

Outlook for Fiscal 2008

(as of May 31, 2007)

In Japan, favorable business results are expected to favorably affect household spending and private-sector demand to continue driving economic expansion. Elsewhere in Asia, China's economy continues to expand, while in the United States sustained, moderate economic growth is forecast despite concerns over crude oil prices. As a consequence, well-balanced growth in the global economy is expected to continue in fiscal 2008.

In our machined components segment we will take decisive steps to expand sales of mainstay ball bearings to the automobile and information and telecommunications equipment industries, demand from which remains firm. By maximizing economies of scale resulting from expanded sales to further reduce costs, we will strive to further improve segment results. We expect our rod-end bearings business to benefit from a robust market for these bearings for aerospace use, particularly in Europe and the United States. We also expect favorable sales of pivot assemblies, reflecting favorable demand.

In the electronic devices and components segment, we expect solid results in the information motors business, owing to major structural reforms aimed at improving production efficiency and subcontractor management and at revamping our product mix. In HDD spindle motors, we will continue to promote cost reductions and strive to expand sales of 2.5-inch motors. In PC keyboards, we expect stable results with the completion of a shift in the focus of our production and sales structure to high-value-added models. Sales of measuring components and other products are also expected to advance favorably.

As a consequence of the abovementioned factors, as of May 31, 2007, we forecast consolidated net sales of ¥335,000 million, operating income of ¥30,000 million and net income of ¥15,000 million in fiscal 2008.

Risk Management

Minebea recognizes a variety of risks and uncertainties that have the potential to affect its operating results and/or financial position. As of June 28, 2007, the date of Minebea's Japanese-language *yuka shoken hokokusho*, the filing of which is required of all publicly traded companies under Japan's Securities and Exchange Law, Minebea recognized the following risks.

Market Risk

Principal markets for Minebea products, including those for PCs and peripheral equipment, information and telecommunications equipment and household electrical appliances, are intensely competitive and subject to significant fluctuations in demand. Accordingly, our operating results and financial position are vulnerable to sudden fluctuations in demand and changes in our customers' product requirements.

Foreign Exchange Risk

A significant portion of our consolidated net sales are in markets outside of Japan. Our business is thus vulnerable to risks associated with fluctuations in foreign currency exchange rates. We have entered into various currency exchange contracts and other derivatives transactions to hedge these risks, but fluctuations in foreign currency exchange rates may affect our operating results and/or financial position over the long term.

R&D Risk

With the aim of introducing a constant stream of new, high-quality products, we conduct extensive R&D. Nonetheless, there is no guarantee that R&D efforts will come to fruition. Accordingly, we are subject to the risk that significant R&D expenditures may not be rewarded with successful products.

Litigation Risk

The Legal Department is responsible for managing risk related to lawsuits and other legal actions brought against our operations in Japan and/or overseas. However, we are subject to the risk that lawsuits or other actions with the potential to affect our operating results and/or financial position may be brought against us in the future.

Risk Related to Price Negotiations

We continue to face intense competition from lower-priced products manufactured in other countries and regions. Accordingly, we are subject to the risk that we will be unable to maintain or increase our share should market needs shift to low-quality, low-priced products.

Risk Related to Raw Materials and Logistics Costs

We purchase a variety of materials from external suppliers and strive to ensure optimal inventory volumes for such materials and access to stable supplies of materials with stable prices. However, we are subject to the risk that rising prices for such materials may affect our operating results and/or financial position.

Latent Risk Related to Operations Overseas

The Minebea Group's manufacturing activities are conducted primarily in Thailand, China and Singapore. While considerable time has passed since we established operations in these countries, and while we continue to promote the integration of these operations, our operations overseas are subject to a number of risks that may have a negative impact on our operating results and/or financial position. These include unexpected changes to laws or regulations, difficulty in attracting and securing appropriate human resources, and acts of terrorism or war, or other acts that may cause social disruption.