April 14, 2006
Minebea Co., Ltd

Conference Call held on April 14, 2006

The following is translation of text read at the conference call for analysts and investors on April 14, 2006 regarding the Press Release "Extraordinary Loss Resulting from Structural Reform of Keyboard Business and Revision of Business Performance Forecast for Fiscal Year ended March 2006" published on April 14, 2006.

1. Business structural reform of the keyboard business

The Board of Directors resolved at a meeting held today to implement structural reform of the keyboard business, to post an extraordinary loss and on the parent basis to post a loss from revaluation of affiliated company securities, resulting from the structural reform.

We have been working on measures to improve loss making businesses as the highest priority issue, with an aim to improve the company's overall profitability in a short period of time. In the HDD spindle motor business, under our renewed policy to focus on cost reduction while maintaining a constant volume, we strove to improve production yield of components and to review assembly processes. As a result, loss was substantially reduced and the business turned profitable in the fourth quarter. Although there is still a large room for improvement, progress is also evident at Minebea-Matsushita Motor joint venture, following completion of organizational reform in September 2005 and execution of measures to seek cost reduction and to reinforce new product launches.

Of the loss making businesses, the greatest challenge lies in delay of improvement of keyboard business. We completed transfer of production from Thailand to China during the fiscal year ended March 2006 and made efforts to improve productivity at SST, manufacturing subsidiary in China. However, partly due to intense price competition and rise in prices of raw materials for plastic of recent years, we have not been able to achieve substantial improvement. After consideration from various aspects, we decided to implement structural reform as follows.

Our established brand in the keyboard business is built on our high quality keyboard products with cutting edge technology based on our product development technologies and manufacturing technologies. In the structural reform, we will engage in building a business structure most suitable to focus on manufacturing and sale of models that can utilize our technologies and competitiveness. Precisely, we will work to improve profitability by 1) concentrating the business resources in profitable models, and by 2) reducing fixed expenses. We will review and dispose machinery and equipment, dies and inventory mainly at SST and Fujisawa Factory, as they become excessive after scaling down the business, reorganization and downsizing of the business organization, and partial attrition.

We will build a suitable business structure and will target to start to generate profit in the business during the current fiscal year (fiscal year ending March 2007). We intend to implement additional reform from various angles as necessary if the situation changes.

2. Expenses related to the structural reform

Related to the structural reform, we plan to post a loss of approximately 3.4 billion yen on our consolidated financial results, resulting from disposal of fixed assets and reorganization of the business.

On the non-consolidated basis, the expenses related to the structural reform will result in the share value of SST's holding company (100% stake), Sheng Ding Pte. Ltd. in Singapore, to be substantially below book value. A write-off of Sheng Ding Pte. Ltd.'s shares is necessary and thus we will post a total loss of 8.8 billion yen on our non-consolidated financial results for revaluation of the shares and the business structural reform.

We plan to build a suitable business structure in the near future with an aim to generate profit by March 2007 and to construct a profit-generating-structure. For this fiscal year (fiscal year ending March 2007), a large amount of loss will remain, mainly in the first half when the structural reform is underway, but loss should be reduced sharply from the last fiscal year (fiscal year ended March 2006).

3. Revision of forecasts of consolidated and non-consolidated financial performance for the fiscal year ended March 2006

The effects of the above mentioned decisions on our financial performance are as follows.

On the consolidated basis, we will post 3.4 billion yen in business structural reform loss as an extraordinary loss.

On the non-consolidated basis, we will post 3.6 billion yen in business structural reform loss and 5.2 billion yen in loss from revaluation of affiliated company securities, related to Sheng Ding Pte. Ltd.'s shares, as extraordinary losses.

We revise our forecasts of consolidated and non-consolidated financial performance as follows.

On the consolidated basis,
Sales is revised to 318.4 billion yen from the previous forecast of 310.0 billion yen,
Operating income is revised to 19.2 billion yen from 18.0 billion yen,
Recurring income is revised to 14.5 billion yen from 14.0 billion yen,
Net income is revised to 4.2 billion yen from 7.5 billion yen.

On the non-consolidated basis,
Sales is revised to 206.8 billion yen from the previous forecast of 187.0 billion yen,

Operating income is revised to 3.0 billion yen from 2.1 billion yen,
Recurring income is revised to 10.2 billion yen from 9.0 billion yen,
Net income is revised to a loss of 3.3 billion yen from a profit of 4.0 billion yen.

We will post a net loss on the parent basis, however, we do not change our plan of cash dividend payment of 7 yen per share. Based on our policy to maintain stable dividend, we intend to pay out 7 yen per share, by utilizing general reserve within voluntary reserve.

Any statements in the presentation which are not historical fact are future projections made based on certain assumptions and executive judgment drawn from currently available information.
Please note that actual performance may vary significantly from any particular projection due to various factors. Factors affecting our actual performance include: (i) changes in economic conditions or demand trends around Minebea; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. However, this is not a complete list of the factors affecting actual performance.