



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Printed in Japan
July 2009

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