



Business Results

Fiscal Year Ended March 31, 2008

May 8, 2008
Minebea Co., Ltd.

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

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Financial Results

Hiroharu Katogi
Director,
Senior Managing Executive Officer

May 8, 2008

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All explanations are given on consolidated bases.

Summary of Consolidated Business Results

(Millions of yen)	Year ended Mar. '07	Year ended Mar. '08	Change yoy	Forecast announced in February 2008	
	Full year	Full year		Full year	vs. forecast
Net sales	331,022	334,431	+1.0%	335,000	99.8%
Operating income	26,265	30,762	+17.1%	31,500	97.7%
Machined components business	26,195	27,750	+5.9%	27,900	99.5%
Electronic devices and components business	69	3,012	x43.652	3,600	83.7%
Ordinary income	21,843	27,691	+26.8%	27,000	102.6%
Income before income taxes	19,523	25,254	+29.4%	24,500	103.1%
Net income	12,862	16,303	+26.8%	16,000	101.9%
Net income per share(yen)	32.23	40.86	+26.8%	40.10	101.9%

Net income exceeded the previous record high set in FY 3/98.
 Operating income increased 17%.
 Machined components business grew steadily.
 Electronic devices & components business improved significantly.

Foreign Exchange Rate Fluctuations

FY Mar. '07 → FY Mar. '08
 US\$ = ¥116.91 → ¥115.29
 Euro = ¥149.75 → ¥162.18
 Thai Baht = ¥3.18(¥3.15*) → ¥3.70(¥3.39*)
 RMB = ¥14.77 → ¥15.40

(*) is on-shore rate reported by the Bank of Thailand

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Net sales for the fiscal year ended March 31, 2008 were 334,431 million yen, up 1.0% from the last fiscal year, which has now set new record highs two years in a row. Operating income was 30,762 million yen, up 17.1% compared to the last fiscal year, due to steady profit growth in the machined components business segment and a significant improvement in the electronic devices and components business segment. Net income was 16,303 million yen, up 26.8%, which exceeded the previous record high set in the fiscal year ended March 31, 1998. The impact of the foreign exchange fluctuations on net sales was an increase of 6.6 billion yen.

Quarterly Summary of Consolidated Business Results for 4Q

Compared to 3Q, seasonality and currency effects slowed down profit improvement

(Millions of yen)	Year ended	Year ended		Change	Change
	Mar. '07	3Q	4Q		
	4Q			yoy	qoq
Net sales	83,692	85,142	81,042	-3.2%	-4.8%
Operating income	6,289	8,355	7,286	+15.9%	-12.8%
Machined components business	6,109	7,147	6,899	+12.9%	-3.5%
Electronic devices and components business	178	1,208	387	x2.174	-68.0%
Ordinary income	5,401	7,456	6,999	+29.6%	-6.1%
Income before income taxes	3,334	7,003	6,055	+81.6%	-13.5%
Net income	1,185	5,054	3,775	x3.186	-25.3%
Net income per share(yen)	2.97	12.67	9.46	x3.186	-25.3%

Foreign Exchange Rate Fluctuations 3Q → 4Q

US\$ = ¥113.45 → ¥108.44 Euro = ¥163.92 → ¥161.16
 Thai Baht = ¥3.64(¥3.33) → ¥3.60(¥3.29*) RMB = ¥15.17 → ¥15.06

(*) is on-shore rate reported by the Bank of Thailand

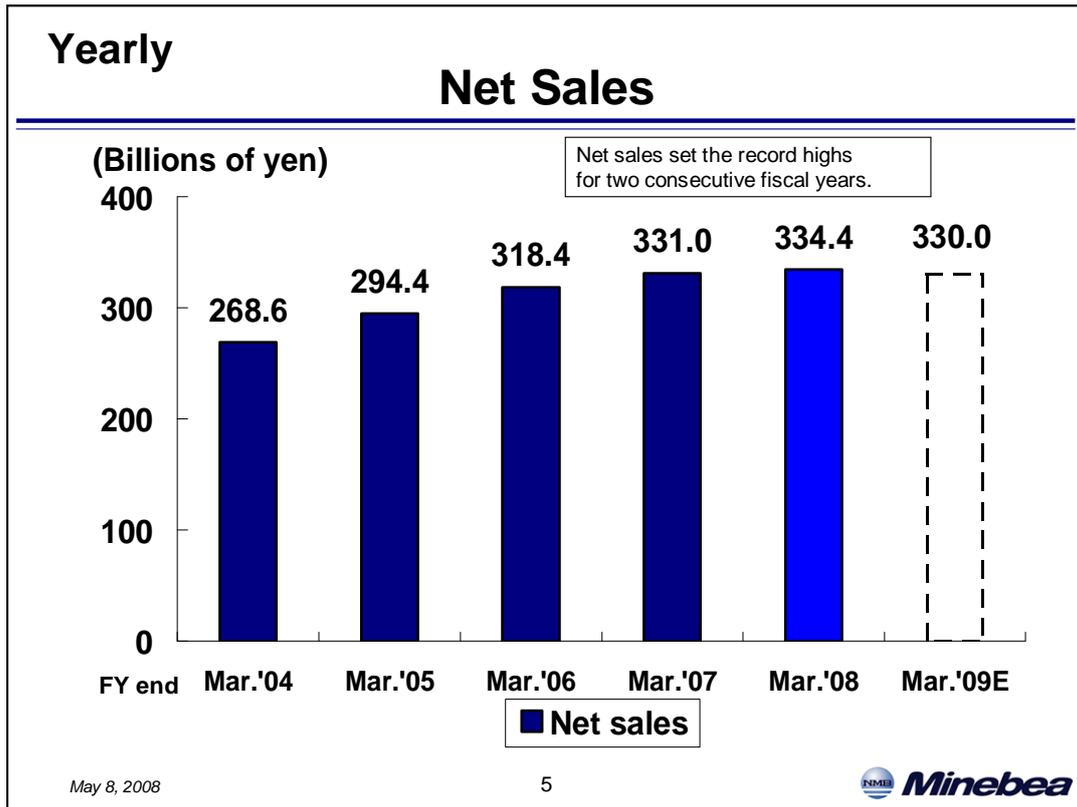
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Consolidated results for the fourth quarter were: net sales of 81,042 million yen, operating income of 7,286 million yen and net income of 3,775 million yen. Compared to the fourth quarter of the previous fiscal year, net sales were down 3.2% due mainly to a negative 3.4 billion yen impact of foreign exchange fluctuations, especially the weaker U.S. dollars against the Japanese yen. Operating income, however, was up 15.9% and net income was up more than three fold due to various company-wide efforts to improve profits.

On the other hand, compared to the third quarter, operating income decreased 12.8%, as earnings improvements slowed. The main reasons for this were profit declines in our keyboards, information motors, electronic devices, pivot assemblies and other businesses due to demand declines in PCs, HDDs, mobile phones and other products after the Christmas sales season and during Chinese New Year holidays, and negative impacts from the weaker U.S. dollar against the currencies of Thailand and China where we have major production facilities. In addition, HDD spindle motors and speakers were still in the red despite measures to improve profitability. According to our estimate under certain assumptions, the negative impact on operating income from the fluctuations of foreign currencies, mainly the weaker U.S. dollar against the Japanese yen, was about 0.6 billion yen during the quarter.

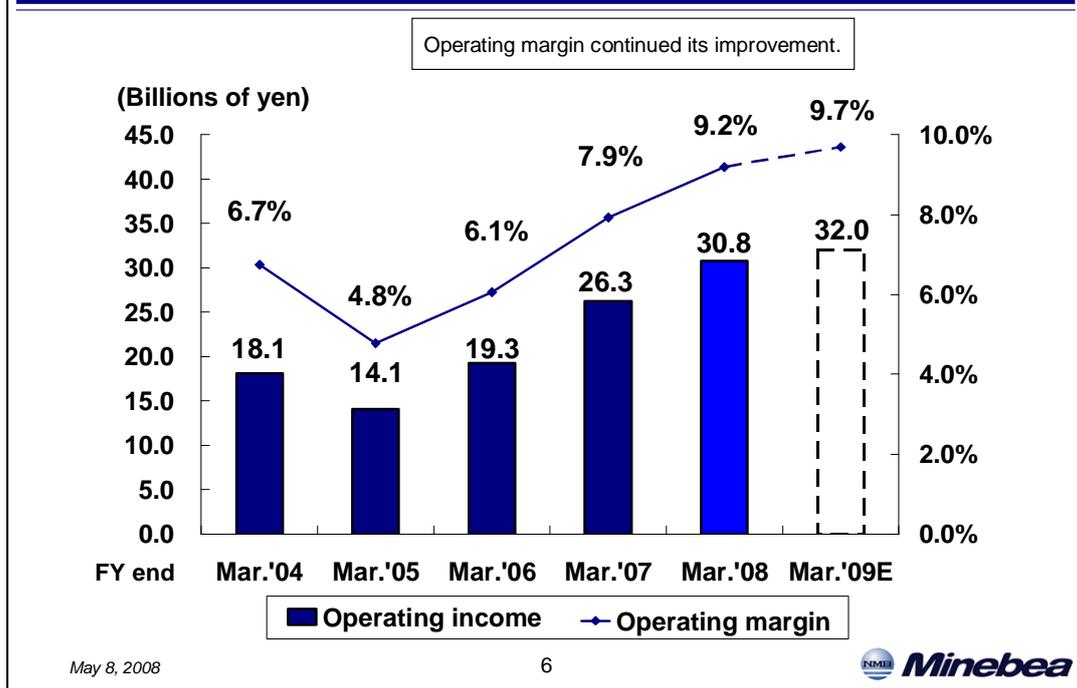


Net sales for the full fiscal year achieved a record high for the second consecutive fiscal year due to increases in pivot assemblies, HDD spindle motors, measuring components, ball bearings, rod-end bearings and others because of increased sales of products which meet good demands of the market and/or have large global market shares, while the demands for PCs, HDDs, mobile phones, aircrafts and automobiles increased as the global economy continued to expand although the U.S. economy gradually started to slow down.

For the fiscal year ending March 2009, net sales are expected to decrease slightly, due mainly to sales decreases in keyboards and speakers in addition to terminations of magneto-optical disk drives and floppy disk drive heads businesses, despite increases in HDD spindle motors, pivot assemblies, ball bearings and others because of market growth of these products.

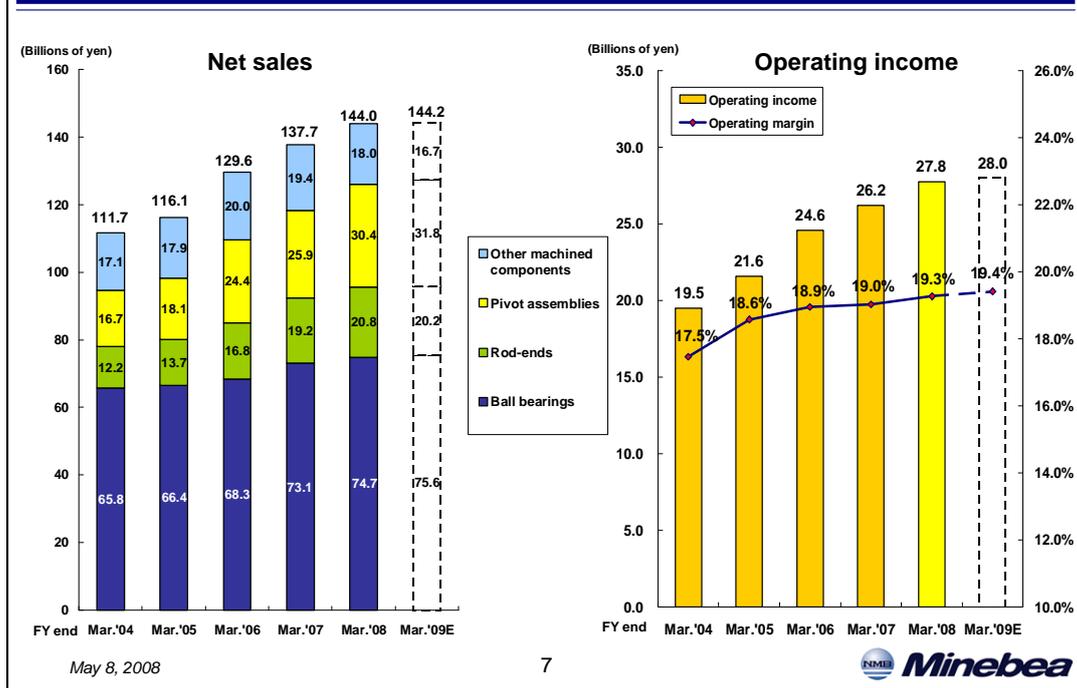
Yearly

Operating Income



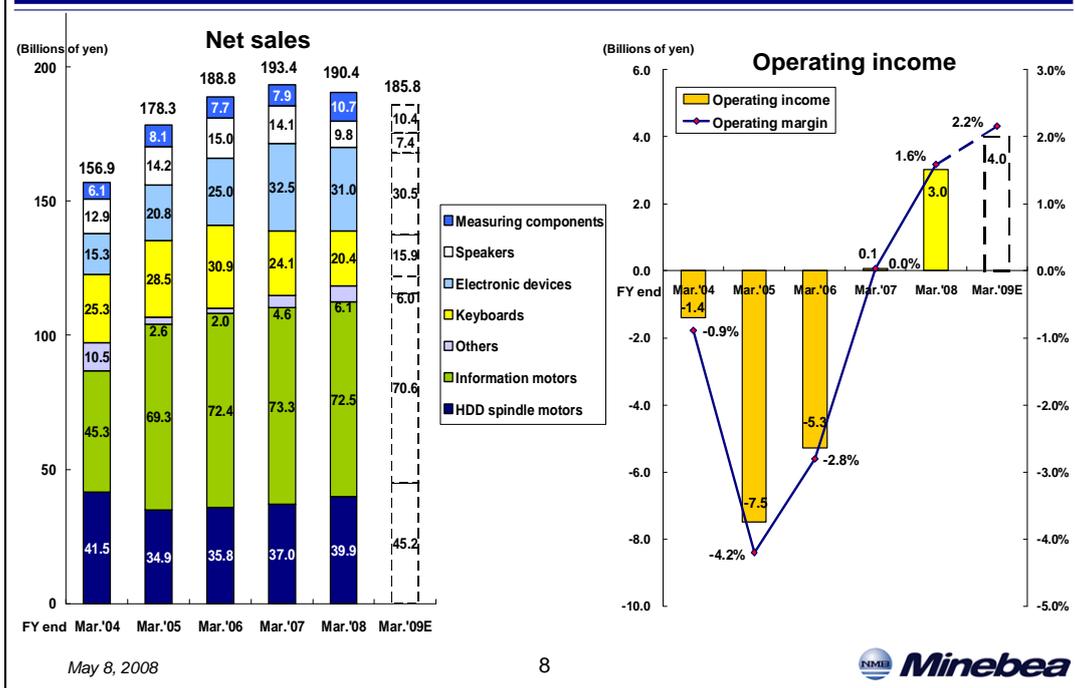
Operating income increased to 30,762 million yen and operating margin also increased to 9.2% in the fiscal year ended March 2008, led by ball bearings, keyboards, information motors, measuring components and others due to continued company-wide efforts to improve profits. According to our estimate under certain assumptions, the negative impact on operating income from the fluctuations of foreign currencies, mainly an appreciation of the Thai Baht, was about 5 billion yen during the fiscal year. As you can see, it is clear that the new management policy since 2005 produced a steady improvement in business results. Operating income exceeded its first year 30 billion yen target of the mid-term management plan announced in May last year. For the fiscal year ending March 2009, we also expect increased operating income and higher operating margin due to improved productivity and introductions of high value-added products.

Sales and Operating Income of Machined Components Business



In the machined components business segment, net sales increased by 6,372 million to 144,034 million yen, up 4.6% due mainly to increased sales volumes in pivot assemblies, ball bearings and rod-ends. Operating income also increased by 1,555 million yen, up 5.9% due to sales growth and cost reductions in ball bearings and sales growth in rod-ends. For the fiscal year ending March 2009, we expect a slight increase in net sales, operating income and operating margin for this segment due mainly to continuing market growth in ball bearings, rod-ends and pivot assemblies despite negative impacts from the higher material costs, and a weaker U.S. dollar against the Japanese yen which will shrink sales amounts.

Sales and Operating Income of Electronic Devices and Components Business



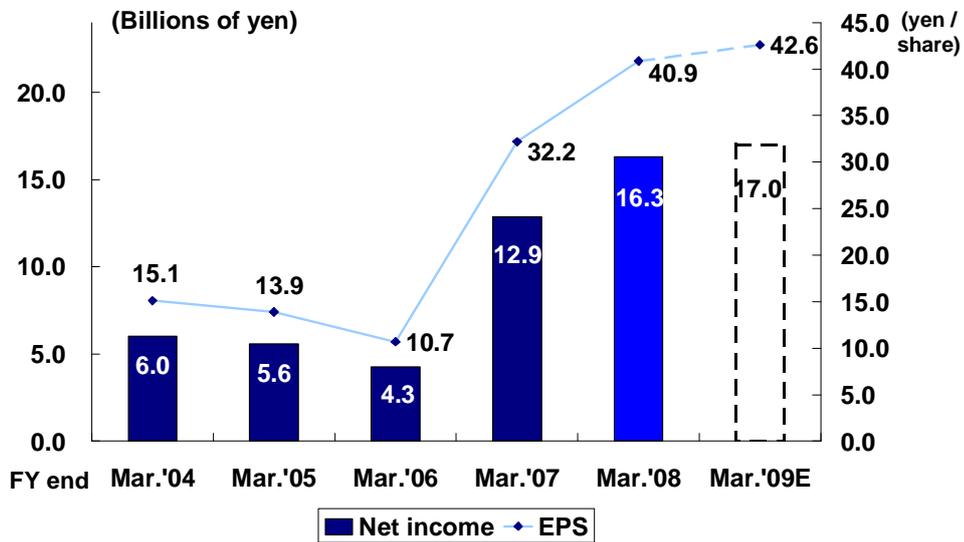
For the electronic devices and components business segment, net sales decreased by 2,963 million to 190,396 million yen, down 1.5% due mainly to decreased sales in speakers and keyboards as a result of the business restructuring, despite sales volume increases in HDD spindle motors and new market entrance by measuring components. Operating income, however, improved significantly to 3,012 million yen and operating margin also improved to 1.6% due mainly to the effects of restructuring measures taken in keyboards, new market entrance in measuring components, various profits improvement measures taken in information motors and other factors.

For this fiscal year ending March 2009, despite expected growth in HDD spindle motors, we expect a 2.4% net sales decrease for this segment due mainly to terminations of some businesses, negative impacts from the weaker U.S. dollar against the Japanese yen and the slowdown in the global economy. However, we expect a 1 billion yen operating income increase and operating margin improvement to 2.2% for this business segment due mainly to large improvements in HDD spindle motors and speakers as a result of the measures taken to return these businesses to profitability, and improvements in electronic devices.

Yearly

Net Income

Net income exceeded the previous record high set in FY3/98 due to growth in operating income, smaller interest payments and lower effective tax rate.



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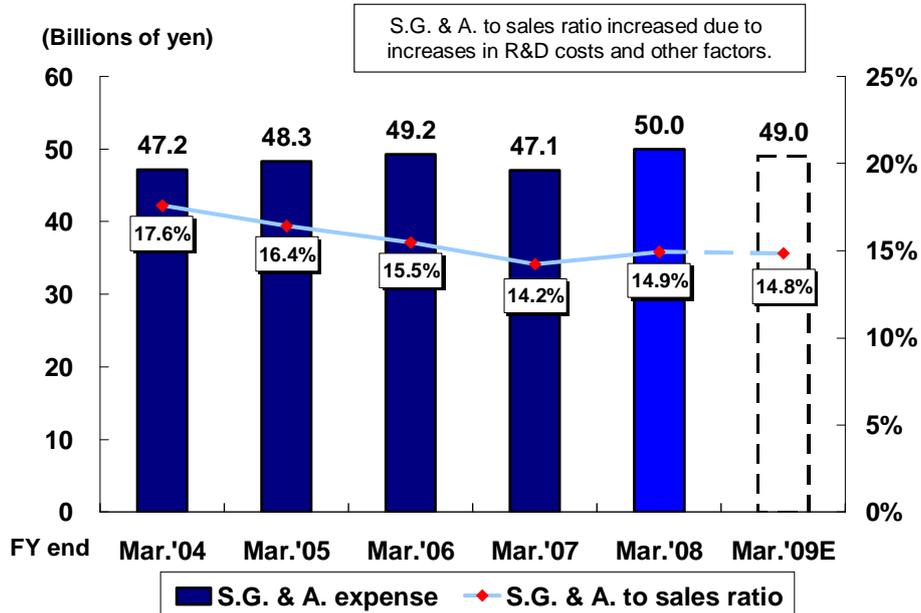


Net income increased by 3,441 million yen to 16,303 million yen, exceeding the previous record high set in the fiscal year ended March 1998, due to growth in operating income, smaller interest payments due to reduced interest-bearing debt, and lower effective tax rate.

For the fiscal year ending March 2009, we expect a net income increase by 4.3% to 17 billion yen due mainly to an increase in operating income.

Yearly

S.G. & A. Expense



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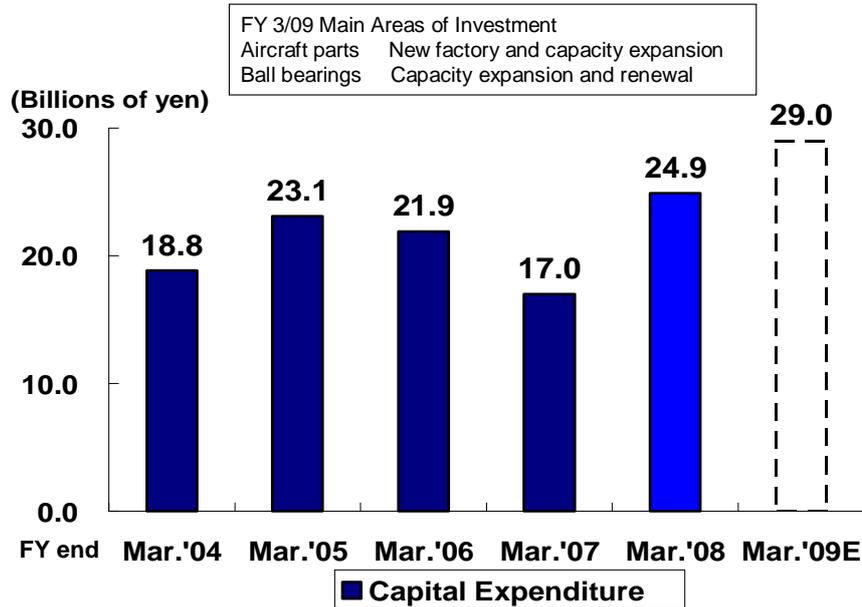
Minebea

SG&A expenses to sales ratio decreased steadily in recent years due to various cost reduction measures. However, in the fiscal year ended March 2008, SG&A expenses increased to 50 billion yen and SG&A expenses to sales ratio increased to 14.9% due to a strategic increase in R&D expenses, higher transportation costs caused by higher oil prices, expenses for internal control for financial reporting and other factors, in addition to an increase of 1.6 billion yen from currency fluctuations.

For this fiscal year ending March 2009, we expect the same level of SG&A expenses to sales ratio due to further cost reduction efforts despite an expected further increase in transportation costs.

Yearly

Capital Expenditure



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We have minimized capital expenditures in recent years by working to invest efficiently. However, capital expenditure for the fiscal year ended March 2008 increased to 24.9 billion yen due to new factories for ball bearings and aircraft fasteners, and capacity expansions. Nevertheless, it was still less than the 26.4 billion yen of annual depreciation and amortization expenses. The actual investments were below the original forecast since the U.S. economic slowdown during the second half caused some delays in final decisions.

For this fiscal year ending March 2009, capital expenditure is expected to reach 29 billion yen, due mainly to construction of a new factory and investment to expand production of rod-ends to meet growing demand in aircraft markets, and manufacturing machinery installation in the new ball bearing factory built for capacity expansion and stronger competitiveness, after the completion of the building in May.

Forecast for Fiscal Year Ending March 31, 2009

(Millions of yen)	Year ended Mar.'08	Year ending Mar.'09			Change yoy
	Full year	1H	2H	Full year	
Net sales	334,431	162,000	168,000	330,000	-1.3%
Operating income	30,762	15,400	16,600	32,000	+4.0%
Machined components business	27,750	13,700	14,300	28,000	+0.9%
Electronic devices and components business	3,012	1,700	2,300	4,000	+32.8%
Ordinary income	27,691	14,100	15,400	29,500	+6.5%
Income before income taxes	25,254	13,500	15,000	28,500	+12.9%
Net income	16,303	8,100	8,900	17,000	+4.3%
Net income per share(yen)	40.86	20.30	22.31	42.61	+4.3%

FX Fluctuations FY Mar. '08 results → FY Mar. '09 assumption

US\$ = ¥115.29 → ¥105.00 Euro = ¥162.18 → ¥163.00

Thai Baht = ¥3.70(¥3.39*) → ¥3.40 RMB = ¥15.40 → ¥14.90

(*) is on-shore rate reported by the Bank of Thailand

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Regarding the forecast for this fiscal year ending March 2009, net sales are expected to decrease by 1.3% to 330 billion yen, due mainly to sales decreases in keyboards and speakers, in addition to terminations of magneto-optical disk drives and floppy disk drive heads businesses. This is despite increases in HDD spindle motors, pivot assemblies, ball bearings and others due to market growth in these areas. We also expect negative impacts from foreign exchange fluctuations, especially the weaker U.S. dollar against the Japanese yen, and the slowdown in the global economy in general.

Operating income is expected to increase by 4.0% to 32 billion yen, due mainly to large improvements in HDD spindle motors and speakers as a result of the measures taken to return these businesses to profitability, and profit improvements in pivot assemblies, aircraft parts such as rod-ends, electronic devices and others because of market growth of these products, despite foreign exchange fluctuations and the global economic slowdown.

Net income is expected to increase by 4.3% to 17 billion yen, due mainly to an increase in operating income.

Financial Strategy

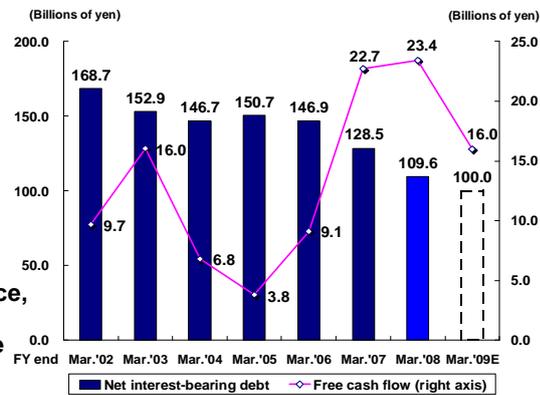
◆ Net Interest-bearing Debts

- Reduction of ¥18.9 billion in FY3/08
- FY3/09 Target = Reduction of ¥9.6 billion to Mid-term target level of ¥100 billion

◆ Dividends

- FY3/08 Year-end ¥10/share as planned
- FY3/09 forecast is total ¥10/share (Interim ¥5/share, Year-end ¥5/share)
- **Dividend Policy:**
Dividends based on business performance, while considering the overall business environment, placing primary importance on improved efficiency for shareholders' equity and a better cash returns to investors

Mid-term target = ¥100 billion of net interest-bearing debts



Net Interest-bearing debts = Interest-bearing debts + Cash and cash equivalents
Free Cash Flow = CF from operating activities + CF from Investing activities

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Regarding our financial strategy, the profitability improvement that we have achieved up to this point has produced a stronger corporate structure, and priority has been placed on using the increased cash flow to reduce interest-bearing debts. We far surpassed the 120 billion yen goal we had set for the fiscal year ended March 2008, with net interest-bearing debts reduced to 109.6 billion yen. For this fiscal year ending March 2009, we are aiming at a solid reduction to our medium-term target level of 100 billion yen.

As for dividends, we will propose at the general shareholders meeting in June that the year-end dividends for the fiscal year ended March 2008 be 10 yen per share as forecast since we have mostly achieved the first year financial targets of our mid-term business plan announced in May last year. Because this year we expect to further improve profits and we would like to reflect our financial performance in our dividends more frequently, we forecast interim dividends of 5 yen per share and year-end dividends of 5 yen per share, making annual dividends of 10 yen per share in total. Our basic dividend policy is that dividends should better reflect business performance, while considering the overall business environment and placing primary importance on improved efficiency for shareholder's equity and better cash returns to our shareholders.

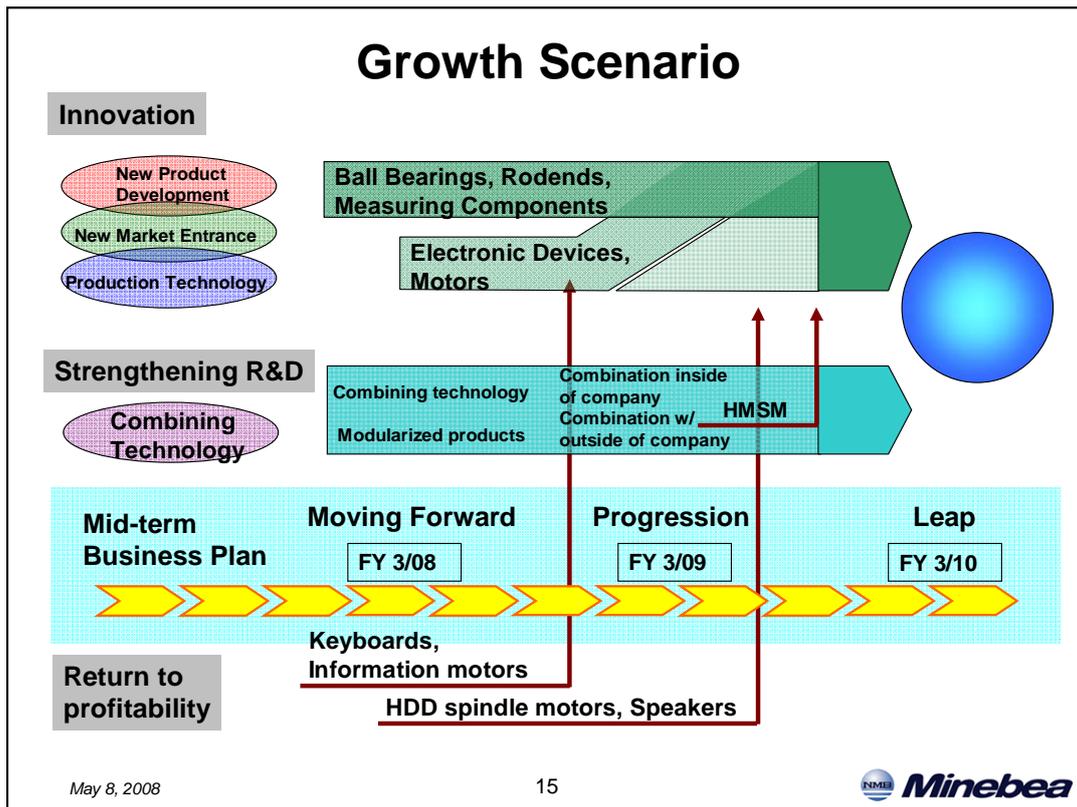
Policy and Strategy

**Takayuki Yamagishi
Representative Director,
President and Chief Executive Officer**

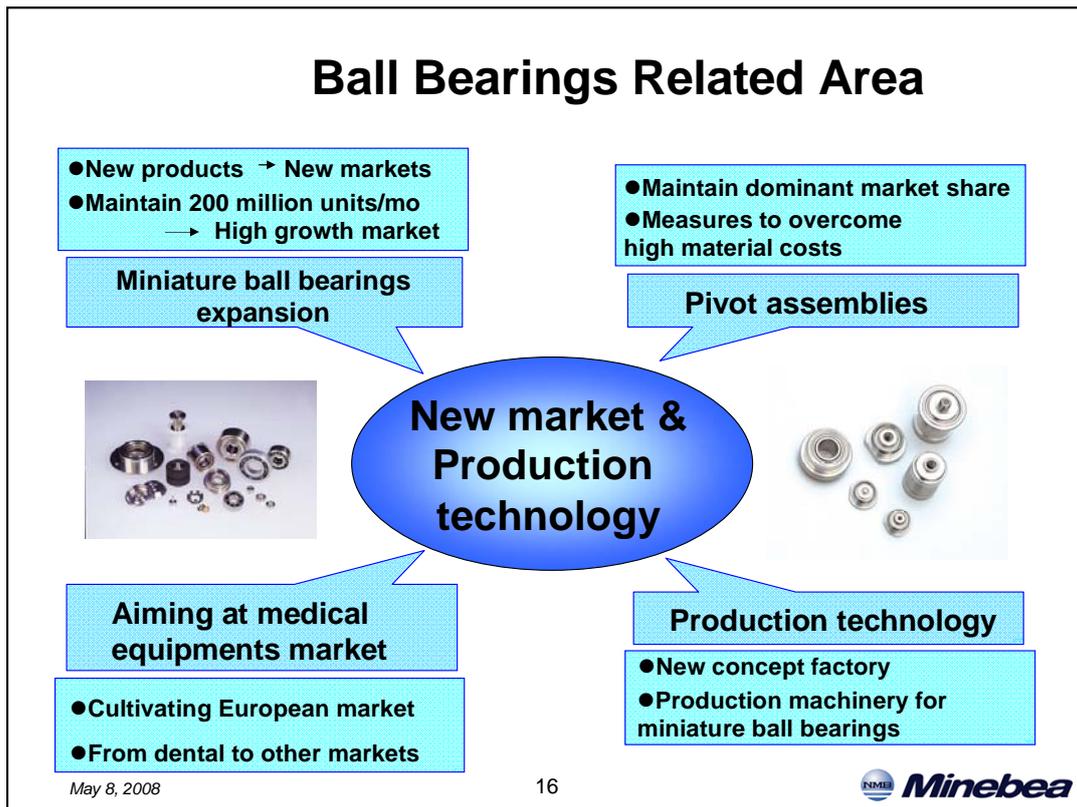
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We have determined that the various measures carried out over the last three years have placed us on a trajectory for improved business performance. Hereafter, we would like to concentrate our efforts on accelerating the businesses that drive growth and to push forward the succeeding businesses. We have established a Medium-Term Business Plan in order to put the company on a sustainable growth trajectory. To move towards this trajectory, we examined what constitutes innovation for our company and have been engaged in the development of new products, cultivation of new markets and advancements in production technology, with these aspects oriented towards innovation. Although a portion of the objectives were left undone for the fiscal year ended March 31, 2008 which marks the initial year of the Mid-term Business Plan, we were able to achieve the almost all objectives of the plan and reached record high figures in net sales and net income. In working towards future growth, in addition to ball bearings, aircraft parts and measuring components, we are aiming to launch onto a growth trajectory centered on electronic devices and motor businesses except for HDD spindle motors. By pushing forward more vigorously in these areas in terms of the engineering and technology development that I mentioned previously, our goal is to accelerate growth. We have begun carrying out efforts in engineering and technology development revolving around combining various technology with an eye on doing it with outside of the company in addition to with inside of the company. Keyboards and information motors have merged into a growth path during the fiscal year ended March 31, 2008. However, the HDD spindle motors and speakers are trailing behind, and efforts are being made to merge these businesses into the growth path during the fiscal year ending March 31, 2009. I will now explain the approach we will be taking to construct future growth scenarios in regards to these businesses.



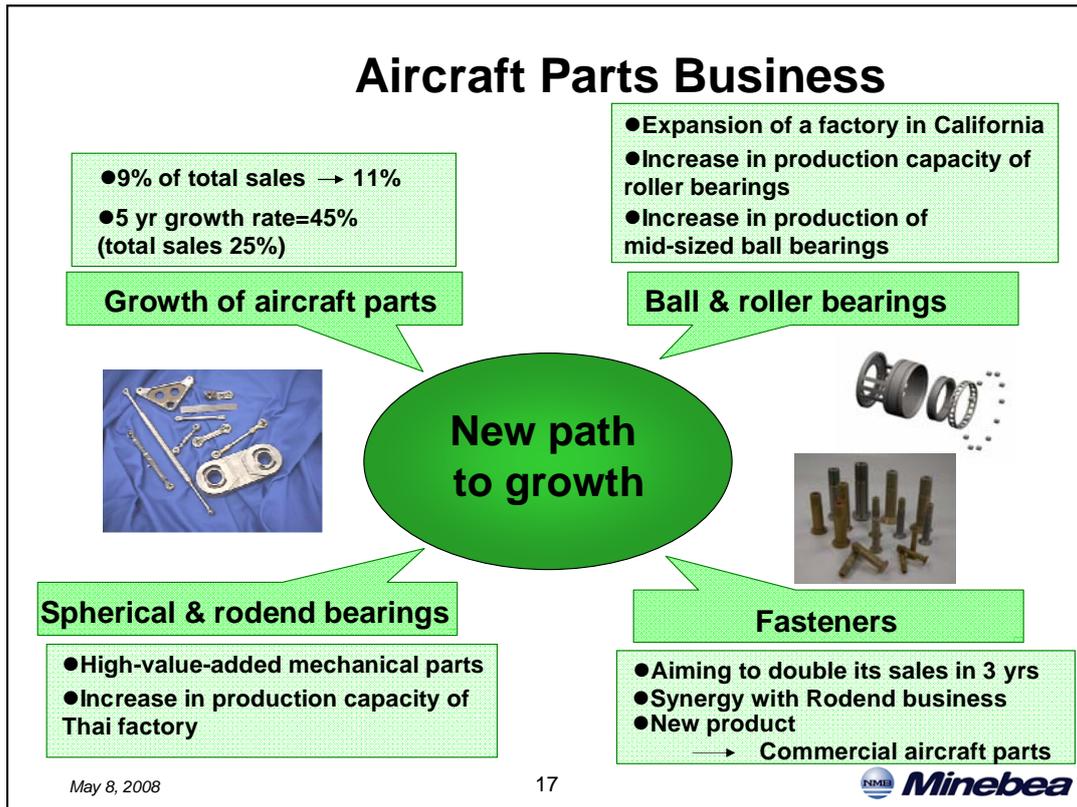
First, I would like to explain ball bearings including pivot assemblies.

To start with, in regards to ball bearings, we were able to establish a manufacturing capacity for a monthly production of 200 million units in the fiscal year ended March 31, 2008, and achieved an actual production of that level.

In the future, as indicated here, due to the high rate of growth in the area of miniature ball bearings, we will continue to promote an expansion in miniature ball bearings. Expansion will be sustained by the advancements made in manufacturing technology, and we aim to achieve expansion by further increasing the number of specialized manufacturing machinery for miniature ball bearings that were introduced during the fiscal year ended March 31, 2008. Presently, construction is also underway on a new plant in Thailand. We have determined that we can boost technical skills and cut costs through consolidation. To this end, this plant will be based on a new concept in which the manufacturing process will not flow from start to finish, but will concentrate on front-end processing. Moreover, with the entire plant constructed to conserve energy, we will be able to curb the emissions of carbon dioxide from the plant to the furthest extent possible.

In regards to the miniature ball bearings market, the next market in which we plan to achieve expansion is the market for medical equipments. Presently our focus is placed on the American market and on dental equipments, but we would like to obtain entry into the European market and into other medical equipments fields aside from dentistry. Our goal is to advance into the high-precision special bearings field that is in demand within the medical equipments market.

In regards to pivot assemblies, we will place our focus mainly on design and processing technology that can maintain the current market share in this HDD parts market and allows us to respond to the rising costs of raw materials.



In regards to the aircraft parts business, as shown here, we have an understanding of what needs to be done in terms of the new growth trajectory that will propel the aircrafts parts business forward.

Compared to five years ago, we have achieved a growth rate of 45% in net sales for our aircraft parts business. The overall growth rate for our company is 25%. The ratio of net sales for the aircraft parts business to the overall net sales of the company has grown from 9% to 11%.

The aircraft parts business can be roughly divided into the three businesses of ball/roller bearings, rod-ends, and fasteners. Ball/roller bearings are manufactured centered on the periphery of the engine by New Hampshire Ball Bearing, Inc.. Medium-sized bearings are particularly in short supply worldwide and the US plants have begun to increase production. Since floor space at these plants is insufficient, an extension will be built onto the warehouse site at the California plant, which will be converted into a manufacturing plant where we plan to reinforce the equipment for roller bearings.

As for rod-ends, we will shift production of existing products to the plant in Thailand and return to focusing our attention to high-value-added products at our plants in Japan, the UK and the US.

Due to its small scale and to its similarity to rod-ends in terms of manufacturing equipment and technique, the fastener business unit has been merged with the rod-end business unit in an aim to promote efficiency as an aircraft part.

In regards to the fastener business, amidst the worldwide shortage in supply of fasteners for commercial aircrafts, we will reinforce the Fujisawa plant and aim to strengthen the business.

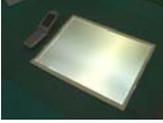
New Challenges, New Potential

-- Optical devices -- Sensors -- Electronics

Technological challenge

LED backlights

- Wider coverage in size and shape
- New applications
- Strengthening R&D in parts, cooperation w/ outside



New market challenge

Measuring components

- Expansion in sensors
- New markets after automobile and games
→ Healthcare & nursing markets



Challenge in modularization

Electronics

LCD backlights inverters	➔	Driving circuits for light source
Ballasts	➔	
Power supply unit	➔	HMSM
Controller	➔	



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Next, concerning businesses related to electronic devices and measuring components, with these businesses being conducted within a market that undergoes tremendous technological change, there is a need to take on new challenges over and over. This slide gives an explanation of the main challenges we will be taking on.

Firstly, in regards to these challenges in terms of technology, our main focus will be placed on backlights. The market for liquid crystal backlights for small-sized devices like mobile phones and digital cameras is becoming an area in which technological precedence does not automatically yield profits. In the future, we need to put the company away from this world, and set our sights on the following goals: in terms of size, we need to make a transition to medium-sized and large-sized; in terms of applications, we need to turn our attention to the domain of automotive liquid crystal displays, personal computers and televisions; and in terms of shapes, we need to gradually develop the ability to respond to irregularities in shape.

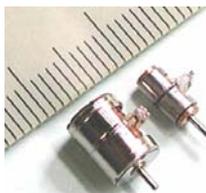
For measuring components, in order to expand into new markets centered on sensor products, we will strive towards the goal of entering fields such as products for medical and nursing devices. For sensor products, although we are experiencing growth on the basis of new markets in the fields of passenger detection sensors followed by game console controllers like one with Wii Fit, we have deemed it necessary to move expediently onto expansion into the next market.

In the area of electronics, our challenge will be in terms of combining technology. Even if technological precedence were made in circuit products, if the circuit product had only a single function, it will lose its position of superiority within a short time span. There is a need for combining technology for creating circuits that hold multiple functions. For instance, we could obtain product superiority by amalgamating separate elements such as liquid crystal backlight inverters with the ballast power supply. Also, the Heat Management System Module business, which we have already introduced, is a good example of modularized products.

Motors, Next Leader

Restructuring

- Almost completed business restructuring
- Needs to improve HDD spindle motors



Next challenges in motors

- Fan motors to lead motor businesses
→ production capacity increased
- New products & new markets for stepping motors w/ technology
- Strengthening magnet R&D for high performance motors
- Expansion in DC brush motors & resolvers for automobile
- DC brushless motors to lead next generation



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Then there is the motor business.

The motor business had been plagued by an operating deficit for a prolonged period. We have been carrying out efforts to achieve profitability through the restructuring of the business. Although we have yet to deal with HDD spindle motors, restructuring of the business is near to completion.

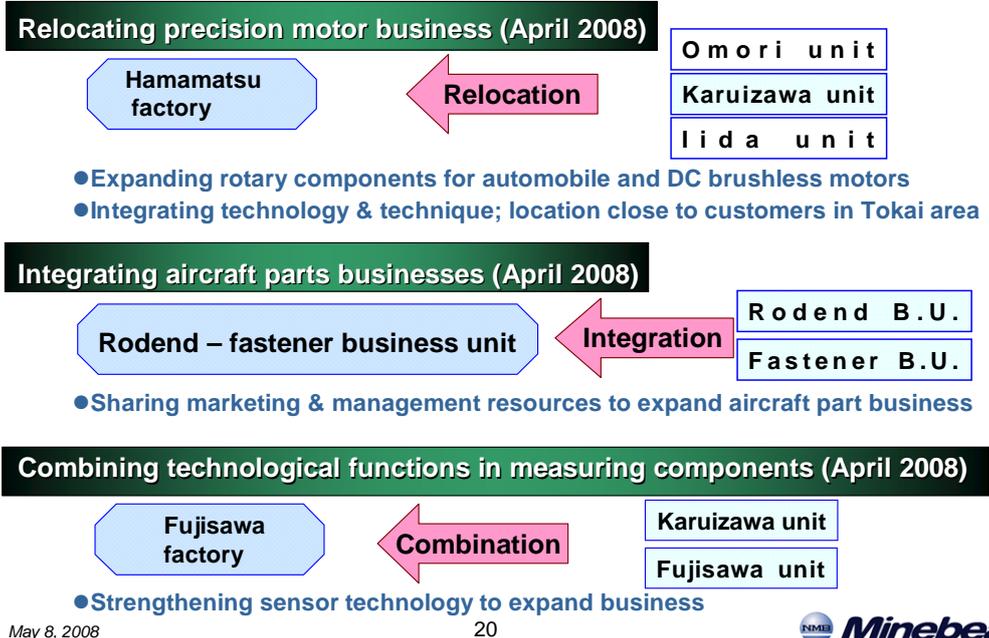
Hereafter, we will launch onto a growth trajectory by resolving the following issues as indicated here, and carry out efforts to accelerate growth. From an overall perspective of the motor business, fan motors play a leading role. Stepping motors have been linked with the development of magnets and progress is being made towards new developments. In terms of the market, the automotive motor market will be a major target in the future, and resolvers and DC brush motors will now be largely established as the target for this market.

We believe that DC brushless motors will be the core element in the next generation motor business. We will prepare for the future by concentrating DC brushless motor units to the Hamamatsu plant, which is the base of our engineering and technological developments.

In regards to the HDD spindle motors, although we have been working towards our goal of achieving monthly profitability by the end of the fiscal year ended March 31, 2008, we failed to accomplish our goal. There were many external factors that influenced this outcome, but I feel ashamed that we failed to achieve our goal. However, in terms of the component processing level and FDB manufacturing level, the results were in line with the plan, and we have clearly recognized that we must aim for cost reduction and quality improvement in the assembly process. Thus, we will concentrate our full efforts in attaining improvements centered on the Manufacturing Headquarters in order to hasten our goal of achieving profitability.

Further Reorganization

Strengthened business structure for growth



Although we are on a trajectory leading to improved performance, we acknowledge that in reality we are just now getting off the ground. In order to achieve further growth, it is our belief that we must push forward without loosening our grip upon structural reforms. The three structural reforms as shown in this slide, which have been carried out from the previous term on through to this term, have either been completed or are currently underway.

Although the scale of the precision motor business unit is still small, progress is being made in the business centered on the resolver and DC brushless motor for automotive rotary components. In the past, the bases were distributed between Karuizawa, Omori and Iida, but the bases have been integrated to the Hamamatsu plant where the rotary components basic technology development division is located. In addition to the technical perspective, it has been determined that the Hamamatsu plant, which is located in Tokai region where many of automobile manufacturers are located nearby, was the most suitable location for carrying out business expansion.

The consolidation of the rod-end business unit and fastener business unit is as I have explained in the section regarding the aircraft parts business.

In regards to the engineering division of the measuring components business unit, in the past the division was distributed between the Karuizawa plant and the Fujisawa plant, with a clear allocation of the mechanical-type technology to Karuizawa and the electronics-type technology to Fujisawa. In recent years, amidst the diversification of the sensor business, the division has been integrated from the necessity to create a base to strengthen mechanical and electrical engineering and technology development and to expand the measuring components business.

Business Results

Fiscal Year ended March 31, 2008

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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