

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.



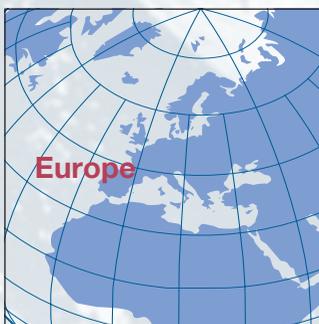
Major production facilities in Asia form the Minebea Group's production nucleus, with output from plants in Thailand, the PRC, Singapore and elsewhere accounting for approximately 75% of total Group production. Most of the products manufactured in this region are exported to customers around the world. 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 dies 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 PC 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.

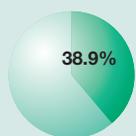
Japan

The accelerated shift of production to Asia (excluding Japan) by its principal customers combined with Japan's ongoing recession to drive Minebea's sales in Japan down in fiscal 2001. Income was hampered by a number of factors, notably falling prices for certain electronic devices.

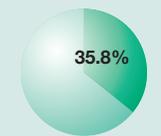
Sales in Japan declined 4.7%, to ¥111,643 million, equivalent to 38.9% of net sales, while operating income edged down 0.6%, to ¥11,806 million, or 35.8% of operating income. The value of domestic production was ¥40,149 million, equivalent to 14.0% of total production.



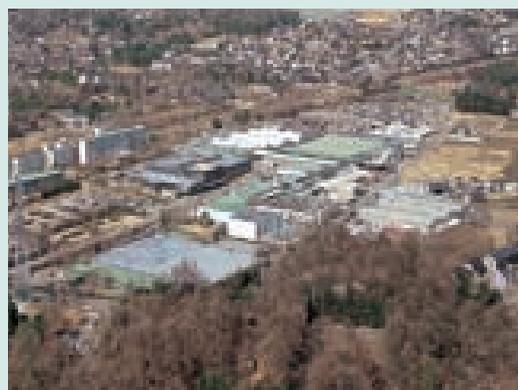
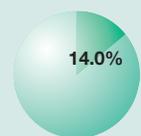
Percentage of net sales



Percentage of operating income



Percentage of total production



Karuizawa Manufacturing Unit, the parent plant for bearings, small motors and other machinery components



Hamamatsu Manufacturing Unit, the parent plant for switching power supplies and other electronic devices and components

With the aim of focusing key resources in core manufacturing businesses, we transferred our holding in subsidiary Actus, a furniture and interior product sales company, to TRS Co., Ltd. We also took decisive steps to restructure loss-generating businesses, including deciding to withdraw from the wheel business and closing down transformer manufacturing subsidiary Minebea Onkyo's Ichinoseki Plant and shifting its operations to its Kofu Plant and facilities in Thailand. We also decided to liquidate construction and civil engineering equipment manufacturing subsidiary Minebea Geotechnology Co., Ltd., in fiscal 2002. On another front, we dissolved our domestic exclusive sales agent contract with Keiaisha NMB Co., Ltd., to improve the efficiency of domestic sales and marketing.

Domestic Offices and Manufacturing Units

- Karuizawa Manufacturing Unit
- Matsuida Factory
- Saku Factory
- Hamamatsu Manufacturing Unit
- Fujisawa Manufacturing Unit
- Omori Manufacturing Unit
- Kyoto Manufacturing Unit
- Tokyo Head Office

Principal Domestic Subsidiaries and Affiliates

- Minebea Electronics Co., Ltd.
- NMB Electro Precision, Inc.
- Minebea Onkyo Co., Ltd.

Principal Domestic Sales Divisions, Branches and Offices

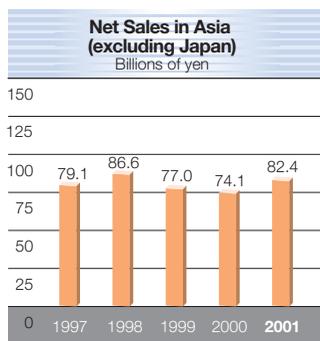
- Minebea Co., Ltd., Sales Headquarters
- Tokyo Branch
 - Fukushima Office
 - Mito Office
 - Utsunomiya Office
 - Kumagaya Office
 - Hachioji Office
 - Atsugi Office
- Nagoya Branch
 - Hamamatsu Office
 - Hokuriku Office
 - Suwa Office
 - Karuizawa Office
- Osaka Branch
 - Kyoto Office
 - Akashi Office
 - Hiroshima Office
 - Shikoku Office
 - Kyushu Office

Asia (Excluding Japan)

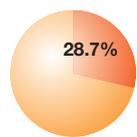
The Minebea Group recorded increased shipments of ball bearings, small motors and other core products in Asia (excluding Japan), reflecting the expansion of production in the region by global manufacturers, particularly of information and telecommunications equipment and household electrical appliances.

As a consequence, sales generated by our operations in this region advanced 11.3%, to ¥82,437 million, and represented 28.7% of net sales. Regional operating income climbed 14.4%, to ¥17,362 million, and accounted for 52.6% of operating income. The value of production by plants in the region was ¥219,392 million, or 76.4% of total production.

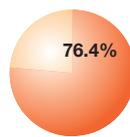
Highlights of the period included the completion of a new production facility for fluid dynamic bearings and HDD spindle motors



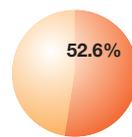
Percentage of net sales



Percentage of operating income



Percentage of total production



The Xicen Plant of Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.



New facility for fluid dynamic bearings and HDD spindle motors, Bang Pa-in, Thailand

within the Bang Pa-in Plant, our largest manufacturing base in Thailand. We also took steps to expand production capacity and strategically position the plant for future growth, such as acquiring a piece of land adjacent to the Bang Pa-in Plant, doubling the total area of the facility to 850,000 square meters.

We also increased monthly production capacity for ball bearings at our plant in Shanghai, our second-largest production base after Thailand, to 20 million pieces, from 10 million pieces. Work progressed on a new fan motor facility within the Shanghai Plant, built in response to rising demand. Completion of the new facility is scheduled for August 2001. In light of the growing importance of our operations in the PRC, we created a supervisory position for China Operations, to which a director of the parent company was appointed and stationed in Shanghai.

Subsidiaries in Asia (excluding Japan)

Thailand

- NMB Thai Ltd.
- Pelmec Thai Ltd.
- Minebea Thai Ltd.
- Bang Pa-in Plant
- Ayutthaya Plant
- Rojana Plant
- NMB Hi-Tech Bearings Ltd.
- NMB Precision Balls Ltd.
- Minebea Electronics (Thailand) Co., Ltd.
- Power Electronics of Minebea Co., Ltd.
- Minebea Thai Ltd., Bangkok Office

Singapore

- NMB Singapore Ltd.
- Chai Chee Plant
- Jurong Plant
- Kallang Plant
- Pelmec Industries (Pte.) Ltd.
- NMB Precision Tool & Die (Pte.) Ltd.
- Minebea Technologies Pte. Ltd.

People's Republic of China

- Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.
- Shanghai Plant
- Xicen Plant
- Minebea Technologies Pte. Ltd.
- Shanghai Office
- Shenzhen Office
- Hong Kong Branch

Taiwan

- Hwan Chong Enterprise Co., Ltd.
- Minebea Technologies Pte. Ltd., Taipei Branch

Republic of Korea

- NMB Korea Co., Ltd.
- Pusan Office
- Kumi Office

Malaysia

- Kuen Dar (M) Sdn. Bhd.
- Minebea Co., Ltd., Kuala Lumpur Branch
- Penang Office

Philippines

- Minebea Technologies Pte. Ltd., Manila Office

India

- Minebea Technologies Pte. Ltd., Bangalore Office

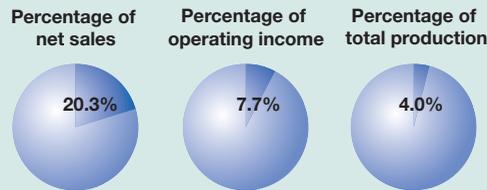
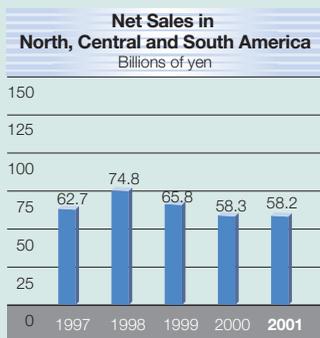
North, Central and South America

Demand from the U.S. aerospace industry—our principal customer in this region—bottomed out in the first half and began to recover thereafter. Nonetheless, our performance in this region was hampered by a sharp decline in the market for information and telecommunications equipment, compounded by worsening losses in our switching power supply business.

Sales in the region edged down 0.1%, to ¥58,192 million, or 20.3% of net sales. Operating income fell 51.8%, to ¥1,327 million, equivalent to 4.0% of operating income. Production in the region was valued at ¥22,122 million, or 7.7% of total production.

Key achievements during the period included the completion of the Chatsworth Plant of New Hampshire Ball Bearings, Inc., our largest manufacturing subsidiary in the region, and a new head office for holding company NMB (USA) Inc. and sales company NMB Technologies Corporation. These moves have positioned us to broaden production of miniature ball bearings and more effectively coordinate and manage regional production and sales activities.

With the aim of improving our profit performance in the region, we made the decision to close Power Systems, Inc., in the United States, and Minebea Electronics Mexico S.A. de C.V. in fiscal 2002. The former is a development facility, while the latter is a production facility for switching power supplies.



NMB Technologies Corporation's Technical Center



The new Chatsworth Plant of New Hampshire Ball Bearings, Inc.

Subsidiaries in North and Central America

United States

- NMB (USA) Inc.
- NMB Technologies Corporation (Precision Components Div.) (Technologies Div.)
- Technical Center
- New Hampshire Ball Bearings, Inc.
- Peterborough Plant
- Laconia Plant
- Chatsworth Plant
- IMC Magnetics Corp.
- Hansen Corporation
- Power Systems, Inc.

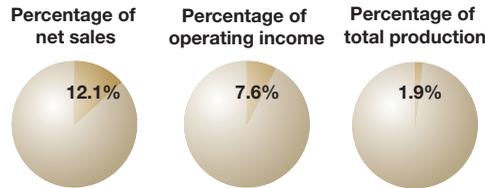
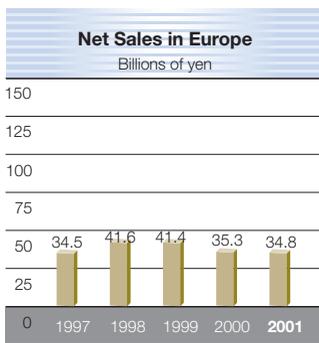
Mexico

- Minebea Electronics Mexico S.A. de C.V.

Europe

Despite an increase in sales of volume core ball bearings, small motors and PC keyboards, falling prices—notably for electronic devices—caused a decline in overall sales. Growth in income at German subsidiary PMDM, which designs and develops small motors, notably HDD spindle motors, contributed to a substantial improvement in our profit performance in this region.

Regional sales dipped 1.5%, to ¥34,773 million, and accounted for 12.1% of net sales. In contrast, operating income soared 93.3%, to ¥2,482 million, and represented 7.6% of operating income. The value of production in Europe was ¥5,382 million, or 1.9% of total production.



The Lincoln Plant of Rose Bearings Ltd.



New facility built for Precision-Motors-Deutsche-Minebea-GmbH

In November 2000, we completed construction of a new facility for PMDM, which played a crucial role in the development of HDD spindle motors and DC brushless motors. Since fiscal 2000, we have supplied these motors on an original equipment manufacturer basis to Delphi Automotive Systems of the United States for use in electric power steering systems. We will continue to enhance the capabilities of PMDM, which will serve as the Minebea Group's principal small motor development base. At subsidiary Rose Bearings, we proceeded with the installation of a new fully automated ball bearing production line encompassing all processes—from grinding through assembly—in a move aimed at improving production efficiency and lowering production costs.

With the aim of revamping the product line-ups of our U.K. and German switching power supply development bases to emphasize profitable offerings, thereby enhancing the efficiency of development efforts, we will scale back development efforts in the United Kingdom in fiscal 2002. We expect this move to improve the profitability of these operations.

Subsidiaries in Europe

United Kingdom

- Rose Bearings Ltd.
- Lincoln Plant
- Skegness Plant
- Minebea Electronics (UK) Ltd.
- NMB (U.K.) Ltd.
- Inchinnan Keyboard Printing Plant
- Air mover Division

Germany

- Precision-Motors-Deutsche-Minebea-GmbH (PMDM)
- NMB-Minebea-GmbH
- Minebea Europe PE Development Centre

Italy

- NMB Italia S.r.L.

France

- NMB Minebea S.a.r.l.