

**Financial Results**  
**For the Three Months Ended June 30, 2010 – Consolidated[JP GAAP]**



July 30, 2010

**NTN Corporation**

Security Code: 6472  
 Listings: Tokyo and Osaka Stock Exchanges  
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 Scheduled submission date of the Quarterly Financial Statements: August 12, 2010  
 Scheduled date to start dividend payout: -  
 Supplementary Material of the Financial Results: Prepared  
 Investor Meeting: Scheduled

**1. Consolidated Financial Results for the Three Months Ended June 30, 2010**

(April 1, 2010 to June 30, 2010)

**1) Operating Results**

(Amounts rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2010	132,572	32.8	5,633	-	4,877	-	3,973	-
Three months ended June 30, 2009	99,813	(38.4)	(2,494)	-	(3,434)	-	(1,752)	-

  

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2010	7.47	-
Three months ended June 30, 2009	(3.73)	-

Note: Percentage figures indicate the change from the same quarter of the prior fiscal year.

**2) Financial Position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Three months ended June 30, 2010	598,770	197,734	31.7	356.57
Year ended March 31, 2010	618,801	214,550	32.2	374.19

Note: Shareholders' equity  
 Three months ended June 30, 2010: 189,582 million yen  
 Year ended March 31, 2010: 198,951 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, 2010	-	4.00	-	4.00	8.00
Year ending March 31, 2011	-				
Year ending March 31, 2011 (forecast)		5.00	-	5.00	10.00

Note: Change in dividends for the fiscal year ending March 31, 2011 as of June 30, 2010 : None

**3. Forecast of Consolidated Earnings for the Year Ending March 31, 2011**

(April 1, 2010 to March 31, 2011)

(Percentage figures represent year-on-year changes and quarter-on-quarter changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Quarter	258,000	24.8	10,000	-	8,000	-	7,000	-	13.17
Full year	523,000	15.5	23,000	-	18,500	-	13,500	-	25.39

Note: Forecasts reflect a change in the consolidated earnings forecast for the fiscal year ending March 31, 2011 as of June 30, 2010.

#### 4. Other Information (For details see "2. Other information" on page 4 of the Attached Document)

- 1) Changes in significant subsidiaries during the period: None  
Note: This indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the period.
  - 2) Adoption of simplified and specified accounting methods: Applicable  
Note: This indicates whether there was adoption of simplified accounting methods and specified accounting methods for presenting quarterly consolidated financial statements.
  - 3) Changes to accounting policies, procedures, and methods of presentation
    - (1) Changes due to revisions of accounting standards: Applicable
    - (2) Changes other than above: NoneNote: This indicates whether there were changes to accounting policies, procedures, and methods of presentation used in the preparation of the quarterly consolidated financial statements which are described in "Changes in important matters in preparing quarterly consolidated financial statements"
  - 4) Number of shares issued and outstanding (Common stock)
    - (1) Number of shares issued and outstanding at the end of the period (treasury stock included):  
Three months ended June 30, 2010: 532,463,527 shares  
Year ended March 31, 2010: 532,463,527 shares
    - (2) Number of treasury shares at the end of the period:  
Three months ended June 30, 2010: 779,565 shares  
Year ended March 31, 2010: 773,007 shares
    - (3) Average number of shares during the quarter:  
Three months ended June 30, 2010: 531,687,306 shares  
Three months ended June 30, 2009: 469,712,640 shares
- \* Implementation status of Quarterly review  
This Financial Results report for the First Quarter was exempt from quarterly review based on Financial Instruments and Exchange Law of Japan. As of the first quarter disclosure date, the quarterly review process for the financial statements has not been completed.
- \* Explanation regarding the appropriate use of forecasts of business results  
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. For additional information, please refer to "3) Qualitative Information regarding Consolidated Operating Results" under "Qualitative Information regarding Consolidated Operating Results for the three months ended June 30, 2010" on page 3 of the Exhibits.

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## 1 【Qualitative Information of Consolidated Financial Statements】

### 1) Qualitative Information regarding Consolidated Operating Results

During the three months ended June 30, 2010 (April 1 – June 30, 2010), Japan's economy has seen a steady recovery, assisted by a rebound in overseas demand, though some severe conditions still remain, such as high unemployment rate.

Overseas, Europe's economic recovery has been weakening, impacted by instability of financial markets, the credit crunch, and a worsening employment situation. The Asian economy is expanding, led by China, while the US economy has also seen a gradual recovery, helped by its implementation of economic-stimulus measures.

In this environment, the NTN Group (the Group) is promoting measures such as business expansion in the industrial machinery sector and cost reductions in order to build a stronger corporate structure to operate in a manner not dependant on business volume – which is the goal of the "NTN 2010 for the Next Step", (NTN's two-year management plan started April 2009. We are pursuing the final year of the plan.

The Group's net sales for the quarter ended June 30, 2010 increased 32.8% from a year earlier to 132,572 million yen. With regard to income, benefited by an increase in sales, operating income reached 5,633 million yen (against an operating loss of 2,494 million yen a year earlier), ordinary income reached 4,877 million yen (against an ordinary loss of 3,434 million yen a year earlier).

Including an extraordinary gain of 1,202 million yen from negative goodwill, net income for the period came to 3,973 million yen (against a net loss of 1,752 million yen a year earlier).

Sales by geographical segment were as follows:

#### (1) Japan

Sales in automotive applications increased overall due to recovery in demand from customers. Sales in general industrial machinery applications have also shown growth due to a large increase in shipment to the construction machinery and machine tool sectors, as well as distribution and aftermarket orders. Export business increased in every market due to recovery in customer demand.

As a result, the Group's net sales for the period increased 59.1% from a year earlier to 77,080 million yen.

Operating income for the segment reached 1,491 million yen, benefited by an increase in sales (compared to an operating loss of 5,360 million yen a year earlier).

#### (2) Americas

Sales in automotive applications increased overall due to recovery in demand. Sales in general industrial machinery applications increased, particularly in the construction machinery sector, a major sector within general industrial applications. Sales to distributors and the aftermarket also increased.

As a result, the Group's net sales for the period increased 55.2% from a year earlier to 28,460 million yen.

Operating income for the segment reached 777 million yen due to an increase in sales despite an unfavorable impact from foreign exchanges (compared to an operating loss of 760 million yen a year earlier).

#### (3) Europe

Sales in automotive applications increased overall due to recovery in demand. Sales in general industrial machinery resulted in approximately the same level as a year earlier, impacted by unfavorable foreign exchange rates. Shipments to distributors and the aftermarket increased.

As a result, sales for the period increased 11.7% from a year earlier to 37,254 million yen.

Operating income for the segment reached 1,634 million yen due to an increase in sales despite an unfavorable impact from foreign exchanges (a 92.9 % increase from a year earlier).

#### (4) Asia and other areas

Sales in automotive applications increased overall in China and other parts of Asia due to recovery in demand.

Sales in general industrial machinery applications increased due to growth in shipments to the construction machinery and business equipment sectors, while sales of fluid dynamic bearings dropped due to dissolution of joint ventures.

As a result, sales for the period increased 29.5% from a year earlier to 20,783 million yen.

Operating income for the segment reached 1,855 million yen due to an increase in sales despite an unfavorable impact from foreign exchanges (a 29.8% increase from a year earlier).

Sales by business segment were as follows:

#### (1) Automotive applications

Sales in Japan, the Americas, Europe, and Asia and other areas increased overall due to recovery in demand.

As a result, sales for the period reached 88,741 million yen. Operating income came to 904 million yen, benefited by an increase in sales.

#### (2) General industrial machinery applications

Sales in Japan, the Americas, and China increased due to recovery in demand, while sales dropped for fluid dynamic bearings due to dissolving joint projects in Asia and other areas.

As a result, sales for the period were 23,107 million yen. Operating income came to 483 million yen, benefited by an increase in sales.

#### (3) Distribution and aftermarket

Sales in Japan, the Americas, Europe, and Asia and other areas increased overall due to recovery in demand .

As a result, sales for the period reached 20,723 million yen. Operating income came to 4,245 million yen, benefited by an increase in sales.

## 2) Qualitative Information regarding Consolidated Financial Position

(Assets, Liabilities, and Net assets)

Total current assets at June 30, 2010 amounted to 284,942 million yen, a decrease of 3,783 million yen, or 1.3% from March 31, 2010. Major factors included a 6,983 million yen decrease in finished goods and purchased goods, and a 4,166 million yen increase in cash and bank deposits. Total fixed assets at June 30, 2009 amounted to 313,827 million yen, a decrease of 16,249 million yen, or 4.9% from March 31, 2010. The major factor was a 13,957 million yen decrease in property, plant and equipment. As a result, total assets were 598,770 million yen, a decrease of 20,031 million yen, or 3.2% from March 31, 2010.

Total current liabilities at June 30, 2010 amounted to 238,327 million yen, a decrease of 27,545, or 10.4% from March 31, 2010.

Major factors included a 20,000 million yen decrease in bonds due within one year.

Total long-term liabilities at June 30, 2010 amounted to 162,708 million yen, an increase of 24,330 million yen, or 17.6% from March 31, 2010. Major factors included a 25,287 million yen increase in long-term loans.

As a result, total liabilities were 401,036 million yen, a decrease of 3,215 million yen, or 0.8% from March 31, 2010.

Total net assets were 197,734 million yen, a decrease of 16,816 million yen, or 7.8% from March 31, 2010. Major factors included a 8,945 million yen decrease in translation adjustments, and a 7,447million yen decrease in minority interest.

(Cash Flows)

Net cash provided by operating activities was 12,864 million yen, an increase of 12,069 million yen, or 1518.1% from a year earlier.

This mainly reflected a 6,378 million yen in pretax income and minority interests, a 8,919 million yen in depreciation and amortization, and a 7,214 million yen increase in trade payables, which more than offset a 5,861 million yen increase in trade receivables.

Cash used in investment activities increase 1,604 million yen, or 18.5% year-on-year, to 10,288 million yen.

This was mainly due to outlays of 5,908 million yen for the acquisition of subsidiaries' stock and outlays of 4,070 million yen for the acquisition of property, plant and equipment.

Net cash used in financing activities was 1,506 million yen, while 13,026 million yen net cash was provided a year earlier.

This was due mainly to a 20,000 million yen outlay for redemption of bonds, a 3,803 million yen net decrease in short-term loans, and a 2,126 million yen dividend payment, which more than offset a 24,479 million yen net increase in long-term loans.

As a result of these cash flows, and including foreign exchange gains of 2,066 million yen, cash and cash equivalents at June 30, 2010 amounted to 35,894 million yen, an increase of 3,135 million yen, or 9.6%, from the end of the previous fiscal year.

## 3) Qualitative Information regarding Outlook for the Year Ending March 31, 2011

Financial results for the Three Months ended June 30, 2010 exceeded the outlook in both net sales and income despite the impact from unfavorable foreign exchanges. Taking into account the current economic situation and our performance, we have revised the Consolidated Earnings Forecast, which was reported on May 13, 2010, for the Six Months ending September 30, 2010 and the Full Year ending March 31, 2011.

Regarding the revision, refer to "Revision in Consolidated Earnings Forecast", which was made public on July 30, 2010.

2. [Other Information]

1) **Changes in significant subsidiaries during the period**

None

2) **Adoption of simplified and specified accounting methods**

(1) Simplified accounting methods

(Method of valuing inventories)

Inventories at the end of the first quarter are mainly calculated using a reasonable estimate based on actual inventories at the end of the previous fiscal year ended March 31, 2010, in lieu of an actual physical inventory. In addition, the carrying amount of inventories is reduced to estimated net selling value only where there is an obvious decrease in profitability.

(2) Specified accounting methods

(Method for calculating tax expenses)

Tax expenses for the first quarter are based on a reasonable estimate of the effective tax rate that will apply, after applying tax-effect accounting, to consolidated pretax profit for the fiscal year in which the relevant accounting period occurs. Specifically, consolidated pretax income for the relevant accounting period is multiplied by the estimated effective tax rate. When this method brings unreasonable results, the statutory effective tax rate is used. Deferred taxes are presented along with income taxes.

3) **Changes to accounting policies, procedures, and methods of presentation**

(Application of Accounting Standard for Asset Retirement Obligations)

Effective April 1, 2010, the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.18 issued on March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No.21 issued on March 31, 2008) have been adopted. The effect of this change on ordinary income and income before income taxes and minority interests was zero.

(Application of Accounting Standard for Business Combinations and Others)

Effective April 1, 2010, the Accounting Standard for Business Combinations (ASBJ Statement No.21 issued on December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 issued on December 26, 2008), the Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No.23 issued on December 26, 2008), the Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7, issued on December 26, 2008), the Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No.16, issued on December 26, 2008), and the Implementation Guideline on Accounting Standards for Business Combinations and Business Divestitures (ASBJ Guideline No.10, issued on December 26, 2008) have been adopted.

## 3. [ Consolidated Financial Statements]

## 1) Balance Sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
<b>Assets</b>		
Current assets		
Cash and bank deposits	31,798	27,632
Notes and accounts receivable-trade	100,574	100,667
Securities	6,000	7,000
Merchandise and finished goods	61,940	68,923
Work in process	37,384	36,668
Raw materials & supplies	21,405	21,072
Deferred tax assets	5,060	6,225
Short-term loans receivable	300	303
Other	20,808	20,590
Allowance for doubtful accounts	(331)	(358)
Total current assets	<u>284,942</u>	<u>288,725</u>
Fixed Assets		
Property, plant and equipment		
Buildings and structures, net	66,309	69,151
Machinery, equipment and vehicles, net	137,500	149,017
Other, net	42,799	42,397
Total property, plant and equipment	<u>246,609</u>	<u>260,566</u>
Intangible fixed assets	3,195	3,612
Investments and other assets		
Investment securities	37,450	40,906
Deferred tax assets	24,820	23,129
Other	1,859	1,980
Allowance for doubtful accounts	(107)	(118)
Total investments and other assets	<u>64,022</u>	<u>65,897</u>
Total fixed assets	<u>313,827</u>	<u>330,076</u>
<b>Total assets</b>	<u>598,770</u>	<u>618,801</u>

	As of June 30, 2010	As of March 31, 2010
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	95,294	90,206
Short-term loans	107,036	117,139
Bonds due within one year	-	20,000
Accrued income taxes	1,933	2,636
Accrued bonuses for directors and statutory auditors	46	15
Other	34,016	35,874
Total current liabilities	<u>238,327</u>	<u>265,872</u>
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans	109,786	84,499
Accrued retirement benefits for employees	30,161	30,258
Reserve for product defect compensation	1,303	1,339
Negative goodwill	27	36
Other	11,429	12,244
Total long-term liabilities	<u>162,708</u>	<u>138,378</u>
Total liabilities	<u>401,036</u>	<u>404,251</u>
<b>Net assets</b>		
Shareholders' equity		
Common stock	54,346	54,346
Capital surplus	67,417	67,417
Retained earnings	102,093	100,247
Treasury stock	(739)	(736)
Total shareholders' equity	<u>223,118</u>	<u>221,274</u>
Valuation and translation adjustments		
Net unrealized holding gain on securities	1,294	3,628
Deferred gains or losses on hedges	-	(66)
Translation adjustments	(34,830)	(25,885)
Total Valuation and translation adjustments	<u>(33,535)</u>	<u>(22,323)</u>
Minority interests	8,151	15,598
Total net assets	<u>197,734</u>	<u>214,550</u>
<b>Total liabilities and net assets</b>	<u>598,770</u>	<u>618,801</u>



## 2) Statements of Operations

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010
Net sales	99,813	132,572
Cost of sales	86,549	109,862
Gross profit	<u>13,263</u>	<u>22,709</u>
Selling, general and administrative expenses		
Freight	2,049	3,149
Sales commissions	228	319
Provision for doubtful accounts	322	40
Salaries and benefit	5,893	6,119
Retirement benefit expense	449	396
Provision of reserve for director retirement	4	46
Rent expenses	580	530
Travel	251	315
Taxes & dues	273	351
Depreciation expense	647	569
Research and development	1,799	1,923
	<u>3,258</u>	<u>3,314</u>
Total selling, general and administrative expenses	<u>15,758</u>	<u>17,075</u>
Operating income	<u>(2,494)</u>	<u>5,633</u>
Non-operating income		
Interest income	51	47
Dividend income	202	244
Depreciation of negative goodwill	281	9
Equity in earnings of unconsolidated subsidiaries	-	113
Other	604	831
Total non-operating income	<u>1,140</u>	<u>1,246</u>
Non-operating expenses		
Interest expenses	1,172	828
Exchange losses	-	614
Other	908	559
Total non-operating expenses	<u>2,080</u>	<u>2,002</u>
Ordinary income	<u>(3,434)</u>	<u>4,877</u>
Extraordinary gains		
Gains from negative goodwill	-	1,202
Others	-	298
Total extraordinary gains	<u>-</u>	<u>1,501</u>
Income before income taxes and minority interests	<u>(3,434)</u>	<u>6,378</u>
Income and other taxes	<u>(2,138)</u>	<u>1,988</u>
Income before minority interests in subsidiaries	<u>-</u>	<u>4,390</u>
Minority interests in subsidiaries	<u>456</u>	<u>417</u>
Net income	<u>(1,752)</u>	<u>3,973</u>

## 3) Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010
<b>Cash flows from operating activities:</b>		
Net income before income taxes and minority interests	(3,434)	6,378
Depreciation and amortization	10,435	8,919
Amortization of negative goodwill	(281)	(9)
Gains from negative goodwill	–	(1,202)
Increase/decrease in allowance for doubtful accounts	83	(9)
Increase/decrease in accrued retirement benefits for directors and statutory auditors	(22)	30
Increase/decrease in accrued retirement benefits for employees	(94)	479
Increase/decrease in reserve for product defect compensation	(87)	(36)
Increase/decrease in accrued payments due to the change in retirement benefit plan	(216)	(136)
Interest and dividend income	(253)	(291)
Interest expenses	1,172	828
Foreign currency translation adjustments / Foreign exchange losses/gains	452	(1,068)
Gain or loss in equity of non-consolidated subsidiaries and affiliates	140	(113)
Decrease/increase in trade receivables	261	(5,861)
Decrease/increase in inventories	3,959	(752)
Increase/decrease in trade payables	(12,364)	7,214
Other	1,884	628
Subtotal	1,634	14,996
Interest and dividend income received	746	563
Interest paid	(1,335)	(775)
Income taxes paid	(249)	(1,920)
Net cash provided by operating activities	795	12,864
<b>Cash flows from investing activities:</b>		
Increase in time deposits	(461)	(137)
Decrease in time deposits	172	13
Purchase of property, plant and equipment	(8,279)	(4,070)
Purchase of intangible fixed assets	(103)	(100)
Purchase of investment securities	(58)	(157)
Proceeds from sale of investment securities	–	28
Payment for purchase of subsidiaries' stock	–	(5,908)
Decrease/increase in short-term loans receivable, net	(0)	2
Other	46	41
Net cash used in investing activities	(8,684)	(10,288)

	Year ended March 31, 2009	Year ended March 31, 2010
<b>Cash flows from financing activities</b>		
Increase/decrease in short-term loans, net	8,840	(3,803)
Proceeds from long-term loans	6,460	25,260
Repayment of long-term loans	(392)	(781)
Payment for redemption of bonds	-	(20,000)
Dividend payment	(1,878)	(2,126)
Repayment of lease payables	-	(46)
Other	(2)	(8)
Net cash provided by financing activities	<u>13,026</u>	<u>(1,506)</u>
Effect of exchange rate changes on cash and cash equivalents	817	2,066
Increase/decrease in cash and cash equivalents	<u>5,954</u>	<u>3,135</u>
Cash and cash equivalents, at beginning of the year	<u>30,995</u>	<u>32,758</u>
Cash and cash equivalents, at end of the three months period	<u>36,950</u>	<u>35,894</u>

4) Going Concern Assumption

None

5) Segment Information

[Geographic segment information]

(Millions of yen)

	Three months ended June 30, 2009 (April 1, 2009—June 30, 2009)						
	Japan	Americas	Europe	Asia and other areas	Total	Elimination	Consolidated total
Net sales							
(1) External sales	33,980	18,037	32,672	15,124	99,813	—	99,813
(2) Inter-segment sales	14,475	301	690	926	16,393	(16,393)	—
Total	48,455	18,338	33,362	16,050	116,206	(16,393)	99,813
Operating income	(5,360)	(760)	847	1,429	(3,844)	1,350	(2,494)

Notes: 1. Countries or regions are classified in each segment by geographic proximity

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

[Overseas sales]

(Millions of yen)

	Three months ended June 30, 2009 (April 1, 2009—June 30, 2009)			
	North America	Europe	Asia and other areas	Total
I Overseas sales	18,763	30,920	18,800	68,484
II Consolidated net sales				99,813
III Ratio of overseas sales to total consolidated sales (%)	18.8	31.0	18.8	68.6

Notes: 1. Countries or regions are classified in each segment by geographic proximity

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

3. "Overseas sales" includes sales by the Company and its consolidated subsidiaries to the countries and regions other than Japan.

**[Segment Information]**

## 1. Outline of reporting segments

NTN's reporting segments are divisions of the Company for which separate financial information is available, and whose operating results are reviewed regularly by the chief operating decision maker (board of directors) in order to allocate resources and assess segment performance.

The Group's main business lines consist of sales and manufacture of bearings, CVJs, and precision equipment and other products. Business activities in Japan are controlled by the Company (head office), and are controlled overseas by the General Manager set up in each region. Each business unit in each region prepares its own business plans and strategies to conduct its business activities, while analyzing the profitability and investment efficiency of operations.

Therefore, the company has four reporting segments based on geographic business segmentation controlled by the Head Office or the General Manager, which are Japan, the Americas, Europe, and Asia and other areas.

Each reporting segment engages in sales and manufacture of bearings, CVJs, and precision equipment and other products.

## 2. Sales and profits or losses by reporting segments

First quarter (from April 1, 2010 to June 30, 2010)

(Millions of yen)

	Reportable segments					Elimination	First Quarter
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to third parties	49,222	27,720	36,451	19,177	132,572	-	132,572
Inter-segment sales/ transfer	27,857	739	803	1,606	31,007	(31,007)	-
Total	77,080	28,460	37,254	20,783	163,579	(31,007)	132,572
Segment Profits (operating income)	1,491	777	1,634	1,855	5,759	(125)	5,633

Notes: 1. All Eliminations consist of inter-segment transactions.

2. Major countries or regions in each reportable 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. Information on impairment loss of fixed assets or goodwill

(Significant gains from negative goodwill)

The Company raised its ownership in SNR ROULEMENTS, a consolidated subsidiary, to 80% after acquiring additional 29% ownership interest on April 22, 2010. This resulted in recognition of negative goodwill in the Japan segment. The event created a gain of 1,202 million yen for the quarter.

(Additional information)

Effective from this quarter, the Company adapted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement NO.17 issued on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20 issued on March 21, 2008).

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

None

4. [Supplemental Information]

1) Earnings by business segment

First quarter (from April 1, 2010 to June 30, 2010)

(Millions of yen)

	Automotive	Industrial machinery	Distribution and aftermarket	Total
Sale to third parties	88,741	23,107	20,723	132,572
Operating profit	904	483	4,245	5,633

Notes: Earnings reported by business segment are voluntary disclosures of earnings by product group according to their similarity in the market, in addition to the requirement

Information" (ASBJ Statement No.17 issued on March 27, 2009).

2) Sales by geographic segment

First quarter (from April 1, 2010 to June 30, 2010)

(Millions of yen)

Japan	Americas	Europe	Asia and other areas	Total
45,904	29,105	34,326	23,236	132,572

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

Sales reporting by geographic segment is a voluntary disclosure for items not stipulated in the Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance (ASBJ NO.12 issued on December 26, 2008).