(Translation)

(Attached Documents)

Business Report
(April 1, 2004, through March 31, 2005)

I. Overview of Operations

1. Operating Performance of the Corporate Group

During the consolidated fiscal year under review, the Japanese economy was threatened by the rise in oil and material prices, inventory adjustments in the electronic components industry, a significant decrease in public investment, tight money measures adopted by China and other factors. However, the domestic economy stayed firm, led by a pickup in personal consumption, and improved corporate earnings and increased capital investment reflecting economic recovery in the U.S. and Asia. The U.S. economy was also threatened by the rise in oil prices, but continued to grow, powered by high growth in capital investment and solid personal consumption. In Europe, despite the high euro, tough employment and other factors, the economy grew moderately. In China, the economy continued to maintain high growth despite tight constraints on overheated investment. The economies in Southeast Asian countries performed well due to continued growth in the U.S. economy and high growth in China.
In this business climate, we strove to strengthen our profitability by continuing our structural reform, further reducing costs, developing high-value-added products and new technologies, and expanding marketing efforts.
As a result, although net sales increased 9.6%, or ¥25,848 million, year over year to ¥294,422 million, operating income fell 22.2%, or ¥4,021 million, to ¥14,083 million. Ordinary income decreased 26.0%, or ¥3,593 million, to ¥10,206 million and net income declined 7.3%, or ¥438 million, to ¥5,581 million.

The business results of each business segment were as follows:

<u>**Machined Components Business**</u>

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 household electrical appliances, automobiles and information & telecommunications equipment increased year over year owing to our vigorous sales expansion efforts. Also, sales of rod-end bearings rose, particularly in the United States. In pivot assemblies, sales were adversely affected by the HDD industry’s inventory adjustments at the beginning of the year, but grew largely. As a result, net sales rose 4.0%, or ¥4,413 million, year over year to ¥116,105 million.

<u>**Electronic Devices and Components Business**</u>

Our core products in this business segment include HDD spindle motors; information motors such as fan motors, stepping motors, vibration motors and DC brush motors; PC keyboards; speakers; LCD backlights; and measuring instruments. Sales for the current consolidated fiscal year increased due to the new addition of information motors—such as vibration motors and DC brush motors—accompanying the start of a joint venture company with Matsushita Electric Industrial Co., Ltd. Also, in PC keyboards, LCD backlights and measuring instruments, sales grew substantially, but sales of HDD spindle motors were sluggish owing to the HDD industry’s inventory adjustments and delays in the development of new products. As a result, net sales increased 13.7%, or ¥21,436 million, year over year to ¥178,317 million.

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2. Business Tasks to Accomplish by the Corporate Group

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

(1) Ensure that Minebea is a company for which we feel proud to work.
(2) Reinforce our customers' confidence in us.
(3) Respond to our shareholders' expectations.
(4) Ensure a welcome for Minebea in local communities.
(5) Contribute to a global society.

Under this basic management policy, we actively address the development of high-value-added products and the sophistication of product quality. In addition, we focus company resources on areas where we can display our strengths. At the same time, we are strengthening our operations based on financial improvements, and striving to practice transparent management 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 are committed to environmental protection activities.

In accordance with the basic management policies mentioned earlier, we aim to improve profitability and enhance corporate value based on a "fully integrated production system," a "large-scale volume production system" and a "well-developed R&D system," which we have established worldwide, to ensure our place as the world's leading comprehensive manufacturer of miniature ball bearings and high-precision components.

To achieve this goal, we must

1. further reinforce our mainstay bearings and bearing-related products;
2. build our operations in the area of precision small motors into a second pillar of our operations after bearings and bearing-related products; and
3. increase the ratio of high-value-added products in all product categories and diversify offerings to serve a broader market.

We look forward to the continued support and guidance of our sharehoiders.

3. Capital Expenditures and Financing of the Corporate Group

During the consolidated fiscal year under review, capital expenditures were ¥11,378 million for the Machined Components Business and ¥19,700 million for the Electronic Devices and Components Business, totaling ¥31,078 million. The Electronic Devices and Components Business total includes an ¥8,018 million increase due to the joint business with Matsushita Electric Industrial Co., Ltd., Motor Company. The main capital expenditures for the Machined Components Business were equipment for increasing the production of bearings, etc., at the Thailand, China and Singapore factories and equipment for increasing the production of pivot assemblies at the Thailand factory. The main capital expenditures for the Electronic Devices and Components Business were equipment for increasing the production of keyboards and fan motors at the China factory and equipment for spindle motors at the Thailand factory.
There were no important matters to report for the financing of the consolidated fiscal year under review.

(Translation)

4. Records of Business Performance and Changes in Financial Position

(i) Records of business performance and changes in financial position of the Corporate Group

(Unit: millions of yen unless otherwise noted)

	Fiscal 2002 (4/01–3/02)	Fiscal 2003 (4/02–3/03)	Fiscal 2004 (4/03–3/04)	Fiscal 2005 (4/04–3/05)
Net sales	279,344	272,202	268,574	294,422
Ordinary income	15,995	13,420	13,800	10,206
Net income (loss)	5,298	(2,434)	6,019	5,581
Net income (loss) per share (yen)	13.27	(6.10)	15.08	13.93
Total assets	350,037	320,069	314,915	332,217
Shareholders' equity	112,731	98,212	93,866	102,088

Notes: 1.Starting from fiscal 2003 (April 1, 2002, to March 31, 2003), the Accounting Standard for Annual Net Income per Share (Corporate Accounting Standard No. 2 specified by the Corporate Accounting Standard Commission, September 25, 2002) and the Accounting Standard Application Guideline for Annual Net Income per Share (Corporate Accounting Standard Application Guideline No. 4 specified by the Corporate Accounting Standard Commission, September 25, 2002) are applied to the calculation of net income (loss) per share.
2.Amounts less than one million yen are omitted.
3.Net income (or loss) per share is calculated on the basis of the average number of issued shares during the relevant fiscal year.
4.Starting from fiscal 2005 (April 1, 2004, to March 31, 2005), the consolidated financial statements are prepared based on Article 19-2 of the Law for Special Exceptions to the Commercial Code concerning Audit, etc., of Corporations. As a result, the figures for fiscal 2002 through fiscal 2004 are based on consolidated financial statements not audited by the corporate auditors and auditors.

(ii) Records of business performance and changes in financial position of the Company

(Unit: millions of yen unless otherwise noted)

	Fiscal 2002 (4/01–3/02)	Fiscal 2003 (4/02–3/03)	Fiscal 2004 (4/03–3/04)	Fiscal 2005 (4/04–3/05)
Net sales	175,218	162,952	185,105	185,232
Ordinary income	10,033	11,062	13,343	11,057
Net income (loss)	4,351	1,227	2,266	3,504
Net income (loss) per share (yen)	10.90	3.08	5.68	8.72
Total assets	376,880	362,682	366,618	361,664
Shareholders' equity	181,222	181,240	182,389	183,017

Notes: 1.Starting from fiscal 2003 (April 1, 2002, to March 31, 2003), the Accounting Standard for Annual Net Income per Share (Corporate Accounting Standard No. 2 specified by the Corporate Accounting Standard Commission, September 25, 2002) and the Accounting Standard Application Guideline for Annual Net Income per Share (Corporate Accounting Standard Application Guideline No. 4 specified by the Corporate Accounting Standard Commission, September 25, 2002) are applied to the calculation of net income (loss) per share.
2.Amounts less than one million yen are omitted.
3.Financial statements for fiscal 2004 (April 1, 2003, to March 31, 2004) are indicated under the "Ministerial Ordinance for Partial Revision of the Commercial Code Enforcement Regulation (the Ministry of Justice Ordinance No. 7 dated February 28, 2003)." As a result, " income (loss) for the current period" and " income (loss) per share for the current period " for fiscal 2003 and before are described as " net income (loss)" and "net income (loss) per share," respectively.
4.Net income (loss) per share is calculated on the basis of the average number of issued shares during the relevant fiscal year.

(Translation)

II. Overview of the Corporate Group and Company (as of March 31, 2005)

1. Main business lines of the Corporate Group and Company

Classification	Products
Machined Components Business	
Bearings	Miniature ball bearings, small-sized ball bearings, and rod-end and spherical bearings, etc.
Machinery components	Commercial and aerospace fasteners, tape guides, pivot assemblies and gears, etc.
Special machinery and others	Aerospace and defense-related equipment, etc.
Electronic Devices and Components Business	
Electronic devices and components	Small precision motors, keyboards, speakers, backlights, hybrid integrated circuits, inverters, strain gauges, load cells, etc.

2. Company's major offices and factories

(i) Company's major offices and factories

Name	Location
Head Office/Karuizawa Factory	Nagano Prefecture
Tokyo Head Office	Tokyo
Hamamatsu Factory	Shizuoka Prefecture
Fujisawa Factory	Kanagawa Prefecture
Omori Factory	Tokyo
Matsuida Factory	Gunma Prefecture
Saku Factory	Nagano Prefecture

(ii) Subsidiaries' major offices and factories

Name	Location
Minebea-Matsushita Motor Corporation	Tokyo
NMB Thai Ltd.	Thailand
Pelmec Thai Ltd.	Thailand
Minebea Thai Ltd.	Thailand
NMB (USA) Inc.	U.S.A.
NMB Technologies Corporation	U.S.A.
New Hampshire Ball Bearings, Inc.	U.S.A.
NMB-Minebea UK Ltd.	Great Britain
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	China
Minebea (Hong Kong) Ltd.	China

3. Overview of Shares

(1) Total number of shares authorized: 1,000,000,000 shares
(2) Number of shares issued: 399,167,695 shares
(3) Number of shareholders: 28,435 persons

(Translation)

4. Major shareholders:

Name of shareholders	Investment in the company		Our investment in the shareholder	
	Number of shares (thousands)	Shareholding ratio (%)	Number of shares (thousands)	Shareholding ratio (%)
Depositary Nominees Inc.	28,987	7.26	—	—
Japan Trustee Service Bank, Ltd. (Trust account)	27,069	6.78	—	—
Keiaisha Co., Ltd.	18,000	4.51	1,183	10.62
The Master Trust Bank of Japan, Ltd. (Trust account)	17,032	4.27	—	—
Shinsei Bank, Ltd.	12,501	3.13	—	—
The Sumitomo Trust Banking Co., Ltd.	12,349	3.09	2,070	0.12
Takahashi Industrial and Economic Research Foundation	12,347	3.09	—	—
Mellon Bank Treaty Clients Omnibus	10,474	2.62	—	—
Sumitomo Mitsui Banking Corporation	10,000	2.51	1	0.02
Trust & Custody Services Bank, Ltd. (Pension trust account)	6,852	1.72	—	—

Note: On April 15, 2005 (though the reporting obligation arose on March 31, 2005), J.P. Morgan Trust Bank Limited and two other joint holders, jointly represented by Anderson Mori Law Firm, filed a report concerning a change of substantial shareholding with the Director, Kanto Finance Bureau of the Finance Ministry of Japanese Government. However, these new shareholders are not included in the above table of our major shareholders because the Company is not in a position to confirm the final number of our shares beneficially owned by them as of the end of the fiscal year under review (March 31, 2005).
Meanwhile, said report can be outlined as follows:
Name of substantial shareholders: J.P. Morgan Trust Bank Limited and two other joint holders
Number of shares held: 32,427 thousand shares
Shareholding ratio: 8.12%

5. Acquisition, disposal, etc., and holding of treasury shares

(1) Treasury stock acquired of Common stock: 25,886 shares
Total acquisition amount: ¥11,864 thousand

(2) Treasury stock disposed of Common stock: 4,922 shares
Total disposal price: ¥2,653 thousand

(3) Treasury stock at the end of the fiscal year under review
Common stock: 105,623 shares

6. Equity Warrant

4th Series Unsecured Bonds with Warrants (issued November 1, 2000):
・Number of equity warrants: 12,790 units
・Category and number of warranted shares: 2,875,000 common stocks
・Issuing price of equity warrant: ¥35,000 per unit

Note: The Bonds with Warrants and the Convertible Bonds are deemed to be Debentures with Rights to Subscribe for New Shares under Clause 2, Article 19, of the Reforming Law for the Enforcement of the Partial Revision Law of the Commercial Code (Law No. 129 of 2001).

(Translation)

7. Employees of the Corporate Group

(i) Employees of the Corporate Group

Business segment	Number of employees
Machined components	19,190
Electronic devices and components	29,129
Whole company	154
Total	48,473

Notes: 1.The number of employees is the number that are at work.
2.The "Whole company" refers to employees in the administration department but not under either business segment.

(i) Employees of the Company

Classification	Number of employees	Increase (decrease) from the end of the previous year	Average age	Average of working years
Male	1,893	(70)	41.0	17.5
Female	399	(28)	33.9	12.0
Total or average	2,292	(98)	39.8	16.5

Note: The number of employees is the number that are at work.

8. Principal consolidation

(1) Principal subsidiaries

Name	Paid-in capital	Voting rights ratio	Main business lines
Minebea-Matsushita Motor Corporation	¥10,000 million	60.0%	Manufacture and sales of motors and their components
NMB Thai Ltd.	1,200,000 thousand Thai baht	100.0%	Manufacture and sales of bearings
Pelmec Thai Ltd.	1,100,000 thousand Thai baht	100.0%	Manufacture and sales of bearings
Minebea Thai Ltd.	8,381,818 thousand Thai baht	100.0%	Manufacture and sales of keyboards, motors and others
NMB (USA) Inc.	US$311,093 thousand	100.0%	Holding company
NMB Technologies Corporation	US$6,800 thousand	100.0% (100.0%)	Sales of bearings, electronic devices and others
New Hampshire Ball Bearings, Inc.	US$94,000 thousand	100.0% (100.0%)	Manufacture and sales of bearings
NMB-Minebea UK Ltd.	£43,700 thousand	100.0%	Manufacture and sales of bearings and others
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	US$239,060 thousand	100.0%	Manufacture and sales of bearings and electronic devices
Minebea (Hong Kong) Ltd.	HK$100,000 thousand	100.0%	Sales of bearings, electronic devices and others

Note: Figures in parentheses for the voting rights ratio in the above table show the ratio of indirect ownership.

(2) Progress in consolidation

In April 1, 2004, Minebea-Matsushita Motor Corporation was started and foreign locations such as Minebea-Matsushita Motor (S) Pte. Ltd., Minebea-Matsushita Motor (Malaysia) SDN. BHD. and Zhuhai Minebea-Matsushita Motor Co., Ltd., were established. The company will hold a 60% share and Matsushita Electric Industrial Co., Ltd., a 40% share in Minebea-Matsushita Motor Corporation.

(3) Results of consolidation

Consolidated sales, consolidated ordinary income and consolidated net profit for the year under review were ¥294,422 million (versus ¥268,574 million a year earlier), ¥10,206 million (versus ¥13,800 million a year earlier) and ¥5,581 million (versus ¥6,019 million a year earlier), respectively.

9. Major lenders

Lenders	Outstanding borrowing (millions of yen)	Shares held by lender	
		Number of shares (thousands)	Shareholding ratio (%)
The Sumitomo Trust & Banking Co., Ltd.	12,700	12,349	3.09
Sumitomo Mitsui Banking Corporation	11,100	10,000	2.51
The Bank of Tokyo-Mitsubishi, Ltd.	9,400	6,756	1.69
UFJ Bank Limited	6,900	3,301	0.83
Mizuho Corporate Bank, Ltd.	6,800	3,220	0.81

10. Directors and Corporate Auditors

Title	Name	Responsibilities or principal occupation (as of March 31, 2005)
Representative Director, President and Chief Executive Officer	Tsugio Yamamoto	
Director, Senior Managing Executive Officer	Yoshihisa Kainuma	Member of Tokyo Office Administration Executive Council; in charge of Personnel & General Affairs, Logistics and Procurement
Director, Senior Managing Executive Officer	Takayuki Yamagishi	General Manager of Engineering Headquarters
Director, Senior Managing Executive Officer	Rikuro Obara	General Manager of Manufacturing Headquarters; General Manager of Karuizawa Manufacturing Unit
Director, Senior Managing Executive Officer	Ryusuke Mizukami	Member of Tokyo Office Administration Executive Council; in charge of Corporate Planning, Information Systems and Environment Management
Director, Senior Managing Executive Officer	Kenji Senoue	Member of Tokyo Office Administration Executive Council; in charge of Strategy Planning
Director, Senior Managing Executive Officer	Tosei Takenaka	President and Representative Director, Minebea-Matsushita Motor Corporation
Director, Managing Executive Officer	Koichi Dosho	General Manager of Sales Headquarters, European & American Regional Sales Headquarters, European Region Operations
Director	Atsushi Matsuoka	Chairman of Board of Directors, Keiaisha Co., Ltd.

(Translation)

Title	Name	Responsibilities or principal occupation (as of March 31, 2005)
Director	Chanchai Leetavorn	Chairman, Asia Credit Plc.
Standing Corporate Auditor	Shinichi Mori	
Standing Corporate Auditor	Yoshinori Amano	
Standing Corporate Auditor	Tsukasa Oshima	
Corporate Auditor	Isao Hiraide	Certified Public Tax Accountant

Notes: 1.Tsukasa Oshima was newly elected as Corporate Auditor at the 58th Ordinary General Meeting of Shareholders held on June 29, 2004.
2.Mitsuo Ichikawa retired as Corporate Auditor at the conclusion of the 58th Ordinary General Meeting of Shareholders held on June 29, 2004.
3.Atsushi Matsuoka and Chanchai Leetavorn are independent Directors as provided in Article 188, Paragraph Item (7)-2, of the Commercial Code.
4.Tsukasa Oshima and Isao Hiraide are external Corporate Auditors as required under Paragraph 1 of Article 18 of the Law for Special Exceptions to the Commercial Code concerning Audit, etc., of Corporations.

11. Amount paid as remuneration to the auditors

(i) Total amount paid to auditor as remuneration by the Company and its subsidiaries
¥64 million
(ii) Total amount in (i) paid as remuneration to auditor for audit certification by the Company and its subsidiaries based on Paragraph 1, Article 2, of the Certified Public Accountant Law
¥64 million
(iii) Total amount in (ii) paid as remuneration to the auditors by the Company
¥51 million

Ⅲ. Important facts of the Corporate Group that occurred after the fiscal term

The Board of Directors resolved at a meeting on March 1, 2005, to assume all business from consolidated subsidiary Minebea Electronics Co., Ltd., on April 1, 2005, and liquidate Minebea Electronics Co., Ltd. Minebea Electronics Co., Ltd. entered into liquidation proceedings.

(1) Purpose
Minebea Electronics Co., Ltd., a subsidiary of Minebea Co., Ltd., was founded in May 1986, to mainly produce, market, export and import electronic materials and components, as well as electronic devices. The purpose of the decision to assume all business from Minebea Electronics Co., Ltd., on April 1, 2005, and subsequently liquidate the subsidiary was to achieve greater management efficiency by consolidating all business of Minebea Electronics Co., Ltd., into Minebea.

(2) Amount of Assets and Liabilities transferred
Assets transferred: ¥3,918 million
Liabilities transferred: ¥252 million

(3) Outline of Minebea Electronics Co., Ltd. (as of March 31, 2005)
(i) Representative director and president: Takayuki Yamagishi
(ii) Location: 1743-1 Asana, Asaba-cho, Iwata-gun, Shizuoka-ken, Japan
(iii) Date of establishment: May 28, 1986
(iv) Capital: ¥720 million
(v) Shareholder: Minebea Co., Ltd., 100%
(vi) Net sales: ¥18,664 million
(vii) Ordinary loss: ¥134 million

(4) Impact of the Transfer on Minebea's Results
There will be no impact on Minebea's results.

(Translation)

Balance Sheet

(As of March 31, 2005)

(Unit: millions of yen)

Assets	
Item	**Amount**
Current Assets	**125,670**
Cash and cash equivalents	11,240
Notes receivable	4,185
Accounts receivable-trade	44,046
Purchased goods	2,558
Goods in transit	1,060
Finished goods	1,235
Raw materials	1,760
Work in process	2,403
Supplies	149
Prepaid expenses	433
Short-term loans receivable from affiliates	46,809
Accounts receivable-other	5,477
Temporary advance	18
Deferred tax assets	2,799
Others	1,523
Allowance for doubtful receivables	(32)
Fixed Assets	**235,940**
Tangible fixed assets	**27,024**
Buildings	9,970
Structures	527
Machinery and equipment	5,485
Vehicles	13
Tools, furniture and fixtures	1,961
Land	8,949
Construction in progress	116
Intangible fixed assets	**3,631**
Patent rights and other intangibles	3,631
Investments and other assets	**205,284**
Investments in securities	6,159
Investment securities in affiliates	161,366
Investments in partnerships	0
Investments in partnerships with affiliates	32,046
Long-term loans receivable from employees	8
Long-term loans receivable from affiliates	5,725
Reorganization claim in bankruptcy, and others	20
Long-term prepaid expenses	546
Deferred tax assets	5,572
Others	545
Allowance for doubtful receivables	(7,065)
Deferred Charges	**53**
Bond issuance expenses	53
Total Assets	**361,664**

Note: Amounts less than one million yen are omitted.

(Translation)

(Unit: millions of yen)

Liabilities	
Item	**Amount**
Current Liabilities	**94,228**
Notes payable	3,195
Accounts payable-trade	27,961
Short-term loans payable	50,632
Current portion of long-term loans payable	1,000
Current portion of bonds	4,000
Accounts payable-other	2,653
Accrued income taxes	622
Accrued expenses	1,155
Advances from customer	3
Deposits received	407
Deferred income	91
Accrued bonuses	1,749
Notes payable for equipment	264
Others	491
Long-Term Liabilities	**84,418**
Bonds	38,000
Long-term loans payable	46,000
Allowance for retirement benefits	368
Allowance for retirement benefits to executive officers	49
Total Liabilities	**178,646**
Shareholders' Equity	
Common stock	**68,258**
Additional paid-in capital	**94,756**
Capital reserve	94,756
Retained earnings	**18,483**
Earned surplus	2,085
Voluntary reserve	11,500
General reserve	11,500
Unappropriated retained earnings	4,898
Difference on revaluation of other marketable securities	**1,575**
Treasury stock	**(56)**
Total Shareholders' Equity	**183,017**
Total Liabilities and Shareholders' Equity	**361,664**

Note: Amounts less than one million yen are omitted.

(Translation)

Profit-and-Loss Statement
(From April 1, 2004, through March 31, 2005)

(Unit: millions of yen)

Item			Amount	
Ordinary Income and Expenses	**Operating income and expenses**	**Operating income**		**185,232**
		Net sales	185,232	
		Operating expenses		**183,285**
		Cost of sales	162,966	
		Selling, general and administrative expenses	20,319	
		Operating income		**1,946**
	Other income and expenses	**Other income**		**11,606**
		Interest income	708	
		Dividends received	10,047	
		Rent income on fixed assets	295	
		Others	554	
		Other expenses		**2,494**
		Interest and discount charges	615	
		Interest on bonds	1,129	
		Amortization on bond issue costs	43	
		Foreign currency exchange loss	260	
		Others	445	
		Ordinary income		**11,057**
Extraordinary Income and Loss		**Extraordinary income**		**310**
		Gain on sales of fixed assets	126	
		Reversal of allowance for doubtful receivables	184	
		Extraordinary loss		**4,522**
		Loss on sales of fixed assets	1,378	
		Loss on disposal of fixed assets	123	
		Loss on revaluation of investment securities	590	
		Allowance for doubtful receivables	1,668	
		Loss on liquidation of affiliates	1	
		Loss for after-care of products	270	
		Retirement benefit expense	476	
		Retirement benefits to directors and corporate auditors	12	
Income before Income Taxes				**6,845**
Income taxes current (including enterprise tax)				2,279
Adjustment of income taxes				1,062
Total income taxes				3,341
Net Income				**3,504**
Retained earnings brought forward from the previous year				1,393
Loss on disposal of treasury stock				0
Unappropriated retained earnings at end of year				**4,898**

Note: Amounts less than one million yen are omitted.

(Translation)

Significant Accounting Policies

(1) Standards and method of valuation of securities

Shares in subsidiaries and affiliates: Stated at cost as determined by the moving-average method.

Other securities:

Securities with market value: Stated at market value based on the market price, etc., as of the fiscal year-end (the evaluation balances are calculated by the total direct capitalization method and the cost of sales is calculated by the moving-average method).

Securities without market value: Stated at cost as determined by the moving average method.

(2) Standards and method of valuation of inventories

Purchased goods:	Stated at cost as determined by the moving-average method.
Finished goods:	Stated at cost as determined by the moving-average method.
Raw materials:	Stated at cost as determined by the moving-average method in respect of materials for bearings, fasteners, measuring equipment, motors and special machinery equipment.
Work in process:	Stated at cost as determined by the moving-average method in respect of bearings, fasteners and motors. Stated at cost as determined by the identified cost method in respect of measuring equipment, special motors and special machinery equipment.
Supplies:	Stated at cost as determined by the moving-average method in respect of expendables for manufacturing bearings, fasteners, measuring equipment, motors and special machinery equipment.

(3) Method of depreciation of fixed assets

Tangible fixed assets: Declining balance method. The main useful lives reported here are as follows:

Buildings and structures	4–60 years
Machinery and equipment	2–15 years
Tools, furniture and fixtures	2–20 years

However, a depreciable asset of small value (the acquisition value of which is ¥100,000 or more but less than ¥200,000) is depreciated equally each year over three years.

Intangible fixed assets: Straight-line method. However, for software (used by the company), the straight-line method on the basis of the estimated usable period (5 years) established within the Company is used.

Long-term prepaid expenses:

Straight-line method.

(4) Method of accounting of deferred charges

Bond issuance expense: Amortized equally each year over three years pursuant to the Commercial Code.

Other items are charged to expenses as incurred.

(5) Standards of conversion of accounts receivable or payable in a foreign currency into yen amounts

Accounts receivable and accounts payable in a foreign currency are converted into yen amounts at spot exchange rates at the fiscal year-end. Conversion loss or income is recorded as expense or income, respectively.

(6) Standards of accounting of allowances

Allowance for doubtful receivables:

To provide against loss on bad debts, the estimated uncollectible amounts are shown, with respect to receivables in general, based on the actual uncollectibility ratios and, with respect to specific doubtful receivables, through individual consideration of collectibility.

Accrued bonuses: To provide against payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment.

Allowance for retirement benefits:

To provide against the payment of retirement allowances to employees, the amount that is recognized to have accrued at the fiscal year-end is shown on the basis of the estimated amounts of the retirement allowance liabilities and pension funds as of the fiscal year-end.
With respect to the difference at the time of the change of the accounting principles (¥2,474 million), the amount obtained by prorating over five-year is shown as a "retirement benefit expense" under Extraordinary Loss.
The difference resulting from mathematical calculations is recorded as expense on a straight-line basis for a certain period (5 years) starting from the year following the year in which such difference arose.

Allowance for retirement benefits for Executive Officers:

To provide against the payment of retirement allowances to Executive Officers, the amount that is recognized to be necessary at the end of the current fiscal year according to our internal regulations is shown.

(7) Method of accounting of lease transactions

Financial lease transactions other than those in which the ownership of a leased asset is considered to be transferred to the lessee are accounted for in the same manner as ordinary lease transactions.

(8) Method of hedging accounting

The foreign currency-denominated monetary assets and liabilities that were hedged by forward exchange contracts are allocated to the periods.
Under the guidance of the company's financial department, forward exchange contracts have been made to hedge the risks of fluctuations in foreign exchange rates relating to export and import transactions and others.
In concluding forward foreign exchange contracts, those contracts with the corresponding amounts and dates are respectively allocated (to the debts) in accordance with the risk management policy. Therefore the correlation between claims/debts and forward foreign exchange contracts arising from foreign exchange rate fluctuations is fully secured, and this judgment is substituted for the judgment of effective hedge

(9) Other significant matters for preparation of the financial statements

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

Notes to the Balance Sheet

(1) Receivables from and payable to subsidiaries

Short-term receivables: ¥29,300 million
(excluding short-term loan receivables from subsidiaries)
Short-term payables: ¥23,971 million

(2) Accumulated depreciation of tangible fixed assets ¥48,852 million

(3) In addition to the fixed assets listed in the Balance Sheet, the Company uses computers, etc., on lease.

(4) Guarantees ¥29,854 million

(5) Outstanding balance and exercise price of the subscription warrants are as follows:

4th Series Unsecured Bonds with Warrants
Outstanding amount: ¥4,000 million
Exercise price: ¥1,350

(6) Net assets are ¥1,575 million as stipulated in Article 124, Section 3, of the Commercial Code Enforcement Regulation

(Translation)

Notes to the Profit-and-Loss Statement

(1) Sales to subsidiaries ¥117,397 million

(2) Purchase from subsidiaries ¥125,337 million

(3) Amount of non-operating transactions with subsidiaries ¥18,174 million

(4) Total amount of research-and-development expenses
The research-and-development expenses included in the general administrative expenses and the manufacturing costs for this period under review were ¥8,289 million.

(5) Net income per share ¥8.72

Note: Calculation basis for net income per share

Net income on the Profit-and-Loss Statement	¥3,504 million
Net income involving common stock	¥3,481 million
Net income that is not entitled to common share holders	
Bonus to Directors based on appropriation	¥23 million
Average number of common stocks during the fiscal year under review	399,074,238 shares

Notes to tax-effect accounting

(1) Breakdown by cause of the deferred tax assets and deferred tax liabilities:

(Deferred tax assets)	
Excess over the maximum tax-deductible amount of accrued bonuses	¥682 million
Excess over the maximum tax-deductible amount of accrued retirement allowance	20
Evaluation loss on investment securities	1,749
Evaluation loss on shares in affiliates	2,278
Excess over the maximum tax-deductible amount of allowance for doubtful receivables	2,759
Deduction of foreign corporation tax carried forward	1,360
Others	530
Total deferred tax assets	9,378
(Deferred tax liabilities)	
Evaluation difference on other investment securities	1,006
Total deferred tax liabilities	1,006
Net deferred tax assets	8,371

(2) Breakdown by cause of the difference between the applicable legal effective tax rate and the actual rate of corporate income tax, etc., after tax-effect accounting:

Statutory effective tax rate	39.0%
(Adjustment)	
Non–tax deductible item such as entertainment expense	1.1
Taxation on per capita basis of inhabitant tax, etc.	3.0
Withholding income tax, etc.	4.2
Others	1.5
Actual rate of corporate income tax, etc., after tax-effect accounting	48.8

(Translation)

Notes to the retirement allowance accounting

(1) Retirement allowance plan adopted by the company

The company has fully adopted a qualified retirement pension plan to provide against retirement payments to employees.

(2) Substance of retirement benefit liabilities

(i) Retirement benefit liabilities and their breakdown:

(a)	Retirement benefit liabilities	¥9,439 million
(b)	Pension assets	8,953
(c)	Balance (a – b)	486
(d)	Untreated amount of the difference at the time of the change of the accounting principle	—
(e)	Unrecognized difference of mathematical calculations	118
(f)	Allowance for retirement benefit (c – d – e)	368

(ii) Breakdown of expense for retirement benefit:

Service expense	¥505 million
Interest expense	227
Expected investment income	191
Difference treated as expense at the time of the change of the accounting principle	476
Difference of mathematical calculations treated as expense	359

(3) Calculation basis for retirement benefit liabilities

Discount rate	2.5%
Expected investment income rate	2.5%
Method of periodic allocation of expected retirement benefit amounts	Periodic fixed standard
Number of years required for the treatment of the difference of mathematical calculations	5 years (From the following period, it is charged to expense by the straight-line method.)
Number of years required for the treatment of the difference resulting from the accounting change	5 years (A prorated amount is recorded as an extraordinary loss.)

Proposed Appropriation of Unappropriated Retained Earnings

(Unit: yen)

Item	Amount	Amount
I. **Unappropriated retained earnings**		**4,898,028,169**
II. The above amount is appropriated as follows:		
Dividends (¥7 per share)	2,793,434,504	
Bonuses to Directors and Corporate Auditors	23,500,000	
(Bonuses to Corporate Auditors)	(3,500,000)	2,816,934,504
III. **Retained earnings carried forward to the next period**		**2,081,093,665**

(Translation)

Certified Copy of the Report of the Auditors

AUDIT REPORT OF THE INDEPENDENT AUDITORS

May 11, 2005

To: The Board of Directors
Minebea Co., Ltd.

Shin Nihon & Co.

Chikara Kanzawa (seal)
Representative and Engagement Partner
Certified Public Accountant

Hidenori Takahashi (seal)
Representative and Engagement Partner
Certified Public Accountant

Kiyokazu Tashiro (seal)
Representative and Engagement Partner
Certified Public Accountant

We have examined the Balance Sheet, the Profit-and-Loss Statement, the Business Report (limited only to the part relating to accounting), the Proposed Appropriation of Unappropriated Retained Earnings and the supplementary statements (limited only to the part relating to accounting) of MINEBEA CO., LTD., for the 59th fiscal year from April 1, 2004, to March 31, 2005, pursuant to Article 2 of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations. The part relating to accounting of the Business Report and the supplementary statements that have been audited is the portion based on the accounting books and records of the matters set out therein. It is the management of the Company that bears the responsibility of compilation of these financial statements and their supplementary details, while our responsibility is to express an opinion on the financial statements and their supplementary details from an independent standpoint.

Our examination was made in accordance with generally accepted auditing standards in Japan and, accordingly, we performed such auditing procedures as we considered necessary in the circumstances. These auditing standards require us to gain a reasonable assurance whether these financial statements and their supplementary details are free of material misstatement. The auditing is conducted on a test basis, while including our examination of descriptions in the financial statements and their supplementary details as an entirety that includes the accounting policies and their application methods adopted by the corporate management, as well as our assessment of the estimation that was made by the management. As a result of our audit conducted in these ways, we believe that we have obtained a reasonable basis for our opinions. The auditing procedures included auditing procedures of certain subsidiaries that we considered to be necessary.

As a result of the audit, we are of the opinion that:

(1) The Balance Sheet and the Profit-and-Loss Statement fairly present the financial position of the Company and the results of its operations in conformity with laws and ordinances and the Articles of Incorporation of the Company;
(2) The Business Report (limited only to the part related to accounting) properly describes the situation of the Company in accordance with laws and ordinances and the Articles of Incorporation of the Company;
(3) The Proposed Appropriation of Unappropriated Retained Earnings is in conformity with laws and ordinances and the Articles of Incorporation of the Company; and
(4) There is no matter to be pointed out concerning the supplementary statements (limited only to the part related to accounting) according to the Commercial Code.

Neither our firm nor any of the partners in charge has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountant Law.

（Translation）

Certified Copy of the Report of the Board of Corporate Auditors

AUDIT REPORT

May 11, 2005

We, the Board of Corporate Auditors, have prepared this Audit Report by mutual consultation among ourselves following the report presented by each of the Corporate Auditors on their auditing method and the results of such audit with respect to performance of duties by the Directors during the 59th fiscal period from April 1, 2004, to March 31, 2005, and our report is hereby made as follows:

1. Overview of the audit method by the Corporate Auditors

Each Corporate Auditor attended meetings of the Board of Directors and other important meetings, received reports from Directors and others about business activities, reviewed documents for important decisions, etc., investigated the condition of business activities and assets of the Company at its head office and principal business offices and, when necessary, asked for business reports from subsidiaries, in accordance with the auditing policy and allocation of responsibilities, etc., as stipulated by the Board of Corporate Auditors.

In addition, we received reports and explanations from the independent auditors of the Company, and reviewed the financial statements and supplementary statements.

In addition to the above auditing methods, we, when necessary, asked for reports from Directors and others and closely examined the transactions in connection with Directors' competing transactions, transactions involving conflict of interests between Directors and the Company, granting of benefits by the Company for free, unusual transactions with subsidiaries or shareholders, and purchases and disposals of treasury stock, and other matters.

2. Results of Audit

(1) We certify that the auditing method of Shin Nihon & Co. and the results of its audit are proper and correct.
(2) We certify that the Business Report fairly presents the situation of the Company in conformity with laws and ordinances and the Articles of Incorporation.
(3) We find no matter to be pointed out with respect to the Proposed Appropriation of Unappropriated Retained Earnings in light of the condition of the company's assets and other circumstances.
(4) The supplementary statements fairly present the matters to be described, and we find no matter to be pointed out about them.
(5) We find no unfair act or material fact in violation of laws and ordinances or the Articles of Incorporation with respect to the performance of duties by the Directors.

Furthermore, we find no violation of duties by Directors with respect to their competing transactions, transactions involving conflict of interests between Directors and the Company, granting of benefits by the Company for free, unusual transactions with subsidiaries or shareholders, and purchases and disposals of treasury shares, and other matters.

Board of Corporate Auditors of Minebea Co., Ltd.

Shinichi Mori (seal)
Standing Corporate Auditor

Yoshinori Amano (seal)
Standing Corporate Auditor

Tsukasa Oshima (seal)
Standing Corporate Auditor

Isao Hiraide (seal)
Corporate Auditor

Note: Standing Corporate Auditor Tsukasa Oshima and Corporate Auditor Isao Hiraide are external corporate auditors as stipulated in Paragraph 1 of Article 18 of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations.

(Translation)

Consolidated Balance Sheet
(As of March 31, 2005)

(Unit: millions of yen)

Assets	
Item	**Amount**
Current Assets	**147,295**
Cash and cash equivalents	21,759
Notes and accounts receivable	62,610
Inventories	46,963
Deferred tax assets	5,123
Others	11,125
Allowance for doubtful receivables	(287)
Fixed Assets	**184,808**
Tangible fixed assets	**156,521**
Buildings and structures	97,222
Machinery and transportation equipment	202,364
Tools, furniture and fixtures	50,737
Land	15,086
Construction in progress	1,228
Accumulated depreciation	(210,118)
Intangible fixed assets	**14,113**
Consolidation adjustments	10,353
Others	3,760
Investments and other assets	**14,174**
Investment in securities	6,308
Long-term loans receivable	35
Deferred tax assets	6,016
Others	1,870
Allowance for doubtful receivables	(56)
Deferred Charges	**112**
Total Assets	**332,217**

Note: Amounts less than one million yen are omitted.

(Translation)

(Unit: millions of yen)

Liabilities	
Item	**Amount**
Current Liabilities	**141,449**
Notes and accounts payable	25,901
Short-term loans payable	81,256
Current portion of long-term loans payable	1,855
Current portion of bonds with warrant	4,000
Accrued income taxes	2,344
Accrued bonuses	3,247
Reserve for environmental preservation expenses	794
Others	22,050
Long-Term Liabilities	**86,144**
Bonds	38,000
Long-term loans payable	47,340
Allowance for retirement benefits	305
Allowance for retirement benefits to executive officers	49
Others	448
Total Liabilities	**227,594**
Minority Interest in Consolidated Subsidiaries	**2,534**
Shareholders' Equity	
Common stock	**68,258**
Additional paid-in capital	**94,756**
Retained earnings	**5,519**
Difference on revaluation of other marketable securities	**1,575**
Foreign currency translation adjustments	**(67,965)**
Treasury stock	**(56)**
Total Shareholders' Equity	**102,088**
Total Liabilities, Minority Interest in Consolidated Subsidiaries and Shareholders' Equity	**332,217**

Note: Amounts less than one million yen are omitted.

（Translation）

Consolidated Profit-and-Loss Statement
(From April 1, 2004, through March 31, 2005)

(Unit: millions of yen)

Item			Amount	
Ordinary Income and Expenses	**Operating income and expenses**	**Operating income**		**294,422**
		Net sales	294,422	
		Operating expenses		**280,339**
		Cost of sales	232,019	
		Selling, general and administrative expenses	48,319	
		Operating income		**14,083**
	Other income and expenses	**Other income**		**1,551**
		Interest income	145	
		Dividends income	37	
		Equity income of affiliates	13	
		Others	1,354	
		Other expenses		**5,427**
		Interest expenses	3,361	
		Foreign currency exchange loss	755	
		Others	1,311	
		Ordinary income		**10,206**
Extraordinary Income and Loss		**Extraordinary income**		**404**
		Gain on sales of fixed assets	301	
		Reversal of allowance for doubtful receivables	102	
		Extraordinary loss		**2,832**
		Loss on sales of fixed assets	565	
		Loss on disposal of fixed assets	453	
		Loss on sales of investments securities	0	
		Loss on revaluation of investments securities	619	
		Loss on liquidation of affiliates	270	
		Loss for after-care of products	270	
		Retirement benefits expense	609	
		Retirement benefits to directors and corporate auditors	42	
Income before Income Taxes and minority interests				**7,778**
Income taxes current (including enterprise tax)				5,943
Adjustment of income taxes				(430)
Total income taxes				5,513
Minority interest in earnings of consolidated subsidiaries				(3,316)
Net Income				**5,581**

Note: Amounts less than one million yen are omitted.

（Translation）

Basis of presenting consolidated financial statements

1. Scope of consolidation and application of equity method

Number of consolidated companies --------47 companies

The same as (1)Principal subsidiaries in **8. Principal consolidation** of **Ⅱ. Overview of the Corporate Group and Company** above.

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

(a) Changes in consolidated subsidiaries

Anew: Acquisition of stock (3companies) MINEBEA-MATSUSHITA MOTOR(S) PTE.LTD.
MINEBEA-MATSUSHITA MOTOR(MALAYSIA) SDN. BHD.
ZHUHAI MINEBEA-MATSUSHITA MOTOR CO., LTD.

Establishment (1 company) NMB MINEBEA SLOVAKIA s.r.o.

Additional acquisition of stock (1 company) Kanto Seiko Co., Ltd.

Exclusion: Liquidation (4 companies) NMB F.T. INC.
MINEBEA EUROPE FINANCE B.V.
Minebea Onkyo Co., Ltd.
NMB Onkyo Co., Ltd.

(b) Changes of the companies subject to equity method

Anew: None

Exclusion: Change to consolidated subsidiary (1 company) Kanto Seiko Co., Ltd.

3. Closing date of consolidated subsidiaries

Consolidated subsidiaries whose closing dates are different from that of the company adjusted their financial statements to the company's closing date.

4. Accounting policies

(a) Valuation basis and method of significant assets

1. 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.

2. 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 capitalization method, and the sales costs are calculated by the moving-average method.

Securities without market value

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

(Translation)

(b) Method of Depreciation of significant depreciable assets

1. Tangible fixed assets

The company and consolidated domestic subsidiaries adopt the declining-balance method. The main useful life and the residual value reported here are as follows.

Buildings and structures	4–60 years
Machinery and equipment	2–15 years
Tools, furniture and fixtures	2–20 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 three years each consolidated fiscal year.
Consolidated overseas subsidiaries mainly adopt the straight-line method.

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 collectibility of specific receivables with loss possibilities.
Consolidated overseas subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the collectibility 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, and accrued bonuses are shown based on the anticipated amounts of payment in the current term.
Consolidated overseas subsidiaries make the record on an accrual basis.

3. Allowance for retirement benefit

Regarding the company and its consolidated Japanese subsidiaries, the company stated an amount estimated to accrue at the end of the current term to provide for employee retirement benefits, based on estimated retirement benefit debts and pension assets at the end of the term.
Regarding the difference of ¥3,050 million arising at the time of changing accounting standards, the company charged prorated amounts to expenses over five years and stated this extraordinary loss as a retirement benefit expense.
Over the 5–15 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 an amount estimated to accrue at the end of the current term to provide for employee retirement benefits.

4. 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 company regulations.

5. Reserve for environmental preservation expenses

We registered reasonably projected environment-related expenses to be incurred by U.S. subsidiaries.

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

The company and consolidated domestic subsidiaries translate them into yen at the exchange rate on the balance sheet date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).
Consolidated overseas subsidiaries translate them at the exchange rate on the balance sheet date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).

(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

The foreign currency-denominated monetary assets and liabilities that were hedged by forward exchange contracts are allocated to the periods.
Under the guidance of the company's financial department, forward exchange contracts have been made to hedge the risks of fluctuations in foreign exchange rates relating to export and import transactions and others.
In concluding forward foreign exchange contracts, those contracts with the corresponding amounts and dates are respectively allocated (to the debts) in accordance with the risk management policy. Therefore the correlation between claims/debts and forward foreign exchange contracts arising from foreign exchange rate fluctuations is fully secured, and this judgment is substituted for the judgment of effective hedge

(g) Accounting method of consumption tax and other

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

5. Evaluation of consolidated subsidiaries' assets and liabilities

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

6. Amortization of consolidation adjustments

The consolidation adjustments are equally amortized for 5–40 years conforming to the accounting customs of the consolidated companies' countries.

7. Appropriation of retained earnings

Regarding the appropriation of retained earnings, the consolidated statements of income and retained earnings are prepared based on the method provided in the provision of Article 8 of the regulation relating to terminology, form and methods of preparation of consolidated financial statements (advanced inclusion method).

Notes to the Consolidated Profit-and-Loss Statement

Net income per share ¥13.93

Note: Calculation basis for net income per share

Net income on the Consolidated Profit-and-Loss Statement	¥5,581 million
Net income involving common stock	¥5,557 million
Amount that is not entitled to common share holders	
Bonus to Directors based on appropriation	¥23 million
Average number of common stocks during the fiscal year under review	399,074,238shares

（Translation）

Certified Copy of the Report of the Auditors for Consolidated Financial Statements

AUDIT REPORT OF THE INDEPENDENT AUDITORS

May 11, 2005

To: The Board of Directors
Minebea Co., Ltd.

Shin Nihon & Co.

Chikara Kanzawa (seal)
Representative and Engagement Partner
Certified Public Accountant

Hidenori Takahashi (seal)
Representative and Engagement Partner
Certified Public Accountant

Kiyokazu Tashiro (seal)
Representative and Engagement Partner
Certified Public Accountant

We have examined the consolidated Financial Statements, which are the Consolidated Balance Sheet and the Consolidated Profit-and-Loss Statement) of MINEBEA CO., LTD., for the 59th fiscal year from April 1, 2004, to March 31, 2005, pursuant to Paragraph 3, Article 19-2, of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations. It is the management of the Company that bears the responsibility of compilation of the consolidated financial statements, while our responsibility is to express an opinion on the consolidated financial statements from an independent standpoint.

Our examination was made in accordance with generally accepted auditing standards in Japan and, accordingly, we performed such auditing procedures as we considered necessary in the circumstances. These auditing standards require us to gain a reasonable assurance whether these consolidated financial statements are free of material misstatement. The auditing is conducted on a test basis, while including our examination of descriptions in the consolidated financial statements as an entirety that includes the accounting policies and their application methods adopted by the corporate management, as well as our assessment of the estimation that was made by the management. As a result of our audit conducted in these ways, we believe that we have obtained a reasonable basis for our opinions. The auditing procedures included auditing procedures of certain subsidiaries that we considered to be necessary.

As a result of the audit, we are of the opinion that the above consolidated financial statements fairly present the financial position of the Company and its consolidated subsidiaries as a corporate group and the results of its operations in conformity with laws and ordinances and the Articles of Incorporation of the Company.

Neither our firm nor any of the partners in charge has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountant Law.

（Translation）

Certified Copy of the Report of the Board of Corporate Auditors for Consolidated Financial Statements

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

May 11, 2005

We, the Board of Corporate Auditors, have prepared this Audit Report by mutual consultation among ourselves following the report presented by each of the Corporate Auditors on their auditing method and the results of such audit with respect to the Consolidated Financial Statements (Consolidated Balance Sheet and Consolidated Profit-and-Loss Statement) during the 59th fiscal period from April 1, 2004, to March 31, 2005, and our report is hereby made as follows:

1. Overview of the audit method by the Corporate Auditors

Each Corporate Auditor received reports from Directors and others about Consolidated Financial Statements and, when necessary, investigated the condition of business activities and assets of subsidiaries by asking for accounting reports from the subsidiaries, in accordance with the auditing policy and allocation of responsibilities, etc., as stipulated by the Board of Corporate Auditors.

2. Results of Audit

We certify that the auditing method of Shin Nihon & Co. and the results of its audit are proper and correct.

Board of Corporate Auditors of Minebea Co., Ltd.

Shinichi Mori (seal)
Standing Corporate Auditor

Yoshinori Amano (seal)
Standing Corporate Auditor

Tsukasa Oshima (seal)
Standing Corporate Auditor

Isao Hiraide (seal)
Corporate Auditor

Note: Standing Corporate Auditor Tsukasa Oshima and Corporate Auditor Isao Hiraide are external corporate auditors as stipulated in Paragraph 1 of Article 18 of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations.