

**The 59th Ordinary General Meeting of Shareholders
Supplementary Explanation**

1. Medium-Term Management Policies

We set the following three basic policies, as the three pillars of management.

The first pillar is to further reinforce and expand the business of our mainstay bearings and bearing-related products.

The second pillar is to build our operations in the area of precision small motors into a second pillar of our operations after bearings and bearing-related products.

The third pillar is to increase the ratio of high-value-added products in all product categories and diversify offerings to serve a broader market.

Minebea's principal competitive advantages are: ultra-precision machining technologies; mass production technologies; a unique vertically integrated manufacturing system; and product development capabilities. We will strive to accomplish the three pillars of management by making the best possible use of these strengths.

With regard to miniature and small-size ball bearings in particular, we have made steady progress in establishing monthly production and sales capacity of 180 million pieces. As of March 2004, we achieved both monthly production and sales of more than 170 million pieces including internal use. We aim to achieve monthly sales of 180 million pieces in October 2004, half a year earlier than the original plan.

We have successfully developed two types of new fluid dynamic bearing (FDB) units that are high-performance, fit for mass-production, and cost-competitive. Mass production is scheduled to start at the end of 2004. At the moment, we intend to use both types of FDB units in our spindle motors for hard disk drives (HDDs), and are planning to standardize them and widely sell them to our customers in the future.

2. Manufacturing Activities in Thailand

It is 22 years since Minebea began manufacturing activities in 1982 in Ayutthaya, which lies 75 km to the north of Bangkok.

We presently operate a group of factories in four areas in Thailand and employ approximately 30,000 people. These factories account for about 60% of the Minebea Group's total output and comprise the Group's largest mass production base.

Although we are currently transferring keyboard production from Thailand to Shanghai, which

is expected to be completed by the end of March 2005, production of HDD spindle motors with fluid dynamic bearings (FDBs), miniature and small-size ball bearings, pivot assemblies, lighting devices for LCDs and other mainstay products has continued to expand in Thailand as Minebea's primary production base.

3. Manufacturing Activities in Shanghai

In 1994, Minebea established its first Chinese subsidiary "Minebea Electronics & Hi-Tech Components (Shanghai) Ltd." in the suburbs of Shanghai and started production of miniature and small-size ball bearings and of fan motors.

Since then, production of these products has increased smoothly to the current level of output at about 26 million pieces of miniature and small-size ball bearings per month and 7 million units of fan motors per month. We are implementing plans to raise their monthly production to 40 million pieces and 10 million units, respectively.

At our Xicen Plant, we produce fan motors and measuring instruments, such as strain gauges and load cells.

In addition, we established in 2002 Sheng Ding Pte. Ltd., a joint venture between Minebea and Huan Hsin Holdings Ltd. of Singapore, with Minebea holding 60% and Huan Hsin 40% of shares. At the same time, the joint venture launched in Shanghai its fully owned PC keyboard manufacturing subsidiary, Shanghai Shun Ding Technologies Ltd., and started production in August 2003. We are presently transferring the keyboard production from Thailand to Shanghai, which is scheduled for completion in March 2005.

Operations in China account for approximately 13% of total group output and form the second largest production base of the Minebea Group following Thailand.

As of the end of March 2004, the total capital of our operations in China amounts to 28.7 billion yen, total investment in fixed assets, such as machinery and plant buildings, reaches 55.5 billion yen, the total number of employees is approximately 6,000, and net sales for the 58th Business Term are 26.9 billion yen.

We intend to expand our product lineup and production scale in a timely manner, while keeping a careful eye on market trends in China and the other parts of the world.

4. Minebea-Matsushita Motor Corporation

On April 1, 2004, Minebea-Matsushita Motor Corporation was jointly established by Minebea and Matsushita Electric Industrial Co., Ltd. (Matsushita), integrating all functions of the information equipment motor business of both companies. Share holding ratio is 60% by Minebea and 40% by Matsushita.

While competition in the information equipment motor business is becoming increasingly severe worldwide, especially due to industry consolidation led by Japanese manufacturers and the rise in the number of market newcomers from China, further growth in demand can be expected in new product applications such as digital home appliances including plasma TVs and LCD TVs, information terminals including personal computers and mobile phones, and game machines.

The joint venture company, with the aim of capturing the leading position in markets worldwide in the above-mentioned business, taps Minebea's advanced ultra-precision machining, mass-production technologies, cost competitiveness and Matsushita's cutting-edge product development technologies to strengthen its high added-value product development/manufacturing capabilities and accelerate development speed, as well as establishing strong customer support structure.

5. Consolidated Statement of Income

We attach, for your reference, consolidated balance sheet and consolidated statement of income on pages 22 and 23 of the Business Report. I would like to brief you on the consolidated statement of income.

Demand from manufacturers of information and telecommunications equipment such as personal computers, peripherals, and office automation equipment - the major customer base of our mainstay products - grew smoothly as the global economy picked up. However, price competition grew even more intense, keeping us in a severe market environment.

In this business climate, we redoubled our efforts to enhance productivity and efficiency of our sales activities as well as to further product quality and to develop high value-added products. This led to a large increase in shipments of most of our core products including ball bearings and to an increased market share.

However, adversely affected by an 8,900 million yen decrease in net sales owing to appreciation of the yen, a drop in selling prices and other factors, net sales were 268,574 million yen, down 3,628 million yen year on year, and operating income decreased 1,247 million yen year on year to 18,104 million yen. Ordinary income rose 380 million yen year on year to 13,800 million yen owing to a substantial decrease in interest expenses.

With regard to income taxes, we posted 2,798 million yen as income tax adjustment because of the adoption of tax effect accounting, as well as 4,411 million yen as income taxes and enterprise tax.

As a consequence, our net income increased 8,454 million yen year on year to 6,019 million yen.