



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

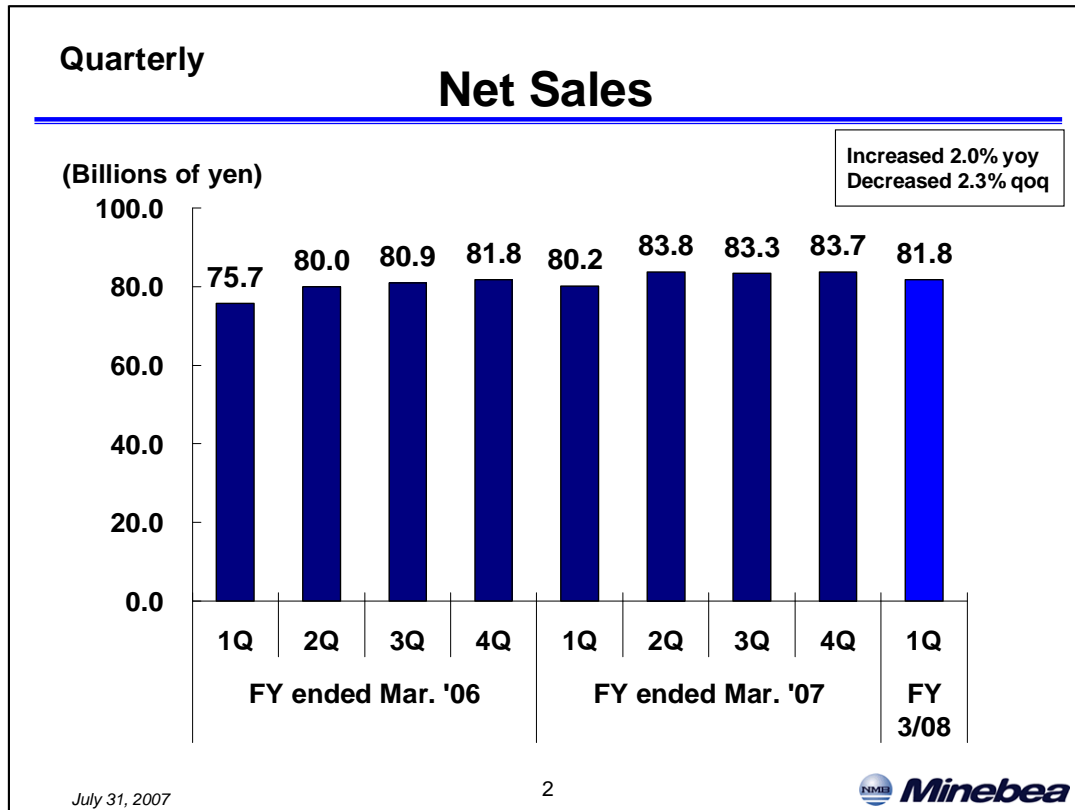
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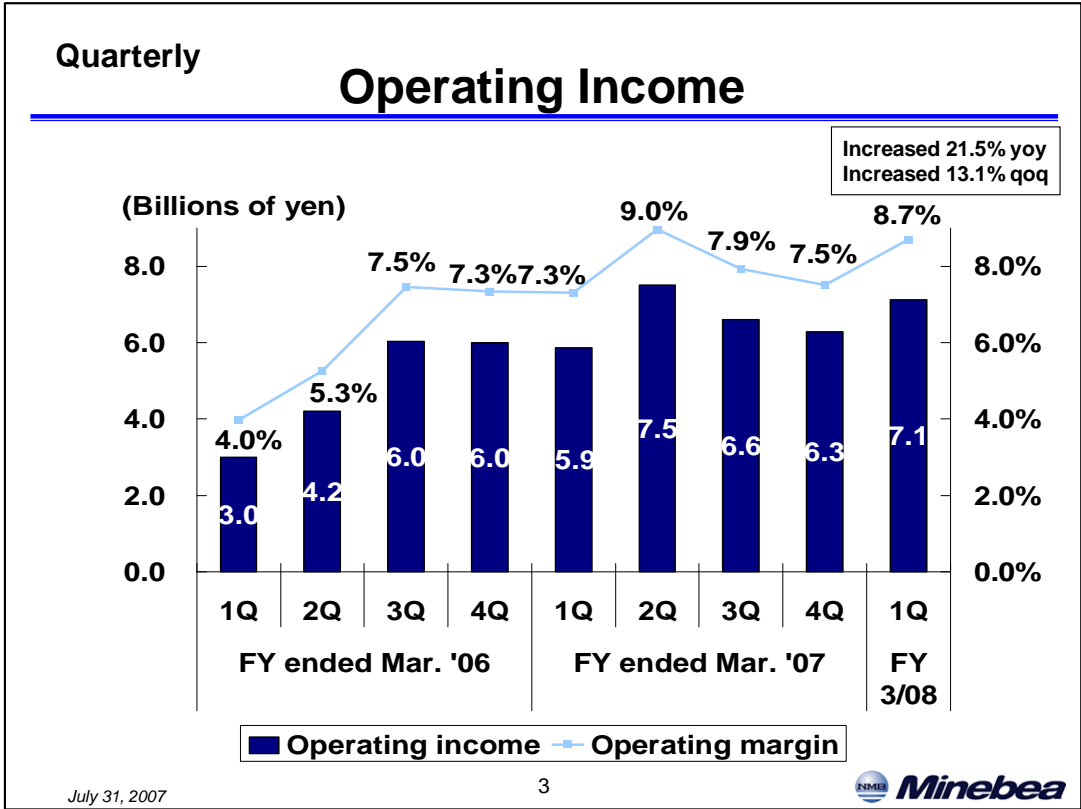


In the first quarter, compared to the same period of the last fiscal year, net sales increased by 2.0% to 81,766 million yen. Operating income increased significantly by 21.5% to 7,115 million yen. Net income decreased slightly to 3,133 million yen.

Rapid appreciation of the Thai Baht continued this quarter. Also, there were inventory adjustments in the PC market and the Hard Disk Drive market which had negative impacts on our pivot assemblies, HDD spindle motors and fan motors. Despite these negative factors, operating income increased nicely from fourth quarter of the last fiscal year because ball bearings and aircraft parts sales increased among strong demand and as benefits of company-wide cost reduction measures began to be realized.



The first quarter net sales were 2.3% lower from the fourth quarter of the last fiscal year. This is due to sales declines in HDD spindle motors, pivot assemblies and fan motors caused by inventory adjustments in PC and HDD markets in addition to the completion of the business restructuring in keyboards. The foreign exchange fluctuations increased net sales by 4.7 billion yen from the same period of last year, and by 0.8 billion yen from the previous quarter.

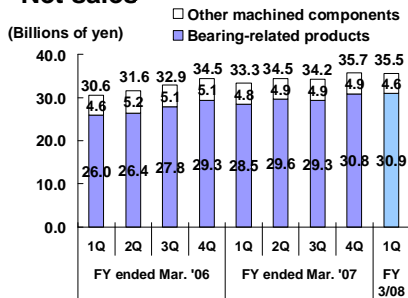


In the first quarter, operating income was 7,115 million yen, up 826 million yen, an increase of 13.1% from the previous quarter. Since its recent peak of 7.5 billion yen in the second quarter of the last fiscal year, operating income declined for the next two consecutive quarters. However, this time we were successful in reversing the trend. During the quarter, as in the third and fourth quarter of the last fiscal year, we had a negative currency impact on operating income, especially from the Thai Baht. This impact is estimated at approximately 0.5 billion yen compared to the previous quarter. But actual improvements in businesses overcame this negative impact.

Business Segments

Machined Components Business

Net sales



Miniature & Small Sized Ball Bearings

Net Sales increased 6.4% yoy
increased 1.3% qoq

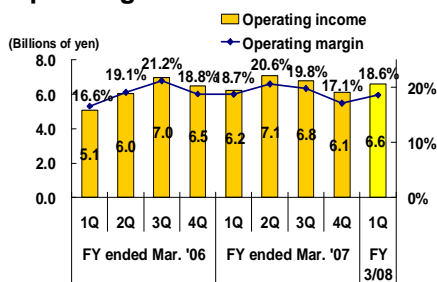
Sales were ahead of our plan due to continued steady demand

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

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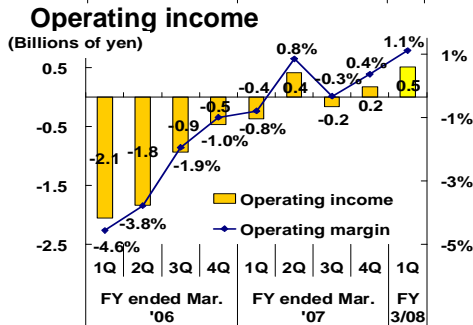
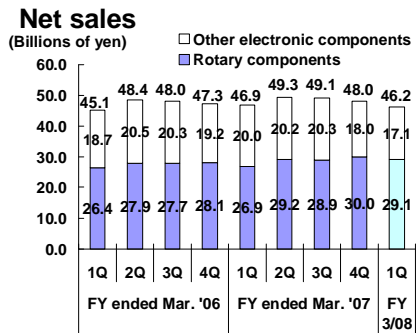
In the machined components business segment, the first quarter sales of miniature and small sized ball bearings increased by 6.4% from the same period of last year, and by 1.3% from the previous quarter. Total shipments, including internal shipments of ball bearings to other divisions of the company, increased by 5 million units per month from the previous quarter to an average of 186 million units per month. Global demand for miniature ball bearings has been increasing due to a steady growth of global economies, even though there were lower than expected internal shipments, especially to pivot assemblies production. In addition, cost reduction measures to counter the higher Thai Baht started to bear fruit. Due to these factors, profits increased in this business from the previous quarter. In the near future, strong sales volume is expected to continue.

The first quarter sales of rod-end and spherical bearings increased by 9.2% from the same period of last year, and were flat from the previous quarter, because of strong demand from growing global aircraft production. Profits also increased in this business. We will increase our production capacity to meet this demand in a timely manner. At the same time, we will actively promote our products for newly designed aircraft models.

The first quarter sales of pivot assemblies for Hard Disk Drives increased by 14.2% from the same period of the last year, but decreased by 2.2% from the previous quarter. During the quarter, sales volume of pivot assemblies was 22 million units per month, lower than our expectation, because there were some inventory adjustments by HDD manufacturers. Due to this factor, in addition to the higher Thai Baht, profitability of this business deteriorated. For the second quarter and beyond, we expect a significant increase in shipments because the inventory adjustments are over and we will enter into a seasonally strong period.

For the machined components business segment in total, the first quarter net sales were 35.5 billion yen, down 0.2 billion yen from the previous quarter. Operating income was 6.6 billion yen, up 0.5 billion yen from the previous quarter. Operating margin was 18.6%, up 1.5 points from the previous quarter.

Business Segments **Electronic Devices and Components Business**



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

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In the electronic devices and components business segment, the first quarter net sales of information motors increased by 9.6% from the same period last year, but decreased by 0.2% from the previous quarter. Profitability of this business improved due to continued business restructuring efforts in stepping motors, vibration motors and DC brush motors, even though profits from fan motors stayed at the same level because of inventory adjustments by PC makers and other factors. We are aiming to increase profits from this business further, since fan motors are expected to grow and benefits from business restructuring will be realized gradually in the near future.

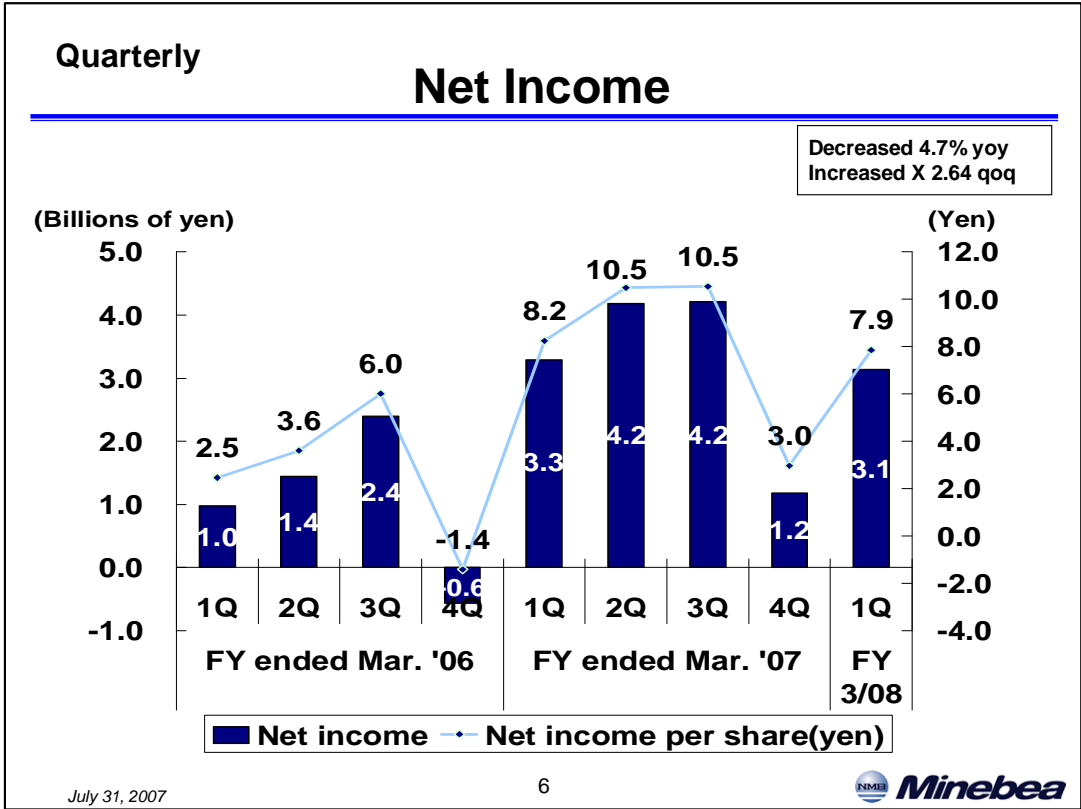
Net sales of HDD spindle motors decreased by 9.8% from the previous quarter. Sales volume declined by 0.6 million units per month to 4.4 million units per month due to inventory adjustments by HDD manufacturers. Profitability was also affected by appreciation of the Baht in Thailand, where we have a factory, and this business turned unprofitable for the quarter. During the second quarter and beyond, we expect an increase in sales volume of 2.5 inch HDD spindle motors which carry higher unit prices. We will continue our efforts to achieve our target of producing positive operating income from this business for the fiscal year.

Net sales of electronic devices decreased by 2.7% from the same period last year, but increased by 1.3% from the previous quarter. Although price competition in LED backlights continued to be harsh, we aim to increase profits by the introduction of new products, sales volume increases and cost reductions.

Net sales of keyboards decreased by 16.0% from the previous quarter, due to the completion of the business restructuring during the previous quarter and the resulting new focus only on value-added models. However, this business turned profitable for the quarter due to higher average sale price per unit and significantly lower fixed costs.

Net sales of speakers decreased by 6.5% from the previous quarter. It has been quite difficult, with negative profitability in this business because sales did not recover from a significant decline in the after-Christmas period. Appreciation of the Thai Baht was also a contributing factor which made this business unprofitable.

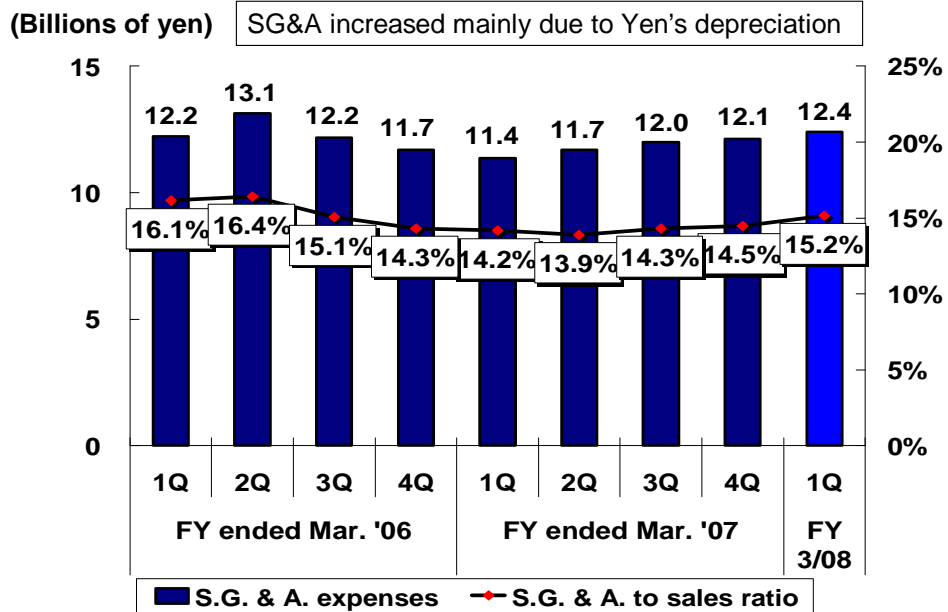
In the electronic devices and components business segment, the first quarter net sales were 46.2 billion yen, down 1.8 billion yen from the previous quarter. However, operating income was 0.515 billion yen, up 0.3 billion yen from the previous quarter, improving much faster than our original plan.



Net income for the first quarter was 3,133 million yen, or 7.9 yen per share. It decreased by 4.7% from the same period last year, but went up significantly, 2.64 times, compared to the previous quarter.

Quarterly

S.G. & A. Expenses



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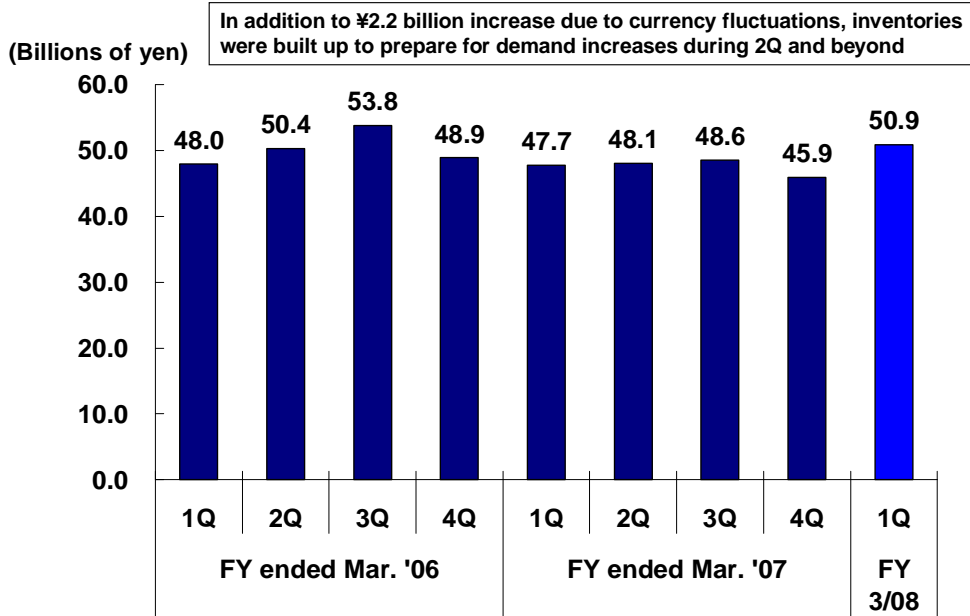
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The first quarter SG&A expenses increased slightly by 0.3 billion yen to 12.4 billion yen. While we continued our effort to keep expenses low, the primary reason for the increase was the yen's depreciation.

Quarterly

Inventories

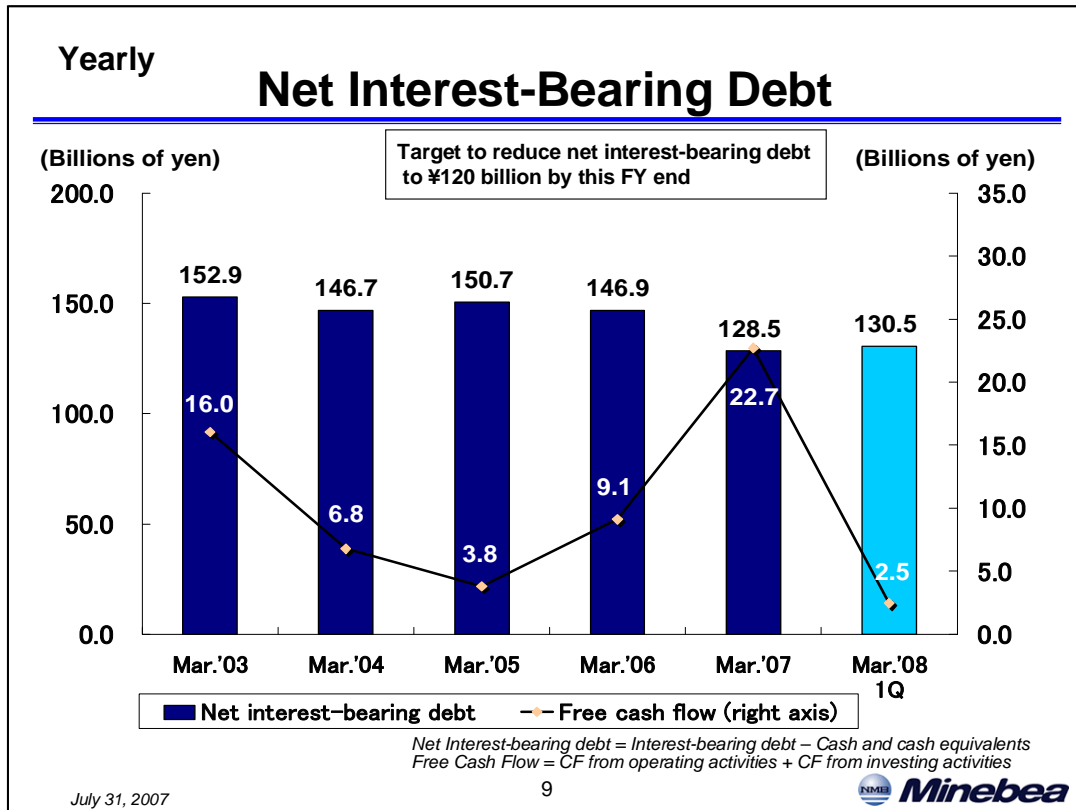


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 Minebea

Inventories were increased significantly by 5.0 billion yen compared to the previous quarter, due to an increase of 2.2 billion yen from the yen's depreciation, and an inventory build-up to prepare for the expected demand increases during the second quarter and beyond.



Net interest-bearing debt, which is interest-bearing debt minus cash and cash equivalents, was 130.5 billion yen in the first quarter, an increase of 2.0 billion yen from the previous quarter. The main reasons were the dividend payments, the yen's depreciation and a fact that free cash flow was relatively low for the quarter due to an inventory build-up and bonus payments.

We will continue our efforts to achieve our important target to reduce the net interest-bearing debt to 120 billion yen by this fiscal year end.

Forecast for Fiscal Year Ending March 31, 2008

Initial forecast unchanged

(Millions of yen)	FY ended Mar.'07 Full year	Fiscal Year ending Mar.'08				Change y o y
		1Q	1st Half forecast	1Q / 1st Half forecast	Full year forecast	
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

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As a result of the above, we decided not to change our initial forecast.

Despite the rapid appreciation of the Thai Baht and a profitability deterioration of some of the businesses, we think overall business results are going smoothly due to steady growth from our growth businesses, and benefits from our company-wide cost reduction measures to counter the Thai Baht appreciation. We will continue our efforts to achieve this fiscal year's forecast announced in May.

Major risk factors for it are foreign exchange fluctuations of Asian currencies, especially the Thai Baht, and general conditions of the global economy.

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

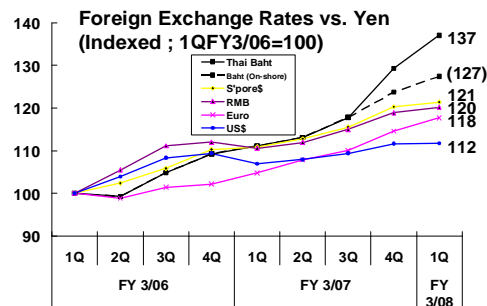
- Denomination currencies (FY3/07)
Sales: US\$=about 55%, Yen=about 30%, Euro=about 10%
- Costs: US\$=about 40%, Thai Baht=about 30%
Yen=about 15%, RMB=about 10%

Countermeasures

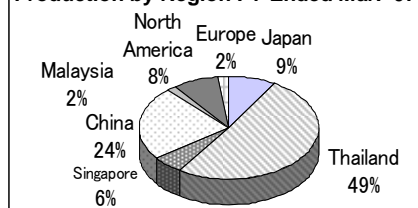
- Cost reduction plans have been accelerated
- In-house production ratio has been increased

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



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Before finishing, I would like to explain the foreign exchange rate impacts on Minebea, because recent rapid appreciation of the Thai Baht has affected our business operations.

First of all, please take a look at recent currency movements in the upper right hand chart. During the last two years, the Japanese Yen has depreciated gradually, but accelerated its decline since the third quarter of the last fiscal year, especially against the Thai Baht. It should be noted, however, that since the introduction of restrictions on short-term capital inflows into Thailand in December last year, the gap has been widened between on-shore exchange rates which we use for business transactions and accountings in Thailand, and off-shore exchange rates which we use for consolidating Minebea group results in Tokyo.

Regarding these currency impacts on Minebea's financial results, appreciation of the US\$ and the Euro against the Japanese Yen have positive impacts on our profits because these currencies are used more in our sales rather than in our costs. On the other hand, appreciation of the Asian currencies such as the Thai Baht, the Chinese Renminbi and the Singapore \$ against the Japanese Yen have negative impacts on our profits because these currencies are used more in our costs rather than in our sales.

In order to counter these negative impacts and to continue our steady profit growth, we are focusing on company-wide cost reduction efforts and an acceleration of cost reduction plans. In addition, there are efforts to increase the in-house production ratio to expand the coverage of these cost reduction measures. However, currently, we do not plan to hedge currencies except for the amount of debts and receivables.

Because we are beginning to realize the benefits of these measures, the first quarter operating income increased by 0.8 billion yen, even though we had an estimated negative impact of 0.5 billion yen from currency fluctuations compared to the previous quarter. We will continue our efforts to ensure steady profit growth.

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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