Minebea

Minebea Co., Ltd.
ANNUAL REPORT
2010
Year Ended March 31, 2010

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, 2010, the Minebea Group encompassed 40 subsidiaries and affiliates in 16 countries. The Group maintains 28 plants and 37 sales offices and employs more than 50,000 people.

Contents

Fujisawa plant New aircraft fastners factory

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

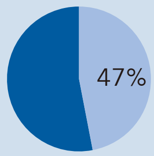
Year ended March 31, 2010

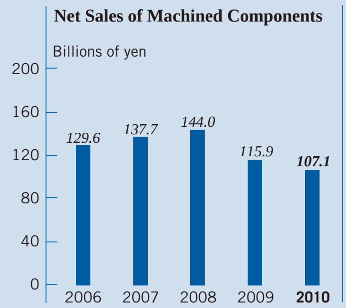
Machined Components

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



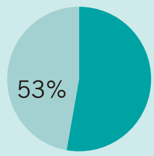


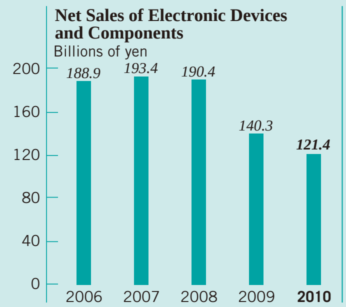
Electronic Devices and Components

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





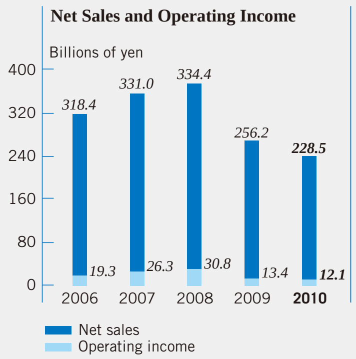
Consolidated Financial Highlights

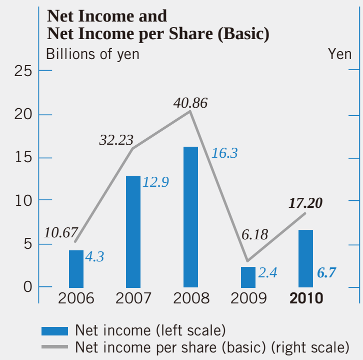
Years ended March 31

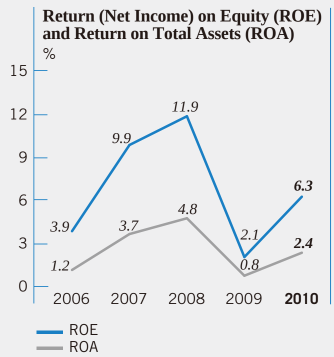
	Millions of yen		Percentage change	Thousands of U.S. dollars (Note)
	2010	2009	2010/2009	2010
Net sales	¥228,446	¥256,163	(10.8)%	$2,455,353
Operating income	12,059	13,406	(10.0)	129,614
Net income	6,662	2,441	172.8	71,604
Total net assets	108,381	106,762	1.5	1,164,887
Total assets	277,967	285,396	(2.6)	2,987,618
Return (net income) on equity	6.3%	2.1%		

	Yen		Percentage change	U.S. dollars (Note)
Per Share Data:				
Net income (basic)	¥ 17.20	¥ 6.18	178.3%	$0.18
Net assets	279.87	271.93	2.9	3.01
Cash dividends applicable to the year	7.00	7.00	0.0	0.08

Note: U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥93.04=US$1, the approximate rate of exchange on March 31, 2010.







Passion is POWER, Passion is SPEED, Passion is the FUTURE

Representative Director, President and Chief Executive Officer
Yoshihisa Kainuma

Minebea conceived the "Medium-term Business Plan", which starts in the fiscal year March 2011. "Towards profit recovery and expansion"—We pursue the fulfillment of this plan through aggressive capital investment and intensifying our vertical and horizontal strengths.

Consolidated Results of Operations for the fiscal year ended March 31, 2010

The fiscal year March 2010 proceeded under the lingering influence of the worldwide recession—stemming from the financial crisis in the U.S.—and forced Minebea to conduct its business under harsh market conditions. The first half in particular suffered from reduced net sales from the deteriorated market environment and drastic fluctuations in foreign exchange rates, notably the appreciation of the yen. In addition, adverse impact on manufacturing cost deriving from large-scale production cuts conducted towards the end of the previous fiscal year remained, creating continued unfavorable conditions in terms of profit. However, in the latter half of the period, along with the signs of recovery observed in the global economy, a recovery in demand has become more prominent in a variety of product fields, including those of the personal computer and HDD markets. As a result, our consolidated net sales recorded ¥228.4 billion, which is a 10.8% decrease from the previous period. In spite of the enormous impact of the global recession, operating income recorded ¥12.1 billion, a 10% decrease from the previous period, owing to the contribution of the increased sales in the latter half, the output increase in ball bearings and pivot assemblies, and reduced manufacturing cost from cost cuts across a broad range of our business.

The recovery of demand in the latter half of the period led to the expansion of production in ball bearings, pivot assemblies, and lighting devices, and the efforts we have been putting into the electronic devices and components segment fruited into a major improvement in business performance. In the fourth quarter, the PC keyboard business achieved a surplus and evolved into a positive factor in terms of business performance.

On the other hand, it is our greatest regret that we did not attain a surplus in the HDD spindle motor business and speaker business. For the HDD spindle motor business, we expect to achieve our surplus target early in the period through our efforts in improving yield and production capacity backed by good

photo by Yu Kaida

conditions in the environment, notably the rapid expansion of the market. In the speaker business, we plan to launch high-power micro speakers into the LCD television market, aiming for increased profitability from sales expansion and the reinforcement of our outsourcing policies.

Management Policies for the fiscal year March 2010

Since I took the post of president, I have implemented various measures with speed and address under Minebea's two major goals: "To aim for the enhancement of corporate values through maximizing the earnings per share" and "To solidify our foundation in the momentum of Minebea's 100th anniversary." Our first approach involved the restructuring of the company and the power shift. The intended goal of this is to intensify Minebea's signature vertically integrated production method and the hybrid components business based on our inter-business unit collaboration. Our other business moves include the acquisition of the information motor business from the Motor Company of Panasonic Corporation, the establishment of European Motion Technologies (EMT), which specializes in high added value motors for the European market, the release of "COOL LEAF", a novel input device realized from the combination of different technologies including PC keyboards, lighting devices, measuring components, and vibration motors, as well as repurchasing of shares. The results of these efforts are yet to be fully seen, but I have confidence that these implementations will contribute to Minebea's growth strategy.

On the other hand, in order to share our objectives and the achievements of our share price-focused management with our employees, we introduced the employees' stock ownership incentive plan: "E-Ship®." Consequently, I am realizing the company-wide penetration of our management policies, as can be assumed from the fact that the enrollment ratio of our employees for the plan doubled.

Towards the achievement of the goal for the year ending March 2011

Our goal for the fiscal year March 2011 is net sales of ¥265.0 billion and an operating income of ¥23.5 billion. We will conduct business administration with business segment-specific strategies for the attainment of this goal.

Our machined components business will be driven on the "Market leader strategy," simply expressed as "Number-one strategy." The core of the fiscal year's strategy is to follow the expansion of the market.

We, as a leading manufacturer, assume the responsibility to develop and maintain the capacity to supply as much product as is desired by our customers, which is particularly important in the face of recovering demand. Minebea takes a step ahead to prepare for the sure delivery of goods required in the medium to long-term roadmaps of our customers.

In the ball bearing business, we made a resolution to build a new integrated production plant in Thailand for the first time in 18 years. Given the rapid expansion of demand in pivot assemblies for HDDs, Minebea plans to set up a 45-million-unit production system during this fiscal year through the steady stepping-up of production. It is clear that the HDD market is witnessing a major upwards trend, and Minebea, as top manufacturer, will respond to that expanding demand. For the rod-end and fastener business, although we were anticipating a less promising market environment, the aircraft market in fact is coming to an early stage of recovery with major aircraft manufacturers moving on towards production increase. Notably, the Boeing787 program has shifted into gear, which is a great boost to our business. We have already reinforced our production structure, specifically, constructed new facilities in Karuizawa and Fujisawa. We believe that this will contribute significantly in the coming recovery period.

The rotary components business is planning to develop and carry out the "Strategies to provide low-price and solutions" by product group.

Minebea manufactures wide-ranging types of motors. Product groups that function on their own, such as fan motors and vibration motors, must be subject to thorough cost reduction and also pursue quantities that allow for the attainment of economies of scale. On the other hand, in the brush motor, brushless motor, and stepping motor businesses we continue to promote the strategy of providing solutions involving hybrid components of motor and machined components through intra-company cooperation in accordance with our customers' needs.

In addition, the acquisition of the information motor business (brushless motor business) from Panasonic Corporation and the establishment of the EMT business that produces high added value products targeting the European market—the two lines of motor business expected to generate future growth and profit—have considerably enriched our second pillar of business. We are also planning to select a location during this term for building new facilities to remedy the narrowing workspace in motor plants.

Electronic devices business and special devices business are managed under the "Differentiation strategy (One and only strategy)" based on our peerless, high added value products. Instead of targeting the majority in the whole market, we intend to lay our foundation in specific fields drawing on our core technologies to ensure profitability.

In contrast, for the LED backlight business, we adopt the strategy to maintain and develop capacity to supply products required by our customers considering the rapid growth of the market and our technical responsive capability. Currently, we are producing 15 million units monthly and were originally planning to shift to a monthly 24 million-unit production in three years, but due to customer demand, we decided to build two new factories in China in addition to the expantion in Thai plant to accelerate the establishment of production ramp-up structure.

It is our theme for this fiscal year to promote measuring components, circuit components, PC keyboards, speakers, and special devices, aimed at the high added value fields different from our competitors.

The HDD spindle motor business will inevitably be run with a focus on profitability. Although we are behind in pushing the business into the black the result of our committed efforts from the previous year is steadily taking form, including contributions to profit such as quality improvement. Taking advantage of the favorable condition of the HDD market, which has entered a new growth period, we aim to achieve a monthly surplus in the first half of this fiscal year through infusing efforts into yield improvement and implementing measures to increase production.

"Towards profit recovery and expansion"—Our medium-term business plan

The three-year business plan specifies the goal for the fiscal year ending March 31, 2013 as net sales of ¥400 billion and an operating income of ¥40 billion. The plan is to ensure an operating margin of 9% in the first year, and 10% in the subsequent two years. The net sales are to be increased by at least 10% every year. An aggressive capital investment with an eye for the future is necessary to carry out this medium-term business plan aimed "towards profit recovery and expansion"—we plan to make an investment of ¥93 billion over the next three years in this regard.

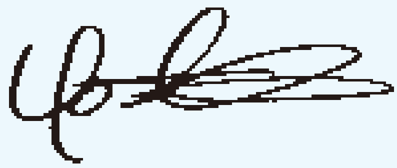
The core project is the construction of the new facilities for ball bearings and pivot assemblies; however, we also consider the construction of new facilities for lighting devices and motors critical, which we will plan to make a resolution on the details this fiscal year. Through these measures, we aim to reinforce our two strengths, the vertically integrated production method (vertical strength) and the hybrid component business based on the collaboration of different businesses (horizontal strength), and attain the goal of the medium-term business plan.

Passion is POWER

I, as the Representative Director, President and Chief Executive Officer, will lead the officers and employees of the Minebea Group and continue to strive for the improvement of our corporate value and sustainable growth in combined efforts. In the past year, we have seen passionate attitudes in our associates across the company in addressing business. I believe this passion will inevitably realize the growth of the Minebea Group and improve its corporate value. This passion is also a cornerstone of management.

We appreciate your continued understanding and support for the Minebea Group.

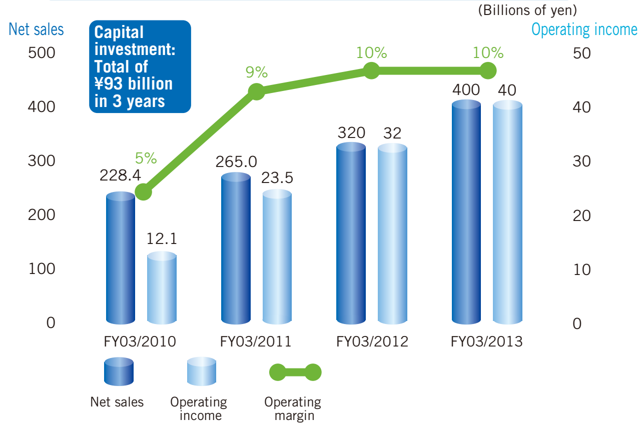
June 29, 2010



Yoshihisa Kainuma
Representative Director,
President, and Chief Executive Officer

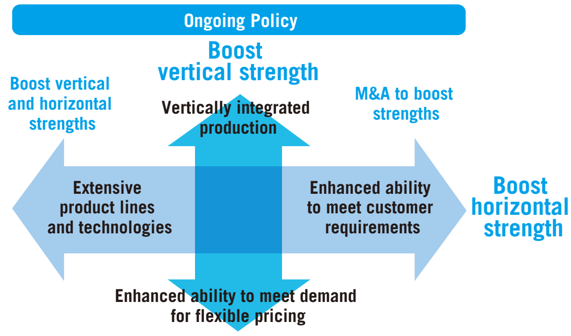
Performance Goal for Medium-term Business Plan

(Billions of yen)



Macro assumption: Global economy will be at 80% capacity in the 1st year, 90% the 2nd year, and 100% the 3rd year

3-year business plan image: Increase sales at least 10% every year
Ensure operating margin of 10%



Medium-term Goal for Machined Component Business Segment

(Billions of yen)

Number-one (Market leader) Strategy

- Aim for 145 billion yen in sales in FY03/2013
- Enhance ability to supply products and meet demand for better cost performance backed by our large market share
  - New ball bearing plant to 250 million + unit/month
  - New pivot assembly plant to 55 million unit/month
  - Aircraft market recovery and new growth
- Promote sales in emerging markets
- Tap into new market opportunities
- M&A for further expansion

Rotary Components Business Segment

(Billions of yen)

Solutions Providing Strategy

Input resources to second pillar

- Aim for 165 billion yen in sales in FY03/2013
  (fan motors, stepping motors and HDD spindle motors will drive growth)
- Products for cutting costs and increasing production volume
  ➜ Aim for No. 1 globally
- Products for bundling functions
  ➜ Focus on profitability
- Opening a new motor pant inevitable

Electronic Devices & Components Business Segment

(Billions of yen)

Other Business Segment

(Billions of yen)

One-and-only (differentiation) strategy

Plan to invest ¥22.4 billion over 3 years (including ¥9.9 billion welfare and IT investments)

- Aim for 57 billion yen and 33 billion yen in sales respectively in FY03/2013
- Offer high added value no other companies offer with differentiated technologies
  - LED backlights, Circuit components
- Promote launching new hybrid products onto the market
  - Measuring components, Keyboards

The Minebea Group considers the conservation of the global environment as one of the key themes of management, and has established the "Environmental Vision of Minebea" and "Basic Policy for Environmental Conservation Action" in August 1993. Based on the basic policy, the Minebea Group conducts active global environment conservation programs at its worldwide bases.

Minebea has issued the "Environmental Report" since 2003 and proactively reports on environmental conservation activities and achievements, as well as the policy and details of our efforts.


Minebea

ENVIRONMENTAL PHILOSOPHY

Environmental Policy

1. Development and Design
2. Manufacturing
3. Logistics
4. Cooperation with Authorities and Local Public Entities
5. Overseas Activities
6. Environmental Audits
7. Employee Education
8. Observe Minebea's Environmental Policy

● Promotion of the Environmental Management System

The Minebea Group is ISO 14001 certified at all its major manufacturing bases, in addition to practicing corporate activities that contribute to the community.

● Proactive efforts to abolish or reduce the use of harmful chemicals

The Minebea Group was the first bearing manufacturer to abolish the use of specific CFCs and ethane for cleaning at all plants in April 1993. We continue our commitment to abolish or reduce the use of harmful chemicals. In March 2008, the Material Process Lab (Karuizawa) in the Material & Process Development Department of the Technology HQ achieved ISO/IEC 17025:2005 (international standard for testing and calibration laboratories) certification, which ensures the lab's capability to test and analyze all six RoHS-regulated substances.

● A thoroughgoing Green procurement

The Minebea Group published the "Minebea Group's Guideline for Green Procurement Management" (first edition published in July 2004), and requires our suppliers to submit analysis data of chemicals contained in materials and parts they deliver. Minebea is also dedicated to conducting Green procurement that complies with the laws and regulations of relevant countries, such as the RoHS directive in EU and the "China RoHS" (Administration on the Control of Pollution Caused by Electronic Information Products).

● Programs to protect regional environments

The Minebea Group supports environmental conservation activities in the regions peripheral to each plant. In Thailand, where the Group's largest manufacturing base is situated, our efforts in energy-saving and environmental conservation have received recognition, and are honored by a number of awards every year. Minebea established the Shanghai–Minebea Lake Dianshan-hu Environmental Protection Fund in April 1996 with the aim to protect the water quality of Lake Dianshan-hu in the vicinity of the Minebea plant in Shanghai. This Fund is an ongoing program for the environmental conservation of Lake Dianshan-hu and its environs.

● Efforts to reduce CO_2 emissions

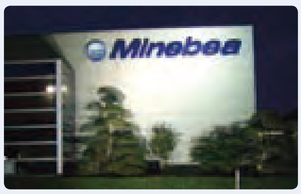
The gross CO_2 emissions from Minebea manufacturing plants were 549,460 tons for the fiscal year ended in March 2004, but by the fiscal year ended in March 2010, the gross CO_2 emissions were reduced to 423,099tons, a 23% reduction from the 2004 statistics. As a part of the effort to reduce CO_2 emissions, all Minebea plants and offices in Japan participated in the "CO_2 Reduction and Light Down Campaign" promoted by the Ministry of the Environment.

The Bang Pa-In Plant in Thailand and the two plants in Shanghai recycle 100% of their industrial effluent water.

Effluent water treatment facility at our Shanghai Plant (began operation in Jan. 2009)

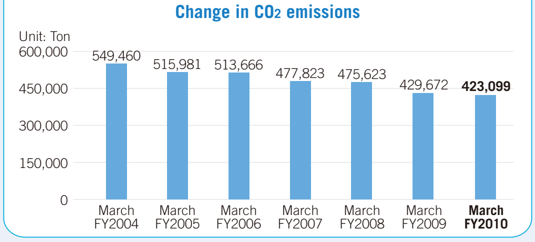
Unveiling ceremony for the water treatment facility (right: Mr. Gao, Qingpu District Secretary of Communist Party of China)

Chao Phraya River (Thailand) Protection Project Commendation Ceremony in 2009



Light Down Campaign at Hamamatsu Plant

Change in CO_2 emissions



Social Action Programs in 2009

The Minebea Group is devoted to educational programs, cooperation in community and government activities, and amateur sports promotion based on our philosophy, which is incorporated in our management policy: To work in harmony with the local community and to promote and contribute to global society.

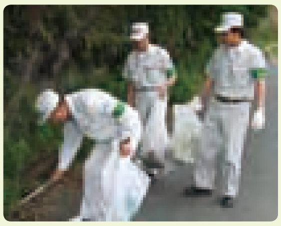
● Educational aid for children in Thailand

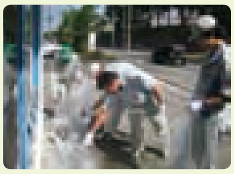
Through our Thailand Operation, Minebea supports science and technology students who have financial difficulties through a scholarship fund founded to commemorate the 10th anniversary of Minebea's operation in Thailand. Since the foundation of the fund, more than 500 students have received scholarships. Additionally, in 2006, we donated the school building to the Mae Fah Luang School in Tak Province, a project we continue to support through funding and visits, as well as through the promotion of environmental education projects targeting primary and secondary school students in the region.

School construction & environmental education project for children in a rural area (Mae Fah Luang School in Tak Province, Thailand)

Seminar that teaches waste separation to children in a suburban area (Wat Thamnawa School near Bang Pa-In Plant in Thailand)

● Cleaning and tree planting around the plants





Cleaning around our plants (Hamamatsu Plant, Karuizawa Plant)

Tree planting volunteer activity in Prachuap Khiri Khan Province (Thailand Operation)

Garbage investigation volunteer in Gamo tidal flat, Sendai City,Japan (NMB Electro Precision, Inc.)

Donation of weight scale for wheelchairs (Fukuroi Municipal Hospital)

● Donation of weight scales for wheelchairs

Minebea donated weight scales for wheelchairs to institutions in Fujisawa-shi, Kanagawa (February 2009), welfare institutions in Miyota-machi, Nagano (April 2009), and Fukuroi Municipal Hospital in Shizuoka (June 2009)—all locations being in the vicinity of a Minebea manufacturing base—as a contribution to the community. This weight scale uses a Minebea-made load cell (load transducer).

Nagano Championship (March 2010)

● Amateur sports promotion

Minebea supports the management of "Curling Hall Miyota," a local general sports club in Miyota-machi, Nagano.

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 four 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 four 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 Internal Control System

Based on the "Basic Policy for Internal Control System", Minebea has comprehensively implemented such systems as the compliance system, information storage system, risk management system, efficiently performing duties system, group company control system, and auditing system, and is working to further strengthen them.

On June 1, 2009, Minebea established the CSR Promotion Division with an eye to further boosting its internal control system. Comprised of the Internal Auditing Office, Internal Control Promotion Office, and Compliance Office, the new division is working to seamlessly integrate Minebea's systems for internal controls and financial reporting with Company Law. On June 1, 2010, Minebea also established CSR Promotion Office to this division.

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)

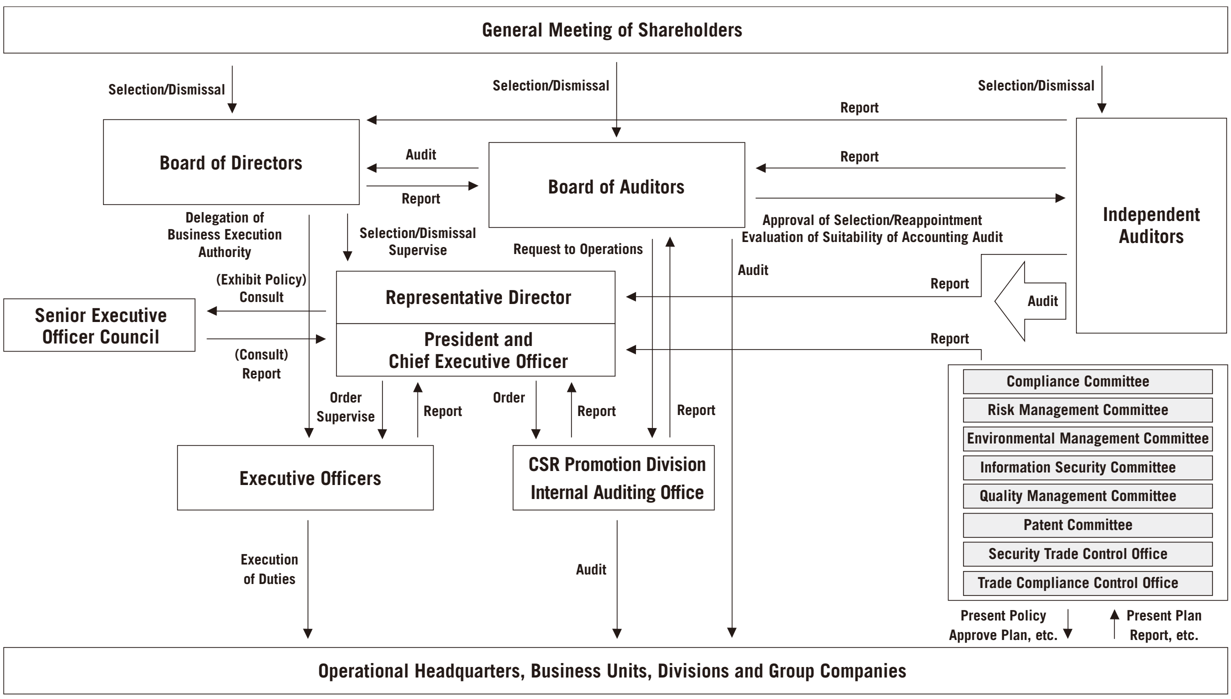
5. Internal Control over Financial Reporting

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, 2010, 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 52. 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 53 is thus proof of its conclusion that Management's Report on Internal Control System was appropriate.)

Minebea's Corporate Governance System



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 Kami 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.

2010 | 4 Minebea Motor Manufacturing Corp. acquires the information motor division in the Motor Company of Panasonic Corporation and established the Brushless Motor Division.

Directors, Auditors and Executive Officers

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
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 Yonago Plant, Head of Brushless Motor Business Unit of Minebea Motor Manufacturing Corporation

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

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

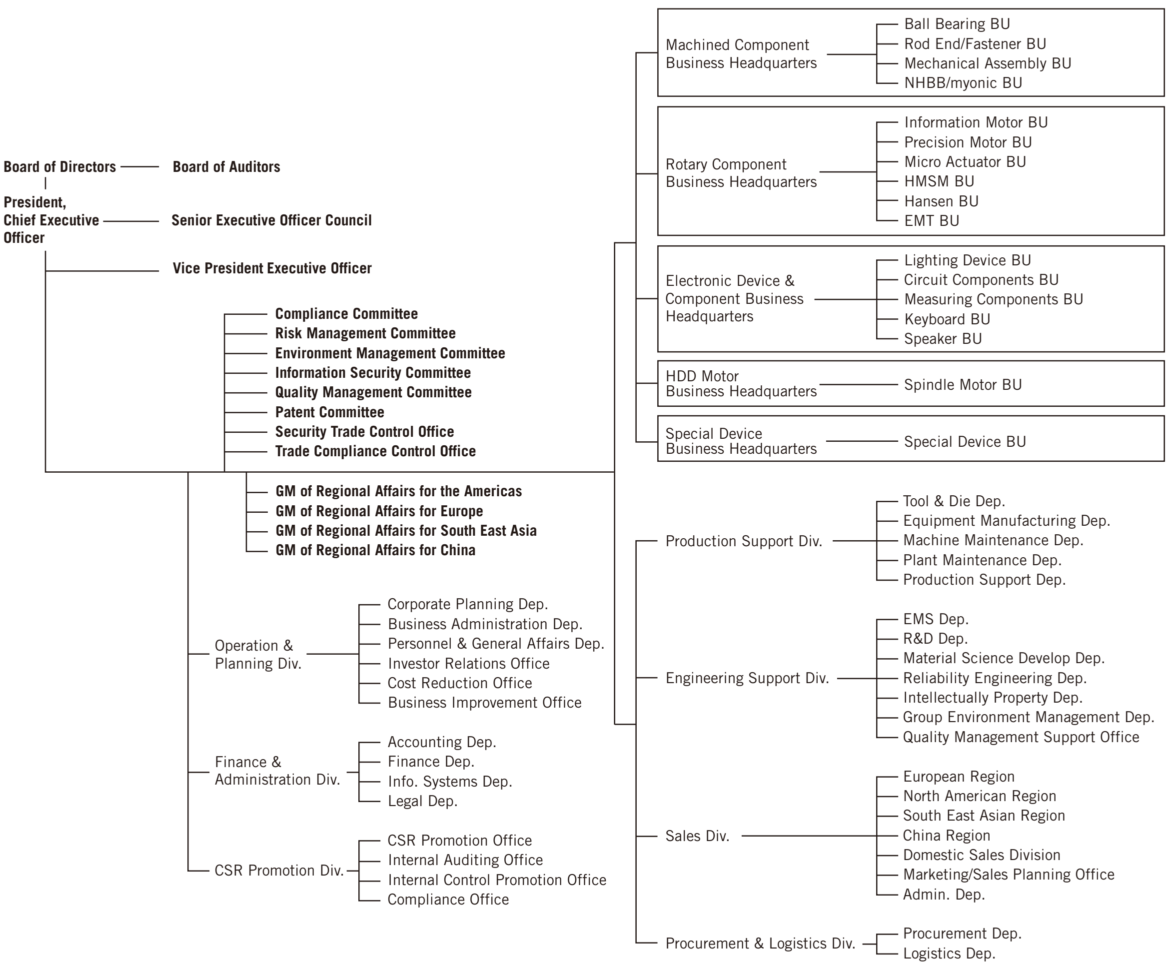
Motoji Egawa
- Deputy Officer in charge of Engineering Support Division, General Manager of Intellectual Property Dept.,General Manager of R&D Dept

Toru Narita
- Head of Keyboard Business, Unit at Electronic Device & Component Business Unit

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 29, 2010)

Organization



(As of June 1, 2010)

Contents

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: 81-3-5434-8603

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

	2010	2009	2008	2007
Statement of Income Data:				
Net sales:	**¥228,446**	¥256,163	¥334,431	¥331,022
Machined components	**107,088**	115,872	144,034	137,662
Percentage of net sales	**47%**	45%	43%	42%
Electronic devices and components	**121,358**	140,291	190,397	193,360
Percentage of net sales	**53%**	55%	57%	58%
Consumer business and others	—	—	—	—
Percentage of net sales	—	—	—	—
Gross profit	**¥ 53,160**	¥ 59,025	¥ 80,721	¥ 73,378
Percentage of net sales	**23.3%**	23.0%	24.1%	22.2%
Operating income	**12,059**	13,406	30,762	26,265
Percentage of net sales	**5.3%**	5.2%	9.2%	8.0%
Net income (loss)	**6,662**	2,441	16,303	12,862
Percentage of net sales	**2.9%**	1.0%	4.9%	3.9%
Balance Sheet Data:				
Total assets	**¥277,967**	¥285,396	¥320,544	¥354,784
Total current assets	**130,004**	121,699	148,117	156,059
Total current liabilities	**102,961**	112,312	118,321	131,155
Short-term loans payable and current portion of long-term debt	**64,755**	80,990	65,352	71,761
Long-term debt	**58,645**	56,900	67,500	78,500
Working capital	**27,043**	9,387	29,796	24,905
Total net assets	**108,381**	106,762	131,730	142,558
Equity ratio	**38.5%**	37.1%	40.7%	40.1%
Per Share Data:				
Net income (loss):				
Basic	**¥ 17.20**	¥ 6.18	¥ 40.86	¥ 32.23
Diluted	—	—	—	—
Net assets	**279.87**	271.93	327.25	356.75
Cash dividends	**7.00**	7.00	10.00	10.00
Number of shares outstanding	**399,167,695**	399,167,695	399,167,695	399,167,695
Other Data:				
Return (net income) on equity	**6.3%**	2.1%	11.9%	9.9%
Return on total assets	**2.4%**	0.8%	4.8%	3.7%
Interest expense	**¥ 1,898**	¥ 2,646	¥ 4,402	¥ 5,224
Net cash provided by operating activities	**30,408**	37,064	46,893	37,902
Net cash used in investing activities	**(12,733)**	(24,554)	(23,461)	(15,180)
Free cash flow	**17,675**	12,510	23,432	22,722
Purchase of tangible fixed assets	**10,495**	18,429	24,888	16,969
Depreciation and amortization	**22,492**	25,027	27,502	25,727
Number of employees	**49,091**	48,443	50,549	49,563

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.

						Millions of yen	*Thousands of U.S. dollars (Note 7)*
2006	2005	2004	2003	2002	2001	2000	**2010**
¥318,446	¥294,422	¥268,574	¥272,202	¥279,344	¥287,045	¥284,757	**$2,455,353**
129,595	116,105	111,693	118,118	122,025	124,461	127,734	**1,150,989**
41%	39%	42%	43%	44%	43%	45%	
188,851	178,317	156,881	154,084	156,303	151,910	146,133	**1,304,364**
59%	61%	58%	57%	56%	53%	51%	
—	—	—	—	1,016	10,674	10,890	**—**
—	—	—	—	0%	4%	4%	
¥ 68,511	¥ 62,403	¥ 65,313	¥ 68,702	¥ 73,283	¥ 84,117	¥ 81,534	**$ 571,368**
21.5%	21.2%	24.3%	25.2%	26.2%	29.3%	28.6%	
19,269	14,083	18,104	19,352	21,972	32,977	31,069	**129,614**
6.0%	4.8%	6.7%	7.1%	7.9%	11.5%	10.9%	
4,257	5,581	6,019	(2,434)	5,298	14,826	(2,677)	**71,604**
1.3%	1.9%	2.2%	(0.9)%	1.9%	5.2%	(0.9)%	
¥349,862	¥332,217	¥314,915	¥320,069	¥350,037	¥346,965	¥403,994	**$2,987,618**
153,564	147,295	138,953	127,447	131,548	137,106	153,658	**1,397,301**
150,886	141,449	167,626	134,459	156,908	127,290	124,085	**1,106,634**
91,772	87,112	119,643	81,262	103,461	66,531	68,022	**695,996**
79,500	85,341	51,842	85,862	79,212	118,629	124,690	**630,319**
2,678	5,846	(28,673)	(7,012)	(25,360)	9,816	29,573	**290,667**
118,209	102,088	93,866	98,213	112,732	100,574	154,357	**1,164,887**
33.6%	30.7%	29.8%	30.7%	32.2%	29.0%	38.2%	
						Yen	*U.S. dollars (Note 7)*
¥ 10.67	¥ 13.93	¥ 15.08	¥ (6.10)	¥ 13.27	¥ 37.14	¥ (6.72)	**$0.18**
—	13.27	14.51	(4.85)	12.60	34.10	(5.39)	**—**
294.65	255.82	235.21	246.08	282.42	251.96	386.71	**3.01**
7.00	7.00	7.00	7.00	7.00	7.00	7.00	**0.08**
399,167,695	399,167,695	399,167,695	399,167,695	399,167,695	399,167,695	399,150,527	
						Millions of yen	*Thousands of U.S. dollars (Note 7)*
3.9%	5.7%	6.3%	(2.3)%	5.0%	11.6%	(1.8)%	
1.2%	1.7%	1.9%	(0.8)%	1.5%	4.0%	(0.6)%	
¥ 4,771	¥ 3,361	¥ 3,213	¥ 4,765	¥ 5,673	¥ 7,553	¥ 7,897	**$ 20,399**
28,237	27,586	21,714	32,279	34,017	38,332	60,289	**326,838**
(19,120)	(23,789)	(14,932)	(16,233)	(24,346)	(33,099)	(13,298)	**(136,858)**
9,117	3,797	6,782	16,046	9,671	5,233	46,991	**189,980**
21,897	23,060	18,825	16,382	26,245	39,877	19,504	**(112,805)**
25,045	23,545	22,728	24,015	25,577	23,682	25,026	**241,751**
47,526	48,473	43,839	43,002	43,729	45,193	42,399	

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 core 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. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥93.04=US$1, the approximate rate of exchange on March 31, 2010.

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 46.9% 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 53.1% 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, Slovakia and the United Kingdom. Our largest manufacturing base, in Thailand, accounted for 53.2% of total consolidated production in the current fiscal year, while our manufacturing base in China accounted for 19.3%. Combined production at all our bases in Asia (excluding Japan) represented 79.0% of total production. Production outside of Japan accounted for 92.0% 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, automotive, aerospace and household electrical appliances markets, which accounted for 31.3%, 13.0%, 11.8%, 11.0% and 9.5%, 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 53.1% of consolidated net sales. Our second-largest geographic market is Japan, which currently accounts for 24.1% of consolidated net sales. Remaining sales are to North, Central and South America and to Europe.

In the current fiscal year, the Company underwent organizational changes on June 1, 2009. Business headquarters were established for each product group, to organically link the functions of business departments and headquarters and maximize operational efficiency, as well as clarifying the operational results of each product category and sharing various technologies within similar product groups. Business headquarters are formed for similar business departments, and certain functions previously assumed by the headquarters, including manufacturing, technology, marketing and sales, and procurement, were transferred to the new business headquarters with an expected improvement in operational efficiency. As a result, the Company formed 5 business headquarters and 16 business departments attached to these business headquarters, 4 divisions that support these sectors, 2 divisions created by reorganizing the previous office management headquarters, and 1 main headquarter.

In April 2010, the European Motion Technologies (EMT) department was established, bringing the total to 17 business departments.

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.

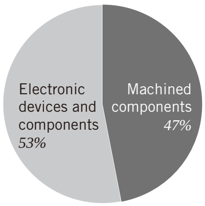
1. Ball bearings: To capitalize on untapped demand, we are taking steps to expand our production capacity and strengthen our development capabilities and production technologies for high-growth miniature ball bearings.
2. In response to the vigorous demand in the HDD-related market, we are pursuing a significant increase in the production of pivot assemblies and ball bearings.
3. Spindle motors: We endeavor to improve business performance by promoting cost reduction through increased production as well as meeting the market demand.
4. 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.
5. 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.
6. 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.
7. 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 to fully utilize our comprehensive strengths.
8. We are stepping up efforts to develop new markets and increase sales through the development of new "composite products" from the integration of technologies in electronic devices and machined components.
9. We are aggressively pursuing cost reduction efforts and strengthening our corporate structure to prepare for future expansion.

Segment Information

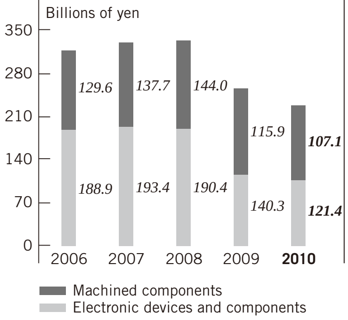
Years ended March 31	2010	2009	2008	2007	2006
					Millions of yen
Sales to External Customers by Business Segment					
Machined components	**¥107,088**	¥115,872	¥144,034	¥137,662	¥129,595
Electronic devices and components	**121,358**	140,291	190,397	193,360	188,851
Total	**¥228,446**	¥256,163	¥334,431	¥331,022	¥318,446
Operating Income (Loss) by Business Segment					
Machined components	**¥ 14,235**	¥ 17,469	¥ 27,750	¥ 26,195	¥ 24,556
Electronic devices and components	**(2,176)**	(4,063)	3,012	70	(5,287)
Total	**¥ 12,059**	¥ 13,406	¥ 30,762	¥ 26,265	¥ 19,269
Assets by Business Segment					
Machined components	**¥157,276**	¥162,194	¥189,149	¥216,595	¥205,437
Electronic devices and components	**147,883**	154,893	192,202	224,048	218,790
Eliminations or corporate	**(27,192)**	(31,691)	(60,807)	(85,859)	(74,365)
Total	**¥277,967**	¥285,396	¥320,544	¥354,784	¥349,862
Depreciation and Amortization by Business Segment					
Machined components	**¥ 10,339**	¥ 11,636	¥ 13,635	¥ 12,507	¥ 11,437
Electronic devices and components	**10,801**	12,352	12,808	12,141	12,535
Total	**¥ 21,140**	¥ 23,988	¥ 26,443	¥ 24,648	¥ 23,972
Impairment Loss by Business Segment					
Machined components	**¥ 15**	¥ 2	¥ 31	¥ 31	¥ 388
Electronic devices and components	**16**	21	41	43	579
Total	**¥ 31**	¥ 23	¥ 72	¥ 74	¥ 967
Capital Expenditure by Business Segment					
Machined components	**¥ 5,529**	¥ 10,320	¥ 12,292	¥ 8,423	¥ 12,279
Electronic devices and components	**5,552**	9,866	13,259	9,243	9,929
Total	**¥ 11,081**	¥ 20,186	¥ 25,551	¥ 17,666	¥ 22,208
Sales to External Customers by Geographic Segment					
Japan	**¥ 54,065**	¥ 59,154	¥ 75,378	¥ 83,265	¥ 77,856
Asia (excluding Japan)	**119,333**	129,243	170,474	162,330	155,423
North America	**31,137**	39,687	53,585	56,110	59,468
Europe	**23,911**	28,079	34,994	29,317	25,699
Total	**¥228,446**	¥256,163	¥334,431	¥331,022	¥318,446
Operating Income by Geographic Segment					
Japan	**¥ 2,106**	¥ 1,261	¥ 9,096	¥ 9,770	¥ 1,922
Asia (excluding Japan)	**7,525**	8,248	15,573	11,299	12,843
North America	**2,200**	2,833	4,476	3,730	2,888
Europe	**228**	1,064	1,617	1,466	1,616
Total	**¥ 12,059**	¥ 13,406	¥ 30,762	¥ 26,265	¥ 19,269
Assets by Geographic Segment					
Japan	**¥ 93,663**	¥112,111	¥127,492	¥162,335	¥161,968
Asia (excluding Japan)	**203,617**	180,024	231,262	258,046	247,186
North America	**23,027**	27,880	30,543	35,692	36,864
Europe	**18,189**	21,123	22,143	21,326	19,618
Eliminations or corporate	**(60,529)**	(55,742)	(90,896)	(122,615)	(115,774)
Total	**¥277,967**	¥285,396	¥320,544	¥354,784	¥349,862

Results of Operations

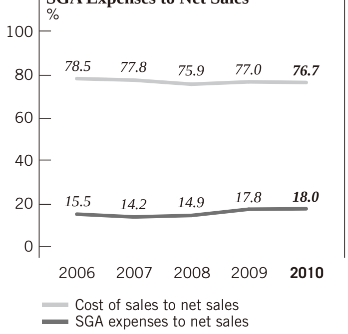
Net Sales by Business Segment



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 10.8%, or ¥27,717 million, to ¥228,446 million.

During the period, the Japanese economy experienced a persistent recession in the first half of the fiscal year due to the influence of the financial crisis that originated in the United States in 2008. However, the economic conditions in the latter half of the period showed improvement, despite the deflation concern, owing to the steady increase in exports to Asia and active fiscal policies. The U.S. economy also continued to weaken due to the harsh financial environment, but stabilized in the latter half of the period by virtue of the progress in inventory adjustment. The economies of Europe were also in a depressed state, but showed signs of bottoming out in the latter half of the period. In China, domestic demand steadily improved under the active public spending, while other parts of Asia also experienced an improvement in their economies.

In such a business environment, the Minebea Group has been dedicated to thorough cost reduction, development of high-value-added products and new technologies, and sales promotion activities in order to further increase profitability. Consolidated net sales decreased as compared with the previous fiscal year on account of the deteriorated market environment and drastic fluctuation in exchange rate (appreciation of yen) in the first half of the period.

Cost of Sales

Cost of sales declined 11.1%, or ¥21,852 million, to ¥175,286 million. Cost of sales as a percentage of net sales decreased by 0.3 percentage points, to 76.7%. The cost of sales was reduced owing to stringent cost cutting, declining sales due to worldwide recession, and fluctuations in exchange rates (appreciation of yen), together with the fall of raw material prices (steel).

SGA Expenses

SGA expenses amounted to ¥41,101 million, down 9.9%, or ¥4,518 million. SGA expenses were equivalent to 18.0% of consolidated net sales, a slight increase by 0.2 percentage points compared to the previous fiscal year. The reduced SGA expenses were attributable to the ongoing efforts to reduce cost, as well as to the decline in sales due to the global recession and the fluctuating exchange rates (appreciation of yen).

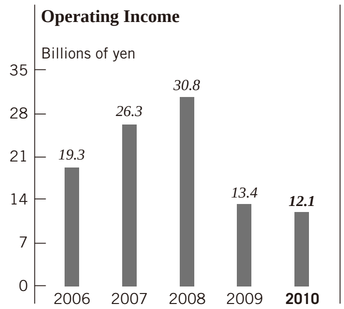
Cost of Sales and SGA Expenses

Millions of yen

Years ended March 31	**2010**	2009	2008	2007	2006
Net sales	**¥228,446**	¥256,163	¥334,431	¥331,022	¥318,446
Cost of sales	**175,286**	197,138	253,710	257,644	249,935
Cost of sales to net sales	**76.7%**	77.0%	75.9%	77.8%	78.5%
Gross profit	**53,160**	59,025	80,721	73,378	68,511
SGA expenses	**41,101**	45,619	49,959	47,113	49,242
SGA expenses to net sales	**18.0%**	17.8%	14.9%	14.2%	15.5%

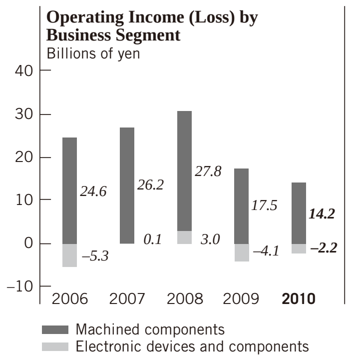
Operating Income

Operating income fell 10.0%, or ¥1,347 million, to ¥12,059 million. The first half of the fiscal year was impacted by the adverse impact on the manufacturing costs due to major production cutback conducted towards the end of the previous period. Although operating income increased significantly in the second half of the period by virtue of the recovery of demand and improvements in efficiency led by increased production, the overall operating income for the period declined. The operating margin rose 0.1 percentage point, to 5.3%. For more information, refer to "Performance by Business Segment."



Other Income (Expenses)

The net balance of other income and expenses (net amounts of non-operating profit/loss and extraordinary profit/loss) was expenses, i.e. a loss, of ¥2,798 million, which is ¥3,774 million less than the previous fiscal year. Interest expense declined ¥748 million, to ¥1,898 million, as a consequence of falling interest rates worldwide. Other major items were the product warranty loss of ¥511 million and the loss of ¥212 million on the sale/disposal of fixed assets. This amounted to a drastic decrease compared to the previous fiscal year, which we recorded significant losses on account of plant closure and others.

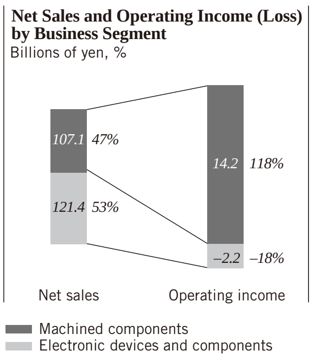


Income before Income Taxes and Minority Interests

Income before income taxes and minority interests for the current fiscal year totaled ¥9,261 million, an increase by 35.5%, or ¥2,427 million.

Income Taxes

Income taxes declined ¥1,974 million, to ¥2,249 million. This is comprised of current income taxes, that is, corporate, inhabitant and business taxes, of ¥4,051 million, refund of income taxes of ¥1,912 million and deferred income taxes of ¥110 million. The effective income tax rate improved to 24.3% from 61.8% due to the increase in income before income taxes and minority interests, and the effect of dividends income excluded from taxable income, etc.



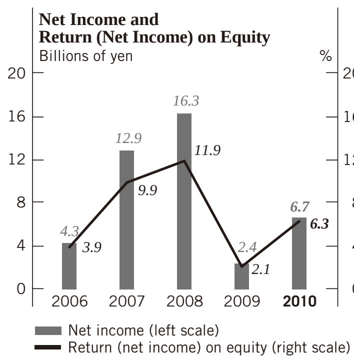
Note: Percentages represent contribution by business segment to total.

Minority Interests

Minority interests amounted to ¥350 million, up ¥180 million from the previous fiscal year. This was primarily attributable to the improved earnings performance of the Minebea Motor Manufacturing Corporation joint venture.

Net Income

As a consequence of the aforementioned factors, net income increased to ¥6,662 million, which is a ¥4,221 million increase (172.9%) from the previous fiscal year. Basic net income per share was ¥17.20, up ¥11.02 from ¥6.18 in the previous fiscal year.



Income

Millions of yen

Years ended March 31	**2010**	2009	2008	2007	2006
Operating income	**¥12,059**	¥13,406	¥30,762	¥26,265	¥19,269
Operating margin	**5.3%**	5.2%	9.2%	8.0%	6.0%
Net balance of other income (expenses)	**(2,798)**	(6,572)	(5,508)	(6,742)	(9,649)
Net income	**6,662**	2,441	16,303	12,862	4,257
Net income to net sales	**2.9%**	1.0%	4.9%	3.9%	1.3%
Net income per share (Yen):					
Basic	**17.20**	6.18	40.86	32.23	10.67
Return (net income) on equity	**6.3%**	2.1%	11.9%	9.9%	3.9%
Return on total assets	**2.4%**	0.8%	4.8%	3.7%	1.2%

Financial Condition

Financial Policy and Liquidity

In its various businesses where the Minebea Group operates, product and technological development is accelerating and global competition is intensifying. In such an environment, we recognize the importance of ensuring the flexibility in order to allow prior investment, which enable us to develop products that satisfy diverse customer expectations and lead the market, as well as capital investment promptly responding to demand fluctuations. To support these dynamic corporate activities and facilitate the strengthening of our technological development capabilities, we strive to maintain a sound financial position and a high degree of flexibility in our financing activities.

Under one of our primary management policies, namely the "reinforcement of financial structure," the Minebea Group has pursued shrinkage of assets, controlled capital investment and the reduction of liabilities. Given the uncertain financial conditions that encompass financial risks and increased interest rate burdens, we promoted efforts to expand income, shrink inventories and implemented an effective investment plan that focuses on the efficient use of assets, thereby reducing interest-bearing debt, to avoid these risks. As a result, we attained our midterm goal of keeping the net interest-bearing debt below ¥100,000 million. The net interest-bearing debt was ¥96,893 million as of the current fiscal year-end.

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 of ¥10,000 million.

Debt Ratings

As of May 2010	*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 ¥11,081 million, down 45.1%, or ¥9,101 million, from the previous fiscal year. The breakdown of our capital investment is ¥5,529 million in the Machined Components segment and ¥5,552 million in the Electronic Devices and Components segment.

In the Machined Components segment, investments were made 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 pivot assemblies. 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, China and other.

Capital investment included investments in the purchase of intangible fixed assets (¥323 million) and in assets acquired through finance leases (¥316 million).

In response to the sharp decline in demand globally, deriving from the worldwide recession, we have strived for efficient investments. However, given the improving demand in the world, we will proactively expand our investments into growing business sectors. For the next fiscal year, we are planning a capital investment of ¥30,000 million, primarily in the businesses of pivot assemblies, spindle motors, LED backlights for LCD, and ball bearings.

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 ¥3.00 per share. As a result, the consolidated payout ratio for the current fiscal year was 40.7%.

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

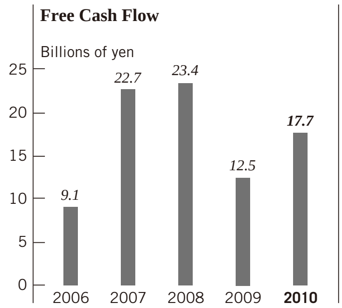
Free cash flow (calculated by adding net cash flows from operating activities and net cash flows from investing activities) totaled ¥17,675 million, an increase of 41.3%, or ¥5,165 million, from the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥30,408 million, down 18.0%, or ¥6,656 million, from the previous fiscal year. This was mainly due to the decrease in trade receivables of ¥9,574 million and depreciation and amortization of ¥21,140 million, which decreased by ¥29,719 million and ¥2,848 million, respectively, from the previous fiscal year. This was partially offset by the increase in trade payables of ¥6,571 million led by increased production and income before income taxes and minority interests of ¥9,261 million, which increased by ¥21,220 million and ¥2,427 million, respectively, from the previous fiscal year.

Cash Flows from Investing Activities

Net cash used in investing activities decreased 48.1%, or ¥11,821 million, to ¥12,733 million. This owes mostly to the fact that there was no payment for purchase of shares in subsidiaries in the current fiscal year, compared to ¥7,265 million in the previous fiscal year, and that the payments for purchase of tangible fixed assets was ¥10,495 million, which was ¥7,934 million less than the previous fiscal year.

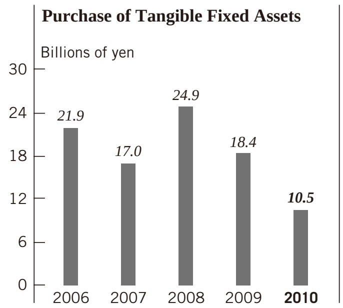


Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥20,118 million, which was a ¥13,143 million increase (188.5%) from the previous fiscal year. The main factor behind this change was the net decrease in short-term and long-term debt of ¥14,128 million, decreased by ¥17,336 million from the previous fiscal year.

Cash and Cash Equivalents

The balance of cash and cash equivalents at the end of current fiscal year was ¥24,855 million, a net decrease of ¥3,040 million, due to the free cash flow income falling below the net cash used in financing activities.



Free Cash Flow

Millions of yen

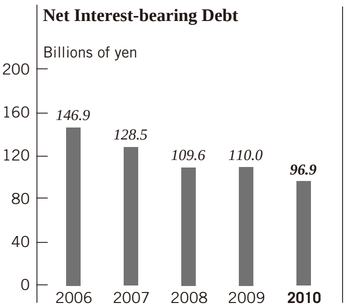
Years ended March 31	**2010**	2009	2008	2007	2006
Net cash provided by operating activities	**¥ 30,408**	¥ 37,064	¥ 46,893	¥ 37,902	¥ 28,237
Net cash used in investing activities	**(12,733)**	(24,554)	(23,461)	(15,180)	(19,120)
Portion of above used in purchase of tangible fixed assets	**(10,495)**	(18,429)	(24,888)	(16,969)	(21,897)
Free cash flow	**17,675**	12,510	23,432	22,722	9,117

Assets, Liabilities and Net Assets

Total assets at the end of the current fiscal year amounted to ¥277,967 million, down 2.6%, or ¥7,429 million, from the end of the previous fiscal year. This was primarily attributable to the reduced tangible fixed assets owing to holding down capital investment, reduced inventory, acquisition of treasury stock, and the reduced value of assets held by affiliates overseas when calculated in yen.

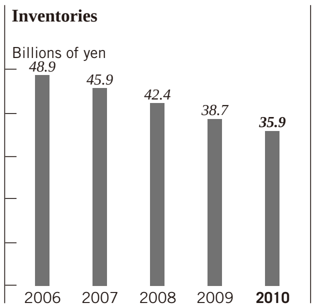
Total net assets came to ¥108,381 million, while the equity ratio was 38.5%, up 1.4 percentage points.

Net interest-bearing debt (total debt minus cash and cash equivalents and time deposits) decreased 11.9%, or ¥13,102 million, to ¥96,893 million. As a consequence, the net debt-to-equity ratio fell to 0.9 times.



Assets

Cash and cash equivalents decreased ¥3,040 million, to ¥24,855 million, compared to the previous fiscal year-end. Notes and accounts receivable–trade were up ¥8,829 million, to ¥52,184 million, reflecting the increase in net sales. Inventories decreased ¥2,825 million, to ¥35,912 million, on account of good sales and company-wide efforts to reduce inventories. Deferred tax assets (short-term) rose by ¥2,635 million, to ¥5,779 million.



As a result, total current assets increased by 6.8%, or ¥8,305 million, to ¥130,004 million.

Total tangible fixed assets amounted to ¥124,228 million, down 8.3%, or ¥11,178 million. Purchase of tangible fixed assets for the current fiscal year totaled ¥10,495 million, while depreciation and amortization amounted to ¥21,140 million.

Total intangible fixed assets totaled ¥9,672 million, down 18.6%, or ¥2,210 million.

Total investments and other assets were ¥14,063 million, down 14.3%, or ¥2,346 million, owing to a ¥1,196 million increase of investments in securities due to acquisition of preferred stock, etc. and a ¥3,056 million decrease in deferred tax assets (long-term).

Consequently, total fixed assets amounted to ¥147,963 million, a decrease of 9.6%, or ¥15,734 million.

Liabilities

Notes and accounts payable–trade were ¥16,464 million, an increase of ¥6,800 million compared to the previous fiscal year-end, due to increase of purchase led by increased production. Short-term loans payable decreased by ¥7,235 million, to ¥51,655 million. The current portion of long-term debt fell by ¥9,000 million, to ¥13,100 million. On the other hand, ¥10,000 million of bonds were transferred to current liabilities. Owing to such factors, total current liabilities amounted to ¥102,961 million, down 8.3%, or ¥9,351 million.

Long-term debt increased by ¥1,745 million, to ¥58,645 million, by virtue of new borrowings. As a result, total long-term liabilities increased by 0.5%, or ¥303 million, to ¥66,625 million.

Net Assets

Total net assets increased by 1.5%, or ¥1,619 million, to ¥108,381 million, owing to a ¥5,330 million increase in retained earnings, despite the increase in treasury stock by ¥3,315 million. Minority interests in consolidated subsidiaries increased by 50.6%, or ¥499 million, to ¥1,485 million.

Financial Position

Millions of yen

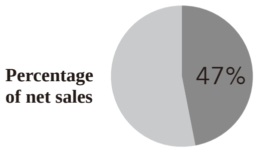
As of March 31	**2010**	2009	2008	2007	2006
Total assets	**¥277,967**	¥285,396	¥320,544	¥354,784	¥349,862
Cash and cash equivalents	**24,855**	27,895	23,281	21,731	24,385
Time deposits	**1,652**	—	—	—	—
Total current assets	**130,004**	121,699	148,117	156,059	153,564
Inventories	**35,912**	38,737	42,401	45,904	48,914
Total current liabilities	**102,961**	112,312	118,321	131,155	150,886
Working capital	**27,043**	9,387	29,796	24,905	2,678
Interest-bearing debt	**123,400**	137,890	132,852	150,261	171,272
Net interest-bearing debt	**96,893**	109,995	109,571	128,530	146,887
Total net assets	**108,381**	106,762	131,730	142,558	118,209
Equity ratio	**38.5%**	37.1%	40.7%	40.1%	33.6%
Debt-to-equity ratio (Times)	**1.1**	1.3	1.0	1.1	1.5
Net debt-to-equity ratio (Times)	**0.9**	1.0	0.8	0.9	1.2
Net assets per share (Yen)	**279.87**	271.93	327.25	356.75	294.65

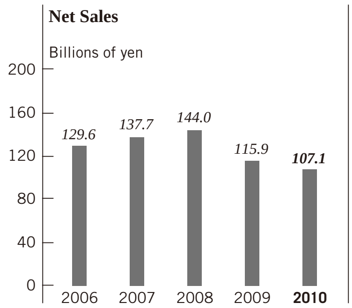
Note: Effective from fiscal 2007, Minebea has applied the Accounting Standard for Presentation of Net Assets in the Balance Sheet and the Implementation Guidance for the Accounting Standard for Presentation of Net Assets in the Balance Sheet. Accordingly, “shareholders’ equity,” “total shareholders’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

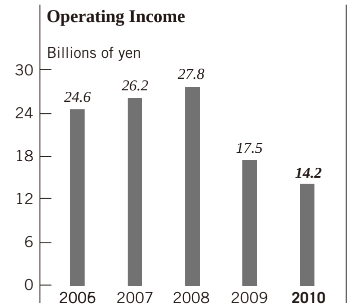
Segment Results

Performance by Business Segment

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/automotive fasteners
- Special machined components
- Magnetic clutches and brakes

Net sales in the Machined Components segment amounted to ¥107,088 million, down 7.6%, or ¥8,784 million, compared to the previous fiscal year. Operating income fell 18.5%, or ¥3,234 million, to ¥14,235 million, and the operating margin, calculated using sales to external customers, declined by 1.8 percentage points, to 13.3%. In spite of our pursuit of basic technologies, product technologies, and manufacturing technologies in the continuous effort to reduce costs, the operating income declined, suffering from the adverse impact on manufacturing costs caused by drastic output cuts undertaken towards the end of the previous fiscal year.

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

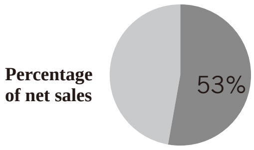
Sales of our mainstay products, i.e. ball bearings, rod-end bearings and spherical bearings, declined in comparison with the previous fiscal year due to deteriorated market conditions in the first half of the current fiscal year. However, in the latter half, sales increased by virtue of a market recovery combined with an efficiency improvement through increased production, contributing to a drastic profit improvement for the major products, notably ball bearings. In the first half of the period, the pivot assemblies segment experienced an increase in sales to the hard disk drive industry, which are our major customers, but sales leveled off due to the appreciation of the yen. However, in the second half of the period, sales increased due to vigorous market demand.

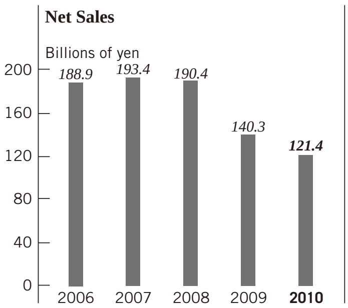
In the miniature and small-sized ball bearings business, we continued to lower manufacturing costs through streamlining and efforts to improve yield. In addition to strengthening this business, in line with the theme of returning to the basics of manufacturing, we sought to reinforce the development of basic technologies. To further reduce fixed costs, in April 2009, we closed the Skegness Plant of NMB-Minebea UK Ltd and shifted production machinery to our Shanghai plant. In the future, we plan to construct a new plant as well as endeavoring to increase production in order to meet the strong demand.

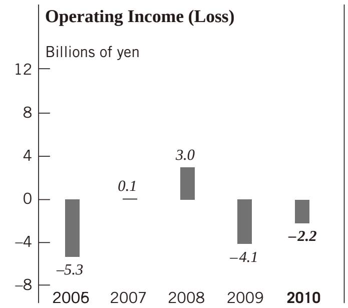
In the rod-end and spherical ball bearings business, we built a new production facility within the Karuizawa Plant and an aircraft part factory (for surface finishing) at the Fujisawa Plant, and commenced their operation, thereby positioning us to respond to the anticipated increase in demand from aircraft 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 increasing productions and lowering the cost of sales by improving yield. Towards the future, we plan to build a new facility in consideration of the expanding HDD market.

Electronic Devices and Components







Net sales in the Electronic Devices and Components segment fell 13.5%, or ¥18,933 million, to ¥121,358 million, compared to the previous fiscal year. Given the decreasing sales, we implemented cost reduction efforts with a focus on motors. As a result, the segment recorded an operating loss of ¥2,176 million, which is a ¥1,887 million improvement to the operating loss of the previous fiscal year. The operating margin, calculated using sales to external customers, was –1.8%, indicating an improvement of 1.1 percentage points.

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, automobiles, industrial machinery	2–20%, depending on product
Other electronic devices and components		
PC keyboards	PCs	3%
Lighting devices for LCDs	Cellular phones, digital cameras, portable digital information terminals	10%
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

In comparison to the previous fiscal year, the sale of LCD backlights increased due to sales promotions targeting the automobile industry and the recovery of demand in the mobile phone market. On the other hand, the sales of information motors and other motors declined due to the appreciation of the yen and the deterioration of market conditions in the first half of the current fiscal year. Regarding measuring components, sales in the market for game consoles declined.

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 the information motors business, we are introducing new products and pursuing synergy. The brushless DC motor products taken over from Panasonic Corporation joined our line of business in April 2010.

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

In the electronic devices business, we are expanding our lineup and production of small and medium-sized LED backlights, including LED backlights for in-vehicle LCD.

In the area of speakers, we are working to expand sales and to specialize in high added value products.

In the measuring components business, we are developing new products and markets.

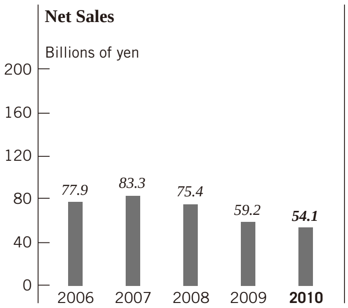
Principal Products

- **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

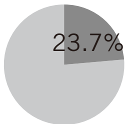
Performance by Geographic Segment

Japan

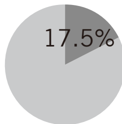
In Japan, the overall demand was stagnant and sales decreased by 8.6%, or ¥5,089 million, to ¥54,065 million. Despite the decline in sales, as a result of our efforts to cut costs and expenses, the operating income recorded an increase of ¥845 million (67.0%), to ¥2,106 million.



Percentage of net sales

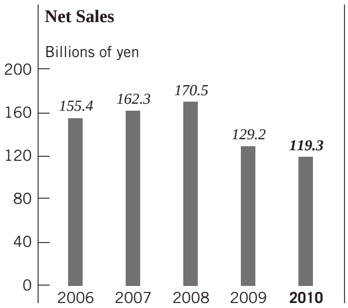


Percentage of operating income

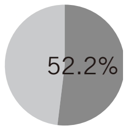


Asia (Excluding Japan)

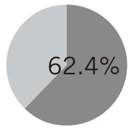
Asia includes the growing Greater China region, an important manufacturing base for many companies in Japan, Europe, and the United States. Impacted by the appreciation of yen and the slump in sales of ball bearings and information motors in the earlier half of the fiscal year, net sales declined 7.7%, or ¥9,910 million, to ¥119,333 million. The operating income fell 8.8%, or ¥723 million, to ¥7,525 million.



Percentage of net sales

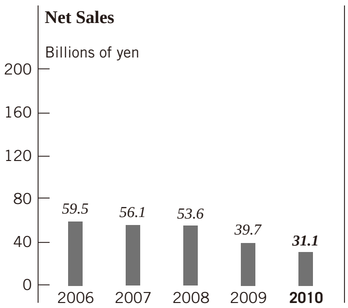


Percentage of operating income

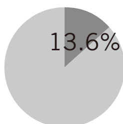


North America

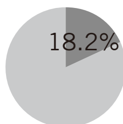
In North America, sales of U.S.-manufactured ball bearings for aircrafts and rod-end bearings for aircraft-related industries were firm, but the appreciation of the yen and decrease in demand that occurred in the second half of the fiscal year pushed down the total sales for the fiscal year. Sales of PC keyboards and speakers, which we aim to specialize in high-value-added products, also declined. As a result, we reported, in North America, net sales of ¥31,137 million, down 21.5%, or ¥8,550 million, and an operating income of ¥2,200 million, a decrease of 22.4%, or ¥633 million.



Percentage of net sales

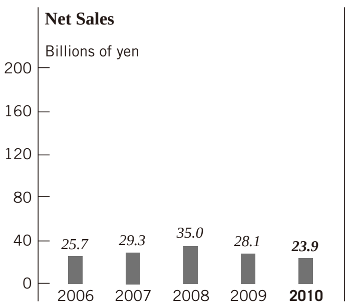


Percentage of operating income

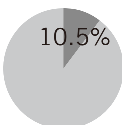


Europe

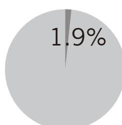
In Europe, sales of all products slumped due to the global economic downturn. The Electronic Devices and Components segment particularly suffered from the worsened market conditions. Certain markets showed recovery in the second half of the fiscal year, but for the fiscal year as a whole the net sales declined 14.8%, or ¥4,168 million, to ¥23,911 million, and the operating income fell 78.6%, or ¥836 million, to ¥228 million.



Percentage of net sales



Percentage of operating income



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. Furthermore, the Minebea Group is dedicated to the development of hybrid component products that integrate the element technologies from Machined Components and Electronic Devices and Components. In March 2010, Minebea released “COOL LEAF,” a next generation input device produced through combining technologies cultivated in the process of design and development of keyboards (input devices), lighting devices (backlight module including light guide plate) and measuring components (force sensors).

Minebea has development bases in Japan (Karuizawa Plant and Hamamatsu Plant), 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 within the Minebea Group 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.

In the current fiscal year, R&D costs for the Minebea Group amounted to ¥8,410 million. This included ¥271 million allocated to basic research at material science laboratories 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.

We are also working to develop ever-smaller miniature ball bearings. 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 tie-rod mechanical assemblies, trunnion bearings for main landing gear and a wide range of bearings for flight control systems for new models released by U.S. and European aircraft manufacturers, by applying technology used in our rod-end bearings.

The majority of HDDs now use perpendicular magnetic recording to achieve higher recording densities, and thus ensuring the cleanliness of components has become a crucial consideration. To offer a high level of cleanliness in our mainstay HDD-related products, which include bearing unit, spindle motors and base plates, we have actively developed clean manufacturing technologies.

The R&D cost in the Machined Components segment in the current fiscal year amounted to ¥2,287 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. We have successfully developed heat management system modules (HMSMs) by 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 ultra precision 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 developing backlight driving circuits for large-sized LCD TVs. 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 ¥5,852 million.

Outlook for the Next Fiscal Year (Fiscal Year Ending March 2011)
(as of May 2010)

We expect that in the amid of the world economy showing signs of recovery mainly in Asia, the Japanese economy, in tune with U.S. and European economic recoveries, will be on the road to recovery with export improvements despite deflationary concerns. In Asia, we expect that the economies will remain strong despite concerns about the overheated economy in China. In the U.S., the economy is expected to move toward gradual recovery with the financial environment improving and corporate earnings ceasing to fall.

Under these circumstances, we expect net sales of 265,000 million yen, operating income of 23,500 million yen and net income of 12,500 million yen. This is due to expectations of increased sales by the brushless motor business to be newly added by a business acquisition implemented in the fiscal year; sales expansion in steady Asian markets; and increased sales to strong HDD-related markets.

Machined components business, we will continue to aggressively expand sales of mainstay ball bearings to the automobile and information & telecommunications equipment industries. By achieving economies of scale in manufacturing from this sales expansion and further reducing costs, we aim to improve business results further. We expect that sales of ball bearings will increase mainly in Asia due to economic recovery. Also in pivot assemblies, we expect increased sales due to active market demands.

Electronic devices and components business, in the information motor business, we will strive to further enhance results by continuing to improve production efficiency and to make product mix reviews. An increase in sales is expected due to the launch of a new business segment to sell brushless motor as a result of M&A we carried out during the current fiscal year. In the spindle motor business, we will strive to improve results mainly by responding to active market demands, making cost reduction efforts and boosting sales of 2.5" models. Also, in the PC keyboard business, we will aim for earnings improvement by focusing on high-quality, high-priced models and new input device products, etc. In LCD backlight assemblies, inverters, measuring components, etc., we will aim for sales recovery by expanding sales.

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 29, 2010, 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.

1. 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. Our operating results and financial position are vulnerable to these fluctuations.

2. Foreign exchange risk
A significant portion of our consolidated net sales and production are outside of Japan. Our business is thus vulnerable to risks 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.

3. R&D risk
While we focus on R&D to introduce a constant stream of new, high-quality products, we are subject to the risk that significant R&D expenditures may not be rewarded with successes, as there are no guarantees that R&D efforts will come to fruition.

4. Legal risk
The Legal Department is responsible for managing risk related to lawsuits and other legal actions brought against Minebea Group operations in Japan and/or overseas. 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.

5. Risk related to price negotiations
We continue to face intense competition from lower-priced products made overseas. 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.

6. Risk related to raw materials and logistics costs
We purchase a variety of materials from external suppliers and strive to ensure optimal purchase 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 in the future.

7. 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, our operations overseas are subject to the following risks, any of which may have a negative impact on our operating results and/or financial position:
(a) Unexpected changes to laws or regulations.
(b) Difficulty in attracting and securing appropriate human resources.
(c) Acts of terrorism or war, or other acts that may cause social disruption.

Consolidated Balance Sheets

As of March 31, 2010 and 2009

Assets	Millions of yen 2010	Millions of yen 2009	Thousands of U.S. dollars (Note 3) 2010
Current Assets:			
Cash and cash equivalents	**¥ 24,855**	¥ 27,895	**$ 267,149**
Time deposits	**1,652**	—	**17,752**
Notes and accounts receivable:			
Trade	**52,184**	43,355	**560,884**
Other	**2,443**	1,400	**26,256**
	54,627	44,755	**587,140**
Allowance for doubtful receivables	**(129)**	(151)	**(1,390)**
Total notes and accounts receivable	**54,498**	44,604	**585,750**
Inventories (Note 2-e)	**35,912**	38,737	**385,982**
Deferred tax assets (Note 6)	**5,779**	3,144	**62,115**
Prepaid expenses and other current assets (Note 2-g)	**7,308**	7,319	**78,553**
Total current assets	**130,004**	121,699	**1,397,301**
Tangible Fixed Assets (Notes 2-f, 2-i and 5)**:**			
Land	**14,016**	13,979	**150,649**
Buildings and structures	**97,149**	97,553	**1,044,162**
Machinery and transportation equipment	**230,214**	226,584	**2,474,352**
Tools, furniture and fixtures	**44,007**	43,822	**472,989**
Leased assets	**1,872**	2,784	**20,126**
Construction in progress	**1,651**	1,740	**17,744**
	388,909	386,462	**4,180,022**
Accumulated depreciation	**(264,681)**	(251,056)	**(2,844,814)**
Total tangible fixed assets	**124,228**	135,406	**1,335,208**
Intangible Fixed Assets:			
Goodwill (Note 2-k)	**7,001**	8,585	**75,246**
Other	**2,671**	3,297	**28,708**
Total intangible fixed assets	**9,672**	11,882	**103,954**
Investments and Other Assets:			
Investments in affiliate	**146**	154	**1,564**
Investments in securities (Note 2-g)	**7,380**	6,184	**79,323**
Long-term loans receivable	**23**	16	**255**
Deferred tax assets (Note 6)	**4,923**	7,979	**52,918**
Other (Note 2-h)	**1,606**	2,081	**17,262**
	14,078	16,414	**151,322**
Allowance for doubtful receivables	**(15)**	(5)	**(167)**
Total investments and other assets	**14,063**	16,409	**151,155**
Deferred Charges	**—**	0	**—**
Total Assets	**¥ 277,967**	¥ 285,396	**$ 2,987,618**

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

Liabilities and Net Assets	Millions of yen 2010	2009	Thousands of U.S. dollars (Note 3) 2010
Current Liabilities:			
Short-term loans payable (Note 4)	**¥ 51,655**	¥ 58,890	**$ 555,196**
Current portion of long-term debt (Note 4)	**13,100**	22,100	**140,800**
Notes and accounts payable:			
Trade	**16,464**	9,664	**176,959**
Other	**4,775**	4,786	**51,327**
Total notes and accounts payable	**21,239**	14,450	**228,286**
Income taxes payable (Note 6)	**1,831**	418	**19,674**
Lease obligations (Note 4)	**471**	858	**5,067**
Accrued expenses and other current liabilities (Note 6)	**14,665**	15,596	**157,611**
Total current liabilities	**102,961**	112,312	**1,106,634**
Long-term Liabilities:			
Long-term debt (Note 4)	**58,645**	56,900	**630,319**
Lease obligations (Note 4)	**492**	1,130	**5,291**
Other (Notes 2-h and 6)	**7,488**	8,292	**80,487**
Total long-term liabilities	**66,625**	66,322	**716,097**
Total liabilities	**169,586**	178,634	**1,822,731**
Contingent Liabilities (Note 15)			
Net Assets (Note 11):			
Shareholders' equity:			
Common stock			
Authorized: 1,000,000,000 shares			
Issued: March 31, 2010—399,167,695 shares			
March 31, 2009—399,167,695 shares	**68,259**	68,259	**733,651**
Capital surplus	**94,768**	94,757	**1,018,569**
Retained earnings	**26,149**	20,819	**281,059**
Treasury stock	**(6,571)**	(3,256)	**(70,631)**
Total shareholders' equity	**182,605**	180,579	**1,962,648**
Revaluation/translation differences:			
Differences on revaluation of available-for-sale securities	**92**	(189)	**988**
Deferred gains or losses on hedges	**7**	2	**83**
Foreign currency translation adjustments	**(75,808)**	(74,616)	**(814,793)**
Total revaluation/translation differences	**(75,709)**	(74,803)	**(813,722)**
Minority interests in consolidated subsidiaries	**1,485**	986	**15,961**
Total net assets	**108,381**	106,762	**1,164,887**
Total Liabilities and Net Assets	**¥277,967**	¥285,396	**$2,987,618**

Consolidated Statements of Income

Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2010	2009	2008	**2010**
Net Sales	**¥228,446**	¥256,163	¥334,431	**$2,455,353**
Cost of Sales (Note 10)	**175,286**	197,138	253,710	**1,883,985**
Gross profit	**53,160**	59,025	80,721	**571,368**
Selling, General and Administrative Expenses (Notes 2-k and 10)	**41,101**	45,619	49,959	**441,754**
Operating income	**12,059**	13,406	30,762	**129,614**
Other Income (Expenses):				
Interest income	**206**	418	688	**2,216**
Equity in net income (loss) of affiliate	**(8)**	(3)	14	**(82)**
Interest expense	**(1,898)**	(2,646)	(4,402)	**(20,399)**
Foreign currency exchange losses	**(217)**	(264)	(474)	**(2,328)**
Gains (losses) on sales and disposals of tangible fixed assets	**(212)**	(424)	(531)	**(2,279)**
Gains on sale of investment securities (Note 2-g)	**32**	—	—	**345**
Gains (losses) on liquidation of subsidiaries and affiliates	**(159)**	311	(999)	**(1,715)**
Reversal of allowance for business restructuring losses	—	49	202	—
Impairment loss (Note 5)	**(31)**	(23)	(72)	**(338)**
Product warranty loss	**(511)**	(146)	(237)	**(5,491)**
Allowance for environmental remediation expenses	—	(744)	—	—
Business restructuring loss	**(75)**	(1,793)	—	**(806)**
Special severance payments (Note 2-h)	—	(985)	(165)	—
Retirement benefit expenses for overseas subsidiaries (Note 2-h)	—	—	(116)	—
Other, net	**75**	(322)	584	**809**
	(2,798)	(6,572)	(5,508)	**(30,068)**
Income before Income Taxes and Minority Interests	**9,261**	6,834	25,254	**99,546**
Income Taxes (Note 6)**:**				
Current (including enterprise tax)	**4,051**	4,433	8,497	**43,543**
Income tax refund	**(1,912)**	—	—	**(20,546)**
Reversal of prior year's income taxes	—	(1,028)	—	—
Deferred (benefit)	**110**	818	(591)	**1,181**
	2,249	4,223	7,906	**24,178**
Minority Interests	**350**	170	1,045	**3,764**
Net Income	**¥ 6,662**	¥ 2,441	¥ 16,303	**$ 71,604**

	Yen			U.S. dollars (Note 3)
Per Share Data (Note 12)**:**				
Net income (basic)	**¥17.20**	¥6.18	¥40.86	**$0.18**
Cash dividends applicable to the year	**7.00**	7.00	10.00	**0.08**

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, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2010	2009	2008	**2010**
Shareholders' Equity				
Common stock				
Balance at previous fiscal year-end	**¥ 68,259**	¥ 68,259	¥ 68,259	**$ 733,651**
Changes during current fiscal year				
Total changes during current fiscal year	**—**	—	—	**—**
Balance at current fiscal year-end	**68,259**	68,259	68,259	**733,651**
Capital surplus				
Balance at previous fiscal year-end	**94,757**	94,757	94,757	**1,018,451**
Changes during current fiscal year				
Disposal of treasury stocks	**11**	(0)	0	**118**
Total changes during current fiscal year	**11**	(0)	0	**118**
Balance at current fiscal year-end	**94,768**	94,757	94,757	**1,018,569**
Retained earnings				
Balance at previous fiscal year-end	**20,819**	28,168	15,855	**223,768**
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	**—**	(6,442)	—	**—**
Increase associated with change in the consolidated subsidiaries' settlement date	**53**	—	—	**572**
Cash dividend from retained earnings	**(1,945)**	(1,994)	(3,990)	**(20,904)**
Net income	**6,662**	2,441	16,303	**71,604**
Increase (decrease) due to decrease (increase) in unfunded retirement benefit obligation of foreign subsidiaries	**560**	(1,353)	—	**6,019**
Disposal of treasury stocks	**—**	(1)	—	**—**
Total changes during current fiscal year	**5,330**	(7,349)	12,313	**57,291**
Balance at current fiscal year-end	**26,149**	20,819	28,168	**281,059**
Treasury stock				
Balance at previous fiscal year-end	**(3,256)**	(97)	(80)	**(34,992)**
Changes during current fiscal year				
Purchase of treasury stocks	**(3,390)**	(3,161)	(18)	**(36,444)**
Disposal of treasury stocks	**75**	2	1	**805**
Total changes during current fiscal year	**(3,315)**	(3,159)	(17)	**(35,639)**
Balance at current fiscal year-end	**(6,571)**	(3,256)	(97)	**(70,631)**
Total shareholders' equity				
Balance at previous fiscal year-end	**180,579**	191,087	178,791	**1,940,878**
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	**—**	(6,442)	—	**—**
Increase associated with change in the consolidated subsidiaries' settlement date	**53**	—	—	**572**
Cash dividend from retained earnings	**(1,945)**	(1,994)	(3,990)	**(20,904)**
Net income	**6,662**	2,441	16,303	**71,604**
Increase (decrease) due to decrease (increase) in unfunded retirement benefit obligation of foreign subsidiaries	**560**	(1,353)	—	**6,019**
Purchase of treasury stocks	**(3,390)**	(3,161)	(18)	**(36,444)**
Disposal of treasury stocks	**86**	1	1	**923**
Total changes during current fiscal year	**2,026**	(10,508)	12,296	**21,770**
Balance at current fiscal year-end	**182,605**	180,579	191,087	**1,962,648**
Revaluation/Translation Differences				
Differences on revaluation of available-for-sale securities				
Balance at previous fiscal year-end	**(189)**	1,756	3,295	**(2,035)**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**281**	(1,945)	(1,539)	**3,023**
Total changes during current fiscal year	**281**	(1,945)	(1,539)	**3,023**
Balance at current fiscal year-end	**92**	(189)	1,756	**988**
Deferred gains or losses on hedges				
Balance at previous fiscal year-end	**2**	(0)	—	**26**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**5**	2	(0)	**57**
Total changes during current fiscal year	**5**	2	(0)	**57**
Balance at current fiscal year-end	**7**	2	(0)	**83**
Foreign currency translation adjustments				
Balance at previous fiscal year-end	**(74,616)**	(62,268)	(39,732)	**(801,976)**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**(1,192)**	(12,348)	(22,536)	**(12,817)**
Total changes during current fiscal year	**(1,192)**	(12,348)	(22,536)	**(12,817)**
Balance at current fiscal year-end	**(75,808)**	(74,616)	(62,268)	**(814,793)**
Total revaluation/translation differences				
Balance at previous fiscal year-end	**(74,803)**	(60,512)	(36,437)	**(803,985)**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**(906)**	(14,291)	(24,075)	**(9,737)**
Total changes during current fiscal year	**(906)**	(14,291)	(24,075)	**(9,737)**
Balance at current fiscal year-end	**(75,709)**	(74,803)	(60,512)	**(813,722)**
Minority Interests in Consolidated Subsidiaries				
Balance at previous fiscal year-end	**986**	1,155	204	**10,601**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**499**	(169)	951	**5,360**
Total changes during current fiscal year	**499**	(169)	951	**5,360**
Balance at current fiscal year-end	**1,485**	986	1,155	**15,961**
Total Net Assets				
Balance at previous fiscal year-end	**106,762**	131,730	142,558	**1,147,494**
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	**—**	(6,442)	—	**—**
Increase associated with change in the consolidated subsidiaries' settlement date	**53**	—	—	**572**
Cash dividend from retained earnings	**(1,945)**	(1,994)	(3,990)	**(20,904)**
Net income	**6,662**	2,441	16,303	**71,604**
Increase (decrease) due to decrease (increase) in unfunded retirement benefit obligation of foreign subsidiaries	**560**	(1,353)	—	**6,019**
Purchase of treasury stocks	**(3,390)**	(3,161)	(18)	**(36,444)**
Disposal of treasury stocks	**86**	1	1	**923**
Changes in non-shareholders' equity items (net)	**(407)**	(14,460)	(23,124)	**(4,377)**
Total changes during current fiscal year	**1,619**	(24,968)	(10,828)	**17,393**
Balance at current fiscal year-end	**¥108,381**	¥106,762	¥131,730	**$1,164,887**

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

Consolidated Statements of Cash Flows

Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2010	2009	2008	**2010**
Cash Flows from Operating Activities:				
Income before income taxes and minority interests	**¥ 9,261**	¥ 6,834	¥ 25,254	**$ 99,546**
Depreciation and amortization	**21,140**	23,988	26,443	**227,218**
Impairment loss (Note 5)	**31**	23	72	**338**
Amortization of goodwill (Note 2-k)	**1,352**	1,039	1,059	**14,533**
Interest and dividend income	**(304)**	(531)	(796)	**(3,272)**
Interest expense	**1,898**	2,646	4,402	**20,399**
(Gains) losses on sales and disposals of fixed assets	**212**	424	531	**2,279**
Gains on sales of investment securities	**(32)**	—	—	**(345)**
(Gains) losses on liquidation of subsidiaries and affiliates	**159**	(311)	999	**1,715**
(Increase) decrease in notes and accounts receivable–trade	**(9,574)**	20,145	939	**(102,902)**
(Increase) decrease in inventories	**2,286**	1,289	(1,545)	**24,573**
Increase (decrease) in notes and accounts payable–trade	**6,571**	(14,649)	(1,304)	**70,629**
Increase (decrease) in allowance for business restructuring losses	**(824)**	548	(264)	**(8,866)**
Increase in warranty reserve	**280**	19	—	**3,013**
Other	**1,209**	3,769	5,015	**12,985**
Subtotal	**33,665**	45,233	60,805	**361,843**
Interest and dividends received	**305**	547	796	**3,276**
Interest paid	**(1,892)**	(2,647)	(4,438)	**(20,332)**
Income taxes paid	**(2,545)**	(6,399)	(9,462)	**(27,357)**
Income tax refund	**875**	330	—	**9,408**
Payment for settlement	—	—	(808)	—
Net cash provided by operating activities	**30,408**	37,064	46,893	**326,838**
Cash Flows from Investing Activities:				
Transfers to time deposits	**(2,780)**	—	—	**(29,883)**
Proceeds from withdrawal from time deposits	**1,139**	—	—	**12,244**
Payments for purchase of tangible fixed assets	**(10,495)**	(18,429)	(24,888)	**(112,805)**
Proceeds from sales of tangible fixed assets	**683**	2,859	2,037	**7,344**
Payments for purchase of intangible fixed assets	**(323)**	(599)	(663)	**(3,474)**
Payments for purchase of shares in subsidiaries (Note 13)	—	(7,265)	—	—
Long-term loans provided	**(23)**	(9)	(22)	**(248)**
Other	**(934)**	(1,111)	75	**(10,036)**
Net cash used in investing activities	**(12,733)**	(24,554)	(23,461)	**(136,858)**
Cash Flows from Financing Activities:				
Net increase (decrease) in short-term and long-term debt	**(14,128)**	3,208	(16,597)	**(151,843)**
Cash dividends paid	**(1,945)**	(5,985)	(3,990)	**(20,904)**
Payments for purchase of treasury stock	**(3,390)**	(3,161)	(18)	**(36,444)**
Proceeds from disposal of treasury stock	**86**	1	1	**923**
Repayment of lease obligations	**(741)**	(1,038)	—	**(7,965)**
Net cash used in financing activities	**(20,118)**	(6,975)	(20,604)	**(216,233)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**(513)**	(921)	(1,278)	**(5,523)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(2,956)**	4,614	1,550	**(31,776)**
Cash and Cash Equivalents at Beginning of Year	**27,895**	23,281	21,731	**299,825**
Decrease Associated with Change in the Consolidated Subsidiaries' Settlement Date	**(84)**	—	—	**(900)**
Cash and Cash Equivalents at End of Year	**¥ 24,855**	¥ 27,895	¥ 23,281	**$ 267,149**

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 Company has made necessary adjustments to its consolidated accounting process regarding overseas subsidiaries 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.

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 39 affiliated companies, including 38 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, 2010, the Company liquidated 1 subsidiary.

For certain subsidiaries that have a fiscal year-end of December 31, provisional financial statements are prepared as of the Company's balance sheet date. In the year ended March 31, 2010, the balance sheet date for myonic Holding GmbH, myonic GmbH, myonic Limited and myonic s.r.o. was changed from December 31 to March 31.

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 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)
Until the year ended March 31, 2008, 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 in operating income and income before income taxes and minority interests for the year ended March 31, 2009, respectively.

Inventories as of March 31, 2010 and 2009, comprised the following:

Inventories

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2010	2009	**2010**
Merchandise and finished goods	**¥15,297**	¥16,840	**$164,416**
Work in process	**11,037**	11,506	**118,621**
Raw materials	**6,729**	7,246	**72,321**
Supplies	**2,849**	3,145	**30,624**
	¥35,912	¥38,737	**$385,982**

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 to 50 years for buildings and structures, 2 to 15 years for machinery and transportation equipment and 2 to 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.

(Additional information)
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 in operating income and income before income taxes and minority interests for the year ended March 31, 2009, 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, 2010 and 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 that fair value are not readily determinable are stated at cost, as determined by the moving average method.

Available-for-sale securities

	Millions of yen					
	2010			2009		
	Reported amount in balance sheet	*Acquisition cost*	*Difference*	*Reported amount in balance sheet*	*Acquisition cost*	*Difference*
Securities whose reported amounts in balance sheet exceed acquisition cost						
Equity securities	**¥1,907**	**¥1,526**	**¥381**	¥ —	¥ —	¥ —
Bonds	**2,539**	**2,534**	**5**	2,543	2,504	39
Securities whose reported amounts in balance sheet do not exceed acquisition cost						
Equity securities	**1,260**	**1,524**	**(264)**	2,889	3,082	(193)
Bonds	**—**	**—**	**—**	—	—	—
Total	**¥5,706**	**¥5,584**	**¥ 122**	¥5,432	¥5,586	¥(154)

	Thousands of U.S. dollars (Note 3)		
	2010		
	Reported amount in balance sheet	*Acquisition cost*	*Difference*
Securities whose reported amounts in balance sheet exceed acquisition cost			
Equity securities	**$20,498**	**$16,401**	**$ 4,097**
Bonds	**27,288**	**27,241**	**47**
Securities whose reported amounts in balance sheet do not exceed acquisition cost			
Equity securities	**13,543**	**16,378**	**(2,835)**
Bonds	**—**	**—**	**—**
Total	**$61,329**	**$60,020**	**$ 1,309**

Unlisted equity securities are not included in the above, as they do not have quoted market prices, therefore they are extremely difficult to measure their fair value. The amount of unlisted equity securities as of March 31, 2010 and 2009 are ¥2,531 million ($27,211 thousand) and ¥1,531 million, respectively.

Available-for-sale securities sold during each fiscal year

	Millions of yen								
	2010			2009			2008		
	Amount of sale	*Gain on sale*	*Loss on sale*	*Amount of sale*	*Gain on sale*	*Loss on sale*	*Amount of sale*	*Gain on sale*	*Loss on sale*
Equity securities	**¥65**	**¥32**	**¥—**	¥—	¥—	¥—	¥—	¥—	¥—

	Thousands of U.S. dollars (Note 3)		
	2010		
	Amount of sale	*Gain on sale*	*Loss on sale*
Equity securities	**$695**	**$345**	**$—**

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, 2010 and 2009, calculated on the basis of accrued retirement benefit obligations and prepaid pension costs as of March 31, 2010 and 2009.

Prepaid pension costs and accrued retirement benefits as of March 31, 2010 and 2009, 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 5 to 10 years, from the period subsequent to the period in which they are incurred.

(Change of accounting policy)
In the year ended March 31, 2010, the Company adopted the "Partial Amendments to "Accounting Standards for Retirement Benefits" (Part3)" (ASBJ Statement No. 19, issued on July 31, 2008).

There was no effect of this change on profits and losses for the year ended March 31, 2010.

(Additional information)
Effective April 1, 2008, the Company and certain consolidated domestics subsidiaries terminated 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 on 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, 2010 and 2009, are as follows:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
Projected Benefit Obligations	**2010**	2009	**2010**
Projected benefit obligations	**¥(33,511)**	¥(29,725)	**$(360,183)**
Plan assets at fair value	**21,816**	17,741	**234,480**
Unfunded projected benefit obligations	**(11,695)**	(11,984)	**(125,703)**
Unrecognized prior service costs	**2,647**	2,978	**28,451**
Unrecognized actuarial losses	**4,519**	4,758	**48,569**
Net amount recognized on consolidated balance sheets	**(4,529)**	(4,248)	**(48,683)**
Prepaid pension costs	**278**	873	**2,986**
Accrued retirement benefits	**¥ (4,807)**	¥ (5,121)	**$ (51,669)**

Net retirement benefit costs used for calculation for the years ended March 31, 2010, 2009 and 2008, are as follows:

	Millions of yen			*Thousands of U.S. dollars (Note 3)*
Net Retirement Benefit Costs	**2010**	2009	2008	**2010**
Service cost	**¥1,372**	¥ 1,433	¥ 1,279	**$14,742**
Interest cost	**1,207**	1,187	1,266	**12,976**
Expected return on plan assets	**(833)**	(1,050)	(1,403)	**(8,954)**
Amortization of prior service costs	**333**	332	2	**3,576**
Amortization of actuarial losses (gains)	**1,392**	281	(311)	**14,964**
Retirement benefit costs	**¥3,471**	¥ 2,183	¥ 833	**$37,304**
Loss on transition of retirement benefit plan	**—**	375	—	**—**
Special severance payments	**—**	985	165	**—**
Contributions to defined contribution pension plans	**159**	143	—	**1,711**
Total	**¥3,630**	¥ 3,686	¥ 998	**$39,015**

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, 2010, 2009 and 2008, are as follows:

Assumptions Used for Calculation	2010	2009	2008
Discount rate	**mainly 2.0%**	mainly 2.0%	mainly 2.5%
Expected rate of return on plan assets	**mainly 2.0%**	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

Non-cancellable finance lease transactions except for those that stipulate the transfer of ownership of the leased property to the lessee 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)

Until the year ended March 31, 2008, 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 for the year ended March 31, 2009.

j) Hedge accounting

Method of hedge accounting

The Company has adopted 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 has also adopted the special method to account for the interest rate swaps, which meet the requirements of special accounting.

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

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.

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.

k) 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 for the year ended March 31, 2008, 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, 2010 and 2009, the amount was ¥1,352 million ($14,533 thousand) and ¥1,039 million, respectively, which is amortized on a straight-line basis over a period ranging from 5 to 10 years.

l) 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 in operating income and income before income taxes and minority interests, respectively.

m) Change in classification

Until the year ended March 31, 2008, 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 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 for the year ended March 31, 2009.

n) 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 ¥93.04=US$1, the approximate rate of exchange on March 31, 2010. 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 weighted average rates of short-term loans as of March 31, 2010 and 2009 are 1.06% and 1.44%, respectively.

Short-term loans payable as of March 31, 2010 and 2009, consists of the follows:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2010	2009	**2010**
Notes payable to banks	**¥51,655**	¥58,890	**$555,196**
Total	**¥51,655**	¥58,890	**$555,196**

Long-term debt as of March 31, 2010 and 2009, consists of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2009	**2010**
1.39% unsecured bonds payable in Japanese yen due November 2010	**¥10,000**	¥10,000	**$107,481**
1.26% unsecured bonds payable in Japanese yen due December 2011	**10,000**	10,000	**107,481**
1.70% unsecured bonds payable in Japanese yen due March 2012	**1,500**	1,500	**16,122**
0.85% to 2.05% loans from banks, other	**50,245**	57,500	**540,035**
Lease obligations	**963**	1,988	**10,358**
	72,708	80,988	**781,477**
Less current portion	**13,571**	22,958	**145,867**
	¥59,137	¥58,030	**$635,610**

The aggregate annual maturities of long-term debt outstanding as of March 31, 2010, are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 3)
2011	**¥13,571**	**$145,867**
2012	**22,885**	**245,970**
2013	**13,723**	**147,493**
2014	**18,154**	**195,124**
2015 and thereafter	**4,375**	**47,023**
	¥72,708	**$781,477**

5. Losses on Impairment of Fixed Assets

The asset groups for which the Company recognized impairment losses for the years ended March 31, 2010, 2009 and 2008, are as follows:

Losses on impairment

			Millions of yen			Thousands of U.S. dollars (Note 3)
Use	*Location*	*Type of assets*	**2010**	2009	2008	**2010**
Idle assets	5 facilities, which are a plant in Malaysia, former Kyoto Plant, former Ibaraki Plant former Ichinoseki Plant and former Kanegasaki Plant (Yawata City, Kyoto Prefecture and others)	Buildings and structures	**¥ 7**	¥—	¥—	**$ 77**
		Machinery and transportation equipment	**—**	19	—	**—**
		Land	**24**	4	72	**261**
		Total	**¥31**	¥23	¥72	**$338**

Method to group the assets

Assets are generally grouped by the lowest level that generate independent cash flow, based on the business segmentation.

Reason for impairment losses having been recognized

The fixed assets (buildings and structures, machinery and transportation equipment, land and others) for which impairment losses were recognized for the years ended March 31, 2010, 2009 and 2008, 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 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, 2010, 2009 and 2008.

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 ¥9,546 million ($102,602 thousand) and ¥10,009 million as of March 31, 2010 and 2009, 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	**2010**	2009	**2010**
Excess of allowed limit chargeable to accrued bonuses	**¥ 970**	¥ 860	**$ 10,428**
Excess of allowed limit chargeable to reserve for retirement benefits	**1,563**	1,772	**16,796**
Loss on revaluation of investment securities	**351**	363	**3,773**
Unrealized gains on sales of inventories	**968**	755	**10,407**
Unrealized gains on sales of fixed assets	**732**	928	**7,870**
Excess of allowed limit chargeable to depreciation	**1,510**	1,246	**16,230**
Impairment loss	**405**	129	**4,353**
Tax losses carried forward	**4,648**	3,343	**49,961**
Foreign tax credit carried forward	**1,458**	1,086	**15,671**
Others	**1,891**	1,733	**20,318**
Subtotal	**14,496**	12,215	**155,807**
Valuation allowance	**(3,480)**	(690)	**(37,401)**
Total deferred tax assets	**¥11,016**	¥11,525	**$118,406**

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
Deferred Tax Liabilities	**2010**	2009	**2010**
Depreciation allowed to overseas subsidiaries	**¥1,149**	¥ 1,077	**$ 12,356**
Differences on revaluation of available-for-sale securities	**37**	27	**393**
Prepaid pension costs	**37**	333	**400**
Others	**247**	79	**2,655**
Total deferred tax liabilities	**1,470**	1,516	**15,804**
Net deferred tax assets	**¥9,546**	¥10,009	**$102,602**

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

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2010	2009	**2010**
Current assets—Deferred tax assets	**¥ 5,779**	¥ 3,144	**$ 62,115**
Fixed assets—Deferred tax assets	**4,923**	7,979	**52,918**
Current liabilities—Others	**(12)**	(16)	**(133)**
Long-term liabilities—Others	**(1,144)**	(1,098)	**(12,298)**
Net deferred tax assets	**¥ 9,546**	¥10,009	**$102,602**

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, 2010, 2009 and 2008, is shown below:

	2010	2009	2008
Statutory tax rate in Japan	**39.0%**	39.0%	39.0%
Adjustments:			
Amortization of goodwill	**5.7**	5.9	1.2
Difference of rates applied to overseas subsidiaries	**(18.1)**	(8.9)	(12.9)
Valuation allowance for operating losses of consolidated subsidiaries	**3.7**	—	(4.3)
Effect of dividend income eliminated for consolidation	**29.1**	57.4	8.3
Dividend income and other items not included in income for tax purposes	**(22.7)**	—	—
Changes in tax rates	**—**	(16.7)	—
Prior year's income taxes	**—**	(15.0)	—
Income tax refund	**(20.6)**	—	—
Withholding income taxes	**5.8**	—	—
Other	**2.4**	0.1	0.0
Effective income tax rate	**24.3%**	61.8%	31.3%

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:

Actual lease payments and depreciation expense

	Millions of yen
	2008
Actual lease payments	¥1,144
Depreciation	1,144

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.

Outstanding future lease payments for non-cancellable operating leases, is as follows:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2010	2009	**2010**
Due within 1 year	**¥ 842**	¥—	**$ 9,045**
Due after 1 year	**1,305**	—	**14,030**
Total	**¥2,147**	¥—	**$23,075**

8. Financial Instruments

a) Qualitative information on financial instruments

Financial instrument policies

The Company procures necessary funds (mainly through bank loans and issuance of bonds) based on the capital investment plan. Temporary surplus funds are managed in highly liquid financial assets and short-term operating funds are procured through bank loans. Derivatives are utilized to avoid the risks mentioned subsequently, and speculative trading is not included in the policy.

Details of financial instruments and its risks

Notes and accounts receivable, which are trade receivables, are exposed to credit risk deriving from clients. On the other hand, trade receivables in foreign currency produced in overseas business operations are subject to the risk of exchange rate fluctuations, although basically, are hedged using forward exchange contracts, other than those within the balance of the foreign currency trade accounts payable.

Securities and investments in securities are bonds and equity securities of companies with business relations, and are categorized as available-for-sale securities. These securities are exposed to the risk of market price fluctuation. Long-term loans receivable are also provided to employees.

Notes and accounts payable, which are trade payables, are mostly due within 6 months.

Foreign currency trade accounts payable are exposed to the risk of exchange rate fluctuations, but are hedged using forward exchange contacts, other than those within the balance of the foreign currency trade accounts receivable.

Borrowings, bonds, and lease obligations concerned with finance lease transactions primarily serve the purpose of financing for capital investment, and the redemption date is up to 7 years from the balance sheet date. A part of these are exposed to the risk of interest rate fluctuations, but are hedged by derivative transactions (interest rate swap transactions).

Derivative transactions include the forward exchange contract transactions that are intended to hedge against the fluctuation risks for trade receivables and payables in foreign currency and the interest rate swap transactions that are intended to hedge the fluctuation risks in the interest rates of its borrowings.

Risk management for financial instruments

• Management of credit risks (risks of clients' failure to perform contracted obligations)
The Sales Division & Administration Department of the Company periodically monitors the status of major clients regarding trade receivables based on the Company's credit management policies. In addition, the Office manages the payment due date and outstanding amount per client every month, as well as annual revisions of credit ratings and credit limits for early discovery and reduction of uncollectable receivables due to deteriorated financial conditions and such. Similar management is conducted at consolidated subsidiaries in keeping with the Company's credit management policies.

As for bonds categorized as available-for-sale securities, according to the fund management policy, the Company only handles U.S. Treasury securities and thus the credit risks are not significant.

Derivative transactions are deemed to have remote credit risk, as the Company limits making such transactions with highly rated and reliable financial institutions.

• Management of market risks (fluctuation risks in exchange rates and interest rates, etc.)
In principle, the Company uses forward exchange contracts to hedge against the fluctuation risks in foreign currency exchange rates by month and by currency for trade receivables and payables in foreign currency. The Company also adopts forward exchange contracts for foreign currency-denominated receivables and payables that are certain to arise from anticipated export transactions. The Company makes interest rate swap transactions to reduce risks of interest rate fluctuations from the repayment of its borrowings and bonds.

For securities and investment securities, fair values and the financial conditions of issuing entities (client firms) are periodically reviewed.

Based on the approval of the authorized personnel, the relevant department executes and manages derivative transactions according to the marketability risk management policies that specify transaction authorities and transaction amount limits. The monthly transaction results are reported to the executive officer in charge of finance of the Company.

Consolidated subsidiaries are also managed in pursuant to the Company's marketability risk management policies.

• Management of liquidity risks in financing (risks of failure to pay by payment due date)
The Company manages liquidity risks through the maintenance of short-term liquidity. The relevant departments of the Company create and update cash flow plans as necessary based on reports from each departments. Similar management is also implemented in consolidated subsidiaries.

Supplemental information on fair values of financial instruments

The fair values of financial instruments include both the amount based on market price, and when market price is not available, the amount is rationally calculated. Due to the integration of fluctuation factors in the calculation of such amount, the amount may vary depending on which preconditions are adopted. The contracted amount in derivative transactions mentioned in the note "9. Derivatives" do not in themselves represent the market risks in the derivative transactions.

b) Fair values of financial instruments

The reported amounts in the consolidated balance sheet, fair values and their differences as of March 31, 2010 are as follows, which does not contain items whose fair value was extremely difficult to measure.

	Millions of yen			*Thousands of U.S. dollars (Note 3)*		
	2010			**2010**		
	Reported amount in balance sheet	*Fair value*	*Difference*	*Reported amount in balance sheet*	*Fair value*	*Difference*
Cash and cash equivalents	¥ 24,855	¥ 24,855	¥ —	$ 267,149	$ 267,149	$ —
Time deposits	1,652	1,652	—	17,752	17,752	—
Notes and accounts receivable—trade	52,184	52,184	—	560,884	560,884	—
Securities and investments in securities	5,706	5,706	—	61,329	61,329	—
Total assets	¥ 84,397	¥ 84,397	¥ —	$ 907,114	$ 907,114	—
Notes and accounts payable—trade	16,464	16,464	—	176,959	176,959	—
Short-term loans payable	51,655	51,655	—	555,196	555,196	—
Current portion of long-term debt	13,100	13,226	126	140,800	142,163	1,363
Long-term debt	58,645	59,400	755	630,319	638,441	8,122
Total liabilities	¥139,864	¥140,745	¥881	$1,503,274	$1,512,759	$9,485
Derivative transactions*	¥ 28	¥ 28	¥ —	$ 301	$ 301	$ —

* Net receivables and payables deriving from derivative transactions are offset.

Calculation of fair value of financial instruments and matters related to securities and derivative transactions are as follows.

Assets

• Cash and cash equivalents • Time deposits • Notes and accounts receivable—trade

Book values are applied, as these items are settled in a short period, and their book values approximate fair values.

• Securities and investments in securities

Fair values for these items are based on market prices or by prices provided by the financial institution for bonds, and based on market prices for equity securities. Please refer to the note “2. Summary of Significant Accounting Policies g) Investments in securities”for the details of securities by each holding purposes.

Liabilities

• Notes and accounts payable—trade • Short-term loans payable

Book values are applied, as these items are settled in a short period, and their book values approximate fair values.

• Current portion of long-term debt • Long-term debt

As for loans payable, book values are applied for those with floating interest rates, as they are settled in a short period, and their book values approximate fair values. For those with fixed interest rates, sum of the principal and interests are discounted using the rate assumed when a similar borrowing is made.

As for bonds, those with market prices are based on such market prices, and for those with no market prices, sum of the principal and interests are discounted using the rate assumed when a similar issuance is made.

Derivative transactions

Please refer to the note “9. Derivatives”.

Financial instruments whose fair value is extremely difficult to measure

	Millions of yen	*Thousands of U.S. dollars (Note 3)*
	2010	2010
	Reported amount in balance sheet	*Reported amount in balance sheet*
Unlisted stocks	**¥2,531**	**$27,211**

The above item is not included in "Securities and investments in securities" as it does not have a market price and is deemed extremely difficult to measure its fair value.

Expected redemption amounts for monetary receivables and securities with maturity

	Millions of yen			
	2010			
	Within 1 year	*Over 1 year Within 5 year*	*Over 5 year Within 10 year*	*Over 10 year*
Cash and cash equivalents	**¥24,855**	**¥ —**	**¥—**	**¥—**
Time deposits	**1,652**	**—**	**—**	**—**
Notes and accounts receivable–trade	**52,184**	**—**	**—**	**—**
Securities and investments in securities				
Available-for-sale securities with maturity (U.S. Treasury securities)	**857**	**1,681**	**—**	**—**
Total	**¥79,548**	**¥1,681**	**¥—**	**¥—**

	Thousands of U.S. dollars (Note 3)			
	2010			
	Within 1 year	*Over 1 year Within 5 year*	*Over 5 year Within 10 year*	*Over 10 year*
Cash and cash equivalents	**$267,149**	**$ —**	**$—**	**$—**
Time deposits	**17,752**	**—**	**—**	**—**
Notes and accounts receivable–trade	**560,884**	**—**	**—**	**—**
Securities and investments in securities				
Available-for-sale securities with maturity (U.S. Treasury securities)	**9,215**	**18,073**	**—**	**—**
Total	**$855,000**	**$18,073**	**$—**	**$—**

Expected repayment and redemption for loans payable and bonds

Please refer to the note "4. Short-Term Loans Payable and Long-Term Debt."

(Additional information)

In the year ended March 31, 2010, the Company adopted the "Accounting Standards for Financial Instruments" (ASBJ Statement No.10, revised on March 10, 2008) and the "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, issued on March 10, 2008).

9. Derivatives

Derivative transactions which hedge accounting are applied as of March 31, 2010, are as follows:

Currency related

Allocation method of forward exchange contracts

		Millions of yen		
		2010		
Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1year*	*Fair value*
Forward exchange transaction	Short-term loans payable			
Buy				
U.S. dollars		**¥ 4,313**	**¥—**	**¥ (23)**
Japanese yen		**14,777**	**—**	**(603)**
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**13,269**	**—**	**(9)**
Euro		**2,136**	**—**	**32**
Sterling pounds		**28**	**—**	**0**
Japanese yen		**1,043**	**—**	**69**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**780**	**—**	**(9)**
Japanese yen		**496**	**—**	**(27)**

Allocation method of forward exchange contracts

		Thousands of U.S. dollars (Note 3)		
		2010		
Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1year*	*Fair value*
Forward exchange transaction	Short-term loans payable			
Buy				
U.S. dollars		**$ 46,359**	**$—**	**$ (256)**
Japanese yen		**158,827**	**—**	**(6,489)**
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**142,626**	**—**	**(106)**
Euro		**22,958**	**—**	**346**
Sterling pounds		**303**	**—**	**2**
Japanese yen		**11,212**	**—**	**751**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**8,385**	**—**	**(98)**
Japanese yen		**5,337**	**—**	**(298)**

General accounting method

		Millions of yen		
		2010		
Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1year*	*Fair value*
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**¥1,597**	**¥—**	**¥ (7)**
Euro		**648**	**—**	**5**
Sterling pounds		**41**	**—**	**(0)**
Japanese yen		**624**	**—**	**22**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**422**	**—**	**(3)**
Euro		**37**	**—**	**(0)**
Singapore dollars		**760**	**—**	**3**
Japanese yen		**69**	**—**	**(2)**

General accounting method

Type of transactions	Major hedged items	Contracted amount	Contracted amount exceeding 1year	Fair value
		Thousands of U.S. dollars (Note 3)		
		2010		
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**$17,165**	**$—**	**$ (82)**
Euro		**6,968**	**—**	**61**
Sterling pounds		**450**	**—**	**(4)**
Japanese yen		**6,713**	**—**	**240**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**4,543**	**—**	**(43)**
Euro		**408**	**—**	**(6)**
Singapore dollars		**8,175**	**—**	**37**
Japanese yen		**749**	**—**	**(31)**

Deferred hedge accounting

Type of transactions	Major hedged items	Contracted amount	Contracted amount exceeding 1year	Fair value
		Millions of Japanese yen		
		2010		
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		**¥5,939**	**¥—**	**¥ 4**
Euro		**782**	**—**	**1**
Sterling pounds		**14**	**—**	**0**
Japanese yen		**494**	**—**	**2**
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		**329**	**—**	**(0)**
Euro		**2**	**—**	**(0)**
Sterling pounds		**3**	**—**	**0**
Singapore dollars		**418**	**—**	**0**
Hong Kong dollars		**59**	**—**	**0**
Japanese yen		**491**	**—**	**3**

Deferred hedge accounting

Type of transactions	Major hedged items	Contracted amount	Contracted amount exceeding 1year	Fair value
		Thousands of U.S. dollars (Note 3)		
		2010		
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		**$63,835**	**$—**	**$45**
Euro		**8,408**	**—**	**18**
Sterling pounds		**151**	**—**	**0**
Japanese yen		**5,313**	**—**	**28**
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		**3,545**	**—**	**(4)**
Euro		**27**	**—**	**(0)**
Sterling pounds		**34**	**—**	**0**
Singapore dollars		**4,495**	**—**	**2**
Hong Kong dollars		**645**	**—**	**0**
Japanese yen		**5,278**	**—**	**40**

Note: Calculation of fair values

Fair values are calculated based on the prices provided by financial institutions.

Fair values of derivatives that allocation method of forward exchange contracts are applied are included in the fair values of short-term loans payable, accounts receivable–trade, accounts payable–trade and others, as they are accounted for as a unit with their hedging vehicles.

Interest rate related

Special accounting for interest rate swaps

		Millions of yen		
		2010		
Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1year*	*Fair value*
Interest rate swap transaction	Long-term debt			
Floating/fixed rate cash flow		**¥37,800**	**¥35,100**	**¥(570)**

Special accounting for interest rate swaps

		Thousands of U.S. dollars (Note 3)		
		2010		
Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1year*	*Fair value*
Interest rate swap transaction	Long-term debt			
Floating/fixed rate cash flow		**$406,277**	**$377,257**	**$(6,122)**

Note: Calculation of fair values

Fair values are calculated based on the prices provided by financial institutions.

Fair values of derivatives that special accounting for interest rate swaps are applied are included in the fair values of long-term debt, as they are accounted for as a unit with their hedging vehicles.

10. 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, 2010, 2009 and 2008, amounted to ¥8,410 million ($90,391 thousand), ¥9,458 million and ¥9,950 million, respectively.

11. 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, 2010, retained earnings included year-end dividends of ¥1,528 million ($16,421 thousand), or ¥4.00 ($0.04) per share, which was approved at the ordinary general meeting of shareholders held on June 29, 2010.

12. 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 fiscal year.

The number of shares used in calculating net income per share for the years ended March 31, 2010, 2009 and 2008, is as follows:

	Thousands of shares		
	2010	2009	2008
Basic	**387,296**	394,853	399,013
Diluted	—	—	—

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

13. 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
Current assets	¥ 3,025
Fixed assets	657
Goodwill	2,335
Current liabilities	(3,101)
Long-term liabilities	(20)
Acquisition cost	2,896
Cash and cash equivalents	991
Payments for purchase of shares in subsidiaries	¥ 1,905

myonic Holding GmbH

	Millions of yen
Current assets	¥ 2,022
Fixed assets	1,433
Goodwill	3,718
Current liabilities	(1,419)
Long-term liabilities	(69)
Acquisition cost	5,685
Cash and cash equivalents	325
Payments for purchase of shares in subsidiaries	¥ 5,360

14. Litigation

As of March 31, 2010, Thailand-based consolidated subsidiary NMB-Minebea Thai Ltd. received 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 has not accepted 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.

15. Contingent Liabilities

The Company and its consolidated subsidiaries had no material contingent liabilities as of March 31, 2010 or as of March 31, 2009.

16. 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, 2010, 2009 and 2008, and for the years then ended are as follows:

Business segments

Millions of yen

Year ended March 31, 2010	*Machined Components*	*Electronic Devices and Components*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	**¥107,088**	**¥121,358**	**¥228,446**	**¥ —**	**¥228,446**
Internal sales	**1,086**	**101**	**1,187**	**(1,187)**	**—**
Total sales	**108,174**	**121,459**	**229,633**	**(1,187)**	**228,446**
Operating expenses	**93,939**	**123,635**	**217,574**	**(1,187)**	**216,387**
Operating income (loss)	**14,235**	**(2,176)**	**12,059**	**—**	**12,059**
Assets	**157,276**	**147,883**	**305,159**	**(27,192)**	**277,967**
Depreciation and amortization	**10,339**	**10,801**	**21,140**	**—**	**21,140**
Impairment loss	**15**	**16**	**31**	**—**	**31**
Capital expenditure	**5,529**	**5,552**	**11,081**	**—**	**11,081**

Thousands of U.S. dollars (Note 3)

Year ended March 31, 2010	*Machined Components*	*Electronic Devices and Components*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	**$1,150,989**	**$1,304,364**	**$2,455,353**	**$ —**	**$2,455,353**
Internal sales	**11,674**	**1,086**	**12,760**	**(12,760)**	**—**
Total sales	**1,162,663**	**1,305,450**	**2,468,113**	**(12,760)**	**2,455,353**
Operating expenses	**1,009,658**	**1,328,841**	**2,338,499**	**(12,760)**	**2,325,739**
Operating income (loss)	**153,005**	**(23,391)**	**129,614**	**—**	**129,614**
Assets	**1,690,419**	**1,589,461**	**3,279,880**	**(292,262)**	**2,987,618**
Depreciation and amortization	**111,128**	**116,090**	**227,218**	**—**	**227,218**
Impairment loss	**159**	**179**	**338**	**—**	**338**
Capital expenditure	**59,426**	**59,677**	**119,103**	**—**	**119,103**

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

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

The geographic segments of the Company and its consolidataed subsidiaries as of March 31, 2010, 2009 and 2008, and for the years then ended are outlined as follows:

Geographic segments

							Millions of yen
Year ended March 31, 2010	*Japan*	*Asia (excluding Japan)*	*North, America*	*Europe*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	**¥ 54,065**	**¥119,333**	**¥31,137**	**¥23,911**	**¥228,446**	**¥ —**	**¥228,446**
Internal sales	**115,786**	**105,450**	**1,473**	**720**	**223,429**	**(223,429)**	**—**
Total sales	**169,851**	**224,783**	**32,610**	**24,631**	**451,875**	**(223,429)**	**228,446**
Operating expenses	**167,745**	**217,258**	**30,410**	**24,403**	**439,816**	**(223,429)**	**216,387**
Operating income	**2,106**	**7,525**	**2,200**	**228**	**12,059**	**—**	**12,059**
Assets	**93,663**	**203,617**	**23,027**	**18,189**	**338,496**	**(60,529)**	**277,967**

							Thousands of U.S. dollars (Note 3)
Year ended March 31, 2010	*Japan*	*Asia (excluding Japan)*	*North, America*	*Europe*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	**$ 581,096**	**$1,282,599**	**$334,657**	**$257,001**	**$2,455,353**	**$ —**	**$2,455,353**
Internal sales	**1,244,480**	**1,133,379**	**15,830**	**7,743**	**2,401,432**	**(2,401,432)**	**—**
Total sales	**1,825,576**	**2,415,978**	**350,487**	**264,744**	**4,856,785**	**(2,401,432)**	**2,455,353**
Operating expenses	**1,802,933**	**2,335,099**	**326,843**	**262,296**	**4,727,171**	**(2,401,432)**	**2,325,739**
Operating income	**22,643**	**80,879**	**23,644**	**2,448**	**129,614**	**—**	**129,614**
Assets	**1,006,702**	**2,188,486**	**247,496**	**195,505**	**3,638,189**	**(650,571)**	**2,987,618**

							Millions of yen
Year ended March 31, 2009	*Japan*	*Asia (excluding Japan)*	*North, America*	*Europe*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
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

							Millions of yen
Year ended March 31, 2008	*Japan*	*Asia (excluding Japan)*	*North, America*	*Europe*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
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

Overseas sales of the Company and its consolidated subsidiaries for the years ended March 31, 2010, 2009 and 2008, are summarized as follows:

Overseas sales

Year ended March 31, 2010	*To Asia (excluding Japan)*	*To North, Central and South America*	*To Europe*	*Total*
				Millions of yen
Overseas sales	**¥121,311**	**¥26,874**	**¥25,204**	**¥173,389**
Consolidated net sales				**¥228,446**
Overseas sales as a percentage of consolidated net sales	**53.1%**	**11.8%**	**11.0%**	**75.9%**

Year ended March 31, 2010	*To Asia (excluding Japan)*	*To North, Central and South America*	*To Europe*	*Total*
				Thousands of U.S. dollars (Note 3)
Overseas sales	**$1,303,857**	**$288,847**	**$270,899**	**$1,863,603**
Consolidated net sales				**$2,455,353**
Overseas sales as a percentage of consolidated net sales	**53.1%**	**11.8%**	**11.0%**	**75.9%**

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, 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%

17. Subsequent Events

There were no significant events subsequent to March 31, 2010.

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, 2010, 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.

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 and minority interests" 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, 2010, 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 29, 2010

KPMG

Independent Auditors' Report

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

Financial Statement Audit

We have audited the accompanying consolidated balance sheets of Minebea Co., Ltd. and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in net assets and cash flows for the years 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 audits. The consolidated financial statements of Minebea Co., Ltd. and consolidated subsidiaries for the year ended March 31, 2008 was audited by other auditors whose report, dated June 27, 2008, expressed an unqualified opinion on those statements.

We conducted our audits 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 audits provide 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, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years 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, 2010 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, 2010 ("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, 2010, 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 29, 2010

KPMG AZSA & Co., an audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

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	100.0
Pelmec Industries (Pte.) Ltd.	Manufacture and sale of bearings	100.0
Malaysia		
Minebea Electronics Motor (Malaysia) Sdn. Bhd.	Manufacture and sale of electronic devices and components	60.0
Korea		
NMB Korea Co., Ltd.	Sale of bearings, electronic devices and components	100.0
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 2010)

Tokyo Head Office
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, 2010)

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

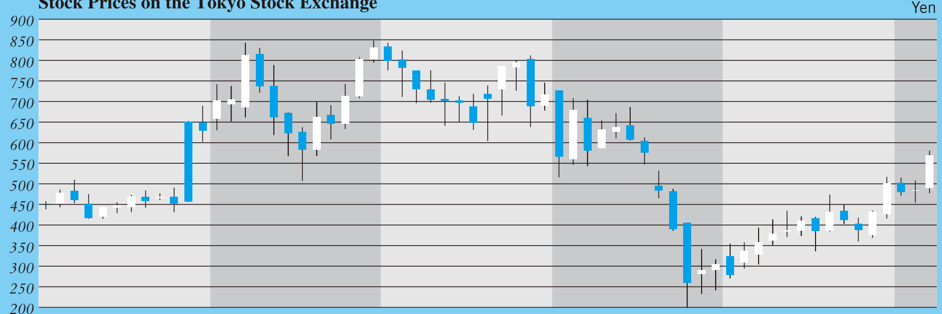
	Number of shareholders	Percentage of shareholders	Number of shares held (Thousand shares)	Percentage of shares outstanding (%)
Japanese financial institutions	116	0.6%	194,021	48.6
Overseas institutions	385	1.9	107,833	27.0
Other Japanese corporations	263	1.3	33,614	8.4
Individuals and others	17,469	85.7	62,978	15.8
Subtotal	18,233	89.5	398,446	99.8
Others	2,141	10.5	722	0.2
Total	20,374	100.0%	399,168	100.0

Top Ten Major Shareholders

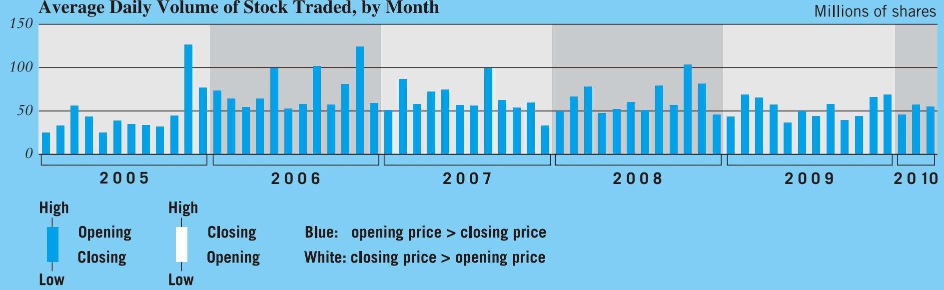
	Number of shares (Shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	36,956,000	9.62
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,315,000	6.59
Japan Trustee Services Bank, Ltd. (Trust Account 4)	16,469,000	4.29
Japan Trustee Services Bank, Ltd. (Trust Account 9)	15,501,000	4.04
The Sumitomo Trust & Banking Co., Ltd.	15,349,000	4.00
Keiaisha Co., Ltd.	15,000,000	3.91
Takahashi Industrial and Economic Research Foundation	12,347,330	3.22
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057,839	2.62
Sumitomo Mitsui Banking Corporation	10,000,475	2.60
The Dai-ichi Mutual Life Insurance Company, Limited	5,062,333	1.32

Notes: 1. The Company holds 15,194,412 shares of treasury stock, which are excluded from the major shareholders.
2. Shareholding ratio is calculated exclusive of treasury stock.
3. The Dai-ichi Mutual Life Insurance Company was reorganized from a mutual company to a stock company as of April 1, 2010 and was renamed as The Dai-ichi Life Insurance Company, Limited.

Stock Prices on the Tokyo Stock Exchange



Average Daily Volume of Stock Traded, by Month



For further information please contact:
Investor Relations Office,
Operation & Planning Div.
Minebea Co., Ltd.
Tel: 81-3-5434-8643
Fax: 81-3-5434-8603

Tokyo Head Office
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/

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Through purchases from CARBON OFFSET JAPAN, we effectively reduced 1,104kg of CO_2 emissions per 2,000 copies from all processes related to publishing this report.

The waterless printing method used for this publication minimized the usage and releases of harmful liquid wastes.

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Recognizing the importance of utilizing domestic wood products and nurturing domestic forests, Minebea Co., Ltd., supports the KIZUKAI-UNDOH ("Wood Products Utilization Campaign"), which is being promoted by Japan's Forestry Agency. The 3.9 GREENSTYLE mark is one of the campaign's logos. The production of reports such as this contributes to the use of domestic wood in papermaking materials, and thus to the increased absorption of CO_2 by trees grown in Japan.