



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

November 12, 2004

1



In the half year ended September 30, 2004, sales increased compared with the same period last year owing to establishment of Minebea-Matsushita Motor joint venture and higher sales volume of main products, which was as a result of marketing activities combined with increased demand, more than offsetting decline in selling prices.

On the contrary, operating income fell sharply compared to a year ago, due to deteriorated profitability of the three businesses that are facing challenges, namely HDD spindle motor business, Minebea-Matsushita Motor joint venture and keyboard business.

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

November 12, 2004

2



Second quarter sales and income are as above.

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.**

November 12, 2004

3



The second quarter consolidated results reflect effect of royalty payment by Minebea-Matsushita Motor joint venture of 1.3 billion yen. The performance of Minebea-Matsushita Motor joint venture has deviated widely from the plan since the start of the operation. Since during the first quarter, we have been conducting a through review on the business including the royalty payment.

The First Half Net Sales and Operating Income by Segment

(Millions of yen)	-- Year ended Mar. '04 --		Year ending	H1 Change yoy
	H1	H2	Mar. '05	
[Net Sales]				
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.

November 12, 2004

4



Within bearing related products, ball bearing and rodend & spherical businesses were robust in the first half.

Sales of rotary components had new addition brought by launch of Minebea-Matsushita Motor joint venture, but were also affected by weak vibration motor and DC brush motor businesses, as well as HDD spindle motor business.

Sales of keyboards, lighting devices and measuring components increased in the first half from a year ago, contributing to other electronic device category. This more than offset the effect of last fiscal year's withdrawal from switching power supply and related businesses, the sales amount of which was 5.3 billion yen in the first half of the last fiscal year.

Operating income of the machined component segment increased substantially in the first half from a year ago and exceeded the plan. This attributes to higher income produced by ball bearings and rodend & spherical bearings.

Of the electronic devices and components segment, businesses excluding the three businesses attained income that were above the plan and the same period last year. On the other hand, losses of the three businesses widened.

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%
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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%
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Total Net Sales	66,489	67,252	68,728	66,105	71,324	75,427	+12.2%	+5.8%
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[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	-	-
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Total Operating Income	4,259	5,208	4,531	4,106	2,802	2,666	-48.8%	-4.9%

November 12, 2004

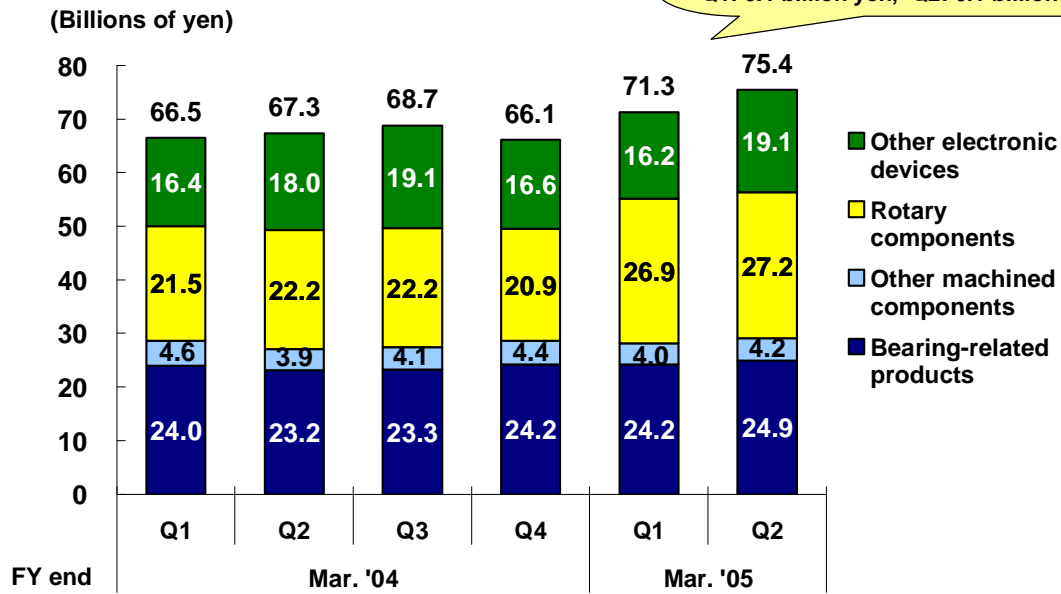
5



Quarterly sales and income by segment are as above.

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.



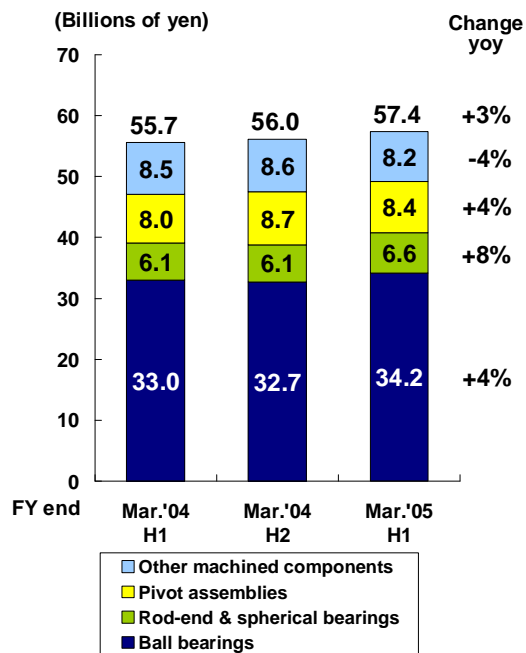
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6



Business on the whole is expanding and sales are on a steady increasing trend.

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.

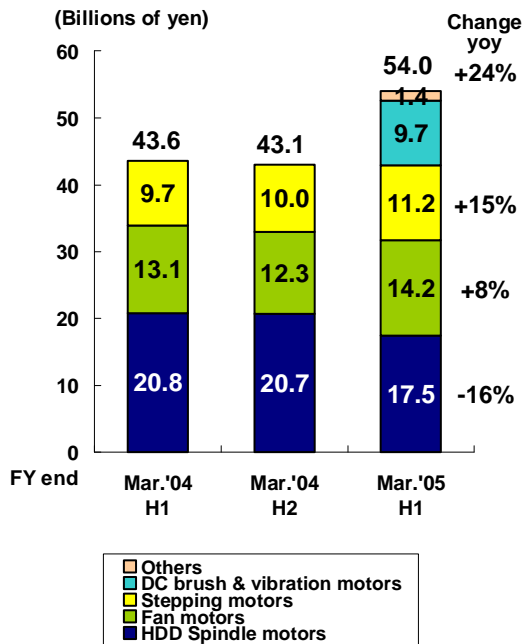
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7



Machined component segment continues to exhibit strong performance, centering on ball bearing business.

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.

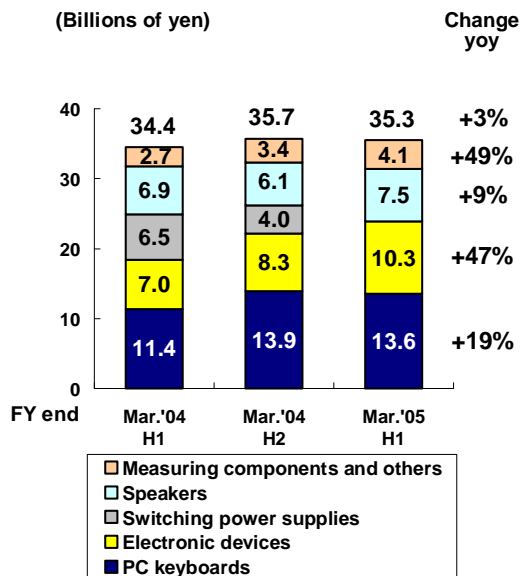
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8



Sales of rotary component category grew considerably from the first half of the last fiscal year, owing to new addition of products brought by launch of Minebea-Matsushita Motor joint venture.

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.

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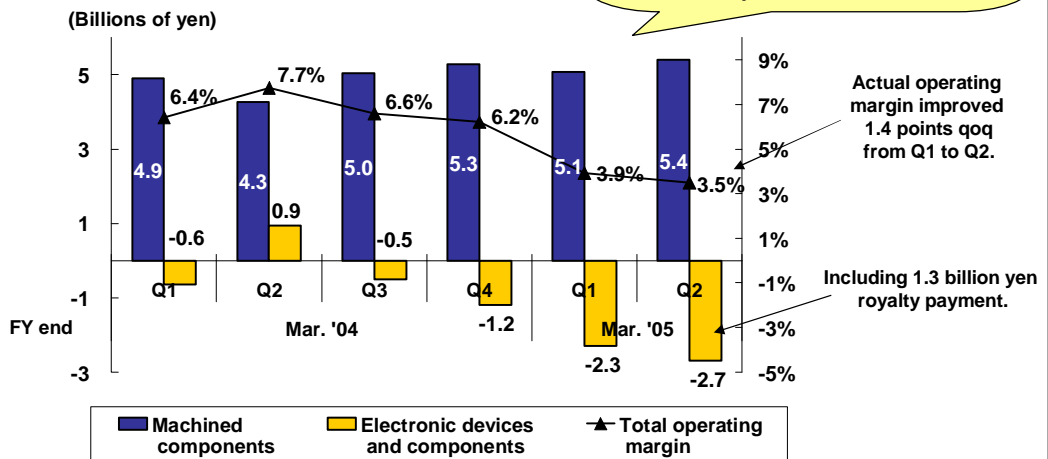
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Within other electronic devices category, sales of keyboards, lighting devices and measuring components increased sharply.

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

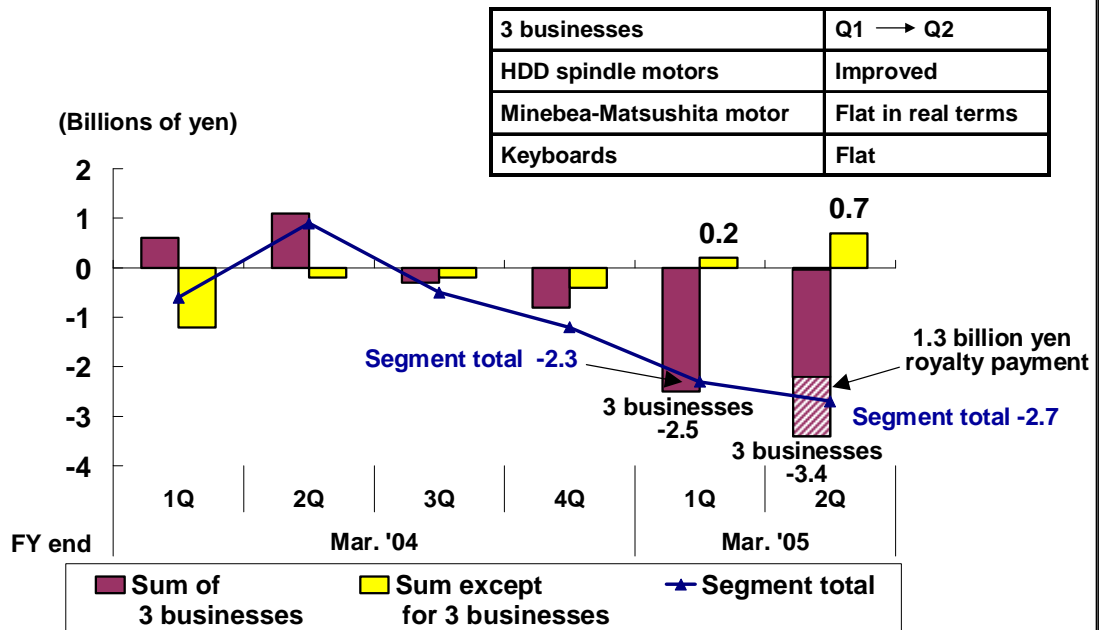
	--- Year ended Mar. '04 ---				--- Year ending Mar. '05 ---	
	Q1	Q2	Q3	Q4	Q1	Q2
Machined components	17.2%	15.8%	18.4%	18.5%	18.0%	18.5%
Electronic devices and components	-1.7%	2.3%	-1.2%	-3.2%	-5.3%	-5.9%
Total	6.4%	7.7%	6.6%	6.2%	3.9%	3.5%

November 12, 2004



Operating income of machined component segment continued its increasing trend in the second quarter. Further rise in the profitability of ball bearings, recovery in rodend & spherical bearing business, and increased shipments and production, combined with cost reduction of pivot assemblies pushed up income in this segment. As a result, operating income margin of the machined component segment rose to 18.5% in the second quarter. We look for further rise in the second half.

Electronic Devices and Components Segment Operating Income Breakdown



November 12, 2004

11



Within the electronic devices and component segment, businesses beside the three businesses achieved sharp improvement in income in the first half compared to the same period last year. This attributes to withdrawal from switching power supply and related businesses, and growth in lighting device, electronic device and speaker businesses.

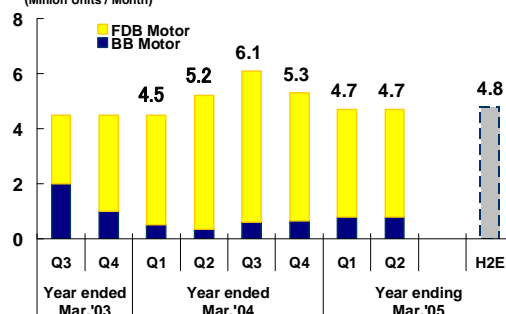
As for the three businesses total, the second quarter income reflects improvement in profitability of HDD spindle motors.

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.

November 12, 2004

12



In the HDD spindle motor business, positive outcome of cost reduction measures - initiative launched at the start of the year, centering on improvement of yield and reduction of personnel expenses, - became evident in the second quarter.

Start of mass production of new FDB products may be delayed until early part of the next fiscal year due to timing of product migration by our users. Nevertheless, results of tests of FDB motors, including 2.5 inch type, have been favorable to date.

As announced on October 25, settlement has been reached with Nidec on patent lawsuits. On overall perspective we determined merits are greater - resources such as time, financing and personnel, can be allocated for forward looking actions, and cross license agreement will allow us flexibility in our motor designs.

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.

November 12, 2004

13



We aim to complete large part of the plan to integrate production by the end of this fiscal year. Transfer of assembly and parts production of fan motors to Shanghai and transfer of parts production of PM type stepping motors to Thailand are scheduled to be completed. We are also pushing along the plan to reorganize manufacturing bases of DC brush motors and vibration motor in order to establish a network of manufacturing at optimal locations. We aim to bring as much parts production in-house. Simultaneously, we are striving to promote strong lineup of products.

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.

November 12, 2004

14



Sales of keyboards in the first half were robust. Minebea's comprehensive strength in the keyboard business came effective, resulting in an expanded customer base and new orders for notebook type. However, this timing hindered improvement of the operation. Productivity improvement of SST was delayed and dual production in Shanghai and Thailand is still continuing.

Nevertheless, production at SST reached 1.8 million sets in October and is forecast to exceed 2 million sets in November. We are implementing all measures with an aim to end transfer at an earliest date.

One of the factors for high manufacturing costs is surge in the prices of raw materials, such as resin. We are seeking ways to set selling prices that reflect increasing costs.

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

	H1	→	H2
3 businesses			
HDD spindle motors			1.0 billion yen improvement
Minebea-Matsushita Motor			0.5 billion yen improvement
Keyboards			0.3 billion yen improvement

November 12, 2004

15



We set target to improve operating income of the three businesses collectively by 1.8 billion yen in the second half compared to the first half.

We target a 1.0 billion yen improvement for HDD spindle motor business through cost reduction.

For Minebea-Matsushita Motor joint venture, the improvement target is set at 0.5 billion yen. Production transfer and reorganization are our priorities for this fiscal year. A small improvement is planned through cost reduction and higher sales of each product.

We look for a slight improvement for the keyboard operation due to continuing production transfer and higher raw material costs.

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

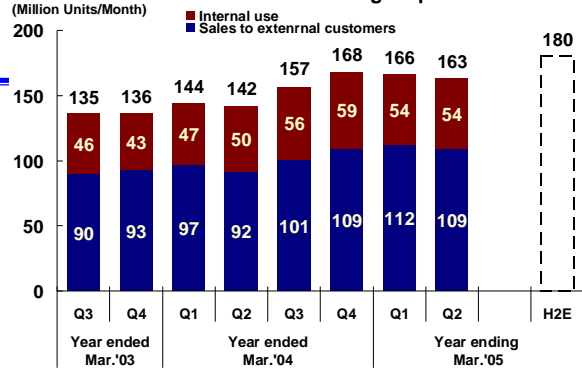
Continue cost reduction measures.

Increasing production of pivot assemblies

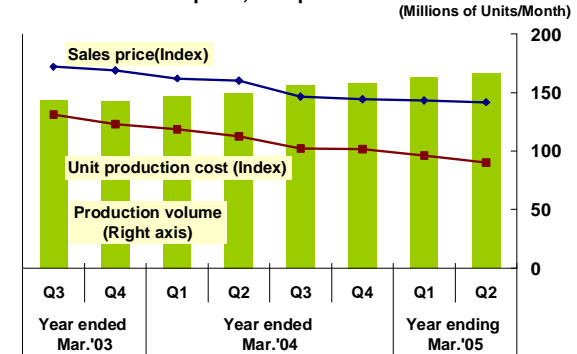
- Increasing production of ball bearings for pivot assemblies. Shipments for small HDD are increasing rapidly.
- In spite of appreciation in prices of raw materials, profitability is improving.

November 12, 2004

Miniature and small-sized ball bearing shipments



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



16



Sales volume of ball bearings, our principal product, exceeded plan in the second quarter. We target 180 million units in the second half as originally planned.

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.

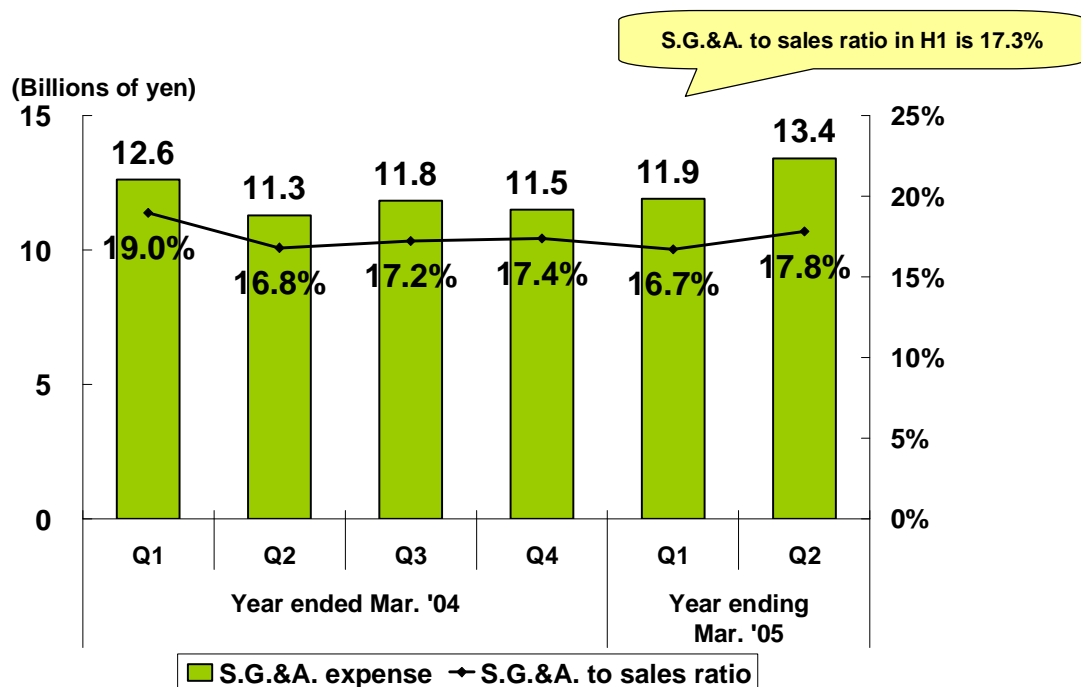
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17



By user application, sales for automotive, home electronics and OA&IT sectors increased sharply owing to expanded sales of ball bearings and new addition of products by Minebea-Matsushita Motor joint venture.

SG & A Expenses



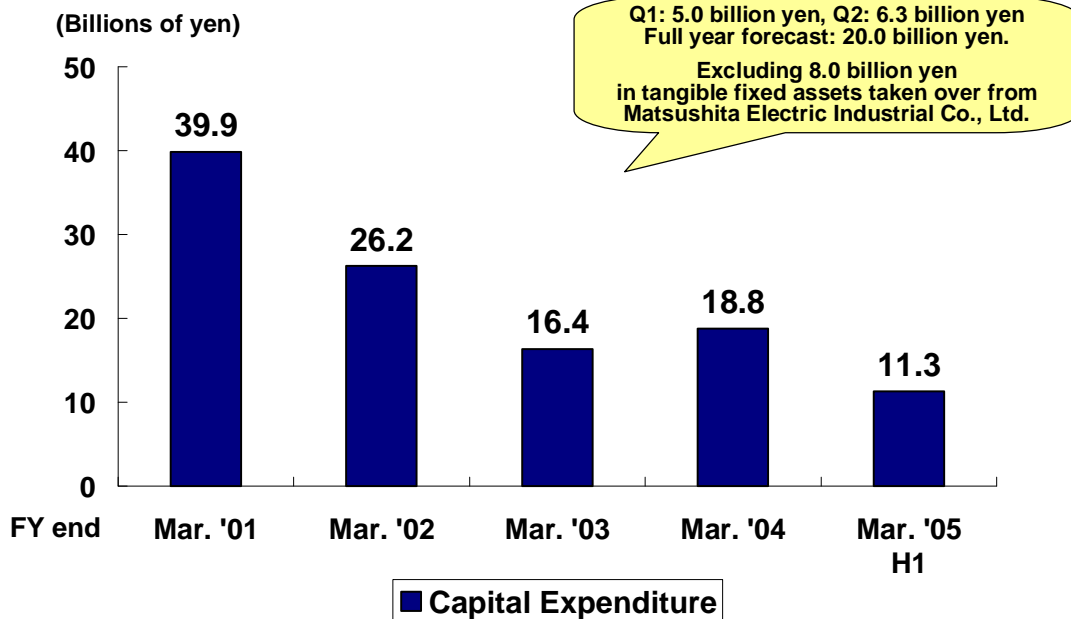
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18



We are pushing along measures to reduce SG&A. However, due to royalty payment, SG&A in the first half increased to 17.3% as a percentage of sales.

Capital Expenditure



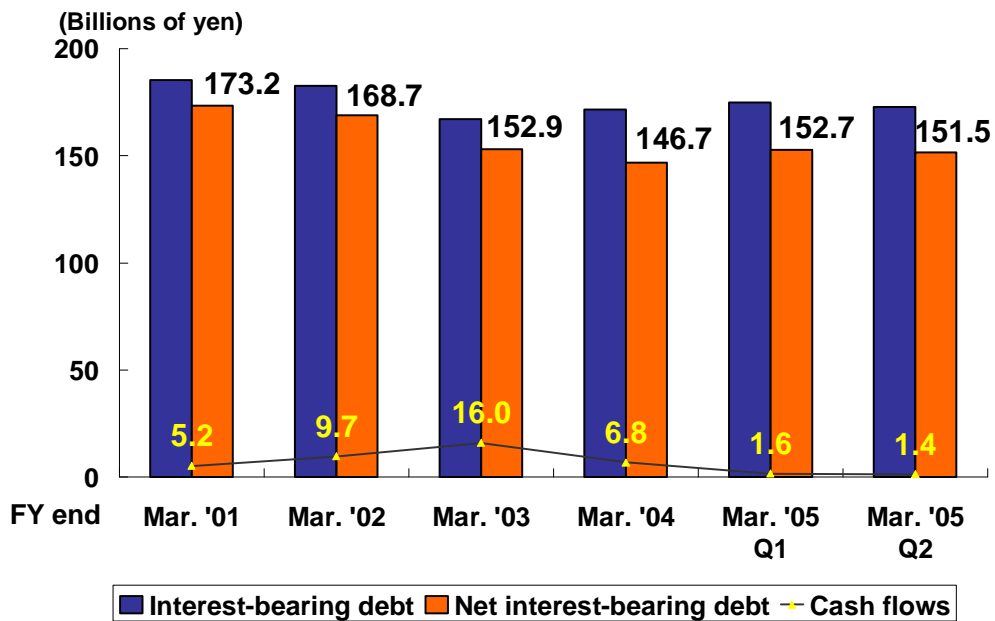
November 12, 2004

19



A new ball factory was completed in Lop Buri Plant in Thailand during the second quarter. We plan 20 billion yen in capex for the full year, mainly in ball bearing and keyboard businesses and Minebea-Matsushita Motor joint venture.

Interest- Bearing Debt



November 12, 2004

20



Interest-bearing debt was reduced by 1.2 billion yen in the second quarter, after an increase in the first quarter due to launch of Minebea-Matsushita Motor joint venture.

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%

November 12, 2004

21



We forecast operating income of 4.3 billion yen in the third quarter and 4.2 billion yen in the fourth quarter.

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%

November 12, 2004

22



The second half and the full year forecasts by segment are as above.

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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November 12, 2004

23

