BRIEF REPORT OF FINANCIAL RESULTS
(Year ended March 31 , 2008)

May 8, 2008

Registered
Company Name: MINEBEA CO., LTD. Common Stock Listings: Tokyo, Osaka and Nagoya
Code No: 6479 (URL http://www.minebea.co.jp)
Representative: Takayuki Yamagishi Representative Director, President and Chief Executive Officer
Contact: Sakae Yashiro Senior Managing Executive Officer, Deputy Chief of Administration Headquarters
Tel. (03) 5434-8611

Date planned to hold ordinary general meeting of shareholders: June 27, 2008
Expected date of payment for dividends: June 30, 2008
Date planned to file report of securities: June 27, 2008

(Amounts less than one million yen have been omitted.)

1. Business performance (April 1, 2007 through March 31, 2008)

(1) Consolidated Results of Operations

(The percentages of net sales, operating income, ordinary income and net income show year-on-year changes.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
FY2008	334,431	1.0	30,762	17.1	27,691	26.8
FY2007	331,022	3.9	26,265	36.3	21,843	49.7

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)	Return (net income) on equity (%)	Return (ordinary income) on assets (%)	Return (operating income) on sales (%)
FY2008	16,303	26.8	40.86	—	11.9	8.2	9.2
FY2007	12,862	202.1	32.23	—	9.9	6.2	8.0

(Reference) Income or loss on investments for FY2008 on the equity method totaled income 14 million yen and (5) million yen in FY 2007.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
FY2008	320,544	131,730	40.7	327.25
FY2007	354,784	142,558	40.1	356.75

(Reference) Shareholders' equity: 130,574 million yen at March 31, 2008
142,353 million yen at March 31, 2007

(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)	Year end balance of cash and cash equivalents (millions of yen)
FY2008	46,893	(23,461)	(20,604)	23,281
FY2007	37,902	(15,180)	(25,683)	21,731

2. Dividends

(Record date)	Dividends per share			Total dividend (For the year) (millions of yen)	Dividends payout ratio (Consolidated) (%)	Dividends on net assets (Consolidated) (%)
	Midyear-end (yen)	Year-end (yen)	For the year (yen)			
FY2007	—	10.00	10.00	3,990	31.0	3.1
FY2008	—	10.00	10.00	3,990	24.5	2.9
FY2009 (Forecast)	5.00	5.00	10.00	—	23.5	—

3. Prospect for the next fiscal year (April 1, 2008 through March 31, 2009)

(Percentages indicate year-on-year changes for the six months ended September 30, 2008 and the full year.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
Six months ended September 30, 2008	162,000	(3.7)	15,400	1.8	14,100	6.5
Annual	330,000	(1.3)	32,000	4.0	29,500	6.5

	Net income (millions of yen)	% Change	Net income per share (yen)
Six months ended September 30, 2008	8,100	8.4	20.30
Annual	17,000	4.3	42.61

4. Others

(1) Changes in significant subsidiaries during the year (Changes in certain subsidiaries resulting in change in the scope of consolidation): None

(2) Changes in accounting principles, procedures, presentations, etc. for preparation of consolidated financial statements (Changes to be stated in changes in significant matters that are fundamental to preparation of consolidated financial statements)

1. Changes associated with revision of accounting standards, etc: Yes
2. Changes other than 1: None

(Notes) For details, see Change of accounting treatment on page 16.

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at end of year (including treasury stock)
   399,167,695 shares at March 31, 2008
   399,167,695 shares at March 31, 2007
2. Number of treasury shares at end of year
   164,945 shares at March 31, 2008
   140,160 shares at March 31, 2007

(Notes) For the number of shares that becomes the basis for calculating consolidated net income per share, see Per share data on page 36.

(Reference) BRIEF REPORT OF NON-CONSOLIDATED FINANCIAL RESULTS

1. Business performance (April 1, 2007 through March 31, 2008)

(1) Results of Operations

(The percentages of net sales, operating income, ordinary income and net income show year-on-year changes.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
FY2008	225,071	(1.5)	6,630	(25.9)	12,265	(1.1)
FY2007	228,406	10.4	8,948	190.9	12,396	21.1

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)
FY2008	4,304	(23.4)	10.79	—
FY2007	5,618	—	14.08	—

(2) Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
FY2008	336,870	180,058	53.5	451.27
FY2007	357,104	181,346	50.8	454.47

(Reference) Shareholders' equity: 180,058 million yen at March 31, 2008
181,346 million yen at March 31, 2007

2. Prospect for the next fiscal year (April 1, 2008 through March 31, 2009)

(Percentages indicate year-on-year changes for the six months ended September 30, 2008 and the full year.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
Six months ended September 30, 2008	104,500	(9.0)	2,100	(37.6)	4,500	0.9
Annual	216,000	(4.0)	4,800	(27.6)	9,600	(21.7)

	Net income (millions of yen)	% Change	Net income per share(yen)
Six months ended September 30, 2008	2,300	—	5.76
Annual	5,000	16.2	12.53

* Explanation for appropriate use of financial forecasts and other special remarks

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. As for the assumptions used for these forecasts and other related items, please refer to page 5 of the documents attached hereunder.

1. Operating Performance

(1) Analysis of operating performance

1. Overview of the year

During the current consolidated fiscal year, the Japanese economy continued moderate expansion due mainly to corporate earnings being at a high level, supported by the rise of exports and capital investment, although there were signs of a slowdown, such as the ongoing surge of crude oil and raw materials prices, and the drop in housing and construction investments in the second half of the year. In the U. S. economy, owing principally to the dislocation in the financial and capital markets, as well as the deepening adjustment in the housing market stemming from the sub-prime housing loan problem in the second half of the year, uncertainties started to pick up regarding the future course of the economy. Additionally, owing principally to the fact that strong capital investment and personal consumption began to slow down, recession risks were rising. The European economy continued moderate growth led by domestic demand, although there were signs of winding down. In China, the economy continued to grow at a high rate, due principally to the rise of exports and investments in fixed assets, and in other Asian countries also, the economies generally advanced firmly.

Under these management circumstances, we strove to implement sweeping cost reduction measures, develop new technologies and high value-added products, and promote sales expansion activities, in order to further increase earnings.

As a result, net sales increased 3,409 million yen (1.0%) year on year, to 334,431 million yen, and operating income also increased 4,497 million yen (17.1%) year on year, to 30,762 million yen. Ordinary income largely rose 5,848 million yen (26.8%) year on year, to 27,691 million yen, and net income also significantly increased 3,440 million yen (26.8%) year on year, to 16,303 million yen. Net sales and net income both stood at a record high.

(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 increased largely 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. Also, sales of pivot assemblies grew. As a result, net sales rose 6,372 million yen (4.6%) year on year, to 144,034 million yen. Operating income also increased 1,555 million yen (5.9%) year on year, to 27,750 million yen, a result of pursuing basic technologies, product technologies and manufacturing techniques, as well as implementing increased production and continuous cost reduction measures.

Electronic devices and components business

Our core products in this business segment include information motors (fan motors, stepping motors, vibration motors and DC brush motors); HDD spindle motors; PC keyboards; speakers; LCD back lights; inverter and measuring instruments. Sales of motors including information motors rose strongly to manufacturers of mobile phones, office automation, personal computers, and peripheral equipment. Sales of measuring components also increased significantly due to the cultivation of new markets. But in PC keyboards and speakers, which are both being focused on high value-added products, sales decreased largely. As a result, net sales fell 2,963 million yen (-1.5%) year on year, to 190,396 million yen. Operating income substantially improved 2,943 million yen year on year, to 3,012 million yen on improved earnings in information motors and PC keyboards.

(b) Performance by geographical segment is as follows:

Japan

In this region, net sales fell 7,886 million yen (-9.5%) year on year, to 75,378 million yen due to decreased sales of PC keyboards and other products. In addition, operating income also decreased 673 million yen (-6.9%) year on year, to 9,096 million yen.

Asia (excluding Japan)

This region, including Greater China region which continues high growth, 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. As a result, net sales increased 8,144 million yen (5.0%) year on year, to 170,474 million yen, and operating income also largely expanded 4,274 million yen (37.8%), to 15,573 million yen.

North America

In North America, both orders and sales of U.S.-made ball bearings and rod-end bearings for use mainly in the aircraft-related industries were strong. But due to weak sales of PC keyboards, which are being shifted to high-valued added items, net sales fell 2,525 million yen (-4.5%) year on year, to 53,584 million yen, while operating income largely rose 745 million yen (20.0%), to 4,475 million yen.

Europe

Sales of ball bearings, rod-end bearings and other products were firm as moderate economic growth was seen in this region. As a result, net sales increased 5,676 million yen (19.4%) year on year, to 34,993 million yen, and operating income increased 151 million yen (10.3%) year on year, to 1,616 million yen.

2. Outlook for the next fiscal year

In the Japanese economy, amid the world economy tending to wind down, we expect that the economy will be slow in the first half of the fiscal year, owing to weak corporate earnings and personal consumption stemming from the current rise of the yen, along with decreased exports as well as the ongoing surge of crude oil and raw materials prices. However, in the second half of the year, the economy is expected to embark upon a moderate recovery trend with improved exports in line with recovery of the U.S. economy. In Asia, we expect that the Chinese economy will continue to grow, while in the U.S., the economy might fall into recession due mainly to the protracted adjustments in corporate production, inventory and employment, as well as the slowdown of personal consumption stemming from the degradation of the financial environment and the ongoing surge of crude oil and commodity prices. However, triggered mainly by the tax cuts and the substantial reductions of interest rates, it is expected that the economy will gradually be heading toward recovery in the second half of the year.

Under these circumstances, we expect that results will be largely fat, although net sales a significant portion of which is outside of Japan will be reduced by the rise of the yen. We also expect that further cost reductions, development of high-value added products and cultivation of new markets will increase operating income year on year.

(a) Outlook by business segment for the full year is as follows:

Machined components business

We will continue to aggressively expand sales of mainstay ball bearings to the automobile and information & telecommunications equipment industries, demand from which is firm. 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 the U.S. and Europe. We can expect benefits from this strong aircraft market. In pivot assemblies, we expect that results will be enhanced with strong demand.

Electronic devices and components business

In the information motor business, we will strive to further enhance results by continuing to improve production efficiencies and to make product mix reviews. In the spindle motor business, we will strive to improve results mainly by making cost reduction efforts and boosting sales of 2.5”motors. Also, in the PC keyboard business, we can expect stable results by focusing mainly on high-quality, high-priced models. Sales of LCD backlight assemblies, inverters, measuring components and other products are expected to advance favorably.

(b) Outlook by geographical segment for the full 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. However, we will aim for increased sales by developing new markets and introducing new products.

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. In spindle motors, information motors and PC keyboards, we can expect benefits from implementation of manufacturing cost reduction measures.

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 also expect that import products such as ball bearings and motors will continue to post firm sales, despite a fall in sales of PC keyboards due to a shift to high-priced products.

Europe

The European economy continues to grow moderately despite fears of a slowdown. We expect that sales will move as we witnessed for the current consolidated fiscal year.

(2) Analysis of financial position

Condition of the year

The Minebea Group has adopted strengthening its financial position as a principal business policy, and is taking various measures, such as squeezing total assets, controlling capital investment and reducing liabilities

Total assets at the end of the current consolidated fiscal year fell 34,239 million yen year on year, to 320,544 million yen. The major reason for this fall is the decline in the assets of our overseas affiliates converted to yen.

Net assets were 131,730 million yen, and the capital ratio was improved by 0.6 point year on year, to 40.7%.

(Condition of cash flows)

The balance of cash and cash equivalents in the current consolidated fiscal year totaled 23,281 million yen, up 1,550 million yen year on year.

Cash flows from various business activities during the current consolidated fiscal year and relevant factors are as follows:

Operating activities: Owing primarily to increased income before income taxes and decreased inventories, net cash flow from operating activities increased 8,991 million yen year on year, to 46,893 million yen.

Investing activities: Due mainly to increased payments of expenditures for purchase of property, plant and equipment, net cash outflow from investing activities rose 8,281 million yen year on year, to 23,461 million yen.

Financing activities: Owing primarily to the repayment of long-term debts and the payment of dividends, net cash flow from financing activities decreased 5,079 million yen year on year, to 20,604 million yen.

(3) Basic policy for profit sharing and dividends for the current and the next fiscal years

Considering its management environment from a comprehensive standpoint and putting improved equity capital efficiency and better profit sharing to shareholders first, the Company will aim for profit distribution to shareholders at levels reflecting operating results better.

Under this policy, for the current fiscal year, we plan to propose paying a 10 yen per share year-end dividend, the same as the previous year, at our 62nd ordinary general meeting of shareholders scheduled to be held in June this year.

Also, as part of its profit distribution policy, the Company has been paying dividends collectively at year end. However, with the objective of increasing the opportunities to distribute profits to shareholders, we plan to pay interim dividends from fiscal 2008 (the year ending March 31, 2009). Regarding the dividends for the next fiscal year, we plan to pay an interim dividend of 5 yen per share and a year-end dividend of 5 yen per share (10 yen for the year).

(4) Risk Management

As of the end of the current consolidated fiscal year, the company recognizes that the Minebea Group has the following risks and uncertainties that have the potential to affect its group operating results and/or financial position:

1. Market risk

Principal markets for Minebea products, including those for PCs and peripheral equipment, information and telecommunications equipment and household electrical appliances, are intensely competitive and subject to significant fluctuations in demand. Our operating results and financial position are vulnerable to these fluctuations.

2. Foreign exchange risk

A significant portion of our consolidated net sales and production are outside of Japan. Our business is thus vulnerable to risks associated with fluctuations in foreign currency exchange rates. We have entered into various currency exchange contracts and other derivatives transactions to hedge these risks, but fluctuations in foreign currency exchange rates may affect our operating results and/or financial position over the long term.

3. R&D risk

While we focus on R&D to introduce a constant stream of new, high-quality products, we are subject to the risk that significant R&D expenditures may not be rewarded with successes, as there are no guarantees that R&D efforts will come to fruition.

4. Legal risk

The Legal Department is responsible for managing risk related to lawsuits and other legal actions brought against Minebea Group operations in Japan and/or overseas. We are subject to the risk that lawsuits or other actions with the potential to affect our operating results and/or financial position may be brought against us in the future.

5. Risk related to price negotiations

We continue to face intense competition from lower-priced products made overseas. We are subject to the risk that we will be unable to maintain or increase our share should market needs shift to low-quality, low-priced products.

6. Risk related to raw materials and logistics costs

We purchase a variety of materials from external suppliers and strive to ensure optimal purchase inventory volumes for such materials and access to stable supplies of materials with stable prices. However, we are subject to the risk that rising prices for such materials may affect our operating results and/or financial position in the future.

7. Latent risk related to operations overseas

The Minebea Group's manufacturing activities are conducted primarily in Thailand, China, and Singapore. While considerable time has passed since we established operations in these countries, our operations overseas are subject to the following risks, any of which may have a negative impact on our operating results and/or financial position:

(a) Unexpected changes to laws or regulations.
(b) Difficulty in attracting and securing appropriate human resources.
(c) Acts of terrorism or war, or other acts that may cause social disruption.

2. Condition of group of enterprises

Minebea group consists of Minebea Co., Ltd. (the Company) and 42 related companies (41 consolidated subsidiaries and 1 affiliated company). Minebea group produces and sells bearings, machinery components, special machinery components, electronic devices.

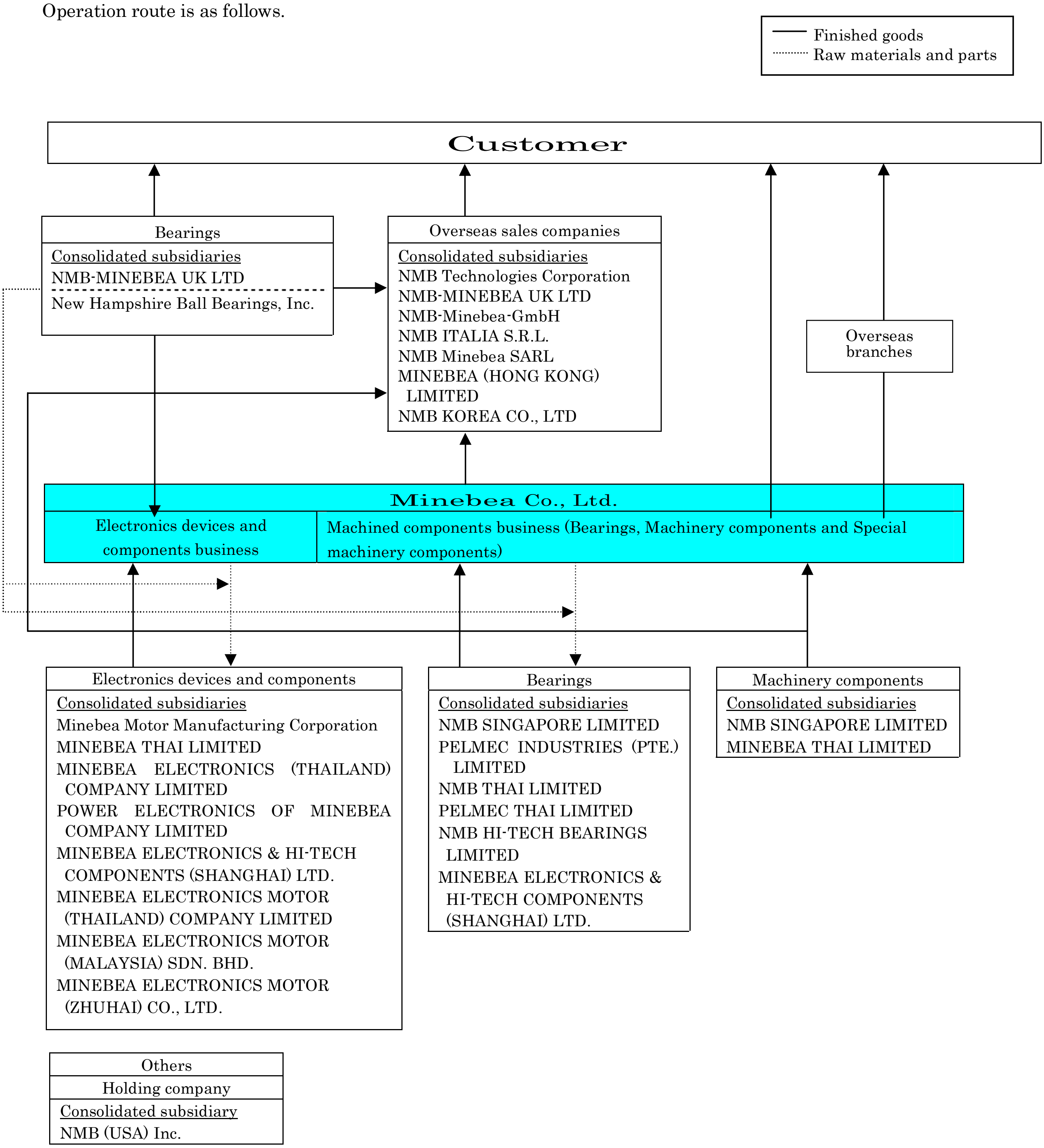
The Company and domestic consolidated subsidiaries, consolidated subsidiaries in U.S.A., Europe and Asia are in charge of production. The Company markets its products directly to Japanese customers. In overseas markets, the Company markets its products through its subsidiaries and branches in the United States, Europe and Asia.

The relationship between each operation and business segments, and main manufacturing and sales companies are as follows.

Business segments	Operations	Manufacturing companies	Sales companies
Machined components business	Bearings	Minebea Co., Ltd. New Hampshire Ball Bearings, Inc. NMB-MINEBEA UK LTD NMB SINGAPORE LIMITED PELMEC INDUSTRIES (PTE.) LIMITED NMB THAI LIMITED PELMEC THAI LIMITED NMB HI-TECH BEARINGS LIMITED MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	Minebea Co., Ltd. NMB Technologies Corporation New Hampshire Ball Bearings, Inc. NMB-MINEBEA UK LTD NMB-Minebea-GmbH NMB ITALIA S.R.L. NMB Minebea SARL MINEBEA (HONG KONG) LIMITED NMB KOREA CO., LTD.
	Machinery components	Minebea Co., Ltd. NMB SINGAPORE LIMITED MINEBEA THAI LIMITED	
	Special machinery components	Minebea Co., Ltd.	
Electronics devices and components business	Electronics devices and components	Minebea Co., Ltd. Minebea Motor Manufacturing Corporation MINEBEA THAI LIMITED MINEBEA ELECTRONICS (THAILAND) COMPANY LIMITED POWER ELECTRONICS OF MINEBEA COMPANY LIMITED MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD. MINEBEA ELECTRONICS MOTOR (THAILAND) COMPANY LIMITED MINEBEA ELECTRONICS MOTOR (MALAYSIA) SDN.BHD. MINEBEA ELECTRONICS MOTOR (ZHUHAI) CO., LTD.	

Our following seven consolidated subsidiaries in Thailand (NMB THAI LIMITED, PELMEC THAI LIMITED, MINEBEA THAI LIMITED, NMB HI-TECH BEARINGS LIMITED, NMB PRECISION BALLS LIMITED, MINEBEA ELECTRONICS (THAILAND) COMPANY LIMITED, POWER ELECTRONICS OF MINEBEA COMPANY LIMITED) merged on April 1, 2008, and all of their assets and liabilities have been transferred to the newly established company, NMB-MINEBEA THAI LIMITED.

Operation route is as follows.



3. Management Policy

(1) Basic Management Policy

The Minebea Group has adopted the following five principles as its basic policy for management.

(a) Ensure that Minebea is a company for which we feel proud to work.
(b) Reinforce the confidence our customers have.
(c) Respond to our shareholders' expectations.
(d) Ensure a welcome for Minebea in local communities.
(e) Contribute to a global society.

Under this basic management policy, we have actively addressed the development of high value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display ultra-precision machining technologies and mass production technologies that are both the source of our competitiveness. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form that is easier to understand within and across the company.

Furthermore, as a key theme in the development of business in various parts of the world, we have has continued our commitment to environmental protection activities.

(2) Management Index

Our consolidated forecasts for fiscal year ending March 2009 are as follows:

(Amount: millions of yen)

	Fiscal year ending March 2009
Net sales	330,000 (98.7%)
Operating income	32,000 (104.0%)
Ordinary income	29,500 (106.5%)
Net income	17,000 (104.3%)
Capital investment	29,000 (116.5%)

(%): Year-on-year rate of change

(3) Future Management Strategies and Tasks

In accordance with the basic management policies as mentioned earlier, we aim to improve profitability and enhance corporate value based on a "vertically integrated manufacturing system," "large-scale volume production system," and "well-developed R&D system," which have been established worldwide, in order to ensure our place as "a company that leads the competition through manufacturing and technological excellence."

Our innovations to be accomplished to achieve this goal and sustainable growth are "development of new products," "cultivation of new markets" and "innovation of production technologies":

(a) In ball bearings, create and expand new demands by strengthening production capacity of miniature ball bearings that have much potential for growth and developing new products (micro miniature ball bearings and other key products);
(b) To further reinforce aircraft parts for which demand is expected to increase, build our operations in the area of aircraft mechanical parts using advanced machining technologies, in addition to existing rod-end and spherical bearings;
(c) Build our operations in the area of fan motors and other precision small motors into a second pillar of our operations after bearings and bearing-related products; and
(d) Increase the ratio of high-value-added products in all product categories and diversify offerings to serve a broader market.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2007		As of March 31, 2008		Increase (decrease)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
ASSETS					
Current assets	156,059	44.0	148,117	46.2	(7,942)
Cash and cash equivalents	21,731		23,281		
Notes and accounts receivable	71,883		64,835		
Marketable securities	408		1,511		
Inventories	45,904		42,400		
Deferred tax assets	7,056		8,498		
Others	9,325		7,791		
Allowance for doubtful receivables	(249)		(202)		
Fixed assets	198,684	56.0	172,411	53.8	(26,272)
Tangible fixed assets	171,063		150,609		
Buildings and structures	112,533		102,404		
Machinery and transportation equipment	261,475		236,462		
Tools, furniture and fixtures	50,227		45,836		
Land	15,528		14,467		
Construction in progress	1,771		2,235		
Accumulated depreciation	(270,473)		(250,797)		
Intangible fixed assets	11,973		9,846		
Goodwill	8,794		6,920		
Others	3,179		2,926		
Investments and other assets	15,646		11,956		
Investments in securities	11,318		6,659		
Long-term loans receivable	54		37		
Deferred tax assets	990		1,977		
Others	3,283		3,285		
Allowance for doubtful receivables	(0)		(3)		
Deferred charges	40	0.0	15	0.0	(24)
Total assets	354,784	100.0	320,544	100.0	(34,239)

	As of March 31, 2007		As of March 31, 2008		Increase (decrease)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
LIABILITIES					
Current liabilities	131,154	37.0	118,321	36.9	(12,833)
Notes and accounts payable	27,743		24,054		
Short-term loans payable	57,639		50,352		
Current portion of long-term loans payable	14,121		—		
Current portion of bonds	—		15,000		
Accrued income taxes	4,418		3,517		
Accrued bonuses	3,823		3,871		
Allowance for bonuses to directors and corporate auditors	69		117		
Allowance for business restructuring losses	636		347		
Others	22,701		21,060		
Long-term liabilities	81,071	22.8	70,492	22.0	(10,578)
Bonds	36,500		21,500		
Long-term loans payable	42,000		46,000		
Allowance for retirement benefits	1,661		1,707		
Allowance for retirement benefits to executive officers	73		95		
Others	835		1,189		
Total liabilities	212,226	59.8	188,814	58.9	(23,412)
NET ASSETS					
Shareholders' equity	178,791	50.4	191,087	59.6	12,295
Common stock	68,258	19.2	68,258	21.3	—
Capital surplus	94,756	26.7	94,756	29.5	0
Earning surplus	15,855	4.5	28,169	8.8	12,313
Treasury stock	(79)	(0.0)	(97)	(0.0)	(17)
Revaluation / Translation differences	(36,437)	(10.3)	(60,512)	(18.9)	(24,075)
Difference on revaluation of other marketable securities	3,294	0.9	1,755	0.5	(1,539)
Deferred hedge gains or losses	—	—	(0)	(0.0)	(0)
Foreign currency translation adjustments	(39,732)	(11.2)	(62,268)	(19.4)	(22,535)
Minority interests in consolidated subsidiaries	204	0.1	1,155	0.4	951
Total net assets	142,558	40.2	131,730	41.1	(10,827)
Total liabilities and net assets	354,784	100.0	320,544	100.0	(34,239)

(2) Consolidated Statements of Income

	Year ended March 31, 2007		Year ended March 31, 2008		Increase (decrease)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
Net sales	331,022	100.0	334,431	100.0	3,409
Cost of sales	257,643	77.8	253,709	75.9	(3,933)
Gross profit	73,378	22.2	80,721	24.1	7,342
Selling, general and administrative expenses	47,113	14.2	49,959	14.9	2,845
Operating income	26,265	8.0	30,762	9.2	4,497
Other income	2,128	0.6	2,388	0.7	259
Interest income	544		687		
Dividends income	66		107		
Equity income of affiliates	—		14		
Others	1,517		1,578		
Other expenses	6,549	2.0	5,458	1.6	(1,091)
Interest expenses	5,224		4,402		
Foreign currency exchange loss	679		474		
Equity loss of affiliates	5		—		
Others	640		582		
Ordinary income	21,843	6.6	27,691	8.3	5,848
Extraordinary income	772	0.2	395	0.1	(376)
Gain on sales of fixed assets	183		182		
Gain on sales of investments securities	0		—		
Reversal of loss on after-care of products	572		—		
Reversal of allowance for doubtful receivables	14		11		
Reversal of allowance for business restructuring losses	—		201		
Extraordinary loss	3,091	0.9	2,833	0.8	(258)
Loss on sales of fixed assets	323		150		
Loss on disposal of fixed assets	1,364		562		
Impairment loss	74		71		
Loss on liquidation of affiliates	56		998		
Loss on after-care of products	49		236		
Business restructuring loss	40		—		
Compensation payments	70		—		
Settlement loss	808		—		
Special severance payment	304		165		
Retirement benefit expenses for overseas subsidiaries	—		116		
Retirement benefits to directors and corporate auditors	—		531		
Income before income taxes and minority interests	19,523	5.9	25,254	7.6	5,730
Income taxes					
Current (including enterprise tax)	6,248		8,496		
Adjustment of income taxes	813		(591)		
Total income taxes	7,062	2.1	7,905	2.4	843
Minority interests in earnings of consolidated subsidiaries	(401)	(0.1)	1,045	0.3	1,446
Net income	12,862	3.9	16,303	4.9	3,440

(3) Consolidated Statement of Changes in Net Assets

FY2007 (April 1, 2006 through March 31, 2007) (Amount: millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Earning surplus	Treasury stock	Total shareholders' equity
Balances at March 31, 2006	68,258	94,756	6,983	(65)	169,933
Changes					
Cash dividend from retained earnings			(3,990)		(3,990)
Net income			12,862		12,862
Purchase of own shares				(15)	(15)
Sales of own shares		0		1	1
Changes (net) in non-shareholders' equity items					
Total changes	—	0	8,872	(14)	8,858
Balances at March 31, 2007	68,258	94,756	15,855	(79)	178,791

	Revaluation / Translation differences			Minority interests in consolidated subsidiaries	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Total revaluation / translation differences		
Balances at March 31, 2006	4,428	(56,784)	(52,355)	631	118,209
Changes					
Cash dividend from retained earnings					(3,990)
Net income					12,862
Purchase of own shares					(15)
Sales of own shares					1
Changes (net) in non-shareholders' equity items	(1,133)	17,051	15,918	(426)	15,491
Total changes	(1,133)	17,051	15,918	(426)	24,349
Balances at March 31, 2007	3,294	(39,732)	(36,437)	204	142,558

FY2008 (April 1, 2007 through March 31, 2008) (Amount: millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Earning surplus	Treasury stock	Total shareholders' equity
Balances at March 31, 2007	68,258	94,756	15,855	(79)	178,791
Changes					
Cash dividend from retained earnings			(3,990)		(3,990)
Net income			16,303		16,303
Purchase of own shares				(18)	(18)
Sales of own shares		0		0	0
Changes (net) in non-shareholders' equity items					
Total changes	—	0	12,313	(17)	12,295
Balances at March 31, 2008	68,258	94,756	28,169	(97)	191,087

	Revaluation / Translation differences				Minority interests in consolidated subsidiaries	Total net assets
	Difference on revaluation of other marketable securities	Deferred hedge gains or losses	Foreign currency translation adjustments	Total revaluation / translation differences		
Balances at March 31, 2007	3,294	—	(39,732)	(36,437)	204	142,558
Changes						
Cash dividend from retained earnings						(3,990)
Net income						16,303
Purchase of own shares						(18)
Sales of own shares						0
Changes (net) in non-shareholders' equity items	(1,539)	(0)	(22,535)	(24,075)	951	(23,123)
Total changes	(1,539)	(0)	(22,535)	(24,075)	951	(10,827)
Balances at March 31, 2008	1,755	(0)	(62,268)	(60,512)	1,155	131,730

(4) Consolidated Statements of Cash Flows (Amount: millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2008	Increase (decrease)
1. Cash flows from operating activities:			
Income before income taxes and minority interests	19,523	25,254	5,730
Depreciation and amortization	24,648	26,442	1,794
Impairment loss	74	71	(2)
Amortization of goodwill	1,078	1,059	(19)
Equity (income) loss of affiliates	5	(14)	(19)
Interest and dividend income	(610)	(795)	(184)
Interest expenses	5,224	4,402	(822)
Settlement loss	808	—	(808)
(Gain) loss on sales of fixed assets	140	(31)	(172)
Loss on disposal of fixed assets	1,364	562	(801)
Loss on liquidation of affiliates	—	998	998
Decrease in reserve for losses on after-care of products	(577)	—	577
(Gain) loss on sales of investments securities	(0)	—	0
(Increase) decrease in notes and accounts receivable	(3,673)	939	4,612
(Increase) decrease in inventories	6,403	(1,544)	(7,947)
Decrease in notes and accounts payable	(1,629)	(1,304)	325
Decrease in allowance for doubtful receivables	(102)	(26)	76
Increase in accrued bonuses	138	315	176
Increase in allowance for bonuses to directors and corporate auditors	69	48	(21)
Increase in retirement allowance	814	248	(566)
Increase in prepaid pension cost	(1,408)	(267)	1,140
Increase in allowance for retirement benefits to executive officers	24	21	(2)
Decrease in allowances for business restructuring losses	(2,649)	(264)	2,385
Others	(2,486)	4,690	7,177
Sub-total	47,178	60,805	13,627
Interest and dividends received	610	795	185
Interest paid	(5,251)	(4,437)	813
Income taxes paid	(4,635)	(9,462)	(4,826)
Settlement package paid	—	(808)	(808)
Net cash provided by operating activities	37,902	46,893	8,991
2. Cash flows from investing activities:			
Purchase of tangible fixed assets	(16,969)	(24,888)	(7,918)
Proceeds from sales of tangible fixed assets	5,187	2,036	(3,150)
Purchase of intangible fixed assets	(697)	(663)	33
Purchase of investments in securities	(2,666)	(73)	2,592
Proceeds from sales of investments in securities	1	—	(1)
Long term loans receivables	(31)	(21)	9
Recovery of long-term loans receivables	38	17	(21)
Others	(42)	131	174
Net cash used in investing activities	(15,180)	(23,461)	(8,281)
3. Cash flows from financing activities:			
Decrease in short-term loans payable	(24,876)	(6,430)	18,445
Proceeds from long-term loans	11,000	4,000	(7,000)
Repayment of long-term loans	(6,000)	(14,165)	(8,165)
Payment for redemption of bonds	(3,000)	—	3,000
Purchase of treasury stock	(13)	(17)	(3)
Cash dividends paid	(2,793)	(3,990)	(1,196)
Net cash used in financing activities	(25,683)	(20,604)	5,079
4. Effect of exchange rate changes on cash and cash equivalents	307	(1,277)	(1,584)
5. Net increase (decrease) in cash and cash equivalents	(2,654)	1,550	4,204
6. Cash and cash equivalents at beginning of year	24,385	21,731	(2,654)
7. Cash and cash equivalents at end of year	21,731	23,281	1,550

(5) Basis of presenting consolidated financial statements

1. Scope of consolidation and application of equity method
Number of consolidated companies.............41 companies
The names of principal consolidated subsidiaries, stated in 2. Condition of group of enterprises, are omitted.

Number of affiliated companies...................1 company
of which, equity method is applied to 1 company including Shonan Seiki Co., Ltd.

2. Scope of consolidation and application of equity method
Changes in consolidated subsidiaries

Anew:	None		
Exclusion:	Liquidation	(1 company)	MINEBEA ELECTRONICS (U.K.) LIMITED

3. Balance sheet dates of consolidated subsidiaries and equity-method companies
Consolidated subsidiaries which were accounted for by the equity method whose balance sheets are different from the consolidated balance sheet date, the Company uses their financial statements based upon the provisional settlement of accounts they balanced as of the consolidated balance sheet date in the preparation of the financial statements of the current consolidated term.

Company which was accounted for by the equity method whose balance sheets are different from the consolidated balance sheet date, the Company uses their financial statements based upon the provisional settlement of accounts they balanced as of the consolidated balance sheet date in the preparation of the financial statements of the current consolidated term.

4. Accounting policies
(a) Valuation basis and method of significant assets
1. Securities
Other marketable securities
Securities with market value
The Company adopted the market value method based on market prices and other conditions at the end of the term. Also, the Company accounted for all valuation differences based on the direct net asset method and the sales costs are calculated by the moving average method.
The Company's consolidated overseas subsidiaries also used primarily the same accounting method.
Securities without market value
Non listed securities are stated at cost determined by the moving average method.
2. Derivative
Market value method
The Company's consolidated overseas subsidiaries also used primarily the same accounting method.
3. Inventories
The Company and consolidated domestic subsidiaries state primarily at the moving average cost.
Consolidated overseas subsidiaries state at the lower of first-in, first-out cost or market, or at the lower of average cost or market.

(b) Method of significant Depreciation
1. Tangible fixed assets
The Company and consolidated domestic subsidiaries adopt the declining balance method.
Their major useful lives are as follows:

Buildings and structures	2 to 50 years
Machinery and transportation equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than 100,000 yen and less than 200,000 yen) over the 3 years each consolidated fiscal year.
Consolidated overseas subsidiaries mainly adopt the straight-line method.
(Change of depreciation method)
From the current consolidated accounting period, regarding the fixed assets purchased on or after April 1, 2007, the Company posts depreciation and amortization expenses pursuant to the depreciation method provided in the revised Corporation Tax Law.
This respectively decreases 201 million yen in operating income, ordinary income and income before income taxes and minority interests.

(Additional information)

Of tangible fixed assets acquired before March 31, 2007, regarding those whose depreciation up to their depreciable amounts was completed, the Company depreciates their remaining book values equally over 5 years from the current consolidated accounting period.

This respectively decreases 231 million yen in operating income, ordinary income and income before income taxes and minority interests.

2. Intangible fixed assets

The Company and consolidated domestic subsidiaries mainly adopt the straight-line method. However, depreciation of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Consolidated overseas subsidiaries mainly adopt the straight-line method.

(c) Valuation basis of significant allowances

1. Allowance for doubtful receivables

The Company and consolidated domestic subsidiaries make the record in the amount required for the estimated uncollectible receivables based on actual losses of trade receivables and on collectability of specific receivables with loss possibilities.

Consolidated overseas subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the collectability of each receivable for possible losses on the receivables.

2. Accrued bonuses

The Company and consolidated domestic subsidiaries make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Consolidated overseas subsidiaries make the record on accrual basis.

3. Allowance for bonuses to directors and corporate auditors

To provide for payment of bonuses to directors and corporate auditors, the Company records an amount, based upon the estimated amount of payment for the current consolidated accounting period.

4. Allowance for retirement benefits

Regarding the Company and its consolidated Japanese subsidiaries, to provide for payment of employee retirement benefits, the Company reported allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current consolidated accounting period.

At the end of the current consolidated accounting period, prepaid pension costs is included in others of investments and other assets.

Over the 5 years within the average remaining length of employees' service, the Company will charge differences in mathematical calculation to expenses from the next term, in accordance with the straight-line method.

Regarding the Company's consolidated overseas subsidiaries, each subsidiary stated retirement benefits or prepaid pension costs estimated to accrue at the end of the current consolidated accounting period to provide for employee retirement benefits.

At the end of the current consolidated accounting period, prepaid pension costs is included in others of investments and other assets.

Unrecognized prior service cost is amortized using the straight-line method over a period of 10 years as cost. Actuarial gains and losses are amortized using the straight-line method over a period of 10 years, from the period subsequent to the period in which they are incurred.

5. Allowance for retirement benefits to executive officers

We posted retirement allowances to be required for payment at the end of the current consolidated fiscal year in accordance with regulations.

6. Allowance for business restructuring losses

Based upon the decision of the structural reform plan for its PC keyboard business and other key businesses, the Company has reported the reasonably estimated amounts of expenses that it is expected to incur in the future.

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

(d) Translation of foreign currency assets and liabilities in financial statements of the Company and consolidated subsidiaries

The Company and its consolidated domestic subsidiaries translate monetary receivables and payables in foreign currency into yen at the spot exchange rates on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

Assets and liabilities are translated into yen at the spot exchange rates at the consolidation date, while revenues and expenses are translated into yen at the average rates for the year. Exchange differences are included in foreign currency translation adjustments and minority interests in net assets.

(e) Accounting method of significant lease transactions

In accordance with the accounting method in reference to ordinary rental transactions, the Company and its consolidated domestic subsidiaries accounted for finance lease transactions, excluding those in which the ownership of leased property will be transferred to the lessees.

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

(f) Accounting method of significant hedge transactions

1. Method of hedge accounting

The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

2. Hedging vehicles and hedged items

(Hedging vehicles)

Forward exchange contracts
Interest rate swaps

(Hedged items)

Monetary receivables and payables in foreign currency
Anticipated transactions in foreign currencies
Interest rates on borrowings

3. Hedge policy

Under the guidance of its Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

4. Method of assessing hedge effectiveness

Regarding forward exchange contracts, in principle, the Company allocates them to monetary receivable and payable with same maturities and same amounts in foreign currency at closing of forward exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.

Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

(Notes) The Company's consolidated overseas subsidiaries also used primarily the same accounting method listed above in 1-4.

(g) Accounting method of consumption tax and other

Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

(6) Evaluation of consolidated subsidiaries' assets and liabilities

The Company adopts the step fair value method as evaluation method of consolidated subsidiaries' assets and liabilities.

(7) Amortization of goodwill and negative goodwill

The goodwill is equally amortized for from 5 to 40 years considering the accounting customs of the consolidated companies' countries.

(8) Range of cash in cash flow statements

Cash and cash equivalents consist of cash on hand, demand deposit and short-term investments which expire within 3 months from acquisition date, have high liquidity and are easily turned into cash.

(9) Change of presentation

(Consolidated Statements of Cash Flows)

The loss on liquidation of affiliates in cash flows from operating activities was included in others the previous consolidated fiscal year. But because its monetary importance is increasing, it is separately shown.

The previous consolidated fiscal year's loss on liquidation of affiliates included in others was 56 million yen.

(10) Notes

(Consolidated Balance Sheets)

As of March 31, 2007	As of March 31, 2008
1. Notes related to affiliates — Millions of yen The following include figures related to the Company's. Investments in securities (Stocks) 142	1. Notes related to affiliates — Millions of yen The following include figures related to the Company's. Investments in securities (Stocks) 156
2. Commitment line contracts — Millions of yen To ensure efficient procurement of operating funds, the Company has entered into commitment line contracts with financial institutions. Unused commitments at the end of the current consolidated fiscal year based on these contracts are as follows: Total commitments 10,000 Used commitments — Balance 10,000	2. Commitment line contracts — Millions of yen To ensure efficient procurement of operating funds, the Company has entered into commitment line contracts with main financial institutions. Unused commitments at the end of the current consolidated fiscal year based on these contracts are as follows: Total commitments 10,000 Used commitments — Balance 10,000
3. Matured notes at end of consolidated accounting period The Company accounts for settlement of matured notes at the end of consolidated accounting period at their exchange dates. Because the end of the current consolidated accounting period was a holiday of financial institutions, the Company includes the following matured notes in their balance at the end of the period. Notes receivable 338 million yen Notes payable 937 million yen Current liabilities others (Notes payable for equipment) 63 million yen	3. None
4. Marketable securities and Investment in securities The balance of money in trust is 2,628 million yen. This is the balance of U.S. Treasury securities, etc. purchased for financial investment by captive insurance subsidiary MHC INSURANCE COMPANY, LTD. established on October 4, 2006. The application of this trust fund is limited to payment of compensation resulting from recall insurance accidents related to the Minebea Group.	4. Marketable securities and Investment in securities The balance of money in trust is 2,364 million yen. This is the balance of U.S. Treasury securities, etc. purchased for financial investment by captive insurance subsidiary MHC INSURANCE COMPANY, LTD. established on October 4, 2006. The application of this trust fund is limited to payment of compensation resulting from recall insurance accidents related to the Minebea Group.

(Consolidated Statements of Income)

Year ended March 31, 2007	Year ended March 31, 2008
1. Major items of selling, general and administrative expenses are as follows: Millions of yen Packing and freight expenses 10,401 Salaries 11,472 Provision for bonuses 1,169 Provision for reserve for bonuses to directors and corporate auditors 69 Retirement allowance to directors 24 Amortization of goodwill 1,078	1. Major items of selling, general and administrative expenses are as follows: Millions of yen Packing and freight expenses 10,721 Salaries 12,048 Provision for bonuses 1,309 Provision for reserve for bonuses to directors and corporate auditors 117 Retirement allowance to directors 52 Amortization of goodwill 1,059
2. The R&D expenses included in general administrative expenses and manufacturing costs for the current fiscal year are 9,000 million yen.	2. The R&D expenses included in general administrative expenses and manufacturing costs for the current fiscal year are 9,950 million yen.
3. Fixed assets had the following sales gains: 50 million yen from the sale of buildings and structures; 95 million yen from the sale of machinery and transportation equipment; and 2 million yen from the sale of tools, furniture and fixtures; and 35 million yen from the sale of land.	3. Fixed assets had the following sales gains: 103 million yen from the sale of buildings and structures; 74 million yen from the sale of machinery and transportation equipment; and 1 million yen from the sale of tools, furniture and fixtures; and 3 million yen from the sale of land.
4. Fixed assets had the following sales losses: 40 million yen from the sale of buildings and structures; 165 million yen from the sale of machinery and transportation equipment; and 100 million yen from the sale of tools, furniture and fixtures; and 17 million yen from the sale of land.	4. Fixed assets had the following sales losses: 0 million yen from the sale of buildings and structures; 126 million yen from the sale of machinery and transportation equipment; and 16 million yen from the sale of tools, furniture and fixtures; and 7 million yen from the sale of land.
5. Fixed assets had the following disposal losses: 288 million yen from the disposal of buildings and structures; 1,002 million yen from the disposal of machinery and transportation equipment; and 71 million yen from the disposal of tools, furniture and fixtures; and 1 million yen from the disposal of land.	5. Fixed assets had the following disposal losses: 261 million yen from the disposal of buildings and structures; 242 million yen from the disposal of machinery and transportation equipment; and 59 million yen from the disposal of tools, furniture and fixtures.

Year ended March 31, 2007	Year ended March 31, 2008

Year ended March 31, 2007

6. Impairment loss

Outline of the asset groups on which impairment losses were recognized (Amount: millions of yen)

Use	Location	FY2007	
		Class	Amount
Idle assets	Four facilities-Former Kyoto,Ibaraki,Ichinoseki plants and Saku plant (Hachiman City, Kyoto Pref., etc.)	Buildings and structures	41
		Machinery and transportation equipment	6
		Tools, furniture and fixtures	0
		Land	26
		Total	74

Asset grouping method

Based on its business classification, the Minebea Group has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for the recognition of impairment losses

The above fixed assets (buildings, structures and land, etc) impaired in the current consolidated accounting period are idle assets and have no future utilization plans. Due to this, the Company recognized impairment losses on those assets.

Calculation method of collectable amounts

The collectable amounts of the assets are based on net sales proceeds. Their assessed values are calculated based on the standards for real estate appraisals.

7. Business restructuring loss — Millions of yen

This loss consists of the following allowances and amounts incurred for the current accounting period, based upon the structural reform plan for the PC keyboard business, etc.

Loss on disposal of fixed assets related to business restructuring 40

Year ended March 31, 2008

6. Impairment loss

Outline of the asset groups on which impairment losses were recognized (Amount: millions of yen)

Use	Location	FY2008	
		Class	Amount
Idle assets	Four facilities-Former Kyoto,Ibaraki,Ichinoseki plants and Kanegasaki plant (Hachiman City, Kyoto Pref., etc.)	Land	71
		Total	71

Asset grouping method

Based on its business classification, the Minebea Group has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for the recognition of impairment losses

The above fixed assets (land) impaired in the current consolidated accounting period are idle assets and have no future utilization plans. Due to this, the Company recognized impairment losses on those assets.

Calculation method of collectable amounts

The collectable amounts of the assets are based on net sales proceeds. Their assessed values are calculated based on the standards for real estate appraisals.

7. None

(Consolidated Statement of Changes in Net Assets)

FY2007 (April 1, 2006 through March 31, 2007)

1. Class and Number of Shares Issued and Class and Number of Treasury Stock

	Shares at previous FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Shares issued				
Common stock	399,167,695	—	—	399,167,695
Total	399,167,695	—	—	399,167,695
Treasury stock				
Common stock (Notes) 1,2	121,371	20,837	2,048	140,160
Total	121,371	20,837	2,048	140,160

(Notes) 1. The 20,837 shares increase in the number of own shares of common stock mainly reflects purchases of fractional shares.

2. The 2,048 shares decrease in the number of own shares of common stock reflects requests for purchase of fractional shares.

2. Dividend

(1) Dividend Paid

Resolution	Class of stock	Total dividend (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders on June 29, 2006	Common stock	2,793	7.00	March 31, 2006	June 30, 2006

(2) Of the dividends whose record date belongs to the current consolidated fiscal year, those whose effective date is in the next consolidated fiscal year

Resolution	Class of stock	Total dividend (millions of yen)	Dividend source	Dividend per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders on June 28, 2007	Common stock	3,990	Earning surplus	10.00	March 31, 2007	June 29, 2007

FY2008 (April 1, 2007 through March 31, 2008)

1. Class and Number of Shares Issued and Class and Number of Treasury Stock

	Shares at previous FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Shares issued				
Common stock	399,167,695	—	—	399,167,695
Total	399,167,695	—	—	399,167,695
Treasury stock				
Common stock (Notes) 1,2	140,160	25,742	957	164,945
Total	140,160	25,742	957	164,945

(Notes) 1. The 25,742 shares increase in the number of own shares of common stock mainly reflects purchases of fractional shares.

2. The 957 shares decrease in the number of own shares of common stock reflects requests for purchase of fractional shares.

2. Dividend

(1) Dividend Paid

Resolution	Class of stock	Total dividend (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders on June 28, 2007	Common stock	3,990	10.00	March 31, 2007	June 29, 2007

(2) Of the dividends whose record date belongs to the current consolidated fiscal year, those whose effective date is in the next consolidated fiscal year

The following resolution is planned.

Resolution	Class of stock	Total dividend (millions of yen)	Dividend source	Dividend per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders on June 27, 2008	Common stock	3,990	Earning surplus	10.00	March 31, 2008	June 30, 2008

(Consolidated Cash Flow Statements)

Year ended March 31, 2007	Year ended March 31, 2008
Relationship between cash and cash equivalents at year end and the amount of the account stated in the consolidated balance sheets. Cash and cash equivalents at March 31, 2007 agree with the amount of the account stated in the consolidated balance sheets.	Relationship between cash and cash equivalents at year end and the amount of the account stated in the consolidated balance sheets. Cash and cash equivalents at March 31, 2008 agree with the amount of the account stated in the consolidated balance sheets.

(Relating to Lease Transactions)

	Millions of yen					
	Year ended March 31, 2007			Year ended March 31, 2008		
(1) Equivalent of acquisition value of leased items, equivalent of total amount of depreciation, accumulated impairment loss equivalent, and equivalent of year-end closing balance:	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance
Machinery and transportation equipment	1,439	742	697	1,595	618	976
Tools, furniture and fixtures	2,387	1,313	1,074	2,224	1,200	1,024
Software	33	12	21	21	10	11
Total	3,860	2,067	1,792	3,841	1,829	2,012

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets plus the year-end closing balance of unexpired lease expense, equivalent of acquisition value in the term period in the current fiscal year has been calculated based on " Interest payment inclusive method".

(2) Equivalent of year-end closing balance of unexpired lease expenses:

	Year ended March 31, 2007	Year ended March 31, 2008
within-1-year	895	889
over 1-year	896	1,122
Total	1,792	2,012

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets plus the year-end closing balance of unexpired lease expense, equivalent of year-end closing balance of unexpired lease expenses in the term period in the current fiscal year has been calculated based on "Interest payment inclusive method".

(3) The amount of lease expenses, mobilization of lease asset impairment losses, equivalent of depreciation expenses and impairment loss:

	Year ended March 31, 2007	Year ended March 31, 2008
Amount of lease expenses	1,080	1,144
Equivalent of depreciation expenses	1,080	1,144

(4) Method of computing equivalent of depreciation expenses:

Computation is based on straight-line method with the lease term as a useful life and the residual value to be set at zero.

(Impairment loss) There were no impairment losses allocated to lease assets.

(Securities)

FY2007 (March 31, 2007)

1. Debt securities held to maturity with market values

	Classification	Reported amounts in B/S (millions of yen)	Market values (millions of yen)	Difference (millions of yen)
Securities whose market values are in excess of their reported B/S amounts	Government bonds, municipal bonds, etc.	2,628	2,628	0
	Bonds	—	—	—
	Others	—	—	—
	Sub-total	2,628	2,628	0
Securities whose market values are not in excess of their reported B/S amounts	Government bonds, municipal bonds, etc.	—	—	—
	Bonds	—	—	—
	Others	—	—	—
	Sub-total	—	—	—
Total		2,628	2,628	0

2. Other marketable securities with market values

	Classification	Acquisition cost (millions of yen)	Reported amounts in B/S (millions of yen)	Difference (millions of yen)
Securities whose reported amounts in B/S exceed acquisition cost	Stock	3,081	8,482	5,401
	Receivables	—	—	—
	Others	—	—	—
	Sub-total	3,081	8,482	5,401
Securities whose reported amounts in B/S do not exceed acquisition cost	Stock	—	—	—
	Receivables	—	—	—
	Others	—	—	—
	Sub-total	—	—	—
Total		3,081	8,482	5,401

3. Other marketable securities sold in the current consolidated fiscal year (April 1, 2006 through March 31, 2007)

Amounts of sales of investments securities (millions of yen)	Gain on sales of investments securities (millions of yen)	Loss on sales of investments securities (millions of yen)
1	0	—

4. Major securities that are not marked to market

Classification	Reported amounts in B/S (millions of yen)
Other marketable securities Non-listed stock	473

5. Planned redemption payments for debt securities held to maturity

	Due within 1 year (millions of yen)	Due after 1 year and within 5 years (millions of yen)	Due after 5 years and within 10 years (millions of yen)	Due after 10 years (millions of yen)
1. Debt securities				
Government bonds, municipal bonds, etc.	408	2,219	—	—
Bonds	—	—	—	—
Others	—	—	—	—
2. Others	—	—	—	—
Total	408	2,219	—	—

FY2008 (March 31, 2008)

1. Other marketable securities with market values

	Classification	Acquisition cost (millions of yen)	Reported amounts in B/S (millions of yen)	Difference (millions of yen)
Securities whose reported amounts in B/S exceed acquisition cost	Stock	3,078	5,172	2,094
	Receivables	2,295	2,364	69
	Others	—	—	—
	Sub-total	5,373	7,537	2,163
Securities whose reported amounts in B/S do not exceed acquisition cost	Stock	3	2	(0)
	Receivables	—	—	—
	Others	—	—	—
	Sub-total	3	2	(0)
Total		5,376	7,539	2,163

2. Change of Holding Purpose during the year

For the marketable securities that were held for held-to-maturity purposes, the Company changes its holding target to other marketable securities from the current consolidated accounting period pursuant to its changed financial investment policy. The impact of this change is minor.

3. Other marketable securities sold in the current consolidated fiscal year (April 1, 2007 through March 31, 2008)

Not Applicable

4. Major securities that are not marked to market

Classification	Reported amounts in B/S (millions of yen)
Other marketable securities Non-listed stock	474

(Derivative Transactions)

1. Contract conditions

Year ended March 31, 2007	Year ended March 31, 2008
1. Content of transactions The Minebea Group uses foreign exchange contract transactions as well as interest swap transactions. 2. Transaction policy The Minebea Group uses forward exchange contracts within the balance of its foreign currency receivables and payables, including the amounts that are ensured to arise in the future. The Group also uses interest swaps within the principal of its borrowings. The management of these transactions is guided by the Finance Department of the Company, and no speculative transactions are made. 3. Purpose of the use of transactions The Minebea Group makes transactions of foreign exchange contract to hedge the fluctuation risks in foreign currency exchange rates related to export and import transactions, etc. The Group also makes interest swap transactions to hedge the fluctuation risks in the interest rates of its borrowings. The Minebea Group makes derivative transactions, and by using the transactions, adopts hedge accounting. (1) Method of hedge accounting Regarding monetary receivables and payables in foreign currency for which forward exchange contracts are made, the Company accounts for them on the allocation method. Also, regarding interest rate swaps, the Company accounts for them as special exceptions, because they meet the accounting requirements for special exceptions. (2) Hedging vehicles and hedged items (Hedging vehicles) Forward exchange contracts Interest rate swaps (Hedging items) Monetary receivables and payables in foreign currency Interest rates on borrowings (3) Hedge policy Under the guidance of its Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings. (4) Method of assessing hedge effectiveness Regarding forward exchange contracts, the Company allocates them at same dates with same amounts in foreign currency, respectively, in accordance with the risk management policy at the time of conclusion of forward exchange contracts. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon that judgment. Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special exceptions.	1. Content of transactions The Minebea Group uses foreign exchange contract transactions as well as interest swap transactions. 2. Transaction policy The Minebea Group uses forward exchange contracts within the balance of its foreign currency receivables and payables, including the amounts that are ensured to arise in the future. The Group also uses interest swaps within the principal of its borrowings. The management of these transactions is guided by the Finance Department of the Company, and no speculative transactions are made. 3. Purpose of the use of transactions The Minebea Group makes transactions of foreign exchange contract to hedge the fluctuation risks in foreign currency exchange rates related to export and import transactions, etc. The Group also makes interest swap transactions to hedge the fluctuation risks in the interest rates of its borrowings. The Minebea Group makes derivative transactions, and by using the transactions, adopts hedge accounting. (1) Method of hedge accounting The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting. (2) Hedging vehicles and hedged items (Hedging vehicles) Forward exchange contracts Interest rate swaps (Hedging items) Monetary receivables and payables in foreign currency Anticipated transaction in foreign currencies Interest rates on borrowings (3) Hedge policy Under the guidance of its Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings. (4) Method of assessing hedge effectiveness Regarding forward exchange contracts, in principle, the Company allocates them to monetary receivable and payable with same maturities and same amounts in foreign currency at closing of forward exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations. Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

Year ended March 31, 2007	Year ended March 31, 2008
4. Content of risks associated with transactions Transactions of foreign exchange contract have fluctuation risks associated with foreign currency exchange rates. Interest swap transactions also have fluctuation risks associated with interest rates. The Minebea Group limits transactions of foreign exchange contract and interest swap to the purpose of hedging those transaction risks, and thus, judges that there are almost no market risks. The Minebea Group makes such transactions with highly reliable financial institutions judged from ratings, etc., and thus, judges that there are almost no risks of the contracts not being fulfilled. 5. Risk management structure for transactions Transactions of foreign exchange contract are executed and managed by the finance department of each company within the upper limit of transactions mentioned in item 2. These transactions are periodically reported to the Finance Department of the Company, and are monitored by the Dept. Interest swap transactions are executed and managed by the Finance Department of the Head Office within the upper limit of transactions mentioned in item 2. However, including details of such borrowing transactions, these transactions are approved in advance by the Board of Directors or the executive officer in charge of finance of the Company, depending upon the amounts of transactions.	4. Content of risks associated with transactions Transactions of foreign exchange contract have fluctuation risks associated with foreign currency exchange rates. Interest swap transactions also have fluctuation risks associated with interest rates. The Minebea Group limits transactions of foreign exchange contract and interest swap to the purpose of hedging those transaction risks, and thus, judges that there are almost no market risks. The Minebea Group makes such transactions with highly reliable financial institutions judged from ratings, etc., and thus, judges that there are almost no risks of the contracts not being fulfilled. 5. Risk management structure for transactions Transactions of foreign exchange contract are executed and managed by the finance department of each company within the upper limit of transactions mentioned in item 2. These transactions are periodically reported to the Finance Department of the Company, and are monitored by the Dept. Interest swap transactions are executed and managed by the Finance Department of the Head Office within the upper limit of transactions mentioned in item 2. However, including details of such borrowing transactions, these transactions are approved in advance by the Board of Directors or the executive officer in charge of finance of the Company, depending upon the amounts of transactions.

2. Contract amounts etc., current prices, and unrealized profits or losses of derivatives

Year ended March 31, 2007	Year ended March 31, 2008
Not Applicable We excluded the items that are applied hedge account from this financial year's report.	Same as on the left.

(Retirement Benefits)

FY2007		
(1) Corporate retirement benefit system		
To provide for the payment of employee retirement allowances, the Company has adopted the qualified retirement pension system on a company-wide basis. In addition, certain overseas subsidiaries have also adopted a defined-benefit pension plan.		
(2) Details of retirement benefit debts and expenses		
Components of retirement benefit debts		
(a) Projected benefit obligations	(30,125)	Millions of yen
(b) Plan assets at fair value	29,525	
(c) Unfunded projected benefit obligations ((a)+(b))	(600)	
(d) Unrecognized transitional obligations	987	
(e) Unrecognized actuarial loss	(564)	
(f) Net amount recognized on consolidated balance sheets ((c)+(d)+(e))	(178)	
(g) Prepaid pension cost	1,483	
(h) Accrued retirement benefits	(1,661)	
Components of retirement benefit expenses		
Services cost	2,269	
Interest cost	1,159	
Expected return on plan assets	(1,343)	
Amortization of prior service cost	2	
Amortization of actuarial loss	(62)	
Retirement benefit costs	2,025	
(3) Calculation basis for retirement benefit debts and expenses		
Discount rate	2.5 %	
Expected rate of return on plan assets	2.5 %	
Allocation of estimated amount of all retirement benefits to be paid at future retirement dates	Basis for periodic fixed amounts	
Period of amortizing prior service cost	10 years	
Period of amortizing actuarial loss	5 ~ 10 years (From the next term, the differences will be charged to expenses based on the straight-line method.)	

FY2008
(1) Corporate retirement benefit system To provide for the payment of employee retirement allowances, the Company has adopted the qualified retirement pension system on a company-wide basis. In addition, certain overseas subsidiaries have also adopted a defined-benefit pension plan. (2) Details of retirement benefit debts and expenses Components of retirement benefit debts (a) Projected benefit obligations (30,210) Millions of yen (b) Plan assets at fair value 25,984 (c) Unfunded projected benefit obligations ((a)+(b)) (4,225) (d) Unrecognized transitional obligations 8 (e) Unrecognized actuarial loss 4,220 (f) Net amount recognized on consolidated balance sheets ((c)+(d)+(e)) 4 (g) Prepaid pension cost 1,711 (h) Accrued retirement benefits (1,707) Components of retirement benefit expenses Services cost 1,279 Interest cost 1,266 Expected return on plan assets (1,402) Amortization of prior service cost 2 Amortization of actuarial loss (311) Retirement benefit costs 833 Other than the above retirement benefit expenses, we post 116 million yen in retirement benefit expenses for overseas subsidiaries as an extraordinary loss. (3) Calculation basis for retirement benefit debts and expenses Discount rate 2.5 % Expected rate of return on plan assets 2.5 % Allocation of estimated amount of all retirement benefits to be paid at future retirement dates Basis for periodic fixed amounts Period of amortizing prior service cost 10 years Period of amortizing actuarial loss 5 ~ 10 years (From the next term, the differences will be charged to expenses based on the straight-line method.)

(Stock Options, etc.)

FY2007 (April 1, 2006 through March 31, 2007)

Not Applicable

FY2008 (April 1, 2007 through March 31, 2008)

Not Applicable

(The Tax Effect Accounting)

	As of March 31, 2007	As of March 31, 2008
1. Major reasons for the accrual of deferred tax assets and deferred tax liabilities (Millions of yen)		
(Deferred tax assets)		
Excess of allowed limit chargeable to the bonus payment reserve	793	872
Loss on revaluation of investments securities	1,618	1,373
Excess of allowed limit chargeable to the allowance for doubtful accounts	2,332	4,054
Unrealized gains on sales of inventories	1,729	1,448
Excess of allowed limit chargeable to the depreciation	783	1,058
Deficit brought forward	1,256	1,630
Foreign tax credit carry forwards	557	352
Impairment loss	360	127
Others	1,468	1,805
Sub-total	10,899	12,723
Valuation allowance	(745)	(1,610)
Total deferred tax assets	10,153	11,112
(Deferred tax liabilities)		
Depreciations allowed to overseas subsidiaries	1,543	1,346
Difference on revaluation of other marketable securities	2,106	137
Others	241	1,014
Total deferred tax liabilities	3,891	2,498
Net deferred tax assets	6,262	8,613

*Net deferred tax assets for the current fiscal year are included in the following items on the consolidated balance sheet.

		As of March 31, 2007	As of March 31, 2008
Current assets......	Deferred tax assets	7,056	8,498
Fixed assets..........	Deferred tax assets	990	1,977
Current liabilities.	Others	(1,206)	(1,330)
Fixed liabilities	Others	(578)	(531)

	As of March 31, 2007	As of March 31, 2008
2. Major reasons for significant differences between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting		
Domestic legal effective tax rate	39.0%	39.0%
(Adjustments)		
Amortization of goodwill	2.1	1.2
Differences in the tax rates applied to consolidated overseas subsidiaries	(13.2)	(12.9)
Valuation allowance for deficits in the current fiscal year of consolidated subsidiaries	5.7	(4.3)
Effect of elimination of dividend income	2.8	8.3
Others	(0.2)	(0.0)
Ratio of income tax burden after the application of tax effect accounting	36.2	31.3

(Segment Information)

(1) Business segments

(Amount: millions of yen)

	FY2007 (April 1, 2006 through March 31, 2007)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	137,662	193,359	331,022	—	331,022
(2) Sales to other segment	7,212	4,135	11,347	(11,347)	—
Total	144,874	197,495	342,370	(11,347)	331,022
Operating expense	118,679	197,425	316,105	(11,347)	304,757
Operating income	26,195	69	26,265	—	26,265
2. Assets, depreciation, impairment and capital expenditure					
Assets	216,595	224,047	440,643	(85,858)	354,784
Depreciation	12,507	12,140	24,648	—	24,648
Impairment loss	30	43	74	—	74
Capital expenditure	8,422	9,243	17,666	—	17,666

(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, Inverter, Strain gauges, Load cells, etc.

(Amount: millions of yen)

	FY2008 (April 1, 2007 through March 31, 2008)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	144,034	190,396	334,431	—	334,431
(2) Sales to other segment	10,061	5,414	15,476	(15,476)	—
Total	154,096	195,810	349,907	(15,476)	334,431
Operating expense	126,346	192,798	319,145	(15,476)	303,668
Operating income	27,750	3,012	30,762	—	30,762
2. Assets, depreciation, impairment and capital expenditure					
Assets	189,149	192,201	381,351	(60,806)	320,544
Depreciation	13,635	12,807	26,442	—	26,442
Impairment loss	30	41	71	—	71
Capital expenditure	12,291	13,259	25,551	—	25,551

(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, Inverter, Strain gauges, Load cells, etc.

(2) Geographical segments (Amount: millions of yen)

	FY2007 (April 1, 2006 through March 31, 2007)						
	Japan	Asia (excluding Japan)	North America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	83,264	162,330	56,109	29,317	331,022	—	331,022
(2) Sales to other segment	163,914	165,062	1,750	1,081	331,808	(331,808)	—
Total	247,179	327,392	57,860	30,398	662,830	(331,808)	331,022
Operating expense	237,409	316,093	54,130	28,932	636,565	(331,808)	304,757
Operating income	9,769	11,299	3,730	1,465	26,265	—	26,265
2. Assets	162,335	258,045	35,692	21,325	477,398	(122,614)	354,784

(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, etc.

(Amount: millions of yen)

	FY2008 (April 1, 2007 through March 31, 2008)						
	Japan	Asia (excluding Japan)	North America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	75,378	170,474	53,584	34,993	334,431	—	334,431
(2) Sales to other segment	163,898	169,604	2,033	1,210	336,746	(336,746)	—
Total	239,276	340,078	55,618	36,203	671,177	(336,746)	334,431
Operating expense	230,179	324,504	51,143	34,587	640,415	(336,746)	303,668
Operating income	9,096	15,573	4,475	1,616	30,762	—	30,762
2. Assets	127,492	231,262	30,543	22,142	411,440	(90,895)	320,544

(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, etc.

(3) Overseas Sales (Amount: millions of yen)

	FY2007 (April 1, 2006 through March 31, 2007)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	166,256	44,927	35,119	246,303
2. Total sales				331,022
3. Overseas sales on total sales	50.2%	13.6%	10.6%	74.4%

(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)

	FY2008 (April 1, 2007 through March 31, 2008)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	174,483	43,138	39,420	257,043
2. Total sales				334,431
3. Overseas sales on total sales	52.2%	12.9%	11.8%	76.9%

(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.

(Transaction with Related Parties)

FY2007 (April 1, 2006 through March 31, 2007)

Directors and main individual shareholder

FY2007											
Attribution	Name	Address	Capital	Line of business or profession	Voting right(own or owned)	Contents of relation: Concurrently serving etc.	Contents of relation: Relation of business	Contents of transaction	Transaction amount	Account title	Year-end balance
Companies which the company's directors and nearly related person have over 50% of Voting right	Keiaisha Co., Ltd.	Kitaku Tokyo	¥1,905 million	Sales of Steel and its raw materials	(Owned) Direct 3.76%	Concurrently serving 2 on loan 1	The company purchases steel bar etc.	Purchase of steel bar etc.	¥2,128 million	Notes and Account payable *2	¥558 million
								Tools & equipment rent etc.	¥556 million	Current liabilities and others *2	¥34 million
								Land rent	¥36 million	Current assets and others *2	¥4 million
								Non operating income	¥19 million		

(Notes) Terms and decision policy of the transaction

1. Transaction prices, etc. are negotiated and decided in consideration of market prices.

*2. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.

FY2008 (April 1, 2007 through March 31, 2008)

Directors and main individual shareholder

FY2008											
Attribution	Name	Address	Capital	Line of business or profession	Voting right(own or owned)	Contents of relation: Concurrently serving etc.	Contents of relation: Relation of business	Contents of transaction	Transaction amount	Account title	Year-end balance
Companies which the company's directors and nearly related person have over 50% of Voting right	Keiaisha Co., Ltd.	Kitaku Tokyo	¥1,905 million	Sales of Steel and its raw materials	(Owned) Direct 3.76%	Concurrently serving 2	The company purchases steel bar etc.	Purchase of steel bar etc.	¥2,564 million	Notes and Account payable *2	¥353 million
								Tools & equipment rent etc.	¥618 million	Current liabilities and others *2	¥42 million
								Land rent	¥33 million	Current assets and others *2	¥4 million
								Non operating income	¥35 million		

(Notes) Terms and decision policy of the transaction

1. Transaction prices, etc. are negotiated and decided in consideration of market prices.

*2. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.

(Per Share Data)

	Year ended March 31, 2007	Year ended March 31, 2008
Net assets per share (yen)	356.75	327.25
Net income per share (yen)	32.23	40.86
Fully diluted net income per share (yen)	Not stated due to no residual securities in existence.	Same as on the left.

(Notes) 1. The following are the basis for calculating net assets per share.

	Year ended March 31, 2007	Year ended March 31, 2008
Total net assets (millions of yen)	142,558	131,730
Deduction from total net assets (millions of yen)	204	1,155
(Minority interests of the deduction)	(204)	(1,155)
Year-end net assets related to common stock (millions of yen)	142,353	130,574
Year-end common stock used for the calculation of net assets per share (shares)	399,027,535	399,002,750

2. The following are the basis for calculating net income per share and diluted net income per share.

	Year ended March 31, 2007	Year ended March 31, 2008
Net income (million of yen)	12,862	16,303
Amount not available for common stock (million of yen)	—	—
Net income related to common stock (million of yen)	12,862	16,303
Average shares of common stock outstanding (shares)	399,037,098	399,013,925

(12) Subsequent event

Year ended March 31, 2007	Year ended March 31, 2008
None	To date, the Company and certain of its consolidated domestic subsidiaries have adopted the tax-qualified pension plan. However, with effect from April 1, 2008, the Company and the subsidiaries have abolished the tax-qualified pension plan, and transferred to the defined contribution pension plan and the defined benefit pension plan. Accordingly, we will apply the Accounting for Transfer between Retirement Benefit Plans (Accounting Standards Board of Japan Implementation Guidance No. 1), and account for the closure of the retirement benefits transferred to the defined contribution pension plan. This shift is expected to impact 374 million yen (extraordinary loss) on consolidated earnings in the ensuing year.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

	As of March 31, 2007		As of March 31, 2008		Increase (decrease)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
ASSETS					
Current assets	124,653	34.9	101,684	30.2	(22,968)
Cash and cash equivalents	11,878		9,580		
Notes receivable	2,861		2,220		
Accounts receivable	52,437		46,179		
Purchased goods	1,948		2,220		
Goods in transit	1,129		1,010		
Finished goods	821		779		
Raw materials	1,652		1,483		
Work in process	2,749		2,555		
Supplies	109		102		
Advances to vendor	—		2		
Prepaid expenses	792		571		
Short-term loans receivable from affiliates	47,461		27,600		
Accounts receivable-other	1,550		1,470		
Temporary advance	20		6		
Deferred tax assets	4,584		5,690		
Others	308		236		
Allowance for doubtful receivables	(5,654)		(24)		
Fixed assets	232,440	65.1	235,186	69.8	2,745
Tangible fixed assets	24,183		25,422		1,239
Buildings	8,487		9,322		
Structures	486		593		
Machinery and equipment	4,846		5,311		
Vehicles	13		25		
Tools, furniture and fixtures	2,227		2,161		
Land	7,363		7,296		
Construction in progress	758		711		
Intangible fixed assets	3,013		2,786		(227)
Patents	2,307		1,870		
Leasehold rights	49		49		
Software	616		784		
Others	40		83		
Investments and other assets	205,243		206,976		1,733
Investments in securities	8,953		5,646		
Investments securities in affiliates	161,861		162,255		
Investments in partnerships	0		0		
Investments in partnerships with affiliates	32,406		36,152		
Long-term loans receivable from employees	4		2		
Long-term loans receivable from affiliates	501		375		
Reorganization claim in bankruptcy, and others	0		0		
Long-term prepaid expenses	344		223		
Deferred tax assets	321		901		
Others	1,253		1,716		
Allowance for doubtful receivables	(403)		(297)		
Deferred charges	10	0.0	—	—	(10)
Bond issuance expenses	10		—		
Total assets	357,104	100.0	336,870	100.0	(20,233)

	As of March 31, 2007		As of March 31, 2008		Increase (decrease)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
LIABILITIES					
Current liabilities	97,183	27.2	88,844	26.3	(8,339)
Notes payable	3,133		2,084		
Accounts payable	30,374		27,671		
Short-term loans payable	31,700		36,300		
Short-term loans payable from affiliates	5,075		—		
Current portion of long-term loans payable	12,000		—		
Current portion of bonds	—		15,000		
Accounts payable-other	2,680		2,633		
Accrued expenses	1,023		1,312		
Accrued income taxes	2,172		1,105		
Advances from customer	—		0		
Deposits received	179		194		
Deferred income	207		4		
Accrued bonuses	2,062		2,156		
Allowance for bonuses to directors and corporate auditors	69		117		
Allowance for business restructuring losses	5,483		—		
Notes payable for equipment	143		219		
Others	878		44		
Long-term liabilities	78,573	22.0	67,967	20.2	(10,606)
Bonds	36,500		21,500		
Long-term loans payable	42,000		46,000		
Allowance for retirement benefits to executive officers	73		95		
Others	—		371		
Total liabilities	175,757	49.2	156,812	46.5	(18,945)
NET ASSETS					
Shareholders' equity	178,051	49.9	178,348	53.0	296
Common stock	68,258	19.1	68,258	20.3	—
Capital surplus	94,756	26.6	94,756	28.1	0
Capital reserve	94,756		94,756		
Others	0		0		
Earning surplus	15,111	4.2	15,426	4.6	314
Earned surplus	2,085		2,085		
Others					
Reserve for general purpose	6,500		6,500		
Retained earnings carried forward	6,526		6,841		
Treasury stock	(76)	(0.0)	(93)	(0.0)	(17)
Revaluation / Translation differences	3,294	0.9	1,710	0.5	(1,584)
Difference on revaluation of other marketable securities	3,294		1,710		
Deferred hedge gains or losses	—		(0)		
Total net assets	181,346	50.8	180,058	53.5	(1,287)
Total liabilities and net assets	357,104	100.0	336,870	100.0	(20,233)

(2) Non-Consolidated Statements of Income

	Year ended March 31, 2007		Year ended March 31, 2008		Increase (decrease)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
Net sales	228,406	100.0	225,071	100.0	(3,335)
Sales (purchased goods)	202,184		199,086		
Sales (finished goods)	26,222		25,985		
Cost of sales	200,555	87.8	198,426	88.2	(2,129)
Beginning inventories (purchased goods)	2,103		1,948		
Purchase (purchased goods)	173,603		172,475		
Transfer from other accounts (purchased goods)	2,743		2,004		
Sub total	178,450		176,429		
Transfer to other accounts (purchased goods)	773		522		
Ending inventories (purchased goods)	1,948		2,220		
Total	175,728		173,686		
Beginning inventories (finished goods)	1,040		821		
Manufacturing cost	25,708		26,048		
Transfer from other accounts (finished goods)	187		140		
Sub total	26,936		27,010		
Transfer to other accounts (finished goods)	1,287		1,490		
Ending inventories (finished goods)	821		779		
Total	24,827		24,740		
Gross profit	27,851	12.2	26,645	11.8	(1,206)
Selling, general and administrative expenses	18,903	8.3	20,014	8.9	1,111
Sales commission	194		168		
Packing and freight expenses	1,997		1,970		
Advertisement	101		136		
Inspection charges (finished goods)	502		660		
Officer's salaries	259		298		
Salaries	3,695		3,751		
Bonuses	73		65		
Provision for bonuses	1,131		1,268		
Provision for reserve for bonuses to directors and corporate auditors	69		117		
Welfare expense	791		835		
Entertainment	98		115		
Travel and transportation	1,070		1,227		
Communications	127		122		
Water, light and fuel	110		115		
Office supplies	42		47		
Property tax and other taxes	361		364		
Depreciation	593		603		
Repair expense	114		128		
Outside service	1,192		1,278		
Insurance	155		264		
Commission	131		115		
Pent and lease	1,113		1,133		
Research & development expenses	4,357		4,695		
Others	616		529		
Operating income	8,948	3.9	6,630	2.9	(2,317)

	Year ended March 31, 2007		Year ended March 31, 2008		Increase (decrease)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
Other income	5,579	2.4	7,730	3.4	2,151
Interest income	647		778		
Dividends income	4,159		6,269		
Foreign currency exchange gain	—		78		
Rent income of fixed assets	165		152		
Others	606		452		
Other expenses	2,130	0.9	2,096	0.9	(34)
Interest expenses	811		1,103		
Interest on bonds	734		761		
Amortization on bond issue costs	26		10		
Foreign currency exchange loss	331		—		
Others	226		221		
Ordinary income	12,396	5.4	12,265	5.4	(131)
Extraordinary income	758	0.3	276	0.1	(481)
Gain on sales of fixed assets	228		112		
Gain on sales of investments securities	0		—		
Reversal of allowance for doubtful receivables	529		125		
Reversal of allowance for business restructuring losses	—		38		
Extraordinary loss	3,789	1.6	5,397	2.3	1,607
Loss on sales of fixed assets	52		12		
Loss on disposal of fixed assets	288		293		
Impairment loss	74		71		
Bad debt loss	—		4,445		
Plant closure loss	—		42		
Loss for after-care of products	33		—		
Business restructuring loss	2,461		—		
Compensation payments	70		—		
Settlement loss	808		—		
Retirement benefits to directors and corporate auditors	—		531		
Income before income taxes	9,365	4.1	7,144	3.2	(2,221)
Income taxes (including enterprise tax)	2,859		2,803		
Adjustment of income taxes	888		37		
Total income taxes	3,747	1.6	2,840	1.3	(907)
Net income	5,618	2.5	4,304	1.9	(1,313)

(3) Non-Consolidated Statement of Changes in Net Assets

FY2007 (April 1, 2006 through March 31, 2007) (Amount: millions of yen)

	Shareholders' equity							
		Capital surplus			Earning surplus			
						Others		
	Common stock	Capital reserve	Others	Total capital surplus	Earned surplus	Reserve for general purpose	Retained earnings carried forward	Total earning surplus
Balances at March 31, 2006	68,258	94,756	—	94,756	2,085	11,500	(1,297)	12,287
Changes								
Mobilization of general reserve (Notes)						(5,000)	5,000	—
Cash dividend from earning surplus (Notes)							(2,793)	(2,793)
Net income							5,618	5,618
Purchase of own shares								
Sales of own shares			0	0				
Changes (net) in non-shareholders' equity items								
Total changes	—	—	0	0	—	(5,000)	7,824	2,824
Balances at March 31, 2007	68,258	94,756	0	94,756	2,085	6,500	6,526	15,111

	Shareholders' equity		Revaluation / Translation differences		
	Treasury stock	Total shareholders' equity	Difference on revaluation of other marketable securities	Total revaluation / translation differences	Total net assets
Balances at March 31, 2006	(61)	175,240	4,428	4,428	179,669
Changes					
Mobilization of general Reserve (Notes)		—			—
Cash dividend from earning surplus (Notes)		(2,793)			(2,793)
Net income		5,618			5,618
Purchase of own shares	(15)	(15)			(15)
Sales of own shares	1	1			1
Changes (net) in non-shareholders' equity items			(1,133)	(1,133)	(1,133)
Total changes	(14)	2,810	(1,133)	(1,133)	1,676
Balances at March 31, 2007	(76)	178,051	3,294	3,294	181,346

(Notes) Mobilization of general reserve and cash dividend from retained earnings were profit appropriation items at the ordinary general meeting of shareholders held in June 2006.

FY2008 (April 1, 2007 through March 31, 2008) (Amount: millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Earning surplus			
		Capital reserve	Others	Total capital surplus	Earned surplus	Others: Reserve for general purpose	Others: Retained earnings carried forward	Total earning surplus
Balances at March 31, 2007	68,258	94,756	0	94,756	2,085	6,500	6,526	15,111
Changes								
Mobilization of general reserve								
Cash dividend from earning surplus							(3,990)	(3,990)
Net income							4,304	4,304
Purchase of own shares								
Sales of own shares			0	0				
Changes (net) in non-shareholders' equity items								
Total changes	—	—	0	0	—	—	314	314
Balances at March 31, 2008	68,258	94,756	0	94,756	2,085	6,500	6,841	15,426

	Shareholders' equity		Revaluation / Translation differences			Total net assets
	Treasury stock	Total shareholders' equity	Difference on revaluation of other marketable securities	Deferred hedge gains or losses	Total revaluation / translation differences	
Balances at March 31, 2007	(76)	178,051	3,294	—	3,294	181,346
Changes						
Mobilization of general reserve						
Cash dividend from earning surplus		(3,990)				(3,990)
Net income		4,304				4,304
Purchase of own shares	(17)	(17)				(17)
Sales of own shares	0	0				0
Changes (net) in non-shareholders' equity items			(1,584)	(0)	(1,584)	(1,584)
Total changes	(17)	296	(1,584)	(0)	(1,584)	(1,287)
Balances at March 31, 2008	(93)	178,348	1,710	(0)	1,710	180,058

(4) Significant Accounting Policies

(a) Marketable securities

Investments securities in subsidiaries and affiliates: Stated at cost determined by the moving average method.

Other marketable securities: Securities with Market Value

Market value method based on market prices and other conditions at the end of the term. (The revaluation differences are accounted for based on the direct net assets method and the sales costs are calculated by the moving average method.)

Securities without Market Value

Non listed marketable securities are stated at cost determined by the moving average method.

(b) Derivative

Market value method

(c) Inventories

Purchased goods:	Stated at cost determined by the moving average method.
Finished goods:	Stated at cost determined by the moving average method.
Raw materials:	Stated at cost determined by the moving average method.
Work in process:	Stated at cost determined by the moving average method for bearings, fasteners, and motors. Stated at cost determined respectively for measuring equipment, special motors and special machinery components.
Supplies:	Stated at cost determined by the moving average method.

(d) Depreciation

Tangible fixed assets:

Depreciation of tangible fixed assets is made on the declining balance method based on estimated useful lives of the assets.

Their major useful lives are as follows:

Buildings and structures	2 to 50 years
Machinery and equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

The depreciation method of depreciation assets whose acquisition values are not less than 100,000 yen and less than 200,000 yen has been changed to a method by which those assets are equally depreciated in lump sum for 3 years.

(Change of depreciation method)

From the current term, regarding the fixed assets purchased on or after April 1, 2007, the Company posts depreciation and amortization expenses pursuant to the depreciation method provided in the revised Corporation Tax Law.

This respectively decreases 173 million yen in operating income, ordinary income and income before income taxes.

(Additional information)

Of tangible fixed assets acquired before March 31, 2007, regarding those whose depreciation up to their depreciable amounts was completed, the Company depreciates their remaining book values equally over five years from the current accounting period.

This respectively decreases 221 million yen in operating income, ordinary income and income before income taxes.

Intangible fixed assets:

Depreciation of intangible fixed assets is made on the straight-line method.

The depreciation method of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Long-term loans receivable:

Depreciation of long-term loans receivable is made on the straight-line method.

(e) Amortization of deferred charges

Deferred charges are equally amortized over 3 years.

(f) Translation of foreign currency assets and liabilities

Translation of foreign currency assets and liabilities are into yen at the exchange rate on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

(g) Allowances

Allowance for doubtful receivables:

In order to prepare against losses resulting from irrecoverable receivables, an allowance has been reserved in the amount required for estimated uncollectible receivables based on actual losses of trade receivables and on collectibility of specific receivables with loss possibilities.

Accrued bonuses:

To make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Allowance for bonuses to directors and corporate auditors:

To provide for payment of bonuses to directors and corporate auditors, the Company records an amount, based upon the estimated amount of payment for the current fiscal year.

Allowance for retirement benefits:

To provide for payment of employee retirement benefits, the Company reported an allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current term.

At the end of the current fiscal year, prepaid pension costs is included in others of investments and other assets.

Over the 5 years from the following term after the differences accrue, the Company will charge differences in mathematical calculation to expenses in accordance with the straight-line method.

Allowance for retirement benefits to executive officers:

To provide for payment of retirement allowance to executive officers, the estimated amount to be required according to our internal regulations as of the end of the period of the current fiscal year is shown.

Allowance for business restructuring losses:

Based upon the decision of the structural reform plan for its PC keyboard business and other key business and other key businesses, the Company has reported the reasonably estimated amounts of expected that it is expected to incur in the future.

(h) Accounting method of lease transactions

The accounting treatment for financial lease transactions other than those in which the ownership of leases is considered to be transferred to us, is in accordance with that for ordinary lease transactions.

(i) Accounting method of hedge transactions

(1) Method of hedge accounting

The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

(2) Hedging vehicles and hedged items

(Hedging vehicles)

Forward exchange contracts

Interest rate swaps

(Hedged items)

Monetary receivables and payables in foreign currency

Anticipated transactions in foreign currencies

Interest rates on borrowings

(3) Hedge policy

Under the guidance of its Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

(4) Method of assessing hedge effectiveness

Regarding forward exchange contracts, the Company allocates them to monetary receivable and payable with same maturity and with same amounts in foreign currency, at closing of exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.

Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

(j) Other significant accounting policies

Consumption taxes

Consumption tax and other related taxes are excluded from revenues and purchases of the Company.

(5) Notes

(Non-Consolidated Balance Sheets)

As of March 31, 2007

1. Contingent liabilities — Millions of yen

The Company has provided the following companies with guarantees for their bank borrowings, etc.

MINEBEA (HONG KONG) LIMITED		6,348
	(US$'000	39,742
		1,657)
MINEBEA THAI LIMITED		5,440
	(US$'000	7,500
	BAHT'000	35,421
	EUR'000	223
	SF'000	3,638
		4,037)
SHANGHAI SHUN DING TECHNOLOGIES LTD.		
		5,412
	(US$'000	31,830
	RMB'000	108,600)
PELMEC INDUSTRIES (PTE.) LIMITED		1,839
	(US$'000	11,289
	S$'000	5,540
	EUR'000	483)
NMB HI-TECH BEARINGS LIMITED		
		1,229
	(US$'000	1,152
	BAHT'000	3,894
		1,079)
Other 11 companies		2,929
Total		23,201

(Foreign currency-denominated guarantees are translated into yen, for convenience only, at the approximate rate of exchange on March 31, 2007)

As of March 31, 2008

1. Contingent liabilities — Millions of yen

The Company has provided the following companies with guarantees for their bank borrowings, etc.

MINEBEA (HONG KONG) LIMITED		4,590
	(US$'000	18,640
	HK$'000	3,479
		2,678)
MINEBEA THAI LIMITED		3,010
	(BAHT'000	31,102
	SF'000	897
		2,821)
NMB HI-TECH BEARINGS LIMITED		1,596
	(BAHT'000	1,924
		1,590)
Other 12 companies		1,870
Total		11,068

(Foreign currency-denominated guarantees are translated into yen, for convenience only, at the approximate rate of exchange on March 31, 2008)

<table>
<tr><th>As of March 31, 2007</th><th>As of March 31, 2008</th></tr>
<tr><td>2. Notes related to affiliates <u>Millions of yen</u>
The following accounts include affiliate-related receivables and payables other than those shown separately.
Receivables
Notes receivable 367
Accounts receivable 29,142
Accounts receivable-other 1,202
Payables
Accounts payable 25,101</td><td>2. Notes related to affiliates <u>Millions of yen</u>
The following accounts include affiliate-related receivables and payables other than those shown separately.
Receivables
Notes receivable 185
Accounts receivable 27,327
Accounts receivable-other 1,327
Payables
Accounts payable 23,033</td></tr>
<tr><td>3. Commitment line contracts <u>Millions of yen</u>
To ensure efficient procurement of operating funds, the Company has entered into commitment line contracts with financial institutions. Unused commitments at the end of the current fiscal year based on these contracts are as follows:
Total commitments 10,000
Used commitments —
Balance 10,000</td><td>3. Commitment line contracts <u>Millions of yen</u>
To ensure efficient procurement of operating funds, the Company has entered into commitment line contracts with main financial institutions. Unused commitments at the end of the current fiscal year based on these contracts are as follows:
Total commitments 10,000
Used commitments —
Balance 10,000</td></tr>
<tr><td>4. Matured notes at end of term
Matured notes at the end of term are settled at the exchange date of notes. In the term under review, the end date of the term fell on a holiday of financial institutions, and due to this, the following matured notes are included in the balance.
Notes receivable 271million yen
Notes payable 937million yen
Notes payable for equipment 63million yen</td><td>4. None</td></tr>
</table>

(Non-Consolidated Statements of Income)

<table>
<tr><th>Year ended March 31, 2007</th><th>Year ended March 31, 2008</th></tr>
<tr><td>

1. Total R&D expenses

The R&D expenses included in general administrative expenses and manufacturing costs for the current fiscal year are 7,579 million yen.

2. Transfer from other accounts (purchased goods)

	Millions of yen
Raw materials	858
Tangible fixed assets	908
Research & development expenses	69
Other	906
Total	2,743

3. Transfer to other accounts (purchased goods)

	Millions of yen
Tangible fixed assets	40
Research & development expenses	22
Disposal	18
Other	692
Total	773

4. Transfer from other accounts (finished goods)

	Millions of yen
Raw materials	62
Tangible fixed assets	59
Disposal	20
Other	45
Total	187

5. Transfer to other accounts (finished goods)

	Millions of yen
Raw materials	764
Tangible fixed assets	155
Research & development expenses	287
Disposal	9
Other	71
Total	1,287

6. Fixed assets had the following sales gains: 50 million yen from the sale of buildings; 173 million yen from the sale of machinery and equipment (of which gains on sales to affiliates are 115 million yen) ; 1 million yen from the sale of vehicles and 3 million yen from the sale of tools, furniture and fixtures (of which gains on sales to affiliates are 2 million yen).

7. Fixed assets had the following sales losses: 14 million yen from the sale of buildings; 0 million yen from the sale of structures; 18 million yen from the sale of machinery and equipment; 0 million yen from the sale of vehicles; 17 million yen from the sale of land, and 2 million yen from the sale of other.

</td><td>

1. Total R&D expenses

The R&D expenses included in general administrative expenses and manufacturing costs for the current fiscal year are 8,398 million yen.

2. Transfer from other accounts (purchased goods)

	Millions of yen
Raw materials	663
Tangible fixed assets	450
Research & development expenses	40
Other	849
Total	2,004

3. Transfer to other accounts (purchased goods)

	Millions of yen
Tangible fixed assets	142
Research & development expenses	2
Disposal	41
Other	336
Total	522

4. Transfer from other accounts (finished goods)

	Millions of yen
Raw materials	58
Tangible fixed assets	53
Disposal	18
Other	10
Total	140

5. Transfer to other accounts (finished goods)

	Millions of yen
Raw materials	780
Tangible fixed assets	433
Research & development expenses	181
Disposal	8
Other	85
Total	1,490

6. Fixed assets had the following sales gains: 42 million yen from the sale of buildings; 64 million yen from the sale of machinery and equipment (of which gains on sales to affiliates are 43 million yen); 2 million yen from the sale of tools, furniture and fixtures (of which gains on sales to affiliates are 1 million yen) and 3 million yen from the sales of land.

7. Fixed assets had the following sales losses: 0 million yen from the sale of structures; 5 million yen from the sale of machinery and equipment (of which losses on sales to affiliates are 0 million yen); 0 million yen from the sale of vehicles; 0 million yen from the sale of tools, furniture and fixtures and 7 million yen from the sale of land.

</td></tr>
</table>

<table>
<tr><th>Year ended March 31, 2007</th><th>Year ended March 31, 2008</th></tr>
<tr><td>8. Fixed assets had the following disposal losses: 188 million yen from the disposal of buildings; 2 million yen from the disposal of structures; 64 million yen from the disposal of machinery and equipment; 0 million yen from the disposal of vehicles; 30 million yen from the disposal of tools, furniture and fixtures; 1 million yen from the disposal of land and 0 million yen from the disposal of other.</td><td>8. Fixed assets had the following disposal losses: 220 million yen from the disposal of buildings; 2 million yen from the disposal of structures; 56 million yen from the disposal of machinery and equipment; 0 million yen from the disposal of vehicles and 13 million yen from the disposal of tools, furniture and fixtures.</td></tr>
<tr><td>9. Principal transactions with affiliates

<table>
<tr><th></th><th>Millions of yen</th></tr>
<tr><td>Sales (purchased goods)</td><td>147,693</td></tr>
<tr><td>Sales (finished goods)</td><td>8,270</td></tr>
<tr><td>Purchase (purchased goods)</td><td>154,544</td></tr>
<tr><td>Interest income</td><td>620</td></tr>
<tr><td>Dividends received</td><td>4,094</td></tr>
</table></td><td>9. Principal transactions with affiliates

<table>
<tr><th></th><th>Millions of yen</th></tr>
<tr><td>Sales (purchased goods)</td><td>150,753</td></tr>
<tr><td>Sales (finished goods)</td><td>8,310</td></tr>
<tr><td>Purchase (purchased goods)</td><td>155,722</td></tr>
<tr><td>Interest income</td><td>1,360</td></tr>
<tr><td>Dividends received</td><td>6,161</td></tr>
</table></td></tr>
<tr><td>10. Impairment loss
Outline of the asset groups on which impairment losses were recognized.
(Amount: millions of yen)
<table>
<tr><th rowspan="2">Use</th><th rowspan="2">Location</th><th colspan="2">FY2007</th></tr>
<tr><th>Class</th><th>Amount</th></tr>
<tr><td rowspan="6">Idle assets</td><td rowspan="6">Four facilities-Former Kyoto,Ibaraki,Ichinoseki plants and Saku plant (Hachiman City, Kyoto Pref., etc.)</td><td>Buildings</td><td>30</td></tr>
<tr><td>Structures</td><td>11</td></tr>
<tr><td>Machinery and equipment</td><td>6</td></tr>
<tr><td>Tools, furniture and fixtures</td><td>0</td></tr>
<tr><td>Land</td><td>26</td></tr>
<tr><td>Total</td><td>74</td></tr>
</table>
Asset grouping method
Based on its business classification, the Company has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for the recognition of impairment losses
The above fixed assets (buildings, structures and land, etc.) impaired in the current accounting period are idle assets and have no future utilization plans. Due to this, the company recognized impairment losses on those assets.

Calculation method of collectable amounts
The Company makes net sales proceed-based calculations and assessments mainly based on the standards for real estate appraisals.</td>
<td>10. Impairment loss
Outline of the asset groups on which impairment losses were recognized.
(Amount: millions of yen)
<table>
<tr><th rowspan="2">Use</th><th rowspan="2">Location</th><th colspan="2">FY2008</th></tr>
<tr><th>Class</th><th>Amount</th></tr>
<tr><td rowspan="2">Idle assets</td><td rowspan="2">Four facilities-Former Kyoto,Ibaraki,Ichinoseki plants and Kanegasaki plant (Hachiman City, Kyoto Pref., etc.)</td><td>Land</td><td>71</td></tr>
<tr><td>Total</td><td>71</td></tr>
</table>
Asset grouping method
Based on its business classification, the Company has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for the recognition of impairment losses
The above fixed assets (land) impaired in the current accounting period are idle assets and have no future utilization plans. Due to this, the company recognized impairment losses on those assets.

Calculation method of collectable amounts
The Company makes net sales proceed-based calculations and assessments mainly based on the standards for real estate appraisals.</td></tr>
</table>

Year ended March 31, 2007	Year ended March 31, 2008
11. None	11. Bad debt loss This consists of a transfer to bad debt loss for the company's subsidiary, MINEBEA TECHNOLOGIES PTE. LTD.
12. Business restructuring loss — Millions of yen This loss consists of the following allowances and amounts incurred for the current accounting period, based upon the structural reform plan for the PC keyboard business, etc. Loss on disposal of fixed assets related to business restructuring: 58 Estimated amount of support to affiliates related to business restructuring: 2,402 Total: 2,461	12. None

(Non-Consolidated Statement of Changes in Net Assets)

FY2007 (April 1, 2006 through March 31, 2007)

Class and Number of Treasury Stock

	Shares at previous FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Common stock (Notes) 1,2	116,560	20,787	2,048	135,299
Total	116,560	20,787	2,048	135,299

(Notes) 1. The 20,787 share increase in the number of own shares of common stock reflects purchases of fractional shares.

2. The 2,048 share decrease in the number of own shares of common stock reflects requests for purchase of fractional shares.

FY2008 (April 1, 2007 through March 31, 2008)

Class and Number of Treasury Stock

	Shares at previous FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Common stock (Notes) 1,2	135,299	25,681	957	160,023
Total	135,299	25,681	957	160,023

(Notes) 1. The 25,681 share increase in the number of own shares of common stock reflects purchases of fractional shares.

2. The 957 share decrease in the number of own shares of common stock reflects requests for purchase of fractional shares.

(Relating to Lease Transactions)

(1) Equivalent of acquisition value of leased items, equivalent of total amount of depreciation, accumulated impairment loss equivalent, and equivalent of year-end closing balance:

	Millions of yen					
	Year ended March 31, 2007			Year ended March 31, 2008		
	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance
Vehicles	199	81	117	748	261	486
Tools, furniture and fixtures	1,763	988	774	1,671	881	790
Software	33	12	21	21	10	11
Total	1,995	1,082	913	2,441	1,153	1,288

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets, equivalent of acquisition value in the period under review has been calculated based on " Interest payment inclusive method".

(2) Equivalent of year-end closing balance of unexpired lease expenses:

	2007	2008
within 1-year	423	526
over 1-year	489	761
Total	913	1,288

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets, equivalent of year-end closing balance of unexpired lease expenses in the period under review has been calculated based on " Interest payment inclusive method".

(3) The amount of lease expenses, mobilization of lease asset impairment losses, equivalent of depreciation expenses and impairment loss:

	2007	2008
Amount of lease expenses	531	616
Equivalent of depreciation expenses	531	616

(4) Method of computing equivalent of depreciation expenses:

Computation is based on straight line method with the lease term as a useful life and the residual value to be set at zero.

(Impairment loss) There were no impairment losses allocated to lease assets.

(Securities with Market Values)

There are no subsidiaries or affiliates whose stocks have their current market value.

(The Tax Effect Accounting)

As of March 31, 2007

1. Major reasons for the accrual of deferred tax assets and deferred tax liabilities

	Millions of yen
(Deferred tax assets)	
Excess of allowed limit chargeable to the accrued bonuses	804
Excess of allowed limit chargeable to the retirement benefits	27
Loss on the liquidation of investments in securities	1,670
Loss on the liquidation of investments securities in affiliates	3,095
Excess of allowed limit chargeable to the allowance for doubtful receivable	2,345
Disallowance of allowance for business restructuring losses	2,139
Foreign tax credit carry forwards	557
Impairment loss	624
Excess of allowed limit chargeable to the depreciation	409
Disallowance of accrued enterprise taxes	356
Others	377
Sub-total	12,403
Valuation allowance	(5,391)
Total deferred tax assets	7,012
(Deferred tax liabilities)	
Difference on revaluation of other marketable securities	2,106
Total deferred tax liabilities	2,106
Net deferred tax assets	4,905

2. Major reasons for significant differences between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting

The difference between the statutory tax rate and the income taxes burden ratio after the application of tax effect accounting is 5/100 or less of the statutory tax rate. Notes are omitted.

As of March 31, 2008

1. Major reasons for the accrual of deferred tax assets and deferred tax liabilities

	Millions of yen
(Deferred tax assets)	
Excess of allowed limit chargeable to the accrued bonuses	841
Excess of allowed limit chargeable to the reserve for bonuses to directors and corporate auditors	46
Loss on the liquidation of investments in securities	990
Loss on the liquidation of investments securities in affiliates	5,208
Excess of allowed limit chargeable to the allowance for doubtful receivable	4,039
Foreign tax credit carry forwards	352
Impairment loss	390
Excess of allowed limit chargeable to the depreciation	426
Disallowance of accrued enterprise taxes	160
Others	555
Sub-total	13,007
Valuation allowance	(5,779)
Total deferred tax assets	7,228
(Deferred tax liabilities)	
Difference on revaluation of other marketable securities	137
Prepaid pension cost	499
Total deferred tax liabilities	637
Net deferred tax assets	6,591

2. Major reasons for significant differences between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting

The difference between the statutory tax rate and the income taxes burden ratio after the application of tax effect accounting is 5/100 or less of the statutory tax rate. Notes are omitted.

(Per Share Data)

	Year ended March 31, 2007	Year ended March 31, 2008
Net assets per share (yen)	454.47	451.27
Net income per share (yen)	14.08	10.79
Fully diluted net income per share (yen)	Not stated due to no residual securities in existence.	Same as on the left.

(Notes) 1. The following are the basis for calculating net assets per share.

	Year ended March 31, 2007	Year ended March 31, 2008
Total net assets (millions of yen)	181,346	180,058
Deduction from total net assets (millions of yen)	—	—
Year-end net assets related to common stock (millions of yen)	181,346	180,058
Year-end common stock used for the calculation of net assets per share (shares)	399,032,396	399,007,672

2. The following are the basis for calculating net income or loss per share and diluted net income per share.

	Year ended March 31, 2007	Year ended March 31, 2008
Net income (millions of yen)	5,618	4,304
Amount not available for common stock (millions of yen)	—	—
Net income related to common stock (millions of yen)	5,618	4,304
Average shares of common stock outstanding (shares)	399,041,947	399,018,832

(Subsequent Event)

Year ended March 31, 2007	Year ended March 31, 2008
None	To date, the Company has adopted the tax-qualified pension plan. However, with effect from April 1, 2008, the Company has abolished the tax-qualified pension plan, and transferred to the defined contribution pension plan and the defined benefit pension plan. Accordingly, we will apply the Accounting for Transfer between Retirement Benefit Plans (Accounting Standards Board of Japan Implementation Guidance No. 1), and account for the closure of the retirement benefits transferred to the defined contribution pension plan. This shift is expected to impact 344 million yen (extraordinary loss) on earnings in the ensuing year.

6. Change of Directors & Corporate Auditors

(1) Representative Director:

Not Applicable

(2) Other Directors & Corporate Auditors:

(a) Candidates for New Directors (Effective June 27, 2008)

Independent Director Kohshi Murakami

(Currently Special Counsel, TMI Associates)

(b) Candidates for New Corporate Auditors

Not Applicable

(c) Retiring Directors (Effective June 27, 2008)

Independent Director Chanchai Leetavorn

(d) Retiring Corporate Auditors

Not Applicable

7. Amounts of production, orders received, sales

(1) Production (Amount: millions of yen)

Business segments	Year ended March 31, 2007	Year ended March 31, 2008
Machined components business	137,001	141,039
Electronic devices and components business	180,088	181,702
Total	317,089	322,741

(Notes) 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	Year ended March 31, 2007		Year ended March 31, 2008	
	Orders received	Order backlog	Orders received	Order backlog
Machined components business	140,833	51,215	147,506	54,687
Electronic devices and components business	195,445	25,367	189,028	23,999
Total	336,278	76,582	336,535	78,686

(Notes) 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	Year ended March 31, 2007	Year ended March 31, 2008
Machined components business	137,662	144,034
Electronic devices and components business	193,359	190,396
Total	331,022	334,431

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