April 10, 2003

Minebea Co., Ltd

Conference Call held on April 10, 2003

The following is translation of text read at the conference call for analysts and investors on April 10, 2003 regarding the Press Release "Disposal of Subsidiaries; Withdrawal from the Business of Switching Power Supplies, Inductors and Transformers; and Revision of Business Performance Forecast" published on April 10, 2003

1. Group's sales and earnings

We now project consolidated business performance for the fiscal year ended March 2003 to be sales of 272 billion, operating income of 18.6 billion yen, ordinary income of 13.6 billion yen and net loss of 3.2 billion yen. Since the forecasts that we announced at the presentation of interim business results on November 14, 2002 were sales of 272 billion yen, operating income of 21.5 billion yen, ordinary income of 16.5 billion yen and net income of 6.5 billion yen, income is forecast to fall short of the previous projection.

2. Extraordinary losses

Firstly, I would like to explain about extraordinary losses, which are the primary reasons for the net loss of 3.2 billion yen.

The total net extraordinary loss is forecast to be 13.1 billion yen for the fiscal year ended March 2003. As an accumulated net extraordinary loss of 1.2 billion yen was posted up to the third quarter, the net extraordinary loss in the fourth quarter is projected to be 11.9 billion yen. The main contributing factors are as mentioned in the press release, namely,

Losses on revaluation of investment securities 4.9 billion yen
Losses related to withdrawal from the business of switching power supplies and related businesses 3.1 billion yen
Losses related to sale or liquidation of IMC Magnetics Corp. 0.7 billion yen
Environmental preservation expenses for US subsidiaries 1.2 billion yen

Other losses incurred in the fourth quarter include losses related to liquidation of Minebea Europe Finance B.V., a finance controlling subsidiary in Europe; losses from termination of FDD business; losses due to closure of a Malaysian operation, Kuen Dar, which engaged in production and sale of speaker boxes; and losses from liquidation of a UK subsidiary, which was a measure taken as a part of group reorganization in UK.

3. Withdrawal from switching power supplies and related businesses

We have decided to withdraw from switching power supplies and related businesses. Specifically these are switching power supplies, inductors, transformers and soft ferrite businesses. We attempted to turn around the financial performance of switching power supplies business under a renewed business strategy for the last two years. However, our attempt to make effective use of our superior engineering and product development capabilities and to expand sales in the high-end market did not work out as planned. Accordingly, we concluded that a significant improvement of business performance would be difficult and decided to withdraw from the businesses. We plan to devise the next measure including sale of the businesses.

Sales of switching power supplies business, including related businesses, were 11.6 billion yen and operating loss was 2.3 billion yen in the fiscal year ended March 2003. As we will continue the operation until we complete delivery of order backlog to customers, an operating loss of 1.5 billion yen is projected on the sales of 11.3 billion yen for the current fiscal year ending March 2004. Sales and production are scheduled to end by December this year; therefore, no loss is forecast for the fiscal year ending March 2005.

This decision regarding the switching power supplies and related businesses means we are almost at the end of restructuring measures against loss-making businesses and our operation will now be focused on products and businesses which truly take advantage of our superior technologies and competitiveness. This marks a step forward towards improvement in Minebea Group's financial performance. We aim for growth by concentrating management resources in the areas with competitive edge based upon ultra precision machining technologies.

4. Business performance in the fourth quarter

Business performance in the fourth quarter is forecast to be sales of 66 billion yen, operating income of 2.9 billion yen and ordinary income of 1.9 billion yen. Sales are forecast to be in line with plan; however, operating income is forecast to be significantly below previous projection.

The decline in income from the third quarter to fourth quarter is mainly attributable to the following:
Income from keyboards and fan motors declined due to sales fall;
Unit price of spindle motors declined;
Profitability of electro devices and switching power supplies and related businesses deteriorated;
Income from stepping motors declined;
Income from other electronic components generally declined.

Performance in the fourth quarter was severely affected by a slow down in PC- related demand since mid-February. However, we recognize that market environment is not the only cause for the performance. Decline in profitability of products within electronic devices and components segment was prominent during the fourth quarter, especially those products other than motors and keyboards. Of these products, the measure we took for switching power supplies and related products is as we announced today; and for others, we intend to reinforce and improve businesses through the integration of the 1st Manufacturing Headquarters and the 2nd Manufacturing Headquarters as announced two weeks ago. Meanwhile, turning around the profitability of spindle motor business is currently set as the most important issue. In the fourth quarter, spindle motor business was affected by a large price decline while shipments fell short of target; however, loss from the spindle motor business is contracting and we are committed to turning the business profitable. With regard to keyboards and fan motors, profit declined due to seasonal fluctuations in sales, however, profitability was still relatively solid. We believe profit level will recover when demand returns to a normal level.

On the other hand, performance of machined components business was overall good. Operating income from ball bearings operation was slightly below plan due to lower-than-expected sales, however, margin improved more than expected and earnings expanded further over the third quarter. This is a significant result in order to accomplish the ongoing business expansion strategy.

5. Outlook for the fiscal year ending March 2004

We aim to achieve more than 20 billion yen in operating income in the fiscal year ending March 2004. This is lower than the previous projection for the fiscal year ended March 2003, however, this is the level we surely aim to achieve in the current operating environment, which is filled with uncertainties.

We strive to expand business by further differentiation and reinforced competitiveness of products, for which we hold top global market shares, through maximum use of our ultra precision machining technologies, in the fiscal year ending March 2004. To this end, we also consider implementing joint operations and alliances as one of effective methods. By means of these strategies, we aim to grow further and to improve financial performance while also placing emphasis on cash flow generation.