

Financial Results For the Year Ended March 31, 2012 [Japanese Accounting Standards] (Consolidated)

May 15, 2012

NTN Corporation
 Security Code: 6472
 Listings: Tokyo and Osaka Stock Exchanges
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 Scheduled commencement date of dividend payment: June 27, 2012
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 Supplementary material of the financial results: Prepared
 Investor meeting: Scheduled

1. Consolidated Financial Results for the Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

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

(1) Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2012	543,468	2.5	20,723	-15.6	18,691	-11.4	5,993	-58.4
Year ended March 31, 2011	530,055	17.1	24,559	—	21,096	—	14,399	—

Note: comprehensive income: Year ended March 31, 2012: 2,975 million yen (-56.5%)
 Year ended March 31, 2011: 6,837 million yen (76.5%)

	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, 2012	11.27	—	3.0	2.8	3.8
Year ended March 31, 2011	27.08	—	7.2	3.4	4.6

Note: Equity method investment gains or losses: Year ended March 31, 2012: 1,009 million yen
 Year ended March 31, 2011: 507 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, 2012	693,257	212,126	28.4	370.19
Year ended March 31, 2011	632,000	210,352	31.6	376.05

Note: Shareholders' equity Year ended March 31, 2012: 196,904 million yen
 Year ended March 31, 2011: 199,921 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, 2012	17,052	-52,842	47,248	52,605
Year ended March 31, 2011	44,503	-32,186	-6,696	40,081

2. Dividends

(Record date)	Dividends per share					Total dividends paid (full year) million yen	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, 2011	—	5.00	—	5.00	10.00	5,316	36.9	2.7
Year ended March 31, 2012	—	5.00	—	5.00	10.00	5,317	88.7	2.7
Year ended March 31, 2013 (forecast)	—	5.00	—	5.00	10.00		48.4	

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(For full year figures, percentage figures represent year-on-year changes.

For quarterly figures, percentage figures represent changes against the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half (cumulative)	290,000	9.0	11,000	2.6	9,000	4.0	5,000	34.2	9.40
Full year	600,000	10.4	27,000	30.3	22,000	17.7	11,000	83.5	20.68

*Notes

(1) Significant changes in subsidiaries during the period (Scope of consolidation): Yes

1 new company (company name) NANJING NTN CORPORATION; removed companies (company name) -

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

1) Changes in accounting policy caused by revisions to accounting standards etc.: None

2) Changes in accounting policy other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

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

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

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

Year ended March 31, 2011: 532,463,527 shares

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

Year ended March 31, 2012: 566,982 shares

Year ended March 31, 2011: 824,400 shares

3) Average number of shares outstanding:

Year ended March 31, 2012: 531,694,698 shares

Year ended March 31, 2011: 531,668,788 shares

Reference: Overview of Financial Results on Non-Consolidated basis

For the Year Ended March 31, 2012 – Non-consolidated

1. Financial Results for the Year Ended March 31, 2012 (April 1, 2011 – March 31, 2012)

(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, 2012	339,197	5.2	-1,621	—	4,603	168.0	-324	—
Year ended March 31, 2011	322,382	28.3	-2,052	—	1,717	—	1,447	—

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2012	-0.61	—
Year ended March 31, 2011	2.72	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2012	486,349	168,106	34.6	316.05
Year ended March 31, 2011	448,323	172,402	38.5	324.28

Note: Shareholders' equity

Year ended March 31, 2012: 168,106 million yen

Year ended March 31, 2011: 172,402 million yen

* Presentations related to implementation of review process

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

* Notes

The above forecast incorporates certain assumptions and projections based upon which the future outlook and plans by NTN (the Company) as announced in this document are formulated. Actual results may differ from the above forecast depending on various conditions. For additional information, please refer to "1. Operating Results (1) Analysis of Operating Results" from page 3.

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1. Operating Results

(1) Analysis of Operating Results

(Operating Results for the Fiscal Year Ended March 31, 2012)

During the fiscal year under review, the Japanese economy showed signs of a recovery from the effects of the Great East Japan Earthquake, but tough conditions continued, such as a slump in exports caused by the prolonged appreciation of the yen. In terms of the global economy, the recovery in economic conditions weakened as a result of the effects of the flooding in Thai, the European debt crisis and concerns about fiscal tightening in China.

Against this backdrop, the NTN Group is expanding its business on a global scale by placing emphasis on growth markets and, at the same time, promoting an expansion of sales in the fields of industrial machinery, aftermarket applications, as we seek to achieve the targets of the medium-term management plan, "Global Advance 2013," covering the three-year period starting in April 2011.

The Group's net sales for the period were 543,468 million yen (a year on year increase of 2.5%). In terms of income, operating income was 20,723 million yen (a year on year decrease of 15.6%) and ordinary income was 18,691 million yen (a year on year decrease of 11.4%). After posting extraordinary gains of 1,201 million yen on the sale of fixed assets and extraordinary losses of 2,105 million yen on the sale of investment securities, 743 million yen in earthquake-related expenses and 580 million yen in business restructuring costs, current net income was recorded at 5,993 million yen (a year on year decrease of 58.4%).

Sales by geographical segment were as follows:

(1) Japan

In terms of sales, in automotive applications customer demand declined overall as a result of the Great East Japan Earthquake and Thai flood. In industrial machinery applications, there were increases in sales for construction machinery and machine tools applications and there was also an increase in sales in the aftermarket. Exports to all regions increased thanks to a recovery in customer demand. As a result, sales for the period reached 334,483 million yen (a year on year increase of 4.6%). In terms of income for the segment, the impact of increased sales saw segment income of 8,146 million yen recorded (a year on year increase of 1.7%).

(2) Americas

In terms of sales, there was an overall increase thanks to a recovery in customer demand in automotive applications. In industrial machinery applications, there were major increases in sales for mainstay construction machinery and agricultural machinery applications, and an increase in sales in the aftermarket. As a result, sales for the period reached 121,133 million yen (a year on year increase of 5.8%), despite the negative impact of the exchange rate. Segment income of 588 million yen was recorded (a year on year decrease of 79.8%) due to factors such as the operational launch of a manufacturing company.

(3) Europe

In terms of sales, automotive applications reached a similar level to last year. In general industrial machinery applications, there were increases in sales for agricultural machinery and general machinery applications, and also an increase in sales in the aftermarket. However, a negative impact from exchange rates meant that sales were at a similar level to last year at 143,745 million yen (a year on year decrease of 0.2%) and segment income fell to 4,551 million yen (a year on year decrease of 23.6%).

(4) Asia and other areas

Sales in automotive applications increased in China but in other areas there was a decrease in sales due to the impact of the Thai flood, despite a positive contribution from the start of mass production for new projects. In industrial machinery applications, there was an increase in sales for wind power generation and general machinery applications, and sales in the aftermarket also increased. However, a negative impact from exchange rates meant that sales were at a similar level to last year at 82,416 million yen (a year on year decrease of 0.2%) and segment income of 5,158 million yen was recorded as a result of factors such as the operational launch of Chinese production companies (a year on year decrease of 24.2%).

Results by business application were as follows.

Year ended March 31, 2011 (April 1, 2010 - March 31, 2011) (In million yen)

	Automotive applications	Industrial machinery applications	Aftermarket	Total
Sales to external customers	344,407	99,451	86,196	530,055
Operating income	3,546	3,111	17,901	24,559

Year ended March 31, 2012 (April 1, 2011 - March 31, 2012) (In million yen)

	Automotive applications	Industrial machinery applications	Aftermarket	Total
Sales to external customers	342,888	106,619	93,960	543,468
Operating income or operating loss (-)	-3,180	4,838	19,065	20,723

(1) Automotive applications

Sales increased as a result of a recovery in customer demand in the Americas and China regions. However, sales in Japan and other Asian regions fell primarily due to a decline in customer demand resulting from the effects of the Great East Japan Earthquake and the Thai flood. As a result, and also as a result of the negative impact of the appreciation of the yen, sales remained at a similar level to last year at 342,888 million yen (a year on year decrease of 0.4%). In terms of operating income, an operating loss of 3,180 million yen was recorded (operating income of 3,546 million yen was recorded last year) as a result of factors such as exchange rates.

(2) Industrial machinery applications

Despite the effects of the Thai flood, sales increased in the respective regions of Japan, the Americas, Europe, and Asia and other areas thanks to a recovery in demand in construction machinery, machine tools, wind turbines and agricultural machinery. As a result, sales reached 106,619 million yen (a year on year increase of 7.2%). Increased sales helped operating income reach 4,838 million yen (a year on year increase of 55.5%).

(3) Aftermarket

Sales increased in the respective regions of Japan, the Americas, Europe, and Asia and other areas thanks to a recovery in customer demand. As a result, sales reached 93,960 million yen (a year on year increase of 9.0%). Increased sales helped operating income reach 19,065 million yen (a year on year increase of 6.5%).

(Outlook for the Year Ending March 31, 2013)

Regarding the outlook for the Year Ending March 31, 2013, while economic conditions are expected to continue recovering, it is expected that a difficult business environment will continue, with concerns over the impact of a stronger yen, power supply problems in Japan and the debt crisis in Europe.

Under these circumstances, the Company enters the second year of its medium-term management plan, "Global Advance 2013 and will implement the various measures laid out therein. For the full year ending March 31, 2013, the Group forecasts consolidated net sales of 600 billion yen, operating income of 27 billion yen, ordinary income of 22 billion yen and net income of 11 billion yen. These forecasts are based on foreign exchange rate assumptions of ¥80/US\$1.00 and ¥105/EUR1.00.

In July 2011, the Company underwent an on-site inspection by the Japan Fair Trade Commission into domestic transactions in bearings, on suspicion that the Company had decided to raise sales prices in cooperation with other manufacturers, and in April this year a search was carried out by special investigators from Tokyo District Public Prosecutor's Office and the Fair Trade Commission. In November 2011, our European consolidated subsidiaries also received an on-site inspection by the European Commission into transactions in bearings, on suspicion of noncompliance with the EU Competition Law. Furthermore, in November 2011 our United States consolidated subsidiary received a subpoena from the United States Department of Justice requesting the submission of information related to transactions in bearings. Investigations are now underway in Japan, Europe and the United States and therefore it is difficult to estimate any impact on our operating results and financial position. As such, this situation has not been taken into consideration in the above outlook.

(2) Analysis of Financial Position

(Assets, Liabilities, and Net assets)

Total current assets at March 31, 2012 amounted to 362,318 million yen, a year-on-year increase of 43,624 million yen, or 13.7%. Major factors included an 11,321 million yen increase in finished goods & purchased goods, a 9,773 million yen increase in notes receivable and accounts receivable, a 7,000 million yen increase in securities, and a 5,945 million yen increase in cash and bank deposits. Total fixed assets at the fiscal year-end amounted to 330,939 million yen, a year-on-year increase of 17,633 million yen, or 5.6%. This was largely the result of an increase of 19,551 million yen in property, plant and equipment. As a result, total assets were 693,257 million yen, an increase of 61,257 million yen, or 9.7% from a year earlier.

Total current liabilities at March 31, 2012 amounted to 282,293 million yen, a year-on-year increase of 12,669 million yen, or 4.7%. Major factors included an increase of 4,011 million yen in notes and accounts payable and an increase of 1,895 million yen in short-term loans. Total long-term liabilities at the fiscal year-end amounted to 198,837 million yen, a year-on-year increase of 46,813 million yen, or 30.8%. Major factors included an increase of 46,799 million yen in long-term loans. As a result, total liabilities were 481,131 million yen, an increase of 59,483 million yen, or 14.1% from a year earlier.

Total net assets were 212,126 million yen, a year-on-year increase of 1,774 million yen, or 0.8%. Major factors included an increase of 4,792 million yen in minority interests, and a decrease of 3,583 million yen in translation adjustments.

(Cash Flows)

Net cash provided by operating activities was 17,052 million yen (a year-on-year decrease of 27,451 million yen, or 61.7%). This was mainly due to income of 16,357 million yen in operating income before taxes and minority interests and depreciation and amortization of 34,175 million yen, against expenditure on an increase in inventories of 20,216 million yen and an increase in trade receivables of 11,754 million yen.

Cash used in investment activities was 52,842 million yen (an increase of 20,656 million yen, or 64.2%). This was mainly due to expenditure of 49,102 million yen in the purchase of property, plant and equipment and 2,300 million yen in payment for acquisition of shares in equity-method affiliates.

Net cash gained from financing activities was 47,248 million yen (6,696 million yen was used last year). This was mainly due to income of 68,043 million yen in proceeds from long-term loans against expenditure of 25,523 million yen in the repayment of long-term loans.

As a result of these cash flows, and including a foreign exchange gain of 958 million yen and an increase in cash and cash equivalents resulting from new consolidation of 107 million yen, cash and cash equivalents at the end of the fiscal year amounted to 52,605 million yen, an increase of 12,523 million yen, or 31.2%, from the end of the previous fiscal year.

(Reference) Cash flow indicators for the years ended March 31, 2009 to March 31, 2012

	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012
Shareholders' equity ratio (%)	28.2	32.2	31.6	28.4
Shareholders' equity ratio based on current market value (%)	20.7	36.3	33.6	26.9
Cash flows to interest-bearing debt ratio (annual)	12.9	5.3	5.0	15.9
Interest coverage ratio (times)	3.8	10.2	13.9	5.1

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 5 yen per share. Adding it to the interim dividend, 5 yen, the total annual dividend per share will be 10 yen. With regard to next year's dividends, the Company plans to pay an annual dividend per share of 10 yen (interim dividend of 5 yen and year-end dividend of 5 yen).

2. The Group Overview

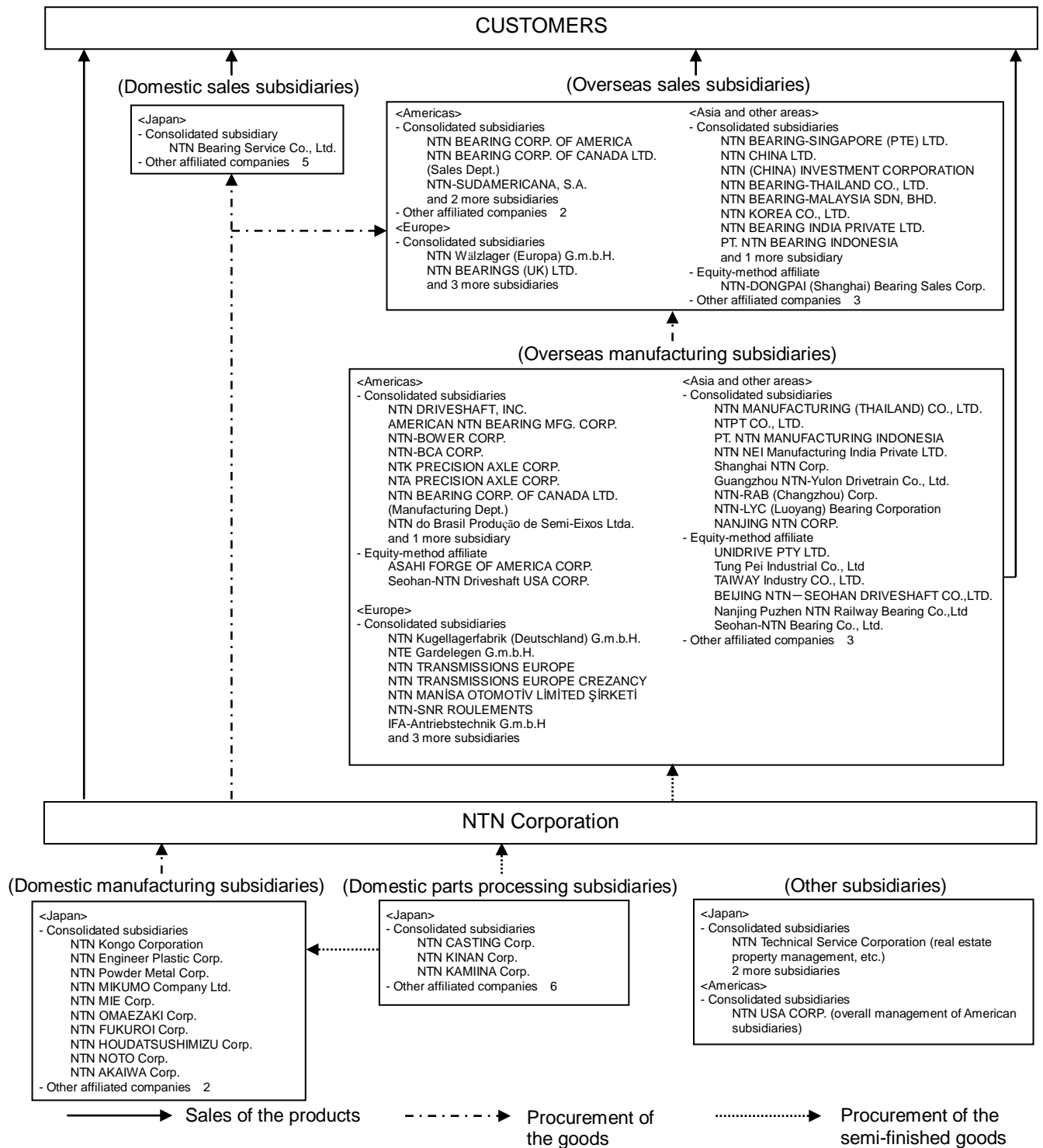
The NTN Group consists of NTN Corporation (the Company), 74 subsidiaries, and 20 affiliated companies (as of March 31, 2012). The Group's main business is the manufacturing and sale of bearings, constant-velocity joints and precision equipment for automotive applications, industrial machinery applications and the aftermarket. Business activities in Japan are controlled by the Company and overseas the activities of each region are controlled by the general managers' department allocated to each region. Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

Accordingly, the NTN Group consists of the Head Office and business segments in different regions based on general managers' departments. Its four reporting segments are "Japan", "Americas", "Europe" and "Asia and other areas".

The main roles of each company within the Group are as follows in all segments.

- 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 MANİSA OTOMOTİV LİMİTED ŞİRKETİ was established in September 2011, NANJING NTN CORPORATION was established in October 2011, NTN BEARING INDIA PRIVATE LTD. was established in December 2011, and PT. NTN MANUFACTURING INDONESIA and NTPT CO.,LTD. were established in February 2012. An additional 50% acquisition of shares was made in IFA-Antriebstechnik G.m.b.H., previously an equity-method affiliate, creating a total of 8 new consolidated subsidiaries when added to two non-consolidated companies that have increased in importance, NTN AKAIWA CORPORATION and one other company.



3. Management policy

(1) Basic Management Policy

The Company's basic management policy is "to contribute to international society through creating new technologies and developing new products" and the NTN Group will work hard to promote the creation of unique technologies, improve customer satisfaction (technology and services), promote globalization, and promote the business model reforms appropriate for an international company, as well as aiming to reduce its burden on the environment and construct a resources recycling society.

(2) Goals and Objectives

The Company attaches great importance to operating profit margin as a measure of profitability, return on assets (ROA) as a measure of the overall return on assets, and return on equity (ROE), and continuously strives to improve operating performance by these measures. At the same time, the Company aims to increase cash flow, and to further reinforce its management resources.

(3) Medium to Long Term Management Strategy

The medium-term management plan launched in April 2011 "Global Advance 2013" (April 2011 to March 2014) is seen as part of the growth process for promoting an expansion in the business as the Company seeks to achieve sales of one trillion yen in the 100th anniversary of entering business (fiscal 2017). In addition to expanding the business globally with a focus on growth markets, we will encourage sales promotions in the industrial machinery and aftermarket businesses. As a company capable of utilizing its human resources to make a global contribution, we will achieve ongoing evolution through our powerful product development capabilities and our ability to develop markets as we seek to become a company that achieves sustainable growth. We will implement the following initiatives with the creation of corporate value regarded as our most important challenge.

- (i) Continue to implement initiatives aimed at a corporate culture that is "not dependent on sales volume" and steadily achieve results
- (ii) Bring about major improvements in the profit ratio of the automotive business and carry out sales promotions in industrial machinery and the aftermarket
- (iii) Expand business in new markets and establish new business using new technologies
- (iv) Construct a global matrix organization (business segments/regions) and strengthen support systems
- (v) Obtain and foster human resources capable of supporting global business development

(4) Management Issues to be Addressed

As the first step towards achieving sales of one trillion yen in the 100th anniversary of entering business in fiscal 2017, the NTN Group has been working on a three-year medium-term management plan launched in April 2011 entitled "Global Advance 2013".

In Global Advance 2013 we will establish an "at local sites, with local materials by local personnel" philosophy, or in other words a system allowing local management by local employees using local facilities and materials, to accelerate business expansions with a focus on growth markets. We also aim to establish the world's No.1 business by creating new business through new technologies.

<Sales-related initiatives>

In terms of sales-related initiatives, since April 2011 we have carried out a review of the organizational system of the Automotive Business Headquarters and Industrial Business Headquarters, placed all production subsidiaries, both in Japan and overseas, under the control of the Headquarters and promoted the business on a global level. Since April this year, we have carried out a restructuring of the Japanese sales organization from "branches" to "offices", and we aim to achieve an even greater expansion in income.

In China, where demand is growing, we set up a new China Business Headquarters in April this year. We will accelerate the expansion of business in China by developing new sales routes and planning and promoting new business, including an expansion in the number of branches and distributors in the interior.

We also plan to strengthen aftermarket sales. In automotive business, we will develop the knowhow accumulated at NTN-SNR ROULEMENTS in regions such as North America, South America and Asia, particularly China. In industrial business, we will expand sales in plant repairs, including the steel, mining, and paper manufacturing industries, by strengthening the facilities repair business.

<Production-related initiatives>

In China, in June this year NTN-LYC (Luoyang) Bearing Corporation (Luoyang City, Henan Province),

a joint company established in partnership with China's top-class bearing manufacturer Luoyang LYC Bearing Co., Ltd., will begin production and sales of hub bearings and needle roller bearings for local automotive manufacturers. In October this year, NANJING NTN CORPORATION (Nanjing City, Jiangsu Province) will begin the integrated local manufacture from raw materials of various bearings for Chinese markets experiencing growing demand, such as the construction machinery industry, steel facilities industry and wind power generation industry.

In Thailand, we are constructing the Pinthong Plant (Si Racha, Chonburi Province) as a second production base in Thailand, and production of constant-velocity will begin in October this year. Joint company NTPT CO.,LTD. was also established in February this year to carry out forging and turning as the pre processes of manufacturing on the same site. We will establish an integrated local production system in the Southeast Asia region, from raw materials through to finished products.

In India, the Chennai Plant (Chennai City, Tamil Nadu State) will begin production and sales of constant-velocity joints and hub bearings in May this year as the second production base in India.

In the United States, joint company NTA PRECISION AXLE CORPORATION (Carol Stream, Illinois), which carries out forging, turning and heat treatment, began production in June 2011, thereby establishing a local integrated production system.

In Brazil, NTN do Brasil Produção de Semi-Eixos Ltda. (Guarulhos City, São Paulo State) began mass production of constant-velocity joints in December 2011. We will expand the business in line with the increase in new orders for hub bearings.

In Europe, we have increased production capacity at NTN-SNR ROULEMENTS, and in the future we plan to increase local production rates for large bearings used in industrial machinery applications, such as aircraft and wind turbines.

In Japan, in March this year NTN NOTO CORPORATION began production in the Noto Region of Ishikawa Prefecture of various bearings for use in industrial machinery applications. This has helped to diversify risk and strengthen production capacity in industrial machinery bearings alongside NTN HAKUI CORPORATION and NTN HOUDATSU SHIMIZU CORPORATION, which already operate in the same region. In July this year, NTN AKAIWA CORPORATION plans to begin mass production in Okayama Prefecture.

<Research and development-related initiatives>

In April 2011 we changed the name of our Elemental Technological R&D Center to the Advanced Technology R&D Center. Research will be carried out with a focus on the theme of creating the markets of the future. In September 2011, we also added Nippon Kagaku Yakin Co., Ltd., which has outstanding technological capacity in the manufacture of molds and the high-pressure molding of sintered alloys, to the Composite Material Product Division. We will continue to create synergistic effects by strengthening our partnerships in materials technology, such as powder alloys and engineering plastics.

The EV System Division, which was newly established in April 2011, aims to act as an intra-venture division by developing products used in electric vehicles (EV) at the same time as promoting test drives on public roads of EVs containing the developed system products and achieving early commercialization. In October 2011, public test drives of converted EVs were carried out as the official vehicles of Iwata City, Shizuoka Prefecture, and in April 2012 the world's first ever demonstration test of a compact two-seater small EV started in Shizuoka Prefecture. Electric commuter demonstration vehicles containing the new systems were exhibited at last year's Tokyo Motor Show and this year's Auto China (Beijing), introducing the possibilities of the In-Wheel Motor, such as horizontal movement and on-the-spot rotation. We plan to continue accelerating the development of the next-generation of EV system products.

Overseas, in May 2011 the NTN China Technical Center (Shanghai City) went into operation. We are strengthening our local technical response capabilities in design and testing in a similar way to Europe and the Americas.

<Initiatives aimed at strengthening profitability>

In order to improve the profitability of our automotive business, we have promoted cost reductions by carrying out a fundamental review of design, materials and production processes. We also plan to achieve sales expansions in industrial business and aftermarket business, thereby improving the profit ratio. We have also actively promoted an expansion in local production, improvements in productivity, local procurement of materials, parts and facilities, and the import of local products to accelerate the creation of a system that is not affected by exchange rates.

In order to contribute to international society through the creation of new technologies and the development of new products, the NTN Group will work hard to strengthen its management platform

and streamline work through the implementation of the above measures, thereby moving towards improved profits.

<Strengthening of systems to ensure compliance with laws and regulations>

In July 2011, the Company underwent an on-site inspection by the Japan Fair Trade Commission into domestic transactions in bearings, on suspicion that the Company had decided to raise sales prices in cooperation with other manufacturers, and in April this year a search was carried out by special investigators from Tokyo District Public Prosecutor's Office and the Fair Trade Commission. In November 2011, our European consolidated subsidiaries also received an on-site inspection by the European Commission into transactions in bearings, on suspicion of noncompliance with the EU Competition Law. Furthermore, in November 2011 our United States consolidated subsidiary received a subpoena from the United States Department of Justice requesting the submission of information related to transactions in bearings.

The Company offers its sincere apologies for the great concern this has caused our stakeholders, including our shareholders.

The NTN Group has worked hard to ensure compliance with laws and regulations, including the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade ("the Anti-Monopolies Act"), and regards the above situation seriously and with the greatest of concern. We will promote the construction of systems and activities to ensure adherence to the Anti-Monopolies Act.

In November 2011, we established the Anti-Monopolies Act Compliance Committee to strengthen awareness as we seek to rebuild internal systems aimed at compliance with the Anti-Monopolies Act through systematic reviews of mechanisms to prevent violations of the Anti-Monopolies Act, reforms to related company rules, and the reeducation of officers and employees with respect to legal and regulatory compliance through training sessions.

Moreover, in April this year we established the Fair Trade Monitoring Committee to ensure fair trading in compliance with the Anti-Monopolies Act and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors ("the Subcontracting Act"). The "Fair Trade Monitoring Committee" is chaired by the President, with directors in charge of the sales and procurement departments in Japan and overseas, and external directors and attorneys acting as committee members. The commission exerts practical controls to ensure that business transactions undertaken by the sales and procurement departments are fair and comply with the Anti-Monopolies Act and Subcontracting Act, and also monitors and provides advice regarding the state of relevant training and educational activities. The new committee is to be a permanent organization under the Board of Directors specializing in compliance with the Anti-Monopolies Act and the Subcontracting Act, in contrast to the existing Risk Management Committee, which will manage overall compliance.

A new "Fair Trade Promoting Department" has also been established with responsibility for the company-wide development of the policies set out by the Fair Trade Monitoring Committee and institutional decisions. The Fair Trade Promoting Department will be a permanent department with specialized functions in the effective operation of systems aimed at preventing violations of the Anti-Monopolies Act and the Subcontracting Act during business activities, consultations on compliance with laws and regulations, and handling notification systems that can provide the lead function in responding to violations of laws or regulations.

Under this new system, we will carry out ongoing education and awareness-raising and strengthen overall controls. Overseas, we will implement initiatives aimed at reconstructing legal compliance systems in response to the anti-monopoly laws of each region.

4. Consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and bank deposits	33,415	39,360
Notes and accounts receivable-trade	109,721	119,494
Securities	3,000	10,000
Finished goods & purchased goods	73,762	85,083
Work in process	39,063	42,682
Raw materials & supplies	24,159	27,341
Deferred tax assets	6,132	4,355
Short-term loans receivable	5,305	6,331
Other	24,782	28,300
Allowance for doubtful accounts	-647	-632
Total current assets	318,694	362,318
Fixed assets		
Property, plant and equipment		
Buildings and structures	148,458	155,812
Accumulated depreciation	-84,286	-87,432
Buildings and structures, net	² 64,172	² 68,380
Machinery, equipment and vehicles	560,344	577,145
Accumulated depreciation	-428,968	-447,629
Machinery, equipment and vehicles, net	² 131,375	² 129,516
Land	² 30,849	² 31,224
Construction in progress	14,535	31,024
Other	51,651	54,265
Accumulated depreciation	-46,453	-48,729
Other, net	² 5,198	² 5,536
Total property, plant and equipment	246,131	265,682
Intangible fixed assets		
Goodwill	-	278
Other	2,989	4,262
Total intangible fixed assets	2,989	4,541
Investments and other assets		
Investment securities	^{*1} 38,265	^{*1} 37,036
Deferred tax assets	24,214	21,865
Other	1,839	1,971
Allowance for doubtful accounts	-132	-156
Total investments and other assets	64,186	60,716
Total fixed assets	313,306	330,939
Total assets	632,000	693,257

(In million yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	110,205	114,216
Short-term loan	114,236	116,131
Accrued income taxes	3,743	2,677
Accrued bonuses for directors and statutory auditors	185	93
Other	41,252	49,175
Total current liabilities	269,623	282,293
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans	99,047	145,846
Accrued retirement benefits for employees	30,833	33,018
Reserve for product defect compensation	845	778
Other	11,297	9,192
Total long-term liabilities	152,024	198,837
Total liabilities	421,648	481,131
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,417	67,369
Retained earnings	113,030	113,595
Treasury stock	-757	-514
Total shareholders' equity	234,036	234,797
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	2,136	3,396
Translation adjustments	-33,679	-37,262
Accrued retirement benefits adjustments	-2,572	-4,026
Total accumulated other comprehensive income	-34,115	-37,892
Minority interests	10,430	15,222
Total net assets	210,352	212,126
Total liabilities and net assets	632,000	693,257

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

(In million yen)

	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)
Net sales	530,055	543,468
Cost of sales	^{*2} 437,514	^{*2} 452,975
Gross profit	92,541	90,492
Selling, general and administrative expenses	^{*1, *2} 67,981	^{*1, *2} 69,768
Operating income	24,559	20,723
Non-operating income		
Interest income	208	275
Dividend income	451	605
Equity in earnings of unconsolidated subsidiaries	507	1,009
Royalty	1,045	885
Other	1,885	1,963
Total non-operating income	4,097	4,739
Non-operating expenses		
Interest expenses	3,243	3,369
Foreign exchange losses	892	—
Other	3,426	3,402
Total non-operating expenses	7,561	6,771
Ordinary income	21,096	18,691
Extraordinary gains		
Gains on sale of fixed assets	—	^{*3} 1,201
Gains on sale of investment securities	1,511	—
Gains on negative goodwill	1,286	—
Compensation received	559	—
Gains on allotment of shares	^{*6} 298	—
Total extraordinary gains	3,655	1,201
Extraordinary losses		
Loss on devaluation of investment securities	145	2,105
Earthquake-related expenses	^{*4} 538	^{*4} 743
Restructuring expenses	—	^{*5} 580
Loss on sale of fixed assets	—	107
Extraordinary operating losses	^{*7} 811	—
Reserve for product defect compensation	401	—
Total extraordinary losses	1,896	3,535
Operating income before income taxes and minority interests	22,854	16,357
Income and other taxes	7,623	5,526
Income taxes adjustment	-758	3,806
Total income and other taxes	6,865	9,333
Income before minority interests	15,989	7,023
Minority interests in subsidiaries	1,590	1,030
Current net income	14,399	5,993

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)
Income before minority interests	15,989	7,023
Other comprehensive income		
Valuation and translation adjustment	-1,491	1,259
Deferred gains or losses on hedges	66	—
Translation adjustments	-7,393	-3,075
Accrued retirement benefits adjustments	63	-1,454
Equity in equity-method affiliates	-396	-778
Total other comprehensive income	-9,151	* -4,048
Comprehensive income	6,837	2,975
(Breakdown)		
Comprehensive income attributable to owners of parent company	5,776	2,215
Comprehensive income attributable to minority interests	1,061	759

(3) Statement of Changes in Shareholders' Equity

(In million yen)

	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)
Shareholders' equity		
Common stock		
Balance at April 1, 2011	54,346	54,346
Changes during the period		
Total changes during the period	—	—
Balance at March 31, 2012	54,346	54,346
Additional paid-in capital		
Balance at April 1, 2011	67,417	67,417
Changes during the period		
Sale of treasury stock	—	-165
Transfers due to loss on disposal of treasury stock	—	117
Total changes during the period	—	-47
Balance at March 31, 2012	67,417	67,369
Retained earnings		
Balance at April 1, 2011	100,247	113,030
Transfers due to application of accounting standards governing presentation of comprehensive income	3,169	—
Changes during the period		
Distribution of retained earnings	-4,785	-5,316
Current net income	14,399	5,993
Increase/decrease due to changes in scope of consolidation	—	5
Transfers due to loss on disposal of treasury stock	—	-117
Total changes during the period	9,613	564
Balance at March 31, 2012	113,030	113,595
Treasury stock		
Balance at April 1, 2011	-736	-757
Changes during the period		
Purchase of treasury stock	-22	-8
Sale of treasury stock	1	252
Total changes during the period	-20	243
Balance at March 31, 2012	-757	-514
Total shareholders' equity		
Balance at April 1, 2011	221,274	234,036
Transfers due to application of accounting standards governing presentation of comprehensive income	3,169	—
Changes during the period		
Distribution of retained earnings	-4,785	-5,316
Current net income	14,399	5,993
Increase/decrease due to changes in scope of consolidation	—	5
Purchase of treasury stock	-22	-8
Sale of treasury stock	1	87
Total changes during the period	9,593	760
Balance at March 31, 2012	234,036	234,797

(In million yen)

	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)
Accumulated other comprehensive income		
Valuation and translation adjustment		
Balance at April 1, 2011	3,628	2,136
Changes during the period		
Net changes in items other than shareholders' capital during the period	-1,491	1,259
Total changes during the period	-1,491	1,259
Balance at March 31, 2012	2,136	3,396
Deferred gains or losses on hedges		
Balance at April 1, 2011	-66	—
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, 2012	—	—
Translation adjustments		
Balance at April 1, 2011	-25,885	-33,679
Transfers due to application of accounting standards governing presentation of comprehensive income	-533	—
Changes during the period		
Net changes in items other than shareholders' capital during the period	-7,260	-3,583
Total changes during the period	-7,260	-3,583
Balance at March 31, 2012	-33,679	-37,262
Accrued retirement benefits adjustments		
Balance at April 1, 2011	—	-2,572
Transfers due to application of accounting standards governing presentation of comprehensive income	-2,635	—
Changes during the period		
Net changes in items other than shareholders' capital during the period	63	-1,454
Total changes during the period	63	-1,454
Balance at March 31, 2012	-2,572	-4,026
Total accumulated other comprehensive income		
Balance at April 1, 2011	-22,323	-34,115
Transfers due to application of accounting standards governing presentation of comprehensive income	-3,169	—
Changes during the period		
Net changes in items other than shareholders' capital during the period	-8,622	-3,777
Total changes during the period	-8,622	-3,777
Balance at March 31, 2012	-34,115	-37,892
Minority interests		
Balance at April 1, 2011	15,598	10,430
Changes during the period		
Net changes in items other than shareholders' capital during the period	-5,168	4,791
Total changes during the period	-5,168	4,791
Balance at March 31, 2012	10,430	15,222
Total net assets		
Balance at April 1, 2011	214,550	210,352
Changes during the period		
Distribution of retained earnings	-4,785	-5,316
Current net income	14,399	5,993
Increase/decrease due to changes in scope of consolidation	—	5
Purchase of treasury stock	-22	-8
Sale of treasury stock	1	87
Net changes in items other than shareholders' capital during the period	-13,790	1,013
Total changes during the period	-4,197	1,774
Balance at March 31, 2012	210,352	212,126

(4) Statements of Cash Flows

(In million yen)

	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)
Net cash provided by operating activities		
Operating income before income taxes and minority interests	22,854	16,357
Depreciation and amortization	35,936	34,175
Gains on negative goodwill	-1,286	—
Increase/decrease in allowance for doubtful accounts	313	46
Increase/decrease in accrued retirement benefits for directors and statutory auditors	169	-91
Increase/decrease in accrued retirement benefits for employees	1,243	894
Increase/decrease in reserve for product defect compensation	-490	-88
Increase/decrease in accrued payments due to the change in retirement benefit plan	-1,583	-1,394
Interest and dividend income	-660	-880
Interest expenses	3,243	3,369
Foreign currency translation adjustments / Foreign exchange losses/gains	111	543
Equity in earnings/losses of non-consolidated subsidiaries	-507	-1,009
Gains or loss on sale of fixed assets	—	-1,094
Gains or loss on revaluation of investment securities	—	2,105
Decrease/increase in trade receivables	-13,639	-11,754
Decrease/increase in inventories	-15,817	-20,216
Increase/decrease in trade payables	21,051	4,890
Other	2,138	1,110
Subtotal	53,078	26,961
Interest and dividend income received	931	1,850
Interest paid	-3,198	-3,355
Income taxes paid	-6,308	-8,404
Net cash provided by operating activities	44,503	17,052
Net cash used in investing activities		
Increase in time deposits	-1,215	-4,152
Decrease in time deposits	1,573	3,730
Purchase of property, plant and equipment	-27,567	-49,102
Proceeds from sale of property, plant and equipment	25	1,558
Purchase of intangible fixed assets	-527	-1,093
Purchase of investment securities	-158	-0
Proceeds from sale of investment securities	1,564	28
Payment for purchase of subsidiaries' stock	-5,908	-495
Proceeds from liquidation of subsidiaries	—	112
Payment for acquisition of shares in equity-method affiliates	-30	-2,300
Decrease/increase in short-term loans receivable, net	-1	-811
Other	59	-316
Net cash used in investing activities	-32,186	-52,842
Net cash provided by financing activities		
Increase/decrease in short-term loans, net	-10,698	7,083
Proceeds from long-term loans	35,187	68,043
Repayment of long-term loans	-6,225	-25,523
Payment for redemption of bonds	-20,000	—
Proceeds from issuing common stock assigned to minority shareholders	203	3,537
Dividend payment	-4,785	-5,316
Repayment of lease payable	-189	-191
Other	-188	-383
Net cash provided by financing activities	-6,696	47,248
Effect of exchange rate changes on cash and cash equivalents	1,702	958
Increase/decrease in cash and cash equivalents	7,323	12,416
Cash and cash equivalents, at beginning of the year	32,758	40,081
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	107
Cash and cash equivalents, at end of the year	40,081	* 52,605

(5) Going Concern Assumption
None

(6) Changes in Presentation Methods for Consolidated Financial Statements
(Consolidated Statement of Operation)

From the current consolidated fiscal year, in order to increase overall clarity and consistency with the consolidated statement of operation "Selling, general and administrative expenses", which was recorded by expense item in the previous consolidated fiscal year, has been recorded under the single title of "Selling, general and administrative expenses" with major expense items and the respective amounts explained in note format. The major items under "Selling, general and administrative expenses" in the previous consolidated accounting year and the current consolidated accounting year have been set out under (8) Notes to Consolidated Financial Statements (Consolidated Statement of Operation).

(7) Additional Information
(Application of Consolidated Tax Payment System)

From the current consolidated fiscal year, the consolidated tax payment system has become applicable to the Company in Japan as a consolidated parent company for tax-paying purposes.

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

Corporate tax rates are lowered and special corporate taxes for reconstruction are imposed on enterprises from the consolidated fiscal year starting on and after April 1, 2012. With these measures, effective statutory tax rates used to calculate deferred tax assets and deferred tax liabilities are changed for temporary differences that will be eliminated on and after such date.

As a result, the amount of deferred tax assets (the amount obtained by deducting the amount of deferred tax liabilities) was reduced by 2,360 million yen and income taxes adjustment increased by 2,360 million yen.

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

*1 Notes on non-consolidated subsidiaries and affiliates are as follows.

(In million yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Investment securities (stock)	10,768	12,516

*2 Reductions of value due to government subsidies received are as follows. These reductions of value are reflected on the Consolidated Balance Sheet.

(In million yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Buildings and structures	524	511
Machinery, equipment and vehicles	724	598
Land	721	798
Other	4	6
Total	1,973	1,913

(Consolidated Statement of Operation)

*1 Major items and amounts under "Selling, general and administrative expenses" were as follows.

(In million yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Salaries and benefit	23,727	24,720
Freight	13,337	13,014
Research and development	7,903	8,835
Rent expenses	2,059	2,361
Depreciation and amortization	2,113	2,173

*2 Total research and development expense included in general and administrative expense and current manufacturing costs

(In million yen)

	Year ended March 31, 2011	Year ended March 31, 2012
	15,697	17,156

*3 In the current consolidated fiscal year, 1,201 million yen has been recorded under "Gains on sale of fixed assets" in "Extraordinary gains". This can be broken down into a 1,097 million yen gain from the sale of company dormitories and housing due to the closure of the former Takarazuka Works and 103 million yen in other gains.

*4 In the current consolidated fiscal year, 743 million yen has been recorded under "Earthquake-related expenses" in "Extraordinary losses". This can be broken down into fixed costs of 726 million yen during the period when operation rates were unusually low, and 17 million yen in other costs. Earthquake-related expenses of 538 million yen in the previous consolidated fiscal year can be broken down into 417 million yen in fixed costs during the cessation of operations and sales, a donation of 100 million yen and other costs of 20 million yen.

*5 With regard to the losses from the closure of the former Takarazuka Works, restructuring expenses were recorded in extraordinary losses at the close of production at the end of March 2009. However, the costs of additional necessary work have led to 580 million yen being recorded in restructuring expenses in the current consolidated fiscal year. As a former factory site, we plan to carry out land improvements before selling the site, but it is difficult to make a rational estimate of the gain and cost of these measures at the current time and as such these have not been recorded.

*6 In the previous consolidated fiscal year, 298 million yen was recorded under "Gains on allotment of shares" in "Extraordinary gains". This was the result of a share allocation from the demutualization of The Dai-ichi Life Insurance Company.

*7 In the previous consolidated fiscal year, 811 million yen was recorded under "Extraordinary operating losses" in "Extraordinary losses". This is the amount in abnormal costs resulting from unusually low operating rates in comparison with normal operations.

(Matters Related to Consolidated Statement of Comprehensive Income)
Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)

* Reclassification adjustment and tax effect on other comprehensive income	
Net unrealized holding gain on other securities:	
Amount arising in current fiscal year	-214 Million yen
Reclassification adjustment	1,877
Before tax effect adjustment	1,663
Tax effect	-403
Net unrealized holding gain on other securities	1,259
Translation adjustments:	
Amount arising in current fiscal year	-3,075
Accrued retirement benefits adjustments:	
Amount arising in current fiscal year	-2,912
Reclassification adjustment	367
Before tax effect adjustment	-2,545
Tax effect	1,090
Accrued retirement benefits adjustments	-1,454
Equity in equity-method affiliates:	
Amount arising in current fiscal year	-778
Total other comprehensive income	-4,048

(Consolidated Statements of Changes in Shareholders' Equity)

Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

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

	Number of shares as of April 1, 2010 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2011 (thousand shares)
Shares issued and outstanding				
Common shares	532,463	—	—	532,463
Total	532,463	—	—	532,463
Treasury stock				
Common shares	773	54	3	824
Total	773	54	3	824

* A 54 thousand share increase in common stock under "treasury stock" represents a purchase of shares constituting less than one unit. A 3 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 (million yen)	Dividend per share (yen)	Record date	Payable date
Annual general meeting of share holders on June 25, 2010	Common stock	2,126	4	March 31, 2010	June 28, 2010
Board meeting held on October 29, 2010	Common stock	2,658	5	September 30, 2010	December 3, 2010

(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 (million yen)	Dividend source	Dividend per share (yen)	Record date	Payable date
Annual general meeting of share holders on June 24, 2011	Common stock	2,658	Retained earnings	5	March 31, 2011	June 27, 2011

Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)

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

	Number of shares as of April 1, 2011 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2012 (thousand shares)
Shares issued and outstanding				
Common stock	532,463	—	—	532,463
Total	532,463	—	—	532,463
Treasury stock				
Common shares*	824	23	280	566
Total	824	23	280	566

*Note: A 23 thousand share increase in common stock under "treasury stock" represents a purchase of shares constituting less than one unit. The 280 thousand share decrease in the number of common shares results from an allocation of 274 thousand shares in treasury stock due to a share exchange carried out for an additional acquisition of shares in NIPPON KAGAKU YAKIN CO., LTD. and a sale of 6 thousand 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 (million yen)	Dividend per share (yen)	Record date	Payable date
Annual general meeting of share holders on June 24, 2011	Common stock	2,658	5	March 31, 2011	June 27, 2011
Board meeting held on November 4, 2011	Common stock	2,658	5	September 30, 2011	December 5, 2011

(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

(Planned date for resolution)	Type of share	Total dividend paid (million yen)	Dividend source	Dividend per share (yen)	Record date	Payable date
Annual general meeting of shareholders on June 26, 2012	Common stock	2,659	Retained earnings	5	March 31, 2012	June 27, 2012

(Cash flows)

* 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

(In million yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Cash and bank deposits	33,415	39,360
Securities	3,000	10,000
Short-term loans receivable	5,305	6,331
Time deposits with original maturities of more than three months	-1,334	-1,754
Short-term loans receivable, excluding repurchase agreements	-304	-1,331
Cash and cash equivalents	40,081	52,605

(Segment Information, etc.)

[Segment information]

1. Description of reporting segments

It is possible to acquire financial information for the separate components making up the Company, and the Company's highest decision-making body (the Board of Directors) carries out regular investigations into the Company's reporting segments in order to decide the allocation of management resources and to assess results.

The Group's main business is the manufacturing and sale of bearings, constant-velocity joints and precision equipment for automotive applications, industrial machinery applications and the aftermarket. Business activities in Japan are controlled by the Company (Head Office) and overseas the activities of each region are controlled by the general managers' department allocated to each region. Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

Accordingly, the NTN Group consists of the Head Office and business segments in different regions based on general managers' departments. Its four reporting segments are "Japan", "Americas", "Europe" and "Asia and other areas". Each segment carries out the manufacture and sale of bearings, constant-velocity joints and precision equipment.

2. Methods used to calculate and report sales, income or losses, assets, liabilities and other items for each reporting segment

The business segment accounting methods for each reporting segment are the same methods as those used in the consolidated financial statements. "Inter-segment sales or transfers" is calculated based on prevailing market prices.

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

Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

(In million yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	201,275	111,624	140,613	76,541	530,055	—	530,055
Inter-segment sales or transfers	118,346	2,866	3,379	6,031	130,624	-130,624	—
Total	319,622	114,491	143,992	82,573	660,680	-130,624	530,055
Segment income (operating income)	8,009	2,909	5,956	6,807	23,683	876	24,559
Segment assets	450,134	109,060	119,706	74,862	753,763	-121,763	632,000
Segment liabilities	293,323	70,593	68,358	34,282	466,557	-44,909	421,648
Other items							
Depreciation and amortization	21,764	6,116	5,071	2,982	35,936	—	35,936
Increase in tangible and intangible fixed assets	12,007	8,097	4,600	5,577	30,282	-54	30,228

Notes: *1. "Adjustments" refers to elimination of all inter-segment transactions with the exception of segment assets.

Adjustments under "segment assets" is made up of inter-segment eliminations of -157,269 million yen and company-wide assets not allocated to specific segments of 35,506 million yen (major items include operating capital (deposits and marketable securities), and long-term investment capital (marketable investment securities) etc.).

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

Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)

(In million yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	209,970	118,009	139,993	75,494	543,468	—	543,468
Inter-segment sales or transfers	124,512	3,124	3,752	6,921	138,311	-138,311	—
Total	334,483	121,133	143,745	82,416	681,779	-138,311	543,468
Segment income (operating income)	8,146	588	4,551	5,158	18,445	2,278	20,723
Segment assets	480,570	119,716	125,735	106,353	832,375	-139,117	693,257
Segment liabilities	328,209	83,022	72,581	41,798	525,612	-44,481	481,131
Other items							
Depreciation and amortization	20,292	5,951	4,941	2,989	34,175	—	34,175
Increase in tangible and intangible fixed assets	18,378	10,518	7,892	18,864	55,653	-119	55,534

Notes: *1. "Adjustments" refers to elimination of all inter-segment transactions with the exception of segment assets.

Adjustments under "segment assets" is made up of inter-segment eliminations of -178,672 million yen and company-wide assets not allocated to specific segments of 39,555 million yen (major items include operating capital (deposits and marketable securities), and long-term investment capital (marketable investment securities) etc.).

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

[Related information]

Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

1. Information related to products and services

(In million yen)

	Automotive applications	Industrial machinery applications	Aftermarket	Total
Sales to external customers	344,407	99,451	86,196	530,055

(Note) "Sales to external customers" refers to sales in each product category based on similarity with sales markets.

2. Geographic information

(1) Sales

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
186,595	117,984	132,813	92,661	530,055

Notes: *1. Sales are classified according to country or region based on the location of customers.

2. Major countries or regions in each reporting 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. Of the sales classified as sales to the Americas, sales to the United States accounted for 100,436 million yen.

(2) Property, plant and equipment

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
133,820	52,523	37,218	22,568	246,131

Notes: *1. Of the property, plant and equipment classified under Americas, property, plant and equipment held in the United States accounted for 46,372 million yen.

2. Of the property, plant and equipment classified under Europe, property, plant and equipment held in France accounted for 31,387 million yen.

Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)

1. Information related to products and services

(In million yen)

	Automotive applications	Industrial machinery applications	Aftermarket	Total
Sales to external customers	342,888	106,619	93,960	543,468

(Note) "Sales to external customers" refers to sales in each product category based on similarity with sales markets.

2. Geographic information

(1) Sales

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
193,447	124,643	132,968	92,408	543,468

Notes: *1. Sales are classified according to country or region based on the location of customers.

2. Major countries or regions in each reporting 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. Of the sales classified as sales to the Americas, sales to the United States accounted for 106,898 million yen.

(2) Property, plant and equipment

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
130,656	56,849	40,189	37,986	265,682

Notes: *1. Of the property, plant and equipment classified under Americas, property, plant and equipment held in the United States accounted for 50,753 million yen.

2. Of the property, plant and equipment classified under Europe, property, plant and equipment held in France accounted for 30,863 million yen.

3. Of the property, plant and equipment classified under Asia and other areas, property, plant and equipment held in China accounted for 28,482 million yen.

[Information on gains arising from negative goodwill for each reporting segment]

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

On April 22, 2010, the Company made an additional acquisition of 29% of the shares in consolidated subsidiary S.N.R.ROULEMENTS with the intention of expanding the business in Europe, taking the Company's total equity in S.N.R.ROULEMENTS to 80%. As a result, negative goodwill has arisen in the "Japan" segment. The gains on negative goodwill recorded in the current consolidated fiscal year as a result of this event were 1,202 million yen.

(Per share data)

	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)
Net assets per share (yen)	376.05	370.19
Net income per share (yen)	27.08	11.27

(Notes) 1. Diluted net income per share is not reported because no residual securities existed.

2. The basic methods for calculating net income per share was as follows.

	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 - March 31, 2012)
Net income in consolidated balance sheets (million yen)	14,399	5,993
Net income available for common shares (million yen)	—	—
Net income per share of common stock (million yen)	14,399	5,993
Average number of shares during the period (thousand shares)	531,668	531,694