

FINANCIAL SECTION

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ELEVEN-YEAR SUMMARY

	2001	2000	1999	1998
Statement of Income Data:				
Net sales:	¥287,045	¥284,757	¥305,324	¥326,094
Machinery components	124,461	127,734	136,807	142,007
Percentage of net sales	43%	45%	45%	43%
Electronic devices and components	151,910	146,133	157,603	180,875
Percentage of net sales	53%	51%	52%	56%
Consumer and others	10,674	10,890	10,914	3,212
Percentage of net sales	4%	4%	3%	1%
Gross profit	¥ 84,117	¥ 81,534	¥ 90,161	¥107,086
Percentage of net sales	29.3%	28.6%	29.5%	32.8%
Operating income	32,977	31,069	38,546	58,811
Percentage of net sales	11.5%	10.9%	12.6%	18.0%
Net income (loss)	14,826	(2,677)	11,507	15,144
Percentage of net sales	5.2%	(0.9)%	3.7%	4.6%
Balance Sheet Data:				
Total assets	¥346,965	¥403,994	¥473,360	¥492,210
Total current assets	137,106	153,658	219,826	213,194
Total current liabilities	127,290	124,085	197,071	246,114
Short-term loans payable and current portion of long-term debt	66,531	68,022	142,828	178,228
Long-term debt	118,629	124,690	128,223	96,882
Working capital	9,816	29,573	22,755	(32,920)
Total shareholders' equity	100,574	154,357	145,705	141,843
Percentage of total assets	29.0%	38.2%	30.8%	28.8%
Per Share Data:				
Net income (loss):				
Primary	¥ 37.14	¥ (6.72)	¥ 28.94	¥ 38.42
Fully diluted	34.10	(5.39)	26.32	34.85
Shareholders' equity	251.96	386.71	366.29	357.77
Cash dividends	7.00	7.00	7.00	7.00
Other Data:				
Return on shareholders' equity	11.6%	(1.8)%	8.0%	11.4%
Return on total assets	4.3%	(0.7)%	2.4%	2.9%
Interest expense	¥ 7,553	¥ 7,897	¥12,231	¥16,593
Net cash provided by operating activities	38,341	61,692	60,740	83,878
Expenditure for purchase of property, plant and equipment	39,877	19,504	20,563	23,688
Free cash flow	(1,536)	42,188	40,177	60,190
Depreciation and amortization	23,682	25,026	28,034	29,616
Number of shares outstanding	399,167,695	399,150,527	397,787,828	396,470,473
Number of employees	45,193	42,399	40,482	38,733

- Notes: 1. In fiscal 2001, to concentrate resources in its best areas and improve financial strength, the Company transferred its shares in subsidiary Actus Corporation, posting an extraordinary gain of ¥5,215 million in gains on sales of investment securities in affiliates. The Company also showed an extraordinary loss of ¥2,762 million, in line with the projected loss on the withdrawal from the wheel business.
2. In fiscal 2000, to concentrate resources in its best areas and improve financial strength, the Company made decisions with regard to the transferral of its shares, etc., in Minebea Credit Co., Ltd., a wholly owned subsidiary; the liquidation of different affiliated companies; and other matters. As a result, the Company showed ¥25,782 million in extraordinary losses as losses on liquidation of subsidiaries and affiliates. The Company also applied tax effect accounting overall, which resulted in ¥6,276 million in deferred income taxes (benefit).
3. In fiscal 1995, the Company divested its consumer financing business and sold shares in its consumer financing subsidiary. This sale generated proceeds of ¥109,368 million, which were applied to the repayment of short-term loans payable and long-term debt. As a consequence, finance receivables and liabilities declined.

Millions of yen							Thousands of U.S. dollars (Note 7)
1997	1996	1995	1994	1993	1992	1991	2001
¥302,886	¥260,537	¥239,133	¥121,586	¥265,165	¥278,685	¥285,419	\$2,316,747
136,147	122,540	113,795	51,835	111,644	122,634	131,851	1,004,528
45%	47%	48%	42%	42%	44%	46%	
165,118	136,519	115,216	61,504	126,653	124,555	121,001	1,226,069
54%	52%	48%	51%	48%	45%	43%	
1,621	1,478	10,122	8,247	26,868	31,496	32,567	86,150
1%	1%	4%	7%	10%	11%	11%	
¥ 86,487	¥ 75,152	¥ 63,866	¥ 31,753	¥ 69,430	¥ 68,197	¥ 78,032	\$ 678,910
28.6%	28.8%	26.7%	26.1%	26.2%	24.5%	27.3%	
41,901	34,788	27,283	12,706	23,894	15,826	27,646	266,158
13.8%	13.4%	11.4%	10.4%	9.0%	5.7%	9.7%	
8,862	7,354	2,570	591	(61,212)	(13,643)	889	119,661
2.9%	2.8%	1.1%	0.5%	(23.1)%	(4.9)%	0.3%	
¥563,220	¥556,787	¥529,959	¥699,475	¥706,790	¥859,661	¥921,294	\$2,800,363
264,368	291,143	287,762	457,402	463,902	546,324	610,029	1,106,586
322,966	336,106	308,740	414,075	384,190	388,385	454,420	1,027,360
254,243	251,983	249,712	328,082	290,144	277,031	321,153	536,973
109,365	97,129	99,208	161,207	198,773	285,111	260,251	957,458
(58,598)	(44,963)	(20,978)	43,327	79,712	157,939	155,609	79,226
123,831	116,753	113,276	111,623	111,573	168,489	181,921	811,735
22.0%	21.0%	21.4%	16.0%	15.8%	19.6%	19.7%	
Yen							U.S. dollars (Note 7)
¥22.76	¥ 18.91	¥ 6.61	¥ 1.52	¥(157.48)	¥ (35.11)	¥ 2.29	\$0.30
21.03	18.68	6.61	1.52	(157.40)	(35.07)	2.31	0.28
317.46	300.22	291.33	287.13	287.00	433.51	468.43	2.03
7.00	7.00	6.00	3.00	—	6.00	11.75	0.06
Millions of yen							Thousands of U.S. dollars (Note 7)
7.4%	6.4%	2.3%	0.5%	(54.9)%	(7.8)%	0.5%	
1.6%	1.4%	0.4%	0.1%	(7.8)%	(1.5)%	0.1%	
29,546	26,230	52,951	16,594	1,868	17,134	(12,630)	309,451
50,931	37,434	22,895	8,880	19,452	35,256	61,704	321,848
(21,385)	(11,204)	30,056	7,714	(17,584)	(18,122)	(74,334)	(12,397)
29,277	22,319	18,634	9,269	17,584	24,771	22,316	191,138
390,076,018	388,892,609	388,824,616	388,761,608	388,758,517	388,664,237	388,368,093	
37,096	35,978	29,790	27,821	28,311	31,582	33,372	

- In fiscal 1994, the Company changed its fiscal year-end from September 30 to March 31. Accordingly, fiscal 1994 included only six months of operations, beginning in October 1993 and ending in March 1994, whereas other fiscal years consist of 12 months.
- Net loss in fiscal 1993 includes extraordinary losses totaling ¥59,118 million. As part of a thorough restructuring aimed at strengthening the corporate framework, the Company withdrew from the semiconductor business in March 1993, resulting in a loss of ¥46,792 million. To further strengthen and improve its financial position, the Company changed its method of accounting for marketable securities listed on stock exchanges, resulting in a marketable security revaluation loss of ¥12,326 million.
- In fiscal 2000, the Company reclassified its operations into three industry categories and revised figures in prior years.
- U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥123.90=US\$1, the approximate rate of exchange on March 31, 2001.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

Net Sales

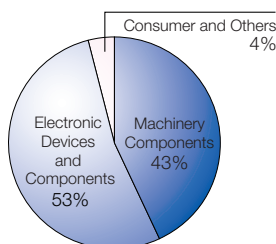
Consolidated net sales of Minebea amounted to ¥287,045 million in fiscal 2001, an increase of 0.8%, or ¥2,288 million from the previous fiscal year. If the same average yen-dollar exchange rate had been applied as in fiscal 2000, however, net sales would have been ¥10,766 million higher than the actual result.

Net sales of machinery components declined 2.6%, or ¥3,273 million, to ¥124,461 million. Net sales of bearings and bearing-related products edged down 0.7%, or ¥751 million, to ¥101,096 million. Sales of bearings remained firm, owing to an increase in demand from manufacturers of information and telecommunications equipment and household electrical appliances. In contrast, sales of rod-end and spherical bearings fell, reflecting a decline in orders in fiscal 2000 from U.S. aerospace manufacturers—the principal market for these products—while flagging conditions in the PC market after January 2001 prompted a decrease in sales of pivot assemblies. In other machinery components, net sales declined 9.7%, or ¥2,522 million, to ¥23,365 million, as sluggish sales of fasteners and wheels countered solid sales of special machinery components.

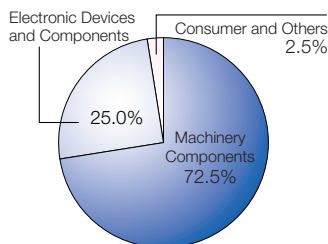
Net sales of electronic devices and components increased 4.0%, or ¥5,777 million, to ¥151,910 million. Net sales of rotary components rose 15.4%, or ¥9,845 million, to ¥73,603 million, bolstered by a substantial increase in shipments of small motors, particularly HDD spindle motors and fan motors. Despite a sharp increase in sales of PC keyboards, net sales of other electronic devices and components slipped 4.9%, or ¥4,068 million, to ¥78,307 million, owing to lower orders and falling prices for speakers; electronic devices, such as FDD subassemblies and MODs; and power electronics products, including switching power supplies.

Net sales of consumer and others amounted to ¥10,674 million, down 2.0%, or ¥216 million, from fiscal 2000. In line with its commitment to focusing on core manufacturing operations, Minebea transferred its holding in furniture and interior decor products sales subsidiary Actus Corporation to TRS, Co., Ltd., in February 2001. Accordingly, the Company's results for the period include the sales and income of Actus—which posted favorable results for the period—for the 11-month period from April 2000 through February 2001.

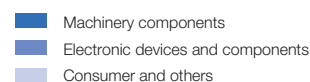
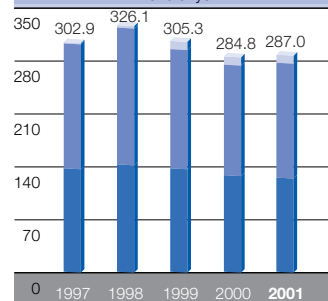
Breakdown of Net Sales



Breakdown of Operating Income



Net Sales by Industry Category
Billions of yen



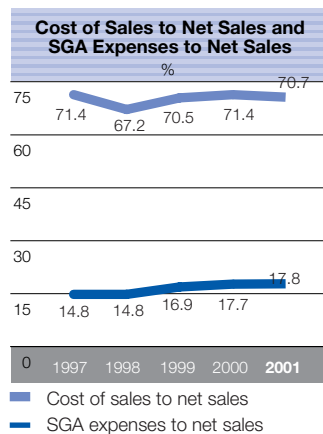
Net Sales by Industry Category

Years ended March 31	Millions of yen				
	2001	2000	1999	1998	1997
Machinery components					
Bearings and bearing-related products	¥101,096	¥101,847	¥109,535	¥112,785	¥102,993
Other machinery components	23,365	25,887	27,272	29,222	33,154
	124,461	127,734	136,807	142,007	136,147
Electronic devices and components					
Rotary components	73,603	63,758	64,789	68,358	64,248
Other electronic devices and components	78,307	82,375	92,814	112,517	100,870
	151,910	146,133	157,603	180,875	165,118
Consumer and others	10,674	10,890	10,914	3,212	1,621
Net sales	¥287,045	¥284,757	¥305,324	¥326,094	¥302,886

Performance by Industry Category

Year ended March 31, 2001	Millions of yen					
	Machinery Components	Electronic Devices and Components	Consumer and Others	Total before Eliminations	Eliminations	Total
Sales to external customers	¥124,461	¥151,910	¥10,674	¥287,045	¥ —	¥287,045
Internal sourcing	9,045	—	—	9,045	(9,045)	—
Total sales	133,506	151,910	10,674	296,090	(9,045)	287,045
Operating expenses	109,600	143,651	9,862	263,113	(9,045)	254,068
Operating income	23,906	8,259	812	32,977	—	32,977
Assets	200,457	255,789	3,711	459,957	(112,992)	346,965
Depreciation and amortization	10,842	11,240	68	22,150	—	22,150
Investment	19,464	21,010	185	40,659	—	40,659

Cost of Sales and SGA Expenses



The cost of sales ratio improved 0.7 percentage point from fiscal 2000, to 70.7%, as a consequence of expanded production of core ball bearings and small motors, lower manufacturing costs and an increase in the ratio of high-value-added products in such key categories as HDD spindle motors. Selling, general and administrative (SGA) expenses represented 17.8% of net sales, up 0.1 percentage point, owing to a combination of factors, including higher personnel and shipping costs.

Costs and Expenses

Years ended March 31	Millions of yen				
	2001	2000	1999	1998	1997
Net sales	¥287,045	¥284,757	¥305,324	¥326,094	¥302,886
Cost of sales	202,928	203,223	215,163	219,008	216,399
Cost of sales to net sales	70.7%	71.4%	70.5%	67.2%	71.4%
Gross profit	84,117	81,534	90,161	107,086	86,487
SGA expenses	51,140	50,465	51,615	48,275	44,586
SGA expenses to net sales	17.8%	17.7%	16.9%	14.8%	14.8%

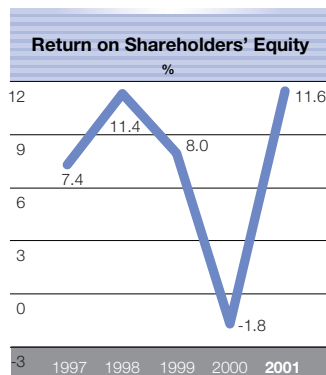
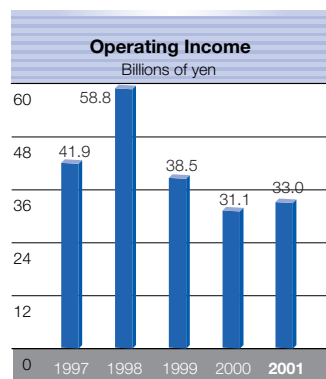
Income

Improvements in the manufacturing cost margin pushed operating margin up 0.6 percentage point, to 11.5%. Operating margin in machinery components climbed 2.0 percentage points, to 19.2%, reflecting increased production of ball bearings. In contrast, severe pricing competition and a sluggish market for PCs after January 2001 contributed to a 0.2-percentage point decline, to 5.4%, in electronic devices and components operating margin.

Net balance of other income and expenses was a loss of ¥10,590 million, which was ¥27,091 million, or 71.9%, less than that of the previous fiscal year's. Major items included are as follows; the Company's transfer of its holding in subsidiary Actus generated ¥5,215 million in gains on sales of investment securities in affiliates. Interest expense amounted to ¥7,553 million, while other, net, was ¥3,755 million, of which ¥2,762 million represented a loss related to Minebea's withdrawal from the wheel business. Also included was a ¥1,943 million loss on liquidation of subsidiaries and affiliates and a ¥1,846 million loss on disposal of inventories. The significant decline of net balance of expenses was primarily attributable to the aforementioned gain on the Company's transfer of its holding in Actus, a ¥2,145 increase in other, net, and a ¥23,839 million decline in losses on liquidation of subsidiaries and affiliates.

Income taxes amounted to ¥7,456 million, deferred, which included taxes of ¥3,296 million based on the adoption of tax-effect accounting from the previous fiscal year.

As a result of these factors, Minebea achieved net income of ¥14,826 million, up ¥17,503 million from fiscal 2000.



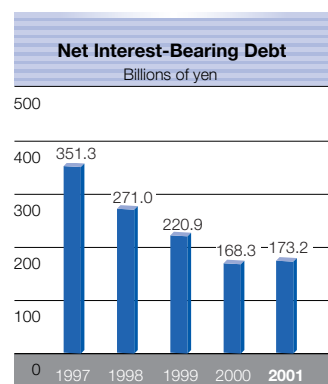
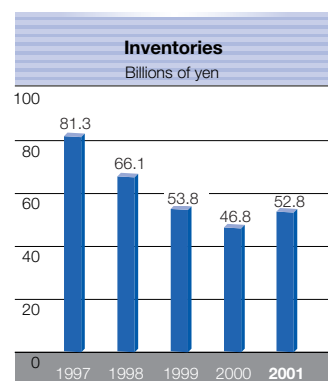
Income

Years ended March 31	Millions of yen				
	2001	2000	1999	1998	1997
Operating income	¥32,977	¥31,069	¥38,546	¥58,811	¥41,901
Operating margin	11.5%	10.9%	12.6%	18.0%	13.8%
Net balance of other income (expenses)	(10,590)	(37,681)	(20,111)	(35,876)	(27,045)
Net income (loss)	14,826	(2,677)	11,507	15,144	8,862
Net income (loss) to net sales	5.2%	(0.9)%	3.7%	4.6%	2.9%
Net income (loss) per share (Yen):					
Primary	37.14	(6.72)	28.94	38.42	22.76
Fully diluted	34.10	(5.39)	26.32	34.85	21.03
Return on shareholders' equity	11.6%	(1.8)%	8.0%	11.4%	7.4%
Return on total assets	4.3%	0.7%	2.4%	2.9%	1.6%

Note: In fiscal 2000, to concentrate resources in its best areas and improve financial strength, the Company made a decision with regards to the transferral of its shares, etc., in Minebea Credit Co., Ltd., a wholly owned subsidiary; the liquidation of different affiliated companies; and other matters. As a result, the Company showed ¥25,782 million in extraordinary losses as losses on liquidation of subsidiaries; and affiliates.

Analysis of Financial Position and Cash Flows

Financial Position



Total assets of Minebea amounted to ¥346,965 million at fiscal 2001 year-end, down 14.1%, or ¥57,029 million. This decrease was primarily due to a change in accounting standards in Japan, as a result of which foreign currency translation adjustments of ¥64,791 million, previously included in assets, are now included in shareholders' equity. Increases were recorded in inventories and property, plant and equipment. Inventories climbed 12.6%, or ¥5,925 million, as the yen was weaker at fiscal 2001 year-end than a year earlier—the impact of which is estimated at ¥2,559 million—and the last day of the period was a holiday, which increased inventory on consignment ¥2,076 million. Net property, plant and equipment climbed 18.4%, or ¥26,175 million, as the Company increased its expenditure for purchase of property, plant and equipment to ¥39,877 million, most of which was used to expand production facilities for bearings, small motors and other core products.

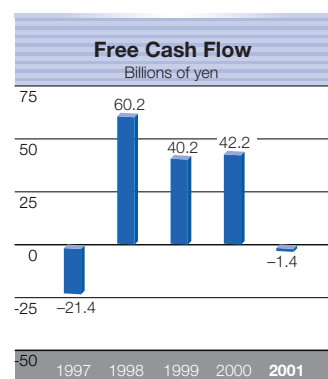
Total liabilities were ¥246,269 million, down 1.2%, or ¥3,070 million, from a year earlier. Interest-bearing debt was reduced ¥7,552 million. The Company's decision to withdraw from the wheel business resulted in a ¥2,762 million loss, which is included in accrued expenses and other current liabilities.

Total shareholders' equity was ¥100,574 million, a decline of 34.8%, or ¥53,783 million. Key reasons for this decrease include the aforementioned change to accounting standards in Japan, which resulted in the shift of foreign currency translation adjustments and difference on revaluation of other marketable securities, previously part of assets, to shareholders' equity. Retained earnings totaled ¥3,303 million, compared to a negative figure of ¥8,641 million a year earlier.

Financial Position

As of March 31	Millions of yen				
	2001	2000	1999	1998	1997
Total assets	¥346,965	¥403,994	¥473,360	¥492,210	¥563,220
Total current assets	137,106	153,658	219,826	213,194	264,368
Inventories	52,764	46,839	53,816	66,074	81,293
Total current liabilities	127,290	124,085	197,071	246,114	322,966
Working capital	9,816	29,573	22,755	(32,920)	(58,598)
Interest-bearing debt	185,160	192,712	271,051	275,110	363,608
Net interest-bearing debt	173,230	168,280	220,864	270,970	351,259
Total shareholders' equity	100,574	154,357	145,705	141,843	123,831
Total shareholders' equity/Total assets	29.0%	38.2%	30.8%	28.8%	22.0%
Shareholders' equity per share (Yen)	251.96	386.71	366.29	357.77	317.46

Cash Flows



Net cash provided by operating activities amounted to ¥38,341 million, down ¥23,351 million, or 37.9%, from fiscal 2000. This change reflected a decline in payables and an increase in inventories, which boosted working capital, offsetting increase in cash provided by income from operations.

An expenditure for purchase of property, plant and equipment of ¥39,877 million countered the impact of ¥5,215 million in proceeds from sales of subsidiary, generated by Minebea's transfer of its holding in Actus, ¥994 million in long-term loans receivable and ¥631 million in proceeds from sales of property, plant and equipment. As a consequence, net cash used in investing activities amounted to ¥33,978 million, up from ¥10,503 million used in fiscal 2000, but well within the reach of cash provided by operating activities.

Free Cash Flow

Years ended March 31	Millions of yen				
	2001	2000	1999	1998	1997
Net cash provided					
by operating activities	¥ 38,341	¥ 61,692	¥ 60,740	¥ 83,878	¥ 29,546
Net cash used in investing activities	(33,978)	(10,503)	(17,254)	(33,745)	(31,866)
Net cash used in financing activities	(10,834)	(81,239)	(6,865)	(85,363)	12,646
Effect of exchange rate changes	(6,031)	4,295	9,426	27,021	(22,292)
Cash and cash equivalents					
at beginning of year	24,432	50,187	4,140	12,349	24,497
Cash and cash equivalents					
at end of year	¥ 11,930	¥ 24,432	¥ 50,187	4,140	12,349
Free cash flow	¥ (1,536)	¥ 42,188	¥ 40,177	¥ 60,190	¥(21,385)

Three-Year Management Plan

Minebea's current three-year management plan, launched in fiscal 2000, outlines three basic management directions that will guide the Company's efforts to build itself into a high-growth, highly profitable company. First, Minebea will expand its production capacity for its highly profitable mainstay bearings and bearing-related products. Second, the Company will build its operations in the area of precision small motors and other rotary components until they are similar in scale to our bearing operations. Third, it will increase the ratio of high-value-added products in core product categories.

In line with these basic directions, the Company set the following numerical targets in its three-year management plan:

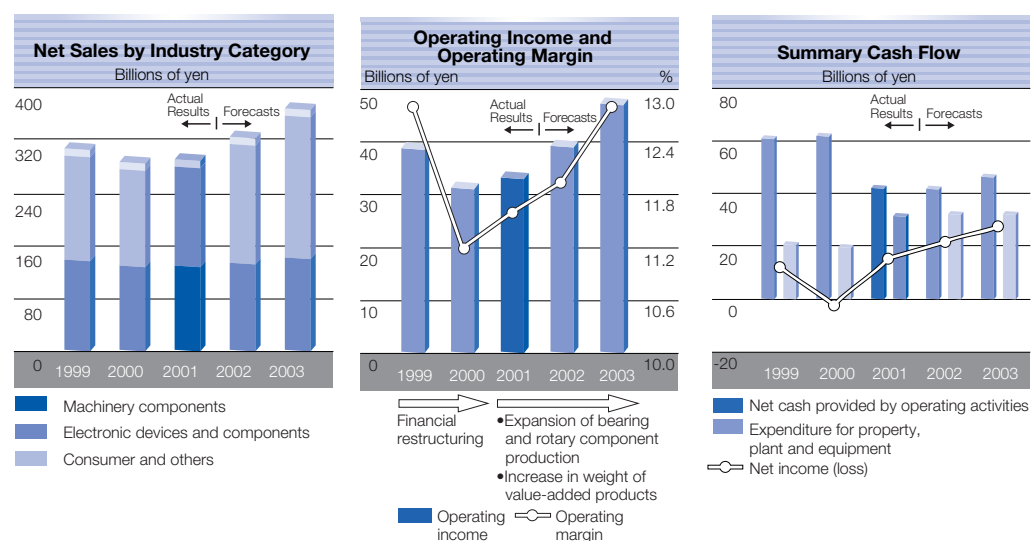
	2001		2002		2003
	Initial Target	Actual	Initial Target	New Target	Initial Target
Net sales	¥290,000	¥287,045	¥332,000	¥300,000	¥373,000
Operating income	33,000	32,977	39,000	33,000	47,000
Net income	15,000	14,826	20,000	15,000	27,000
Expenditure for purchase of property, plant and equipment	31,300	39,877	32,000	25,700	32,000

Minebea essentially achieved its targets for fiscal 2001. Currently, the Company's forecast for fiscal 2002 is for net sales of ¥300,000 million, operating income of ¥33,000 million and net income of ¥15,000 million, a slight increase from the previous fiscal year at all levels. This forecast, which is below the second year target of the three-year management plan, reflects:

- slowdowns in the global economy and the market for information and telecommunications equipment since January 2001;
- a delay in the return to profitability of Minebea's switching power supply business until fiscal 2003 or later, contrary to the Company's initial projection that this would happen in fiscal 2002;
- the anticipation that sales and operating income for speakers and fasteners will fall significantly below initial expectations; and
- the elimination of ¥13,300 million from net sales and ¥800 million from operating income as a consequence of Minebea's transfer of its shares in Actus.

Minebea thus expects the second year of its three-year management plan to be essentially a repeat of the first in terms of sales and profit performance. Nonetheless, the Company will continue to devote its efforts to achieving the new targets for fiscal 2002 and ensuring further growth and development in fiscal 2003 and beyond.

Note: Please refer to the Disclaimer Regarding Future Projections, on the inside front cover of this report, regarding the use of information on future outlook.



Note: Forecasts in the above graphs are based on an assumed exchange rate of ¥105.00=US\$1.

CONSOLIDATED BALANCE SHEETS

As of March 31, 2001 and 2000

Assets	Millions of yen		Thousands of U.S. dollars (Note 3)
	2001	2000	2001
Current Assets:			
Cash and cash equivalents (Note 2-c)	¥ 11,930	¥ 24,432	\$ 96,287
Marketable securities	—	8,942	—
Notes and accounts receivable (Notes 2-d and 4):			
Trade	55,277	56,747	446,142
Other	3,230	3,055	26,070
	<u>58,507</u>	<u>59,802</u>	<u>472,212</u>
Allowance for doubtful receivables (Note 2-d)	(734)	(785)	(5,924)
Total notes and accounts receivable	<u>57,773</u>	<u>59,017</u>	<u>466,288</u>
Inventories (Note 2-e)	52,764	46,839	425,860
Deferred tax assets (Note 6)	6,271	6,718	50,613
Prepaid expenses and other current assets	8,368	7,710	67,538
Total current assets	<u>137,106</u>	<u>153,658</u>	<u>1,106,586</u>
Property, Plant and Equipment (Notes 2-f and 5):			
Land	16,551	11,105	133,583
Buildings and structures	90,196	82,426	727,974
Machinery and/or transportation equipment	237,558	203,997	1,917,337
Construction in progress	3,727	3,892	30,081
	<u>348,032</u>	<u>301,420</u>	<u>2,808,975</u>
Accumulated depreciation	<u>(179,299)</u>	<u>(158,862)</u>	<u>(1,447,127)</u>
Net property, plant and equipment	<u>168,733</u>	<u>142,558</u>	<u>1,361,848</u>
Investments and Other Assets:			
Excess of cost over net assets acquired (Note 2-i)	15,344	15,990	123,842
Investments in affiliates (Notes 2-a and 4)	303	188	2,445
Investments in securities (Notes 2-g and 5)	8,574	1,148	69,201
Long-term loans receivable	252	1,245	2,034
Deferred tax assets (Note 6)	13,388	15,481	108,055
Foreign currency translation adjustments (Note 2-b)	—	69,942	—
Other (Note 2-d)	3,585	5,079	28,935
	<u>41,446</u>	<u>109,073</u>	<u>334,512</u>
Allowance for doubtful receivables (Note 2-d)	<u>(320)</u>	<u>(1,295)</u>	<u>(2,583)</u>
Net investments and other assets	<u>41,126</u>	<u>107,778</u>	<u>331,929</u>
Total Assets	<u>¥ 346,965</u>	<u>¥ 403,994</u>	<u>\$ 2,800,363</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

Thousands of
U.S. dollars
(Note 3)

Liabilities and Shareholders' Equity	<i>Millions of yen</i>		2001
	2001	2000	
Current Liabilities:			
Short-term loans payable (Note 5)	¥ 62,724	¥ 63,787	\$ 506,247
Current portion of long-term debt (Note 5)	3,807	4,235	30,726
Notes and accounts payable (Note 4):			
Trade	29,170	31,249	235,432
Other	8,145	7,871	65,738
Total notes and accounts payable	37,315	39,120	301,170
Income taxes payable (Note 6)	3,985	3,160	32,163
Accrued expenses and other current liabilities	19,459	13,783	157,054
Total current liabilities	127,290	124,085	1,027,360
Long-Term Liabilities:			
Long-term debt (Note 5)	118,629	124,690	957,458
Other (Note 2-h)	350	501	2,825
Total long-term liabilities	118,979	125,191	960,283
Minority Interests in Consolidated Subsidiaries	122	361	985
Shareholders' Equity (Note 7):			
Common stock, par value ¥50 per share—			
Authorized 1,000,000,000 shares			
Issued:			
March 31, 2001—399,167,695 shares			
March 31, 2000—399,150,527 shares	68,259	68,251	550,920
Capital reserve	94,757	94,749	764,786
Retained earnings (deficit)	3,303	(8,641)	26,659
Difference on revaluation of other marketable securities	(953)	—	(7,692)
Foreign currency translation adjustments	(64,791)	—	(522,930)
Total shareholders' equity	100,575	154,359	811,743
Treasury stock	(1)	(2)	(8)
Total shareholders' equity	100,574	154,357	811,735
Contingent Liabilities (Notes 9 and 10)			
Total Liabilities and Shareholders' Equity	¥346,965	¥403,994	\$2,800,363

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2001, 2000 and 1999

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2001	2000	1999	2001
Net Sales (Note 4)	¥287,045	¥284,757	¥305,324	\$2,316,747
Cost of Sales (Note 4)	202,928	203,223	215,163	1,637,837
Gross profit	84,117	81,534	90,161	678,910
Selling, General and Administrative Expenses (Notes 2-i and 6)	51,140	50,465	51,615	412,752
Operating income	32,977	31,069	38,546	266,158
Other Income (Expenses):				
Interest income	360	927	691	2,906
Equity in income of nonconsolidated subsidiaries and affiliates (Note 2-a)	4	6	14	32
Interest expense	(7,553)	(7,897)	(12,231)	(60,960)
Gains (losses) on sales of marketable securities, investment securities and investment securities in affiliates	5,215	—	(1,720)	42,090
Gains (losses) on revaluation of marketable and investment securities	—	573	(1,256)	—
Foreign currency exchange losses (Note 2-b)	(732)	(1,710)	(860)	(5,908)
Losses on disposals of inventories	(1,846)	(1,864)	(1,468)	(14,899)
Losses on disposals of real estate for resale	—	—	(104)	—
Losses on sales and disposals of property, plant and equipment	(340)	(324)	(316)	(2,744)
Losses on liquidation of subsidiaries and affiliates	(1,943)	(25,782)	—	(15,682)
Other, net (Note 2-i)	(3,755)	(1,610)	(2,861)	(30,307)
	(10,590)	(37,681)	(20,111)	(85,472)
Income (Loss) before Income Taxes	22,387	(6,612)	18,435	180,686
Income Taxes (Note 6):				
Current	4,160	2,242	4,656	33,575
Deferred (benefit)	3,296	(6,276)	1,690	26,602
	7,456	(4,034)	6,346	60,177
Minority Interests in Earnings of Consolidated Subsidiaries	105	99	582	848
Net Income (Loss)	¥ 14,826	¥ (2,677)	¥ 11,507	\$ 119,661
			Yen	U.S. dollars (Note 3)
Per Share Data (Note 8):				
Net income (loss):				
Primary	¥37.14	¥(6.72)	¥28.94	\$0.30
Fully diluted	34.10	(5.39)	26.32	0.28
Cash dividends applicable to the year	7.00	7.00	7.00	0.06

The accompanying notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Years ended March 31, 2001, 2000 and 1999

Millions of yen

	Number of Shares of Common Stock	Common Stock	Capital Reserve	Legal Reserve (Note 7)	Retained Earnings (Deficit) (Note 7)	Difference on Revaluation of Other Marketable Securities	Foreign Currency Translation Adjustments	Treasury Stock
Balance at March 31, 1998	396,470,473	¥67,104	¥93,602	¥ 1,223	¥(20,086)	¥ —	¥ —	¥ —
Net income	—	—	—	—	11,507	—	—	—
Cash dividends	—	—	—	—	(2,784)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	—	(91)	—	—	—
Transfer to legal reserve	—	—	—	290	(290)	—	—	—
Common stock issued on conversion of convertible bonds	1,317,355	560	560	—	—	—	—	—
Other	—	—	—	(1,513)	(4,376)	—	—	(1)
Balance at March 31, 1999	397,787,828	67,664	94,162	—	(16,120)	—	—	(1)
Net income (loss)	—	—	—	—	(2,677)	—	—	—
Cash dividends	—	—	—	—	(2,794)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	—	—	—	—	—
Transfer to legal reserve	—	—	—	280	(280)	—	—	—
Common stock issued on conversion of convertible bonds	1,362,699	587	587	—	—	—	—	—
Prior year tax effect adjustment	—	—	—	—	12,950	—	—	—
Other	—	—	—	(280)	280	—	—	(1)
Balance at March 31, 2000	399,150,527	68,251	94,749	—	(8,641)	—	—	(2)
Net income	—	—	—	—	14,826	—	—	—
Cash dividends	—	—	—	—	(2,794)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	—	(122)	—	—	—
Transfer to legal reserve	—	—	—	292	(292)	—	—	—
Common stock issued on conversion of convertible bonds	17,168	8	8	—	—	—	—	—
Prior year tax effect adjustment	—	—	—	—	—	—	—	—
Other	—	—	—	(292)	326	(953)	(64,791)	1
Balance at March 31, 2001	399,167,695	¥68,259	¥94,757	¥ —	¥ 3,303	¥(953)	¥(64,791)	¥ (1)

Thousands of U.S. dollars (Note 3)

	Number of Shares of Common Stock	Common Stock	Capital Reserve	Legal Reserve (Note 7)	Retained Earnings (Deficit) (Note 7)	Difference on Revaluation of Other Marketable Securities	Foreign Currency Translation Adjustments	Treasury Stock
Balance at March 31, 2000	399,150,527	\$550,856	\$764,722	\$ —	\$(69,742)	\$ —	\$ —	\$(16)
Net income	—	—	—	—	119,661	—	—	—
Cash dividends	—	—	—	—	(22,550)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	—	(985)	—	—	—
Transfer to legal reserve	—	—	—	2,357	(2,357)	—	—	—
Common stock issued on conversion of convertible bonds	17,168	64	64	—	—	—	—	—
Prior year tax effect adjustment	—	—	—	—	—	—	—	—
Other	—	—	—	(2,357)	2,632	(7,692)	(522,930)	8
Balance at March 31, 2001	399,167,695	\$550,920	\$764,786	\$ —	\$ 26,659	\$(7,692)	\$(522,930)	\$ (8)

The accompanying notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2001, 2000 and 1999

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2001	2000	2001	2001
Cash Flows from Operating Activities:				
Net income (loss)	¥ 14,826	¥ (2,677)	¥ 11,507	\$ 119,661
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	23,682	25,026	28,034	191,138
(Income) losses on revaluation of marketable and investment securities	—	(573)	1,256	—
Losses on disposals of inventories and real estate for resale	1,846	1,864	1,572	14,899
Losses on sales and disposals of property, plant and equipment	235	135	316	1,897
Gains on sales of investment securities in affiliates	(5,215)	—	—	(42,090)
Losses on liquidation of subsidiaries and affiliates	1,943	25,782	—	15,682
Equity in income of nonconsolidated subsidiaries and affiliates	(4)	(6)	(14)	(32)
Allowance for doubtful receivables	(1,081)	(154)	(183)	(8,725)
Deferred income taxes (benefit)	3,296	(6,276)	1,690	26,602
Decrease in notes and accounts receivable	814	8,918	19,170	6,570
(Increase) decrease in inventories	(6,825)	5,112	13,253	(55,085)
Decrease in prepaid expenses and other current assets	2,772	2,685	3,190	22,373
Increase (decrease) in notes and accounts payable	(4,199)	3,481	(14,208)	(33,890)
Increase (decrease) in income taxes payable	823	(1,044)	549	6,642
Increase (decrease) in accrued expenses and other current liabilities	5,665	(509)	(1,428)	45,722
Decrease in minority interests in consolidated subsidiaries	(237)	(72)	(3,964)	(1,913)
Total adjustments	23,515	64,369	49,233	189,790
Net cash provided by operating activities	38,341	61,692	60,740	309,451
Cash Flows from Investing Activities:				
Marketable securities	—	1,690	2,389	—
Proceeds from sales of property, plant and equipment	631	113	211	5,093
Expenditure for purchase of property, plant and equipment	(39,877)	(19,504)	(20,563)	(321,848)
Long-term loans receivable	994	—	93	8,023
Investments in securities	(806)	(2)	88	(6,505)
Proceeds from sales of subsidiary	5,215	5,147	—	42,090
Proceeds from transfer of goodwill	91	—	—	734
(Increase) decrease in other assets	(226)	2,053	528	(1,824)
Net cash used in investing activities	(33,978)	(10,503)	(17,254)	(274,237)
Cash Flows from Financing Activities:				
Proceeds from issuance of bonds	—	—	25,000	—
Proceeds from issuance of bonds with warrants	4,000	—	—	32,284
Proceeds from common stock issued on conversion of convertible bonds	15	1,174	1,120	121
Decrease in short-term loans payable	(63)	(71,397)	(33,851)	(509)
Cash dividends and bonuses to directors and corporate auditors	(2,916)	(2,794)	(2,876)	(23,535)
Increase (decrease) in long-term debt	(11,757)	(5,768)	5,912	(94,891)
Conversion of convertible bonds	—	(1,174)	(1,120)	—
Decrease in other liabilities	(113)	(1,280)	(1,050)	(912)
Net cash used in financing activities	(10,834)	(81,239)	(6,865)	(87,442)
Effect of Exchange Rate Changes	(6,031)	4,295	9,426	(48,676)
Net increase (decrease) in cash and cash equivalents	(12,502)	(25,755)	46,047	(100,904)
Cash and Cash Equivalents at Beginning of Year	24,432	50,187	4,140	197,191
Cash and Cash Equivalents at End of Year	¥ 11,930	¥ 24,432	¥ 50,187	\$ 96,287

The accompanying notes to consolidated financial statements are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Financial Statements

The accompanying consolidated financial statements of Minebea Co., Ltd. (the “Company”) and its consolidated domestic and overseas subsidiaries are stated in Japanese yen, the accounts of which are maintained in accordance with generally accepted accounting principles in the respective countries and audited by independent auditors in those countries.

The accompanying consolidated financial statements have been prepared from the consolidated financial statements filed with the Ministry of Finance in Japan as required by the Securities and Exchange Law of Japan, in accordance with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. For the purpose of this annual report, certain reclassifications have been made and additional information provided to present the accompanying consolidated financial statements in a format that is familiar to readers outside Japan.

The consolidated statements of cash flows have been prepared for the purpose of this annual report.

2. Summary of Significant Accounting Policies

a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and all significant subsidiaries. All significant inter-company balances, inter-company transactions and unrealized profits have been eliminated in consolidation.

In fiscal 1999, the Company implemented revisions to the Securities and Exchange Law of Japan relating to the classification of consolidated subsidiaries and the application of the equity method, which went into effect in fiscal 2000. As a result, beginning in fiscal 1999 all of the Company’s subsidiaries have been included in the consolidated financial statements, while 20% to 50% owned affiliates have been accounted for by the equity method.

b) Translation of foreign currencies

Monetary assets and liabilities denominated in overseas currencies are translated into yen at the exchange rates prevailing at the balance sheet date, except for certain accounts that were hedged by forward exchange contracts. The resulting exchange losses and gains are charged or credited to income.

Financial statement items of consolidated overseas subsidiaries are translated into yen as follows:

Balance sheet items	Translated at the rates of exchange prevailing at the balance sheet date
Statement of income items	Translated at the average rate of exchange during the fiscal period

c) Cash equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be “cash equivalents.”

d) Allowance for doubtful receivables

With respect to the Company and its consolidated domestic subsidiaries, an allowance for doubtful receivables is determined by adding the estimated uncollectible amounts to an amount calculated using a set provision rate. Such allowance of consolidated overseas subsidiaries is generally provided for in the amount required for known uncollectible receivables.

Allowance for doubtful receivables applicable to consolidated subsidiary receivables is eliminated on consolidation on the balances of the allowance as of March 31, 2001 and March 31, 2000, were sufficient to cover the estimated uncollectible receivables.

e) Inventories

Inventories of the Company and its consolidated domestic subsidiaries are stated primarily at the moving average cost or weighted average cost, and those of its consolidated foreign subsidiaries are stated at the lower of first-in, first-out cost or market, or at the lower of moving average cost or market.

Inventories as of March 31, 2001 and 2000, comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Merchandise and finished goods	¥24,739	¥21,285	\$199,669
Work in process	12,916	12,438	104,246
Raw materials	11,522	9,642	92,994
Supplies	3,587	3,474	28,951
	¥52,764	¥46,839	\$425,860

f) Property, plant and equipment

Property, plant and equipment is stated at cost. Depreciation of plant and equipment of the Company and its consolidated domestic subsidiaries is computed on the declining balance method based upon the estimated useful lives of the assets, whereas depreciation of plant and equipment of consolidated foreign subsidiaries is computed primarily on the straight-line method based upon the estimated lives of the assets. Maintenance and normal repair expenses are charged against income as incurred, while major renewals and improvements are capitalized.

g) Investments in securities

Investments in securities consist of equity securities of listed and unlisted companies. Securities held by the Company or its subsidiaries with quoted market values are stated at the lower of cost or market, based on the market closing price on March 31, 2001. Resulting valuation gains and losses are included, after the application of tax accounting, in shareholders' equity in the consolidated balance sheets. Those stocks with no quoted market value are stated at cost by the moving average method.

The aggregate cost and market value of securities with quoted market values held by the Company and its consolidated domestic subsidiaries as of March 31, 2001, were as follows:

		<i>Millions of yen</i>
Aggregate cost:		
Current	¥	—
Noncurrent		<u>8,978</u>
		<u>¥8,978</u>
Aggregate market value:		
Current	¥	—
Noncurrent		<u>7,390</u>
		<u>¥7,390</u>

h) Retirement allowance plans

On April 1, 2000, the Company and its consolidated subsidiaries adopted new accounting standards for retirement. To facilitate the payment of retirement benefits to employees, the Company makes provisions based on the estimated total benefit payments and pension plan assets as of March 31, 2001. The adoption of new accounting standards generated a shortfall in provisions of ¥3,222 million, which will be written off over five years and included as an extraordinary expense in other income (expenses).

To facilitate the payment of retirement benefits to employees, the Company's overseas subsidiaries make provisions based on the amount payable at the end of the term.

i) Excess of cost over net assets acquired

Excess of cost over net assets acquired for business acquisitions was amortized, amounting to ¥1,533 million in fiscal 2001 and ¥2,866 million in fiscal 2000, respectively, on a straight-line basis over a period ranging from five to 40 years.

j) Reclassifications

Certain amounts in the prior years' financial statements have been reclassified to conform with the fiscal 2001 presentation.

**3. Translation into
United States Dollars**

The accompanying financial statements are expressed in Japanese yen and, solely for the convenience of the reader, have also been translated into U.S. dollars at the rate of ¥123.90=US\$1, the approximate exchange rate on March 31, 2001. The translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be converted into U.S. dollars.

**4. Investments in
Affiliates**

Summarized financial information for all affiliates as of March 31, 2001 and 2000, and for the years then ended, was as follows:

Financial Position	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2001	2000	2001
Assets:			
Current assets	¥1,678	¥686	\$13,543
Other assets, including property, plant and equipment	106	175	856
	¥1,784	¥861	\$14,399
Liabilities and shareholders' equity:			
Current liabilities	¥ 964	¥280	\$ 7,781
Long-term liabilities	20	26	161
Shareholders' equity	800	555	6,457
	¥1,784	¥861	\$14,399
 Operations			
		<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
	2001	2000	2001
Net sales	¥1,632	¥1,303	\$13,172
Cost and expenses	1,618	1,290	13,059
Net income	¥ 14	¥ 13	\$ 113

Summarized below are the significant transactions of the Company and its consolidated subsidiaries with affiliates for the years ended March 31, 2001 and 2000, and the related account balances as of March 31, 2001 and 2000:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2001	2000	2001
Transactions:			
Sales	¥329	¥—	\$2,655
Purchases	8	12	65
Account balances:			
Notes and accounts receivable	412	—	3,325
Notes and accounts payable	1	—	8

5. Short-Term Loans and Long-Term Debt

Short-term loans outstanding consist of notes payable to banks, principally due in 30 to 180 days. The average annual interest rates for short-term loans were 3.5% and 4.4% for the years ended March 31, 2001 and 2000, respectively.

The aggregate annual maturities of long-term debt outstanding as of March 31, 2001, are as follows:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2002	¥ 3,806	\$ 30,718
2003	41,469	334,697
2004	10,797	87,143
2005	46,066	371,800
2006 and thereafter	20,298	163,826

As of March 31, 2001, the following assets were pledged as collateral against short-term bank loans of ¥5,250 million and long-term debt of ¥1,626 million:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
Property, plant and equipment	¥10,114	\$81,630
Investments in securities	2,000	16,142
	¥12,114	\$97,772

The following is a summary of terms of conversion and redemption of convertible bonds and exercise of warrants:

	<i>Exercise or conversion price per share of common stock as of March 31, 2001</i>	<i>Exchange rate applicable upon conversion</i>	<i>Exercise of warrants or redemption at the option of the Company</i>
0.8% unsecured convertible bonds payable in Japanese yen due 2003	¥ 852.00	—	On or after April 1, 2001, at 102% to 100% of principal amount
0.65% unsecured convertible bonds payable in Japanese yen due 2005	¥ 972.00	—	On or after April 1, 2002, at 103% to 100% of principal amount
1.55% unsecured bonds with warrants payable in Japanese yen due 2005	¥1,350.00	—	Exercisable into common stock between December 1, 2000 and October 31, 2005

Note: These conversion prices are subject to adjustments in certain events such as stock dividends, free share distributions, and combinations or reclassifications of the common stock. If all the outstanding bonds, notes and warrants were converted or exercised as of March 31, 2001, 47,044,547 shares of common stock would have been issued.

Long-term debt as of March 31, 2001 and 2000, consisted of the following:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2001	2000	2001
0.8% unsecured convertible bonds payable in Japanese yen due 2003	¥ 13,823	¥ 13,835	\$111,566
0.65% unsecured convertible bonds payable in Japanese yen due 2005	27,080	27,083	218,564
2.0% unsecured bonds payable in Japanese yen due 2003	10,000	10,000	80,710
2.85% unsecured bonds payable in Japanese yen due 2005	10,000	10,000	80,710
3.0% unsecured bonds payable in Japanese yen due 2008	15,000	15,000	121,065
1.55% unsecured bonds with warrants payable in Japanese yen due 2005	4,000	—	32,284
1.8% to 12.5% loans from banks, other	42,533	53,007	343,285
	122,436	128,925	988,184
Less current portion	3,807	4,235	30,726
	¥118,629	¥124,690	\$957,458

6. Income Taxes

The Company and its consolidated domestic subsidiaries are subject to a number of different taxes based on income, which in the aggregate indicate an effective statutory rate of 40% for fiscal 2001 and 2000.

The income taxes of the consolidated overseas subsidiaries are generally levied at lower rates than those currently applied in Japan. In addition, consolidated subsidiaries in Thailand are granted a status by the Promotion of Investment Act, whereby earnings derived from the manufacture or sale of qualifying products are fully exempt from Thai income tax for a period of three to eight years.

Also, a consolidated subsidiary in China is granted a status by the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises, whereby earnings are fully exempt from China's income tax for two years starting from the first profit-making year and subject to 13.5% income tax rate for the following three years and after that subject to 27% income tax rate.

Provision (credit) has been made for deferred (prepaid) income taxes attributable to timing differences between recognition of income and expenses for financial reporting purposes for the Company's overseas subsidiaries. The income tax effect of these differences is not recognized for the Company and its domestic subsidiaries. However, in fiscal 2000 the Company and consolidated domestic subsidiaries recognized the timing difference because of the adoption of tax effect accounting in Japan. This income tax effect is recognized for timing differences resulting from elimination of inter-company profit and certain adjustments made in the accompanying consolidated financial statements.

The aggregate deferred (prepaid) income taxes of ¥19,659 million and ¥22,199 million as of March 31, 2001 and 2000, respectively, are included in deferred tax assets of current assets and investments and other assets in the accompanying consolidated balance sheets.

7. Shareholders' Equity

The Japanese Commercial Code provides that an amount equivalent to at least 10% of appropriation of retained earnings paid with respect to each financial period be appropriated to the legal reserve until such reserve equals 25% of the common stock. The legal reserve may be used to reduce a deficit or be transferred to the common stock account through suitable shareholder and/or director action, but is not available for dividend payment. Owing to a change in consolidated accounting procedures in Japan, this reserve has been included in retained earnings (deficit) since fiscal 1999.

Appropriation of retained earnings with respect to cash dividends, bonuses to directors and corporate auditors, and transfer to the legal reserve are subject to the approval of the general shareholders' meeting. The accompanying consolidated financial statements reflect appropriations approved by shareholders subsequent to the fiscal years ended March 31, 2001 and 2000, respectively.

Owing to the application of accounting standards for financial instruments in Japan, valuation losses on marketable securities are now included in shareholders' equity. In addition, in accordance with revisions to procedures for preparing consolidated financial statements in Japan, foreign currency translation adjustments, previously included in assets, are now included in shareholders' equity.

8. Per Share Data

Dividends per share shown in the consolidated statements of income have been presented on an accrual basis and include, in each fiscal year, dividends approved or to be approved after the fiscal year-end but applicable to the fiscal year.

Primary net income per share is based on the weighted average number of shares of common stock outstanding during the respective years.

Fully diluted net income per share is computed using the weighted average number of shares of common stock outstanding increased by the number of shares that would result from the conversion of all outstanding convertible bonds, the conversion of which would have a dilutive effect on net income per share. In calculating fully diluted net income per share, net income is adjusted, net of income taxes, by interest expense on the convertible bonds when such bonds are dilutive.

The number of shares used in calculating net income per share for the years ended March 31, 2001 and 2000, was as follows:

	<i>Thousands of shares</i>	
	2001	2000
Primary	399,163	398,469
Fully diluted	443,251	443,251

9. Litigation

As of March 31, 2001, there are no material claims outstanding or threatened against the Company or its consolidated subsidiaries.

10. Contingent Liabilities

The Company and its consolidated subsidiaries had no contingent liabilities as of March 31, 2001.

11. Industry Information

Minebea classifies its operations into three industry categories: machinery components, which includes bearings and bearing-related products, notably ball bearings, rod-end and spherical bearings and pivot assemblies, as well as other machinery components, such as fasteners, wheels and special machinery components; electronic devices and components, encompassing rotary components and other electronic devices and components, primarily PC keyboards, speakers, FDD subassemblies and switching power supplies; and consumer and others, comprising the import and sale of furniture and interior decor products.

The following table presents certain information regarding the Company's performance by industry category at March 31, 2001, and for the year then ended:

Performance by Industry Category in Fiscal 2001

	<i>Millions of yen</i>					
<i>Year ended March 31, 2001</i>	<i>Machinery Components</i>	<i>Electronic Devices and Components</i>	<i>Consumer and Others</i>	<i>Total before Eliminations</i>	<i>Eliminations</i>	<i>Total</i>
Sales to external customers	¥124,461	¥151,910	¥10,674	¥287,045	¥ —	¥287,045
Internal sourcing	9,045	—	—	9,045	(9,045)	—
Total sales	133,506	151,910	10,674	296,090	(9,045)	287,045
Operating expenses	109,600	143,651	9,862	263,113	(9,045)	254,068
Operating income	23,906	8,259	812	32,977	—	32,977
Assets	200,457	255,789	3,711	459,957	(112,992)	346,965
Depreciation and amortization	10,842	11,240	68	22,150	—	22,150
Investment	19,464	21,010	185	40,659	—	40,659

The following tables present certain information regarding the Company's performance by region at March 31, 2001 and 2000, and for the years then ended:

Performance by Region in Fiscal 2001

<i>Millions of yen</i>							
<i>Year ended March 31, 2001</i>	<i>Japan</i>	<i>Asia (excluding Japan)</i>	<i>North, Central and South America</i>	<i>Europe</i>	<i>Total before Eliminations</i>	<i>Eliminations</i>	<i>Total</i>
Sales to external customers	¥111,643	¥ 82,437	¥58,192	¥34,773	¥287,045	¥ —	¥287,045
Internal sourcing	95,003	108,712	1,597	3,450	208,762	(208,762)	—
Total sales	206,646	191,149	59,789	38,223	495,807	(208,762)	287,045
Operating expenses	194,840	173,787	58,462	35,741	462,830	(208,762)	254,068
Operating income	11,806	17,362	1,327	2,482	32,977	—	32,977
Assets	212,827	183,118	38,821	25,191	459,957	(112,992)	346,965

Performance by Region in Fiscal 2000

<i>Millions of yen</i>							
<i>Year ended March 31, 2000</i>	<i>Japan</i>	<i>Asia (excluding Japan)</i>	<i>North, Central and South America</i>	<i>Europe</i>	<i>Total before Eliminations</i>	<i>Eliminations</i>	<i>Total</i>
Sales to external customers	¥117,141	¥ 74,067	¥58,253	¥35,296	¥284,757	¥ —	¥284,757
Internal sourcing	77,697	107,033	1,533	3,926	190,189	(190,189)	—
Total sales	194,838	181,100	59,786	39,222	474,946	(190,189)	284,757
Operating expenses	182,955	165,927	57,057	37,938	443,877	(190,189)	253,688
Operating income	11,883	15,173	2,729	1,284	31,069	—	31,069
Assets	182,130	168,406	41,265	33,851	425,652	(21,658)	403,994

Note: Assets of the Company and its subsidiaries in the Eliminations column totaled ¥69,942 million, resulting from foreign currency translation adjustments.

The following tables present certain information regarding the Company's overseas sales for the years ended March 31, 2001 and 2000:

Overseas Sales in Fiscal 2001

<i>Millions of yen</i>				
<i>Year ended March 31, 2001</i>	<i>To Asia (excluding Japan)</i>	<i>To North, Central and South America</i>	<i>To Europe</i>	<i>Total</i>
Overseas sales	¥84,687	¥58,203	¥34,564	¥177,454
Total sales				¥287,045
Percentage of total sales	29.5%	20.3%	12.0%	61.8%

Overseas Sales in Fiscal 2000

<i>Millions of yen</i>				
<i>Year ended March 31, 2000</i>	<i>To Asia (excluding Japan)</i>	<i>To North, Central and South America</i>	<i>To Europe</i>	<i>Total</i>
Overseas sales	¥82,445	¥58,148	¥35,326	¥175,919
Total sales				¥284,757
Percentage of total sales	29.0%	20.4%	12.4%	61.8%

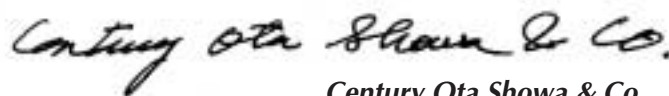
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Minebea Co., Ltd.

We have examined the consolidated balance sheets of Minebea Co., Ltd., and its consolidated subsidiaries as of March 31, 2001 and 2000, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended March 31, 2001, all expressed in Japanese yen. Our examinations were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of Minebea Co., Ltd., and its consolidated subsidiaries as of March 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2001, in conformity with accounting principles generally accepted in Japan.

Tokyo, Japan
June 28, 2001



Century Ota Showa & Co.
Certified Public Accountants

See Note 1 to the consolidated financial statements, which explains the basis of preparing the consolidated financial statements of Minebea Co., Ltd., under Japanese accounting principles and practices.

PRINCIPAL SUBSIDIARIES

Subsidiaries in Asia	Operations	Percentage of shares controlled by Minebea
Japan		
Minebea Electronics Co., Ltd.	Manufacture and sale of electronic devices and components	100.0%
NMB Electro Precision, Inc.	Manufacture and sale of fan motors	100.0
Minebea Onkyo Co., Ltd.	Development of speakers and transformers	100.0
Thailand		
NMB Thai Ltd.	Manufacture and sale of bearings	100.0
Pelmec Thai Ltd.	Manufacture and sale of bearings	100.0
Minebea Thai Ltd.	Manufacture and sale of keyboards, motors and other products	100.0
NMB Hi-Tech Bearings Ltd.	Manufacture and sale of bearings	100.0
NMB Precision Balls Ltd.	Manufacture and sale of steel balls for ball bearings	100.0
Minebea Electronics (Thailand) Co., Ltd.	Manufacture and sale of electronic devices and components	100.0
Power Electronics of Minebea Co., Ltd.	Manufacture and sale of electronic devices and components	100.0
Singapore		
NMB Singapore Ltd.	Manufacture and sale of bearings and measuring instruments	97.4
Pelmec Industries (Pte.) Ltd.	Manufacture and sale of bearings	100.0
NMB Precision Tool & Die (Pte.) Ltd.	Manufacture and sale of tools and dies	100.0
Minebea Technologies Pte. Ltd.	Sale of bearings, electronic devices and components	100.0
People's Republic of China		
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	Manufacture and sale of bearings and fan motors	100.0
Taiwan		
Hwan Chong Enterprise Co., Ltd.	Manufacture and sale of speaker units	100.0
Korea		
NMB Korea Co., Ltd.	Sale of bearings, electronic devices and components	100.0
Malaysia		
Kuen Dar (M) Sdn. Bhd.	Manufacture and sale of speaker units	100.0

Subsidiaries in North America	Operations	Percentage of shares controlled by Minebea
United States		
NMB (USA) Inc.	Holding company	100.0%
New Hampshire Ball Bearings, Inc.	Manufacture and sale of bearings	100.0
IMC Magnetics Corp.	Manufacture and sale of solenoid valves and motors	100.0
Hansen Corporation	Manufacture and sale of motors	100.0
NMB Technologies Corporation	Sale of bearings, electronic devices and components	100.0

Subsidiaries in Europe	Operations	Percentage of shares controlled by Minebea
United Kingdom		
Rose Bearings Ltd.	Manufacture and sale of bearings	100.0%
Minebea Electronics (UK) Ltd.	Manufacture and sale of switching power supplies	100.0
NMB (U.K.) Ltd.	Sale of bearings, electronic devices and components and printing on keyboards	100.0
Germany		
Precision-Motors-Deutsche-Minebea-GmbH	Manufacture and sale of spindle motors for HDDs	100.0
NMB-Minebea-GmbH	Sale of bearings, electronic devices and components	100.0
Italy		
NMB Italia S.r.L.	Sale of bearings, electronic devices and components	100.0
France		
NMB Minebea S.a.r.l.	Sale of bearings, electronic devices and components	100.0

CORPORATE DATA

As of June 2001

Minebea Co., Ltd. Corporate Information

Tokyo Head Office
ARCO Tower, 19th Floor,
1-8-1, Shimo-Meguro,
Meguro-ku, Tokyo 153-8662, Japan
Tel: +81 3 5434 8611
Fax: +81 3 5434 8601
<http://www.minebea.co.jp/>

Registered Headquarters
4106-73, Oaza Miyota,
Miyota-machi, Kitasaku-gun,
Nagano 389-0206, Japan
Tel: +81 2 6732 2200
Fax: +81 2 6731 1330

Established
July 16, 1951

Investor Information

Common Stock (As of March 31, 2001)
Authorized: 1,000,000,000 shares
Issued: 399,167,695 shares
Capital: ¥68,259 million

Common Stock Listings
Tokyo, Osaka and Nagoya

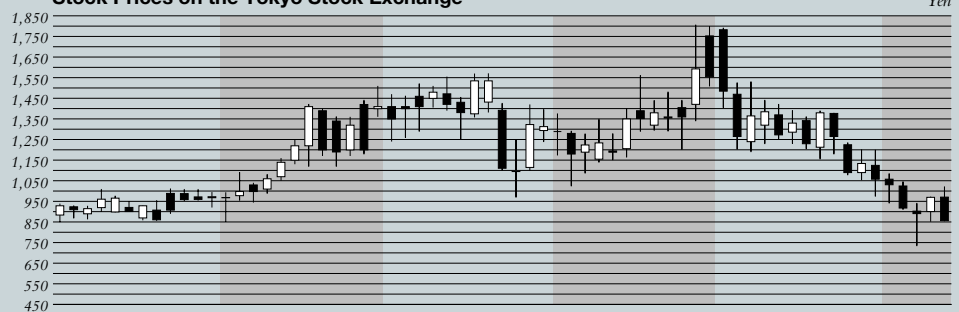
American Depositary Receipts

Ratio (ADR: ORD): 1: 2
Exchange: Over-the-Counter (OTC)
Symbol: MNBEY
CUSIP: 602725301
Depository: The Bank of New York
101 Barclay Street,
New York, NY 10286, U.S.A.
Tel: +1 212 815 2204
U.S. toll-free: 888-269-2377
(888-BNY-ADRS)
<http://www.bankofny.com/adr/>

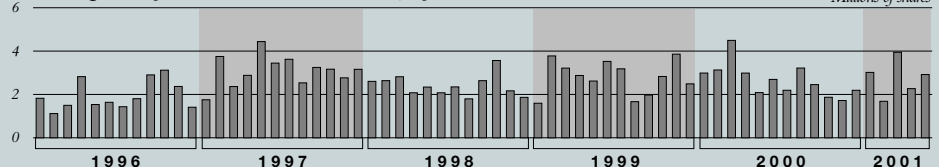
Independent Certified Public Accountants
Century Ota Showa & Co.

Transfer Agent
The Sumitomo Trust and Banking Co., Ltd.

Stock Prices on the Tokyo Stock Exchange



Average Daily Volume of Stock Traded, by Month



High
Low
Opening
Closing
Black: opening price > closing price
White: closing price > opening price

For further information
please contact:

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