

Business Results

Fiscal Year Ended March 31, 2013

May 9, 2013
Minebea Co., Ltd.

1. Financial Results

2. Policy and Strategy

Financial Results

Hiroharu Katogi

Director, Senior Managing Executive Officer

Summary of Consolidated Business Results

Net sales and operating income rise during a fiscal year
free of any natural disasters, etc.
while net income drops due to restructuring losses.
Results fall short of revised forecast.

(Millions of yen)	FY ended Mar. '12 Full year	FY ended Mar. '13 Full year	Change YoY	FY ended Mar.'13 November forecast Full year	VS. Forecast
Net sales	251,358	282,409	+12.4%	292,000	-3.3%
Operating income	8,599	10,169	+18.3%	15,500	-34.4%
Ordinary income	6,499	7,673	+18.1%	13,000	-41.0%
Net income	5,922	1,804	-69.5%	7,400	-75.6%
Net income per share (yen)	15.63	4.83	-69.1%	19.80	-75.6%

Foreign exchange rates	Mar. '12 Full year	Mar. '13 Full year
US\$	¥79.07	¥82.33
Euro	¥110.20	¥106.48
Thai Baht	¥2.59	¥2.67
Chinese RMB	¥12.33	¥13.08

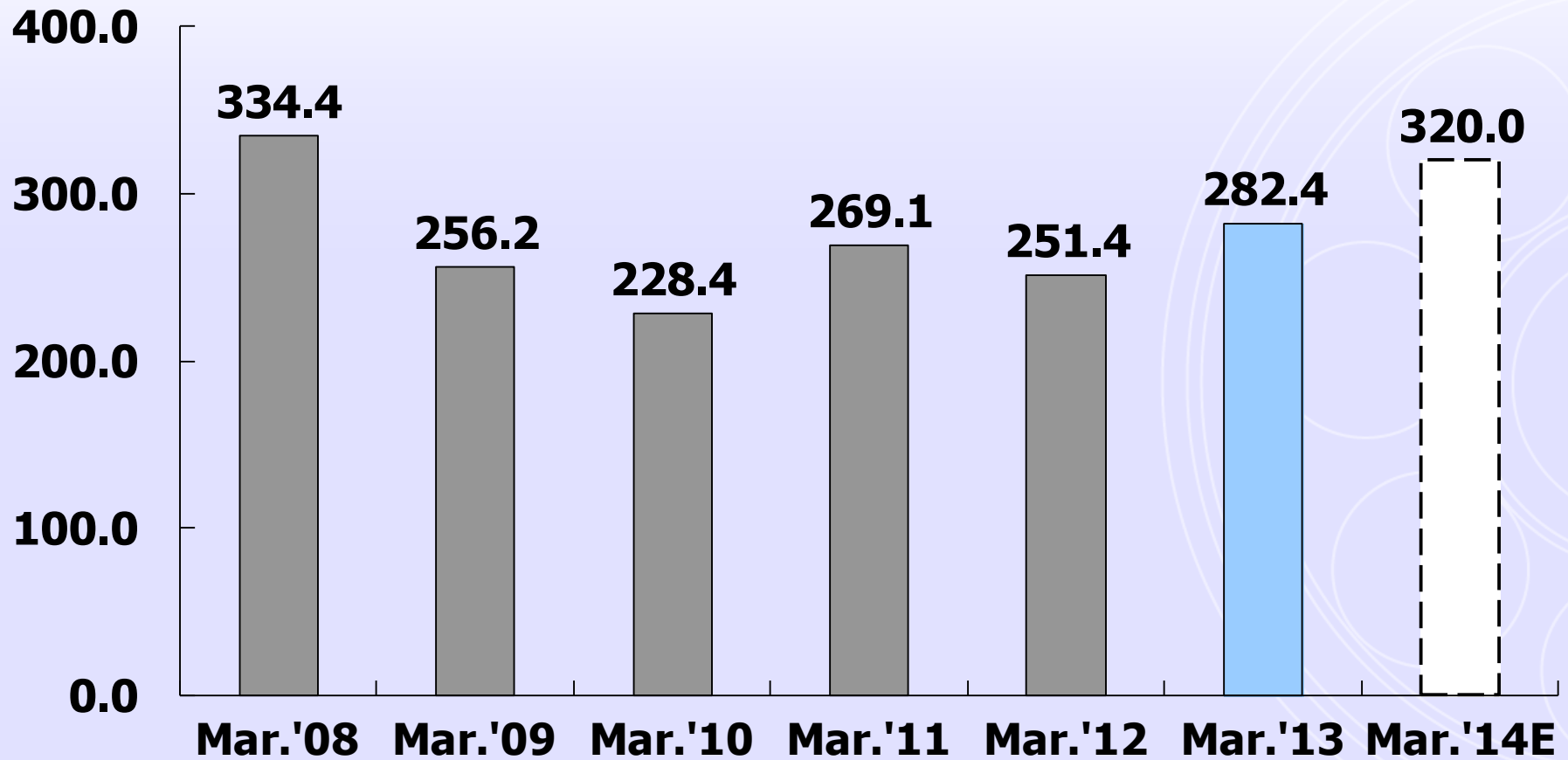
4Q operating income turned negative
due to significant and precipitous production adjustments in major products.

Large extraordinary restructuring losses to strengthen future profitability

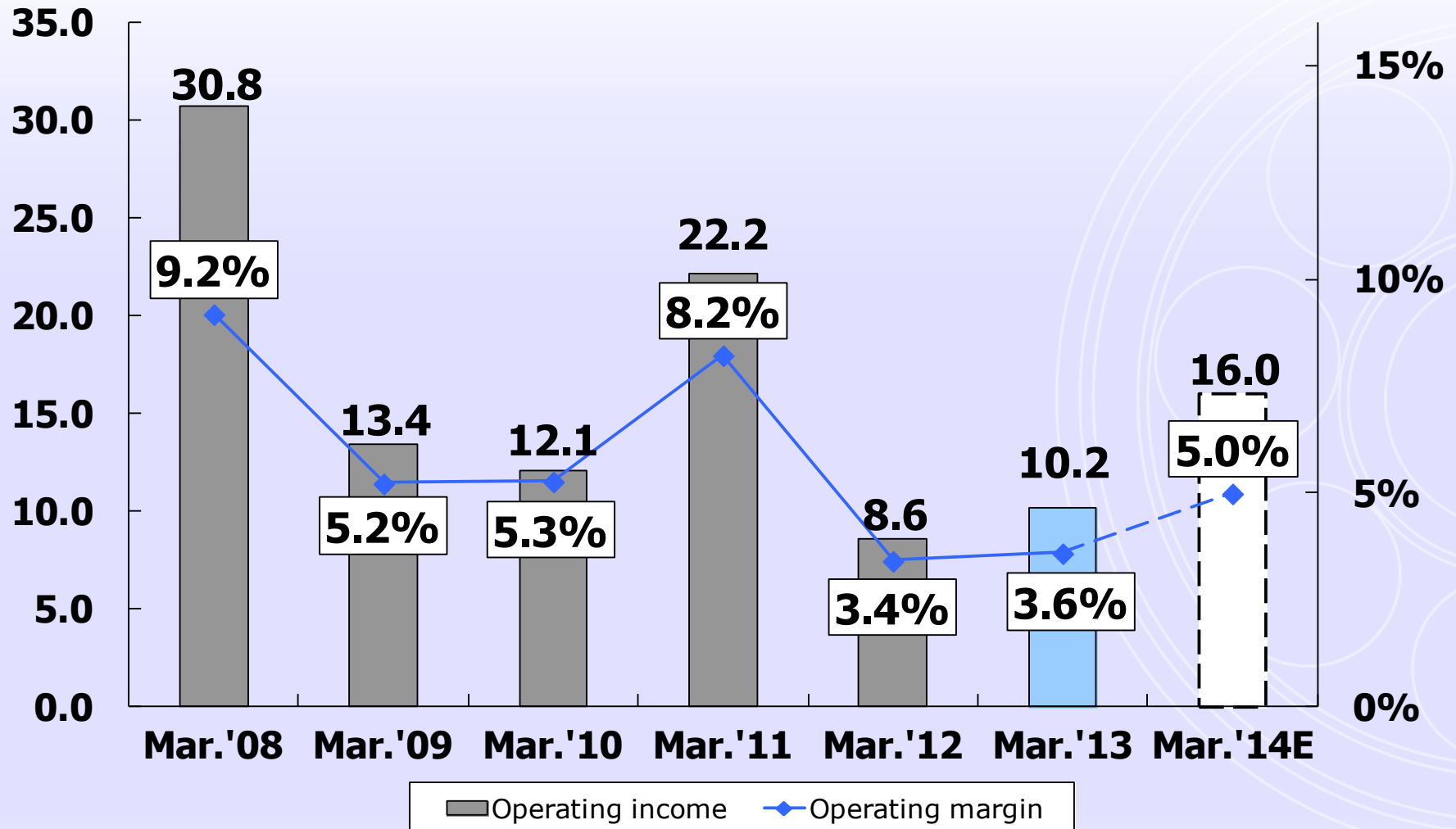
(Millions of yen)	FY ended Mar. '12 4Q	FY ended Mar. '13		Change	
		3Q	4Q	YoY	QoQ
Net sales	62,193	71,705	71,601	+15.1%	-0.1%
Operating income	1,695	2,943	-474	N.M.	N.M.
Ordinary income	1,142	2,319	-1,587	N.M.	N.M.
Net income	6,208	1,076	-2,992	N.M.	N.M.
Net income per share (yen)	16.40	2.89	-8.02	N.M.	N.M.

Foreign exchange rates	4Q of FY Mar. '12	3Q of FY Mar. '13	4Q of FY Mar. '13
US\$	¥78.27	¥79.79	¥90.08
Euro	¥103.28	¥103.36	¥120.02
Thai Baht	¥2.53	¥2.60	¥3.00
Chinese RMB	¥12.39	¥12.76	¥14.44

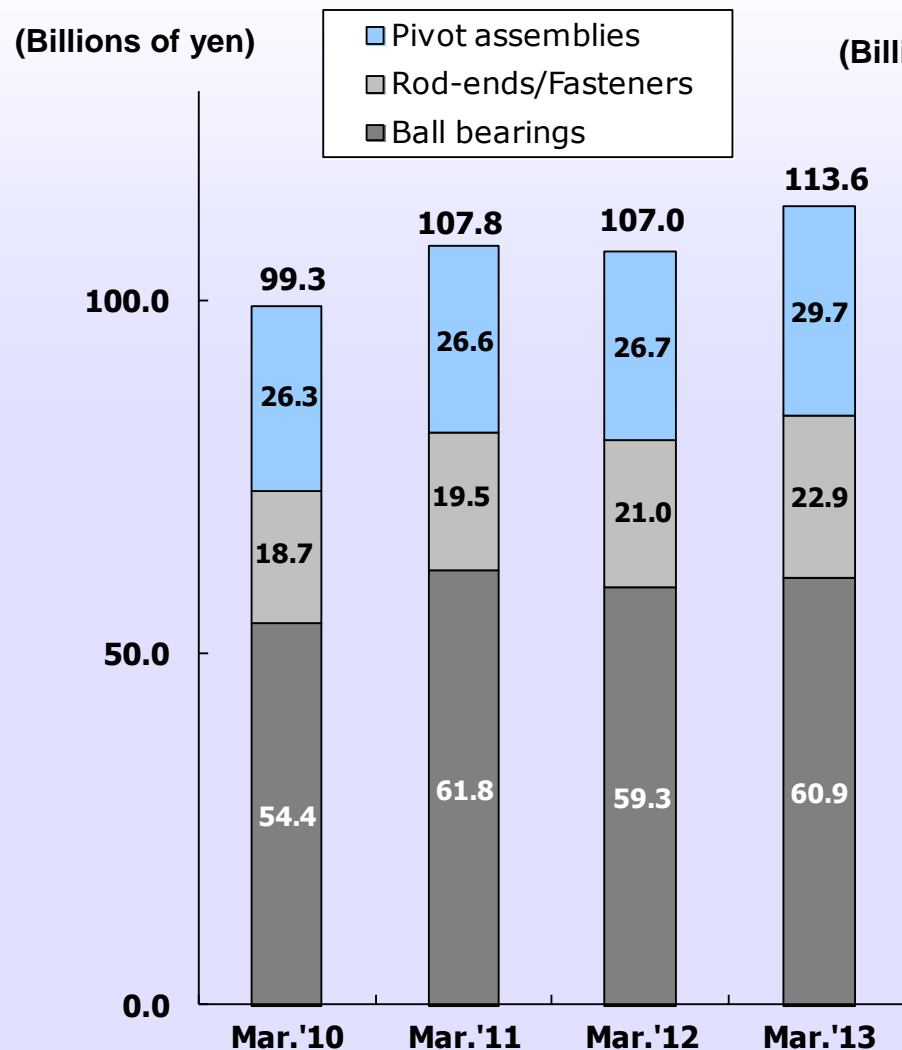
(Billions of yen)



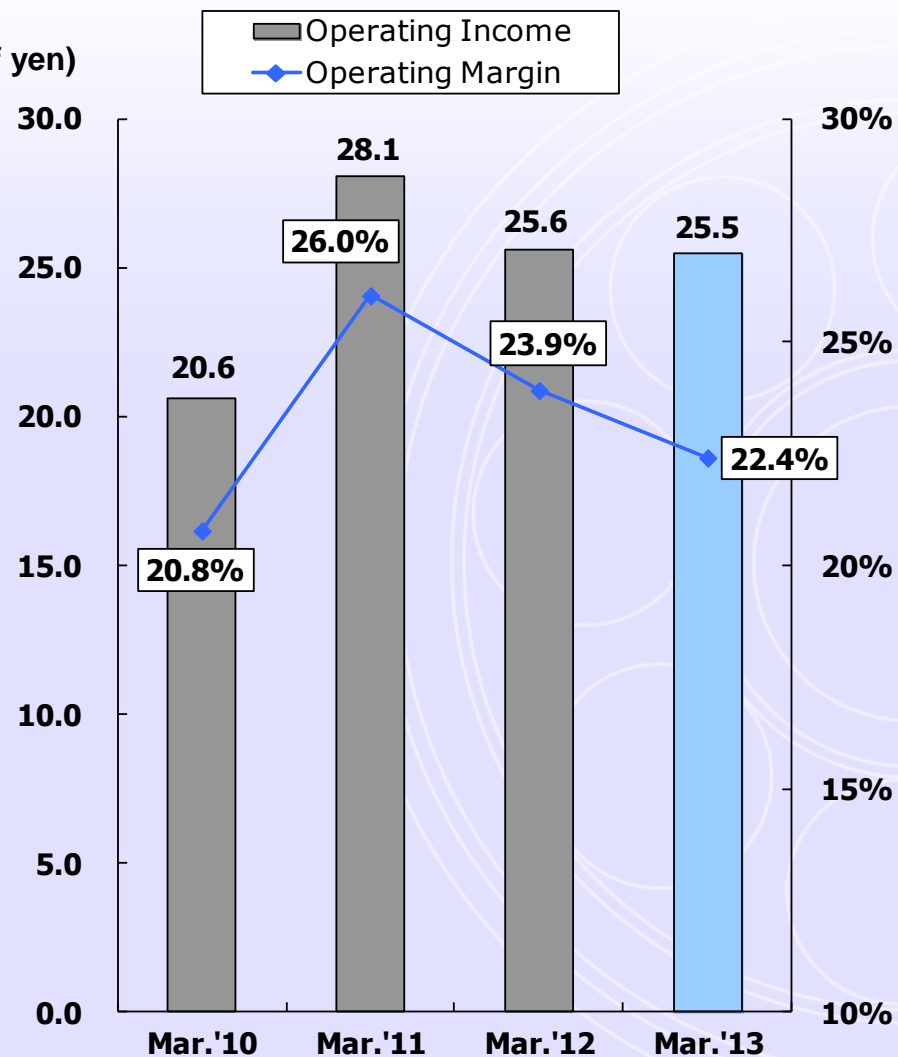
(Billions of yen)



Net sales



Operating income

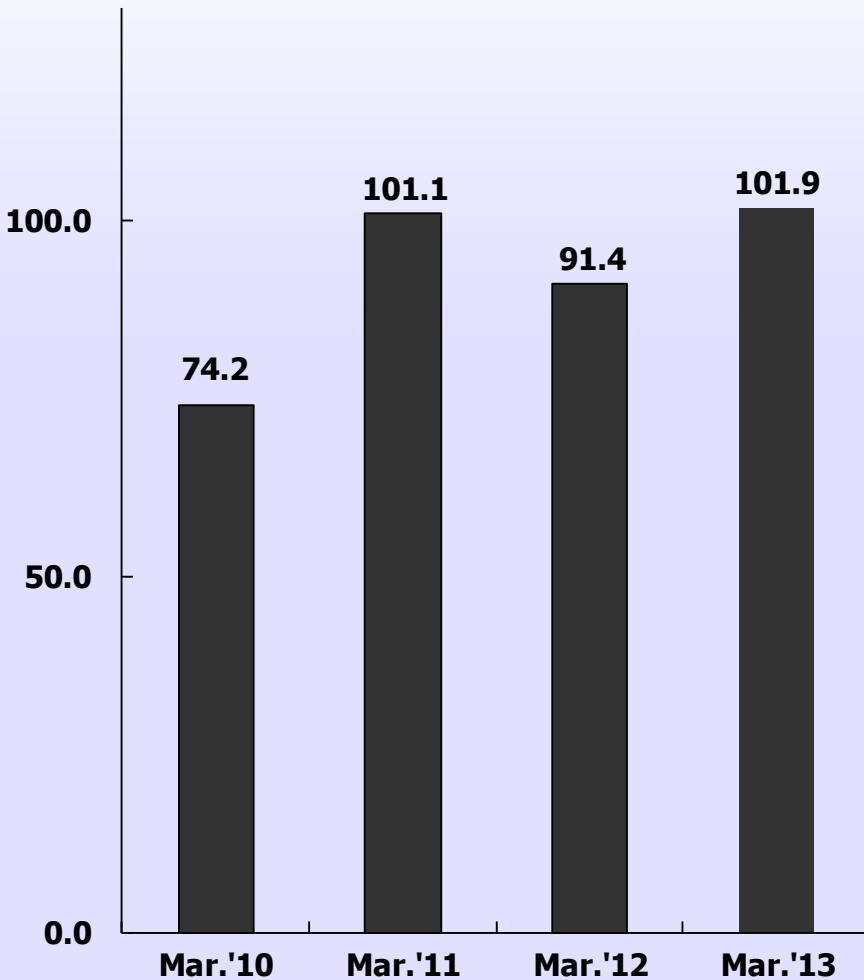


* The segment results by new business segment for the fiscal year ended March 2010 is unaudited.

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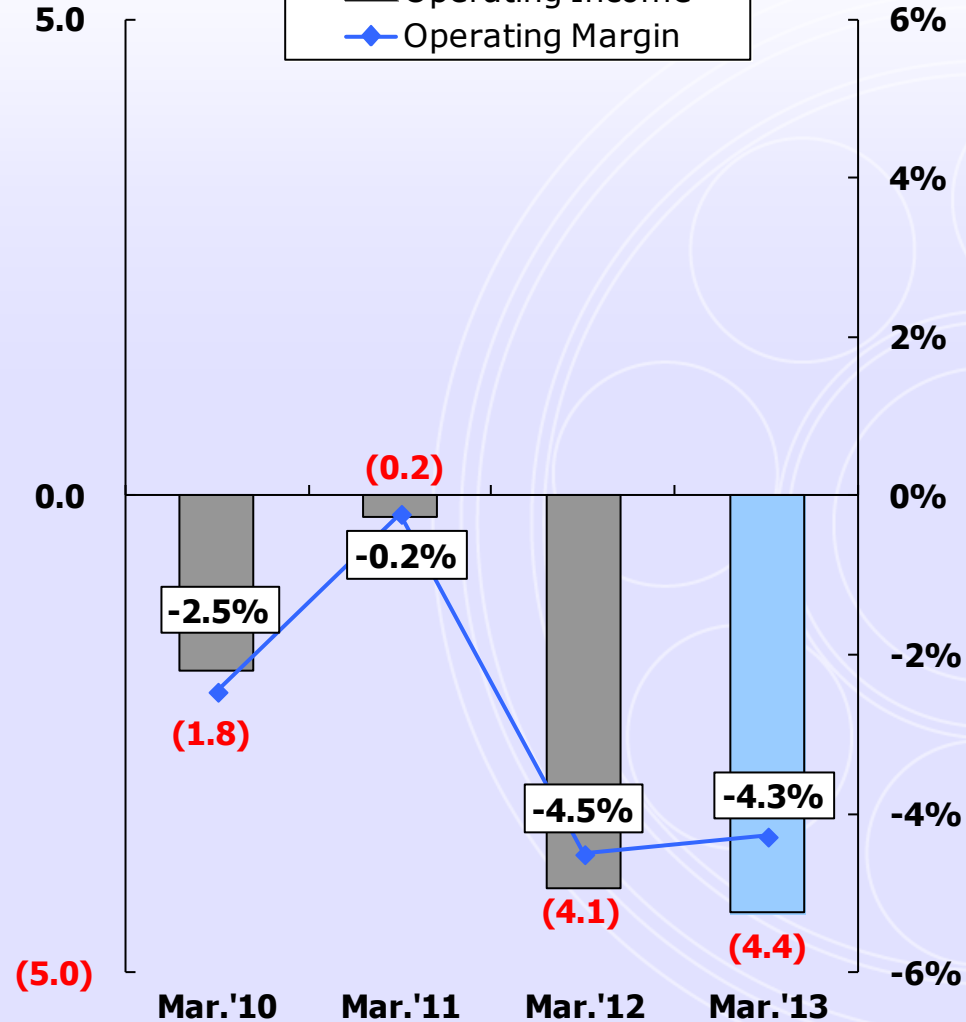
Net sales

(Billions of yen)



Operating income

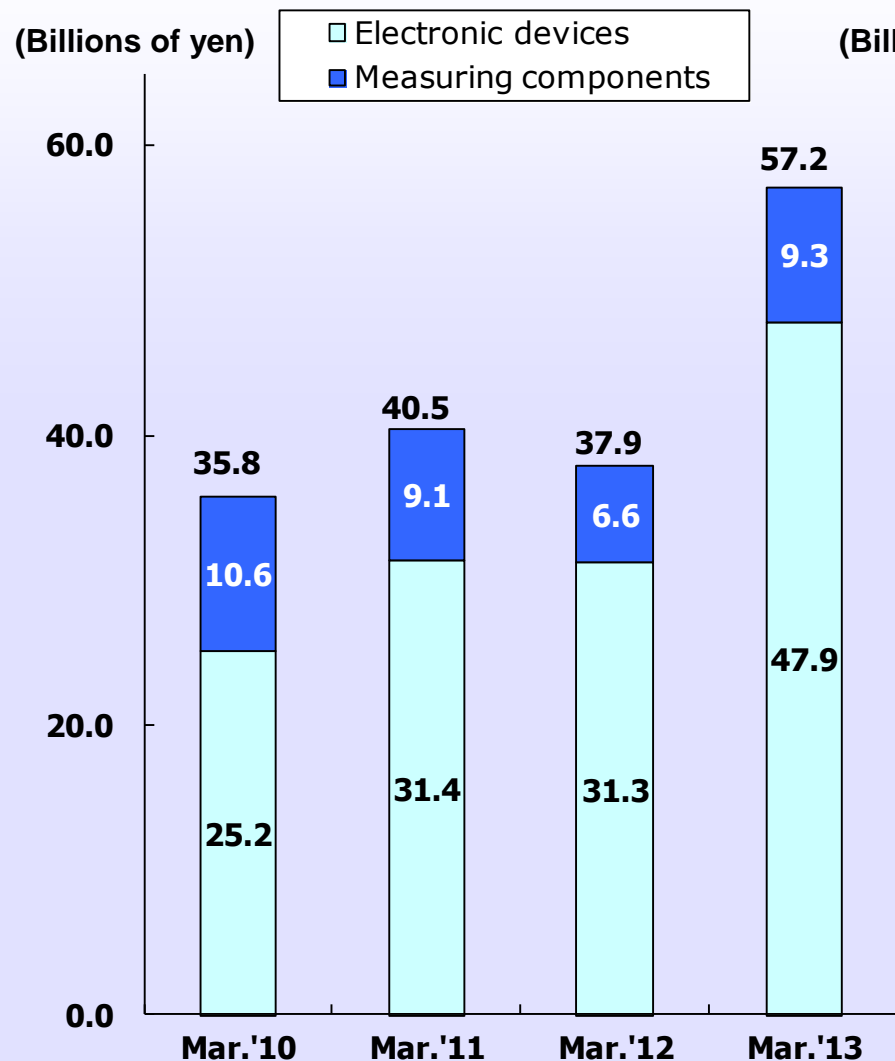
(Billions of yen)



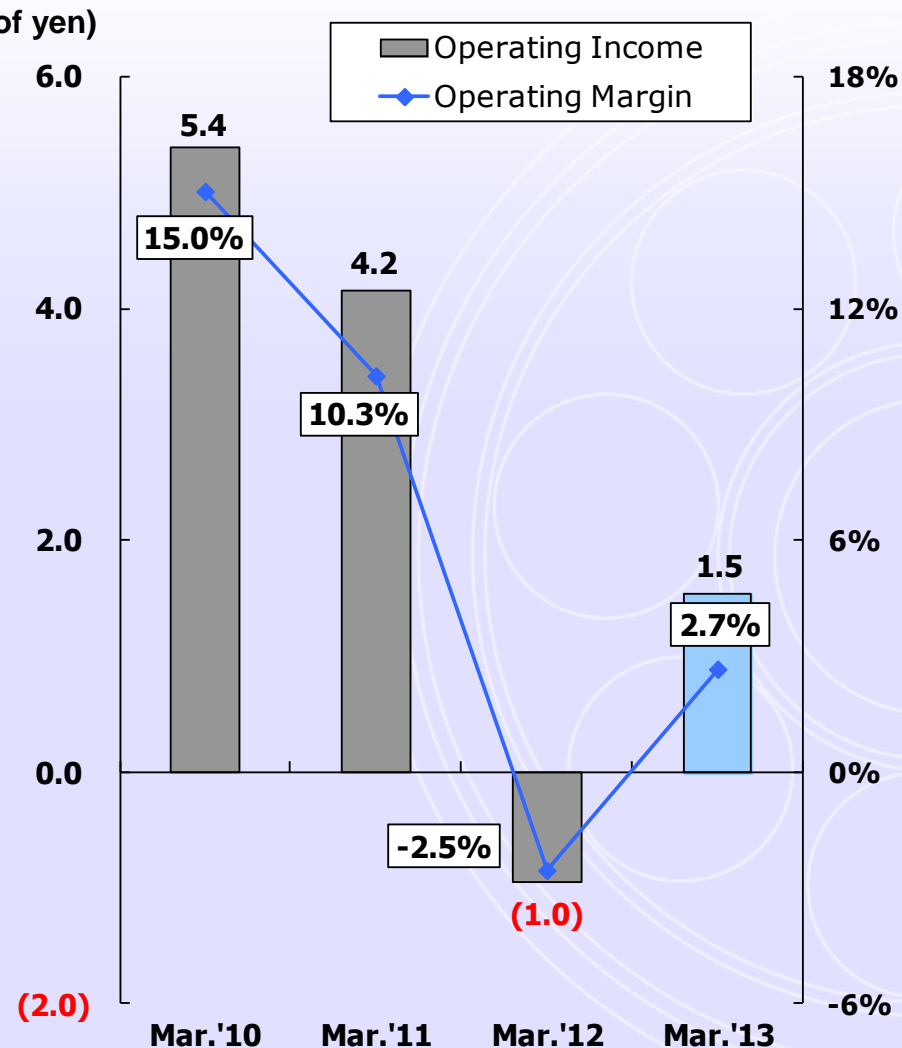
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Net sales



Operating income

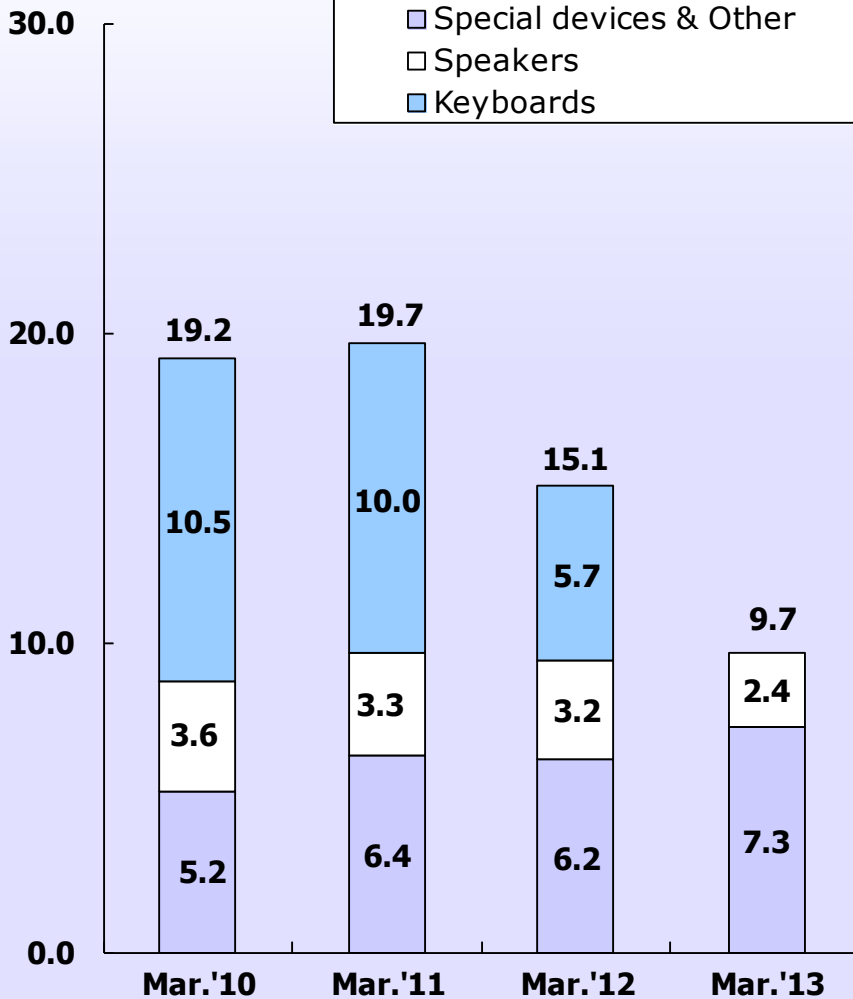


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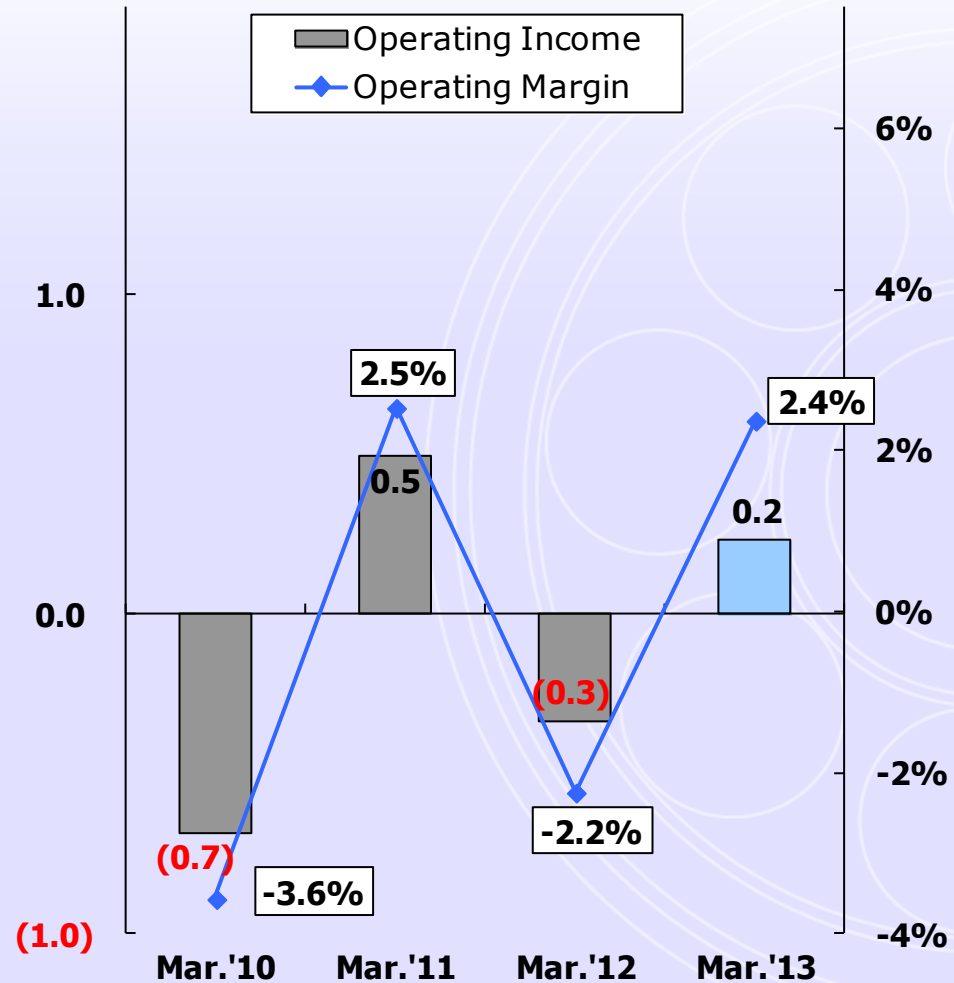
Net sales

(Billions of yen)



Operating income

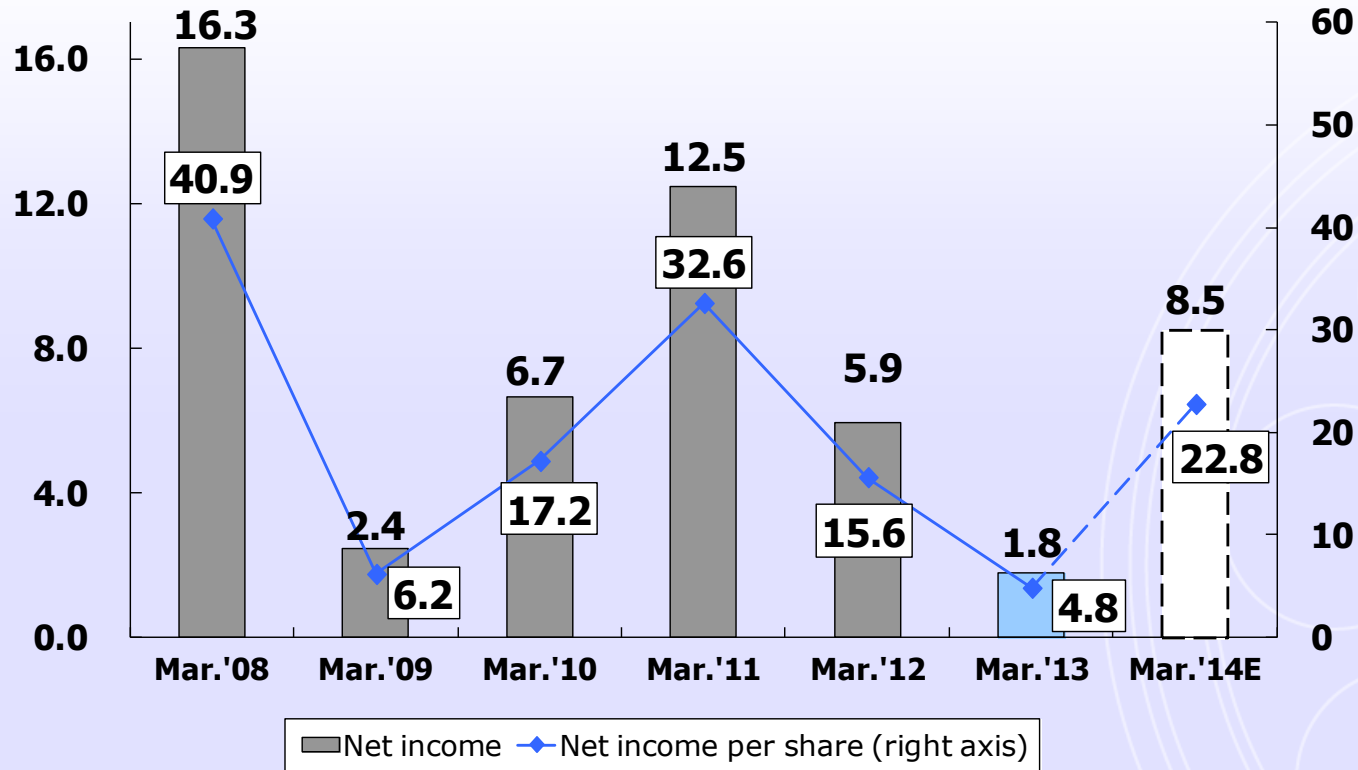
(Billions of yen)



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(Billions of yen)

(yen)

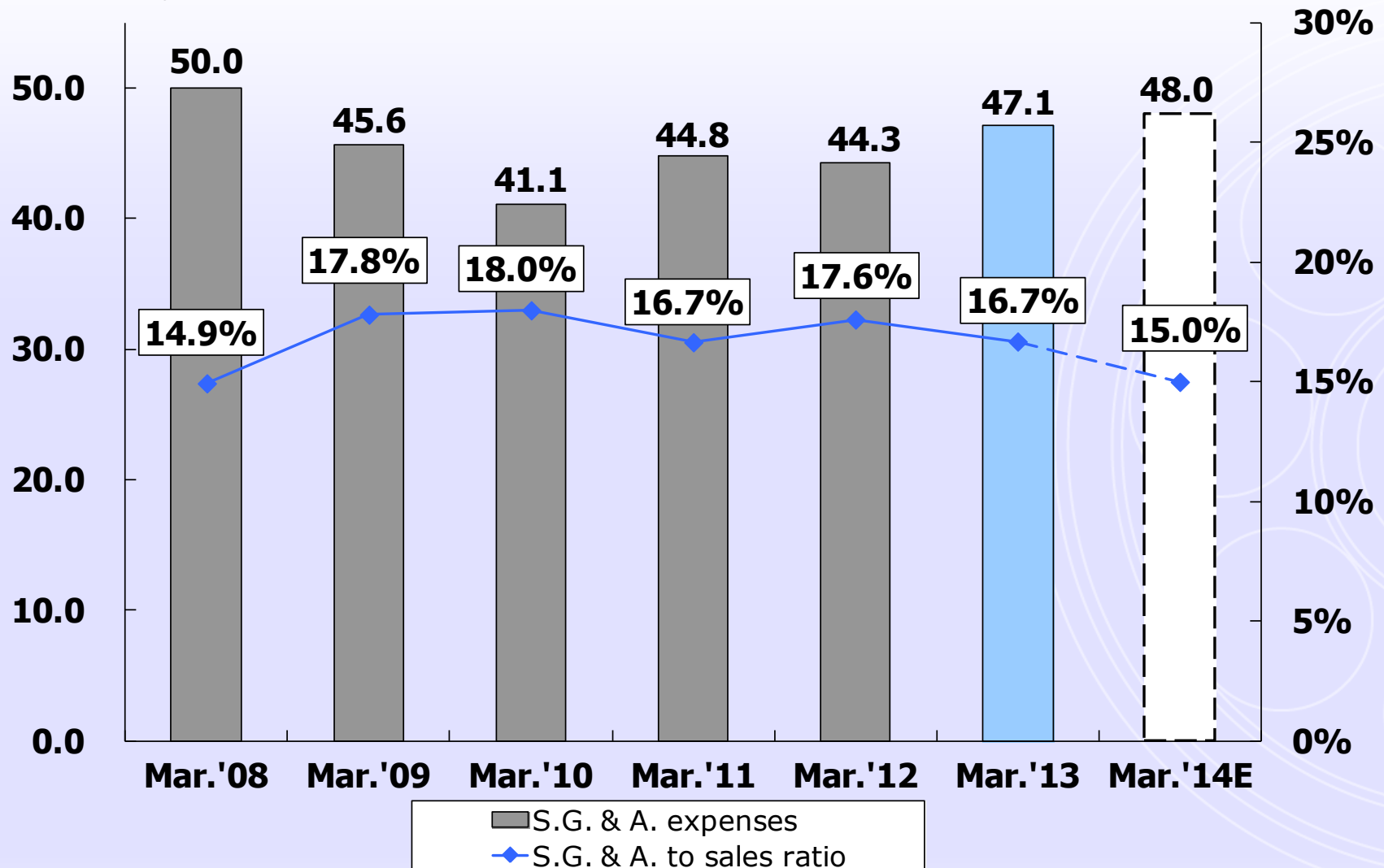


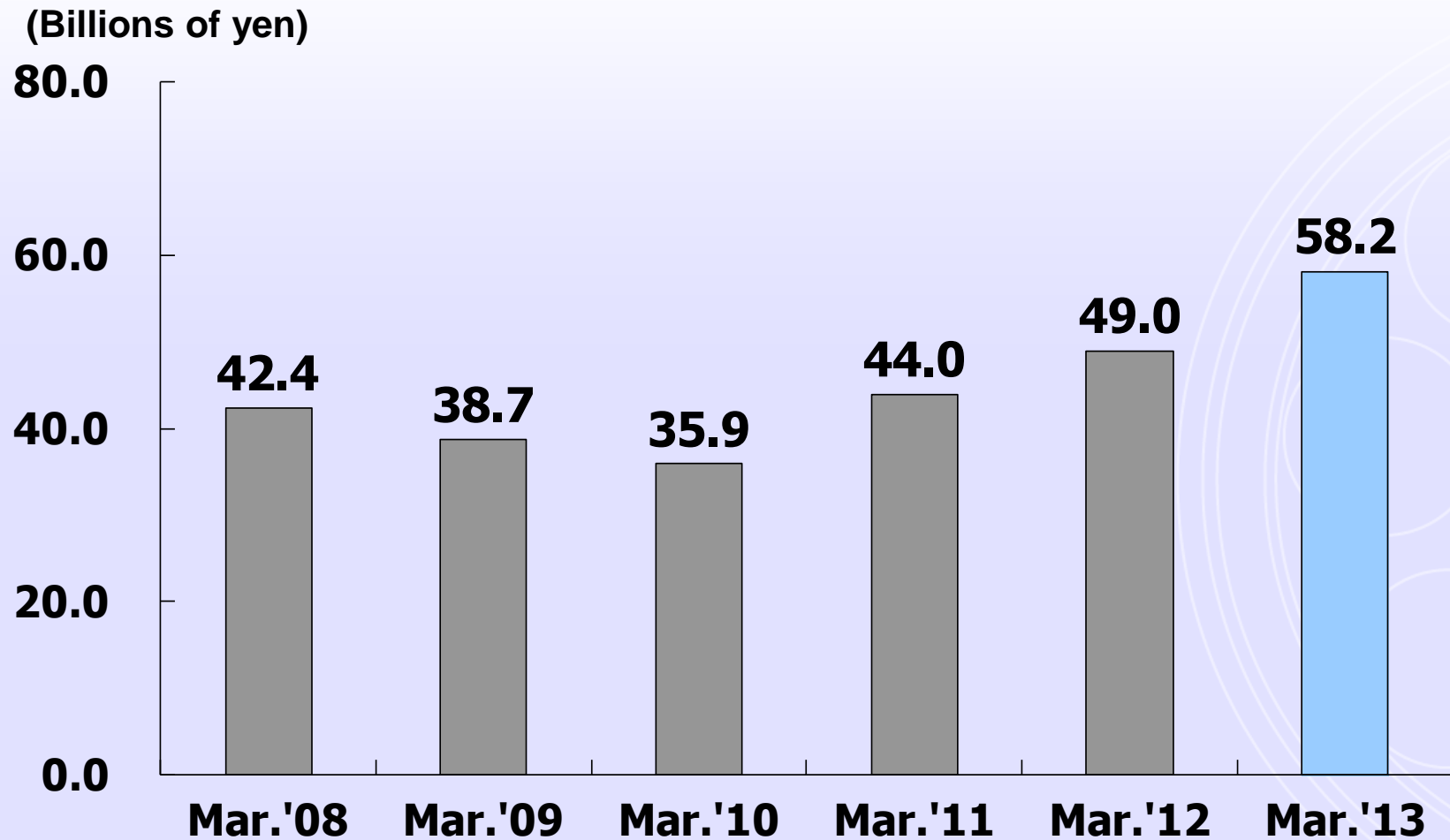
**Net income for the FY ended Mar.'13 was affected by these extraordinary items listed below.*

<u>Extraordinary gains</u>	<u>¥7.1</u>
-Omori factory land sale	¥4.3
-Thai flood insurance income	¥2.6

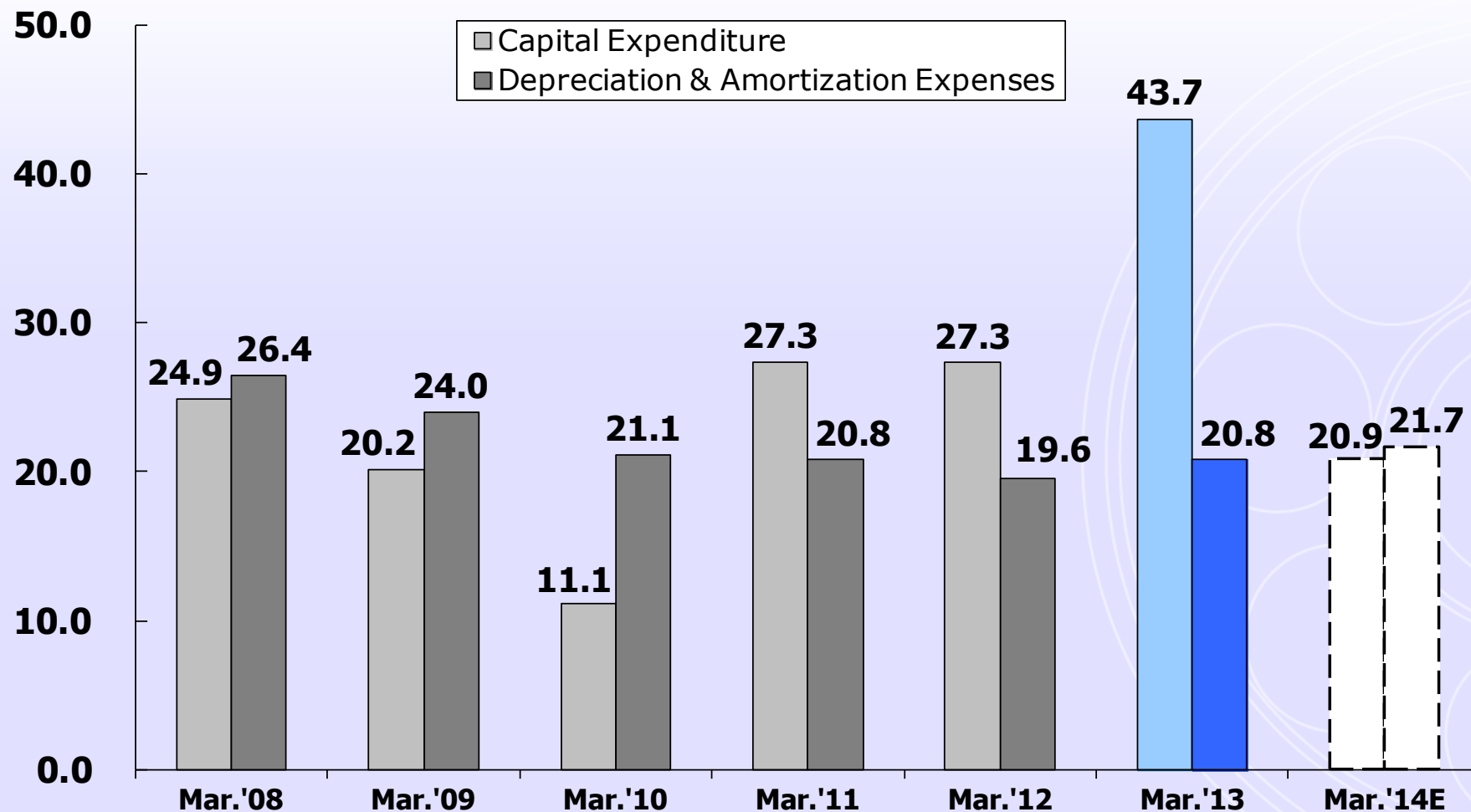
<u>Extraordinary losses</u>	<u>¥9.9</u>
-Business restructuring losses	¥2.6
-Impairment Losses	¥1.9
-Loss on disaster	¥2.0
-Loss on abolishment of retirement benefit plan at U.S. subsidiary	¥1.6
-Bad debts written off	¥0.7
-Amortization of goodwill	¥0.6

(Billions of yen)





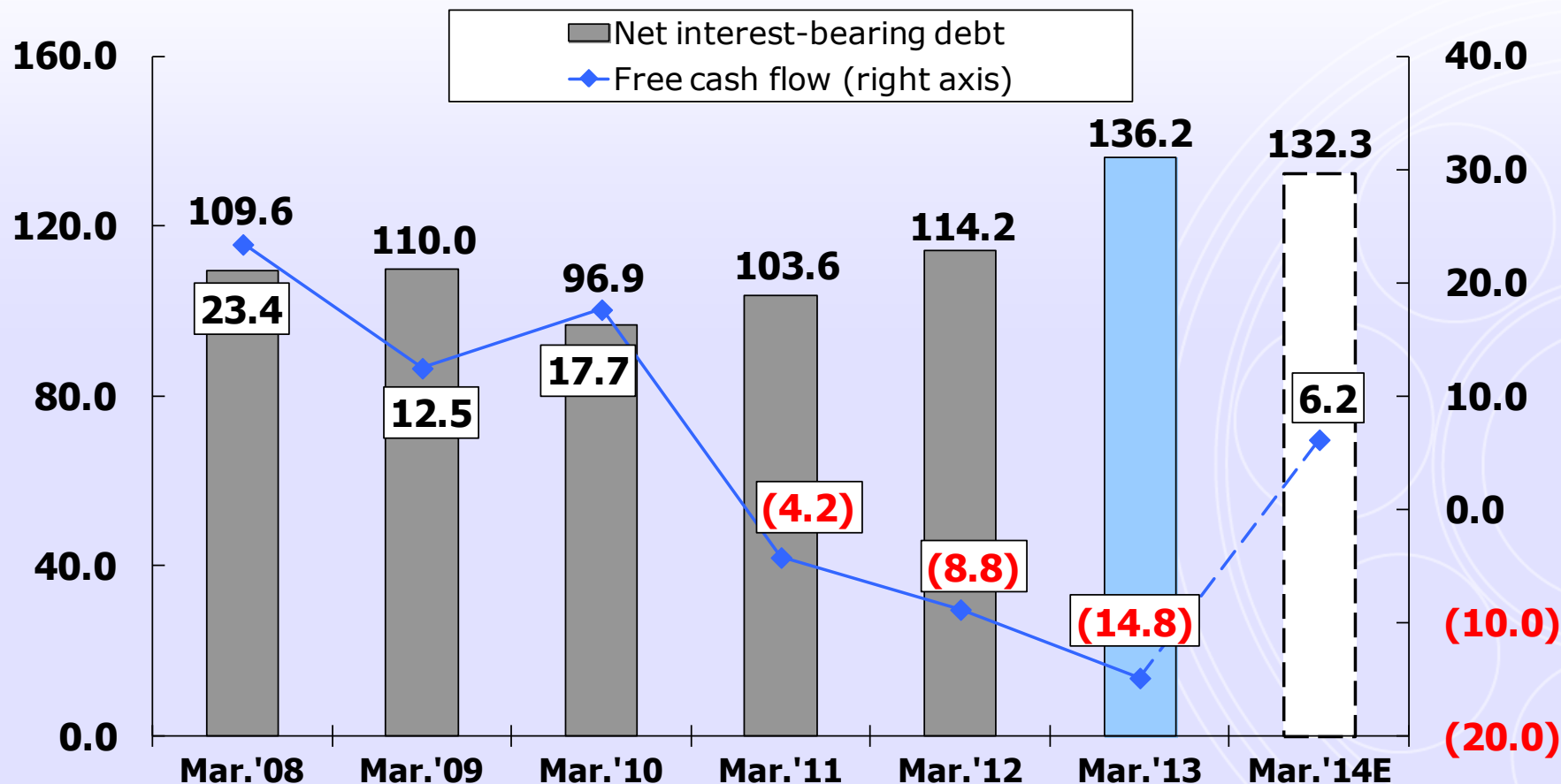
(Billions of yen)



*From FY 3/09, due to change in lease accounting, assets of finance leases are included.

(Billions of yen)

(Billions of yen)



Net Interest-bearing debt = Interest-bearing debt – Cash and cash equivalents

Free Cash Flow = CF from operating activities + CF from investing activities

Forecast for Fiscal Year Ending March 31, 2014

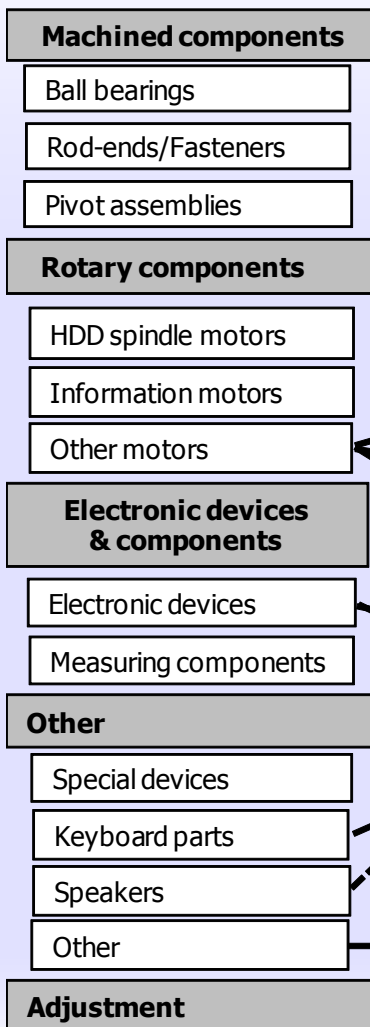
Restructuring of motor business as well as higher sales of LED backlights, ball bearings, aircraft parts and hybrid components to push profits up

(Millions of yen)	FY ended Mar. '13	Fiscal Year ending Mar. '14			
	Full year	1st Half	2nd Half	Full year	Change YoY
Net sales	282,409	155,500	164,500	320,000	+13.3%
Operating income	10,169	6,800	9,200	16,000	+57.3%
Ordinary income	7,673	5,600	7,900	13,500	+75.9%
Net income	1,804	3,800	4,700	8,500	+371.2%
Net income per share (yen)	4.83	10.18	12.58	22.76	+371.2%

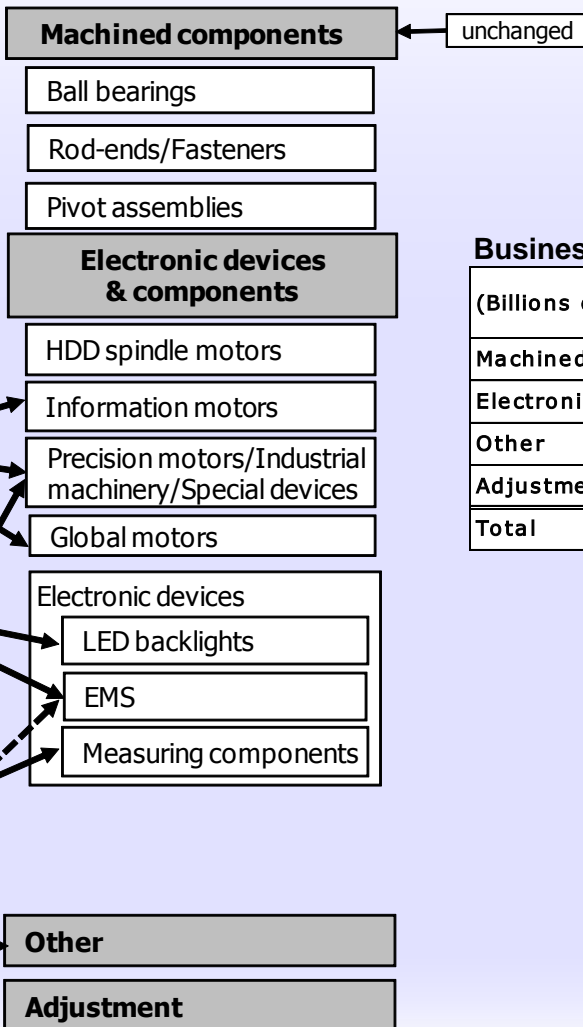
Foreign exchange rates	FY ended Mar. '13 Full year	FY ending Mar. '14 Assumption
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Chinese RMB	¥13.08	¥14.40

Structural reorganization leads to new business segment classification

Old business segments (for FY ended Mar. 2013)



New business segments (for FY ending Mar. 2014)



Business segment forecast for FY ending Mar. 2014

(Billions of yen)	Net sales	Operating income (loss)
Machined components	123.6	24.9
Electronic devices & components	195.6	2.0
Other	0.8	0.1
Adjustment	0.0	-11.0
Total	320.0	16.0

Policy and Strategy

May 9, 2013

Yoshihisa Kainuma

**Representative Director,
President and Chief Executive Officer**

Drastic Changes in the Market

Political and economic changes

- Sharp drop in sales of Japanese products in China
- Yen significantly weakening against the dollar (driving sales up)
Sharp significant depreciation of the yen against other Asian currencies (driving production costs up)
Sales ↑ Profits →

Global economy is leveling off

- Prolonged European financial crisis and slowdown in the growth of emerging markets like China
- US and Japan, though considered mature markets, are propping up the global economy with their economic upswing.

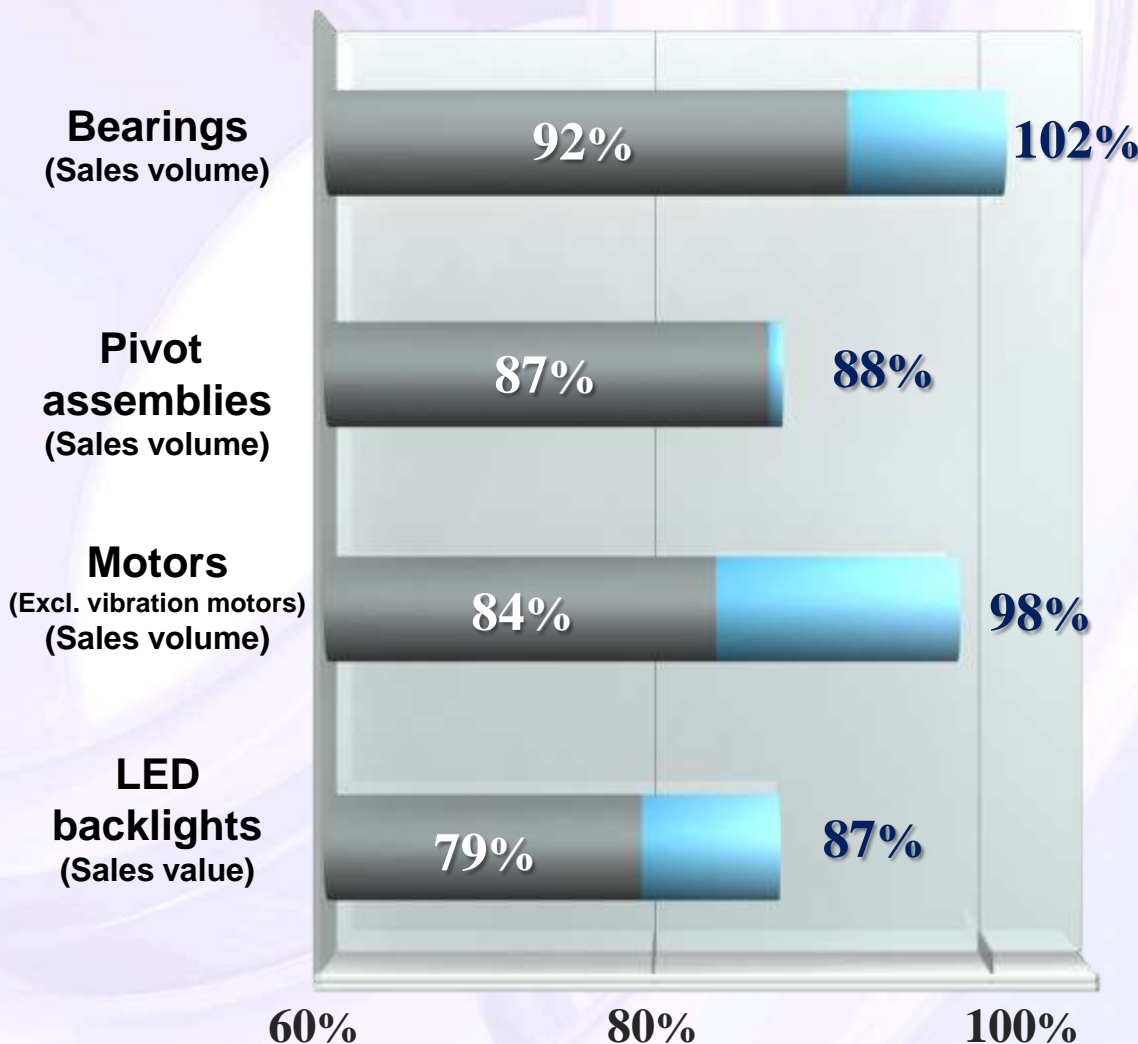
Technological changes

- Smartphones, tablet PCs, and cloud technologies are experiencing double-digit growth annually.
- The downside is that production occurs in a short up and down cycle.
- Demand for existing products (notebook PCs, HDDs, printers, copiers, compact digital cameras, etc.) remains flat.

What was common sense yesterday makes no sense today
Need to **change strategies**

Impact of Drastic Changes in the Market

- % of target met in 2nd half of FY 3/2013
- % of target aimed in 2nd half of FY 3/2014



Impact on operating income

Slowdown in the HDD market
= - 4.1 billion yen

Big fluctuations in the markets for smartphone and tablet PC parts
= - 2.0 billion yen

Adverse effect of strengthening Asian currencies on cost
= - 1.0 billion yen

Sharp drop in sales of Japanese products in China
= - 0.6 billion yen

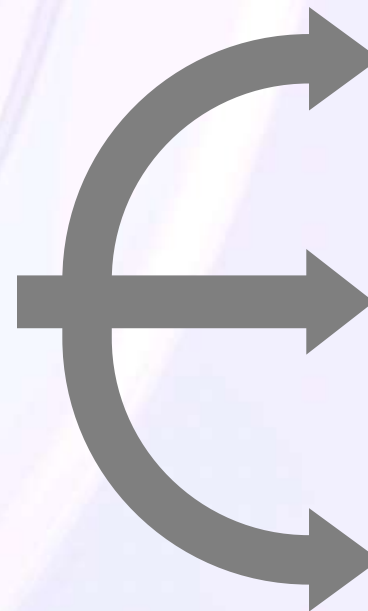
Effect of the weak yen on overseas subsidiaries' profit etc.
= + 0.4 billion yen

How are we going to deal with the drastic changes in the market?

Does this business have a big technological leg up over Korean, Taiwanese and Chinese competitors?

Does this business create synergy within Minebea?

Does the market have growth potential?



Expand

Reform

Close

Sales target by application

Focus area

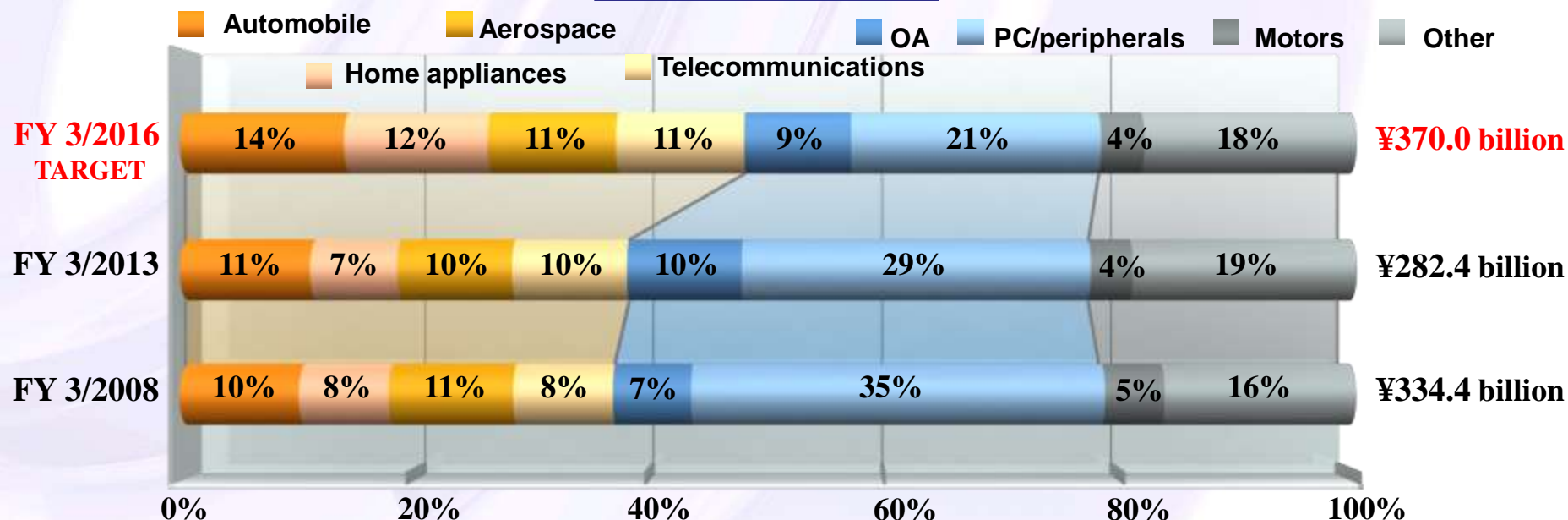
machined components, LED backlights,
hybrid components

Trends in market portfolio

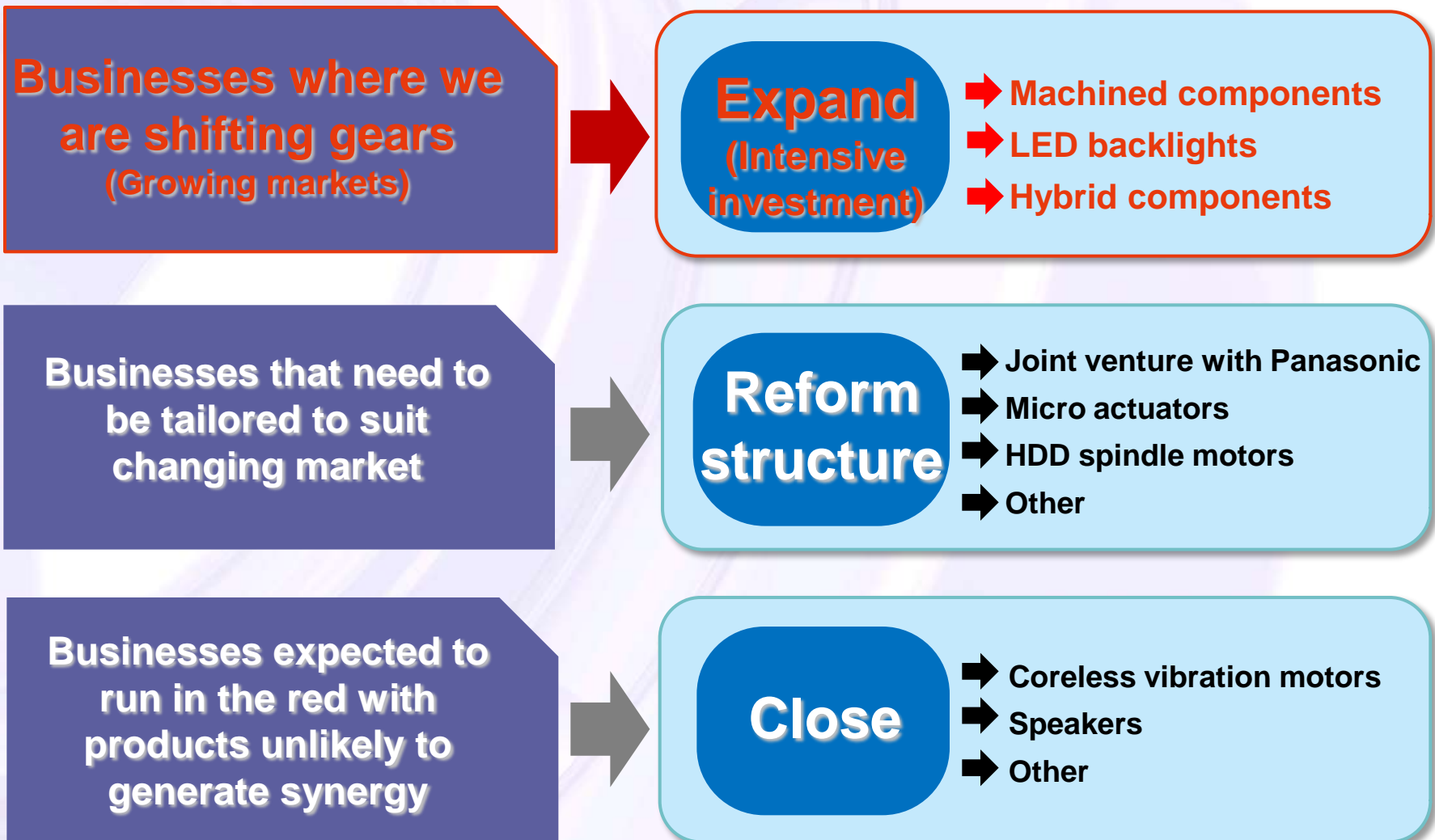
Expand: home appliances, automobile, aircraft, medical, environment, etc.

Shrink: compact digital still cameras, PCs, HDDs, OA equipments

Sales by Application



Business Portfolio: Shifting Gears



Increase profits in the machined components business

Increase ball bearing sales and expand new applications

Expand aircraft parts sales

Aggressively implement A&A (alliance and acquisition) strategy

Increase hybrid component sales

Shift Tokyo R&D Center (directly under the president) into full gear

Bring high-value-added products to market

Maximize synergy among BUs and HQs

Sales Expansion for Ball Bearing Business

Internal sales to remain steady

Internal sales for pivot assembly application to remain steady for the time being

Increase external sales for current applications

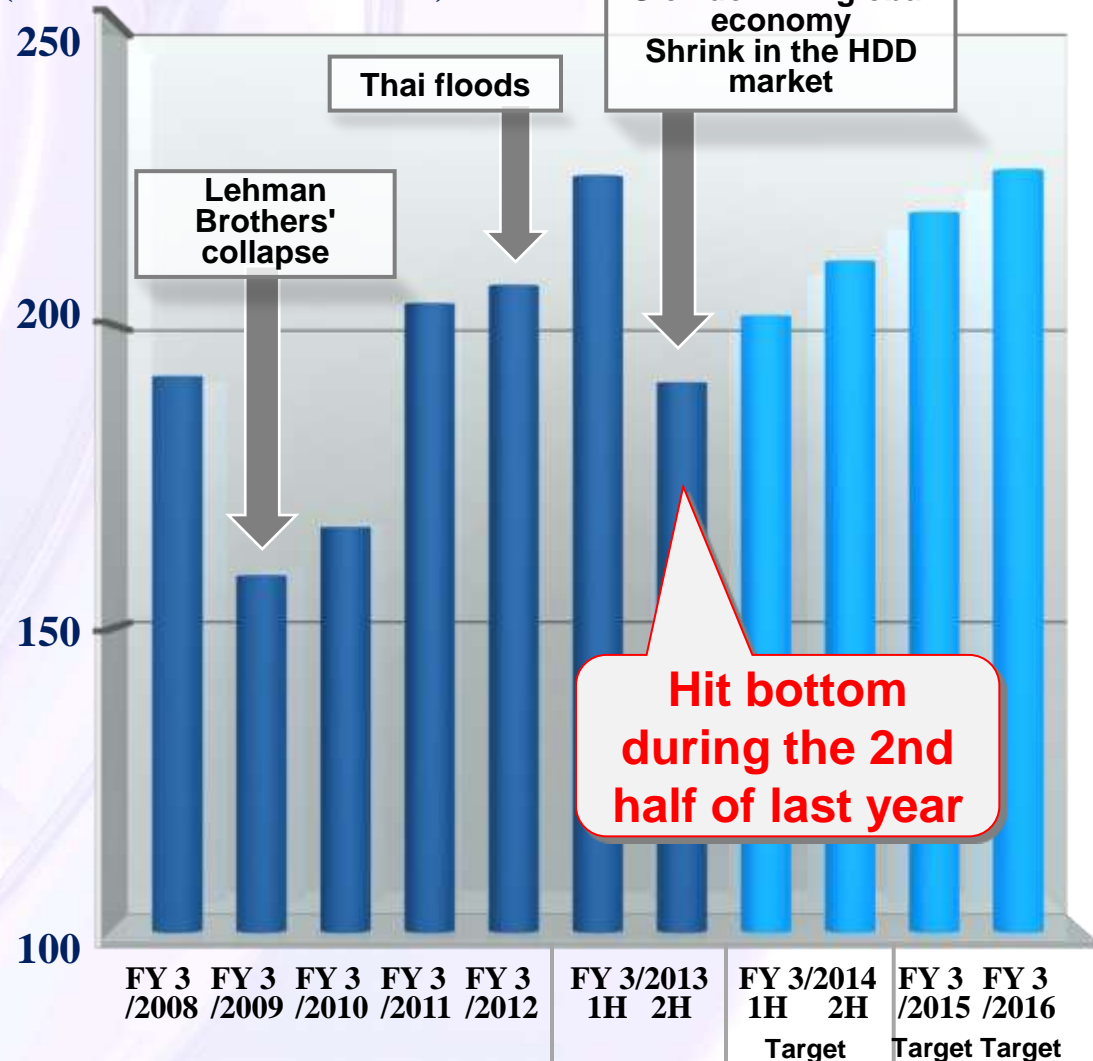
Work to explore new areas of automobile applications and increase sales in greater China

Tap into new markets

- Started selling medium-sized ball bearings to existing customers in early 2013
- Will mass produce low-priced products
- Will expand sales of high-value-added products, including bearings for turbochargers

Monthly Average Ball Bearing Sales Volumes (External + Internal Sales)

(millions of units/month)



Boost Profitability of Rod-end Fastener Business

Global aircraft production to soar over the medium term

Booming LCC industry is fueling bigger orders for aircraft

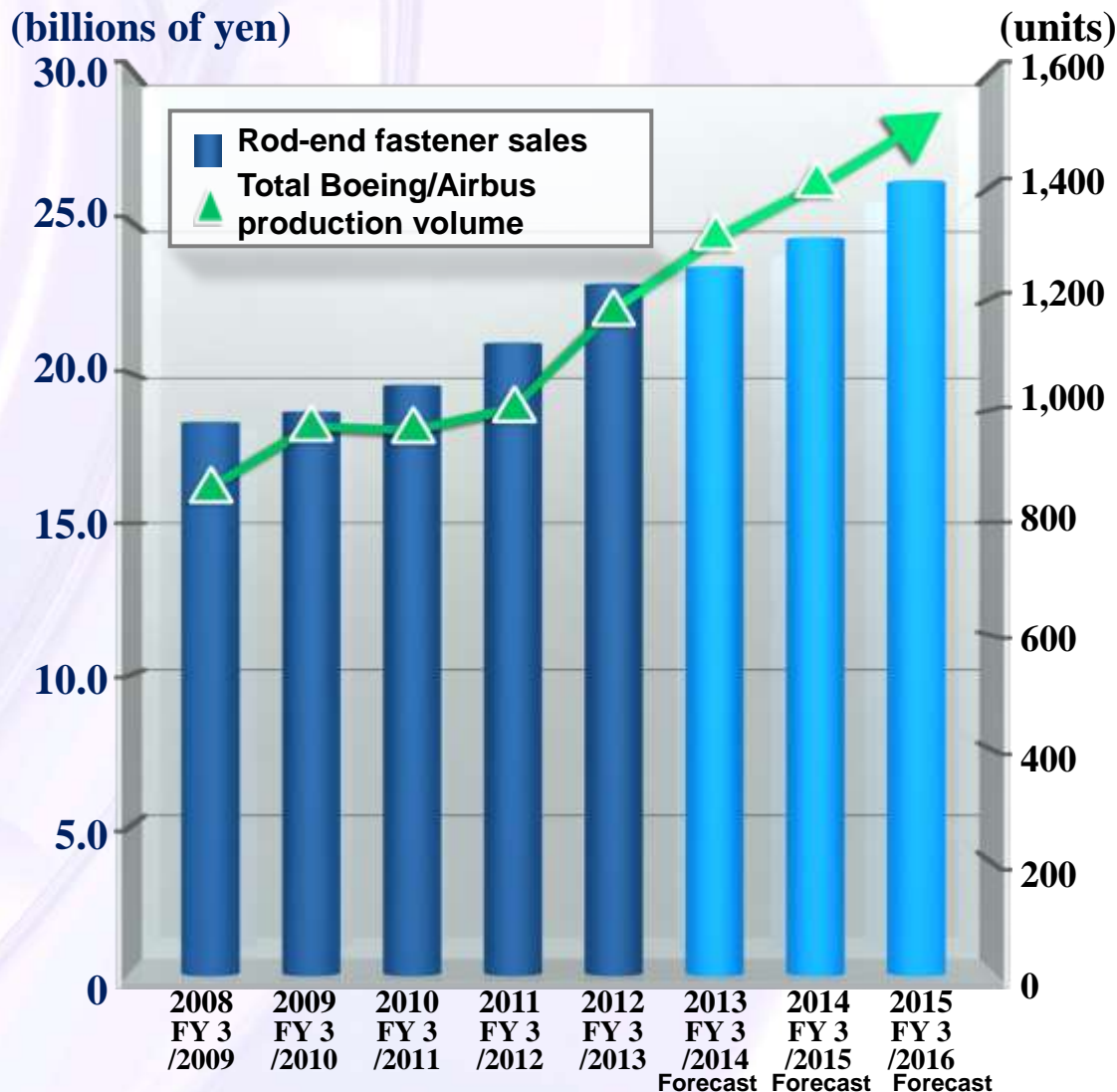
Problem with Boeing 787 to be resolved

No interruption in Minebea component shipments

- In addition to steady production of existing models, mass production and parts procurement to begin for new energy-saving models (A350XWB, A320Neo, B737MAX, etc.)

- Will boost production capacity of Lop Buri plant in Thailand in light of steady orders, and shift production from plants in Japan, the US, and the UK

Shipment Volume for Boeing and Airbus Commercial Aircraft



(Source: Boeing and Airbus, forecasts by Minebea)

Secure Profit for Pivot Assembly Business

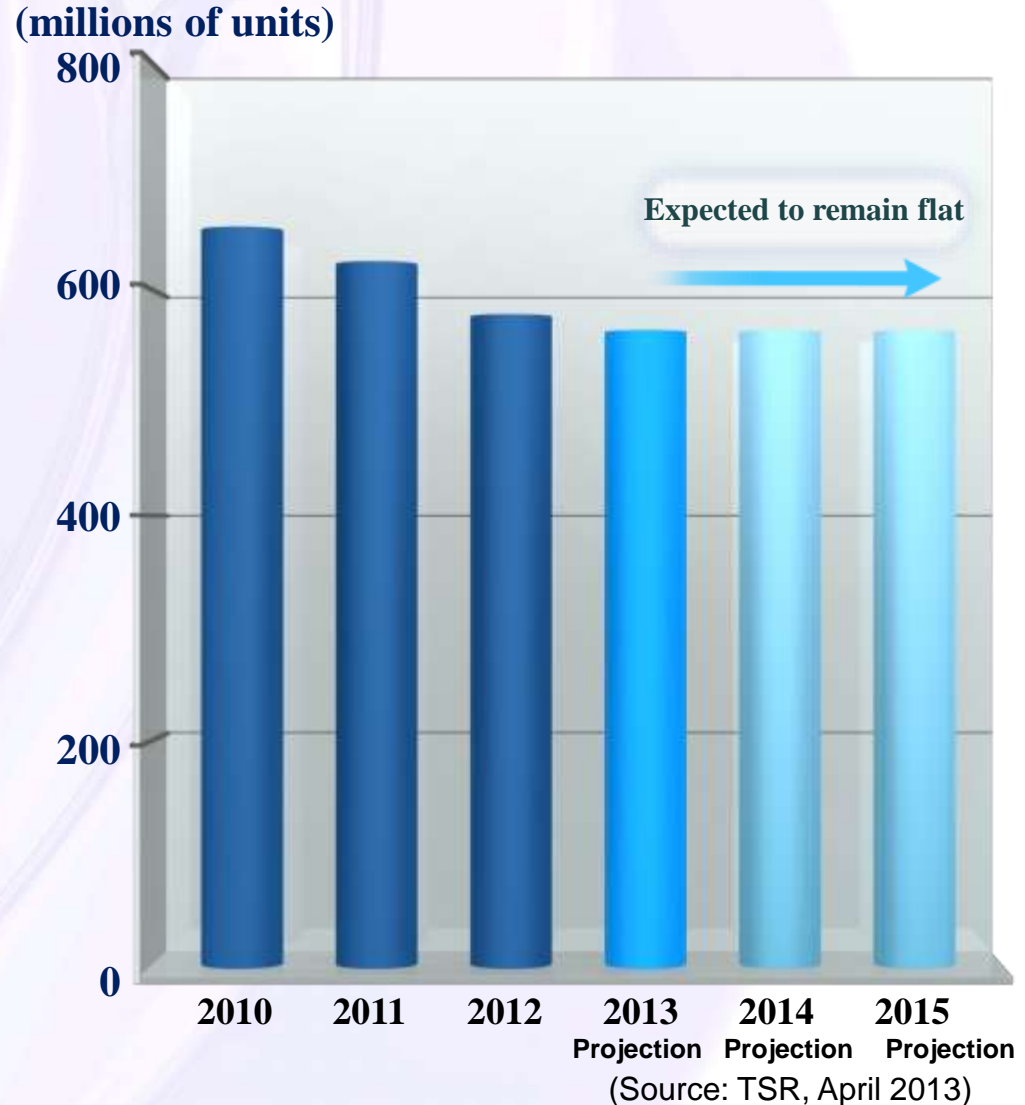
The HDD market to remain at 2012 level

Will work to generate profits in a sluggish but stable market

Maintain high market share

- Established competitive advantage in terms of quality and service
- Higher market share in high-value-added products such as ones for 7mm or less height HDDs due to technological advantage

HDD Shipment Volume (Calendar Year)



Increase Sales and Profits in LED Backlight Business

Failed to reach FY ended 3/2013 target despite jump in sales and profits

Will boost profitability by working to:

1. Expand customer base with an eye to balanced production
2. Increase outsourcing
3. Cut labor costs via semi-automated machines and increased production in Cambodia

Realize a big jump in sales and profits this fiscal year

Bolster competitive edge

• Maintain overwhelming advantage with the light guide plate molding technology -> Pursue techniques to make thinner plates

LED Backlight Sales



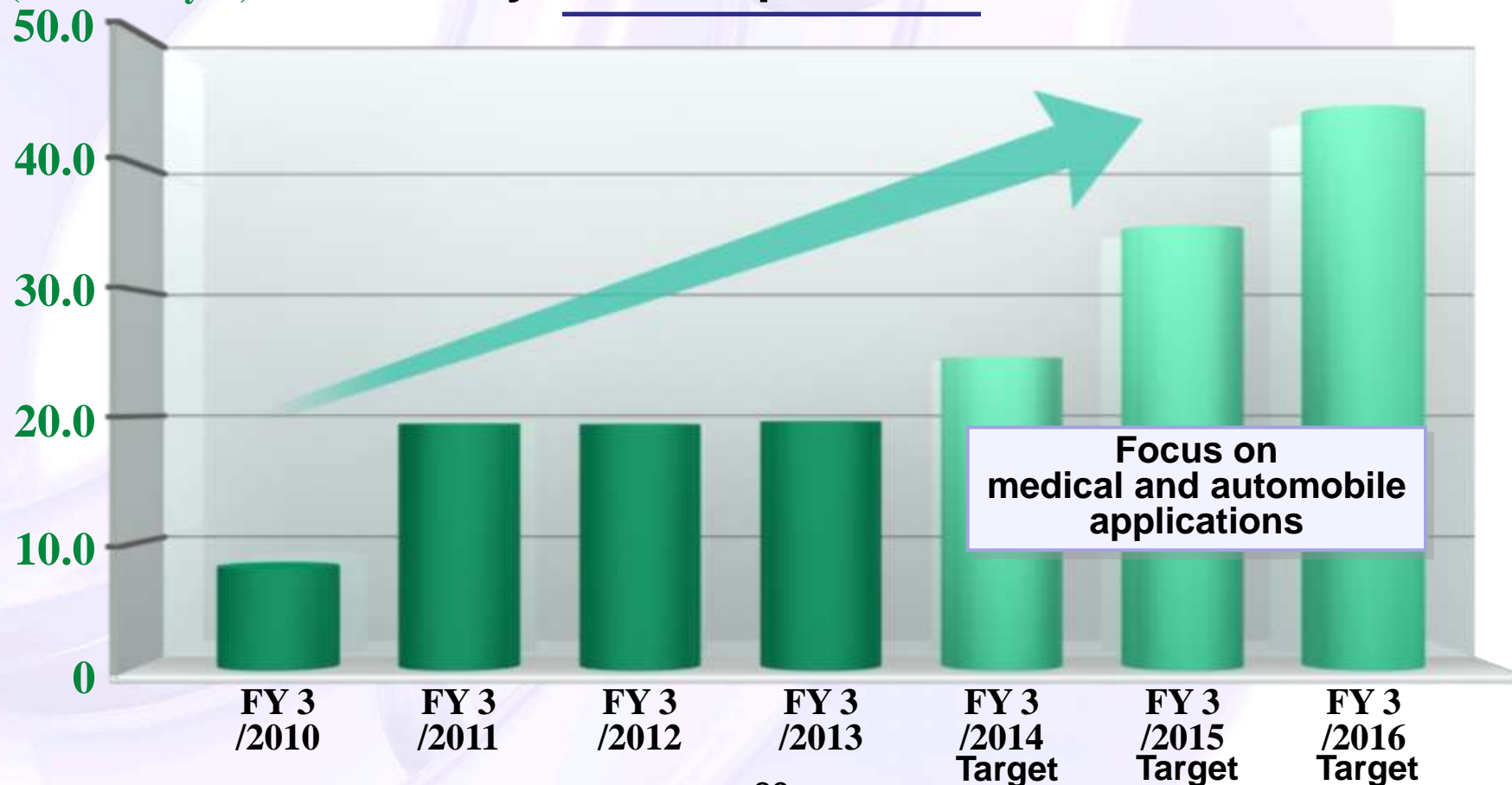
Hybrid Component Sales to Increase

Sales to reach ¥25 billion this year and ¥45 billion in FY ending 3/2016

Tokyo R&D Center now in operation

Hybrid Component Sales

(billions of yen)



Bearings for turbochargers

**Pluses: energy-saving,
high heat-resistance**

- Developed and to produce highly heat-resistant ball bearing units for turbochargers
- Aiming 5 billion yen sales in FY 3/2016 with related bearing products



Resolvers (rotation angle sensors) for automobile

**Pluses: cut CO2, high precision,
high durability**

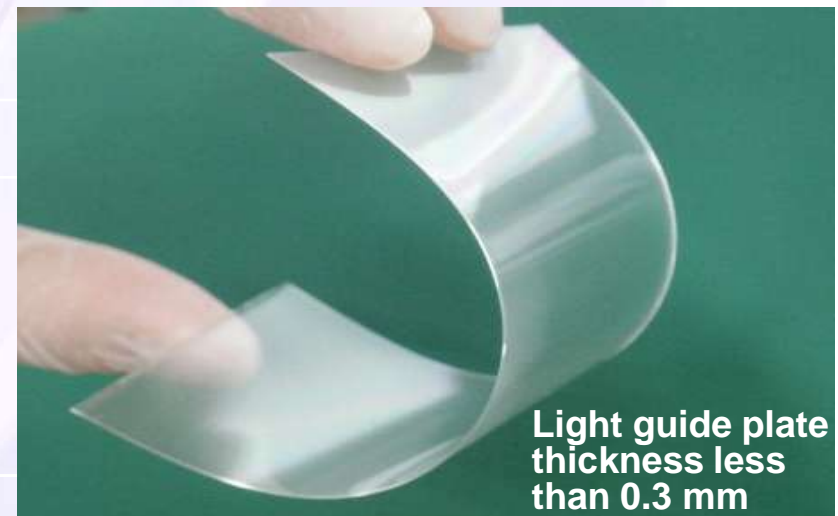
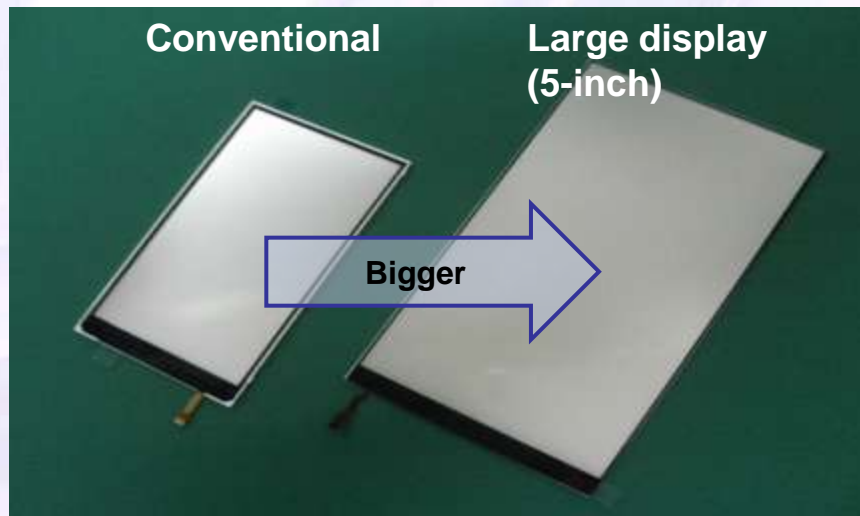
- Developed and began supplying high performance VR resolvers for Nissan Leaf drive motors
- Aiming 3.8 billion yen sales in FY 3/2016 for all resolver products



Ultra-thin light guide plates (LED backlights)

**Pluses: ultra-thin, large size,
high efficiency**

**Developed backlights for large display
smartphones to meet market needs**



Business Portfolio: Shifting Gears

**Businesses where we are
shifting gears
(Growing markets)**



**Expand
(Intensive
investment)**

- ➡ Machined components
- ➡ LED backlights
- ➡ Hybrid components

**Businesses that need to
be tailored to suit
changing market**



**Reform
structure**

- ➡ Joint venture with Panasonic
- ➡ Micro actuators
- ➡ HDD spindle motors
- ➡ Other

**Businesses expected to
run in the red with
products unlikely to
generate synergy**

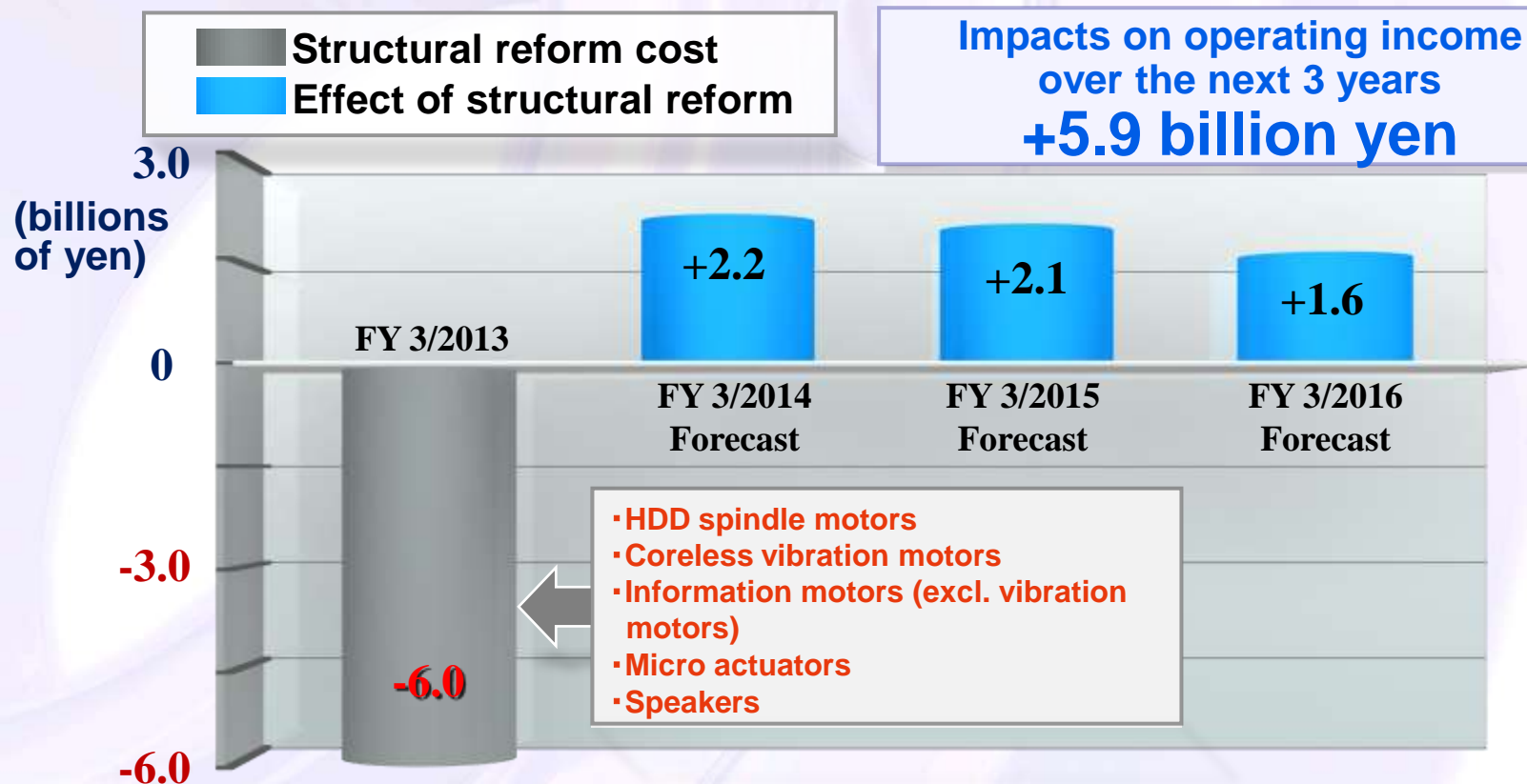


Close

- ➡ Coreless vibration motors
- ➡ Speakers
- ➡ Other

Promote Structural Reform (Including Closure)

Structural reform was completed in FY ended 3/2013



This is our **make or break year** where we have to make enough headway to get out of the red.

Structural Reform and Enhanced Profitability for Rotary Components Business 1

Making MMC our wholly-owned subsidiary, merger and reorganization
➡ **To operate motor business under one roof**

**Absorption-type merger
and reorganization**

Cut indirect costs via streamlining

HDD spindle motors

**Boost sales of high-value added products (for servers
and thin mobile devices) to increase market share**
**Cut future depreciation costs via impairment of
business assets**
Achieve monthly profitability starting in 1Q this year

Micro actuators

Completed production shift to Cambodia
Integrate into the stepping motor business

Brush DC motors

Completed shift of mass-production to Cambodia
Personnel cuts at Malaysian plant

Shift from No. 1 strategy to one-and-only strategy

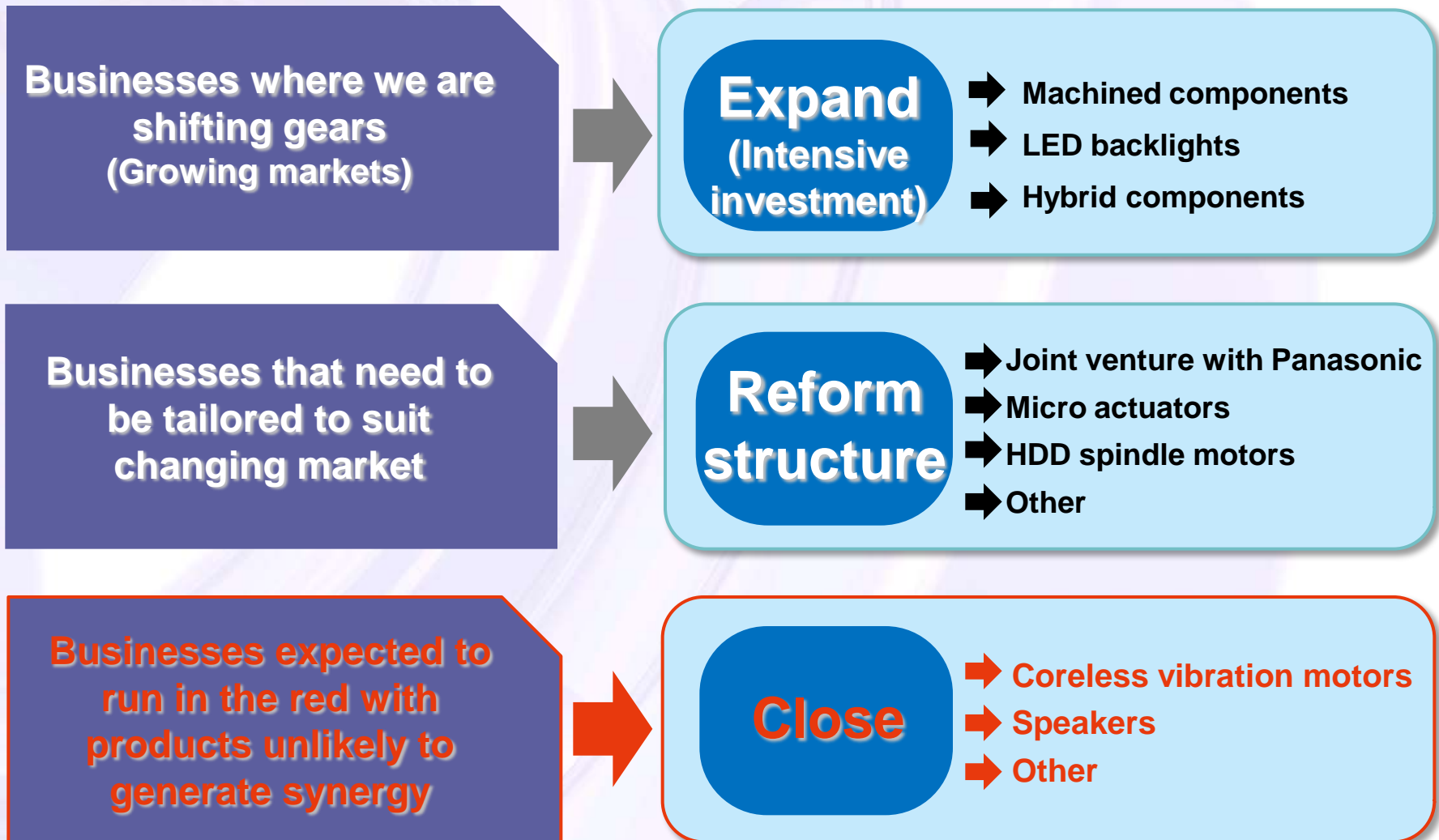
Structural reform

Focus on hybrid component sales

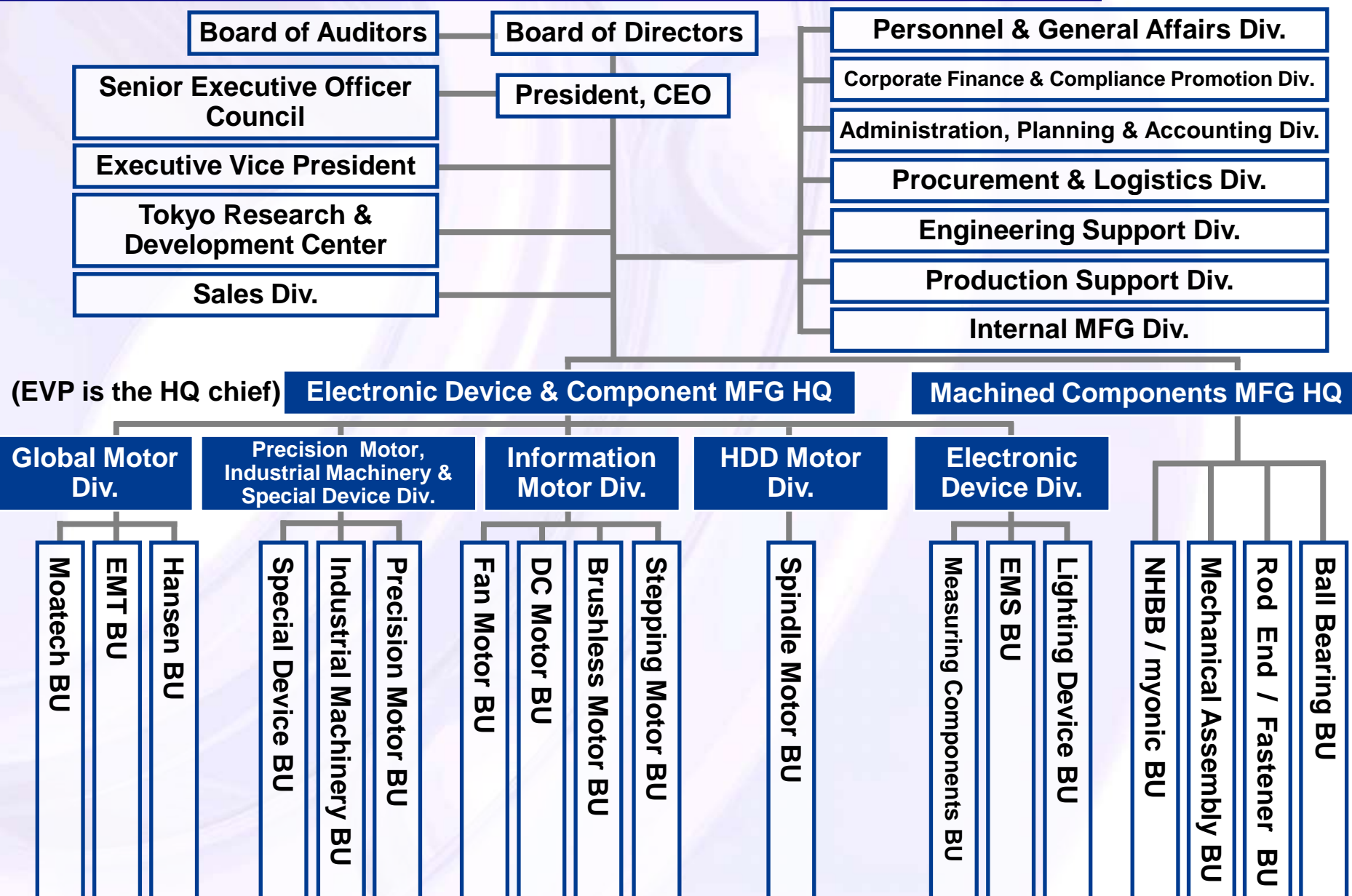
Completion of production transfer to Cambodia

Focus on sales of motors with technological advantage

Business Portfolio: Shifting Gears



New Organization Chart



Organizational Reform: Aims

Increase efficiency and speed of operations

Maximize synergy between sales and R&D via the new Electronic Device & Component Manufacturing HQ

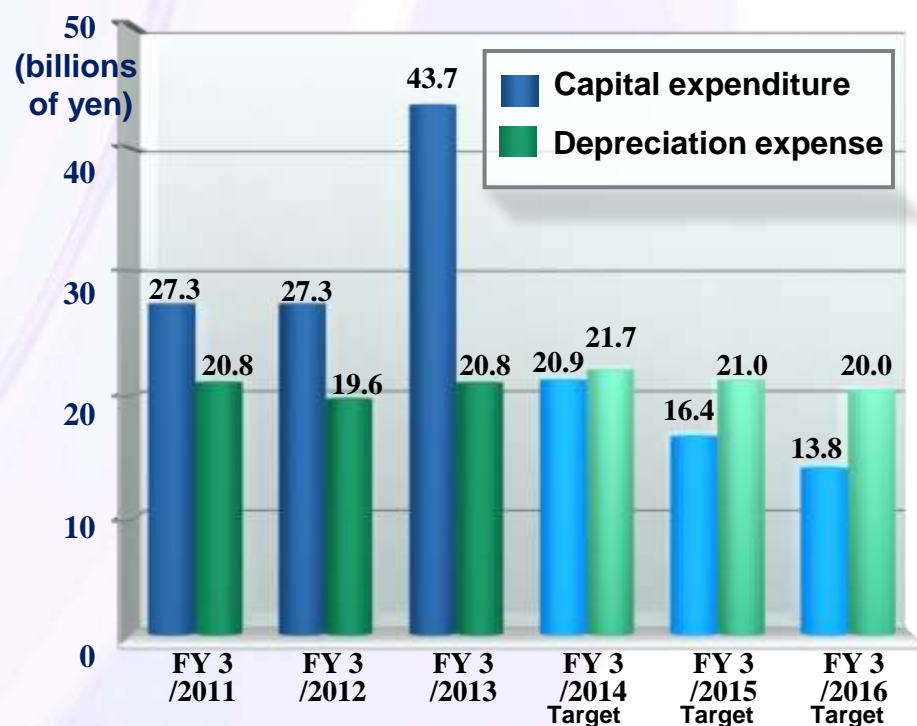
Major organizational changes

- Minebea absorbed Minebea Motor Manufacturing Corp., turning its 4 motor BUs into the Information Motor Division
- Merged the Micro Actuator BU with the Stepping Motor BU
- Placed the Precision Motor and Special Device BUs under the new Precision Motor, Industrial Machinery & Special Device Division
- Established the Tokyo Research & Development Center
- Merged the Rotary Component Manufacturing HQ, Electronic Device & Component Manufacturing HQ, HDD Motor Manufacturing HQ, Special Device Manufacturing HQ, and Global Motor Business HQ into the new Electronic Device & Component Manufacturing HQ
- No organizational change to the Machined Component Manufacturing HQ

Improve Balance Sheet

Improved foreign currency translation adjustments brought net D/E ratio up to 1.0

Will improve cash flow



Net interest-bearing debts: Interest-bearing debt - Cash and cash equivalents

Free cash flow: CF from operating activities + CF from investing activities

**Given the backdrop of the falling yen,
think twice about large M&A deals**

**Give priority to boosting machined
components via medium and small M&As**

- **Strengthen various alliances in machined components business**
- **Leverage M&As and alliances in other business areas to strengthen their operations**

Takeover of APB's Business Assets by myonic

APB is an Austrian manufacturer of special precision bearings.

- Purchase APB's business assets related to manufacturing special precision bearings for industrial machinery and machine tools and produce these products at myonic's factory in Germany (myonic is a Minebea subsidiary)
- A new line of business will be added to myonic's three core business operations that now include bearings for dental, medical, and aerospace devices.
- Although small, the new business will start generating profits in FY ending 3/2015 and double-digit operating margins in 5 years.



Axial radial roller bearing

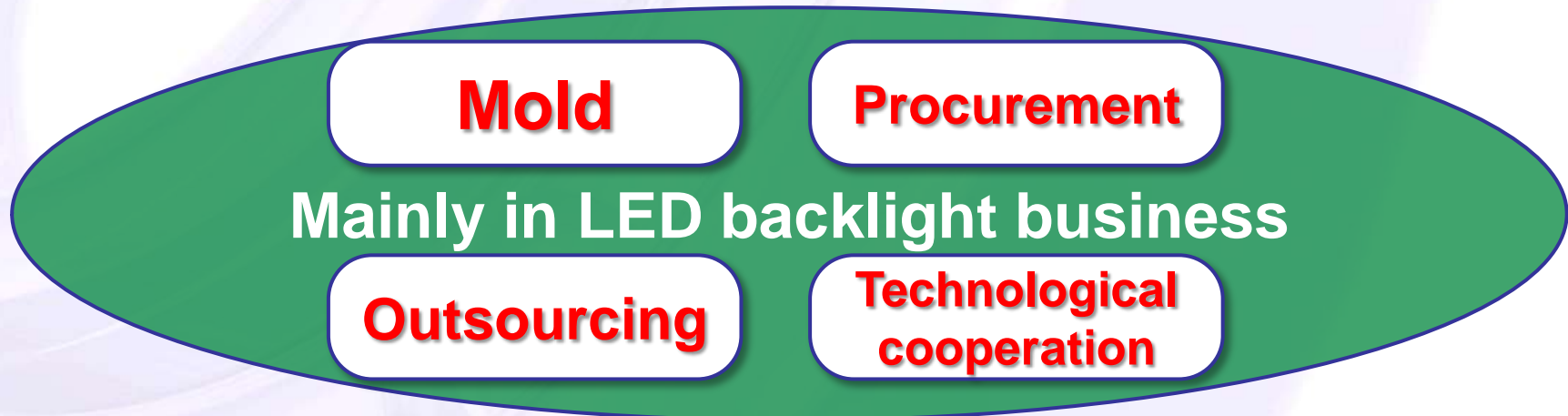


Cross roller bearing

Alliance with a strong Korean LED backlight maker

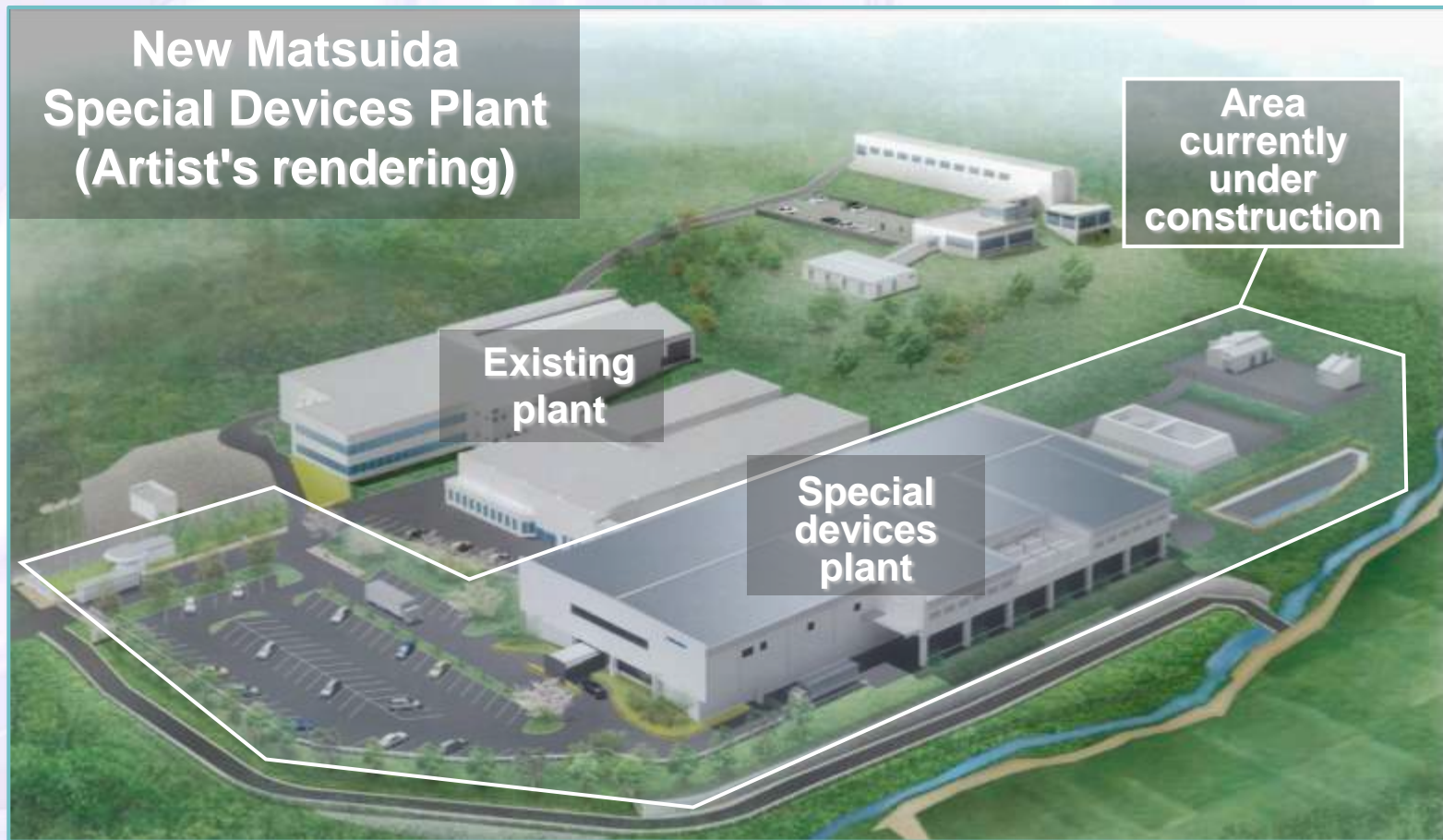
- KJ Pretech has a factory in southern China, which is suitable to complement Minebea's Thai and Suzhou factories
- Aim to reduce risk of sharp fluctuations in production due to customer demand
- Minebea will acquire equity of KJP which has strong Korean customer base, and KJP will purchase Minebea shares

Capital investment to further strengthen alliance



New Special Devices Plant

Move the Special Device Business Unit from the Omori Plant to the Matsuida Plant by the end of this fiscal year to expand operations



Dividend policy

FY ended 3/2013	year-end dividend: 4 yen/ share;	Total year: 7 yen /share
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Dividend forecast for FY ending 3/2014:	Interim: 3 yen/share
	Year-end: 4 yen/share

Our basic dividend policy gives priority to enhancing equity efficiency and improving returns to our shareholders, with dividends reflecting performance in light of the overall business environment while maintaining a stable and continuous distribution of profits.

Maintain strategies for repurchasing own shares

Implement a flexible capital strategy in response to changes in the business environment.

Revision to Medium-term Business Plan Targets

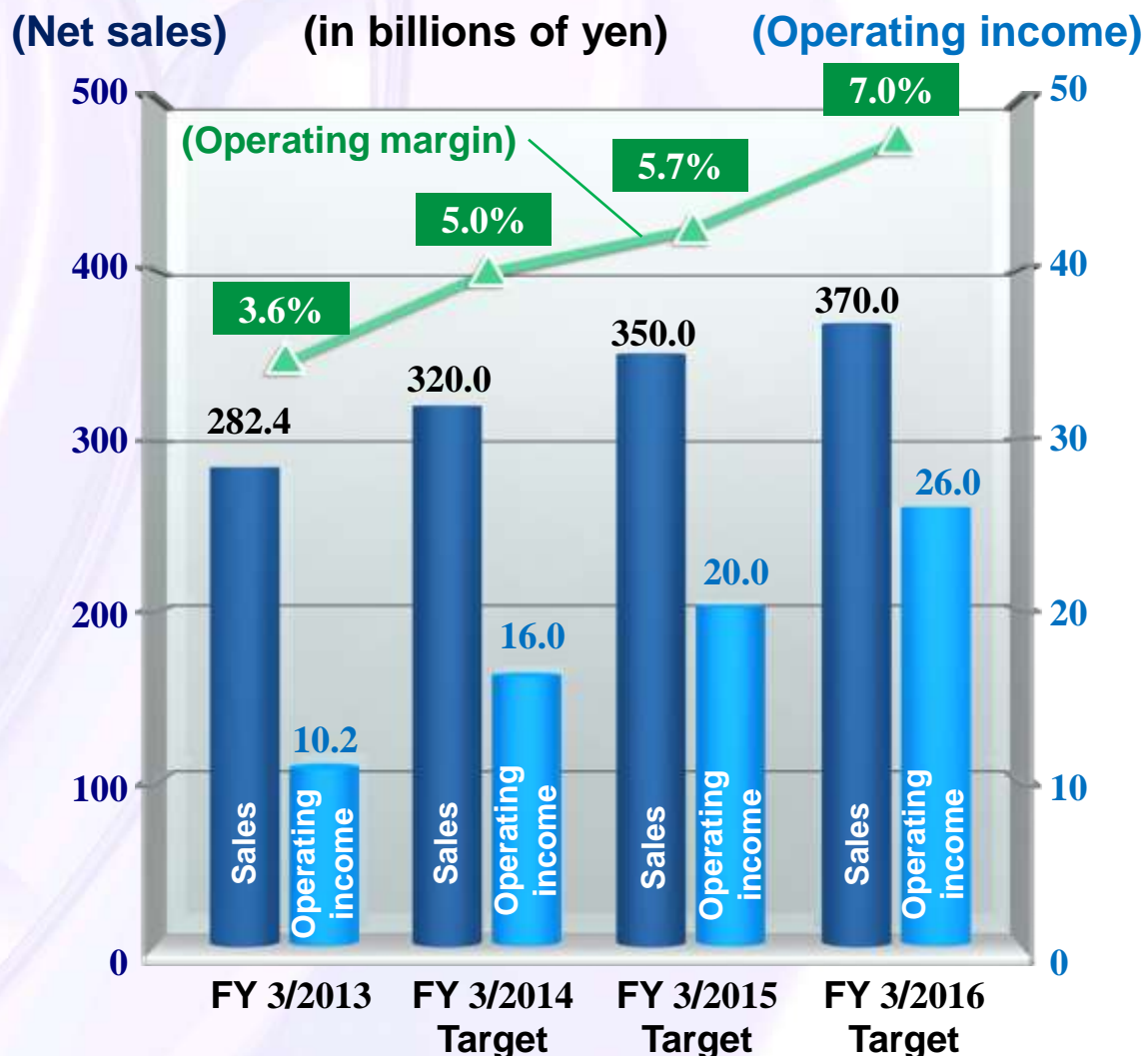
■ Machined components business: Steady profit growth

- Focus on expanding ball bearing sales
- Expand aircraft parts sales

■ Electronic devices & components business: Significant increases in sales and profits

- Further expand LED backlights to ensure higher profit margin
- Expand hybrid component sales
- Implement structural reform and improve profitability for motor business
- Work on reorganization and maximize synergy

Revised Medium-Term Business Plan Targets



Estimated
FOREX
rates

90 yen/US\$, 120 yen/euro, 3.0 yen/baht, 14.4 yen/RMB

Minebea Co., Ltd.

Business Results

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

Any statements in this presentation which are not historical are future projections based on certain assumptions and executive judgments drawn from currently available information.

Please note that actual performance may vary significantly from any particular projection due to various factors.

Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to Minebea's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously.

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