



Business Results

First Quarter of Fiscal Year ending March 31, 2004

Minebea Co., Ltd

**Tsugio Yamamoto
Representative Director,
President and Chief Executive Officer
August 7, 2003**

Consolidated Results for First Quarter of Fiscal Year ending March 31, 2004

(Millions of Yen)	----- Year ended Mar. 2003 -----				Year ending Mar. 2004	Change	
	1Q	2Q	3Q	4Q	1Q	yoy	qoq
Net Sales	72,367	64,882	68,723	66,230	66,489	-8.1%	+0.4%
Operating Income	6,031	4,145	5,519	3,657	4,259	-29.4%	+16.5%
Ordinary Income	4,524	3,143	4,036	1,717	3,285	-27.4%	+91.3%
Income before Income Taxes	4,203	2,614	3,735	-10,057	2,177	-48.2%	-
Net Income	1,903	640	1,889	-6,866	421	-77.9%	-

**Sales fell slightly short of estimate
Operating income was mostly in line with plan**

Net Sales and Operating Income by Segment

(Millions of yen)	----- Year ended Mar. 2003 -----				Year ending Mar. 2004	Change	
	1Q	2Q	3Q	4Q	1Q	yoy	qoq
[Net Sales]							
Machined components business	31,668	28,641	28,723	29,085	28,606	-9.7%	-1.6%
Bearing-related products	26,420	23,638	23,845	24,035	23,959	-9.3%	-0.3%
Other machined components	5,249	5,002	4,879	5,050	4,646	-11.5%	-8.0%
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Electronic devices and components business	40,699	36,241	40,000	37,144	37,883	-6.9%	+2.0%
Rotary components	20,793	18,140	20,521	19,734	21,458	+3.2%	+8.7%
Other electronic devices	19,908	18,097	19,480	17,412	16,424	-17.5%	-5.7%
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Total Net Sales	72,367	64,882	68,723	66,230	66,489	-8.1%	+0.4%
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[Operating Income]							
Machined components business	5,098	4,065	4,771	4,585	4,908	-3.7%	+7.0%
Electronic devices and components business	933	80	748	-929	-648	-	-
Total Operating Income	6,031	4,145	5,519	3,657	4,259	-29.4%	+16.5%

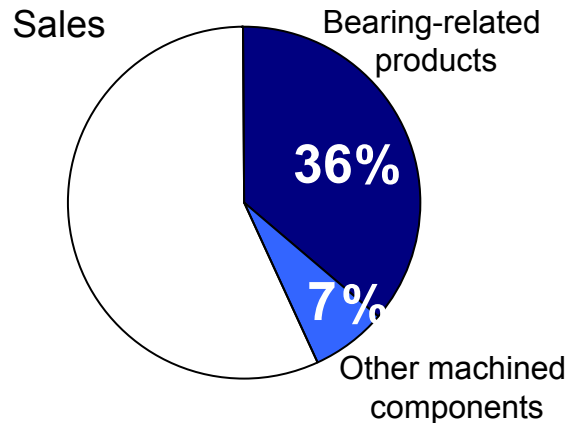
Sales Breakdown

Sales of rotary components increased

Machined Components Business

Figures in () % : of total sales

Figures +/- % : % change from the previous quarter



Bearing-Related Products

Ball bearings: (25% of total sales) +1% qoq

Sales increased in Grater China.

Rod-end & spherical bearings: (5%) +2% Remained at low level.

Pivot assemblies: (6%) -7% Production adjustment by customers.

Rotary Components

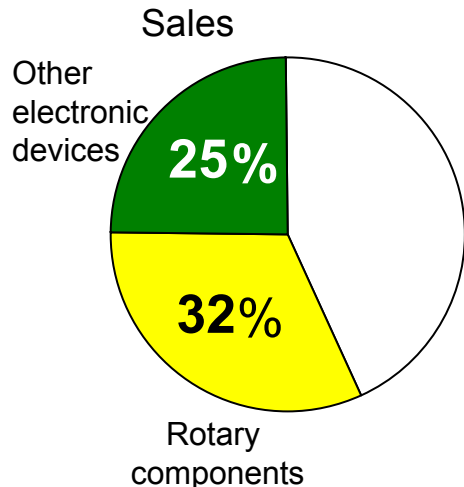
Spindle motors: (15%) +9% Increase in FDB motor sales.

Fan motors: (10%) +11% Expanded market share;

Increased sales for PC applications.

Stepping motors: (7%) +5% Hybrid-type increased.

Electronic Devices and Components Business



Other Electronic Devices

PC keyboards: (8%) -21% Inventory adjustment by customers;

Decline in unit price.

Electronic devices: (4%) -18% Demand declined;

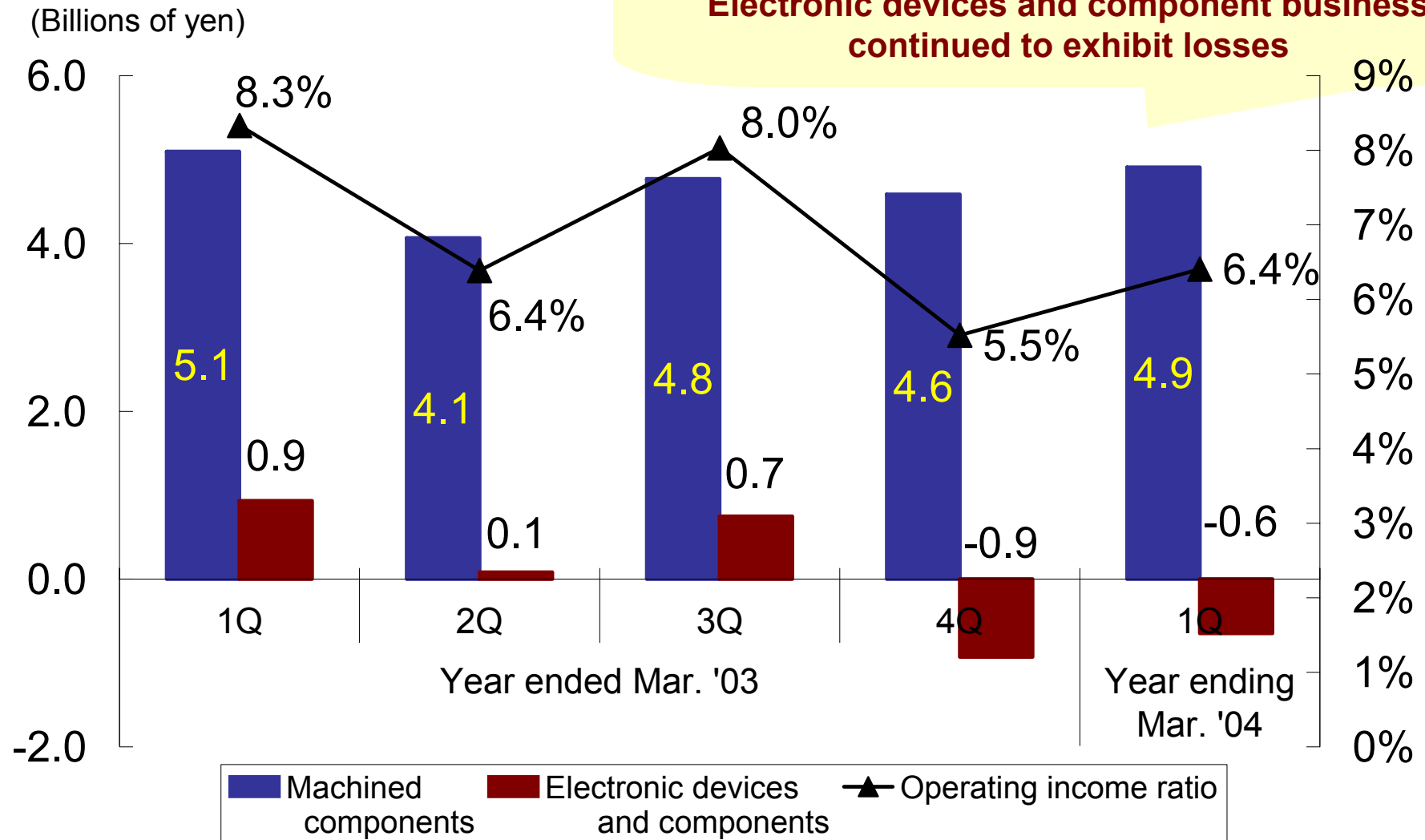
Sales of lighting devices increased.

Power electronics: (6%) +16% In process of clearing backlog of orders.

Speakers: (5%) +16% Seasonal effect.

Operating Income

Operating income ratio of machined component business returned to above 17%;
Electronic devices and component business continued to exhibit losses



Sales by User Industry & by Region

Higher demand for ball bearings drove sales for home electronics applications

Sales by User Industry

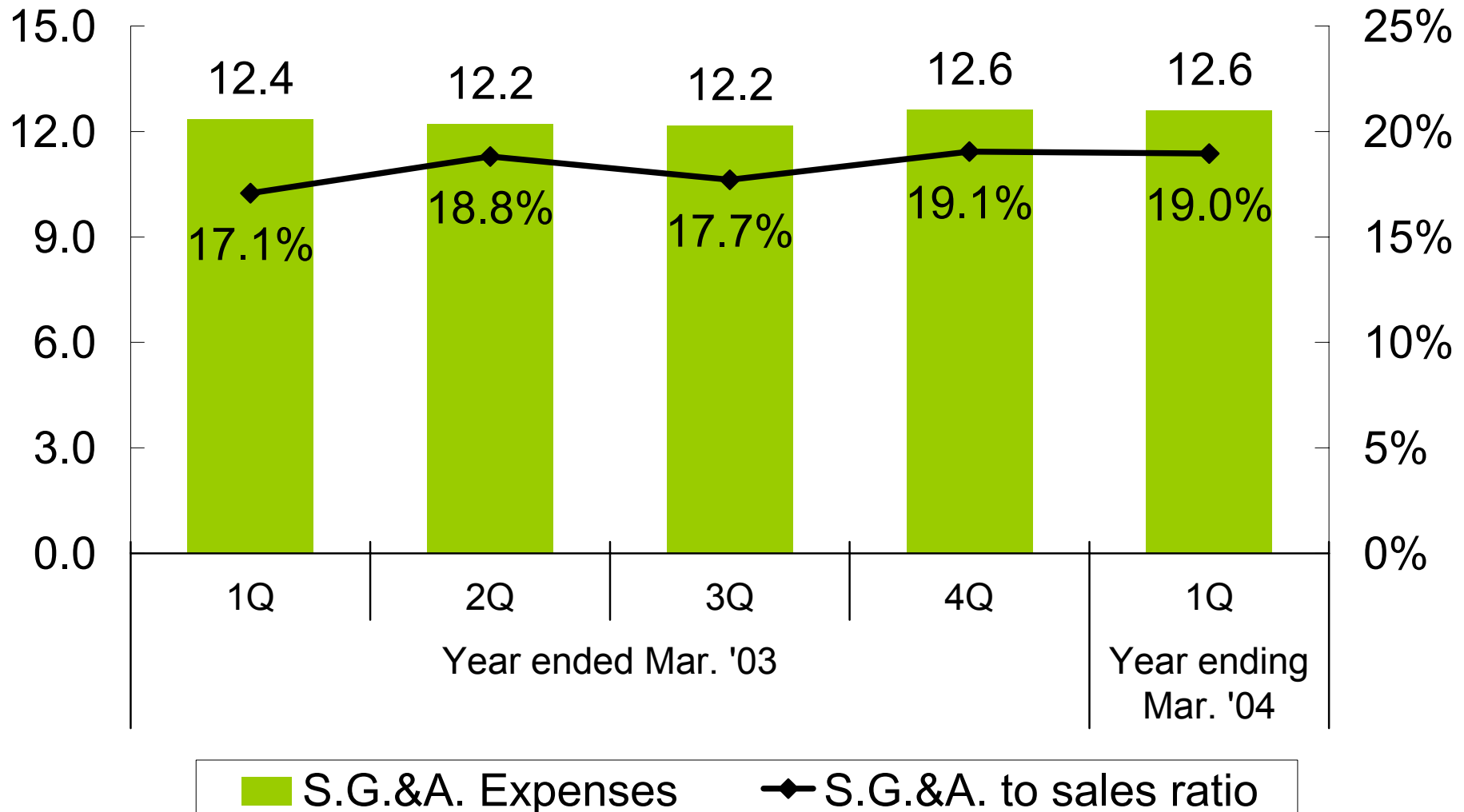
	Automobile	Aerospace	Home electronics	Office automation	PC and PC related equipment	Motor	Others	Total
% of Sales	7.3%	10.0%	12.2%	8.2%	43.5%	5.1%	13.8%	100.0%
Change qoq	-3.1%	-4.8%	+24.7%	-9.0%	-3.4%	-5.4%	+10.0%	+0.4%

Sales by Region

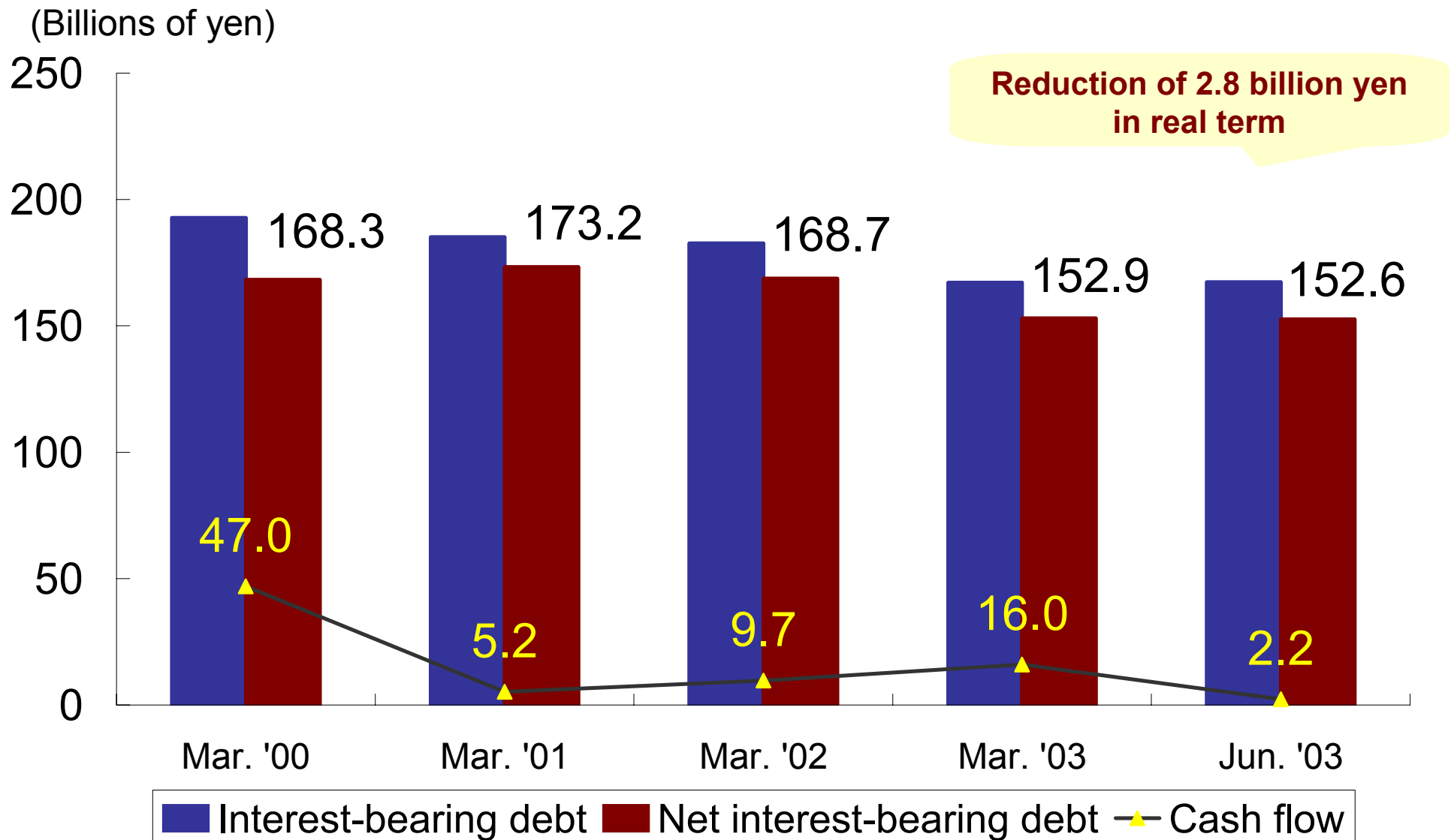
	Japan	Asia (ex-Japan)	North and South America	Europe	Total
% of Sales	24.7%	45.7%	17.1%	12.5%	100.0%
Change qoq	-4.1%	+11.3%	-15.4%	-0.7%	+0.4%

S.G.& A. Expenses

(Billions of yen)



Interest-Bearing Debt



Outlook for the Second Quarter

➤ **Operating environment from July onward**

- Effect of summer vacation season and end of peak demand for air-conditioners
- Building up of PC related demand toward Christmas season
- Recovery of demand from HDD related market and game applications

➤ **Business outlook**

- Sales Estimate slight increase from the first quarter
 - Operating income Estimate slight increase in operating income ratio
- ⇒ Forecast to meet first half operating income target of 8.8 billion yen
- Machined component business
Original target 9.1 billion yen ⇒ 9.4 billion yen
- Electronic devices and components business
Original target -0.3 billion yen ⇒ -0.6 billion yen

Progress of Measures for the Current Fiscal Year

Six Measures

1. Expand and further strengthen **Ball Bearing** business
2. Improve profitability of **HDD Spindle Motor** business
3. Improve profitability of **Pivot Assemblies**
4. Improve profitability of **Other Electronic Device Products**
5. Further expand **Fan Motor** business
6. Terminate **Switching Power Supplies and Related** businesses

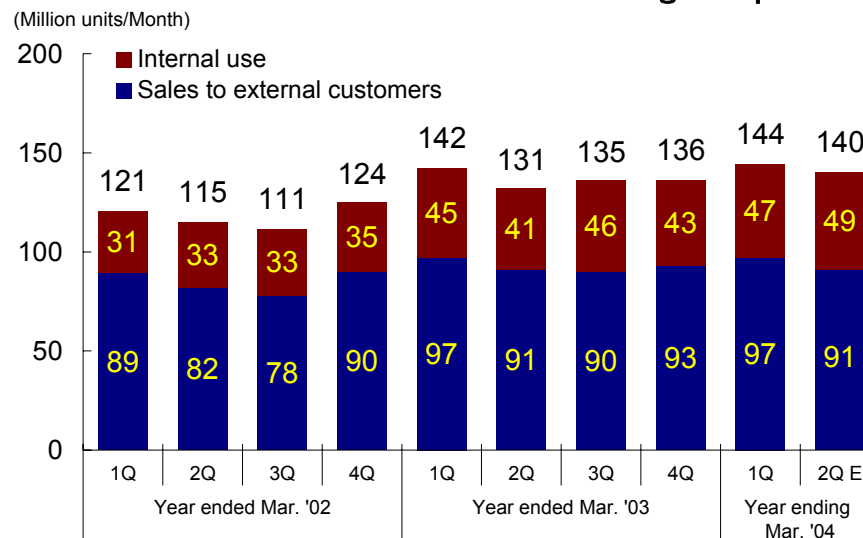
Progress of Measures for the Current Fiscal Year

Ball Bearings

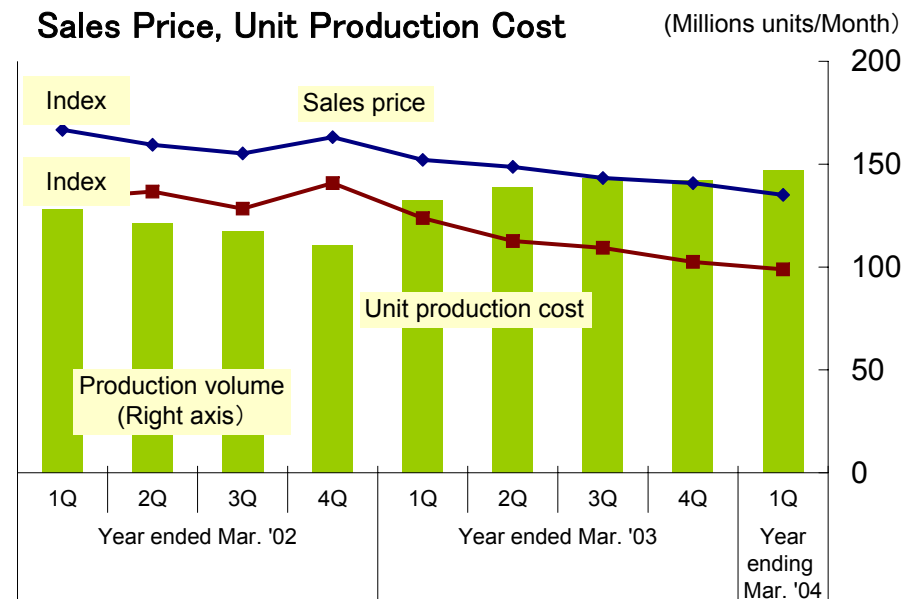
Miniature and small-sized ball bearings

- 1Q shipments, including internal use, reached record high on a quarterly basis. Sales increased in Japan and Asia.
- Expect sales to external customers to decline by 6% qoq in 2Q due to summer vacation effect and seasonal variations of air conditioner demand.
- Further reinforcement of marketing activities to promote sales expansion from 3Q onward.
- Pricing exhibits modest downward trend.
- Progress is evident in reduction of production costs through productivity enhancement such as cycle time cutdown.

Miniature and Small-sized Ball Bearings Shipments



Miniature and Small-sized Ball Bearings
Sales Price, Unit Production Cost

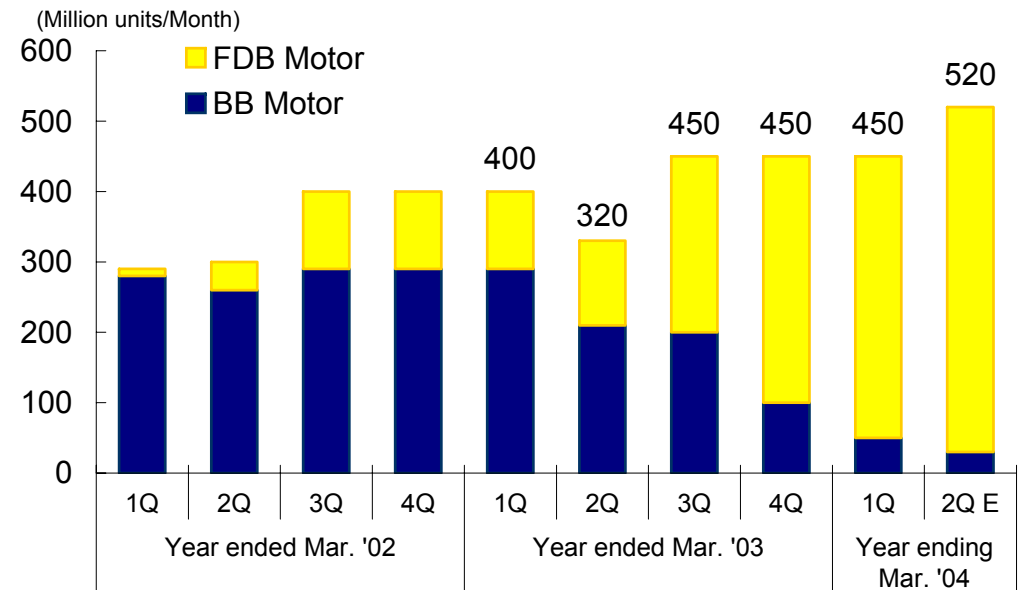


Progress of Measures for the Current Fiscal Year

HDD Spindle Motors

- Lower than expected sales in 1Q due to customers' production adjustment in May and June. However, sales volume was maintained at the same level from the previous quarter.
- Profitability is moving toward improvement as a result of yield improvement.
- The market of 3.5inch HDD with 80GB per platter is taking off.
- 2Q shipments is expected to be 5.2 million/month, an increase of 12% qoq.
- Plan to turn profitable in the first half of the current fiscal year.

HDD Spindle Motor Shipments



Progress of Measures for the Current Fiscal Year

Other Products

✧ **Pivot Assemblies**

- Sales declined in 1Q affected by customers' production adjustment. Maintained market share of over 70%.
- 2Q sales volume is expected to rise 10% over 1Q.
- Rate of price decline appears to be slowing.
- Profitability is in the direction toward improvement through reduction of production cost.

✧ **Other Electronic Device Products**

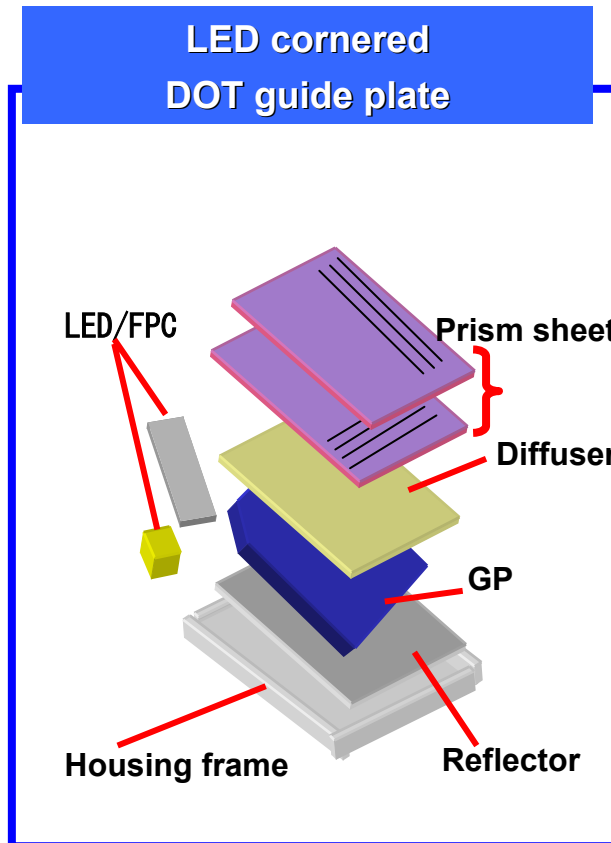
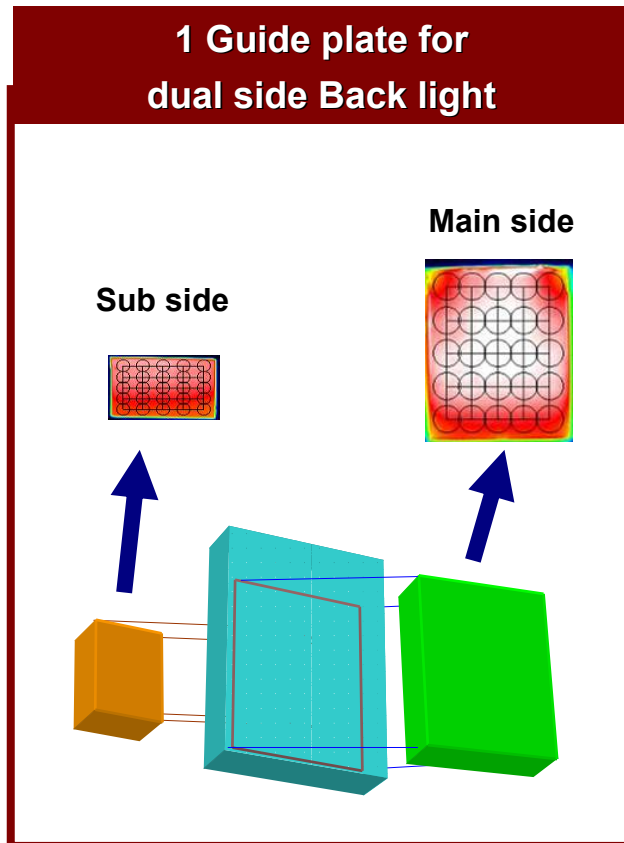
- Efforts to improve profitability of electronic device and speaker businesses will continue throughout this fiscal year.
- Lighting device business is gaining momentum. New back light items are entering mass production in succession. Minebea's products have been selected for use in several main digital camera and mobile telephone models.

Lighting Devices

Optical design technology
and optical thin-film development technology
Integrated developing and manufacturing system
including parts, dies and molding



Brightness
Uniform brightness
Reduced thickness
Reduced power consumption
Low cost



Progress of Measures for the Current Fiscal Year

Other Products

✧ **Fan Motors**

- 1Q sales expanded, in particular for PC applications.
- 2Q sales volume is estimated to increase another 10% from 1Q, helped by recovery in demand from game application market.
- Successful implementation of effective sales promotion by maximizing our overall strength, which is swift response to customers' needs, cost competitiveness, stable quality and reliable delivery.
- Steady progress in the joint development work with Matsushita Motor Company.

✧ **Switching Power Supplies and Related Businesses**

- Target to end business by the end of the fiscal year.

Progress of Measures for the Current Fiscal Year

PC Keyboards

- Demand is expected to recover gradually in 2Q.
- Chinese factory SST is scheduled to commence operation from the end of August.



Toward Improvement of Mid-to-Long-term Profitability

Short-term profitability
improvement



6 Measures for
the Current Fiscal Year

Mid-to-long term
profitability improvement



Construction of effective
management system

◆ **Management system that links Core Competencies Strategy – strategy to build a portfolio of businesses that maximize our core competencies – to greater corporate value**

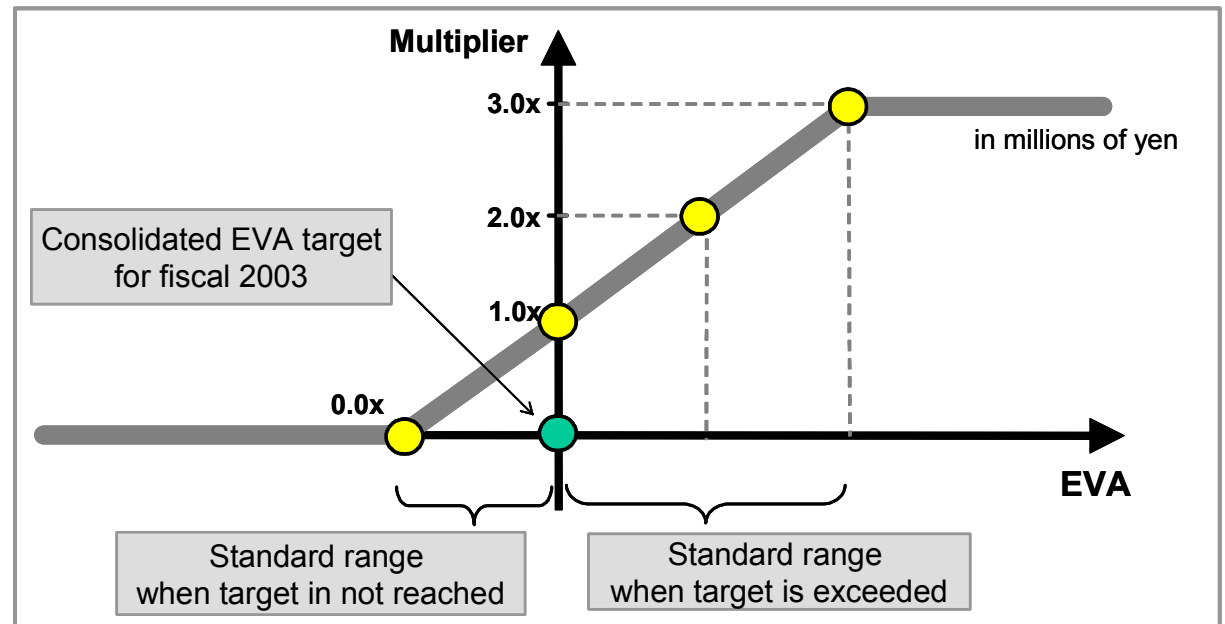
1. Tighten our focus on businesses that meet the criteria of our strategy
2. Implement organizational changes for enhancing the strategy's effectiveness
3. Substantially reinforce our ability to execute the strategy's various elements
4. Introduce clear standards for evaluating business performance

⇒ **Introduction of EVA Management System**

EVA Management System

- In April 2003, target was set and measuring EVA on a consolidated basis began. EVA-based capital investment assessment program also started. System to set target, measure and apply by functional business unit in the Sales and the Manufacturing Divisions is currently in construction.
- From the winter bonus payment in 2003, introduction of consolidated EVA-based bonus program is scheduled. Entire amount of executive officers' bonus will be EVA-based.

EVA-based Bonus Program for Executive Officers



Protecting the Environment

- ✧ Minebea Group was qualified as Sony Corporation's Green Partner (July 2003).
- ✧ State Environmental Protection Administration of China elected Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.'s New Xicen Factory as one of the Top 100 projects of national environmental protection (July 2003).
- ✧ Shanghai Environmental Protection Bureau elected Minebea Electronics & Hi-Tech Components (Shanghai) Ltd. as one of the eight model enterprises in environmental protection of Shanghai (June 2003).

Business Results

First Quarter of Fiscal Year ending March 31, 2004

Minebea Co., Ltd

<http://www.minebea.co.jp/>

Any statements in the presentation which are not an historical fact are future projections made based on certain assumptions and our management's judgment drawn from currently available information.

Please note that actual performance may vary significantly from any particular projection, due to various factors.

Factors affecting our actual performance include: (i) changes in economic indicators surrounding us or demand trends; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. However, this is not a complete list of the factors affecting actual performance.