



Business Results

First Half of Fiscal Year Ending March 31, 2006

November 1, 2005

Minebea Co., Ltd.

- 1. Financial Results**
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Financial Results

Hiroharu Katogi
Director, Managing Executive Officer

November 1, 2005



Summary of Consolidated Business Results

(Millions of yen)	Year ended Mar. '05	Year ending Mar. '06	Change yoy	H1 of year ending Mar. '06	
	H1	H1		Original forecast	Vs. forecast
Net sales	146,751	155,739	+6.1%	142,000	109.7%
Operating income	5,468	7,224	+32.1%	7,500	96.3%
Ordinary income	3,885	5,322	+37.0%	5,500	96.8%
Income before income taxes	3,391	4,425	+30.5%	4,500	98.3%
Net income	1,095	2,421	x2.2	3,000	80.7%

Sales increased beyond forecast.

Profit underran forecast slightly, but achieved large improvement from last fiscal year.

Effect of FX Fluctuations

H1 of FY Mar. '05 → H1 of FY Mar. '06

US\$ ¥109.43 → ¥109.39

Thai Baht ¥2.69 → ¥2.69

Net sale + ¥900 million

Operating income + ¥100 million

Consolidated Results for Q2 of Fiscal Year ending Mar. 31, 2006

(Millions of yen)	Year ended Mar. '05	Year ending Mar. '06		Change yoy
	Q2	Q1	Q2	
Net sales	75,427	75,690	80,049	+6.1%
Operating income	2,666	3,010	4,214	+58.1%
Ordinary income	1,903	2,163	3,159	+66.0%
Income before income taxes	1,454	830	3,595	x2.5
Net income	887	980	1,441	+62.5%

In Q2, sales remained favorable from Q1.
Achieved large improvement in profit from Q1.

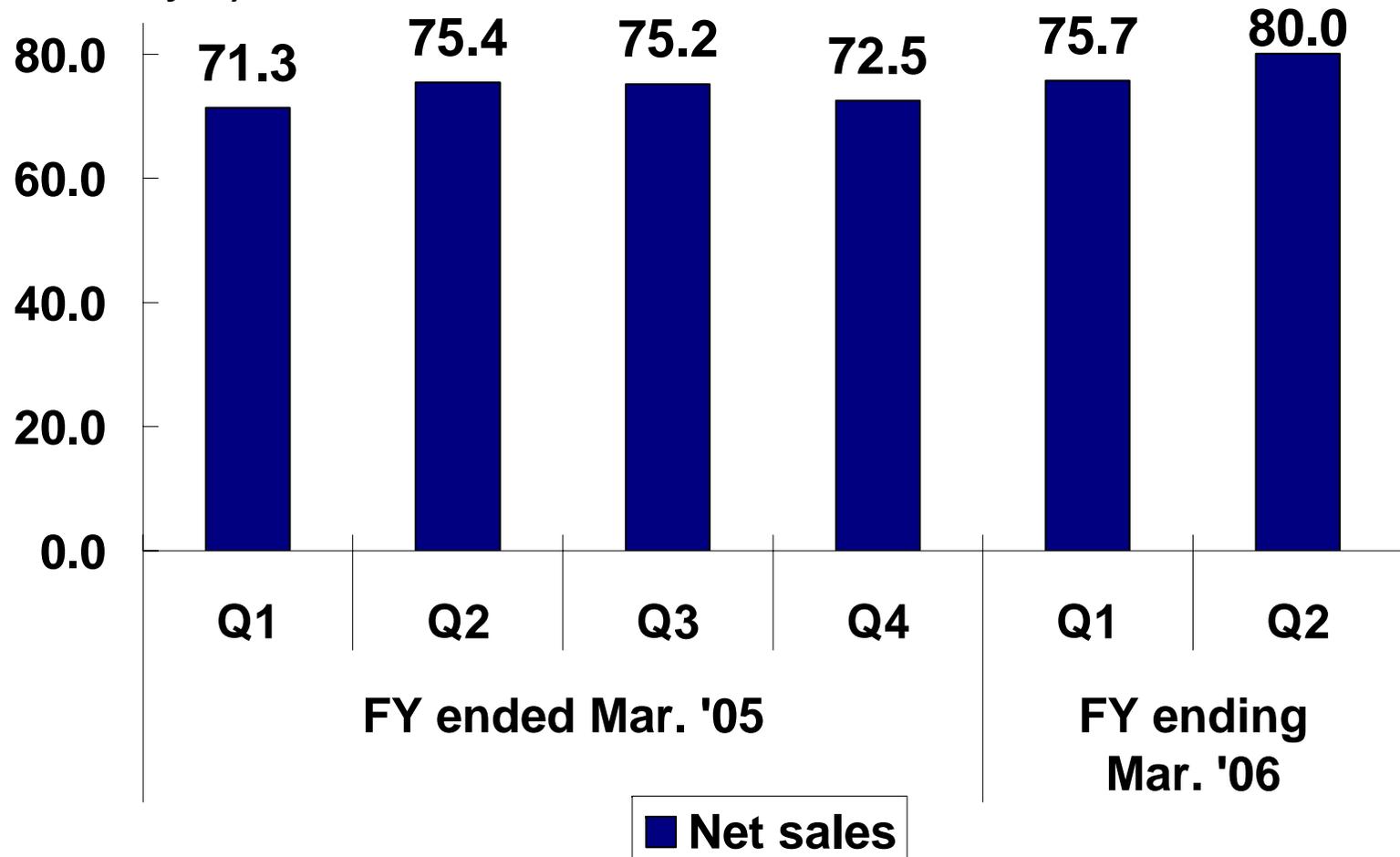
Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '05	Year ending Mar. '06			Change yoy	H1 Forecast announced in May	H1 vs. forecast
	H1	Q1	Q2	H1			
[Net Sales]							
Machined components business	57,350	30,573	31,631	62,204	+8.5%	58,500	106.3%
Bearing-related products	49,153	25,982	26,402	52,384	+6.6%	49,800	105.2%
Other machined components	8,197	4,591	5,229	9,820	+19.8%	8,700	112.9%
Electronic devices and components business	89,400	45,116	48,419	93,535	+4.6%	83,500	112.0%
Rotary components	54,061	26,443	27,880	54,323	+0.5%	49,600	109.5%
Other electronic devices	35,340	18,673	20,539	39,212	+11.0%	33,900	115.7%
Total net sales	146,751	75,690	80,049	155,739	+6.1%	142,000	109.7%
[Operating Income]							
Machined components business	10,478	5,067	6,045	11,112	+6.1%	11,250	98.8%
Electronic devices and components business	-5,010	-2,056	-1,831	-3,887	-	-3,750	-
Total operating income	5,468	3,010	4,214	7,224	+32.1%	7,500	96.3%

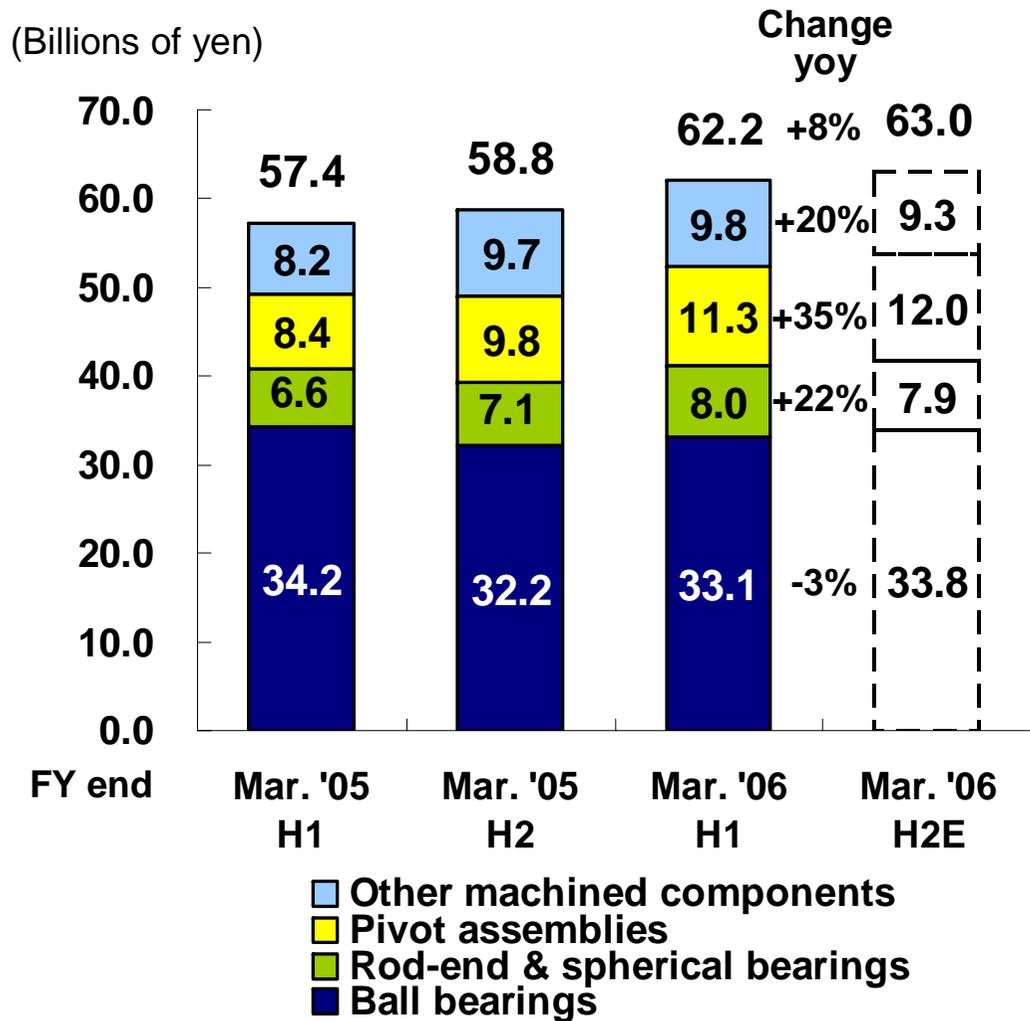
Net Sales

Compared to Q1, most of main products increased further in Q2. +6.1% yoy, +5.8% qoq

(Billions of yen)



Sales of Machined Components Business

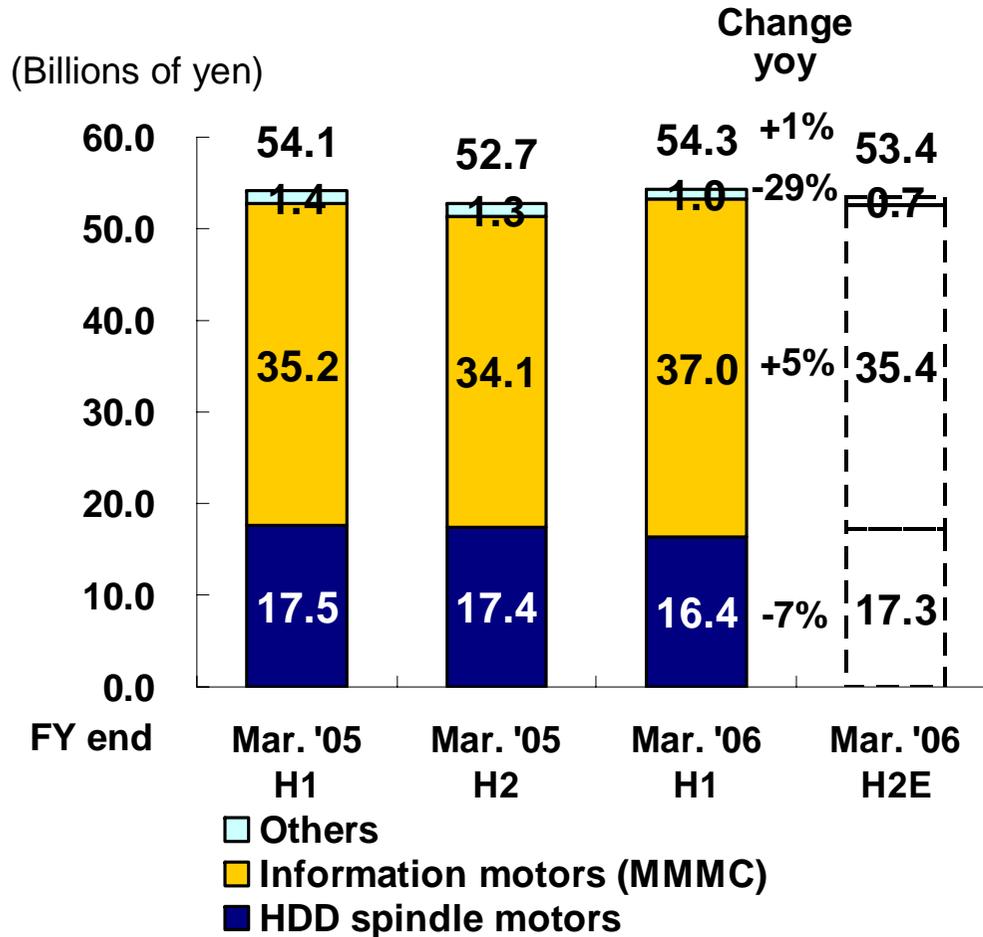


Results

Pivot assembly sales recorded large growth from last fiscal year. Q2 sales increased from Q1 on the back of growth in 2.5-inch and 3.5-inch types.

Sales of rod-end bearings for aircrafts continued to be strong.

Sales of Rotary Components

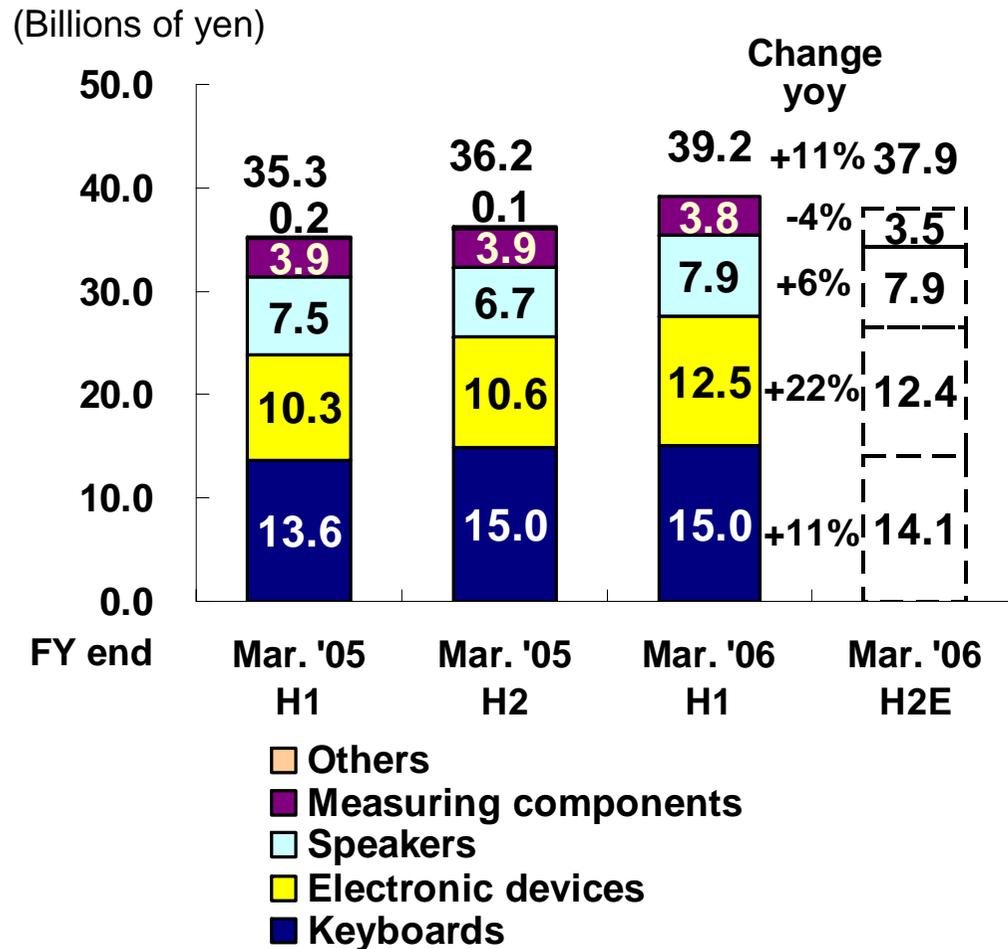


Results

Comparing to last fiscal year, sales of fan motors increased at MMMC.
Comparing Q2 to Q1, sales increased for stepping motors and vibration motors.

Sales of HDD spindle motors remained flat due to the policy to maintain its shipment volume at the same level.

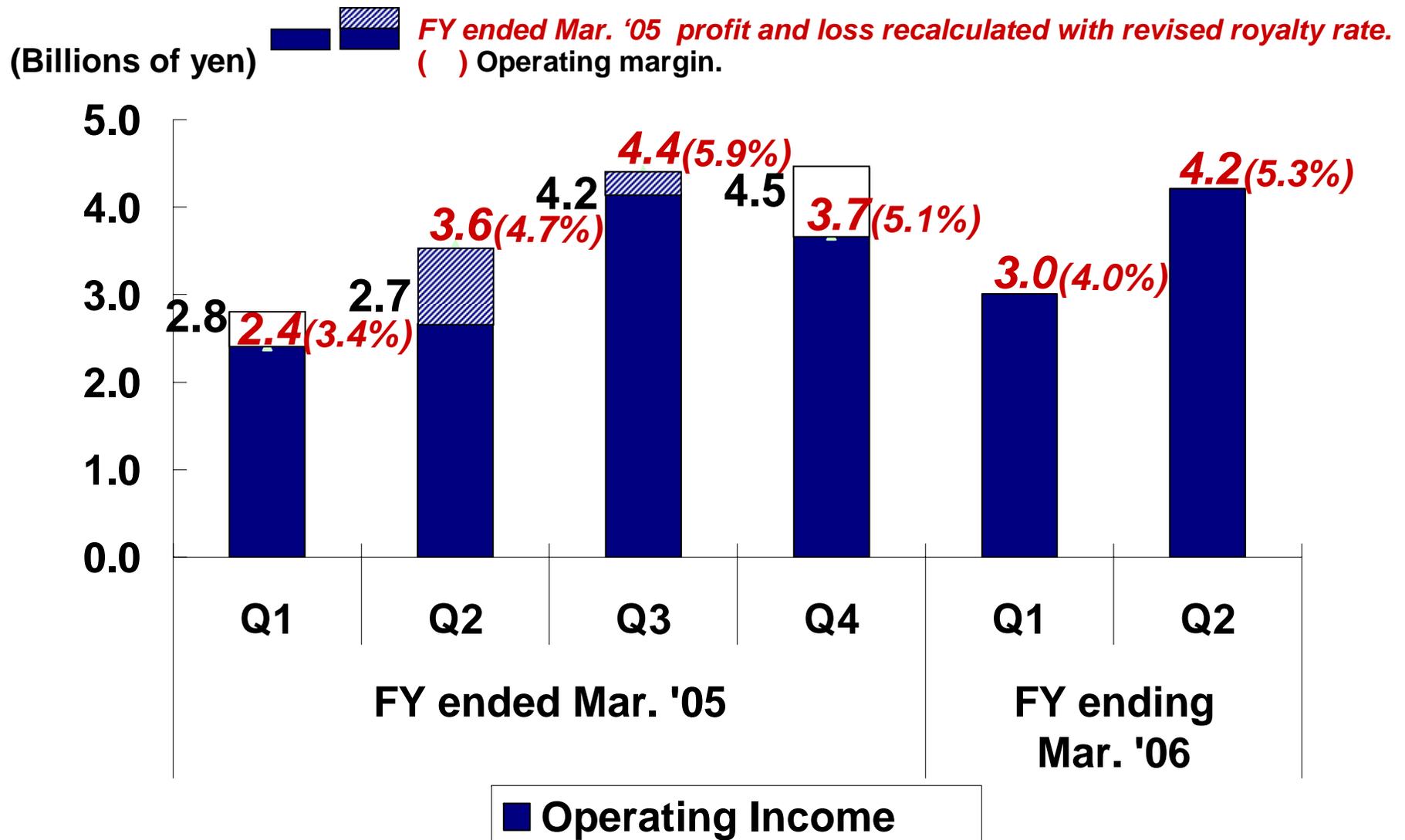
Sales of Other Electronic Devices



Results

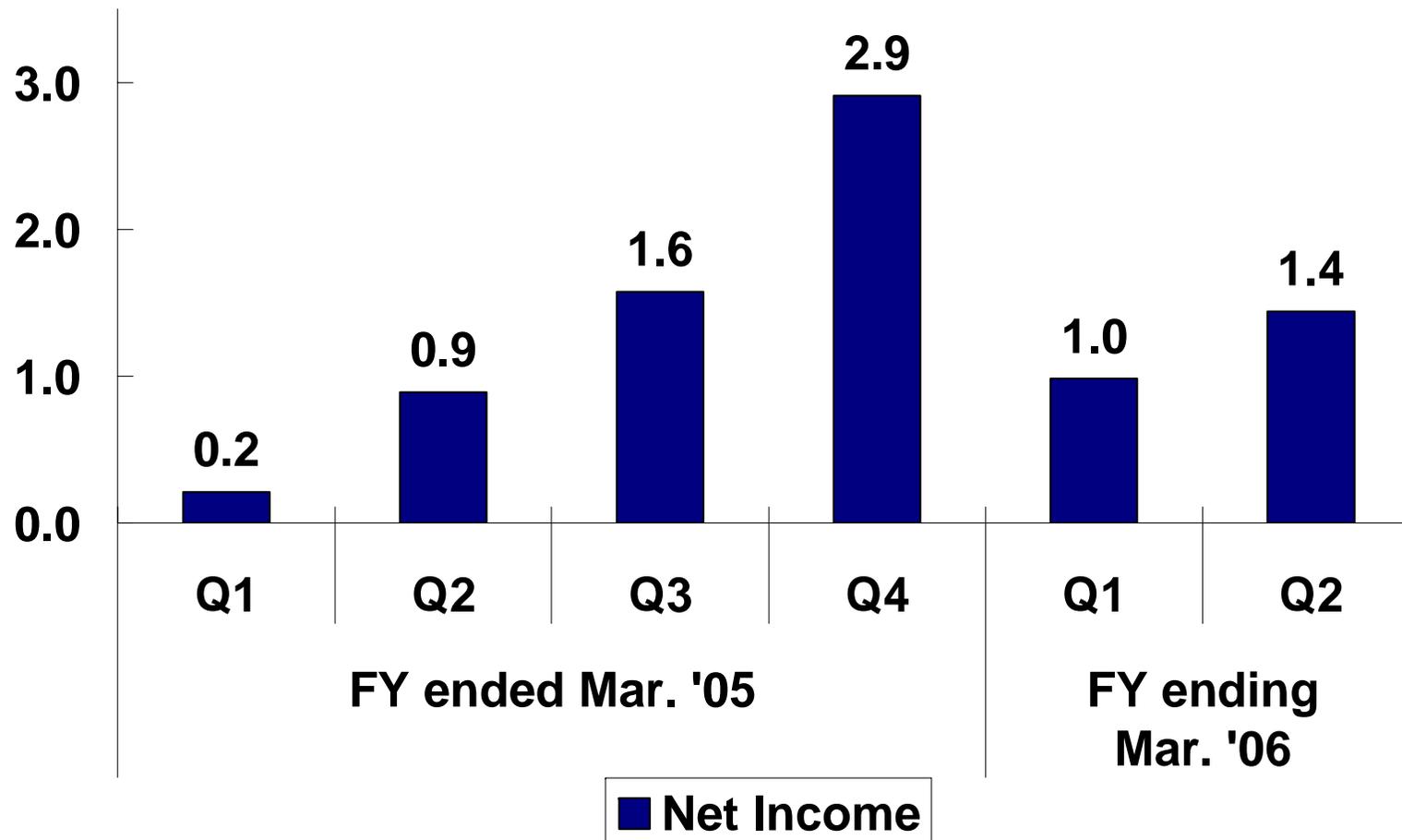
Within electronic devices, backlight sales recorded large growth. Increased orders for cellular phones.

Operating Income



Net Income

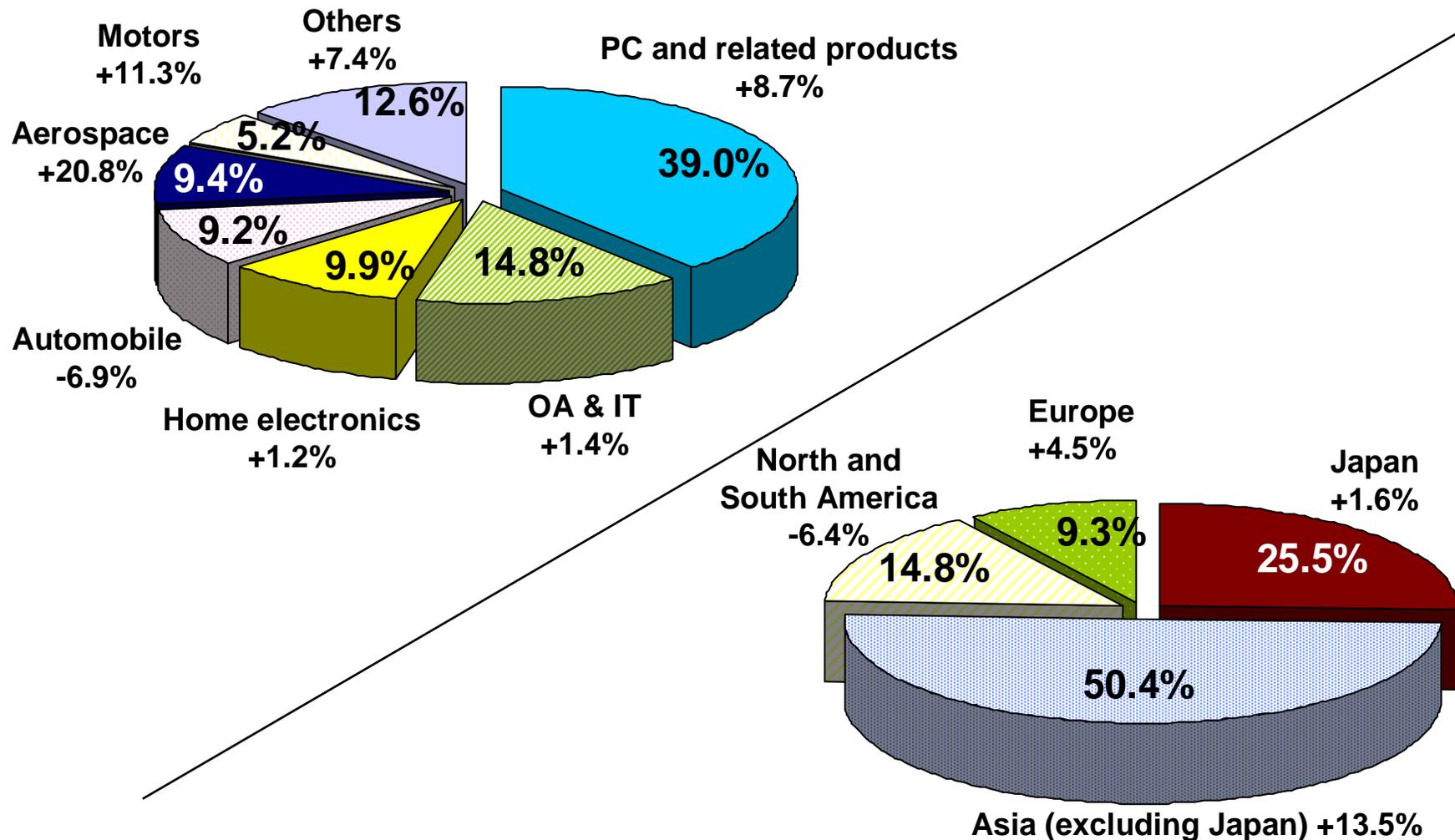
(Billions of yen)



Sales by User Industry and by Region

Q2 Results

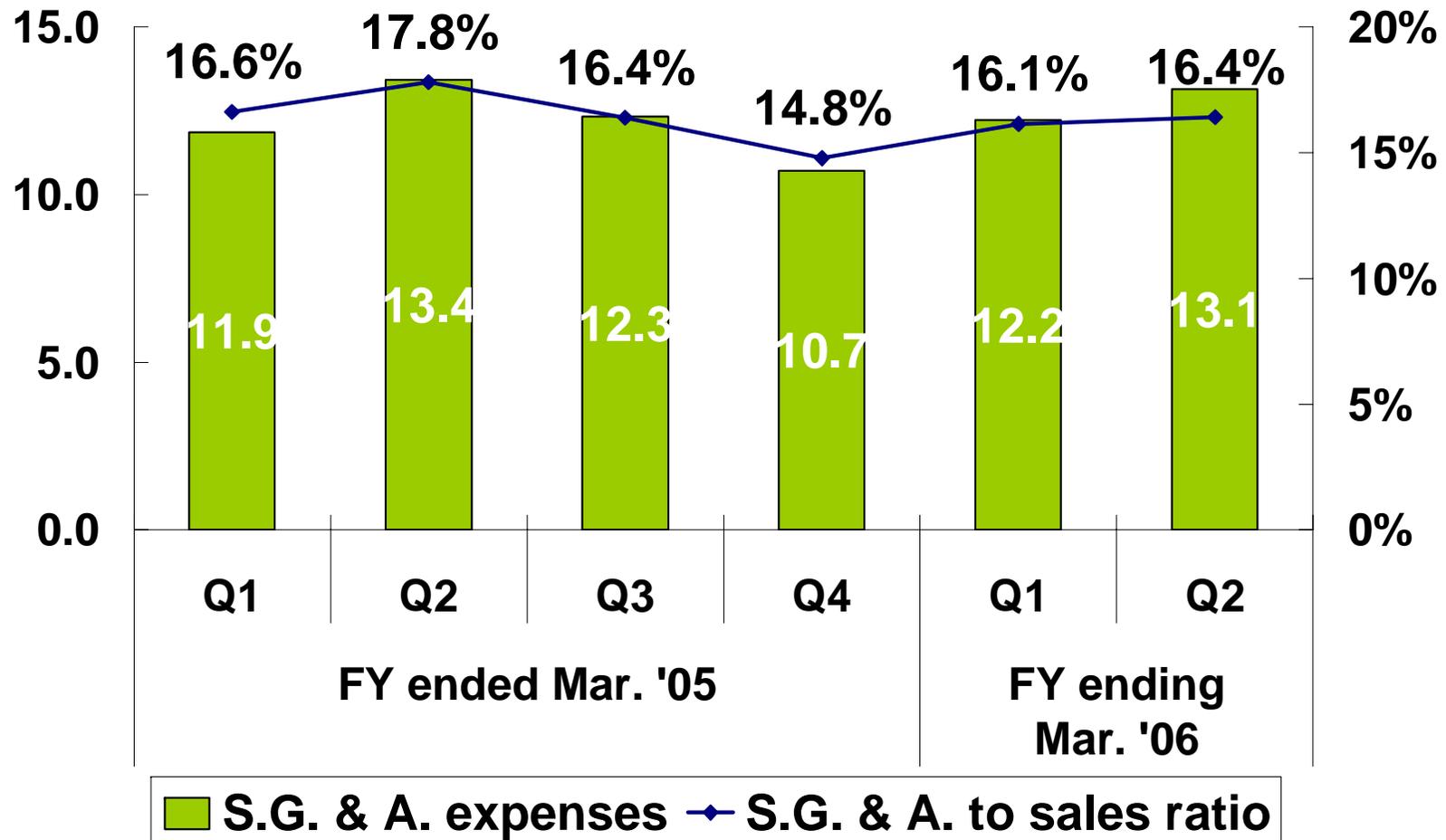
The number inside the circle is sales %.
The number outside the circle is the change yoy.



S.G. & A. Expenses

2H plan below 16%

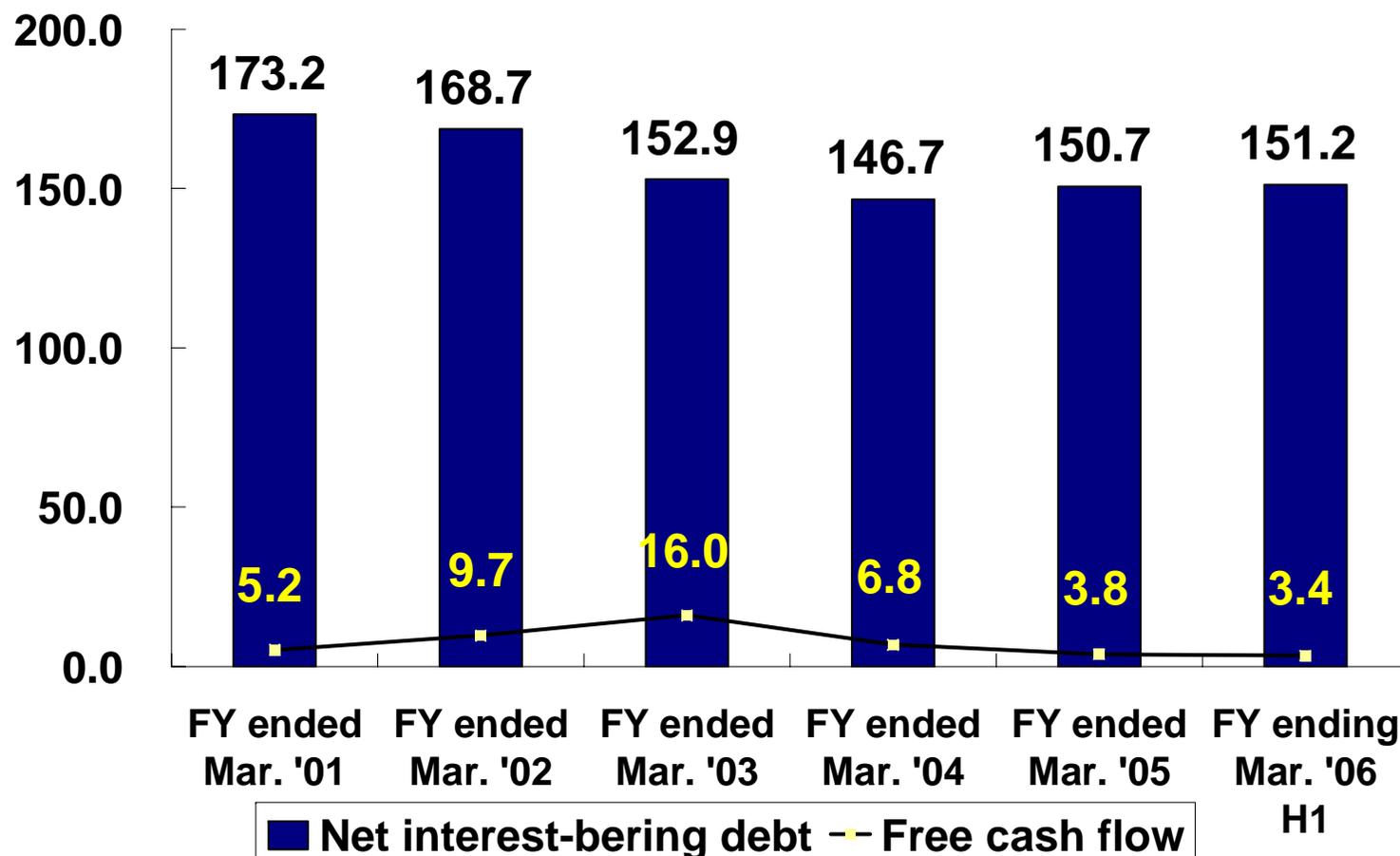
(Billions of yen)



Interest-Bearing Debt

(Billions of yen)

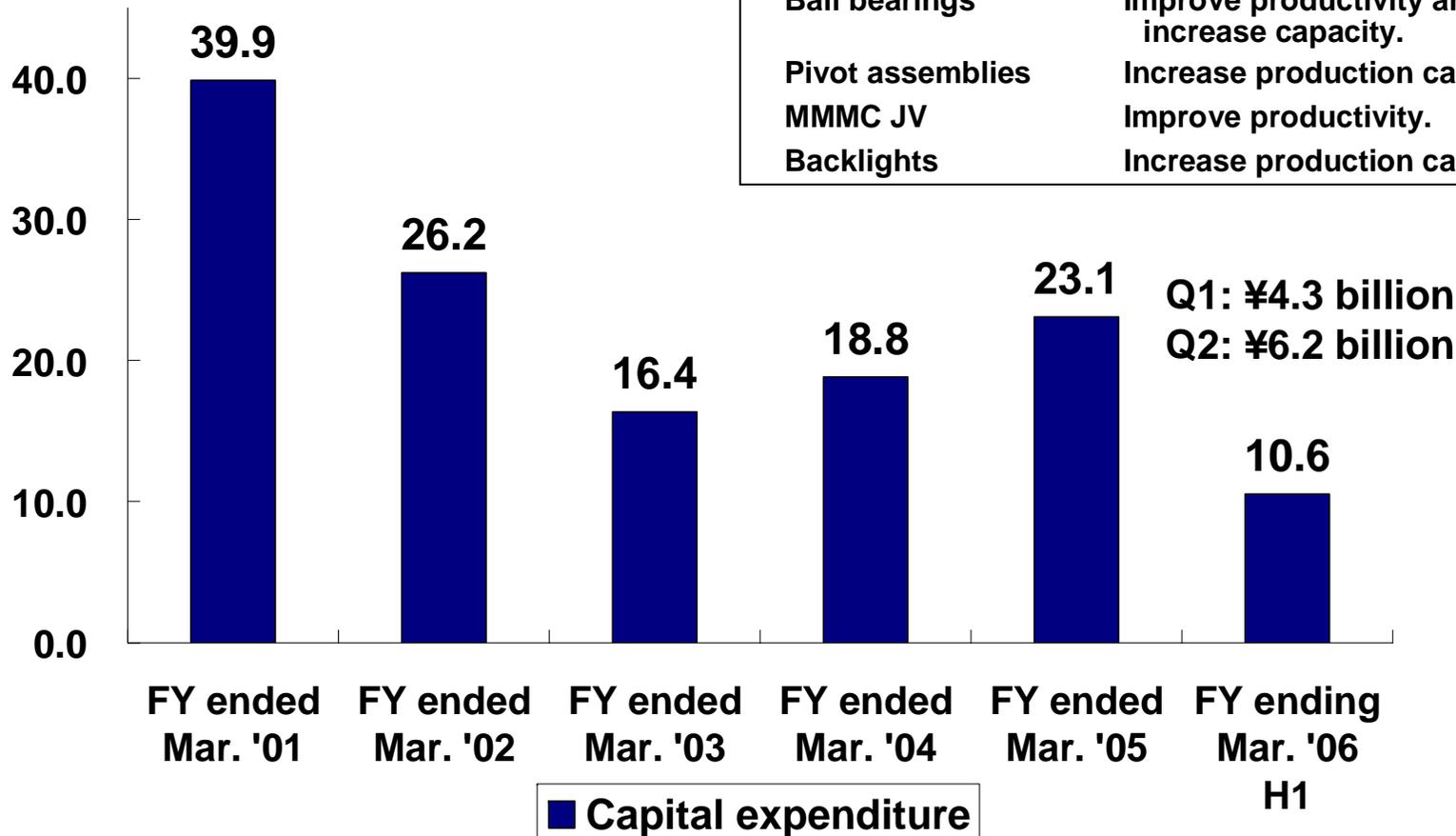
Mar. 2006 end plan ¥147.5 billion



Note: Net interest-bearing debt: Sum of interest-bearing debt – Cash and cash equivalents
 Cash flow: Cash flow from operating income – Cash flow from investing activities

Capital Expenditure

(Billions of yen)



Full year forecast ¥22.5 billion

Fiscal year ending Mar. '06 Main areas of investment

Ball bearings	Improve productivity and increase capacity.
Pivot assemblies	Increase production capacity.
MMMC JV	Improve productivity.
Backlights	Increase production capacity.

Forecast for Fiscal Year Ending March 31, 2006

(Millions of yen)	FY ended Mar. '05 Full year	FY ending Mar. '06			Change yoy	Previous forecast Full year
		H1	H2 revised est.	Full year revised est.		
Net sales	294,422	155,739	154,261	310,000	+5.3%	295,000
Operating income	14,083	7,224	10,776	18,000	+27.8%	18,000
Ordinary income	10,206	5,322	8,678	14,000	+37.2%	14,000
Income before income taxes	7,778	4,425	8,075	12,500	+60.7%	12,500
Net income	5,581	2,421	5,079	7,500	+34.4%	7,500

Forecast for Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '05 Full year	Year ending Mar. '06			Change yoy	Previous forecast Full year
		H1	H2 est.	Full year est.		
[Net sales]						
Machined components business	116,105	62,204	62,996	125,200	+7.8%	119,900
Bearing-related products	98,218	52,384	53,716	106,100	+8.0%	101,600
Other machined components	17,887	9,820	9,280	19,100	+6.8%	18,300
Electronic devices and components business	178,317	93,535	91,265	184,800	+3.6%	175,100
Rotary components	106,750	54,323	53,377	107,700	+0.9%	105,400
Other electronic devices	71,566	39,212	37,888	77,100	+7.7%	69,700
Total net sales	294,422	155,739	154,261	310,000	+5.3%	295,000
[Operating income]						
Machined components business	21,572	11,112	12,138	23,250	+7.8%	22,750
Electronic devices and components business	-7,489	-3,887	-1,363	-5,250	-	-4,750
Total operating income	14,083	7,224	10,776	18,000	+27.8%	18,000

Policy and Strategy

Takayuki Yamagishi
Representative Director,
President and Chief Executive Officer

Second Quarter Results

Improved profitability (short-term accomplishment)

◆ Pivot assemblies

- Sales reached record high in Q2, increased 30% yoy.
- Achieved large improvement in profitability.
 - Reduced production costs . . . Improved assembly yield and reduced production costs of components.
 - Improved production capacity . . . Further, preparing for next fiscal year's capacity expansion to 30 million units per month.
 - Rectified sales price

◆ HDD spindle motors

- Focused on cost reduction while maintaining volume.
 - Improved production yield of parts and brought previously outsourced components in-house.
 - Reduced manpower in assembly lines
 - Improvement in operation and quality.
 - Shorter production process.

Second Quarter Results

Expand profit (growth businesses)

◆ Rod-end & spherical bearings and bearings for aircraft

- **Increased production capacity in response to strong demand for aircrafts.**
 - Manufacturing locally at three locations, Karuizawa, U.S.A. and U.K.
- **Built low cost structure and expanded product range.**
 - Started full-scale front-end production in Thailand.
- **Cultivated new high-value added areas.**

◆ Lighting devices

- **Established technical advantage by reinforcing technological development.**
 - New high-intensity and ultra-thin backlight model has been well received by customers. Started introduction to market in April, shipment in October.
- **Expanded operation size and reinforced structure.**
 - Shortened delivery time drastically by locating design team at Thai plant.
 - Built efficient zero-inventory logistic system.

Profit Improvement of 3 Businesses (H2)

◆ HDD Spindle Motors

- Confirmed clear positive outcome of improvement measures in Q2.
- Change product mix by further increasing 2.5 inch type.
- Promote more efficient product development . . . Integrate to Germany.

◆ Minebea-Matsushita Motor JV

- Completed structural reorganization in September . . . In the process of verifying outcome.
- Pursue cost reduction of molds and components.
- Strengthen development team for new product launch.

◆ Keyboards

- Almost completed transferring of notebook type from Thailand to Shanghai in September . . . In the process of verifying outcome.
- Improving skill levels of operators for production of transferred models.
- Promoting to raise sales price of high material rate models.

Reinforcement and Expansion Measures of Ball Bearing Business

- **Shipment increased 7% yoy in Q2 owing to increase of internal sales. Expect 10 % sales increase in H2 as external sales are also expected to increase.**
- **Increasing production capacity in response to expanding market demand for pivot assemblies and fan motors.**
- **Pursue further cost reduction.**
- **Strengthen product development in response to diversifying specifications required by various applications.**

Minebea Co., Ltd.

Business Results

<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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