BRIEF REPORT OF CONSOLIDATED FINANCIAL RESULTS

(Year ended March 31 , 2003)

May 15, 2003

Registered
Company Name: MINEBEA CO., LTD.
Code No: 6479
(URL http://www.minebea.co.jp)

Common Stock Listings: Tokyo, Osaka, and Nagoya
Headquarters: Nagano−ken

Representative： Tsugio Yamamoto President and Representative Director
Contact: Sadahiko Oki Director-Accounting
Tel. (03)5434-8611

Board of Directors' Meeting on Consolidated Financial Results held on : May 15, 2003
Adoption of U.S. Accounting Standards：None

1. Business performance (April 1,2002 through March 31,2003)

(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
FY2003	272,202	(2.6)	19,352	(11.9)	13,420	(16.1)
FY2002	279,344	(2.7)	21,972	(33.4)	15,995	(35.3)

	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 (%)
FY2003	(2,434)	—	(6.10)	—	(2.3)	4.0	4.9
FY2002	5,298	(64.3)	13.27	12.60	5.0	4.6	5.7

(Notes) 1. Income or loss on investments for FY2003 on the equity method totaled income 10 million yen and (21) million yen in FY2002.

2. Weighted average number of shares outstanding during the respective years (consolidation):
399,131,972 shares at March 31,2003
399,165,043 shares at March 31,2002

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)
FY2003	320,069	98,212	30.7	246.08
FY2002	350,037	112,731	32.2	282.42

(Notes) Number of shares outstanding at end of year (consolidation):
399,100,842 shares at March 31,2003
399,159,121 shares at March 31,2002

(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)
FY2003	32,279	(16,233)	(15,471)	14,177
FY2002	34,017	(24,346)	(8,317)	13,952

(4) Scope of consolidation and application of equity method

Number of consolidated companies............................ 52 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: 6 companies Exclusion: 2 companies

(b) Changes of the companies subject to equity method
Anew: None Exclusion: None

2. Prospect for the next fiscal year (April 1,2003 through March 31, 2004)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
Interim	136,000	6,300	2,500
Annual	280,000	17,000	8,500

(Reference) Projected annual net income per share: 21.30 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 eight and nine of the documents attached hereunder.

(Reference)

1. Condition of group of enterprises

Minebea group consists of Minebea Co., Ltd. (the company) and 54 related companies (52 consolidated subsidiaries and 2 affiliates companies). Minebea group produces and sells bearings, machinery components, transportation equipment and components, special machinery components, electronic devices.

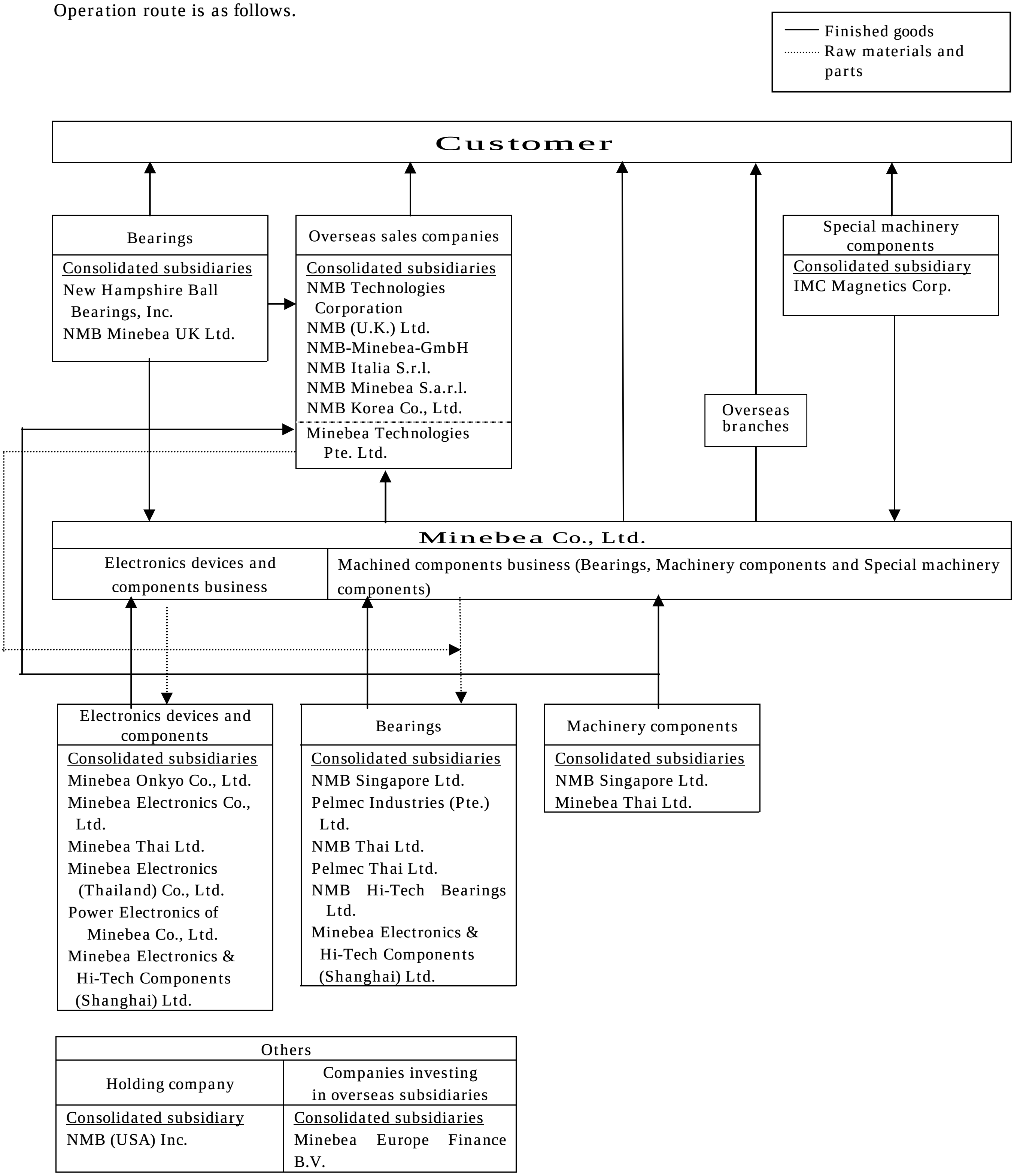
The company and domestic consolidated subsidiaries, consolidated subsidiaries in U.S.A., Europe and Asia are in charge of production. The Company markets its products directly to Japanese customers. In overseas markets, the Company markets its products through its subsidiaries and branches in the United States, Europe and Asia.

The 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. NMB-Minebea UK 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.	
	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. Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.	

(Notes) Rose Bearings Ltd. is now incorporated in the trade name of NMB-Minebea UK Ltd. Effective March 31, 2003.

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) Future Management strategies and tasks

1. 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.

2. We integrated the 1st Manufacturing Headquarters and the 2nd Manufacturing Headquarters to form the Manufacturing Headquarters, effective April 1, 2003. At the same time, we disbanded the R & D Headquarters and expansively set up the Engineering Headquarters, effective the same date.

   Purposes are as follows:
   (a) We will make more effective use of our technologies, know-how, human resources and financial resources by consolidating the two headquarters into one.
   (b) We will reinforce our parts manufacturing capability, which is the cornerstone of the competitive strengths of the Minebea Group, through consolidation of the two manufacturing headquarters.
   (c) We will develop and launch, in a short time and in a timely manner, new products that will meet the diversifying market needs by newly establishing the Engineering Headquarters.
   (d) We will tighten overall supervision of R & D projects, accelerate development of advanced technologies, and make effective use of existing technologies through establishment of the Engineering Headquarters.

(4) Basic ideas on Corporate Governance and Measures to be taken

We consider that a company should be managed or administered in a way that shareholder value is maximized. In order for members of the Board, who represent the interests of shareholders, to fully function, the Board of Directors decided at a meeting on April 25, 2003 to introduce an Executive Officer System and a new structure of the Board of Directors.
To reinforce the Board of Directors' function as the highest management decision making body, we will reduce the number of members of the Board of Directors to 10 from the current 25, with the aim of realizing quicker and more strategically focused management decision making. Also, two of the 10 Board members will be independent directors, enabling us to strengthen the relative role of independent directors.
Additionally, we will introduce an Executive Officer System to facilitate a clear distinction between the Board of Directors with management and supervisory functions and Executive Officers with business executing functions and to speed up business executing functions. Unlike Directors on the Board, Executive Officers can be elected or dismissed by the Board of Directors at its discretion. Through a flexible use of this system, we will further vitalize our organization and human resources.

These decisions will be submitted for approval at the General Shareholders' Meeting in June 2003 and at a meeting of the Board of Directors to be held subsequently.

(5) Introduction of EVA® Management System

To prepare for the introduction of the EVA® Management System, we organized, effective September 9, 2002, a working group for the EVA management system introduction project that comes under the direct control of the Executive Council.

In April 2003, we started to introduce the EVA® Management System in stages to adopt EVA as the management index. At the same time, in addition to the introduction of the Executive Officer System, we introduced EVA-based bonus program for Executive Officers and key employees to enhance effectiveness of the EVA® Management System.

Purposes for introducing the EVA® Management System are as follows:

① To ensure further efficiency in the use of capital resources, we will measure on a monthly basis EVA by product and EVA by functional business unit in the Sales and the Manufacturing divisions, by using cost of capital including not only borrowing cost, but also equity cost.

② As our basic business policy, we have been advocating five principles focusing on making contributions to employees, customers, shareholders, local communities and global society. Under the EVA® Management System, we aim to give satisfying returns to all of these stakeholders of Minebea, and to actively make strategic decisions on such issues as selective focusing of business resources and appropriate allocation of management resources from the EVA-creating viewpoint. By so doing, we are committed to enhancing our corporate values.

(N.B. 1) EVA®, the registered trademark of Stern Stewart, stands for Economic Value Added.

(6) Management Index

Our consolidated forecasts for fiscal year ending March 2004 and fiscal year ending March 2005 are as follows:

(Amount: million of yen)

	Fiscal year ending March 2004	Fiscal year ending March 2005
Net sales	280,000 (103%)	300,000 (107%)
Operating income	21,000 (109%)	28,000 (133%)
Ordinary income	17,000 (127%)	25,000 (147%)
Net income	8,500 (—%)	15,000 (176%)
Capital Investment	27,500 (168%)	20,200 (73%)

(%) : Year-on-year rate of change

We review annually projections in our medium-term operating plan based on drastically changing economic environment.

3. Operating Performance and Financial Position

(1) Operating Performance

1. Overview of the year

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; however, 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 financial sector stock prices, 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.

(a) Performance by industry segment is as follows:

Machined components business

Our products in this business segment include ball bearings, which are our mainstay product; mechanical components such as rod-end bearings primarily for use in aircraft and pivot assemblies for use in hard disk drives (HDDs); screws for automobiles and aircraft; and defense-related devices and equipment. Sales of ball bearings to household electrical appliance makers and to the automobile industry were firm, and those to the information & telecommunications equipment industry were relatively strong owing to our vigorous sales expansion effort, even though demand from this industry remained low.

The business of rod-end bearings remained in a difficult situation. Demand continued to decrease from the aerospace industry – our major market segment – after the 2001 terrorist attacks in the U.S. Amid the stagnant market environment, sales volume of pivot assemblies increased, while price competition grew even more intense. As a result, net sales totaled 118,117 million yen and operating income amounted to 18,519 million yen, down 3,908 million yen (-3.2%) and 3,616 million yen(-16.3%), respectively, compared with the previous year.

Electronic devices and components business

Our core products in this business segment include precision small motors such as HDD spindle motors, fan motors and stepping motors; PC keyboards; speakers; magneto optical disk drives (MODs); and measuring instruments.

Demand from the information & telecommunications equipment industry - the primary customer base – remained low and price *competition* grew even more intense. In this business climate, though sales of stepping motors were weak, those of fan motors increased and keyboard sales remained steady. Production and shipments of HDD spindle motors steadily increased, while sales remained at about the same level as in the previous year, owing to price declines. We terminated production and sale of floppy disk drives (FDDs) at the end of November. As a result, net sales stood at 154,084 million yen, down 2,219 million yen(-1.4%) and operating income amounted to 832 million yen, up 994 million yen, compared with the previous year.

Given our consistent efforts for a long time to return the business of switching power supplies, inductors and transformers to profitability in vain, we concluded it is hardly possible to improve their performance or expand their operations in the foreseeable future and decided to discontinue and withdraw from these business.

(b) Performance by geographical segment is as follows:

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.

2. Outlook for the next fiscal year

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.

(a) The outlook by industry segment for the full year is as follows:

Machined component business

As for ball bearings, we will continue our sales expansion effort, with focus on the information & telecommunications equipment market, which seems to have hit the bottom. In the aerospace industry - one of our major customer bases for rod-end bearings – business continues to decline since the 9-11 terrorist attacks in the U.S., and coupled with the aftermath of the Iraqi War, business in this industry is expected to deteriorate. We will continue our effort to vigorously expand sales of ball bearings and related mainstay products, to further reduce manufacturing costs, to enhance their quality and to further improve sales efficiency, so that we will be able to improve our business performance.

Electronic devices and components business

With the completion of inventory adjustments by the information and telecommunications equipment industry - the core market for this business segment, demand is expected to pick up, while competition will become even more intense. We will strive to further expand sales of fan motors, PC keyboards and HDD spindle motors, which all enjoyed strong business in the current year; and to take cost-reduction measures for other core products. We will also direct our effort toward developing high value-added products and low-end products and placing them on the market, thereby contributing to enhance our business performance.

(b) The outlook by geographical segment for the full year is as follows:

Japan

We expect that, against the backdrop of sluggish demand and increasingly fierce price competition, many of our customers will promote production shift from their plants in Japan to those in other Asian countries. This will put us in a tougher sales situation. To cope with this, we will promote the efficiency of management from manufacturing to sales and to intensify the links between sales, manufacturing, and engineering groups in various parts of Japan. By so doing, we will focus our effort on enhancing business performance.

Asia excluding Japan

This region offers the largest market for our products. Taking full advantage of having our key manufacturing bases right in this largest market area, we aim to respond speedily to the production shift by our key customers to this region from Europe, the U.S. and Japan.

North and South America

We expect demand from the aerospace industry – one of our main customer bases - will continue to dwindle further for some more time, owing primarily to continued declines in the number of air travelers ever since the 9-11 terrorist attacks in the U.S., coupled with the aftermath of the Iraqi War. We will strive for cost reduction and sales expansion of our core products such as bearings.

Europe

By expanding our R&D centers in Europe and responding quickly to market needs, we will continue our effort toward expanding sales of bearings and other core products.

(2) Financial Position in the Current Fiscal Year

The Minebea Group has pursued its principal management policy of enhancing its financial soundness and continued to take decisive steps to squeeze total assets, restrain capital investment, and reduce interest-bearing debt. The balance of cash and cash equivalents in the current fiscal year totaled 14,177 million yen, up 224 million yen (1.6%) compared with the end of the previous term.

Cash flows from various business activities during the current fiscal year and relevant factors are as follows:

Our all-out effort for improved business performance brought net cash inflow of 32,279 million yen from operating activities, which represents a decrease of 1,738 million yen (-5.1 %) compared with the previous year.

Expenditure for purchase of property, plant and equipment decreased considerably from the previous year to 16,382 million yen, resulting in net cash outflow of 16,233 million yen from investing activities, representing a decrease of 8,112 million yen (-33.3 %) compared with the previous year.

Repayment of short-term and long-term loans payable totaling 1,840 million yen, redemption of convertible bonds amounting to 13,823 million yen, and other factors resulted in net cash outflow of 15,471 million yen from financing activities, representing an increase of 7,153 million yen (86.0 %) compared with the previous year.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	As of March 31,2003		As of March 31,2002		Increase or (decrease) 2003– 2002	
	Millions of yen	% Comp.	Millions of Yen	% Comp.	Millions of Yen	%
ASSETS						
Current assets	127,447	39.8	131,548	37.6	(4,100)	(3.1)
Cash and cash equivalents	14,177		13,952		224	
Notes and accounts receivable	54,085		51,281		2,803	
Inventories	43,204		49,887		(6,683)	
Deferred tax assets	8,593		6,521		2,072	
Others	7,856		10,406		(2,549)	
Allowance for doubtful receivables	(469)		(501)		32	
Fixed assets	192,608	60.2	218,471	62.4	(25,862)	(11.8)
Tangible fixed assets	162,960		183,437		(20,477)	
Building and structure	97,395		102,510		(5,115)	
Machinery and transportation equipment	191,394		207,760		(16,365)	
Tools, furniture and fixtures	47,497		49,725		(2,228)	
Land	16,710		17,410		(699)	
Construction in progress	438		1,351		(913)	
Accumulated depreciation	(190,476)		(195,321)		4,845	
Intangible fixed assets	13,749		15,504		(1,754)	
Consolidation adjustments	12,837		14,594		(1,757)	
Others	912		909		2	
Investment and other assets	15,898		19,528		(3,630)	
Investment in securities	3,982		5,730		(1,748)	
Long-term loans receivable	188		268		(80)	
Deferred tax assets	9,494		11,143		(1,648)	
Others	2,715		2,609		106	
Allowance for doubtful receivables	(483)		(223)		(260)	
Deferred assets	13	0.0	17	0.0	(4)	(24.1)
Total assets	320,069	100.0	350,037	100.0	(29,967)	(8.6)

		2003	2002
(Note)	Treasury stock	66,853 shares	8,574 shares

	As of March 31,2003		As of March 31,2002		Increase or (decrease) 2003-2002	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of Yen	%
LIABILITIES						
Current liabilities	134,459	42.0	156,908	44.8	(22,448)	(14.3)
Notes and accounts payable	24,025		26,115		(2,089)	
Short-term loans payable	67,475		61,618		5,856	
Commercial paper	3,000		—		3,000	
Current portion of long-term loans payable	787		28,019		(27,231)	
Current portion of bomds	10,000		—		10,000	
Current portion of convertible bond	—		13,823		(13,823)	
Accrued income taxes	2,662		4,162		(1,499)	
Accrued bonuses	3,358		3,524		166	
Reserve for loss on liquidation of the business of switching supplies , inductors and transformers, etc.	3,144		—		3,144	
Reserve for environmental preservation expenses	1,206		—		1,206	
Others	18,799		19,645		(846)	
Long-term liabilities	87,128	27.2	80,301	23.0	6,826	8.5
Bonds	28,000		35,000		(7,000)	
Convertible bonds	27,080		27,080		—	
Bond with warrant	4,000		4,000		—	
Long-term loans payable	26,782		13,132		13,649	
Allowance for retirement benefit	229		208		21	
Others	1,036		880		156	
Total liabilities	221,587	69.2	237,209	67.8	(15,621)	(6.5)
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	269	0.1	95	0.0	173	181.2
SHAREHOLDERS' EQUITY						
Common stock	68,258	21.3	68,258	19.5	—	—
Capital reserve	94,756	29.6	94,756	27.1	—	—
Retainde earnings	(454)	(0.1)	4,774	1.3	(5,228)	—
Difference on revaluation of other marketable securities	(37)	(0.0)	(1,718)	(0.5)	1,680	(97.8)
Foreign currency translation adjustments	(64,274)	(20.1)	(53,333)	(15.2)	(10,940)	20.5
Treasury stock	(37)	(0.0)	(6)	(0.0)	(31)	506.8
Total shareholders' equity	98,212	30.7	112,731	32.2	(14,519)	(12.8)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	320,069	100.0	350,037	100.0	(29,967)	(8.6)

(Note) In accordance with a change in consolidated accounting procedures, items under Shareholders' Equity have been reclassified to facilitate comparison with those in the previous term and before.

(2) Consolidated Statements of Income

	Year ended March 31,2003		Year ended March 31,2002		Increase or (decrease) 2003-2002	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%
Net sales……………………………………	272,202	100.0	279,344	100.0	(7,141)	(2.6)
Cost of sales…………………………………	203,500	74.8	206,060	73.8	(2,560)	(1.2)
Gross profit……………………………	68,702	25.2	73,283	26.2	(4,581)	(6.3)
Selling, general and administrative expenses……………	49,350	18.1	51,311	18.3	(1,961)	(3.8)
Operating income………………………	19,352	7.1	21,972	7.9	(2,620)	(11.9)
Other income…………………………………	1,226	0.4	1,801	0.6	(575)	(31.9)
Interest income………………………………	243		586		(342)	
Dividends income…………………………	48		43		4	
Equity income of affiliates……………	10		—		10	
Others…………………………………………	923		1,171		(247)	
Other Expenses………………………………	7,158	2.6	7,778	2.8	(620)	(8.0)
Interest expenses…………………………	4,765		5,673		(908)	
Foreign currency exchange loss……..	506		827		(321)	
Equity loss of affiliates………………	—		21		(21)	
Others…………………………………………	1,886		1,256		630	
Ordinary income………………………	13,420	4.9	15,995	5.7	(2,575)	(16.1)
Extraordinary income……………………	37	0.0	1,727	0.6	(1,689)	(97.8)
Gain from discharge of debts………..	—		714		(714)	
Gain on sales of fixed assets…………	34		247		(212)	
Gain on sales of investments securities in affiliates………………	3		—		3	
Reversal of allowance for doubtful receivables………………………………	—		269		(269)	
Reversal of allowance for loss on the liquidation of the automotive wheel business……………………………..	—		496		(496)	
Extraordinary loss…………………………	12,961	4.7	4,773	1.7	8,188	171.5
Loss on disposal of inventories………	—		1,125		(1,125)	
Loss on sales of fixed assets…………	110		225		(114)	
Loss on disposal of fixed assets……..	602		386		215	
Loss on sales of investiment securities	—		6		(6)	
Loss on revaluation of investments securities .. …………………………	4,945		1,466		3,479	
Loss on liquidation of affiliates……..	1,843		937		906	
Loss on liquidation of the bisiness of switing power supplies, inductors and transformers,etc ………………..	3,144		—		3,144	
Loss for after-care of products……..	482		—		482	
Environmental preservation expenses……..	1,206		—		1,206	
Retirement benefit expense…………	626		626		—	
Income before income taxes..	495	0.2	12,948	4.6	(12,452)	(96.2)
Income taxes						
Current (including enterprise tax)…….	4,276		4,918		(642)	
Adjustment of income taxes………..	(1,369)		2,711		(4,080)	
Total income taxes…………………	2,906	1.0	7,629	2.7	(4,723)	(61.9)
Minority interest in earnings of consolidated subsidiaries………………..	23	0.0	20	0.0	3	15.9
Net income…………………… …………	(2,434)	(0.8)	5,298	1.9	(7,732)	—

(Note) In line with the revised rules and regulations concerning consolidated financial statements and consolidated financial statements, reclassifications have been made in Consolidated Statements of Income and Retained Earnings for easy comparison with the previous years

(3) Consolidated Statements of Retained Surplus

	As of March 31,2003	As of March 31,2002	Increase or (decrease) 2003-2002
	Millions of yen	Millions of yen	Millions of yen
CAPITAL RETAINED EARNINGS			
Additional paid-in capital at beginning of year……………………………...	94,756	94,756	—
Increase of additional paid-in capital	—	—	—
Decrease of paid-in cappital…………..	—	—	—
Additional paid-in capital at end of year………………………………….	94,756	94,756	—
RETAINED EARNINGS			
Retaind earnings at beginning of year………………………………….	4,774	2,533	2,241
Retaind earnings at beginning of year…………………………….	4,774	3,303	1,470
Prior year tax effect adjustment in consolidated overseas subsidiaries..	—	(770)	770
Increase of retained earnings……..….	(2,434)	5,342	(7,776)
Net income……………………………	(2,434)	5,298	(7,732)
Increase of retained earnings by decrease of consolidated subsidiaries	—	43	(43)
Decrease of retained earnings….……	2,793	3,100	(307)
Decrease of retained earnings by decrease of consolidated subsidiaries	— —	240	(240)
Cash dividends.............................……	2,793	2,794	(0)
Bonus to directors and corporate auditors..	—	66	(66)
Retained earnings at end of year…	(454)	4,774	(5,228)

(Note) In line with the revised rules and regulations concerning consolidated financial statements and consolidated financial statements, reclassifications have been made in Consolidated Statements of Income and Retained Earnings for easy comparison with the previous years

(4) Consolidated Statements of Cash Flows (Amount: millions of yen)

	Year ended March 31,2003	Year ended March 31,2002	Increase or (decrease) 2003-2002
1.Cash Flows from Operating Activities:			
Income before income taxes	495	12,948	(12,452)
Depreciation	22,826	24,385	(1,558)
Amortization of consolidation adjustments	1,189	1,192	(2)
Equity loss (income) of affiliates	(10)	21	(31)
Interest income and dividends received	(292)	(630)	338
Interest expenses	4,765	5,673	(908)
Gain from discharge of debts	—	(714)	714
(Income) loss on sales of fixed assets	76	(21)	97
Loss on disposal of fixed assets	602	386	215
Loss on liquidation of affiliates	1,843	937	906
Loss for after care of products	482	—	482
(Gain)Loss on sales of investments securities	(3)	6	(9)
Loss on revaluation of investments securities	4,945	1,466	3,479
(Increase) decrease in notes and accounts receivable	(4,070)	5,691	(9,762)
Decrease in inventories	3,972	5,711	(1,739)
Decrease in notes and accounts payable	(1,585)	(4,660)	3,075
Increase (decrease) of allowance for doubtful receivables	280	(383)	664
Increase (decrease) in accrued bonuses	(58)	5	(63)
Increase in reserve for losses on liquidation of the business of Switching power supplies, inductors and transformers etc.	3,144	—	3,144
Increase of reserve for environmental preservation expenses	1,206	—	1,206
Decrease of allowance for the liquidation of the automotive wheel business	—	(2,762)	2,762
Increase (decrease) in retirement allowance	22	(32)	54
Payment of bonus to directors and corporate auditors	(66)	(122)	55
Others	1,787	(6,094)	7,881
Sub-total	41,553	43,004	(1,450)
Receipt of interest and dividends	266	598	(331)
Payment of interest	(5,086)	(4,596)	(490)
Payment of income taxes	(4,453)	(4,988)	534
Net cash provided by operating activities	32,279	34,017	(1,738)
2.Cash Flows from Investing Activities:			
Expenditure for purchase of property, plant and equipment	(16,382)	(26,245)	9,863
Proceeds from sales of property, plant and equipment	662	1,409	(746)
Purchase of investment in securities	(379)	(1)	(377)
Proceeds from sales of investment in securities	7	285	(278)
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	0
Long term loans receivables	(154)	(540)	386
Recovery of long term loans receivables	232	521	(288)
Other	(221)	278	(499)
Net cash used in investing activities	(16,233)	(24,346)	8,112
3.Cash Flows from Financing Activities:			
Increase (decrease) in short-term loans payable	7,954	(3,354)	11,308
Increase in the amount in commercial paper	3,000	—	3,000
Long term loans payable	17,000	513	16,486
Repayment of long term loans payable	(29,794)	(2,485)	(27,309)
Earnings from issuance of bonds	3,000	—	3,000
Loss on redemption of convertible bonds	(13,823)	—	(13,823)
Purchase of treasury stock	(31)	(1)	(29)
Dividends paid	(2,794)	(2,794)	0
Dividends paid to minority shareholders	—	(31)	31
Paid-in capital from minority shareholders	163	—	163
Other	(145)	(163)	18
Net cash used in financing activities	(15,471)	(8,317)	(7,153)
4.Effect of Exchange Rate Changes on Cash and Cash Equivalents	(349)	669	(1,018)
5.Net increase in cash and cash equivalents	224	2,022	(1,797)
6.Cash and Cash Equivalents at Beginning of Year	13,952	11,930	2,022
7.Cash and Cash Equivalents at End of year	14,177	13,952	224

(5) Basis of presenting consolidated financial statements

1. Scope of consolidation and application of equity method
Number of consolidated companies............ 52 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	(6 companies)	Minebea Aviation Co., Ltd.
			Sheng Ding Pte. Ltd.
			Minebea Trading (Shanghai) Ltd.
			Shanghai Shun ding Technologies Ltd.
			Minebea (Hong Kong) Ltd.
			Minebea (Shenzhen) Ltd.
Exclusion	: Liquidation	(1 company)	Minebea Investment (PTE.) Ltd.
	: Merger	(1 company)	NMB Taimei Co., Ltd.

(b) Changes of the companies subject to equity method
Anew : None
Exclusion : None

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. Useful lives and residual values are computed on the basis of the same method that is stipulated in the Corporation tax law. 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. Useful lives and residual values are computed on the basis of the same method that is stipulated in the Corporation tax law. 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.

4. Reserve for loss on liquidation of the business of switching power supplies, inductors and transformers

With regard to losses estimated to arise, in the next consolidated fiscal year, from withdrawal from the business of switching power supplies, inductors and transformers,etc, a reasonably estimated amount has been posted in the current consolidated fiscal year.

5. Reserve for environmental preservation expenses

With regard to losses estimated to arise, in the next consolidated fiscal year, as environmental preservation expenses, a reasonably estimated amount has been posted in the current consolidated fiscal year.

(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.

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.

(6) NOTES

(a)Segment Information

(1) By industry segments

(Year ended March 31, 2003) (Amount: millions of yen)

	FY2003(Annual)				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	118,117	154,084	272,202	—	272,202
(2) Sales to other segment	7,637	—	7,637	(7,637)	—
Total	125,755	154,084	279,840	(7,637)	272,202
Operating expense	107,235	153,252	260,488	(7,637)	252,850
Operating income	18,519	832	19,352	—	19,352
2. Assets, depreciation and capital expenditure					
Assets	191,793	204,489	396,283	(76,213)	320,069
Depreciation	10,377	12,448	22,826	—	22,826
Capital expenditure	4,750	11,853	16,603	—	16,603

(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, 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, Strain gauges, Load cells, etc.

(c) Having sold our holdings in Actus, a furniture and interior décor product sales subsidiary, in fiscal year 2001, we have withdrawn from the consumer business and others, and thus will not report sales or earnings in this industry category in the current term or thereafter.

(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, Strain gauges, Load cells, etc.

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

(2) By geographical segments

(Year ended March 31, 2003) (Amount: millions of yen)

	FY2003 (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	72,754	107,789	58,997	32,660	272,202	—	272,202
(2) Sales to other segment	110,133	101,268	2,613	3,306	217,321	(217,321)	—
Total	182,888	209,057	61,610	35,966	489,523	(217,321)	272,202
Operating expense	179,755	196,639	59,752	34,024	470,171	(217,321)	252,850
Operating income	3,133	12,418	1,858	1,942	19,352	—	19,352
2. Assets	175,916	185,397	37,064	20,528	418,907	(98,837)	320,069

(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, 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

(3) Overseas Sales

(Year ended March 31, 2003) (Amount: millions of yen)

	FY2003(Annual)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	106,941	57,102	34,322	198,367
2. Total sales				272,202
3. Overseas sales on total sales	% 39.3	% 21.0	% 12.6	% 72.9

(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, 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.

(b)Relating to lease transactions

	Millions of yen					
	Year ended March 31,2003			Year ended March 31,2002		
(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	1,364	650	714	1,633	814	818
Tools, furniture and fixtures	3,332	1,691	1,640	3,707	2,006	1,700
Total	4,697	2,342	2,355	5,340	2,821	2,519

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	1,107	1,106
over 1-year	1,247	1,412
Total	2,355	2,519

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	1,247	1,453
Equivalent of depreciation expenses	1,247	1,453

(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

FY2003(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	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 Steel and its raw materials	(Owned) Direct 5.0%	Concurrently serving 4 on loan 1	The company purchases steel bar etc.	Operating transaction	Purchase of steel bar etc.	¥2,316 million	Notes payable and Account payable etc. ※3	¥358 million
									Building rent, etc.	¥36 million	Current assets and others ※3	¥1 million
									Tools & Equipment rent, etc	¥542 million	—	—
								Non Operating transaction	Non Operating income	¥6 million	—	—

(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.

Directors and main individual shareholder

FY2002(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	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 Steel and its raw materials	(Owned) Direct 5.0%	Concurrently serving 4 on loan 1	The company purchases steel bar etc.	Operating transaction	Purchase of steel bar etc.	¥ 1,423 million	Notes payable and Account payable etc. ※3	¥ 550 million
									Building rent,etc.	¥ 31 million	Current assets and others ※3	¥ 1 million
									Machinery rent	¥ 699 million		

(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.

(d)The tax effect accounting

	As of March 31,2003	As of March 31,2002
1.Major reasons for the accrual of deferred tax assets and deferred tax liabilities	Millions of yen	Millions of yen
(Deferred tax assets)		
Excess of allowed limit chargeable to the bonus payment reserve	631	629
Excess of allowed limit chargeable to the retirement allowance reserve	18	28
Loss on revaluation of investments securities	2,210	301
Loss on liquidation of affiliates	245	146
Excess of allowed limit chargeable to the allowance for doubtful accounts	1,501	1,368
Unrealized gains on sales of inventories	2,463	2,501
Deficit brought forward	8,770	11,236
Difference on revaluation of other marketable securities to the market	24	1,145
Others	2,225	307
Total deferred tax assets	18,088	17,664
(Deferred tax liabilities)		
Depreciations allowed to overseas subsidiaries	1,758	1,380
Others	56	122
Total deferred tax liabilities	1,814	1,503
Net deferred tax assets	16,273	16,160

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

	As of March 31,2003	As of March 31,2002
Current assets……..Deferred tax assets	8,593	6,521
Fixed assets ………..Deferred tax assets	9,494	11,143
Current liabilities….Deferred tax liabilities	(1,016)	(1,397)
Fixed liabilities……Deferred tax liabilities	(797)	(105)

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 31,2003	As of March 31,2002
Domestic legal effective tax rate	40.0%	40.0%
(Adjustments)		
Current amortization of excess of cost over net assets acquired	93.2	2.8
Differences in the tax rates applied to consolidated overseas subsidiaries	(713.0)	(26.8)
Valuation allowance for deficits in the current fiscal year of consolidated subsidiaries	800.3	1.7
Effect of elimination of dividend income	758.4	43.1
Difference recognized by U.S. subsidiaries because of the adoption of tax effect accounting	(560.0)	
Withholding income tax and others	41.2	
Difference arising from a change in an effective statutory tax rate	128.7	
Others	2.6	(1.9)
Ratio of income tax burden after the application of tax effect accounting	586.2	58.9

3.Revision in the amount of deferred tax assets and deferred tax liabilities owing to changes in the rate of income tax and others The legally effective tax rate used in calculating deferred tax assets is 40.0% in the previous term, and 40.0% in the current term for those under current assets and 39.0% for those under fixed assets in the current term. As a result, deferred tax assets decreased ¥204 million, and income tax adjustment increased by the same amount.	――――――

(e) Marketable securities

Marketable securities (Amount: millions of yen)

Classification	As of March 31,2003			As of March 31,2002		
	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
Those whose recoded amounts in the consolidated balance sheet do not exceed the acquisition costs. Stock	2,723	2,660	(62)	7,258	4,393	(2,864)
Total	2,723	2,660	(62)	7,260	4,397	(2,863)

(Note) In other marketable securities, we processed losses in value of share prices and posted losses on revaluation of marketable and investment securities in the amount of ¥ 4,914 million in this term and ¥1,466 million in the previous term.

Other marketable securities (Amount: millions of yen)

Classification	As of March 31,2003	As of March 31,2002
	Book Value	Book Value
Other marketable securities	1,104	1,333
Total	1,104	1,333

(Note) Non-listed stock

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

Exchange contract (Amount: millions of yen)

Classification	Type	As of March 31,2003				As of March 31,2002			
		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								
	Selling order								
	US dollar	407	—	407	—	—	—	—	—
	Japanses YEN	83	—	83	—	—	—	—	—
	Euro	19	—	19	—	—	—	—	—
	HK dollar	2,142	—	2,142	—	—	—	—	—
	Buying order Japanese YEN	35	—	35	—	—	—	—	—
Total		2,687	—	2,687	—	—	—	—	—

(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 2003, exchange contracts were made at the end of the current term in Singapore.

(g) Retirement benefits

FY2003		
(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	(10,364)	millions of yen
(b)Pension assets	7,237	
(c)Unreserved debts for retirement benefit ((a)+(b))	(3,127)	
(d) Unappropriated amount of differences at the time of changes in accounting standards	1,253	
(e) Unrecognized differences in mathematical calculation	1,897	
(f) Net amount listed on consolidated balance sheet ((c)+(d)+(e))	23	
(g) Prepaid pension expenses	218	
(h) Reserve for retirement allowances (note) ((f)−(g))	(195)	
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	588	
Interest costs	283	
Expected management earnings	(205)	
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	258	
Retirement benefit expenses	1,550	
(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.)	

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.)

5. Amounts of production, orders received, sales

(1) Production (Amount: millions of yen)

Industry segments	March 31,2003	March 31,2002
Machined components business	119,290	124,604
Electronic devices and components business	152,678	154,490
Total	271,968	279,094

(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 31,2003		Year ended March 31,2002	
	Orders received	Order backlog	Orders received	Order backlog
Machined components business	117,055	33,225	112,414	34,288
Electronic devices and components business	152,670	22,069	158,253	23,483
Consumer business and others	—	—	826	—
Total	269,725	55,294	271,493	57,771

(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 31,2003	Year ended March 31,2002
Machined components business	118,117	122,025
Electronic devices and components business	154,084	156,303
Consumer business and others	—	1,016
Total	272,202	279,344

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