

Financial Results
For the Year Ended March 31, 2009 – Consolidated

NTN Corporation

Security Code:	6472	May 13, 2009
Listings:	Tokyo and Osaka Stock Exchanges	
URL:	http://www.ntn.co.jp/	
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Scheduled date of annual shareholders' meeting:	June 25, 2009	
Scheduled commencement date of dividend payment:	June 26, 2009	
Scheduled submission date of financial statements:	June 26, 2009	

1. Consolidated Financial Results for the Year Ended March 31, 2009
(April 1, 2008 to March 31, 2009)

(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, 2009	527,099	(1.3)	9,478	(80.9)	8,731	(79.8)	(8,985)	-
Year ended March 31, 2008	533,984	10.4	49,611	6.0	43,231	2.4	27,431	1.5

	Net income per share	Diluted net income per share	Return on equity	Ordinary income/Total assets	Operating income/Net sales
	yen	yen	%	%	%
Year ended March 31, 2009	(19.14)	-	(4.7)	1.4	1.8
Year ended March 31, 2008	58.43	54.59	13.1	7.0	9.3

Note: Equity method investment gains or losses: Year ended March 31, 2009: 563million yen
 Year ended March 31, 2008: 1,522 million yen
 Diluted net income per share is not reported due to negative net income per share for the period

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2009	627,613	192,222	28.2	376.77
Year ended March 31, 2008	629,464	216,399	33.3	445.98

Note: Shareholders' equity
 Year ended March 31, 2009: 176,974 million yen
 Year ended March 31, 2008: 209,342 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, 2009	21,375	(62,917)	44,551	30,995
Year ended March 31, 2008	66,263	(83,548)	15,606	32,536

2. Dividends

(Record date)	Dividends per share					Total dividends paid (full year)	Dividend payout ratio (consolidated)	Dividends on net assets (Consolidated)
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2008	-	9.00	-	10.00	19.00	8,919	32.5	4.3
Year ended March 31, 2009	-	9.00	-	4.00	13.00	6,102	-	3.2
Year ending March 31, 2010 (forecast)	-	-	-	-	-		-	

Note: Dividends per share for the Year ending March 31, 2010 is not decided yet

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2010

(April 1, 2009 to March 31, 2010)

(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	198,000	(38.2)	(6,500)	-	(8,500)	-	(6,500)	-	(13.84)
Full year	465,000	(11.8)	7,500	(20.9)	2,000	(77.1)	500	-	1.06

4. Other Information

- (1) Significant changes in subsidiaries during the period (Scope of consolidation): None
- (2) Changes in accounting principles, procedure, and method of disclosure used to prepare the financial results
- 1) Changes in accordance with amendments of accounting standards: Yes
- 2) Changes other than above: None
- Note: For details, see “Changes in Significant Information Regarding the Preparation of Consolidated Financial Statements” on page 17
- (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, 2009: 470,463,527 shares
- Year ended March 31, 2008: 470,463,527 shares
- Number of treasury stock at end of the period:
- Year ended March 31, 2009: 750,862 shares
- Year ended March 31, 2008: 1,059,883 shares
- Note: For number of shares serving as basis for calculation of net income per share (consolidated), see “Par share data” on page 26

**Reference: Overview of Financial Results on Non-Consolidated basis
For the Year Ended March 31, 2009 – Non-consolidated**

1. Financial Results for the Year Ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(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, 2009	315,032	(12.5)	(4,054)	-	5,248	(78.6)	(9,778)	-
Year ended March 31, 2008	359,856	6.8	18,901	(17.0)	24,483	(16.8)	17,486	(17.1)

	Net income per	Diluted net income
	yen	yen
Year ended March 31, 2009	(20.83)	-
Year ended March 31, 2008	37.25	34.80

Note: Diluted net income per share is not reported due to negative net income per share for the period

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2009	412,017	159,659	38.8	339.91
Year ended March 31, 2008	450,154	176,812	39.3	376.67

Note: Shareholders' equity
Year ended March 31, 2009: 159,659 million yen
Year ended March 31, 2008: 176,812 million yen

* Notes

- 1 The above forecast incorporates certain assumptions and projections based upon which the future outlook and plans by NTN (the Company) as announced in this document are formulated. Actual results may differ from the above forecast depending on various conditions. For additional information, please refer to “1. Operating Results” from page 3 to 5.
- 2 The year-end dividend forecast for the fiscal year ending March 31, 2010 has not yet been determined due to continued uncertainties over the future business environment. NTN will disclose it upon the information becomes available.

1. Operating Results

1) Analysis of Operating Results

(Operating Results for the Fiscal Year Ended March 31, 2009)

During the fiscal year under review, economy in Japan was on the track of growth, though it was slow in the first half of the year. In contrast, it plunged into an extremely difficult state in the second half of the year due to the global economic downturn impacted by the financial crisis, which started in the US. It forced manufacturers including automakers to make production adjustments and cut-down in capital investments.

Overseas, the economy in the US and Europe, impacted by a vicious cycle of a financial crisis and the slowdown of the real economy, rapidly deteriorated. The emerging countries, such as China and India, also experienced further economic recession.

In this setting, the sale of the NTN group (the Group) decreased 1.3 % from a year earlier to 527,099 million yen impacted by a decline in demand from automakers and foreign exchanges, though there was a contribution in the amount of 85,325 million yen from SNR, which became a subsidiary company of the Group.

With regard to income, impacted by higher costs of steel, operating income fell 80.9 % year on year to 9,478 million yen, and ordinary income dropped 79.8 % from a year earlier to 8,731 million yen.

After posting an extraordinary gain of 359 million yen related to the refund of prior-year custom duties, and extraordinary losses; business restructuring expenses of 1,112 million yen; impairment loss of 3,064; loss on devaluation of investment securities of 13,921; cost related to business restructuring of affiliated companies of 498 million yen; and the reserve for the product defect compensation of 600 million yen, net loss came to 8,985 million yen.

Sales by business segment were as follows:

(1) Bearings

In applications for general industrial machinery, Japan, Europe and China enjoyed robust growth of the product for wind power generation systems. In Asia, sales dropped due to a sudden decline in demand for fluid dynamic bearings for hard disk drive (HDD) motors, and an unfavorable impact of foreign exchange rates.

In automotive applications, axle bearings and needle roller bearings showed solid performance in China, assisted by the start of volume production on new products mainly by Japanese automakers.

In other areas, sales fell due to a decrease in demand and an unfavorable impact of foreign exchange rates.

Against the backdrop, sales in this sector increased 11.2 % from a year earlier to 376,381 million yen, benefited by the sale of 85,325 million yen added by SNR, which became a subsidiary company of the Group.

(2) Constant-velocity Joints (CVJs)

Sales of CVJs in China increased, assisted by the start of volume production on new products. In other areas, sales dropped due to a decline in demand from automakers and an unfavorable impact of foreign exchange rates.

As a result, the Group's net sales of the period decreased 24.6 % from a year earlier to 124,445 million yen.

(3) Precision equipment and other products

Although sales of flat panel display repair devices showed solid performance with new orders, sales for parts feeders, clutch units and auto-tensioners fell. As a result, the Group's net sales of the period decreased 13.8 % from a year earlier to 26,271 million yen.

Sales by geographical segment were as follows:

(1) Japan

Sales in both general industrial machinery and automotive applications dropped due to declines in overall demand and export business, though sales of large bearings for wind power systems increased.

As a result, the Group's net sales for the period decreased 13.9 % from a year earlier to 311,883 million yen.

Operating income came to negative in the amount of 1,656 million yen, impacted by a drop in sales, higher cost of steels, and unfavorable foreign exchange rates.

(2) Americas

Sales in both industrial machinery and automotive applications fell due to declines in overall demand and unfavorable foreign exchange rates, though sales of large bearings for construction machines and bearings for construction equipments increased. As a result, the Group's net sales for the period decreased 20.8 % from a year earlier to 104,919 million yen. Operating income came to negative in the amount of 148 million yen, impacted by a drop in sales, higher cost of steels, and unfavorable foreign exchange rates.

(3) Europe

Sales in both industrial machinery and automotive applications fell due to declines in overall demand, and unfavorable foreign exchange rates, though sales of large bearings for wind power systems increased.

Against the backdrop, the net sales for the period increased 60.5 % year on year to 151,822 million yen, reflecting the contribution from SNR, which became a consolidated company of the Group. Operating income dropped 62.5 % from a year earlier to 2,577 million yen, impacted by higher cost of steels and unfavorable foreign exchange rates, despite the benefit created by SNR, which became a consolidated company of the Group.

(4) Asia and other areas

In China, large bearings for wind power generation, and axle bearings, needle roller bearings and CVJs for automotive applications showed solid performance. In other areas in Asia, sales in both industrial machinery and automotive applications fell due to rapid declines in demand for fluid dynamic bearings and bearings for automotives, and impact by unfavorable foreign exchange rates. As a result, sales for the period decreased 13.1 % year on year to 70,598 million yen. Operating income decreased 24.8 % from a year earlier to 5,359 million yen, reflecting drop of sales and unfavorable foreign exchange rates.

(Outlook for the Year Ending March 31, 2010)

Looking ahead, an effect is hoped to be seen in the economic-stimulus measures and advancement of inventory adjustment implemented by individual countries. However, it is forecasted that the global economy will further deteriorate, impacted by a deepening vicious cycle between a financial crisis and the real economy, and by a protracting severe condition of the economy.

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

For the full year ending March 31, 2010, the Group forecasts consolidated net sales of 465 billion yen, operating income of 7.5 billion yen, ordinary income of 2 billion yen and net income of 500 million yen. These forecasts are based on foreign exchange rate assumptions of ¥90/US\$1.00 and ¥120/EUR1.00.

2) Analysis of Financial Position

(Assets, Liabilities, and Net assets)

Total current assets at March 31, 2009 amounted to 278,153 million yen, a year-on-year decrease of 2,983 million, or 1.1%. Major factors included a 25,281 million decrease in notes receivables and accounts receivables, and a 18,797 increase in finished goods & purchased goods. Total fixed assets at the fiscal year-end amounted to 349,459 million yen, a year-on-year increase of 1,132 million yen, or 0.3%. Major factors included a 15,018 million yen increase in property, plant and equipment, a 5,983 million yen in deferred tax assets, and 21,346 million yen in investment securities.

As a result, total assets were 627,613 million yen, an decrease of 1,851 million yen, or 0.3% from a year earlier.

Total current liabilities at March 31 2009 amounted to 284,346 million yen, a year-on-year decrease of 15,965, or 5.3%. Major factors included a 34,895 million yen decrease in notes and accounts payable, a 24,519 decrease in corporate bonds with equity warrant due within one year, and a 55,313 increase in short-term loans.

Total long-term liabilities at the fiscal year-end amounted to 151,044 million yen, a year-on-year increase of 38,291 million yen, or 34.0%. Major factors included a 32,328 million yen increase in long-term loans.

As a result, total liabilities were 435,391 million yen, an increase of 22,326, or 5.4% from a year earlier.

Total net assets were 192,222 million yen, a year-on-year decrease of 24,177 million yen, or 11.2%. Major factors included a 19,524 million yen decrease in retained earning, a 14,372 million decrease in translation adjustments, and a 191 million yen increase in minority interests.

(Cash Flows)

Net cash provided by operating activities was 21,357 million yen, a year-on-year decrease of 44,888 million yen, or 67.7%. This mainly reflected 10,103 million yen in pretax loss, a 49,890 million yen decrease in trade payables, a 14,338 million yen increase in inventories, payment of income taxes in 8,539 million yen, which more than offset a 45,759 million yen in depreciation and amortization, a 45,254 million yen decrease in trade receivables, and a 13,921 million yen loss from devaluating investment securities.

Cash used in investment activities decreased 20,631 million yen, or 24.7% year-on-year, to 62,917 million yen. This was mainly due to outlays of 54,272 million yen for the acquisition of property, plant and equipment.

Net cash provided by financing activities was 44,551 million yen, a year-on-year increase of 28,945 million yen, or 185.5%. This was due mainly to a net increase of 78,497 million yen in long- and short-term loans, and proceeds from issuing bonds in 10,000 million yen, which more than offset 24,519 million yen outlaid for redemption of corporate bonds with equity warrant, 10,000 million yen outlaid for redemption of bonds, and 8,917 million yen outlaid for dividend payment.

As a result of these cash flows, and including foreign exchange loss of 4,703 million yen and a 153 million yen increase from acquiring non-consolidated subsidiaries, cash and cash equivalents at the end of the fiscal year amounted to 30,995 million yen, a decrease of 1,541 million yen, or 4.7%, from the end of the previous fiscal year.

(Reference) Cash flow indicators for the years ended March 31, 2006 to 2009

	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009
Shareholders' equity ratio (%)	32.6	34.2	33.3	28.2
Shareholders' equity ratio based on current market value (%)	76.8	78.3	50.7	20.7
Cash flows to interest-bearing debt ratio (annual)	4.7	3.4	3.2	12.9
Interest coverage ratio (times)	10.5	11.6	11.5	3.8

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

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

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

Interest coverage ratio: Operating cash flows / Interest payments

· Each of these indicators was calculated based on the consolidated statements.

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

· Operating cash 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.

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

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

With regard to the year-end dividend for the fiscal period under review, the Company intends to pay 4 yen per share. Adding it to the interim dividend, 9 yen, the total annual dividend per share will become 13 yen.

The year-end dividend forecast for the fiscal year ending March 31, 2010 has not yet been determined due to continued uncertainties over the future business environment. NTN will determine it after evaluating the company's future performance.

2. The Group Overview

The NTN Group consists of NTN Corporation (the Company), 63 subsidiaries and 22 affiliated companies (as of March 31, 2009). The Group's main business is manufacturing and sales of bearings, constant-velocity joints and precision equipment and its business divisions are classified according to this product segmentation.

- 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, and by its overseas manufacturing subsidiaries directly.

The Company newly established NTN Gardelegen G.m.b.H. and NTN Houdatsu Shimizu Corporation in April 2008, and NTN Akaiwa Corporation in September 2008. It also established NTN Transmissions Europe Crezancy through stock acquisition in June 2008. All of them are the Company's subsidiaries. Kyoei NTN Corporation and NTN Kasei Corporation were merged into NTN Bearing Service Co. in October 2008.

3. Management policy

(1) Basic Management Policy, (2) Goals and Objectives

These two subjects are omitted in this section as there are no significant changes from the disclosures made in the Financial Results for the Year Ended March 31, 2007, reported on May 14, 2007.

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>

(3) Medium-to Long-term Management Strategies

NTN has set its long-term visions:

- 1) NTN aims to establish a strong market presence capitalizing on its global best-in-class and products that are unmatched by its competitors.
- 2) NTN will work to establish a presence in the five major global markets, including Japan, the Americas, Europe, Asia and China.
- 3) NTN will strive to become a global company that is capable of bringing out the best in people and that contributes to society.

The company, assuming that recovery of demand from automotive and industrial machinery sectors takes a couple more years, aims to build up a strong corporate structure, which enables NTN to carry out *operation not relying on business volume*. This is achieved by implementing various measures, standing on its fundamental principle, *For New Technology Network* during the two fiscal years, FY2009 and FY2010. NTN positions these two years as the period of a new medium-term management plan, *NTN2010 for the Next Step*.

(4) Management Issues to be Addressed

Under the medium-term management plans, *Rapid Advance 21 and Growth through Creativity and Achievement 21(GAC21)*, the Group has aggressively been taking growth strategies since April 2004.

During the fiscal year under review, economic situation was on the track of growth, though it was slow in the first half of the year. In contrast, it plunged into a extremely difficult state in the second half of the year due to the global economic downturn impacted by the financial crisis which started in the US.

The Company has prepared a new medium-term management plan, *NTN 2010 for the Next Step*, covering 2 years from April 2009, by reviewing the final year of *GCA 21*, to cope with the drastic change in the global economic situation.

In *NTN2010 for the Next Step*, the company, assuming that a recovery of demand from automotive and industrial machinery sectors takes a couple more years, aims to build up a strong corporate structure, which enables NTN to carry out *operation not relying on business volume*.

This is achieved by implementing various measures, standing on its fundamental principle, *For New Technology Network*.

At SNR, which became a consolidated member of the Company in April 2008, sales function has been reinforced by reorganizing the system for each business sector. The distribution center has been integrated to improve services to customers. The reorganization helps the company get new orders from automotive and industrial machinery sectors. It also improves services to after market and distributors by utilizing goods and distribution channels of both companies in a mutually complementary manner. Technological integration among NTN and SNR has been promoted as seen in practical application of High-Resolution Rotational Sensors, which has been jointly developed. The Company will strengthen the sales structure to further increase a market presence in Europe.

With regard to research and development, the Company accelerates a development of high-value-added products. In industrial machinery application, the Company focus on sectors contributing to preservation of global environment such as wind power generation and railway cars, and unique products in the growth areas including advanced aircrafts and healthcare equipments. R&D Center for elemental technologies will be completed in Mie prefecture in June 2009, which will help the Company delve into elemental technologies, and reinforce research and development function of products such as large bearings for industrial machinery applications. In automotive application, the Company will work to contribute to the auto industry's concern; low-fuel consumption and reduction of CO2 emission. The Company will achieve it by downsizing, reducing weight, and lowering torque of bearings and CVJs.

As for measures related to sales, the Company expands business with industrial machinery sector and aftermarket & distributor sector. In industrial machinery sector, the Company builds up technological edge in growth areas such as wind power generation and railway car, and reinforce the organizations.

In after market & distributor sector, the Company expands sales in emerging countries and parts market by offering better services. In automotive sector, the Company operates profitability-minded business to improve profitability of the sector.

On the production front, the Company works to reduce inventories by reviewing supply chains, and shorten lead times.

The Company reforms production control, which is the fundamentals of *MONOZUKURI*, further improve quality of the products by upgrading production processes and equipments, and improve production capability for small-lot requests. The company expanded production capacity at Kuwana Works and capability of Mie Works to respond to the increase in demand of bearings for industrial machinery application. In addition, NTN Houdatsu Shimizu Corporation in Ishikawa prefecture schedules to start operation in October 2009. Takarazuka Works, which had been behind schedule in closing operation due to the subsequent global booming demand for the products, finally ended its operation. The company continues to work on restructuring production system to adapt it to the global economic situation, and reinforcing the roll of the plants in Japan as the mother plants. With regard to enhancing earning structure, the Company works to drastically improve asset utilization.

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

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From the perspective of corporate social responsibility, the Company works to maintain or renew the company-wide internal control systems and compliance (corporate ethics). As to risk management, countermeasures to natural disasters and the spread of infections are emphasized. Relative to assisting female employees, the Company has actively been working on programs including in-house nurseries.

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 the plants, which have been newly built.

4. Consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of March 31, 2008		As of March 31, 2009	
Assets				
Current assets				
Cash and bank deposits		28,259		28,047
Notes and accounts receivable-trade		105,223		79,942
Inventories		109,969		-
Finished goods & purchased goods		-		76,418
Work in process		-		41,185
Raw materials & supplies		-		22,863
Deferred tax assets		8,340		4,453
Short-term loans receivable		5,008		5,010
Other		24,477		20,419
Allowance for doubtful accounts		(141)		(186)
Total current assets		<u>281,136</u>		<u>278,153</u>
Fixed Assets				
Property, plant and equipment				
Buildings and structures		142,523		147,371
Accumulated depreciation		(75,431)		(81,696)
Buildings and structures, net	*1,5	<u>67,092</u>	*1,5	<u>65,674</u>
Machinery, equipment and vehicles		516,394		570,543
Accumulated depreciation		(360,203)		(402,309)
Machinery, equipment and vehicles, net	*5	<u>156,191</u>	*1,5	<u>168,234</u>
Land	*1,5	27,122	*1,5	29,118
Construction in progress		15,223		18,197
Other		47,470		51,038
Accumulated depreciation		(39,698)		(43,844)
Other, net		7,772	*5	7,194
Total property, plant and equipment		<u>273,401</u>		<u>288,419</u>
Intangible fixed assets				
Other		2,727		4,181
Total intangible fixed assets		<u>2,727</u>		<u>4,181</u>
Investments and other assets				
Investment securities	*3	53,518	*3	32,172
Deferred tax assets		16,617		22,600
Other		2,730		2,363
Allowance for doubtful accounts		(667)		(276)
Total investments and other assets		<u>72,198</u>		<u>56,859</u>
Total fixed assets		<u>348,327</u>		<u>349,459</u>
Total assets		<u>629,464</u>		<u>627,613</u>

	As of March 31, 2008		As of March 31, 2009	
Liabilities				
Current liabilities				
Notes and accounts payable-trade		107,499		72,604
Short-term loans	*1	108,007	*1	163,320
Bonds due within one year		10,000		10,000
Corporate bonds with equity warrant due within one year		24,519		-
Accrued income taxes		6,727		2,389
Accrued bonuses for directors and statutory auditors		190		26
Other		43,367		36,006
Total current liabilities		<u>300,311</u>		<u>284,346</u>
Long-term liabilities				
Bonds		30,000		30,000
Long-term loans		40,347	*1	72,675
Accrued retirement benefits for employees		27,667		32,277
Reserve for product defect compensation		1,378		1,539
Accrued defined pension		7,234		5,236
Negative goodwill		-		1,157
Other		6,125		8,158
Total long-term liabilities		<u>112,753</u>		<u>151,044</u>
Total liabilities		<u>413,065</u>		<u>435,391</u>
Net assets				
Shareholders' equity				
Common stock		42,339		42,339
Capital surplus		55,410		55,410
Retained earnings		125,048		105,524
Treasury stock		(722)		(728)
Total shareholders' equity		<u>222,076</u>		<u>202,547</u>
Valuation and translation adjustments				
Net unrealized holding gain on securities		(1,939)		(405)
Translation adjustments		(10,794)		(25,166)
Total Valuation and translation adjustments		<u>(12,733)</u>		<u>(25,572)</u>
Minority interests		7,056		15,247
Total net assets		<u>216,399</u>		<u>192,222</u>
Total liabilities and net assets		<u>629,464</u>		<u>627,613</u>

(2) Statements of Operations

(In million yen)

	Year ended March 31, 2008		Year ended March 31, 2009	
Net sales		533,984		527,099
Cost of sales	*1	421,989	*1	445,252
Gross profit		<u>111,995</u>		<u>81,847</u>
Selling, general and administrative expenses				
Freight		12,961		11,839
Sales commissions		917		978
Provision for doubtful accounts		71		-
Salaries and benefit		22,594		26,263
Retirement benefit expense		1,363		1,845
Provision of reserve for director retirement		187		26
Rent expenses		2,094		2,340
Travel		1,125		1,446
Taxes & dues		1,308		1,180
Depreciation expense		1,935		2,666
Research and development		5,488		8,688
		<u>12,336</u>		<u>15,094</u>
Total selling, general and administrative expenses	*1	<u>62,383</u>	*1	<u>72,368</u>
Operating income		<u>49,611</u>		<u>9,478</u>
Non-operating income				
Interest income		623		455
Dividend income		365		603
Depreciation of negative goodwill		-		1,238
Equity in earnings of unconsolidated subsidiaries		1,522		563
Exchange gains		-		1,918
Other		2,745		3,505
Total non-operating income		<u>5,257</u>		<u>8,285</u>
Non-operating expenses				
Interest expenses		5,760		5,309
Exchange loss		1,772		-
Other		4,103		3,723
Total non-operating expenses		<u>11,637</u>		<u>9,032</u>
Ordinary income		<u>43,231</u>		<u>8,731</u>

	Year ended March 31, 2008		Year ended March 31, 2009	
Extraordinary gains				
Refund of custom duty belonging to prior years		-		359
Gains from the establishment of retirement benefit trust fur		4,073		-
Total extraordinary gains		<u>4,073</u>		<u>359</u>
Extraordinary losses				
Restructuring expenses	*3	529	*3	1,112
Impairment loss		-	*2	3,064
Loss on devaluation of investment securities		-		13,921
Costs related to business restructuring of affiliated companies		-		498
Reserve for product defect compensation		1,700		600
Payment of custom duty belonging to prior years		762		-
Total extraordinary losses		<u>2,991</u>		<u>19,195</u>
Income before income taxes and minority interests		<u>44,313</u>		<u>(10,103)</u>
Income and other taxes		12,259		4,469
Refund of income taxes		-		(1,227)
Income taxes adjustment		4,209		(4,663)
Total income and other taxes		<u>16,468</u>		<u>(1,421)</u>
Minority interests in subsidiaries		413		303
Net income		<u>27,431</u>		<u>(8,985)</u>

(3) Statement of Changes in Shareholders' Equity

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Shareholders' equity		
Common stock		
Balance at March 31, 2008	42,339	42,339
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2009	<u>42,339</u>	<u>42,339</u>
Additional paid-in capital		
Balance at March 31, 2008	55,410	55,410
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2009	<u>55,410</u>	<u>55,410</u>
Retained earnings		
Balance at March 31, 2008	106,068	125,048
Increase from accounting changes at foreign subsidiaries	-	482
Changes during the period		
Distribution of retained earnings	(8,451)	(8,917)
Net income	27,431	(8,985)
Decrease from fiscal changes at consolidated subsidiaries	-	(35)
Increase from acquiring non-consolidated subsidiaries	-	207
Decrease from settling retirement benefit liability at foreign subsidiaries	-	(2,274)
Total changes during the period	<u>18,979</u>	<u>(20,005)</u>
Balance at March 31, 2009	<u>125,048</u>	<u>105,524</u>
Treasury stock		
Balance at March 31, 2008	(568)	(722)
Changes during the period		
Purchase of treasury stock	(171)	(281)
Sale of treasury stock	17	276
Total changes during the period	<u>(153)</u>	<u>(5)</u>
Balance at March 31, 2009	<u>(722)</u>	<u>(728)</u>
Total shareholders' equity		
Balance at March 31, 2008	203,249	222,076
Increase from accounting changes at foreign subsidiaries	-	482
Changes during the period		
Distribution of retained earnings	(8,451)	(8,917)
Net income	27,431	(8,985)
Decrease from fiscal changes at consolidated subsidiaries	-	(35)
Increase from acquiring non-consolidated subsidiaries	-	207
Decrease from settling retirement benefit liability at foreign subsidiaries	-	(2,274)
Purchase of treasury stock	(171)	(281)
Sale of treasury stock	17	276
Total changes during the period	<u>18,826</u>	<u>(20,011)</u>
Balance at March 31, 2009	<u>222,076</u>	<u>202,547</u>

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Valuation and translation adjustment		
Net unrealized gains/losses on other securities	7,862	(1,939)
Balance at March 31, 2008		
Changes during the period		
Net changes in items other than shareholders' capital during the period	(9,801)	1,533
Total changes during the period	(9,801)	1,533
Balance at March 31, 2009	(1,939)	(405)
Translation adjustments		
Balance at March 31, 2008	(1,874)	(10,794)
Changes during the period		
Net changes in items other than shareholders' capital during the period	(8,919)	(14,372)
Total changes during the period	(8,919)	(14,372)
Balance at March 31, 2009	(10,794)	(25,166)
Total valuation and translation adjustments		
Balance at March 31, 2008	5,987	(12,733)
Changes during the period		
Net changes in items other than shareholders' capital during the period	(18,721)	(12,838)
Total changes during the period	(18,721)	(12,838)
Balance at March 31, 2009	(12,733)	(25,572)
Minority interests		
Balance at March 31, 2008	6,577	7,056
Changes during the period		
Net changes in items other than shareholders' capital during the period	479	8,190
Total changes during the period	479	8,190
Balance at March 31, 2009	7,056	15,247
Total net assets		
Balance at March 31, 2008	215,815	216,399
Increase from accounting changes at foreign subsidiaries	-	482
Changes during the period		
Distribution of retained earnings	(8,451)	(8,917)
Net income	27,431	(8,985)
Decrease from fiscal changes at consolidated subsidiaries	-	(35)
Increase from acquiring non-consolidated subsidiaries	-	207
Decrease from settling retirement benefit liability at foreign subsidiaries	-	(2,274)
Purchase of treasury stock	(171)	(281)
Sale of treasury stock	17	276
Net changes in items other than shareholders' capital during the period	(18,242)	(4,648)
Total changes during the period	583	(24,659)
Balance at March 31, 2009	216,399	192,222

(4) Statements of Cash Flows

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash flows from operating activities:		
Net income before income taxes and minority interests	44,313	(10,103)
Depreciation and amortization	39,546	45,759
Impairment loss	–	3,064
Amortization of goodwill	0	–
Amortization of negative goodwill	–	(1,238)
Increase/decrease in allowance for doubtful accounts	(49)	(200)
Increase/decrease in accrued retirement benefits for directors and statutory auditors	(9)	(163)
Increase/decrease in accrued retirement benefits for employees	(5,993)	73
Increase/decrease in reserve for product defect compensation	677	161
Increase/decrease in accrued payments due to the change in retirement benefit plan	(2,286)	(2,183)
Interest and dividend income	(988)	(1,059)
Interest expenses	5,760	5,309
Foreign currency translation adjustments / Foreign exchange losses/gains	(967)	758
Gain or loss in equity of non-consolidated subsidiaries and affiliates	(1,522)	(563)
Loss from devaluating investment securities	–	13,921
Gains from the establishing retirement benefit trust fund	(4,073)	–
Contribution to retirement benefit trust fund	5,625	–
Decrease/increase in trade receivables	2,701	45,254
Decrease/increase in inventories	(6,733)	(14,338)
Increase/decrease in trade payables	11,129	(49,890)
Other	(1,832)	(767)
Subtotal	<u>85,299</u>	<u>33,791</u>
Interest and dividend income received	1,816	1,823
Interest paid	(5,749)	(5,699)
Income taxes paid	(15,103)	(8,539)
Net cash provided by operating activities	<u>66,263</u>	<u>21,375</u>
Cash flows from investing activities:		
Increase in time deposits	(1,943)	(3,728)
Decrease in time deposits	1,123	2,335
Purchase of property, plant and equipment	(57,515)	(54,272)
Proceeds from sale of property, plant and equipment	130	117
Purchase of intangible fixed assets	(658)	(609)
Purchase of investment securities	(24,253)	(2,303)
Proceeds from sale of investment securities	73	191
Purchase of stock of affiliates subject to equity-method	(701)	–
Payment for purchase of subsidiaries' stock	–	(1,751)
Payment for acquisition of subsidiaries resulting in changes of consolidation	–	*2 –2987
Decrease/increase in short-term loans receivable, net	0	0
Other	196	92
Net cash used in investing activities	<u>(83,548)</u>	<u>(62,917)</u>

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash flows from financing activities		
Increase/decrease in short-term loans, net	11,863	45,291
Proceeds from long-term loans	17,217	35,545
Repayment of long-term loans	(5,490)	(2,339)
Proceeds from issuing bonds	-	10,000
Payment for redemption of bonds	-	(10,000)
Payment for redemption of corporate bonds with equity warrant	-	(24,519)
Proceeds from Issuing common stock assigned to minority shareholders	916	24
Dividend payment	(8,451)	(8,917)
Other	(448)	(535)
Net cash provided by financing activities	15,606	44,551
Effect of exchange rate changes on cash and cash equivalents	2,132	(4,703)
Increase/decrease in cash and cash equivalents	453	(1,693)
Cash and cash equivalents, at beginning of the year	32,083	32,536
Increase in cash and cash equivalents from acquiring non-consolidated subsidiaries	-	153
Cash and cash equivalents, at end of the year	*1 32536	*1 30995

(5) Going Concern Assumption

None

(6) Significant Information regarding the Preparation of Consolidated Financial Statements

Disclosure has been omitted as there have been no significant change in information disclosed in recent financial statements submitted on June 30, 2008.

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

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)	Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)
<p>(Method of depreciation/amortization for significant depreciable/amortizable assets)</p> <p>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.</p>	<p>_____</p>
<p>_____</p>	<p>(Accounting standard for measuring inventories) Previously, inventories held for the purpose of ordinary business were stated at cost determined principally by the weighted average method. However, effective from this fiscal year, the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9: July 5, 2006) has been applied, and these inventories are stated at cost by the weighted average method (for the value stated on the balance sheet, book value is written down on the decreased profitability). The effect of this application on operating income, ordinary income or income before income taxes and minority interests are immaterial.</p>
<p>_____</p>	<p>(Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements) Effective from this fiscal year, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" has been adopted. Some revisions have been made to the consolidated financial statements as necessary. The effect of this application on operating income, ordinary income, or income before income taxes and minority interests are immaterial.</p>

Year ended March 31, 2008	Year ended March 31, 2009
(April 1, 2007 – March 31, 2008)	(April 1, 2008 – March 31, 2009)
_____	<p>(Accounting Standard for Lease Transactions) Previously, finance lease transactions that do not transfer ownership were accounted for in a manner similar to accounting treatment for ordinary rental transactions. However, effective from this fiscal year, the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13: revised March 30, 2007) and "Guidance on Accounting Standard for Lease Finance lease transactions that do not transfer ownership, which started prior to April 1, 2008, continue to be accounted as operating leases. The effect of this application on operating income, ordinary income, or income before income taxes and minority interests are immaterial.</p>

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

No.	Year ended March 31, 2008	Year ended March 31, 2009
	(April 1, 2007 – March 31, 2008)	(April 1, 2008 – March 31, 2009)
*1	Assets pledged as collateral, and liability (million yen)	Assets pledged as collateral, and liability (million yen)
(1)	Pledged assets	(1) Pledged assets
	Buildings and structures 376	Buildings and structures 352
	Land 298	Machinery, equipment, and vehicles 22
	Total 675	Land 298
		Total 674
(2)	Liability, and amount	(2) Liability, and amount
	Liability, for which building /structures, and land are pledged as collateral	Liability, for which building/structures, machinery/equipment/vehicles, and land are pledged as collateral
	Short-term loan 105	Short-term loan 627
		Long-term loan 9
		Total 637
2	Liabilities on guarantee (million yen)	Liabilities on guarantee (million yen)
(1)	Guarantee of liabilities	(1) Guarantee of liabilities
	Guarantee of liabilities for bank loan of non-consolidated companies	_____
	Kotani Poland Sp. Zo. O 74	
(2)	Back letter of management	(2) Back letter of management
	Back letter of management, provided for bank loan by non-consolidate affiliates	Back letter of management, provided for bank loan by non-consolidate affiliates
	NTN de Mexico, S.A.. 165	NTN de Mexico, S.A.. 162
*3	Notes on non-consolidated subsidiaries and affiliates (million yen)	Notes on non-consolidated subsidiaries and affiliates (million yen)
	Investment securities (stocks) 22,291	Investment securities (stocks) 10,526
4	Trade notes receivables discounted was 110 million yen.	_____
*5	Receipt of government subsidies Reduction of value due to the government subsidies received for the assets acquired in the previous years: (million yen)	Receipt of government subsidies Reduction of value due to the government subsidies received for the assets acquired in the previous years: (million yen)
	Buildings and structures 27	Buildings and structures 175
	Machinery, equipment, and vehicles 38	Machinery, equipment, and vehicles 437
	Land 694	Land 721
		Other 1
	Reduction of the values stated above is not reflected on the Consolidated Balance Sheet.	Reduction of the values stated above is not reflected on the Consolidated Balance Sheet.

(Consolidated Statements of Operation)

No.	Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)	Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)																								
*1	Research and development expense included in general and administrative expense and manufacturing cost during the period is 15,005 million yen.	Research and development expense included in general and administrative expense and manufacturing cost during the period is 17,401 million yen.																								
*2		<p>Asset impairment loss</p> <p>Regarding fixed assets used in manufacturing activities, the Company has defined a plant and factory as the smallest cash-flow-generating unit, based on business segmentation under management accounting; fixed assets associated with the headoffice and those used for sales and marketing activities are categorized as shared assets.</p> <p>The table below shows the assets for which the Company revalued the book values down to the fair market value for the reasons that the Company has no plans to use, or sees no possibility to recoup the values during the reasonable cash flow plan period. Total amount booked as an impairment loss is 3,064 million yen, which is included in the extraordinary loss. The fair market value is based on the estimated net salable value or use value. The assets that are not deemed saleable or usable for other purposes are valued at zero.</p> <p>The impairment loss from closure of Takarazuka Works is 1,033 million yen.</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Category</th> <th>Location</th> <th>Impairment loss</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>million yen</td> </tr> <tr> <td>Manufacturing facilities, etc.</td> <td>Buildings and Structures</td> <td>Hyogo</td> <td>846</td> </tr> <tr> <td>Manufacturing facilities, etc.</td> <td>Machinery, and Equipment</td> <td>Hyogo, others</td> <td>2,196</td> </tr> <tr> <td>Manufacturing facilities, etc.</td> <td>Vehicles</td> <td>Hyogo,</td> <td>21</td> </tr> <tr> <td colspan="3">Total</td> <td>3,064</td> </tr> </tbody> </table>	Use	Category	Location	Impairment loss				million yen	Manufacturing facilities, etc.	Buildings and Structures	Hyogo	846	Manufacturing facilities, etc.	Machinery, and Equipment	Hyogo, others	2,196	Manufacturing facilities, etc.	Vehicles	Hyogo,	21	Total			3,064
Use	Category	Location	Impairment loss																							
			million yen																							
Manufacturing facilities, etc.	Buildings and Structures	Hyogo	846																							
Manufacturing facilities, etc.	Machinery, and Equipment	Hyogo, others	2,196																							
Manufacturing facilities, etc.	Vehicles	Hyogo,	21																							
Total			3,064																							
*3	For the fiscal year under review, the Company recognized restructuring expenses of 529 million yen as extraordinary losses, comprising 247 million yen in costs of disposal of fixed assets, and 282 million yen in costs of relocation of facilities.	For the fiscal year under review, the Company recognized restructuring expenses of 1,112 million yen as extraordinary losses, comprising 363 million yen in costs of disposal of fixed assets, and 162 million yen in costs of relocation of facilities, and 586 million yen in other assets. The restructuring loss from closure of Takarazuka Works is 925 million yen.																								

(Consolidated Statements of Changes in Shareholders' Equity)
 Year ended March 31, 2008 (April 1, 2007 – 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 stock	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 paid	Dividend per share	Record date	Effective date
		million yen	yen		
Annual general meeting of shareholders on June 28, 2007	Common stock	4,225	9	March 31, 2007	June 30, 2007
Board of directors held on November 7, 2007	Common stock	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 27, 2008	Common stock	4.694	Retained earnings	10	March 31, 2008	Scheduled for June 30, 2008

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

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

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

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

3 Dividends

(1) Dividend paid

Date of approval	Type of share	Total dividend paid million yen	Dividend per share yen	Record date	Effective date
Annual general meeting of shareholders on June 27, 2008	Common stock	4,694	10	March 31, 2008	June 30, 2008
Board of directors held on October 31, 2008	Common stock	4,223	9	September 30, 2008	December 5, 2008

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

Date of approval	Type of share	Total dividend paid million yen	Dividend source	Dividend per share yen	Record date	Effective date
Annual general meeting of shareholders on June 25, 2009	Common stock	1,878	Retained earnings	4	March 31, 2009	Scheduled for June 26, 2009

(Cash flows)

No.	Year ended March 31, 2008	Year ended March 31, 2009																						
	(April 1, 2007 – March 31, 2008)	(April 1, 2008 – March 31, 2009)																						
*1	<p>Reconciliation of the amounts of cash and cash equivalents at end of the year stated in Consolidated Statements of Cash Flows to the amounts of accounts stated in Consolidated Balance Sheets.</p> <p style="text-align: right;">million yen</p> <table> <tr> <td>Cash and bank deposits</td> <td style="text-align: right;">28,259</td> </tr> <tr> <td>Short-term loans receivable</td> <td style="text-align: right;">5,008</td> </tr> <tr> <td>Time deposits with original maturities of more than three months</td> <td style="text-align: right;">(723)</td> </tr> <tr> <td>Short-term loans receivable (excl. repurchase agreement)</td> <td style="text-align: right;">(8)</td> </tr> <tr> <td><u>Cash and cash equivalents</u></td> <td style="text-align: right;"><u>32,536</u></td> </tr> </table>	Cash and bank deposits	28,259	Short-term loans receivable	5,008	Time deposits with original maturities of more than three months	(723)	Short-term loans receivable (excl. repurchase agreement)	(8)	<u>Cash and cash equivalents</u>	<u>32,536</u>	<p>Reconciliation of the amounts of cash and cash equivalents at end of the year stated in Consolidated Statements of Cash Flows to the amounts of accounts stated in Consolidated Balance Sheets.</p> <p style="text-align: right;">million yen</p> <table> <tr> <td>Cash and bank deposits</td> <td style="text-align: right;">28,047</td> </tr> <tr> <td>Short-term loans receivable</td> <td style="text-align: right;">5,010</td> </tr> <tr> <td>Time deposits with original maturities of more than three months</td> <td style="text-align: right;">(2,052)</td> </tr> <tr> <td>Short-term loans receivable (excl. repurchase agreement)</td> <td style="text-align: right;">(8)</td> </tr> <tr> <td><u>Cash and cash equivalents</u></td> <td style="text-align: right;"><u>30,995</u></td> </tr> </table>	Cash and bank deposits	28,047	Short-term loans receivable	5,010	Time deposits with original maturities of more than three months	(2,052)	Short-term loans receivable (excl. repurchase agreement)	(8)	<u>Cash and cash equivalents</u>	<u>30,995</u>		
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<u>Cash and cash equivalents</u>	<u>30,995</u>																							
*2		<p>Breakdown of assets and liabilities of companies, which newly became the Company's consolidated companies by stock acquisition.</p> <p>Breakdown of the assets and liabilities of S.N.R. ROULEMENTS and its 8 subsidiaries, which newly became the Company's consolidated member by stock acquisition, at the start of consolidation, and purchase price and net payment for acquisition.</p> <p style="text-align: right;">million yen</p> <table> <tr> <td>Current assets</td> <td style="text-align: right;">53,118</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">31,755</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">(49,648)</td> </tr> <tr> <td>Long-term liabilities</td> <td style="text-align: right;">(8,512)</td> </tr> <tr> <td>Goodwill (negative)</td> <td style="text-align: right;">(110)</td> </tr> <tr> <td>Minority interests</td> <td style="text-align: right;">(13,056)</td> </tr> <tr> <td><u>Total purchase price for acquisition</u></td> <td style="text-align: right;"><u>13,546</u></td> </tr> <tr> <td>Purchase price paid in previous years</td> <td style="text-align: right;">(9,436)</td> </tr> <tr> <td><u>Net purchase price of the S.N.R. (A)</u></td> <td style="text-align: right;"><u>4,109</u></td> </tr> <tr> <td>Cash and cash equivalents of S.N.R. (B)</td> <td style="text-align: right;">1,122</td> </tr> <tr> <td><u>Net payment for acquisition of S.N.R. (B) – (A)</u></td> <td style="text-align: right;"><u>(2,987)</u></td> </tr> </table>	Current assets	53,118	Fixed assets	31,755	Current liabilities	(49,648)	Long-term liabilities	(8,512)	Goodwill (negative)	(110)	Minority interests	(13,056)	<u>Total purchase price for acquisition</u>	<u>13,546</u>	Purchase price paid in previous years	(9,436)	<u>Net purchase price of the S.N.R. (A)</u>	<u>4,109</u>	Cash and cash equivalents of S.N.R. (B)	1,122	<u>Net payment for acquisition of S.N.R. (B) – (A)</u>	<u>(2,987)</u>
Current assets	53,118																							
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<u>Net payment for acquisition of S.N.R. (B) – (A)</u>	<u>(2,987)</u>																							

(Segment Information)

1. Business segment information

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)	Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)
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.	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)

(In million yen)

	Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)						
	Japan	Americas	Europe	Asia and	Total	Eliminatio	Consolidated
I. Net sales and operating income							
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

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

- Notes:
1. Countries or regions are classified in each segment by geographic proximity
 2. Major countries or regions in each segment:
 - Americas: U.S.A., Canada, South and Central America
 - Europe: Germany, France, United Kingdom
 - Asia and other areas: China, Thailand, India and others
 3. The total of the assets included in elimination column, before consolidation, are 36,214 million yen for the year ended March 31, 2008, and 26,693 million yen for the year ended March 31, 2009.
 4. Changes in method of depreciation/amortization for property, plant & equipment (Year ended March 31, 2009)
 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.

3. Overseas sales

(In million yen)

	Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)			
	Americas	Europe	Asia and other	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, 2009 (April 1, 2008 – March 31, 2009)			
	North America	Europe	Asia and other	Total
I Overseas sales	109,288	141,674	81,288	332,252
II Consolidated net sales				527,099
III Ratio of overseas sales to total consolidated sales (%)	20.7	26.9	15.4	63.0

- 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.

(Par share data)

Year ended March 31, 2008		Year ended March 31, 2009	
Net assets per share (yen)	445.98	Net assets per share (yen)	376.77
Net income per share (yen)	58.43	Net income per share (yen)	(19.14)
Net income per share—fully diluted (yen)	54.59	Diluted net income per share is not reported due to negative net income per share for the period	

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 31,2009
Net income per share		
Net income in consolidated balance sheets (million yen)	27,431	(8,985)
Amounts not belonging to common shares holders (million)	-	-
Net income available for common shares (million yen)	27,431	(8,985)
Average number of common shares during the period	469,461	469,433
Net income per share—fully diluted		
Adjustments in net income in consolidated balance sheets	4	
(Administration fee, etc. (excluding tax equivalent amount) as part of adjustments in net income in consolidated balance sheets (million yen))	(4)	
Increase in number of common shares (thousand shares)	33,133	
(Convertible bonds with equity warrant as part of increase in number of shares (thousand shares))	(33,133)	

(Significant Subsequent Event)

Year ended March 31,2008 (April 1, 2007 – March 31, 2008)	Year ended March 31,2009 (April 1, 2008 – March 31, 2009)
<p>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.</p> <p>(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)</p> <p>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.</p> <p>(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 %</p> <p>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: 1.66 % annually at maximum (4) redemption: bullet repayment (5) Maturity: June 11,2013 (6) Issue date: June 11,2008 (7)Use of funds: redemption of bonds</p>	<p style="text-align: center;">_____</p>

(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.

5. Non-Consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of March 31, 2008	As of March 31, 2009
Assets		
Current assets		
Cash and bank deposits	12,056	15,846
Notes receivable-trade	9,482	7,153
Accounts receivable-trade	85,644	47,133
Purchased goods	898	-
Finished goods	20,250	-
Purchased goods and finished goods	-	21,300
Work in process	17,469	20,255
Raw materials	1,173	-
Supplies	3,467	-
Raw materials and supplies	-	4,243
Prepaid expenses	63	127
Deferred tax assets	3,502	2,097
Short-term loans receivable	5,006	5,007
Short-term loans receivable. from affiliated	5,739	2,320
Accounts receivable - other	16,729	12,629
Other	3,544	3,443
Allowance for doubtful accounts	(23)	(7)
Total current assets	185,004	141,551
Fixed Assets		
Property, plant and equipment		
Buildings	70,245	70,654
Accumulated depreciation	(45,797)	(47,359)
Buildings, net	24,448	23,295
Structures	7,262	7,244
Accumulated depreciation	(5,412)	(5,530)
Structure, net	1,850	1,714
Machinery and equipment	271,537	273,456
Accumulated depreciation	(220,579)	(223,290)
Machinery and equipment, net	50,958	50,165
Vehicles	2,304	2,260
Accumulated depreciation	(1,898)	(1,935)
Vehicles, net	306	325
Tools and furniture	27,572	28,606
Accumulated depreciation	(24,093)	(25,684)
Tools and furniture, net	3,478	2,921
Land	19,936	21,343
Construction in progress	2,699	5,598
Total property, plant and equipment	103,677	105,363
Intangible fixed assets		
Patent	33	30
Leasehold	252	252
Software	1,450	1,176
Other	68	66
Total intangible assets	1,805	1,525
Investments and other assets		
Investment securities	31,186	21,619
Shares of affiliates	107,322	112,675
Investment in affiliates	5,279	5,279
Long-term loans receivable	25	18
Long-term loans receivable from affiliates	-	3,200
Receivables from firms filed for bankruptcy protection	0	51
Long-term prepaid expenses	82	169
Deferred tax assets	14,636	20,079
Other	1,133	1,157
Allowance for doubtful accounts	0	(675)
Total investments and other assets	159,666	163,576
Total fixed assets	265,150	270,466
Total assets	450,154	412,017

(In million yen)

	As of March 31, 2008	As of March 31, 2009
Liabilities		
Current liabilities		
Notes payable	10,955	8,294
Accounts payable – trade	92,397	55,538
Short-term loans	27,720	50,720
Bonds due within one year	10,000	10,000
Corporate bonds with equity warrant due within one year	24,519	–
Lease payable	–	1
Accounts payable, other	4,897	3,411
Accrued expense	13,641	9,923
Income taxes payable	2,278	104
Advance received	5	31
Deposit received	1,981	2,224
Accrued bonuses for directors and statutory auditors	153	–
Other	347	1,136
Total current liabilities	188,897	141,385
Long-term liabilities		
Bonds	30,000	30,000
Long-term loans	25,400	53,900
Lease payable	–	7
Accrued retirement benefits for employees	20,396	19,783
Reserve for product defect compensations	1,378	1,539
Defined benefit payable	6,651	4,800
Other	618	940
Total long-term liabilities	84,445	110,972
Total liabilities	273,342	252,358
Net assets		
Shareholders' equity		
Common stock	42,339	42,339
Capital surplus		
Capital reserve	55,362	55,362
Other capital surplus	47	47
Total capital surplus	55,410	55,410
Retained earnings		
Legal reserve	8,639	8,639
Other retained earnings		
Reserve for special depreciation	–	90
Reserve for depreciation of replacement assets	611	600
General reserve	22,009	22,009
Retained earnings carried over	50,474	31,699
Total retained earnings	81,735	63,039
Treasury stock	(722)	(728)
Total shareholders' capital	178,763	160,062
Valuation and translation adjustments		
Net unrealized holding gain on other securities	(1,951)	(408)
Deferred earnings from hedging	–	5
Total Valuation and translation adjustments	(1,951)	(403)
Total net assets	176,812	159,659
Total liabilities and net assets	450,154	412,017

(2) Statements of Operations

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Net sales	359,856	315,032
Cost of sales		
Purchased goods—beginning	959	898
Finished goods—beginning	18,836	20,250
Purchase of goods during the period	11,387	9,587
Manufacturing cost during the period	288,979	270,328
Total	320,163	301,065
Purchased goods—end	898	628
Finished goods—end	20,250	20,671
Total cost of sales	299,014	279,765
Gross profit	60,842	35,267
Selling, general and administrative expenses		
Freight	14,010	11,925
Sales commissions	378	375
Advertising	886	871
Directors' remuneration	376	350
Salaries and benefit	10,573	10,600
Retirement benefit expenses	1,191	1,446
Provision for directors' retirement	153	—
Rent expense	1,270	1,212
Travel	948	707
Office supplies	201	199
Communication expense	173	164
Promotion and entertainment	179	101
Enterprise taxes	481	315
Taxes and dues	455	496
Depreciation expense	1,088	1,017
Provision for doubtful accounts	—	35
Entrusted business commission	2,891	2,759
Research and development	4,517	4,419
Miscellaneous expenses	2,163	2,324
Total selling, general and administrative expenses	41,940	39,321
Operating income	18,901	(4,054)

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Non-operating income		
Interest received	135	90
Interest on bond	202	181
Dividend received	6,360	5,999
Royalty	2,723	2,024
Exchange gain	-	2,929
Others	862	1,061
Total non-operating income	<u>10,285</u>	<u>12,288</u>
Non-operating expenses		
Interest paid	584	861
Interest on bond	470	564
Exchange loss	1,636	-
Loss on sales of fixed assets	-	306
Others	2,011	1,252
Total non-operating expenses	<u>4,702</u>	<u>2,985</u>
Ordinary income	<u>24,483</u>	<u>5,248</u>
Extraordinary gains		
Gains from establishing retirement benefit trust fund	4,073	-
Total extraordinary gains	<u>4,073</u>	<u>-</u>
Extraordinary losses		
Restructuring expenses	529	1,112
Impairment loss	-	1,365
Loss from devaluating investment securities	-	13,921
Loss from devaluating affiliated companies' stock	-	2,432
Costs related to restructuring affiliated companies	-	498
Provision for doubtful accounts	-	622
Reserve for product defect compensation	1,700	600
Total extraordinary losses	<u>2,229</u>	<u>20,551</u>
Income before income taxes and minority interest	<u>26,327</u>	<u>(15,303)</u>
Income and other taxes	5,979	52
Refund of income taxes	-	(507)
Income taxes adjustment	2,861	(5,069)
Total Income and other taxes	<u>8,840</u>	<u>(5,525)</u>
Net income	<u>17,486</u>	<u>(9,778)</u>

(3) Statement of Changes in Shareholders' Capital

	Year ended March 31, 2008	Year ended March 31, 2009
Shareholders' equity		
Common stock		
Balance at March 31, 2008	42,339	42,339
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2009	<u>42,339</u>	<u>42,339</u>
Additional paid-in capital		
Capital reserve		
Balance at March 31, 2008	55,362	55,362
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2009	<u>55,362</u>	<u>55,362</u>
Other additional paid-in capital		
Balance at March 31, 2008	47	47
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2009	<u>47</u>	<u>47</u>
Total additional paid-in capital		
Balance at March 31, 2008	55,410	55,410
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2009	<u>55,410</u>	<u>55,410</u>
Retained earnings		
Legal reserve		
Balance at March 31, 2008	8,639	8,639
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2009	<u>8,639</u>	<u>8,639</u>
Other retained earning		
Special reserve for additional depreciation of fixed assts		
Balance at March 31, 2008	16	-
Changes during the period		
Provision of special reserve for advanced depreciation of fixed assets	-	90
Reversal of special reserve for advanced depreciation of fixed assets	(16)	-
Total changes during the period	<u>(16)</u>	<u>90</u>
Balance at March 31, 2009	<u>-</u>	<u>90</u>
Reserve for additional depreciation of fixed assets		
Balance at March 31, 2008	625	611
Changes during the period		
Reversal of special reserve for advanced depreciation of fixed assets	(13)	(11)
Total changes during the period	<u>(13)</u>	<u>(11)</u>
Balance at March 31, 2009	<u>611</u>	<u>600</u>

	Year ended March 31, 2008	Year ended March 31, 2009
General reserve		
Balance at March 31, 2008	22,009	22,009
Changes during the period		
Total changes during the period	-	-
Balance at March 31, 2009	<u>22,009</u>	<u>22,009</u>
Retained earnings carried forward		
Balance at March 31, 2008	41,408	50,474
Changes during the period		
Distribution of retained earnings	(8,451)	(8,917)
Provision of special reserve for additional depreciation of fixed assets	-	(90)
Reversal of special reserve for additional depreciation of fixed assets	16	-
Reversal of reserve for additional depreciation of fixed assets	13	11
Net income	17,486	(9,778)
Total changes during the period	<u>9,065</u>	<u>(18,775)</u>
Balance at March 31, 2009	<u>50,474</u>	<u>31,699</u>
Total retained earnings		
Balance at March 31, 2008	72,700	81,735
Changes during the period		
Distribution of retained earnings	(8,451)	(8,917)
Provision of special reserve for additional depreciation of fixed assets	-	-
Reversal of special reserve for additional depreciation of fixed assets	-	-
Reversal of reserve for additional depreciation of fixed assets	-	-
Net income	17,486	(9,778)
Total changes during the period	<u>9,035</u>	<u>(18,695)</u>
Balance at March 31, 2009	<u>81,735</u>	<u>63,039</u>
Treasury stock		
Balance at March 31, 2008	(568)	(722)
Changes during the period		
Purchase of treasury stock	(171)	(281)
Disposal of treasury stock	17	276
Total changes during the period	<u>(153)</u>	<u>(5)</u>
Balance at March 31, 2009	<u>(722)</u>	<u>(728)</u>
Total shareholders' equity		
Balance at March 31, 2008	169,881	178,763
Changes during the period		
Distribution of retained earnings	(8,451)	(8,917)
Net income	17,486	(9,778)
Purchase of treasury stock	(171)	(281)
Disposal of treasury stock	17	276
Total changes during the period	<u>8,881</u>	<u>(18,701)</u>
Balance at March 31, 2009	<u>178,763</u>	<u>160,062</u>

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Valuation and translation adjustment		
Net unrealized gains/losses on other securities		
Balance at March 31, 2008	7,836	(1,951)
Changes during the period		
Net changes in items other than shareholders' capital during the period	(9,787)	1,542
Total changes during the period	(9,787)	1,542
Balance at March 31, 2009	(1,951)	(408)
Deferred earning from hedging		
Balance at March 31, 2008	-	-
Changes during the period		
Net changes in items other than shareholders' capital during the period	-	5
Total changes during the period	-	5
Balance at March 31, 2009	-	5
Total valuation and translation adjustments		
Balance at March 31, 2008	7,836	(1,951)
Changes during the period		
Net changes in items other than shareholders' capital during the period	(9,787)	1,548
Total changes during the period	(9,787)	1,548
Balance at March 31, 2009	(1,951)	(403)
Total net assets		
Balance at March 31, 2008	177,718	176,812
Changes during the period		
Distribution of retained earnings	(8,451)	(8,917)
Net income	17,486	(9,778)
Purchase of treasury stock	(171)	(281)
Disposal of treasury stock	17	276
Net changes in items other than shareholders' equity	(9,787)	1,548
Total changes during the period	(905)	(17,152)
Balance at March 31, 2009	176,812	159,659

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(4) **Going Concern Assumption**
None