

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

October 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
Contact: Sakae Yashiro Senior Managing Executive Officer, Deputy Chief of Administration Headquarters
Quarterly report filing date: November 13, 2008 Tel. (03) 5434-8611
Expected date of payment for dividends: December 10, 2008

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

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

(1) Consolidated Results of Operations (Year-to-date) (%: Changes from corresponding period of previous fiscal year)

| | Net sales (millions of yen) | % Change | Operating income (millions of yen) | % Change | Ordinary income (millions of yen) | % Change |
|--------------------------------|--------------------------------|-------------|---------------------------------------|-------------|--------------------------------------|-------------|
| Six months ended Sep. 30, 2008 | 150,613 | — | 11,698 | — | 10,891 | — |
| Six months ended Sep. 30, 2007 | 168,247 | 2.6 | 15,121 | 13.1 | 13,236 | 20.9 |

| | Net income (millions of yen) | % Change | Net income per share (yen) | Fully diluted net income per share (yen) |
|--------------------------------|---------------------------------|-------------|-------------------------------|---|
| Six months ended Sep. 30, 2008 | 6,205 | — | 15.55 | — |
| Six months ended Sep. 30, 2007 | 7,474 | 0.1 | 18.73 | — |

(2) Consolidated Financial Position

| | Total assets (millions of yen) | Net assets (millions of yen) | Equity ratio (%) | Net assets per share (yen) |
|----------------------|-----------------------------------|---------------------------------|---------------------|-------------------------------|
| As of Sep. 30, 2008 | 317,947 | 128,702 | 40.1 | 319.23 |
| As of March 31, 2008 | 320,544 | 131,730 | 40.7 | 327.25 |

(Reference) Shareholders' equity: 127,368 million yen at September 30, 2008
130,574 million yen at March 31, 2008

2. Dividends

| (Record date) | Dividends per share | | | | |
|---|----------------------------------|-----------------------------------|----------------------------------|-------------------|-----------------------|
| | End of first quarter (yen) | End of second quarter (yen) | End of third quarter (yen) | Year-end (yen) | For the year (yen) |
| Year ended March 31, 2008 | — | — | — | 10.00 | 10.00 |
| Year ended March 31, 2009 | — | 5.00 | — | — | — |
| Year ended March 31, 2009 (Forecast) | — | — | — | 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) (%: Changes from previous fiscal year)

| | Net sales (millions of yen) | % Change | Operating income (millions of yen) | % Change | Ordinary income (millions of yen) | % Change |
|---------------------------|--------------------------------|-------------|---------------------------------------|-------------|--------------------------------------|-------------|
| Year ended March 31, 2009 | 300,000 | (10.3) | 25,000 | (18.7) | 23,000 | (16.9) |

| | Net income (millions of yen) | % Change | Net income per share (yen) |
|---------------------------|---------------------------------|-------------|-------------------------------|
| Year ended March 31, 2009 | 12,500 | (23.3) | 31.33 |

(Notes) Change in the current quarter to consolidated results forecast: Yes

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: Yes(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 September 30, 2008
 - 399,167,695 shares at March 31, 2008
 2. Number of treasury shares at end of period
 - 179,516 shares at September 30, 2008
 - 164,945 shares at March 31, 2008
 3. Average number of shares (Quarterly cumulative period)
 - 398,995,899 shares at September 30, 2008
 - 399,020,587 shares at September 30, 2007

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

1. Regarding our full-year earnings estimates, we revise the earnings estimates announced on May 8, 2008.
2. 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 [Qualitative Data, Financial Statements, Etc.] and 3. Qualitative Data on Consolidated Earnings Forecasts on page 4.
3. 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 second quarter (accumulated period : April 1, 2008 to September 30, 2008), the Japanese economy was in tougher conditions. This was principally owing to a significant worsening of business confidence, signs of decline in capital investment, decreased exports, and a slowdown of personal consumption, impacted principally by higher prices for energy and raw materials, as well as the spread of the financial instability originating from the United States. The U.S. economy stagnated principally due to a growing adjustment in the housing market and a serious worsening of the financial environment, and the European economy also saw a further slowdown. In Asia, the Chinese economy's past high growth began to decline, and in other Asian countries also, the economies generally weakened due to growing inflation, etc.

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 17,634 million yen (-10.5%) year on year, to 150,613 million yen, operating income fell 3,422 million yen (-22.6%) year on year, to 11,698 million yen, and ordinary income declined 2,345 million yen (-17.7%) year on year, to 10,891 million yen. In addition, net income also decreased 1,268 million yen (-17.0%) year on year, to 6,205 million yen, owing to the reporting of an extraordinary loss of 374 million yen that resulted from transition of retirement benefit plan.

The "Changes from corresponding period of previous fiscal year" in the Qualitative Data are shown as reference.

(1) 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 leveled off due to the strong yen, despite an increase in sale volume to the hard disk industry, a key sales channel. As a result, net sales fell 5,079 million yen (-7.0%) year on year, to 67,170 million yen. Operating income also decreased 1,788 million yen (-13.0%) year on year, to 11,916 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. There were no sales of FDD heads and MODs owing to their business termination. As a result, net sales fell 12,556 million yen (-13.1%) year on year, to 83,442 million yen. Operating income worsened by 1,635 million yen year on year, to a loss of 218 million yen, due to the appreciation of the Thai and Chinese currencies and decreased sales.

(2) Performance by geographical segment is as follows:

In Japan, except certain motors and inverters, sales were generally weak. Net sales fell 4,568 million yen (-12.0%) year on year, to 33,414 million yen, while operating income fell 2,249 million yen (-48.0%), to 2,438 million yen.

Asia, excluding Japan, including the Greater China region, 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 HDD spindle motors. As a result, net sales decreased 9,010 million yen (-10.5%) year on year, to 76,490 million yen, and operating income also fell 594 million yen (-8.2%) year on year, to 6,682 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 4,849 million yen (-17.3%) year on year, to 23,239 million yen, and operating income declined 821 million yen (-32.9%), to 1,677 million yen.

In Europe, sales of ball bearings, rod-end bearings and other products were firm as the economy was registering a slowdown. As a result, net sales increased 793 million yen (4.8%) year on year, to 17,469 million yen, and operating income increased 240 million yen (36.4%) year on year, to 899 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 second quarter were 317,947 million yen, a decrease of 2,597 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 128,702 million yen. The equity ratio was 40.1%, almost the same level from the end of the previous fiscal year.

(Condition of cash flows)

The balance of cash and cash equivalents at the end of the current second quarter were 24,003 million yen, an increase of 721 million yen compared with the end of the previous year.

Cash flows from various business activities during the current second quarter (accumulated period : April 1, 2008 to September 30, 2008) and relevant factors are as follows:

Operating activities: Provided net cash of 17,522 million yen, reflecting mainly decreased quarterly income before income taxes, depreciation, and notes and accounts receivable.

Investing activities: Used net cash of 9,529 million yen, primarily due to the acquiring of tangible fixed assets.

Financing activities: Used net cash of 7,448 million yen, mainly for the redemption of bonds, payment of dividends, and an increase in loans.

3. Qualitative Data on Consolidated Earnings Forecasts

Regarding our full-year earnings estimates, we revise the earnings estimates announced on May 8, 2008, as described below.

The global economy for the second half of the year is expected to become increasingly difficult, mainly due to concerns about the world's prolonged simultaneous falling stock prices and the deterioration of the real economy, lower corporate earnings and decreased personal consumption, impacted by the expansion of the financial instability from the United States.

Under this business climate, we will continue to implement a range of measures, such as cost reduction and review of sales prices, and on a consolidated basis for the year, expect to achieve net sales of 300,000 million yen (down 10.3% year on year; down 9.1% from initial estimate); operating income of 25,000 million yen (down 18.7% year on year; down 21.9% from initial estimate); ordinary income of 23,000 million yen (down 16.9% year on year; down 22.0% from initial estimate); and net income of 12,500 million yen (down 23.3% year on year; down 26.5% from initial estimate), respectively.

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).

This respectively decreases 106 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), and makes the necessary adjustments for consolidated accounting to meet the requirements of the Treatment.

This respectively increases 115 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. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

| | As of Sep. 30, 2008 | As of March 31, 2008 |
|---|---------------------|----------------------|
| | Millions of yen | Millions of yen |
| ASSETS | | |
| Current assets..... | 150,217 | 148,117 |
| Cash and cash equivalents | 24,003 | 23,281 |
| Notes and accounts receivable..... | 63,703 | 64,835 |
| Marketable securities..... | 1,183 | 1,511 |
| Finished goods..... | 17,311 | 14,615 |
| Raw materials | 7,932 | 8,232 |
| Work in process | 12,081 | 11,072 |
| Goods in transit..... | 4,662 | 5,321 |
| Supplies..... | 3,387 | 3,158 |
| Deferred tax assets..... | 7,693 | 8,498 |
| Others | 8,421 | 7,791 |
| Allowance for doubtful receivables | (163) | (202) |
| Fixed assets | 167,721 | 172,411 |
| Tangible fixed assets..... | 148,366 | 150,609 |
| Buildings and structures | 102,825 | 102,404 |
| Machinery and transportation equipment..... | 233,696 | 236,462 |
| Tools, furniture and fixtures..... | 45,798 | 45,836 |
| Land..... | 14,305 | 14,467 |
| Leased assets..... | 2,623 | — |
| Construction in progress | 2,450 | 2,235 |
| Accumulated depreciation | (253,331) | (250,797) |
| Intangible fixed assets..... | 5,883 | 9,846 |
| Goodwill | 3,167 | 6,920 |
| Others | 2,715 | 2,926 |
| Investments and other assets | 13,470 | 11,956 |
| Investments in securities | 7,231 | 6,659 |
| Long-term loans receivable..... | 27 | 37 |
| Deferred tax assets..... | 3,853 | 1,977 |
| Others | 2,361 | 3,285 |
| Allowance for doubtful receivables | (3) | (3) |
| Deferred charges..... | 7 | 15 |
| Total assets | 317,947 | 320,544 |

| | As of Sep. 30, 2008 | As of March 31, 2008 |
|--|---------------------|----------------------|
| | Millions of yen | Millions of yen |
| LIABILITIES | | |
| Current liabilities | 108,484 | 118,321 |
| Notes and accounts payable | 21,607 | 24,054 |
| Short-term loans payable | 56,559 | 50,352 |
| Current portion of bonds | — | 15,000 |
| Lease obligations | 920 | — |
| Accrued income taxes | 3,312 | 3,517 |
| Accrued bonuses | 5,989 | 3,871 |
| Allowance for bonuses to directors and corporate auditors | 54 | 117 |
| Allowance for business restructuring losses | 317 | 347 |
| Others | 19,724 | 21,060 |
| Long-term liabilities..... | 80,759 | 70,492 |
| Bonds | 21,500 | 21,500 |
| Long-term loans payable | 52,000 | 46,000 |
| Lease obligations..... | 1,227 | — |
| Allowance for retirement benefits | 5,166 | 1,707 |
| Allowance for retirement benefits to executive officers..... | 124 | 95 |
| Others | 741 | 1,189 |
| Total liabilities..... | 189,244 | 188,814 |
| NET ASSETS | | |
| Shareholders' equity..... | 188,848 | 191,087 |
| Common stock | 68,258 | 68,258 |
| Capital surplus..... | 94,756 | 94,756 |
| Earning surplus..... | 25,937 | 28,169 |
| Treasury stock | (105) | (97) |
| Revaluation / Translation differences..... | (61,479) | (60,512) |
| Difference on revaluation of other marketable securities | 2,029 | 1,755 |
| Deferred hedge gains or losses | (1) | (0) |
| Foreign currency translation adjustments | (63,506) | (62,268) |
| Minority interests in consolidated subsidiaries..... | 1,333 | 1,155 |
| Total net assets | 128,702 | 131,730 |
| Total liabilities and net assets..... | 317,947 | 320,544 |

(2) Quarterly Consolidated Statements of Income

| | Six months ended September 30, 2008 |
|--|--|
| | Millions of yen |
| Net sales | 150,613 |
| Cost of sales | 114,003 |
| Gross profit | 36,609 |
| Selling, general and administrative expenses | 24,911 |
| Operating income | 11,698 |
| Other income | 1,093 |
| Interest income | 249 |
| Dividends income | 67 |
| Income from scrap sales | 527 |
| Others | 248 |
| Other expenses | 1,901 |
| Interest expenses | 1,419 |
| Foreign currency exchange loss | 266 |
| Equity loss of affiliates | 7 |
| Others | 208 |
| Ordinary income | 10,891 |
| Extraordinary income | 81 |
| Gain on sales of fixed assets | 32 |
| Reversal of allowance for business restructuring losses | 48 |
| Extraordinary loss | 869 |
| Loss on sales of fixed assets | 13 |
| Loss on disposal of fixed assets | 284 |
| Impairment loss | 2 |
| Loss on transition of retirement benefit plan | 374 |
| Special severance payment | 195 |
| Income before income taxes and minority interests ... | 10,102 |
| Income taxes (including enterprise tax) | 3,204 |
| Adjustment of income taxes | 274 |
| Total income taxes | 3,479 |
| Minority interests in earnings of consolidated subsidiaries | 417 |
| Net income | 6,205 |

| | Three months ended September 30, 2008 |
|---|--|
| | Millions of yen |
| Net sales | 76,572 |
| Cost of sales | 57,353 |
| Gross profit | 19,218 |
| Selling, general and administrative expenses | 12,603 |
| Operating income | 6,615 |
| Other income | 527 |
| Interest income | 132 |
| Dividends income | 0 |
| Income from scrap sales | 262 |
| Others | 133 |
| Other expenses | 937 |
| Interest expenses | 706 |
| Foreign currency exchange loss | 118 |
| Equity loss of affiliates | 4 |
| Others | 107 |
| Ordinary income | 6,206 |
| Extraordinary income | 6 |
| Gain on sales of fixed assets | 6 |
| Extraordinary loss | 167 |
| Loss on sales of fixed assets | 6 |
| Loss on disposal of fixed assets | 157 |
| Impairment loss | 2 |
| Special severance payment | 1 |
| Income before income taxes and minority interests ... | 6,044 |
| Income taxes (including enterprise tax) | 2,847 |
| Adjustment of income taxes | (609) |
| Total income taxes | 2,238 |
| Minority interests in earnings of consolidated subsidiaries | 235 |
| Net income | 3,570 |

(3) Quarterly Consolidated Statements of Cash Flows

| | Six months ended September 30, 2008 |
|---|--|
| | Millions of yen |
| 1. Cash flows from operating activities: | |
| Income before income taxes and minority interests | 10,102 |
| Depreciation and amortization | 12,713 |
| Impairment loss | 2 |
| Amortization of goodwill | 402 |
| Equity (income) loss of affiliates | 7 |
| Interest and dividends income | (317) |
| Interest expenses | 1,419 |
| (Gain) loss on sales of fixed assets | (19) |
| Loss on disposal of fixed assets | 284 |
| (Increase) decrease in notes and accounts receivable | 1,041 |
| (Increase) decrease in inventories | (3,331) |
| Increase (decrease) in notes and accounts payable | (2,312) |
| Increase (decrease) in allowance for doubtful receivables | (37) |
| Increase (decrease) in accrued bonuses | 2,241 |
| Increase (decrease) in allowance for bonuses to directors and corporate auditors | (63) |
| Increase (decrease) in allowance for retirement benefits | 229 |
| (Increase) decrease in prepaid pension cost | 514 |
| Increase (decrease) in allowance for retirement benefits to executive officers | 28 |
| Increase (decrease) in allowance for business restructuring losses | (51) |
| Others | (1,216) |
| Sub-total | 21,637 |
| Interest and dividends received | 331 |
| Interest paid | (1,396) |
| Income taxes paid | (3,049) |
| Net cash provided by operating activities | 17,522 |
| 2. Cash flows from investing activities: | |
| Purchase of tangible fixed assets | (10,876) |
| Proceeds from sales of tangible fixed assets | 1,413 |
| Purchase of intangible fixed assets | (246) |
| Purchase of investments in securities | (197) |
| Long-term loans receivable | (4) |
| Recovery of long-term loans receivable | 6 |
| Others | 375 |
| Net cash used in investing activities | (9,529) |
| 3. Cash flows from financing activities: | |
| Net increase (decrease) in short-term loans payable | 6,074 |
| Proceeds from long-term loans | 6,000 |
| Payment for redemption of bonds | (15,000) |
| Purchase of treasury stock | (8) |
| Cash dividends paid | (3,990) |
| Repayment of lease obligations | (525) |
| Net cash used in financing activities | (7,448) |
| 4. Effect of exchange rate changes on cash and cash equivalents | 178 |
| 5. Net increase (decrease) in cash and cash equivalents | 721 |
| 6. Cash and cash equivalents at beginning of period | 23,281 |
| 7. Cash and cash equivalents at end of period | 24,003 |

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
[Business segments]

(Amount: millions of yen)

| | Three months ended September 30, 2008 | | | | |
|----------------------------|---------------------------------------|--|-----------|-------------|--------|
| | Machined components business | Electronic devices and components business | Sub-total | Elimination | Total |
| Total sales | | | | | |
| (1) Sales to customers | 33,917 | 42,654 | 76,572 | — | 76,572 |
| (2) Sales to other segment | 315 | 121 | 437 | (437) | — |
| Total | 34,233 | 42,776 | 77,009 | (437) | 76,572 |
| Operating income | 6,333 | 281 | 6,615 | — | 6,615 |

(Amount: millions of yen)

| | Six months ended September 30, 2008 | | | | |
|----------------------------|-------------------------------------|--|-----------|-------------|---------|
| | Machined components business | Electronic devices and components business | Sub-total | Elimination | Total |
| Total sales | | | | | |
| (1) Sales to customers | 67,170 | 83,442 | 150,613 | — | 150,613 |
| (2) Sales to other segment | 603 | 221 | 824 | (824) | — |
| Total | 67,774 | 83,663 | 151,438 | (824) | 150,613 |
| Operating income (loss) | 11,916 | (218) | 11,698 | — | 11,698 |

(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.

[Geographical segments]

(Amount: millions of yen)

| | Three months ended September 30, 2008 | | | | | | |
|----------------------------|---------------------------------------|------------------------------|------------------|--------|-----------|-------------|--------|
| | Japan | Asia (excluding Japan) | North America | Europe | Sub-total | Elimination | Total |
| Total sales | | | | | | | |
| (1) Sales to customers | 17,114 | 39,899 | 11,414 | 8,143 | 76,572 | — | 76,572 |
| (2) Sales to other segment | 40,850 | 37,842 | 572 | 366 | 79,632 | (79,632) | — |
| Total | 57,964 | 77,742 | 11,986 | 8,510 | 156,204 | (79,632) | 76,572 |
| Operating income | 1,457 | 3,994 | 749 | 413 | 6,615 | — | 6,615 |

(Amount: millions of yen)

| | Six months ended September 30, 2008 | | | | | | |
|----------------------------|-------------------------------------|------------------------------|------------------|--------|-----------|-------------|---------|
| | Japan | Asia (excluding Japan) | North America | Europe | Sub-total | Elimination | Total |
| Total sales | | | | | | | |
| (1) Sales to customers | 33,414 | 76,490 | 23,239 | 17,469 | 150,613 | — | 150,613 |
| (2) Sales to other segment | 78,150 | 73,801 | 1,087 | 712 | 153,752 | (153,752) | — |
| Total | 111,564 | 150,291 | 24,327 | 18,182 | 304,365 | (153,752) | 150,613 |
| Operating income | 2,438 | 6,682 | 1,677 | 899 | 11,698 | — | 11,698 |

(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.

[Overseas sales]

(Amount: millions of yen)

| | Three months ended September 30, 2008 | | | |
|----------------------------------|---------------------------------------|---|--------|--------|
| | Asia (excluding Japan) | North America / Central and South America | Europe | Total |
| 1. Overseas sales | 40,704 | 9,481 | 8,835 | 59,021 |
| 2. Total sales | | | | 76,572 |
| 3. Overseas sales on total sales | 53.2% | 12.4% | 11.5% | 77.1% |

(Amount: millions of yen)

| | Six months ended September 30, 2008 | | | |
|----------------------------------|-------------------------------------|---|--------|---------|
| | Asia (excluding Japan) | North America / Central and South America | Europe | Total |
| 1. Overseas sales | 77,624 | 19,312 | 18,910 | 115,847 |
| 2. Total sales | | | | 150,613 |
| 3. Overseas sales on total sales | 51.5% | 12.8% | 12.6% | 76.9% |

(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
Six months ended September 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) |
| Cash dividend from retained earnings | | | (1,994) | | (1,994) |
| Net income | | | 6,205 | | 6,205 |
| Purchase of own shares | | | | (8) | (8) |
| Sales of own shares | | (0) | | 0 | 0 |
| Changes (net) in non-shareholders' equity items | | | | | |
| Total changes | — | (0) | (2,231) | (8) | (2,239) |
| Balances at September 30, 2008 | 68,258 | 94,756 | 25,937 | (105) | 188,848 |

| | 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) |
| Cash dividend from retained earnings | | | | | | (1,994) |
| Net income | | | | | | 6,205 |
| Purchase of own shares | | | | | | (8) |
| Sales of own shares | | | | | | 0 |
| Changes (net) in non-shareholders' equity items | 273 | (1) | (1,238) | (966) | 178 | (788) |
| Total changes | 273 | (1) | (1,238) | (966) | 178 | (3,027) |
| Balances at September 30, 2008 | 2,029 | (1) | (63,506) | (61,479) | 1,333 | 128,702 |

(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) Interim Consolidated Statements of Income

| | Half year ended September 30, 2007 | |
|--|---------------------------------------|-------------|
| | Millions of yen | % Comp. |
| Net sales | 168,247 | 100.0 |
| Cost of sales | <u>127,973</u> | <u>76.1</u> |
| Gross profit | 40,274 | 23.9 |
| Selling, general and administrative expenses | <u>25,153</u> | <u>14.9</u> |
| Operating income..... | 15,121 | 9.0 |
| Other income..... | 1,283 | 0.8 |
| Interest income..... | 397 | |
| Dividends income | 64 | |
| Equity income of affiliates | 0 | |
| Others..... | 821 | |
| Other expenses..... | 3,167 | 1.9 |
| Interest expenses..... | 2,494 | |
| Foreign currency exchange loss | 363 | |
| Others..... | <u>309</u> | |
| Ordinary income | 13,236 | 7.9 |
| Extraordinary income | 61 | 0.0 |
| Gain on sales of fixed assets | 50 | |
| Reversal of allowance for doubtful receivables | 11 | |
| Extraordinary loss | 1,101 | 0.7 |
| Loss on sales of fixed assets..... | 64 | |
| Loss on disposal of fixed assets..... | 289 | |
| Impairment loss..... | 69 | |
| Loss on liquidation of affiliates..... | 14 | |
| Special severance payment..... | 131 | |
| Retirement benefits to directors and corporate auditors | <u>531</u> | |
| Income before income taxes and minority interests ... | 12,196 | 7.2 |
| Income taxes (including enterprise tax)..... | 3,689 | |
| Adjustment of income taxes..... | <u>494</u> | |
| Total income taxes | 4,184 | 2.5 |
| Minority interests in earnings of consolidated subsidiaries | <u>537</u> | <u>0.3</u> |
| Net income | <u>7,474</u> | <u>4.4</u> |

(2) Interim Consolidated Statements of Cash Flows

| | Half year ended September 30, 2007 |
|--|---------------------------------------|
| | Millions of yen |
| 1. Cash flows from operating activities: | |
| Income before income taxes and minority interests | 12,196 |
| Depreciation and amortization | 13,295 |
| Impairment loss | 69 |
| Amortization of goodwill | 534 |
| Equity income of affiliates | (0) |
| Interest and dividends income | (461) |
| Interest expenses | 2,494 |
| (Gain) loss on sales of fixed assets | 14 |
| Loss on disposal of fixed assets | 289 |
| Increase in notes and accounts receivable | (3,363) |
| Increase in inventories | (2,894) |
| Increase in notes and accounts payable | 2,602 |
| Decrease in allowance for doubtful receivables | (11) |
| Increase in accrued bonuses | 2,340 |
| Decrease in allowance for bonuses to directors and corporate auditors | (49) |
| Increase in allowance for retirement benefits | 251 |
| Increase in prepaid pension cost | (39) |
| Decrease in allowance for retirement benefits to executive officers | (11) |
| Decrease in allowance for business restructuring losses | (7) |
| Others | 421 |
| Sub-total | <u>27,671</u> |
| Interest and dividends received | 459 |
| Interest paid | (2,477) |
| Income taxes paid | (5,346) |
| Settlement package paid | (808) |
| Net cash provided by operating activities | <u>19,499</u> |
| 2. Cash flows from investing activities: | |
| Purchase of tangible fixed assets | (12,035) |
| Proceeds from sales of tangible fixed assets | 1,026 |
| Purchase of intangible fixed assets | (340) |
| Purchase of investments in securities | (0) |
| Long-term loans receivable | (11) |
| Recovery of long-term loans receivable | 7 |
| Others | 89 |
| Net cash used in investing activities | <u>(11,263)</u> |
| 3. Cash flows from financing activities: | |
| Decrease in short-term loans payable | (2,060) |
| Proceeds from long-term loans | 1,000 |
| Repayment of long-term loans | (3,165) |
| Purchase of treasury stock | (9) |
| Cash dividends paid | (3,990) |
| Net cash used in financing activities | <u>(8,225)</u> |
| 4. Effect of exchange rate changes on cash and cash equivalents | (44) |
| 5. Net decrease in cash and cash equivalents | (34) |
| 6. Cash and cash equivalents at beginning of period | <u>21,731</u> |
| 7. Cash and cash equivalents at end of period | <u>21,697</u> |

(3) Segment Information
[Business segments]

(Amount: millions of yen)

| | Half year ended September 30, 2007 | | | | |
|----------------------------|------------------------------------|--|-----------|-------------|---------|
| | Machined components business | Electronic devices and components business | Sub-total | Elimination | Total |
| Total sales | | | | | |
| (1) Sales to customers | 72,249 | 95,998 | 168,247 | — | 168,247 |
| (2) Sales to other segment | 4,639 | 2,425 | 7,064 | (7,064) | — |
| Total | 76,888 | 98,423 | 175,312 | (7,064) | 168,247 |
| Operating expense | 63,184 | 97,006 | 160,191 | (7,064) | 153,126 |
| Operating income | 13,704 | 1,417 | 15,121 | — | 15,121 |

[Geographical segments]

(Amount: millions of yen)

| | Half year ended September 30, 2007 | | | | | | |
|----------------------------|------------------------------------|------------------------|---------------|--------|-----------|-------------|---------|
| | Japan | Asia (excluding Japan) | North America | Europe | Sub-total | Elimination | Total |
| Total sales | | | | | | | |
| (1) Sales to customers | 37,982 | 85,500 | 28,088 | 16,676 | 168,247 | — | 168,247 |
| (2) Sales to other segment | 84,536 | 87,843 | 1,015 | 567 | 173,964 | (173,964) | — |
| Total | 122,519 | 173,343 | 29,104 | 17,244 | 342,212 | (173,964) | 168,247 |
| Operating expense | 117,832 | 166,067 | 26,606 | 16,584 | 327,090 | (173,964) | 153,126 |
| Operating income | 4,687 | 7,276 | 2,498 | 659 | 15,121 | — | 15,121 |

[Overseas sales]

(Amount: millions of yen)

| | Half year ended September 30, 2007 | | | |
|----------------------------------|------------------------------------|---|--------|---------|
| | Asia (excluding Japan) | North America / Central and South America | Europe | Total |
| 1. Overseas sales | 87,788 | 22,883 | 18,889 | 129,561 |
| 2. Total sales | | | | 168,247 |
| 3. Overseas sales on total sales | 52.2% | 13.6% | 11.2% | 77.0% |