



**BRIEF REPORT OF NON-CONSOLIDATED FINANCIAL RESULTS**  
(Year ended March 31, 2006)

May 9, 2006

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  
 Contact: Sakae Yashiro Managing Executive Officer, Deputy Chief of Administration Headquarters  
 Board of Directors' Meeting for Tel. (03)5434-8611  
 Non-consolidated Financial Results held on: May 9, 2006 Interim Dividend Plan: None  
 Expected date of payment for dividends: June 30, 2006 Annual Shareholders' Meeting to be held on: June 29, 2006  
 Unit Share Method: Yes (1 unit = 1,000 shares)

1. Business performance (April 1, 2005 through March 31, 2006)

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

	Net sales (millions of yen)		Operating income (millions of yen)		Ordinary income (millions of yen)	
		% Change		% Change		% Change
FY2006	206,831	11.7	3,075	58.0	10,236	(7.4)
FY2005	185,232	0.1	1,946	(55.3)	11,057	(17.1)

  

	Net income (millions of yen)		Net income per share(yen)	Fully diluted net income per share(yen)	Return (net income) on equity (%)	Return (ordinary income) on assets (%)	Return (ordinary income) on sales (%)
		% Change					
FY2006	(3,378)	-	(8.47)	-	(1.9)	2.8	4.9
FY2005	3,504	54.6	8.72	8.40	1.9	3.0	6.0

(Notes) 1. Weighted average number of shares outstanding during the respective years: 399,056,975 shares at March 31, 2006  
399,074,238 shares at March 31, 2005

2. Changes in accounting method: Yes

3. The percentages of net sales, operating income, ordinary income and net income show year-on-year changes.

(2) Dividends

	Dividends per share			Total annual dividends (millions of yen)	Dividends payout ratio (%)	Dividends on shareholders' equity (%)
	Annual (yen)	Interim (yen)	Year-end (yen)			
FY2006	7.00	-	7.00	2,793	-	1.6
FY2005	7.00	-	7.00	2,793	80.3	1.5

(Notes) Details of dividends Not applicable.

(3) Financial Position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Shareholders' equity ratio (%)	Shareholders' equity per share (yen)
FY2006	357,560	179,669	50.2	450.24
FY2005	361,664	183,017	50.6	458.56

(Notes) 1. Number of shares outstanding at end of year: 399,051,135 shares at March 31, 2006  
399,062,072 shares at March 31, 2005

2. Number of treasury stock at end of year: 116,560 shares at March 31, 2006  
105,623 shares at March 31, 2005

2. Prospect for the next fiscal year (April 1, 2006 through March 31, 2007)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Dividends per share		
				Interim(yen)	Year-end(yen)	Annual(yen)
Interim	104,000	3,400	1,900	-	-	-
Annual	214,000	12,000	7,300	-	7.00	7.00

(Reference) Projected annual net income per share: 18.29 yen

(Notes) 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 seven of the documents attached hereunder.

6. Non-Consolidated Financial Statements and Notes  
(1) Non-Consolidated Balance Sheets

	As of March 31, 2005		As of March 31, 2006		Increase or (decrease) (2006-2005)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
<b>ASSETS</b>					
Current assets.....	125,670	34.8	125,077	35.0	(592)
Cash and cash equivalents.....	11,240		9,773		
Notes receivable.....	4,185		4,306		
Accounts receivable-trade.....	44,046		48,841		
Purchased goods.....	2,558		2,103		
Goods in transit.....	1,060		1,086		
Finished goods.....	1,235		1,040		
Raw materials.....	1,760		1,880		
Work in process.....	2,403		2,883		
Supplies.....	149		139		
Prepaid expenses.....	433		475		
Short-term loans receivable from affiliates.....	46,809		46,426		
Accounts receivable-other.....	5,477		3,167		
Temporary advance.....	18		21		
Deferred tax assets.....	2,799		1,895		
Others.....	1,523		1,071		
Allowance for doubtful receivables.....	(32)		(35)		
Fixed assets.....	235,940	65.2	232,446	65.0	(3,494)
Tangible fixed assets.....	27,024		26,051		(973)
Buildings.....	9,970		9,013		
Structures.....	527		488		
Machinery and equipment.....	5,485		5,352		
Vehicles.....	13		13		
Tools, furniture and fixtures.....	1,961		3,348		
Land.....	8,949		7,430		
Construction in progress.....	116		404		
Intangible fixed assets.....	3,631		3,225		(405)
Patents.....	3,157		2,736		
Leasehold rights.....	49		49		
Software.....	377		394		
Others.....	46		45		
Investments and other assets.....	205,284		203,169		(2,115)
Investments in securities.....	6,159		10,812		
Investments securities in affiliates.....	161,366		161,861		
Investments in partnerships.....	0		0		
Investments in partnerships with affiliates.....	32,406		32,406		
Long-term loans receivable from employees.....	8		6		
Long-term loans receivable from affiliates.....	5,725		553		
Reorganization claim in bankruptcy, and others.....	20		0		
Long-term prepaid expenses.....	546		414		
Deferred tax assets.....	5,572		3,173		
Others.....	545		482		
Allowance for doubtful receivables.....	(7,065)		(6,542)		
Deferred charges.....	53	0.0	36	0.0	(16)
Bond issuance expenses.....	53		36		
Total Assets.....	361,664	100.0	357,560	100.0	(4,103)

	As of March 31, 2005		As of March 31, 2006		Increase or (decrease) (2006-2005)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
<b>LIABILITIES</b>					
Current liabilities.....	94,228	26.1	98,237	27.5	4,008
Notes payable.....	3,195		3,400		
Accounts payable-trade.....	27,961		32,265		
Short-term loans payable.....	50,632		43,600		
Current portion of long-term loans payable.....	1,000		6,000		
Current portion of bonds.....	—		3,000		
Current portion of bond with warrants.....	4,000		—		
Accounts payable-other.....	2,653		2,077		
Accrued income taxes.....	622		868		
Accrued expenses.....	1,155		949		
Advances from customer.....	3		25		
Deposits received.....	407		217		
Deferred income.....	91		129		
Accrued bonuses.....	1,749		1,953		
Allowance for business restructuring losses.....	—		3,546		
Notes payable for equipment.....	264		129		
Others.....	491		72		
Long-term liabilities.....	84,418	23.3	79,654	22.3	(4,764)
Bonds.....	38,000		36,500		
Long-term loans payable.....	46,000		43,000		
Allowance for retirement benefits.....	368		104		
Allowance for retirement benefits to executive officers.....	49		49		
Total Liabilities.....	178,646	49.4	177,891	49.8	(755)
<b>SHAREHOLDERS' EQUITY</b>					
Common stock.....	68,258	18.9	68,258	19.1	—
Additional paid-in capital.....	94,756	26.2	94,756	26.5	—
Capital reserve.....	94,756		94,756		
Retained earnings.....	18,483	5.1	12,287	3.4	(6,195)
Earned surplus.....	2,085		2,085		
Voluntary reserve.....	11,500		11,500		
General reserve.....	11,500		11,500		
Unappropriated retained earnings (Undisposed retained deficit).....	4,898		(1,297)		
Difference on revaluation of other marketable securities.....	1,575	0.4	4,428	1.2	2,853
Treasury stock.....	(56)	(0.0)	(61)	(0.0)	(5)
Total Shareholders' Equity.....	183,017	50.6	179,669	50.2	(3,348)
Total Liabilities and Shareholders' Equity.....	361,664	100.0	357,560	100.0	(4,103)

## (2) Non-Consolidated Statements of Income

	Year ended March 31, 2005		Year ended March 31, 2006		Increase or (decrease) (2006-2005)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
Net Sales.....	185,232	100.0	206,831	100.0	21,598
Sales (purchased goods).....	157,613		181,588		
Sales (finished goods).....	27,618		25,242		
Cost of sales.....	162,966	88.0	182,910	88.4	19,944
Beginning inventories (purchased goods).....	2,781		2,558		
Purchase (purchased goods).....	137,709		155,553		
Transfer from other accounts (purchased goods).....	912		3,006		
Sub total.....	141,403		161,118		
Transfer to other accounts (purchased goods).....	104		874		
Ending inventories (purchased goods).....	2,558		2,103		
Total.....	138,741		158,140		
Beginning inventories (finished goods)...	1,142		1,235		
Manufacturing cost.....	25,246		25,845		
Transfer from other accounts (finished goods).....	253		119		
Sub total.....	26,641		27,199		
Transfer to other accounts (finished goods).....	1,180		1,389		
Ending inventories (finished goods).....	1,235		1,040		
Total.....	24,225		24,769		
Gross profit.....	22,265	12.0	23,920	11.6	1,654
Selling, general and administrative expenses.....	20,319	10.9	20,844	10.1	525
Sales commission.....	165		175		
Packing and freight expenses.....	2,059		2,094		
Advertisement.....	94		73		
Inspection charges (finished goods).....	522		465		
Officer's salaries.....	259		254		
Salaries.....	3,665		3,697		
Provision for bonus.....	969		1,048		
Welfare expense.....	751		790		
Entertainment .....	102		98		
Travel and transportation.....	936		1,053		
Communications.....	137		136		
Water, light and fuel.....	101		104		
Office supplies.....	50		48		
Property tax and other taxes.....	389		354		
Depreciation.....	607		675		
Repair expense.....	101		171		
Outside service.....	1,135		1,176		
Insurance.....	76		90		
Commission.....	207		136		
Rent and lease.....	1,297		1,163		
Legal and professional fees.....	—		2,942		
Research & development expenses.....	4,099		3,962		
Other.....	2,587		129		
Operating income.....	1,946	1.1	3,075	1.5	1,129

	Year ended March 31, 2005		Year ended March 31, 2006		Increase or (decrease) (2006-2005)
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen
Other income.....	11,606	6.2	9,176	4.4	(2,429)
Interest income.....	708		638		
Dividends received.....	10,047		7,759		
Rent income of fixed assets.....	295		212		
Others.....	554		566		
Other expenses.....	2,494		2,016	1.0	(478)
Interest and discount charge.....	615		771		
Interest on bonds.....	1,129		740		
Amortization on bond issue costs.....	43		46		
Foreign currency exchange loss.....	260		166		
Others.....	445		291		
Ordinary income.....	<u>11,057</u>	6.0	<u>10,236</u>	4.9	<u>(821)</u>
Extraordinary income.....	310	0.2	1,157	0.6	847
Gain on sales of fixed assets.....	126		477		
Gain on sales of investments in securities.....	—		191		
Gain on the reversal of preemptive rights.....	—		447		
Reversal of allowance for doubtful receivables.....	184		41		
Extraordinary loss.....	4,522	2.5	11,479	5.5	6,956
Loss on sales of fixed assets.....	1,378		12		
Loss on disposal of fixed assets.....	123		136		
Impairment loss.....	—		1,642		
Loss on revaluation of investments in securities.....	590		—		
Allowance for doubtful receivables.....	1,668		316		
Loss on revaluation of investments securities in affiliates.....	—		5,230		
Loss on liquidation of affiliated companies.....	1		49		
Loss for after-care of products.....	270		29		
Business restructuring loss.....	—		3,637		
Retirement benefit expense.....	476		—		
Retirement benefits to directors and corporate auditors.....	12		423		
Income before income taxes (loss).....	<u>6,845</u>	3.7	<u>(85)</u>	(0.0)	<u>(6,930)</u>
Income taxes (including enterprise tax)	2,279		1,815		
Adjustment of income taxes.....	<u>1,062</u>		<u>1,478</u>		
Total income taxes.....	<u>3,341</u>	1.8	<u>3,293</u>	1.6	<u>(47)</u>
Net income (loss).....	3,504	1.9	(3,378)	(1.6)	(6,883)
Retained earnings brought forward from the previous year.....	<u>1,393</u>		<u>2,081</u>		<u>687</u>
Loss on disposal of treasury stock.....	<u>0</u>		<u>0</u>		<u>(0)</u>
Unappropriated retained earnings at end of year (Undisposed retained deficit).....	<u>4,898</u>		<u>(1,297)</u>		<u>(6,195)</u>

(3) Proposed Appropriation of Unappropriated Retained Earnings

Approved by shareholders' on June 29, 2005	As of March 31, 2005	Shareholders' approval scheduled for Jun 29, 2006	As of March 31, 2006
	Millions of yen		Millions of yen
Unappropriated retained earnings...	4,898	Undisposed retained deficit.....	1,297
The above amount is to be appropriated as follows:-		Voluntary earned surplus	
Dividends.....	2,793	General reserve.....	5,000
Bonuses to directors & corporate auditors.....	23	Total	3,702
[Corporate auditors' bonuses]	(3)	The above amount is to be appropriated as follows:-	
Total	2,816	Dividends.....	2,793
Retained earnings carried forward to the next year.....	2,081	Total	2,793
		Retained earnings carried forward to the next year.....	908

(Notes) (a) With regard to directors' remuneration, there are no matters to be discussed at the general meeting of shareholders in accordance with Article 269 of the Commercial Law.

(b) Dividends per share

	FY2005			FY2006		
	Annual (yen)	Interim (yen)	Year-end (yen)	Annual (yen)	Interim (yen)	Year-end (yen)
Common stock	7.00	—	7.00	7.00	—	7.00
(Breakdown)						
Memorial dividends	—	—	—	—	—	—
Special dividends	—	—	—	—	—	—
New stocks	—	—	—	—	—	—
Preferred stocks	—	—	—	—	—	—
Subsidiaries-linked dividend stocks	—	—	—	—	—	—

#### (4) Significant Accounting Policies

##### (a) Marketable securities

Investments securities in

subsidiaries and affiliates: Stated at cost determined by the moving average method.

Other marketable securities: Securities with Market Value

Market value method based on market prices and other conditions at the end of the term. (The revaluation differences are accounted for based on the direct capitalization method and the sales costs are calculated by the moving average method.)

Securities without Market Value

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

##### (b) Inventories

Purchased goods: Stated at cost determined by the moving average method.

Finished goods: Stated at cost determined by the moving average method.

Raw materials: Stated at cost determined by the moving average method for bearings, fasteners, measuring equipment, motors and special machinery components.

Work in process: Stated at cost determined by the moving average method for bearings, fasteners, and motors.

Stated at cost determined respectively for measuring equipment, special motors and special machinery components.

Supplies: Stated at cost determined by the moving average method for manufacturing bearings, fasteners, measuring equipment, motors and special machinery components.

##### (c) Depreciation

Tangible fixed assets:

Depreciation of tangible fixed assets is made on the declining balance method. Their major useful lives are as follows:

Buildings and structures 2 to 50 years

Machinery and equipment 2 to 15 years

Tools, furniture and fixtures 2 to 20 years

The depreciation method of depreciation assets whose acquisition values are not less than 100,000 yen and less than 200,000 yen has been changed to a method by which those assets are equally depreciated in lump sum for three years.

Intangible fixed assets:

Depreciation of intangible fixed assets is made on the straight-line method.

The depreciation method of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Long-term loans receivable:

Depreciation of long-term loans receivable is made on the straight-line method.

##### (d) Amortization of deferred charges

Bond issuance expenses are amortized over three years by an averaged amount each year.

##### (e) Translation of foreign currency assets and liabilities

Translation of foreign currency assets and liabilities are into yen at the exchange rate on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

##### (f) Allowances

Allowance for doubtful receivables:

In order to prepare against losses resulting from irrecoverable receivables, an allowance has been reserved in the amount required for estimated uncollectible receivables based on actual losses of trade receivables and on collectibility of specific receivables with loss possibilities.

Accrued bonuses:

To make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Allowance for retirement benefits:

Based on estimated retirement benefit debts and pension assets at the end of the current term, the Company reported an amount estimated to accrue at the end of the current term to provide for employee retirement benefits.

Over the five years from the following term after the difference accrue, the Company will charge

differences in mathematical calculation to expenses in accordance with the straight-line method.  
(Change of accounting policies)

Since the current business year, the Company has applied the Partial Amendment to Accounting for Retirement Benefits (Business Accounting Standards No.3 issued on March 16, 2005) and the Application Guidelines regarding the Partial Amendment to Accounting for Retirement Benefits (Application Guidelines No.7 for Business Accounting Standards issued on March 16, 2005) to its accounting treatment. This application of the Amendment and the Guidelines has had no impact on the Company's financial results.

Allowance for retirement benefits to executive officers:

To provide for payment of retirement allowance to executive officers, the estimated amount to be required according to our internal regulations as of the end of the period of the current fiscal year is shown.

Allowance for business restructuring losses:

Based upon the decision of the structural reform plan for its PC keyboard business and other key business and other key businesses, the Company has reported the reasonably estimated amounts of expected that it is expected to incur in the future.

(g) Accounting method of lease transactions

The accounting treatment for financial lease transactions other than those in which the ownership of leases is considered to be transferred to us, is in accordance with that for ordinary lease transactions.

(h) Accounting method of hedge transactions

The foreign currency-denominated monetary assets and liabilities that were hedged by forward exchange contracts are allocated to the periods.

Under the guidance of the company's financial department, forward exchange contracts have been made to hedge the risks of fluctuations in foreign exchange rates relating to export and import transactions and others.

In concluding forward foreign exchange contracts, those contracts with the corresponding amounts and dates are respectively allocated (to the debts) in accordance with the risk management policy. Therefore the correlation between claims/debts and forward foreign exchange contracts arising from foreign exchange rate fluctuations is fully secured, and this judgment is substituted for the judgment of effective hedge.

(i) Other significant accounting policies

Consumption taxes

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

(5) Change of accounting treatment

(Accounting for the impairment of fixed assets)

Since the current non-consolidated accounting period, the Company has applied the Japanese Accounting Standards for Impairment of Fixed Assets (the Opinion concerning the Setting of Accounting Standards for Impairment of Fixed Assets issued on August 9, 2002 by the Business Accounting Council) to its accounting treatment. It has also applied the Implementation Guidelines for the Accounting Standards for Impairment of Fixed Assets (Implementation Guidelines No. 6 for Business Accounting Standards issued on October 31, 2003 by the Accounting Standards Board of Japan).

This application of the Standards and the Guidelines increased income before income taxes (loss) by 1,642 million yen.

Regarding accumulated impairment losses, the Company deducted them directly from the amount of each relevant fixed asset in accordance with the revised Rules for Non-Consolidated Financial Statements.



## (6) Notes

## (Non-Consolidated Balance Sheets)

As of March 31, 2005		As of March 31, 2006	
1. Contingent liabilities	<u>Millions of yen</u>	1. Contingent liabilities	<u>Millions of yen</u>
The Company has provided the following companies with guarantees for their bank borrowings, etc.		The Company has provided the following companies with guarantees for their bank borrowings, etc.	
MINEBEA THAI LIMITED	7,321	MINEBEA THAI LIMITED	7,797
(US\$'000	7,200	(US\$'000	12,500
BAHT'000	488,765	BAHT'000	481,641
	5,214)	EUR'000	242
MINEBEA (HONG KONG) LIMITED	3,827	SF'000	1,987
(US\$'000	26,500		4,660)
HK\$'000	35,000	MINEBEA (HONG KONG) LIMITED	6,942
	500)	(US\$'000	50,800
MINEBEA ELECTRONICS& HI-TECH COMPONENTS (SHANGHAD) LTD.	3,189		975)
(US\$'000	29,700)	SHANGHAI SHUN DING TECHNOLOGIES LTD.	5,835
NMB-Minebea UK Ltd	2,669	(US\$'000	31,830
(STG'000	13,211)	RMB'000	143,020)
SHANGHAI SHUN DING TECHNOLOGIES LTD.	2,438	PELMEC INDUSTRIES (PTE.) LIMITED	2,869
(US\$'000	18,470	(US\$'000	2,220
RMB'000	35,000)	S\$'000	35,540
PELMEC THAI LIMITED	1,952	EUR'000	205
(BAHT'000	350,463	NMB THAI LIMITED	2,017
	995)	(US\$'000	6,700
NMB THAI LIMITED	1,638	BAHT'000	23,703
(US\$'000	4,388	EUR'000	600
BAHT'000	164,741		1,072)
EUR'000	271	PELMEC THAI LIMITED	1,893
	679)	(BAHT'000	295,232
PELMEC INDUSTRIES (PTE.) LIMITED	1,566		1,001)
(S\$'000	24,035)	NMB HI-TECH BEARINGS LIMITED	1,709
NMB PRECISION BALLS LIMITED	1,480	(US\$'000	828
(US\$'000	1,956	BAHT'000	274,319
BAHT'000	151,310		783)
STG'000	195	Other 12 companies	4,482
	817)	Total	33,548
NMB HI-TECH BEARINGS LIMITED	1,441		
(US\$'000	1,835		
BAHT'000	20,368		
	1,188)		
Other 8 companies	2,328		
Total	29,854		
(Foreign currency-denominated guarantees are translated into yen, for convenience only, at the approximate rate of exchange on March 31, 2005.)		(Foreign currency-denominated guarantees are translated into yen, for convenience only, at the approximate rate of exchange on March 31, 2006.)	

As of March 31, 2005	As of March 31, 2006
<p>2. Notes related to affiliates <span style="float: right;"><u>Millions of yen</u></span>  The following accounts include affiliate-related receivables and payables other than those shown separately.</p> <p>Receivables</p> <p>Notes receivable <span style="float: right;">236</span></p> <p>Accounts receivable-trade <span style="float: right;">24,671</span></p> <p>Accounts receivable-other <span style="float: right;">4,250</span></p> <p>Payables</p> <p>Accounts payable-trade <span style="float: right;">22,394</span></p>	<p>2. Notes related to affiliates <span style="float: right;"><u>Millions of yen</u></span>  The following accounts include affiliate-related receivables and payables other than those shown separately.</p> <p>Receivables</p> <p>Notes receivable <span style="float: right;">585</span></p> <p>Accounts receivable-trade <span style="float: right;">30,560</span></p> <p>Accounts receivable-other <span style="float: right;">2,745</span></p> <p>Payables</p> <p>Accounts payable-trade <span style="float: right;">26,959</span></p>
<p>3. Number of authorized shares  (Common stock) <span style="float: right;">1,000,000,000 shares</span></p> <p>Number of shares outstanding  (Common stock) <span style="float: right;">399,167,695 shares</span></p>	<p>3. Number of authorized shares  (Common stock) <span style="float: right;">1,000,000,000 shares</span></p> <p>Number of shares outstanding  (Common stock) <span style="float: right;">399,167,695 shares</span></p>
<p>4. Number of treasury shares  (Common stock) <span style="float: right;">105,623 shares</span></p>	<p>4. Number of treasury shares  (Common stock) <span style="float: right;">116,560 shares</span></p>
<p>5. Commitment line contracts <span style="float: right;"><u>Millions of yen</u></span>  To ensure efficient procurement of operating funds, the Company has entered into commitment line contracts with financial institutions. Unused commitments at the end of the current consolidated fiscal year based on these contracts are as follows:</p> <p>Total commitments <span style="float: right;">7,000</span></p> <p>Used commitments <span style="float: right;">—</span></p> <hr/> <p>Balance <span style="float: right;">7,000</span></p>	<p>5. Commitment line contracts <span style="float: right;"><u>Millions of yen</u></span>  To ensure efficient procurement of operating funds, the Company has entered into commitment line contracts with financial institutions. Unused commitments at the end of the current consolidated fiscal year based on these contracts are as follows:</p> <p>Total commitments <span style="float: right;">10,000</span></p> <p>Used commitments <span style="float: right;">—</span></p> <hr/> <p>Balance <span style="float: right;">10,000</span></p>
<p>6. Dividend limitations  The amount provided for in Item 3, Article 124 of the Enforcement Regulation of the Japanese Commercial Code is 1,575 million yen.</p>	<p>6. Dividend limitations  The amount provided for in Item 3, Article 124 of the Enforcement Regulation of the Japanese Commercial Code is 4,428 million yen.</p>
<p>7. Accumulated depreciation of tangible fixed assets is 48,852 millions of yen.</p>	<p>7. Accumulated depreciation of tangible fixed assets is 49,208 millions of yen.</p>

(Non-Consolidated Statements of Income)

Year ended March 31, 2005	Year ended March 31, 2006
<p>1. Total R&amp;D expenses  The R&amp;D expenses included in general administrative expenses and manufacturing costs for the current fiscal year are 8,289 million yen.</p>	<p>1. Total R&amp;D expenses  The R&amp;D expenses included in general administrative expenses and manufacturing costs for the current fiscal year are 7,538 million yen.</p>
<p>2. Transfer from other accounts(purchased goods) <span style="float: right;"><u>Millions of yen</u></span></p> <p>Raw materials <span style="float: right;">128</span></p> <p>Research &amp; development expenses <span style="float: right;">3</span></p> <p>Other <span style="float: right;">780</span></p> <hr/> <p>Total <span style="float: right;">912</span></p>	<p>2. Transfer from other accounts(purchased goods) <span style="float: right;"><u>Millions of yen</u></span></p> <p>Raw materials <span style="float: right;">1,341</span></p> <p>Tangible fixed assets <span style="float: right;">295</span></p> <p>Disposal <span style="float: right;">40</span></p> <p>Amount taken over through business transfer <span style="float: right;">466</span></p> <p>Other <span style="float: right;">862</span></p> <hr/> <p>Total <span style="float: right;">3,006</span></p>

Year ended March 31, 2005	Year ended March 31, 2006
3. Transfer to other accounts (purchased goods)	3. Transfer to other accounts (purchased goods)
<u>Millions of yen</u>	<u>Millions of yen</u>
Tangible fixed assets	Tangible fixed assets
14	233
Research & development expenses	Research & development expenses
13	23
Disposal	Disposal
9	147
Other	Other
66	469
Total	Total
104	874
4. Transfer from other accounts (finished goods)	4. Transfer from other accounts (finished goods)
<u>Millions of yen</u>	<u>Millions of yen</u>
Raw materials	Raw materials
56	42
Tangible fixed assets	Tangible fixed assets
124	23
Disposal	Disposal
29	31
Other	Other
43	21
Total	Total
253	119
5. Transfer to other accounts (finished goods)	5. Transfer to other accounts (finished goods)
<u>Millions of yen</u>	<u>Millions of yen</u>
Raw materials	Raw materials
525	762
Tangible fixed assets	Tangible fixed assets
219	182
Research & development expenses	Research & development expenses
322	296
Other	Disposal
112	51
Total	Other
1,180	96
	Total
	1,389
6. Fixed assets had the following sales gains: 122 million yen from the sale of machinery and equipment (of which gains on sales to affiliates are 112 million yen), 2 million yen from the sale of vehicles; and 1 million yen from the sale of tools, furniture and fixtures (of which gains on sales to affiliates are 1 million yen).	6. Fixed assets had the following sales gains: 359 million yen from the sale of buildings; 107 million yen from the sale of machinery and equipment (of which gains on sales to affiliates are 99 million yen), 0 million yen from the sale of vehicles (of which gains on sales to affiliates are 0 million yen), 5 million yen from the sale of tools, furniture and fixtures (of which gains on sales to affiliates are 5 million yen) and 4 million yen from the sale of land.
7. Fixed assets had the following sales losses: 1,289 million yen from the sale of land; 62 million yen from the sale of buildings; 16 million yen from the sale of structures; 8 million yen from the sale of machinery and equipment ; and 1 million yen from the sale of tools, furniture and fixtures.	7. Fixed assets had the following sales losses: 3 million yen from the sale of buildings; 0 million yen from the sale of structures; 9 million yen from the sale of machinery and equipment (of which losses on sales to affiliates are 0 million yen), 0 million yen from the sale of tools, furniture and fixtures; and 0 million yen from the sale of land.
8. Fixed assets had the following disposal losses: 12 million yen from the disposal of buildings; 3 million yen from the disposal of structures; 65 million yen from the disposal of machinery and equipment ; and 42 million yen from the disposal of tools, furniture and fixtures.	8. Fixed assets had the following disposal losses: 34 million yen from the disposal of buildings; 6 million yen from the disposal of structures; 63 million yen from the disposal of machinery and equipment ; 0 million yen from the disposal of vehicles ; 31 million yen from the disposal of tools, furniture and fixtures and 0 million yen from the disposal of other.
9. Principal transactions with affiliates	9. Principal transactions with affiliates
<u>Millions of yen</u>	<u>Millions of yen</u>
Sales (purchased goods)	Sales (purchased goods)
109,136	131,955
Sales (finished goods)	Sales (finished goods)
8,260	7,570
Purchase (purchased goods)	Purchase (purchased goods)
124,594	135,131
Interest income	Interest income
698	624
Dividends income	Dividends income
10,011	7,688

Year ended March 31, 2005	Year ended March 31, 2006														
10. Impairment loss None	10. Impairment loss Outline of the asset groups on which impairment losses were recognized (Amount: millions of yen) <table border="1" data-bbox="831 371 1501 645"> <thead> <tr> <th rowspan="2">Use</th> <th rowspan="2">Location</th> <th colspan="2">FY2006</th> </tr> <tr> <th>Class</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Idle assets</td> <td rowspan="3">Five facilities-Former Kyoto,Ibaraki,Ichinoseki Kanegasaki plants and former Kanemori Co., Ltd.'s Hokuriku Branch (Hachiman City, Kyoto Pref., etc.)</td> <td>Building</td> <td>132</td> </tr> <tr> <td>Land</td> <td>1,509</td> </tr> <tr> <td>Total</td> <td>1,642</td> </tr> </tbody> </table> <p data-bbox="895 651 1501 797"> <b>Asset grouping method</b>            Based on its business classification, the Company has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.         </p> <p data-bbox="895 826 1501 999"> <b>Reason for the recognition of impairment losses</b>            The above fixed assets (buildings, structures and land) impaired in the current accounting period (first quarter) are idle assets and have no future utilization plans. Due to this, the company recognized impairment losses on those assets.         </p> <p data-bbox="895 1028 1501 1173"> <b>Calculation method of collectable amounts</b>            The collectable amounts of the assets are based on net sales proceeds. Their assessed values are calculated based on the standards for real estate appraisals.         </p>	Use	Location	FY2006		Class	Amount	Idle assets	Five facilities-Former Kyoto,Ibaraki,Ichinoseki Kanegasaki plants and former Kanemori Co., Ltd.'s Hokuriku Branch (Hachiman City, Kyoto Pref., etc.)	Building	132	Land	1,509	Total	1,642
Use	Location			FY2006											
		Class	Amount												
Idle assets	Five facilities-Former Kyoto,Ibaraki,Ichinoseki Kanegasaki plants and former Kanemori Co., Ltd.'s Hokuriku Branch (Hachiman City, Kyoto Pref., etc.)	Building	132												
		Land	1,509												
		Total	1,642												
11. Business restructuring loss None	11. Business restructuring loss <span style="float: right;"><u>Millions of yen</u></span> This loss consists of the following allowances and amounts incurred for the current accounting period, based upon the structural reform plan for the PC keyboard business, etc. <table border="1" data-bbox="831 1352 1501 1509"> <tbody> <tr> <td>Loss on disposal of fixed assets and inventories related to business restructuring</td> <td style="text-align: right;">620</td> </tr> <tr> <td>Estimated amount of support to affiliates related to business restructuring</td> <td style="text-align: right;">3,016</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">3,637</td> </tr> </tbody> </table>	Loss on disposal of fixed assets and inventories related to business restructuring	620	Estimated amount of support to affiliates related to business restructuring	3,016	Total	3,637								
Loss on disposal of fixed assets and inventories related to business restructuring	620														
Estimated amount of support to affiliates related to business restructuring	3,016														
Total	3,637														

(a) Relating to lease transactions

Millions of yen

(1) Equivalent of acquisition value of leased items, equivalent of total amount of depreciation and equivalent of year-end closing balance	<u>Year ended March 31, 2005</u>			<u>Year ended March 31, 2006</u>		
	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance
Vehicles	213	112	100	179	83	96
Tools, furniture and fixtures	2,021	1,074	946	1,893	998	894
Software	42	31	11	35	19	15
Total	<u>2,277</u>	<u>1,218</u>	<u>1,058</u>	<u>2,107</u>	<u>1,101</u>	<u>1,006</u>

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the 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 year-end closing balance of unexpired lease expenses:

within 1-year	480	472
over 1-year	<u>577</u>	<u>534</u>
Total	1,058	1,006

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets, equivalent of 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	657	559
Equivalent of depreciation expenses	657	559

(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.

(b) Securities with Market Value

There are no subsidiaries or affiliates whose stocks have their current market value.

## (c) The tax effect accounting

Year ended March 31, 2005		Year ended March 31, 2006	
1. Major reasons for the accrual of deferred tax assets and deferred tax liabilities		1. Major reasons for the accrual of deferred tax assets and deferred tax liabilities	
	<u>Millions of yen</u>		<u>Millions of yen</u>
(Deferred tax assets)		(Deferred tax assets)	
Excess of allowed limit chargeable to the accrued bonuses	682	Excess of allowed limit chargeable to the accrued bonuses	762
Excess of allowed limit chargeable to the retirement benefits	20	Excess of allowed limit chargeable to the retirement benefits	60
Loss on the liquidation of investments in securities	1,749	Loss on the liquidation of investments in securities	1,671
Loss on the liquidation of investments securities in affiliates	2,278	Loss on the liquidation of investments securities in affiliates	3,383
Excess of allowed limit chargeable to the allowance for doubtful receivable	2,759	Excess of allowed limit chargeable to the allowance for doubtful receivable	2,553
Foreign tax credit carry forwards	1,360	Disallowance of allowance for business restructuring losses	1,383
Others	530	Foreign tax credit carry forwards	602
Total deferred tax assets	<u>9,378</u>	Impairment loss	641
(Deferred tax liabilities)		Excess of allowed limit chargeable to the depreciation	386
Difference on revaluation of other marketable securities	1,006	Disallowance of accrued enterprise taxes	287
Total deferred tax liabilities	<u>1,006</u>	Others	293
Net deferred tax assets	<u>8,371</u>	Total deferred tax assets	<u>12,021</u>
		Valuation allowance	<u>(4,122)</u>
		Total deferred tax assets	<u>7,899</u>
		(Deferred tax liabilities)	
		Difference on revaluation of other marketable securities	2,831
		Total deferred tax liabilities	<u>2,831</u>
		Net deferred tax assets	<u>5,068</u>
2. Major reasons for significant differences between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting		2. Major reasons for significant differences between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting	
Domestic legal effective tax rate	39.0%	Diluted net income per share is not stated due to residual securities not in existence in addition to a net loss per share reported.	
(Adjustments)			
Item to be regarded as taxable expenses, such as entertainment expenses	1.1		
Inhabitant tax levied per capita etc.	3.0		
Withholding income taxes etc.	4.2		
Others	1.5		
Ratio of income tax burden after the application of tax effect accounting	<u>48.8</u>		

## (d) Going concerns

Not applicable.

## (7) Per Share Data

	Year ended March 31, 2005	Year ended March 31, 2006
Net assets per share (yen)	458.56	450.24
Net income (loss) per share (yen)	8.72	(8.47)
Fully diluted net income per share (yen)	8.40	Diluted net income per share is not stated due to a net loss per share reported, although residual securities exist.

(Note) The following are the basis for calculating net income or loss per share and diluted net income per share.

	Year ended March 31, 2005	Year ended March 31, 2006
Net income (loss) per share (yen)		
Net income (loss) in the non-consolidated statements of income (million yen)	3,504	(3,378)
Net income (loss) related to common stock (million yen)	3,481	(3,378)
Amount not available for common stock (million yen)		
Officer's bonuses based on profit Appropriation	23	—
Average shares of common stock outstanding (shares)	399,074,238	399,056,975
Fully diluted net income per share (yen)		
Net income adjustments (million yen)	107	—
Interest expense (after tax equivalents)	107	—
Increased shares of common stock 4th domestic unsecured convertible bonds (shares)	27,860,082	—
Outline of the residual shares not included in the calculation of diluted net income per share due to no dilution effects (million yen)		
4th unsecured bonds with warrants attached (Face value)	4,000	—

(8)Subsequent event

Year ended March 31, 2005	Year ended March 31, 2006
<p>The Board of Directors resolved at a meeting on March 1, 2005, to assume all business from consolidated subsidiary Minebea Electronics Co., Ltd., on April 1, 2005, and liquidate Minebea Electronics Co., Ltd. Minebea Electronics Co., Ltd. entered into liquidation proceedings.</p> <p>1. Purpose Minebea Electronics Co., Ltd., a subsidiary of Minebea Co., Ltd., was founded in May 1986, to mainly produce, market, export and import electronic materials and components, as well as electronic devices. The purpose of the decision to assume all business from Minebea Electronics Co., Ltd., on April 1, 2005, and subsequently liquidate the subsidiary was to achieve greater management efficiency by consolidating all business of Minebea Electronics Co., Ltd., into Minebea.</p> <p>2. Amount of Assets and Liabilities transferred Assets transferred: 3,918 millions of yen Liabilities transferred: 252 millions of yen</p> <p>3. Outline of Minebea Electronics Co., Ltd. (as of March 31, 2005) (a) Representative director and president: Takayuki Yamagishi (b) Location: 1743-1 Asana, Asaba-cho, Iwata-gun, Shizuoka-ken, Japan (c) Date of establishment: May 28, 1986 (d) Capital: 720 millions of yen (e) Shareholder: Minebea Co., Ltd., 100% (f) Net sales: 18,664 millions of yen (g) Ordinary loss: 134 millions of yen</p> <p>4. Impact of the Transfer on Minebea's Results There will be no impact on Minebea's results.</p>	None



7. Change of Directors & Corporate Auditors

(1) Representative Director:

None

(2) Other Directors & Corporate Auditors:

(a) Candidate for New Corporate Auditor (As of June 29, 2006)

Corporate Auditor	Hiroataka Fujiwara
(Part-time)	(Hikari Sogoh Law Offices lawyer)

(Notes) Candidate for new corporate auditor Hiroataka Fujiwara is external corporate auditors.