

To Our Shareholders

The 67th Business Year Interim Business Report

April 1, 2012 ► September 30, 2012

Minebea
Passion to Exceed Precision

Minebea Co., Ltd.

As the interim period of the 67th Business Year (April 1, 2012 - September 30, 2012) has ended, we would like to report our business summary.

■ Overview of the interim period

During the current interim period (April 1, 2012 to September 30, 2012) demand associated with ongoing efforts to rebuild after the 3-11 earthquake continued to help fuel the Japanese economy but sluggish performance abroad and declining exports to Asia hampered an overall economic recovery. Although consumer spending in the U.S. was on track, new construction failed to pick up steam and economic growth was low while unemployment remained high. While the German economy was relatively healthy, the economy throughout the rest of Europe remained sluggish as unemployment rates rose despite countermeasures aimed at remedying the sovereign debt crisis, which had no effect on boosting the economy. Economic growth began to slow down in China as well as many other countries throughout Asia as the economic slump in Europe put a damper on their exports.

Working against this bleak backdrop, the Minebea Group has focused on cutting costs, creating high-value-added products,

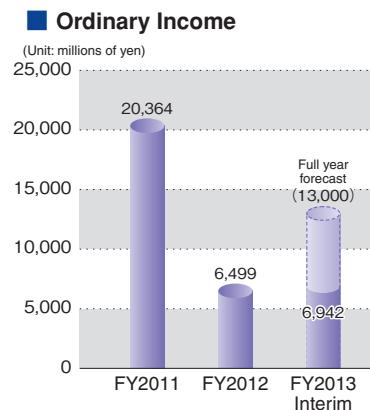
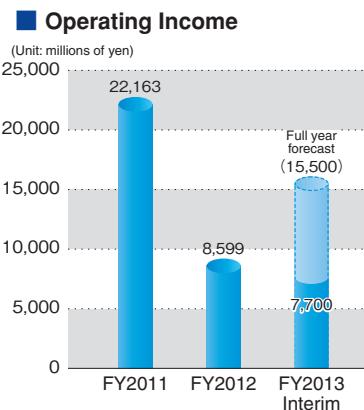
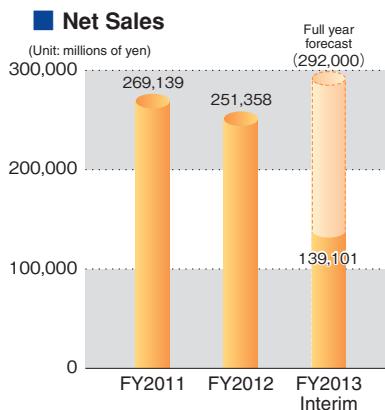
developing new technologies, and increasing our marketing activities with an eye to boosting profitability on top of ensuring positive performance via streamlined operations.

Despite the sluggish global economy, these efforts led to net sales of ¥139,101 million, up by ¥6,653 million (5.0%) year on year, operating income of ¥7,700 million, up ¥1,648 million (27.2%) year on year, and an increase in ordinary income of ¥1,910 million (38.0%) year on year that totaled ¥6,942 million. Net income also rose by ¥951 million (34.3%) to reach ¥3,720 million.

■ Outlook for the current fiscal year

The downturn in the global economy triggered by the European sovereign debt crisis as well as declining sales in China due to strained relations between Japan and China remain a concern and will no doubt have a great impact on our consolidated operating results for the third quarter and onward. Sales of products related to pivot assemblies, ball bearings, and spindle motors for hard disk drives (HDDs) are expected to remain in the doldrums due to the slump in the IT-related market, especially the HDD market. Sales for motor products including information

■ Financial Highlights (Consolidated)



motors are also expected to decline in the automobile, office automation equipment, and other markets. On the bright side, sales of aircraft parts such as rod-end bearings will continue to soar thanks to growing demand. Buoyed by the growing wave in the tablet PC and smartphone markets, sales of Liquid crystal display (LCD) backlights will also continue to grow. After making our best estimate of the total impact the current market conditions will have on our operations, we have made the following revisions to our earnings forecasts for this fiscal year.

Net sales	¥292,000 million	(116.2%)
Operating income	¥15,500 million	(180.3%)
Ordinary income	¥13,000 million	(200.0%)
Net income	¥7,400 million	(124.9%)

(Year on year)

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).

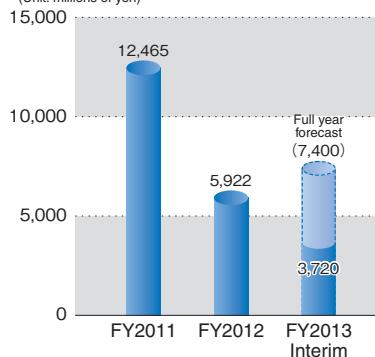
We look forward to your continuous support and guidance.



Yoshihisa Kainuma
 Representative Director
 December 2012

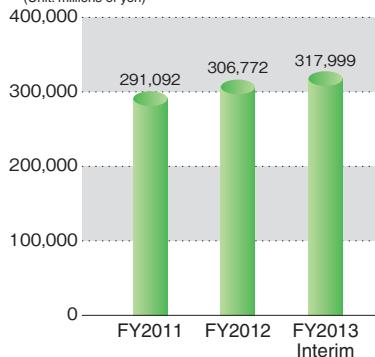
■ Net Income

(Unit: millions of yen)



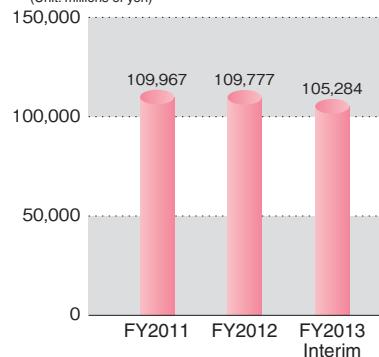
■ Total Assets

(Unit: millions of yen)



■ Net Assets

(Unit: millions of yen)



Overview by Business Segment

Machined Components Business

The Machined components business segment makes ball bearings (our anchor product), mechanical components such as rod-end bearings for aircraft, pivot assemblies for HDDs and fasteners for automobiles and aircraft. Sales of ball bearings remained strong during the first quarter as the Thai market recovered from the impact of the major flooding there. Sales, however, declined in the second quarter due to the slowdown in the global economy and deteriorating HDD market conditions. The rod-end bearings enjoyed an uptick in both sales and profits both in the first and second quarters as orders increased in line with the recovery in the aviation market. The pivot assembly maintained a big share of the market despite the severe flooding in Thailand. Both sales and profits increased year on year despite the adverse effects of the ailing HDD market in the second quarter. In the end, net sales rose ¥2,341 million (4.3%) year on year to total ¥56,944 million. We have ensured ongoing cost reductions that have boosted operating income by ¥1,093 million (8.2%) year on year to ¥14,471 million.

Rotary Components Business

The core products of the Rotary components business include information motors (fan motors, stepping motors, DC brushless motors, vibration motors and DC brush motors), HDD spindle motors and other precision motors. Unfortunately performance for information motors was lackluster due to declined demand in major markets, including Europe, as economies around the globe remained stalled. We have been working on increasing sales and cutting costs for HDD spindle motors since the first quarter. These efforts paid off and sales of high-value-added products were up in the second quarter despite the ailing HDD market. This led to a year-on-year increase in revenue and pushed the bottom-line up. Sales of precision motors were robust, especially resolvers for hybrid vehicles. The second quarter results include performance of MOATECH CO., LTD., which was acquired by the Group in May of this year. All these results together brought net sales up ¥239 million (0.5%) year on year to total ¥50,219 million while operating loss decreased ¥455 million year on year to hit ¥962 million.

Electronic Devices and Components Business

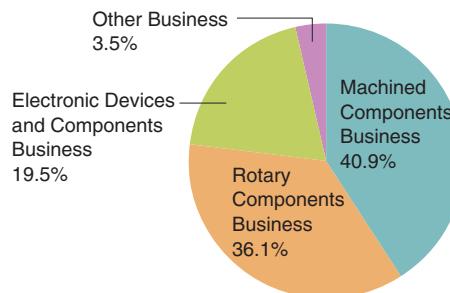
LCD backlights, inverters and measuring instruments make up the core products of the Electronic devices and components business. Sales of LCD backlights for tablet PCs, which started in the first quarter, did not reach our initial target due to a rocky start and temporary inventory adjustment problems but made a significant impact toward enhancing profitability. Now after launching production and sales of new models designed for smartphones, the overall LCD backlights has seen year-on-year increases in both sales and profits. Sales of measuring components were steady thanks to the recovering demand in the automobile market as well as enhanced production efficiency. As a result, net sales for the current interim period were up ¥7,653 million (39.3%) year on year to total ¥27,110 million while operating income was up ¥366 million (954.3%) year on year to total ¥404 million.

Other Business

The main products in the Other business segment include speakers and special devices. The special devices business saw both sales and profits remain healthy. However, the discontinuation of finished keyboard production triggered a drop in net sales during the current interim period. Although net sales fell ¥3,580 million (-42.6%) to reach ¥4,827 million, operating income was up ¥464 million year on year to reach ¥308 million.

Notes : Operating income on the consolidated statements of income for this interim period includes ¥6,520 million of corporate expenses, etc. not belonging to each segment as adjustments, an increase in expenses of ¥731 million year on year.

Net Sales Composition



Substantial Demand Growth for Resolvers^{*1} and First Application in EV Drive Motor

The Company started producing vehicle-use resolvers (rotation angle sensors) as high-precision angle sensors for installation in vehicles in 2003. Since volume production of twin brushless resolvers for steering torque sensors started in 2003, the application of the Company's resolvers has expanded to include VR resolvers for electronic power steering (EPS) units from 2008 and VR resolvers for ISGs^{*2} from 2010. In line with this, production volume has steadily increased year by year, with a total of 4.8 million resolvers scheduled for production at the Company's Bang Pa-in plant in Thailand during fiscal year 2012.

In July 2012, the Company's VR resolver was installed for the first time in the drive motor of COMS, the super-compact EV launched by Toyota Auto Body Co., Ltd.

In the future, the use of VR resolvers as rotation angle sensors in the drive motors of hybrid vehicles (HVs) and electric vehicles (EVs) is expected to expand in line with growing demand for such vehicles. Accordingly, the Company intends to boost production further to tap into continued growth in demand for VR resolvers.

*1 Resolvers are precision components that sense slight angle changes. They are used in a wide range of fields including industrial robots and machine tools, and are indispensable for increasing efficiency and saving energy

*2 Integrated starter/generator (regenerative motor)



COMS, the super-compact EV
(Picture provided by Toyota Auto Body Co., Ltd.)



A vehicle-use VR resolver

New Design! Non-Rare Earth Magnet Realizes High Torque and High-Speed Followability Launch of High-Torque 42 mm Square Hybrid Stepping Motor

The Company has launched a "high-torque hybrid stepping motor" (size 42 mm square) that does not contain rare-earth metals such as neodymium or dysprosium.

Typical motors realize high torque by utilizing a neodymium sintered magnet, which has the most powerful magnetism among permanent magnet types. However, this newly designed motor delivers motor torque equal to or greater than neodymium sintered magnets by using powerful non-rare earth magnets.

The main applications of this motor are in automated office equipment such as printers and copiers and in medical equipment that takes advantage of its high-precision control.

The Company produces 20 million motors of the same size per year. We plan for all of our motors in the future to be non-rare earth motors.

In recent years, there has been a drastic rise in prices of rare earths, including the raw material for neodymium sintered magnets, and rising concerns about their stable supply. By switching over to non-rare earth magnets from now on, the Company will lower costs and secure stable procurement of raw materials while providing a stable supply of products.



Newly designed HB stepping motor

Project to Commemorate 60th Anniversary of Minebea's Incorporation Establishment of "Charitable Trust - Minebea Scholarship Fund for Orphans of the Great East Japan Earthquake"

The "Minebea Scholarship Fund for Orphans of the Great East Japan Earthquake" is a charitable trust designed to extend the Company's support to children who lost their parents in the Great East Japan Earthquake from the time of entrance to elementary school to graduation from junior high school. The fund provides non-repayable child maintenance funding to the children with plans to provide a certain amount every year until graduation from junior high school and congratulatory money at the time of graduation.

The trust value is expected to reach ¥130 million by the end of the third year. For the fourth year of operation and after, there are plans to provide extra funding of up to ¥230 million in total, pursuant to considerations including the application situation at that time.

Consolidated Financial Statements

● Consolidated Balance Sheets (unit: millions of yen)

	Fiscal year 2012 Interim (as of September 30, 2011)	Fiscal year 2013 Interim (as of September 30, 2012)	Fiscal year 2012 (as of March 31, 2012)
Assets			
Current assets	142,180	162,322	157,787
Cash and cash equivalents	23,451	25,393	28,330
Notes and accounts receivable	57,463	63,348	58,794
Marketable securities	1,010	989	787
Finished goods	16,770	20,905	16,897
Work in process	12,738	14,641	14,623
Raw materials	7,953	10,871	9,647
Supplies	3,338	3,391	3,531
Goods in transit	4,457	4,967	4,324
Deferred tax assets	3,833	5,231	4,374
Others	11,299	12,709	16,603
Allowance for doubtful receivables	(136)	(127)	(129)
Fixed assets	137,813	155,619	148,920
Tangible fixed assets	117,157	135,583	127,039
Intangible fixed assets	6,425	5,477	5,479
Investments and other assets	14,230	14,557	16,401
Deferred charges	—	58	65
Total assets	279,994	317,999	306,772

	Fiscal year 2012 Interim (as of September 30, 2011)	Fiscal year 2013 Interim (as of September 30, 2012)	Fiscal year 2012 (as of March 31, 2012)
Liabilities			
Current liabilities	122,671	131,401	115,713
Notes and accounts payable	20,532	26,391	23,336
Short-term loans payable	54,718	63,182	53,449
Current portion of long-term loans payable	12,632	19,003	15,157
Current portion of bonds	11,500	—	—
Lease obligations	301	248	280
Accrued income taxes	1,626	1,563	791
Accrued bonuses	5,414	5,811	3,818
Allowance for bonuses to directors	30	60	23
Allowance for after-care of products	37	11	16
Allowance for environmental remediation expenses	99	88	71
Allowance for business restructuring losses	0	7	104
Asset retirement obligations	—	135	—
Others	15,778	14,898	18,665
Long-term liabilities	62,077	81,313	81,281
Bonds	—	10,000	10,000
Convertible bond-type bonds with subscription rights to shares	—	7,700	7,700
Bonds with subscription rights to shares	—	174	—
Long-term loans payable	55,302	56,077	56,237
Lease obligations	347	398	442
Allowance for retirement benefits	4,138	4,806	4,666
Allowance for retirement benefits to executive officers	129	157	145
Allowance for environmental remediation expenses	900	849	943
Others	1,259	1,148	1,146
Total liabilities	184,748	212,715	196,995
Net Assets			
Shareholders' equity	194,784	197,243	197,023
Common stock	68,258	68,258	68,258
Capital surplus	94,819	94,756	94,756
Retained earnings	39,774	43,980	41,790
Treasury stock	(8,068)	(9,752)	(7,782)
Total accumulated other comprehensive income	(101,271)	(97,504)	(87,629)
Difference on revaluation of available-for-sale securities	(731)	(193)	89
Deferred gains or losses on hedges	1	(8)	(5)
Foreign currency translation adjustments	(98,259)	(94,984)	(85,395)
Unfunded retirement benefit obligation of foreign subsidiaries	(2,283)	(2,318)	(2,318)
Subscription rights to shares	—	45	—
Minority interests in consolidated subsidiaries	1,732	5,500	384
Total net assets	95,245	105,284	109,777
Total liabilities and net assets	279,994	317,999	306,772

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

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

	Fiscal year 2012 Interim (Apr. 2011 thru Sept. 2011)	Fiscal year 2013 Interim (Apr. 2012 thru Sept. 2012)	Fiscal year 2012 (Apr. 2011 thru Mar. 2012)
Net sales	132,448	139,101	251,358
Cost of sales	103,956	107,878	198,505
Gross profit	28,492	31,222	52,852
Selling, general and administrative expenses	22,439	23,522	44,253
Operating income	6,052	7,700	8,599
Other income	556	770	1,083
Interest income	269	189	446
Dividends income	76	72	158
Foreign currency exchange gain	–	51	–
Dividends income of insurance	–	178	–
Others	210	278	478
Other expenses	1,576	1,528	3,182
Interest expenses	1,123	1,234	2,320
Foreign currency exchange loss	64	–	20
Others	388	294	841
Ordinary income	5,032	6,942	6,499
Extraordinary income	26	245	9,861
Gain on sales of fixed assets	26	245	218
Insurance income	–	–	9,614
Gain on sales of investments in securities	–	–	28
Extraordinary loss	98	2,225	10,808
Loss on sales of fixed assets	13	12	24
Loss on disposal of fixed assets	48	69	82
Impairment loss	–	–	290
Loss on disaster	–	1,461	7,844
Provision of allowance for doubtful accounts	–	669	–
Business restructuring losses	–	4	1,602
Loss on valuation of investment securities	–	–	830
Loss for after-care of products	22	–	90
Allowance for environmental remediation expenses	14	7	42
Income before income taxes and minority interests	4,960	4,962	5,551
Income taxes (including enterprise tax)	1,939	2,103	2,620
Adjustment of income taxes	374	(611)	(1,362)
Total income taxes	2,314	1,491	1,258
Income before minority interests	2,645	3,470	4,293
Minority interests in loss	(123)	(249)	(1,629)
Net income	2,769	3,720	5,922

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

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

	Fiscal year 2012 Interim (Apr. 2011 thru Sept. 2011)	Fiscal year 2013 Interim (Apr. 2012 thru Sept. 2012)	Fiscal year 2012 (Apr. 2011 thru Mar. 2012)
Cash flows from operating activities	9,545	7,874	20,233
Cash flows from investing activities	(13,722)	(21,125)	(29,018)
Cash flows from financing activities	(1,493)	10,103	4,761
Effect of exchange rate changes on cash and cash equivalents	(1,118)	(793)	(232)
Net increase (decrease) in cash and cash equivalents	(6,789)	(3,941)	(4,255)
Cash and cash equivalents at beginning of period	27,621	23,365	27,621
Increase in cash and cash equivalents from newly consolidated subsidiaries	–	112	–
Cash and cash equivalents at end of period	20,832	19,537	23,365

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

■ Corporate Data

Trade Name	: Minebea Co., Ltd.	Registered Headquarters	: 4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan Tel: 81-267-32-2200
Established	: July 16, 1951		
Capital	: ¥68,258 million	Head Office and Plants	: Tokyo Head Office, Karuizawa Plant, Hamamatsu Plant, Fujisawa Plant, Omori Plant, Yonago Plant
Number of Employees	: 2,995		

■ Board of Directors

Representative Director,

President and Chief Executive Officer

Yoshihisa Kainuma

Director, Vice President Executive 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 Auditor

Akifumi Kamo

Standing Outside Corporate Auditor

Kazuaki Tanahashi

Outside Corporate Auditors

Hiroataka Fujiwara

Hisayoshi Rikuna

■ Executive Officers

Managing Executive Officers

Susumu Fujisawa

Junichi Mochizuki

Gary Yomantas

Daishiro Konomi

Masayuki Imanaka

Tamio Uchibori

Jong Kwan Lim

Takashi Aiba

Shuji Uehara

Shigeru None

Hiromi Yoda

Executive Officers

Kunio Shimba

Ryozo Iwaya

Hiroyuki Akatsu

Tatsuo Matsuda

Koichi Takeshita

Tetsuya Tsuruta

Kazunori Sawayama

Toru Narita

Motoji Egawa

Koichiro Kojima

Michiya Kagami

Michihiro Tame

Atsushi Shiraishi

Share Information (as of September 30, 2012)

Total Number of Shares Authorized	1,000,000,000	shares
Number of Shares Issued	399,167,695	shares
Number of Shareholders	23,265	

Major Shareholders (Top 10)

	Number of Shares (shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	29,225,000	7.71
Japan Trustee Services Bank, Ltd. (Trust Account)	26,880,000	7.09
Japan Trustee Services Bank, Ltd. (Trust Account 9)	16,768,000	4.43
Takahashi Industrial and Economic Research Foundation	15,447,330	4.08
Sumitomo Mitsui Trust Bank, Limited	15,349,000	4.05
Keiaisha Co., Ltd.	15,000,000	3.96
National Mutual Insurance Federation of Agricultural Cooperatives	14,511,000	3.83
Japan Trustee Services Bank, Ltd. (Trust Account 4)	13,608,000	3.59
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057,839	2.65
Sumitomo Mitsui Banking Corporation	10,000,475	2.64

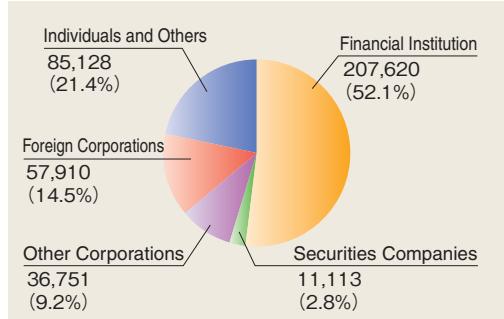
Note: 1. The Company holds 20,247,291 shares of treasury stock, which are excluded from the major shareholders.
2. Shareholding ratio is calculated exclusive of treasury stock.

Stock Price on Tokyo Stock Exchange



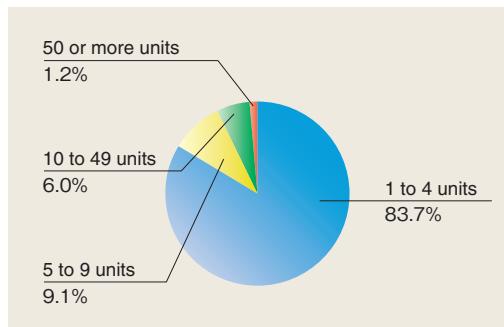
Distribution of Shareholding by Investor Type

(1 unit = 1,000 shares)



※The figure in () indicates the shareholding ratio.

Distribution of Number of Shareholders by Number of Shares Held



[Payment of Interim Stock Dividends for the 67th Business Term]

The Interim stock dividends for the 67th Business Year will be paid by the enclosed “Interim Stock Dividend Warrant for the 67th Business Year.” Please take this Warrant to any office or post office of Japan Post Bank and Japan Post Network (banking agency) within the specified payment period (from December 5, 2012 to January 10, 2013) to receive your dividends.

For those who have designated a transfer account(s), we have enclosed forms of “Statement of Interim Stock Dividends for the 67th Business Year” and “Where to Transfer Dividends” for confirmation.

(With respect to where to transfer dividends in the case you have chosen the method of share number pro-rata distribution in plural securities company accounts, please ask the securities company with which you deal about it.)

[Special Accounts]

Shares registered in our special accounts cannot be traded except for selling or buying shares less than one unit (1,000 shares). To sell or buy shares in a special account, shareholders are requested to open an account with a securities company and transfer such shares from our special account to their account. For details of the procedures, please contact the Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, the special account management institution.

What is a special account?

In line with share certificate dematerialization, all our shares are electronically registered at Japan Securities Depository Center, Inc. (JASDEC). As a general rule, such an account is managed through a shareholder's account at a securities company. Shares of such shareholders that have not notified us of their accounts at a securities company are managed at special accounts we opened at Sumitomo Mitsui Trust Bank in order to protect the shareholders' rights.

[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, change of the method or place to receive dividends, and request to sell or buy shares less than one unit [for holders of shares less than one unit]) as follows.

Shareholders whose shares are recorded in the account at a securities company	Please ask the securities company
Shareholders whose shares are recorded in the special account	Please ask the Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank.

Recommendation to Receive Dividend Payments by Direct Deposit

In line with share certificate dematerialization in January 2009 further increased convenience for shareholders, who can now choose to receive dividends by direct deposit.

If shareholders who currently receive dividends in cash at Japan Post Bank and Japan Post Network by Dividend Warrant switch to direct deposit, **their dividends will be paid into their designated accounts automatically on the commencement day of dividend payment, thus securing swift, safe and reliable receipt of dividends.**

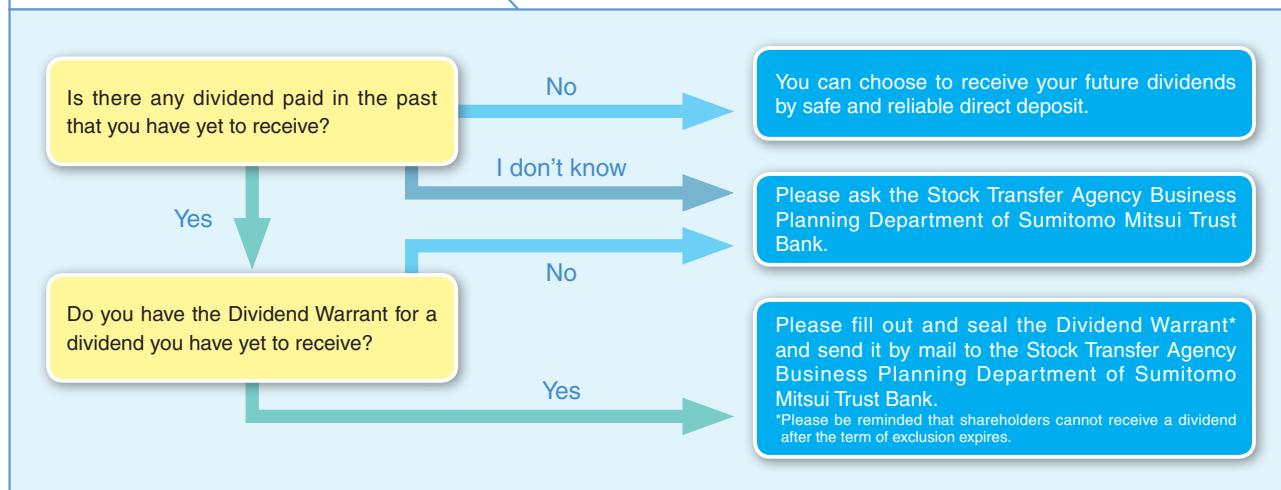
Shareholders with shares less than one unit can also select direct deposit. We would be grateful if you would consider switching to direct deposit on this occasion.

For details of the procedures, please contact your securities company or the Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank.

Are There Dividends You Haven't Received?

You can check your past receipt of dividends at the Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank. If there are dividends you are yet to receive at this point, please contact the Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank. We will send forms for the procedure.

Flowchart on dividends receivable



Contact for all Inquiries

Sumitomo Mitsui Trust Bank
Stock Transfer Agency Business
Planning Department

☎ 0120-176-417 (Weekdays 9 a.m. to 5 p.m.)
(Mailing Address) 1-10, Nikko-cho, Fuchu-shi, Tokyo, 183-8701

