



**Current Situation and Outlook on
Core Business**

(14-15 Jan. 2003 Shanghai and Thailand Factory Tour)

Investor Meeting

21 Jan. 2003

President and Representative Director Tsugio Yamamoto

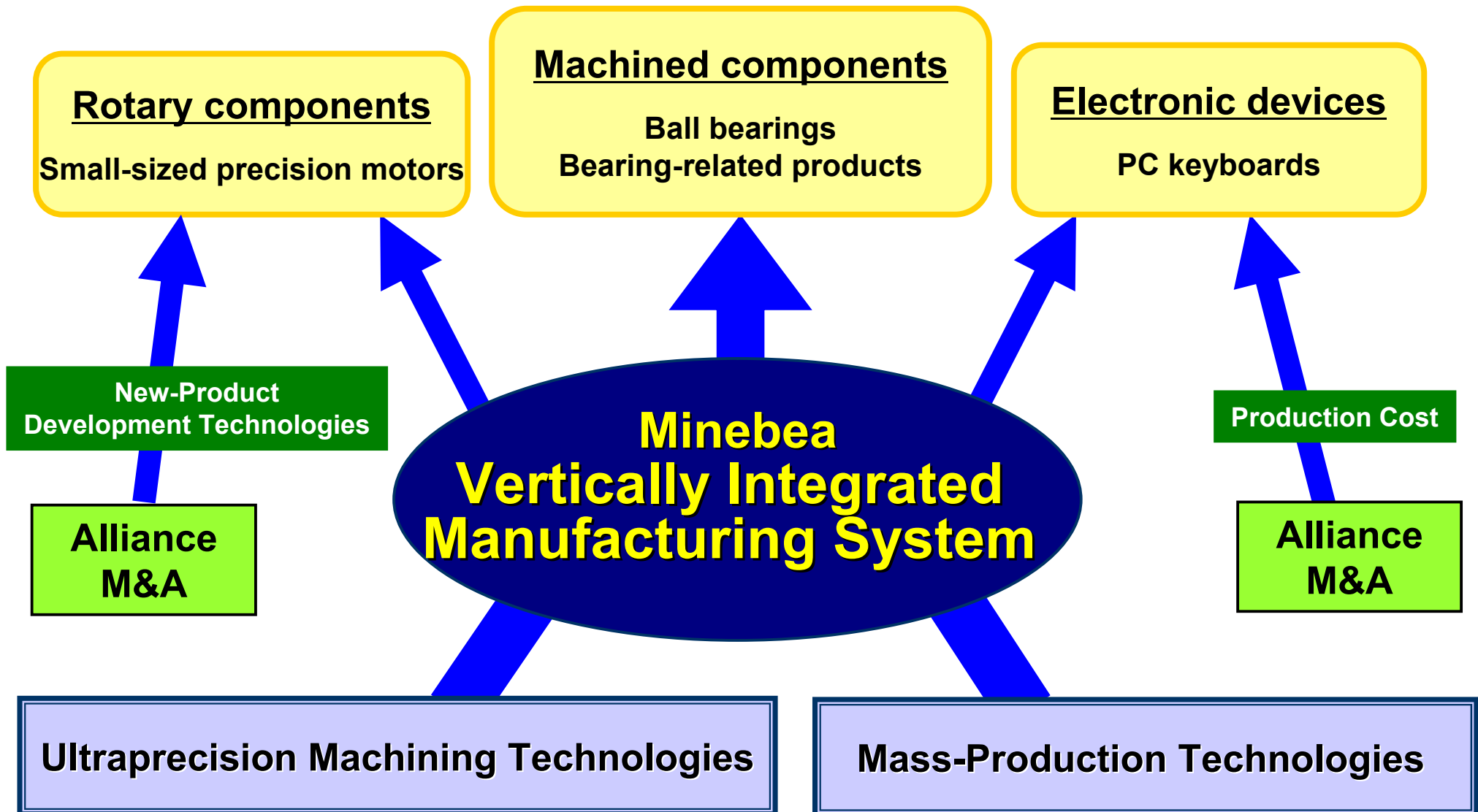
**Senior Managing Director/General Manager of
the 1st Manufacturing Headquarters Rikuro Obara**

General Manager of Electro Devices Group Hirotaka Fujita

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Business Strategy



Business in China

Objectives set 10 years ago, when Minebea began business in China

- Entry into huge Chinese market
- Risk diversification
- Creation of a new standard in manufacturing costs for the Minebea Group

Utilization of Minebea's Ultraprecision Machining Technologies and Installation of Full Automated Equipment Made In-House

⇒ **Steady business expansion**

Products

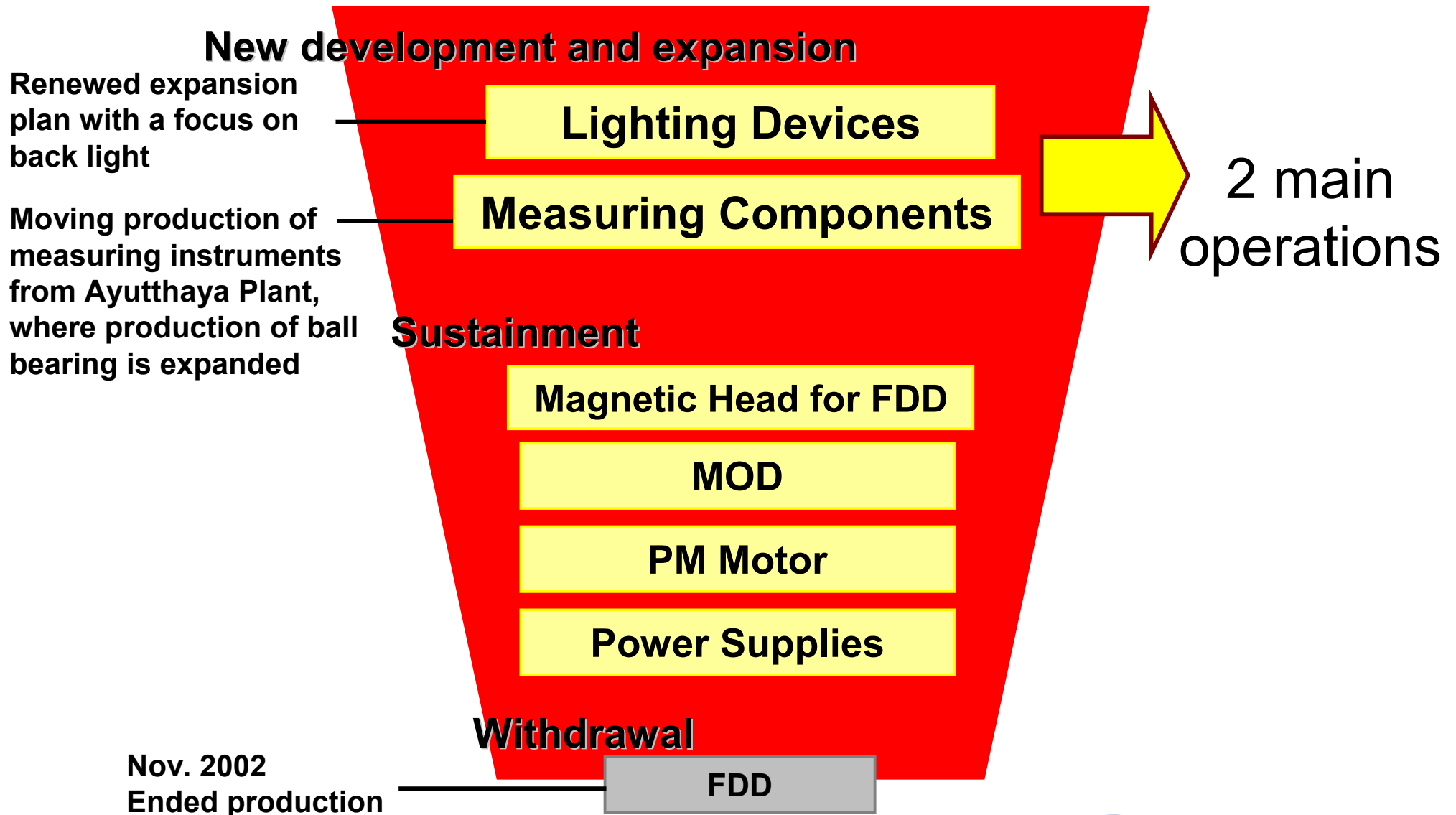
- Ball Bearings
- Fan Motors
- Measuring components
- Components sector

PC Keyboards

Current Priority Subjects

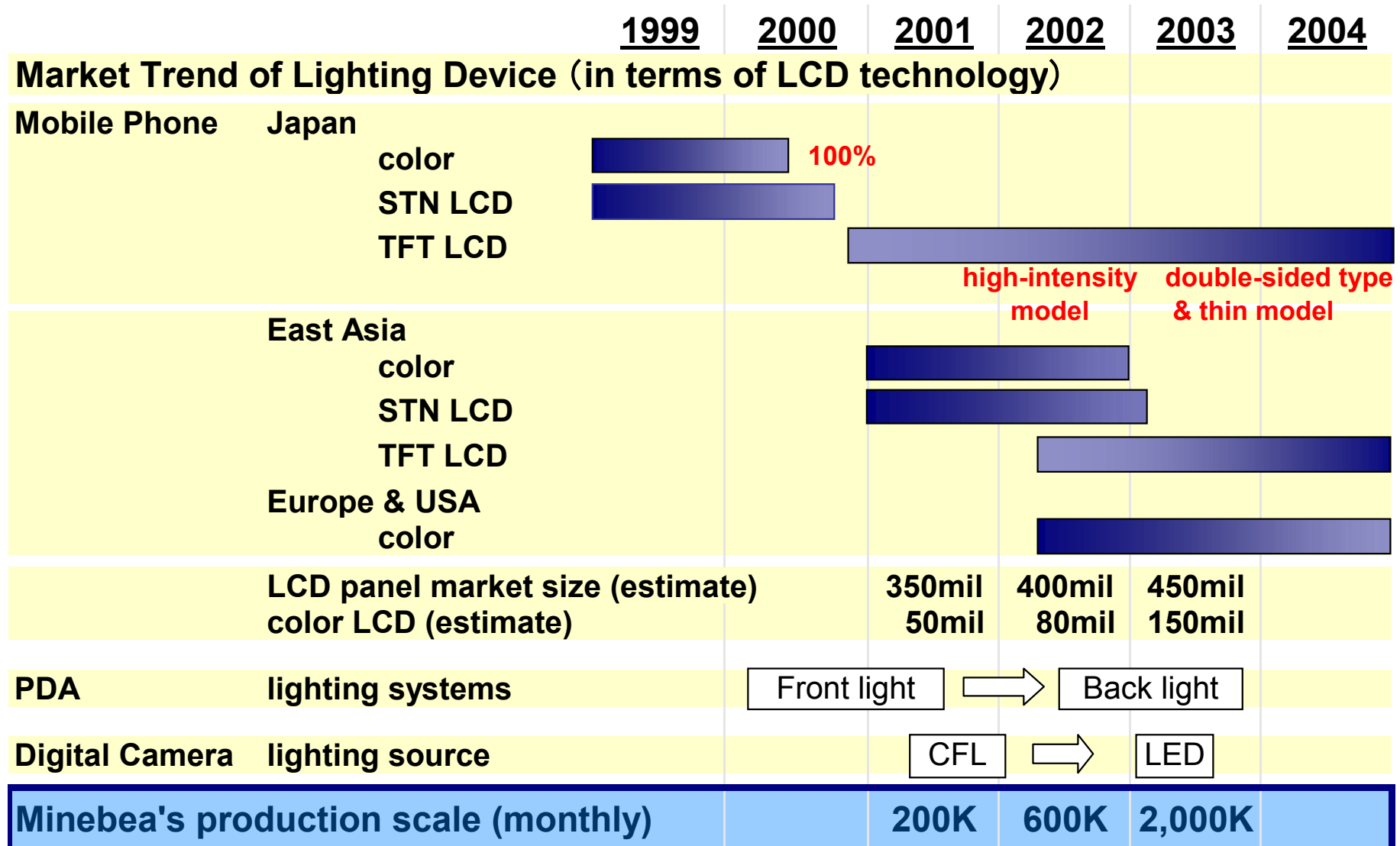
- Increase sales in Chinese domestic market
- Further reduction in manufacturing costs
⇒ Multiply out successful cases
in other regions
- Utilization of cost competitiveness in china

Strategy for Lop Buri Factory in Thailand



January 21, 2003

Introduction of Lighting Device Operation



Towards 180 Million Units Sales Production of Ball Bearings

Sales expansion

November 2002	Over 140 million units
March 2003	Target 150 million units
Within next fiscal year	Target 180 million units per month

Production capacity expansion

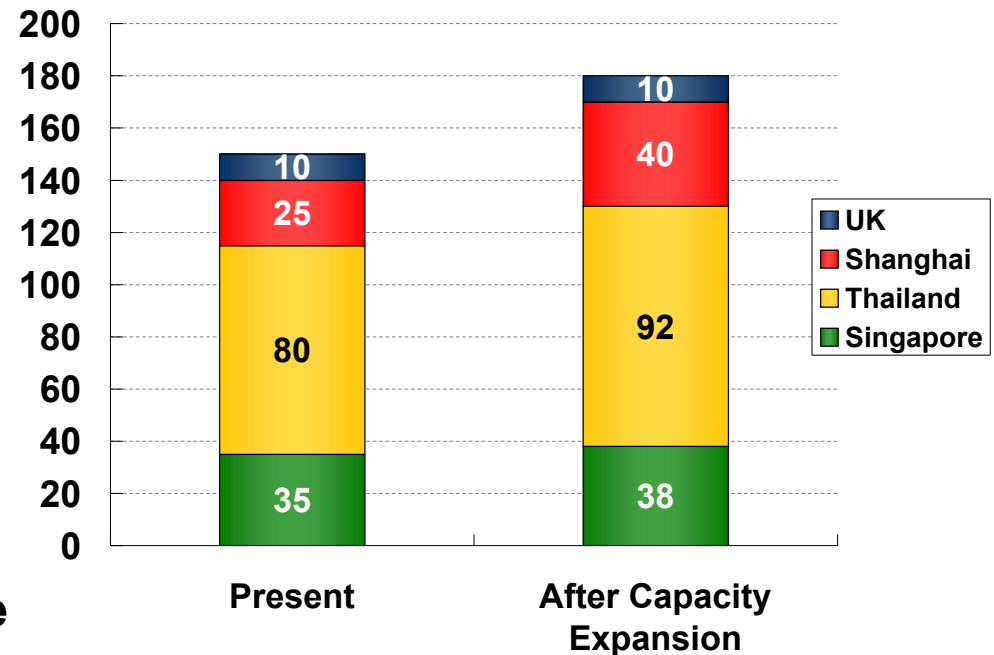
- Have begun to rebuild existing machines
- Some machinery with long delivery time have been ordered
- Plan production capacity of 180 million units per month by the end of 2003

Investment 9.5 billion yen

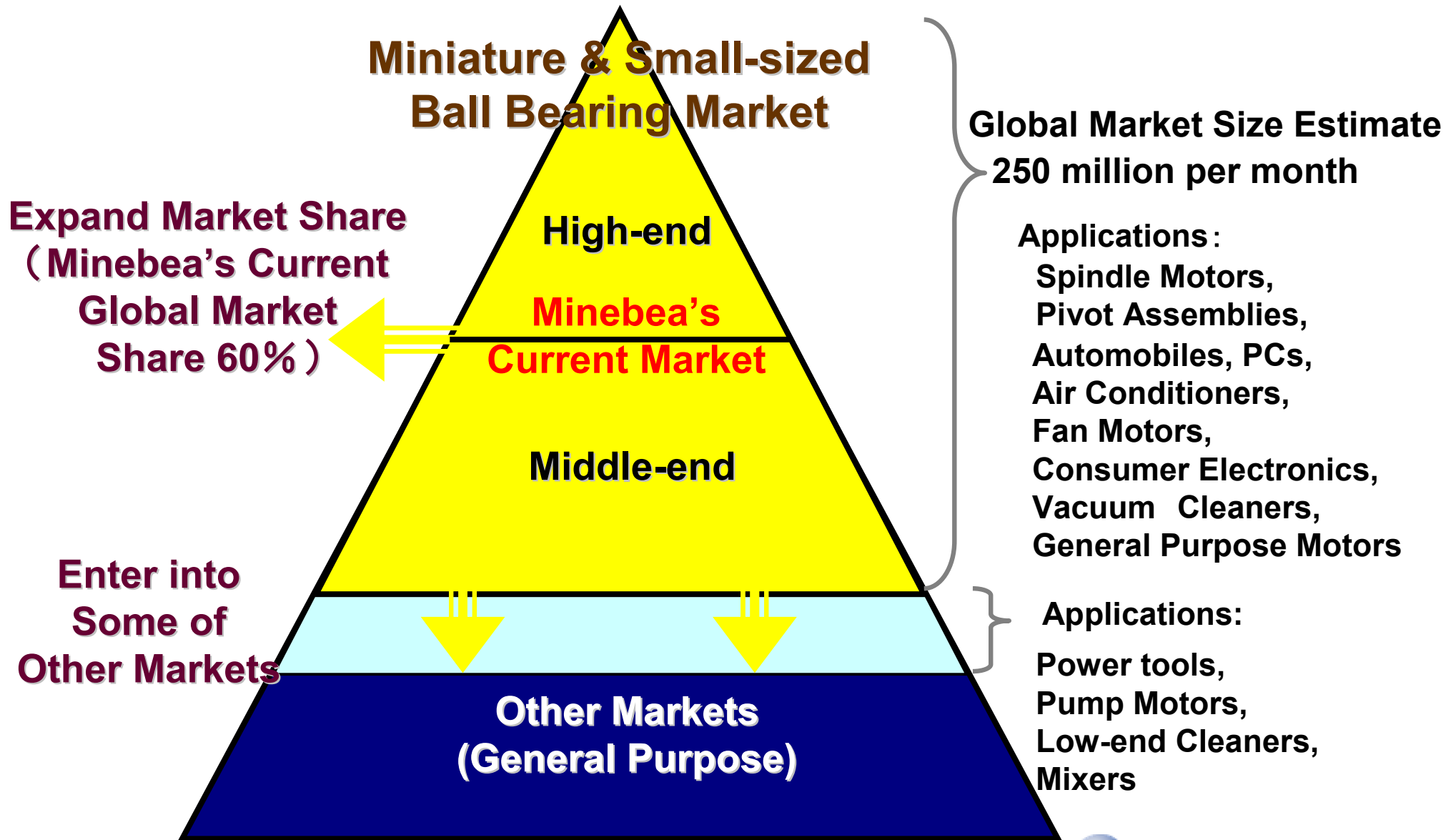
⇒ **5 billion yen**

Factory space	no increase
Operators and staff	no increase
Machinery and equipment	minimum new installation

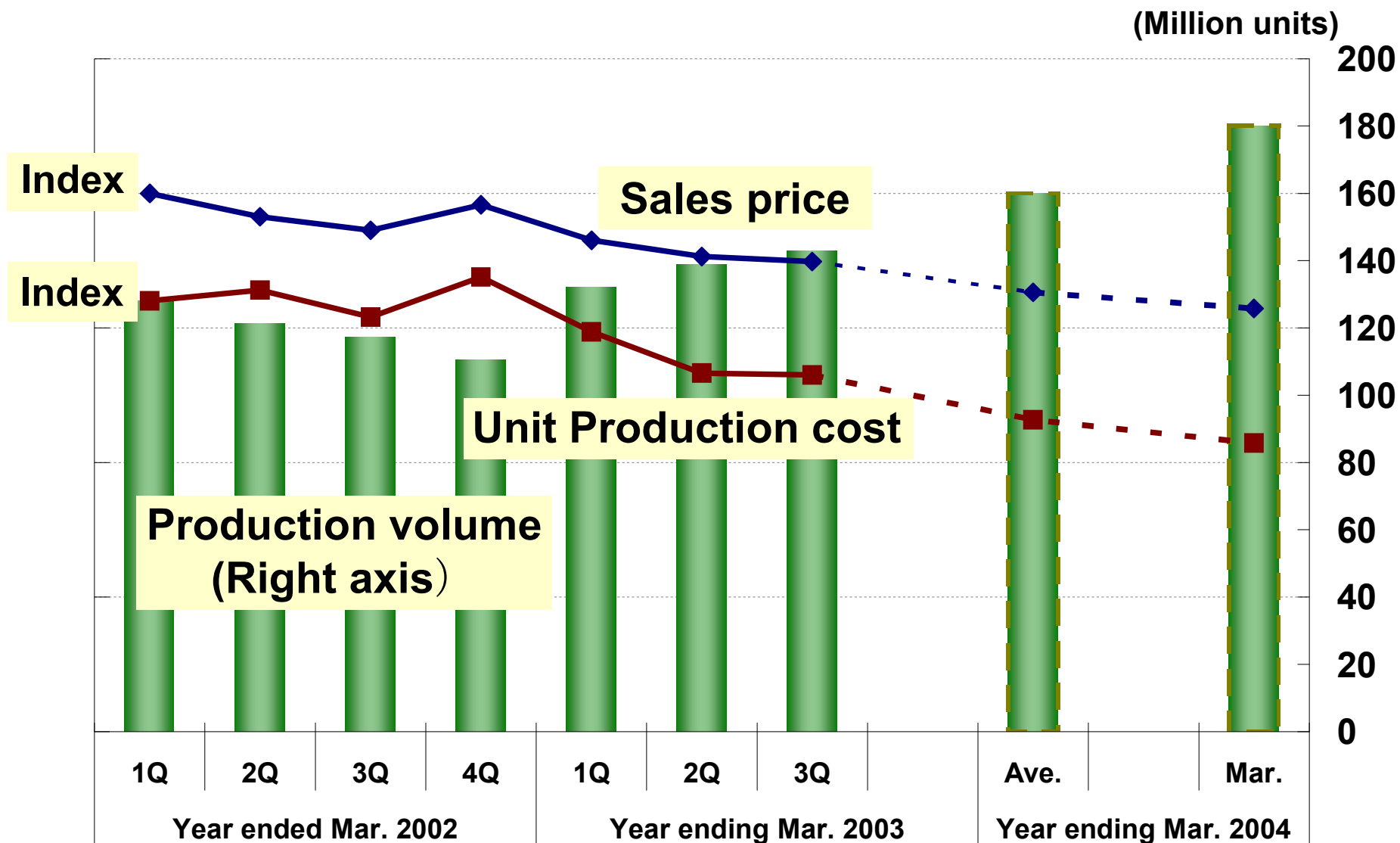
(Million units/ month)



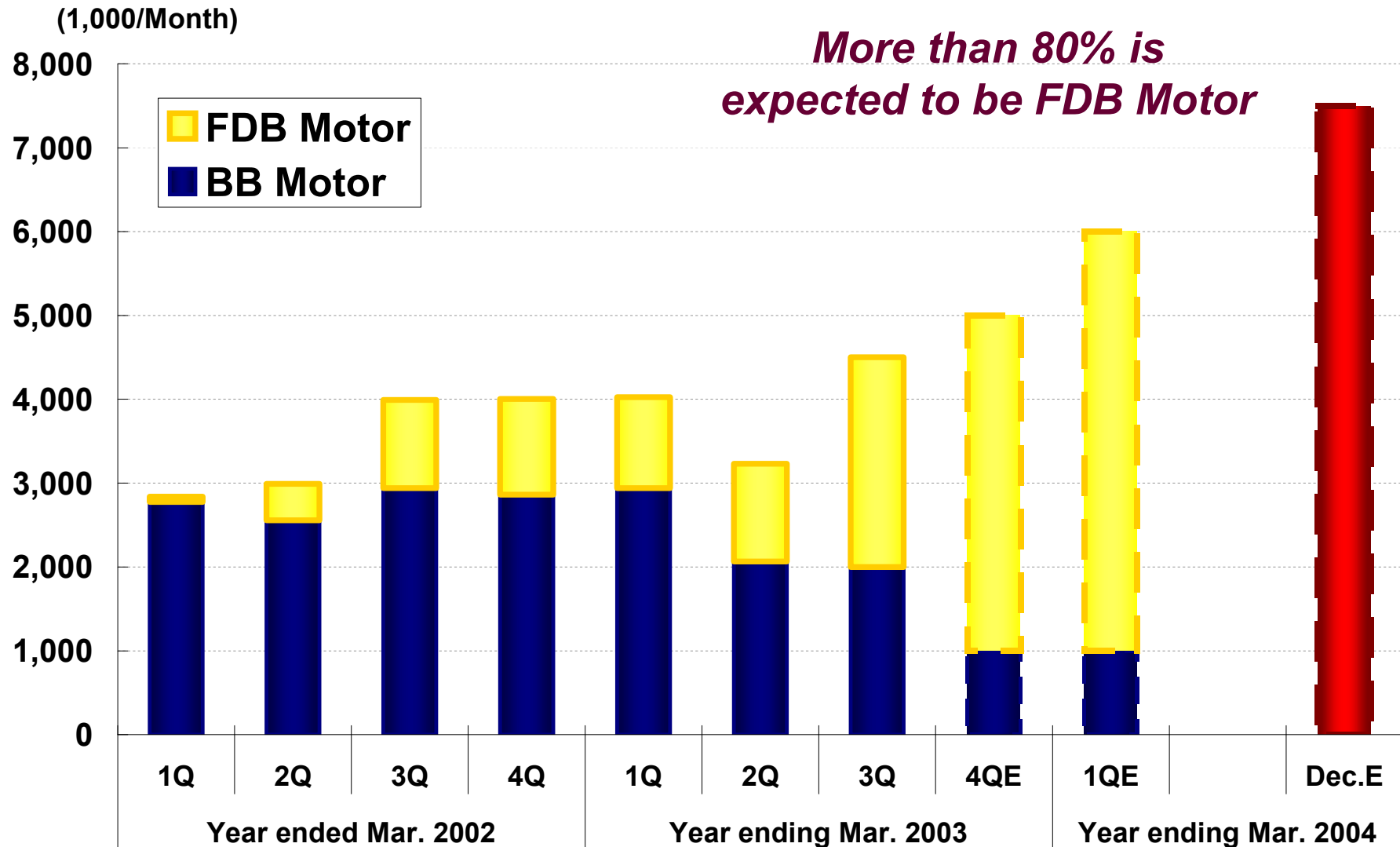
Ball Bearing Business Strategy



Ball Bearing Sales Price, Unit Production Cost and Production Volume

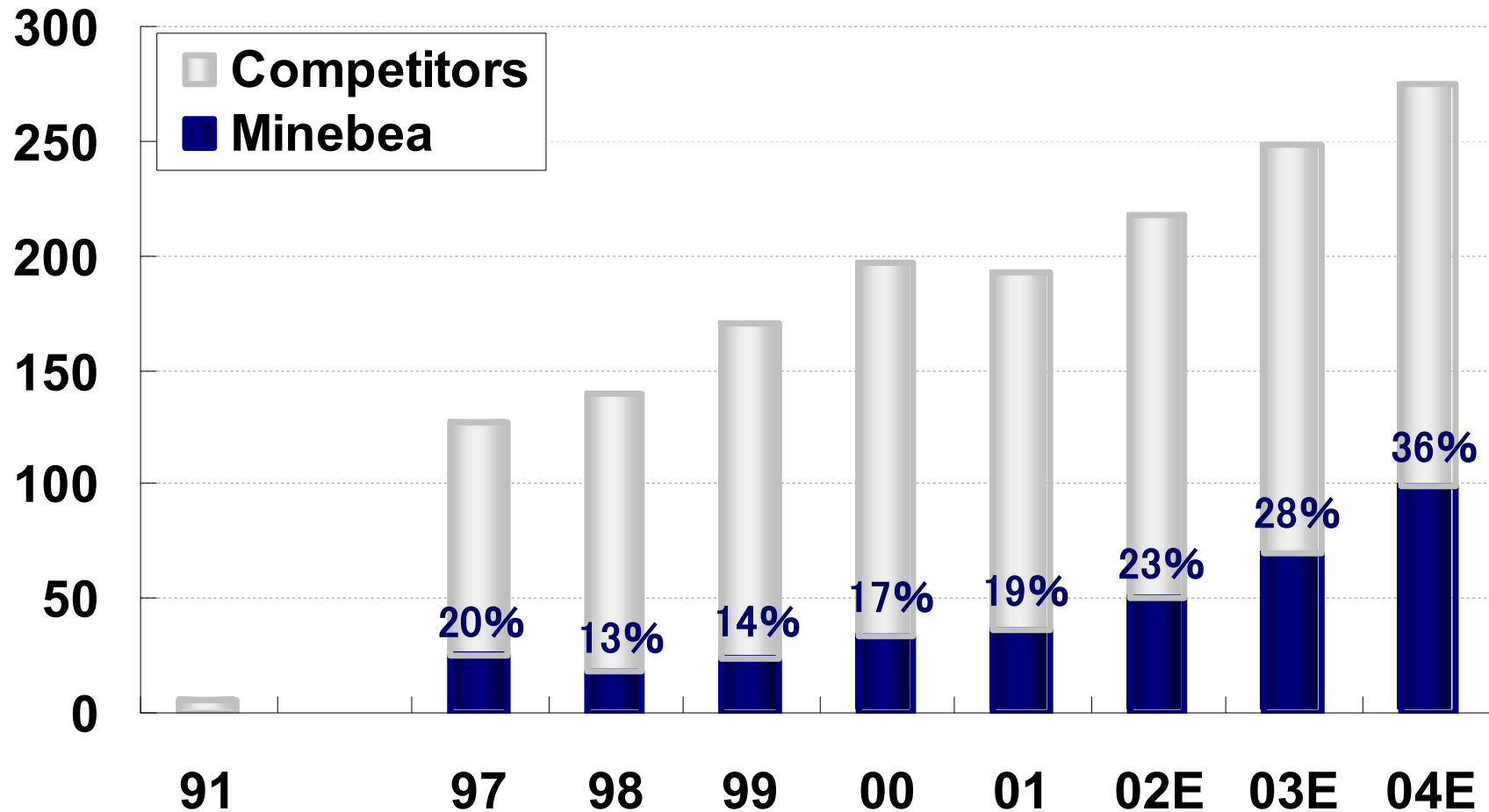


HDD Spindle Motor Shipments Trend



HDD Spindle Motor Shipment Trend

(million units/year)

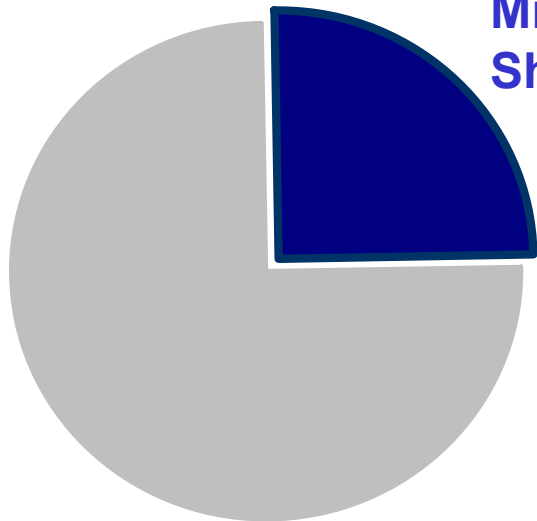


⇒ **Minebea's share is steadily rising almost as planned**

Current Spindle Motor Business

3.5 inch Desk top

Market share & size estimate: Oct.-Dec. 2002



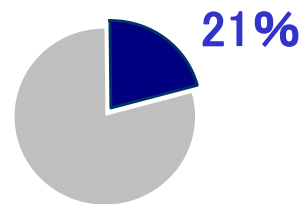
Minebea's current
Share: 25%

* Minebea's share
in FDB Motors:
Almost 50%

Market: 15 million units per month

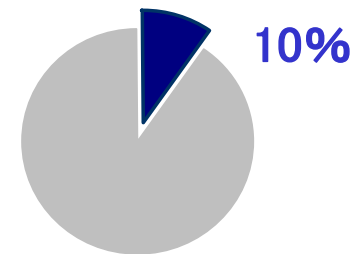
Next Targets

High-end Server



Market: 2 million units
per month

Under 2.5 inch



Market: 3 million units
per month

Strategies of HDD Spindle Motor Business

- During April to June 2003 Expect to turn profitable
- July to September 2003 Stabilize and expand profitability
- December 2003 Target 750 million units per month

⇒ Have built profitable base with 3.5 inch only

- Increasing 3.5 inch business in line with users' adoption of FDB motors

⇒ Next strategies

Increase sales of HDD spindle motors for high-end server and under 2.5 inch

⇒ Target profit increase by improvement of product mix

- Increasing high end business
- Already supplying parts to Matsushita Motor Company for 2.5 inch
Expect to begin shipments of finished products within next fiscal year

- **Production of up to 10 million per month is possible in the existing factory space**

Ultraprecision Machining Technologies is the Key

Fan Motors, Keyboards, Pivot Assemblies

- **Strengthen parts divisions for all products**

Fan Motors

- **Currently produce 6.5 million per month in Shanghai
Expect volume to reach 8 million per month from Oct. 2003**
- **Have begun joint product development with Matsushita Motor Company in Karuizawa**

Keyboards

- **Steadily increasing production and sales**
- **To start joint production with Huan Shin Group and aim to increase sales of mass production models**

Pivot Assemblies

- **15 million pieces per month in Jan.-Mar. 2003 (+50% yoy)**
- **Achieved production expansion with same floor space, machinery components, operators and staff**

New Keyboard Factory Shanghai Shun Ding Technologies Ltd



January 21, 2003

To be No.1 Precision Component Manufacturer

Dynamic parts division forms the base for all divisions

**Promote drastic improvement in productivity
as being achieved in ball bearings production**

- Per unit floor space
- Per machine and equipment
- Per employee

Endless Attempt for Improvement

Current Situation and Outlook on Core Business

<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.