



Business Results

First Quarter of Fiscal Year ending March 31, 2005

Minebea Co., Ltd

**Tsugio Yamamoto
Representative Director,
President and Chief Executive Officer
August 11, 2004**

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

(Millions of yen)	- Year ended Mar. '04 -		Year ending Mar. '05	Change	
	Q1	Q4	Q1	yoy	qoq
Net Sales	66,489	66,105	71,324	+7.3%	+7.9%
Operating Income	4,259	4,106	2,802	-34.2%	-31.8%
Ordinary Income	3,285	2,535	1,982	-39.6%	-21.8%
Income before Income Taxes	2,177	3,069	1,937	-11.0%	-36.9%
Net Income	421	1,671	208	-50.5%	-87.6%

Sales Increased but Income Decreased
Greater loss in Electronic Devices and Components Segment

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In the first quarter of the fiscal year to March 31, 2005, sales increased but income decreased compared to the same quarter of the last fiscal year.

Sales of principal products expanded and there was an addition of sales related to establishment of Minebea-Matsushita Motor Corporation.

Operating income was affected by low profitability of businesses in the electronics components and devices segment, namely spindle motors, keyboards and Minebea-Matsushita Motor.

Net income was affected by higher income tax ratio caused by losses at overseas subsidiaries.

Net Sales and Operating Income by Segment

(Millions of yen)	----- Year ended Mar. '04 -----				Year ending	1Q change	
	1Q	2Q	3Q	4Q	Mar. '05	yoy	qoq
[Net Sales]							
Machined components business	28,606	27,059	27,434	28,593	28,256	-1.2%	-1.2%
Bearing-related products	23,959	23,169	23,324	24,152	24,247	+1.2%	+0.4%
Other machined components	4,646	3,892	4,109	4,442	4,009	-13.7%	-9.7%
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Electronic devices and components business	37,883	40,193	41,294	37,511	43,067	+13.7%	+14.8%
Rotary components	21,458	22,184	22,209	20,890	26,852	+25.1%	+28.5%
Other electronic devices	16,424	18,011	19,084	16,622	16,216	-1.3%	-2.4%
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Total Net Sales	66,489	67,252	68,728	66,105	71,324	+7.3%	+7.9%
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[Operating Income]							
Machined components business	4,908	4,270	5,035	5,292	5,082	+3.5%	-4.0%
Electronic devices and components business	-648	937	-503	-1,186	-2,279	-	-
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Total Operating Income	4,259	5,208	4,531	4,106	2,802	-34.2%	-31.8%

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Sales and operating income by segment are as shown.

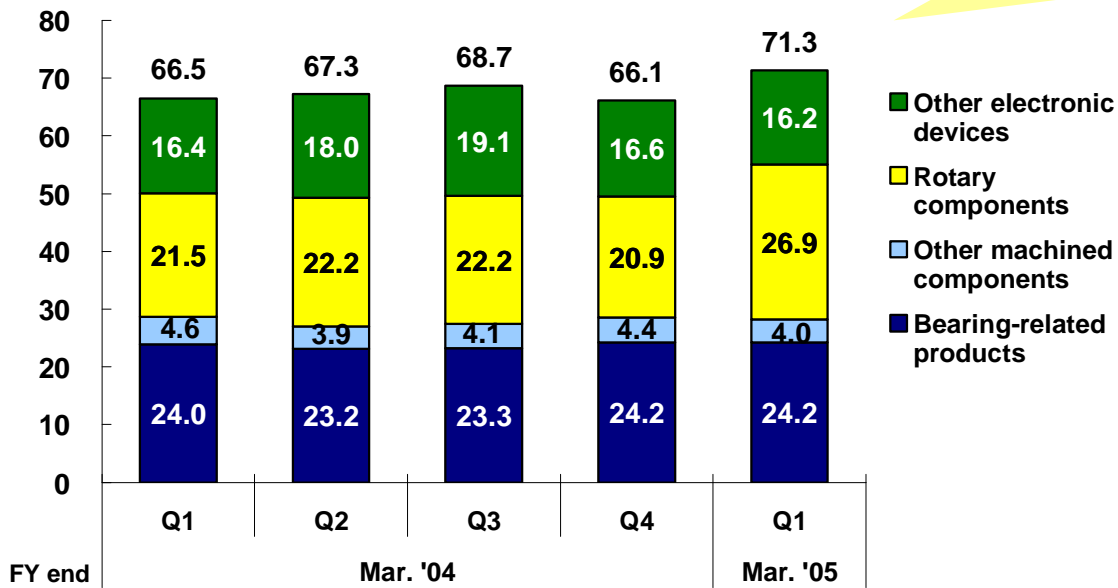
Net Sales by Segment

Increasing trend of net sales
 All main products, except for HDD related products, increased qoq

Increased sales of rotary components
 Addition of 6.1 billion yen as a result of establishment of Minebea-Matsushita Motor

Net sales of other electronic devices
 4Q sales of switching power supplies and related business : ¥0.9 billion

(Billions of yen)



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In the first quarter, sales of most of main products increased from the fourth quarter of the last fiscal year. Not only sales volume increased but sales price and foreign exchanged rates remained stable.

Sales by division compared to the last quarter are as follows.

<Rotary components>

Sales taken over from Matsushita Electric Industrial Co., Ltd., as a result of establishment of Minebea-Matsushita Motor, were 6.1 billion yen. Beside these businesses, fan motors and stepping motors had favorable sales.

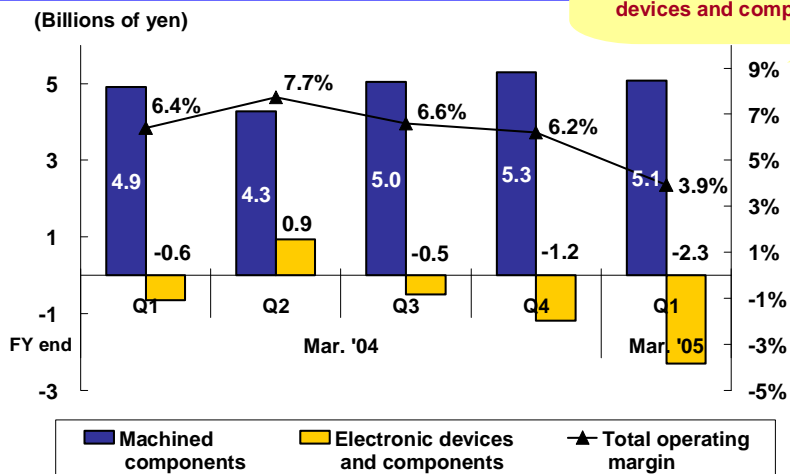
<Other electronic devices>

Excluding sales for switching power supplies and related businesses, which were 0.9 billion yen in the last quarter, sales of this division increased.

<Bearing-related products>

The sales for this division remained flat from the last quarter. Sales of ball bearings increased but sales of pivot assemblies declined, affected by adjustment in HDD demand.

Operating Income by Segment



Operating margin by segment

	--- Year ended Mar. '04 ---				Year ending
	Q1	Q2	Q3	Q4	Mar. '05
Machined components	17.2%	15.8%	18.4%	18.5%	18.0%
Electronic devices and components	-1.7%	2.3%	-1.2%	-3.2%	-5.3%

Note: Operating margin for each segment is calculated on external sales basis

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Operating income of machined components segment remained strong in the first quarter. Sales of ball bearings expanded further and productivity increased.

Electronic devices and components segment recorded a large operating loss of 2.3 billion yen.

First Quarter Results

■ Ball Bearing Business

- Continue to keep favorable sales, production and profit

■ HDD Spindle Motor Business

- Consequence of main customers' production adjustment.

■ Keyboard Business

- Front loaded costs associated with integration of production bases.

■ Minebea-Matsushita Motor

- Increased fixed costs, due to transfer of production.

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Within electronic devices and components segment, three product areas were the main reasons for the loss.

<HDD spindle motor business>

Profitability of HDD spindle motors worsened because of decline in production and sales in the first quarter.

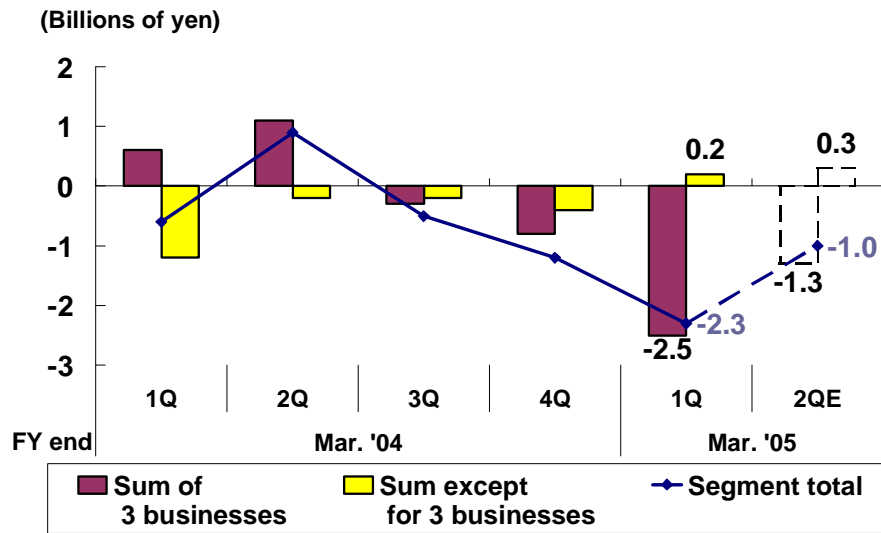
<Keyboard business>

Efforts to accelerate production transfer are resulting in increased fixed costs.

<Minebea-Matsushita Motor>

Performance of Minebea-Matsushita Motor was significantly below plan. Integration of production bases is temporarily pushing up costs.

Electronic Devices and Components Segment Operating Income Breakdown



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Operating loss of electronic devices and components segment widened, however, profitability of businesses other than the aforementioned three businesses are clearly improving.

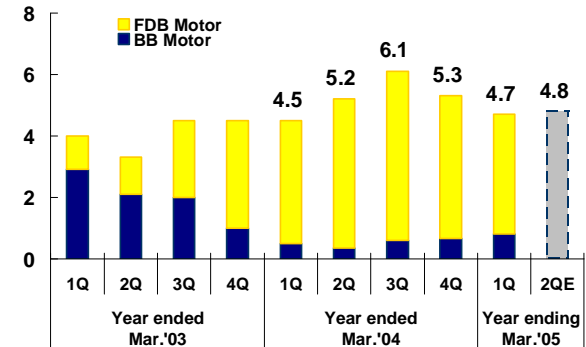
HDD Spindle Motor Business

- Shipment in 1Q decreased 10% qoq under the influence of main customers' production adjustment.
- Expect slight recovery in sales in 2Q.
- Attempting to gain new customers. Target to gain results between 3Q and 4Q.

Measures to improve profitability

- ◆ Recover sales volume
- ◆ Continue to reduce costs at every production process

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



Promoting development and commercial samples of new FDB motors

- | | | |
|----------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 3.5 inch | ROF type | Evaluation at customers is progressing favorably. Mass production is scheduled from 4Q. Simultaneously, working to expand customers. |
| 2.5 inch | Conventional type | Sample products are being evaluated at customers. Mass production is scheduled from 4Q. Developing ROF and HMF type products. |
| 1.8 inch | Promoting sample products of HMF type. | |

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Rapid recovery is not expected in the second quarter because of delayed completion of production adjustment at some customers. We are implementing measures to reduce costs at every production process.

For improvement of profitability in the long term, success of the new FDB motors, as announced previously, is essential. Commercial samples are evaluated at customers and have been received well so far. We aim to launch mass production of ROF type first by the end of this fiscal year.

Minebea-Matsushita Motor



Accelerated Schedule of Integration

- ◆ Integrate product lines
- ◆ Streamline outsourcing
- ◆ Strengthen production of parts
- ◆ Relocate assembly lines to suitable sites

Consolidation of manufacturing plants

- Fan motors } Complete transfer to Minebea's plants by the end of the year
- Stepping motors }
- Vibration motors } Accelerate integration process
- DC brush motors } Reexamine manufacturing efficiency (mold, equipment machinery, assembly lines)

Marketing aggressively with extended product lineup

Products	Q2 Sales forecast (qoq)	Sales forecast
Fan motor	Two digit % growth	Shipment for game machines on recovery. Increasing demand for PC application. Favorable sales for digital home electronics.
Stepping motor	Two digit % growth	Favorable sales for office automation application.
Vibration motor		Production adjustment by main customer nearing an end. Launch of new linear type products.
DC brush motor		Strengthen effort in reducing cost and gaining new orders

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At Minebea-Matsushita Motor, we are reviewing production system. This is creating large amount of costs. We aim to mostly complete consolidation of manufacturing bases by the end of this year.

On the other hand, sales remain favorable for fan motors and stepping motors. Second quarter sales are expected to increase more than 20% from the first quarter.

Keyboard Business

Promote Production Transfer to SST

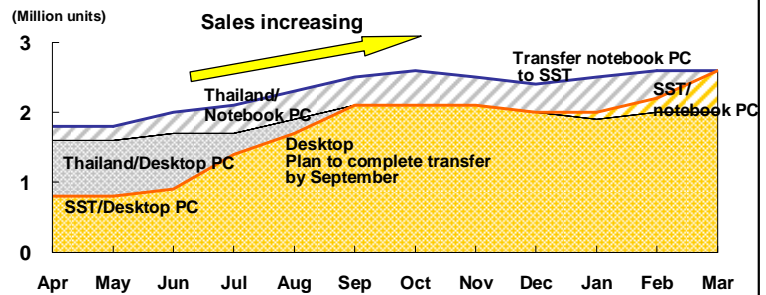
Rapid production transfer from Thailand to SST (Shanghai) is underway

⇒ Surging costs in short term

Priority Issues

- ◆ Promote acquisition of customers' approval to manufacture in SST
- ◆ Improve profitability at SST

Shipment forecast and production transfer schedule



Increasing Trend in Sales

Sales to reach 2.5 - 3 million/month at the year end.

Sales of notebook type to be 0.5 - 0.6 million/month.

- ◆ Sales to new customers are on increase
- ◆ Developing and launching value-added products
- ◆ Sales expanding for notebook PC

Product launch of keyboards with wireless 2.4G and smart card



New products for notebook PC



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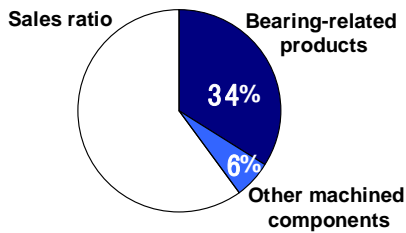


Keyboard business is finally entering a good phase in both production and sales. Efforts to accelerate production transfer are resulting in significantly higher fixed costs. We have set priorities in obtaining customers' approval for production at SST and raising productivity.

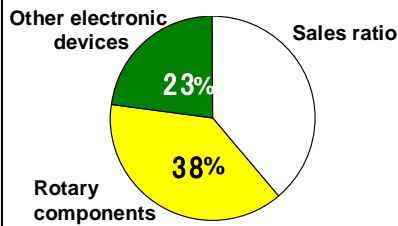
Keyboard shipments are expected to reach 2.5 million to 3.5 million per month in the second half, led by successful intake of orders from new customers, for new products and for notebook PCs. We expect shipments of notebook type to double from the current level to 0.5 million to 0.6 million per month.

Sales Breakdown of First Quarter of Fiscal Year ending March 31, 2005

Machined Components Segment



Electronic Devices and Components Segment



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Bearing-related products

Ball bearings: (24% of total Sales) +2%qoq, steady expansion in shipments, especially in Japan and Asia

Rod-end & spherical bearings: (5%) +4%, strong sales in the US, such as for regional jet

Pivot assemblies: (5%) -10%, influence of HDD manufacturers' production adjustment

Rotary components

Spindle motors: (13%) -5%, influence of main customers' production adjustment

Fan motors: (10%) +10%, contribution of businesses from Matsushita.

Stepping motors: (7%) +4%, increased sales is contribution of businesses from Matsushita

DC brush motors & vibration motors: (8%), main customers' production adjustment

Other electronic devices

Keyboards: (8%) -11%, seasonal effect, but orders are increasing

Electronic devices: (7%) +24%, increased sales in all products, effect of reclassification of back light invertors

Speakers: (5%) +23%, strong demand for box type speakers, exceeded plans

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Sales for other main products are as shown above.

Ball Bearing Business

- Favorable sales for all applications, especially for air conditioners, fan motors, OA and auto in 1Q. Sales to external customers exceeded 110 million units/month. Seasonal effect in 2Q: lower demand for air conditioners and summer vacation in Europe and US.
- Slower decline in sales price.
- Progress in cost reduction as a result of further productivity improvement.

Progress to monthly sales and production of 180 million units

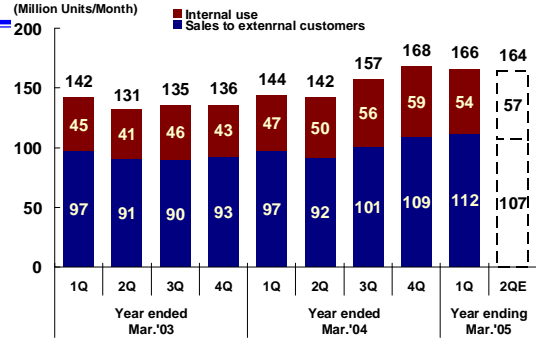
Construction of new ball plant

- In the premise of Lop Buri plant
- Plan to complete and install equipment in August
- Construction cost 600 million yen

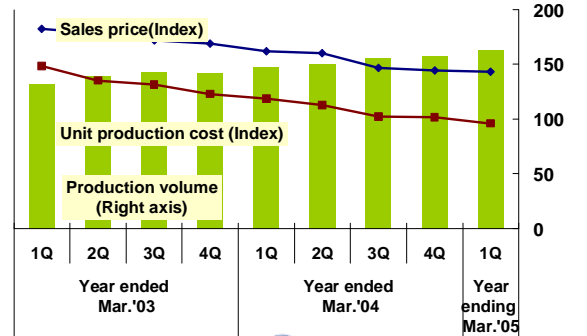
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**Raise production capacity
 Risk diversification**

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Miniature and Small-sized Ball Bearing Shipments



Miniature and Small-sized Ball Bearing Shipments Sales Price, Unit Production Cost (Millions of Units/Month)



Ball bearing business in the second quarter is likely to be affected by factors such as summer vacation, although we expect such seasonal decline to be less than regular years.

Further reduction in unit production cost is being achieved. With stable selling price, we expect improvement in productivity to be more clearly evident in profitability.

We began construction of a new ball plant. When the new plant is completed in August, there will be enough capacity when production of ball bearing needs to be lifted further.

First Quarter of Fiscal Year ending March 31, 2005 Sales by User Industry and by Region

Addition of business of Minebea-Matsushita Motor lifted ratio of automobile, home electronics and OA & IT

Sales by User Industry

	Automobile	Aerospace	Home electronics	OA & IT	PC and PC related equipment	Motors	Others	Total
% of Sales	10.1%	8.3%	12.5%	16.2%	36.1%	5.2%	11.7%	100.0%
Change qoq	+27.3%	-6.9%	+47.8%	+45.4%	-4.8%	-1.9%	-10.5%	+7.9%
Change yoy	+49.1%	-11.0%	+9.7%	+111.9%	-11.1%	+9.6%	-8.7%	+7.3%

Sales by Region

	Japan	Asia (ex-Japan)	North and South America	Europe	Total
% of Sales	27.2%	47.3%	15.4%	10.1%	100.0%
Change qoq	+2.3%	+19.6%	+2.4%	-12.3%	+7.9%
Change yoy	+17.9%	+11.0%	-3.4%	-13.0%	+7.3%

On local currency basis, sales in Greater China increased 11% qoq

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<Sales by application>

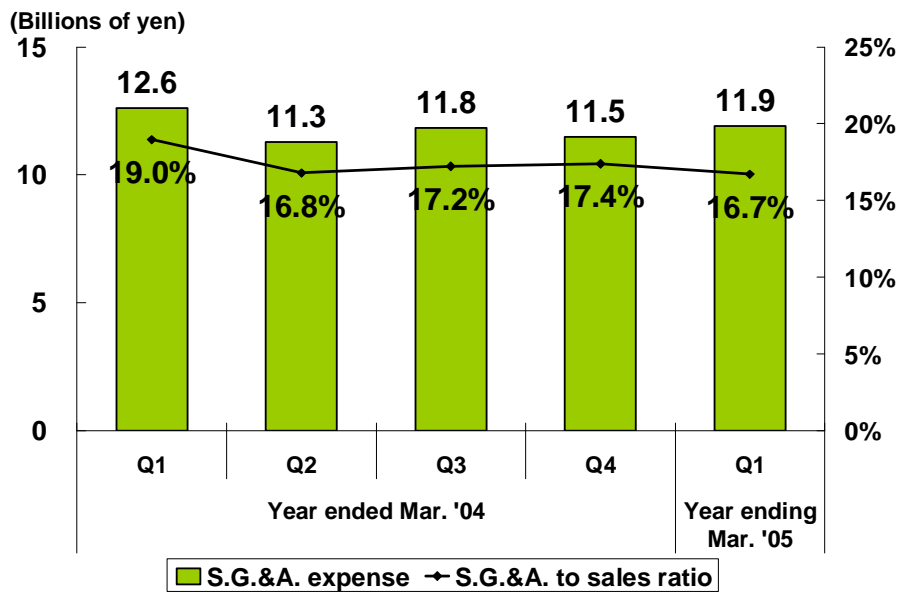
Sales ratio of auto, home electronics and information and telecommunication (including office automation) increased as a result of addition of sales of DC brush motors for home electrical devices such as CD players and electrical devices in car, and vibration motors for mobile telephones.

<Sales by region>

Sales in Asia, especially in Greater China, increased. Sales remained strong in Japan.

SG & A Expenses

Additional cost for Minebea-Matsushita Motor. However, total SG & A remained at same level



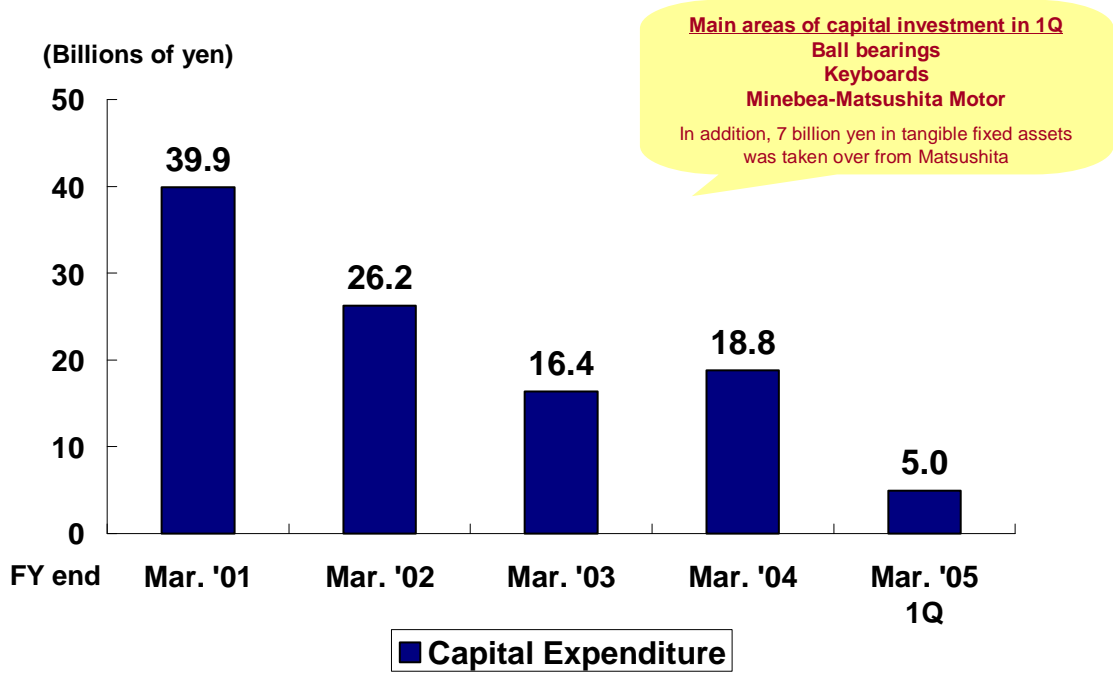
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There was addition in SG&A related to establishment of Minebea-Matsushita Motor, however, the increase is held to minimum by utilizing sales network and administration divisions of parent companies.

Capital Expenditure



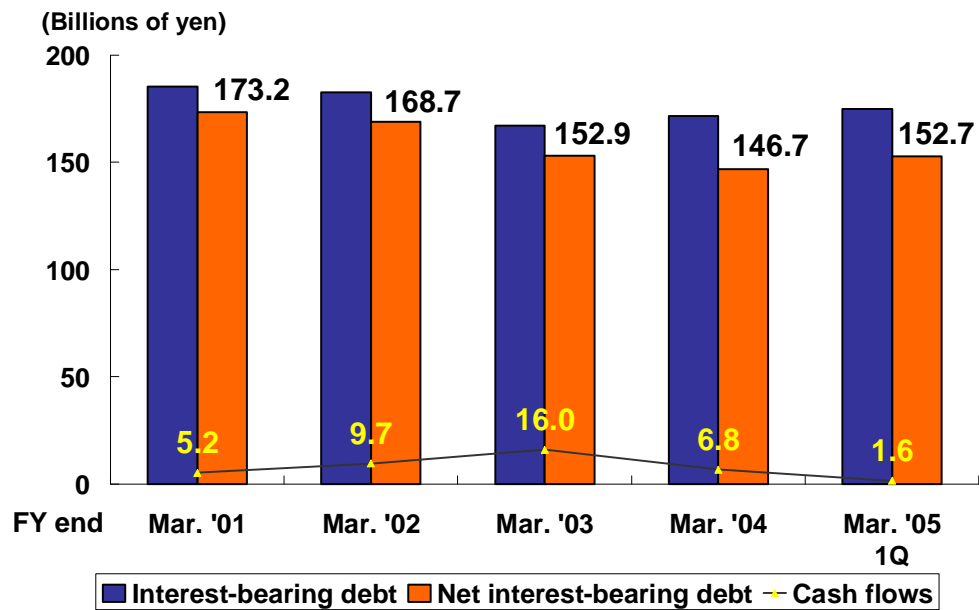
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In the first quarter, capital investment amounted to 5 billion yen. The capex plans of 23 billion yen for the full year will be executed as needed.

Interest-Bearing Debt



Note: Cash flow = Cash flow from operating activities – Cash flow from investing activities

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Interest bearing debt increased in relation to establishment of Minebea-Matsushita Motor.

Business Results

First Quarter 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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For the second quarter, we look for sales to increase moderately from the first quarter and operating income to improve by approximately 1.5billion yen, most of which is to be achieved in the electronic devices and components segment.