



Business Results

Fiscal Year Ended March 31, 2007

May 8, 2007
Minebea Co., Ltd.

- 1. Financial Results**
- 2. Policy and Strategy**

May 8, 2007



Financial Results

Hiroharu Katogi
Director, Managing Executive Officer

May 8, 2007



All explanations are given on consolidated basis.

Summary of Consolidated Business Results

(Millions of yen)	Year ended Mar. '06	Year ended Mar. '07	Change yoy	Forecast announced in October 2006 vs. forecast	
	Full year	Full year		Full year	forecast
Net sales	318,446	331,022	+3.9%	324,000	102.2%
Operating income	19,269	26,265	+36.3%	28,000	93.8%
Machined components business	24,556	26,195	+6.7%	27,000	97.0%
Electronic devices and components business	-5,287	69	- ⇨ +	1,000	6.9%
Ordinary income	14,595	21,843	+49.7%	22,000	99.3%
Income before income taxes	9,620	19,523	x2.029	21,000	93.0%
Net income	4,257	12,862	x3.021	13,500	95.3%
Net income per share(yen)	10.67	32.23	x3.021	33.83	95.3%

Net sales exceeded the previous record high set in FY 3/98.
Operating income increased 36%.
Machined components business grew steadily.
Electronic devices & components business improved significantly.

Foreign Exchange Rate Fluctuations
 FY ended Mar. '06 → FY ended Mar. '07
 US\$ ¥113.09 → ¥116.91
 Thai Baht ¥2.79 → ¥3.18

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Net sales for the fiscal year ended March 31, 2007 were 331.0 billion yen, up 3.9% from the last fiscal year, exceeding the previous record high set in the fiscal year ended March 31, 1998. Operating income was 26.3 billion yen, up 36% compared to the last fiscal year, due to steady profit growth in the machined components business segment and a significant improvement in the electronic devices and components business segment which turned profitable for the first time in the last four fiscal years. Net income was 12.9 billion yen, up three fold. An impact of the foreign exchange fluctuations, mostly the weak Japanese yen, was an increase in net sales of 13.2 billion yen.

Quarterly **Summary of Consolidated Business Results for 4Q**

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

(Millions of yen)	Year ended	Year ended		Change	Change
	Mar. '06	3Q	4Q		
Net sales	81,759	83,332	83,692	+2.4%	+0.4%
Operating income	6,002	6,609	6,289	+4.8%	-4.8%
Machined components business	6,472	6,769	6,109	-5.6%	-9.8%
Electronic devices and components business	-470	-159	178	- ⇨ +	- ⇨ +
Ordinary income	4,579	5,495	5,401	+18.0%	-1.7%
Income before income taxes	721	5,075	3,334	x4.624	-34.3%
Net income	-564	4,209	1,185	- ⇨ +	-71.8%

Foreign Exchange Rates Fluctuations

3Q of FY ended Mar. '07 → 4Q of FY ended Mar. '07

US\$ ¥117.36 → ¥119.76 Thai Baht ¥3.18 → ¥3.49

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Consolidated results for the fourth quarter were: net sales of 83.7 billion yen, operating income of 6.289 billion yen and net profit of 1.185 billion yen. Compared to the fourth quarter of the previous fiscal year, net sales were up 2.4%, operating income was up 4.8% and net income returned to profitability.

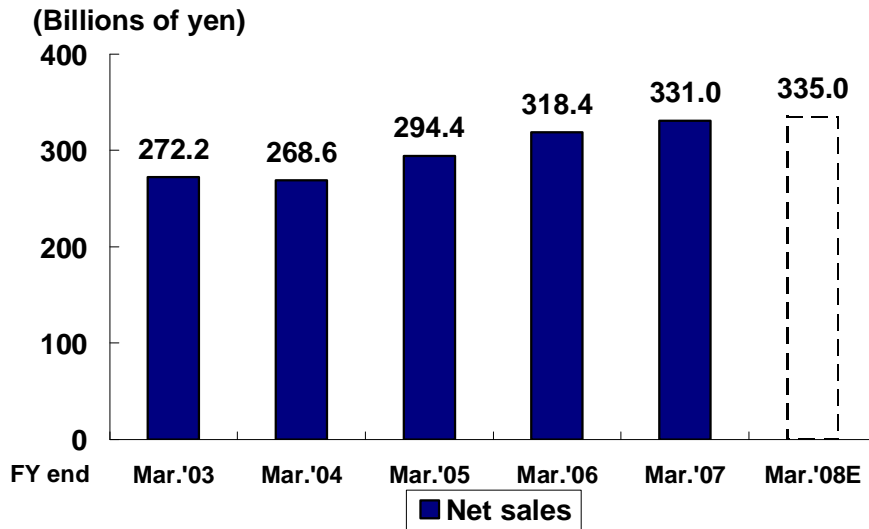
On the other hand, compared to the third quarter, operating income decreased 4.8%, slowing down company-wide earnings improvements. The main reasons for this were the negative impact from the continued appreciation of the Thai Baht and negative results from some businesses, especially pivot assemblies and electronic devices, due to seasonal declines in sales of HDDs and mobile handsets, although information motors' profit increased due to cost reductions and other efforts. According to our estimates under certain assumptions, a negative impact on operating income from the fluctuations of foreign currencies, mainly the appreciation of the Thai Baht, was about 1.5 billion yen during the quarter.

The keyboard business underwent a business restructuring and significantly reduced its losses during the quarter. This business recorded positive operating income in the month of March as planned.

Yearly

Net Sales

Net sales exceeded the previous record high set in FY 3/98.



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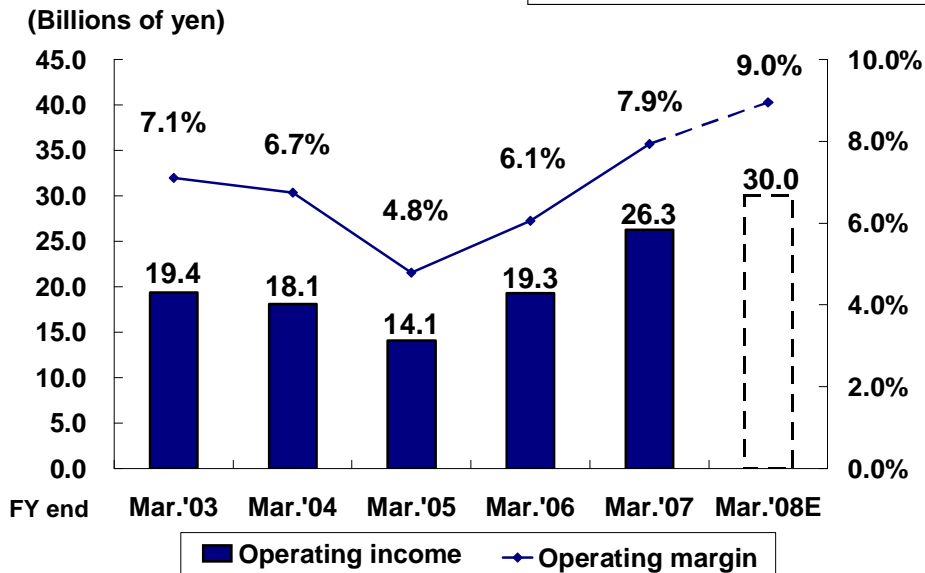
Amidst the steady expansion of the global economy and the growth of the market for PCs, HDDs, mobile handsets, aircrafts and automobiles, net sales for the full fiscal year increased in the electronic devices, ball bearings, rod-end bearings and other businesses due to increased sales of products which successfully met the demands from the market and / or which have a high share of the global market. Net sales exceeded the previous record high set in the fiscal year ended March 31, 1998.

For the fiscal year ending March 2008, net sales are expected to increase by 1.2% due mainly to increases in sales of pivot assemblies, HDD spindle motors, information motors, electronic devices, rod-end bearings and ball bearings, although keyboards sales are expected to decrease since as a result of the business restructuring we will only focus on high value-added products.

Yearly

Operating Income

Operating margin continued its improvement.



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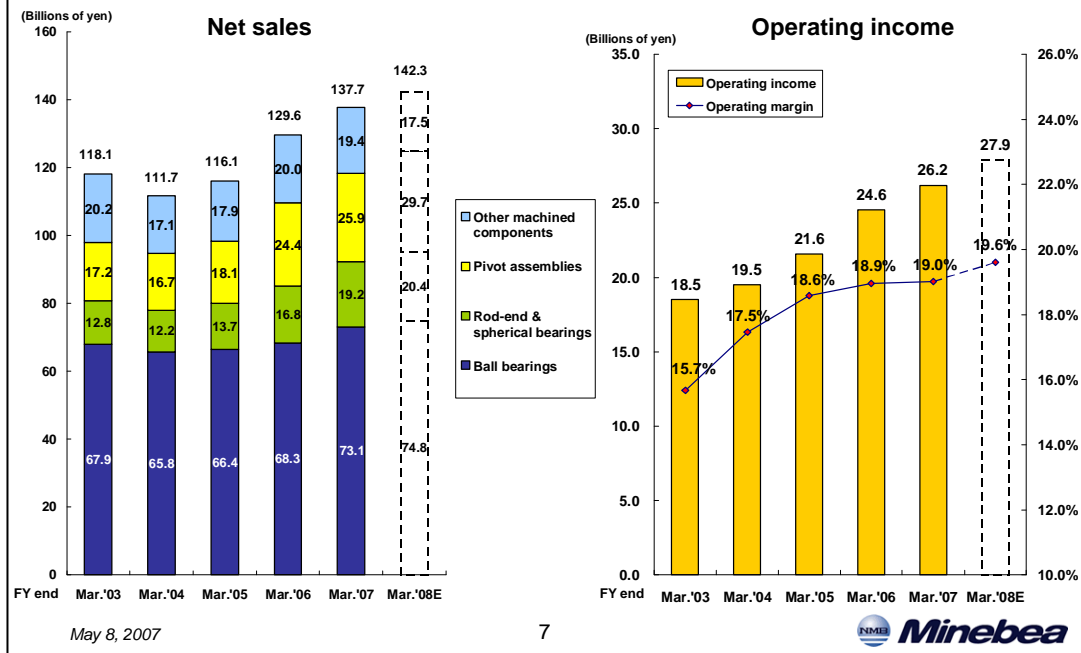
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Operating income increased to 26.3 billion yen and operating margins also increased to 7.9% in the fiscal year ended March 2007 even though the Baht, the currency of Thailand where we have major manufacturing bases appreciated rapidly. According to our estimates under certain assumptions, the negative impact on operating income from the fluctuations of foreign currencies, mainly the appreciation of the Thai Baht, was about 9 billion yen during the fiscal year.

It is clear that the new management policy since 2005 has produced a steady improvement in business results. For the fiscal year ending March 2008, we also expect increased operating income and improved operating margins.

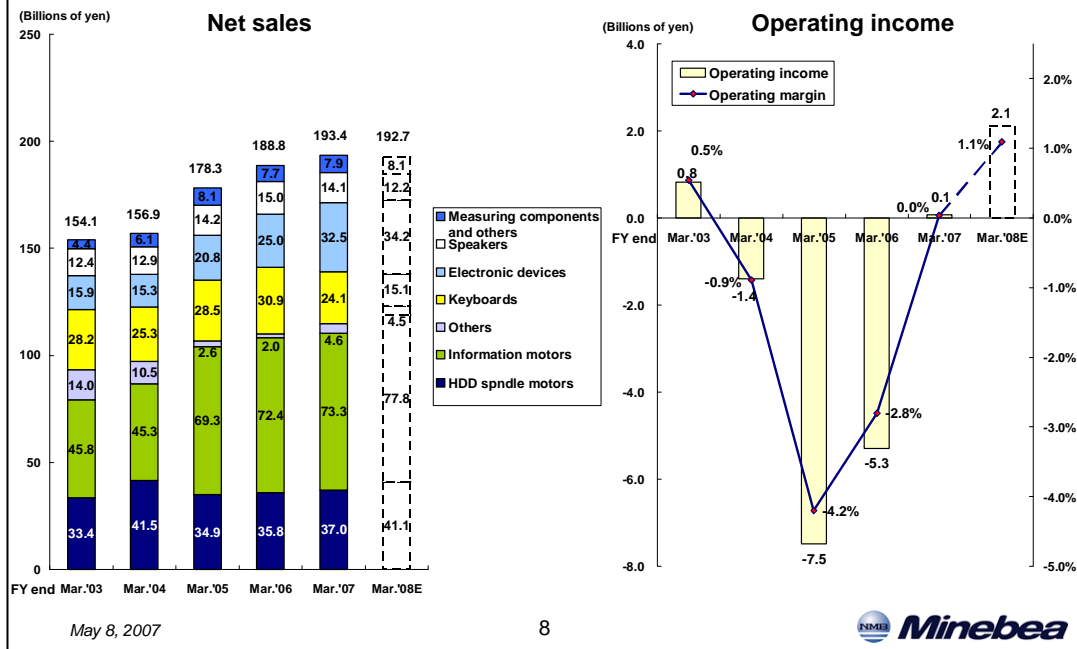
Sales and Operating Income of Machined Components Business



In the machined components business segment, net sales increased by 8.1 billion to 137.7 billion yen, up 6% due mainly to increased sales volumes in ball bearings, rod-ends and pivot assemblies. Operating income increased by 1.6 billion yen to 26.2 billion yen, up 7% due to cost reductions in other machined components and profit increases in ball bearings and rod-ends because of sales growth.

In the fiscal year ending March 2008 we expect a net sales increase in this segment due mainly to increased sales of ball bearings, rod-ends and pivot assemblies. As a result, we also expect increases in operating income and operating margins in this business segment.

Sales and Operating Income of Electronic Devices and Components Business



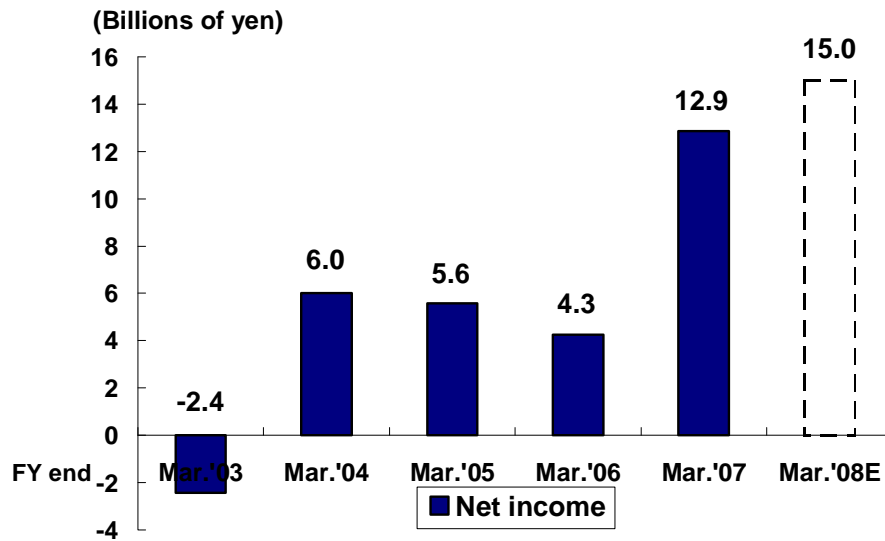
In the electronic devices and components business segment, net sales increased by 4.5 billion to 193.4 billion yen, up 2% due mainly to increased sales of electronic devices, especially LED backlights, although keyboards sales declined as a result of business restructuring. Operating income improved significantly and returned to profitability due mainly to the effects of measures taken in information motors, keyboards and HDD spindle motors.

In the fiscal year ending March 2008 we expect almost flat net sales for this segment due mainly to a decline in keyboards sales as a result of business restructuring despite increased sales of HDD spindle motors, information motors and electronic devices. We also expect an operating income increase in this business segment due mainly to a large improvement in keyboards as a result of business restructuring and profit increases in information motors and others.

Yearly

Net Income

FY 3/07 net income made a significant increase due to growth in operating income and the absence of business restructuring loss in FY3/06.



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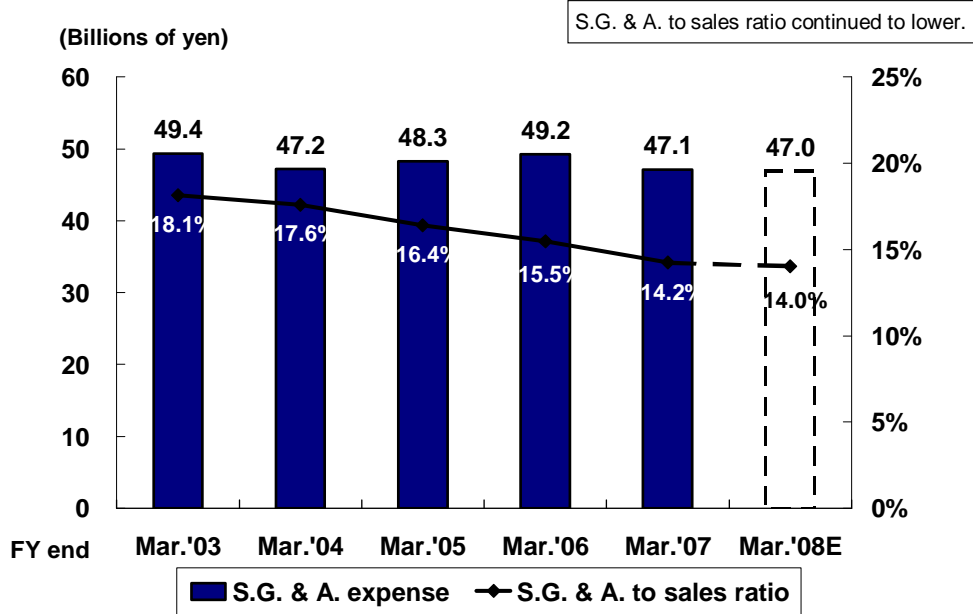


Net income was up three fold due to the absence of keyboards business restructuring extraordinary loss of 3.5 billion yen in the fiscal year ended March 2006 and a normalized effective tax rate in addition to an increase in operating income.

In the fiscal year ending March 2008 we expect a net income increase by 17% to 15 billion yen due mainly to an increase in operating income.

Yearly

S.G. & A. Expense

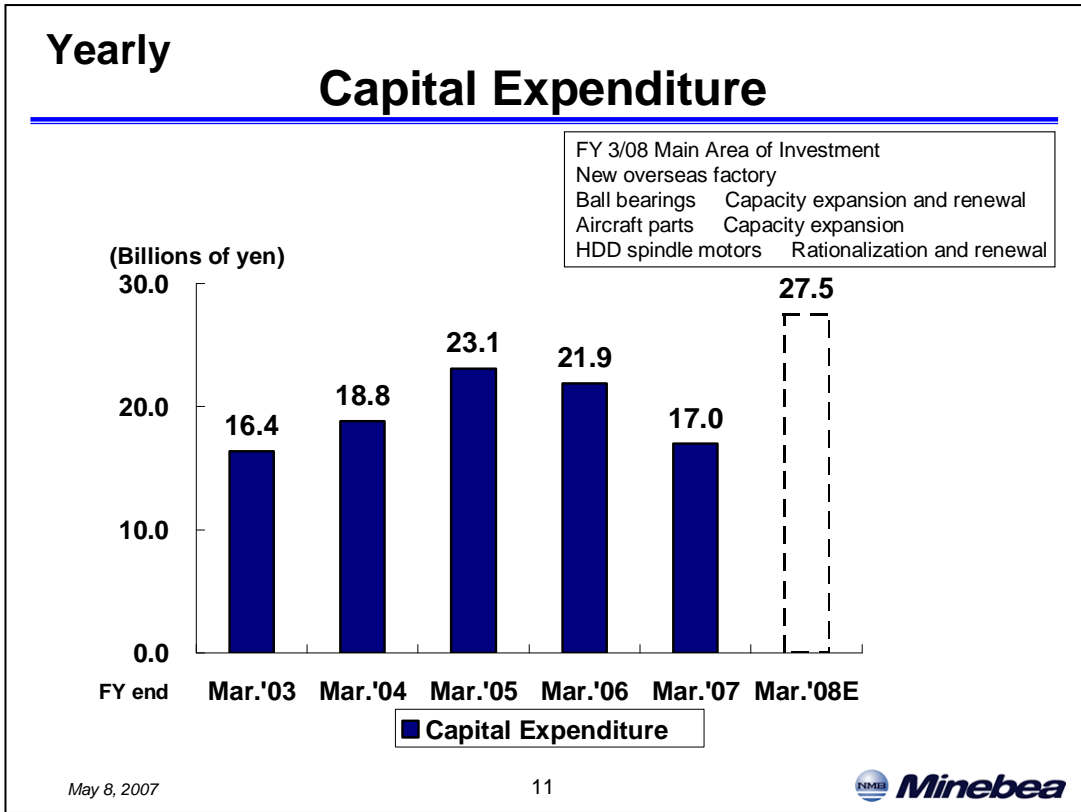


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SG&A expenses to sales ratio decreased to 14.2% due to various cost reduction measures. In the fiscal year ending March 2008 we expect the same level of SG&A expenses despite further sales increases and an increase in R&D expenses.

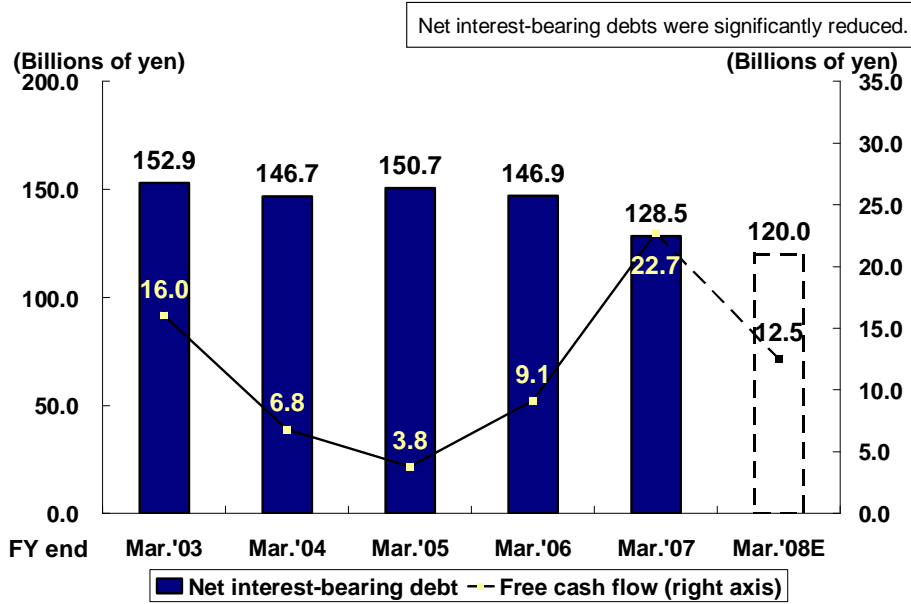


With regard to capital expenditure, we limited investment to an amount less than annual depreciation expenses in recent years through effective investment. For the fiscal year ended March 2007, capital expenditure was 17 billion yen.

However, we decided to build a new ball bearing factory from a viewpoint of the capacity expansion in the medium to long term and for maintaining competitiveness since capacity expansions in recent years have consumed much of the unused space in existing factories. Since we will start investing during this fiscal year, capital expenditure is expected to reach 27.5 billion yen, exceeding the estimated annual depreciation expenses of 24.8 billion yen.

Yearly

Net Interest-Bearing Debts



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Net interest-bearing debts decreased by 18.4 billion yen during the fiscal year ended March 2007 as a result of utilizing increased free cash flow from a net income increase and an inventory level reduction. We also plan to further reduce our debts during this fiscal year in order to strengthen our balance sheet.

Forecast for Fiscal Year Ending March 31, 2008

(Millions of yen)	Year ended Mar.'07 Full year	Year ending Mar.'08			Change yoy
		1H	2H	Full year	
Net sales	331,022	162,500	172,500	335,000	+1.2%
Operating income	26,265	14,000	16,000	30,000	+14.2%
Machined components business	26,195	13,800	14,100	27,900	+6.5%
Electronic devices and components business	69	200	1,900	2,100	x30.435
Ordinary income	21,843	11,500	13,500	25,000	+14.5%
Income before income taxes	19,523	10,500	13,000	23,500	+20.4%
Net income	12,862	6,500	8,500	15,000	+16.6%
Net income per share(yen)	32.23	16.29	21.30	37.59	+16.6%

Foreign Exchange Rate

FY Mar.'07 result → FY Mar.'08 assumption

US\$ ¥116.91 → ¥117.00 Thai Baht ¥3.18 → ¥3.25

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With regard to forecasts for the fiscal year ending March 2008, net sales are expected to increase by 1.2% to 335 billion yen due mainly to sales increases in pivot assemblies, HDD spindle motors, information motors, electronic devices, rod-end bearings and ball bearings, although keyboards sales are expected to decrease as a result of business restructuring.

Operating income is expected to increase by 14.2% to 30 billion yen due mainly to a large improvement in keyboards as a result of the business restructuring and a profit improvement in information motors in addition to profit increases in pivot assemblies, ball bearings and rod-ends as a result of sales increases in these businesses.

Net income is expected to increase by 16.6% to 15 billion yen due mainly to an increase in operating income.

Policy and Strategy

**Takayuki Yamagishi
Representative Director,
President and Chief Executive Officer**

May 8, 2007



Highlights of FY3/07

◆ 3 Businesses in Focus

- Information motors >>> Reviewed business structure >> Turned profitable on a full year basis
- Keyboards >>> Structural reforms accomplished >> Turned profitable on a monthly basis in March
- HDD spindle motors >> Reduced costs >> Improved, but slight losses (Thai Baht appreciation)

◆ Expansion of Growth Businesses

- Net sales exceeded the previous record high set in FY 3/98
- Led by ball bearings, aircraft parts, measuring instruments and lighting devices

◆ Strengthening Research & Development

- New product Development >>> New market entrance >>>> Business expansion
- More resources on basic technological development

◆ Reduction of Net Interest-bearing Debts

- ¥18.4 billion reduced (-13%)

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First, I would like to offer a brief explanation of the highlights and results of the fiscal year ended March 31, 2007. Starting with the businesses in focus, the information motors business turned profitable on a full year basis as initially forecasted as a result of clarifying goals and re-examining the business structure. At the same time, major structural reforms were implemented for the keyboards business, and it achieved the initial goal that had been set by turning profitable on a monthly basis in March 2007 after the reforms were completed. Future efforts will be to ensure that the profitability of the business remains stable. At the beginning of the year, the plan was for the HDD spindle motors business to completely eliminate losses, but that goal was not achieved. Efforts to reduce cost that began at the beginning of the year were successful as planned, but the appreciation of the Thai baht prevented the business from returning to the black. As the reductions in cost were not enough to cover fluctuations in currency exchange rates, we have begun our efforts at reducing costs anew.

The next topic of discussion is the expansion of growth businesses. In addition to reducing the losses of underperforming businesses, we achieved expansion of our growth businesses, which allowed us to surpass the previous net sales record which was set nine years ago. Ball bearings, aircraft components, measuring components and lighting devices led the way among the growth businesses. The efforts that we have been making for the past two years toward strengthening our R&D capabilities have finally paid off. Further details will be provided later. Net interest bearing debts have been reduced by 18.4 billion yen, and such efforts are proceeding smoothly.

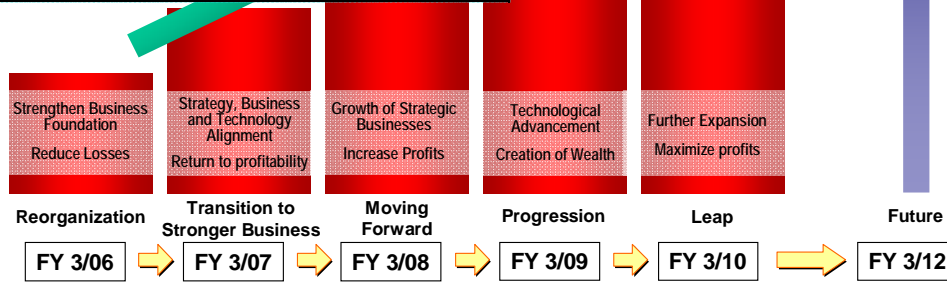
A Strategic Growth Company

Mid-term Business Plan

(Billions of yen)

	FY 3/08	FY 3/09	FY 3/10
Net Sales	335.0	350.0	370.0
Operating Income	30.0	34.0	38.0
Income Before Income Taxes	23.5	26.0	30.0

Aiming net sales of ¥500 billion



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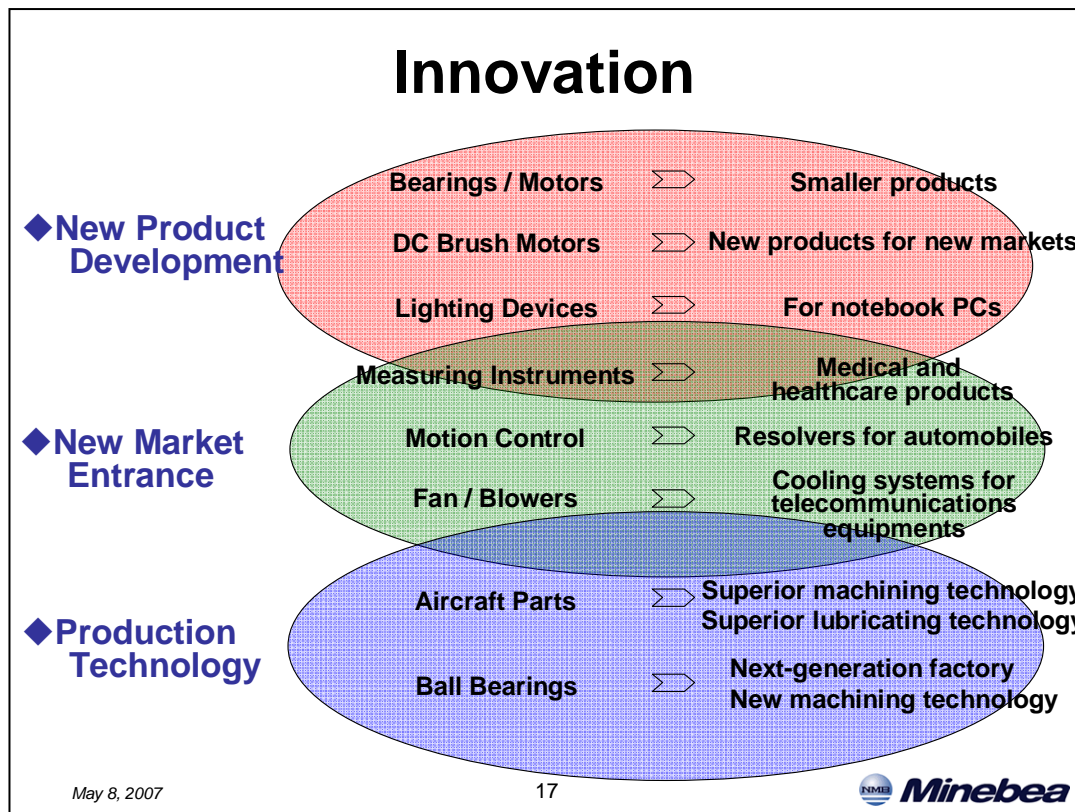
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Next, I would like to take a look at our efforts at ensuring a prosperous future for the company. The year I became president was designated as a year of reorganization, and the following year was a year of transition to stronger business, my first priority being to return the company to its original state. I feel that goal has been achieved for the most part.

The fiscal year ending March 31, 2008 will be designated as a year of moving forward, and we will engage in efforts to grow strategic businesses and to increase profits. It is essential to position the company for growth, and to do so will require that we establish specific indicators for both the medium term and the long term. For that reason, a three-year plan, which includes this year, has been established as the medium term business plan. As shown here, the three-year medium term business plan includes targets of 350 billion yen in net sales by the fiscal year ending March 31, 2009 and 370 billion yen by the fiscal year ending March 31, 2010. Efforts will also be made to put the operating margin into double digits at 10% or more.

Under this three-year medium term business plan, the first year will be designated as a year of moving forward, the second for progression and the third for a further leap forward. My hope is that it will provide a springboard for future growth and profits. Furthermore, as a long-term goal for growth of the company to continue well into the future, we are aiming for sales of 500 billion yen as of the fiscal year ending March 31, 2012. As we progress in our efforts aimed at future growth, I would also like to talk about development work involving specific products to explain what type of growth strategy the current situation of the company calls for.



First I considered the company's innovations and what they mean as a benchmark supporting future growth. As I have said many times before, the image the company is striving to attain is that of a company that Win the Competition with Manufacturing excellence and Technological Competency. To put it another way, we want to be a manufacturing company that possesses technological strength. As shown here, our innovations in the midst of this pursuit are new product development, entrance into new markets and production technology. Of course, these are not independent of one another but must be pursued with a constant awareness of the interrelation between them. Here I have listed specific examples of the three separate categories of innovation that we are currently undertaking. It shows what kind of strategy we are pursuing in activities involving each of the products. Next, I would like to look at each of the products in a little more detail.

Ball Bearings

◆ Market growth

- ◆ Above-average market growth of miniature ball bearings
- ◆ New product for new market

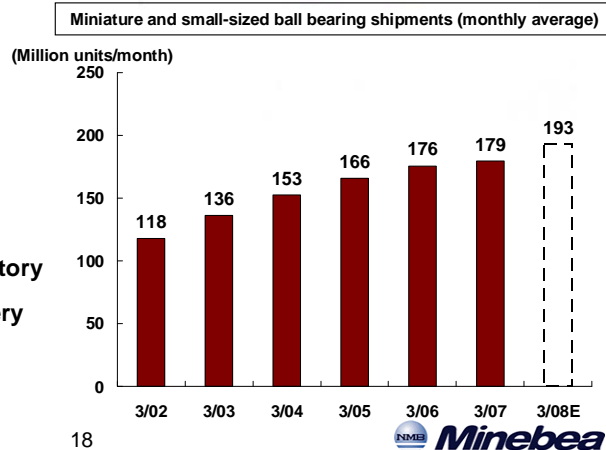


◆ Capacity and cost competitiveness

- ◆ Increase Production Capacity to 200 million units / mo

◆ Innovation in production system

- ◆ Construction of next-generation factory
- ◆ Development of production machinery for miniature ball bearings



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I believe that for ball bearings, the keys will be market growth, production capacity/cost competitiveness and production technology. At present, the market growth of miniature ball bearings exceeds that of all others. I believe this is vindication of the decision to focus our efforts on improving the performance of miniature ball bearings these past two years. The high rate of growth shown by miniature ball bearings is expected to continue for some time into the future, but at some point it will inevitably slow down.

In preparation for the future, it is necessary to enter new markets where further demand for these bearings can be stimulated. Part of those efforts is to make even smaller bearings. The one in the photograph has an outer diameter of 2.2 millimeters. Our plans are to develop products such as this and thereby penetrate new markets. I believe that production capacity and cost competitiveness are of utmost importance to maintain our edge in the market.

This year we will increase our production capacity to 200 million units per month by which, in combination with ensuring production of high quality products, we will keep hold of our superior position in the market. I am convinced that innovations in production technology are the most important activity for equipping the company to meet the needs of the next generation. At the same time that we increase our production capacity, we are planning the construction of a new plant that will be a model for future ball bearing production. In response to market demand for smaller and higher precision ball bearings, we are working on developing special machinery for miniature ball bearings.

Aircraft Parts

◆ Market growth

- ◆ Mid-size to small aircrafts : passenger demands growth and emerging market growth
- ◆ Large to mid-size aircrafts : freight demands grow faster than passengers

◆ Minebea's aircraft parts business

- ◆ Strengthen engineering capability for aircraft engine-related parts
- ◆ Production technology
Increasing number of products by utilizing sophisticated machining technology
- ◆ Production capacity
Increase by expanding Thai production capacity



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Moving on to aircraft components, air transport services are expected to see annual growth of around 5% in demand from air passengers and around 6% in demand for air cargo. As for aircrafts themselves, growth is forecast in the market for small and medium-sized aircrafts, thanks largely to demand for air travel in developing countries, while demand from air passengers and for air cargo is expected to drive growth in the market for large and medium-sized aircrafts.

In the midst of these circumstances, the aircraft components market is booming, and there is an excellent opportunity for the company to grow, so we are focusing on developing this business as one of the company's core businesses. The Minebea aircraft components business is being fortified, with efforts concentrated in the United States and centered around development of engine peripheral parts in addition to the development that has taken place heretofore on rod ends and spherical bearings.

Another new area of business that we intend to grow is our work on development in the field of large mechanical parts based on more advanced processing technology. The photograph here is a mechanical parts assembly used in Boeing 777s and 787s and is an example of a new expansion in the scope of our products. In order to proceed with development in Japan and the United States which requires more advanced processing technology, we are expanding the production capacity of the Thai plant and shifting the production of our existing products.

Motors

◆ Reorganization of business

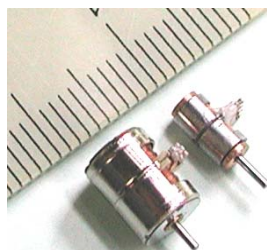
- ◆ Completed the first stage, moving to the next
- ◆ Information motors moved to expansion

◆ Fan motors

- ◆ Core of business expansion
- ◆ Completed major layout change at factory in Shanghai, ready to expand

◆ New product development

- ◆ Strengthening motor product development capability
- ◆ New products for the next fiscal year



Developed a 3mm diameter PM stepping motor (for auto focusing of mobile phone cameras)



High torque DC brush motors

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As for the motor business, as I mentioned earlier, the first stage of business restructuring has been completed for information motors. From this point forward we will be looking to expand and grow the business. Fan motors are the pillar for expansion. Improvements have been made in the layout at the plant in Shanghai, and the plan is to finally begin the increased production this year.

An emphasis is also being placed on technological development, and we will strengthen the development of basic motor technology and work on new product development to expand the business. The photograph here shows two products which are examples of the new products we are developing.

One is a PM stepping motor with a diameter of 3 mm, which we announced last month. It will be used in the auto focus mechanism of mobile handsets that come with cameras. Beside the 3 mm motor in the photograph is another that is 6 mm in size which was announced at the same time and has significantly higher functional capabilities than the one that is currently being sold.

The other is the high torque DC brush motor that was the subject of a press release earlier today. The torque has been doubled compared to existing motors of the same size, and the size can be reduced by half while maintaining the same torque as the existing motors, thus demonstrating our success in producing high torque motors. We will continue to strengthen our motor lineup and place new products on the market.

Lighting Devices

◆ Small LED backlight (1-3 inches)

- ◆ Ultra-thin LED backlights for mobile LCD device ⇒ Contributions in the 2H
- ◆ Low cost LED backlights ⇒ For this FY

◆ Mid-size LED backlights (6-9 inches)

◆ For car navigation system

Introduced in the market

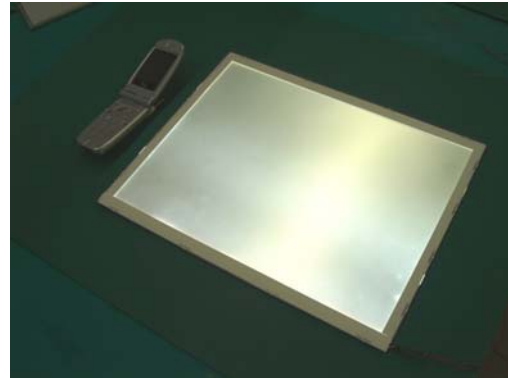
⇒ Contributions for this FY

◆ New product for notebook PCs

Developed and shipped samples

⇒ New business opportunity

A 15-inch LED backlight
for notebook PC



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In the area of lighting devices, our car navigation business gets it start this year. We expect that it will contribute to the company's overall sales this fiscal year. The sizes of the devices for car navigation systems are expected to range from six to nine inches. We have already been successful in developing a new medium-sized LED back light for laptop computers. It is currently being introduced to customers in the form of samples. The one in the photograph is a LED back light for a 15-inch laptop computers. There was also a press release issued for this product today. This LED back light for laptop computers is planned for commercialization in or after the fiscal year ending March 31, 2009.

As for the small LED back lights that we have been developing from before, actual commercialization of the new super-thin LED back light that was previously announced begins in the latter half of this year. We have also completed development on a low cost LED back light that uses only one LED in order to respond to market demand for low cost products, and we will be placing it on the market soon.

New Market Entrance

◆ New applications for existing products

◆ Started new initiatives in various areas

Medical and healthcare market

(example) ↓
◆ Measuring instruments
◆ Stepping motors

Medical Fluid pump



2 sensors inside

Steering wheel torque sensor



◆ Resolver

Automotive parts market

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One of the necessary innovations mentioned was entry into new markets. An important means of doing this is, in addition to developing new products, further expanding the business by introducing existing products to new markets and expanding into new applications. We will be actively entering new markets this year.

Specific business development has begun for several products, and I would like to briefly introduce two of them. One example is the measuring instruments business. In addition to existing applications in plants and industrial machinery, we have branched out into the automotive industry. In the future we are looking at expanding the business into the health appliance and medical instrument markets. The photograph is of a device that automatically injects medicine into a patient's body. It uses two sensors and a stepper motor. As society continues to age, I think this market will provide many opportunities for growth.

The second example is a resolver that has heretofore been produced as an aircraft component and is being introduced to the automotive parts market. The resolver itself is a highly reliable angle sensor. Thanks to the computerization of automobiles, it will be adopted for use as an automotive part. The photograph shows two resolvers being used as a steering torque sensor in a motor assisted steering system. Good demand is also expected for the product used as an angle sensor for steering.

As I stated at the beginning, the areas of innovation that will be necessary in order to achieve continuous growth are new product development, entrance into new markets and production technology. I have given several examples of the activities we are pursuing from that perspective. I want this year to be one of moving forward toward the future with these efforts from this new perspective.

Financial Strategy : Dividend Increase and Reduction of Interest Bearing Debts

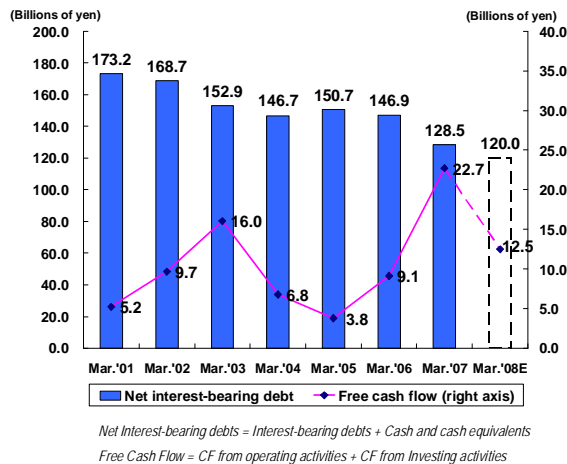
◆ Dividend

- FY3/07 Year-end ¥10/share (an increase of ¥3/share)
- FY3/08 Forecast is also Year-end ¥10/share
- Dividend Policy: Dividends based on earnings level, while considering the overall business environment, trying to efficiently utilize shareholders' equity and making a better cash return to investors

◆ Net Interest Bearing Debts

- FY3/08 Target = Reduction of ¥8.5 billion

Mid-term target = ¥100 billion of net interest-bearing debts



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I would like to close with an explanation of our financial strategy. Starting with dividends, the company has provided stable annual dividends of seven yen per share over the years to our shareholders who have supported us even when profits were down. However, some have voiced the opinion that shareholders should be rewarded when the company's profitability improves.

In answer to this, during the fiscal year ended March 31, 2007, we broke the previous record for sales and were able to substantially increase both operating income and current income. The past two years has seen the profitability of Minebea strengthened considerably. For this reason, I will propose at the general shareholders meeting in June that the annual dividends for the fiscal year ended March 31, 2007 be increased to 10 yen per share. This year we expect to further improve profits, so the annual dividends are forecasted at 10 yen per share. We have decided to take a new basic policy of profit returns based on a standard that better reflects business performance, while considering the overall business environments and placing primary importance on improved efficiency for shareholder's equity and better cash returns to our shareholders.

The improvement in profitability that we have achieved up to this point has produced a stronger corporate structure, and priority has been placed on using the increased cash flow to engage in efforts to reduce interest bearing debts. The goal we had set for the fiscal year ended March 31, 2007 were surpassed, and we will continue to steadily reduce our net interest bearing debts to achieve our medium-term target of reducing them to 100 billion yen. Further profit increases are expected this year, and we are looking to reduce net interest bearing debts to 120 billion yen by the end of the year, even as we increase both earnings and capital investments to expand our production capacity and dividends to improve shareholder return.

Business Results

Fiscal Year ended March 31, 2007

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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