



**OUTLINE OF FINANCIAL RESULTS  
FOR THE THIRD QUARTER OF FY2006, ENDED DECEMBER 31, 2005**

February 2, 2006

Registered  
Company Name: **MINEBEA CO., LTD.** Common Stock Listings: Tokyo, Osaka, and Nagoya  
Code No: 6479 Headquarters: Nagano-ken  
(URL <http://www.minebea.co.jp>)  
Representative: Takayuki Yamagishi Representative Director, President and Chief Executive Officer  
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1. Matters concerning preparation of quarterly performance summary

- (1) Concise accounting procedures adopted: None  
(2) Changes in accounting method: Yes  
Accounting Standard for Impairment of Fixed Assets (“Opinion on setting up an accounting standard for impairment of fixed assets” (Business Accounting Council, August 9, 2002) and “Application Guideline for Accounting Standard on Impairment of Fixed Assets” (Corporate Accounting Standard Application Guideline No. 6 specified by the Corporate Accounting Standard Commission, October 31, 2003) is applied. Loss due to impairment amount is 903 million yen.  
(3) Accounting changes of scope of consolidation and application of equity method: Yes  
(a) Changes in consolidated subsidiaries  
Anew: None Exclusion: 2 companies  
(b) Changes of the companies subject to equity method  
Anew: None Exclusion: None

2. Business performance (April 1, 2005 through December 31, 2005)

(1) Consolidated Results of Operations (Amounts less than one million yen have been omitted.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
FY2006 3rd Quarter	236,687	6.6	13,267	37.7	10,016	46.5
FY2005 3rd Quarter	221,931	9.6	9,633	(31.2)	6,835	(39.3)
FY2005 Annual	294,422	9.6	14,083	(22.2)	10,206	(26.0)

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share(yen)
FY2006 3rd Quarter	4,821	80.6	12.08	—
FY2005 3rd Quarter	2,670	(38.6)	6.69	6.58
FY2005 Annual	5,581	(7.3)	13.93	13.27

- (Notes) 1. Income or loss on investments for the third quarter in FY2006 on the equity method totaled (5) million yen and 4 million yen in the third quarter FY2005 and 13 million yen in FY2005.  
2. Weighted average number of shares outstanding during the respective years (consolidation):  
399,053,767 shares at December 31, 2005  
399,077,438 shares at December 31, 2004  
399,074,238 shares at March 31, 2005  
3. The percentages of net sales, operating income, ordinary income and net income show changes from the same quarter of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Shareholders' equity ratio (%)	Shareholders' equity per share (yen)
FY2006 3rd Quarter	351,179	116,911	33.3	292.97
FY2005 3rd Quarter	336,564	98,057	29.1	245.72
FY2005 Annual	332,217	102,088	30.7	255.82

(Notes) Number of shares outstanding at end of term (consolidation) :

399,048,523 shares at December 31, 2005  
399,067,417 shares at December 31, 2004  
399,062,072 shares at March 31, 2005

(3) Consolidated Cash Flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financing activities (millions of yen)	Cash and cash equivalents at end of period (millions of yen)
FY2006 3rd Quarter	17,482	(14,885)	(3,039)	22,102
FY2005 3rd Quarter	20,699	(19,917)	(3,265)	24,045
FY2005 Annual	27,586	(23,789)	(8,772)	21,759

3. Prospect for this fiscal year (April 1, 2005 through March 31, 2006)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Net income per share (yen)
Annual	310,000	14,000	7,500	18.79

(Note) The above-mentioned forecasts are based on the information available as of the date when this information is disclosed, as well as on the assumptions as of the disclosing date of this information related with unpredictable parameters that are probable to affect our future business performances in the end.

In other words, our actual performances are likely to differ greatly from these estimates depending on various factors that will take shape from now on.

## (Reference)

### 1. Operating Performance and Financial Position

#### (1) Operating Performance

##### 1. Overview of the third quarter (April 1,2005 through December 31,2005)

During the third quarter of the current fiscal year, the Japanese economy continued a moderate recovery, mainly in private demand, with the corporate sector's good results into the household sector through improved employment and income environments. The U.S. economy, although affected by high energy prices and hurricanes, expanded steadily with recovered consumer confidence due to growth in wealth from a housing boom. The European economy, although weakness remained in some sectors, grew moderately with signs of turnaround in foreign demand and capital investment. The Chinese economy, meanwhile, maintained high growth due to a continued rise in exports mainly to the United States and developing countries, despite the implementation of the revaluation of yuan and tight constraints on overheated investment. The economies in Southeast Asian countries stayed firm due to continued growth in the U.S. economy and high growth in China.

Under these circumstances, we strove to make our profitable basis stronger in order to further enhance earnings in a short period of time by addressing such near-term strategic agenda as resolutely carrying out structural reforms; reinforcing R&D efforts; and driving for management with a clear future vision. At the same time, we also concentrated on further reducing costs; developing high value-added products and new technologies; and expanding marketing activities.

As a result, net sales increased 14,755 million yen (6.6%) year on year, to 236,687 million yen, and operating income increased 3,633 million yen (37.7%) year on year, to 13,267 million yen. Ordinary income increased 3,180 million yen (46.5%), to 10,016 million yen, and net income also increased 2,151 million yen (80.6%) year on year, to 4,821 million yen.

During the third quarter, we posted an extraordinary loss of 903 million yen as a result of implementing impairment accounting for fixed assets.

#### (a) Performance by business segment is as follows:

##### Machined components business

Our products in this business segment include ball bearings, which are our mainstay product; mechanical components such as rod-end bearings primarily for use in aircraft and pivot assemblies for use in hard disk drives (HDDs); screws for automobiles and aircraft; and defense-related devices and equipment. Sales of ball bearings to makers of automobiles and information & telecommunications equipment stayed strong year on year owing to our vigorous sales expansion efforts. Sales of rod-end bearings rose to the aerospace industry, mainly in the U.S. and Europe. In pivot assemblies, sales grew largely, owing to strong demand from the HDD industry. As a result, net sales rose 8,865 million yen (10.3%) year on year, to 95,142 million yen. Operating income increased 1,654 (10.1%) year on year, to 18,084 million yen, due to cost reductions, etc. resulting from increased production and production efficiency.

##### Electronic devices and components business

Our core products in this business segment include HDD spindle motors; information motors such as fan motors; stepping motors, vibration motors and DC brush motors; PC keyboards; speakers; LCD back lights; and measuring instruments. Sales of LCD back lights, fan motors and PC keyboard grew substantially to makers of cellular phones, office automation, PCs and peripheral equipment. On the other hand, sales of HDD spindle motors declined as a result of striving to improve earnings, instead of seeking sales volume. As a result, net sales increased 5,890 million yen (4.3%) year on year, to 141,544 million yen. Operating income improved 1,979 million yen year on year, to (4,817) million yen owing to increased profits from increased sales LCD back lights, cost reductions in HDD spindle motors, etc.

#### (b) Performance by geographical segment is as follows:

##### Japan

Net sales increased 1,818 million yen (3.2%) year on year, to 58,671 million yen. However, due to restructuring in our information motors business, operating income fell 617 million yen to 259 million yen.

##### Asia excluding Japan

This region includes Greater China region which continues high growth due mainly to vigorous investment, and is an important manufacturing base for many makers of Japan, Europe, America and other countries. Sales were firm mainly in the Greater China region, led by expanded demand from the information & telecommunications equipment industry and steady demand from the household electrical appliance industry. On the profit side, profitability improvement effects have been showing up, due to a price increase and cost cuts in such mechanical assemblies as pivot assemblies, cost reduction measures for HDD spindle motors, etc. As a result, net sales and operating income increased 10,514 million yen (10.1%) and 5,074 million yen (110.9%) year on year, respectively, to

115,041 million yen and 9,648 million yen.

#### North America

Despite progress in production shift by our information & telecommunications equipment-related customers to Asia, sales of PC keyboards and other electronic devices and components were firm in this region. In addition, in ball bearings manufactured in the U.S. and rod-end bearings for sales to aviation-related and other industries, both demand and sales were brisk. As a result, net sales rose 4,653 million yen (11.8%) year on year, to 44,095 million yen, whereas operating income fell, partly due to changes in internal price setting, 1,308 million yen (-37.5%) to 2,180 million yen.

#### Europe

Sales of ball bearings, rod-end bearings and other products were firm as moderate economic growth was seen in this region. But due to the transfer of PC keyboard sales to U.S. customers to North America, net sales fell 2,229 million yen (-10.6%) year on year, to 18,878 million yen, while operating income rose 486 million yen (70.1%), to 1,179 million yen.

## 2. Outlook for the current fiscal year

We expect that the Japanese economy will continue a moderate recovery especially in private demand, with continued increases in personal consumption and capital investment. In China, although we have to pay attention to expanding trade surpluses, another revaluation of the Chinese Yuan, etc., the economy will maintain a high growth rate. In the United States too, self-sustaining growth is expected, although there are concerns about the trends of crude oil prices and housing prices, and current account deficits. We expect that the world economy will continue to stay on a well-balanced growth path.

### (a) Outlook by business segment for the current fiscal year is as follows:

#### Machined components business

We will continue to aggressively expand sales of mainstay ball bearings in firm demand to makers of household electrical appliances, automobiles and information & telecommunications equipment. By achieving economies of scale in manufacturing from this sales expansion and further reducing costs, we aim to improve business results further. In addition, the aircraft market for rod-end bearings are strong, particularly in Europe and the U.S. We can expect benefits from this strong aircraft market. In pivot assemblies, we expect that sales will be steady with strong demand.

#### Electronic devices and components business

**Spindle motors:** The drastic cost reduction measures that we are implementing are surely taking effect. **Information motors:** We expect that in addition to product mix reviews, the sure effect of further business restructuring measures will show up. **PC keyboards:** The production transfer from Thailand to Shanghai ended. We expect that business results will improve as we are doing cost reductions, reviews of the sales prices of products with higher material costs, etc. **LCD back lights:** Owing to high growth and high profitability expected, we can expect expanded results by aggressively introducing new products to the markets. **Measuring instruments:** We expect that sales will be strong.

### (b) Outlook by geographical segment for the current fiscal year is as follows:

#### Japan

We expect that sales will continue to be in a harsh operating environment, as many of our customers are shifting production from their plants in Japan to those in other Asian countries, including China.

#### Asia excluding Japan

This region offers the largest market for our products. Taking full advantage of having our key manufacturing bases right in this largest market area, we strongly aim to improve performance. We expect better results in the businesses of HDD spindle motors, information motors and PC keyboards through cost reductions, plant consolidations, etc.

#### North America

In U.S. manufactured rod-end bearings and other principal products, we continue to receive strong orders from aerospace and other industries. We expect that import products such as ball bearings, PC keyboards and motors will continue to post firm sales.

#### Europe

The European economy continues to grow moderately. Sales and profits are expected to move as we witnessed for the current third quarter.

(2) Financial Position in the Third Quarter of the Current Fiscal Year (April 1,2005 through December 31,2005)

The Minebea Group has pursued its principal management policy of enhancing its financial soundness and continued to take decisive steps to squeeze total assets, restrain capital investment, and reduce interest-bearing debt. The balance of cash and cash equivalents at the end of the current third quarter totaled 22,102 million yen, down 1,943 million yen (-8.1%) year on year.

Cash flows from various business activities during the current third quarter and relevant factors are as follows:

**Operating activities:** Due mainly to 8,899 million yen of income before income taxes, 17,960 million yen of depreciation charges, the rise in accounts receivable and inventories, and the payment of income taxes, net cash flow from operating activities fell 3,217 million yen (-15.5%) from the end of the same quarter a year ago, to 17,482 million yen.

**Investing activities:** Due to the year-on-year decrease of expenditure for purchase of property, plant and equipment to 17,121 million yen, net cash outflow from investing activities fell 5,032 million yen (25.3%) year on year, to 14,885 million yen.

**Financing activities:** Due primarily to the rise of 4,013 million yen in short-term debt, the redemption of 4,000 million yen in bonds with warrant attached and the payment of 2,793 million yen in dividends, net cash outlay from financing activities decreased 226 million yen year on year, to 3,039 million yen.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	As of December 31, 2005		As of December 31, 2004		Increase or (decrease) (2005-2004)		As of March 31, 2005	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
	<b>ASSETS</b>							
Current assets.....	157,056	44.7	154,052	45.8	3,003	1.9	147,295	44.3
Cash and cash equivalents.....	22,102		24,045		(1,943)		21,759	
Notes and accounts receivable.....	67,600		63,548		4,051		62,610	
Inventories.....	53,789		47,809		5,980		46,963	
Deferred tax assets.....	3,441		7,208		(3,766)		5,123	
Others.....	10,440		11,711		(1,270)		11,125	
Allowance for doubtful receivables.....	(317)		(270)		(47)		(287)	
Fixed assets.....	194,048	55.3	182,357	54.2	11,691	6.4	184,808	55.7
Tangible fixed assets.....	163,745		156,217		7,528		156,521	
Building and structure.....	102,297		95,395		6,902		97,222	
Machinery and transportation equipment.....	220,972		194,514		26,458		202,364	
Tools, furniture and fixtures.....	53,214		51,245		1,968		50,737	
Land.....	14,630		16,233		(1,603)		15,086	
Construction in progress.....	1,656		2,282		(625)		1,228	
Accumulated depreciation.....	(229,026)		(203,453)		(25,572)		(210,118)	
Intangible fixed assets.....	13,439		14,385		(946)		14,113	
Consolidation adjustments.....	10,021		10,512		(490)		10,353	
Others.....	3,417		3,873		(456)		3,760	
Investment and other assets.....	16,864		11,754		5,109		14,174	
Investment in securities.....	9,982		7,336		2,645		6,308	
Long-term loans receivable.....	40		34		5		35	
Deferred tax assets.....	5,115		2,672		2,442		6,016	
Others.....	1,783		1,789		(6)		1,870	
Allowance for doubtful receivables.....	(57)		(77)		20		(56)	
Deferred charges.....	74	0.0	153	0.0	(79)	(51.6)	112	0.0
Total assets.....	351,179	100.0	336,564	100.0	14,615	4.3	332,217	100.0

(Note) Treasury stock..... December 2005 119,172 shares December 2004 100,278 shares March 2005 105,623 shares

	As of December 31, 2005		As of December 31, 2004		Increase or (decrease) (2005- 2004)		As of March 31, 2005	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
<b>LIABILITIES</b>								
Current liabilities.....	148,264	42.2	176,249	52.4	(27,984)	(15.9)	141,449	42.6
Notes and accounts payable.....	32,239		30,140		2,098		25,901	
Short-term loans payable.....	87,897		73,742		14,155		81,256	
Current portion of long-term loans payable.....	3,260		4,248		(988)		1,855	
Current portion of bonds.....	—		10,000		(10,000)		—	
Current portion of convertible bonds.....	—		27,080		(27,080)		—	
Current portion of bonds with warrant.....	—		4,000		(4,000)		4,000	
Accrued income taxes.....	2,453		2,528		(74)		2,344	
Accrued bonuses.....	1,577		1,719		(142)		3,247	
Reserve for environmental preservation expense.....	—		899		(899)		794	
Others.....	20,835		21,889		(1,053)		22,050	
Long-term liabilities.....	84,883	24.2	59,092	17.6	25,791	43.6	86,144	25.9
Bonds.....	38,000		38,000		—		38,000	
Long-term loans payable.....	46,000		20,146		25,853		47,340	
Allowance for retirement benefits.....	659		556		103		305	
Allowance for retirement benefits to executive officers.....	43		42		0		49	
Others.....	180		347		(166)		448	
Total liabilities.....	233,148	66.4	235,341	70.0	(2,193)	(0.9)	227,594	68.5
<b>MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES</b>								
	1,120	0.3	3,165	0.9	(2,044)	(64.6)	2,534	0.8
<b>SHAREHOLDERS' EQUITY</b>								
Common stock.....	68,258	19.4	68,258	20.3	—	—	68,258	20.5
Additional paid-in capital.....	94,756	27.0	94,756	28.1	—	—	94,756	28.5
Retained earnings.....	10,341	2.9	5,425	1.6	4,915	90.6	5,519	1.7
Difference on revaluation of other marketable securities.....	3,836	1.1	1,763	0.5	2,073	117.6	1,575	0.5
Foreign currency translation adjustments.....	(60,218)	(17.1)	(72,093)	(21.4)	11,874	(16.5)	(67,965)	(20.5)
Treasury stock.....	(63)	(0.0)	(53)	(0.0)	(10)	19.5	(56)	(0.0)
Total shareholders' equity.....	116,911	33.3	98,057	29.1	18,853	19.2	102,088	30.7
<b>TOTAL LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS' EQUITY.....</b>								
	351,179	100.0	336,564	100.0	14,615	4.3	332,217	100.0

## (2) Consolidated Statements of Income

	3rd Quarter ended December 31, 2005		3rd Quarter ended December 31, 2004		Increase or (decrease) (2005-2004)		Year ended March 31, 2005	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
Net sales.....	236,687	100.0	221,931	100.0	14,755	6.6	294,422	100.0
Cost of sales .....	185,877	78.5	174,691	78.7	11,185	6.4	232,019	78.8
Gross profit .....	50,810	21.5	47,239	21.3	3,570	7.6	62,403	21.2
Selling, general and administrative expenses .....	37,542	15.9	37,605	16.9	(63)	(0.2)	48,319	16.4
Operating income .....	13,267	5.6	9,633	4.4	3,633	37.7	14,083	4.8
Other income.....	1,049	0.4	1,171	0.5	(121)	(10.4)	1,551	0.5
Interest income .....	171		100		71		145	
Dividends income.....	71		36		34		37	
Equity income of affiliates.....	—		4		(4)		13	
Others .....	806		1,029		(223)		1,354	
Other Expenses.....	4,300	1.8	3,969	1.8	331	8.3	5,427	1.8
Interest expenses .....	3,388		2,388		1,000		3,361	
Foreign currency exchange loss.....	181		643		(461)		755	
Equity loss of affiliates.....	5		—		5		—	
Others .....	724		936		(212)		1,311	
Ordinary income.....	10,016	4.2	6,835	3.1	3,180	46.5	10,206	3.5
Extraordinary income.....	953	0.4	383	0.1	570	148.8	404	0.1
Gain on sales of fixed assets.....	314		280		33		301	
Gain on sales of investment securities.....	191		—		191		—	
Gain on the reversal of preemptive rights.....	447		—		447		—	
Reversal of allowance for doubtful receivables.....	—		102		(102)		102	
Extraordinary loss .....	2,070	0.9	1,382	0.6	687	49.7	2,832	1.0
Loss on sales of fixed assets .....	20		34		(14)		565	
Loss on disposal of fixed assets .....	569		343		225		453	
Impairment loss .....	903		—		903		—	
Loss on sales of investments securities.....	0		0		(0)		0	
Loss on revaluation of investments securities.....	—		29		(29)		619	
Loss on liquidation of affiliates .....	3		210		(206)		270	
Loss for after-care of products.....	116		264		(148)		270	
Retirement benefits expense .....	—		457		(457)		609	
Retirement benefits to directors and corporate auditors.....	458		42		415		42	
Income before income taxes and minority interests .....	8,899	3.7	5,836	2.6	3,063	52.5	7,778	2.6
Income taxes								
Current (including enterprise tax).....	5,474		4,038		1,436		5,943	
Adjustment of income taxes .....	49		1,555		(1,505)		(430)	
Total income taxes .....	5,524	2.3	5,593	2.5	(69)	(1.2)	5,513	1.8
Minority interests in earnings of consolidated subsidiaries.....	(1,446)	(0.6)	(2,427)	(1.1)	981	(40.4)	(3,316)	(1.1)
Net income .....	4,821	2.0	2,670	1.2	2,151	80.6	5,581	1.9



## (3) Consolidated Statements of Retained Surplus

	3rd Quarter ended December 31, 2005	3rd Quarter ended December 31, 2004	Increase or (decrease) (2005– 2004)	Year ended March 31, 2005
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>CAPITAL RETAINED EARNINGS</b>				
Additional paid-in capital at beginning of period.....	94,756	94,756	—	94,756
Additional paid-in capital at end of period.....	94,756	94,756	—	94,756
<b>RETAINED EARNINGS</b>				
Retained earnings at beginning of period.....	5,519	2,755	2,763	2,755
Increase of retained earnings.....	4,821	2,670	2,151	5,581
Net income.....	4,821	2,670	2,151	5,581
Decrease of retained earnings.....	0	0	(0)	2,817
Cash dividends.....	—	—	—	2,793
Bonus to directors.....	—	—	—	23
Loss on disposal of treasury stock .....	0	0	(0)	0
Retained earnings at end of period .....	10,341	5,425	4,915	5,519

## (4) Consolidated Statements of Cash Flows

(Amount: millions of yen)

	3rd Quarter ended Dec. 31, 2005	3rd Quarter ended Dec. 31, 2004	Increase or (decrease) (2005– 2004)	Year ended March 31, 2005
<b>1. Cash Flows from Operating Activities:</b>				
Income before income taxes and minority interests .....	8,899	5,836	3,063	7,778
Depreciation and amortization .....	17,960	17,021	939	22,462
Impairment loss .....	903	—	903	—
Amortization of consolidation adjustments .....	802	811	(9)	1,083
Equity (income) loss of affiliates .....	5	(4)	10	(13)
Interest and dividend income .....	(243)	(137)	(106)	(182)
Interest expense .....	3,388	2,388	1,000	3,361
(Gain) loss on sales of fixed assets .....	(294)	(246)	(48)	264
Loss on disposal of fixed assets .....	569	343	225	453
Decrease in reserve for losses on after-care of products .....	—	(210)	210	(210)
(Gain) loss on sales of investments securities .....	(191)	0	(192)	0
Loss on revaluation of investments securities .....	—	29	(29)	619
Gain on the reversal of preemptive rights .....	(447)	—	(447)	—
Increase in notes and accounts receivable .....	(1,556)	(2,985)	1,428	(1,020)
Increase in inventories .....	(3,494)	(3,351)	(143)	(1,597)
Increase in notes and accounts payable .....	4,948	6,119	(1,170)	1,283
Increase (decrease) of allowance for doubtful receivables .....	11	(213)	225	(221)
Increase (decrease) in accrued bonuses .....	(1,811)	(1,461)	(350)	41
Decrease of reserve for environmental preservation expenses .....	—	(89)	89	(194)
Increase (decrease) in retirement allowance .....	249	(58)	308	(331)
Increase (decrease) of allowance for retirement benefits to executive officers .....	(6)	20	(26)	27
Payment of bonus to directors and corporate auditors .....	(23)	—	(23)	—
Others .....	(4,908)	1,857	(6,765)	1,537
Sub-total	24,762	25,669	(907)	35,142
Interest and dividends received .....	204	99	105	183
Interest paid .....	(3,276)	(2,084)	(1,192)	(3,388)
Income tax paid .....	(4,207)	(2,985)	(1,222)	(4,351)
Net cash provided by operating activities	17,482	20,699	(3,217)	27,586
<b>2. Cash Flows from Investing Activities:</b>				
Purchase of tangible fixed assets .....	(17,121)	(18,340)	1,219	(23,060)
Proceeds from sales of tangible fixed assets .....	2,048	1,345	703	2,173
Purchase of intangible fixed assets .....	(175)	(3,011)	2,835	(3,059)
Purchase of investment in securities .....	(0)	(37)	37	(37)
Proceeds from sales of investment in securities .....	216	3	213	3
Payments for purchase of investment in subsidiaries .....	—	(53)	53	—
Increase in cash and cash equivalents due to inclusion in consolidation .....	—	—	—	71
Long term loans receivables .....	(10)	(67)	57	(67)
Recovery of long term loans receivables .....	10	162	(151)	164
Others .....	146	81	64	22
Net cash used in investing activities	(14,885)	(19,917)	5,032	(23,789)
<b>3. Cash Flows from Financing Activities:</b>				
Increase (decrease) in short-term loans payable .....	4,013	(4,559)	8,573	2,306
Decrease in the amount in commercial paper .....	—	(4,000)	4,000	(4,000)
Proceeds from long term loans .....	592	473	118	29,324
Repayment of long term loans .....	(832)	(2,334)	1,501	(6,459)
Proceeds from issuance of bonds .....	—	10,000	(10,000)	10,000
Payment for redemption of bonds .....	—	—	—	(10,000)
Payment for redemption of convertible bonds .....	—	—	—	(27,080)
Payment for redemption of bonds with warrant .....	(4,000)	—	(4,000)	—
Purchase of treasury stock .....	(4)	(7)	2	(9)
Cash dividends paid .....	(2,793)	(2,793)	0	(2,793)
Cash dividends paid to minority shareholders .....	(14)	—	(14)	(16)
Others .....	—	(43)	43	(43)
Net cash used in financing activities	(3,039)	(3,265)	226	(8,772)
4. Effect of Exchange Rate Changes on Cash and Cash Equivalents	785	153	631	358
5. Net Increase (decrease) in Cash and Cash Equivalents	342	(2,330)	2,673	(4,616)
6. Cash and Cash Equivalents at Beginning of Period	21,759	24,780	(3,020)	24,780
7. Increase in Cash and Cash Equivalents due to Establishment of a Joint Venture	—	1,596	(1,596)	1,596
8. Cash and Cash Equivalents at End of Period	22,102	24,045	(1,943)	21,759

3. Segment Information  
(1) Business segments

(Amount: millions of yen)

	FY2006 3rd Quarter (April 1, 2005 through December 31, 2005)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	95,142	141,544	236,687	—	236,687
(2) Sales to other segment	2,394	1,362	3,756	(3,756)	—
Total	97,537	142,906	240,443	(3,756)	236,687
Operating expense	79,452	147,723	227,176	(3,756)	223,419
Operating income (loss)	18,084	(4,817)	13,267	—	13,267
2. Assets, depreciation and capital expenditure					
Assets	200,414	226,036	426,450	(75,270)	351,179
Depreciation	8,332	9,628	17,960	—	17,960
Capital expenditure	8,947	8,349	17,296	—	17,296

(Notes) 1. The segments are defined by internal administration.

2. Main products

(a) Machined components business.....Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Defense-related special parts, etc.

(b) Electronic devices and components business.....Small motors, PC keyboards, Speakers, Back lights, Hybrid ICs, Inverter, Strain gauges, Load cells, etc.

(Amount: millions of yen)

	FY2005 3rd Quarter (April 1, 2004 through December 31, 2004)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	86,277	135,654	221,931	—	221,931
(2) Sales to other segment	1,531	8	1,539	(1,539)	—
Total	87,808	135,662	223,470	(1,539)	221,931
Operating expense	71,378	142,459	213,837	(1,539)	212,297
Operating income (loss)	16,430	(6,796)	9,633	—	9,633
2. Assets, depreciation and capital expenditure					
Assets	185,081	224,017	409,098	(72,534)	336,564
Depreciation	7,841	9,179	17,021	—	17,021
Capital expenditure	7,168	22,221	29,389	—	29,389

(Notes) 1. The segments are defined by internal administration.

2. Main products

(a) Machined components business.....Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Defense-related special parts, etc.

(b) Electronic devices and components business.....Small motors, PC keyboards, Speakers, Back lights, Hybrid ICs, Inverter, Strain gauges, Load cells, etc.

(Amount: millions of yen)

	FY2005 (Annual) (April 1, 2004 through March 31, 2005)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	116,105	178,317	294,422	—	294,422
(2) Sales to other segment	2,194	389	2,584	(2,584)	—
Total	118,299	178,707	297,006	(2,584)	294,422
Operating expense	96,727	186,196	282,923	(2,584)	280,339
Operating income (loss)	21,572	(7,489)	14,083	—	14,083
2. Assets, depreciation and capital expenditure					
Assets	194,180	214,142	408,322	(76,105)	332,217
Depreciation	10,401	12,061	22,462	—	22,462
Capital expenditure	11,400	22,756	34,157	—	34,157

(Notes) 1. The segments are defined by internal administration.

## 2. Main products

(a) Machined components business.....Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Defense-related special parts, etc.

(b) Electronic devices and components business.....Small motors, PC keyboards, Speakers, Back lights, Hybrid ICs, Inverter, Strain gauges, Load cells, etc.

## (2) Geographical segments

(Amount: millions of yen)

	FY2006 3rd Quarter (April 1, 2005 through December 31, 2005)						
	Japan	Asia (excluding Japan)	North America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	58,671	115,041	44,095	18,878	236,687	—	236,687
(2) Sales to other segment	126,781	123,185	1,206	1,683	252,857	(252,857)	—
Total	185,452	238,227	45,302	20,561	489,544	(252,857)	236,687
Operating expense	185,192	228,579	43,122	19,382	476,277	(252,857)	223,419
Operating income	259	9,648	2,180	1,179	13,267	—	13,267
2. Assets	168,173	244,261	37,206	19,582	469,224	(118,044)	351,179

(Notes) Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North America.....United States

Europe.....United Kingdom, Germany, France, Italy

(Amount: millions of yen)

	FY2005 3rd Quarter (April 1, 2004 through December 31, 2004)						
	Japan	Asia (excluding Japan)	North America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	56,853	104,527	39,442	21,107	221,931	—	221,931
(2) Sales to other segment	125,644	118,455	1,080	793	245,974	(245,974)	—
Total	182,498	222,983	40,523	21,900	467,905	(245,974)	221,931
Operating expense	181,621	218,409	37,034	21,207	458,272	(245,974)	212,297
Operating income	876	4,574	3,488	693	9,633	—	9,633
2. Assets	152,407	244,254	31,530	22,643	450,835	(114,271)	336,564

(Notes) Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North America.....United States

Europe.....United Kingdom, Germany, France, Italy

(Amount: millions of yen)

	FY2005 (Annual) (April 1, 2004 through March 31, 2005)						
	Japan	Asia (excluding Japan)	North America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	76,660	137,424	52,389	27,947	294,422	—	294,422
(2) Sales to other segment	162,763	155,447	1,422	1,025	320,659	(320,659)	—
Total	239,424	292,871	53,812	28,973	615,081	(320,659)	294,422
Operating expense	236,671	287,001	49,302	28,022	600,998	(320,659)	280,339
Operating income	2,752	5,870	4,510	950	14,083	—	14,083
2. Assets	169,239	223,995	32,442	20,300	445,977	(113,760)	332,217

(Notes) Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North America.....United States

Europe.....United Kingdom, Germany, France, Italy

## (3) Overseas sales

(Amount: millions of yen)

	FY2006 3rd Quarter (April 1, 2005 through December 31, 2005)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	118,754	34,464	23,498	176,717
2. Total sales				236,687
3. Overseas sales on total sales	50.2%	14.6%	9.9%	74.7%

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America.....United States, Canada, Mexico, etc.

Europe.....United Kingdom, Germany, France, Italy, Netherlands, etc.

(Amount: millions of yen)

	FY2005 3rd Quarter (April 1, 2004 through December 31, 2004)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	106,208	35,176	22,104	163,489
2. Total sales				221,931
3. Overseas sales on total sales	47.9%	15.8%	10.0%	73.7%

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America.....United States, Canada, Mexico, etc.

Europe.....United Kingdom, Germany, France, Italy, Netherlands, etc.

(Amount: millions of yen)

	FY2005 (Annual) (April 1, 2004 through March 31, 2005)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	140,229	46,012	29,505	215,747
2. Total sales				294,422
3. Overseas sales on total sales	47.6%	15.6%	10.0%	73.3%

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America.....United States, Canada, Mexico, etc.

Europe.....United Kingdom, Germany, France, Italy, Netherlands, etc.

4. Marketable Securities

(1) Other marketable securities

(Amount: millions of yen)

Classification	FY2006 (3rd Quarter)			FY2005 (3rd Quarter)			FY2005 (Annual)		
	Book value	Market price	Gain or (Loss)	Book value	Market price	Gain or (Loss)	Book value	Market price	Gain or (Loss)
Other marketable securities with market value									
Stock	3,080	9,370	6,289	3,105	5,995	2,890	3,105	5,687	2,582
Total	3,080	9,370	6,289	3,105	5,995	2,890	3,105	5,687	2,582

(2) Main securities without market value

(Amount: millions of yen)

Classification	FY2006 (3rd Quarter)	FY2005 (3rd Quarter)	FY2005 (Annual)
Other marketable securities	473	1,065	475
Total	473	1,065	475

(Note) Non-listed stock



5. Amounts of Production, Orders Received, Sales

(1) Production

(Amount: millions of yen)

Business segments	FY2006 (3rd Quarter)	FY2005 (3rd Quarter)	FY2005 (Annual)
Machined components business	99,876	88,747	118,382
Electronic devices and components business	136,114	134,162	173,910
Total	235,990	222,909	292,292

(Note) Amounts are provided on the basis of their sales prices, after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.

(2) Orders received

(Amount: millions of yen)

Business segments	FY2006 (3rd Quarter)		FY2005 (3rd Quarter)		FY2005 (Annual)	
	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Machined components business	102,821	46,236	88,993	37,390	119,988	38,557
Electronic devices and components business	140,592	21,594	136,757	23,553	178,413	22,546
Total	243,414	67,830	225,750	60,943	298,401	61,103

(Note) Amounts are provided on the basis of their sales prices, after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.

(3) Sales

(Amount: millions of yen)

Business segments	FY2006 (3rd Quarter)	FY2005 (3rd Quarter)	FY2005 (Annual)
Machined components business	95,142	86,277	116,105
Electronic devices and components business	141,544	135,654	178,317
Total	236,687	221,931	294,422

(Note) Amounts are provided after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.