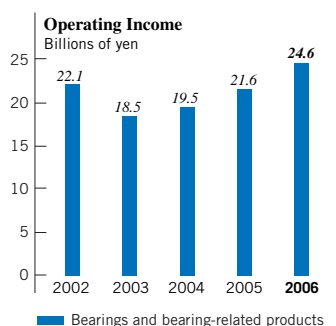
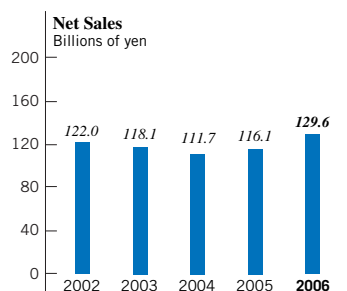
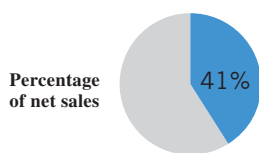


Segment Results

Performance by Business Segment

Machined Components



Principal Products

● Bearings and

Bearing-Related Products

- Miniature ball bearings
- Small-sized ball bearings
- Integrated-shaft ball bearings
- Rod-end bearings
- Spherical bearings
- Roller bearings
- Sleeve bearings
- Pivot assemblies
- Tape guides

● Other Machined Components

- Aerospace/automotive fasteners
- Special machined components
- Magnetic clutches and brakes

Net sales in the Machined Components segment rose 11.6%, or ¥13,490 million, to ¥129,595 million. Operating income advanced 13.8%, or ¥2,984 million, to ¥24,556 million. The segment's operating margin, calculated using sales to external customers, edged up 0.3 percentage point, to ¥18.9%.

Sales of principal segment products expanded, reflecting brisk demand and stable sales prices. We continued to register strong sales in our mainstay miniature and small-sized ball bearings business, owing to increased sales to manufacturers of information and telecommunications equipment and automobiles. Sales of pivot assemblies rose appreciably, supported by rising demand for use in HDDs for PCs and digital home electronics products and product price adjustments, while successful efforts to improve operating efficiency also boosted operating income. Sales of rod-end and spherical bearings rose sharply, supported by soaring demand from the aerospace industry, Minebea's principal customer industry.

Principal Products and Applications and Minebea's Global Market Share

Principal Products	Principal Applications	Global Market Share*
Bearings and bearing-related products		
Miniature and small-sized ball bearings	Small motors, household electrical appliances, information and telecommunications equipment, automobiles	60%
Rod-end and spherical bearings	Aircraft	50%
Pivot assemblies	HDDs	70%
Other machined components		
Special machined components, fasteners	Aircraft, automobiles, industrial machinery	—

*Global market shares are in terms of units shipped, except the market share for rod-end and spherical bearings, which is in terms of sales value. Market shares are Minebea estimates based on information collected by the Company and by market research firms.

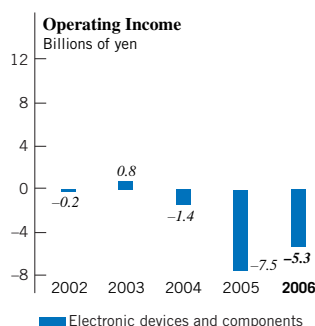
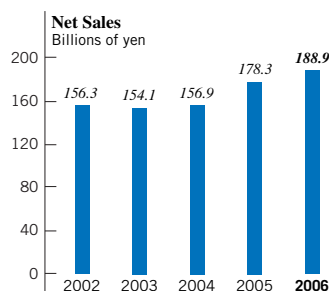
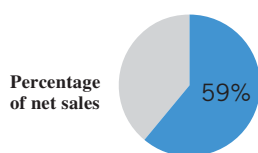
Ongoing Efforts

In the area of ball bearings, we are responding to the expansion of the market for miniature ball bearings—a consequence of rising demand for use in pivot assemblies and digital products—by increasing production capacity. We are also continuing to lower manufacturing costs through efforts to improve yield and rationalize operations. In line with the theme of returning to the basics of manufacturing, we are striving to reinforce this business. We have also created a department dedicated to basic technology development.

In response to double-digit growth in demand for rod-end and spherical bearings from aircraft manufacturers, we are expanding production capacity at our plants in Japan (Karuzawa), the United States and the United Kingdom. At the same time, we are stepping up front-end production in Thailand with the aim of establishing a low-cost structure and further enhancing capacity. We are also devoting efforts to the development of new models to meet the requirements of customers producing new aircraft models.

With double-digit growth in the market for pivot assemblies for use in HDDs expected to continue, our ongoing objective is to maintain our approximately 70% global market share. To this end, we are taking steps to lower manufacturing costs by increasing production capacity, shifting parts production in-house, increasing yields and standardizing designs.

Electronic Devices and Components



Net sales in the Electronic Devices and Components segment increased 5.9%, or ¥10,534 million, to ¥188,851 million, while the segment's operating loss shrank ¥2,202 million, to ¥5,287 million, giving the segment a negative operating margin, calculated using sales to external customers, of 2.8%, up 1.4 percentage points.

During the period, we shifted our focus from sales to profitability in certain businesses. Nonetheless, a favorable operating environment and the positive impact of yen depreciation boosted segment sales. Of particular note, in the lighting devices business, sharp increases in sales and income were recorded for mainstay LED backlight assemblies for LCDs owing to expansion of the cellular phone market and an increase in the number of models using Minebea units. In the HDD spindle motors business, sales edged up, reflecting a shift in focus since July 2005, whereby we have sought to maintain constant production and sales levels as well as reduce manufacturing costs. In the second half of the period, this business's operating loss was all but eliminated, thanks to a new push to boost operating efficiency that included strengthening cooperation with related groups within Minebea and efficiency-enhancing measures at all stages of the production process. Results in the information motors business continued to improve, reflecting a reorganization of manufacturing facilities and other restructuring efforts.

Principal Products and Applications and Minebea's Global Market Share

Principal Products	Principal Applications	Global Market Share*
Rotary components		
HDD spindle motors	HDDs	15%
Information motors (fan motors, stepping motors, brush DC motors, vibration motors)	PCs and servers, information and telecommunications equipment, household electrical appliances, cellular phones, bicycles, industrial machinery	5%–20%, depending on product
Other electronic devices and components		
PC keyboards	PCs	15%
Lighting devices for LCDs	Cellular phones, digital cameras, portable digital information terminals	10%
Speakers	Audio equipment, PCs, automobiles	—
Measuring instruments	Industrial machinery	—

*Global market shares are in terms of units shipped, except the market share for rod-end and spherical bearings, which is in terms of sales value. Market shares are Minebea estimates based on information collected by the Company and by market research firms.

Principal Products

● Rotary Components

- HDD spindle motors
- Fan motors
- Hybrid-type stepping motors
- PM-type stepping motors
- Brush DC motors
- Vibration motors
- VR resolvers

● Other Electronic Devices and Components

- PC keyboards
- Speakers
- Electronic devices
 - MOD drive subassemblies
 - Lighting devices for LCDs
 - Magnetic heads for FDDs
 - Backlight inverters
- Measuring components
 - Strain gages
 - Load cells

Ongoing efforts

In the HDD spindle motors business, we are endeavoring to reinforce organizational cooperation among groups involved in assembly, parts production and manufacturing. As well, we are taking steps to reduce costs, notably shifting to internal production of parts previously produced by outside suppliers, increasing yields and improving assembly processes. In fiscal 2007, we will endeavor to establish a stable profit structure by further reducing manufacturing costs. We will also step up sales of spindle motors for 2.5-inch HDDs, as well as promote the development of new products.

We are currently revamping the reorganization of our information motors business. Our aim is to create a low-cost manufacturing structure by integrating and closing manufacturing facilities, and reconsidering our use of outside suppliers. We are also working to improve the precision of order confirmation and the efficiency of product development to enhance our product mix, with the aim of restoring profitability in fiscal 2007.

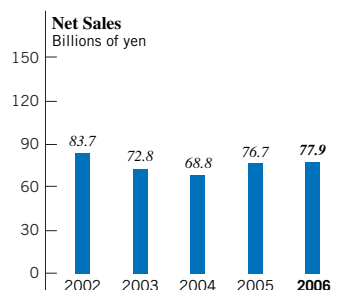
In the PC keyboards business, we decided in fiscal 2006 to focus our allocation of resources on the development of high-value-added models. Accordingly, we intend to establish a structure that takes advantage of our technological and manufacturing prowess and to achieve an improvement in profits by the end of fiscal 2007. In the period under review, we recorded a ¥3,475 million business restructuring loss, a consequence of efforts to lower fixed costs, namely, the restructuring of manufacturing, sales and technological groups and the elimination of facilities.

In lighting devices, we are continuing to expand sales of our new high-luminance, ultrathin LED backlight assemblies, announced in October 2005. Customers are demanding ever-higher levels of precision, and Minebea has emerged as the first choice for LED backlight assemblies for use in cellular phones compatible with one segment broadcasting ("one seg")—a new type of digital terrestrial broadcasting for mobile phones and car navigation equipment. We are also actively encouraging orders for medium-sized LED backlights. With sales of LCD TV inverters continuing to expand, we are promoting the commercialization of low-priced models.

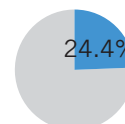
Performance by Geographic Segment

Japan

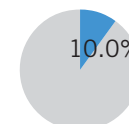
Net sales to external customers in Japan rose 1.6%, or ¥1,196 million, to ¥77,856 million. Nonetheless, operating income fell 30.2%, or ¥830 million, to ¥1,922 million.



Percentage of net sales

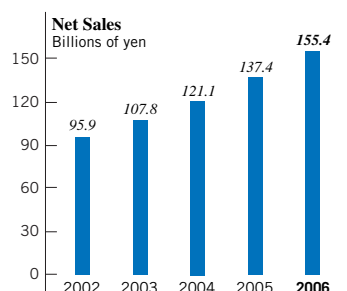


Percentage of operating income

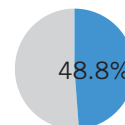


Asia (Excluding Japan)

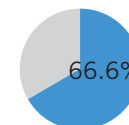
Asia includes the high-growth Greater China region, an important manufacturing base for many manufacturers in Japan, Europe, the Americas and elsewhere. Net sales in the region were firm, particularly in Greater China, owing to expanded demand from the information and telecommunications equipment industry and steady demand from the household electrical appliances industry. Efforts to improve profitability, including price increases and cost reductions for pivot assemblies and other mechanical parts, as well as cost reductions for HDD spindle motors, began to yield results. As a consequence, net sales to external customers in Asia rose 13.1%, or ¥17,999 million, to ¥155,423 million, while operating income soared 118.8%, or ¥6,973 million, to ¥12,843 million.



Percentage of net sales

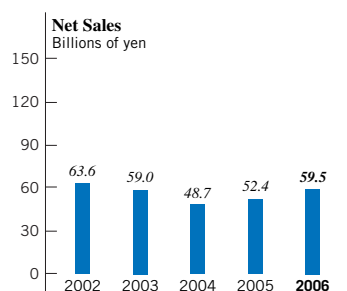


Percentage of operating income

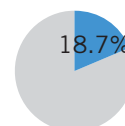


North America

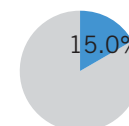
Despite a steady shift toward production in Asia by key customers in the information and telecommunications equipment industry, sales of PC keyboards and other electronic devices and components were firm in North America. We also saw firm demand for and sales of ball bearings manufactured in the United States, as well as for rod-end and spherical bearings to the aerospace industry. Owing to such factors, sales to external customers in the region rose 13.5%, or ¥7,078 million, to ¥59,468 million. Despite sales gains, operating income declined 36.0%, or ¥1,622 million, to ¥2,888 million.



Percentage of net sales

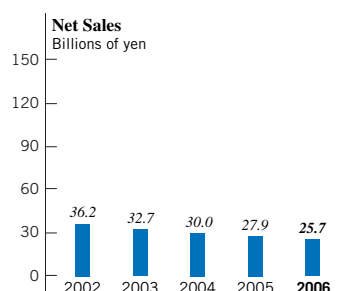


Percentage of operating income

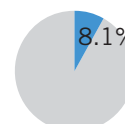


Europe

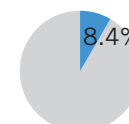
Moderate economic growth in Europe supported firm sales of ball bearings, rod-end and spherical bearings, and other products. Owing to the shift of PC keyboard production and sales for U.S. customers to North America, however, sales to external customers in Europe declined 8.0%, or ¥2,249 million, to ¥25,699 million, although operating income climbed 70.0%, or ¥665 million, to ¥1,616 million.



Percentage of net sales



Percentage of operating income



Note: Net sales figures represent sales to external customers.