

**The 55<sup>th</sup> Ordinary General Meeting of Shareholders**  
**Briefing on items on the agenda by Chairman of the Meeting**

**1. Business Report**

A briefing was given in line with what is stated on pages 1 to 4 of the Business Report for the 55th Business Term

**2. Balance Sheet**

A briefing was given as follows with regard to the Balance Sheet shown on pages 10 to 11 of the Business Report for the 55th Business Term.

Items under Current Assets that showed major fluctuations compared with the previous year are 'Cash and cash equivalents' that decreased by 12,582 million yen, 'Account receivable-trade' that fell by 2,114 million yen, 'Marketable securities' that declined by 8,942 million yen, and 'Short-term loans receivable from subsidiaries' that increased by 15,149 million yen. 'Cash and cash equivalents' declined mainly because 'Short-term loans receivable from subsidiaries' increased. 'Account receivable-trade' decreased chiefly because we switched over to cash settlement.

Until the previous term, we held bank stocks and others as 'Marketable securities' under Current Assets. This year, we have put these stocks under the item of 'Investments in securities.' This has caused the decrease in 'Marketable securities.' 'Short-term loans receivable from subsidiaries' rose by 15,149 million yen as we made loans to our subsidiary in Singapore and other 10 subsidiaries.

Consequently, Total Current Assets decreased 8,420 million yen to 144,822 million yen.

With respect to Fixed Assets, 'Land' increased by 2,765 million yen. This is attributable to the land of the Karuizawa Guest House worth 2,885 million yen that we bought from Keiaisha Co., Ltd.

Securities in the amount of 8,942 million yen that were shifted from under the item of Current Assets have been evaluated at current prices at the end of the term, causing an increase of 7,354 million yen after deducting an evaluation loss of 1,588 million yen.

Under Investments and Other Assets, 'Investment securities in subsidiaries' declined by 4,216 million yen. Main reasons are that we sold our shares in Minebea Electronics (UK) Ltd. to Rose Bearings Ltd., resulting in a decrease of 2,809 million yen and that an evaluation loss of 1,986 million yen was recorded with regard to our investment in Hwan Chong Enterprise Co., Ltd.

'Long-term loans receivable' fell by 15,264 million yen primarily because our loan to Actus Corporation in the amount of 15,232 million yen was repaid. Allowance for doubtful receivables decreased by 14,774 million yen mainly because the principal sum was repaid by Actus Corporation.

As a result, Fixed Assets rose 7,309 million yen to 235,943 million yen.

'Deferred tax assets' in the amount of 3,880 million yen under Current Assets and 'Long-term deferred tax assets' of Investments under Fixed Assets in the amount of 13,217 million yen are deferred tax assets owing to tax effective accounting.

Consequently, Total Assets decreased 1,130 million yen to 380,800 million yen.

Let us move on to Liabilities. The items that recorded primary fluctuations are those related to 'Loans payable' under Current Liabilities and Fixed Liabilities. 'Long- and short-term loans payable' recorded a decrease by 12,924 million yen, 'Convertible bonds' decreased by 15 million yen, and the issue of bonds with warrants caused an increase of 4,000 million yen. The total balance of 'Loans payable' stood at 150,807 million yen, a decrease of 8,939 million yen compared with the preceding year.

As a result, Total Liabilities decreased 1,345 million yen to 200,240 million yen.

Under Shareholders' Equity, owing to partial conversion of convertible bonds, 'Common stock' and 'Capital reserve' increased each by 7 million yen, and 'Current net profit' stood at 3,947 million yen. Because of 'Difference on revaluation of other marketable securities' in the amount of minus 952 million yen as well as the outflow of dividends for the previous term in the amount of 2,794 million yen, Total Shareholders' Equity rose 215 million yen to 180,559 million yen.

### **3. Profit and Loss Statement**

A briefing was given as follows with regard to Profit and Loss Statement shown on page 12 of the Business Report for the 55th Business Term.

Net sales rose to 197,675 million yen, up 7.7% or 14,099 million yen over the previous term. Operating income increased by 1,396 million yen to 12,246 million yen.

The net amount of other income and expenses obtained by deducting other expenses from other income was minus 109 million yen, a decrease of 330 million yen from 211 million yen recorded in the previous term.

As a result, ordinary income increased by 1,065 million yen to 12,127 million yen.

During the current term, we sold our shares in Actus Corporation, an import furniture-retailing subsidiary. This is in line with our business strategy to concentrate management resources on core manufacturing business and to improve our financial position. The sale brought us 5,215 million yen as gains from sales of investment securities in subsidiaries. As a result, extraordinary income of 6,620 million yen was recorded.

In addition, we sold our shares in Minebea Electronics (UK) Ltd. to Rose Bearings Ltd., which resulted in losses from sales of investment securities in subsidiaries in the amount of 2,371 million yen. Also, we closed the Kyoto Manufacturing Unit, which resulted in losses from liquidation in the amount of 2,762 million yen.

Furthermore, financial instrument revaluation accounting was applied to our investment in Hwan Chong Enterprise Co., Ltd. and to our liquidation of Papst-Minebea-Disc-Motor (Thailand) and a couple of other subsidiaries. As a result, 3,007 million yen was recorded as losses from liquidation of subsidiaries and affiliates.

In the meantime, the payment of cancellation money in the amount of 1,200 million yen was recorded in connection with the termination of our exclusive distributorship agreement for Japan with Keiaisha NMB Co., Ltd.

As a result, extraordinary losses amounted to 11,841 million yen.

On the other hand, owing to tax effective accounting, adjustment of income taxes in the amount of 2,698 million yen was recorded.

As a result, net income amounted to 3,947 million yen. With the addition of retained earnings brought forward from the previous period in the amount of 3,756 million yen to net income, unappropriated profit at the end of the period stood at 7,704 million yen.