



**BRIEF REPORT OF INTERIM CONSOLIDATED FINANCIAL RESULTS**  
(Half year ended September 30, 2004)

November 11, 2004

Registered Company Name: **MINEBEA CO., LTD.** Common Stock Listings: Tokyo, Osaka and Nagoya  
Code No: 6479 Headquarters: Nagano-ken

(URL <http://www.minebea.co.jp>)

Representative : Tsugio Yamamoto Representative Member of the Board , President and Chief Executive Officer  
Contact: Takashi Yamaguchi Managing Executive Officer in charge of Finance and Accounting

Tel. (03) 5434-8611

Board of Directors' Meeting on the Consolidated Financial Results held on: November 11, 2004  
Adoption of U.S. Accounting Standards: None

1. Business performance (April 1,2004 through September 30,2004)

(1) Consolidated Results of Operations (Amounts less than one million yen have been omitted.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
FY2005 Interim	146,751	9.7	5,468	(42.2)	3,885	(48.6)
FY2004 Interim	133,741	(2.6)	9,467	(7.0)	7,558	(1.4)
FY2004 Annual	268,574		18,104		13,800	

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)
FY2005 Interim	1,095	(59.8)	2.74	-
FY2004 Interim	2,726	7.2	6.83	6.59
FY2004 Annual	6,019		15.08	14.51

(Notes) 1. Income or loss on investments for FY2005 interim on the equity method totaled 8 million yen, 4 million yen in FY2004 interim and 3 million yen in FY2004.

2. Weighted average number of shares outstanding during the respective years (consolidation) :  
399,080,603 shares at September 30,2004      399,094,811 shares at September 30,2003  
399,090,062 shares at March 31,2004

3. Changes in accounting method: None

4. The percentages of net sales, operating income, ordinary income and net income show variances against previous interim period.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Shareholders' equity ratio (%)	Shareholder's equity per share (yen)
FY2005 Interim	334,806	99,005	29.6	248.08
FY2004 Interim	317,365	96,078	30.3	240.74
FY2004 Annual	314,915	93,866	29.8	235.21

(Notes) Number of shares outstanding at end of term (consolidation) :

399,077,227 shares at September 30,2004      399,089,250 shares at September 30,2003  
399,083,036 shares at March 31,2004

(3) Consolidated Cash Flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financing activities (millions of yen)	Cash and cash equivalents at end of interim period (millions of yen)
FY2005 Interim	13,059	(10,074)	(8,735)	21,087
FY2004 Interim	5,787	(7,576)	(224)	11,850
FY2004 Annual	21,714	(14,932)	4,391	24,780

(4) Scope of consolidation and application of equity method

Number of consolidated companies..... 49 companies

Number of non-consolidated companies..... None

Number of affiliated companies for equity method.... 2 companies

(5) Accounting changes of scope of consolidation and application of equity method

(a) Changes in consolidated subsidiaries

Anew: 4 companies      Exclusion: 1 company

(b) Changes of the companies subject to equity method

Anew: None      Exclusion: None

2. Prospect for the current fiscal year (April 1,2004 through March 31, 2005)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
Annual	300,000	10,000	5,000

(Reference) Projected net income per share(Annual) : 12.53 yen

(Note) The above-mentioned forecasts are based on the information available as of the date when this information is disclosed, as well as on the assumptions as of the disclosing date of this information related with unpredictable parameters that are probable to affect our future business performances in the end.

In other words, our actual performances are likely to differ greatly from these estimates depending on various factors that will take shape from now on. As for the assumptions used for these forecasts and other related items, please refer to page six of the documents attached hereunder.

## (Reference)

### 1. Condition of group of enterprises

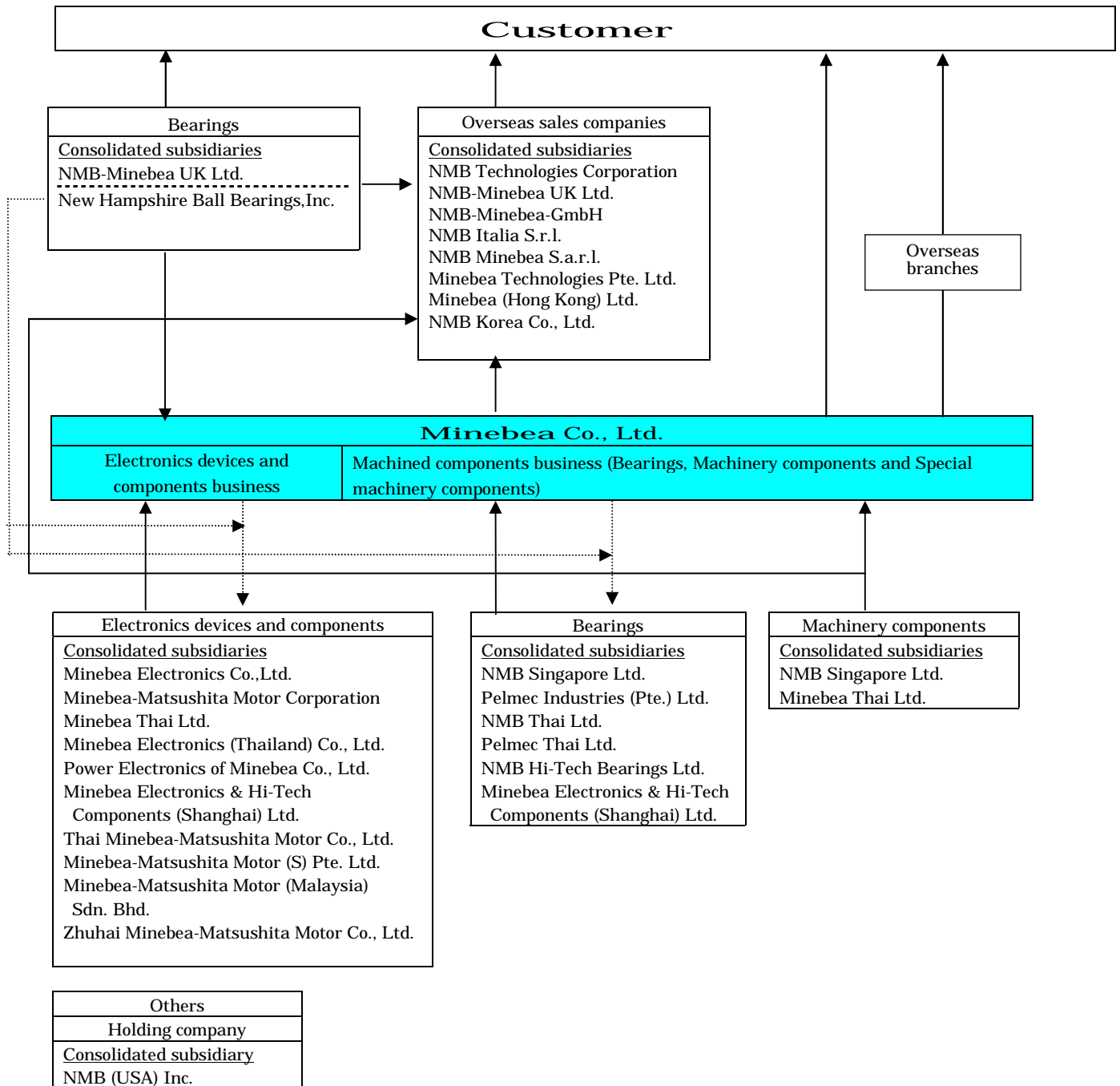
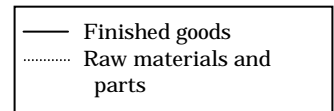
Minebea group consists of Minebea Co., Ltd. (the company) and 51 related companies (49 consolidated subsidiaries and 2 affiliates companies). Minebea group produces and sells bearings, machinery components, special machinery components, electronic devices.

The company and domestic consolidated subsidiaries, consolidated subsidiaries in U.S.A., Europe and Asia are in charge of production. The Company markets its products directly to Japanese customers. In overseas markets, the Company markets its products through its subsidiaries and branches in the United States, Europe and Asia.

The relationship between each operation and business segments, and main manufacturing and sales companies are as follows.

Business segments	Operations	Manufacturing companies	Sales companies
Machined components business	Bearings	Minebea Co., Ltd. New Hampshire Ball Bearings, Inc. NMB-Minebea UK Ltd. NMB Singapore Ltd. Pelmech Industries (Pte.) Ltd. NMB Thai Ltd. Pelmech Thai Ltd. NMB Hi-Tech Bearings Ltd. Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	Minebea Co., Ltd. NMB Technologies Corporation New Hampshire Ball Bearings, Inc. NMB-Minebea UK Ltd. NMB-Minebea-GmbH NMB Italia S.r.l. NMB Minebea S.a.r.l. Minebea Technologies Pte. Ltd. Minebea (Hong Kong) Ltd. NMB Korea Co., Ltd.
	Machinery components	Minebea Co., Ltd. NMB Singapore Ltd. Minebea Thai Ltd.	
	Special machinery components	Minebea Co., Ltd.	
Electronics devices and components business	Electronics devices and components	Minebea Co., Ltd. Minebea Electronics Co., Ltd. Minebea-Matsushita Motor Corporation Minebea Thai Ltd. Minebea Electronics (Thailand) Co., Ltd. Power Electronics of Minebea Co., Ltd. Minebea Electronics & Hi-Tech Components (Shanghai) Ltd. Thai Minebea-Matsushita Motor Co., Ltd. Minebea-Matsushita Motor (S) Pte. Ltd. Minebea-Matsushita Motor (Malaysia) Sdn. Bhd. Zhuhai Minebea-Matsushita Motor Co., Ltd.	

Operation route is as follows.



## 2. Management Policy

### (1) Basic Management policy

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

- (a) Ensure that Minebea is a company for which we feel proud to work.
- (b) Reinforce the confidence our customers have.
- (c) Respond to our shareholders' expectations.
- (d) Ensure a welcome for Minebea in local communities.
- (e) Contribute to a global society.

Under this basic management policy, we have actively addressed the development of high value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display our strength. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form 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 have continued our commitment to environmental protection activities.

### (2) Basic Policy for Profit Sharing

Our basic dividend policy is to consider the return of profits to shareholders, business development, the strengthening of corporate structure, etc. in an overall perspective. We consider it important to continue paying stable dividends. Therefore, we will use internal reserves in providing for operating funds in connection with the enhancement of corporate structure and new growth in the future.

### (3) Future Management strategies and tasks

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

The tasks to be accomplished to achieve this goal are to:

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

2. Matsushita Electric Industrial Co., Ltd. and we launched on April 1, 2004 Minebea-Matsushita Motor Corporation, a joint venture company, to integrate all functions of the information equipment motor business of both companies in four categories – axial fan motors, stepping motors, vibration motors and direct current (DC) brush motors.

The joint venture company taps Minebea's advanced ultra-precision machining, mass-production technologies, cost competitiveness and Matsushita's cutting-edge product development technologies to strengthen its high added-value product development/manufacturing capabilities and accelerate development speed, as well as establishing strong customer support structure. The new company aims to increase its global competitiveness and capture the leading position in markets worldwide in relevant product categories. This is achieved through standardization of manufacturing processes and designing methods utilizing advanced production engineering and product development technologies of the two companies, and through cost reduction efforts from the development of advanced magnet / material analysis technologies.

3. We have successfully developed two types of new fluid dynamic bearing (FDB) units that are high-performance, cost-competitive, and fit for mass-production. We expect to start mass-production at the end of this fiscal year at the earliest. We are thinking of standardizing these FDB units to be used in spindle motors for hard disk drives (HDDs), and selling them to our customers in future.

### (4) Basic ideas on Corporate Governance and Measures to be taken

We consider that a company should be managed or administered in a way that shareholder value is maximized. Therefore, in order to enhance the Board of Directors' function as the highest management decision-making body and to set up a structure that enables quicker and more strategically focused management decision making in accordance with our sound business policy, we reduced the number of directors from 25 to 10. We also introduced an Executive Officer System under which we strive to clarify management/supervising roles and business executive functions, enhance organizational transparency, and improve our responsiveness to markets and our ability to execute. Additionally, two of the 10 Board members and two of the four standing corporate auditors are independent directors and auditors, respectively, to enhance management transparency and the accountability of the directors to shareholders on the whole. Furthermore, under the EVA management system, we build a structure that enables us to make strategic decisions on

such issues as selective focusing of business resources and appropriate allocation of management resources. At the same time, we adopt an incentive program in which the bonuses of directors and executive officers are linked to consolidated EVA.

(5) Management Index

Our consolidated forecasts for fiscal year ending March 2005 are as follows:

(Amount: million of yen)

	Fiscal year ending March 2005	
Net sales	300,000	(112%)
Operating income	14,000	( 77%)
Ordinary income	10,000	( 72%)
Net income	5,000	( 83%)
Capital investment	20,000	(106%)

(%): Year-on-year rate of change

3. Operating Performance and Financial Position

(1) Operating Performance

1. Overview of the half year

During the current consolidated interim term, the Japanese economy continued to recover steadily. Increased consumer spending, led by steady personal income, and moderate growth in exports boosted production and corporate earnings, stimulating expanded business investment. The U.S. economy lost some momentum owing to the rise in oil prices and other economic factors, but business expanded with increased production and companies' business climate index at a high level. The European economy recovered moderately with pickup in foreign demand on the back of worldwide economic recovery. In Asia, despite concerns over its overheated business activity, the Chinese economy continued to maintain high growth. Also, in some other countries in Southeast Asia such as Thailand and Singapore, the economies maintained a growing trend buoyed by recovery of the world economy and China's high growth.

In this business climate, we strove to aggressively expand our marketing efforts in the business segments, including Minebea-Matsushita Motor Corporation, a joint venture company established in the current fiscal year with Matsushita Electric Industrial Co., Ltd.; further enhance productivity; improve product quality; and develop high value-added products. As a result, net sales increased 13,009 million yen (9.7%) year on year to 146,751 million yen. However, owing to delays in the improvement of our electronic devices business, operating income and ordinary income decreased 3,999 million yen (-42.2%) and 3,673 million yen (-48.6%) year on year, respectively, to 5,468 million yen and 3,885 million yen. Interim income substantially fell 1,631 million yen (-59.8%) year on year to 1,095 million yen.

(a) Performance by business segment is as follows:

Machined components business

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 on year owing to our vigorous sales expansion efforts. Also, sales of rod-end bearings rose, particularly in the U.S. In pivot assemblies, sales were adversely affected by the HDD industry's inventory adjustments in the first quarter of the year, but grew steadily. As a result, net sales rose 1,685 million yen (3.0%) year on year to 57,350 million yen, and operating income rose 1,300 million yen (14.2%) year on year to 10,478 million yen, due to reduction in cost attained by improved productivity and other factors.

Electronic devices and components business

Our core products in this business segment include information motors such as HDD spindle motors, fan motors, stepping motors, vibration motors and DC brush motors; PC keyboards; speakers; back lights; and measuring instruments. Sales of information motors, handled by Minebea-Matsushita Motor Corporation, a joint venture company with Matsushita Electric Industrial Co., Ltd., rose due to integration effects. Also, sales of back lights and measuring instruments increased largely, but sales of spindle motors were weak, strongly affected by the HDD industry's inventory adjustments. As a consequence, net sales increased 11,324 million yen (14.5%) year on year to 89,400 million yen, whereas operating income significantly decreased 5,299 million yen year on year to -5,010 million yen. This was primarily owing to delays in cost reduction caused by the substantial decrease in the production of HDD spindle motors; increased costs accompanying the production shift of PC keyboards from Thailand to Shanghai; increased operating expenses incurred in our information motors business segment; and costs incurred accompanying production integration.

(b) The Performance by Geographical Segment is as follows:

Japan

Owing to the new addition of the former Matsushita's motor businesses resulting from the launch of Minebea-Matsushita Motor Corporation, net sales rose 5,425 million yen (16.5%) year on year to 38,251 million yen. However, due to increased operating expenses in our information motors business segment and other business factors, operating income substantially fell 1,679 million yen (-91.7%) year on year to 152 million yen.

Asia excluding Japan

This region is an important manufacturing base for Japanese, European, and American manufacturers of personal computers and household electrical appliances. Sales were firm owing mainly to recovery of demand from the information & telecommunications equipment industry and steady demand from the household electrical appliance industry, although adversely affected by inventory adjustments in HDD-related industries. On the other hand, however, profits were in a harsh operating environment, mainly due to our subdued HDD spindle motors business, expenses incurred by the production integration of the newly established Minebea-Matsushita Motor Corporation and increased PC keyboard production transfer costs. As a consequence, net sales increased 7,043 million yen (11.4%) year on year to 68,915 million yen, while operating income substantially decreased 3,743 million yen (-56.9%) year on year to 2,836 million yen.

North America

Despite progress in production shift by our information & telecommunications equipment customers to Asia, sales of PC keyboards and other electronic devices and components were firm in this region. In addition, private and military demand for ball bearings made in the U.S. and rod-end bearings mainly for sales to the private aviation industry were also brisk. This resulted in net sales at 25,924 million yen, up 1,923 million yen (8.0%) year on year. Operating income substantially increased 1,832 million yen (405.3%) year on year to 2,284 million yen.

Europe

Sales of ball bearings, rod-end bearings and other products were firm as a moderate economic recovery was seen in this region. On the other hand, sales of electronic devices and components such as PC keyboards were sluggish. As a consequence, net sales were 13,659 million yen and operating income 195 million yen, down 1,382 million yen (-9.2%) and 408 million yen (-67.7%) year on year, respectively.

2. Outlook for the current fiscal year

We expect that the world economy will continue to stay on a well-balanced recovery path, led by moderate economic growth in the U.S. and China, although there are several potential causes of instability such as high prices in oil markets.

(a) The Outlook by business Segment for the current fiscal year is as follows:

Machined components business

In mainstay ball bearings, we continue to aggressively make sales expansion efforts as there is strong demand from makers of household electrical appliances, information & telecommunications equipment and automobiles. In addition to achieving economies of mass production as a result of this sales expansion, we also strive to bring costs down further and enhance product quality, thereby improving business performance.

In rod-end bearings, sales continue to exceed plan, particularly in the U.S., and we expect that this trend will continue in the future.

Electronic devices business.

In our information motors business, we expect that it will take time for us to reorganize the business as a joint venture business and benefit from the effects of Matsushita Electric Industrial Co., Ltd.'s cutting-edge product development technologies fused to Minebea's advanced ultra-precision machining and mass-production technologies. In the second half of the year, we will decrease costs by reviewing operating expenses in this business, aggressively consolidating the production facilities and improving manufacturing efficiency.

In our spindle motors business, entering into the 2.5-inch HDD spindle motor market at an early stage and launching new products of successfully-developed, overwhelmingly competitive ROF-type and HMF-type are at the top of the agenda. We expect that our efforts toward these agenda will become fruit extensively in the next fiscal year.

In the area of PC keyboards, we are proceeding with starting up mass production in Shanghai and expect that we will be able to achieve competitive edges to overcome intensified price competition in the second half of the year.

In other electronic equipment such as backlights and measuring components, we expect that sales will be strong.

(b) The outlook by Geographical Segment for the current fiscal year is as follows:

Japan

Despite production shift from their plants in Japan to those in other Asian countries by many of our customers, we expect that sales will increase year on year, owing mainly to brisk demand for our ball bearings and the new addition of Minebea-Matsushita Motor Corporation—our joint venture business with Matsushita Electric Industrial Co., Ltd. We are now taking profit enhancement measures, including a review of this joint venture's costs, and expect that full-scale recovery of operating income will be in the next fiscal year and beyond.

Asia excluding Japan

As sales and manufacturing bases, we expect that this region will enjoy strong sales. We also expect that operating income will be gradually improved in the second half of the year by progress in the above various measures for the information motors, spindle motors and PC keyboards businesses in our electronic devices segment.

North America

In U.S.-manufactured ball bearings, rod-end bearings and other principal products, we continue to receive strong orders from the aerospace industry. Combined with import products such as PC keyboards, ball bearings and motors that we are manufacturing in Asia, we expect that these strong orders will post firm sales.

Europe

The European economies, although showing signs of moderate recovery, are not in full-scale recovery. We expect that sales and operating income for the full year will move as we witnessed for the current interim term.

(2) Financial Position in the Interim Period of the Current Fiscal Year

The Minebea Group has pursued its principal management policy of enhancing its financial soundness and continued to take decisive steps to squeeze total assets, restrain capital investment, and reduce interest-bearing debt. The balance of cash and cash equivalents in the current interim term totaled 21,087 million yen, up 9,237 million yen (77.9%) year on year.

Cash flows from various business activities during the current interim term and relevant factors are as follows:

Due mainly to 3,391 million yen of interim income before income taxes, 11,372 million yen of depreciation charges and the increase in inventories, net cash inflow from operating activities rose 7,272 million yen (125.7 %) year on year to 13,059 million yen.

Owing mainly to the increase of expenditure for purchase of property, plant and equipment from the prior interim term to 11,329 million yen, net cash outflow from investing activities rose 2,498 million yen (33.0%) year on year to 10,074 million yen.

Owing mainly to a total decrease of commercial paper and short-term and long-term debt by 5,944 million yen, net cash outflow from financing activities rose 8,510 million yen year on year to 8,735 million yen.

In the current interim term, cash and cash equivalents rose by 1,596 million yen, owing to consolidated subsidiary Minebea-Matsushita Motor Corporation taking over assets of 16,542 million yen and liabilities of 11,472 million yen from Matsushita Electric Industrial Co., Ltd. accompanying the integration of information motor businesses with Matsushita.

(3) Important Agreement in the Interim Period of the Current Fiscal Year

None

#### 4. Interim Consolidated Financial Statements and Notes

##### (1) Interim Consolidated Balance Sheets

	As of September 30,2004		As of September 30,2003		Increase or (decrease) (2004- 2003)		As of March 31,2004	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
<b>ASSETS</b>								
Current assets.....	152,183	45.5	132,800	41.8	19,382	14.6	138,953	44.1
Cash and cash equivalents.....	21,087		11,850		9,237		24,780	
Notes and accounts receivable....	63,630		58,577		5,053		58,241	
Inventories.....	49,261		45,351		3,909		41,534	
Deferred tax assets.....	7,297		8,328		(1,030)		6,554	
Others.....	11,208		9,128		2,079		8,251	
Allowance for doubtful receivables	(302)		(435)		132		(408)	
Fixed assets.....	182,523	54.5	184,554	58.2	(2,030)	(1.1)	175,916	55.9
Tangible fixed assets.....	158,381		156,409		1,971		148,457	
Building and structure.....	96,031		94,288		1,742		92,881	
Machinery and transportation equipment.....	197,390		188,375		9,015		181,630	
Tools, furniture and fixtures.....	51,951		46,630		5,321		44,945	
Land.....	16,348		16,508		(160)		16,135	
Construction in progress.....	1,802		1,640		161		763	
Accumulated depreciation.....	(205,143)		(191,033)		(14,109)		(187,897)	
Intangible fixed assets.....	12,073		12,867		(794)		12,403	
Consolidation adjustments.....	11,082		11,917		(835)		11,423	
Others.....	991		950		41		980	
Investment and other assets.....	12,068		15,277		(3,208)		15,055	
Investment in securities.....	6,544		5,835		709		7,086	
Long-term loans receivable.....	33		144		(111)		46	
Deferred tax assets.....	3,837		7,584		(3,746)		6,167	
Others.....	1,780		1,821		(41)		1,897	
Allowance for doubtful receivables	(126)		(108)		(18)		(142)	
Deferred charges.....	99	0.0	9	0.0	89	893.3	45	0.0
Total assets.....	334,806	100.0	317,365	100.0	17,441	5.5	314,915	100.0

	<u>September 2004</u>	<u>September 2003</u>	<u>March 2004</u>
(Note) Treasury stock.....	90,468 shares	78,445 shares	84,659 shares



	As of September 30,2004		As of September 30,2003		Increase or (decrease) 2004-2003		As of March 31,2004	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
<b>LIABILITIES</b>								
Current liabilities.....	178,519	53.3	135,873	42.8	42,645	31.4	167,626	53.2
Notes and accounts payable.....	28,755		24,572		4,183		22,777	
Short-term loans payable.....	79,031		68,276		10,754		72,195	
Commercial paper.....	—		3,000		(3,000)		4,000	
Current portion of long-term loans payable .....	4,266		3,549		716		6,367	
Current portion of bonds.....	10,000		10,000		—		10,000	
Current portion of convertible bonds.....	27,080		—		27,080		27,080	
Accrued income taxes.....	2,829		2,407		422		2,638	
Accrued bonuses.....	4,834		4,522		312		3,208	
Reserve for loss on liquidation of the business of switching power supplies, inductors and transformers, etc.....	-		2,390		(2,390)		-	
Reserve for environmental preservation expense .....	958		1,129		(170)		989	
Others.....	20,762		16,024		4,737		18,368	
Long-term liabilities.....	52,964	15.8	84,450	26.6	(31,486)	(37.3)	52,743	16.8
Bonds.....	28,000		28,000		—		28,000	
Convertible bonds.....	—		27,080		(27,080)		-	
Bond with warrant.....	4,000		4,000		—		4,000	
Long-term loans payable.....	20,227		23,672		(3,444)		19,842	
Allowance for retirement benefits...	407		683		(275)		594	
Allowance for retirement benefits to executive officers.....	35		7		27		22	
Others.....	294		1,007		(713)		284	
Total liabilities.....	231,483	69.1	220,324	69.4	11,159	5.1	220,370	70.0
<b>MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES</b>								
	4,318	1.3	962	0.3	3,355	348.5	678	0.2
<b>SHAREHOLDERS' EQUITY</b>								
Common stock.....	68,258	20.4	68,258	21.5	—	—	68,258	21.7
Additional paid-in capital.....	94,756	28.3	94,756	29.9	—	—	94,756	30.1
Retained earnings.....	3,851	1.2	2,256	0.7	1,594	70.7	2,755	0.8
Difference on revaluation of other marketable securities.....	1,307	0.4	1,098	0.3	209	19.0	1,647	0.5
Foreign currency translation adjustments.....	(69,119)	(20.7)	(70,249)	(22.1)	1,129	(1.6)	(73,505)	(23.3)
Treasury stock.....	(49)	(0.0)	(43)	(0.0)	(6)	14.1	(46)	(0.0)
Total shareholders' equity.....	99,005	29.6	96,078	30.3	2,926	3.1	93,866	29.8
<b>TOTAL LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS' EQUITY.....</b>								
	334,806	100.0	317,365	100.0	17,441	5.5	314,915	100.0

## (2) Interim Consolidated Statements of Income

	Half year ended Sept. 30, 2004		Half year ended Sept. 30, 2003		Increase or (decrease) (2004-2003)		Year ended March 31, 2004	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
Net sales.....	146,751	100.0	133,741	100.0	13,009	9.7	268,574	100.0
Cost of sales.....	115,997	79.0	100,385	75.1	15,612	15.6	203,260	75.7
Gross profit.....	30,753	21.0	33,356	24.9	(2,603)	(7.8)	65,313	24.3
Selling, general and administrative expenses.....	25,285	17.3	23,889	17.8	1,395	5.8	47,208	17.6
Operating income.....	5,468	3.7	9,467	7.1	(3,999)	(42.2)	18,104	6.7
Other income.....	855	0.6	584	0.4	270	46.3	1,289	0.5
Interest income.....	62		63		(0)		111	
Dividends income.....	35		25		10		26	
Equity income of affiliates.....	8		4		3		3	
Others.....	748		491		256		1,147	
Other expenses.....	2,438	1.7	2,493	1.8	(55)	(2.2)	5,594	2.1
Interest expenses.....	1,545		1,713		(167)		3,213	
Foreign currency exchange loss.....	330		147		182		771	
Others.....	562		632		(69)		1,609	
Ordinary income.....	3,885	2.6	7,558	5.7	(3,673)	(48.6)	13,800	5.1
Extraordinary income.....	308	0.2	119	0.1	189	158.2	1,732	0.6
Revised loss on liquidation of affiliates in the previous the fiscal year.....	-		72		(72)		325	
Gain on sales of fixed assets.....	268		47		221		83	
Gain on sales of investments securities.....	-		-		-		881	
Reversal of allowance for doubtful receivables.....	39		-		39		-	
Reversal of reserve for liquidation of the business of switching power supplies, inductors and transformers, etc.....	-		-		-		441	
Extraordinary loss.....	802	0.5	1,378	1.1	(576)	(41.8)	2,573	0.9
Loss on sales of fixed assets.....	30		74		(44)		105	
Loss on disposal of fixed assets.....	259		251		8		642	
Loss on revaluation of investments securities.....	29		-		29		-	
Loss on liquidation of affiliates.....	165		-		165		-	
Loss for after-care of products.....	-		-		-		476	
Retirement benefits expense.....	304		313		(8)		610	
Special severance payment.....	-		307		(307)		307	
Retirement benefits to directors and corporate auditors.....	12		431		(419)		431	
Income before income taxes and minority interests.....	3,391	2.3	6,299	4.7	(2,908)	(46.2)	12,958	4.8
Income taxes								
Current (including enterprise tax).....	2,739		2,247		491		4,411	
Adjustment of income taxes.....	1,029		1,376		(346)		2,798	
Total income taxes.....	3,769	2.6	3,624	2.7	145	4.0	7,210	2.7
Minority interests in earnings of consolidated subsidiaries.....	(1,473)	(1.0)	(51)	(0.0)	(1,421)	-	(271)	(0.1)
Net income.....	1,095	0.7	2,726	2.0	(1,631)	(59.8)	6,019	2.2

(3) Interim Consolidated Statements of Retained Surplus

	Half year ended Sept.30,2004	Half year ended Sept.30,2003	Increase or (decrease) (2004-2003)	Year ended March 31,2004
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>CAPITAL RETAINED EARNINGS</b>				
Additional paid-in capital at beginning of interim period (full year).....	94,756	94,756	-	94,756
Additional paid-in capital at end of interim period (full year).....	94,756	94,756	-	94,756
<b>RETAINED EARNINGS</b>				
Retained earnings at beginning of interim period (full year).....	2,755	(454)	3,209	(454)
Increase of retained earnings.....	1,095	2,726	(1,631)	6,019
Net income.....	1,095	2,726	(1,631)	6,019
Decrease of retained earnings.....	0	16	(16)	2,809
Decrease of retained earnings for decrease of consolidated subsidiaries	-	16	(16)	16
Cash dividends.....	-	-	-	2,793
Loss on disposal of treasury stock..	0	-	0	0
Retained earnings at end of interim period (full year).....	3,851	2,256	1,594	2,755

## (4) Interim Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Half year ended Sept. 30,2004	Half year ended Sept. 30,2003	Increase or (decrease) 2004-2003	Year ended March 31,2004
<b>1. Cash Flows from Operating Activities:</b>				
Income before income taxes and minority interests.....	3,391	6,299	(2,908)	12,958
Depreciation and amortization.....	11,372	11,053	319	21,705
Amortization of consolidation adjustments.....	541	517	24	1,023
Equity income of affiliates.....	(8)	(4)	(3)	(3)
Interest and dividend income.....	(98)	(88)	(9)	(138)
Interest expense.....	1,545	1,713	(167)	3,213
(Income) loss on sales of fixed assets.....	(238)	27	(266)	22
Loss on disposal of fixed assets.....	259	251	8	642
Increase (decrease) in reserve for losses on after-care of products	(210)	(182)	(28)	227
Gain on sales of investments securities.....	-	-	-	(881)
Loss on revaluation of investments securities.....	29	-	29	-
Increase in notes and accounts receivable.....	(1,444)	(6,732)	5,288	(7,734)
Increase in inventories.....	(3,578)	(4,320)	742	(1,883)
Increase (decrease) in notes and accounts payable.....	4,365	855	3,509	(386)
Decrease of allowance for doubtful receivables.....	(140)	(384)	244	(365)
Increase (decrease) in accrued bonuses.....	1,586	1,228	357	(30)
Decrease in reserve for losses on liquidation of the business of switching power supplies, inductors and transformers etc.....	-	(730)	730	(3,144)
Decrease of reserve for environmental preservation expenses....	(30)	-	(30)	(139)
Increase (decrease) in retirement allowance.....	(244)	570	(815)	559
Increase of allowance for retirement benefits to executive officers.....	12	7	5	22
Other.....	(827)	(122)	(705)	3,078
Sub-total	16,283	9,959	6,323	28,745
Interest and dividends received.....	98	86	11	176
Interest paid.....	(1,494)	(1,619)	125	(3,197)
Income tax paid.....	(1,828)	(2,639)	811	(4,009)
Net cash provided by operating activities	13,059	5,787	7,272	21,714
<b>2. Cash Flows from Investing Activities:</b>				
Purchase of tangible fixed assets.....	(11,329)	(9,884)	(1,445)	(18,825)
Proceeds from sales of tangible fixed assets.....	1,146	998	148	2,372
Purchase of investment in securities.....	(37)	(0)	(37)	(1,999)
Proceeds from sales of investment in securities.....	-	14	(14)	2,544
Proceeds from sales of share in subsidiaries.....	-	385	(385)	385
Long term loans receivables.....	(64)	(13)	(50)	(156)
Recovery of long term loans receivables.....	102	57	44	218
Other.....	107	865	(758)	529
Net cash used in investing activities	(10,074)	(7,576)	(2,498)	(14,932)
<b>3. Cash Flows from Financing Activities:</b>				
Increase (decrease) in short-term loans payable.....	(83)	1,747	(1,831)	6,248
Increase (decrease) in the amount in commercial paper.....	(4,000)	-	(4,000)	1,000
Long term loans payable.....	473	1,287	(814)	1,633
Repayment of long term loans payable.....	(2,334)	(1,335)	(999)	(2,513)
Earnings from issuance of bonds.....	-	-	-	10,000
Loss on redemption of bonds.....	-	-	-	(10,000)
Purchase of treasury stock.....	(2)	(5)	2	(9)
Cash dividends paid.....	(2,793)	(2,793)	0	(2,793)
Cash dividends paid to minority shareholders.....	-	(27)	27	(27)
Paid-in capital from minority shareholders.....	-	901	(901)	905
Other.....	6	-	6	(52)
Net cash used in financing activities	(8,735)	(224)	(8,510)	4,391
4. Effect of Exchange Rate Changes on Cash and Cash Equivalents	461	(312)	774	(570)
5. Net Increase (decrease) in Cash and Cash Equivalents	(5,288)	(2,326)	(2,962)	10,603
6. Cash and Cash Equivalents at Beginning of Period	24,780	14,177	10,603	14,177
7. Increase in Cash and Cash Equivalents due to Establishment of a Joint Venture	1,596	-	1,596	-
8. Cash and Cash Equivalents at End of Interim Period (Full Year)	21,087	11,850	9,237	24,780

## (5) Basis of presenting interim consolidated financial statements

### 1. Scope of consolidation and application of equity method

Number of consolidated companies.....49 companies

Included are NMB Singapore Ltd., NMB (USA) Inc., NMB Thai Ltd., Minebea Electronics (Thailand) Co., Ltd.

Number of affiliated companies.....2 companies

of which, equity method is applied to 2 companies including Shonan Seiki Co., Ltd., Kanto Seiko Co., Ltd..

### 2. Scope of consolidation and application of equity method

#### (a) Changes in consolidated subsidiaries

Anew:	Acquisition of stock	(3 companies)	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.
Exclusion:	Liquidation	(1 company)	NMB F.T. Inc.

#### (b) Changes of the companies subject to equity method

Anew: None

Exclusion: None

### 3. Closing date of consolidated subsidiaries

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

### 4. Significant 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 interim 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.

#### (b) Method of significant Depreciation

##### 1. Tangible fixed assets

The Company and consolidated domestic subsidiaries adopt the declining balance method. Useful lives and residual values are computed on the basis of the same method that is stipulated in the Corporation tax law. The depreciation method of depreciable assets whose acquisition values are not less than 100,000 yen and less than 200,000 yen has changed to a method by which those assets are equally depreciated in lump sum for three years.

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. Useful lives and residual values are computed on the basis of the same method that is stipulated in the Corporation tax law. 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, accrued bonuses are shown based on the anticipated amounts of payment in the current term. consolidated overseas subsidiaries make the record on accrual basis.

3. Allowance for retirement benefits

Regarding the company and its consolidated Japanese subsidiaries, the company stated an amount estimated to accrue at the end of the current interim term to provide for employee retirement benefits, based on estimated retirement benefits debts and pension assets at the end of the term.

Regarding the difference of 3,050 million yen arising at the time of changing accounting standards, the Company charged prorated amounts to expenses over five years and stated this extraordinary loss as retirement benefits expense.

Over the five to fifteen 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 interim 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 interim period 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 interim 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 sheets date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).

Financial items of assets and liabilities of consolidated overseas subsidiaries are translated into yen at the rates of exchange prevailing at the date of the interim period balance sheet, while income and expenses are translated into yen at the average rate of exchange during the fiscal period. The resulting exchange losses and gains are included in Minority Interests and foreign currency translation adjustments in Shareholders' Equity.

(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.

(g) Accounting method of consumption tax and other

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

5. Range of cash in cash flow statements

Cash and cash equivalents consist of cash on hand, demand deposit and short-term investments which expire within three months from acquisition date, have high liquidity and are easily turned into cash.

## (6) NOTES

## (a) Segment Information

## (1) By business segments

(Amount: millions of yen)

	FY2005 Interim (April 1, 2004 through September 30, 2004)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	57,350	89,400	146,751	-	146,751
(2) Sales to other segment	1,114	0	1,114	(1,114)	-
Total	58,464	89,401	147,866	(1,114)	146,751
Operating expense	47,986	94,411	142,397	(1,114)	141,282
Operating income (loss)	10,478	(5,010)	5,468	-	5,468
2. Assets, depreciation and capital expenditure					
Assets	185,066	221,267	406,333	(71,527)	334,806
Depreciation	5,239	6,133	11,372	-	11,372
Capital expenditure	3,585	15,784	19,370	-	19,370

(Notes) 1. The segments are defined by internal administration.

## 2. Main products

(a) Machined components business .....Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Defense-related special parts, etc.

(b) Electronic devices and components business.....Small motors, PC keyboards, Speakers, Back lights, Hybrid ICs, Inverter, Strain gauges, Load cells, etc.

(Amount: millions of yen)

	FY2004 Interim (April 1, 2003 through September 30, 2003)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	55,665	78,076	133,741	-	133,741
(2) Sales to other segment	1,111	4	1,116	(1,116)	-
Total	56,777	78,080	134,858	(1,116)	133,741
Operating expense	47,598	77,791	125,390	(1,116)	124,274
Operating income	9,178	289	9,467	-	9,467
2. Assets, depreciation and capital expenditure					
Assets	187,802	206,686	394,488	(77,123)	317,365
Depreciation	5,479	5,573	11,053	-	11,053
Capital expenditure	2,068	7,987	10,056	-	10,056

(Notes) 1. The segments are defined by internal administration.

## 2. Main products

(a) Machined components business .....Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Defense-related special parts, etc.

(b) Electronic devices and components business.....Small motors, PC keyboards, Speakers, Transformers, Switching power supplies, Inductor, Hybrid ICs, Strain gauges, Load cells, etc.

(Amount: millions of yen)

	FY2004 (Annual) (April 1,2003 through March 31, 2004)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
<b>1. Total sales and operating income</b>					
Total sales					
(1) Sales to customers	111,692	156,881	268,574	-	268,574
(2) Sales to other segment	2,191	15	2,206	(2,206)	-
Total	113,884	156,896	270,781	(2,206)	268,574
Operating expense	94,379	158,296	252,676	(2,206)	250,469
Operating income (loss)	19,505	(1,400)	18,104	-	18,104
<b>2. Assets, depreciation and capital expenditure</b>					
Assets	189,741	196,918	386,660	(71,744)	314,915
Depreciation	10,811	10,894	21,705	-	21,705
Capital expenditure	4,168	14,929	19,097	-	19,097

(Notes) 1. The segments are defined by internal administration.

## 2. Main products

(a) Machined components business .....Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Defense-related special parts, etc.

(b) Electronic devices and components business..... Small motors, PC keyboards, Speakers, Transformers, Back lights, Switching power supplies, Inductor, Hybrid ICs, Inverter, Strain gauges, Load cells, etc.



## (2) By geographical segments

(Amount: millions of yen)

	FY2005 Interim (April 1, 2004 through September 30, 2004)						
	Japan	Asia (excluding Japan)	North America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	38,251	68,915	25,924	13,659	146,751	-	146,751
(2) Sales to other segment	82,673	78,904	682	483	162,744	(162,744)	-
Total	120,925	147,820	26,606	14,143	309,495	(162,744)	146,751
Operating expense	120,773	144,983	24,322	13,947	304,027	(162,744)	141,282
Operating income	152	2,836	2,284	195	5,468	-	5,468
2. Assets	166,929	231,010	33,304	21,702	452,946	(118,140)	334,806

(Notes) Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North America.....United States

Europe.....United Kingdom, Germany, France, Italy

(Amount: millions of yen)

	FY2004 Interim (April 1, 2003 through September 30, 2003)						
	Japan	Asia (excluding Japan)	North and South America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	32,826	61,872	24,001	15,041	133,741	-	133,741
(2) Sales to other segment	69,383	62,862	1,524	687	134,457	(134,457)	-
Total	102,209	124,735	25,525	15,728	268,198	(134,457)	133,741
Operating expense	100,377	118,155	25,072	15,125	258,731	(134,457)	124,274
Operating income	1,831	6,579	452	603	9,467	-	9,467
2. Assets	159,410	213,281	33,751	20,860	427,303	(109,938)	317,365

(Notes) Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America.....United States, Mexico

Europe.....United Kingdom, Germany, France, Italy

(Amount: millions of yen)

	FY2004 (Annual) (April 1,2003 through March 31, 2004)						
	Japan	Asia (excluding Japan)	North and South America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	68,760	121,071	48,726	30,015	268,574	-	268,574
(2) Sales to other segment	138,157	125,129	2,858	1,387	267,533	(267,533)	-
Total	206,917	246,201	51,584	31,403	536,107	(267,533)	268,574
Operating expense	202,034	235,437	49,500	31,029	518,002	(267,533)	250,469
Operating income	4,883	10,763	2,084	374	18,104	-	18,104
2. Assets	166,277	201,193	29,172	20,075	416,719	(101,803)	314,915

(Notes) Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America.....United States, Mexico

Europe.....United Kingdom, Germany, France, Italy

## (3) Overseas Sales

(Amount: millions of yen)

	FY2005 Interim (April 1, 2004 through September 30, 2004)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	69,319	23,633	14,355	107,308
2. Total sales				146,751
3. Overseas sales on total sales	47.2%	16.1%	9.8%	73.1%

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America.....United States, Canada, Mexico, etc.

Europe.....United Kingdom, Germany, France, Italy, Netherlands, etc.

(Amount: millions of yen)

	FY2004 Interim (April 1, 2003 through September 30, 2003)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	62,027	22,791	16,095	100,914
2. Total sales				133,741
3. Overseas sales on total sales	46.4%	17.0%	12.0%	75.4%

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America.....United States, Canada, Mexico, etc.

Europe.....United Kingdom, Germany, France, Italy, Netherlands, etc.

(Amount: millions of yen)

	FY2004 (Annual) (April 1, 2003 through March 31, 2004)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	121,597	45,336	32,238	199,172
2. Total sales				268,574
3. Overseas sales on total sales	45.3%	16.9%	12.0%	74.2%

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method.....By geographical distance

(b) Main countries in each territory

Asia (excluding Japan).....Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America.....United States, Canada, Mexico, etc.

Europe.....United Kingdom, Germany, France, Italy, Netherlands, etc.

(b) Relating to lease transactions

	<u>Millions of Yen</u>								
	<u>Half year ended Sep.30,2004</u>			<u>Half year ended Sep.30,2003</u>			<u>Full year ended March 31,2004</u>		
(1) Equivalent of acquisition value of leased items, equivalent of total amount of depreciation and equivalent of interim (year-end) closing balance:	<u>Equivalent of acquisition value</u>	<u>Equivalent of total amount of depreciation</u>	<u>Equivalent of half year-end balance</u>	<u>Equivalent of acquisition value</u>	<u>Equivalent of total amount of depreciation</u>	<u>Equivalent of half year-end balance</u>	<u>Equivalent of acquisition value</u>	<u>Equivalent of total amount of depreciation</u>	<u>Equivalent of half year-end balance</u>
Machinery and transportation equipment	1,215	624	590	1,318	707	611	1,195	657	538
Tools, furniture and fixtures	3,140	1,798	1,342	3,189	1,652	1,537	3,079	1,720	1,358
Software	<u>91</u>	<u>67</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	4,447	2,491	1,956	4,508	2,359	2,148	4,275	2,378	1,896

Because of a low ratio of the interim (year-end) closing balance of unexpired lease expenses to a total amount of the interim (year-end) closing balance of tangible fixed assets, equivalent of acquisition value in the period under review has been calculated based on "interest payment inclusive method."

(2) Equivalent of interim (year-end) closing balance of unexpired lease expenses:

within-1-year	946	1,049	945
over 1-year	<u>1,009</u>	<u>1,098</u>	<u>950</u>
Total	1,956	2,148	1,896

Because of a low ratio of the interim (year-end) closing balance of unexpired lease expenses to a total amount of the interim (year-end) closing balance of tangible fixed assets, equivalent of the interim (year-end) closing balance of unexpired lease expenses in the period under review has been calculated based on "Interest payment inclusive method".

(3) The amount of lease expenses and equivalent of depreciation expenses:

Amount of lease expenses	611	661	1,242
Equivalent of depreciation expenses	611	661	1,242

(4) Method of computing equivalent of depreciation expenses:

Computation is based on straight-line method with the lease term as a useful life and the residual value to be set at zero.

(c) Marketable securities

**1. Marketable securities**

(Amount: millions of yen)

Classification	FY2005 (Interim)			FY2004 (Interim)			FY2004 (Annual)		
	Book value	Market price	Gain or (loss)	Book value	Market price	Gain or (loss)	Book value	Market price	Gain or (loss)
Other Marketable Securities with Market Value									
Stock	3,108	5,252	2,144	2,719	4,520	1,801	3,071	5,772	2,701
Total	3,108	5,252	2,144	2,719	4,520	1,801	3,071	5,772	2,701

**2. Main securities without market value**

(Amount: millions of yen)

Classification	FY2005 (Interim)	FY2004 (Interim)	FY2004 (Annual)
Stock	1,065	1,094	1,094
Total	1,065	1,094	1,094

(Note) Non-listed stock (Except for stock at over the counter)

(d) Contract amounts etc., current prices, and unrealized profits or losses of derivatives

Half year ended September 30,2004

Not Applicable

We excluded the items that are applied hedge account from this financial year's report.

Half year ended September 30,2003

Not Applicable

We excluded the items that are applied hedge account from this financial year's report.

Full year ended March 31,2004

Not Applicable

We excluded the items that are applied hedge account from this financial year's report.

(e) Going Concerns

Not Applicable

## (7) Amounts of production, orders received, sales

### 1. Production

Business segments	Product amount (millions of yen)	Change Y / Y (%)
Machined components business	57,432	97.3
Electronic devices and components business	88,369	108.5
Total	145,801	103.8

(Note) Amounts are provided on the basis of their sales prices, after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.

### 2. Orders received

Business segments	Orders received (millions of yen)	Change Y / Y (%)	Order backlog (millions of yen)	Change Y / Y (%)
Machined components business	59,002	105.6	36,326	108.6
Electronic devices and components business	93,956	117.9	27,006	114.1
Total	152,958	112.8	63,332	110.9

(Note) Amounts are provided on the basis of their sales prices, after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.

### 3. Sales

Business segments	Sales amount (millions of yen)	Change Y / Y (%)
Machined components business	57,350	103.0
Electronic devices and components business	89,400	114.5
Total	146,751	109.7

(Note) Amounts are provided after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.