

**The 56<sup>th</sup> Ordinary General Meeting of Shareholders**  
**Briefing on items on the agenda by Chairman of the Meeting**

**1. Business Report**

We gave a brief explanation in line with what is stated on pages from 2 to 9 of the Business Report for the 56th Business Term.

**2. Balance Sheet**

We gave a brief explanation as follows with regard to Balance Sheet shown on pages from 10 to 11 of the Business Report for the 56th Business Term.

Items under current assets that showed major fluctuations compared with the previous term are Notes receivable a decrease of 1,619 million yen, Accounts receivable a decrease of 10,222 million yen, Work in process a decrease of 1,025 million yen, Short-term loans receivable from subsidiaries an increase of 4,483 million yen

Notes receivable and accounts receivable decreased owing mainly to decline in sales. Short-term loans receivable from subsidiaries increased as we made loans in the amount of 3,500 million yen to NMB Hi-Tech Bearings Ltd., our subsidiary in Thailand. As a consequence, total current assets declined 8,472 million yen to 136,349 million yen.

With regard to fixed assets, machinery and equipment decreased 1,337 million yen. This is chiefly attributable to machinery and equipment worth 1,033 million yen that was sold or scrapped in connection with the closing of the Kyoto Plant.

Under investments and other assets, investments in securities decreased 3,107 million yen. This is mainly because of Loss in value of marketable securities 1,466 million yen, Increase in revaluation loss of stocks 1,276 million yen, Loss on sales 252 million yen

Investments in partnerships rose 7,518 million yen owing mainly to a capital increase for NMB (USA) in the amount of 7,761 million yen.

Investments in partnerships with subsidiaries increased 4,208 million yen mainly because of a capital increase for our Chinese subsidiary amounting to 4,232 million yen. As a result, fixed assets increased 4,570 million yen year on year to 240,513 million yen.

Total assets decreased 3,919 million yen from the previous term to 376,880 million yen.

Let us move on to liabilities. Items under current liabilities that recorded primary fluctuations compared with the previous year are Notes payable a decrease of 2,524 million yen, Accounts payable a decrease of 2,962 million yen, Reserve for loss on liquidation of the automobile wheel business a decrease of 2,762 million yen

Long-term and short-term loans payable under fixed liabilities and current liabilities, respectively, recorded an increase of 2,171 million yen, while bonds, convertible bonds and bonds with warrant showed no fluctuations. When balances of loans payable and these bonds put together, the total balance of debts amounted to 152,978 million yen.

As a result, total liabilities decreased 4,583 million yen year on year to 195,657 million yen.

Under shareholders' equity, current net income recorded 4,351 million yen. With (i) payments of dividends and bonus to directors in the previous term totaling to 2,916 million yen, (ii) difference on revaluation of other marketable securities in the amount of minus 765 million yen, and (iii) treasury stock in the amount of minus 6 million yen, total shareholders' equity rose 663 million yen year on year to 181,222 million yen.

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

We gave a brief explanation as follows with regard to Profit and Loss Statement shown on page 12 of the Business Report for the 56th Business Term.

Net sales stood at 175,218 million yen, down 11.4% or 22,457 million yen from the previous year. Cost of sales was 150,915 million yen and cost of sales ratio fell 0.1% from the previous term to 86.1%.

Selling, general and administrative expenses increased 7,475 million yen over the preceding year. This is mostly because we acquired the business of domestic sales of Minebea products from Keiaisha N.M.B. Co., Ltd., our exclusive distributor in Japan, which caused an increase of 5,645 million yen in selling, general and administrative expenses and an increase of 2,017 million yen in development expenses.

As a result, operating income amounted to 1,848 million yen, down 10,398 million yen from the previous year.

Net amount of other income and expenses after deducting other expenses from other income increased to 8,185 million yen from minus 119 million yen in the previous term. This is mainly because dividends income from overseas subsidiaries increased 7,408 million yen over the preceding year.

As a consequence, ordinary income fell 2,093 million yen year on year to 10,033 million yen.

Extraordinary income amounted to 2,192 million yen. This includes (i) 682 million yen gain from discharge of debts arising as a result of liquidation of Minebea Investment (Pte.) Ltd. in Singapore and Minebea Geotechnology Co., Ltd. in Japan, (ii) 250 million yen gain on sales of investment securities in Hwan Chong Enterprise Co., Ltd. in Taiwan, and (iii) reversal of allowance in the amount of 496 million yen for the Kyoto Plant.

We posted 1,466 million yen loss on revaluation of investment securities in financial institutions, and recorded 527 million yen revaluation loss on investment securities in subsidiaries because of decline in business performance at NMB Electro Precision, Inc. in Japan and NMB Precision Tool & Die (Pte.) Ltd. in Singapore. As a result, extraordinary loss amounted to 3,969 million yen.

Owing to adjustment of income taxes based on the adoption of tax effect accounting, we posted income tax of 3,905 million yen.

As a result, net income stood at 4,351 million yen.

With the addition of retained earnings carried forward in the amount of 3,495 million yen to net income, unappropriated retained earnings at the end of the period stood at 7,847 million yen.