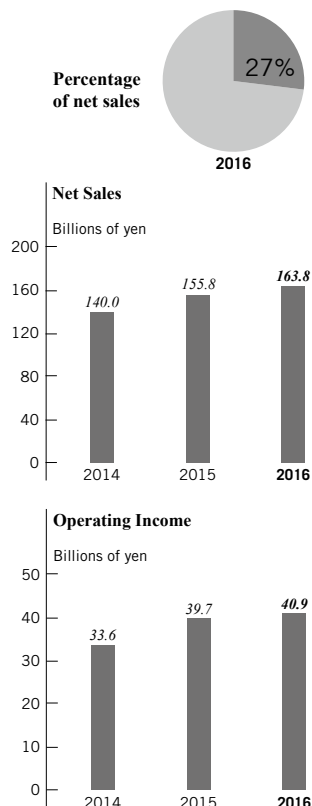


Segment Information

Machined Components



Net sales in the machined components segment increased by ¥8,026 million (5.2%) year on year to ¥163,811 million. Operating income rose by ¥1,132 million (2.9%) year on year to reach ¥40,855 million, and operating margin was 24.9%, down 0.6 percentage points year on year.

Demand for our anchor product line, miniature and small-sized ball bearings, remained upbeat across a wide range of markets, mainly on high-grade consumer goods including automobiles and fan motors, with external sales volumes at a monthly average of 155 million units, up 7% year on year. Profits also increased.

Sales of rod-end bearings and spherical bearings increased, but profits remained largely unchanged as civil aircraft production was stable.

Sales of pivot assemblies went down, affected by the contraction of the HDD market, but improvements in production efficiency advanced and operating profit increased.

Principal Products and Applications and Minebea's Global Market Share

<i>Our product lines & principal products</i>	<i>Principal markets</i>	<i>Global market share*</i>
Miniature and small-sized ball bearings	Small motors, household electrical appliances, information and telecommunications equipment, automobiles, industrial machinery	approximately 60%
Rod-end and spherical bearings	Aircraft	approximately 50%
Fasteners	Aircraft, automobiles	—
Pivot assemblies	Hard disk drives	approximately 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 received active demand for mechanical parts related to aircraft. Along with increasing parts production capabilities significantly in Japan and Thailand, we will strengthen cooperation with manufacturing and sales bases on a global basis. We will also leverage the strengths of CEROBEAR, which we acquired in July 2013, to enhance research and development of ceramic bearing aircraft parts.

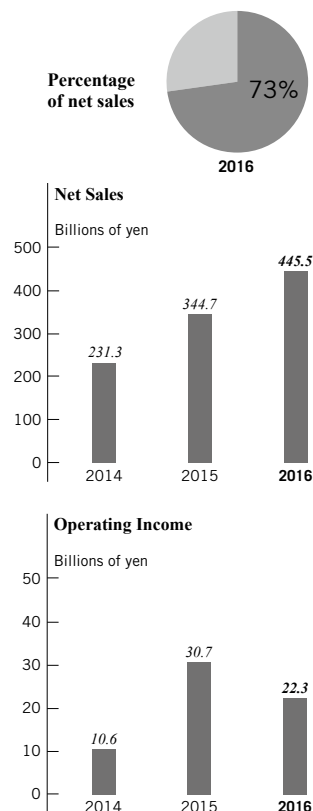
In the pivot assembly business, we have been implementing ongoing cost cutting measures such as improving yields. It is forecast that the stagnation of PC demand and the contraction of the HDD market will continue, but as we utilize the synergy created by our significant market share for pivot assemblies and miniature ball bearings, our major component parts, 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, 2016, due to organizational changes.

Electronic Devices and Components



In the year under review, net sales significantly increased ¥100,742 million (29.2%) from the previous year to ¥445,467 million. Operating income fell ¥8,412 million (27.4%) year on year to ¥22,336 million, while operating margin also fell 3.9 percentage points year on year to 5.0%.

The LED backlight business enjoyed revenue growth thanks largely to rising unit selling prices on the back of increased external purchases of parts for existing customers' new smartphone models. However, profits decreased, partly because of lower shipments affected by customers' declining production in the smartphone market.

The profitability of the motor business improved due 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.

In addition to the effects of the acquisition of Sartorius Mechatronics T&H Group, sales of measuring components rose steadily for automotive applications, leading to increases in both sales and profits.

Principal Products and Applications and Minebea's Global Market Share

<i>Our product lines & principal products</i>	<i>Principal markets</i>	<i>Global market share*</i>
LED backlights	Middle-range and high-end smartphones, mobile phones, automobiles, digital cameras, portable digital information terminals	approximately 25%
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	approximately 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 seeing consumer intentions turn towards high-end smartphones so we are promoting positive sales and the input of new products, notably the ultra-thin, highly efficient LED backlights needed to produce high-definition, lightweight smartphones with large battery capacity. The investment to significantly beef up production capacity at our Thai and Cambodian facilities has already been completed and we aim to generate overwhelming production capacity and productivity. 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, SALIOT, a new type of LED lighting device, and outdoor LED lights for tunnels, 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.

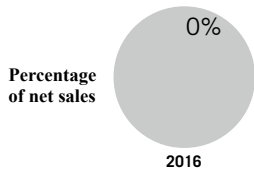
We will implement a business strategy for measuring components that spotlights their sensor function over their use as mere gauges to expand into new markets including medicine and nursing care along with areas related to robotics as well as bridges and other infrastructure. In addition to that we will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

Major Products

LED backlights	EMS (Electro Mechanics Solutions)	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, 2016, due to organizational changes.

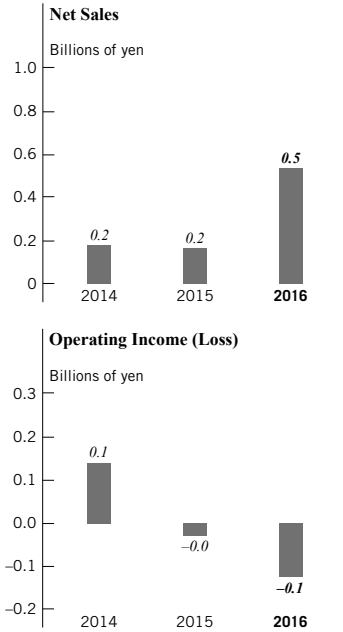
Other



Net sales for the year under review increased by ¥370 million (222.5%) year on year to ¥536 million. The segment showed an operating loss of ¥125 million, adding up to a year-on-year loss of ¥96 million.

Major Products

Machine made in-house



Adjustments

In addition to the above figures, ¥11,628 million in corporate expenses, etc. not belonging to any particular segment is shown as adjustments. Adjustments for the previous fiscal year amounted to ¥10,341 million.