BRIEF REPORT OF CONSOLIDATED FINANCIAL RESULTS

(Year ended March 31 , 2002)

May 16, 2002

Registered Company Name: MINEBEA CO., LTD.
Common Stock Listings: Tokyo, Osaka, and Nagoya
Headquarters: Nagano-ken
Code No: 6479
(URL http://www.minebea.co.jp)
Contact: Sadahiko Oki
Director-Accounting Tel. (03)5434-8611

Board of Directors' Meeting on the Consolidated Financial Results held on: May 16, 2002
Adoption of U.S. Accounting Standards : None

1. Business performance (April 1,2001 through March 31,2002)

(1) Consolidated Results of Operations (Amounts less than one million yen have been omitted.)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
FY2002	279,344	(2.7)	21,972	(33.4)	15,995	(35.3)
FY2001	287,045	0.8	32,977	6.1	24,726	14.8

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)	Return (net income) on equity (%)	Return (ordinary income) on assets (%)	Return (ordinary income) on sales (%)
FY2002	5,298	(64.3)	13.27	12.60	5.0	4.6	5.7
FY2001	14,826	−	37.14	34.10	11.6	6.6	8.6

(Notes) 1. Income or loss on investments for FY2002 on the equity method totaled income (21) million yen and 4 million yen in FY2001.
2. Weighted average number of shares outstanding during the respective years (consolidation):
399,165,043 shares at March 31,2002
399,163,019 shares at March 31,2001
3. Changes in accounting method: None
4. The percentages of net sales, operating income, ordinary income and net income show year-on-year changes.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Shareholders' equity ratio (%)	Shareholder's equity per share (yen)
FY2002	350,037	112,731	32.2	282.42
FY2001	346,965	100,573	29.0	251.96

(Notes) Number of shares outstanding at end of year (consolidation):
399,159,121 shares at March 31,2002
399,167,104 shares at March 31,2001

(3) Consolidated Cash Flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financial activities (millions of yen)	Year end balance of cash and cash equivalents (millions of yen)
FY2002	34,017	(24,346)	(8,317)	13,952
FY2001	38,332	(33,099)	(17,138)	11,930

(4) Scope of consolidation and application of equity method
Number of consolidated companies............................ 48 companies
Number of non-consolidated companies..................... None
Number of affiliated companies for equity method.... 2 companies

(5) Accounting changes of scope of consolidation and application of equity method
(a) Changes in consolidated subsidiaries
Anew: 1 company Exclusion: 8 companies
(b) Changes of the companies subject to equity method
Anew: None Exclusion: 1 company

2. Prospect for the next fiscal year (April 1,2002 through March 31, 2003)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
Interim	142,000	7,300	3,600
Annual	288,000	18,500	10,000

(Reference) Projected net income per share: 25.05 yen

(Notes) The above-mentioned forecasts are based on the information available as of the date when this information is disclosed, as well as on the assumptions as of the disclosing date of this information related with

unpredictable parameters that are probable to affect our future business performances in the end.
In other words, our actual performances are likely to differ greatly from these estimates depending on various factors that will take shape from now on.
As for the assumptions used for these forecasts and other related items, please refer to page seven of the documents attached hereunder.

(Reference)

1. Condition of group of enterprises

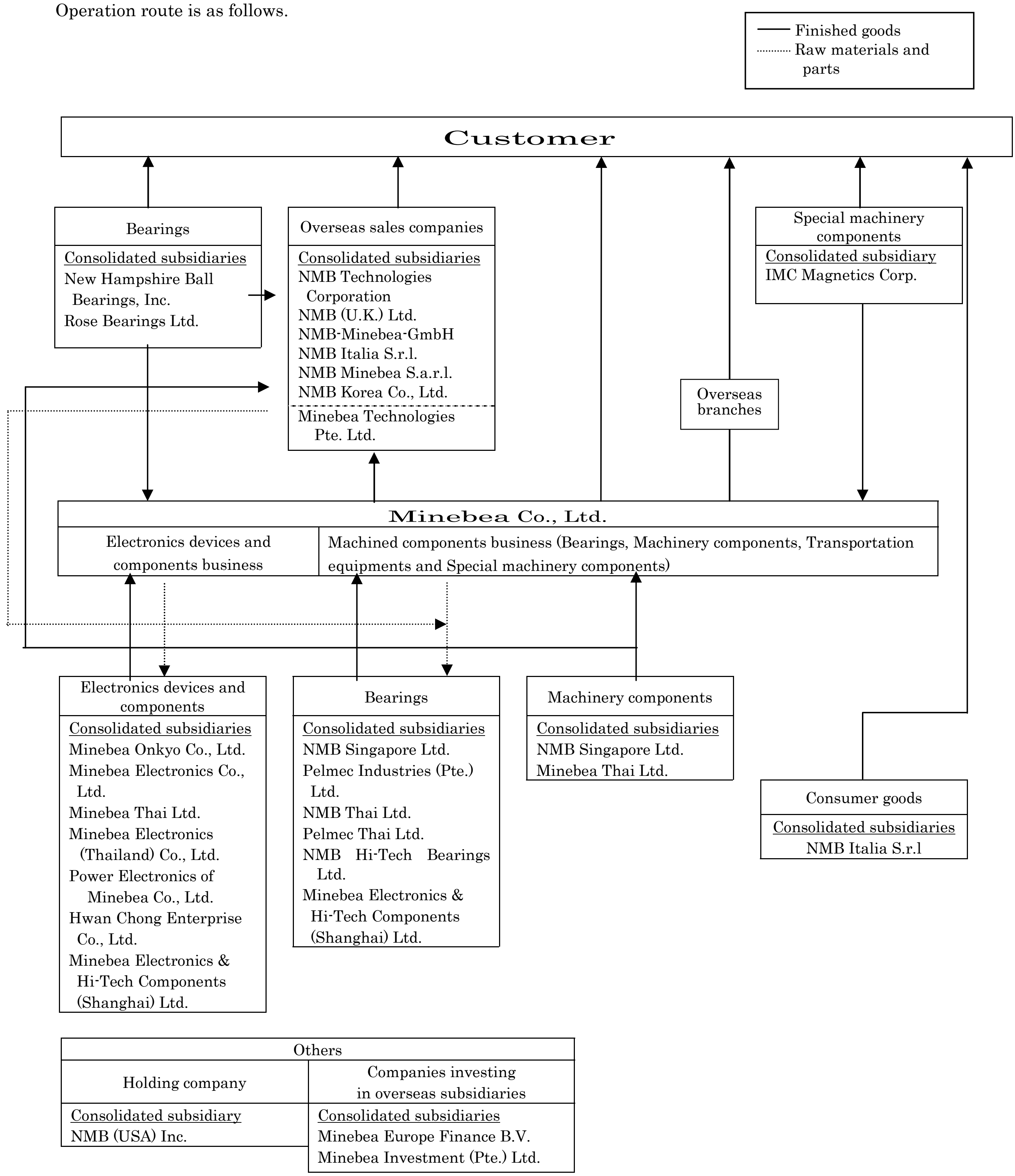
Minebea group consists of Minebea Co., Ltd. (the company) and 50 related companies (48 consolidated subsidiaries and 2 affiliates companies). Minebea group produces and sells bearings, machinery components, transportation equipment and components, special machinery components, electronic devices.

The company and domestic consolidated subsidiaries, consolidated subsidiaries in U.S.A., Europe and Asia are in charge of production. The Company markets its products directly to Japanese customers. In overseas markets, the Company markets its products through its subsidiaries and branches in the United States, Europe and Asia. The Company also marketed consumer goods and others through subsidiary NMB Italia S.r.l.

The relationship between each operation and industry segments, and main manufacturing and sales companies are as follows.

Industry segments	Operations	Manufacturing companies	Sales companies
Machined components business	Bearings	Minebea Co., Ltd. New Hampshire Ball Bearings, Inc. Rose Bearings Ltd. NMB Singapore Ltd. Pelmec Industries (Pte.) Ltd. NMB Thai Ltd. Pelmec Thai Ltd. NMB Hi-Tech Bearings Ltd. Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	Minebea Co., Ltd. NMB Technologies Corporation New Hampshire Ball Bearings, Inc. NMB (U.K.) Ltd. NMB-Minebea-GmbH NMB Italia S.r.l. NMB Minebea S.a.r.l. Minebea Technologies Pte. Ltd. NMB Korea Co., Ltd.
	Machinery components	Minebea Co., Ltd. NMB Singapore Ltd. Minebea Thai Ltd.	
	Transportation equipment	Minebea Co., Ltd.	
	Special machinery components	Minebea Co., Ltd. IMC Magnetics Corp.	
Electronics devices and components business	Electronics devices and components	Minebea Co., Ltd. Minebea Onkyo Co., Ltd. Minebea Electronics Co., Ltd. Minebea Thai Ltd. Minebea Electronics (Thailand) Co., Ltd. Power Electronics of Minebea Co., Ltd. Hwan Chong Enterprise Co., Ltd. Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	
Consumer business and others	Consumer goods and others	—	NMB Italia S.r.l.

Operation route is as follows.



2. Management Policy

(1) Basic Management policy

Minebea has adopted the following five principles as its basic policy for management.

(a) Ensure that Minebea is a company for which we feel proud to work.
(b) Reinforce the confidence our customers have.
(c) Respond to our shareholders' expectations.
(d) Ensure a welcome for Minebea in local communities.
(e) Contribute to a global society.

Under this basic management policy, we have actively addressed the development of higher value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display our strength. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form that is easier to understand within and across the Company.

Furthermore, as a key theme in the development of business in various parts of the world, we have has continued our commitment to environmental protection activities.

(2) Basic Policy for Profit Sharing

Our basic dividend policy is to consider the return of profits to shareholders, business development, the strengthening of corporate structure, etc. in an overall perspective. We consider it important to continue paying stable dividends. Therefore, we will use internal reserves in providing for operating funds in connection with the enhancement of corporate structure and new growth in the future.

(3) Policy for Reducing the Minimum Trading Unit

We are deliberately considering reducing the current minimum trading unit of 1,000 shares, which was equivalent to 840,000 yen on April 30, 2002.

(4) Future Management strategies and tasks

In accordance with the basic management policies as mentioned earlier, we've developed the following wherever we are in operation of manufacturing:

"A highly integrated production system" for
"A large-scale volume production factory" supported by
"A well-kept R & D system"

In practice, we're operating business around the world; we're in attempts to attain gains in profitability as the world's strongest maker of a comprehensive range of precision parts; thereby we're targeting to upgrade our corporate value.

And the tasks we've taken in order to realize these targets can be set forth like the following:

(a) Strengthen and expand our business of bearings and related products furthermore.
(b) We will build our operations in the area of precision small motors, such as spindle motors (including spindle motors with fluid dynamic bearings) and fan motors, and other rotary components until they are similar in scale to our bearing operations.
(c) Raise the share of value-added items in all the categories of our products; at the same time, enlarge our product range so as to respond to a wider extent of market requirements.

(5) Measures For Business Management

(a) Dated April 1, 2001, our R & D Headquarters (for product development) was started as a new functional organization supervised directly by the President of Minebea Co., Ltd. This new headquarters is responsible for the following.

1. Develop such R & D projects as will meet with the benefits for the whole of Minebea Group without losing opportunities.
2. Make the intellectual property rights, now owned by Minebea Group member firms, belong to the Minebea company; then keep such rights under a unified control system.

In our global organization, product development activities used to be undertaken respectively by a manufacturing unit or a business division of Minebea Co., Ltd., or by a subsidiary supervised by Minebea's First and Second Manufacturing Headquarters. And, the product developer in this sense treated the cost and expenses as incurred for itself.

Now, a new system has been organized. As to a product development program that takes a long time before completion, or that is too expensive for a single division to bear, or that is related with two or more business divisions, our R & D Headquarters instead pays for the cost and expenses so that our development activities as a whole can be promoted more aggressively than before.

(b) November 12, 2001 saw us setting up the Business Reform Committee that belongs directly to the Executive Council in our corporate organization. This Committee targets to perform the following roles.

Take another look at our whole business operations through coordination with our manufacturing, sales-marketing, and administrating departments in attempts to respond to the changes drastically going on in our business environments. Then, tackle to attain gains in business efficiencies. And thereby strengthen our preparedness for further development of Minebea Group as an entirety.

(6) Management Index

May 2002 saw us reexamining our three-year business projections. The table below shows our latest consolidated forecasts based on these new projections.

(Amount: millions of yen)

	Year ended		
	March 31, 2003	March 1, 2004	March 31, 2005
Net Sales	288,000 (103%)	316,800 (110%)	348,000 (110%)
Operating Income	24,000 (109%)	33,000 (137%)	37,000 (112%)
Ordinary Income	18,500 (116%)	28,000 (151%)	33,500 (120%)
Net Income	10,000 (189%)	17,000 (170%)	21,000 (124%)
Capital expenditure	17,600 (83%)	28,200 (160%)	23,400 (83%)

(Notes) Figures in parentheses show percentage changes from the previous year.

3. Management Performances And Financial Position

(1) Management Performances

(a) Overview of the year

Over our current consolidated fiscal year, Japanese economy stayed under severe circumstances as a whole. Hit by slowdowns in the U.S. economy and slumps in information technology-related industries, exports fell. Affected by inventory adjustments, factory output and capital investment diminished. Consumer spending alike stayed in a low key.

The U.S. economy was slowing, when the terrorist attacks happened spurring its recession furthermore. Toward the end of our current fiscal year, however, a recovery began to appear on the horizon in the U.S. market, on the one hand.

On the other, Asian and European economies also progressed in a hard situation by and large with factory output and exports decreasing as affected by an economic recession in the U.S. and sluggish demand from IT-related industries.

Information- and telecommunication equipment-related industries constitute a major market for our products. However, demand from this market was sluggish, now that the world economies were taking shape of a slump almost at the same time as remarked above. And such tough surroundings lasted throughout the year.

Under these tough management environments, Minebea Group kept attempting to attain gains in efficiencies of sales-marketing and manufacturing activities while enhancing product quality and developing value-added products. As a result, our full-year consolidated net sales amounted to 279,344 million but slipped by 7,701 million (-2.7%), from a year earlier, partly owing to selling off of our furniture business operation.

Besides, our operating income and ordinary income diminished by 11,005 million (-33.4%) and 8,731 million (-35.3%), respectively from a year earlier, to 21,972 million and 15,995 million, respectively. Our net income also decreased by 9,527 million (-64.3%) to 5,298 million, largely due to a write-off of 2,711 million for income tax and other adjustments treated in accordance with our tax effect accounting, among others.

1. The Performance by Industry Segment is as follows:

Machined components business

This segment in our businesses is represented by ball bearings, which are our mainstay; rod ends & spherical bearings that are used mainly in aircraft; mechanical parts including pivot assemblies used in hard disk drives (HDDs) for personal computers; fasteners for aircraft and vehicles; and other items for defense-related industries.

Although ball bearings were firm in sales to several manufacturers of household electrical appliances and the automobile industry, they were slow as a whole due to sluggish demand from the information and telecommunications equipment industry. As a whole, our ball bearings were selling relatively slowly.

Also, sales of rod-end bearings were in a stiff situation due to decreased demand from the aircraft industry—our core market segment—after the September 11 terrorist attacks in the United States. However, with sales growing satisfactorily in the first half of the term, they were firm as a whole due to sales of unfilled orders in the second half of the term.

As a result, our sales and operating income from this product category remained at 122,025 million and 22,135 million, respectively, dropping by 2,436 million (-2.0%) and 1,771 million (-7.4%) from a year earlier, respectively.

Electronic devices business

This product group consists of spindle motors, cooling fans, stepping motors, and other small-sized precision motors, as well as computer keyboards, audio speakers, floppy disk drives (FDDs), switching power supplies, and measuring instruments, among others.

Due to slow demand from the information and telecommunications equipment industry—our main customer segment, price competition intensified. Under these business circumstances, sales of fan motors, stepping motors, floppy disk drives (FDDs) and other products stagnated. However, sales of spindle motors for HDDs performed well, and sales of keyboards were firm. As a result, compared with the previous fiscal year, sales increased by 4,393 million yen (2.9%) to 156,303 million yen, and operating losses reduced by 8,421 million yen to 162 million yen.

Consumer business and others:

Our consumer business largely comprises our purchases of furniture in Europe and their exports to Japan. As of February 23, 2001, that is, during our previous fiscal year, we had sold our furniture import subsidiary in Japan and had retired from its business.

However, we had continued the furniture procurement operation alone in Europe by end-February 2002. As a result, compared with the previous fiscal year, sales and operating losses decreased by 9,658 million yen (-90.5%) and 812 million yen, respectively, to 1,016 million yen and 0.4 million yen.

2.The Performance by geographical segment is as follows:

Japan

To cope with strong deflationary pressure, many of our customers took such decisive measures as shifting production items to their overseas factories. As a result of this shift, together with sluggish demand from the information and telecommunications equipment industry, sales decreased by 27,939 million yen (-25.0%)from the previous fiscal year, to 83,704 million yen. Also, operating income reduced by 11,039 million yen (-93.5%), to 767 million yen.

Asia

Asia other than Japan has become an important region as the manufacturing base of personal computers and household electric appliances for American, European, and Japanese makers.

The information- and telecommunications equipment-related products made in this region were sluggish in demand from EU, Japan, and the U.S. Despite this impact, however, our sales kept gaining steadily thanks to the geographic effects generated by many Japanese makers shifting productions to this region.

As a result, compared with the previous fiscal year, sales and operating income increased by 13,446 million yen （16.3%） and 24 million yen （0.1%）, respectively, to 95,883 million yen and 17,386 million yen.

North and South America

Due to the rapid slowdown of the U.S. economy, sales of electronic devices and components, such as fan motors, etc., stagnated. However, sales of machined parts, keyboards, speakers, etc. were firm. Also, although orders from the aircraft industry declined due to the terrorist attacks in September, sales of bearings for aircraft increased due to sales of unfilled orders. As a result, compared with the previous fiscal year, sales and operating income rose by 5,377 million yen （9.2%） and 641 million yen (48.3%), respectively, to 63,569 million yen and 1,968 million yen.

Europe

Europe kept deepening a receding trend in economy, when our ball bearings and rod end & spherical bearings, among others, were advancing steadily in sales. In the end, our combined sales attained a gain of (4.1%) 1,413 million to 36,186 million, though our operating income slipped by (-25.5%) 632 million to 1,850 million, respectively from a year earlier.

(b) Outlook For The Next Term

As for our next fiscal year, it's expected that inventory adjustments in Japan will be finished throughout the IT-related industries, and the business surroundings for exports will be upturning in general.

However, employment and personal income, respectively as part of economic indicators, are anticipated to keep worsening while consumer spending staying at a relatively low level. With these parameters combined, Japanese economy is foreseeable to remain sluggish for some time of the year, on the one hand.

Outside Japan, on the other, notably in Southeast Asia and the U.S., a recovery is visible on the horizon. Toward this direction, a gradual pickup is expectable to take shape by and large.

1.The Outlook by industry segment for the next term is as follows:

Machined components business

The aircraft market—one of our mainstream customer bases for rod-end bearings—is expected to remain stiff for the foreseeable future, due to slow recovery in demand from the adverse effects of the terrorist attacks in the United States. On the other hand, demand for ball bearings, etc.—our mainstream products—is expected to gradually recover, as demand from the information and telecommunications equipment industry appeared to hit the bottom. To enhance business performance, we will focus on further reducing the manufacturing costs of ball bearings and other related products. We will also strive to improve their quality and to attain further efficiency in the areas of their sales, etc.

Electronic devices business

Our electronic devices and components find the information- and telecommunications equipment-related industries as a major customer.

This industry category was diminishing in demand for our products but has finished adjusting inventories. Consequently, their demand is expected to start picking up though conservatively.

Anyhow, our HDD spindle motors have been advancing quite well in business. You'll see us attempting for additional sales of these motors. As to the other main products as well, you'll find us developing and introducing value-added products and price-competitive items, while striving harder to reduce costs. In these ways, our attempts will be continued so as to attain gains in business performances.

2.The outlook by geographical segment for the next term is as follows:

Japan

Many of our customers at home are anticipated to step forward further in their shift of productions to Asian countries by reflecting sluggish demand and harder price competition. This trend is likely to cause our domestic sales to face a tougher phase.
Nevertheless, you'll recognize us continuing attempts to attain gains in our business performances by enhancing efficiencies in business management system throughout from manufacturing to sales operations. Our efforts will be focused also on strengthening our synergies throughout our local network for sales-marketing, manufacturing, and engineering activities.

Asia other than Japan

Asia is the region where our manufacturing base has been rooted since many years ago.
With this regional advantage taken to the maximum, we will be quick in response to our American, European, and Japanese customers that shift productions to this region. Thereby we'll attempt to attain gains in our regional business performances.

The Americas:

As to the aircraft builders as a large customer of our products, the post-September 11 falloff in business and individual travel continued to hurt their factory order intake.
Among others, this impact is expected to last for some time in the future, causing our regional business to be as hard as before.

Europe

We'll keep rapidly taking in the needs from regional markets by taking advantage of our new Development center established in Europe, for one. Our preparedness in this way will help our attempts to expand sales of our bearings and other main products.

(2) Financial Position

Status quo in the current fiscal year

Minebea Group has set forth “Strengthen Corporate Financial Nature” marked as a principal management policy.
In practice, our hard efforts have produced an effective squeeze on our total assets, restrained our capital investments, and diminished our borrowings, among others.
In consequence of these achievements, the balance in our cash and the equivalent for the year increased by 2,022 million (16.9%) from a year earlier, to 13,952 million.
Anyhow, the status of our cash flows resulted from various business activities over the year and the relative factors can be outlined as follows.
The improvements strongly attained in our business performances led our cash flows from our operating activities to an income of 34,017 million. This result accounts for a decrease by 4,314 million (11.3%) from a year ago.
As 26,245 million was paid for capital investments and others, the cash flows from our investing activities resulted in an expenditure of 24,346 million that decreased by 8,752 million (26.4%) from a year earlier.
Increases in short-term loans payable and the rest caused the cash flows from our financing activities to amount to an expenditure of 8,317 million that accounts for an decrease by 8,820 million (51.5%) in expenditure when compared with a year earlier.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	As of March 31,2002		As of March 31,2001		Increase or (decrease) 2002– 2001	
	Millions of yen	% Comp.	Millions of Yen	% Comp.	Millions of Yen	%
ASSETS						
Current assets	131,548	37.6	137,106	39.5	(5,557)	(4.1)
Cash and cash equivalents	13,952		11,930		2,022	
Notes and accounts receivable	51,281		55,277		(3,995)	
Inventories	49,887		52,764		(2,876)	
Deferred tax assets	6,521		6,271		250	
Others	10,406		11,598		(1,191)	
Allowance for doubtful receivables	(501)		(734)		233	
Fixed assets	218,471	62.4	209,714	60.4	8,757	4.1
Tangible fixed assets	183,437		168,732		14,704	
Building and structure	102,510		90,196		12,314	
Machinery and transportation equipment	207,760		190,639		17,121	
Tools, furniture and fixtures	49,725		46,918		2,807	
Land	17,410		16,550		860	
Construction in progress	1,351		3,726		(2,375)	
Accumulated depreciation	(195,321)		(179,298)		(16,022)	
Intangible fixed assets	15,504		16,225		(720)	
Consolidation adjustments	14,594		15,344		(749)	
Others	909		880		29	
Investment and other assets	19,528		24,756		(5,227)	
Investment in securities	5,730		8,877		(3,146)	
Long-term loans receivable	268		251		16	
Deferred tax assets	11,143		13,388		(2,245)	
Others	2,609		2,558		50	
Allowance for doubtful receivables	(223)		(319)		96	
Deferred assets	17	0.0	144	0.1	(127)	(87.8)
Total assets	350,037	100.0	346,965	100.0	3,072	0.9

		2002	2001
(Note)	Treasury stock	8,574 shares	591 shares

	As of March 31,2002		As of March 31,2001		Increase or (decrease) 2002-2001	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of Yen	%
LIABILITIES						
Current liabilities...	156,908	44.8	127,290	36.7	29,617	23.3
Notes and accounts payable..............	26,115		29,170		(3,054)	
Short-term loans payable....................	61,618		62,723		(1,105)	
Current portion of long-term loans payable..	28,019		3,806		24,212	
Current portion of convertible bond..	13,823		–		13,823	
Accrued income taxes.........................	4,162		3,984		177	
Accrued bonuses.................................	3,524		3,501		23	
Allowance for loss on the liquidation of the automotive wheel business...........	–		2,762		(2,762)	
Others..	19,645		21,341		(1,696)	
Long-term liabilities..................................	80,301	23.0	118,978	34.3	(38,677)	(32.5)
Bonds..	35,000		35,000		–	
Convertible bonds.................................	27,080		40,903		(13,823)	
Bond with warrant........................	4,000		4,000		–	
Long-term loans payable.....................	13,132		38,726		(25,593)	
Allowance for retirement benefit......	208		232		(23)	
Others..	880		116		763	
Total liabilities.................................	237,209	67.8	246,269	71.0	(9,059)	(3.7)
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	95	0.0	122	0.0	(26)	(21.6)
SHAREHOLDERS' EQUITY						
Common stock.....................................	68,258	19.5	68,258	19.7	–	
Capital reserve....................................	94,756	27.1	94,756	27.3	–	
	163,015	46.6	163,015	47.0	–	
Accumulated surplus..........................	4,774	1.3	3,303	1.0	1,470	44.5
Difference on revaluation of other marketable securities	(1,718)	(0.5)	(952)	(0.3)	(765)	80.3
Foreign currency translation adjustments..	(53,333)	(15.2)	(64,791)	(18.7)	11,457	(17.7)
	112,738	32.2	100,574	29.0	12,163	12.1
Treasury stock.....................................	(6)	(0.0)	(0)	(0.0)	(5)	
Total shareholders' equity...............	112,731	32.2	100,573	29.0	12,157	12.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY..............	350,037	100.0	346,965	100.0	3,072	0.9

(2) Consolidated Statements of Income and Retained Earnings

	Year ended March 31,2002		Year ended March 31,2001		Increase or (decrease) 2002-2001	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%
Net sales	279,344	100.0	287,045	100.0	(7,701)	(2.7)
Cost of sales	206,060	73.8	202,928	70.7	3,132	1.5
Gross profit	73,283	26.2	84,117	29.3	(10,834)	(12.8)
Selling, general and administrative expenses	51,311	18.3	51,139	17.8	171	0.3
Operating income	21,972	7.9	32,977	11.5	(11,005)	(33.4)
Other income	1,801	0.6	1,670	0.6	131	7.9
Interest income	586		359		226	
Dividends income	43		85		(41)	
Equity income of affiliates	—		4		(4)	
Others	1,171		1,220		(49)	
Other Expenses	7,778	2.8	9,921	3.5	(2,142)	(21.6)
Interest expenses	5,673		7,553		(1,879)	
Foreign currency exchange loss	827		731		95	
Equity loss of affiliates	21		—		21	
Others	1,256		1,636		(379)	
Ordinary income	15,995	5.7	24,726	8.6	(8,731)	(35.3)
Extraordinary income	1,727	0.6	6,403	2.2	(4,676)	(73.0)
Gain from discharge of debts	714		—		714	
Gain on sales of fixed assets	247		105		141	
Gain on sales of investments securities in affiliates	—		5,215		(5,215)	
Reversal of allowance for doubtful receivables	269		1,081		(812)	
Reversal of allowance for loss on the liquidation of the automotive wheel business	496		—		496	
Extraordinary loss	4,773	1.7	8,742	3.0	(3,968)	(45.4)
Loss on disposal of inventories	1,125		1,846		(720)	
Loss on sales of fixed assets	225		164		61	
Loss on disposal of fixed assets	386		176		210	
Loss on sales of investiment securities	6		—		6	
Loss on the liquidation of the automotive wheel business	—		2,762		(2,762)	
Loss on revaluation of investments securities	1,466		—		1,466	
Loss on liquidation of affiliates	937		1,943		(1,006)	
Cancellation fee for the termination of the exclusive distributorship agreement	—		1,200		(1,200)	
Retirement benefit expense	—		5		(5)	
Retirement benefits to directors and corporate auditors	626		644		(17)	
Income before income taxes	12,948	4.6	22,387	7.8	(9,438)	(42.2)
Income taxes						
Current (including enterprise tax)	4,918		4,160		758	
Adjustment of income taxes	2,711		3,296		(585)	
Total income taxes	7,629	2.7	7,456	2.6	173	2.3
Minority interest in earnings of consolidated subsidiaries	20	0.0	104	0.0	(84)	(80.5)
Net income	5,298	1.9	14,826	5.2	(9,527)	(64.3)
Accumulated surplus at beginning of year	2,533		—		2,533	
Accumulated surplus at beginning of year	3,303		—		3,303	
Prior year tax effect adjustment in consolidated overseas subsidiaries	(770)		—		(770)	
Accumulated deficit at beginning of year	—		8,641		(8,641)	
Increase of accumulated surplus	43		35		8	
Increase of accumulated surplus for decrease of consolidated subsidiaries	43		35		8	
Decrease of accumulated surplus	3,100		2,916		184	
Decrease of accumulated surplus for decrease of consolidated subsidiaries.	240		—		240	
Cash dividends	2,794		2,794		(0)	
Bonus to directors and corporate auditors	66		122		(55)	
Accumulated surplus at End of year	4,774		3,303		1,470	

(3) Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Year ended March 31,2002	Year ended March 31,2001	Increase or (decrease) 2002-2001
1.Cash Flows from Operating Activities:			
Income before income taxes	12,948	22,387	(9,438)
Depreciation	24,385	22,149	2,235
Amortization of consolidation adjustments	1,192	1,533	(341)
Equity loss (income) of affiliates	21	(4)	25
Interest income and dividends received	(630)	(444)	(185)
Interest expenses	5,673	7,553	(1,879)
Gain from discharge of debts	(714)	−	(714)
Income (loss) on sales of fixed assets	(21)	58	(80)
Loss on disposal of fixed assets	386	176	210
Gain on sales of investments securities in affiliates	−	(5,215)	5,215
Loss on the liquidation of the automotive wheel business	−	2,762	(2,762)
Loss on liquidation of affiliates	937	1,943	(1,006)
Loss on sales of investments securities	6	−	6
Loss on revaluation of investments securities	1,466	−	1,466
Cancellation fee for the termination of the exclusive distributorship agreement	−	1,200	(1,200)
Decrease in notes and accounts receivable	5,691	1,941	3,750
Decrease (increase) in inventories	5,711	(3,660)	9,372
Decrease in notes and accounts payable	(4,660)	(4,808)	147
Decrease of allowance for doubtful receivables	(383)	(1,100)	717
Increase in accrued bonuses	5	220	(215)
Decrease of allowance for the liquidation of the automotive wheel business	(2,762)	−	(2,762)
Decrease in retirement allowance	(32)	(13)	(19)
Payment of bonus to directors and corporate auditors	(122)	−	(122)
Decrease (increase) others	(6,094)	3,617	(9,712)
Sub-total	43,004	50,297	(7,292)
Receipt of interest and dividends	598	444	154
Payment of interest	(4,596)	(7,587)	2,990
Payment for the termination of the exclusive distributorship agreement	−	(1,200)	1,200
Payment of income taxes	(4,988)	(3,621)	(1,366)
Net cash provided by operating activities	34,017	38,332	(4,314)
2.Cash Flows from Investing Activities:			
Expenditure for purchase of property, plant and equipment	(26,245)	(39,876)	13,630
Proceeds from sales of property, plant and equipment	1,409	631	777
Purchase of investment in securities	(1)	(31)	29
Proceeds from sales of investment in securities	285	−	285
Payments for purchase of investment in subsidiaries with a change of the scope of consolidation	(53)	−	(53)
Proceeds from sales of subsidiaries with a change of the scope of consolidation	0	5,215	(5,215)
Long term loans receivables	(540)	(727)	186
Recovery of long term loans receivables	521	1,719	(1,198)
Decrease (increase) in long-term assets-others	278	(120)	399
Proceeds from business transfer	−	90	(90)
Net cash used in investing activities	(24,346)	(33,099)	8,752
3.Cash Flows from Financing Activities:			
Decrease in short-term loans payable	(3,354)	(6,432)	3,078
Long term loans payable	513	119	393
Repayment of long term loans payable	(2,485)	(11,876)	9,391
Income from warrant bond issues	−	4,000	(4,000)
Purchase of treasury stock	(1)	0	(2)
Dividends paid	(2,794)	(2,794)	(0)
Dividends paid to minority shareholders	(31)	(27)	(4)
Increase others	(163)	(128)	(35)
Net cash used in financing activities	(8,317)	(17,138)	8,820
4.Effect of Exchange Rate Changes on Cash and Cash Equivalents	669	(596)	1,265
5.Net increase(decrease) in cash and cash equivalents	2,022	(12,502)	14,524
6.Cash and Cash Equivalents at Beginning of Year	11,930	24,432	(12,502)
7.Cash and Cash Equivalents at End of year	13,952	11,930	2,022

(4) Basis of presenting consolidated financial statements

1. Scope of consolidation and application of equity method

Number of consolidated companies............ 48 companies

Included are NMB Singapore Ltd., NMB (USA) Inc., NMB Thai Ltd., Minebea Electronics (Thailand) Co., Ltd..

Number of affiliated companies................. 2 companies

of which, equity method is applied to 2 companies including Shonan Seiki Co., Ltd., Kanto Seiko Co., Ltd..

2. Scope of consolidation and application of equity method

(a) Changes in consolidated subsidiaries

Anew

	: Acquisition of stock	(1 company)	NMB・TAIMEI Co., Ltd.

Exclusion

	: Merger	(2 companies)	Shanghai Minebea Precision Electronics Ltd. Shanghai Minebea Machines Ltd.
	: Liquidation	(5 companies)	PAPST-MINEBEA-DISC-MOTOR(THAILAND) LTD. Minebea Geotechnology Co.,Ltd. ACTUS (EUROPE) GmbH MINEBEA THAI AGROINDUSTRY CO., LTD. MINEBEA CP, INC.
	: Sale of stock	(1 company)	Minebea Electronics Mexico, S.A.de C.V.

(b) Changes of the companies subject to equity method

Anew : None

Exclusion : Change to consolidated subsidiaries (1 company) NMB・Taimei Co., Ltd.

3. Closing date of consolidated subsidiaries

Consolidated subsidiaries whose closing dates are different from that of the Company adjusted their financial statements to the Company's closing date.

4. Accounting policies

(a) Valuation basis and method of significant assets

1. Inventories

The Company and consolidated domestic subsidiaries state primarily at the moving average cost.

Consolidated overseas subsidiaries state at the lower of first-in, first-out cost or market, or at the lower of average cost or market.

2.Other marketable securities

Securities with Market Value

The Company adopted the market value method based on market prices and other conditions at the end of the term. Also, the Company accounted for all valuation differences based on the direct capitalization method and the sales costs are calculated by the moving average method.

Securities without Market Value

Non listed securities are stated at cost determined by the moving average method.

(b) Method of significant Depreciation

1. Tangible fixed assets

The Company and consolidated domestic subsidiaries adopt the declining balance method. The depreciation method of depreciable assets whose acquisition values are not less than 100,000 yen and less than 200,000 yen has changed to a method by which those assets are equally depreciated in lump sum for three years.

Consolidated overseas subsidiaries mainly adopt the straight-line method.

2. Intangible fixed assets

The Company and consolidated domestic subsidiaries mainly adopt the straight-line method .

However, depreciation of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Consolidated overseas subsidiaries mainly adopt the straight-line method.

(c) Valuation basis of significant allowances

1. Allowance for retirement benefit

Regarding the Company and its consolidated Japanese subsidiaries, the Company stated an amount estimated to accrue at the end of the current term to provide for employee retirement benefits, based on estimated retirement benefit debts and pension assets at the end of the term.

Regarding the difference of 3,134 million yen arising at the time of changing accounting standards, the Company charged prorated amounts to expenses over five years and stated this extraordinary loss as retirement benefit expense.

Over the five to fifteen years within the average remaining length of employees' service, the Company will charge differences in mathematical calculation to expenses from the next term, in accordance with the straight-line method.

Regarding the Company's consolidated overseas subsidiaries, each subsidiary stated an amount estimated to accrue at the end of the current term to provide for employee retirement benefits.

2. Allowance for doubtful receivables

The Company and consolidated domestic subsidiaries make the record in the amount required for the estimated uncollectible receivables based on actual losses of trade receivables and on collectibility of specific receivables with loss possibilities.

Consolidated overseas subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the collectibility of each receivable for possible losses on the receivables.

3. Accrued bonuses

The Company and consolidated domestic subsidiaries make preparations for the payment of bonuses to employees , accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Consolidated overseas subsidiaries make the record on accrual basis.

(d) Translation of foreign currency assets and liabilities in financial statements of the company and consolidated subsidiaries

The Company and consolidated domestic subsidiaries translate them into yen at the exchange rate on the balance sheets date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).

Consolidated overseas subsidiaries translate them at the exchange rate on the balance sheets date (excluding the current financial receivables and payables that have already been translated at the contract exchange rate).

(e) Accounting Method of Significant Lease Transactions

In accordance with the accounting method in reference to ordinary rental transactions, the Company and its consolidated domestic subsidiaries accounted for finance lease transactions, excluding those in which the ownership of leased property will be transferred to the lessees. The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

(f) Accounting Method of Significant Hedge transactions

The foreign currency-denominated monetary assets and liabilities that were hedged by forward exchange contracts are allocated to the periods. Under the guidance of the Company's financial department, forward exchange contracts have been made to hedge the risks of fluctuations in foreign exchange rates relating to export and import transactions and others.

(g) Accounting Method of Consumption Tax and Other

Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

(h) Treatment of Notes Due at the End of the Term

The Company settled notes due at the end of the term on their clearance date.

The last day of the current term fell on a holiday for financial institutions. The Company included the amounts of the matured notes in the following accounts:

Notes and accounts receivable	65 million yen
Notes and accounts payable	1,134 million yen
Current liabilities and others (Facility-related notes payable)	93 million yen

5. Evaluation of consolidated subsidiaries' assets and liabilities

The company adopts the step fair value method as evaluation method of consolidated subsidiaries' assets and liabilities.

6. Amortization of consolidation adjustments

The consolidation adjustments are equally amortized for from five to forty years conforming to the accounting customs of the consolidated companies' countries.

7. Appropriation of retained earnings

Regarding the appropriation of retained earnings, the consolidated statements of income and retained earnings are prepared based of the method provided in the provision of article 8 of the regulation relating to terminology, form and methods of preparation of consolidated financial statements (advanced inclusion method).

8. Range of cash in Cash flow statements

Cash and cash equivalents consist of cash on hand, demand deposit and short-term investments which expire within three months from acquisition date, have high liquidity and are easily turned into cash.

(5) NOTES

(a)Segment Information

(1) By industry segments

(Year ended March 31, 2002) (Amount: millions of yen)

	FY2002(Annual)					
	Machined components business	Electronic devices and components business	Consumer business and others	Sub-total	Elimination	Total
1. Total sales and operating income						
Total sales						
(1) Sales to customers	122,025	156,303	1,016	279,344	−	279,344
(2) Sales to other segment	8,336	−	−	8,336	(8,336)	−
Total	130,361	156,303	1,016	287,679	(8,336)	279,344
Operating expense	108,225	156,466	1,016	265,707	(8,336)	257,371
Operating income	22,135	(162)	(0)	21,972	−	21,972
2. Assets, depreciation and capital expenditure						
Assets	205,919	231,806	745	438,472	(88,434)	350,037
Depreciation	9,489	14,891	5	24,385	−	24,385
Capital expenditure	7,963	18,485	5	26,453	−	26,453

(Notes) 1. The segments are defined by internal administration.

2. Main products

(a) Machined components business ....Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Wheels, Defense-related special parts, etc.

(b) Electronic devices and components business.............................Small motors, PC keyboards, Speakers, Transformers, FDD sub assemblies, Switching power supplies, Inductor, Hybrid ICs, Frontlight assembly, Strain gauges, Load cells, etc.

(c) Consumer business and others....................Furniture and interior, etc.

(Year ended March 31, 2001) (Amount: millions of yen)

	FY2001 (Annual)					
	Machined components business	Electronic devices and components business	Consumer business and others	Sub-total	Elimination	Total
1. Total sales and operating income						
Total sales						
(1) Sales to customers	124,461	151,910	10,674	287,045	−	287,045
(2) Sales to other segment	9,045	−	−	9,045	(9,045)	−
Total	133,506	151,910	10,674	296,090	(9,045)	287,045
Operating expense	109,600	143,651	9,862	263,113	(9,045)	254,068
Operating income	23,906	8,259	812	32,977	−	32,977
2. Assets, depreciation and capital expenditure						
Assets	200,457	255,789	3,711	459,957	(112,992)	346,965
Depreciation	10,842	11,240	68	22,150	−	22,150
Capital expenditure	19,464	21,010	185	40,659	−	40,659

(Notes) 1. The segments are defined by internal administration.

2. Main products

(a) Machined components business ....Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Wheels, Defense-related special parts, etc.

(b) Electronic devices and components business.............................Small motors, PC keyboards, Speakers, Transformers, FDD sub assemblies, Switching power supplies, Inductor, Hybrid ICs, Frontlight assembly, Strain gauges, Load cells, etc.

(c) Consumer business and others....................Furniture and interior, etc.

(2) By geographical segments

(Year ended March 31, 2002) (Amount: millions of yen)

	FY2002 (Annual)						
	Japan	Asia (excluding Japan)	North and South America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	83,704	95,883	63,569	36,186	279,344	−	279,344
(2) Sales to other segment	92,865	107,444	3,508	4,548	208,366	(208,366)	−
Total	176,569	203,327	67,077	40,735	487,710	(208,366)	279,344
Operating expense	175,802	185,941	65,109	38,885	465,738	(208,366)	257,371
Operating income	767	17,386	1,968	1,850	21,972	−	21,972
2. Assets	195,304	201,541	38,088	25,194	460,129	(110,091)	350,037

(Notes) Dividing method and main countries in each territory

(a) Dividing method..........By geographical distance

(b) Main countries in each territory

Asia (excluding Japan)..............Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America..........United States, Mexico

Europe..United Kingdom, Germany, France, Italy

(Year ended March 31, 2001) (Amount: millions of yen)

	FY2001 (Annual)						
	Japan	Asia (excluding Japan)	North and South America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	111,643	82,437	58,192	34,773	287,045	−	287,045
(2) Sales to other segment	95,003	108,712	1,597	3,450	208,762	(208,762)	−
Total	206,646	191,149	59,789	38,223	495,807	(208,762)	287,045
Operating expense	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
2. Assets	212,827	183,118	38,821	25,191	459,957	(112,992)	346,965

(Notes) Dividing method and main countries in each territory

(a) Dividing method..........By geographical distance

(b) Main countries in each territory

Asia (excluding Japan)..............Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America..........United States, Canada, Mexico

Europe..United Kingdom, Germany, France, Italy

(3) Overseas Sales

(Year ended March 31, 2002) (Amount: millions of yen)

	FY2002(Annual)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	96,758	60,733	38,832	196,323
2. Total sales				279,344
3. Overseas sales on total sales	% 34.6	% 21.7	% 13.9	% 70.3

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method..........By geographical distance

(b) Main countries in each territory

Asia (excluding Japan)...............Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America..........United States, Canada, Mexico, etc.

Europe..United Kingdom, Germany, France, Italy, Netherlands, etc.

(Year ended March 31, 2001) (Amount: millions of yen)

	FY2001 (Annual)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	84,687	58,203	34,564	177,454
2. Total sales				287,045
3. Overseas sales on total sales	% 29.5	% 20.3	% 12.0	% 61.8

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.

2. Dividing method and main countries in each territory

(a) Dividing method..........By geographical distance

(b) Main countries in each territory

Asia (excluding Japan)...............Thailand, Singapore, China, Taiwan, Korea, etc.

North and South America..........United States, Canada, Mexico, etc.

Europe..United Kingdom, Germany, France, Italy, Netherlands, etc.

(b)Relating to lease transactions

	Millions of yen					
	Year ended March 31,2002			Year ended March 31,2001		
(1) Equivalent of acquisition value of leased items, equivalent of total amount of depreciation and equivalent of year-end closing balance :	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance
Machinery and transportation equipment	1,633	814	818	2,654	1,687	967
Tools, furniture and fixtures	3,707	2,006	1,700	3,831	1,999	1,832
Total	5,340	2,821	2,519	6,485	3,686	2,799

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets plus the year-end closing balance of unexpired lease expense, equivalent of acquisition value in the term period in the current fiscal year has been calculated based on " Interest payment inclusive method".

(2) Equivalent of year-end closing balance of unexpired lease expenses:

within-1-year	1,106	1,295
over 1-year	1,412	1,504
Total	2,519	2,799

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets plus the year-end closing balance of unexpired lease expense, equivalent of year-end closing balance of unexpired lease expenses in the term period in the current fiscal year has been calculated based on " Interest payment inclusive method".

(3) The amount of lease expenses and equivalent of depreciation expenses:

Amount of lease expenses	1,453	1,556
Equivalent of depreciation expenses	1,453	1,556

(4) Method of computing equivalent of depreciation expenses:

Computation is based on straight-line method with the lease term as a useful life and the residual value to be set at zero.

(c)Transaction with related parties

Directors and main individual shareholder

<table>
<tr><th colspan="13">FY2002(Annual)</th></tr>
<tr><th rowspan="2">Attribution</th><th rowspan="2">Name</th><th rowspan="2">Address</th><th rowspan="2">Capital</th><th rowspan="2">Line of business or profession</th><th rowspan="2">Voting right(own or owned)</th><th colspan="2">Contents of relation</th><th rowspan="2" colspan="2">Contents of transaction</th><th rowspan="2">Transaction amount</th><th rowspan="2">Account title</th><th rowspan="2">Year-end balance</th></tr>
<tr><th>Concurrently serving etc.</th><th>Relation of business</th></tr>
<tr><td>Director</td><td>Atsushi Matsuoka</td><td>—</td><td>—</td><td>Director of the company President and representative director of NMB Co., Ltd</td><td>(Owned) Direct 0%</td><td>—</td><td>—</td><td colspan="5">Please see “Keiaisha Co., Ltd.”.</td></tr>
<tr><td rowspan="3">Companies which the company’s directors and nearly related person have over 50% of voting right.</td><td rowspan="3">Keiaisha Co., Ltd.</td><td rowspan="3">Kitaku Tokyo</td><td rowspan="3">¥1,905 million</td><td rowspan="3">Sales of Steel and its raw materials</td><td rowspan="3">(Owned) Direct 5.0%</td><td rowspan="3">Concurrently serving 4 on loan 1</td><td rowspan="3">The company purchases steel bar etc.</td><td rowspan="3">Operating transaction</td><td>Purchase of steel bar etc.</td><td>¥ 1,423 million</td><td>Notes payable and Account payable etc. ※3</td><td>¥ 550 million</td></tr>
<tr><td>Building rent,etc.</td><td>¥ 31 million</td><td>Current assets and others ※3</td><td>¥ 1 million</td></tr>
<tr><td>Machinery rent</td><td>¥ 699 million</td><td></td><td></td></tr>
</table>

(Note) Terms and decision policy of the transaction

1 . The transaction with Keiaisha Co., Ltd. is what is called “Transaction for the third party”.

2 . The sales prices of steel bar, building rent and machinery rent etc. are decided after negotiation every fiscal year considering the market prices.

※ 3 . The transaction amounts do not include the consumption taxes and the year end balance amounts include them.

(c)Transaction with related parties

Directors and main individual shareholder

FY2001(Annual)												
Attribution	Name	Address	Capital	Line of business or profession	Voting right(own or owned)	Contents of relation: Concurrently serving etc.	Contents of relation: Relation of business	Contents of transaction		Transaction amount	Account title	Year-end balance
Director	Yoshihisa Kainuma	—	—	Senior managing director of the company, senior managing and representative director of NMB Co., Ltd	(Owned) Direct 0%	—	—	Please see “Keiaisha Co., Ltd.”.				
A nearly related person	Kazuko Takahashi	—	—	—	(Owned) Direct 0%	—	—	Non-operating transaction	Acquisition of stock	¥ 360 million	Account payable -other	¥ 360 million
Director	Atsushi Matsuoka	—	—	Director of the company President and representative director of NMB Co., Ltd	(Owned) Direct 0%	—	—	Please see “Keiaisha Co., Ltd.”.				
Companies which the company's directors and nearly related person have over 50% of voting right.	Keiaisha Co., Ltd.	Kitaku Tokyo	¥1,905 million	Sales of precison components, steel and its raw materials	(Owned) Direct 5.0%	Concurrently serving 4 on loan 1	Contract sales company	Operating transaction	Sales of finished goods of the company	¥74,322 million	—	—
							The company purchases steel bar etc.		Purchase of steel bar etc.	¥ 5,206 million	Notes Payable and Account payable etc. ※5	¥ 1,136 million
									Building rent,etc.	¥ 983 million	—	—
								Non Operating transaction	Purchase of villa	¥ 4,550 million	—	—
									Cancellation fee for the terminaton of the exclusive distributorship agreement	¥ 1,200 million	—	—
									Business transfer※7			
									・Total assets transferred	¥31,096 million	—	—
									・Total liabilities transferred	¥30,843 million	—	—
									・Payments transferred	¥ 252 million	—	—

(Note) Terms and decision policy of the transaction

1. Keiaisha NMB Co.,Ltd. has changed the company name to Keiaisha Co.,Ltd.effective January 1,2001.
2. The transaction with Keiaisha Co., Ltd. is what is called “Transaction for the third party”.
3. The sales prices of finished goods and merchandise are decided after negotiation every fiscal year considering the market prices.
4. The purchase prices of steel bar etc. are decided after negotiation considering the market prices.

※5. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.

6. Minebea Co.,Ltd. terminated its exclusive distributorship agreement for Japan with Keiaisha NMB Co., Ltd. on December 31, 2000. Effective January 1, 2001, the Company started marketing its products directly to Japanese customers.

※7.The business transfer was based on the principle of the Exclusive Distributorship Agreement and has been finalized through the negotiation based on the compensation calculated by Keiaisha Co.,Ltd.

(d)The tax effect accounting

1. Major reasons for the accrual of deferred tax assets and deferred tax liabilities (Millions of yen)

	As of March 31,2002	As of March 31,2001
(Deferred tax assets)		
Excess of allowed limit chargeable to the bonus payment reserve	629	475
Excess of allowed limit chargeable to the retirement allowance reserve	28	39
Loss on revaluation of investments securities	301	
Loss on the liquidation of the automotive wheel business		1,105
Loss on liquidation of affiliates	146	1,726
Excess of allowed limit chargeable to the allowance for doubtful accounts	1,368	1,310
Unrealized gains on sales of inventories	2,501	2,074
Deficit brought forward	11,236	11,984
Difference on revaluation of other marketable securities to the market	1,145	635
Others	307	311
Total deferred tax assets	17,664	19,659
(Deferred tax liabilities)		
Depreciations allowed to overseas subsidiaries	1,380	323
Others	122	87
Total deferred tax liabilities	1,503	410
Net deferred tax assets	16,160	19,249

※Net deferred tax assets for the current fiscal year are included in the following items on the consolidated balance sheet.

	As of March 31,2002	As of March 31,2001
Current assets........ Deferred tax assets	6,521	6,271
Fixed assets ....Deferred tax assets	11,143	13,388
Current liabilities....Deferred tax liabilities	(1,397)	(343)
Fixed liabilities.......Deferred tax liabilities	(105)	(67)

2. Major reasons for significant differences between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting

	As of March 31,2002	As of March 31,2001
Domestic legal effective tax rate	40.0%	40.0%
(Adjustments)		
Current amortization of excess of cost over net assets acquired	2.8	2.3
Differences in the tax rates applied to consolidated overseas subsidiaries	(26.8)	(17.4)
Valuation allowance for deficits in the current fiscal year of consolidated subsidiaries	1.7	7.1
Effect of elimination of dividend income	43.1	
Others	(1.9)	1.3
Ratio of income tax burden after the application of tax effect accounting	58.9	33.3

(e) Marketable securities

Marketable securities (Amount: millions of yen)

Classification	As of March 31,2002			As of March 31,2001		
	Acquisition Value	Book Value	Difference	Acquisition Value	Book Value	Difference
Those whose recoded amounts in the consolidated balance sheet exceed the acquisition costs. Stock	2	3	1	1,041	1,262	221
Those whose recoded amounts in the consolidated balance sheet do not exceed the acquisition costs. Stock	7,258	4,393	(2,864)	7,937	6,127	(1,809)
Total	7,260	4,397	(2,863)	8,978	7,390	(1,588)

Other marketable securities (Amount: millions of yen)

Classification	As of March 31,2002	As of March 31,2001
	Book Value	Book Value
Other marketable securities	1,333	1,487
Total	1,333	1,487

(Note) Non-listed stock (Except for stock at over the counter)

(f) Contract amounts, current prices, and unrealized profits or losses of derivatives

Exchange contract (Amount: millions of yen)

Classification	Type	As of March 31,2002				As of March 31,2001			
		Contract amount		Current price	Revaluation profit or (loss)	Contract amount		Current price	Revaluation profit or (loss)
			Over 1-year				Over 1-year		
Non-market transaction	Exchange Contract Transaction Selling order US dollar	—	—	—	—	185	—	185	—
	Japanese YEN	—	—	—	—	250	—	250	—
	Buying order Japanese YEN	—	—	—	—	45	—	45	—
Total		—	—	—	—	480	—	480	—

(Notes) 1.Calculation method for current market price

Exchange Contract Transactions............These transactions have been made based on the forward exchange rates.

2.We excluded the items that are applied hedge account from this financial year's report.

3.For derivative transactions expected to be made in April 2001,exchange contracts were made at the end of the current term in Singapore.

(g) Retirement benefits

FY2002		
(1) Corporate retirement benefit system		
To provide for the payment of employee retirement allowances, the Company has adopted the qualified retirement pension system on a company-wide basis.		
(2) Details of retirement benefit debts and expenses		
Components of retirement benefit debts		
(a) Retirement benefit debts	(9,835)	millions of yen
(b) Pension assets	6,883	
(c) Unreserved debts for retirement benefit ((a)+(b))	(2,952)	
(d) Unappropriated amount of differences at the time of changes in accounting standards	1,880	
(e) Unrecognized differences in mathematical calculation	1,211	
(f) Net amount listed on consolidated balance sheet ((c)+(d)+(e))	139	
(g) Prepaid pension expenses	294	
(h) Reserve for retirement allowances (note) ((f)−(g))	(155)	
Note: On the balance sheet, the Company includes an excess over the accrued employees' retirement allowances due to its past switch to a qualified retirement pension system as "reserve for retirement allowances."		
Components of retirement benefit expenses		
Service costs	654	
Interest costs	269	
Expected management earnings	(190)	
Amount of differences at the time of changes in accounting standards charged to expenses	626	
Amount of differences at the accounting period changed to exepenses	120	
Retirement benefit expenses	1,479	
(3) Calculation basis for retirement benefit debts and expenses		
Discount rates	3.0	%
Expected management earning rates	3.0	%
Period allocation method of anticipated retirement benefit debts	Basis for periodic fixed amounts	
Accounting period of differences in mathematical calculation	5 – 15 years (From the next term, the differences will be charged to expenses based on the straight-line method.)	
Accounting period of differences at the time of changes in accounting standards	5 years (Prorated amounts are stated in extraordinary loss.)	

FY2001
(1) Corporate retirement benefit system To provide for the payment of employee retirement allowances, the Company has adopted the qualified retirement pension system on a company-wide basis. (2) Details of retirement benefit debts and expenses Components of retirement benefit debts

(a) Retirement benefit debts	(9,450)	millions of yen
(b) Pension assets	6,468	
(c) Unreserved debts for retirement benefit ((a)+(b))	(2,982)	
(d) Unappropriated amount of differences at the time of changes in accounting standards	2,507	
(e) Unrecognized differences in mathematical calculation	591	
(f) Net amount listed on consolidated balance sheet ((c)+(d)+(e))	116	
(g) Prepaid pension expenses	225	
(h) Reserve for retirement allowances (note) ((f)−(g))	(109)	

Note: On the balance sheet, the Company includes an excess over the accrued employees' retirement allowances due to its past switch to a qualified retirement pension system as "reserve for retirement allowances."

Components of retirement benefit expenses

Service costs	644
Interest costs	251
Expected management earnings	(171)
Amount of differences at the time of changes in accounting standards charged to expenses	644
Retirement benefit expenses	1,368

(3) Calculation basis for retirement benefit debts and expenses

Discount rates	3.0 %
Expected management earning rates	3.0 %
Period allocation method of anticipated retirement benefit debts	Basis for periodic fixed amounts
Accounting period of differences in mathematical calculation	5 - 15 years (From the next term, the differences will be charged to expenses based on the straight-line method.)
Accounting period of differences at the time of changes in accounting standards	5 years (Prorated amounts are stated in extraordinary loss.)

5. Amounts of production, orders received, sales

(1) Production (Amount: millions of yen)

Industry segments	March 31,2002	March 31,2001
Machined components business	124,604	127,532
Electronic devices and components business	154,490	147,553
Total	279,094	275,085

(Note) Amounts are provided on the basis of their sales price and do not include consumption taxes.

(2) Orders received (Amount: millions of yen)

Industry segments	Year ended March 31,2002		Year ended March 31,2001	
	Orders received	Order backlog	Orders received	Order backlog
Machined components business	112,414	34,288	133,718	43,899
Electronic devices and components business	158,253	23,483	150,877	21,533
Consumer business and others	826	—	9,854	190
Total	271,493	57,771	294,449	65,622

(Note) Amounts are provided on the basis of their sales price and do not include consumption taxes.

(3) Sales (Amount: millions of yen)

Industry segments	Year ended March 31,2002	Year ended March 31,2001
Machined components business	122,025	124,461
Electronic devices and components business	156,303	151,910
Consumer business and others	1,016	10,674
Total	279,344	287,045

(Notes) 1. Amounts are provided on the basis of their sales price and do not include consumption taxes.

2. Main customers and ratio of the sales amount to total sales amount are as follows. (Amount: millions of yen)

Name of customer	Year ended March 31,2002		Year ended March 31,2001	
	Sales amount	Ratio (%)	Sales amount	Ratio (%)
Keiaisha NMB Co., Ltd.	—	—	74,314	25.9

(Note) Minebea Co.,Ltd. terminated its exclusive distributorship agreement for Japan with Keiaisha NMB Co., Ltd. on December 31, 2000. Effective January 1, 2001, the Company started marketing its products directly to Japanese customers.