



Business Results

First Half of Fiscal Year Ending March 31, 2008

October 31, 2007

Minebea Co., Ltd.

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

Financial Results

Hiroharu Katogi
Director, Senior Managing Executive Officer

Summary of Consolidated Business Results for 1H

Despite higher Thai Baht and 1Q weakness in HDD market, sales and operating income increased due to 2Q HDD market recovery and company-wide cost reduction efforts

(Millions of yen)	Year ended Mar. '07	Year ending Mar. '08	Change yoy	1H of year ending Mar. '08	
	1H	1H		Original forecast	Vs. forecast
Net sales	163,998	168,247	+2.6%	162,500	103.5%
Operating income	13,367	15,121	+13.1%	14,000	108.0%
Machined components business	13,317	13,704	+2.9%	13,800	99.3%
Electronic devices and components business	50	1,417	x28.3	200	x7.1
Ordinary income	10,947	13,236	+20.9%	11,500	115.1%
Income before income taxes	11,114	12,196	+9.7%	10,500	116.2%
Net income	7,468	7,474	+0.1%	6,500	115.0%
Net income per share (yen)	18.72	18.73	+0.1%	16.29	115.0%

FX Fluctuations 1H of FY Mar. '07 → 1H of FY Mar. '08
 US\$ = ¥115.26 → ¥119.64 Euro = ¥145.58 → ¥161.83
 Thai Baht = ¥3.03 → ¥3.77 (¥3.47*) RMB = ¥14.40 → ¥15.68
 (*) is on-shore rate reported by the Bank of Thailand

Quarterly Summary of Consolidated Business Results for 2Q

Despite higher Thai Baht, sales and operating income increased due to HDD market recovery and company-wide cost reduction efforts

(Millions of yen)	Year ended Mar. '07	Year ending Mar. '08		Change	Change
	2Q	1Q	2Q	YoY	QoQ
Net sales	83,797	81,766	86,481	+3.2%	+5.8%
Operating income	7,509	7,115	8,006	+6.6%	+12.5%
Ordinary income	6,234	6,252	6,984	+12.0%	+11.7%
Income before income taxes	5,909	5,476	6,720	+13.7%	+22.7%
Net income	4,180	3,133	4,341	+3.9%	+38.6%
Net income per share (yen)	10.48	7.85	10.88	+3.9%	+38.6%

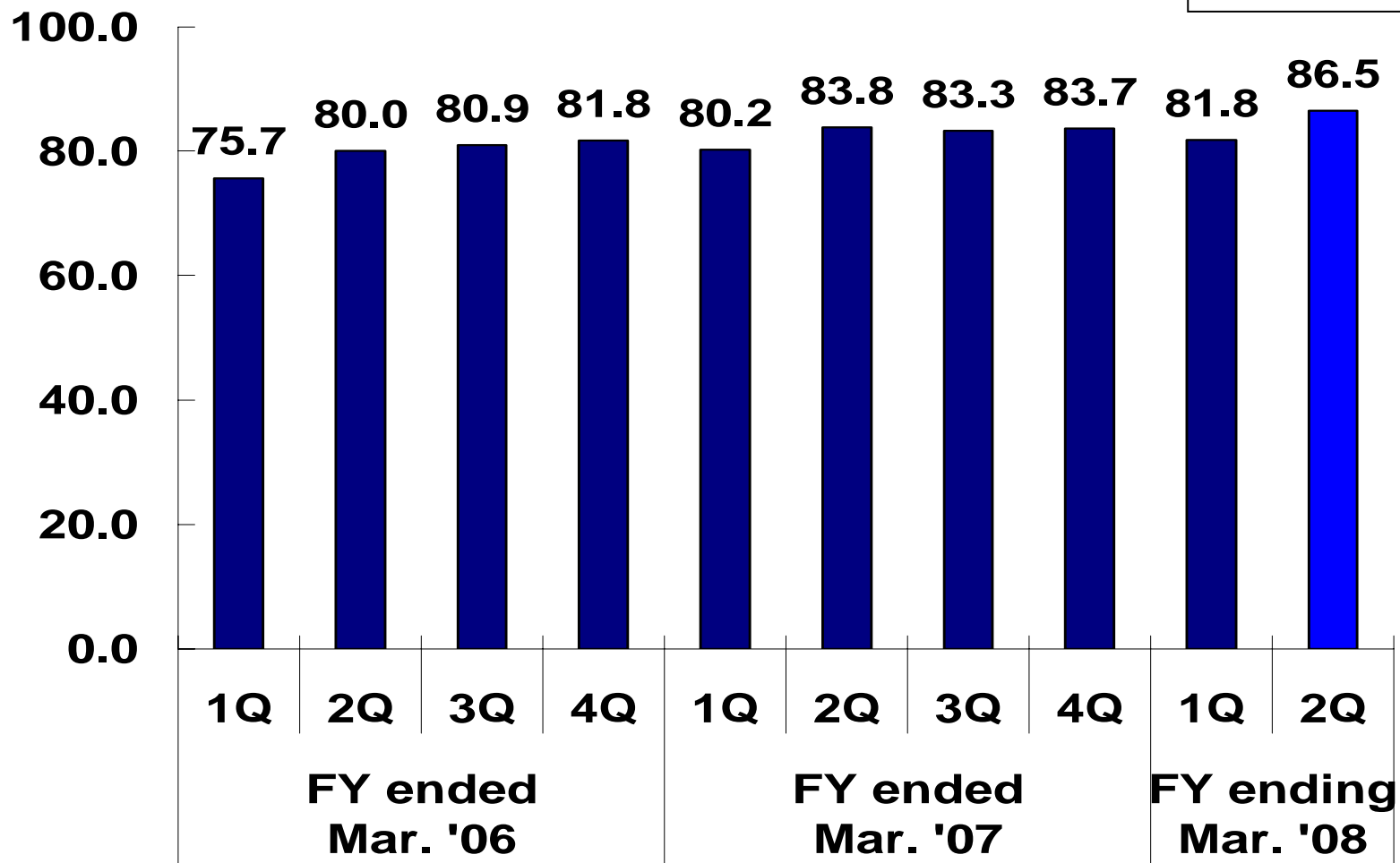
FX Fluctuations 2Q of FY Mar. '07 2Q of FY Mar. '08
 US\$ = ¥115.80 → ¥119.42 Euro = ¥147.67 → ¥162.43
 Thai Baht = ¥3.05 → ¥3.84 (¥3.49*) RMB = ¥14.49 → ¥15.80
 (*) is on-shore rate reported by the Bank of Thailand

Quarterly

Net Sales

(Billions of yen)

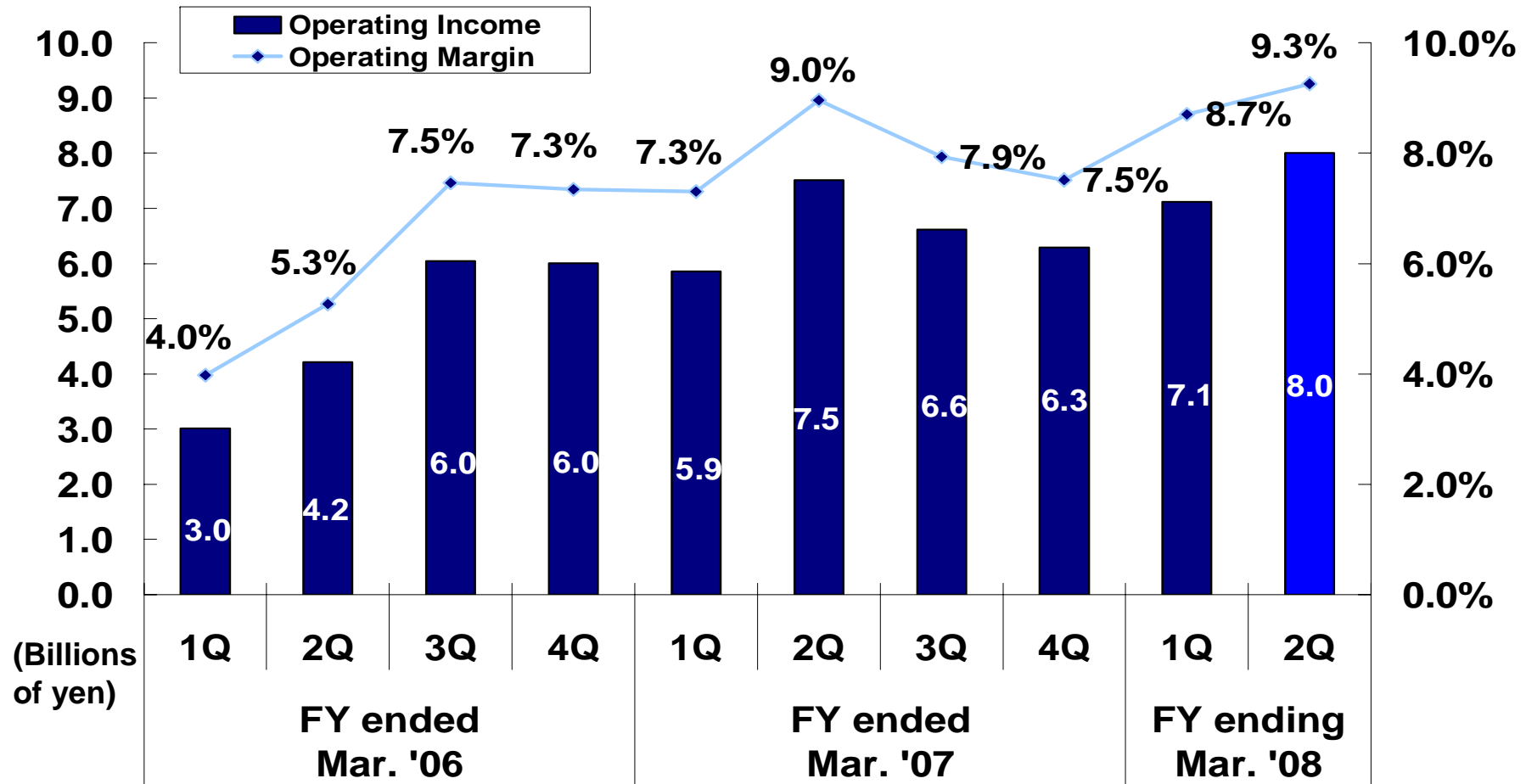
Increased 3.2% yoy
Increased 5.8% qoq



Quarterly

Operating Income

Increased 6.6% yoy
Increased 12.5% qoq



FX Fluctuations

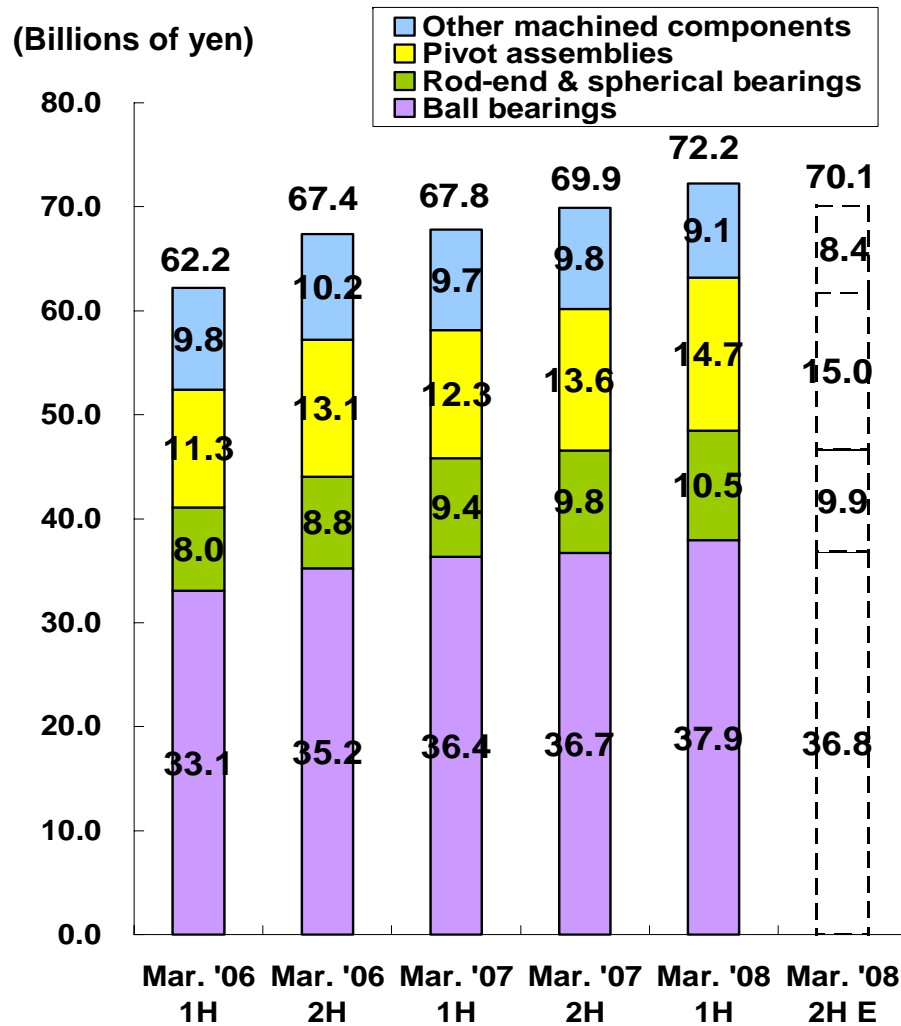
US\$ = ¥119.85 → ¥119.42	1Q of FY Mar. '08	Euro = ¥161.22 → ¥162.43	2Q of FY Mar. '08
Thai Baht = ¥3.70(¥3.44*) → ¥3.84 (¥3.49*)		RMB = ¥15.55 → ¥15.80	

(* is on-shore rate reported by the Bank of Thailand)

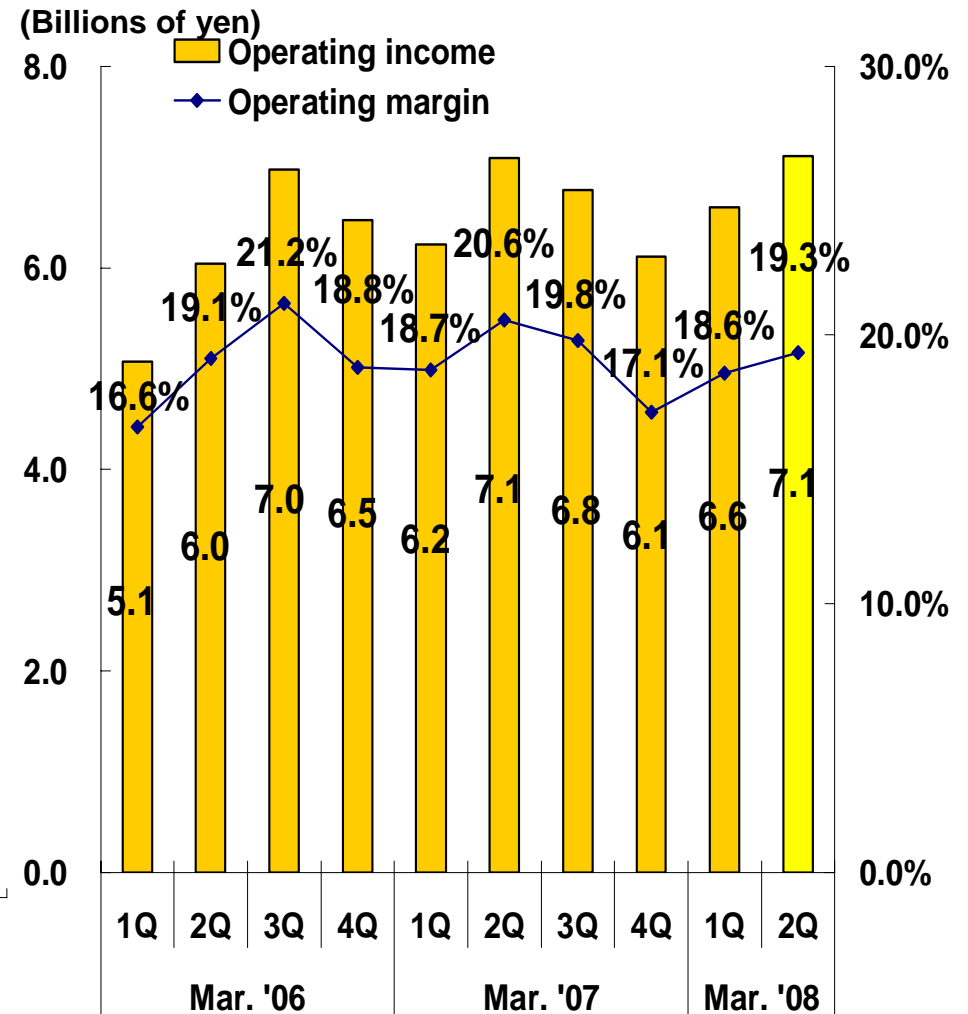
Business Segments

Machined Components Business

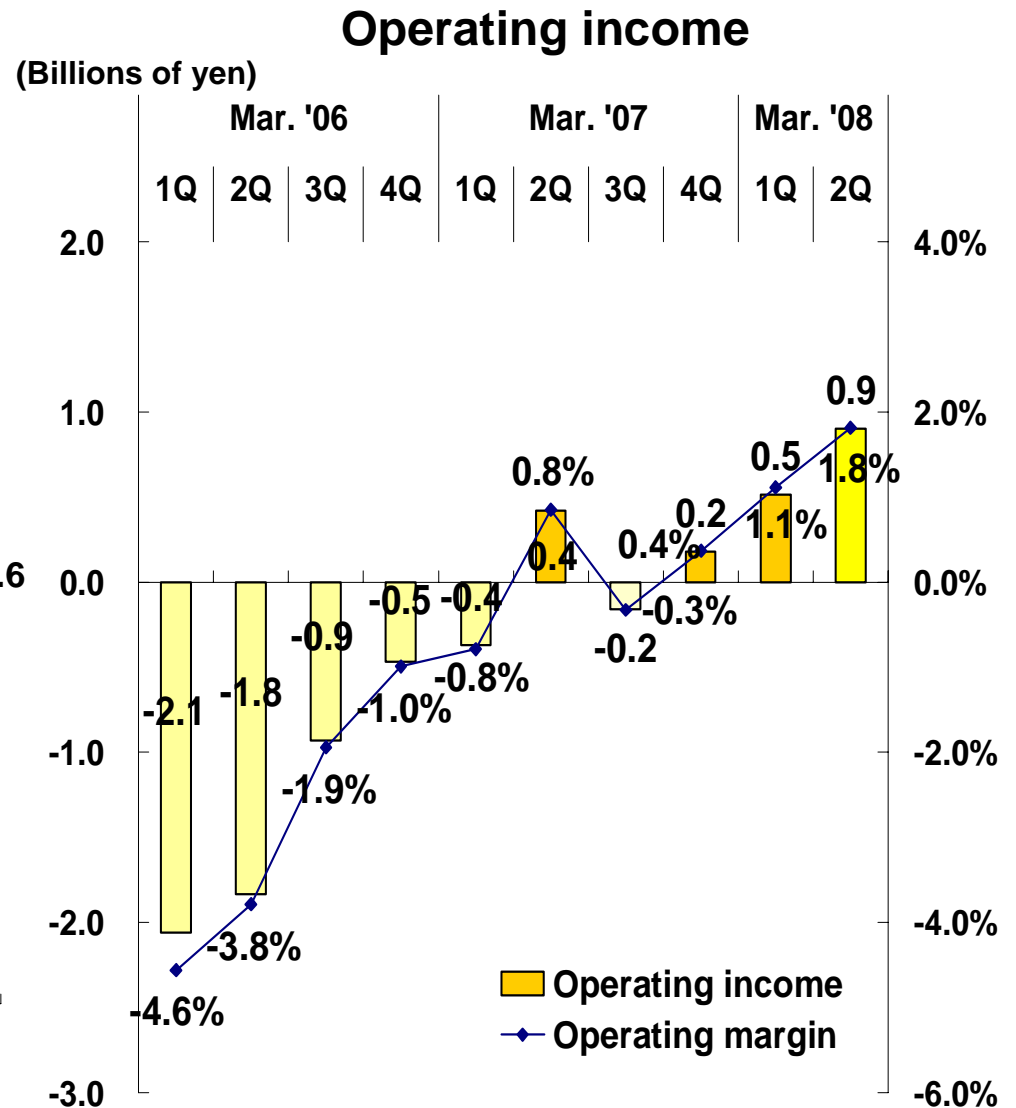
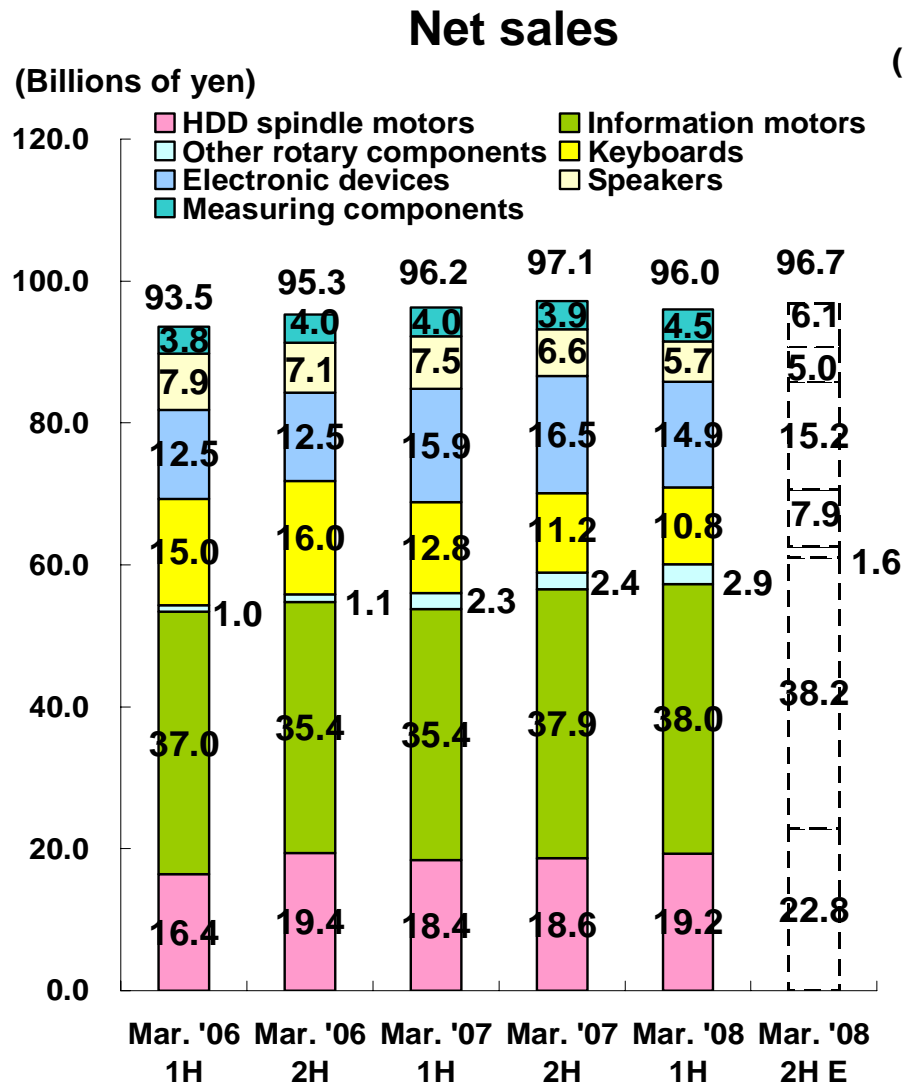
Net sales



Operating income



Business Segments **Electronic Devices and Components Business**

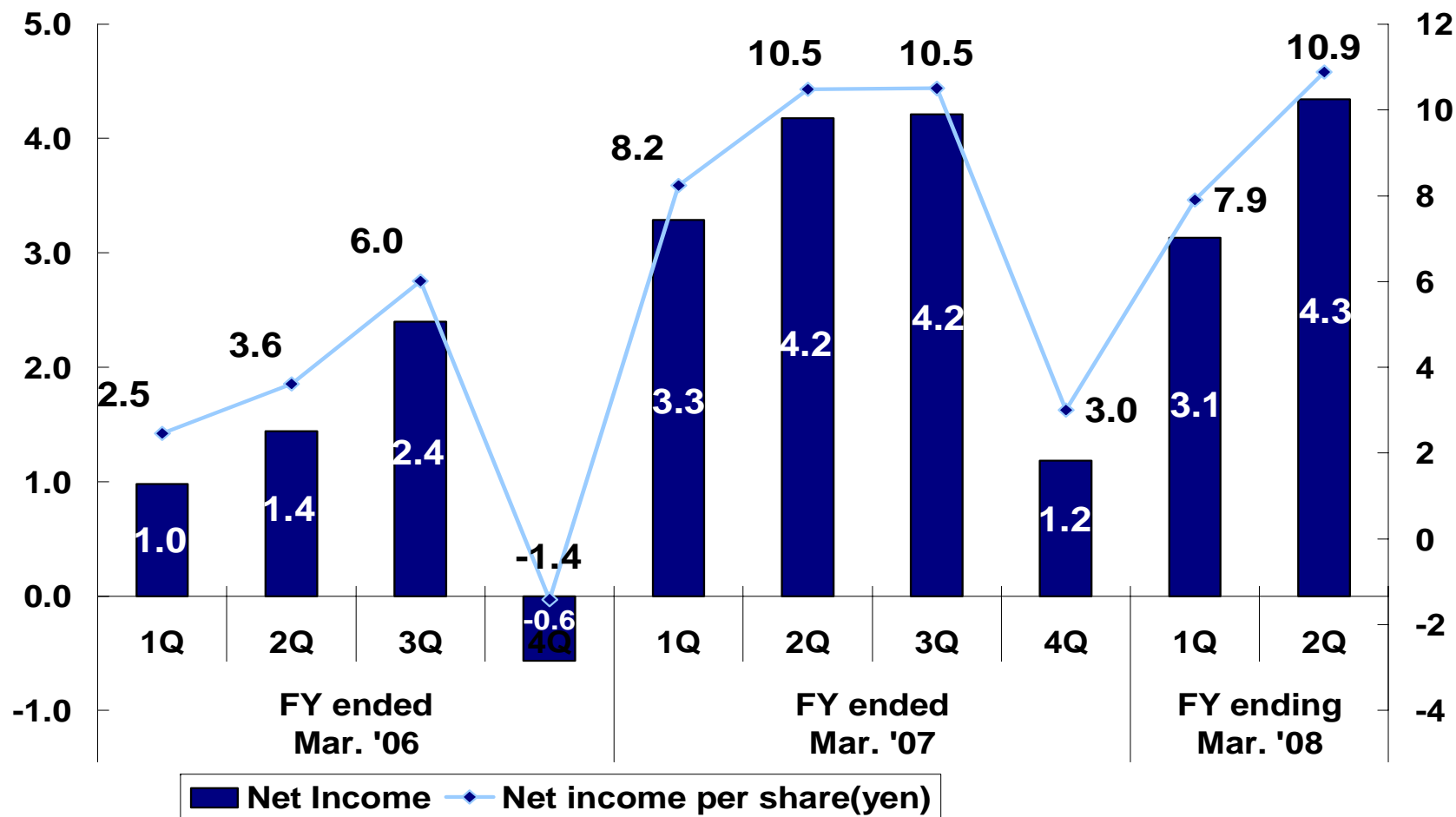


Quarterly

Net Income

(Billions of yen)

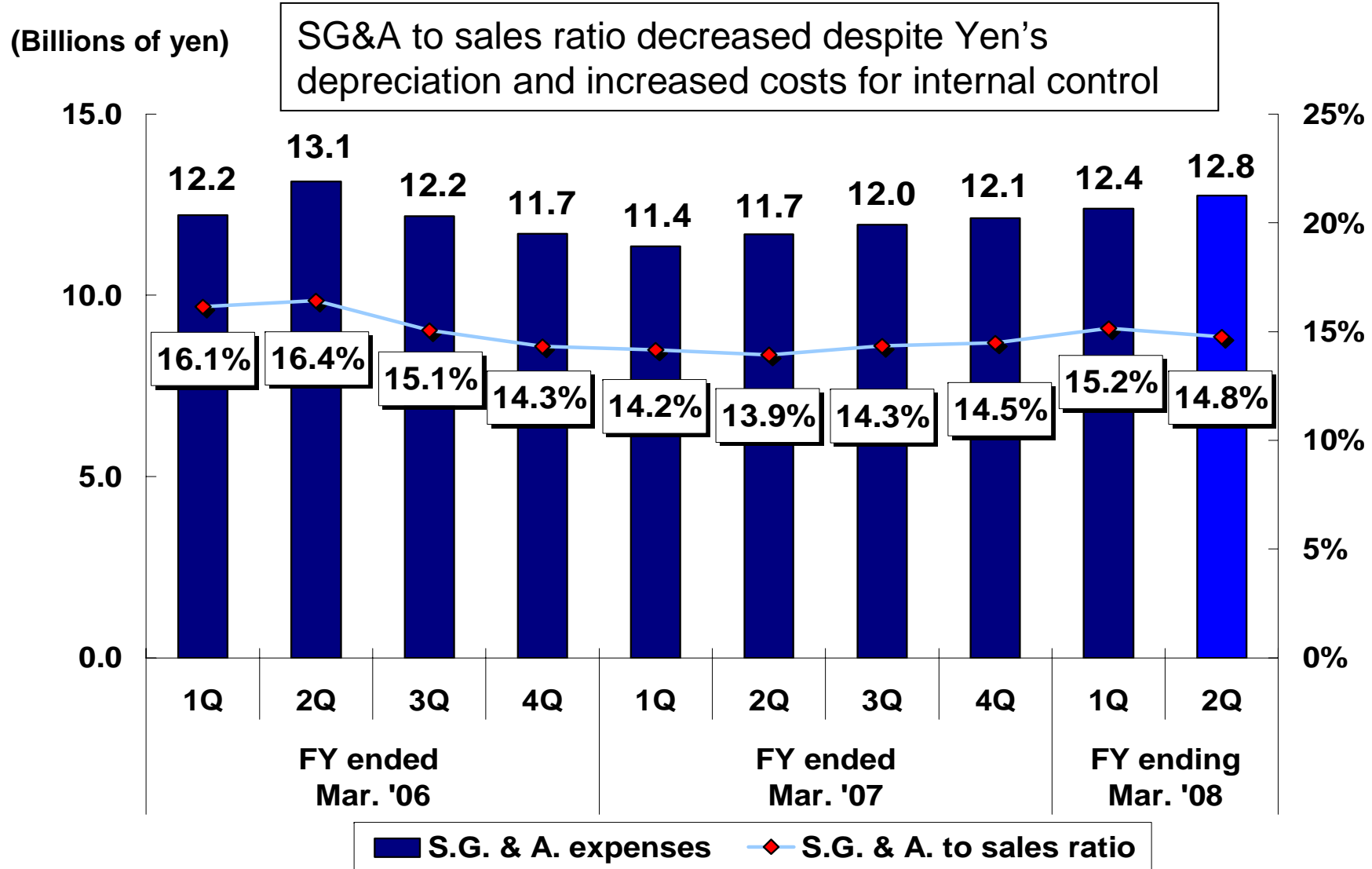
Increased 3.9% yoy
Increased 38.6% qoq



Quarterly

S.G. & A. Expenses

Increased 9.3% yoy
Increased 3.0% qoq

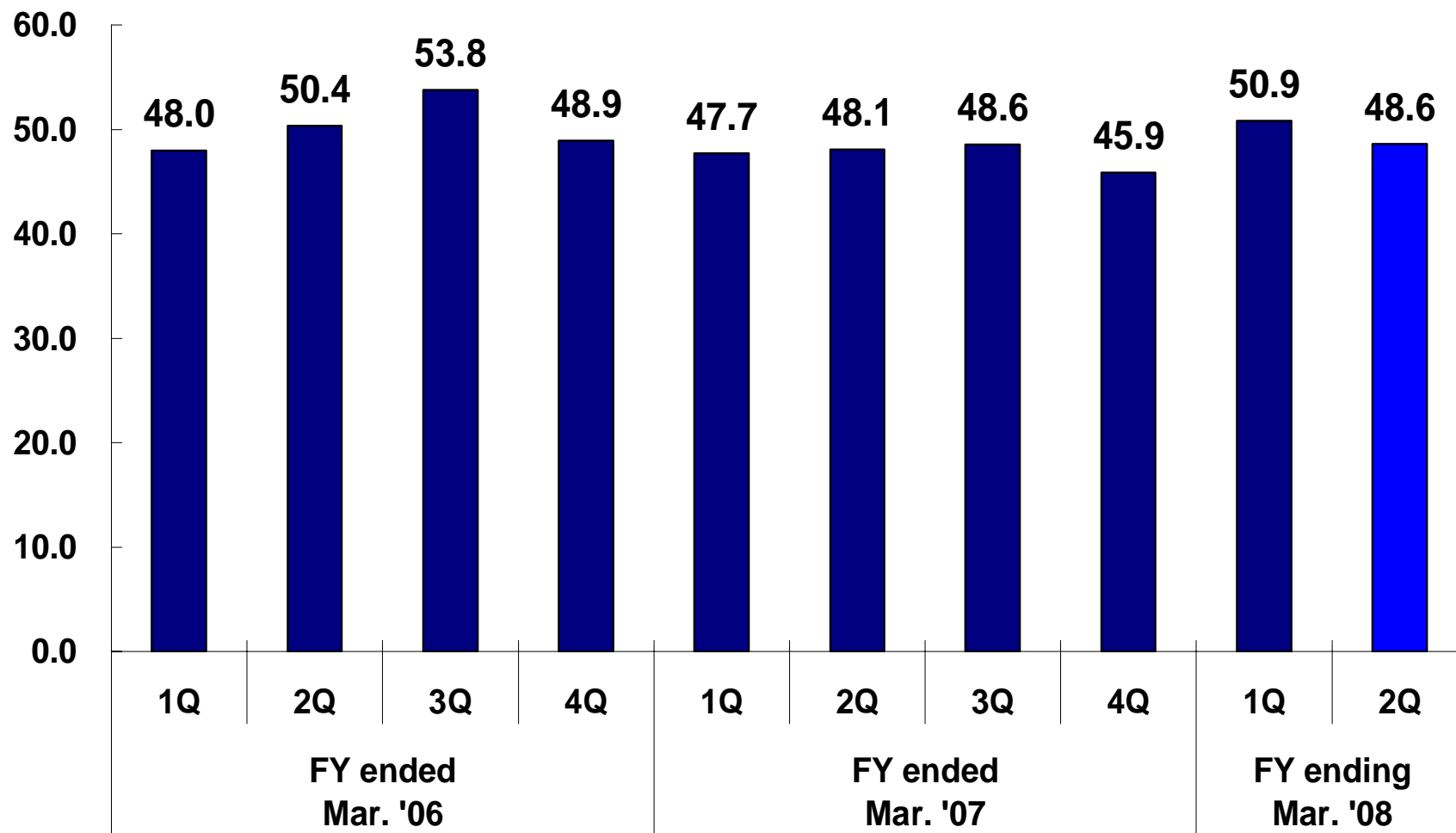


Quarterly

Inventories

(Billions of yen)

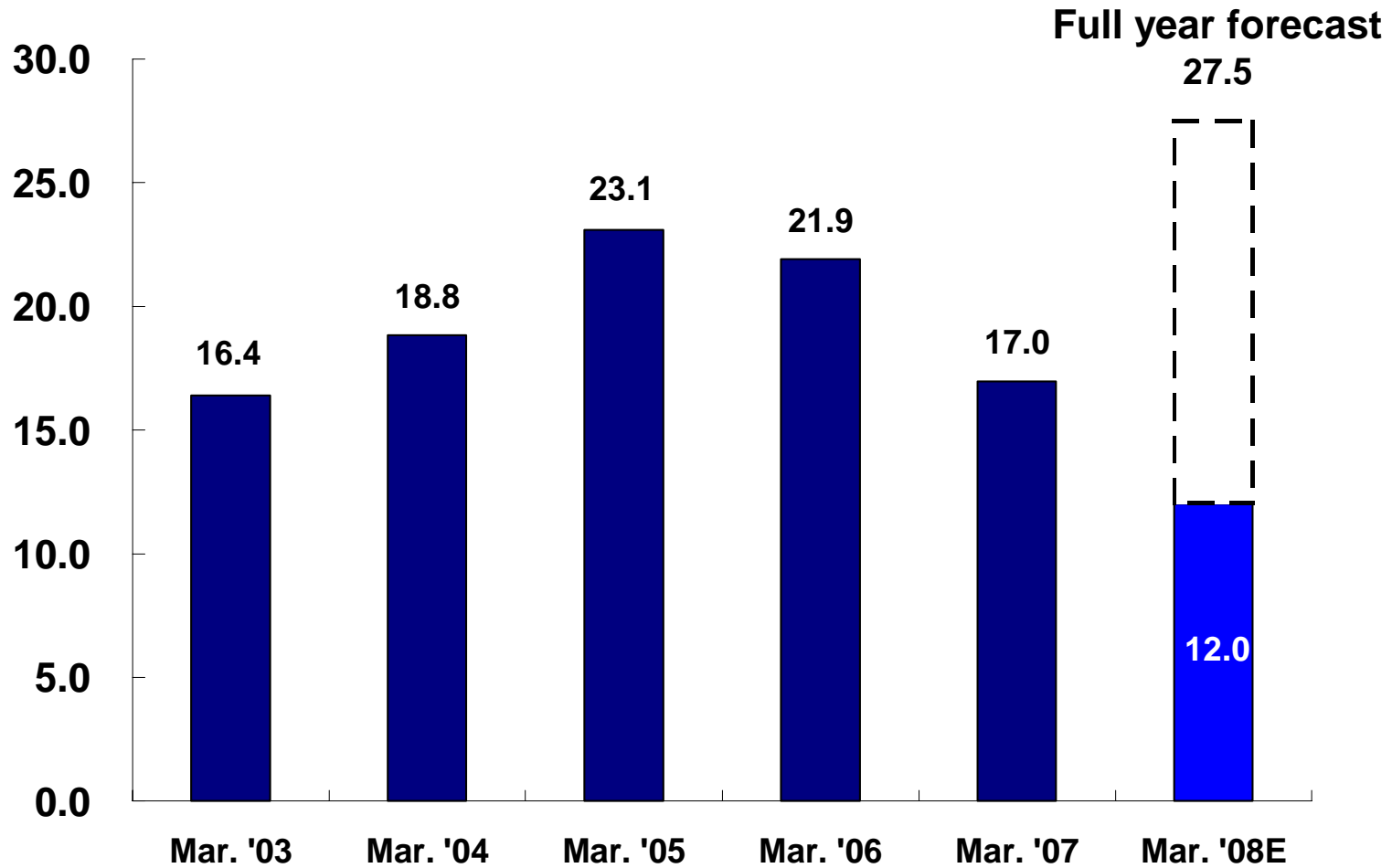
Increased 1.1% yoy
Decreased 4.4% qoq



Yearly

Capital Expenditure

(Billions of yen)



Forecast for Fiscal Year Ending March 31, 2008

Full year forecast unchanged

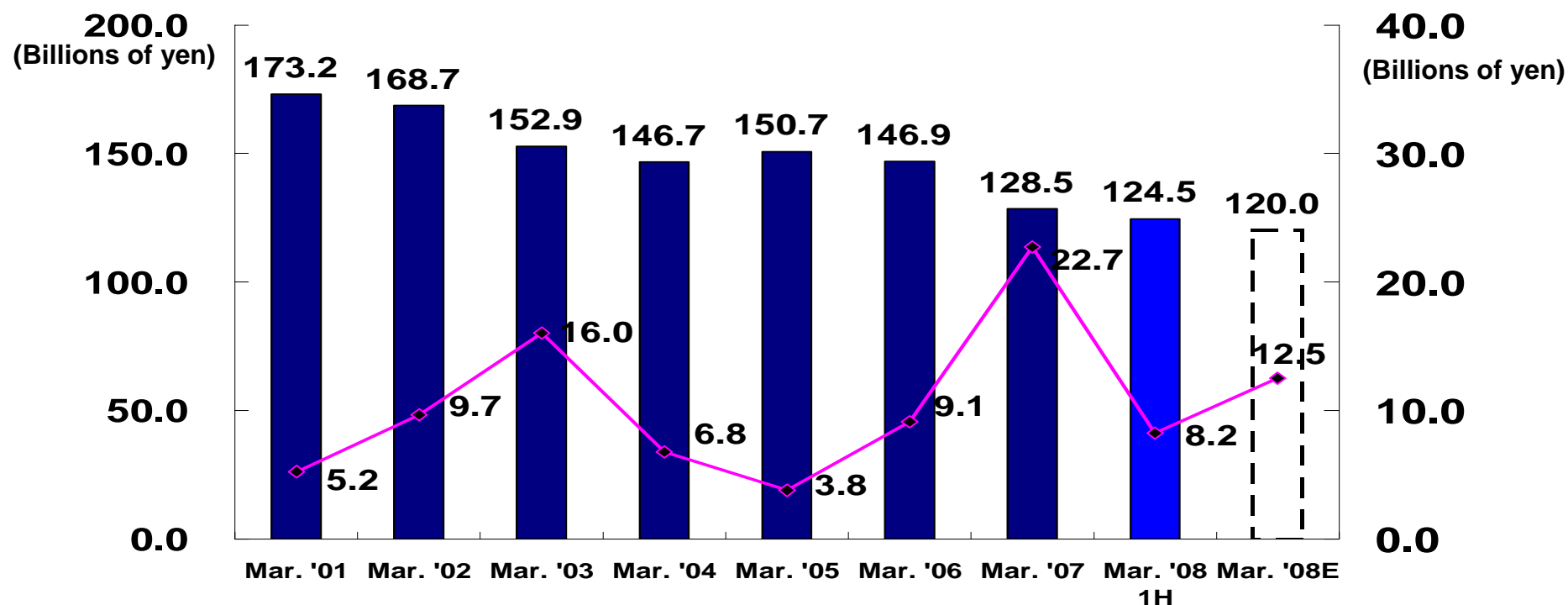
(Millions of yen)	FY ended Mar. '07	FY ending Mar. '08			Change
	Full year	1H	2H revised forecast	Full year forecast	yoy
Net sales	331,022	168,247	166,753	335,000	+1.2%
Operating income	26,265	15,121	14,879	30,000	+14.2%
Ordinary income	21,843	13,236	11,764	25,000	+14.5%
Income before income taxes	19,523	12,196	11,304	23,500	+20.4%
Net income	12,862	7,474	7,526	15,000	+16.6%
Net income per share (yen)	32.23	18.73	18.86	37.59	+16.6%

Foreign Exchange Rates

FY Mar. '07 results		FY Mar. '08 assumptions	
US\$ = ¥116.91	→ ¥117.96	Euro = ¥149.75	→ ¥159.77
Thai Baht = ¥3.18	→ ¥3.69	RMB = ¥14.77	→ ¥15.48

Financial Strategy : Priority on Reducing Debts

- ◆ Mid-term target = ¥100 billion level of net interest-bearing debts
- ◆ During 1H3/08, ¥4 billion was reduced. We are aiming ¥4.5 billion reduction during 2H3/08 to achieve ¥120 billion target by FY end.



■ Net interest-bearing debt (left) ◆ Free cash flow (right)

Net Interest-bearing debts = Interest-bearing debts - Cash and cash equivalents

*Free Cash Flow = CF from operating activities
+ CF from Investing activities*

Policy and Strategy

Takayuki Yamagishi
Representative Director,
President and Chief Executive Officer

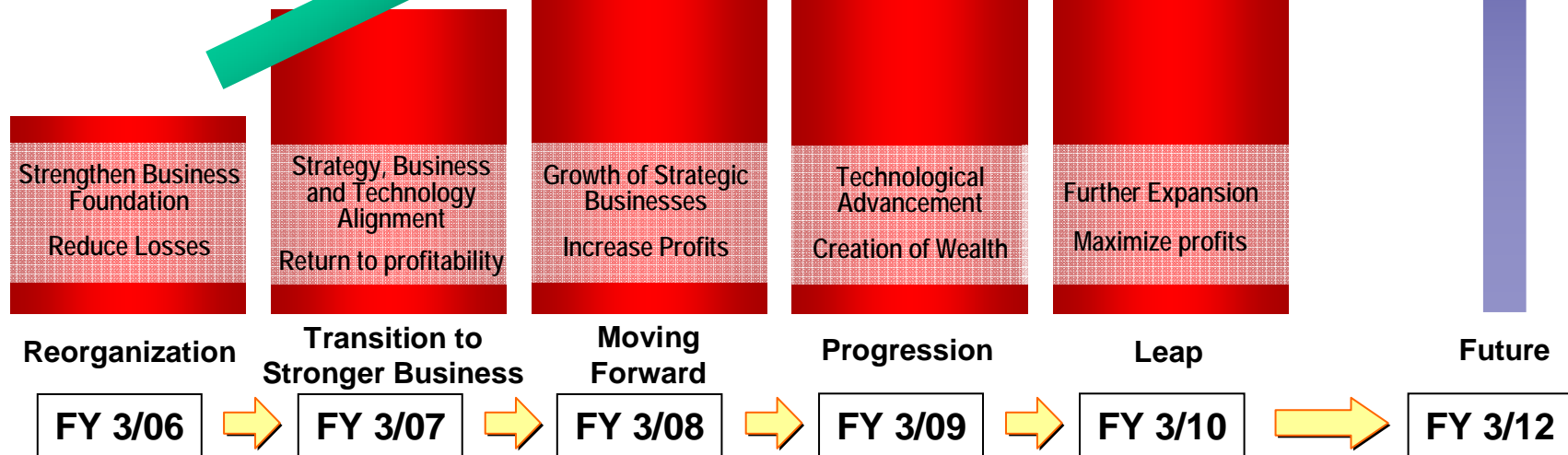
A Strategic Growth Company

Mid-term Business Plan

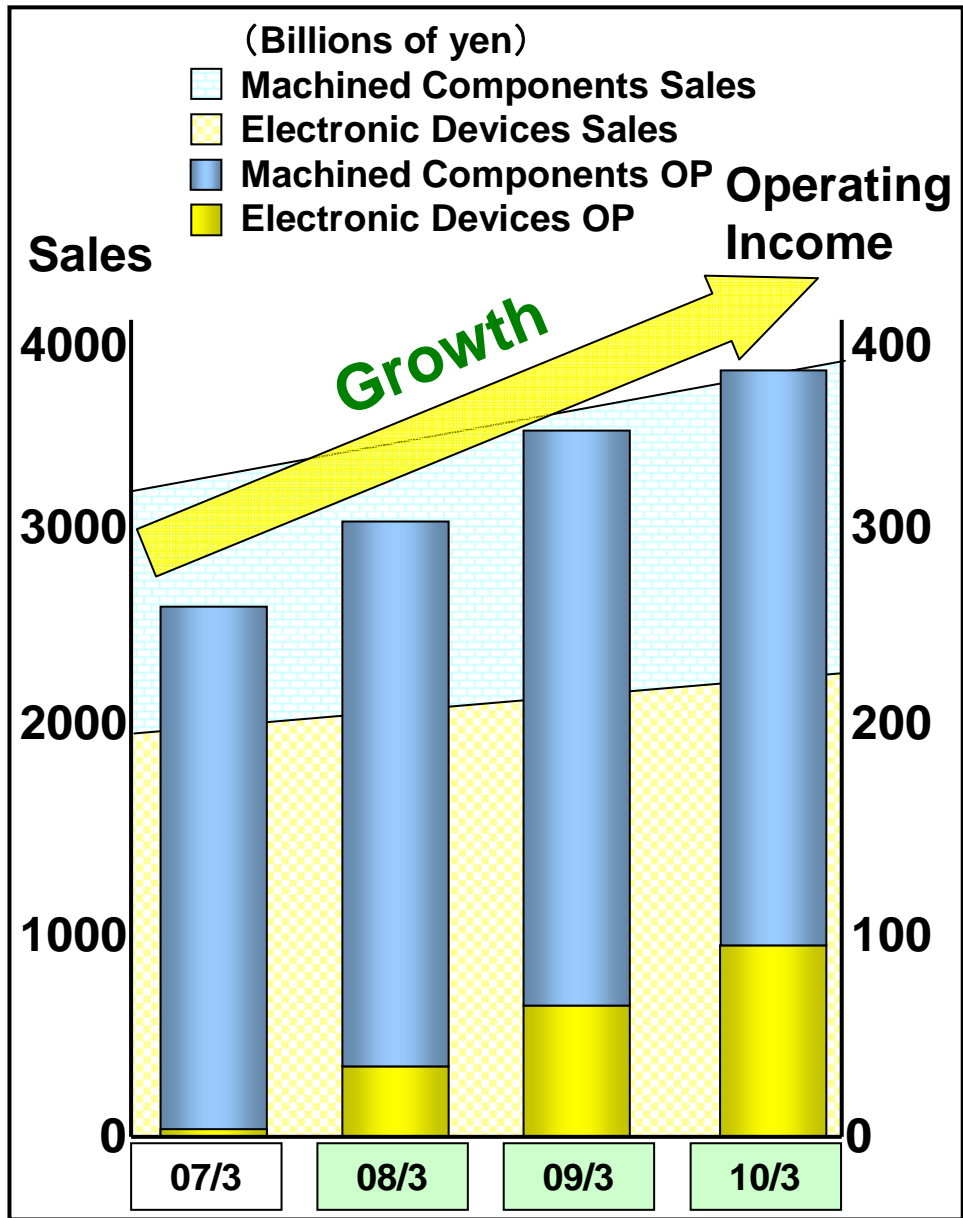
(Billions of yen)

	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



Mid-term Business Plan(FY08/3 - FY10/3)



Global Business Environments:

- Foreign exchange fluctuations
- Higher material costs
- Expanding emerging markets
- Asian competitors

Machined components

Business environments: Markets are steadily expanding. New products are needed to accelerate growth.

Strategy: Maintain market share and OP margin while accelerating sales growth with new products and technology advancements - capacity expansion and cost reduction.

Electronic devices and components

Business environments: Markets are growing. Some products' prices are declining steeply.

Strategy: Targeting OP margin of 5% by making all businesses profitable and strengthening profitability. Strengthen R&D for new products to expand business. Fan motors will be a key to growth.

In addition to growth from the expansion of existing markets, we are aiming for further growth with new product development and new market entrance through innovation.

Initiatives

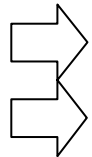
Create “New Minebea”

Mid-term Business Plan

Moving Forward – Progression – Leap

FY08/3 (Moving Forward : Growth of strategic businesses, Increase profits)

Making business recovery firm:



To make all businesses in Electronic devices & components segment profitable.

To strengthen businesses by reducing costs against the foreign exchange fluctuations and material costs hike

Focus on growth businesses

- **Ball bearings**
- **Aircraft parts**
- **Optoelectronics devices**
- **Measuring instruments**

FY09/3 (Progression : Technological advancement, Creation of wealth)

FY10/3 (Leap : Further expansion, Maximize profits)

Initiatives

Create “New Minebea”

Foundation for future growth

“Win the Competition with Manufacturing Excellence and Technological Competence”

Change the winds

Initiatives to activate organization and innovation

Innovation

**New Product
Development**

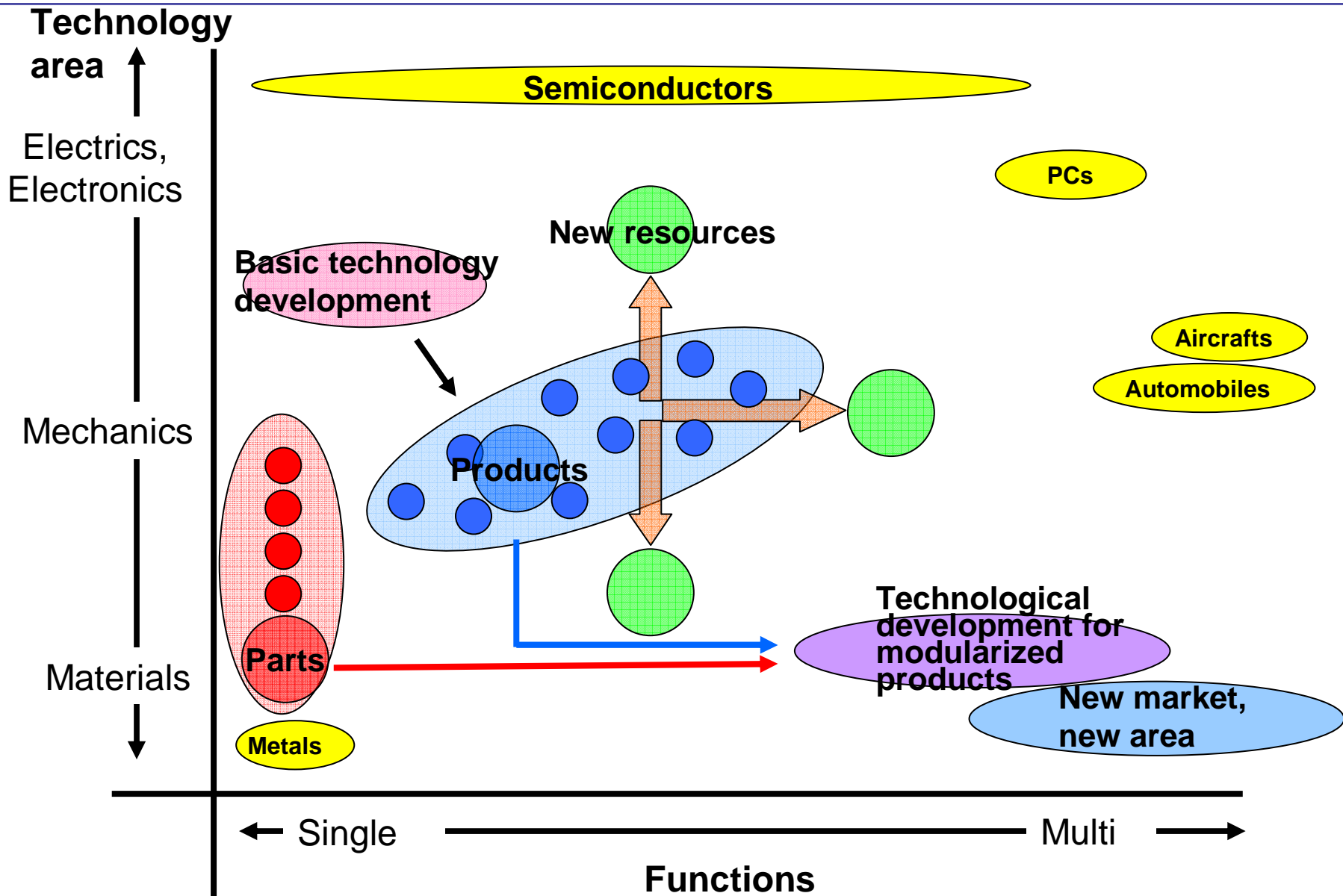
**New Market
Entrance**

**Production
Technology**

Stepping up to the next stage by combining existing products and technologies

Expanding product coverage to modularized products

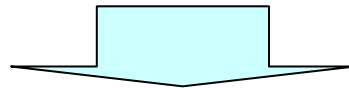
Combining existing products and technologies



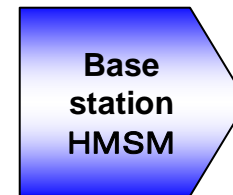
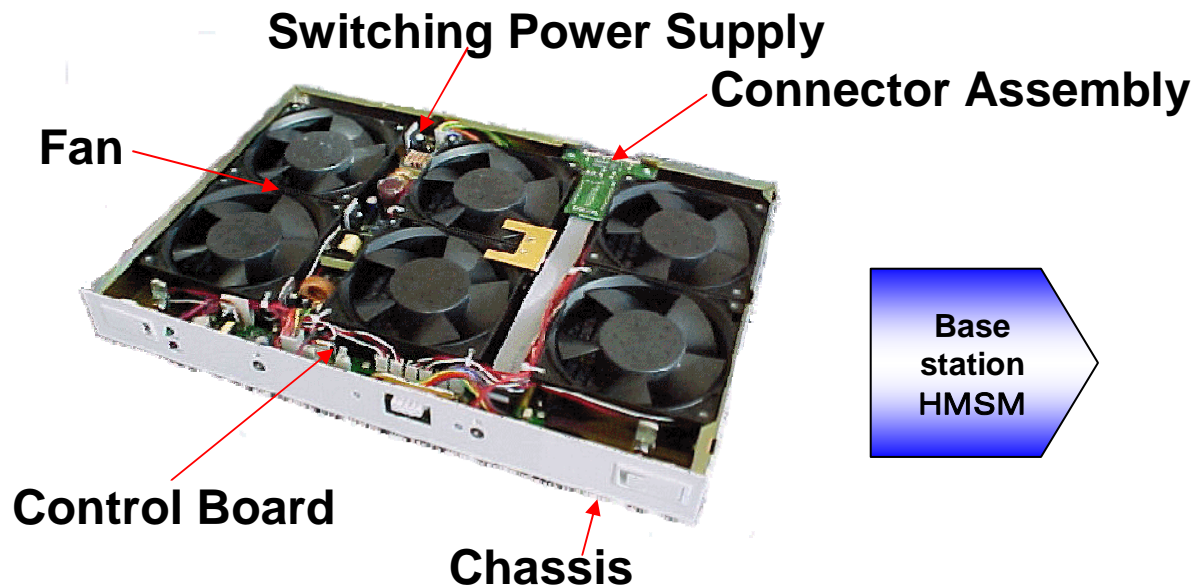
New business : Modularized products

HMSM: Heat Management System Module
(cooling systems for data communications/processing equipment)
= Fan motors + Mechanical parts + Electronic circuits + Software

Evolution by modularization



New business in the growing data communications/processing equipment market
Setting up a new HMSM business unit



New Market Entrance

Automotive markets

- **Measuring Instruments** ➤ **Passenger seat sensor - second generation product**
New applications
- **DC brush motors** ➤ **Automotive applications by new high torque motors**
- **Resolver** ➤ **Application as a wide range angle sensor**
Steering wheel torque and angle sensor

Medical and healthcare markets

- **Measuring Instruments** ➤ **Application as a sensor for medical fluid pump, etc.**
New applications of weight sensors for expanding healthcare product markets
- **Stepping motors** ➤ **Applications for medical equipment analyzers**

Telecommunications equipment markets

- **Fan motors** ➤ **Expansion in boxed fans and blowers**
Modularized products such as HMSM

Production Technology

Aircraft parts

- Expand into new area
- Advancing production technology

- ⇒ Large mechanical parts
- ⇒ Rod-end bearings business and Fastener business will be combined

Ball Bearings

- Construction of next-generation factory
- Deployment of new equipment
- Development of super-small-sized bearings

- ⇒ New production system of ball bearings
- ⇒ New manufacturing machines for miniature ball bearings
- ⇒ New product for new market

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..