

Financial Results

For the Nine Months Ended December 31, 2008 - Consolidated

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, 2008 (April 1, 2008 to December 31, 2008)

(1) Consolidated Operating Results (Amounts rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2008	438,023	-	20,324	-	19,610	-	(3,497)	-
Nine months ended December 31, 2007	396,170	12.9	36,504	9.1	32,310	6.7	19,982	(0.7)

	Net income per share-basic	Net income per share-diluted
	yen	yen
Nine months ended December 31, 2008	(7.45)	-
Nine months ended December 31, 2007	42.56	39.76

Note: Net income per share-diluted is not reported as Net income per share-basic is negative.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	million yen	million yen	%	yen
Nine months ended December 31, 2008	658,340	197,129	27.6	387.27
Year ended March 31, 2008	629,464	216,399	33.3	445.98

2. Dividends

	Dividend 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, 2008	-	9.00	-	10.00	19.00
Year ending March 31, 2009 (forecast)	-	9.00	-	-	-
	-	-	-	-	-

Note: Change in dividends forecast for the fiscal year ending March 31, 2009 as of December 31, 2008: Yes

Dividends for the fiscal year ending March 31, 2009 (forecast) are yet to be determined.

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(Amounts rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	543,000	1.7	13,000	(73.8)	10,500	(75.7)	(9,000)	(132.8)	(19.17)

4. Other Information

(1) Reclassification of significant subsidiaries during the period (changes in the scope of consolidation): None

(2) Use of simplified accounting methods and accounting methods specific to the presentation of quarterly consolidated financial statements: Yes

Note: For details see "4. Other Information" on page 4 in the "Qualitative Information of Consolidated Financial Statements."

(3) Changes to accounting policies, procedures, and methods of presentation used in the preparation of quarterly consolidated financial statements

1) Changes pursuant to changes in accounting standards: Yes

2) Changes other than above: Yes

Note: For details see "4. Other Information" on page 4 in the "Qualitative Information of Consolidated Financial Statements."

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

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

Nine months ended December 31, 2008: 470,463,527 shares

Year ended March 31, 2008: 470,463,527 shares

2) Number of shares held in treasury at end of the period:

Nine months ended December 31, 2008: 755,142 shares
Year ended March 31, 2008: 1,059,883: 1,059,883 shares

3) Average number of shares during the nine months:

Nine months ended December 31, 2008: 469,352,037 shares
Year ended March 31, 2008: 1,059,883: 469,479,185 shares

*Notes:

1) 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. Outlook for the Year Ending March 31, 2009" on page 3 in the "Qualitative Information of Consolidated Financial Statements" section.

2. Effective with the fiscal year beginning April 1, 2009, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and its Implementation Guidance, "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) have been adopted. Quarterly consolidated financial statements have been prepared in accordance with the "Regulation for Quarterly Consolidated Financial Reporting"

3. The year-end dividend forecast for the fiscal year ending March 31, 2009 has not yet been determined due to continued uncertainties over the future business environment. NTN will announce its year-end dividend after evaluating business factors including the full-year performance and dividend payout ratio.

【Qualitative Information of Consolidated Financial Statements】

1. Qualitative Information of Consolidated Operating Results

During the nine months ended December 31, 2008(April 1- December 31, 2008) Japan's economy faced a rapid downturn, affected by the deteriorating real economy triggered by the global financial crisis that started in the US. It forced manufacturers (including automotive companies) to cut down production or capital spending. Overseas, the US and European countries experienced a rapid economic downturn, while emerging countries including China and India started to reveal signs of weakness in their economies.

Against this backdrop, the Group's net sales for the nine months ended December 31, 2008 increased, 10.6 % from a year earlier to 438,023 million yen, benefited in part by SNR becoming a consolidated subsidiary of the Company. With regard to income, impacted by increased oil prices and unfavorable foreign exchange rates, operating income decreased 44.3 % from a year earlier to 20,324 million yen and ordinary income dropped 39.3 % to 19,610 million yen. The Group recorded an extraordinary gain of 367 million yen from the refund of customs duties and recorded extraordinary losses of 16,359 million yen for valuation losses on investment securities and 215 million yen in restructuring expenses. As a result, the net loss came to 3,497 million yen.

Beginning this fiscal year, in accord with the regulations on quarterly consolidated financial statements, percentage changes from the corresponding period of the previous year are presented for reference.

Sales by business segment were as follows:

(1) Bearings

In applications for general industrial machinery, Japan enjoyed strong growth of bearings for construction machinery and wind power systems. The Americas enjoyed strong demand on large bearings for construction machinery. Europe and China also showed solid growth of large bearings for wind power systems. Sales of fluid dynamic bearings for hard disk drive (HDD) motors dropped due to unfavorable foreign exchange rates and a rapid decrease in demand.

In automotive applications, axle bearings and needle bearings showed solid performance in China, benefited by the start of volume production on projects started mainly by Japanese automakers. Sales in other markets dropped due to decreased demand from automakers globally and unfavorable foreign exchange rates. Against this backdrop, the Group's net sales for the period increased 24.1 % from a year earlier to 311,761 million yen, benefited by SNR becoming a consolidated subsidiary of the Company.

(2) Constant-velocity Joints (CVJs)

Sales of CVJs in China and Japan increased, assisted primarily by the start of volume production of new products, while other markets saw a decrease in sales due to a drop in demand from automakers globally and unfavorable exchange rates. As a result, the Group's net sales for the period decreased 14.6 % from a year earlier to 105,185 million yen.

(3) Precision equipment and other products

Sales of flat panel display repair devices increased through new orders, while sales of parts feeders and clutch unit products decreased. As a result, the group's net sales for the period decreased 3.3 % from a year earlier to 21,076 million yen.

Sales by geographical segment were as follows:

(1) Japan

Sales of large bearings for construction machinery and wind power systems increased in general industrial machinery applications, while sales in automotive applications remained unchanged from a year earlier. As a result of decreased export sales, affected by unfavorable exchange rates, the Group's net sales for the period dropped 0.1 % from a year earlier to 267,662 million yen. Operating income decreased 64.4% from a year earlier to 7,061 million yen, reflecting increased steel prices and unfavorable foreign exchange.

(2) Americas

General industrial machinery applications showed solid performance in the shipment of large bearings for construction machinery and bearings for agricultural machinery, while sales to automotive applications decreased, affected by a drop in demand from U.S. automakers and the weaker dollar. As a result, the Group's net sales for the period decreased 12.4 % from a year earlier to 88,069 million yen. Operating income came to 1,522 million yen, down 57.0 % from a year earlier, reflecting the drop in sales, increased steel prices, and the weaker dollar.

(3) Europe

In general industrial machinery applications, shipments of large bearings, mainly for wind power systems, were robust. In automotive applications, sales decreased due to a drop in demand and unfavorable foreign exchange rates. Against this backdrop, the group's net sales for the period increased 80.5 % from a year earlier to 126,022 million yen benefited by SNR becoming a consolidated subsidiary of the Company. Operating income came to 4,579 million yen, down 4.1 % from a year earlier, impacted by soaring price

of steel and despite the contribution from SNR.

(4) Asia and other areas

In China, large bearings for wind power systems, and axle bearings and needle roller bearings for automotive applications showed solid performance. In other Asian markets, sales decreased due to a rapid drop in demand for fluid dynamic bearings and unfavorable foreign exchanges. As a result, the Group's net sales for the period decreased 4.8 % from a year earlier to 57,924 million yen. Operating income, partly impacted unfavorable exchange rates, came to 4,712 million yen, down 13.0 % from a year earlier.

2. Qualitative Information Regarding Consolidated Financial Position

(Assets, Liabilities, and Net assets)

Total current assets on December 31, 2008 amounted to 314,036 million yen, an increase of 32,900 million yen, or 11.7% from March 31, 2008. Major factors included a 20,661 million yen increase in merchandise and finished products and a 13,553 million yen increase in work in process.

Total fixed assets on December 31, 2008 amounted to 344,303 million yen, a decrease of 4,024 million yen, or 1.2 % from March 31, 2008. Major factors included a 20,085 million yen decrease in investment securities and a 16,013 million yen increase in property, plant, and equipment.

As a result, total assets were 658,340 million yen, an increase of 28,876 million yen, or 4.6 % from March 31, 2008.

Total current liabilities on June 30, 2008 amounted to 337,162 million yen, an increase of 36,851, or 12.3 % from March 31, 2008. Major factors included a 31,654 million yen increase in short-term loans.

Total long-term liabilities on December 31, 2008 amounted to 124,048 million yen, an increase of 11,295 million yen, or 10.0 % from March 31, 2008. Major factors included a 6,196 million yen increase in long-term loans, a 1,426 million yen increase in negative goodwill, and a 1,103 million yen increase in accrued retirement benefits for employees.

As a result, total liabilities were 461,210 million yen, an increase of 48,145 million yen, or 11.7 % from March 31, 2008.

Total net assets were 197,129 million yen, a decrease of 19,270 million yen, or 8.9 % from March 31, 2008. Major factors included a 18,826 million yen decrease in translation adjustments, a 11,887 million yen decrease in retained earnings, and a 8,170 million yen increase in minority interests.

(Cash Flows)

Net cash provided by operating activities was 27,712 million yen, a decrease of 22,183 million yen, or 44.5% from a year earlier. This reflects 3,403 million yen in pretax profit, 34,245 million yen in depreciation and amortization, a 26,702 million yen decrease in trade receivables, and a 16,359 million yen loss in valuation of investment securities, partly offset by a 27,411 million yen increase in inventories, a 5,210 decrease in trade payables, and a 9,571 million yen increase in income taxes paid.

Cash used in investment activities decreased 15,146 million yen, or 23.4 % from a year earlier, to 49,581 million yen. This was mainly due to outlays of 42,399 million yen for acquisition of property, plant, and equipment.

Net cash provided by financing activities was 24,050 million yen, an increase of 11,858 million yen, or 97.3 % from a year earlier. This was due mainly to a net increase of 33,480 million yen in long and short-term loans, which more than offset 8,917 million yen outlaid for dividend payments.

As a result of these cash flows, and including cash outflow of 337 million yen from exchange rate adjustments and a cash inflow of 153 million yen from acquiring non-consolidated subsidiaries, cash and cash equivalents as of the end of the third quarter came to 34,533 million yen, an increase of 1,997 million yen, or 6.1 %, from the end of the previous fiscal year.

3. Outlook for the Year Ending March 31, 2009

Looking ahead, as the financial crisis become more serious globally, Japan, the Americas, and Europe continue to face economic recession and emerging countries face the risk of further economic deceleration. As a result, we expect to face an increasingly challenging business environment.

In these circumstances, considering the drop in demand for automotive applications and the greater-than-expected appreciation of the yen, we are reducing our full-year forecasts of operating results for the fiscal year ending March 31, 2009.

October 31 Forecast of Consolidated Earnings for the Year Ending March 31, 2009 is revised as below.

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	million yen	million yen	million yen	million yen	Yen
Forecasted (A) October 31, 2008	588,000	31,500	28,500	14,000	29.83
Revised Forecast (B)	543,000	13,000	10,500	(9,000)	(19.17)
Change (B) – (A)	(45,000)	(18,500)	(18,000)	(23,000)	-
Change in %	(7.7)	(58.7)	(63.2)	(164.3)	-
Performance for Year ended March 31, 2008	533,984	49,611	43,231	27,431	58.43

4. Other Information

- (1) Reclassification of significant subsidiaries during the period (changes in the scope of consolidation): None
 - (2) Use of simplified accounting methods and accounting methods specific to the presentation of quarterly consolidated financial statements
 1. Simplified accounting methods
(Method of valuing inventories)

Inventories at the end of the third quarter are mainly calculated using a reasonable estimate based on actual inventories at the end of the second quarter of the fiscal year ending March 31, 2009 in lieu of an actual physical inventory. In addition, the carrying amount of inventory is reduced to estimated net selling value only where there is an obvious decrease in expected profit.
 2. Special accounting methods for presenting quarterly consolidated financial statements.
(Method for calculating tax expenses)

Tax expenses for the nine months ended December 31, 2008, 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 the method brings a result deficient in reasonableness, 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 used in the preparation of quarterly consolidated financial statements
- Changes pursuant to changes to accounting standards
1. Adoption of Accounting Standards for Quarterly Financial Reporting
From the fiscal year ending March 31, 2009, the NTN Group has adopted the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 14, 2007) and the associated Guidance on the Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No.14, March 14, 2007). Quarterly consolidated financial statements have been prepared in accordance with the Regulations on Quarterly Consolidated Financial Reporting.
 2. Changes to basis and methods of valuation for significant assets
Previously, inventories held in the ordinary course of business were stated at cost determined principally by the weighted-average cost method. However, effective from the first quarter ended June 30, 2008, the NTN Group adopted the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, July 5, 2006). Accordingly, such inventories are now valued primarily using a weighted average-cost method under which the value recorded on the balance sheet is book value minus a reduction to reflect declines in expected profit. The effect of this on operating income, ordinary income, and income before income taxes and minority interests is immaterial.
 3. Adoption of the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements.
Effective from the first quarter ended June 30, 2008, the NTN Group adopted the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force Report No. 18, May 17, 2006). Accordingly, some revisions have been made to the consolidated financial statements. The effect of this on operating income, ordinary income, and income before income taxes and minority interests is immaterial.
 4. Adoption of Accounting Standard for Lease Transactions
Previously, finance lease transactions not involving a transfer of ownership were accounted for as lease transactions. However, for consolidated quarterly financial statements for fiscal years beginning on or after April 1, 2008, companies may elect to apply the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, revised March 30, 2007) and its associated Guidance on the Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, revised March 30, 2007). The NTN Group adopted this standard and guidance from the quarter ended June 30, 2008, and accordingly now accounts for such lease transactions as ordinary sales transactions. Assets leased in finance lease transactions that do not involve a transfer of ownership are depreciated straight-line over a useful life equal to the lease term to a residual value of zero. The effect of this on operating income, ordinary income, and income before income taxes and minority interests is immaterial.

5. Quarterly Consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of December 31, 2008	As of March 31, 2008
	Amount	Amount
Assets		
Current assets		
Cash and bank deposits	35,886	28,259
Notes and accounts receivable-trade	95,853	105,223
Merchandise and finished products	78,282	57,621
Work in process	45,542	31,989
Raw materials and supplies	23,823	20,358
Deferred tax assets	7,624	8,340
Short-term loans receivable	8	5,008
Other	27,148	24,477
Allowance for doubtful accounts	(133)	(141)
Total current assets	314,036	281,136
Property, plant and equipment		
Buildings and structures, net	66,169	67,092
Machinery, equipment, and vehicles, net	165,047	156,191
Other, net	58,198	50,118
Total property, plant and equipment	289,414	273,401
Intangible fixed assets	4,255	2,727
Investments and other assets		
Investment securities	33,433	53,518
Deferred tax assets	14,852	16,617
Other	3,003	2,730
Allowance for doubtful accounts	(655)	(667)
Total investments and other assets	50,633	72,198
Total fixed assets	344,303	348,327
Total assets	658,340	629,464

(In million yen)

	As of December 31, 2008	As of March 31, 2008
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable-trade	116,342	107,499
Short-term loans	139,661	108,007
Bonds due within one year	10,000	10,000
Corporate bonds with equity warrant due within one year	24,519	24,519
Accrued income taxes	3,225	6,727
Accrued bonuses for directors and statutory auditors	21	190
Other	43,363	43,367
Total current liabilities	337,162	300,311
Long-term liabilities		
Bonds	30,000	30,000
Long-term loans	46,543	40,347
Accrued retirement benefits for employees	28,770	27,667
Reserve for product defect compensation	991	1,378
Goodwill (negative balance)	1,426	-
Other	16,316	13,359
Total long-term liabilities	124,048	112,753
Total liabilities	461,210	413,065
Net assets		
Shareholders' capital		
Common stock	42,339	42,339
Capital surplus	55,410	55,410
Retained earnings	113,161	125,048
Treasury stock	(728)	(722)
Total shareholders' capital	210,183	222,076
Valuation and translation adjustments		
Net unrealized holding gain on securities	1,339	(1,939)
Translation adjustments	(29,620)	(10,794)
Total Valuation and translation adjustments	(28,281)	(12,733)
Minority interests	15,226	7,056
Total net assets	197,129	216,399
Total liabilities and net assets	658,340	629,464

(2) Statements of Operations
For nine months ended December 31, 2008

(In million yen)

	Nine months ended December 31, 2008
	Amount
Net sales	438,023
Cost of sales	360,203
Gross profit	77,820
Selling, general and administrative expenses	
Freight	9,974
Sales commissions	775
Salaries	21,045
Retirement benefit expenses	1,153
Provision of reserve for director retirement	21
Rent	1,773
Travel	1,194
Taxes and dues	1,007
Depreciation	1,953
Research and development expenses	6,618
Other	11,976
Total selling, general and administrative expenses	57,495
Operating income	20,324
Non-operating income	
Interest received	379
Dividend received	588
Amortization of negative goodwill	965
Equity in earnings of unconsolidated	537
Other	3,681
Total non-operating income	6,153
Non-operating expenses	
Interest expenses	4,180
Other	2,687
Total non-operating expenses	6,868
Ordinary income	19,610
Extraordinary gains	
Gain on refund of customs duties for past years	367
Total extraordinary gains	367
Extraordinary losses	
Valuation loss on investment securities	16,359
Restructuring expenses	215
Total extraordinary losses	16,574
Income before income taxes and minority interests	3,403
Income and other taxes	6,031
Minority interests in subsidiaries	869
Net income	(3,497)

(3) Statements of Cash Flows

(In million yen)

	Nine months ended December 31, 2008
	Amount
Cash flows from operating activities:	
Net income before income taxes and minority interests	3,403
Depreciation and amortization	34,245
Amortization of negative goodwill	(965)
Increase/decrease in allowance for doubtful accounts	(251)
Increase/decrease in accrued retirement benefits for directors and statutory auditors	(168)
Increase/decrease in accrued retirement benefits for employees	(431)
Increase/decrease in reserve for product defect compensation	(387)
Increase/decrease in accrued payments due to the change in retirement benefit plan	(544)
Interest and dividend income	(968)
Interest expenses	4,180
Foreign currency translation adjustments / Foreign exchange losses/gains	(3,285)
Gain or loss in equity of non-consolidated subsidiaries and affiliates	(537)
Gain or loss in valuation of investment securities	16,359
Decrease/increase in trade receivables	26,702
Decrease/increase in inventories	(27,411)
Increase/decrease in trade payables	(5,210)
Other	(4,551)
Subtotal	40,179
Interest and dividend income received	1,734
Interest expenses paid	(4,629)
Income taxes paid	(9,571)
Net cash provided by operating activities	27,712
Cash flows from investing activities:	
Increase in time deposits	(2,401)
Decrease in time deposits	1,669
Purchase of property, plant and equipment	(42,399)
Proceeds from sale of property, plant and equipment	25
Purchase of intangible fixed assets	(437)
Purchase of investment securities	(1,356)
Proceeds from sale of investment securities	191
Purchase of subsidiaries' share	(1,751)
Purchase of subsidiaries' share resulting from change in scope of consolidation	(2,983)
Decrease/increase in short-term loans receivable, net	0
Other	(138)
Net cash used in investing activities	(49,581)

(In million yen)

	Nine months ended December 31, 2008
	Amount
Cash flows from financing activities	
Increase/decrease in short-term loans, net	24,877
Proceeds from long-term loans	11,568
Repayment of long-term loans	(2,965)
Proceeds from issuance of bonds	10,000
Payment for redemption of bonds	(10,000)
Proceeds from issuance of common stock	24
Dividend payment	(8,917)
Other	(536)
Net cash provided by financing activities	24,050
Effect of exchange rate changes on cash and cash equivalents	(337)
Increase/decrease in cash and cash equivalents	1,844
Cash and cash equivalents, at beginning of the year	32,536
Increase in cash and cash equivalents resulting from acquiring non-consolidated subsidiaries	153
Cash and cash equivalents, at end of the quarter	34,533

Effective from the fiscal year ending March 2009, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ No. 12) and its Implementation Guidance, "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) has been adopted. Quarterly consolidated financial statements have been prepared in accordance with the "Regulation for Quarterly Consolidated Financial Reporting"

(4) Notes concerning premise of a going concern
Not applicable

(5) Segment Information

【Geographic segment information】

(In million yen)

Nine months ended December 31, 2008 (April 1, 2008—December 31, 2008)							
	Japan	Americas	Europe	Asia and other areas	Total	Elimination	Consolidated total
Net sales							
(1) External sales	175,761	86,608	123,672	51,981	438,023	-	438,023
(2) Inter-segment sales	91,901	1,461	2,349	5,942	101,655	(101,655)	-
Total	267,662	88,069	126,022	57,924	539,679	(101,655)	438,023
Operating income	7,061	1,522	4,579	4,712	17,875	2,448	20,324

Notes:

- Countries or regions are classified in each segment by geographic proximity
- 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】

(In million yen)

Nine months ended December 31, 2008 (April 1, 2008—December 31, 2008)				
	Americas	Europe	Asia and other areas	Total
I Overseas sales	91,506	117,629	65,412	274,548
II Consolidated net sales				438,023
III Ratio of overseas sales to total consolidated sales	%	%	%	%
	20.9	26.9	14.9	62.7

Notes:

- Countries or regions are classified in each segment by geographic proximity
- 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 includes sales by the company and its consolidated subsidiaries to the countries and regions other than Japan.

(6) Significant changes in subsidiaries' capital during the period :None

【Reference】

(1) Consolidated Statements of Operations for the nine months ended December 31, 2007

(In million yen)

	Nine months ended December 31, 2007
	Amount
Net sales	396,170
Cost of sales	312,962
Gross profit	83,207
Selling, general and administrative expenses	46,703
Operating income	36,504
Non-operating income	
Interest and dividend income	817
Other	2,820
Total non-operating income	3,638
Non-operating expenses	
Interest expenses	4,467
Other	3,364
Total non-operating expenses	7,831
Ordinary income	32,310
Extraordinary gains	
Gains arising from the establishment of retirement benefit trust fund	2,215
Total extraordinary gains	2,215
Extraordinary losses	
Reserve for product defect compensation	1,700
Restructuring expenses	453
Total extraordinary losses	2,153
Income before income taxes and minority interest	32,372
Income and other taxes	12,136
Minority interests in subsidiaries	254
Net income	19,982

【Reference】

(2) Consolidated Statements of Cash Flows for nine months ended December 31, 2007

(In million yen)

(In million yen)	Nine months ended December 31, 2007
	Amount
I Cash flows from operating activities:	
Net income before income taxes and minority interests	32,372
Depreciation and amortization	28,879
Amortization of goodwill	0
Increase/decrease in allowance for doubtful accounts	12
Increase/decrease in accrued retirement benefits for directors and statutory auditors	(56)
Increase/decrease in accrued retirement benefits for employees	(3,303)
Increase/decrease in reserve for product defect compensation	837
Increase/decrease in accrued payments due to the change retirement fund	(609)
Interest and dividend income	(817)
Interest expenses	4,467
Foreign currency translation adjustments / Foreign exchange losses/gains	1,219
Gain or loss in equity of non-consolidated subsidiaries and affiliates	(1,143)
Gain or loss arising from the establishment of retirement benefit trust fund	(2,215)
Contribution to retirement benefit trust fund	3,030
Decrease/increase in trade receivables	5,225
Decrease/increase in inventories	(7,119)
Increase/decrease in trade payables	11,257
Other	(3,698)
Subtotal	68,337
Interest and dividend income received	1,673
Interest expenses paid	(5,049)
Income taxes paid	(15,065)
Net cash provided by operating activities	49,895
II Cash flows from investing activities:	
Increase in time deposits	(1,920)
Decrease in time deposits	199
Purchase of property, plant and equipment	(43,336)
Proceeds from sales of property, plant and equipment	36
Purchase of intangible fixed assets	(379)
Purchase of investment securities	(19,180)
Proceeds from sales of investment securities	73
Purchase of equity-method-applied affiliates' shares	(417)
Decrease/increase in short-term loans receivable, net	0
Other	197
Net cash used in investing activities	(64,727)
III Cash flows from financing activities	
Increase/decrease in short-term loans, net	8,184
Proceeds from long-term loans	13,436
Repayment of long-term loans	(1,449)
Issuance of common stock assigned to minority shareholders	916
Dividend payment	(8,451)
Other	(444)
Net cash provided by financing activities	12,192
IV Effect of exchange rate changes on cash and cash equivalents	(546)
V Increase/decrease in cash and cash equivalents	(3,185)
VI Cash and cash equivalents, at beginning of the year	32,083
VII Cash and cash equivalents, at end of the year	28,897

【Reference】

(3) Segment information

【Geographic segment information】

Nine months ended December 31, 2007 (April 1, 2007 – December 31, 2007)							
	Japan	Americas	Europe	Asia and other areas	Total	Elimination	Consolidated total
Net sales							
(1) External sales	173,502	99,817	69,465	53,383	396,170	-	396,170
(2) Inter-segment sales	94,332	681	348	7,486	102,848	(102,848)	-
Total	267,835	100,499	69,813	60,870	499,018	(102,848)	396,170
Operating income	19,842	3,541	4,776	5,414	33,574	2,929	36,504

【Overseas sales】

Nine months ended December 31, 2007 (April 1, 2007 – December 31, 2007)				
	Americas	Europe	Asia and other areas	Total
I Overseas sales	102,832	68,967	62,938	234,739
II Consolidated net sales				396,170
III Ratio of overseas sales to total consolidated sales	%	%	%	%
	26.0	17.4	15.9	59.3