



Business Results

Fiscal Year ended March 31, 2005

Minebea Co., Ltd.

**Tsugio Yamamoto
Representative Director,
President and Chief Executive Officer
May 13, 2005**

Consolidated Results for Fiscal Year ended March 31, 2005

(Millions of yen)	Year ended Mar. '04	Year ended Mar. '05	Change yoy	Previous forecast	
	Full year	Full year		Full year	vs. forecast
Net Sales	268,574	294,422	+9.6%	300,000	98.1%
Operating Income	18,104	14,083	-22.2%	14,000	100.6%
Ordinary Income	13,800	10,206	-26.0%	10,000	102.1%
Income before Income Taxes	12,958	7,778	-40.0%	9,000	86.4%
Net Income	6,019	5,581	-7.3%	5,000	111.6%

Overview

- Strong performance for all machined component products.
- Issues remained with some of electronic device business, leading to profit decline.

Effect of FX Fluctuations

FY Mar '04	FY Mar '05
US\$ ¥113.97 → ¥107.46	
Thai Baht ¥2.79 → ¥2.67	
Net sales minus ¥10.2 billion	
Operating income minus ¥0.4 billion	

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The consolidated financial results for the fiscal year ended March 31, 2005 were; sales of 294.4 billion yen, operating income of 14.1 billion yen, ordinary income of 10.2 billion yen, net income of 5.6 billion yen.

At most levels, income achieved revised plan that we announced in November last year. However, as reversion of royalty payment at Minebea-Matsushita Motor joint venture was not assumed in the plan, the results were below plan in the real term. It was also a substantial decline in profit from the last fiscal year.

Machined components businesses fully utilized the company's competitiveness and recorded good results but electronic devices and components businesses suffered from poor performance for some businesses, leading to overall profit decline.

Full Year Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '04	Year ended Mar. '05	Change yoy	Year ended Mar. '05 H2	Forecast announced in Nov. 2004 H2	Full year vs. forecast
[Net Sales]						
Machined components business	111,692	116,105	+4.0%	58,755	60,650	96.9%
Bearing-related products	94,604	98,218	+3.8%	49,065	51,047	96.1%
Other machined components	17,089	17,887	+4.7%	9,690	9,603	100.9%
Electronic devices and components business	156,881	178,317	+13.7%	88,917	92,600	96.0%
Rotary components	86,741	106,750	+23.1%	52,689	56,239	93.7%
Other electronic devices	70,141	71,566	+2.0%	36,226	36,360	99.6%
Total Net Sales	268,574	294,422	+9.6%	147,671	153,249	96.4%
[Operating Income]						
Machined components business	19,505	21,572	+10.6%	11,094	11,522	96.3%
Electronic devices and components business	-1,400	-7,489	-	-2,479	-2,990	-
Toal Operating Income	18,104	14,083	-22.2%	8,615	8,532	101.0%

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Operating income of machined components segment was 21.6 billion yen, 10% increase from the last fiscal year.

Electronic devices and components segment posted an operating loss of 7.5 billion yen.

Quarterly Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '04				Year ended Mar. '05				Q4 change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	yoy	qoq
[Net Sales]										
Machined components business	28,606	27,059	27,434	28,593	28,256	29,094	28,927	29,828	+4.3%	+3.1%
Bearing-related products	23,959	23,169	23,324	24,152	24,247	24,906	24,491	24,574	+1.7%	+0.3%
Other machined components	4,646	3,892	4,109	4,442	4,009	4,188	4,436	5,254	+18.3%	+18.4%
Electronic devices and components business	37,883	40,193	41,294	37,511	43,067	46,333	46,254	42,663	+13.7%	-7.8%
Rotary components	21,458	22,184	22,209	20,890	26,852	27,209	27,350	25,339	+21.3%	-7.4%
Other electronic devices	16,424	18,011	19,084	16,622	16,216	19,124	18,903	17,323	+4.2%	-8.4%
Total Net Sales	66,489	67,252	68,728	66,105	71,324	75,427	75,180	72,491	+9.7%	-3.6%
[Operating Income]										
Machined components business	4,908	4,270	5,035	5,292	5,082	5,396	5,952	5,142	-2.8%	-13.6%
Electronic devices and components business	-648	937	-503	-1,186	-2,279	-2,731	-1,786	-693	-	-
Total Operating Income	4,259	5,208	4,531	4,106	2,802	2,666	4,165	4,449	+8.4%	+6.8%

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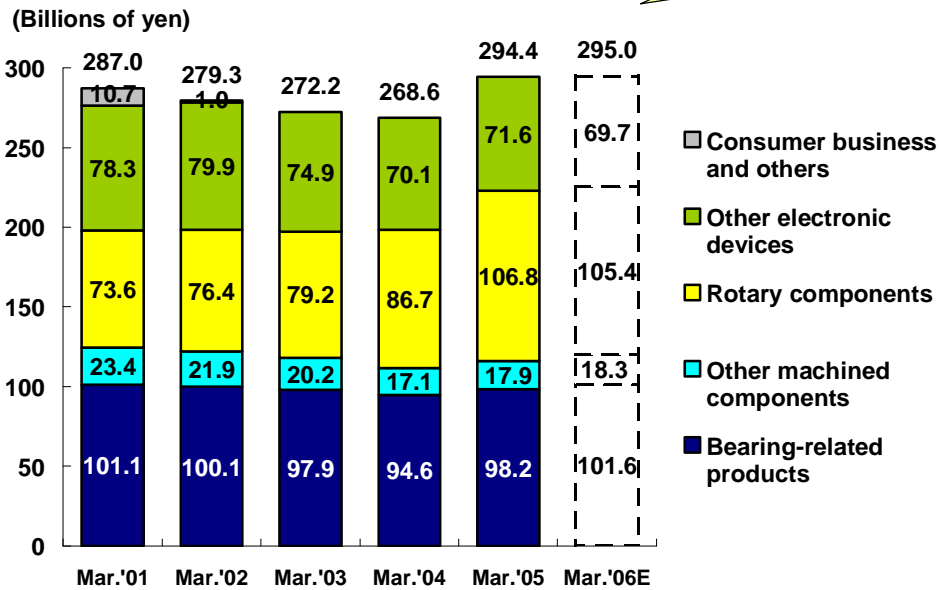
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Quarterly breakdown.

Net Sales by Segment

Sales increased in all segments. Sales of bearing-related products increased. Owing to establishment of Minebea-Matsushita Motor JV, sales in rotary component business increased.



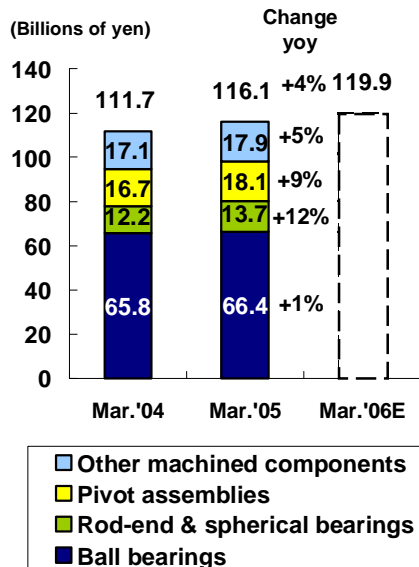
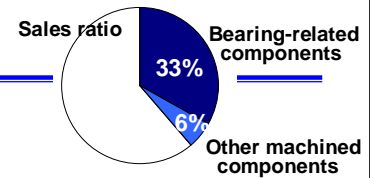
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The highlight for sales in the fiscal year ended March 2005 is the positive growth in sales of bearing and related businesses for the first time in four fiscal years.

Sales of Machined Components Business



Ball bearings

- Shipment of miniature ball bearings increased 10 % yoy in fiscal year ended Mar. '05. Unit price remained relatively stable since the beginning of the fiscal year. Favorable sales for PC fan and OA market.

Rod-end & spherical bearings

- Aircraft market recovered. Gained new orders.

Pivot Assemblies

- HDD market was strong, especially small-sized HDD market expanded rapidly. Maintained high market share.

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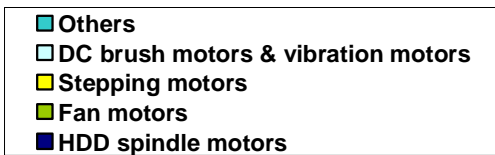
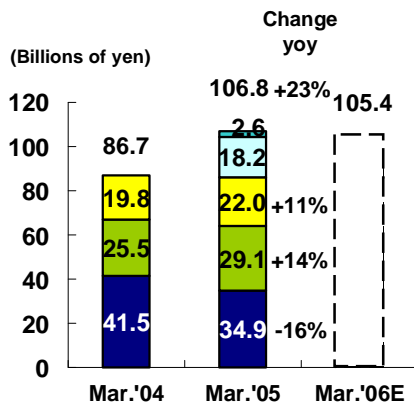
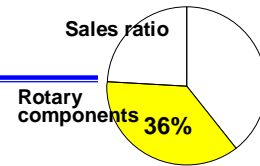
In the fiscal year ended March 2005, sales volume of miniature and small sized ball bearings expanded by 10% from the previous year, driven by higher sales for box type fan motors for PCs, for automotive application and for office automation applications.

For rod-end and spherical bearing business, aerospace market is recovering.

For pivot assemblies, the expansion of small sized HDD market gives us an advantage and we maintained our high market share.

In fiscal year ending March 31, 2006, negative effect of yen appreciation is forecasted but we expect increasing demand for pivot assemblies and firm demand for bearings for aircraft.

Sales of Rotary Components



HDD spindle motors

- Shipment in the fiscal year ended Mar. '05 decreased 10 % yoy.

Fan motors, Stepping motors, Vibration motors, DC brush motors

- Sales increased due to establishment of Minebea-Matsushita Motor JV.

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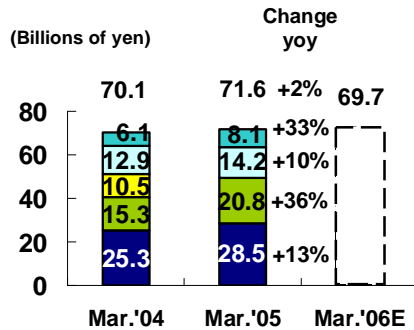
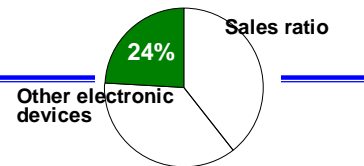


Of rotary component businesses, sales of HDD spindle motors fell sharply.

Sales of fan motors, stepping motors, vibration motors and DC brush motors increased owing to the start of Minebea-Matsushita Motor joint venture.

We expect flat to slight decline in sales in the fiscal year ending March 2006.

Sales of Other Electronic Devices



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

Keyboards

- Sales reached record high. Market share for desktop type expanded. Gained new business for notebook type.

Electronic devices

- Sales increased for LCD LED backlights.

Speakers

- Favorable sales for audio box speakers and PCs.

Measuring components

- Sales reached record high. Increased for automobile.

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All products in other electronic devices and components achieved strong growth in sales.

Sales of keyboards increased by more than 10% as a result of higher market share.

Of electronic devices, sales of LCD LED backlight increased.

In fiscal year ending March 2006, we plan to expand sales of back light but expect less sales for keyboards, speakers and measuring components.

Fiscal Year ended March 31, 2005

Sales by User Industry and by Region

Sales ratio of PC and related products decreased from 44% of last fiscal year. Sales increased for automobile and PC related equipment.

Sales by user industry

	Automobile	Aerospace	Home electronics	OA & IT	PC and PC related equipment	Motors	Others	Total
% of Sales	10.0%	8.7%	10.3%	15.5%	37.8%	5.1%	12.6%	100.0%
Change yoy	+40.2%	+3.9%	+14.5%	+60.5%	-6.8%	+3.6%	+8.8%	+9.6%

Sales by region

	Japan	Asia (ex-Japan)	North and South America	Europe	Total
% of Sales	26.7%	47.6%	15.6%	10.0%	100.0%
Change yoy	+13.4%	+15.3%	+1.5%	-8.5%	+9.6%

On local currency basis, sales in Greater China increased 30% yoy.

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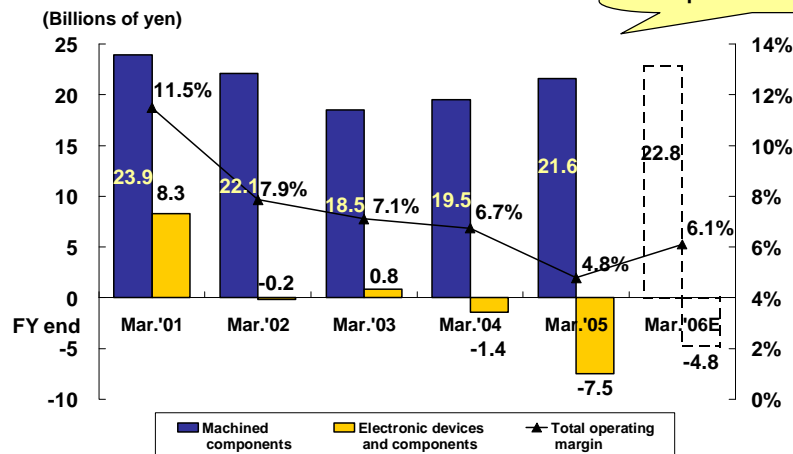


Businesses expanded to wider range of applications as proportion of sales for PC and related applications declined and sales increased for automotive, home electrical appliances and office automation and IT. Business at Minebea-Matsushita Motor joint venture contributed to an increase in office automation and IT applications, home electrical appliances and automobile applications.

By region, sales for all regions except Europe increased. Sales in Japan achieved a positive growth for the first time in four years.

Operating Income by Segment

Operating income of machined components reached 18.6%.



	Mar.'01	Mar.'02	Mar.'03	Mar.'04	Mar.'05	Mar.'06E
Machined components	19.2%	18.1%	15.7%	17.5%	18.6%	19.0%
Electronic devices and components	5.4%	-0.1%	0.5%	-0.9%	-4.2%	-2.7%
Consumer business and others	7.6%	0.0%	-	-	-	-
Total	11.5%	7.9%	7.1%	6.7%	4.8%	6.1%

Note: Consumer business and others are omitted in the graph.
0.8 billion yen in fiscal year ended Mar. '01, 0.0 billion yen in fiscal year ended Mar. '02.
Operating income margin is external sales basis.

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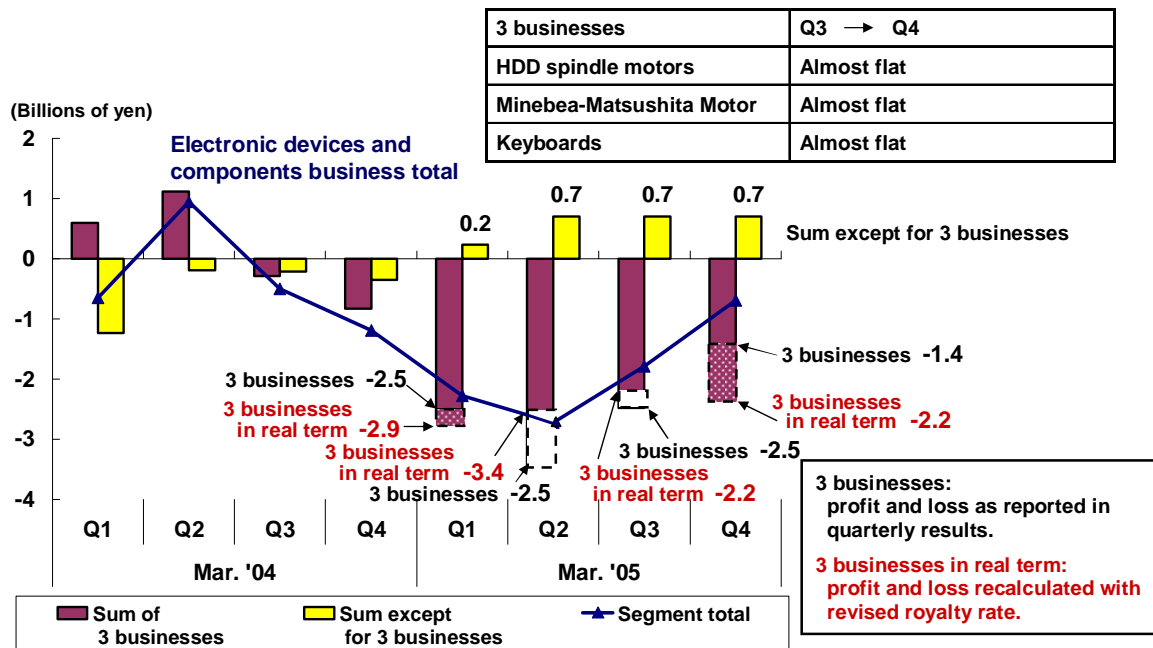


Operating income margin of machined components segment reached 18.6%, an increase of 1.1 percentage points from the last fiscal year.

Ball bearing business was further strengthened by cost reduction and product development that captures customers' varying needs, as well as volume increase. Rod-end and spherical bearings and pivot assemblies are also making large contribution to profit.

In the current fiscal year, we aim for further growth in profit for machined component segment.

Electronic Devices and Components Segment Operating Income Breakdown



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This graph shows performance of three businesses after consideration of revised royalty payment. There was no improvement in real term in the fourth quarter. However, we plan to reduce losses in the current fiscal year.

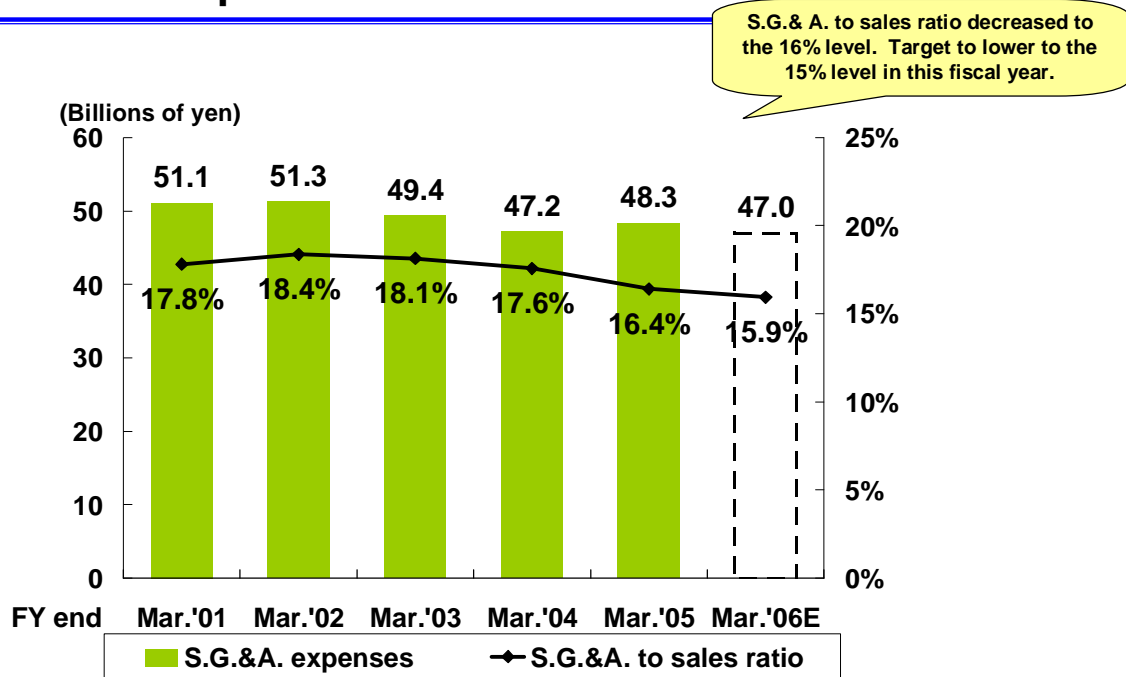
The key for the success of spindle motor business is the new products.

Structural reform is progressing at Minebea-Matsushita Motor and we expect an improvement in earnings in the second half.

Transfer of notebook type keyboards to SST have begun and we plan to complete transfer by September. We plan to turn profitable in the second half.

As for businesses except for the three businesses, we can say that profitable business structure has been established.

SG & A Expenses



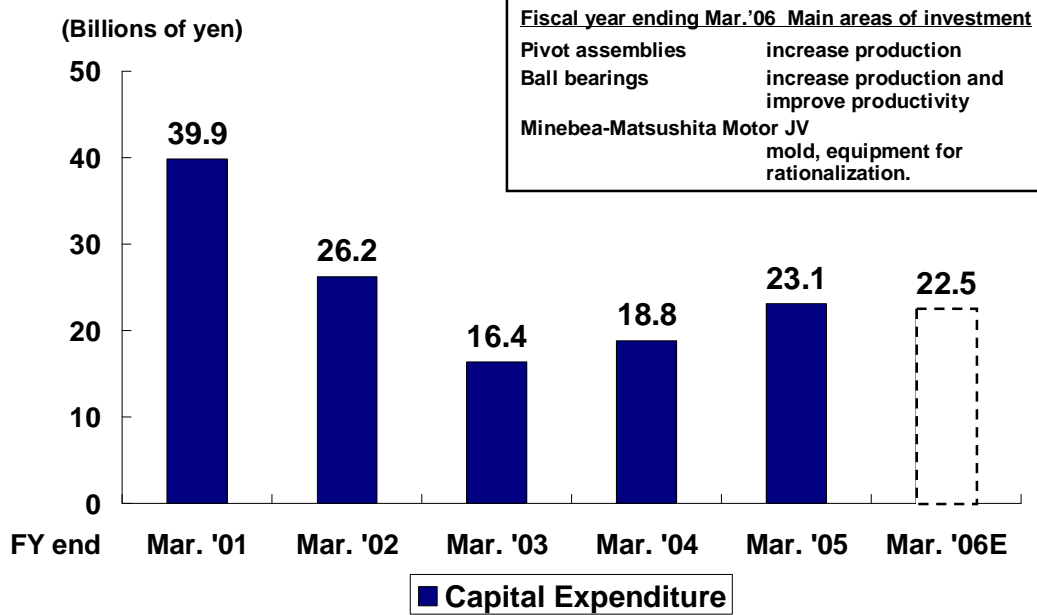
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SG&A increased due to start up of Minebea-Matsushita Motor joint venture, however, as a percentage of sales it declined to below 17%. We aim to reduce to below 16% in the fiscal year ending March 2006.

Capital Expenditure



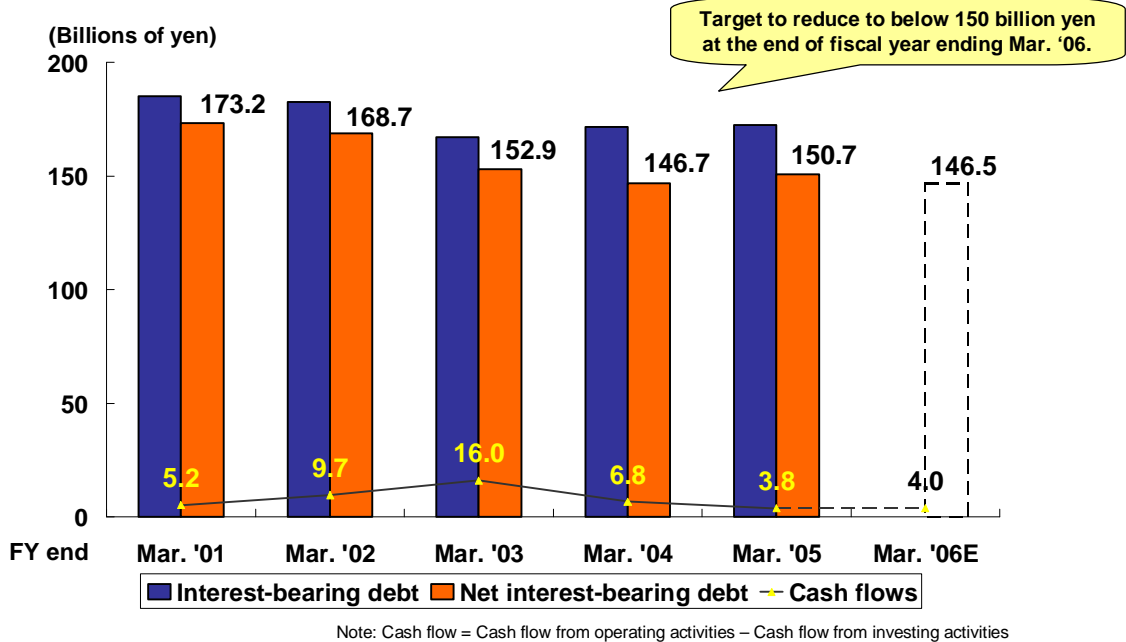
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Capital expenditure in the fiscal year ended March 31, 2005 was 23.1 billion yen. The investment were mainly for capacity expansion of ball bearings and a new plant for balls, capacity expansion of pivot assemblies, construction of new FDB unit production lines, rationalization equipment at Minebea-Matsushita Motor joint venture, and capacity expansion, new plastic injection molding machines and mold at SST.

Interest-Bearing Debt



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Net interest bearing debt was 150.7 billion yen at the end of the fiscal year ended March 2005. We aim to reduce to below 150 billion yen during the fiscal year ending March 2006.

Forecast of Fiscal Year ending March 31, 2006

(Millions of yen)	Year ended	Year ending	Change
	Mar. '05	Mar. '06	
		Forecast	yoy
Net Sales	294,422	295,000	+0.2%
Operating Income	14,083	18,000	+27.8%
Ordinary Income	10,206	14,000	+37.2%
Income before Income Taxes	7,778	12,500	+60.7%
Net Income	5,581	7,500	+34.4%

Assumption of FX Fluctuations

FY Mar '05	FY Mar '06
US\$ ¥107.46	→ ¥103.00
Thai Baht ¥2.67	→ ¥2.60

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In fiscal year ending March 2006, we plan operating income of 18 billion yen and net income of 7.5 billion yen.

Forecast of Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '05 Full year	Year ending Mar. '06 forecast			Change yoy
		H1	H2	Full year	
[Net Sales]					
Machined components business	116,105	58,500	61,400	119,900	+3.3%
Bearing-related products	98,218	49,800	51,800	101,600	+3.4%
Other machined components	17,887	8,700	9,600	18,300	+2.3%
<hr/>					
Electronic devices and components business	178,317	83,500	91,600	175,100	-1.8%
Rotary components	106,750	49,600	55,800	105,400	-1.3%
Other electronic devices	71,566	33,900	35,800	69,700	-2.6%
<hr/>					
Total Net Sales	294,422	142,000	153,000	295,000	+0.2%
<hr/>					
[Operating Income]					
Machined components	21,572	11,250	11,500	22,750	+5.5%
Electronic devices and components business	-7,489	-3,750	-1,000	-4,750	-
<hr/>					
Total Operating Income	14,083	7,500	10,500	18,000	+27.8%

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Breakdown of this fiscal year's forecast.

New Management Structure and New Policy

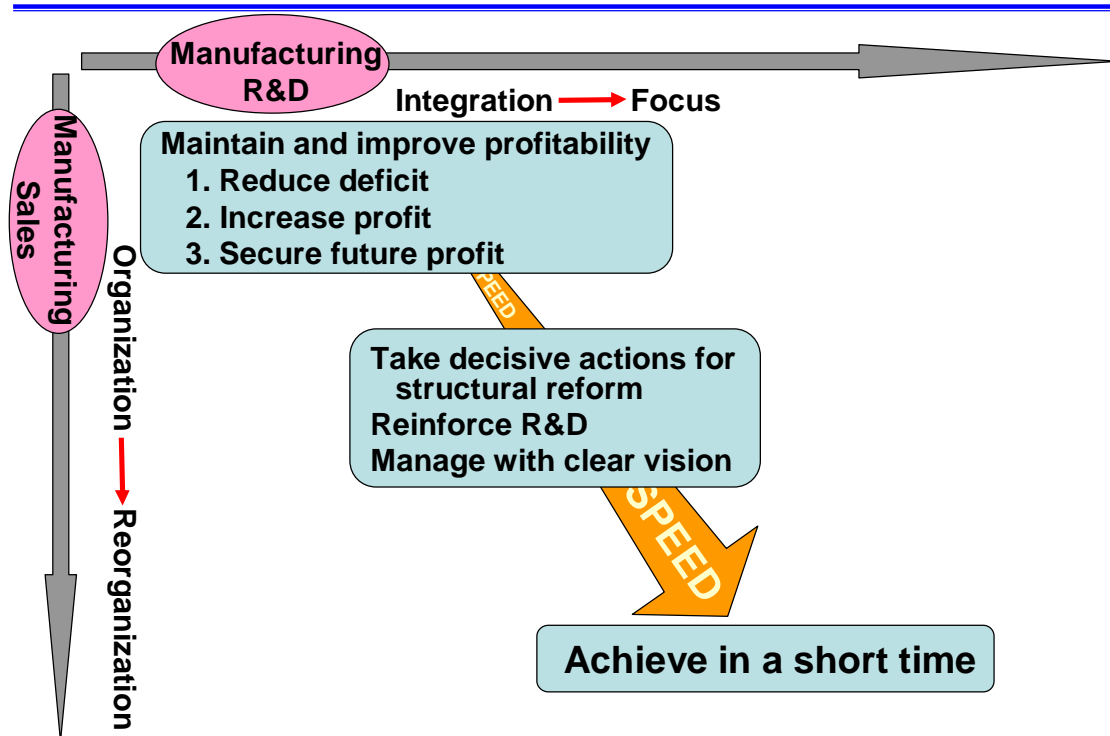
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Takayuki Yamagishi, new representative director, president and chief executive officer (upon final approval at the Ordinary General Shareholders Meeting and the Board Meeting on June 29), now Director, Senior Managing Executive Officer will explain goals and policy as a new president.

Management Objectives



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I believe my mission as the new president is to increase earnings power and to achieve this goal with speed. Explicitly, my task is to reduce the loss of our underperforming businesses; to increase the profit of our profit earning operations; and to expand the range of products or business lines so that we secure path to earn profit in the future.

I have no desire to withdraw from the loss making businesses at present. Instead, we should make every effort for turnaround of the businesses and strive for their expansion.

To realize these targets, I set basic policies as 1. structural reform, 2. reinforcement of R&D, 3. management with clear vision.

I plan to proceed with structural reforms by reorganizing our manufacturing and sales into vertically divided structure, by aggregating manufacturing and engineering capability that are dispersed within the Group so that these can be injected into areas that need improvement, leading to improvement in a short time.

New Management Policy

1. Take decisive actions for structural reform.

**Reorganize manufacturing and sales divisions.
Build cross-sectional manufacturing organization.
Strengthen the Group's cross-sectional functions.**

2. Reinforce R&D.

**Reinforce development of basic technologies.
Set up a structure that can aggregate and reorganize
the Group's technologies.**

3. Manage with clear vision.

**Reinforce manufacturing technology which brings advantage
in the market.
Build product line with future technologies that capture
the market's needs.**

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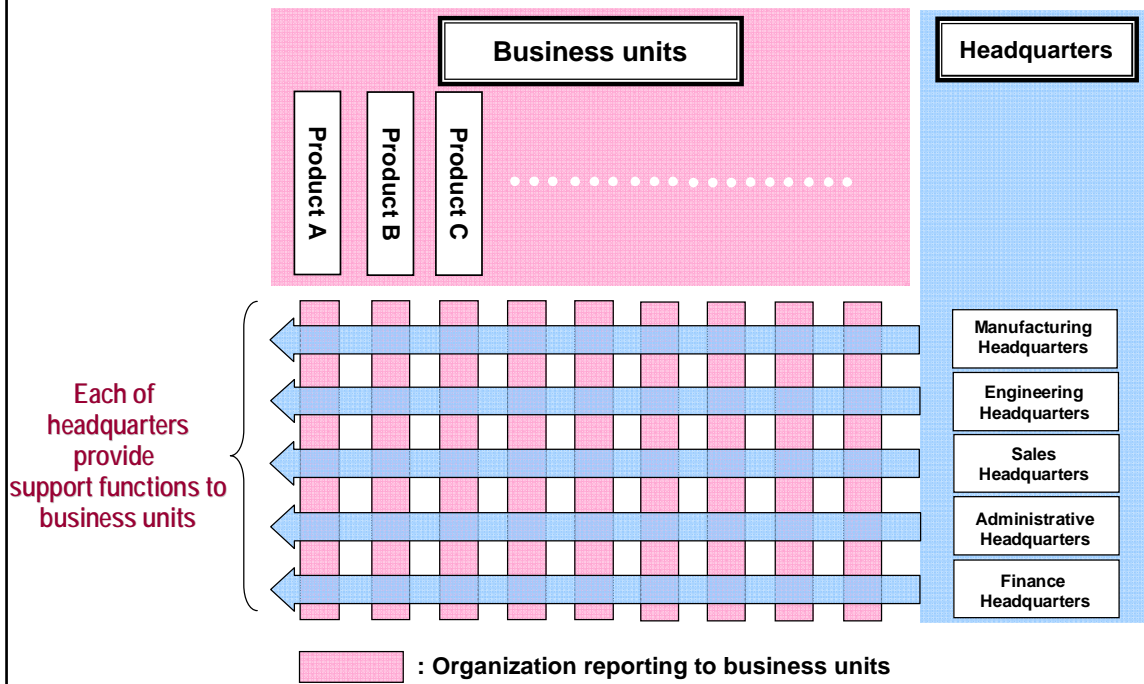
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By implementing structural reform, I aim to build an organizing that can function effectively. Manufacturing and sales will be integrated into business units.

In manufacturing operations, manufacturing technologies will be aggregated and these will provide cross-sectional support within the Group, thereby clarifying priorities of issues.

I will manage Minebea with a vision clearly set toward the future. I will strive to develop technologies and products that will position us ahead of the market.

Structure Reorganization



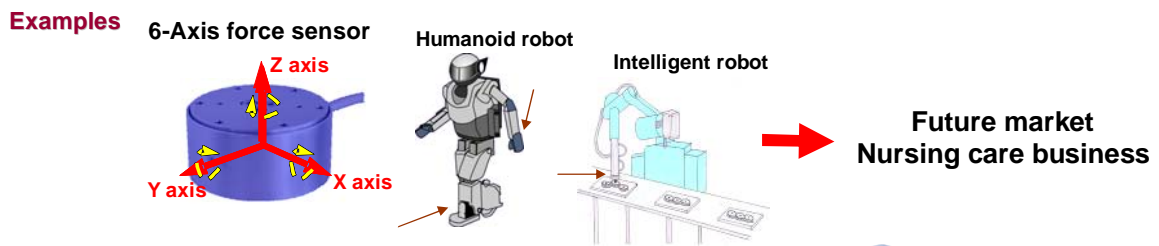
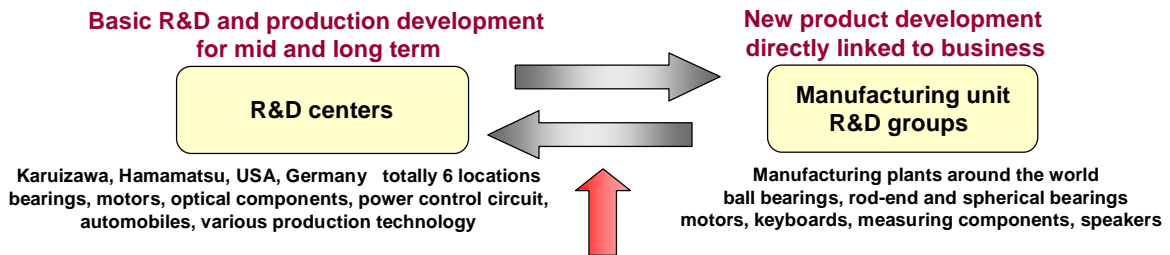
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The new organization will constitute business units in which with manufacturing and sales are vertically aligned. Headquarters will be set up as a corporate function as shown here. Headquarter will provide cross-sectional support to each of business units.

Reinforcement of R&D

- ◆ Strengthening of basic R&D
- ◆ Promote mutual exchange of technologies in the Group



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I will promote to strengthen R&D.

Focus of development of fundamental technologies will be mainly in the fields of raw materials, mechanics, motors, electronic circuits, optics.

We need to effectively integrate a variety of technologies within the group and lead these into product development that capture the market needs.

Intermediate Goals

1. Reduce deficit.

Concentrate on improving profitability of the three loss making businesses.

2. Increase profit.

Increase sales of bearing and related businesses.

3. Secure future profit.

(Reinforce rotary components business.)

Focus on high-value added products.

Expand display-peripheral component business.

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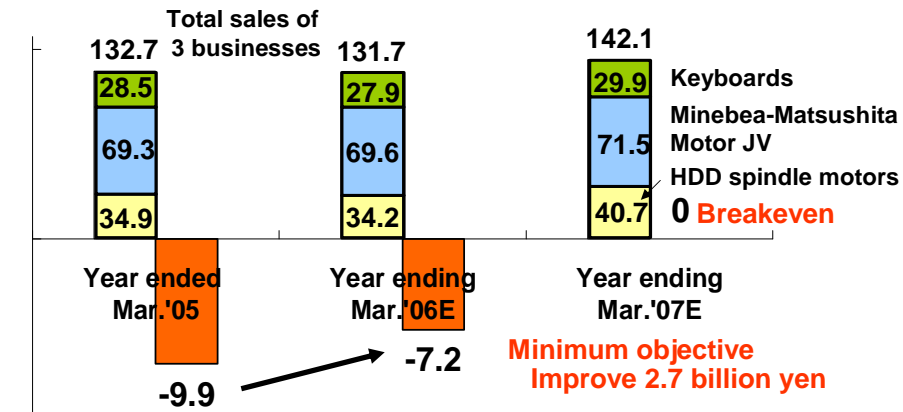
For the short term, our efforts will be focused on the above three intermediate goals.

To reduce the losses, our efforts will be focused on the turnaround of the three underperforming businesses. To expand profit, we will promote to expand sales of bearings and related products.

To ensure our future earnings, we will promote display peripheral component business.

Profit Improvement Plan for 3 Businesses

(Billions of yen)



Total profit and loss of 3 businesses

Fiscal year ending Mar. 2006 Forecast of operating income breakdown	
(billions of yen)	
HDD spindle motors	+0.8
Minebea-Matsushita Motor JV	+0.5
Keyboards	+1.4
Total	+2.7

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We aim to make an improvement of total 2.7 billion yen improvement in operating losses of the three businesses. I set this to be a minimum improvement and will strive to accelerate the pace of improvement by uncovering all the potential problems.

Our target for the fiscal year ending March 2007 is elimination of loss.

Business Results

Fiscal Year ended March 31, 2005

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.

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