



February 2, 2012

Company Name: Minebea Co., Ltd.
Representative: Yoshihisa Kainuma,
Representative Director, President and Chief
Executive Officer
Code No. 6479 TSE Div. No. 1
Contact: Yasunari Kuwano, General
Manager, Corporate Communications Office
TEL +81-3-5434-8637

Minebea to Setup M&A Framework with DBJ

Will Issue Unsecured Subordinated CB with Stock Acquisition Rights via 3rd-party Allotment

The Minebea Co., Ltd. Board of Directors has resolved today to sign a capital and business alliance agreement with the Development Bank of Japan Inc. (DBJ) for joint investments. Minebea will issue its Series I unsecured subordinated convertible bonds with stock acquisition rights (Convertible Bonds) to DBJ as outlined below.

I. Joint Investment Capital and Business Alliance with DBJ

1. Objectives and Outline

DBJ will provide Minebea with assistance with joint investment, etc. to facilitate Minebea's merger and acquisition (M&A) projects in Minebea's profitable business operations including machined components business. It will also share its expertise and information to help Minebea implement growth strategies needed to achieve the goals set in its new medium-term business plan. The plan has been made available to the public as part of Minebea's investor meeting presentation material entitled "Policy and Strategy." Both companies aim to use this opportunity as outlined below to enhance their corporate value.

1) Business alliance: (i) DBJ will provide Minebea with assistance in the form of joint

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investment, etc. in relation to M&A projects related to Minebea's profitable business operations such as its machined components business. (ii) DBJ will also provide Minebea with the know-how, information and other added value to help Minebea implement growth strategies needed to achieve the goals set in its new medium-term business plan. (iii) DBJ will also help Minebea carry out its M&A strategies by providing expert advice on the performance of target companies and businesses as well as M&A schemes.

2) Capital alliance: Unsecured subordinated convertible bonds with stock acquisition rights totaling 7.7 billion yen will be allotted to DBJ.

2. Reason for Forming the Alliance

Committed to developing high value-added products and enhancing product quality by leveraging its expertise in ultra precision machining, Minebea has focused on profitable business operations including machined components business under a basic policy of concentrating its management resources in areas where the company can maximize its group-wide integrated strengths. In order to enhance profitability on a global basis, Minebea needs to strengthen its M&A and alliance strategies with an eye to ensuring the strategic investment funds needed to this end.

DBJ has been focusing on value added investment to assist its clients' growth strategies. It provides companies with not only financial assistance but also multilateral support in terms of human resources, know-how, information networks and more as it zeros in on a specific area of their growth strategy (e.g. alliance, M&A, global, capital strategies) with an eye to ultimately enhancing their corporate value.

It was this initiative that prompted DBJ to make a capital and business alliance offer in which DBJ would make an equity investment to support Minebea's operations. In response to DBJ's offer and after discussions with DBJ, Minebea decided, in light of current market conditions and in line with its strategies, to form an alliance with DBJ as outlined in 1 above in order to enhance its corporate value.

3. Significance of the Alliance

Under the business alliance, Minebea will make joint investments with DBJ and leverage DBJ's expertise, know-how, information networks and other resources related to M&A and business alliance strategy to achieve further growth of Minebea's profitable business operations, thereby creating added value for Minebea's business operations and enhancing its corporate value. The capital alliance will give Minebea access to funds needed to strengthen its M&A and alliance

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strategies and enable Minebea to meet future needs for increasing capital in accordance with its financial strategy.

4. Details of the Alliance

(1) Business Alliance

(i) DBJ will provide Minebea with assistance in the form of joint investment, etc. in relation to M&A projects designed to enhance the profitability of Minebea's business operations including machined components business. (ii) DBJ will also provide Minebea with know-how, information and other added value to help Minebea implement growth strategies needed to achieve the goals set out in its new medium-term business plan. (iii) DBJ will also help Minebea carry out M&A projects by providing expert advice on M&A strategies, including evaluation of target companies and businesses as well as M&A schemes.

(2) Capital Alliance

Minebea today signed an underwriting agreement with DBJ for its Series I unsecured subordinated convertible bonds with stock acquisition rights. Under the agreement, the full value 7.7 billion yen of the said bonds to be issued by Minebea will be allotted to DBJ. See "II. Issuance of Subordinated Convertible Bonds with Stock Acquisition Rights" for more information.

As of February 2, 2012 Minebea and DBJ have reached an agreement as outlined below concerning transfer of the Convertible Bonds as well as transfer of Minebea's common shares to be issued upon execution of the stock acquisition rights attached to the Convertible Bonds (Convertible Bonds, etc.) under the capital and business alliance agreement (Agreement).

During the term of the Agreement (as a general rule, the period running from execution of the Agreement through February 20, 2017; the same applies hereafter), DBJ (1) will not transfer the Convertible Bonds, etc. to any third party without Minebea's permission, but (2) may transfer the Convertible Bonds, etc. to any third party without Minebea's permission when transferring the said bonds under any of the following circumstances: (i) The amount of said Convertible Bonds, etc. is higher than the number calculated at a fixed ratio based on the number of years from the pay-in date (or all of the Convertible Bonds, etc. upon or after expiration of the Agreement); (ii) Said transfer is in response to a tender offer to acquire Minebea stock certificates (on condition that such a tender offer be consented to by Minebea); (iii) Early redemption of the Convertible Bonds, etc. is required due to a public tender offer or change of control; or (iv) Minebea agrees to lift restrictions on transferring the Convertible Bonds, etc. prior to making a joint investment with DBJ. (3) DBJ, however, may not transfer the Convertible Bonds, etc. to any third party who intends to buy a large number of Minebea shares or other securities until the Minebea Board of

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Directors resolves not to take any defense measures against such third party.

Minebea may purchase, or have a third party buy, the Convertible Bonds, etc. if DBJ notifies Minebea of its intention to transfer the said bonds to a third party on the basis of negotiations (excluding transfer of bonds on the market) as well as the general terms and conditions for such transfer of the bonds during the effective term of the Agreement and if Minebea agrees to the said terms and conditions (right of first refusal). Only when Minebea does not agree to the said terms and conditions, may DBJ transfer the bonds to the third party. However, DBJ is not required to give Minebea said notice in cases where DBJ intends to sell shares of Minebea common stock on the market, etc. as specified by law. DBJ will make an effort to keep the number of shares to be sold below a reasonable level by taking into consideration the stock trading volume when selling said shares on the market during the effective term of the Agreement.

If DBJ assigns the concomitant obligations under the Agreement to its subsidiary and transfers all of the Convertible Bonds to the said subsidiary after giving Minebea prior notice, DBJ will not be bound by the restrictions on transferring the said bonds as specified in (1) and (2) above and Minebea will not have any right of first refusal.

Minebea currently has no plans to acquire DBJ shares or equity.

(3) About DBJ

For more information about DBJ, see "II. Issuance of Subordinated Convertible Bonds with Stock Acquisition Rights, 7. Reason for Selecting DBJ and Other Related Matters, (1) Overview of DBJ."

5. Term of Agreement

The Agreement will be effective as of February 2, 2012 (on the condition that the Convertible Bonds will be issued on the 20th of the same month when payment is due) and will remain in effect until February 20, 2017.

The Agreement will automatically renew itself for subsequent one year terms thereafter unless either party to the Agreement notifies the other of its desire to terminate the Agreement upon expiration.

6. Schedule

(1) Resolution by Board of Directors	February 2, 2012
(2) Signing of the Agreement	February 2, 2012
(3) Signing of the underwriting agreement for the Convertible Bonds	February 2, 2012
(4) Payment for the Convertible Bonds	February 20, 2012

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7. Outlook for the Future

Minebea plans to increase its corporate value through the implementation of its new medium-term business plan. The M&A-related support to be provided by DBJ under the alliance agreement, including joint investment opportunities, as well as access to DBJ's know-how, information network and other resources, will help enhance Minebea's operational profitability. The alliance will not only increase Minebea's corporate value, but once the Convertible Bonds are converted, it will help Minebea reduce interest-bearing debt and improve its financial health.

(Reference) Fiscal 2012 consolidated earnings forecast (announced February 2, 2012) and fiscal 2011 consolidated results (in millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Consolidated earnings forecast (fiscal year ending March 2012)	255,000	9,500	7,000	5,000
Consolidated results (fiscal year ended March 2011(fiscal year ending March 2012))	269,139	22,163	20,364	12,465

II. Issuance of Subordinated Convertible Bonds with Stock Acquisition Rights

1. Overview of the Offer

(1)	Issue date	February 20, 2012
(2)	Total number of stock acquisition rights	77
(3)	Issue price of bonds and acquisition rights	Price per bond: 7.7 billion yen (100 yen per 100 yen par value) Price per stock acquisition right: No payment required
(4)	Number of dilutive shares underlying the issuance	20,157,000 shares
(5)	Total issue amount	7,700,000,000 yen

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(6)	Conversion price	When stock acquisition rights are exercised, the value of each share received (Conversion Price) will initially be 382 yen. The Conversion Price will not be revised.
(7)	Offer and method of allotment (Party to which bonds will be allotted)	The amount will be issued in full to Development Bank of Japan via a third-party allotment.
(8)	Other	Each of the items above is subject to the validation of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan.

2. Purpose of and Reason for the Offer

The offer of the Convertible Bonds is made as part of the alliance agreement between Minebea and DBJ, which will give Minebea access to strategic investment funds needed to strengthen its M&A and alliance strategies as described in "I. Joint Investment Capital and Business Alliance with DBJ."

3. Amount, Use and Scheduled Timing for Expenditure of Funds to Be Raised

(1) Amount of funds be raised (approximate net amount)

Aggregate amount to be paid	Approximate costs of issuance	Approximate net amount
7,700,000,000 yen	55,000,000 yen	7,645,000,000 yen

Note 1. Approximate costs of issuance do not include consumption tax.

- Costs of issuance include expenses for calculating the value of the Convertible Bonds, preparing a security registration statement, as well as legal and registration expenses.

(2) Use of proceeds to be raised

Use of funds	Amount	Scheduled payment date
Funds will be used for investments needed for future M&As related to Minebea's operations	7,645,000,000 yen	Within one year from the pay-in date

Note 1. In the event of any significant change in the payment schedule or other related matter, the funds may be used to cover part of the capital investments needed to achieve the goals set in the new medium-term business plan and ultimately enhance Minebea's corporate value.

Capital investments will include the following.

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Company name (Location)	Segment name	Equipment	Estimated amount of investment	Fund raising method	Scheduled start/ completion date	
			Total amount (millions of yen)		Start	Completion
Minebea (Cambodia) Co., Ltd. (Phnom Penh, Cambodia)	Rotary components (Buildings and structures)	Buildings	2,500	Capital increase (*)	May 2012	March 2013
NMB-Minebea Thai Ltd. (Ayutthaya , Thailand)	Rotary components (Spindle motors)	Structures Machinery equipment	4,789	Funds on hand and loans	May 2012	March 2013
NMB-Minebea Thai Ltd. (Ayutthaya , Thailand)	Machined components (Ball bearings)	Machinery	8,580	Funds on hand and loans	May 2012	March 2013

(*) Capital increase by Minebea (Cambodia) Co., Ltd.

2. The funds raised will be properly managed in Minebea's bank accounts until used.

4. Rationale behind Use of Funds

The funds will be used for 1) M&As and alliances aimed at increasing earnings from Minebea's business operations, or 2) some capital investments needed to achieve the goals set in the new medium-term business plan and ultimately enhance Minebea's corporate value. Minebea believes that using the funds in this manner is reasonable because it will establish a base for growth that will increase corporate value over the medium- to long-term. Consequently, Minebea believes raising these funds will benefit its shareholders.

5. Use of Minebea's Own Shares upon Execution of the Convertible Bonds

Minebea repurchased 10,000,000 shares of its own stock in the fiscal year ended March 2009, 5,000,000 shares in the fiscal year ended March 2010, and 5,000,000 shares in the fiscal year ending March 2012 and held 20,245,985 shares of its own stock as of September 30, 2011. The company intends to use these shares when converting the Convertible Bonds to its shares.

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Minebea plans to strategically leverage its own shares to minimize new stock issues.

6. Rationale behind Bond Terms and Conditions

(1) How the amount to be paid is calculated

Minebea has carried out a comprehensive review in light of the liquidity of Minebea's equity, current share price levels, volatility of its stock, and credit costs borne by bondholders to determine bond terms and conditions, including issuing price, Conversion Price, and interest rates for Convertible Bonds. In the interest of ensuring fairness, Minebea outsourced the valuation analysis of the Convertible Bonds to Plutus Consulting, a third party valuation service company located in Minato-ku, Tokyo, and has obtained a copy of their valuation report (Plutus Valuation Report). Taking into account the volatility of Minebea's share price, trading volume, and DBJ's retention policy, the Plutus Valuation Report concludes that the Convertible Bonds are fairly valued on the basis of a Monte Carlo simulation, one of the most widely used models for calculating the price of equity options. Trading volume, one of the components of the valuation, uses the average daily trading volume based on data from the most recent five years. Minebea believes that the assumption that liquidity will continue to remain at current levels is unreasonable since there is no objective model that can determine future trading volume at the time the Convertible Bonds are issued.

Minebea believes it is reasonable to base the Conversion Price on recent market prices. Therefore, upon consultation with DBJ, both parties have agreed and decided that the Conversion Price will be 382 yen (rounded up to the nearest whole yen). That figure is equivalent to the closing price of Minebea's ordinary shares on the TSE 336 yen on February 1, 2012, the day before the Board of Directors adopted the resolution to issue Convertible Bonds, multiplied by 1.136.

Taking into account the independent third-party valuation by Plutus Consulting, Minebea has examined various quantitative and qualitative factors which could affect the value of its Convertible Bonds. In light of Minebea's own analysis, the Minebea Board of Directors determined at its February 2, 2012 meeting that it was a sound decision to make the issue price of the stock acquisition rights gratis and that the conditions of issuance are not particularly beneficial to Minebea since the economic value gained by attaching the said rights is roughly equivalent to the cost of issuing the Convertible Bonds, given that the conditions adopted result in (a) a fair and reasonable valuation of the stock acquisition rights attached to the Convertible Bonds and (b) a reduction in interest payments. In addition, having conducted an audit concerning the issuance of Convertible Bonds as required by the Companies Act, Minebea's four corporate auditors (including three external auditors), expressed the opinion at the February 2, 2012 Board of Directors meeting, where a resolution to issue the Convertible Bonds was adopted, that the Board of Directors decision deeming that the conditions of issuance were not

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advantageous to DBJ did not present a material breach of law.

(2) Rationale behind decision regarding the number of shares to be issued and the scale of share dilution

Conversion of the Convertible Bonds will result in the issuance of 20,157,000 shares (20,157 voting rights). This is equivalent to 5.05% of Minebea's current 399,167,695 issued shares and 5.33% of the recent total number of voting rights (378,268). Issuing Convertible Bonds will enable Minebea to secure the strategic investment funds necessary to step up its M&A and alliance efforts and achieve further growth. This will ultimately enhance Minebea's corporate value and in turn benefit its shareholders, outweighing any impact from dilution. Minebea also plans to leverage the 20,245,985 shares of its own stock held as of September 30, 2011 when the Convertible Bonds are converted to Minebea shares as described in 5 above. This will limit the number of shares to be issued upon conversion of the Convertible Bonds. Minebea therefore believes that the scale of dilution caused by the issuance of the Convertible Bonds will be limited.

7. Reason for Selecting DBJ and Other Related Matters

(1) Overview of DBJ

(1)	Name	Development Bank of Japan Inc.
(2)	Location	9-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Toru Hashimoto, President and CEO
(4)	Principal business	Finance and insurance
(5)	Capital	1,187,364,000,000 yen (as of December 31, 2011)
(6)	Established	October 1, 2008
(7)	Number of shares issued	43,623,880 shares (as of December 31, 2011)
(8)	Fiscal year-end	March 31
(9)	Number of employees	1,147 (as of September 30, 2011)
(10)	Main clients	-
(11)	Main banks	-
(12)	Major shareholders and shareholding ratio	Finance Minister of Japan 100%
(13)	Relationship with	-

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	Minebea		
	Capital relationship	Minebea has no material capital relationship with DBJ, nor are there any material capital relationships between parties and companies affiliated with Minebea and parties and companies affiliated with DBJ.	
	Personal relationship	No material personal relationships exist between Minebea and DBJ, nor are there any material personal relationships between personnel or companies affiliated with Minebea and personnel or companies affiliated with DBJ.	
	Business relationship	Minebea has no material business relationships with DBJ, nor are there any material business relationships between parties and companies affiliated with Minebea and parties and companies affiliated with DBJ.	
	Related party status	DBJ is not a related party of Minebea. Also related persons and related companies of DBJ are not related parties of Minebea.	
(14)	Business performance and financial status over the last three years (in millions of yen, unless otherwise specified)		
Fiscal year	Fiscal year ended March 2009 (6-month results)	Fiscal year ended March 2010	Fiscal year ended March 2011
Consolidated net assets	2,086,456	2,327,538	2,409,995
Consolidated total assets	14,028,056	15,595,740	14,845,213
Consolidated net assets per share (yen)	51,921.75	52,829.56	55,118.08
Consolidated ordinary income	151,206	347,921	345,189
Consolidated ordinary income	-121,693	51,905	95,015
Consolidated net income	-128,342	39,893	101,583
Consolidated net income per share (yen)	-3,208.55	970.47	2,328.63
Dividend per share (yen)	-	230.00	1,147.00

Note: DBJ has enacted an internal control policy and established an organizational function that ensures the duties performed by its executives and employees comply with applicable laws and regulations as well as its articles of incorporation. It does not tolerate any connection with any individuals or organizations that pose a threat to the order and safety of society.

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Furthermore, all shares in DBJ are held by the Finance Minister of Japan. In light of the facts mentioned above, Minebea is certain that no connection exists between DBJ's management, its employees or shareholders and any organizations engaged in "anti-social" activities and has presented documentation certifying that no such connections exist to Tokyo Stock Exchange Group, Inc., Osaka Securities Exchange Co., Ltd. and Nagoya Stock Exchange, Inc.

(2) Reasons for selecting DBJ

Minebea believes that strengthening its M&A and alliance strategies and securing a sufficient amount of strategic investment funds are vital to enhancing the profitability of its business operations. In the course of considering these matters, Minebea received an offer from DBJ involving the use of equity investment to resolve issues Minebea is facing and aid its growth over the long-term (with a new investment plan designed to increase the corporate value of both Minebea and DBJ through joint investments with DBJ and/or DBJ's investment destinations, as well as the provision of know-how, information and other added value by DBJ). Minebea believes this plan offers a perfect solution to the challenges it faces. Considering DBJ has a policy of actively investing in corporations with future potential, is completely neutral, is extremely trustworthy, and has a long list of financing and investment achievements under its belt, Minebea decided to seize this opportunity and form a capital and business alliance with DBJ, allotting Convertible Bonds to DBJ on the basis of the alliance agreement.

(3) DBJ's holding policy

Minebea has confirmed that DBJ plans to hold on to its holdings of shares obtained through the exercise of its stock acquisition rights attached to the Convertible Bonds in accordance with the capital and business alliance agreement.

As noted in "I. Joint Investment Capital and Business Alliance with DBJ" and "(2) Capital Alliance" under "4. Details of the Alliance," DBJ and Minebea have agreed that the transfer of Minebea's common shares to be issued upon execution of the stock acquisition rights will be subject to certain restrictions.

(4) Verification of sufficient funds

Minebea has confirmed that DBJ has sufficient funds to pay for the Convertible Bonds based on the semiannual financial statements DBJ had submitted to the head of the Kanto Local Finance Bureau on December 21, 2011, which included an interim balance sheet stating that it had cash and deposits amounting to 134,353 million yen (as of September 30, 2011).

8. Major Shareholders and Their Shareholding Ratio after Subscription

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Before subscription (as of September 30, 2011)		After subscription	
The Master Trust Bank of Japan, Ltd. (trust account)	7.49%	The Master Trust Bank of Japan, Ltd. (trust account)	7.49%
Japan Trustee Services Bank, Ltd. (trust account)	7.03%	Japan Trustee Services Bank, Ltd. (trust account)	7.03%
The Sumitomo Trust and Banking Co., Ltd.	3.85%	Development Bank of Japan Inc.	5.05%
Keiaisha Co., Ltd.	3.76%	The Sumitomo Trust and Banking Co., Ltd.	3.85%
Japan Trustee Services Bank, Ltd. (trust account 4)	3.61%	Keiaisha Co., Ltd.	3.76%
Japan Trustee Services Bank, Ltd. (trust account 9)	3.54%	Japan Trustee Services Bank, Ltd. (trust account 4)	3.61%
Takahashi Industrial and Economic Research Foundation	3.09%	Japan Trustee Services Bank, Ltd. (trust account 9)	3.54%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.52%	Takahashi Industrial and Economic Research Foundation	3.09%
Sumitomo Mitsui Banking Corporation	2.51%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.52%
Trust & Custody Services Bank, Ltd. (pension trust account)	2.08%	Sumitomo Mitsui Banking Corporation	2.51%

Note 1. The shareholding ratio before subscription is based on the register of shareholders as of September 30, 2011.

2. The shareholding ratio before subscription does not include the percentage of shares owned by Minebea (5.07%).
3. Since Minebea plans to use some of the 20,245,985 shares it currently holds (as of September 30, 2011) when converting the Convertible Bonds, the total number of shares outstanding, which is used as the denominator for calculating the shareholding ratio after subscription, does not include the 20,157,000 shares to be issued when all of the Convertible Bonds are converted at the initial Conversion Price, but these 20,157,000 shares are assumed to have been issued to DBJ and are included in the total number of shares to be held by DBJ after subscription.

9. Outlook for the Future

See: "7 Outlook for the Future" under "Joint Investment Capital and Business Alliance with DBJ," for a detailed discussion of the future impact of Convertible Bonds issued via third party

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allotment.

(Corporate Conduct Procedures)

Matters Relating to Corporate Conduct Procedures

The third-party allotment under discussion will not result in 1) a dilution of more than 25% of shares or 2) a change of major shareholders (no change in major shareholders is expected even in the event all stock acquisition rights should be exercised). That means, according to Article 432 of the Security Listing Regulations stipulated by the Tokyo Stock Exchange, Article 2 of the Regulations on Corporate Code of Conduct stipulated by the Osaka Stock Exchange, and Article 34 of the Regulations on Timely Disclosure of Information by Companies Issuing Listed Marketable Securities stipulated by the Nagoya Stock Exchange, there is no need to obtain the opinion of an independent third party or the shareholders for the third-party allotment.

10. Earnings and Equity Finance over the Last Three Years

(1) Earnings for the last three years (consolidated)

	Fiscal year ended March 2009	Fiscal year ended March 2010	Fiscal year ended March 2011
Consolidated net sales	256,163 million yen	228,446 million yen	269,139 million yen
Consolidated operating income	13,406 million yen	12,059 million yen	22,163 million yen
Consolidated ordinary income	11,555 million yen	10,203 million yen	20,364 million yen
Consolidated net income	2,441 million yen	6,662 million yen	12,465 million yen
Consolidated net income per share (yen)	6.18 yen	17.20 yen	32.61 yen
Dividend per share (yen)	7 yen	7 yen	7 yen
Consolidated net assets per share	271.93 yen	279.87 yen	282.03 yen

(2) Total number of shares issued and total number of dilutive shares

(as of February 2, 2012)

	Number of shares	Percentage to shares issued

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Number of shares issued	399,167,695 shares	100%
Dilutive shares at current conversion (exercise) price	-	-
Number of dilutive shares at the lowest possible conversion (exercise) price	-	-
Number of dilutive shares at the highest possible conversion (exercise) price	-	-

(3) Recent share price movements

1) Share prices for the last three years

	Fiscal year ended March 2010	Fiscal year ended March 2011	Fiscal year ending March 2012*
Open	363 yen	579 yen	459 yen
High	581 yen	593 yen	464 yen
Low	337 yen	342 yen	235 yen
Close	569 yen	459 yen	336 yen

*Share prices for the fiscal year ending March 2012 are the prices as of February 1, 2012.

2) Share prices for the last six months

	September	October	November	December	January	February*
Open	319 yen	255 yen	283 yen	346 yen	327 yen	340 yen
High	321 yen	305 yen	340 yen	355 yen	353 yen	342 yen
Low	253 yen	235 yen	265 yen	302 yen	311 yen	335 yen
Close	263 yen	285 yen	338 yen	322 yen	340 yen	336 yen

*February prices are as of February 1, 2012.

3) Share prices on the day before the date the Minebea Board of Directors approves issuing of Bonds

	February 1, 2011
Open	340 yen
High	342 yen
Low	335 yen
Close	336 yen

(4) Equity finance over the last three years

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Not applicable

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Minebea Co., Ltd. Series I Unsecured Subordinated Convertible Bonds with Stock Acquisition Rights
Terms and Conditions

These terms and conditions apply to the Minebea Co., Ltd. unsecured subordinated convertible bonds with stock acquisition rights to be issued by Minebea on February 20, 2012 pursuant to the approval of the board of directors thereof on February 2, 2012 (hereinafter referred to as "Convertible Bonds" with the bond portion thereof referred to as "Bonds" and the stock acquisition rights portion thereof referred to as "Stock Acquisition Rights").

1. Name of the Bonds

Minebea Co., Ltd. Series I Unsecured Subordinated Convertible Bonds with Stock Acquisition Rights

2. Total issuance

7.7 billion yen

3. Price per bond

100,000,000 yen; one class only

4. Amount to be paid in

100 yen per 100 yen par value

No payment is required for Stock Acquisition Rights.

5. Convertible Bond Certificate

Registered, with no certificates issued for the new convertible bonds.

Pursuant to Article 254-2 and 3 of the Companies Act Convertible Bonds may neither be split into Stock Acquisition Rights and Bonds nor be transferred separately.

6. Interest rate

0.6% per annum

7. Collateral or guarantee

The Convertible Bonds are not secured or guaranteed, nor have any assets been set aside for the Convertible Bonds.

8. Subscription date

February 20, 2012

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9. Pay-in date for the Bonds and allotment date for Stock Acquisition Rights

February 20, 2012; provided, however, that the allotment of Stock Acquisition Rights is subject to payment of the issue price of the Bonds on the pay-in date.

10. Offer method

Third-party allotment in full to Development Bank of Japan ("DBJ")

11. Redemption and term of the bonds

(1) Redemption upon maturity

The Bonds shall be redeemed at the full par value of 100 yen per 100 yen amount on February 20, 2017 (the redemption date).

(2) Early redemption

(A) Early redemption due to a reason attributable to the issuer

1) Early redemption due to corporate restructuring

In the event that Corporate Restructuring Activities (defined below) are approved at a general shareholders' meeting of Minebea, or resolved by the board of directors thereof in the event that shareholder approval at a general shareholders' meeting is not required, (the day such approval or resolution is made shall be hereinafter referred to as the "Corporate Restructuring Activities Approval Date"), where shares of common stock of the Surviving Entity (defined below) are not listed on any financial instruments exchange, then Minebea shall, by giving the holders of the Convertible Bonds ("Bondholders") notice thereof no later than 30 days before the redemption date (i.e. the day before the said Corporate Restructuring Activities become effective), redeem all outstanding Bonds (without exception) at the following redemption price, together with all accrued but unpaid interest, on or before the redemption date.

When bonds are redeemed according to the provision above, the redemption price shall be calculated according to the following table depending on the reference parity and redemption date (the table shows the percentage value for each Bond).

Redemption date	Reference parity						
	80	90	100	110	120	130	140
February 20, 2012	100	100	106	116	122	130	140
February 20, 2013	102	104	108	117	123	129	140
February 20, 2014	102	104	108	117	123	129	140
February 20, 2015	101	103	106	116	121	128	140
February 20, 2016	100	102	104	113	119	126	140

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February 20, 2017	100	100	100	110	120	130	140
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Reference parity shall be determined according to the following terms.

- (i) In the event that ordinary shareholders of Minebea are paid out in cash only due to Corporate Restructuring Activities:

Reference parity shall be the value calculated by dividing the amount of cash payable per share of common stock by the valid conversion price as of the date on which the Corporate Restructuring Activities are approved (calculated to 5 decimal places with the last digit rounded to the fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage).

- (ii) Cases other than that described in (i) above:

Reference parity shall be the value calculated by dividing the average Closing Price (defined below) for Minebea common stock in ordinary trading on the Tokyo Stock Exchange ("TSE") for five consecutive Trading Days (defined below) beginning on the Trading Day immediately after the date on which the Minebea Board of Directors or other Minebea body, pursuant to the Companies Act, resolves or approves the terms and conditions of the Corporate Restructuring Activities, including the amount of payment or issue to be made in relation to the said Corporate Restructuring Activities (or the date on which the terms and conditions of the said Corporate Restructuring Activities are publicly announced if said announcement is made after the date of the resolution or approval by the Board), by the valid conversion price on the fifth consecutive Trading Day (calculated to 5 decimal places with the last digit rounded to the nearest fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage). "Trading Day" shall be the day on which shares of Minebea common stock are traded normally on the TSE, excluding days on which there is no closing price (including indicative quotes) for Minebea common stock ("Closing Price"). Should the conversion price described in Paragraph 14-(3)-(C)-2) need to be changed for any reason during the said five Trading Days, the average Closing Price for Minebea common stock over said five Trading Days shall be reasonably adjusted pursuant to the provisions set forth in Paragraph 14-(3)-(C)-2).

In the event that the relevant reference parity or redemption date is not listed in the above table, the redemption amount shall be calculated as follows; provided, however, that the redemption amount calculated pursuant to the following method shall be equal to the full amount of each bond.

- (i) If the reference parity falls between two values listed on the first line of the above table, or if the redemption date falls between two dates listed in the first column, then the redemption amount shall be calculated by a straight line

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interpolation between the two values or two dates, or both, as the case may be (calculated to 5 decimal places with the last digit rounded to the nearest fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage); provided, however, that interpolation between dates shall be calculated on the basis of a 365 day year.

- (ii) If the reference parity is higher than the value shown to the far right on the first line of the above table, then the reference parity shall be regarded as equal to such value.
- (iii) If the reference parity is lower than the value shown to the far left on the first line of the above table, then the reference parity shall be regarded as equal to such value.

"Corporate Restructuring Activities" herein refers to activities such as mergers in which Minebea is the extinguishing entity, absorption-type company splits or incorporation-type company splits in which Minebea is the split-off entity (limited to cases in which the Surviving Entity assumes Minebea's obligations under the terms and conditions stipulated for Bonds and delivers new stock acquisition rights in place of the Stock Acquisition Rights), share exchange or transfer (limited to cases in which Minebea becomes a wholly owned subsidiary of another company), or other corporate restructuring procedure under Japanese law pursuant to which Minebea's obligations under the Bond terms and conditions are assumed by another company.

"Surviving Entity" herein, with respect to Minebea's Corporate Restructuring Activities, refers to the surviving company in an absorption-type merger or new company in a consolidation-type merger, the succeeding company in an absorption-type company split or new company in an incorporation-type company split, the absolute parent company in a share exchange or transfer, or any similar company deriving from corporate restructuring procedures pursuant to Japanese laws that assumes the obligations of the Minebea under the Bond terms and conditions.

Once Minebea has issued a notice pursuant to (A)-1) hereof, it may not rescind or cancel such early redemption notice.

2) Early redemption in connection with delisting due to a public tender offer

In the event that a public tender offer is made for Minebea common stock pursuant to the Financial Instruments and Exchange Act, and Minebea expresses its consent to the said offer and as a result of the offer Minebea or the party that has made the tender offer announces or

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agrees that Minebea common stock may be delisted from all financial instrument exchanges in Japan on which Minebea common stock is listed (excluding, however, cases where Minebea or the party making the tender offer has publicly announced that it will make efforts to retain listed Minebea common stock after the said public tender offer), then upon notice, within 15 days from the date of the acquisition of Minebea common stock through such a tender offer (i.e. the date on which settlement of the tender offer is commenced), all remaining Bonds (without exception) may be redeemed early, either on or before notification of the redemption date, within at least 30 days but no more than 60 days after the date of notification. Such early redemption of Bonds shall be made at the full par value of 100 yen per 100 yen amount together with payment of accrued and unpaid interest.

If redemption of the Bonds is required pursuant to both (A)-1) and (A)-2) hereof, then the provisions of (A)-1) shall apply. However, in the case that a notice is given pursuant to (A)-2) hereof before Minebea publicly announces the terms and conditions of payment to shareholders of its common stock in relation to Corporate Restructuring Activities, then the provisions of (A)-2) shall apply.

(B) Early redemption by election of the bondholders

1) Early redemption due to a change in control provisions

If a Control Change Event (defined below) occurs, then the Bondholder has the right, at any time after the occurrence of such an event, to require Minebea to redeem all or part of the Bonds held by the same on a specified redemption date no less than 30 days but no more than 60 days after providing written notice to Minebea of its desire to do so. Such early redemption of Bonds shall be made at full par value of 100 yen per 100 yen together with payment of accrued and unpaid interest.

"Control Change Event" herein means any of the following events:

A specified shareholder group (meaning holders, including "holders" defined in Article 27-23 Paragraph 3 of the Financial Instruments and Exchange Act, or FIEA, and "joint-holders" as defined in FIEA Article 27-23 Paragraph 5, as well as those deemed to be joint-holders pursuant to Paragraph 6 of the same Article, of Minebea Share Certificates Etc., as defined in FIEA Article 27-23 Paragraph 1) has a holding ratio of share certificates etc., (as defined in FIEA Article 27-23 Paragraph 4) in excess of 50%.

- (3) If the date of redemption pursuant to this paragraph falls on a bank holiday, the date shall be moved forward to the preceding banking business day.

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(4) Payment of the redemption amount shall be handled by the Financial Agent.

12. Method and period of interest payments for Bonds

- (1) Interest on the Bonds shall accrue from the day following the pay-in date until the final redemption date, or the early redemption date in the case of early redemption, with the first interest payment date being August 20, 2012 and payable by that date. Payments thereafter shall be on February 20 and August 20 each year, or the early redemption date in the case of early redemption, (hereinafter, the "Interest Payment Date"). Each of these payments shall be for the preceding 6-month interest period, starting from the day after the preceding Interest Payment Date (or the pay-in date in the case of the first Interest Payment Date) to the current Interest Payment Date (hereinafter the "Interest Calculation Period"). However interest for Interest Calculation Periods shorter than 6-months shall be calculated on a pro-rata, per diem scale based on a 365 day year and disregard any units smaller than one yen. Interest amounts payable on each of the Bonds on each Interest Payment Date as determined pursuant to the preceding paragraph shall herein be referred to as the "Interest Amount."
- (2) If the Interest Payment Date falls on a bank holiday, then the payment shall be made on the immediately preceding bank business day.
- (3) Bonds will cease to earn interest once their relevant Stock Acquisition Rights have been exercised. Any interest accrued up to the date such rights are exercised shall be payable within 10 business days thereof.
- (4) Bonds shall stop earning interest after their redemption date. However, if no repayment has been provided on the redemption date, a delinquency charge of 14.5% per annum shall apply to the period starting from the day following the redemption date to (and including) the date on which such principle amount is paid.
- (5) Payment of interest amounts shall be handled by the Financial Agent.

13. Purchase and extinguishment

Minebea and its subsidiaries (defined below) may purchase the Convertible Bonds from time to time at any price, upon mutual agreement with the Bondholders.

In the event that Minebea or any of its subsidiaries purchases Convertible Bonds, it may at any time extinguish said bonds (in cases where a Minebea subsidiary purchases the same this shall be after the date the said bonds are delivered from the subsidiary to Minebea for extinguishment), and the Stock Acquisition Rights connected with said Convertible Bonds shall extinguish at the same time as the said Convertible Bonds.

"Subsidiary" herein refers to a "subsidiary" as defined in Article 2-3 of the Companies Act.

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14. Stock Acquisition Rights

(1) Number of Stock Acquisition Rights attached to the Bonds

Each of the Bonds shall have one Stock Acquisition Right and a total of 77 Stock Acquisition Rights shall be issued.

(2) Payment for Stock Acquisition Rights

The Stock Acquisition Rights shall not require any payment.

(3) Type of shares with Stock Acquisition Rights and calculation of the number of shares

(A) Type of shares

Minebea common stock

(B) Number of shares

The number of shares of Minebea common stock newly issued by Minebea, or number of shares of Minebea common stock held by Minebea and transferred in lieu thereof (hereinafter, such issuance or transfer of Minebea common stock shall be referred to as "delivery" of Minebea common stock) shall be equal to the total outstanding amount of Bonds with Stock Acquisition Rights exercised, divided by the valid conversion price at the time such rights are exercised. However, units smaller than one share shall be settled in cash pursuant to the provisions of the Companies Act. If Minebea uses a share unit system and there are share amounts less than one share unit as a result of shareholders exercising their Stock Acquisition Rights, then the number of shares shall be rounded down to the nearest whole unit and settled in cash pursuant to the Companies Act just as if a purchase request had been exercised. Cash amounts smaller than one whole yen shall be disregarded in such cash settlements.

(C) Conversion price

1) Initial conversion price

The conversion price shall initially be set at 382 yen and subject to adjustment pursuant to the provisions of (C)-2) through (C)-8) hereof.

2) Adjustment of the conversion price

If, for any of the reasons listed in (C)-3) hereof, there is a change in the number of shares in Minebea common stock issued once the Convertible Bonds have been issued or there is a chance that such a change may occur, Minebea shall adjust the conversion price pursuant to the following formula (hereinafter the "Market Issuance Conversion Price Adjustment Formula").

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$$\begin{array}{r}
 \text{Conversion price after adjustment} \\
 = \\
 \text{Conversion price before adjustment}
 \end{array}
 \times
 \frac{
 \begin{array}{r}
 \text{Number of shares of common stock already issued} \\
 + \\
 \frac{
 \begin{array}{r}
 \text{Number of shares issued or disposed of} \\
 \times \\
 \text{Issuance or disposition price per share}
 \end{array}
 }{
 \text{Market price}
 }
 \end{array}
 }{
 \text{Number of shares of common stock already issued + number of shares issued or disposed of}
 }
 \end{array}$$

3) The following provision shall apply in the case of adjustments to the conversion price for Convertible Bonds using the Market Issuance Conversion Price Adjustment Formula, and in relation to the applicable period for the conversion price after adjustment.

(i) When a purchase of Minebea common stock issued or disposed of by Minebea at a paid-in price lower than the market price, as defined in (C)-6)-(ii), is solicited (in the case of (ii) below these shall exclude cases where shares of Minebea common stock are delivered by way of holders exercising their stock acquisition rights, including bonds with stock acquisition rights, acquisition of shares with put options or shares with call options, or via the exercise of other rights requesting the issuance of Minebea common stock, and where shares of Minebea common stock are delivered as a result of a share exchange or merger):

After (and excluding) the pay-in date or the last day of the paid-in period, or if the right to receive allocation of shares is offered, the post-adjustment conversion price shall apply beginning the day following the record date for determining the shareholders to be allocated such rights.

(ii) When common stock is subject to a stock split, or share allotment without contribution:

The post-adjustment conversion price shall apply beginning the day following the record date (or if no record date is determined, then the effective date) for determining which shareholders will acquire stock by such stock split or share allotment without contribution.

(iii) When shares with put options, shares with call options, stock acquisition rights with call options (including bonds with stock acquisition rights) are issued, requiring Minebea common stock to be delivered, or if stock acquisition rights (including bonds with stock acquisition rights) or other securities or rights are issued, requiring delivery of Minebea common stock: In the case of gratis allocation of stock acquisition rights (including gratis allocation of bonds with stock acquisition rights, the same shall apply hereafter), stock acquisition rights shall be issued free of charge

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pursuant to the provisions set forth in (iii).

The post-adjustment conversion price shall be calculated using the Market Issuance Conversion Price Adjustment Formula, assuming that all issued stock or stock acquisition rights or other securities or rights (hereinafter, "Shares with Put Options, etc.") have been acquired or exercised according to their original terms and Minebea common stock has been delivered. The same shall apply beginning the day following the pay-in date of such Shares with Put Options, etc., or the last day of the paid-in period thereof or the record date for determining the shareholders to be allocated stock pursuant to such an offer (if no record date has been determined, then the effective date thereof).

If Minebea publicly announces and notifies Bondholders that it is issuing shares with put options for the purpose of defending itself against a hostile corporate takeover, the conversion price after adjustment shall be calculated by mutatis mutandis application of the Market Issuance Conversion Price Adjustment Formula, deeming all issued shares with put options as acquired, converted, exchanged or exercised, and common shares as delivered as of the date on which such acquisition, conversion, exchange or exercise and delivery of common shares is permitted under the terms and conditions thereof (the "Commencement Date of Conversion and Exercise"). The conversion price after adjustment shall apply beginning the day after the Commencement Date of Conversion and Exercise.

- (iv) When a record date is set and (i) through (iii) above are subject to approval by the Board of Directors, or shareholder approval at a general shareholders' meeting ,or other Minebea body, then notwithstanding the provisions of (i) through (iii) above, the post-adjustment conversion price shall apply beginning the day after the date on which such approval is granted. In such a case as described above, Minebea common stock will be delivered to persons holding Stock Acquisition Rights who have requested to exercise such rights after the record date but before the date on which such approval was granted, in accordance with the following formula.

$$\text{Number of shares of common stock delivered} = \frac{\left(\frac{\text{Pre-adjustment Conversion Price} - \text{Post-adjustment Conversion Price}}{\text{Pre-adjustment Conversion Price}} \right) \times \text{Number of shares of common stock delivered during said period at the pre-adjustment conversion price}}{\text{Conversion price after adjustment}}$$

Units of less than one share arising as a result of such calculation shall be disregarded and exempt from any cash settlement.

- 4) If Minebea makes any special dividends pursuant to (C)-5) hereof after issuing Convertible

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Bonds, the conversion price shall be adjusted pursuant to the following formula (hereinafter, the "Special Dividend Conversion Price Adjustment Formula").

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\text{Market price} - \text{Amount of per-share special dividend}}{\text{Market price}}$$

"Per-Share Special Dividend" herein refers to the special dividend divided by the number of shares subject to Stock Acquisition Rights per bond amount (100,000,000 yen) as of the last record date during the fiscal year related to a distribution of surplus funds. Per-share special dividend shall be calculated to two decimal places below one whole yen, then rounded off to a single decimal place (any figure of 5 and above will be rounded up and 4 or below will be rounded down).

- 5) (i) "Amount of Special Dividend" herein refers to any excess amount obtained when the cumulative amount of surplus dividends per share of Minebea common stock on each record date during a fiscal year (including money payable pursuant to the provisions of Articles 455-2 and 456 of the Companies Act; in the event of distribution in kind, the amount of distribution shall be the book value of such distribution in kind) multiplied by the number of shares subject to the Stock Acquisition Rights per amount (100,000,000 yen) of each Bond as of such record date exceeds the reference distribution amount, which is obtained by dividing the value of each of the Bonds (100,000,000 yen) by the initial conversion price (calculated to one decimal place then rounded off to a whole number) and multiplying the obtained number by 15 (such surplus amount shall be hereinafter referred to as "Special Dividend").
- (ii) The conversion price adjustment for special dividends shall apply from the 1st day of the month following passage of a resolution to distribute surplus funds pursuant to Article 454 or 459 of the Companies Act for the final record date in relation to distributions in each fiscal year.
- 6) (i) Calculation of the Market Issuance Conversion Price Adjustment Formula and Special Dividend Conversion Price Adjustment Formula (hereinafter collectively referred to as "Conversion Price Adjustment Formula") shall be made to two decimal places with the second digit below one whole yen disregarded.
- (ii) The market price to be used in the Conversion Price Adjustment Formula shall be the average Closing Price of Minebea common stock over 30 Trading Days (excluding days on which there is no Closing Price) commencing on the 45th Trading Day prior to the date the post-adjustment conversion price was applied (or the record date in the case of (C)-3)-(iv) hereof, or the last record date for the dividend of the fiscal year in

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case of the Special Dividend Conversion Price Adjustment Formula). In such a case, the average price shall be calculated to two decimal places, and the second digit below one whole yen disregarded.

- (iii) For the number of shares already issued using the Market Issuance Conversion Price Adjustment Formula, this shall be the number of issued shares of Minebea common stock as of one month prior to the date on which the post-adjustment conversion price was applied, or, when shareholders are offered rights to receive allocation of stock, as of the record date for determining the shareholders to be allocated such rights, less the number of shares of Minebea common stock held by Minebea as of such date, plus the number of unissued shares of Minebea common stock that are deemed to have been counted pursuant to (C)-3) and (C)-7) hereof before the said conversion price was adjusted. In the case Minebea common stock is split, the number of shares to be issued or disposed of in the Market Issuance Conversion Price Adjustment Formula shall not include the number of common shares allotted to the common shares held by the Minebea as of the record date.
 - (iv) When the difference between the conversion price calculated using the Market Issuance Conversion Price Adjustment Formula and the pre-adjustment conversion price is less than one yen, no conversion price adjustment shall be made. If the conversion price needs to be calculated again due to a need for adjustment thereafter, the difference shall be deducted from the pre-adjustment conversion price to be used in the conversion price adjustment formula.
- 7) In the following cases, other than adjustment of conversion price pursuant to (C)-3) and (C)-4), Minebea shall perform the necessary conversion price adjustment.
- (i) When a conversion price adjustment is necessary due to a stock merger, merger, company split or share exchange.
 - (ii) When other conversion price adjustments are necessary due to a change in the number of shares of common stock issued by Minebea or there is a possibility of the occurrence of such an event.
 - (iii) Whenever calculations for a conversion price adjustment are based on one event which is accompanied by another event that impacts the market price.
- 8) When adjusting the conversion price pursuant to (C)-3) through (C)-7), Minebea will notify Bondholders in advance of the reason for the conversion, the pre-adjustment conversion price, the post-adjustment conversion price, the date it will take effect, and other relevant matters. When such notice cannot be made prior to the date on which the same becomes applicable, then it shall be made as soon as possible thereafter.

(4) Details of assets contributed when exercising Stock Acquisition Rights, as well as price and calculation

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thereof

- (A) When Stock Acquisition Rights are exercised, the Bonds related to such Stock Acquisition Rights shall be paid for.
 - (B) The amount of money paid for each Stock Acquisition Right exercised shall be equal to the face value of each Bond.
- (5) Period during which Stock Acquisition Rights may be exercised
- Holders of Stock Acquisition Rights may exercise their rights at any time between March 2, 2012 and February 12, 2017 or in the case of early redemption as described in Paragraph 11-(2)-(A)-1 and 2) on the business day prior to the date of said early redemption (hereinafter "Exercise Period"). If the last day of the Exercise Period is a bank holiday, the said last day shall be the preceding banking day. Stock Acquisition Rights cannot be exercised after the Exercise Period has elapsed.
- Notwithstanding the above, Stock Acquisition Rights cannot be exercised during any of the periods specified below.
- (A) The day when shareholders of Minebea common stock are finalized (i.e. the record date specified in Article 124-1 of the Companies Act) and the preceding business day (so long as it does not fall on a non-business day for the book-entry transfer institution)
 - (B) Any day deemed necessary by the book-entry transfer institution
 - (C) When Minebea appropriately deems it necessary to suspend exercising of Stock Acquisition Rights for the purpose of Corporate Restructuring Activities. In such an instance the Stock Acquisition Rights may not be exercised during the period specified by Minebea, provided that the said period is within 30 days prior to any day within the 14-day period beginning on the day after the said Corporate Restructuring Activities became effective. In such an event, Minebea shall give Bondholders prior written notice explaining the said suspension period and other related matters.
- (6) Conditions for exercising Stock Acquisition Rights
- Stock Acquisition Rights may not be exercised in part.
- (7) Acquisition provisions related to Stock Acquisition Rights
- There are no acquisition provisions related to Stock Acquisition Rights.
- (8) Matters relating to increases in capital and capital reserves when stock is issued in response to the exercising of Stock Acquisition Rights
- (A) The amount of capital increase upon issuance of stock when Stock Acquisition Rights are exercised shall be half of the capital increase limit calculated pursuant to Article 17-1 of the Corporate Accounting Regulations, with any decimal places smaller than one whole yen remaining after calculation thereof rounded up to the next whole number.
 - (B) The amount of increase in capital reserves upon issuance of stock when Stock Acquisition Rights are exercised shall be equal to the above amount of the capital increase limit in (A) less the amount by which capital is increased pursuant to (A) above .

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- (9) Requests to exercise Stock Acquisition Rights shall be made at the place specified in Paragraph 20 hereof (hereinafter the "Exercise Request Location").
- (10) Filing a request to exercise Stock Acquisition Rights
- (A) Bondholders wishing to exercise their Stock Acquisition Rights shall fill out the exercise request form specified by Minebea, indicating the Convertible Bonds with Stock Acquisition Rights to be exercised and the date they intend to exercise them. A Bondholder must sign and affix his/her seal thereto, and submit the request to the bond register manager along with documents evidencing that he/she is the actual holder of the said Bonds with Stock Acquisition Rights. Once the said documents are verified by the bond register manager, the Bondholder shall submit them to the Exercise Request Location during the exercise request period.
- (B) The Stock Acquisition Rights holder cannot rescind his/her request, once the required documents requesting to exercise Stock Acquisition Rights reach the Exercise Request Location.
- (11) A request to exercise Stock Acquisition Rights shall be effective as of the date on which the documents necessary for the same arrive at the Exercise Request Location pursuant to (10) above. Once Stock Acquisition Rights take effect, the Bonds relating to such Stock Acquisition Rights shall be deemed due and payable.
- (12) Once the exercising of Stock Acquisition Rights becomes effective, Minebea shall deliver shares to the exercising Bondholder by recording an increase in transferred stock in the ownership column of the transfer account with the book-entry transfer institution or account management institution specified by said Bondholder.
- (13) Succession of bonds with stock acquisition rights to a succeeding company in the event Minebea is subject to Corporate Restructuring Activities
- Excluding early redemption of Convertible Bonds pursuant to Paragraph 11-(2)-(A)-1), should Minebea carry out Corporate Restructuring Activities, it shall ensure that the Surviving Entity deliver the stock acquisition rights of the Surviving Entity as described in subparagraphs (A) through (J) hereof (hereinafter, the "Successor Stock Acquisition Rights") to the holder of the Stock Acquisition Rights connected to the Convertible Bonds remaining immediately preceding the effective date of said Corporate Restructuring Activities, in exchange for the Stock Acquisition Rights held by such rights holder. In such a case, the Stock Acquisition Rights shall be extinguished and the obligations related to the Bonds will be assumed by the Surviving Entity, as of the date on which the Corporate Restructuring Activities take effect, while the Stock Acquisition Rights shall be held by the holder of the Successor Stock Acquisition Rights, and the provisions of these terms and conditions as relating to Stock Acquisition Rights shall be applied with respect to such Successor Stock Acquisition Rights.
- (A) The number of stock acquisition rights of the Surviving Entity to be delivered
- The same number as the number of remaining Stock Acquisition Rights held by the Convertible Bond holder immediately preceding the effective date of the said Corporate Restructuring Activities

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- (B) Type of shares subject to the stock acquisition rights of the Surviving Entity
Common stock of the Surviving Entity
- (C) Number of shares subject to the stock acquisition rights of the Surviving Entity
The number of shares of common stock of the Surviving Entity to be delivered upon execution of the stock acquisition rights of the Surviving Entity shall be determined in accordance with the following procedures and in consideration of the terms and conditions of the Corporate Restructuring Activities as well as these terms and conditions. The conversion price shall be adjusted as set out in Paragraph 14-(3)-(C).
- 1) In the case of a merger, share exchange or transfer, if the Surviving Entity exercises its stock acquisition rights immediately after the effective date of the Corporate Restructuring Activities, the conversion price shall be determined in a way that the holder of Minebea common stock receives the same number of shares of common stock of the Surviving Entity upon the Corporate Restructuring Activities as would have been received in the event he/she exercised his/her Stock Acquisition Rights immediately prior to the effective date of the Corporate Restructuring Activities. At the time of such Corporate Restructuring Activities, if securities or other assets other than common stock of the Surviving Entity are deliverable, then the same number of shares of common stock of the Surviving Entity may be received as calculated by dividing the fair market value of such securities or other assets by the market price of the common stock of the Surviving Entity.
 - 2) In the case of other Corporate Restructuring Activities, the conversion price shall be determined in a way that the holder of the Convertible Bonds receives the same economic benefit as he/she would normally be entitled to when exercising his/her stock acquisition rights of the Surviving Entity immediately after such Corporate Restructuring Activities took effect, just as would have been received had he/she exercised his/her Stock Acquisition Rights immediately prior to the same.
- (D) Details and amount of assets contributed upon execution of stock acquisition rights of the Surviving Entity, and method of calculation thereof
Details and amount of assets contributed upon execution of stock acquisition rights of the Surviving Entity, and method of calculation thereof
Each stock acquisition right of the Surviving Entity exercised shall require an investment in one Bond. The amount to be paid to exercise one stock acquisition right of the Surviving Entity shall be the same as the Bond value.
- (E) Period during which stock acquisition rights of the Surviving Entity may be exercised
Beginning on whichever comes later, either the effective date of the Corporate Restructuring Activities or the delivery date for stock acquisition rights of the Surviving Entity, until the end of the Exercise Period for the Stock Acquisition Rights set forth in (5) hereof. The said period shall be subject to the restrictions specified in the (5) hereof.

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- (F) Conditions for exercising stock acquisition rights of the Surviving Entity
Determined pursuant to (6) hereof
- (G) Conditions for acquiring stock acquisition rights from the Surviving Entity
Not specified
- (H) Matters relating to increases of capital and capital reserves upon issuing stock when stock acquisition rights of the Surviving Entity are exercised
The amount of capital increase upon issuing stock in relation to the exercising of stock acquisition rights of the Surviving Entity shall be half of the capital increase limit calculated pursuant to Article 17-1 of the Corporate Accounting Regulations, with any decimal place smaller than one whole yen remaining after calculation thereof rounded up to the next whole number. The amount of capital reserves to be increased shall be equal to the capital increase limit less the amount by which capital is increased.
- (I) In the case of Corporate Restructuring Activities
Determined pursuant to (13) hereof
- (J) Other
If there is any unit less than one share after calculating the number of shares of common stock of the Surviving Entity to be delivered upon the exercising of stock acquisition rights of the Surviving Entity, the fractional unit shall be disregarded and no cash adjustment shall be made (if the Surviving Entity uses a share unit system, and shares fewer than a whole share unit remain after the exercising of the Stock Acquisition Rights, then the same shall be settled in cash pursuant to the Companies Act just as if a purchase request had been exercised, rounding down the number of shares to the nearest whole unit). Holders of Convertible Bonds may not transfer the Bonds, other than to exercise their stock acquisition rights of the Surviving Entity, during the period Corporate Restructuring Activities are in effect. In the event that restrictions on transfers of Bonds is deemed legally invalid, Stock Acquisition Rights related to Convertible Bonds shall be exchanged for similar stock acquisition rights related to bonds issued by the Surviving Entity, and the said rights shall be provided to persons who held Convertible Bonds immediately before the date the Corporate Restructuring Activities took effect.

15. Special Terms

- (1) Subordination clause
 - (A) In the event that a court ruling is made to commence bankruptcy proceedings, corporate rehabilitation proceedings or civil rehabilitation proceedings against Minebea or in the event that any proceedings that are equivalent thereto take place outside Japan in accordance with any law other than Japanese law, the redemption of the Bonds and payment of all accrued interest shall be made in accordance with the following provisions.
 - 1) In the event of bankruptcy:

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If a court has made a ruling to initiate bankruptcy proceedings against Minebea and if such bankruptcy proceedings are still in progress prior to the due date for the payment of interest and principal on the Bonds set forth herein, the right to claim the said interest and principal of the Bonds shall be suspended and become effective upon fulfillment of the following condition.

(Condition precedent)

The amount of senior debt (as specified in (B), the same shall apply hereafter) among all outstanding debt shall be added to the distributions listed in the distribution list (or revised distribution list, if revised) for final distribution in the bankruptcy case has been paid in full (including payment via liquidation distribution and statutory deposit) through interim, final, and subsequent distributions.

2) In the event of corporate rehabilitation:

If a court has made a ruling to initiate corporate rehabilitation proceedings against Minebea and if such corporate rehabilitation proceedings are still in progress prior to the due date for the payment of interest and principal on the Bonds set forth herein, the right to claim the said interest and principal on the Bonds shall be suspended and become effective upon fulfillment of the following condition.

(Condition precedent)

The amount of senior debt among all outstanding claims that are listed in the rehabilitation plan for Minebea and are to be changed upon approval of the said rehabilitation plan has been paid in full, to the extent that such claims are fixed.

3) In the event of civil rehabilitation:

If a court has made the ruling to initiate civil rehabilitation proceedings against Minebea and if such civil rehabilitation proceedings are still in progress without a ruling on simplified rehabilitation or consensual rehabilitation being made prior to the due date for the payment of interest and principal on the Bonds set forth herein, the right to claim the said interest and principal on the Bonds shall be suspended and become effective upon fulfillment of the following condition.

(Condition precedent)

The amount of senior debt among all outstanding claims that are listed in the rehabilitation plan for Minebea and which are to be changed upon approval of the said rehabilitation plan has been paid in full, to the extent that such claims are fixed.

4) In the event of bankruptcy proceedings pursuant to any applicable laws of any jurisdiction outside Japan:

In the event that legal proceedings equivalent to bankruptcy, corporate rehabilitation, or civil rehabilitation proceedings under the law of any jurisdiction outside Japan are convened against Minebea outside Japan according to the provisions set forth in (A)-1) through (A)-3)

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hereof, the right to claim the principal amount on the Bonds shall be suspended and become effective upon fulfillment of the each of the conditions precedent specified in (A)-1) through (A)-3) hereof or conditions similar thereto depending on the nature of the said proceedings; provided however, that if the proceedings do not allow such conditions to apply, the right to claim the principal amount on the Bonds shall become effective irrespective of such conditions.

- (B) No amendments or modifications prejudicial to any senior debtholder shall be made, in any way, to the provisions set forth herein. No agreement to such amendments or modifications shall be effective against anyone, in any way.

Senior debt herein refers to all debts owed by Minebea excluding the debt tied to Bonds and any debt that is subject to conditions that are substantially equivalent to the conditions set forth in (A)-1) through 4) hereof or any subordinated conditions. Senior debtholder refers to any person who has a claim to senior debt.

- (C) If the interest and principal of the Bonds are paid to the Bondholders, whether in part or in whole, before the right to claim the said interest and principal becomes effective pursuant to (A)-1) through 4) hereof, such payment shall be deemed null and void, and such Bondholders shall immediately return the amount received to Minebea.

- (D) When the right to claim the interest and principal of the Bonds becomes effective upon fulfillment of each of the conditions set forth in (A)-1) through 4) hereof, the said right to claim the interest and principal on the Bonds may not be used to offset any debt.

(2) Acceleration clause

There shall be no acceleration clause set forth for the Bonds. Holders of Minebea's corporate bonds who are Bondholders shall not have the right to resolution as specified in Article 739 of the Companies Act.

16. Bond manager

The Convertible Bonds meet the requirements of the proviso to Article 702 of the Companies Act and no bond manager will be established.

17. Financial agent

- (1) The Financial Agent for the Convertible Bonds shall be Sumitomo Trust and Banking Co., Ltd.
- (2) The Financial Agent shall act as the custodian of the register of bondholders related to the Bonds.
- (3) The Financial Agent shall not bear any obligations or responsibilities to Convertible Bond bondholders and shall have no agency relationship or fiduciary relationship with the Convertible Bond bondholders.

18. Notifying bondholders

Notices to Bondholders shall be made by public notice using the means specified by Minebea. Minebea may

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send Bondholders a written notice in lieu of a public notice unless otherwise specified by law.

19. Bondholders' meeting

- (1) Minebea shall convene a Bondholders' meeting by publicly announcing or notifying Bondholders of the said meeting as well as matters specified in Article 719 of the Companies Act no later than two weeks before the date of said meeting.
- (2) Bondholders' meetings shall be held in Tokyo.
- (3) Bondholders holding 10% or more of the total amount of the Bonds (excluding amounts already redeemed and the total amount of such bonds held by Minebea) of any type of Bond (pursuant to the types specified in Article 681-1 of the Companies Act) may request that a bondholder meeting be convened upon providing Minebea written notice detailing the reasons why they want to convene the meeting and agenda items to be discussed.

20. Exercise Request Location

Securities Clearing Division, Sumitomo Trust and Banking Co., Ltd.

21. Governing law

Japanese law

22. Other

- (1) In addition to everything mentioned above, all matters relating to the issuance of Convertible Bonds shall be determined exclusively by the president and CEO of Minebea.
- (2) Convertible Bonds are issued on the condition that filing pursuant to the Financial Instruments and Exchange Act is valid.

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