The following is an English translation of the Notice of the 69th Ordinary General Meeting of Shareholders of Minebea Co., Ltd., to be held on June 26, 2015.
The Company provides this translation for your reference and convenience only and without any guarantee as to its accuracy or otherwise.

Securities Code 6479

June 4, 2015

To the Shareholders

4106-73, Oaza Miyota, Miyota-machi,
Kitasaku-gun, Nagano Prefecture

Minebea Co., Ltd.
Yoshihisa Kainuma
Representative Director

Notice of the 69th Ordinary General Meeting of Shareholders

The 69th Ordinary General Meeting of Shareholders of Minebea Co., Ltd. ("Company") (hereinafter the "Meeting") will be held as indicated below. You are hereby cordially invited to attend the Meeting.

If you are unable to attend the Meeting, you may exercise your voting rights as a Shareholder in writing or via the Internet. In that event, please examine the contents of the reference documents attached herein and vote in accordance with the guidance on voting set forth in "Guidance on Exercising Voting Rights" on the following page by 5:30 p.m., Thursday, June 25, 2015.

Particulars of the Meeting

1. Date and Time:
10:00 a.m., Friday, June 26, 2015

2. Place:
Convention Hall Asama
Karuizawa Prince Hotel West
Karuizawa, Karuizawa-machi, Kitasaku-gun, Nagano Prefecture

3. Purpose:

To report on:

1) The Business Report and the Consolidated Financial Statements for the 69th fiscal year (April 1, 2014 to March 31, 2015), and the Audit Report on the Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors
2) The Non-Consolidated Financial Statements for the 69th fiscal year (April 1, 2014 to March 31, 2015)

To vote on:

First Proposal:
Appropriation of Surplus

Second Proposal:
Partial Amendments to the Articles of Incorporation

Third Proposal:
Election of Ten (10) Directors

Fourth Proposal:
Election of Three (3) Corporate Auditors

Fifth Proposal:
Amendment of Remuneration for Directors

4. Guidance on Exercising Voting Rights:

(1) Exercise of your voting rights by sending the voting card by mail

Please indicate your vote for or against each proposal on the enclosed voting card, and return it by 5:30 p.m., Thursday, June 25, 2015.

(2) Exercise of your voting rights via the Internet, etc.

If you would exercise your voting rights via the Internet, etc., please refer to page 3 "Procedures for Exercising Voting Rights via the Internet" and complete the procedure by 5:30 p.m., Thursday, June 25, 2015.

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1. If attending the Meeting, please hand in the enclosed voting card completed, to the receptionist at the meeting.
2. This notice of the Meeting is also posted on our website.
3. For any revisions to the contents of the reference documents for the Meeting, the business report or the consolidated and non-consolidated financial statements prior to the day before the Meeting, we will notify you of the revisions either by mail or via our website.

Minebea website: (http://www.minebea.co.jp/)

(Translation)

Procedures for Exercising Voting Rights via the Internet, etc.

If exercising voting rights via the Internet, etc., please review the following items in advance.

1. You may exercise your voting rights via the Internet only by accessing the Voting Rights Exercise Site designated by the Company. You may also use your mobile phones (including smartphones. The same shall apply hereinafter) to access the site on the Internet.

   [The Voting Rights Exercise Site URL]   http://www.web54.net
2. When you would exercise your voting rights via the Internet, please use the code and initial password that are indicated on the voting card, follow the guidance on the screen and vote for or against each proposal.
3. The deadline for the exercise of voting rights is 5:30 p.m., Thursday, June 25, 2015, but shareholders are requested to do so as early as possible.
4. If you exercise your voting rights more than once by mail and via the Internet, etc., the voting via the Internet shall prevail. In the case where you exercise your voting rights via the Internet more than once or both by PC and by mobile phone, the last vote shall prevail.
5. The fees to the provider and telecommunications carriers (internet connection fees, etc.) for accessing the voting rights exercise site shall be borne by the shareholder.

Systems Environment Required for Exercising Voting Rights via the Internet

If you choose to exercise your voting right via the Internet, you will need the following system environment:

(1) Via the site for PCs
  a. A screen resolution of at least 800 dpi (horizontal) × 600 dpi (vertical) (SVGA) or better.
  b. The following applications installed:
    (a) Microsoft® Internet Explorer Version 5.01 SP2 or later for Internet browser for Windows PCs
    (b) Adobe® Acrobat® Reader® Version 4.0 or later for PDF file browser or Adobe® Reader® Version 6.0 or later
    * Internet Explorer is a trademark and product name of Microsoft Corporation while Adobe® Acrobat® Reader® is a trademark and product name of US Adobe Systems Incorporated. Both are registered in the US and other countries.

(2) Via the site for mobile phones
  Phone models that enables 128-bit SSL (Secure Socket Layer) connection security.
  You may also exercise your voting rights using the full browser function of most smartphones and other mobile devices. Note, however, that this may not be possible on some device models.

Inquiry for Exercising Voting Rights via the Internet

For questions about how to use PCs, etc.

(1) If you have any questions on the use of PCs or mobile devices for the exercise of voting rights, please contact the following:
  Stock Transfer Agency Website Support help desk, Sumitomo Mitsui Trust Bank, Limited.
  Phone: 0120-652-031 (9:00 a.m. to 9:00 p.m., toll free (only within Japan)

(2) For any other inquiries, please contact the following:
  a. For shareholders who have securities accounts, please contact your securities company.
  b. For shareholders who do not have securities accounts (special account holder)
    Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited, Tokyo, Japan.
    Phone: 0120-782-031 (9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays and holidays, toll free (within Japan only))

The Electronic Voting Rights Exercise Platform (to institutional investors)

To exercise voting rights at this Ordinary General Meeting of Shareholders, institutional investors can use the Internet voting rights exercise platform operated by ICJ, Inc.

(Translation)

(Attached Documents)

Business Report

(April 1, 2014 to March 31, 2015)

1. Status of the Corporate Group

(1) Operating performance of the fiscal year

(i) Operating performance

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. Operating income rose 27,902 million yen (86.7%) year on year to total 60,101 million yen while ordinary income was up 32,075 million yen (114.3%) year on year at 60,140 million yen. Net income also grew 19,009 million yen (91.0 %) year on year to total 39,887 million yen. All of these totals were record highs.

Performance by segment is as follows:

Machined Components Business

Products in our Machined components business segment include our mainstay, ball bearings, in addition to mechanical components such as rod-end bearings used primarily in aircraft and hard disk drive (HDD) pivot assemblies, etc., as well as fasteners for automobiles and aircraft. Ball bearings enjoyed gains in both sales and profits as demand grew in major markets. Buoyed by growing demand for vehicles with enhanced fuel economy, comfort, and safety features, sales to the automobile industry were particularly robust. Sales of rod-end bearings remained strong, especially in the civil aviation market. Sales and profits of pivot assemblies were up thanks to solid demand for high-end products used in data centers, etc. despite the stagnant HDD market.

As a result, net sales increased 14,954 million yen (10.7%) year on year to reach 154,986 million yen, and operating income rose 6,163 million yen (18.4%) year on year, to total 39,713 million yen.

Electronic Devices and Components Business

The core products of our Electronic devices and components business include electronic devices (LED backlights for LCDs and measuring components, etc.), HDD spindle motors, information motors (stepping motors, DC brushless motors, DC brush motors, and fan motors), precision motors, and special devices. Sales and profits of LED backlights for LCDs soared year on year. This increase resulted from a surge in demand for Minebea products boasting both a technological and supply edge in the growing market for high-end smartphones. Efforts to expand the customer base for our measuring components paid off and we saw both sales and profits steadily increase. Our Electro Mechanics Solutions (EMS) business also enjoyed sales and profit growth. Sales of HDD spindle motors, information motors, etc. also rose. The information motors business, in particular, saw increases in both sales and profits thanks to growing sales to the office automation, automobile, and other markets. Cost cutting efforts aligned with the transfer of manufacturing operations for some products to our Cambodian plant, as well as improved quality and production efficiency also contributed to the better performance.

In the end, net sales for this fiscal year were up significantly by 113,328 million yen (49.2%) year on year to reach 343,842 million yen. Operating income increased a whopping 20,139 million yen (210.2%) year on year to total 29,720 million yen.

Other Businesses

Net sales for this fiscal year in our Other business segment, which includes dies and parts produced in-house, were up 852 million yen (85.5%) year on year to total 1,848 million yen while operating income fell 7 million yen (-0.8%) year on year to hit 859 million yen.

In addition to the figures noted above, 10,191 million yen in corporate expenses, etc. not belonging to any particular segment has been recorded as adjustments. Adjustments for the previous fiscal year amounted to 11,799 million yen on a consolidated basis.

(ii) Capital expenditures

During the fiscal year under review, capital expenditures were 5,731 million yen for the Machined Components Business, 16,427 million yen for the Electronic Devices and Components Business, 7,042 million yen for the Other Businesses and 8,356 million yen for adjustment, totaling 37,557 million yen.

The main capital expenditures for the Machined Components Business were equipment for bearings in Thailand. The main capital expenditures for the Electronic Devices and Components Business were equipment for LED backlights for LCDs and components related facilities in Thailand, Cambodia and China. The main capital expenditures for the Other Businesses were production facilities for high precision 3D molded thin glasses and the like in Japan.
Capital expenditures included 2,577 million yen for intangible fixed assets and an increase of 147 million yen in assets through new finance lease agreements.

(iii) Financing

Own funds and borrowings were applied to capital expenditures and operating funds during the fiscal year under review.
At the end of the fiscal year under review, borrowings including bonds stood at 138,461 million yen.

(iv) Business transfer, absorption-type demerger, incorporation-type demerger

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 concluded the transfer.

(v) Acceptance of other companies' businesses

There are no important matters to be reported.

(vi) Succession to rights and obligations pertaining to business of other judicial persons or entities due to absorption-type merger or demerger

There are no important matters to be reported.

(vii) Acquisition or disposition of shares, other equity or subscription rights to shares, etc. of other companies

As of February 6, 2015, the Company and Development Bank of Japan Inc. acquired all the shares in German-based Sartorius Mechatronics T&H GmbH., which engages in manufacture and sales of tank and hopper, industrial scales, inspection equipment and provision of modifications and adjustments, repair, and process optimization services. The Company's investment ratio is 51.0%.

(2) Financial position and profit/loss in recent 3 years

(i) Financial position and profit/loss of the corporate group

	Fiscal 2012 (4/11–3/12)	Fiscal 2013 (4/12–3/13)	Fiscal 2014 (4/13–3/14)	Fiscal 2015 (4/14–3/15)
Net sales (millions of yen)	251,358	282,409	371,543	500,676
Ordinary income (millions of yen)	6,499	7,673	28,065	60,140
Net income (millions of yen)	5,922	1,804	20,878	39,887
Net income per share (yen)	15.63	4.83	55.94	106.73
Total assets (millions of yen)	306,772	362,805	381,278	490,043
Net assets (millions of yen)	109,777	137,858	163,463	233,679

Note: Amounts less than 1 million yen are omitted.

(ii) Financial position and profit/loss of the Company

	Fiscal 2012 (4/11–3/12)	Fiscal 2013 (4/12–3/13)	Fiscal 2014 (4/13–3/14)	Fiscal 2015 (4/14–3/15)
Net sales (millions of yen)	186,316	204,291	247,885	343,358
Ordinary income (millions of yen)	4,542	8,424	13,470	24,109
Net income (millions of yen)	4,556	2,880	8,005	9,575
Net income per share (yen)	12.02	7.71	21.45	25.62
Total assets (millions of yen)	339,795	355,589	366,852	389,214
Net assets (millions of yen)	175,830	175,315	180,911	187,119

Note: Amounts less than 1 million yen are omitted.

(3) Significant parent company and subsidiaries

(i) Parent company

Not applicable.

(ii) Significant subsidiaries

Name	Location	Common stock	Voting rights ratio	Main business lines
NMB-Minebea Thai Ltd.	Thailand	BAHT 15,305,363 thousand	100.0%	Manufacture and sales of machined components, electronic devices, components and others
NMB (USA) Inc.	U.S.A.	USD 311,093 thousand	100.0%	Holding company
NMB Technologies Corporation	U.S.A.	USD 6,800 thousand	100.0% (100.0%)	Sales of machined components, electronic devices and others
New Hampshire Ball Bearings, Inc.	U.S.A.	USD 94,000 thousand	100.0% (100.0%)	Manufacture and sales of bearings
NMB-Minebea-GmbH	Germany	EUR 11,274 thousand	100.0%	Sales of machined components, electronic devices and others
MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	China	USD 239,060 thousand	100.0%	Manufacture and sales of machined components, electronic devices, components and others
MINEBEA (HONG KONG) LIMITED	Hong Kong	HKD 100,000 thousand	100.0%	Sales of machined components, electronic devices and others
NMB SINGAPORE LIMITED	Singapore	SGD 38,000 thousand	100.0%	Manufacture of bearings and sales of machined components, electronic devices and others
MINEBEA (CAMBODIA) Co., Ltd.	Cambodia	USD 50,000 thousand	100.0%	Manufacture and sales of electronic devices and others

Note: Figures in parentheses for the voting rights ratio in the above table show the ratio of indirect ownership.

(4) Tasks to be accomplished

The following five principles serve as the foundation of the Minebea Group's management policy.

1) Be a company where our employees are proud to work
2) Earn and preserve the trust of our valued customers
3) Respond to our shareholders' expectations
4) Work in harmony with the local community
5) Promote and contribute to global society

This basic management policy is the driving force behind our commitment to developing top quality, high value-added products. Investing our resources in areas where we can leverage our unmatched ultra-precision machining and mass production technologies, has enabled us to bolster our financial and operational foundation as we work towards transparency in everything we do.

We take corporate citizenship seriously. That is why we conduct our business in a fair and ethical manner, continually look for better ways to make our operations and products more environmentally friendly, promote environmental initiatives, and work hand in hand with our stakeholders to build everlasting ties as we move forward to take our business operations to new heights.

Following our basic management policy, 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.

(a) 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.
(b) 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.
(c) 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 Light (SALL), and other businesses.
(d) 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.
(e) 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.

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 (a competition law) 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 US 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 made 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 project the amount of said losses at this time nor predict whether they will affect our operating performance and financial standing, etc.

With regard to these legal actions, we deeply apologize to all the parties concerned including our shareholders and customers for so many worries. In order to prevent the recurrence of any act that leads to these actions, Minebea will enhance the antitrust law compliance program further and provide thorough education on compliance to all executives and employees.

We look forward to the continued support and guidance of our shareholders.

(5) Main business lines (As of March 31, 2015)

Classification	Products
Machined components business	Ball bearings, rod-end bearings, hard disk drive (HDD) pivot assemblies and fasteners for automobile and aircraft, etc.
Electronic devices and components business	Electronic devices (LED backlights for LCDs, measuring components, etc.), HDD spindle motors, information motors (stepping motors, DC brushless motors, DC brush motors, and fan motors), precision motors, special devices, etc.
Other businesses	Dies, parts produced in-house, etc.

(6) Major offices and plants (As of March 31, 2015)

(i) The Company's major offices and plants

Head Office	Miyota-machi, Kitasaku-gun, Nagano Prefecture
Tokyo Head Office	Minato-ku, Tokyo
Plants	Karuizawa Plant (Miyota-machi, Kitasaku-gun, Nagano Prefecture) Hamamatsu Plant (Fukuroi-shi, Shizuoka Prefecture) Fujisawa Plant (Fujisawa-shi, Kanagawa Prefecture) Yonago Plant (Yonago-shi, Tottori Prefecture) Matsuida Plant (Annaka-shi, Gunma Prefecture)
Sales Offices	Tokyo Office (Minato-ku, Tokyo) Nagoya Office (Nagoya-shi, Aichi Prefecture) Osaka Office (Osaka-shi, Osaka Prefecture)

(ii) Major subsidiaries' offices and plants

Indicated in (3) Significant parent company and subsidiaries, (ii) Significant subsidiaries.

(7) Employees (As of March 31, 2015)

(i) Employees of the corporate group

Classification	Number of employees	Increase (decrease) from the end of the previous year
Machined components business	17,867	(194)
Electronic devices and components business	40,281	8,580
Other businesses	5,181	823
Whole company (common)	638	(10)
Total	63,967	9,199

Notes:

1. *The number of employees is the number that is at work.*
2. *The "Whole company (common)" refers to employees in the administration department but not under any business segment.*
3. *In the Electronic devices and components business, the number of employees rose mainly due to the increased production of LED backlights for LCDs products.*
4. *In other businesses, the number of employees increased mainly due to the launch of a joint venture in China on October 1, 2014.*

(ii) Employees of the Company

Number of employees	Increase (decrease) from the end of the previous year	Average age	Average of working years
3,375	63	43.5	17.5

Note: The number of employees is the number that is at work.

(8) Major lenders (As of March 31, 2015)

Lenders	Outstanding borrowing (millions of yen)
Syndicate loans	40,000
Sumitomo Mitsui Trust Bank, Limited	23,891
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	16,058
Sumitomo Mitsui Banking Corporation	15,477

Notes:

1. *The syndicate loan refers to the total amount of 4 syndicate loans which are organized by 2 from Sumitomo Mitsui Trust Bank, Limited, 1 from The Bank of Tokyo-Mitsubishi UFJ, Ltd. and 1 from Sumitomo Mitsui Banking Corporation.*
2. *The Company has entered into a commitment line agreement with major financial institutions in the total amount of 10,000 million yen in order to effectively finance the operating funds. As of the end of fiscal year under review, there is no borrowing under this agreement.*

(Translation)

2. Shares of the Company

(1) Overview of shares (As of March 31, 2015)

(i) Total number of shares authorized: 1,000,000,000 shares

(ii) Number of shares issued: 399,167,695 shares

(iii) Number of shareholders: 14,782 persons

(iv) Major shareholders (top 10 shareholders):

Name of shareholders	Number of shares (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	28,879	7.64
Japan Trustee Services Bank, Ltd. (Trust account)	20,850	5.51
Takahashi Industrial and Economic Research Foundation	15,447	4.08
Sumitomo Mitsui Trust Bank, Limited	15,349	4.06
Japan Trustee Services Bank, Ltd. (Trust account 4)	13,350	3.53
Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives)	10,930	2.89
KEIAISHA Co., Ltd.	10,100	2.67
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057	2.66
Sumitomo Mitsui Banking Corporation	10,000	2.64
JPMORGAN CHASE BANK 380634	8,025	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.*

(2) Matters relating to subscription rights to shares, etc.

(i) Subscription rights to shares held by the Company's officers which were granted as consideration for their performance of duties at the end of the fiscal year under review

Name (Date of issuance)	Resolution date of issuance	Number of subscription rights to shares	Class and number of shares underlying the exercise of subscription rights to shares	Issue price per one subscription right to share	Exercise value per one subscription right to share	Exercise period for subscription rights to shares	Number of subscription rights to shares held by directors (Number of holders)
Series I subscription rights to shares of Minebea Co., Ltd. issued in 2012 (July 17, 2012)	June 28, 2012	470	47,000 shares of common stock	25,200 yen	100 yen	From July 18, 2012 to July 16, 2042	250 (4)
Series II subscription rights to shares of Minebea Co., Ltd. issued in 2013 (July 16, 2013)	June 27, 2013	420	42,000 shares of common stock	36,700 yen	100 yen	From July 17, 2013 to July 15, 2043	350 (6)
Series III subscription rights to shares of Minebea Co., Ltd. issued in 2014 (July 18, 2014)	June 27, 2014	252	25,200 shares of common stock	117,400 yen	100 yen	From July 19, 2014 to July 17, 2044	210 (6)

Notes:
1. *The number of shares to be issued upon exercise of subscription rights to shares is 100 shares as per one subscription right to share.*
2. *The issue prices represent the sum total of the fair value of subscription rights to shares as of the allotment date and the payment amount at the time of exercise of subscription rights to shares (1 yen per share).*
   Any person who receives an allotment of subscription rights to shares (hereinafter, a "holder of subscription rights to shares") may offset debts for payment for the subscription rights to shares with compensations receivable due to them in lieu of direct payment.
3. *Shares delivered to holders of subscription rights to shares when they exercise subscription rights to shares are exclusively shares of treasury stock, hence no new shares will be issued in the context of this transaction. If any shares of treasury stock are delivered, no capitalization will be made.*
4. *(i) During the exercise period, any director who is a holder of subscription rights to shares may exercise all of his or her subscription rights to shares at one time within a 10-day period following the date of termination of his or her directorship (when the 10th day following the date of termination falls on holiday, the period up to the following business day).*
   (ii) When any holder of subscription rights to shares passes away, his or her heirs may exercise all the subscription rights to shares, only in a single transaction, within the six-month period following the date of death.

(iii) Other terms and conditions for the exercise of subscription rights to shares are as specified in the "Subscription rights to shares Agreement" entered into by and between the Company and the holders of subscription rights to shares.

5. Subscription rights to shares have not been allotted to Outside Directors and Corporate Auditors.

(ii) Subscription rights to shares granted to employees, etc. as consideration for their performance of duties during the fiscal year under review

Not applicable.

(iii) Other important matters concerning subscription rights to shares, etc.

The overview of subscription rights to shares attached to Series I Unsecured Subordinated Convertible Bond-Type Bonds with Subscription rights to shares, which were issued by the resolution of the Board of Directors meeting held on February 2, 2012, is as follows.

Total issuance	7,700 million yen
Price per bond	100 million yen
Interest rate	0.60% per annum (Fixed)
Issue date	February 20, 2012
Redemption and term of the bond	The bonds shall be redeemed at the full par value of 100 yen per 100 yen amount on February 20, 2017.
Offer and method of allotment	The entire amount will be allotted to Development Bank of Japan Inc. through a third-party allocation.
Details of the subscription rights to shares	
Total number of subscription rights to shares attached to the bond	77
Class of shares to be issued upon exercise of subscription rights to shares	Common stock of the Company
Number of shares to be issued upon exercise of subscription rights to shares	Equal to the total face value of the bonds with subscription rights to shares divided by the valid conversion price at the time of the exercise.
Amount to be paid in for subscription rights to shares	No payment is required for the subscription rights to shares.
Amount to be paid in upon exercise of subscription rights to shares	1. Details of assets contributed upon exercise of the subscription rights to shares, the price and the calculation method (1) Upon exercise of each stock acquisition right, each bond to which such stock acquisition right is attached shall be contributed. (2) The amount of assets to be contributed upon exercise of each stock acquisition right shall be equal to the face value of each bond. 2. Conversion price The conversion price will initially be 382 yen, and if adjusted, conversion price after adjustment.
Exercise period for subscription rights to shares	From March 2, 2012 to February 12, 2017
Terms and conditions for the exercise of subscription rights to shares	The subscription rights to shares may not be exercised in part.

3. Corporate Officers

(1) Directors and Corporate Auditors (As of March 31, 2015)

Title	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Representative Director, President and Chief Executive Officer	Yoshihisa Kainuma	
Director, Senior Managing Executive Officer	Hiroharu Katogi	Officer in charge of Administration, Accounting & IT Division; Officer in charge of Personnel & General Affairs Division; Officer in charge of Corporate Finance Department, Internal Control Promotion Office, and Internal Auditing Office at Finance & Compliance Promotion Division
Director, Senior Managing Executive Officer	Hiroyuki Yajima	Chief of Machined Component Manufacturing Headquarters; Officer in charge of Production Support Division
Director, Senior Managing Executive Officer	Hirotaka Fujita	Chief of Electronic Device & Component Manufacturing Headquarters; Officer in charge of Electronic Device Division; Officer in charge of Global Motor Division
Director, Senior Managing Executive Officer	Daishiro Konomi	Officer in charge of Sales Division; General Manager of Regional Affairs for Europe
Director, Senior Managing Executive Officer	Tamio Uchibori	Officer in charge of Corporate Planning Division; General Manager of Corporate Planning Department
Director	Kohshi Murakami	Attorney at law
Director	Takashi Matsuoka	Director and Vice President Executive Officer, KEIAISHA Co., Ltd.
Standing Corporate Auditor	Akifumi Kamoi	
Standing Corporate Auditor	Kazuaki Tanahashi	
Corporate Auditor	Hisayoshi Rikuna	Certified Public Tax Accountant
Corporate Auditor	Shinichiro Shibasaki	Attorney at law

Notes:

1. *Messrs. Kohshi Murakami and Takashi Matsuoka are Outside Directors. Mr. Kohshi Murakami is an independent director notified pursuant to the provisions of the financial instruments exchange.*
2. *Messrs. Kazuaki Tanahashi, Hisayoshi Rikuna and Shinichiro Shibasaki are Outside Corporate Auditors. Mr. Shinichiro Shibasaki is an independent auditor notified pursuant to the provisions of the financial instruments exchange.*
3. *Corporate Auditor Mr. Kazuaki Tanahashi has been for many years engaged in financial affairs in a commercial bank and has considerable knowledge of finance and accounting.*
4. *Corporate Auditor Mr. Hisayoshi Rikuna is familiar with tax services as a certified public tax accountant and has considerable knowledge of finance and accounting.*
5. *At the conclusion of the 68th Ordinary General Meeting of Shareholders held on June 27, 2014, the terms of office of Corporate Auditor, Mr. Hirotaka Fujiwara expired, and therefore he retired from the position.*
6. *Mr. Koichi Dosho, Director and Vice President Executive Officer (Chief of Electronic Device & Component Manufacturing Headquarters, Officer in charge of Global Motor Business Division, and Officer in charge of Rotary Components Technology Development Department), retired due to resignation from his post as of December 31, 2014.*
7. *Directors' responsibilities in the Company changed on January 1, 2015 as follows:*

Name	Before change	After change
Hirotaka Fujita	Deputy Chief of Electronic Device & Component Manufacturing Headquarters; Officer in charge of Electronic Device Division	Chief of Electronic Device & Component Manufacturing Headquarters; Officer in charge of Electronic Device Division; Officer in charge of Global Motor Division

8. *Directors' responsibilities in the Company changed on April 1, 2015 as follows:*

Name	Before change	After change
Hirotaka Fujita	Chief of Electronic Device & Component Manufacturing Headquarters; Officer in charge of Electronic Device Division; Officer in charge of Global Motor Division	Chief of Electronic Device & Component Manufacturing Headquarters; Officer in charge of Automotive & Global Motor Business Division
Tamio Uchibori	Officer in charge of Corporate Planning Division; General Manager of Corporate Planning Department	Officer in charge of Corporate Planning Division

(2) Amount paid as remuneration to Directors and Corporate Auditors

Categories	Number of persons to be paid	Amount of remuneration, etc. (thousands of yen)			
		Basic remuneration	Bonuses	Stock options	Total
Directors (Outside Directors)	9 (2)	266,670 (15,147)	201,000 (–)	31,407 (–)	499,078 (15,147)
Corporate Auditors (Outside Corporate Auditors)	5 (4)	55,074 (35,521)	– (–)	– (–)	55,074 (35,521)
Total	14	321,744	201,000	31,407	554,152

Notes:
1. *The above table includes amounts paid to Mr. Hirotaka Fujiwara, who retired from the position as Corporate Auditor at the conclusion of the 68th Ordinary General Meeting of Shareholders held on June 27, 2014 and Mr. Koichi Dosho, who retired from the position as Director as of December 31, 2014.*
2. *The remuneration for Directors excludes the salary to be paid for service as officer or employee for Directors who concurrently hold a post of officer or employee of the Company.*
3. *The Company resolved that the maximum annual remuneration for Directors shall be not more than 500 million yen (this amount includes maximum annual remuneration of 20 million yen for Outside Directors) at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007. Furthermore, the Company resolved at the 66th Ordinary General Meeting of Shareholders held on June 28, 2012 that the Company may grant stock-based compensation stock options of up to 30 million yen per annum, within the limits of the above remuneration amount, to Directors of the Company (excluding Outside Directors).*
4. *The Company resolved that the maximum annual remuneration for Corporate Auditors shall be not more than 100 million yen at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007.*
5. *"Amount of remuneration, etc." includes 201,000 thousand yen which was recorded as allowance for bonuses to directors in the fiscal year under review.*
6. *The above amounts of stock options represent the amounts recognized as expenses during the fiscal year under review.*
7. *The amount of remuneration, etc. is shown with fractions of 1 thousand yen rounded off.*

(3) Matters relating to outside officers

(i) Significant concurrent positions outside the Company and relation between the Company and such other corporations

Director Mr. Takashi Matsuoka holds an additional post of Vice President Executive Officer of KEIAISHA Co., Ltd. The Company purchases machinery and equipment, steel bar, etc. from KEIAISHA Co., Ltd.

(ii) Main activities during the fiscal year under review

Name	Attendance and contributions
Director Kohshi Murakami	He attended all 13 meetings of the Board of Directors that were held during the current fiscal year under review, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.
Director Takashi Matsuoka	He attended all 13 meetings of the Board of Directors that were held during the current fiscal year under review, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.
Corporate Auditor Kazuaki Tanahashi	He attended all 13 meetings of the Board of Directors and all 13 meetings of the Board of Corporate Auditors that were held during the fiscal year under review, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.
Corporate Auditor Hisayoshi Rikuna	He attended all 13 meetings of the Board of Directors and all 13 meetings of the Board of Corporate Auditors that were held during the fiscal year under review, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.
Corporate Auditor Shinichiro Shibasaki	He attended 10 of the 11 meetings of the Board of Directors and all 10 meetings of the Board of Corporate Auditors since he took office as Corporate Auditor on June 27, 2014. He provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.

Note: Each of the Outside Officers (Outside Directors and Outside Corporate Auditors) always provided counsel from the point of view of compliance with laws and regulations.
Concerning the matter of a violation of the Anti-Monopoly Act mentioned on page 7 of this Business Report under "1. Status of the Corporate Group (4) Tasks to be accomplished," the Outside Officers requested that Group-wide efforts be devoted to preventing recurrence and gave various proposals from the points of view of compliance and internal control.

(iii) Overview of limited liability agreements

The Company and each of the Outside Officers have executed agreement to limit liabilities of damages of Paragraph 1, Article 423 of Companies Act pursuant to the provisions of Paragraph 1, Article 427 of Companies Act.

The amount subject to the limitation of liabilities of damages shall be the amount set forth by the laws.

4. Matters relating to Independent Auditors

(1) Name: KPMG AZSA LLC

(2) Amount of remuneration, etc.

	Amount paid
Amount of remuneration, etc. of Independent Auditors for the fiscal year under review	93 million yen
Total amount of money and other property benefit to be paid from the Company and its subsidiaries to Independent Auditors	96 million yen

Note:
In the audit agreement by and between the Company and the Independent Auditors, the Company does not keep accounts by each category of the amount of audit fee, etc. for auditing services under the Companies Act and under the Financial Instruments and Exchange Law. As the amount of auditing services may be difficult to classify, the Company states the total amount thereof in the amount of remuneration, etc. of Independent Auditors for the fiscal year under review.

(3) Non-auditing services

The Company pays considerations to KPMG AZSA LLC for its IFRS (International Financial Reporting Standards) advisory services.

(4) Policy regarding determination of removal or refusal of reappointment of Independent Auditors

The Board of Corporate Auditors will recommend the agenda for the proposed meeting regarding removal or refusal of reappointment of Independent Auditors if the Board of Corporate Auditors believes that it is necessary due to causes including the Independent Auditors' difficulty in performing their duties.

When an Independent Auditor is deemed to fall under the items set forth in each item of Article 340, Paragraph 1 of the Companies Act, the Board of Corporate Auditors removes the Independent Auditor based on the consent of all Corporate Auditors. In this case, the Corporate Auditor appointed by the Board of Corporate Auditors will report its resolution relating to the removal of Independent Auditors and its reasons to the first General Meeting of Shareholders after the removal thereof.

Note:
Following the enforcement of the Act for Partial Amendment of the Companies Act (Act No. 90 of 2014) on May 1, 2015, the decision-making body for proposals on removal or refusal of reappointment of Independent Auditors has been changed from the Board of Directors to the Board of Corporate Auditors.

(5) Audit of consolidated subsidiaries

Some consolidated subsidiaries of the Company are subject to the audit of a certified public accountant or an auditing firm (including a person who has similar qualifications in foreign countries) other than the Company's Independent Auditor, and the material ones are NMB-Minebea Thai Ltd., NMB (USA) Inc., NMB Technologies Corporation, New Hampshire Ball Bearings, Inc., NMB-Minebea-GmbH, MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD., MINEBEA (HONG KONG) LIMITED, NMB SINGAPORE LIMITED, and MINEBEA (CAMBODIA) Co., Ltd.

(Translation)

5. System to Ensure the Proper Business

Based on the Companies Act, the Company enacted its Basic Policy for the Formulation of an Internal Control System by a resolution of the Meeting of the Board of Directors in an effort to ensure the sound management of the Company. A summary of this resolution is provided below.

(1) Structure to assure that Directors', Executive Officers' and employees' execution of duties conform to laws and Articles of Incorporation

(i) The Minebea Group has set up a management structure regarding compliance and established the Minebea Group Code of Conduct (hereafter the "Code of Conduct"), the Minebea Group Officer and Employee Compliance Guidelines (hereafter the "Compliance Guidelines") and Compliance Management Rules (hereafter the "Rules") in order to have group company Directors, Executive Officers and Employees follow laws, the Company's Articles of Incorporation and corporate philosophy.

(ii) These Code of Conduct and Compliance Guidelines have set the specific guidelines and standards that have to be observed for labor, safety and health, environment protection, and ethical management. In order to enforce this, the Compliance Committee was established to control the Group's compliance efforts in a cross-sectional manner, as well as educating officers and staff members. In the Rules, the basic policy, such as a basic policy of the compliance in our group, organization, and management rules are defined, and the various measures regarding maintenance of organization and compliance are implemented appropriately.

(iii) The Minebea Group will have nothing to do with anti-social forces and organizations that threaten social order or safety. It will not acquiesce to unreasonable demands, and it will work uncompromisingly in cooperation with external authorized institutions such as police and lawyers. Moreover, it is also written in the Code of Conduct and the Compliance Guidelines.

(iv) Activities of the Compliance Committee are reported to the Board of Directors regularly, or whenever necessary.

(v) Outside directors in the Board of Directors will be appointed in order to have the check-and-balance system that assures the legality of the Directors' execution of duties.

(2) Storage and management of information related to execution of duties by Directors and Executive Officers

(i) The Minebea Group has established the Minebea Group Document Management Rules for maintaining documents (including electronic records) and other relevant materials.

(ii) If the documents should be kept for a certain period of time or at a certain location, the preservation period and location must follow these rules except in cases where there are specific provisions in any law. The documents are stored by a method as it can be viewed within 2 days, if there is an inspection request from a Director or Corporate Auditor.

(3) Rules for risk of loss management and other structures

(i) The Minebea Group established "Minebea Group Basic Regulations for Risk Management" that systematically sets up risk management. The Chief Officer of the risk management of Minebea Group shall be the Representative Director, President and Chief Executive Officer, and the Risk Management Committee is under his direct control.

(ii) Based on these Regulations, the individual risks will be monitored continuously by each responsive organization, and we also assume and classify specific risks in advance, and develop a quick, adequate communication and emergency structure in case of an emergency.

(iii) The Risk Management Committee will regularly review above structure, verify specific items and report the status of risk management including such verification results to the Board of Directors regularly, or whenever necessary.

(4) Structure to assures that the execution of duties by the Directors and Executive Officers are efficiently Performed

(i) The Minebea Group makes rapid and highly strategic management judgments by limiting the number of Directors to 10 or less. At the same time, the Company makes significant transfer of the authority for business execution from Directors to Executive Officers by introducing an Executive Officer System to facilitate a clear distinction between management and supervisory functions and business executing functions and speed up the business execution.

(ii) The Minebea Group sets group-wide goals that are shared by Directors, Executive Officers and employees and spreads those goals across the group. In addition, to achieve the goals, chiefs of manufacturing headquarters and business units and officers in charge of divisions determine specific objectives to be implemented by each headquarters, business unit or division and efficient methods of achieving the objectives. Their performance results are converted into verifiable data via an IT system and are regularly reviewed by the Board of Directors after being analyzed by each relevant manufacturing headquarters, business unit and division. Leveraging the inherent strength of this process, enables us to sweep away obstacles to efficiency, bring everyone closer to achieving their goals, and lay a solid foundation upon which we can build a more efficient organization.

(5) Structures to ensure that the operations of the Company's and its subsidiaries are adequate

(i) Minebea's manufacturing and headquarters, business units and divisions take all necessary steps to provide effective guidance on group company business operations.
(ii) Our common commitment to legal and ethical standards is reflected in the "Minebea Group Code of Conduct" and the "Compliance Guidelines".
(iii) "Rules for Management of Group Companies" that are common to our group are established in order to, establish the management standards and management procedures for its group companies located domestically in Japan and overseas as well, and to facilitate business development of the corporate group consisting of the Company and the group companies, strengthen its corporate governance structure and enhance its corporate value.
(iv) In order to increase the effects of the internal control system audits for Group Companies currently done by the Corporate Auditors, we maintain a cooperative posture toward the Corporate Auditors.
(v) We set numerical goals for each group company, review them regularly, and provide relevant organizations with feedback after performing a thorough performance review.
(vi) The Internal Auditing Office regularly audits the Group Companies.

(6) Issues concerning when a Corporate Auditor requests for an employee to assist him/her and issues concerning such employee's independence from Directors

(i) When such employee is required, he/she is properly set, and we assist the audit.
(ii) When an employee in charge of work to assist duties of a Corporate Auditor receives directions on the work from the Corporate Auditor, a system that allows such employee to concentrate on following commands and orders is established.
(iii) The audit support by such employee is done under the Corporate Auditor's directions and orders.
(iv) The Board of Corporate Auditors' opinion is respected on the personnel changes and personnel evaluation regarding such employee.

(7) Structure of Directors', Executive Officers' and employees' report to the Corporate Auditor, and other reporting structure to the Corporate Auditor

(i) The Directors report the following to the Board of Corporate Auditors
  a. Matters discussed at the Senior Executive Officers Council.
  b. Matters that might cause the Company a significant loss
  c. Monthly business conditions that is important
  d. Important matters regarding internal audit status and risk management
  e. Significant violations of law or Articles of Incorporation
  f. Status of calls to the compliance hotline and its contents
  g. Other important matters related to compliance
  h. Matters related to request for approval decided by Directors or Executive Officers
  i. Agreements executed by Directors or Executive Officers
  j. Matters related to litigations
(ii) Executive Officers directly report b. through e. in the previous paragraph (i) hereof to the Board of Corporate Auditors. Also, if the employee discovers a significant fact related to b. and e. in the previous paragraph (i) hereof, he/she may directly report it to the Board of Corporate Auditors.
(iii) Group companies' Directors, Corporate Auditors or employees who execute business operations or any person who receives a report from them may report a matter concerning b. or e. of (i) above directly to the Board of Corporate Auditors.
(iv) Executives and employees of the Company and group companies shall not to be treated disadvantageously by reason of their reporting on each item listed above.

(8) Other matters in order to ensure the efficiency of the Corporate Auditors audit

(i) The Corporate Auditor has an opportunity to interview Directors, Executive Officers and important employees, as well as hold informal meetings regularly with Representative Director, President and Chief Executive Officer and the Independent Auditor respectively.
(ii) The Internal Auditing Office carries out the internal audit items requested by the Corporate Auditors based on discussions with the Corporate Auditors and reports those results to the Corporate Auditors.
(iii) As a general rule, costs arising from execution of duties by Corporate Auditors are expensed based on the annual budget planned by the Board of Corporate Auditors. When a Corporate Auditor asks for advance payment of costs, etc. required for execution of his or her duties by necessity, the costs or obligations are processed promptly.

Based on the policies above, the Company is promoting in unison the establishment of the internal control system.

Note:
Following the enforcement of the Act for Partial Amendment, etc. of the Companies Act (Act No. 90 of 2014) and the Ministerial Ordinance Partially Amending the Ordinance for Enforcement of the Companies Act (Ordinance of the Ministry of Justice No. 6 of 2015) on May 1, 2015, the content of the system was partially revised by resolution of the Company's Board of Directors meeting held on May 8, 2015. The above basic policies are the policies after the revision. The content of the revision is a review made in line with the Minebea Group's present status and a change of expressions to more specific and clearer ones to conform to laws and regulations.

6. Basic Policy relating to Control of the Company

(1) Contents of Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who fully understand the details of the Company's financial and business affairs and the source of the Group's corporate value and who will make it possible to continually and persistently ensure and enhance the Group's corporate value and, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Group and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including without limitation, those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

In order for the Group to ensure and enhance the corporate value and, in turn, the common interests of its shareholders, it is necessary for the Group to efficiently and continuously develop new products, cultivate new markets and revolutionize production technology in the mid- to long-term globally based on the Group's original vertically integrated manufacturing system, and to drive to be a company that leads the competition through manufacturing and technological excellence based on advanced ultra-precision machining technology and mass production techniques for mechatronic products that are the source of the Group's corporate value.

Unless the acquirer in a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value and the characteristics that are indispensable to enhance the corporate value of the Group, as well as the details of the financial and business affairs of the Company, and will ensure and realize these elements over the medium-to-long-term, the corporate value of the Group and the common interests of its shareholders would be harmed.

Therefore, the Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Group and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures for the purpose of deterring acquisitions that are detrimental to the corporate value of the Group and, in turn, the common interests of its shareholders.

(2) Special measures for realization of Basic Policy

The Group's business objective is to fulfill its social responsibilities to the various stakeholders, such as shareholders, business partners, local communities, the international society and employees, and maximize its corporate value.

Under this basic management policy, we have actively addressed the development of high value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display ultra-precision machining technologies and mass production technologies that are both the source of our competitiveness. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form that is easier to understand within and across the company.

In addition, we carry out our corporate social responsibility and pursue the further sophistication of our businesses by driving forward reduction of burdens on the environment arising from products and environmental protection activities; operating fair and appropriate businesses in line with compliance and corporate ethics; and implementing various initiatives in maintenance of good relationships with stakeholders, etc.

The Group will make best efforts to realize the direction and vision in the mid-term business plan ending in the fiscal year of March 2018 and fulfill annual business plans, endeavor to develop organizations that make decisions regarding corporate management and carry out business, and promote the establishment, development and improvement of the internal control system in order to strengthen its corporate governance.

(3) Measures to prevent control over decisions on the Company's financial and business policies by persons deemed as inappropriate under the Basic Policy

The Company updated the "countermeasures to large-scale acquisition of Minebea shares (takeover defense measures)," of which the update is resolved at the 65th Ordinary General Meeting of Shareholders held on June 29, 2011, based on resolutions of the Board of Directors meeting held on May 30, 2014 and the Company's 68th Ordinary General Meeting of Shareholders held on June 27, 2014, with the content partially revised (takeover defense measures after the revision are hereinafter referred to as "the Plan").

Outline of the "Measures to prevent control over decisions on the Company's financial and business policies by persons deemed as inappropriate under the Basic Policy" are described below.

For details of The Plan, please refer to our website below.

http://www.minebea.co.jp/corp/investors/management/governance/takeover_defense_measures/

1) Purpose of the Plan

As set out in the Basic Policy, the Company's Board of Directors believes that persons who would propose a large-scale acquisition in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate as persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Group and, in turn, the common interests of its shareholders, and on the occasion that the Company receives a large-scale acquisition proposal regarding the shares in the Company from an acquirer, to enable the Company's Board of Directors to present an alternative proposal to the shareholders or ensure necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and to enable the Board of Directors to negotiate for the benefit of the shareholders.

2) Outline of the Plan

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action (including a proposal for such action) (except for such action as the Company's Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

(i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. of a holder totaling at least 20% of the share certificates, etc. issued by the Company; or

(ii) A tender offer that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. and the ownership ratio of share certificates, etc. of a person having a special relationship totaling at least 20% of the share certificates, etc. issued by the Company.

The party intending to make the Acquisition (the "Acquirer") shall follow the procedures prescribed in the Plan, and the Acquirer must not effect the Acquisition until and unless the Company's Board of Directors resolves not to implement the gratis allotment of subscription rights to shares in accordance with the Plan.

The Company will require any Acquirer to submit to the Company, before commencement or implementation of the Acquisition, a legally binding letter of intent that contains an undertaking that the Acquirer will comply with the procedures established under the Plan and the Acquisition Statement including predetermined information necessary for examination of details of the Acquisition.

The Independent Committee may request that the Company's Board of Directors present an opinion on the Acquirer's Acquisition terms and an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

Then, the Independent Committee will conduct its consideration of the Acquisition terms and may directly or indirectly discuss and negotiate with the Acquirer. If the Independent Committee determines that the Acquisition by the Acquirer is not in compliance with the procedures of the Plan, or that it threatens to cause obvious harm to the corporate value of the Group and, in turn, the common interests of its shareholders, and it is reasonable to implement the gratis allotment of subscription rights to shares, and it falls under one of the triggering events set in the Plan, the Independent Committee will recommend the implementation of the gratis allotment of subscription rights to shares with clauses prescribing that exercise of the rights by the Acquirer is, in principle, not allowed and that the Company may acquire subscription rights to shares from holders other than the Acquirer in exchange for shares of the Company, to the Company's Board of Directors. On the other hand, if the Independent Committee considers that an Acquisition by an Acquirer does not fall under any of the triggering events set in the Plan, it will not recommend the implementation of the gratis allotment of subscription rights to shares, to the Company's Board of Directors. The Company's

Board of Directors, in exercising their role as an organization under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of subscription rights to shares respecting to the maximum extent any recommendation of the Independent Committee.

If a gratis allotment of subscription rights to shares were to take place in accordance with the Plan and all shareholders other than the Acquirer received one share per stock acquisition right in the Company as a result of those shareholders exercising or the Company acquiring those subscription rights to shares, the ratio of voting rights in the Company held by the Acquirer may be diluted by up to 50%.

The effective period of the Plan will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the 68th Ordinary General Meeting of Shareholders held on June 27, 2014.

(4) Decisions and reasoning by the Company's Board of Directors regarding above measures

The Company has implemented such measures for enhancing the corporate value as establishing efforts that enhance its corporate value including the mid-term business plan and such policies as strengthening its practices as specific measures to continually and persistently enhance the Group's corporate value and, in turn, the common interests of the Company's shareholders. These measures will indisputably contribute to the realization of the Basic Policy.

The Plan is a mechanism to maintain the corporate value of the Group and in turn, the common interests of its shareholders when an Acquisition is proposed. Therefore, the Plan is in compliance with the Basic Policy.

The Plan satisfies all of the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, namely, the principles of: Ensuring and enhancing the corporate value and shareholders' common interests; Prior disclosure and respect for shareholder intent; and Ensuring necessity and reasonableness. The Plan is placing high value on the intent of shareholders because it was approved at the 68th Ordinary General Meeting of Shareholders, it is with the Effective Period of approximately three years and if the Board of Directors resolves to abolish the Plan, the Plan will be abolished at that time. In addition, the plan has a mechanism to enhance the objectivity and fairness because substantive decisions on triggering of, amendment to or other operation of the Plan will be made by the Independent Committee, which is solely composed of outside directors or other outsiders who are independent from the Company, and the Independent Committee may obtain the advice of independent third parties (financial advisors, certified public accountants, lawyers, tax accountants, consultants and other experts) at the cost of the Company. Therefore, these measures comply with the Basic Policy and are consistent with the common interests of the Company's shareholders, and are not implemented for the purpose of maintaining the positions of the directors and the corporate auditors of the Company.

(Translation)

Consolidated Balance Sheet

(As of March 31, 2015)

(Unit: millions of yen)

Assets	
Item	**Amount**
Current assets	**265,185**
Cash and cash equivalents	45,327
Notes and accounts receivable	110,518
Marketable securities	1,487
Finished goods	36,900
Work in process	22,620
Raw materials	17,381
Supplies	5,162
Goods in transit	10,097
Deferred tax assets	3,631
Other	12,233
Allowance for doubtful receivables	(175)
Fixed assets	**224,834**
Tangible fixed assets	**192,597**
Buildings and structures	149,865
Machinery and transportation equipment	329,876
Tools, furniture and fixtures	55,742
Land	26,586
Leased assets	881
Construction in progress	9,035
Accumulated depreciation	(379,389)
Intangible fixed assets	**12,152**
Goodwill	6,539
Other	5,613
Investments and other assets	**20,083**
Investments in securities	10,929
Long-term loans receivable	330
Deferred tax assets	6,666
Other	2,893
Allowance for doubtful receivables	(735)
Deferred charges	**23**
Total assets	**490,043**

Note: Amounts less than 1 million yen are omitted.

(Translation)

(Unit: millions of yen)

Liabilities	
Item	**Amount**
Current liabilities	**167,620**
Notes and accounts payable	59,906
Short-term loans payable	46,656
Current portion of long-term loans payable	20,100
Lease obligations	172
Accrued income taxes	8,219
Accrued bonuses	6,251
Allowance for bonuses to directors	201
Allowance for after-care of products	345
Allowance for environmental remediation expenses	410
Allowance for business restructuring losses	587
Other	24,768
Long-term liabilities	**88,743**
Bonds	10,000
Convertible bond-type bonds with subscription rights to shares	7,700
Long-term loans payable	54,005
Lease obligations	205
Allowance for retirement benefits to executive officers	182
Allowance for environmental remediation expenses	650
Net defined benefit liability	12,975
Other	3,024
Total liabilities	**256,363**
Net assets	
Shareholders' equity	**248,820**
Common stock	**68,258**
Capital surplus	**95,237**
Retained earnings	**94,730**
Treasury stock	**(9,406)**
Total accumulated other comprehensive income	**(22,682)**
Difference on revaluation of available-for-sale securities	**1,677**
Deferred gains or losses on hedges	**(2)**
Foreign currency translation adjustments	**(21,144)**
Remeasurements of defined benefit plans	**(3,213)**
Subscription rights to shares	**127**
Minority interests in consolidated subsidiaries	**7,413**
Total net assets	**233,679**
Total liabilities and net assets	**490,043**

Note: Amounts less than 1 million yen are omitted.

(Translation)

Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(Unit: millions of yen)

Item	Amount	
Net sales		**500,676**
Cost of sales		**380,585**
Gross profit		**120,091**
Selling, general and administrative expenses		**59,989**
Operating income		**60,101**
Other income		
Interest income	576	
Dividends income	202	
Foreign currency exchange gains	1,075	
Equity in net income of affiliates	15	
Rent income of fixed assets	277	
Dividends income of insurance	218	
Other	717	**3,082**
Other expenses		
Interest expenses	1,504	
Investigation related expenses	549	
Other	990	**3,043**
Ordinary income		**60,140**
Extraordinary income		
Gain on sales of fixed assets	95	
Insurance income	50	
Gain on sales of subsidiaries and affiliates' stocks	163	**309**
Extraordinary loss		
Loss on sales of fixed assets	22	
Loss on disposal of fixed assets	465	
Impairment loss	78	
Loss on disaster	5	
Loss on sales of subsidiaries and affiliates' stocks	1,261	
Business restructuring losses	1,111	
Loss on abolishment of retirement benefit plan	3,115	
Loss for after-care of products	398	
Loss related to Anti-Monopoly Act	2,137	
Allowance for environmental remediation expenses	82	**8,677**
Income before income taxes and minority interests		**51,773**
Income taxes (including enterprise tax)	11,977	
Adjustment of income taxes	314	12,291
Income before minority interests		**39,481**
Minority interests in loss		406
Net income		**39,887**

Note: Amounts less than 1 million yen are omitted.

(Translation)

Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(Unit: millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	68,258	94,874	59,190	(9,505)	212,818
Cumulative effects of changes in accounting policies			(237)		(237)
Restated balance	68,258	94,874	58,952	(9,505)	212,581
Changes					
Cash dividend from retained earnings			(4,109)		(4,109)
Net income			39,887		39,887
Purchase of treasury stocks				(21)	(21)
Disposal of treasury stocks		362		120	483
Changes (net) in non-shareholders' equity items					
Total changes	–	362	35,777	98	36,239
Balance at end of current fiscal year	68,258	95,237	94,730	(9,406)	248,820

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests in consolidated subsidiaries	Total net assets
	Difference on revaluation of available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current fiscal year	1,153	(7)	(52,365)	(3,737)	(54,955)	116	5,483	163,463
Cumulative effects of changes in accounting policies								(237)
Restated balance	1,153	(7)	(52,365)	(3,737)	(54,955)	116	5,483	163,225
Changes								
Cash dividend from retained earnings								(4,109)
Net income								39,887
Purchase of treasury stocks								(21)
Disposal of treasury stocks								483
Changes (net) in non-shareholders' equity items	523	5	31,221	524	32,273	10	1,929	34,214
Total changes	523	5	31,221	524	32,273	10	1,929	70,453
Balance at end of current fiscal year	1,677	(2)	(21,144)	(3,213)	(22,682)	127	7,413	233,679

Note: Amounts less than 1 million yen are omitted.

(Translation)

Notes to Consolidated Financial Statements

Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries

Number of consolidated companies: 66 companies

The names of principal consolidated subsidiaries:

NMB-Minebea Thai Ltd.
NMB (USA) Inc.
NMB Technologies Corporation
New Hampshire Ball Bearings, Inc.
NMB-Minebea-GmbH
MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.
MINEBEA (HONG KONG) LIMITED
NMB SINGAPORE LIMITED
MINEBEA (CAMBODIA) Co., Ltd.

(2) Non-consolidated subsidiaries

The names of non-consolidated subsidiaries:

NMB-MINEBEA DO BRASIL IMPORTACAO E COMERCIO DE COMPONENTES DE PRECISAO LTDA
Shiono Precision Co., Ltd.
Sartorius-Verwaltungs-GmbH
SARTORIUS MECHATORONICS PHILIPPINES, INC.

Among the companies noted above, Shiono Precision Co., Ltd., Sartorius-Verwaltungs-GmbH, as well as SARTORIUS MECHATORONICS PHILIPPINES, INC., in which we just recently acquired shares, have been added to our list of non-consolidated subsidiaries beginning this fiscal year.

Also beginning this fiscal year, the now liquidated MOATECH PHILIPPINES, INC. is no longer listed as one of our non-consolidated subsidiaries.

Reason for exclusion from the scope of consolidation:

The reason is that non-consolidated subsidiaries are all small operations, and each of their total assets, sales, net income (amount equivalent to equity), retained earnings (amount equivalent to equity), etc. has no significant impact on our consolidated financial statements.

2. Application of the equity method

(1) Affiliated companies under the equity method

Number of affiliated companies under the equity method: 3 companies

The names of affiliated companies:

SEFFICE Co. Ltd.
PARADOX ENGINEERING SA
KJ Pretech Co., Ltd.

Among the companies mentioned above, starting this fiscal year, we have changed the status of KJ Pretech Co., Ltd. to the affiliated company, which is accounted for by the equity method, as we acquired its additional shares. HYSONIC CO., LTD. and HYSONIC PHILIPPINES, INC. are no longer categorized as equity-method affiliates beginning this fiscal year since we sold a portion of the shares.

(2) Non-consolidated subsidiaries not accounted for by the equity method

NMB-MINEBEA DO BRASIL IMPORTACAO E COMERCIO DE COMPONENTES DE PRECISAO LTDA, Shiono Precision Co., Ltd., Sartorius-Verwaltungs-GmbH and SARTORIUS MECHATORONICS PHILIPPINES, INC. are excluded from the scope of application by the equity method, because their net income (amount equivalent to equity), retained earnings (amount equivalent to equity), etc. are not important for our consolidated financial statements.

(3) For any equity method affiliates whose balance sheet date is different from the consolidated balance sheet date, the Company uses the account on the balance sheet date of respective affiliates.

3. Changes in the scope of consolidation and application of equity method

(1) Changes in scope of consolidation

Increase in consolidated subsidiaries through the establishment of companies (2 companies)

MIK Smart Lighting Network Corporation	Japanese company
Cixi New MeiPeiLin Precision Bearing Co., Ltd	Chinese company

Increase in consolidated subsidiaries through acquisition of shares (18 companies)

JAPAN 3D DEVICES Co., Ltd.	Japanese company
Sartorius Intec K.K.	Japanese company

Sartorius Intec USA, Inc.	U.S. company
SARTORIUS INTEC UK LIMITED	U.K. company
Sartorius Mechatronics T&H GmbH.	German company
Sartorius Mechatronics C&D GmbH & Co. KG	German company
Sartorius Industrial Scales GmbH & Co. KG	German company
Sartorius Industrial Weighing Verwaltungs GmbH	German company
Sartorius Intec Austria GmbH	Austrian company
SARTORIUS INTEC ITALY S.R.L.	Italian company
SARTORIUS INTEC FRANCE S.A.S.	French company
Sartorius Mechatronics Switzerland AG	Swiss company
SARTORIUS INTEC BELGIUM	Belgian company
Sartorius Intec Netherlands B.V.	Dutch company
SARTORIUS INTEC SPAIN, S.L.	Spanish company
SARTORIUS INTEC POLAND Sp. z o.o.	Polish company
Sartorius Industrial Weighing Equipment (Beijing) Co., Limited	Chinese company
SARTORIUS MECHATORONICS INDIA PRIVATE LIMITED	Indian company
Decrease due to a company liquidation (2 companies)	
NMB ELECTRO PRECISION INC.	Japanese company
NMB Mechatronics Co., Ltd.	Japanese company
Decrease due to sale of shares (one company)	
Hansen Corporation	U.S. company

(2) Change in scope for equity method

Increase of affiliated company under equity method through acquisition of shares (one company)

KJ Pretech Co., Ltd.

Decrease of affiliated company under equity method due to liquidation (one company)

MOATECH PHILIPPINES, INC.

Decrease of affiliated company under equity method due to sale of shares (2 companies)

HYSONIC CO., LTD.

HYSONIC PHILIPPINES, INC.

4. Fiscal years, etc. of consolidated subsidiaries

The following shows consolidated subsidiaries whose balance sheet dates differ from the consolidated balance sheet date.

Company	Fiscal year end	
MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	December 31	*1
MINEBEA TRADING (SHANGHAI) LTD.	December 31	*1
SHANGHAI SHUN DING TECHNOLOGIES LTD.	December 31	*1
MINEBEA (SHENZHEN) LTD.	December 31	*1
MINEBEA ELECTRONICS MOTOR (ZHUHAI) CO., LTD.	December 31	*1
MINEBEA ELECTRONIC DEVICES (SUZHOU) LTD.	December 31	*1
Cixi New MeiPeiLin Precision Bearing Co., Ltd	December 31	*1
DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD	December 31	*1
MINEBEA (CAMBODIA) Co., Ltd.	December 31	*1
Sartorius Intec K.K.	December 31	*2
Sartorius Intec USA, Inc.	December 31	*2
SARTORIUS INTEC UK LIMITED	December 31	*2
Sartorius Mechatronics T&H GmbH.	December 31	*2
Sartorius Mechatronics C&D GmbH & Co. KG	December 31	*2
Sartorius Industrial Scales GmbH & Co. KG	December 31	*2
Sartorius Industrial Weighing Verwaltungs GmbH	December 31	*2
Sartorius Intec Austria GmbH	December 31	*2
SARTORIUS INTEC ITALY S.R.L.	December 31	*2
SARTORIUS INTEC FRANCE S.A.S.	December 31	*2
Sartorius Mechatronics Switzerland AG	December 31	*2
SARTORIUS INTEC BELGIUM	December 31	*2
Sartorius Intec Netherlands B.V.	December 31	*2
SARTORIUS INTEC SPAIN, S.L.	December 31	*2
SARTORIUS INTEC POLAND Sp. z o.o.	December 31	*2
Sartorius Industrial Weighing Equipment (Beijing) Co., Limited	December 31	*2
SARTORIUS MECHATORONICS INDIA PRIVATE LIMITED	December 31	*2
MOATECH CO., LTD.	December 31	*2
MOATECH MANUFACTURING PHILS., INC.	December 31	*2
MOATECH REALTY, INC.	December 31	*2

MOATECH ELECTRONICS (BEIHAI) CO., LTD.	December 31	*2
MOATECH HONGKONG LIMITED	December 31	*2
DONGGUAN DONGMA ELECTRONICS CO., LTD.	December 31	*2

*1. Financial statements prepared on the basis of provisional settlements of accounts as of the consolidated balance sheet dates have been used.
*2. Financial statements of consolidated subsidiaries as of their balance sheet dates have been used; provided, however, that material transactions arising between balance sheet dates and consolidated balance sheet dates have been adjusted for the purpose of consolidation, as appropriate.

5. Accounting policies
(1) Valuation basis and method of significant assets
(i) Securities
Available-for-sale securities:

·Securities with market value	The Company adopted the market value method based on market prices and other conditions at the end of the term. Also, the Company accounted for all valuation differences based on the direct net asset method and the sales costs are calculated by the moving average method.
·Securities without market value	Non-listed securities are stated at cost determined by the moving average method.

(ii) Derivatives
Market value method

(iii) Inventories
The Company and consolidated domestic subsidiaries state primarily at the moving average cost. (The balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Consolidated overseas subsidiaries state at the lower of average cost or market.

(2) Method of significant depreciation
(i) Tangible fixed assets (excluding leased assets)
The Company and consolidated domestic subsidiaries mainly adopt the declining balance method.
Their major useful lives are as follows:

Buildings and structures	2 to 50 years
Machinery and transportation equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than 100,000 yen and less than 200,000 yen) over the 3 years each fiscal year.
Consolidated overseas subsidiaries mainly adopt the straight-line method.
(ii) Intangible fixed assets (excluding leased assets)
The Company and consolidated domestic subsidiaries mainly adopt the straight-line method. However, depreciation of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).
Consolidated overseas subsidiaries mainly adopt the straight-line method.
(iii) Leased assets
Leased assets related to finance lease transactions that do not transfer ownership
The Company and consolidated domestic subsidiaries adopt the straight-line method of making lease periods depreciable lives and salvage values zero.

(3) Significant allowances
(i) Allowance for doubtful receivables
The Company and consolidated domestic subsidiaries make the record in the amount required for the estimated uncollectible receivables based on actual losses of trade receivables and on collectability of specific receivables with loss possibilities.
Consolidated overseas subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the collectability of each receivable for possible losses on the receivables.
(ii) Accrued bonuses
The Company and consolidated domestic subsidiaries make preparations for the payment of bonuses to employees by providing accrued bonuses based on the estimated amount of payment.
Consolidated overseas subsidiaries make the record on accrual basis.
(iii) Allowance for bonuses to directors
The Company makes preparations for the payment of bonuses to directors by providing allowance for bonuses to directors based on the anticipated amounts of payment in the fiscal year under review.

(iv) Allowance for retirement benefits to executive officers
With respect to the Company and some consolidated domestic subsidiaries, we posted retirement allowances to be required for payment at the end of the current fiscal year in accordance with regulations.

(v) Allowance for after-care of products
We post reasonably projected amounts to be incurred in the future as expenses for after-care of products.

(vi) Allowance for environmental remediation expenses
Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future as environment-related expenses in the U.S.

(vii) Allowance for business restructuring losses
Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future, based on the decision of restructuring plans, such as the closures.

(4) Translation of foreign currency assets and liabilities in financial statements of the Company and consolidated subsidiaries
The Company and consolidated domestic subsidiaries translate monetary receivables and payables in foreign currency into yen at the spot exchange rates on the balance sheet date. The resulting exchange differences are accounted for as an exchange gain or loss.
Our consolidated overseas subsidiaries, assets and liabilities are translated into yen at the spot exchange rates at the consolidation date, while revenues and expenses are translated into yen at the average rates for the year. Exchange differences are included in foreign currency translation adjustments and minority interests in net assets.

(5) Accounting method of significant hedge transactions

(i) 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 satisfied. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

(ii) Hedging vehicles and hedged items
(Hedging vehicles)
Forward exchange contracts
Interest rate swaps
(Hedged items)
Monetary receivables and payables in foreign currency
Anticipated transactions in foreign currencies
Interest rates on borrowings

(iii) Hedge policy
Under the guidance of its Corporate Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

(iv) Method of assessing hedge effectiveness
Regarding forward exchange contracts, in principle, the Company conforms critical terms to those of foreign currency-denominated receivables and payables at 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 accounting requirements for special treatment.

(6) Method and period of amortization of goodwill
The goodwill is equally amortized for 10 years.

(7) Others

(i) Amortization of deferred charges
Deferred charges are equally amortized over the term of bonds issued (5 years).

(ii) Recognition criteria of net defined benefit liability
To make preparations for the payment of retirement benefits to employees, the Company records net defined benefit liability at the amount calculated by deducting plan assets from retirement benefit obligations, based on the anticipated amounts of payments at the end of the fiscal year under review.

(a) Method of attributing expected retirement benefits to periods
We calculate retirement benefit obligations by attributing projected benefit obligations to periods up to the end of the current fiscal year on a benefit formula basis.

(b) Method of recognizing actuarial gains and losses and past service costs in profit or loss
Past service costs are amortized using the straight-line method over a period of 10 years as cost.
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.

(c) Method of amortizing unrecognized actuarial gains and losses and unrecognized past service costs
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 section, after adjusting for tax effects.

(iii) Accounting method of consumption taxes
Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

6. Changes in accounting policy

(Adoption of accounting standard for retirement benefits, etc.)

This fiscal year, Minebea adopted the provisions set forth in Section 35 of the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Section 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, 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 no longer employs a single discount rate based on the average number of years approximating the residual terms of all employees, but instead uses multiple discount rates based on the expected benefit payments attributed to periods of service of relevant employees.

In accordance with transitional accounting as stipulated in Section 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 on a consolidated basis at the beginning of this fiscal year.

As a result of these adjustments, liabilities for retirement benefits increased by 368 million yen, and retained earnings decreased by 237 million yen at the beginning of this fiscal year. The effect of these adjustments on consolidated operating income, ordinary income and income before income taxes and minority interests for this fiscal year is immaterial.

Net assets per share for this fiscal year declined 0.64 yen. No material impact is expected on net income per share and fully diluted net income per share.

(Application of practical solution on transactions of delivering the Company's own stock to employees etc. through trusts)

Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (ASBJ Practical Issues Task Force (PITF) No. 30, issued on March 26, 2015), have been applied since this fiscal year. The accounting for those transactions has been conducted according to the conventional method which had been put into practice previously.

7. Change in accounting estimates

(Change in the useful life of fixed assets)

After taking a comprehensive and more realistic look at the product life cycle of certain machinery used for manufacturing LED backlights for LCDs products, some of our consolidated subsidiaries changed their useful life estimate from 5 to 10 years to 2 years beginning with this fiscal year.

As a result, depreciation and amortization costs for this fiscal year increased while operating income, ordinary income, and income before income taxes and minority interests decreased by 2,013 million yen respectively.

8. Accounting standards, etc. that are not applied herein

(Accounting standards and guidance for business combinations, etc.)

- ASBJ Statement No. 21 Accounting Standard for Business Combinations (September 13, 2013)
- ASBJ Statement No. 22 Accounting Standard for Consolidated Financial Statements (September 13, 2013)
- ASBJ Statement No. 7 Accounting Standard for Business Divestitures (September 13, 2013)
- ASBJ Statement No. 2 Accounting Standard for Earnings Per Share (September 13, 2013)
- ASBJ Guidance No. 10 Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (September 13, 2013)
- ASBJ Guidance No. 4 Guidance on Accounting Standard for Earnings Per Share (September 13, 2013)

(1) Outline

The accounting standards and guidance were principally revised in terms of (1) treatment of changes in the parent company's equity in a subsidiary in an additional acquisition of shares in the subsidiary in which the parent company retains control over the subsidiary, (2) treatment of acquisition-related costs, (3) presentation of net income and change from minority interests to non-controlling interests, and (4) treatment of a tentative accounting method.

(2) Effective dates

These standards and guidance will be applied from the beginning of the fiscal year ending March 31, 2016. The treatment of a tentative accounting method will be applied to business combinations that are implemented after the beginning of the fiscal year ending March 31, 2016.

(3) Impacts resulting from the application of these accounting standards

The figures to be affected by the revisions ASBJ Statement No. 21 Accounting Standard for Business Combinations, etc. on consolidated financial statements are currently under evaluation.

9. Additional information

(Investigations by Korean, the U.S. and Singaporean competition authorities)

As already announced, some of our 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 Minebea 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. Minebea was fined a total of 4,912 million won and thus posted a loss related to Anti-Monopoly Act totaling 527 million yen as an extraordinary loss.

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

Minebea 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. We paid a fine totaling 13.5 million US dollars, and as a result, a loss related to Anti-Monopoly Act totaling 1,610 million yen was posted as an extraordinary loss.

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 made 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 project the amount of said losses at this time nor predict whether they will affect our operating performance or financial standing, etc.

(Transactions of delivering the Company's own stock to employees etc. through trusts)

(1) Outline of the transactions

The Company has introduced the "Trust-type Employee Shareholding Incentive Plan" (the "Plan"), in order to provide the Company group's employees with incentives to increase the enterprise value of the Company, and to promote the benefit and welfare of the employees of the Company group and others. The Plan is an incentive plan, in which all employees of the Company group who are members of the "Minebea Employee Stock Holding Partnership" ("Stock Holding Partnership") (a Company group employee who is a member of the Stock Holding Partnership is hereinafter referred to as an "Employee") may participate. Based on the Plan, as of May 10, 2012, Minebea entered into the Minebea Employee Stock Holding Partnership Exclusive Trust Agreement (the "Trust Agreement") with the bank in which the Company is Truster and the Bank is Trustee. As per the Plan and the Trust Agreement, the "Minebea Employee Stock Holding Partnership Exclusive Trust Account" (the "Trust"), which had been established for the purpose of securing the Company shares for the Stock Holding Partnership to effect purchases, has borrowed money from banks (the Company guarantees the Trust's borrowings) for a considerable number of Company shares that were expected to be acquired by the Stock Holding Partnership by the end of May 2017, and acquired Company shares in a number equal to such borrowings from the market at the time the Plan was introduced in May 2012. Subsequently, the Trust is to continuously transfer the Company shares to the Stock Holding Partnership in accordance with certain plans (conditions and methods) and terminate, e.g. if all of the Company shares belonging to the trust assets of the Trust are transferred. If any capital gains, such as gains on sale of the Company shares, accumulate within the Trust by the time of its termination, and if any money remains within the Trust after repaying all the debts such as borrowings to be borne by the Trust, then such money is to be distributed as residual assets to those Employees that fulfill the requirements for eligible beneficiaries.

A trust administrator or an agent of the beneficiaries gives instructions to the trustee of the Trust with regard to preserving and exercising the rights (including the exercise of voting rights) relating to the Company shares held as the trust assets in the Trust, while eligible beneficiaries of the Trust will preserve and exercise their rights in accordance with such instructions. A trust administrator or an agent of the beneficiaries of the Trust shall follow the guidelines relating to the exercise of the voting rights stipulated in the Trust Agreement, in case of executing instructions regarding the exercise of voting rights on behalf of beneficiaries.

(2) Aforementioned transactions have been carried out in accordance with the Trust Agreement that had been entered into before the beginning of this fiscal year. As such, the accounting for those transactions has been conducted according to the conventional method.

(3) The items relating to the Company shares owned by the Trust

1. Book value of the Company shares owned by the Trust
   As of March 31, 2014: 1,491 million yen
   As of March 31, 2015: 1,377 million yen
2. The Company shares owned by the Trust are accounted for as treasury stock.
3. Number of the Company shares owned by the Trust at the end of the last fiscal year and the average number of shares owned by the Trust
   Number of the Company shares owned by the Trust at the end of the last fiscal year
   As of March 31, 2014: 4,619,000 shares
   As of March 31, 2015: 4,267,000 shares
   Average number of shares owned by the Trust
   As of March 31, 2014: 4,926,780 shares
   As of March 31, 2015: 4,419,652 shares
4. The number of the Company shares mentioned in part 3. was included in the treasury stock to be deducted in terms of calculating relevant per share indicators.

Notes to Consolidated Balance Sheet

(1) Assets pledged as collateral and collateralized obligations

(i) Assets pledged as collateral

Buildings and structures	696 million yen

(ii) Collateralized obligations

Long-term loans payable	850 million yen

(2) Marketable securities and Investment in securities

The balance of money in trust is 4,446 million yen. This is the balance of U.S. Treasury security purchased for financial investment by captive insurance subsidiary MHC INSURANCE COMPANY, LTD. established on October 4, 2006. The application of this trust fund is limited to payment of compensation resulting from recall insurance accidents related to the Minebea Group.

(3) Lawsuit

NMB-Minebea Thai Ltd., our consolidated subsidiary company 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; (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 Thailand.
Regarding item (1), the Company has won the case as a result of the decision at the Tax Court of the Kingdom of Thailand on October 13, 2010, but 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.

Notes to Consolidated Statement of Income

(1) Loss on sales of subsidiaries and affiliates' stocks

This loss was incurred by the sale of shares of our foreign consolidated subsidiary in the U.S., namely Hansen Corporation.

(2) Business restructuring losses

These business restructuring losses consist of a loss of 602 million yen incurred by the personnel reduction in one of the foreign consolidated subsidiaries located in the U.S.; a loss of 496 million yen incurred by the rationalization of small-sized motor business; and other losses totaling 12 million yen.

(3) Loss on abolishment of retirement benefit plan
This is due to the loss on abolishment of retirement benefit plan in our consolidated subsidiaries in the U.S.

Notes to Consolidated Statement of Changes in Net Assets

(1) Matters relating to class and total number of issued shares and class and total number of treasury shares

Class of shares	Shares at beginning of current FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Shares issued				
Common Stock	399,167,695	–	–	399,167,695
Total	399,167,695	–	–	399,167,695
Treasury Stock				
Common Stock (Notes)	25,637,546	14,569	370,200	25,281,915
Total	25,637,546	14,569	370,200	25,281,915

Notes:
1. *The increase of 14,569 shares in the number of treasury shares of common stock reflects the increase from the purchase of fractional shares.*
2. *The decrease of 370,200 shares in the number of treasury shares of common stock reflects the decrease of 352,000 shares from the disposal of treasury stock by the Employee Stock Holding Partnership Exclusive Trust Account and the decrease of 18,200 shares from exercise of stock options.*
3. *The number of treasury shares of common stock includes our shares owned by the Employee Stock Holding Partnership Exclusive Trust Account (4,619,000 shares at the beginning of the current fiscal year and 4,267,000 shares at the end of the current fiscal year).*

(2) Matters relating to dividends from surplus
(i) Amount of dividends paid
Matters on dividends by the resolution of the 68th Ordinary General Meeting of Shareholders held on June 27, 2014

Total amount of dividends:	1,867 million yen
Dividend per share:	5.00 yen
Record date:	March 31, 2014
Effective date:	June 30, 2014

Note: Total dividend does not include 23 million yen of dividends to the Employee Stock Holding Partnership Exclusive Trust Account. This represents that the Company recognizes the shares of consolidated companies owned by the Trust Account as treasury stock.

Matters on dividends by the resolution of the Meeting of the Board of Directors held on November 5, 2014

Total amount of dividends:	2,242 million yen
Dividend per share:	6.00 yen
Record date:	September 30, 2014
Effective date:	December 4, 2014

Note: Total dividend does not include 26 million yen of dividends to the Employee Stock Holding Partnership Exclusive Trust Account. This represents that the Company recognizes the shares of consolidated companies owned by the Trust Account as treasury stock.

(ii) Dividends with a record date that falls within the current fiscal period but an effective date in the following period
The following proposal will be submitted to the 69th Ordinary General Meeting of Shareholders to be held on June 26, 2015.

Total amount of dividends:	2,243 million yen
Dividend per share:	6.00 yen
Record date:	March 31, 2015
Effective date:	June 29, 2015

Note: Total dividend does not include 25 million yen of dividends to the Employee Stock Holding Partnership Exclusive Trust Account. This represents that the Company recognizes the shares of consolidated companies owned by the Trust Account as treasury stock.

(3) Matters related to subscription rights to shares at the end of the current fiscal year

(i) Filing company (parent company)

	Series I subscription rights to shares	Series II subscription rights to shares	Series III subscription rights to shares
Class of shares underlying subscription rights to shares	Shares of common stock	Shares of common stock	Shares of common stock
Number of shares underlying subscription rights to shares	25,000 shares	35,000 shares	21,000 shares
Outstanding balances of subscription rights to shares	6 million yen	11 million yen	18 million yen

(ii) Consolidated subsidiary (MOATECH CO., LTD.)

	Series II subscription rights to shares	Series III subscription rights to shares
Class of shares underlying subscription rights to shares	Shares of common stock	Shares of common stock
Number of shares underlying subscription rights to shares	158,200 shares	232,400 shares
Outstanding balances of subscription rights to shares	46 million yen	45 million yen

Note: The above excludes any subscription rights to shares whose exercise periods have not yet arrived.

Notes relating to Financial Instruments

(1) Matters relating to Financial Instruments

(i) Policy on handling of financial instruments

The Minebea Group procures necessary funds (primarily through bank loans and issuance of corporate bonds) in light of its capital expenditure plan. Temporary surplus funds are invested mainly in highly liquid financial assets while short-term operating funds are procured through bank loans. The Company, by policy, utilizes derivatives to evade risks described hereafter and not for the purpose of speculative transactions.

(ii) Contents of financial instruments and associated risks

Notes and accounts receivable, which are operating receivables, are exposed to the credit risk of customers. Although foreign currency-based receivables that arise in conducting business in overseas are exposed to FX rate fluctuation risk, the Company, as a general rule, hedges the risk with the use of exchange forward contracts with the exception of any receivable item within the outstanding balance of accounts payable in the same foreign currency.

Marketable and investment securities are bonds categorized under available-for-sale securities and stocks of companies with which the Company holds business relationships, and are exposed to market price fluctuation risk. Long-term loans payable are mainly loans to business partners.

As for notes and accounts payable, which are operating payables, most of the items are due for payment within 6 months. Though some of them are foreign currency-based and are exposed to FX rate fluctuation risk, the Company hedges the risk with the use of exchange forward contracts with the exception of any payable item within the outstanding balance of accounts receivable in the same foreign currency.

Bank loans, corporate bonds and lease obligations relating to finance lease transactions are executed for the purpose of procuring funds primarily for capital expenditures, and the redemption dates arrive, at the longest, in 6 years after the account closing date. While these obligations, in part, are exposed to interest rate fluctuation risk, the Company hedges the risk with the use of derivative transactions (interest rate swaps).

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

Derivative transactions are exchange forward contracts executed for the purpose of hedging FX rate fluctuation risk associated with foreign currency-based operating receivables and payables, 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 "5. Accounting policies (5) Accounting method of significant hedge transactions" under Basis of Presenting Consolidated Financial Statements previously described.

(iii) Risk management system relating to financial instruments

(a) Management of credit risk (risk associated with breach of contract, etc. by customer)

The Company, in accordance with its credit management regulations, manages operating receivables by means of a periodical monitoring of major customers conducted by the Administration Department of Sales Division. The Company also controls due dates of payment and outstanding balances by customer on a monthly basis as well as reviews credit rate rankings and credit limits once a year in order to promote prompt detection and mitigation of any doubtful collectibles due to deterioration of financial conditions and other factors. The consolidated subsidiaries exercise similar management based on the credit management regulations of the Company.

Bonds included in available-for-sale securities are US treasury bonds held according to our fund management policy and corporate bonds held by the South Korean subsidiary. The credit risks inherent in US treasury bonds are minor and the value of the corporate bonds, etc. held in South Korea is small.

As derivative transactions are executed only with financial institutions with high ratings, the Company recognizes there is hardly any credit risk.

(b) Management of market risk (FX and interest rate fluctuation risks)

The Minebea Group, with respect to foreign currency-based operating receivables and payables, hedges FX fluctuation risk identified by currency by month with the use, as a general rule, of exchange forward contracts. The Company executes exchange forward contracts against foreign currency-based accounts receivables expected to surely arise under planned transactions associated with exports. The Company also utilizes interest rate swaps to mitigate interest rate fluctuation risk associated with loans payable and bonds payable.

For marketable and investment securities, the Company periodically monitors the market values and financial conditions of the issuing entities (corporate customers).

The execution and management of derivative transactions are performed by the responsible department in accordance with the market risk management regulations that define transaction authority and limits and etc. and with approval from the authorized persons. Monthly transaction records are reported to the executive officer in charge of Corporate Finance & Compliance Promotion Division.

Risk management is performed in consolidated subsidiaries also in accordance with the market risk management regulations of the Company.

(c) Liquidity risk associated with funds procurement (risk of failure to pay on due date)

The Company manages liquidity risk by having the responsible department timely develop and update the funding plan based on reports from each of the departments and by maintaining short-term liquidity. Subsidiaries also exercise similar management.

(iv) Supplementary explanation on matters relating to the market value of financial instruments, etc.

The market value of financial instruments include, in addition to the value based on market value, a value rationally computed in the absence of market value. The computation of such a value incorporates fluctuation factors, and as different preconditions, etc. are adopted, the value may be subject to fluctuation.

(2) Matters relating to the Market Value of Financial Instruments, etc.

Amount on the consolidated balance sheet as of March 31, 2015, market value and the variance are as follows. Market value is omitted in case it is extremely difficult to obtain the value. (Please refer to item 2. of Notes.)

	Amount on consolidated balance sheet (millions of yen)	Market value (millions of yen)	Variance (millions of yen)
(i) Cash and cash equivalents	45,327	45,327	–
(ii) Notes and accounts receivable	110,518	110,518	–
(iii) Marketable and investment securities	10,042	9,997	(45)
(iv) Long-term loans receivable	330	325	(4)
Total assets	166,219	166,169	(49)
(v) Notes and accounts payable	59,906	59,906	–
(vi) Short-term loans payable	46,656	46,656	–
(vii) Current portion of long-term loans payable	20,100	20,262	162
(viii) Bonds	10,000	10,093	93
(ix) Convertible bond-type bonds with subscription rights to shares	7,700	7,788	88
(x) Long-term loans payable	54,005	54,221	215
Total liabilities	198,368	198,929	560
Derivative transactions (*1)	255	255	–

*(*1) Receivable and payable arising from derivative transactions are presented in net value.*

Notes:

1. Matters relating to computation method for market value of financial instruments and to securities and derivative transactions

Assets

(i) Cash and cash equivalents, (ii) Notes and accounts receivable

As these items are settled in a short term and the market value is close to book value, they are presented in book value.

(iii) Marketable and investment securities

Market value of stocks, etc. are based on prices on stock exchanges while the market value of bonds are either prices on stock exchanges or those quoted by counterpart financial institutions, etc.

(iv) Long-term loans receivable

Market value of long-term loans receivable is calculated based on the present value which is obtained by discounting the total of the principal and interest by the interest rate assumed in a case where the same loan is newly made. For long-term loans receivable with no significant value, they are presented in book value.

Liabilities

(v) Notes and accounts payable, (vi) Short-term loans payable

As these items are settled in a short term and the market value is close to book value, they are presented in book value.

(vii) Current portion of long-term loans payable, (x) Long-term loans payable

Loans with variable interest, as interest is settled on a short term and the market value is close to book value, are presented in book value. For loans with fixed interest, the total amount of principal and interest is discounted by the expected interest rate assumed for a similar new loan to derive the present value.

(viii) Bonds, (ix) Convertible bond-type bonds with subscription rights to shares

Items with market value are presented based on market value. For items without market value, the total amount of principal and interest is discounted by the expected interest rate assumed for a similar new issue to derive the present value.

Derivative transactions

Market value of these items is calculated based on price obtained from the counterparty financial institutions, etc.

2. Financial instruments for which identification of market value is extremely difficult

Item	Amount on consolidated balance sheet (millions of yen)
Unlisted stock	1,301
Investments in subsidiaries	408
Investments in affiliated companies	579
Investments in capital of subsidiaries	84

As these items do not have market value and the identification of market value is considered to be extremely difficult, they are not included in "(iii) Marketable and investment securities".

3. Expected redemption amount of monetary receivables and securities with maturity arriving after the consolidated account closing date

	Within 1 year (millions of yen)	Over 1 year to 5 years (millions of yen)	Over 5 years to 10 years (millions of yen)	Over 10 years (millions of yen)
Cash and cash equivalents	45,327	–	–	–
Notes and accounts receivable	110,518	–	–	–
Marketable and investment securities of which securities with maturity	1,487	3,029	–	–
Long-term loans receivable	–	216	113	–
Total	157,333	3,246	113	–

4. Expected amount of redemption and repayment of monetary payables due after the consolidated account closing date

	Within 1 year (millions of yen)	Over 1 year to 5 years (millions of yen)	Over 5 years to 10 years (millions of yen)	Over 10 years (millions of yen)
Notes and accounts payable	59,906	–	–	–
Short-term loans payable	46,656	–	–	–
Bonds	–	10,000	–	–
Convertible bond-type bonds with subscription rights to shares	–	7,700	–	–
Long-term loans payable	20,100	53,826	178	–
Total	126,663	71,526	178	–

Notes to Per Share Information

(1) Net assets per share 604.83 yen
(2) Net income per share 106.73 yen

(Translation)

Notes to Business Combination

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 concluded 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 we would anticipate a constant demand for synchronous motors going forward, due to the fact that the demand for synchronous motors has shifted from the United States 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, we 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 United States 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 yen (USD 12,619 thousand)

2. Outline of the accounting method to be implemented

(1) The amount of transfer gains and losses
Loss on sales of subsidiaries and affiliates' stocks 1,261 million yen

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

Current assets	1,325 million yen
Fixed assets	488
Total assets	1,813
Current liabilities	319
Long-term liabilities	–
Total liabilities	319

3. Business segment in which the divested business was included
Electronic devices and components business segment

4. Approximate estimates of profits and losses related to the divested business segment to be accounted for on the consolidated financial statements in the current fiscal year

Total sales	757 million yen
Operating income	27

(Translation)

Business Combination through Acquisitions

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. Providing modifications and adjustments, repair, and process optimization services

(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 measuring components market, Sartorius Mechatronics T&H GmbH. (Sartorius' Industrial Technologies Division, hereinafter "Sartorius MTH") is a manufacturer of industrial measuring components 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 structure of the 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 by Minebea

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 business performances 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 business performance of the acquired company is included in the consolidated financial statements for the current fiscal year.

3. Acquisition cost of the acquired company and its details

Consideration for the acquisition	Purchase price of shares (cash)	4,196 million yen
Direct cost for the acquisition	Advisory cost, etc.	300
Acquisition cost		4,496

4. Amount of goodwill amortization, and the source, method and period of goodwill amortization

(1) Amount of goodwill
4,016 million yen

(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 goodwill amortization
The goodwill is equally amortized for 10 years.

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

Current assets	7,420 million yen
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 market prices associated with the acquisition on the effective date of the business combination have not been determined as of the fiscal year end on the consolidated financial statements and the allocation of the acquisition costs has not been concluded. Therefore, the Company settled the temporary accounts based on the information reasonably made available at the end of the fiscal year.

7. Assuming that the business combination has been completed at the beginning date of the current consolidated fiscal year, approximate estimates of impacts of such business combination on the consolidated financial statements and the method for calculating such amounts

Total sales	14,410 million yen
Operating income	886
Ordinary income	761
Income before income taxes and minority interests	761

(Method for calculating approximate estimates)

The differences between total sales and the relevant profit and loss information based on the assumption that the business combination has been completed at the beginning date of the fiscal year, and the total sales and the relevant profit and loss information on the consolidated financial statements as recorded hereof are used as the approximate estimates of impacts of the business combination on the consolidated financial statements.

Please be noted that such approximate estimates have not been audited and attested by the audit certification.

Non-Consolidated Balance Sheet

(As of March 31, 2015)

(Unit: millions of yen)

Assets	
Item	**Amount**
Current assets	**131,639**
Cash and cash equivalents	11,369
Notes receivable	2,494
Accounts receivable	76,202
Purchased goods	4,144
Finished goods	784
Work in process	5,034
Raw materials	1,551
Supplies	119
Goods in transit	1,136
Advances to vendor	221
Prepaid expenses	820
Short-term loans receivable from affiliates	22,994
Accounts receivable - other	1,585
Temporary advance	12
Deferred tax assets	2,037
Other	1,130
Fixed assets	**257,551**
Tangible fixed assets	**39,547**
Buildings	16,308
Structures	1,186
Machinery and equipment	3,739
Vehicles	21
Tools, furniture and fixtures	1,869
Land	15,338
Leased assets	173
Construction in progress	909
Intangible fixed assets	**2,253**
Goodwill	380
Patents	172
Leasehold rights	35
Software	1,634
Other	30
Investments and other assets	**215,751**
Investments in securities	5,653
Investments securities in subsidiaries and affiliates	164,719
Investments in capital	0
Investments in capital with subsidiaries and affiliates	44,941
Long-term loans receivable from subsidiaries and affiliates	99
Long-term prepaid expenses	198
Other	139
Deferred charges	**23**
Bond issuance expenses	23
Total assets	**389,214**

Note: Amounts less than 1 million yen are omitted.

(Translation)

(Unit: millions of yen)

Liabilities	
Item	**Amount**
Current liabilities	**129,644**
Accounts payable	68,310
Short-term loans payable	26,050
Current portion of long-term loans payable	20,100
Lease obligations	91
Accounts payable - other	5,370
Accrued expenses	1,476
Accrued income taxes	2,961
Advances received	0
Deposits received	686
Deferred income	16
Accrued bonuses	3,991
Allowance for bonuses to directors	201
Allowance for after-care of products	345
Other	43
Long-term liabilities	**72,450**
Bonds	10,000
Convertible bond-type bonds with subscription rights to shares	7,700
Long-term loans payable	53,023
Lease obligations	92
Allowance for retirement benefits	501
Allowance for retirement benefits to executive officers	174
Deferred tax liabilities	528
Other	431
Total liabilities	**202,095**
Net assets	
Shareholders' equity	**185,437**
Common stock	**68,258**
Capital surplus	**95,237**
Capital reserve	94,756
Other	480
Retained earnings	**31,347**
Earned surplus	2,085
Other	29,262
Reserve for reduction entry	2,188
Reserve for general purpose	6,500
Retained earnings carried forward	20,573
Treasury stock	**(9,406)**
Revaluation / Translation differences	**1,645**
Difference on revaluation of available-for-sale securities	**1,646**
Deferred gains or losses on hedges	**(0)**
Subscription rights to shares	**35**
Total net assets	**187,119**
Total liabilities and net assets	**389,214**

Note: Amounts less than 1 million yen are omitted.

Non-Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(Unit: millions of yen)

Item	Amount	
Net sales		**343,358**
Cost of sales		**299,957**
Gross profit		**43,400**
Selling, general and administrative expenses		**24,297**
Operating income		**19,103**
Other income		
Interest income	347	
Dividends income	5,471	
Foreign currency exchange gains	57	
Rent income of fixed assets	274	
Dividends income of insurance	215	
Other	387	**6,753**
Other expenses		
Interest expenses	756	
Interest on bonds	114	
Investigation related expenses	549	
Other	328	**1,747**
Ordinary income		**24,109**
Extraordinary income		
Gain on sales of fixed assets	14	**14**
Extraordinary loss		
Loss on sales of fixed assets	0	
Loss on disposal of fixed assets	142	
Impairment loss	78	
Loss on revaluation of investments in securities with affiliates	6,404	
Loss for after-care of products	398	
Loss related to Anti-Monopoly Act	2,137	**9,160**
Income before income taxes		**14,963**
Income taxes (including enterprise tax)	3,514	
Adjustment of income taxes	1,873	5,387
Net income		**9,575**

Note: Amounts less than 1 million yen are omitted.

(Translation)

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(Unit: millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other			
	Common stock	Capital reserve	Other	Total capital surplus	Earned surplus	Reserve for reduction entry	Reserve for general purpose	Retained earnings carried forward	Total retained earnings
Balance at beginning of current fiscal year	68,258	94,756	118	94,874	2,085	2,034	6,500	15,500	26,120
Cumulative effects of changes in accounting policies								(238)	(238)
Restated balance	68,258	94,756	118	94,874	2,085	2,034	6,500	15,262	25,882
Changes									
Cash dividend from retained earnings								(4,109)	(4,109)
Net income								9,575	9,575
Purchase of treasury stocks									
Disposal of treasury stocks			362	362					
Provision of reserve for reduction entry						153		(153)	–
Changes (net) in non-shareholders' equity items									
Total changes	–	–	362	362	–	153	–	5,311	5,465
Balance at end of current fiscal year	68,258	94,756	480	95,237	2,085	2,188	6,500	20,573	31,347

	Shareholders' equity		Revaluation / Translation differences			Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Difference on revaluation of available-for-sale securities	Deferred gains or losses on hedges	Total revaluation / translation differences		
Balance at beginning of current fiscal year	(9,505)	179,748	1,148	0	1,148	13	180,911
Cumulative effects of changes in accounting policies		(238)					(238)
Restated balance	(9,505)	179,510	1,148	0	1,148	13	180,672
Changes							
Cash dividend from retained earnings		(4,109)					(4,109)
Net income		9,575					9,575
Purchase of treasury stocks	(21)	(21)					(21)
Disposal of treasury stocks	120	483					483
Provision of reserve for reduction entry		–					–
Changes (net) in non-shareholders' equity items			497	(0)	497	22	519
Total changes	98	5,927	497	(0)	497	22	6,446
Balance at end of current fiscal year	(9,406)	185,437	1,646	(0)	1,645	35	187,119

Note: Amounts less than 1 million yen are omitted.

(Translation)

Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

(1) Standards and method of valuation of assets

Marketable securities

Investments securities in subsidiaries:

Stated at cost determined by the moving average method.

Other marketable securities:

·Securities with market value

Market value method based on market prices and other conditions at the end of the term. (The revaluation differences are accounted for based on the direct net assets method and the sales costs are calculated by the moving average method.)

·Securities without market value

Non listed marketable securities are stated at cost determined by the moving average method.

Derivatives

Market value method

Inventories

Purchased goods:	Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Finished goods:	Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Work in process:	Stated at cost determined by the moving average method for bearings, fasteners, and motors (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability). Stated at cost determined respectively for measuring components, special motors and special devices (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Raw materials:	Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Supplies:	Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

(2) Depreciation

Tangible fixed assets (excluding leased assets):

Depreciation of tangible fixed assets is mainly made on the declining balance method based on estimated useful lives of the assets.

Their major useful lives are as follows:

Buildings and structures	2 to 50 years
Machinery and equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than 100,000 yen and less than 200,000 yen) over the 3 years each fiscal year.

Intangible fixed assets (excluding leased assets):

Depreciation of intangible fixed assets is made on the straight-line method.

The goodwill is equally amortized for 10 years.

The depreciation method of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Leased assets:

Lease assets related to finance lease transactions that do not transfer ownership

The Company adopts the straight-line method of making lease periods depreciable lives and salvage values zero.

Long-term prepaid expenses:

Depreciation of long-term prepaid expenses is made on the straight-line method.

(3) Translation of foreign currency assets and liabilities

Translation of foreign currency assets and liabilities are translated into yen at the exchange rate on the balance sheet date. The resulting exchange differences are accounted for as an exchange gain or loss.

(4) Allowances

Allowance for doubtful receivables:

In order to prepare against losses resulting from irrecoverable receivables, an allowance has been reserved in the amount required for estimated uncollectible receivables based on actual losses of trade receivables and on collectability of specific receivables with loss possibilities.

Accrued bonuses:

To make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the estimated amount of payment.

Allowance for bonuses to directors:

To make preparations for the payment of bonuses to directors, allowance for bonuses to directors is shown based on the amount of payment estimated in the fiscal year under review.

Allowance for retirement benefits:

To provide for payment of employee retirement benefits, the Company reported an allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current term.

(i) Method of attributing expected retirement benefits to periods

We calculate retirement benefit obligations by attributing projected benefit obligations to periods up to the end of the current fiscal year on a benefit formula basis.

(ii) Method of recognizing actuarial gains and losses and past service costs in profit or loss

Unrecognized prior service costs are amortized using the straight-line method over a period of 10 years as cost.

Over the 5 years from the following term after the differences accrue, the Company will charge differences in mathematical calculation to expenses in accordance with the straight-line method.

Allowance for retirement benefits to executive officers:

To provide for payment of retirement allowance to executive officers, the estimated amount to be required according to our internal regulations as of the end of the period of the fiscal year under review is shown.

Allowance for after-care of products

We post reasonably projected amounts to be incurred in the future as expenses for after-care of products.

(5) Accounting method of hedge transactions

(i) Method of hedge accounting

The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

(ii) Hedging vehicles and hedged items

(Hedging vehicles)
Forward exchange contracts
Interest rate swaps
(Hedged items)
Monetary receivables and payables in foreign currency
Anticipated transactions in foreign currencies
Interest rates on borrowings

(iii) Hedge policy

Under the guidance of its Corporate Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

(iv) Method of assessing hedge effectiveness

Regarding forward exchange contracts, the Company allocates them to monetary receivable and payable with same maturity and with same amounts in foreign currency, at closing of exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.

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

(6) Others

(i) Amortization of deferred charges

Deferred charges are equally amortized over the term of bonds issued (5 years).

(ii) Accounting method for retirement benefits

The accounting method for the outstanding balances of unrecognized actuarial gains and losses and unrecognized past service costs is different from the accounting method for these balances in the consolidated financial statements.

(iii) Accounting method of consumption taxes
Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

(7) Changes in Accounting Policy
(Adoption of accounting standard for retirement benefits, etc.)
In the fiscal year under review, Minebea adopted the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, 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 no longer employs a single discount rate based on the average number of years approximating the residual terms of all employees, but instead uses multiple discount rates based on the expected benefit payments attributed to periods of service of relevant employees.
In accordance with transitional accounting as stipulated in Section 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 brought forward at the beginning of the fiscal year under review.
As a result of these adjustments, allowance for retirement benefits increased by 370 million yen, and retained earnings carried forward decreased by 238 million yen at the beginning of this fiscal year. The effect of these adjustments on operating income, ordinary income and income before income taxes for this fiscal year is immaterial.
Net assets per share for this fiscal year declined 0.64 yen. No material impact is expected on net income per share and fully diluted net income per share.

(Application of practical solution on transactions of delivering the Company's own stock to employees etc. through trusts)
Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (ASBJ Practical Issues Task Force (PITF) No. 30, issued on March 26, 2015), have been applied since this fiscal year. The accounting for those transactions has been conducted according to the conventional method which had been put into practice previously.

(8) Additional information
(Investigations by Korean, the U.S. and Singaporean competition authorities)
As already announced, some of our 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 Minebea 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. Minebea was fined a total of 4,912 million won and thus posted a loss related to Anti-Monopoly Act totaling 527 million yen as an extraordinary loss.
The KFTC also announced that it would press criminal charges against Minebea and its Korean subsidiary for violating Korea's Monopoly Regulation and Fair Trade Act.
Minebea 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. We paid a fine totaling 13.5 million US dollars, and as a result, a loss related to Anti-Monopoly Act totaling 1,610 million yen was posted as an extraordinary loss.
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 made 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 project the amount of said losses at this time nor predict whether they will affect our operating performance or financial standing, etc.

(Transactions of delivering the Company's own stock to employees etc. through trusts)
(i) Outline of the transactions
The Company has introduced the "Trust-type Employee Shareholding Incentive Plan" (the "Plan"), in order to provide the Company group's employees with incentives to increase the enterprise value of the Company, and to promote the benefit and welfare of the employees of the Company group and others. The Plan is an incentive plan, in which all employees of the Company group who are members of the "Minebea Employee Stock Holding Partnership" ("Stock Holding Partnership") (a Company group employee who is a member of the Stock Holding Partnership is hereinafter referred to as an "Employee") may participate. Based on the Plan, as of May 10, 2012, Minebea entered into the Minebea Employee Stock Holding Partnership Exclusive Trust Agreement (the "Trust Agreement") with the bank in which the Company is Truster and the Bank is Trustee. As per the Plan and the Trust Agreement,

the “Minebea Employee Stock Holding Partnership Exclusive Trust Account” (the “Trust”), which had been established for the purpose of securing the Company shares for the Stock Holding Partnership to effect purchases, has borrowed money from banks (the Company guarantees the Trust’s borrowings) for a considerable number of Company shares that were expected to be acquired by the Stock Holding Partnership by the end of May 2017, and acquired Company shares in a number equal to such borrowings from the market at the time the Plan was introduced in May 2012. Subsequently, the Trust is to continuously transfer the Company shares to the Stock Holding Partnership in accordance with certain plans (conditions and methods) and terminate, e.g. if all of the Company shares belonging to the trust assets of the Trust are transferred. If any capital gains, such as gains on sale of the Company shares, accumulate within the Trust by the time of its termination, and if any money remains within the Trust after repaying all the debts such as borrowings to be borne by the Trust, then such money is to be distributed as residual assets to those Employees that fulfill the requirements for eligible beneficiaries.
A trust administrator or an agent of the beneficiaries gives instructions to the trustee of the Trust with regard to preserving and exercising the rights (including the exercise of voting rights) relating to the Company shares held as the trust assets in the Trust, while eligible beneficiaries of the Trust will preserve and exercise their rights in accordance with such instructions. A trust administrator or an agent of the beneficiaries of the Trust shall follow the guidelines relating to the exercise of the voting rights stipulated in the Trust Agreement, in case of executing instructions regarding the exercise of voting rights on behalf of beneficiaries.

(ii) Aforementioned transactions have been carried out in accordance with the Trust Agreement that had been entered into before the beginning of this fiscal year. As such, the accounting for those transactions has been conducted according to the conventional method.

(iii) The items relating to the Company shares owned by the Trust

1. Book value of the Company shares owned by the Trust
   As of March 31, 2014: 1,491 million yen
   As of March 31, 2015: 1,377 million yen
2. The Company shares owned by the Trust are accounted for as treasury stock.
3. Number of the Company shares owned by the Trust at the end of the last fiscal year and the average number of shares owned by the Trust
   Number of the Company shares owned by the Trust at the end of the last fiscal year
   As of March 31, 2014: 4,619,000 shares
   As of March 31, 2015: 4,267,000 shares
   Average number of shares owned by the Trust
   As of March 31, 2014: 4,926,780 shares
   As of March 31, 2015: 4,419,652 shares
4. The number of the Company shares mentioned in part 3. was included in the treasury stock to be deducted in terms of calculating relevant per share indicators.

Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: 57,046 million yen

(2) Contingent liabilities
Guarantee liabilities
The Company has provided the following companies with guarantees for their bank borrowings, etc.

Guarantee	Amount (millions of yen)
NMB-Minebea Thai Ltd.	10,549
MINEBEA (HONG KONG) LIMITED	7,191
Sartorius Mechatronics T&H GmbH.	3,909
NMB-Minebea-GmbH	1,568
Other 7 companies	1,989
Total	25,208

(3) Monetary receivables from and monetary payables to subsidiaries and affiliates:
Short-term receivables 50,044 million yen
(excluding short-term loan receivables from subsidiaries and affiliates)
Short-term payables 45,087

Notes to Non-Consolidated Statement of Income

(1) Transaction with subsidiaries and affiliates:
Sales: 240,154 million yen
Purchase: 212,214
Amount of other operational transactions: 4,355
Amount of non-operating transactions: 5,982

(2) Loss on revaluation of investments in securities with affiliates
This is a loss on valuation of shares of our consolidated subsidiary in the U.K., namely NMB-MINEBEA UK LTD.

Notes to Non-Consolidated Statement of Changes in Net Assets

Class and number of treasury shares

Class of shares	Shares at beginning of current FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Common stock (Notes)	25,637,546	14,569	370,200	25,281,915

Notes:

1. *The increase of 14,569 shares in the number of treasury shares of common stock reflects the increase from the purchase of fractional shares.*
2. *The decrease of 370,200 shares in the number of treasury shares of common stock reflects the decrease of 352,000 shares from the disposal of treasury stock by the Employee Stock Holding Partnership Exclusive Trust Account and the decrease of 18,200 shares from exercise of stock options.*
3. *The number of treasury shares of common stock includes our shares owned by the Employee Stock Holding Partnership Exclusive Trust Account (4,619,000 shares at the beginning of the current fiscal year and 4,267,000 shares at the end of the current fiscal year).*

Notes to Tax-Effect Accounting

(1) Major reasons for the accrual of deferred tax assets and deferred tax liabilities:

(Deferred tax assets)

Excess of allowed limit chargeable to depreciation	467	million yen
Impairment loss	147	
Loss on revaluation of investments in securities	546	
Loss on revaluation of investments in securities with affiliates	5,086	
Excess of allowed limit chargeable to accrued bonuses	1,321	
Accrued enterprise taxes	281	
Allowance for retirement benefits	171	
Retirement bonuses for directors	33	
Others	630	
Sub-total	8,685	
Valuation allowance	(5,759)	
Total deferred tax assets	2,925	
(Deferred tax liabilities)		
Reserve for reduction entry	1,046	
Difference on revaluation of available-for-sale securities	370	
Total deferred tax liabilities	1,416	
Net deferred tax assets	1,508	

(2) Major reasons for significant difference between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting

Domestic legal effective tax rate	35.6%
(Adjustments)	
Items to be regarded as taxable expenses, such as entertainment expenses	1.2
Items to be excluded from gross revenue, such as dividends income	(12.2)
Inhabitant tax levied per capita	0.3
Valuation allowance	12.0
Decrease of deferred tax assets at the fiscal year-end due to a change of the tax rate	0.8
Takeover of loss carry-forward due to liquidation of a subsidiary	(2.5)
Tax credit	(3.1)
Loss related to Anti-Monopoly Act	5.1
Others	(1.2)
Ratio of income tax burden after the application of tax effect accounting	36.0

(3) Adjustment of deferred tax assets and deferred tax liabilities due to change of corporate tax rates

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 fiscal 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 eliminated in the fiscal year beginning on April 1, 2015 and to 32.3% for temporary difference expected to be eliminated in the fiscal 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) has decreased by 123 million yen, while adjustment of income taxes has increased by the same amount.

Notes to Fixed Assets Used through Lease Contracts

Finance lease transactions (lessee)

Finance lease transactions that do not transfer ownership

(1) Contents of leased assets

Tangible fixed assets: Mainly computer terminals (Tools, furniture and fixtures).

(2) Depreciation method of leased assets

Please refer to (2) Depreciation of Significant Accounting Policies.

(Translation)

Notes to Transactions with Relevant Parties

(1) Subsidiaries etc.

Name of company, etc.	Voting rights or ownership (%)	Contents of relation		Contents of transaction	Transaction amount (millions of yen)	Account title	Year end balance (millions of yen)
		Concurrently serving etc.	Business relations				
NMB-Minebea-GmbH	100.0	Concurrently serving 1	NMB-Minebea-GmbH sells the Company's products and products purchased mainly in Germany.	Sales of the Company's products and products purchased	26,068	Accounts receivable	3,990
Precision Motors Deutsche Minebea GmbH	100.0	Concurrently serving 1	Precision Motors Deutsche Minebea GmbH develops and designs motors and others.	Payment of development cost incurred	814	Accounts payable - other	231
NMB-Minebea Thai Ltd.	100.0	Concurrently serving 3	NMB-Minebea Thai Ltd. manufactures machined components, electronic devices and others, and the Company purchases them for resale. Loans from the Company.	Purchase of machined components, electronic devices and others	132,221	Accounts payable	28,236
				Sales of the Company's products and products purchased	14,604	Accounts receivable	8,201
				Fund loan	42,800	Short-term loans receivable	13,500
				Recovery of funds	52,600	–	–
				Interest income	232	–	–
				–	–	Guarantee of obligation	10,549
MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	100.0	Concurrently serving 2	MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD. manufactures machined components, electronic devices and others, and the Company purchases them for resale.	Purchase of machined components, electronic devices and others	27,480	Accounts payable	5,187
MINEBEA (HONG KONG) LIMITED	100.0	Concurrently serving 0	MINEBEA (HONG KONG) LIMITED sells the Company's products and products purchased mainly in China.	Sales of the Company's products and products purchased	139,143	Accounts receivable	24,942
				–	–	Guarantee of obligation	7,191
MINEBEA (CAMBODIA) Co., Ltd.	100.0	Concurrently serving 1	Loans from the Company.	Fund loan	28,223	Short-term loans receivable	8,223
				Recovery of funds	24,804	–	–
				Interest income	97	–	–

Notes: Terms and decision policy of the transaction

1. *Transaction amounts, etc. are negotiated and decided in consideration of market prices, etc.*
2. *Lending rate on loans is reasonably determined taking into account the market interest rate.*
3. *The Company provides debt guarantee for bank loan etc. of each company.*

(2) Directors and main individual shareholder

Attribution	Name of company, etc.	Voting rights (own or owned)	Contents of relation		Contents of transaction	Transaction amount (millions of yen)	Account title	Year end balance (millions of yen)
			Concurrently serving etc.	Business relations				
Companies which the Company's directors and nearly related person have over 50% of voting rights	KEIAISHA Co., Ltd.	(Owned) Direct 2.67%	Concurrently serving 1	The Company purchases machinery and equipment, steel bar etc.	Purchase of machinery and equipment, steel bar etc.	2,456	Accounts payable *2	341
					Tools, furniture and fixtures lease transactions & rent etc.	588	Leased assets	67
							Lease obligations *2	70
							Accounts payable - other, current liabilities and others *2	101
					Land rent, etc.	35	Accounts receivable - others *2	2
					Non-operating income	12		

Notes: Terms and decision policy of the transaction

1. *Transaction amounts, etc. are negotiated and decided in consideration of market prices.*

**2. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.*

Notes to Per Share Information

(1) Net assets per share 500.38 yen

(2) Net income per share 25.62 yen

(Translation)

Notes to the Retirement Allowance Accounting

(1) Retirement allowance plan adopted by the Company
The Company has fully adopted funded and unfunded defined benefit pension plans and defined contribution pension plans to provide against retirement payments to employees.
Under the defined benefit corporate pension plan (funded plan), lump-sum money or pension benefit is paid based on salaries and service periods.

(2) Defined benefit plan

(i) Reconciliation between the opening balance and the closing balance of retirement benefit obligations

	(millions of yen)
Opening balance of retirement benefit obligations	18,476
Cumulative effect of change in accounting policy	370
Opening balance reflecting change in accounting policy	18,847
Service costs	985
Interest costs	236
Actuarial gains or losses incurred during the year	877
Payment of retirement benefits	(572)
Closing balance of retirement benefit obligations	20,375

(ii) Reconciliation between the opening balance and the closing balance of pension assets

	(millions of yen)
Opening balance of pension assets	17,806
Expected returns on pension assets	356
Actuarial gains or losses incurred during the year	1,418
Contributions by the employer	843
Payment of retirement benefits	(565)
Closing balance of pension assets	19,857

(iii) Reconciliation of the closing balances of retirement benefit obligations and pension assets, and allowance for retirement benefit and prepaid pension cost recorded in the balance sheet

	(millions of yen)
Retirement benefit obligations of funded plans	20,365
Pension assets	(19,857)
	507
Retirement benefit obligations of unfunded plans	9
Unfunded retirement benefit obligations	517
Unrecognized actuarial gains or losses	976
Unrecognized prior service costs	(992)
Net amount of liabilities and assets recorded in the balance sheet	501
Allowance for retirement benefits	501
Net amount of liabilities and assets recorded in the balance sheet	501

(iv) Amounts of retirement benefit costs and its components

	(millions of yen)
Service costs	985
Interest costs	236
Expected returns on pension assets	(356)
Amortization of actuarial difference treated as expense	(215)
Unrecognized prior service costs expenses	330
Retirement benefit costs of defined benefit plans	982

(v) Matters concerning pension assets

(a) Major breakdown of pension assets
The ratio of each major category to total pension assets is as follows.

Bonds	50%
Stocks	27
Insurance assets (general account)	13
Others	10
Total	100

(b) Method of setting the long-term expected rate of return
To determine the long-term expected rate of return on pension assets, the Company takes into account current and expected allocation of pension assets, and current and expected long-term return rate of various types of assets constituting pension assets.

(vi) Matters concerning actuarial assumption
Major actuarial assumption at the end of the fiscal year under review (weighted average)

Discount rate	0.9%
Long-term expected rate of return	2.0%
Method of periodic allocation of expected retirement benefit amounts	Benefit formula basis

(3) Defined contribution plans
The amount of the Company’s required contributions to defined contribution plans is 170 million yen.

(Translation)

Report of the Independent Auditors for Consolidated Financial Statements

AUDIT REPORT OF THE INDEPENDENT AUDITORS

May 7, 2015

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

KPMG AZSA LLC

Yoshihiko Nakamura (seal)
Designated Limited Liability Partner
Certified Public Accountant

Noriaki Nomura (seal)
Designated Limited Liability Partner
Certified Public Accountant

Koji Tomono (seal)
Designated Limited Liability Partner
Certified Public Accountant

We have audited the Consolidated Financial Statements, including the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements of Minebea Co., Ltd. for the fiscal year from April 1, 2014 to March 31, 2015, pursuant to Paragraph 4, Article 444, of the Companies Act.

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 generally accepted accounting principles in Japan. This includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility
Our responsibility is to express an opinion on the consolidated financial statements based on our audits as independent auditors. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we 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 and applied depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control. However, in making those risk assessment, 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. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, 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 opinion.

Audit opinion
In our opinion, the consolidated financial statements referred to above, presents fairly, in all material respects, the financial position and the results of operations of Minebea Co., Ltd. and its consolidated subsidiaries as of the date and for the period for which the consolidated financial statements were prepared in accordance with generally accepted accounting principles in Japan.

Interests in the Company
Neither our firm nor any of the partners in charge has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountants Act.

(Translation)

Report of the Independent Auditors for Non-Consolidated Financial Statements

AUDIT REPORT OF THE INDEPENDENT AUDITORS

May 7, 2015

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

KPMG AZSA LLC

Yoshihiko Nakamura (seal)
Designated Limited Liability Partner
Certified Public Accountant

Noriaki Nomura (seal)
Designated Limited Liability Partner
Certified Public Accountant

Koji Tomono (seal)
Designated Limited Liability Partner
Certified Public Accountant

We have audited the Financial Statements, including the Balance Sheet, the Statement of Income, the Statement of Changes in Net Assets, Notes to Non-Consolidated Financial Statements and their supplementary statements of Minebea Co., Ltd. for the 69th fiscal year from April 1, 2014 to March 31, 2015, pursuant to Item 1, Paragraph 2, Article 436, of the Companies Act.

Management's responsibility for the Financial Statements, etc.
Management is responsible for the preparation and fair presentation of these financial statements and their supplementary statements in accordance with generally accepted accounting principles in Japan. This includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of financial statements and their supplementary statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility
Our responsibility is to express an opinion on the financial statements and their supplementary statements based on our audits as independent auditors. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and their supplementary statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and their supplementary statements. The procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and their supplementary statements, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control. However, in making those risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and their supplementary statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and their supplementary statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit opinion
In our opinion, the financial statements and their supplementary statements referred to above, presents fairly, in all material respects, the financial position and the results of operations of Minebea Co., Ltd. as of the date and for the period for which the financial statements and their supplementary statements were prepared in accordance with generally accepted accounting principles in Japan.

Interests in the Company
Neither our firm nor any of the partners in charge has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountants Act.

(Translation)

Report of the Board of Corporate Auditors

AUDIT REPORT

As the results of deliberation, the Board of Corporate Auditors prepared this Audit Report in accordance with reports presented by each Corporate Auditor with respect to the performance of duties by the Directors during the 69th fiscal year from April 1, 2014 to March 31, 2015, and report the results as follows:

1. Method and Content of Audit Conducted by Corporate Auditors and Board of Corporate Auditors
The Board of Corporate Auditors established the audit policy and audit plan, etc., received reports from each Corporate Auditor on the implementation of audit and its results, received reports from Directors, etc. and the Independent Auditors on the performance of their duties and asked them details when necessary.
Each Corporate Auditor conforms to the auditing standards prescribed by the Board of Corporate Auditors, complies with the audit policy and audit plan, etc., maintains communication with Directors, Executive Officers, the Internal Auditing Office and other employees, etc., endeavors to collect information and establishes a system necessary for auditing services, attends meetings of the Board of Directors and other important meetings, receives reports from Directors, Executive Officers and employees, etc. on the performance of their duties, asks them details when necessary, reviews important written decisions, and investigates business and financial conditions at the head office as well as at the main business offices of the Company. In addition, each Corporate Auditor received reports from Directors and employees, etc., sought explanations as necessary and expressed opinions on the resolutions of the Board of Directors and the status of the system developed under such resolutions with regard to the establishment and management of the system stipulated in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act (Internal Control System) necessary to ensure the conformity of the performance of duties described in the Business Report by Directors with laws and regulations and the Articles of Incorporation and also to ensure the appropriateness of business in a stock company.
Regarding the internal control relevant to financial report under the Financial Instruments and Exchange Law, we received report from both directors, etc., and KPMG AZSA LLC regarding progress of their discussions and evaluation of internal control and auditing status, and asked for explanation as needed.
The Basic Policy of Item 3 (a), Article 118 of the Enforcement Regulations of the Companies Act and each approach of Item 3 (b), Article 118 of the same described in the Business Report were reviewed.
Each Corporate Auditor maintains communication and exchanges information with Directors and Corporate Auditors, etc. of subsidiaries, receives business reports of the subsidiaries when necessary. Through the above methods, the Corporate Auditor reviews business reports and detailed statements of the Company for such fiscal year.
Further, we monitored and verified that the Independent Auditors have maintained their independence and conducted appropriate audits. Also, we received reports from the Independent Auditors regarding the execution of their duties and requested explanations as needed. The Company received a notice from the Independent Auditors purporting to the formulation of a “System to ensure proper performance of its duties” (provided in each item of Article 131 of the Ordinance on Accounting of Companies) in accordance with the “Quality Control Standards for Audits” (Business Accounting Council, October 28, 2005), among others, and requested explanations as needed. Through the above methods, we reviewed financial statements for such fiscal year (balance sheet, statement of income, statement of changes in net assets and notes to financial statements) and supplementary statements and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements).

2. Results of Audit
(1) Audit Results of Business Reports, etc.

1) We certify that the business reports and their detailed statements fairly present the situation of the Company in accordance with laws and the Articles of Incorporation.
2) We found no wrongful act or material fact in violation of laws or the Articles of Incorporation with respect to the performance of duties by the Directors.
3) We certify that the resolutions of the Board of Directors with respect to the internal control system are proper and correct. In addition, we found no matter to be pointed out about the description in the business report and performance of duties by the Directors with respect to the internal control system.
4) We found no matter to be pointed out about the basic policy, which is described in the business report, regarding the quality and nature of persons who control decisions on the Company’s financial and business policies. We certify that those measures are consistent with such basic policy, would not interfere with the shareholders’ common interests and are introduced not for maintaining the positions of the Company’s officers.

(2) Audit Results of Financial Statements and Supplementary Statements
We certify that the auditing method of KPMG AZSA LLC and the results of its audit are proper and correct.

(3) Audit Results of Consolidated Financial Statements
We certify that the auditing method of KPMG AZSA LLC and the results of its audit are proper and correct.

Concerning the matter of a violation of the Anti-Monopoly Act mentioned in the Business Report, we have confirmed that the Company is making Group-wide efforts to further strengthen the compliance structure in order to prevent recurrence. From now, the Board of Corporate Auditors will continue to confirm efforts to further strengthen and thoroughly implement compliance, including complying with the Anti-Monopoly Act.

May 8, 2015

Board of Corporate Auditors of Minebea Co., Ltd.

Akifumi Kamoi (seal)
Standing Corporate Auditor

Kazuaki Tanahashi (seal)
Standing Outside Corporate Auditor

Hisayoshi Rikuna (seal)
Outside Corporate Auditor

Shinichiro Shibasaki (seal)
Outside Corporate Auditor

(Translation)

Reference Documents for the General Meeting of the Shareholders

First Proposal:
Appropriation of Surplus

The appropriation of surplus of the Company shall be as follows:

Matters concerning year-end dividend:
Comprehensively taking into account the business environment and maintaining a continuous, stable profit distribution, the Company will set the basic policy under which it gives top priority to improving the efficiency of shareholders' equity and distributing more profit to shareholders, thereby returning its profits to shareholders commensurate with its business performance. In accordance with this policy, the dividends of the 69th business period shall be as follows:

(1) Type of dividend
Cash

(2) Matters concerning the allocation of dividend and total amount
Dividend per common share of the Company would be 6 yen.
In this case, total dividends are 2,268,916,680 yen.
Since the interim dividend in the amount of 6 yen has been distributed, the annual dividend for the current term would be 12 yen per share (dividend increase of 4 yen compared with the previous fiscal year).

(3) Effective date for surplus dividend
June 29, 2015

Second Proposal:
Partial Amendments to the Articles of Incorporation

1. Reason for the Proposal
   (1) The purpose of Article 2 of the existing Articles of Incorporation will be partially amended in order to reflect the situation in which Minebea's businesses are diversifying.
   (2) The term of office of Directors will be shortened from two years to one year and necessary amendments will be made to Article 22 of the existing Articles of Incorporation in order to clarify the management responsibility of Directors and build the management organization that enables the Company to respond swiftly to changes in the business environment.
   (3) The Act for Partial Amendment of the Companies Act (Act No. 90 of 2014), which came into force on May 1, 2015, allows companies to conclude an agreement limiting liability with a Director who is not an Executive Director, etc. and a Corporate Auditor who is not an Outside Corporate Auditor. In association with these changes, Article 28 (Exemption from Liability of Directors) and Article 37 (Exemption from Liability of Corporate Auditors) of the existing Articles of Incorporation will be partially amended so that those Directors and Corporate Auditors may perform their expected roles fully.
   We have already obtained approval from each Corporate Auditor with respect to the amendment of Article 28 (Exemption from Liability of Directors) of the Articles of Incorporation.
   (4) In accordance with Article 459, Paragraph 1 of the Companies Act, provisions will be newly established to the Articles of Incorporation as described in the Proposed Amendments so that surplus may be distributed by a resolution of the Board of Directors in order to ensure agile capital and dividend policies. In addition, the Article 7 (Acquisition of Treasury Stock) of the existing Articles of Incorporation of which content overlaps a part of the provisions of that newly added Article will be deleted.
   (5) In line with the amendment in (4) above, necessary amendments will be made to Article 39 (Distribution of Surplus) of the existing Articles of Incorporation to divide the Article into Article 39 (Record Date of Dividends) and Article 40 (Period of Exclusion for Claiming Payment of Dividends).
   (6) In addition to the above, the article numbers will be revised due to the establishment and deletion of provisions.

(Translation)

2. Details of the Amendments

Details of the Amendments are as follows.

(Underlined parts are amended.)

Existing Articles of Incorporation	Proposed Amendments
Chapter I General Provisions	Chapter I General Provisions
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. Manufacture, sale, export and import of the following: (1) and (2) (Articles Omitted) (3) semiconductor elements, electronic devices and precision devices; (4) to (8) (Articles Omitted) (9) measuring instruments for civil engineering use; (10) household electric appliances, electric machinery and equipment, industrial machinery and equipment and machinery and equipment related thereto, machinery and equipment for vehicle applications, and scientific and chemical equipment and instruments; (11) to (14) (Articles Omitted) 2. to 9. (Articles Omitted)	(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. Manufacture, sale, export and import of the following: (1) and (2) (Not Amended) (3) semiconductor elements, optical elements, electronic devices and precision devices; (4) to (8) (Not Amended) (9) measuring instruments and detecting instruments; (10) household electric appliances, electric machinery and equipment, industrial machinery and equipment, telecommunications equipment and machinery and equipment related thereto, machinery and equipment for vehicle applications and relevant peripheral equipment, and scientific and chemical equipment and instruments; (11) to (14) (Not Amended) 2. to 9. (Not Amended)
Chapter II Shares	Chapter II Shares
(Acquisition of Treasury Stock) Article 7. The Company is able to acquire its treasury stock through market transactions by resolution of its Board of Directors.	(Deleted)
Articles 8 to 21 (Articles Omitted)	Articles 7 to 20 (Not Amended)
Chapter IV Directors and the Board of Directors	Chapter IV Directors and the Board of Directors
(Term of Office of Directors) Article 22. The term of office of Directors shall expire at the conclusion of the ordinary general meeting of shareholders pertaining to the last business year within two (2) years after their election. The term of office of a Director elected to fill a vacancy or due to an increase in the number of Directors shall expire at the end of term of other present directors of the office.	(Term of Office of Directors) Article 21. The term of office of Directors shall expire at the conclusion of the ordinary general meeting of shareholders pertaining to the last business year within one (1) year after their election. (Deleted)
Articles 23 to 27 (Articles Omitted)	Articles 22 to 26 (Not Amended)

Existing Articles of Incorporation	Proposed Amendments
(Exemption from Liability of Directors) Article 28. The Company may exempt Directors (including former Directors) as provided in Article 423, Paragraph 1 of the Companies Act from liability within statutory limitations upon a resolution of the Board of Directors in accordance with Article 426, Paragraph 1 of same. The Company may execute agreements limiting liability as provided in Article 423, Paragraph 1 of the Companies Act with Outside Directors in accordance with Article 427, Paragraph 1 of same. However, the maximum amount of liability prescribed in said agreements shall be an amount stipulated by laws and regulations.	(Exemption from Liability of Directors) Article 27. The Company may exempt Directors (including former Directors) as provided in Article 423, Paragraph 1 of the Companies Act from liability within statutory limitations upon a resolution of the Board of Directors in accordance with Article 426, Paragraph 1 of same. The Company may execute agreements limiting liability as provided in Article 423, Paragraph 1 of the Companies Act with Directors (excluding Executive Directors, etc.) in accordance with Article 427, Paragraph 1 of same. However, the maximum amount of liability prescribed in said agreements shall be an amount stipulated by laws and regulations.
Articles 29 to 36 (Articles Omitted)	Articles 28 to 35 (Not Amended)
Chapter V Corporate Auditors and the Board of Corporate Auditors	Chapter V Corporate Auditors and the Board of Corporate Auditors
(Exemption from Liability of Corporate Auditors) Article 37. The Company may exempt Corporate Auditors (including former Corporate Auditors) as provided in Article 423, Paragraph 1 of the Companies Act from liability within statutory limitations upon a resolution of the Board of Directors in accordance with Article 426, Paragraph 1 of same. The Company may execute agreements limiting liability as provided in Article 423, Paragraph 1 of the Companies Act with Outside Corporate Auditors in accordance with Article 427, Paragraph 1 of same. However, the maximum amount of liability prescribed in said agreements shall be an amount stipulated by laws and regulations.	(Exemption from Liability of Corporate Auditors) Article 36. The Company may exempt Corporate Auditors (including former Corporate Auditors) as provided in Article 423, Paragraph 1 of the Companies Act from liability within statutory limitations upon a resolution of the Board of Directors in accordance with Article 426, Paragraph 1 of same. The Company may execute agreements limiting liability as provided in Article 423, Paragraph 1 of the Companies Act with Corporate Auditors in accordance with Article 427, Paragraph 1 of same. However, the maximum amount of liability prescribed in said agreements shall be an amount stipulated by laws and regulations.
Chapter VI Accounts	Chapter VI Accounts
Articles 38 (Articles Omitted)	Articles 37 (Not Amended)
(Newly added)	(Decision-making Body for Distribution of Surplus and Other Matters) Article 38. Unless otherwise provided by laws and regulations, the Company may provide for matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, such as distribution of surplus, by a resolution of the Board of Directors.
(Distribution of Surplus) Article 39. The Company shall make monetary distribution of surplus (hereinafter referred to as “dividends”) to the final record of shareholders or registered share pledgees on the register of shareholders as of March 31 of each year by resolution of the general	(Record Date of Dividends) Article 39. The Company’s record date of year-end dividend shall be March 31 of each year. The Company’s record date of interim dividend shall be September 30 of each year.

Existing Articles of Incorporation	Proposed Amendments
meeting of shareholders. The Company may pay dividends to the final record of shareholders or registered share pledgees on the register of shareholders as of September 30 of each year by resolution of the Board of Directors. However, if a dividend remains unreceived after the expiry of three (3) years from the date of commencement of payment thereof, the dividend shall revert to the Company.	(Period of Exclusion for Claiming Payment of Dividends) Article 40. If a dividend remains unreceived after the expiry of three (3) years from the date of commencement of payment thereof, the dividend shall revert to the Company.

End

Third Proposal:
Election of Ten (10) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, it is hereby proposed that ten (10) Directors be elected, with an increase of two (2) Directors in order to create a stronger management structure.
The candidates for Director of the Company are as follows:

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company (including significant concurrent positions outside the Company)			Number of shares of the Company held
1	Yoshihisa Kainuma (February 6, 1956)	Apr.	1983	Member of Daini Tokyo Bar Association	70,000
		Dec.	1988	Director and General Manager of Legal Department of the Company	
		Sep.	1989	Member of New York State Bar Association	
		Dec.	1992	Managing Director and Deputy General Manager of Operations Headquarters	
		Dec.	1994	Senior Managing Director, General Manager of European and American Regional Sales Headquarters, Deputy General Manager of Operations Headquarters	
		Jun.	2003	Director, Senior Managing Executive Officer	
		Apr.	2009	Representative Director, President and Chief Executive Officer (Present)	
2	Hiroharu Katogi (March 21, 1949)	Mar.	1971	Joined the Company	54,000
		Dec.	1993	Director	
		Jun.	2003	Executive Officer	
		Jun.	2004	Managing Executive Officer, in charge of Business Administration and Investor Relations	
		Jun.	2005	Director (Present)	
		Jun.	2007	Senior Managing Executive Officer (Present)	
		Jun.	2013	Officer in charge of Administration, Accounting & IT Division; Officer in charge of Personnel & General Affairs Division (Present)	
		Jun.	2014	Officer in charge of Corporate Finance Department, Internal Control Promotion Office, and Internal Auditing Office at Finance & Compliance Promotion Division (Present)	
3	Hiroyuki Yajima (April 29, 1951)	Mar.	1973	Joined the Company	43,000
		Jun.	2003	Executive Officer	
		Jun.	2004	Managing Executive Officer	
		Jul.	2005	Head of Ball Bearing Business Unit	
		Jun.	2007	Senior Managing Executive Officer (Present)	
		Jun.	2009	Director (Present), Chief of Machined Component Business Headquarters	
		May	2012	Chief of Machined Component Manufacturing Headquarters (Present)	
		Apr.	2013	Officer in charge of Production Support Division (Present)	

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company (including significant concurrent positions outside the Company)			Number of shares of the Company held
4	Hirotaka Fujita (May 23, 1952)	Apr.	1976	Joined the Company	29,000
		Jun.	2003	Executive Officer	
		Jun.	2005	Managing Executive Officer	
		Jun.	2007	Director (Present)	
		Jun.	2009	Senior Managing Executive Officer (Present), Chief of Rotary Component Business Headquarters, Head of Information Motor Business Unit	
		May	2012	Chief of Electronic Device & Component Manufacturing Headquarters	
		Apr.	2013	Deputy Chief of Electronic Device & Component Manufacturing Headquarters, Officer in charge of Electronic Device Division	
		Jan.	2015	Chief of Electronic Device & Component Manufacturing Headquarters; Officer in charge of Electronic Device Division; Officer in charge of Global Motor Division	
		Apr.	2015	Chief of Electronic Device & Component Manufacturing Headquarters; Officer in charge of Automotive & Global Motor Business Division (Present)	
5	Daishiro Konomi (September 30, 1951)	Apr.	1975	Joined the Company	27,000
		Sep.	1999	Deputy General Manager of European Region Operations	
		Jun.	2005	Executive Officer	
		Jul.	2005	General Manager of Regional Affairs for Europe (Present)	
		Apr.	2011	General Manager of Regional Affairs for Europe and the Americas of Sales Division	
		Jun.	2011	Managing Executive Officer	
		Jun.	2013	Director, Senior Managing Executive Officer; Officer in charge of Sales Division (Present)	
6	Tamio Uchibori (September 6, 1952)	Apr.	1977	Joined the Company	21,000
		Dec.	2003	General Manager of Business Administration Department	
		Jun.	2007	Executive Officer, Head of Corporate Planning Division, General Manager of Corporate Planning Department, Operations Headquarters	
		Jun.	2011	Managing Executive Officer	
		May	2012	Deputy Officer in charge of Administration, Planning & Accounting Division, Head of Corporate Planning Department	
		Jun.	2013	Director, Senior Managing Executive Officer; Officer in charge of Corporate Planning Division (Present) and Head of Corporate Planning Department	
7	*Ryozo Iwaya (April 24, 1958)	Apr.	1981	Joined the Company	3,000
		Dec.	1989	Head of Tokyo Sales Division at Tokyo Branch	
		Jun.	2009	Head of Lighting Device Business Unit at Electronic Device & Component Business Headquarters	
		Jun.	2013	Managing Executive Officers (Present)	
		Apr.	2015	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 (Present)	
8	*Shigeru None (August 23, 1959)	Apr.	1982	Joined the Company	7,000
		Sep.	1999	Manager of Osaka Branch	
		Jun.	2007	Executive Officer	
		Apr.	2011	Deputy Officer in charge of Sales Division; General Manager of Japan & Asian Regional Sales (Present)	
		Jun.	2012	Managing Executive Officers (Present)	

(Translation)

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company (including significant concurrent positions outside the Company)	Number of shares of the Company held
9	Kohshi Murakami (February 8, 1940)	Apr. 1967 Appointed an assistant Judge, Tokyo District Court Apr. 1999 Presiding Justice of the Division (Acting Chief Justice, Specialized Economic and Financial Affairs Department), Tokyo High Court Apr. 2005 Employed as Professor, Graduate School of Law, Kyoto University Jun. 2005 Joined TMI Associates as Special Counsel (Present) Nov. 2005 Appointed Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD. Apr. 2008 Employed as Visiting Professor, Yokohama National University May 2008 Member of the Independent Committee of the Company (Present) Jun. 2008 Director of the Company (Present) Apr. 2010 Employed as Professor, Juris Doctor Program, Daito Bunka University	-
10	Takashi Matsuoka (January 17, 1964)	Apr. 2003 General Manager of Planning Division, KEIAISHA Co., Ltd. Jun. 2003 Director, KEIAISHA Co., Ltd. Jun. 2004 Managing Director, KEIAISHA Co., Ltd. Jun. 2005 Director of the Company (Present) Jun. 2007 Senior Managing Director, KEIAISHA Co., Ltd. Jun. 2011 Director and Senior Managing Executive Officer, KEIAISHA Co., Ltd. Jun. 2014 Director and Vice President Executive Officer, KEIAISHA Co., Ltd. (Present)	93,765

Notes:

1. Persons marked with an asterisk are candidates for new Directors.

2. Special relationship between respective candidates and the Company is as follows:

(1) Mr. Takashi Matsuoka concurrently holds a post as Director and Vice President Executive Officer, of KEIAISHA Co., Ltd. The Company purchases machinery and equipment, steel and other materials from KEIAISHA Co., Ltd.

(2) There are no conflicts of interest existing between other candidates and the Company.

3. Messrs. Kohshi Murakami and Takashi Matsuoka are candidates for Outside Director of the Company. The Company has filed a notification to financial instruments exchanges explaining that Kohshi Murakami is an independent officer, pursuant to the provisions prescribed by those exchanges.

4. Special notes regarding candidates for outside directors are as follows:

(1) Reason for election of Outside Director

(i) Mr. Kohshi Murakami has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney. He will provide guidance to ensure the sound management of the Company and promote compliance, therefore, we hereby ask that he be elected as Outside Director of the Company. Mr. Kohshi Murakami has never been involved in corporate management by means other than being outside officer, however, we have concluded that he is able to perform the duties of an outside director properly because of the above reason and since he is currently fulfilling his responsibilities as Outside Director of the Company appropriately.

(ii) Mr. Takashi Matsuoka has profound knowledge regarding corporate operations and we anticipate to reflect such knowledge to the management of the Company, and since he is currently fulfilling his responsibilities as Outside Director of the Company appropriately, we hereby ask that he be elected as Outside Director of the Company.

(2) The number of years since the candidates for our outside directors assumed the office:

(i) Mr. Kohshi Murakami would have been in office for seven years at the conclusion of the Meeting since he assumed the post of outside director.

(ii) Mr. Takashi Matsuoka would have been in office for ten years at the conclusion of the Meeting since he assumed the post of Outside Director.

(3) Outlines of facts at the Company in violation of laws and regulations or in violation of the Articles of Incorporation or other facts of inappropriate execution of business at the Company during the candidates' last periods in office as Outside Directors of the Company, and of conduct by the said candidates to prevent such facts from occurring and as responses after the occurrence of such facts

Concerning the matter of a violation of the Anti-Monopoly Act mentioned on page 7 of this Business Report under "1. Status of the Corporate Group (4) Tasks to be accomplished," the outside directors requested that Group-wide efforts be devoted to preventing recurrence and gave various proposals from the points of view of compliance and internal control.

(4) Concerning limited liability agreements with Outside Director

The Company executed agreement with Outside Directors for limiting their liabilities under Paragraph 1, Article 423 of the Companies Act so that the Outside Directors may fully perform their roles expected as such. The amount subject to the limitation of liabilities of damages shall be the amount set forth by laws and regulations. If this agenda is approved as drafted, the Company will continue the said liability limitation agreement with Mr. Kohshi Murakami and Mr. Takashi Matsuoka.

Fourth Proposal:
Election of Three (3) Corporate Auditors

The term of office of Corporate Auditor, Messrs. Akifumi Kamoi, Kazuaki Tanahashi will and Hisayoshi Rikuna will expire at the conclusion of this General Meeting of Shareholders.
Therefore, it is hereby requested that three (3) Corporate Auditors be elected at this General Meeting of Shareholders.
We have already obtained approval from the Board of Corporate Auditors with respect to this proposal.
The candidate for Corporate Auditor of the Company is as follows:

No.	Name (Date of Birth)	Career Summary and Position at the Company (including significant concurrent positions outside the Company)			Number of shares of the Company held
1	*Kazunari Shimizu (May 5, 1953)	Mar.	1972	Joined the Company	1,000
		Apr.	1995	Head of Motive Power Section of Plant Maintenance Department	
		Aug.	2006	Senior Manager of Plant Management Section of Plant Management Department at 1st Production Engineering Division	
		Mar.	2010	Deputy General Manager of Plant Maintenance Department at Production Support Division	
		Apr.	2011	Head of Plant Maintenance Department at Production Support Division (Present)	
2	*Kazuyoshi Tokimaru (March 28, 1959)	Feb.	2008	General Manager of Structured Trust Products Department of The Sumitomo Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)	-
		May	2009	General Manager of Compliance Department of Sumitomo Mitsui Trust Bank, Limited.	
		Apr.	2011	General Manager of Business Audit Department of Sumitomo Mitsui Trust Bank, Limited.; General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc.	
		Apr.	2012	General Manager of Internal Audit Department of Sumitomo Mitsui Trust Bank, Limited.; General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc.	
		Apr.	2015	Executive Officer, General Manager of Internal Audit Department of Sumitomo Mitsui Trust Bank, Limited.; Executive Officer, General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc. (Present)	
3	Hisayoshi Rikuna (March 5, 1949)	Jul.	2004	Chief, Large Enterprise Examination Division, Large Enterprise Examination and Criminal Investigation Department, Kanto Shinetsu National Tax Office	-
		Jul.	2005	Chief Internal Inspector, Director-General's Secretariat, National Tax Administration, dispatched to the Kanto Shinetsu Region	
		Jul.	2007	Superintendent of Urawa Tax Office	
		Aug.	2008	Hisayoshi Rikuna Tax Accountant Office (Present)	
		Jun.	2011	Corporate Auditor of the Company (Present)	

Notes:
1. *Person marked with an asterisk is a candidate for new Corporate Auditor.*
2. *There are no conflicts of interest existing between the candidates and the Company.*
3. *Messrs. Kazuyoshi Tokimaru and Hisayoshi Rikuna are candidates for Outside Corporate Auditors of the Company.*
4. *Special instructions concerning candidates for Outside Corporate Auditors of the Company shall be as follows:*
   (1) Reason for his election as Outside Corporate Auditor
      (i) Mr. Kazuyoshi Tokimaru has been for many years engaged in financial affairs in a commercial bank. The Company would like to reflect his sophisticated knowledge of finance and accounting in its management.
      (ii) Mr. Hisayoshi Rikuna is a licensed tax accountant. The Company would like to reflect his professional view and sophisticated knowledge of finance and accounting in its management. Although he has never been involved in corporate management, we have concluded that he is able to perform the duties of an outside corporate auditor because of the above reason and since he is currently fulfilling his responsibilities as Outside Corporate Auditor of the Company appropriately.
   (2) The number of years since the candidate for our Corporate Auditor assumed the office
      Mr. Hisayoshi Rikuna would have been in office for 4 years at the conclusion of the Meeting since he assumed the post of Corporate Auditor.

(3) Outlines of facts at the Company in violation of laws and regulations or in violation of the Articles of Incorporation or other facts of inappropriate execution of business at the Company during the candidates' last periods in office as Outside Corporate Auditors of the Company, and of conduct by the said candidates to prevent such facts from occurring and as responses after the occurrence of such facts

Concerning the matter of a violation of the Anti-Monopoly Act mentioned on page 7 of this Business Report under "1. Status of the Corporate Group (4) Tasks to be accomplished," the Outside Corporate Auditors requested that Group-wide efforts be devoted to preventing recurrence and gave various proposals from the points of view of compliance and internal control.

(4) Concerning limited liability agreement with Outside Corporate Auditors

The Company executed agreement with Outside Corporate Auditors for limiting their liabilities under Paragraph 1, Article 423 of the Companies Act so that the Outside Corporate Auditors may fully perform their roles expected as such. The amount subject to the limitation of liabilities of damages shall be the amount set forth by laws and regulations. If this agenda is approved as drafted, the Company will continue the said liability limitation agreement with Mr. Hisayoshi Rikuna. The Company also intends to conclude a similar liability limitation agreement with Mr. Kazuyoshi Tokimaru. Furthermore, on the condition that the second proposal "Partial Amendments to the Articles of Incorporation" is approved, the Company will conclude a similar liability limitation agreement with Mr. Kazunari Shimizu.

Fifth Proposal:

Amendment of Remuneration for Directors

The amount of remuneration for the Company's Directors being within 500 million yen a year, in which the portion for Outside Directors is within 20 million yen a year, was resolved at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007, and this amount has been unchanged to this day. However, we would like to change the amount of remuneration for Directors to within one billion yen a year, in which the portion for Outside Directors is within 50 million yen a year, in view of changes in the economic conditions after the resolution and other circumstances. In addition, we would like to exclude salary for the employee portion of a director-employee from the amount of remuneration for Directors as before. While there are now eight (8) Directors (including two (2) Outside Directors), the number of Directors will be ten (10) (including two (2) Outside Directors) when the third proposal is approved as proposed.