

November 20, 2000

Minebea Co., Ltd

Questions & Answers (US Information Meeting)

On November 20, 2000, Minebea held an information meeting in New York. This information meeting was hosted by President and Representative Director Tsugio Yamamoto.

The following provides a summary of the main questions and answers exchanged on that day:

Q : I would like to ask you about Minebea's fluid dynamic bearings (FDBs).

A : Although other spindle motor manufacturers have heavily publicized their FDBs, I believe that none of them have yet begun production.

However, Minebea has already supplied production samples of FDBs to Seagate Technology, Inc., and I believe that we lead other companies by a large margin. We will initially supply these products to Seagate, but intend to expand our marketing focus to other HDD manufacturers in the future by enhancing our production capacity.

Q : What will help to boost demand for your mainstay ball bearings over the next three years?

A : Ball bearings are principally used in information and telecommunications equipment, including personal computers (PCs) and computer peripherals. In addition, they are also employed in small motors for household electrical appliances.

Recently, however, we have been enjoying growth in demand for ball bearings from the manufacturers of multi-functional equipment, such as an equipment with the compound functions of printer, facsimile, and plain paper copier (PPC). Also, particularly in China, we have been seeing increases in the shipments of ball bearings for motors used in air conditioning equipment. In addition, the quantity of ball bearings employed in cooling fans manufactured by Minebea and other manufacturers has also been increasing rapidly. We, therefore, believe that the demand for ball bearings will greatly exceed the originally planned levels. If these increases in the demand continue, we will have to consider building a new bearing factory around 2003.

Q : In the current term, your operating income in North America has decreased noticeably, compared with that in Asia. Why is that? In addition, growth in demand for PCs tends to be slower. Does this affect your businesses?

A : While the PC market is believed to be generally unstable, we don't think we should worry about this too much because our share in this market is not so large as to be affected by the performance of the market.

Looking at operating income on a region-by-region basis, the percentage of operating income is high in Asia, as we have major plants in Thailand. The decline in operating income in North

America for the current term is due to stagnation in our aircraft-related businesses and the influence of the strong yen.

Q : May I consider that Front Light Assemblies for reflective color LCD are your new business?

A : Front Light Assemblies for reflective color LCD are totally new business.

Q : Who are the major business competitors of your Company?

A : There are several competitors in our respective business fields. To cite our two major competitors, one is said to be NIDEC Corp. in the spindle motor business for HDDs, and the other is said to be NSK Ltd. in the ball bearing business.

Q : Generally, profit margins on rotary components for automobiles are said to be low. How do you manage to maintain reasonable margins in such a field?

A : We have no intention of entering a market, as a latecomer, in which profits are believed to be low. We intend to specialize in such high value-added products as control motors for the next-generation of automobiles, including hybrid cars and electric vehicles, both now being rapidly developed. We also intend to specialize in VR resolvers, which detect the rotation velocity and angle of the shaft of such motors. At the same time, we plan to present a variety of technological proposals to customers as a package when marketing these products.

Q : During the last fiscal year, Minebea saw decreases in net sales and income. Under these circumstances, what is your management policy for the years to come?

A : Although we were working on the expansion of our market share, or we were concentrating on solidifying the footstep in the market, we made a new strategy last year to pursue the quality rather than the quantity shifting our emphasis from low-end products to high-end products. I believe that this resulted in the increased operating income. However, to improve our cost performance, we also would like to maintain the production of low-end products in certain percentage.

Q : What profit margin do you expect from FDBs?

A : We expect to get the same level of profit margin as that of ball bearings, our mainstay product.

Q : What is the reason Minebea has developed Front Light Assemblies for reflective color LCD?

A : Our experience in the production of Back Light Inverters for Note Book PCs suggested us that as a next-generation product, the color LCDs of mobile electronic products, such as cellular phones and personal digital assistants (PDAs), would become increasingly popular. The development concept of our Front Light Assemblies is to make the color LCDs clearly visible under any lighting condition with less electric power.

Q : I would like to ask you about your capital investments by product over the next three years.

A : We will make investments principally in the equipment and facilities for bearings including FDBs, bearing-related products, and spindle motors for HDDs.