



Minebea
Business Results

First Half of Fiscal Year ending March 31, 2005

Minebea Co., Ltd

**Tsugio Yamamoto
Representative Director,
President and Chief Executive Officer
November 12, 2004**

Consolidated Results for First Half of Fiscal Year ending March 31, 2005

(Millions of yen)	Year ended Mar. '04	Year ending Mar. '05	Change yoy	First half	
	H1	H1		Original forecast	vs. forecast
Net Sales	133,741	146,751	+9.7%	144,400	101.6%
Operating Income	9,467	5,468	-42.2%	8,400	65.1%
Ordinary Income	7,558	3,885	-48.6%	6,300	61.7%
Income before Income Taxes	6,299	3,391	-46.2%	5,700	59.5%
Net Income	2,726	1,095	-59.8%	3,000	36.5%

H1 profit declined due to deterioration in earnings of spindle motor, MMMC, keyboards

Consolidated Results for Second Quarter of Fiscal Year ending March 31, 2005

(Millions of yen)	Year ended Mar. '04	-- Year ending Mar. '05 --		Q2 Change	
	Q2	Q1	Q2	yoy	qoq
Net Sales	67,252	71,324	75,427	+12.2%	+5.8%
Operating Income	5,208	2,802	2,666	-48.8%	-4.9%
Ordinary Income	4,273	1,982	1,903	-55.5%	-4.0%
Income before Income Taxes	4,122	1,937	1,454	-64.7%	-24.9%
Net Income	2,305	208	887	-61.5%	+326.4%

Q2 income declined due to MMMC royalty payment but improved from Q1 in real terms

Specific Factors of First Half Results

Minebea-Matsushita Motor Joint Venture (MMMC)

Large deviation in actual results from original forecast from the start of the operation

Disparity: Sharp decline in sales price and marked drop in demand for transferred products. Increased integration costs.

⇒ **During Q1, started a review of entire business including royalty payment by MMMC to parent companies. However, as an agreement is yet to be reached, royalty payment was expensed for the first half term according to the original contract. The effect on Minebea's consolidated P/L is a cost of ¥1.3billion. Revised H2 forecast includes an effect of ¥1.4billion. The effect on net income is 60%, our stake in the joint venture.**

The First Half

Net Sales and Operating Income by Segment

(Millions of yen)	-- Year ended Mar. '04 --		Year ending	H1 Change
	H1	H2	Mar. '05	
[Net Sales]			H1	yoy
Machined components business	55,665	56,027	57,350	+3.0%
Bearing-related products	47,128	47,476	49,153	+4.3%
Other machined components	8,538	8,551	8,197	-4.0%
Electronic devices and components business	78,076	78,805	89,400	+14.5%
Rotary components	43,642	43,099	54,061	+23.9%
Other electronic devices	34,435	35,706	35,340	+2.6%
Total Net Sales	133,741	134,833	146,751	+9.7%
[Operating Income]				
Machined components	9,178	10,327	10,478	+14.2%
Electronic devices and components business	289	-1,689	-5,010	-
Total Operating Income	9,467	8,637	5,468	-42.2%

Net sales breakdown in H1		
(Billions of yen)	Original forecast	Actual vs. f'cast
Bearing-related products	48.2 →	102%
Other machined components	8.2 →	100%
Rotary components	58.95 →	92%
Other electronic devices	29.05 →	122%

Operating Income Breakdown in H1			
(Billions of yen)	Original forecast	F'cast as of August	Actual
Machined components business	9.7 →	approx. 10.4 →	10.5
Electronic devices and components business	-1.3 →	-3.3 →	-5.0
Sum of 3 businesses	-1.4 →	-3.8 →	-5.9
Sum except 3 businesses	0.1 →	0.5 →	0.9
Total	8.4 →	approx. 7.1 →	5.5

Sum of 3 businesses includes 1.3 billion yen royalty payment.

The Second Quarter

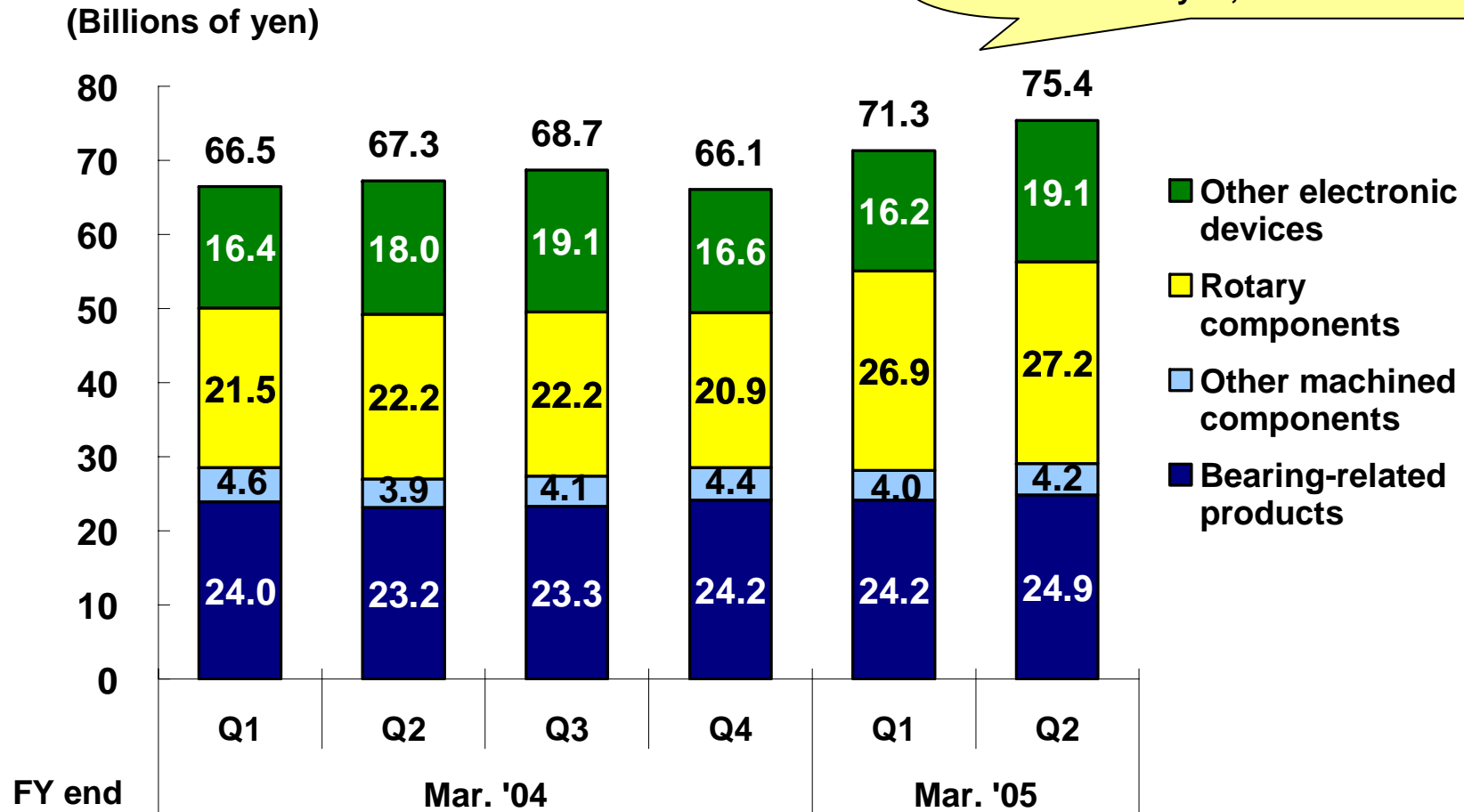
Net Sales and Operating Income by Segment

(Millions of yen)	----- Year ended Mar. '04 -----				-- Year ending Mar. '05 --		Q2 change	
	Q1	Q2	Q3	Q4	Q1	Q2	yoy	qoq
[Net Sales]								
Machined components business	28,606	27,059	27,434	28,593	28,256	29,094	+7.5%	+3.0%
Bearing-related products	23,959	23,169	23,324	24,152	24,247	24,906	+7.5%	+2.7%
Other machined components	4,646	3,892	4,109	4,442	4,009	4,188	+7.6%	+4.5%
Electronic devices and components business	37,883	40,193	41,294	37,511	43,067	46,333	+15.3%	+7.6%
Rotary components	21,458	22,184	22,209	20,890	26,852	27,209	+22.7%	+1.3%
Other electronic devices	16,424	18,011	19,084	16,622	16,216	19,124	+6.2%	+17.9%
Total Net Sales	66,489	67,252	68,728	66,105	71,324	75,427	+12.2%	+5.8%
[Operating Income]								
Machined components	4,908	4,270	5,035	5,292	5,082	5,396	+26.4%	+6.2%
Electronic devices and components business	-648	937	-503	-1,186	-2,279	-2,731	-	-
Total Operating Income	4,259	5,208	4,531	4,106	2,802	2,666	-48.8%	-4.9%

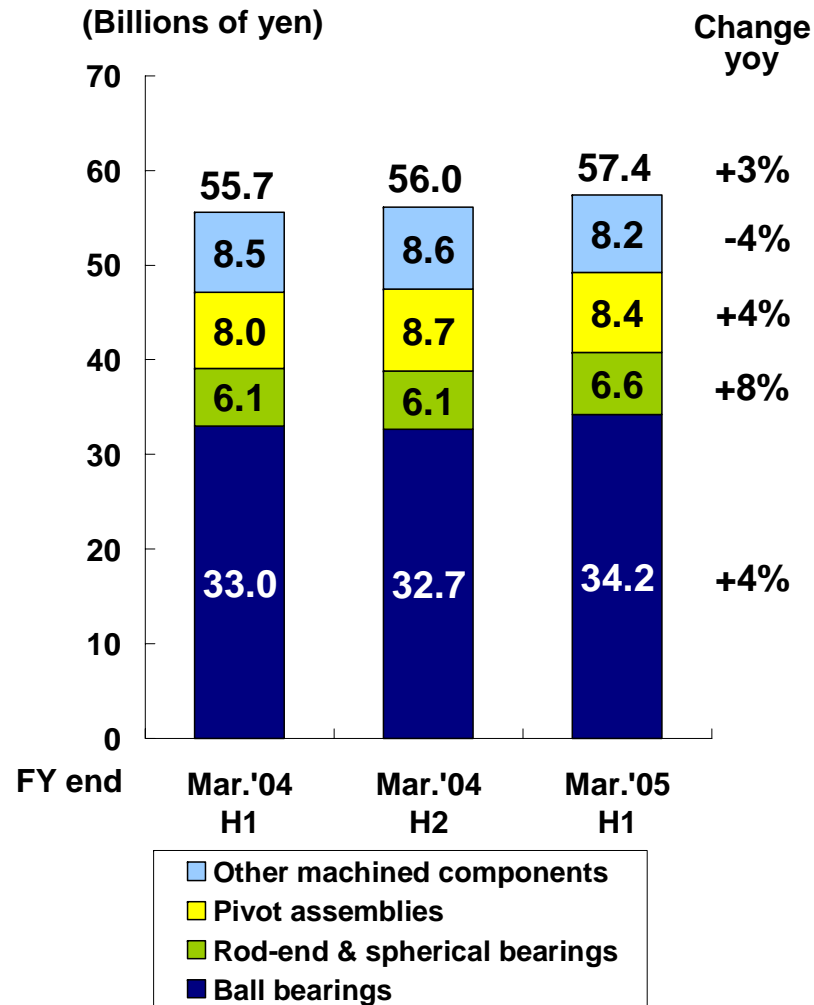
November 12, 2004

Net Sales by Segment

Business expanded in each category. Increased sales in rotary components business due to establishment of Minebea-Matsushita Motor JV. Q1: 6.1 billion yen, Q2: 6.1 billion yen.



Machined Components Business



Ball bearings

- Expanded sales as an the accomplishment of sales expansion measures. Unit price in H1 was stable.

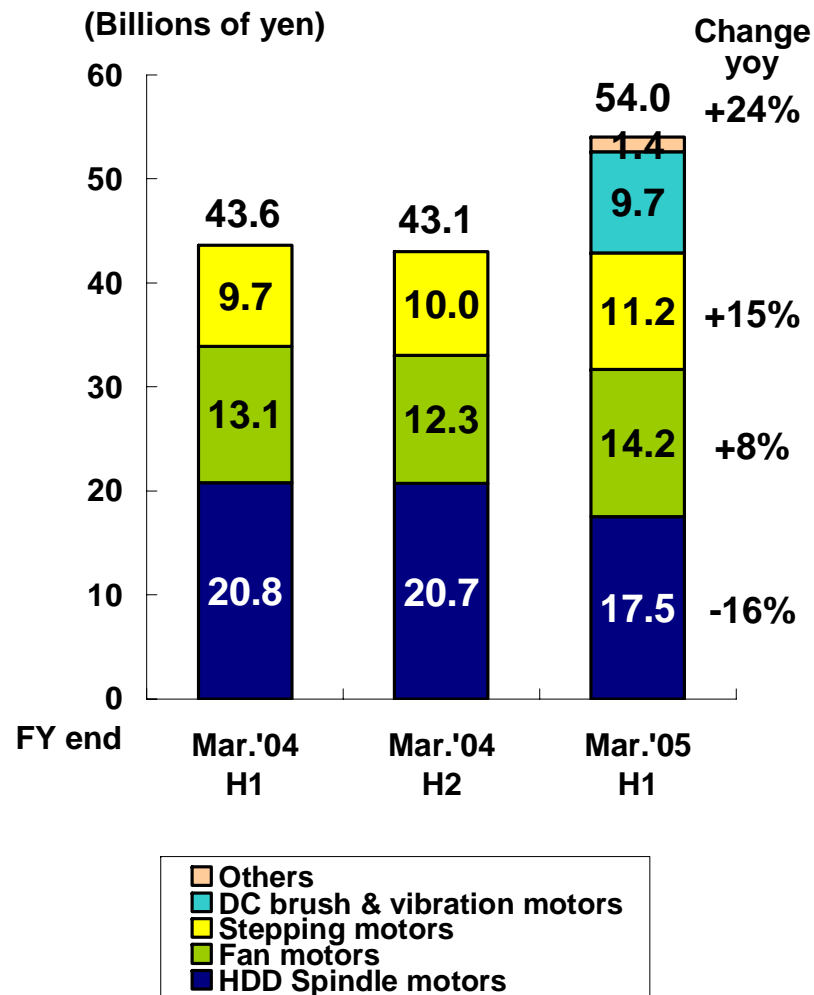
Rod-end & spherical bearings

- Sign of recovery in aircraft demand. Sales bottomed out in H2, FY ended Mar. 04 and is on an increase.

Pivot assemblies

- Rapid recovery in HDD production from July. With increased market share, shipments reached record high.

Electronic Devices and Components Business - Rotary Components



HDD spindle motors

- Decreased sales due to decline in market share and unit price.

Fan motors

- Added new products owing to establishment of Minebea-Matsushita Motor JV; sleeve type and for home appliances.

Stepping motors

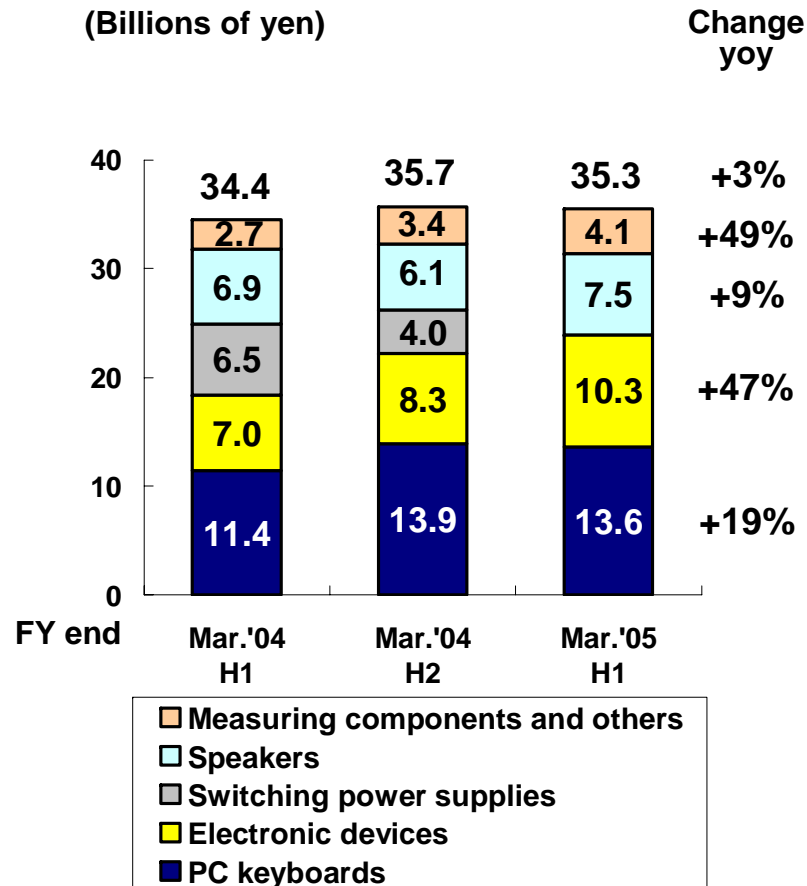
- Steady sales expansion of hybrid-type motor because of new products. Added new products due to establishment of Minebea-Matsushita Motor; PM type small product lines.

DC brush & vibration motors

- Influence of customers' demand adjustment.

Electronic Devices and Components Business

- Other Electronic Devices



Keyboards

- Increased sales by gaining new business chances.

Electronic devices

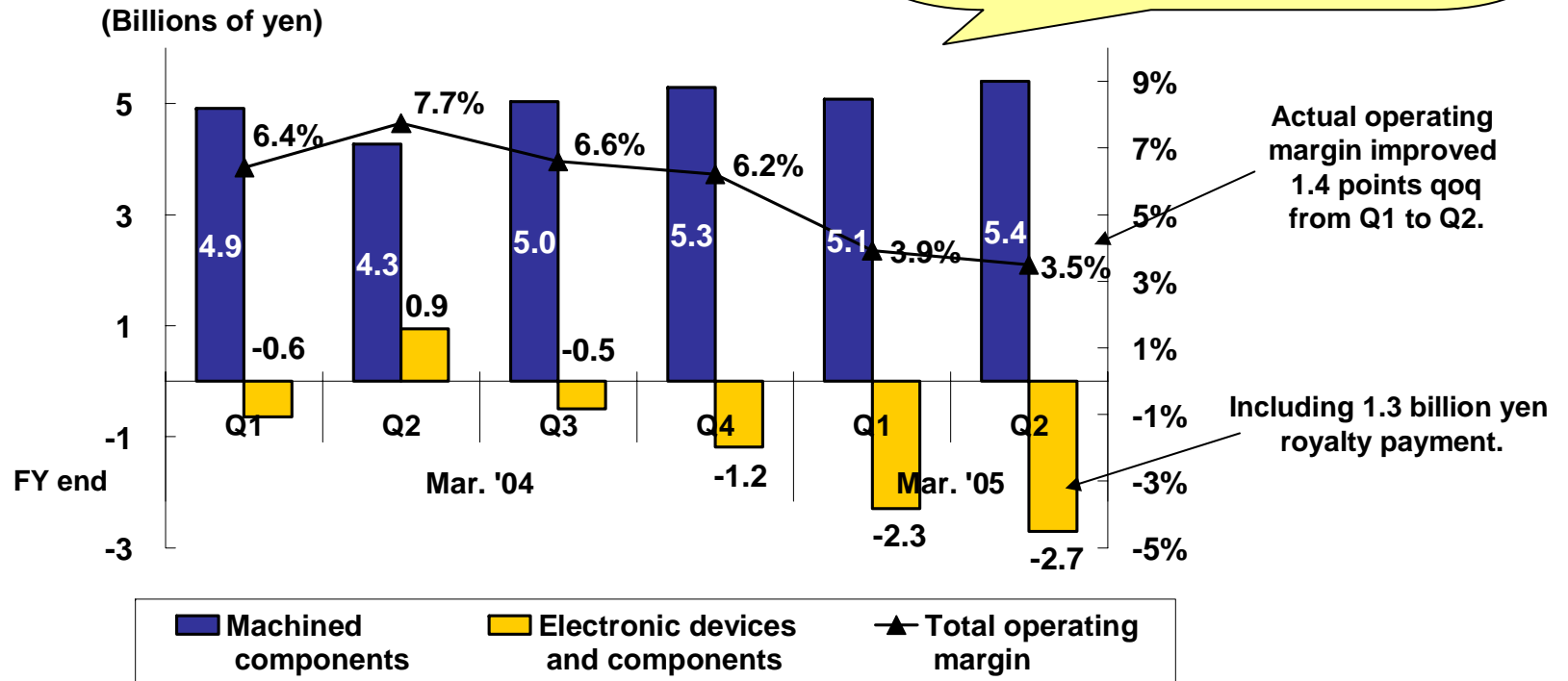
- Increased sales of electronic devices. Received new orders.

Speakers

- Favorable sales in box type speakers for home theater.

Operating Income by Segment

Steady profitability rise in machined components business.
 Operating income of electronic devices and components includes 1.3 billion royalty payment. Real improvement from Q1.

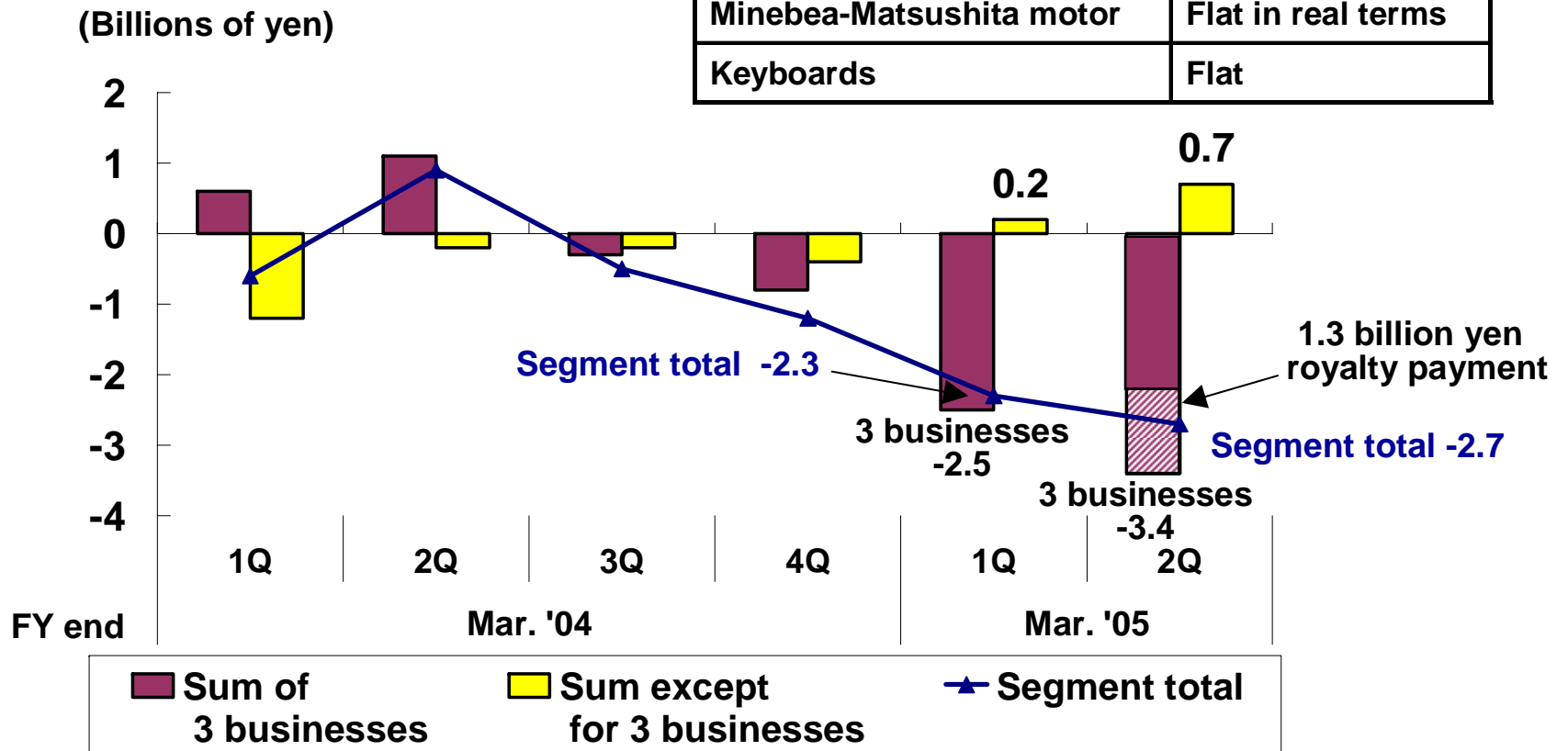


Operating margin by segment

	--- Year ended Mar. '04 ---				--- Year ending Mar. '05 ---	
	Q1	Q2	Q3	Q4	Q1	Q2
Machined components	17.2%	15.8%	18.4%	18.5%	18.0%	18.5%
Electronic devices and components	-1.7%	2.3%	-1.2%	-3.2%	-5.3%	-5.9%
Total	6.4%	7.7%	6.6%	6.2%	3.9%	3.5%

Electronic Devices and Components Segment Operating Income Breakdown

3 businesses	Q1 → Q2
HDD spindle motors	Improved
Minebea-Matsushita motor	Flat in real terms
Keyboards	Flat

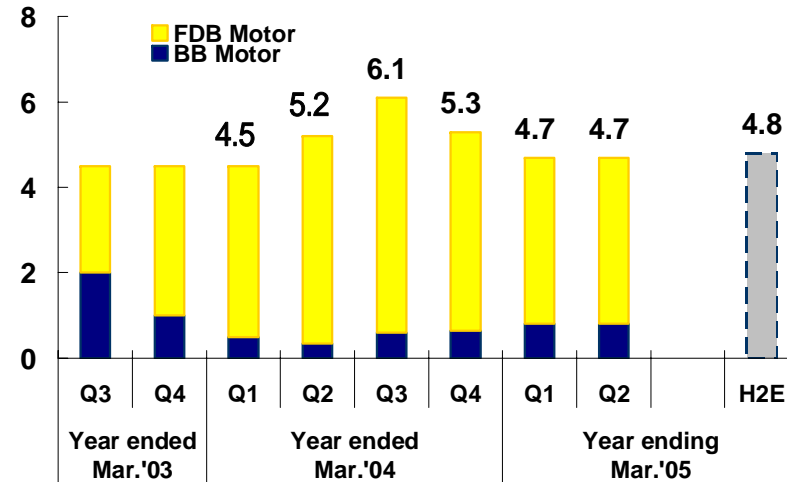


HDD Spindle Motor Business

◆ New business acceptance promotion

ROF Being tested by customers
 2.5" FDB Being tested by customers

Minebea's HDD Spindle Motor Shipments and Forecast
 (Million Units / Month)



Settlement of patent lawsuits with Nidec Corporation

- ❑ Minebea withdrew two actions in Japan and US. Plan to negotiate for a cross license agreement on patents owned by each company.
- ❑ Judged it reduces time and effort to spend for trials and bring advantage to new product development and sales activity.
- ❑ Possibility to increase business of other products with Nidec.

Minebea-Matsushita Motor Joint Venture

Structural Reform for improving profitability

◆ Integration of production

- Promote production integration and revise function of production bases.
- Revise production of source parts and outsourcing production system.
- Conduct radical rationalization for productivity improvement.

◆ Sales expansion **NMB-MAT**

- Raise market share of fan motors and expand sales of motors; sleeve type, for home appliances.
- Expand sales of hybrid and new PM series.
- Expand sales of vibration motor and DC brush motor.

◆ Business review including royalty payment

- At present, under discussion.

Keyboard Business

First Half

◆ Increased shipments and production

- Expand customer base for desktop type. Shipments in H1 increased 20% yoy.
- Increased business for notebook type. Shipments in H1 increased 40% yoy.

◆ Production transfer to Shanghai plant

- Completed transfer of 3/4 of desktop type by September.
- Lengthening of dual cost structure due to surging orders

Second Half

◆ Continue further sales and marketing

- Aim to further cultivate new businesses in desktop and notebook types.

◆ Focus on improving productivity at SST

- Goal is the earliest production transfer.
- Reduce production costs.
- Absorb raw material price increase.

2H Income Outlook for the 3 Businesses

Operating income and loss

(Billion yen)	H1	H2	Full year
Sum of 3 businesses	-5.9	-4.1	-10.0
Sum except for 3 businesses	0.9	1.1	2.0
Segment total	-5.0	-3.0	-8.0

Breakdown of 3 businesses

3 businesses

HDD spindle motors

Minebea-Matsushita Motor

Keyboards

H1 → H2

1.0 billion yen improvement

0.5 billion yen improvement

0.3 billion yen improvement

Ball Bearing Business

◆ Increased shipments and production

Shipments in H1 increased 17% yoy.
 Shipments including internal use increased +15% yoy.
 Plan to reach 180 million units production per month in H2.

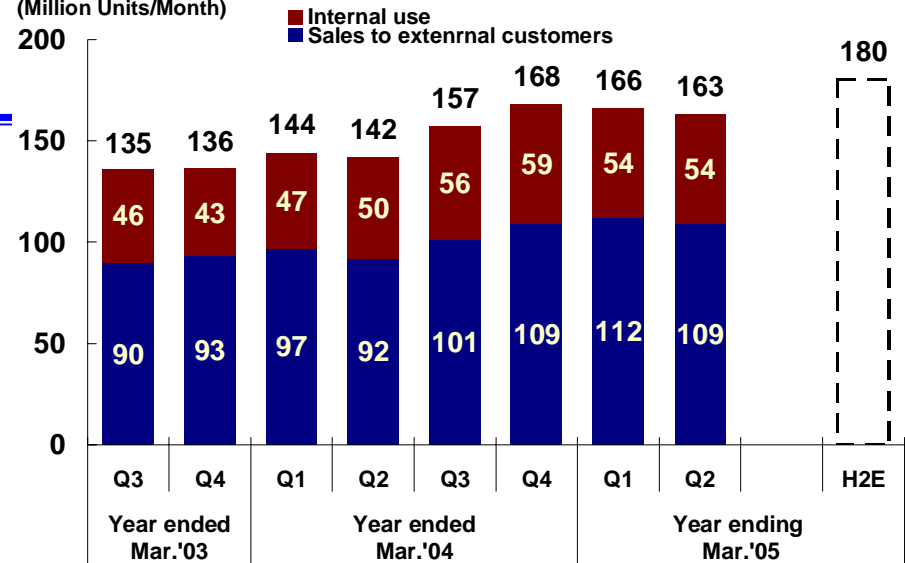
◆ Aim for further cost reduction

Continue cost reduction measures.

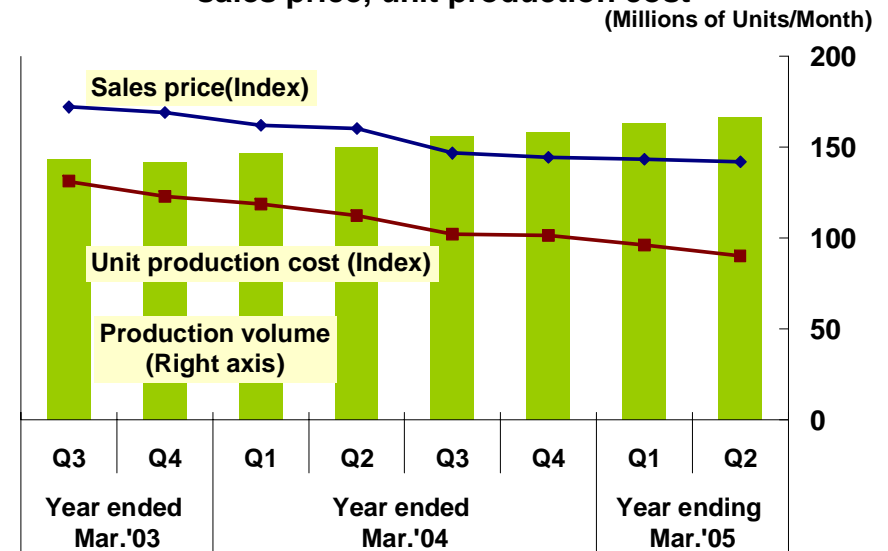
Increasing production of pivot assemblies

- Increasing production of ball bearings for pivot assemblies. Shipments for small HDD are increasing rapidly.
- In spite of appreciation in prices of raw materials, profitability is improving.

Miniature and small-sized ball bearing shipments
 (Million Units/Month)



Miniature and small-sized ball bearing shipments
 sales price, unit production cost



Q2 Sales by User Industry & by Region

Sales by User Industry

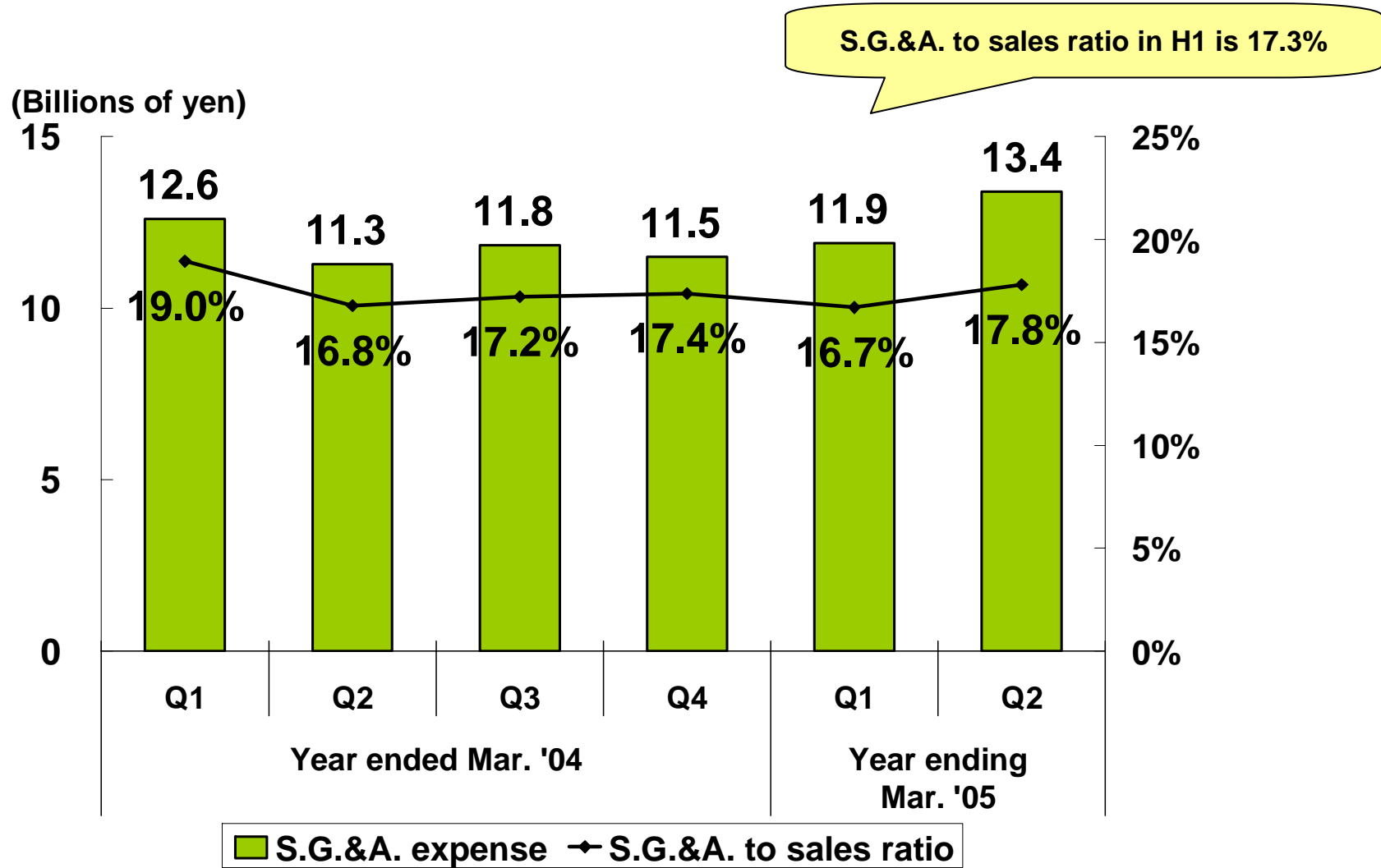
	Automobile	Aerospace	Home electronics	OA & IT	PC and PC related equipment	Motors	Others	Total
% of Sales	10.5%	8.2%	10.4%	15.5%	38.0%	4.9%	12.5%	100.0%
Change qoq	+9.7%	+4.7%	-11.6%	+1.3%	+11.5%	-0.2%	+12.7%	+5.8%
Change yoy	+53.9%	+6.4%	+19.6%	+62.4%	-6.7%	-1.3%	+17.1%	+12.2%

Sales by Region

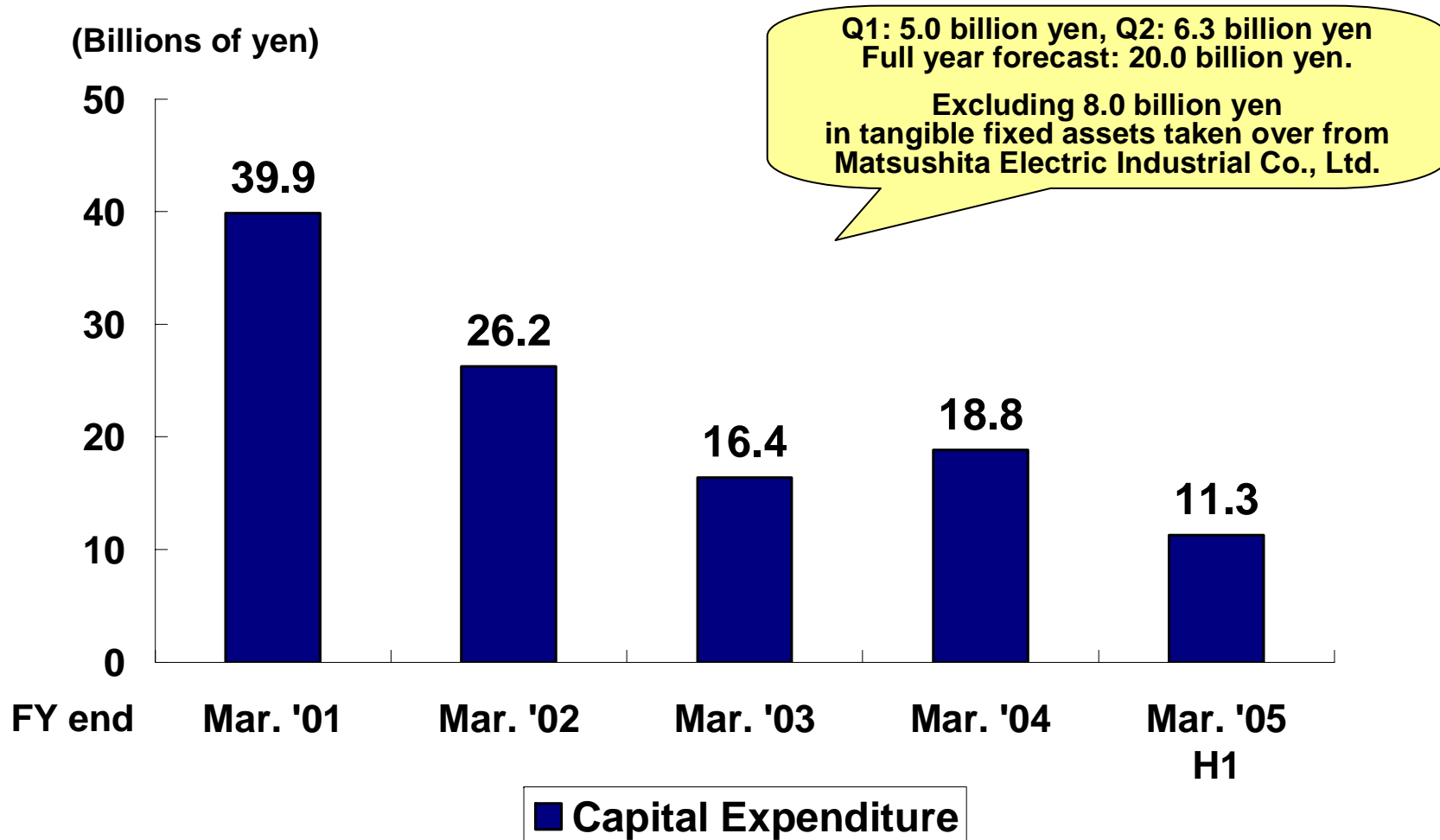
	Japan	Asia (ex-Japan)	North and South America	Europe	Total
% of Sales	26.6%	47.1%	16.8%	9.5%	100.0%
Change qoq	+3.5%	+5.3%	+15.4%	-1.0%	+5.8%
Change yoy	+22.4%	+12.4%	+10.8%	-8.5%	+12.2%

On local currency basis,
Sales in Greater China
increased 30% yoy, 5% qoq.

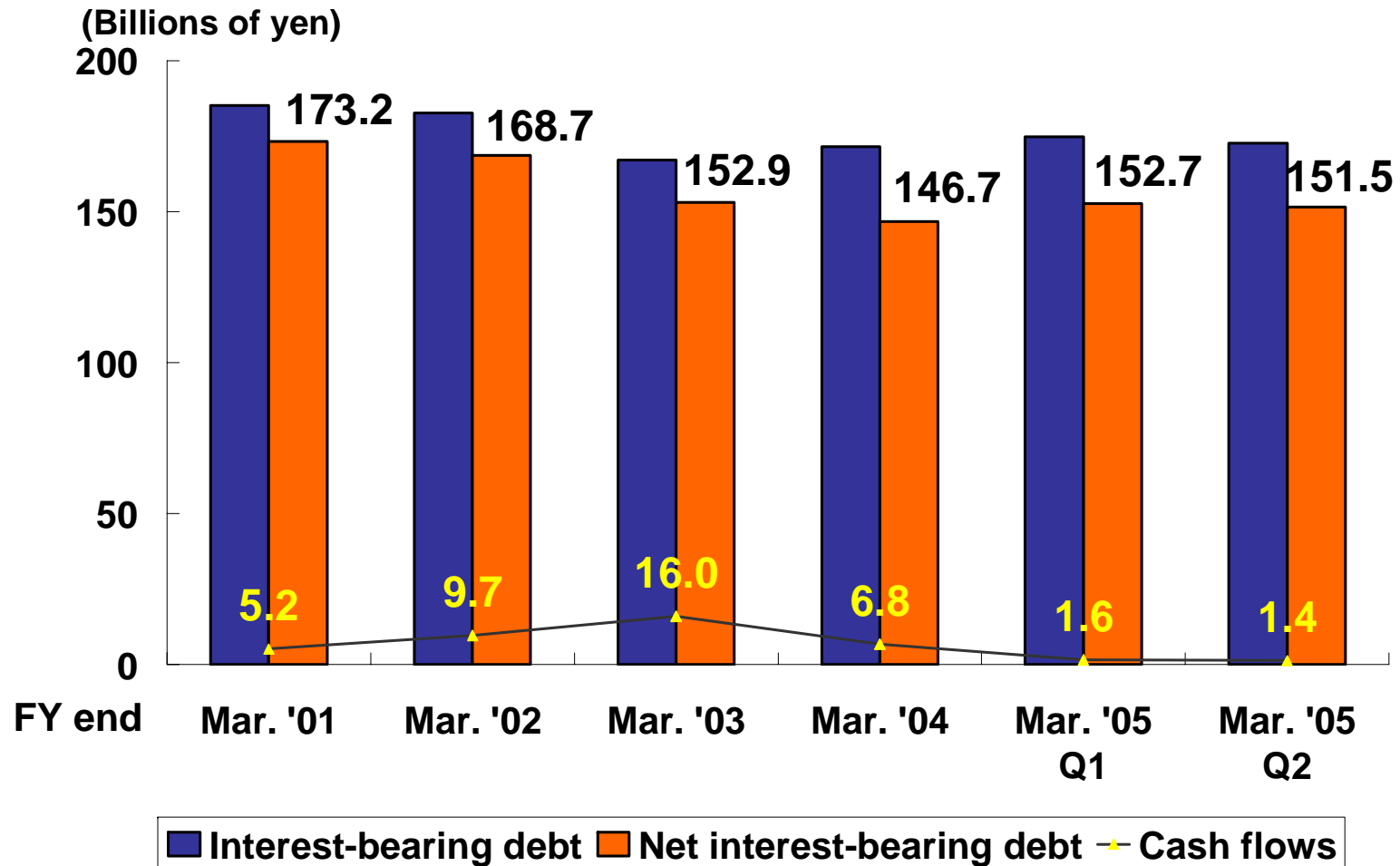
SG & A Expenses



Capital Expenditure



Interest- Bearing Debt



Forecast for Fiscal Year ending March 31, 2005

(Millions of yen)	FY ended Mar. '04	--- Year ending Mar. '05 ---			Change yoy	Previous forecast	
	Full year	H1	H2 est.	Full year est.		Full year	vs. forecast
Net Sales	268,574	146,751	153,249	300,000	+11.7%	300,000	100.0%
Operating Income	18,104	5,468	8,532	14,000	-22.7%	20,000	70.0%
Ordinary Income	13,800	3,885	6,115	10,000	-27.5%	15,500	64.5%
Income before Income Taxes	12,958	3,391	5,609	9,000	-30.5%	14,500	62.1%
Net Income	6,019	1,095	3,905	5,000	-16.9%	9,000	55.6%

Forecast for Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '04	Year ending Mar. '05		Change yoy	Previous forecast Full year	Full year vs. forecast	
	Full year	H1	H2 est.				Full year est.
[Net Sales]							
Machined components business	111,692	57,350	60,650	118,000	+5.6%	114,000	103.5%
Bearing-related products	94,604	49,153	51,047	100,200	+5.9%	96,800	103.5%
Other machined components	17,089	8,197	9,603	17,800	+4.2%	17,200	103.5%
Electronic devices and components business	156,881	89,400	92,600	182,000	+16.0%	186,000	97.8%
Rotary components	86,741	54,061	56,239	110,300	+27.2%	123,600	89.2%
Other electronic devices	70,141	35,340	36,360	71,700	+2.2%	62,400	114.9%
Total net sales	268,574	146,751	153,249	300,000	+11.7%	300,000	100.0%
[Operating Income]							
Machined components business	19,505	10,478	11,522	22,000	+12.8%	19,500	112.8%
Electronic devices and components business	-1,400	-5,010	-2,990	-8,000	-	500	-
Total operating income	18,104	5,468	8,532	14,000	-22.7%	20,000	70.0%

Business Results

First Half of Fiscal Year ending 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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