



Business Results

Fiscal Year Ended March 31, 2006

May 9, 2006
Minebea Co., Ltd.

- 1. Financial Results**
- 2. Policy and Strategy**

Financial Results

Hiroharu Katogi
Director, Managing Executive Officer

May 9, 2006



Consolidated Business Results

(Millions of yen)	Year ended Mar. '05	Year ended Mar. '06	Change yoy	Forecast announced in November 2005	
	Full year	Full year		Full year	vs. forecast
Net sales	294,422	318,446	+8.2%	310,000	102.7%
Operating income	14,083	19,269	+36.8%	18,000	107.1%
Ordinary income	10,206	14,595	+43.0%	14,000	104.3%
Income before income taxes	7,778	9,620	+23.7%	12,500	77.0%
Net income	5,581	4,257	-23.7%	7,500	56.8%

**Operating income increased 37% yoy.
Favorable sales in bearings. Loss making businesses improved.
Posted a business structural reform loss as an extraordinary loss.**

Effect of FX Fluctuations

FY ended Mar. '05 → FY ended Mar. '06

US\$ ¥107.46 → ¥113.09

Thai Baht ¥2.67 → ¥2.79

Net sales + ¥11.8 billion

Operating income + ¥0.7 billion

Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '05	Year ended Mar. '06	Change yoy	Forecast announced in November 2005 vs.	
	Full year	Full year		Full year	forecast
[Net sales]					
Machined components business	116,105	129,595	+11.6%	125,200	103.5%
Bearing-related products	98,218	109,547	+11.5%	106,100	103.2%
Other machined components	17,887	20,047	+12.1%	19,100	105.0%
Electronic devices and components business	178,317	188,851	+5.9%	184,800	102.2%
Rotary components	106,750	110,136	+3.2%	107,700	102.3%
Other electronic devices	71,566	78,715	+10.0%	77,100	102.1%
Total net sales	294,422	318,446	+8.2%	310,000	102.7%
[Operating income]					
Machined components business	21,572	24,556	+13.8%	23,250	105.6%
Electronic devices and components business	-7,489	-5,287	-	-5,250	-
Total operating income	14,083	19,269	+36.8%	18,000	107.1%

Quarterly Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar. '05				Year ended Mar. '06				Q4 Change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	yoy	qoq
[Net sales]										
Machined components business	28,256	29,094	28,927	29,828	30,573	31,631	32,938	34,452	+15.5%	+4.6%
Bearing-related products	24,247	24,906	24,491	24,574	25,982	26,402	27,837	29,326	+19.3%	+5.3%
Other machined components	4,009	4,188	4,436	5,254	4,591	5,229	5,101	5,126	-2.4%	+0.5%
Electronic devices and components business	43,067	46,333	46,254	42,663	45,116	48,419	48,009	47,307	+10.9%	-1.5%
Rotary components	26,852	27,209	27,350	25,339	26,443	27,880	27,724	28,089	+10.9%	+1.3%
Other electronic devices	16,216	19,124	18,903	17,323	18,673	20,539	20,285	19,218	+10.9%	-5.3%
Total net sales	71,324	75,427	75,180	72,491	75,690	80,049	80,948	81,759	+12.8%	+1.0%
[Operating income]										
Machined components business	5,082	5,396	5,952	5,142	5,067	6,045	6,972	6,472	+25.9%	-7.2%
Electronic devices and components business	-2,279	-2,731	-1,786	-693	-2,056	-1,831	-930	-470	-	-
Total operating income	2,802	2,666	4,165	4,450	3,010	4,214	6,043	6,002	+34.9%	-0.7%

Machined components business: Sales of bearings and rod-end & spherical bearings increased in Q4 compared to Q3. However, profit decreased due to production reduction of pivot assemblies for HDD and effect of high baht rate.

Electronic devices and components business: HDD spindle motors improved and turned profitable.

Effect of FX Fluctuations

Q4 of FY Mar. '05 → Q4 of FY Mar. '06

US\$ ¥104.19 → ¥117.36

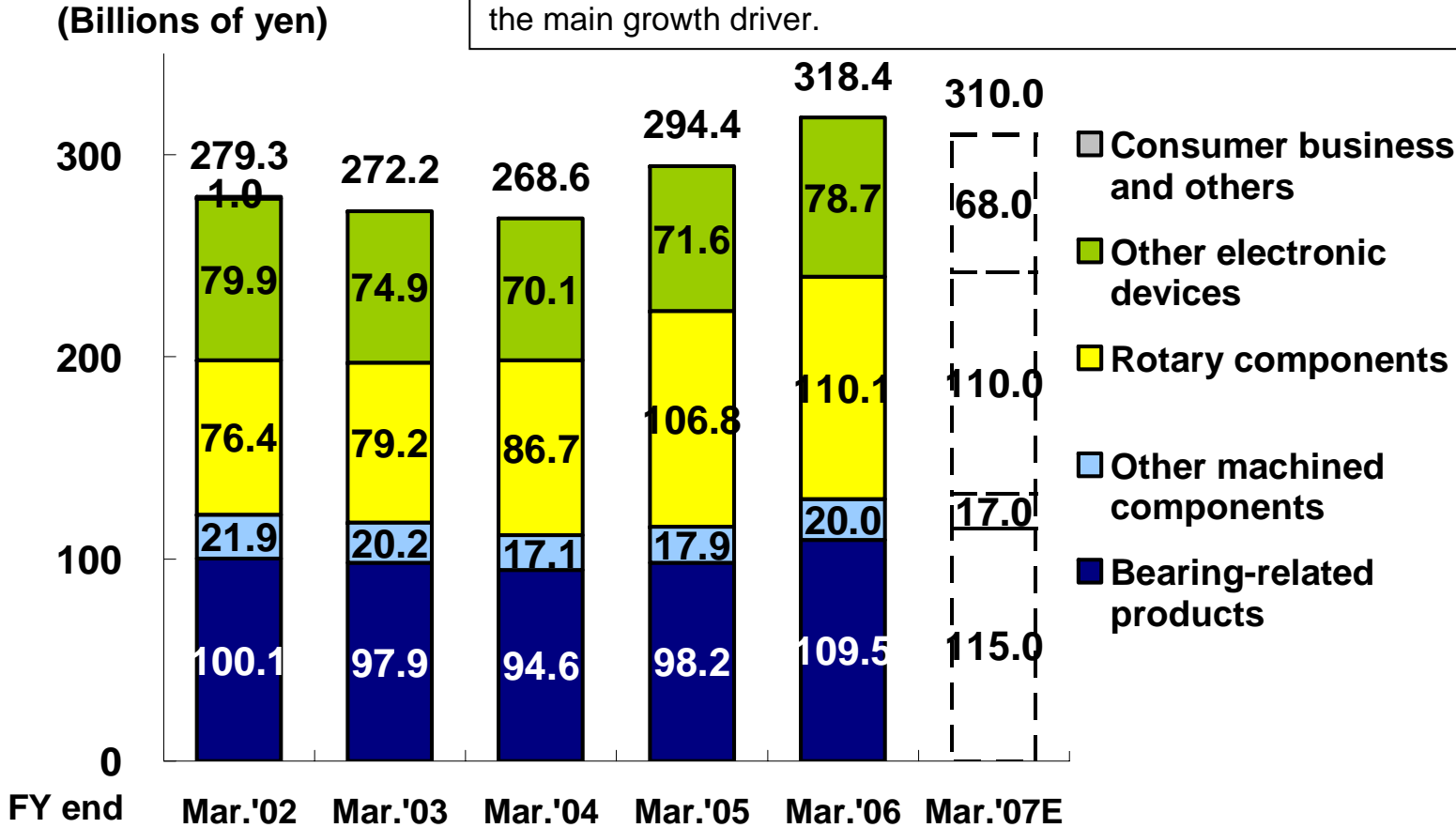
Thai Baht ¥2.70 → ¥2.95

Net sales + ¥6.4 billion

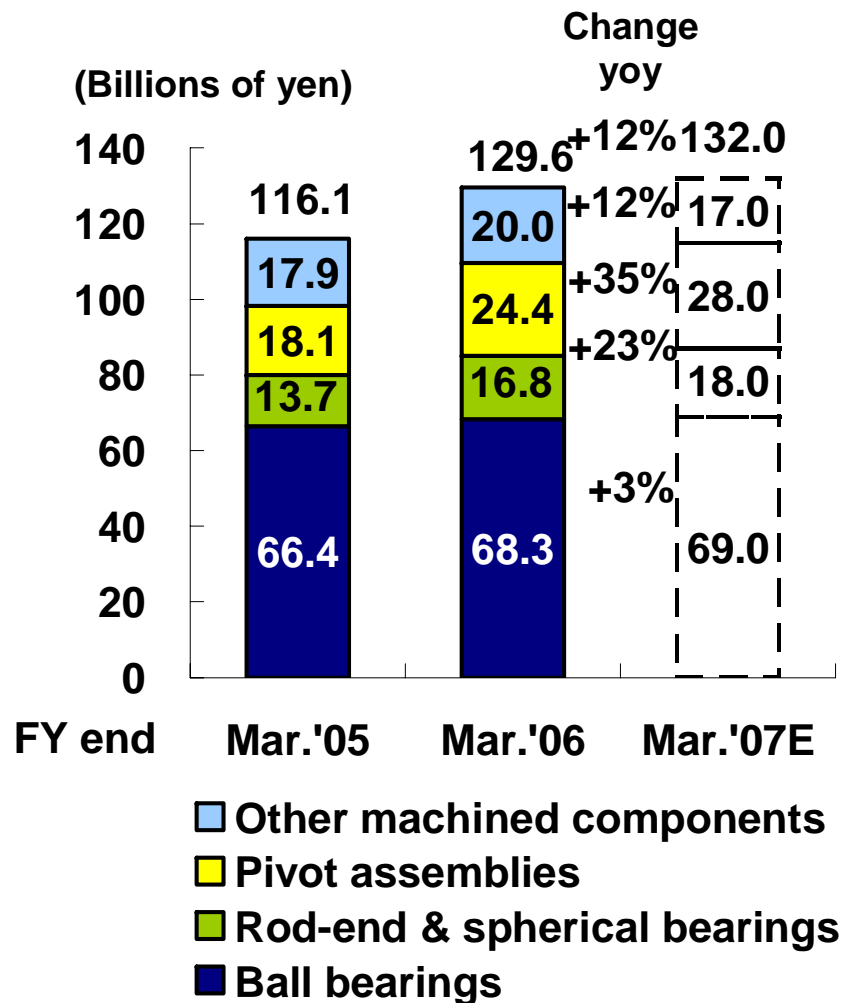
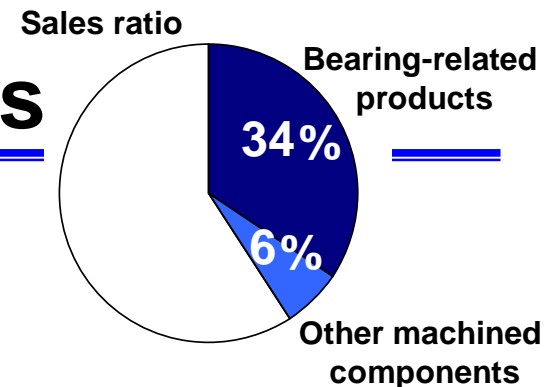
Operating income + ¥0.3 billion

Net Sales

Sales of bearing-related products increased favorably by increase of bearings, rod-end & spherical bearings and pivot assemblies.
 Rotary components was affected by change of strategy from volume-emphasis to profit.
 In other electronic devices and components, optical device business is the main growth driver.



Sales of Machined Components Business

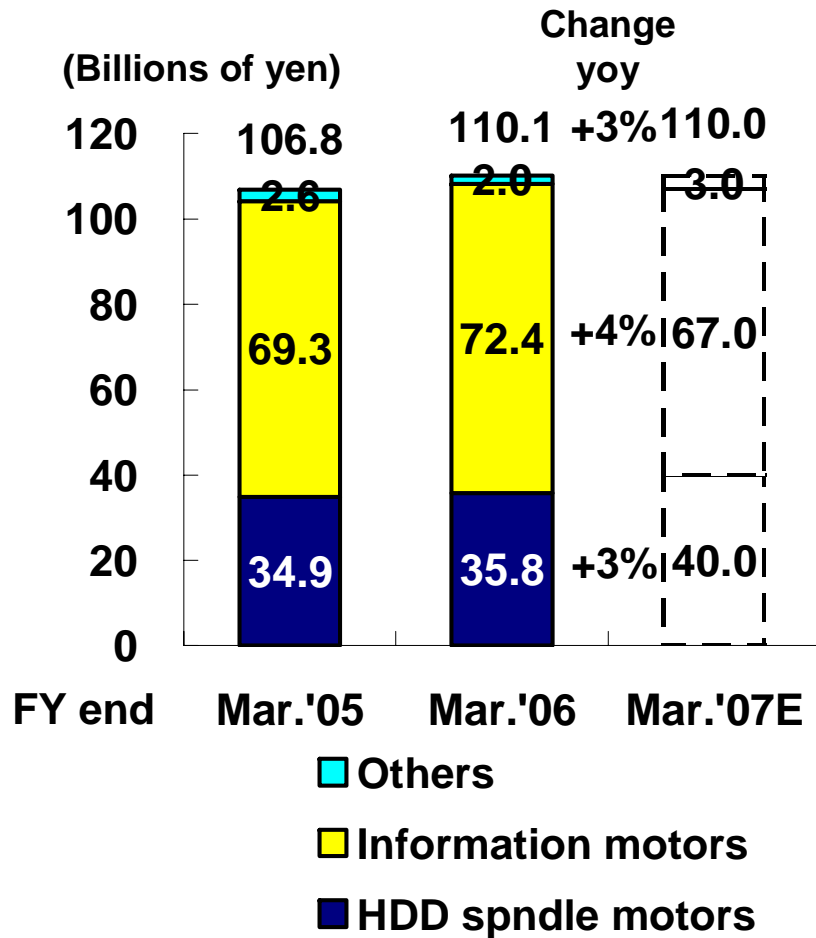
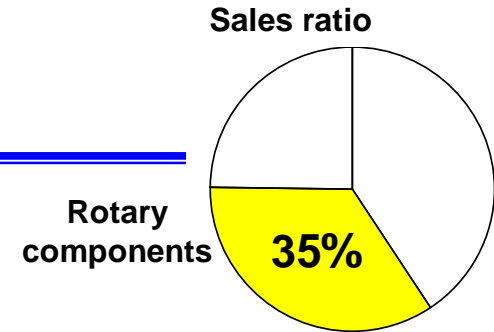


Look for strong growth in pivot assemblies in fiscal year ending Mar. '07 on the back of continued double-digit growth of HDD.

Expect continued robust sales of rod-end & spherical bearings for aircrafts.

Forecast sales of ball bearings for fan motors and auto to expand.

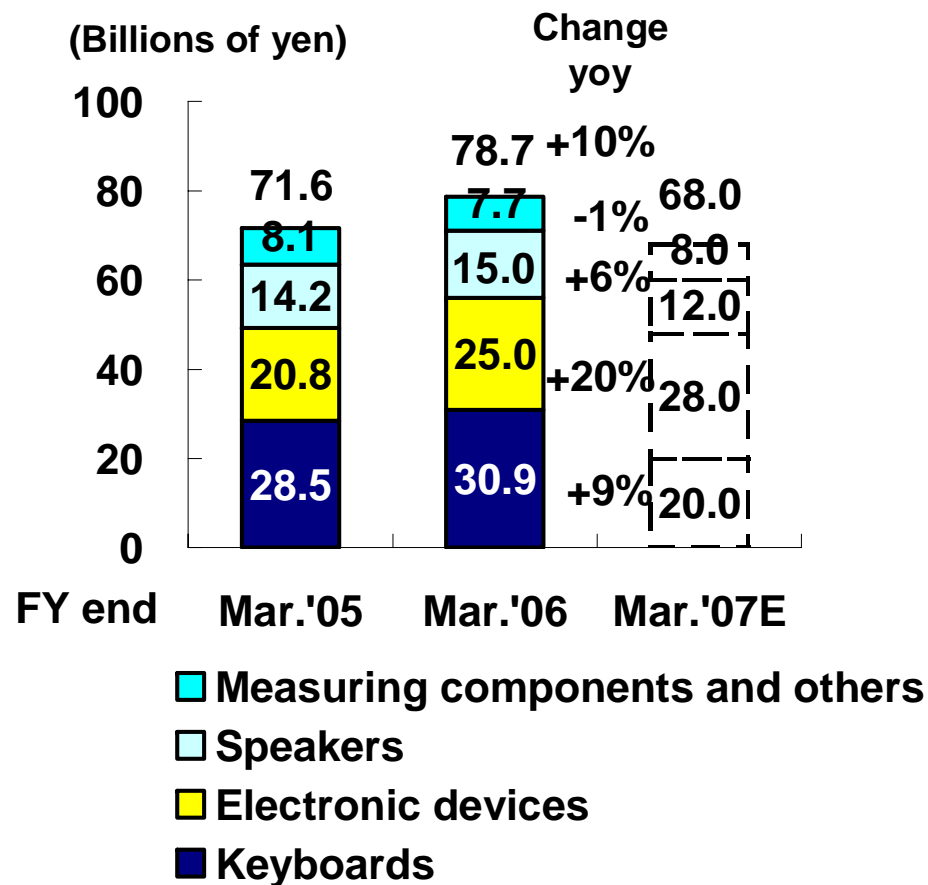
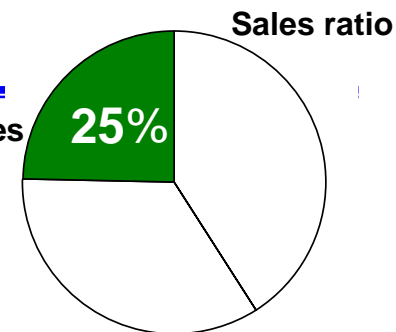
Sales of Rotary Components



Started to increase shipment volume of HDD spindle motors from Q4 of fiscal year ended Mar. '06.

Sales of information motors remain flat or decrease slightly by reviewing orders and profit-oriented policy.

Sales of Electronic Devices



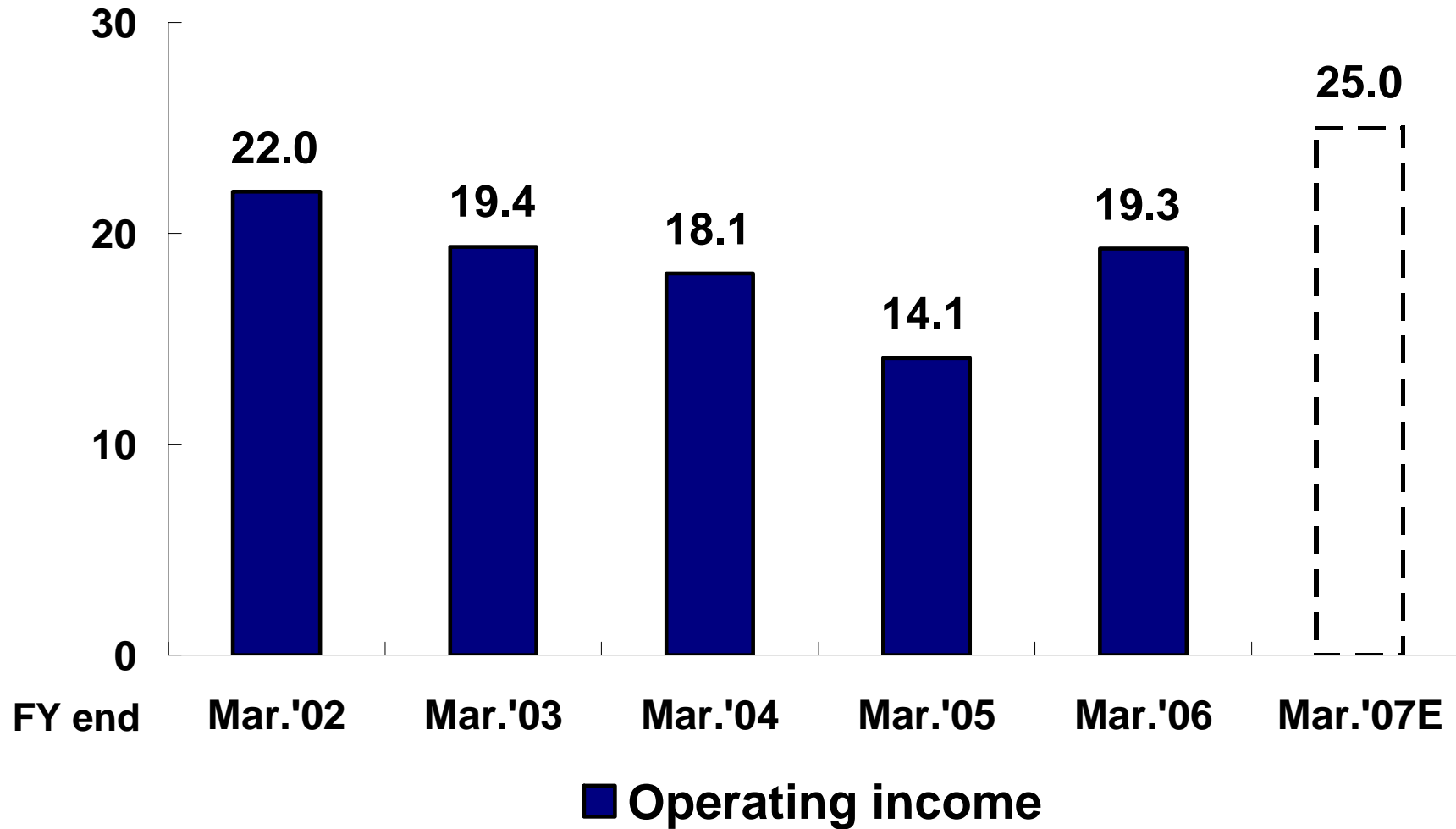
Keyboard business will be mainly high-end products from H2 of this fiscal year.

Plan to increase sales of lighting devices and invertors through new product launches.

Operating Income

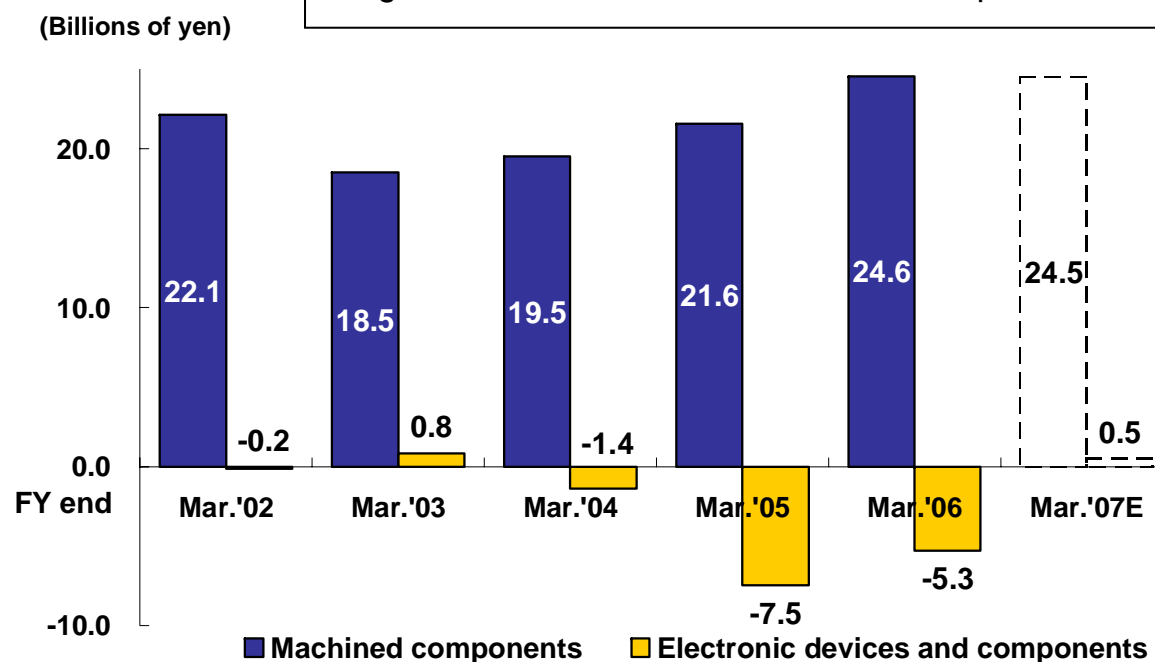
(Billions of yen)

Since Q2 of previous fiscal year, profitability is on a recovery path.



Operating Income by Segment

Target to turn electronic devices business profitable from 2H of this fiscal year.

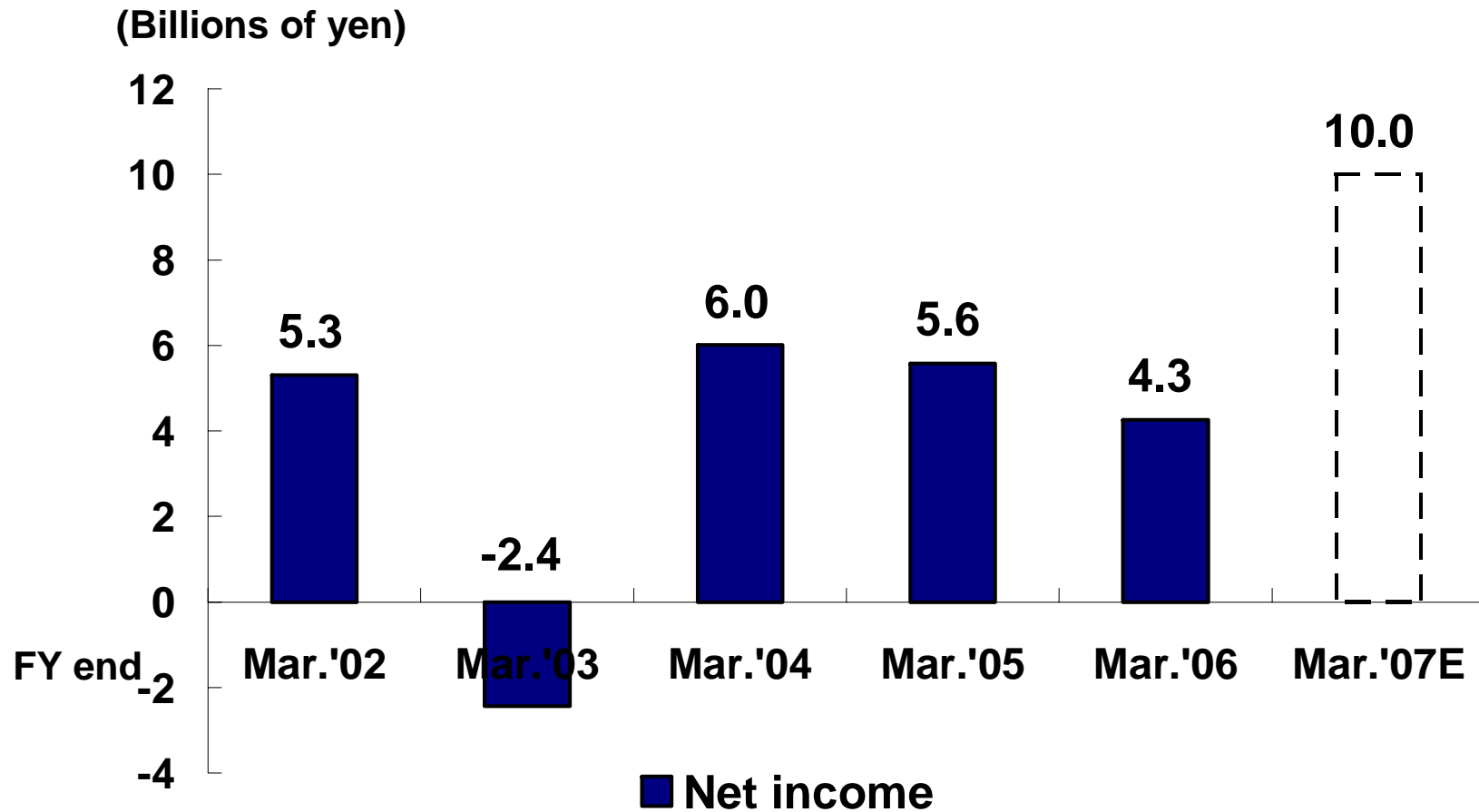


	Year ended Mar. '02	Year ended Mar. '03	Year ended Mar. '04	Year ended Mar. '05	Year ended Mar. '06	Year ended Mar. '07E
Machined components	18.1%	15.7%	17.5%	18.6%	18.9%	18.6%
Electronic devices and components	-0.1%	0.5%	-0.9%	-4.2%	-2.8%	0.3%
Total	7.9%	7.1%	6.7%	4.8%	6.1%	8.1%

Note: Consumer business and others are omitted in the graph.
0.0 billion yen in fiscal year ended Mar. '02. None since fiscal year ended Mar. '03.
Operating income margin is external sales basis.

Net Income

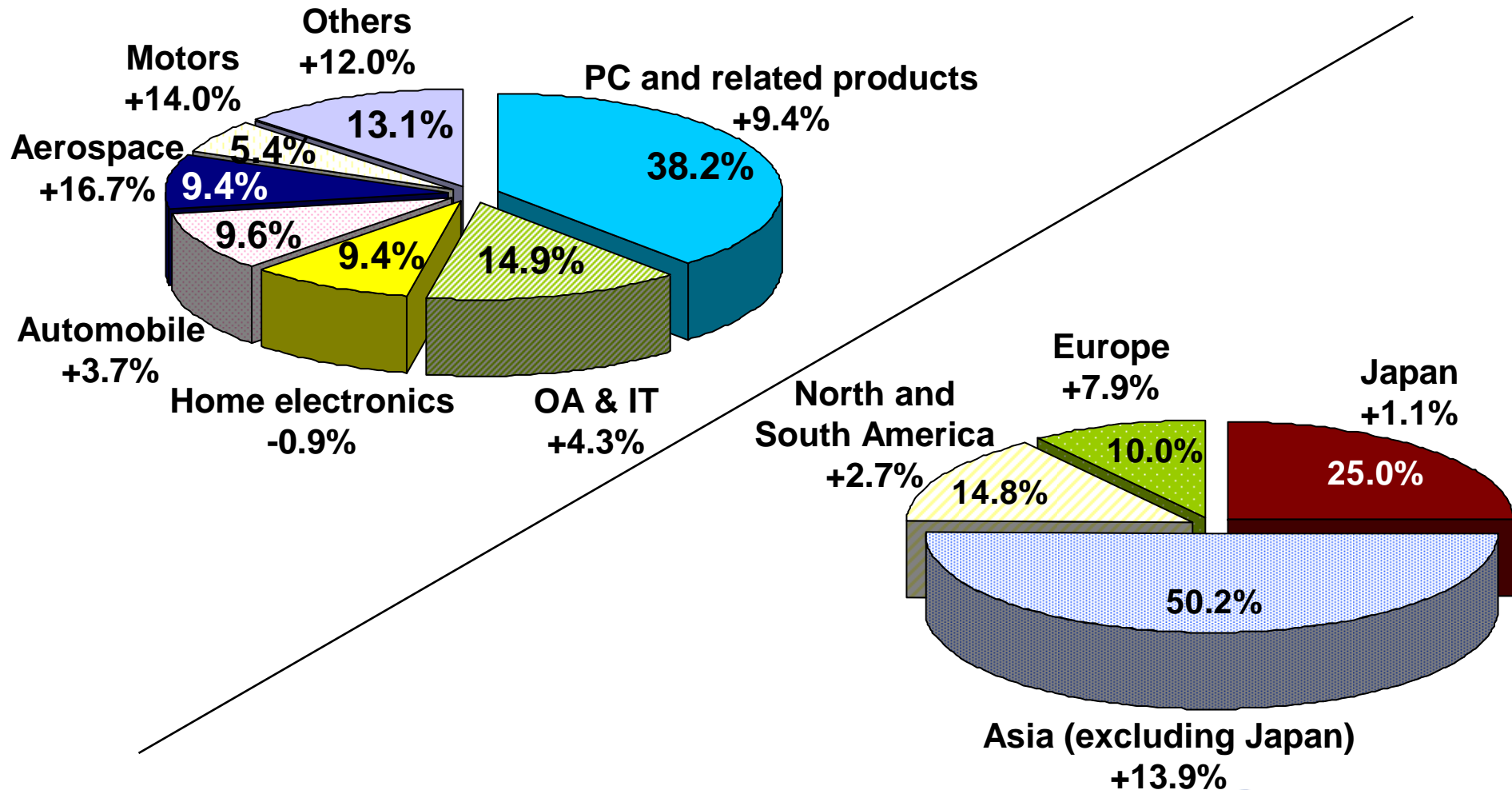
FY ended Mar.'06 Posted keyboard business structural reform loss of 3.5 billion yen.



Sales by User Industry and by Region

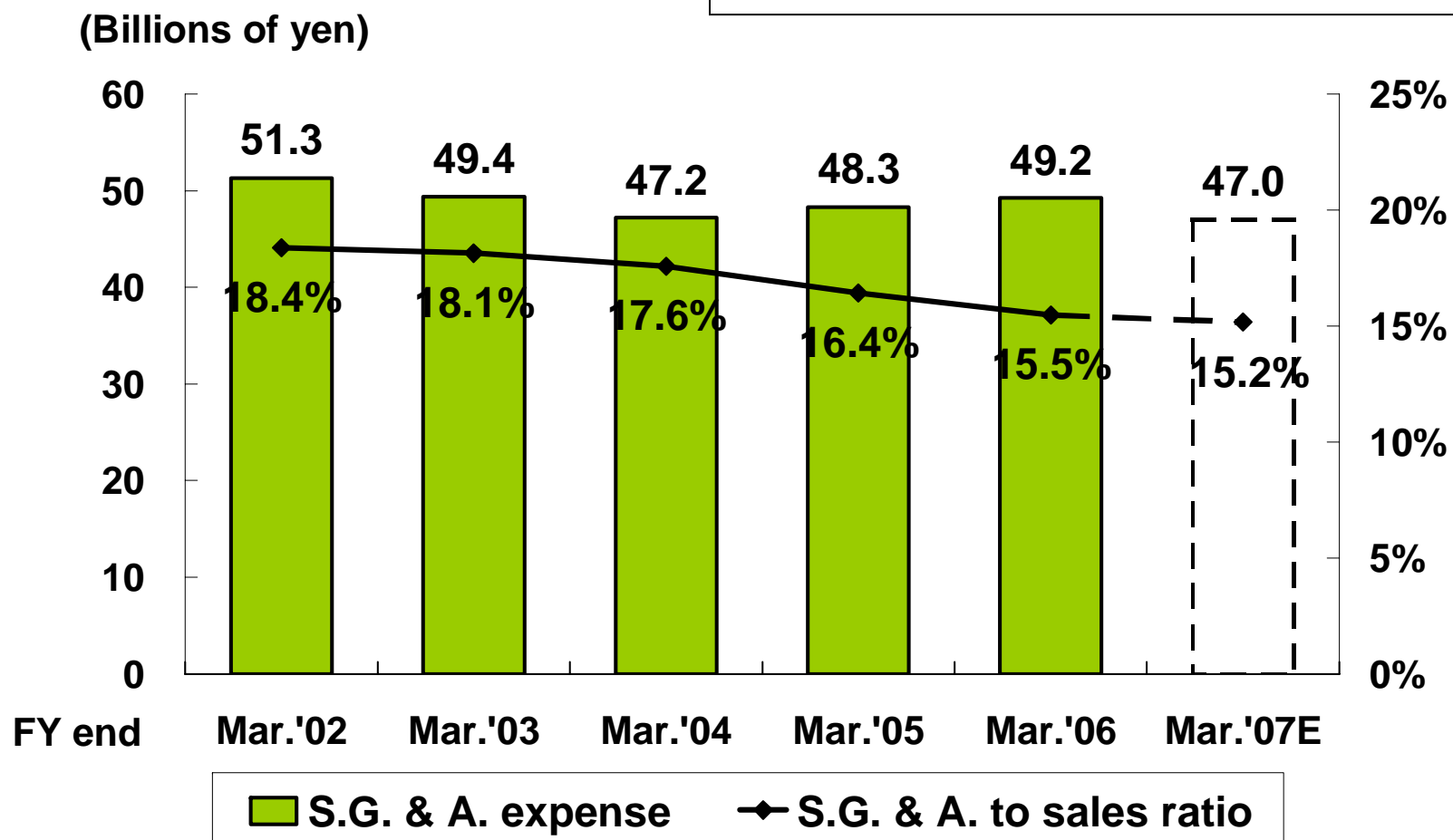
Full Year Results of
Fiscal Year ended Mar. '06

The number inside the circle is sales %.
The number outside the circle is the change yoy.

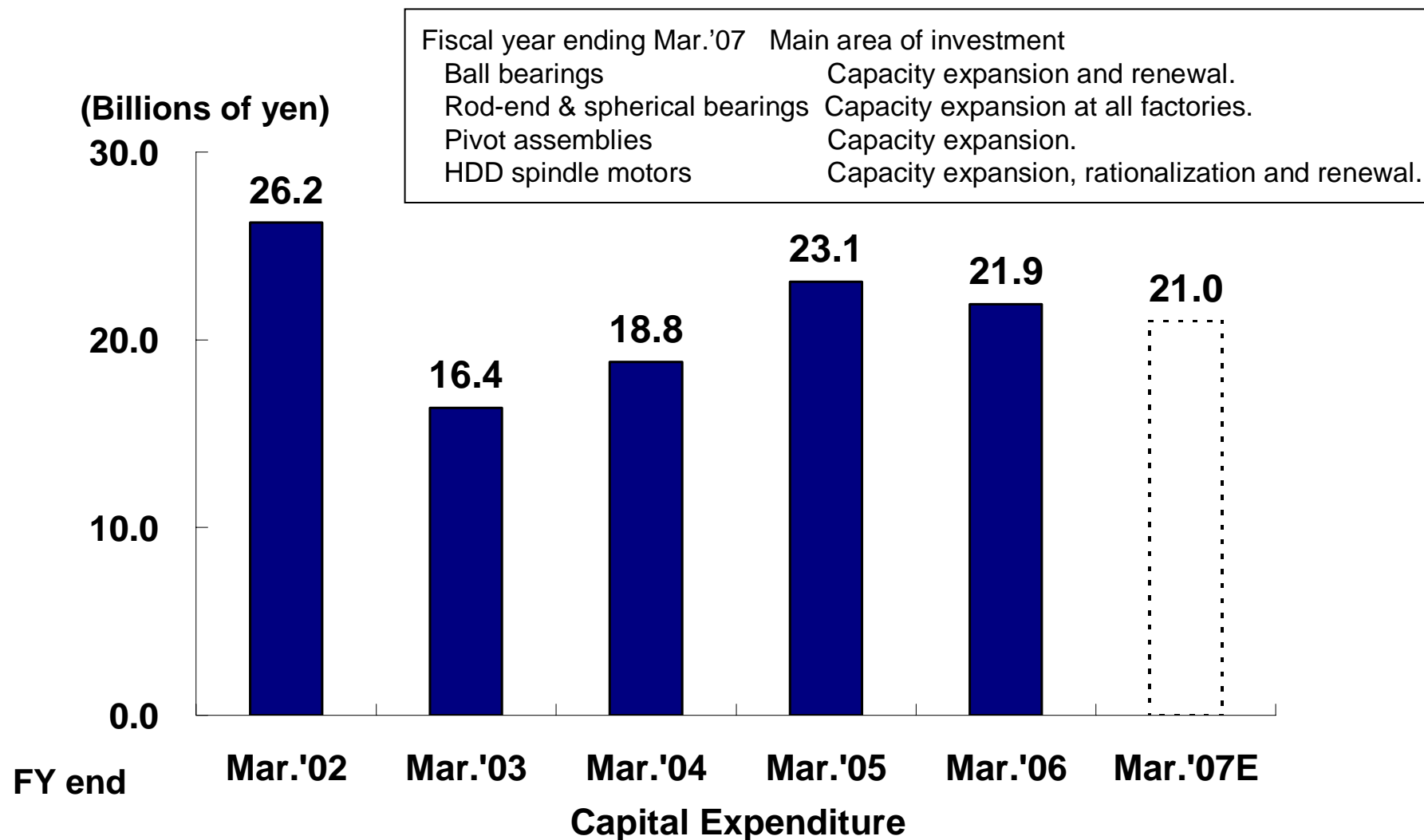


S.G. & A. Expenses

Aim to keep S.G. & A. to sales ratio below 16% this fiscal year.



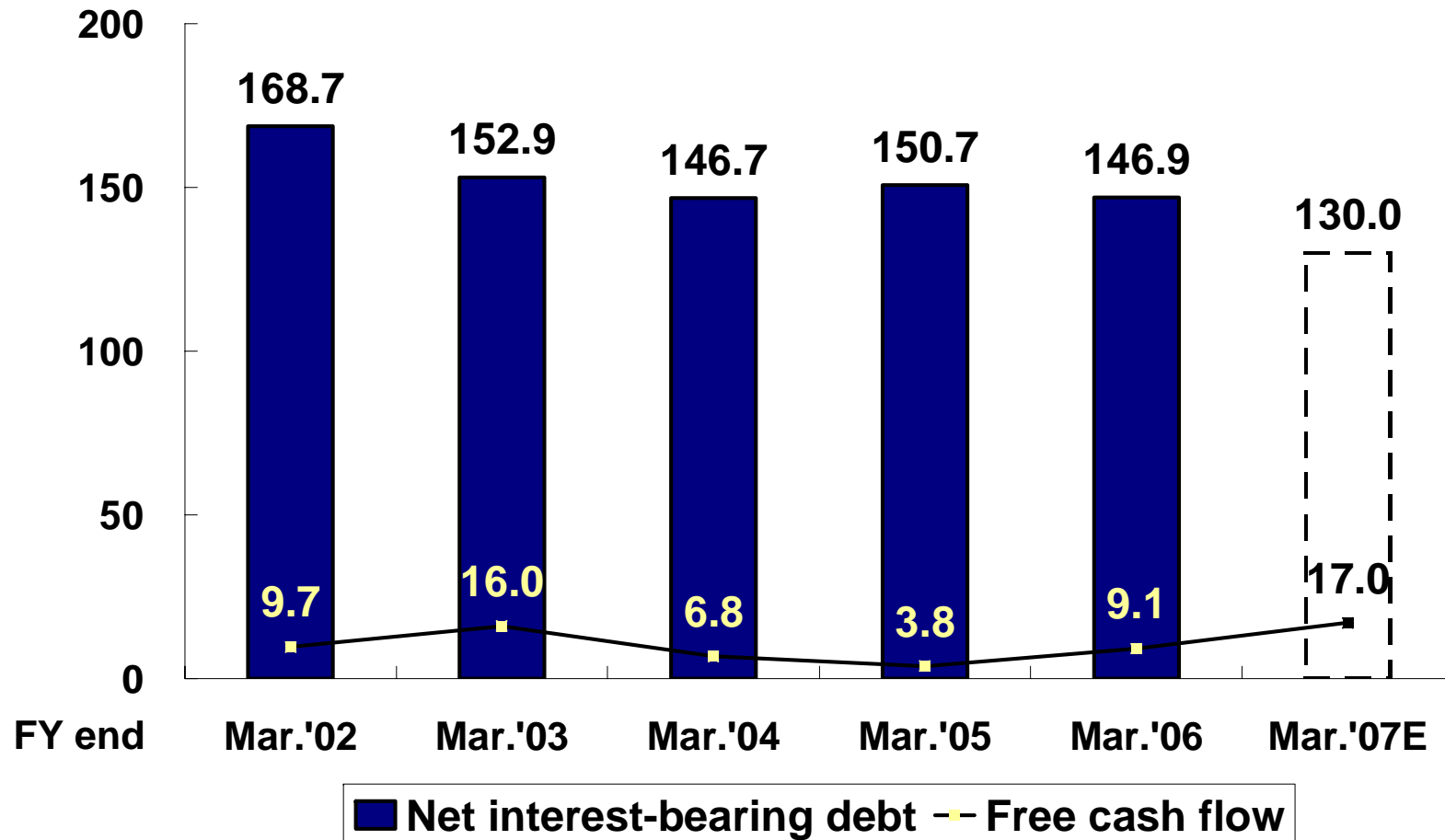
Capital Expenditure



Note: Net interest-bearing debt: Sum of interest-bearing debt – Cash and cash equivalents
 Cash flow: Cash flow from operating activities – Cash flow from investing activities

Interest-Bearing Debt

In FY ended Mar.'06, reduced 5.7 billion yen excluding effect of FX fluctuations. Plan to reduce approximately 17.0 billion yen in FY ending Mar.'07 by generating profit and reducing inventory.



Forecast for Fiscal Year Ending March 31, 2007

(Millions of yen)	Year ended Mar.'06 Full year	Year ending Mar.'07			Change yoy
		H1	H2	Full year	
Net sales	318,446	152,000	158,000	310,000	-2.7%
Operating income	19,269	11,500	13,500	25,000	+29.7%
Ordinary income	14,595	8,400	10,600	19,000	+30.2%
Income before income taxes	9,620	8,000	10,000	18,000	+87.1%
Net income	4,257	5,300	4,700	10,000	+134.9%

FX Rate

FY Mar.'06 result → FY Mar.'07 assumption

US\$ ¥113.09 → ¥115.00

Thai Baht ¥2.79 → ¥2.80

Forecast for Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar.'06 Full year	Year ending Mar.'07 forecast			Change yoy
		H1	H2	Full year	
[Net sales]					
Machined components business	129,595	64,000	68,000	132,000	+1.9%
Bearing-related products	109,547	55,500	59,500	115,000	+5.0%
Other machined components	20,047	8,500	8,500	17,000	-15.2%
Electronic devices and components business	188,851	88,000	90,000	178,000	-5.7%
Rotary components	110,136	53,500	56,500	110,000	-0.1%
Other electronic devices	78,715	34,500	33,500	68,000	-13.6%
Total net sales	318,446	152,000	158,000	310,000	-2.7%
[Operating income]					
Machined components business	24,556	12,150	12,350	24,500	-0.2%
Electronic devices and components business	-5,287	-650	1,150	500	-
Total operating income	19,269	11,500	13,500	25,000	+29.7%

Policy and Strategy

Takayuki Yamagishi
Representative Director,
President and Chief Executive Officer

May 9, 2006



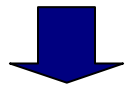
Highlights from Fiscal Year ended Mar. 2006

- ◆ Operating income increased
- ◆ Electronic devices and components improved
 - HDD spindle motor business returned to profit
- ◆ Machined components business expanded
 - Pivot assemblies : sales expanded and costs were reduced
 - Rod-end bearings : sales expanded for aircraft application
- ◆ Improved SG&A
 - SG&A to sales ratio declined to less than 16%
- ◆ Posted expenses related to structural reform
 - Rebuilding keyboard business with renewed policy focusing on high value added models

Actions and Accomplishment in FY ended Mar. 2006

From June 2005, with the aim to

- improve profit in the short term
- strengthen business infrastructure



- ◆ Structural reform ~ establishment of Business Units and Headquarters
 - Removal of barriers between organizations
 - Efficient use of Group's resources
- ◆ Focus from volume to quality, from sales to profit
- ◆ Reinforcement of engineering and technology development activities
 - Management by Engineering HQ for Group worldwide
 - Establishment of basic technology development divisions
- ◆ Actions for non-profitable businesses

Improvement of Non-Profitable Business

◆ HDD Spindle Motors

- Aim for generation of stable profit through further cost reduction
 - Promote closer cooperation between assembly and parts, and manufacturing and sales
 - Bring in parts production in-house, raise production yield, improve assembly processes
- Effectively increase production and sales of 2.5-inch FDB motors
- Promote new product development activities

◆ Information Motors

- Conduct review of business framework
- Reduce costs by reorganizing production system
 - Consolidate manufacturing locations, review use of outsourcing, improve production efficiency
- Review orders, improve product mix through efficient product development

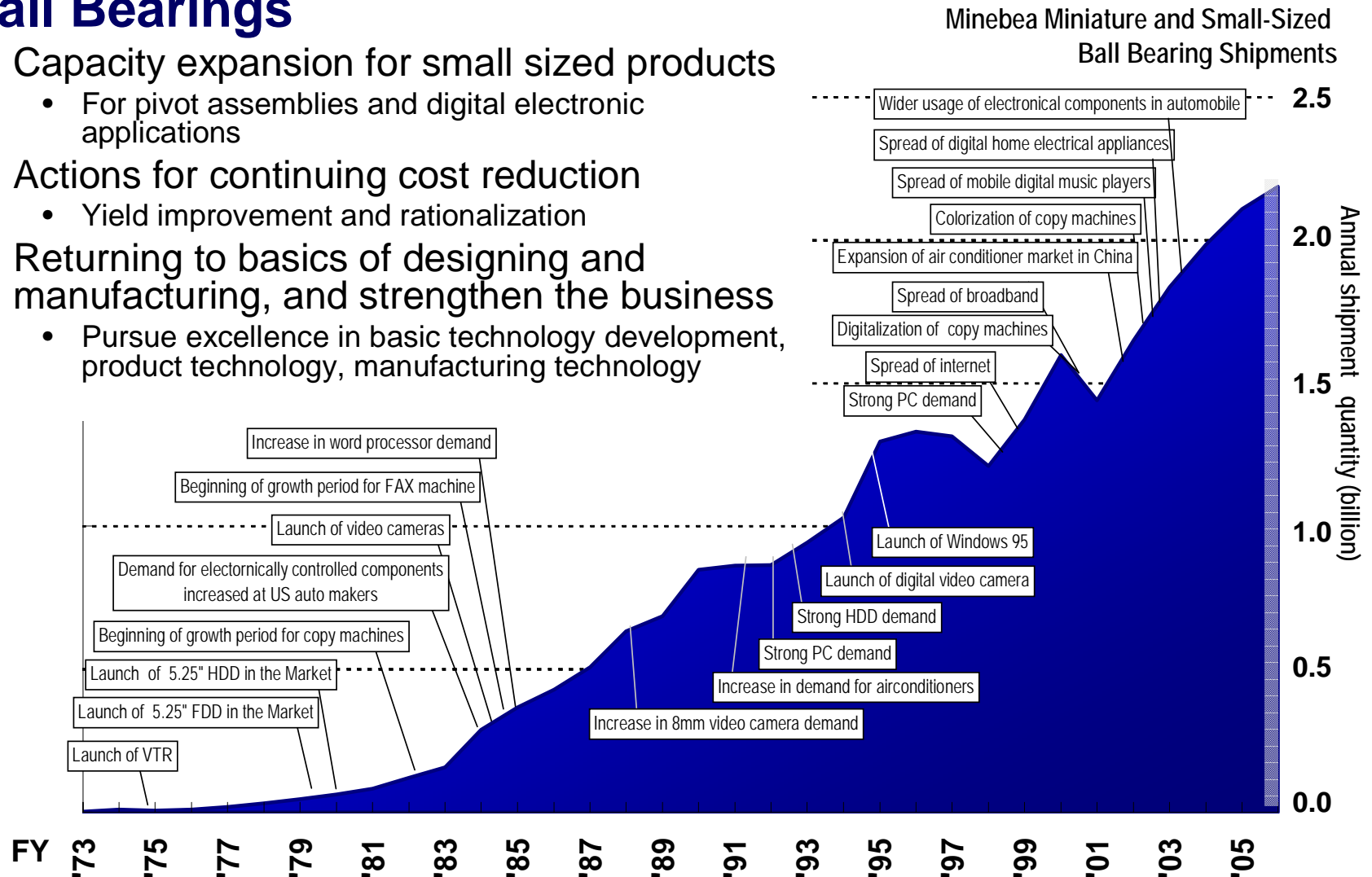
◆ Keyboards

- Aim to build a suitable business structure by concentrating resources on high value added models
- Reduce fixed costs through reorganization of manufacturing, sales and engineering, and disposal of equipment
- Aim to return to profitability during this fiscal year

Expansion of Growth Business

◆ Ball Bearings

- Capacity expansion for small sized products
 - For pivot assemblies and digital electronic applications
- Actions for continuing cost reduction
 - Yield improvement and rationalization
- Returning to basics of designing and manufacturing, and strengthen the business
 - Pursue excellence in basic technology development, product technology, manufacturing technology



Expansion of Growth Business

◆ Rod-end bearings, bearings for aircraft applications

- Expand production capacity in Japan (Karuizawa), US and UK to respond to double digit growth in demand
- Utilize front-end production in Thailand to build low cost production structure and to expand production capacity
- Reinforce development activities for next generation aircraft models

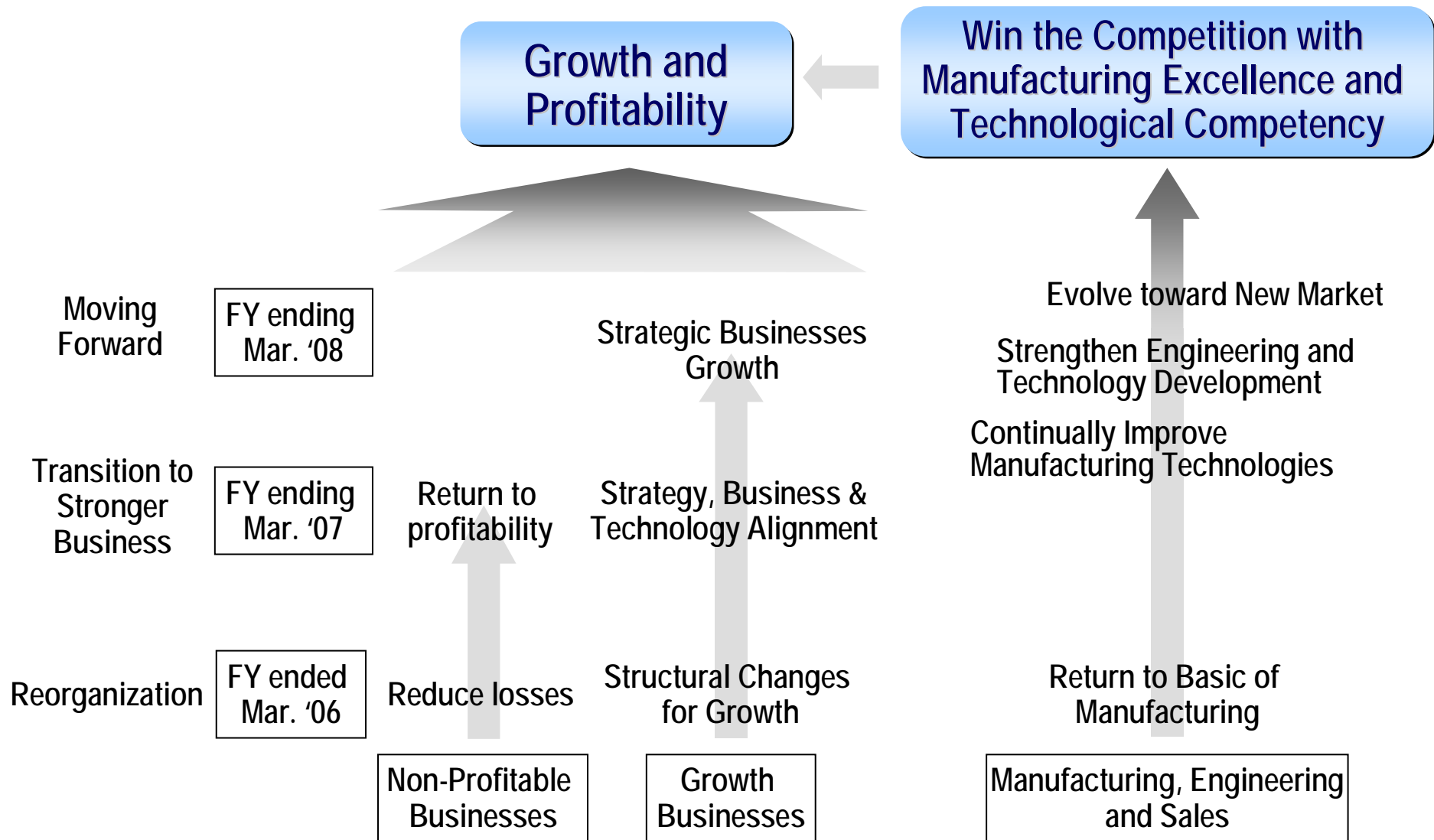
◆ Pivot assemblies

- Maintain market share of 70%
- Raise production capacity to 30 million units per month
- Bring in parts production in-house, raise production yield, continue cost reduction through standardization of designs

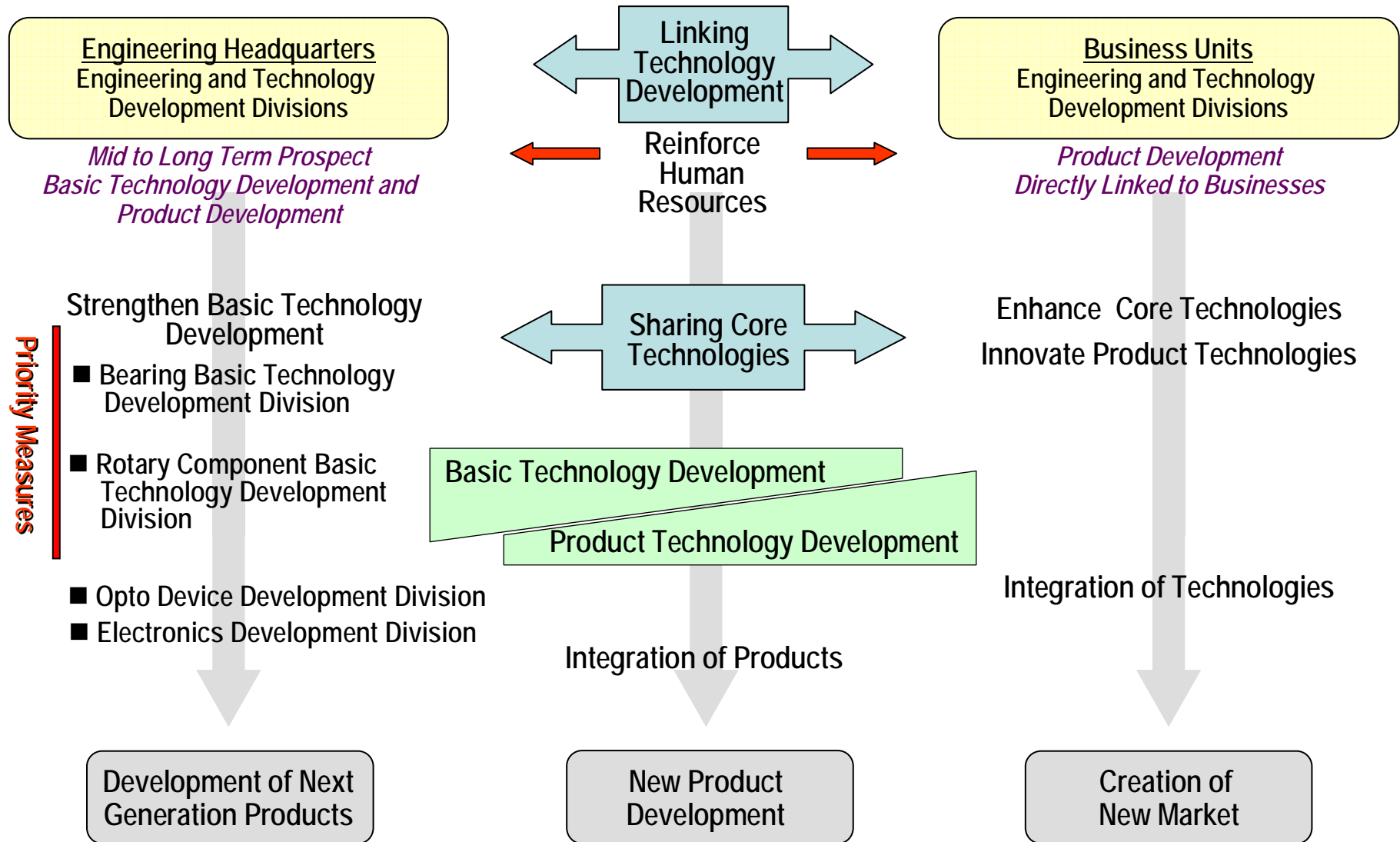
◆ Optical devices and related products

- Promote further marketing of high-luminance, ultra-slim LED backlights
 - Top adopted rate in mobile handsets with one-segment TV function
- Promote marketing of mid-sized LED backlights for automobile application
- Launch new inverter product with significantly lowered cost

A Strategic Growth Company



Engineering and Technology Development



Business Results

Fiscal Year ended March 31, 2006

Minebea Co., Ltd.

<http://www.minebea.co.jp/>

Any statements in the presentation which are not an historical fact are future projections made based on certain assumptions and our management's 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 indicators surrounding us or demand trends; (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.

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