Minebea
Passion to Exceed Precision

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

Minebea Co., Ltd.
ANNUAL REPORT
2015
Year Ended March 31, 2015

Minebea

Passion to Exceed Precision

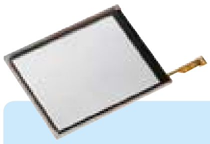
Minebea Co., Ltd. was established in 1951 as Japan's first specialized manufacturer of miniature ball bearings. Today, the Company is the world's leading comprehensive manufacturer of high-precision parts such as machined components and electronic devices and components supplying to customers in IT, telecommunications, aerospace, automotives, home appliances and other industries.

Contents

Disclaimer Regarding Future Projections

In this annual report, all statements that are not historical facts are future projections made based on certain assumptions and our management's judgement drawn from currently available information. Accordingly, when evaluating our performance or value as a going concern, these projections should not be relied on entirely. Please note that actual performance may vary significantly from any particular projection, owing to various factors, including: (i) changes in economic indicators surrounding us, or in demand trends; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. Please note, however, this is not a complete list of the factors affecting actual performance.

Year ended March 31, 2015

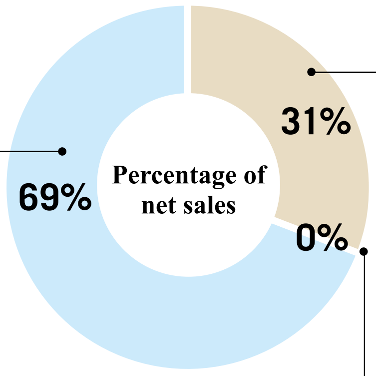


Electronic Devices and Components

	2015	2014
Net sales	¥343.8 billion	¥230.5 billion

Major Products

LED backlights	Fan motors
Hybrid components	Hard disc drive (HDD) spindle motors
Stepping motors	Precision motors
Brushless DC motors	Measuring components
Brush DC motors	



Machined Components

	2015	2014
Net sales	¥155.0 billion	¥140.0 billion

Major Products

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

Other

	2015	2014
Net sales	¥1.8 billion	¥1.0 billion

Major Products

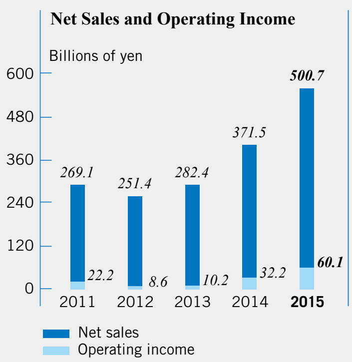
Dies

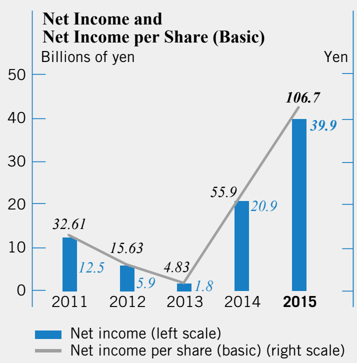
In-house produced parts

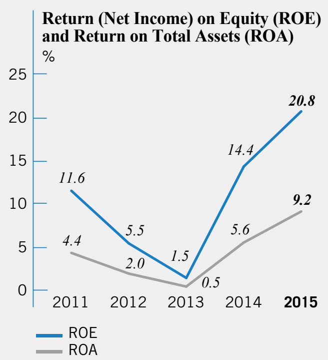
Consolidated Financial Highlights

Years ended March 31

	Millions of yen		Percentage change
	2015	2014	2015/2014
Net sales	¥500,676	¥371,543	34.8%
Operating income	60,101	32,199	86.7
Net income	39,887	20,878	91.0
Total net assets	233,679	163,463	43.0
Total assets	490,043	381,278	28.5
Return (net income) on equity	20.8%	14.4%	
	Yen		Percentage change
Per Share Data:			
Net income			
Basic	¥106.73	¥ 55.94	90.8%
Diluted	101.32	53.14	90.7
Net assets	604.83	422.62	43.1
Cash dividends applicable to the year	12.00	8.00	50.0







The global economy remained on the path to gradual recovery during the fiscal year ended in March 2015. At Minebea, our performance improved significantly as the groundwork we laid over the years to drive profitability up paid off. External sales volumes for our anchor product line, ball bearings, and demand for LED backlights were both up. On top of that, our motor business is now sure to remain in the black. Thanks to these positive factors, consolidated net sales totaled 500.6 billion yen. That's the first time ever that it reached the 500 billion yen mark. Operating income and net income also reached record highs, totaling 60.1 billion yen and 39.9 billion yen respectively.

Representative Director, President and Chief Executive Officer
Yoshihisa Kainuma

Key Strategies in the Fiscal Year Ended March 2015

We continued to work on boosting bearing sales volumes during the fiscal year ended March 2015. Due to an anticipated surge in demand for LED backlights employed in smartphones and other products, we moved ahead to quickly boost production with an eye to their rapid delivery. These initiatives enabled us to grow to new heights during the year under review.

In the machined components segment, we acquired Cixi New MeiPeiLin Precision Bearing Co., Ltd., a Chinese bearing manufacturer, which we made one of our subsidiaries in August 2014. In December we established Shiono Precision Co., Ltd. in Tokyo's Hamura City to assume all business operations of Shiono Seisakusho Co., Ltd. This maneuver was designed to expand product development and marketing operations aimed at the aerospace industry.

In response to growing demand for LED backlights, we made aggressive investments in our electronic devices and components segment to boost production capacity at the Lop Buri plant in Thailand, our Cambodian plant, as well as the Xicen plant in China. Instead of using the Ban Wa plant for our Southeast Asia logistics center as initially planned, we decided to convert it into a production facility for LED backlight parts in November 2014. We went right to work on converting the plant as soon as the decision was made.

While making ongoing structural reforms in the motor business, we've seen it yield steady profits as a result of our all-out effort to improve productivity. In addition to these initiatives, we worked on forging a foundation for launching new products and services. We did this by leveraging the technological capabilities and collective strengths of the people at Paradox Engineering, a Swiss wireless technology company, and MIK Smart Lighting Network Corporation, a joint venture with Iwasaki Electric Co., Ltd. and Koizumi Lighting Technology Corp. This move was aimed at increasing sales of lighting devices and measuring components under the Five Arrows strategy we announced two years ago.

We are moving ahead to supply the lighting market with various parts and products designed for smart cities and smart buildings. As a first step we completed basic research for the Smart City Projects in Phnom Penh, Cambodia. We are now looking forward to implementing the projects in the fiscal year ending March 2016.

In February 2015, our measuring component segment acquired Sartorius Mechatronics Tank & Hopper, a German measuring instruments manufacturer, and its subsidiaries (hereinafter collectively referred to as “Sartorius Intec”). The acquisition has significantly expanded the segment’s product lines and areas of operations.

Looking Back on Fiscal Year Ended March 2015

The Japanese market remained upbeat. Government initiatives and the Bank of Japan's monetary easing policy, coupled with the weak yen in the foreign exchange market, boosted corporate earnings while consumer spending remained steady thanks to high stock prices and the improved job market. Driven by higher employment and growing consumer spending on top of increased capital expenditures, the U.S. economy continued on its gradual recovery track. In Europe, the economy managed to steadily inch forward in the shadow of the Greek sovereign debt crisis, Ukrainian political crisis, and declining crude oil prices. ASEAN countries, meanwhile, enjoyed moderate economic recoveries.

Working against this backdrop, the Minebea Group has been concentrating on cutting costs, creating high-value-added products, developing new technologies, and enhancing its marketing approach to improve profitability even further.

The machined components segment saw monthly external sales volumes for our anchor product line, ball bearings, exceed 150 million units in most months as demand mounted in major markets. Sales to the auto industry were driven up by rising demand for vehicles with enhanced fuel economy, comfort, and safety features. The growing demand kept production up, which brought production costs down and led to a substantial year-on-year earnings hike. Increased orders for rod-end bearings fueled sales and profits thanks to soaring demand in the civil aviation market as airline companies replaced their aging aircraft fleets with newer models. Sales and profits of pivot assemblies were also up thanks to an increased share of the market for high-end products used in data centers, etc. even though the HDD market overall remained flat.

The electronic devices and components segment enjoyed substantial year-on-year gains in both sales and earnings for LED backlights. Growing demand in the smartphone market fueled sales of our ultra-thin light guide plates, which boast both a technological and unbeatable supply edge, for high-end product applications as our customer base and market share expanded. Efforts to build a wider measuring components customer base via the acquisition of Sartorius Intec paid off with steadily climbing sales and earnings. Our Electro Mechanics Solutions (EMS) business enjoyed sales and profit growth as well while sales of HDD spindle motors and information motors also rose.

Our other business segment, which mainly includes dies and parts produced in-house, saw increases in sales for both product lines.

Outlook for Fiscal Year Ending March 2016 (as of May 2015)

The Japanese economy is expected to remain healthy due to better employment conditions and higher wages during the fiscal year ending March 2016. The U.S. economy will likely continue on its gradual upward trajectory thanks to robust consumer spending despite signs of a slowdown in corporate earnings due to the strong dollar, etc. While the European economy is expected to slowly pick up steam, it will take some more time before problems like the Greek financial and Ukrainian political crises are solved. In Asia, strong domestic demand should fuel a moderate economic recovery despite the slowdown in the Chinese economy. Other countries in Asia should also see moderate economic growth.

In light of this economic outlook, sales of our LED backlights, the Group's backbone product line, are expected to surge. At the same time sales of ball bearings, motors, and other products are also projected to be robust. As such, we expect net sales to total 650 billion yen, operating income 67 billion yen, ordinary income 66 billion yen, and net income 48 billion yen in the fiscal year ending March 2016.

The machined components segment will continue to work on boosting performance in anchor business line, which are ball bearings. We will aggressively build up sales and launch new products targeting the automobile as well as information and telecommunications equipment industries, etc., as we branch out into new markets to meet rising demand across the globe. At the same time, our German subsidiary, myonic, will work on increasing sales of higher value-added special bearings. We will also boost production and efficiency in the rod-end bearing business while sharpening our competitive edge in delivery and cost with an eye to selling more in the growing aircraft market.

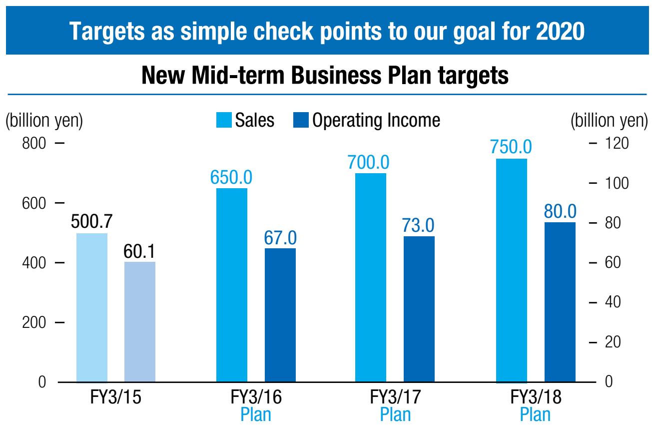
In the area of LED backlights, which are the electronic devices and components segment's core product line, we are working to enhance our capability to supply high-value-added products, including ultra-thin light guide plates for high-end smartphones. Our initiatives are expected to expand the customer base as aggressive marketing and new product launch strategies lead to substantial increases in sales and profits. We will also work on developing new lines of measuring components that leverage their sensor function while driving sales up in the automobile market. This as well as the synergy with Sartorius Intec is expected to significantly boost sales. Moving forward with an eye to enhancing the performance of our information motor and HDD spindle motor businesses, we will zero in on enhancing quality and cutting costs as we work to increase sales of high value-added products for automobile and server applications.

Our other segment will focus on enhancing the precision of dies and parts produced in-house in order to improve production efficiency in the departments that produce finished products as we bring quality to new heights.

Sales and Operating Income Targets under the New Medium-term Business Plan, New Five Arrows and Five Arrows for New Products Growth Strategies

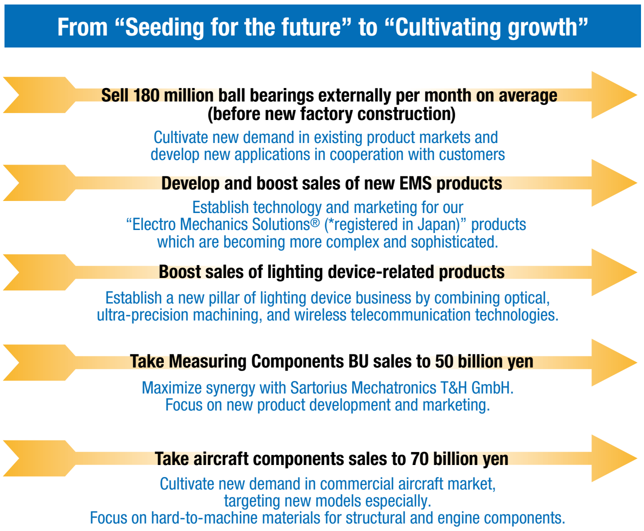
In the fiscal year that ended March 2015, we saw net sales top 500 billion yen for the first time ever. Back in May 2014 we announced a net sales target of 500 billion yen and an operating income target of 50 billion yen set under our medium-term business plan. After achieving these goals two years earlier than expected, we set new medium-term targets for the fiscal year ending March 2020. We said that we would shoot for one trillion yen in sales or 100 billion yen in operating income, whichever comes first. We then developed a new medium-term business plan to guide us toward hitting this giant target. For the first year ending March 2016, we set the net sales target and operating income target at 650 billion yen and 67 billion yen respectively.

New Mid-term Business Plan targets



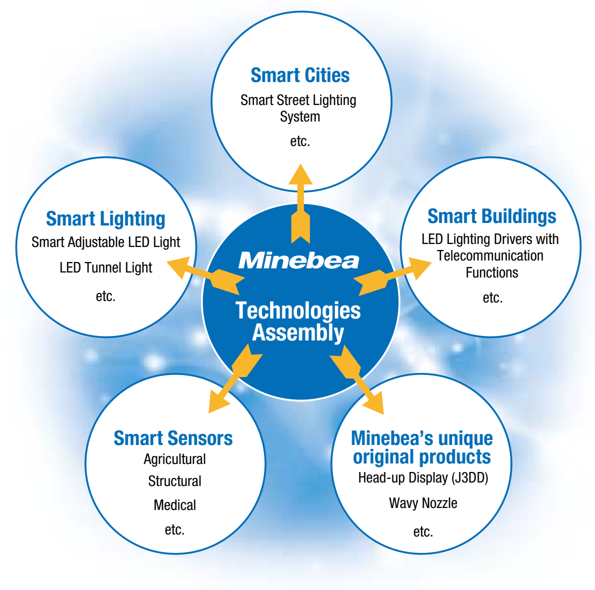
In November 2013, we announced our Five Arrows strategy in anticipation of Minebea's 100th anniversary. The goals we outlined were partially achieved as a result of growing sales of bearings as well as the acquisition of the German-based Sartorius Intec by our measuring components segment. So we decided to revise that strategy, coming up with the New Five Arrows. We will now move into high gear with lighting devices and measuring components in addition to bearings, EMS products, and aircraft parts.

The new "Five Arrows" strategy



We also developed the Five Arrows for New Products in order to ensure further growth. We will combine the basic technologies and assembly techniques we have developed over the years to create more sophisticated street lighting and building management solutions for smart cities. We will also launch other new products like the Wavy Nozzle, an auxiliary device for machine tools; concave mirrors for head-up displays made by JAPAN 3D DEVICES Co., Ltd. (in which we acquired a stake); smart sensors for agricultural, architectural, and medical applications; Smart Adjustable Light for IoT (SALIOT) that make various lighting controls possible, and more.

"Five Arrows for new products" strategy



These new products will incorporate Paradox Engineering's wireless technologies, designed for building highly scalable networks, to deliver outstanding performance and reliability.

Passion is Power, Passion is Speed, Passion is the Future

We have leveraged our advanced technological capability to gain a large share of niche markets and are producing more products with a high profit margin. These efforts have enabled us to move ahead with laying a solid foundation for Minebea's 100th year of operations and achieve our best performance ever in the fiscal year ended March 2015.

Aiming even higher, we announced a new medium-term target which we call "1 and/or 100 by 2020." Those figures mean we are aiming for either one trillion yen in net sales or 100 billion yen in operating income by 2020, whichever comes first.

We continue to enjoy the huge market share we have garnered for our anchor product line, miniature and small-sized ball bearings, as well as HDD pivot assemblies, rod-end bearings for aircraft, LED backlights for high-end thin smartphones, etc. All of us at Minebea will continue to work with passion as we steadily build on these products to ensure that when we reach our 100th anniversary, we will still be an indispensable parts manufacturer.

Thank you for your continued cooperation and support for the Minebea Group

July 2015
Representative Director, President and Chief Executive Officer

Our employees, customers, shareholders, suppliers, communities as well as every individual living on this planet are all vital stakeholders in the Minebea Group. We are continually cultivating open channels of communication with our stakeholders to yield fruitful relationships that will enable us to grow together as we work toward creating a more sustainable way of life.

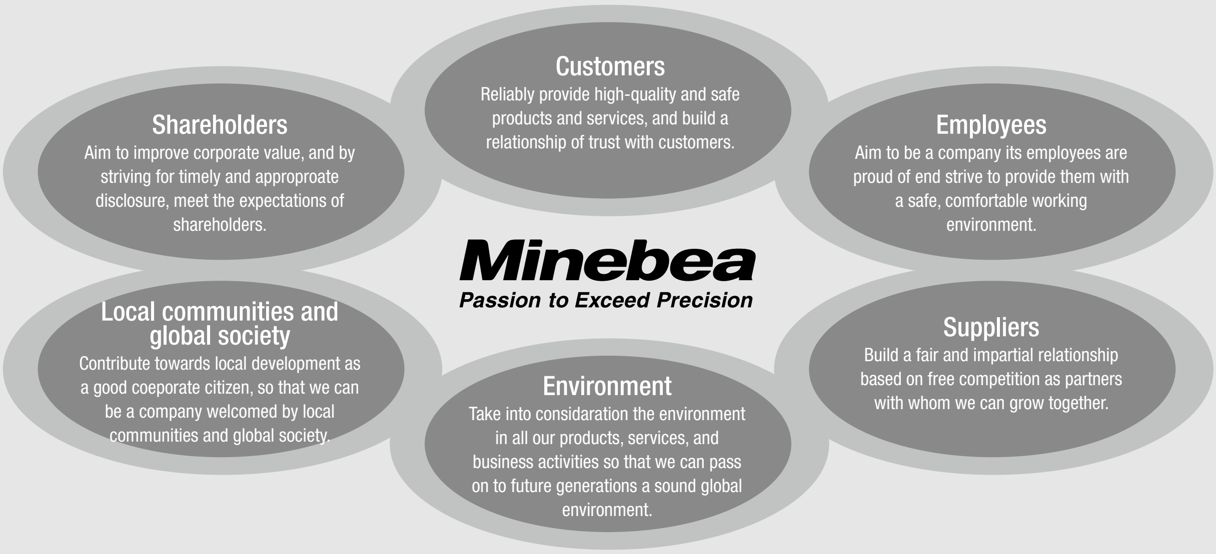
In 1993 Minebea became the first bearing manufacturer to abolish the use of specific chlorofluorocarbons and ethane as cleaning agents in its production processes. That was also the year Minebea articulated its Environmental Philosophy and Environmental Policy. These corporate milestones focused on various environmental initiatives, such as eliminating or minimizing the use of environmentally hazardous substances, implementing environmental management systems, promoting efficient use of resources as well as green procurement practices. As of June 1, 2012 Minebea renamed its Environmental Philosophy to Minebea Group Environmental Policy, and added its policy to strive to protect the natural environment with the global viewpoint in line with its basic principle to contribute to global society.

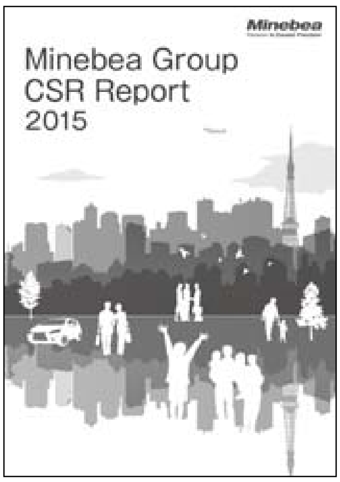
In addition to these initiatives, we adopted the Minebea Group Basic CSR Policy and the Minebea Group's CSR Implementation Principles in 2010 based on our Five Basic Management Principles (see page 6). Today Minebea's CSR activities encompass a wide range of areas including educational programs, participation in local and national initiatives, promotion of amateur sports, and more. We are deeply committed to engaging in community-based CSR activities at our locations around the world with an eye to building bridges that will connect us with our stakeholders and ensure open access to everyone.

Minebea Group Basic CSR Policy

As a manufacturer of precision products supporting society, the Minebea Group is working towards stable supply and making widely available reliable products with low energy consumption, to contribute to the sustainable development of the global environment and of humanity.

Minebea Group Stakeholders





Minebea Group Environmental Policy

Established August 26, 1983
Revised June 1, 2012

The Minebea Group strives to contribute to the protection of the global environment and sustainable human development. In accordance with the Five Principles of its management policy, the Minebea Group operates its business activities in a responsible manner which respects the environment.

Minebea issued its first environmental report in 2003. Renamed the CSR Report in 2010, the annual publication serves as a vital medium designed to communicate Minebea's CSR and environmental policies as well as related activities. For more information, visit the Minebea corporate web site at http://www.minebea.co.jp/english/corp/environment/index.html.

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.

Furthermore, with respect to the corporate auditors, in order to strengthen and enhance their auditing functions, the Company has included three outside corporate auditors (one of whom is a standing outside corporate auditor) in the four corporate auditors that make up the board of 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) Management decision-making and supervision

Minebea's Management decision-making and supervision 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.

An amendment to Minebea's Articles of Incorporation, shortening directors' terms of office from two years to one, was approved at the 69th Ordinary General Meeting of Shareholders held on June 26, 2015. The change is aimed at clearly defining directors' managerial responsibilities and building a management team that will enable the company to respond swiftly to changes in the business environment.

(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.

Along with this change to the directors' term of office, a change was made to the executive officers' term of office, shortening its length from two years to one.

(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 and management system, risk management system, efficiently performing duties system, group company control system, and auditing system, and is working to further strengthen them.

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 and management 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)

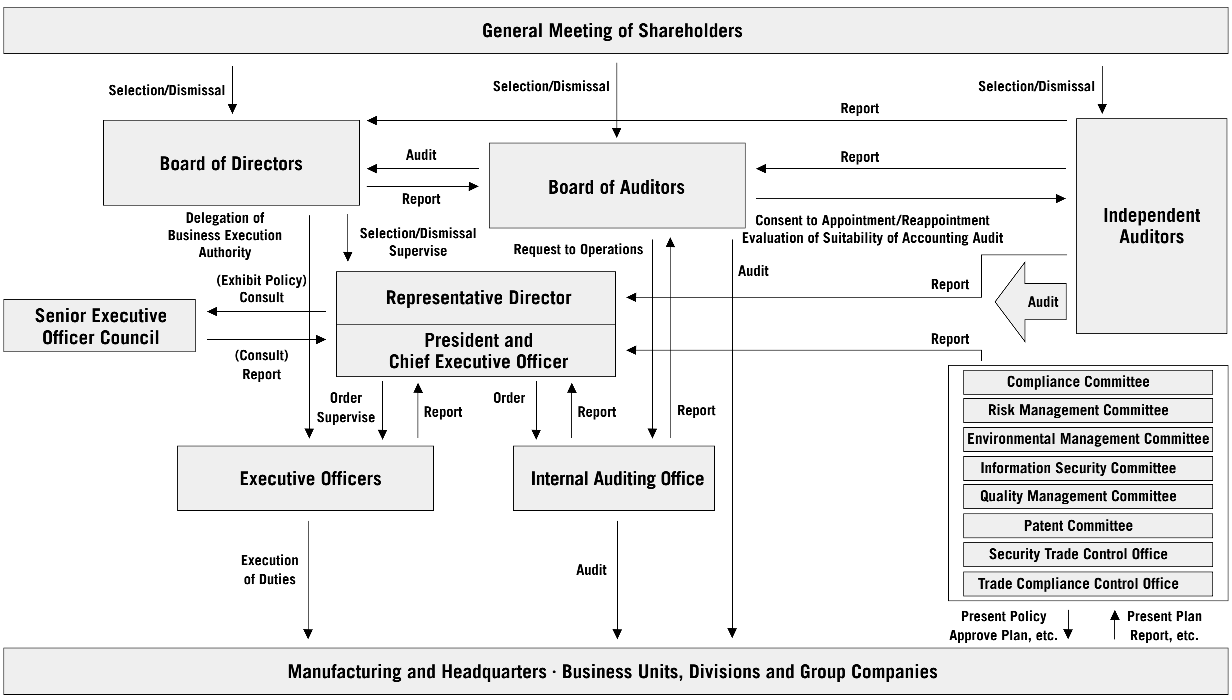
5. Internal Control over Financial Reporting

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, 2015, 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 LLC.

(To see Management's Report on Internal Control System, please turn to page 65. Management's Report on Internal Control System is included within the scope of KPMG AZSA LLC's audit for the annual report, and the Report of Independent Certified Public Accountants on page 66 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 | 1 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 | 1 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.

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.

| **8** Minebea acquires Daiichi Seimitsu Sangyo Co.,Ltd., a manufacturer of precision molds for plastic injection molding, from NMC2002 L.P., a private equity fund managed by Nippon Mirai Capital Co.,Ltd.

Minebea establishes a manufacturing company Minebea Electronic Devices (Suzhou) Ltd. in Suzhou(China), and commenced the production of lighting devices for LCDs in April 2011.

| **10** Minebea establishes a manufacturing company Minebea (Cambodia) Co., Ltd. in Cambodia, and commenced the production of small sized motors at a rental plant in Phnom Penh Special Economic Zone in April 2011.

2011 | **10** NMB-Minebea Thai Ltd. commences the 4th ball bearing factory in Bang Pa-in factory. Installs the ball bearings factory which becomes the 4th in Thailand in a Bang Pa-in factory.

| **12** Completed Minebea's own factory in Cambodia's Phnom Penh Special Economic Zone and started the full-fledged production.

2012 | **2** Minebea has resolved to sign a capital and business alliance agreement with the Development Bank of Japan Inc. for joint investments.

| **5** Minebea has acquired the majority shares of Moatech, a Korean stepping motor manufacturer, from the company and its principal shareholders.

| **8** Established "Charitable Trust - Minebea Scholarship Fund for Orphans of the Great East Japan Earthquake" as a project to commemorate 60th anniversary of Minebea's Incorporation.

2013 | **1** Acquired Minebea's own building in Mita, Minato-ku, Tokyo and started operation.

| **2** Dissolved joint venture motor business with Panasonic Corporation.

| **4** Established NMB-Minebea India Private Ltd. a sales subsidiary in India.

| **5** German subsidiary, myonic GmbH, has purchased the assets of APB Service GmbH, an Austrian bearing manufacturer and trading company.

Made an agreement on business and capital alliance with KJ Pretech Co., Ltd. of Korea.

| **7** Acquisition of all shares of German ceramic ball bearing manufacturer, CEROBEAR GmbH, by New Hampshire Ball Bearings, Inc., the US subsidiary.

2014 | **1** Capital Participation in Paradox Engineering SA of Switzerland (34.71% of the number of shares), a technology Company designing and providing wireless and networking technologies and solutions.

| **4** MIK Smart Lighting Network Corporation was launched in April 2014 as a joint venture among Minebea, Iwasaki Electric Co., Ltd. and Koizumi Lighting Technology corp.

| **6** Hansen Corporation, a subsidiary of Minebea in America was sold.

| **7** JAPAN 3D DEVICES Co., Ltd.(J3DD), a daughter company of Okamoto Glass and manufacturer of high precision 3D molded thin glass, became a Minebea subsidiary.

| **8** Chinese ball bearing manufacturing and sales subsidiary Cixi New MeiPeiLin Precision Bearing Co., Ltd.

| **12** Established Shiono Prescion Co., Ltd., a manufacturer of aircraft and space development device components.

2015 | **2** Acquisition of all shares of German measuring component manufacturer, Sartorius Mechatronics T&H GmbH and its subsidiaries by Minebea and Development Bank of Japan Inc. (DBJ). (Minebea : 51%, DBJ : 49%)

Representative Director, President and Chief Executive Officer
Yoshihisa Kainuma

Director, Vice President Executive Officer
Hiroharu Katogi
Officer in charge of Administration, Accounting & IT Div. Officer in charge of Personnel & General Affairs Div.
Officer in charge of Corporate Finance Department, Internal Control Promotion Office, Internal Auditing Office at Finance & Compliance Promotion Division Internal Control Promotion Office, Internal Auditing Office at Finance & Compliance Promotion Div.

Director, Senior Managing Executive Officers
Hiroyuki Yajima
Chief of Machined Component Manufacturing Headquarters
Officer in charge of Production Support Div.

Hirotaka Fujita
Chief of Electronic Device & Component Manufacturing Headquarters
Officer in charge of Automotive & Global Motor Business Div.
at Electronic Device & Component Manufacturing Headquarters

Daishiro Konomi
Officer in charge of Sales Div.
General Manager of Regional Affairs for Europe

Tamio Uchibori
Officer in charge of Corporate Planning Div.

Ryozo Iwaya
Deputy Chief of Electronic Device & Component Manufacturing Headquarters
Officer in charge of Electronic Device Div. at Electronic Device & Component Manufacturing Headquarters
Head of Lighting Device Business Unit

Director, Managing Executive Officers
Shigeru None
Deputy Officer in charge of Sales Div.

Outside Directors
Kohshi Murakami
Takashi Matsuoka

Standing Corporate Auditor
Kazunari Shimizu

Standing Outside Corporate Auditor
Kazuyoshi Tokimaru

Outside Corporate Auditors
Hisayoshi Rikuna
Shinichiro Shibasaki

Managing Executive Officers
Masayuki Imanaka
General Manager of Regional Affairs for South East Asia

Takashi Aiba
Officer in charge of Procurement & Logistics Div.

Shuji Uehara
Deputy Chief of Electronic Device & Component Manufacturing Headquarters
Officer in charge of Information, Industrial Machinery Motor & Special Device Div.
at Electronic Device & Component Manufacturing Headquarters

Hiromi Yoda
Deputy Officer in charge of Administration, Accounting & IT Div.

Tatsuo Matsuda
Deputy Officer in charge of Personnel & General Affairs Div.
Officer in charge of CSR Promotion Office, Compliance Promotion Office at Finance & Compliance Promotion Div.

Tetsuya Tsuruta
Deputy Chief of Machined Component Manufacturing Headquarters
Head of Mechanical Assembly Business Unit at Machined Component Manufacturing Headquarters

Michiya Kagami
Deputy Chief of Electronic Device & Component Manufacturing Headquarters
Officer in charge of Engineering Development Div. at Electronic Device & Component Manufacturing Headquarters

Hiroshi Yoshikawa
Deputy Officer in charge of Electronic Device Div.
Deputy Head of Lighting Device Business Unit of Electronic Device Div.
at Electronic Device & Component Manufacturing Headquarters

Executive Officers
Hiroyuki Akatsu
Officer in charge of Engineering Support Div.

Koichi Takeshita
General Manager of Regional Affairs for China

Kazunori Sawayama
Head of Fan Motor Business Unit of Information, Industrial Machinery Motor & Special Device Div.
at Electronic Device & Component Manufacturing Headquarters

Toru Narita
Officer in charge of Production Engineering Div.
at Electronic Device & Component Manufacturing Headquarters

Koichiro Kojima
Head of Ball Bearing Business Unit at Machined Component Manufacturing Headquarters

Michihiro Tame
Deputy Officer in charge of Procurement & Logistics Div.

Atsushi Shiraishi
Deputy Head of NHBB/myonic Business Unit at Machined Component Manufacturing Headquarters

Toshiro Ogata
Head of Special Device Business Unit, Industrial Machinery Motor & Special Device Div.
at Electronic Device & Component Manufacturing Headquarters

Shigenori Hoya
General Manager of Engineering Dep. of Manufacturing Div. at Ball Bearing Business Unit of Machined Component Manufacturing Headquarters

Takaaki Asawa
General Manager of Information Systems Dep. of Administration, Accounting & IT Div.

Katsuhiko Kurosawa
General Manager of Business Support Office of Business Management Div.
at Electronic Device & Component Manufacturing Headquarters

Haruki Kato
Head of DC Motor Business Unit of Information, Industrial Machinery Motor & Special Device Div.
at Electronic Device & Component Manufacturing Headquarters

Shinichi Yamamura
Head of EMS Business Unit and General Manager of Module Engineering Group of Lighting Device Business Unit of Electronic Device Div.
at Electronic Device & Component Manufacturing Headquarters
Representative Director of MIK Smart Lighting Network Corporation

Satoshi Yoneda
General Manager of Accounting Department at Administration, Accounting & IT Div.

Katsuhiko Yoshida
Officer in charge of Business Management Div., General Manager of Vertical Integration Improvement Office, General Manager of Business Support Office, General Manager of Business Management Office at Electronic Device & Component Manufacturing Headquarters

Joerg Hoffmann
Head of EMT Business Unit of Automotive & Global Motor Business Div.
at Electronic Device & Component Manufacturing Headquarters
Deputy General Manager of Regional Affairs for Europe

Daniel J. Lemieux
Head of NHBB/myonic Business Unit at Machined Component Manufacturing Headquarters
General Manager of Regional Affairs for the Americas

Shuji Kobayashi
General manager of Stepping Motor Product Sales Management at Sales Div.

Koichiro Komiya
Deputy Officer in charge of Headquarters at Sales Div.
General manager of Bearing Product Sales Management at Sales Div.

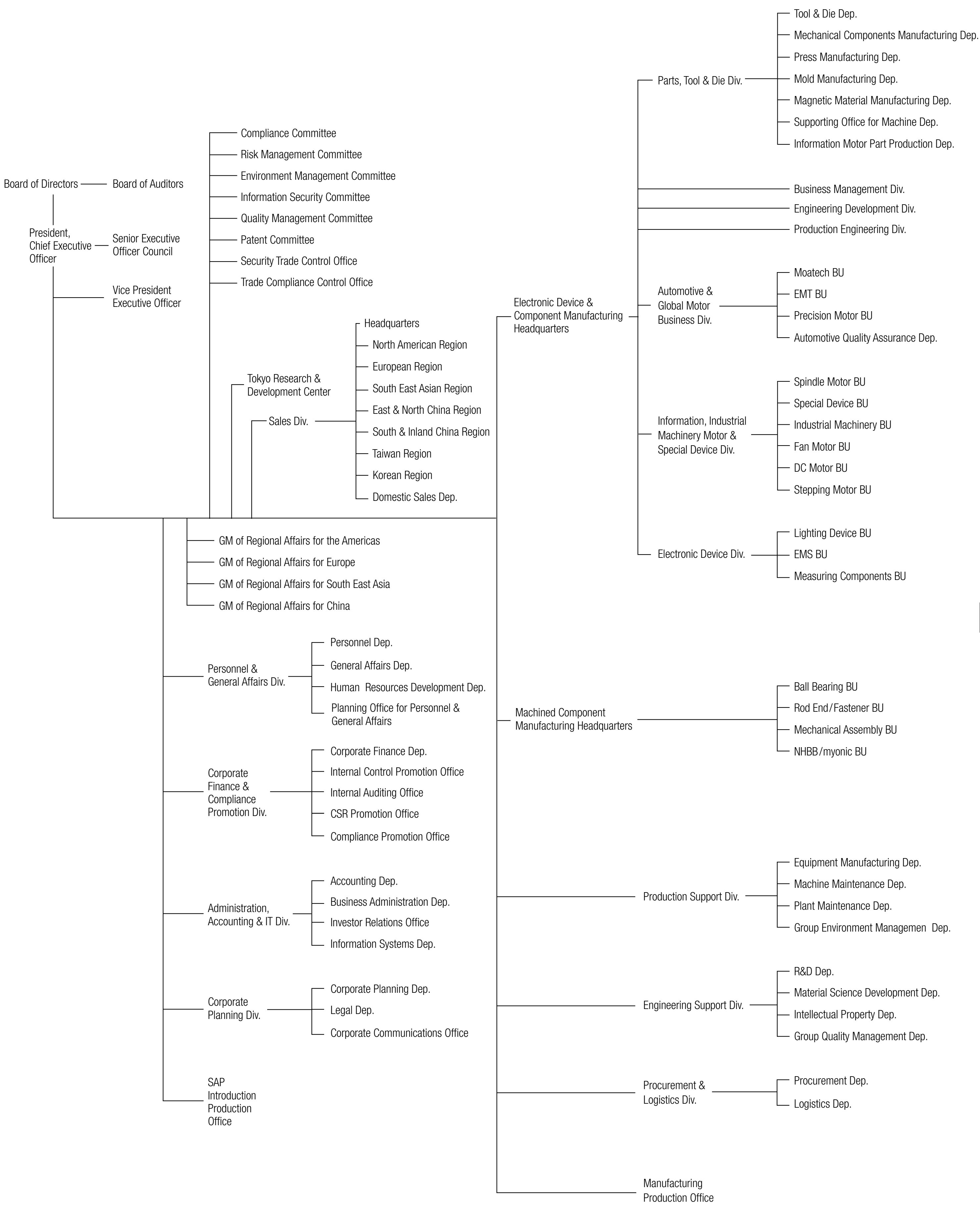
Kazuo Misumi
General manager of SAP Introduction Promotion Office

Takuya Sato
Group Leader of Parts Manufacturing Group of Lighting Device Business Unit of Electronic Device Div. at Electronic Device & Component Manufacturing Headquarters

Osamu Nakamura
Deputy Officer in charge of Information, Industrial Machinery Motor & Special Device Div. at Electronic Device & Component Manufacturing Headquarters
Head of Stepping Motor Business Unit of Information, Industrial Machinery Motor & Special Device Div. at Electronic Device & Component Manufacturing Headquarters

Note: Messrs. Kohshi Murakami and Takashi Matsuoka are independent directors as required under Article 2, Paragraph 15, of the Company Law. Messrs. Kazuaki Tanahashi, Shinichiro Shibasaki and Hisayoshi Rikuna are external Auditors as required under Article 2, Paragraph 16, of the Company Law.

(As of August 1, 2015)



(As of August 1, 2015)

Eleven-Year Summary

	2015	2014	2013	2012
Statement of Income • Statement of Comprehensive Income Data:				
Net sales:	**¥500,676**	¥371,543	¥282,409	¥251,358
Machined components	**154,986**	140,033	113,573	—
Percentage of net sales	**31%**	38%	40%	—
Electronic devices and components	**343,842**	230,514	167,911	—
Percentage of net sales	**69%**	62%	60%	—
Other	**1,848**	996	925	—
Percentage of net sales	**0%**	0%	0%	—
Former segment (from fiscal 2010 to fiscal 2012)				
Machined components	**—**	—	—	107,038
Percentage of net sales	**—**	—	—	43%
Rotary components	**—**	—	—	91,364
Percentage of net sales	**—**	—	—	36%
Electronic devices and components	**—**	—	—	37,887
Percentage of net sales	**—**	—	—	15%
Other	**—**	—	—	15,069
Percentage of net sales	**—**	—	—	6%
Former segment (before fiscal 2009)				
Machined components	**—**	—	—	—
Percentage of net sales	**—**	—	—	—
Electronic devices and components	**—**	—	—	—
Percentage of net sales	**—**	—	—	—
Gross profit	**¥120,091**	¥ 85,775	¥ 57,295	¥ 52,852
Percentage of net sales	**24.0%**	23.1%	20.3%	21.0%
Operating income	**60,101**	32,199	10,169	8,599
Percentage of net sales	**12.0%**	8.7%	3.6%	3.4%
Net income	**39,887**	20,878	1,804	5,922
Percentage of net sales	**8.0%**	5.6%	0.6%	2.4%
Comprehensive income	**72,380**	31,974	26,709	4,046
Percentage of net sales	**14.5%**	8.6%	9.5%	1.6%
Balance Sheet Data:				
Total assets	**¥490,043**	¥381,278	¥362,805	¥306,772
Total current assets	**265,185**	189,638	170,977	157,787
Total current liabilities	**167,620**	120,937	128,484	115,713
Short-term debt and current portion of long-term debt	**66,757**	64,044	85,203	68,607
Long-term debt	**71,706**	84,454	85,209	73,937
Working capital	**97,565**	68,701	42,493	42,074
Total net assets	**233,679**	163,463	137,858	109,777
Equity ratio	**46.1%**	41.4%	36.2%	35.7%
Per Share Data:				
Net income:				
Basic	**¥106.73**	¥ 55.94	¥ 4.83	¥ 15.63
Diluted	**101.32**	53.14	4.65	15.54
Net assets	**604.83**	422.62	351.65	288.74
Cash dividends	**12.00**	8.00	7.00	7.00
Number of shares outstanding	**399,167,695**	399,167,695	399,167,695	399,167,695
Other Data:				
Return (net income) on equity	**20.8%**	14.4%	1.5%	5.5%
Return on total assets	**9.2%**	5.6%	0.5%	2.0%
Interest expense	**¥ 1,504**	¥ 2,139	¥ 2,651	¥ 2,321
Net cash provided by operating activities	**59,863**	49,173	22,990	20,233
Net cash used in investing activities	**(35,326)**	(24,957)	(37,813)	(29,018)
Free cash flows	**24,537**	24,216	(14,823)	(8,785)
Purchase of tangible fixed assets	**34,979**	18,343	42,963	25,961
Depreciation and amortization	**28,776**	23,740	22,569	20,920
Number of employees	**63,967**	54,768	53,327	51,406

Notes: 1. Effective from fiscal 2014, due to organizational changes aimed at enhancing management efficiency and improving the speed of business judgment, the Company has changed its reportable segments to two segments including "Machined components business" and "Electronic devices and components business", in place of three segments consisting of "Machined components business", "Rotary components business" and "Electric devices and domponents business." Figures before fiscal 2012 are based on the former segments.

2 In fiscal 2013, the Company posted other expenses of ¥4,905 million for the restructuring and associated impairment charges of the rotary components segment, ¥1,642 million in expenses associated with the partial settlement of a defined benefit pension plan at U.S. subsidiaries, and ¥955 million for the restructuring and the associated provision for doubtful receivables of the speaker business.

3. Effective from fiscal 2011, the Company applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information." Figures before fiscal 2009 are based on the former segments.

Millions of yen

2011	2010	2009	2008	2007	2006	2005
¥269,139	¥228,446	¥256,163	¥334,431	¥331,022	¥318,446	¥294,422
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
107,841	99,291	—	—	—	—	—
40%	44%	—	—	—	—	—
101,139	74,185	—	—	—	—	—
38%	32%	—	—	—	—	—
40,502	35,780	—	—	—	—	—
15%	16%	—	—	—	—	—
19,657	19,190	—	—	—	—	—
7%	8%	—	—	—	—	—
—	—	115,872	144,034	137,662	129,595	116,105
—	—	45%	43%	42%	41%	39%
—	—	140,291	190,397	193,360	188,851	178,317
—	—	55%	57%	58%	59%	61%
¥ 66,994	¥ 53,160	¥ 59,025	¥ 80,721	¥ 73,378	¥ 68,511	¥ 62,403
24.9%	23.3%	23.0%	24.1%	22.2%	21.5%	21.2%
22,163	12,059	13,406	30,762	26,265	19,269	14,083
8.2%	5.3%	5.2%	9.2%	8.0%	6.0%	4.8%
12,465	6,662	2,441	16,303	12,862	4,257	5,581
4.6%	2.9%	1.0%	4.9%	3.9%	1.3%	1.9%
4,009	6,255	—	—	—	—	—
1.5%	2.7%	—	—	—	—	—
¥291,092	¥277,967	¥285,396	¥320,544	¥354,784	¥349,862	¥332,217
144,178	130,004	121,699	148,117	156,059	153,564	147,295
116,863	102,961	112,312	118,321	131,155	150,886	141,449
76,370	64,755	80,990	65,352	71,761	91,772	87,112
56,843	58,645	56,900	67,500	78,500	79,500	85,341
27,315	27,043	9,387	29,796	24,905	2,678	5,846
109,967	108,381	106,762	131,730	142,558	118,209	102,088
37.1%	38.5%	37.1%	40.7%	40.1%	33.6%	30.7%
						Yen
¥ 32.61	¥ 17.20	¥ 6.18	¥ 40.86	¥ 32.23	¥ 10.67	¥ 13.93
—	—	—	—	—	—	13.27
282.03	279.87	271.93	327.25	356.75	294.65	255.82
7.00	7.00	7.00	10.00	10.00	7.00	7.00
399,167,695	399,167,695	399,167,695	399,167,695	399,167,695	399,167,695	399,167,695
						Millions of yen
11.6%	6.3%	2.1%	11.9%	9.9%	3.9%	5.7%
4.4%	2.4%	0.8%	4.8%	3.7%	1.2%	1.7%
¥ 1,833	¥ 1,898	¥ 2,646	¥ 4,402	¥ 5,224	¥ 4,771	¥ 3,361
24,439	30,408	37,064	46,893	37,902	28,237	27,586
(28,631)	(12,733)	(24,554)	(23,461)	(15,180)	(19,120)	(23,789)
(4,192)	17,675	12,510	23,432	22,722	9,117	3,797
26,517	10,495	18,429	24,888	16,969	21,897	23,060
22,127	22,492	25,027	27,502	25,727	25,045	23,545
53,827	49,091	48,443	50,549	49,563	47,526	48,473

4. Effective from fiscal 2011, the Company applied the "Accounting Standard for Presentation of Comprehensive Income."
5. Effective from fiscal 2007, the Company applied the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" and the "Guidance on 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.
6. In fiscal 2006, the Company 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 recorded an impairment loss of ¥967 million in other expenses resulting from the adoption of impairment accounting for fixed assets.

Overview

Outline of Operations

Minebea's operations are divided into the following segments. The machined components segment (accounting for 31.0% of net sales in the year under review) primarily manufactures miniature and small-sized ball bearings, rod-end and spherical bearings, as well as fasteners and pivot assemblies. The electronic devices and components segment (accounting for 68.7% of net sales) primarily makes light-emitting diode (LED) backlights for liquid crystal displays (LCDs), spindle motors for hard disk drives (HDDs), stepping motors, brushless DC motors, brush DC motors, fan motors, and other types of motors, as well as measuring components. The other segment (accounting for 0.3% of net sales) focuses on dies and parts produced in-house.

Product development takes place mainly in Japan, Germany, Thailand and the United States. Manufacturing takes place mainly in Japan, Thailand, China, the United States, Singapore, Malaysia, Cambodia, the Philippines, Germany, the Czech Republic, and the United Kingdom. Thailand, which is our largest manufacturing base, accounted for 61.1% of our consolidated-basis output in the year under review while China, which is our next biggest manufacturing base, accounted for 20.2%. Asian locations outside of Japan accounted for 85.3% of our production, and manufacturing at all overseas locations accounted for 94.1% of total output.

The key outlets for our products include the markets for office automation and telecommunications equipment (33.9% of net sales in the year under review), PCs and peripherals (20.3%), automotive products (11.7%), household electrical appliances (8.7%), and aerospace products (8.5%). Many of our customers, who are manufacturers of these products, are expanding their production bases beyond Japan, Europe, and the Americas. This expansion has been directed particularly toward China and other parts of Asia, which explains why sales in China (including Hong Kong), accounting for 32.9% of consolidated net sales in the year under review, were the highest. Our second-largest geographic market is Japan, which accounted for 21.6% of consolidated net sales. The third largest, Thailand, accounted for 14.1% with the remainder of sales coming from Europe, the United States, and elsewhere.

Outline of Strategy

We will work to boost the profitability of our existing lines while developing new high-value-added products. That includes leveraging the wealth of experience we have gained in manufacturing, sales, engineering and development as well as the commitment to restructuring our business portfolio, encompassing the hybrid component business that is driven by our combined technological strengths in electronic devices and components as well as machined components, in order to provide flexible prices and meet the needs of our customers. We will actively work on restructuring our business portfolio and increasing corporate value via M&As and alliances. At the same time we will focus on establishing large-scale overseas mass production facilities as well as R&D capabilities in light of regional risk assessment findings.

We announced the introduction of our "Five Arrows" strategies which we have been working to implement with an aim to making substantial headway on these initiatives and boost our bottom line. Since we already hit or are sure to soon hit some of the targets set under the strategy, we have developed a new "Five Arrows" strategies that will guide us through the fiscal year ending March 2018.

1. Sell 180 million ball bearings externally per month on average.
   Bearing sales have steadily grown and the monthly external sales volume has reached 150 million units. We will cultivate new demand in existing product markets and develop new applications to achieve monthly external sales of 180 million units on average.
2. Develop and boost sales of new "Electro Mechanics Solutions®" (*registered in Japan) to take the EMS business to new heights.
   While we have already achieved higher-than-projected EMS sales, we will work to establish the technological capability needed to make EMS more complex and sophisticated with an eye to developing and boosting sales of new products.
3. Establish a business foundation for lighting devices and parts.
   We will combine our optical and ultra-precision machining technologies with the wireless communication technology of PARADOX ENGINEERING SA, with which we have recently formed a capital alliance, to move forward with our smart city, smart adjustable LED lights (SALL), and other businesses.
4. Take sales of measuring components and related products to 50 billion yen.
   We have raised the annual sales target from 20 billion yen to 50 billion yen as a result of the acquisition of the Sartorius Mechatronics T&H GmbH.
5. Take aircraft components sales to 70 billion yen.
   We will leverage our global presence and maximize synergy with our new subsidiary, CEROBEAR GmbH, to tap new demand in the commercial aircraft market and supply components for new aircraft models with an aim to bringing rod-end bearing and other aircraft component sales to 70 billion yen.

Financial Data by Segment

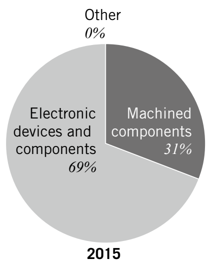
Years ended March 31	**2015**	2014	2013	2012	2011
					Millions of yen
Sales by reportable segment					
Machined components	**¥154,986**	¥140,033	¥113,573	¥ —	¥ —
Electronic devices and components	**343,842**	230,514	167,911	—	—
Reportable segments total	**¥498,828**	¥370,547	¥281,484	¥ —	¥ —
Other	**1,848**	996	925	—	—
Total	**¥500,676**	¥371,543	¥282,409	¥ —	¥ —
Adjustment	**—**	—	—	—	—
Consolidated financial statements amount	**¥500,676**	¥371,543	¥282,409	¥ —	¥ —
Income (loss) by reportable segment					
Machined components	**¥ 39,713**	¥ 33,551	¥ 25,459	¥ —	¥ —
Electronic devices and components	**29,721**	9,582	(2,452)	—	—
Reportable segments total	**¥ 69,434**	¥ 43,133	¥ 23,007	¥ —	¥ —
Other	**859**	866	167	—	—
Total	**¥ 70,293**	¥ 43,999	¥ 23,174	¥ —	¥ —
Adjustment	**(10,192)**	(11,800)	(13,005)	—	—
Consolidated financial statements amount	**¥ 60,101**	¥ 32,199	¥ 10,169	¥ —	¥ —
Assets by reportable segment					
Machined components	**¥116,482**	¥ 99,300	¥ 97,632	¥ —	¥ —
Electronic devices and components	**179,176**	118,118	106,008	—	—
Reportable segments total	**¥295,658**	¥217,418	¥203,640	¥ —	¥ —
Other	**18,245**	8,081	8,556	—	—
Total	**¥313,903**	¥225,499	¥212,196	¥ —	¥ —
Adjustment	**176,140**	155,779	150,609	—	—
Consolidated financial statements amount	**¥490,043**	¥381,278	¥362,805	¥ —	¥ —
Depreciation and amortization by reportable segment					
Machined components	**¥ 9,520**	¥ 9,378	¥ 8,020	¥ —	¥ —
Electronic devices and components	**13,159**	8,070	7,468	—	—
Reportable segments total	**¥ 22,679**	¥ 17,448	¥ 15,488	¥ —	¥ —
Other	**2,173**	2,090	1,910	—	—
Total	**¥ 24,852**	¥ 19,538	¥ 17,398	¥ —	¥ —
Adjustment	**3,924**	4,202	3,402	—	—
Consolidated financial statements amount	**¥ 28,776**	¥ 23,740	¥ 20,800	¥ —	¥ —
Increase in tangible and intangible fixed assets by reportable segment					
Machined components	**¥ 5,732**	¥ 3,867	¥ 9,100	¥ —	¥ —
Electronic devices and components	**16,427**	8,646	13,580	—	—
Reportable segments total	**¥ 22,159**	¥ 12,513	¥ 22,680	¥ —	¥ —
Other	**7,042**	1,393	1,272	—	—
Total	**¥ 29,201**	¥ 13,906	¥ 23,952	¥ —	¥ —
Adjustment	**8,356**	6,773	19,735	—	—
Consolidated financial statements amount	**¥ 37,557**	¥ 20,679	¥ 43,687	¥ —	¥ —

Note: Effective from fiscal 2014, due to organizational changes aimed at enhancing management efficiency and improving the speed of business judgment, the Company has changed its reportable segments to two segments including “Machined components business” and “Electronic devices and components business”, in place of three segments consisting of “Machined components business”, “Rotary components business” and “Electric devices and components business.” Accordingly, figures before fiscal 2012 are not disclosed, as they cannot be compared to.

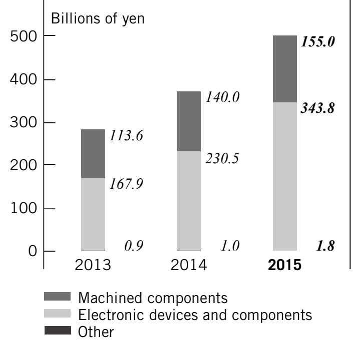
Financial Review

Results of Operations

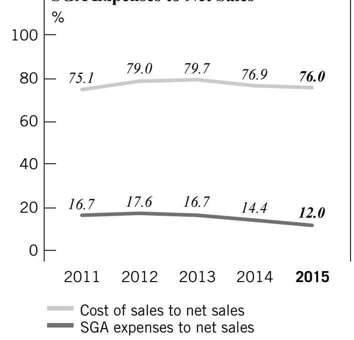
Ratio of Net Sales by Segment



Net Sales by Segment



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



Net Sales

The Japanese economy saw corporate earnings increase during the fiscal year under review as government economic initiatives and the Bank of Japan's monetary easing coupled with the weakening yen in the foreign exchange market all fueled financial performance. Consumer spending also steadily grew thanks to high stock prices and the improved job market. Driven by improved employment and growing consumer spending on top of increased capital expenditures that went hand in hand with higher corporate earnings, the U.S. economy continued on its gradual recovery track. In Europe, the economy managed to steadily inch forward in the shadow of the Greek sovereign debt crisis, Ukrainian political crisis, and declining crude oil prices. ASEAN countries enjoyed moderate economic recoveries while China saw its economic growth rate decline in the face of an assortment of major problems.

Working against this backdrop, the Minebea Group has been focusing on cutting costs, creating high value-added products, developing new technologies, and enhancing its marketing approach to further boost profitability. As a result, net sales soared by 129,133 million yen (34.8%) year on year to total 500,676 million yen, reaching 500 billion yen for the first time ever.

Cost of Sales

Cost of sales was up by ¥94,817 million (33.2%) from the previous fiscal year to total ¥380,585 million in the year under review. Cost of sales as a percentage of net sales dropped by 0.9 percentage points year on year to reach 76.0%. This is due to our existing products' rising sales volumes which were buoyed by the global economic recovery, increased sales of new products, as well as the positive effect of boosted production, which all drove costs down.

SGA Expenses

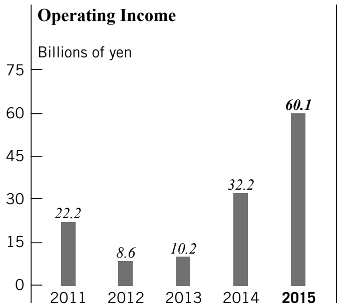
SGA expenses increased by ¥6,414 million (12.0%) from the previous year to total ¥59,990 million in the year under review. SGA expenses as a percentage of net sales dropped by 2.4 percentage points from the previous year to hit 12.0% in the year under review thanks to increased sales and cost cuts.

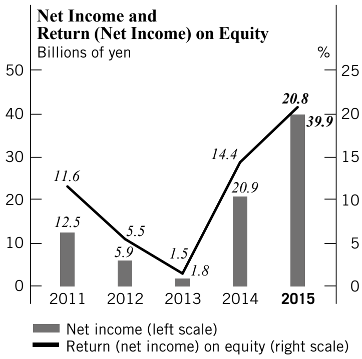
Cost of Sales and SGA Expenses

Millions of yen

Years ended March 31	**2015**	2014	2013	2012	2011
Net sales	**¥500,676**	¥371,543	¥282,409	¥251,358	¥269,139
Cost of sales	**380,585**	285,768	225,114	198,506	202,145
Cost of sales to net sales	**76.0%**	76.9%	79.7%	79.0%	75.1%
Gross profit	**120,091**	85,775	57,295	52,852	66,994
SGA expenses	**59,990**	53,576	47,126	44,253	44,831
SGA expenses to net sales	**12.0%**	14.4%	16.7%	17.6%	16.7%

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





Operating Income

Operating income rose a whopping ¥27,902 million (86.7%) above what it was last year to total ¥60,101 million. The factors behind this jump include a sharp increase in net sales as well as the positive effect of the weak yen against the U.S. dollar and weak Asian currencies. The operating margin rose 3.3 percentage points year on year to reach 12.0%. For more information see “Segment Information.”

Other Income (Expenses)

The net balance of other income and expenses (net amounts of non-operating profit/loss and extraordinary profit/loss) amounted to a loss of ¥8,328 million, which was ¥2,940 million higher than the previous fiscal year. This drop mainly includes a loss totaling ¥3,115 million due to the partial settlement of retirement benefit plan at our consolidated subsidiary in the U.S., losses related to Anti-Monopoly Acts totaling ¥2,137 million, a loss on sales of investments in subsidiaries (Hansen Corporation) totaling ¥1,261 million, a loss of ¥1,111 million resulting from restructuring expenses of personnel reduction at our consolidated subsidiary in the U.S. and streamlining the small-sized motor business.

Income before Income Taxes and Minority Interests

All of the above-mentioned factors brought income before income taxes and minority interests for the year under review up by ¥24,962 million (93.1%) year on year to total ¥51,773 million.

Income Taxes

Income taxes increased by ¥5,858 million from the previous year to total ¥12,292 million. Income taxes included current income taxes (i.e. corporate, inhabitant, and business taxes) totaling ¥11,977 million and deferred income taxes of ¥315 million. The effective income tax rate dropped to 23.7% from 24.0% in the previous fiscal year. This decline was due to the better performance we enjoyed once again in the year under review for our operations outside Japan, where tax rates are lower, and a decline in the statutory income tax rate in Japan.

Minority Interests (Losses)

Losses attributable to minority interests were down ¥95 million from the previous year to total ¥406 million for the fiscal year under review.

Net Income

As a consequence of the aforementioned factors, net income jumped ¥19,009 million year on year to reach a record high of ¥39,887 million. Basic net income per share was ¥106.73. That’s a ¥50.79 increase over the ¥55.94 for the previous fiscal year.

Income

Millions of yen

Years ended March 31	**2015**	2014	2013	2012	2011
Operating income	**¥60,101**	¥32,199	¥10,169	¥8,599	¥22,163
Operating margin	**12.0%**	8.7%	3.6%	3.4%	8.2%
Net balance of other income (expenses)	**(8,328)**	(5,388)	(5,287)	(3,048)	(3,507)
Net income	**39,887**	20,878	1,804	5,922	12,465
Net income to net sales	**8.0%**	5.6%	0.6%	2.4%	4.6%
Net income per share (yen):					
Basic	**106.73**	55.94	4.83	15.63	32.61
Diluted	**101.32**	53.14	4.65	15.54	—
Return (net income) on equity	**20.8%**	14.4%	1.5%	5.5%	11.6%
Return on total assets	**9.2%**	5.6%	0.5%	2.0%	4.4%

Financial Condition

Financial Policy and Liquidity

Products and technologies are being developed faster and faster in the various areas in which Minebea Group operates, and global competition among companies is intensifying. In this environment, we must make the upfront investments needed to develop new products that meet our customers' needs and to develop the products that keep us one step ahead of the market, while also ensuring that we have the sort of flexibility in capital spending that will allow us to immediately cope with changes in demand. We are endeavoring to maintain and strengthen our financial position and agility in financing so that we can support this kind of dynamic corporate activity and forge ahead on "strengthening our technological development capabilities."

We have made "strengthening our financial position" one of our key management policies. With respect to capital spending, we intend to proactively expand investments in growth businesses while at the same time rigorously ensuring the efficient deployment of assets by use of an effective investment plan, allowing us to shrink total assets, control capital spending, and reduce liabilities.

Furthermore, in order to ensure our flexibility in financing, we have obtained a rating for up to ¥10 billion in short-term debt from a ratings institution. In order to maintain and reinforce the stability of our financing base, we have maintained good relationships with financial institutions inside and outside of Japan, while at the same time we are building a framework to manage liquidity risk that includes our entering into an agreement for commitment lines of ¥10 billion.

Debt Ratings

As of December 2014	*Long-term debt*	*Short-term debt*
Japan Credit Rating Agency Ltd. (JCR)	A	J–1
Rating and Investment Information, Inc. (R&I)	A–	a–1

Capital Investment

Capital investments totaled ¥37,557 million for the year under review. This amount includes ¥5,732 million for the machined components segment, ¥16,427 million for the electronic devices and components segment, ¥7,042 million for the other segment, and ¥8,356 million for unallocated corporate capital investments.

Investments in the machined components segment were mainly for bearing manufacturing equipment in Thailand. Investments in the electronic devices and components segment focused on manufacturing equipment used in Thailand, Cambodia, and China to produce LED backlights for LCDs and components. Investments in the other segment were primarily for equipment used to produce high-precision 3D molded thin glass in Japan.

The capital investment total includes ¥2,577 million in intangible fixed assets and a ¥147 million increase in assets associated with new finance lease agreements.

Our plan for the next fiscal year calls for ¥32.2 billion in capital investments.

Dividends

Our basic dividend policy gives priority to enhancing equity efficiency and improving returns to our shareholders. Dividends reflect performance in light of the overall business environment and are determined with an eye to maintaining a stable and continuous distribution of profits.

Pursuant to the above policy, our dividend for the year under review is 12 yen per share, which includes an interim dividend of 6 yen per share. The resulting consolidated-basis dividend payout ratio for the year under review is 11.2%.

We intend to use our retained earnings to expand globally. At the same time we will focus on getting even more cost-competitive as we strengthen our technology and manufacturing development platform. This will enable us to meet customer needs and adapt to any changes in the market that may occur.

Our policy was to distribute dividends from surplus two times a year in the form of an interim dividend to be decided by the Board of Directors and a year-end dividend to be decided by the shareholders' annual general meeting. However, on June 26, 2015, amendments to the Articles of Incorporation were resolved at the 69th Ordinary General Meeting of Shareholders allowing the Board of Directors to decide on distribution of surplus, in addition to the shareholders' annual general meeting.

Free Cash Flow

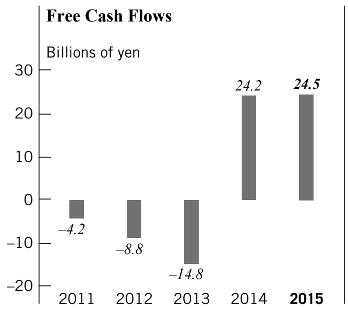
Free cash flows (calculated by adding net cash flows from operating activities and net cash flows from investing activities) totaled ¥24,537 million. That's an increase of ¥321 million from the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities were up by 21.7% from the previous fiscal year to total ¥59,863 million. Inflows mainly consisted of income before income taxes and minority interests totaling ¥51,773 million, depreciation and amortization costs totaling ¥28,776 million, and a ¥23,979 million increase in notes and accounts payable–trade. Outflows included a ¥24,322 million increase in notes and accounts receivable–trade and a ¥18,431 million increase in inventories.

Cash Flows from Investing Activities

Net cash used in investment activities rose by 41.5% year on year to total ¥35,326 million. This mainly included an outflow of ¥34,979 million in payments for purchases of tangible fixed assets, an outflow of ¥2,577 million in payments for purchases of intangible fixed assets, as well as an outflow of ¥2,571 million for the payments for acquisition of shares in subsidiaries.

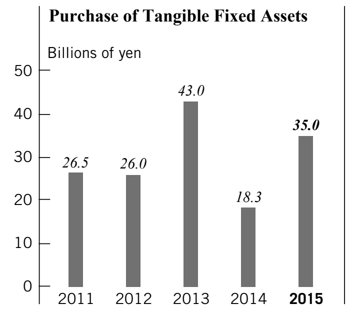


Cash Flows from Financing Activities

Net cash used in financing activities fell by 22.2% year on year to total ¥19,627 million. Major cash outflows included ¥15,758 million for the repayment of short- and long-term loans (net) as well as ¥4,109 million for the payment of dividends.

Cash and Cash Equivalents

The balance of cash and cash equivalents at the end of the fiscal year under review totaled ¥36,138 million. That's up ¥7,107 million from what it was at the end of the previous fiscal year.



Free Cash Flows

Millions of yen

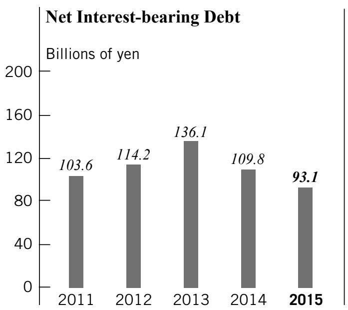
Years ended March 31	**2015**	2014	2013	2012	2011
Net cash provided by operating activities	**¥59,863**	¥49,173	¥22,990	¥20,233	¥24,439
Net cash used in investing activities	**(35,326)**	(24,957)	(37,813)	(29,018)	(28,631)
Portion of above used in purchase of tangible fixed assets	**(34,979)**	(18,343)	(42,963)	(25,961)	(26,517)
Free cash flows	**24,537**	24,216	(14,823)	(8,785)	(4,192)

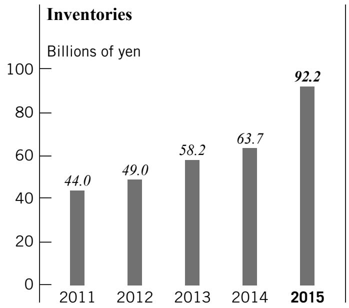
Assets, Liabilities and Net Assets

Total assets at the end of the fiscal year under review amounted to ¥490,043 million. That's 28.5%, or ¥108,765 million, more than what they amounted to at the end of the previous fiscal year. That figure includes a ¥43,290 million increase due to foreign currency fluctuations.

Net assets totaled ¥233,679 million and shareholders' equity totaled ¥226,138 million, resulting in a shareholders' equity ratio of 46.1%, up 4.7 points from the previous year.

Net interest-bearing debt (total debt minus cash and cash equivalents and time deposits) fell ¥16,647 million (15.2%) below what it was at the end of the previous fiscal year to total ¥93,135 million. The net debt-to-equity ratio was down by 0.3 points from the end of the previous fiscal year to 0.4 times.





Assets

Cash and cash equivalents climbed ¥7,107 million above the previous year-end's total to reach ¥36,138 million. Time deposits decreased by ¥495 million from what they were at the end of the previous fiscal year to total ¥9,190 million. Notes and accounts receivable–trade were up by ¥36,179 million, to ¥110,519 million, due to an increase in net sales as well as the effect of foreign currency fluctuations. Inventories increased by ¥28,510 million from the previous year-end to total ¥92,162 million due to the increased production and the effects of foreign currency fluctuations. Deferred tax assets (short-term) fell by ¥567 million from the previous year-end to hit ¥3,632 million. Other current assets amounted to ¥10,441 million, up ¥3,587 million from the end of the previous fiscal year.

As a result of the above-mentioned performance, total current assets rose by ¥75,547 million (39.8%) over the previous year-end total to reach ¥265,185 million.

Tangible fixed assets rose by ¥25,698 million (15.4%) from the previous fiscal year-end total to reach ¥192,598 million. Purchases of tangible fixed assets for the year under review totaled ¥34,979 million while depreciation and amortization costs amounted to ¥28,776 million.

Intangible fixed assets increased by ¥6,622 million (119.7%) from the previous year-end to total ¥12,152 million due mainly to acquisition of Sartorius Mechatronics T&H GmbH.

Investments and other assets were up by ¥911 million (4.8%) from the previous year-end to total ¥20,084 million. Factors behind this uptick include a ¥700 million increase in deferred tax assets (long-term) and a ¥371 million increase in other assets.

Consequently, total fixed assets came to ¥224,834 million, a ¥33,231 million (17.3%) jump over what they amounted to at the end of the previous year.

Liabilities

Notes and accounts payable–trade came to ¥59,906 million, up ¥30,008 million over the previous fiscal year-end's total, due to the increased production. Short-term debt dipped ¥2,137 million from the end of the previous fiscal year to reach ¥46,657 million while the current portion of long-term debt increased by ¥4,850 million to total ¥20,100 million. Income tax payable increased by ¥5,031 million to total ¥8,220 million. Accrued expenses and other current liabilities increased by ¥6,396 to total ¥21,987 million. As a result of the factors above, total current liabilities rose by ¥46,683 million (38.6%) from the previous year-end to reach ¥167,620 million.

Long-term debt dropped by ¥12,748 million from the previous year-end to total ¥71,706 million. Net defined benefit liability rose ¥4,125 million to total ¥12,975 million. Consequently, total fixed liabilities were down by ¥8,134 million (8.4%) from the previous year-end to hit ¥88,744 million.

Net Assets

Total net assets were up by ¥70,216 million (43.0%) from the previous year-end to total ¥233,679 million. This increase was due to a ¥35,541 million jump in retained earnings and a ¥31,221 million increase in foreign currency translation adjustments compared to the end of the previous fiscal year. Minority interests in subsidiaries were up by ¥1,930 million from what they were at the end of the previous fiscal year to total ¥7,413 million.

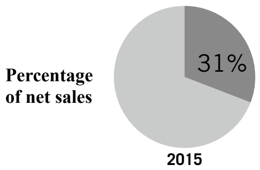
Financial Position

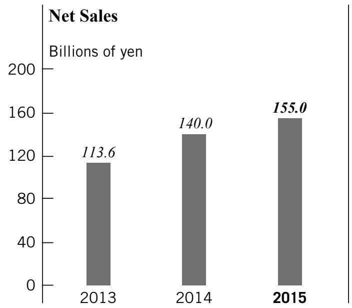
Millions of yen

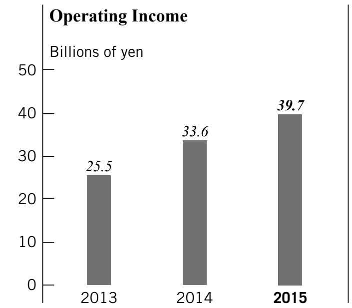
As of March 31	**2015**	2014	2013	2012	2011
Total assets	**¥490,043**	¥381,278	¥362,805	¥306,772	¥291,092
Cash and cash equivalents	**36,138**	29,031	28,223	23,366	27,622
Time deposits	**9,190**	9,685	6,041	4,964	1,969
Total current assets	**265,185**	189,638	170,977	157,787	144,178
Inventories	**92,162**	63,652	58,234	49,025	43,998
Total current liabilities	**167,620**	120,937	128,484	115,713	116,863
Working capital	**97,565**	68,701	42,493	42,074	27,315
Interest-bearing debt	**138,463**	148,498	170,412	142,544	133,213
Net interest-bearing debt	**93,135**	109,782	136,148	114,214	103,622
Total net assets	**233,679**	163,463	137,858	109,777	109,967
Equity ratio	**46.1%**	41.4%	36.2%	35.7%	37.1%
Debt-to-equity ratio (times)	**0.6**	0.9	1.2	1.3	1.2
Net debt-to-equity ratio (times)	**0.4**	0.7	1.0	1.0	0.9
Net assets per share (yen)	**604.83**	422.62	351.65	288.74	282.03

Segment Information

Machined Components







Net sales in the machined components segment were up by ¥14,953 million (10.7%) year on year to total ¥154,986 million. Operating income rose by ¥6,162 million (18.4%) year on year to reach ¥39,713 million, and the operating margin was 25.6%, up 1.6 percentage points year on year. The increase in sales which was fueled by the global economic recovery, our higher capacity utilization that brought unit manufacturing costs down, and the positive impact of exchange rates all drove sales and profits way up.

Demand for our anchor product line, miniature and small-sized ball bearings, remained upbeat across a wide range of markets. Sales to the automobile, office automation equipment, household electrical appliance markets and more drove the average monthly external sales volume up by 6% year on year to total 145 million units. Looking at profitability, we see that the profit margin improved thanks to the increased capacity utilization along with lower U.S. dollar-denominated manufacturing costs due to the depreciation of Asian currencies. This, as well as growing sales brought profits up.

Soaring demand in the civil aviation market where airline companies looked to replace their aging fleets with newer aircraft models fueled orders for rod-end and spherical bearings. That development along with the positive effect of the weak yen boosted sales and profits.

Sales of pivot assemblies remained relatively steady thanks to growing demand in the HDD market, our primary market, with the exception of PC applications. These developments coupled with our huge market share set the stage for excellent profit growth.

Principal Products and Applications and Minebea's Global Market Share

Our product lines & principal products	*Principal markets*	*Global market share**
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	70%

*Global market share figures are based on volume, with the exception of the figure for rod-end and spherical bearings, which is based on sales value. Minebea estimates market shares using information it collects on its own and through independent market research firms.

Future Initiatives

We are continuing our efforts to reduce costs in the ball bearings business by improving yields and streamlining production. While we see the strengthening of operations as a return to our manufacturing roots, we are also focusing on reinforcing basic technological development. As we move forward, we will work to expand sales in order to quickly achieve the monthly average external sales volume target of 180 million units outlined in the first arrow of our new Five Arrows strategy we announced in May 2015.

The rod-end fastener business will zero in on overall cost reduction by boosting production capacity for parts in Thailand while enhancing cooperation among marketing operations in the U.K., U.S. and Japan. We will also leverage the strengths of CEROBEAR, which we acquired in July 2013, to enhance research and development of ceramic bearing aircraft parts.

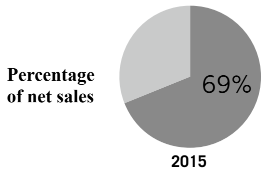
In the pivot assembly business, we have been implementing ongoing cost cutting measures such as improving yields. As we capitalize on the synergy created by our significant market share for pivot assemblies and miniature ball bearings, we will stay competitive in the market for high-value-added products used for servers, etc. with an eye to maintaining a healthy bottom line.

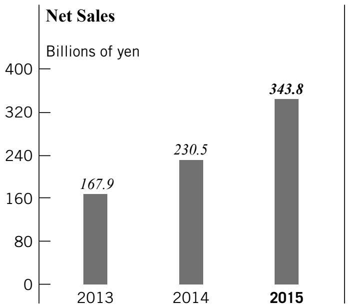
Major Products

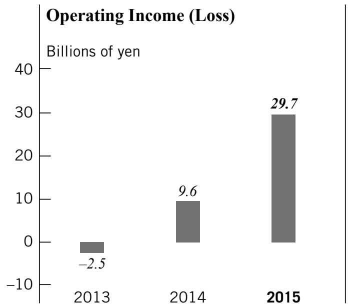
Ball bearings Rod-end bearings Spherical bearings Roller bearings Bushings Pivot assemblies
Mechanical assemblies Aerospace fasteners Automotive fasteners

*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 ¥113,328 million (49.2%) from the previous year to total ¥343,842 million. We also saw a huge increase in operating income, which jumped ¥20,139 million (210.2%) year on year to reach ¥29,721 million, while the operating margin rose 4.4 percentage points year on year to hit 8.6%.

The LED backlight business enjoyed growing sales of our technologically unparalleled ultra-thin LED backlights for our existing customers' new smartphone models. Our customer base for ultra-thin LED backlights also expanded to include Chinese smartphone manufacturers who are seeing sales climb. These factors combined led to increases in both sales and profits.

The profitability of the motor business improved thanks to growing demand in the automobile market which drove sales up and also as a result of the measures we have implemented so far to reduce fixed costs.

Sales of measuring components steadily rose for test equipment and automotive applications, leading to increases in both sales and profits.

Principal Products and Applications and Minebea's Global Market Share

Our product lines & principal products	*Principal markets*	*Global market share**
LED backlights	Middle-range and high-end smartphones, mobile phones, automobiles, digital cameras, portable digital information terminals	40% (middle-range and high-end smartphones)
Motors (stepping motors, HDD spindle motors, brushless DC motors, brush DC motors, fan motors, precision motors)	PCs and servers, HDDs, information and telecommunications equipment, household electrical appliances, automobiles, industrial machinery, office automation equipment	2-70%, depending on the product
Measuring components	Industrial machinery, automobiles, PCs	—

*Global market share figures are based on volume. Minebea estimates market shares using information it collects on its own and through independent market research firms.

Future Initiatives

The LED backlight business is expected to grow even faster than the growing smartphone market. Demand for Minebea products has been increasing as more and more products, including high-end as well as middle-range models, employ the ultra-thin, highly efficient LED backlights needed to produce high-definition, lightweight smartphones with a large battery capacity. Now that we have beefed up production capacity at our Thai and Cambodian facilities, we expect to generate significant gains in both sales and profits for the fiscal year ending March 2016. We are currently working on developing new products that integrate our basic technologies like light guide plates and wireless communications. These new products include smart city LED streetlights being used in Cambodia, outdoor LED lights for tunnels, smart adjustable LED lights (SALL), and more. We will work to expand sales of lighting device-related products as outlined in the third arrow of our new Five Arrows strategy.

The motor business will continue to focus on cost reduction and reorganization with an eye to driving profitability up.

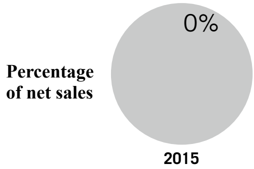
We will implement a business strategy for measuring components that spotlights their sensor function over their use as mere gauges to expand into new markets including medicine and nursing care along with areas related to robotics as well as bridges and other infrastructure. In addition to that we will focus on maximizing the synergy created by the acquisition of Sartorius Mechatronics T&H GmbH, which we brought into the fold with an eye to bringing annual sales up to ¥50 billion.

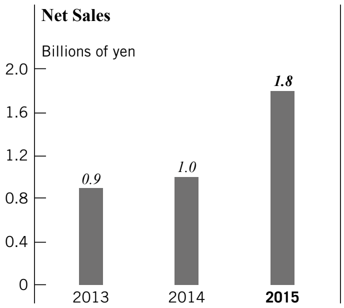
Major Products

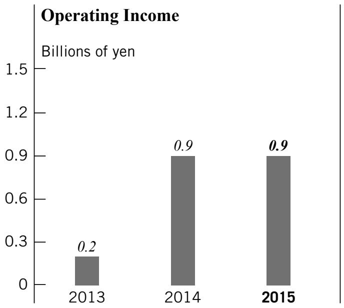
LED backlights   Hybrid components   Stepping motors   Brushless DC motors   Brush DC motors
Fan motors   HDD spindle motors   Precision motors   Measuring components

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

Other







Net sales for the year under review increased by ¥852 million (85.5%) year on year to total ¥1,848 million. Operating income declined by ¥7 million from the previous year's total to hit ¥859 million while the operating margin dropped by 40.4 percentage points year on year to reach 46.5%.

Major Products

Dies	In-house produced parts

Adjustments

In addition to the above figures, ¥10,192 million in corporate expenses, etc. not belonging to any particular segment is shown as adjustments. Adjustments for the previous fiscal year amounted to ¥11,800 million.

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

Research and Development

The Minebea Group manufactures and sells precision machinery components like ball bearings and components incorporating ball bearings, aircraft parts, like rod-end bearings and high-end fasteners, as well as motors and pivot products employed in state-of-the-art hard disk drives (HDDs). Minebea's lines of products also include various types of electronic components such as motors used in electronic devices, LED backlights, as well as hybrid components and products that integrate all of these basic technologies. Minebea has research and development facilities at its Tokyo Head Office, its Karuizawa, Hamamatsu, Fujisawa, Matsuida, and Yonago Plants as well as in the United States, Europe, Thailand, and China. These bases leverage their individual areas of expertise while working with each other to speed up the development of new products and forge new business opportunities.

The Tokyo Research & Development Center, which was set up at our Tokyo Head Office in 2013, takes full advantage of its prime location in Tokyo, a dynamic hub for human resources and information. Work is currently underway at the Center to develop hybrid products for medical and in-vehicle applications.

Our facilities in Karuizawa and Hamamatsu, as well as the Material Science Laboratories in Thailand and China have implemented an ISO 17025-compliant management system and are moving the entire Minebea Group forward in analyzing emissions of hazardous substances targeted by environmental regulations, including those banned by the European Union's Restriction of Hazardous Substances (RoHS) directive as well as conducting product certification tests for electronic components.

During the year under review, our group-wide R&D expenses totaled ¥8,973 million. This amount includes ¥1,127 million in basic research expenses that cannot be allocated to any particular segment, such as analysis conducted at our Materials Science Laboratories in Thailand and China.

Here is an overview of the R&D activities conducted by each segment during the year under review.

Machined Components

R&D in this segment remained geared toward our mainstay bearing products (i.e. ball bearings, rod-end bearings, etc.) with a focus on developing basic tribological technologies for materials and lubricants, as well as ultra-low wear self-lubricating liners, etc. We are working with a keen eye aimed at responding to the needs of manufacturers in emerging areas of the IT, home electrical appliances, automobile, aerospace, and medical equipment industries. Reliability engineering focused on minimizing particle generation, increasing heat resistance, extending product life, enhancing electroconductivity, etc. as well as applied engineering are at the heart of our work in this area.

The miniature ball bearings that are so essential to precision machining technology can be found hard at work in HDD pivot assemblies. As a leading manufacturer in this area, we are developing new products for a wide range of applications in the HDD market's growing data center server, nearline, and mobile device segments, as well as highly reliable grease for pivot assemblies.

Recent progress in the area of aircraft bearings includes the development and approval of mechanical assemblies, trunnion bearings for main landing gear, and a wide range of bearings that will go into flight control systems for new models to be launched by U.S. and European aircraft manufacturers. These R&D successes incorporate the same technology found in our rod-end bearings.

Our overseas consolidated subsidiary, myonic GmbH, developed high-heat-resistant ball bearing units for automobile engine turbochargers. Used to boost the output of engines that are made smaller to meet environmental regulations, turbochargers have been garnering a lot of attention in recent years. Applications have expanded to include not only general vehicles but also eco-friendly cars.

In 2013, we acquired all shares in CEROBEAR GmbH, a German company boasting more than 20 years of experience in the design, manufacturing and marketing of ceramic bearings and hybrid bearings employing high performance steel materials. CEROBEAR's technological capability combined with myonic GmbH's technological edge in providing special bearings used in dental and medical equipment as well as the aerospace industry enables us to develop new products for the aerospace industry that are expected to be in great demand while maximizing synergy between the two companies.

In addition to everything noted above, we launched the Wavy Nozzle. This new product now sold in the machine tool market is a coolant sprayer born from improvements we made to our own manufacturing operations.

R&D expenses in this segment totaled ¥1,635 million.

Electronic Devices and Components

Motors, one of the principal product lines of the electronic devices and components business, includes stepping motors, HDD spindle motors, brushless DC motors, fan motors as well as brush DC motors. We are currently working to enhance basic technological capabilities, including various simulation, analysis, control, and material technologies as well as product development capability, so that we can be the first in the market to supply advanced products meeting customer needs for smaller, more efficient (energy-saving), quiet, and reliable products required for a wide range of applications.

We are also harnessing our expertise in materials and manufacturing technology to develop magnetic products. Ongoing work in this area continues to yield such outstanding products as rare earth bond magnets and heat-resistant magnets for use in high-performance motors.

Our HDD spindle motors, featuring Minebea's proprietary fluid bearing design, have been carefully engineered for data center applications where high reliability is a must.

Work in the area of optical products, includes the development of our ultra-thin LED backlight units for mobile devices that are making larger and thinner smartphones possible.

In addition to Minebea's signature ultra-precision machining and precision mold technologies, we are also improving the technology for injection molding of transparent resin that allows fine optical patterns to be quickly and precisely transferred to LED backlight guide plates. Using this technology, we have developed ultra-thin guide plates for 5-inch class smartphones. Measuring less than 0.3 mm in thickness, these guide plates are the thinnest in the industry. On the manufacturing end, we have introduced an automated LED backlight assembly machine, appearance tester, and more, all employing our own technologies that have given us a leg up in mass production. We are also putting the optical technologies that we developed for LED backlight products to work in developing LED lighting products that combine LED lighting circuits with thin LED lighting lenses. Thinner and more efficient than conventional products, these LED lighting products are extremely energy efficient. We are working to develop technologies to make them even more efficient.

In April 2014, we launched a joint lighting equipment venture with Iwasaki Electric Co., Ltd., a leading player in the outdoor lighting market, and Koizumi Lighting Technology Corp., a top manufacturer of indoor lighting fixtures. The joint venture is focusing on developing wirelessly controlled LED lighting devices for smart buildings and smart cities that incorporates the wireless technology of Paradox Engineering SA, in which we acquired a stake the same year. We are also working on R&D that applies this wireless technology to our measuring components to communicate information between sensors and displays.

In July 2014 we acquired a stake in Japan 3D Devices Co., Ltd., a subsidiary of Okamoto Glass Co., Ltd. and a maker of concave mirrors (reflectors) for automotive head-up displays and other high precision 3D molded thin glasses. The acquisition has enabled us to step up our efforts to develop basic and applied head-up display technologies.

R&D expenses in this segment totaled ¥5,734 million.

Other

Our other segment mainly includes dies and parts produced in-house.

R&D expenses in this segment totaled ¥477 million.

Outlook for Fiscal Year Ending March 2016 and Risk Factors

Outlook for the Fiscal Year Ending March 2016

(as of May 2015)

The Japanese economy is expected to remain healthy as higher employment figures and better wages fuel domestic demand. The U.S. economy will continue on its gradual upward trajectory thanks to robust consumer spending despite the signs of a slowdown in corporate earnings due to the strong dollar, etc. While the European economy is expected to slowly pick up steam, it will take some more time to solve the problems it's facing, like the Greek financial crisis and Ukrainian political crisis. In Asia, strong domestic demand is likely to fuel modest economic growth despite China's slowing growth rate. Meanwhile, other Asian countries are generally expected to exhibit moderate economic growth.

Working against this backdrop, the Minebea Group expects to see booming sales of LED backlights for LCDs business along with steady sales of ball bearings, motors, etc. Based on conservative estimates, sales are projected to total 650,000 million yen, operating income 67,000 million yen, and net income attributable to owners of parent 48,000 million yen.

Outlook by segment for the full year is as follows:

Machined Components

We will continue to work on boosting performance of the ball bearing business, our anchor business line, by aggressively expanding sales and launching new products targeting the automobile, information and telecommunications equipment industries, etc. while branching out into new markets as demand picks up across the globe. At the same time our German subsidiary, myonic GmbH, will increase sales of higher value-added special bearings. We will also boost production and efficiency in the rod-end bearing business while sharpening our competitive edge in terms of turnaround time and cost with an eye to boosting sales in the growing aircraft market.

Electronic Devices and Components

We are focusing on beefing up our capability to supply high value-added LED backlights for LCDs featuring ultra-thin light guide plates, etc. for the mid-range to high-end smartphone market. Additionally we will make aggressive efforts to expand sales and launch new products, which are expected to lead to substantial increases in sales and profits. We will also work on developing new lines of measuring components that leverage their sensor function while boosting sales in the automobile market. Working with an eye to enhancing the performance of our information motor and HDD spindle motor businesses, we will zero in on enhancing quality and cutting costs as we work to increase sales of high value-added products for automobile, server, and other applications.

Other

We will concentrate on enhancing the accuracy of dies and parts produced in-house in order to improve production efficiency for the departments that produce finished products and bring quality to new heights.

Risk Factors

The Minebea Group 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

The principal markets for Minebea products, including those for PCs and peripheral equipment, information and telecommunications equipment and household electrical appliances, are intensely competitive both in and outside of the country and are subject to significant fluctuations in demand. Our operating results and financial position are vulnerable to these fluctuations.

2. Foreign exchange risk

Since a significant portion of our consolidated net sales and production occur outside Japan, our business is 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 may not reap a financial reward from our R&D investments. There are no guarantees that our 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 in relation to 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 market share should market needs shift to low-priced products.

6. Risk related to raw materials and logistics costs

We purchase a variety of materials from external suppliers. While we work with an eye to maintaining optimal inventory volumes along with access to a steady supply of materials at stable prices, rising material prices could affect our operating results and/or financial position.

7. Latent risk related to operations overseas

The Minebea Group's manufacturing activities are conducted primarily in Thailand, China, Singapore and Cambodia. While we have been operating in these countries for quite some time, 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 occurrences that could disrupt social order.

8. Risk related to natural and other disasters

If an earthquake, flood, or other natural disaster, as well as nuclear plant accident, or outbreak of a new type of infectious disease were to affect the operational bases of the Minebea Group or its suppliers, it could have a significant impact on our production and sales activities.

9. Risk related to compliance and internal controls

We engage in a wide range of businesses all around the world and are subject to the laws and regulations that are in effect in each region. We have established and operate appropriate internal control systems needed to achieve our objectives. While these systems provide reasonable assurance that the methods used to prepare our financial statements are appropriate and in compliance with relevant laws, they cannot provide an absolute guarantee that all our objectives will be met. They are also not a guarantee that all potential risks we may face in the future, including legal violations, will be avoided. Changes in laws and regulations, including the interpretation or enforcement thereof, may make compliance more complex and could even incur higher costs related to compliance.

10. Losses related to Anti-Monopoly Acts

In November 2014, the Korea Fair Trade Commission (KFTC) issued an order for corrective action to Minebea and its Korean subsidiary for violating the Monopoly Regulation and Fair Trade Act (an Anti-Monopoly Act) in relation to the trading of small-sized ball bearings in Korea. Minebea was fined a total of 4,912 million won (527 million yen). The KFTC also announced that it would press criminal charges against Minebea and its Korean subsidiary for violating the Monopoly Regulation and Fair Trade Act. In February 2015, Minebea made an agreement with the U.S. Department of Justice to plead guilty to violating U.S. antitrust laws concerning the sale of certain small-sized ball bearing products and pay a fine totaling 13.5 million U.S. dollars (1,610 million yen).

A class action suit in relation to the investigations of these cases has been brought against Minebea in Canada. Minebea and some of its subsidiaries are also cooperating with competition authorities in Singapore in investigations there. There has been no significant progress during this fiscal year.

Depending on the outcome of the above-mentioned lawsuits and investigations, we may incur losses from fines, etc. However, we can neither reasonably estimate the amount of said losses at this time nor determine whether they will affect our operating results or financial position, etc.

11. Risk related to accrued post-retirement benefit and pension costs

Although the Minebea Group maintains multiple defined benefit pension plans, the fair value of pension assets may decrease due to a low rate of return on a pension fund, or pension costs may increase due to an increase in the pension obligation and a decline in the funded status following a change in preconditions such as the discount rate.

12. Environmental risk

Our business is subject to various environmental laws and regulations that are in effect in the regions where we operate. Although we pay due attention to ensuring compliance with all such laws and regulations, we could be subject to losses in the event that an incident involving environmental contamination were to occur or in the event that the possibility of such an incident were to arise.

13. Risk related to M&As and alliances

While we are continually seeking M&A and alliance opportunities, M&As and alliances may not produce the results initially expected or an alliance may not be maintained due to a conflict of interest with respect to strategies, etc. We may provide an alliance partner with financial support if its financial health deteriorates or for other reasons which in turn could adversely affect our business performance and financial condition.

14. Quality risk

Our products are used across a wide range of industries, especially for applications that require a high degree of precision (including end products that could affect human health and safety such as automobiles, aircraft, medical devices, etc.). We recognize the social responsibility we bear and have a system in place to ensure our products are of the highest quality. However, if any of our products were found to be defective and resulted in a serious accident, the suspension of our customers' manufacturing operations, or a product recall, we could incur significant expenses, or lose public confidence, any of which could result in a material adverse effect on our operating results and financial status.

15. Information management risk

Through the course of our business operations, we obtain large amounts of important information, including personal information. While we maintain information security policies that prevent the undesired disclosure as well as unintended use of information, a security breach could occur due to unforeseen circumstances. Addressing such an incident could incur huge losses and expose us to the risk of losing public confidence.

Consolidated Balance Sheets

As of March 31, 2015 and 2014

	Millions of yen	
Assets	**2015**	2014
Current Assets:		
Cash and cash equivalents	**¥ 36,138**	¥ 29,031
Time deposits	**9,190**	9,685
Notes and accounts receivable:		
Trade	**110,519**	74,340
Other	**3,279**	2,065
	113,798	76,405
Allowance for doubtful receivables	**(176)**	(188)
Total notes and accounts receivable	**113,622**	76,217
Inventories (Note 2-e)	**92,162**	63,652
Deferred tax assets (Note 9)	**3,632**	4,199
Prepaid expenses and other current assets (Note 2-g)	**10,441**	6,854
Total current assets	**265,185**	189,638
Tangible Fixed Assets (Note 4)**:**		
Land	**26,586**	24,893
Buildings and structures (Note 3)	**149,865**	132,084
Machinery and transportation equipment	**329,877**	280,367
Tools, furniture and fixtures	**55,742**	50,403
Leased assets	**882**	972
Construction in progress	**9,036**	2,812
	571,988	491,531
Accumulated depreciation	**(379,390)**	(324,631)
Total tangible fixed assets	**192,598**	166,900
Intangible Fixed Assets:		
Goodwill (Note 2-k)	**6,539**	2,999
Other	**5,613**	2,531
Total intangible fixed assets	**12,152**	5,530
Investments and Other Assets:		
Investments in non-consolidated subsidiaries and affiliates	**2,215**	2,010
Investment securities (Note 2-g)	**8,715**	8,938
Long-term loans receivable	**330**	368
Deferred tax assets (Note 9)	**6,666**	5,966
Other	**2,893**	2,522
	20,819	19,804
Allowance for doubtful receivables (Note 8)	**(735)**	(631)
Total investments and other assets	**20,084**	19,173
Deferred Charges	**24**	37
Total Assets	**¥490,043**	¥381,278

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

Liabilities and Net Assets	2015	2014
	Millions of yen	
Current Liabilities:		
Short-term debt (Note 3)	**¥ 46,657**	¥ 48,794
Current portion of long-term debt (Note 3)	**20,100**	15,250
Notes and accounts payable:		
Trade	**59,906**	29,898
Other	**10,578**	8,014
Total notes and accounts payable	**70,484**	37,912
Income taxes payable (Note 9)	**8,220**	3,189
Lease obligations (Note 3)	**172**	201
Accrued expenses and other current liabilities (Note 9)	**21,987**	15,591
Total current liabilities	**167,620**	120,937
Long-term Liabilities:		
Long-term debt (Note 3)	**71,706**	84,454
Lease obligations (Note 3)	**205**	255
Net defined benefit liability (Note 2-h)	**12,975**	8,850
Other (Note 9)	**3,858**	3,319
Total long-term liabilities	**88,744**	96,878
Total liabilities	**256,364**	217,815
Contingent Liabilities (Note 20)		
Net Assets (Note 14)**:**		
Shareholders' equity:		
Common stock		
Authorized: 1,000,000,000 shares		
Issued: March 31, 2015—399,167,695 shares		
March 31, 2014—399,167,695 shares	**68,259**	68,259
Capital surplus	**95,238**	94,875
Retained earnings	**94,731**	59,190
Treasury stock	**(9,407)**	(9,505)
Total shareholders' equity	**248,821**	212,819
Accumulated other comprehensive income:		
Differences on revaluation of available-for-sale securities	**1,677**	1,154
Deferred gains or losses on hedges	**(2)**	(7)
Foreign currency translation adjustments	**(21,145)**	(52,366)
Remeasurements of defined benefit plans (Note 2-h)	**(3,213)**	(3,737)
Total accumulated other comprehensive income	**(22,683)**	(54,956)
Stock acquisition rights (Note 15)	**128**	117
Minority interests in consolidated subsidiaries	**7,413**	5,483
Total net assets	**233,679**	163,463
Total Liabilities and Net Assets	**¥490,043**	¥381,278

Consolidated Statements of Income

Years ended March 31, 2015, 2014 and 2013

	2015	2014	2013
			Millions of yen
Net Sales	**¥500,676**	¥371,543	¥282,409
Cost of Sales (Note 13)	**380,585**	285,768	225,114
Gross profit	**120,091**	85,775	57,295
Selling, General and Administrative Expenses (Notes 2-k and 13)	**59,990**	53,576	47,126
Operating income	**60,101**	32,199	10,169
Other Income (Expenses):			
Interest income	**576**	554	426
Equity in net income (loss) of affiliate	**15**	(777)	(2)
Interest expenses	**(1,504)**	(2,139)	(2,651)
Investigation related expenses	**(549)**	(774)	(176)
Foreign currency exchange gains (losses)	**1,076**	(432)	(83)
Gains (losses) on sales and disposals of fixed assets	**(392)**	(154)	4,399
Gains on sales of investment securities (Note 2-g)	**—**	54	—
Gains (losses) on sales of investments in subsidiaries and affiliates	**(1,097)**	1,230	—
Insurance income	**50**	329	2,572
Impairment losses (Note 4)	**(78)**	(976)	(1,948)
Amortization of goodwill (Note 2-k)	**—**	(300)	(621)
Losses on disaster (Note 5)	**(5)**	(548)	(1,981)
Loss for after-care of products	**(398)**	(75)	—
Provision for environmental remediation expenses	**(82)**	(63)	(236)
Business restructuring losses (Notes 4 and 6)	**(1,111)**	(750)	(2,627)
Losses on settlement of retirement benefit plan (Note 7)	**(3,115)**	—	(1,642)
Loss related to Anti-Monopoly Act (Note 2-n)	**(2,137)**	—	—
Provision of allowance for doubtful receivables (Note 8)	**—**	—	(573)
Bad debts written off (Note 8)	**—**	—	(135)
Other—net	**423**	(567)	(9)
	(8,328)	(5,388)	(5,287)
Income before Income Taxes and Minority Interests	**51,773**	26,811	4,882
Income Taxes (Note 9):			
Current (including enterprise tax)	**11,977**	4,609	4,058
Deferred	**315**	1,825	(408)
	12,292	6,434	3,650
Income before Minority Interests	**39,481**	20,377	1,232
Minority Interests	**(406)**	(501)	(572)
Net Income	**¥ 39,887**	¥ 20,878	¥ 1,804
			Yen
Per Share Data (Note 17):			
Net income:			
Basic	**¥106.73**	¥55.94	¥4.83
Diluted	**101.32**	53.14	4.65
Cash dividends applicable to the year	**12.00**	8.00	7.00

Consolidated Statements of Comprehensive Income

Years ended March 31, 2015, 2014 and 2013

	2015	2014	2013
			Millions of yen
Income before Minority Interests	**¥39,481**	¥20,377	¥ 1,232
Other Comprehensive Income (Note 16):			
Differences on revaluation of available-for-sale securities	**515**	65	999
Deferred gains or losses on hedges	**5**	(1)	(0)
Foreign currency translation adjustments	**31,899**	10,341	24,692
Unfunded retirement benefit obligations of foreign subsidiaries	**—**	1,040	(214)
Remeasurements of defined benefit plans (Note 2-h)	**524**	—	—
Share of other comprehensive income of associates accounted for using equity method	**(44)**	152	—
Total other comprehensive income	**32,899**	11,597	25,477
Total Comprehensive Income	**¥72,380**	¥31,974	¥26,709
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	**72,161**	31,261	26,341
Comprehensive income attributable to minority interests	**219**	713	368

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, 2015, 2014 and 2013

Millions of yen

	Shareholders' equity				
	Common stock	*Capital surplus*	*Retained earnings*	*Treasury stock*	*Total shareholders' equity*
Balance at April 1, 2012	¥68,259	¥94,757	¥41,790	¥(7,783)	¥197,023
Changes during the period					
Cash dividend from retained earnings	—	—	(2,634)	—	(2,634)
Net income	—	—	1,804	—	1,804
Purchase of treasury stock	—	—	—	(2,156)	(2,156)
Disposal of treasury stock	—	(35)	—	417	382
Transfer of loss on disposal of treasury stock	—	35	(35)	—	—
Changes (net) in non-shareholders' equity items	—	—	—	—	—
Total changes during the period	—	—	(865)	(1,739)	(2,604)
Balance at March 31, 2013	¥68,259	¥94,757	¥40,925	¥(9,522)	¥194,419

	Accumulated other comprehensive income							
	Differences on revaluation of available-for-sale securities	*Deferred gains or losses on hedges*	*Foreign currency translation adjustments*	*Unfunded retirement benefit obligations of foreign subsidiaries*	*Total accumulated other comprehensive income*	*Subscription right to shares*	*Minority interests in consolidated subsidiaries*	*Total net assets*
Balance at April 1, 2012	¥ 90	¥(6)	¥(85,396)	¥(2,318)	¥(87,630)	¥—	¥ 384	¥109,777
Changes during the period								
Cash dividend from retained earnings	—	—	—	—	—		—	(2,634)
Net income	—	—	—	—	—		—	1,804
Purchase of treasury stock	—	—	—	—	—		—	(2,156)
Disposal of treasury stock	—	—	—	—	—		—	382
Transfer of loss on disposal of treasury stock	—	—	—	—	—		—	—
Changes (net) in non-shareholders' equity items	999	(0)	23,753	(214)	24,538	52	6,095	30,685
Total changes during the period	999	(0)	23,753	(214)	24,538	52	6,095	28,081
Balance at March 31, 2013	¥1,089	¥(6)	¥(61,643)	¥(2,532)	¥(63,092)	¥52	¥6,479	¥137,858

Millions of yen

	Shareholders' equity				
	Common stock	*Capital surplus*	*Retained earnings*	*Treasury stock*	*Total shareholders' equity*
Balance at April 1, 2013	¥68,259	¥94,757	¥40,925	¥(9,522)	¥194,419
Changes during the period					
Cash dividend from retained earnings	—	—	(2,613)	—	(2,613)
Net income	—	—	20,878	—	20,878
Purchase of treasury stock	—	—	—	(262)	(262)
Disposal of treasury stock	—	118	—	279	397
Changes (net) in non-shareholders' equity items	—	—	—	—	—
Total changes during the period	—	118	18,265	17	18,400
Balance at March 31, 2014	¥68,259	¥94,875	¥59,190	¥(9,505)	¥212,819

	Accumulated other comprehensive income								
	Differences on revaluation of available-for-sale securities	*Deferred gains or losses on hedges*	*Foreign currency translation adjustments*	*Unfunded retirement benefit obligations of foreign subsidiaries*	*Remeasurements of defined benefit plans*	*Total accumulated other comprehensive income*	*Subscription right to shares*	*Minority interests in consolidated subsidiaries*	*Total net assets*
Balance at April 1, 2013	¥1,089	¥(6)	¥(61,643)	¥(2,532)	¥ —	¥(63,092)	¥ 52	¥6,479	¥137,858
Changes during the period									
Cash dividend from retained earnings	—	—	—	—	—	—	—	—	(2,613)
Net income	—	—	—	—	—	—	—	—	20,878
Purchase of treasury stock	—	—	—	—	—	—	—	—	(262)
Disposal of treasury stock	—	—	—	—	—	—	—	—	397
Changes (net) in non-shareholders' equity items	65	(1)	9,277	2,532	(3,737)	8,136	65	(996)	7,205
Total changes during the period	65	(1)	9,277	2,532	(3,737)	8,136	65	(996)	25,605
Balance at March 31, 2014	¥1,154	¥(7)	¥(52,366)	¥ —	¥(3,737)	¥(54,956)	¥117	¥5,483	¥163,463

Millions of yen

	Shareholders' equity				
	Common stock	*Capital surplus*	*Retained earnings*	*Treasury stock*	*Total shareholders' equity*
Balance at April 1, 2014	**¥68,259**	**¥94,875**	**¥59,190**	**¥(9,505)**	**¥212,819**
Cumulative effects of changes in accounting policies			**(237)**		**(237)**
Restated balance at April 1, 2014	**68,259**	**94,875**	**58,953**	**(9,505)**	**212,582**
Changes during the period					
Cash dividend from retained earnings	**—**	**—**	**(4,109)**	**—**	**(4,109)**
Net income	**—**	**—**	**39,887**	**—**	**39,887**
Purchase of treasury stock	**—**	**—**	**—**	**(22)**	**(22)**
Disposal of treasury stock	**—**	**363**	**—**	**120**	**483**
Changes (net) in non-shareholders' equity items	**—**	**—**	**—**	**—**	**—**
Total changes during the period	**—**	**363**	**35,778**	**98**	**36,239**
Balance at March 31, 2015	**¥68,259**	**¥95,238**	**¥94,731**	**¥(9,407)**	**¥248,821**

	Accumulated other comprehensive income							
	Differences on revaluation of available-for-sale securities	*Deferred gains or losses on hedges*	*Foreign currency translation adjustments*	*Remeasurements of defined benefit plans*	*Total accumulated other comprehensive income*	*Subscription right to shares*	*Minority interests in consolidated subsidiaries*	*Total net assets*
Balance at April 1, 2014	**¥1,154**	**¥(7)**	**¥(52,366)**	**¥(3,737)**	**¥(54,956)**	**¥117**	**¥5,483**	**¥163,463**
Cumulative effects of changes in accounting policies	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(237)**
Restated balance at April 1, 2014	**1,154**	**(7)**	**(52,366)**	**(3,737)**	**(54,956)**	**117**	**5,483**	**163,226**
Changes during the period								
Cash dividend from retained earnings	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(4,109)**
Net income	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**39,887**
Purchase of treasury stock	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(22)**
Disposal of treasury stock	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**483**
Changes (net) in non-shareholders' equity items	**523**	**5**	**31,221**	**524**	**32,273**	**11**	**1,930**	**34,214**
Total changes during the period	**523**	**5**	**31,221**	**524**	**32,273**	**11**	**1,930**	**70,453**
Balance at March 31, 2015	**¥1,677**	**¥(2)**	**¥(21,145)**	**¥(3,213)**	**¥(22,683)**	**¥128**	**¥7,413**	**¥233,679**

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

Consolidated Statements of Cash Flows

Years ended March 31, 2015, 2014 and 2013

			Millions of yen
	2015	2014	2013
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	**¥51,773**	¥26,811	¥ 4,882
Depreciation and amortization	**28,776**	23,740	20,800
Impairment losses (Note 4)	**109**	1,108	2,901
Amortization of goodwill (Note 2-k)	**583**	918	1,769
Losses on disaster (Note 5)	**5**	—	—
Equity in net (income) loss of affiliate	**(15)**	777	2
Losses on settlement of retirement benefit plan (Note 7)	**3,115**	—	1,642
Loss related to Anti-Monopoly Act (Note 2-n)	**2,137**	—	—
Insurance income	**(50)**	(329)	(2,572)
Interest and dividend income	**(779)**	(748)	(588)
Interest expense	**1,504**	2,139	2,651
(Gains) losses on sales and disposals of fixed assets	**392**	154	(4,399)
Gains on sales of investment securities (Note 2-g)	**—**	(54)	—
(Gains) losses on sales of investments in subsidiaries and affiliates	**1,097**	(1,230)	—
(Increase) decrease in notes and accounts receivables–trade	**(24,322)**	(8,039)	4,692
(Increase) decrease in inventories	**(18,431)**	(1,140)	78
Increase (decrease) in notes and accounts payable–trade	**23,979**	9,425	(6,499)
Increase (decrease) in provision for after-care of products	**346**	—	(16)
Increase (decrease) in provision for business restructuring losses	**247**	(221)	342
Other	**(2,087)**	(1,008)	(4,280)
Subtotal	**68,379**	52,303	21,405
Interest and dividends received	**756**	725	572
Interest paid	**(1,499)**	(2,122)	(2,594)
Income taxes paid	**(7,801)**	(2,758)	(3,871)
Income tax refund	**28**	612	88
Proceeds from insurance income	**—**	413	7,390
Net cash provided by operating activities	**59,863**	49,173	22,990
Cash Flows from Investing Activities:			
Transfers to time deposits	**(10,227)**	(15,637)	(7,701)
Proceeds from withdrawals from time deposits	**11,691**	12,737	7,889
Payments for purchases of securities	**(100)**	(459)	(544)
Proceeds from sales of securities	**204**	283	610
Payments for purchases of tangible fixed assets	**(34,979)**	(18,343)	(42,963)
Proceeds from sales of tangible fixed assets	**600**	952	5,845
Payments for purchases of intangible fixed assets	**(2,577)**	(860)	(893)
Payments for purchases of investment securities	**(454)**	(604)	(206)
Proceeds from sales of investment securities	**69**	162	155
Proceeds from redemption of investment securities	**1,102**	—	—
(Payments for) proceeds from acquisition of shares in subsidiaries resulting in change in scope of consolidation (Note 18)	**(2,171)**	(1,888)	356
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation (Note 18)	**1,262**	—	—
Payments for acquisition of shares in subsidiaries	**(400)**	—	(150)
Payments for acquisition of shares in affiliates	**(393)**	(615)	—
Proceeds from sales of shares in affiliates	**1,315**	—	—
Payments for loans provided	**(125)**	(328)	(29)
Proceeds from collection of loans receivables	**198**	94	49
Other	**(341)**	(451)	(231)
Net cash used in investing activities	**(35,326)**	(24,957)	(37,813)
Cash Flows from Financing Activities:			
Net (decrease) increase in short-term debt	**(7,843)**	(17,568)	6,888
Proceeds from long-term debt	**7,850**	15,000	30,670
Repayment of long-term debt	**(15,765)**	(19,912)	(15,522)
Cash dividends paid	**(4,109)**	(2,613)	(2,634)
Payments for purchases of treasury stock	**(22)**	(262)	(2,156)
Proceeds from disposals of treasury stock	**474**	392	382
Proceeds from stock issuances to minority shareholders	**—**	—	77
Repayment of lease obligations	**(212)**	(270)	(296)
Other	**0**	0	—
Net cash (used in) provided by financing activities	**(19,627)**	(25,233)	17,409
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**2,197**	2,123	2,158
Net Increase in Cash and Cash Equivalents	**7,107**	1,106	4,744
Cash and Cash Equivalents at Beginning of Year	**29,031**	28,223	23,366
Decrease in Cash and Cash Equivalents from Change in Scope of Consolidation	**—**	(298)	—
Increase in Cash and Cash Equivalents from Consolidation of Previously Non-consolidated Subsidiaries	**—**	—	113
Cash and Cash Equivalents at End of Year	**¥36,138**	¥29,031	¥28,223

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 foreign subsidiaries are stated in Japanese yen. The accounts of the Company and its consolidated domestic and foreign 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 foreign 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 69 affiliated companies (66 consolidated subsidiaries, 3 equity method affiliates). All significant intercompany balances, intercompany transactions and unrealized profits have been eliminated in consolidation. The Company also has 4 non-consolidated subsidiaries.

During the year ended March 31, 2015, two consolidated subsidiaries were established, shares of eighteen consolidated subsidiaries were acquired, two consolidated subsidiaries were liquidated, and one consolidated subsidiary was excluded from the scope of consolidation due to sales of shares. 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 the consolidated financial statements. shares), etc. have no significant impact on the consolidated financial statements.

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. However, for certain consolidated subsidiaries, financial statements as of the subsidiaries' balance sheet date are used. In this case, necessary adjustments are made for significant transactions between the subsidiary's balance sheet date and the Company's balance sheet date.

b) Translation of foreign currencies

Monetary assets and liabilities denominated in 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 foreign 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 an original maturity of 3 months or less are considered to be "cash equivalents."

d) Allowance for doubtful receivables

An 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. An allowance for doubtful receivables of consolidated foreign subsidiaries is provided for estimated uncollectible receivables.

An allowance for doubtful receivables provided for consolidated subsidiaries' intercompany 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 foreign subsidiaries are stated at the lower of cost or market. Cost is determined primarily by the moving average method.

Inventories as of March 31, 2015 and 2014, comprised the following:

Inventories

	Millions of yen	
	2015	2014
Merchandise and finished goods	**¥46,998**	¥30,867
Work in process	**22,620**	17,157
Raw materials	**17,381**	11,046
Supplies	**5,163**	4,582
	¥92,162	¥63,652

f) Tangible fixed assets

Tangible fixed assets are stated at acquisition cost. Depreciation of the Company and its consolidated domestic subsidiaries is computed primarily 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 foreign 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 when incurred, while significant renewals and improvements are capitalized.

(Change in accounting estimates)

After a comprehensive review seeking to better reflect the product life cycle of certain machinery used for manufacturing LED backlights for LCDs products, certain consolidated subsidiaries changed their useful lives from 5 to 10 years to 2 years from the year ended March 31, 2015.

This resulted in an increase in depreciation and decrease of ¥2,013 million in operating income and income before income taxes and minority interests, respectively.

g) Investment securities

Investment securities consist of equity securities of listed and unlisted companies and government and corporate bonds, etc. Available-for-sale securities held by the Company and its domestic and foreign consolidated subsidiaries with readily determinable fair value are stated at the closing quoted market price on March 31, 2015 and 2014. Resulting valuation gains and loss are included within net assets in the consolidated balance sheets, net of deferred taxes. The costs for 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

	2015			2014		
	Reported amount in balance sheet	*Acquisition cost*	*Difference*	*Reported amount in balance sheet*	*Acquisition cost*	*Difference*
Securities for which reported amounts in the balance sheet exceed acquisition cost						
Equity securities	**¥4,381**	**¥2,343**	**¥2,038**	¥3,723	¥2,342	¥1,381
Bonds	**4,457**	**4,439**	**18**	3,639	3,631	8
Other	**34**	**33**	**1**	202	200	2
Securities for which reported amounts in the balance sheet do not exceed acquisition cost						
Equity securities	**2**	**3**	**(1)**	303	377	(74)
Other	**26**	**33**	**(7)**	53	60	(7)
Total	**¥8,900**	**¥6,851**	**¥2,049**	¥7,920	¥6,610	¥1,310

Unlisted equity securities are not included in the above, as they do not have quoted market prices, therefore it is extremely difficult to measure their fair value. The amount of unlisted equity securities as of March 31, 2015 and 2014 are ¥1,302 million and ¥2,302 million, respectively.

Available-for-sale securities sold during each fiscal year

Millions of yen

	2015			2014			2013		
	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	**¥1,069**	**¥—**	**¥—**	¥ 162	¥54	¥—	¥ —	¥—	¥—
Bonds	**102**	**—**	**—**	—	—	—	237	—	—
Other	**767**	**—**	**—**	1,095	—	—	528	—	—
Total	**¥1,938**	**¥—**	**¥—**	¥1,257	¥54	¥—	¥765	¥—	¥—

Notes: 1. Amount of sale in equity securities for the year ended March 31, 2015 include redemption of preferred shares of ¥1,000 million.
2. Amount of sale in bonds for the year ended March 31, 2015 include redemption due to maturity of ¥102 million.

h) Accounting for retirement benefits

To provide for the payment of retirement benefit to employees, the Company and its consolidated domestic subsidiaries sponsor funded and unfunded defined benefit pension plans and defined contribution pension plans.

Defined benefit pension plans (funded) provide lump-sum payments or annuity based on salary and length of service.

Certain consolidated foreign subsidiaries sponsor funded and unfunded defined benefit pension plans or defined contribution pension plans.

In the year ended March 31, 2015, the benefit formula basis is used to attribute expected retirement benefits to each period.

In the year ended March 31, 2014, the straight-line basis is used by the Company and consolidated domestic subsidiaries, and the benefit formula is used by consolidated foreign subsidiaries to attribute expected retirement benefits to each period.

Past 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 actuarial gains and losses and unrecognized past service costs are recognized as remeasurements of defined benefit plans in total accumulated other comprehensive income within the net assets, after adjusting for tax effects.

(Change of accounting policy)
From the year ended March 31, 2015, the Company adopted the provisions set forth in paragraph 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012) and paragraph 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, revised on March 26, 2015). Accordingly, the method used to calculate retirement benefit obligations and service costs has been revised, and the method to attribute expected retirement benefits to each period has been changed from the straight-line basis to the benefit formula basis. Additionally the method for determining the discount rate has been changed from a single discount rate based on the average number of years approximating the residual terms of all employees, to multiple discount rates based on the expected benefit payments attributed to periods of service of relevant employees.

In accordance with the transitional accounting as stipulated in paragraph 37 of the "Accounting Standard for Retirement Benefits," the effect of the changes in accounting policies arising from the revision of liabilities for retirement benefits and service costs is recognized as retained earnings at the beginning of the year ended March 31, 2015.

As a result of these adjustments, net defined benefit liability increased by ¥369 million, and retained earnings decreased by ¥237 million at the beginning of the year ended March 31, 2015. The effect of these adjustments on operating income and income before income taxes and minority interests for the year ended March 31, 2015 is immaterial.

Net assets per share declined by ¥0.64. Impact on net income per share and diluted net income per share is immaterial.

Defined benefit plans

The movements of projected benefit obligations and plan assets for the years ended March 31, 2015 and 2014, and the reconciliation of year-end balance and net defined benefit liability as of March 31, 2015 and 2014, are as follows:

		Millions of yen
Movement of Projected Benefit Obligations	**2015**	2014
Projected benefit obligations at the beginning of the year	**¥43,596**	¥40,853
Cumulative effects of changes in accounting policies	**369**	—
Restated balance at the beginning of the year	**43,965**	40,853
Service cost	**1,517**	1,397
Interest cost	**1,384**	1,243
Actuarial loss (gain)	**4,421**	(764)
Benefits paid	**(943)**	(1,242)
Past service cost (benefit)	**(7)**	(15)
Partial settlement	**(9,338)**	—
Acquisition	**1,213**	—
Foreign currency translation adjustments	**2,799**	2,399
Others	**(175)**	(275)
Projected benefit obligations at the end of the year	**¥44,836**	¥43,596

		Millions of yen
Movement of Plan Assets	**2015**	2014
Plan assets at the beginning of the year	**¥34,746**	¥28,752
Expected return on plan assets	**1,483**	1,209
Actuarial gain (loss)	**1,596**	1,135
Contributions paid by the employer	**2,593**	3,204
Benefits paid	**(858)**	(1,119)
Partial settlement	**(9,338)**	—
Foreign currency translation adjustments	**1,794**	1,776
Others	**(155)**	(211)
Plan assets at the end of the year	**¥31,861**	¥34,746

Net Defined Benefit Liability	2015	2014
		Millions of yen
Funded projected benefit obligations	**¥36,271**	¥37,736
Plan assets	**(31,861)**	(34,746)
	4,410	2,990
Unfunded projected benefit obligations	**8,565**	5,860
Total net liability in the consolidated balance sheet	**12,975**	8,850
Net defined benefit liability	**12,975**	8,850
Total net liability in the consolidated balance sheet	**¥12,975**	¥ 8,850

The components of retirement benefit costs for the years ended March 31, 2015, 2014 and 2013, are as follows:

Retirement Benefit Costs	2015	2014	2013
			Millions of yen
Service cost	**¥1,517**	¥1,397	¥1,256
Interest cost	**1,384**	1,243	1,354
Expected return on assets	**(1,483)**	(1,209)	(1,207)
Amortization of actuarial losses	**672**	1,433	2,096
Amortization of past service costs	**324**	340	330
	2,414	3,204	3,829
Loss on settlement of retirement benefit plan	**3,115**	—	1,642
Retirement benefit costs related to defined benefit plans	**¥5,529**	¥3,204	¥5,471

The components of remeasurements of defined benefit plans for the year ended March 31, 2015 (before tax) are as follows:

Remeasurements of Defined Benefit Plans	2015
	Millions of yen
Past service cost	**¥ 331**
Actuarial (loss) gain	**(2,153)**
Loss on settlement of retirement benefit plan	**3,115**
Foreign currrency translation adjustments	**(558)**
Total	**¥ 735**

The components of remeasurements of defined benefit plans as of March 31, 2015 and 2014 (before tax), are as follows:

Remeasurements of Defined Benefit Plans	2015	2014
		Millions of yen
Unrecognized past service cost	**¥ (993)**	¥(1,324)
Unrecognized actuarial (loss) gain	**(3,438)**	(3,842)
Total	**¥(4,431)**	¥(5,166)

The breakdown of plan assets by major categories as of March 31, 2015 and 2014, are as follows:

Breakdown of Plan Assets	2015	2014
Bonds	**44%**	44%
Equity securities	**22**	27
Pooled funds	**18**	15
Assets insurance (General account)	**8**	7
Cash and cash equivalents	**1**	1
Other	**7**	6
Total	**100%**	100%

In determining the expected long-term rate of return on plan assets, the Company considers the current and projected asset allocations, as well as the current and expected long-term rate of return from various of the plan assets.

Assumptions used for calculation for the years ended March 31, 2015, 2014 and 2013, are as follows:

Assumptions Used for Calculation	2015	2014	2013
Discount rate	**mainly 0.9%–5.5%**	mainly 1.1%–4.4%	mainly 1.1%
Expected long-term rate of return on plan assets	**mainly 2.0%–6.5%**	mainly 2.0%–6.8%	mainly 2.0%

Defined contribution plans
The amount of contributions to the defined contribution pension plans of the Company and its consolidated subsidiaries for the years ended March 31, 2015, 2014 and 2013 were ¥237 million, ¥233 million and ¥192 million, respectively.

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 adopts the deferred hedge method. The Company, however, adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables if the requirements for the allocation method are met. The Company also adopts 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 Corporate Finance Department, the Company enters into 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 enters into 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 conforms critical terms of such contracts to those of foreign currency-denominated receivables and payables upon closing of forward exchange contracts in accordance with the risk management policy, and confirms that exchange rate fluctuations, etc. can be offset at the inception of hedging and continuously thereafter.

Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the requirements for special accounting.

k) Goodwill
Excess of the purchase price over net assets acquired in business acquisitions for the Company and its consolidated subsidiaries is amortized on a straight-line basis over a period of 10 years. Amortization for the years ended March 31, 2015, 2014 and 2013, were ¥582 million, ¥618 million and ¥1,148 million, respectively.

In the year ended March 31, 2014, other expenses included amortization of goodwill of ¥300 million, resulting from the revaluation of investments in Daiichi Seimitsu Sangyo Co., Ltd., a consolidated subsidiary of the Company. Furthermore, in the year ended March 31, 2013, other expenses included amortization of goodwill of ¥621 million, resulting from the revaluation of investments in Minebea Motor Manufacturing Corporation and NMB Mechatronics Co., Ltd., consolidated subsidiaries of the Company.

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

m) Accounting Standards, etc. that are not applied herein
(Accounting standard for business combinations, etc.)
"Accounting Standard for Business Combinations"
(ASBJ Statement No. 21, revised on September 13, 2013)
"Accounting Standard for Consolidated Financial Statements"
(ASBJ Statement No. 22, revised on September 13, 2013)
"Accounting Standard for Business Divestitures"
(ASBJ Statement No. 7, revised on September 13, 2013)
"Accounting Standard for Earnings Per Share"
(ASBJ Statement No. 2,revised on September 13, 2013)
"Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, revised on September 13, 2013)
"Guidance on Accounting Standard for Earnings Per Share"
(ASBJ Guidance No. 4, revised on September 13, 2013)

Outline
Revisions to these accounting standards and guidelines were made primarily concerning (1) treatment of a parent company's interest after additional acquisition of shares in a subsidiary that does not result in change of control; (2) treatment of acquisition-related expenses; (3) change in presentation of net income as well as a change from minority interest to non-controlling interest; and (4) treatment of provisional accounting treatment.

Effective dates
These revisions will become effective from the beginning of the year ending March 31, 2016.
Treatment of provisional accounting treatment will become applicable for business combinations after the beginning of the year ending March 31, 2016.

Effect of application of these accounting standards
The effect of the revisions are currently under assessment.

n) Investigations by Korean, U.S. and Singaporean competition authorities
As previously announced, certain consolidated subsidiaries have been investigated by Korean, U.S., and Singapore competition authorities for the alleged infringement of competition laws related to the trading of small-sized ball bearing products, etc.

The Korea Fair Trade Commission (KFTC) issued an order for corrective action to the Company and its Korean subsidiary in November 2014 for violating the Monopoly Regulation and Fair Trade Act (a competition law) in connection with the trading of small-sized ball bearings in Korea. The Company was fined a total of 4,912 million won and thus posted a loss related to Anti-Monopoly Act totaling ¥527 million in other expenses.

The KFTC also announced that it would press criminal charges against the Company and its Korean subsidiary for violating Korea's Monopoly Regulation and Fair Trade Act.

The Company reached an agreement in February 2015 with the U.S. Department of Justice and pleaded guilty to violating U.S. antitrust laws concerning the sale of certain small-sized ball bearing products. The Company paid a fine totaling $13,500 thousand, and as a result, a loss related to Anti-Monopoly Act totaling ¥1,610 million was posted in other expenses.

A class action suit in relation to the investigations of these cases has been brought in Canada against the Company.

The Company and certain subsidiaries are also cooperating with competition authorities in Singapore in investigations there. There has been no significant progress during the year ended March 31, 2015.

Depending on the outcome of the above-mentioned lawsuits and investigations, the Company may incur losses from fines, etc. However, the Company can neither reasonably estimate the amount of said losses at this time nor determine whether they will affect the Company's operating results or financial position, etc.

3. 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 interest rates of short-term loans as of March 31, 2015 and 2014 are 0.85% and 0.77%, respectively.

Short-term debt as of March 31, 2015 and 2014, consists of the following:

	Millions of yen	
	2015	2014
Short-term loans	**¥46,657**	¥48,794
Total	**¥46,657**	¥48,794

Long-term debt as of March 31, 2015 and 2014, consists of the following:

	Millions of yen	
	2015	2014
0.68% unsecured bonds payable in Japanese yen due December 2016	**¥10,000**	¥ 10,000
0.60% convertible bond-type unsecured bonds payable in Japanese yen with stock acquisition rights due February 2017	**7,700**	7,700
Loans from banks, etc.		
Years ended March 31		
2015—0.42% to 6.00%		
2014—0.42% to 6.00%	**74,106**	82,004
Lease obligations	**377**	456
	92,183	100,160
Less: current portion	**20,272**	15,451
	¥71,911	¥ 84,709

The aggregate annual maturities of long-term debt outstanding as of March 31, 2015, are as follows:

	Millions of yen
2016	**¥20,272**
2017	**31,180**
2018	**15,707**
2019	**20,312**
2020 and thereafter	**4,712**
	¥92,183

Pledged assets and liabilities

Assets pledged as collateral as of March 31, 2015 and 2014 are as follows:

	Millions of yen	
	2015	2014
Buildings and structures	**¥696**	¥—

The above assets are pledged for the following liabilities as of March 31, 2015 and 2014:

	Millions of yen	
	2015	2014
Long-term debt	**¥850**	¥—

4. Impairment of Fixed Assets

The asset groups for which the Company and its consolidated subsidiaries recognized impairment losses for the years ended March 31, 2015, 2014 and 2013, are as follows:

Overview of asset groups for which impairment losses were recognized

Millions of yen

Use	*Business/location*	*Type of assets*	**2015**	2014	2013
Idle assets	2 facilities, which are former Ichinoseki Plant and former Kanegasaki Plant (Ichinoseki City, Iwate Prefecture and others)	Land	**¥ 11**	¥ 12	¥ 12
		Total	**11**	12	12
Welfare assets	Company houses and dormitories (Ota Ward, Tokyo)	Buildings and structures	**67**	—	—
		Tools, furniture and fixtures	**0**	—	—
		Total	**67**	—	—
Operational assets	Fan motor business (Shanghai, China and others)	Machinery and transportation equipment	**—**	964	104
		Tools, furniture and fixtures	**—**	—	26
		Total	**—**	964	130
	Inverter business (Lopburi, Thailand)	Buildings and structures	**—**	0	—
		Machinery and transportation equipment	**—**	93	—
		Tools, furniture and fixtures	**—**	0	—
		Total	**—**	93	—
	Small-sized motor business (South Korea and others)	Machinery and transportation equipment	**—**	32	—
		Tools, furniture and fixtures	**—**	5	—
		Software	**31**	—	—
		Total	**31**	37	—
	Speaker business (Taiwan and others)	Buildings and structures	**—**	1	1
		Machinery and transportation equipment	**—**	—	20
		Tools, furniture and fixtures	**—**	—	11
		Software	**—**	1	—
		Total	**—**	2	32
	HDD Spindle motor business (Ayutthaya, Thailand)	Buildings and structures	**—**	—	423
		Machinery and transportation equipment	**—**	—	993
		Tools, furniture and fixtures	**—**	—	520
		Total	**—**	—	1,936
	Vibration motor business (Zhuhai, China and others)	Machinery and transportation equipment	**—**	—	79
		Tools, furniture and fixtures	**—**	—	209
		Total	**—**	—	288
	In-house motor parts production business (Malaysia and others)	Buildings and structures	**—**	—	18
		Machinery and transportation equipment	**—**	—	355
		Tools, furniture and fixtures	**—**	—	130
		Total	**—**	—	503
Total			**¥109**	¥1,108	¥2,901

Asset grouping method

Asset are generally grouped at the lowest level that generates independent cash flows, based on the business segmentation.

Reason for impairment loses having been recognized

The idle assets (land) for which impairment losses were recognized for the years ended March 31, 2015, 2014 and 2013 do not have an effective utilization plan, and their land prices dropped significantly.

Impairment losses were recognized for welfare assets (buildings and structures, tools, furniture and fixtures) as it was decided in the year ended March 31, 2015 to rebuild the building.

Regarding operational assets (buildings and structures, machinery and equipment, and tools, furniture and fixtures, and software), impairment losses were recognized, as they were no longer expected to be used, or their future cash flows were below book values of the asset groups, due to decreases in profitability, downsizing of business, or decrease in utilization resulting from deterioration in business environment, etc., and reduced to their recoverable amount based on value in use.

In the year ended March 31, 2015, ¥31 million (of which ¥31 million for the small-sized motor business) was included in "Business restructuring losses."

In the year ended March 31, 2014, ¥132 million (of which ¥93 million for the inverter business, ¥37 million for the small motor business and ¥2 million for the speaker business) was included in "Business restructuring losses."

In the year ended March 31, 2013, ¥953 million (of which ¥130 million for the fan motor business, ¥288 million for the vibration motor business, ¥503 million for the in-house motor parts production business and ¥32 million for the speaker business) was included in "Business restructuring losses."

Calculation method of recoverable amounts

Idle assets are measured at net realizable value, based on posted land price or real estate appraisal standards.

The entire book value of the welfare assets are recorded as an impairment loss since it was decided to demolish the existing facilities.

Operational assets are measured at value in use, and the future cash flows of fan motor business for the year ended March 31, 2014 were discounted by 14.0%. The entire book value was recorded as impairment losses for other businesses since it was not expected to use the assets in the future, or as no positive future cash flows were expected.

5. Losses on disaster

In the year ended March 31, 2014, fixed costs during the low operation period of ¥220 million, and losses on disposal of inventories of ¥328 million due to the factory explosion at a consolidated subsidiary in the U.S. were recognized.

In the year ended March 31, 2013, due to the large scale flooding in Thailand, fixed costs during the low operation period of ¥1,715 million, and costs for disaster measures of ¥266 million were recognized.

6. Business restructuring losses

In the year ended March 31, 2015, losses of ¥603 million related to the personnel reduction in the consolidated subsidiary in the U.S., losses of ¥496 million related to the rationalization of small-sized motor business, and other losses totaling ¥12 million were recognized.

In the year ended March 31, 2014, losses of ¥215 million related to the withdrawal from the inverter business, losses of ¥174 million related to the personnel reduction at the consolidated subsidiary in the U.S., losses of ¥158 million related to the withdrawal from the membrane business, and other losses of ¥203 million were recognized.

In the year ended March 31, 2013, losses of ¥1,255 million related to the closure of the coreless vibration motor business, losses of ¥568 million related to the rationalization of in-house motor parts production business, losses of ¥246 million related to the closure of the speaker business, and other losses of ¥558 million were recognized.

7. Losses on settlement of retirement benefit plan

In the years ended March 31, 2015 and 2013, settlement losses for partial settlement of a retirement benefit plan of consolidated subsidiaries in the U.S. were recognized.

8. Provision of allowance for doubtful receivables/bad debts written off

In the year ended March 31, 2013, estimated uncollectible receivables of ¥573 million and write-off of bad debts of ¥135 million were recognized, due to the fact that customer of Minebea Technologies Taiwan Co., Ltd., a consolidated subsidiary in Taiwan, has become substantially bankrupt.

9. 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 35.6% for the year ended March 31, 2015, and 38.0% for the years ended March 31, 2014 and 2013.

The income taxes of consolidated foreign 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 ¥8,686 million and ¥8,988 million as of March 31, 2015 and 2014, respectively, are included in the accompanying consolidated balance sheets and are composed of the following:

	Millions of yen	
Deferred Tax Assets	**2015**	2014
Excess of allowed limit chargeable to accrued bonuses	**¥ 1,413**	¥ 1,187
Net defined benefit liability	**2,596**	2,392
Loss on revaluation of investment securities	**550**	603
Unrealized gains on sales of inventories	**1,170**	1,084
Unrealized gains on sales of fixed assets	**470**	476
Excess of allowed limit chargeable to depreciation	**3,270**	2,323
Impairment losses	**147**	375
Tax loss carryforwards	**5,530**	8,070
Research credit carryforwards	**689**	416
Other	**3,048**	1,001
Subtotal	**18,883**	17,927
Valuation allowance	**(6,839)**	(6,466)
Total deferred tax assets	**¥12,044**	¥11,461

	Millions of yen	
Deferred Tax Liabilities	**2015**	2014
Depreciation allowed to foreign subsidiaries	**¥1,319**	¥ 504
Differences on revaluation of available-for-sale securities	**384**	314
Reserve for reduction entry	**1,046**	1,127
Other	**609**	528
Total deferred tax liabilities	**3,358**	2,473
Net deferred tax assets	**¥8,686**	¥8,988

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

	Millions of yen	
	2015	2014
Current assets—Deferred tax assets	**¥3,632**	¥4,199
Fixed assets—Deferred tax assets	**6,666**	5,966
Current liabilities—Other	**(7)**	(9)
Long-term liabilities—Other	**(1,605)**	(1,168)
Net deferred tax assets	**¥8,686**	¥8,988

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, 2015, 2014 and 2013, is shown below:

	2015	2014	2013
Statutory tax rate in Japan	**35.6%**	38.0%	38.0%
Adjustments:			
Amortization of goodwill	**0.4**	1.3	13.8
Difference of tax rates applied to foreign subsidiaries	**(13.2)**	(16.2)	(28.7)
Foreign tax credit carryforwards	**—**	3.7	(5.2)
Valuation allowance	**(1.3)**	(3.5)	37.3
Effect of dividend income eliminated for consolidation	**3.6**	6.0	48.7
Dividend income and other items not included for tax purposes	**(3.5)**	(5.8)	(47.0)
Entertainment cost and other items not deducted for tax purposes	**0.3**	0.5	1.0
Adjustments in year-end deferred tax assets due to tax rate changes	**0.2**	0.8	0.8
Differences in tax rates on special income tax for reconstruction	**—**	0.5	(1.4)
Loss related to Anti-Monopoly Act	**1.5**	—	—
Other	**0.1**	(1.3)	17.5
Effective income tax rate	**23.7%**	24.0%	74.8%

Adjustment of deferred tax assets and deferred tax liabilities due to the change of corporate tax rate

"The Act for Partial Revision of the Income Tax Act, etc." (Act No. 9 of 2015) and "The Act on Partial Revision of the Local Tax Act, etc."(Act No. 2 of 2015) were promulgated on March 31, 2015, resulting a reduction in the rates of income taxes used to calculate deferred tax assets and liabilities from the year beginning on or after April 1, 2015. With this revision, the effective statutory tax rate is changed from the previous rate of 35.6% to 33.1% for temporary differences expected to be reversed in the year beginning on April 1, 2015 and to 32.3% for temporary difference expected to be reversed in the year beginning on April 1, 2016.

As a result of this tax rate change, the amount of deferred tax assets (net of deferred tax liabilities) as of March 31, 2015 has decreased by ¥123 million, while income taxes-deferred has increased by the same amount.

" The Act for Partial Revision of the Income Tax Act,etc." (Act No. 10 of 2014) was promulgated on March 31, 2014. With this revision,the reconstruction corporate tax, a surtax for reconstruction funding after the Great East japan Earthquake, will no longer be levied from the year beginning on or after April 1, 2014. In conjunction with this, for temporary differences expected to be reversed in the year beginning on April 1, 2014, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities was changed from the previous rate of 38.0% to 35.6%.

As a result of this tax rate change, the amount of deferred tax assets (net of deferred tax liabilities) as of March 31, 2014 has decreased by ¥204 million, while income taxes-deferred has increased by the same amount.

10. Leases

Outstanding future lease payments for non-cancellable operating leases as of March 31, 2015 and 2014, are as follows:

	Millions of yen	
	2015	2014
Due within 1 year	**¥ 432**	¥ 358
Due after 1 year	**4,863**	3,927
Total	**¥5,295**	¥4,285

11. 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 undertaken.

Details of financial instruments and its risks

Notes and accounts receivable, which are trade receivables, are exposed to the credit risk of clients. On the other hand, trade receivables in foreign currencies produced in foreign business operations are subject to the risk of exchange rate fluctuations, although they are basically 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 fluctuations. Long-term loans receivable are generally provided to clients.

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 contracts, other than those within the balance of the foreign currency trade accounts receivable.

Borrowings, bonds, and lease obligations related to 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).

The convertible bond-type bonds with stock acquisition rights were issued to procure investment funds for M&A activities, and their redemption date is February 20, 2017.

Derivative transactions are forward exchange contracts executed for the purpose of hedging exchange rate fluctuation risk associated with trade receivables and payables in foreign currencies, interest rate swaps executed for the purpose of hedging interest rate fluctuation risk associated with bank loans, and copper price swaps to hedge price fluctuation risks for sale and purchase contracts of raw materials. With respect to hedging vehicles and hedged items, hedge policy and method of assessing hedge effectiveness; please refer to note "2. Summary of Significant Accounting Policies j) Hedge accounting."

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 amounts per client each month, as well as revises 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, these are U.S. Treasury securities held and corporate bonds held by the Korean subsidiary. The credit risks for U.S. Treasury securities are not considered significant and the value of the corporate bonds, etc. held by the Korean subsidiary is minor.

Derivative transactions are deemed to have only a remote credit risk since the Company limits such transactions to be only with counterparties it considers to be 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 currencies. The Company also enters into forward exchange contracts for foreign currency-denominated receivables and payables that are certain to arise from anticipated export transactions. The Company enters into 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 condition 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 and Compliance Promotion Division.

Consolidated subsidiaries are also managed pursuant to the Company's market 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 are based on market prices, and when market prices are not available, reasonably calculated amounts. Fluctuating factors are incorporated upon calculation of such amounts, therefore the amounts may vary when different assumptions are applied. The contracted amounts for derivative transactions mentioned in note "12. Derivatives" do 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, 2015 and 2014 are as follows, which does not contain items whose fair value was extremely difficult to measure.

Millions of yen

	2015			2014		
	Reported amount in balance sheet	*Fair value*	*Difference*	*Reported amount in balance sheet*	*Fair value*	*Difference*
Cash and cash equivalents	**¥ 36,138**	**¥ 36,138**	**¥ —**	¥ 29,031	¥ 29,031	¥ —
Time deposits	**9,190**	**9,190**	**—**	9,685	9,685	—
Notes and accounts receivable—trade	**110,519**	**110,519**	**—**	74,340	74,340	—
Securities and investment securities	**10,042**	**9,997**	**(45)**	9,121	9,605	484
Long-term loans receivable	**330**	**326**	**(4)**	368	358	(10)
Total assets	**¥166,219**	**¥166,170**	**¥ (49)**	¥122,545	¥123,019	¥474
Notes and accounts payable—trade	**59,906**	**59,906**	**—**	29,898	29,898	—
Short-term debt	**46,657**	**46,657**	**—**	48,794	48,794	—
Current portion of long-term debt	**20,100**	**20,263**	**163**	15,250	15,357	107
Long-term debt	**71,706**	**72,104**	**398**	84,454	85,072	618
Total liabilities	**¥198,369**	**¥198,930**	**¥561**	¥178,396	¥179,121	¥725
Derivative transactions*	**¥ 256**	**¥ 256**	**¥ —**	¥ (46)	¥ (46)	¥ —

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

Calculation of fair values 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 sum of the principal and interest are discounted using the rate assumed when a similar loan is provided. Book values are applied for immaterial loans.

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 payable and convertible-bond-type bonds payable with stock acquisition rights 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 "12. Derivatives."

Financial instruments whose fair value is deemed extremely difficult to measure

	Millions of yen	
	2015	2014
	Reported amount in balance sheet	*Reported amount in balance sheet*
Unlisted stocks	**¥1,302**	¥2,302
Investments in subsidiaries	**409**	19
Investments in affiliates	**579**	606
Investments in capital of subsidiaries	**85**	85
Total	**¥2,375**	¥3,012

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 maturities

	Millions of yen			
	2015			
	Within 1 year	*Over 1 year Within 5 years*	*Over 5 years Within 10 years*	*Over 10 years*
Cash and cash equivalents	**¥ 36,138**	**¥ —**	**¥—**	**¥—**
Time deposits	**9,190**	**—**	**—**	**—**
Notes and accounts receivable–trade	**110,519**	**—**	**—**	**—**
Securities and investment securities				
Available-for-sale securities with maturities	**1,487**	**3,030**	**—**	**—**
Long-term loans receivable	**—**	**216**	**114**	**—**
Total	**¥157,334**	**¥3,246**	**¥114**	**¥—**

	Millions of yen			
	2014			
	Within 1 year	*Over 1 year Within 5 years*	*Over 5 years Within 10 years*	*Over 10 years*
Cash and cash equivalents	¥ 29,031	¥ —	¥—	¥—
Time deposits	9,685	—	—	—
Notes and accounts receivable–trade	74,340	—	—	—
Securities and investment securities				
Available-for-sale securities with maturities	1,184	2,610	—	—
Long-term loans receivable	—	347	21	0
Total	¥114,240	¥2,957	¥21	¥ 0

Expected repayment and redemption for debt

Please refer to note "3. Short-Term and Long-Term Debt."

12. Derivatives

Derivative transactions which hedge accounting is not applied as of March 31, 2015 and 2014, are as follows:

Currency related

Off market trading

	Millions of yen			
	2015			
Type of transactions	*Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*	*Valuation gains and losses*
Forward exchange transaction				
Sell				
U.S. dollars	**¥18,188**	**¥—**	**¥265**	**¥265**
Euro	**2,394**	**—**	**42**	**42**
Japanese yen	**1,420**	**—**	**8**	**8**
Forward exchange transaction				
Buy				
Chinese yuan	**380**	**—**	**0**	**0**

Off market trading

	Millions of yen			
	2014			
Type of transactions	*Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*	*Valuation gains and losses*
Forward exchange transaction				
Sell				
U.S. dollars	¥4,972	¥—	¥(6)	¥(6)
Japanese yen	939	—	(8)	(8)
Forward exchange transaction				
Buy				
Chinese yuan	264	—	(0)	(0)

Note: Calculation of fair values

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

Instruments related

Off market trading

Type of transactions	Contracted amount	Contracted amount exceeding 1 year	Fair value	Valuation gains and losses
	Millions of yen			
	2015			
Swap transaction of copper prices Floating/fixed rate cash flow	**¥305**	**¥—**	**¥(1)**	**¥(1)**

Off market trading

Type of transactions	Contracted amount	Contracted amount exceeding 1 year	Fair value	Valuation gains and losses
	Millions of yen			
	2014			
Swap transaction of copper prices Floating/fixed rate cash flow	¥96	¥—	¥(10)	¥(10)

Note: Calculation of fair values
Fair values are calculated based on the prices provided by financial institutions.

Derivative transactions for which hedge accounting is applied as of March 31, 2015 and 2014, are as follows:

Currency related

Allocation method of forward exchange contracts

Type of transactions	Major hedged items	Contracted amount	Contracted amount exceeding 1 year	Fair value
		Millions of yen		
		2015		
Forward exchange transaction	Short-term loans receivable			
Sell				
U.S. dollars		**¥9,525**	**¥—**	**¥ (60)**
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**8,267**	**—**	**(104)**
Euro		**558**	**—**	**4**
Sterling pounds		**18**	**—**	**0**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**6,194**	**—**	**48**

Allocation method of forward exchange contracts

Type of transactions	Major hedged items	Contracted amount	Contracted amount exceeding 1 year	Fair value
		Millions of yen		
		2014		
Forward exchange transaction	Short-term loans receivable			
Sell				
U.S. dollars		¥ 5,912	¥—	¥ (35)
Forward exchange transaction	Short-term loans payable			
Buy				
Japanese yen		23,694	—	(234)
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		3,479	—	(19)
Euro		558	—	(5)
Sterling pounds		24	—	(0)
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		1,019	—	10

General accounting method

Millions of yen

Type of transactions	Major hedged items	2015 Contracted amount	2015 Contracted amount exceeding 1 year	2015 Fair value
Forward exchange transaction	Short-term loans receivable			
Sell				
Euro		**¥ 251**	**¥—**	**¥ 1**
Forward exchange transaction	Short-term loans payable			
Buy				
U.S. dollars		**6,967**	**—**	**(39)**
Japanese yen		**13,746**	**—**	**(217)**
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**19,695**	**—**	**50**
Euro		**3,343**	**—**	**159**
Sterling pounds		**62**	**—**	**1**
Japanese yen		**861**	**—**	**18**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**5,826**	**—**	**(11)**
Euro		**106**	**—**	**(1)**
Sterling pounds		**14**	**—**	**0**
Singapore dollars		**1,041**	**—**	**(12)**
Hong Kong dollars		**108**	**—**	**(0)**
Chinese yuan		**35**	**—**	**(0)**
Thai baht		**0**	**—**	**0**
Swiss franc		**0**	**—**	**0**
Japanese yen		**1,212**	**—**	**(5)**

General accounting method

Millions of yen

Type of transactions	Major hedged items	2014 Contracted amount	2014 Contracted amount exceeding 1 year	2014 Fair value
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		¥16,540	¥—	¥9
Euro		2,862	—	2
Sterling pounds		57	—	0
Japanese yen		906	—	0
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		8,142	—	(42)
Euro		81	—	(1)
Sterling pounds		27	—	0
Singapore dollars		788	—	5
Hong Kong dollars		133	—	(0)
Chinese yuan		55	—	(0)
Thai baht		0	—	0
Japanese yen		657	—	(11)

Millions of yen

Deferred hedge accounting

Type of transactions	*Major hedged items*	**2015** *Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		**¥8,434**	**¥—**	**¥(1)**
Euro		**791**	**—**	**(1)**
Japanese yen		**35**	**—**	**(0)**
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		**1,305**	**—**	**0**
Euro		**4**	**—**	**0**
Singapore dollars		**165**	**—**	**(0)**
Japanese yen		**1,216**	**—**	**(0)**

Millions of yen

Deferred hedge accounting

Type of transactions	*Major hedged items*	2014 *Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		¥7,949	¥—	¥(6)
Euro		1,147	—	(3)
Sterling pounds		53	—	(0)
Japanese yen		65	—	(0)
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		755	—	1
Sterling pounds		21	—	(0)
Singapore dollars		515	—	(0)
Japanese yen		475	—	0

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 receivable, 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

		Millions of yen		
		2015		
Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*
Interest rate swap transaction Floating/fixed rate cash flow	Long-term loans payable	**¥52,850**	**¥34,250**	**¥(415)**

Special accounting for interest rate swaps

		Millions of yen		
		2014		
Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*
Interest rate swap transaction Floating/fixed rate cash flow	Long-term loans payable	¥60,600	¥52,850	¥(523)

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.

13. 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, 2015, 2014 and 2013, amounted to ¥8,973 million, ¥8,561 million and ¥7,743 million, respectively.

14. Shareholders' Equity

The Companies Act of Japan requires that an amount equivalent to 10% of cash dividends 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, 2015, retained earnings included year-end dividends of ¥2,243 million or ¥6 per share, which was approved at the ordinary general meeting of shareholders held on June 26, 2015.

15. Stock Options, etc.

a) Amounts expensed and account related to stock options

The amounts expensed and account related to stock options for the years ended March 31, 2015, 2014 and 2013, are as follows:

	Millions of yen		
	2015	2014	2013
Selling, general and administrative expenses (Share-based compensation expenses)	**¥31**	¥9	¥9

b) Contents, scale and changes in stock options

Contents of the stock options

	1st Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2012
Classification and number of people to which stock acquisition rights were granted	Eight directors of the Company
Number of stock options by type of stock (Note)	47,000 shares of common stock
Grant date	July 17, 2012
Vesting conditions	No vesting conditions have been prescribed.
Service period	—
Exercise period	From July 18, 2012 to July 16, 2042

Note: Numbers indicated are converted into number of shares.

	2nd Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2013
Classification and number of people to which stock acquisition rights were granted	Seven directors of the Company
Number of stock options by type of stock (Note)	42,000 shares of common stock
Grant date	July 16, 2013
Vesting conditions	No vesting conditions have been prescribed.
Service period	—
Exercise period	From July 17, 2013 to July 15, 2043

Note: Numbers indicated are converted into number of shares.

	3rd Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2014
Classification and number of people to which stock acquisition rights were granted	Seven directors of the Company
Number of stock options by type of stock (Note)	25,200 shares of common stock
Grant date	July 18, 2014
Vesting conditions	No vesting conditions have been prescribed.
Service period	—
Exercise period	From July 19, 2014 to July 17, 2044

Note: Numbers indicated are converted into number of shares.

Scale and changes in stock options

Stock options outstanding during the year ended March 31, 2015 are covered, and the number of stock options are converted into number of shares.

①Number of stock option

	1st Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2012	2nd Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2013	3rd Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2014
Before vesting (shares)			
At the end of previous year	—	—	**—**
Granted	—	—	**25,200**
Lapsed	—	—	**—**
Vested	—	—	**25,200**
Not vested	—	—	**—**
Vested (shares)			
At the end of previous year	32,000	42,000	**—**
Vested	—	—	**25,200**
Exercised	7,000	7,000	**4,200**
Lapsed	—	—	**—**
Not exercised	25,000	35,000	**21,000**

②Unit price information

	1st Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2012	2nd Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2013	3rd Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2014
Exercise price (yen)	1	1	**1**
Average stock price at the time of exercise (yen)	1,857	1,857	**1,857**
Fair value as of the grant date (yen)	251	366	**1,173**

c) Evaluation method of fair value per unit of stock options

Fair value per unit of the 3rd Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2014 that were granted during the year ended March 31, 2015, was evaluated as follows:

①Appraisal method used: Black-Scholes model

②Major underlying figures and estimates

	3rd Stock Acquisition Rights Issued by Minebea Co., Ltd. in 2014
Volatility (Note 1)	**37.555%**
Expected residual period (Note 2)	**3.6 years**
Expected dividends (Note 3)	**¥8 per share**
Risk-free interest rate (Note 4)	**0.094%**

Notes: 1. Calculated based on the stock price performance in 3.6 years (from December 12, 2010 to July 18, 2014).
2. Estimate is based on the average expected length of service from the grant date to the retirement date as prescribed by the internal rules.
3. Based on the dividend paid for the year ended March 31, 2014.
4. Based on the transaction statistics of long-term interest-bearing government bonds announced by the Japan Securities Dealers Association, adopting the average of compound interest yields of issuances with redemption dates within three months before or after the expected residual period.

d) Method of estimating the number of vested stock options

As it is difficult to reasonably estimate the number of stock options forfeited in the future, the Company adopts the method that reflects the actual number of forfeitures.

16. Other Comprehensive Income

The amounts of reclassification adjustments and related tax effects included in other comprehensive income for the years ended March 31, 2015, 2014 and 2013, are as follows:

Millions of yen

	2015	2014	2013
Differences on revaluation of available-for-sale securities:			
Incurred in the current year	**¥ 740**	¥ 161	¥ 1,097
Reclassification adjustment	**—**	(54)	—
Amount before tax effect adjustment	**740**	107	1,097
Amount of tax effect	**(225)**	(42)	(98)
Differences on revaluation of available-for-sale securities	**515**	65	999
Deferred gains or losses on hedges:			
Incurred in the current year	**(9)**	(22)	(20)
Reclassification adjustment	**15**	21	20
Amount before tax effect adjustment	**6**	(1)	(0)
Amount of tax effect	**(1)**	0	(0)
Deferred gains or losses on hedges	**5**	(1)	(0)
Foreign currency translation adjustments:			
Incurred in the current year	**30,588**	9,954	24,692
Reclassification adjustment	**1,046**	—	—
Amount before tax effect adjustment	**31,634**	9,954	24,692
Amount of tax effect	**265**	387	—
Foreign currency translation adjustments	**31,899**	10,341	24,692
Unfunded retirement benefit obligations of foreign subsidiaries:			
Incurred in the current year	**—**	1,455	(1,970)
Reclassification adjustment	**—**	—	1,642
Amount before tax effect adjustment	**—**	1,455	(328)
Amount of tax effect	**—**	(415)	114
Unfunded retirement benefit obligations of foreign subsidiaries	**—**	1,040	(214)
Remeasurements of defined benefit plans:			
Incurred in the current year	**(3,376)**	—	—
Reclassification adjustment	**4,111**	—	—
Amount before tax effect adjustment	**735**	—	—
Amount of tax effect	**(211)**	—	—
Remeasurements of defined benefit plans	**524**	—	—
Shares of other comprehensive income of associates accounted for using equity method:			
Incurred in the current year	**105**	152	—
Reclassification adjustment	**(149)**	—	—
Shares of other comprehensive income of associates accounted for using equity method	**(44)**	152	—
Total other comprehensive income	**¥32,899**	¥11,597	¥25,477

17. 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.

Diluted net income per share is calculated based on the weighted average number of shares of common stocks outstanding reflecting the increase in number of shares outstanding assuming that all the outstanding convertible bond-type bonds payable with stock acquisition rights and stock acquisition rights that have dilutive effects on net income per share are converted into common stock. When calculating diluted net income per share, net income is adjusted by the bond interest after deducting corporate income taxes.

The number of shares used in calculating net income per share for the years ended March 31, 2015, 2014 and 2013, is as follows:

	Thousands of shares		
	2015	2014	2013
Basic	**373,727**	373,226	373,699
Diluted	**393,972**	393,448	393,890

18. Cash Flow Information

In the year ended March 31, 2015, Sartorius Mechatronics T&H GmbH and its 16 consolidated subsidiaries were included in the scope of consolidation. The composition of assets and liabilities at acquisition, and the relation between acquisition cost and payments for acquisition are as follows:

	Millions of yen
	2015
Current assets	**¥7,420**
Fixed assets	**1,647**
Goodwill	**4,016**
Current liabilities	**(6,817)**
Long-term liabilities	**(1,308)**
Minority interests in consolidated subsidiaries	**(462)**
Acquisition cost of Sartorius Mechatronics T&H GmbH	**4,496**
Cash and cash equivalents of Sartorius Mechatronics T&H GmbH	**2,299**
Less: payments for acquisition of Sartorius Mechatronics T&H GmbH	**¥2,197**

In the year ended March 31, 2015, Hansen Corporation was excluded from the scope of consolidation. The composition of assets and liabilities at sales, and the relation between sales value and proceeds from sales are as follows:

	Millions of yen
	2015
Current assets	**¥1,325**
Fixed assets	**488**
Current liabilities	**(319)**
Long-term liabilities	—
Foreign currency translation adjustments	**1,046**
Losses on sales of investments in subsidiaries and affiliates	**(1,261)**
Sales value of Hansen Corporation	**1,279**
Cash and cash equivalents of Hansen Corporation	**17**
Less: proceeds from sales of Hansen Corporation	**¥1,262**

In the year ended March 31, 2014, CEROBEAR GmbH was included in the scope of consolidation. The composition of assets and liabilities at acquisition, and the relation between acquisition cost and payments for acquisition are as follows:

	Millions of yen
	2014
Current assets	¥ 825
Fixed assets	1,575
Goodwill	396
Current liabilities	(424)
Long-term liabilities	(464)
Acquisition cost of CEROBEAR GmbH	1,908
Cash and cash equivalents of CEROBEAR GmbH	20
Less: payments for acquisition of CEROBEAR GmbH	¥1,888

In the year ended March 31, 2013, Moatech Co., Ltd. and its 7 consolidated subsidiaries were included in the scope of consolidation. The composition of assets and liabilities at acquisition, and the relation between acquisition cost and proceeds from acquisition are as follows:

	Millions of yen
	2013
Current assets	¥ 9,354
Fixed assets	3,620
Goodwill	10
Current liabilities	(2,334)
Long-term liabilities	(406)
Stock acquisition rights	(45)
Minority interests in consolidated subsidiaries	(5,730)
Acquisition cost of Moatech Co., Ltd.	4,469
Cash and cash equivalents of Moatech Co., Ltd.	4,825
Less: proceeds from acquisition of Moatech Co., Ltd.	¥ 356

19. Litigation

As of March 31, 2015, NMB-Minebea Thai Ltd., consolidated subsidiary located in Thailand, received (1) a revised assessment of income tax liability in the amount of 502 million baht on August 25, 2008; (2) another revised assessment of income tax liability in the amount of 125 million baht on August 25, 2010; (3) a third revised assessment of income tax liability in the amount of 101 million baht on August 11 and 22, 2011; (4) a fourth revised assessment of income tax liability in the amount of 71 million baht on July 2, August 8 and 17, 2012; (5) a fifth revised assessment of income tax liability in the amount of 366 million baht on April 5, 2013; and (6) a sixth revised assessment of income tax liability in the amount of 14 million baht on August 26, 2013 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 regarding item (1), the Company took the case to the Tax Court of Thailand on August 25, 2009, following the petition to the Revenue Department, and regarding items (2), (3), (4), (5) and (6) has petitioned the Revenue Department for redress. Regarding item (2), the Company, among these cases, plans to bring the case before the Tax Court of the Kingdom of Thailand.

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

Payment of these amounts was made in subrogation on (1) September 22, 2008, (2) September 23, 2010, (3) August 16, 2011, (4) August 23, 2012, (5) April 26, 2013 and (6) September 16, 2013, respectively, using a surety bond from a bank with which the Company does business.

20. Contingent Liabilities

The Company and its consolidated subsidiaries had no material contingent liabilities as of March 31, 2015 and March 31, 2014.

21. Business Combination, etc.

Divestitures

The Company entered into the share transfer agreement with ElectroCraft, Inc. as of June 30, 2014, to transfer all the shares held by the Company in its consolidated subsidiary, Hansen Corporation, to ElectroCraft, Inc. and entered into the transfer.

1. Outline of the divestiture

(1) Name of the company to be divested and its business activities

ElectroCraft, Inc.

(2) Outline of the business to be transferred

Manufacture and sales of small-sized motors

(3) Major reasons for the divestiture

Hansen Corporation ("Hansen"), with its production base located in Indiana, the U.S., exclusively focuses on manufacture and sales of motors and became a Minebea Group company in 1977.

Hansen's major product line includes permanent magnet synchronous motors primarily used in residential air conditioning system, etc. Even though a constant demand for synchronous motors going forward is anticipated, due to the fact that the demand for synchronous motors has shifted from the U.S. to Europe in recent years and that the motor itself is a motor of an old structure so that the Company do not expect desirable synergetic effects to be generated with its product lines. As such, the Company have decided to transfer the business to ElectroCraft, Inc., one of the global leaders in the manufacture of fractional-horsepower motors for use in motion control solutions, with its head office located in the U.S. as well.

(4) Effective date of the divestiture

June 30, 2014

Hansen's business performances from April 1, 2014 through June 30, 2014 (the end of the first quarter) have been included in the consolidated financial statements.

(5) Legal structure of the divestiture

Method of legally transferring the business

By way of the share transfer agreement

The number of shares to be transferred

100 shares

Transfer cost of shares

¥1,279 million ($12,619 thousand)

2. Outline of the accounting method to be implemented

(1) The amount of transfer gains and losses

Loss on sales of investments in subsidiaries and affiliates

¥1,261 million

(2) Book values of assets and liabilities of the transferred business and their details

	Millions of yen
Current assets	**¥1,325**
Fixed assets	**¥488**
Total assets	**¥1,813**
Current liabilities	**¥ 319**
Long-term liabilities	**—**
Total liabilities	**¥ 319**

3. Reportable segment in which the divested business was included

Electronic devices and components segment

4. Approximate amount of profits and losses related to the divested business included in the consolidated statements of income in the current year

	Millions of yen
Net sales	**¥757**
Operating income	**27**

Business Combination through Acquisitions

Business combination through acquisitions in the year ended March 31, 2015 are as follows:

1. Outline of the business combination

(1) Name of the acquired company and its business activities

Name of the acquired company:	Sartorius Mechatronics T&H GmbH
Business activities:	Manufacturing tank and hopper, industrial scales, inspection equipment

(2) Major reasons for the business combination

With production facilities in Germany, India and China, advanced measurement technologies and highly reliable detection technologies within the high growth potential industrial measurement instruments market, Sartorius Mechatronics T&H GmbH (Sartorius' Industrial Technologies Division, hereinafter "Sartorius MTH") is a manufacturer of industrial measuring instruments and process inspection equipment which includes product lines from load cell, industrial scale, and process instrument to detection device etc., as well as an aftermarket business providing modifications and adjustments, repair, and process optimization services worldwide.

The Company has decided to acquire Sartorius MTH through acquisition of shares with the intention of combining its own leading industrial strengths in the automobile, consumer electronics, healthcare and industrial products with Sartorius MTH's leading position in the food, beverage, chemical and pharmaceutical industries, thereby increasing its product line-up significantly and being able to develop the combined companies into a more efficient business across the globe.

(3) Effective date of the business combination

February 6, 2015

(4) Legal form of business combination

Stock acquisition with cash considerations

(5) Name of the company subsequent to the business combination

Sartorius Mechatronics T&H GmbH

(6) Percentage of voting rights acquired

Percentage of voting rights immediately before the stock acquisition	—%
Percentage of voting rights to be acquired on the effective date of the business combination	51.0%
Percentage of voting rights subsequent to the stock acquisition	51.0%

(7) Primary basis for determining the acquirer

Due to the fact that the Company has acquired 51.0% of the voting rights of the acquired company through stock acquisition with cash considerations.

2. Period of result of operations of the acquired company to be included in the consolidated financial statements

Fiscal year-end of the acquired company is December 31. Since the effective date of the business combination is February 6, 2015, none of the result of operations of the acquired company is included for the year ended March 31, 2015.

3. Acquisition cost of the acquired company and its details

	Millions of yen
Consideration for the acquisition	
Purchase price of shares (cash)	**¥4,196**
Cost directly related to the acquisition	
Advisory cost, etc.	**300**
Acquisition cost	**¥4,496**

4. Amount of goodwill, source, amortization method and period
   (1) Amount of goodwill
   ¥4,016 million

   (2) Source of goodwill
   Primarily due to Sartorius MTH's product development capability and sales and marketing ability as well as the expected excess earning power resulting therefrom.

   (3) Method and period of amortization
   Goodwill is equally amortized over a period of 10 years.

5. Amount of assets and liabilities received at the effective date of business combination and its details

	Millions of yen
Current assets	**¥ 7,420**
Fixed assets	**1,647**
Goodwill	**4,016**
Total assets	**¥13,083**
Current liabilities	**¥ 6,817**
Long-term liabilities	**1,308**
Total liabilities	**¥ 8,125**

6. Allocation of acquisition costs
   The evaluation of the identifiable assets and liabilities and the calculation of their fair values associated with the acquisition on the effective date of the business combination have not been determined as of the year-end on the consolidated financial statements and the allocation of the acquisition costs has not been concluded. Therefore, the Company has provisionally accounted for based on available reasonable information.

7. Pro-forma information of effects on the consolidated statement of income assuming the business combination had been completed at the beginning of the current fiscal year, and the calculation method

	Millions of yen
Net sales	**¥14,411**
Operating income	**886**
Income before income taxes and minority interests	**761**

   (Method for calculating pro-forma information)
   The pro-forma information of effects on the consolidated statement of income was calculated as differences between net sales and income assuming the business combination had been completed as of the beginning of the current fiscal year, and net sales and income included in the consolidated statement of income. Pro-forma information is unaudited.

Business combination through acquisitions in the year ended March 31, 2014 are as follows:

1. Outline of the business combination
   (1) Name of the acquired company and its business activities
   Name of the acquired company: CEROBEAR GmbH ("CEROBEAR")
   Business activities: Manufacture and sales of ceramic bearings and hybrid bearings for use in the aerospace industries, medical equipment, semiconductor manufacturing equipment and machine tools, etc.

   (2) Major reasons for the business combination
   A renowned world leader in the design, manufacturing and marketing of ceramic bearings incorporating highly advanced ceramic material technology and hybrid bearings employing high performance steel materials, CEROBEAR has gained a wealth of experience during the more than two decades it has been in business. CEROBEAR manufactures and markets special ceramic bearings and hybrid bearings in a host of sizes ranging from internal diameters of 5 mm to external diameters of 420 mm. Boasting outstanding high-speed, low-friction, and advanced anti-corrosive performance, these bearings have what it takes to excel under the toughest circumstances such as high temperatures and arid conditions. They can be found in everything from applications for the U.S., and European aerospace industries, medical equipment, semiconductor manufacturing equipment, machine tools, as well as food and beverage packaging devices to motorsport vehicles.

   Like CEROBEAR, New Hampshire Ball Bearings, Inc., a consolidated subsidiary in the U.S., has a unique advantage in supplying bearing products to the aerospace and medical industries while the European subsidiary, myonic GmbH, enjoys a competitive edge in providing special bearings used in dental and medical equipment as well as the aerospace industry. Once CEROBEAR's innovative ceramic technologies are put to work on the production line, the Company will be able to create new products targeted to the aerospace industry and broaden its product line-up. The Company is forging ahead with further development of its signature miniature and small-sized bearings as well as bearings designed especially for the aerospace industry with an eye to supplying products that will provide customers with the perfect solution while sharpening the Company's competitive edge.

   Since booming market demand is expected to fuel the growth of the U.S. and European aerospace industries, the Company decided to execute the business combination in order to enhance profitability as sales of the Company's aerospace products rise.

   (3) Effective date of the business combination
   July 1, 2013

   (4) Legal structure of the business combination
   Stock acquisition with cash consideration

   (5) Name of the company subsequent to the business combination
   CEROBEAR GmbH

   (6) Percentage of voting rights acquired

Percentage of voting rights immediately before the stock acquisition	—%
Percentage of voting rights to be acquired on the effective date of the business combination	100.0%
Percentage of voting rights subsequent to the stock acquisition	100.0%

   (7) Primary basis for determining the acquirer
   Due to the fact that the consolidated subsidiary, New Hampshire Ball Bearings, Inc., has acquired all of the voting rights of the acquired company through stock acquisition with cash considerations.

2. Period of result of operations of the acquired company to be included in the consolidated financial statements
   The result of operations from July 1, 2013 through March 31, 2014 have been included in the consolidated financial statements.

3. Acquisition cost of the acquired company and its details

	Millions of yen
Consideration for the acquisition	
Purchase price of shares (cash)	¥1,908
Acquisition cost	¥1,908

4. Amount of goodwill, source, amortization method and period
   (1) Amount of goodwill
   ¥396 million

   (2) Source of goodwill
   Primarily due to the excess earning power to be expected on account of the development capability of CEROBEAR.

   (3) Method and period of amortization
   Goodwill is equally amortized over a period of 10 years.

5. Amount of assets and liabilities received at the effective date of business combination and its details

	Millions of yen
Current assets	¥ 825
Fixed assets	1,575
Goodwill	396
Total assets	¥2,796
Current liabilities	¥ 424
Long-term liabilities	464
Total liabilities	¥ 888

6. Pro-forma information of effects on the consolidated statement of income assuming the business combination had been completed at the beginning of the current fiscal year, and the calculation method

	Millions of yen
Net sales	¥478
Operating income	29
Income before income taxes and minority interests	30

(Method for calculating pro-forma information)
The pro-forma information of effects on the consolidated statement of income was calculated as differences between net sales and income assuming the business combination had been completed as of the beginning of the current fiscal year, and net sales and income included in the consolidated statement of income. Pro-forma information is unaudited.

Transaction under common control, etc.

1. Outline of transactions, including details on the combining company and its lines of business, the business combination date, the legal form of business combination, the trade name of the combined company, and the purpose of the transactions

   (1) Combining company
   Minebea Motor Manufacturing Corporation

   (2) Lines of business activities
   Development, manufacturing, and sales of small motors for electrical appliances and information communication devices, and applied equipment and components

   (3) Business combination date
   April 2, 2013

   (4) Legal form of business combination
   Minebea Motor Manufacturing Corporation was dissolved in an absorption-type merger in which the Company became the surviving company.

   (5) Name of the company
   Minebea Co., Ltd.

(6) Outline of transactions including the purpose of transactions
Minebea Motor Manufacturing Corporation was founded as a joint venture between the Company and Panasonic Corporation ("Panasonic") in the information motor business in April 2004, with 60% equity held by the Company and 40% equity held by Panasonic. When the joint venture terminated in February 2013, Minebea Motor Manufacturing Corporation became a wholly-owned subsidiary of the Company. The Company effected the absorption-type merger with a view to improving the efficient allocation of management resources and enhancing business efficiency in order to establish more robust management bases and further expanding businesses.

As the absorption-type merger was carried out for a wholly owned subsidiary of the Company, no new shares were issued and no common stock was added.

The size of the combining business as of March 31, 2013 is as follows.

	Millions of yen
Net sales	¥50,181
Net loss	(2,733)
Capital stock	11,500
Net assets	347
Total assets	13,183

2. Outline of accounting treatment
The Company accounted for the transaction as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, revised on December 26, 2008) and the "Guidance on the Accounting Standard for Business Combinations and the Accounting Standard for Business Divestures" (ASBJ Guidance No.10, revised on December 26, 2008).

22. Segment Information, etc.

a) Segment information

Outline of reportable segments

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

The Company establishes business divisions by product in key business centers, therein Machined Component Manufacturing Headquarters supervises the production of machined components, while Electronic Device and Component Manufacturing Headquarters oversees the manufacture of small-sized motors, electronic devices and components and optical products, etc. Each of such manufacturing headquarters formulates comprehensive domestic and overseas strategies regarding products in order to deploy its business activities. Therefore, the Company identifies two reportable segments consisting of "Machined components segment" and "Electronic devices and components segment."

Our core products in the "Machined components segment" are mechanical parts, such as ball bearings, rod-end bearings, pivot assemblies of HDDs, fasteners for automobile and aircraft, etc. The "Electronic devices and components segment" includes electronic devices and components (LCD backlights and measuring instruments, etc.) and a wide variety of motors such as spindle motors for HDDs, information motors (stepping motors, DC brushless motors, DC brush motors and fan motors), and precision motors as well as special components, etc. From the year ended March 31, 2014, due to organizational changes aimed at enhancing management efficiency and improving the speed of business judgment, our reportable segments consist of two segments including "Machined components segment" and "Electronic devices and components segment", in place of three segments consisting of "Machined components segment", "Rotary components segment" and "Electronic devices and components segment."

For the segment information for the year ended March 31, 2013, the Company has disclosed such information based on the reportable segments subsequent to the organizational changes mentioned above.

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

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

Income of each 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.

(Change in accounting estimates)

After a comprehensive review seeking to better reflect the product life cycle of certain machinery used for manufacturing LED backlights for LCDs products, certain consolidated subsidiaries changed their useful lives from 5 to 10 years to 2 years from the year ended March 31, 2015.

This resulted in an increase in depreciation and decrease of ¥2,013 million in segment income of "Electronic devices and components" segment.

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

Informations related to the reportable segments of the Company and its consolidated subsidiaries as of March 31, 2015, 2014 and 2013, and for the years then ended are as follows:

Millions of yen

	Reportable segments						
Year ended March 31, 2015	*Machined components*	*Electronic devices and components*	*Total*	*Other*	*Total*	*Adjustments*	*Consolidated financial statement amounts*
Sales to external customers	**¥154,986**	**¥343,842**	**¥498,828**	**¥1,848**	**¥500,676**	**¥ —**	**¥500,676**
Internal sales	**3,929**	**2,488**	**6,417**	**28,879**	**35,296**	**(35,296)**	**—**
Total sales	**158,915**	**346,330**	**505,245**	**30,727**	**535,972**	**(35,296)**	**500,676**
Segment income	**39,713**	**29,721**	**69,434**	**859**	**70,293**	**(10,192)**	**60,101**
Segment assets	**116,482**	**179,176**	**295,658**	**18,245**	**313,903**	**176,140**	**490,043**
Other items							
Depreciation and amortization	**9,520**	**13,159**	**22,679**	**2,173**	**24,852**	**3,924**	**28,776**
Increase in tangible and intangible fixed assets	**5,732**	**16,427**	**22,159**	**7,042**	**29,201**	**8,356**	**37,557**

Millions of yen

	Reportable segments						
Year ended March 31, 2014	*Machined components*	*Electronic devices and components*	*Total*	*Other*	*Total*	*Adjustments*	*Consolidated financial statement amounts*
Sales to external customers	¥140,033	¥230,514	¥370,547	¥ 996	¥371,543	¥ —	¥371,543
Internal sales	3,635	1,471	5,106	23,831	28,937	(28,937)	—
Total sales	143,668	231,985	375,653	24,827	400,480	(28,937)	371,543
Segment income	33,551	9,582	43,133	866	43,999	(11,800)	32,199
Segment assets	99,300	118,118	217,418	8,081	225,499	155,779	381,278
Other items							
Depreciation and amortization	9,378	8,070	17,448	2,090	19,538	4,202	23,740
Increase in tangible and intangible fixed assets	3,867	8,646	12,513	1,393	13,906	6,773	20,679

Millions of yen

Year ended March 31, 2013	*Reportable segments* Machined components	Electronic devices and components	Total	*Other*	*Total*	*Adjustments*	*Consolidated financial statement amounts*
Sales to external customers	¥113,573	¥167,911	¥281,484	¥ 925	¥282,409	¥ —	¥282,409
Internal sales	2,565	635	3,200	19,327	22,527	(22,527)	—
Total sales	116,138	168,546	284,684	20,252	304,936	(22,527)	282,409
Segment income (loss)	25,459	(2,452)	23,007	167	23,174	(13,005)	10,169
Segment assets	97,632	106,008	203,640	8,556	212,196	150,609	362,805
Other items							
Depreciation and amortization	8,020	7,468	15,488	1,910	17,398	3,402	20,800
Increase in tangible and intangible fixed assets	9,100	13,580	22,680	1,272	23,952	19,735	43,687

Notes: 1. The classification of "Other" is the business segment, which is not included in the reportable segments, and its products are mainly dies and parts produced in-house.

2. The contents of the adjustments are as follows:

(i) Adjustments to segment income or loss are amortization of goodwill (–¥582 million for the year ended March 31, 2015, –¥618 million for the year ended March 31, 2014, –¥1,148 million for the year ended March 31, 2013), and corporate expenses such as general & administrative expenses and research and development expenses that do not belong to the reportable segments (–¥9,610 million for the year ended March 31, 2015, –¥11,182 million for the year ended March 31, 2014, –¥11,857 million for the year ended March 31, 2013).

(ii) Adjustments to segment assets are unamortized goodwill (¥6,539 million as of March 31, 2015, ¥2,999 million as of March 31, 2014, ¥3,502 million as of March 31, 2013), and assets related to administrative divisions that do not belong to the reportable segments (¥169,602 million as of March 31, 2015, ¥152,780 million as of March 31, 2014, ¥147,107 million as of March 31, 2013).

(iii) The primary 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 primary 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 reconciled to operating income in consolidated financial statements.

b) Related information
Information by geographical area

Millions of yen

Year ended March 31, 2015	*China*	*Japan*	*Thailand*	*Europe*	*U.S.A.*	*Others*	*Total*
Net sales	**¥164,641**	**¥108,040**	**¥70,735**	**¥47,222**	**¥42,528**	**¥67,510**	**¥500,676**

Millions of yen

Year ended March 31, 2014	*China*	*Japan*	*Thailand*	*Europe*	*U.S.A.*	*Others*	*Total*
Net sales	¥119,829	¥69,798	¥48,048	¥40,258	¥37,014	¥56,596	¥371,543

Millions of yen

Year ended March 31, 2013	*China*	*Japan*	*Thailand*	*Europe*	*U.S.A.*	*Others*	*Total*
Net sales	¥81,999	¥56,854	¥36,413	¥28,688	¥28,542	¥49,913	¥282,409

Millions of yen

As of March 31, 2015	*Thailand*	*Japan*	*China*	*Others*	*Total*
Tangible fixed assets	**¥100,029**	**¥42,399**	**¥18,932**	**¥31,238**	**¥192,598**

Millions of yen

As of March 31, 2014	*Thailand*	*Japan*	*China*	*Others*	*Total*
Tangible fixed assets	¥83,768	¥40,090	¥16,095	¥26,947	¥166,900

Millions of yen

As of March 31, 2013	*Thailand*	*Japan*	*China*	*Others*	*Total*
Tangible fixed assets	¥90,007	¥37,889	¥17,404	¥25,463	¥170,763

Information by major customer

Year ended March 31, 2015		*Millions of yen*
Customer	*Net sales*	*Related reportable segment*
Japan Display Group	**¥63,098**	Electronic devices and components

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

Millions of yen

Year ended March 31, 2015	*Reportable segments*					
	Machined components	*Electronic devices and components*	*Total*	*Other*	*Corporate*	*Total*
Impairment losses	**¥—**	**¥31**	**¥31**	**¥—**	**¥78**	**¥109**

Millions of yen

Year ended March 31, 2014	*Reportable segments*					
	Machined components	*Electronic devices and components*	*Total*	*Other*	*Corporate*	*Total*
Impairment losses	¥—	¥1,096	¥1,096	¥—	¥12	¥1,108

Millions of yen

Year ended March 31, 2013	*Reportable segments*					
	Machined components	*Electronic devices and components*	*Total*	*Other*	*Corporate*	*Total*
Impairment losses	¥—	¥2,386	¥2,386	¥503	¥12	¥2,901

23. Subsequent Events

There were no significant events subsequent to March 31, 2015.

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 companies accounted for under the equity method (collectively "Minebea Group"). Therefore, in accordance with the report "On the Revision of the Standards and Practice Standards for Management Assessments and Audit Concerning Internal Control Over Financial Reporting (Council Opinions)" (revised by the Business Accounting Council on March 30, 2011), 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 over 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 Act of Japan ("Act").

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 Act 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 to the consolidated financial statements, the accompanying consolidated financial statements are reclassified and additional information are provided from the consolidated financial statements prepared for the purpose of the Act. 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, 2015, 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 an entity-level standpoint. This assessment was carried out at all of our business locations excluding 33 consolidated subsidiaries and 3 equity method affiliates which were determined quantitatively and qualitatively insignificant.

For the scope of assessment for process-level internal control, 9 of our business locations were identified as significant business locations by using the accumulated data of each companies prior to consolidation elimination of the previous fiscal year and setting "total assets", "net assets", "sales" and "income before income taxes 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, 2015, ICOFR of the Minebea Group was effective.

4. Supplementary Information

Not applicable.

5. Other

Not applicable.

Yoshihisa Kainuma
Representative Director, President and Chief Executive Officer
June 26, 2015

Independent Auditor's Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Minebea Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2015 and 2014, the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for each of the years in the three-year period ended March 31, 2015 and the notes to consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Minebea Co., Ltd. and its consolidated subsidiaries as at March 31, 2015 and 2014, and their financial performance and cash flows for each of the years in the three-year period ended March 31, 2015 in accordance with accounting principles generally accepted in Japan.

KPMG

Report on the Internal Control Report
We also have audited the accompanying report on internal control over financial reporting of the consolidated financial statements of Minebea Co., Ltd. as at March 31, 2015 ("Internal Control Report").

Management's Responsibility for the Internal Control Report
Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the Internal Control Report in conformity with assessment standards for internal control over financial reporting generally accepted in Japan. Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

Auditor's Responsibility
Our responsibility is to express an opinion on the Internal Control Report based on our internal control audit. 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Internal Control Report is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about the assessment of internal control over financial reporting in the Internal Control Report. The procedures selected depend on the auditor's judgement, including significance of effect on the reliability of financial reporting. Also, an internal control audit 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the Internal Control Report, in which Minebea Co., Ltd. states that internal control over financial reporting was effective as at March 31, 2015, 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 LLC

July 7, 2015
Tokyo, Japan

Major Subsidiaries

Subsidiaries	Operations	Shareholding Ratio
Japan		
NMB Sales Co., Ltd.	Sale of machined components and electronic devices and components	100.0%
Daiichi Seimitsu Sangyo Co., Ltd.	Manufacture and sale of molds and related products	100.0
Thailand		
NMB-Minebea Thai Ltd.	Manufacture and sale of machined components and electronic devices and components	100.0
China		
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	Manufacture and sale of bearings and fan motors, etc.	100.0
Minebea (Hong Kong) Limited	Sale of bearings and electronic devices and components	100.0
Minebea Electronics Motor (Zhuhai) Co., Ltd.	Manufacture and sale of electronic devices and components	100.0
Minebea Electronics Devices (Suzhou) Ltd.	Manufacture of electronic devices and components	100.0
Singapore		
NMB Singapore Ltd.	Manufacture and sale of bearings and electronic devices and components	100.0
Malaysia		
Minebea Electronics Motor (Malaysia) Sdn. Bhd.	Manufacture and sale of electronic devices and components	100.0
Cambodia		
Minebea (Cambodia) Co., Ltd.	Manufacture of electronic devices and components	100.0
Korea		
NMB Korea Co., Ltd.	Sale of bearings and electronic devices and components	100.0
Moatech Co., Ltd.	Manufacture and sale of electronic devices and components	50.9
United States		
New Hampshire Ball Bearings, Inc.	Manufacture and sale of bearings	100.0
NMB Technologies Corporation	Sale of bearings and electronic devices and components	100.0
United Kingdom		
NMB-Minebea UK Ltd	Manufacture and sale of rod-end bearings	100.0
Germany		
Precision Motors Deutsche Minebea GmbH	Development, manufacture and sale of HDD spindle motors	100.0
NMB-Minebea-GmbH	Sale of bearings and electronic devices and components	100.0
myonic GmbH	Manufacture and sale of bearings and components	100.0
Sartorius Mechatronics T&H GmbH	Manufacture and sale of eletronic devices and components	51.0
Sartorius Mechatronics C&D GmbH & Co. KG	Manufacture and sale of eletronic devices and components	51.0
Sartorius Industrial Scales GmbH & Co. KG	Manufacture and sale of eletronic devices and components	51.0
Italy		
NMB Italia S.r.l.	Sale of bearings and electronic devices and components	100.0
France		
NMB Minebea S.A.R.L.	Sale of bearings and electronic devices and components	100.0

Minebea Co., Ltd.

Corporate Information (As of June 2015)

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

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 Auditor
KPMG AZSA LLC

Investor Information (As of March 31, 2015)

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 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
Sumitomo Mitsui Trust Bank, Limited
Tel: 81-120-176-417
http://www.smtb.jp/personal/agency/index.html

Major Shareholders

Classification by Ownership of Shares

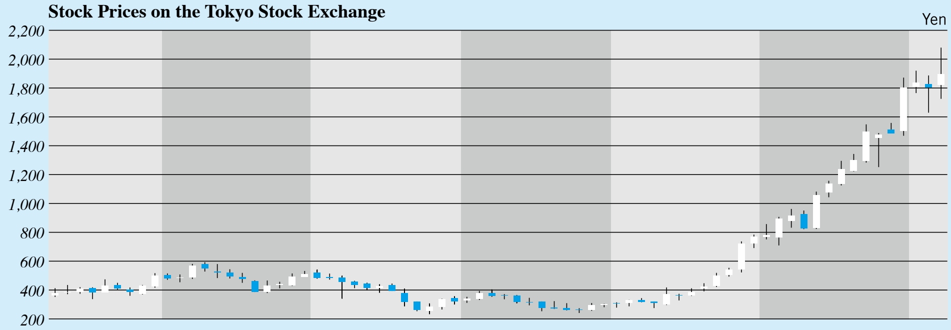
	Number of shareholders	Percentage of shareholders (%)	Number of shares held (Thousand shares)	Percentage of shares outstanding (%)
Japanese financial institutions	131	0.9	178,710	44.8
Overseas institutions	502	3.4	133,882	33.6
Other Japanese corporations	238	1.6	31,201	7.8
Individuals and others	11,917	80.6	54,806	13.7
Subtotal	12,788	86.5	398,599	99.9
Others	1,994	13.5	568	0.1
Total	14,782	100.0	399,167	100.0

Top Ten Major Shareholders

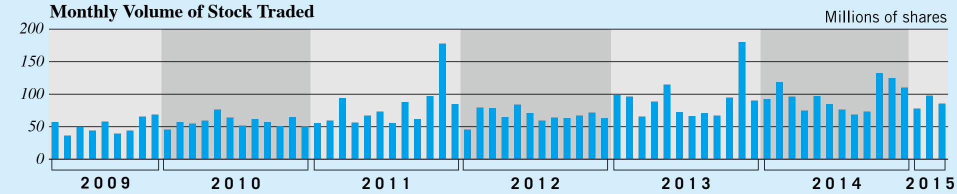
	Number of shares (Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,879,000	7.64
Japan Trustee Services Bank, Ltd. (Trust account)	20,850,000	5.51
Takahashi Industrial and Economic Research Foundation	15,447,330	4.08
Sumitomo Mitsui Trust Bank, Limited	15,349,000	4.06
Japan Trustee Services Bank, Ltd. (Trust account 4)	13,350,000	3.53
Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives)	10,930,000	2.89
KEIAISHA Co., Ltd.	10,100,000	2.67
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057,839	2.66
Sumitomo Mitsui Banking Corporation	10,000,475	2.64
JP MORGAN CHASE BANK 380634 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	8,025,599	2.12

Notes: 1. The Company holds 21,014,915 shares of treasury stock, which are excluded from the major shareholders.
2. Shareholding ratio is calculated exclusive of treasury stock.

Stock Prices on the Tokyo Stock Exchange



Monthly Volume of Stock Traded



High / Opening / Closing / Low — High / Closing / Opening / Low

Blue: opening price > closing price
White: closing price > opening price

For further information please contact:
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Minebea
Passion to Exceed Precision

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please visit our corporate web site.

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