



Business Results

First Half of Fiscal Year ending March 31, 2004

Minebea Co., Ltd

**Tsugio Yamamoto
Representative Director,
President and Chief Executive Officer
November 14, 2003**

Consolidated Results for First Half of Fiscal Year ending March 31, 2004

	Year ended Mar. '03		Year ending Mar. '04	Change	First Half	
(Millions of Yen)	1H	2H	1H	yoy	Original Forecast	vs. Forecast
Net Sales	137,249	134,953	133,741	-2.6%	136,000	98.3%
Operating Income	10,176	9,176	9,467	-7.0%	8,800	107.6%
Ordinary Income	7,667	5,753	7,558	-1.4%	6,300	120.0%
Income before Income Taxes	6,817	-6,322	6,299	-7.6%	5,600	112.5%
Net Income	2,543	-4,977	2,726	+7.2%	2,500	109.0%

First Half Income Exceeded Plans

Consolidated Results for Second Quarter of Fiscal Year ending March 31, 2004

	Year ended Mar. '03	Year ending Mar. '04		2Q Change	
(Millions of Yen)	2Q	1Q	2Q	yoy	qoq
Net Sales	64,882	66,489	67,252	+3.7%	+1.1%
Operating Income	4,145	4,259	5,208	+25.6%	+22.3%
Ordinary Income	3,143	3,285	4,273	+36.0%	+30.1%
Income before Income Taxes	2,614	2,177	4,122	+57.7%	+89.3%
Net Income	640	421	2,305	3.6x	5.5x

Sales and Income Increased in the Second Quarter

The First Half

Net Sales and Operating Income by Segment

	--Year ended Mar. '03--		Year ending Mar. '04	Change
(Millions of Yen)	1H	2H	1H	yoy
[Net Sales]				
Machined components business	60,309	57,808	55,665	-7.7%
Bearing-related products	50,058	47,880	47,128	-5.9%
Other machined components	10,251	9,929	8,538	-16.7%
Electronic devices and components business	76,940	77,144	78,076	+1.5%
Rotary components	38,933	40,255	43,642	+12.1%
Other electronic devices	38,005	36,892	34,435	-9.4%
Total Net Sales	137,249	134,953	133,741	-2.6%
[Operating Income]				
Machined components business	9,163	9,356	9,178	+0.2%
Electronic devices and components business	1,013	-181	289	-71.5%
Total Operating Income	10,176	9,176	9,467	-7.0%

Operating income of electronic devices and components segment improved better than planned ⇒ total operating income 9.5 billion yen, 108% vs. plan

Breakdown of sales, plan announced in May
 Bearing related products ¥46.90 bill.
 Other machined components ¥9.95 bill.
 Rotary components ¥45.35 bill.
 Other electronic devices ¥33.80 bill.

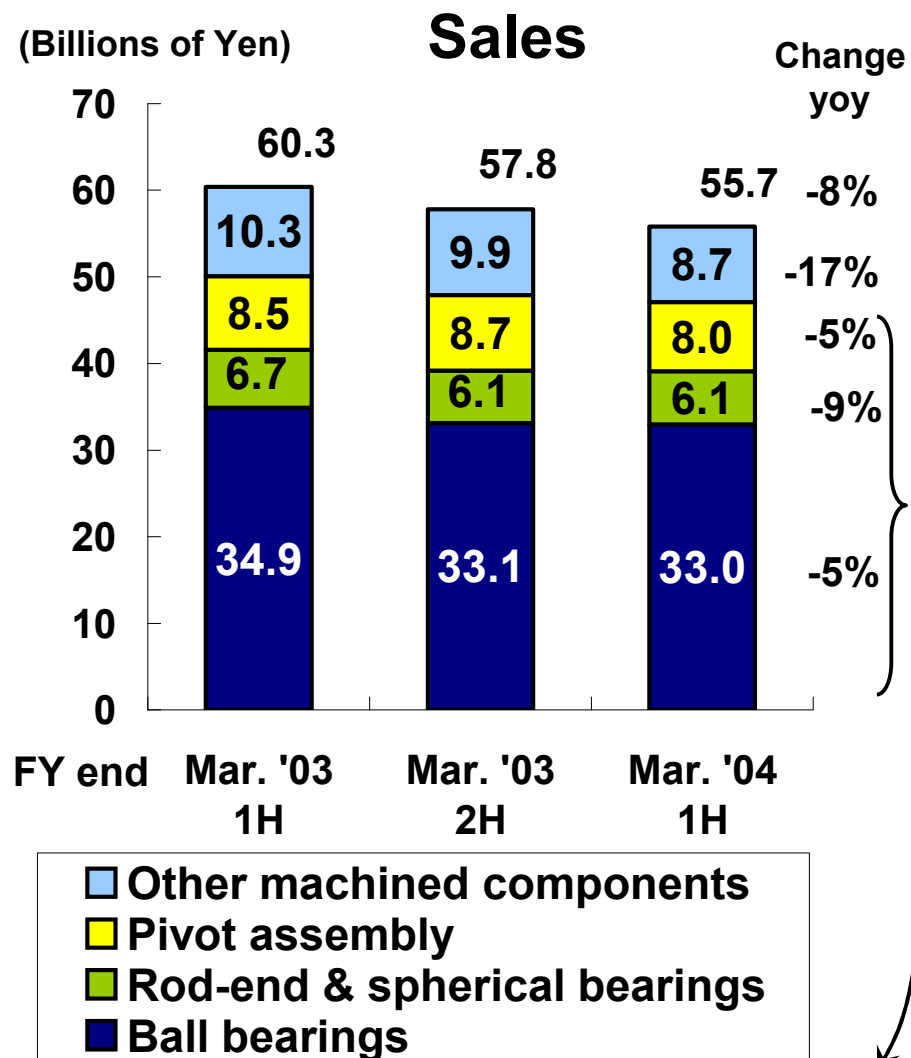
Revised breakdown of operating income, announced on Aug. 7
 Machined components ¥9.1 bill. → ¥9.4 bill.
 Electronic devices and components ¥-0.3 bill. → ¥-0.6 bill.
Total 8.8 bill.

The Second Quarter

Net Sales and Operating Income by Segment

(Millions of Yen)	---Year ended Mar. 03---				-Year ending Mar. 04-		2Q Change	
	1Q	2Q	3Q	4Q	1Q	2Q	yoy	qoq
[Net Sales]								
Machined components business	31,668	28,641	28,723	29,085	28,606	27,059	-5.5%	-5.4%
Bearing-related products	26,420	23,638	23,845	24,035	23,959	23,169	-2.0%	-3.3%
Other machined components	5,249	5,002	4,879	5,050	4,646	3,892	-22.2%	-16.2%
Electronic devices and components business	40,699	36,241	40,000	37,144	37,883	40,193	+10.9%	+6.1%
Rotary components	20,793	18,140	20,521	19,734	21,458	22,184	+22.3%	+3.4%
Other electronic devices	19,908	18,097	19,480	17,412	16,424	18,011	-0.5%	+9.7%
Total Net Sales	72,367	64,882	68,723	66,230	66,489	67,252	+3.7%	+1.1%
[Operating Income]								
Machined components business	5,098	4,065	4,771	4,585	4,908	4,270	+5.0%	-13.0%
Electronic devices and components business	933	80	748	-929	-648	937	11.7x	-
Total Operating Income	6,031	4,145	5,519	3,657	4,259	5,208	+25.6%	+22.3%

Machined Components Business



(Comparison with the first half of last fiscal year)

Ball Bearings:

Increase in sales of miniature and small-sized ball bearings to external customers. However, unit price declined.

Rod-End & Spherical Bearings:

Demand from aerospace industry remained stagnant.

Pivot Assembly:

Shipments increased significantly. However, unit price declined.

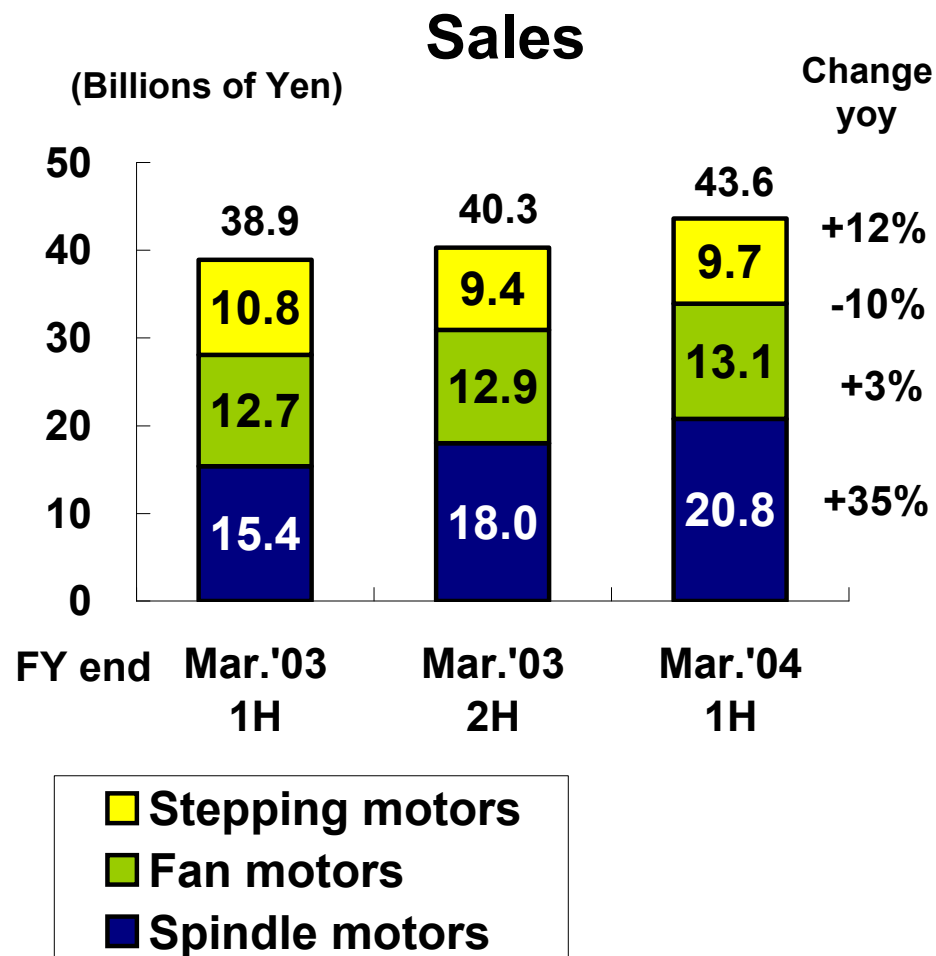
Other Machined Components:

Sales of fastener and defense-related special components declined due to stagnant demand. Also affected by disposal of IMC Magnetics Corp.

Bearing-related products
Total 47.1 billion yen -6%

Electronic Devices and Components Business

- Rotary Components



HDD Spindle Motors:

Strong growth in sales of FDB Motors.

Fan Motors:

Sales growth remained limited despite volume growth due to falling unit price.

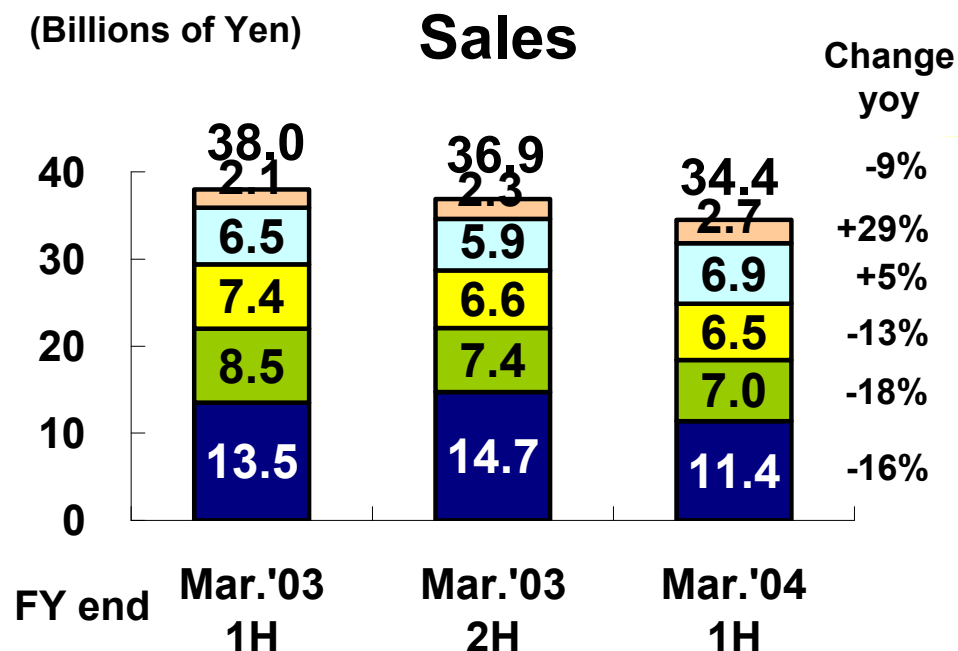
Stepping Motors:

Affected by weak demand from ODD industry under the influence of inventory adjustment in 1Q as well as fierce competition.

Electronic Devices and Components Business

- Other Electronic Devices

3% sales decline if FDD subassembly business, which was terminated during last fiscal year, and switching power supplies and related businesses, which are scheduled to end, are excluded.



Keyboards:

Customers' inventory adjustment and loss of market share due to delay in start of SST.

Electronic Devices:

Decreased sales as a result of termination of FDD subassembly business. Expanded lighting devices business.

Switching Power Supplies:

Decreasing sales before the completion of withdrawal.

Speakers:

Increased demand for PC related products.

Measuring Components and Others:

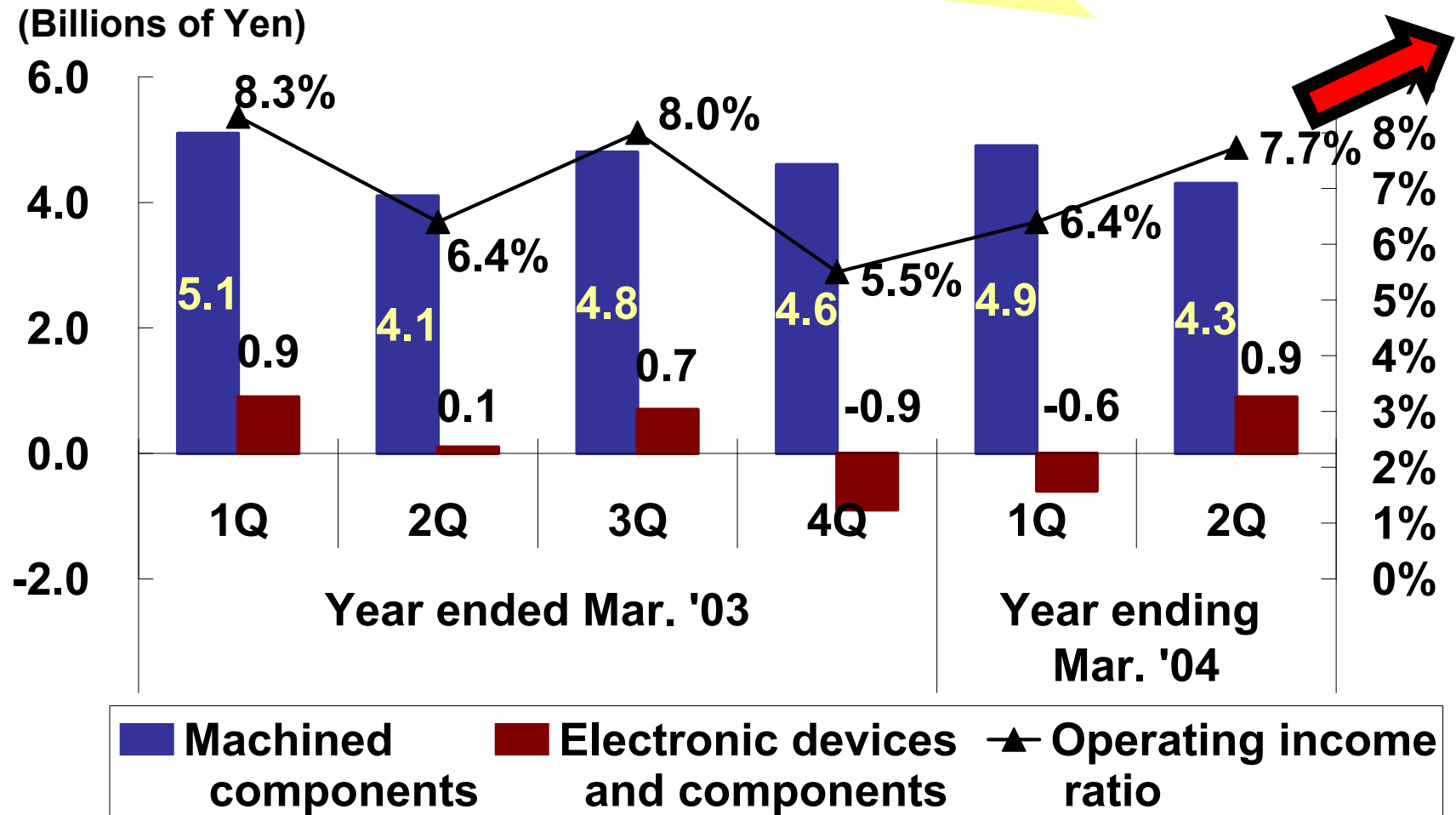
Increased demand due to recovery in capital investment.

- Measuring components and others
- Speaker
- Switching power supplies
- Electronic devices
- PC keyboards

Operating Income

Operating income margin has been improving since 4Q of the previous fiscal year.

Operating income margin is estimated to exceed 8% in the second half



2Q Sales by User Industry & by Region

Comparing 2Q to 1Q, sales of home electronics declined as a result of decrease in sales for air conditioners. Improved demand pushed up sales for office automation and PC equipment.

Sales by user industry

	Automobile	Aerospace	Home electronics	Office automation	PC and PC related equipment	Motors	Others	Total
% of Sales	7.6%	8.7%	9.8%	10.7%	45.7%	5.6%	12.0%	100.0%
Change qoq	+3.4%	-12.4%	-19.8%	+32.1%	+6.3%	+8.5%	-9.3%	+1.1%

*Comparison to 1Q.

Sales by region

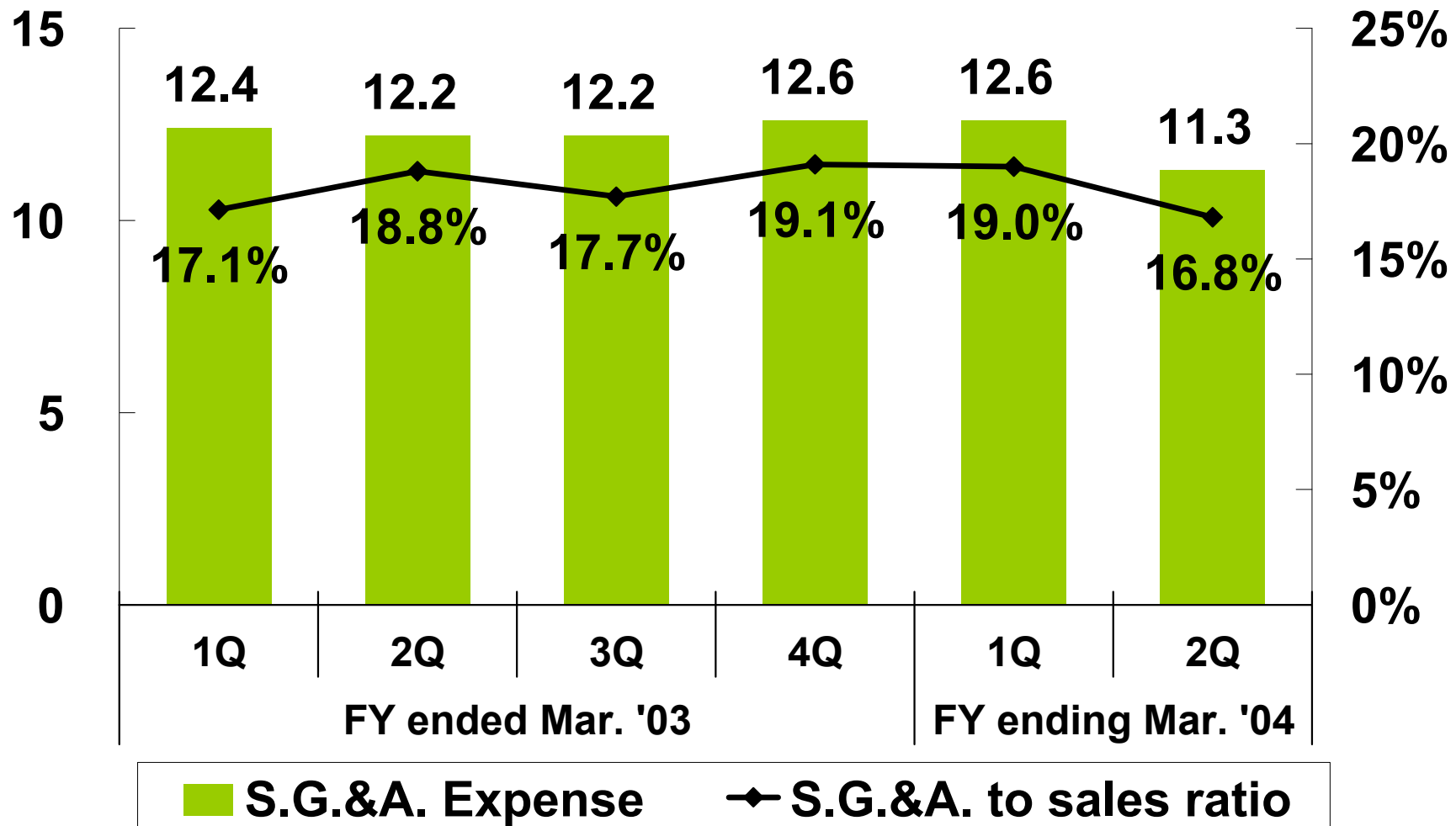
	Japan	Asia (ex-Japan)	North and South America	Europe	Total
% of Sales	24.4%	47.0%	17.0%	11.6%	100.0%
Change qoq	-0.2%	+4.0%	+0.5%	-5.9%	+1.1%

*Comparison to 1Q.

Sales increased in Asia

SG&A Expenses

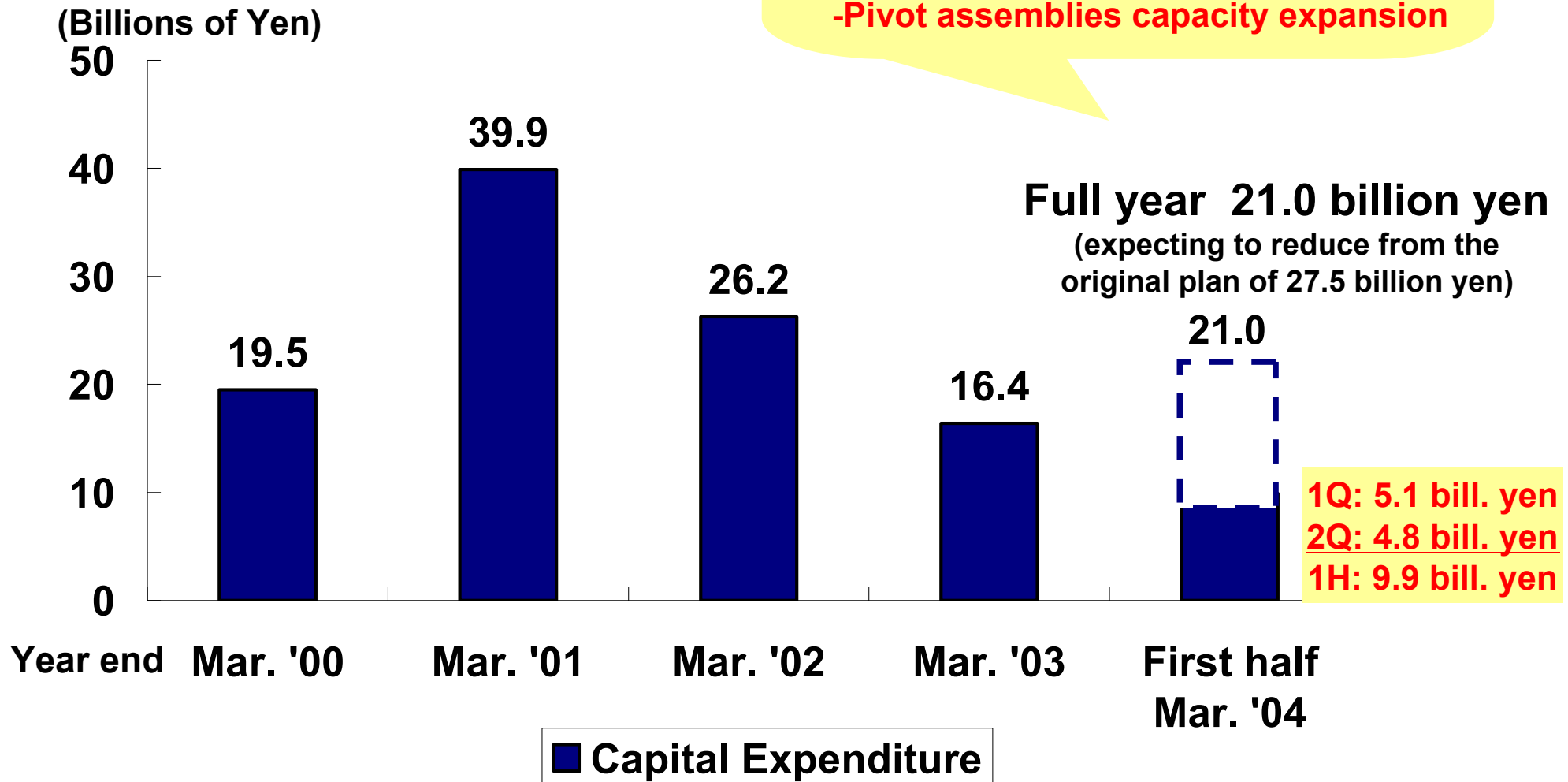
(Billions of yen)



Capital Expenditure

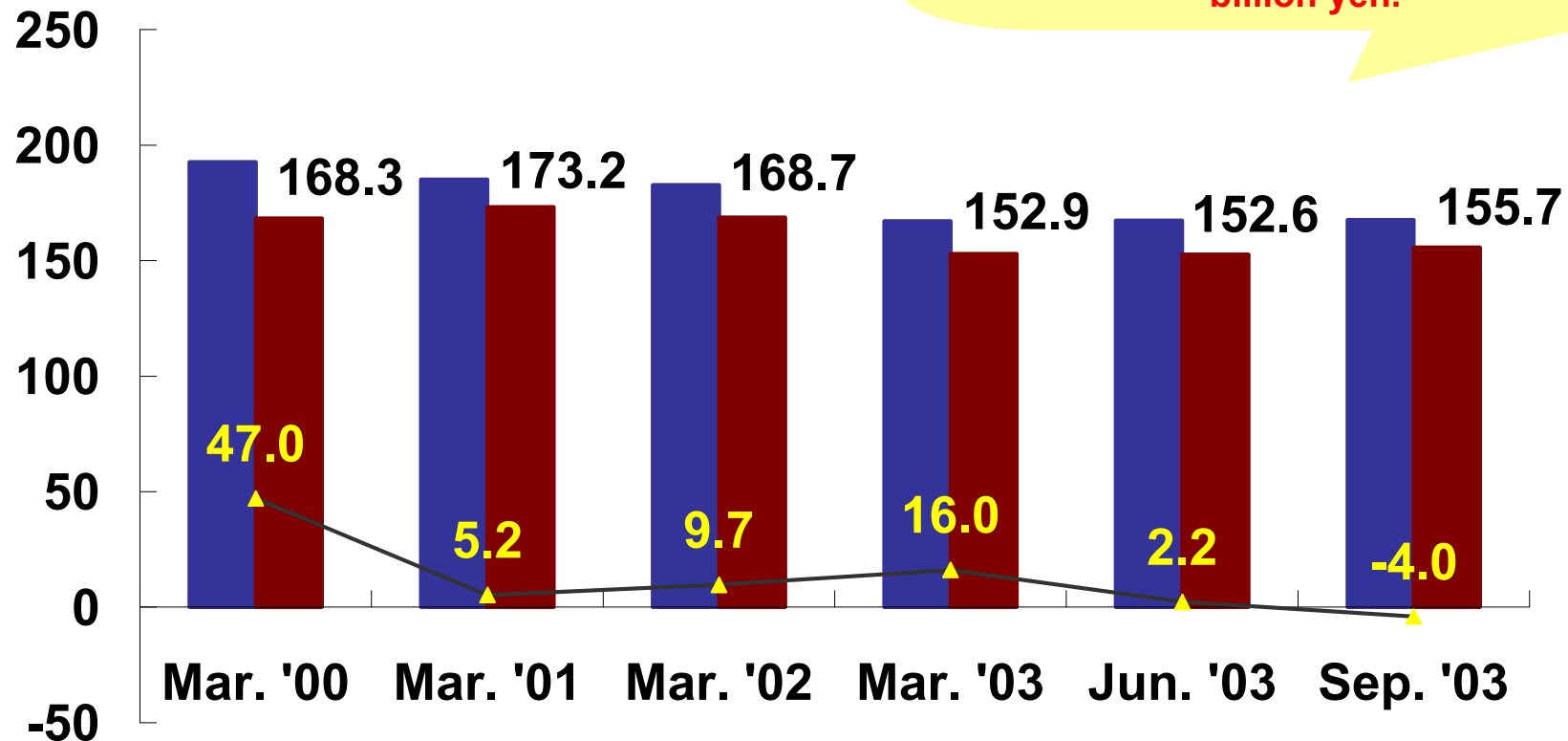
Main section of capital expenditure during the first half

- Keyboard new factory in China
- Ball bearings capacity expansion
- Pivot assemblies capacity expansion



Interest-Bearing Debt

(Billions of Yen)



Stocks and accounts receivable increased in the first half.
Estimate reduction by the end of the full year to exceed the original plan of 4.5 billion yen.

■ Interest-bearing debt ■ Net interest-bearing debt ▲ Cash flow

Joint Venture in Information Equipment Motor Business

Minebea

Bearing type fan motors
Hybrid & PM type stepping motors

Production engineering

Expected share of 60%

Matsushita

Sleeve-type fan motors
Small-sized stepping motors
Vibration motors
Direct current (DC) brush motors

Product development technologies

Expected share of 40%

Plan to establish in Apr.2004

Information equipment motor joint venture company

For the industry's No.1 product range, technologies and competitiveness

Market

Optical disk drive (CD-ROM/RW·DVD-ROM/RW) Digital home appliances (Printer, PPC, Scanner, Multi-functioned copier) PC·server Home electronics (AV, Game, Mobile phone, Digital camera·DVC)

Mass Production Began at Keyboard's New Shanghai Factory

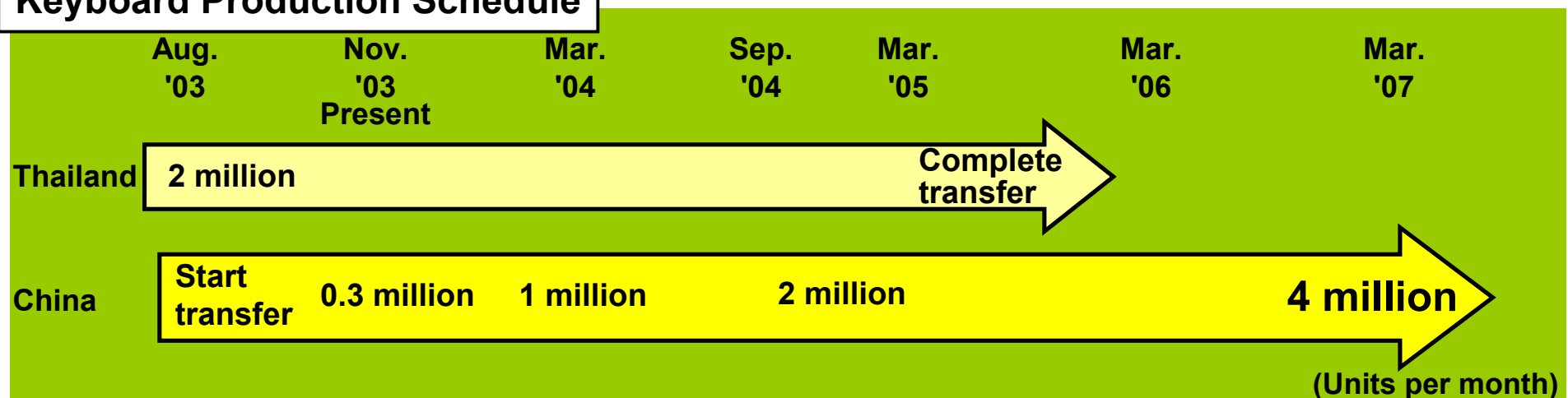
Shanghai Shun Ding Technologies Ltd.

- Manufacturing subsidiary in China of joint venture with Huan Hsin Group
- Operation began in August. Target 300 thousand units per month in November.
- Capital expenditure approximately 4 billion yen for this fiscal year

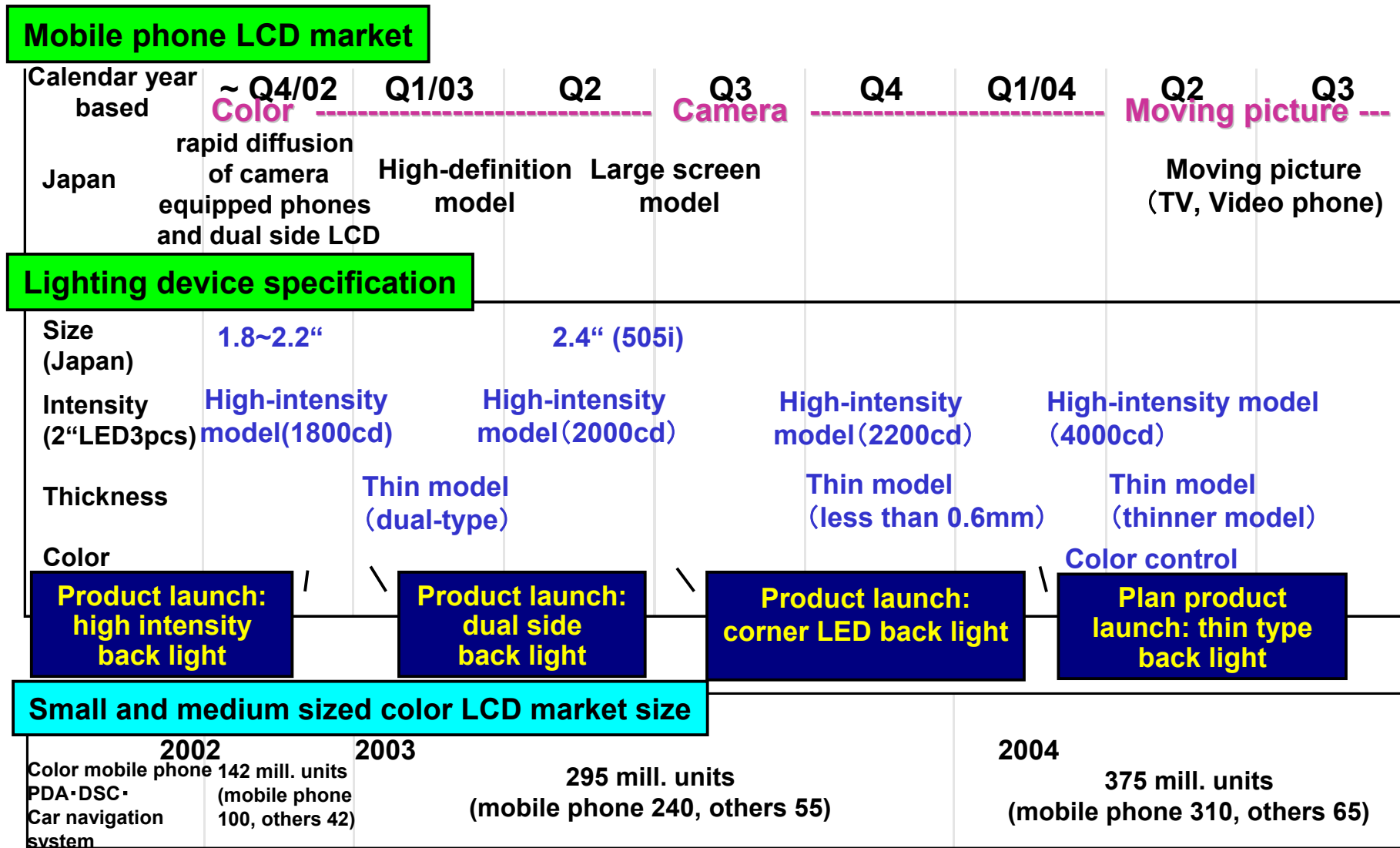


Competitiveness of mass volume models should be enhanced through significant cost reduction, flexible and efficient delivery and reduced logistics costs. By strengthening product development capabilities for high value added models, aim to become the world's top keyboard supplier.

Keyboard Production Schedule



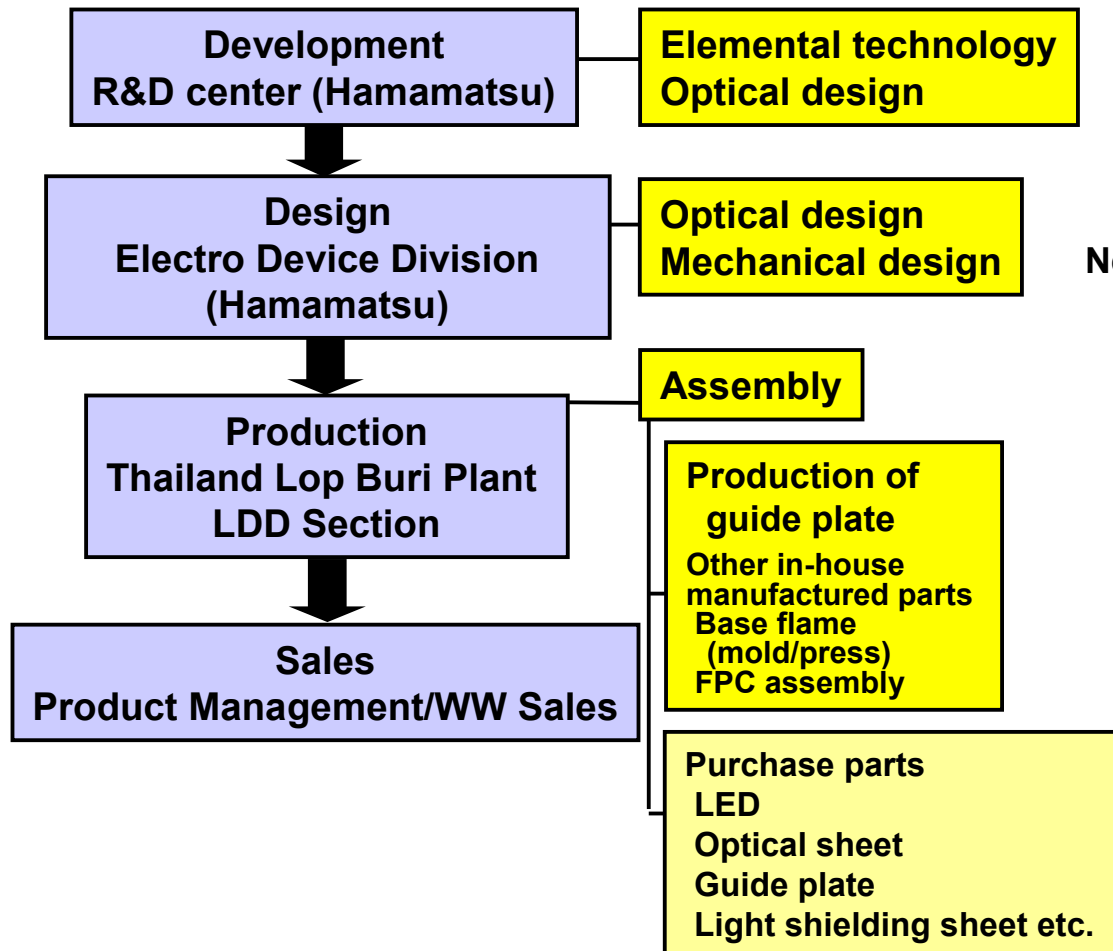
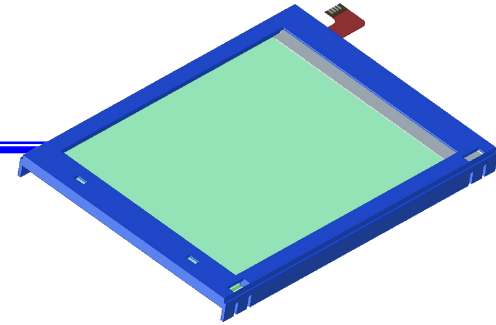
Lighting Device Product Roadmap



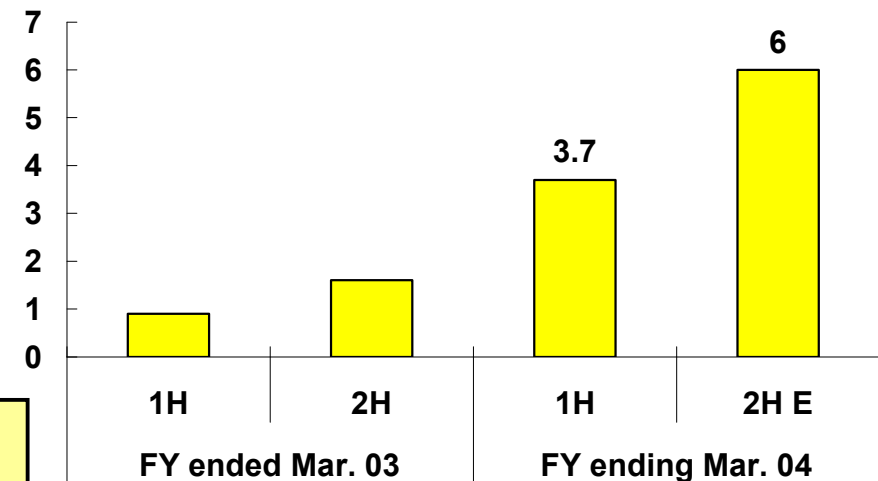
Based on data by Nikkei BP Consulting, Inc

Lighting Device Business

High performance, high quality and competitive cost are realized with Minebea's precision mold technologies and integrated manufacturing system



Net sales of lighting devices
(Billions of yen)



Progress of Measures for the Current Fiscal Year

Six measures

1. Expand and further strengthen **Ball Bearing** business
2. Improve profitability of **HDD Spindle Motor** business
3. Improve profitability of **Pivot Assemblies**
4. Improve profitability of **Other Electronic Device Products**
5. Further expand **Fan Motor** business
6. Terminate **Switching Power Supplies and Related** businesses

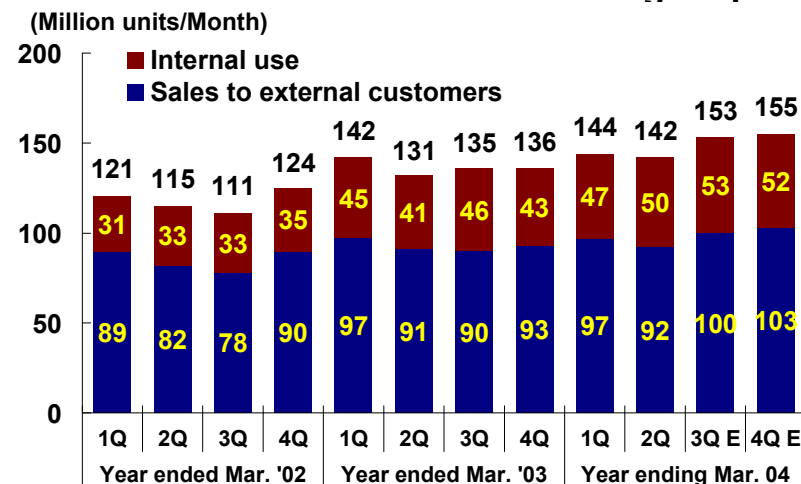
Progress of Measures for the Current Fiscal Year

Ball Bearings

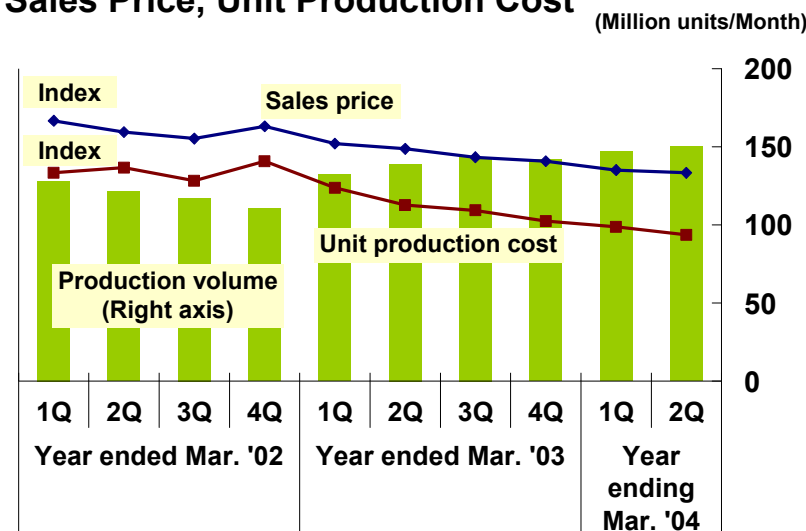
Miniature and small-sized ball bearings

- Further progress in reducing production costs in 2Q, offsetting decline in unit price.
- Promoted further expansion of sales of ball bearings and cost reduction, aimed at realizing monthly sales and production target of 180 million units.
- Internal shipments continue to increase in the second half. External shipments are also expected to increase.
- Because of further progress in productivity efficiency, expenditure for increasing production by 30 million units per month is expected to be far below 5 billion yen. Timing for expenditure to be determined by assessing sales outlook.

Miniature and Small-sized Ball Bearing Shipments



Miniature and Small-sized Ball Bearing Shipments Sales Price, Unit Production Cost



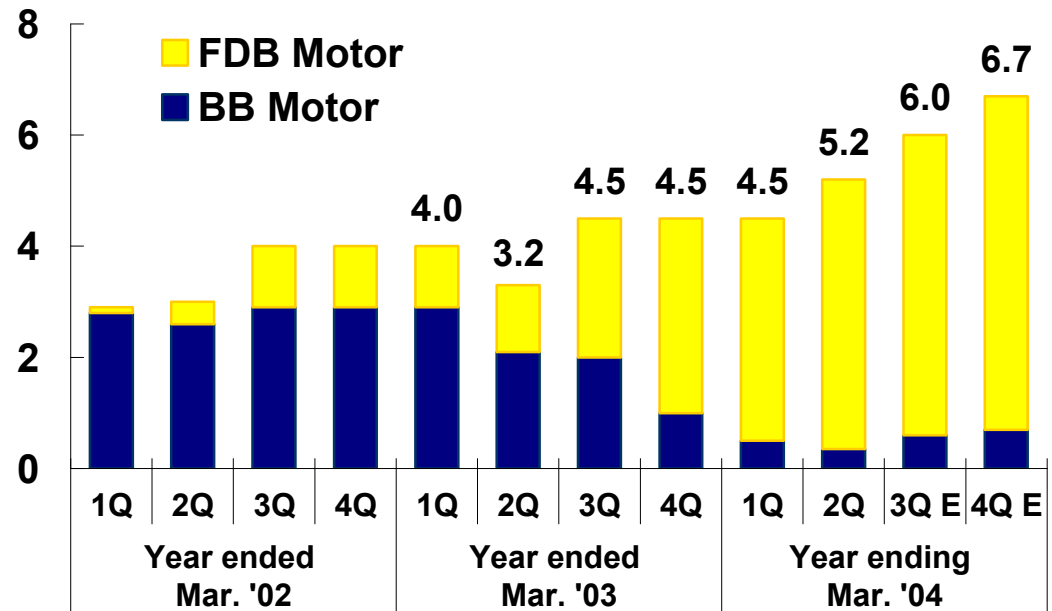
Progress of Measures for the Current Fiscal Year

HDD Spindle Motors

- Turned profitable in September 2003.
Aim to generate stable profitability in the second half.
- Plan 3Q sales of 6 million units per month, 15% increase from 2Q.
Expect to increase ball bearing sales for 1.8 inch HDDs.
- Development of 2.5 inch FDB motors is progressing.
- During 3Q, plan to start building an extension at PMDM, subsidiary for designing and development of motors in Germany.

HDD Spindle Motor Shipments

(Million units/Month)



Progress of Measures for the Current Fiscal Year

Other Products

➤ **Pivot Assemblies**

- Shipments (partly include internal sales) in 3Q is expected to increase 15% compared to 2Q and reach more than 17 million units per month. Seek to maximize synergetic effect with ball bearings.

➤ **Other Electronic Device Products**

- Solid improvement in profitability of stepping motors and electronic device was confirmed in 2Q. Further progress in 3Q.
- Steadily expand lighting devices business. Solid profitability since August.

➤ **Fan Motors**

- Shipment for the PC and server applications is expected to increase in 3Q.

➤ **Switching Power Supplies and Related Businesses**

- Proceeding toward the withdrawal by the end of current fiscal year.
Plan to terminate production at the end of 3Q.

Outlook for the Second Half

- **Operating environment from October onward**
 - Business confidence is improving
 - Brisk demand for PC related products.
 - Demand for HDD is expected to increase further
 - All products except for PC applications are expected continue to grow in demand in 4Q.

- **Full year business outlook**
 - Recovering demand is a positive factor.
However, FX fluctuation have negative impact.
 - ⇒ **Net sales**
forecast announced in May: 280 billion yen
⇒ new forecast 275 billion yen.
 - ⇒ **Operating income**
No revision to full year forecast of 21 billion yen.

Forecast for Fiscal Year ending March 31, 2004

(Millions of Yen)	Year ended Mar. '03	----- Year ending Mar. '04 -----			Change	Full year
	Full year	1H	2H revised est.	Full year revised est.	yoy	Original forecast
Net Sales	272,202	133,741	141,259	275,000	+1.0%	280,000
Operating Income	19,352	9,467	11,533	21,000	+8.5%	21,000
Ordinary Income	13,420	7,558	9,442	17,000	+26.7%	17,000
Income before Income Taxes	495	6,299	9,701	16,000	32x	16,000
Net Income	-2,434	2,726	5,774	8,500	-	8,500

Forecast for Net Sales and Operating Income by Segment

(Millions of Yen)	Year ended Mar. '03	Year ending Mar. '04			Change yoy	Full year	
		1H	2H	Full year		Original forecast	vs. forecast
[Net Sales]							
Machined components business	118,117	55,665	59,335	111,500	-2.6%	115,000	100.0%
Bearing-related products	97,938	47,128	50,272	97,400	-0.5%	94,250	103.3%
Other machined components	20,180	8,538	9,062	17,600	-12.8%	20,750	84.8%
Electronic devices and components business	154,084	78,076	81,924	160,000	+3.8%	165,000	97.0%
Rotary components	79,188	43,642	46,058	89,700	+13.3%	95,100	94.3%
Other electronic devices	74,897	34,435	35,865	70,300	-6.1%	69,900	100.6%
Total Net Sales	272,202	133,741	141,259	275,000	+1.0%	280,000	98.2%
[Operating Income]							
Machined components business	18,519	9,178	10,322	19,500	+5.3%	19,600	99.5%
Electronic devices and components business	832	289	1,211	1,500	+80.3%	1,400	107.1%
Total Operating Income	19,352	9,467	11,533	21,000	+8.5%	21,000	100.0%

Business Results

First Half of Fiscal Year ending March 31, 2004

Minebea Co., Ltd

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

Any statements in the presentation which are not an historical fact are future projections made based on certain assumptions and our management's judgment drawn from currently available information.

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

Factors affecting our actual performance include: (i) changes in economic indicators surrounding us or demand trends; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. However, this is not a complete list of the factors affecting actual performance.