



**OUTLINE OF FINANCIAL RESULTS
FOR THREE MONTHS, ENDED JUNE 30, 2007**

July 31, 2007

Registered

Company Name: **MINEBEA CO., LTD.**

Code No: 6479

Representative: Takayuki Yamagishi Representative Director, President and Chief Executive Officer

Contact: Sakae Yashiro Senior Managing Executive Officer, Deputy Chief of Administration Headquarters

Tel. (03) 5434-8611

Common Stock Listings: Tokyo, Osaka and Nagoya
(URL <http://www.minebea.co.jp>)

(Amounts less than one million yen have been omitted.)

1. Business performance (April 1, 2007 through June 30, 2007)

(1) Consolidated Results of Operations

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

| | Net sales (millions of yen) | % Change | Operating income (millions of yen) | % Change | Ordinary income (millions of yen) | % Change |
|--------------------|--------------------------------|-------------|---------------------------------------|-------------|--------------------------------------|-------------|
| FY2008 1st Quarter | 81,766 | 2.0 | 7,115 | 21.5 | 6,252 | 32.6 |
| FY2007 1st Quarter | 80,201 | 6.0 | 5,858 | 94.6 | 4,713 | 117.9 |
| FY2007 | 331,022 | — | 26,265 | — | 21,843 | — |

| | Net income (millions of yen) | % Change | Net income per share (yen) | Fully diluted net income per share (yen) |
|--------------------|---------------------------------|-------------|-------------------------------|---|
| FY2008 1st Quarter | 3,133 | (4.7) | 7.85 | — |
| FY2007 1st Quarter | 3,288 | 235.5 | 8.24 | — |
| FY2007 | 12,862 | — | 32.23 | — |

(2) Consolidated Financial Position

| | Total assets (millions of yen) | Net assets (millions of yen) | Equity ratio (%) | Net assets per share (yen) |
|--------------------|-----------------------------------|---------------------------------|---------------------|-------------------------------|
| FY2008 1st Quarter | 369,978 | 155,528 | 41.9 | 388.58 |
| FY2007 1st Quarter | 342,550 | 119,939 | 34.9 | 299.36 |
| FY2007 | 354,784 | 142,558 | 40.1 | 356.75 |

(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) |
|--------------------|--|--|--|---|
| FY2008 1st Quarter | 7,130 | (4,659) | (4,539) | 20,186 |
| FY2007 1st Quarter | 11,877 | (3,119) | (11,899) | 21,062 |
| FY2007 | 37,902 | (15,180) | (25,683) | 21,731 |

2. Dividends

| (Record date) | Dividends per share | | |
|-------------------|----------------------|-------------------|-----------------------|
| | Midyear-end (yen) | Year-end (yen) | For the year (yen) |
| FY2007 | — | 10.00 | 10.00 |
| FY2008 | — | — | 10.00 |
| FY2008 (Forecast) | — | 10.00 | |

3. Prospect for the next fiscal year (April 1, 2007 through March 31, 2008) [Reference]

(Percentages indicate year-on-year changes for the interim term and the full year.)

| | Net sales (millions of yen) | % Change | Operating income (millions of yen) | % Change | Ordinary income (millions of yen) | % Change |
|---------|--------------------------------|-------------|---------------------------------------|-------------|--------------------------------------|-------------|
| Interim | 162,500 | (0.9) | 14,000 | 4.7 | 11,500 | 5.1 |
| Annual | 335,000 | 1.2 | 30,000 | 14.2 | 25,000 | 14.5 |

| | Net income (millions of yen) | % Change | Net income per share (yen) |
|---------|---------------------------------|-------------|-------------------------------|
| Interim | 6,500 | (13.0) | 16.29 |
| Annual | 15,000 | 16.6 | 37.59 |

(Notes) Regarding operating results for the interim term and the full year, there is no change to the forecasts released on May 8, 2007.

4. Others

- (1) Changes in significant subsidiaries during the quarter (Changes in certain subsidiaries resulting in change in the scope of consolidation): None
- (2) Concise accounting procedures adopted: None
- (3) Changes in accounting method: Yes

(Notes) For details, see [Qualitative Data, Financial Statements, Etc.] and 4. Others on page 4.

(Notes) Explanation for appropriate use of financial forecasts and other special remarks

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.

[Qualitative Data, Financial Statements, Etc.]

1. Qualitative Data on Consolidated Operating Results

During the first quarter of the current fiscal year (April 1, 2007 to June 30, 2007), the Japanese economy continued moderate expansion, supported by increased capital investments and exports, and other economic factors, amid corporate earnings being at a high level. The U. S. economy was relatively stable on solid personal consumption and other economic factors, although there was a decrease in housing investments. The European economy also continued growth led by domestic demand. In Asia, growth in the Chinese economy remained high on increased exports and increased investment in fixed assets, and in other Asian countries also, the economies generally advanced firmly.

Under these management circumstances, we strove to implement sweeping cost reduction measures, develop new technologies and high value-added products, and promote sales expansion activities, in order to further increase earnings. As a result, net sales increased 1,564 million yen (2.0%) year on year, to 81,766 million yen, operating income largely increased 1,256 million yen (21.5%) year on year, to 7,115 million yen. Ordinary income largely rose 1,538 million yen (32.6%) year on year, to 6,252 million yen. But as a result of posting 531 million yen of cut-off payments, etc. in extraordinary losses in relation to the abolition of the executive retirement benefits system, quarterly net income fell 155 million yen (-4.7%), to 3,133 million yen.

(a) Performance by business segment is as follows:

Our products in the Machined components 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 automobiles and information & telecommunications equipment increased largely year on year owing to our vigorous sales expansion efforts. Sales of rod-end bearings rose to the aerospace industry, mainly in the U.S. and Europe. Also, sales of pivot assemblies grew. As a result, net sales rose 2,221 million yen (6.7%) year on year, to 35,526 million yen. Operating income also increased 371 million yen (6.0%) year on year, to 6,599 million yen, a result of focusing on increased production, implementation of continuous cost reduction measures, as well as pursuance of basic technologies, product technologies and manufacturing techniques.

Our core products in the Electronic devices and components business segment include information motors (fan motors, stepping motors, vibration motors and DC brush motors); HDD spindle motors; PC keyboards; speakers; LCD back lights; inverter and measuring instruments. Sales of motors including information motors rose strongly to manufacturers of mobile phones, office automation, personal computers, and peripheral equipment. But in PC keyboards and speakers, which are both being focused on high value-added products, sales decreased largely. As a result, net sales fell 656 million yen (-1.4%) year on year, to 46,240 million yen. Operating income substantially improved 884 million yen year on year, to 515 million yen on improved earnings in information motors and PC keyboards.

(b) Performance by geographical segment is as follows:

In Japan, net sales fell 1,483 million yen (-7.3%) year on year, to 18,860 million yen on decreased sales of PC keyboards and other products. But operating income increased 322 million yen (15.8%), to 2,357 million yen, owing primarily to the changes in prices of products imported from overseas subsidiaries.

Asia, excluding Japan, includes Greater China region which continues high growth, and is an important manufacturing base for many makers of Japan, Europe, America and other countries. Sales were firm mainly in the Greater China region, led by expanded demand from the information & telecommunications equipment industry and steady demand from the household electrical appliance industry. As a result, net sales increased 2,856 million yen (7.5%) year on year, to 40,732 million yen, and operating income also largely expanded 587 million yen (23.2%), to 3,122 million yen.

In North America, both orders and sales of American-made ball bearings and rod-end bearings for use mainly in the aircraft-related industries were strong. In addition, sales of electronic devices and components, other than imported machined components and PC keyboards, were firm. As a result of decreased sales of PC keyboards in which specialization in high value-added products was implemented, net sales declined 1,026 million yen (-6.9%) year on year, to 13,742 million yen. On the other hand, however, operating income increased 404 million yen (46.2%) to 1,278 million yen.

In Europe, sales of ball bearings, rod-end bearings and other products were firm as moderate economic growth was seen. As a result, net sales increased 1,216 million yen (16.9%) year on year, to 8,430 million yen. But operating income was 357 million yen, almost similar to the performance in the first quarter of the previous fiscal year.

2. Qualitative Data on Consolidated Financial Position

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 20,186 million yen, down 875 million yen year on year.

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

Operating activities: Owing mainly to increased income before income taxes, increased inventories and the payment of income taxes, net cash flow from operating activities fell 4,747 million yen year on year, to 7,130 million yen.

Investing activities: Due mainly to increased payments of expenditures for purchase of property, plant and equipment, net cash outflow from investing activities rose 1,540 million yen year on year, to 4,659 million yen.

Financing activities: Owing primarily to the repayment of short-term debts and the payment of dividends, net cash flow from financing activities decreased 7,360 million yen year on year, to 4,539 million yen.

3. Qualitative Data on Consolidated Earnings Forecasts

Regarding the prospect for the remaining year, there is no change to the forecasts released on May 8, 2007.

4. Others

(1) Changes in significant subsidiaries during the quarter (Changes in certain subsidiaries resulting in change in the scope of consolidation)

Not applicable.

(2) Concise accounting procedures adopted

Not applicable.

(3) Changes in accounting method

(Change of depreciation method)

From the current consolidated fiscal year, regarding the fixed assets purchased on or after April 1, 2007, the Company posts depreciation and amortization expenses pursuant to the depreciation method provided in the revised Corporation Tax Law.

This change's effect on operating income, ordinary income, and income before income taxes and minority interests is minor.

5. Consolidated Financial Statements
(1) Consolidated Balance Sheets

| | As of June 30, 2006 | | As of June 30, 2007 | | Increase (Decrease) | | As of March 31, 2007 |
|---|------------------------|------------|------------------------|------------|------------------------|--------|----------------------------|
| | Millions of yen | % Comp. | Millions of yen | % Comp. | Millions of yen | % | Millions of yen |
| ASSETS | | | | | | | |
| Current assets | 152,660 | 44.6 | 165,665 | 44.8 | 13,004 | 8.5 | 156,059 |
| Cash and cash equivalents | 21,062 | | 20,186 | | (875) | | 21,731 |
| Notes and accounts receivable | 66,541 | | 73,259 | | 6,717 | | 71,883 |
| Marketable securities | — | | 856 | | 856 | | 408 |
| Inventories | 47,731 | | 50,858 | | 3,127 | | 45,904 |
| Deferred tax assets | 4,599 | | 6,675 | | 2,075 | | 7,056 |
| Others | 12,993 | | 14,086 | | 1,093 | | 9,325 |
| Allowance for doubtful receivables | (266) | | (256) | | 9 | | (249) |
| Fixed assets | 189,818 | 55.4 | 204,278 | 55.2 | 14,459 | 7.6 | 198,684 |
| Tangible fixed assets | 162,028 | | 177,253 | | 15,225 | | 171,063 |
| Buildings and structures | 103,912 | | 116,563 | | 12,650 | | 112,533 |
| Machinery and transportation equipment | 230,970 | | 275,278 | | 44,307 | | 261,475 |
| Tools, furniture and fixtures | 50,458 | | 52,154 | | 1,696 | | 50,227 |
| Land | 14,713 | | 15,993 | | 1,280 | | 15,528 |
| Construction in progress | 1,582 | | 2,321 | | 739 | | 1,771 |
| Accumulated depreciation | (239,608) | | (285,058) | | (45,449) | | (270,473) |
| Intangible fixed assets | 12,926 | | 11,895 | | (1,030) | | 11,973 |
| Goodwill | 9,435 | | 8,777 | | (658) | | 8,794 |
| Others | 3,490 | | 3,117 | | (372) | | 3,179 |
| Investments and other assets | 14,864 | | 15,129 | | 265 | | 15,646 |
| Investments in securities | 10,120 | | 11,176 | | 1,056 | | 11,318 |
| Long-term loans receivable | 49 | | 57 | | 7 | | 54 |
| Deferred tax assets | 3,007 | | 986 | | (2,020) | | 990 |
| Others | 1,739 | | 2,910 | | 1,170 | | 3,283 |
| Allowance for doubtful receivables | (52) | | (0) | | 51 | | (0) |
| Deferred charges | 71 | 0.0 | 34 | 0.0 | (37) | (52.1) | 40 |
| Total assets | 342,550 | 100.0 | 369,978 | 100.0 | 27,427 | 8.0 | 354,784 |

| | As of June 30, 2006 | | As of June 30, 2007 | | Increase (Decrease) | | As of March 31, 2007 |
|---|------------------------|--------------|------------------------|--------------|------------------------|------------|----------------------------|
| | Millions of yen | % Comp. | Millions of yen | % Comp. | Millions of yen | % | Millions of yen |
| LIABILITIES | | | | | | | |
| Current liabilities | 142,168 | 41.5 | 132,717 | 35.9 | (9,450) | (6.6) | 131,154 |
| Notes and accounts payable | 27,969 | | 28,943 | | 974 | | 27,743 |
| Short-term loans payable | 70,191 | | 57,984 | | (12,206) | | 57,639 |
| Current portion of long-term loans payable | 9,066 | | 13,209 | | 4,143 | | 14,121 |
| Current portion of bonds | 3,000 | | — | | (3,000) | | — |
| Accrued income taxes | 2,938 | | 2,909 | | (28) | | 4,418 |
| Accrued bonuses..... | 3,123 | | 3,759 | | 635 | | 3,823 |
| Allowance for bonuses to directors and corporate auditors..... | — | | — | | — | | 69 |
| Allowance for business restructuring losses | 2,949 | | 658 | | (2,290) | | 636 |
| Others..... | 22,929 | | 25,252 | | 2,322 | | 22,701 |
| Long-term liabilities | 80,442 | 23.5 | 81,732 | 22.1 | 1,289 | 1.6 | 81,071 |
| Bonds..... | 36,500 | | 36,500 | | — | | 36,500 |
| Long-term loans payable | 43,000 | | 43,000 | | — | | 42,000 |
| Allowance for retirement benefits..... | 479 | | 1,438 | | 959 | | 1,661 |
| Allowance for retirement benefits to executive officers..... | 55 | | 28 | | (26) | | 73 |
| Others..... | 407 | | 764 | | 356 | | 835 |
| Total liabilities | 222,611 | 65.0 | 214,449 | 58.0 | (8,161) | (3.7) | 212,226 |
| NET ASSETS | | | | | | | |
| Shareholders' equity | 173,219 | 50.6 | 181,921 | 49.2 | 8,701 | 5.0 | 178,791 |
| Common stock | 68,258 | | 68,258 | | — | | 68,258 |
| Additional paid-in capital..... | 94,756 | | 94,756 | | 0 | | 94,756 |
| Retained earnings..... | 10,272 | | 18,989 | | 8,716 | | 15,855 |
| Treasury stock..... | (68) | | (83) | | (14) | | (79) |
| Revaluation / Translation differences | (53,762) | (15.7) | (26,871) | (7.3) | 26,890 | (50.0) | (36,437) |
| Difference on revaluation of other marketable securities..... | 3,912 | | 3,404 | | (507) | | 3,294 |
| Foreign currency translation adjustments..... | (57,674) | | (30,276) | | 27,397 | | (39,732) |
| Minority interests in consolidated subsidiaries | 481 | 0.1 | 478 | 0.1 | (3) | (0.7) | 204 |
| Total net assets..... | 119,939 | 35.0 | 155,528 | 42.0 | 35,589 | 29.7 | 142,558 |
| TOTAL LIABILITIES AND NET ASSETS | 342,550 | 100.0 | 369,978 | 100.0 | 27,427 | 8.0 | 354,784 |

(2) Consolidated Statements of Income

| | Three months ended June 30, 2006 | | Three months ended June 30, 2007 | | Increase (Decrease) | | Year ended March 31, 2007 |
|---|-------------------------------------|------------|-------------------------------------|------------|------------------------|--------|---------------------------------|
| | Millions of yen | % Comp. | Millions of yen | % Comp. | Millions of yen | % | Millions of yen |
| Net sales..... | 80,201 | 100.0 | 81,766 | 100.0 | 1,564 | 2.0 | 331,022 |
| Cost of sales | 62,983 | 78.5 | 62,259 | 76.1 | (724) | (1.1) | 257,643 |
| Gross profit | 17,218 | 21.5 | 19,506 | 23.9 | 2,288 | 13.3 | 73,378 |
| Selling, general and administrative expenses | 11,359 | 14.2 | 12,391 | 15.2 | 1,032 | 9.1 | 47,113 |
| Operating income | 5,858 | 7.3 | 7,115 | 8.7 | 1,256 | 21.5 | 26,265 |
| Other income..... | 527 | 0.7 | 694 | 0.8 | 166 | 31.7 | 2,128 |
| Interest income | 159 | | 166 | | 7 | | 544 |
| Dividends income | 34 | | 52 | | 18 | | 66 |
| Equity income of affiliates | 3 | | 7 | | 3 | | — |
| Others | 329 | | 467 | | 137 | | 1,517 |
| Other Expenses..... | 1,671 | 2.1 | 1,556 | 1.9 | (115) | (6.9) | 6,549 |
| Interest expenses | 1,305 | | 1,286 | | (19) | | 5,224 |
| Foreign currency exchange loss..... | 206 | | 89 | | (116) | | 679 |
| Equity loss of affiliates | — | | — | | — | | 5 |
| Others | 159 | | 180 | | 20 | | 640 |
| Ordinary income | 4,713 | 5.9 | 6,252 | 7.6 | 1,538 | 32.6 | 21,843 |
| Extraordinary income..... | 649 | 0.8 | 29 | 0.0 | (619) | (95.4) | 772 |
| Gain on sales of fixed assets | 61 | | 27 | | (33) | | 183 |
| Gain on sales of investments securities .. | — | | — | | — | | 0 |
| Reversal of loss on after-care of products | 572 | | — | | (572) | | 572 |
| Reversal of allowance for doubtful receivables | 14 | | 2 | | (12) | | 14 |
| Extraordinary loss | 157 | 0.2 | 806 | 0.9 | 648 | 410.7 | 3,091 |
| Loss on sales of fixed assets..... | 46 | | 40 | | (5) | | 323 |
| Loss on disposal of fixed assets | 111 | | 188 | | 77 | | 1,364 |
| Impairment loss | — | | — | | — | | 74 |
| Loss on liquidation of affiliates | — | | 14 | | 14 | | 56 |
| Loss on after-care of products..... | — | | — | | — | | 49 |
| Business restructuring loss | — | | — | | — | | 40 |
| Compensation payments | — | | — | | — | | 70 |
| Settlement loss..... | — | | — | | — | | 808 |
| Special severance payment..... | — | | 31 | | 31 | | 304 |
| Retirement benefits to directors and corporate auditors | — | | 531 | | 531 | | — |
| Income before income taxes and minority interests | 5,205 | 6.5 | 5,476 | 6.7 | 271 | 5.2 | 19,523 |
| Income taxes | | | | | | | |
| Current (including enterprise tax) | 1,676 | | 1,794 | | 117 | | 6,248 |
| Adjustment of income taxes..... | 398 | | 336 | | (62) | | 813 |
| Total income taxes | 2,075 | 2.6 | 2,130 | 2.6 | 55 | 2.7 | 7,062 |
| Minority interests in earnings of consolidated subsidiaries..... | (159) | (0.2) | 212 | 0.3 | 371 | — | (401) |
| Net income | 3,288 | 4.1 | 3,133 | 3.8 | (155) | (4.7) | 12,862 |

(3) Statement of Changes in Consolidated Shareholders' Equity
 FY2007 1st Quarter (April 1, 2006 through June 30, 2006)

(Amount: millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|----------------------------|-------------------|----------------|----------------------------|
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| Balances at March 31, 2006 | 68,258 | 94,756 | 6,983 | (65) | 169,933 |
| Changes | | | | | |
| Net income | | | 3,288 | | 3,288 |
| Purchase of own shares | | | | (2) | (2) |
| Changes (net) in non-shareholders' equity items | | | | | |
| Total changes | — | — | 3,288 | (2) | 3,286 |
| Balances at June 30, 2006 | 68,258 | 94,756 | 10,272 | (68) | 173,219 |

| | Revaluation / Translation differences | | | Minority interests in consolidated subsidiaries | Total net assets |
|---|--|--|---|---|------------------|
| | Difference on revaluation of other marketable securities | Foreign currency translation adjustments | Total revaluation / translation differences | | |
| Balances at March 31, 2006 | 4,428 | (56,784) | (52,355) | 631 | 118,209 |
| Changes | | | | | |
| Net income | | | | | 3,288 |
| Purchase of own shares | | | | | (2) |
| Changes (net) in non-shareholders' equity items | (516) | (889) | (1,406) | (149) | (1,555) |
| Total changes | (516) | (889) | (1,406) | (149) | 1,730 |
| Balances at June 30, 2006 | 3,912 | (57,674) | (53,762) | 481 | 119,939 |

FY2008 1st Quarter (April 1, 2007 through June 30, 2007)

(Amount: millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|----------------------------|-------------------|----------------|----------------------------|
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| Balances at March 31, 2007 | 68,258 | 94,756 | 15,855 | (79) | 178,791 |
| Changes | | | | | |
| Net income | | | 3,133 | | 3,133 |
| Purchase of own shares | | | | (3) | (3) |
| Changes (net) in non-shareholders' equity items | | | | | |
| Total changes | — | — | 3,133 | (3) | 3,130 |
| Balances at June 30, 2007 | 68,258 | 94,756 | 18,989 | (83) | 181,921 |

| | Revaluation / Translation differences | | | Minority interests in consolidated subsidiaries | Total net assets |
|---|--|--|---|---|------------------|
| | Difference on revaluation of other marketable securities | Foreign currency translation adjustments | Total revaluation / translation differences | | |
| Balances at March 31, 2007 | 3,294 | (39,732) | (36,437) | 204 | 142,558 |
| Changes | | | | | |
| Net income | | | | | 3,133 |
| Purchase of own shares | | | | | (3) |
| Changes (net) in non-shareholders' equity items | 110 | 9,456 | 9,566 | 273 | 9,840 |
| Total changes | 110 | 9,456 | 9,566 | 273 | 12,970 |
| Balances at June 30, 2007 | 3,404 | (30,276) | (26,871) | 478 | 155,528 |

FY2007 (April 1, 2006 through March 31, 2007)

(Amount: millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|----------------------------|-------------------|----------------|----------------------------|
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| Balances at March 31, 2006 | 68,258 | 94,756 | 6,983 | (65) | 169,933 |
| Changes | | | | | |
| Cash dividend from retained earnings | | | (3,990) | | (3,990) |
| Net income | | | 12,862 | | 12,862 |
| Purchase of own shares | | | | (15) | (15) |
| Sales of own shares | | 0 | | 1 | 1 |
| Changes (net) in non-shareholders' equity items | | | | | |
| Total changes | — | 0 | 8,872 | (14) | 8,858 |
| Balances at March 31, 2007 | 68,258 | 94,756 | 15,855 | (79) | 178,791 |

| | Revaluation / Translation differences | | | Minority interests in consolidated subsidiaries | Total net assets |
|---|--|--|---|---|------------------|
| | Difference on revaluation of other marketable securities | Foreign currency translation adjustments | Total revaluation / translation differences | | |
| Balances at March 31, 2006 | 4,428 | (56,784) | (52,355) | 631 | 118,209 |
| Changes | | | | | |
| Cash dividend from retained earnings | | | | | (3,990) |
| Net income | | | | | 12,862 |
| Purchase of own shares | | | | | (15) |
| Sales of own shares | | | | | 1 |
| Changes (net) in non-shareholders' equity items | (1,133) | 17,051 | 15,918 | (426) | 15,491 |
| Total changes | (1,133) | 17,051 | 15,918 | (426) | 24,349 |
| Balances at March 31, 2007 | 3,294 | (39,732) | (36,437) | 204 | 142,558 |

(4) Consolidated Statements of Cash Flows

(Amount: millions of yen)

| | Three months ended June 30, 2006 | Three months ended June 30, 2007 | Year ended March 31, 2007 |
|---|--|--|------------------------------|
| 1. Cash flows from operating activities: | | | |
| Income before income taxes and minority interests..... | 5,205 | 5,476 | 19,523 |
| Depreciation and amortization..... | 5,915 | 6,544 | 24,648 |
| Impairment loss | — | — | 74 |
| Amortization of goodwill..... | 272 | 267 | 1,078 |
| Equity (income) loss of affiliates | (3) | (7) | 5 |
| Interest and dividend income | (193) | (219) | (610) |
| Interest expenses | 1,305 | 1,286 | 5,224 |
| Settlement loss | — | — | 808 |
| (Gain) loss on sales of fixed assets | (14) | 13 | 140 |
| Loss on disposal of fixed assets | 111 | 188 | 1,364 |
| Decrease in reserve for losses on after-care of products | (577) | — | (577) |
| (Gain) loss on sales of investments securities | — | — | (0) |
| (Increase) decrease in notes and accounts receivable | (628) | 713 | (3,673) |
| (Increase) decrease in inventories..... | 849 | (2,733) | 6,403 |
| Increase (decrease) in notes and accounts payable | 1,393 | 110 | (1,629) |
| Decrease in allowance for doubtful receivables..... | (20) | (2) | (102) |
| Increase (decrease) in accrued bonuses | (389) | (188) | 138 |
| Increase (decrease) in allowance for bonuses to directors and corporate auditors | — | (69) | 69 |
| Increase (decrease) in retirement allowance | (135) | (319) | 814 |
| Increase in prepaid pension cost | — | — | (1,408) |
| Increase (decrease) in allowance for retirement benefits to executive officers..... | 6 | (45) | 24 |
| Decrease in allowance for business restructuring losses | (336) | (7) | (2,649) |
| Others..... | 1,657 | 1,128 | (2,486) |
| Sub-total | 14,416 | 12,134 | 47,178 |
| Interest and dividends received | 156 | 178 | 610 |
| Interest paid..... | (1,101) | (1,041) | (5,251) |
| Income tax paid..... | (1,592) | (3,334) | (4,635) |
| Settlement package paid | — | (808) | — |
| Net cash provided by operating activities | 11,877 | 7,130 | 37,902 |
| 2. Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | (3,594) | (5,268) | (16,969) |
| Proceeds from sales of tangible fixed assets | 740 | 882 | 5,187 |
| Purchase of intangible fixed assets..... | (290) | (116) | (697) |
| Purchase of investments in securities..... | (0) | (0) | (2,666) |
| Proceeds from sales of investments in securities | — | — | 1 |
| Long term loans receivables | (16) | (2) | (31) |
| Recovery of long term loans receivables | 14 | 2 | 38 |
| Others..... | 26 | (156) | (42) |
| Net cash used in investing activities | (3,119) | (4,659) | (15,180) |
| 3. Cash flows from financing activities: | | | |
| Decrease in short-term loans payable..... | (10,103) | (545) | (24,876) |
| Proceeds from long-term loans..... | 1,000 | 1,000 | 11,000 |
| Repayment of long-term loans..... | — | (1,000) | (6,000) |
| Payment for redemption of bonds | — | — | (3,000) |
| Purchase of treasury stock | (2) | (3) | (13) |
| Cash dividends paid..... | (2,793) | (3,990) | (2,793) |
| Net cash provided by (used in) financing activities | (11,899) | (4,539) | (25,683) |
| 4. Effect of exchange rate changes on cash and cash equivalents | (181) | 524 | 307 |
| 5. Net decrease in cash and cash equivalents | (3,323) | (1,544) | (2,654) |
| 6. Cash and cash equivalents at beginning of period | 24,385 | 21,731 | 24,385 |
| 7. Cash and cash equivalents at end of period | 21,062 | 20,186 | 21,731 |

(5) Segment Information

1. Business segments

(Amount: millions of yen)

| | FY2007 1st Quarter (April 1, 2006 through June 30, 2006) | | | | |
|---|--|--|-----------|-------------|---------|
| | Machined components business | Electronic devices and components business | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | |
| Total sales | | | | | |
| (1) Sales to customers | 33,305 | 46,896 | 80,201 | — | 80,201 |
| (2) Sales to other segment | 1,539 | 1,010 | 2,550 | (2,550) | — |
| Total | 34,845 | 47,906 | 82,752 | (2,550) | 80,201 |
| Operating expense | 28,617 | 48,276 | 76,893 | (2,550) | 74,343 |
| Operating income (loss) | 6,228 | (369) | 5,858 | — | 5,858 |
| 2. Assets, depreciation and capital expenditure | | | | | |
| Assets | 198,609 | 216,301 | 414,911 | (72,360) | 342,550 |
| Depreciation | 3,010 | 2,905 | 5,915 | — | 5,915 |
| Capital expenditure | 1,581 | 2,303 | 3,885 | — | 3,885 |

(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)

| | FY2008 1st Quarter (April 1, 2007 through June 30, 2007) | | | | |
|---|--|--|-----------|-------------|---------|
| | Machined components business | Electronic devices and components business | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | |
| Total sales | | | | | |
| (1) Sales to customers | 35,526 | 46,240 | 81,766 | — | 81,766 |
| (2) Sales to other segment | 2,140 | 1,135 | 3,276 | (3,276) | — |
| Total | 37,666 | 47,376 | 85,042 | (3,276) | 81,766 |
| Operating expense | 31,067 | 46,860 | 77,927 | (3,276) | 74,651 |
| Operating income | 6,599 | 515 | 7,115 | — | 7,115 |
| 2. Assets, depreciation and capital expenditure | | | | | |
| Assets | 226,811 | 231,148 | 457,960 | (87,981) | 369,978 |
| Depreciation | 3,407 | 3,136 | 6,544 | — | 6,544 |
| Capital expenditure | 2,338 | 3,103 | 5,441 | — | 5,441 |

(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, Inverter, Strain gauges, Load cells, etc.

(Amount: millions of yen)

| | FY2007 (April 1, 2006 through March 31, 2007) | | | | |
|--|---|--|-----------|-------------|---------|
| | Machined components business | Electronic devices and components business | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | |
| Total sales | | | | | |
| (1) Sales to customers | 137,662 | 193,359 | 331,022 | — | 331,022 |
| (2) Sales to other segment | 7,212 | 4,135 | 11,347 | (11,347) | — |
| Total | 144,874 | 197,495 | 342,370 | (11,347) | 331,022 |
| Operating expense | 118,679 | 197,425 | 316,105 | (11,347) | 304,757 |
| Operating income | 26,195 | 69 | 26,265 | — | 26,265 |
| 2. Assets, depreciation, impairment loss and capital expenditure | | | | | |
| Assets | 216,595 | 224,047 | 440,643 | (85,858) | 354,784 |
| Depreciation | 12,507 | 12,140 | 24,648 | — | 24,648 |
| Impairment loss | 30 | 43 | 74 | — | 74 |
| Capital expenditure | 8,422 | 9,243 | 17,666 | — | 17,666 |

(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, Inverter, Strain gauges, Load cells, etc.

2. Geographical segments

(Amount: millions of yen)

| | FY2007 1st Quarter (April 1, 2006 through June 30, 2006) | | | | | | |
|-------------------------------------|--|------------------------------|------------------|--------|-----------|-------------|---------|
| | Japan | Asia (excluding Japan) | North America | Europe | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | | | |
| Total sales | | | | | | | |
| (1) Sales to customers | 20,343 | 37,876 | 14,768 | 7,214 | 80,201 | — | 80,201 |
| (2) Sales to other segment | 38,643 | 39,161 | 415 | 438 | 78,659 | (78,659) | — |
| Total | 58,986 | 77,037 | 15,184 | 7,653 | 158,861 | (78,659) | 80,201 |
| Operating expense | 56,951 | 74,502 | 14,309 | 7,240 | 153,003 | (78,659) | 74,343 |
| Operating income | 2,035 | 2,535 | 874 | 413 | 5,858 | — | 5,858 |
| 2. Assets | 160,968 | 236,244 | 36,440 | 19,868 | 453,522 | (110,971) | 342,550 |

(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, etc.

(Amount: millions of yen)

| | FY2008 1st Quarter (April 1, 2007 through June 30, 2007) | | | | | | |
|-------------------------------------|--|------------------------------|------------------|--------|-----------|-------------|---------|
| | Japan | Asia (excluding Japan) | North America | Europe | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | | | |
| Total sales | | | | | | | |
| (1) Sales to customers | 18,860 | 40,732 | 13,742 | 8,430 | 81,766 | — | 81,766 |
| (2) Sales to other segment | 40,742 | 42,589 | 501 | 283 | 84,116 | (84,116) | — |
| Total | 59,603 | 83,321 | 14,243 | 8,713 | 165,883 | (84,116) | 81,766 |
| Operating expense | 57,246 | 80,199 | 12,965 | 8,356 | 158,767 | (84,116) | 74,651 |
| Operating income | 2,357 | 3,122 | 1,278 | 357 | 7,115 | — | 7,115 |
| 2. Assets | 164,248 | 272,436 | 38,301 | 23,615 | 498,601 | (128,623) | 369,978 |

(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, etc.

(Amount: millions of yen)

| | FY2007 (April 1, 2006 through March 31, 2007) | | | | | | |
|-------------------------------------|---|------------------------------|------------------|--------|-----------|-------------|---------|
| | Japan | Asia (excluding Japan) | North America | Europe | Sub-total | Elimination | Total |
| 1. Total sales and operating income | | | | | | | |
| Total sales | | | | | | | |
| (1) Sales to customers | 83,264 | 162,330 | 56,109 | 29,317 | 331,022 | — | 331,022 |
| (2) Sales to other segment | 163,914 | 165,062 | 1,750 | 1,081 | 331,808 | (331,808) | — |
| Total | 247,179 | 327,392 | 57,860 | 30,398 | 662,830 | (331,808) | 331,022 |
| Operating expense | 237,409 | 316,093 | 54,130 | 28,932 | 636,565 | (331,808) | 304,757 |
| Operating income | 9,769 | 11,299 | 3,730 | 1,465 | 26,265 | — | 26,265 |
| 2. Assets | 162,335 | 258,045 | 35,692 | 21,325 | 477,398 | (122,614) | 354,784 |

(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, etc.

3. Overseas sales

(Amount: millions of yen)

| | FY2007 1st Quarter (April 1, 2006 through June 30, 2006) | | | |
|----------------------------------|--|----------------------------|--------|--------|
| | Asia (excluding Japan) | North and South America | Europe | Total |
| 1. Overseas sales | 38,655 | 12,173 | 8,586 | 59,415 |
| 2. Total sales | | | | 80,201 |
| 3. Overseas sales on total sales | 48.2% | 15.2% | 10.7% | 74.1% |

(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)

| | FY2008 1st Quarter (April 1, 2007 through June 30, 2007) | | | |
|----------------------------------|--|----------------------------|--------|--------|
| | Asia (excluding Japan) | North and South America | Europe | Total |
| 1. Overseas sales | 41,829 | 11,526 | 9,283 | 62,640 |
| 2. Total sales | | | | 81,766 |
| 3. Overseas sales on total sales | 51.2% | 14.1% | 11.3% | 76.6% |

(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)

| | FY2007 (April 1, 2006 through March 31, 2007) | | | |
|----------------------------------|---|----------------------------|--------|---------|
| | Asia (excluding Japan) | North and South America | Europe | Total |
| 1. Overseas sales | 166,256 | 44,927 | 35,119 | 246,303 |
| 2. Total sales | | | | 331,022 |
| 3. Overseas sales on total sales | 50.2% | 13.6% | 10.6% | 74.4% |

(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.

(6) Marketable Securities

FY2007 1st Quarter (As of June 30, 2006)

1. Other marketable securities with market value

(Amount: millions of yen)

| | Acquisition cost | Reported amount in B/S | Difference |
|-------------|------------------|------------------------|------------|
| Stock | 3,080 | 9,494 | 6,413 |
| Receivables | — | — | — |
| Others | — | — | — |
| Total | 3,080 | 9,494 | 6,413 |

2. Major securities that are not marked to market

(Amount: millions of yen)

| | Reported amount in B/S |
|---|------------------------|
| Other marketable securities Non-listed stock | 473 |

FY2008 1st Quarter (As of June 30, 2007)

1. Other marketable securities with market value

(Amount: millions of yen)

| | Acquisition cost | Reported amount in B/S | Difference |
|-------------|------------------|------------------------|------------|
| Stock | 3,081 | 8,673 | 5,592 |
| Receivables | 2,628 | 2,734 | 106 |
| Others | — | — | — |
| Total | 5,709 | 11,408 | 5,698 |

2. Major securities that are not marked to market

(Amount: millions of yen)

| | Reported amount in B/S |
|---|------------------------|
| Other marketable securities Non-listed stock | 474 |

FY2007 (As of March 31, 2007)

1. Debt securities held to maturity with market values

(Amount: millions of yen)

| | Reported amount in B/S | Market value | Difference |
|--|------------------------|--------------|------------|
| Government bonds, municipal bonds, etc. | 2,628 | 2,628 | 0 |
| Bonds | — | — | — |
| Others | — | — | — |
| Total | 2,628 | 2,628 | 0 |

2. Other marketable securities with market value

(Amount: millions of yen)

| | Acquisition cost | Reported amount in B/S | Difference |
|-------------|------------------|------------------------|------------|
| Stock | 3,081 | 8,482 | 5,401 |
| Receivables | — | — | — |
| Others | — | — | — |
| Total | 3,081 | 8,482 | 5,401 |

3. Major securities that are not marked to market

(Amount: millions of yen)

| | Reported amount in B/S |
|---|------------------------|
| Other marketable securities Non-listed stock | 473 |

(7) Amounts of Production, Orders received, Sales

1. Production

(Amount: millions of yen)

| Business segments | FY2007 1st Quarter | FY2008 1st Quarter | FY2007 |
|--|--------------------|--------------------|---------|
| Machined components business | 32,999 | 35,516 | 137,001 |
| Electronic devices and components business | 43,624 | 45,590 | 180,088 |
| Total | 76,623 | 81,106 | 317,089 |

(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 | FY2007 1st Quarter | | FY2008 1st Quarter | | FY2007 | |
|--|--------------------|---------------|--------------------|---------------|-----------------|---------------|
| | Orders received | Order backlog | Orders received | Order backlog | Orders received | Order backlog |
| Machined components business | 34,027 | 48,766 | 39,764 | 55,453 | 140,833 | 51,215 |
| Electronic devices and components business | 47,965 | 24,350 | 47,762 | 26,889 | 195,445 | 25,367 |
| Total | 81,992 | 73,116 | 87,526 | 82,342 | 336,278 | 76,582 |

(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 | FY2007 1st Quarter | FY2008 1st Quarter | FY2007 |
|--|--------------------|--------------------|---------|
| Machined components business | 33,305 | 35,526 | 137,662 |
| Electronic devices and components business | 46,896 | 46,240 | 193,359 |
| Total | 80,201 | 81,766 | 331,022 |

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