Financial Results For the Year Ended March 31, 2011
[Japanese Accounting Standards] (Consolidated)

May 16, 2011

NTN Corporation
Security Code: 6472
Listings: Tokyo and Osaka Stock Exchanges
URL: http://www.ntn.co.jp/
Representative: Hirotsugu Mori, President
Contact: Keiji Ohashi, General Manager, General Affairs Department
Telephone: +81-6-6443-5001

Scheduled date of annual shareholders' meeting: June 24, 2011
Scheduled commencement date of dividend payment: June 27, 2011
Scheduled submission date of financial statements: June 27, 2011
Supplementary material of the financial results: Prepared
Investor meeting: Scheduled

1. Consolidated Financial Results for the Year Ended March 31, 2011
(April 1, 2010 to March 31, 2011)

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

(1) Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2011	530,055	17.1	24,559	—	21,096	—	14,399	—
Year ended March 31, 2010	452,745	-14.1	1,399	-85.2	-647	—	-2,014	—

Note: comprehensive income: Year ended March 31, 2011: 6,837 million yen (76.5%)
Year ended March 31, 2010: 3,874 million yen (—%)

	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, 2011	27.08	—	7.2	3.4	4.6
Year ended March 31, 2010	-4.00	—	-1.1	-0.1	0.3

Note: Equity method investment gains or losses: Year ended March 31, 2011: 507 million yen
Year ended March 31, 2010: -120 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, 2011	632,000	210,352	31.6	376.05
Year ended March 31, 2010	618,801	214,550	32.2	374.19

Note: Shareholders' equity Year ended March 31, 2011: 199,921 million yen
Year ended March 31, 2010: 198,951 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, 2011	44,503	-32,186	-6,696	40,081
Year ended March 31, 2010	43,970	-25,558	-18,562	32,758

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, 2010	—	4.00	—	4.00	8.00	4,253	—	2.1
Year ended March 31, 2011	—	5.00	—	5.00	10.00	5,316	36.9	2.7
Year ended March 31, 2012 (forecast)	—	—	—	—	—		—	

Note: Dividends for the fiscal year ending March 31, 2012 (forecast) have yet to be decided.

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

The consolidated earnings forecast for the year ending March 31, 2012 has yet to be decided because the impact of the Great East Japan Earthquake means it is not possible at this stage to calculate a rational earnings forecast. For additional information, please refer to the attachment on page 3: "1. Operating Results, (1) Analysis of Operating Results (Outlook for the Year Ending March 31, 2012)".

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)

1) Number of shares issued and outstanding at end of the period (treasury stock included):
Year ended March 31, 2011: 532,463,527 shares
Year ended March 31, 2010: 532,463,527 shares
2) Number of treasury stock at end of the period:
Year ended March 31, 2011: 824,400 shares
Year ended March 31, 2010: 773,007 shares
3) Average number of shares outstanding:
Year ended March 31, 2011: 531,668,788 shares
Year ended March 31, 2010: 503,089,484 shares

Reference: Overview of Financial Results on Non-Consolidated basis
For the Year Ended March 31, 2011 – Non-consolidated
1. Financial Results for the Year Ended March 31, 2011 (April 1, 2010 – March 31, 2011)
(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, 2011	322,382	28.3	-2,052	—	1,717	—	1,447	—
Year ended March 31, 2010	251,266	-20.2	-14,522	—	-8,620	—	-6,430	—

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2011	2.72	—
Year ended March 31, 2010	-12.78	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2011	448,323	172,402	38.5	324.28
Year ended March 31, 2010	429,994	177,185	41.2	333.25

Note: Shareholders' equity Year ended March 31, 2011: 172,402 million yen
Year ended March 31, 2010: 177,185 million yen

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

* Notes
The above forecast incorporates certain assumptions and projections based upon which the future outlook and plans by NTN (the Company) as announced in this document are formulated. Actual results may differ from the above forecast depending on various conditions. For additional information, please refer to "1. Operating Results (1) Analysis of Operating Results" from page 2 to 3

[Contents of the Attached Documents]

1. Operating Results

(1) Analysis of Operating Results

(Operating Results for the Fiscal Year Ended March 31, 2011)

During the fiscal year under review, the Japanese economy showed signs of a steady improvement thanks to an increase in exports, a recovery in capital expenditure and improved corporate income. However, regarding the future outlook, there are fears about a long-term impact from the Great East Japan Earthquake that occurred at the end of the fiscal year and power supply issues. In terms of the global economy, a gentle recovery is being seen in the Americas thanks to the effect of government policies, Europe is seeing a recovery overall despite variation between countries, and in Asia economic conditions are gradually improving thanks largely to domestic demand in countries such as China.

Against this backdrop, the NTN Group has promoted measures such as sales promotions in the industrial machinery sector and cost reductions as it seeks to achieve results without being dependent on sales volume and to achieve the medium-term management plan, "NTN 2010 for the Next Step", covering two years from April 2009.

The Group's net sales for the period increased 17.1 % from a year earlier to 530,055 million yen. In terms of income, the impact of increased sales led to operating income of 24,559 million yen (1,399 million yen in the previous fiscal year) and ordinary income of 21,096 million yen (an ordinary loss of 647 million yen was recorded in the previous fiscal year). After posting extraordinary gains of 1,511 million yen on the sale of investment securities, 1,286 million yen on negative goodwill, 559 million yen on compensation received and 298 million yen on the allotment of shares, and extraordinary losses of 811 million yen in extraordinary operating losses, 538 million yen in earthquake-related expenses, 401 million yen in the reserve for product defect compensation and 145 million yen in losses on the devaluation of investment securities, current net income was recorded at 14,399 million yen (a current net loss of 2,014 million yen was recorded in the previous fiscal year).

Sales by geographical segment were as follows:

(1) Japan

Regarding sales, in automotive applications, despite the suspension of some shipments to customers as a result of the Great East Japan Earthquake that occurred at the end of the fiscal year, overall there was an improvement in customer demand and sales increased. In general industrial machinery applications, there were major increases in sales for construction machinery and machine tools applications and there was also an increase in sales in the aftermarket. As a result, sales for the period increased 27.1 % from a year earlier to 319,622 million yen. In terms of income for the segment, the impact of increased sales saw segment income of 8,009 million yen recorded (a segment loss of 11,658 million yen was recorded in the previous fiscal year).

(2) Americas

In terms of sales, there was an overall increase thanks to a recovery in customer demand in automotive applications. In general industrial machinery applications, there were major increases in sales for mainstay construction machinery and agricultural machinery applications, and an increase in sales in the repairs and commercial markets. As a result, sales for the period increased 28.6 % from a year earlier to 114,491 million yen. In terms of income for the segment, there was the impact as a result of exchange rates, but increased sales saw segment income of 2,909 million yen recorded (a year on year increase of 311.5%).

(3) Europe

In terms of sales, there was an overall increase thanks to a recovery in customer demand in automotive applications. In general industrial machinery applications, there were increases in sales for agricultural machinery, wind power and general machinery applications, and also an increase in sales in the aftermarket. As a result, despite a negative impact on sales from exchange rates, sales for the period increased 5.1% from a year earlier to 143,992 million yen. In terms of income for the segment, despite the impact from exchange rates, increased sales saw segment income of 5,956 million yen recorded (a year on year increase of 45.1%).

(4) Asia and other areas

In terms of sales, there was an overall increase thanks to a recovery in customer demand in automotive applications in both China and other Asian areas. In general industrial machinery applications, there were increases in sales for construction machinery and office machinery applications, and also an increase in sales in the repairs and commercial markets. As a result, sales for the period increased 18.0 % from a year earlier to 82,573 million yen. In terms of income for the segment, despite the effect of increased sales, the impact of exchange rates saw segment income of 6,807 million yen recorded (a year on year decrease of 5.0%).

* Income by business application (additional information)

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

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

Note: "Income by business application" includes sales to external customers for each product category based on similarity with sales markets as disclosed under "[Related Information] 1. Product and Service Information" as listed under "4. Consolidated Financial Statements (8) Notes on Consolidated Financial Statements (Segment Information etc.)", in addition to a voluntary disclosure of information regarding operating income for each product classification.

(1) Automotive applications

Sales of constant-velocity joints, axle bearings and needle roller bearings increased overall in the respective regions of Japan, the Americas, Europe, and Asia and other areas. As a result, sales reached 344,407 million yen. Increased sales helped operating income reach 3,546 million yen.

(2) Industrial machinery applications

Sales increased in the respective regions of Japan, the Americas, Europe, and Asia and other areas thanks to a recovery in demand in construction machinery, agricultural machinery and machine tools applications. As a result, sales reached 99,451 million yen. Increased sales helped operating income reach 3,111 million yen.

(3) Aftermarket applications

Sales increased in the respective regions of Japan, the Americas, Europe, and Asia and other areas thanks to a recovery in customer demand. As a result, sales reached 86,196 million yen. Increased sales helped operating income reach 17,901 million yen.

(Outlook for the Year Ending March 31, 2012)

A consolidated earnings forecast for the year ending March 31, 2012 has yet to be decided because it is difficult to make rational assumptions about the impact on results of the Great East Japan Earthquake and power shortages. A disclosure will be made promptly as soon as it becomes possible.

(2) Analysis of Financial Position

(Assets, Liabilities, and Net assets)

Total current assets at March 31, 2011 amounted to 318,694 million yen, a year-on year increase of 29,969 million yen, or 10.4 %. Major factors included a 9,054 million yen increase in notes receivable and accounts receivable, a 5,783 million yen increase in cash and bank deposits, a 5,002 million yen increase in short-term loans receivable, and a 4,839 million yen increase in finished goods & purchased goods. Total fixed assets at the fiscal year-end amounted to 313,306 million yen, a year-on-year decrease of 16,770 million yen, or 5.1 %. Major factors included a decrease of 14,435 million yen in property, plants and equipment. As a result, total assets were 632,000 million yen, an increase of 13,199 million yen, or 2.1 % from a year earlier.

Total current liabilities at March 31, 2011 amounted to 269,623 million yen, a year-on year increase of 3,751 million yen, or 1.4 %. Major factors included an increase of 19,999 million yen in notes and accounts payable, an increase of 1,107 million yen in accrued income taxes, and a decrease of 20,000 million yen in bonds due within one year. Total long-term liabilities at the fiscal year-end amounted to 152,024 million yen, a year-on-year increase of 13,646 million yen, or 9.9 %. Major factors included an increase of 14,548 million yen in long-term loans. As a result, total liabilities were 421,648 million yen, an increase of 17,397 million yen, or 4.3 % from a year earlier.

Total net assets were 210,352 million yen, a year-on-year decrease of 4,198 million yen, or 2.0 %. Major factors included a decrease of 7,794 million yen in translation adjustments, a decrease of 5,168 million yen in minority interests, a decrease of 2,572 million yen in accrued retirement benefits adjustments, and an increase of 12,783 million yen in retained earnings.

(Cash Flows)

Net cash provided by operating activities was 44,503 million yen, a year-on-year increase of 533 million yen, or 1.2%. This was mainly due to 22,854 million yen in operating income before taxes and minority interests, depreciation and amortization of 35,936 million yen, an increase in trade payables of 21,051 million yen, an increase in inventories of 15,817 million yen, an increase in trade receivables of 13,639 million yen and expenditure of 6,308 million yen in incomes taxes paid.

Cash used in investment activities increased 6,628 million yen, or 25.9 % year-on-year, to 32,186 million yen. This was mainly due to expenditure of 27,567 million yen in the purchase of property, plants and equipment and 5,908 million yen in payment for purchase of subsidiaries’ stock.

Net cash used in financing activities was 6,696 million yen (decrease of 11,866 million year on year, or 63.9%). This was mainly due to expenditure of 20,000 million yen in payment for redemption of bonds, a 10,698 million yen decrease in short-term loans net, and 4,785 million yen in dividend payments, against income of 28,962 million yen in net proceeds from long-term loans.

As a result of these cash flows, and including foreign exchange gain of 1,702 million yen, cash and cash equivalents at the end of the fiscal year amounted to 40,081 million yen, an increase of 7,323 million yen, or 22.4%, from the end of the previous fiscal year.

(Reference) Cash flow indicators for the years ended March 31, 2008 to March 31, 2011

	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011
Shareholders' equity ratio (%)	33.3	28.2	32.2	31.6
Shareholders' equity ratio based on current market value (%)	50.7	20.7	36.3	33.6
Cash flows to interest-bearing debt ratio (annual)	3.2	12.9	5.3	5.0
Interest coverage ratio (times)	11.5	3.8	10.2	13.9

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

- Each of these was calculated based on the consolidated statements.
- Market value on the stock is calculated based on the closing stock price at the end of the respective accounting period above multiplied by the number of shares issued and outstanding as of the end of the respective accounting period above (after deducting treasury stock).
- Operating cash flow is taken from the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt refers to all debts included in the consolidated balance sheets for which interest is paid. The amount for Interest payments was taken from interest expenses paid in the consolidated statements of cash flows.

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

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

With regard to the year-end dividend for the fiscal period under review, the Company intends to pay 5 yen per share. Adding it to the interim dividend, 5 yen, the total annual dividend per share will be 10 yen. However, the dividend in the next fiscal year has yet to be decided because it is currently difficult to make rational assumptions about the impact on results of the Great East Japan Earthquake and power shortages. A disclosure will be made promptly as soon as it becomes possible.

2. The Group Overview

The NTN Group consists of NTN Corporation (the Company), 67 subsidiaries, and 21 affiliated companies (as of March 31, 2011). The Group's main business is the manufacturing and sale of bearings, constant-velocity joints and precision equipment for automotive applications, industrial machinery applications and aftermarket applications. Business activities in Japan are controlled by the Company and overseas the activities of each region are controlled by the general managers' department allocated to each region. Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

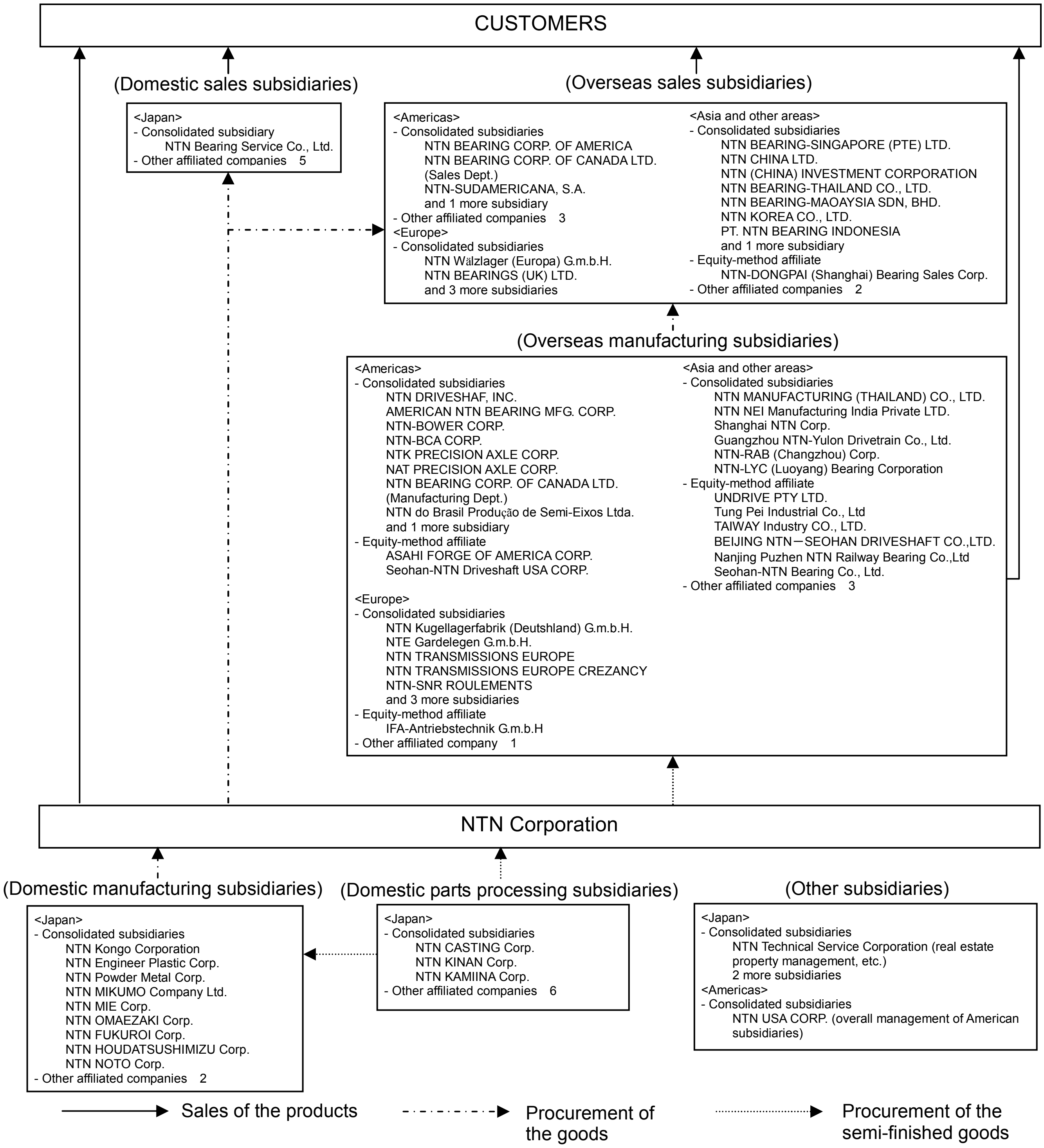
Accordingly, the NTN Group consists of the Head Office and business segments in different regions based on general managers' departments. Its four reporting segments are "Japan", "Americas", "Europe" and "Asia and other areas".

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

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

In terms of the establishment of consolidated subsidiaries, NTN do Brasil Produção de Semi-Eixos Ltda. was established in May 2010, NTN NOTO CORPORATION and NTA PRECISION AXLE CORP. in December 2010, and NTN-LYC (Luoyang) Bearing Corporation and PT. NTN BEARING INDONESIA in January 2011. NTN-DONGPAI (Shanghai) Bearing Sales Corp. was established as an equity-method affiliate in October 2010.

NTN FRANCE, formerly a consolidated subsidiary of the Company, was abolished in October 2010 by means of a merger into surviving company NTN-SNR ROULEMENTS.


CUSTOMERS
(Domestic sales subsidiaries)
<Japan>
- Consolidated subsidiary
NTN Bearing Service Co., Ltd.
- Other affiliated companies 5
(Overseas sales subsidiaries)
<Americas>
- Consolidated subsidiaries
NTN BEARING CORP. OF AMERICA
NTN BEARING CORP. OF CANADA LTD. (Sales Dept.)
NTN-SUDAMERICANA, S.A.
and 1 more subsidiary
- Other affiliated companies 3
<Europe>
- Consolidated subsidiaries
NTN Wälzlager (Europa) G.m.b.H.
NTN BEARINGS (UK) LTD.
and 3 more subsidiaries
<Asia and other areas>
- Consolidated subsidiaries
NTN BEARING-SINGAPORE (PTE) LTD.
NTN CHINA LTD.
NTN (CHINA) INVESTMENT CORPORATION
NTN BEARING-THAILAND CO., LTD.
NTN BEARING-MAOAYSIA SDN, BHD.
NTN KOREA CO., LTD.
PT. NTN BEARING INDONESIA
and 1 more subsidiary
- Equity-method affiliate
NTN-DONGPAI (Shanghai) Bearing Sales Corp.
- Other affiliated companies 2
(Overseas manufacturing subsidiaries)
<Americas>
- Consolidated subsidiaries
NTN DRIVESHAF, INC.
AMERICAN NTN BEARING MFG. CORP.
NTN-BOWER CORP.
NTN-BCA CORP.
NTK PRECISION AXLE CORP.
NAT PRECISION AXLE CORP.
NTN BEARING CORP. OF CANADA LTD. (Manufacturing Dept.)
NTN do Brasil Produção de Semi-Eixos Ltda.
and 1 more subsidiary
- Equity-method affiliate
ASAHI FORGE OF AMERICA CORP.
Seohan-NTN Driveshaft USA CORP.
<Europe>
- Consolidated subsidiaries
NTN Kugellagerfabrik (Deutshland) G.m.b.H.
NTE Gardelegen G.m.b.H.
NTN TRANSMISSIONS EUROPE
NTN TRANSMISSIONS EUROPE CREZANCY
NTN-SNR ROULEMENTS
and 3 more subsidiaries
- Equity-method affiliate
IFA-Antriebstechnik G.m.b.H
- Other affiliated company 1
<Asia and other areas>
- Consolidated subsidiaries
NTN MANUFACTURING (THAILAND) CO., LTD.
NTN NEI Manufacturing India Private LTD.
Shanghai NTN Corp.
Guangzhou NTN-Yulon Drivetrain Co., Ltd.
NTN-RAB (Changzhou) Corp.
NTN-LYC (Luoyang) Bearing Corporation
- Equity-method affiliate
UNDRIVE PTY LTD.
Tung Pei Industrial Co., Ltd
TAIWAY Industry CO., LTD.
BEIJING NTN－SEOHAN DRIVESHAFT CO.,LTD.
Nanjing Puzhen NTN Railway Bearing Co.,Ltd
Seohan-NTN Bearing Co., Ltd.
- Other affiliated companies 3
NTN Corporation
(Domestic manufacturing subsidiaries)
<Japan>
- Consolidated subsidiaries
NTN Kongo Corporation
NTN Engineer Plastic Corp.
NTN Powder Metal Corp.
NTN MIKUMO Company Ltd.
NTN MIE Corp.
NTN OMAEZAKI Corp.
NTN FUKUROI Corp.
NTN HOUDATSUSHIMIZU Corp.
NTN NOTO Corp.
- Other affiliated companies 2
(Domestic parts processing subsidiaries)
<Japan>
- Consolidated subsidiaries
NTN CASTING Corp.
NTN KINAN Corp.
NTN KAMIINA Corp.
- Other affiliated companies 6
(Other subsidiaries)
<Japan>
- Consolidated subsidiaries
NTN Technical Service Corporation (real estate property management, etc.)
2 more subsidiaries
<Americas>
- Consolidated subsidiaries
NTN USA CORP. (overall management of American subsidiaries)
Sales of the products
Procurement of the goods
Procurement of the semi-finished goods

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).

These reports are available through the following URL.
(Company Website)
http://www.ntn.co.jp
(Tokyo Stock Exchange Website (information search site on the listed companies))
http://www.tse.or.jp/listing/compsearch/index.html

(3) Medium to Long Term Management Strategy

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

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

(4) Management Issues to be Addressed

The Group has promoted its emergency medium-term management plan, *NTN 2010 for the Next Step*, covering 2 years from April 2009 in response to the global recession that started with the American financial crisis of 2008. Thanks to the speedy implementation of various initiatives, we have achieved a V-shaped recovery beyond initial expectations.

Since April 2011 we have been implementing the new medium-term management plan *Global Advance 2013*, covering the three years up to March 2014. We will seek to achieve even greater growth through expansions in the business as our first step to achieving sales of 1 trillion yen by fiscal 2017, when we celebrate the Company’s 100th anniversary.

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

In terms of production-related initiatives, we will accelerate the strengthening of manufacturing in locations around the world.

In China, we will carry out major upgrades of the production capacity of our local manufacturing firms, in products such as ball bearings, needle roller bearings and bearings used in railway applications. In January 2011, joint company NTN-LYC (Luoyang) Bearing Corporation was established in Luoyang City in partnership with China’s top-class bearing manufacturer Luoyang LYC Bearing Co., Ltd. The new company plans to focus on the manufacture and sale of hub bearings and needle roller bearings with a view to local automotive manufacturers, and production is due to start in June 2012.

In India we have added a new plant in the suburbs of Chennai in Southern India and plan to begin the manufacture and sale of constant-velocity joints and hub bearings in April 2012.

In Brazil, NTN do Brasil Produção de Semi-Eixos Ltda. (Guarulhos City, São Paolo State), which was established in May 2010, will begin mass production of constant-velocity joints in June 2011. We will expand the business in line with the increase in new orders for hub bearings.

In the United States, we have upgraded production capacity for finished hub bearing products with a view to American automotive manufacturers in response to a major recovery in demand for automobiles. In December last year we set up joint company NTA PRECISION AXLE CORPORATION (Carol Stream, Illinois) to carry out integrated production of forging, turning and heat treatment processes as part of the manufacturing front-end process. Production is scheduled to begin in June 2011.

In Europe, we will increase production capacity for bearings in industrial machinery applications at NTN-SNR ROULEMENTS for use in aircraft and wind turbines, for which a future increase in demand is expected.

In Japan, we established NTN NOTO CORPORATION in Ishikawa Prefecture in December last year. This provides us with a second production base for industrial machinery bearings alongside NTN HAKUI CORPORATION and NTN HOUDATSU SHIMIZU CORPORATION, which operate in the same area, thereby diversifying risk and strengthening production capacity.

In terms of sales-related initiatives, in February 2010 the Company established the Automotive Business Headquarters and the Industrial Business Headquarters, combining sales, technology and production departments. We have strengthened the activities of industry-specialized teams in the industrial machinery segment and distributors, achieving a speedy link to orders.

From April 2011, in addition to strengthening the planning function and technological development function of both Headquarters we have placed all production subsidiaries, both within Japan and overseas, under the control of the Headquarters, and constructed a global business promotion system.

Moreover, in April 2011 we established the EV System Business Division with the aim of achieving the early commercialization of products used in electric vehicles (EV), such as the In-Wheel Motor System and the One Motor Type EV Drive System.

In China, with demand spreading from coastal areas to the interior, the NTN Group has strengthened its sales network. In addition to promoting partnerships with leading local agents, in October 2010 we established the Nanjing Branch of NTN (CHINA) INVESTMENT CORPORATION in Nanjing City to create a new sales base for the company. In the future we plan to expand the number of branches and distributors in the interior.

In terms of research and development-related initiatives, in April 2011 we carried out a reorganization of our research and development system. The name of our Element Technology R&D Center has been changed to the Advanced Technology R&D Center, and research will be carried out with a focus on the theme of creating the markets of the future. We also established the Composite Material Product Division with the aim of strengthening our partnerships in materials technology, such as powder alloys and engineering plastics.

In terms of global business expansion, it is crucial that we carry out developments in line with the needs of global customers, and we have strengthened our development systems in locations throughout the world. In China, the NTN China Technical Center (Shanghai) goes into operation in May 2011, helping to expand sales by strengthening our technological response capabilities in areas such as design and testing. In the future, we plan to strengthen our development systems in locations such as India and Brazil.

Regarding initiatives aimed at strengthening our profitability, we have carried out a fundamental review of our design, materials and production processes and promoted cost reductions. We have also implemented sales expansions in the highly profitable industrial machinery segment and aftermarket segment, thereby improving the profit ratio. We have also actively promoted local production, global procurement and the import of local products to promote the creation of a system that is not affected by exchange rates.

In order to contribute to international society through the creation of new technologies and the development of new products, the NTN Group will work hard to strengthen its management platform and streamline work through the implementation of the above measures, thereby moving towards improved profits.

4. Consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of March 31, 2010	As of March 31, 2011
Assets		
Current assets		
Cash and bank deposits	27,632	33,415
Notes and accounts receivable-trade	100,667	109,721
Securities	7,000	3,000
Finished goods & purchased goods	68,923	73,762
Work in process	36,668	39,063
Raw materials & supplies	21,072	24,159
Deferred tax assets	6,225	6,132
Short-term loans receivable	303	5,305
Other	20,590	24,782
Allowance for doubtful accounts	-358	-647
Total current assets	288,725	318,694
Fixed assets		
Property, plant and equipment		
Buildings and structures	154,511	148,458
Accumulated depreciation	-85,359	-84,286
Buildings and structures, net	*1, *4 69,151	*1, *4 64,172
Machinery, equipment and vehicles	568,432	560,344
Accumulated depreciation	-419,414	-428,968
Machinery, equipment and vehicles, net	*4 149,017	*4 131,375
Land	*1, *4 29,995	*1, *4 30,849
Construction in progress	6,582	14,535
Other	51,780	51,651
Accumulated depreciation	-45,960	-46,453
Other, net	*4 5,819	*4 5,198
Total property, plant and equipment	260,566	246,131
Intangible fixed assets		
Other	3,612	2,989
Total intangible fixed assets	3,612	2,989
Investments and other assets		
Investment securities	*3 40,906	*3 38,265
Deferred tax assets	23,129	24,214
Other	1,980	1,839
Allowance for doubtful accounts	-118	-132
Total investments and other assets	65,897	64,186
Total fixed assets	330,076	313,306
Total assets	618,801	632,000

(In million yen)

	As of March 31, 2010	As of March 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	90,206	110,205
Short-term loan	*1 117,139	*1 114,236
Bonds due within one year	20,000	—
Accrued income taxes	2,636	3,743
Accrued bonuses for directors and statutory auditors	15	185
Other	35,874	41,252
Total current liabilities	265,872	269,623
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans	84,499	99,047
Accrued retirement benefits for employees	30,258	30,833
Reserve for product defect compensation	1,339	845
Accrued defined pension	3,633	2,235
Negative goodwill	36	—
Other	8,611	9,061
Total long-term liabilities	138,378	152,024
Total liabilities	404,251	421,648
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,417	67,417
Retained earnings	100,247	113,030
Treasury stock	-736	-757
Total shareholders' equity	221,274	234,036
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	3,628	2,136
Deferred gains or losses on hedges	-66	—
Translation adjustments	-25,885	-33,679
Accrued retirement benefits adjustments	—	-2,572
Total accumulated other comprehensive income	-22,323	-34,115
Minority interests	15,598	10,430
Total net assets	214,550	210,352
Total liabilities and net assets	618,801	632,000

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

(In million yen)

	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Net sales	452,745	530,055
Cost of sales	*1 387,742	*1 437,514
Gross profit	65,003	92,541
Selling, general and administrative expenses		
Freight	10,297	13,337
Sales commissions	960	1,158
Provision for doubtful accounts	316	351
Salaries and benefit	23,478	23,727
Retirement benefit expense	1,772	1,762
Provision of reserve for director retirement	15	185
Rent expenses	2,195	2,059
Travel	1,126	1,282
Taxes & dues	1,142	1,254
Depreciation and amortization	2,580	2,113
Research and development	7,590	7,903
Other	12,127	12,845
Total selling, general and administrative expenses	*1 63,603	*1 67,981
Operating income	1,399	24,559
Non-operating income		
Interest income	285	208
Dividend income	306	451
Amortization of negative goodwill	1,131	36
Equity in earnings of unconsolidated subsidiaries	—	507
Royalty	855	1,045
Other	2,068	1,848
Total non-operating income	4,646	4,097
Non-operating expenses		
Interest expenses	3,964	3,243
Equity in losses of unconsolidated subsidiaries	120	—
Foreign exchange losses	—	892
Other	2,607	3,426
Total non-operating expenses	6,692	7,561
Ordinary income	-647	21,096

(In million yen)

	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Extraordinary gains		
Gains on sale of investment securities	—	1,511
Gains on negative goodwill	—	1,286
Compensation received	—	559
Gains on allotment of shares	—	*2 298
Profit from sale of subsidiary stock	722	—
Total extraordinary gains	722	3,655
Extraordinary losses		
Extraordinary operating losses	—	*3 811
Earthquake-related expenses	—	*4 538
Reserve for product defect compensation	—	401
Loss on devaluation of investment securities	—	145
Costs related to business restructuring of affiliated companies	1,183	—
Asset impairment loss	*5 350	—
Gain or loss in equity of non-consolidated subsidiaries and affiliates	238	—
Restructuring expenses	*6 141	—
Total extraordinary losses	1,913	1,896
Operating income or losses before income taxes and minority interests	-1,837	22,854
Income and other taxes	4,391	7,623
Refund of income taxes	-714	—
Income taxes adjustment	-5,762	-758
Total income and other taxes	-2,086	6,865
Income before minority interests	—	15,989
Minority interests in subsidiaries	2,262	1,590
Current net income or net loss	-2,014	14,399

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Income before minority interests	—	15,989
Other comprehensive income		
Valuation and translation adjustment	—	-1,491
Deferred gains or losses on hedges	—	66
Translation adjustments	—	-7,393
Accrued retirement benefits adjustments	—	63
Equity in equity-method affiliates	—	-396
Total other comprehensive income	—	*2 -9,151
Comprehensive income	—	*1 6,837
(Breakdown)		
Comprehensive income attributable to owners of parent company	—	5,776
Comprehensive income attributable to minority interests	—	1,061

(3) Statement of Changes in Shareholders' Equity

(In million yen)

	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Shareholders' equity		
Common stock		
Balance at March 31, 2010	42,339	54,346
Changes during the period		
New issue of stock	12,006	—
Total changes during the period	12,006	—
Balance at March 31, 2011	54,346	54,346
Additional paid-in capital		
Balance at March 31, 2010	55,410	67,417
Changes during the period		
New issue of stock	12,006	—
Total changes during the period	12,006	—
Balance at March 31, 2011	67,417	67,417
Retained earnings		
Balance at March 31, 2010	105,524	100,247
Transfers due to application of accounting standards governing presentation of comprehensive income	—	3,169
Changes during the period		
Distribution of retained earnings	-4,005	-4,785
Current net income or net losses	-2,014	14,399
Decrease from settling retirement benefit liability at foreign subsidiaries	742	—
Total changes during the period	-5,277	9,613
Balance at March 31, 2011	100,247	113,030
Treasury stock		
Balance at March 31, 2010	-728	-736
Changes during the period		
Purchase of treasury stock	-13	-22
Sale of treasury stock	4	1
Total changes during the period	-8	-20
Balance at March 31, 2011	-736	-757
Total shareholders' equity		
Balance at March 31, 2010	202,547	221,274
Transfers due to application of accounting standards governing presentation of comprehensive income	—	3,169
Changes during the period		
New issue of stock	24,013	—
Distribution of retained earnings	-4,005	-4,785
Current net income or net losses	-2,014	14,399
Decrease from settling retirement benefit liability at foreign subsidiaries	742	—
Purchase of treasury stock	-13	-22
Sale of treasury stock	4	1
Total changes during the period	18,727	9,593
Balance at March 31, 2011	221,274	234,036

(In million yen)

	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Accumulated other comprehensive income		
Valuation and translation adjustment		
Balance at March 31, 2010	-405	3,628
Changes during the period		
Net changes in items other than shareholders' capital during the period	4,034	-1,491
Total changes during the period	4,034	-1,491
Balance at March 31, 2011	3,628	2,136
Deferred gains or losses on hedges		
Balance at March 31, 2010	—	-66
Changes during the period		
Net changes in items other than shareholders' capital during the period	-66	66
Total changes during the period	-66	66
Balance at March 31, 2011	-66	—
Translation adjustments		
Balance at March 31, 2010	-25,166	-25,885
Transfers due to application of accounting standards governing presentation of comprehensive income	—	-533
Changes during the period		
Net changes in items other than shareholders' capital during the period	-718	-7,260
Total changes during the period	-718	-7,260
Balance at March 31, 2011	-25,885	-33,679
Accrued retirement benefits adjustments		
Balance at March 31, 2010	—	—
Transfers due to application of accounting standards governing presentation of comprehensive income	—	-2,635
Changes during the period		
Net changes in items other than shareholders' capital during the period	—	63
Total changes during the period	—	63
Balance at March 31, 2011	—	-2,572
Total accumulated other comprehensive income		
Balance at March 31, 2010	-25,572	-22,323
Transfers due to application of accounting standards governing presentation of comprehensive income	—	-3,169
Changes during the period		
Net changes in items other than shareholders' capital during the period	3,249	-8,622
Total changes during the period	3,249	-8,622
Balance at March 31, 2011	-22,323	-34,115
Minority interests		
Balance at March 31, 2010	15,247	15,598
Changes during the period		
Net changes in items other than shareholders'	351	-5,168
Total changes during the period	351	-5,168
Balance at March 31, 2011	15,598	10,430
Total net assets		
Balance at March 31, 2010	192,222	214,550
Changes during the period		
New issue of stock	24,013	—
Distribution of retained earnings	-4,005	-4,785
Current net income or net losses	-2,014	14,399
Decrease from settling retirement benefit liability at foreign subsidiaries	742	—
Purchase of treasury stock	-13	-22
Sale of treasury stock	4	1
Net changes in items other than shareholders' capital During the period	3,600	-13,790
Total changes during the period	22,328	-4,197
Balance at March 31, 2011	214,550	210,352

(4) Statements of Cash Flows

(In million yen)

	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Net cash provided by operating activities		
Operating income or losses before income taxes and minority interests	-1,837	22,854
Depreciation and amortization	40,702	35,936
Asset impairment loss	350	—
Amortization of negative goodwill	-1,131	-36
Gains on negative goodwill	—	-1,286
Increase/decrease in allowance for doubtful accounts	26	313
Increase/decrease in accrued retirement benefits for directors and statutory auditors	-10	169
Increase/decrease in accrued retirement benefits for employees	-1,619	1,243
Increase/decrease in reserve for product defect compensation	-200	-490
Increase/decrease in accrued payments due to the change in retirement benefit plan	-1,978	-1,583
Interest and dividend income	-591	-660
Interest expenses	3,964	3,243
Foreign currency translation adjustments / Foreign exchange losses/gains	229	111
Equity in earnings/losses of non-consolidated subsidiaries	120	-507
Gain or loss in equity of non-consolidated subsidiaries and affiliates	238	—
Profit or loss from sale of subsidiaries' stock	*2 -722	—
Decrease/increase in trade receivables	-23,390	-13,639
Decrease/increase in inventories	11,165	-15,817
Increase/decrease in trade payables	18,566	21,051
Other	6,940	2,175
Subtotal	50,819	53,078
Interest and dividend income received	1,135	931
Interest paid	-4,303	-3,198
Income taxes paid	-3,681	-6,308
Net cash provided by operating activities	43,970	44,503
Net cash used in investing activities		
Increase in time deposits	-1,143	-1,215
Decrease in time deposits	1,228	1,573
Purchase of property, plant and equipment	-25,400	-27,567
Proceeds from sale of property, plant and equipment	25	25
Purchase of intangible fixed assets	-541	-527
Purchase of investment securities	-1,899	-158
Proceeds from sale of investment securities	—	1,564
Payment for acquisition of shares in equity-method affiliates	—	-30
Payment for purchase of subsidiaries' stock	—	-5,908
Proceeds from sale of subsidiaries stock resulting in changes of consolidation scope	*2 2,421	—
Decrease/increase in short-term loans receivable, net	-294	-1
Other	46	59
Net cash used in investing activities	-25,558	-32,186
Net cash provided by financing activities		
Increase/decrease in short-term loans, net	-45,447	-10,698
Proceeds from long-term loans	19,527	35,187
Repayment of long-term loans	-2,224	-6,225
Payment for redemption of bonds	-10,000	-20,000
Proceeds from issuing common stock assigned to minority shareholders	—	203
Proceeds from issuing common stock	23,883	—
Dividend payment	-4,005	-4,785
Repayment of lease payable	-149	-189
Other	-146	-188
Net cash provided by financing activities	-18,562	-6,696
Effect of exchange rate changes on cash and cash equivalents	1,913	1,702
Increase/decrease in cash and cash equivalents	1,762	7,323
Cash and cash equivalents, at beginning of the year	30,995	32,758
Cash and cash equivalents, at end of the year	*1 32,758	*1 40,081

(5) Going Concern Assumption
None

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

Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
(Accounting Standard for Retirement Benefits) Effective this fiscal year, the "Partial Revision of the Accounting Standard for Retirement Benefits (No. 3)" (ASBJ Statement No. 19: July 31, 2008) has been adopted. The effect of this application on operating income, ordinary income, income before income taxes and minority interest, and retirement benefit obligations is immaterial.	-
-	(Application of the Accounting Standards for Asset Retirement Obligations) From the current consolidated fiscal year, the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.18: March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No.21: March 31, 2008) have been adopted. The effect of this application on operating income, ordinary income or income before income taxes and minority interests is immaterial.
-	(Application of the Accounting Standard for Business Combinations and Others) From the current consolidated fiscal year, the Accounting Standard for Business Combinations (ASBJ Statement No.21: December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22: December 26, 2008), the Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No.23: December 26, 2008), the Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7: December 26, 2008), the Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No.16: December 26, 2008), and the Implementation Guideline on Accounting Standards for Business Combinations and Business Divestitures (ASBJ Guideline No.10: December 26, 2008) have been adopted.

(7) Changes in Presentation Methods for Consolidated Financial Statements

(Consolidated Balance Sheet)

Item	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Presentation methods for “Accrued retirement benefits adjustments”	-	In the previous consolidated fiscal year, “Retirement benefit liabilities settled at overseas subsidiaries” was included in “Retained earnings” under shareholders’ equity. However, from the current consolidated fiscal year the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No.25, issued on June 30, 2010) has been adopted and the above is now presented as “Accrued retirement benefits adjustments” under “Accumulated other comprehensive income”. “Accrued retirement benefits adjustments” in the previous consolidated fiscal year totaled -2,635 million yen.

(Consolidated Statements of Operation)

Item	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Presentation methods for “Income before minority interests”	-	From the current consolidated fiscal year, the Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No.5, March 24, 2009) has been applied based on the Accounting Standard for Consolidated Financial Statements (ASJB Statement No.22: December 26, 2008), and this has been presented under “Income before minority interests.
Presentation methods for “Royalty”	“Royalty”, which was included under “Other” in “Non-operating income” in the previous consolidated fiscal year, has surpassed 10% of non-operating income and has therefore been presented under a separate item in the current consolidated fiscal year. “Royalty” in the previous consolidated fiscal year was 585 million yen.	-
Presentation methods for “Foreign exchange losses”	-	“Foreign exchange losses”, which was included under “Other” in “Non-operating expenses” in the previous consolidated fiscal year, has surpassed 10% of non-operating expenses and has therefore been presented under a separate item in the current consolidated fiscal year. “Foreign exchange losses” in the previous consolidated fiscal year were 238 million yen.

(Consolidated Statements of Changes in Shareholders' Equity)

Item	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Presentation methods for “Accrued retirement benefits adjustments”	—	In the previous consolidated fiscal year, “Retirement benefit liabilities settled at overseas subsidiaries” was included in “Retained earnings” under shareholders’ equity. However, from the current consolidated fiscal year the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No.25: June 30, 2010) has been adopted and this is now presented as “Accrued retirement benefits adjustments” under “Accumulated other comprehensive income”. The difference between the balance at the end of the previous fiscal year and presentation using the methods for the current consolidated fiscal year are shown as “Transfers due to application of accounting standards governing presentation of comprehensive income”. The difference with the previously used presentation methods is shown as “Foreign currency translation adjustments”.

(Cash flows)

Item	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Presentation methods for “Gain or loss from devaluating investment securities”	“Gain or loss from devaluating investment securities”, which was recorded under a separate item in “Cash flows from operating activities” in the previous consolidated fiscal year, has been recorded under “Other” in “Cash flows from operating activities” in the current consolidated fiscal year because of its reduced financial significance. “Gain or loss from devaluating investment securities” in the current consolidated fiscal year was 38 million yen.	—

(8) Notes to Consolidated Financial Statements

(Consolidated Balance Sheet)

No.	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
*1	The following assets have been pledged as collateral. (1) Pledged assets Buildings and structures 328 million yen Land 298 Total 626 (2) Liability and amount Liability, for which building/structures, and land are pledged as collateral Short-term loan 600 million yen	The following assets have been pledged as collateral. (1) Pledged assets Buildings and structures 307 million yen Land 298 Total 606 (2) Liability and amount Liability, for which building/structures, and land are pledged as collateral Short-term loan 500 million yen
2	Liabilities on guarantee Back letter of management Back letter of management, provided for bank loan by non-consolidate affiliates NTN de Mexico,S.A. 153 million yen	Liabilities on guarantee Back letter of management Back letter of management, provided for bank loan by non-consolidate affiliates NTN de Mexico,S.A. 137 million yen
*3	Notes on non-consolidated subsidiaries and affiliates Investment securities (stocks) 10,975 million yen	Notes on non-consolidated subsidiaries and affiliates Investment securities (stocks) 10,768 million yen
*4	Receipt of government subsidies Reduction of value due to the government subsidies received for the assets acquired in previous years is as follows: Buildings and structures 500 million yen; Machinery, equipment, and vehicles 555 million yen; Land 721 million yen; Other 4 million yen. Reduction of the values stated above is reflected on the Consolidated Balance Sheet.	Receipt of government subsidies Reduction of value due to the government subsidies received for the assets acquired in previous years is as follows: Buildings and structures 524 million yen; Machinery, equipment, and vehicles 724 million yen; Land 721 million yen; Other 4 million yen. Reduction of the values stated above is reflected on the Consolidated Balance Sheet.

(Consolidated Statements of Operation)

<table>
<tr><th>No.</th><th>Year ended March 31, 2010
(April 1, 2009 - March 31, 2010)</th><th>Year ended March 31, 2011
(April 1, 2010 - March 31, 2011)</th></tr>
<tr><td>*1</td><td>Research and development expense included in general and administrative expense and manufacturing cost during the period is 14,687 million yen.</td><td>Research and development expense included in general and administrative expense and manufacturing cost during the period is 15,697 million yen.</td></tr>
<tr><td>*2</td><td>-</td><td>In the current consolidated fiscal year, 298 million yen has been recorded under “Gains on allotment of shares” in “Extraordinary gains”. This is the result of a share allocation from the demutualization of The Dai-Ichi Life Insurance Company.</td></tr>
<tr><td>*3</td><td>-</td><td>In the current consolidated fiscal year, 811 million yen has been recorded under “Extraordinary operating losses” in “Extraordinary losses”. This is the amount in abnormal costs resulting from unusually low operating rates in comparison with normal operations.</td></tr>
<tr><td>*4</td><td>-</td><td>In the current consolidated fiscal year, 538 million yen has been recorded under “Earthquake-related expenses” in “Extraordinary losses”. This can be broken down into 417 million yen in fixed costs during the cessation of operations and sales, a donation of 100 million yen and other costs of 20 million yen.</td></tr>
<tr><td>*5</td><td>Asset impairment loss
Regarding fixed assets used in manufacturing activities, the Company has defined a plant and factory as the smallest cash-flow-generating unit, based on business segmentation under management accounting; fixed assets associated with the head office and those used for sales and marketing activities are categorized as shared assets. 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 350 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.

<table>
<tr><th>Use</th><th>Category</th><th>Location</th><th>Impairment loss (million yen)</th></tr>
<tr><td>Manufacturing facilities</td><td>Machinery and Equipment</td><td>China</td><td>160</td></tr>
<tr><td>Manufacturing facilities</td><td>Machinery and Equipment</td><td>Shizuoka</td><td>95</td></tr>
<tr><td>Manufacturing facilities</td><td>Machinery and Equipment</td><td>France</td><td>94</td></tr>
<tr><td colspan="3">Total</td><td>350</td></tr>
</table>
</td><td>-</td></tr>
<tr><td>*6</td><td>For the fiscal year under review, the Company recognized restructuring expenses of 141 million yen as extraordinary losses, comprising 131 million yen in costs of disposal of fixed assets, and 10 million yen in costs of relocation of facilities.</td><td>-</td></tr>
</table>

(Matters Related to Consolidated Statement of Comprehensive Income)
Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

*1	Comprehensive income in previous consolidated fiscal year		
	Comprehensive income related to the shareholders in the parent company	1,977	Million yen
	Comprehensive income related to minority interests	1,897	
	Total	3,874	

*2	Other comprehensive income in previous consolidated fiscal year		
	Valuation difference on available-for-sale securities	4,034	Million yen
	Deferred gains or losses on hedges	-66	
	Foreign currency translation adjustments	-1,922	
	Accrued retirement benefits adjustments (Notes) 1.	925	
	Equity in equity-method affiliates	655	
	Total	3,625	

(Notes)

1. "Accrued retirement benefits adjustments" is recorded under "Decrease from settling retirement benefit liability at foreign subsidiaries" in the Statement of Changes in Shareholders' Equity in the previous consolidated fiscal year, and the difference with the former calculation methods is recorded under "Foreign currency translation adjustments".
2. From the current consolidated fiscal year the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No.25: June 30, 2010) has been adopted. However, "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" are recorded under "Valuation and translation adjustments" and "Total valuation and translation adjustment" in the previous consolidated fiscal year.

(Consolidated Statements of Changes in Shareholders' Equity)
Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)

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

	Number of shares as of March 31, 2010 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2011 (thousand shares)
Shares issued and outstanding				
Common shares *1	470,463	62,000	—	532,463
Total	470,463	62,000	—	532,463
Treasury stock				
Common shares *2	750	35	12	773
Total	750	35	12	773

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

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

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

3. Dividends
(1) Dividend paid

(Date of approval)	Type of share	Total dividend paid (million yen)	Dividend per share (yen)	Record date	Payable date
Annual general meeting of share holders on June 25, 2009	Common stock	1,878	4	March 31, 2009	June 26, 2009
Board meeting held on October 29, 2009	Common stock	2,126	4	September 30, 2009	December 4, 2009

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

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

Year ended March 31, 2011 (April 01, 2010 - March 31, 2011)

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

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

*Notes: A 54 thousand increase in the number of common shares represents purchase of shares constituting less than one unit. A 3 thousand decrease in the number of common shares 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	Payable date
Annual general meeting of share holders on June 25, 2010	Common stock	2,126	4	March 31, 2010	June 28, 2010
Board meeting held on October 29, 2010	Common stock	2,658	5	September 30, 2010	December 3, 2010

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

(Planned date for resolution)	Type of share	Total dividend paid (million yen)	Dividend source	Dividend per share (yen)	Record date	Payable date
Annual general meeting of shareholders on June 24, 2011	Common stock	2,658	Retained earnings	5	March 31, 2011	June 27, 2011

(Cash flows)

No.	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
*1	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. million yen Cash and bank deposits 27,632 Securities 7,000 Time deposits with original maturities of more than three months -1,874 Cash and cash equivalents 32,758	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. million yen Cash and bank deposits 33,415 Securities 3,000 Short-term loans receivable 5,305 Time deposits with original maturities of more than three months -1,334 Short-term loans receivable, excluding repurchase agreements -304 Cash and cash equivalents 40,081
*2	Breakdown of assets and liabilities of companies which are no longer consolidated companies by sales of shares. Breakdown of the assets and liabilities of NTN-NIDEC(THAILAND)CO.,LTD. and NTN-NIDEC (ZHEJIANG) CORP., which are no longer consolidated affiliates due to sales of shares, at the time of sale, and sales price and net profit from sale of the shares. million yen Current assets 4,157 Fixed assets 4,287 Current liabilities -4,922 Long-term liabilities -1 Minority interests -1,408 Profit from sales of shares 722 Sales price of shares 2,835 Cash and cash equivalents -413 Net receipt from sales 2,421	—

(Segment Information, etc.)

[Business segment information]

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

[Geographic segment information]

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

(In million yen)

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

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. In “Assets”, company-wide assets recorded under “Elimination” totaled 36,957 million yen. Major items include operating capital (deposits and marketable securities), and long-term investment capital (long-term securities) etc.

[Overseas sales]

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

(In million yen)

	Americas	Europe	Asia and other areas	Total
I Overseas sales	90,017	127,068	79,296	296,382
II Consolidated net sales				452,745
III Ratio of overseas sales to total consolidated sales (%)	19.9	28.1	17.5	65.5

Notes: *1. Countries or regions are classified in each segment by geographic proximity

2. Major countries or regions in each segment:
   Americas: U.S.A., Canada, South and Central America
   Europe: Germany, France, United Kingdom
   Asia and other areas: China, Thailand, India, and others
3. “Overseas sales” includes sales by the Company and its consolidated subsidiaries to the countries and regions other than Japan.

[Segment Information]
Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

1. Description of reporting segments

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

The Group's main business is the manufacturing and sale of bearings, constant-velocity joints and precision equipment for automotive applications, industrial machinery applications and repairs and commercial applications. Business activities in Japan are controlled by the Company (Head Office) and overseas the activities of each region are controlled by the general managers' department allocated to each region.

Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

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

Each segment carries out the manufacture and sale of bearings, constant-velocity joints and precision equipment.

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

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

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

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

(In million yen)

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

Notes: *1. "Adjustments" refers to elimination of all inter-segment transactions with the exception of segment assets.
Adjustments under "segment assets" is made up of inter-segment eliminations of -157,269 million yen and company-wide assets not allocated to specific segments of 35,506 million yen (major items include operating capital (deposits and marketable securities), and long-term investment capital (marketable investment securities) etc.).

2. Major countries or regions in each segment:
Americas: U.S.A., Canada, South and Central America
Europe: Germany, France, United Kingdom
Asia and other areas: China, Thailand, India, and others

(Additional information)

From the current consolidated fiscal year “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASJB Statement No.17 of March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASJB Guidance No.20 of March 21, 2008) have been applied.

Regarding segment information from the previous consolidated fiscal year, disclosure has been omitted as there have been no significant changes in segment classifications between the segment classifications of the current consolidated fiscal year and the geographic segment information of the previous consolidated fiscal year.

[Related information]

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

1. Information related to products and services

(In million yen)

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

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

2. Geographic information

(1) Sales

(In million yen)

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

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

2. Major countries or regions in each reporting segment:
   Americas: U.S.A., Canada, South and Central America
   Europe: Germany, France, United Kingdom
   Asia and other areas: China, Thailand, India, and others
3. Of the sales classified as sales to the Americas, sales to the United States accounted for 100,436 million yen.

(2) Property, plant and equipment

(In million yen)

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

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

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

[Segment information related to goodwill]

Current consolidated fiscal year (April 1, 2010 to March 31, 2011)

(Gains on negative goodwill)

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

(Note) In July 2010, S.N.R.ROUULEMENTS changed its name to NTN-SNR ROULEMENTS.

(Par share data)

Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Net assets per share (yen) 374.19 Net income per share (yen) -4.00 Diluted net income per share is not reported due to negative net income per share for the period. In addition, no residual securities existed.	Net assets per share (yen) 376.05 Net income per share (yen) 27.08 Diluted net income per share is not reported because no residual securities existed.

(Note) The basic methods for calculating net income per share or net loss per share were as follows.

	Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
Net income in consolidated balance sheets (million yen)	-2,014	14,399
Net income available for common shares (million yen)	—	—
Net income or loss per share of common stock (million yen)	-2,014	14,399
Average number of shares during the period (thousand shares)	503,089	531,668

(Significant Subsequent Event)

Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)
1. Establishment of significant subsidiaries The company decided to establish a subsidiary to manufacture and sell constant velocity joints (CVJs) at Guarulhos, São Paulo in Brazil according to the board resolution of May 11, 2010 as a way of responding to an expansion in demand for products in automotive applications in newly-emerging economies. (1) Corporate name NTN do Brazil Produção de Semi-Eixos Ltda. (2) Business lines Manufacture and sales of CVJs (3) Establishment Friday, May 21, 2010 (4) Acquisition cost 35,420 thousand R＄ (5) Ownership: NTN 70% NTN TRANSMISSIONS EUROPE 30% 2. Sale of investment securities At a Board of Directors meeting held on June 23, 2010, a resolution was passed to sell some of the investment securities owned by the Company over a period of two years, from August 2010. We estimate a gain on the sale of these securities of approximately 3 billion yen.	—