



***Minebea***

**Minebea Co., Ltd.**

**57th Business Term Business Report**

April 1, 2002 ► March 31, 2003

## As the 57th Business Term (April 1, 2002-March 31, 2003) has ended, we would like to report our business summary.

During the current consolidated fiscal year, the Japanese economy as a whole remained sluggish and stayed under severe conditions, although exports recovered temporarily at the beginning of the year as inventory adjustment finished throughout the IT-related industry. With capital investment and consumer spending remaining low, domestic demand continued to be sluggish.

The U.S. economy temporarily showed a recovery trend at the beginning of the year with the completion of the IT-related inventory cutback and pickup in consumer spending; however, its conditions grew gradually severe, owing to such factors as plummeting stock prices triggered by depressed performance of hi-tech companies and by public distrust in corporate accounting and unstable Iraqi situation. The European economy, in the meantime, remained sluggish with a lagging growth in consumer spending, although exports picked up temporarily owing to the completion of the IT-related inventory adjustment. With increased exports and recovery of domestic demand such as consumer spending, the Asian economies remained relatively strong.

Demand from the information & telecommunications equipment industry - the major customer base of our mainstay products - recovered temporarily as inventory adjustment finished throughout the industry; however, it turned out low again in and after June 2002.

In this business climate, we redoubled our efforts to enhance productivity and efficiency of our sales activities to further improve product quality and to develop high value-added products.

### ■ Consolidated Business Result

Our full-year consolidated net sales stood at 272,202 million yen, down 7,141 million yen (-2.6%) year on year.

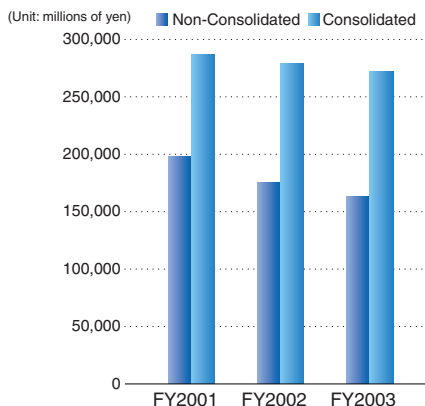
Operating income totaled 19,352 million yen and ordinary income amounted to 13,420 million yen, down 2,620 million yen (-11.9%) and 2,575 million yen (-16.1%), respectively, year on year, owing primarily to increasingly severe price competition. As extraordinary losses, we posted losses of 4,945 million yen on revaluation of investment securities arising from sharp declines in the prices of financial sector stock and other holdings, losses of 3,144 million yen in connection with withdrawal from the business of switching power supplies and related businesses, environmental preservation expenses for U.S. subsidiaries amounting to 1,206 million yen and other losses, and this resulted in net loss in the current term amounting to 2,434 million yen, down 7,732 million yen year on year.

### ■ Non-Consolidated Business Result

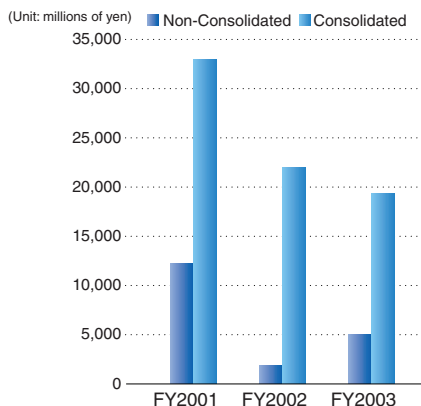
Net sales stood at 162,952 million yen, down 12,266 million yen (-7.0%) year on year. Operating income totaled 5,018 million yen and ordinary income amounted to 11,062 million yen, up 3,169 (171.5%) and 1,029 million yen (10.3%), respectively, compared with the previous year.

As extraordinary losses, we posted losses of 4,945 million yen on revaluation of investment securities arising from sharp declines in the prices of financial sector stock and other holdings; and losses of 2,280 million yen on revaluation of subsidiaries' stocks, such as losses in Minebea Electronics Co., Ltd., a wholly-owned subsidiary, owing to the withdrawal from the business of switching power supplies and related businesses and losses arising from the closure of a Malaysian speaker manufacturing subsidiary. Additionally, we recorded

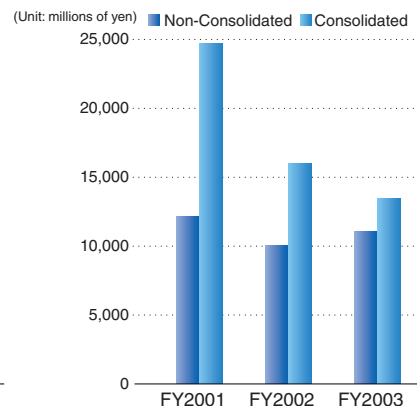
#### ■ Net Sales



#### ■ Operating Income



#### ■ Ordinary Income



income tax adjustment of 1,168 million yen owing to tax effect accounting. This resulted in net income of 1,227 million yen, down 3,124 million yen (-71.8%) compared with the previous year.

### ■ Outlook for The Next Term

For the next consolidated fiscal year, we expect the Japanese economy will remain stagnant for some more time, owing mainly to continuation of severe employment and income situations and low consumer spending, though a decreasing trend of capital investment has almost bottomed out. However, in the second half of the next year, we expect overseas economy will recover and exports will increase, thereby putting the Japanese economy on a track to slow recovery. In the U.S. economy, the pace of recovery is beginning to slacken, and how the aftermath of the Iraqi War will affect the economy seems uncertain. Despite these negative factors, we expect that owing to tax reduction, consumer spending will pick up and capital investment will recover in the second half of the year, thereby putting the U.S. economy back on a track to growth. The European economy will continue to show a decelerating trend for some time; however, it will recover slowly in the second half of the year and thereafter, owing to a pickup in exports. We initially predicted that the Asian economies, though relatively strong, would decelerate temporarily in the first half because of slowdown in overseas economies but would recover in the second half of the year. However, given unstable factors created by the recent spread of SARS, business outlook remains uncertain in this region.

We intend to enhance and further expand our manufacturing and sales, and improve our business results.

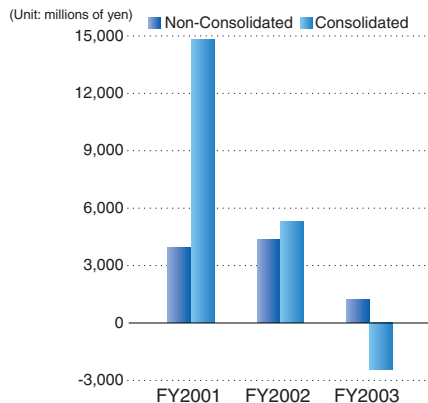
We look forward to your continuous support and guidance.



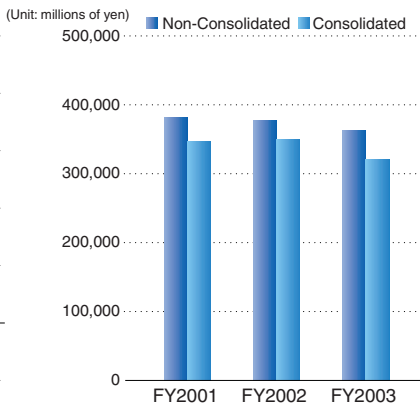
山本 次男

Tsugio Yamamoto  
 Representative Director  
 June 2003

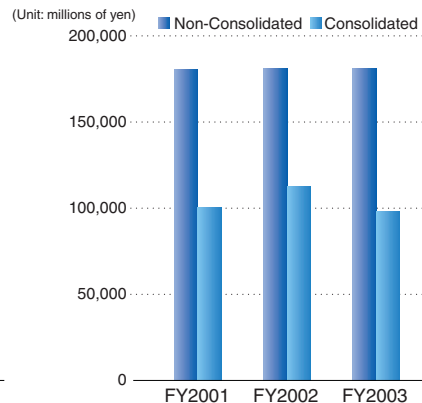
### ■ Net Income



### ■ Total Assets



### ■ Shareholders' Equity



## Machined Components Business

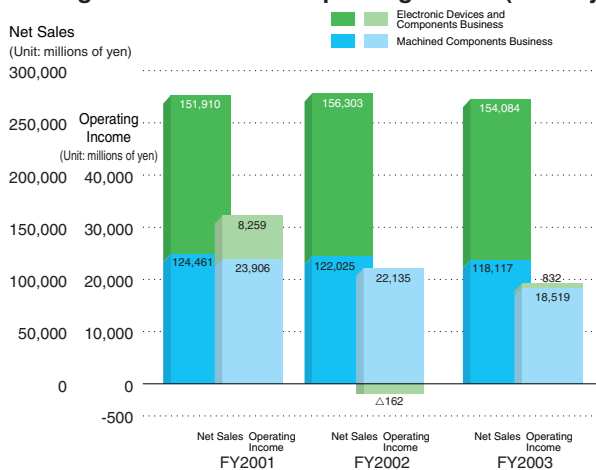
■ We decided to aggressively expand our ball bearing business and to raise monthly production and shipments by 30 million pieces to 180 million pieces. At the same time, we further fortified our cost competitiveness by introducing a new production system and implementing productivity enhancement measures. Shipments of ball bearings, including those for internal usage, increased 16% from the previous fiscal year.

■ To respond to mid to long-term growth in HDD market, we expanded our market share for pivot assemblies by approximately 10 percentage points to 70%.

Sales in the machined components business amounted to 118,117 million yen, down 3,908 million yen (3.2%), compared with the previous fiscal year. Sales of ball bearings increased in China and South East Asia regions, mainly for applications such as household electrical appliances and information and telecommunications equipment, owing to our vigorous sales expansion effort. However, sales of certain types of ball bearings and rod-end and spherical bearings declined due to stagnant demand from the aerospace industry. Decline in sales in the automotive wheel business, which was terminated during the previous fiscal year, by approximately 1,300 million yen also had some effect.

Operating income in the machined components business amounted to 18,519 million yen, down 3,616 million yen (16.3%), compared with the previous fiscal year. Accordingly, operating income margin was 15.7%, a decline by 2.4 percentage points from the previous fiscal year. Profitability of ball bearings remained stable, however, decline in sales of rod-end and spherical bearings and fall in margin of pivot assemblies, caused by lower selling prices, were reasons.

### ■ Changed in Net Sales and Operating Income (Industry)



## Electronics Devices and Components Business

■ Sales of HDD spindle motors, fan motors and PC keyboards reached a new high, as a result of market share expansion.

■ We expanded sales in the new markets for spindle motors by promoting transition to fluid dynamic bearings.

■ We agreed with Matsushita Electric Industrial Co., Ltd. on consignment production of FDB spindle motors for HDDs, and joint product development and consignment production of fan motors.

■ We established a joint venture with the Huan Hsin group to produce PC keyboards in China.

■ We decided to withdraw from the unprofitable switching power supply and related business.

■ We terminated the manufacturing of floppy disk drive (FDD) subassemblies.

■ We re-expanded our light device operations with a particular emphasis on back lights units.

Sales in the electronic devices and components business amounted to 154,084 million yen, down 2,219 million yen (1.4%), compared with the previous fiscal year. Fan motors recorded large growth in sales owing to strong sales for game applications and CPU cooling fans, as well as expansion of market share. HDD spindle motors and PC keyboards also increased sales as a result of market share expansion. However, sales of stepping motors declined due to lower average price, as a result of miniaturization and change in product mix, sales of speakers fell due to lower demand from main customers, and sales of electronic devices dropped due to the end in FDD subassembly business.

Operating income in the electronic devices and components business amounted to 832 million yen, up 994 million yen, compared with the previous fiscal year. Performance by HDD spindle motors, electronic devices, and switching power supplies and related business deteriorated, however, strong results by fan motors and keyboards lifted the overall income level. We decided to withdraw from switching power supplies and related businesses at the end of the business term.

# The Performance by Geographical Segment

## Japan

Owing to continuation of sluggish demand from the information & telecommunications equipment industry, coupled with the effect of production shift by many of our customers to their overseas subsidiaries to cope with growing deflationary pressure, net sales amounted to 72,754 million yen, down 10,950 million yen (-13.1%) year on year. Operating income, on the other hand, increased 2,366 million yen (308.5%) year on year to 3,133 million yen, owing largely to a decrease in import prices from overseas subsidiaries.

## Asia excluding Japan

This region has become an increasingly important manufacturing base for Japanese, European, and American manufacturers of personal computers and household electrical appliances. Though affected by the slower-than-expected recovery in demand from the information & telecommunications equipment industry in Japan, Europe, and the U.S., sales were firm owing to the progress in production shift to this region by our Japanese customers. At the same time, price competition is getting more intense as production expands in this part of the world.

As a consequence, net sales amounted to 107,789 million yen, up 11,906 million yen (12.4%), and operating income totaled 12,418 million yen, down 4,968 million yen (-28.6%), respectively, compared with the previous year.

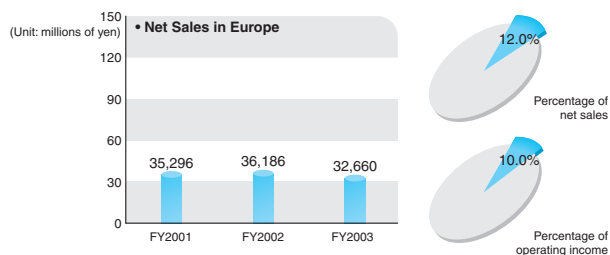
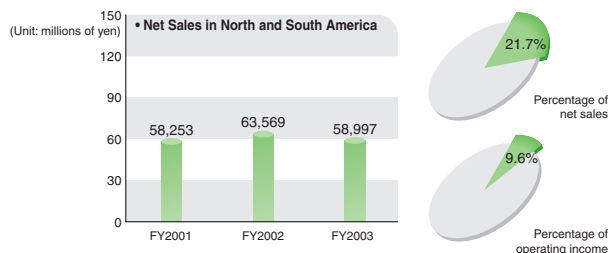
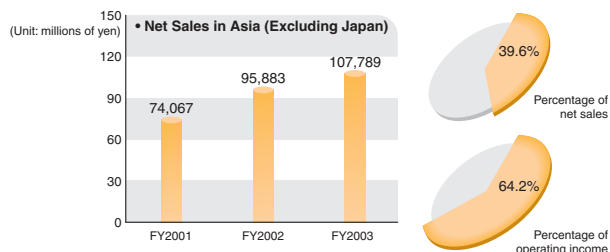
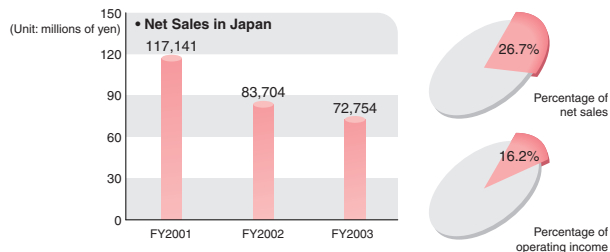
## North and South America

Sales of electronic devices and components such as PC keyboards, speakers, and fan motors remained strong in this region. On the other hand, demand from the aerospace industry for rod-end bearings continued to decline after the 9-11 terrorist attacks in the U.S.

As a result, net sales and operating income decreased 4,572 million yen (-7.2%) and 110 million yen (-5.6%) to 58,997 million yen and 1,858 million yen, respectively, compared with the previous year.

## Europe

Sales of ball bearings, rod-end bearings and other products were firm, despite an increasingly decelerating trend in the European economy. On the other hand, sales of electronic devices and components such as keyboards were slow. As a result, net sales stood at 32,660 million yen and operating income amounted to 1,942 million yen, down 3,526 million yen (-9.7%) and up 92 million yen (5.0%), respectively, compared with the previous year.



During the current consolidated fiscal year, we accelerated our strategy focused on basic policy of strengthening our bearing operations and expanding precision small motor operations. We worked out a strategy of expanding our ball bearing operations and launched a new policy of establishing even more solid operating base. In the area of precision small motors and PC keyboards, we promoted development of new products, enhanced cost competitiveness by improving sales efficiency and productivity, and put forth energetic efforts for business expansion.

As a result, we successfully increased sales of these products, despite sluggish demand from makers of information and telecommunications equipment, including primarily PCs, which is our major customer base. Overall, however, our performance during the period under review fell short of our projections, owing to an adverse effect of worsening market environment.

### Measures to be taken to improve profitability in the consolidated fiscal year ending March 2004

- **To turn spindle motor business profitable**  
-Turnaround in the first half
- **To improve profitability of pivot assemblies**  
-To review production method and improve productivity
- **To improve profitability of the business of other rotary devices and components**  
-Improving efficiency and responding speedily to market needs under the new organization  
-Termination of FDD operations in the consolidated fiscal year ended March 2003  
-Launching lighting devices business on a full scale
- **To further expand fan motor operations**  
-Putting fans, jointly developed with Matsushita Motor Company, on the market
- **Terminating the business of switching power supplies and other related business**  
-Termination to be completed by December 2003

At the same time, in the ball bearing operations, we intend to build production capacity of 180 million pieces per month by the end of the current consolidated fiscal year, increase production/sales, and substantially improve production efficiency by introducing a new production method in order to achieve unmatched competitiveness and a large market share.

To date, we have pursued self-contained speed-conscious management on the basis of the three sources of our competitive strengths. However, if we are ensured sufficiently speedy management, we do not have to stick to being self-contained in accumulating and utilizing management resources that we lack. Specifically, we have successfully formed strategic alliance with Matsushita Electrical Industrial Co., Ltd. and the Huan Hsin Group in Taiwan. We intend to actively pursue strategic alliance and M&A with various companies in the future, thereby establishing the structure to meet market needs speedily and efficiently.

What became clear through reviewing our performance in the previous consolidated fiscal year was that operations in areas, such as miniature ball bearings, which enjoy a high degree of synergistic effect of ultra-precision machining and mass-production technologies and vertically integrated production system - the sources of Minebea's competitive strengths - showed a high profitability even in a severe business climate.

What has brought about Minebea's strong competitiveness and growth potential is our mindset, in which we face up to difficulties and continue consistent efforts to tide ourselves over difficulties. We believe it possible to attain further growth by seeing the presently severe business situation in its right perspective, enhancing management quality and accelerating strategy implementation.

We have decided to take the following five measures for short-term profitability improvement and to implement drastic changes in organization and management structure.

### Organizational changes and new management structure

- **Introduction of Executive Officer System**  
-Speedier management decision-making and business execution  
-Vitalization of organization and human resources
- **Integration of manufacturing headquarters and establishment of the Engineering Headquarters**  
-Combining the markets and technologies of mechanical components and electronic components and devices  
-Effective use of management resources  
-Speedier response to market needs
- **Introduction of EVA management system**  
-Improving investment efficiency  
-Introduction of EVA-based bonus program

We have substantially amended our medium-term management plan that we previously announced, and have set the following new goals for the consolidated fiscal years ending March 2004 and March 2005. We aim to achieve these goals by all means.

(Unit: millions of yen)

	FY2003 (Apr.2002 - Mar.2003)	FY2004 (Apr.2003 - Mar.2004)	FY2005 (Apr.2004 - Mar.2005)
Net sales	272,202	280,000	300,000
Operating income	19,532	21,000	28,000
Ordinary income	13,420	17,000	25,000
Pre-tax profit	495	16,000	24,000
Net income	-2,434	8,500	15,000

# Minebea Products in a Variety of Applications

Minebea's mainstay miniature and small-sized ball bearings are used in many familiar pieces of equipment in offices and homes. We show you here how many miniature or small-sized ball bearings are used in devices useful to your everyday lives. Figures in parentheses show the number of ball bearings used in such devices.

## Kitchen and Bathroom

- Refrigerator (2)
- Cooking appliance (2~3)
- Dryer (1)
- Washing machine (1)
- Washlet toilet seat (4)
- Microwave oven (2)
- Water heater (4)
- Disposer (2)

## Study

- Laser printer (6)
- Notebook PC (8)
- Desktop PC (8)
- Copy machine (6)
- Fax machine (2)

## Garage

- Window shutters (2)
- Automotive components (50~60)

## Hobbies and Recreation

- Fishing reel (4)
- In-line roller skate (16)
- Roller shoes (4)
- Radio controlled device (2)
- Power tool (2)

## Living Room and Bedroom

- Ventilating fan (3)
- Electric fan (3)
- Air conditioner (9)
- Air purifier (2)
- Futon dryer (2)
- Home audio system (2)
- VCR (4)
- DVD recorder with a built-in HDD (2~3)
- Video camera (2)
- Oil fan heater (2)
- Sewing machine (8)
- Health appliance (10)
- Vacuum cleaner (2)
- Low table with leg heater (2)

Between 100 and 200 ball bearings are used in an average Japanese household.



# Consolidated Balance Sheet

## ● Consolidated Balance Sheet (Unit: millions of yen)

Item	Fiscal year 2003 (as of March 31, 2003)	Fiscal year 2002 (as of March 31, 2002)
<b>Assets</b>		
<b>Current Assets</b>	<b>127,447</b>	<b>131,548</b>
Cash and cash equivalents	14,177	13,952
Notes and accounts receivable	54,085	51,281
Inventories	43,204	49,887
Deferred tax assets	8,593	6,521
Others	7,856	10,406
Allowance for doubtful receivables	(469)	(501)
<b>Fixed Assets</b>	<b>192,608</b>	<b>218,471</b>
Tangible fixed assets	162,960	183,437
Intangible fixed assets	13,749	15,504
Investments and other assets	15,898	19,528
<b>Deferred Assets</b>	<b>13</b>	<b>17</b>
<b>Total Assets</b>	<b>320,069</b>	<b>350,037</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>	<b>134,459</b>	<b>156,908</b>
Notes and accounts payable	24,025	26,115
Short-term loans payable	67,475	61,618
Commercial paper	3,000	—
Current portion of long-term loans payable	787	28,019
Current portion of bonds	10,000	—
Current portion of convertible bonds	—	13,823
Others	29,170	27,332
<b>Long-term Liabilities</b>	<b>87,128</b>	<b>80,301</b>
Bonds	28,000	35,000
Convertible bonds	27,080	27,080
Bonds with warrant	4,000	4,000
Long-term loans payable	26,782	13,132
Others	1,266	1,089
<b>Total Liabilities</b>	<b>221,587</b>	<b>237,209</b>
<b>Minority Interest in Consolidated Subsidiaries</b>	<b>269</b>	<b>95</b>
<b>Shareholders' Equity</b>		
<b>Common stock</b>	<b>68,258</b>	<b>68,258</b>
<b>Additional paid-in capital</b>	<b>94,756</b>	<b>94,756</b>
<b>Retained earnings</b>	<b>(454)</b>	<b>4,774</b>
<b>Difference on revaluation of other marketable securities</b>	<b>(37)</b>	<b>(1,718)</b>
<b>Foreign currency translation adjustments</b>	<b>(64,274)</b>	<b>(53,333)</b>
<b>Treasury stock</b>	<b>(37)</b>	<b>(6)</b>
<b>Total Shareholders' Equity</b>	<b>98,212</b>	<b>112,731</b>
<b>Total Liabilities, Minority Interest in Consolidated Subsidiaries and Shareholders' Equity</b>	<b>320,069</b>	<b>350,037</b>

Note: Amounts less than one million yen are omitted.



● Consolidated Profit and Loss Statement (Unit: millions of yen)

Item	Fiscal year 2003 (Apr. 2002 thru Mar. 2003)	Fiscal year 2002 (Apr. 2001 thru Mar. 2002)
<b>Net sales</b>	<b>272,202</b>	<b>279,344</b>
<b>Cost of sales</b>	<b>203,500</b>	<b>206,060</b>
<b>Gross profit</b>	<b>68,702</b>	<b>73,283</b>
<b>Selling, general and administrative expenses</b>	<b>49,350</b>	<b>51,311</b>
<b>Operating income</b>	<b>19,352</b>	<b>21,972</b>
<b>Other income</b>	<b>1,226</b>	<b>1,801</b>
Interest income	243	586
Dividends income	48	43
Equity income of alliliates	10	—
Others	923	1,171
<b>Other expense</b>	<b>7,158</b>	<b>7,778</b>
Interest expenses	4,765	5,673
Foreign currency exchange loss	506	827
Equity loss of affiliates	—	21
Others	1,886	1,256
<b>Ordinary income</b>	<b>13,420</b>	<b>15,995</b>
<b>Extraordinary income</b>	<b>37</b>	<b>1,727</b>
Gain from discharge of debts	—	714
Gain on sales of fixed assets	34	247
Gain on sales of investments in securities	3	—
Reversal of allowance for doubtful receivables	—	269
Reversal of allowance for loss on the liquidation of the automotive wheel business	—	496
<b>Extraordinary loss</b>	<b>12,961</b>	<b>4,773</b>
Loss on disposal of inventories	—	1,125
Loss on sales of fixed assets	110	225
Loss on disposal of fixed assets	602	386
Loss on sales of investments in securities	—	6
Loss on revaluation of investments securities	4,945	1,466
Loss on liquidation of affiliates companies	1,843	937
Loss on liquidation of the business of switching power supplies, inductors and transformers, etc.	3,144	—
Loss for after-care of products	482	—
Environmental preservation expense	1,206	—
Retirement benefit expense	626	626
<b>Income before income taxes</b>	<b>495</b>	<b>12,948</b>
Total income taxes	2,906	7,629
Minority interest in earnings of consolidated subsidiaries	23	20
<b>Net income (loss)</b>	<b>(2,434)</b>	<b>5,298</b>

Note: Amounts less than one million yen are omitted.

● **Consolidated Statements of Retained Surplus** (Unit: millions of yen)

Item	Fiscal year 2003 (Apr. 2002 thru Mar. 2003)	Fiscal year 2002 (Apr. 2001 thru Mar. 2002)
<b>Capital retained earnings</b>		
Additional paid-in capital at beginning of year	94,756	94,756
Increase of additional paid-in capital	—	—
Decrease of additional paid-in capital	—	—
Additional paid-in capital at end of year	94,756	94,756
<b>Retained earnings</b>		
Retained earnings at beginning of year	4,774	2,533
Increase of retained earnings	—	5,342
Net income	—	5,298
Others	—	43
Decrease of retained earnings	5,227	3,100
Net loss	2,434	—
Cash dividends	2,793	2,794
Bonus to directors and corporate auditors	—	66
Others	—	240
Retained earnings at end of year	(454)	4,774

Note: Amounts less than one million yen are omitted.

● **Consolidated Statements of Cash Flows** (Unit: millions of yen)

Item	Fiscal year 2003 (Apr. 2002 thru Mar. 2003)	Fiscal year 2002 (Apr. 2001 thru Mar. 2002)
Cash Flows from Operating Activities	32,279	34,017
Cash Flows from Investing Activities	(16,233)	(24,346)
Cash Flows from Financing Activities	(15,471)	(8,317)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(349)	669
Net Increase in Cash and Cash Equivalents	224	2,022
Cash and Cash Equivalents at beginning of year	13,952	11,930
Cash and Cash Equivalents at end of year	14,177	13,952

Note: Amounts less than one million yen are omitted.

# Non-Consolidated Balance Sheet

## ● Non-Consolidated Balance Sheet (Unit: millions of yen)

Item	Fiscal year 2003 (as of March 31, 2003)	Fiscal year 2002 (as of March 31, 2002)
<b>Assets</b>		
<b>Current Assets</b>	<b>128,363</b>	<b>136,349</b>
Cash and cash equivalents	7,487	4,421
Notes receivable	2,249	1,952
Accounts receivable-trade	36,680	41,533
Inventories	10,492	11,377
Short-term loans receivable from subsidiaries	60,202	64,632
Deferred tax assets	4,231	3,641
Others	7,121	9,024
Allowance for doubtful receivables	(100)	(233)
<b>Fixed Assets</b>	<b>234,305</b>	<b>240,513</b>
<b>Tangible fixed assets</b>	<b>32,073</b>	<b>33,435</b>
<b>Intangible fixed assets</b>	<b>841</b>	<b>844</b>
<b>Investments and other assets</b>	<b>201,391</b>	<b>206,233</b>
Investments in securities	3,730	5,497
Investments securities in subsidiaries	155,357	156,804
Investments in partnerships with subsidiaries	27,733	27,608
Long-term loans receivable from subsidiaries	8,567	7,425
Long-term deferred tax assets	7,983	10,862
Others	1,994	1,738
Allowance for doubtful receivables	(3,975)	(3,705)
<b>Deferred Assets</b>	<b>13</b>	<b>17</b>
<b>Total Assets</b>	<b>362,682</b>	<b>376,880</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>	<b>100,327</b>	<b>124,025</b>
Notes payable	2,998	3,986
Accounts payable-trade	23,817	28,820
Short-term loans payable	52,033	39,875
Commercial paper	3,000	—
Current portion of long-term loans payable	500	27,700
Current portion of bonds	10,000	—
Current portion of convertible bonds	—	13,823
Accrued income taxes	71	65
Accrued bonuses	1,943	2,090
Others	5,963	7,664
<b>Long-term Liabilities</b>	<b>81,114</b>	<b>71,632</b>
Bonds	28,000	35,000
Convertible bonds	27,080	27,080
Bonds with warrant	4,000	4,000
Long-term loans payable	22,000	5,500
Allowance for retirement benefits	34	52
<b>Total Liabilities</b>	<b>181,442</b>	<b>195,657</b>
<b>Shareholders' Equity</b>		
<b>Common stock</b>	<b>68,258</b>	<b>68,258</b>
<b>Additional paid-in capital</b>	<b>94,756</b>	<b>94,756</b>
Capital reserve	94,756	94,756
<b>Retained earnings</b>	<b>18,299</b>	<b>19,932</b>
Earned surplus	2,085	2,085
Voluntary reserve	11,500	10,000
General reserve	11,500	10,000
Unappropriated retained earnings	4,714	7,847
(including current net income)	[1,227]	[4,351]
<b>Difference on revaluation of the marketable securities</b>	<b>(36)</b>	<b>(1,718)</b>
<b>Treasury stock</b>	<b>(37)</b>	<b>(6)</b>
<b>Total Shareholders' Equity</b>	<b>181,240</b>	<b>181,222</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>362,682</b>	<b>376,880</b>

Note: Amounts less than one million yen are omitted.

● **Non-Consolidated Profit and Loss Statement** (Unit: millions of yen)

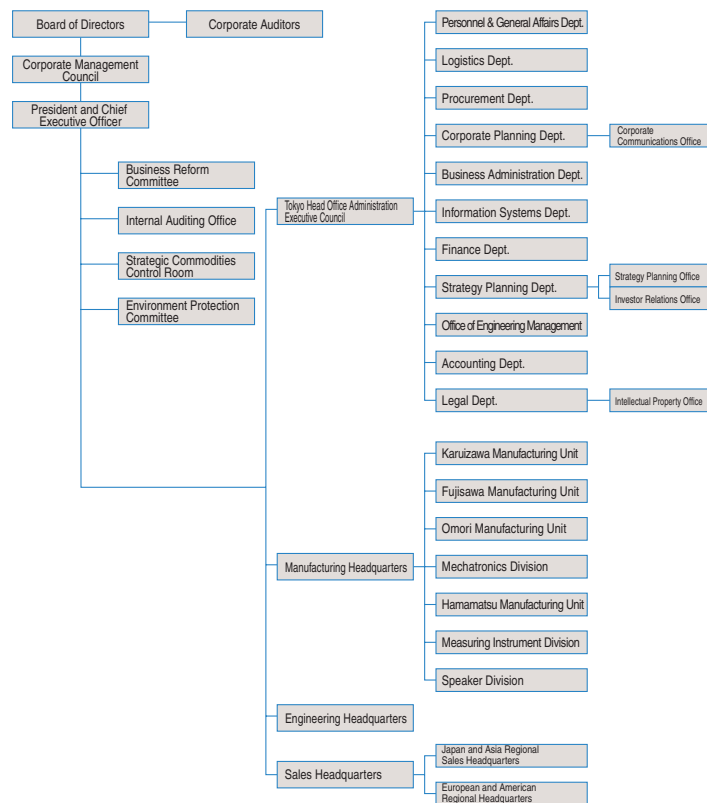
Item	Fiscal year 2003 (Apr. 2002 thru Mar. 2003)	Fiscal year 2002 (Apr. 2001 thru Mar. 2002)
<b>Ordinary Income and Expenses</b>		
<b>Operating income and expenses</b>		
<b>Operating income</b>	<b>162,952</b>	<b>175,218</b>
Net sales	162,952	175,218
<b>Operating expenses</b>	<b>157,934</b>	<b>173,369</b>
Cost of sales	136,897	150,915
Selling, general and administrative expenses	21,036	22,454
<b>Operating income</b>	<b>5,018</b>	<b>1,848</b>
<b>Other income and expense</b>		
<b>Other income</b>	<b>9,420</b>	<b>11,530</b>
Interest income	969	942
Dividends received	7,786	9,828
Rent income on fixed assets	504	487
Others	159	271
<b>Other expenses</b>	<b>3,375</b>	<b>3,345</b>
Interest and discount charges	1,392	1,455
Interest on bonds	1,252	1,270
Foreign currency exchange loss	294	187
Others	436	431
<b>Ordinary income</b>	<b>11,062</b>	<b>10,033</b>
<b>Extraordinary Income and Loss</b>		
<b>Extraordinary income</b>	<b>450</b>	<b>2,192</b>
Gain from discharge of debts	—	682
Gain on sales of fixed assets	123	365
Gain on sales of investments in securities	3	—
Gain on sales of investments securities in subsidiaries	—	250
Liquidation dividend from subsidiary company	205	—
Reversal of allowance for doubtful receivables	118	398
Reversal of allowance for loss on the liquidation of the automotive wheel business	—	496
<b>Extraordinary loss</b>	<b>8,117</b>	<b>3,969</b>
Loss on disposal of inventories	—	965
Loss on sales of fixed assets	117	209
Loss on sales of investments in securities	—	6
Loss on revaluation of investments in securities	4,945	1,466
Allowance for doubtful receivables	—	292
Loss on revaluation of investments securities in subsidiaries	2,280	527
Loss on liquidation of affiliated companies	256	7
Loss for after-care of products	23	—
Retirement benefit expense	494	494
<b>Income before income taxes</b>	<b>3,395</b>	<b>8,257</b>
Income taxes (including enterprise tax)	999	801
Adjustment of income taxes	1,168	3,104
Total income taxes	2,167	3,905
<b>Net income</b>	<b>1,227</b>	<b>4,351</b>
Retained earnings brought forward from the previous year	3,486	3,495
<b>Unappropriated retained earnings at end of year</b>	<b>4,714</b>	<b>7,847</b>

Note: Amounts less than one million yen are omitted.

## ■ Corporate Data

Trade Name	Minebea Co., Ltd.
Established	July 16, 1951
Capital	68,258 million yen
Number Of Employees	2,530 persons
Registered Headquarters	4106-73, Oaza Miyota, Miyota-Machi, Kitasaku-Gun, Nagano 389-0293, Japan Tel: +81 267- 32- 2200
Domestic Offices And Manufacturing Units	Tokyo Head Office, Karuizawa Manufacturing Unit, Hamamatsu Manufacturing Unit, Fujisawa Manufacturing Unit, Omori Manufacturing Unit

## ■ Management Organizations



## ■ Board of Directors

### Representative Director, President and Chief Executive Officer

Tsugio Yamamoto

### Directors, Senior Managing Executive Officers

Yoshihisa Kainuma  
Takayuki Yamagishi  
Rikuro Obara  
Ryusuke Mizukami  
Kenji Senoue  
Tosei Takenaka

### Director, Managing Executive Officer

Koichi Dosho

### Directors

Atsushi Matsuoka  
Chanchai Leetavorn

## ■ Corporate Auditors

### Standing Corporate Auditors

Shinichi Mori  
Yoshinori Amano

### Corporate Auditors

Mitsuo Ichikawa  
Isao Hiraide

## ■ Executive Officers

### Managing Executive Officers

Takashi Yamaguchi  
Tomihiro Maruta

### Executive Officers

Sadao Sawamura  
Akihiro Hirao  
Sadahiko Oki  
Takuya Naka  
Yukio Shimizu  
Masayoshi Yamanaka  
Shunji Mase  
Hiroharu Katogi  
Susumu Fujisawa  
Masamitsu Osada  
Akio Okamiya  
Eiichi Kobayashi  
Motoyuki Nijjima  
Tadahiko Mori  
Hiroyuki Yajima  
Masao Iwasa  
Hirotaka Fujita  
Kunio Shimba  
Junichi Mochizuki

# Share Information (as of March 31, 2003)

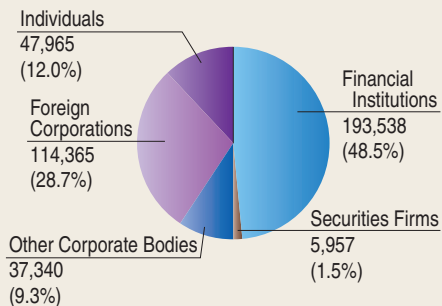
Total Number of Shares Authorized	1,000,000,000 shares
Number of Shares Issued	399,167,695 shares
Number of Shareholders	23,188 persons

## Major Shareholders (Top 10)

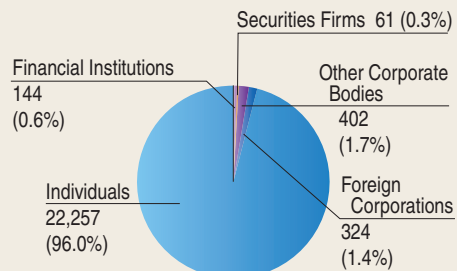
		(%)
The Mastertrust Bank of Japan Ltd. (Trust Account)	24,315,000	6.11
Keiaisha Co., Ltd.	20,000,000	5.02
Japan Trustee Service Bank, Ltd. (Trust Account)	19,843,000	4.98
Euroclear Bank SA/NV	13,477,000	3.38
Shinsei Bank, Ltd.	12,501,000	3.14
The Sumitomo Trust & Banking Co., Ltd.	12,349,000	3.10
Takahashi Industrial and Economic Research foundation	12,347,330	3.10
J.P. Morgan Trust Bank Ltd. (Non-taxable Account)	10,086,000	2.53
Sumitomo Mitsui Banking Corporation	10,000,475	2.51
State Street Bank And Trust Co.	9,098,660	2.29

## Shareholder Distribution

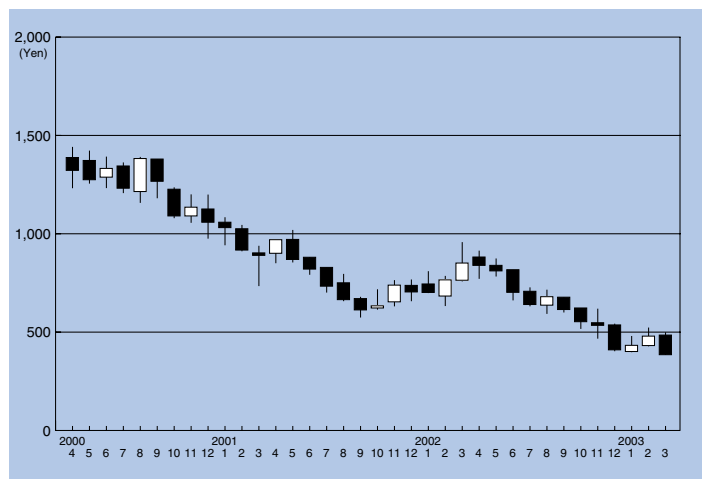
### Number Of Shares (thousands of shares)



### Number Of Shareholders



## Stock Prices On The Tokyo Stock Exchange



### Please receive your stock dividends at your earliest convenience.

You can receive your stock dividends at a post office by a mail transfer payment notice until Thursday, July 31, 2003.

### Receiving your stock dividends after July 31, 2003

Sumitomo Trust & Banking Co., Ltd., our transfer agent, can handle payment of your stock dividends at its head office and branch offices after the expiry of the receivable period.

### Loss of your mail transfer payment notice

In case of loss of your mail transfer payment notice, please contact the corporate agency department of Sumitomo Trust & Banking Co., Ltd. We will need some time to pay your stock dividends should this happen because we need to first confirm the amount of the unpaid dividends and then to arrange for payment.

### We recommend that you receive your stock dividends through a bank transfer.

We recommend that you receive your stock dividends through a safe, reliable bank transfer. For details, please contact the corporate agency department of Sumitomo Trust & Banking Co., Ltd.



### Sale or purchase of shares less than one unit of shares

Normally, you cannot sell or buy your shares falling short of one unit of shares (less than 1,000 shares) on the equity market. To sell or buy such shares, you need to submit a request of purchase of shares falling short of one unit of shares, or a request of sale of the number of shares that becomes one unit if added with such shares less than one unit now in hand. For further inquiries, please contact the corporate agency department of Sumitomo Trust & Banking Co., Ltd.



## Shareholder Information

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Business Year	From April 1 to March 31 of next year
Fiscal Year-End	End of March
Record date to be eligible to receive a dividend	End of March
Ordinary General Meeting of Shareholders	June
Unitary Transaction Stock Transfer Agent	1,000shares 5-33, Kitahama 4-Chome, Chuo-Ku, Osaka The Sumitomo Trust and Banking Co., Ltd.
Transfer Agent Branch	4-4, Marunouchi 1-Chome, Chiyoda-Ku, Tokyo The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department
Attention for Delivery of Postal Matters	1-10, Nikko-Cho, Fuchu, Tokyo 183-8701 The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department
Attention for Inquiries by Telephone	(For Change-of-Address Form and other forms, please apply to)  0120-175-417 (For inquiries, please contact)  0120-176-417
Attention for Web Site Intermediary Office	<a href="http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html">http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html</a> The Sumitomo Trust and Banking Co., Ltd. Head Office and each and every Branch in Japan
Transfer Fee	Free
Public Notice	The Nihon-Keizai Shinbun Public notices are displayed in The Nihon Keizai Shinbun. However, information with regard to balance sheets and statements of income, as stipulated in Section 3, Article 16 of the Law For Special Exceptions to the Commercial Code, is posted in our web site at <a href="http://www.minebea.co.jp/investors/disclosure/meeting/meeting_top.html">http://www.minebea.co.jp/investors/disclosure/meeting/meeting_top.html</a>
Common Stock Listings	Tokyo, Osaka, Nagoya and Singapore