

Financial Results for the Six Months Ended September 30, 2012 [Japanese Accounting Standards] (Consolidated)

November 5, 2012

NTN Corporation
 Security Code: 6472
 Listings: Tokyo and Osaka Stock Exchanges
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 Investor meeting: Scheduled

1. Consolidated Financial Results for the Six Months Ended September 30, 2012 (April 1, 2012 to September 30, 2012)

(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	%
Six months ended September 30, 2012	266,599	0.2	2,141	-80.0	-1,546	—	-1,734	—
Six months ended September 30, 2011	266,066	2.0	10,722	2.3	8,652	0.5	3,725	-48.7

Note: comprehensive income: Six months ended September 30, 2012: -13,048 million yen (—%)
 Six months ended September 30, 2011: -9,475 million yen (—%)

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2012	-3.26	—
Six months ended September 30, 2011	7.01	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Six months ended September 30, 2012	708,436	196,327	25.7
Year ended March 31, 2012	693,257	212,126	28.4

Note: Shareholders' equity Six months ended September 30, 2012: 181,896 million yen
 Year ended March 31, 2012: 196,904 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, 2012	—	5.00	—	5.00	10.00
Year ending March 31, 2013	—	0.00	—	—	—
Year ending March 31, 2013 (forecast)	—	—	—	0.00	0.00

Notes: Adjustment from the previously published forecast of dividends: Adjusted
 See "Notice Regarding Dividends on Surpluses (Interim Dividend)" published today (November 5, 2012).

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013) (% figure 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	530,000	-2.5	7,500	-63.8	500	-97.3	-7,000	—	-13.16

Notes: Adjustment from the previously published forecast of earnings: Adjusted
 See "Notice of Revisions of Earnings Forecast" published today (November 5, 2012).

* Notes

(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

(Note) For further details, please refer to "2. Information regarding Summary Information(Other Information)" on page 4 of Attached Documents.

(3) Changes in accounting policy, changes in accounting estimates and retrospective restatements

- | | |
|---|------|
| 1) Changes in accounting principles due to amendment to accounting standards: | Some |
| 2) Changes other than above: | None |
| 3) Changes in accounting estimates: | Some |
| 4) Retrospective restatement: | None |

(Note) For further details, please refer to "2. Information regarding Summary Information (Other Information)" on page 4 of Attached Documents.

(4) Number of shares issued and outstanding (Common stock)

1) Number of shares issued and outstanding at end of the period (treasury stock included):

Six months ended September 30, 2012: 532,463,527 shares

Year ended March 31, 2012: 532,463,527 shares

2) Number of treasury stock at end of the period:

Six months ended September 30, 2012: 571,008 shares

Year ended March 31, 2012: 566,982 shares

3) Average number of shares outstanding during the quarter:

Six months ended September 30, 2012: 531,894,016 shares

Six months ended September 30, 2011: 531,635,926 shares

* Presentations related to implementation of quarterly review process

This financial results report for the Second 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

All descriptions about the future of the Company contained herein including earnings forecasts are prepared on the basis of data and information currently in our possession as well as certain assumptions that are deemed reasonable, and therefore are not meant to have us committed to their achievement. Various factors may cause actual results to substantially differ from those described herein.

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1. Qualitative Information of Consolidated Financial Statements for the Six Months ended September 30, 2012

(1) Qualitative Information regarding Consolidated Operating Results

During the current first half of the year (April 1 - September 30, 2012) saw a downturn in the recovery in the Japanese economy, with background factors including a slump in exports as a result of the stronger yen and a slowdown in the global economy. The overseas economy as a whole is facing a spreading deceleration, with particular concerns about the financial impact in light of the increased uncertainty on European fiscal developments, in addition to concerns about a slowdown in economic growth in China.

In such an environment, for the current first half the Group achieved sales of 266,599 million yen (up 0.2% from the same period in the previous year). In terms of income, the Group posted operating income of 2,141 million yen (down 80.0% from the same period in the previous year), and ordinary loss of 1,546 million yen (against ordinary income of 8,652 million yen booked in the same period in the previous year). The Group also recorded a gain on the sale of investment securities of 1,593 million yen as extraordinary income, and a valuation loss of 2,280 million yen on valuation loss on investment securities as an extraordinary loss. As a result, the Group posted a net loss for the current first half of 1,734 million yen (against net income of 3,725 million yen booked in the same period in the previous year).

Sales by geographical segment were as follows:

1) Japan

In terms of sales, there was an overall increase in automotive applications thanks to a recovery from production curtailments forced by the Great East Japan Earthquake. Regarding industrial machinery applications a decrease was seen in sales of products for general machinery and construction machinery due to contraction of customer demand for sales to China, while sales of products for aftermarket and distributor applications also fell. As a result, sales of 167,056 million yen were posted (up 2.3% from the same period in the previous year). Segment income rose to 4,170 million yen (up 3.2% from the same period in the previous year) supported by the effect of increased sales.

2) Americas

In terms of sales, there was an overall increase in automotive applications thanks to expanding customer demand, in addition to an increase in sales for the industrial machinery market. Sales for aftermarket and distributor applications dropped due to contraction of customer demand for automotive repairs. As a result, the Group posted sales of 66,230 million yen (up 17.4% from the same period in the previous year). The segment recorded a loss of 3,850 million yen (against income of 228 million yen booked in the same period in the previous year) due principally to an increase in extraordinary costs resulting from an additional burden imposed on production lines in coping with increased sales to the automotive market.

3) Europe

In terms of sales, there were decreases in both automotive and industrial machinery applications and aftermarket and distributor applications on the back of the slowing regional economy amid fiscal uncertainties. As a result, the Group posted sales of 64,559 million yen (down 13.5% from the same period in the previous year), partially affected by the unfavorable exchange rate, and segment income of 422 million yen (down 83.8% from the same period in the previous year), affected by factors such as the decrease in sales.

4) Asia and other areas

In terms of sales, there was an overall increase in automotive applications thanks to a recovery from production curtailments forced by the Great East Japan Earthquake and the Thai floods and an expansion in customer demand. Sales for the industrial machinery market dropped due to contraction of demand from customers in China and other Asian regions. The Group also saw a decrease in sales for aftermarket applications. As a result, the Group's sales were 41,333 million yen (down 1.0% from the same period in the previous year), partially as a result of the negative impact caused by the unfavorable exchange rate. Segment income dropped to 645 million yen (down 77.0%

from the same period in the previous year) due principally to an increase in temporary expenses, including expenses incurred during the operational launch of production companies.

Operating results by business application are as follows:

1) Automotive applications

The Group saw sales increase in all regions, except Europe where customer demand fell, to 174,665 million yen (up 6.9% from the same period in the previous year), while posting an operating loss of 6,171 million yen (against an operating loss of 1,496 million yen booked in the same period in the previous year) due to the adverse impact of the unfavorable exchange rate and an increase in extraordinary costs and expenses resulting from an additional burden imposed on production lines in coping with increased sales in the Americas.

2) Industrial machinery applications

The Group's sales fell as a whole due to the contraction of customer demand and the Group posted sales of 47,577 million yen (down 12.9% from the same period in the previous year) and operating income of 963 million yen (down 58.9% from the same period in the previous year).

3) Aftermarket applications

Sales dropped on the contraction of customer demand to 44,356 million yen (down 7.7% from the same quarter a year ago). Operating income fell to 7,349 million yen (down 25.6% from the same quarter a year ago).

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

Total current assets increased 10,237 million yen from the previous consolidated fiscal year end (up 2.8%) to 372,555 million yen, due principally to an increase of 24,000 million yen in securities, and a decrease of 13,202 million yen in notes receivable and accounts receivable. Total fixed assets increased 4,942 million yen from the previous consolidated fiscal year end (up 1.5%) to 335,881 million yen, due principally to an increase in tangible fixed assets of 7,765 million yen. As a result, total assets increased 15,179 million yen from the previous consolidated fiscal year end (up 2.2%) to 708,436 million yen.

Total current liabilities increased 1,570 million yen from the previous consolidated fiscal year end (up 0.6%) to 283,863 million yen, due principally to an increase of 10,000 million yen in current portion of bonds and a decrease of 7,157 million yen in notes and accounts payable. Total long-term liabilities increased 29,408 million yen from the previous consolidated fiscal year end (up 14.8%) to 228,245 million yen, due principally to an increase of 39,680 million yen in long-term loans and a decrease of 10,000 million yen in bonds. As a result, total liabilities increased 30,977 million yen over the previous consolidated fiscal year end (up 6.4%) to 512,108 million yen.

Total net assets decreased 15,799 million yen from the previous consolidated fiscal year end (down 7.4%) to 196,327 million yen, due principally to a decrease of 8,627 million yen in translation adjustments and a decrease of 4,395 million yen in retained earnings.

(Cash Flows)

Cash from operating activities totaled 10,404 million yen (against 5,749 million yen from the same period in the previous year, an increase of 123.5%), due principally to depreciation expense of 16,443 million yen, a decrease of 11,403 million yen in trade receivable, an increase of 10,100 million yen in inventory assets, and a decrease of 5,892 million yen in trade payables.

Cash used in investment activities rose to 32,795 million yen (up 27.4% from 7,053 million yen from the same period in the previous year), due principally to payment for tangible fixed assets in the amount of 33,453 million yen.

Cash from financing activities increased to 46,979 million yen (up 350.2% from 36,545 million yen from the same period in the previous year), due principally to an increase of 49,119 million yen in long-term loans and dividend payment of 2,659 million yen.

After adding an increase of 1,511 million yen in translation adjustments and an increase of 214 million yen in cash and cash equivalents resulting from newly consolidated subsidiaries, cash and cash equivalents as of the end of the current first half of the year increased 26,314 million yen from the previous consolidated fiscal year end (up 50.0%) to 78,919 million yen.

(3) Qualitative Information regarding the Medium-Term Management Plan

The NTN Group has promoted various policies aimed at the achievement of the 3-year medium-term management plan "Global Advance 2013" launched in April of last year. However, a difficult business environment is expected to continue as a result of factors such as the slowdown in customer demand brought about by the deceleration of the global economy and the stronger yen.

In this environment, the NTN Group has set about implementing structural reforms with the aims of achieving fundamental improvements to its financial structure and is carrying out a review of the medium-term management plan "Global Advance 2013". As soon as the details have been finalized a prompt announcement will be made in the form of a new medium-term management plan.

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 full fiscal year, including the six months ended September 30, 2012, 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. Moreover, income taxes adjustments are shown in income and other taxes.

(2) Changes in accounting policies, changes in accounting estimates and corrections

Changes in accounting policies

(Change in the depreciation method)

For depreciation of the tangible fixed assets acquired on and after April 1, 2012, the Company and its domestic consolidated subsidiaries changed to the method of depreciation that complies with the revised Commercial Code in and after the current fiscal quarter.

Under the new method, operating income, ordinary income, and net quarterly income after tax adjustments for the current consolidated accounting period increased 145 million yen, respectively.

3. Consolidated Financial Statements for the Six Months

(1) Balance Sheets

(In million yen)

	As of March 31, 2012	As of September 30, 2012
Assets		
Current assets		
Cash and bank deposits	39,360	43,538
Notes and accounts receivable-trade	119,494	106,292
Securities	10,000	34,000
Finished goods & purchased goods	85,083	88,617
Work in process	42,682	41,883
Raw materials & supplies	27,341	28,057
Deferred tax assets	4,355	5,129
Short-term loans receivable	6,331	3,952
Other	28,300	21,657
Allowance for doubtful accounts	-632	-573
Total current assets	362,318	372,555
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	68,380	69,740
Machinery, equipment and vehicles, net	129,516	131,543
Other, net	67,785	72,163
Total property, plant and equipment	265,682	273,447
Intangible fixed assets		
Goodwill	278	428
Other	4,262	4,881
Total intangible fixed assets	4,541	5,309
Investments and other assets		
Investment securities	37,036	31,186
Deferred tax assets	21,865	24,157
Other	1,971	2,004
Allowance for doubtful accounts	-156	-224
Total investments and other assets	60,716	57,124
Total fixed assets	330,939	335,881
Total assets	693,257	708,436

(In million yen)

	As of March 31, 2012	As of September 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	114,216	107,059
Short-term loan	116,131	120,693
Current portion of bonds	—	10,000
Accrued income taxes	2,677	1,431
Accrued bonuses for directors and statutory auditors	93	10
Other	49,175	44,668
Total current liabilities	282,293	283,863
Long-term liabilities		
Bonds	10,000	—
Long-term loans	145,846	185,526
Accrued retirement benefits for employees	33,018	32,589
Reserve for product defect compensation	778	1,036
Other	9,192	9,093
Total long-term liabilities	198,837	228,245
Total liabilities	481,131	512,108
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,369	67,369
Retained earnings	113,595	109,200
Treasury stock	-514	-515
Total shareholders' equity	234,797	230,402
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	3,396	1,186
Translation adjustments	-37,262	-45,889
Accrued retirement benefits adjustments	-4,026	-3,801
Total accumulated other comprehensive income	-37,892	-48,505
Minority interests	15,222	14,431
Total net assets	212,126	196,327
Total liabilities and net assets	693,257	708,436

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

(In million yen)

	Six months ended September 30, 2011 (April 1, 2011 – September 30, 2011)	Six months ended September 30, 2012 (April 1, 2012 – September 30, 2012)
Net sales	266,066	266,599
Cost of sales	220,268	229,041
Gross profit	45,797	37,557
Selling, general and administrative expenses	35,075	35,416
Operating income	10,722	2,141
Non-operating income		
Interest income	133	243
Dividend income	410	268
Equity in earnings of unconsolidated subsidiaries	503	329
Other	1,177	1,232
Total non-operating income	2,225	2,073
Non-operating expenses		
Interest expenses	1,659	1,902
Foreign exchange loss	986	1,786
Other	1,648	2,073
Total non-operating expenses	4,295	5,761
Ordinary income (loss)	8,652	-1,546
Extraordinary income		
Gain on the sale of investment securities	—	1,593
Total extraordinary income	—	1,593
Extraordinary losses		
Valuation loss on investment securities	740	2,280
Earthquake-related expenses	743	—
Restructuring expenses	580	—
Loss on sale of fixed assets	107	—
Total extraordinary losses	2,171	2,280
Income (loss) before income taxes and equity in earnings of affiliated companies	6,480	-2,233
Income and other taxes	2,196	-849
Income (loss) before minority interests	4,284	-1,383
Minority interests in subsidiaries	559	351
Net income (loss)	3,725	-1,734

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Six months ended September 30, 2011 (April 1, 2011 – September 30, 2011)	Six months ended September 30, 2012 (April 1, 2012 – September 30, 2012)
Net income (loss) before minority interests	4,284	-1,383
Other comprehensive income		
Net unrealized holding gain on securities	-1,586	-2,209
Translation adjustments	-12,592	-10,203
Accrued retirement benefits adjustments	201	224
Equity in equity-method affiliates	218	523
Total other comprehensive income	-13,759	-11,665
Comprehensive income	-9,475	-13,048
(Breakdown)		
Comprehensive income attributable to owners of parent company	-8,980	-12,347
Comprehensive income attributable to minority interests	-495	-701

(3) Statements of Cash Flows

(In million yen)

	Six months ended September 30, 2011 (April 1, 2011 – September 30, 2011)	Six months ended September 30, 2012 (April 1, 2012 – September 30, 2012)
Net cash provided by operating activities		
Income before income taxes and equity in earnings of affiliated companies	6,480	-2,233
Depreciation and amortization	16,721	16,443
Goodwill depreciation	—	78
Increase/decrease allowance for doubtful accounts	21	-16
Increase/decrease in accrued retirement benefits for directors and statutory auditors	-106	-82
Increase/decrease in accrued retirement benefits for employees	435	197
Increase/decrease in reserve for product defect compensation	11	271
Increase/decrease in accrued payments due to the change in retirement benefit plan	-164	-123
Interest and dividend income	-543	-511
Interest expenses	1,659	1,902
Foreign currency translation adjustments / Foreign exchange losses/gains	-1,117	-899
Equity in earnings/losses of non-consolidated subsidiaries	-503	-329
Gains or loss on sale of fixed assets	107	—
Gains or loss on sale of investment securities	—	-1,589
Gains or loss on revaluation of investment securities	740	2,280
Decrease/increase in trade receivables	-3,643	11,403
Decrease/increase in inventories	-12,394	-10,100
Increase/decrease in trade payables	-1,157	-5,892
Other	3,167	1,420
Subtotal	9,713	12,219
Interest and dividend income received	1,549	1,147
Interest paid	-1,671	-1,839
Income taxes paid	-4,936	-1,124
Net cash provided by operating activities	4,655	10,404
Net cash used in investing activities		
Increase in time deposits	-2,842	-1,644
Decrease in time deposits	2,352	1,690
Purchase of property, plant and equipment	-22,361	-33,453
Purchase of intangible fixed assets	-228	-1,291
Proceeds from sale of investment securities	—	1,701
Payment for purchase of stock of equity-method affiliates	-2,300	—
Payment for purchase of subsidiaries stock	-473	-305
Proceeds from liquidation of subsidiaries	112	—
Decrease/increase in short-term loans receivable, net	63	384
Other	-64	122
Net cash used in investing activities	-25,742	-32,795
Net cash provided by financing activities		
Increase/decrease in short-term loans, net	4,414	735
Proceeds from long-term loans	9,360	53,316
Repayment of long-term loans	-2,418	-4,197
Proceeds from issuance of shares of minority shareholders	2,044	230
Dividend payment	-2,658	-2,659
Repayment of lease payable	-95	-124
Other	-213	-321
Net cash provided by financing activities	10,434	46,979
Effect of exchange rate changes on cash and cash equivalents	2,013	1,511

Increase/decrease in cash and cash equivalents	-8,639	26,099
Cash and cash equivalents, at beginning of the year	40,081	52,605
Increase in cash and cash equivalents from newly consolidated subsidiaries	107	214
Cash and cash equivalents, at end of the year	31,549	78,919

(4) Notes to consolidated financial statements

(Balance Sheet)

1. Contingent liabilities

In July 2011 the Japan Fair Trade Commission conducted an on-site inspection on the Company on suspicion of our involvement in deciding, in collusion with other manufacturers, a raise of selling prices of bearings for the domestic market. The inspection was followed by the investigation conducted on the Company in April 2012 by the Special Investigation Department of the Tokyo District Public Prosecutors Office and the Fair Trade Commission. In June 2012, the Company and some of its (then) officers were accused by the Fair Trade Commission and indicted by the Tokyo District Public Prosecutors Office on charges of a violation of the Antimonopoly Law. The Japan Fair Trade Commission is currently carrying out an administrative investigation.

There is a possibility of the Company incurring losses such as surcharges in the future. However, it is difficult to reasonably estimate any impact at this moment and we cannot tell how or to what extent such potential losses will affect the business performance and financial conditions of the Company group.

(5) Going Concern Assumption

None

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

None

(7) Segment Information

I. Six months ended September 30, 2011 (April 1, 2011 – September 30, 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	99,917	54,857	72,851	38,438	266,066	—	266,066
Inter-segment sales or transfers	63,422	1,571	1,810	3,295	70,100	-70,100	—
Total	163,339	56,429	74,662	41,734	336,167	-70,100	266,066
Segment income (operating income)	4,042	228	2,601	2,805	9,678	1,043	10,722

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

II. Six months ended September 30, 2012 (April 1, 2012 – September 30, 2012)

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	101,530	64,675	62,581	37,812	266,599	—	266,599
Inter-segment sales or transfers	65,526	1,555	1,977	3,521	72,580	-72,580	—
Total	167,056	66,230	64,559	41,333	339,180	-72,580	266,599
Segment income (operating income or loss)	4,170	-3,850	422	645	1,387	753	2,141

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

4. Supplemental Information

(1) Earnings by business segment

Six months (from April 1, 2011 to September 30, 2011)

(In million yen)

	Automotive applications	Industrial machinery applications	Aftermarket applications	Total
Sales to external customers	163,400	54,618	48,047	266,066
Operating income or loss	-1,496	2,343	9,874	10,722

Six months (from April 1, 2012 to September 30, 2012)

(In million yen)

	Automotive applications	Industrial machinery applications	Aftermarket applications	Total
Sales to external customers	174,665	47,577	44,356	266,599
Operating income or loss	-6,171	963	7,349	2,141

(2) Sales by geographic segment

Six months (from April 1, 2011 to September 30, 2011)

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
91,548	58,160	69,065	47,291	266,066

Six months (from April 1, 2012 to September 30, 2012)

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
93,283	67,775	59,274	46,266	266,599

- 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 inspection by the European Commission

In November 2011 the European Commission conducted an on-site inspection on consolidated subsidiaries the Company has in Europe on suspicion of a violation of the EU Competition Law in connection with bearings business. In November 2011 a consolidated subsidiary the Company has in the United States received a subpoena from the U.S. Department of Justice requiring the subsidiary to provide information on bearings business. Furthermore, in July 2012 a consolidated subsidiary of the Company in South Korea underwent an on-site inspection from the Korea Fair Trade Commission on suspicion of a violation of the Monopoly Regulation and Fair Trade Act in connection with bearings business. The Group has taken a serious and earnest approach to the situation and is responding to the various investigations.

(4) Civil Lawsuits in the United States

Multiple civil action lawsuits (class actions) have been instituted against the Company claiming that NTN and its United States consolidated subsidiary agreed a rise in the sales price for bearings in collaboration with other companies.