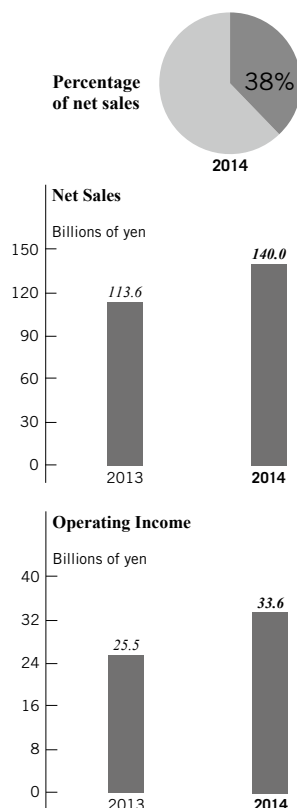


## Segment Information

### Machined Components



Net sales in the machined components segment totaled ¥140,033 million, up ¥26,460 million (23.3%) year on year. Operating income rose ¥8,092 million (31.8%) year on year to reach ¥33,551 million and the operating margin was 24.0%, up 1.6 percentage points year on year. We achieved substantial increases in sales and profits thanks to growing sales amid the global economic recovery and a higher operating rate that brought unit manufacturing costs down in addition to the positive effect of exchange rates.

### Principal Products and Applications and Minebea's Global Market Share

<i>Our product lines &amp; principal products</i>	<i>Principal markets</i>	<i>Global market share*</i>
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%
Fasteners	Aircraft, automobiles	—
Pivot assemblies	Hard disk drives	75%

\*Global market share is based on volume, except for the figure for rod-end and spherical bearings, which is based on sales value. Minebea estimates market share based on information that we collect ourselves and information from independent market research firms.

### Business Activities and Ongoing Efforts

Demand for our anchor product line, miniature and small-sized ball bearings, grew in a wide range of markets including automobiles, office automation equipment, household electrical appliances, and more, driving external sales volumes up. Looking at profitability, we see that the profit margin improved thanks to lower manufacturing costs due to the increased operating rate and the depreciation of Asian currencies. This, as well as growing sales brought profits up. Increased orders for rod-end and spherical bearings fueled sales and profits thanks to soaring demand in the civil aviation market as airline companies replaced their aging fleets with newer aircraft models on top of the positive effect of the weak yen. The profit margin for pivot assemblies improved due to the stable HDD market, our primary market, progress with cost-cutting and steady production.

We are continuing our efforts to reduce costs in the ball bearings business by improving yields and streamlining production. While strengthening operations based on the idea of returning to our roots in manufacturing, we are also working to strengthen our basic technology development areas. Looking ahead, we will work to expand sales in order to achieve the monthly average external sales volume target of 150 million units outlined in the first arrow of our "Five Arrows" strategy at the earliest date. We will also develop new products by leveraging the proprietary state-of-the-art ceramic bearing technology of CEROBEAR GmbH, which we acquired in July 2013. This will enable us to strengthen our operations targeting the aerospace industry.

The rod-end fastener business will focus on overall cost reduction by boosting production capacity for semifinished products in Thailand. We will also strive to create synergy among our production bases in Japan, the United States, the United Kingdom, and Thailand with an eye to enhancing profitability.

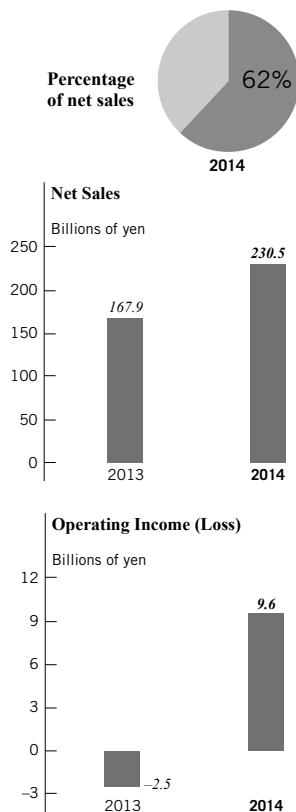
In the pivot assembly business, we have been continuously working to lower costs and increase production through measures such as increasing yields. We will work to maintain a healthy bottom line by leveraging the synergy created by our significant market share for pivot assemblies and miniature ball bearings.

### Major Products

Ball bearings	Rod-end bearings	Spherical bearings	Roller bearings	Bushings	Pivot assemblies
Mechanical assemblies	Aerospace fasteners	Automotive fasteners			

\*Segment classification has changed from the fiscal year ended March 31, 2014, due to organizational changes.

## Electronic Devices and Components



In the year under review, net sales jumped ¥62,603 million (37.3%) from the previous year to total ¥230,514 million. Operating income came to ¥9,582 million, up ¥12,034 million year on year. The operating margin rose 5.7 percentage points year on year to hit 4.2%.

The LED backlight business enjoyed substantial year-on-year gains in both sales and profits. Growing demand in the smartphone market buoyed sales of our technologically unparalleled ultra-thin light guide plates for high-end product applications as our customer base and market share expanded. HDD spindle motors and information motors saw increases in sales while the structural reforms implemented last fiscal year boosted profitability. The information motor business' performance, in particular, steadily improved after it returned to profitability in the second quarter as a result of our efforts to enhance production efficiency as well as cost competitiveness by transferring manufacturing operations to our Cambodian plant on top of the growing demand driven by the global economic recovery. Performance of measuring components was also upbeat thanks to increasing sales to the automobile sector along with the recovery of demand for test equipment.

### Principal Products and Applications and Minebea's Global Market Share

<i>Our product lines &amp; principal products</i>	<i>Principal markets</i>	<i>Global market share*</i>
LED backlights	Mobile phones, automobiles, digital cameras, portable digital information terminals High-end smartphones	12% 70%
Information motors (stepping motors, brushless DC motors, brush DC motors, fan motors)	PCs and servers, information and telecommunications equipment, household electrical appliances, automobiles, industrial machinery, office automation equipment	2–70%, depending on the product
HDD spindle motors	Hard disk drives	—
Precision motors	Automobiles	—
Measuring components	Industrial machinery, automobiles	—

\*Global market share is based on volume. Minebea estimates market share based on information that we collect ourselves and information from independent market research firms.

### Business Activities and Ongoing Efforts

Sales of LED backlights grew quickly in the mobile phone and smartphone markets, which generate approximately 80% of total sales. In addition to increased share to major customers, efforts to expand our customer base in China and other markets paid off, resulting in a substantial jump in sales and profits. HDD spindle motors and information motors made significant headway in cutting costs as the structural reforms implemented last fiscal year began to pay off for both businesses. After returning to profitability in the second quarter, these businesses maintained the profitability and generated a profit throughout the year thanks to the global economic recovery, which drove sales up and improved performance. The measuring components business was also upbeat as sales of both test equipment and automotive products bounced back.

The LED backlight business saw a sharp increase in demand for the ultra-thin light guide plates we specialize in. In response to this growing demand, we are boosting the production capacity of our facilities in China, Cambodia, and Thailand. In April 2014, we launched MIK Smart Lighting Network, a joint venture with Iwasaki Electric Co., Ltd. and Koizumi Lighting Technology Corp., to develop lighting equipment for smart buildings and smart cities. We will establish a business foundation for lighting devices and parts (including street lights) developed by the Electronic Device Division's Engineering Development Department at an early stage in order to expand sales of lighting device-related products as outlined in the third arrow of our "Five Arrows" strategy. The information motor business will focus on reorganizing Moatech as well as our fan motor operations with an eye to driving profitability up.

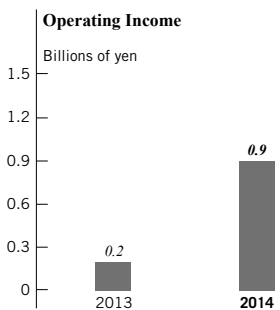
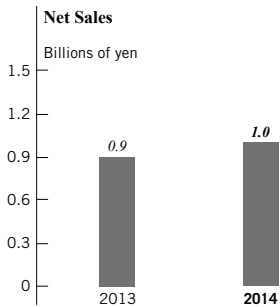
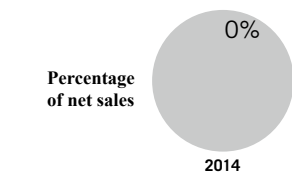
We will implement a business strategy for measuring components that spotlights their sensor function over their function as mere gauges to make inroads into new markets including medical and nursing care, robotics, bridges and other kinds of infrastructure markets with an eye to bringing annual sales up to ¥20 billion at an early stage.

### Major Products

LED backlights	Hybrid components	Stepping motors	Brushless DC motors	Brush DC motors
Fan motors	HDD spindle motors	Precision motors	Measuring components	

\*Segment classification has changed from the fiscal year ended March 31, 2014, due to organizational changes.

## Other



Net sales for the year under review in our other segment, increased ¥71 million (7.7%) year on year to reach ¥996 million. Operating income increased ¥699 million from the previous year to ¥866 million. The operating margin rose 68.8 percentage points year on year to hit 86.9%.

## Major Products

Dies	In-house produced parts
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## Adjustments

Other than the above, ¥11,800 million of corporate expenses, etc. not belonging to any particular segment is shown as adjustments. Adjustments for the previous fiscal year amounted to ¥13,005 million.