



Business Results

Fiscal Year ended March 31, 2004

Minebea Co., Ltd.

**Tsugio Yamamoto
Representative Director,
President and Chief Executive Officer
May 14, 2004**

1. Business Results and Forecast

Consolidated Results for Fiscal Year ended March 31, 2004

(Millions of yen)	Year ended Mar. '03	Year ended Mar. '04	Change yoy
Net Sales	272,202	268,574	-1.3%
Operating Income	19,352	18,104	-6.4%
Ordinary Income	13,420	13,800	+2.8%
Income before Income Taxes	495	12,958	26x
Net Income	-2,434	6,019	-

Overview

- ✧ **Successful year for ball bearing business**
- ✧ **Issues remained for electronic devices and components business**

Effect of FX fluctuations

	FY Mar'03	FY Mar'04
US\$	¥122.29	¥113.97
Thai Baht	¥2.86	¥2.79
Net Sales minus	¥ 8.8 billion	
Operating Income minus	¥ 0.4 billion	

Full Year

Net Sales and Operating Income by Segment

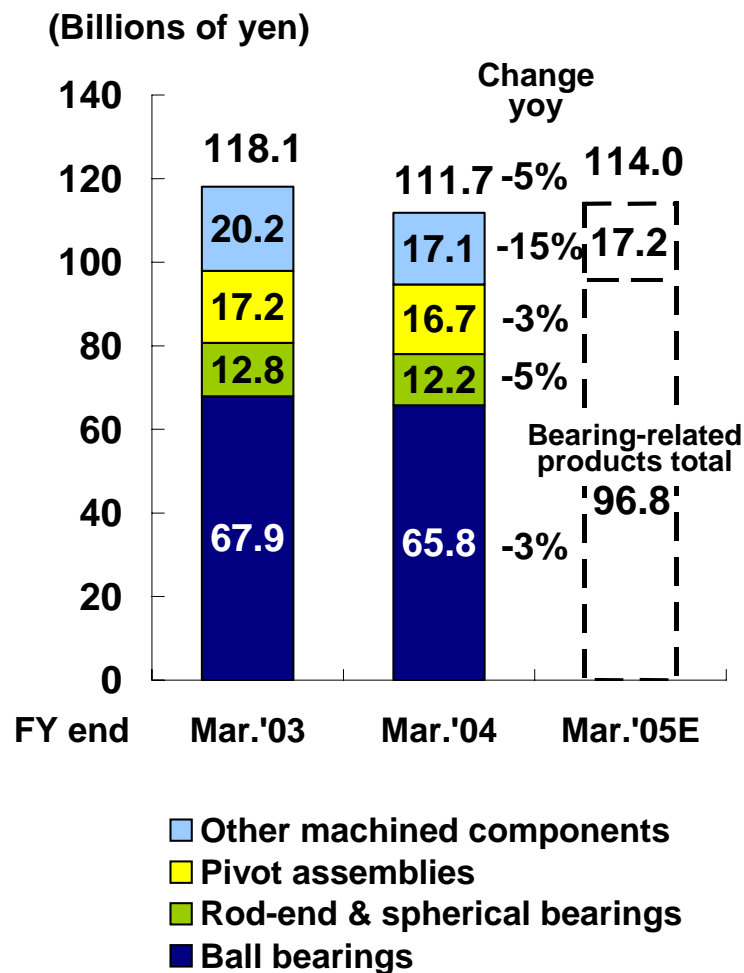
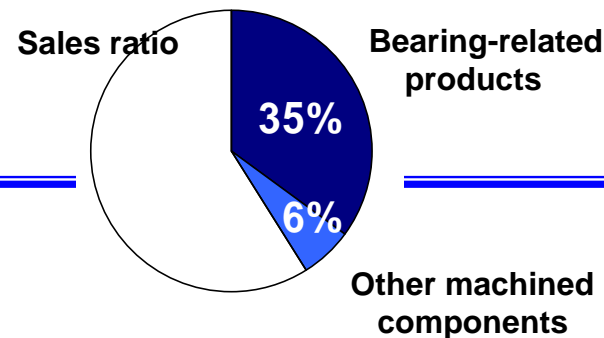
(Millions of yen)	Year ended Mar. '03	Year ended Mar. '04	Change yoy
[Net Sales]			
Machined components business	118,117	111,692	-5.4%
Bearing-related products	97,938	94,604	-3.4%
Other machined components	20,180	17,089	-15.3%
Electronic Devices and components business	154,084	156,881	+1.8%
Rotary components	79,188	86,741	+9.5%
Other electronic devices	74,897	70,141	-6.4%
Total Net Sales	272,202	268,574	-1.3%
[Operating income]			
Machined components business	18,519	19,505	+5.3%
Electronic devices and components business	832	-1,400	-
Total Operating Income	19,352	18,104	-6.4%

Fourth Quarter

Net Sales and Operating Income by Segment

(Millions of yen)	Year ended	Year ended Mar. '04				4Q change	
	Mar. '03	1Q	2Q	3Q	4Q	yoy	qoq
[Net Sales]	4Q	1Q	2Q	3Q	4Q		
Machined components business	29,085	28,606	27,059	27,434	28,593	-1.7%	+4.2%
Bearing-related products	24,035	23,959	23,169	23,324	24,152	+0.5%	+3.5%
Other machined components	5,050	4,646	3,892	4,109	4,442	-12.0%	+8.1%
Electronic devices and components business	37,144	37,883	40,193	41,294	37,511	+1.0%	-9.2%
Rotary components	19,734	21,458	22,184	22,209	20,890	+5.9%	-5.9%
Other electronic devices	17,412	16,424	18,011	19,084	16,622	-4.5%	-12.9%
Total Net Sales	66,230	66,489	67,252	68,728	66,105	-0.2%	-3.8%
[Operating Income]							
Machined components	4,585	4,908	4,270	5,035	5,292	+15.4%	+5.1%
Electronic devices and components business	-929	-648	937	-503	-1,186	-	-
Total Operating Income	3,657	4,259	5,208	4,531	4,106	+12.3%	-9.4%

Sales of Machined Components Business



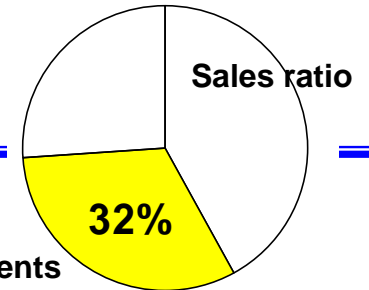
FY Mar'04 Net Sales

excluding effect of FX fluctuations

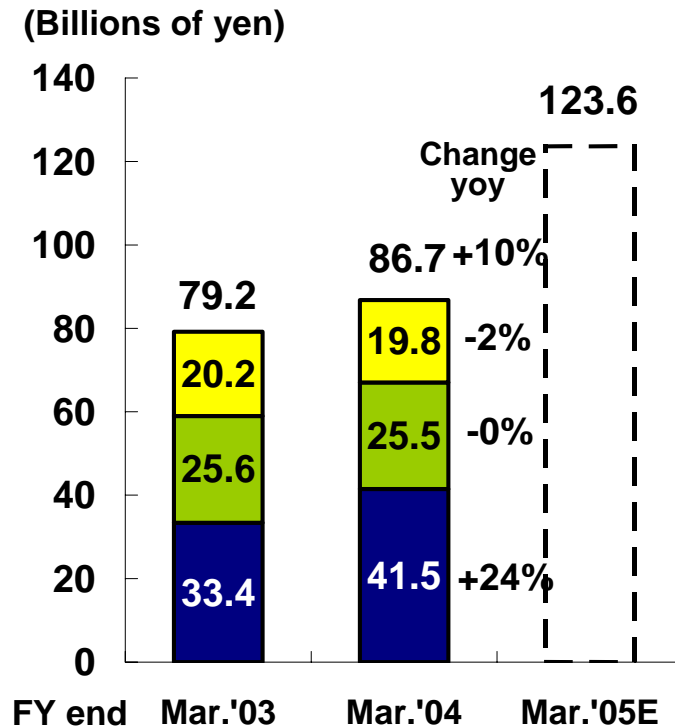
Ball bearings	+ 1% yoy
Rod-end & spherical bearings	- 4%
Pivot assemblies	+4%

- Sales of ball bearings and pivot assemblies were affected by fall in unit price and effect of FX fluctuations in FY Mar'04. However, large increase in shipments were recorded.
- One of the reasons of sales decline for other machined components is sale of subsidiary in the US.

Sales of Rotary Components



Rotary components



- Stepping motors
- Fan motors
- Spindle motors

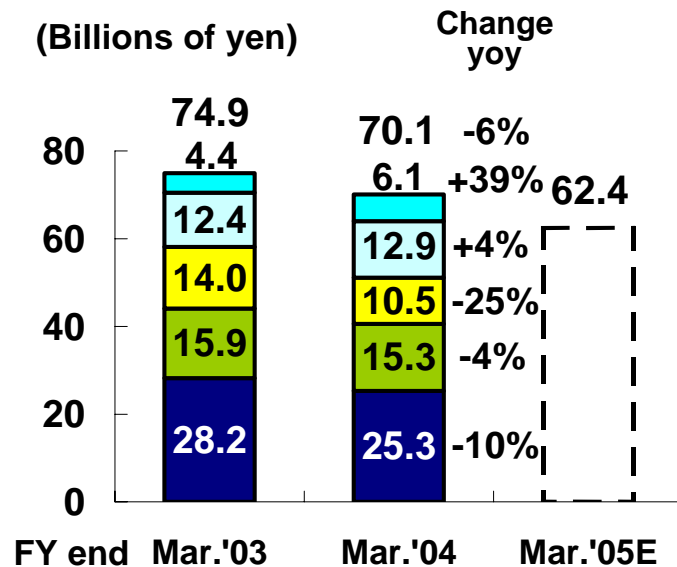
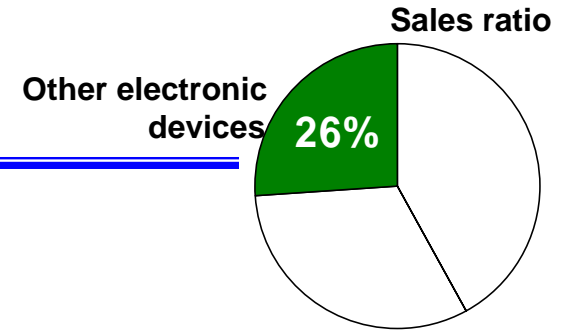
FY Mar'04 Net Sales

excluding effect of FX fluctuations

Spindle motors	+33% yoy
Fan motors	+3%
Stepping motors	- 0%

- FDB spindle motors for HDD recorded large growth in shipments, pushed by demand growth and expansion of our market share.

Sales of Other Electronic Devices



FY Mar'04 Net Sales

excluding effect of FX fluctuations

PC keyboards - 3% yoy

- Measuring components and others
- Speakers
- Switching power supplies
- Electronic devices
- PC keyboards

- Without the terminated businesses (FDD, and switching power supplies and related), total sales increased ¥61.0 billion in FY Mar '03
¥62.1 billion in FY Mar '04.
- Back light business expanded rapidly, contributing positively to sales.
- Sales of keyboards fell due to delay in start of new factory in China.

Net Sales by Segment

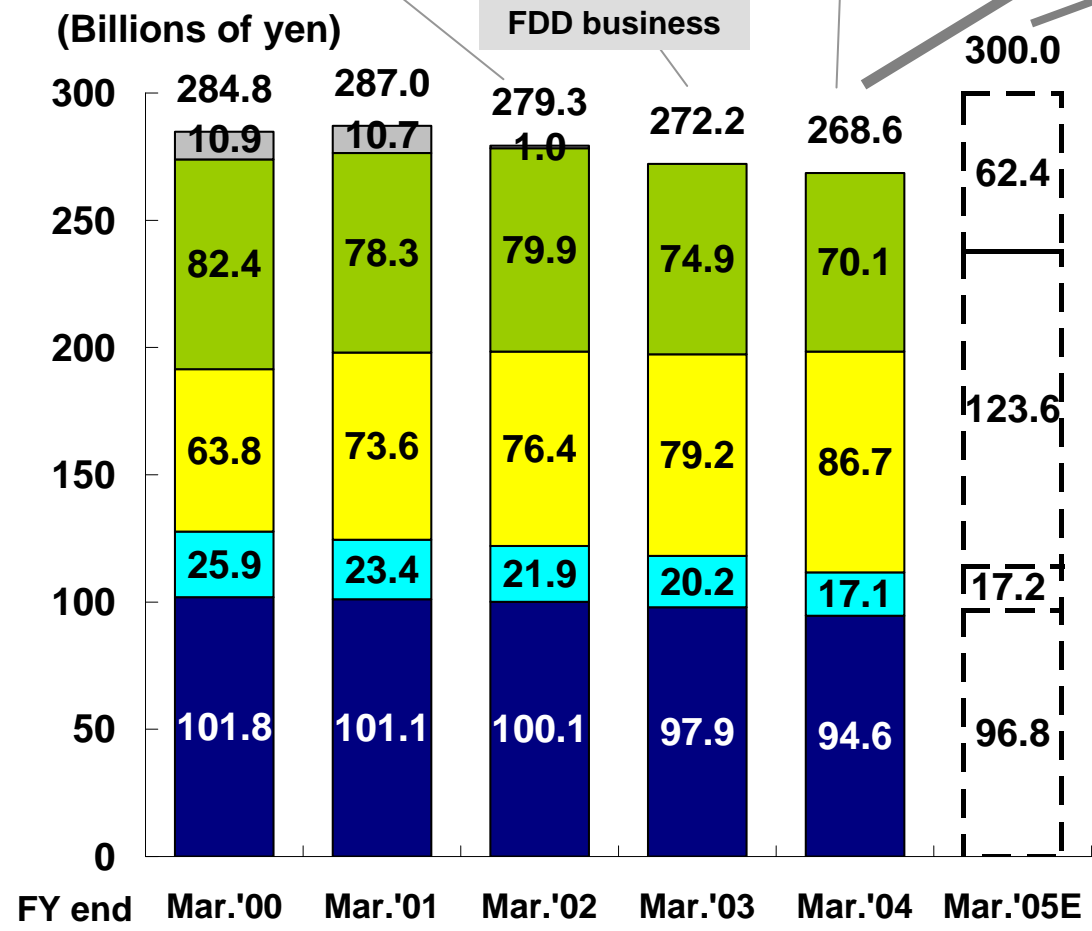
Spindle motor business reached four-fold in sales
Back light business built up

Termination of imported furniture retail business
Withdrawal from automobile wheel business

Withdrawal from switching power supply and related businesses
Sale of IMC Magnetics Corp.

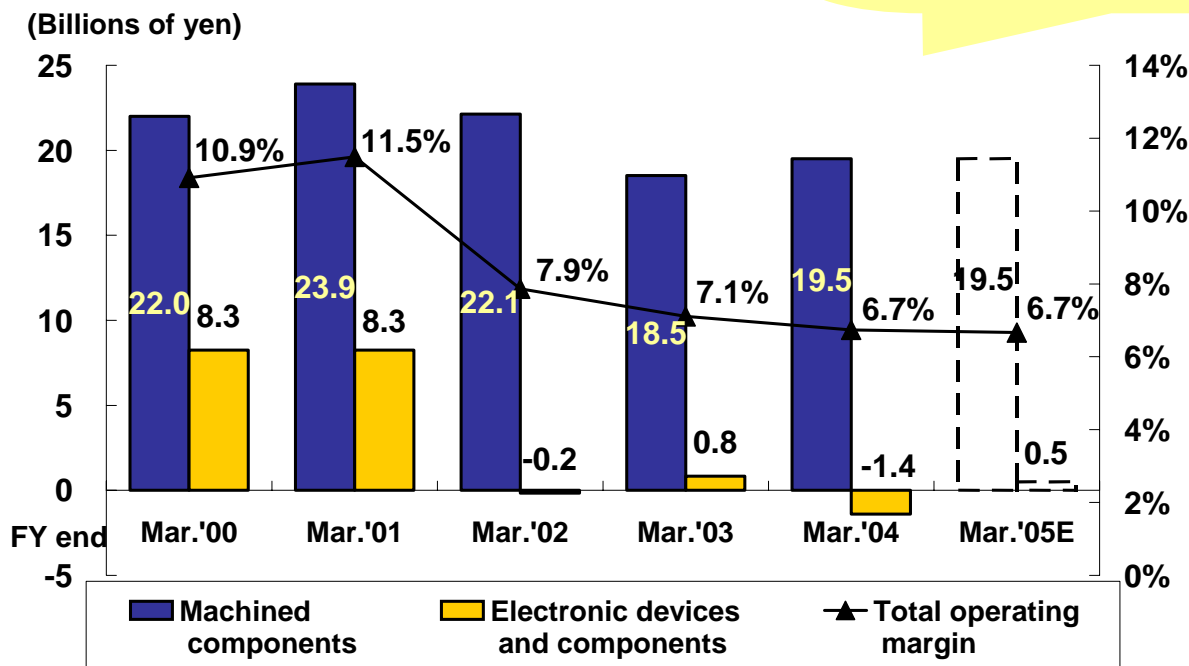
Termination of FDD business

Launch of Minebea-Matsushita Motor Corporation



Operating Income by Segment

Profitability of machined components improved.
Necessary to improve profitability of electronic devices and components.



Operating margin by segment	Mar.'00	Mar.'01	Mar.'02	Mar.'03	Mar.'04	Mar.'05E
Machined components	17.2%	19.2%	18.1%	15.7%	17.5%	17.1%
Electronic devices and components	5.6%	5.4%	-0.1%	0.5%	-0.9%	0.3%
Consumer business and others	7.5%	7.6%	0.0%	-	-	-
Total	10.9%	11.5%	7.9%	7.1%	6.7%	6.7%

Note: Consumer business and others is omitted in the graph: FY/Mar'00 ¥0.8billion, FY/Mar'01 ¥0.8billion, FY/Mar'02 ¥0.0billion
Operating margin for each segment is calculated on external sales basis

Fiscal Year ended March 31, 2004

Sales by User Industry and by Region

Sales by User Industry

	Automobile	Aerospace	Home electronics	OA & IT	PC and PC related equipment	Motors	Others	Total
% of Sales	7.8%	9.2%	9.9%	10.6%	44.4%	5.4%	12.7%	100.0%
Change yoy	+6.1%	-4.9%	-3.5%	+3.9%	-1.4%	-2.1%	-4.5%	-1.3%

Sales by Region

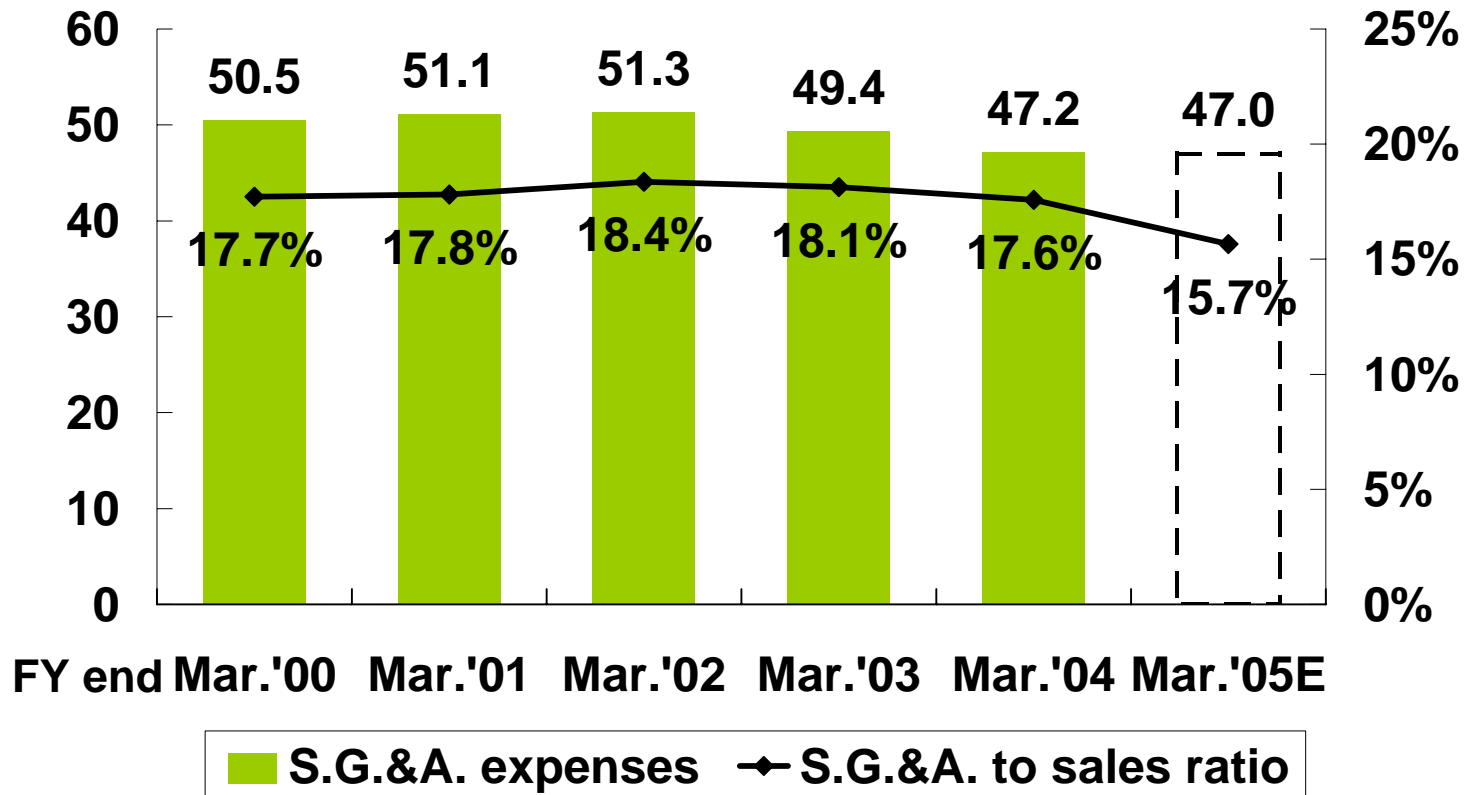
	Japan	Asia (ex-Japan)	North and South America	Europe	Total
% of Sales	25.8%	45.3%	16.9%	12.0%	100.0%
Change yoy	-6.0%	+13.7%	-20.6%	-6.1%	-1.3%

On local currency basis, Sales in Asia increased 20% yoy; Sales in North and South America, and Europe decreased 10% yoy

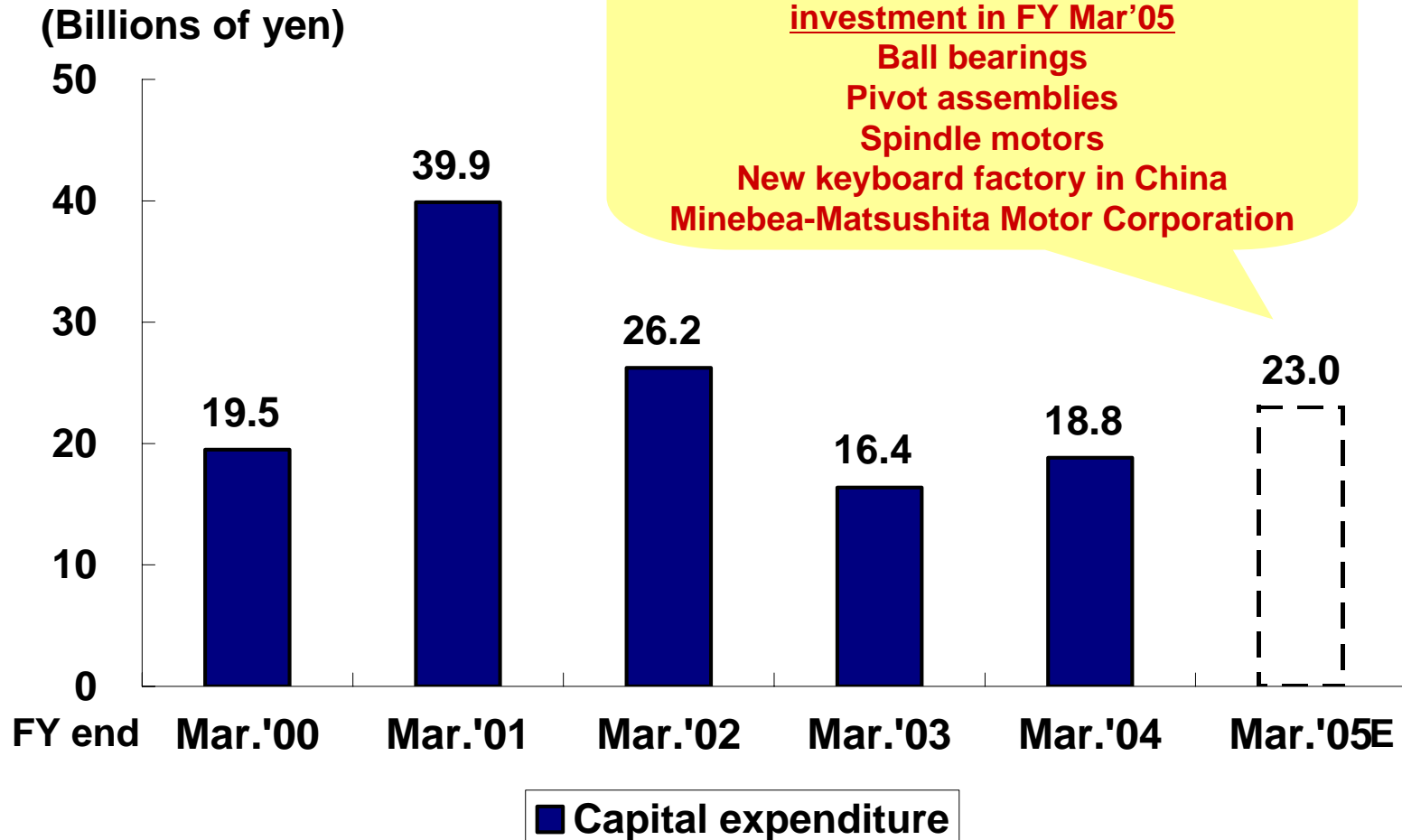
SG & A Expenses

Plans to reduce in real in term in FY Mar'05

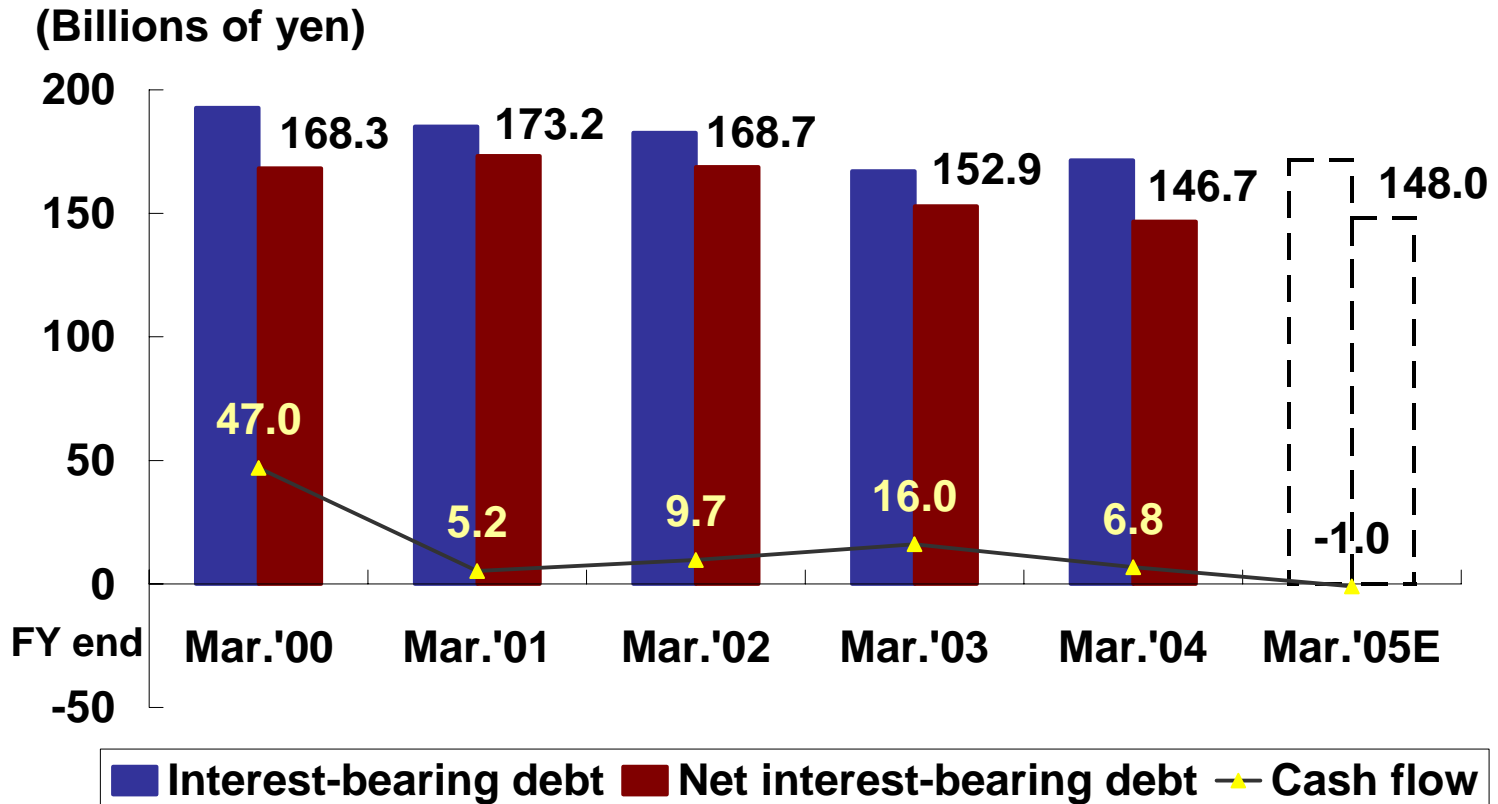
(Billions of yen)



Capital Expenditure



Interest-Bearing Debt



Forecast for Fiscal Year ending March 31, 2005

(Millions of yen)	Year ended Mar. '04	Year ending Mar. '05 Forecast	Change yoy
Net Sales	268,574	300,000	+11.7%
Operating Income	18,104	20,000	+10.5%
Ordinary Income	13,800	15,500	+12.3%
Income before Income Taxes	12,958	14,500	+11.9%
Net Income	6,019	9,000	+49.5%

Forecast of Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '04	Year ending Mar. '05 Forecast	Change yoy
[Net Sales]			
Machined components business	111,692	114,000	+2.1%
Bearing-related products	94,604	96,800	+2.3%
Other machined components	17,089	17,200	+0.6%
<hr/>			
Electronic Devices and components business	156,881	186,000	+18.6%
Rotary components	86,741	123,600	+42.5%
Other electronic devices	70,141	62,400	-11.0%
<hr/>			
Total Net Sales	268,574	300,000	+11.7%
<hr/>			
[Operating income]			
Machined components business	19,505	19,500	-0.0%
Electronic devices and components business	-1,400	500	-
<hr/>			
Total Operating Income	18,104	20,000	+10.5%

2. Strategy and Outlook

Basic Management Directions

1. Further reinforce our mainstay bearings and bearing-related products
2. Build our operations in the area of precision small motors and other rotary components into a second pillar of our operations after bearings and bearing-related products
3. Increase the ratio of high-value-added products in mainstay product categories and diversify offerings to serve a broader market

Measures for the Last Fiscal Year

Six Measures

	<u>Achievement</u>
1. Expand and further strengthen Ball Bearing business -----	✓
2. Improve profitability of HDD Spindle Motor business -----	× review
3. Improve profitability of Pivot Assemblies business -----	✓
4. Improve profitability of Other Electronic Device Products ---	× review
5. Further expand Fan Motor business -----	✓ / × ongoing
6. Terminate Switching Power Supplies and Related businesses -----	✓

Goals and Measures for the Current Fiscal Year

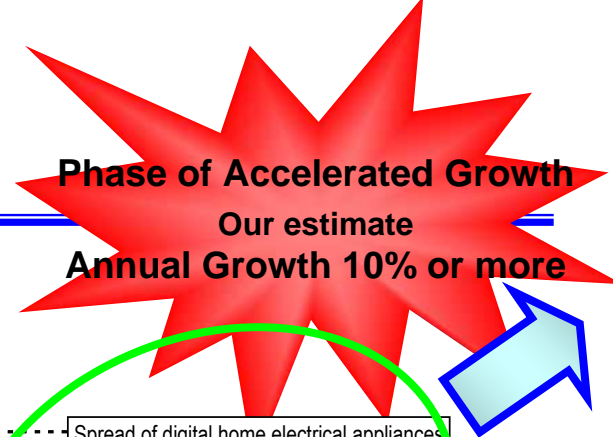
- ❑ **Grow in the expanding ball bearing market**
Accelerate sales and R&D activities to capture new market requirements
- ❑ **Establish framework for the expanding small precision motor business**
Build structure to maximize growth and seek synergy effect with ball bearing business
- ❑ **Improve profitability of electronic device product businesses**



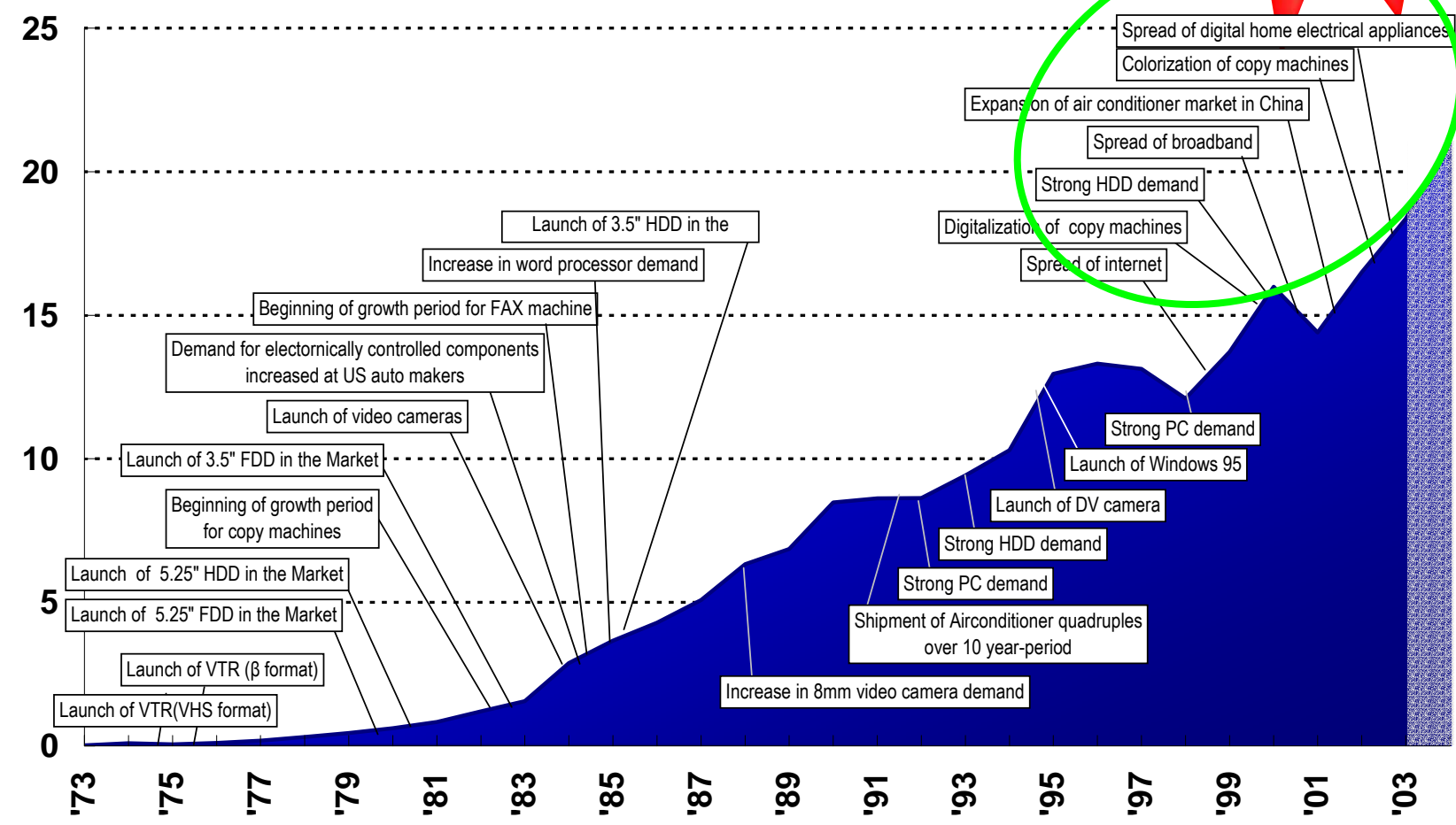
Concrete Measures

1. Further reinforce and expand Ball Bearing business
2. Build up business at Minebea-Matsushita Motor Corporation
3. Market the new FDBs and improve profitability of HDD Spindle Motors
4. Review profit structures of every electronic device products
5. Expand Display Peripheral Component business

Ball Bearings – Growing Market



Minebea Group's Miniature and Small-Sized Bearing Shipment Growth and Market Trend
(100 million pieces/year)



Miniature and Small Sized Ball Bearings

New Applications and Minebea's Technology

Expanding Application Diversity

Home appliance with digital electronics
 Digital multifunction copier
 White goods, kitchen and household equipment
 Automotive electronic component

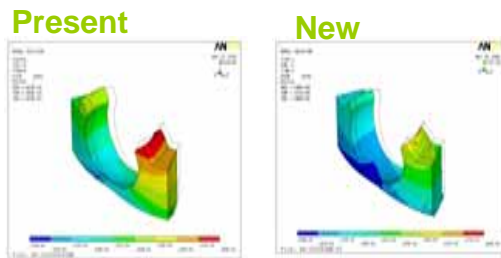
Development of Products with Technical Advantages (Functional Requirement)

<u>Cleaners :</u> High-Performance	➔	High Speed Rotation
<u>HDDs (Pivot) :</u> Small and Thin	➔	Ultra Small Bearing
<u>Copiers :</u> Electrostatic Compatibility	➔	Electrically Conductive Grease
<u>Automobile :</u> Durability	➔	Wider Temperature Coverage

~ EXAMPLE OF DEVELOPMENT ~

High Rotational Speed

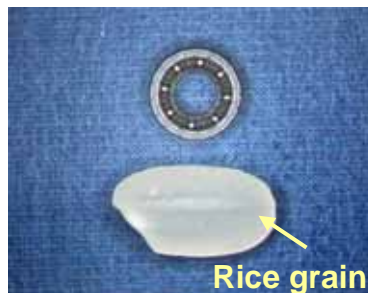
Simulation of deformation on retainer under the influence of high speed rotation



Less deformation compared to present design

Ultra Small Bearing

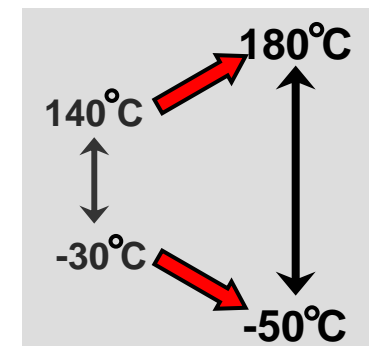
From grease lubrication to oil lubrication



Ball bearing for pivot assembly for 0.85" HDD

Wider Temperature Range

Development of grease for automotive application



Ball Bearing Business - Next Step

Business Strategy from mid-2002 onward

Building up to 180 million units of monthly sales and production

Expand scale of operation
Rigorous effort to reinforce competitiveness

Accomplished

Shipment growth of 14%/year (last two fiscal years)
Substantial reduction in costs

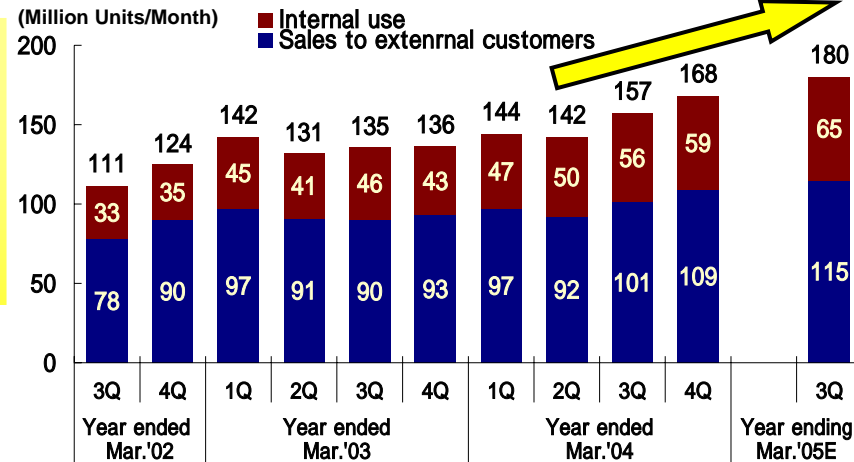
Retain monthly sales and production of 180 million units
And, aim the next step

1. Bring forward the sales target by six months
2. Enforce collective strength

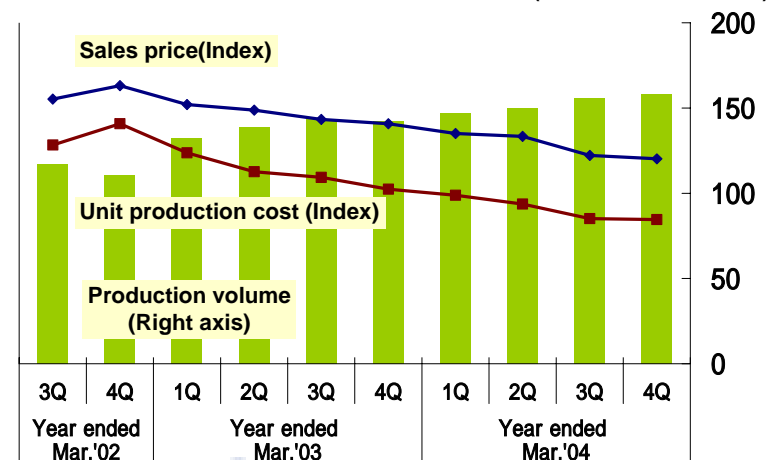
Focus areas

- Strengthen application engineering
- Enhance marketing in Greater China
- Reinforce cost competitiveness

Miniature and Small-sized Ball Bearing Shipments



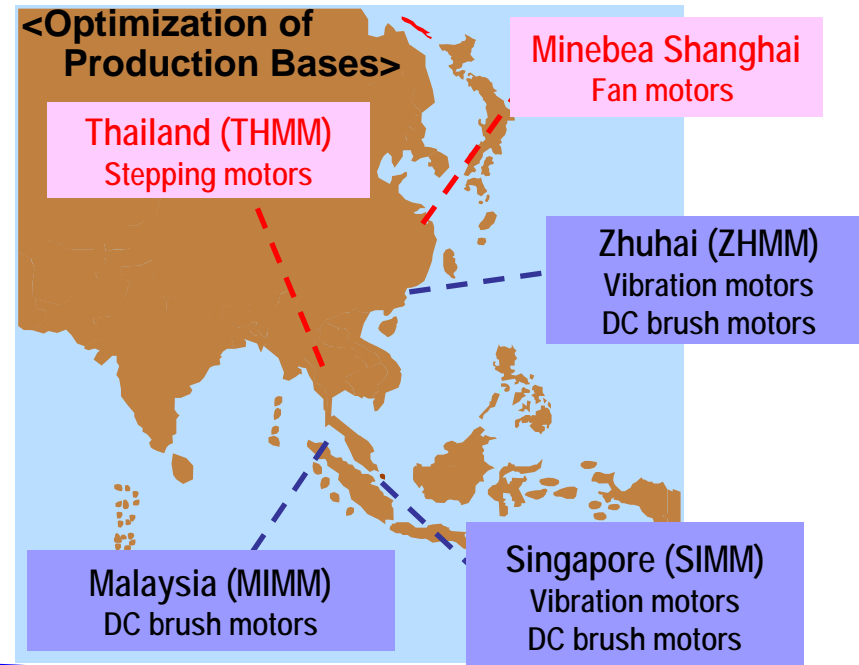
Miniature and Small-sized Ball Bearing Shipments Sales Price, Unit Production Cost



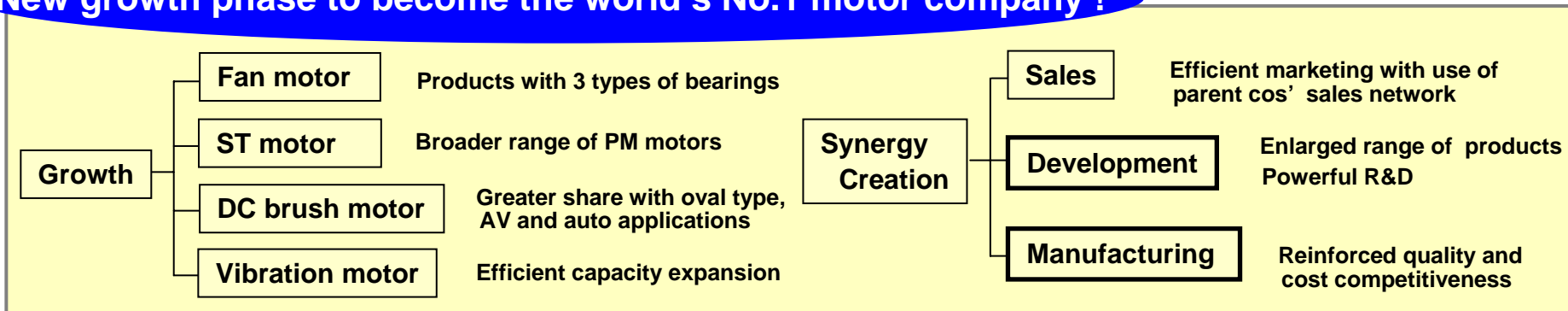
Minebea-Matsushita Motor Corporation

Date of establishment : April 1, 2004
 Principal Office : Meguro-ku, Tokyo
 Capital : 10 billion yen
 Share holding ratio : 60% by Minebea,
 40% by Matsushita Electric Industrial
 Number of employees : 9,803 (275 in Japan)
 FY Mar'05 Sales est. : 72.5 billion yen
 (sales to parent companies)

**Small precision motor manufacturer with
 the world's second largest market share
 (in sales) for the four types of motors**



New growth phase to become the world's No.1 motor company !

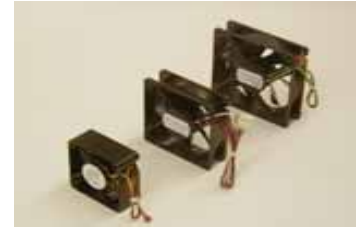


Products of Minebea-Matsushita Motor

Fan Motors

Market: PC, home appliances, AV equipment and others

- Product example: Axial DC motor
- Superior airflow and air pressure characteristic with new design fan blade and optimized design motor
 - Product range compatible with either ball bearing or high performance sleeve bearing



Stepping Motors

Market: Optical media equipment OA, digital camera and others

- Product example: Stepping motor with lead screw
- Depending on use, either mold screw or metal screw is selectable
 - New product with high performance torque and positioning accuracy



DC Brush Motors

Market: AV media equipment, OA, automotive electronic component and others

- Product example: DC brush motor
- Wide range of small and thin models suitable for various applications
 - Broad product range for automotive application



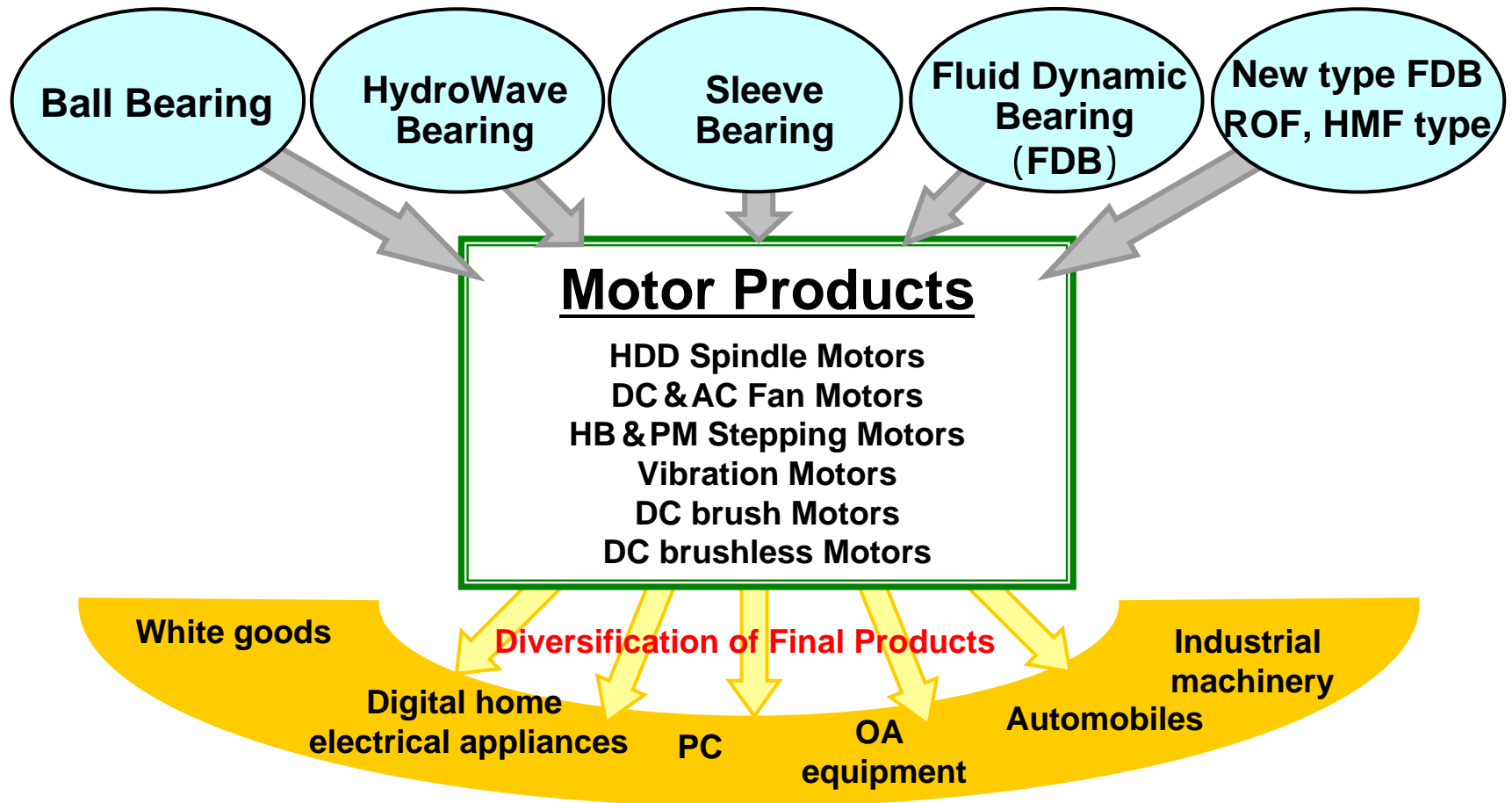
Vibration Motors

Market: Mobile phone and others

- Product example: Vibration motor
- Product development focused on superior performance and low cost
 - Higher output with small-diameter and high-density wired motor

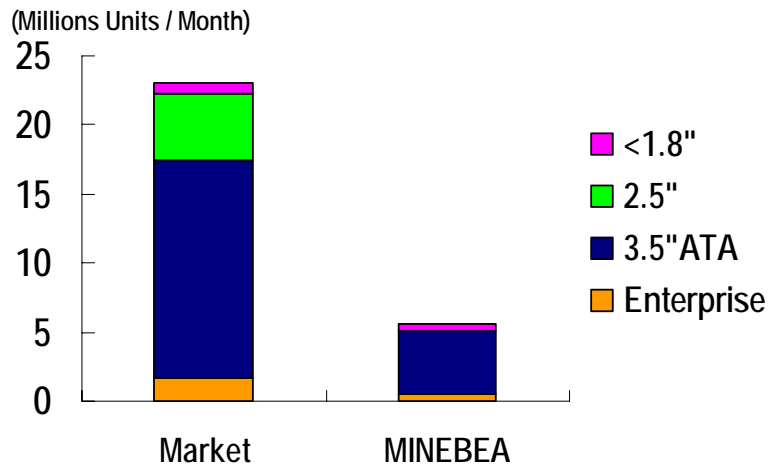


Expand Synergy of Bearing and Motor Businesses



HDD Spindle Motor – Next Step

Shipments in Jan-Mar 2004 HDD and Minebea's Spindle Motors



Based on market data by TSR

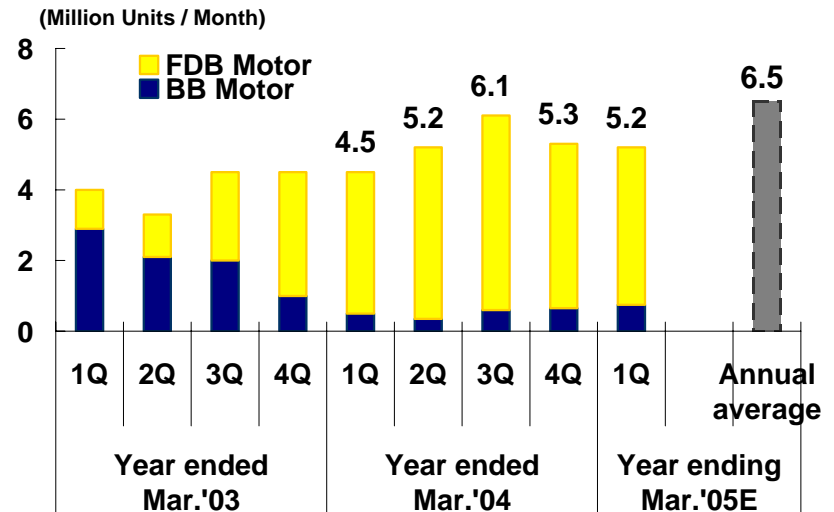
Market trend

- Expect continued demand growth in 3.5 inch HDD for desktop PCs and digital home electrical appliances requiring large storage capacity.
- HDD market of 2.5 inch, 1.8 inch and less is rapidly expanding for mobile products.

Minebea's Goals

- ◆ Improve profitability.
- ◆ Early entry into 2.5 inch and less HDD market.
- ◆ Win orders for new FDB products.

Minebea's HDD Spindle Motor Shipments and Forecast



New Fluid Dynamic Bearing Units

ROF

- Mainly for 3.5" HDD.
- Manufacture on the same production line and with the same manufacturing technology for ball bearing production.
- Better performance and lower cost compared to existing products.



HMF

- Target HDD of 2.5" and less.
- Joint development with Hitachi Powdered Metals Co., Ltd.
- Most suitable for small thin type motors by using sintered material and multiple lobes to create hydrodynamic force.



Began promoting commercial samples in May 2004

Aim to start production of the two strategic products by the end of 2004

Display Peripheral Component Business

R&D

Optical-related technology
Electronic circuit technology



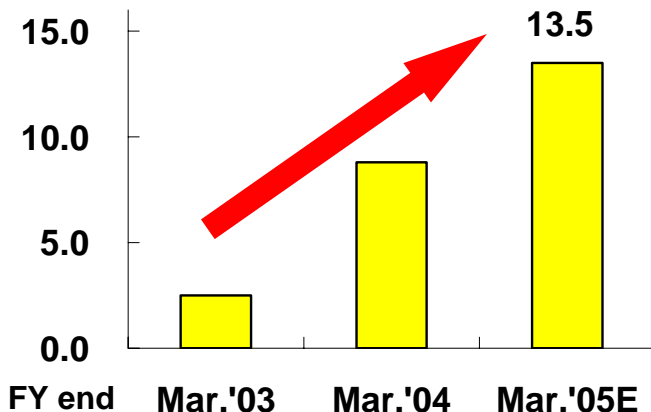
Flat Panel Display (FPD) Peripheral Component Business

Front Light & Back Light → LED
Back Light Inverters → CCFL

Lighting Devices

Developing new high-intensity, thin, large sized products suitable for moving picture. Aim to win more orders.

Minebea's Sales of Lighting Device
(Billions of yen)



Back Light Inverters

During the current fiscal year, plan to broaden the application from LCD for PC to large sized LCD TV.

Features of Minebea' inverters

High efficiency

(low power consumption, low heat generation)

High reliability, high safety

Internally designed customized IC
Internally designed transformer
Proprietary circuit design

R&D Related to Optical Technology

Flat Panel Display (FPD) Market

Products

Inverter for LCD back light
LCD back light and front light assembly

Optical Technology

Optical Design

Optical Simulation

Optical Thin-Film
Technology

Photo-Lithography
Technology

Plastic molding
technology

Nano-machining
technology
for precision die

Electronic circuit
technology

Power electronics
technology

Products

Optical sensor Torque transducer
Axial force sensor

Industrial Machinery Market

Nano-technology

Optical & magnetic
material technology
Structural and thermal
analysis technology

Backup Technology

Business Results

Fiscal Year ended 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.

All the information in this document are the property of Minebea Co., Ltd. You are prohibited for whatever purpose to copy, modify, reproduce, transmit, etc. those information regardless of ways and means without our prior written permission.