November 15, 2002

Minebea Co., Ltd

Presentation of Business Results for the first half of Fiscal Year ending March 31, 2003 Supplementary Explanation on BS, PL & Cash Flow

Balance Sheet

Assets

Cash and cash equivalents decreased 2,300 million yen compared with the end of the previous year (the end of March 2002).

Notes and accounts receivable showed an increase of 2,800 million yen, which includes a decrease of 1,275 million yen owing to appreciation of the yen. When counting out this decrease, an increase of notes and accounts receivable amounted to about 4,000 million yen. We reduced yearly or semiyearly securitization of some accounts receivable by about 5,000 million yen. This contributed to the decrease in cash and cash equivalents and to the increase in notes and accounts receivable.

Inventories were reduced by 5,384 million yen, which includes a decrease of 2,969 million yen owing to exchange fluctuations. Net reduction, therefore, is 2,400 million yen.

Other current assets include deferred tax assets posted in current assets. Deferred tax assets increased 297 million yen owing to transfer from long-term to short-term.

Fixed assets showed a sharp decrease of 17,885 million yen. A primary factor contributing to a decrease in **tangible fixed assets** was an impact of appreciation of the yen at overseas plants amounting to 10,809 million yen.

Capital expenditure was 8,000 million yen and depreciation cost stood at 11,300 million yen.

Intangible fixed assets decreased 997 million yen. This primarily includes a decrease in consolidation adjustments in the amount of 1,053 million yen.

Investment and other assets declined 2,800 million yen. This represents a decrease of deferred tax assets.

As a consequence, total assets significantly decreased by 21,931 million yen.

Liabilities

Notes and accounts payable decreased 3,824 million yen, which includes a decline owing to an impact of exchange fluctuation in the amount of 960 million yen.

Short-term and long-term interest-bearing debt decreased significantly. The decrease in total interest-bearing debt includes an impact of exchange fluctuation amounting to 1,700 million yen. The actual decrease, therefore, was 6,600 million yen.

The decrease in net interest-bearing debt includes an effect of exchange fluctuation in the amount of 1,556 million yen. The actual decrease amounted to 4,487 million yen.

We reduced securitization of some accounts receivable by about 5,000 million yen. The more we reduce securitization of accounts receivable, the more we could reduce net interest-bearing debt.

Consolidated Statement of Income

Selling, general and administrative (S.G.&A.) expenses include an increase of airfreight by 450 million yen, which is attributable to the air shipment of past due keyboard orders. As a result, operating income declined about 3% in the first half.

Net interest expense slightly decreased, compared with the previous year. This is a reflection of positive effect brought about by reduction in loans payable.

Minebea's tax rate is getting extremely higher. The tax rate for the current first half rose to 62% from 45% in the previous year. The substantial increase in the tax rate largely contributed to a decrease in net income for the current first-half period. Primary reasons for the increased tax rate is that increasing dividend to Minebea from its overseas subsidiaries pushed up the tax rate and that overseas subsidiaries, which suffered declined income as a result of production cutback of spindle motors, went into the red, thereby raising the tax rate.

For the current second half, we expect the tax rate will decrease to 48%. For the full period of the current term, we estimate the tax rate at 55%. We have already implemented measures to improve the tax rate.

S.G.& A. expenses

Except for packing expense and airfreight for the above-mentioned air shipment of past due keyboard orders, all items in S.G.&A. expenses decreased compared with the first-half and second-half of the previous term.

Extraordinary income (loss)

Losses on disposal of production equipment including dies were posted as losses on disposal of fixed assets. Losses on liquidation of subsidiaries posted in the amount of 164 million yen represent losses on liquidation of Minebea Electronics (U.K.). Provisions for retirement benefits in the amount of 313 million yen represent those to be included as extraordinary loss, over three years, with the amount on a quarterly basis being 156 million yen.

Extraordinary loss estimated at 1,000 million yen in the second half includes provisions for retirement benefits amounting to 313 million yen and losses on liquidation of NMB (UK) and Kuen Dar in Malaysia (a subsidiary that manufactures speaker boxes). We have decided to liquidate Kuen Dar in the current term. In addition, we are going to discontinue our FDD production in November and thereafter.

Impact of exchange fluctuation upon consolidated net sales and operating income

Comparison with the interim period of the previous year and comparison between the actual rate and the assumed rate are shown in the supplementary data. For the current second half, our assumed exchange rate is 122.60 yen against the U.S. dollar, while the initially planned rate was 132 yen against the U.S. dollar. Comparison between these two rates shows appreciation of the yen, which will produce a negative effect of about 4,000 million yen in net sales and about 600 million yen in operating income for the second half.

Consolidated Statement of Cash Flows

Given that we reduced securitization of some accounts receivable by about 5,000 million yen, net cash provided by operating activities actually improved significantly. To be specific, net cash provided by operating activities in the amount of 14,583 million yen plus 5,000 million yen makes about 19,500 million yen, meaning net cash provided by operating activities would have been close to 20,000 million yen if securitization of some accounts receivable had not been decreased.