

The 59th 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 3 to 12 of the Business Report for the 59th Business Term.

2. Consolidated Financial Statements

We report that owing to the new addition of information motors such as vibration motors and DC brush motors as a result of the launch of Minebea-Matsushita Motor Corporation, a joint venture with Matsushita Electric Industrial Co., Ltd., on April 1, 2004, assets and liabilities were taken over from Matsushita Electric Industrial Co., Ltd.

3. Consolidated Balance Sheet

We gave a brief explanation as follows with regard to Balance Sheet shown on page 22 of the Business Report for the 59th Business Report

Items under Current Assets that showed major fluctuations compared with the previous term are "Notes and accounts receivable" an increase of 4,369 million yen, "Inventories" an increase of 5,428 million yen, "Notes and accounts receivable" rose 4,369 million yen due mainly to an increase of 2,187 million yen related to the establishment of Minebea-Matsushita Motor Corporation.

Inventories increased 5,428 million yen owing primarily to an increase of 2,716 million yen related to the establishment of Minebea-Matsushita Motor Corporation.

As a result, total current assets rose 8,342 million yen year on year, to 147,295 million yen.

Under fixed assets, tangible fixed assets increased 8,063 million yen due mainly to increase related to the establishment of Minebea-Matsushita, Motor Corporation 8,018 million yen, increase in investments mainly in ball bearing equipment 23,060 million yen, decrease in depreciation 22,250 billion yen, decrease related to the sale of our Kofu plant 1,418 million yen.

As a result, total fixed assets rose 8,892 million yen year on year, to 184,808 million yen.

Total assets increased 17,301 million yen from the previous term, to 332,217 million yen.

Let us move on to liabilities. An item under this section that recorded a primary fluctuation compared with the end of the previous year is current liabilities. Notes and accounts payable rose 3,123 million yen due primarily to an increase of 1,396 million yen related to the establishment of Minebea-Matsushita Motor Corporation.

When balances of loans payable under current liabilities and long-term liabilities were put together, the total balance of short-term loans payable, long-term debt, corporate bonds, etc. increased 966 million yen year on year, to 172,451 million yen.

Let us move on to the section of shareholders' equity. Under this section, net income recorded 5,581 million yen, and dividends of 2,793 million yen were paid.

In addition, foreign currency translation adjustments increased 5,539 million yen.

As a result, total shareholders' equity rose 8,222 million yen year on year, to 102,088 million yen.

Total liabilities, minority interests in consolidated subsidiaries and shareholders' equity increased 17,301 million yen from the previous year, to 332,217 million yen.

4. Consolidated Profit and Loss Statement

We will continue to make a report on details of Consolidated Profit and Loss Statement. Please refer to page 23 of the Business Report of the 59th Business Term.

Net sales increased 25,848 million yen year on year, to 294,422 million yen—primarily because of the fact that information motors were added to our product lines accompanied by the establishment of Minebea-Matsushita Motor Corporation.

Cost of sales increased 28,759 million yen from the previous year, to 232,019 million yen

As a result, gross profit decreased 2,910 million yen year on year, to 62,403 million yen.

Selling, general and administrative expenses rose 1,110 million yen year on year, to 48,319 million yen.

As a result, operating income fell 4,021 million yen year on year, to 14,083 million yen.

The major reasons for this decline are the increase of fixed costs caused by the decrease in the production of HDD spindle motors; the increase of expenses associated with the production transfer of PC keyboards; and increased costs accompanied by structural reform plans in our

information motor business segment.

The net balance of other income and expenses after deducting other expenses from other income was an outlay of 3,876 million yen. This represents a year-on-year decline of 429 million yen from the year-ago outlay of 4,305 million yen.

As a result, ordinary income fell 3,593 million yen year on year, to 10,206 million yen.

Total extraordinary income was 404 million yen.

The major contributor to this income is gains in fixed asset sales totaling 301 million yen.

Total extraordinary loss was 2,832 million yen.

The major contributors to this loss are: losses from sale of fixed assets, losses on disposals of fixed assets and losses from revaluation of investment securities.

Net income was 5,581 million yen, reflecting total income taxes of 5,513 million yen.

5. Non-Consolidated Balance Sheet

First, we will give a brief explanation with regard to the non-consolidated assets section. Please refer to page 13 of the Business Report of the 59th Business Term. Items under current assets that allowed major fluctuations compared with the previous term are accounts receivable a decrease of 1,858 million yen, Short-term loans receivable from affiliates a decrease of 2,395 million yen.

Accounts receivable fell 1,858 million yen owing primarily to the following reasons collection from Minebea (Hong Kong) Ltd. 4,163 million yen, increase from Minebea Technologies Pte. Ltd. 1,910 billion yen.

Short-term loans receivable from affiliates decreased 2,395 million yen due mainly to repayment from Minebea Technologies Pte. Ltd. 3,795 million yen, repayment from Thai Minebea-Matsushita Motor Co., Ltd. 1,900 million yen.

As a result, total current assets fell 1,170 million yen year on year, to 125,670 million yen.

Under fixed assets, tangible fixed assets decreased 3,718 million yen due mainly to decrease in depreciation 2,696 million yen, sale of the closed Kofu plant 2,267 million yen, increase in machinery 1,257 million yen.

Investment securities in affiliates rose 929 million yen owing primarily to Minebea (Hong Kong)

Ltd. shares of 846 million yen acquired through its capital increase.

Investments in affiliates fell 747 million yen due to the liquidation of Minebea Europe Finance.

Long-term loans receivable from affiliates fell 2,781 million yen due to debt forgiveness of 3,691 million yen accompanied by the liquidation of Minebea Onkyo Co., Ltd.

Allowance for doubtful receivables fell 2,114 million yen owing primarily to the following changes Minebea Technologies Pte. Ltd. an increase of 852 million yen, Minebea Electronics Co., Ltd. an increase of 819 million yen, Minebea Onkyo Co., Ltd. a decrease of 3,696 million yen

As a result, total fixed assets fell 3,790 million yen year on year, to 235,940 million yen.

Total assets decreased 4,954 million yen from the previous term, to 361,664 million yen.

Let us move on to liabilities. Items under current liabilities that allowed primary fluctuations year on year are accounts payable an increase of 1,865 million yen, income taxes payable an increase of 552 million yen.

When balances of loans payable under current liabilities and long-term liabilities were put together, the total balance of short-term loans payable, long-term debt, corporate bonds, etc. decreased 7,699 million yen year on year, to 139,632 million yen.

Let us move on to the section of shareholders' equity. Under this section, net income recorded 3,504 million yen, and dividends of 2,793 million yen were paid.

In addition, differences on revaluation of other marketable securities fell 72 million yen, and shareholders' equity fell 9 million yen due to increased treasury stock. As a result, total shareholders' equity rose 628 million yen year on year, to 183,017 million yen.

Total liabilities and shareholders' equity fell 4,954 million yen year on year, to 361,664 million yen.

6. Non-Consolidated Profit and Loss Statement

We will continue to make a report on details of Non-Consolidated Profit and Loss Statement. Please refer to page 14 of the Business Report of the 59th Business Term.

First, net sales rose 126 million yen from the previous term, to 185,232 million yen.

Cost of sales rose 3,780 million yen from the previous term, to 162,966 million yen.

As a result, gross profit increased 3,653 million yen year on year, to 22,265 million yen.

Selling, general and administrative expenses decreased 1,248 million yen year on year, to 20,319 million yen due mainly to a fall of 1,610 million yen in these expenses accompanied by business division into Minebea-Matsushita Motor Corporation.

As a result, operating income fell 2,405 million yen year on year, to 1,946 million yen.

The net balance of other income and expenses after deducting other expenses from other income was an income of 9,111 million yen. This represents a year-on-year rise of 119 million yen from the year-ago income of 8,991 million yen.

The major reason for this increase is that dividends received from overseas subsidiaries increased 194 million yen, compared with the end of the previous year.

Ordinary income decreased 2,285 million yen year on year, to 11,057 million yen.

Total extraordinary income was 310 million yen. Of this amount, fixed asset sales gains were 126 million yen, mainly gains from machinery sales by the Karuizawa plant.

Reversal of allowance for doubtful receivables was 184 million yen. This is mainly reversal of 117 million yen related to the liquidation of Minebea Onkyo Co., Ltd.

Total extraordinary loss was 4,522 million yen. Of this amount, fixed asset sales losses were 1,378 million yen, mainly the Kofu plant sales loss of 1,369 million yen.

Additions to allowance for doubtful receivables were 1,668 million yen. These consist of mainly added allowance for doubtful receivables from the following accounts Minebea Technologies Pte. Ltd. 852 million yen, Minebea Electronics Co., Ltd. 819 million yen.

Net income was 3,504 million yen, reflecting total income taxes of 3,341 million yen.

Added to this income were profits brought forward of 1,393 million yen. As a consequence, un-appropriated retained earnings amounted to 4,898 million yen.