

**Financial Results
For the Year Ended March 31, 2008 – Consolidated**

NTN Corporation

Security Code: 6472
 Listings: The First Section of Tokyo and Osaka Stock Exchanges
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 Scheduled date of annual shareholders' meeting: June 27, 2008
 Scheduled commencement date of dividend payment: June 30, 2008
 Scheduled submission date of financial statements: June 30, 2008

July 7, 2008

1. Consolidated Financial Results for the Year Ended March 31, 2008

(April 1, 2007 to March 31, 2008)

(1) Operating Results

(Amounts rounded down to the nearest million yen)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2008	533,984	10.4	49,611	6.0	43,231	2.4	27,431	1.5
Year ended March 31, 2007	483,817	11.3	46,792	24.3	42,210	28.6	27,014	38.2

	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, 2008	58.43	54.59	13.1	7.0	9.3
Year ended March 31, 2007	58.34	53.74	13.8	7.2	9.7

Note: Equity method investment gains or losses:
 Year ended March 31, 2008: 1,522 million yen
 Year ended March 31, 2007: 484 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, 2008	629,464	216,399	33.3	445.98
Year ended March 31, 2007	611,944	215,815	34.2	445.61

Note: Shareholders' equity
 Year ended March 31, 2008: 209,342 million yen
 Year ended March 31, 2007: 209,237 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, 2008	66,263	(83,548)	15,606	32,536
Year ended March 31, 2007	58,485	(72,185)	10,921	32,083

2. Dividends

	Dividend per share			Total dividends paid (full year)	Payout ratio(Consolidated)	Dividends/Net assets(Consolidated)
	Interim	Year-end	Full year			
	yen	yen	yen	million yen	%	%
Year ended March 31, 2007	7.00	9.00	16.00	7,462	27.4	3.8
Year ended March 31, 2008	9.00	10.00	19.00	8,919	32.5	4.3
Year ended March 31, 2009 (forecast)	10.00	10.00	20.00	-	33.9	-

Note: Dividend per share for the Year ended March 31, 2008 includes a commemorative div of 1.00 yen.

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2009

(April 1, 2008 to March 31, 2009)

(Percentage figures represent year-on-year changes and interim-on-interim period changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	315,000	20.7	22,000	(9.3)	19,000	(10.9)	11,500	(12.3)	24.50
Full year	650,000	21.7	51,000	2.8	45,000	4.1	28,000	2.1	59.01

4. Other Information

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

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

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

2) Changes other than above: None

Note: For details, see "Changes in Significant Information Regarding the Preparation of Consolidated Financial Statements"

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

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

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

Year ended March 31, 2007: 470,463,527 shares

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

Year ended March 31, 2008: 1,059,883 shares

Year ended March 31, 2007: 910,194 shares

Note: For number of shares serving as basis for calculation of net income per share (consolidated), see "Par share data"

**Reference: Overview of Financial Results on Non-Consolidated basis
For the Year Ended March 31, 2008 – Non-consolidated**

1. Financial Results for the Year Ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(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, 2008	359,856	6.8	18,901	(17.0)	24,483	(16.8)	17,486	(17.1)
Year ended March 31, 2007	336,839	6.1	22,783	12.3	29,419	29.8	21,095	44.9

	Net income per	Diluted net
	yen	yen
Year ended March 31, 2008	37.25	34.80
Year ended March 31, 2007	45.56	41.96

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2008	450,154	176,812	39.3	376.67
Year ended March 31, 2007	426,352	177,718	41.7	378.48

Note: Shareholders' equity

Year ended March 31, 2008: 176,812 million yen

Year ended March 31, 2007: 177,718 million yen

2. Forecast of Non-consolidated Earnings for the Year Ending March 31, 2009

(April 1, 2008 to March 31, 2009)

(Percentage figures represent year-on-year changes and interim-on-interim period changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	186,000	8.1	5,500	(44.5)	9,500	(32.1)	11,500	(31.9)	13.85
Full year	383,000	6.4	14,000	(25.9)	19,000	(22.4)	28,000	(28.5)	26.34

* 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 "Operating Results"

1. Operating Results

1) Analysis of Operating Results

Operating Results for the Fiscal Year Ended March 31, 2008

During the fiscal year under review, the economic recovery of Japan appears to be pausing, despite moderate increase in export, affected by weakened corporate earnings and labor market. Overseas, although the U.S. economy slowed against the backdrop of the sub-prime loan problem, China and other Asian economies continued to expand, and European economies also experienced slight expansion.

In this setting, the NTN group (the Group) moved into the first year of its three-year business plan, Growth through *Creativity and Achievements 21*, and strived to enhance corporate value through more aggressive marketing activities and thorough cost-cutting efforts to achieve its goals.

As a result, the Group's net sales for the period increased 10.4% from a year earlier to 533,984 million yen. With regard to income, although lower selling prices and higher costs of raw materials had an effect, advances made in expanding sales and reducing costs saw operating income rise 6.0% year on year to 49,611 million yen and ordinary income climb 2.4% to 43,231 million yen. After posting an extraordinary gain of 4,073 million yen related to establishing the retirement benefit trust fund and extraordinary losses from the reserve for the product defect compensation of 1,700 million yen, business restructuring expenses of 529 million yen, and the payment of prior-year custom duties, net income came to 27,431 million yen, a year-on-year increase of 1.5%.

Sales by business segment were as follows:

(1) Bearings

In applications for general industrial machinery, Japan enjoyed strong growth of large bearings for construction machinery and for wind power systems, and Americas and Europe also enjoyed strong growth of the product for wind power systems. In Asia, bearings for office machines posted strong sales in China, while fluid dynamic bearings for hard disk drive (HDD) motors grew in Thailand.

In automotive applications, axle bearings and needle-roller bearings showed solid performance in Europe and China, while sales of axle bearings grew also in Japan, Americas, and other areas of Asia.

As a result, the Group's net sales for the period increased 10.2 % from a year earlier to 338,452 million yen.

(2) Constant-velocity Joints (CVJs)

Sales of CVJs in Europe and other areas of Asia showed solid performance, assisted by the start of volume production on new projects mainly by Japanese automakers. Sales to U.S. automakers in Americas and export and the start of volume production on new projects such as compact cars in Japan contributed to the increase of CVJs sales in the respective market. As a result, the Group's net sales for the period increased 11.9 % from a year earlier to 165,071 million yen.

(3) Precision equipment and other products

Although sales of plasma display (PDP) defect repair systems and LCD repair devices were unfavorable, clutch unit products and parts feeders showed growth. As a result, the Group's net sales for the period increased 4.7 % from a year earlier to 30,460 million yen.

Sales by geographical segment were as follows:

(1) Japan

Solid conditions prevailed for automotive applications including CVJs and axle bearings. In general industrial machinery applications, sales of large bearings for construction machinery and wind power systems increased. As a result, the Group's net sales for the period increased 6.7% from a year earlier to 362,344 million yen. Operating income decreased 7.6% year on year to 26,126 million yen, reflecting increased depreciation expense due to the tax system revision despite the increase of sales.

(2) Americas

Automotive applications such as CVJs, axle bearings showed increased shipments. In general industrial machinery applications, solid performance was shown for large bearings for agricultural machinery and wind power systems. As a result, the Group's net sales for the period increased 3.7% from a year earlier to 132,439 million yen. Operating income came to 5,799 million yen, up 13.4% year on year, owing mainly to increased sales.

(3) Europe

CVJs, axle bearings and needle roller bearings for automotive applications exhibited strong growth. In industrial machinery applications, shipments of large bearings mainly for wind power systems were solid, and shipments to distributors also increased. As a result, the Group's net sales for the period increased 21.3% from a year earlier to 94,601 million yen. Operating income came to 6,873 million yen, up 59.2% year on year, partly reflecting sales increases.

(4) Asia and other areas

In China, bearings for office machines, and axle bearings and needle bearings for automotive applications showed solid performance. Shipments to distributors also increased. In Thailand, sales of fluid dynamic bearings grew significantly and axle bearings and CVJs also enjoyed growth. As a result, the Group's net sales for the period increased 30.4% from a year earlier to 81,221 million yen. Operating income came to 7,131 million yen, up 21.6% year on year, partly reflecting sales increases.

Outlook for the Year Ending March 31, 2009

Looking ahead, the Japan's economy is expected to continue mild recovery after a temporary slowdown in the early part of the fiscal year. On the other hand, the slowdown in the U.S. economy, rising raw materials and crude oil prices, and rapid fluctuation of exchange rates have been affecting the global economy. This calls for a close watch oneconomic trends by region as well as by business sector. Under such circumstances, the Company now moves intothe second year of the *Growth through Creativity and Achievement 21* medium-term business plan, and is implementing the various measures laid out therein. For the full year ending March 31, 2008, the Group forecasts consolidated net sales of 650.0 billion yen, operating income of 51.0 billion yen, ordinary income of 45.0 billion yen and net income of 28.0 billion yen. These forecasts are based on foreign exchange rate assumptions of ¥100/US\$1.00 and ¥155/EUR1.00.

2) Analysis of Financial Position

Assets, Liabilities, and Net assets

Total current assets at March 31, 2008 amounted to 281,136 million yen, a year-on year increase of 1,088 million, or 0.4 %. Total fixed assets at the fiscal year-end amounted to 348,327 million yen, a year-on-year increase of 16,431 million yen, or 5.0 %. Major factors included a 7,971 million yen increase in investment securities and a 5,960 million yen increase in property, plant and equipment. As a result total assets were 629,464 million yen, an increase of 17,520, or 2.9 % from a year earlier.

Total current liabilities at March 31 2008 amounted to 300,311 million yen, a year-on-year increase of 49,686, or 19.8 %. Major factors included a 24,519 million yen increase in corporate bonds with equity warrant due within one year and a 10,480 million yen increase in notes and accounts payable. Total long-term liabilities at the fiscal year-end amounted to 112,753 million yen, a year-on-year decrease of 32,750 million yen, or 22.5 %. Major factors included a 24,519 million yen decrease in corporate bonds with equity warrant and a 10,000 million yen decrease in bonds. As a result total liabilities were 413,065 million yen, an increase of 16,936, or 4.3 % from a year earlier.

Total net assets were 216,399 million yen, a year-on-year increase of 584 million yen, or 0.3 %. Major factors included a 18,980 million yen increase in retained earning, a 9,801 million yen decrease in net unrealized holding gain on securities, and a 8,920 million yen decrease in translation adjustments.

Cash Flows

Net cash provided by operating activities was 66,263 million yen, a year-on-year increase of 7,778 million yen, or 13.3%. This mainly reflected 44,313 million yen in pretax profit, 39,546 million yen in depreciation and amortization, and an 11,129 million yen increase in trade payables, partly offset by 15,103 million yen in income taxes paid, a 6,733 million yen increase in inventories, and a 5,993 million yen decrease in allowance for retirement benefit for employees.

Cash used in investment activities increased 11,363 million yen, or 15.7 % year-on-year, to 83,548 million yen. This was mainly due to outlays of 57,515 million yen for the acquisition of property, plant and equipment, and 24,253 million yen outlaid for the acquisition of investment securities.

Net cash provided by financing activities was 15,606 million yen, a year-on-year increase of 4,685 million yen, or 42.9 %. This was due mainly to a net increase of 23,590 million yen in long-and short-term loans, which more than offset 8,451 million yen outlaid for dividend payments.

As a result of these cash flows, and including a cash inflow of 2,132 million yen from exchange rate adjustments, cash and cash equivalents as of the end of the fiscal year came to 32,536 million yen, an increase of 453 million yen, or 1.4%, from the end of the previous fiscal year.

Cash flow indicators for the years ended March 31, 2005 to 2008

	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008
Shareholders' equity ratio (%)	30.6	32.6	34.2	33.3
Shareholders' equity ratio based on current market value (%)	53.2	76.8	78.3	50.7
Cash flows to interest-bearing debt ratio (annual)	3.7	4.7	3.4	3.2
Interest coverage ratio (times)	20.1	10.5	11.6	11.5

- 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 debtratio: 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 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 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 for "Interest payments" was taken from "Interest expenses paid" in the consolidated statements of cash flows.

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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 and dividend payout ratio. 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 10 yen per share (including 1 yen per share in commemoration of bringing SNR into the Company as its subsidiary), 1 yen more per share than for the interim dividend. This will make the total annual dividend to 19 yen per share, 3 yen more than previous year. The Company intends to pay 20 yen dividend per share in the next fiscal year, 10 yen for interim period and the year-end respectively.

2. The Group Overview

The NTN Group consists of NTN Corporation (the Company), 49 subsidiaries and 35 affiliated companies (as of March 31, 2008). The Group's main business is manufacturing and sales of bearings, constant-velocity joints and precision equipment and its business divisions are classified accordingly.

Domestic manufacturing is mainly handled by the Company, but some production is consigned to domestic affiliated companies, from whom the Company purchases products. Part of the Company's parts processing operation is also consigned to domestic affiliated companies. Domestic sales is mainly handled by the Company, but is also partly made through domestic affiliated companies.

Overseas manufacturing is handled by the Company's overseas affiliates, with semi-finished goods partly 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 as well as by its overseas manufacturing subsidiaries.

The Company has acquired equity ownership in Seohan-NTN Driveshaft USA CORP. in April 2007 and Nanzing Puzhen NTN Railway Co., Ltd. in February 2008, both of which are accounted as equity method affiliated.

Taiso Okita Forging Co., Ltd. became the Company's affiliates through acquisition of equity ownership in September 2007.

3. Management policy

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

Strategies are omitted in this section as there are no significant changes from the statement made on the items in the Financial Results for the Year Ended March 31, 2007, disclosed on May 14, 2007.

The subject report is available through the following URL.

(Company Website)

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

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

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

(4) Management Issues to be Addressed

Under the new **Growth through Creativity and Achievement 21** medium-term business plan, which started in April in 2008 and run over the three-year period, the Group will be improving asset efficiency through the early recoupment of investments made so far, while ensuring the continuous development of its business through investments aimed at achieving further growth. The most important goal is the creation of corporate value through this plan. To facilitate this, the Group's fundamental policy under **Growth through Creativity and Achievement 21** is to ensure that all employees have the opportunity to think for themselves in creating new products and new technologies, without being preoccupied with conventional ways of doing things, so as to produce results and growth for the Group.

With regard to measures related to sales and technologies, the Group will be working to enhance **NTN's brand value** by further improving quality, strengthening its proposal-making capabilities, and accelerating development. The company will create synergy with SNR, which became a consolidated subsidiary in April 2008 by integrating respective technologies and sales forces.

With a view to establishing long-term technological dominance, the Group plans to build a new research and development center in Kuwana area in December 2008 to cultivate element technologies as the root source of product competitiveness and enhance research and development capability of products for industry machinery. Researching and developing new materials and surface-creation, the Group will bolster unique products development aimed at supporting peoples' lives through safety, convenience, and an environmental perspective, while strengthening protection and increasing the application of its intellectual property by acquiring an appropriate array of patents. With regard to industrial machinery, against a background of vigorous demand for wind power generation, construction machinery, rolling stock, aerospace, and machine tools, resulting from increased consciousness of global environmental protection and resources development, the Group will expand sales in the global market, focusing mainly on large bearings and precision bearings. With regard to automotive applications, the Group will work to respond to market needs through development of axle bearings deploying cutting-edge sensor technologies and increase in product lineup including new CVJs (V series)etc.

On the production front, the Group has prioritized progress in **HITOUZUKURI** and **MONOUZUKURI** innovation. The Group will thoroughly review its human resources, facilities, materials, and methodologies with the aim of dramatically improving production efficiency. The Group places an emphasis on HITOUZUKURI—or human resource development by the passing down of skills to younger staff—and will further strengthen its comprehensive production technology capabilities, which include quality control, production technology and facilities development capabilities. In Japan, in order to cope with increased demand for industrial machinery bearings such as large bearings, the Group has begun restructuring its production base in the Kuwana district, including production capacity increase at Kuwana Works and start of operation at the No. 2 Plant of NTN Mie Corporation. Also, the Group began operation from November in 2007 at NTN Hakui Corporation located in Ishikawa prefecture, and established NTN Houdatsu Shimizu Corporation (Ishikawa prefecture) in April 2008 to respond to the increased demand for wind power generation bearings. Relating to axle bearings, the Group has increased its pre-process capacity by starting operation in February 2008 at the No. 2 Plant of NTN Kinan Corporation in Wakayama prefecture. Stable operation is targeted at these new sites. Overseas, the Company will be working aggressively to bolster its business in the BRIC countries and other emerging markets where growth is expected. In January 2008, the Company started operation at Nanjing- Puzhen NTN Railway Co., Ltd. in China to manufacture and sell bearings for rolling stock. The Company will also bolster its response to the increased automobile demand by expanding CVJs production capacity in India and by utilization of SNR Procurements' Romania Plant and Brazil Plant.

In order to strengthen its earnings structure, the Company will continue working to reduce costs by promoting value analysis (VA) and value engineering (VE) as well as expanding global and local procurement in tandem with the expansion of its business activities globally. Continuing on from MONOUZUKURI innovation, the Company will increase inventory turnover ratios and facility utilization rates, and further improve asset efficiency. Aware of the importance of corporate social responsibility (CSR), the Company is working to construct internal control systems for the whole Group, ensure thorough compliance (corporate ethics), and further bolster its risk management systems. Turning to environmental considerations, the Company is implementing group wide initiatives aimed at reducing CO2 and environmental burdens, including the development and sales expansion of products that are both safe for people and environmentally friendly, efforts to eliminate the use of environmentally hazardous materials, as well as proactive use of natural energy from wind and solar power generation, and installation of energy saving device and processing equipment at newly established plants.

4. Consolidated Financial Statements

Balance Sheets

(In million yen)

	As of March 31, 2008 (A)	As of March 31, 2007 (B)	(A) - (B)
	Amount	Amount	Amount
Assets			
I Current assets			
1 Cash and bank deposits	28,259	26,085	2,174
2 Notes and accounts receivable-trade	105,223	114,289	(9,066)
3 Inventories	109,969	107,131	2,838
4 Deferred tax assets	8,340	9,577	(1,237)
5 Short-term loans receivable	5,008	6,009	(1,001)
6 Other	24,477	17,086	7,391
7 Allowance for doubtful accounts	(141)	(130)	(11)
Total current assets	281,136	280,048	1,068
II Fixed Assets			
1 Property, plant and equipment			
(1) Buildings and structures	67,092	68,324	(1,232)
(2) Machinery, equipment and vehicles	156,191	150,609	5,582
(3) Land	27,122	24,337	2,785
(4) Construction in progress	15,223	15,548	(325)
(5) Other	7,772	8,621	(849)
Total property, plant and equipment	273,401	267,441	5,960
2 Intangible fixed assets	2,727	2,928	(201)
3 Investments and other assets			
(1) Investment securities	53,518	45,547	7,971
(2) Deferred tax assets	16,617	13,491	3,126
(3) Other	2,730	3,336	(606)
(4) Allowance for doubtful accounts	(667)	(849)	182
Total investments and other assets	72,198	61,526	10,672
Total fixed assets	348,327	331,896	16,431
Total assets	629,464	611,944	17,520

(In million yen)

	As of March 31, 2008 (A)	As of March 3, 2007 (B)	(A) - (B)
	Amount	Amount	Amount
Liabilities			
I Current liabilities			
1 Notes and accounts payable-trade	107,499	97,019	10,480
2 Short-term loans	108,007	103,021	4,986
3 Bonds due within one year	10,000	-	10,000
4 Corporate bonds with equity warrant due within one year	24,519	-	24,519
5 Accrued income taxes	6,727	9,773	(3,046)
6 Accrued bonuses for directors and statutory auditors	190	199	(9)
7 Other	43,367	40,611	2,756
Total current liabilities	300,311	250,625	49,686
II Long-term liabilities			
1 Bonds	30,000	40,000	(10,000)
2 Corporate bonds with equity warrant	-	24,519	(24,519)
3 Long-term loans	40,347	30,371	9,976
4 Accrued retirement benefits for employees	27,667	34,375	(6,708)
5 Reserve for product defect compensation	1,378	700	678
6 Other	13,359	15,537	(2,178)
Total long-term liabilities	112,753	145,503	(32,750)
Total liabilities	413,065	396,129	16,936
Net assets			
I Shareholders' capital			
1 Common stock	42,339	42,339	-
2 Capital surplus	55,410	55,410	-
3 Retained earnings	125,048	106,068	18,980
4 Treasury stock	(722)	(568)	(154)
Total shareholders' capital	222,076	203,249	18,827
II Valuation and translation adjustments			
1 Net unrealized holding gain on securities	(1,939)	7,862	(9,801)
2 Translation adjustments	(10,794)	(1,874)	(8,920)
Total Valuation and translation adjustments	(12,733)	5,987	(18,720)
III Minority interests	7,056	6,577	479
Total net assets	216,399	215,815	584
Total liabilities and net assets	629,464	611,944	17,520

Statements of Operations

(In million yen)

	Year ended	Year ended	(A) - (B)
	March 31, 2008	March 31, 2008	
	(A)	(B)	
	Amount	Amount	Amount
I Net sales	533,984	483,817	50,167
II Cost of sales	421,989	378,260	43,729
Gross profit	111,995	105,557	6,438
III Selling, general and administrative expenses	62,383	58,764	3,619
Operating income	49,611	46,792	2,819
IV Non-operating income			
1 Interest and dividend income	988	821	167
2 Other	4,268	3,529	739
Total non-operating income	5,257	4,351	906
V Non-operating expenses			
1 Interest expenses	5,760	5,462	298
2 Other	5,876	3,471	2,405
Total non-operating expenses	11,637	8,933	2,704
Ordinary income	43,231	42,210	1,021
VI Extraordinary gains			
1 Gains arising from the establishment of retirement benefit trust fund	4,073	-	4,073
2 Gains arising from the change in retirement benefit scheme	-	2,851	(2,851)
3 Gain on sale of investment securities	-	1,645	(1,645)
Total extraordinary gains	4,073	4,496	(423)
VII Extraordinary losses			
1 Reserve for product defect compensation	1,700	-	1,700
2 Impairment loss	-	1,219	(1,219)
3 Restructuring expenses	529	318	211
4 Payment of custom duty belonging to prior years	762	-	762
Total extraordinary losses	2,991	1,538	1,453
Income before income taxes and minority interests	44,313	45,169	(856)
Income and other taxes	12,259	11,900	359
Income taxes adjustment	4,209	6,073	(1,864)
Minority interests in subsidiaries	413	181	232
Net income	27,431	27,014	417

Statement of Changes in Shareholders' Capital

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(In million yen)

	Shareholders' capital					Valuation and translation adjustments				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' capital	Net unrealized gain/losses on other securities	Translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2007	42,339	55,410	106,068	(568)	203,249	7,862	(1,874)	5,987	6,577	215,815
Change during the period										
Distribution of retained earnings			(8,451)		(8,451)					(8,451)
Net income			27,431		27,431					27,431
Purchase of treasury stock				(171)	(171)					(171)
Sale of treasury stock				17	17					17
Net change in items other than shareholders' capital during the period						(9,801)	(8,919)	(18,721)	479	(18,242)
Total change during the period	-	-	18,979	(153)	18,826	(9,801)	(8,919)	(18,721)	479	583
Balance as of March 31, 2008	42,339	55,410	125,048	(722)	222,076	(1,939)	(10,794)	(12,733)	7,056	216,399

Year ended March 31, 2007 (April 1, 2006 – March 31, 2007)

	Shareholders' capital					Valuation and translation adjustments				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' capital	Net unrealized gain/losses on other securities	Translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2006	39,599	52,638	86,932	(585)	178,584	10,739	(6,076)	4,662	5,330	188,577
Change during the period										
Issuance of new shares	2,740	2,740			5,481					5,481
Distribution of retained earnings*			(2,771)		(2,771)					(2,771)
Distribution of retained earnings			(3,236)		(3,236)					(3,236)
Directors' bonuses*			(178)		(178)					(178)
Net income			27,014		27,014					27,014
Net gains on sale of treasury stock		31			31					31
Purchase of treasury stock				(249)	(249)					(249)
Sale of treasury stock				266	266					266
Decrease arising from retroactive years adjustments in foreign subsidiaries			(1,692)		(1,692)					(1,692)
Net change in items other than shareholders' capital during the period						(2,877)	4,202	1,325	1,247	2,572
Total change during the period	2,740	2,772	19,135	17	24,665	(2,877)	4,202	1,325	1,247	27,237
Balance as of March 31, 2007	42,339	55,410	106,068	(568)	203,249	7,862	(1,874)	5,987	6,577	215,815

Note* Subject to the resolution on the appropriation of retained earnings adopted by the Annual General Meeting of Shareholders held in June 2006.

Statements of Cash Flows

(In million yen)

	Year ended	Year ended
	March 31, 2008	March 31, 2007
	Amount	Amount
I Cash flows from operating activities:		
1 Net income before income taxes and minority interests	44,313	45,169
2 Depreciation and amortization	39,546	32,693
3 Amortization of goodwill	0	2
4 Increase/decrease in allowance for doubtful accounts	(49)	(189)
5 Increase/decrease in accrued retirement benefits for directors and statutory auditors	(9)	199
6 Increase/decrease in accrued retirement benefits for employees	(5,993)	(14,215)
7 Increase/decrease in reserve for product defect compensation	677	(1,353)
8 Increase/decrease in accrued payments due to the change in retirement benefit plan	(2,286)	11,641
9 Interest and dividend income	(988)	(821)
10 Interest expenses	5,760	5,462
11 Foreign currency translation adjustments / Foreign exchange losses/gains	(967)	218
12 Gain or loss in equity of non-consolidated subsidiaries and affiliates	(1,522)	(484)
13 Gains arising from the establishment of retirement benefit trust fund	(4,073)	-
14 Contribution to retirement benefit trust fund	5,625	-
15 Decrease/increase in trade receivables	2,701	(12,381)
16 Decrease/increase in inventories	(6,733)	1,426
17 Increase/decrease in trade payables	11,129	7,847
18 Bonuses paid to directors and statutory auditors	-	(180)
19 Other	(1,832)	(1,900)
Subtotal	85,299	73,134
20 Interest and dividend income received	1,816	1,529
21 Interest expenses paid	(5,749)	(5,044)
22 Income taxes paid	(15,103)	(11,133)
Net cash provided by operating activities	66,263	58,485
II Cash flows from investing activities:		
1 Increase in time deposits	(1,943)	(561)
2 Decrease in time deposits	1,123	1,123
3 Purchase of property, plant and equipment	(57,515)	(58,009)
4 Proceeds from sale of property, plant and equipment	130	447
5 Purchase of intangible fixed assets	(658)	(510)
6 Purchase of investment securities	(24,253)	(7,863)
7 Proceeds from sale of investment securities	73	3,302
8 Purchase of equity-method-applied affiliates' shares	(701)	(10,487)
9 Decrease/increase in short-term loans receivable, net	0	(0)
10 Other	196	464
Net cash used in investing activities	(83,548)	(72,185)
III Cash flows from financing activities		
1 Increase/decrease in short-term loans, net	11,863	6,404
2 Proceeds from long-term loans	17,217	22,102
3 Repayment of long-term loans	(5,490)	(2,406)
4 Payment for redemption of bonds	-	(10,000)
5 Issuance of common stock assigned to minority shareholders	916	864
6 Dividend payment	(8,451)	(6,007)
7 Other	(448)	(36)
Net cash provided by financing activities	15,606	10,921
IV Effect of exchange rate changes on cash and cash equivalents	2,132	(1,029)
V Increase/decrease in cash and cash equivalents	453	(3,808)
VI Cash and cash equivalents, at beginning of the year	32,083	35,891
VII Cash and cash equivalents, at end of the year	32,536	32,083

Significant Information regarding the Preparation of Consolidated Financial Statements

Disclosure has been omitted as there have been no significant change in information disclosed in recent financial statements submitted on June 29, 2007.

Changes in Significant Information Regarding the Preparation of Consolidated Financial Statements

1) Method of depreciation/amortization for significant depreciable/amortizable assets

(1) Property, plant & equipment

(Changes in accounting policy)

From the fiscal year under review, following the amendment of the Corporate Tax Law, the Company and its consolidated subsidiaries in Japan changed the method of depreciation/amortization for property, plant & equipment acquired on and after April 1, 2007, to the method stipulated in the amended corporate tax law. The change decreased operating income, ordinary income, and income before income taxes decreased by 811 million yen each. Any influence to the segment information is described in the section concerned.

Notes:

[Balance Sheets]

	(In million yen)	
	AS of March 31, 2008	AS of March 31, 2007
1. Accumulated depreciation of property, plan and equipment	475,333	466,123
2. Investments in non-consolidated subsidiaries and affiliated companies Investment securities	22,291	20,473
3. Assets pledged as collateral and loans secured by such collateral		
Assets pledged as collateral	675	1268
Loans secured by such collateral	105	1351
4. Contingent liabilities	240	269
5. Trade note receivables discounted with banks	110	272
6. Notes maturing on the closing date of the fiscal year		
Notes maturing on the closing date of the consolidated fiscal year are deemed to have been settled on the date of clearing for the purpose of accounting treatment. As the closing date of the fiscal year ended March 31, 2007 was a banking holiday, the following notes maturing on the closing date of the fiscal year are included in the outstanding balance.		
Notes receivable	-	706
Notes payable	-	967

[Statements of Income]

Year ended March 31, 2008

1. Restructuring expenses

For the fiscal year under review, the Company recognized restructuring expenses of ¥529 million as extraordinary losses comprising ¥247 million in costs of disposal of fixed assets and ¥282 million in costs of relocation of facilities.

Year ended March 31, 2007

1. Asset impairment loss

Regarding fixed assets used in manufacturing activities, the Company has defined the plant/factory as the smallest cash-flow-generating unit, based on business segmentation under management accounting; fixed assets associated with the head office and those used for sales/marketing activities are categorized as shared assets. The Company revalued certain land that had remained idle whose market value had substantially fallen short of the book value, as well as certain manufacturing facilities for which the Company has no plans for use. These assets were revalued down to fair market value and the difference from the book value in the total amount of ¥1,219 million were recognized as an impairment loss as part of the extraordinary loss items.

The fair market value for the idle land is based on the net sale value estimated from a real estate appraisal. The fair market value for the manufacturing facilities are based on estimated net sale value. Other assets that are not deemed saleable or reusable for other purposes are valued at zero.

Purpose of use	Category of assets	Location	Impairment losses
			Million yen
Idle land	Land	Wakayama Prefecture	661
Manufacturing facilities	Machinery and equipments	Hyogo prefecture and other	558
Total			1,219

2. Restructuring expenses

For the fiscal year under review, the Company recognized restructuring expenses of ¥318 million as extraordinary losses comprising ¥175 million in costs of disposal of fixed assets and ¥143 million in costs of relocation of facilities.

[Consolidated Statements of Changes in Shareholders' Capital]

(April 1, 2007 to March 31, 2008)

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

	Number of shares as of March 31, 2007	Increase	Decrease	Number of shares as of March 31, 2008
	thousand shares	thousand shares	thousand shares	thousand shares
Shares issued and outstanding				
Common shares	470,463	-	-	470,463
Total	470,463	-	-	470,463
Treasury stock				
Common shares*	910	169	20	1,059
Total	910	169	20	1,059

Notes: 1. A 169,000 increase in the number of common shares represents purchase of shares constituting less than one unit. A 20,000 decrease in the number of common shares is due to the sell 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	Dividend per share	Record date	Effective date
		million yen	yen		
Annual general meeting of shareholders on June 28, 2007	Common shares	4,225	9	March 31, 2007	June 30, 2007
Board of directors held on November 7, 2007	Common shares	4,225	9	September 30, 2007	December 7, 2007

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

Date of approval	Type of share	Total dividend paid	Dividend source	Dividend per share	Record date	Effective date
		million yen		yen		
Annual general meeting of shareholders on June 28, 2008	Common shares	4,694	Retained earnings	10	March 31, 2008	Schedule d for June 30, 2008

(April 1, 2006 to March 31, 2007)

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

	Number of shares as of March 31, 2006	Increase	Decrease	Number of shares as of March 31, 2008
	thousand shares	thousand shares	thousand shares	thousand shares
Shares issued and outstanding				
Common shares	463,056	7,406	-	470,463
Total	463,056	7,406	-	470,463
Treasury stock				
Common shares*	1,157	257	504	910
Total	1,157	257	504	910

- Notes: 1. A 7,406,000 increase in the number of common shares is due to the exercise of subscription right (or equity warrant?).
2. A 257,000 increase in the number of common shares represents purchase of shares constituting less than one unit. A 504,000 decrease in the number of common shares is due to the exercise of stock option for 493,000 shares and the sell of shares constituting less than one unit for 11,000 shares.

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

3 Dividends

(1) Dividend paid

Date of approval	Type of share	Total dividend	Dividend per share	Record date	Effective date
		million yen	yen		
Annual general meeting of shareholders on June 29, 2006	Common shares	2,771	6	March 31, 2006	June 30, 2006
Board of directors held on November 8, 2006	Common shares	3,236	7	September 30, 2006	December 8, 2006

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

Date of approval	Type of share	Total dividend paid	Dividend source	Dividend per share	Record date	Effective date
		million yen		yen		
Annual general meeting of shareholders on June 28, 2007	Common shares	4,225	Retained earnings	9	March 31, 2007	Schedule d for June 29, 2007

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[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.

	As of March	(In million yen) As of March
	31, 2008	31, 2007
Cash and bank deposits	28,259	26,085
Short-term loans receivable	5,008	6,009
Time deposits with original maturities of more than three months	(723)	(2)
Short-term loans receivable (excl. repurchase agreement)	(8)	(9)
<u>Cash and cash equivalents</u>	<u>32,536</u>	<u>32,083</u>

[Omission of disclosure]

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

[Segment Information]

1. Business segment information

Business segment information is not provided herein due to the following reasons:

- (1) Sales of Machinery Equipment Division accounts for more than 90% of total sales.
- (2) Operating income of Machinery Equipment Division accounts for more than 90% of the sum of operating income of all segments.
- (3) The amount of assets held by Machinery Equipment Division accounts for more than 90% of total assets of all the segments.

2. Geographic segment information

(In million yen)

	Year ended March 31, 2008 (April 1, 2007—March 31, 2008)						
	Japan	Americas	Europe	Asia and other areas	Total	Elimination	Consolidated total
I. Net sales and operating income/loss							
Net sales							
(1) External sales	236,916	131,502	94,180	71,384	533,984	—	533,984
(2) Inter-segment sales	125,428	936	420	9,837	136,622	(136,622)	—
Total	362,344	132,439	94,601	81,221	670,606	(136,622)	533,984
Operating expenses	336,218	126,640	87,727	74,089	624,675	(140,303)	484,372
Operating income	26,126	5,799	6,873	7,131	45,931	3,680	49,611
II. Assets	456,878	113,149	66,278	74,904	711,211	(81,746)	629,464

(In million yen)

	Year ended March 31, 2007 (April 1, 2006—March 31, 2007)						
	Japan	North America	Europe	Asia and other areas	Total	Elimination	Consolidated total
I. Net sales and operating income/loss							
Net sales							
(1) External sales	223,653	123,263	77,680	59,220	483,817	—	483,817
(2) Inter-segment sales	115,991	990	287	6,667	123,937	(123,937)	—
Total	339,644	124,253	77,968	65,888	607,755	(123,937)	483,817
Operating expenses	311,365	119,723	73,650	59,437	564,177	(127,152)	437,025
Operating income	28,279	4,530	4,317	6,450	43,577	3,214	46,792
II. Assets	414,231	123,689	67,049	82,029	687,000	(75,055)	611,944

- Notes: 1. Countries or regions are classified in each segment by geographic proximity
2. Major countries or regions in each segment:
Americas: U.S.A., Canada, South and Central America
Europe: Germany, France, United Kingdom
Asia and other areas: China, Thailand, India and others
3. Changes in accounting policy
Changes in method of depreciation/amortization for property, plant & equipment
As stated in "Changes in Significant Information Regarding the Preparation of Consolidated Financial Statements" the Company and its consolidated subsidiaries in Japan changed the method of depreciation/amortization for property, plant & equipment acquired on and after April 1, 2007, to the method stipulated in the amended corporate tax law. The change increased operating expense in Japan by 811 million yen, and decreased operating income by the same amount as compared to the amount calculated by the conventional methods respectively.

4.Changes in geographical segment

South and Central America has been included in “Asia and other areas.” In view of their increasing importance as the Group strategy, South and Central America is added to “North America” and the combined area is reported as “Americas.” Geographic segment information for “Year ended March 31, 2007” according to the segmentation adopted in the period under review is reported below:

(In million yen)

	Year ended March 31, 2007 (April 1, 2006—March 31, 2007)						
	Japan	Americas	Europe	Asia and other areas	Total	Elimination	Consolidated total
I. Net sales and operating income/loss							
Net sales							
(1) External sales	223,653	126,868	77,680	55,615	483,817	—	483,817
(2) Inter-segment sales	115,991	799	287	6,661	123,740	(123,740)	—
Total	339,644	127,667	77,968	62,276	607,558	(123,740)	483,817
Operating expenses	311,365	122,552	73,650	56,411	563,981	(126,956)	437,025
Operating income	28,279	5,115	4,317	5,864	43,576	3,215	46,792
II. Assets	414,231	126,641	67,049	78,998	686,921	(74,976)	611,944

3. Overseas sales

(In million yen)

	Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)			
	Americas	Europe	Asia and other areas	Total
I Overseas sales	135,808	93,623	84,418	313,851
II Consolidated net sales				533,984
III Ratio of overseas sales to total consolidated sales	%	%	%	%
	25.4	17.5	15.8	58.7

(In million yen)

	Year ended March 31, 2007 (April 1, 2006 – March 31, 2007)			
	North America	Europe	Asia and other areas	Total
I Overseas sales	125,426	77,193	74,273	276,893
II Consolidated net sales				483,817
III Ratio of overseas sales to total consolidated sales	%	%	%	%
	25.9	16.0	15.3	57.2

- Notes: 1. Countries or regions are classified in each segment by geographic proximity
2. Major countries or regions in each segment:
Americas: U.S.A., Canada, South and Central America
Europe: Germany, France, United Kingdom
Asia and other areas: China, Thailand, India and others
3. “Overseas sales” includes sales by the Company and its consolidated subsidiaries to the countries and regions other than Japan.
4. Changes in geographical segment
South and Central America has been included in “Asia and other areas.” In view of their increasing importance as the Group strategy, South and Central America are added to “North America” and the combined area is reported as “Americas.”
“Overseas sales” information for “Year ended March 31, 2007” according to the segmentation adopted in the period under review is reported below:

(In million yen)

	Year ended March 31, 2007 (April 1, 2006 – March 31, 2007)			
	Americas	Europe	Asia and other	Total
I Overseas sales	130,526	77,193	69,174	276,893
II Consolidated net sales				483,817
III Ratio of overseas sales to total consolidated sales	%	%	%	%
	27.0	16.0	14.2	57.2

[Par share data]

	Year ended March 31,2008	Year ended March 31,2007
Net assets per share (yen)	445.98	445.61
Net income per share (yen)	58.43	58.34
Net income per share—fully diluted (yen)	54.59	53.74

Note: Net income per share and Net income per share—fully diluted are computed based on the following data:

	Year ended March 31,2008	Year ended March 31,2007
Net income per share		
Net income in consolidated balance sheets (million yen)	27,431	27,014
Amounts not belonging to common shares holders	–	–
Net income available for common shares (million yen)	27,431	27,014
Average number of common shares during the period	469,461	463,014
Net income per share—fully diluted		
Adjustments in net income in consolidated balance	4	0
(Administration fee, etc. (excluding tax equivalent	(4)	(0)
Increase in number of common shares (thousand shares)	33,133	39,713
(Convertible bonds as part of increase in number of	(33,133)	(39,675)
(Equity warrant as part of increase in number of	(–)	(38)

[Significant Subsequent Event]

1 Acquisition of shares in significant subsidiaries

The Company acquired additional 16 % equity of SNR Roulement (SNR), an equity method affiliate in France, with the aim of expanding operation in Europe. With the additional equity acquisition the Company owns totally 51 % equity of SNR, which brings it as a subsidiary of the Company.

- (1) Corporate name: S.N.R. ROULEMENTS
- (2) Business lines: Manufacture and sales of bearings and components for automotive, industrial, and aircraft & space equipment
- (3) Sales: 643,986 thousand euro (2007)
- (4) Acquisition cost: 25,600 thousand euro (added acquisition -16 % equity)

2 Establishment of significant subsidiaries

The company established a manufacturing corporation in the city of Hakui, Ishikawa Prefecture to respond to the growing demand for the extra large size bearing according to the board resolution of February 21, 2008.

- (1) Corporate name: NTN HOUDATSU SHIMIZU CORPORATION
- (2) Business lines: Manufacture and sales of the extra large size bearings and machine parts
- (3) Established: April 1, 2008
- (4) Acquisition cost: 2,500 million yen
(acquired equity of 700 million yen in April 2008, and schedules to acquire additional equity of 1,800 million yen in April 2009)
- (5) Investors: NTN - 100 %

3 Issue of bonds:

The company passed a resolution in the board meeting held on May 9, 2008, which allows issuance of unsecured straight bond in Japan. Outlines of the resolution are as follows:

- (1) Amount of issue: 10 billion yen
- (2) Issue price: 100 yen per bond with nominal amount of 100 yen
- (3) coupon rate: 2.0 % annually at maximum
- (4) redemption method: bullet repayment
- (5) Maturity: 5 years
- (6) Issue date: within 3 months from the date of the board resolution stated above
- (7) Use of funds: redemption of bonds

5. Non-Consolidated Financial Statements

Balance Sheets

(In million yen)

	As of March 31, 2008 (A)	As of March 31, 2007 (B)	(A) - (B)
	Amount	Amount	Amount
Assets			
I Current assets			
1 Cash and bank deposits	12,056	11,233	823
2 Notes receivable-trade	9,482	14,589	(5,107)
3 Accounts receivable-trade	85,644	82,070	3,574
4 Merchandise	898	959	(61)
5 Finished goods	20,250	18,836	1,414
6 Raw materials	1,173	1,190	(17)
7 Work in process	17,469	17,177	292
8 Supplies	3,467	3,192	275
9 Prepaid expenses	63	45	18
10 Deferred tax assets	3,502	3,666	(164)
11 Short-term loans receivable	10,745	13,175	(2,430)
12 Accounts receivable - other	16,729	13,847	2,882
13 Other	3,544	2,231	1,313
14 Allowance for doubtful accounts	(23)	(37)	14
Total current assets	185,004	182,178	2,826
II Fixed Assets			
1 Property, plant and equipment			
(1) Buildings	24,448	24,242	206
(2) Structures	1,850	1,817	33
(3) Machinery and equipment	50,958	49,955	1,003
(4) Vehicles	306	318	(12)
(5) Tools and furniture	3,478	3,766	(288)
(6) Land	19,936	16,861	3,075
(7) Construction in progress	2,699	3,427	(728)
Total property, plant and equipment	103,677	100,388	3,289
2 Intangible fixed assets			
(1) Patent	33	22	11
(2) Leasehold	252	252	-
(3) Software	1,450	1,620	(170)
(4) Other	68	71	(3)
Total intangible assets	1,805	1,966	(161)
3 Investments and other assets			
(1) Investment securities	31,186	25,012	6,174
(2) Shares of affiliates	107,322	99,170	8,152
(3) Investment in affiliates	5,279	5,279	-
(4) Long-term loans receivable	25	31	(6)
(5) Long-term prepaid expenses	82	48	34
(6) Deferred tax assets	14,636	10,811	3,825
(7) Other	1,133	1,468	(335)
(8) Allowance for doubtful accounts	(0)	(2)	2
Total investments and other assets	159,666	141,818	17,848
Total fixed assets	265,150	244,174	20,976
Total assets	450,154	426,352	23,802

(In million yen)

	As of March 31, 2008 (A)	As of March 31, 2007 (B)	(A) - (B)
	Amount	Amount	Amount
Liabilities			
I Current liabilities			
1 Notes payable	10,955	9,131	1,824
2 Accounts payable - trade	92,397	81,506	10,891
3 Short-term loans	27,720	14,020	13,700
4 Bonds due within one year	10,000	-	10,000
5 Corporate bonds with equity warrant due within one year	24,519	-	24,519
6 Accounts payable, other	4,897	3,940	957
7 Accrued expense	13,641	13,341	300
8 Income taxes payable	2,278	5,090	(2,812)
9 Accrued bonuses for directors and statutory auditors	153	154	(1)
10 Other	2,334	1,832	502
Total current liabilities	188,897	129,017	59,880
II Long-term liabilities			
1 Bonds	30,000	40,000	(10,000)
2 Corporate bonds with equity warrant	-	24,519	(25,519)
3 Long-term loans	25,400	18,600	6,800
4 Accrued retirement benefits for employees	20,396	26,433	(6,037)
5 Reserve for product defect compensations	1,378	700	678
6 Other	7,270	9,363	(2,093)
Total long-term liabilities	84,445	119,617	(35,172)
Total liabilities	273,342	248,634	24,708
Net assets			
I Shareholders' capital			
1 Common stock	42,339	42,339	-
2 Capital surplus			
(1) Capital reserve	55,362	55,362	-
(2) Other capital surplus	47	47	-
Total capital surplus	55,410	55,410	-
3 Retained earnings			
(1) Legal reserves	8,639	8,639	-
(2) Other retained earnings			
(a) Reserve for special depreciation	-	16	(16)
(b) Depreciation of replacement assets	611	625	(14)
(c) General reserve	22,009	22,009	-
(d) Retained earnings carried over	50,474	41,408	9,066
Total retained earnings	81,735	72,700	9,035
4 Treasury stock	(722)	(568)	(154)
Total shareholders' capital	178,763	169,881	8,882
II Valuation and translation adjustments			
1 Net unrealized holding gain on other	(1,951)	7,836	(9,787)
Total Valuation and translation adjustments	(1,951)	7,836	(9,787)
Total net assets	176,812	169,881	8,882
Total liabilities and net assets	450,154	426,352	23,802

Statements of Operations

	Year ended	Year ended	(A) - (B)
	March 31, 2008	March 31, 2007	
	(A)	(B)	
	Amount	Amount	Amount
I Net sales	359,856	336,839	23,017
II Cost of sales	299,014	274,391	24,623
Gross profit	60,842	62,447	(1,605)
III Selling, general and administrative expenses	41,940	39,664	2,276
Operating income	18,901	22,783	(3,882)
IV Non-operating income			
1 Interest and dividend income	6,698	5,879	819
2 Other	3,586	4,035	(449)
Total non-operating income	10,285	9,914	371
V Non-operating expenses			
1 Interest expenses	1,054	783	271
2 Other	3,648	2,495	1,153
Total non-operating expenses	4,702	3,278	1,424
Ordinary income	24,483	29,419	(4,936)
VI Extraordinary gains			
1 Gains arising from the establishment of retirement benefit trust fund	4,073	-	4,073
2 Gains arising from the change in retirement benefit scheme	-	2,380	(2,380)
3 Gain on sale of investment securities	-	1,645	(1,645)
Total extraordinary gains	4,073	4,025	48
VII Extraordinary losses			
1 Reserve for product defect compensation	1,700	-	1,700
2 Impairment loss	-	558	(558)
3 Restructuring expenses	529	318	211
Total extraordinary losses	2,229	876	1,353
Income before income taxes and minority	26,327	32,568	(6,241)
Income and other taxes	5,979	8,968	(2,989)
Income taxes adjustment	2,861	2,505	356
Net income	17,486	21,095	(3,609)

Statement of Changes in Shareholders' Capital

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(In million yen)

	Shareholders' capital						
	Common stock	Capital surplus			Retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus	Legal reserve	Other	
						Reserve for special depreciation	Reserve for advanced depreciation of replacement
Balance as of March 31, 2007	42,339	55,362	47	55,410	8,639	16	625
Change during the period							
Distribution of retained							
Reversal of reserve for special depreciation						(16)	
Reversal of reserve for advanced depreciation of replacement assets							(13)
Net income							
Purchase of treasury stock							
Sale of treasury stock							
Net change in items other than shareholders' capital during the year							
Total change during the period	-	-	-	-	-	(16)	(13)
Balance as of March 31, 2008	42,339	55,362	47	55,410	8,639	-	611

(In million yen)

	Shareholders' capital					Valuation and Net unrealized gains (losses) on other securities	Total net assets
	Retained earnings			Treasury stock	Total shareholder's capital		
	Other		Total retained earnings				
	General reserve	Retained earnings carried over					
Balance as of March 31, 2007	22,009	41,408	72,700	(568)	169,881	7,836	177,718
Change during the period							
Distribution of retained		(8,451)	(8,451)		(8,451)		(8,451)
Reversal of reserve for special depreciation		16	-		-		-
Reversal of reserve for advanced depreciation of replacement assets		13	-		-		-
Net income		17,486	17,486		17,486		17,486
Purchase of treasury stock				(171)	(171)		(171)
Sale of treasury stock				17	17		17
Net change in items other						(9,787)	(9,787)
Total change during the period	-	9,065	9,035	(153)	8,881	(9,787)	(905)
Balance as of March 31, 2008	22,009	50,474	81,735	(722)	178,763	(1,951)	176,812

Year ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(In million yen)

	Shareholders' capital						
	Common stock	Capital surplus			Legal reserve	Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus		Other	
						Reserve for special depreciation	Reserve for advanced depreciation of replacement
Balance as of March 31, 2006	39,599	52,622	16	52,638	8,639	93	657
Change during the period							
Issuance of new shares	2,740	2,740		2,740			
Distribution of retained earnings*							
Distribution of retained earnings							
Directors' bonuses*							
Reversal of reserve for special depreciation*						(38)	
Reversal of reserve for special depreciation						(38)	
Reversal of reserve for advanced depreciation or replacement assets*							(17)
Reversal of reserve for advanced depreciation or replacement assets							(15)
Net income							
Net gains on sale of treasury stock			31	31			
Purchase of treasury stock							
Sale of treasury stock							
Net change in items other than shareholders' capital during the year							
Total change during the period	2,740	2,740	31	2,772	-	(76)	(32)
Balance as of March 31, 2007	42,339	55,362	47	55,410	8,639	16	625

(In million yen)

	Shareholders' capital					Valuation and Net unrealized gains (losses) on other securities	Total net assets
	Retained earnings			Treasury stock	Total shareholder's capital		
	Other		Total retained earnings				
	General reserve	Retained earnings carried over					
Balance as of March 31, 2006	22,009	26,351	57,752	(585)	149,404	10,699	160,103
Change during the period							
Issuance of new shares					5,481		5,481
Distribution of retained earnings*		(2,771)	(2,771)		(2,771)		(2,771)
Distribution of retained earnings		(3,236)	(3,236)		(3,236)		(3,236)
Directors' bonuses*		(140)	(140)		(140)		(140)
Reversal of reserve for special depreciation*		38	-		-		-
Reversal of reserve for special depreciation		38	-		-		-
Reversal of reserve for advanced depreciation or replacement assets*		17	-		-		-
Reversal of reserve for advanced depreciation or replacement assets		15	-		-		-
Net income		21,095	21,095		21,095		21,095
Net gains on sale of treasury stock					31		31
Purchase of treasury stock				(249)	(249)		(249)
Sale of treasury stock				266	266		266
Net change in items other than shareholders' capital during the year						(2,863)	(2,863)
Total change during the period	-	15,056	14,947	17	20,477	(2,863)	17,614
Balance as of March 31, 2007	22,009	41,408	72,700	(568)	169,881	7,836	177,718

Note* Subject to the resolution on the appropriation of retained earnings adopted by the Annual General Meeting of Shareholders held in June 2006.