Investor Meeting in US
July 2001

Tsugio Yamamoto
President and Representative Director
Minebea Co., Ltd.
Second Year of the Three-Year Management Plan

Last fiscal year (FY to Mar 01)
- Completed withdrawal from consumer business
- Identified four unprofitable business areas in manufacturing operations

Significant development in core business areas
- Miniature bearings monthly production capacity raised by 30mn units to 150mn units.
- Use of fluid dynamic bearings in mass-produced HDD models started

Current fiscal year (FY to Mar 02)
- Restructuring plans are in progress
- Minebea’s RO bearing is making a breakthrough in HDD spindle motor technology
- Production of fluid dynamic bearing motor is gradually expanding

We launched the three-year management plan in May 2000

July, 2001
Three Basic Management Directions to become a High-Growth, Highly Profitable Company

1. To increase production of most profitable mainstayed bearings and bearing-related products;

2. To expand small motors and other rotary components business to a scale similar to bearing operation; and

3. To raise the weight of high-value-added products in main product categories.

Realization

Minebea’s Basis of Strength
“Ultra-Precision Machining Technologies”
“Mass Production Technologies”
Vertically Integrated Manufacturing System in Bearings Operation

- Development, design, analysis and quality control
- Production of dies, jigs and tools
- In-house production of parts
- Assembly and Testing
  - Discrete bearings
  - Rod end and spherical bearings
  - Pivot assemblies
  - Inner Rings
  - Shields and snap rings
  - Outer rings
  - Retainers
  - Balls

July, 2001
In a fluid dynamic bearing, the ball function is replaced with a thin layer of lubricant. Special grooves in the metal bearing parts generate a hydrodynamic force that stabilizes the rotation and provides the vibration damping. Minebea’s fluid dynamic bearings bring together Seagate Technology’s design and development capabilities and Minebea’s ultra-precision machining and mass production technologies.
Minebea Begins Mass-Production of Spindle Motors with High-Precision RO bearings for use in 20GB/Platter Large-Storage Capacity 2.5-inch HDDs

<Extract from Press Release of June 26, 2001>

Minebea has launched mass-production of spindle motors that use high-precision RO bearings for 20GB/Platter large-storage capacity 2.5-inch HDDs.

Combining the functions of two ball bearings in one, RO bearings, which minimize non-repeatable run-out (NRRO) and misalignment, have advantages in reliability and rotational accuracy and facilitate more compact design of motors.

2.5-inch HDD spindle motors that Minebea has started mass-production use a new type of RO bearings in that inner ring rigidity, raceway accuracy, ball sphericity, and surface roughness are greatly improved, thereby enhancing reliability, NRRO, and sound level.

RO bearings presently fitted in spindle motors for large-storage capacity 3.5-inch HDDs use ceramic balls made in-house. Minebea is planning to use ceramic balls in RO bearings for use 2.5-inch HDD spindle motors in order to further improve reliability, NRRO, and sound level.

July, 2001
### 2.5-inch Mobile HDD Track Density ~ Capacity Trends

- **56K~58K TPI, CQ2 2001**: 30GB/Platter
- **44K TPI, January 2001**: 20GB/Platter
- **36K TPI, May 2000**: 15GB/Platter
- **26K TPI, July 1999**: 10GB/Platter
- **26K TPI, June 1999**: 6GB/Platter

**Track Density [Track-Per-Inch]**

- **Capacity [GB / Platter]**
  - 0K
  - 10K
  - 20K
  - 30K
  - 40K
  - 50K
  - 60K
  - 70K
  - 80K
  - 90K
  - 100K

- **5K
  - 10K
  - 15K
  - 20K
  - 25K
  - 30K
  - 35K
  - 40K
  - 45K
  - 50K
  - 55K
  - 60K
  - 65K
  - 70K
  - 75K
  - 80K
  - 85K
  - 90K
  - 95K
  - 100K**

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**HDD Spindle Motor Performance Trend**

- **Over 70K TPI HDD SPM Development Started**
- **Product launch announced on 26 June**

**Minebea cleared all these stages with RO bearing motor**

July, 2001
Ball Bearings Production Trend

Annual volume (bn units)

Year to Oct. 99
Production capacity increased to 120mn pcs / month

Dec. 00
Production Capacity increased to 150mn pcs / month

Mar 99 1.3
Mar 00 1.4
Mar 01 1.6
Mar 02E 1.7

July, 2001
Ball Bearings Sales by Region

July, 2001

Total shipments (number of units) + 9.5% yoy + 4.4% yoy (plan)

- Europe
- North America
- Asia ex-Japan
- Japan

Mar 00: 13% Europe, 17% North America, 32% Asia ex-Japan, 39% Japan

Mar 01: 13% Europe, 14% North America, 39% Asia ex-Japan, 34% Japan

Mar 02E: 12% Europe, 14% North America, 42% Asia ex-Japan, 31% Japan

Total shipments + 9.5% yoy + 4.4% yoy (plan)
Ball Bearings for Internal Use

(quantity basis)

<table>
<thead>
<tr>
<th>Year to</th>
<th>Mar 97</th>
<th>Mar 98</th>
<th>Mar 99</th>
<th>Mar 00</th>
<th>Mar 01</th>
<th>Mar 02E</th>
</tr>
</thead>
<tbody>
<tr>
<td>External sales</td>
<td>83%</td>
<td>79%</td>
<td>75%</td>
<td>73%</td>
<td>72%</td>
<td>70%</td>
</tr>
<tr>
<td>For internal use</td>
<td>17%</td>
<td>21%</td>
<td>25%</td>
<td>27%</td>
<td>28%</td>
<td>30%</td>
</tr>
</tbody>
</table>

July, 2001
This year’s new models:
- Motors for 20GB/platter 2.5-inch HDDs
- Servers and high-end 3.5-inch HDDs
- 1.8-inch HDDs
- and Seagate 3.5-inch HDDs (FDB)

Including FDB Motor, estimated at 1,000K/Month to 1,500K/Month in 2001 CQ4
Minebea’s Share in the HDD Spindle Motor Market

- Minebea’s spindle motors with RO bearings are being selected as the leading choice for high-end HDD models.
- Production of FDB requires very high precision machining technologies.
- Most HDD makers adopt a two vendor policy.

Minebea's Share in the HDD Spindle Motor Market

Minebea's spindle motors with RO bearings are being selected as the leading choice for high-end HDD models. Production of FDB requires very high precision machining technologies. Most HDD makers adopt a two vendor policy.
Ball Bearing Motor vs. FDB Motor

✓ Reliability

✓ Performance - 20GB/platter 2.5-inch HDD (RO Bearings)

✓ 1.8-inch or smaller HDDs

✓ Load carrying capacity
Fluid Dynamic Bearings Business

Production Capacity

As of March 2001  
500K/month

From April 2001  
1,000K/month  (K=1,000)

Current Production Volume: May 100K, June 150K, July 350K

Currently, our FDB motor production is for Seagate Technology only. However, we will be able to start to ship sample products to other HDD makers from November.

Accumulated Capex as of March 2001: ¥5bn
(Machinery and equipment ¥2bn; Factory building ¥3bn)
Completed a new plant for fluid dynamic bearings and HDD spindle motors in Thailand – has HDD spindle motor production capacity of 6 million units when filled with machinery and equipment.

July, 2001
Rotary Components for Automotive Use

Trend in the automotive industry
- Environmentally friendly
- Safety
- Comfort

Increasing demand for high-performance motors and sensors

Minebea’s rotary components for automotive use
- Motors for EPS (a)
- Dashboard unit motors (b)
- Headlight actuators (c)
- V/R resolvers (d)
## Outlook for Fiscal Year ending March 31, 2002

<table>
<thead>
<tr>
<th>(billions of yen)</th>
<th>Forecast for Year ending March 2002 (**)</th>
<th>Change yoy</th>
<th>Target in the Three-year management plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>300</td>
<td>+ 4.5%</td>
<td>332</td>
</tr>
<tr>
<td>Operating income</td>
<td>33</td>
<td>+ 0.1%</td>
<td>39</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>25</td>
<td>+1.1%</td>
<td>32</td>
</tr>
<tr>
<td>Net income</td>
<td>15</td>
<td>+1.2%</td>
<td>20</td>
</tr>
</tbody>
</table>

* We have assumed 5-8% global PC shipments growth and 16% HDD shipments growth.

July, 2001
# Sales and Operating Income Forecast by Segment

---

<table>
<thead>
<tr>
<th>(Ybn)</th>
<th>Full year</th>
<th>First Half</th>
<th>Second Half</th>
<th>Original target in Three-year plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>forecast</td>
<td>chg. yoy</td>
<td>forecast</td>
<td>chg. yoy</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machined components</td>
<td>124.0</td>
<td>-0.4%</td>
<td>59.0</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Bearing-related products</td>
<td>105.0</td>
<td>3.9%</td>
<td>50.0</td>
<td>1.3%</td>
</tr>
<tr>
<td>Other machinery components</td>
<td>19.0</td>
<td>-18.7%</td>
<td>9.0</td>
<td>-22.5%</td>
</tr>
<tr>
<td>Electronic devices and components</td>
<td>176.0</td>
<td>15.9%</td>
<td>81.0</td>
<td>7.3%</td>
</tr>
<tr>
<td>Rotary components</td>
<td>90.0</td>
<td>22.3%</td>
<td>40.0</td>
<td>12.3%</td>
</tr>
<tr>
<td>Other electronic devices</td>
<td>86.0</td>
<td>9.8%</td>
<td>41.0</td>
<td>2.9%</td>
</tr>
<tr>
<td>Consumer business and others</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>300.0</td>
<td>4.5%</td>
<td>140.0</td>
<td>-1.5%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machined components</td>
<td>23.8</td>
<td>-0.4%</td>
<td>11.27</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Electronic devices and components</td>
<td>9.2</td>
<td>11.4%</td>
<td>3.23</td>
<td>-30.8%</td>
</tr>
<tr>
<td>Consumer business and others</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>33.0</td>
<td>0.1%</td>
<td>14.5</td>
<td>-15.6%</td>
</tr>
</tbody>
</table>

### Division

<table>
<thead>
<tr>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bearing-related products</td>
</tr>
<tr>
<td>Other machinery components</td>
</tr>
<tr>
<td>Rotary components</td>
</tr>
<tr>
<td>Other electronic devices</td>
</tr>
<tr>
<td>Consumer business and others</td>
</tr>
</tbody>
</table>

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July, 2001
Bearing Related Products Sales

Sales breakdown by product (FY to Mar 01)

- Ball bearings
- Rod end & spherical bearings
- Pivot assemblies

July, 2001

Sales breakdown:

- Apr.99 - Sep.99: 52.0 bn
- Oct.99 - Mar.00: 49.8 bn
- Apr.00 - Sep.00: 49.3 bn
- Oct.00 - Mar.01: 51.8 bn
- Apr.01 - Sep.01E: 50.0 bn
- Oct.01 - Mar.02E: 55.0 bn

- Full year + 3.9% yoy
- Apr.99 - Sep.99: +1.3% yoy
- Oct.99 - Mar.00: +6.3% yoy
Other Machinery Components Sales

Sales breakdown by product (FY to Mar 01)

- Defense-related special parts
- Fasteners
- Wheels
- Others

Sales breakdown by product (FY to Mar 01):

- Defense-related special parts: 18.5
- Fasteners: 13.4
- Wheels: 11.6
- Others: 11.8

July, 2001 Sales breakdown by product (FY to Mar 01):

- Full year -18.7% yoy
- Apr.99 - Sep.99: -22.5% yoy
- Oct.99 - Mar.00: -14.9% yoy
Restructuring Plans in Other Machinery Components Division

➢ Wheels
  ✷ Decided to withdraw from business and to close Kyoto plant.
  ✷ Complete exit from the business will be in November.
  ✷ Sales to fall to 1/3 of last year’s level.

➢ Fasteners
  ✷ Fundamental restructuring of personnel and organizational structure is underway.
  ✷ Product line-up is under review.
  ✷ Aiming to turn profitable next fiscal year.
Rotary Components Sales

Sales breakdown by product (FY to Mar 01)

- Stepping motors: +12.3% yoy
- Fan motors: +31.7% yoy
- Full year: +22.3% yoy

<table>
<thead>
<tr>
<th>Period</th>
<th>Sales (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr.99-Sep.99</td>
<td>32.1</td>
</tr>
<tr>
<td>Oct.99-Mar.00</td>
<td>31.6</td>
</tr>
<tr>
<td>Apr.00-Sep.00</td>
<td>35.6</td>
</tr>
<tr>
<td>Oct.00-Mar.01</td>
<td>38.0</td>
</tr>
<tr>
<td>Apr.01-Sep.01E</td>
<td>40.0</td>
</tr>
<tr>
<td>Oct.01-Mar.02E</td>
<td>50.0</td>
</tr>
</tbody>
</table>

July, 2001
Other Electronic Devices Sales

Sales breakdown by product (FY to Mar 01)

- Electro devices
- PC keyboards
- Switching power supplies
- Speakers
- Others

Sales (bn)

- April 99-September 99: 41.2
- October 99-March 00: 41.2
- April 00-September 00: 39.8
- October 00-March 01: 38.5
- April 01-September 01E: 41.0
- October 01-March 02E: 45.0

Full year +9.8% yoy
+17.0% yoy
+2.9% yoy

July, 2001
This Year’s Restructuring Plans in Other Electronic Devices Division

- **Switching power supplies**
  - Scaling back and integrating development and manufacturing operations in North America, and development division in Europe.
  - Need to boost sales by at least 30-40%.
  - Aiming to turn profitable on a monthly basis by March 2002.

- **Speakers**
  - Transferring manufacturing operation of speaker boxes from Taiwan to Malaysia, the world’s center of AV manufacturers.
  - Shifting focus to high-end models.
  - Expect to break-even for the full year.

July, 2001
Operating Income by Segment

Back in line with the three-year management plan

- Electron Devices and Components Business
- Consumer Business and Others
- Machined Components Business

July, 2001
Minebea’s Strategy

- Continue to implement and execute restructuring plans in unprofitable business areas.
- Accomplish the three management directions by enhancing:
  
  “Ultra-Precision Machining Technologies”
  and “Mass-Production Technologies”

High-Growth, Highly Profitable Company
Thank you.

Please visit our web site at

http://www.minebea.co.jp
Any statements in the presentation which are not an historical fact are future projections made based on certain assumptions and our management's judgment drawn from currently available information.

Please note that actual performance may vary significantly from any particular projection, due to various factors.

Factors affecting our actual performance include: (i) changes in economic indicators surrounding us or demand trends; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. However, this is not a complete list of the factors affecting actual performance.

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