



**Business Results for
Fiscal Year ended March 31, 2003**

Minebea Co., Ltd.

**Tsugio Yamamoto
President and
Representative Director
May 16, 2003**

May 16, 2003

Business Results for Fiscal Year ended March 31, 2003

(Millions of yen)	Year ended Mar. 2002	Year ended Mar. 2003	Change yoy
Net Sales	279,344	272,202	-2.6%
Operating Income	21,972	19,352	-11.9%
Ordinary Income	15,995	13,420	-16.1%
Income before Income Taxes	12,948	495	-96.2%
Net Income	5,298	-2,434	—

May 16, 2003



Business results for the fiscal year ended March 31, 2003, were net sales of 272.2 billion yen, operating profit of 19.4 billion yen and net loss of 2.4 billion yen.

During the fiscal year under review, we accelerated execution of strategies that are based on the core policy to strengthen bearings business and to expand small motors business. As a result, sales expanded in areas such as small motors, and thus net sales came to about the same level as the previous fiscal year.

However, operating income fell 12% from the previous fiscal year due to slow growth in PC related demand, sluggish demand from aerospace industry and generally increased price competition.

The reasons for the net loss are extraordinary items such as 4.9 billion yen in losses on revaluation of investment securities, 3.1 billion yen in estimated losses related to the withdrawal from switching power supplies and related businesses.

The Fourth quarter Net Sales and Operating Income by Segment

(Millions of yen)	Year ended	--- Year ended Mar. 2003 ---				Change	
	Mar.2002	1Q	2Q	3Q	4Q	yoy	qoq
[Net Sales]							
Machined components business	31,472	31,668	28,641	28,723	29,085	-7.6%	+1.3%
Bearing-related products	25,759	26,420	23,638	23,845	24,035	-6.7%	+0.8%
Other machinery components	5,715	5,249	5,002	4,879	5,050	-11.6%	+3.5%
Electronic devices and components business	42,446	40,699	36,241	40,000	37,144	-12.5%	-7.1%
Rotary components	21,088	20,793	18,140	20,521	19,734	-6.4%	-3.8%
Other electronic devices	21,356	19,908	18,097	19,480	17,412	-18.5%	-10.6%
Consumer business and Others	7	—	—	—	—	—	—
Total Net Sales	73,926	72,367	64,882	68,723	66,230	-10.4%	-3.6%
[Operating Income]							
Machined components business	4,893	5,098	4,065	4,771	4,585	-6.3%	-3.9%
Electronic devices and components business	-384	933	80	748	-929	—	—
Consumer business and others	3	—	—	—	—	—	—
Total Operating Income	4,512	6,031	4,145	5,519	3,657	-18.9%	-33.7%

May 16, 2003



In the fourth quarter, post-Christmas demand adjustment in PC and related market prolonged more than we had predicted in early February 2003. As a result, sales fell short of estimate. In addition, price decline caused profitability to deteriorate for some products.

The Fourth Quarter Results (Comparison with the Third Quarter)

Net Sales

Bearing-related products:

Ball bearings: +2%
external sales increased
Rod-end & spherical bearings: +9%
Pivot assemblies: -7%

Rotary components:

Spindle motors: +3%
FDB motor sales increased
Fan motors: -11%
Adjustment in PC related and game applications market
Stepping motors: -6%

Other Electronic devices:

PC keyboards: -15%
Adjustment in PC related market
Electronic devices: -19%
FDD production ended
Power electronics: -6%

Operating Income



Increased: Ball bearings



Decreased: PC keyboards, Fan motors, Spindle motors, Electronic devices, Power electronics

May 16, 2003



On the contrary to the third quarter, when keyboard and fan motor businesses recorded particularly high levels of profit, the fourth quarter profit were affected by sales decline of more than 10% for both products. However, we view these decline are seasonal and temporary.

Profitability of spindle motors worsened in the fourth quarter due to decline in prices of main models, although this had been predicted from the end of the third quarter. During the fiscal year to March 31, 2003, we placed a priority on establishing a solid business base that would yield sustainable profit in the long term by increasing shipments and production volume of FDB motors.

As for switching power supplies and related businesses, we made a decision to withdraw, while we ended FDD business, which is included in electronic device division, in November last year.

Full Year Net Sales and Operating Income by Segment

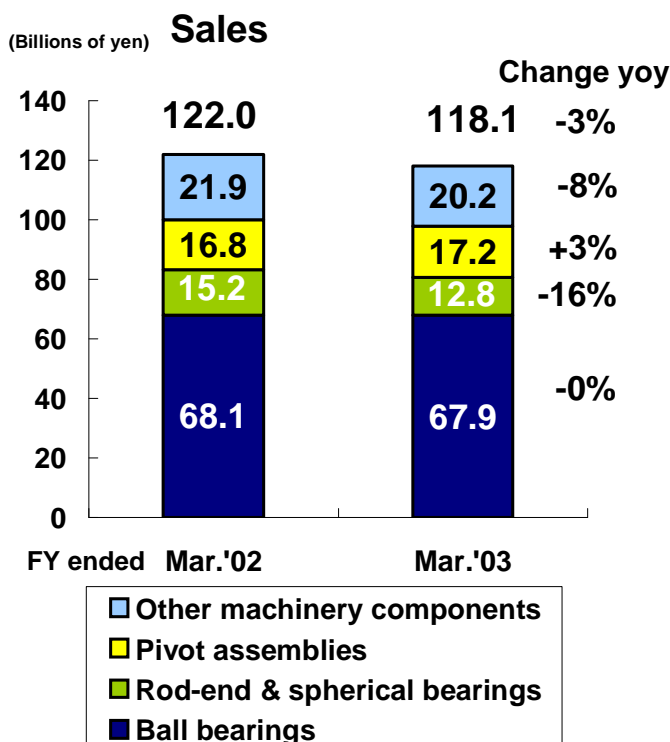
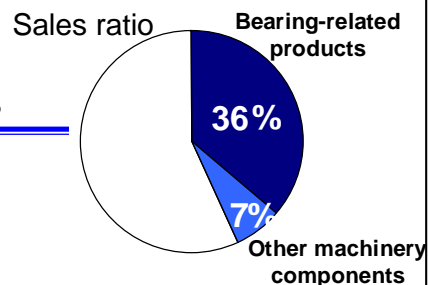
(Millions of yen)	Year ended Mar.'02	Year ended Mar.'03	Change yoy
[Net Sales]			
Machined components business	122,025	118,117	-3.2%
Bearing-related products	100,113	97,938	-2.2%
Other machinery components	21,911	20,180	-7.9%
Electronic devices and components business			
Rotary components	76,440	79,188	+3.6%
Other electronic devices	79,862	74,897	-6.2%
Consumer business and others	1,016	-	-
Total Net Sales	279,344	272,202	-2.6%
[Operating Income]			
Machined components business	22,135	18,519	-16.3%
Electronic devices and components business	△ 162	832	-
Consumer business and others	△ 0	-	-
Total Operating Income	21,972	19,352	-11.9%

May 16, 2003



Sales and operating income by segment for the full year are as shown on this page.

Machined Components Business



Bearing-related products

- Promoted sales expansion of miniature & small sized ball bearings
- Demand from aerospace industry stagnated
- Pivot assembly market share expanded

Other machinery components

- Negative effect of ¥1.3 billion in sales due to termination of automobile wheel business in fiscal year ended Mar. '02.

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Bearings

We made notable increase in shipments and production of miniature and small-sized ball bearings. However, due to sluggish demand from aerospace industry, sales of some ball bearing products and rod-end & spherical bearings declined.

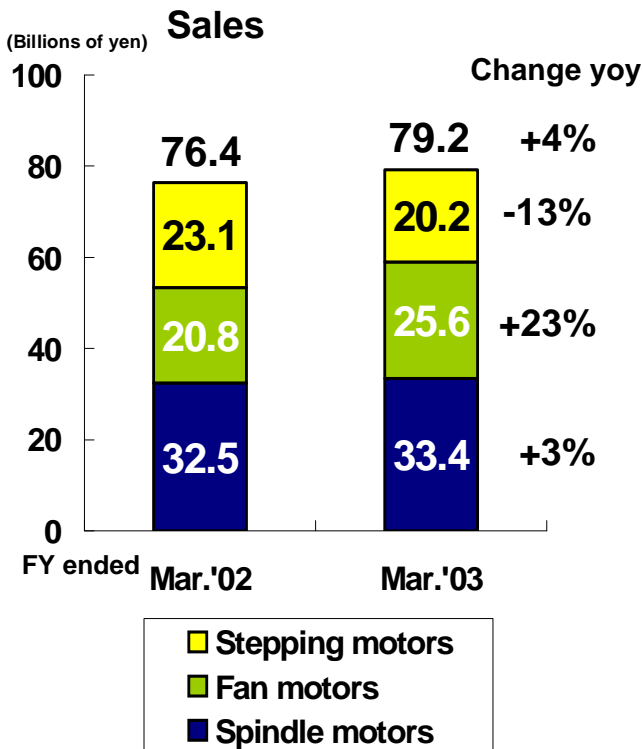
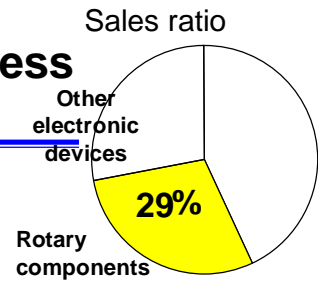
Pivot assemblies

Market share rose to nearly 70%. We plan to maintain or expand the currently high market share.

Other machined components

The decline in sales is attributable mostly to the loss of sales of automotive wheel (1.3 billion yen) due to the withdrawal from this business in the fiscal year ended March 31, 2002.

Electronic Devices and Component Business – Rotary Components



- HDD spindle motor sales increased with growth in FDB motor sales
- Record fan motor sales as a result of rise in market share
- For stepping motors, sales of low price type increased

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HDD spindle motors

During the fiscal year ended March 31, 2003, in line with the HDD industry is adoption of FDB motors, we made a shift to FDB motors. As a result, more than 80% of our spindle motors were FDB motors by the end of the fiscal year. Sales of HDD spindle motors reached record high.

Fan motors

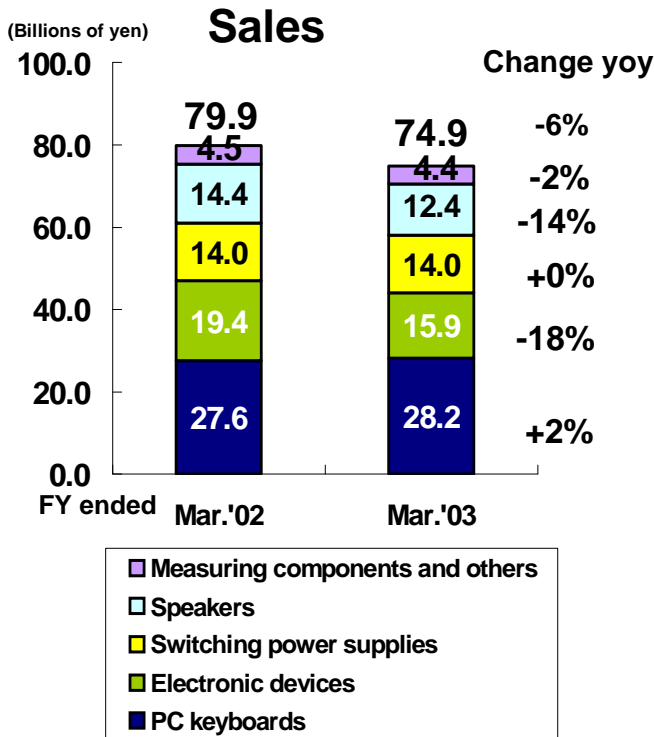
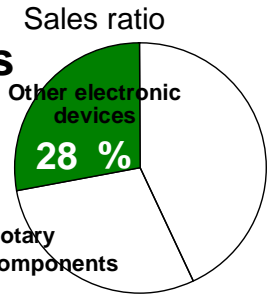
Although an adjustment in demand was evident in the fourth quarter, fan motors business had a very strong year. Expansion in market share resulted in record high sales for this business.

Stepping motors

Sales of motors for CD and DVD drives, prices of which are lower than average, increased.

Electronic Devices and Component Business

– Other Electronic Devices



- Record PC keyboard sales as a result of rise in market share
- Within electronic devices, sales of FDD business declined by 4 billion yen with the end of the business in Nov. '02
- Sales of electronic devices excluding FDD increased by 5%. Lighting device business started full-scale production

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Keyboards

Sales reached record high as a result of successful expansion in market share.

Electronic devices

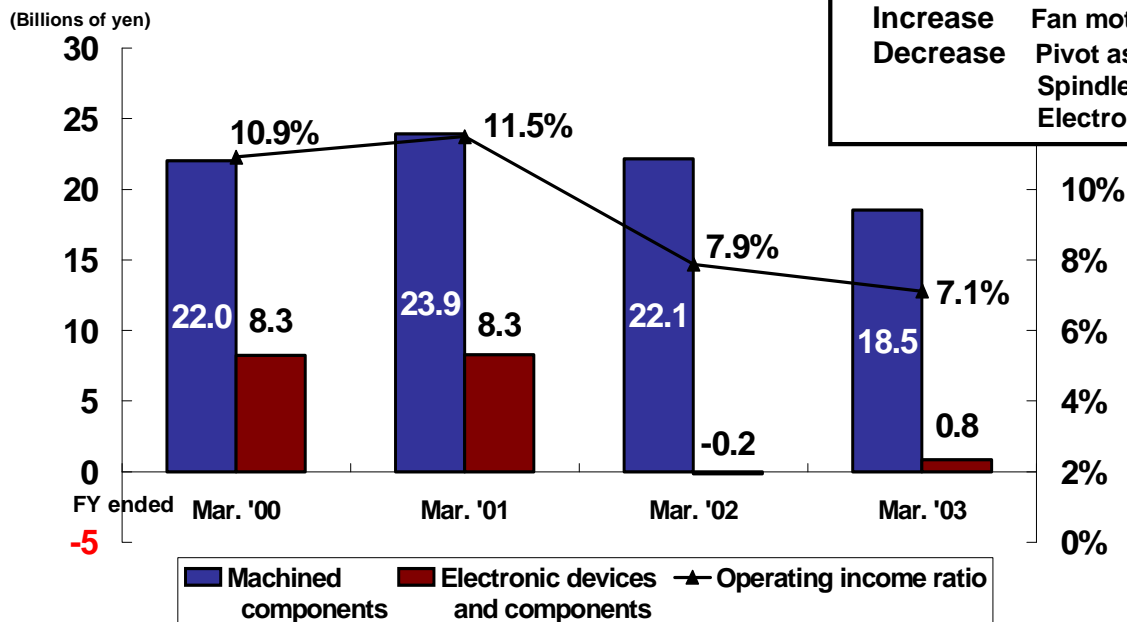
Of sales decline, 4 billion yen was due to fall in sales of FDD. Excluding FDD, sales of electronic devices increased by 5% from the previous fiscal year. This increase reflects ramp-up of back light assembly business.

Operating Income Trend

Improvement in profit of Electronic devices and component business is vital

Fiscal year ended Mar. '03
Comparison with
the previous fiscal year

Increase Fan motors
Decrease Pivot assemblies
Spindle motors
Electronic devices



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Machined components business segment

Profitability of miniature and small-sized ball bearings remained high and stable. The cause for the decline in income of this segment was lower income from rod-end and spherical bearings and other bearings for aerospace application. Weak profitability of pivot assembly which is under severe price competition pressure was also a reason for the decline in income for this segment. Since there is a significant synergy between pivot assembly and ball bearings operations, maintaining or expanding the currently high market share is very important. We expect we can turn the business into a highly profitable operation when the current review in manufacturing method is completed.

Electronic devices and components business segment

This segment turned profitable. This was made possible as fan motors business expanded profit to a level that could offset decline in profit of other businesses. We consider improvement in profit of this segment is of vital task in order to recover the company's overall profitability.

Fiscal Year ended March 31, 2003

Sales by User Industry & by Region

Sales by user industry

	Automobile	Aerospace	Home electronics	Office automation	PC and PC related equipment	Motors	Others	Total
% of Sales	7.3%	9.6%	10.1%	10.1%	44.5%	5.5%	13.1%	100.0%
Change yoy	-4.1%	-8.6%	-0.2%	-13.1%	+1.1%	+14.7%	-7.5%	-2.6%

Sales by region

	Japan	Asia (ex-Japan)	North and South America	Europe	Total
% of Sales	27.1%	39.3%	21.0%	12.6%	100.0%
Change yoy	-11.1%	+10.5%	-6.0%	-11.6%	-2.6%

Sales in China increased by 40%

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Sales by user application

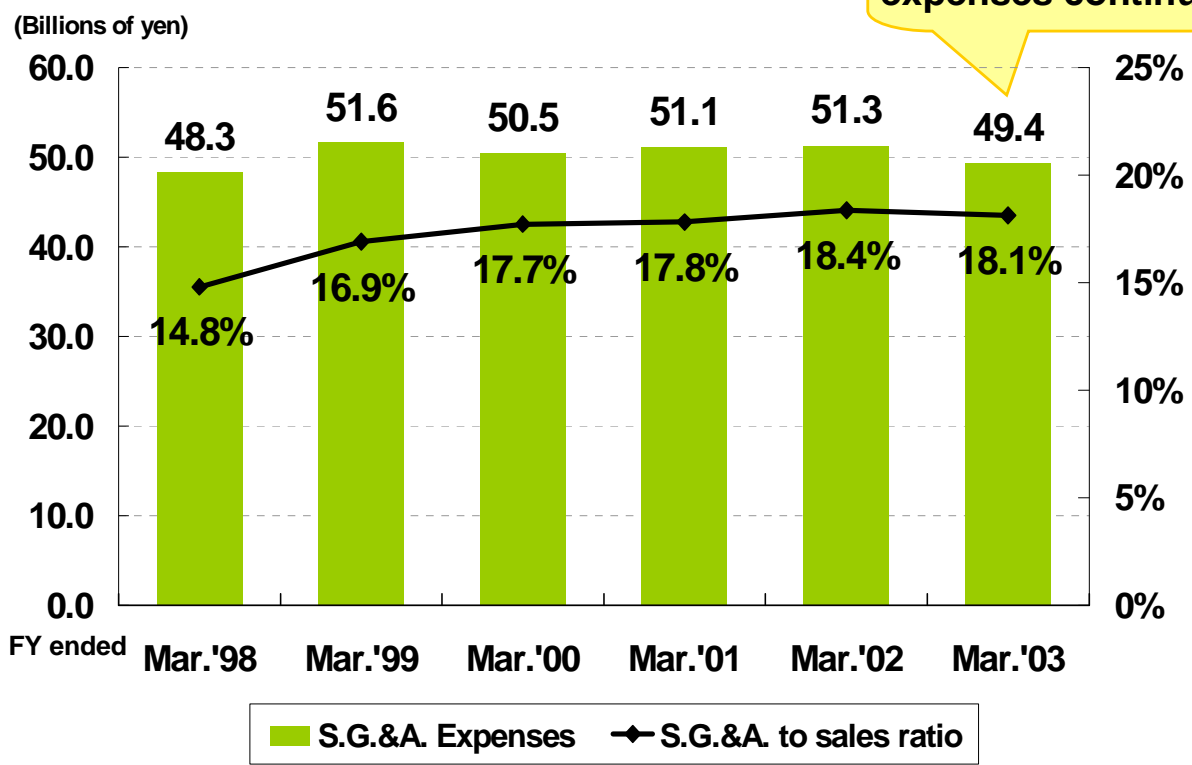
Sales to office automation industry and aerospace industry declined. On the other hand, bearings sales for motor application increased.

Sales by region

Shift of mass production bases to China and Southeast Asia by customers in Japan, US and Europe led to a large sales growth in Asian region. Sales in China area grew 40% from the previous fiscal year.

S.G. & A. Expenses

Reduction of expenses continued

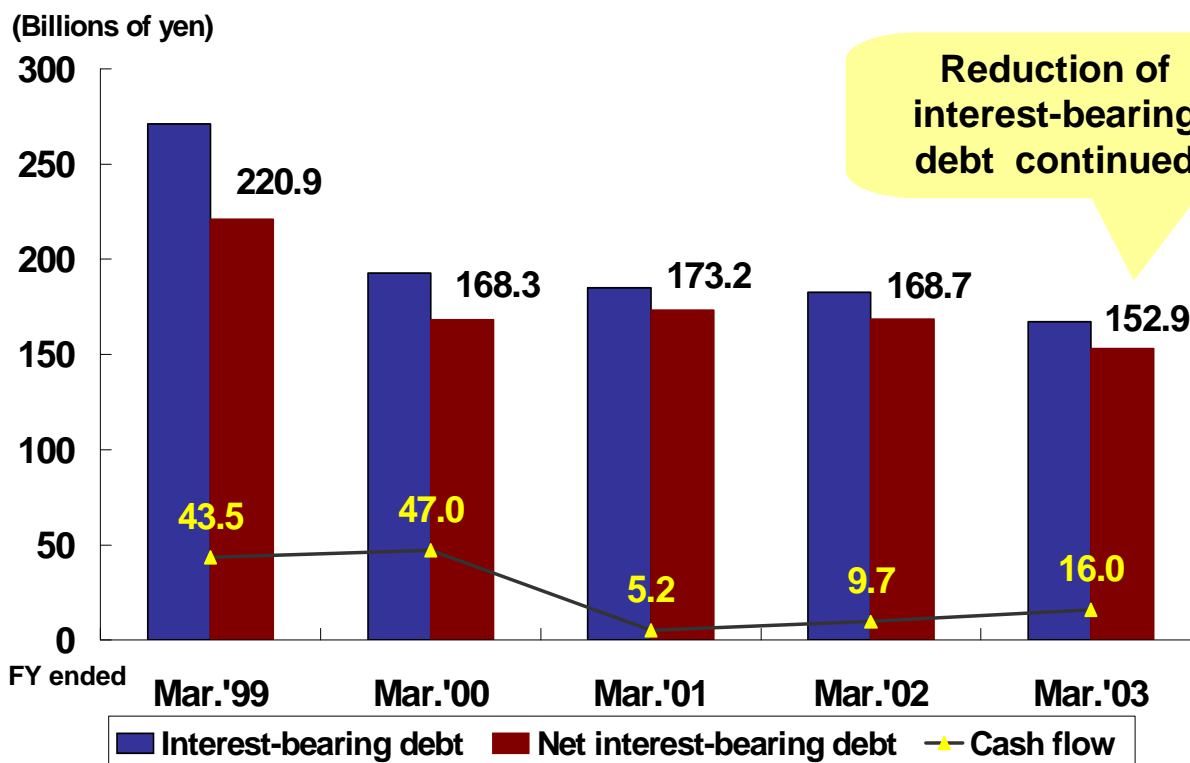


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We reduced SG&A expenses. We plan to continue to reduce expenses taking all possible measures.

Interest-Bearing Debt



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We increased positive cashflow generation by raising production efficiency and thereby reducing capex. Consequently, interest bearing debt was reduced significantly from the previous fiscal year.

Profitability Improvement Measures for the Current Fiscal Year

- 1. Restore profitability of HDD spindle motor business**
 - Achieve breakeven during the first half of the current fiscal year
- 2. Improve profitability of pivot assemblies**
 - Improve production efficiency by reviewing production method
- 3. Improve profitability of other electronic device products**
 - Improve production efficiency and promote timely introduction of new products to the market under the new-organization
 - FDD business ended during last fiscal year
 - Build up lighting device business to a full scale business
- 4. Further expand fan motor business**
 - Rollout new fan motor products jointly developed with Matsushita Motor Company
- 5. Terminate switching power supplies and related businesses**
 - End the business by December 2003

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The following are five measures for profitability improvement for the current fiscal year.

1. We are determined to turn the HDD spindle motor business profitable.

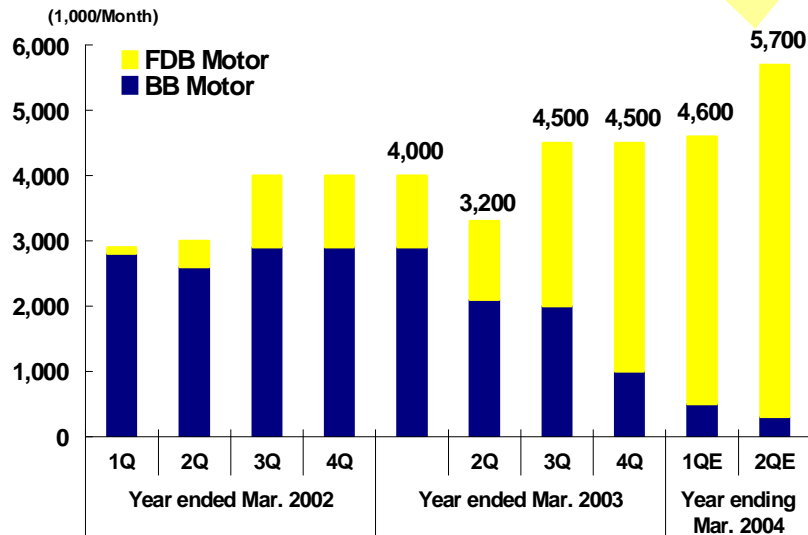
HDD Spindle Motor Business

This year's target

- Achieve profitability
- Expand high-end business
- Promote 2.5inch FDB motor business

Market share in the fourth quarter of Fiscal Year ended Mar.2003 : 23%

Target share in Fiscal Year ending Mar. 2004 : 30%



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We expanded market share of HDD spindle motors in the fourth quarter in the fiscal year ended March 31, 2003. In particular, our market share in 3.5inch HDD spindle motor market reached almost 30% by having made a smooth transition to FDB motors in this 3.5inch HDD market, which constitutes more than 80% of total HDD spindle motor market.

We plan to turn the business profitable during the first half of the current fiscal year.

Other goals we have set for this fiscal year are to raise production volume of FDB motors for server application, which is on an increasing trend, and to begin FDB motors business for 2.5inch HDDs.

Profitability Improvement Measures for the Current Fiscal Year

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May 16, 2003



2. We plan to improve profitability of pivot assemblies.

As mentioned earlier, we intend to turn the business into a highly profitable operation through the vast improvement of production efficiency which will be materialized by the currently on-going review of the manufacturing method.

3. We plan to improve profitability of stepping motors and electronic devices.

Along with the integration of two Manufacturing Headquarters, we integrated two stepping motor divisions, namely divisions that engaged in hybrid type and PM type stepping motors. Under the new organization, we aim to achieve a higher efficiency and more timely response to the market.

Lighting device business, which consists mainly of back light assembly, is an area with a great potential and is expected to become a core business within electronic device business replacing the FDD business.

4. We intend to further expand fan motor business.

During the current fiscal year, we aim to further increase shipments of fan motors. The joint development work with Matsushita Motor Company is also making a good progress.

Joint Development of Fan Motors

By combining two companies' technologies, developed products with upgraded performance and boosted price competitiveness

Minebea + Matsushita Motor Company

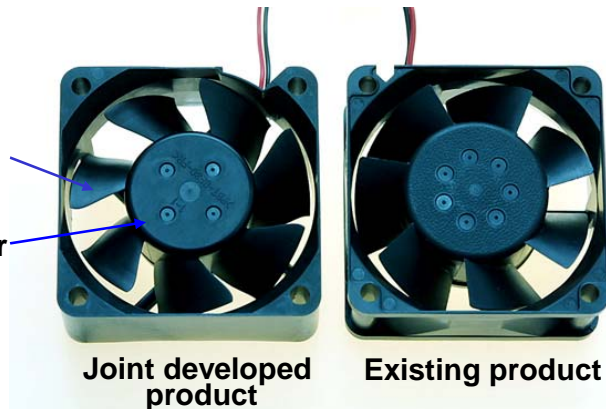
⇒ Design and production for the world's No.1 performance and price competitiveness

Characteristics

- ◇ High airflow
- ◇ Low noise
- ◇ Low cost

High airflow blade design

Reduced motor diameter



May 16, 2003



Under the strategic alliance agreement with Matsushita Motor Company, joint development of fan motors has been underway at our Karuizawa Plant since November last year. By combining two companies technologies, products with performance that is superior to existing products have been developed. During fiscal year ended March 31, 2003, we increased market share and sales of fan motors. We aim to continue to expand business by developing the industry is top quality products.

Profitability Improvement Measures for the Current Fiscal Year

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May 16, 2003

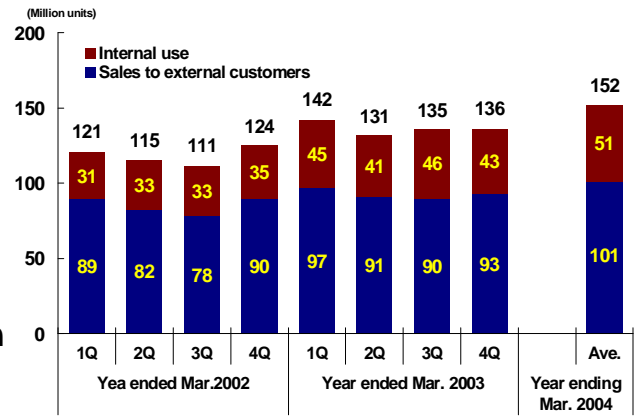


5. In April, we decided to withdraw from switching power supplies and related businesses.

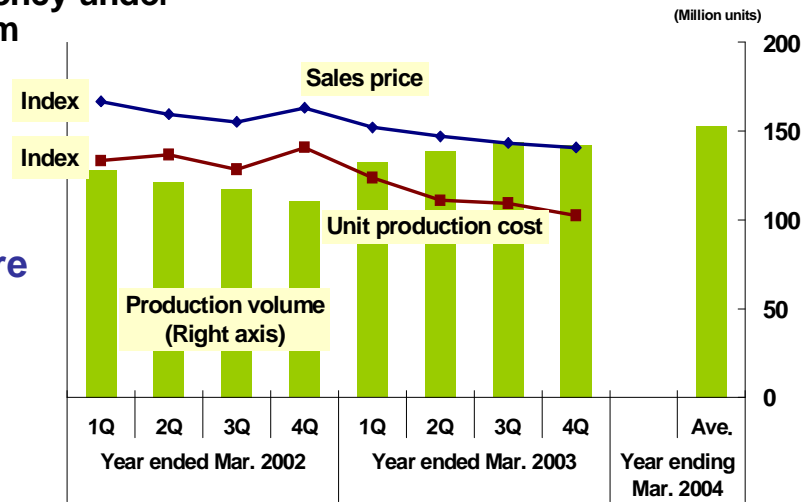
For the last two years, we attempted to turn around the financial performance of switching power supplies business under a renewed business strategy. This strategy consisted of making a transition from business that had majority of sales to PC market, to one that focused on higher end areas such as applications for servers and telecommunication bases. However, our attempt to make effective use of our superior engineering and product development capabilities and to expand sales in the high-end market did not work out as planned. Accordingly, we concluded that in the current operating environment, we could no longer continue the business. We are continuing the operation until December this year, as we will complete delivery of order backlog to customers.

Ball Bearing Business

- Buildup 180 mill. units per month production capacity
 - ⇒ By the end of Dec. 2003
- Attain 180 mill. units sales per month
 - ⇒ Within next fiscal year
- Increase production efficiency under the new-production system



⇒ Establish absolute position in the market with a high market share and competitiveness



May 16, 2003



We plan to establish production capacity of 180 million units per month by December this year. As for sales, we plan to reach the same volume during fiscal year ending March 31, 2005.

During fiscal year ended March 31, 2003, we made an advancement in reduction of manufacturing costs by successful implementation of production efficiency improvement measures. Under the new manufacturing system, both capex and costs are expected to be limited to minimum levels.

With absolute market share and competitiveness, we aim to respond to requirement of our customers in the increasingly competitive global market.

Safeguard against SARS

- We presently see no effect of SARS on the manufacture and sale of our products and securing orders.
- WHO reported seven persons have been infected in Shanghai, where we have a manufacturing base. Seven SARS patients are presently reported in Thailand, which is our largest manufacturing base. (As of May 13, 2003)
- We are taking every possible precautions against SARS at all our manufacturing facilities.
- We have taken countermeasures against all conceivable SARS-related problems at all our sales facilities in Asia, such as securing alternative offices and replacement office workers and arranging system backups.
- We have set employee guidelines for precautions against SARS infection.
- In manufacturing facilities in Asia, we take the temperature of our employees reporting for work before they enter their facilities. In some areas, we restrict the activities of our employees.
- We have spread inventories across several locations. We are now accumulating inventories of some of our products.
- We are slowing down the pace of ongoing keyboard production shift from Thailand to Shanghai to see how our customers' procurement policies change.
- We are fully able to shift our bearing production across several locations in case of emergency.

May 16, 2003



As shown on this slide, we are taking every possible precautions against SARS at all our facilities in Asian region. We presently have not had a report of effect of SARS on the manufacture and sales of our products.

Change to Management Structure Introduction of New Organizational Structure

- ◆ **Introduction of an Executive Officer System**
 - Realization of quick decision making and business execution
 - Vitalization of organization and human resources
- ◆ **Integration of Manufacturing Headquarters and establishment of Engineering Headquarters**
 - Fusion of market and technologies of mechanical products and electronic products
 - Promotion of more efficient use of managerial resources
 - Promotion of quicker action to the market
- ◆ **Introduction of EVA management system**
 - Improvement of investment efficiency
 - Introduction of EVA based bonus program

May 16, 2003



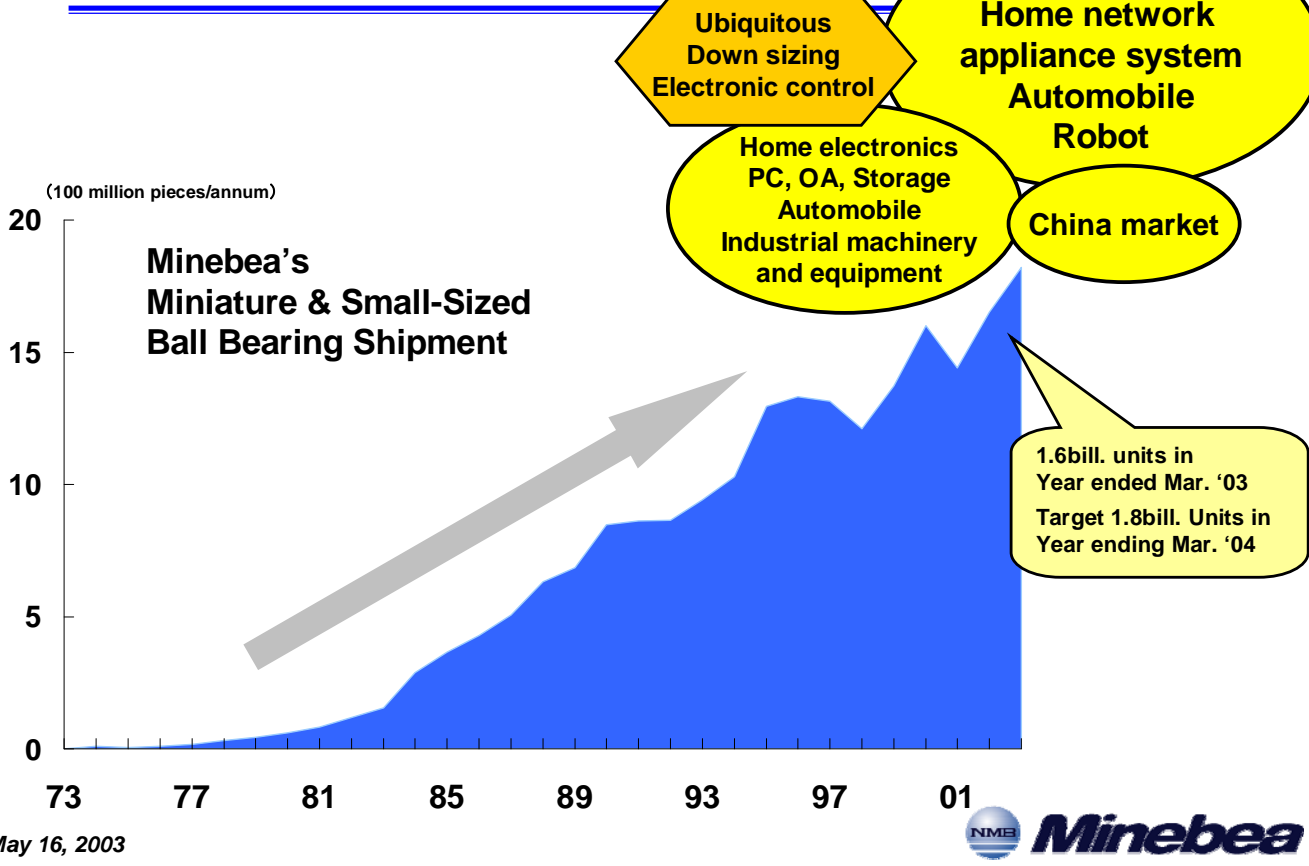
In order to secure long term growth and development, we made a fundamental review to our organization. We introduced an Executive Officer System and reduced the number of Member of the Board of Directors to 10, from 25, with an aim to help further vitalization of our organization and human resources. The number of independent directors will remain to be two and thus the relative role of independent directors will be strengthened. In addition, eight employees will be appointed as Executive Officers.

The market and technologies of mechanical products and electronic devices are merging. In response to this trend, we integrated two Manufacturing Headquarters into one. We aim to achieve higher efficiency and quicker response to market needs with effective utilization of management resources.

We have decided to introduce EVA management system and to adopt return on capital as a management index.

We have decided to introduce an EVA-based bonus program for all Executive Officers and some senior managers. The objective is to promote increased awareness of management responsibility and to ensure effective execution of EVA management system.

Market Outlook for Minebea's Products



Applications of our products range from PC, OA, storage to automobile and industrial machinery. Amid the trend toward ubiquitous, down-sizing and electronic control, we believe the market for our products will continue to grow. In particular, potential target areas are digital home appliances and network appliance, storage, automobile and robot. Meanwhile, Chinese market is becoming a significant market. Already, for example, demand in China for ball bearings for air conditioner use is exhibiting a dramatic growth. We expect demand for ball bearings in China will continue to grow along with expansion of Chinese economy.

With this background, what is required is to build a business structure that would equip us to benefit from the expected growth in the market.

Rebuilding Foundation for Growth

Minebea

**No.1 Precision
Component Manufacturer**

High profitability & sustainable
growth and development

Focus management
resources in core
technologies and business

Minebea

**Vertically Integrated
Manufacturing System**

Ultraprecision Machining Technologies

Mass-Production Technologies

**Strengthen
New-product development capability
Prompt action to the market trend**

Alliance / M&A

**Business
Partner**

Market

**New-product
Development Technologies**

Terminate or withdrawal from unprofitable business

Withdrawal from the business of switching power supplies
and related business
Termination of FDD Business
Sell-out of IMC Magnetics Corp.

May 16, 2003



Our most important competitive advantages are ultra-precision machining technologies, mass-production technologies and vertically integrated manufacturing system.

By having made the decision to withdraw from switching power supplies and related businesses, our effort to reorganize unprofitable business is almost complete. We can say that our business profile is now concentrated in areas that truly utilize our competitive advantages.

From the fiscal year ended March 31, 2003, we began to obtain management resources that we lack, from outside the company. Under this policy, we formed strategic alliances with Matsushita Motor Company and Huan Hsin Group of Taiwan. Through more alliances or M&A with various companies, we hope to expand business opportunities into the future.

Minebea's strong competitiveness is born through many years of conquering difficulties. By recognizing the underlying fundamentals of the current difficult situation and by accelerating the efforts to promote higher management quality and execution of strategies, we believe we can make a great leap forward.

Forecast for Fiscal Year ending March 31, 2004 and 2005

(Millions of yen)	Year ended Mar.'03	Year ending Mar.'04 Forecast	Change yoy	Year ending Mar.'05 Forecast	Mid-term plan announced in May.'02		
					First term Year ended Mar.'03	Second term Year ending Mar.'04	Third term Year ending Mar.'05
Net Sales	272,202	280,000	+2.9%	300,000	288,000	316,800	348,000
Operating Income	19,352	21,000	+8.5%	28,000	24,000	33,000	37,000
Ordinary Income	13,420	17,000	+26.7%	25,000	18,500	28,000	33,500
Income before Income Taxes	495	16,000	32x	24,000	18,000	27,500	33,000
Net Income	-2,434	8,500	-	15,000	10,000	17,000	21,000

Revised Mid-term Plan

May 16, 2003



Forecasts for the fiscal year ending March 31, 2004 and the fiscal year ending March 31, 2005 are as shown on this slide. Given the dramatic change in the operating environment, we made a large adjustment to the mid-term management plan that we announced last year. We are firmly determined to achieve the new target.

Forecast of Net Sales and Operating Income by Segment

(Millions of yen)	Year ended Mar.'03	Year ending Mar.'04 Forecast	Change yoy	Year ending Mar.'05 Forecast	--- Mid-term Plan announced in May.'02 ---		
					First term Year ended Mar.'03	Second term Year ending Mar.'04	Third term Year ending Mar.'05
[Net Sales]							
Machined components business	118,117	115,000	-2.6%	117,100	118,650	124,250	131,650
Bearing-related products	97,938	94,250	-3.8%	96,300	98,800	102,800	108,300
Other machinery components	20,180	20,750	+2.8%	20,800	19,850	21,450	23,350
Electronic devices and components business	154,084	165,000	+7.1%	182,900	169,350	192,550	216,350
Rotary components	79,188	95,100	+20.1%	109,500	93,450	109,300	128,450
Other electronic devices	74,897	69,900	-6.7%	73,400	75,900	83,250	87,900
Total Net Sales	272,202	280,000	+2.9%	300,000	288,000	316,800	348,000
[Operating Income]							
Machined components business	18,519	19,600	+5.8%	20,500	22,000	25,250	28,000
Electronic devices and components business	832	1,400	+68.3%	7,500	2,000	7,750	9,000
Total Operating Income	19,352	21,000	+8.5%	28,000	24,000	33,000	37,000

May 16, 2003



Sales and operating profit breakdown is as shown on this slide.

Business Results for Fiscal Year ended March 31, 2003

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.

May 16, 2003

