



Business Results

Third Quarter of Fiscal Year Ending March 31, 2007

February 1, 2007

Minebea Co., Ltd.

Summary of Consolidated Business Results

(Millions of yen)	Year ended Mar. '06	Year ending Mar. '07	Change yoy	Year ending Mar. '07	
	1Q - 3Q	1Q - 3Q		Full year revised est.	Vs. forecast
Net sales	236,687	247,330	+4.5%	324,000	+76.3%
Operating income	13,267	19,976	+50.6%	28,000	+71.3%
Ordinary income	10,016	16,442	+64.1%	22,000	+74.7%
Income before income taxes	8,899	16,189	+81.9%	21,000	+77.1%
Net income	4,821	11,677	x2.4	13,500	+86.5%

Effect of FX Fluctuations 1Q - 3Q of FY Mar. '06 → 1Q - 3Q of FY Mar. '07

US\$ = ¥111.66 → ¥115.96 Thai Baht = ¥2.74 → ¥3.08

US\$ = BT40.75 → BT37.65

February 1, 2007

1



Consolidated cumulative results for the third quarter of the fiscal year ending March 31, 2007 were net sales of 247,330 million yen, operating income of 19,976 million yen and net income of 11,677 million yen. Compared to the same cumulative period of the last fiscal year, significant improvement was achieved. Net sales were up 4.5%, operating income was up 50.6% and net income grew 2.4 times.

Summary of Consolidated Business Results for 3Q

-Appreciation of the Thai Baht and negative results in some businesses slowed down overall improvement

(Millions of yen)	Year ended Mar. '06	Year ending Mar. '07		Change	Change
	3Q	2Q	3Q	yoy	qoq
Net sales	80,948	83,797	83,332	+2.9%	-0.6%
Operating income	6,043	7,509	6,609	+9.4%	-12.0%
Ordinary income	4,694	6,234	5,495	+17.1%	-11.9%
Income before income taxes	4,474	5,909	5,075	+13.4%	-14.1%
Net income	2,400	4,180	4,209	+75.4%	+0.7%

Effect of FX Fluctuations	3Q of FY Mar. '06	→	3Q of FY Mar. '07
US\$ = ¥116.21	→ ¥117.36		Thai Baht = ¥2.83 → ¥3.18
US\$ = BT41.06	→ BT36.91		

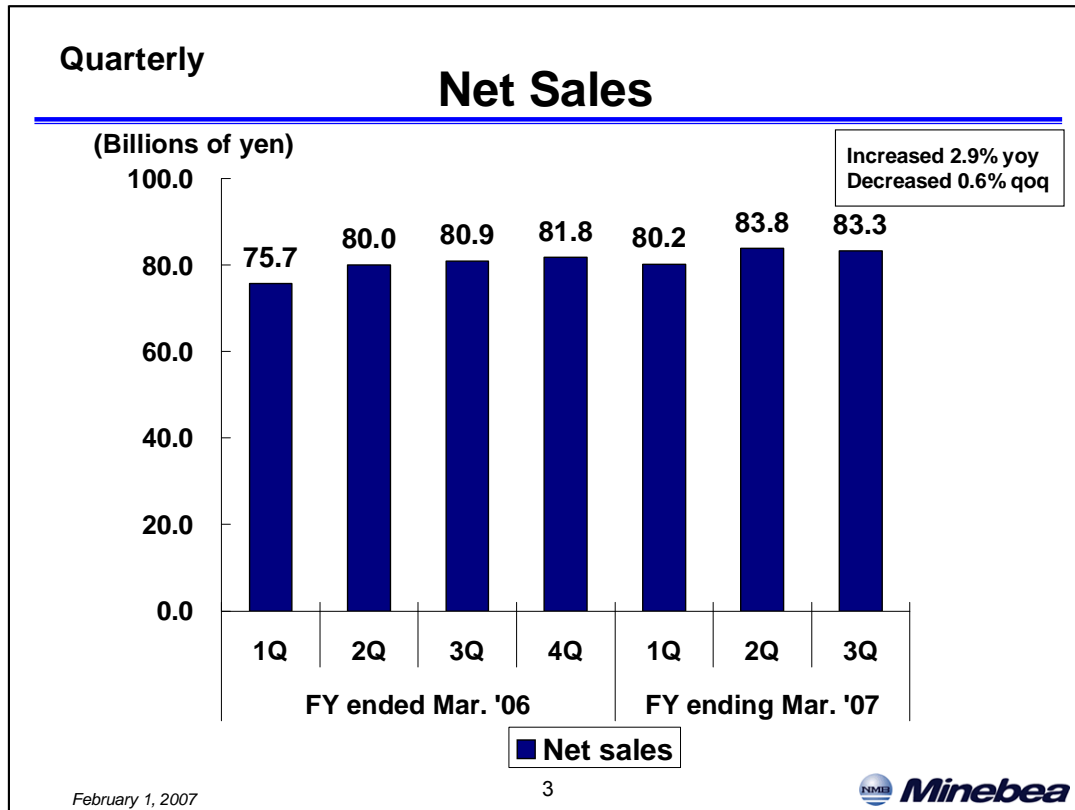
February 1, 2007

2

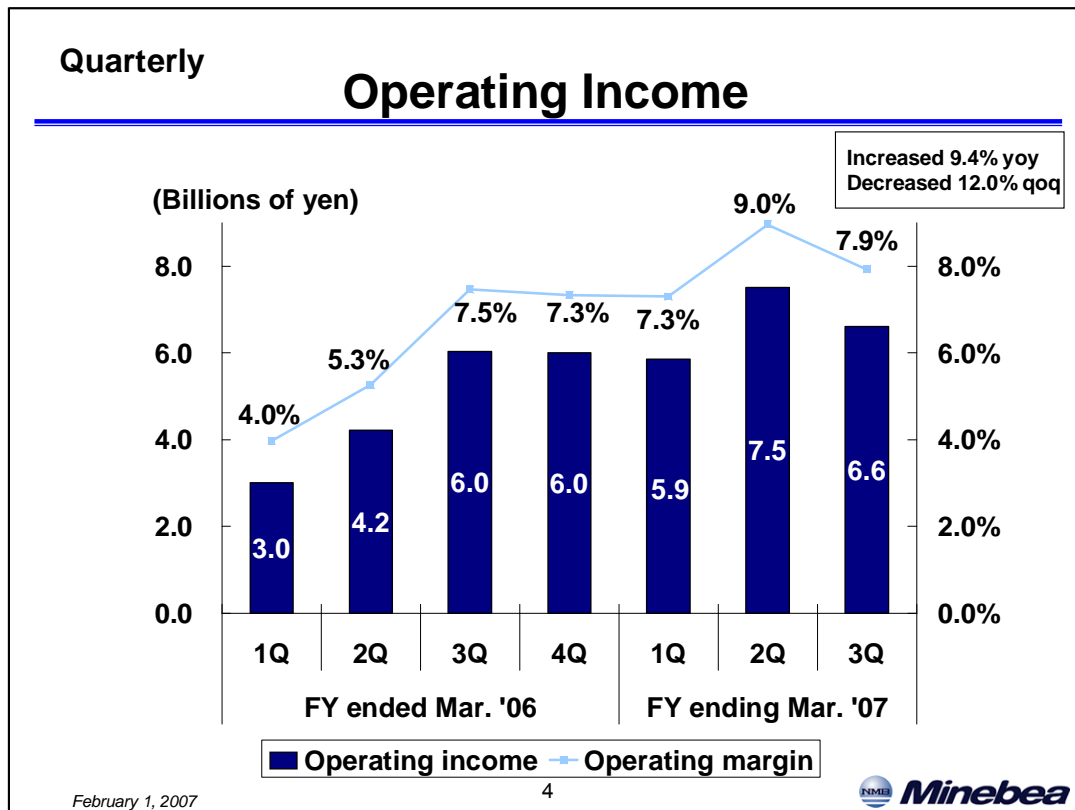


Regarding quarterly results, the third quarter net sales were 83.3 billion yen, operating income was 6,609 million yen and net income was 4,209 million yen. Compared to the same quarter last year, net sales were up 2.9%, operating income was up 9.4% and net income was up 75.4%.

On the other hand, compared to the previous quarter, earnings declined. This decline was primarily caused by appreciation of the Thai Baht and also by negative results from some businesses such as HDD spindle motors and speakers, slowing down company-wide earnings improvement. We will explain these factors later.



The third quarter net sales were 83.3 billion yen, a slight decline of 0.6% from the previous quarter. From the same period last year, however, net sales increased by 2.9%. The foreign exchange fluctuations increased net sales by 2.2 billion yen from the same period last year, and by 1.2 billion yen from the previous quarter.



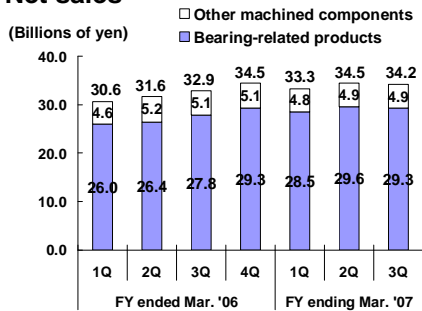
In the third quarter, operating income was 6.6 billion yen, an increase of 9.4% from the same period last year. However, it declined by 0.9 billion yen, or 12%, from 7.5 billion yen in the second quarter. Regarding business segments, the third quarter operating income of the machined components business segment declined by 0.3 billion yen, and that of the electronic devices and components business segment declined by 0.6 billion yen. Product-by-product performance will be discussed later.

During the third quarter, currencies of Asian countries such as Thailand, where Minebea operates its major manufacturing bases, appreciated rather rapidly, causing negative impacts on earnings.

Business Segments

Machined Components Business

Net sales



Miniature & Small Sized Ball Bearings

Net Sales increased 4.6% yoy
decreased 3.0% qoq

Steady demand continues, but X'mas holidays affected during Dec.

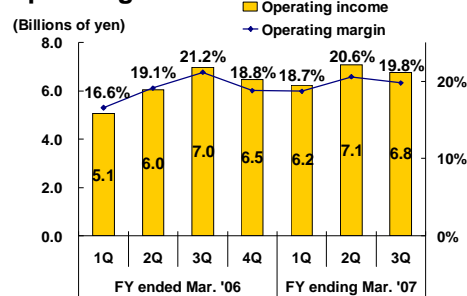
Production capacity expanded to 190 million units per month

Rod-end & Spherical Bearings

Net Sales increased 9.0% yoy
decreased 1.3% qoq

Strong demand continues in the aircraft market, but X'mas holidays affected during Dec.

Operating income



Pivot Assemblies

Net Sales increased 4.7% yoy
increased 5.0% qoq

Volume increased due to growing demand for HDD

February 1, 2007

5



In the machined components business segment, the third quarter sales of miniature and small sized ball bearings increased by 4.6% from the same period of last year, but decreased by 3.0% from the previous quarter. Total shipments, including internal shipments of ball bearings to other divisions of the company, decreased by 10 million units per month from the second quarter to an average of 178 million units per month. This was due to a temporary decline of internal shipments primarily to the pivot assemblies production because of the inventory reduction efforts, and also due to a decline in external shipments during the Christmas holiday season. Global demands for miniature ball bearings, however, have been increasing steadily and are expected to continue doing so in the near future. As a result, our total production capacity was increased to 190 million units per month from 180 million by the end of last year. We expect an increase in shipments in the next quarter.

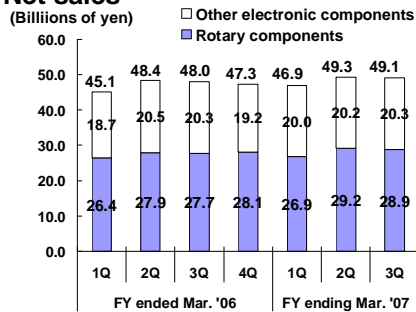
The third quarter sales of rod-end and spherical bearings declined by 1.3% from the previous quarter due to the Christmas holidays even though bearings for aircraft parts are in strong demand because of increasing global aircraft production. We will increase our production level to meet this demand in a timely manner. At the same time, we will actively promote our products for newly designed aircraft models.

The third quarter sales of pivot assemblies for the hard disk drives increased by 4.7% from the same period of the last fiscal year, and increased by 5.0% from the previous quarter. During the quarter, sales volume of Pivot assemblies was 23.4 million units per month, a 5.9% increase from the second quarter, because the HDD market grew not only for the use in PCs, but also for the use in HDD recorders and computer games. For the fourth quarter and beyond, we expect a steady increase in shipments while pricing pressure is anticipated to remain tough.

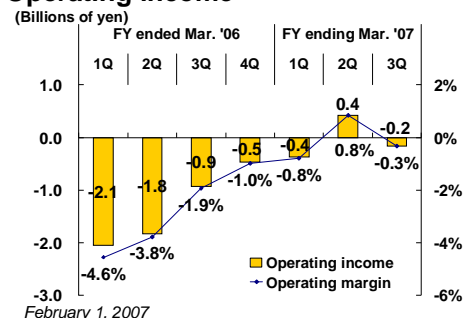
For the machined components business segment, the third quarter results were net sales of 34.2 billion yen, operating income was 6.8 billion yen and operating margin was 19.8%. The main reasons for the 0.3 billion yen decline of the operating income were sales decreases in ball bearings and rod-end bearings, and appreciation of the Thai Baht against the US dollar in pivot assemblies.

Business Segments **Electronic Devices and Components Business**

Net sales



Operating income



HDD Spindle Motors

Net Sales decreased 5.2% yoy
decreased 9.5% qoq

Decrease in 2.5 inch motors affected profitability
Improvement expected starting late 4Q

Information Motors

Net Sales increased 6.1% yoy
increased 4.3% qoq

Fan motors grew steadily
Stepping motors hurt by competition

Speakers

Net Sales increased 2.9% yoy
decreased 10.9% qoq

Orders declined for post-X'mas period

Electronic Devices

Net Sales increased 54.9% yoy
increased 10.8% qoq

Favorable sales in LED backlights for mobile phones

Keyboards

Net Sales decreased 6.7% qoq

Cuts in unprofitable models contributed
profitability improvement

6



In the electronic devices and components business segment, net sales of HDD spindle motors decreased by 9.5% from the previous quarter. This was caused by the fact that sales volume of 2.5 inch HDD spindle motors which carry high unit prices declined due to a delay in new product approvals. This continues to have impact in the first part of the fourth quarter. Therefore, we expect a recovery later in the quarter. At the same time, a rapid appreciation of the Thai Baht also affected production costs. Even though this business turned unprofitable this quarter, we will continue our efforts to achieve our target of producing positive operating income from this business for the fiscal year.

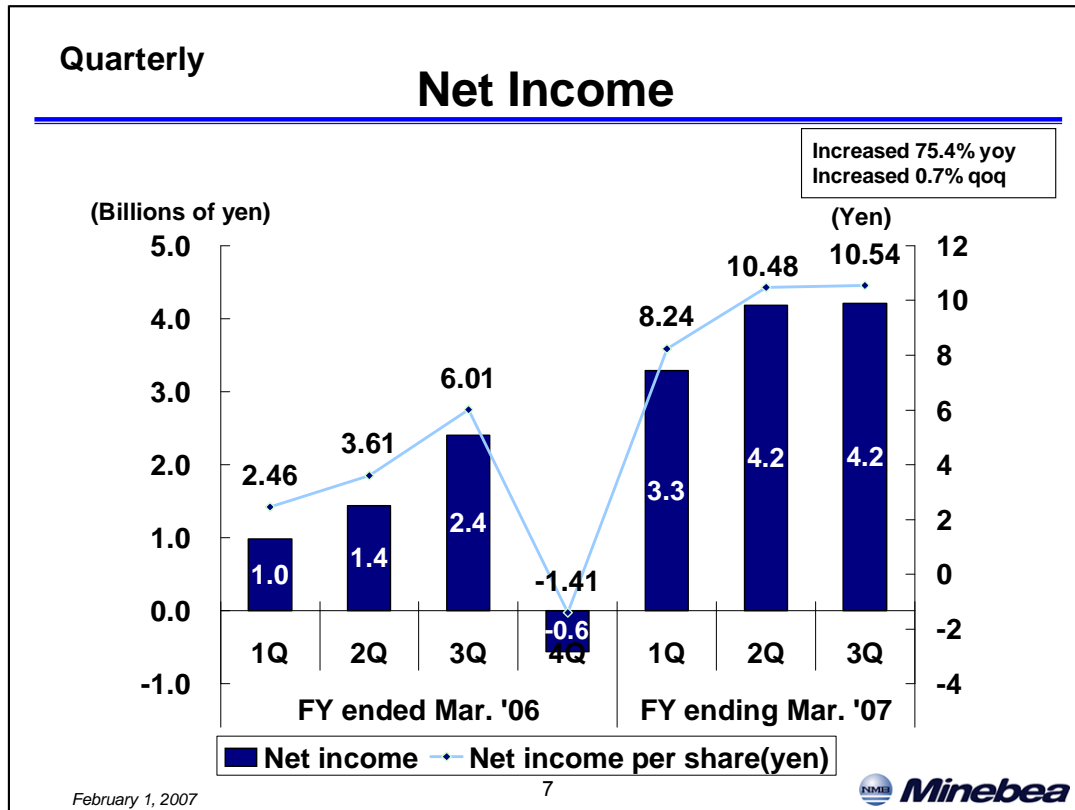
In the information motors business, third quarter net sales increased by 4.3% from the previous quarter. This business produced almost the same level of profits as it did in the second quarter due to steady results from fan motors which are in strong demand, and improvements in both vibration motors and DC brush motors in spite of the weakened results in stepping motors due to fierce competition. We are aiming to increase profits from this business further, while securing the target of turning this business profitable for the year.

Net sales of speakers decreased by 10.9% from the previous quarter due to a significant volume decline in the after- Christmas period. Appreciation of the Thai Baht was also a contributing factor which made this business unprofitable.

Net sales of electronic devices increased by 54.9% from the same period last year and by 10.8% from the previous quarter due to strong demand for our high-brightness super-thin LED backlights, mainly those for mobile handsets. This business secured almost the same level of profits as it did in the second quarter. Regarding the fourth quarter, however, we predict decreased volume for LED backlights due to an expected seasonal decline in demand in the global mobile handset market. Nevertheless, we are aiming to expand this business by introducing a new LED backlight product for mobile handsets which will be on the market sometime after April and our LED backlights for car navigation systems, which will enter the market in the fourth quarter.

Net sales of keyboards decreased by 6.7% from the previous quarter due to ongoing cuts in unprofitable models. The previously announced restructuring plan has been steadily implemented during the quarter, producing an improvement in earnings.

In the electronic devices and components business segment, the third quarter net sales were 49.1 billion yen and the operating loss was 159 million yen.



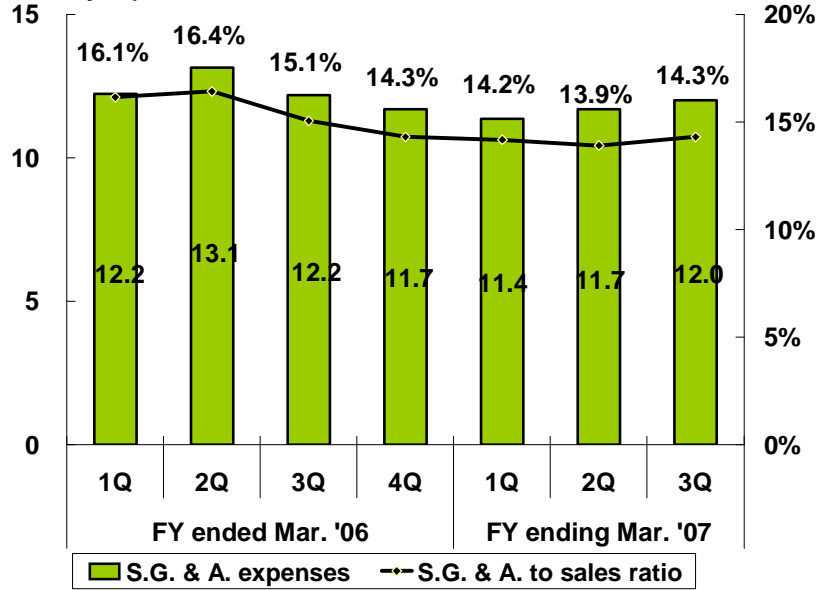
Consolidated net income for the third quarter was 4,209 million yen, or 10.54 yen per share, partly due to a special factor of tax refund overseas. It went up significantly compared to the same period last year, but remained almost flat from the previous quarter.

Regarding our effective tax rate for the next fiscal year and beyond, we expect it to range from 30% to 35%, which is the normal level for Minebea. In the past, special factors such as accumulated losses at some businesses, charges for unutilized differed tax benefits and other factors pushed up the effective tax rate. But the influences of these factors are expected to finally disappear by the end of this fiscal year.

Quarterly

S.G. & A. Expenses

(Billions of yen)



February 1, 2007

8

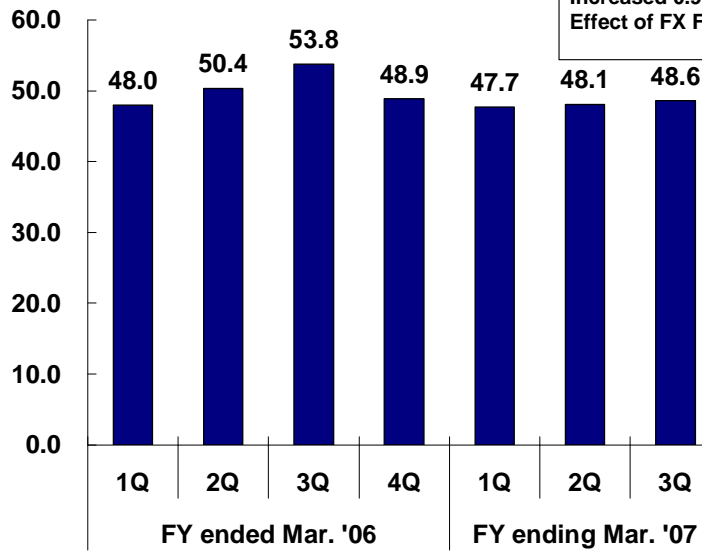


The third quarter SG&A expenses increased slightly by 0.3 billion yen to 12.0 billion yen while we continued our effort to reduce expenses. The primary reason for the increase was the yen's depreciation.

Quarterly

Inventories

(Billions of yen)



Decreased 9.7% yoy
Increased 0.9% qoq
Effect of FX Fluctuations 3Q vs. 2Q
+ ¥1.6 billion

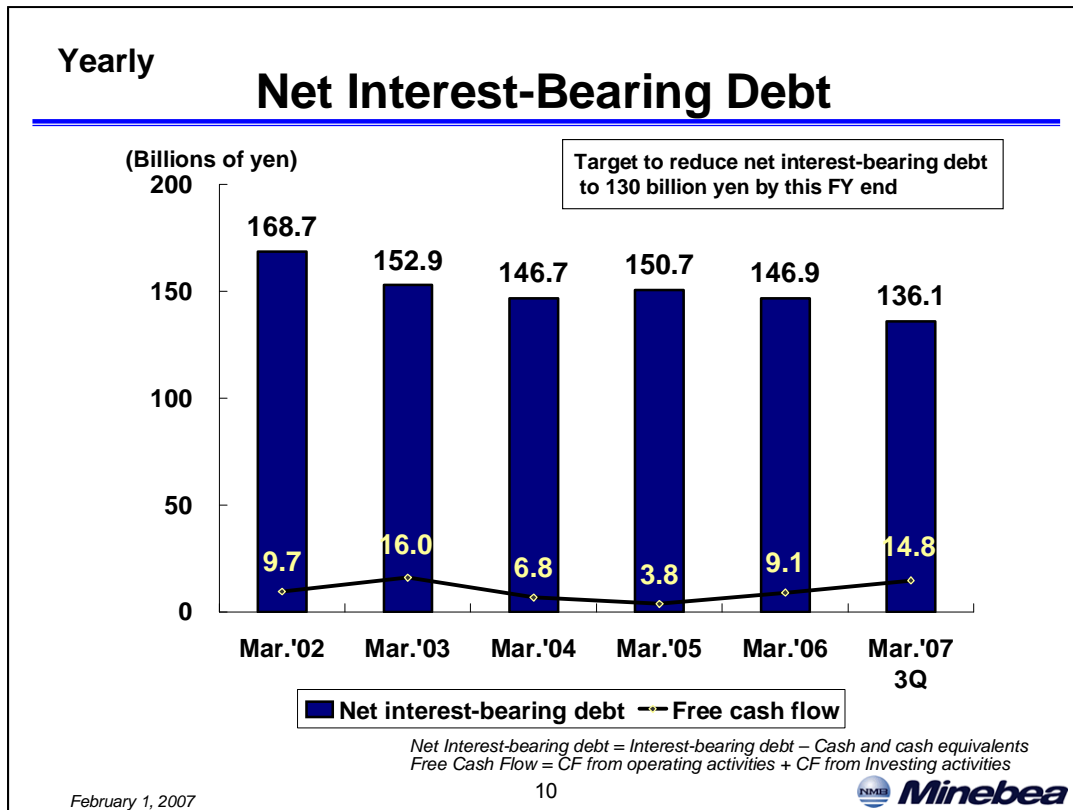
■ Inventories

February 1, 2007

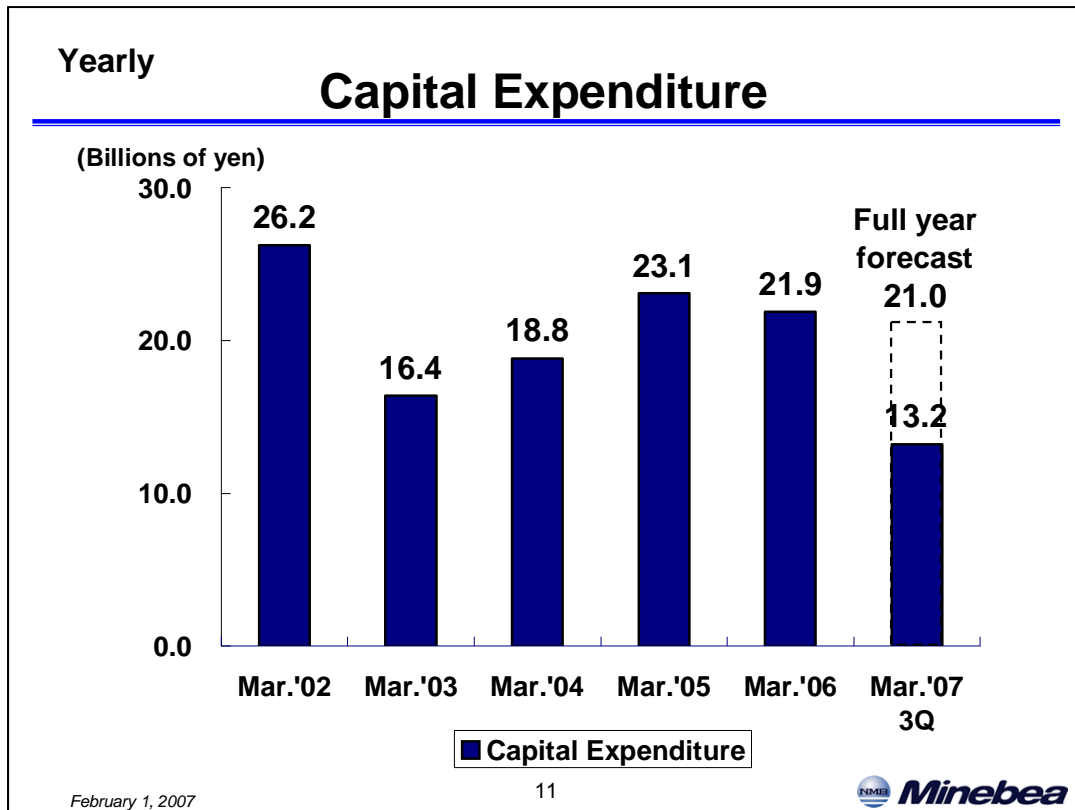
9



Inventories were increased by 0.5 billion yen compared to the second quarter due to an increase of 1,6 billion yen from yen's depreciation.



In the third quarter, net interest bearing debt, which is interest bearing debt minus cash and cash equivalents, was 136.1 billion yen, a decrease of 10.8 billion yen from the same period last year. However, it remained almost unchanged from the previous quarter because of the seasonal factor of bonus payments and an increase of 1.0 billion yen caused by depreciation of the yen. We will continue our efforts to achieve our target to reduce the amount of debt to 130 billion yen by this fiscal year end.



Regarding capital expenditure, 13,220 million yen was spent from the first quarter to the third quarter combined, compared to the full year forecast of 21 billion yen mainly on capacity increases in ball bearings and rod-ends bearings and on efficiency improvements in HDD spindle motors and other businesses.

Forecast for Fiscal Year Ending March 31, 2007

Forecast unchanged

(Millions of yen)	Year ended Mar.'06	Year ending Mar.'07				Change vov
	Full year	1H	3Q	2H forecast	Full year forecast	
Net sales	318,446	163,998	83,332	160,002	324,000	+1.7%
Operating income	19,269	13,367	6,609	14,633	28,000	+45.3%
Ordinary income	14,595	10,947	5,495	11,053	22,000	+50.7%
Income before income taxes	9,620	11,114	5,075	9,886	21,000	x2.2
Net income	4,257	7,468	4,209	6,032	13,500	x3.2
Net income per share	10.67	18.72	10.54	15.11	33.83	x3.2

Foreign Exchange Rate Assumptions FY Mar. '06 → FY Mar. '07
 US\$ = ¥113.09 → ¥115.05 Thai Baht = ¥2.79 → ¥3.03

February 1, 2007

12



As a result of the above, we decided not to change our current forecast. Even though we feel the fourth quarter operating income target has become more challenging due to the rapid appreciation of the Thai Baht and also due to third quarter results of some of the businesses, we will make all efforts to achieve the forecast while aiming for growth during the next fiscal year and beyond. Major risk factors for it are foreign exchange fluctuations of Asian currencies, especially the Thai Baht, and general conditions of the global economy.

Restructuring Progress in Keyboards

Steadily implement Restructuring Plan

Target to reduce production level to about 1/3 and sales amount to about 1/2

Target to reduce overhead costs significantly

⇒ Aim to break even on a monthly basis in March

1. Terminate unprofitable models

Production level has been declining as planned

- withdrawing from unprofitable desktop keyboards
- focusing on high-end keyboards with good growth potential such as keyboards for notebook PC and wireless keyboards

2. Reduce employees by about 1/2

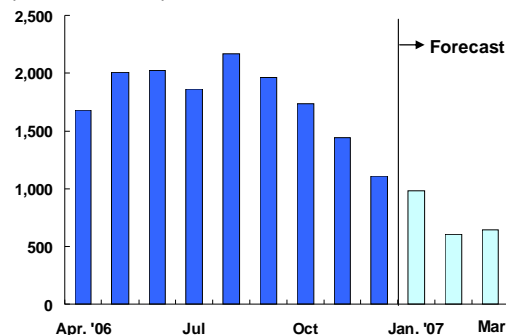
of employees at factory in Shanghai :
3,455(May 2006) to about 1/2

3. Dispose of production capacity by 1/2

of production lines at factory in Shanghai:
28(April 2006) to 14 (February 2007)

Monthly Keyboard production

(Thousand of units)



February 1, 2007

13



Before finishing, I would like to explain the current progress in the restructuring of the keyboards business. A major restructuring plan was announced in April last year and we entered in the actual implementation stage in the third quarter. In order to achieve profitability in the next fiscal year, we are targeting to break even during the month of March on a monthly basis by terminating unprofitable models and by aggressively reducing overhead costs.

Until now, the production level has been steadily declining toward one third of the peak level according to the plan. During the fourth quarter, we will significantly cut our overhead costs by reducing the number of employees and the number of production lines in half.

After completing this plan, in the next fiscal year and beyond, we first aim to produce steady profits for this business, and then to grow it by focusing on keyboards for notebook PCs and high-value-added keyboard products such as wireless keyboards which carry higher margins and better growth opportunities.

Minebea Co., Ltd.

Business Results

<http://www.minebea.co.jp/>

Any statements in the presentation which are not historical fact are future projections made based on certain assumptions and executive 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.

All the information in this document are the property of Minebea Co., Ltd. All parties are prohibited for whatever purpose to copy, modify, reproduce, transmit, etc. those information regardless of ways and means without prior written permission of Minebea Co., Ltd..

February 1, 2007

