

The following is an English translation of the Notice of the 62nd Ordinary General Meeting of Shareholders of Minebea Co., Ltd., to be held on June 27, 2008.  
The Company provides this translation for your reference and convenience only and without any guarantee as to its accuracy or otherwise.

Securities Code 6479

June 2, 2008

## To the Shareholders

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

**Minebea Co., Ltd.**  
Takayuki Yamagishi  
Representative Director

### Notice of the 62nd Ordinary General Meeting of Shareholders

The 62nd Ordinary General Meeting of Shareholders of Minebea Co., Ltd. (“Company”) (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 in “Guidance on Exercising Voting Rights” the following page by 5:30 p.m., Thursday, June 26, 2008.**

#### Particulars of the Meeting

**1. Time:**

Friday, June 27, 2008, beginning at 10:00 a.m.

**2. Place:**

Convention Hall Asama  
Karuizawa Prince Hotel West  
Karuizawa, Karuizawa-cho, Kitasaku-gun, Nagano  
(The place has changed from last year, please see the map provided at the end of this document.)

**3. Purpose:**

**To report on:**

- 1) The Business Report, the Consolidated Financial Statements for the 62nd business year (April 1, 2007 to March 31, 2008), and the Audit Report on the Consolidated Financial Statements by the Independent Auditors and Board of Corporate Auditors
- 2) The Non-Consolidated Financial Statements for the 62nd business year (April 1, 2007 to March 31, 2008)

**To vote on:**

**First Proposal:**

Appropriation of Surplus

**Second Proposal:**

Partial Amendments to the Articles of Incorporation

**Third Proposal:**

Election of One (1) Director

**Fourth Proposal:**

Appointment of the Independent Auditors

**Fifth Proposal:**

Renewal of Countermeasures to Large-Scale Acquisitions of the Company’s Shares (Takeover Defense Measures)

(Translation)

**4. Guidance on Exercising Voting Rights:**

**(1) Exercise of your voting rights by sending the voting ballot card by mail**

Please mark your vote for or against each proposal on the enclosed voting ballot, and return the voting ballot by 5:30 p.m., Thursday, June 26, 2008.

**(2) Exercise of your voting rights via the Internet**

If you would exercise your voting rights via the Internet, please do so by 5:30 p.m., Thursday, June 26, 2008, after seeing page 3 "Procedures Required for Exercising Voting Rights via the Internet."

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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 any revisions occur to the contents of the reference documents for the Meeting, the business report or the consolidated and non-consolidated financial statements up to the day prior to the date of the Meeting, we will notify in writing sent by mail or post it on our web site (<http://www.minebea.co.jp/>).

(Translation)

### **Procedures Required for Exercising Voting Rights via the Internet**

Please kindly note the following when you would exercise your voting rights via the Internet.

1. You would be able to exercise your voting rights via the Internet only by accessing the Voting Rights Exercise Site designated by the Company. You may also do so via the Internet utilizing your mobile phone. The Voting Rights Exercise Site: <http://www.webdk.net>
2. When you would exercise your voting rights via the Internet, please 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.
3. The deadline for the exercise of voting rights via the Internet is 5:30 p.m., Thursday, June 26, 2008; however, we ask that you vote as quickly as possible in order to facilitate the tabulation of voting results.
4. If you exercise your voting rights twice both by mail and via the Internet, the voting via the Internet shall prevail.
5. In the case of where you exercise your voting rights more than once via the Internet, the last vote shall prevail.
6. 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.

### **Systems Environment Required for Exercising Voting Rights via the Internet**

To utilize the Voting Rights Exercise Site, you would need the following system environment:

1. Access to the Internet
2. If you access the Internet site for the voting rights exercise via PC, Microsoft® Internet Explorer Version 5.5 or Netscape Version 6.2 is a minimum requirement as the Internet browser software, and the hardware that enables these software.
3. 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).

(For security purposes, only 128-bit SSL communication compatible phones are accessible to the online voting system. Other models may not be compatible with this system.)

(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.)

### **Inquiry on Exercising Voting Rights via the Internet**

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).

### **To All Institutional Investors**

In the event nominee shareholders (including standing proxies) such as trust banks have applied in advance for using the electronic voting rights exercise platform operated by a merged company established by the Tokyo Stock Exchange (ICJ Co., Ltd.), they may use that platform instead of the aforementioned Internet-based method as a means to exercise voting rights electronically for the General Meeting of Shareholders of the Company.

**Business Report**  
(April 1, 2007 to March 31, 2008)

**1. Status of the Corporate Group**

**(1) Operating Performance of the Fiscal Year**

**(i) Operating Performance**

During the current consolidated fiscal year, the Japanese economy continued moderate expansion due mainly to corporate earnings being at a high level, supported by the rise of exports and capital investment, although there were signs of a slowdown, such as the ongoing surge of crude oil and raw materials prices, and the drop in housing and construction investments in the second half of the year. In the U. S. economy, owing principally to the dislocation in the financial and capital markets, as well as the deepening adjustment in the housing market stemming from the sub-prime housing loan problem in the second half of the year, uncertainties started to pick up regarding the future course of the economy. Additionally, owing principally to the fact that strong capital investment and personal consumption began to slow down, recession risks were rising. The European economy continued moderate growth led by domestic demand, although there were signs of winding down. In China, the economy continued to grow at a high rate, due principally to the rise of exports and investments in fixed assets, and in other Asian countries also, the economies generally advanced firmly.

Under these management circumstances, we strove to implement sweeping cost reduction measures, develop new technologies and high value-added products, and promote sales expansion activities, in order to further increase earnings.

As a result, net sales increased ¥3,409 million (1.0%) year on year, to ¥334,431 million, and operating income also increased ¥4,497 million (17.1%) year on year, to ¥30,762 million. Ordinary income largely rose ¥5,848 million (26.8%) year on year, to ¥27,691 million, and net income also significantly increased ¥3,440 million (26.8%) year on year, to ¥16,303 million. Net sales and net income both stood at a record high.

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 increased largely 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. Also, sales of pivot assemblies grew. As a result, net sales rose ¥6,372 million (4.6%) year on year, to ¥144,034 million. Operating income also increased ¥1,555 million (5.9%) year on year, to ¥27,750 million, a result of pursuing basic technologies, product technologies and manufacturing techniques, as well as implementing increased production and continuous cost reduction measures.

**Electronic Devices and Components Business**

Our core products in this business segment include information motors (fan motors, stepping motors, vibration motors and DC brush motors); HDD spindle motors; PC keyboards; speakers; LCD back lights; inverter and measuring instruments. Sales of motors including information motors rose strongly to manufacturers of mobile phones, office automation, personal computers, and peripheral equipment. Sales of measuring components also increased significantly due to the cultivation of new markets. But in PC keyboards and speakers, which are both being focused on high value-added products, sales decreased largely. As a result, net sales fell ¥2,963 million (-1.5%) year on year, to ¥190,396 million. Operating income substantially improved ¥2,943 million year on year, to ¥3,012 million on improved earnings in information motors and PC keyboards.

**(ii) Capital Expenditures**

During the consolidated fiscal year under review, capital expenditures were ¥11,959 million for the Machined Components Business and ¥12,929 million for the Electronic Devices and Components Business, totaling ¥24,888 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.

(Translation)

**(iii) Financing**

There are no important matters to be reported.

**(iv) Business Transfer, Absorption-type Demerger, Incorporation-type Demerger**

There are no important matters to be reported.

**(v) Acceptance of Other Companies' Businesses**

There are no important matters to be reported.

**(vi) Succession to Rights and Obligations pertaining to Business of other Judicial Persons or Entities due to Absorption-type Merger or Demerger**

There are no important matters to be reported.

**(vii) Acquisition or Disposition of Shares, other Equity or Stock Acquisition Rights, etc. of other Companies**

There are no important matters to be reported.

**(2) Financial Position and Profit/Loss in Recent 3 Years**

**(i) Financial position and profit/loss of the Corporate Group**

	Fiscal 2005 (4/04–3/05)	Fiscal 2006 (4/05–3/06)	Fiscal 2007 (4/06–3/07)	Fiscal 2008 (4/07–3/08)
Net sales (millions of yen)	294,422	318,446	331,022	334,431
Ordinary income (millions of yen)	10,206	14,595	21,843	27,691
Net income (millions of yen)	5,581	4,257	12,862	16,303
Net income per share (yen)	13.93	10.67	32.23	40.86
Total assets (millions of yen)	332,217	349,862	354,784	320,544
Net assets (millions of yen)	102,088	117,577	142,558	131,730

Notes:

1. Amounts less than one million yen are omitted.
2. Starting from fiscal 2007 (April 1, 2006 to March 31, 2007), the "Accounting Standard for the Statement of Net Assets Section of Balance Sheet" (Corporate Accounting Standard No. 5 specified by the Financial Accounting Standards Foundation, December 9, 2005) and the "Accounting Standard Application Guideline for the Statement of Net Assets Section of Balance Sheet" (Corporate Accounting Standard Application Guideline No. 8 specified by the Financial Accounting Standards Foundation, December 9, 2005) are applied to the statement of "Net Assets" section of the balance sheet.

**(ii) Financial position and profit/loss of the Company**

	Fiscal 2005 (4/04–3/05)	Fiscal 2006 (4/05–3/06)	Fiscal 2007 (4/06–3/07)	Fiscal 2008 (4/07–3/08)
Net sales (millions of yen)	185,232	206,831	228,406	225,071
Ordinary income (millions of yen)	11,057	10,236	12,396	12,265
Net income (loss) (millions of yen)	3,504	(3,378)	5,618	4,304
Net income (loss) per share (yen)	8.72	(8.47)	14.08	10.79
Total assets (millions of yen)	361,664	357,560	357,104	336,870
Net assets (millions of yen)	183,017	179,669	181,346	180,058

Notes:

1. Amounts less than one million yen are omitted.
2. Starting from fiscal 2007 (April 1, 2006 to March 31, 2007), the "Accounting Standard for the Statement of Net Assets Section of Balance Sheet" (Corporate Accounting Standard No. 5 specified by the Financial Accounting Standards Foundation, December 9, 2005) and the "Accounting Standard Application Guideline for the Statement of Net Assets Section of Balance Sheet" (Corporate Accounting Standard Application Guideline No. 8 specified by the Financial Accounting Standards Foundation, December 9, 2005) are applied to the statement of "Net Assets" section of the balance sheet.

**(3) Principal parent company and subsidiaries**

**(i) Relationship with parent company**

Not Applicable

(Translation)

**(ii) Principal subsidiaries**

Name	Common stock	Voting rights ratio	Main business lines
Minebea Motor Manufacturing 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

Notes:

1. Figures in parentheses for the voting rights ratio in the above table show the ratio of indirect ownership.
2. Minebea Motor Manufacturing Corporation changed its name from Minebea-Matsushita Motor Corporation on July 1, 2007.
3. See 1. (9) "Other Important Matters relating to Current Status of Corporate Group" for information pertaining to NMB Thai Ltd., Pelmec Thai Ltd., Minebea Thai Ltd. and Minebea Electronics (Thailand) Co., Ltd.

**(4) Tasks to Be Accomplished**

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

- (a) Ensure that Minebea is a company for which we feel proud to work.
- (b) Reinforce the confidence our customers have.
- (c) Respond to our shareholders' expectations.
- (d) Ensure a welcome for Minebea in local communities.
- (e) 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 ultra-precision 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 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 "a company that leads the competition through manufacturing and technological excellence."

Our innovations to be accomplished to achieve this goal and sustainable growth are "development of new products," "cultivation of new markets" and "innovation of production technologies":

- (a) In ball bearings, create and expand new demands by strengthening production capacity of miniature ball bearings that have much potential for growth and developing new products (micro miniature ball bearings and other key products);
- (b) To further reinforce aircraft parts for which demand is expected to increase, build our operations in the area of aircraft mechanical parts using advanced machining technologies, in addition to existing rod-end bearings;
- (c) Build our operations in the area of fan motors and other precision small motors into a second pillar of our operations after bearings and bearing-related products; and
- (d) 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.

(Translation)

**(5) Main business lines** (As of March 31, 2008)

**(i) Machined Components Business**

Classification	Products
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.

**(ii) Electronic Devices and Components Business**

Classification	Products
Electronic devices and components	Small precision motors, keyboards, speakers, backlights, inverters, strain gauges and load cells, etc.

**(6) Major offices and plants** (As of March 31, 2008)

**(i) The Company's major offices and plants**

Name	Location
Head Office/Karuizawa Plant	Miyota-machi, Kitasaku-gun, Nagano Prefecture
Tokyo Head Office	Meguro-ku, Tokyo
Hamamatsu Plant	Fukuroi-shi, Shizuoka Prefecture
Fujisawa Plant	Fujisawa-shi, Kanagawa Prefecture
Omori Plant	Ota-ku, Tokyo
Matsuida Plant	Annaka-shi, Gunma Prefecture

**(ii) Subsidiaries' major offices and plants**

Name	Location
Minebea Motor Manufacturing Corporation	Meguro-ku, 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

Notes:

1. Minebea Motor Manufacturing Corporation changed its name from Minebea-Matsushita Motor Corporation on July 1, 2007.
2. See 1. (9) "Other Important Matters relating to Current Status of Corporate Group" for information pertaining to NMB Thai Ltd., Peltec Thai Ltd., Minebea Thai Ltd. and Minebea Electronics (Thailand) Co., Ltd..

**(7) Employees of the Corporate Group** (As of March 31, 2008)

**(i) Employees of the Corporate Group**

Classification	Number of employees	Increase (decrease) from the end of the previous year
Machined components business	19,938	357
Electronic devices and components business	30,395	569
Whole company	216	60
Total	50,549	986

Notes:

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

**(ii) Employees of the Company**

Number of employees	Increase (decrease) from the end of the previous year	Average age	Average of working years
2,605	112	40.6	16.8

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

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**(8) Major lenders** (As of March 31, 2008)

Lenders	Outstanding borrowing (millions of yen)
The Sumitomo Trust and Banking Co., Ltd.	14,900
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,400
Sumitomo Mitsui Banking Corporation	11,400
Mizuho Corporate Bank, Ltd.	3,900
The Hachijuni Bank, Ltd.	2,700

**(9) Other Important Matters relating to Current Status of Corporate Group**

The seven (7) consolidated subsidiaries of the Company located in Thailand (namely, NMB Thai Ltd., Pelmec Thai Ltd., Minebea Thai Ltd., NMB Hi-Tech Bearings Ltd., NMB Precision Balls Ltd., Minebea Electronics (Thailand) Co., Ltd., Power Electronics of Minebea Co., Ltd.) transferred all their assets and liabilities to the newly formed company NMB-Minebea Thai Ltd., subsequent to the April 1, 2008 merger.

**2. Shares of the Company**

**(1) Overview of Shares** (As of March 31, 2008)

**(i) Total number of shares authorized:** 1,000,000,000 shares

**(ii) Number of shares issued:** 399,167,695 shares  
(including 160,023 shares of treasury stock)

**(iii) Number of shareholders:** 20,807 persons

**(iv) Shareholders holding one tenth or more of total number of issued shares (except treasury stock)**

The following is information on the top 10 shareholders by number of shares including target shareholders.

Name of shareholders	Investment in the Company	
	Number of shares (thousands)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust account)	44,638	11.19
The Master Trust Bank of Japan, Ltd. (Trust account)	33,094	8.29
Japan Trustee Services Bank, Ltd. (Trust account 4)	20,313	5.09
The Sumitomo Trust and Banking Co., Ltd.	15,349	3.85
KEIAISHA Co., Ltd.	15,000	3.76
Takahashi Industrial and Economic Research Foundation	12,347	3.09
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057	2.52
Sumitomo Mitsui Banking Corporation	10,000	2.51
State Street Bank and Trust Company 505041	5,694	1.43
NikkoCiti Trust and Banking Corporation (Trust Account)	5,652	1.42

*Note: Shareholding ratio is calculated exclusive of treasury stock (160,023 shares).*

**(2) Matters relating to Stock Acquisition Rights, etc.**

Not Applicable

(Translation)

### 3. Corporate Officers

#### (1) Directors and Corporate Auditors (As of March 31, 2008)

Title	Name	Responsibilities or representative status at other companies
Representative Director, President and Chief Executive Officer	Takayuki Yamagishi	
Director, Senior Managing Executive Officer	Yoshihisa Kainuma	Head of Information Motor Business Unit President and Representative Director of Minebea Motor Manufacturing Corporation President and Representative Director of NMB Electro Precision, Inc. Director of KEIAISHA Co., Ltd.
Director, Senior Managing Executive Officer	Koichi Dosho	Chief of Sales Headquarters
Director, Senior Managing Executive Officer	Hiroharu Katogi	Chief of Administration Headquarters, Head of Business Administration Division and of Information Systems Division
Director, Senior Managing Executive Officer	Akihiro Hirao	Chief of Engineering Headquarters, Head of Engineering Support Division, Officer in charge of Environmental Preservation
Director, Senior Managing Executive Officer	Eiichi Kobayashi	Chief of Manufacturing Headquarters
Director, Managing Executive Officer	Masayoshi Yamanaka	Chief of Operations Headquarters, Head of Procurement Division and of Legal Division
Director, Managing Executive Officer	Hiroataka Fujita	Deputy Chief of Manufacturing Headquarters, Head of Electronic Device Business Unit
Director	Chanchai Leetavorn	Chairman, ACL BANK Public Company Limited
Director	Takashi Matsuoka	Senior Managing Director, KEIAISHA Co., Ltd.
Standing Corporate Auditor	Tosei Takenaka	
Standing Corporate Auditor	Akifumi Kamoi	
Standing Corporate Auditor	Kazuaki Tanahashi	
Corporate Auditor	Isao Hiraide	Certified Public Tax Accountant
Corporate Auditor	Hiroataka Fujiwara	Attorney at law

Notes:

1. Chanchai Leetavorn and Takashi Matsuoka are Outside Directors.
2. Kazuaki Tanahashi, Isao Hiraide and Hiroataka Fujiwara are Outside Corporate Auditors.
3. Corporate Auditor Kazuaki Tanahashi has been for many years engaged in financial affairs in a commercial bank and has considerable knowledge of finances and accounting.
4. Corporate Auditor Isao Hiraide is familiar with tax services as a licensed tax accountant and has considerable knowledge of finance and accounting.
5. Corporate Auditor Hiroataka Fujiwara is familiar with business Law services as a lawyer and has considerable knowledge of finances and accounting.
6. The following change occurred after the fiscal year ended. (April 1, 2008)  
Name: Takayuki Yamagishi  
New Position: Chief of Internal Auditing Management Headquarters  
Continuing Position: Representative Director, President and Chief Executive Officer

#### (2) Retired Directors and Corporate Auditors during Business Year

Among the Directors in office since the day following the conclusion of the 61st Ordinary General Meeting of Shareholders held on June 28, 2007, none have resigned their positions during the current business year.

#### (3) Amount paid as remuneration to Directors and Corporate Auditors

Categories	Number of persons to be paid	Amount of remuneration, etc.
Directors	10	¥333,768 thousand
(Outside Directors)	(2)	(¥9,502 thousand)
Corporate Auditors	5	¥59,313 thousand
(Outside Corporate Auditors)	(3)	(¥27,715 thousand)
Total	15	¥393,082 thousand

Notes:

1. The remuneration for Directors excludes the salary to be paid for service as officer or employee for a Director who concurrently holds a post of officer or employee of the Company.
2. The Company resolved that the maximum annual remuneration for Directors shall be not more than ¥500 million (this amount includes maximum annual remuneration of ¥20 million for Outside Directors) at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007.

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3. The Company resolved that the maximum annual remuneration for Corporate Auditors should not be more than ¥100 million at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007.
4. The amount of remuneration, etc. includes the allowance for Directors' bonuses of ¥117,988 thousand.
5. The amount of remuneration, etc. is shown with fractions of ¥1,000 rounded off.

#### (4) Matters relating to Outside Officers

##### (i) Interlocking directorates with other companies, etc. (in the case of executive officers of other company) and relation between the Company and such other companies

- a. Director Mr. Chanchai Leetavorn holds an additional post as the chairman of ACL Bank Public Company Limited. There are no special relation between the Company and ACL Bank Public Company Limited.
- b. Director Mr. Takashi Matsuoka holds an additional post of senior managing director of KEIAISHA Co., Ltd. The Company purchases steel and other materials from KEIAISHA Co., Ltd.

##### (ii) Interlocking directorates of outside officers of other companies

Not Applicable

##### (iii) Main activities during the current business year

Name	Attendance and his/her statement
Director Chanchai Leetavorn	He attended 2 of the 12 meetings of the Board of Directors held during the current business year. He had no comments at the attended meetings of the Board of Directors. However, he advises the Company of its general business management and business operation, etc. in Thailand, where the largest production base of our Minebea Group is located, and provides necessary counsel on a timely basis to locally based Executive Directors and Directors of the Company.
Director Takashi Matsuoka	He attended all 12 meetings of the Board of Directors held during the current business year. Although he had no comments at the attended meetings of the Board of Directors, he provides necessary counsel on a timely basis to Executive Directors and Directors of the Company pertaining to its general business management.
Corporate Auditor Kazuaki Tanahashi	He attended all 9 meetings of the Board of Directors and all 10 meetings of the Board of Corporate Auditors held since his assumption of office on June 28, 2007. He provides necessary counsel on a timely basis for deliberation of agenda items, etc. at such meetings.
Corporate Auditor Isao Hiraide	He attended all 12 meetings of the Board of Directors and all 13 meetings of the Board of Corporate Auditors held during the current business year. He provides necessary counsel on a timely basis for deliberation of agenda items, etc. at such meetings.
Corporate Auditor Hirohisa Fujiwara	He attended all 12 meetings of the Board of Directors and all 13 meetings of the Board of Corporate Auditors held during the current business year. He provides necessary counsel on a timely basis for deliberation of agenda items, etc. at such meetings.

##### (iv) Overview of limited liability agreements

Not Applicable

#### 4. Matters relating to Independent Auditors

(1) Name: Ernst & Young ShinNihon

##### (2) Amount of Remuneration, etc.

	Amount paid
Amount of remuneration, etc. of Independent Auditors for the current business year	¥74 million
Total amount of money and other property benefit to be paid from the Company and its subsidiaries to Independent Auditors	¥161 million

Note: In the audit agreement by and between the Company and the Independent Auditors, the Company does not keep accounts by each category of the amount of audit fee, etc. for auditing services under the Company Act and under the Financial Instruments and Exchange Law. As the amount of auditing services may be difficult to classify, the Company states the total amount thereof in the amount of remuneration, etc. for the current business year.

##### (3) Non-Auditing Services

Business relating to advice and guidance to evaluate the effectiveness of the internal control system relating to financial reporting of the Company.

##### (4) Policy regarding Determination of Removal or Refusal of Reappointment of Independent Auditors

The Board of Directors will recommend the agenda for the proposed meeting regarding removal or refusal of reappointment of Independent Auditors with the consent or upon the request of the Board of Corporate Auditors if

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the Board of Directors believes that it is necessary due to causes including the Independent Auditors' difficulty in performing their duties.

If the Board of Corporate Auditors finds that the Independent Auditors fall under any of the events prescribed in each Item of Article 340, Paragraph 1 of the Company Act, the Board of Corporate Auditors may remove the Independent Auditors under the consent of all Corporate Auditors. In this case, the Corporate Auditor appointed by the Board of Corporate Auditors will report its resolution relating to the removal of any Independent Auditor and its reasons to the first General Meeting of Shareholders after the removal thereof.

**(5) Audit of Consolidated Subsidiaries**

Some consolidated subsidiaries of the Company are subject to the audit of a certified public accountant or an auditing firm (including a person who has similar qualifications in foreign countries) other than the Company's Independent Auditor, and the material ones are as follows:

Name of subsidiaries
Minebea Thai Ltd.
New Hampshire Ball Bearings, Inc.
NMB Technologies Corporation
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.
NMB (USA) Inc.

(Translation)

## **5. System to Ensure the Proper Business**

Based on the Company Act, the Company enacted its Basic Policy for the Formulation of an Internal Control System by a resolution of the Meeting of the Board of Directors in an effort to ensure the sound management of the Company. A summary of this resolution is provided below.

### **(1) Structure to assure that Board Members', Executive Officers' and employees' execution of duties conform to laws and articles of incorporation**

- (i) The Company has set up a management structure regarding compliance and established a "Minebea Group Code of Conduct" in order to have the Board Members, Executive Officers and Employees follow laws, Articles of Incorporation of the Company and corporate philosophy.
- (ii) "Minebea Group Code of Conduct" has set the specific standards that have to be observed for labor, safety and health, environment protection, and ethical management. In order to enforce this, the Compliance Committee was established to control the Group's compliance efforts in a cross-section manner, as well as, educating officers and staff members with the Committee taking the lead.
- (iii) The Minebea Group will not have any relation whatsoever to antisocial movements that threaten the order and security of society. It will not compromise with respect to unjust demands made by same and will contact the police, attorneys at law and other specialized external organizations taking a stern stance in its dealings with same.
- (iv) The activities of the Compliance Committee will be reported regularly or accordingly to the Board of Directors.
- (v) The current system which keeps an Outside Director in the Board of Directors will be maintained in order to have the check-and-balance system that assures the legality of the Board Members' execution of duties.

### **(2) Storage and management of information related to execution of duties by Board Members and Executive Officers**

- (i) The Board of Directors establishes "Minebea Group Document Management Rules" and keeps documents (including electrical records) with related materials.
- (ii) If the documents should be kept for a certain period of time or a certain location, the preservation period and location shall follow "Minebea Group Document Management Rules" except in case there is a specific provision in any law. The document shall be stored by a method as it can be viewed within 2 days, if there is an inspection request from a Board Member or Corporate Auditor.

### **(3) Rules for Risk of Loss Management and other Structures**

- (i) The Company establishes the "Basic Regulations for Risk Management" for the systematic control of risks. The chief officer of the risk management of Minebea Group will be the President and Chief Executive Officer, and a Risk Management Committee is established under his or her direct control.
- (ii) Based on the Basic Regulations for Risk Management, individual risks will be monitored continuously by each relevant organization and specific risks will be assumed and classified in advance. A quick, adequate communication and emergency structure to be used in case of an emergency will be formulated.
- (iii) The Risk Management Committee will regularly review the above structure, verify specific items and regularly, or as needed, report the status of risk management including such verification results to the Board of Directors.

### **(4) Structure that assures the execution of duties by the Board Members and Executive Officers are efficiently done**

- (i) The Company will, based on a 10-member Board of Director system, effectuate quick and strategically effective managerial decisions and, with respect to the execution of duties resulting from the introduction of the executive officer system, in an effort to delegate a wide spectrum of authority from the Directors to the Executive Officers, clarify the roles of managerial oversight and task execution functions and enhance task execution speed.
- (ii) The Company-wide goals for all Directors, Executive Officers and employees are set and their penetration is promoted and, with an eye on the achievement of said goals, specific objectives and effective achievement methods to be implemented by Headquarters and Business Unit organizations are established by their managers. The results will be converted into data using an IT-driven system, and will be regularly reviewed by the Board of Directors after analysis by each Headquarter, Business Unit and Business Administration Department. By implementing improvements such as removing or reducing causes that block efficiency, accuracy of achievement of goals will increase, and a system that will achieve the efficiency of company-wide operations will be built.

(Translation)

**(5) Structures to ensure that the Operations of the Company and its Affiliated Companies are adequate**

- (i) The Company's Headquarters and Business Unit organizations will appropriately and on a timely basis lead the business operations of Group Companies.
- (ii) A common Minebea Group Code of Conduct is formulated to foster a law-abiding spirit in all the officers and employees of the Group Companies.
- (iii) A cooperative structure with respect to Corporate Auditors will be established in order to increase the effects of the internal control system audits for Group Companies currently conducted by the Corporate Auditors.
- (iv) Numerical goals for each Group Company will be set and reviewed regularly with feedback provided based on results.
- (v) The Internal Auditing Office will regularly audit the Group Companies.

**(6) The structure when a Corporate Auditor requests for an employee to assist him**

When such employees are required, appropriate individuals will be assigned to assist with audit duties.

**(7) Independence from the Board of Directors of the employee mentioned in the preceding paragraph (6)**

- (i) Audit support will be provided by such employees under the Corporate Auditor's directions and orders.
- (ii) The Board of Corporate Auditors' opinion on the personnel changes and personnel evaluation regarding such employees will be followed.

**(8) Structure of Board Members', Executive Officers' and employees' report to the Corporate Auditor and other reporting structure to the Corporate Auditor**

- (i) The Board Members will report the following to the Board of Corporate Auditors
  - a. Matters discussed at the Senior Executive Officers Council.
  - b. Matters that might cause the Company a significant loss
  - c. Matters essential to monthly business conditions
  - d. Important matters regarding internal audit status and risk management
  - e. Significant violations of laws or the Articles of Incorporation
  - f. Status of calls to the compliance hotline and its contents
  - g. Other important matters related to compliance
  - h. Matters related to request for approved by circular Board Members or Executive Officers
  - i. Agreements executed by Board Members or Executive Officers
  - j. Matters related to litigations
- (ii) Executive Officers may directly report b) through e) in the previous paragraph (i) hereof to the Board of Corporate Auditors. If the employee discovers a significant fact related to b) and e) in the previous paragraph (i) hereof, he/she may directly report it to the Board of Corporate Auditors.

**(9) Other matters in order to ensure the efficiency of the Corporate Auditors' audit**

- (i) The Corporate Auditor has an opportunity to interview Board Members, Executive Officers and important employees, as well as hold informal meetings regularly with the President and Chief Executive Officer and the Independent Auditors, respectively.
- (ii) The Internal Auditing Office effectuates internal audits of any matter requested by a Corporate Auditor upon consultation with the Board of Corporate Auditors and reports results to that body.

Based on the policies above, the Company is promoting in unison the establishment of the internal control system.

**6. Basic Policy relating to Control of the Company**

The Company believes that best measures against hostile takeover are to win full understanding of our stakeholders by achieving the enhancement of corporate value, improving the performance and realizing the high share price of the Company. The Company continues to discuss the measures against such takeover variously and specifically.

\*Please note that the Board of Directors resolved at a meeting held on May 8, 2008 on the Company's basic policies, etc. pertaining to the modality of individuals who have powers to decide policies of the finances and business operations of the Company, and submitted the relevant agenda to the Meeting.

(Translation)

**Consolidated Balance Sheets**  
(As of March 31, 2008)

(Unit: millions of yen)

<b>Assets</b>	
<b>Item</b>	<b>Amount</b>
<b>Current assets</b>	<b>148,117</b>
Cash and cash equivalents	23,281
Notes and accounts receivable	64,835
Marketable securities	1,511
Inventories	42,400
Deferred tax assets	8,498
Others	7,791
Allowance for doubtful receivables	(202)
<b>Fixed assets</b>	<b>172,411</b>
<b>Tangible fixed assets</b>	<b>150,609</b>
Buildings and structures	102,404
Machinery and transportation equipment	236,462
Tools, furniture and fixtures	45,836
Land	14,467
Construction in progress	2,235
Accumulated depreciation	(250,797)
<b>Intangible fixed assets</b>	<b>9,846</b>
Goodwill	6,920
Others	2,926
<b>Investments and other assets</b>	<b>11,956</b>
Investments in securities	6,659
Long-term loans receivable	37
Deferred tax assets	1,977
Others	3,285
Allowance for doubtful receivables	(3)
<b>Deferred charges</b>	<b>15</b>
<b>Total assets</b>	<b>320,544</b>

Note: Amounts less than one million yen are omitted.

(Translation)

(Unit: millions of yen)

<b>Liabilities</b>	
<b>Item</b>	<b>Amount</b>
<b>Current liabilities</b>	<b>118,321</b>
Notes and accounts payable	24,054
Short-term loans payable	50,352
Current portion of bonds	15,000
Accrued income taxes	3,517
Accrued bonuses	3,871
Allowance for bonuses to directors and corporate auditors	117
Allowance for business restructuring losses	347
Others	21,060
<b>Long-term liabilities</b>	<b>70,492</b>
Bonds	21,500
Long-term loans payable	46,000
Allowance for retirement benefits	1,707
Allowance for retirement benefits to executive officers	95
Others	1,189
<b>Total liabilities</b>	<b>188,814</b>
<b>Net assets</b>	
<b>Shareholders' equity</b>	<b>191,087</b>
Common stock	68,258
Capital surplus	94,756
Earning surplus	28,169
Treasury stock	(97)
<b>Revaluation / Translation differences</b>	<b>(60,512)</b>
Difference on revaluation of other marketable securities	1,755
Deferred hedge gains or losses	(0)
Foreign currency translation adjustments	(62,268)
Minority interests in consolidated subsidiaries	1,155
<b>Total net assets</b>	<b>131,730</b>
<b>Total liabilities and net assets</b>	<b>320,544</b>

Note: Amounts less than one million yen are omitted.

(Translation)

**Consolidated Statements of Income**  
(From April 1, 2007 to March 31, 2008)

(Unit: millions of yen)

<b>Item</b>	<b>Amount</b>
<b>Net sales</b>	<b>334,431</b>
<b>Cost of sales</b>	<b>253,709</b>
<b>Gross profit</b>	<b>80,721</b>
<b>Selling, general and administrative expenses</b>	<b>49,959</b>
<b>Operating income</b>	<b>30,762</b>
<b>Other income</b>	<b>2,388</b>
Interest income	687
Dividends income	107
Equity income of affiliates	14
Others	1,578
<b>Other expenses</b>	<b>5,458</b>
Interest expenses	4,402
Foreign currency exchange loss	474
Others	582
<b>Ordinary income</b>	<b>27,691</b>
<b>Extraordinary income</b>	<b>395</b>
Gain on sales of fixed assets	182
Reversal of allowance for doubtful receivables	11
Reversal of allowance for business restructuring losses	201
<b>Extraordinary loss</b>	<b>2,833</b>
Loss on sales of fixed assets	150
Loss on disposal of fixed assets	562
Impairment loss	71
Loss on liquidation of affiliates	998
Loss on after-care of products	236
Special severance payment	165
Retirement benefit expenses for overseas subsidiaries	116
Retirement benefits to directors and corporate auditors	531
<b>Income before income taxes and minority interests</b>	<b>25,254</b>
Income taxes current (including enterprise tax)	8,496
Adjustment of income taxes	(591)
Minority interests in earnings of consolidated subsidiaries	1,045
<b>Net income</b>	<b>16,303</b>

*Note: Amounts less than one million yen are omitted.*

(Translation)

**Consolidated Statement of Changes in Net Assets**  
(From April 1, 2007 to March 31, 2008)

*(Unit: millions of yen)*

	Shareholders' equity				
	Common stock	Capital surplus	Earning surplus	Treasury stock	Total shareholders' equity
Balances at March 31, 2007	68,258	94,756	15,855	(79)	178,791
Changes					
Cash dividend from earning surplus			(3,990)		(3,990)
Net income			16,303		16,303
Purchase of own shares				(18)	(18)
Sales of own shares		0		0	0
Changes (net) in non-shareholders' equity items					
Total changes	—	0	12,313	(17)	12,295
Balances at March 31, 2008	68,258	94,756	28,169	(97)	191,087

	Revaluation / Translation differences				Minority interests in consolidated subsidiaries	Total net assets
	Difference on revaluation of other marketable securities	Deferred hedge gains or losses	Foreign currency translation adjustments	Total revaluation / translation differences		
Balances at March 31, 2007	3,294	—	(39,732)	(36,437)	204	142,558
Changes						
Cash dividend from earning surplus						(3,990)
Net income						16,303
Purchase of own shares						(18)
Sales of own shares						0
Changes (net) in non-shareholders' equity items	(1,539)	(0)	(22,535)	(24,075)	951	(23,123)
Total changes	(1,539)	(0)	(22,535)	(24,075)	951	(10,827)
Balances at March 31, 2008	1,755	(0)	(62,268)	(60,512)	1,155	131,730

*Note: Amounts less than one million yen are omitted.*

(Translation)

## Notes to Consolidated Financial Statements

### Basis of Presenting Consolidated Financial Statements

#### 1. Scope of consolidation and application of equity method

Number of consolidated companies: 41 companies

The names of principal consolidated subsidiaries:

NMB Singapore Ltd., NMB (USA) Inc., NMB Thai Ltd., Minebea Thai Ltd., Minebea Electronics (Thailand) Co., Ltd.

#### 2. Matters relating to equity method

##### (1) Affiliates under equity method

Number of affiliated under equity method: 1 company

Name of principal company: Shonan Seiki Co., Ltd.

##### (2) Special instructions concerning procedures for applying equity method

Some equity method companies have a different closing date from the consolidated closing date. When preparing the consolidated financial statements, the Company shall use such company's financial statements prepared under the provisional settlement of accounts as of the consolidated closing date.

#### 3. Scope of consolidation and application of equity method

Changes in consolidated subsidiaries

Exclusion: Liquidation (1 company) Minebea Electronics (UK) Ltd.

#### 4. Balance sheet dates of consolidated subsidiaries and equity-method companies

Consolidated subsidiaries which were accounted for by the equity method whose balance sheets are different from the consolidated balance sheet date, the Company uses their financial statements based upon the provisional settlement of accounts they balanced as of the consolidated balance sheet date in the preparation of the financial statements of the current consolidated term.

#### 5. Accounting policies

##### (1) Valuation basis and method of significant assets

###### (i) Securities

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 net asset 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.

###### (ii) Derivative

Market value method

###### (iii) 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) Method of significant Depreciation

###### (i) Tangible fixed assets

The Company and consolidated domestic subsidiaries adopt the declining balance method.

Their major useful lives are as follows:

Buildings and structures 2 to 50 years

Machinery and transportation equipment 2 to 15 years

Tools, furniture and fixtures 2 to 20 years

(Translation)

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than 100,000 yen and less than 200,000 yen) over the 3 years each consolidated fiscal year.

Consolidated overseas subsidiaries mainly adopt the straight-line method.

(Change of depreciation method)

From the current consolidated accounting period, regarding the fixed assets purchased on or after April 1, 2007, the Company and consolidated domestic subsidiaries posts depreciation and amortization expenses pursuant to the depreciation method provided in the revised Corporation Tax Law.

This respectively decreases ¥201 million in operating income, ordinary income and income before income taxes and minority interests.

(Additional information)

Of tangible fixed assets acquired before March 31, 2007, regarding those whose depreciation up to their depreciable amounts was completed, the Company and consolidated domestic subsidiaries depreciates their remaining book values equally over 5 years from the current consolidated accounting period.

This respectively decreases ¥231 million in operating income, ordinary income and income before income taxes and minority interests.

(ii) 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.

(3) Valuation basis of significant allowances

(i) 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.

(ii) Accrued bonuses

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

(iii) Allowance for bonuses to directors and corporate auditors

To provide for payment of bonuses to directors and corporate auditors, the Company records an amount, based upon the estimated amount of payment for the current consolidated accounting period.

(iv) Allowance for retirement benefits

Regarding the Company and its consolidated Japanese subsidiaries, to provide for payment of employee retirement benefits, the Company reported allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current consolidated accounting period.

At the end of the current consolidated accounting period, prepaid pension cost is included in others of investments and other assets.

Over the 5 years within the average remaining length of employees' service, the Company will charge differences in mathematical calculation to expenses from the next term, in accordance with the straight-line method.

Regarding the Company's consolidated overseas subsidiaries, each subsidiary stated retirement benefits or prepaid pension costs estimated to accrue at the end of the current consolidated accounting period to provide for employee retirement benefits.

At the end of the current consolidated accounting period, prepaid pension costs is included in others of investments and other assets.

Unrecognized prior service cost is amortized using the straight-line method over a period of 10 years as cost. Actuarial gains and losses are amortized using the straight-line method over a period of 10 years, from the period subsequent to the period in which they are incurred.

(v) 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.

(vi) Allowance for business restructuring losses

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

(4) Translation of foreign currency assets and liabilities in financial statements of the Company and consolidated subsidiaries

The Company and its consolidated domestic subsidiaries translate monetary receivables and payables in foreign currency into yen at the spot exchange rates on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

(Translation)

Assets and liabilities are translated into yen at the spot exchange rates at the consolidation date, while revenues and expenses are translated into yen at the average rates for the year. Exchange differences are included in foreign currency translation adjustments and minority interests in net assets.

(5) 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.

(6) Accounting method of significant hedge transactions

(i) Method of hedge accounting

The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

(ii) Hedging vehicles and hedged items

(Hedging vehicles)

Forward exchange contracts

Interest rate swaps

(Hedging items)

Monetary receivables and payables in foreign currency

Anticipated transactions in foreign currencies

Interest rates on borrowings

(iii) Hedge policy

Under the guidance of its Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

(iv) Method of assessing hedge effectiveness

Regarding forward exchange contracts, in principle, the Company allocates them to monetary receivable and payable with same maturities and same amounts in foreign currency at closing of forward exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.

Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

(7) Accounting method of consumption tax and other

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

6. Evaluation of consolidated subsidiaries' assets and liabilities

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

7. Amortization of goodwill and negative goodwill

The goodwill is equally amortized for from 5 to 40 years considering the accounting customs of the consolidated companies' countries.

(Translation)

### Notes to Consolidated Balance Sheets

Marketable securities and Investment in securities

The balance of money in trust is ¥2,364 million. This is the balance of U.S. Treasury securities, etc. purchased for financial investment by captive insurance subsidiary MHC INSURANCE COMPANY, LTD. established on October 4, 2006. The application of this trust fund is limited to payment of compensation resulting from recall insurance accidents related to the Minebea Group.

### Notes to Consolidated Statement of Changes in Net Assets

#### (1) Matters relating to type and total number of issued shares and type and total number of treasury stock

Type of Shares	Shares at end of FY2007 (shares)	Increased shares in FY2008 (shares)	Decreased shares in FY2008 (shares)	Shares at end of FY2008 (shares)
Shares Issued				
Common Stock	399,167,695	—	—	399,167,695
Total	399,167,695	—	—	399,167,695
Treasury Stock				
Common Stock* <sup>1,2</sup>	140,160	25,742	957	164,945
Total	140,160	25,742	957	164,945

Notes:

1. The 25,742 shares increase in the number of own shares of common stock mainly reflects purchases of fractional shares.
2. The 957 shares decrease in the number of own shares of common stock reflects requests for purchase of fractional shares.

#### (2) Matters relating to dividends on Earning Surplus

##### (i) Matters on dividends by the resolution of the 61st Ordinary General Meeting of Shareholders held on June 28, 2007

Total amount of dividends: ¥3,990 million  
Dividend per share: ¥10.00  
Record date: March 31, 2007  
Effective date: June 29, 2007

##### (ii) Dividends with a record date that falls within the current consolidated fiscal period but an effective date in the following period

The following matters will be submitted to the 62nd Ordinary General Meeting of Shareholders held on June 27, 2008.

Total amount of dividends: ¥3,990 million  
Dividend per share: ¥10.00  
Record date: March 31, 2008  
Effective date: June 30, 2008

### Notes to Per Share Information

- (1) Net assets per share ¥327.25
- (2) Net income per share ¥40.86

### Notes to Material Subsequent Events

To date, the Company and certain of its consolidated domestic subsidiaries have adopted the tax-qualified pension plan. However, with effect from April 1, 2008, the Company and the subsidiaries have abolished the tax-qualified pension plan, and transferred to the defined contribution pension plan and the defined benefit pension plan.

Accordingly, we will apply the Accounting for Transfer between Retirement Benefit Plans (Accounting Standards Board of Japan Implementation Guidance No. 1), and account for the closure of the retirement benefits transferred to the defined contribution pension plan.

This shift is expected to impact ¥374 million (extraordinary loss) on consolidated earnings in the ensuing year.

(Translation)

**Non-Consolidated Balance Sheets**

(As of March 31, 2008)

(Unit: millions of yen)

<b>Assets</b>	
<b>Item</b>	<b>Amount</b>
<b>Current assets</b>	<b>101,684</b>
Cash and cash equivalents	9,580
Notes receivable	2,220
Accounts receivable	46,179
Purchased goods	2,220
Goods in transit	1,010
Finished goods	779
Raw materials	1,483
Work in process	2,555
Supplies	102
Advances to vendor	2
Prepaid expenses	571
Short-term loans receivable from affiliates	27,600
Accounts receivable - other	1,470
Temporary advance	6
Deferred tax assets	5,690
Others	236
Allowance for doubtful receivables	(24)
<b>Fixed assets</b>	<b>235,186</b>
<b>Tangible fixed assets</b>	<b>25,422</b>
Buildings	9,322
Structures	593
Machinery and equipment	5,311
Vehicles	25
Tools, furniture and fixtures	2,161
Land	7,296
Construction in progress	711
<b>Intangible fixed assets</b>	<b>2,786</b>
Patent rights and other intangibles	2,786
<b>Investments and other assets</b>	<b>206,976</b>
Investments in securities	5,646
Investments securities in affiliates	162,255
Investments in partnerships	0
Investments in partnerships with affiliates	36,152
Long-term loans receivable from employees	2
Long-term loans receivable from affiliates	375
Reorganization claim in bankruptcy, and others	0
Long-term prepaid expenses	223
Deferred tax assets	901
Others	1,716
Allowance for doubtful receivables	(297)
<b>Total assets</b>	<b>336,870</b>

Note: Amounts less than one million yen are omitted.

(Translation)

(Unit: millions of yen)

<b>Liabilities</b>	
<b>Item</b>	<b>Amount</b>
<b>Current liabilities</b>	<b>88,844</b>
Notes payable	2,084
Accounts payable	27,671
Short-term loans payable	36,300
Current portion of bonds	15,000
Accounts payable - other	2,633
Accrued expenses	1,312
Accrued income taxes	1,105
Advances from customer	0
Deposits received	194
Deferred income	4
Accrued bonuses	2,156
Allowance for bonuses to directors and corporate auditors	117
Notes payable for equipment	219
Others	44
<b>Long-term liabilities</b>	<b>67,967</b>
Bonds	21,500
Long-term loans payable	46,000
Allowance for retirement benefits to executive officers	95
Others	371
<b>Total liabilities</b>	<b>156,812</b>
<b>Net assets</b>	
<b>Shareholders' equity</b>	<b>178,348</b>
<b>Common stock</b>	<b>68,258</b>
<b>Capital surplus</b>	<b>94,756</b>
Capital reserve	94,756
Others	0
<b>Earning surplus</b>	<b>15,426</b>
Earned surplus	2,085
Others	13,341
Reserve for general purpose	6,500
Retained earnings carried forward	6,841
<b>Treasury stock</b>	<b>(93)</b>
<b>Revaluation / Translation differences</b>	<b>1,710</b>
<b>Difference on revaluation of other marketable securities</b>	<b>1,710</b>
<b>Deferred hedge gains or losses</b>	<b>(0)</b>
<b>Total net assets</b>	<b>180,058</b>
<b>Total liabilities and net assets</b>	<b>336,870</b>

Note: Amounts less than one million yen are omitted.

(Translation)

### Non-Consolidated Statements of Income

(From April 1, 2007 to March 31, 2008)

(Unit: millions of yen)

Item	Amount
<b>Net sales</b>	<b>225,071</b>
<b>Cost of sales</b>	<b>198,426</b>
<b>Gross profit</b>	<b>26,645</b>
<b>Selling, general and administrative expenses</b>	<b>20,014</b>
<b>Operating income</b>	<b>6,630</b>
<b>Other income</b>	<b>7,730</b>
Interest income	778
Dividends income	6,269
Foreign currency exchange gain	78
Rent income on fixed assets	152
Others	452
<b>Other expenses</b>	<b>2,096</b>
Interest expenses	1,103
Interest on bonds	761
Amortization on bond issue costs	10
Others	221
<b>Ordinary income</b>	<b>12,265</b>
<b>Extraordinary income</b>	<b>276</b>
Gain on sales of fixed assets	112
Reversal of allowance for doubtful receivables	125
Reversal of allowance for business restructuring losses	38
<b>Extraordinary loss</b>	<b>5,397</b>
Loss on sales of fixed assets	12
Loss on disposal of fixed assets	293
Impairment loss	71
Bad debt loss	4,445
Plant closure loss	42
Retirement benefits to directors and corporate auditors	531
<b>Income before income taxes</b>	<b>7,144</b>
Income taxes (including enterprise tax)	2,803
Adjustment of income taxes	37
Total income taxes	2,840
<b>Net income</b>	<b>4,304</b>

Note: Amounts less than one million yen are omitted.

(Translation)

**Non-Consolidated Statement of Changes in Net Assets**  
(From April 1, 2007 to March 31, 2008)

(Unit: millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Earned surplus	Earning surplus		Total earning surplus
		Capital reserve	Others	Total capital surplus		Others		
					Reserve for general purpose	Retained earnings carried forward		
Balance at March 31, 2007	68,258	94,756	0	94,756	2,085	6,500	6,526	15,111
Changes								
Cash dividend from earning surplus							(3,990)	(3,990)
Net income							4,304	4,304
Purchase of own shares								
Sales of own shares			0	0				
Changes (net) in non-shareholders' equity items								
Total changes	—	—	0	0	—	—	314	314
Balances at March 31, 2008	68,258	94,756	0	94,756	2,085	6,500	6,841	15,426

	Shareholders' equity		Revaluation / Translation difference			Total net assets
	Treasury stock	Total shareholders' equity	Difference on revaluation of other marketable securities	Deferred hedge gains or losses	Total revaluation / translation differences	
Balances at March 31, 2007	(76)	178,051	3,294	—	3,294	181,346
Changes						
Cash dividend from earning surplus		(3,990)				(3,990)
Net income		4,304				4,304
Purchase of own shares	(17)	(17)				(17)
Sales of own shares	0	0				0
Changes (net) in non-shareholders' equity items			(1,584)	(0)	(1,584)	(1,584)
Total changes	(17)	296	(1,584)	(0)	(1,584)	(1,287)
Balances at March 31, 2008	(93)	178,348	1,710	(0)	1,710	180,058

Note: Amounts less than one million yen are omitted.

(Translation)

## Notes to Non-Consolidated Financial Statements

### Significant Accounting Policies

#### (a) Standards and method of valuation of assets

##### Marketable securities

Investments securities in subsidiaries and affiliates:

Stated at cost determined by the moving average method.

Other marketable securities:

·Securities with Market Value

Market value method based on market prices and other conditions at the end of the term. (The revaluation differences are accounted for based on the direct net assets method and the sales costs are calculated by the moving average method.)

·Securities without Market Value

Non listed marketable securities are stated at cost determined by the moving average method.

##### Derivative

Market value method

##### Inventories

Purchased goods: Stated at cost determined by the moving average method.

Finished goods: Stated at cost determined by the moving average method.

Raw materials: Stated at cost determined by the moving average method.

Work in process: Stated at cost determined by the moving average method for bearings, fasteners, and motors.

Stated at cost determined respectively for measuring equipment, special motors and special machinery components.

Supplies: Stated at cost determined by the moving average method.

#### (b) Depreciation

##### Tangible fixed assets:

Depreciation of tangible fixed assets is made on the declining balance method based on estimated useful lives of the assets.

Their major useful lives are as follows:

Buildings and structures	2 to 50 years
Machinery and equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

The depreciation method of depreciation assets whose acquisition values are not less than 100,000 yen and less than 200,000 yen has been changed to a method by which those assets are equally depreciated in lump sum for 3 years.

##### (Change of depreciation method)

From the current term, regarding the fixed assets purchased on or after April 1, 2007, the Company posts depreciation and amortization expenses pursuant to the depreciation method provided in the revised Corporation Tax Law.

This respectively decreases ¥173 million in operating income, ordinary income and income before income taxes.

##### (Additional information)

Of tangible fixed assets acquired before March 31, 2007, regarding those whose depreciation up to their depreciable amounts was completed, the Company depreciates their remaining book values equally over 5 years from the current accounting period.

This respectively decreases ¥221 million in operating income, ordinary income and income before income taxes.

##### Intangible fixed assets:

Depreciation of intangible fixed assets is made on the straight-line method.

The depreciation method of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

##### Long-term prepaid expenses:

Depreciation of long-term prepaid expenses is made on the straight-line method.

#### (c) Amortization of deferred charges

Deferred charges are equally amortized over 3 years.

(Translation)

(d) Translation of foreign currency assets and liabilities

Translation of foreign currency assets and liabilities are into yen at the exchange rate on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

(e) Allowances

Allowance for doubtful receivables:

In order to prepare against losses resulting from irrecoverable receivables, an allowance has been reserved in the amount required for estimated uncollectible receivables based on actual losses of trade receivables and on collectibility of specific receivables with loss possibilities.

Accrued bonuses:

To make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Allowance for bonuses to directors and corporate auditors:

To provide for payment of bonuses to directors and corporate auditors, the Company records an amount, based upon the estimated amount of payment for the current fiscal year.

Allowance for retirement benefits:

To provide for payment of employee retirement benefits, the Company reported an allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current term.

At the end of the current fiscal year, prepaid pension cost is included in others of investments and other assets.

Over the 5 years from the following term after the differences accrue, the Company will charge differences in mathematical calculation to expenses in accordance with the straight-line method.

Allowance for retirement benefits to executive officers:

To provide for payment of retirement allowance to executive officers, the estimated amount to be required according to our internal regulations as of the end of the period of the current fiscal year is shown.

Allowance for business restructuring losses:

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

(f) Accounting method of lease transactions

The accounting treatment for financial lease transactions other than those in which the ownership of leases is considered to be transferred to us, is in accordance with that for ordinary lease transactions.

(g) Accounting method of hedge transactions

(1) Method of hedge accounting

The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

(2) Hedging vehicles and hedged items

(Hedging vehicles)

Forward exchange contracts

Interest rate swaps

(Hedging items)

Monetary receivables and payables in foreign currency

Anticipated transactions in foreign currencies

Interest rates on borrowings

(3) Hedge policy

Under the guidance of its Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

(4) Method of assessing hedge effectiveness

Regarding forward exchange contracts, the Company allocates them to monetary receivable and payable with same maturity and with same amounts in foreign currency, at closing of exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.

(Translation)

Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

(h) Other significant accounting policies

Consumption taxes

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

### Notes to Non-Consolidated Balance Sheets

(1) Accumulated depreciation of property, plant and equipment: ¥48,641 million

(2) Contingent liabilities

Guarantee liabilities

The Company has provided the following companies with guarantees for their bank borrowings, etc.

Guarantee	Amount (Millions of Yen)
Minebea (Hong Kong) Ltd.	4,590
Minebea Thai Ltd.	3,010
NMB Hi-Tech Bearings Ltd.	1,596
Other 12 companies	1,870
Total	11,068

(3) Monetary receivables from and monetary payables to subsidiaries:

Short-term receivables ¥28,840 million

(excluding short-term loan receivables from subsidiaries)

Short-term payables ¥23,723 million

### Notes to Non-Consolidated Statements of Income

(1) Transaction with affiliates:

Sales: ¥159,064 million

Purchase: ¥156,778 million

Amount of non-operating transactions: ¥15,489 million

(2) Total R&D expenses

The R&D expenses included in general administrative expenses and manufacturing costs for the current fiscal year are ¥8,398 million.

### Notes to Non-Consolidated Statement of Changes in Net Assets

#### Class and Number of Treasury Stock

Type of Shares	Shares at previous FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Common stock* <sup>1,2</sup>	135,299	25,681	957	160,023

Notes:

1. The 25,681 share increase in the number of own shares of common stock reflects purchases of fractional shares.

2. The 957 share decrease in the number of own shares of common stock reflects requests for purchase of fractional shares.

### Notes to Tax-Effect Accounting

(1) Major reasons for the accrual of deferred tax assets and deferred tax liabilities:

(Deferred tax assets)

Excess of allowed limit chargeable to the accrued bonuses ¥841 million

Excess of allowed limit chargeable to the reserve for bonuses to directors and corporate auditors 46

Loss on the liquidation of investments in securities 990

Loss on the liquidation of investments securities in affiliates 5,208

(Translation)

Excess of allowed limit chargeable to the allowance for doubtful receivable	4,039
Foreign tax credit carry forwards	352
Impairment loss	390
Excess of allowed limit chargeable to the depreciation	426
Disallowance of accrued enterprise taxes	160
Others	<u>555</u>
Sub-total	<u>13,007</u>
Valuation allowance	<u>(5,779)</u>
Total deferred tax assets	7,228
(Deferred tax liabilities)	
Difference on revaluation of other marketable securities	137
Prepaid pension cost	<u>499</u>
Total deferred tax liabilities	<u>637</u>
Net deferred tax assets	<u>6,591</u>

- (2) Major reasons for significant difference between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting

The difference between the statutory tax rate and the income taxes burden ratio after the application of tax effect accounting is 5/100 or less of the statutory tax rate. Notes are omitted.

#### Notes to Fixed Assets Purchased through Lease Contracts

Finance lease transactions other than those in which the ownership of the leased property will be transferred to the lessees

- (1) Equivalent of acquisition value of leased items, equivalent of total amount of depreciation, accumulated impairment loss equivalent, and equivalent of year-end closing balance

	Equivalent of acquisition value (Millions of Yen)	Equivalent of total amount of depreciation (Millions of Yen)	Equivalent of year-end balance (Millions of Yen)
Vehicles	748	261	486
Tools, furniture and fixtures	1,671	881	790
Software	21	10	11
Total	2,441	1,153	1,288

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets, equivalent of acquisition value in the period under review has been calculated based on “Interest payment inclusive method”.

- (2) Equivalent of year-end closing balance of unexpired lease expenses:
- |               |                       |
|---------------|-----------------------|
| within 1-year | ¥526 million          |
| over 1-year   | ¥761 million          |
| Total         | <u>¥1,288 million</u> |

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets, equivalent of year-end closing balance of unexpired lease expenses in the period under review has been calculated based on “Interest payment inclusive method”.

- (3) The amount of lease expenses, mobilization of lease asset impairment losses, equivalent of depreciation expenses and impairment loss:

Amount of lease expenses	¥616 million
Equivalent of depreciation expenses	¥616 million

- (4) Method of computing equivalent of depreciation expenses:

Computation is based on straight line method with the lease term as a useful life and the residual value to be set at zero.

(Impairment Losses)

There is no impairment loss allocated to leased assets.

(Translation)

**Notes to Transactions with Relevant Parties**

(1) Subsidiaries etc.

Name of Company, etc.	Voting Rights or Ownership (%)	Contents of relation		Transaction	Total Transactions (Millions of yen)	Account title	Balance at the End of Period (Millions of yen)
		Concurrently serving etc.	Business Relations				
Minebea Motor Manufacturing Corporation	60.0	Concurrently serving 4	NMB-MAT sells electronic equipment and related parts and the Company purchases from NMB-MAT certain parts of such equipment and parts for resale.	Purchase of electronic equipment and related parts	48,636	Account payable*2	2,184
NMB-Minebea-GmbH	100.0	Concurrently serving 1	NMB-Minebea-GmbH sells the Company's products and products purchased mainly in Germany.	Sales of the Company's products and products purchased	20,186	Account receivable	6,559
Precision Motors Deutsche Minebea GmbH	100.0	Concurrently serving 1	Precision Motors Deutsche Minebea GmbH develops, designs and manufactures various small motors, especially spindle motors for HDD.	Payment of development cost incurred	3,721	Account payable -other	377
Pelmec Thai Ltd.	100.0	Concurrently serving 3	Pelmec Thai Ltd. manufactures bearings and others, and the Company purchases them for resale. Loans from the Company.	Interest income —	103 —	— Short-term loans receivable	— 5,000
Minebea Thai Ltd.	100.0	Concurrently serving 3	Minebea Thai Ltd. manufactures motors and others, and the Company purchases them for resale. Loans from the Company.	Purchase of motors and others	32,987	Account payable	5,054
				Interest income	300	—	—
				Fund loan	800	Short-term loans receivable	18,300
NMB Hi-Tech Bearings Ltd.	100.0	Concurrently serving 3	NMB Hi-Tech Bearings Ltd. manufactures bearings and the Company purchases them for resale. Loans from the Company.	Interest income —	76 —	— Short-term loans receivable	— 4,300
Power Electronics of Minebea Co., Ltd.	100.0	Concurrently serving 4	Power Electronics of Minebea Co., Ltd. manufactures electronic equipment and related parts, and the Company purchases them for resale.	Purchase of electronic equipment and related parts	23,303	Account payable	3,622
Minebea (Hong Kong) Ltd.	100.0	Concurrently serving 2	Minebea (Hong Kong) Ltd. sells the Company's products and products purchased mainly in China.	Sales of the Company's products and products purchased	77,556	Account receivable	11,330
				—	—	Guarantee of obligation	4,590
Shanghai Shun Ding Technologies Ltd.	60.6 Indirect 39.4	Concurrently serving 3	Shanghai Shun Ding Technologies Ltd. manufactures keyboards and the Company purchases them for resale.	Capital subscription	9,165	—	—
Minebea Technologies Pte. Ltd.	100.0	—	Minebea Technologies Pte. Ltd. sells the Company's products and products purchased mainly in Southeast Asia. Loans from the Company.	Loan waiver	10,056	—	—
				Loss from bad debt	4,445	—	—

Notes: Terms and decision policy of the transaction

1. Transaction prices, etc. are negotiated and decided in consideration of market prices.
- \*2. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.
3. Lending rate on loans is reasonably determined taking into account the market interest rate.
4. The Company provides debt guarantee for bank loan etc. of each company.

(Translation)

(2) Directors and main individual shareholder

Attribution	Name	Voting Rights (own or owned)	Contents of relation		Contents of transaction	Transaction amount (Millions of Yen)	Account title	Year end balance(Millions of Yen)
			Concurrently serving etc.	Relation of business				
Companies which the company's directors and nearly related person have over 50% of Voting right	KEIAISHA Co., Ltd.	(Owned) Direct 3.76%	Concurrently serving 2	The Company purchases steel bar etc.	Purchase of steel bar etc.	2,564	Notes and Account payable*2	61
					Tools & equipment rent etc.	618	Current liabilities and others*2	292
					Land rent	33	Current assets and others*2	4
					Non-operating income	35		

Notes: Terms and Decision Policy of the Transaction

1. Transaction prices, etc. are negotiated and decided in consideration of market prices.

\*2. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.

**Notes to Per Share Information**

(1) Net assets per share	¥451.27
(2) Net income per share	¥10.79

**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

(i) Retirement benefit liabilities and their breakdown:

a. Retirement benefit liabilities	¥11,477 million
b. Pension assets	12,130
c. Balance (a – b)	(653)
d. Unrecognized amortization of actuarial difference	626
e. Difference (c – d)	(1,280)
f. Prepaid pension cost	1,280

(ii) Breakdown of expense for retirement benefit:

Service expense	¥558 million
Interest expense	272
Expected investment income	342
Amortization of actuarial difference treated as expense	(441)

(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 next business year, it is charged to expense by the straight-line method.)

**Notes to Material Subsequent Events**

To date, the Company has adopted the tax-qualified pension plan. However, with effect from April 1, 2008, the Company has abolished the tax-qualified pension plan, and transferred to the defined contribution pension plan and the defined benefit pension plan.

Accordingly, we will apply the Accounting for Transfer between Retirement Benefit Plans (Accounting Standards Board of Japan Implementation Guidance No. 1), and account for the closure of the retirement benefits transferred to the defined contribution pension plan.

This shift is expected to impact ¥344 million (extraordinary loss) on earnings in the ensuing year.

(Translation)

**Report of the Independent Auditors for Consolidated Financial Statements**

**AUDIT REPORT OF THE INDEPENDENT AUDITORS**

May 7, 2008

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

**Ernst & Young ShinNihon**

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

Shinichiro Suzuki (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, including the Consolidated Balance Sheet the Consolidated Statement of Income, the Consolidated Statement of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements of MINEBEA CO., LTD., for the fiscal year from April 1, 2007 to March 31, 2008, pursuant to Paragraph 4, Article 444, of the Company Act. 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; it includes our examination of the presentation of the consolidated financial statements in its entirety, including 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 the audit we conducted in these ways, we believe that we have obtained a reasonable basis for our opinions.

We are of the opinion that the above consolidated financial statements fairly present in all material aspects the financial position and the results of its operations of the Company and its consolidated subsidiaries as a corporate group for the period under review in conformity with corporate accounting standards generally accepted in Japan.

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.

Furthermore, we continue to conduct attestation for MINEBEA CO., LTD. and other audit activities allowable to be conducted at the same time, under Paragraph 2, Article 2 of Certified Public Accountant Law.

(Translation)

**Report of the Independent Auditors**

**AUDIT REPORT OF THE INDEPENDENT AUDITORS**

May 7, 2008

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

**Ernst & Young ShinNihon**

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

Shinichiro Suzuki (seal)  
Designated and Engagement Partner  
Certified Public Accountant

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

We have audited the Financial Statements, including the Balance Sheet, the Statement of Income, the Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements and their supplementary statements of MINEBEA CO., LTD., for the 62nd fiscal year from April 1, 2007 to March 31, 2008, pursuant to Paragraph 1, Article 436-2 of the Company Act. 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; it includes our examination of the presentation of the financial statements and their supplementary details in its entirety, including 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 the audit we conducted in these ways, we believe that we have obtained a reasonable basis for our opinions.

We are of the opinion that the above financial statements and supplementary statements fairly present in all material aspects the financial position and the results of its operations of the Company for the period under review in conformity with corporate accounting standards generally accepted in Japan.

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.

Furthermore, we continue to conduct attestation for MINEBEA CO., LTD. and other audit activities allowable to be conducted at the same time, under Paragraph 2, Article 2 of Certified Public Accountant Law.

(Translation)

## Report of the Board of Corporate Auditors

### AUDIT REPORT

May 8, 2008

As the results of deliberation, the Board of Corporate Auditors prepared this Audit Report in accordance with reports presented by each Corporate Auditor with respect to the performance of duties by the Directors during the 62nd business year from April 1, 2007 to March 31, 2008, and report the results as follows:

#### **1. Method and Content of Audit Conducted by Corporate Auditors and Board of Corporate Auditors**

The Board of Corporate Auditors established the audit policy and allocation of duties, etc., received reports from each Corporate Auditor on the implementation of audit and its results, received reports from Directors, etc. and the Independent Auditors on the performance of their duties and asked them details when necessary.

Each Corporate Auditor conforms to the auditing standards prescribed by the Board of Corporate Auditors, complies with the audit policy and allocation of duties, etc., maintains communication with Directors, executive officers, the Internal Auditing Office and other employees, etc., endeavors to collect information and establishes a system necessary for auditing services, attends meetings of the Board of Directors and other important meetings, receives reports from Directors, executive officers and employees, etc. on the performance of their duties, asks them details when necessary, reviews important written decisions, and investigates business and financial conditions at the head office as well as at the main business offices of the Company. In addition, each Corporate Auditor monitors and examines the resolutions of the Board of Directors and the status of the system (Internal Control System) developed under such resolutions with regard to the system development stipulated in Article 100, Paragraph 1 and 3 of the Enforcement Regulations of the Company Act necessary to ensure the conformity of the performance of duties by Directors with laws and the Articles of Incorporation and also ensure the appropriateness of business in a corporation. Each Corporate Auditor maintains communication and exchanges information with Directors and Corporate Auditors, etc. of subsidiaries, receives business reports of the subsidiaries when necessary. Through the above methods, the Corporate Auditor reviews business reports and detailed statements of the Company for such business year.

Furthermore, we monitored and examined whether the Independent Auditors performed proper audits while assuring its independence, received reports from the Independent Auditors on its duties, and asked details when necessary. We were informed by the Independent Auditors that "System to ensure proper performance of its duties" (matters described in each item of Article 159 of the Corporate Accounting Rules) has been developed in accordance with "Quality Control Standards for Audits" issued by the Business Accounting Council on October 28, 2005, and others, and asked details when necessary. Through the above methods, we reviewed financial statements for such business year (balance sheets, statements of income, statement of changes in net assets and notes to financial statements) and supplementary statements and consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statement of changes in net assets and notes to consolidated financial statements).

#### **2. Results of Audit**

##### **(1) Audit Results of Business Reports, etc.**

- (i) We certify that the business reports and their detailed statements fairly present the situation of the Company in accordance with laws and the Articles of Incorporation.
- (ii) We found no wrongful act or material fact in violation of laws or the Articles of Incorporation with respect to the performance of duties by the Directors.
- (iii) We certify that the resolutions of the Board of Directors with respect to the internal control system are proper and correct. In addition, we found no matter to be pointed out about the performance of duties by the Directors with respect to the internal control system.

##### **(2) Audit Results of Financial Statements and Supplementary Statements**

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

##### **(3) Audit Results of Consolidated Financial Statements**

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

#### **Board of Corporate Auditors of Minebea Co., Ltd.**

Tosei Takenaka (seal)  
Standing Corporate Auditor  
Akifumi Kamoi (seal)  
Standing Corporate Auditor  
Kazuaki Tanahashi (seal)  
Standing Outside Corporate Auditor  
Isao Hiraide (seal)  
Outside Corporate Auditor  
Hirotaka Fujiwara (seal)  
Outside Corporate Auditor

(Translation)

## Reference Documents for the General Meeting of the Shareholders

### First Proposal:

#### Appropriation of Surplus

The appropriation of surplus of the Company shall be as follows:

Matters concerning year-end dividend:

The Company, comprehensively taking into account the business environment, will set the basic policy under which it gives top priority to improving the efficiency of shareholders' equity and distributing more profit to shareholders, thereby returning its profits to shareholders commensurate with its business performance. In accordance with this policy, the dividends of the 62nd business period shall be as follows:

- (1) Type of dividend  
Cash
- (2) Matters concerning the allocation of dividend and total amount  
Dividend per common share of the Company would be ¥10  
In this case, total dividends are ¥3,990,076,720.
- (3) Effective date for surplus dividend  
June 30, 2008

(Translation)

**Second Proposal:**

Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) Proposed Amendment Article 29 (Exemption from Liability of Directors), which stipulates that Directors may be exempt from liability within statutory limitations upon a resolution by the Board of Directors in an effort to enable Directors to perform their duties fully as expected and that agreements may be executed to limit the liability of Outside Directors prescribed by law, is newly established in the Articles of Incorporation of the Company and current Articles 29 to 36 are to be moved down one for each Article. All the members of the Board of Corporate Auditors have approved the submittal of this proposal for such establishment.
- (2) Proposed Amendment Article 38 (Exemption from Liability of Corporate Auditors), which stipulates that Corporate Auditors may be exempt from liability within statutory limitations upon a resolution by the Board of Directors in an effort to enable Corporate Auditors to perform their duties fully as expected and that agreements may be executed to limit the liability of Outside Corporate Auditors prescribed by law, is newly established in the Articles of Incorporation of the Company and current Articles 37 onward are to be moved down two for each Article.

2. Specific Amendments

(Amended text shown underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 4 Directors and the Board of Directors</p> <p>(Newly added)</p>	<p>Chapter 4 Directors and the Board of Directors</p> <p><u>(Exemption from Liability of Directors)</u>  <u>Article 29 The Company may exempt Directors (including former Directors) as provided in Article 423, Paragraph 1 of the Company Act from liability within statutory limitations upon a resolution of the Board of Directors in accordance with Article 426, Paragraph 1 of same.</u>  <u>The Company may execute agreements limiting liability as provided in Article 423, Paragraph 1 of the Company Act with Outside Directors in accordance with Article 427, Paragraph 1 of same. However, the maximum amount of liability prescribed in said agreements shall be an amount stipulated by law.</u></p>
<p>Chapter 5 Corporate Auditors and the Board of Corporate Auditors</p> <p>Articles <u>29</u> to <u>36</u> (Omitted)</p> <p>(Newly added)</p>	<p>Chapter 5 Corporate Auditors and the Board of Corporate Auditors</p> <p>Articles <u>30</u> to <u>37</u> (Not amended)</p> <p><u>(Exemption from Liability of Corporate Auditors)</u>  <u>Article 38 The Company may exempt Corporate Auditors (including former Corporate Auditors) as provided in Article 423, Paragraph 1 of the Company Act from liability within statutory limitations upon a resolution of the Board of Directors in accordance with Article 426, Paragraph 1 of same.</u>  <u>The Company may execute agreements limiting liability as provided in Article 423, Paragraph 1 of the Company Act with Outside Corporate Auditors in accordance with Article 427, Paragraph 1 of same. However, the maximum amount of liability prescribed in said agreements shall be an amount stipulated by law.</u></p>
<p>Articles <u>37</u> to <u>38</u> (Omitted)</p>	<p>Articles <u>39</u> to <u>40</u> (Not amended)</p>

(Translation)

**Third Proposal:**

Election of One (1) Director

As of the conclusion of this General Meeting of Shareholders, Chanchai Leetavorn shall resign from his post of Director of the Company, therefore, it is hereby requested that a substitute Director be elected.

Because the candidate for director is elected as a substitute to Mr. Leetavorn, the term of office shall be up to the expiration of that current Director's term, as stipulated in the Articles of Incorporation of the Company.

The candidate for Director of the Company is as follows:

Name (Date of Birth)	Summary, Position and Responsibilities of the Company (including those of other company, etc.)	Number of shares of the Company held
Kohshi Murakami (February 8, 1940)	Apr. 1967 Apr. 1999  Apr. 2005 Jun. 2005 Nov. 2005 Apr. 2008 Appointed an assistant Judge, Tokyo District Court Presiding Justice of the Division (Acting Chief Justice Specialized Economic and Financial Affairs Department), Tokyo High Court Employed as Professor, Graduate School of Law, Kyoto University Joined TMI Associates as Special Counsel (present) Appointed Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD. (present) Employed as Visiting Professor, Graduate School, Yokohama National University (present)	—

Notes:

1. *Mr. Kohshi Murakami is a candidate for Outside Director of the Company.*
2. *There are no conflicts of interest existing between Mr. Murakami and the Company.*
3. *Reason for election of Outside Director*  
*Mr. Murakami has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney. He will provide guidance to ensure the sound management of the Company and promote compliance, therefore, we hereby ask that he be elected as Outside Director of the Company.*
4. *Qualification as an Outside Director*  
*Mr. Murakami has never been involved in corporate management by means other than being Outside Corporate Auditor of another company, however, we have determined that, because of his specialized knowledge and experience as Presiding Justice of the Division on the Tokyo High Court and as an attorney, he will participate in the Company's management as an Outside Director with a fair and even perspective from a legal viewpoint.*
5. *Concerning limited liability agreements with Outside Director*  
*In the event of the election of Mr. Murakami and the approval of the Second Proposal, the Company plans to execute a limited liability agreement as provided in Article 423, Paragraph 1 of the Company Act in accordance with Article 427, Paragraph 1 of same. However, the maximum amount of liability prescribed in said agreement shall be the statutory limitation.*

(Translation)

**Fourth Proposal:**

**Appointment of the Independent Auditors**

The Company's Independent Auditors, Ernest & Young ShinNihon will resign from its office upon expiration of the term of office at the conclusion of this General Meeting of Shareholders. Therefore, it is hereby requested that new Independent Auditors be appointed at this General Meeting of Shareholders.

This motion was approved by the Board of Corporate Auditors.

The candidate for Independent Auditors of the Company is as follows:

(As of March 31, 2008)

Name	KPMG AZSA & Co.
Offices	Main office: 1-2 Tsukudo-cho, Shinjuku-ku, Tokyo Other offices: 26 offices in Japan
History	Jul. 1969 Established as Asahi Audit Corporation Jul. 1985 Asahi Shinwa Audit Corporation was formed with merger of Asahi Audit Corporation and Shinwa Audit Corporation Oct. 1993 Asahi & Co., was formed with merger of Asahi Shinwa Audit Corporation and Inoue Saito Eiwa Audit Corporation Feb. 2003 KPMG audit department spun off from Ernest & Young ShinNihon, and AZSA & Co., was formed Apr. 2003 Asahi & Co., became an official member firm of KPMG International Jan. 2004 Asahi & Co., and AZSA & Co., merged and formed KPMG AZSA & Co., remaining a member firm of KPMG International
Profile	Amount of capital: ¥3,760 million Number of employees: CPA: 1,788 (Representative employee: 258, Employee: 236) Assistant Certified Accountants: 1,662 Other: 1,067 Total: 4,517 Number of clients: 5,178

(Translation)

**Fifth Proposal:**

Renewal of Countermeasures to Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures)

The Company determined at its Board of Directors meeting held on May 8, 2008 a basic policy regarding persons who control decisions on the Company's financial and business policies (as provided in the main text of Article 127 of the Enforcement Regulations of the Company Act; the "Basic Policy") and resolved to introduce its plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) (Article 127, Item (ii)(b) of the Enforcement Regulations of the Company Act; the "Plan") as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed as inappropriate under the Basic Policy.

The initial effective period of the Plan is the period until the conclusion of the Meeting. If the Company obtains the shareholders' approval at the Meeting to renew the Plan, the effective period will be extended until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within three years after the conclusion of the Meeting. Therefore, the Company asks for the shareholders' approval to renew the Plan.

1. Reason for Proposal

(1) Basic Policy Regarding Persons Who Control Decisions on the Company's Financial and Business Policies

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who fully understand the details of the Company's financial and business affairs and the source of the Group's corporate value, and who will make it possible to continually and persistently ensure and enhance the Group's corporate value and, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Group and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including, without limitation, those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal, and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

In order for the Group to ensure and enhance the corporate value and, in turn, the common interests of its shareholders, it is necessary for the Group to efficiently and continuously develop new products, cultivate new markets and revolutionize production technology in the mid- to long-term based on the Group's original vertically integrated manufacturing system, driving to be a company that leads the competition through manufacturing and technological excellence based on advanced ultra-precision machining technology and mass production techniques for mechatronic products that are the source of the Group's corporate value.

Unless the acquirer in a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value and the characteristics that are indispensable to enhance the corporate value of the Group, as well as the details of the financial and business affairs of the Company, and will ensure and realize these elements over the mid- to long-term, the corporate value of the Group and the common interests of its shareholders would be harmed.

Therefore, the Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Group and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures for the purpose of deterring acquisitions that are detrimental to the corporate value of the Group and, in turn, the common interests of its shareholders.

(2) Purpose of Introducing the Plan

The Company will adopt the Plan for the purpose of ensuring and enhancing the corporate value of the Group and the common interests of its shareholders in accordance with the Basic Policy set out in (1) above.

(Translation)

The Board of Directors, as set out in the Basic Policy, believes that persons who would propose a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. In order to prevent decisions on the Company's financial and business policies from being controlled by persons viewed as inappropriate and to deter large-scale acquisitions that are detrimental to the corporate value of the Group and the common interests of its shareholders, the Board of Directors has decided that, on the occasion that it receives a large-scale acquisition proposal for the shares in the Company from an acquirer, it is necessary and essential to introduce a mechanism that enables the Board of Directors to present an alternative proposal to the shareholders, ensures necessary time and information for the shareholders to decide whether or not to accept such proposal, and enables the Board of Directors to negotiate for the benefit of the shareholders. Therefore, the Board of Directors has decided to introduce the Plan as a transitional measure, before obtaining confirmation at the Meeting.

As the Company believes that the Takeover Defense Plan should be based on the shareholders' reasonable intent, the Company is seeking the shareholders' approval for the renewal of the Plan at the Meeting.

## 2. Plan Details

### 2.1 Plan Outline

#### (a) Purpose

The purpose of the Plan is to ensure and enhance the corporate value of the Group and the common interests of its shareholders by deterring acquisitions that are detrimental to the corporate value of the Group and the common interests of its shareholders by ensuring that all shareholders have the necessary and adequate time and information to make appropriate decisions in the case of large-scale acquisitions of the shares in the Company, and by securing the opportunity to negotiate with the acquirer or through similar actions.

#### (b) Establishment of Procedures

The Plan sets out procedures necessary to achieve the purpose stated in (a) above, including requirements for acquirers to provide information in advance in the case that an acquirer intends to make an acquisition of 20% or more of the Company's share certificates or other securities. If the procedures for the Plan are commenced, the acquirer must not be engaged in an acquisition until and unless the Board of Directors passes a resolution not to trigger the Plan (for further details, see section 2.2, 'Procedures for Triggering the Plan' below).

#### (c) Triggering of the Plan by Gratis Allotment of Stock Acquisition Rights

In the event that an acquirer implements an acquisition of the Company's share certificates or other securities without following the procedures set out in the Plan, or threatens to cause obvious harm to the corporate value of the Group and the common interests of its shareholders (see section 2.3 below, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' for details of these requirements), the Company will allot stock acquisition rights with (a) an exercise condition that does not allow the acquirer etc. to exercise the rights and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for the Company's shares or otherwise from persons other than the acquirer etc. (see section 2.4 below, 'Outline of the Gratis Allotment of Stock Acquisition Rights,' for the outline of these stock acquisition rights; the "Stock Acquisition Rights"), by means of a gratis allotment of stock acquisition rights (shinkabu yoyakuken mushou wariate) to all shareholders, except the Company, at that time.

If a gratis allotment of Stock Acquisition Rights were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising, or the Company acquiring, those Stock Acquisition Rights, the ratio of voting rights in the Company held by the acquirer may be diluted by up to 50%.

#### (d) Use of the Independent Committee to eliminate arbitrary decisions by directors

In order to eliminate directors' arbitrary decisions relating to the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights, or the acquisition of the Stock Acquisition Rights, the Plan is monitored by an independent committee (see Note 1 for a summary), which comprises independent members from the Company's management, including an outside director of the Company, an outside corporate auditor of the Company and an outside expert (e.g. a company owner with significant past achievements, a person retired from government office, a specialist in the investment banking business, a lawyer, a certified public accountant, or an academic faculty member). The Company also discloses information about the Plan to shareholders to ensure transparency.

(Translation)

The initial Independent Committee will be composed of a candidate for outside director (the Company has submitted the Third Proposal “Election of One (1) Director” to the Meeting detailing the appointment of this person as the Company’s outside director), an outside corporate auditor and an outside expert, all of whom are highly independent from the management of the Company (see Note 1 for the standards for appointing members, requirements for resolution and resolution matters of the Independent Committee, and see Attachment for the profiles of Mr. Kohshi Murakami, Mr. Hirota Fujiwara, and Mr. Tadakatsu Sano, who are the initial members of the Independent Committee at the time of introducing the Plan.)

## 2.2 Procedures for Triggering the Plan

### (a) Targeted Acquisitions

The Plan will be applied in cases where any action that falls under (i) or (ii) below, any similar action, or a proposal (Note 2) for such action (except for those separately approved by the Board of Directors; the “Acquisition”) takes place. The party effecting the Acquisition (the “Acquirer”) shall comply with the procedures set out beforehand in the Plan.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (kabuken tou hoyuu wariai) (Note 3) of a holder (hoyuusha) (Note 4) amounting to 20% or more of the share certificates, etc. (kabuken tou) (Note 5) issued by the Company; or
- (ii) A tender offer (koukai kaitsuke) (Note 6) that would result in the ownership ratio of share certificates, etc. (kabuken tou shoyuu wariai) (Note 7) of share certificates, etc. (kabuken tou) (Note 8) of the party conducting the tender offer and the ownership ratio of share certificates, etc. of a person having a special relationship (tokubetsu kankei-sha) (Note 9) after the tender offer totaling at least 20% of the share certificates, etc. issued by the Company.

### (b) Request to the Acquirer for the Provision of Information

The Company will require any Acquirer conducting an Acquisition described above at 2.2(a) to submit to the Company in a form prescribed by the Company and written in Japanese, before effecting the Acquisition, necessary information for examination of the Company as described in each item of the list below (the “Essential Information”) and an undertaking that the Acquirer will, upon the Acquisition, comply with the procedures established under the Plan (the “Acquisition Statement”). The Company will send the Acquirer the form for the Acquisition Statement within 10 business days upon being contacted by the Acquirer.

If the Board of Directors receives an Acquisition Statement, it will promptly provide the Acquisition Statement to the Independent Committee. In case the Independent Committee deems the content of the Acquisition Statement inadequate to the Essential Information, it may fix a deadline for response, and request, either directly or indirectly, that the Acquirer provide additional information. In such case, the Acquirer should provide additional information to both the Board of Directors and the Independent Committee within the relevant time limit.

- (i) Details (specifically including name, capital structure, financial position, operating results (including any specific details of violation of laws and regulations), other accounting conditions, terms of previous transactions by the Acquirer similar to the Acquisition and the effect on the corporate value of the target company subsequent to the transaction) of the Acquirer and its group (including joint holders (Note 10), persons having a special relationship and, in the case of funds, each partner and other members).
- (ii) The purpose, method and terms of the Acquisition (including the price and type of the consideration for the Acquisition, the timeframe of the Acquisition, the structure of any related transactions, the legality of the Acquisition method, and the probability that the Acquisition will be effected).
- (iii) The basis for the calculation of the purchase price of the Acquisition (including the underlying facts and assumptions of the calculation, the calculation method, the numerical data used in the calculation, the details of any expected synergies from any series of transactions relating to the Acquisition including the details of such synergies to be shared with minority shareholders, and the basis for the calculation of such synergies).
- (iv) The time of acquisition, number of shares to be acquired, price of acquisition, method of acquisition and other matters relating to any previous acquisition of the shares in the Company by the Acquirer, and the time of transfer, number of shares to be transferred, price of transfer, method of transfer and other matters of the previous transfer of the shares in the Company by the Acquirer.
- (v) Financial support for the Acquisition (specifically including the name of providers of funds for the Acquisition (including all indirect providers of funds), financing methods and the terms of any related transactions).
- (vi) Agreements concerning share certificates, etc. of the Company between the Acquirer and a third party (including execution date, counterparties and detailed terms thereof).
- (vii) Post-Acquisition management policy, business plan, capital and dividend policies for the Group.

(Translation)

- (viii) Post-Acquisition policies for the Company's shareholders, the Group's employees, business partners, customers, and any other stakeholders in the Company.
- (ix) Specific measures to avoid any conflict of interest with other shareholders in the Company (in case any conflict arises.).
- (x) Any other information that the Independent Committee reasonably considers necessary.

If the Independent Committee recognizes that an Acquirer has initiated an Acquisition without complying with the procedures set out in the Plan, as a general rule, it will recommend the Board of Directors implement a gratis allotment of Stock Acquisition Rights in accordance with 2.2(d)(i) below, except in particular circumstances where it should continue with its request for the submission of an Acquisition Statement and the Essential Information, and discussions and negotiations with the Acquirer.

(c) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Board of Directors for the Provision of Information

If the Acquirer submits the Acquisition Statement and any additional information that the Independent Committee may request, the Independent Committee may set a reply period (up to sixty days as a general rule) and request that the Board of Directors present an opinion (including an opinion to reserve giving such an opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

If the Independent Committee determines that the information and materials (including those additionally requested) have been sufficiently provided by the Acquirer and the Board of Directors (if the Independent Committee requests the Board of Directors provide information as set out (i) above), the Independent Committee should conduct its consideration of the Acquisition terms, collection of information on the materials such as the business plans of the Acquirer and the Board of Directors and comparison thereof, and consideration of any alternative plan presented by the Board of Directors and the like for a period of time that does not, as a general rule, exceed sixty days after the date upon which the Independent Committee receives the information and materials (provided, however, that in the case described below at 2.2(d)(iii), the Independent Committee may extend or re-extend this period up to thirty days in total (the "Independent Committee Consideration Period")). Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Group and the common interests of its shareholders, the Independent Committee will directly or indirectly discuss and negotiate with the Acquirer, or present to shareholders and the like the alternative proposal presented by the Board of Directors, or conduct any similar action.

In order to ensure that the Independent Committee's decision contributes to the Group's corporate value and the common interests of its shareholders, the Independent Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, consultants or any other experts). If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

(iii) Disclosure of Information

While observing the principle of timely disclosure, the Company will disclose the fact that an Acquirer has emerged, the fact that it has received an Acquisition Statement from the Acquirer, the fact that the Board of Directors presented an alternative proposal to the Independent Committee, and any matters considered appropriate by the Independent Committee out of the Essential Information or other information.

(d) Recommendation by the Independent Committee

If an Acquirer emerges, the Independent Committee will make recommendations to the Board of Directors regarding the matters listed in (i) through (iii) below. If the Independent Committee makes recommendations or otherwise as listed in (i) through (iii) below to the Board of Directors, or otherwise believes it to be appropriate, the Company will promptly disclose an outline of its recommendations and any other matters that the Independent Committee considers appropriate (in the case of extending the Independent Committee Consideration Period, including the period of and reason for such extension).

(i) Recommendations for the Triggering of the Plan

If the Independent Committee determines that the Acquisition by the Acquirer meets any of the requirements set out below at 2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights' and that the implementation of the gratis allotment of Stock Acquisition Rights is reasonable, the Independent Committee

(Translation)

will recommend the implementation of the gratis allotment of Stock Acquisition Rights to the Board of Directors, regardless of whether the Independent Committee Consideration Period has commenced or ended. However, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights, or (ii) (from the business day immediately prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the Exercise Period Commencement Date (defined at (f) of 2.4, 'Outline of the Gratis Allotment of Stock Acquisition Rights' below)) the Company should acquire the Stock Acquisition Rights without consideration.

- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.
- (B) There is a change in the facts or otherwise upon which the recommendation decision was made, and the Acquisition by the Acquirer does not meet any of the requirements set out below in 2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' or it is not reasonable to implement the gratis allotment or allow shareholders to exercise the Stock Acquisition Rights even if the Acquisition by the Acquirer does meet one of the requirements under 2.3 below.

(ii) Recommendations for the Non-Triggering of the Plan

If as a result of its consideration of the terms of the Acquirer's Acquisition and discussion, negotiation or the like with the Acquirer, the Independent Committee determines that the Acquisition by the Acquirer does not meet any of the requirements set out below at 2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' or that the implementation of the gratis allotment of Stock Acquisition Rights is not reasonable even if the Acquisition by the Acquirer does meet one of the requirements set out in 2.3 below, the Independent Committee will recommend to the Board of Directors that the gratis allotment of Stock Acquisition Rights not be implemented, regardless of whether the Independent Committee Consideration Period has ended.

However, even after the Independent Committee has already made one recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or otherwise upon which the recommendation was made, the Acquirer's Acquisition meets any of the requirements set out below at 2.3 'Requirements for the Gratis Allotment of Stock Acquisition Rights' and the Independent Committee determines that it is reasonable to implement the gratis allotment of Stock Acquisition Rights, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

(iii) Extension of the Independent Committee Consideration Period

If the Independent Committee does not reach a recommendation for either the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights by the expiry of the initial Independent Committee Consideration Period, the Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, negotiation with the Acquirer and consideration of an alternative proposal, pass a resolution to extend the Independent Committee Consideration Period up to thirty days (and the Independent Committee may extend the Independent Committee Consideration Period more than once by its resolution for no more than thirty days in total).

If the Independent Committee Consideration Period is extended as a result of the resolution described above, the Independent Committee will continue to collect information, deliberate and perform like activities, and make a recommendation for the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights within the extended period.

(e) Resolutions of the Board of Directors

The Board of Directors, in exercising their role under the Company Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting to the maximum extent any recommendation of the Independent Committee described above. The Acquirer, its joint holders and persons having a special relationship shall not effect an Acquisition until and unless the Board of Directors passes a resolution not to trigger the Plan.

After the Board of Directors passes the resolution described above, it will promptly disclose an outline of the resolution, and any other matter that the Board of Directors considers appropriate.

(Translation)

### 2.3 Requirements for the Gratis Allotment of Stock Acquisition Rights

The Company intends to implement the gratis allotment of Stock Acquisition Rights by a resolution of the Board of Directors as described above at (e) of 2.2, 'Procedures for Triggering the Plan,' if it is believed that an Acquisition by an Acquirer falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights. However, the Board of Directors will make a determination without fail as to whether an Acquisition by an Acquirer falls under a requirement below and if it is reasonable to implement the gratis allotment of Stock Acquisition Rights through the determination by the Independent Committee in accordance with (d) of section 2.2 above, 'Procedures for Triggering the Plan.'

- (a) An Acquisition not in compliance with the procedures prescribed in the Plan.
- (b) An Acquisition that threatens to cause obvious harm to the corporate value of the Group and the common interests of its shareholders through actions including any of the following:
  - (i) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company's affiliates at an inflated price.
  - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Group's management for the low-cost acquisition of the Group's material assets.
  - (iii) Diversion of the Group's assets to secure or repay debts of the Acquirer or its group company.
  - (iv) Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Group's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (c) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares, including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
- (d) Acquisitions that do not provide the Board of Directors with the period of time reasonably necessary to produce an alternative proposal to the Acquisition.
- (e) Acquisitions in which the Essential Information or any other information considered reasonably necessary to assess the Acquisition terms is not sufficiently provided to the Company's shareholders.
- (f) Acquisitions whose terms (including amount and type of consideration for the Acquisition, the Acquisition schedule, the legality of the Acquisition method, the probability of the Acquisition being effected, post-Acquisition management policies and business plans, and post-Acquisition policies dealing with the Group's other shareholders, employees, customers, business partners, local communities and any other stakeholders in the Group) are inadequate or inappropriate in light of the Group's intrinsic value.
- (g) Acquisitions that materially threaten to oppose the corporate value of the Group or the common interests of shareholders, by destroying the manufacturing and technological excellence or relationships with the Group's employees or customers, group business partners and the like, which are indispensable to the generation of the Group's corporate value.

### 2.4 Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights scheduled to be implemented under the Plan is described below.

#### (a) Number of Stock Acquisition Rights

The Company will implement a gratis allotment of Stock Acquisition Rights in the same number as the final and total number of issued and outstanding shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution of the Board of Directors relating to the gratis allotment of Stock Acquisition Rights ("Gratis Allotment Resolution").

#### (b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to those shareholders, other than the Company, who appear on or are recorded in the Company's final register of shareholders or register of beneficial shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for every one share in the Company held.

(Translation)

(c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of Stock Acquisition Rights

The number of shares in the Company (Note 11) to be acquired upon exercise of each Stock Acquisition Right (the “Applicable Number of Shares”) shall, in principle, be one share.

(e) Amount to be Contributed upon Exercise of Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company. “Fair market value” means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the ninety day period immediately prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction of a yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of Stock Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”), and the period will be a period from one month to three months long as separately determined in the Gratis Allotment Resolution; provided, however, that if the Company acquires the Stock Acquisition Rights pursuant to the provisions of paragraph (i) below, the exercise period for the Stock Acquisition Rights with respect to that acquisition will be up to and including the day immediately prior to the relevant acquisition date. Further, if the final day of the exercise period falls on a holiday for the payment place for the cash payable upon exercise, the final day will be the preceding business day.

(g) Conditions for Exercise of Stock Acquisition Rights

As a general rule, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

(I) Specified Large Holders; (Note 12)

(II) Joint Holders of Specified Large Holders;

(III) Specified Large Purchasers; (Note 13)

(IV) Persons having a Special Relationship with Specified Large Purchasers;

(V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Board of Directors; or

(VI) Any Affiliated Party of any party falling under (I) through (V). (Note 14)

Further, nonresidents of Japan who are required to comply with certain procedures under foreign laws and regulations to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in paragraph (i) below, ‘Acquisition of the Stock Acquisition Rights by the Company,’ subject to complying with the laws and regulations). In addition, anyone who fails to submit a written undertaking, in a form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants may not exercise the Stock Acquisition Rights.

(h) Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Board of Directors.

(i) Acquisition of Stock Acquisition Rights by the Company

At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors recognizes that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day that falls on a date separately determined by the Board of Directors, acquire all of the Stock Acquisition Rights without consideration.

On a day that falls on a date separately determined by the Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date

(Translation)

determined by the Board of Directors that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for every one Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Board of Directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a day falling on a date determined by the Board of Directors after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Board of Directors (if any) and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for every one Stock Acquisition Right. The same will apply thereafter.

Any other matters relating to the acquisition of the Stock Acquisition Rights may be determined in the Gratis Allotment Resolution as necessary.

- (j) Delivery of Stock Acquisition Rights in Case of Merger, Absorption-type Demerger (kyushu bunkatsu), Incorporation-type Demerger (shinsetsu bunkatsu), Share Exchange (kabushiki koukan), and Share Transfer (kabushiki iten)

These matters will be separately determined in the Gratis Allotment Resolution.

- (k) Issuance of certificates representing Stock Acquisition Rights

Certificates representing the Stock Acquisition Rights will not be issued.

- (l) Other

In addition to the above, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

## 2.5 Effective Period, Abolition and Amendment of the Plan

The initial effective period of the Plan shall be the period until the conclusion of the Meeting. Subject to obtainment of the shareholders' approval at the Meeting to renew the Plan, the effective period of the Plan will be extended until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within three years after the conclusion of the Meeting. However, if, before the expiration of the effective period, a resolution to abolish the Plan is passed at the Company's shareholders meeting or by the Board of Directors, the Plan will be abolished at that time.

Further, the Board of Directors may revise or amend the Plan even during the effective period of the Plan, if such revision or amendment is not against the purpose of a resolution of the Meeting such as cases where any law, regulation, financial products exchange rules or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, or cases where such revision or amendment is not detrimental to the Company's shareholders and the like, and subject to the approval of the Independent Committee.

If the Plan is abolished, modified, amended or the like, the Company will promptly disclose facts including the fact that such abolition, modification amendment or the like has taken place, and (in the event of a modification or amendment or the like) the details of the modification, amendment and any other matters.

## 2.6 Revision due to amendment to laws and ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 8, 2008. If it becomes necessary after such date to amend the terms and conditions or definitions of terms set out in the paragraphs above due to the formulation, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such formulation, amendment or abolishment.

(Note 1) Following is an outline of the rules of the Independent Committee:

- There shall be no less than three (3) members of the Independent Committee, and the Board of Directors shall elect the members from (i) outside directors of the Company, (ii) outside corporate auditors of the Company and (iii) other outside experts who are independent from the management that conducts the execution of the

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business of the Company. However, such experts must be experienced corporate managers, former government employees, parties with knowledge of the investment banking industry, lawyers, certified public accountants, researchers whose research focuses on the Company Act or the like, or parties with similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors that contains a provision obligating them to exercise the duty of care of a good manager or similar provision.

- Unless otherwise determined by a resolution of the Board of Directors, the initial term of office of members of the Independent Committee shall be until the conclusion of the Meeting, and when renewal of the Plan is approved at the Meeting and the effective period is extended, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within three years after the conclusion of the Meeting. However, the term of office of any member of the Independent Committee who is an outside director or outside statutory auditor shall end simultaneously in the event that they cease to be a director or statutory auditor (except in the case of their re-appointment).
- The Independent Committee shall make decisions on the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights, the cancellation of the gratis allotment of Stock Acquisition Rights, the gratis acquisition of Stock Acquisition Rights, or any other matters that are for determination by the Board of Directors in respect to which it has consulted the Independent Committee.
- Each member of the Independent Committee convenes meetings of the Independent Committee and, as a general rule, resolutions of meetings of the Independent Committee shall pass with a majority when all of the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference; hereinafter the same). However, in unavoidable circumstances a resolution may pass with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

(Note 2) “Proposal” includes solicitation of a third party.

(Note 3) Defined in Article 27-23(4) of the Financial Instruments and Exchange Law. This definition is applied throughout this Fifth Proposal.

(Note 4) Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Board of Directors). The same is applied throughout this Fifth Proposal.

(Note 5) Defined in Article 27-23(1) of the Financial Instruments and Exchange Law. Unless otherwise provided for in this document, the same is applied throughout this Fifth Proposal.

(Note 6) Defined in Article 27-2(6) of the Financial Instruments and Exchange Law. The same is applied throughout this Fifth Proposal.

(Note 7) Defined in Article 27-2(8) of the Financial Instruments and Exchange Law. The same is applied throughout this Fifth Proposal.

(Note 8) Defined in Article 27-2(1) of the Financial Instruments and Exchange Law. The same is applied throughout this Fifth Proposal.

(Note 9) Defined in Article 27-2(7) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Law. The same is applied throughout this Fifth Proposal.

(Note 10) “Joint holders” are as defined in Article 27-23(5) of the Financial Instruments and Exchange Law, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Board of Directors.). The same is applied throughout this Fifth Proposal.

(Note 11) Even if the Company becomes a corporation with class shares (defined in Article 2(13) of the Company Act) in the future, (i) shares in the Company issued upon exercising the Stock Acquisition Rights and (ii) shares to be delivered in exchange for acquisition of the Stock Acquisition Rights will indicate the same class of shares as the outstanding shares (common stock) at the time of the Meeting. The same is applied throughout this Fifth Proposal.

(Note 12) “Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed by the Board of Directors to apply to the above); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or any other certain party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this Fifth Proposal.

(Note 13) “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same is applied throughout this Note) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same is applied throughout this Note) issued by the Company through a

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tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order of the Enforcement of the Financial Instruments and Exchange Law) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including any party who is deemed by the Board of Directors to apply to the above); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or any other certain party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. This is applied throughout this Fifth Proposal.

(Note 14) An "Affiliated Party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3(3) of the Enforcement Regulations of the Company Act) of other corporations or entities.

(Translation)

### Attachment for Fifth Proposal

#### Profiles of the Members of the Independent Committee

Kohshi Murakami

<Date of Birth>

February 8, 1940

<Summary>

Apr. 1967 Appointed an assistant judge, Tokyo District Court

Apr. 1999 Presiding Justice of the Division (Acting Chief Justice, Specialized Economic and Financial Affairs Department), Tokyo High Court

Feb. 2005 Retired

Apr. 2005 Employed as Professor, Graduate School of Law, Kyoto University

Jun. 2005 Joined TMI Associates as Special Counsel (present)

Nov. 2005 Appointed Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD. (present)

Apr. 2008 Employed as Visiting Professor, Graduate School, Yokohama National University (present)

June 2008 Scheduled to be appointed Outside Director of the Company

\* Mr. Murakami is a candidate for outside director, and the Company has submitted the proposal to the Meeting detailing the appointment of him as the Company's outside director. Mr. Murakami does not have any special interest in the Company.

Hiroataka Fujiwara Outside Corporate Auditor of the Company

<Date of Birth>

May 21, 1954

<Summary>

Apr. 1985 Joined Law Offices of Iijima and Yamada

Apr. 1995 Appointed Partner of Hikari Sogoh Law Offices (present)

Apr. 2006 Elected as Vice President of Daini Tokyo Bar Association

Jun. 2006 Appointed Outside Corporate Auditor of the Company (present)

Sep. 2007 Employed as Lecturer, Graduate School of Law, Keio University (present)

\* Mr. Fujiwara is an outside director as set out in Article 2(16) of the Company Act. Mr. Fujiwara does not have any special interest in the Company.

Tadakatsu Sano

<Date of Birth>

July 10, 1945

<Summary>

Apr. 1969 Joined the Ministry of International Trade and Industry

Jan. 2001 Appointed director-general of the Trade Policy Bureau at the Ministry of Economy, Trade and Industry

Jul. 2002 Appointed councilor at the Ministry of Economy, Trade and Industry

Jun. 2004 Retired from the Ministry of Economy, Trade and Industry

Jan. 2006 Joined foreign law joint venture Jones Day as attorney-at-law

Jun. 2006 Appointed Outside Corporate Auditor of Daiwa Can Company (present)

Jan. 2007 Appointed Partner at foreign law joint venture Jones Day (present)

Appointed Outside Director of Underwriters Laboratories Inc. (USA) (present)

Mar. 2008 Appointed Outside Director of RISA Partners, Inc. (present)

\* Mr. Sano does not currently have any special interest in the Company.

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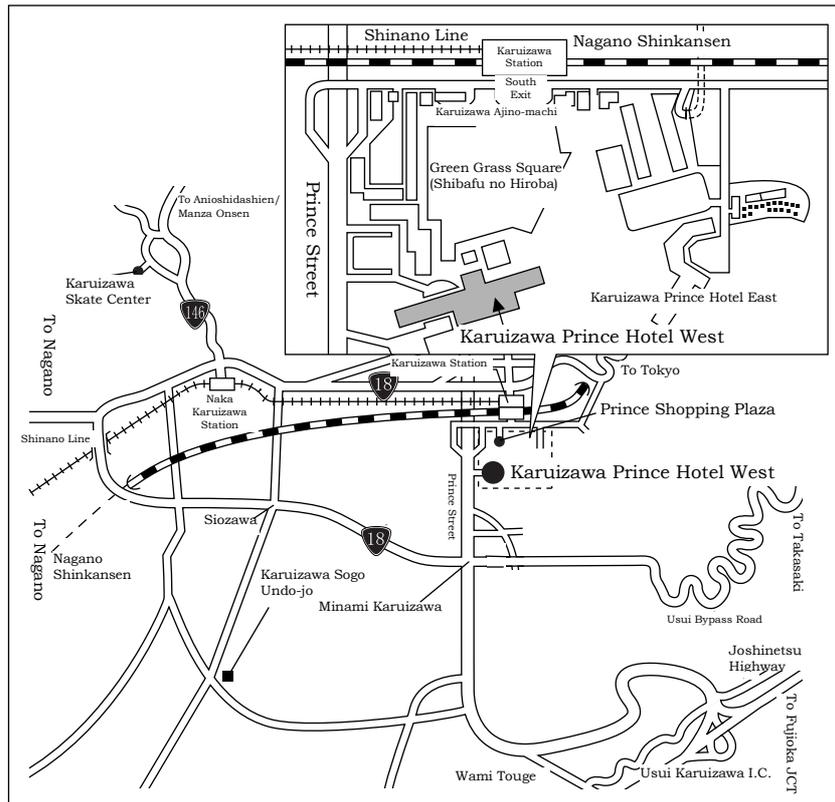
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(Translation)

**ROUTE MAP**

Place: Convention Hall Asama  
Karuzawa Prince Hotel West  
Karuzawa, Karuzawa-cho, Kitasaku-gun, Nagano  
Telephone: 0267-42-1111

Access: Automobile/Joshinetsu Highway From the Usui-Karuzawa I.C., approx. 11km  
Nagano Shinkansen From JR Karuzawa Station South Exit, approx. 15 minutes walking or approx. 2 minutes by taxi



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**[Transportation from JR Karuzawa Station to the Location of the General Meeting of Shareholders]**

A chartered bus will depart from the South Exit of JR Karuzawa Station for the location of the General Meeting of Shareholders at the following times.

From JR Karuzawa Station South Exit	9:20 am
	9:40 am