



# **Business Results**

**First Quarter of Fiscal Year Ending March 31, 2008**

**July 31, 2007**

**Minebea Co., Ltd.**

# Summary of Consolidated Business Results for 1Q

Operating income increased,  
despite higher Thai Baht and weakness in some product markets

(Millions of yen)	Fiscal Year ended Mar. '07		FY ending Mar. '08	Change	
	1Q	4Q	1Q	y o y	q o q
Net sales	80,201	83,692	81,766	+2.0%	-2.3%
Operating income	5,858	6,289	7,115	+21.5%	+13.1%
Ordinary income	4,713	5,401	6,252	+32.7%	+15.8%
Income before income taxes	5,205	3,334	5,476	+5.2%	+64.2%
Net income	3,288	1,185	3,133	-4.7%	X 2.64
Net income per share (yen)	8.2	3.0	7.9	-4.7%	X 2.64

**FX Fluctuations**      1Q of FY Mar. '07 → 1Q of FY Mar. '08  
 US\$ = ¥114.71 → ¥119.85      Euro = ¥143.49 → ¥161.22  
 Thai Baht = ¥3.00 → ¥3.70 (¥3.44\*)      RMB = ¥14.31 → ¥15.55  
 (\*) is on-shore rate reported by the Bank of Thailand

# Quarterly

# Net Sales

(Billions of yen)

100.0

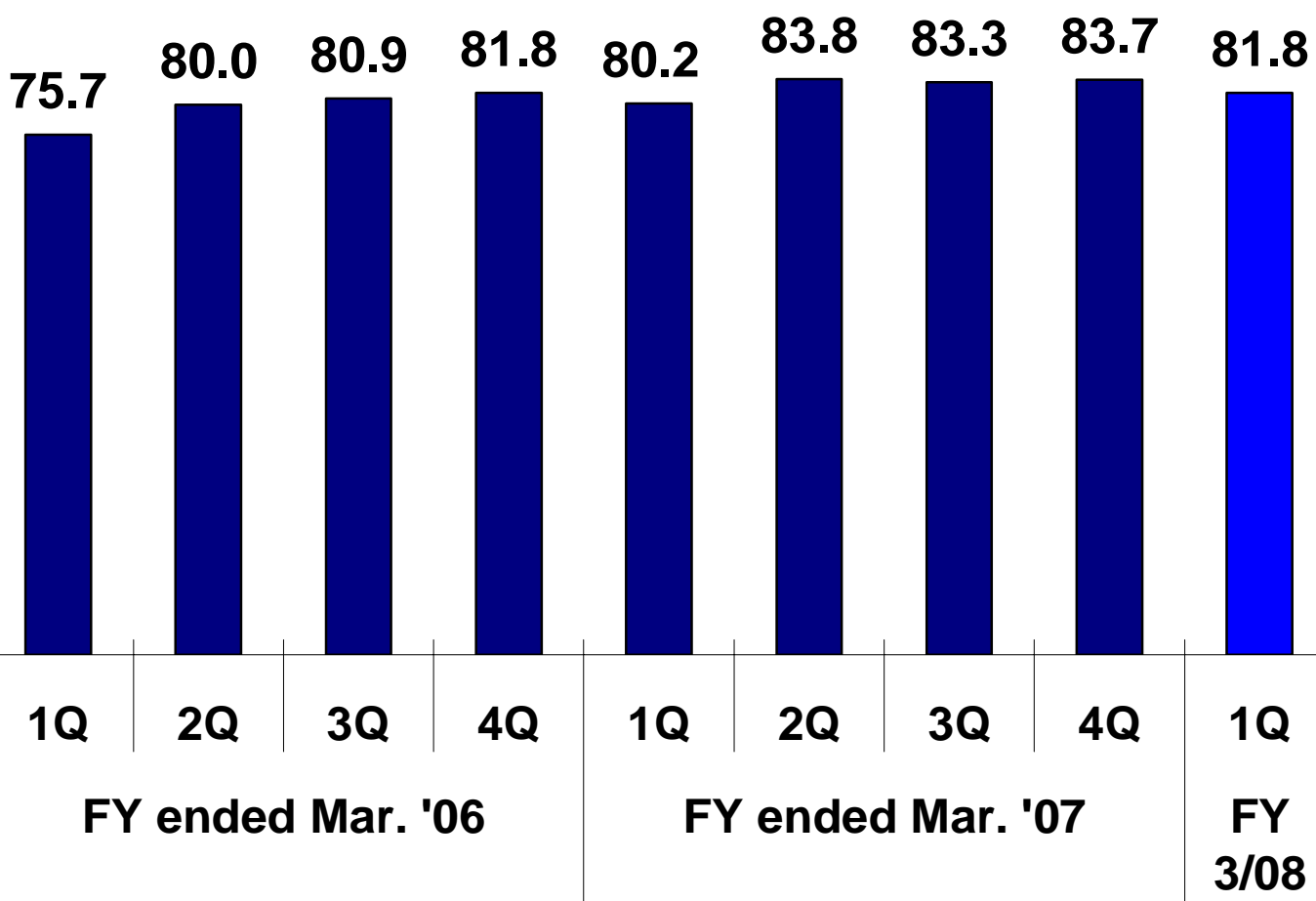
80.0

60.0

40.0

20.0

0.0

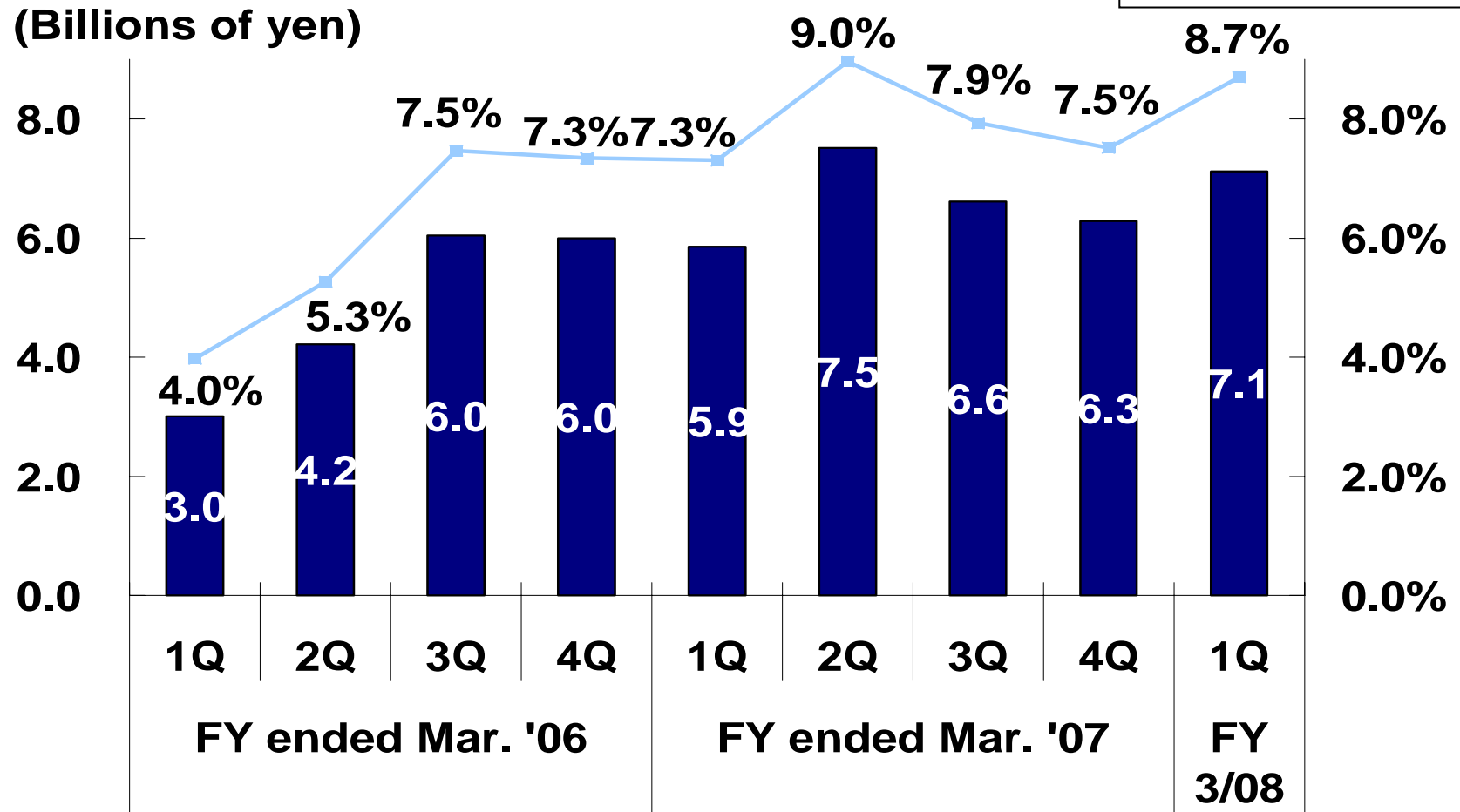


Increased 2.0% yoy  
Decreased 2.3% qoq

Quarterly

# Operating Income

Increased 21.5% yoy  
Increased 13.1% qoq

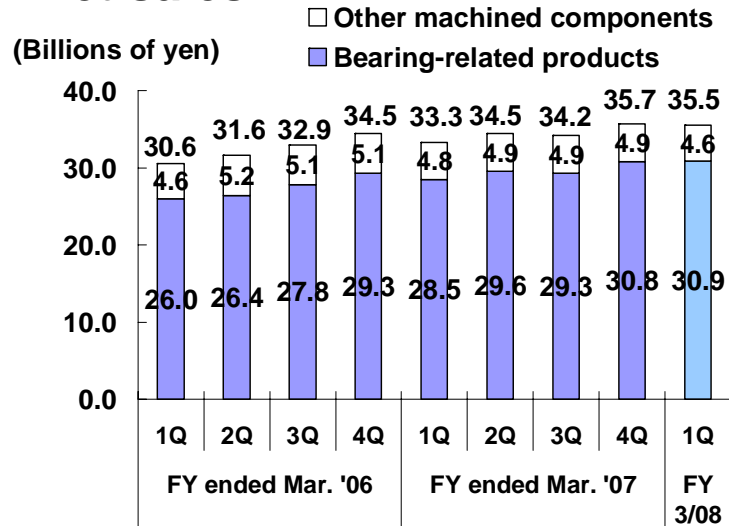


■ Operating income — Operating margin

# Business Segments

## Machined Components Business

### Net sales



### Miniature & Small Sized Ball Bearings

Net Sales increased 6.4% yoy  
increased 1.3% qoq

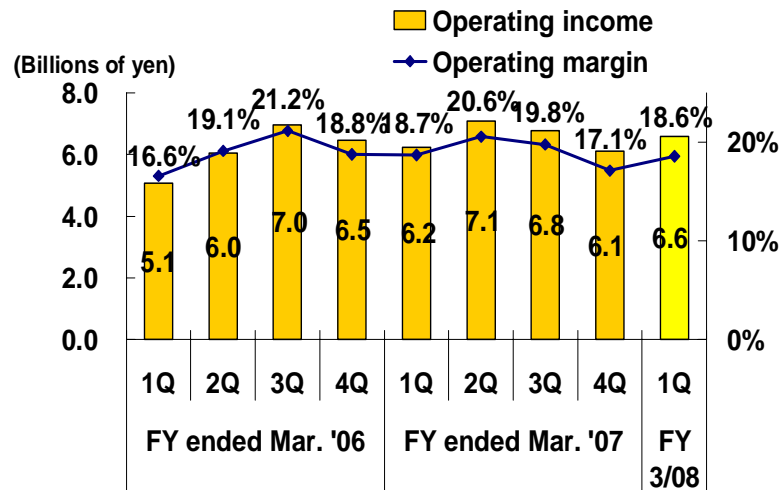
Sales were ahead of our plan due to continued steady demand

### Rod-end & Spherical Bearings

Net Sales increased 9.2% yoy  
increased 0.0% qoq

Strong demand continues in the aircraft parts market

### Operating income



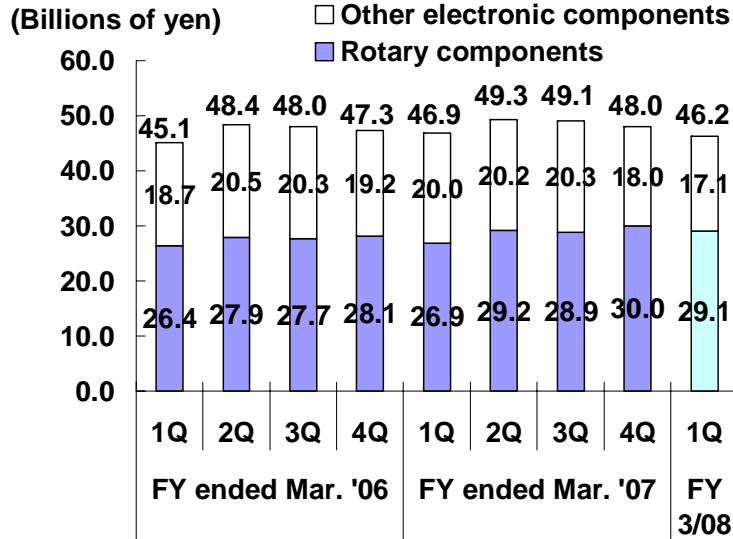
### Pivot Assemblies

Net Sales increased 14.2% yoy  
decreased 2.2% qoq

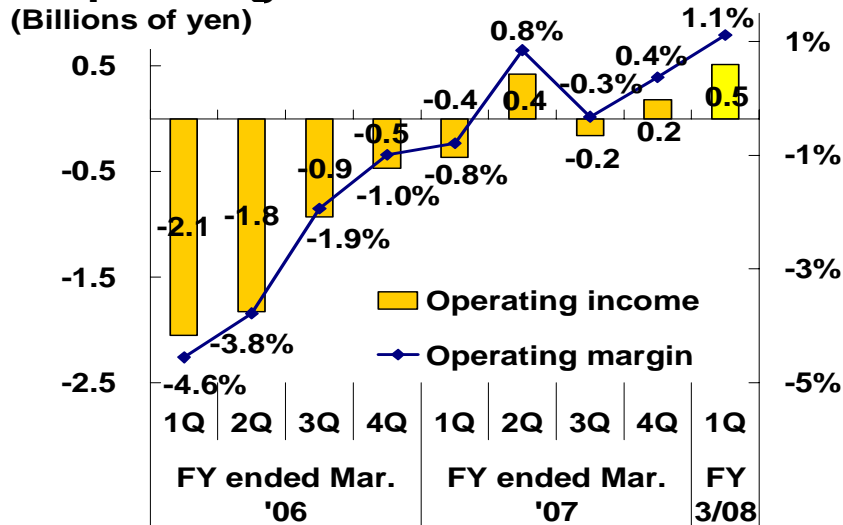
Sales volume decreased qoq due to inventory adjustments by HDD makers, but expect growth in 2Q and beyond

# Business Segments **Electronic Devices and Components Business**

## Net sales



## Operating income



## Information Motors

Net Sales increased 9.6% yoy  
decreased 0.2% qoq

Overall profitability improved due to continued cost reductions

## HDD Spindle Motors

Net Sales increased 2.3% yoy  
decreased 9.8% qoq

Hurt by inventory adjustments of HDD makers, but 2.5 inch motors volume is increasing

## Electronic Devices

Net Sales decreased 2.7% yoy  
increased 1.3% qoq

Harsh price competition in LED backlights

## Keyboards

Net Sales decreased 30.8% yoy  
decreased 16.0% qoq

Completion of business restructuring contributed significant profitability improvement

## Speakers

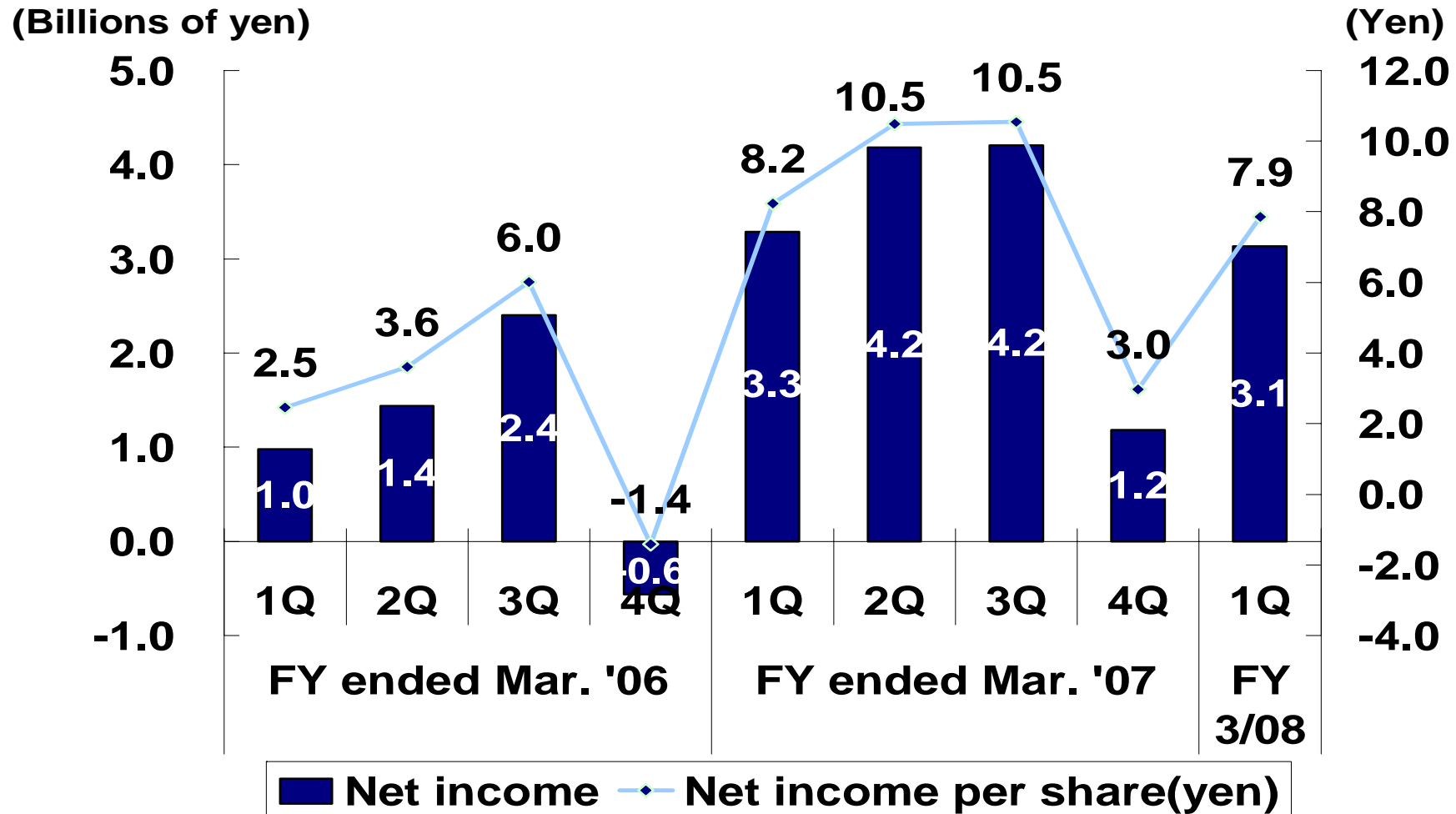
Net Sales decreased 17.5% yoy  
decreased 6.5% qoq

Hurt by competition with Asian makers

# Quarterly

# Net Income

Decreased 4.7% yoy  
Increased X 2.64 qoq

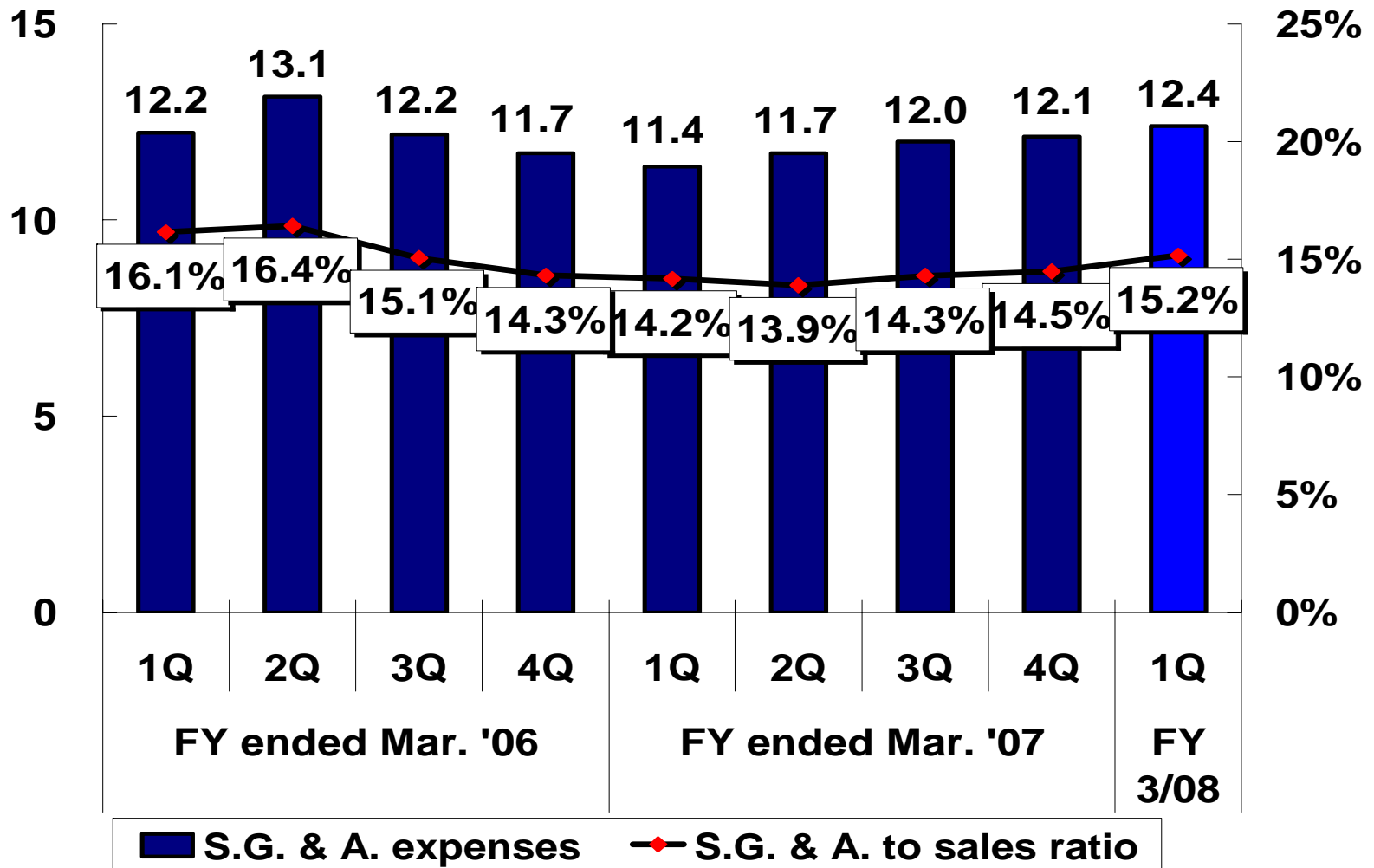


Quarterly

# S.G. & A. Expenses

(Billions of yen)

SG&A increased mainly due to Yen's depreciation



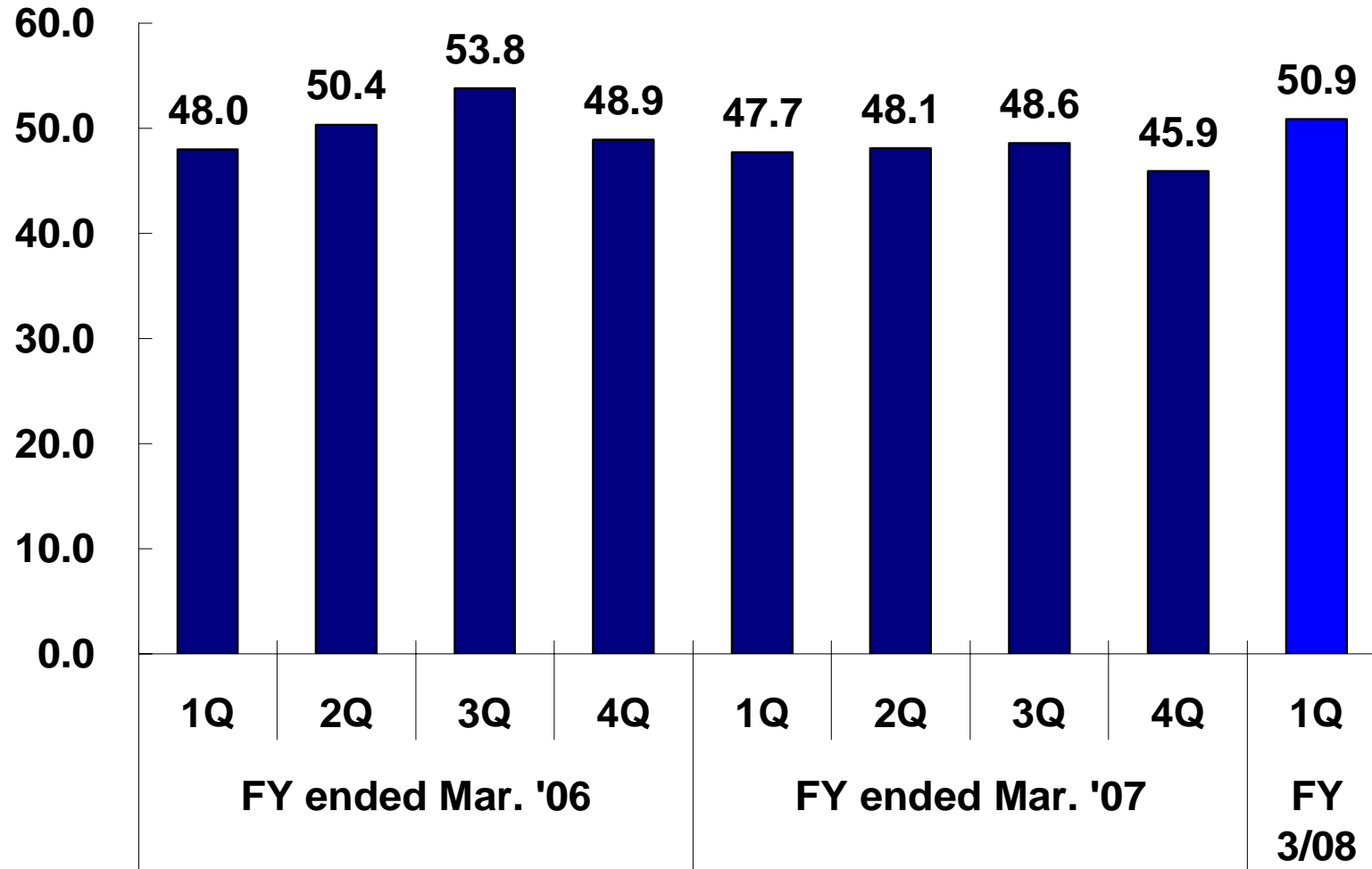


# Quarterly

# Inventories

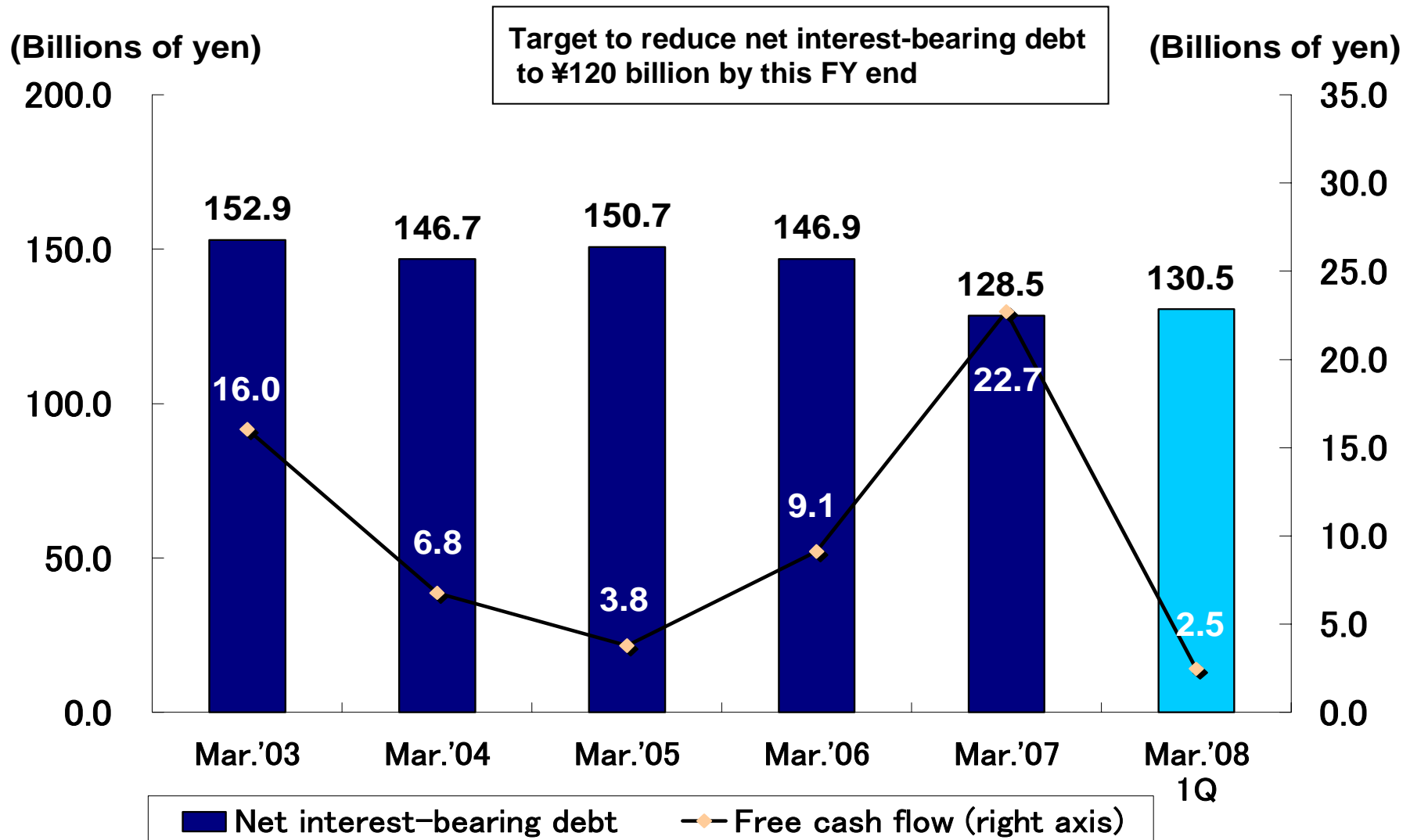
In addition to ¥2.2 billion increase due to currency fluctuations, inventories were built up to prepare for demand increases during 2Q and beyond

(Billions of yen)



Yearly

# Net Interest-Bearing Debt



Net Interest-bearing debt = Interest-bearing debt – Cash and cash equivalents  
Free Cash Flow = CF from operating activities + CF from investing activities

# Forecast for Fiscal Year Ending March 31, 2008

## Initial forecast unchanged

(Millions of yen)	FY ended Mar.'07	Fiscal Year ending Mar.'08				
	Full year	1Q	1st Half forecast	1Q / 1st Half forecast	Full year forecast	Change y o y
Net sales	331,022	81,766	162,500	50%	335,000	+1.2%
Operating income	26,265	7,115	14,000	51%	30,000	+14.2%
Ordinary income	21,843	6,252	11,500	54%	25,000	+14.5%
Income before income taxes	19,523	5,476	10,500	52%	23,500	+20.4%
Net income	12,862	3,133	6,500	48%	15,000	+16.6%
Net income per share (Yen)	32.2	7.9	16.3	48%	37.6	+16.6%

### Foreign Exchange Rates

FY Mar. '07 results → FY Mar. '08 assumptions

US\$ = ¥116.91 → ¥117.00      Thai Baht = ¥3.18 → ¥3.25  
Euro = ¥149.75 → ¥150.00      RMB = ¥14.77 → ¥15.00

# Foreign exchange rate impacts on Minebea

## Costs increased due to rapid rises of Asian currencies

### Weaker Yen, Stronger Thai Baht

- Yen declined, Baht appreciated especially after 3Q of last FY

### Stronger US\$ and Euro : Positive Stronger Asian currencies : Negative

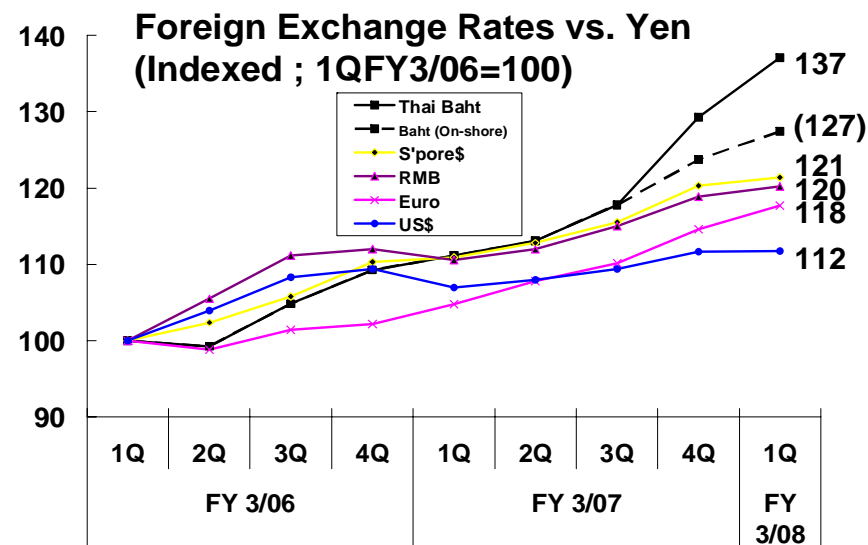
- Denomination currencies (FY3/07)  
Sales: US\$=about 55%, Yen=about 30%, Euro=about 10%
- Costs: US\$=about 40%, Thai Baht=about 30%  
Yen=about 15%, RMB=about 10%

### Countermeasures

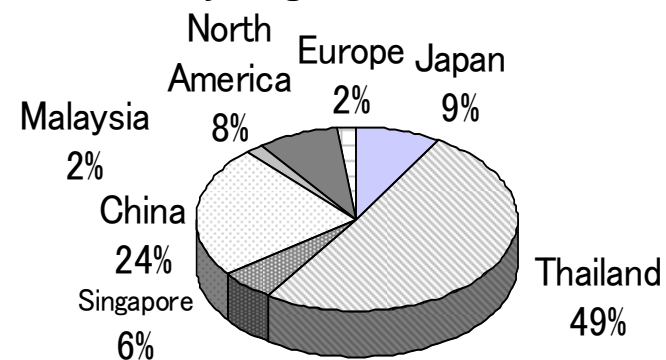
- Cost reduction plans have been accelerated
- In-house production ratio has been increased

### Beginning to realize these effects

- 1Q operating income increased despite qoq ¥0.5 billion negative impacts from currencies



### Production by Region FY Ended Mar. '07



# 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.

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