(Translation)

The following is an English translation of the Notice of the 60th Ordinary General Meeting of Shareholders of Minebea Co., Ltd., to be held on June 29, 2006.
The Company provides this translation for your reference and convenience only and without any guarantee as to its accuracy or otherwise.

Securities Code No. 6479

June 1, 2006

To the Shareholders

4106-73, Oaza Miyota, Miyota-machi,
Kitasaku-gun, Nagano Prefecture

Minebea Co., Ltd.
Takayuki Yamagishi
Representative Director

Notice of the 60th Ordinary General Meeting of Shareholders

The 60th Ordinary General Meeting of Shareholders (hereinafter the "Meeting") will be held as indicated below. You are hereby cordially invited to attend the Meeting.

If you are unable to attend the Meeting, you may exercise your voting rights as a Shareholder in writing or via the Internet. In that event, please examine the contents of the reference documents attached herein and vote in accordance with the guidance on voting set forth on the next page.

Particulars of the Meeting

1. Time:
Thursday, June 29, 2006, beginning at 9:30 a.m.

2. Place:
1st floor of Asama Sunday House (New Building), 4106-282, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano Prefecture

3. Purpose of the Meeting:

To report on:

1) The Consolidated Balance Sheet as of March 31, 2006, the Consolidated Statement of Income for the 60th business year (April 1, 2005 to March 31, 2006), and the Audit Report on the Consolidated Financial Statements by the Independent Auditors and Board of Corporate Auditors.
2) The Balance Sheet as of March 31, 2006, the Business Report and the Statement of Income for the 60th business year (April 1, 2005 to March 31, 2006).

To vote on:

First proposal:
Approval of the Proposed Appropriation of Unappropriated Retained Earnings for the 60th business year

Second proposal:
Partial Revision of the Articles of Incorporation

Third proposal:
Election of One (1) Corporate Auditor

Fourth proposal:
Amendment of Remuneration for Corporate Auditors

（Translation）

********** ≪Guidance on Exercising Voting Rights≫ **********

1. If you are able to attend the Meeting, you are requested to bring the voting ballot enclosed herein to the Meeting and hand it to the receptionist.

2. If you are unable to attend the Meeting, please vote by sending the enclosed voting ballot by mail or via the Internet as follows. In addition, Internet using a mobile phone is available also.

【If you are voting by sending the voting ballot card by mail】

Please mark your vote for or against each proposal on the enclosed voting ballot, and mail the voting ballot. The voting ballot must be received by our agent to manage shareholders registry by Wednesday, June 28, 2006, which is one day before the Meeting.

【If you are voting via the Internet】

(1) Please access the Internet site for the voting rights exercise indicated below. Use the code and initial password that are indicated on the voting ballot, follow the guidance on the screen and vote for or against each proposal. Please register by Wednesday, June 28, 2006, which is one day before the Meeting.

The voting site URL is http://www.webdk.net

(2) Please be advised that if you vote both by returning the voting ballot by mail and by using the Internet, the Internet instruction will be used as your vote.

(3) Please be further informed that you must pay for all charges incurred in exercising your voting rights via the Internet, such as for the dial-up connection with your Internet provider and/or for telecommunication.

(4) To access and use the Internet site for the voting rights exercise, Microsoft® Internet Explorer Version 5.5 or Netscape® Version 6.2 is a minimum requirement as the Internet browser software. If you access the Internet site for the voting rights exercise via mobile phone, the mobile phone must be capable of 128 bit SSL communication (encrypted communication).

(Microsoft is a registered trademark of Microsoft Corporation in the U.S.A. and other countries. Netscape is a registered trademark of Netscape Communications Corporation in the U.S.A. and other countries.)

If you have any question on any of the aforementioned matters, please dial **0120-186-417** to contact our agent to manage shareholders registry: Stock Transfer Agency Department of The Sumitomo Trust & Banking Co., Ltd., Tokyo, Japan (24 hours available).

********** ≪Notice to shareholders≫ **********

If any revisions occur to the contents of the attached documents of this notice by the day before the Meeting, we will notify in writing sent by mail or post it on our web site (http://www.minebea.co.jp).

（Translation）

(Attached Documents)

Business Report
(April 1, 2005 to March 31, 2006)

I. Overview of Operations

1. Operating Performance of the Corporate Group

During the consolidated fiscal year, the Japanese economy continued a private demand-driven recovery with favorable conditions in the corporate sector having an impact on the household sector. The U.S. economy, although facing soaring energy prices and hurricane damage, expanded steadily as a whole, led by growth in wealth from housing investments. The European economy grew moderately with signs of turnaround in foreign demand and capital investment. The Chinese economy, meanwhile, maintained high growth due to a continued rise in exports mainly to the United States and developing countries, despite the implementation of the revaluation of yuan and tight constraints on overheated investment. The economies in Southeast Asian countries stayed firm due to continued growth in the U.S. economy and high growth in China.
Under these circumstances, we strove to make our profitable basis stronger in order to further enhance earnings in a short period of time by addressing such near-term strategic agenda as resolutely carrying out structural reforms; reinforcing R&D efforts; and driving for management with a clear future vision. At the same time, we also concentrated on further reducing costs; developing high value-added products and new technologies; and expanding marketing activities.
As a result, net sales increased ¥24,023 million (8.2%) year on year, to ¥318,446 million, and operating income increased ¥5,185 million (36.8%) year on year, to ¥19,269 million. Although ordinary income increased ¥4,388 million (43.0%) year on year, to ¥14,595 million, net income fell ¥1,323 million (-23.7%) year on year, to ¥4,257 million due to an extraordinary loss of ¥3,475 million from the restructuring of our PC keyboard business.
During the current consolidated fiscal year, we posted an extraordinary loss of ¥967 million as a result of implementing impairment accounting for fixed assets.

Performance by business segment is as follows:

Machined Components Business

Our products in this business segment include ball bearings, which are our mainstay product; mechanical components such as rod-end bearings primarily for use in aircraft and pivot assemblies for use in hard disk drives (HDDs); screws for automobiles and aircraft; and defense-related devices and equipment. Sales of ball bearings to makers of automobiles and information & telecommunications equipment stayed strong year on year owing to our vigorous sales expansion efforts. Sales of rod-end bearings rose to the aerospace industry, mainly in the U.S. and Europe. In pivot assemblies, sales grew largely, owing to strong demand from the HDD industry. As a result, net sales rose ¥13,490 million (11.6%) year on year, to ¥129,595 million. Operating income increased ¥2,984 million (13.8%) year on year, to ¥24,556 million, due to cost reductions, etc. resulting from increased production and production efficiency.

Electronic Devices and Components Business

Our core products in this business segment include HDD spindle motors; information motors such as fan motors; stepping motors, vibration motors and DC brush motors; PC keyboards; speakers; LCD backlights; and measuring instruments. Sales of LCD backlights, information motors and PC keyboard grew substantially to makers of cellular phones, office automation, PCs and peripheral equipment. On the other hand, sales of HDD spindle motors declined as a result of striving to improve earnings, instead of seeking sales volume. As a result, net sales increased ¥10,534 million (5.9%) year on year, to ¥188,851 million. Operating income improved ¥2,202 million year on year, to ¥(5,287) million, due to a rapid recovery in performance led by a substantial cost reduction in HDD spindle motors, etc, increased profits from increased sales of LCD backlights, and other factors.

（Translation）

2. Tasks to Be Accomplished by the Corporate Group

Minebea has adopted the following five principles as its basic policy for management.

(1) Ensure that Minebea is a company for which we feel proud to work.
(2) Reinforce the confidence our customers have.
(3) Respond to our shareholders' expectations.
(4) Ensure a welcome for Minebea in local communities.
(5) Contribute to a global society.

Under this basic management policy, we have actively addressed the development of high value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display ultraprecision machining technologies and mass production technologies that are both the source of our competitiveness. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form that is easier to understand within and across the Company.
Furthermore, as a key theme in the development of business in various parts of the world, we have has continued our commitment to environmental protection activities.

In accordance with the basic management policies as mentioned earlier, we aim to improve profitability and enhance corporate value based on a "vertically integrated manufacturing system," "large-scale volume production system," and "well-developed R&D system," which have been established worldwide, in order to ensure our place as the world's leading comprehensive manufacturer of miniature ball bearings and high-precision components.

The tasks to be accomplished to achieve this goal are to:

1. Further reinforce our mainstay bearings and bearing-related products;
2. Build our operations in the area of precision small motors into a second pillar of our operations after bearings and bearing-related products; and
3. Increase the ratio of high-value-added products in all product categories and diversify offerings to serve a broader market.

We look forward to the continued support and guidance of our shareholders.

3. Capital Expenditures and Financing of the Corporate Group

During the consolidated fiscal year under review, capital expenditures were ¥12,163 million for the Machined Components Business and ¥9,733 million for the Electronic Devices and Components Business, totaling ¥21,897 million. The main capital expenditures for the Machined Components Business were equipment for production rationalization of bearings, etc., at the Thailand, China and Singapore factories and equipment for increasing the production of pivot assemblies at the Thailand factory. The main capital expenditures for the Electronic Devices and Components Business were equipment for spindle motors and electronic devices, mainly backlights at the Thailand factory and equipment for information motors at the Thailand, China and Malaysia factories.
There were no important matters to report for the financing of the consolidated fiscal year under review.

(Translation)

4. Business Performance and Changes in Financial Position

(1) Business performance and changes in financial position of the Corporate Group

(Unit: millions of yen)

	Fiscal 2003 (4/02–3/03)	Fiscal 2004 (4/03–3/04)	Fiscal 2005 (4/04–3/05)	Fiscal 2006 (4/05–3/06)
Net sales	272,202	268,574	294,422	318,446
Ordinary income	13,420	13,800	10,206	14,595
Net income (loss)	(2,434)	6,019	5,581	4,257
Net income (loss) per share (yen)	(6.10)	15.08	13.93	10.67
Total assets	320,069	314,915	332,217	349,862
Shareholders' equity	98,212	93,866	102,088	117,577

Notes: 1. Starting from fiscal 2003 (April 1, 2002 to March 31, 2003), the Accounting Standard for Annual Net Income per Share (Corporate Accounting Standard No. 2 specified by the Corporate Accounting Standard Commission, September 25, 2002) and the Accounting Standard Application Guideline for Annual Net Income per Share (Corporate Accounting Standard Application Guideline No. 4 specified by the Corporate Accounting Standard Commission, September 25, 2002) are applied to the calculation of net income (loss) per share.

2. Amounts less than one million yen are omitted.

3. Net income (loss) per share is calculated on the basis of the average number of issued shares during the relevant fiscal year excluding treasury stocks.

4. Starting from fiscal 2005 (April 1, 2004 to March 31, 2005), the consolidated financial statements are prepared based on Article 19-2 of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations. As a result, the figures for fiscal 2003 to fiscal 2004 are based on consolidated financial statements not audited by the corporate auditors and independent auditors.

(2) Business performance and changes in financial position of the Company

(Unit: millions of yen)

	Fiscal 2003 (4/02–3/03)	Fiscal 2004 (4/03–3/04)	Fiscal 2005 (4/04–3/05)	Fiscal 2006 (4/05–3/06)
Net sales	162,952	185,105	185,232	206,831
Ordinary income	11,062	13,343	11,057	10,236
Net income (loss)	1,227	2,266	3,504	(3,378)
Net income (loss) per share (yen)	3.08	5.68	8.72	(8.47)
Total assets	362,682	366,618	361,664	357,560
Shareholders' equity	181,240	182,389	183,017	179,669

Notes: 1. Starting from fiscal 2003 (April 1, 2002 to March 31, 2003), the Accounting Standard for Annual Net Income per Share (Corporate Accounting Standard No.2 specified by the Corporate Accounting Standard Commission, September 25, 2002) and the Accounting Standard Application Guideline for Annual Net Income per Share (Corporate Accounting Standard Application Guideline No. 4 specified by the Corporate Accounting Standard Commission, September 25, 2002) are applied to the calculation of net income (loss) per share.

2. Amounts less than one million yen are omitted.

3. Financial statements for fiscal 2004 (April 1, 2003 to March 31, 2004) are indicated under the "Ministerial Ordinance for Partial Revision of the Commercial Code Enforcement Regulation (the Ministry of Justice Ordinance No. 7 dated February 28, 2003)." As a result, "income (loss) for the current period" and "income (loss) per share for the current period" for fiscal 2003 and before are described as "net income (loss)" and "net income (loss) per share" respectively.

4. Net income (loss) per share is calculated on the basis of the average number of issued shares during the relevant fiscal year excluding treasury stocks.

（Translation）

II. Overview of the Corporate Group and the Company (as of March 31, 2006)

1. Main business lines of the Corporate Group and the Company

Classification	Products
Machined Components Business	
Bearings	Miniature ball bearings, small-sized ball bearings, and rod-end bearings, etc.
Machinery components	Commercial and aerospace fasteners, tape guides, pivot assemblies and gears, etc.
Special machinery and others	Aerospace and defense-related equipment, etc.
Electronic Devices and Components Business	
Electronic devices and components	Small precision motors, keyboards, speakers, backlights, hybrid integrated circuits, inverters, strain gauges, load cells, etc.

2. Major offices and factories of the Corporate Group and the Company

(1) The Company's major offices and factories

Name	Location
Head Office/Karuizawa Factory	Nagano Prefecture
Tokyo Head Office	Tokyo
Hamamatsu Factory	Shizuoka Prefecture
Fujisawa Factory	Kanagawa Prefecture
Omori Factory	Tokyo
Matsuida Factory	Gunma Prefecture

(2) Subsidiaries' major offices and factories

Name	Location
Minebea-Matsushita Motor Corporation	Tokyo
NMB Thai Ltd.	Thailand
Pelmec Thai Ltd.	Thailand
Minebea Thai Ltd.	Thailand
Minebea Electronics (Thailand) Co., Ltd.	Thailand
NMB (USA) Inc.	U.S.A.
NMB Technologies Corporation	U.S.A.
New Hampshire Ball Bearings, Inc.	U.S.A.
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	China
Minebea (Hong Kong) Ltd.	China

3. Overview of Shares

(1) Total number of shares authorized: 1,000,000,000 shares
(2) Number of shares issued: 399,167,695 shares
(3) Number of shareholders: 24,719 persons

(Translation)

4. Major shareholders:

Name of shareholders	Investment in the Company		Our investment in the shareholders	
	Number of shares (thousands)	Shareholding ratio (%)	Number of shares (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	35,178	8.81	—	—
Japan Trustee Service Bank, Ltd. (Trust account)	34,236	8.58	—	—
Japan Trustee Service Bank, Ltd. (Trust account 4)	18,756	4.70	—	—
Keiaisha Co., Ltd.	15,000	3.76	1,183	10.03
The Sumitomo Trust & Banking Co., Ltd.	12,349	3.09	2,070	0.12
Takahashi Industrial and Economic Research Foundation	12,347	3.09	—	—
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057	2.52	2	0.02
Sumitomo Mitsui Banking Corporation	10,000	2.51	1	0.02
Depositary Nominees Inc.	8,194	2.05	—	—
State Street Bank and Trust Co. 505019	7,331	1.84	—	—

Note: On April 10, 2006 (though the reporting obligation arose on March 31, 2006), Morgan Stanley Japan Securities Co., Ltd. and eight other joint holders filed a report concerning a change of substantial shareholding with the Director, Kanto Finance Bureau of the Finance Ministry of Japanese Government. However, these new shareholders are not included in the above table of our major shareholders because the Company is not in a position to confirm the final number of our shares beneficially owned by them as of the end of the fiscal year under review (March 31, 2006). Meanwhile, said report can be outlined as follows:

Name of substantial shareholders: Morgan Stanley Japan Securities Co., Ltd. and eight other joint holders
Number of shares held: 28,378 thousand shares
Shareholding ratio: 7.11%

5. Acquisition, disposal, etc., and holding of treasury stocks

(1) Treasury stock acquired
Common stock: 13,518 shares
Total acquisition amount: ¥7,196 thousand

(2) Treasury stock disposed
Common stock: 2,581 shares
Total disposal price: ¥1,214 thousand

(3) Treasury stock at the end of the fiscal year
Common stock: 116,560 shares

(Translation)

6. Employees of the Corporate Group

(1) Employees of the Corporate Group

Business segment	Number of employees
Machined components	18,184
Electronic devices and components	29,186
Whole company	156
Total	47,526

Notes: 1. The number of employees is the number that are at work.
2. The "Whole company" refers to employees in the administration department but not under either business segment.

(2) Employees of the Company

Classification	Number of employees	Increase (decrease) from the end of the previous year	Average age	Average of working years
Male	1,994	101	41.4	17.8
Female	431	32	35.0	12.6
Total or average	2,425	133	40.3	16.8

Note: The number of employees is the number that are at work.

7. Principal consolidation

(1) Principal subsidiaries

Name	Common stock	Voting rights ratio	Main business lines
Minebea-Matsushita Motor Corporation	¥10,000 million	60.0%	Manufacture and sales of motors and their components
NMB Thai Ltd.	1,200,000 thousand Thai baht	100.0%	Manufacture and sales of bearings and others
Pelmec Thai Ltd.	1,100,000 thousand Thai baht	100.0%	Manufacture and sales of bearings and others
Minebea Thai Ltd.	8,381,818 thousand Thai baht	100.0%	Manufacture and sales of motors and others
Minebea Electronics (Thailand) Co., Ltd.	1,563,545 thousand Thai baht	100.0%	Manufacture and sales of electronic devices and their components
NMB (USA) Inc.	US$311,093 thousand	100.0%	Holding company
NMB Technologies Corporation	US$6,800 thousand	100.0% (100.0%)	Sales of bearings, electronic devices and others
New Hampshire Ball Bearings, Inc.	US$94,000 thousand	100.0% (100.0%)	Manufacture and sales of bearings
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	US$239,060 thousand	100.0%	Manufacture and sales of bearings and electronic devices
Minebea (Hong Kong) Ltd.	HK$100,000 thousand	100.0%	Sales of bearings, electronic devices and others

Note: Figures in parentheses for the voting rights ratio in the above table show the ratio of indirect ownership.

(Translation)

(2) Progress in consolidation

We liquidated subsidiary Minebea Electronics Co., Ltd. on March 31, 2005 and took over all business from the subsidiary on April 1, 2005 and completed the liquidation on June 30, 2005.
On March 2, 2006, Minebea and Huan Hsin Holdings Ltd. agreed to dissolve the keyboard joint venture business in China. Minebea purchased all shares of Sheng Ding Pte. Ltd. which Huan Hsin Holdings Ltd. owned. After the purchase of shares, Minebea's voting rights ratio is 100%.

(3) Results of consolidation

Consolidated net sales, consolidated ordinary income and consolidated net income for the year under review were ¥318,446 million (¥294,422 million year on year), ¥14,595 million (¥10,206 million year on year) and ¥4,257 million (¥5,581 million year on year), respectively.

8. Major lenders

Lenders	Outstanding borrowing (millions of yen)	Shares held by lender	
		Number of shares (thousands)	Shareholding ratio (%)
The Sumitomo Trust & Banking Co., Ltd.	13,300	12,349	3.09
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,400	10,057	2.52
Sumitomo Mitsui Banking Corporation	11,400	10,000	2.51
Mizuho Corporate Bank, Ltd.	4,900	2,300	0.58
The Hachijuni Bank, Ltd.	3,000	2,000	0.50

9. Directors and Corporate Auditors

Title	Name	Responsibilities or principal occupation (as of March 31, 2006)
Representative Director, President and Chief Executive Officer	Takayuki Yamagishi	
Director, Senior Managing Executive Officer	Yoshihisa Kainuma	Chief of Operations Headquarters, Head of Legal Division
Director, Senior Managing Executive Officer	Ryusuke Mizukami	Chief of Engineering Headquarters, Officer in charge of Environmental Preservation
Director, Senior Managing Executive Officer	Tosei Takenaka	Head of Information Motor Business Unit, Representative Director and President of Minebea-Matsushita Motor Corporation, Representative Director and President, NMB Electro Precision, Inc.
Director, Senior Managing Executive Officer	Koichi Dosho	Chief of Sales Headquarters
Director, Managing Executive Officer	Hiroharu Katogi	Chief of Administration Headquarters, Head of Administration Division and of Information Systems Division
Director, Managing Executive Officer	Akihiro Hirao	Deputy Chief of Engineering Headquarters, Head of Engineering Support Division, Head of Defense-Related Special Parts Business Unit
Director, Managing Executive Officer	Eiichi Kobayashi	Chief of Manufacturing Headquarters

(Translation)

Title	Name	Responsibilities or principal occupation (as of March 31, 2006)
Director	Chanchai Leetavorn	Chairman, Asia Credit Plc.
Director	Takashi Matsuoka	Managing Director, Keiaisha Co., Ltd.
Standing Corporate Auditor	Shinichi Mori	
Standing Corporate Auditor	Yoshinori Amano	
Standing Corporate Auditor	Tsukasa Oshima	
Corporate Auditor	Isao Hiraide	Certified Public Tax Accountant

Notes: 1. Hiroharu Katogi, Akihiro Hirao, Eiichi Kobayashi and Takashi Matsuoka were newly elected as Directors at the 59th Ordinary General Meeting of Shareholders held on June 29, 2005.

2. Tsugio Yamamoto retired as Representative Director, and Rikuro Obara and Kenji Senoue retired as Directors at the conclusion of the 59th Ordinary General Meeting of Shareholders held on June 29, 2005.

3. Former director Atsushi Matsuoka died on June 13, 2005.

4. Chanchai Leetavorn and Takashi Matsuoka are external Directors as provided in Item (7)-2, Paragraph 2 of Article 188 of the Commercial Code.

5. Tsukasa Oshima and Isao Hiraide are external Corporate Auditors as required under Paragraph 1 of Article 18 of the Law for Special Exceptions to the Commercial Code concerning Audit, etc., of Corporations.

10. Amount paid as remuneration to independent auditors

(1) Total amount paid to the independent auditors as remuneration by the Company and its subsidiaries
¥60 million

(2) Total amount in (1) paid as remuneration to the independent auditors for audit certification by the Company and its subsidiaries based on Paragraph 1 of Article 2 of the Certified Public Accountant Law
¥60 million

(3) Total amount in (2) paid as remuneration to the independent auditors by the Company
¥50 million

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（Translation）

Balance Sheet
(As of March 31, 2006)

(Unit: millions of yen)

Assets	
Item	**Amount**
Current Assets	**125,077**
Cash and cash equivalents	9,773
Notes receivable	4,306
Accounts receivable - trade	48,841
Purchased goods	2,103
Goods in transit	1,086
Finished goods	1,040
Raw materials	1,880
Work in process	2,883
Supplies	139
Prepaid expenses	475
Short-term loans receivable from affiliates	46,426
Accounts receivable - other	3,167
Temporary advance	21
Deferred tax assets	1,895
Others	1,071
Allowance for doubtful receivables	(35)
Fixed Assets	**232,446**
Tangible fixed assets	**26,051**
Buildings	9,013
Structures	488
Machinery and equipment	5,352
Vehicles	13
Tools, furniture and fixtures	3,348
Land	7,430
Construction in progress	404
Intangible fixed assets	**3,225**
Patent rights and other intangibles	3,225
Investments and other assets	**203,169**
Investments in securities	10,812
Investment securities in affiliates	161,861
Investments in partnerships	0
Investments in partnerships with affiliates	32,406
Long-term loans receivable from employees	6
Long-term loans receivable from affiliates	553
Reorganization claim in bankruptcy, and others	0
Long-term prepaid expenses	414
Deferred tax assets	3,173
Others	482
Allowance for doubtful receivables	(6,542)
Deferred Charges	**36**
Bond issuance expenses	36
Total Assets	**357,560**

Note: Amounts less than one million yen are omitted.

(Translation)

(Unit: millions of yen)

Liabilities	
Item	**Amount**
Current Liabilities	**98,237**
Notes payable	3,400
Accounts payable - trade	32,265
Short-term loans payable	43,600
Current portion of long-term loans payable	6,000
Current portion of bonds	3,000
Accounts payable - other	2,077
Accrued income taxes	868
Accrued expenses	949
Advances from customer	25
Deposits received	217
Deferred income	129
Accrued bonuses	1,953
Allowance for business restructuring losses	3,546
Notes payable for equipment	129
Others	72
Long-Term Liabilities	**79,654**
Bonds	36,500
Long-term loans payable	43,000
Allowance for retirement benefits	104
Allowance for retirement benefits to executive officers	49
Total Liabilities	**177,891**
Shareholders' Equity	
Common stock	**68,258**
Additional paid-in capital	**94,756**
Capital reserve	94,756
Retained earnings	**12,287**
Earned surplus	2,085
Voluntary reserve	11,500
General reserve	11,500
(Undisposed retained deficit)	(1,297)
Difference on revaluation of other marketable securities	**4,428**
Treasury stock	**(61)**
Total Shareholders' Equity	**179,669**
Total Liabilities and Shareholders' Equity	**357,560**

Note: Amounts less than one million yen are omitted.

（Translation）

Statement of Income
(From April 1, 2005 to March 31, 2006)

(Unit: millions of yen)

Item			Amount	
Ordinary Income and Expenses	**Operating income and expenses**	**Operating income**		**206,831**
		Net sales	206,831	
		Operating expenses		**203,755**
		Cost of sales	182,910	
		Selling, general and administrative expenses	20,844	
		Operating income		**3,075**
	Other income and expenses	**Other income**		**9,176**
		Interest income	638	
		Dividends received	7,759	
		Rent income on fixed assets	212	
		Others	566	
		Other expenses		**2,016**
		Interest and discount charges	771	
		Interest on bonds	740	
		Amortization on bond issue costs	46	
		Foreign currency exchange loss	166	
		Others	291	
		Ordinary income		**10,236**
Extraordinary Income and Loss		**Extraordinary income**		**1,157**
		Gain on sales of fixed assets	477	
		Gain on sales of investments in securities	191	
		Gain on the reversal of preemptive rights	447	
		Reversal of allowance for doubtful receivables	41	
		Extraordinary loss		**11,479**
		Loss on sales of fixed assets	12	
		Loss on disposal of fixed assets	136	
		Impairment loss	1,642	
		Allowance for doubtful receivables	316	
		Loss on revaluation of investment securities in affiliates	5,230	
		Loss on liquidation of affiliates companies	49	
		Loss for after-care of products	29	
		Business restructuring loss	3,637	
		Retirement benefits to directors and corporate auditors	423	
Income before income taxes (loss)				**(85)**
Income taxes current (including enterprise tax)				1,815
Adjustment of income taxes				1,478
Total income taxes				3,293
Net income (loss)				**(3,378)**
Retained earnings brought forward from the previous year				2,081
Loss on disposal of treasury stock				0
Unappropriated retained earnings at end of year (Undisposed retained deficit)				**(1,297)**

Note: Amounts less than one million yen are omitted.

(Translation)

Significant Accounting Policies

(1) Standards and method of valuation of securities

Shares in subsidiaries and affiliates: Stated at cost as determined by the moving-average method.

Other securities:

Securities with market value: Stated at market value based on the market price, etc., as of the fiscal year-end (the evaluation balances are calculated by the total direct capitalization method and the cost of sales is calculated by the moving-average method).

Securities without market value: Stated at cost as determined by the moving average method.

(2) Standards and method of valuation of inventories

Purchased goods:	Stated at cost as determined by the moving-average method.
Finished goods:	Stated at cost as determined by the moving-average method.
Raw materials:	Stated at cost as determined by the moving-average method in respect of materials for bearings, fasteners, measuring equipment, motors and special machinery equipment.
Work in process:	Stated at cost as determined by the moving-average method in respect of bearings, fasteners and motors. Stated at cost as determined by the identified cost method in respect of measuring equipment, special motors and special machinery equipment.
Supplies:	Stated at cost as determined by the moving-average method in respect of expendables for manufacturing bearings, fasteners, measuring equipment, motors and special machinery equipment.

(3) Method of depreciation of fixed assets

Tangible fixed assets: Declining balance method. The main useful lives reported here are as follows:

Building and structure	2–50 years
Machinery and equipment	2–15 years
Tools, furniture and fixtures	2–20 years

However, a depreciable asset of small value (the acquisition value of which is ¥100,000 or more but less than ¥200,000) is depreciated equally each year over three years.

Intangible fixed assets: Straight-line method. However, for software (used by the Company), the straight-line method on the basis of the estimated usable period (5 years) established within the Company is used.

Long-term prepaid expenses:

Straight-line method.

(4) Method of accounting of deferred charges

Bond issuance expense: Amortized equally each year over three years pursuant to the Commercial Code.

(5) Standards of conversion of accounts receivable or payable in a foreign currency into yen amounts

Accounts receivable and accounts payable in a foreign currency are converted into yen amounts at spot exchange rates at the fiscal year-end. Conversion loss or income is recorded as expense or income, respectively.

(6) Standards of accounting of allowances

Allowance for doubtful receivables:

To provide against loss on bad debts, the estimated uncollectible amounts are shown, with respect to receivables in general, based on the actual uncollectibility ratios and, with respect to specific doubtful receivables, through individual consideration of collectibility.

Accrued bonuses: To provide against payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment.

（Translation）

Allowance for retirement benefits:

To provide against the payment of retirement allowances to employees, the amount that is recognized to have accrued at the fiscal year-end is shown on the basis of the estimated amounts of the retirement allowance liabilities and pension funds as of the fiscal year-end.

The amortization of actuarial difference is recorded as expense on a straight-line basis for a certain period (5 years) starting from the year following the year in which such difference arose.

(Change of accounting policies)

From this business year, the Company has applied “Partial revision of accounting standards for retirement benefits” (Corporate Accounting Standard No. 3, March 16, 2005) and “Implementation Guidelines for Partial Revision of Accounting Standards for Retirement Benefits” (Corporate Accounting Standard Application Guideline No. 7, March 16, 2005). There will be no impact on our business results from this application.

Allowance for retirement benefits to executive officers:

To provide against the payment of retirement allowances to executive officers, the amount that is recognized to be necessary at the end of the current fiscal year according to our internal regulations is shown.

Allowance for business restructuring losses:

Based upon the decision of the structural reform plan for its PC keyboard business and other keyboard business, the Company has reported the reasonably estimated amounts of expenses that are expected to incur in the future.

(7) Method of accounting of lease transactions

Financial lease transactions other than those in which the ownership of a leased asset is considered to be transferred to the lessee are accounted for in the same manner as ordinary lease transactions.

(8) Method of hedging accounting

The foreign currency-denominated monetary assets and liabilities that were hedged by forward exchange contracts are allocated to the periods.

Under the guidance of the Company’s financial department, forward exchange contracts have been made to hedge the risks of fluctuations in foreign exchange rates relating to export and import transactions and others.

In concluding forward foreign exchange contracts, those contracts with the corresponding amounts and dates are respectively allocated (to the debts) in accordance with the risk management policy. Therefore the correlation between claims/debts and forward foreign exchange contracts arising from foreign exchange rate fluctuations is fully secured, and this judgment is substituted for the judgment of effective hedge.

(9) Other significant matters for preparation of the financial statements

Consumption taxes and other related taxes are excluded from the revenues and purchases of the Company.

(Change of accounting policies)

From this business year, the Company has applied “Japanese Accounting Standards for Impairment of Fixed Assets” (Opinion concerning the Setting of Accounting Standards for Impairment of Fixed Assets, August 9, 2002) and “Implementation Guidelines for the Accounting Standards for Impairment of Fixed Assets (Implementation Guidelines No. 6 for Business Accounting Standards issued by the Accounting Standards Board of Japan, October 31, 2003.)

This application increased the loss before taxes by ¥1,642 million.

Regarding accumulated impairment losses, the Company deducted them directly from the amount of each relevant fixed asset.

Notes to the Balance Sheet

(1) Receivables from and payable to subsidiaries

Short-term receivables:	¥34,061 million
(excluding short-term loan receivables from subsidiaries)	
Short-term payables:	¥27,671 million

(Translation)

(2) Accumulated depreciation of tangible fixed assets ¥49,208 million

(3) In addition to the fixed assets listed in the Balance Sheet, the Company uses computers, etc., on lease.

(4) Guarantees ¥33,548 million

(5) Shareholders' equity is ¥4,428 million as stipulated in Item 3, Article 124 of the Commercial Code Enforcement Regulations.

Notes to the Statement of Income

(1) Sales to subsidiaries ¥139,526 million

(2) Purchase from subsidiaries ¥136,085 million

(3) Amount of non-operating transactions with subsidiaries ¥21,496 million

(4) Total amount of research-and-development expenses
The research-and-development expenses included in the general administrative expenses and the manufacturing costs for this period under review were ¥7,538 million.

(5) Net income (loss) per share ¥(8.47)
Note: Calculation basis for net income per share

Net income (loss) on the Non-consolidated Statement of Income	¥(3,378) million
Net income (loss) involving common stock	(3,378)
Net income that is not entitled to ordinary shareholders	
Not applicable	
Average number of common stocks during the fiscal year under review	399,056,975 shares

Notes to tax-effect accounting

(1) Breakdown by cause of the deferred tax assets and deferred tax liabilities:

(Deferred tax assets)	
Excess of allowed limit chargeable to the accrued bonuses	¥762 million
Excess of allowed limit chargeable to the retirement benefits	60
Loss on revaluation of investments in securities	1,671
Loss on revaluation of investments in securities of affiliates	3,383
Excess of allowed limit chargeable to the allowance for doubtful receivable	2,553
Disallowance of allowance for business restructuring losses	1,383
Foreign tax credit carry forwards	602
Impairment loss	641
Excess of allowed limit chargeable to the depreciation	386
Disallowance of accrued enterprise taxes	287
Others	293
Total deferred tax assets	12,021
Valuation allowance	(4,122)
Total deferred tax assets	7,899
(Deferred tax liabilities)	
Difference on evaluation of other marketable securities	2,831
Total deferred tax liabilities	2,831
Net deferred tax assets	5,068

(2) Breakdown by cause of the difference between the applicable legal effective tax rate and the actual rate of corporate income tax, etc., after tax-effect accounting:
Not listed as a profit before tax loss is listed.

(Translation)

Notes to the retirement allowance accounting

(1) Retirement allowance plan adopted by the Company

The Company has fully adopted a qualified retirement pension plan to provide against retirement payments to employees.

(2) Substance of retirement benefit liabilities

(1) Retirement benefit liabilities and their breakdown:

(a)	Retirement benefit liabilities	¥10,466 million
(b)	Pension assets	12,312
(c)	Balance (a – b)	(1,846)
(d)	Unrecognized amortization of actuarial difference	(1,950)
(e)	Allowance for retirement benefit (c – d)	104

(2) Breakdown of expense for retirement benefit:

Service expense	¥502 million
Interest expense	235
Expected investment income	223
Amortization of actuarial difference treated as expense	239

(3) Calculation basis for retirement benefit liabilities

Discount rate	2.5%
Expected investment income rate	2.5%
Method of periodic allocation of expected retirement benefit amounts	Periodic fixed standard
Number of years required for the treatment of the amortization of actuarial difference	5 years (From the following period, it is charged to expense by the straight-line method.)

Proposed Appropriation of Unappropriated Retained Earnings

(Unit: yen)

Item	Amount	
Ⅰ **Undisposed retained deficit**		**1,297,705,785**
Ⅱ **Voluntary earned surplus**		
General reserve	5,000,000,000	**5,000,000,000**
Total		**3,702,294,215**
Ⅲ **The above amount to be appropriated as follows:**		
Dividends (¥7 per share)	2,793,357,945	**2,793,357,945**
Ⅳ **Retained earnings brought forward to the next period**		**908,936,270**

(Translation)

Certified Copy of the Report of the Independent Auditors

AUDIT REPORT OF THE INDEPENDENT AUDITORS

May 9, 2006

To: The Board of Directors
Minebea Co., Ltd.

Ernst & Young ShinNihon

Hidenori Takahashi (seal)
Designated and Engagement Partner
Certified Public Accountant

Kiyokazu Tashiro (seal)
Designated and Engagement Partner
Certified Public Accountant

Kazumi Okamoto (seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the Balance Sheet, the Statement of Income, the Business Report (limited only to the part relating to accounting), the Proposed Appropriation of Unappropriated Retained Earnings and the supplementary statements (limited only to the part relating to accounting) of MINEBEA CO., LTD., for the 60th fiscal year from April 1, 2005 to March 31, 2006, pursuant to Paragraph 1, Article 2 of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations. The part relating to accounting of the Business Report and the supplementary statements that have been audited is the portion based on the accounting books and records of the matters set out therein. It is the management of the Company that bears the responsibility of compilation of these financial statements and their supplementary details, while our responsibility is to express an opinion on the financial statements and their supplementary details from an independent standpoint.

Our examination was made in accordance with generally accepted auditing standards in Japan and, accordingly, we performed such auditing procedures as we considered necessary in the circumstances. These auditing standards require us to gain a reasonable assurance whether these financial statements and their supplementary details are free of material misstatement. The auditing is conducted on a test basis, while including our examination of descriptions in the financial statements and their supplementary details as an entirety that includes the accounting policies and their application methods adopted by the corporate management, as well as our assessment of the estimation that was made by the management. As a result of our audit conducted in these ways, we believe that we have obtained a reasonable basis for our opinions. The auditing procedures included auditing procedures of certain subsidiaries that we considered to be necessary.

As a result of the audit, we are of the opinion that:

(1) The Balance Sheet and the Statement of Income fairly present the financial position of the Company and the results of its operations in conformity with laws and ordinances and the Articles of Incorporation of the Company;
As written in the change of accounting policies, the Company has applied "Japanese Accounting Standards for Impairment of Fixed Assets" (Opinion concerning the Setting of Accounting Standards for Impairment of Fixed Assets, August 9, 2002) and "Implementation Guidelines for the Accounting Standards for Impairment of Fixed Assets (Implementation Guidelines No. 6 for Business Accounting Standards issued by the Accounting Standards Board of Japan, October 31, 2003.)
This change is acceptable as above standard and guideline is applied starting from the term ended March 31, 2006.

(2) The Business Report (limited only to the part related to accounting) properly describes the situation of the Company in accordance with laws and ordinances and the Articles of Incorporation of the Company;

(3) The Proposed Appropriation of Unappropriated Retained Earnings is in conformity with laws and ordinances and the Articles of Incorporation of the Company; and

(4) There is no matter to be pointed out concerning the supplementary statements (limited only to the part related to accounting) according to the Commercial Code.

Neither our firm nor any of the partners in charge has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountant Law.

（Translation）

Certified Copy of the Report of the Board of Corporate Auditors

AUDIT REPORT

May 9, 2006

We, the Board of Corporate Auditors, have prepared this Audit Report by mutual consultation among ourselves following the report presented by each of the Corporate Auditors on their auditing method and the results of such audit with respect to performance of duties by the Directors during the 60th fiscal period from April 1, 2005 to March 31, 2006, and our report is hereby made as follows:

1. Overview of the audit method by the Corporate Auditors

Each Corporate Auditor attended meetings of the Board of Directors and other important meetings, received reports from Directors and others about business activities, reviewed documents for important decisions, etc., investigated the condition of business activities and assets of the Company at its head office and principal business offices and, when necessary, asked for business reports from subsidiaries, in accordance with the auditing policy and allocation of responsibilities, etc., as stipulated by the Board of Corporate Auditors.
In addition, we received reports and explanations from the independent auditors of the Company, and reviewed the financial statements and supplementary statements.
In addition to the above auditing methods, we, when necessary, asked for reports from Directors and others and closely examined the transactions in connection with Directors' competing transactions, transactions involving conflict of interests between Directors and the Company, granting of benefits by the Company for free, unusual transactions with subsidiaries or shareholders, and purchases and disposals of treasury stock, and other matters.

2. Results of Audit

(1) We certify that the auditing method of Ernst & Young ShinNihon and the results of its audit are proper and correct.
(2) We certify that the Business Report fairly presents the situation of the Company in conformity with laws and ordinances and the Articles of Incorporation.
(3) We find no matter to be pointed out with respect to the Proposed Appropriation of Unappropriated Retained Earnings in light of the condition of the Company's assets and other circumstances.
(4) The supplementary statements fairly present the matters to be described, and we find no matter to be pointed out about them.
(5) We find no unfair act or material fact in violation of laws and ordinances or the Articles of Incorporation with respect to the performance of duties by the Directors.

Furthermore, we find no violation of duties by Directors with respect to their competing transactions, transactions involving conflict of interests between Directors and the Company, granting of benefits by the Company for free, unusual transactions with subsidiaries or shareholders, and purchases and disposals of treasury stock, and other matters.

Board of Corporate Auditors of Minebea Co., Ltd.

Shinichi Mori (seal)
Standing Corporate Auditor

Yoshinori Amano (seal)
Standing Corporate Auditor

Tsukasa Oshima (seal)
Standing Corporate Auditor

Isao Hiraide (seal)
Corporate Auditor

Note: Standing Corporate Auditor Tsukasa Oshima and Corporate Auditor Isao Hiraide are external Corporate Auditors as stipulated in Paragraph 1 of Article 18 of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations.

（Translation）

Consolidated Balance Sheet
(As of March 31, 2006)

(Unit: millions of yen)

Assets	
Item	**Amount**
Current Assets	**153,564**
Cash and cash equivalents	24,385
Notes and accounts receivable	66,362
Inventories	48,914
Deferred tax assets	3,402
Others	10,784
Allowance for doubtful receivables	(285)
Fixed Assets	**196,216**
Tangible fixed assets	**165,759**
Building and structure	104,435
Machinery and transportation equipment	232,021
Tools, furniture and fixtures	51,705
Land	14,755
Construction in progress	1,517
Accumulated depreciation	(238,675)
Intangible fixed assets	**13,177**
Consolidation adjustments	9,794
Others	3,383
Investments and other assets	**17,279**
Investments in securities	10,963
Long-term loans receivable	46
Deferred tax assets	4,552
Others	1,772
Allowance for doubtful receivables	(55)
Deferred Charges	**81**
Total Assets	**349,862**

Note: Amounts less than one million yen are omitted.

(Translation)

(Unit: millions of yen)

Liabilities	
Item	**Amount**
Current Liabilities	**150,886**
Notes and accounts payable	26,683
Short-term loans payable	80,656
Current portion of long-term loans payable	8,115
Current portion of bonds	3,000
Accrued income taxes	3,045
Accrued bonuses	3,518
Allowance for business restructuring losses	3,286
Others	22,581
Long-Term Liabilities	**80,767**
Bonds	36,500
Long-term loans payable	43,000
Allowance for retirement benefits	641
Allowance for retirement benefits to executive officers	49
Others	576
Total Liabilities	**231,653**
Minority Interest in Consolidated Subsidiaries	**631**
Shareholders' Equity	
Common stock	**68,258**
Additional paid-in capital	**94,756**
Retained earnings	**6,983**
Difference on revaluation of other marketable securities	**4,428**
Foreign currency translation adjustments	**(56,784)**
Treasury stock	**(65)**
Total Shareholders' Equity	**117,577**
Total Liabilities, Minority Interest in Consolidated Subsidiaries and Shareholders' Equity	**349,862**

Note: Amounts less than one million yen are omitted.

(Translation)

Consolidated Statement of Income
(From April 1, 2005 to March 31, 2006)

(Unit: millions of yen)

Item			Amount	
Ordinary Income and Expenses	**Operating income and expenses**	**Operating income**		**318,446**
		Net sales	318,466	
		Operating expenses		**299,177**
		Cost of sales	249,934	
		Selling, general and administrative expenses	49,242	
		Operating income		**19,269**
	Other income and expenses	**Other income**		**1,503**
		Interest income	258	
		Dividends income	71	
		Equity income of affiliates	5	
		Others	1,167	
		Other expenses		**6,177**
		Interest expenses	4,771	
		Foreign currency exchange loss	345	
		Others	1,060	
	Ordinary income			**14,595**
Extraordinary Income and Loss		**Extraordinary income**		**1,054**
		Gain on sales of fixed assets	415	
		Gain on sales of investments in securities	191	
		Gain on the reversal of preemptive rights	447	
		Extraordinary loss		**6,029**
		Loss on sales of fixed assets	106	
		Loss on disposal of fixed assets	763	
		Impairment loss	967	
		Loss on sales of investments in securities	0	
		Loss on liquidation of affiliates	86	
		Loss for after-care of products	171	
		Business restructuring loss	3,475	
		Retirement benefits to directors and corporate auditors	458	
Income before income taxes and minority interest				**9,620**
Income taxes current (including enterprise tax)				5,567
Adjustment of income taxes				1,574
Total income taxes				7,141
Minority interest in earnings of consolidated subsidiaries				(1,778)
Net income				**4,257**

Note: Amounts less than one million yen are omitted.

（Translation）

Basis of presenting consolidated financial statements

1. Scope of consolidation and application of equity method

Number of consolidated companies --------43 companies

The same as (1) Principal subsidiaries in **7. Principal consolidation** of **Ⅱ. Overview of the Corporate Group and the Company** above.

Number of affiliated companies------------- 1 company

of which equity method is applied to 1 company including Shonan Seiki Co., Ltd.

2. Scope of consolidation and application of equity method
(a) Changes in consolidated subsidiaries
Anew: None

Exclusion:	Liquidation (3 companies)	Minebea Electronics Co., Ltd. NMB TRADING PTE. LTD. NMB PRECISION TOOL & DIE PTE. LTD.
	Merger (1 company)	Kanto Seiko Co., Ltd.

(b) Changes of the companies subject to equity method

Anew: None

Exclusion: None

3. Closing date of consolidated subsidiaries
Consolidated subsidiaries whose closing dates are different from that of the Company adjusted their financial statements to the Company’s closing date.

4. Accounting policies
(a) Valuation basis and method of significant assets
1. Inventories
The Company and consolidated domestic subsidiaries state primarily at the moving-average cost. Consolidated overseas subsidiaries state at the lower of first-in, first-out cost or market, or at the lower of average cost or market.

2. Other marketable securities
Securities with market value
The Company adopted the market value method based on market prices and other conditions at the end of the term. Also, the Company accounted for all valuation differences based on the direct capitalization method, and the sales costs are calculated by the moving-average method.
Securities without market value
Non listed securities are stated at cost determined by the moving-average method.

(b) Method of Depreciation of significant depreciable assets
1. Tangible fixed assets
The Company and consolidated domestic subsidiaries adopt the declining-balance method. The main useful life and the residual value reported here are as follows.

Building and structure	2–50 years
Machinery and equipment	2–15 years
Tools, furniture and fixtures	2–20 years

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than ¥100,000 and less than ¥200,000) over the three years each consolidated fiscal year.
Consolidated overseas subsidiaries mainly adopt the straight-line method.

2. Intangible fixed assets
The Company and consolidated domestic subsidiaries mainly adopt the straight-line method. However, depreciation of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).
Consolidated overseas subsidiaries mainly adopt the straight-line method.

(c) Valuation basis of significant allowances
1. Allowance for doubtful receivables
The Company and consolidated domestic subsidiaries make the record in the amount required for the estimated uncollectible receivables based on actual losses of trade receivables and on collectibility of specific receivables with loss possibilities.
Consolidated overseas subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the collectibility of each receivable for possible losses on the receivables.

2. Accrued bonuses
The Company and consolidated domestic subsidiaries make preparations for the payment of bonuses to employees, and accrued bonuses are shown based on the anticipated amounts of payment in the current term.
Consolidated overseas subsidiaries make the record on an accrual basis.

3. Allowance for retirement benefit
Regarding the Company and its consolidated domestic subsidiaries, the Company stated an amount estimated to accrue at the end of the current term to provide for employee retirement benefits, based on estimated retirement benefit debts and pension assets at the end of the term.
Over the 5 years within the average remaining length of employees' service, the Company will charge amortization of actuarial difference to expenses from the next term, in accordance with the straight-line method.

(Change of accounting policies)
From this business year, the Company has applied "Partial revision of accounting standards for retirement benefits" (Corporate Accounting Standard No. 3, March 16, 2005) and "Implementation Guidelines for Partial Revision of Accounting Standards for Retirement Benefits" (Corporate Accounting Standard Application Guideline No. 7, March 16, 2005). There will be no impact on our business results from this application.

Regarding the Company's consolidated overseas subsidiaries, each subsidiary stated an amount estimated to accrue at the end of the current term to provide for employee retirement benefits.
Over the 10 years within the average remaining length of employee's service, the Company will charge prior service liability to expenses, in accordance with the straight-line method.
Over the 10 years within the average remaining length of employees' service, the Company will charge amortization of actuarial difference to expenses from the next term, in accordance with the straight-line method.

4. Allowance for retirement benefits to executive officers
We posted retirement allowances to be required for payment at the end of the current consolidated fiscal year in accordance with company regulations.

5. Allowance for business restructuring losses
Based upon the decision of the structural reform plan for its PC keyboard business and other keyboard business, the Company has reported the reasonably estimated amounts of expenses that are expected to incur in the future.

(d) Translation of foreign currency assets and liabilities in financial statements of the Company and consolidated subsidiaries
The Company and consolidated domestic subsidiaries translate them into yen at the exchange rate on the balance sheet date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).
Consolidated overseas subsidiaries translate them at the exchange rate on the balance sheet date
(excluding the current financial receivables and payables that have already been translated at the contract exchange rate).

(e) Accounting method of significant lease transactions

In accordance with the accounting method in reference to ordinary rental transactions, the Company and its consolidated domestic subsidiaries accounted for finance lease transactions, excluding those in which the ownership of leased property will be transferred to the lessees. The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

(f) Accounting method of significant hedge transactions

The foreign currency-denominated monetary assets and liabilities that were hedged by forward exchange contracts are allocated to the periods.

Under the guidance of the Company's financial department, forward exchange contracts have been made to hedge the risks of fluctuations in foreign exchange rates relating to export and import transactions and others.

In concluding forward foreign exchange contracts, those contracts with the corresponding amounts and dates are respectively allocated (to the debts) in accordance with the risk management policy. Therefore the correlation between claims/debts and forward foreign exchange contracts arising from foreign exchange rate fluctuations is fully secured, and this judgment is substituted for the judgment of effective hedge.

(g) Accounting method of consumption tax and other

Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

5. Evaluation of consolidated subsidiaries' assets and liabilities

The Company adopts the step fair value method as an evaluation method of consolidated subsidiaries' assets and liabilities.

6. Amortization of consolidation adjustments

The consolidation adjustments are equally amortized for 5–40 years conforming to the accounting customs of the consolidated companies' countries.

7. Appropriation of retained earnings

Regarding the appropriation of retained earnings are prepared based on the method provided in the provision of Article 8 of the regulation relating to terminology, form and methods of preparation of consolidated financial statements (advanced inclusion method).

(Change of accounting policies)

From this business year, the Company has applied "Japanese Accounting Standards for Impairment of Fixed Assets" (Opinion concerning the Setting of Accounting Standards for Impairment of Fixed Assets, August 9, 2002) and "Implementation Guidelines for the Accounting Standards for Impairment of Fixed Assets (Implementation Guidelines No. 6 for Business Accounting Standards issued by the Accounting Standards Board of Japan, October 31, 2003.)

This application reduced the profit before taxes by ¥967 million.

Regarding accumulated impairment losses, the Company deducted them directly from the amount of each relevant fixed asset.

(Change of presentation)

The Company included allowance for environment-related expenses (the balance of which was ¥743 million at the end of the period) in others of current liabilities due to the smallness of its amount.

Notes to the Consolidated Statement of Income

Net income per share	¥10.67
Note: Calculation basis for net income per share	
Net income on the Consolidated Statement of Income	¥4,257 million
Net income involving common stock	4,257
Amount that is not entitled to ordinary shareholders	
Not applicable	
Average number of common stocks during the fiscal year under review	399,052,181 shares

（Translation）

Certified Copy of the Report of the Auditors for Consolidated Financial Statements

AUDIT REPORT OF THE INDEPENDENT AUDITORS

May 9, 2006

To: The Board of Directors
Minebea Co., Ltd.

Ernst & Young ShinNihon

Hidenori Takahashi (seal)
Designated and Engagement Partner
Certified Public Accountant

Kiyokazu Tashiro (seal)
Designated and Engagement Partner
Certified Public Accountant

Kazumi Okamoto (seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated Financial Statements, which are the Consolidated Balance Sheet and the Consolidated Statement of Income of MINEBEA CO., LTD., for the 60th fiscal year from April 1, 2005 to March 31, 2006, pursuant to Paragraph 3, Article 19-2, of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations. It is the management of the Company that bears the responsibility of compilation of the consolidated financial statements, while our responsibility is to express an opinion on the consolidated financial statements from an independent standpoint.

Our examination was made in accordance with generally accepted auditing standards in Japan and, accordingly, we performed such auditing procedures as we considered necessary in the circumstances. These auditing standards require us to gain a reasonable assurance whether these consolidated financial statements are free of material misstatement. The auditing is conducted on a test basis, while including our examination of descriptions in the consolidated financial statements as an entirety that includes the accounting policies and their application methods adopted by the corporate management, as well as our assessment of the estimation that was made by the management. As a result of our audit conducted in these ways, we believe that we have obtained a reasonable basis for our opinions. The auditing procedures included auditing procedures of certain subsidiaries that we considered to be necessary.

As a result of the audit, we are of the opinion that the above consolidated financial statements fairly present the financial position of the Company and its consolidated subsidiaries as a corporate group and the results of its operations in conformity with laws and ordinances and the Articles of Incorporation of the Company.
As written in the change of accounting policies, the Company has applied “Japanese Accounting Standards for Impairment of Fixed Assets” (Opinion concerning the Setting of Accounting Standards for Impairment of Fixed Assets, August 9, 2002) and “Implementation Guidelines for the Accounting Standards for Impairment of Fixed Assets (Implementation Guidelines No. 6 for Business Accounting Standards issued by the Accounting Standards Board of Japan, October 31, 2003.)
This change is acceptable as above standard and guideline is applied starting from the term ended March 31, 2006.
Neither our firm nor any of the partners in charge has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountant Law.

（Translation）

Certified Copy of the Report of the Board of Corporate Auditors for Consolidated Financial Statements

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

May 9, 2006

We, the Board of Corporate Auditors, have prepared this Audit Report by mutual consultation among ourselves following the report presented by each of the Corporate Auditors on their auditing method and the results of such audit with respect to the Consolidated Financial Statements (Consolidated Balance Sheet and Consolidated Statement of Income) during the 60th fiscal period from April 1, 2005 to March 31, 2006, and our report is hereby made as follows:

1. Overview of the audit method by the Corporate Auditors

Each Corporate Auditor received reports from Directors and others about Consolidated Financial Statements and, when necessary, investigated the condition of business activities and assets of subsidiaries by asking for accounting reports from the subsidiaries, in accordance with the auditing policy and allocation of responsibilities, etc., as stipulated by the Board of Corporate Auditors.

2. Results of Audit

We certify that the auditing method of Ernst & Young ShinNihon and the results of its audit are proper and correct.

Board of Corporate Auditors of Minebea Co., Ltd.

Shinichi Mori (seal)
Standing Corporate Auditor

Yoshinori Amano (seal)
Standing Corporate Auditor

Tsukasa Oshima (seal)
Standing Corporate Auditor

Isao Hiraide (seal)
Corporate Auditor

Note: Standing Corporate Auditor Tsukasa Oshima and Corporate Auditor Isao Hiraide are external Corporate Auditors as stipulated in Paragraph 1 of Article 18 of the Former Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations.

(Translation)

Reference Documents for the General Meeting of the Shareholders

Proposals and related matters:

First Proposal:
Approval of the Proposed Appropriation of Unappropriated Retained Earnings for the 60th business year

The details of the proposal are indicated on page 17 of the attachment.
During the 60th business year, we reported a large loss as a result of carrying out restructuring measures aimed at making our PC keyboard business profitable at an early stage. To account for this loss in the 60th business year without carrying it into the next business year, we propose reversal of a portion of general reserve for the loss.
Regarding dividends for the 60th business year, the payment of ¥7 per share is proposed to reward shareholders for their constant support and continue paying stable dividends.
Considering results for the 60th business year, bonuses to directors and corporate auditors are not recorded.

Second Proposal:
Partial Revision of the Articles of Incorporation

1. Reasons for the revision
(1) The Company Act (Law No. 86 of 2005) and the Law concerning Development, etc. of Related Laws for Enforcement of the Company Act (Law No. 87 of 2005; the Development Law) were newly put into effect on May 1, 2006. Required changes to the provisions of our Articles of Incorporation are proposed, based on these Laws.
(2) Convertible bonds were categorized into bonds with subscription rights attached under the Law for Partial Revision of the Commercial Code, etc. (Law No. 128 of 2001), put into effect on April 1, 2002. All of our convertible bonds issued were redeemed. Deletion of the provisions that provide for convertible bonds is proposed.
(3) New creation of a provision is proposed to allow us to pay dividends (interim dividends) on September 30 of every year as a record date by resolution of our Board of Directors.
(4) Other additions and alignment of the wording are proposed at the same time, as follows:
Other than changes based upon this Proposal, the Company's Articles of Incorporation is deemed to have the following provisions on May 1, 2006 in accordance with the provisions of interim measures provided for in the Development Law:
a) Interim measures related to the Board of Corporate Auditors and Independent Auditors (Article 52)
The Company's Articles of Incorporation is deemed to have provisions in accordance with which the Board of Corporate Auditors and Independent Auditors shall be appointed.
b) Interim measures related to the Board of Directors and Corporate Auditors (Paragraph 2, Article 76)
The Company's Articles of Incorporation is deemed to have provisions in accordance with which the Board of Directors and Corporate Auditors shall be appointed.
c) Interim measures related to the Articles of Incorporation unless provided in Articles of Incorporation that no stock certificates shall be issued (Paragraph 4, Article 76)
The Company's Articles of Incorporation is deemed to have provisions in accordance with which stock certificates related to common stocks of the Company shall be issued.
d) Interim measures if provided in the Articles of Incorporation that a transfer agent of stocks and stock acquisition rights shall be appointed (Article 80)
The Company's Articles of Incorporation is deemed to have provisions in accordance with which an agent to manage shareholders registry shall be appointed.

（Translation）

2. Substance of the revision

The substance of the revision is as shown below.

(The underlined parts show amendments.)

Present Articles of Incorporation	Proposed Revision
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
(New)	Article 4. (Organization) The Company will establish the following organizations additional to the General Shareholders Meeting and Directors. (1) Board of Directors (2) Corporate Auditors (3) Board of Corporate Auditors (4) Independent Auditor
Article 4. (Method of Public Notice) (Articles Omitted)	Article 5. (Method of Public Notice) (Not Amended)
CHAPTER II SHARES	CHAPTER II SHARES
Article 5. (Total Number of the Shares to Be Issued) The total number of the shares to be issued by the Company shall be one billion (1,000,000,000).	Article 6. (Total Number of the Shares Authorized to Be Issued) The total number of the shares authorized to be issued by the Company shall be one billion (1,000,000,000).
(New)	Article 7. (Issuance of Share Certificates) The Company will issue share certificates concerning shares.
Article 6. (Repurchase of Treasury Stock) As stipulated by No. 2, Clause 1, Article 211-3, of the Commercial Code, the Company is able to repurchase its treasury stock by a resolution of its Board of Directors.	Article 8. (Acquisition of Treasury Stock) The Company is able to acquire its treasury stock through market transactions by resolution of its Board of Directors.
Article 7. (Number of Shares Constituting One Unit of Shares; Non-issuance of a Share Certificate Representing Shares of Less Than One Unit) One thousand (1,000) shares of the Company shall constitute one unit of shares. The Company will not issue a share certificate representing any number of shares of less than one unit (hereinafter referred to as “less-than-one-unit shares”).	Article 9. (Number of Shares Constituting One Unit of Shares; Non-issuance of a Share Certificate Constituting Shares of Less Than One Unit) One thousand (1,000) shares of the Company shall constitute one unit of shares. Notwithstanding the provisions in Article 7, the Company may decide not to issue a share certificate constituting shares of less than one unit.
Article 8. (Claim for Additional Purchase of the Shares less Than One Unit) A shareholder (Including beneficial shareholder entered on or recorded in the register of beneficial shareholders; hereinafter the same) who owns such shares as their number counts less than one unit shall be entitled to claim to the Company to sell the number of shares that becomes one unit if added with such shares less than one unit now in hand.	Article 10. (Claim for Additional Purchase of the Shares Less Than One Unit) A shareholder (including beneficial shareholder entered on or recorded in the register of beneficial shareholders; hereinafter the same) who owns such shares as their number counts less than one unit shall be entitled to claim to the Company to sell the number of shares to become multiple units if added with such shares less than one unit now in hand.

(Translation)

Present Articles of Incorporation	Proposed Revision
Article 9. (Transfer Agent) The Company shall have a transfer agent concerning shares. The transfer agent and its business handling place shall be determined by a resolution of the Board of Directors. The register of shareholders, the register of beneficial shareholders of the Company and registry of loss of share certificates shall be kept at the business handling place of the transfer agent, and the registration of transfer of shares, receipt of notices of beneficial shareholders, handling request of purchase of shares falling short of one unit of shares, sales of the number of shares that becomes one unit if added with such shares less than one unit now in hand and other business connected with the shares shall be handled by the transfer agent and not by the Company.	Article 11. (Agent to Manage Shareholders Registry) The Company shall have an agent to manage shareholders registry. The agent to manage shareholders registry and its business handling place shall be determined by resolution of the Board of Directors. The preparation and retention of the register of shareholders of the Company (the register of beneficial shareholders is included, hereinafter the same), register of share warrants and registry of loss of share certificates and the other handling of register of shareholders, register of share warrants, registry of loss of share certificates shall be handled by the agent to manage shareholders registry and not by the Company.
Article 10. (Share Handling Regulation) The kind of share certificates of the Company and the procedures and fees relating to the registration of transfer of shares, receipt of notices of beneficial shareholders, handling request of purchase of shares falling short of one unit of shares, sales of the number of shares that becomes one unit if added with such shares less than one unit now in hand and other business connected with the shares shall be in accordance with the shares handling regulation as established by the Board of Directors.	Article 12. (Share Handling Regulation) The handling and fees for shares of the Company shall be in accordance with the shares handling regulation as established by the Board of Directors.
Article 11. (Record Date) Shareholders entered on or recorded in the register of shareholders as of each date for the settlement of accounts shall be deemed to be the shareholders entitled to vote at the ordinary general meeting of shareholders pertaining to such date for settlement of accounts. In addition to the preceding paragraph, in case of necessity, the Company may, by a resolution of the Board of Directors and giving prior public notice, deem that shareholders or registered pledgees entered on or recorded in the register of shareholders as of a specified date be those entitled to exercise their rights.	Article 13. (Record Date) Shareholders entered on or recorded in the register of shareholders as of the last day of the business year shall be deemed to be the shareholders entitled to vote at the ordinary general meeting of shareholders pertaining to such business year. In addition to the preceding paragraph, in case of necessity, the Company may, by resolution of the Board of Directors and giving prior public notice, deem that shareholders or registered pledgees entered on or recorded in the register of shareholders as of a specified date be those entitled to exercise their rights.
CHAPTER III GENERAL MEETINGS OF SHAREHOLDERS	CHAPTER III GENERAL MEETINGS OF SHAREHOLDERS
Article 12.-13. (Articles Omitted)	Article 14.-15. (Not Amended)
(New)	Article 16. (Deemed Provision of Disclosure of Reference Material for General Meetings of Shareholders on the Internet) When a General Meeting of Shareholders is convened, the Company is deemed to provide reference documents for the General Meeting of Shareholders, Business Report, information relevant to matters to be described or indicated on the Financial Documents and Consolidated Financial Documents to the shareholders by disclosing them using the Internet as stipulated in the Ministry of Justice Ordinance.

Present Articles of Incorporation	Proposed Revision
Article 14. (Exercise of Voting Rights by Proxy) A shareholder may exercise his voting right through a proxy who is a shareholder of the Company entitled to vote; provided, however, that the shareholder or the proxy shall file with the Company a document establishing his power of representation.	Article 17. (Exercise of Voting Rights by Proxy) A shareholder may exercise his/her voting right of the Company through a proxy who is a shareholder of the Company entitled to vote; provided, however, that the shareholder or the proxy shall file with the Company a document establishing his/her power of representation at each General Meeting of Shareholders.
Article 15. (Method of Resolutions) Unless otherwise provided by law or orders, a resolution of the general meeting of shareholders shall be adopted by a majority of the votes of shareholders present. A resolution presented to a general meeting of shareholders of the Company as is stipulated by Article 343 of the Commercial Code shall be adopted in case the shareholders holding more than one-third of the voting rights held by total shareholders are present at the said meeting and the resolution is supported by the majority exceeding two-thirds of the voting rights of the shareholders presented.	Article 18. (Method of Resolutions) Unless otherwise provided by laws or ordinances or Articles of Incorporation, resolution of the general meeting of shareholders shall be adopted by a majority of the votes of shareholders with voting rights present. A resolution presented to a general meeting of shareholders of the Company as being stipulated by paragraph 2, Article 309 of the Company Act shall be adopted in case the shareholders holding more than one-third (1/3) of the voting rights held by total shareholders with voting rights are present at the said meeting and the resolution is supported by the majority exceeding two-thirds (2/3) of the voting rights of the shareholders present.
CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS	CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS
Article 16. (Articles Omitted)	Article 19. (Not Amended)
Article 17. (Election of Directors) Directors shall be elected at a general meeting of shareholders attended by the shareholders who hold shares representing one-third (1/3) or more of the total number of the voting rights. No cumulative voting shall be used for the election of Directors.	Article 20. (Election of Directors) Directors shall be elected at a general meeting of shareholders attended by the shareholders who hold shares representing one-third (1/3) or more of the shareholders with voting rights and supported by the majority of the voting rights of the shareholders present. No cumulative voting shall be used for the election of Directors.
Article 18. (Representative Directors and Executive Directors) By a resolution of the Board of Directors, there shall be elected a Representative Director or Representative Directors. By a resolution of the Board of Directors, there may be elected one (1) Chairman of the Board of Directors, one (1) Vice Chairman of the Board of Directors.	Article 21. (Representative Directors and Executive Directors) By resolution of the Board of Directors, there shall be elected a Representative Director or Representative Directors. By resolution of the Board of Directors, there may be elected one (1) Chairman of the Board of Directors, one (1) Vice Chairman of the Board of Directors.
Article 19. (Articles Omitted)	Article 22. (Not Amended)
Article 20. (Term of Office of Directors) The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders pertaining to the last settlement of accounts within two (2) years after their assumption of office. The term of office of a Director elected to fill a vacancy or due to an increase in the number of Directors shall be the same as the remaining term of other present holders of the office.	Article 23. (Term of Office of Directors) The term of office of Directors shall expire at the conclusion of the ordinary general meeting of shareholders pertaining to the last business year within two (2) years after their election. The term of office of a Director elected to fill a vacancy or due to an increase in the number of Directors shall expire at the end of term of other present directors of the office.

(Translation)

Present Articles of Incorporation	Proposed Revision
Article 21. (Remuneration for Directors) Remuneration for Directors shall be decided by a resolution of the general meeting of shareholders.	Article 24. (Remuneration, etc. for Directors) Remuneration, bonus and other financial rewards for Directors paid as compensation for their duties shall be decided by resolution of the general meeting of shareholders.
Article 22. (Articles Omitted)	Article 25. (Not Amended)
Article 23. (Method of the Resolutions of the Board of Directors) The resolution of the Board of Directors shall be made by vote of a majority of the Directors present who shall constitute a majority of all the Directors. (New)	Article 26. (Method of the Resolutions of the Board of Directors and Omission of Resolutions) The resolution of the Board of Directors shall be made by vote of a majority of the Directors present who shall constitute a majority of all the Directors. Provided that the requirements listed in Article 370 of the Company Act are met, it will be considered to be resolved at the Board of Directors.
Article 24.-25. (Articles Omitted)	Article 27.-28. (Not Amended)
CHAPTER V CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITORS	CHAPTER V CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITORS
Article 26. (Articles Omitted)	Article 29. (Not Amended)
Article 27. (Election of Corporate Auditors) Corporate Auditors shall be elected at a general meeting of shareholders attended by the shareholders who hold shares representing one-third (1/3) or more of the total number of the voting rights.	Article 30. (Election of Corporate Auditors) Corporate Auditors shall be elected at a general meeting of shareholders attended by the shareholders who hold shares representing one-third (1/3) or more of the shareholders with voting rights, and supported by the majority of the voting rights of the shareholders present.
Article 28. (Term of Office of Corporate Auditors) The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders pertaining to the last settlement of accounts within four (4) years after their assumption of office. The term of office of a Corporate Auditor elected to fill a vacancy shall be the same as the remaining term of office of the retiring Corporate Auditor.	Article 31. (Term of Office of Corporate Auditors) The term of office of Corporate Auditors shall expire at the conclusion of the ordinary general meeting of shareholders pertaining to the last business year within four (4) years after their election. The term of office of a Corporate Auditor elected to fill a vacancy for the retired Corporate Auditor who retired during his/her tenure shall be the same as the remaining term of office of the retiring Corporate Auditor.
Article 29. (Remuneration for Corporate Auditors) Remuneration for Corporate Auditors shall be decided by a resolution of the general meeting of shareholders.	Article 32. (Remuneration, etc. for Corporate Auditors) Remuneration, etc. for Corporate Auditors shall be decided by resolution of the general meeting of shareholders.
Article 30. (Standing Corporate Auditors) Standing Corporate Auditors shall be elected by mutual vote of the Corporate Auditors.	Article 33. (Standing Corporate Auditors) Standing Corporate Auditors shall be elected by resolution of the Board of Corporate Auditors.
Article 31.-33. (Articles Omitted)	Article 34.-36. (Not Amended)

(Translation)

Present Articles of Incorporation	Proposed Revision
CHAPTER VI ACCOUNTS Article 34. (Business Year and the Date for the Settlement of Accounts) The business year of the Company shall be from the first day of April of each year through the thirty-first (31st) day of March of the following year. The date for the settlement of accounts shall be the thirty-first (31st) day of March. Article 35. (Dividends) Dividends shall be paid to the shareholders or registered pledgees entered on or recorded in the register of shareholders as of each date for the settlement of accounts. (New) The first payment of dividends on the shares issued upon conversion of convertible notes or bonds shall be made as if the conversion had been made at the end of the business year immediately preceding the business year during which the conversion was actually made. However, if a dividend remains unreceived after the expiry of three (3) years from the date of commencement of payment thereof, the dividend shall revert to the Company.	CHAPTER VI ACCOUNTS Article 37. (Business Year) The business year of the Company shall be from April 1 of each year to March 31 of the next year. Article 38. (Distribution of surplus) The Company shall make monetary distribution of surplus (hereinafter referred to as "dividends") to the final record of shareholders or registered pledgees on the register of shareholders as of March 31 of each year by resolution of the general meeting of shareholders. The Company may pay dividends to the final record of shareholders or registered pledgees on the register of shareholders as of September 30 of each year by resolution of the Board of Directors. (Deleted) However, if a dividend remains unreceived after the expiry of three (3) years from the date of commencement of payment thereof, the dividend shall revert to the Company.

Third Proposal:
Election of One (1) Corporate Auditor

We propose the increase of one (1) Corporate Auditor in order to reinforce and enhance the auditing system. We have obtained the consent of the Board of Corporate Auditors on this proposal.

The candidate is as follows:

Name (Date of Birth)	Career Summary and Status of Representation of Other Corporation	Number of shares held
Hirotaka Fujiwara (May 21, 1954)	1985 Apr. Admitted to bar in Japan (Member to Tokyo Dai-ni bar Association) Entered Iijima Yamada Law and Patent Office 1995 Apr. Established Hikari Sogoh Law Offices (Present) 2006 Apr. Vice-President, Tokyo Dai-ni bar Association (Present)	—

Notes: 1. There is no special interests between the Corporate Auditor candidate and the Company.
2. Mr. Hirotaka Fujiwara is an external Corporate Auditor candidate.

（Translation）

Fourth Proposal:
Amendment of Remuneration for Corporate Auditors

The remuneration for Corporate Auditors is currently not more than four million yen per month. We would like to amend the remuneration to not more than six million yen per month, subject to your approval of the Third Proposal pertaining to election of one (1) Corporate Auditor.
After approval of the Third Proposal, the number of Corporate Auditors will become five (5).

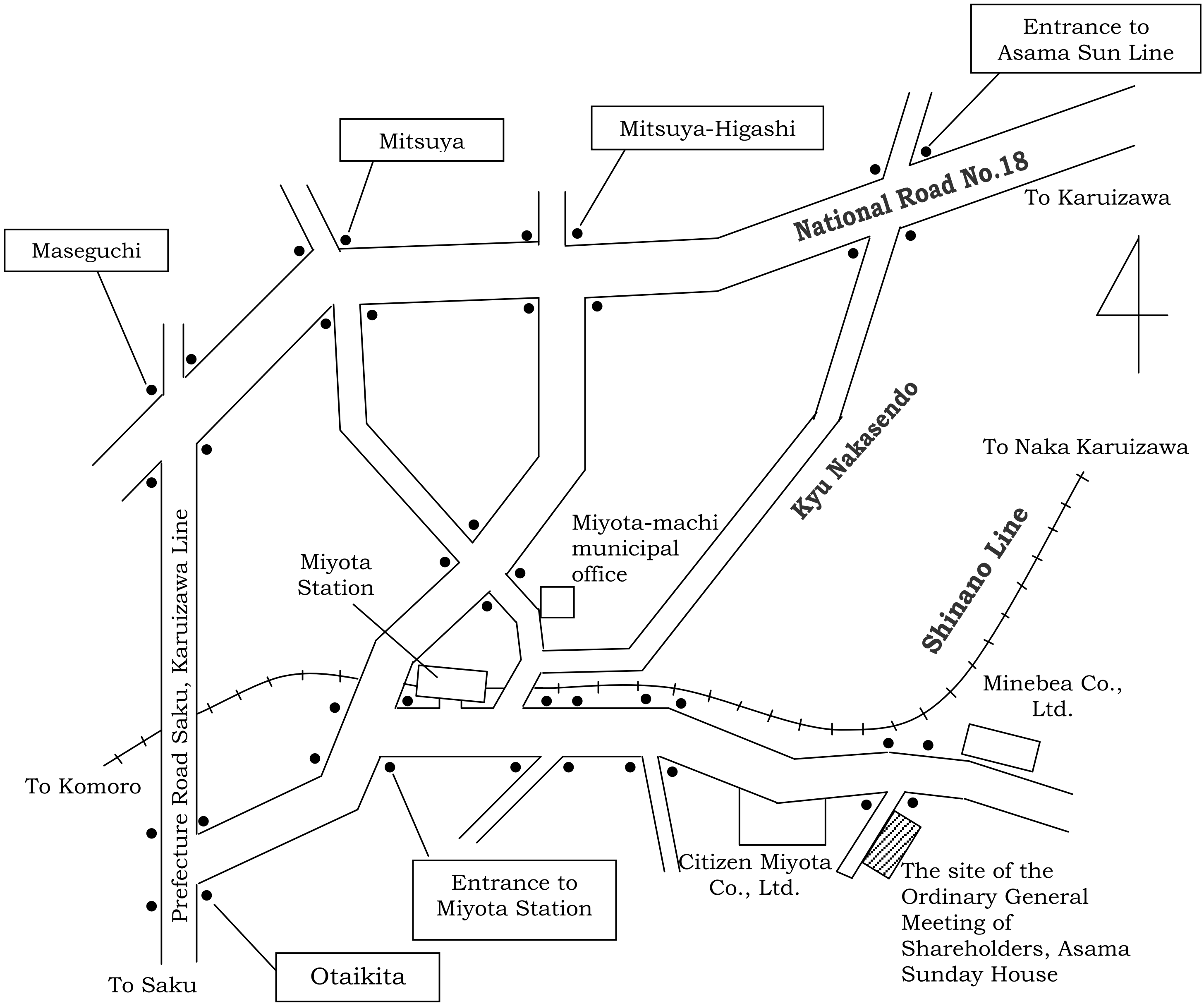
(Translation)

ROUTE MAP

Place: 1st floor of Asama Sunday House (New Building) at 4106-282, Oaza-Miyota, Miyota-machi, Kitasaku-gun, Nagano
Telephone: 0267-32-4022

Access:

Access:	Shinano Line	From Miyota Station, approx. five minutes by car.
	Shinkansen bound for Nagano	From Karuizawa Station, approx. 25 minutes by car. From Sakudaira Station, approx. 20 minutes by car.



（Translation）

【Transportation from Tokyo to Shareholders Meeting】

If you travel using the following train, the person in charge will meet you at the ticket gate of JR Karuizawa Station and take you to the Shareholders Meeting by Company bus that will leave at 8:20 a.m.

Nagano Shinkansen, Asama 503 (Leaves from Track 23 of Tokyo station)

Station:	Departs Tokyo	→	Departs Takasaki	→	Arrives Karuizawa
Time:	6:52 a.m.		7:50 a.m.		8:12 a.m.