



**OUTLINE OF FINANCIAL RESULTS
FOR THE FIRST QUARTER OF FY2006, ENDED JUNE 30,2005**

28 July, 2005

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: Takayuki Yamagishi Representative Director, President and Chief Executive Officer
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1. Matters concerning preparation of quarterly performance summary

(1) Concise accounting procedures adopted: None

(2) Changes in accounting method: Yes

Accounting Standard for Impairment of Fixed Assets (“Opinion on setting up an accounting standard for impairment of fixed assets” (Business Accounting Council, August 9, 2002) and “Application Guideline for Accounting Standard on Impairment of Fixed Assets” (Corporate Accounting Standard Application Guideline No. 6 specified by the Corporate Accounting Standard Commission, October 31, 2003) is applied. Loss due to impairment amount is 803 million yen.

(3) Accounting changes of scope of consolidation and application of equity method: None

(a) Changes in consolidated subsidiaries

Anew: None Exclusion: None

(b) Changes of the companies subject to equity method

Anew: None Exclusion: None

2. Business performance (April 1,2005 through June 30,2005)

(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 |
|--------------------|--------------------------------|-------------|---------------------------------------|-------------|--------------------------------------|-------------|
| FY2006 1st Quarter | 75,690 | 6.1 | 3,010 | 7.4 | 2,163 | 9.1 |
| FY2005 1st Quarter | 71,324 | 7.3 | 2,802 | (34.2) | 1,982 | (39.6) |
| FY2005 Annual | 294,422 | 9.6 | 14,083 | (22.2) | 10,206 | (26.0) |

| | Net income (millions of yen) | % Change | Net income per share (yen) | Fully diluted net income per share(yen) |
|--------------------|---------------------------------|-------------|-------------------------------|--|
| FY2006 1st Quarter | 980 | 370.2 | 2.46 | — |
| FY2005 1st Quarter | 208 | (50.5) | 0.52 | — |
| FY2005 Annual | 5,581 | (7.3) | 13.93 | 13.27 |

(Notes) 1. Income or loss on investments for the first quarter in FY2006 on the equity method totaled 6 million yen and 9 million yen in the first quarter FY2005 and 13 million yen in FY2005.

2. Weighted average number of shares outstanding during the respective years (consolidation):

399,061,265 shares at June 30,2005

399,082,456 shares at June 30,2004

399,074,238 shares at March 31,2005

3. The percentages of net sales, operating income, ordinary income and net income show changes from the same quarter of the previous fiscal year.

(2) Consolidated Financial Position

| | Total assets (millions of yen) | Shareholders' equity (millions of yen) | Shareholders' equity ratio (%) | Shareholders' equity per share (yen) |
|--------------------|-----------------------------------|---|-----------------------------------|---|
| FY2006 1st Quarter | 339,151 | 102,030 | 30.1 | 255.68 |
| FY2005 1st Quarter | 332,908 | 95,052 | 28.6 | 238.18 |
| FY2005 Annual | 332,217 | 102,088 | 30.7 | 255.82 |

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

399,061,220 shares at June 30,2005

399,082,019 shares at June 30,2004

399,062,072 shares at March 31,2005

(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 period (millions of yen) |
|--------------------|--|--|--|--|
| FY2006 1st Quarter | 3,752 | (4,232) | 1,973 | 23,406 |
| FY2005 1st Quarter | 5,838 | (4,210) | (6,073) | 22,109 |
| FY2005 Annual | 27,586 | (23,789) | (8,772) | 21,759 |

3. Prospect for this fiscal year (April 1, 2005 through March 31, 2006)

| | Net sales (millions of yen) | Ordinary income (millions of yen) | Net income (millions of yen) | Net income per share (yen) |
|---------|-----------------------------|-----------------------------------|------------------------------|----------------------------|
| Interim | 142,000 | 5,500 | 3,000 | 7.52 |
| Annual | 295,000 | 14,000 | 7,500 | 18.79 |

(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.

(Reference)

1. Operating Performance and Financial Position

(1) Operating Performance

1. Overview of the first quarter (April 1,2005 through June 30,2005)

During the first quarter of the current fiscal year, the Japanese economy recovered mildly, led by pickup in personal consumption, and increased capital investment, although it saw a slowdown of exports for capital goods due to the rise in oil and material prices, the tight-money measures adopted by China and other factors. The U.S. economy continued to grow, powered by high growth in mainly information-related capital investment, improvement of employment, and solid personal consumption, despite having risks such as housing price increases, current-account deficit, and rise in gasoline prices and others. In Europe, due to the high euro, tough employment and other factors, the situation in each country was mixed, but the total economy maintained a moderate growth. In China, exports were firm and the economy continued to maintain high growth despite a drop in import growth due to tight constraints on overheated investment. The economies in Southeast Asian countries stayed firm due to continued growth in the U.S. economy and high growth in China.

In this business climate, we strove to make our profitable basis stronger by continuing with our structural reform; further reduce costs; develop high value-added products and new technologies; and expand marketing efforts.

As a result, net sales increased 4,365 million yen (6.1%) year on year, to 75,690 million yen, operating income increased 208 million yen (7.4%) year on year, to 3,010 million yen. Ordinary income increased 180 million yen (9.1%), to 2,163 million yen, and net income also increased 771 million yen (370.2%) year on year, to 980 million yen.

As a result of implementing impairment accounting for fixed assets from the current fiscal year, we have posted an extraordinary loss of 803 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 stayed strong year on year owing to our vigorous sales expansion efforts. Also, sales of rod end bearings rose, mainly in the U.S. for the aerospace industry. In pivot assemblies, sales grew largely by strong demand of the HDD industry. As a result, net sales rose 2,317 million yen (8.2%) year on year to 30,573 million yen. Operating income was almost the same year on year to 5,067 million yen, due to cost reduction measures attained by increased production and productivity and other factors, despite effects from partial decrease in sales prices and rise in material prices.

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; LCD back lights; and measuring instruments. Sales of PC keyboards, LCD back lights and fan motors grew substantially for PC and peripheral equipment makers. As a result, net sales increased 2,049 million yen (4.8%) year on year, to 45,116 million yen. Operating income improved 223 million yen year on year, to (2,056) million yen. This was owing to the rise in income resulting from sales growth of LCD back lights and cost reduction of HDD spindle motors, despite increased costs accompanying the production shift of PC keyboards; restructuring expenses incurred in our information motors business segment; and rise in material prices.

(b) Performance by geographical segment is as follows:

Japan

Net sales increased 612 million yen (3.3%) year on year, to 19,353 million yen. However, due to restructuring in our information motors business, operating income fell 1,167 million yen to (265) million yen.

Asia excluding Japan

This region includes Greater China region which continues high growth pulled by vigorous investment, and is an important manufacturing base for manufacturers of Japan, Europe, America and other countries. Sales mainly in the Greater China region were firm owing mainly to recovery of demand from the information & telecommunications equipment industry and steady demand from the household electrical appliance industry. Profits are gradually seeing positive effects of PC keyboard production transfer in progress; cost reduction measures for HDD spindle motors; and structural reforms in our information motors business segment. As a result, net sales and operating income increased 2,741 million yen (8.2%) and 1,418 million yen (152.5%) year on year respectively, to 36,328 million yen and 2,348 million yen.

North America

Despite progress in production shift by our information & telecommunications equipment-related customers to Asia, sales of PC keyboards and other electronic devices and components were firm in this region. In addition, in ball bearings manufactured in the U.S. and rod-end bearings for sales to aviation-related and other industries, both demand and sales were brisk. As a result, net sales rose 1,471 million yen (12.1%) year on year, to 13,641 million yen, whereas operating income fell, partly due to changes in internal price setting, 344 million yen (-38.7%) to 546 million yen.

Europe

Sales of ball bearings, rod-end bearings and other products were firm as moderate economic growth was seen in this region. But due to low sales of electronic devices, net sales fell 460 million yen (-6.7%) year on year, to 6,366 million yen, while operating income rose 302 million yen (387.2%), to 380 million yen.

2. Outlook for the current fiscal year

The world economy may be threatened by another rise in oil prices, China's foreign currency policy after the revaluation of the Chinese Yuan and its tight monetary policy, and other economic factors. However, due mainly to continuation of high economic growth in China, and personal consumption supported by income increases from more jobs and self-sustaining growth expected in the U.S., we expect that the world economy will continue to stay on a well-balance growth path.

An organizational change effective July 1, 2005 has been carried out. We will integrate our two separated Manufacturing and Sales Headquarters into Business Units, and at the same time, establish headquarters that will indirectly support the Business Units. With the new Business Units and Headquarters, we will resolutely carry out decisive structural reforms, reinforce R&D and promote management with a clear vision in order to improve profitability.

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

Machined components business

We will continue to aggressively expand sales of mainstay ball bearings in firm demand to makers of household electrical appliances, information & telecommunications equipment, and automobiles. Through this sales expansion, we are aiming to improve business performance. In addition, in rod-end bearings, we can expect benefits from the strong aircraft market, particularly in Europe and the U.S. In pivot assemblies, we expect that sales will be steady.

Electronic devices and components business

We expect that the structural reform measures for information motors, although gradually, will begin to yield results. We also will begin to supply cost-competitive, mass productive new products to the markets in the second half of the year. In the area of PC keyboards, we will complete production shift except for several items from Thailand to Shanghai by the end of September 2005 and promote the arrangement of a cost competitive, mass production system. In the other electronic devices and components business of LCD back lights and measuring instruments, we expect that sales will be strong.

(b) Outlook by geographical segment for the current fiscal year is as follows:

Japan

We expect that both sales and profits will continue to be in a harsh operating environment, as many of our customers are shifting production from their plants in Japan to those in other Asian countries, including China.

Asia excluding Japan

This region offers the largest market for our products. Taking full advantage of having our key manufacturing bases right in this largest market area, we strongly aim to improve performance.

North America

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

Europe

The European economy continues to grow moderately. Sales and profits are expected to move as we witnessed for the current fiscal quarter.

(2) Financial Position in the First Quarter of the Current Fiscal Year (April 1,2005 through June 30,2005)

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 fiscal year totaled 23,406 million yen, up 1,296 million yen (5.9%) year on year.

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

Operating activities: Due mainly to 830 million yen of income before income taxes, 5,766 million yen of depreciation charges, the rise in accounts receivable and inventories, and the payment of income taxes, net cash flow from operating activities dropped 2,085 million yen (-35.7%) compared with the end of the same quarter of previous fiscal year, to 3,752 million yen.

Investing activities: Despite the year-on-year decrease of expenditure for purchase of property, plant and equipment to 4,317 million yen, net cash outflow from investing activities rose 21 million yen (0.5%) year on year, to 4,232 million yen.

Financing activities: Due to the rise in short-term debt 4,174 million yen, dividend payment 2,793 million yen, and others, net cash flow from financing activities rose 8,046 million yen year on year, to 1,973 million yen.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

| | As of June 30,2005 | | As of June 30,2004 | | Increase or (decrease) (2005- 2004) | | As of March 31,2005 | |
|--|-----------------------|-------|-----------------------|-------|---|-------|------------------------|-------|
| | Millions of | % | Millions of | % | Millions of | % | Millions of | % |
| | yen | Comp. | yen | Comp. | yen | % | yen | Comp. |
| ASSETS | | | | | | | | |
| Current assets..... | 156,708 | 46.2 | 151,302 | 45.5 | 5,406 | 3.6 | 147,295 | 44.3 |
| Cash and cash equivalents..... | 23,406 | | 22,109 | | 1,296 | | 21,759 | |
| Notes and accounts receivable..... | 66,308 | | 61,013 | | 5,295 | | 62,610 | |
| Inventories..... | 48,004 | | 47,313 | | 691 | | 46,963 | |
| Deferred tax assets..... | 5,450 | | 6,855 | | (1,404) | | 5,123 | |
| Others..... | 13,836 | | 14,331 | | (494) | | 11,125 | |
| Allowance for doubtful receivables..... | (298) | | (321) | | 23 | | (287) | |
| Fixed assets..... | 182,343 | 53.8 | 181,500 | 54.5 | 843 | 0.5 | 184,808 | 55.7 |
| Tangible fixed assets..... | 153,744 | | 155,233 | | (1,489) | | 156,521 | |
| Building and structure..... | 97,200 | | 94,452 | | 2,748 | | 97,222 | |
| Machinery and transportation equipment..... | 201,846 | | 192,725 | | 9,121 | | 202,364 | |
| Tools, furniture and fixtures..... | 50,786 | | 51,797 | | (1,011) | | 50,737 | |
| Land..... | 14,335 | | 16,262 | | (1,926) | | 15,086 | |
| Construction in progress..... | 1,516 | | 1,623 | | (107) | | 1,228 | |
| Accumulated depreciation..... | (211,942) | | (201,628) | | (10,314) | | (210,118) | |
| Intangible fixed assets..... | 13,869 | | 12,141 | | 1,728 | | 14,113 | |
| Consolidation adjustments..... | 10,224 | | 11,218 | | (994) | | 10,353 | |
| Others..... | 3,645 | | 922 | | 2,722 | | 3,760 | |
| Investment and other assets..... | 14,729 | | 14,125 | | 604 | | 14,174 | |
| Investment in securities..... | 6,294 | | 7,313 | | (1,019) | | 6,308 | |
| Long-term loans receivable..... | 37 | | 94 | | (57) | | 35 | |
| Deferred tax assets..... | 6,559 | | 4,959 | | 1,599 | | 6,016 | |
| Others..... | 1,894 | | 1,900 | | (5) | | 1,870 | |
| Allowance for doubtful receivables..... | (55) | | (143) | | 87 | | (56) | |
| Deferred charges..... | 99 | 0.0 | 105 | 0.0 | (6) | (6.0) | 112 | 0.0 |
| Total assets..... | 339,151 | 100.0 | 332,908 | 100.0 | 6,243 | 1.9 | 332,217 | 100.0 |

(Note) Treasury stock..... June 2005 106,475 shares June 2004 85,676 shares March 2005 105,623 shares

| | As of June 30,2005 | | As of June 30,2004 | | Increase or (decrease) (2005- 2004) | | As of March 31,2005 | |
|--|-----------------------|------------|-----------------------|------------|---|--------|------------------------|------------|
| | Millions of yen | % Comp. | Millions of yen | % Comp. | Millions of yen | % | Millions of yen | % Comp. |
| LIABILITIES | | | | | | | | |
| Current liabilities..... | 148,337 | 43.7 | 179,578 | 53.9 | (31,240) | (17.4) | 141,449 | 42.6 |
| Notes and accounts payable..... | 28,695 | | 27,587 | | 1,108 | | 25,901 | |
| Short-term loans payable..... | 85,813 | | 75,448 | | 10,364 | | 81,256 | |
| Commercial paper..... | — | | 4,000 | | (4,000) | | — | |
| Current portion of long-term loans payable..... | 1,878 | | 6,428 | | (4,549) | | 1,855 | |
| Current portion of bonds..... | — | | 10,000 | | (10,000) | | — | |
| Current portion of convertible bonds..... | — | | 27,080 | | (27,080) | | — | |
| Current portion of bonds with warrant..... | 4,000 | | — | | 4,000 | | 4,000 | |
| Accrued income taxes..... | 2,144 | | 3,263 | | (1,119) | | 2,344 | |
| Accrued bonuses..... | 2,806 | | 2,909 | | (102) | | 3,247 | |
| Reserve for environmental preservation expense..... | 807 | | 975 | | (168) | | 794 | |
| Others..... | 22,190 | | 21,884 | | 306 | | 22,050 | |
| Long-term liabilities..... | 86,642 | 25.6 | 52,935 | 15.9 | 33,707 | 63.7 | 86,144 | 25.9 |
| Bonds..... | 38,000 | | 28,000 | | 10,000 | | 38,000 | |
| Bonds with warrant..... | — | | 4,000 | | (4,000) | | — | |
| Long-term loans payable..... | 47,987 | | 19,861 | | 28,125 | | 47,340 | |
| Allowance for retirement benefits..... | 142 | | 758 | | (615) | | 305 | |
| Allowance for retirement benefits to executive officers..... | 57 | | 28 | | 29 | | 49 | |
| Others..... | 455 | | 287 | | 168 | | 448 | |
| Total liabilities..... | 234,980 | 69.3 | 232,513 | 69.8 | 2,466 | 1.1 | 227,594 | 68.5 |
| MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES | | | | | | | | |
| | 2,140 | 0.6 | 5,342 | 1.6 | (3,201) | (59.9) | 2,534 | 0.8 |
| SHAREHOLDERS' EQUITY | | | | | | | | |
| Common stock..... | 68,258 | 20.1 | 68,258 | 20.5 | — | — | 68,258 | 20.5 |
| Additional paid-in capital..... | 94,756 | 27.9 | 94,756 | 28.5 | (0) | (0.0) | 94,756 | 28.5 |
| Retained earnings..... | 6,499 | 1.9 | 2,964 | 0.9 | 3,535 | 119.3 | 5,519 | 1.7 |
| Difference on revaluation of other marketable securities..... | 1,562 | 0.5 | 1,758 | 0.5 | (196) | (11.2) | 1,575 | 0.5 |
| Foreign currency translation adjustments..... | (68,991) | (20.3) | (72,639) | (21.8) | 3,647 | (5.0) | (67,965) | (20.5) |
| Treasury stock..... | (56) | (0.0) | (47) | (0.0) | (9) | 19.2 | (56) | (0.0) |
| Total shareholders' equity | 102,030 | 30.1 | 95,052 | 28.6 | 6,978 | 7.3 | 102,088 | 30.7 |
| TOTAL LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS' EQUITY..... | | | | | | | | |
| | 339,151 | 100.0 | 332,908 | 100.0 | 6,243 | 1.9 | 332,217 | 100.0 |

(2) Consolidated Statements of Income

| | 1st Quarter ended June 30, 2005 | | 1st Quarter ended June 30, 2004 | | Increase or (decrease) (2005- 2004) | | Year ended March 31, 2005 | |
|---|------------------------------------|------------|------------------------------------|------------|---|--------|------------------------------|------------|
| | Millions of Yen | % Comp. | Millions of yen | % Comp. | Millions of yen | % | Millions of yen | % Comp. |
| Net sales..... | 75,690 | 100.0 | 71,324 | 100.0 | 4,365 | 6.1 | 294,422 | 100.0 |
| Cost of sales | 60,458 | 79.9 | 56,663 | 79.4 | 3,795 | 6.7 | 232,019 | 78.8 |
| Gross profit..... | 15,231 | 20.1 | 14,661 | 20.6 | 570 | 3.9 | 62,403 | 21.2 |
| Selling, general and administrative expenses..... | 12,221 | 16.1 | 11,858 | 16.7 | 362 | 3.1 | 48,319 | 16.4 |
| Operating income | 3,010 | 4.0 | 2,802 | 3.9 | 208 | 7.4 | 14,083 | 4.8 |
| Other income..... | 494 | 0.7 | 484 | 0.7 | 10 | 2.1 | 1,551 | 0.5 |
| Interest income | 43 | | 30 | | 12 | | 145 | |
| Dividends income..... | 50 | | 35 | | 15 | | 37 | |
| Equity income of affiliates..... | 6 | | 9 | | (3) | | 13 | |
| Others | 393 | | 408 | | (15) | | 1,354 | |
| Other Expenses..... | 1,341 | 1.8 | 1,303 | 1.8 | 37 | 2.9 | 5,427 | 1.8 |
| Interest expenses | 1,019 | | 747 | | 271 | | 3,361 | |
| Foreign currency exchange loss..... | 12 | | 204 | | (191) | | 755 | |
| Others | 308 | | 351 | | (42) | | 1,311 | |
| Ordinary income..... | 2,163 | 2.9 | 1,982 | 2.8 | 180 | 9.1 | 10,206 | 3.5 |
| Extraordinary income..... | 10 | 0.0 | 228 | 0.3 | (218) | (95.6) | 404 | 0.1 |
| Gain on sales of fixed assets..... | 9 | | 199 | | (190) | | 301 | |
| Gain on sales of investment securities..... | 0 | | — | | 0 | | — | |
| Reversal of allowance for doubtful receivables | — | | 28 | | (28) | | 102 | |
| Extraordinary loss | 1,343 | 1.8 | 273 | 0.4 | 1,069 | 390.6 | 2,832 | 1.0 |
| Loss on sales of fixed assets | 5 | | 5 | | (0) | | 565 | |
| Loss on disposal of fixed assets | 75 | | 115 | | (39) | | 453 | |
| Impairment loss | 803 | | — | | 803 | | — | |
| Loss on sales of investments securities..... | 0 | | — | | 0 | | 0 | |
| Loss on revaluation of investments securities..... | — | | — | | — | | 619 | |
| Loss on liquidation of affiliates | — | | — | | — | | 270 | |
| Loss for after-care of products..... | — | | — | | — | | 270 | |
| Retirement benefits expense | — | | 152 | | (152) | | 609 | |
| Retirement benefits to directors and corporate auditors..... | 458 | | — | | 458 | | 42 | |
| Income before income taxes and minority interests | 830 | 1.1 | 1,937 | 2.7 | (1,106) | (57.1) | 7,778 | 2.6 |
| Income taxes | | | | | | | | |
| Current (including enterprise tax)..... | 1,222 | | 1,571 | | (349) | | 5,943 | |
| Adjustment of income taxes | (937) | | 500 | | (1,437) | | (430) | |
| Total income taxes | 285 | 0.4 | 2,071 | 2.9 | (1,786) | (86.2) | 5,513 | 1.8 |
| Minority interests in earnings of consolidated subsidiaries..... | (435) | (0.6) | (342) | (0.5) | (92) | 26.9 | (3,316) | (1.1) |
| Net income..... | 980 | 1.3 | 208 | 0.3 | 771 | 370.2 | 5,581 | 1.9 |

(3) Consolidated Statements of Retained Surplus

| | 1st Quarter ended June 30, 2005 | 1st Quarter ended June 30, 2004 | Increase or (decrease) (2005– 2004) | Year ended March 31, 2005 |
|---|---------------------------------------|---------------------------------------|---|------------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| CAPITAL RETAINED EARNINGS | | | | |
| Additional paid-in capital at beginning of period..... | 94,756 | 94,756 | — | 94,756 |
| Gain on disposal of treasury stock | — | 0 | (0) | — |
| Additional paid-in capital at end of period..... | 94,756 | 94,756 | (0) | 94,756 |
| RETAINED EARNINGS | | | | |
| Retained earnings at beginning of period..... | 5,519 | 2,755 | 2,763 | 2,755 |
| Increase of retained earnings..... | 980 | 208 | 771 | 5,581 |
| Net income..... | 980 | 208 | 771 | 5,581 |
| Decrease of retained earnings..... | 0 | — | 0 | 2,817 |
| Cash dividends..... | — | — | — | 2,793 |
| Bonus to directors..... | — | — | — | 23 |
| Loss on disposal of treasury stock | 0 | — | 0 | 0 |
| Retained earnings at end of period | 6,499 | 2,964 | 3,535 | 5,519 |

(4) Consolidated Statements of Cash Flows

(Amount: millions of yen)

| | 1st Quarter ended June 30,2005 | 1st Quarter ended June 30,2004 | Increase or (decrease) 2005-2004 | Year ended March 31,2005 |
|--|--------------------------------------|--------------------------------------|--|--------------------------------|
| 1.Cash Flows from Operating Activities: | | | | |
| Income before income taxes and minority interests..... | 830 | 1,937 | (1,106) | 7,778 |
| Depreciation and amortization..... | 5,766 | 5,572 | 193 | 22,462 |
| Impairment loss..... | 803 | — | 803 | — |
| Amortization of consolidation adjustments..... | 265 | 270 | (5) | 1,083 |
| Equity income of affiliates..... | (6) | (9) | 3 | (13) |
| Interest and dividend income..... | (94) | (66) | (28) | (182) |
| Interest expense..... | 1,019 | 747 | 271 | 3,361 |
| (Gain) loss on sales of fixed assets..... | (4) | (193) | 189 | 264 |
| Loss on disposal of fixed assets..... | 75 | 115 | (39) | 453 |
| Decrease in reserve for losses on after-care of products..... | — | (33) | 33 | (210) |
| (Gain) loss on sales of investments securities..... | (0) | — | (0) | 0 |
| Loss on revaluation of investments securities..... | — | — | — | 619 |
| (Increase) decrease in notes and accounts receivable..... | (2,999) | 212 | (3,211) | (1,020) |
| Increase in inventories..... | (763) | (2,543) | 1,780 | (1,597) |
| Increase in notes and accounts payable..... | 2,834 | 3,441 | (606) | 1,283 |
| Increase (decrease) of allowance for doubtful receivables..... | 7 | (95) | 103 | (221) |
| Increase (decrease) in accrued bonuses..... | (434) | (309) | (124) | 41 |
| Increase (decrease) of reserve for environmental preservation expenses.. | 12 | (13) | 26 | (194) |
| Increase (decrease) in retirement allowance..... | (187) | 130 | (317) | (331) |
| Increase of allowance for retirement benefits to executive officers..... | 7 | 5 | 1 | 27 |
| Payment of bonus to directors and corporate auditors..... | (23) | — | (23) | — |
| Others..... | (1,435) | (2,215) | 779 | 1,537 |
| Sub-total | 5,674 | 6,952 | (1,277) | 35,142 |
| Interest and dividends received..... | 57 | 29 | 27 | 183 |
| Interest paid..... | (866) | (535) | (330) | (3,388) |
| Income tax paid..... | (1,113) | (608) | (504) | (4,351) |
| Net cash provided by operating activities | 3,752 | 5,838 | (2,085) | 27,586 |
| 2.Cash Flows from Investing Activities: | | | | |
| Purchase of tangible fixed assets..... | (4,317) | (4,988) | 671 | (23,060) |
| Proceeds from sales of tangible fixed assets..... | 175 | 873 | (698) | 2,173 |
| Purchase of intangible fixed assets..... | (69) | — | (69) | (3,059) |
| Purchase of investment in securities..... | (0) | (37) | 37 | (37) |
| Proceeds from sales of investment in securities..... | 0 | — | 0 | 3 |
| Increase in cash and cash equivalents due to inclusion in consolidation..... | — | — | — | 71 |
| Long term loans receivables..... | (4) | (63) | 58 | (67) |
| Recovery of long term loans receivables..... | 2 | 20 | (17) | 164 |
| Others..... | (18) | (15) | (3) | 22 |
| Net cash used in investing activities | (4,232) | (4,210) | (21) | (23,789) |
| 3.Cash Flows from Financing Activities: | | | | |
| Increase (decrease) in short-term loans payable..... | 4,174 | (3,286) | 7,460 | 2,306 |
| Decrease in the amount in commercial paper..... | — | — | — | (4,000) |
| Proceeds from long term loans..... | 592 | — | 592 | 29,324 |
| Repayment of long term loans..... | — | — | — | (6,459) |
| Proceeds from issuance of bonds..... | — | — | — | 10,000 |
| Payment for redemption of bonds..... | — | — | — | (10,000) |
| Payment for redemption of convertible bonds..... | — | — | — | (27,080) |
| Purchase of treasury stock..... | (0) | (0) | 0 | (9) |
| Cash dividends paid..... | (2,793) | (2,793) | 0 | (2,793) |
| Cash dividends paid to minority shareholders..... | — | — | — | (16) |
| Others..... | — | 6 | (6) | (43) |
| Net cash used in financing activities | 1,973 | (6,073) | 8,046 | (8,772) |
| 4.Effect of Exchange Rate Changes on Cash and Cash Equivalents | 153 | 179 | (26) | 358 |
| 5.Net Increase (decrease) in Cash and Cash Equivalents | 1,646 | (4,266) | 5,912 | (4,616) |
| 6.Cash and Cash Equivalents at Beginning of Period | 21,759 | 24,780 | (3,020) | 24,780 |
| 7.Increase in Cash and Cash Equivalents due to Establishment of a Joint Venture | — | 1,596 | (1,596) | 1,596 |
| 8.Cash and Cash Equivalents at End of Period | 23,406 | 22,109 | 1,296 | 21,759 |

3. Segment Information

(1) Business segments

(Amount: millions of yen)

| | FY2006 1st Quarter (April 1, 2005 through June 30, 2005) | | | | |
|---|--|--|-----------|-------------|---------|
| | Machined components business | Electronic devices and components business | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | |
| Total sales | | | | | |
| (1) Sales to customers | 30,573 | 45,116 | 75,690 | — | 75,690 |
| (2) Sales to other segment | 685 | 400 | 1,085 | (1,085) | — |
| Total | 31,258 | 45,517 | 76,775 | (1,085) | 75,690 |
| Operating expense | 26,191 | 47,573 | 73,765 | (1,085) | 72,679 |
| Operating income (loss) | 5,067 | (2,056) | 3,010 | — | 3,010 |
| 2. Assets, depreciation and capital expenditure | | | | | |
| Assets | 191,534 | 215,721 | 407,255 | (68,104) | 339,151 |
| Depreciation | 2,677 | 3,088 | 5,766 | — | 5,766 |
| Capital expenditure | 1,822 | 2,564 | 4,387 | — | 4,387 |

(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)

| | FY2005 1st Quarter (April 1, 2004 through June 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 | 28,256 | 43,067 | 71,324 | — | 71,324 |
| (2) Sales to other segment | 566 | (0) | 566 | (566) | — |
| Total | 28,823 | 43,067 | 71,890 | (566) | 71,324 |
| Operating expense | 23,740 | 45,347 | 69,088 | (566) | 68,522 |
| Operating income (loss) | 5,082 | (2,279) | 2,802 | — | 2,802 |
| 2. Assets, depreciation and capital expenditure | | | | | |
| Assets | 189,668 | 220,520 | 410,188 | (77,279) | 332,908 |
| Depreciation | 2,605 | 2,966 | 5,572 | — | 5,572 |
| Capital expenditure | 1,629 | 10,713 | 12,343 | — | 12,343 |

(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, Strain gauges, Load cells, etc.

(Amount: millions of yen)

| | FY2005 (Annual) (April 1, 2004 through March 31, 2005) | | | | |
|---|--|--|-----------|-------------|---------|
| | Machined components business | Electronic devices and components business | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | |
| Total sales | | | | | |
| (1) Sales to customers | 116,105 | 178,317 | 294,422 | — | 294,422 |
| (2) Sales to other segment | 2,194 | 389 | 2,584 | (2,584) | — |
| Total | 118,299 | 178,707 | 297,006 | (2,584) | 294,422 |
| Operating expense | 96,727 | 186,196 | 282,923 | (2,584) | 280,339 |
| Operating income (loss) | 21,572 | (7,489) | 14,083 | — | 14,083 |
| 2. Assets, depreciation and capital expenditure | | | | | |
| Assets | 194,180 | 214,142 | 408,322 | (76,105) | 332,217 |
| Depreciation | 10,401 | 12,061 | 22,462 | — | 22,462 |
| Capital expenditure | 11,400 | 22,756 | 34,157 | — | 34,157 |

(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.

(2) Geographical segments

(Amount: millions of yen)

| | FY2006 1st Quarter (April 1, 2005 through June 30, 2005) | | | | | | |
|-------------------------------------|--|------------------------------|------------------|--------|-----------|-------------|---------|
| | Japan | Asia (excluding Japan) | North America | Europe | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | | | |
| Total sales | | | | | | | |
| (1) Sales to customers | 19,353 | 36,328 | 13,641 | 6,366 | 75,690 | — | 75,690 |
| (2) Sales to other segment | 38,994 | 38,431 | 376 | 917 | 78,720 | (78,720) | — |
| Total | 58,348 | 74,760 | 14,018 | 7,283 | 154,410 | (78,720) | 75,690 |
| Operating expense | 58,613 | 72,411 | 13,471 | 6,903 | 151,400 | (78,720) | 72,679 |
| Operating income (loss) | (265) | 2,348 | 546 | 380 | 3,010 | — | 3,010 |
| 2. Assets | 169,025 | 228,716 | 34,601 | 17,806 | 450,149 | (110,997) | 339,151 |

(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)

| | FY2005 1st Quarter (April 1, 2004 through June 30, 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 | 18,741 | 33,587 | 12,170 | 6,826 | 71,324 | — | 71,324 |
| (2) Sales to other segment | 39,823 | 38,048 | 333 | 213 | 78,419 | (78,419) | — |
| Total | 58,564 | 71,636 | 12,503 | 7,039 | 149,743 | (78,419) | 71,324 |
| Operating expense | 57,662 | 70,705 | 11,612 | 6,960 | 146,941 | (78,419) | 68,522 |
| Operating income | 902 | 930 | 890 | 78 | 2,802 | — | 2,802 |
| 2. Assets | 171,870 | 227,273 | 33,511 | 20,148 | 452,805 | (119,896) | 332,908 |

(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)

| | FY2005 (Annual) (April 1,2004 through March 31, 2005) | | | | | | |
|-------------------------------------|---|------------------------------|------------------|--------|-----------|-------------|---------|
| | Japan | Asia (excluding Japan) | North America | Europe | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | | | |
| Total sales | | | | | | | |
| (1) Sales to customers | 76,660 | 137,424 | 52,389 | 27,947 | 294,422 | — | 294,422 |
| (2) Sales to other segment | 162,763 | 155,447 | 1,422 | 1,025 | 320,659 | (320,659) | — |
| Total | 239,424 | 292,871 | 53,812 | 28,973 | 615,081 | (320,659) | 294,422 |
| Operating expense | 236,671 | 287,001 | 49,302 | 28,022 | 600,998 | (320,659) | 280,339 |
| Operating income | 2,752 | 5,870 | 4,510 | 950 | 14,083 | — | 14,083 |
| 2. Assets | 169,239 | 223,995 | 32,442 | 20,300 | 445,977 | (113,760) | 332,217 |

(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

(3) Overseas sales

(Amount: millions of yen)

| | FY2006 1st Quarter (April 1, 2005 through June 30, 2005) | | | |
|----------------------------------|--|----------------------------|--------|--------|
| | Asia (excluding Japan) | North and South America | Europe | Total |
| 1. Overseas sales | 37,432 | 11,193 | 7,321 | 55,947 |
| 2. Total sales | | | | 75,690 |
| 3. Overseas sales on total sales | 49.4% | 14.8% | 9.7% | 73.9% |

(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)

| | FY2005 1st Quarter (April 1, 2004 through June 30, 2004) | | | |
|----------------------------------|--|----------------------------|--------|--------|
| | Asia (excluding Japan) | North and South America | Europe | Total |
| 1. Overseas sales | 33,759 | 10,974 | 7,212 | 51,946 |
| 2. Total sales | | | | 71,324 |
| 3. Overseas sales on total sales | 47.3% | 15.4% | 10.1% | 72.8% |

(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)

| | FY2005 (Annual) (April 1, 2004 through March 31, 2005) | | | |
|----------------------------------|--|----------------------------|--------|---------|
| | Asia (excluding Japan) | North and South America | Europe | Total |
| 1. Overseas sales | 140,229 | 46,012 | 29,505 | 215,747 |
| 2. Total sales | | | | 294,422 |
| 3. Overseas sales on total sales | 47.6% | 15.6% | 10.0% | 73.3% |

(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.

4. Marketable Securities

(1) Other marketable securities

(Amount: millions of yen)

| Classification | FY2006 (1st Quarter) | | | FY2005 (1st Quarter) | | | FY2005 (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 | 3,105 | 5,666 | 2,561 | 3,108 | 5,991 | 2,883 | 3,105 | 5,687 | 2,582 |
| Total | 3,105 | 5,666 | 2,561 | 3,108 | 5,991 | 2,883 | 3,105 | 5,687 | 2,582 |

(2) Main securities without market value

(Amount: millions of yen)

| Classification | FY2006 (1st Quarter) | FY2005 (1st Quarter) | FY2005 (Annual) |
|-----------------------------|----------------------|----------------------|-----------------|
| Other marketable securities | 474 | 1,094 | 475 |
| Total | 474 | 1,094 | 475 |

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

5. Amounts of Production, Orders Received, Sales

(1) Production

(Amount: millions of yen)

| Business segments | FY2006 (1st Quarter) | FY2005 (1st Quarter) | FY2005 (Annual) |
|--|----------------------|----------------------|-----------------|
| Machined components business | 32,013 | 27,999 | 118,382 |
| Electronic devices and components business | 41,911 | 43,683 | 173,910 |
| Total | 73,924 | 71,682 | 292,292 |

(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

(Amount: millions of yen)

| Business segments | FY2006 (1st Quarter) | | FY2005 (1st Quarter) | | FY2005 (Annual) | |
|--|----------------------|---------------|----------------------|---------------|-----------------|---------------|
| | Orders received | Order Backlog | Orders received | Order backlog | Orders received | Order backlog |
| Machined components business | 31,906 | 39,890 | 30,478 | 36,896 | 119,988 | 38,557 |
| Electronic devices and components business | 49,431 | 26,861 | 49,374 | 28,757 | 178,413 | 22,546 |
| Total | 81,338 | 66,751 | 79,852 | 65,653 | 298,401 | 61,103 |

(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

(Amount: millions of yen)

| Business segments | FY2006 (1st Quarter) | FY2005 (1st Quarter) | FY2005 (Annual) |
|--|----------------------|----------------------|-----------------|
| Machined components business | 30,573 | 28,256 | 116,105 |
| Electronic devices and components business | 45,116 | 43,067 | 178,317 |
| Total | 75,690 | 71,324 | 294,422 |

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