

BRIEF REPORT OF CONSOLIDATED FINANCIAL RESULTS
(Year ended March 31, 2000)

May 11, 2000

Registered
Company Name: **MINEBEA CO., LTD.**
Code No: 6479
Contact: Sadahiko Oki
Director-Accounting

Common Stock Listings: Tokyo, Osaka, and Nagoya
Headquarters: Nagano-ken
Tel. (03)5434-8611

Board of Directors' Meeting
on the Consolidated Financial
Results held on: May 11, 2000

1. Business performance (April 1, 1999 through March 31, 2000)

(1) Consolidated Results of Operations (Amounts less than one million yen have been omitted.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
FY2000	284,757	(6.7)	31,069	(19.4)	21,522	6.4
FY1999	305,324	(6.4)	38,546	(34.5)	20,221	(36.1)

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)	Return (net income) on equity (%)	Return (ordinary income) on assets (%)	Return (ordinary income) on sales (%)
FY2000	(2,677)	—	(6.72)	—	(1.8)	4.9	7.6
FY1999	11,507	(24.0)	28.94	26.32	8.0	4.2	6.6

(Notes) 1. Income or loss on investments for FY2000 on the equity method totaled income 5 million yen and 13 million yen in FY1999.

2. Gains or loss from revaluation of marketable securities Unrealized profit: 792 million yen
Gains or loss from revaluation of derivatives Unrealized profit: — million yen

3. Changes in accounting method: None

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

5. The business results for FY2000 applied the tax effect accounting.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Shareholders' equity ratio (%)	Shareholder's equity per share (yen)
FY2000	403,994	154,356	38.2	386.71
FY1999	473,360	145,705	30.8	366.29

(3) Consolidated Cash Flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financial activities (millions of yen)	Year end balance of cash and cash equivalents (millions of yen)
FY2000	60,289	(13,298)	(71,765)	24,432
FY1999	—	—	—	—

(4) Scope of consolidation and application of equity method

Number of consolidated companies..... 55 companies
Number of non-consolidated companies..... None
Number of affiliated companies for equity method.... 2 companies

(5) Accounting changes of scope of consolidation and application of equity method

(a) Changes in consolidated subsidiaries

Anew: 3 companies Exclusion: 6 companies

(b) Changes of the companies subject to equity method

Anew: None Exclusion: None

2. Prospect for the next fiscal year (April 1, 2000 through March 31, 2001)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
Interim	139,000	10,000	6,000
Annual	290,000	24,000	15,000

(Reference) Projected net income per share: 37.58 yen

(Reference)

1. Condition of group of enterprises

Minebea group consists of Minebea Co., Ltd. (the company) and 57 related companies (55 consolidated subsidiaries and 2 affiliates companies). Minebea group produces and sells bearings, machinery components, transportation equipment and components, special machinery components, electronic devices and components and sells consumer goods such as furniture and interior goods.

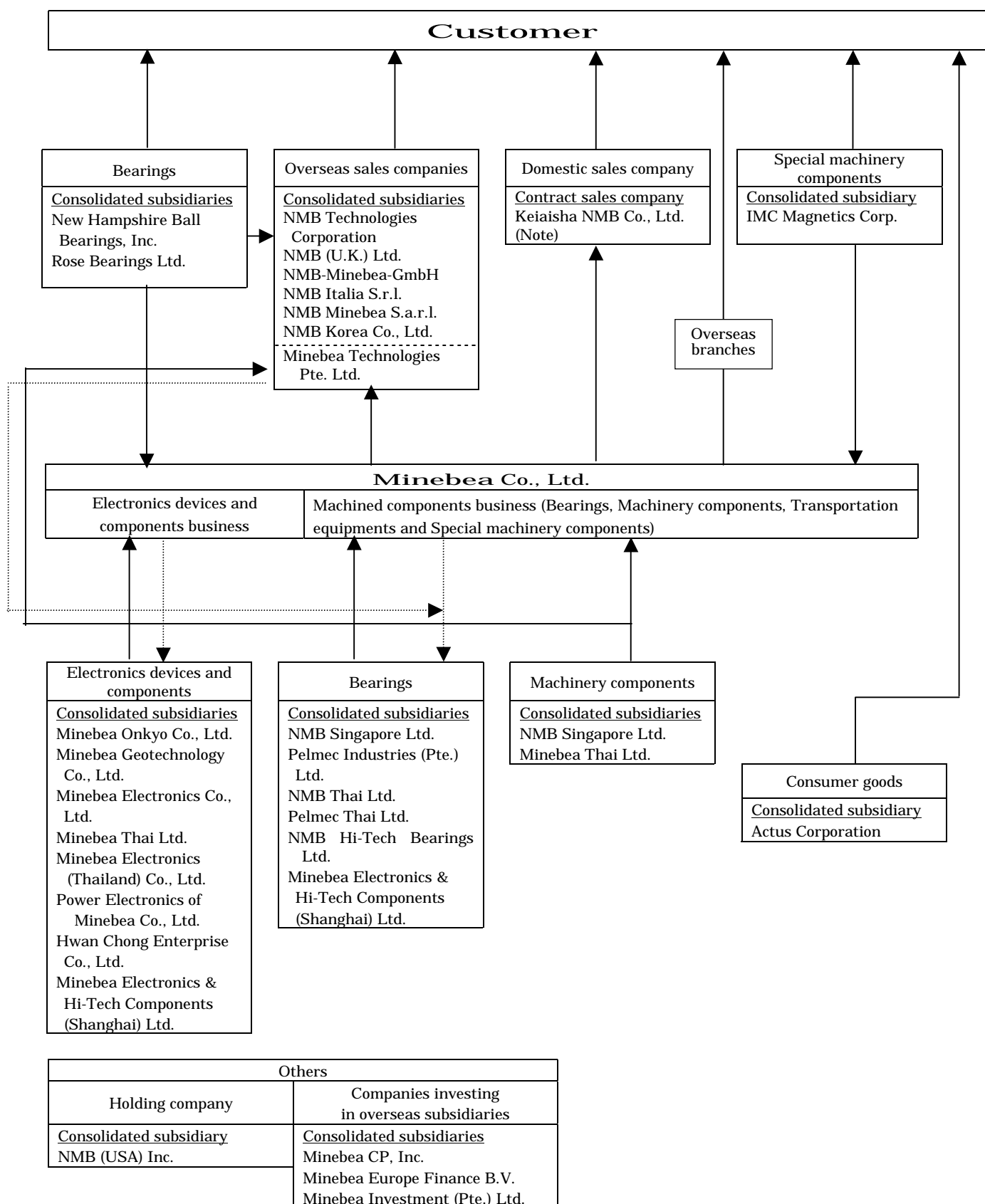
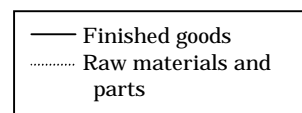
The company and domestic consolidated subsidiaries, consolidated subsidiaries in U.S.A., Europe and Asia are in charge of production. Keiaisha NMB Co., Ltd., which is a contract sales company sells the products in domestic market and consolidated subsidiaries in U.S.A., Europe and Asia and the company's overseas branches sell them in overseas market. Actus Co., Ltd. sells the consumer goods.

The relationship between each operation and industry segments, and main manufacturing and sales companies are as follows.

Industry segments	Operations	Manufacturing companies	Sales companies
Machined components business	Bearings	Minebea Co., Ltd. New Hampshire Ball Bearings, Inc. Rose Bearings Ltd. NMB Singapore Ltd. Peltec Industries (Pte.) Ltd. NMB Thai Ltd. Peltec Thai Ltd. NMB Hi-Tech Bearing Ltd. Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	Minebea Co., Ltd. NMB Technologies Corporation New Hampshire Ball Bearings, Inc. NMB (U.K.) Ltd. NMB-Minebea-GmbH NMB Italia S.r.l. NMB Minebea S.a.r.l. Minebea Technologies Pte. Ltd. NMB Korea Co., Ltd. Keiaisha NMB Co., Ltd. (Note)
	Machinery components	Minebea Co., Ltd. NMB Singapore Ltd. Minebea Thai Ltd.	
	Transportation equipments	Minebea Co., Ltd.	
	Special machinery components	Minebea Co., Ltd. IMC Magnetics Corp.	
Electronics devices and components business	Electronics devices and components	Minebea Co., Ltd. Minebea Onkyo Co., Ltd. Minebea Geotechnology Co., Ltd. Minebea Electronics Co., Ltd. Minebea Thai Ltd. Minebea Electronics (Thailand) Co., Ltd. Power Electronics of Minebea Co., Ltd. Hwan Chong Enterprise Co., Ltd. Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	
Consumer business and others	Consumer goods	—	Actus Corporation

(Note) Please see "9. Transaction with related parties" on page 19, which explains the relationship between Minebea Co., Ltd. and Keiaisha NMB Co., Ltd..

Operation route is as follows.



(Note) Please see "9. Transaction with related parties" on page 19, which explains the relationship between Minebea Co., Ltd. and Keiaisha NMB Co., Ltd..

2. Management Policy

(1) Basic Management policy

Minebea has adopted the following five principles as its basic policy for management.

- (a) Ensure that Minebea is a company for which we feel proud to work.
- (b) Reinforce the confidence our customers have.
- (c) Respond to our shareholders' expectations.
- (d) Ensure a welcome for Minebea in local communities.
- (e) Contribute to a global society.

Under this basic management policy, we have actively addressed the development of higher value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display our strength. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form that is easier to understand within and across the Company.

Furthermore, as a key theme in the development of business in various parts of the world, we have continued our commitment to environmental protection activities.

(2) Basic Policy for Profit Sharing

Our basic dividend policy is to consider the return of profits to shareholders, business development, the strengthening of corporate structure, etc. in an overall perspective. We consider it important to continue paying stable dividends. Therefore, we will use internal reserves in providing for operating funds in connection with the enhancement of corporate structure and new growth in the future.

(3) Medium- and Long-term Management Strategies and Agenda

Based upon the aforementioned basic management policies, we aim to: develop a highly integrated manufacturing system, large-scale mass production plants, and an upgraded R & D system in various parts of the world; improve profitability as the world's largest comprehensive precision parts manufacturer; and increase our enterprise value.

(4) Organizational Reform

To cope with the rigid business climate; promote timely and appropriate operating measures in an organized and efficient manner; and fortify corporate governance, we discontinued our Japan and Asia sales headquarters and also our European and U. S. sales headquarters, and consolidated them into a single sales headquarters. In addition we also abolished four other headquarters—general affairs, corporate planning, business control, and accounting and finance. To control the overall business of our administration departments, we have established a Tokyo Administration Departmental Council, and have prepared "Business Organizations and Operating Regulations."

(5) Basic Policy for Relations with Related Parties

The trade prices with related parties are negotiated and determined, based upon market prices. For details, please refer to "9. Transactions with related parties" on page 19.

3. Management Performance

(1) Overview of the Year

(a) Results

During the year, Japan's economic conditions remained rigid with lackluster personal consumption and private capital investment, although, due to a series of economic stimulus packages implemented by the government, the economy bottomed out and began to show signs that it would move towards gradual improvement. On the other hand, the U. S. economy remained firm, the European economy advanced towards recovery, and the Asian economy rallied smoothly.

Under these circumstances, although the industries relating to personal computers (PCs) and other information and communications equipment, which are our major markets, increased production and sales volumes steadily, the situation remained tough with price competition increasingly intensified. In such a management environment, we strove to improve manufacturing efficiency and product quality, and promoted sales activities strongly. However, due to the influence of rises in the yen and other business factors, consolidated net sales decreased 20,567 million yen (6.7%) from the previous year, to 284,757 million yen.

Also, compared with the previous year, operating income declined 7,477 million yen (19.4%) to 31,069 million yen. However, due to falloffs in interest payment caused by the reduction benefits of interest-bearing liabilities, ordinary income increased 1,301 million yen (6.4%) on a year-on-year basis, to 21,522 million yen.

Furthermore during the year, and in order to concentrate company resources on our best areas and improve financial strength, we made a decision with regards to the transferal of our shares, etc. in Minebea Credit Co., Ltd., a wholly-owned subsidiary; the liquidation of different affiliated companies; and other matters. Therefore, we showed 25,782 million yen in extraordinary losses as a liquidation loss of affiliated companies. On the other hand, we applied tax effect accounting overall and posted 6,276 million yen in the deferred income taxes. However, although very regrettable, net losses were 2,677 million yen.

The performance by industry segments is as follows:

Machined components business

Minebea's machined components business involves: such mechanical parts as rod-end bearings used primarily in aircraft and pivot assemblies used in hard disk drives (HDDs); screws for automobiles and aircraft; wheels; and defense-related equipment, in addition to ball bearings, which constitute the Company's core business sector.

Demand from the industries relating to PCs and other information and communications equipment grew well, and ball bearings, pivot assemblies, etc. were also in strong demand.

On the other hand, aircraft-related products underwent a decline in demand from the U. S. market, and the sales of rod-end bearings and screws were both stagnant. However, sales of defense-related equipment remained relatively firm. As a result, net sales were 127,734 million yen and operating income was 21,996 million yen.

Electronics devices and components business

In the electronic devices business, precision small motors, keyboards, speakers, floppy disk drives (FDDs), power supplies, magnets, measuring equipment, etc. are our principal products. Although demand from our major customer base—the industries relating to PCs and other information and communications equipment—remained brisk and the sales volumes rose, profitability was tough due to fierce price competition. As a result, net sales were 146,133 million yen and operating income was 8,254 million yen.

Consumer business and others

This business is primarily engaged in distributing imported furniture in Japan. Amid static personal consumption, results grew steadily due to active business expansion, such as the establishment of a new sales outlet at Osaka Itami Airport. As a result, net sales were 10,890 million yen and operating income was 819 million yen.

The performance by geographical segment is as follows:

Japan

Although Japan is our largest market, net sales were 117,141 million yen and operating income was 11,883 million yen. This is due to the flagging economy, the influence of our customers' shift of production to their overseas subsidiaries caused by rises in the yen, etc.

Asia

Asia is an important region as production bases for Japanese, European and U.S. manufacturers of personal computers and consumer electric appliances. The economic confusion caused by the currency crisis ended, and sales grew smoothly. As a result, net sales were 74,067 million yen and operating income was 15,173 million yen.

North and South America

In North and South America, demand from our primary customer base—aircraft-related industries—was depressed, and the difficult profit situation continued. As a result, net sales were 58,253 million yen and operating income was 2,729 million yen.

Europe

In Europe, PC-related demand for ball bearings, keyboards, precision small motors, etc. remained stagnant. As a result, net sales were 35,296 million yen and operating income was 1,284 million yen.

(b) Cash flows

Minebea continued to focus on paring its assets and curtailing liabilities by minimizing expenditures for purchase of property, plant and equipment.

Efforts to accelerate the collection of notes and accounts receivable and curtail inventories resulted in a net cash inflow of 60,289 million yen from the Company's operating activities.

Expenditures for purchase of property, plant and equipment amounted to 19,504 million yen and proceeds from sales of consolidated subsidiary Minebea Credit Co., Ltd. amounted to 5,147 million yen resulted in a net cash outflow of 13,298 million yen from investing activities.

Repayment for short-term loans payable amounted to 53,305 million yen and commercial paper amounted to 10,071 million yen resulted in a net cash outflow of 71,765 million yen from the financing activities.

In fiscal 1999, the Company didn't disclose the consolidated statements of cash flows because the securities and transaction law in Japan didn't require them. Accordingly, the Company didn't make a comparative analysis between fiscal 1999 and fiscal 2000.

(2) Outlook for the Next Term

During the next fiscal year, it is foreseen that Japan's economy will show a moderate recovery trend, and that Asia's economy will continue to improve smoothly. The European economy has also looked rosier. Although it is predicted that the U. S. economy will expand steadily, the situation is not clear with strong fears over inflation.

The outlook by industry segment for the next term is as follows:

Machined components business

As demand from the industries relating to PCs and other information and communications equipment is expected to continue to grow well, we will strive to enhance performance by raising the production of related core products including ball bearings, and reducing costs. Although the aircraft-related markets will remain tough, we will endeavor to improve results by developing markets for small- and medium-sized aircraft.

Electronics devices and components business

In the electronic devices business, the industries relating to PCs and other information and communications equipment constitute our principal customer base. As it is foreseen that demand from these industries will continue to increase favorably, we aim to enhance performance by developing higher value-added products and lower priced products, in addition to building up a better-balanced portfolio of products.

Consumer business and others

This business is primarily engaged in distributing imported furniture in Japan. Although it is predicted that personal consumption will remain sluggish, we will endeavor to enhance performance by advancing the business in a down-to-earth manner.

The outlook by geographical segment for the next term is as follows:

Japan

As our major customers have been shifting production to Southeast Asia, sales will remain tough. However, we will endeavor to enhance performance by establishing closer cooperation between sales, manufacturing and engineering systems in each area.

Asia

Asia is a region where the largest sales growth can be expected, and where our key production base exists. We will strive to improve results by making the best use of this advantage.

North and South America

It is foreseen that the business environment in the aircraft industry, one of our major customer bases, will remain tough. However, we will work to stabilize and improve performance by developing new markets and at the same time, by promoting sales expansion in the strong automotive and personal computer industries.

Europe

Amid progressive business recovery, we will work towards promoting the sales expansion of core products, including ball bearings, by swiftly responding to market needs through our development capability improvement program which is now in place.

4.(1) Consolidated Balance Sheets

	As of March 31,2000		As of March 31,1999		Increase or (decrease) 2000-1999	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%
ASSETS						
Current assets.....	153,658	38.0	219,826	46.4	(66,168)	(30.1)
Cash and cash equivalents.....	24,432		50,187		(25,755)	
Notes and accounts receivable.....	56,747		66,982		(10,235)	
Finance receivables.....	—		21,323		(21,323)	
Marketable securities.....	8,942		10,059		(1,116)	
Inventories.....	46,839		53,816		(6,977)	
Prepaid taxes.....	—		2,768		(2,768)	
Deferred tax assets.....	6,718		—		6,718	
Others.....	10,764		15,903		(5,138)	
Allowance for doubtful receivables.....	(785)		(1,213)		427	
Fixed assets.....	180,189	44.6	188,947	39.9	(8,757)	(4.6)
Tangible fixed assets.....	142,558		160,708		(18,150)	
Building and structure.....	82,426		88,077		(5,651)	
Machinery and transportation equipment.....	163,968		178,587		(14,619)	
Tools, furniture and fixtures.....	40,028		40,737		(708)	
Land.....	11,105		11,739		(634)	
Construction in progress.....	3,891		2,109		1,782	
Accumulated depreciation.....	(158,862)		(160,543)		1,680	
Intangible fixed assets.....	17,141		20,905		(3,764)	
Consolidation adjustments.....	15,990		19,627		(3,637)	
Others.....	1,151		1,278		(126)	
Investment and other assets.....	20,490		7,333		13,156	
Investment in securities.....	1,335		1,346		(10)	
Long-term loans receivable.....	1,245		86		1,159	
Deferred tax assets.....	15,481		—		15,481	
Others.....	3,722		8,443		(4,720)	
Allowance for doubtful receivables.....	(1,294)		(2,542)		1,248	
Deferred assets.....	203	0.1	434	0.1	(230)	(53.1)
Foreign currency translation adjustments.....	69,942	17.3	64,152	13.6	5,789	9.0
Total assets.....	403,994	100.0	473,360	100.0	(69,366)	(14.7)

	<u>2000</u>	<u>1999</u>
(Note) Treasury stock.....	1,489 shares	1,214 shares

	As of March 31,2000		As of March 31,1999		Increase or (decrease) 2000-1999	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
		Comp.		Comp.		
LIABILITIES						
Current liabilities.....	124,085	30.7	197,071	41.6	(72,986)	(37.0)
Notes and accounts payable.....	31,248		27,693		3,555	
Short-term loans payable.....	63,786		124,334		(60,548)	
Current portion of long-term loans payable.....	4,235		7,643		(3,408)	
Commercial paper.....	—		10,849		(10,849)	
Accrued income taxes.....	3,159		4,210		(1,050)	
Accrued bonuses.....	3,147		3,289		(142)	
Others.....	18,507		19,049		(542)	
Long-term liabilities.....	125,191	31.0	130,149	27.5	(4,958)	(3.8)
Bonds.....	35,000		35,000		—	
Convertible bonds.....	40,918		42,091		(1,173)	
Long-term loans payable.....	48,771		51,132		(2,360)	
Retirement allowance.....	247		321		(73)	
Others.....	253		1,605		(1,351)	
Total liabilities.....	249,276	61.7	327,221	69.1	(77,945)	(23.8)
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES						
	361	0.1	433	0.1	(72)	(16.6)
SHAREHOLDERS' EQUITY						
Common stock.....	68,251	16.9	67,664	14.3	586	0.8
Capital surplus.....	94,749	23.4	94,162	19.9	586	0.6
	163,000	40.3	161,827	34.2	1,172	0.7
Accumulated deficit.....	8,641	2.1	16,120	(3.4)	(7,478)	(46.3)
	154,358	38.2	145,706	30.8	8,651	5.9
Treasury stock.....	(2)	(0.0)	(1)	(0.0)	(0)	
Total shareholders' equity.....	154,356	38.2	145,705	30.8	8,651	5.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....						
	403,994	100.0	473,360	100.0	(69,366)	(14.7)

(2) Consolidated Statements of Income and Retained Earnings

	Year ended March 31,2000		Year ended March 31,1999		Increase or (decrease) 2000-1999	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%
Net sales.....	284,757	100.0	305,324	100.0	(20,567)	(6.7)
Cost of sales.....	203,223	71.4	215,163	70.5	(11,940)	(5.5)
Gross profit.....	81,533	28.6	90,161	29.5	(8,627)	(9.5)
Selling, general and administrative expenses.....	50,464	17.7	51,614	16.9	(1,149)	(2.2)
Operating income.....	31,069	10.9	38,546	12.6	(7,477)	(19.4)
Other Income.....	2,532	0.9	1,725	0.6	807	46.8
Interest income.....	926		691		235	
Dividends received.....	83		135		(51)	
Reversal of loss on revaluation of marketable securities.....	573		—		573	
Equity income of affiliates.....	5		13		(7)	
Others.....	943		884		58	
Other Expenses.....	12,079	4.2	20,050	6.6	(7,970)	(39.7)
Interest expenses.....	7,896		12,231		(4,334)	
Foreign exchange loss.....	1,709		860		849	
Loss on revaluation of marketable securities.....	—		1,256		(1,256)	
Bad debt expense.....	—		2,308		(2,308)	
Others.....	2,473		3,394		(921)	
Ordinary income.....	21,522	7.6	20,221	6.6	1,301	6.4
Extraordinary income.....	343	0.1	399	0.1	(55)	(13.8)
Gain on sales of fixed assets.....	189		190		(0)	
Gain on sales of investment in securities.....	—		25		(25)	
Reversal of allowance for doubtful receivables.....	154		183		(29)	
Extraordinary loss.....	28,479	10.0	2,185	0.7	26,293	1,203.1
Loss on disposal of inventories.....	1,863		1,467		396	
Loss on disposal of real estate for resale.....	—		103		(103)	
Loss on sales of fixed assets.....	43		16		27	
Loss on disposal of fixed assets.....	279		299		(19)	
Loss on write off of investment in securities.....	—		278		(278)	
Loss on liquidation of affiliates.....	25,782		—		25,782	
Retirement benefits to directors and corporate auditors.....	509		19		490	
Income before income taxes (loss)..	(6,612)	(2.3)	18,435	6.0	(25,047)	
Income taxes						
Current (including enterprise tax).....	2,663		4,655		(1,992)	
Reversal of income taxes for prior year.....	421		—		421	
Deferred.....	—		1,689		(1,689)	
Deferred income taxes (benefit).....	(6,276)		—		(6,276)	
Total income taxes.....	(4,034)	(1.4)	6,345	2.1	(10,380)	
Minority interest in earnings of consolidated subsidiaries.....	99	0.0	581	0.2	(482)	(82.9)
Net income (loss).....	(2,677)	(0.9)	11,507	3.7	(14,184)	
Accumulated deficit at beginning of year.....	3,169		24,752		(21,582)	
Accumulated deficit at beginning of year.....	16,120		20,085		(3,964)	
Legal reserve at beginning of year.....	—		1,223		(1,223)	
Deferred income taxes for prior year (benefit).....	12,950		—		12,950	
Increase of accumulated deficit for increase of consolidated subsidiaries...	—		5,889		(5,889)	
Increase of accumulated deficit.....	2,794		2,875		(81)	
Cash dividends.....	2,794		2,784		9	
Bonus to directors and corporate auditors.....	—		91		(91)	
Accumulated deficit at end of year.....	8,641		16,120		(7,478)	

(3) Consolidated Statements of Cash Flows

	Year ended March 31, 2000 <u>Millions of yen</u>
Cash Flows from Operating Activities:	
Income before income taxes (loss)	(6,612)
Depreciation	22,160
Amortization of consolidation adjustments	2,866
Decrease of allowance for doubtful receivables	1,156
Interest income and dividends received	(1,010)
Interest expenses	7,896
Equity income of affiliates	(5)
Gain on sales of fixed assets	(145)
Loss on disposal of fixed assets	279
Reversal of loss on revaluation of marketable securities	(573)
Loss on liquidation of affiliates	25,782
Decrease in notes and accounts receivable	9,631
Decrease in inventories	2,092
Increase in notes and accounts payable	5,214
Increase in accrued bonuses	3
Decrease in retirement allowance	(8)
Decrease in current assets-others	169
Increase in current liabilities-others	1,113
Sub-total	70,010
Receipt of interest and dividends	983
Payment of interest	(7,763)
Payment of income taxes	(2,941)
Net cash provided by operating activities	60,289
Cash Flows from Investing Activities:	
Proceeds from sales of marketable securities	1,689
Expenditure for purchase of property, plant and equipment	(19,504)
Proceeds from sales of property, plant and equipment	113
Purchase of investment in securities	(2)
Payments for purchase of investment in subsidiaries with a change of the scope of consolidation	(43)
Proceeds from sales of subsidiaries with a change of the scope of consolidation	5,147
Long term loans receivables	(1,792)
Recovery of long term loans receivables	627
Decrease in long-term assets-others	467
Net cash used in investing activities	(13,298)
Cash Flows from Financing Activities:	
Decrease in short-term loans payable	(53,305)
Redemption of commercial paper	(10,071)
Long term loans payable	7,642
Repayment of long term loans payable	(12,974)
Purchase of treasury stock	(0)
Dividends paid	(2,794)
Dividends paid to minority shareholders	(28)
Decrease in long term liabilities-others	(233)
Net cash used in financing activities	(71,765)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(981)
Net decrease in cash and cash equivalents	(25,755)
Cash and Cash Equivalents at Beginning of Year	50,187
Cash and Cash Equivalents at End of Year	24,432

(Notes) Notes relating to lease transactions

Millions of yen

	<u>Year ended March 31, 2000</u>			<u>Year ended March 31, 1999</u>		
	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance
1. Equivalent of acquisition value of leased items, equivalent of total amount of depreciation and equivalent of year-end closing balance						
Machinery and transportation equipment	2,358	1,405	953	1,964	1,092	872
Tools, furniture and fixtures	<u>4,643</u>	<u>2,739</u>	<u>1,904</u>	<u>4,673</u>	<u>2,473</u>	<u>2,200</u>
Total	7,001	4,144	2,857	6,637	3,565	3,072

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets plus the year-end closing balance of unexpired lease expense, equivalent of acquisition value in the term period in the current fiscal year has been calculated based on "Interest payment inclusive method".

2. Equivalent of year-end closing balance of unexpired lease expenses:

within-1-year	1,294	1,309
over 1-year	<u>1,563</u>	<u>1,763</u>
Total	2,857	3,072

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets plus the year-end closing balance of unexpired lease expense, equivalent of year-end closing balance of unexpired lease expenses in the term period in the current fiscal year has been calculated based on "Interest payment inclusive method".

3. The amount of lease expenses and equivalent of depreciation expenses:

Amount of lease expenses	1,365	1,603
Equivalent of depreciation expenses	1,365	1,603

4. Method of computing equivalent of depreciation expenses:

Computation is based on straight line method with the lease term as a useful life and the residual value to be set at zero.

(4) Basis of presenting consolidated financial statements

1. Scope of consolidation and application of equity method

Number of consolidated companies..... 55 companies

Included are NMB Singapore Ltd., NMB (USA) Inc., NMB Thai Ltd., Minebea Electronics (Thailand) Co., Ltd..

Number of affiliated companies..... 2 companies

of which, equity method is applied to 2 companies including Shonan Seiki Co., Ltd., Kanto Seiko Co., Ltd..

2. Scope of consolidation and application of equity method

(a) Changes in consolidated subsidiaries

Anew	: Merger and change of corporate name	(1 company)	NMB Technologies Corporation
	: Establishment	(1 company)	NMB F.T. Inc.
	: Acquisition of stock	(1 company)	KUEN DAR (M) SDN. BHD.
Exclusion	: Merger	(2 companies)	NMB Corporation NMB Technologies Inc.
	: Sale of stock	(1 company)	Minebea Credit Co., Ltd.
	: Liquidation	(3 companies)	Tool Products (Thailand) Ltd. Hwan Thai Enterprise Co., Ltd. Actus Kobe Corporation

(b) Changes of the companies subject to equity method

Anew : None

Exclusion : None

3. Closing date of consolidated subsidiaries

Consolidated subsidiaries whose closing dates are different from that of the Company adjusted their financial statements to the Company's closing date.

4. Accounting policies

(a) Valuation basis and method of significant assets

1. Securities

Listed marketable securities are stated at the lower of cost or market, cost being determined by the moving average method [Wash-again method (a method of bringing forward the acquisition cost by the cost method to the next term instead of bringing forward the appraised value based on the current market price at the end of term to the next term)].

Non listed securities are stated at cost determined by the moving average method.

2. Inventories

The Company and consolidated domestic subsidiaries state primarily at the moving average cost or weighted average cost.

Consolidated foreign subsidiaries state at the lower of first-in, first-out cost or market, or at the lower of average cost or market.

(b) Depreciation

1. Tangible fixed assets

The Company and consolidated domestic subsidiaries adopt the declining balance method based on estimated useful lives of the assets as prescribed in the Income tax regulations. The depreciation method of depreciation assets whose acquisition values are not less than 100,000 yen and less than 200,000 yen has changed to a method by which those assets are equally depreciated in lump sum for three years.

Consolidated foreign subsidiaries mainly adopt the straight line method.

2. Intangible fixed assets

The Company and consolidated domestic subsidiaries mainly adopt the straight line method as prescribed in the Income tax regulations.

Consolidated foreign subsidiaries mainly adopt the straight line method.

(c) Allowances

1. Allowance for doubtful receivables

The Company and consolidated domestic subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the maximum amount deductible under Japanese Tax Law and collectibility of each receivable for possible losses on the receivables.

Consolidated foreign subsidiaries make the record in the amount required for the estimated

uncollectible receivables based on the collectibility of each receivable for possible losses on the receivables.

2. Accrued bonuses

The Company and consolidated domestic subsidiaries make the record based on the anticipated amounts of payments in the current term.

Consolidated foreign subsidiaries make the record on accrual basis.

3. Retirement allowance

The Company applied a qualified pension plan to all of the allowances on April 1, 1998. The amount of retirement allowances is an undisposed portion of their surplus.

Certain consolidated domestic subsidiaries accrue the allowance equal to 40% of the amount payable, if employees voluntarily terminated their employment as of the balance sheet date.

Consolidated foreign subsidiaries accrue the allowance equal to the amount payable, if employees voluntarily terminated their employment as of the balance sheet date.

(d) Translation of foreign currency assets and liabilities in financial statements of the company and consolidated subsidiaries

1. Current monetary receivables and payables

The Company and consolidated domestic subsidiaries translate them into yen at the exchange rate on the balance sheets date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).

Consolidated foreign subsidiaries translate them at the exchange rate on the balance sheets date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).

2. Long-term monetary financial receivables and payables

The Company translates them at the historical rate or at the exchange rate prevailing at the time of such transaction.

Consolidated foreign subsidiaries translate them at the exchange rate on the balance sheets date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).

(e) Accounting method of lease transactions

The accounting treatment for financial lease transactions other than those in which the ownership of leases is considered to be transferred to us, is in accordance with that for ordinary lease transactions.

5. Evaluation of consolidated subsidiaries' assets and liabilities

The company adopts the step fair value method as evaluation method of consolidated subsidiaries' assets and liabilities.

6. Amortization of consolidation adjustments

The consolidation adjustments are equally amortized for from five to forty years conforming to the accounting customs of the consolidated companies' countries.

7. Appropriation of retained earnings

Regarding the appropriation of retained earnings, the consolidated statements of income and retained earnings are prepared based of the method provided in the provision of article 8 of the regulation relating to terminology, form and methods of preparation of consolidated financial statements (advanced inclusion method).

8. Range of cash in Cash flow statements

Cash and cash equivalents consist of cash on hand, demand deposit and short-term investments which expire within three months from acquisition date, have high liquidity and are easily turned into cash.

(5) Additional information

(Adoption of tax effect accounting)

So far, income taxes had been periodically distributed by the elimination of unrealized intercompany profit and adjustment of allowance for doubtful receivables on consolidation base. From the current fiscal year, however, the tax effect accounting had been applied to the income taxes because the regulations of consolidated financial statements were revised.

Compared with using the same method as that of previous term, the change has increased 19,876 million yen in assets, decreased 6,926 million yen in net loss and 19,876 million yen in accumulated deficit.

The effect on segment information is stated at "5. Segment Information".

5. Segment Information

(1) By industry segments

(As of and for the year ended March 31, 2000)

	FY2000					
	Millions of yen					
	Machined components business	Electronic devices and components business	Consumer business and others	Sub-total	Elimination	Total
1. Total sales and operating income and loss						
Total sales						
(1) Sales to customers	127,734	146,133	10,890	284,757	—	284,757
(2) Sales to other segment	6,940	—	—	6,940	(6,940)	—
Total	134,674	146,133	10,890	291,697	(6,940)	284,757
Operating expense	112,678	137,879	10,071	260,628	(6,940)	253,688
Operating income	21,996	8,254	819	31,069	—	31,069
2. Assets, depreciation and capital expenditure						
Assets	183,111	234,558	8,022	425,691	(21,697)	403,994
Depreciation	10,031	11,911	83	22,025	—	22,025
Capital expenditure	8,813	10,571	228	19,612	—	19,612

(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, Wheels, Defense-related special parts, etc.

(b) Electronic devices and components business..... Small motors, PC keyboards, Speakers, Transformers, FDD subassemblies, Switching power supplies, Inductor, Hybrid ICs, Backlight inverters, Strain gauges, Load cells, etc.

(c) Consumer business and others..... Furniture and interior, etc.

3. The amount of all companies' assets is 69,942 million yen in "Assets-Elimination" column. That comes from foreign currency translation adjustments.

4. Change of the segments

Because the segments were defined as "Machined components business", "Electronic devices and components business" and "Consumer business and others" in the current fiscal year by business strategy, "Machined components business" and "Electronic device and components business" which had been included in "Machinery fixture and components business" till previous fiscal year were indicated separately in the current fiscal year.

(As of and for the year ended March 31, 1999)

The Company group is operating production and sales of main products such as "Machinery fixture and components" like bearings and electronic devices and so on. Each amount of sales, operating income and assets of the operation in FY1999 is over 90% compared with that of consolidated sales, operating income and assets. Therefore, the segment information by industry segments in FY1999 has been omitted.

(2) By geographical segments

	FY2000						
	Millions of yen						
	Japan	Asia (excluding Japan)	North and South America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income and loss							
Total sales							
(1) Sales to customers	117,141	74,067	58,253	35,296	284,757	-	284,757
(2) Sales to other segment	77,697	107,033	1,533	3,926	190,189	(190,189)	-
Total	194,838	181,100	59,786	39,222	474,946	(190,189)	284,757
Operating expense	182,955	165,927	57,057	37,938	443,877	(190,189)	253,688
Operating income	11,883	15,173	2,729	1,284	31,069	-	31,069
2. Assets	182,130	168,406	41,265	33,851	425,652	(21,658)	403,994

	FY1999						
	Millions of yen						
	Japan	Asia (excluding Japan)	North and South America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income and loss							
Total sales							
(1) Sales to customers	121,123	77,038	65,806	41,357	305,324	-	305,324
(2) Sales to other segment	88,054	119,541	2,239	2,157	211,991	(211,991)	-
Total	209,177	196,579	68,045	43,514	517,315	(211,991)	305,324
Operating expense	192,987	179,557	64,895	41,330	478,769	(211,991)	266,778
Operating income	16,190	17,022	3,150	2,184	38,546	-	38,546
2. Assets	244,831	155,029	45,611	30,738	476,209	(2,849)	473,360

(Notes) 1. 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

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

2. The amounts of all companies' assets are 69,942 million yen for FY2000 and 64,152 million yen for FY1999 in "Assets-Elimination" columns. They come from foreign currency translation adjustments.

3. As mentioned on page 13, the tax effect accounting has been applied. Compared with using the same method as that of previous fiscal year, the change has increased "Assets" at 19,724 million yen in "Japan" and at 152 million yen in "Asia".

(3) Overseas Sales

	FY2000			
	Millions of yen			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	82,445	58,148	35,326	175,919
2. Total sales				284,757
3. Overseas sales on total sales	29.0 %	20.4 %	12.4 %	61.8 %

	FY1999			
	Millions of yen			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	81,425	65,722	41,546	188,693
2. Total sales				305,324
3. Overseas sales on total sales	26.7 %	21.5 %	13.6 %	61.8 %

(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.

6. Amounts of production, orders received, sales

(1) Production

Industry segments	Year ended March 31,2000	
	Millions of yen	
Machined components business	125,121	
Electronic devices and components business	141,606	
Consumer business and others	—	
Total	266,727	

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

(2) Orders received

Industry segments	Year ended March 31,2000	
	Millions of yen	
	Orders received	Order backlog
Machined components business	122,140	40,235
Electronic devices and components business	145,385	23,314
Consumer business and others	11,078	823
Total	278,603	64,372

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

(3) Sales

Industry segments	Year ended March 31,2000	
	Millions of yen	
Machined components business	127,734	
Electronic devices and components business	146,133	
Consumer business and others	10,890	
Total	284,757	

(Note) 1. Amounts are provided on the basis of their sales price and do not include consumption taxes.

2. Main customers and ratio of the sales amount to total sales amount are as follows.

Name of customer	Year ended March 31,2000	
	Millions of yen	
	Sales amount	Ratio (%)
Keiaisha NMB Co., Ltd.	96,229	33.8

7. Current price etc. of marketable securities

(Note) "Current price etc. of marketable securities as of March 31,1999" is stated on page 28.

(Amount: millions of yen)

Classification	As of March 31,2000		
	Book value	Market price	Gain or (Loss)
(1) Current assets			
Stock	8,942	9,735	792
Bonds	—	—	—
Other	—	—	—
Sub total	8,942	9,735	792
(2) Fixed assets			
Stock	—	—	—
Bonds	—	—	—
Other	—	—	—
Sub total	—	—	—
Grand. total	8,942	9,735	792

(Notes)1. Calculation method for current market price (equivalent of current market price is included):-
Listed marketable securities.....Closing price mainly at Tokyo stock exchange.
Marketable securities at over the counter....Dealing price at Japan securities dealers association.
Beneficiary certificate of securities investment trust (Non-Listed).....Quoted price.

2. The following amount of marketable securities are excluded from disclosure.

	<u>Millions of yen</u>
	<u>Year ended March 31,2000</u>
Fixed assets: Non-listed stock	1,335
(Except for stock at over the counter)	

8. Contract amounts, current prices, and unrealized profits or losses of derivatives

(Note) "Contract amounts, current prices, and unrealized profits or losses of derivatives as of March 31,1999" is stated on page 28.

There is no record of "Contract amounts, current prices, and unrealized profits or losses of derivatives as of March 31,2000" should be stated.

9. Transaction with related parties

Directors and main individual shareholder

Attribution	Name	Address	Capital	Line of business or profession	Voting right (own or owned)	Contents of relation		Contents of transaction	Transaction amount	Account title	Year-end balance	
						Concurrence of director	Relation of business					
Director	Yoshihisa Kainuma	—	—	Senior managing director of the company, senior managing and representative director of Keiaisha NMB Co., Ltd.	(Owned) Direct 0%	—	—	Please see "Keiaisha NMB Co., Ltd."				
Director	Atsushi Matsuoka	—	—	Director of the company, President and representative director of Keiaisha NMB Co., Ltd.	(Owned) Direct 0%	—	—	Please see "Keiaisha NMB Co., Ltd."				
Companies which the company's directors and nearly related person have over 50% of voting right.	Keiaisha NMB Co., Ltd.	Kitaku Tokyo	¥1,905 million	Sales of precision components, steel and its raw materials	(Owned) Direct 5.0%	Concurrence 7 Detached 2	Contract sales company	Operating transaction	Sales of finished goods of the company	¥96,229 million	Account receivable and Notes receivable	¥34,585 million
							The company purchases steel bar etc.		Purchase of steel bar etc.	¥4,220 million	Account payable and Notes payable	¥1,535 million

(Note) Terms and decision policy of the transaction

1. The transaction with Keiaisha NMB Co., Ltd. is what is called "Transaction for the third party".
2. The sales prices of finished goods and merchandise are decided after negotiation every fiscal year considering the market prices.
3. The purchase prices of steel bar etc are decided after negotiation considering the market prices.
4. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.