

BRIEF REPORT OF INTERIM CONSOLIDATED FINANCIAL RESULTS
(Half year ended September 30, 2001)

November 15, 2001

Registered
Company Name: **MINEBEA CO., LTD.** Common Stock Listings : Tokyo, Osaka, and Nagoya
Code No: 6479 Headquarters : Nagano-ken
Contact: Sadahiko Oki
Director-Accounting Tel. (03)5434-8611
Board of Directors' Meeting on the Consolidated Financial
Results held on : November 15, 2001
Adoption of U.S. Accounting Standards : None

1. Business performance (April 1,2001 through September 30,2001)

(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 Interim	136,882	(3.6)	12,496	(27.2)	8,952	(31.0)
FY2001 Interim	142,124	(0.7)	17,177	4.4	12,987	6.1
FY2001 Annual	287,045		32,977		24,726	

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)
FY2002 Interim	4,384	(38.1)	10.98	10.22
FY2001 Interim	7,084	—	17.75	16.31
FY2001 Annual	14,826		37.14	34.10

(Notes) 1. Income or loss on investments for FY2002 interim on the equity method totaled income (32) million yen, 1 million yen in FY2001 interim and 4 million yen in FY2001.

2. Weighted average number of shares outstanding during the respective years (consolidation) :
399,167,226 shares at September 30,2001 399,159,230 shares at September 30,2000
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 variances against previous interim period.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Shareholders' equity ratio (%)	Shareholder's equity per share (yen)
FY2002 Interim	338,032	99,787	29.5	249.98
FY2001 Interim	340,639	85,785	25.2	214.91
FY2001 Annual	346,965	100,573	29.0	251.96

(Notes) Number of shares outstanding at end of term (consolidation) :

399,167,589 shares at September 30,2001 399,166,505 shares at September 30,2000
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 Interim	17,656	(12,596)	(1,039)	15,748
FY2001 Interim	22,394	(14,099)	(6,677)	25,901
FY2001 Annual	38,332	(33,099)	(17,138)	11,930

(4) Scope of consolidation and application of equity method

Number of consolidated companies..... 53 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 : 3 companies

(b) Changes of the companies subject to equity method

Anew : None Exclusion : 1 company

2. Prospect for the current fiscal year (April 1,2001 through March 31, 2002)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
Annual	260,000	15,000	5,500

(Reference) Projected net income per share(Annual) : 13.78 yen

(Reference)

1. Condition of group of enterprises

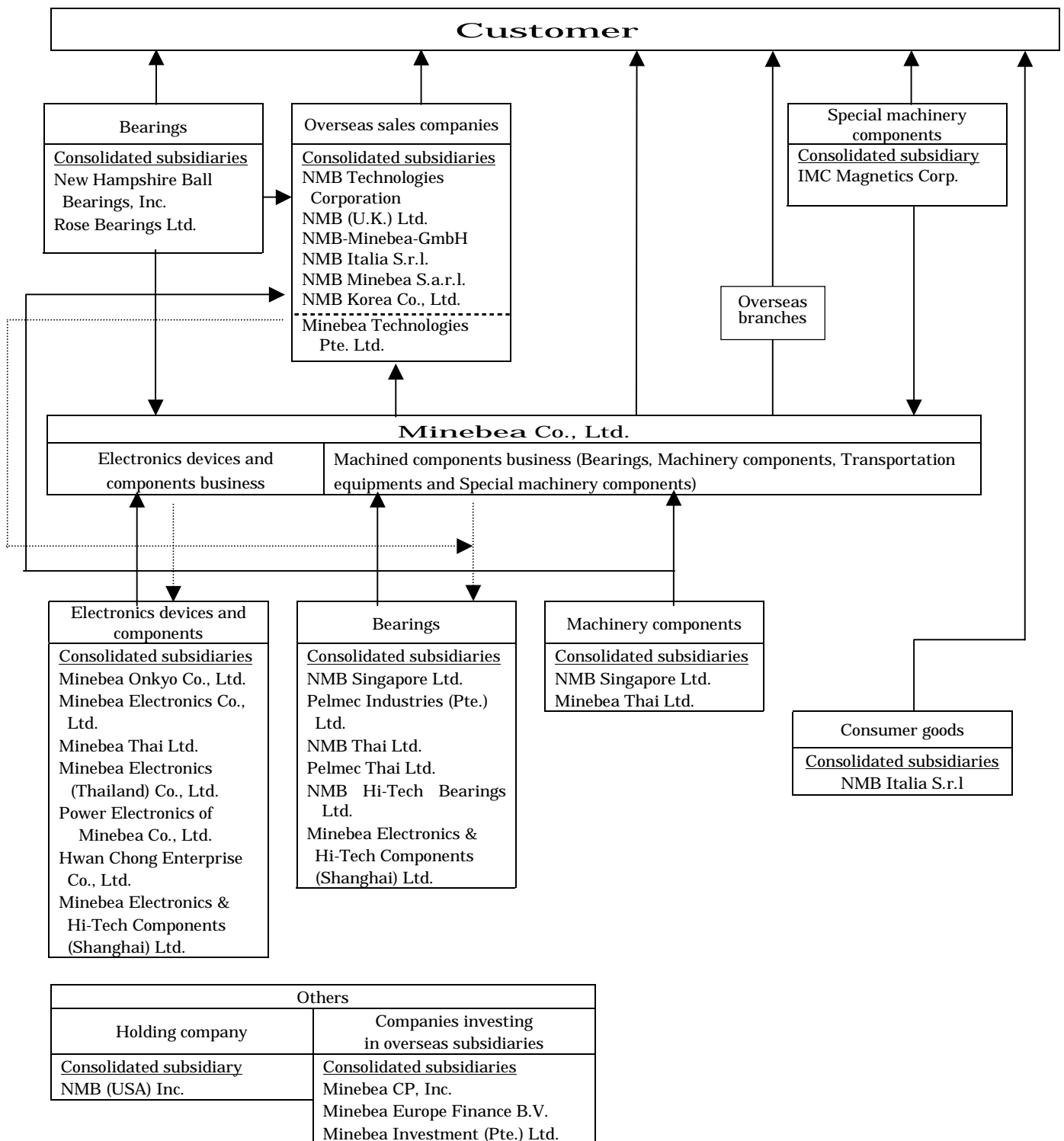
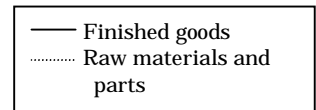
Minebea group consists of Minebea Co., Ltd. (the company) and 55 related companies (53 consolidated subsidiaries and 2 affiliates companies). Minebea group produces and sells bearings, machinery components, transportation equipment and components, special machinery components, electronic devices.

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. Pelmech Industries (Pte.) Ltd. NMB Thai Ltd. Pelmech 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 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) Medium- and Long-term Management Strategies and Agenda

Based upon the aforementioned basic management policies, we aim to: develop a highly integrated manufacturing system, large-scale mass production plants, and an upgraded R & D system in various parts of the world; improve profitability as the world's largest comprehensive precision parts manufacturer; and increase our enterprise value.

The agenda for accomplishing these objectives can be summarized as follows:

- (a) We will further reinforce and expand our bearing and bearing-related businesses.
- (b) We will establish a system to mass produce fluid dynamic bearings.
- (c) We will build our operations in the area of precision small motors and other rotary components until they are similar in scale to our further expanded bearing operations.
- (d) We will increase the ratio of high-value-added products in all product categories, and at the same time, will diversify products to respond to a wider range of markets.

(4) Organizational Reform

The Company established the R&D (product development) headquarters as an organization under the direct control of the President on April 1, 2001.

The purposes of this establishment are as follows:

- (a) We will lose no time in selecting and implementing R&D projects that are considered to be beneficial to the business interests of the entire Minebea Group.
- (b) We will attribute the ownership of the Intellectual property rights to products developed by Group companies to the Company to integrate the management of such rights.

Previously, the Company accounted for the expenditures for R&D activities implemented by its factories, divisions or subsidiaries operating under the control of its First and Second Manufacturing Headquarters, as expenses of the said factories, divisions or subsidiaries. For projects requiring many years to reach completion, projects that are too burdensome for a single business division or projects related to one or more business divisions, the Company developed a system in which the R&D headquarters can bear their development costs and conduct more active development activity.

(5) Management Benchmarks to Be Targeted

Although the Company announced a three-year plan prepared under the aforementioned basic policies in May 2000 to increase both sales and profits, there are delays in accomplishing this plan owing to drastic changes in the economic circumstances. We will, however, continue to strive to improve business performance.

3. Management Performance

(1) Overview of the half year

(a) Results

During the current interim term, Japan's economy remained tough as was witnessed by such conditions as declined exports, reductions in production and capital investments caused by inventory adjustment and weak personal consumption, owing, in part, to both a slowing U.S. economy and downturn in the information technology (IT) industry. In the United States economy, which continued to slow down, the September 11 terrorist attacks on the United States took place, and uncertainty about the prospects for its economic growth was increasing. In Europe and Asia, too, the economies were stiff owing to poor business performance, including decreases in production and exports, as a result of the slowing U.S. economy and sluggish demand relating to IT.

The information and telecommunications equipment markets—the Company's main market segment—continued to be tough from the end of the previous term, owing to decreased demand resulting from the aforementioned poor performances of the world's economies. Under these business circumstances, the Company implemented the dissolution of unprofitable operations decided in the previous term as scheduled. At the same time, the Company strove to pursue further improvements in the efficiency of sales and production activities and quality enhancement. The Company also endeavored to develop higher value-added products and to introduce them to the market.

However, net sales fell 5,242 million yen (−3.6%) to 136,882 million yen, compared with the previous interim term. Also, operating income decreased by 4,680 million yen (−27.2%) to 12,496 million yen, and ordinary income declined by 4,034 million yen (−31.0%) to 8,952 million yen. Further, as a result of reporting an extraordinary loss of 713 million yen as valuation losses due to a steep decline in the value of our stock portfolio, 1,162 million yen in income tax adjustments due to tax effect accounting and other losses, interim net income decreased 2,699 million yen (−38.1%) to 4,384 million yen.

The performance by industry segments is as follows :

Machined components business

The machined component parts include: ball bearings—the Company's mainstay product; such mechanical parts as rod-end bearings primarily used for aircraft and pivot assemblies used for hard disk drives (HDDs); screws for automobiles and aircraft; and defense-related products. In the ball bearing business, sales to the information and telecommunications equipment industry were weak. However, owing to steady sales to both the consumer electric appliance industry and the automobile industry, as well as increased sales to the aircraft industry, overall sales were firm. Also, in the rod-end bearing business, demand from the aircraft industry—the Company's major market segment—was strong.

As a result, compared with the previous interim term, net sales increased by 1,242 million yen to 62,195 million yen owing, in part, to a depreciation in the value of the yen. Also, operating income rose by 545 million yen to 12,564 million yen.

Electronics devices and components business

In the electronic devices and components business, such precision small motors as spindle motors, fan motors and stepping motors, keyboards, speakers, floppy disk drives (FDDs), switching power supplies and measuring equipment are the Company's mainstay products. Although demand from the information and telecommunications equipment industry—the Company's main customer base—was stagnant, sales of spindle motors for HDDs increased favorably, and sales of keyboards were firm. On the other hand, however, sales of other principal products were sluggish.

As a result, compared with the previous interim term, net sales declined by 1,494 million yen, to 73,978 million yen despite a drop in the value of the yen. Also, operating income substantially fell by 4,743 million yen to show a loss of 74 million yen.

Consumer business and others

In the consumer business, the Company is primarily engaged in purchasing European furniture and exporting such furniture to Japan. Although the Company withdrew from its furniture business by transferring its holding in a furniture import sales subsidiary on February 23, 2001, the previous fiscal year, we decided to continue the purchasing business of furniture in Europe until the end of this year. As a result, compared with the previous interim term, net sales fell by 4,990 million yen to 709 million yen, and operating income also declined by 483 million yen to 6 million yen.

The performance by geographical segment is as follows :

Japan

Though Japan is our largest market, net sales decreased by 12,645 million yen to 44,384 million yen and operating income declined by 5,242 million yen to 448 million yen, compared with the same period of the previous year. This is attributable to the low demand from the information and telecommunications equipment industry

and to the influence of production shift by our customers to their overseas subsidiaries to cope with the fierce price competition.

Asia

Asia is an important area as a production base for Japanese, European, and the U.S. manufacturers of PCs and household electrical appliances. Though adversely affected by the low demand from information and telecommunications equipment makers in Japan, Europe, and the U.S., the sale in this region remained strong because of new demand from Japanese customers that shifted their production to this part of the world. As a result, net sales increased by 4,025 million yen to 44,204 million yen, while operating income declined 619 million yen to 9,583 million yen, compared with the same period of the previous year.

North and South America

Because of the sudden downturn in the U.S. economy, the sale of electronic equipment and their components remained low. In the meantime, demand from the aviation industry grew smoothly. As a result, net sales amounted to 31,272 million yen, an increase of 3,166 million yen partly under the impetus of the depreciation of the yen, and operating income stood at 1,238 million yen, an increase of 685 million yen, compared with the same period of the preceding year.

Europe

Although the European economy grew more sluggish, the sale of ball bearings and rod-end bearings was strong. Partly with the impetus of the depreciation of the yen, net sales stood at 17,018 million yen, an increase of 210 million yen, and operating income was 1,225 million yen, up 493 million yen, compared with the same period of the preceding year.

(b) Cash flows

The Minebea Group has pursued its management policy of enhancing financial soundness and continued to focus on paring its assets and curtailing liabilities by minimizing expenditure for purchase of property, plant and equipment. During the interim period of the current term, the balance of cash and cash equivalents was 15,748 million yen, up 3,817 million yen or 32.0% compared with the end of the previous term.

The cash flow for the interim period of the current term in various activities and relevant factors are as follows: Our all-out effort for improved business performance brought a net cash inflow of 17,656 million yen from operating activities, down 4,738 million yen or 21.1% from the interim period of the previous year.

Expenditure for purchase of property, plant and equipment amounted to 13,191 million yen, resulting in a net cash outflow of 12,596 million yen from investment activities, a decrease of 1,502 million yen or 10.6% compared with the same period of the preceding year.

Dividend payment amounting to 2,794 million yen resulted in a net cash outflow of 1,039 million yen from financial activities, a decrease of 5,638 million yen or 84.4% compared with the same period of the previous year.

(2) Outlook for the current fiscal year

Affected by the slowdown in the world economy, Japan's export is expected to remain sluggish for a while, resulting in production cutback and reduction in expenditure for purchase of property, plant and equipment. In addition, the employment situation is likely to worsen and consumer spending is expected to remain low. It is therefore predicted that the Japanese economy will grow even more depressed during the current fiscal year.

What is worse, affected by the terrorist attacks on the U.S., the future course of the world economy has grown more uncertain. We anticipate that the business climate will continue to be severe for Minebea.

The outlook by industry segment for the current fiscal year is as follows :

Machined components business

The aviation industry, though thrived in the first half of the current term, will be gradually faced with a downturn in the business in the second half because of an adverse effect of the terrorist attacks in the U.S. In the meantime, demand from the information and telecommunications equipment industry continues to be low and does not seem to pick up for some time. We will endeavor to better our business performance by reducing manufacturing costs and further improving the quality of ball bearings and related core products and also by enhancing efficiency in our sales and administrative activities.

Electronics devices and components business

Demand from the information and telecommunications equipment market - our major customer base - remains sluggish. While we predict the demand will not revive for some time to come, we will redouble our effort to improve our business performance by further promoting the brisk sale of HDD spindle motors, by developing

and launching high value-added products and low-priced products in the other product segments, and by cutting down on production costs.

The outlook by geographical segment for the current fiscal year is as follows :

Japan

Since many of our customers are expected to promote production shift to Southeast Asia to deal with the low demand and the more intense price competition, we anticipate we will continue to experience an even more difficult time in the sale of our products. To cope with this, we will strive to improve our business performance by developing efficiency of our business management structure and by promoting a closer cooperation between sales, manufacturing and engineering.

Asia

This is the region where our key production bases are located. We will make the most of this advantage and strive to improve business performance by coping effectively with production shift to this region by our major customers in Japan, Europe, and the U.S.

North and South America

Demand from the aviation industry, which is one of our major customer bases, remained relatively strong during the first half of the current term. However, we anticipate a difficult time in this industry from now on because of a decrease in air travel in the wake of the terrorist attacks on the U.S.

Europe

We will direct our efforts toward swiftly meeting market needs by Product Development Division established in Europe in order to promote sales expansion of core products including bearings.

4. Interim Consolidated Financial Statements and Notes

(1) Interim Consolidated Balance Sheets

	As of September 30,2001		As of September 30,2000		Increase or (decrease) (2001- 2000)		As of March 31,2001	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
ASSETS								
Current assets.....	135,282	40.0	156,607	46.0	(21,324)	(13.6)	137,106	39.6
Cash and cash equivalents.....	15,748		25,901		(10,153)		11,930	
Notes and accounts receivable....	48,851		59,618		(10,767)		55,277	
Inventories.....	51,174		51,147		26		52,764	
Deferred tax assets.....	7,482		6,919		563		6,271	
Others.....	12,506		13,793		(1,287)		11,598	
Allowance for doubtful receivables	(481)		(773)		292		(734)	
Fixed assets.....	202,643	60.0	183,903	54.0	18,739	10.1	209,714	60.4
Tangible fixed assets.....	165,988		140,535		25,453		168,732	
Building and structure.....	91,779		80,453		11,326		90,196	
Machinery and transportation equipment.....	188,012		164,445		23,567		190,639	
Tools, furniture and fixtures.....	47,293		40,675		6,618		46,918	
Land.....	16,326		10,653		5,672		16,550	
Construction in progress.....	3,480		3,898		(418)		3,726	
Accumulated depreciation.....	(180,903)		(159,591)		(21,312)		(179,298)	
Intangible fixed assets.....	15,444		17,100		(1,655)		16,225	
Consolidation adjustments.....	14,537		15,281		(744)		15,344	
Others.....	907		1,819		(911)		880	
Investment and other assets.....	21,209		26,268		(5,058)		24,756	
Investment in securities.....	7,175		10,102		(2,926)		8,877	
Long-term loans receivable.....	132		617		(484)		251	
Deferred tax assets.....	11,495		12,623		(1,127)		13,388	
Others.....	2,638		3,622		(984)		2,558	
Allowance for doubtful receivables	(231)		(696)		464		(319)	
Deferred assets.....	107	0.0	128	0.0	(20)	(15.6)	144	0.0
Total assets.....	338,032	100.0	340,639	100.0	(2,606)	(0.7)	346,965	100.0

	<u>September 2001</u>	<u>September 2000</u>	<u>March 2001</u>
(Note) 1.Treasury stock.....	106 shares	1,190 shares	591 shares
2.Parent company stock held by its subsidiaries.	6,000 shares	—	—

	As of September 30,2001		As of September 30,2000		Increase or (decrease) 2001-2000		As of March 31,2001	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
LIABILITIES								
Current liabilities.....	116,432	34.5	130,220	38.2	(13,787)	(10.5)	127,290	36.7
Notes and accounts payable.....	25,142		38,674		(13,531)		29,170	
Short-term loans payable.....	62,684		61,858		825		62,723	
Current portion of long-term loans payable.....	2,443		3,144		(700)		3,806	
Accrued income taxes.....	4,155		3,175		980		3,984	
Accrued bonuses.....	4,795		4,393		402		3,501	
Allowance for loss on the liquidation of the automotive wheel business....	1,732		—		1,732		2,762	
Others.....	15,478		18,974		(3,496)		21,341	
Long-term liabilities.....	121,696	36.0	124,243	36.5	(2,547)	(2.0)	118,978	34.3
Bonds.....	35,000		35,000		—		35,000	
Convertible bonds.....	40,903		40,903		—		40,903	
Bond with warrant.....	4,000		—		4,000		4,000	
Long-term loans payable.....	40,172		47,995		(7,823)		38,726	
Allowance for retirement benefit....	261		237		24		232	
Others.....	1,359		108		1,251		116	
Total liabilities.....	238,128	70.5	254,464	74.7	(16,335)	(6.4)	246,269	71.0
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES								
	116	0.0	389	0.1	(273)	(70.1)	122	0.0
SHAREHOLDERS' EQUITY								
Common stock.....	68,258	20.2	68,258	20.0	—	—	68,258	19.7
Capital reserve.....	94,756	28.0	94,756	27.8	—	—	94,756	27.3
	163,015	48.2	163,015	47.8	—	—	163,015	47.0
Accumulated deficit.....	—	—	1,436	(0.4)	1,436		—	—
Accumulated surplus.....	6,676	2.0	—	—	6,676		3,303	1.0
Difference on revaluation of other marketable securities.....	(1,451)	(0.4)	(106)	(0.0)	(1,345)	(1,268.2)	(952)	(0.3)
Foreign currency translation adjustments.....	(68,449)	(20.3)	(75,685)	(22.2)	7,236	9.5	(64,791)	(18.7)
	99,791	29.5	85,786	25.2	14,004	16.3	100,574	29.0
Treasury stock.....	(0)	(0.0)	(1)	(0.0)	1	95.2	(0)	(0.0)
Parent company stock held by its subsidiaries ...	(3)	(0.0)	—	—	(3)	—	—	—
Total shareholders' equity.....	99,787	29.5	85,785	25.2	14,002	16.3	100,573	29.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....								
	338,032	100.0	340,639	100.0	(2,606)	(0.7)	346,965	100.0

(2) Interim Consolidated Statements of Income and Retained Earnings

	Half year ended Sept. 30,2001		Half year ended Sept. 30,2000		Increase or (decrease) 2001-2000		Full year ended March 31,2001	
	Millions of yen	% Comp.	Millions of yen	% Comp.	Millions of yen	%	Millions of yen	% Comp.
Net sales.....	136,882	100.0	142,124	100.0	(5,242)	(3.6)	287,045	100.0
Cost of sales.....	98,935	72.3	100,531	70.7	(1,595)	(1.5)	202,928	70.7
Gross profit.....	37,946	27.7	41,593	29.3	(3,647)	(8.7)	84,117	29.3
Selling, general and Administrative expenses.....	25,449	18.6	24,416	17.2	1,033	4.2	51,139	17.8
Operating income.....	12,496	9.1	17,177	12.1	(4,680)	(27.2)	32,977	11.5
Other income.....	934	0.6	1,061	0.7	(126)	(11.9)	1,670	0.6
Interest income.....	140		198		(57)		359	
Dividends income.....	42		48		(5)		85	
Rent income on land and building...	—		198		(198)		—	
Equity income of affiliates.....	—		1		(1)		4	
Others.....	751		614		137		1,220	
Other Expenses.....	4,479	3.2	5,251	3.7	(771)	(14.6)	9,921	3.5
Interest expenses.....	2,930		3,956		(1,026)		7,553	
Foreign currency exchange loss.....	837		612		225		731	
Equity loss of affiliates.....	32		—		32		—	
Others.....	678		681		(3)		1,636	
Ordinary income.....	8,952	6.5	12,987	9.1	(4,034)	(31.0)	24,726	8.6
Extraordinary income.....	1,522	1.1	666	0.4	856	128.4	6,403	2.2
Gain from discharge of debts.....	714		—		714		—	
Gain on sales of fixed assets.....	164		34		130		105	
Gain on sales of investments securities in affiliates.....	—		—		—		5,215	
Reversal of allowance for doubtful receivables.....	231		632		(401)		1,081	
Reversal of allowance for loss on the liquidation of the automotive wheel business...	413		—		413		—	
Extraordinary loss.....	2,434	1.8	1,898	1.3	536	28.2	8,742	3.0
Loss on disposal of inventories.....	842		796		46		1,846	
Loss on sales of fixed assets.....	52		148		(96)		164	
Loss on disposal of fixed assets.....	100		78		22		176	
Loss on the liquidation of the automotive wheel business.....	—		—		—		2,762	
Loss on sales of investments securities in affiliates.....	713		—		713		—	
Loss on liquidation of affiliates.....	411		547		(135)		1,943	
Cancellation fee for the termination of the exclusive distributorship agreement...	—		—		—		1,200	
Retirement benefit expense.....	313		322		(8)		644	
Retirement benefits to directors and corporate auditors.....	—		5		(5)		5	
Income (loss) before income taxes..	8,040	5.8	11,755	8.2	(3,715)	(31.6)	22,387	7.8
Income taxes								
Current (including enterprise tax).....	2,483		1,820		663		4,160	
Adjustment of income taxes.....	1,162		2,796		(1,634)		3,296	
Total income taxes.....	3,645	2.6	4,616	3.2	(970)	(21.0)	7,456	2.6
Minority interest in earnings of consolidated subsidiaries.....	10	0.0	54	0.0	(44)	(81.3)	104	0.0
Net income.....	4,384	3.2	7,084	5.0	(2,699)	(38.1)	14,826	5.2
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)		8,641	
Accumulated deficit at beginning of year	—		8,641		(8,641)		8,641	
Increase of accumulated surplus.....	—		120		(120)		35	
Increase of accumulated surplus for decrease of consolidated subsidiaries....	—		120		(120)		35	
Decrease of accumulated surplus.....	240		—		240		2,916	
Decrease of accumulated surplus for decrease of consolidated subsidiaries.	240		—		240		—	
Cash dividends.....	—		—		—		2,794	
Bonus to directors and corporate auditors...	—		—		—		122	
Accumulated deficit at End of Half year	—		1,436		1,436		—	
Accumulated surplus at End of Half year (Year Ended).....	6,676		—		6,676		3,303	

(3) Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Half year ended September 30,2001	Half year ended September 30,2000	Increase or (decrease) 2001-2000	Year ended March 31,2001
1. Cash Flows from Operating Activities:				
Income before income taxes.....	8,040	11,755	(3,715)	22,387
Depreciation	11,616	10,618	998	22,149
Amortization of consolidation adjustments	593	760	(166)	1,533
Equity loss (income) of affiliates	32	(1)	34	(4)
Interest income and dividends received	(183)	(246)	63	(444)
Interest expenses	2,930	3,956	(1,026)	7,553
Gain from discharge of debts.....	(714)	—	(714)	—
Income (loss) on sales of fixed assets	(111)	114	(226)	58
Loss on disposal of fixed assets	100	78	22	176
Gain on sales of investments securities in affiliates.....	—	—	—	(5,215)
Loss on the liquidation of the automotive wheel business.....	—	—	—	2,762
Gain on sales of investments securities.....	(3)	0	(3)	0
Loss on liquidation of affiliates	411	—	411	1,943
Loss on revaluation of investments securities.....	713	—	713	—
Cancellation fee for the termination of the exclusive distributorship agreement	—	—	—	1,200
Decrease (increase) in notes and accounts receivable	6,222	(3,387)	9,609	1,941
Decrease (increase) in inventories	539	(5,113)	5,652	(3,660)
Decrease (increase) in notes and accounts payable	(3,817)	8,258	(12,075)	(4,808)
Decrease of allowance for doubtful receivables.....	(317)	(610)	292	(1,100)
Increase in accrued bonuses	1,337	1,371	(34)	220
Decrease of allowance for the liquidation of the automotive wheel business	(1,030)	—	(1,030)	—
Increase (decrease) in retirement allowance.....	23	(10)	34	(13)
Payment of bonus to directors and corporate auditors.....	(122)	—	(122)	—
Increase in current assets-others	(1,030)	(3,131)	2,101	(135)
Decrease (increase) in current liabilities-others	(2,785)	3,314	(6,099)	3,753
Sub-total	22,447	27,728	(5,280)	50,297
Receipt of interest and dividends	182	247	(65)	444
Payment of interest	(2,734)	(3,846)	1,111	(7,587)
Payment for the termination of the exclusive distributorship agreement	—	—	—	(1,200)
Payment of income taxes	(2,239)	(1,735)	(503)	(3,621)
Net cash provided by operating activities	17,656	22,394	(4,738)	38,332
2. Cash Flows from Investing Activities:				
Expenditure for purchase of property, plant and equipment.....	(13,191)	(14,627)	1,436	(39,876)
Proceeds from sales of property, plant and equipment	452	389	62	631
Purchase of investment in securities.....	(1)	(1)	0	(31)
Proceeds from sales of investment in securities.....	20	—	20	—
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	—	—	—	5,215
Long term loans receivables	(175)	(410)	234	(727)
Recovery of long term loans receivables	290	1,038	(747)	1,719
Decrease (increase) in long-term assets-others	61	(487)	549	(120)
Proceeds from business transfer.....	—	—	—	90
Net cash used in investing activities	(12,596)	(14,099)	1,502	(33,099)
3. Cash Flows from Financing Activities:				
Increase (decrease) in short-term loans payable.	819	(1,943)	2,763	(6,432)
Long term loans payable	500	—	500	119
Repayment of long term loans payable	(167)	(1,791)	1,624	(11,876)
Income from warrant bond issues.....	—	—	—	4,000
Purchase of treasury stock	0	0	0	0
Dividends paid	(2,794)	(2,794)	0	(2,794)
Dividends paid to minority shareholders	(13)	—	(13)	(27)
Decrease in long-term liabilities-others	615	(147)	763	(128)
Net cash used in financing activities	(1,039)	(6,677)	5,638	(17,138)
4. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(202)	(148)	(53)	(596)
5. Net increase(decrease) in cash and cash equivalents	3,817	1,469	2,348	(12,502)
6. Cash and Cash Equivalents at Beginning of Year	11,930	24,432	(12,502)	24,432
7. Cash and Cash Equivalents at End of Half Year (Year - End)	15,748	25,901	(10,153)	11,930

(4) Basis of presenting interim consolidated financial statements

1. Scope of consolidation and application of equity method

Number of consolidated companies.....53 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 additional stock	(1 company)	NMB · TAIMEI Co., Ltd.
Exclusion	: Liquidation	(2 companies)	PAPST-MINEBEA-DISC-MOTOR (THAILAND) LTD. Minebea Geotechnology Co.,Ltd.
	: 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 interim closing dates are different from that of the Company adjusted their interim 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 or weighted 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 interim 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 .

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 interim 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. Allowance for loss on the liquidation of the automotive wheel business

For the losses expected to result when withdrawing from the wheel business, the Company shows a reasonably estimated amount.

4. 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 interim 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 revenues and purchases of the Company.

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

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

The last day of the current interim 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	114 million yen
Notes and accounts payable	1,301 million yen
Current liabilities and others (Note payable for equipments)	59 million yen

5. 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. Change in the method of presentation

The "Rent income on land & building" of 35 million yen was shown separately until the previous interim term. In this interim term, however, the Company included the income in "Other income - others" due to the fact that it was less than one tenth of the total other income.

(5) NOTES

(a) Segment Information

(1) By industry segments

(Amount: millions of yen)

	FY2002(Interim)					
	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	62,195	73,978	709	136,882	—	136,882
(2) Sales to other segment	3,910	—	—	3,910	(3,910)	—
Total	66,105	73,978	709	140,792	(3,910)	136,882
Operating expense	53,541	74,052	703	128,296	(3,910)	124,385
Operating income	12,564	(74)	6	12,496	—	12,496
2. Assets, depreciation and capital expenditure						
Assets	171,868	265,838	3,572	441,278	(103,246)	338,032
Depreciation	4,676	6,958	2	11,637	—	11,637
Capital expenditure	3,978	9,303	3	13,285	—	13,285

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

2. Main products

- (a) Machined components businessBall 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.

(Amount: millions of yen)

	FY2001 (Interim)					
	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	60,953	75,472	5,699	142,124	—	142,124
(2) Sales to other segment	4,290	—	—	4,290	(4,290)	—
Total	65,243	75,472	5,699	146,414	(4,290)	142,124
Operating expense	53,224	70,803	5,210	129,237	(4,290)	124,947
Operating income	12,019	4,669	489	17,177	—	17,177
2. Assets, depreciation and capital expenditure						
Assets	184,358	248,641	7,195	440,194	(99,555)	340,639
Depreciation	4,863	5,754	43	10,660	—	10,660
Capital expenditure	7,976	7,312	7	15,295	—	15,295

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

2. Main products

- (a) Machined components businessBall 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, Front light assembly, Strain gauges, Load cells, etc.
- (c) Consumer business and others.....Furniture and interior, etc.

(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 businessBall 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, Front light assembly, Strain gauges, Load cells, etc.
- (c) Consumer business and others.....Furniture and interior, etc.

(2) By geographical segments

(Amount: millions of yen)

	FY2002 (Interim)						
	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	44,384	44,206	31,272	17,018	136,882	—	136,882
(2) Sales to other segment	44,411	55,379	1,447	3,256	104,494	(104,494)	—
Total	88,795	99,585	32,720	20,274	241,376	(104,494)	136,882
Operating expense	88,347	90,002	31,482	19,048	228,879	(104,494)	124,385
Operating income	448	9,583	1,238	1,225	12,496	—	12,496
2. Assets	203,817	178,850	33,554	25,056	441,278	(103,245)	338,032

(Amount: millions of yen)

	FY2001 (Interim)						
	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	57,029	40,181	28,106	16,808	142,124	—	142,124
(2) Sales to other segment	46,586	57,532	757	1,430	106,305	(106,305)	—
Total	103,615	97,713	28,863	18,238	248,429	(106,305)	142,124
Operating expense	97,925	87,511	28,310	17,506	231,252	(106,305)	124,947
Operating income	5,690	10,202	553	732	17,177	—	17,177
2. Assets	185,665	178,574	45,763	30,192	440,194	(99,555)	340,639

(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) 1. 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, Netherlands, etc.

(3) Overseas Sales

(Amount: millions of yen)

	FY2002(Interim)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	44,583	29,704	18,484	92,771
2. Total sales				136,882
3. Overseas sales on total sales	% 32.6	% 21.7	% 13.5	% 67.8

(Amount: millions of yen)

	FY2001 (Interim)			
	Asia (excluding Japan)	North and South America	Europe	Total
1. Overseas sales	41,314	28,133	16,648	86,095
2. Total sales				142,124
3. Overseas sales on total sales	% 29.1	% 19.8	% 11.7	% 60.6

(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

	<u>Millions of yen</u>								
	<u>Half year ended Sep.30,2001</u>			<u>Half year ended Sep.30,2000</u>			<u>Full year ended March 31,2001</u>		
(1) Equivalent of acquisition value of leased items, equivalent of total amount of depreciation and equivalent of interim (year-end) closing balance:	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of half year-end balance	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of half year-end balance	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance
Machinery and transportation equipment	2,388	1,493	895	2,091	1,282	809	2,654	1,687	967
Tools, furniture and fixtures	<u>3,710</u>	<u>2,088</u>	<u>1,622</u>	<u>4,316</u>	<u>2,376</u>	<u>1,940</u>	<u>3,831</u>	<u>1,999</u>	<u>1,832</u>
Total	6,098	3,581	2,517	6,407	3,658	2,749	6,485	3,686	2,799

Because of a low ratio of the interim(year-end) closing balance of unexpired lease expenses to a total amount of the interim(year-end) closing balance of tangible fixed assets plus the interim(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 interim(year-end) closing balance of unexpired lease expenses:

within-1-year	1,150	1,243	1,295
over 1-year	<u>1,366</u>	<u>1,506</u>	<u>1,504</u>
Total	2,517	2,749	2,799

Because of a low ratio of the interim(year-end) closing balance of unexpired lease expenses to a total amount of the interim(year-end) closing balance of tangible fixed assets plus the interim(year-end) closing balance of unexpired lease expense, equivalent of interim(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	730	684	1,556
Equivalent of depreciation expenses	730	684	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) Marketable securities

Marketable securities

(Amount: millions of yen)

Classification	As of September 30,2001		
	Book Value	Market Price	Gain or (Loss)
Other Marketable Securities with Market Value			
Stock	8,248	5,828	(2,419)
Bonds	—	—	—
Other	—	—	—
Total	8,248	5,828	(2,419)

(Note)1. Main securities without market value

Other marketable securities : Non-listed stock (Except for stock at over the counter) 1,347 million yen

2. In this interim term, the Company recorded an investment securities valuation loss of 713 million yen due to an impairment of stocks with market values included in other marketable securities.

Marketable securities

(Amount: millions of yen)

Classification	As of September 30,2000		
	Book Value	Market Price	Gain or (Loss)
Other Marketable Securities with Market Value			
Stock	8,942	8,765	(176)
Bonds	—	—	—
Other	—	—	—
Total	8,942	8,765	(176)

(Note) Main securities without market value

Other marketable securities : Non-listed stock (Except for stock at over the counter) 1,336 million yen

Marketable securities

(Amount: millions of yen)

Classification	As of March 31,2001		
	Book Value	Market Price	Gain or (Loss)
Other Marketable Securities with Market Value			
Stock	8,978	7,390	(1,588)
Bonds	—	—	—
Other	—	—	—
Total	8,978	7,390	(1,588)

(Note) Main securities without market value

Other marketable securities : Non-listed stock (Except for stock at over the counter) 1,487 million yen

(d) Contract amounts etc., current prices, and unrealized profits or losses of derivatives

Exchange contract

(Amount: millions of yen)

Classification	Type	As of September 30,2001			
		Contract amount		Current price	Revaluation profit or (loss)
			Over 1-year		
Non—market transaction	Exchange Contract Transaction				
	Selling order				
	US dollar	285	-	285	-
	Japanese YEN	140	-	140	-
	Euro	27	-	27	-
	Buying order				
	Japanese YEN	29	-	29	-
Total		482	-	482	-

(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 interim financial year's report.

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

The Company did not utilize any derivatives at the end of the previous interim, and had no relevant data to report during the current term.

Exchange contract

(Amount: millions of yen)

Classification	Type	As of March 31,2001			
		Contract amount		Current price	Revaluation profit or (loss)
			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.