



**Business Results for
the First Half of Fiscal Year ending
March 31, 2002**

Minebea Co., Ltd.

**Tsugio Yamamoto
President and
Representative Director
November 16, 2001**

First half results of Fiscal year ending March 31, 2002

(Millions of yen)	Apr.'00- Sep.'00	Oct.'00- Mar.'01	Apr.'01- Sep.'01	Change yoy	Forecasts Announced on May 17.
Net Sales	142,124	144,921	136,882	-3.6%	140,000
Operating Income	17,177	15,800	12,496	-27.2%	14,500
Ordinary Income	12,987	11,739	8,952	-31.0%	10,500
Net Income	7,084	7,742	4,384	-38.1%	6,000

Core business growth (y.o.y.) (excluding Actus)	Net sales	-0.2% yoy
	Operating income	-25.1% yoy
Effect of FX fluctuations (Exchange rate Apr.-Sep.'00: ¥107. → ¥123.)	Net Sales	+¥7,900mn
	Operating income	+¥500mn

**Slightly below
the announced figures**

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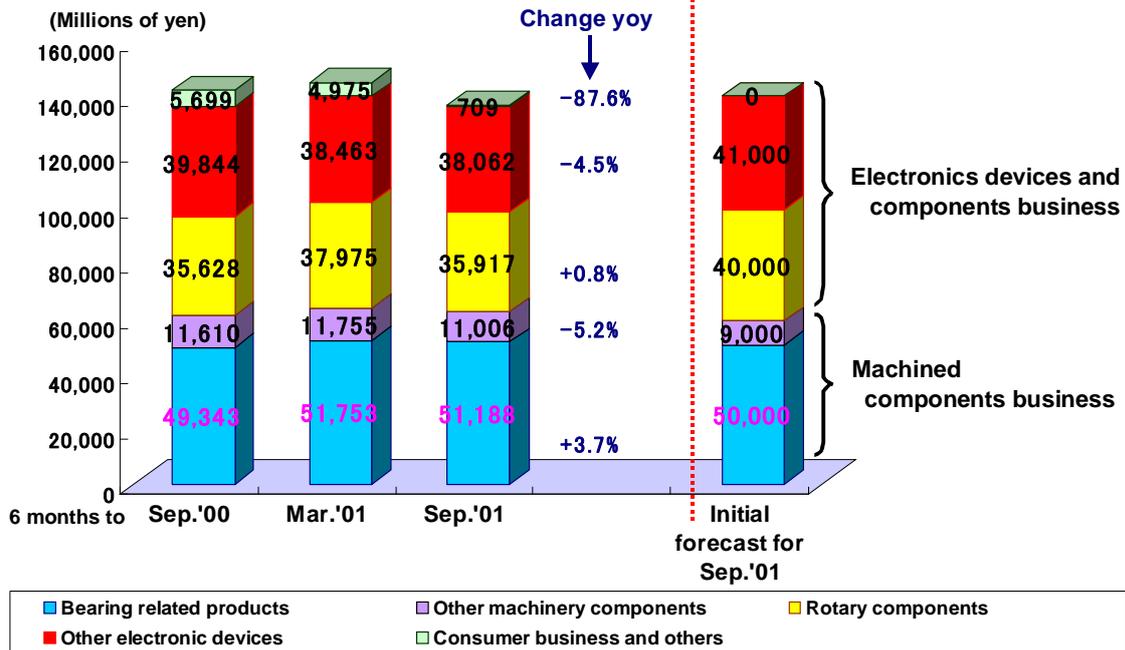
1

During the first six months of the current fiscal year, PC-related market remained weak as sharp slowdown in IT industry from the beginning of the calendar year triggered worldwide economic deceleration. In this operating environment, as already announced in the downward revision on October 26, the first half results fell slightly below forecasts we announced in May.

Sale of imported furniture retailer, Actus, in February reduced sales and income. Excluding Actus, Minebea's core manufacturing financial results were : net sales declined 0.2% yoy and operating income fell 25.1% yoy.

On the other hand, yen depreciated sharply against US\$ in the first half compared with the assumed rate in the initial projection and compared with first half of the last fiscal year. This has affected positively to this year's first half results.

Consolidated Sales by Segments



2

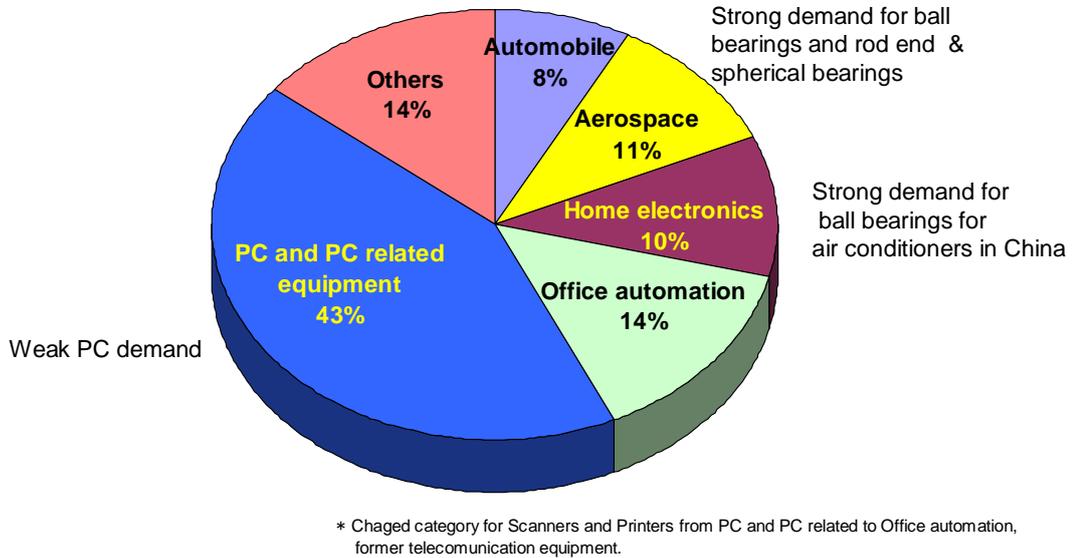
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In the machinery components business, production of Minebea's mainstay product, ball bearings, declined in July to September period from April to June period due to stagnant sales for PC fan motor application. Sales of pivot assemblies remained level reflecting trend in the HDD industry. Despite this, the bearing-related products division achieved greater sales than initial projection because recovery in aircraft demand from the second half of last year pushed up related sales of ball bearings and rod-end & spherical bearings.

Depressed demand for PC-related products was the main reason for underperformance of the electronic devices and components business. However, rotary components achieved a yoy sales growth of 0.8% as a result of substantial growth in spindle motors sales along with market share expansion. Keyboard business was also strong as a result of aggressive measure to shift focus to high end products. Implementation of restructuring measures secured sales of power electronics and speakers business as planned.

Sales Trend by User Industry

Apr. '01-Sep. '01 (All Products)

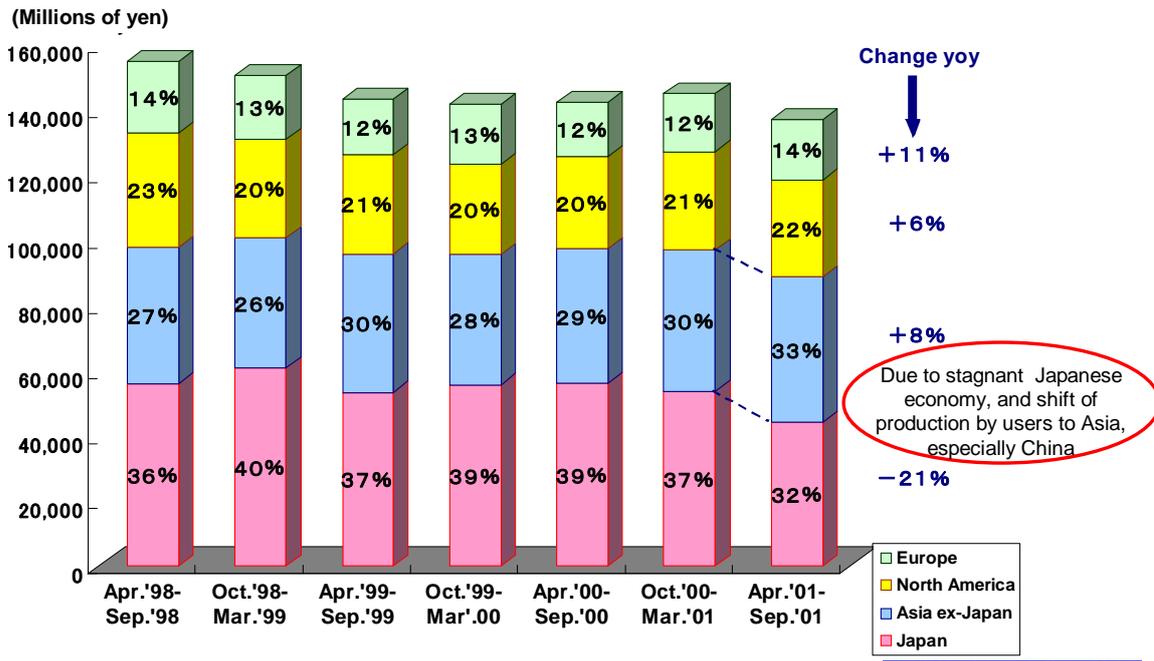


3

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The trend in product sales as I described is clearly reflected in sales trend by user industry. Sales to PC and related equipment application, which accounts for 40% of total company's sales, fell 2% yoy. On the contrary, sales to the aerospace industry grew 26% yoy and those to home electronics market climbed 13% yoy, which reflects robust demand for ball bearings for air conditioners in China. Please note that we have changed our sampling method from this year and we have categorized OA equipment such as printers and scanners as part of office automation instead of PC- related category.

Sales by Region

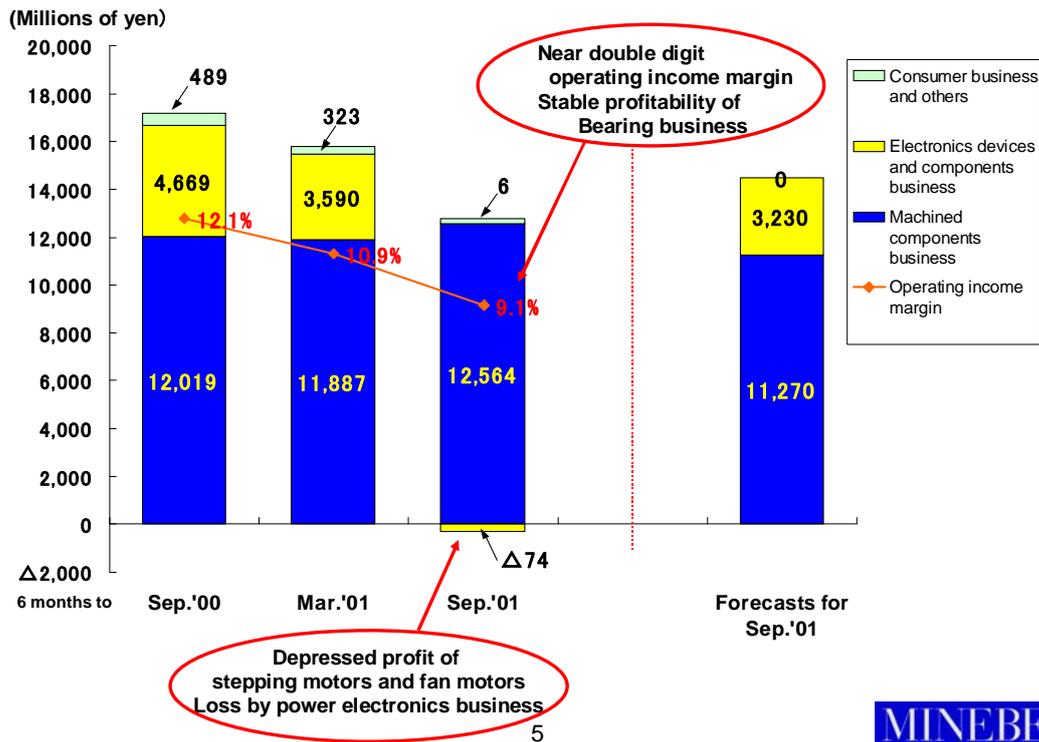


4



By region, sales in Japan tumbled 21% yoy in the first half. This is because of accelerating production shift by our customers to Asia, especially China, as well as stagnant domestic economy.

Operating Income by Segments



As for income, the operating income margin declined to 9.1% in the first half. The electronic devices and components business fell to a loss mainly because of depressed level of income for stepping motors and fan motors business but also because improvement in power electronics business income has not yet been achieved. Nevertheless, achievement of a near double-digit operating income overall owes mainly to relatively stable income level of bearing business, which is the major contributor to the company's total income.

Consolidated Results for Fiscal Year ending March 31, 2002

(Millions of yen)	FY to Mar.'01	Apr.'01- Sep.'01	Oct.'01- Mar.'02	FY to Mar.'02 Forecast	Change yoy	Forecast announced on May 17.
Net Sales	287,045	136,882	123,118	260,000	-9.4%	300,000
Operating income	32,977	12,496	9,204	21,700	-34.2%	33,000
Ordinary income	24,726	8,952	6,048	15,000	-39.3%	25,000
Net income	14,826	4,384	1,116	5,500	-62.9%	15,000

As already announced, we have made a downward revision to our forecasts for the full year.

The global economy is ever more worsening, added to depressed PC market from the first half. As a result, the outlook for January to March period next year is extremely unclear. According to research organizations such as IDC and Dataquest, worldwide PC shipments in July to September quarter tumbled 12-14% yoy. We are anticipating Christmas season effect to hike demand slightly in October to December although we estimate this calendar year's total shipments to end up at around minus 5% yoy. As for outlook for HDD demand, Pixie Pinnacle's draft estimates show this year's demand to be 202.5 million units, 8% increase yoy.

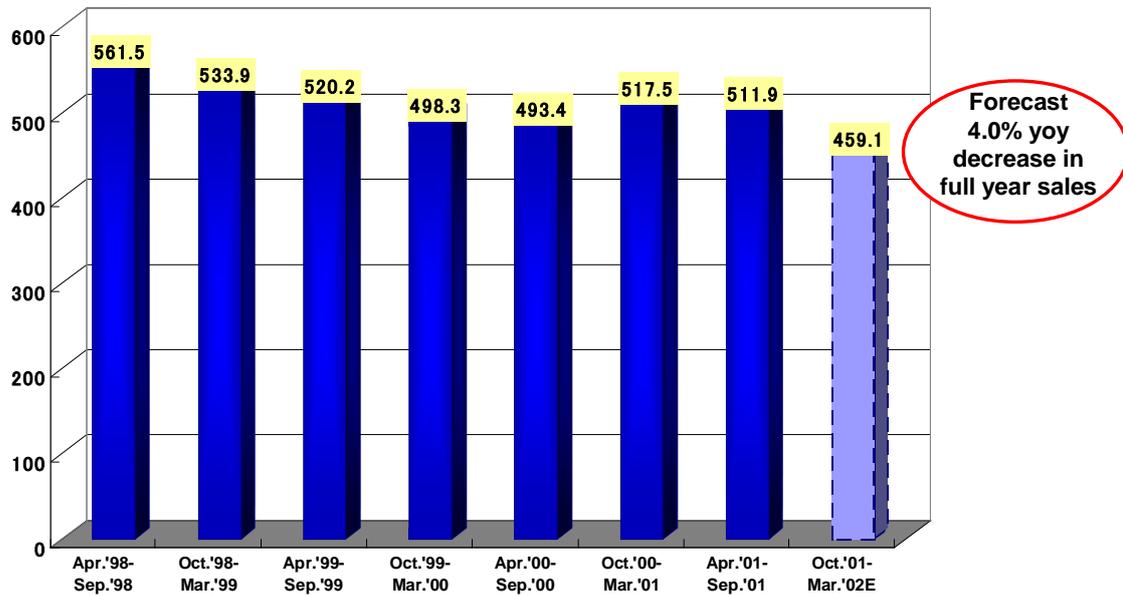
Sales and Operating Income Forecast by Segment

Millions of yen	Year ended Mar.'01	Year to March 2002			Change yoy	Original target
		First half	Second half forecast	Full year forecast		
[Net Sales]						
Machined components business	124,461	62,194	54,006	116,200	-6.6%	124,000
Bearing related products	101,096	51,188	45,912	97,100	-4.0%	105,000
Other machinery components	23,365	11,006	8,094	19,100	-18.3%	19,000
Electronics devices and components business	151,910	73,979	69,021	143,000	-5.9%	176,000
Rotary components	73,603	35,917	38,583	74,500	1.2%	90,000
Other electronic edevices	78,307	38,062	30,438	68,500	-12.5%	86,000
Consumer business and others	10,674	709	91	800	-92.5%	0
Total	287,045	136,882	123,118	260,000	-9.4%	476,000
[Operating income]						
Machined components business	23,906	12,564	9,204	21,768	-9%	23,800
Electronics devices and components business	8,259	△ 74	0	△ 74	-	9,200
Consumer business and others	812	6	0	6	-	-
Total	32,977	12,496	9,204	21,700	-34%	33,000

In this operating environment, taking into account the increasing pricing pressure, we made a conservative estimate for the second half.

Bearing Related Products Sales Trend

(100 million of yen)

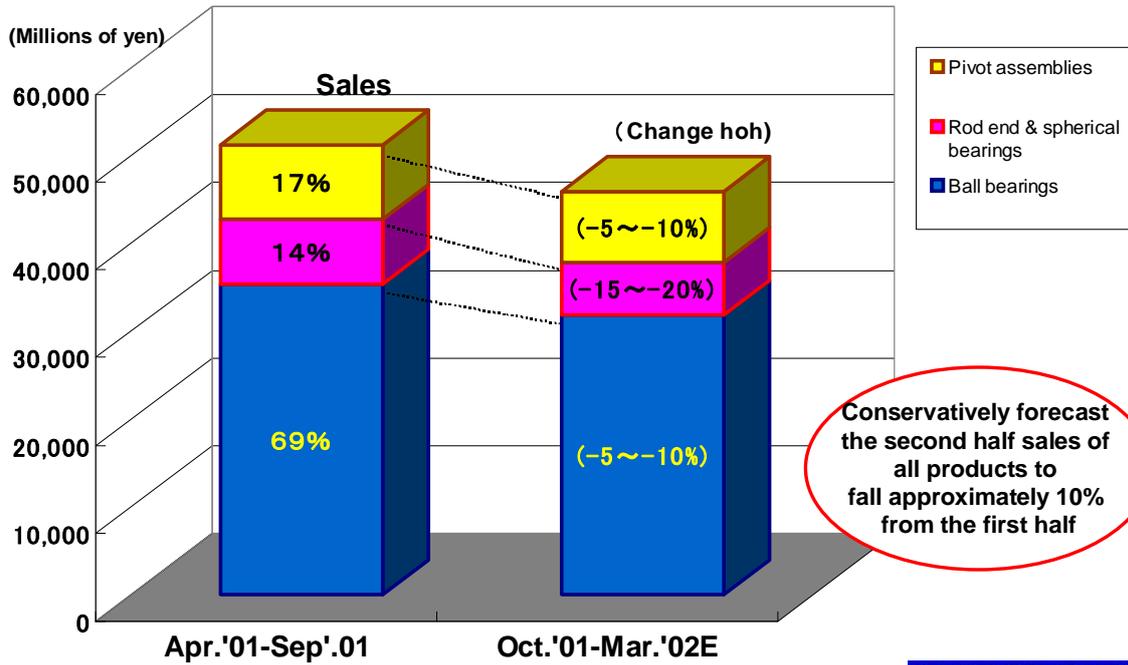


8

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We forecast 4% yoy decline for the full year from the last fiscal year in bearing related products sales.

Bearing Related Products Sales



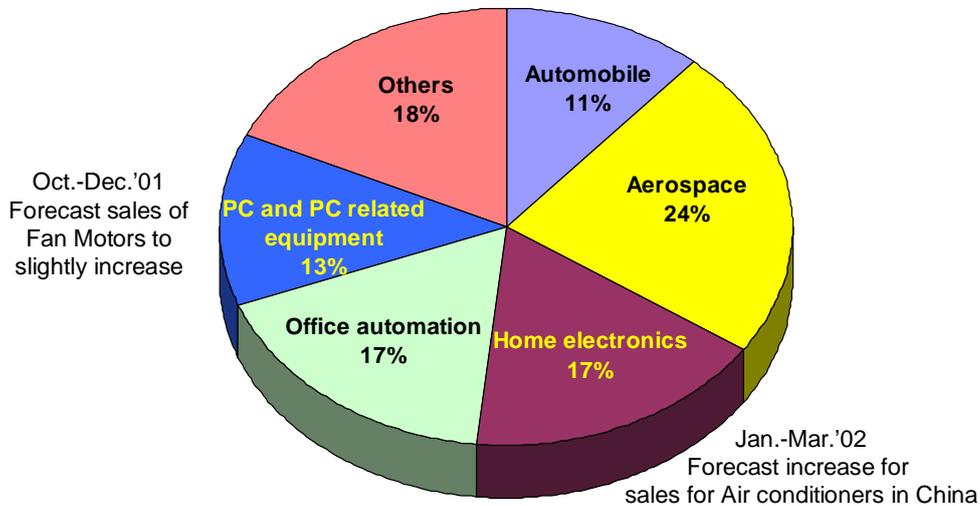
9

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In consideration of our operating environment, we conservatively forecast the second half sales to fall approximately 10% from the first half for all product categories in this division.

Bearings Sales by User Industry

Apr. '01 - Sep. '01(Bearings)



* Chaged category for Scanners and Printers from PC and PC related to Office automation, former telecommunication equipment.

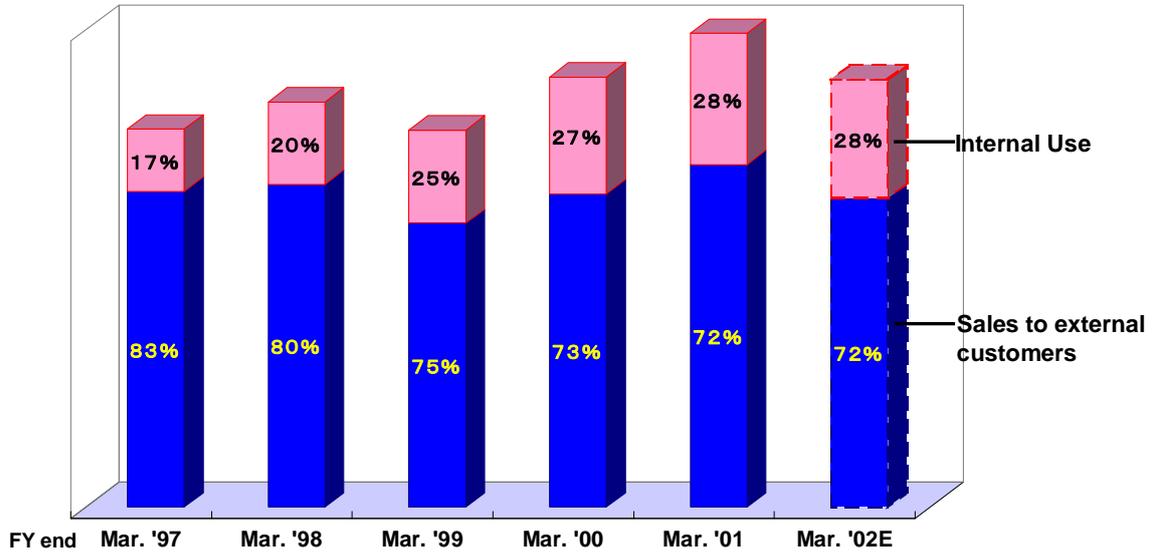
Bearings, which account for approximately 80% of total sales of this division, have a diversified application profile as shown on this page. Monthly production of ball bearings has fallen to 120 million units in recent months, however we believe this level will be maintained as PC- related sales, mainly for fan motors, are expected to climb somewhat in October to December period and external sales for air-conditioners application to South East Asia and China are likely to increase in January to March.

Ball Bearing Productions and Sales

Results of the first half :
slightly less than 130 mil units per month



Plan for the half :
120 mil units per month

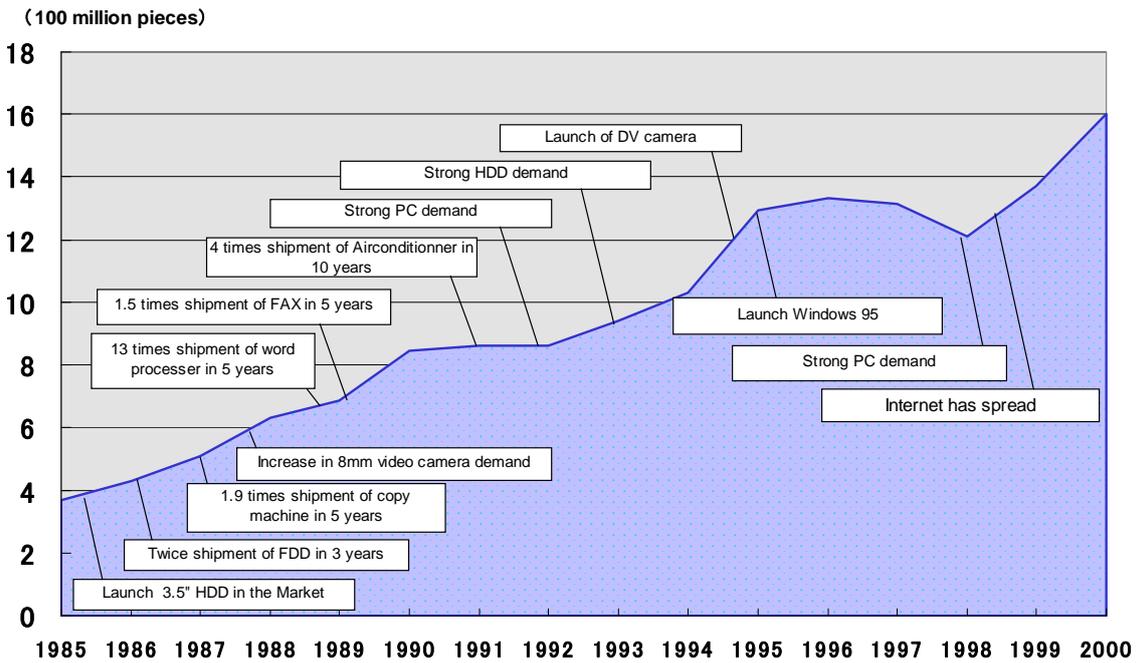


11

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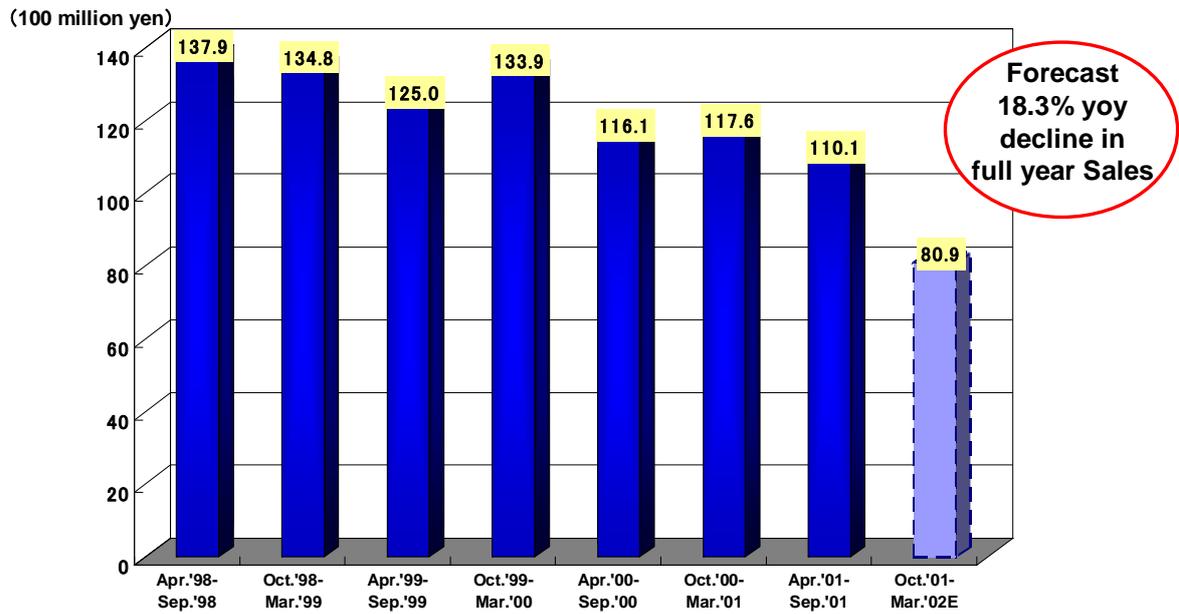
In the first half the average monthly production volume was slightly less than 130 million units and internal consumption ratio was 28%. We expect the ratio to be the same in the second half.

Minebea's Miniature & Small Sized Bearings Shipments Trend



We look for miniature/instrumental ball bearings demand to continue to expand in the long term. Historically, Minebea's production has been expanding at a doubling pace every ten years. This stems from the fact that application of small precision motors have continued to expand in all kinds of applications from home electrical appliances to automobiles. We aim to continue to increase sales aggressively by utilizing our leading position with global market share of 60%.

Other Machinery Components Sales Trend

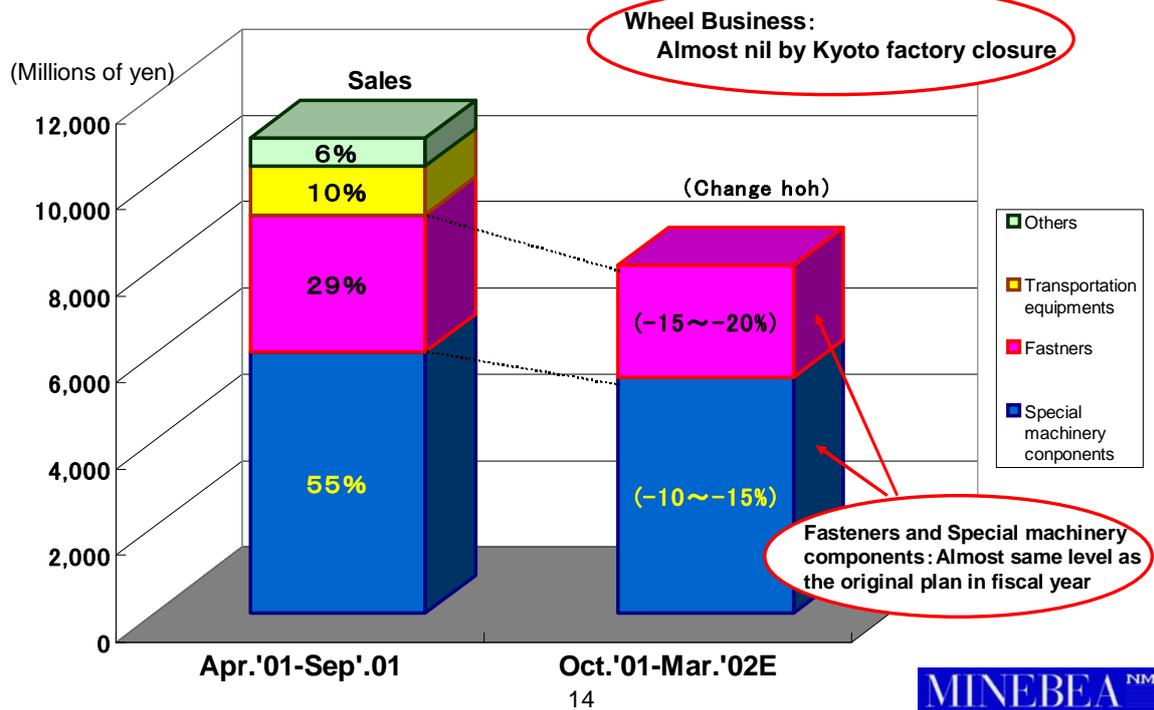


13

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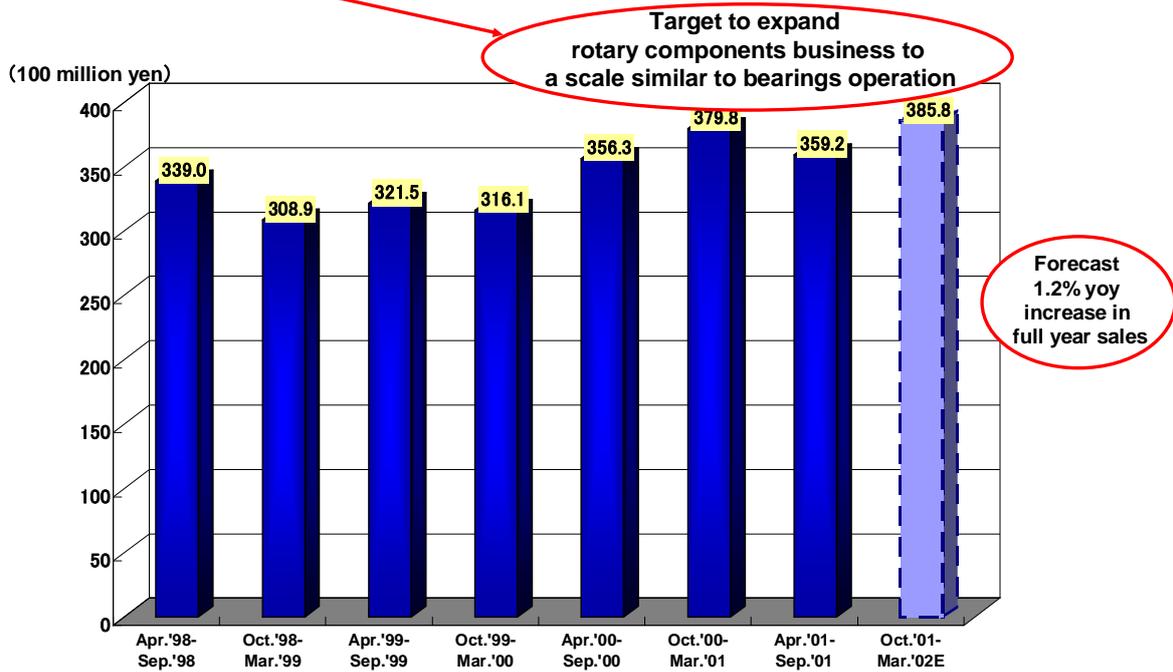
We forecast 18.3% yoy decline in other machinery components business sales.

Other Machinery Components Sales



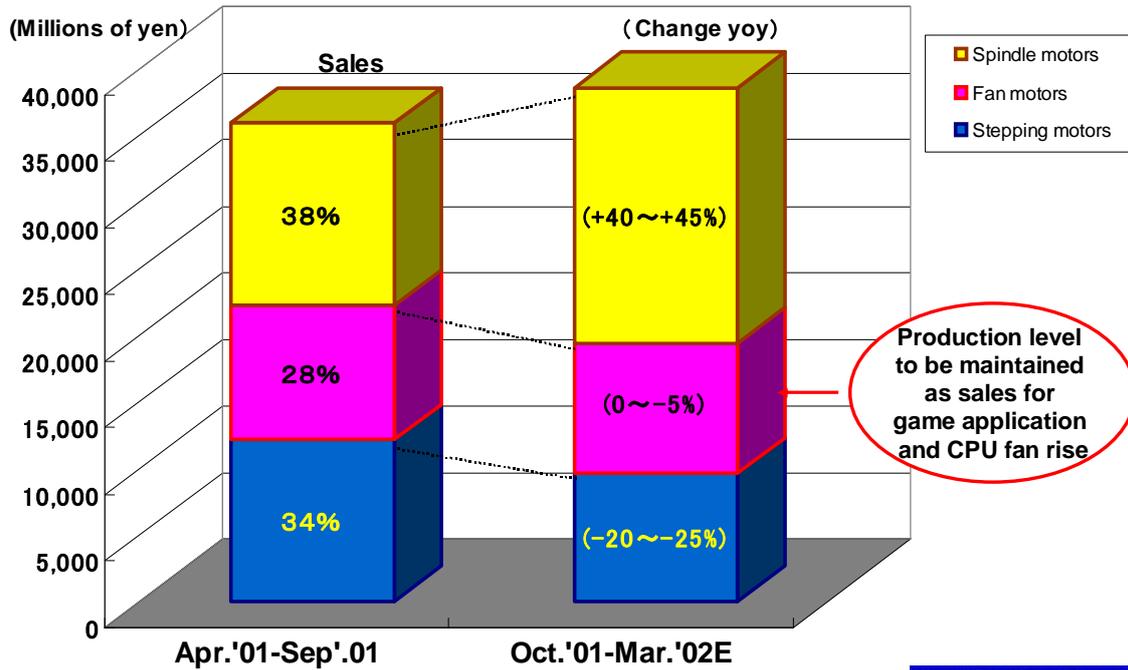
The main reason is the closure of the Kyoto Plant in November. Restructuring programs in fastener business is progressing as planned.

Rotary Components Sales Trend



Sales in the rotary components business are forecast to increase 1.2% yoy.

Rotary Components Sales



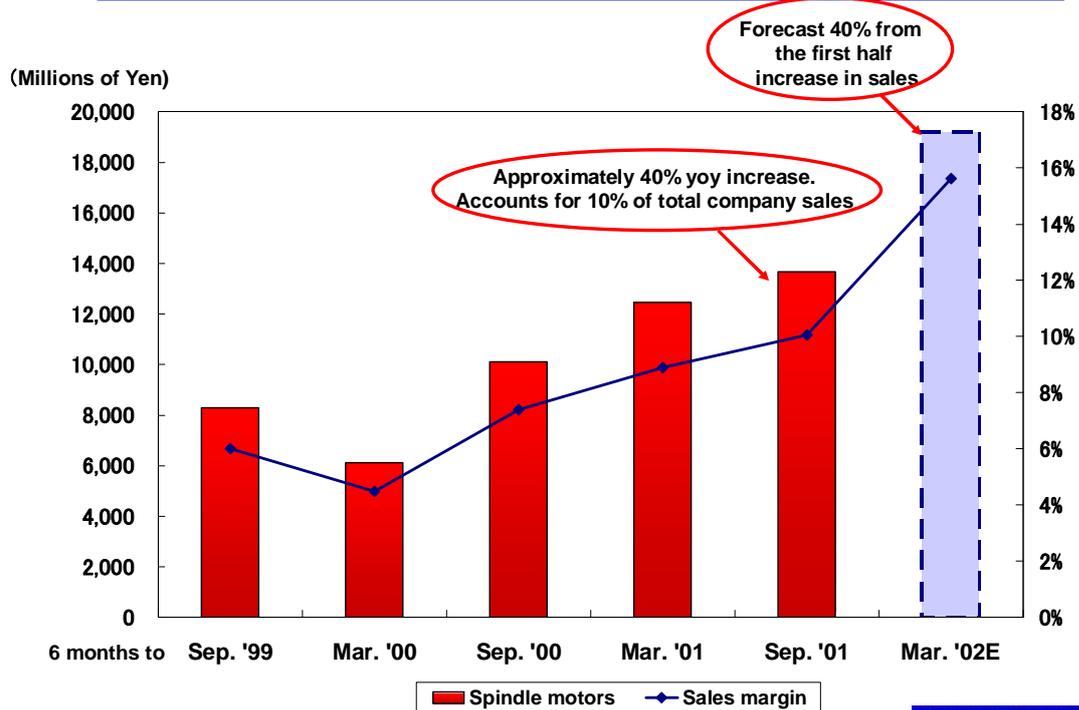
16

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In the fan motor business, we made a new entry into game applications and CPU cooling fan motor business in the first half. Shipment has already begun in both areas and volume is on the rise. For this reason, we expect shipment level to be maintained in the second half. We also aim to further increase market share by reducing product costs through parts rationalization.

Sales of stepping motors are expected to be weak due to stagnant demand for printers and related products.

Spindle Motor Sales Trend



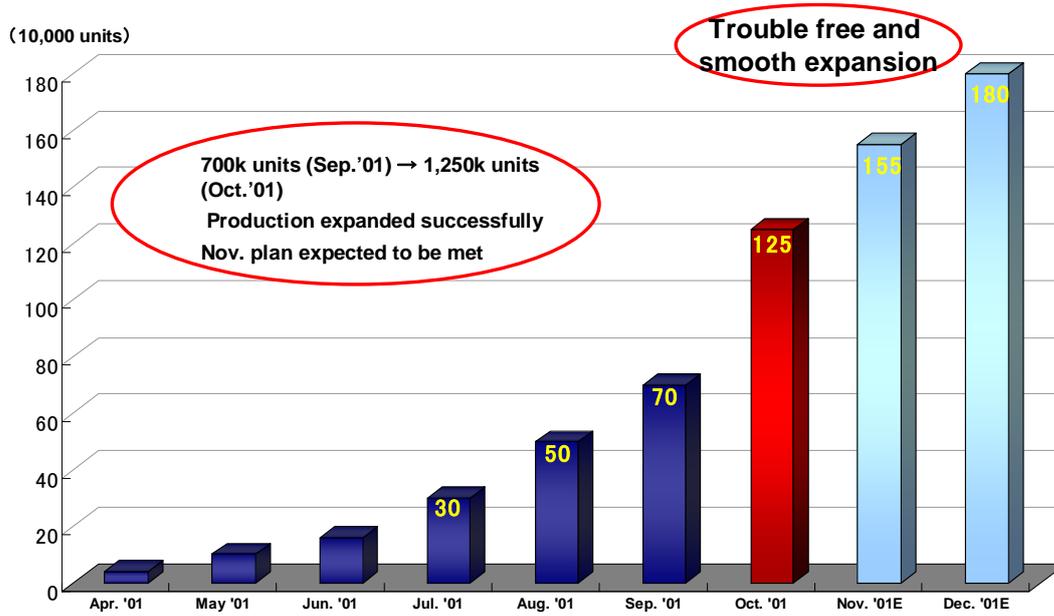
17

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One of our basic management policies is to expand precision small motors and rotary components business to a scale similar to bearings operation. The fruit of this effort is evident in this year's spindle motor operation.

Sales of spindle motors achieved a 40% yoy growth in the first half and its percentage in the total company sales reached a double digit for the first time. Sales in the second half are expected to increase another 40% from the first half, which displays that the business is indeed an important core business at Minebea.

FDB Motors Production Trend



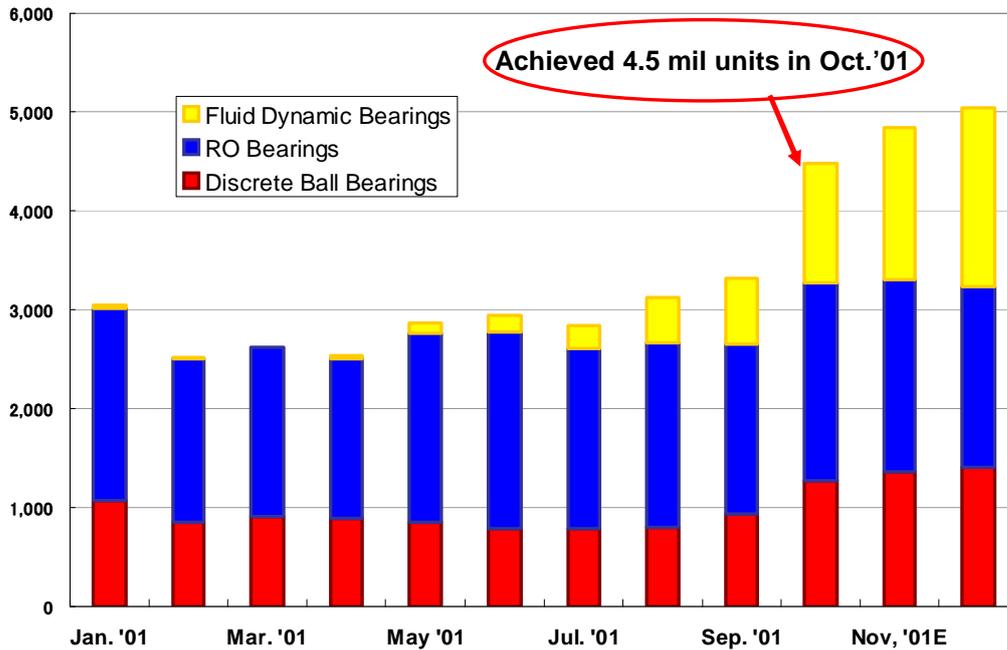
18

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This achievement arises from rapidly increasing production of fluid dynamic bearing (FDB) motors, for which mass production began in earnest in the first half. We managed to raise FDB motor production substantially from 700,000 units in September to 1.25 million units in October, and our forecasts are 1.55 million units in November, 1.8 million units in December. These figures exceed those announced in our press release at the end of September. This success has come to us because we have won our customer's utmost trust in both areas of product precision and reliability, by having put production into gear without major trouble at a rapid pace.

Spindle Motors Production by Bearing Type

(1000 units per month)



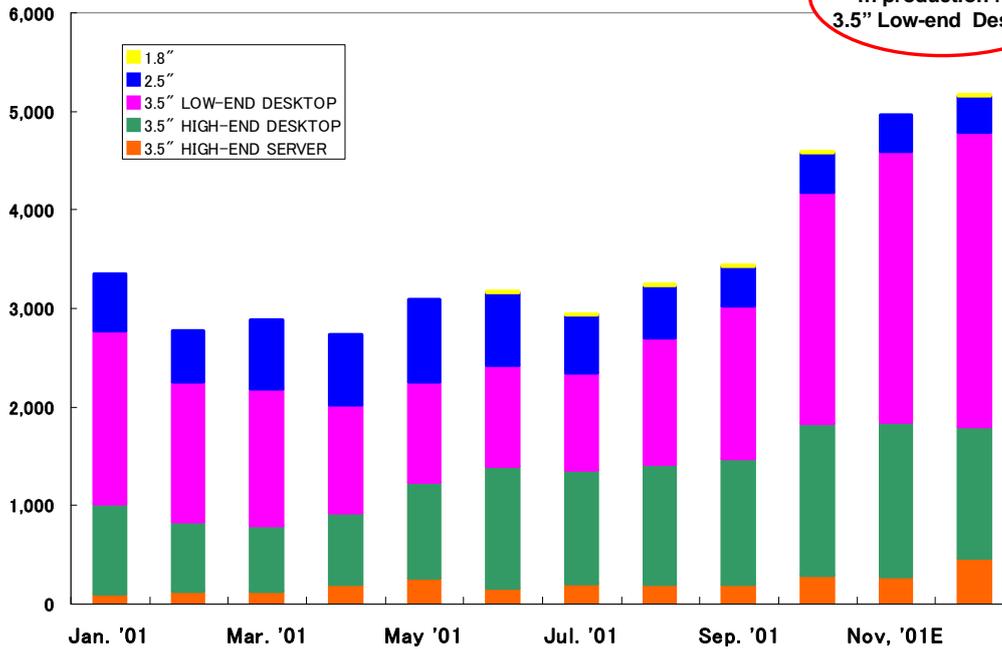
19

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What I particularly would like to emphasize is the fact that our spindle motors play major roles in development of latest models of 3.5 inch HDDs and 2.5 inch HDDs. For 2.5 inch HDDs, our RO bearing motors are used as essentially the only mass-produced motors for 20 giga byte/platter HDD model. For 3.5inch HDDs, our FDB motors are used in the largest quantity for 40giga byte per platter HDD models. As a result, our production of spindle motors reached 4.5 million units in October.

Spindle Motors Production by HDD Type

(1000 units per month)

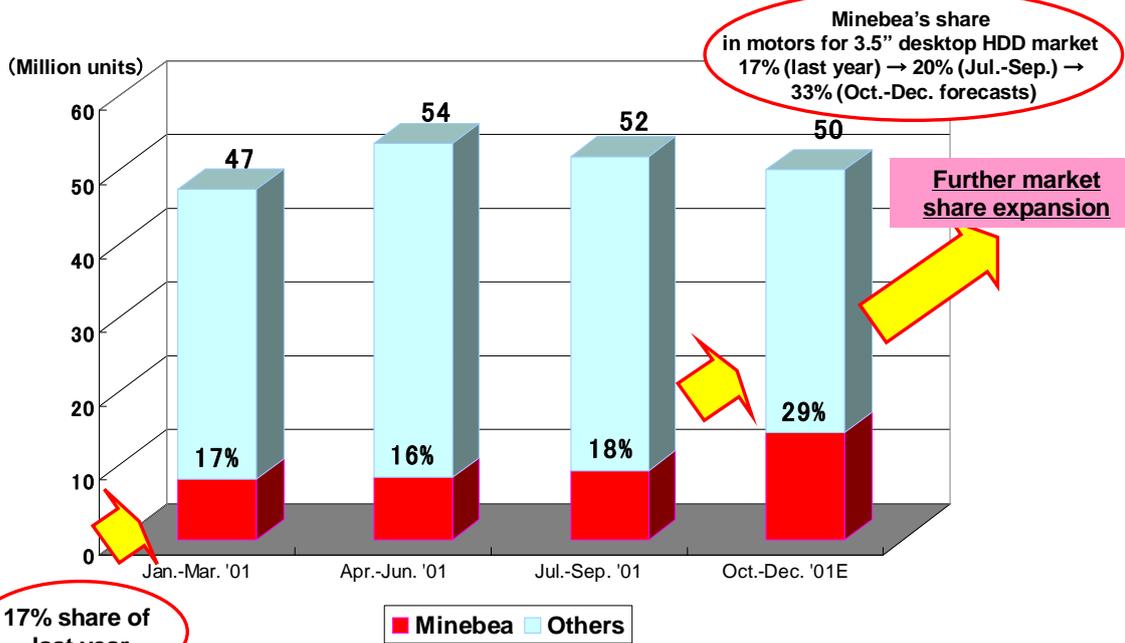


20

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With the success in FDB motors, we have entered the 3.5inch low- end desk top market, which boasts the largest volume within the total market.

Spindle Motors Market Share

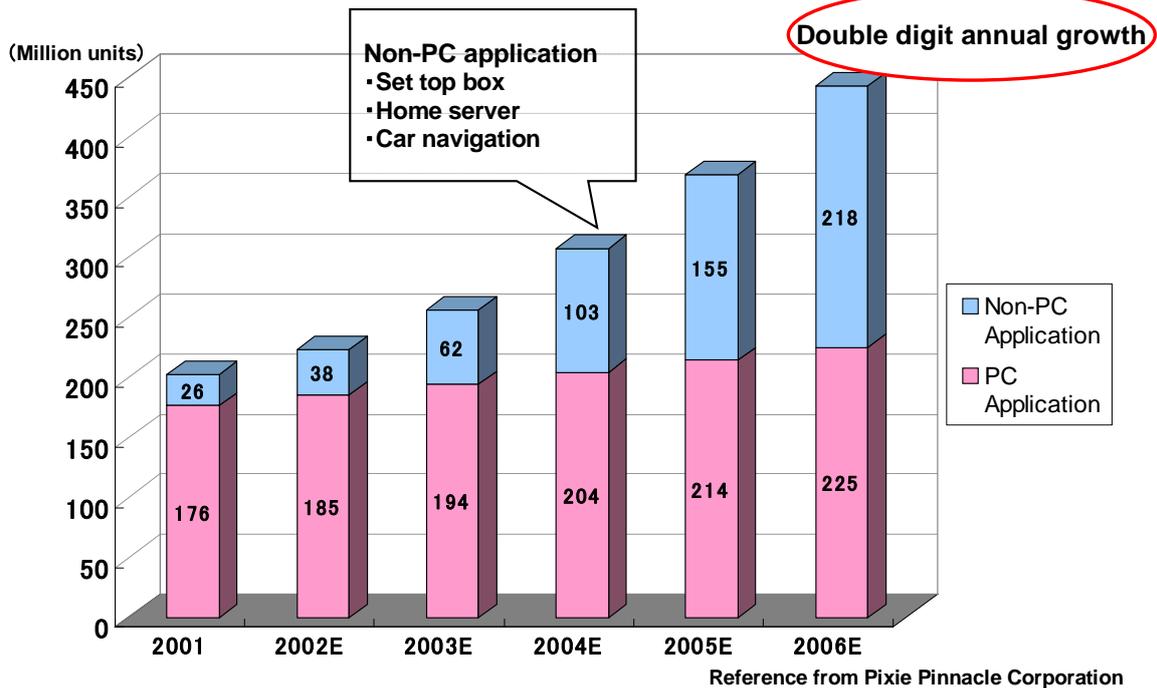


Reference from Pixie Pinnacle Corporation



As a result, we are expanding market share in 3.5 inch desktop HDD spindle motors from last year's 17% to 20% in July to September period and estimated 33% in October to December period. In the overall HDD spindle motor market, we are raising our market share from 17% last year to 18% in July to September quarter and estimated 29% in October to December quarter.

HDD Market Forecast



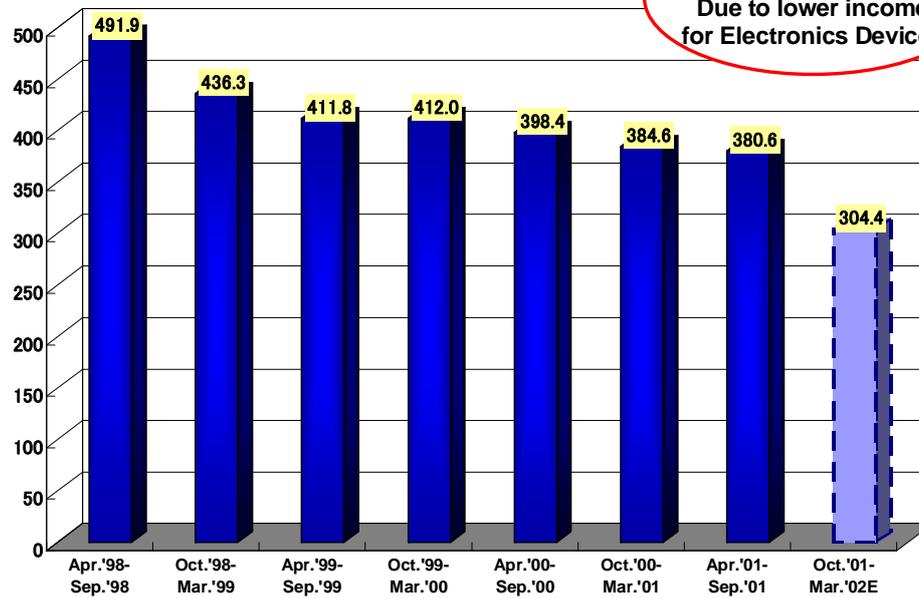
22

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With demand in non-PC application expanding rapidly, HDD market is forecast to grow at 10% next year and continue to grow at double-digit rate per annum in the long term. Driven mainly by three areas, namely personal video recorders and set top boxes, home servers and car navigation systems, demand for non-PC applications is expected to account for half of total demand in 2006. Profit contribution from spindle motor business this fiscal year is expected to be small, however, because FDB motors are structured with small number of parts and their production takes full advantage of our ultra precision machining technologies, the FDB motor operation turned into the black from October.

Other Electronics Devices Sales Trend

(100 million units)

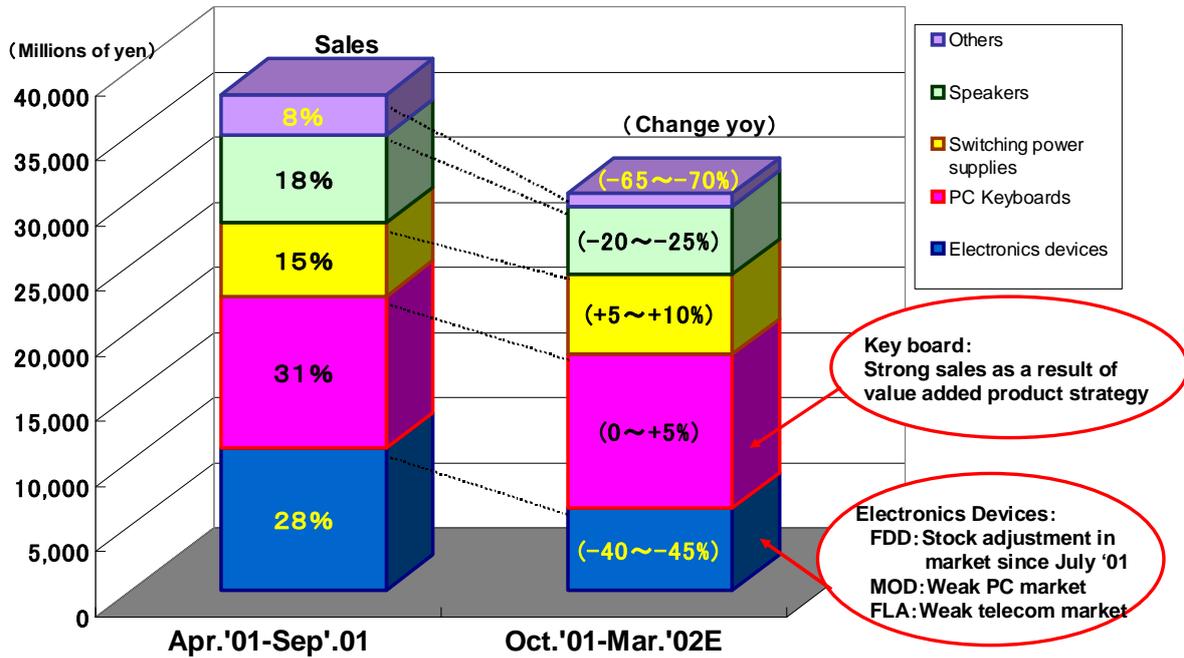


23

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Sales of other electronic devices and components are forecast to fall 12.5% yoy.

Other Electronics Devices Sales



24

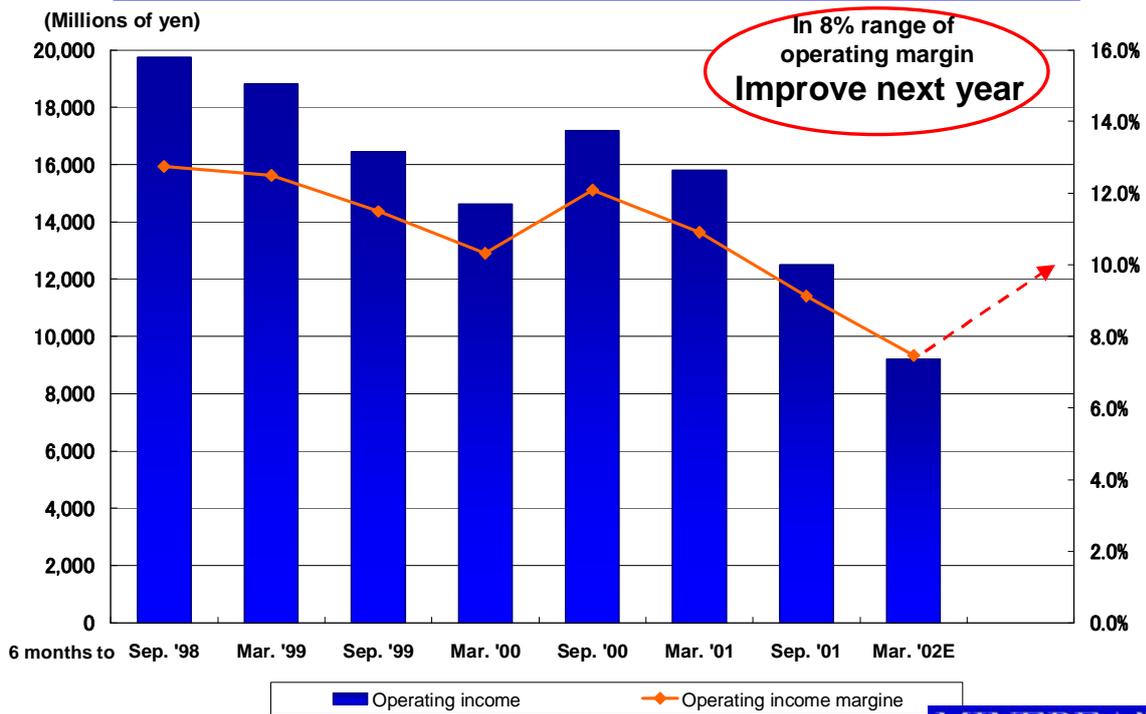
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As shown on this page, decline in sales in electronic devices is the main reason.

Keyboard business continues to be strong as Minebea's products have won high rating for quality from PC manufacturers and as demand for our wireless keyboards continues to exceed initial expectation, although we conservatively forecast second half sales to be the same level as the first half.

In power electronics operation, we integrated research and development bases in the US and sold a subsidiary PSI. As a result, restructuring measures are progressing mostly as planned in power electronics operation.

Operating Income Trend



25

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We forecast this year's operating margin to fall to 8% level. With this in mind, we aim to reduce manufacturing costs and indirect expenses further.

Measures for Profitability Improvement

- ◆ **Reduction of production cost & expenses**
- ◆ **Selective capital expenditure**
Reduction JPY 2 bil against original plan
- ◆ **Establishment of Work Improvement Committee**
Reduction of in-direct expenses
Efficiency by IT solution
- ◆ **Better tax management**
Income tax adjustment is expected by tax effect accounting due to higher payment of dividends from subsidiaries in this fiscal year.
However, there is no impact on cash flow. We aim to improve tax management next year.

26

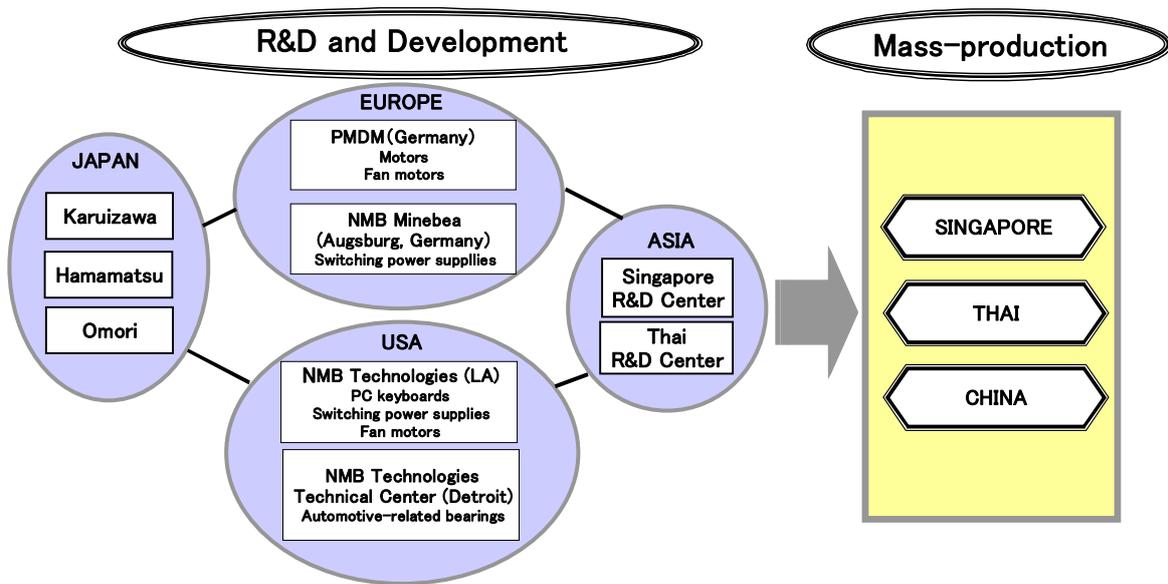


As for capex, we have thoroughly reviewed capex plans and made selective allocation. As a result, we plan to reduce full year capex by 2 billion yen.

We have also established an administrative reform committee. We plan to reduce indirect expenses and improve efficiency by use of IT system

The tax rate is high for the full year, suppressing net profit to a low level. This is because of increase in income tax adjustment as a result of increased payment of dividends by overseas subsidiaries to the parent. However this does not affect cashflow. From next year on, we intend to review level of net profit at Minebea as the parent company and implement effective tax management system to improve the income tax ratio to 40%.

R&D Organization



27



We are facing extremely difficult time this current fiscal year. I would like to explain briefly the tasks we see ahead of us and our direction and thoughts under the current circumstance.

Our basic management direction states that we expand small precision rotary components as our second mainstay business while positioning the cash generating bearings business as our core business. We believe the small precision motor industry has come to a period of revolution. I need not to explain that applications of small precision motors include a variety of areas such as PCs, home electrical appliances, information & communication tools and automobiles, which are all global and require severe pricing requirement. At Minebea, we aim to utilize manufacturing know-how, which we have built over the years, and use the merit of mass production in locations such as Thailand and China to expand market share and enter new fields, thereby expand business of small precision motors. We intend to use every opportunity including alliances and M&A with other companies.

Currently, the theme on which the management is placing most emphasis is how to expand overall business.

Business Results for the first half of fiscal year ending March 31, 2002

Minebea Co., Ltd.

<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.