



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**

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For the first quarter of fiscal year ending March 2004, sales fell slightly short of estimate, however, operating income was mostly in line with plan. Net income was affected by extraordinary losses, which totaled 1.1 billion yen. Main items were 424 million yen in retirement benefits to directors and corporate auditors and 4 million yen in special severance payment in connection with solicitation of voluntary retirement.

In comparison with the first quarter of last fiscal year, which was a relatively strong quarter, sales and income posted large decline, however, compared to the previous quarter, which is the fourth quarter of the last fiscal year, sales gained slightly and operating income achieved a large increase.

Although signs of recovery emerged in the market of PC and related products, the first quarter remained under a cloud of uncertainty, partly affected by SARS. Nevertheless, sales increased for our core products such as ball bearings and rotary components.

Operating income was mostly in line with plan, helped by more than expected positive outcome from cost cutting efforts in product areas such as bearings.

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%
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%
Total Net Sales	72,367	64,882	68,723	66,230	66,489	-8.1%	+0.4%
[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%

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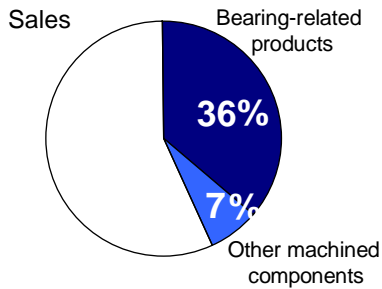
By segment, machined components segment posted an increase in operating income from the fourth quarter. On the other hand, electronic devices and components segment posted an operating loss of 648 million yen, which is only a slight improvement from the fourth quarter.

Sales Breakdown

Sales of rotary components increased

Machined Components Business

Figures in () % : of total sales
Figures +/- % : % change from the previous quarter



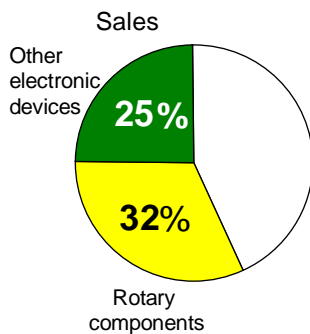
Bearing-Related Products

Ball bearings: (25% of total sales) +1% qoq
Sales increased in Greater 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.

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Bearing related products

In the first quarter, sales of ball bearings, our main stay product, increased 1% from the fourth quarter. Miniature and small sized ball bearings, which represent a large portion of ball bearings division, posted volume increase of 4% from the fourth quarter to 97 million units/month. Demand for air conditioners was robust, despite some impact of SARS on air conditioners market for Chinese domestic consumption. Shipments, including those for internal use, increased 6% from the fourth quarter, reaching 144 million units/month, a record high level. As for pricing, a modest decline was evident.

Sales of pivot assembly fell 7% from the previous quarter due to customers' production adjustment in May and June. Price decline appears to be slowing down.

Rotary components

Sales of rotary components increased 9% from the previous quarter, helped by strong growth for fan motors and spindle motors.

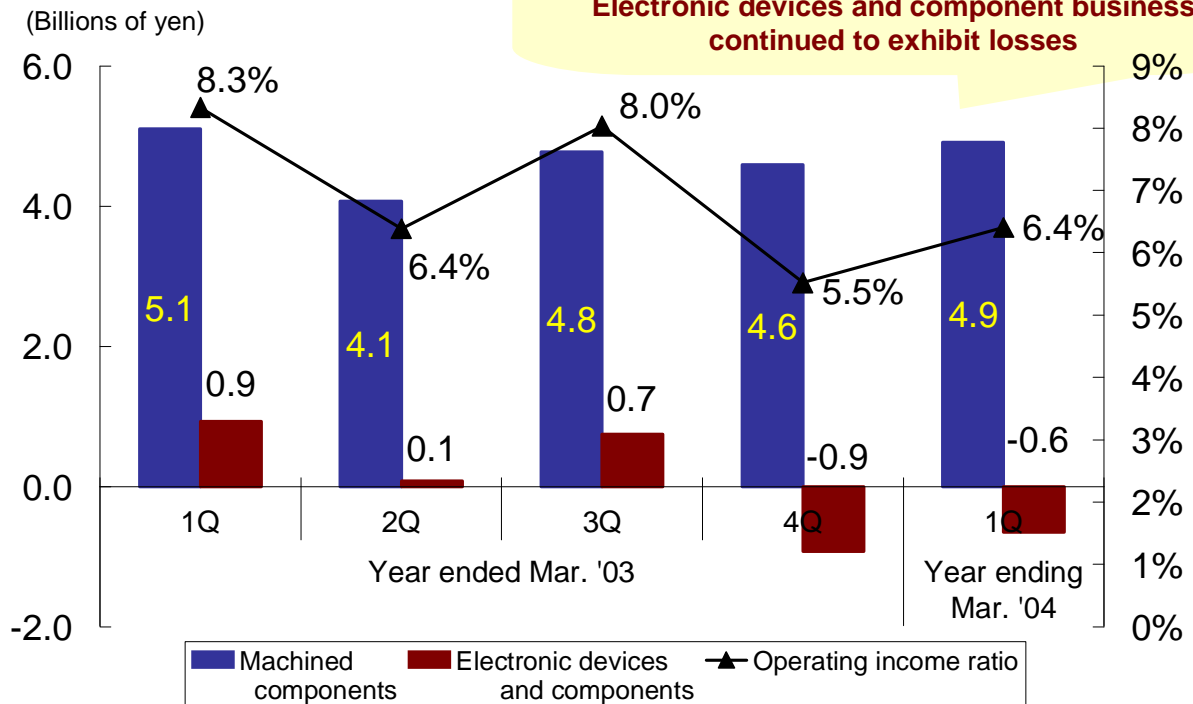
Sales of HDD spindle motors (including parts sales) increased 9% from the previous quarter. We maintained shipments of completed products at a flat level from the previous quarter, as build up of production of 3.5-inch HDD with 80GB/platter led to 10% increase in sales volume of our FDB motors.

Fan motors recorded 11% growth from the previous quarter. Sales for PC and related applications showed robust growth.

Other electronic devices

PC keyboard business was weak in the first quarter, posting 21% sales decline from the previous quarter. Production adjustment by customers and price decline were the reasons.

Operating Income



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Machined components segment

Bearings for aircraft application remained stagnant, however, cost reduction efforts for miniature and small-sized ball bearings lifted operating income. Operating income of machined components segment was 4.9 billion yen and operating income margin of the segment returned to over 17% for the first time in almost 18 months.

Electronics devices and components segment

Operating income of electronic devices and components segment showed some improvement but posted a loss.

Fan motor business continued to achieve high profitability, however, keyboard business suffered from a steep decline in sales, due to customers' production adjustment, and electronic device division's profitability fell.

Weak performance of electronic devices division was caused by lower profitability of traditional products due to demand decline and price fall, and by start up cost of lighting devices.

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%

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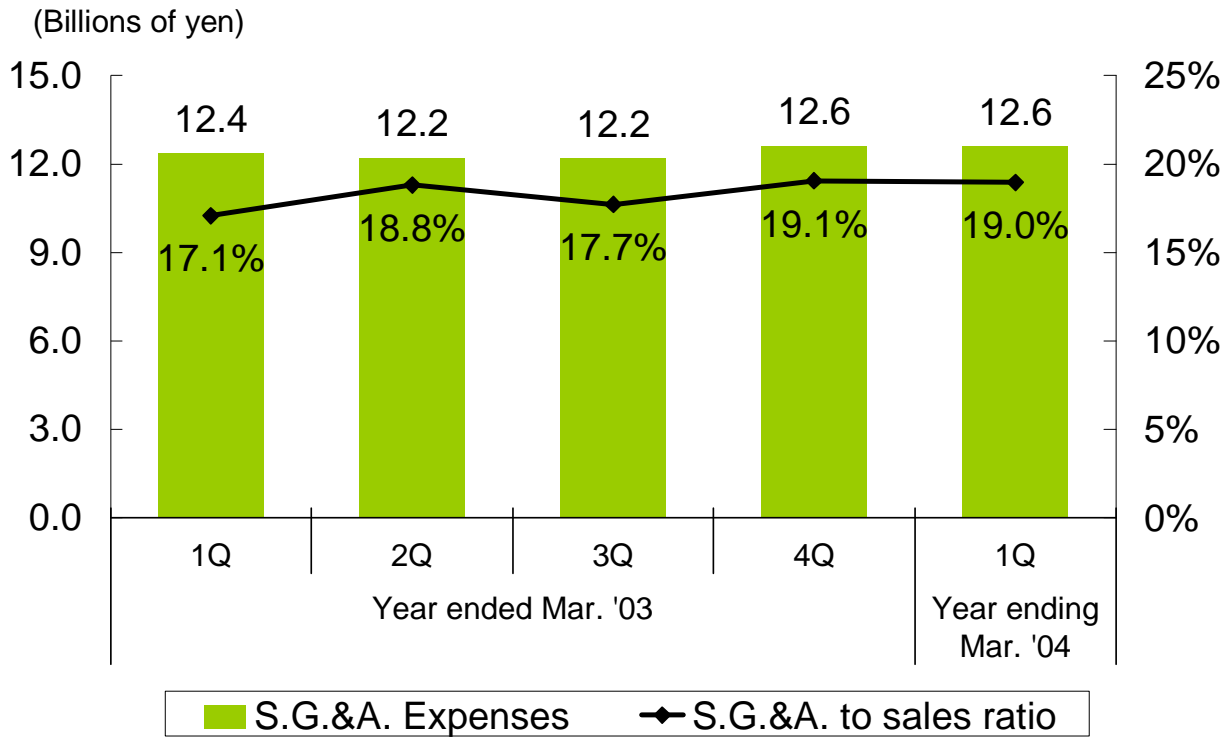
Sales by user industry

Sales for home electronics applications achieved a large growth from the previous quarter. This was due to seasonal increase in sales of ball bearings for air conditioners.

Sales by region

The picture remains that sales in Asia is increasing but sales in other region is on a declining trend.

S.G. & A. Expenses



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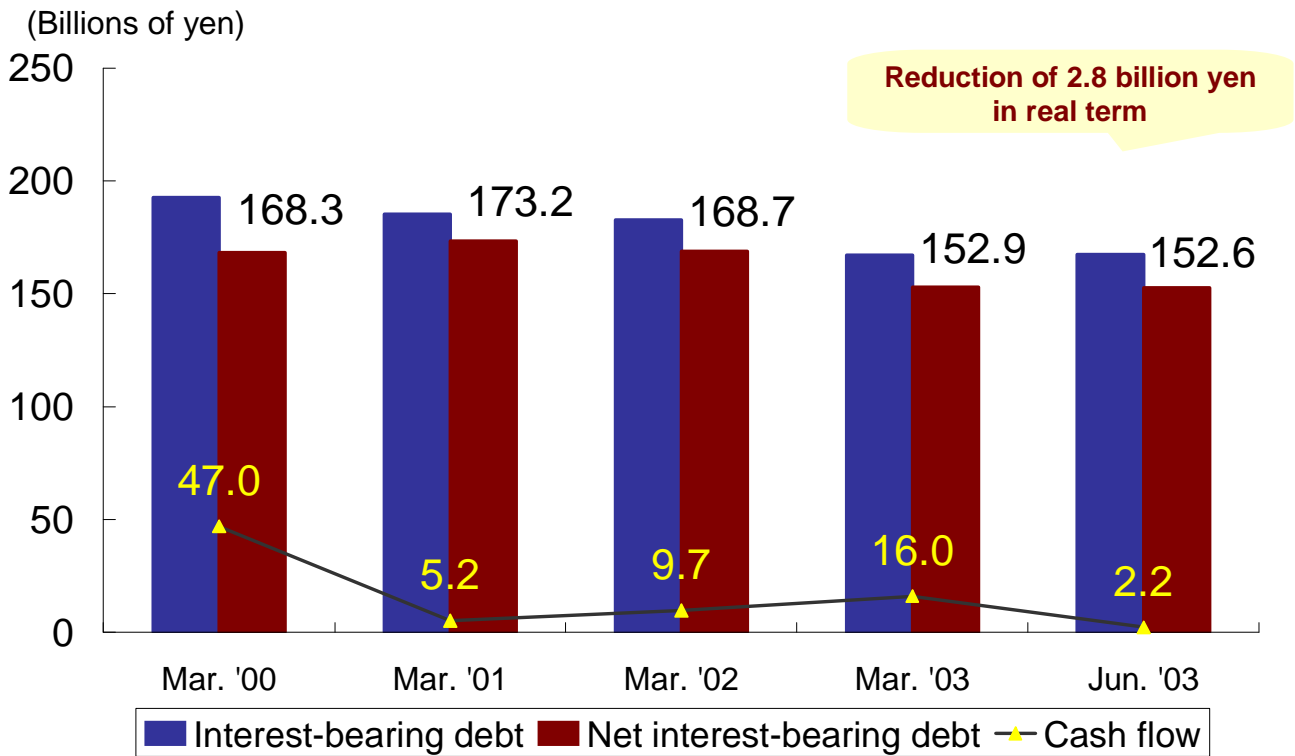
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SGA in the first quarter was 12.6 billion yen, 19.0% of sales.

On June 19th, we announced solicitation of voluntary retirement in response to withdrawal from switching power supplies and related businesses, and sharp fall in sales in Japan. Against the number of solicitation of approximately 170, there was almost the same number of application by July 31, the last day of the solicitation period. We estimate this will reduce annual personnel expenses by 1 billion yen.

Interest-Bearing Debt



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Interest-bearing debt, net of cash and equivalent, at the end of the first quarter stood at the same level as at the end of the last fiscal year. However, without impact of termination of securitization of some of the receivables, net interest-bearing debt declined by 3.1 billion yen.

Capex in the first quarter amounted to 5.1 billion yen, in areas such as capacity expansion of bearings at overseas factories, capacity expansion of FDB motors and their components in Thailand and building of a new keyboard factory in Shanghai. We budget 27.5 billion yen in capex for this fiscal year.

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

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We expect business in July and August to be affected by summer vacation season in US and Europe and seasonal decline in demand from air conditioner manufacturers. On the other hand, PC related demand is on an increasing trend since July. Fan motors for game applications is also on a recovery.

We are on track to meet our first half operating income target of 8.8 billion yen, as steady bearing business, strong fan motor business and improvement in profitability of spindle motors should cover divisions with low profitability.

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

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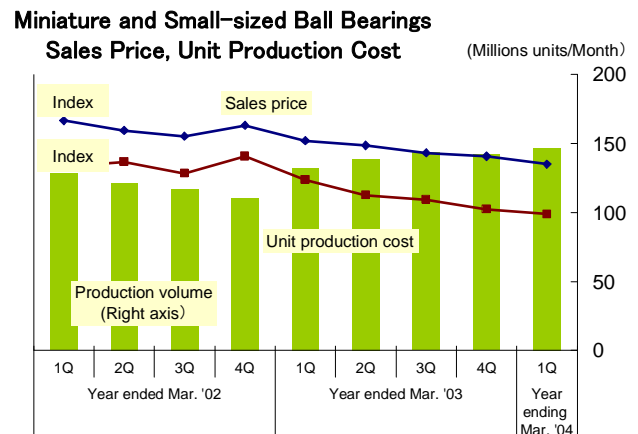
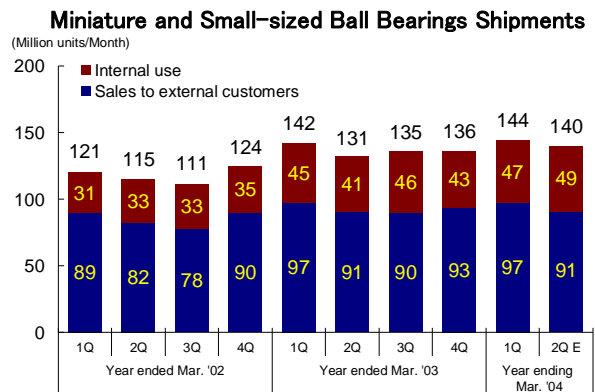
At the presentation in May, we explained five important measures that we have set with an aim to improve profitability this fiscal year. We would like to explain progress of these five measures, as well as the progress of the ball bearings business, the most important business for us.

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.



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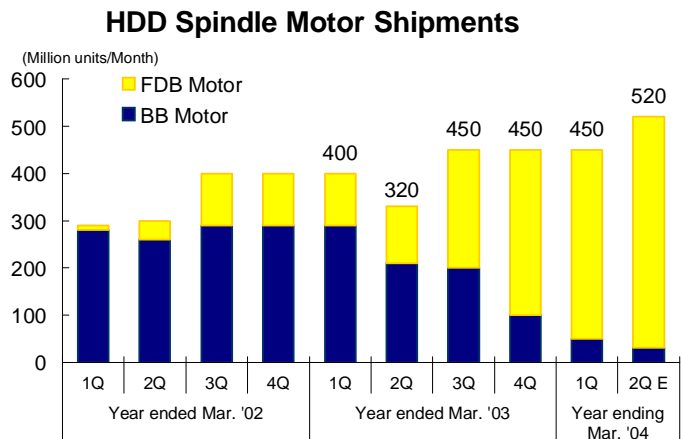
Ball Bearings

In the second quarter, for miniature and small-sized ball bearings, we look for 140 million units/month, a 3% decline in sales volume compared to the first quarter. Within this, sales to external customers are expected to be 91 million units/month, a 6% decline.

Cost reduction program is making a good progress. We are currently installing new machinery and equipment with a target to build up production capacity to 180 million units/month by the end of this year.

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.



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HDD Spindle Motors

Although a sharp decline in sales June to 4 million units, due to customer' production adjustment slowed down the pace of improvement, profitability of HDD spindle motors is on an improving trend. This is as a result of increase in shipments of FDB motors, reduction in production costs of internally manufactured components, reduction of processing costs and improvement of yield.

We look for the second quarter volume to be 5.2 million units/month, an increase of 12% from the first quarter. Together with further cost reduction, we expect this business to turn profitable during the first half.

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.

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Pivot assembly

Productivity enhancement measures have started to materialize. We intend to increase shipments by 10% in the second quarter from the first quarter by maintaining 70-75% market share.

Other electronic device products

Improvement of profitability of other electronic device products is necessary for recovery of Minebea's overall earnings. Efforts will continue throughout this fiscal year.

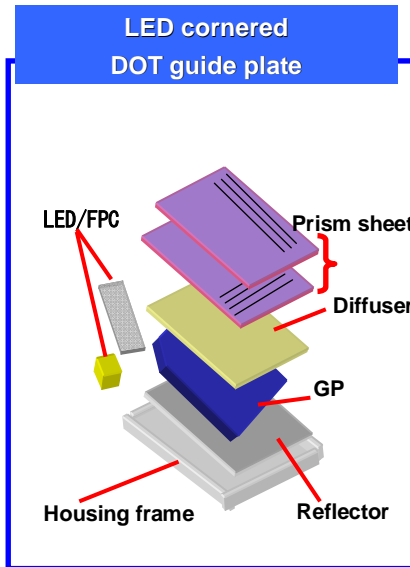
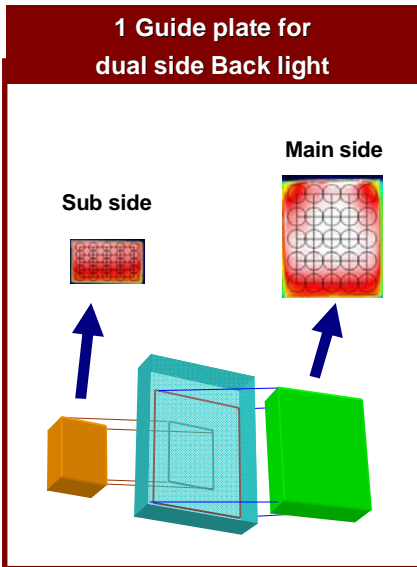
Lighting business is gaining momentum. We are on track to reach sales of 9 billion yen for this fiscal year. As for profitability, we expect increased volume will lead to an improvement in the second quarter.

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



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Development of new lighting device products is making a good progress. We have developed and began marketing of ultra bright backlight, backlight with one guide plate that illuminates dual side, and backlight with one LED positioned at a corner.

Looking into the next year, we expect more popular features of mobile telephones in Japan will be videophone, animation and powerful camera zoom functions. We are developing high feature backlight in this trend.

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.

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Fan motors

Fan motor business continues to be strong in the second quarter and we expect the second quarter sales volume to increase another 10% from the first quarter. Fan motor, which is used as cooling device in PCs, OA and various home electronics, is expected to continue its growth path. The continued strength in our fan motor business is a result of 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. Our strength is based on our fully integrated development and manufacturing system.

In addition, the joint development work with Matsushita Motor Company is making a steady progress and we have received orders for some products.

Switching power supplies and related businesses

We 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.



Demand is expected to recover gradually in the second quarter. A new factory in China is scheduled to commence operation at the end of August. We hope that this will help enhance competitiveness of keyboard business.

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**

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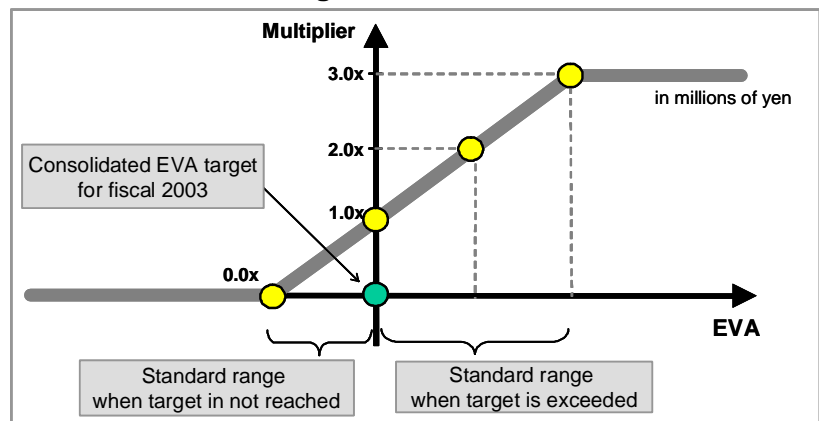


For mid-to-long term profitability improvement, we determined necessary to construct effective management system and have implemented measures. That is to build a portfolio of businesses that maximize our core competencies and to link the core competencies strategy to greater corporate value.

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



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In April 2003, we set consolidated EVA target and began measuring EVA. We also launched EVA-based capital investment assessment program.

From this fiscal year's winter bonus payment, introduction of consolidated EVA-based bonus program is scheduled. Entire amount of executive officers' bonus will be EVA-based.

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).

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In July 2003, Minebea Group was qualified as Sony Corporation's Green Partner. Other major electronic companies are introducing similar procurement policy.

Minebea has always placed a high priority on environmental protection and continues to take steps to enhance the environmental soundness of its operations worldwide. Recently, 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. Furthermore, Shanghai Environmental Protection Bureau elected Minebea Electronics & Hi-Tech Components (Shanghai) Ltd. as one of the eight model enterprises in environmental protection of Shanghai.

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.