



**Consolidated Financial Information**  
for the First Quarter of the Fiscal Year Ending March 31, 2009

July 31, 2008

Registered

Company Name: **MINEBEA CO., LTD.**

Common Stock Listings: Tokyo, Osaka and Nagoya

Code No: 6479

(URL <http://www.minebea.co.jp>)

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

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Quarterly report filing date: August 8, 2008

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(Amounts less than one million yen have been omitted.)

1. Business performance (April 1, 2008 through June 30, 2008)

(1) Consolidated Results of Operations (Year-to-date)

(The percentages of net sales, operating income, ordinary income and net income show year-on-year changes.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
Three months ended June 30, 2008	74,041	—	5,083	—	4,685	—
Three months ended June 30, 2007	81,766	2.0	7,115	21.5	6,252	32.6

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)
Three months ended June 30, 2008	2,635	—	6.60	—
Three months ended June 30, 2007	3,133	(4.7)	7.85	—

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
As of June 30, 2008	329,174	135,746	40.9	337.18
As of March 31, 2008	320,544	131,730	40.7	327.25

(Reference) Shareholders' equity: 134,532 million yen at June 30, 2008  
130,574 million yen at March 31, 2008

2. Dividends

(Record date)	Dividends per share		
	Second quarter (yen)	Year-end (yen)	For the year (yen)
Year ended March 31, 2008	—	10.00	10.00
Year ended March 31, 2009	—	—	—
Year ended March 31, 2009 (Forecast)	5.00	5.00	10.00

(Notes) Change in the current quarter to dividend forecast : None

3. Prospect for the next fiscal year (April 1, 2008 through March 31, 2009)

(The percentages indicate year-on-year changes for the six months ended September 30, 2008 and the annual.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
Six months ended September 30, 2008	162,000	—	15,400	—	14,100	—
Annual	330,000	(1.3)	32,000	4.0	29,500	6.5

	Net income (millions of yen)	% Change	Net income per share (yen)
Six months ended September 30, 2008	8,100	—	20.30
Annual	17,000	4.3	42.61

(Notes) Change in the current quarter to consolidated results forecast : None

#### 4. Others

- (1) Changes in significant subsidiaries during the quarter (Changes in certain subsidiaries resulting in change in the scope of consolidation): Yes  
(Notes) For details, see [Qualitative Data, Financial Statements, Etc.] and 4. Others on page 4.
- (2) Application of simplified accounting and accounting peculiar to preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles, procedures, presentations, etc. for preparation of quarterly consolidated financial statements (Changes to be stated in changes in significant matters that are fundamental to preparation of quarterly consolidated financial statements)
  1. Changes associated with revision of accounting standards, etc: Yes
  2. Changes other than 1: None(Notes) For details, see [Qualitative Data, Financial Statements, Etc.] and 4. Others on page 4.
- (4) Number of shares outstanding (Common stock)
  1. Number of shares outstanding at end of period (including treasury stock)
    - 399,167,695 shares at June 30, 2008
    - 399,167,695 shares at March 31, 2008
  2. Number of treasury shares at end of period
    - 168,773 shares at June 30, 2008
    - 164,945 shares at March 31, 2008
  3. Average number of shares (Quarterly cumulative period)
    - 399,000,866 shares at June 30, 2008
    - 399,024,438 shares at June 30, 2007

#### \* Explanation for appropriate use of financial forecasts and other special remarks

1. The above-mentioned forecasts are based on the information available as of the date when this information is disclosed, as well as on the assumptions as of the disclosing date of this information related with unpredictable parameters that are probable to affect our future business performances in the end. In other words, our actual performances are likely to differ greatly from these estimates depending on various factors that will take shape from now on. As for the assumptions used for these forecasts and other related items, please refer to page 4 of the documents attached hereunder.
2. From the current fiscal year, the Company applies the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan No. 12) and the Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Implementation Guidance No. 14), and prepares its quarterly financial statements in accordance with the Regulations concerning Quarterly Consolidated Financial Statements.

[Qualitative Data, Financial Statements, Etc.]

#### 1. Qualitative Data on Consolidated Operating Results

During the current first quarter (April 1, 2008 to June 30, 2008), the Japanese economy was uncertain mainly due to signs of slowed personal consumption, decreased exports, worsening business confidence caused mainly by higher prices for energy and raw materials, and capital investment showing signs of slowdown. The U.S. economy slowed mainly due to a growing housing market adjustment and a serious worsening of the financial environment, and the European economy also slowed moderately. In Asia, growth in the Chinese economy remained high on increased exports and increased investment in fixed assets, and in other Asian countries also, the economies generally advanced firmly.

Under these management circumstances, although 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, sales fell principally due to the strong yen, etc. Earnings were in a difficult situation due to this and soaring raw material prices.

As a result, net sales decreased 7,725 million yen (-9.4%) year on year, to 74,041 million yen, operating income fell 2,032 million yen (-28.6%) year on year, to 5,083 million yen, and ordinary income declined 1,567 million yen (-25.1%) year on year, to 4,685 million yen. In addition, net income also decreased 498 million yen (-15.9%) year on year, to 2,635 million yen, owing to the reporting of an extraordinary loss of 374 million yen that resulted from transition of the retirement benefit plan.

##### (a) Performance by business segment is as follows:

Our products in the Machined components 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. Compared with a year ago, in mainstay ball bearings and rod-end bearings, the business was good, but sales fell owing to the strong yen. In pivot assemblies, sales volume to the hard disk industry, a key sales channel of this product, increased, but sales were flat due to the strong yen. As a result, net sales fell 2,273 million yen (-6.4%) year on year, to 33,253 million yen. Operating income also decreased 1,016 million yen (-15.4%) year on year, to 5,583 million yen. This was due to soaring raw material prices and the strong Thai and Chinese currencies, although continued cost reduction measures were implemented, in addition to efforts to pursue basic technologies, product technologies and manufacturing techniques being made.

Our core products in the Electronic devices and components 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. Compared with a year ago, sales of measuring equipment and inverters increased, mainly owing to cultivation of new markets. On the other hand, sales of information motors and other motors fell due to the strong yen. In particular, sales of HDD spindle motors decreased significantly, due to customers' inventory adjustment. Sales of FDD heads and MODs also decreased owing to their business termination. As a result, net sales fell 5,453 million yen (-11.8%) year on year, to 40,787 million yen. Operating income worsened by 1,015 million yen year on year, due to decreased sales, and was a loss of 500 million yen.

##### (b) Performance by geographical segment is as follows:

In Japan, except certain motors and inverters, sales were generally weak. Net sales fell 2,561 million yen (-13.6%) year on year, to 16,299 million yen, while operating income fell 1,377 million yen (-58.4%), to 980 million yen.

Asia, excluding Japan, including the Greater China region, which continues enjoying high growth, is an important manufacturing base for many manufacturers of Japan, Europe, America and other countries. Sales were sluggish, principally owing to the effects of the strong yen and decreased sales of spindle motors. As a result, net sales decreased 4,142 million yen (-10.2%) year on year, to 36,590 million yen, and operating income also fell 434 million yen (-13.9%) year on year, to 2,688 million yen.

In North America, sales of U.S.-made aircraft ball bearings and rod-end bearings for use mainly in the aircraft-related industries fell year on year, due to the strong yen, although the business remained strong, led by solid demand from the industries. Sales of PC keyboards, specialized in high value-added products, were also weak. As a result, net sales fell 1,917 million yen (-13.9%) year on year, to 11,825 million yen, and operating income declined 351 million yen (-27.5%), to 927 million yen.

In Europe, sales of ball bearings, rod-end bearings and other products were firm as the economy was slowing down moderately. As a result, net sales increased 895 million yen (10.6%) year on year, to 9,325 million yen, and operating income increased 129 million yen (36.1%) year on year, to 486 million yen.

## 2. Qualitative Data on Consolidated Financial Position

The Minebea Group has adopted strengthening its financial position as a principal business policy, and is taking various measures, such as squeezing total assets, controlling capital investment and reducing liabilities.

Total assets at the end of the current first quarter were 329,174 million yen, an increase of 8,629 million yen compared with the end of the previous year. The major reasons for this are a rise in the assets of overseas affiliates converted to yen, as well as a rise from accounting for finance lease transactions without transfer of ownership as ordinary trading transactions.

Net assets were 135,746 million yen. The capital ratio was improved by 0.2 point to 40.9%, the same level from the previous year-end.

(Condition of cash flows)

The balance of cash and cash equivalents at the end of the current first quarter were 22,510 million yen, a decrease of 770 million yen compared with the end of the previous year.

Cash flows from various business activities during the current first quarter and relevant factors are as follows:

**Operating activities:** Provided net cash of 8,114 million yen, reflecting mainly decreased quarterly income before income taxes, depreciation, and notes and accounts receivable.

**Investing activities:** Used net cash of 4,233 million yen, primarily due to the acquiring of tangible fixed assets.

**Financing activities:** Used net cash of 5,567 million yen, mainly for the repayment of short-term loans payable payment of dividends.

## 3. Qualitative Data on Consolidated Earnings Forecasts

Regarding the prospect for the remaining year, there is no change to the forecasts released on May 8, 2008.

## 4. Others

### (1) Changes in significant subsidiaries during the quarter (Changes in certain subsidiaries resulting in change in the scope of consolidation)

In the current first quarter, our following seven consolidated subsidiaries in Thailand (NMB THAI LIMITED, PELMEC THAI LIMITED, MINEBEA THAI LIMITED, NMB HI-TECH BEARINGS LIMITED, NMB PRECISION BALLS LIMITED, MINEBEA ELECTRONICS (THAILAND) COMPANY LIMITED, POWER ELECTRONICS OF MINEBEA COMPANY LIMITED) merged on April 1, 2008, and all of their assets and liabilities have been transferred to the newly established company, NMB-Minebea Thai Ltd.

### (2) Application of simplified accounting and accounting peculiar to preparation of quarterly consolidated financial statements

Not applicable.

### (3) Changes in accounting principles, procedures, presentations, etc. for preparation of quarterly consolidated financial statements

Changes in accounting standards

1. From the current fiscal year, the Company applies the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan No. 12) and the Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Implementation Guidance No. 14), and prepares its quarterly financial statements in accordance with the Regulations concerning Quarterly Consolidated Financial Statements.

2. Inventories held for ordinary sales have been calculated primarily at the moving average cost to date. But from the current first quarter, these inventories are calculated primarily at the moving average cost (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability) due to application of the Account Standards for Measurement of Inventories (Accounting Standards Board of Japan No. 9; July 5, 2006).

This respectively decreases 89 million yen in operating income, ordinary income and income before income taxes and minority interests.

3. From the current first quarter, the Company applies the Treatment for the Time Being of Accounting by Overseas Subsidiaries in Preparation of the Consolidated Financial Statements (Business Response Report No. 18; May 17, 2006), and makes the necessary adjustments for consolidated accounting to meet the requirements of the Treatment.

This respectively increases 56 million yen in operating income, ordinary income and income before income taxes and minority interests.

4. The Company has accounted for finance lease transactions without transfer of ownership by the operating lease accounting method. But due to early application from the current first quarter of the Accounting Standard for Lease Transactions (Accounting Standards Board of Japan No. 13) and the Implementation Guidance on the Accounting Standard for Lease Transactions (Accounting Standards Board of Japan No. 16), the Company accounts for such transactions by the trading transaction method. The impact of this change is minor.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of June 30, 2008	As of March 31, 2008
	Millions of yen	Millions of yen
<b>ASSETS</b>		
Current assets.....	154,433	148,117
Cash and cash equivalents .....	22,510	23,281
Notes and accounts receivable.....	63,437	64,835
Marketable securities.....	1,220	1,511
Finished goods.....	17,017	14,615
Raw materials .....	7,957	8,232
Work in process .....	12,200	11,072
Goods in transit.....	5,685	5,321
Supplies.....	3,534	3,158
Deferred tax assets.....	7,451	8,498
Others .....	13,636	7,791
Allowance for doubtful receivables .....	(217)	(202)
Fixed assets .....	174,729	172,411
Tangible fixed assets.....	154,600	150,609
Buildings and structures.....	106,141	102,404
Machinery and transportation equipment.....	242,791	236,462
Tools, furniture and fixtures.....	47,116	45,836
Land .....	14,636	14,467
Leased assets.....	2,275	—
Construction in progress .....	1,983	2,235
Accumulated depreciation .....	(260,345)	(250,797)
Intangible fixed assets.....	6,215	9,846
Goodwill .....	3,369	6,920
Others .....	2,846	2,926
Investments and other assets .....	13,913	11,956
Investments in securities .....	7,821	6,659
Long-term loans receivable.....	37	37
Deferred tax assets.....	3,475	1,977
Others .....	2,583	3,285
Allowance for doubtful receivables .....	(3)	(3)
Deferred charges .....	11	15
Total assets .....	329,174	320,544

	As of June 30, 2008	As of March 31, 2008
	Millions of yen	Millions of yen
<b>LIABILITIES</b>		
Current liabilities .....	118,602	118,321
Notes and accounts payable .....	21,974	24,054
Short-term loans payable .....	49,492	50,352
Current portion of bonds .....	15,000	15,000
Lease obligations.....	893	—
Accrued income taxes .....	2,595	3,517
Accrued bonuses.....	3,629	3,871
Allowance for bonuses to directors and corporate auditors.....	27	117
Allowance for business restructuring losses .....	324	347
Others .....	24,665	21,060
Long-term liabilities.....	74,825	70,492
Bonds .....	21,500	21,500
Long-term loans payable .....	46,000	46,000
Lease obligations.....	1,135	—
Allowance for retirement benefits .....	5,304	1,707
Allowance for retirement benefits to executive officers.....	121	95
Others .....	763	1,189
Total liabilities.....	193,427	188,814
<b>NET ASSETS</b>		
Shareholders' equity.....	187,278	191,087
Common stock .....	68,258	68,258
Capital surplus.....	94,756	94,756
Earning surplus.....	24,361	28,169
Treasury stock .....	(99)	(97)
Revaluation / Translation differences.....	(52,745)	(60,512)
Difference on revaluation of other marketable securities.....	2,652	1,755
Deferred hedge gains or losses.....	1	(0)
Foreign currency translation adjustments .....	(55,398)	(62,268)
Minority interests in consolidated subsidiaries.....	1,213	1,155
Total net assets.....	135,746	131,730
Total liabilities and net assets.....	329,174	320,544

## (2) Consolidated Statements of Income

	Three months ended June 30, 2008
	Millions of yen
Net sales .....	74,041
Cost of sales .....	56,649
Gross profit .....	17,391
Selling, general and administrative expenses .....	12,308
Operating income .....	5,083
Other income .....	565
Interest income .....	117
Dividends income .....	67
Others .....	380
Other expenses .....	964
Interest expenses .....	712
Foreign currency exchange loss .....	148
Equity loss of affiliates .....	2
Others .....	101
Ordinary income .....	4,685
Extraordinary income .....	74
Gain on sales of fixed assets .....	26
Reversal of allowance for business restructuring losses .....	48
Extraordinary loss .....	701
Loss on sales of fixed assets .....	6
Loss on disposal of fixed assets .....	126
Loss on transition of retirement benefit plan .....	374
Special severance payment .....	193
Income before income taxes and minority interests .....	4,057
Income taxes (including enterprise tax) .....	357
Adjustment of income taxes .....	884
Total income taxes .....	1,241
Minority interests in earnings of consolidated subsidiaries .....	181
Net income .....	2,635

## (3) Consolidated Statements of Cash Flows

	Three months ended June 30, 2008
	Millions of yen
1. Cash flows from operating activities:	
Income before income taxes and minority interests .....	4,057
Depreciation and amortization .....	6,290
Amortization of goodwill .....	201
Equity (income) loss of affiliates .....	2
Interest and dividends income .....	(185)
Interest expenses .....	712
(Gain) loss on sales of fixed assets .....	(19)
Loss on disposal of fixed assets .....	126
(Increase) decrease in notes and accounts receivable .....	3,428
(Increase) decrease in inventories .....	(2,392)
Increase (decrease) in notes and accounts payable .....	(2,538)
Increase (decrease) in allowance for doubtful receivables .....	4
Increase (decrease) in accrued bonuses .....	(266)
Increase (decrease) in allowance for bonuses to directors and corporate auditors .....	(90)
Increase (decrease) in retirement allowance .....	207
(Increase) decrease in prepaid pension cost .....	447
Increase in allowance for retirement benefits to executive officers .....	25
Decrease in allowance for business restructuring losses .....	(51)
Others .....	(629)
Sub-total	9,329
Interest and dividends received .....	148
Interest paid .....	(396)
Income taxes paid .....	(966)
Net cash provided by operating activities	8,114
2. Cash flows from investing activities:	
Purchase of tangible fixed assets .....	(5,396)
Proceeds from sales of tangible fixed assets .....	1,053
Purchase of intangible fixed assets .....	(119)
Purchase of investments in securities .....	(60)
Long-term loans receivable .....	(2)
Recovery of long-term loans receivable .....	2
Others .....	289
Net cash used in investing activities	(4,233)
3. Cash flows from financing activities:	
Increase (decrease) in short-term loans payable .....	(1,321)
Purchase of treasury stock .....	(2)
Cash dividends paid .....	(3,990)
Repayment of lease obligations .....	(253)
Net cash used in financing activities	(5,567)
4. Effect of exchange rate changes on cash and cash equivalents	915
5. Net increase (decrease) in cash and cash equivalents	(770)
6. Cash and cash equivalents at beginning of period	23,281
7. Cash and cash equivalents at end of period	22,510

From the current fiscal year, the Company applies the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan No. 12) and the Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Implementation Guidance No. 14), and prepares its quarterly financial statements in accordance with the Regulations concerning Quarterly Consolidated Financial Statements.



(4) Notes on going concern assumptions  
Not applicable.

(5) Segment Information

a. Business segments

(Amount: millions of yen)

	Three months ended June 30, 2008				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
Total sales					
(1) Sales to customers	33,253	40,787	74,041	—	74,041
(2) Sales to other segment	287	99	387	(387)	—
Total	33,541	40,887	74,428	(387)	74,041
Operating income (loss)	5,583	(500)	5,083	—	5,083

(Notes) 1. The segments are defined by internal administration.

2. Main products

(a) Machined components business ..... Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Defense-related special parts, etc.

(b) Electronic devices and components business ..... Small motors, PC keyboards, Speakers, Back lights, Inverter, Strain gauges, Load cells, etc.

b. Geographical segments

(Amount: millions of yen)

	Three months ended June 30, 2008						
	Japan	Asia (excluding Japan)	North America	Europe	Sub-total	Elimination	Total
Total sales							
(1) Sales to customers	16,299	36,590	11,825	9,325	74,041	—	74,041
(2) Sales to other segment	37,300	35,958	515	345	74,120	(74,120)	—
Total	53,599	72,549	12,340	9,671	148,161	(74,120)	74,041
Operating income	980	2,688	927	486	5,083	—	5,083

(Notes) Dividing method and main countries in each territory

(a) Dividing method..... By geographical distance

(b) Main countries in each territory

Asia (excluding Japan)..... Thailand, Singapore, China, Taiwan, Korea, etc.

North America ..... United States

Europe ..... United Kingdom, Germany, France, Italy, etc.

c. Overseas sales

(Amount: millions of yen)

	Three months ended June 30, 2008			
	Asia (excluding Japan)	North America / Central and South America	Europe	Total
1. Overseas sales	36,919	9,830	10,075	56,825
2. Total sales				74,041
3. Overseas sales on total sales	49.8%	13.3%	13.6%	76.7%

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method..... By geographical distance

(b) Main countries in each territory

Asia (excluding Japan)..... Thailand, Singapore, China, Taiwan, Korea, etc.

North America / Central and South America ..... United States, Canada, Mexico, etc.

Europe ..... United Kingdom, Germany, France, Italy, Netherlands, etc.

(6) Notes for significant change in the amount of shareholders' equity  
Three months ended June 30, 2008

(Amount: millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Earning surplus	Treasury stock	Total shareholders' equity
Balances at March 31, 2008	68,258	94,756	28,169	(97)	191,087
Changes					
Decrease in earning surplus due to application of Business Response Report No. 18 (Notes)			(6,442)		(6,442)
Net income			2,635		2,635
Purchase of own shares				(2)	(2)
Sales of own shares		0		0	0
Changes (net) in non-shareholders' equity items					
Total changes	—	0	(3,807)	(2)	(3,809)
Balances at June 30, 2008	68,258	94,756	24,361	(99)	187,278

	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, 2008	1,755	(0)	(62,268)	(60,512)	1,155	131,730
Changes						
Decrease in earning surplus due to application of Business Response Report No. 18 (Notes)						(6,442)
Net income						2,635
Purchase of own shares						(2)
Sales of own shares						0
Changes (net) in non-shareholders' equity items	896	1	6,869	7,767	57	7,825
Total changes	896	1	6,869	7,767	57	4,015
Balances at June 30, 2008	2,652	1	(55,398)	(52,745)	1,213	135,746

(Notes) The breakdown of the decrease in earning surplus due to application of Business Response Report No. 18 is as follows:  
Decrease due to overseas subsidiaries' accounting (amortization of goodwill): 3,572 million yen  
Decrease due to the increase in unfunded liabilities related to overseas subsidiaries' pension accounting: 2,869 million yen

[Reference]

Consolidated financial statements, etc. for the previous quarter

(1) (Summary) Consolidated Statements of Income

Three months ended June 30, 2007

	Three months ended June 30, 2007
	Millions of yen
Net sales .....	81,766
Cost of sales .....	<u>62,259</u>
Gross profit .....	19,506
Selling, general and administrative expenses .....	<u>12,391</u>
Operating income .....	7,115
Other income.....	694
Interest income.....	166
Dividends income .....	52
Equity income of affiliates .....	7
Others.....	467
Other expenses.....	1,556
Interest expenses.....	1,286
Foreign currency exchange loss .....	89
Others.....	180
Ordinary income .....	6,252
Extraordinary income .....	29
Gain on sales of fixed assets .....	27
Reversal of allowance for doubtful receivables .....	2
Extraordinary loss .....	806
Loss on sales of fixed assets.....	40
Loss on disposal of fixed assets.....	188
Loss on liquidation of affiliates.....	14
Special severance payment.....	31
Retirement benefits to directors and corporate auditors .....	<u>531</u>
Income before income taxes and minority interests....	5,476
Income taxes (including enterprise tax).....	1,794
Adjustment of income taxes.....	<u>336</u>
Total income taxes .....	2,130
Minority interests in earnings of consolidated subsidiaries .....	<u>212</u>
Net income .....	<u>3,133</u>

(2) (Summary) Consolidated Statements of Cash Flows  
Three months ended June 30, 2007

	Three months ended June 30, 2007
	Millions of yen
1. Cash flows from operating activities:	
Income before income taxes and minority interests .....	5,476
Depreciation and amortization .....	6,544
Amortization of goodwill .....	267
Equity income of affiliates .....	(7)
Interest and dividends income .....	(219)
Interest expenses .....	1,286
(Gain) loss on sales of fixed assets .....	13
Loss on disposal of fixed assets .....	188
Decrease in notes and accounts receivable.....	713
Increase in inventories.....	(2,733)
Increase in notes and accounts payable .....	110
Decrease in allowance for doubtful receivables .....	(2)
Decrease in accrued bonuses.....	(188)
Decrease in allowance for bonuses to directors and corporate auditors .....	(69)
Decrease in retirement allowance .....	(319)
Decrease in allowance for retirement benefits to executive officers .....	(45)
Decrease in allowance for business restructuring losses.....	(7)
Others .....	1,128
Sub-total	12,134
Interest and dividends received .....	178
Interest paid .....	(1,041)
Income taxes paid .....	(3,334)
Settlement package paid.....	(808)
Net cash provided by operating activities	7,130
2. Cash flows from investing activities:	
Purchase of tangible fixed assets .....	(5,268)
Proceeds from sales of tangible fixed assets.....	882
Purchase of intangible fixed assets .....	(116)
Purchase of investments in securities.....	(0)
Long-term loans receivable .....	(2)
Recovery of long-term loans receivable .....	2
Others .....	(156)
Net cash used in investing activities	(4,659)
3. Cash flows from financing activities:	
Decrease in short-term loans payable.....	(545)
Proceeds from long-term loans.....	1,000
Repayment of long-term loans .....	(1,000)
Purchase of treasury stock.....	(3)
Cash dividends paid.....	(3,990)
Net cash used in financing activities	(4,539)
4. Effect of exchange rate changes on cash and cash equivalents	524
5. Net decrease in cash and cash equivalents	(1,544)
6. Cash and cash equivalents at beginning of period	21,731
7. Cash and cash equivalents at end of period	20,186

## (3) Segment Information

## a. Business segments

(Amount: millions of yen)

	Three months ended June 30, 2007				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
Total sales					
(1) Sales to customers	35,526	46,240	81,766	—	81,766
(2) Sales to other segment	2,140	1,135	3,276	(3,276)	—
Total	37,666	47,376	85,042	(3,276)	81,766
Operating income	6,599	515	7,115	—	7,115

## b. Geographical segments

(Amount: millions of yen)

	Three months ended June 30, 2007						
	Japan	Asia (excluding Japan)	North America	Europe	Sub-total	Elimination	Total
Total sales							
(1) Sales to customers	18,860	40,732	13,742	8,430	81,766	—	81,766
(2) Sales to other segment	40,742	42,589	501	283	84,116	(84,116)	—
Total	59,603	83,321	14,243	8,713	165,883	(84,116)	81,766
Operating income	2,357	3,122	1,278	357	7,115	—	7,115

## c. Overseas sales

(Amount: millions of yen)

	Three months ended June 30, 2007			
	Asia (excluding Japan)	North America / Central and South America	Europe	Total
1. Overseas sales	41,829	11,526	9,283	62,640
2. Total sales				81,766
3. Overseas sales on total sales	51.2%	14.1%	11.3%	76.6%