

**MINEBEA CO.,LTD.**

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MEGURO-KU. TOKYO 153-8662 JAPAN  
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March 10, 2004

THE U.S. SECURITIES AND EXCHANGE COMMISSION  
450 Fifth Street, N.W.  
Room 3099  
Office of International Corporate Finance  
Mail Stop 3-7  
Washington, D.C. 20549



RE: Minebea Co., Ltd. – File No. 82-4551

SUPPL

To whom it may concern:

Minebea Co., Ltd. is pleased to enclose for filing the following documents:

PROCESSED

MAR 15 2004

THOMSON  
FINANCIAL

- A) Outline of Financial Results for the Third Quarter of FY2004, ended December 31, 2003
- B) Press release dated on March 4, 2004

These releases are to be filed with respect to the Issuer's obligations pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Sincerely,

Akane Unno  
Investor Relations

Handwritten initials and date: JW 3/15



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(Translation)

March 4, 2004

Minebea Co., Ltd.

**< Press Release >**

**Minebea's Manufacturing Subsidiary in U.S.A. is Selected as One of the Award Recipients for Exemplary Pollution Prevention Activities Implemented in California**

California's Department of Toxic Substance Control (hereinafter "DTSC") has announced in December 2003 its selection of New Hampshire Ball Bearings (hereinafter NHBB), Inc.'s Precision Division, a manufacturing subsidiary in Chatsworth, California of Minebea Co., Ltd. (hereinafter "Minebea"), as one of the award recipients for exemplary pollution prevention activities implemented in 2003. The DTSC has recognized more than 50 local governments, businesses, nonprofit organizations, and individuals in 2003. NHBB is one of the three industrial / private sector recipients.

Minebea, the parent company of NHBB, considers environmental preservation at all of its production bases worldwide to be a cornerstone of its management policy. NHBB has likewise made an all-out effort on environmental preservation based on its basic policies, such as pollution prevention, regulatory compliance, and continuous reduction of environmental impact. Also, NHBB has been certified for ISO 14001 since 2001.

NHBB has saved more than 52,000 gallons of water annually by using specific recycling and water reduction activities, and is working on the following environmental preservation activities.

- Solvents are recycled on site.
- Paper, computers, batteries, pallets, scrap metal, green waste, cans, and cardboard are segregated on site for further recycling.
- Rinse water for the ball bearing component passivation process is recycled through an ion exchange system to reduce water use.
- Ion exchange backwash water is treated on site and discharged under permit to the City.
- Since 1999, emissions of volatile organic compounds (VOC) have dropped from 11 tons to just 3.5 tons in 2002.

*For inquiries, please contact:*

Minebea Co., Ltd.

Masaki Ishikawa

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OUTLINE OF FINANCIAL RESULTS  
FOR THE THIRD QUARTER OF FY2004, ENDED DECEMBER 31, 2003

February 5, 2004

Registered  
Company Name: **MINEBEA CO., LTD.**  
Code No: 6479  
(URL <http://www.minebea.co.jp>)

Common Stock Listings: Tokyo, Osaka, and Nagoya  
Headquarters: Nagano-ken

Representative : Tsugio Yamamoto Representative Member of the Board , President and Chief Executive Officer  
Contact: Takashi Yamaguchi Managing Executive Officer in charge of Finance and Accounting

Tel. (03) 5434-8611

1. Matters concerning preparation of quarterly performance summary

- (1) Changes in accounting method: None  
(2) Accounting changes of scope of consolidation and application of equity method :  
(Compared with the ends of interim period )  
(a) Changes in consolidated subsidiaries  
Anew: 1 company Exclusion: None  
(b) Changes of the companies subject to equity method  
Anew: None Exclusion: None

2. Business performance (April 1, 2003 through December 31, 2003)

(1) Consolidated Results of Operations

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

|                    | Net sales<br>(millions of yen) | %<br>Change | Operating income<br>(millions of yen) | %<br>Change | Ordinary income<br>(millions of yen) | %<br>Change |
|--------------------|--------------------------------|-------------|---------------------------------------|-------------|--------------------------------------|-------------|
| FY2004 3rd Quarter | 202,469                        | (1.7)       | 13,998                                | (10.8)      | 11,265                               | (3.7)       |
| FY2003 3rd Quarter | 205,973                        | —           | 15,696                                | —           | 11,703                               | —           |
| FY2003 Annual      | 272,202                        | (2.6)       | 19,352                                | (11.9)      | 13,420                               | (16.1)      |

|                    | Net income<br>(millions of yen) | %<br>Change | Net income per share<br>(yen) | Fully diluted net income<br>per share(yen) |
|--------------------|---------------------------------|-------------|-------------------------------|--|
| FY2004 3rd Quarter | 4,348                           | (1.9)       | 10.90                         | 10.50                                      |
| FY2003 3rd Quarter | 4,432                           | —           | 11.11                         | 10.49                                      |
| FY2003 Annual      | (2,434)                         | —           | (6.10)                        | —  |

(Notes) 1. Income or loss on investments for the third quarter in FY2004 on the equity method totaled 1 million yen and 1 million yen in the third quarter FY2003 and 10 million yen in FY2003.

2. Weighted average number of shares outstanding during the respective years (consolidation):

399,092,070 shares at December 31, 2003

399,141,932 shares at December 31, 2002

399,131,972 shares at March 31, 2003

3. The percentages of net sales, operating income, ordinary income and net income show changes from the same quarter of the previous fiscal year.

(2) Consolidated Financial Position

|                    | Total assets<br>(millions of yen) | Shareholders' equity<br>(millions of yen) | Shareholders'<br>equity ratio (%) | Shareholder's equity<br>per share (yen) |
|--------------------|-----------------------------------|---|-----------------------------------|---|
| FY2004 3rd Quarter | 313,878                           | 96,292                                    | 30.7                              | 241.28                                  |
| FY2003 3rd Quarter | 320,944                           | 103,360                                   | 32.2                              | 258.98                                  |
| FY2003 Annual      | 320,069                           | 98,212                                    | 30.7                              | 246.08                                  |

(Notes) Number of shares outstanding at end of term (consolidation) :

399,085,572 shares at December 31, 2003

399,104,669 shares at December 31, 2002

399,100,842 shares at March 31, 2003

(3) Consolidated Cash Flows

|                    | Cash flows from<br>operating activities<br>(millions of yen) | Cash flows from<br>investing activities<br>(millions of yen) | Cash flows from<br>financing activities<br>(millions of yen) | Cash and cash<br>equivalents<br>at end of period<br>(millions of yen) |
|--------------------|--|--|--|---|
| FY2004 3rd Quarter | 12,529   | (10,489)   | (958)  | 14,824  |
| FY2003 3rd Quarter | 20,238   | (11,900)   | (10,282)   | 11,652  |
| FY2003 Annual      | 32,279   | (16,233)   | (15,471)   | 14,177  |

3. Prospect for this fiscal year (April 1, 2003 through March 31, 2004)

|        | Net sales<br>(millions of yen) | Ordinary income<br>(millions of yen) | Net income<br>(millions of yen) | Net income per share<br>(yen) |
|--------|--------------------------------|--------------------------------------|---------------------------------|-------------------------------|
| Annual | 271,000                        | 15,300                               | 6,700                           | 16.79                         |

(Notes) 1. These forecasts are a restatement of the figures announced on November 13, 2003, which was the date of announcement of the interim financial statements. (For this restatement, please refer to page four and five of the attached information.)

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.

## (Reference)

### 1. Operating Performance and Financial Position

#### (1) Operating Performance

##### 1. Overview of the third quarter (April 1, 2003 through December 31, 2003)

During the third quarter of the current consolidated fiscal year, the Japanese economy recovered moderately, led by growing exports and business investment amid a continued pickup in the global economy, although public works spending and personal consumption generally slacked.

The U.S. economy recovered briskly. In addition to increased corporate earnings and high growth in business investment, consumer spending was firm, and employment headed for gradual improvement. The European economy, led by external demand, took a favorable turn. The economies of Asia, particularly China and Thailand, continued to expand mainly due to solid increases in domestic consumption and high growth in exports.

Demand from manufacturers of information and telecommunications equipment such as personal computers, peripherals and office automation equipment—the major customer base of our mainstay products—grew soundly as the global economy picked up. However, price competition grew even more intense, keeping us in a difficult situation.

In this business climate, we redoubled our efforts to aggressively expand sales in all our business segments. At the same time, we strove to reduce costs by further improving efficiency of our sales and manufacturing activities to boost profitability; and to enhance product quality, and to develop high value-added products. However, owing to the yen's rise and other business factors, net sales was 202,469 million yen, operating income 13,998 million yen, and ordinary income 11,265 million yen, down 3,503 million yen (-1.7%), 1,697 million yen (-10.8%), and 437 million yen (-3.7%), respectively, compared with the same period last year. Net income amounted to 4,348 million yen, down 84 million yen (-1.9%) compared with the same period a year ago. This was the result of posting, as extraordinary losses, retirement benefits to directors and corporate auditors in the amount of 431 million yen as a result of changes in the structure of the Board of Directors (reduction in the number of directors), and special severance payments for early retired employees totaling 307 million yen, as well as posting, as extraordinary profits, the adjustment of 325 million yen to the prior year's losses on liquidation of subsidiaries and affiliates.

#### (a) The Minebea Group performance by business segment is as follows:

##### Machined components business

Our products in this 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. Ball bearings rose in sales volumes from the same period last year, but their sales decreased owing to price competition and appreciation of the yen. Demand for rod-end bearings continued to decline from the aerospace industry—our major market segment—ever since the 9-11 terrorist attacks in the U.S. Net sales decreased 5,933 million yen (-6.7%) from the same period last year to 83,099 million yen, while operating income rose 279 million yen (2.0%) to 14,213 million yen compared with the same period a year ago, which is the fruit of our cost reduction measures.

##### Electronic devices and components business

Our core products in this business segment include precision small motors such as HDD spindle motors, fan motors, and stepping motors; PC keyboards; speakers, switching power supplies; lighting devices; and measuring instruments.

Demand from the information and telecommunications equipment industry—the primary customer base—recovered. In this business climate, sales of HDD spindle motors and lighting devices steadily increased and those of fan motors remained strong. Net sales rose 2,430 million yen (2.1%) from the same period last year to 119,370 million yen. However, operating income fell 1,976 million yen to 214 million yen from the same period a year ago, owing to delays in cost reduction and increased costs accompanying the production shift of PC keyboards from Thailand to Shanghai.

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

##### Japan

Amid a trend of economic recovery, while net sales decreased 5,464 million yen (-9.8%) from the same period last year to 50,467 million yen, operating income increased 1,075 million yen (45.3%) to 3,448 million yen.

#### Asia excluding Japan

This region offers important manufacturing bases for Japanese, European, and American manufacturers of personal computers and household electrical appliances. Sales were firm owing mainly to recovery of demand from the information and telecommunications equipment industry and to production shift to this region by Japanese, American and European customers.

At the same time, price competition is getting more intense as production expands in this part of the world. As a result, net sales increased 12,783 million yen (15.9%) over the same period last year to 93,008 million yen, whereas operating income declined 1,613 million yen (-15.2%) from the same period last year to 9,007 million yen.

#### North and South America

Sales of electronic devices and components such as PC keyboards, speakers, and fan motors were weak in this region. In addition, amid a swift escalation of production shift by our customers to Asia, demand from the aerospace industry for aircraft bearings such as rod-end bearings continued to decline since the 9-11 terrorist attacks in the U.S. This held business in this region in a difficult situation.

As a result, net sales and operating income declined 8,423 million yen (-18.7%) and 155 million yen (-13.6%) from the same period last year to 36,704 million yen and 983 million yen, respectively.

#### Europe

Sales of ball bearings, rod-end bearings and other products were firm as a moderate economic recovery was seen in this region. On the other hand, sales of electronic devices and components such as PC keyboards were slow. As a consequence, net sales were 22,289 million yen and operating income 559 million yen, down 2,400 million yen (-9.7%) and 1,004 million yen (-64.2%), respectively, compared with the same period last year.

## 2. Outlook for the current fiscal year

For the full consolidated fiscal year, we expect the global economy, particularly the economies of the U.S. and Asia, will stay on a steady recovery path.

In this business climate, we expect that demand from the information and telecommunications equipment and household electrical appliance industries—our major customer bases—will hold strong. Although we continue our sales expansion efforts and further cost reduction measures, net sales are expected to be 271,000 million yen, operating income 15,300 million yen, and net income 6,700 million yen, down 4,000 million, 1,700 million yen, and 1,800 million yen from their initially forecast targets, respectively, owing to the effect of the yen's rise and intensified price competition.

### (a) The outlook by business segment for the current fiscal year is as follows:

#### Machined components business

We will continue to focus on expanding sales of ball bearings, pivot assemblies, and other products that form our mainstay products. Demand from the information and telecommunications equipment and household electrical appliance industries—the major customer bases for these products—is brisk, and demand from the automobile industry is also expected to hold firm. We will continue our effort to further reduce manufacturing costs, to enhance product quality, and to expand sales of ball bearings and the related mainstay products, so that we will be able to improve our business performance. Although demand from the aerospace industry—one of our major customer bases for rod-end bearings—continues to be weak, we expect that it will head for gradual recovery.

#### Electronic devices and components business

Demand from the information and telecommunications equipment industry, which forms the main customer base of our electronic devices and components business, is expected to hold strong. We will strive to further expand sales of fan motors, lighting devices, and HDD spindle motors; and to take cost-reduction measures for core products. We will also direct our effort toward developing high value-added products and low-end products and placing them on the market, thereby contributing to enhance our business performance.

### (b) The outlook by geographical segment for the current fiscal year is as follows:

#### Japan

We expect that many of our customers will promote production shift from their plants in Japan to those in other Asian countries. This will put us in a tougher sales situation. To cope with this, we will promote the efficiency of management from manufacturing to sales and, at the same time, will intensify the links

between sales, manufacturing, and engineering groups in various parts of Japan. By so doing, we will focus our effort on enhancing business performance.

#### Asia excluding Japan

This region offers the largest market for our products. Taking full advantage of having our key manufacturing bases right in this largest market area, we aim to respond speedily to the production shift by our key customers to this region from Europe, the U.S. and Japan.

#### North and South America

Although the 9-11 terrorist attacks in the U.S. continued to decline the number of air travelers, we expect demand from the aerospace industry to gradually improve. We also expect that, despite a strong pickup in the U.S. economy, progress in production shift to China and other Asian countries by some of our key customers will continue to put us in a difficult sales situation.

#### Europe

We will continue to strive to expand sales of bearings and other core products by streamlining operations and responding quickly to market needs.

### (2) Financial Position in the Third Quarter of the Current Fiscal Year (April 1, 2003 through December 31, 2003)

The Minebea Group has pursued its principal management policy of enhancing its financial soundness and continued to take decisive steps to squeeze inventories and reduce interest-bearing debt.

Cash flows from various activities during the third quarter and relevant factors are as follows:

Our all-out effort to improve business performance brought net cash inflow of 12,529 million yen from operating activities. Expenditure for purchase of property, plant and equipment amounted to 13,206 million yen, resulting in net cash outflow of 10,489 million yen from investing activities. Increase in short-term and long-term loans payable amounting to 1,024 million yen and other factors resulted in net cash outflow of 958 million yen from financing activities. As a result, the balance of cash and cash equivalents in the third quarter totaled 14,824 million yen, up 3,172 million yen from the same period last year.

### (3) Important Agreement in the Third Quarter of the Current Fiscal Year

In accordance with the basic agreement signed on August 27, 2003, we and Matsushita Electric Industrial Co., Ltd. entered into a business integration agreement on December 19, 2003. Both companies will integrate their information motor businesses on April 1, 2004 to establish a new joint venture company named Minebea Matsushita Motor Corporation.

2. Consolidated Financial Statements and Notes  
(1) Consolidated Balance Sheets

|  | As of<br>December 31,2003 |            | As of<br>December 31,2002 |            | Increase or<br>(decrease)<br>(2003- 2002) |       | As of<br>March 31,2003 |            |
|--|---------------------------|------------|---------------------------|------------|---|-------|------------------------|------------|
|  | Millions of<br>yen        | %<br>Comp. | Millions of<br>yen        | %<br>Comp. | Millions of<br>yen                        | %     | Millions of<br>yen     | %<br>Comp. |
|  |                           |            |                           |            |   |       |                        |            |
| <b>ASSETS</b>                                  |                           |            |                           |            |   |       |                        |            |
| Current assets.....                            | 137,045                   | 43.7       | 127,245                   | 39.6       | 9,800                                     | 7.7   | 127,447                | 39.8       |
| Cash and cash equivalents.....                 | 14,824                    |            | 11,652                    |            | 3,172                                     |       | 14,177                 |            |
| Notes and accounts receivable..                | 59,322                    |            | 56,066                    |            | 3,256                                     |       | 54,085                 |            |
| Inventories.....                               | 45,631                    |            | 45,098                    |            | 532                                       |       | 43,204                 |            |
| Deferred tax assets.....                       | 8,050                     |            | 6,989                     |            | 1,061                                     |       | 8,593                  |            |
| Others.....                                    | 9,664                     |            | 7,907                     |            | 1,756                                     |       | 7,856                  |            |
| Allowance for doubtful receivables....         | (447)                     |            | (469)                     |            | 21  |       | (469)                  |            |
| Fixed assets.....                              | 176,780                   | 56.3       | 193,683                   | 60.4       | (16,903)                                  | (8.7) | 192,608                | 60.2       |
| Tangible fixed assets.....                     | 150,474                   |            | 164,285                   |            | (13,810)                                  |       | 162,960                |            |
| Building and structure.....                    | 92,536                    |            | 97,076                    |            | (4,539)                                   |       | 97,395                 |            |
| Machinery and transportation<br>equipment..... | 183,597                   |            | 189,582                   |            | (5,985)                                   |       | 191,394                |            |
| Tools, furniture and fixtures.....             | 45,308                    |            | 47,335                    |            | (2,026)                                   |       | 47,497                 |            |
| Land.....                                      | 16,252                    |            | 16,666                    |            | (413)                                     |       | 16,710                 |            |
| Construction in progress.....                  | 954                       |            | 885                       |            | 68  |       | 438                    |            |
| Accumulated depreciation.....                  | (188,175)                 |            | (187,260)                 |            | (914)                                     |       | (190,476)              |            |
| Intangible fixed assets.....                   | 12,357                    |            | 14,057                    |            | (1,700)                                   |       | 13,749                 |            |
| Consolidation adjustments.....                 | 11,426                    |            | 13,128                    |            | (1,702)                                   |       | 12,837                 |            |
| Others.....                                    | 931                       |            | 929                       |            | 2   |       | 912                    |            |
| Investment and other assets.....               | 13,948                    |            | 15,340                    |            | (1,392)                                   |       | 15,898                 |            |
| Investment in securities.....                  | 6,583                     |            | 4,901                     |            | 1,682                                     |       | 3,982                  |            |
| Long-term loans receivable.....                | 50                        |            | 212                       |            | (162)                                     |       | 188                    |            |
| Deferred tax assets.....                       | 5,462                     |            | 7,966                     |            | (2,503)                                   |       | 9,494                  |            |
| Others.....                                    | 1,960                     |            | 2,520                     |            | (560)                                     |       | 2,715                  |            |
| Allowance for doubtful receivables.....        | (108)                     |            | (260)                     |            | 151                                       |       | (483)                  |            |
| Deferred assets.....                           | 53                        | 0.0        | 15                        | 0.0        | 38  | 247.4 | 13                     | 0.0        |
| Total assets.....                              | 313,878                   | 100.0      | 320,944                   | 100.0      | (7,065)                                   | (2.2) | 320,069                | 100.0      |

|                            |                      |                      |                   |
|----------------------------|----------------------|----------------------|-------------------|
|                            | <u>December 2003</u> | <u>December 2002</u> | <u>March 2003</u> |
| (Note) Treasury stock..... | 82,123 shares        | 63,026 shares        | 66,853 shares     |

|  | As of<br>December 31, 2003 |            | As of<br>December 31, 2002 |            | Increase or<br>(decrease)<br>(2003- 2002) |         | As of<br>March 31, 2003 |            |
|--|----------------------------|------------|----------------------------|------------|---|---------|-------------------------|------------|
|  | Millions of<br>yen         | %<br>Comp. | Millions of<br>yen         | %<br>Comp. | Millions of<br>yen                        | %       | Millions of<br>yen      | %<br>Comp. |
|  |                            |            |                            |            |   |         |                         |            |
| <b>LIABILITIES</b>   |                            |            |                            |            |   |         |                         |            |
| Current liabilities.....   | 122,683                    | 39.1       | 150,783                    | 47.0       | (28,100)                                  | (18.6)  | 134,459                 | 42.0       |
| Notes and accounts payable.....  | 27,791                     |            | 25,591                     |            | 2,200                                     |         | 24,025                  |            |
| Short-term loans payable.....  | 64,802                     |            | 53,898                     |            | 10,904                                    |         | 67,475                  |            |
| Commercial paper.....  | 6,000                      |            | —                          |            | 6,000                                     |         | 3,000                   |            |
| Current portion of long-term loans<br>payable .....  | 2,399                      |            | 28,487                     |            | (26,088)                                  |         | 787                     |            |
| Current portion of bonds.....  | —                          |            | 10,000                     |            | (10,000)                                  |         | 10,000                  |            |
| Current portion of convertible<br>bonds.....   | —                          |            | 13,823                     |            | (13,823)                                  |         | —                       |            |
| Accrued income taxes.....  | 2,257                      |            | 2,141                      |            | 115                                       |         | 2,662                   |            |
| Accrued bonuses.....   | 1,504                      |            | 1,592                      |            | (88)                                      |         | 3,358                   |            |
| Reserve for loss on liquidation of<br>the business of switching power<br>supplies, inductors and<br>transformers, etc..... | 1,942                      |            | —                          |            | 1,942                                     |         | 3,144                   |            |
| Reserve for environmental<br>preservation expense .....  | 1,077                      |            | —                          |            | 1,077                                     |         | 1,206                   |            |
| Others.....  | 14,907                     |            | 15,247                     |            | (340)                                     |         | 18,799                  |            |
| Long-term liabilities.....   | 94,098                     | 30.0       | 66,523                     | 20.7       | 27,574                                    | 41.5    | 87,128                  | 27.2       |
| Bonds.....   | 38,000                     |            | 25,000                     |            | 13,000                                    |         | 28,000                  |            |
| Convertible bonds.....   | 27,080                     |            | 27,080                     |            | —   |         | 27,080                  |            |
| Bond with warrant.....   | 4,000                      |            | 4,000                      |            | —   |         | 4,000                   |            |
| Long-term loans payable.....   | 23,980                     |            | 9,916                      |            | 14,064                                    |         | 26,782                  |            |
| Allowance for retirement benefits..  | 698                        |            | 226                        |            | 472                                       |         | 229                     |            |
| Allowance for retirement benefits<br>to executive officers.....  | 14                         |            | —                          |            | 14  |         | —                       |            |
| Others.....  | 324                        |            | 301                        |            | 22  |         | 1,036                   |            |
| Total liabilities.....   | 216,781                    | 69.1       | 217,307                    | 67.7       | (525)                                     | (0.2)   | 221,587                 | 69.2       |
| <b>MINORITY INTEREST IN<br/>CONSOLIDATED SUBSIDIARIES</b>  |                            |            |                            |            |   |         |                         |            |
|  | 804                        | 0.2        | 276                        | 0.1        | 528                                       | 191.3   | 269                     | 0.1        |
| <b>SHAREHOLDERS' EQUITY</b>  |                            |            |                            |            |   |         |                         |            |
| Common stock.....  | 68,258                     | 21.8       | 68,258                     | 21.2       | —   | —       | 68,258                  | 21.3       |
| Additional paid-in capital.....  | 94,756                     | 30.2       | 94,756                     | 29.5       | —   | —       | 94,756                  | 29.6       |
| Retained earnings.....   | 3,878                      | 1.2        | 9,206                      | 2.9        | (5,328)                                   | (57.9)  | (454)                   | (0.1)      |
| Difference on revaluation of other<br>marketable securities .....  | 1,582                      | 0.5        | (2,297)                    | (0.7)      | 3,879                                     | (168.9) | (37)                    | (0.0)      |
| Foreign currency translation<br>adjustments.....   | (72,137)                   | (23.0)     | (66,528)                   | (20.7)     | (5,609)                                   | 8.4     | (64,274)                | (20.1)     |
| Treasury stock.....  | (45)                       | (0.0)      | (35)                       | (0.0)      | (9)                                       | 26.8    | (37)                    | (0.0)      |
| Total shareholders' equity.....  | 96,292                     | 30.7       | 103,360                    | 32.2       | (7,068)                                   | (6.8)   | 98,212                  | 30.7       |
| <b>TOTAL LIABILITIES, MINORITY<br/>INTEREST IN CONSOLIDATED<br/>SUBSIDIARIES AND<br/>SHAREHOLDERS' EQUITY.....</b>         |                            |            |                            |            |   |         |                         |            |
|  | 313,878                    | 100.0      | 320,944                    | 100.0      | (7,065)                                   | (2.2)   | 320,069                 | 100.0      |

## (2) Consolidated Statements of Income

|   | 3rd Quarter<br>ended<br>December 31, 2003 |            | 3rd Quarter<br>ended<br>December 31, 2002 |            | Increase or<br>(decrease)<br>(2003- 2002) |        | Year ended<br>March 31, 2003 |            |
|---|---|------------|---|------------|---|--------|------------------------------|------------|
|   | Millions of<br>yen                        | %<br>Comp. | Millions of<br>yen                        | %<br>Comp. | Millions of<br>yen                        | %      | Millions of<br>yen           | %<br>Comp. |
|   |   |            |   |            |   |        |                              |            |
| Net sales.....  | 202,469                                   | 100.0      | 205,973                                   | 100.0      | (3,503)                                   | (1.7)  | 272,202                      | 100.0      |
| Cost of sales.....  | 152,749                                   | 75.4       | 153,543                                   | 74.5       | (794)                                     | (0.5)  | 203,500                      | 74.8       |
| Gross profit.....   | 49,720                                    | 24.6       | 52,430                                    | 25.5       | (2,709)                                   | (5.2)  | 68,702                       | 25.2       |
| Selling, general and<br>administrative expenses.....  | 35,721                                    | 17.7       | 36,733                                    | 17.9       | (1,012)                                   | (2.8)  | 49,350                       | 18.1       |
| Operating income.....   | 13,998                                    | 6.9        | 15,696                                    | 7.6        | (1,697)                                   | (10.8) | 19,352                       | 7.1        |
| Other income.....   | 1,019                                     | 0.5        | 898                                       | 0.4        | 121                                       | 13.5   | 1,226                        | 0.4        |
| Interest income.....  | 84  |            | 132                                       |            | (47)                                      |        | 243                          |            |
| Dividends income.....   | 26  |            | 47  |            | (21)                                      |        | 48                           |            |
| Equity income of affiliates.....  | 1   |            | 1   |            | (0)                                       |        | 10                           |            |
| Others.....   | 906                                       |            | 716                                       |            | 190                                       |        | 923                          |            |
| Other Expenses.....   | 3,752                                     | 1.8        | 4,890                                     | 2.3        | (1,138)                                   | (23.3) | 7,158                        | 2.6        |
| Interest expenses.....  | 2,490                                     |            | 3,613                                     |            | (1,123)                                   |        | 4,765                        |            |
| Foreign currency exchange loss.....   | 346                                       |            | 223                                       |            | 123                                       |        | 506                          |            |
| Others.....   | 915                                       |            | 1,053                                     |            | (138)                                     |        | 1,886                        |            |
| Ordinary income.....  | 11,265                                    | 5.6        | 11,703                                    | 5.7        | (437)                                     | (3.7)  | 13,420                       | 4.9        |
| Extraordinary income.....   | 427                                       | 0.2        | 29  | 0.0        | 398                                       | -      | 37                           | 0.0        |
| Revised loss on liquidation of<br>affiliates the fiscal year.....   | 325                                       |            | -   |            | 325                                       |        | -                            |            |
| Gain on sales of fixed assets.....  | 66  |            | 24  |            | 41  |        | 34                           |            |
| Gain on sales of investments<br>securities in affiliates.....   | 35  |            | 3   |            | 32  |        | 3                            |            |
| Reversal of allowance for doubtful<br>receivables.....  | -   |            | 1   |            | (1)                                       |        | -                            |            |
| Extraordinary loss.....   | 1,803                                     | 0.9        | 1,179                                     | 0.6        | 624                                       | 52.9   | 12,961                       | 4.7        |
| Loss on sales of fixed assets.....  | 90  |            | 60  |            | 30  |        | 110                          |            |
| Loss on disposal of fixed assets.....   | 504                                       |            | 454                                       |            | 50  |        | 602                          |            |
| Loss on revaluation of investments<br>securities.....   | -   |            | 31  |            | (31)                                      |        | 4,945                        |            |
| Loss on liquidation of affiliates.....  | -   |            | 164                                       |            | (164)                                     |        | 1,843                        |            |
| Loss on liquidation of the business<br>of switching power supplies, inductors<br>and transformers, etc..... | -   |            | -   |            | -   |        | 3,144                        |            |
| Loss for after-care of products.....  | -   |            | -   |            | -   |        | 482                          |            |
| Environmental preservation expense.....   | -   |            | -   |            | -   |        | 1,206                        |            |
| Retirement benefit expense.....   | 470                                       |            | 470                                       |            | (0)                                       |        | 626                          |            |
| Special severance payment.....  | 307                                       |            | -   |            | 307                                       |        | -                            |            |
| Retirement benefits to directors and<br>corporate auditors.....   | 431                                       |            | -   |            | 431                                       |        | -                            |            |
| Income before income taxes.....   | 9,889                                     | 4.9        | 10,552                                    | 5.1        | (663)                                     | (6.3)  | 495                          | 0.2        |
| Income taxes  |   |            |   |            |   |        |                              |            |
| Current (including enterprise tax).....   | 3,260                                     |            | 3,313                                     |            | (52)                                      |        | 4,276                        |            |
| Adjustment of income taxes.....   | 2,433                                     |            | 2,781                                     |            | (348)                                     |        | (1,369)                      |            |
| Total income taxes.....   | 5,693                                     | 2.8        | 6,094                                     | 2.9        | (401)                                     | (6.6)  | 2,906                        | 1.0        |
| Minority interest in earnings of<br>consolidated subsidiaries.....  | (153)                                     | (0.0)      | 25  | 0.0        | (178)                                     | -      | 23                           | 0.0        |
| Net income.....   | 4,348                                     | 2.1        | 4,432                                     | 2.2        | (84)                                      | (1.9)  | (2,434)                      | (0.8)      |

## (3) Consolidated Statements of Retained Surplus

|   | 3rd Quarter<br>ended<br>December 31, 2003 | 3rd Quarter<br>ended<br>December 31, 2002 | Increase or<br>(decrease)<br>(2003- 2002) | Year ended<br>March 31, 2003 |
|---|---|---|---|------------------------------|
|   | Millions of<br>yen                        | Millions of<br>yen                        | Millions of<br>yen                        | Millions of<br>yen           |
| <b>CAPITAL RETAINED EARNINGS</b>  |   |   |   |                              |
| Additional paid-in capital at beginning<br>of period.....                   | 94,756                                    | 94,756                                    | -   | 94,756                       |
| Additional paid-in capital at end of<br>period.....                         | 94,756                                    | 94,756                                    | -   | 94,756                       |
| <b>RETAINED EARNINGS</b>  |   |   |   |                              |
| Retained earnings at beginning of<br>period.....                            | (454)                                     | 4,774                                     | (5,228)                                   | 4,774                        |
| Increase of retained earnings.....  | 4,348                                     | 4,432                                     | (84)                                      | (2,434)                      |
| Net income.....   | 4,348                                     | 4,432                                     | (84)                                      | (2,434)                      |
| Decrease of retained earnings.....  | 16  | -   | 16  | 2,793                        |
| Decrease of retained earnings for<br>decrease of consolidated subsidiaries. | 16  | -   | 16  | -                            |
| Cash dividends.....   | -   | -   | -   | 2,793                        |
| Retained earnings at end of period.....                                     | 3,878                                     | 9,206                                     | (5,328)                                   | (454)                        |

## (4) Consolidated Statements of Cash Flows

(Amount: millions of yen)

|   | 3rd Quarter<br>ended<br>Dec.31.2003 | 3rd Quarter<br>ended<br>Dec.31.2002 | Increase or<br>(decrease)<br>2003-2002 | Year ended<br>March<br>31,2003 |
|---|-------------------------------------|-------------------------------------|--|--------------------------------|
| <b>1. Cash Flows from Operating Activities:</b>   |                                     |                                     |  |                                |
| Income before income taxes.....   | 9,889                               | 10,552                              | (663)                                  | 495                            |
| Depreciation .....  | 16,405                              | 17,171                              | (765)                                  | 22,826                         |
| Amortization of consolidation adjustments .....   | 770                                 | 893                                 | (122)                                  | 1,189                          |
| Equity income of affiliates .....   | (1)                                 | (1)                                 | 0                                      | (10)                           |
| Interest income and dividends received .....  | (111)                               | (179)                               | 68                                     | (292)                          |
| Interest expenses .....   | 2,490                               | 3,613                               | (1,123)                                | 4,765                          |
| Loss on sales of fixed assets .....   | 23                                  | 35                                  | (11)                                   | 76                             |
| Loss on disposal of fixed assets .....  | 504                                 | 454                                 | 50                                     | 602                            |
| Loss on liquidation of affiliates .....   | —                                   | 164                                 | (164)                                  | 1,843                          |
| Increase (decrease) in reserve for losses on after-care of products .....   | (182)                               | —                                   | (182)                                  | 482                            |
| Gain on sales of investments securities.....  | (35)                                | (3)                                 | (32)                                   | (3)                            |
| Loss on revaluation of investments securities.....  | —                                   | 31                                  | (31)                                   | 4,945                          |
| Increase in notes and accounts receivable .....   | (8,391)                             | (5,922)                             | (2,468)                                | (4,070)                        |
| (Increase) decrease in inventories .....  | (5,557)                             | 2,051                               | (7,609)                                | 3,972                          |
| Increase (decrease) in notes and accounts payable .....   | 4,485                               | 133                                 | 4,351                                  | (1,585)                        |
| Increase (decrease) of allowance for doubtful receivables .....   | (365)                               | 52                                  | (418)                                  | 280                            |
| Decrease in accrued bonuses .....   | (1,754)                             | (1,817)                             | 63                                     | (58)                           |
| Increase (decrease) in reserve for losses on liquidation<br>of the business of switching power supplies, inductors<br>and transformers etc..... | (1,178)                             | —                                   | (1,178)                                | 3,144                          |
| Increase (decrease) of reserve for environmental preservation expenses..  | (51)                                | —                                   | (51)                                   | 1,206                          |
| Increase in retirement allowance.....   | 647                                 | 17                                  | 629                                    | 22                             |
| Increase of allowance for retirement benefits<br>to executive officers.....   | 14                                  | —                                   | 14                                     | —                              |
| Payment of bonus to directors and corporate auditors.....   | —                                   | (66)                                | 66                                     | (66)                           |
| Others .....  | 531                                 | 437                                 | 93                                     | 1,787                          |
| Sub-total   | 18,133                              | 27,618                              | (9,484)                                | 41,553                         |
| Receipt of interest and dividends .....   | 109                                 | 114                                 | (4)                                    | 266                            |
| Payment of interest .....   | (2,149)                             | (3,482)                             | 1,332                                  | (5,086)                        |
| Payment of income taxes .....   | (3,564)                             | (4,011)                             | 447                                    | (4,453)                        |
| Net cash provided by operating activities   | 12,529                              | 20,238                              | (7,709)                                | 32,279                         |
| <b>2. Cash Flows from Investing Activities:</b>   |                                     |                                     |  |                                |
| Expenditure for purchase of property, plant and equipment.....  | (13,206)                            | (12,039)                            | (1,166)                                | (16,382)                       |
| Proceeds from sales of property, plant and equipment .....  | 1,504                               | 216                                 | 1,288                                  | 662                            |
| Purchase of investment in securities.....   | (0)                                 | (159)                               | 159                                    | (379)                          |
| Proceeds from sales of investment in securities.....  | 55                                  | 7                                   | 47                                     | 7                              |
| Proceeds from sales of subsidiaries with a change of<br>the scope of consolidation .....  | 385                                 | —                                   | 385                                    | —                              |
| Long term loans receivables .....   | (143)                               | (149)                               | 6                                      | (154)                          |
| Recovery of long term loans receivables .....   | 207                                 | 204                                 | 2                                      | 232                            |
| Others.....   | 707                                 | 20                                  | 687                                    | (221)                          |
| Net cash used in investing activities   | (10,489)                            | (11,900)                            | 1,411                                  | (16,233)                       |
| <b>3. Cash Flows from Financing Activities:</b>   |                                     |                                     |  |                                |
| Increase (decrease) in short-term loans payable.....  | (1,225)                             | (5,669)                             | 4,444                                  | 7,954                          |
| Increase in the amount in commercial paper.....   | 3,000                               | —                                   | 3,000                                  | 3,000                          |
| Long term loans payable .....   | 1,633                               | —                                   | 1,633                                  | 17,000                         |
| Repayment of long term loans payable .....  | (2,384)                             | (1,952)                             | (432)                                  | (29,794)                       |
| Earnings from issuance of bonds .....   | 10,000                              | —                                   | 10,000                                 | 3,000                          |
| Loss on redemption of bonds.....  | (10,000)                            | —                                   | (10,000)                               | —                              |
| Loss on redemption of convertible bonds.....  | —                                   | —                                   | —                                      | (13,823)                       |
| Purchase of treasury stock .....  | (7)                                 | (29)                                | 21                                     | (31)                           |
| Dividends paid .....  | (2,793)                             | (2,794)                             | 0                                      | (2,794)                        |
| Dividends paid to minority shareholders .....   | (27)                                | —                                   | (27)                                   | —                              |
| Paid in capital from minority shareholders.....   | 905                                 | 163                                 | 742                                    | 163                            |
| Others.....   | (58)                                | —                                   | (58)                                   | (145)                          |
| Net cash used in financing activities   | (958)                               | (10,282)                            | 9,323                                  | (15,471)                       |
| 4. Effect of Exchange Rate Changes on Cash and Cash Equivalents   | (433)                               | (355)                               | (77)                                   | (349)                          |
| 5. Net Increase (Decrease) in Cash and Cash Equivalents   | 647                                 | (2,300)                             | 2,947                                  | 224                            |
| 6. Cash and Cash Equivalents at Beginning of Year   | 14,177                              | 13,952                              | 224                                    | 13,952                         |
| 7. Cash and Cash Equivalents at End of Period   | 14,824                              | 11,652                              | 3,172                                  | 14,177                         |

### 3. Segment Information

#### (1) By business segments

(Amount: millions of yen)

|  | FY2004 3rd Quarter (April 1, 2003 through December 31, 2003) |  |           |             |         |
|--|--|--|-----------|-------------|---------|
|  | Machined components business                                 | Electronic devices and components business | Sub-total | Elimination | Total   |
| <b>1. Total sales and operating income</b>             |  |  |           |             |         |
| Total sales  |  |  |           |             |         |
| (1) Sales to customers                                 | 83,099   | 119,370                                    | 202,469   | -           | 202,469 |
| (2) Sales to other segment                             | 1,668  | 13   | 1,682     | (1,682)     | -       |
| Total  | 84,767   | 119,383                                    | 204,151   | (1,682)     | 202,469 |
| Operating expense                                      | 70,554   | 119,598                                    | 190,153   | (1,682)     | 188,471 |
| Operating income                                       | 14,213   | (214)                                      | 13,998    | -           | 13,998  |
| <b>2. Assets, depreciation and capital expenditure</b> |  |  |           |             |         |
| Assets   | 181,904  | 204,684                                    | 386,589   | (72,710)    | 313,878 |
| Depreciation   | 8,132  | 8,273                                      | 16,405    | -           | 16,405  |
| Capital expenditure                                    | 2,724  | 10,702                                     | 13,427    | -           | 13,427  |

(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, Transformers, Switching power supplies, Inductor, Hybrid ICs, Strain gauges, Load cells, etc.

(Amount: millions of yen)

|  | FY2003 3rd Quarter (April 1, 2002 through December 31, 2002) |  |           |             |         |
|--|--|--|-----------|-------------|---------|
|  | Machined components business                                 | Electronic devices and components business | Sub-total | Elimination | Total   |
| <b>1. Total sales and operating income</b>             |  |  |           |             |         |
| Total sales  |  |  |           |             |         |
| (1) Sales to customers                                 | 89,032   | 116,940                                    | 205,973   | -           | 205,973 |
| (2) Sales to other segment                             | 6,573  | -  | 6,573     | (6,573)     | -       |
| Total  | 95,606   | 116,940                                    | 212,547   | (6,573)     | 205,973 |
| Operating expense                                      | 81,672   | 115,178                                    | 196,851   | (6,573)     | 190,277 |
| Operating income                                       | 13,934   | 1,762                                      | 15,696    | -           | 15,696  |
| <b>2. Assets, depreciation and capital expenditure</b> |  |  |           |             |         |
| Assets   | 176,400  | 224,857                                    | 401,257   | (80,312)    | 320,944 |
| Depreciation   | 7,663  | 9,507                                      | 17,171    | -           | 17,171  |
| Capital expenditure                                    | 3,442  | 8,777                                      | 12,219    | -           | 12,219  |

(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, Transformers, FDD sub assemblies, Switching power supplies, Inductor, Hybrid ICs, Strain gauges, Load cells, etc.

(Amount: millions of yen)

|   | FY2003(Annual) (April 1, 2002 through March 31, 2003) |  |           |             |         |
|---|---|--|-----------|-------------|---------|
|   | Machined components business                          | Electronic devices and components business | Sub-total | Elimination | Total   |
| 1. Total sales and operating income             |   |  |           |             |         |
| Total sales                                     |   |  |           |             |         |
| (1) Sales to customers                          | 118,117   | 154,084                                    | 272,202   | -           | 272,202 |
| (2) Sales to other segment                      | 7,637   | -  | 7,637     | (7,637)     | -       |
| Total   | 125,755   | 154,084                                    | 279,840   | (7,637)     | 272,202 |
| Operating expense                               | 107,235   | 153,252                                    | 260,488   | (7,637)     | 252,850 |
| Operating income                                | 18,519  | 832  | 19,352    | -           | 19,352  |
| 2. Assets, depreciation and capital expenditure |   |  |           |             |         |
| Assets  | 191,793   | 204,489                                    | 396,283   | (76,213)    | 320,069 |
| Depreciation                                    | 10,377  | 12,448                                     | 22,826    | -           | 22,826  |
| Capital expenditure                             | 4,750   | 11,853                                     | 16,603    | -           | 16,603  |

(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, Transformers, FDD sub assemblies, Switching power supplies, Inductor, Hybrid ICs, Strain gauges, Load cells, etc.

## (2) By geographical segments

(Amount: millions of yen)

|                                     | FY2004 3rd Quarter (April 1, 2003 through December 31, 2003) |                              |                               |        |           |             |         |
|-------------------------------------|--|------------------------------|-------------------------------|--------|-----------|-------------|---------|
|                                     | Japan  | Asia<br>(excluding<br>Japan) | North and<br>South<br>America | Europe | Sub-total | Elimination | Total   |
| 1. Total sales and operating income |  |                              |                               |        |           |             |         |
| Total sales                         |  |                              |                               |        |           |             |         |
| (1) Sales to customers              | 50,467   | 93,008                       | 36,704                        | 22,289 | 202,469   | -           | 202,469 |
| (2) Sales to other segment          | 106,053  | 95,621                       | 2,212                         | 1,056  | 204,943   | (204,943)   | -       |
| Total                               | 156,521  | 188,629                      | 38,916                        | 23,345 | 407,413   | (204,943)   | 202,469 |
| Operating expense                   | 153,073  | 179,622                      | 37,933                        | 22,786 | 393,414   | (204,943)   | 188,471 |
| Operating income                    | 3,448  | 9,007                        | 983                           | 559    | 13,998    | -           | 13,998  |
| 2. Assets                           | 164,785  | 204,389                      | 31,624                        | 21,036 | 421,836   | (107,957)   | 313,878 |

(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 and South America.....United States, Mexico

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

(Amount: millions of yen)

|                                     | FY2003 3rd Quarter (April 1, 2002 through December 31, 2002) |                              |                               |        |           |             |         |
|-------------------------------------|--|------------------------------|-------------------------------|--------|-----------|-------------|---------|
|                                     | Japan  | Asia<br>(excluding<br>Japan) | North and<br>South<br>America | Europe | Sub-total | Elimination | Total   |
| 1. Total sales and operating income |  |                              |                               |        |           |             |         |
| Total sales                         |  |                              |                               |        |           |             |         |
| (1) Sales to customers              | 55,931   | 80,225                       | 45,127                        | 24,689 | 205,973   | -           | 205,973 |
| (2) Sales to other segment          | 85,046   | 79,126                       | 1,812                         | 2,931  | 168,916   | (168,916)   | -       |
| Total                               | 140,977  | 159,351                      | 46,939                        | 27,621 | 374,890   | (168,916)   | 205,973 |
| Operating expense                   | 138,604  | 148,731                      | 45,801                        | 26,057 | 359,194   | (168,916)   | 190,277 |
| Operating income                    | 2,373  | 10,620                       | 1,138                         | 1,563  | 15,696    | -           | 15,696  |
| 2. Assets                           | 173,411  | 194,629                      | 34,603                        | 24,248 | 426,892   | (105,948)   | 320,944 |

(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 and South America.....United States, Mexico

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

(Amount: millions of yen)

|                                     | FY2003 (Annual) (April 1, 2002 through March 31, 2003) |                              |                               |        |           |             |         |
|-------------------------------------|--|------------------------------|-------------------------------|--------|-----------|-------------|---------|
|                                     | Japan  | Asia<br>(excluding<br>Japan) | North and<br>South<br>America | Europe | Sub-total | Elimination | Total   |
| 1. Total sales and operating income |  |                              |                               |        |           |             |         |
| Total sales                         |  |                              |                               |        |           |             |         |
| (1) Sales to customers              | 72,754   | 107,789                      | 58,997                        | 32,660 | 272,202   | -           | 272,202 |
| (2) Sales to other segment          | 110,133  | 101,268                      | 2,613                         | 3,306  | 217,321   | (217,321)   | -       |
| Total                               | 182,888  | 209,057                      | 61,610                        | 35,966 | 489,523   | (217,321)   | 272,202 |
| Operating expense                   | 179,755  | 196,639                      | 59,752                        | 34,024 | 470,171   | (217,321)   | 252,850 |
| Operating income                    | 3,133  | 12,418                       | 1,858                         | 1,942  | 19,352    | -           | 19,352  |
| 2. Assets                           | 175,916  | 185,397                      | 37,064                        | 20,528 | 418,907   | (98,837)    | 320,069 |

(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 and South America.....United States, Mexico

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

## (3) Overseas Sales

(Amount: millions of yen)

|                                  | FY2004 3rd Quarter (April 1, 2003 through December 31, 2003) |                            |        |         |
|----------------------------------|--|----------------------------|--------|---------|
|                                  | Asia<br>(excluding Japan)                                    | North and South<br>America | Europe | Total   |
| 1. Overseas sales                | 93,367   | 34,621                     | 24,012 | 152,001 |
| 2. Total sales                   |  |                            |        | 202,469 |
| 3. Overseas sales on total sales | 46.1%  | 17.1%                      | 11.9%  | 75.1%   |

(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 and South America.....United States, Canada, Mexico, etc.

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

(Amount: millions of yen)

|                                  | FY2003 3rd Quarter (April 1, 2002 through December 31, 2002) |                            |        |         |
|----------------------------------|--|----------------------------|--------|---------|
|                                  | Asia<br>(excluding Japan)                                    | North and South<br>America | Europe | Total   |
| 1. Overseas sales                | 79,625   | 43,673                     | 25,970 | 149,269 |
| 2. Total sales                   |  |                            |        | 205,973 |
| 3. Overseas sales on total sales | 38.7%  | 21.2%                      | 12.6%  | 72.5%   |

(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 and South America.....United States, Canada, Mexico, etc.

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

(Amount: millions of yen)

|                                  | FY2003 (Annual) (April 1, 2002 through March 31, 2003) |                            |        |         |
|----------------------------------|--|----------------------------|--------|---------|
|                                  | Asia<br>(excluding Japan)                              | North and South<br>America | Europe | Total   |
| 1. Overseas sales                | 106,941  | 57,102                     | 34,322 | 198,367 |
| 2. Total sales                   |  |                            |        | 272,202 |
| 3. Overseas sales on total sales | 39.3%  | 21.0%                      | 12.6%  | 72.9%   |

(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 and South America.....United States, Canada, Mexico, etc.

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

4. Marketable securities

(1) Other marketable securities

(Amount: millions of yen)

| Classification                                | FY2004 (3rd Quarter) |              |                | FY2003 (3rd Quarter) |              |                | FY2003 (Annual) |              |                |
|---|----------------------|--------------|----------------|----------------------|--------------|----------------|-----------------|--------------|----------------|
|   | Book value           | Market price | Gain or (Loss) | Book value           | Market price | Gain or (Loss) | Book value      | Market price | Gain or (Loss) |
| Other Marketable Securities with Market Value |                      |              |                |                      |              |                |                 |              |                |
| Stock   | 2,678                | 5,272        | 2,593          | 7,417                | 3,588        | (3,829)        | 2,723           | 2,660        | (62)           |
| Total   | 2,678                | 5,272        | 2,593          | 7,417                | 3,588        | (3,829)        | 2,723           | 2,660        | (62)           |

(Note) Owing to the impairment of shares with quoted market values that are included in other marketable securities, losses on revaluation of marketable and investment securities totaled 4,914 million yen in fiscal year 2003.

(2) Main securities without market value

(Amount: millions of yen)

| Classification              | FY2004 (3rd Quarter) | FY2003 (3rd Quarter) | FY2003 (Annual) |
|-----------------------------|----------------------|----------------------|-----------------|
| Other marketable securities | 1,094                | 1,104                | 1,104           |
| Total                       | 1,094                | 1,104                | 1,104           |

(Note) Non-listed stock (except for stock at over the counter)

## 5. Amounts of production, orders received, sales

## (1) Production

(Amount: millions of yen)

| Business segments                          | FY2004 (3rd Quarter) | FY2003 (3rd Quarter) | FY2003 (Annual) |
|--|----------------------|----------------------|-----------------|
| Machined components business               | 87,735               | 90,936               | 119,290         |
| Electronic devices and components business | 123,017              | 119,014              | 152,678         |
| Total                                      | 210,752              | 209,950              | 271,968         |

(Note) Amounts are provided on the basis of their sales price and do not include consumption taxes.

## (2) Orders received

(Amount: millions of yen)

| Business segments                          | FY2004 (3rd Quarter) |               | FY2003 (3rd Quarter) |               | FY2003 (Annual) |               |
|--|----------------------|---------------|----------------------|---------------|-----------------|---------------|
|  | Orders received      | Order backlog | Orders received      | Order backlog | Orders received | Order backlog |
| Machined components business               | 83,364               | 33,490        | 87,731               | 32,987        | 117,055         | 33,225        |
| Electronic devices and components business | 121,270              | 23,969        | 116,889              | 23,432        | 152,670         | 22,069        |
| Total                                      | 204,634              | 57,459        | 204,621              | 56,419        | 269,725         | 55,294        |

(Note) Amounts are provided on the basis of their sales price and do not include consumption taxes.

## (3) Sales

(Amount: millions of yen)

| Business segments                          | FY2004 (3rd Quarter) | FY2003 (3rd Quarter) | FY2003 (Annual) |
|--|----------------------|----------------------|-----------------|
| Machined components business               | 83,099               | 89,032               | 118,117         |
| Electronic devices and components business | 119,370              | 116,940              | 154,084         |
| Total                                      | 202,469              | 205,973              | 272,202         |

(Note) Amounts are provided on the basis of their sales price and do not include consumption taxes.

**Supplementary Financial Data  
for the Third Quarter of Fiscal Year ending March 31, 2004**

**1. Consolidated Results of Operations**

| (Millions of yen)          | Fiscal year ended Mar. 03 |        |        |         |           | Fiscal year ending Mar. 04 |        |        | 3Q %Change |        |
|----------------------------|---------------------------|--------|--------|---------|-----------|----------------------------|--------|--------|------------|--------|
|                            | 1Q                        | 2Q     | 3Q     | 4Q      | Full Year | 1Q                         | 2Q     | 3Q     | Q/Q*1      | Y/Y*2  |
| Net sales                  | 72,367                    | 64,882 | 68,723 | 66,230  | 272,202   | 66,489                     | 67,252 | 68,728 | +2.2%      | +0.0%  |
| Operating income           | 6,031                     | 4,145  | 5,519  | 3,657   | 19,352    | 4,259                      | 5,208  | 4,531  | -13.0%     | -17.9% |
| Ordinary income            | 4,524                     | 3,143  | 4,036  | 1,717   | 13,420    | 3,285                      | 4,273  | 3,707  | -13.2%     | -8.2%  |
| Income before income taxes | 4,203                     | 2,614  | 3,735  | -10,057 | 495       | 2,177                      | 4,122  | 3,590  | -12.9%     | -3.9%  |
| Net income                 | 1,903                     | 640    | 1,889  | -6,866  | -2,434    | 421                        | 2,305  | 1,622  | -29.6%     | -14.1% |
| Net income per share (Yen) | 4.77                      | 1.60   | 4.73   | -17.20  | -6.10     | 1.06                       | 5.77   | 4.07   | -29.5%     | -14.0% |

**2. Consolidated Sales and Income by Segment**

| (Millions of yen)                 | Fiscal year ended Mar. 03 |        |        |        |           | Fiscal year ending Mar. 04 |        |        | 3Q %Change |        |
|-----------------------------------|---------------------------|--------|--------|--------|-----------|----------------------------|--------|--------|------------|--------|
|                                   | 1Q                        | 2Q     | 3Q     | 4Q     | Full Year | 1Q                         | 2Q     | 3Q     | Q/Q*1      | Y/Y*2  |
| Machined components               | 31,668                    | 28,641 | 28,723 | 29,085 | 118,117   | 28,606                     | 27,059 | 27,434 | +1.4%      | -4.5%  |
| Bearing related products          | 26,420                    | 23,638 | 23,845 | 24,035 | 97,938    | 23,959                     | 23,169 | 23,324 | +0.7%      | -2.2%  |
| Other machined components         | 5,249                     | 5,002  | 4,879  | 5,050  | 20,180    | 4,646                      | 3,892  | 4,109  | +5.6%      | -15.8% |
| Electronic devices and components | 40,699                    | 36,241 | 40,000 | 37,144 | 154,084   | 37,883                     | 40,193 | 41,294 | +2.7%      | +3.2%  |
| Rotary components                 | 20,793                    | 18,140 | 20,521 | 19,734 | 79,188    | 21,458                     | 22,184 | 22,209 | +0.1%      | +8.2%  |
| Other electronic devices          | 19,908                    | 18,097 | 19,480 | 17,412 | 74,897    | 16,424                     | 18,011 | 19,084 | +6.0%      | -2.0%  |
| Total sales                       | 72,367                    | 64,882 | 68,723 | 66,230 | 272,202   | 66,489                     | 67,252 | 68,728 | +2.2%      | +0.0%  |
| Machined components               | 5,098                     | 4,065  | 4,771  | 4,585  | 18,519    | 4,908                      | 4,270  | 5,035  | +17.9%     | +5.5%  |
| Electronic devices and components | 933                       | 80     | 748    | -929   | 832       | -648                       | 937    | -503   | -          | -      |
| Total operating income            | 6,031                     | 4,145  | 5,519  | 3,657  | 19,352    | 4,259                      | 5,208  | 4,531  | -13.0%     | -17.9% |

\*1 3Q % change Q/Q : 3Q in comparison with 2Q \*2 3Q % change Y/Y : 3Q in comparison with 3Q of the previous fiscal year

**3. Prospect for the full year and 4Q for the Fiscal Year ending March 31, 2004**

| (Millions of yen)          | Full year ending Mar. 04 |              |                        | Full year ended Mar. 03 (C) | Y/Y (B-C)/C | Prospect for the 4Q ending Mar. 04 |
|----------------------------|--------------------------|--------------|------------------------|-----------------------------|-------------|------------------------------------|
|                            | Previous fcst (A)        | New fcst (B) | New vs. Previous (B/A) |                             |             |                                    |
| Net sales                  | 275,000                  | 271,000      | 98.5%                  | 272,202                     | -0.4%       | 68,531                             |
| Operating income           | 21,000                   | 19,000       | 90.5%                  | 19,352                      | -1.8%       | 5,002                              |
| Ordinary income            | 17,000                   | 15,300       | 90.0%                  | 13,420                      | +14.0%      | 4,035                              |
| Income before income taxes | 16,000                   | 14,100       | 88.1%                  | 495                         | +2748.5%    | 4,211                              |
| Net income                 | 8,500                    | 6,700        | 78.8%                  | -2,434                      | -           | 2,352                              |
| Net income per share (Yen) | 21.30                    | 16.79        | 78.8%                  | -6.10                       | -           | 5.89                               |

**4. Prospect for the Consolidated Sales and Operating Income by Segment**

| (Millions of yen)                 | Full year ending Mar. 04 |              |                        | Full year ended Mar. 03 (C) | Y/Y (B-C)/C | Prospect for the 4Q ending Mar. 04 |
|-----------------------------------|--------------------------|--------------|------------------------|-----------------------------|-------------|------------------------------------|
|                                   | Previous fcst (A)        | New fcst (B) | New vs. Previous (B/A) |                             |             |                                    |
| Machined components               | 115,000                  | 111,500      | 97.0%                  | 118,117                     | -5.6%       | 28,401                             |
| Bearing related products          | 97,400                   | 94,750       | 97.3%                  | 97,938                      | -3.3%       | 24,298                             |
| Other machined components         | 17,600                   | 16,750       | 95.2%                  | 20,180                      | -17.0%      | 4,103                              |
| Electronic devices and components | 160,000                  | 159,500      | 99.7%                  | 154,084                     | +3.5%       | 40,130                             |
| Rotary components                 | 89,700                   | 88,250       | 98.4%                  | 79,188                      | +11.4%      | 22,399                             |
| Other electronic devices          | 70,300                   | 71,250       | 101.4%                 | 74,897                      | -4.9%       | 17,731                             |
| Total sales                       | 275,000                  | 271,000      | 98.5%                  | 272,202                     | -0.4%       | 68,531                             |
| Machined components               | 19,500                   | 19,700       | 101.0%                 | 18,519                      | +6.4%       | 5,487                              |
| Electronic devices and components | 1,500                    | -700         | -                      | 832                         | -           | -486                               |
| Total operating income            | 21,000                   | 19,000       | 90.5%                  | 19,352                      | -1.8%       | 5,002                              |

### 5. Capital Expenditure, Depreciation, Research and Development Costs

| (Millions of yen)                                   | Full year ended Mar. 03 | Fiscal year ending Mar. 04 |       |       | Prospect for the 4Q ending Mar. 04 | Prospect for the full year ending Mar. 04 |
|---|-------------------------|----------------------------|-------|-------|------------------------------------|---|
|   |                         | 1Q                         | 2Q    | 3Q    |                                    |   |
| Capital expenditure                                 | 16,382                  | 5,074                      | 4,810 | 3,322 | 3,994                              | 17,200                                    |
| Depreciation<br>(Including Intangible Fixed Assets) | 22,826                  | 5,476                      | 5,577 | 5,352 | 5,745                              | 22,150                                    |
| Research and development costs                      | 9,741                   | 2,468                      | 2,400 | 2,313 | 2,319                              | 9,500                                     |

### 6. Exchange Rates

|           |    | Full year ended Mar. 03 | Fiscal year ending Mar. 04 |        |        | Assumption for the 4Q ending Mar. 04 |
|-----------|----|-------------------------|----------------------------|--------|--------|--------------------------------------|
|           |    |                         | 1Q                         | 2Q     | 3Q     |                                      |
| US\$      | PL | 122.29                  | 119.38                     | 119.05 | 109.83 | 107.13                               |
|           | BS | 120.20                  | 119.80                     | 111.25 | 107.13 | 107.13                               |
| S'PORES\$ | PL | 69.08                   | 67.99                      | 67.73  | 63.44  | 62.94                                |
|           | BS | 68.01                   | 68.12                      | 64.37  | 62.94  | 62.94                                |
| THAI BAHT | PL | 2.86                    | 2.81                       | 2.85   | 2.75   | 2.71                                 |
|           | BS | 2.80                    | 2.84                       | 2.78   | 2.71   | 2.71                                 |
| RMB       | PL | 14.77                   | 14.41                      | 14.39  | 13.28  | 12.94                                |
|           | BS | 14.48                   | 14.46                      | 13.50  | 12.94  | 12.94                                |