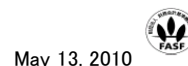


Financial Results
For the Year Ended March 31, 2010 – Consolidated

NTN Corporation

Security Code: 6472
 Listings: Tokyo and Osaka Stock Exchanges
 URL: <http://www.ntn.co.jp/>
 Representative: Hirotsugu Mori, President
 Contact: Keiji Ohashi, General Manager, General Affairs Department
 Telephone: +81-6-6443-5001
 Scheduled date of annual shareholders' meeting: June 25, 2010
 Scheduled commencement date of dividend payment: June 28, 2010
 Scheduled submission date of financial statements: June 28, 2010



May 13, 2010

1. Consolidated Financial Results for the Year Ended March 31, 2010

(April 1, 2009 to March 31, 2010)

(1) Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2010	452,745	(14.1)	1,399	(85.2)	(647)	-	(2,014)	-
Year ended March 31, 2009	527,099	(1.3)	9,478	(80.9)	8,731	(79.8)	(8,985)	-

	Net income per share	Diluted net income per share	Return on equity	Ordinary income/Total assets	Operating income/Net sales
	yen	yen	%	%	%
Year ended March 31, 2010	(4.00)	-	(1.1)	(0.1)	0.3
Year ended March 31, 2009	(19.14)	-	(4.7)	1.4	1.8

Note: Equity method investment gains or losses: Year ended March 31, 2010: (120) million yen
 Year ended March 31, 2009: 563 million yen

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2010	618,801	214,550	32.2	374.19
Year ended March 31, 2009	627,613	192,222	28.2	376.77

Note: Shareholders' equity
 Year ended March 31, 2010: 198,951 million yen
 Year ended March 31, 2009: 176,974 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2010	43,970	(25,558)	(18,562)	32,758
Year ended March 31, 2009	21,375	(62,917)	44,551	30,995

2. Dividends

(Record date)	Dividends per share					Total dividends paid (full year)	Dividend payout ratio (consolidated)	Dividends on net assets (Consolidated)
	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, 2009	-	9.00	-	4.00	13.00	6,102	-	3.2
Year ended March 31, 2010	-	4.00	-	4.00	8.00	4,253	-	2.1
Year ending March 31, 2011 (forecast)	-	5.00	-	5.00	10.00		56.0	

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 interim-on-interim period changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	245,000	18.6	6,700	-	4,000	-	2,300	-	4.33
Full year	510,000	12.6	20,000	-	15,000	-	9,500	-	17.87

4. Other Information

(1) Significant changes in subsidiaries during the period (Scope of consolidation): None

(2) Changes in accounting principles, procedure, and method of disclosure used to prepare the financial results

1) Changes in accordance with amendments of accounting standards: Yes

2) Changes other than above: None

Note: For details, see “Changes in Significant Information Regarding the Preparation of Consolidated Financial Statements” on page 16

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

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

Year ended March 31, 2010: 532,463,527 shares

Year ended March 31, 2009: 470,463,527 shares

Number of treasury stock at end of the period:

Year ended March 31, 2010: 773,007 shares

Year ended March 31, 2009: 750,862 shares

Note: For number of shares serving as basis for calculation of net income per share (consolidated), see “Par share data” on page 24

**Reference: Overview of Financial Results on Non-Consolidated basis
For the Year Ended March 31, 2010 – Non-consolidated**

1. Financial Results for the Year Ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2010	251,266	(20.2)	(14,522)	–	(8,620)	–	(6,430)	–
Year ended March 31, 2009	315,032	(12.5)	(4,054)	–	5,248	(78.6)	(9,778)	–

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2010	(12.78)	–
Year ended March 31, 2009	(20.83)	–

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2010	429,994	177,185	41.2	333.25
Year ended March 31, 2009	412,017	159,659	38.8	339.91

Note: Shareholders' equity

Year ended March 31, 2010: 177,185 million yen

Year ended March 31, 2009: 159,659 million yen

* 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. For additional information, please refer to “1. Operating Results” from page 3 to 5.

1. Operating Results

1) Analysis of Operating Results

(Operating Results for the Fiscal Year Ended March 31, 2010)

During the fiscal year under review, the economy in Japan continued to be in a difficult state, affected by a prolonged inventory adjustment in some manufacturers and a high level of unemployment rate, though a steady recovery in the automotive industry is seen, assisted by the economic stimulus measures taken by the government. The Asian economy is on a recovery track led by China. US and Europe, however, continue to face severe economic conditions like Japan affected by the high level of unemployment, though some recovery is seen, helped by their economic packages.

Against this backdrop, the NTN Group (the Group) has started measures including business expansion in the industrial machinery sector and cost reduction in order to build up a strong corporate structure to achieve *results not dependant on sales volume*, which is the goal of the new medium-term management plan, "NTN 2010 for the Next Step", covering two years from April 2009.

The Group's net sales for the period decreased 14.1 % from a year earlier to 452,745 million yen.

Although effort has been made in cutting costs, operating income fell 85.2 % year on year to 1,399 million yen, and an ordinary loss of 647 million yen was recorded, impacted by a drop in sales and unfavorable foreign exchange.

After posting an extraordinary gain of 722 million yen from sale of subsidiary stock, and extraordinary losses (including business restructuring expenses of 141 million yen, impairment loss of 350 million yen, cost related to restructuring affiliated companies of 1,183 million yen, and a loss from devaluation of affiliated company stock of 238 million yen), net loss came to 2,014 million yen.

Sales by business segment were as follows:

(1) Bearings

In general industrial machinery applications, bright signs were seen in increased sales for rolling stock and aircraft as well as in a sales increase for construction machines in China and other part of Asia. The company, however, experienced an overall decrease in sales in every market, impacted by the worldwide lack of demand for the products and unfavorable foreign exchange. In automotive applications, sales increased in China and other part of Asia assisted by a recovery in demand from customers and start of volume production at new projects.

The Group's total sales of bearings fell, however, fell due to the unfavorable impact of foreign exchange rates and a decrease in demand in Japan's market. As a result, sales decreased 16.5 % from a year earlier to 314,283 million yen.

(2) Constant-velocity Joints (CVJs)

Sales of CVJs in Europe and China increased, assisted by a recovery in demand from customers and starts of volume production for new projects. The company-wide sales of CVJs, however, dropped due to an unfavorable impact of foreign exchange rates and a decline in demand at the other markets. As a result, the Group's total sales decreased 7.1 % from a year earlier to 115,656 million yen.

(3) Precision equipment and other products

Impacted by capital investment cut down at our customers, sales of the sector fell 13.2 % from a year earlier to 22,806 million yen.

Sales by geographical segment were as follows:

(1) Japan

Sales in both general industrial machinery and automotive applications dropped due to declines in overall demand and export business, though sales of large bearings for replacement market saw some increase. As a result, the Group's net sales for the period decreased 19.3 % from a year earlier to 251,554 million yen. Operating income was negative 11,658 million yen, impacted by a drop in sales, and unfavorable foreign exchange rates.

(2) Americas

Sales in both industrial machinery and automotive applications fell due to declines in demand of bearings for construction machines, production cut down by automakers, and unfavorable foreign exchange rates. As a result, the Group's net sales for the period decreased 15.2 % from a year earlier to 89,005 million yen. Operating income moved back to the black in the amount of 707 million yen against a drop in sales and unfavorable foreign exchange impact. Strenuous efforts to improve profitability accomplished this result.

(3) Europe

Sales for CVJs increased, helped by a recovery of demand from automotive customers and starts of volume production for new projects. However, sales in both industrial machinery and automotive applications fell due to unfavorable foreign exchange rates and a drop in demand for bearings used in agricultural machines. As a result, the net sales for the period decreased 9.8 % from a year earlier to 136,995 million yen. Operating income increased 59.3 % from a year earlier to 4,106 million yen against a drop in sales and unfavorable foreign exchange impact. The effort to improve profitability accelerated the increased profits as the Company intended.

(4) Asia and other areas

In China and other part of Asia, sales for automotive applications increased, helped by a recovery of demand from customers and starts of volume production. Sales for industrial machinery applications, however, fell in both China and other Asian regions, impacted by unfavorable foreign exchange rates and a drop of fluid dynamic bearings from dissolution of the joint venture business. As a result, sales for the period decreased 0.9 % from a year earlier to 69,966 million yen. Operating income increased 33.7 % from a year earlier to 7,166 million yen against unfavorable foreign exchange impact. The company-wide effort to increase profitability improved performance steadily in every quarter in this fiscal year.

(Outlook for the Year Ending March 31, 2010)

Looking ahead, economic recovery is expected to continue, backed by emergency economic-stimulus measures implemented in many countries.

In these circumstances, the Company now moves into the second year of *NTN 2010 for the Next Step*, a medium-term business plan, and implements the various measures laid out therein

For the full year ending March 31, 2011, the Group forecasts consolidated net sales of 510 billion yen, operating income of 20 billion yen, ordinary income of 15 billion yen and net income of 9.5 billion yen.

These forecasts are based on foreign exchange rate assumptions of ¥90/US\$1.00 and ¥120/EUR1.00

2) Analysis of Financial Position

(Assets, Liabilities, and Net assets)

Total current assets at March 31, 2010 amounted to 288,725 million yen, a year-on-year increase of 10,572 million yen, or 3.8 %. Major factors included a 20,725 million yen increase in notes receivable and accounts receivable, and a 7,495 million yen decrease in finished goods & purchased goods. Total fixed assets at the fiscal year-end amounted to 330,076 million yen, a year-on-year decrease of 19,383 million yen, or 5.5 %. Major factors included a 27,853 million yen decrease in property, plant and equipment, and a 8,734 million yen increase in investment securities. As a result, total assets were 618,801 million yen, an decrease of 8,812 million yen, or 1.4 % from a year earlier.

Total current liabilities at March 31, 2010 amounted to 265,872 million yen, a year-on-year decrease of 18,474 million yen, or 6.5 %. Major factors included a 46,181 million yen decrease in short-term loans, a 17,602 million yen increase in notes and accounts payable, and 10,000 million yen increase in bonds due within one year

Total long-term liabilities at the fiscal year-end amounted to 138,378 million yen, a year-on-year decrease of 12,661 million yen, or 8.4 %. Major factors included a 20,000 million yen decrease in bonds, and a 11,824 million yen increase in long-term loans. As a result, total liabilities were 404,251 million yen, a decrease of 31,140 million yen, or 7.2 % from a year earlier.

Total net assets were 214,550 million yen, a year-on-year increase of 22,328 million yen, or 11.6 %. Major factors included a 12,007 million yen increase in common stock and capital surplus respectively from issuance of stock (62 million shares).

(Cash Flows)

Net cash provided by operating activities was 43,970 million yen, a year-on-year increase of 22,595 million yen, or 105.7%. This mainly reflected a 40,702 million yen decrease in depreciation and amortization, a 18,566 million yen increase in trade payables, and a 11,165 million yen decrease in inventories, which more than offset a 23,390 million yen increase in trade receivables.

Cash used in investment activities decreased 37,359 million yen, or 59.4 % year-on-year, to 25,558 million yen. This was mainly due to the outlay of 25,400 million yen for the acquisition of property, plant, and equipment. Net cash used for financing activities was 18,562 million yen, while 44,551 million yen net cash was provided a year earlier. This was mainly due to 23,883 million yen received from stock issuance, and a 17,303 million yen net increase in long-term loans, which more than offset a 45,447 million yen net decrease in short-term loans, and a 10,000 million yen outlay for redemption of bonds.

As a result of these cash flows, and including foreign exchange gain of 1,913 million yen, cash and cash equivalents at the end of the fiscal year amounted to 32,758 million yen, an increase of 1,762 million yen, or 5.7%, from the end of the previous fiscal year.

(Reference) Cash flow indicators for the years ended March 31, 2007 to March 31, 2010

	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity ratio (%)	34.2	33.3	28.2	32.2
Shareholders' equity ratio based on current market value (%)	78.3	50.7	20.7	36.3
Cash flows to interest-bearing debt ratio (annual)	3.4	3.2	12.9	5.3
Interest coverage ratio (times)	11.6	11.5	3.8	10.2

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on current market value: Market capitalization / Total assets

Cash flows to interest-bearing debt ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

· Each of these was calculated based on the consolidated statements

· Market value on the stock is calculated based on the closing stock price at the end of the respective accounting period above multiplied by the number of shares issued and outstanding as of the end of the respective accounting period above (after deducting treasury stock).

· Operating cash flow is taken from the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt refers to all debts included in the consolidated balance sheets for which interest is paid. The amount for Interest payments was taken from interest expenses paid in the consolidated statements of cash flows.

3) Dividend Policy and Dividends for the Current and Next Fiscal Year

The Company considers rewarding its shareholders an issue of foremost importance. Regarding dividends, from a medium- and long-term perspective, the Company's goal is to provide a steady and sustainable dividend, which it will determine on the basis of its consolidated performance, dividend payout ratio, and business environment. Retained earnings are used to fund future business development in Japan and overseas.

With regard to the year-end dividend for the fiscal period under review, the Company intends to pay 4 yen per share. Adding it to the interim dividend, 4 yen, the total annual dividend per share will be 8 yen.

With regard to the dividend payment forecast for the fiscal year ending March 31, 2011, the Company intends to pay 10 yen annually, a 2 yen increase per share from a year earlier (5 yen interim and at year-end).

2. The Group Overview

The NTN Group consists of NTN Corporation (the Company), 62 subsidiaries, and 22 affiliated companies (as of March 31, 2010). The Group's main business is manufacturing and sales of bearings, constant-velocity joints, and precision equipment and its business divisions are classified accordingly.

- Domestic manufacturing is mainly handled by the Company, but some production is consigned to domestic affiliated companies, from whom the Company purchases products. Part of the Company's parts processing operation is also consigned to domestic affiliated companies.
- Domestic sales is mainly handled by the Company, but is also partly made through domestic affiliated companies.
- Overseas manufacturing is handled by the Company's overseas affiliates, with some semi-finished goods supplied by the Company.
- Overseas sales are conducted by the Company, by its overseas sales subsidiaries which procure goods from the Company or from its overseas manufacturing subsidiaries, and by its overseas manufacturing subsidiaries directly.

NTN-NIDEC (THAILAND) CO., LTD. and NTN-NIDEC (ZHEJIANG) CORP. are no longer the Company's subsidiaries as the Company sold the interest it held in both companies in August 2009.

NTN-BCA CORP. is now under the process of dissolution according to a resolution to close it at the board meeting held on December 25, 2009.

Seohan-NTN Bearing, a joint venture established in January 2010, is among the Corporation's equity method affiliates.

CHANGZHOU NTN-GUANGYANG CORP. is no longer an equity method affiliate as the Company sold the interest it held in April 2010, following the board resolution made before the end of the fiscal year under review.

3. Management policy

(1) Basic Management Policy, (2) Goals and Objectives, (3) Medium to Long Term Management

These three subjects are omitted in this section as there are no significant changes from the disclosures made in the Financial Results for the Year Ended March 31, 2007 (reported on May 14, 2007) for (1) and (2), and the Financial Results for the Year Ended March 31, 2009 (reported on May 13, 2009) for (3). These reports are available through the following URL.

(Company Website)

<http://www.ntn.co.jp>

(Tokyo Stock Exchange Website (information search site on the listed companies))

<http://www.tse.or.jp/listing/compsearch/index.html>

(4) Management Issues to be Addressed

The Company prepared a new medium-term management plan, *NTN 2010 for the Next Step*, covering 2 years from April 2009, and has been working on speedy implementation of the measures laid out in the plan to build up a strong corporate structure to achieve results not dependant on sales volume.

As for measures related to sales, the Company is forming teams dedicating to each business line to expand business in the industrial machinery and aftermarket sectors. The Company is also working to strengthen business in bearings for aircraft, rolling stock, as well as for wind turbine, which will contribute to global environmental preservation.

On the production front, the Company works to reduce inventories by shortening lead time and to cut cost and increase production capacity by promoting production at the optimal global site.

With regard to large bearings for industrial machinery applications, the Company has been expanding production capacity in the area of Noto, Ishikawa prefecture by starting operations at NTN Houdatsushimizu Corporation in October 2009, and NTN SHIKA CORPORATION in January 2010. The Company also has established a joint venture, Seohan-NTN Bearing Co. Ltd.(Gyeongju), with Seohan in January 2010. It has strong business relations with Hyundai Group of Korea. The new company plans to start manufacture and sales of large bearings used for wind turbines in March 2011. It is the first company to produce such bearings in Korea. In the US, the Company also intends to increase production capacity for CVJs and hub bearings in response to the recovery in demand for automotive parts.

With regard to research and development, the Company will contribute to low-fuel consumption, safety, and reducing CO2 emissions reduction of autos. This goal will be achieved by utilizing High-Resolution Rotational Sensors which have been jointly developed with SNR, and developing module products such as intelligent in-wheel units for EV. The Company is also delving into elemental technology, and strengthening its research and development function for products such as large bearings for industrial machinery applications by opening its R&D CENTER for elemental technologies in MIE prefecture in June 2009.

In the emerging countries such as China, Thailand, India, and Brazil where demand for bearings are rapidly increasing, the Company will grow business rapidly through local personnel, using locally procurable materials and equipment. In China, the Company starts construction of Technical Center of NTN China (Shanghai) to strengthen its design and evaluation testing function, which will help expand business. The Company also intends to drastically increase production capacity at the currently-operating manufacturing companies for ball bearings, needle roller bearings, journal bearings, and CVJs. Furthermore, in August 2010, the Company will establish a joint venture with Luoyang LYC Bearing Co., which is a leading bearing manufacturing company in China. The joint venture will manufacture and sell bearings for automotive applications. NTN and Luoyang LYC plan to expand a sales network in China through sales collaboration. In addition, SNR started production of CVJs at its Romanian plant in October 2009, and intends to expand capacity to manufacture hub bearings at its Brazilian plant.

With regard to enhancing earnings, the Company works to drastically improve asset utilization.

The Company seeks to improve personnel cost efficiency by enhancing machine utilization rates, minimizing capital expenditures, and raising productivity through more efficient manual work.

In order to effectively follow the measures explained above, the Company established the Automotive Business Headquarters and the Industrial Business Headquarters in February 2010. Both Headquarters carry sales, engineering, and production functions unified within its respective organization. This realignment is expected to reinforce NTN's business infrastructure to improve operating efficiency and increase profit.

4. Consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of March 31, 2009		As of March 31, 2010	
Assets				
Current assets				
Cash and bank deposits		28,047		27,632
Notes and accounts receivable—trade		79,942		100,667
Securities		—		7,000
Finished goods & purchased goods		76,418		68,923
Work in process		41,185		36,668
Raw materials & supplies		22,863		21,072
Deferred tax assets		4,453		6,225
Short-term loans receivable		5,010		303
Other		20,419		20,590
Allowance for doubtful accounts		(186)		(358)
Total current assets		<u>278,153</u>		<u>288,725</u>
Fixed Assets				
Property, plant and equipment				
Buildings and structures		147,371		154,511
Accumulated depreciation		(81,696)		(85,359)
Buildings and structures, net	*1 *4	<u>65,674</u>	*1 *4	<u>69,151</u>
Machinery, equipment and vehicles		570,543		568,432
Accumulated depreciation		(402,309)		(419,414)
Machinery, equipment and vehicles, net	*1 *4	<u>168,234</u>	*4	<u>149,017</u>
Land	*1 *4	<u>29,118</u>	*1 *4	<u>29,995</u>
Construction in progress		18,197		6,582
Other		51,038		51,780
Accumulated depreciation		(43,844)		(45,960)
Other, net	*4	<u>7,194</u>	*4	<u>5,819</u>
Total property, plant and equipment		<u>288,419</u>		<u>260,566</u>
Intangible fixed assets				
Other		4,181		3,612
Total intangible fixed assets		<u>4,181</u>		<u>3,612</u>
Investments and other assets				
Investment securities	*3	32,172	*3	40,906
Deferred tax assets		22,600		23,129
Other		2,363		1,980
Allowance for doubtful accounts		(276)		(118)
Total investments and other assets		<u>56,859</u>		<u>65,897</u>
Total fixed assets		<u>349,459</u>		<u>330,076</u>
Total assets		<u>627,613</u>		<u>618,801</u>

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	72,604	90,206
Short-term loans	*1 163,320	*1 117,139
Bonds due within one year	10,000	20,000
Accrued income taxes	2,389	2,636
Accrued bonuses for directors and statutory auditors	26	15
Other	36,006	35,874
Total current liabilities	<u>284,346</u>	<u>265,872</u>
Long-term liabilities		
Bonds	30,000	10,000
Long-term loans	*1 72,675	84,499
Accrued retirement benefits for employees	32,277	30,258
Reserve for product defect compensation	1,539	1,339
Accrued defined pension	5,236	3,633
Negative goodwill	1,157	36
Other	8,158	8,611
Total long-term liabilities	<u>151,044</u>	<u>138,378</u>
Total liabilities	<u>435,391</u>	<u>404,251</u>
Net assets		
Shareholders' equity		
Common stock	42,339	54,346
Capital surplus	55,410	67,417
Retained earnings	105,524	100,247
Treasury stock	(728)	(736)
Total shareholders' equity	<u>202,547</u>	<u>221,274</u>
Valuation and translation adjustments		
Net unrealized holding gain on securities	(405)	3,628
Deferred gains or losses on hedges	-	(66)
Translation adjustments	(25,166)	(25,885)
Total Valuation and translation adjustments	<u>(25,572)</u>	<u>(22,323)</u>
Minority interests	15,247	15,598
Total net assets	<u>192,222</u>	<u>214,550</u>
Total liabilities and net assets	<u>627,613</u>	<u>618,801</u>

(2) Statements of Operations

(In million yen)

	Year ended March 31, 2009		Year ended March 31, 2010	
Net sales		527,099		452,745
Cost of sales	*1	445,252	*1	387,742
Gross profit		81,847		65,003
Selling, general and administrative expenses				
Freight		11,839		10,297
Sales commissions		978		960
Provision for doubtful accounts		–		316
Salaries and benefit		26,263		23,478
Retirement benefit expense		1,845		1,772
Provision of reserve for director retirement		26		15
Rent expenses		2,340		2,195
Travel		1,446		1,126
Taxes & dues		1,180		1,142
Depreciation expense		2,666		2,580
Research and development		8,688		7,590
		15,094		12,127
Total selling, general and administrative expenses	*1	72,368	*1	63,603
Operating income		9,478		1,399
Non-operating income				
Interest income		455		285
Dividend income		603		306
Depreciation of negative goodwill		1,238		1,131
Equity in earnings of unconsolidated subsidiaries		563		–
Exchange gains		1,918		–
Royalty		–		855
Other		3,505		2,068
Total non-operating income		8,285		4,646
Non-operating expenses				
Interest expenses		5,309		3,964
Equity in losses of unconsolidated subsidiaries		–		120
Other		3,723		2,607
Total non-operating expenses		9,032		6,692
Ordinary income		8,731		(647)

	Year ended March 31, 2009		Year ended March 31, 2010	
Extraordinary gains				
Refund of custom duty belonging to prior years		359		-
Profit from sale of subsidiary stock		-		722
Total extraordinary gains		<u>359</u>		<u>722</u>
Extraordinary losses				
Restructuring expenses	*3	1,112	*3	141
Impairment loss	*2	3,064	*2	350
Loss on devaluation of investment securities		13,921		-
Costs related to business restructuring of affiliated companies		498		1,183
Reserve for product defect compensation		600		-
Loss from devaluating affiliated company stock		-		238
Total extraordinary losses		<u>19,195</u>		<u>1,913</u>
Income before income taxes and minority interests		<u>(10,103)</u>		<u>(1,837)</u>
Income and other taxes		4,469		4,391
Refund of income taxes		(1,227)		(714)
Income taxes adjustment		<u>(4,663)</u>		<u>(5,762)</u>
Total income and other taxes		<u>(1,421)</u>		<u>(2,086)</u>
Minority interests in subsidiaries		303		2,262
Net income		<u>(8,985)</u>		<u>(2,014)</u>

(3) Statement of Changes in Shareholders' Equity

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance at March 31, 2009	42,339	42,339
Changes during the period		
New issue of stock	-	12,006
Total changes during the period	-	12,006
Balance at March 31, 2010	42,339	54,346
Additional paid-in capital		
Balance at March 31, 2009	55,410	55,410
Changes during the period		
New issue of stock	-	12,006
Total changes during the period	-	12,006
Balance at March 31, 2010	55,410	67,417
Retained earnings		
Balance at March 31, 2009	125,048	105,524
Increase from accounting changes at foreign subsidiaries	482	-
Changes during the period		
Distribution of retained earnings	(8,917)	(4,005)
Net income	(8,985)	(2,014)
Decrease from fiscal changes at consolidated subsidiaries	(35)	-
Increase from acquiring non-consolidated subsidiaries	207	-
Decrease from settling retirement benefit liability at foreign subsidiaries	(2,274)	742
Total changes during the period	(20,005)	(5,277)
Balance at March 31, 2010	105,524	100,247
Treasury stock		
Balance at March 31, 2009	(722)	(728)
Changes during the period		
Purchase of treasury stock	(281)	(13)
Sale of treasury stock	276	4
Total changes during the period	(5)	(8)
Balance at March 31, 2010	(728)	(736)
Total shareholders' equity		
Balance at March 31, 2009	222,076	202,547
Increase from accounting changes at foreign subsidiaries	482	-
Changes during the period		
New issue of stock	-	24,103
Distribution of retained earnings	(8,917)	(4,005)
Net income	(8,985)	(2,014)
Decrease from fiscal changes at consolidated subsidiaries	(35)	-
Increase from acquiring non-consolidated subsidiaries	207	-
Decrease from settling retirement benefit liability at foreign subsidiaries	(2,274)	742
Purchase of treasury stock	(281)	(13)
Sale of treasury stock	276	4
Total changes during the period	(20,011)	18,727
Balance at March 31, 2010	202,547	221,274

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Valuation and translation adjustment		
Net unrealized gains/losses on other securities	(1,939)	(405)
Balance at March 31, 2009		
Changes during the period		
Net changes in items other than shareholders' capital during the period	1,533	4,034
Total changes during the period	1,533	4,034
Balance at March 31, 2010	(405)	3,628
Deferred gains or losses on hedges		
Balance at March 31, 2009	-	-
Changes during the period		
Net changes in items other than shareholders' capital during the period	-	(66)
Total changes during the period	-	(66)
Balance at March 31, 2010	-	(66)
Translation adjustments		
Balance at March 31, 2009	(10,794)	(25,166)
Changes during the period		
Net changes in items other than shareholders' capital during the period	(14,372)	(718)
Total changes during the period	(14,372)	(718)
Balance at March 31, 2010	(25,166)	(25,885)
Total valuation and translation adjustments		
Balance at March 31, 2009	(12,733)	(25,572)
Changes during the period		
Net changes in items other than shareholders' capital during the period	(12,838)	3,249
Total changes during the period	(12,838)	3,249
Balance at March 31, 2010	(25,572)	(22,323)
Minority interests		
Balance at March 31, 2009	7,056	15,247
Changes during the period		
Net changes in items other than shareholders' capital during the period	8,190	351
Total changes during the period	8,190	351
Balance at March 31, 2010	15,247	15,598
Total net assets		
Balance at March 31, 2009	216,399	192,222
Increase from accounting changes at foreign subsidiaries	482	-
Changes during the period		
New issue of stock	-	24,013
Distribution of retained earnings	(8,917)	(4,005)
Net income	(8,985)	(2,014)
Decrease from fiscal changes at consolidated subsidiaries	(35)	-
Increase from acquiring non-consolidated subsidiaries	207	-
Decrease from settling retirement benefit liability at foreign subsidiaries	(2,274)	742
Purchase of treasury stock	(281)	(13)
Sale of treasury stock	276	4
Net changes in items other than shareholders' capital during the period	(4,648)	3,600
Total changes during the period	(24,659)	22,328
Balance at March 31, 2010	192,222	214,550

(4) Statements of Cash Flows

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from operating activities:		
Net income before income taxes and minority interests	(10,103)	(1,837)
Depreciation and amortization	45,759	40,702
Impairment loss	3,064	350
Amortization of negative goodwill	(1,238)	(1,131)
Increase/decrease in allowance for doubtful accounts	(200)	26
Increase/decrease in accrued retirement benefits for directors and statutory auditors	(163)	(10)
Increase/decrease in accrued retirement benefits for employees	73	(1,619)
Increase/decrease in reserve for product defect compensation	161	(200)
Increase/decrease in accrued payments due to the change in retirement benefit plan	(2,183)	(1,978)
Interest and dividend income	(1,059)	(591)
Interest expenses	5,309	3,964
Foreign currency translation adjustments / Foreign exchange losses/gains	758	229
Gain or loss in equity of non-consolidated subsidiaries and affiliates	(563)	120
Gain or loss from devaluating investment securities	13,921	-
Gain or loss in equity of non-consolidated subsidiaries and affiliates	-	238
Profit or loss from sale of subsidiaries' stock	-	(722)
Decrease/increase in trade receivables	45,254	(23,390)
Decrease/increase in inventories	(14,338)	11,165
Increase/decrease in trade payables	(49,890)	18,566
Other	(767)	6,940
Subtotal	<u>33,791</u>	<u>50,819</u>
Interest and dividend income received	1,823	1,135
Interest paid	(5,699)	(4,303)
Income taxes paid	(8,539)	(3,681)
Net cash provided by operating activities	<u>21,375</u>	<u>43,970</u>
Cash flows from investing activities:		
Increase in time deposits	(3,728)	(1,143)
Decrease in time deposits	2,335	1,228
Purchase of property, plant and equipment	(54,272)	(25,400)
Proceeds from sale of property, plant and equipment	117	25
Purchase of intangible fixed assets	(609)	(541)
Purchase of investment securities	(2,303)	(1,899)
Proceeds from sale of investment securities	191	-
Payment for purchase of subsidiaries' stock	(1,751)	-
Payment for acquisition of subsidiaries stock resulting in changes of consolidation scope	*2 (2,987)	-
Proceeds from sale of subsidiaries stock resulting in changes of consolidation scope	-	*2 2,421
Decrease/increase in short-term loans receivable, net	0	(294)
Other	92	46
Net cash used in investing activities	<u>(62,917)</u>	<u>(25,558)</u>

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from financing activities		
Increase/decrease in short-term loans, net	45,291	(45,447)
Proceeds from long-term loans	35,545	19,527
Repayment of long-term loans	(2,339)	(2,224)
Proceeds from issuing bonds	10,000	-
Payment for redemption of bonds	(10,000)	(10,000)
Payment for redemption of corporate bonds with equity warrant	(24,519)	-
Proceeds from issuing common stock assigned to minority shareholders	24	-
Proceeds from Issuing common stock	-	23,883
Dividend payment	(8,917)	(4,005)
Repayment of lease payable	-	(149)
Other	(535)	(146)
Net cash provided by financing activities	44,551	(18,562)
Effect of exchange rate changes on cash and cash equivalents	(4,703)	1,913
Increase/decrease in cash and cash equivalents	(1,693)	1,762
Cash and cash equivalents, at beginning of the year	32,536	30,995
Increase in cash and cash equivalents from acquiring non-consolidated subsidiaries	153	-
Cash and cash equivalents, at end of the year	*1 30,995	*1 32,758

(5) Going Concern Assumption
None

(6) Significant Information Regarding the Preparation of Consolidated Financial Statements
Disclosure has been omitted as there have been no significant change in information disclosed in recent financial statements submitted on June 26, 2009.

(7) Changes in Significant Information Regarding the Preparation of Consolidated Financial Statements

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)	Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)
<p>(Accounting standard for measuring inventories) Previously, inventories held the ordinary course of business were stated at cost determined principally by the weighted average method. However, effective this fiscal year, the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9: July 5, 2006) has been applied, and these inventories are stated at cost by the weighted average method. (For the value stated on the balance sheet, book value is written down on the decreased profitability.) The effect of this application on operating income, ordinary income, and income before income taxes and minority interests is immaterial.</p>	<p>_____</p>
<p>(Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements) Effective this fiscal year, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" has been adopted. Some necessary revisions have been made to the consolidated financial statements. The effect of this application on operating income, ordinary income, and income before income taxes and minority interests is immaterial.</p>	<p>_____</p>
<p>(Accounting Standard for Lease Transactions) Previously, finance lease transactions that do not transfer ownership were accounted for in a manner similar to accounting treatment for ordinary rental transactions. However, effective this fiscal year, under the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13: revised March 30, 2007) and "Guidance on Accounting Standard for Lease Finance," lease transactions that do not transfer ownership, which started prior to April 1, 2008, continue to be accounted as operating leases. The effect of this application on operating income, ordinary income, and income before income taxes and minority interests is immaterial.</p>	<p>_____</p>
<p>_____</p>	<p>(Accounting Standard for Retirement Benefits) Effective this fiscal year, the "Partial Revision of the Accounting Standard for Retirement Benefits (No. 3)" (ASBJ Statement No. 19: July 31, 2008) has been adopted. The effect of this application on operating income, ordinary income, income before income taxes and minority interest, and retirement benefit obligations is immaterial.</p>

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

No.	Year ended March 31, 2009	Year ended March 31, 2010
	(April 1, 2008 – March 31, 2009)	(April 1, 2009 – March 31, 2010)
*1	Assets pledged as collateral and liability (million yen)	Assets pledged as collateral and liability (million yen)
	(1) Pledged assets	(1) Pledged assets
	Buildings and structures 352	Buildings and structures 328
	Machinery, equipment, and vehicles 22	Land 298
	Land 298	Total 626
	Total 674	
	(2) Liability and amount	(2) Liability and amount
	Liability, for which building/structures, machinery/equipment/vehicles, and land are pledged as collateral	Liability, for which building/structures, and land are pledged as collateral
	Short-term loan 627	Short-term loan 600
	Long-term loan 9	
	Total 637	
2	Liabilities on guarantee (million yen)	Liabilities on guarantee (million yen)
	Back letter of management	Back letter of management
	Back letter of management, provided for bank loan by non-consolidate affiliates	Back letter of management, provided for bank loan by non-consolidate affiliates
	NTN de Mexico, S.A.. 162	NTN de Mexico, S.A.. 153
*3	Notes on non-consolidated subsidiaries and affiliates (million yen)	Notes on non-consolidated subsidiaries and affiliates (million yen)
	Investment securities (stocks) 10,526	Investment securities (stocks) 10,975
*4	Receipt of government subsidies Reduction of value due to government subsidies received for assets acquired in previous years: (million yen)	Receipt of government subsidies Reduction of value due to the government subsidies received for the assets acquired in the previous years: (million yen)
	Buildings and structures 175	Buildings and structures 500
	Machinery, equipment, and vehicles 437	Machinery, equipment, and vehicles 555
	Land 721	Land 721
	Other 1	Other 4
	Reduction of the values stated above is reflected on the Consolidated Balance Sheet.	Reduction of the values stated above is reflected on the Consolidated Balance Sheet.

(Consolidated Statements of Operation)

No.	Year ended March 31, 2009	Year ended March 31, 2010																																																								
	(April 1, 2008 – March 31, 2009)	(April 1, 2009 – March 31, 2010)																																																								
*1	Research and development expense included in general and administrative expense and manufacturing cost during the period is 17,401 million yen.	Research and development expense included in general and administrative expense and manufacturing cost during the period is 14,687 million yen.																																																								
*2	<p>Asset impairment loss Regarding fixed assets used in manufacturing activities, the Company has defined a plant as the smallest cash-flow-generating unit, based on business segmentation under management accounting; fixed assets associated with the head office and those used for sales and marketing activities are categorized as shared assets.</p> <p>The table below shows the assets for which the Company revalued the book value down to the fair market value because the Company has no plans to use or sees no possibility to recoup the value during the expected useful life. Total amount booked as an impairment loss is 3,064 million yen, which is included in the extraordinary loss. The fair market value is based on the estimated net saleable value or use value. Assets that are not deemed saleable or usable for other purposes are valued at zero.</p> <p>The impairment loss from closure of Takarazuka Works is 1,033 million yen.</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Category</th> <th>Location</th> <th>Impairment loss</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>million yen</td> </tr> <tr> <td>Manufacturing facilities, etc.</td> <td>Buildings and Structures</td> <td>Hyogo</td> <td>846</td> </tr> <tr> <td>Manufacturing facilities</td> <td>Machinery and Equipment</td> <td>Hyogo, others</td> <td>1,212</td> </tr> <tr> <td>Manufacturing facilities</td> <td>Machinery and Equipment</td> <td>France</td> <td>520</td> </tr> <tr> <td>Manufacturing facilities</td> <td>Machinery and Equipment</td> <td>India</td> <td>462</td> </tr> <tr> <td>Manufacturing facilities, etc.</td> <td>Vehicles</td> <td>Hyogo,</td> <td>21</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>3,064</td> </tr> </tbody> </table>	Use	Category	Location	Impairment loss				million yen	Manufacturing facilities, etc.	Buildings and Structures	Hyogo	846	Manufacturing facilities	Machinery and Equipment	Hyogo, others	1,212	Manufacturing facilities	Machinery and Equipment	France	520	Manufacturing facilities	Machinery and Equipment	India	462	Manufacturing facilities, etc.	Vehicles	Hyogo,	21	Total			3,064	<p>Asset impairment loss Regarding fixed assets used in manufacturing activities, the Company has defined a plant and factory as the smallest cash-flow-generating unit, based on business segmentation under management accounting; fixed assets associated with the head office and those used for sales and marketing activities are categorized as shared assets.</p> <p>The table below shows the assets for which the Company revalued the book values down to the fair market value for the reasons that the Company has no plans to use, or sees no possibility to recoup the values during the reasonable cash flow plan period. Total amount booked as an impairment loss is 3,064 million yen, which is included in the extraordinary loss. The fair market value is based on the estimated net saleable value or use value. The assets that are not deemed saleable or usable for other purposes are valued at zero.</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Category</th> <th>Location</th> <th>Impairment loss</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>million yen</td> </tr> <tr> <td>Manufacturing facilities</td> <td>Machinery and Equipment</td> <td>China</td> <td>160</td> </tr> <tr> <td>Manufacturing facilities</td> <td>Machinery and Equipment</td> <td>Shizuoka</td> <td>95</td> </tr> <tr> <td>Manufacturing facilities</td> <td>Machinery and Equipment</td> <td>France</td> <td>94</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>350</td> </tr> </tbody> </table>	Use	Category	Location	Impairment loss				million yen	Manufacturing facilities	Machinery and Equipment	China	160	Manufacturing facilities	Machinery and Equipment	Shizuoka	95	Manufacturing facilities	Machinery and Equipment	France	94	Total			350
Use	Category	Location	Impairment loss																																																							
			million yen																																																							
Manufacturing facilities, etc.	Buildings and Structures	Hyogo	846																																																							
Manufacturing facilities	Machinery and Equipment	Hyogo, others	1,212																																																							
Manufacturing facilities	Machinery and Equipment	France	520																																																							
Manufacturing facilities	Machinery and Equipment	India	462																																																							
Manufacturing facilities, etc.	Vehicles	Hyogo,	21																																																							
Total			3,064																																																							
Use	Category	Location	Impairment loss																																																							
			million yen																																																							
Manufacturing facilities	Machinery and Equipment	China	160																																																							
Manufacturing facilities	Machinery and Equipment	Shizuoka	95																																																							
Manufacturing facilities	Machinery and Equipment	France	94																																																							
Total			350																																																							
*3	For the fiscal year under review, the Company recognized restructuring expenses of 1,112 million yen as extraordinary losses, comprising 363 million yen in costs of disposal of fixed assets, 162 million yen in costs of relocation of facilities, and 586 million yen in other assets. The restructuring loss from closure of Takarazuka Works is 925 million yen.	For the fiscal year under review, the Company recognized restructuring expenses of 141 million yen as extraordinary losses, comprising 131 million yen in costs of disposal of fixed assets, and 10 million yen in costs of relocation of facilities.																																																								

<P-19>

(Consolidated Statements of Changes in Shareholders' Equity)
 Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

1. Type and total number of shares issued and outstanding and Treasury stock

	Number of shares as of March 31, 2008	Increase	Decrease	Number of shares as of March 31, 2009
	thousand shares	thousand shares	thousand shares	thousand shares
Shares issued and outstanding				
Common stock	470,463	–	–	470,463
Total	470,463	–	–	470,463
Treasury stock				
Common shares	1,059	603	912	750
Total	1,059	603	912	750

Notes: *A 603,000 increase in the number of common shares represents purchase of shares constituting less than one unit. A 912,000 decrease in the number of common shares is due to the sale of shares constituting less than 1,000.

2. Equity warrant and subscription right to treasury stock

N.A.

3. Dividends

(1) Dividend paid

Date of approval	Type of share	Total dividend paid	Dividend per share	Record date	Payable date
		million yen	yen		
Annual general meeting of shareholders on June 27, 2008	Common stock	4694	10	March 31, 2008	June 30, 2008
Board meeting held on October 31, 2008	Common stock	4223	9	September 30, 2008	December 5, 2008

(2) Among the dividends for which the record date falls within the period under review, the portion of the dividend for which the effective date falls in the next fiscal year

Date of approval	Type of share	Total dividend paid	Dividend source	Dividend per share	Record date	Payable date
		million yen		yen		
Annual general meeting of shareholders on June 25, 2009	Common stock	1878	Retained earnings	4	March 31, 2009	June 26, 2009

Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

1. Type and total number of shares issued and outstanding and Treasury stock

	Number of shares as of March 31, 2009	Increase	Decrease	Number of shares as of March 31, 2010
	thousand shares	thousand shares	thousand shares	thousand shares
Shares issued and outstanding				
Common stock *1	470,463	62,000	–	532,463
Total	470,463	62,000	–	532,463
Treasury stock				
Common stock *2	750	35	12	773
Total	750	35	12	773

Notes: *1 A 62,000 thousand share increase in common stock under "Shares issued and outstanding" represents a new issue of stock (public offering and third-party allocation).

*2 A 35 thousand share increase in common stock under "treasury stock" represents a purchase of shares constituting less than one unit. A 12 thousand share decrease in the number of common shares is due to a sale of shares constituting less than one unit.

2 Equity warrant and subscription right to treasury stock
N.A.

3 Dividends

(1) Dividend paid

Date of approval	Type of share	Total dividend paid	Dividend per share	Record date	Payable date
		million yen	yen		
Annual general meeting of shareholders on June 25, 2009	Common stock	1878	4	March 31, 2009	June 26, 2009
Board meeting held on October 29, 2009	Common stock	2126	4	September 30, 2009	December 4, 2009

(2) Among the dividends for which the record date falls within the period under review, the portion of the dividend for which the effective date falls in the next fiscal year

Date of approval	Type of share	Total dividend paid	Dividend source	Dividend per share	Record date	Payable date
		million yen		yen		
Annual general meeting of shareholders on June 25, 2010	Common stock	2,126	Retained earnings	4	March 31, 2010	Scheduled for June 28, 2010

<P-21>

(Cash flows)

No.	Year ended March 31, 2009	Year ended March 31, 2010																																								
	(April 1, 2008 – March 31, 2009)	(April 1, 2009 – March 31, 2010)																																								
*1	<p>Reconciliation of the amounts of cash and cash equivalents at end of the year stated in Consolidated Statements of Cash Flows to the amounts of accounts stated in Consolidated Balance Sheets.</p> <p style="text-align: right;">million yen</p> <table> <tr> <td>Cash and bank deposits</td> <td style="text-align: right;">28,047</td> </tr> <tr> <td>Short-term loans receivable</td> <td style="text-align: right;">5,010</td> </tr> <tr> <td>Time deposits with original maturities of more than three months</td> <td style="text-align: right;">(2,052)</td> </tr> <tr> <td>Short-term loans receivable (excl. repurchase agreement)</td> <td style="text-align: right;">(8)</td> </tr> <tr> <td><u>Cash and cash equivalents</u></td> <td style="text-align: right;"><u>30,995</u></td> </tr> </table>	Cash and bank deposits	28,047	Short-term loans receivable	5,010	Time deposits with original maturities of more than three months	(2,052)	Short-term loans receivable (excl. repurchase agreement)	(8)	<u>Cash and cash equivalents</u>	<u>30,995</u>	<p>Reconciliation of the amounts of cash and cash equivalents at end of the year stated in Consolidated Statements of Cash Flows to the amounts of accounts stated in Consolidated Balance Sheets.</p> <p style="text-align: right;">million yen</p> <table> <tr> <td>Cash and bank deposits</td> <td style="text-align: right;">27,632</td> </tr> <tr> <td>Securities</td> <td style="text-align: right;">7,000</td> </tr> <tr> <td>Time deposits with original maturities of more than three months</td> <td style="text-align: right;">(1,874)</td> </tr> <tr> <td><u>Cash and cash equivalents</u></td> <td style="text-align: right;"><u>32,758</u></td> </tr> </table>	Cash and bank deposits	27,632	Securities	7,000	Time deposits with original maturities of more than three months	(1,874)	<u>Cash and cash equivalents</u>	<u>32,758</u>																						
Cash and bank deposits	28,047																																									
Short-term loans receivable	5,010																																									
Time deposits with original maturities of more than three months	(2,052)																																									
Short-term loans receivable (excl. repurchase agreement)	(8)																																									
<u>Cash and cash equivalents</u>	<u>30,995</u>																																									
Cash and bank deposits	27,632																																									
Securities	7,000																																									
Time deposits with original maturities of more than three months	(1,874)																																									
<u>Cash and cash equivalents</u>	<u>32,758</u>																																									
*2	<p>Breakdown of assets and liabilities of companies, which became the Company's consolidated companies by acquisition of shares.</p> <p>Breakdown of the assets and liabilities of S.N.R. ROULEMENTS and its 8 subsidiaries, which became a consolidated member by share acquisition at the start of consolidation, and purchase price and net payment for acquisition.</p> <p style="text-align: right;">million yen</p> <table> <tr> <td>Current assets</td> <td style="text-align: right;">53,118</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">31,755</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">(49,648)</td> </tr> <tr> <td>Long-term liabilities</td> <td style="text-align: right;">(8,512)</td> </tr> <tr> <td>Goodwill (negative)</td> <td style="text-align: right;">(110)</td> </tr> <tr> <td>Minority interests</td> <td style="text-align: right;">(13,056)</td> </tr> <tr> <td><u>Total purchase price for acquisition</u></td> <td style="text-align: right;"><u>13,546</u></td> </tr> <tr> <td>Purchase price paid in previous years</td> <td style="text-align: right;">(9,436)</td> </tr> <tr> <td><u>Net purchase price of the SNR (A)</u></td> <td style="text-align: right;"><u>4,109</u></td> </tr> <tr> <td>Cash and cash equivalents of SNR (B)</td> <td style="text-align: right;">1,122</td> </tr> <tr> <td><u>Net payment for acquisition of SNR (B) – (A)</u></td> <td style="text-align: right;"><u>(2,987)</u></td> </tr> </table>	Current assets	53,118	Fixed assets	31,755	Current liabilities	(49,648)	Long-term liabilities	(8,512)	Goodwill (negative)	(110)	Minority interests	(13,056)	<u>Total purchase price for acquisition</u>	<u>13,546</u>	Purchase price paid in previous years	(9,436)	<u>Net purchase price of the SNR (A)</u>	<u>4,109</u>	Cash and cash equivalents of SNR (B)	1,122	<u>Net payment for acquisition of SNR (B) – (A)</u>	<u>(2,987)</u>	<p>Breakdown of assets and liabilities of companies which are no longer consolidated companies by sales of shares.</p> <p>Breakdown of the assets and liabilities of NTN-NIDEC(THAILAND)CO.,LTD. and NTN-NIDEC (ZHEJIANG) CORP., which are no longer consolidated affiliates due to sales of shares, at the time of sale, and sales price and net profit from sale of the shares.</p> <p style="text-align: right;">million yen</p> <table> <tr> <td>Current assets</td> <td style="text-align: right;">4,157</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">4,287</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">(4,922)</td> </tr> <tr> <td>Long-term liabilities</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Minority interests</td> <td style="text-align: right;">(1,408)</td> </tr> <tr> <td>Profit from sales of shares</td> <td style="text-align: right;">722</td> </tr> <tr> <td><u>Sales price of shares</u></td> <td style="text-align: right;"><u>2,835</u></td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">(413)</td> </tr> <tr> <td><u>Net receipt from sales</u></td> <td style="text-align: right;"><u>2,421</u></td> </tr> </table>	Current assets	4,157	Fixed assets	4,287	Current liabilities	(4,922)	Long-term liabilities	(1)	Minority interests	(1,408)	Profit from sales of shares	722	<u>Sales price of shares</u>	<u>2,835</u>	Cash and cash equivalents	(413)	<u>Net receipt from sales</u>	<u>2,421</u>
Current assets	53,118																																									
Fixed assets	31,755																																									
Current liabilities	(49,648)																																									
Long-term liabilities	(8,512)																																									
Goodwill (negative)	(110)																																									
Minority interests	(13,056)																																									
<u>Total purchase price for acquisition</u>	<u>13,546</u>																																									
Purchase price paid in previous years	(9,436)																																									
<u>Net purchase price of the SNR (A)</u>	<u>4,109</u>																																									
Cash and cash equivalents of SNR (B)	1,122																																									
<u>Net payment for acquisition of SNR (B) – (A)</u>	<u>(2,987)</u>																																									
Current assets	4,157																																									
Fixed assets	4,287																																									
Current liabilities	(4,922)																																									
Long-term liabilities	(1)																																									
Minority interests	(1,408)																																									
Profit from sales of shares	722																																									
<u>Sales price of shares</u>	<u>2,835</u>																																									
Cash and cash equivalents	(413)																																									
<u>Net receipt from sales</u>	<u>2,421</u>																																									

(Segment Information)

1. Business segment information

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)	Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)
Business segment information is not provided herein for the following reasons: (1) Machinery Equipment Division sales accounts for more than 90% of total sales. (2) Operating income of the Machinery Equipment Division accounts for more than 90% of the operating income of all segments. (3) The assets held by the Machinery Equipment Division account for more than 90% of total assets of all the segments.	Business segment information is not provided herein due to the following reasons: (1) Machinery Equipment Division sales accounts for more than 90% of total sales. (2) Operating income of the Machinery Equipment Division accounts for more than 90% of the operating income of all segments. (3) The assets held by the Machinery Equipment Division account for more than 90% of total assets of all the segments.

2. Geographic segment information

(In million yen)

	Year ended March 31, 2009 (April 1, 2008—March 31, 2009)						
	Japan	Americas	Europe	Asia and other areas	Total	Elimination	Consolidated total
I. Net sales and operating income							
Net sales							
(1) External sales	210,266	103,241	149,214	64,376	527,099	–	527,099
(2) Inter-segment sales	101,607	1,677	2,608	6,221	112,124	(112,124)	–
Total	311,883	104,919	151,822	70,598	639,224	(112,124)	527,099
Operating expenses	313,540	105,067	149,245	65,239	633,093	(115,472)	517,621
Operating income	(1,656)	(148)	2,577	5,359	6,131	3,347	9,478
II. Assets	430,046	109,122	120,579	65,847	725,597	(97,983)	627,613

	Year ended March 31, 2010 (April 1, 2009—March 31, 2010)						
	Japan	Americas	Europe	Asia and other areas	Total	Elimination	Consolidated total
I. Net sales and operating income							
Net sales							
(1) External sales	166,818	86,818	134,246	64,862	452,745	–	452,745
(2) Inter-segment sales	84,736	2,186	2,749	5,104	94,776	(94,776)	–
Total	251,554	89,005	136,995	69,966	547,522	(94,776)	452,745
Operating expenses	263,213	88,298	132,888	62,800	547,200	(95,854)	451,346
Operating income	(11,658)	707	4,106	7,166	321	1,077	1,399
II. Assets	430,145	107,569	115,775	63,324	716,815	(98,013)	618,801

<P. 23>

- 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
Asia and other areas: China, Thailand, India, and others
 3. The total of the assets included in elimination column, before consolidation, are 26,693 million yen for the year ended March 31, 2009, and 36,957 million yen for the year ended March 31, 2010.

3. Overseas sales

(In million yen)

	Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)			
	Americas	Europe	Asia and other	Total
I Overseas sales	109,288	141,674	81,288	332,252
II Consolidated net sales				527,099
III Ratio of overseas sales to total consolidated sales (%)	20.7	26.9	15.4	63.0

(In million yen)

	Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)			
	Americas	Europe	Asia and other	Total
I Overseas sales	90,017	127,068	79,296	296,382
II Consolidated net sales				452,745
III Ratio of overseas sales to total consolidated sales (%)	19.9	28.1	17.5	65.5

- 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
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.

<P-24>

(Par share data)

Year ended March 31, 2009		Year ended March 31, 2010	
Net assets per share (yen)	376.77	Net assets per share (yen)	374.19
Net income per share (yen)	(19.14)	Net income per share (yen)	(4.00)
Diluted net income per share is not reported due to negative net income per share for the period.		Diluted net income per share is not reported due to negative net income per share for the period.	
Residual securities are extant.		In addition, no residual securities existed.	

Note: Net income per share is computed based on the following data:

	Year ended March 31,2009	Year ended March 31,2010
Net income per share		
Net income in consolidated balance sheets (million yen)	(8,985)	(2,014)
Amounts not belonging to common shareholders (million yen)	-	-
Net income available for common shares (million yen)	(8,985)	(2,014)
Average number of shares during the period (thousand shares)	469,433	503,089

(Significant Subsequent Event)

Year ended March 31,2009 (April 1, 2008 – March 31, 2009)	Year ended March 31,2010 (April 1, 2009 – March 31, 2010)
_____	<p>1 Establishment of significant subsidiaries The company decided to establish a subsidiary to manufacture and sell constant velocity joints (CVJs) at Guarulhos, Sao Paulo in Brazil according to the board resolution of May 11, 2010.</p> <p>(1) Corporate name: NTN do Brazil Producao de Semi-Eixos Ltda.</p> <p>(2) Business lines: Manufacture and sales of CVJs</p> <p>(3) Establishment: June 25, 2010 (plan)</p> <p>(4) Acquisition cost: 35,420 thousand R\$</p> <p>(5) Ownership: NTN 70% NTN TRANSMISSIONS EUROPE 30%</p>

(Omission of disclosure)

Notes on lease transactions, financial products, marketable securities, derivative transactions, retirement benefits, tax effect accounting, and leased property are omitted as they are deemed to be insignificant for the purpose of timely disclosure.

5. Non-Consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash and bank deposits	15,846	13,029
Notes receivable-trade	7,153	5,381
Accounts receivable-trade	47,133	67,852
Securities	-	7,000
Purchased goods and finished goods	21,300	20,679
Work in process	20,255	17,066
Raw materials and supplies	4,243	3,616
Prepaid expenses	127	140
Deferred tax assets	2,097	2,884
Short-term loans receivable	5,007	40
Short-term loans receivable from affiliates	2,320	6,250
Accounts receivable - other	12,629	13,600
Other	3,443	2,557
Allowance for doubtful accounts	(7)	(18)
Total current assets	141,551	160,080
Fixed Assets		
Property, plant and equipment		
Buildings	70,654	75,222
Accumulated depreciation	(47,359)	(49,201)
Buildings, net	23,295	26,021
Structures	7,244	7,529
Accumulated depreciation	(5,530)	(5,717)
Structure, net	1,714	1,812
Machinery and equipment	273,456	274,548
Accumulated depreciation	(223,290)	(231,058)
Machinery and equipment, net	50,165	43,490
Vehicles	2,260	2,706
Accumulated depreciation	(1,935)	(2,081)
Vehicles, net	325	625
Tools and furniture	28,606	29,163
Accumulated depreciation	(25,684)	(27,095)
Tools and furniture, net	2,921	2,067
Land	21,343	22,386
Construction in progress	5,598	1,545
Total property, plant, and equipment	105,363	97,948
Intangible fixed assets		
Patent	30	31
Leasehold	252	272
Software	1,176	911
Other	66	63
Total intangible assets	1,525	1,279
Investments and other assets		
Investment securities	21,619	29,895
Shares of affiliates	112,675	110,973
Investment in affiliates	5,279	5,279
Long-term loans receivable	18	12
Long-term loans receivable from employees	-	40
Long-term loans receivable from affiliates	3,200	2,800
Receivables from firms in bankruptcy proceedings	51	51
Long-term prepaid expenses	169	103
Deferred tax assets	20,079	20,984
Other	1,157	1,072
Allowance for doubtful accounts	(675)	(526)
Total investments and other assets	163,576	170,686
Total fixed assets	270,466	269,914
Total assets	412,017	429,994

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities		
Notes payable	8,294	9,661
Accounts payable – trade	55,538	71,478
Short-term loans	50,720	36,120
Bonds due within one year	10,000	20,000
Lease payable	1	108
Accounts payable, other	3,411	431
Accrued expense	9,923	10,344
Income taxes payable	104	262
Advance received	31	54
Deposit received	2,224	4,348
Other	1,136	316
Total current liabilities	141,385	153,127
Long-term liabilities		
Bonds	30,000	10,000
Long-term loans	53,900	64,400
Lease payable	7	759
Accrued retirement benefits for employees	19,783	19,361
Reserve for product defect compensations	1,539	1,339
Defined benefit payable	4,800	–
Other	940	3,821
Total long-term liabilities	110,972	99,681
Total liabilities	252,358	252,808
Net assets		
Shareholders' equity		
Common stock	42,339	54,346
Capital surplus		
Capital reserve	55,362	67,369
Other capital surplus	47	47
Total capital surplus	55,410	67,417
Retained earnings		
Legal reserve	8,639	8,639
Other retained earnings		
Reserve for special depreciation	90	77
Reserve for depreciation of replacement assets	600	590
General reserve	22,009	22,009
Retained earnings carried over	31,699	21,286
Total retained earnings	63,039	52,604
Treasury stock	(728)	(736)
Total shareholders' capital	160,062	173,631
Valuation and translation adjustments		
Net unrealized holding gain on other securities	(408)	3,620
Deferred gains or losses on hedges	5	(66)
Total Valuation and translation adjustments	(403)	3,554
Total net assets	159,659	177,185
Total liabilities and net assets	412,017	429,994

(2) Statements of Operations

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Net sales	315,032	251,266
Cost of sales		
Purchased goods—beginning	898	628
Finished goods—beginning	20,250	20,671
Purchase of goods during the period	9,587	7,540
Manufacturing cost during the period	270,328	223,567
Total	301,065	252,407
Purchased goods—end	628	591
Finished goods—end	20,671	20,087
Total cost of sales	279,765	231,728
Gross profit	35,267	19,537
Selling, general and administrative expenses		
Freight	11,925	9,511
Sales commissions	375	213
Advertising	871	341
Directors' remuneration	350	322
Salaries and benefit	10,600	9,470
Retirement benefit expenses	1,446	1,613
Rent expense	1,212	1,181
Travel	707	514
Office supplies	199	127
Communication expense	164	140
Promotion and entertainment	101	68
Enterprise taxes	315	368
Taxes and dues	496	448
Depreciation expense	1,017	1,110
Provision for doubtful accounts	35	—
Entrusted business commission	2,759	2,399
Research and development	4,419	4,010
Miscellaneous expenses	2,324	2,220
Total selling, general and administrative expenses	39,321	34,060
Operating income	(4,054)	(14,522)

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Non-operating income		
Interest received	90	126
Interest on bond	181	99
Dividend received	5,999	4,944
Royalty	2,024	2,022
Exchange gain	2,929	215
Others	1,061	1,227
Total non-operating income	12,288	8,636
Non-operating expenses		
Interest paid	861	1,427
Interest on bond	564	482
Loss on sales of fixed assets	306	-
Others	1,252	824
Total non-operating expenses	2,985	2,733
Ordinary income	5,248	(8,620)
Extraordinary gains		
Profit from sale of subsidiary stock	-	322
Total extraordinary gains	-	322
Extraordinary losses		
Restructuring expenses	1,112	141
Impairment loss	1,365	95
Loss from devaluating investment securities	13,921	-
Loss from devaluating affiliated companies' stock	2,432	1,682
Costs related to restructuring affiliated companies	498	-
Provision for doubtful accounts	622	-
Reserve for product defect compensation	600	-
Total extraordinary losses	20,551	1,920
Income before income taxes and minority interest	(15,303)	(10,218)
Income and other taxes	52	542
Refund of income taxes	(507)	-
Income tax adjustment	(5,069)	(4,330)
Total Income and other taxes	(5,525)	(3,788)
Net income	(9,778)	(6,430)

(3) Statement of Changes in Shareholders' Capital

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance at March 31, 2009	42,339	42,339
Changes during the period		
New issue of stock	-	12,006
Total changes during the period	-	12,006
Balance at March 31, 2010	42,339	54,346
Additional paid-in capital		
Capital reserve		
Balance at March 31, 2009	55,362	55,362
Changes during the period		
New issue of stock	-	12,006
Total changes during the period	-	12,006
Balance at March 31, 2010	55,362	67,369
Other additional paid-in capital		
Balance at March 31, 2009	47	47
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2010	47	47
Total additional paid-in capital		
Balance at March 31, 2009	55,410	55,410
Changes during the period		
New issue of stock	-	12,006
Total changes during the period	-	12,006
Balance at March 31, 2010	55,410	67,417
Retained earnings		
Legal reserve		
Balance at March 31, 2009	8,639	8,639
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2010	8,639	8,639
Other retained earning		
Special reserve for additional depreciation of fixed assts		
Balance at March 31, 2009	-	90
Changes during the period		
Provision of special reserve for advanced depreciation of fixed assets	90	-
Reversal of special reserve for advanced depreciation of fixed assets	-	(12)
Total changes during the period	90	(12)
Balance at March 31, 2010	90	77
Reserve for additional depreciation of fixed assets		
Balance at March 31, 2009	611	600
Changes during the period		
Reversal of special reserve for advanced depreciation of fixed assets	(11)	(10)
Total changes during the period	(11)	(10)
Balance at March 31, 2010	600	590

	Year ended March 31, 2009	Year ended March 31, 2010
General reserve		
Balance at March 31, 2009	22,009	22,009
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2010	<u>22,009</u>	<u>22,009</u>
Retained earnings carried forward		
Balance at March 31, 2009	50,474	31,699
Changes during the period		
Distribution of retained earnings	(8,917)	(4,005)
Provision of special reserve for additional depreciation of fixed assets	(90)	-
Reversal of special reserve for additional depreciation of fixed assets	-	12
Reversal of reserve for additional depreciation of fixed assets	11	10
Net income	(9,778)	(6,430)
Total changes during the period	<u>(18,775)</u>	<u>(10,412)</u>
Balance at March 31, 2010	<u>31,699</u>	<u>21,286</u>
Total retained earnings		
Balance at March 31, 2009	81,735	63,039
Changes during the period		
Distribution of retained earnings	(8,917)	(4,005)
Provision of special reserve for additional depreciation of fixed assets	-	-
Reversal of special reserve for additional depreciation of fixed assets	-	-
Reversal of reserve for additional depreciation of fixed assets	-	-
Net income	(9,778)	(6,430)
Total changes during the period	<u>(18,695)</u>	<u>(10,435)</u>
Balance at March 31, 2010	<u>63,039</u>	<u>52,604</u>
Treasury stock		
Balance at March 31, 2009	(722)	(728)
Changes during the period		
Purchase of treasury stock	(281)	(13)
Disposal of treasury stock	276	4
Total changes during the period	<u>(5)</u>	<u>(8)</u>
Balance at March 31, 2010	<u>(728)</u>	<u>(736)</u>
Total shareholders' equity		
Balance at March 31, 2009	178,763	160,062
Changes during the period		
New issue of stock	-	24,013
Distribution of retained earnings	(8,917)	(4,005)
Net income	(9,778)	(6,430)
Purchase of treasury stock	(281)	(13)
Disposal of treasury stock	276	4
Total changes during the period	<u>(18,701)</u>	<u>13,569</u>
Balance at March 31, 2010	<u>160,062</u>	<u>173,631</u>

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Valuation and translation adjustment		
Net unrealized gains/losses on other securities		
Balance at March 31, 2009	(1,951)	(408)
Changes during the period		
Net changes in items other than shareholders' capital during the period	1,542	4,028
Total changes during the period	1,542	4,028
Balance at March 31, 2010	(408)	3,620
Deferred earning from hedging		
Balance at March 31, 2009	-	5
Changes during the period		
Net changes in items other than shareholders' capital during the period	5	(71)
Total changes during the period	5	(71)
Balance at March 31, 2010	5	(66)
Total valuation and translation adjustments		
Balance at March 31, 2009	(1,951)	(403)
Changes during the period		
Net changes in items other than shareholders' capital during the period	1,548	3,957
Total changes during the period	1,548	3,957
Balance at March 31, 2010	(403)	3,554
Total net assets		
Balance at March 31, 2009	176,812	159,659
Changes during the period		
New issue of stock	-	24,013
Distribution of retained earnings	(8,917)	(4,005)
Net income	(9,778)	(6,430)
Purchase of treasury stock	(281)	(13)
Disposal of treasury stock	276	4
Net changes in items other than shareholders' equity	1,548	3,957
Total changes during the period	(17,152)	17,526
Balance at March 31, 2010	159,659	177,185

(4) **Going Concern Assumption**
None

6. Others

(1) Change of Officers

1) Representative Officers
None

2) Other Officers (effective on June 25, 2010)

Candidates for Newly-appointed Officer

Fukumatsu Kometani (presently, Executive Officer and General Manager –Europe and Africa Region)

Hitoshi Takai (Executive Officer in charge of Finance & Accounting Dept., and Budget Dept.)

Shigeyoshi Takagi (Executive Officer in charge of Production Planning Dept., and Production Engineering Planning Dept.)

Yoshio Kato (Executive Officer and Corporate General Manager – Automotive Business Headquarters, also in charge of ASEAN, Pacific, India, and West Asia Region)

Hironori Inoue (Executive Officer and Deputy Corporate General Manager – Industrial Business Headquarters General Manager – Kuwana Works)

Retiring Officers

Tadatoshi Kato (presently, Vice President)

Osamu Kato (Managing Director)

Kazuhiro Shigeta (Director)

Masaharu Yoshikawa (Director)