

Financial Results For the Nine Months Ended December 31, 2011 [Japanese Accounting Standards] (Consolidated)

January 31, 2012

NTN Corporation

Security Code: 6472

Listings: Tokyo and Osaka Stock Exchanges

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1. Consolidated Financial Results for the Nine Months Ended December 31, 2011 (April 1, 2011 to December 31, 2011)

(Amounts rounded down to the nearest million yen)
(Percentage figures represent quarter-on-quarter changes)

(1) Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine Months ended December 31, 2011	397,825	1.7	14,124	-10.1	11,537	-8.9	4,463	-56.4
Nine Months ended December 31, 2010	391,119	20.7	15,707	—	12,668	—	10,229	—

Note: comprehensive income: Nine Months ended December 31, 2011: -10,554 million yen (—%)
Nine Months ended December 31, 2010: -2,821 million yen (—%)

	Net income per share	Diluted net income per share
	yen	yen
Nine Months ended December 31, 2011	8.40	—
Nine Months ended December 31, 2010	19.24	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Nine Months ended December 31, 2011	649,846	196,128	28.4
Year ended March 31, 2011	632,000	210,352	31.6

Note: Shareholders' equity: Nine Months ended December 31, 2011: 184,374 million yen
Year ended March 31, 2011: 199,921 million yen

2. Dividends

(Record date)	Dividends per share				
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2011	—	5.00	—	5.00	10.00
Year ending March 31, 2012	—	5.00	—		
Year ending March 31, 2012 (forecast)				5.00	10.00

Notes: Adjustment from the previously published forecast of dividends: None

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012) (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	540,000	1.9	20,000	-18.6	15,500	-26.5	7,000	-51.4	13.17

Notes: Adjustment from the previously published forecast of earnings: Adjusted

4. Other Information

- (1) Significant changes in subsidiaries during the period (Scope of consolidation): None
- (2) Adoption of accounting method specific to the preparation of consolidated quarterly financial statements:
Adopted
Notes: For more details, see "2. Information regarding Summary Information (Other Information)" on page 4 of the attached document.
- (3) Changes in accounting principles and accounting estimates and retrospective restatement
 - 1) Changes in accounting principles due to amendment to accounting standards: None
 - 2) Changes other than above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Number of shares issued and outstanding (Common stock)
 - 1) Number of shares issued and outstanding at end of the period (treasury stock included):

Nine Months ended December 31, 2011:	532,463,527 shares
Year ended March 31, 2011:	532,463,527 shares
 - 2) Number of treasury stock at end of the period:

Nine Months ended December 31, 2011:	836,625 shares
Year ended March 31, 2011:	824,400 shares
 - 3) Average number of shares outstanding during the quarter:

Nine Months ended December 31, 2011:	531,633,522 shares
Nine Months ended December 31, 2010:	531,677,283 shares

* Presentations related to implementation of quarterly review process

This financial results report for the Third Quarter is exempt from quarterly review under the Financial Instruments and Exchange Act of Japan. As of the date of disclosure, the quarterly review process for the financial statements under the Financial Instruments and Exchange Act has not been completed.

* Notes

The above forecast incorporates certain assumptions and projections based upon which the future outlook and plans by NTN (the Company) as announced in this document are formulated. Actual results may differ from the above forecast depending on various conditions.

[Contents of the Attached Documents]

1. Qualitative Information of Consolidated Financial Statements for Nine Months ended December 31, 2011	2
(1) Qualitative Information regarding Consolidated Operating Results	2
(2) Qualitative Information regarding Consolidated Financial Position	4
2. Information regarding Summary Information (Other Information)	4
(1) Adoption of accounting method specific to the preparation of quarterly consolidated financial statements	4
3. Consolidated Financial Statements for the Nine Months	5
(1) Balance Sheets	5
(2) Consolidated Statement of Operation and Consolidated Statement of Comprehensive Income	7
(Consolidated Statement of Operation)	7
(Consolidated Statement of Comprehensive Income)	8
(3) Statements of Cash Flows	9
(4) Notes to Consolidated Financial Statements	10
(Consolidated Balance Sheet)	10
(5) Going Concern Assumption	10
(6) Segment Information	11
(7) Notes Related to Significant Changes in Shareholder's Equity	11
(8) Additional information	12
4. Supplemental Information	12
(1) Earnings by business segment	12
(2) Sales by geographic segment	12
(3) On-site inspections by the Japan Fair Trade Commission and the European Commission	12

1. Qualitative Information of Consolidated Financial Statements for Nine Months ended December 31, 2011

(1) Qualitative Information regarding Consolidated Operating Results

During the period for accumulated consolidated results through the third quarter (April 1, 2011 to December 31, 2011), the Japanese economy showed signs of recovery from the aftermath of the Great East Japan Earthquake, but the future of the economy remains uncertain due to the prolonged appreciation of the yen and other factors. In terms of the global economy, the recovery is weakening primarily due to the impact of the Thai flood and concerns over the debt crisis seen in Europe.

Against this backdrop, the NTN Group is expanding its business on a global scale by placing emphasis on growth markets and, at the same time, promoting expansion of sales in the fields of industrial machinery and aftermarket applications, as we seek to achieve the targets of the medium-term management plan, "Global Advance 2013," covering three years starting in April last year.

The Group's net sales for the third quarter (accumulated) increased 1.7% from a year earlier to 397,825 million yen. In terms of income, operating income decreased 10.1% year on year to 14,124 million yen and ordinary income fell 8.9% from the previous fiscal year to 11,537 million yen. As a result of reporting gains on sale of fixed assets of 1,204 million yen as extraordinary gains, and earthquake-related expenses of 743 million yen, business restructuring expenses of 580 million yen and loss on revaluation of investment securities of 219 million yen as extraordinary loss, net income for the third quarter (accumulated) was 4,463 million yen, down 56.4% year on year.

Sales by geographical segment were as follows:

(1) Japan

Sales in automotive applications decreased overall mainly due to a decline in customer demand as a result of the Great East Japan Earthquake and the Thai flood. In industrial machinery applications, sales in construction machinery and machine tools applications increased and there was also an increase in sales in the aftermarket. In addition, export sales grew in all regions thanks primarily to the recovery of customer demand. As a result, sales increased 4.2% from a year earlier to 249,370 million yen. The segment income amounted to 5,557 million yen, up 8.1% year on year, reflecting the increased sales.

(2) Americas

Sales in automotive applications increased overall mainly due to recovery in customer demand. In industrial machinery applications, sales in construction machinery and agricultural machinery increased and there was also an increase in sales in the aftermarket. As a result, sales increased 3.8% from a year earlier to 85,776 million yen despite the negative impact of the appreciation of the yen. As a result, this segment showed a loss of 57 million yen compared with the segment income of 1,449 million yen recorded in the previous fiscal year.

(3) Europe

Sales in automotive applications remained on par with the same period of the previous year, but for industrial machinery applications, sales in construction machinery and agricultural machinery increased and there was also an increase in sales in the aftermarket. As a result, sales increased 3.2% from a year earlier to 106,817 million yen despite the negative impact of the appreciation of the yen, but the segment income amounted to 2,978 million yen, a year-on-year decrease of 18.4%.

(4) Asia and other areas

Sales in automotive applications increased primarily for axle bearings in China but remained on par with the same period of the previous year partially due to the impact of the Thai flood, though the start of mass production for new projects in other Asian regions contributed to the increase in sales. In industrial machinery applications, there was an increase in sales for wind power generation, railway rolling stock and construction machinery applications, and sales in the aftermarket also increased. Sales, however, remained at about the same level as those of the previous year, an increase of 0.2% from a year earlier to 61,255 million yen, due to the negative impact of the appreciation of the yen. As a result, the segment income fell 21.1% from a year earlier to 4,007 million yen.

Operating results by business application are as follows:

(1) Automotive applications

Despite increased sales in America and China, sales in Japan and other Asian regions dropped

primarily due to a decline in customer demand resulting from the aftermath of the Great East Japan Earthquake and the Thai flood. In addition, partially due to the negative impact of the appreciation of the yen, sales fell 2.8% to 249,342 million yen. The decrease in sales led to operating loss of 2,970 million yen compared with 1,741 million yen recorded in the previous fiscal year.

(2) Industrial machinery applications

Despite the aftermath of the Thai flood, sales increased in the respective regions of Japan, Americas, Europe, Asia and other areas thanks mainly to the overall recovery of demand in construction machinery, machine tools and agricultural machinery applications. As a result, sales grew 9.2% year on year to 79,051 million yen. The increased sales helped operating income reach 3,133 million yen, up 112.7% from the same period last year.

(3) Aftermarket applications

Sales increased in the respective regions of Japan, Americas, Europe, Asia and other regions mainly backed by the overall recovery of customer demand. As a result, sales increased 11.7% from a year earlier to 69,431 million yen. Increased sales led to operating income of 13,961, up 11.8% from the same period last year.

(2) Qualitative Information regarding Consolidated Financial Position
(Assets, Liabilities, and Net assets)

Total current assets at December 31, 2011 amounted to 340,250 million yen, an increase of 21,556 million yen, or 6.8%, from the previous consolidated fiscal year end. Major factors included an increase of 12,000 million yen in securities and an increase of 10,204 million yen in finished goods and purchased goods. Total fixed assets amounted to 309,596 million yen, a decrease of 3,710 million yen, or 1.2%, from the previous consolidated fiscal year end. The major factor was a decrease of 2,886 million yen in investment securities. As a result, total assets amounted to 649,846 million yen, an increase of 17,846 million yen, or 2.8%, from the previous consolidated fiscal year end.

Total current liabilities at December 31, 2011 amounted to 280,155 million yen, an increase of 10,532 million yen, or 3.9%, from the previous consolidated fiscal year end. The major factor was an increase of 5,804 million yen in notes payable and accounts payable and an increase of 6,197 million yen in short-term loans. Total long-term liabilities at the current third quarter end amounted to 173,562 million yen, an increase of 21,538 million yen, or 14.2%, from the previous consolidated fiscal year end. The major factor was an increase of 22,961 million yen in long-term loans. As a result, total liabilities amounted to 453,717 million yen, an increase of 32,069 million yen, or 7.6 %, from the previous consolidated fiscal year end.

Total net assets were 196,128 million yen, a decrease of 14,224 million yen, or 6.8%, from the previous consolidated fiscal year end. The major factor was a decrease of 12,358 million yen in translation adjustments.

(Cash Flows)

Net cash provided by operating activities was 9,594 million yen, a decrease of 22,814 million yen, or 70.4 %, from the same period of the previous year. This was mainly due to inflows of 11,092 million yen from operating income before taxes and minority interests and 25,294 million yen of depreciation and amortization against expenditures associated with 25,689 million yen of increase in inventories.

Cash used in investment activities was 36,770 million yen, an increase of 12,992 million yen, or 54.6%, from the same period of the previous year. This was mainly due to expenditure of 34,513 million yen in the purchase of property, plants and equipment as well as expenditure of 2,300 million yen in payment for purchase of stock of equity-method affiliates.

Net cash provided by financial activities was 32,042 million yen compared with the expenditure of 11,384 million yen in the same period of the previous year. This was mainly due to inflows of 29,671 million yen from a net increase in long-term loans.

As a result of changes in these cash flows and including foreign exchange gain of 1,562 million yen and an increase of 107 million yen in cash and cash equivalents from newly consolidated subsidiaries, cash and cash equivalents as of the end of the third quarter of the current consolidated fiscal year amounted to 46,618 million yen, an increase of 6,536 million yen, or 16.3%, from the previous consolidated fiscal year end.

2. Information regarding Summary Information (Other Information)

(1) Adoption of accounting method specific to the preparation of quarterly consolidated financial statements (calculation of tax expenses)

Tax expenses are calculated by multiplying quarterly income before income taxes by an effective tax rate reasonably estimated based on income before income taxes for the consolidated fiscal year, including the third quarter ended December 31, 2011, after the application of tax effect accounting.

However, in cases where calculating tax expenses using a reasonably estimated effective tax rate yields a result that is notably lacking rationality, then, tax expenses are calculated using the statutory effective tax rate. Income taxes adjustments are shown in income and other taxes.

3. Consolidated Financial Statements for the Nine Months
 (1) Balance Sheets

(In million yen)

	As of March 31, 2011	As of December 31, 2011
Assets		
Current assets		
Cash and bank deposits	33,415	33,259
Notes and accounts receivable-trade	109,721	105,037
Securities	3,000	15,000
Finished goods & purchased goods	73,762	83,966
Work in process	39,063	42,987
Raw materials & supplies	24,159	25,976
Deferred tax assets	6,132	7,096
Short-term loans receivable	5,305	492
Other	24,782	27,005
Allowance for doubtful accounts	-647	-572
Total current assets	318,694	340,250
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	64,172	66,173
Machinery, equipment and vehicles, net	131,375	120,037
Other, net	50,583	60,141
Total property, plant and equipment	246,131	246,352
Intangible fixed assets	2,989	2,451
Investments and other assets		
Investment securities	38,265	35,379
Deferred tax assets	24,214	22,923
Other	1,839	2,665
Allowance for doubtful accounts	-132	-175
Total investments and other assets	64,186	60,792
Total fixed assets	313,306	309,596
Total assets	632,000	649,846

(In million yen)

	As of March 31, 2011	As of December 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	110,205	116,009
Short-term loan	114,236	120,433
Accrued income taxes	3,743	1,745
Accrued bonuses for directors and statutory auditors	185	119
Other	41,252	41,847
Total current liabilities	269,623	280,155
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans	99,047	122,008
Accrued retirement benefits for employees	30,833	30,547
Reserve for product defect compensation	845	867
Other	11,297	10,139
Total long-term liabilities	152,024	173,562
Total liabilities	421,648	453,717
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,417	67,417
Retained earnings	113,030	112,182
Treasury stock	-757	-762
Total shareholders' equity	234,036	233,183
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	2,136	-367
Translation adjustments	-33,679	-46,037
Accrued retirement benefits adjustments	-2,572	-2,405
Total accumulated other comprehensive income	-34,115	-48,809
Minority interests	10,430	11,754
Total net assets	210,352	196,128
Total liabilities and net assets	632,000	649,846

(2) Consolidated Statement of Operation and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Operation)

(In million yen)

	Nine Months ended December 31, 2010 (April 1, 2010 – December 31, 2010)	Nine Months ended December 31, 2011 (April 1, 2011 – December 31, 2011)
Net sales	391,119	397,825
Cost of sales	324,901	330,664
Gross profit	66,217	67,160
Selling, general and administrative expenses	50,510	53,036
Operating income	15,707	14,124
Non-operating income		
Interest income	150	188
Dividend income	451	595
Equity in earnings of unconsolidated subsidiaries	406	695
Other	1,920	1,498
Total non-operating income	2,928	2,977
Non-operating expenses		
Interest expenses	2,464	2,503
Other	3,503	3,061
Total non-operating expenses	5,968	5,564
Ordinary income	12,668	11,537
Extraordinary gains		
Gains on sale of property, plant and equipment	-	*1 1,204
Gains on sale of investment securities	1,511	-
Gains on negative goodwill	1,202	-
Compensation received	559	-
Gains on allotment of shares	*2 298	-
Total extraordinary gains	3,572	1,204
Extraordinary losses		
Earthquake-related expenses	-	*3 743
Restructuring expenses	-	*4 580
Loss on revaluation of investment securities	153	219
Loss on sale of fixed assets	-	107
Total extraordinary losses	153	1,649
Operating income before income taxes and minority interests	16,086	11,092
Income and other taxes	4,678	5,900
Income before minority interests	11,408	5,191
Minority interests in subsidiaries	1,178	728
Current net income	10,229	4,463

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Nine Months ended December 31, 2010 (April 1, 2010 – December 31, 2010)	Nine Months ended December 31, 2011 (April 1, 2011 – December 31, 2011)
Income before minority interests	11,408	5,191
Other comprehensive income		
Net unrealized holding gain on securities	-914	-2,503
Deferred gains or losses on hedges	66	-
Translation adjustments	-13,243	-12,608
Accrued retirement benefits adjustments	327	167
Equity in equity-method affiliates	-464	-800
Total other comprehensive income	-14,229	-15,745
Comprehensive income	-2,821	-10,554
(Breakdown)		
Comprehensive income attributable to owners of parent company	-2,935	-10,231
Comprehensive income attributable to minority interests	113	-322

(3) Statements of Cash Flows

(In million yen)

	Nine Months ended December 31, 2010 (April 1, 2010 – December 31, 2010)	Nine Months ended December 31, 2011 (April 1, 2011 – December 31, 2011)
Net cash provided by operating activities		
Operating income before income taxes and minority interests	16,086	11,092
Depreciation and amortization	26,885	25,294
Gains on negative goodwill	-1,202	-
Increase/decrease in allowance for doubtful accounts	-169	63
Increase/decrease in accrued retirement benefits for directors and statutory auditors	122	-66
Increase/decrease in accrued retirement benefits for employees	910	588
Increase/decrease in reserve for product defect compensation	-892	32
Increase/decrease in accrued payments due to the change in retirement benefit plan	-286	-240
Interest and dividend income	-601	-783
Interest expenses	2,464	2,503
Foreign currency translation adjustments / Foreign exchange losses/gains	-506	-776
Equity in earnings/losses of non-consolidated subsidiaries	-406	-695
Gains or loss on sale of fixed assets	-	-1,097
Gains or loss on revaluation of investment securities	153	219
Decrease/increase in trade receivables	-6,702	-1,744
Decrease/increase in inventories	-12,739	-25,689
Increase/decrease in trade payables	15,474	8,452
Other	293	409
Subtotal	38,883	17,563
Interest and dividend income received	878	1,786
Interest paid	-2,423	-2,517
Income taxes paid	-4,930	-7,237
Net cash provided by operating activities	32,408	9,594
Net cash used in investing activities		
Increase in time deposits	-1,216	-3,516
Decrease in time deposits	1,336	3,119
Purchase of property, plant and equipment	-19,162	-34,513
Proceeds from sale of property, plant and equipment	25	1,561
Purchase of intangible fixed assets	-350	-291
Purchase of investment securities	-158	-0
Proceeds from sale of investment securities	1,564	-
Payment for purchase of subsidiaries' stock	-5,908	-488
Proceeds from liquidation of subsidiaries	-	112
Payment for purchase of stock of equity-method affiliates	-30	-2,300
Decrease/increase in short-term loans receivable, net	-24	-188
Other	145	-264
Net cash used in investing activities	-23,778	-36,770
Net cash provided by financing activities		
Increase/decrease in short-term loans, net	-12,432	6,168
Proceeds from long-term loans	30,604	35,604
Repayment of long-term loans	-4,649	-5,933
Payment for redemption of bonds	-20,000	-
Proceeds from issuance of shares to minority shareholders	203	2,044
Dividend payment	-4,785	-5,316
Repayment of lease payable	-141	-143
Other	-183	-381
Net cash provided by financing activities	-11,384	32,042
Effect of exchange rate changes on cash and cash equivalents	2,923	1,562
Increase/decrease in cash and cash equivalents	169	6,429
Cash and cash equivalents, at beginning of the year	32,758	40,081
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	107
Cash and cash equivalents, at end of the year	32,927	46,618

(4) Notes to Consolidated Financial Statements
(Consolidated Balance Sheet)

Nine Months ended December 31, 2010 (April 1, 2010 – December 31, 2010)	Nine Months ended December 31, 2011 (April 1, 2011 – December 31, 2011)
-	*1 During the period for accumulated consolidated results through the current third quarter, 1,204 million yen of gains on sale of fixed assets is reported as extraordinary loss. This consists of 1,097 million yen of gains on sale of company dormitories/housing following the closure of Takarazuka Works and 106 million yen of other gains.
*2 Gains on allotment of shares of 298 million yen shown in extraordinary gains is from shares allotted following the demutualization of the Dai-ichi Mutual Life Insurance Company.	-
-	*3 In the third quarter (accumulated) During the period for accumulated consolidated results through the current third quarter 743 million yen of earthquake-related expense is reported as extraordinary losses. This consists of 726 million yen of fixed costs attributable to the period during which production level is less than normal and 17 million yen of other expenses.
-	*4 Loss from the closure of the former Takarazuka Works was accounted for as business restructuring expense and included in extraordinary losses when the production at the facility was ended as at March-end, 2009. However, because additional engineering work was necessary, the expenditure of 580 million yen for the work is accounted for as business restructuring expense and included in extraordinary losses for the third quarter (accumulated). The former site of Takarazuka Works is scheduled to be sold after soil amelioration. However, as it is difficult to provide reasonable estimates of the gains and expenses at this point, neither of them is shown in this report.

(5) Going Concern Assumption
None

(6) Segment Information

I. Nine Months ended December 31, 2010 (April 1, 2010 – December 31, 2010)

1. Information related to sales, income or losses, assets, liabilities and other items for individual reporting segments

(In million yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	152,732	80,581	101,200	56,604	391,119	-	391,119
Inter-segment sales or transfers	86,480	2,086	2,344	4,521	95,433	-95,433	-
Total	239,213	82,667	103,545	61,126	486,552	-95,433	391,119
Segment income (operating income)	5,141	1,449	3,649	5,077	15,317	389	15,707

Notes: 1. "Adjustments" refers to elimination of all inter-segment transactions.

2. Major countries or regions in each segment:

Americas: U.S.A., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

2. Information on impairment loss of fixed assets or goodwill

(Significant gains from negative goodwill)

With the aim of business expansion in Europe, the Company raised its ownership in NTN-SNR ROULEMENTS, a consolidated subsidiary, to 80% after acquiring additional 29% ownership interest on April 22, 2010. This resulted in recognition of gains on negative goodwill in the Japan segment. The event created a gain of 1,202 million yen for the third quarter (accumulated).

II. Nine Months ended December 31, 2011 (April 1, 2011 – December 31, 2011)

1. Information related to sales, income or losses, assets, liabilities and other items for individual reporting segments

(In million yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	154,065	83,473	103,996	56,289	397,825	-	397,825
Inter-segment sales or transfers	95,304	2,302	2,821	4,966	105,394	-105,394	-
Total	249,370	85,776	106,817	61,255	503,220	-105,394	397,825
Segment income (operating income or loss)	5,557	-57	2,978	4,007	12,486	1,637	14,124

Notes: 1. "Adjustments" refers to elimination of all inter-segment transactions.

2. Major countries or regions in each segment:

Americas: U.S.A., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

(7) Notes Related to Significant Changes in Shareholder's Equity

None

(8) Additional information

(Suspension of issuance of corporate bonds)

The Company made a comprehensive resolution at its Board of Directors meeting held on October 20, 2011 with regard to the offering of domestic unsecured straight bonds, but the resolution was rescinded at its Board of Directors meeting held on November 28, 2011.

(Effects of changes, etc. in corporate tax rate)

Corporate tax rates are lowered and special corporate taxes for reconstruction are imposed on enterprises from the consolidated fiscal year starting on and after April 1, 2012. With these measures, effective statutory tax rates used to calculate deferred tax assets and deferred tax liabilities are changed for temporary differences that will be eliminated on and after such date. As a result, the amount of deferred tax assets (the amount obtained by deducting the amount of deferred tax liabilities) was reduced by 2,025 million yen and income and other taxes increased by 2,025 million yen.

4. Supplemental Information

(1) Earnings by business segment

Nine Months (from April 1, 2010 to December 31, 2010)

(In million yen)

	Automotive applications	Industrial machinery applications	Aftermarket applications	Total
Sales to external customers	256,555	72,423	62,140	391,119
Operating income	1,741	1,473	12,492	15,707

Nine Months (from April 1, 2011 to December 31, 2011)

(In million yen)

	Automotive applications	Industrial machinery applications	Aftermarket applications	Total
Sales to external customers	249,342	79,051	69,431	397,825
Operating income or loss	-2,970	3,133	13,961	14,124

(2) Sales by geographic segment

Nine Months (from April 1, 2010 to December 31, 2010)

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
141,954	85,321	95,537	68,306	391,119

Nine Months (from April 1, 2011 to December 31, 2011)

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
141,761	88,401	98,678	68,983	397,825

- Notes: 1. Sales are reported based on customers' locations based on country or region
2. Segmentation into country or region is done according to geographic proximity
3. Major countries or regions in each segment:
Americas: U.S.A., Canada, South and Central America
Europe: Germany, France, United Kingdom, and others
Asia and other areas: China, Thailand, India, and others

(3) On-site inspections by the Japan Fair Trade Commission and the European Commission

The Company underwent an on-site inspection by the Japan Fair Trade Commission on domestic transactions of bearings in July 2011 on suspicion that the Company has decided to raise sales prices in cooperation with other manufacturers. Our European consolidated subsidiaries also received an on-site inspection by the European Commission on transactions of bearings in November 2011 on suspicion of noncompliance with the EU Competition Law. The NTN Group accepts those on-site inspections seriously with the greatest concern and is cooperating with their investigations. Investigations are now underway and therefore it is difficult to estimate any impact on our operating results and financial position.