

To Our Shareholders

64th Business Year Semiannual Business Report

April 1, 2009 ▶ September 30, 2009



Minebea

Minebea Co., Ltd.

Greetings from the President

The business results for the 64th Business Year will be reported at our Ordinary General Meeting of Shareholders scheduled to be held in June 2010. The business results for the FY2010 interim term (April 1, 2009 - September 30, 2009) are as follows.

■ Overview of the interim term

During the current interim term, the Japanese economy continued a decrease in capital investment, reflecting severe corporate earnings, and the employment and income environment was in difficult conditions. However, owing primarily to increases in public investment and exports, the economy generally showed signs of recovery in the second half of the period. In the U.S., the economy continued to deteriorate under the severe financial environment, but it showed signs of having bottomed out in the second half of the period, due to progress in inventory adjustment and other factors. The European economy was also in a difficult situation, but it showed signs that the fall was coming to an end in the second half of the period. The Chinese economy made a recovery in domestic demand, helped by increasing public

spending, and in other Asian countries also, the economies witnessed signs of pickup.

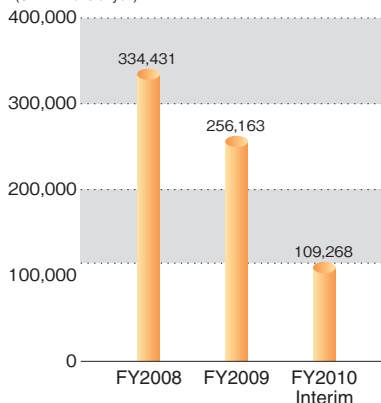
Under these management circumstances, although we strove to implement sweeping cost reduction measures, develop new technologies and high value-added products, and promote sales expansion activities, in order to further increase earnings, net sales fell mainly due to the deterioration of market conditions and currency fluctuations (the appreciation of the yen). In addition, the effects of deterioration in manufacturing costs caused by a substantial production cutback at the end of the previous fiscal year, and earnings continued to be in a severe situation.

As a result, net sales decreased ¥41,345 million (-27.5%) year on year, to ¥109,268 million, operating income fell ¥9,583 million (-81.9%) year on year, to ¥2,115 million, and ordinary income declined ¥9,862 million (-90.6%) year on year, to a loss of ¥364 million.

However, on a quarterly basis, the operating results in the current second quarter showed an approximately 11% increase in net sales compared to the previous first quarter, against a backdrop of certain economic pickups mainly in Japan and Asia. Operating

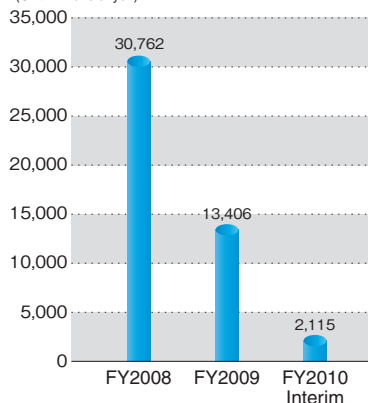
■ Net Sales

(Unit: millions of yen)



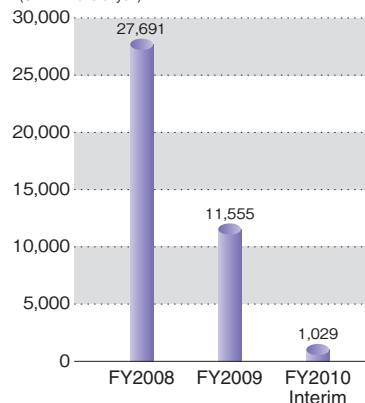
■ Operating Income

(Unit: millions of yen)



■ Ordinary Income

(Unit: millions of yen)



income returned to the black, due to progress in the improvement of manufacturing costs resulting from month-after-month recovery in production and sales and cost reduction effects.

■ Outlook for the current fiscal year

The current interim term, compared with the second half of the previous fiscal year, showed progress in earnings improvement mainly due to increases in production and sales, as well as a decrease in manufacturing costs. With respect to the second half of the current fiscal year, we expect operating results almost as planned due to almost no impact on manufacturing costs caused by the substantially decreased production in the final phase of the previous year, although there are still uncertainties about our future outlook. As for our future outlook, therefore, there is no change to our earnings forecasts announced on May 8, 2009.

The interim dividends will be ¥3 per share.

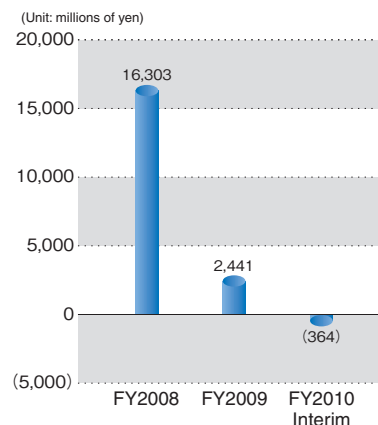
The Company plans to pay a ¥7 per share annual dividend (¥3 for interim dividends and ¥4 for fiscal year-end dividend).

We look forward to your continuous support and guidance.

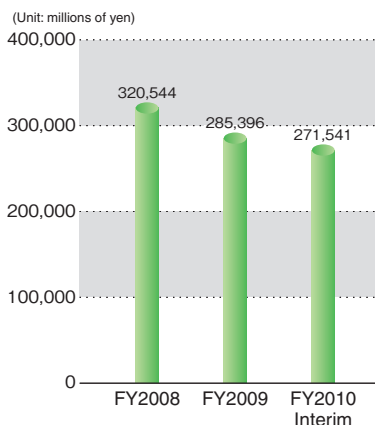


Yoshihisa Kainuma
 Representative Director
 December 2009

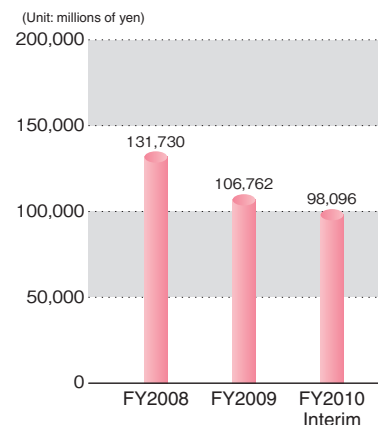
■ Net Income



■ Total Assets



■ Net Assets



Machined Components Business

- Net sales and operating income decreased significantly due to global recession, but operating income is greatly recovering month-after-month.

Our products in the Machined components business segment include ball bearings, which are our mainstay product; mechanical components such as rod-end bearings primarily for use in aircraft and pivot assemblies for use in hard disk drives (HDDs); fasteners for automobiles and aircraft; and defense-related devices and equipment. Compared with a year ago, sales of ball bearings and rod-end bearings, our mainstay products, fell due to the degradation of market conditions. In pivot assemblies, sales volume to the hard disk industry, a key sales channel of this product, increased, but net sales were flat due to the strong yen. As a result, net sales fell ¥16,080 million (-23.9%) year on year, to ¥51,090 million. Although we strove to continuously lower costs by pursuing basic technologies, product technologies and manufacturing techniques in these circumstances, the effects of deterioration in manufacturing costs caused by a substantial production cutback at the end of the previous fiscal year, and operating income decreased ¥7,547 million (-63.3%) year on year, to ¥4,369 million.

On the other hand, looking at the operating results in the current second quarter alone, net sales increased approximately 10% compared to the previous first quarter, against the backdrop of certain economic pickups primarily in Japan and Asia. Manufacturing costs were improving month-after-month owing to increases in production and sales volume, mainly in volume of ball bearings, thereby resulting in a substantial increase in operating income.

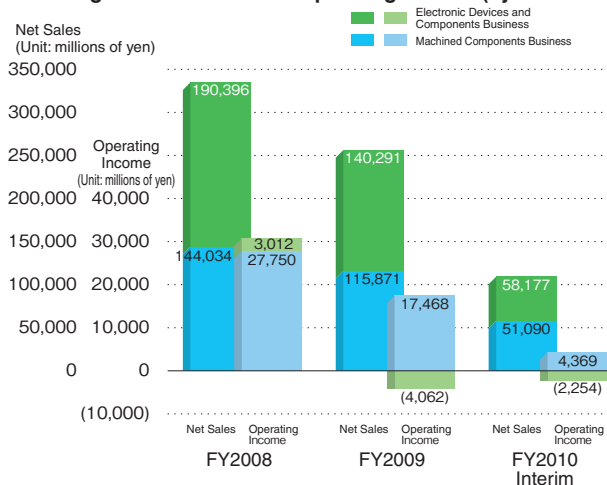
Electronic Devices and Components Business

- Net sales and operating income decreased significantly due to deteriorated motor markets, but profitability is improving steadily month-after-month.

Our core products in the Electronic devices and components business segment include information motors (fan motors, stepping motors, vibration motors and DC brush motors); HDD spindle motors; PC keyboards; speakers; LCD backlights; as well as inverters and measuring instruments. Compared with a year ago, sales of measuring equipment were relatively firm, while net sales of information motors and other motors fell due to worsened market conditions and the effects of the strong yen. As a result, net sales fell ¥25,265 million (-30.3%) year on year, to ¥58,177 million. Operating income deteriorated by ¥2,036 million year on year, to a loss of ¥2,254 million, mainly owing to sharply decreased net sales.

But in the current second quarter, sales rose mainly in areas such as information motors, HDD spindle motors and backlights for liquid crystals, reflecting the certain economic pickups mainly in Japan and Asia, and net sales increased approximately 11% compared to the previous first quarter. And due to month-after-month improvements in operating income and the return to the black on a single-month basis, the operating loss largely fell.

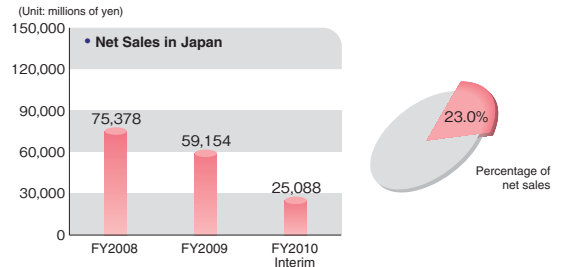
Changes in Net Sales and Operating Income (by Business)



Performance by Geographical Segment

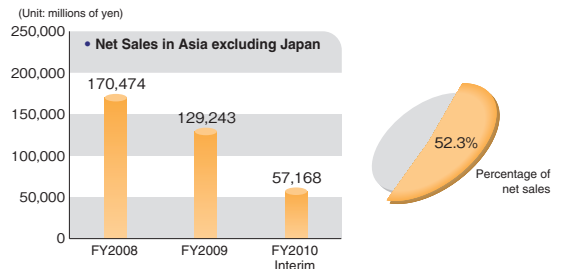
Japan

In Japan, demand was overall weak, and net sales fell ¥8,326 million (-24.9%) year on year, to ¥25,088 million, operating income fell ¥3,723 million year on year, to a loss of ¥1,285 million.



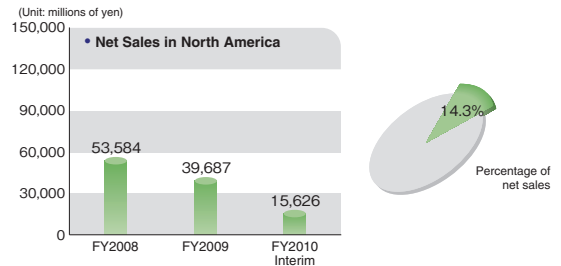
Asia excluding Japan

Asia, excluding Japan, including the Greater China region, which continues enjoying growth, is an important manufacturing base for many manufacturers of Japan, Europe, America and other countries. Net sales were sluggish, principally owing to the effects of the strong yen and decreased sales of ball bearings and information motors. As a result, net sales decreased ¥19,322 million (-25.3%) year on year, to ¥57,168 million, and operating income fell ¥4,124 million (-61.7%) year on year, to ¥2,558 million.



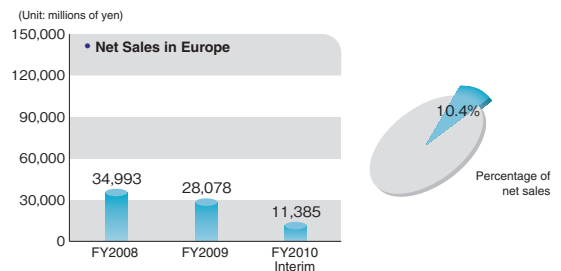
North America

In North America, net sales of U.S.-made aircraft ball bearings and rod-end bearings for use mainly in the aircraft-related industries fell year on year, due to the effects of the strong yen, although the business remained strong, led by solid demand from the industries. Net sales of PC keyboards and speakers, specialized in high value-added products, were also weak. As a result, net sales decreased ¥7,613 million (-32.8%) year on year, to ¥15,626 million, and operating income fell ¥658 million (-39.2%) year on year, to ¥1,019 million.



Europe

In Europe, all products experienced low sales amid the environment of economic downturn. Sales of electronic devices and components in particular were sluggish owing to the deterioration of the market environment. As a result, net sales decreased ¥6,084 million (-34.8%) year on year, to ¥11,385 million, and operating income fell ¥1,076 million year on year, to a loss of ¥177 million.



Shanghai Minebea Achieves Zero Release and 100% Recycling of Industrial Wastewater

In order to reduce the use of municipal water and preserve the global environment, MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD. ("Shanghai Minebea") has achieved 100% recycling of its industrial wastewater (zero release from within its plants to outside).

With newly installed wastewater recycling facilities, Shanghai Minebea purifies and recycles all of its industrial wastewater (products cleaning water, general sewage, etc.) not only for general purposes, such as toilet water, cooling water and air-conditioning cooling/heating water but also as cleaning water for products requiring high cleanliness. Shanghai Minebea has successfully reduced the use of municipal water by approximately 44% a month.

The Minebea Group has already installed similar facilities in its Bang Pa-in Plant in Thailand (operation start: January 2008), and Shanghai Minebea is the second to start this effort.



Inspection tour for local government officials



Shanghai Minebea



Wastewater recycling facilities (Shanghai Plant)

Development of Eco-Friendly and Weather-Resistant Products

○ High Corrosion Resistant Bearing "Giga Protection®" Series

By using high corrosion-resistant materials, this series improves corrosion resistance and rust prevention by 20 times or more compared to ordinary stainless steel bearings. Applications can be expected in areas requiring high corrosion resistance and rust prevention, such as fishing reels and marine products exposed to seawater (salt water); wind gauges exposed to the elements; and medical equipment eroded easily by chemicals, etc.



○ High-Performance Cooling Fan Motor "NMB Turbo Fan®" Series

Cutting power consumption by 20% compared to existing products, these motors are energy-saving, high-performance cooling fan motors for use in rack-mountable servers.



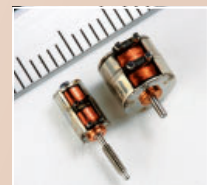
○ High Weather Resistant, Long-Life, High-Performance AC Fan Motors

These motors are high weather resistant (oil proof, dust tightness), long-life AC fan motors for products used under harsh environments, such as machine tools and inverters, and those used outdoor, such as re-chargers for solar energy generation and electric vehicles.



High-Resolution, Ultra-Small PM Stepping Motors

For use in small, low-profile digital equipment, such as blue-ray disc drives of low-profile notebook computers and cameras of cellular phones, Minebea has developed and commercialized two types of ultra-small permanent magnet stepping motors (outside diameter: 3.3 mm (20 steps) and 6 mm (40 steps)) that achieve the world's highest resolution as a mass-production model.



Consolidated Financial Statements

● Consolidated Balance Sheets (unit: millions of yen)

Assets	Fiscal year 2009 Interim (as of September 30, 2008)	Fiscal year 2010 Interim (as of September 30, 2009)	Fiscal year 2009 (as of March 31, 2009)
Current assets	150,217	119,481	121,699
Cash and cash equivalents	24,003	26,042	27,895
Notes and accounts receivable	63,703	47,174	43,355
Marketable securities	1,183	861	780
Finished goods	17,311	12,312	14,298
Work in process	12,081	9,939	11,506
Raw materials	7,932	6,336	7,245
Supplies	3,387	2,840	3,144
Goods in transit	4,662	3,254	2,542
Deferred tax assets	7,693	3,212	3,143
Others	8,421	7,655	7,939
Allowance for doubtful receivables	(163)	(149)	(151)
Fixed assets	167,721	152,059	163,697
Tangible fixed assets	148,366	124,193	135,406
Intangible fixed assets	5,883	10,913	11,881
Investments and other assets	13,470	16,952	16,408
Deferred charges	7	—	0
Total assets	317,947	271,541	285,396

Liabilities	Fiscal year 2009 Interim (as of September 30, 2008)	Fiscal year 2010 Interim (as of September 30, 2009)	Fiscal year 2009 (as of March 31, 2009)
Current liabilities	108,484	107,470	112,311
Notes and accounts payable	21,607	13,154	9,663
Short-term loans payable	56,559	50,680	58,890
Current portion of long-term loans payable	—	22,100	22,100
Lease obligations	920	678	857
Accrued income taxes	3,312	684	418
Accrued bonuses	5,989	4,942	3,806
Allowance for bonuses to directors and corporate auditors	54	—	—
Allowance for environmental remediation expenses	—	211	267
Allowance for business restructuring losses	317	56	633
Others	19,724	14,961	15,673
Long-term liabilities	80,759	65,973	66,322
Bonds	21,500	21,500	21,500
Long-term loans payable	52,000	35,350	35,400
Lease obligations	1,227	762	1,130
Allowance for retirement benefits	5,166	5,253	5,121
Allowance for retirement benefits to executive officers	124	113	136
Allowance for environmental remediation expenses	—	860	939
Allowance for business restructuring losses	—	275	299
Others	741	1,858	1,794
Total liabilities	189,244	173,444	178,633
Net Assets			
Shareholders' equity	188,848	179,487	180,579
Common stock	68,258	68,258	68,258
Capital surplus	94,756	94,756	94,756
Retained earnings	25,937	19,729	20,819
Treasury stock	(105)	(3,257)	(3,255)
Revaluation / Translation differences	(61,479)	(82,486)	(74,802)
Difference on revaluation of available-for-sale securities	2,029	(37)	(189)
Deferred gains or losses on hedges	(1)	(4)	2
Foreign currency translation adjustments	(63,506)	(82,443)	(74,615)
Minority interests in consolidated subsidiaries	1,333	1,095	986
Total net assets	128,702	98,096	106,762
Total liabilities and net assets	317,947	271,541	285,396

Note: Amounts less than one million yen have been omitted.

● Consolidated Statements of Income (unit: millions of yen)

	Fiscal year 2009 Interim (Apr. 2008 thru Sept. 2008)	Fiscal year 2010 Interim (Apr. 2009 thru Sept. 2009)	Fiscal year 2009 (Apr. 2008 thru Mar. 2009)
Net sales	150,613	109,268	256,163
Cost of sales	114,003	86,711	197,137
Gross profit	36,609	22,556	59,025
Selling, general and administrative expenses	24,911	20,440	45,619
Operating income	11,698	2,115	13,406
Other income	1,093	335	1,487
Interest income	249	99	418
Dividends income	67	48	113
Equity in net income of affiliate	—	3	—
Income from scrap sales	527	—	527
Others	248	184	428
Other expenses	1,901	1,421	3,338
Interest expenses	1,419	1,017	2,645
Foreign currency exchange loss	266	199	264
Equity in net loss of affiliate	7	—	2
Others	208	205	426
Ordinary income	10,891	1,029	11,555
Extraordinary income	81	48	396
Gain on sales of fixed assets	32	9	37
Reversal of allowance for doubtful receivables	—	3	—
Gain on liquidation of affiliates	—	—	310
Reversal of allowance for business restructuring losses	48	—	48
Insurance claim	—	35	—
Extraordinary loss	869	348	5,117
Loss on disposal of inventories	—	33	590
Loss on sales of fixed assets	13	24	29
Loss on disposal of fixed assets	284	61	432
Impairment loss	2	17	23
Loss for after-care of products	—	210	146
Allowance for environmental remediation expenses	—	—	743
Business restructuring loss	—	—	1,792
Loss on transition of retirement benefit plan	374	—	374
Special severance payments	195	—	984
Income before income taxes and minority interests	10,102	729	6,834
Income taxes (including enterprise tax)	3,204	1,230	4,433
Reversal of income taxes for prior year	—	—	(1,028)
Adjustment of income taxes	274	(298)	817
Total income taxes	3,479	931	4,223
Minority interests in earnings of consolidated subsidiaries	417	162	169
Net income (loss)	6,205	(364)	2,441

Note: Amounts less than one million yen have been omitted.

● **Consolidated Statements of Cash Flows** (unit: millions of yen)

	Fiscal year 2009 Interim (Apr. 2008 thru Sept. 2008)	Fiscal year 2010 Interim (Apr. 2009 thru Sept. 2009)	Fiscal year 2009 (Apr. 2008 thru Mar. 2009)
Cash Flows from Operating Activities	17,522	14,006	37,063
Cash Flows from Investing Activities	(9,529)	(6,222)	(24,554)
Cash Flows from Financing Activities	(7,448)	(8,720)	(6,974)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	178	(834)	(920)
Net increase (decrease) in Cash and Cash Equivalents	721	(1,769)	4,614
Cash and Cash Equivalents at Beginning of Period	23,281	27,895	23,281
Decrease resulting from change of consolidated subsidiaries balance sheet date	—	(83)	—
Cash and Cash Equivalents at End of Period	24,003	26,042	27,895

Note: Amounts less than one million yen have been omitted.

■ Corporate Data

Trade Name	Minebea Co., Ltd.
Established	July 16, 1951
Capital	¥ 68,258 million
Number of Employees	2,813
Registered Headquarters	4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan Tel: 81-267-32-2200
Head Office and Plants	Tokyo Head Office, Karuizawa Plant, Hamamatsu Plant, Fujisawa Plant, Omori Plant

■ Board of Directors

Representative Director, President and Chief Executive Officer

Yoshihisa Kainuma

Director, Executive Vice President Officer

Koichi Dosho

Director, Senior Managing Executive Officers

Hiroharu Katogi

Akihiro Hirao

Eiichi Kobayashi

Hiroyuki Yajima

Masayoshi Yamanaka

Hiroataka Fujita

Outside Directors

Kohshi Murakami

Takashi Matsuoka

■ Corporate Auditors

Standing Corporate Auditors

Tosei Takenaka

Akifumi Kamoi

Standing Outside Corporate Auditor

Kazuaki Tanahashi

Outside Corporate Auditors

Isao Hiraide

Hiroataka Fujiwara

■ Executive Officers

Senior Managing Executive Officer

Sakae Yashiro

Managing Executive Officers

Susumu Fujisawa

Motoyuki Nijjima

Junichi Mochizuki

Tsugihiko Musha

Gary Yomantas

Executive Officers

Morihiro Iijima

Takashi Aiba

Daishiro Konomi

Tatsuo Matsuda

Motoharu Akiyama

Tamio Uchibori

Koichi Takeshita

Tetsuya Tsuruta

Shuji Uehara

Shigeru None

Kunio Shimba

Hiromi Yoda

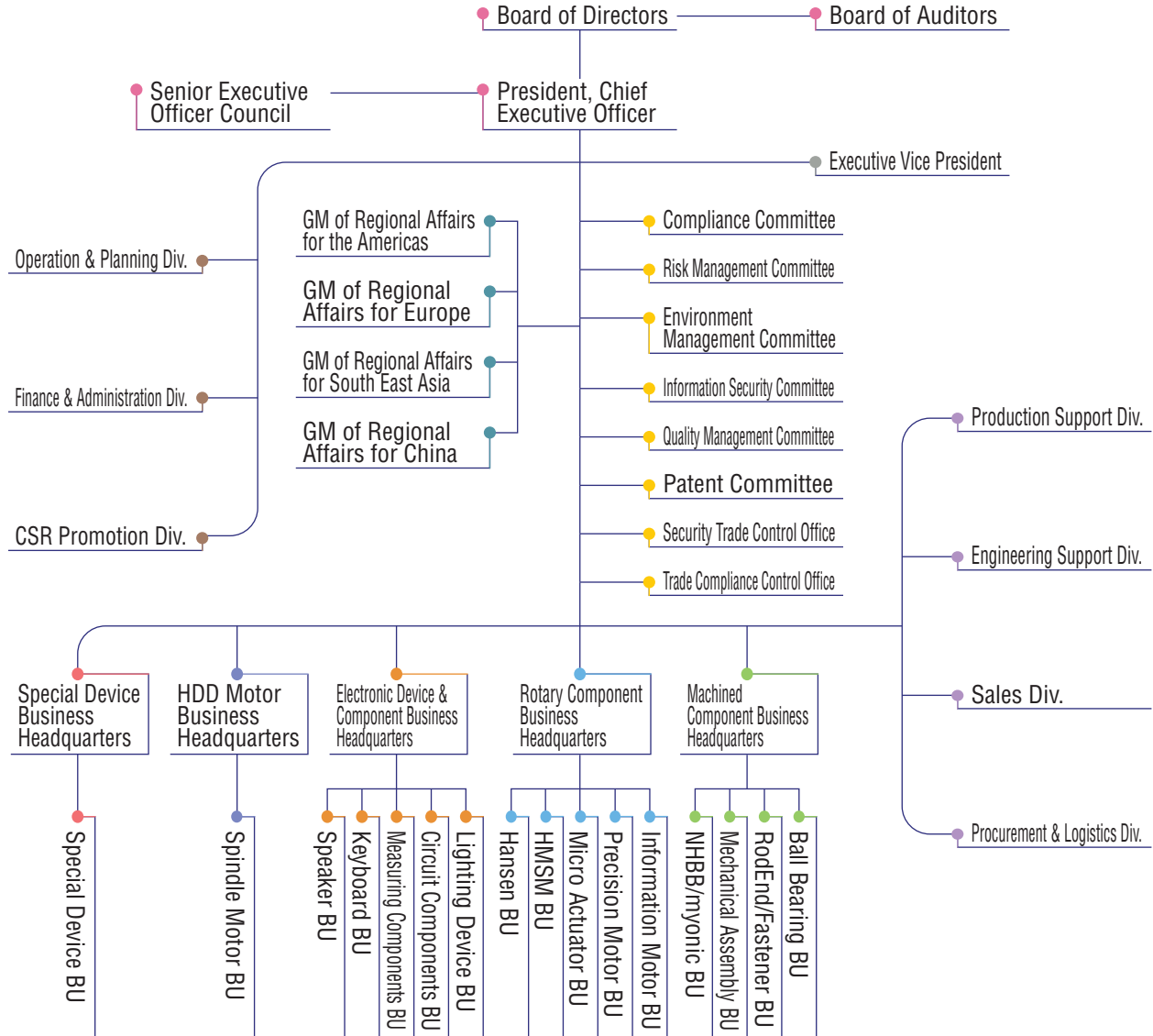
Miyuki Furuya

Harukazu Hase

Kazunori Sawayama

Ryozo Iwaya

Organization Chart



Share Information (as of September 30, 2009)

Total Number of Shares Authorized	1,000,000,000	shares
Number of Shares Issued	399,167,695	shares
Number of Shareholders	21,659	

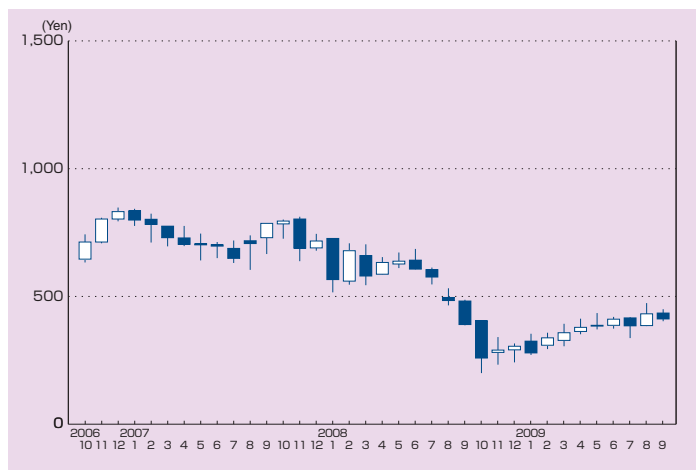
Major Shareholders (Top 10)

	Number of Shares (shares)	Shareholding Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	32,754,000	8.21
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,764,000	6.45
Japan Trustee Services Bank, Ltd. (Trust Account 4)	17,878,000	4.48
Japan Trustee Services Bank, Ltd. (Trust Account 9)	16,301,000	4.08
The Sumitomo Trust and Banking Co., Ltd.	15,349,000	3.85
Keiaisha Co., Ltd.	15,000,000	3.76
Takahashi Industrial and Economic Research Foundation	12,347,330	3.09
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057,839	2.52
Sumitomo Mitsui Banking Corporation	10,000,475	2.51
Tokio Marine & Nichido Fire Insurance Co., Ltd.	4,842,390	1.21

Note:

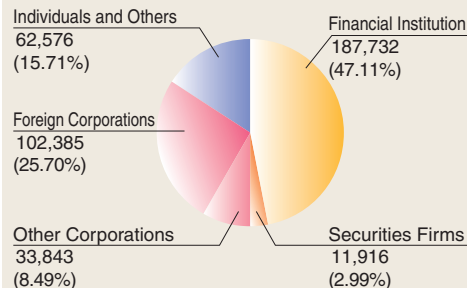
The Company holds 10,187,154 shares of treasury stock which are excluded from the major shareholders.

Stock Price on Tokyo Stock Exchange

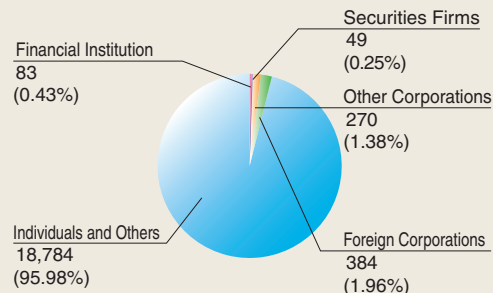


Shareholder Distribution by Unit Shares


Number of Unit Shares (1 unit = 1,000 shares)



Number of Unit Share Holders



Information for Shareholders

Business Year	From April 1 to March 31 of next year	
Ordinary General Meeting of Shareholders	June every year	
Shares per Unit	1,000 shares	
Record Date	Ordinary General Meeting of Shareholders	March 31 every year
	Year-end Dividends	March 31 every year
	Interim Dividends	September 30 every year
Agent to manage Shareholders Registry and Special Accounts Management Institution	5-33, Kitahama 4-chome, Chuo-ku, Osaka The Sumitomo Trust and Banking Co., Ltd.	
Handling Office of Agent to manage Shareholders Registry	3-1, Yaesu 2-chome, Chuo-ku, Tokyo The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department	
(Delivery Address for Postal Matters)	1-10, Nikko-cho, Fuchu-shi, Tokyo 183-8701 The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department	
(Telephone Inquiries)	 0120-176-417	
(Web Site)	http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html	
Public Notice	The Nihon Keizai Shimbun	
Common Stock Listings	Tokyo, Osaka and Nagoya	

[Payment of Interim Stock Dividends for the 64th Business Term]

The interim stock dividends for the 64th Business Term will be paid by the enclosed Receipt of Interim Stock Dividends for the 64th Business Term. Please take this Receipt to any office or post office of Japan Post Bank and Japan Post Network within the specified payment period (from December 4, 2009 to January 12, 2010) to receive your stock dividends.

For those who wish to appoint a transfer account, we enclose forms of Statement of Interim Stock Dividends for the 64th Business Term and Where to Transfer Dividends for confirmation.

(With respect to where to transfer stock dividends if the share number pro-rata distribution method is chosen, please ask the securities company with whom you deal about it.)

[Payment Notice of Listed Stock Dividends, Etc.]

The Special Taxation Measures Law, as amended in 2008 (Law No. 23 of April 30, 2008) requires that, with respect to the dividends that will be paid in or after January 2009, a Payment Notice, which states the amount of dividends, the amount of withholding taxes, etc., be sent to shareholders. (The enclosed Statement of Dividends doubles as the Payment Notice.)

The Payment Notice can be used as attached material when shareholders file a final tax return.

[Shareholders' Inquiries and Notifications Concerning Matters Such as Change of Address]

Please notify inquiries or notifications concerning procedures related to shares (such as change of registered address or name, change of the method or place to receive dividends, request to sell or buy shares less than one unit [for holders of shares less than one unit]) as follows.

- **Shareholders who hold accounts at securities companies** are requested to notify your securities companies.
- **Shareholders who do not hold accounts at securities companies** are requested to notify The Sumitomo Trust and Banking Co., Ltd. (Please also refer to the notice of "Special Accounts" below.)

[Special Accounts]

Shares of such shareholders that was yet to have used Japan Securities Depository Center, Inc. (JASDEC) by the date of the enforcement of share certificate dematerialization (January 5, 2009) are recorded on the accounts (called "special accounts") opened at the agent to manage shareholders registry, The Sumitomo Trust and Banking Co., Ltd. For details of special accounts, you are requested to use the previous page telephone number of the company.



Recognizing the importance of utilizing domestic wood products and nurturing domestic forests, Minebea Co., Ltd., supports the KIZUKAI-UNDOH ("Wood Products Utilization Campaign"), which is being promoted by Japan's Forestry Agency. The 3.9 GREENSTYLE mark is one of the campaign's logos. The production of reports such as this contributes to the use of domestic wood in papermaking materials, and thus to the increased absorption of CO₂ by trees grown in Japan.



Minebea Co., Ltd. Tokyo Head Office

ARCO Tower, 19th Floor,

1-8-1 Shimo-Meguro, Meguro-ku, Tokyo 153-8662, Japan

Tel: 81-3-5434-8611 Fax: 81-3-5434-8601

URL: <http://www.minebea.co.jp/>