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 the Company and its consolidated domestic and overseas subsidiaries 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 in accordance with 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 Act of Japan, in accordance with accounting principles generally accepted in Japan, which are different in certain respects to the application and disclosure requirements of International Financial Reporting Standards. For the purpose of this annual report, certain reclassifications have been made and additional information provided to present the accompanying consolidated financial statements in a format that is familiar to readers outside Japan.

2. Summary of Significant Accounting Policies

a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and 40 affiliated companies (40 consolidated subsidiaries). All significant intercompany balances, intercompany transactions and unrealized profits have been eliminated in consolidation.

The Company established 2 new consolidated subsidiaries and acquired shares of 3 non-consolidated subsidiaries during the year ended March 31, 2011. Non-consolidated subsidiaries are excluded from the scope of consolidation, as their operations are small, and their total assets, net sales, net income (amount equivalent to shares) and retained earnings (amount equivalent to shares), etc. have no significant impact to the consolidated financial statements. The number of affiliated companies decreased by 1 due to sale of shares.

For some consolidated subsidiaries whose fiscal year ends on December 31, provisional financial statements as of the Company's balance sheet date are prepared and used.

b) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date, except for those which are 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 3 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 primarily by the moving average method, with balance sheet inventory amounts calculated using lowered book values and reflecting a potential decline in profitability. Inventories of the Company's consolidated overseas subsidiaries are stated at lower of cost or market as determined primarily by the moving average method.

Inventories as of March 31, 2011 and 2010, comprised the following:

Inventories

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
Merchandise and finished goods	**¥20,883**	¥15,297	**$251,145**
Work in process	**11,985**	11,037	**144,140**
Raw materials	**7,548**	6,729	**90,777**
Supplies	**3,582**	2,849	**43,077**
	¥43,998	¥35,912	**$529,139**

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 incurred, while significant renewals and improvements are capitalized.

g) Investment securities

Investment securities consist of equity securities of listed and unlisted companies and government bonds. Available-for-sale securities held by the Company and its domestic and overseas consolidated subsidiaries with fair value are stated at the closing quoted market price on March 31, 2011 and 2010. 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 for which fair value is not readily determinable are stated at cost, as determined by the moving average method.

Available-for-sale securities

Millions of yen

	2011			2010		
	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	**¥ 698**	**¥ 583**	**¥ 115**	¥1,907	¥1,526	¥ 381
Bonds	**2,422**	**2,411**	**11**	2,539	2,534	5
Securities whose reported amounts in balance sheet do not exceed acquisition cost						
Equity securities	**1,849**	**2,467**	**(618)**	1,260	1,524	(264)
Bonds	**—**	**—**	**—**	—	—	—
Total	**¥4,969**	**¥5,461**	**¥(492)**	¥5,706	¥5,584	¥ 122

	Thousands of U.S. dollars (Note 3)		
	2011		
	Reported amount in balance sheet	Acquisition cost	Difference
Securities whose reported amounts in balance sheet exceed acquisition cost			
Equity securities	$ 8,399	$ 7,015	$ 1,384
Bonds	29,123	28,992	131
Securities whose reported amounts in balance sheet do not exceed acquisition cost			
Equity securities	22,242	29,669	(7,427)
Bonds	—	—	—
Total	$59,764	$65,676	$(5,912)

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, 2011 and 2010 are ¥2,534 million ($30,478 thousand) and ¥2,531 million, respectively.

Available-for-sale securities sold during each fiscal year

	Millions of yen								
	2011			2010			2009		
	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)		
	2011		
	Amount of sale	Gain on sale	Loss on sale
Equity securities	$—	$—	$—

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, provisions have been made based on the projected benefit obligations and the estimated plan assets as of March 31, 2011 and 2010, calculated on the basis of accrued retirement benefit obligations and prepaid pension costs as of March 31, 2011 and 2010.

Prepaid pension costs and accrued retirement benefits as of March 31, 2011 and 2010, are included under "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 from this change on profits and losses for the year ended March 31, 2010.

(Additional information)

Effective April 1, 2008, the Company and certain consolidated domestic subsidiaries terminated the tax-qualified pension plan they 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, 2011 and 2010, are as follows:

Projected Benefit Obligations	Millions of yen 2011	2010	Thousands of U.S. dollars (Note 3) 2011
Projected benefit obligations	**¥(33,844)**	¥(33,511)	**$(407,023)**
Plan assets at fair value	**24,304**	21,816	**292,286**
Unfunded projected benefit obligations	**(9,540)**	(11,695)	**(114,737)**
Unrecognized prior service costs	**2,316**	2,647	**27,856**
Unrecognized actuarial losses	**3,728**	4,519	**44,831**
Net amount recognized on consolidated balance sheets	**(3,496)**	(4,529)	**(42,050)**
Prepaid pension costs	**784**	278	**9,435**
Accrued retirement benefits	**¥ (4,280)**	¥ (4,807)	**$ (51,485)**

The components of retirement benefit costs for the years ended March 31, 2011, 2010 and 2009, are as follows:

Retirement Benefit Costs	Millions of yen 2011	2010	2009	Thousands of U.S. dollars (Note 3) 2011
Service cost	**¥1,329**	¥1,372	¥1,433	**$15,978**
Interest cost	**1,187**	1,207	1,187	**14,278**
Expected return on plan assets	**(884)**	(833)	(1,050)	**(10,634)**
Amortization of prior service costs	**325**	333	332	**3,912**
Amortization of actuarial losses	**1,225**	1,392	281	**14,729**
Retirement benefit costs	**3,182**	3,471	2,183	**38,263**
Loss on transition of retirement benefit plan	**—**	—	375	**—**
Special severance payments	**—**	—	985	**—**
Contributions to defined contribution pension plans	**168**	159	143	**2,027**
Total	**¥3,350**	¥3,630	¥3,686	**$40,290**

Assumptions used for calculation for the years ended March 31, 2011, 2010 and 2009, are as follows:

Assumptions Used for Calculation	2011	2010	2009
Discount rate	**mainly 2.0%**	mainly 2.0%	mainly 2.0%
Expected rate of return on plan assets	**mainly 2.0%**	mainly 2.0%	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 leased property to the lessee are depreciated using the straight-line method, whereby the lease term is the useful life of the asset and the residual value is zero.

j) Hedge accounting

Method of hedge accounting

The Company has adopted the allocation method to account for forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for forward exchange contracts for foreign currency-denominated anticipated transactions. The Company has also adopted the special method to account for interest rate swaps, which meet the criteria for 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 related to foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currencies. The Company also makes interest rate swaps to hedge fluctuation risks related to 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 the 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 criteria for special accounting.

k) Goodwill and negative goodwill
Excess of cost over net assets acquired for business acquisitions for the Company and its consolidated subsidiaries is amortized on a straight-line basis over a period ranging from 5 to 10 years. Amortization for the years ended March 31, 2011, 2010 and 2009, were ¥1,321 million ($15,883 thousand), ¥1,352 million and ¥1,039 million, respectively.

l) Accounting standard for asset retirement obligations
In the year ended March 31, 2011, the Company has applied the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, issued on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, issued on March 31, 2008).

There was no effect from this change on profits and losses for the year ended March 31, 2011.

m) Accounting standard for business combinations and others
In the year ended March 31, 2011, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, issued on December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, issued on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, revised on December 26, 2008).

Due to the application, assets and liabilities of consolidated subsidiaries at acquisition, which previously were partially measured at fair value, are fully measured at fair value from the year ended March 31, 2011.

There was no effect from this change on the consolidated financial statements for the year ended March 31, 2011.

n) Accounting standard for presentation of comprehensive income
In the year ended March 31, 2011, the Company has applied the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, issued on June 30, 2010).

Due to the application, unfunded retirement benefit obligations of foreign subsidiaries incurred in previous years, amounting to –¥2,689 million (–$32,341 thousand), was reclassified from "Retained earnings" to "Unfunded retirement benefit obligation of foreign subsidiaries" in the year ended March 31, 2011.

Comprehensive income for the year ended March 31, 2010, is as follows:

	Millions of yen
	2010
Income before Minority Interests	¥ 7,012
Other Comprehensive Income:	
Difference on revaluation of available-for-sale securities	281
Deferred gains or losses on hedges	5
Foreign currency translation adjustments	(1,043)
Total other comprehensive income	(757)
Total Comprehensive Income	¥ 6,255
Comprehensive income attributable to:	
Comprehensive income attributable to owners of the parent	5,756
Comprehensive income attributable to minority interests	499

o) Practical solution on accounting treatment overseas subsidiaries

The Company has made necessary adjustments to its consolidated accounting process in accordance with the application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18, issued on May 17, 2006), effective from the year ended March 31, 2009.

p) 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 ¥83.15=US$1, the approximate rate of exchange on March 31, 2011. 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 and Long-Term Debt

Short-term debt consists of short-term loans from banks, principally due in 30 to 180 days. The weighted average rates of short-term loans as of March 31, 2011 and 2010 are 1.12% and 1.06%, respectively.

Short-term debt as of March 31, 2011 and 2010, consists of the following:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
Short-term loans	**¥52,238**	¥51,655	**$628,236**
Total	**¥52,238**	¥51,655	**$628,236**

Long-term debt as of March 31, 2011 and 2010, consists of the following:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
1.39% unsecured bonds payable in Japanese yen due November 2010	**¥ —**	¥10,000	**$ —**
1.26% unsecured bonds payable in Japanese yen due December 2011	**10,000**	10,000	**120,264**
1.70% unsecured bonds payable in Japanese yen due March 2012	**1,500**	1,500	**18,040**
Loans from banks, etc. Years ended March 31 2011—0.93% to 1.95% 2010—0.85% to 2.05%	**69,475**	50,245	**835,539**
Lease obligations	**769**	963	**9,244**
	81,744	72,708	**983,087**
Less: current portion	**24,497**	13,571	**294,611**
	¥57,247	¥59,137	**$688,476**

The aggregate annual maturities of long-term debt outstanding as of March 31, 2011, are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 3)
2012	**¥24,497**	**$294,611**
2013	**15,332**	**184,387**
2014	**19,355**	**232,774**
2015	**7,033**	**84,587**
2016 and thereafter	**15,527**	**186,728**
	¥81,744	**$983,087**

5. Impairment of Fixed Assets

The asset groups for which the Company and its consolidated subsidiaries recognized impairment losses for the years ended March 31, 2011, 2010 and 2009, are as follows:

Overview of asset groups for which impairment losses were recognized

			Millions of yen			Thousands of U.S. dollars (Note 3)
Use	*Location*	*Type of assets*	**2011**	2010	2009	**2011**
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	**¥ 54**	¥ 7	¥—	**$ 653**
		Machinery and transportation equipment	**—**	—	19	**—**
		Land	**4**	24	4	**45**
		Total	**58**	31	23	**698**
Sold assets	Former Kyoto Plant (Yawata City, Kyoto Prefecture)	Land	**248**	—	—	**2,981**
		Total	**248**	—	—	**2,981**
Operational assets	China (Zhuhai)	Machinery and transportation equipment	**175**	—	—	**2,108**
		Tools, furniture and fixtures	**73**	—	—	**873**
		Total	**248**	—	—	**2,981**
Total			**¥554**	¥31	¥23	**$6,660**

Asset grouping method

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

Reason for impairment losses having been recognized

The idle assets (buildings and structures and land) for which impairment losses were recognized for the years ended March 31, 2011, 2010 and 2009, do not have an effective utilization plan, and their land prices dropped significantly.

Impairment losses were recognized for sold assets (land), as their recoverable amounts were below book values.

Regarding operational assets (machinery and transportation equipment, and tools, furniture and fixtures), impairment losses were recognized, as their future cash flows were below book values of the asset group, due to deterioration in the earnings environment, and reduced to their recoverable amount based on value of use.

Calculation method of recoverable amounts

Idle assets and sold assets are measured by net realizable value, mainly based on real estate appraisal standards or by sales prices. Assets that cannot be sold or diverted to other usage are valued at zero.

Operational assets are measured by value of use and calculated by discounting the future cash flows by 12.0%.

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, 2011, 2010 and 2009.

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 ¥8,222 million ($98,885 thousand) and ¥9,546 million as of March 31, 2011 and 2010, 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	**2011**	2010	**2011**
Excess of allowed limit chargeable to accrued bonuses	**¥ 1,044**	¥ 970	**$ 12,554**
Excess of allowed limit chargeable to accrued retirement benefits	**1,333**	1,563	**16,037**
Loss on revaluation of investment securities	**351**	351	**4,221**
Unrealized gains on sales of inventories	**914**	968	**10,990**
Unrealized gains on sales of fixed assets	**671**	732	**8,065**
Excess of allowed limit chargeable to depreciation	**1,368**	1,510	**16,457**
Impairment losses	**190**	405	**2,283**
Tax losses carried forward	**5,885**	4,648	**70,773**
Foreign tax credit carried forward	**745**	1,458	**8,960**
Other	**1,757**	1,891	**21,128**
Subtotal	**14,258**	14,496	**171,468**
Valuation allowance	**(4,727)**	(3,480)	**(56,845)**
Total deferred tax assets	**¥ 9,531**	¥11,016	**$114,623**

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
Deferred Tax Liabilities	**2011**	2010	**2011**
Depreciation allowed to overseas subsidiaries	**¥ 737**	¥1,149	**$ 8,864**
Differences on revaluation of available-for-sale securities	**7**	37	**81**
Prepaid pension costs	**318**	37	**3,825**
Others	**247**	247	**2,968**
Total deferred tax liabilities	**1,309**	1,470	**15,738**
Net deferred tax assets	**¥8,222**	¥9,546	**$98,885**

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

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
Current assets—Deferred tax assets	**¥3,779**	¥5,779	**$45,452**
Fixed assets—Deferred tax assets	**5,279**	4,923	**63,490**
Current liabilities—Other	**(9)**	(12)	**(112)**
Long-term liabilities—Other	**(827)**	(1,144)	**(9,945)**
Net deferred tax assets	**¥8,222**	¥9,546	**$98,885**

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, 2011, 2010 and 2009, is shown below:

	2011	2010	2009
Statutory tax rate in Japan	**39.0%**	39.0%	39.0%
Adjustments:			
Amortization of goodwill	**2.8**	5.7	5.9
Difference of tax rates applied to overseas subsidiaries	**(9.9)**	(18.1)	(8.9)
Valuation allowance for operating losses of consolidated subsidiaries	**(9.9)**	3.7	—
Effect of dividend income eliminated for consolidation	**3.9**	29.1	57.4
Dividend income and other items not included for tax purposes	**(3.8)**	(22.7)	—
Entertainment cost and other items not deducted for tax purposes	**0.3**	—	—
Withholding income taxes	**6.9**	5.8	—
Changes in tax rates	**—**	—	(16.7)
Prior year's income taxes	**—**	—	(15.0)
Income tax refund	**—**	(20.6)	—
Other	**0.4**	2.4	0.1
Effective income tax rate	**29.7%**	24.3%	61.8%

7. Leases

Outstanding future lease payments for non-cancellable operating leases as of March 31, 2011 and 2010, are as follows:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
Due within 1 year	**¥ 717**	¥ 842	**$ 8,624**
Due after 1 year	**1,981**	1,305	**23,822**
Total	**¥2,698**	¥2,147	**$32,446**

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 below, 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 investment 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 6 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. It also reviews payment due dates and outstanding amount per client each month, as well as revising credit ratings and credit limits every year for early detection and reduction of uncollectible receivables due to deteriorated financial conditions, etc. Similar management procedures are conducted at consolidated subsidiaries per 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 only a remote credit risk since the Company limits such transactions to only 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 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 authorized personnel, the relevant department executes and manages derivative transactions according to the marketability risk management policies that specify transaction authorizations and transaction amount limits. The monthly transaction results are reported to the Company's executive officer in charge of finance.

Consolidated subsidiaries are also managed 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 department. Similar management is also implemented at 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 the market price is not available, a reasonably calculated amount. 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 for derivative transactions mentioned in note "9. Derivatives" does not in themselves represent the market risks for 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, 2011 and 2010 are as follows, which does not contain items whose fair value was extremely difficult to measure.

Millions of yen

	2011			2010		
	Reported amount in balance sheet	*Fair value*	*Difference*	*Reported amount in balance sheet*	*Fair value*	*Difference*
Cash and cash equivalents	**¥ 27,622**	**¥ 27,622**	**¥ —**	¥ 24,855	¥ 24,855	¥ —
Time deposits	**1,969**	**1,969**	**—**	1,652	1,652	—
Notes and accounts receivable—trade	**56,021**	**56,021**	**—**	52,184	52,184	—
Securities and investment securities	**4,969**	**4,969**	**—**	5,706	5,706	—
Long-term loans receivable	**20**	**20**	**—**	23	23	—
Total assets	**¥ 90,601**	**¥ 90,601**	**¥ —**	¥ 84,420	¥ 84,420	¥ —
Notes and accounts payable—trade	**18,631**	**18,631**	**—**	16,464	16,464	—
Short-term debt	**52,238**	**52,238**	**—**	51,655	51,655	—
Current portion of long-term debt	**24,132**	**24,348**	**216**	13,100	13,226	126
Long-term debt	**56,843**	**57,477**	**634**	58,645	59,400	755
Total liabilities	**¥151,844**	**¥152,694**	**¥850**	¥139,864	¥140,745	¥881
Derivative transactions*	**¥ (3)**	**¥ (3)**	**¥ —**	¥ 28	¥ 28	¥ —

Thousands of U.S. dollars (Note 3)

	2011		
	Reported amount in balance sheet	*Fair value*	*Difference*
Cash and cash equivalents	**$ 332,190**	**$ 332,190**	**$ —**
Time deposits	**23,679**	**23,679**	**—**
Notes and accounts receivable—trade	**673,732**	**673,732**	**—**
Securities and investment securities	**59,764**	**59,764**	**—**
Long-term loans receivable	**236**	**236**	**—**
Total assets	**$1,089,601**	**$1,089,601**	**$ —**
Notes and accounts payable—trade	**224,062**	**224,062**	**—**
Short-term debt	**628,236**	**628,236**	**—**
Current portion of long-term debt	**290,222**	**292,826**	**2,604**
Long-term debt	**683,621**	**691,250**	**7,629**
Total liabilities	**$1,826,141**	**$1,836,374**	**$10,233**
Derivative transactions*	**$ (35)**	**$ (35)**	**$ —**

* 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 since these items are settled in a short period of time and their book values approximate fair values.

• Securities and investment securities

Fair values for equity securities are based on market prices while fair values for bonds are based on market prices or prices provided by financial institutions. Please refer to note "2. Summary of Significant Accounting Policies g) Investment securities" for the details of securities by each holding purpose.

• Long-term loans receivable

The Company's long-term loans receivable are limited to housing loans for employees, and book values are applied since the amount is insignificant.

Liabilities

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

Book values are applied since these items are settled in a short period of time 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 since they are settled in a short period of time and their book values approximate fair values. For those with fixed interest rates, the sum of the principal and interest 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, the sum of the principal and interest are discounted using the rate assumed when a similar issuance is made.

Derivative transactions

Please refer to note “9. Derivatives.”

Financial instruments whose fair value is deemed extremely difficult to measure

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
	Reported amount in balance sheet	*Reported amount in balance sheet*	*Reported amount in balance sheet*
Unlisted stocks	**¥2,534**	¥2,531	**$30,478**
Investments in subsidiaries	**1,328**	—	**15,977**
Total	**¥3,862**	¥2,531	**$46,455**

The above items are not included in “Securities and investment securities” as they do not have market prices and are deemed extremely difficult to measure their fair value.

Expected redemption amounts for monetary receivables and securities with maturity

	Millions of yen			
	2011			
	Within 1 year	*Over 1 year Within 5 year*	*Over 5 year Within 10 year*	*Over 10 year*
Cash and cash equivalents	**¥27,622**	**¥ —**	**¥—**	**¥—**
Time deposits	**1,969**	**—**	**—**	**—**
Notes and accounts receivable–trade	**56,021**	**—**	**—**	**—**
Securities and investment securities				
Available-for-sale securities with maturity (U.S. Treasury securities)	**828**	**1,593**	**—**	**—**
Long-term loans receivable	**—**	**14**	**6**	**—**
Total	**¥86,440**	**¥1,607**	**¥ 6**	**¥—**

	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 investment securities				
Available-for-sale securities with maturity (U.S. Treasury securities)	857	1,681	—	—
Long-term loans receivable	—	16	7	—
Total	¥79,548	¥1,697	¥ 7	¥—

	Thousands of U.S. dollars (Note 3)			
	2011			
	Within 1 year	Over 1 year Within 5 year	Over 5 year Within 10 year	Over 10 year
Cash and cash equivalents	**$ 332,190**	**$ —**	**$—**	**$—**
Time deposits	**23,679**	**—**	**—**	**—**
Notes and accounts receivable–trade	**673,732**	**—**	**—**	**—**
Securities and investment securities				
Available-for-sale securities with maturity (U.S. Treasury securities)	**9,966**	**19,157**	**—**	**—**
Long-term loans receivable	**—**	**168**	**68**	**—**
Total	**$1,039,567**	**$19,325**	**$68**	**$—**

Expected repayment and redemption for loans payable and bonds
Please refer to note "4. Short-Term and Long-Term Debt."

(Additional information)
In the year ended March 31, 2010, the Company has applied 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, 2011 and 2010, are as follows:

Currency related

Allocation method of forward exchange contracts

		Millions of yen		
		2011		
Type of transactions	Major hedged items	Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Short-term loans payable			
Buy				
U.S. dollars		**¥ 3,868**	**¥—**	**¥ (24)**
Japanese yen		**23,341**	**—**	**(389)**
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**12,919**	**—**	**68**
Euro		**2,889**	**—**	**(92)**
Sterling pounds		**90**	**—**	**(4)**
Japanese yen		**377**	**—**	**11**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**1,443**	**—**	**(0)**
Swiss Franc		**4**	**—**	**(0)**
Japanese yen		**905**	**—**	**(26)**

Allocation method of forward exchange contracts

		Millions of yen		
		2010		
Type of transactions	Major hedged items	Contracted amount	Contracted amount exceeding 1 year	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

Type of transactions	Major hedged items	Thousands of U.S. dollars (Note 3) 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Short-term loans payable			
Buy				
U.S. dollars		**$ 46,524**	**$—**	**$ (283)**
Japanese yen		**280,710**	**—**	**(4,680)**
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**155,373**	**—**	**817**
Euro		**34,741**	**—**	**(1,102)**
Sterling pounds		**1,083**	**—**	**(43)**
Japanese yen		**4,532**	**—**	**127**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**17,354**	**—**	**(2)**
Swiss Franc		**51**	**—**	**(0)**
Japanese yen		**10,884**	**—**	**311**

General accounting method

Type of transactions	Major hedged items	Millions of yen 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**¥2,464**	**¥—**	**¥12**
Euro		**700**	**—**	**(19)**
Sterling pounds		**20**	**—**	**0**
Japanese yen		**506**	**—**	**6**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**842**	**—**	**(8)**
Euro		**29**	**—**	**(0)**
Singapore dollars		**593**	**—**	**7**
Thai Bahts		**0**	**—**	**(0)**
Swiss Franc		**1**	**—**	**0**
Japanese yen		**150**	**—**	**(2)**

General accounting method

Type of transactions	Major hedged items	Millions of yen 2010 Contracted amount	Contracted amount exceeding 1 year	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	Thousands of U.S. dollars (Note 3) 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**$29,632**	**$—**	**$ 142**
Euro		**8,417**	**—**	**(233)**
Sterling pounds		**235**	**—**	**2**
Japanese yen		**6,086**	**—**	**76**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**10,132**	**—**	**(95)**
Euro		**344**	**—**	**(0)**
Singapore dollars		**7,133**	**—**	**89**
Thai Bahts		**1**	**—**	**(0)**
Swiss Franc		**16**	**—**	**0**
Japanese yen		**1,805**	**—**	**(27)**

Deferred hedge accounting

Type of transactions	Major hedged items	Millions of Japanese yen 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		**¥6,732**	**¥—**	**¥ 2**
Euro		**944**	**—**	**(0)**
Sterling pounds		**33**	**—**	**0**
Japanese yen		**192**	**—**	**(0)**
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		**598**	**—**	**0**
Singapore dollars		**475**	**—**	**(0)**
Hong Kong dollars		**54**	**—**	**(0)**
Japanese yen		**621**	**—**	**(1)**

Deferred hedge accounting

Type of transactions	Major hedged items	Millions of Japanese yen 2010 Contracted amount	Contracted amount exceeding 1 year	Fair value
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	Thousands of U.S. dollars (Note 3) 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		**$80,962**	**$—**	**$25**
Euro		**11,352**	**—**	**(3)**
Sterling pounds		**396**	**—**	**0**
Japanese yen		**2,310**	**—**	**(3)**
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		**7,190**	**—**	**1**
Singapore dollars		**5,715**	**—**	**(3)**
Hong Kong dollars		**650**	**—**	**(0)**
Japanese yen		**7,469**	**—**	**(6)**

Note: Calculation of fair values
Fair values are calculated based on the prices provided by financial institutions.
Fair values of derivatives to which the 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 single unit with their hedging vehicles.

Interest rate related

Special accounting for interest rate swaps

Type of transactions	Major hedged items	Millions of yen 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Interest rate swap transaction Floating/fixed rate cash flow	Long-term loans payable	**¥52,499**	**¥44,131**	**¥(654)**

Special accounting for interest rate swaps

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

Special accounting for interest rate swaps

Type of transactions	Major hedged items	Thousands of U.S. dollars (Note 3) 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Interest rate swap transaction Floating/fixed rate cash flow	Long-term loans payable	**$631,377**	**$530,740**	**$(7,865)**

Note: Calculation of fair values
Fair values are calculated based on the prices provided by financial institutions.
Fair values of derivatives to which special accounting for interest rate swaps are applied are included in the fair values of long-term loans payable as they are accounted for as a single 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 exepenses for the years ended March 31, 2011, 2010 and 2009, amounted to ¥7,895 million ($94,949 thousand), ¥8,410 million and ¥9,458 million, respectively.

11. Shareholders' Equity

The Companies Act 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 Companies Act, the legal reserve and additional paid-in capital may be reversed without restriction on amount.

The Companies Act 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 Companies Act.

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, 2011, retained earnings included year-end dividends of ¥1,531 million ($18,407 thousand), or ¥4.00 ($0.05) per share, which was approved at the ordinary general meeting of shareholders held on June 29, 2011.

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 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, 2011, 2010 and 2009, is as follows:

	Thousands of shares		
	2011	2010	2009
Basic	**382,319**	387,296	394,853
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 4 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 the time of acquisition of, and payments for acquisition 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 acquisition of shares in NMB Mechatronics Co., Ltd.	¥ 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 acquisition of shares in myonic Holding GmbH	¥ 5,360

14. Litigation

As of March 31, 2011, NMB-Minebea Thai Ltd., consolidated subsidiary in Thailand, received (1) a revised assessment of income tax liability in the amount of 502 million baht on August 25, 2008 and (2) another revised assessment of income tax liability in the amount of 125 million baht on August 25, 2010 from the Revenue Department of the Kingdom of Thailand. The Company has not accepted these revised assessments, believing them to be unjust and without legal grounds, and took the case to the Tax Court of the Kingdom of Thailand on August 25, 2009 following the petition for case (1), and petitioned the Revenues Department for redress for case (2).

Regarding case (1), the Company substantially won the case as a result of the decision by the Tax Court of the Kingdom of Thailand on October 13, 2010, however the Revenue Department was dissatisfied with this decision and appealed the case to the Supreme Court on December 9, 2010.

On September 22, 2008 and September 23, 2010, the assessments were paid in subrogation using a surety bond from a bank with which the Company does business.

15. Contingent Liabilities

As of March 31, 2011 and 2010, the Company guarantees bank loans of the following non-consolidated subsidiaries:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
Daiichi Seimitsu Sangyo Co., Ltd.	**¥30**	¥—	**$366**

16. Segment Information, etc.

a) Business segments

The Company and its consolidated subsidiaries are engaged in two business segments: machined components segment, 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; electronic devices and components segment, encompassing rotary components and other electronic devices and components, primarily PC keyboards and speakers.

Informations related to the business segments of the Company and its consolidated subsidiaries as of March 31, 2010 and 2009, and for the years then ended are as follows:

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 losses	15	16	31	—	31
Capital expenditure	5,529	5,552	11,081	—	11,081

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 losses	2	21	23	—	23
Capital expenditure	10,320	9,866	20,186	—	20,186

b) Geographic segments

Informations related to the geographic segments of the Company and its consolidated subsidiaries as of March 31, 2010 and 2009, and for the years then ended are as follows:

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

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

c) Overseas sales

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

Millions of yen

Year ended March 31, 2010	*To Asia (excluding Japan)*	*To North, Central and South America*	*To Europe*	*Total*
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%

Millions of yen

Year ended March 31, 2009	*To Asia (excluding Japan)*	*To North, Central and South America*	*To Europe*	*Total*
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%

d) Segment information

(Additional information)

In the year ended March 31, 2011, the Company has applied the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, revised on March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued on March 21, 2008).

Outline of reportable segments

The Company's reportable segments are components for which separated financial information is available and subject to periodical reviews in order for the Company's Board of Directors to determine the distribution of management resources and evaluate performance.

The Company establishes business units by product in key business locations, and each of the business unit formulates comprehensive domestic and overseas strategies of their products and deploy its business activities.

Thus, the Company consists of segments by product, base on business units, and the "Machined components segment", "Rotary components segment" and "Electronic devices and components segment" are determined to be the reportable segments.

Our core products in the machined components segment are mechanical parts, such as ball bearings, rod-end bearings, pivot assemblies for HDDs as well as fasteners for automobile and aircraft. The rotary components segment includes a wide variety of motors, such as information motors (fan motors, stepping motors, brushless DC motors, vibration motors and brush DC motors) and HDD spindle motors. The electronic devices and components segment consists of LCD backlights, inverters and measuring components.

Basis of calculation for amounts of net sales, profit or loss, assets, liabilities and other items by reportable segments

The accounting method for the reported operating segments is basicaley the same as those in note "2. Summary of Significant Accounting Policies."

Income of reportable segment is based on operating income (before amortization of goodwill). Internal sales are calculated based on distribution prices determined by comprehensive judgment considering market prices, manufacturing costs and other factors.

Information on amounts of net sales, profit or loss, assets, liabilities and other items by reportable segments

Informations related to the reportable segments of the Company and its consolidated subsidiaries as of March 31, 2011 and 2010, and for the years then ended are as follows:

Millions of yen

	Reportable segments							
Year ended March 31, 2011	*Machined components*	*Rotary components*	*Electronic devices and components*	*Total*	*Other*	*Total*	*Adjustment*	*Consolidated financial statements amount*
Sales to external customers	¥107,841	¥101,139	¥40,502	¥249,482	¥19,657	¥269,139	¥ —	¥269,139
Internal sales	2,888	1,623	1,885	6,396	5,678	12,074	(12,074)	—
Total sales	110,729	102,762	42,387	255,878	25,335	281,213	(12,074)	269,139
Segment income (loss)	28,088	(225)	4,160	32,023	498	32,521	(10,358)	22,163
Segment assets	77,796	72,374	18,280	168,450	10,857	179,307	111,785	291,092
Other items								
Depreciation and amorization	8,098	7,895	979	16,972	1,291	18,263	2,543	20,806
Increase in tangible and intangible fixed assets	10,783	9,490	1,515	21,788	825	22,613	4,722	27,335

Millions of yen

Year ended March 31, 2010	*Reportable segments* *Machined components*	*Rotary components*	*Electronic devices and components*	*Total*	*Other*	*Total*	*Adjustment*	*Consolidated financial statements amount*
Sales to external customers	¥99,291	¥74,185	¥35,780	¥209,256	¥19,190	¥228,446	¥ —	¥228,446
Internal sales	2,351	1,814	1,153	5,318	4,385	9,703	(9,703)	—
Total sales	101,642	75,999	36,933	214,574	23,575	238,149	(9,703)	228,446
Segment income (loss)	20,634	(1,827)	5,385	24,192	(685)	23,507	(11,448)	12,059
Segment assets	79,507	64,488	14,898	158,893	19,911	178,804	99,163	277,967
Other items								
Depreciation and amorization	8,017	7,887	953	16,857	1,472	18,329	2,811	21,140
Increase in tangible and intangible fixed assets	4,122	3,516	592	8,230	460	8,690	2,391	11,081

Thousands of U.S. dollars (Note 3)

Year ended March 31, 2011	*Reportable segments* *Machined components*	*Rotary components*	*Electronic devices and components*	*Total*	*Other*	*Total*	*Adjustment*	*Consolidated financial statements amount*
Sales to external customers	**$1,296,948**	**$1,216,344**	**$487,099**	**$3,000,391**	**$236,407**	**$3,236,798**	**$ —**	**$3,236,798**
Internal sales	**34,728**	**19,518**	**22,674**	**76,920**	**68,292**	**145,212**	**(145,212)**	**—**
Total sales	**1,331,676**	**1,235,862**	**509,773**	**3,077,311**	**304,699**	**3,382,010**	**(145,212)**	**3,236,798**
Segment income (loss)	**337,803**	**(2,703)**	**50,035**	**385,135**	**5,991**	**391,126**	**(124,574)**	**266,552**
Segment assets	**935,613**	**870,401**	**219,845**	**2,025,859**	**130,580**	**2,156,439**	**1,344,376**	**3,500,815**
Other items								
Depreciation and amorization	**97,390**	**94,947**	**11,773**	**204,110**	**15,527**	**219,637**	**30,585**	**250,222**
Increase in tangible and intangible fixed assets	**129,688**	**114,131**	**18,218**	**262,037**	**9,927**	**271,964**	**56,790**	**328,754**

Notes: 1. The classification “Other” is the operating segment which is not included in the reportable segments. Its products are mainly PC keyboards, speakers and defense related products.
2. The content of the adjustment is as follows:
(i) The major portion of adjustment to segment income or loss is amortization of goodwill (–¥1,321 million (–$15,883 thousand) for the year ended March 31, 2011, –¥1,352 million for the year ended March 31, 2010), and corporate expenses such as general & administrative expenses and research and development expenses that do not belong to the reportable segments (–¥8,921 million (–$107,285 thousand) for the year ended March 31, 2011, –¥9,656 million for the year ended March 31, 2010).
(ii) Adjustment to segment assets is unamortized goodwill (¥5,555 million ($66,808 thousand) as of March 31, 2011, ¥7,001 million as of March 31, 2010), and assets related to administrative divisions that do not belong to the reportable segments (¥106,230 million ($1,277,568 thousand) as of March 31, 2011, ¥92,162 million as of March 31, 2010).
(iii) The major portion of adjustment to depreciation and amortization is depreciation and amortization of equipment related to administrative divisions that do not belong to the reportable segments.
(iv) The major portion of adjustment to increase in tangible and intangible fixed assets is capital investments in equipment related to administrative divisions that do not belong to the reportable segments.
3. Segment income (loss) is reconciliated to for operating income in the consolidated financial statements.

e) Related information
Information by geographical area

Year ended March 31, 2011	China	Japan	Thailand	Europe	U.S.A.	Others	Total
	Millions of yen						
Net sales	**¥71,543**	**¥63,308**	**¥36,470**	**¥26,296**	**¥26,225**	**¥45,297**	**¥269,139**

Year ended March 31, 2011	China	Japan	Thailand	Europe	U.S.A.	Others	Total
	Thousands of U.S. dollars (Note 3)						
Net sales	**$860,408**	**$761,377**	**$438,605**	**$316,250**	**$315,395**	**$544,763**	**$3,236,798**

As of March 31, 2011	Thailand	Japan	China	Others	Total
	Millions of yen				
Tangible fixed assets	**¥65,914**	**¥24,882**	**¥17,210**	**¥16,090**	**¥124,096**

As of March 31, 2011	Thailand	Japan	China	Others	Total
	Thousands of U.S. dollars (Note 3)				
Tangible fixed assets	**$792,709**	**$299,249**	**$206,975**	**$193,512**	**$1,492,445**

f) Information related to impairment losses of fixed assets by reportable segments

	Millions of yen						
	Reportable segments						
Year ended March 31, 2011	Machined components	Rotary components	Electronic devices and components	Total	Other	Corporate	Total
Impairment losses	**¥—**	**¥248**	**¥—**	**¥248**	**¥—**	**¥306**	**¥554**

	Thousands of U.S. dollars (Note 3)						
	Reportable segments						
Year ended March 31, 2011	Machined components	Rotary components	Electronic devices and components	Total	Other	Corporate	Total
Impairment losses	**$—**	**$2,981**	**$—**	**$2,981**	**$—**	**$3,679**	**$6,660**

17. Subsequent Events

In accordance with Article 370 of the Companies Act (a written resolution in lieu of a resolution passed at a board of directors meeting), the Company's Board of Directors passed a resolution on May 17, 2011 concerning the purchase of treasury stocks pursuant to Article 156 of the Companies Act applied in accordance with Article 165, Paragraph 3 of the said act.

1. Reason for purchase
The Company decided to purchase treasury stocks in order to implement an agile capital policy in response to changes in the business environment.

2. Details of purchase

(1) Type of shares to be purchased:	Shares of common stock of the Company
(2) Aggregate number of shares to be purchased:	Up to a maximum of 5 million shares
(3) Aggregate purchase amount:	Up to a maximum of ¥2,100 million ($25,256 thousand)
(4) Purchase period:	From May 23, 2011 through November 22, 2011