

# Minebea Co., Ltd.

## Fiscal Year ended March 31, 2001

(May 18, 2001)



Any statements in the presentation which are not an historical fact are future projections made based on certain assumptions and our management's judgment drawn from currently available information.

Please note that actual performance may vary significantly from any particular projection, due to various factors.

Factors affecting our actual performance include: (i) changes in economic indicators surrounding us or demand trends; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. However, this is not a complete list of the factors affecting actual performance.

## Consolidated Balance Sheets for Fiscal Year ended March 31, 2001 (Assets)

	<u>Year ended</u>		<u>Y.O.Y Change</u>	(Millions of yen)
	<u>Mar. 2001</u>	<u>Mar. 2000</u>		<u>Remarks</u>
Current assets	137,106	153,658	(16,552)	
Cash and cash equivalents and marketable securities	11,930	33,374	(21,444)	<u>Debt repayment:</u> <u>Transfer of marketable securities of ¥8,942mn to investment in securities</u>
Notes and accounts receivable	55,277	56,747	(1,470)	
Inventories	52,764	46,839	5,925	<u>Effect of depreciation of yen plus ¥2,559mn ;</u> <u>Effect of March 31 being non-business day plus ¥2,076mn</u>
Others	17,135	16,697	438	
Fixed assets	209,714	180,189	29,525	
Tangible fixed assets	168,732	142,558	26,174	<u>Capex ¥39,876mn</u>
Intangible fixed assets	16,225	17,141	(916)	
Investment and other assets	24,756	20,490	4,266	<u>Transfer of marketable securities ¥7,355mn to investment in securities</u>
Deferred assets	144	203	(59)	
Foreign currency translation adjustments	-	69,942	(69,942)	<u>Transfer to shareholders' equity</u>
Total assets	346,965	403,994	(57,029)	

(Supplementary financial data)

## Consolidated Balance Sheets for Fiscal Year ended March 31, 2001 (Liabilities)

	<u>Year ended</u>		<u>Y.O.Y Change</u>	(Millions of yen)
	<u>Mar. 2001</u>	<u>Mar. 2000</u>		<u>Remarks</u>
Current liabilities	127,290	124,085	3,205	
Notes and accounts payable	29,170	31,248	(2,078)	
Short-term interest-bearing debts	66,529	68,021	(1,492)	<u>Allowance for loss on liquidation of wheel business ¥2,762mn</u>
Others	31,588	24,813	6,775	
Long-term liabilities	118,978	125,191	(6,213)	<u>Total reduction of interest bearing debt ¥7,550mn</u>
Long-term interest-bearing debts	118,629	124,689	(6,060)	
Others	348	500	(152)	
Total liabilities	246,269	249,276	(3,007)	
Minority interest in				
Consolidated subsidiaries	122	361	(239)	<u>Conversion of CB ¥14mn</u> <u>Difference on revaluation of other marketable securities to the market minus ¥952mn;</u> <u>Transfer of foreign currency translation adjustments minus ¥64,791mn;</u> <u>Accumulated deficit turned profit</u>
Shareholders' equity	100,574	154,358	(53,784)	
Treasury stock	0	(2)	2	
Total liabilities and Shareholders' equity	346,965	403,994	(57,029)	

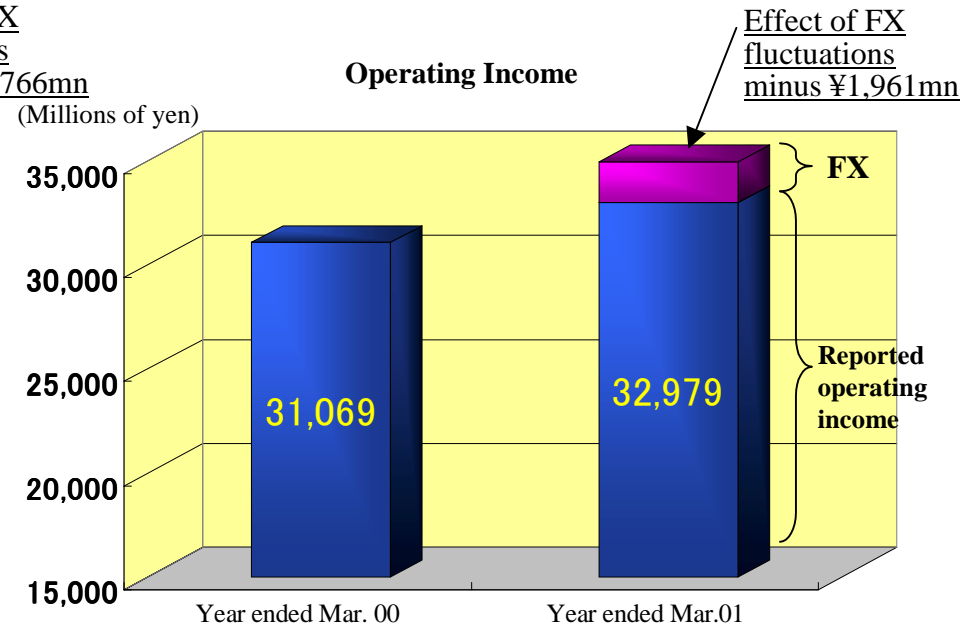
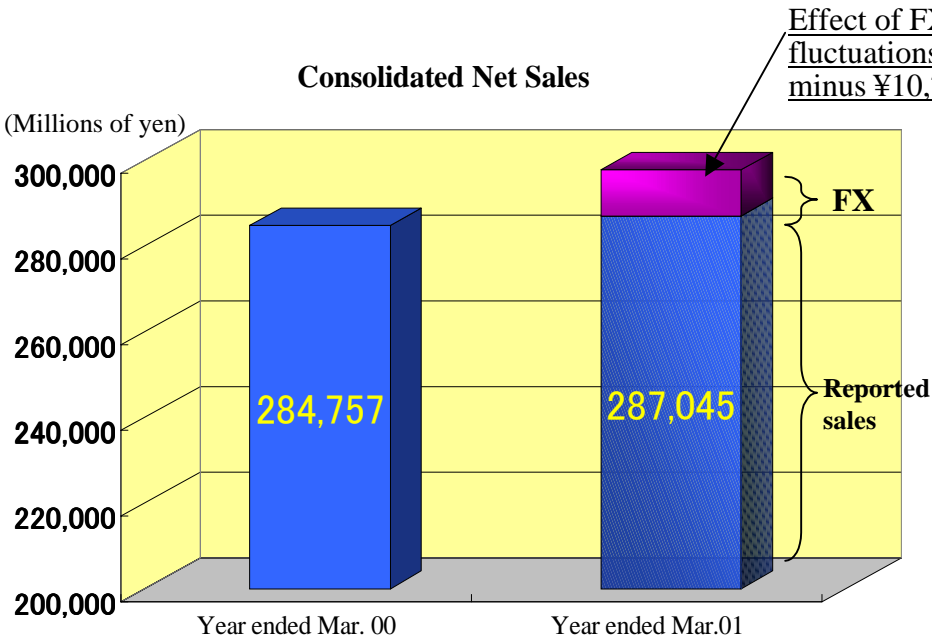
## Consolidated Statements of Income

	<u>Year ended</u>		<u>Y.O.Y. Change</u>	(Millions of yen)
	<u>Mar. 2001</u>	<u>Mar. 2000</u>		<u>Remarks</u>
Net sales	287,045	284,757	2,288	<u>Bearings and motors showed steady growth;</u> <u>Effect of FX fluctuations minus ¥10,766mn</u> <u>Main changes -</u> <u>Increase in wages and salary ¥1,361mn; Increase in packing &amp; shipping charges ¥916mn;</u> <u>Decrease in amortization of goodwill ¥1,333mn</u> <u>Economies of scale in bearings and motors business;</u> <u>Cost reduction;</u> <u>Effect of FX fluctuation minus ¥1,961mn</u>
Cost of sales	202,928	203,223	(295)	
Gross profit	84,117	81,533	2,584	
(Gross profit margin)	(29.3%)	(28.6%)		
S.G.& A. expenses	51,139	50,464	675	
Operating income	32,977	31,069	1,908	
(Operating income margin)	(11.5%)	(10.9%)		
Other income (expenses)	(8,251)	(9,547)	1,296	
Net interest income	(7,109)	(6,887)	(222)	
Other	(1,143)	(2,661)	1,518	
Ordinary income	24,726	21,522	3,204	
Extraordinary income (expenses)	(2,339)	(28,136)	25,797	
Income (loss) before income taxes	22,387	(6,612)	28,999	
Income taxes	7,456	(4,034)	11,490	
Minority interest in earnings of consolidated subsidiaries	104	99	5	
Net Income (loss)	14,826	(2,677)	17,503	

## Segment Information

	<u>Year ended</u>		<u>Y.O.Y. Change</u>	(Millions of yen)
	<u>Mar. 2001</u>	<u>Mar. 2000</u>		<u>Remarks</u>
Machined components business				
Sales to customers	124,461	127,734	(3,273)	— <u>Sales by ball bearings increased</u>
Operating income	23,906	21,996	1,910	— <u>Increased number of ball bearings production led to margin improvement</u>
Electronic devices and components business				
Sales to customers	151,910	146,133	5,777	— <u>Sales of spindle motors and fan motors increased, while sales of electronic devices and speakers decreased</u>
Operating income	8,259	8,254	5	— <u>Rotary components and keyboards showed steady growth. Profit margin of other electronic devices and components division declined</u>
Consumer business and others				
Sales to customers	10,674	10,890	(216)	
Operating income	812	819	(7)	
Total				
Sales to customers	287,045	284,757	2,288	
Operating income	32,977	31,069	1,908	— <u>Furniture business was sold on Feb. 23, posting 11 months sales only.</u>

# Effect of FX Fluctuations on Net Sales and Operating Income



## Consolidated Statements of Income

### - Breakdown for Extraordinary Income and Loss -

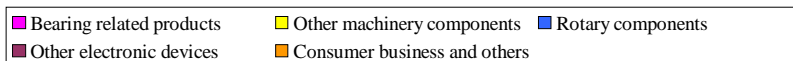
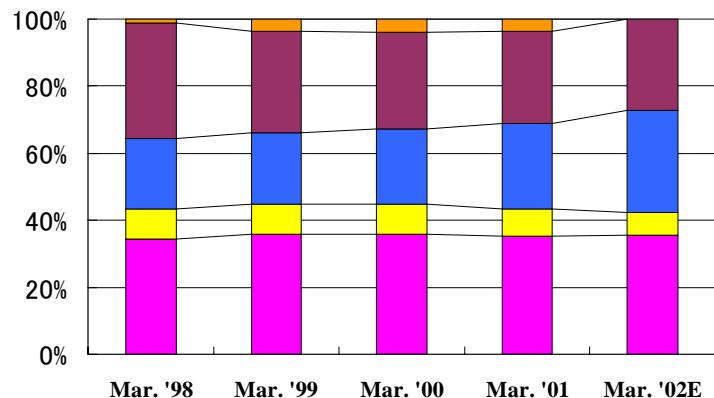
	<u>Year ended</u>	(Millions of yen)
	<u>Mar. 2001</u>	<u>Remarks</u>
Extraordinary income	6,403	
Gain on sales of fixed assets	105	
Reversal of allowance for doubtful receivables	1,081	<span style="font-size: 2em;">{</span> <u>Minebea Credit related ¥956mn;</u> <span style="font-size: 2em;">}</span> <u>Change in tax rate ¥125mn</u>
Gain on sales of investment securities in affiliates	5,215	
Extraordinary loss	8,742	<u>Sales of Actus</u>
Loss on disposal of inventories	1,846	
Loss on sales of fixed assets	164	
Loss on disposal of fixed assets	176	
Loss on the liquidation of the automotive wheel business	2,762	<span style="font-size: 2em;">{</span> <u>Minebea Onkyo, Minebea Technologies,</u> <span style="font-size: 2em;">}</span> <u>Minebea Investment, Hwang Chong</u> <span style="font-size: 2em;">}</span> <u>Enterprise, Minebea Electronicse (UK)</u>
Loss of liquidation of affiliates	1,943	
Cancellation fee for the termination of the exclusive distributorship agreement	1,200	<u>Keiaisha NMB</u>
Retirement benefits to directors and corporate auditors	5	
Retirement benefits expense	644	

## Consolidated Statements of Cash Flows

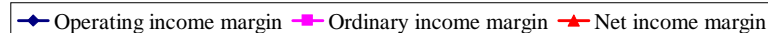
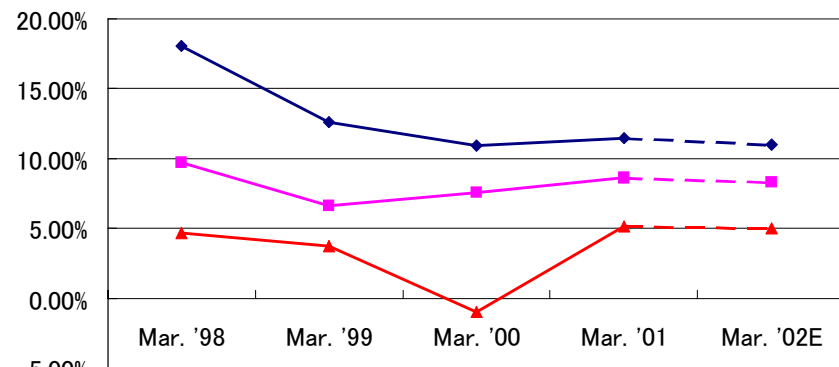
	<u>Year ended</u>		<u>Y.O.Y. change</u>	<u>(Millions of yen)</u>			
	<u>Mar. 2001</u>	<u>Mar. 2000</u>		<u>Remarks</u>			
				<u>FY'01</u>	<u>FY'02</u>	<u>Y.O.Y.</u>	
Cash Flows from Operating Activities	38,332	60,289	(21,956)	Business Profit	54,098	50,639	3,460
Cash Flows from Investing Activities	(33,099)	(13,298)	(19,801)	Working capital and others	Δ15,766	9,650	Δ25,415
Cash Flows from Financing Activities	(17,138)	(71,765)	54,627	NET	38,332	60,289	Δ21,957
Effective of Exchange Rate Changes				⇒ Negative owing to increase of working capital. Business profit increased.			
on Cash and Cash Equivalents	(596)	(981)	384	<u>Capex. ¥39,876mn;</u>			
Cash and Cash Equivalents at Beginning of Year	24,432	50,187	(25,755)	<u>Proceeds form Actus Co., Ltd. ¥5,215mn</u>			
Cash and Cash Equivalents at End of Year	11,930	24,432	(12,502)	<u>Decrease in cash</u>			

# Consolidated Sales and Income by Division

Sales Trend by Segment



Profit Margin Trend



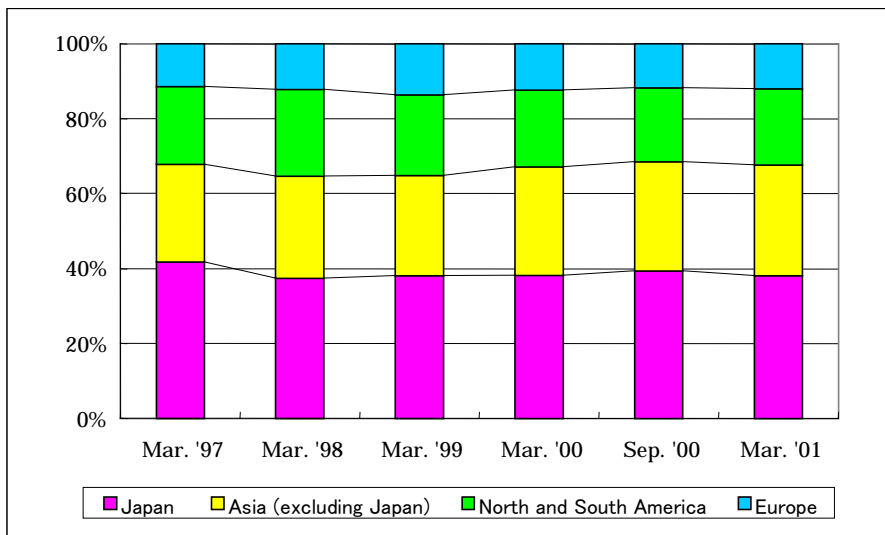
(Millions of yen)

Year ended	Mar. '98		Mar. '99		Mar. '00		Mar. '01		Mar. '02E	
	Interim	Annual	Interim	Annual	Interim	Annual	Interim	Annual	Interim	Annual
Bearing related products	56,925	112,784	56,148	109,535	52,020	101,847	49,343	101,096	50,000	105,000
Other machinery components	13,661	29,218	13,789	27,272	12,495	25,887	11,610	23,365	9,000	19,000
Rotary components	35,905	68,357	33,904	64,789	32,148	63,758	35,628	73,603	40,000	90,000
Other electronic devices	56,368	112,514	49,185	92,814	41,176	82,375	39,844	78,307	41,000	86,000
Consumer business and others	2,644	3,212	1,817	10,914	5,325	10,890	5,699	10,674	0	0
<b>Total sales</b>	<b>165,510</b>	<b>326,093</b>	<b>154,848</b>	<b>305,324</b>	<b>143,164</b>	<b>284,757</b>	<b>142,124</b>	<b>287,045</b>	<b>140,000</b>	<b>300,000</b>

Machined components business						21,996	12,019	23,906	11,270	23,800
Electronic devices and components business						8,254	4,669	8,259	3,230	9,200
Consumer business and others						819	489	812		
<b>Operating income</b>	<b>27,221</b>	<b>58,810</b>	<b>19,735</b>	<b>38,546</b>	<b>16,450</b>	<b>31,069</b>	<b>17,177</b>	<b>32,977</b>	<b>14,500</b>	<b>33,000</b>
<b>Ordinary income</b>	<b>13,664</b>	<b>31,658</b>	<b>11,489</b>	<b>20,221</b>	<b>12,237</b>	<b>21,522</b>	<b>12,987</b>	<b>24,726</b>	<b>10,500</b>	<b>25,000</b>
<b>Net income</b>	<b>7,580</b>	<b>15,144</b>	<b>2,547</b>	<b>11,507</b>	<b>5,289</b>	<b>2,677</b>	<b>7,084</b>	<b>14,826</b>	<b>6,000</b>	<b>15,000</b>

# Consolidated Sales and Production by Region

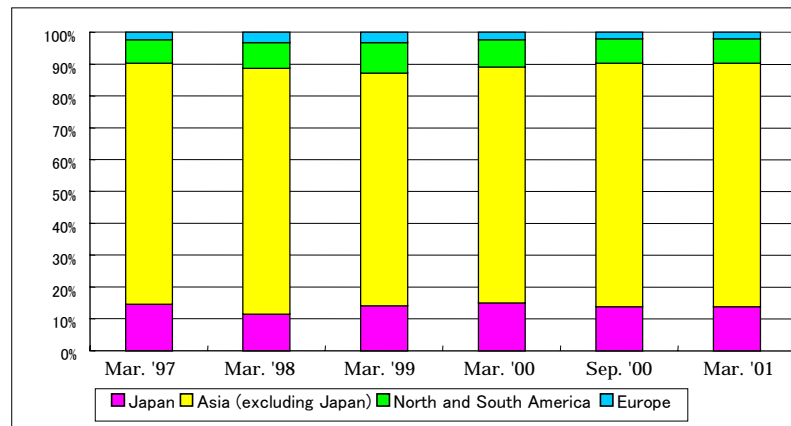
## 1. Consolidated Sales by Region



(Millions of yen)

	Mar. '97	Mar. '98	Mar. '99	Mar. '00	Sep. '00	Mar. '01
Japan	126,536	122,248	116,631	108,838	56,029	109,591
Asia (excluding Japan)	79,159	88,735	81,425	82,445	41,314	84,687
North and South America	62,660	75,393	65,722	58,148	28,133	58,203
Europe	34,531	39,717	41,546	35,326	16,648	34,564
<b>Total</b>	<b>302,886</b>	<b>326,093</b>	<b>305,324</b>	<b>284,757</b>	<b>142,124</b>	<b>287,045</b>

## 2. Consolidated Production by Region



(Millions of yen)

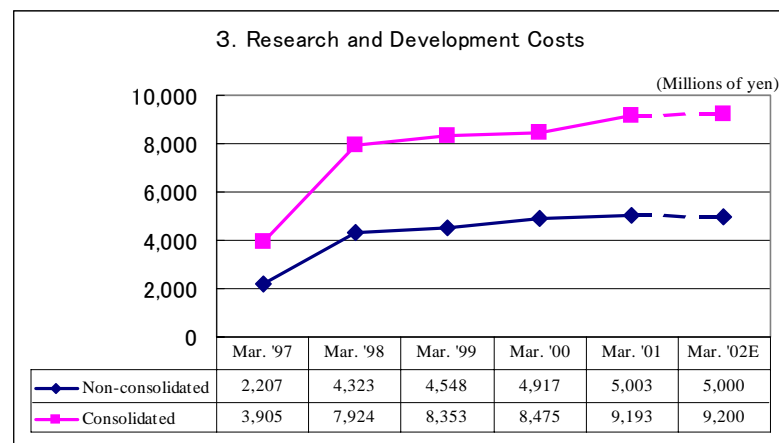
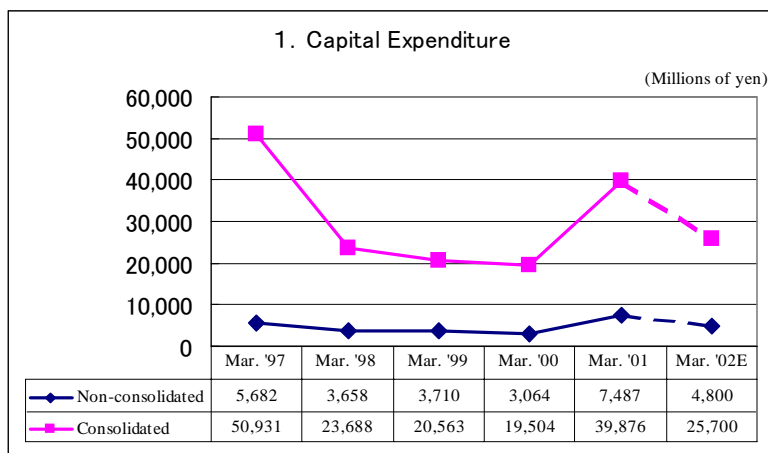
	Mar. '97	Mar. '98	Mar. '99	Mar. '00	Sep. '00	Mar. '01
Japan	44,370	37,162	42,886	42,482	19,892	40,149
Thailand	187,863	196,733	173,288	165,596	78,729	163,494
Singapore	23,473	23,808	17,531	14,633	9,999	18,789
China	12,073	23,606	25,115	23,767	16,990	30,640
Taiwan	5,481	8,119	8,319	7,389	2,506	5,407
Malaysia	0	0	0	0	477	1,062
Asia (excluding Japan)	228,890	252,266	224,253	211,385	108,701	219,392
North and South America	22,517	27,217	29,367	24,276	10,781	22,122
Europe	7,109	9,448	8,818	6,614	2,750	5,382
<b>Total</b>	<b>302,886</b>	<b>326,093</b>	<b>305,324</b>	<b>284,757</b>	<b>142,124</b>	<b>287,045</b>

(Excluding consumer business)

(Millions of yen)

	Mar. '97	Mar. '98	Mar. '99	Mar. '00	Sep. '00	Mar. '01
Japan	42,749	36,078	31,971	31,592	14,193	29,474
Thailand	187,863	196,733	173,288	165,596	78,729	163,494
Singapore	23,473	23,808	17,531	14,633	9,999	18,789
China	12,073	23,606	25,115	23,767	16,990	30,640
Taiwan	5,481	8,119	8,319	7,389	2,506	5,407
Malaysia	0	0	0	0	477	1,062
Asia (excluding Japan)	228,890	252,266	224,253	211,385	108,701	219,392
North and South America	22,517	27,217	29,367	24,276	10,781	22,122
Europe	7,109	9,448	8,818	6,614	2,750	5,382
<b>Total</b>	<b>301,265</b>	<b>325,009</b>	<b>294,409</b>	<b>273,867</b>	<b>136,425</b>	<b>276,370</b>

# Other Financial Data

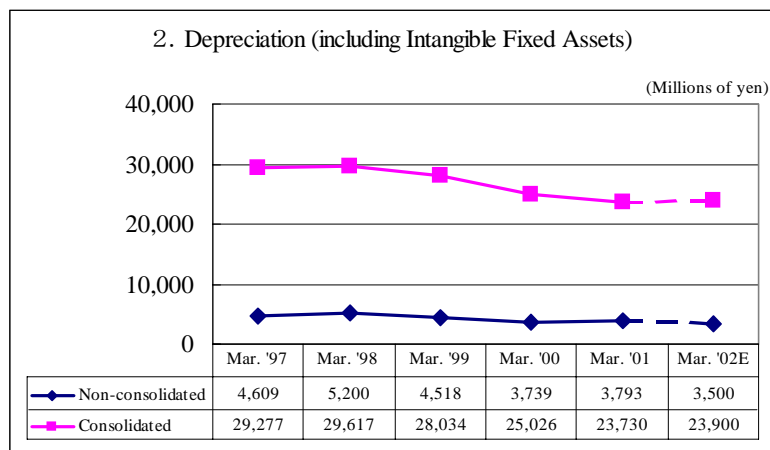


Capex breakdown by division for the year to March 2002 (Millions of yen)

Bearing related products	6,500
Other machinery components	2,600
Rotary components	11,000
Other electronic devices	5,600
Total	25,700

**4. Number of Employees**

	Mar.'97	Mar. '98	Mar. '99	Mar. '00	Sep. '00	Mar. '01
Non-consolidated	2,788	2,826	2,783	2,741	2,745	2,692
Consolidated	37,096	38,733	40,420	42,842	45,622	45,220



**5. Exchange Rate**

(Yen)

	Mar.'97	Mar. '98	Mar. '99	Mar.'00	Mar. '01	Mar. '02E	
US \$	PL	113.38	122.73	129.72	111.90	109.77	113.00
	BS	124.10	132.10	120.55	106.05	123.90	113.00
S'PORE \$	PL	80.29	79.96	77.38	65.86	63.18	65.00
	BS	85.90	82.31	69.56	61.78	69.03	65.00
THAI BAHT	PL	4.44	3.61	3.34	2.95	2.65	2.70
	BS	4.77	3.44	3.19	2.80	2.77	2.70
RMB	PL	13.50	14.64	15.72	13.65	13.40	13.00
	BS	14.76	15.63	14.88	12.82	14.96	13.00