Financial Results
for the Year Ended March 31, 2005 - Consolidated

May 17, 2005

NTN Corporation

Security Code:	6472
Listings:	The First Section of Tokyo and Osaka Stock Exchanges
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Date of the Meeting of the Board of Directors:	May 17, 2005
Basis of presentation:	Japanese GAAP

1. Consolidated Financial Results for the Year Ended March 31, 2005
(April 1, 2004 to March 31, 2005)

(1) Operating Results

(Amounts rounded down to million yen)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2005	388,348	8.7	33,200	34.4	28,385	36.6	16,739	51.7
Year ended March 31, 2004	357,394	4.3	24,709	18.9	20,776	28.5	11,031	315.1

	Net income per share	Diluted net income per share	Return on equity	Ordinary income/ Total assets	Ordinary income/Sales
	yen	yen	%	%	%
Year ended March 31, 2005	35.83	32.94	11.1	5.8	7.3
Year ended March 31, 2004	23.54	21.87	8.0	4.5	5.8

Notes:
1. Equity in income or loss of unconsolidated subsidiaries and affiliates:
   Year ended March 31, 2005: 932 million yen
   Year ended March 31, 2004: 568 million yen
2. Average number of shares issued and outstanding during the period (consolidated basis):
   Year ended March 31, 2005: 462,101,396 shares
   Year ended March 31, 2004: 462,303,563 shares
3. Changes in accounting policy during the period: None
4. The percentage figures shown in net sales, operating income, ordinary income and net income columns represent year-on-year changes.

(2) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
Year ended March 31, 2005	516,578	157,952	30.6	341.93
Year ended March 31, 2004	460,340	142,487	31.0	308.27

Note: Total issued and outstanding shares at the end of the period (consolidated basis):
Year ended March 31, 2005: 461,947,053 shares
Year ended March 31, 2004: 462,222,589 shares

(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, 2005	47,830	-46,151	6,693	51,302
Year ended March 31, 2004	21,142	-34,990	6,043	42,157

(4) Scope of consolidation and application of the equity method

Number of consolidated subsidiaries: 34
Number of unconsolidated subsidiaries to which the equity method was applied: None
Number of affiliated companies to which the equity method was applied: 5

(5) Changes in the scope of consolidation or application of the equity method

Number of consolidated subsidiaries:
Newly included 3 Newly excluded 1
Number of affiliates to which the equity method was applied:
Newly included 0 Newly excluded 0

2. Forecast of Consolidated Earnings for the Year Ending March 31, 2006

(April 1, 2005 to March 31, 2006)

	Net sales	Operating income	Ordinary income	Net income
	million yen	million yen	million yen	million yen
Interim	205,000	17,500	13,500	8,000
Full year	420,000	37,000	30,500	19,000

Note: Projected net income per share for the full year: 40.72 yen

* The above forecast incorporates certain assumptions and projections upon which the future outlook and plans by 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 "Outlook for the Year Ending March 31, 2006" in the "Operating Results and Financial Position" section of the attached document.

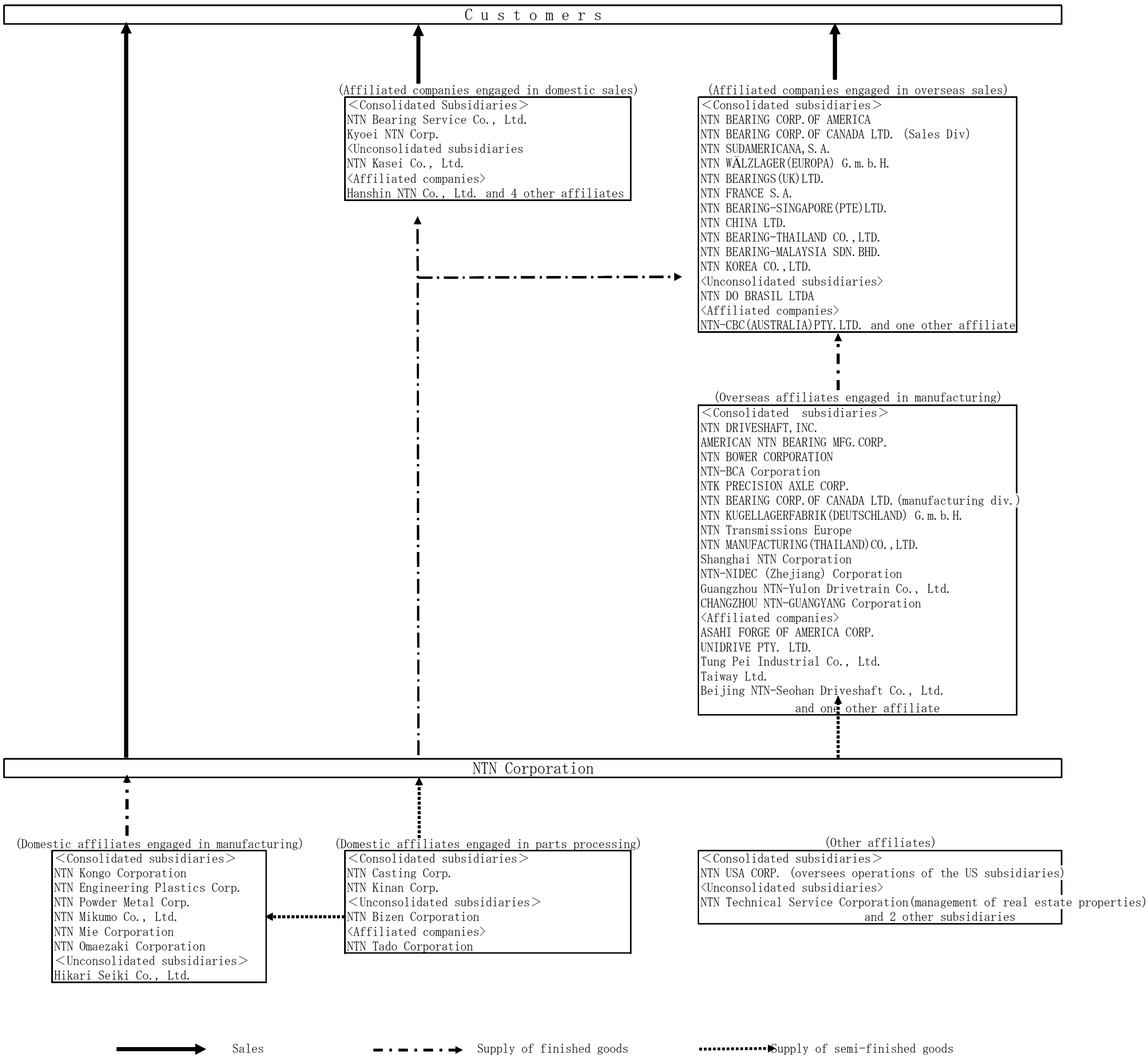
[1] The Group Overview

The NTN Group consists of NTN Corporation (the Company), 41 subsidiaries and 14 affiliated companies (as of March 31, 2005). 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 operations are also consigned to domestic affiliated companies. Domestic sales is mainly handled by the Company, but is also partly done through domestic affiliated companies.

Overseas manufacturing is handled by the Company's overseas affiliates, with semi-finished products partly supplied by the Company. Overseas sales are conducted by the Company as well as by its overseas sales subsidiaries which procure products from the Company or from its overseas manufacturing subsidiaries.

During the term under review, the Company established joint venture company, CHANGZHOU NTN-GUANGYANG Corporation (China). On April 1, 2004, Keiji NTN Corporation, an affiliated company, changed its name to NTN Mie Corporation. Liquidation of NTN Kishiwada Corporation was completed.



[2] Management policy

1. Basic Management Policy

NTN's basic management philosophy is "to contribute to global society through developing new products and creative technology." The company aims to create unique technologies, enhance customer satisfaction (technology and service,) promote globalization and transform the corporate structure to one that is appropriate for a multinational company. The Company also aims to reduce the burden it imposes on the environment and help build a recycling-oriented society.

2. Dividend Policy

NTN 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 earnings and dividend payout ratio. Retained earnings are used to fund future business development in Japan and overseas.

3. Philosophy and Policy Regarding Lowering of Minimum Trading Unit

The basic trading unit for the Company's shares is 1,000 shares. The Company will carefully discuss the need to shift to a smaller trading unit, taking into consideration the prevailing trends in the stock market, the Company's earnings, stock price, and other factors.

4. Goals and Objectives

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

5. Medium- to Long-term Management Strategies

NTN’s long-term vision has several facets. First, it aims to establish a strong market presence capitalizing on its global No. 1 business and products that are unmatched by its competitors. Secondly, the Company will work to establish its presence in the five major global markets -- Japan, the Americas, Europe, Asia and China. Thirdly, the Company will strive to become a global company that is capable of bringing out the best in people and that contributes to society. The Company started a new three-year business plan in April 2004 to guide us through March 2007. The plan, called "Rapid Advance 21," involves several different policies that emphasize “Value Creation”.

To create value, the Company will invest its global management resources in strategic products. This will boost NTN’s capability to offer outstanding products, services, proposals and competitive quality while aiming for sustainable growth.

6. Basic Corporate Governance Philosophy and Corporate Governance Measures Introduced

(1) Basic corporate governance philosophy

The Company considers sound corporate governance to be one of its most important tasks. As the Company move to increase management efficiency and soundness, it will make continuous efforts to increase the transparency of its management by providing its shareholders and investors with timely and accurate information.

(2) Corporate governance measures introduced

The Company maintains a statutory corporate auditor system and continues efforts to broaden corporate governance systems by enhancing the Board of Directors Meeting and strengthening auditor-based management supervisory systems.

The Board of Directors Meeting, which convenes once each month, deliberates and decides on basic management policies of the NTN Group as well as statutorily prescribed matters and important management issues. Special Meetings of the Board of Directors are convened whenever the need arises. Additionally, the Strategy Council Meeting, which convenes as a rule twice monthly, also engages in deliberations on basic management policies and important management policies. Furthermore, as of the end of June 2004, the Company adopted an executive officer system in order to separate management decision-making and audit functions from operational executive functions. The Executive Officer Meeting convenes once a month. Based on these systems, the Company is able to properly discuss and expeditiously decide on important management matters.

The Company has two standing and two non-standing auditors, of which three are external auditors. The function of auditors includes supervision of the execution of duties by the Board of Directors Meeting. Auditors attend and speak at Board of Directors Meetings and work to maintain and promote transparent and fair management administration practices. Under this system, standing auditors also attend and may speak at Strategy Council Meetings and Executive Officer Meetings. The efficiency of the audit function is further enhanced by meetings convened at regular intervals in order to liaise on management audits, accounting audits, and internal audits. There are no related party transactions between external auditors and the Company, nor are external auditors related parties of the Company.

The Company has appointed Shin Nihon Audit Corporation as its accounting auditor, and accounting audits of the Company were conducted by certified public accountants Mr. Masaki Ishibashi and Mr. Souji Yamamoto. Performance of audit operations are supported on the part of the Company by six certified public accountants and eleven assistant accounting staff.

Amid increasing awareness of corporate social responsibility, the Company established a Corporate Ethics Committee in accordance with compliance administration regulations introduced in May 2003, thus strengthening the Company's compliance enforcement. Along with enforcing adherence to statutes and ethics codes by all officers and employees, the Company has established internal and external help lines to offer consultation.

7. Other Information Related to the Parent Company

N/A

8. Management Issues to be Addressed

The Company's medium-term management plan entitled "Rapid Advance 21," which aims to increase enterprise value and has been in place since April 2004, is showing steady results now in its first year. Going forward, the Company will work to further accelerate enterprise value enhancement while formulating responses to changes in our management environment.

Addressing value enhancement in sales and marketing operations and technology, the Company will aim to additionally buttress proposal capabilities and accelerate the speed of product development. At the same time, it will continue its quest to accumulate proprietary technology and added value enhancement through product designs.It is thus essential to develop top-ranked products that are unmatched by competitors. To that end, the Company will reinforce its development capabilities for new products and technologies and work to provide rapid technology responses to customers across the five major global regions comprising Japan, the Americas, Europe, Asia and China. At the same time, it will intensify protection and utilization of intellectual property by creating a patent rights network to ensure its long-term technological superiority.

As to value enhancement in manufacturing, priority is placed on a measure to implement a "revolution in manufacturing" aimed at a leap in production efficiency through exhaustive reviews of personnel, facilities, equipment, and methodology. A model factory for this objective is NTN's Mie plant, which went into operation last year with the goal to develop overall competitive strength as a bearings manufacturer on a par with China-based competitors by combining NTN's capabilities in production technology, equipment development, and quality management. For a revolution in manufacturing to be successful, it must be based on a revolution in human resource development. The Company will therefore proactively engage in fostering personnel, centered on communicating technologies and specialized skills. In capital investment, it will place an emphasis on strengthening facilities for automotive bearings and constant-velocity joints as well as bearings for industrial machinery. Simultaneously, the Company will proceed with examining opportunities for new business initiatives in promising future growth markets such as China, East Europe, and India.

Key issues for strengthening profitability are cost reduction and enhanced asset efficiency (such as inventory turnover and capacity utilization rates). Together with global business expansion, the NTN Group is working on implementing VA/VE methodologies to avoid operating risk, foreign exchange risk, and country risk, while raising cost competitiveness by reducing cost through optimal global and local procurement.

The NTN Group is aware of the importance of corporate social responsibility (CSR). Management therefore considers not only economic aspects such as provision of technologies and services, but is mindful also of social aspects such as legal compliance and contributions to the community. Furthermore, from an environmental perspective, NTN group considers preserving the global environment to be a matter of highest importance. Measures underway promote development and promulgation of products with low impact on people and the environment (i.e. environmentally sound products), abolishment of substances placed under environmental regulations, support for the Group’s component suppliers and sub-contractors towards acquisition of international standard certification ISO 14001, and other activities of the Group to lower environmental impact.

[3] Operating Results and Financial Position

1. Operating Results for the Year Ended March 2005

During the term under review, Japan's economy saw a solid recovery during the first half of the fiscal year thanks to improved corporate profits, and increased exports and capital investments, as well as a moderate rebound in consumer spending. Weak trends emerged in the second half, however, reflecting slack exports and stagnant consumer spending. Overseas, the US economy continued to expand throughout the year, driven by consumer spending and rising capital investments, while the European economy experienced a mild recovery on the back of rising exports and other external demand factors. In Asian economies, expansion continued due to solid consumer spending and rising exports led by China.

In this environment, the NTN Group proactively promoted sales activitiesand exhaustive cost reductions with a view to enhancing enterprise value as guided by the Group's medium-term management plan "Rapid Advance 21."

As a result, sales for the fiscal year reached 388,348 million yen, up 8.7% over the previous fiscal year. Although earnings were affected by declining product selling prices, a depreciating US-dollar, and a surge in prices of raw materials, operating income increased 34.4% from the previous year to 33,200 million yen and ordinary income rose 36.6% on the year to 28,385 million yen, thanks to higher sales and effects from cost reductions. Taking into account a 1,800 million yen provision for product warranties recognized as extraordinary loss, net profit for the period came to 16,739 million yen, up 51.7% over the previous year.

Concerning dividends for the fiscal year, the Company plans to increase the year-end dividend by 1.50 yen over the interim dividend to 5.0 yen per share, for a total annual dividend including interim dividend (3.5 yen per share) of 8.50 yen per share.

Sales segment information:

(1) Bearings

Automotive applications, helped by orders from new customers, showed solid performance with the focus on axle-bearings in Japan and Europe, and needle roller bearings in North America, Asia, and other regions. Among applications for general industrial machinery, large-size bearings and precision bearings expanded for applications such as construction machinery, machine tools, and rolling stock, thanks to successful activities of Global Application Managers (GAM) set up for individual industries. Among information technology (IT) applications, fluid dynamic bearings for hard disk drive (HDD) motors showed growth in the Asian region. Deliveries to sales agents were solid in Japan and overseas. As a result, sales reached 248,810 million yen, an increase of 8.8% from a year earlier.

(2) Constant-velocity joints (CVJs)

Sales in Japan were solid thanks to increased shipments of constant-velocity joints for mini vehicles and propeller shafts. In North America, despite effects from a weaker US-dollar, shipments expanded strongly with the focus on Japanese automobile makers. In Europe, deliveries to Renault were solid, while in China the start of mass production at Guangzhou NTN-Yulon Drivetrain Co., Ltd. contributed. As a result, sales reached 111,307 million yen, an increase of 8.1% from a year earlier.

(3) Precision equipment

Thanks to contributions from sales activities for precision system products such as LCD repair systems and PDP rib repair systems, products of the Company that respond to the needs of the digital consumer electronics industry, sales increased 9.3% from the previous year to 28,230 million yen.

Geographic segment information:

(1) Japan

Higher automobile production and the popularity of digital consumer electronics lifted the sales of bearings for automotive applications and system products such as LCD repair systems. In applications for general industrial machinery (thanks to the activities of the Global Application Manager (GAM) system set up for individual industries such as construction machinery, machine tools, and rolling stock), large-size bearings and precision bearings posted increases. Furthermore, deliveries of bearings to sales agents were solid. As a result, sales reached 294,950 million yen, rising 11.5% from the previous year. Operating income, despite declining selling prices and the weaker US dollar as well as a surge in prices of raw materials, increased 36.5% to 22,835 million yen thanks to increased sales and the effect of cost reduction measures.

(2) North America

Despite effects from the weaker US dollar, constant-velocity joints and bearings for general industrial machinery such as construction machinery and agricultural machinery saw solid demand. As a result, sales increased 6.5% year-to-year to 92,374 million yen. Operating income, overriding the effects of declining selling prices and surging prices for raw materials, came out to 3,537 million yen, or up 45.5% over the previous year, thanks to higher sales and effects from a reorganization of production.

(3) Europe

Constant-velocity joints increased among automotive applications, while among general industrial machinery applications bearings for hydraulic equipment and reduction gears performed favorably. As a result, sales reached 63,305 million yen, posting a 7.8% increase over the previous year. Operating income came to 3,150 million yen, a 6.6% rise, thanks to effects from higher sales.

(4) Asia and other regions

In China, fluid dynamic bearings and bearings for office machines performed favorably, with additional strong contributions from the start of mass production of constant-velocity joints. Furthermore, bearings for automotive applications in the ASEAN region performed strongly, as did precision bearings for machine tools in Korea, thanks to GAM activities. As a result, sales came to 32,308 million yen, increasing 29.8% from a year earlier. Operating income reached 2,767 million yen, posting an increase of 87.1% over the previous year, due to higher sales and the start of mass production.

2. Outlook for the Year Ending March 31, 2006

Going forward, conditions provide little reason for optimism given that the Japanese economy remains at a standstill accompanied by emerging patches of weakness. Concern over an economic slowdown in the US due to high interest rates and high oil and steel prices are destabilizing factors threatening to slow global economic growth.

Amid these conditions, the Company will continue its steady implementation of its medium-term management plan “Rapid Advance 21.” The Company’s earnings forecast for the next fiscal year calls for sales of 420 billion yen, operating income of 37 billion yen, ordinary income of 30.5 billion yen, and net income for the period of 19 billion yen. We assume foreign exchange rates of 105 yen and 130 yen relative to the US-dollar and the euro, respectively.

3. Financial Position

Cash flow from operating activities came to 47,830 million yen, increasing 26,688 million yen, or 126.2%, from the previous fiscal year. This increase was due to cash inflows including 26,585 million yen in pretax profit for the period, 24,870 million yen in depreciation, and a 15,656 million yen increase in trade accounts payable, and cash outflows including a 8,523 million yen increase in inventories and a 7,649 million yen increase in trade accounts receivable.

Cash used in investing activities came to 46,151 million yen, compared to 34,990 million yen in the previous fiscal year. This increase in the amount of cash outflow was mainly due to the acquisition of tangible fixed assets for a cash outlay of 47,465 million yen.

Cash flow from financing activities came to 6,693 million yen, growing 650 million yen, or 10.8%, over the previous fiscal year. This increase was due to cash inflows including a 9,663 million yen net increase in short and long-term borrowings that was partly offset by cash outflows (including 3,004 million yen in dividend payments).

Taking into account a 596 million yen increase due to exchange rate changes and a 175 million yen increase from the inclusion of newly consolidated subsidiaries, cash and cash equivalents at the end of the fiscal year came to 51,302 million yen, increasing 9,145 million yen, or 21.7%, over the previous fiscal year.

Cash flow indicators for the NTN group are as follows:

	Year ended March 2002	Year ended March 2003	Year ended March 2004	Year ended March 2005
Shareholders' equity ratio (%)	29.9	28.9	31.0	30.6
Shareholders' equity ratio based on current market value (%)	30.8	46.5	52.8	53.2
Years needed to repay debt (year)	5.7	3.3	7.8	3.7
Interest coverage ratio	6.4	15.0	7.2	20.1

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets
Shareholders' equity ratio based on current market value: Market capitalization / Total assets
Years needed to repay debt: Interest-bearing debt / Operating cash flows
Interest coverage ratio: Operating cash flows / Interest payments

- Each of these indicators was calculated based on the consolidated statements.
- "Market capitalization" is calculated based on the closing stock price at the end of the fiscal year X the number of shares issued and outstanding as of the end of the fiscal year (after deducting treasury stock).
- "Operating cash flows" 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 of "Interest payments" was taken from "Interest expenses paid" in the consolidated statements of cash flows.

4. Risks from Operations

Business results and the financial position of the Company are subject to the following risks. It should be noted that forward-looking statements contained in the following reflect judgments of the NTN Group as of the date of the announcement of this report which is May 17, 2005.

(1) Economy

The NTN Group operates global production and sales networks, and supplies to customers in various industrial sectors. Business results and the financial position of the NTN Group operations may be affected by the economic and business conditions in specific countries where the NTN Group engages in sales and production activities.

(2) Foreign exchange fluctuations

Overseas sales of the NTN Group account for over 50% of consolidated sales. This percentage is expected to increase further due to continued acceleration in the global business development of the NTN Group.

Overseas subsidiaries' foreign currency denominated business results and financial positions are converted to yen for the preparation of consolidated financial statements. Moreover, many export transactions with overseas customers of the Company are conducted in foreign currencies. Although the NTN Group hedges risks through forward foreign exchange contracts and expansion of local procurement, including optimization of the location of production sites, effects of exchange rate fluctuationson business results and financial positions cannot be fully eliminated.

(3) Declines in market prices

The competitive environment surrounding production and sales activities of the NTN Group is becoming harsher worldwide. As products from China and East Europe are gaining ground, bearings have been affected by falling market prices. At the same time, against a backdrop of global price competition, calls for price reductions are mounting in the automotive industry, which accounts for over half of the NTN Group sales. Although the NTN Group works continuously to reduce cost while developing new products of high quality and high added value, business results and the NTN Group's financial position may be affected by downward pressure on market prices.

(4) Rise in raw materials prices

The NTN Group procures a wide range of raw materials from outside sources. In order to deal with cost increases (especially of steel materials, which pose a high weighting in materials costs), measures have been taken such as mark-ups on selling prices to reflect higher materials cost as well as cost reductions through enhanced production yields and VA/VE methods. Nevertheless, business results and the NTN Group's financial position may be affected by stronger than expected increases in raw materials costs.

(5) Disasters and accidents

Production plants and facilities of the NTN Group and its transaction counterparts are exposed to the risk of damage from natural disasters such as earthquake, flood, fire, etc. Although the NTN Group has put into place crisis management systems and stands ready to engage in initial measures to contain damage as much as possible, risks cannot be completely eliminated.Business performance and the financial status of the NTN Group may be affected by natural disaster or by accidents.

(6) Dependence on specific industries

The NTN Group's bearings division derives approximately half of its sales revenues from the automotive industry, which also buys more than half of the components that the constant-velocity joints division produces for automotive power transmission to the drive axle. Dependence on the automotive industry is therefore high. Although the NTN Group works to increase sales of bearings and precision equipment products to the industrial machinery sector and implements policies to achieve a balanced sales structure, a rapid shift in demand in the automotive industry could potentially affect the NTN Group's business results and financial position.

(7) Product defects

To ensure product quality, the NTN Group works to satisfy customers' requirements concerning product functions and specifications, and strives to provide appropriate quality and product safetyby enforcing quality assurance globally. However, a substantial product defect leading to serious accident, claim for damages, or product recall could entail huge product warranty costs and potentially affect business performance and the financial position of the NTN Group. Although the NTN Group has taken out global product liability insurance, complete coverage for loss is not possible.

(8) Intellectual property

The NTN Group generates a wealth of innovative technologies and know-how in the process of new product development, representing valuable intellectual property for which the NTN Group files patent applications to protect its rights . However, business performance and the financial position of the NTN Group may be affected if a legal challenge is initiated against its intellectual property or if its intellectual property is infringed by a third party.

(9) Risks associated with global operations

The NTN Group develops its business operations worldwide with overseas sales exceeding 50% of consolidated sales. Overseas business development is associated with the following risks:

a. Risks from unforeseen change in tax systems of or between individual countries
b. Risks from unforeseen change in laws of individual countries
c. Difficulty in hiring and retaining appropriate staff
d. Evolving technology levels and unstable labor relations in emerging economies
e. Political instability in emerging economies

[4] Consolidated Financial Statements

Balance Sheet

(In million yen)

	As of March 31, 2005	As of March 31, 2004	Increase /decrease
	Amount	Amount	Amount
Assets			
I Current assets			
1 Cash and bank deposits	22,418	19,027	3,391
2 Notes and accounts receivable-trade	100,889	91,431	9,458
3 Securities	6,997	6,996	1
4 Inventories	93,167	83,565	9,602
5 Deferred tax assets	6,533	7,849	-1,316
6 Short-term loans receivable	22,032	16,602	5,430
7 Other	10,421	9,997	424
8 Allowance for doubtful accounts	-63	-399	336
Total current assets	262,397	235,070	27,327
II Fixed Assets			
1 Property, plant and equipment			
(1) Buildings and structures	58,258	47,979	10,279
(2) Machinery, equipment and vehicles	105,353	88,003	17,350
(3) Land	23,041	23,792	-751
(4) Construction in progress	13,164	13,877	-713
(5) Other	7,841	7,480	361
Total property, plant and equipment	207,659	181,133	26,526
2 Intangible fixed assets	2,833	2,512	321
3 Investments and other assets			
(1) Investment securities	22,164	21,751	413
(2) Deferred tax assets	18,808	17,409	1,399
(3) Other	3,679	3,325	354
(4) Allowance for doubtful accounts	-964	-861	-103
Total investments and other assets	43,687	41,624	2,063
Total fixed assets	254,181	225,270	28,911
Total assets	516,578	460,340	56,238

(In million yen)

	As of March 31, 2005	As of March 31, 2004	Increase /decrease
	Amount	Amount	Amount
Liabilities			
I Current liabilities			
1 Notes and accounts payable-trade	84,702	68,003	16,699
2 Short-term loans	88,080	72,585	15,495
3 Accrued income taxes	8,164	3,170	4,994
4 Other	31,462	25,923	5,539
Total current liabilities	212,409	169,683	42,726
II Long-term liabilities			
1 Bonds	50,000	50,000	-
2 Corporate bonds with equity warrant	30,000	30,000	-
3 Long-term loans	8,105	11,505	-3,400
4 Accrued retirement benefits for employees	47,347	46,304	1,043
5 Accrued retirement benefits for directors and statutory auditors	329	450	-121
6 Reserve for product defect compensation	1,918	2,656	-738
7 Other	4,450	3,761	689
Total long-term liabilities	142,151	144,678	-2,527
Total liabilities	354,560	314,362	40,198
Minority interests			
Minority interests	4,065	3,490	575
Shareholders' equity			
I Common stock	39,599	39,599	-
II Capital Surplus	52,622	52,622	-
III Retained earnings	72,918	59,332	13,586
IV Net unrealized holding gain on securities	5,231	4,966	265
V Translation adjustments	-11,911	-13,682	1,771
VI Treasury stock	-508	-350	-158
Total shareholders' equity	157,952	142,487	15,465
Total liabilities, minority interests and shareholders' equity	516,578	460,340	56,238

Statements of Operations

(In million yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Increase /decrease
	Amount	Amount	Amount
I Net sales	388,348	357,394	30,954
II Cost of sales	303,232	282,594	20,638
Gross profit	85,116	74,800	10,316
III Selling, general and administrative expenses	51,915	50,090	1,825
Operating income	33,200	24,709	8,491
IV Non-operating income	3,259	4,223	-964
1 Interest and dividend income	286	294	-8
2 Other	2,972	3,929	-957
V Non-operating expenses	8,074	8,156	-82
1 Interest expenses	2,460	2,792	-332
2 Other	5,613	5,363	250
Ordinary Income	28,385	20,776	7,609
VI Extraordinary losses	1,800	2,595	-795
1 Restructuring losses	-	2,595	-2,595
2 Reserve for product defect compensation	1,800	-	1,800
Income before income taxes and minority interests	26,585	18,181	8,404
Income and other taxes	9,263	3,126	6,137
Refund of current income taxes	-	105	-105
Deferred income taxed	338	3,947	-3,609
Minority interests in subsidiaries	244	180	64
Net income	16,739	11,031	5,708

Statement of Capital Surplus and Retained Earnings

(In million yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Increase /decrease
	Amount	Amount	Amount
Capital Surplus			
I Balance, beginning of the year	52,622	52,622	-
II Increase	-	0	0
1 Gain on sale of treasury stock	-	0	0
III Balance, end of the year	52,622	52,622	-
Retained earnings			
I Balance, beginning of the year	59,332	50,721	8,611
II Increase	16,739	11,031	5,708
1 Net income	16,739	11,031	5,708
III Decrease	3,153	2,421	732
1 Cash dividends	3,004	2,311	693
2 Bonuses to directors and statutory auditors	149	21	128
3 Decrease resulting from merger with a unconsolidated subsidiary	-	87	-87
IV Balance, end of the year	72,918	59,332	13,586

Statement of Cash Flows

(In million yen)

	Year ended March 31, 2005 Amount	Year ended March 31, 2004 Amount
I Cash flows from operating activities:		
1 Income before income taxes and minority interests	26,585	18,181
2 Depreciation and amortization	24,870	23,979
3 Amortization of consolidation adjustments	-40	-1,057
4 Increase/decrease in allowance for doubtful accounts	88	31
5 Increase/decrease in reserve for employees' early retirement incentive plan	-	-10,987
6 Increase/decrease in accrued retirement benefits for employees	788	-7,163
7 Retirement benefits paid under employees' early retirement incentive plan	-	20,446
8 Increase/decrease in accrued retirement benefits for directors and statutory auditors	-121	-68
9 Increase/decrease in reserve for product defect compensation	-738	-1,843
10 Interest and dividend income	-286	-294
11 Interest expenses	2,460	2,792
12 Foreign currency translation adjustments Foreign exchange losses/gains	-629	647
13 Equity in loss/income of unconsolidated subsidiaries and affiliates	-932	-568
14 Increase/ decrease in trade receivables	-7,649	-7,262
15 Increase/ decrease in inventories	-8,523	7,191
16 Increase/decrease in trade payables	15,656	1,502
17 Bonuses paid to directors and statutory auditors	-153	-21
18 Other	2,126	138
Subtotal	53,500	45,644
19 Interest and dividend income received	852	952
20 Interest expenses paid	-2,374	-2,920
21 Retirement benefits paid under employees' early retirement incentive plan	-	-20,446
22 Income taxes paid	-4,149	-2,087
Net cash provided by operating activities	47,830	21,142
II Cash flows from investing activities:		
1 Increase in time deposits	-70	-100
2 Decrease in time deposits	22	290
3 Purchase of property, plant, and equipment	-47,465	-36,414
4 Proceeds from sale of property, plant, and equipment	2,216	-
5 Purchase of intangible fixed assets	-1,061	-711
6 Proceeds from sale of investment securities and others	446	1,644
7 Decrease/increase in short-term loans receivable, net	29	36
8 Other	-269	264
Net cash used in investing activities	-46,151	-34,990
III Cash flows from financing activities		
1 Increase/decrease in short-term loans, net	8,343	-5,965
2 Proceeds from long-term loans	1,825	4,362
3 Repayment of long-term loans	-505	-1,140
4 Proceeds from issuance of bonds	-	59,757
5 Redemption of bonds	-	-50,000
6 Issuance of common stock assigned to minority shareholders	223	1,384
7 Cash dividends paid	-3,004	-2,311
8 Other	-189	-44
Net cash provided by financing activities	6,693	6,043

IV Effect of exchange rate changes on cash and cash equivalents	596	-328
V Increase/decrease in cash and cash equivalents	8,969	-8,132
VI Cash and cash equivalents, at beginning of the year	42,157	50,240
VII Increase in cash and cash equivalents resulting from addition of newly consolidated subsidiaries	175	-
VIII Increase in cash and cash equivalents resulting from merger of a unconsolidated subsidiary	-	50
IX Cash and cash equivalents, at end of the year	51,302	42,157

Note: Reconciliation of the amounts of cash and cash equivalents at end of the year stated in Consolidated Statement of Cash Flows to the amounts of accounts stated in Consolidated Balance Sheets.

	As of March 31, 2005	As of March 31, 2004
Cash and bank deposits	22,418	19,027
Securities	6,997	6,996
Short-term loans receivable	22,032	16,602
Time deposits with original maturities of more than three months	-114	-66
Short-term loans receivable (excl. repurchase agreement)	-32	-402
Cash and cash equivalents	51,302	42,157

Significant Information regarding the Preparation of Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries: 34
(Names of major consolidated subsidiaries: NTN Kongo Corp., NTN Bearing Corp. of America)

2. Application of the equity method

Number of affiliated companies accounted for by the equity method: 5
(Names of major affiliates: Tung Pei Industrial Co., Ltd., Taiway Ltd.)

3. Changes in scope of consolidation and application of the equity method

Number of newly included consolidated subsidiaries: 3
Names: NTN Omaeazaki Corporation (Newly consolidated to reflect increased importance)
NTN Mie Corporation (Newly consolidated to reflect increased importance)
CHANGZHOU NTN-GUANGYANG Corporation (Newly established)
Number of subsidiaries newly excluded from consolidation: 1
NTN Kishiwada Corporation (due to liquidation)

4. Significant accounting policies

(1) Valuation of assets

(a) Securities
Other securities
Securities for which market price is available ------------------------------------ Carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in shareholders' equity. Cost of sales is determined by the moving average method.
Securities for which market price is not available ------------------------------- Carried at cost determined by the moving average method.

(b) Inventories -- Principally stated at cost determined by the average method.

(2) Method of depreciation/amortization of depreciable/amortizable assets

(a) Property, plant and equipment

The Company and its domestic consolidated subsidiaries
Buildings (excluding ancillary facilities)-------- Straight-line method
Property, plant and equipment other than buildings -------------------------------- Mainly by declining balance method
Consolidated subsidiaries overseas --------------- Mainly by straight-line method

(b) Intangible fixed assets --------------------------------- Straight-line method
(Software for internal use is amortized over their useful life for 5 years)

(3) Recognition of allowances/reserves

(a) Allowance for doubtful accounts
Allowance for doubtful accounts is provided to cover possible losses from bad debts. Allowance with respect to non-classified loans/receivables is calculated based on historical default rates. For classified loans/receivables the Company states an amount deemed to be unrecoverable based on the prospect of recovery of individual loans/receivables.

(b) Accrued retirement benefits for employees

The Company provides accrued retirement benefits for employees based on projected year-end benefit obligations and outstanding amount of plan assets.

(c) Accrued retirement benefits for directors and statutory auditors

The Company provides reserve for accrued retirement benefits for directors and statutory auditors based on the amount of retirement benefit payable at the end of the accounting period in accordance with the Company's internal regulations.

(d) Reserve for product defect compensation

The Company encountered significant deficiencies in the quality of certain of its products. The Company has provided a reserve for product defect compensation in order to cover the expected cost. Additional provision was made during the period under review based on a revised estimate of possible compensation payment.

(4) Lease transactions

Finance leases other than those which transfer the ownership of the leased property to the lessee are accounted for as operating leases.

(5) Hedge Accounting

The Company adopts deferred hedge accounting. Receivables and payables hedged by forward foreign exchange contracts which meet certain conditions are translated at the corresponding foreign exchange contract rates. As hedging instruments, forward foreign exchange contracts are used to hedge against foreign exchange risks associated with foreign currency denominated transactions.

(6) Consumption tax, etc.

Transactions subject to consumption taxes and local consumption taxes are recorded at amounts exclusive of consumption taxes.

5. Amortization of Goodwill

Goodwill incurred at the end of the previous consolidated fiscal year-end is fully amortized in the consolidated fiscal year under review.

6. Appropriation of retained earnings

Appropriations of retained earnings are recorded in the fiscal year in which the proposed appropriations are approved by the annual shareholders' meeting.

7. Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, deposits with banks withdrawable on demand, and short-term investments which are readily convertible to cash subject to an insignificant risk of any change in their value and which were purchased with an original maturity of three moths or less.

<Notes>

〔Balance Sheet〕

(In million yen)

		Year ended March 31, 2005	Year ended March 31, 2004
1.	Accumulated depreciation of property, plants and equipment	413,166	394,283
2.	Investments in unconsolidated subsidiaries and affiliated companies		
	Investment securities	7,409	7,434
3.	Assets pledged as collateral and loans secured by such collateral		
	Assets pledged as collateral	2,225	2,217
	Loans secured by such collateral	2,042	2,046
4.	Trade note receivables discounted with banks	625	418
5.	Quantity of treasury stock	1,109,722 shares	834,186 shares

6. Advanced depreciation of 694 million yen is deducted from the acquisition cost of land for which government subsidy was available.

〔Statement of Income〕

Year ended March 31, 2004

Breakdown of Extraordinary losses

1. Restructuring costs

Loss resulting from production restructuring at a U.S. subsidiary	2,119 million yen
Loss on liquidation of subsidiary	476 million yen

<1> Segment Information

1. Business segment information

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 Machinery Equipment Division accounts for more than 90% of the operating income of all segments.
(3) The assets held by the Machinery Equipment Division accounts for more than 90% of total assets.

2. Geographic segment information

(In million yen)

	Year ended March 31, 2005 (April 1, 2004 – March 31, 2005)						
	Japan	North America	Europe	Asia and other areas	Total	Elimination	Consolidated Total
I. Net sales and operating income/loss							
Net sales							
(1) External sales	202,341	91,669	62,956	31,380	388,348	-	388,348
(2) Inter-segment sales	92,608	705	349	927	94,590	-94,590	-
Total	294,950	92,374	63,305	32,308	482,939	-94,590	388,348
Operating expenses	272,114	88,836	60,155	29,540	450,647	-95,499	355,147
Operating income	22,835	3,537	3,150	2,767	32,292	908	33,200
II. Assets	361,293	103,423	54,247	35,637	554,601	-38,023	516,578

Notes: 1. Classification of geographic segment and major countries or regions in each segment
(1) Classification method of geographic segment: by geographic proximity
(2) Major countries or regions in each segment:
North America: U.S.A., Canada
Europe: Germany, France, United Kingdom
Asia and other areas: Asia, South and Central America
2. The corporate assets included in “Elimination” amounted to 53,642 million yen, and consisted mainly of the Company’s invested funds (bank deposits and securities) and long-term investments (investment securities).

(In million yen)

	Year ended March 31, 2004 (April 1, 2003 – March 31, 2004)						
	Japan	North America	Europe	Asia and other areas	Total	Elimination	Consolidated total
I. Net sales and operating income/loss							
Net sales							
(1) External sales	188,169	86,002	58,491	24,730	357,394	-	357,394
(2) Inter-segment sales	76,343	756	216	160	77,475	-77,475	-
Total	264,513	86,758	58,707	24,890	434,870	-77,475	357,394
Operating expenses	247,787	84,326	55,751	23,411	411,276	-78,591	332,685
Operating income	16,725	2,431	2,956	1,479	23,593	1,116	24,709
II. Assets	333,781	87,866	48,706	24,391	494,745	-34,405	460,340

Notes: 1. Classification of geographic segment and major countries or regions in each segment
(1) Classification method of geographic segment: by geographic proximity
(2) Major countries or regions in each segment:
North America: U.S.A., Canada
Europe: Germany, France, United Kingdom
Asia and other areas: Asia, South and Central America
2. The corporate assets included in “Elimination” amounted to 46,926 million yen, and consisted mainly of the Company’s invested funds (bank deposits and securities) and long-term investments (investment securities).

3. Overseas sales

(In million yen)

	Year ended March 31, 2005 (April 1, 2004 – March 31, 2005)			
	North America	Europe	Asia and other areas	Total
I Overseas sales	92,046	62,592	43,719	198,358
II Consolidated net sales				388,348
III Ratio of overseas sales to total consolidated sales	23.7%	16.1%	11.3%	51.1%

Notes: 1. Classification of geographic segment and major countries or regions in each segment
(1) Classification method of geographic segment: by geographic proximity
(2) Major countries or regions in each segment:
North America: U.S.A., Canada
Europe: Germany, France, United Kingdom, and other
Asia and other areas: Asia, South and Central America, and other
2. “Overseas sales” includes sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.

(In million yen)

	Year ended March 31, 2004 (April 1, 2003 – March 31, 2004)			
	North America	Europe	Asia and other areas	Total
I Overseas sales	86,084	58,243	36,864	181,192
II Consolidated net sales				357,394
III Ratio of overseas sales to total consolidated sales	24.1%	16.3%	10.3%	50.7%

Notes: 1. Classification of geographic segment and major countries or regions in each segment
(1) Classification method of geographic segment: by geographic proximity
(2) Major countries or regions in each segment:
North America: U.S.A., Canada
Europe: Germany, France, United Kingdom, and other
Asia and other areas: Asia, South and Central America, and other
2. “Overseas sales” includes sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.

<2> Lease Transactions

As for information regarding “Lease transactions” please refer to the Yukashoken Hokokusho available through the EDINET system (electronic disclosure of statutorily required financial documents).

<3> Transactions with Related Parties

None

<4> Tax Effect Accounting

(In million yen)

Year ended March 31, 2005

1. Breakdown of deferred tax assets and deferred tax liabilities

[Current assets/liabilities]		
Deferred tax assets		
Accrued expenses	3,551	
Inventories (including unrealized gains)	2,404	
Tax loss carry forward	395	
Other	244	
Sub total	6,596	
Valuation allowance	-15	6,580
Deferred tax liabilities		
Reserve for deferred gain on property included in retained earnings	12	
Other	49	62
		6,518
[Fixed assets/liabilities]		
Deferred tax assets		
Accrued retirement benefit for employees	18,122	
Tax loss carry forward	3,402	
Reserve for product defect compensation	767	
Loss on devaluation of investment securities	324	
Depreciation and amortization	144	
Other	1,372	
Sub total	24,134	
Valuation allowance	-94	24,039
Deferred tax liabilities		
Unrealized holding gains /losses on other securities	3,498	
Depreciation and amortization	3,427	
Reserve for deferred gain on property included in retained earnings	437	
Other	91	7,455
Net deferred tax assets		16,583

2. Reconciliation of the statutory tax rate to the effective income tax rate

Year ended March 31, 2004

1. Breakdown of deferred tax assets and deferred tax liabilities

[Current assets/liabilities]		
Deferred tax assets		
Accrued expenses	2,645	
Tax loss carry forward	2,207	
Inventories (including unrealized gains)	1,587	
Foreign tax credit carry forward	931	
Other	685	
Sub total	8,057	
Valuation allowance	-163	7,893
Deferred tax liabilities		
Reserve for deferred gain on property included in retained earnings	14	
Other	42	56
		7,836
[Fixed assets/liabilities]		
Deferred tax assets		
Accrued retirement benefit for employees	16,889	
Tax loss carry forward	3,051	
Reserve for product defect compensation	1,062	
Loss on devaluation of investment securities	325	
Depreciation and amortization	180	
Other	760	
Sub total	22,269	
Valuation allowance	-121	22,148
Deferred tax liabilities		
Unrealized holding gains /losses on other securities	3,328	
Depreciation and amortization	2,958	
Reserve for deferred gain on property included in retained earnings	449	
Other	94	6,831
Net deferred tax assets		15,316

2. Reconciliation of the statutory tax rate to the effective income tax rate

Statutory tax rate	40.0%	Statutory tax rate	41.3%
Increase/decrease in taxes resulting from:		Increase/decrease in taxes resulting from:	
Permanent non-deductible items such as entertainment expenses	0.4%	Permanent non-deductible items such as entertainment expenses	0.6%
Permanent non-taxable items such as dividend income	-1.5%	Permanent non-taxable items such as dividend income	-2.2%
Elimination of dividend income	3.4%	Elimination of dividend income	4.3%
Equity in earnings of affiliates	-1.4%	Equity in earnings of affiliates	-1.3%
Other	-4.8%	Change in statutory tax rate	1.3%
Effective income tax rate	36.1%	Other	-5.7%
		Effective income tax rate	38.3%

<5> Securities

Year ended March 31, 2005

1. Other securities for which market price is available

(In million yen)

	Acquisition costs	Carrying value on B/S	Unrealized gain/loss
Securities whose carrying value on consolidated B/S exceeds their acquisition cost			
(1) Equity	5,438	14,185	8,746
(2) Other	-	-	-
Sub total	5,438	14,185	8,746
Securities whose carrying value does not exceed their acquisition cost:			
(1) Equity	82	69	-12
(2) Other	42	27	-15
Sub total	125	97	-28
Total	5,563	14,282	8,718

2. Other securities for which market price is not available

(In million yen)

	Carrying value on B/S
(1) Other Securities	
Money management funds	6,997
Unlisted equity	471

Year ended March 31, 2004

1. Other securities for which market price is available

(In million yen)

	Acquisition costs	Carrying value on B/S	Unrealized gain/loss
Securities whose carrying value on consolidated B/S exceeds their acquisition cost			
(1) Equity	5,131	13,454	8,322
(2) Other	-	-	
Sub total	5,131	13,454	8,322
Securities whose carrying value does not exceed their acquisition cost:			
(1) Equity	388	360	-27
(2) Other	42	25	-17

Sub total	430	386	-44
Total	5,562	13,840	8,277

2. Other securities for which market price is not available

(In million yen)

	Carrying value on B/S
(1) Other Securities	
Money management funds	6,996
Unlisted equity	475

<6> Derivative Transactions

There are no applicable derivative transactions except for those that are subject to hedge accounting.

<7> Retirement benefits

1. Summary of the retirement benefits plan adopted

The Company and certain domestic consolidated subsidiaries have defined benefit plans, i.e., Welfare Pension Fund Plan, tax qualified pension plan, and a lump sum severance indemnities plan. Some of its overseas consolidated subsidiaries have defined benefit plans. The Company also has in place an employees' retirement benefit trust.

The Company and some of its domestic consolidated subsidiaries shifted their pension programs from Kosei Nenkin (Employees Pension Fund) to Kigyo Nenkin (Corporate Pension Fund) following the approval by the Minister of Health, Labor, and Welfare dated June 1, 2004 for the return of the funds that had been managed by the Company on behalf of the government. Actual delivery of funds was completed on March 30, 2005. The Company and some of its domestic consolidated subsidiaries abolished their Tekikaku Taishoku Nenkin program (Tax Qualified Pension Program) on April 1, 2005 and newly introduced a corporate pension program that is similar to cash balance plan. The Company also changed the rate used for benefit payments.

2. Retirement benefit obligations

(In million yen)

	Year ended March 31, 2005	Year ended March 31, 2004
1) Retirement benefit obligations	-111,832	-110,041
2) Plan assets	51,366	48,930
3) Unfunded retirement benefit obligations: 1) + 2)	-60,465	-61,111
4) Unrecognized actuarial differences	16,118	18,042
5) Unrecognized prior service cost	-2,999	-3,236
6) Net amount on consolidated balance sheet: 3) + 4) + 5)	-47,347	-46,304
7) Accrued retirement benefits for employees	-47,347	-46,304

3. Retirement benefit expenses

(In million yen)

	Year ended March 31, 2005	Year ended March 31, 2004
1) Service cost*	3,909	4,254
2) Interest cost	3,255	3,573
3) Expected return on plan assets	-1,745	-1,373
4) Amortization of actuarial differences	1,335	2,271
5) Amortization of prior service cost	-228	-217
6) Retirement benefit expenses: 1) + 2) + 3) + 4) + 5)	6,525	8,509

*Note: Employees' contribution to Welfare Pension Fund Plan is excluded.

4. Basis of calculation of “Retirement benefit obligations”

(In million yen)

	Year ended March 31, 2005	Year ended March 31, 2004
1) Discount rate	Principally 2.6%	Principally 2.6%
2) Expected rate of return on plan assets	Principally 4.0%	Principally 4.0%
3) Allocation method of estimated total retirement benefits	Straight-line	Straight-line
4) Amortization period of prior service cost	Principally 15 years on straight-line method	Principally 15 years on straight-line method
5) Amortization period of actuarial differences	Principally 15 years on straight-line method (Amortization starts immediately following the year when the differential is recognized)	Principally 15 years on straight-line method (Amortization starts immediately following the year when the differential is recognized)

<8> Significant information related to the premises of a going concern

NA

[5] Production, Sales, Order Intake, and Order Backlog

(In million yen)

	Year ended March 31, 2005		Year ended March 31, 2004	
	Amount	%	Amount	%
Production:				
Bearings	238,942	63.4	211,032	62.5
CVJs	109,763	29.1	101,226	30.0
Precision equipment	28,161	7.5	25,188	7.5
Production total:	376,866	100.0	337,447	100.0
Sales:				
Bearings	248,810	64.0	228,615	64.0
CVJs	111,307	28.7	102,959	28.8
Precision equipment	28,230	7.3	25,820	7.2
Sales total:	388,348	100.0	357,394	100.0
Order intake:				
Bearings	258,826	64.7	232,680	64.3
CVJs	114,217	28.5	103,361	28.6
Precision equipment	27,361	6.8	25,649	7.1
Order intake total:	400,405	100.0	361,691	100.0
Order backlog:				
Bearings	57,349	79.4	47,796	78.4
CVJs	13,195	18.3	10,651	17.5
Precision equipment	1,630	2.3	2,485	4.1
Order backlog total:	72,175	100.0	60,934	100.0