

PERFORMANCE BY REGION

Minebea divides its operations into four regions based on the locations of its principal manufacturing facilities.



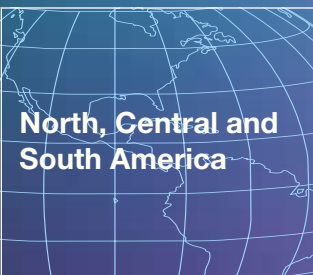
The Minebea Group's headquarters and the Karuizawa and Hamamatsu manufacturing units are located in Japan. The two manufacturing units act as parent plants and coordinate the production, quality control and environmental management activities of the Company's mass-production facilities in Thailand, the PRC and Singapore. The Karuizawa and Hamamatsu facilities are also responsible for developing mainstay products and manufacturing technologies, pilot production and small-lot production runs, as well as for overall support of overseas plants and the training of overseas employees. Plants in Fujisawa, Omori, Kyoto and elsewhere are primarily engaged in manufacturing products for the Group's domestic customers.

Japan remains the biggest market for Minebea's products, although the size of this market is gradually shrinking as key domestic customers shift production overseas.



Major production facilities in Asia form the Minebea Group's production nucleus, with output from plants in Thailand, the PRC, Singapore and elsewhere accounting for approximately 75% of total Group production. Most of the products manufactured in this region are exported to customers around the world. The Group's facilities in Thailand, which represent about 60% of total output, form its largest production base and are responsible for most of Minebea's mainstay products. As vertically integrated operations, these facilities conduct all processes, including the manufacture and maintenance of molds and the machining of parts, in-house.

With the increasing number of Japanese, North American and European manufacturers of PCs and household electrical appliances establishing production facilities in Asia, this region has evolved into the Minebea Group's second-largest market after Japan.



Minebea's operations in this region focus on the manufacture of rod-end and spherical bearings and small motors. The region is also home to technical centers that engage primarily in quality testing for automotive components and develop switching power supplies and other products.

Sales activities in the region mainly involve the import of products supplied by the Group's mass-production facilities in Asia for customers in North America.



The Minebea Group's plants in England manufacture rod-end and spherical bearings and small ball bearings, primarily for the European market, while the Group's plant in Scotland prints key caps in regional languages on keyboards supplied by its mass-production facilities in Thailand. The Group also has an R&D center in Europe, which functions as a design and development base for small motors, fan motors, switching power supplies and a variety of other products.

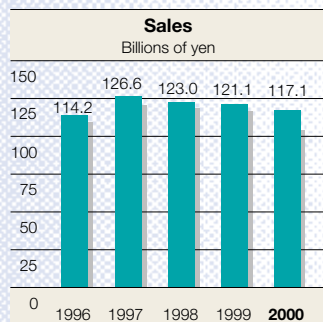
In addition to production, the Minebea Group has sales and marketing subsidiaries in the United Kingdom, Germany, Italy and France, which are responsible for local distribution of products manufactured at its plants in Asia.

Japan

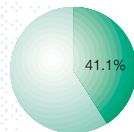
Japan's persistent economic malaise continued to hamper the Minebea Group's domestic operating environment in fiscal 2000. The situation was exacerbated as PC and household electric appliance manufacturers—Minebea's principal customers in the domestic market—accelerated the shift of production to other parts of Asia to counter the rising value of the yen. Falling prices for key products, especially those for information and telecommunications equipment, and the impact of the strong yen contributed to a less-than-satisfactory performance.

Sales in Japan decreased 3.3%, to ¥117,141 million, or 41.1% of net sales, while operating income fell 26.6%, to ¥11,883 million. Production in Japan accounted for 14.9% of total Group production during the period.

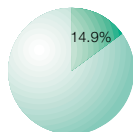
To improve the efficiency of its marketing activities in Japan, Minebea established three new sales bases during the period.



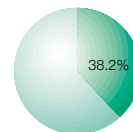
Percentage of net sales



Percentage of total production



Percentage of operating income



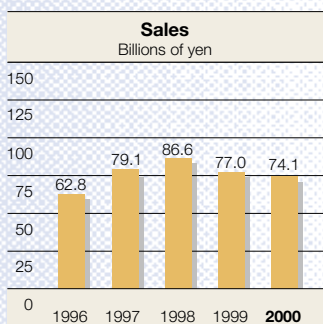
Asia (Excluding Japan)

The Minebea Group saw increased shipments in Asia in fiscal 2000, reflecting a strong comeback by Southeast Asian economies hampered by currency crises since 1997, as well as renewed production activity in the region by Japanese manufacturers of information and telecommunications equipment and household electrical appliances, which are key Minebea customers. However, sales and operating income were hampered by falling prices, especially for electronic devices.

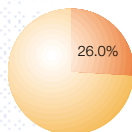
Sales in the region slipped 3.9%, to ¥74,067 million, or 26.0% of net sales. Operating income declined 10.9%, to ¥15,173 million. Production in Asia amounted to

¥211,385 million, and represented 74.2% of total production by the Group.

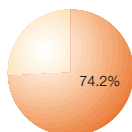
In response to rising demand for ball bearings, Minebea expanded the ball bearing production capacity of its plant in Shanghai and other regional plants during the period under review. In Thailand, the Company also commenced full-scale production of DC brushless motors for electric power steering systems and proceeded with work on two new plants it is building in Thailand, at a total cost of ¥15.0 billion. The first plant, a facility for spindle motors for HDDs and fluid dynamic bearings, will be finished by the end of 2000, while the second, which will mainly produce a variety of motors for automotive use, is scheduled for completion in 2001. In Malaysia, where many leading audio equipment manufacturers have established production activities, Minebea acquired a speaker box manufacturer. With key Asian economies continuing to improve, Minebea expects to see strong growth in demand in Asia and will strive in fiscal 2001 to maximize the benefits of having its principal manufacturing facilities in this important region to further increase sales.



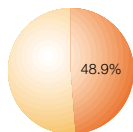
Percentage of net sales



Percentage of total production



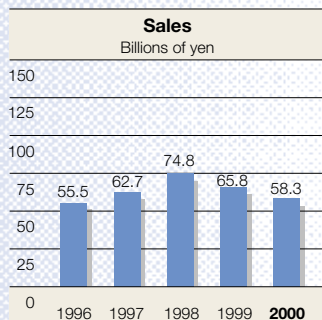
Percentage of operating income



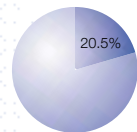
North, Central and South America

In fiscal 2000, Minebea's performance in North, Central and South America was hindered by sagging demand for rod-end and spherical bearings and other key products from the aerospace industry, as well as falling retail prices for PCs, which intensified pricing competition among component manufacturers.

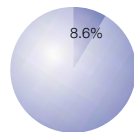
Sales generated by operations in the region declined 11.5%, to ¥58,253 million and were equivalent to 20.5% of net sales. Operating income fell 13.4%, to ¥2,729 million, and accounted for 8.8% of total operating income. Plants in the region were responsible for 8.6% of Group production.



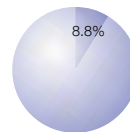
Percentage of net sales



Percentage of total production



Percentage of operating income



During the period, work continued on the Chatsworth plant of New Hampshire Ball Bearings, Inc., Minebea's principal manufacturing subsidiary in the region. The plant is slated for completion in early autumn 2000. A highlight of the period was the commencement of full-scale operations at Minebea's new technical center in Detroit, which was finished in fiscal 1999. This facility will be crucial to the Company's efforts to respond to growing demand for ball bearings, small motors and other components for the automotive industry to secure new orders and expand sales.

Demand from major companies in the aerospace industry is currently showing firm signs of recovery. Minebea also plans to expand its sales of aerospace components by stepping up marketing to small and medium-sized aircraft manufacturers in Canada and Brazil. The Company will further strive to expand sales to manufacturers of information and telecommunications equipment and cultivate new markets, such as that for automotive components.

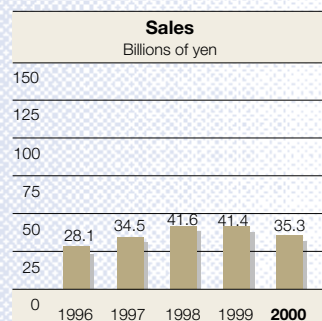
Europe

Falling orders for PC components created a difficult operating environment for the Minebea Group in Europe during the period under review.

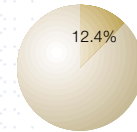
Sales in the region decreased 14.7%, to ¥35,296 million, and represented 12.4% of net sales. Operating income dropped 41.2%, to ¥1,284 million, or 4.1% of the Group total. Production in the region represented 2.3% of total Group output for the period.

During the period, new development facilities for fan motors, in the United Kingdom, and switching power supplies, in Germany, launched full-scale operations. Both facilities were completed in late fiscal 1999 and will

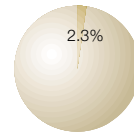
support Minebea's efforts to expand sales of these components worldwide. The Company also proceeded with construction of new facilities for PMDM in Germany, which designs and develops spindle motors and other small motors, and will function as the Group's principal development base for small motors after the completion of its new head office in autumn 2000. In fiscal 2001, Minebea will endeavor to maximize the capabilities of its various R&D facilities in Europe to bolster sales of mainstay products and improve its performance in the region.



Percentage of net sales



Percentage of total production



Percentage of operating income

