

Outlook for the Next Fiscal Year and Risk Management

Outlook for the Next Fiscal Year (Fiscal Year Ending March 2013)

(as of May 2012)

Although there is concern about sluggish European economy and further appreciation of yen, we forecast that the Japanese economy will recover supported by the demand from the recovery activities of the Great East Japan Earthquake and increasing personal consumption. The U.S. economy will also be in a moderate growth path thanks to the improvement of employment and steady personal consumption. On the other hand, the European economy is expected to be sluggish due to the declining capital investments and personal consumption caused by the public debt crisis. In Asia, although we expect that export will be down affected by the sluggish European economy, it is likely that significant fall down will be avoided, as domestic demand in China remains stable.

Following the economic recovery, the business environment surrounding us is also expected to become positive. As a result, we forecast sales of ¥312,000 million, operating income of ¥23,300 million, and net income of ¥12,500 million.

Outlook by segment for the full year is as follows:

Machined Components

For the ball bearings that are our mainstay products, the full operation of our new plant in Thailand (Bang Pa-in) will increase the supply capacity of pivot assemblies that is now in shortage. We also plan to expand sales in the automobile, information and telecommunication equipment industries and also participate in a new market. At the same time, we will increase production and sales of pivot assemblies in line with the expansion of supply capacity of ball bearings. For rod-end bearings, as our four production base system consisting of Japan, the United States, the United Kingdom, and Thailand is ready for production increase after the start of operation of new plant in Thailand (Lop Buri), we will expand sales in the aircraft market that has a great growth potential.

Rotary Components

In the information motors business, we finally overcome the damage of large scale flood in Thailand and will see a better business environment. For the purpose of improving the performance, we will focus on the exploitation of new market and the development of new products. Additionally, as one of our activities for reducing material costs and improving production efficiency, we will review and seek the most optimal production location for each product and restructure the production sites such as transferring the production

capacity to the new plant in Cambodia that started operation at the end of the previous year. We will actively use production and sales functions of Moatech Co., Ltd. which will join our Group from the new fiscal year. For HDD spindle motors, as we are recovering from the plant damage by the large scale flood in Thailand, we will make efforts to further improve the production efficiency and reduce material costs to achieve further profitability improvement. We will pursue a system that can generate profits in the rotary components business through the measures mentioned above.

Electronic Devices and Components

For LED backlights which are our mainstay products, as we have started the full production of new products at the plant in Thailand of which production capacity has already been expanded and at Suzhou plant in China, we expect that sales and profit will increase. In the measuring components business, we will see favorable sales especially in the automobile market.

Other

The special device business is expected to develop steadily. The performance of the keyboard business is likely to improve thanks to the positive effect of structural reform.

Risk Management

Minebea recognizes a variety of risks and uncertainties that have the potential to affect its operating results and/or financial position. Future risks mentioned in this document are those recognized by the Minebea Group as of the end of the current fiscal year.

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. Research and development 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 and other foreign countries. While considerable time has passed since we established our operations in most of these countries, overseas operations are always subject to the following risks (any of which could 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 qualified human resources, (c) acts of terrorism or war, or other acts that may disrupt social order.

8. Risk related to natural disaster, etc.

If business sites of the Minebea Group and our trading partners suffer from the natural disaster such as earthquake and flood, the nuclear power plant accident, and a new-type infectious disease, production and sales activities of the Group could be seriously impaired.

9. Risk related to compliance/internal control

As the Minebea Group has deployed various businesses around the world, it is subject to various laws, regulations, and rules of each country. Although the Group has established and managed necessary and proper internal control systems for the purpose of complying with laws and regulations as well as maintaining the adequacy of financial reporting, such efforts cannot guarantee the perfect achievement of the purpose. Therefore, there is possibility that breach of laws and regulations may occur in the future. If laws, regulations, or interpretation of laws and regulations by the competent authority change, we may be unable to comply with such laws and regulations, or have to incur additional costs.

10. Risk related to unpaid retirement payment and pension costs

Although the Minebea Group has recorded the funded status of pension funds (i.e. difference between the retirement benefit obligation and the fair value of pension assets) on its consolidated balance sheet, the fair value of pension assets may decrease due to deteriorated return on pension fund, or the pension cost may increase due to the increase of retirement benefit obligation following the change of preconditions such as the discount rate.

11. Risk related to environmental issues

The Minebea Group is subject to various environmental laws and regulations around the world. Although the Group has paid keen attention on such laws and regulations when conducting the business, the Group may suffer losses if environmental pollution occurs or the possibility of pollution is found.

12. Risk related to M&A • alliance

The Minebea Group has actively conducted M&A and alliance. When conducting M&A or alliance, it is possible that M&A may not generate a positive effect as we originally expected, or an alliance partner and the Group could not reach an agreement on the strategy or other points and fail to maintain the alliance relationship. If we provide a financial support to an alliance partner due to their deterioration of financial condition or other reasons, such support may impair our performance and/or financial position.

13. Risk related to quality issues

Products provided by the Minebea Group have used in various industries, especially in the areas that require high accuracy (such as automobiles, medical devices, and finished goods that are fatal to human lives). The Group has recognized its social responsibility and established a high quality assurance system. However, if our product has a serious defect that causes a material accident, suspension of production in our customer's site, or recall, we may have to pay a large amount of expenditures and our reputation may be seriously damaged, which may lead to a large negative impact on our performance and/or financial position.

14. Risk related to information management

The Minebea Group may obtain a lot of important information and personal information through the business activities. The Group has established an information security policy to prevent the leakage of information to the outside of the company as well as unauthorized use of such information. However, it is possible that unexpected event may result in the information leakage. If such event happens, we may incur a large amount of costs to respond to it and also suffer from the deterioration of social credibility.