

Financial Results
For the Six Months Ended September 30, 2010 – Consolidated[JP GAAP]

NTN Corporation

Security Code: 6472
Listings: Tokyo and Osaka Stock Exchanges
URL: <http://www.ntn.co.jp/>
Representative: Hirotsugu Mori, President and Representative Director
Contact: Takatoshi Saiki, General Manager, General Affairs Department
Telephone: +81-6-6443-5001
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Scheduled date to start dividend payout: December 3, 2010
Supplementary Material of the Financial Results: Prepared
Investor Meeting: Scheduled


October 29, 2010

1. Consolidated Financial Results for the Six Months Ended September 30, 2010
(April 1, 2010 to September 30, 2010)

1) Operating Results

(Amounts rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2010	260,764	26.2	10,476	-	8,604	-	7,262	-
Six months ended September 30, 2009	206,660	(35.5)	(5,618)	-	(7,609)	-	(5,084)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2010	13.66	-
Six months ended September 30, 2009	(10.62)	-

Note: Percentage figures indicate the change from the same quarter of the prior fiscal year.

2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Six months ended September 30, 2010	601,321	201,061	32.0	362.19
Year ended March 31, 2010	618,801	214,550	32.2	374.19

Note: Shareholders' equity
Six months ended September 30, 2010: 192,565 million yen
Year ended March 31, 2010: 198,951 million yen

2. Dividends

(Record date)	Dividends per share				
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2010	-	4.00	-	4.00	8.00
Year ending March 31, 2011	-	5.00			
Year ending March 31, 2011 (forecast)			-	5.00	10.00

Note: Change in dividends forecast for the fiscal year ending March 31, 2011 as of September 30, 2010: None

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2011

(April 1, 2010 to March 31, 2011)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	527,000	16.4	23,000	-	18,500	-	13,500	-	25.39

Note: Forecasts reflect a change in the consolidated earnings forecast for the fiscal year ending March 31, 2011 as of September 30, 2010.

4. Other Information (For details see "2. Other information" on page 4 of the Attached Documents)

1) Changes in significant subsidiaries during the period: None

Note: This indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the period.

2) Adoption of simplified and specified accounting methods: Applicable

Note: This indicates whether there was adoption of simplified accounting methods or of specified accounting methods for presenting quarterly consolidated financial statements.

3) Changes to accounting policies, procedures, and methods of presentation

(1) Changes due to revisions of accounting standards: Applicable

(2) Changes other than above: None

Note: This indicates whether there were changes to accounting policies, procedures, and methods of presentation used in the preparation of the quarterly consolidated financial statements which are described in "Changes in important matters in preparing quarterly consolidated financial statements"

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

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

Six months ended September 30, 2010: 532,463,527 shares

Year ended March 31, 2010: 532,463,527 shares

(2) Number of treasury shares at the end of the period:

Six months ended September 30, 2010: 787,856 shares

Year ended March 31, 2010: 773,007 shares

(3) Average number of shares during the period:

Six months ended September 30, 2010: 531,683,397 shares

Six months ended September 30, 2009: 478,567,960 shares

* Implementation status of Quarterly review

This six-month Financial Results report is exempt from quarterly review under the Financial Instruments and Exchange Law of Japan. As of the Second Quarter disclosure date, the quarterly review process for the financial statements has not been completed.

* Explanation regarding the appropriate use of forecasts of business results

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 "3) Qualitative Information regarding Outlook for the Year Ending March 31, 2011" under "Qualitative Information regarding Consolidated Financial Statements for the six months ended September 30, 2010" on page 3 of the Attached Documents.

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1 【Qualitative Information of Consolidated Financial Statements】

1) Qualitative Information regarding Consolidated Operating Results

During the six months ended September 30, 2010 (April 1 – September 30, 2010) Japan's economy has seen a steady recovery assisted by an increase in export and improvement in corporate earnings, while uncertainty over the economy's recovery is growing with the recent sharp appreciation of the yen.

Overseas, the US economy has seen a gradual recovery, helped by government policies. Europe's economy has recovered as a whole, though the degree of recovery varies from one country to another. The Asian economy has seen a gradual growth in China and other nations, led by domestic demand.

In this environment, the NTN Group (the Group) is promoting measures such as cost reductions and business expansion in the industrial machinery sector to build a stronger corporate structure that operates in a manner not dependant on business volume. That is the goal of the "NTN 2010 for the Next Step" —NTN's two-year management plan that started in April 2009. We are now in the final year of the plan.

The Group's net sales for the six months ended September 30, 2010 increased 26.2 % from a year earlier to 260,764 million yen. Benefited by an increase in sales, operating income reached 10,476 million yen (against an operating loss of 5,618 million yen a year earlier) and ordinary income reached 8,604 million yen (against an ordinary loss of 7,609 million yen a year earlier).

Including extraordinary gains of 1,202 million yen from negative goodwill, a 1,511 million yen profit from sale of investment securities, and an extraordinary loss of 153 million yen from devaluation of investment securities, net income for the period came to 7,262 million yen (against a net loss of 5,084 million yen a year earlier).

Sales by geographical segment were as follows:

(1) Japan

Sales to the automotive sector increased overall due to recovery in demand from customers. Sales to industrial machinery customers have also shown growth due to a large increase in shipment to the construction machinery and machine tool sectors, as well as to the distributors and the aftermarket.

As a result, the Group's net sales for the period increased 46.6% from a year earlier to 157,150 million yen. Operating income for the segment reached 2,744 million yen, benefited by an increase in sales (compared to an operating loss of 10,495 million yen a year earlier).

(2) Americas

Sales to the automotive sector increased overall due to recovery in demand. Sales in general industrial machinery applications increased, particularly in the construction machinery sector.

Sales to distributors and in the aftermarket also increased.

As a result, the Group's net sales for the period increased 42.3% from a year earlier to 56,074 million yen.

Operating income for the segment reached 1,370 million yen on increased sales despite an unfavorable impact from foreign exchanges (compared to an operating loss of 1,145 million yen a year earlier).

(3) Europe

Sales to the automotive sector increased overall due to recovery in demand. Sales in general industrial machinery applications increased, particularly in the machine tool sector. Sales to distributors and the aftermarket also increased.

As a result, sales for the period increased 6.4 % from a year earlier to 69,104 million yen.

Operating income for the segment reached 2,530 million yen due to an increase in sales despite an unfavorable impact from foreign exchanges (a 83.9 % increase from a year earlier).

(4) Asia and other areas

Overall sales in the automotive sector increased in China and other parts of Asia due to recovery in demand.

Sales in general industrial machinery applications increased, particularly in the construction machinery and business equipment sectors, while sales of fluid dynamic bearings dropped due dissolution of joint ventures. Sales to distributors and the aftermarket also increased.

As a result, sales for the period increased 24.4 % from a year earlier to 40,438 million yen.

Operating income for the segment reached 3,530 million yen due to an increase in sales despite an unfavorable impact from foreign exchanges (a 16.2 % increase from a year earlier).

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Sales by business segment were as follows:

(1) Automotive applications

Sales in Japan, the Americas, Europe, and Asia and other areas increased overall due to recovery in demand.

As a result, sales for the period reached 171,397 million yen. Operating income came to 1,336 million yen, benefited by the increase in sales.

(2) General industrial machinery applications

Sales in Japan, the Americas, and China increased due to recovery in demand, while sales dropped for fluid dynamic bearings due to dissolving joint projects in Asia and other areas.

As a result, sales for the period were 47,808 million yen. Operating income came to 778 million yen, benefited by the increase in sales.

(3) Distribution and aftermarket

Sales in Japan, the Americas, Europe, and Asia and other areas increased overall due to recovery in demand.

As a result, sales for the period reached 41,557 million yen. Operating income came to 8,360 million yen, benefited by the increase in sales.

2) Qualitative Information regarding Consolidated Financial Position

(Assets, Liabilities, and Net assets)

Total current assets at September 30, 2010 amounted to 289,865 million yen, an increase of 1,140 million yen, or 0.4 % from March 31, 2010. Major factors included a 2,837 million yen increase in cash and bank deposits, a 1,569 million yen increase in notes and accounts receivable-trade, a 1,000 million yen increase in securities, and a 4,299 million yen decrease in merchandise and finished goods.

Total fixed assets at September 30, 2010 amounted to 311,456 million yen, a decrease of 18,620 million yen, or 5.6 % from March 31, 2010. The major factor was a 15,533 million yen decrease in property, plant and equipment. As a result, total assets were 601,321 million yen, a decrease of 17,480 million yen, or 2.8 % from March 31, 2010.

Total current liabilities at September 30, 2010 amounted to 237,455 million yen, a decrease of 28,417, or 10.7 % from March 31, 2010. Major factors included a 16,597 million yen decrease in short-term loans, and a 20,000 million yen decrease in bonds due within one year.

Total long-term liabilities at September 30, 2010 amounted to 162,804 million yen, an increase of 24,426 million yen, or 17.7 % from March 31, 2010. Major factors included a 25,982 million yen increase in long-term loans.

As a result, total liabilities were 400,260 million yen, a decrease of 3,991 million yen, or 1.0 % from March 31, 2010.

Total net assets were 201,061 million yen, a decrease of 13,489 million yen, or 6.3 %. From March 31, 2010. Major factors included a 9,057 million yen decrease in translation adjustments, and a 7,102 million yen decrease in minority interest.

(Cash Flows)

Net cash provided by operating activities was 24,378 million yen, an increase of 7,352 million yen, or 43.2 % from a year earlier.

This mainly reflected a 11,464 million yen increase in pretax income and minority interests, and a 17,815 million yen increase in depreciation and amortization, which more than offset a 7,170 million yen increase in trade receivables.

Cash used in investment activities increased 7,848 million yen, or 92.5 % year-on-year, to 16,334 million yen.

This was mainly due to outlays of 11,573 million yen for the acquisition of property, plant and equipment, and outlays of 5,908 million yen for the acquisition of subsidiaries' stock.

Net cash used in financing activities was 5,826 million yen, while 13,824 million yen net cash was provided a year earlier.

This was due mainly to a 20,000 million yen outlay for redemption of bonds, a 10,003 million yen net decrease in short-term loans, and a 2,126 million yen outlay for a dividend payment, which more than offset a 26,409 million yen net increase in long-term loans.

As a result of these cash flows, and including foreign exchange gains of 1,664 million yen, cash and cash equivalents at September 30, 2010 amounted to 36,641 million yen, an increase of 3,882 million yen, or 11.9 % from the end of the previous fiscal year.

3) Qualitative Information regarding Outlook for the Year Ending March 31, 2011

Financial results for the six months ended September 30, 2010 exceeded the outlook in both net sales and income.

The future of economy, however, is unclear, as seen the recent sharp appreciation of the yen. Taking into account this situation, we have revised the Consolidated Earnings Forecast for the full year ending March 31, 2011 based on the foreign exchange rates as follows: 1 US \$=83 yen, and 1 EURO=114 yen

The forecasts reported on July 30, 2010 and the revised forecasts are shown in the table below.

(April 1, 2010 to March 31, 2011)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A)	523,000	23,000	18,500	13,500	25.39
Revised forecast (B)	527,000	23,000	18,500	13,500	25.39
Change (B-A)	4,000	-	-	-	-
Change (%)	0.8	-	-	-	-
FY ended March 31, 2010 (Actual)	452,745	1,399	(647)	(2,014)	(4.00)

2. [Other Information]

1) Changes in significant subsidiaries during the period

None

2) Adoption of simplified and specified accounting methods

(1) Simplified accounting methods

None of the simplified accounting methods used are significant.

(2) Specified accounting methods

(Method for calculating tax expenses)

Tax expenses for the second quarter are based on a reasonable estimate of the effective tax rate that will apply, after applying tax-effect accounting, to consolidated pretax profit for the fiscal year in which the relevant accounting period occurs. Specifically, consolidated pretax income for the relevant accounting period is multiplied by the estimated effective tax rate. When this method brings unreasonable results, the statutory effective tax rate is used. Deferred taxes are presented along with income taxes.

3) Changes to accounting policies, procedures, and methods of presentation

(Application of the Accounting Standards for Asset Retirement Obligations)

Effective April 1, 2010, 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 issued on March 31, 2008) have been adopted. The effect of this change on ordinary income and income before income taxes and minority interests was none.

(Application of the Accounting Standard for Business Combinations and Others)

Effective April 1, 2010, the Accounting Standard for Business Combinations (ASBJ Statement No.21 issued on December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 issued on December 26, 2008), the Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No.23 issued on December 26, 2008), the Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7, issued on December 26, 2008), the Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No.16, issued on December 26, 2008), and the Implementation Guideline on Accounting Standards for Business Combinations and Business Divestitures (ASBJ Guideline No.10, issued on December 26, 2008) have been adopted.

3. [Consolidated Financial Statements]

1) Balance Sheets

(Millions of yen)

As of September 30, 2010 As of March 31, 2010

Assets

Current assets		
Cash and bank deposits	30,469	27,632
Notes and accounts receivable-trade	102,236	100,667
Securities	8,000	7,000
Merchandise and finished goods	64,624	68,923
Work in process	36,216	36,668
Raw materials & supplies	22,125	21,072
Deferred tax assets	4,788	6,225
Short-term loans receivable	299	303
Other	21,432	20,590
Allowance for doubtful accounts	(327)	(358)
Total current assets	289,865	288,725
Fixed Assets		
Property, plant and equipment		
Buildings and structures, net	65,206	69,151
Machinery, equipment and vehicles, net	134,913	149,017
Other, net	44,912	42,397
Total property, plant and equipment	245,033	260,566
Intangible fixed assets	3,161	3,612
Investments and other assets		
Investment securities	36,310	40,906
Deferred tax assets	25,280	23,129
Other	1,792	1,980
Allowance for doubtful accounts	(123)	(118)
Total investments and other assets	63,260	65,897
Total fixed assets	311,456	330,076
Total assets	601,321	618,801

As of September 30, 2010 As of March 31, 2010

Liabilities

Current liabilities

Notes and accounts payable-trade	96,352	90,206
Short-term loans	100,542	117,139
Bonds due within one year	-	20,000
Accrued income taxes	2,212	2,636
Accrued bonuses for directors and statutory auditors	92	15
Other	38,256	35,874
Total current liabilities	<u>237,455</u>	<u>265,872</u>

Long-term liabilities

Bonds	10,000	10,000
Long-term loans	110,481	84,499
Accrued retirement benefits for employees	30,245	30,258
Reserve for product defect compensation	447	1,339
Negative goodwill	18	36
Other	11,612	12,244
Total long-term liabilities	<u>162,804</u>	<u>138,378</u>

Total liabilities

	<u>400,260</u>	<u>404,251</u>
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Net assets

Shareholders' equity

Common stock	54,346	54,346
Capital surplus	67,417	67,417
Retained earnings	105,383	100,247
Treasury stock	(742)	(736)
Total shareholders' equity	<u>226,405</u>	<u>221,274</u>

Valuation and translation adjustments

Net unrealized holding gain on securities	1,102	3,628
Deferred gains or losses on hedges	-	(66)
Translation adjustments	(34,942)	(25,885)
Total Valuation and translation adjustments	<u>(33,839)</u>	<u>(22,323)</u>

Minority interests

	8,496	15,598
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Total net assets

	<u>201,061</u>	<u>214,550</u>
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Total liabilities and net assets

	<u>601,321</u>	<u>618,801</u>
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2) Statements of Operations

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net sales	206,660	260,764
Cost of sales	180,825	216,789
Gross profit	25,834	43,974
Selling, general and administrative expenses		
Freight	4,433	6,396
Sales commissions	457	569
Provision for doubtful accounts	269	40
Salaries and benefit	11,601	12,015
Retirement benefit expense	893	801
Provision of reserve for director retirement	7	92
Rent expenses	1,103	1,048
Travel	530	604
Taxes & dues	559	657
Depreciation expense	1,279	1,126
Research and development	3,789	3,673
Other	6,527	6,473
Total selling, general and administrative expenses	31,453	33,498
Operating income	(5,618)	10,476
Non-operating income		
Interest income	145	101
Dividend income	215	249
Depreciation of negative goodwill	565	18
Equity in earnings of unconsolidated subsidiaries	-	257
Royalty	-	460
Other	1,236	1,105
Total non-operating income	2,164	2,193
Non-operating expenses		
Interest expenses	2,215	1,673
Exchange losses	-	1,034
Equity in losses of unconsolidated subsidiaries	215	-
Other	1,724	1,355
Total non-operating expenses	4,155	4,064
Ordinary income	(7,609)	8,604
Extraordinary gains		
Profit from sale of investment securities	-	1,511
Gains from negative goodwill	-	1,202
Profit from sale of subsidiary stock	722	-
Other	-	298
Total extraordinary gains	722	3,012
Extraordinary losses		
Loss in devaluation of investment securities	-	153
Total extraordinary losses	-	153
Income before income taxes and minority interests	(6,887)	11,464
Income and other taxes	(2,737)	3,438
Income before minority interests in subsidiaries	-	8,025
Minority interests in subsidiaries	935	763
Net income	(5,084)	7,262

3) Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2009	Six months ended September 30, 2010
Cash flows from operating activities:		
Net income before income taxes and minority interests	(6,887)	11,464
Depreciation and amortization	20,717	17,815
Amortization of negative goodwill	(565)	(18)
Gains from negative goodwill	-	(1,202)
Increase/decrease in allowance for doubtful accounts	(57)	4
Increase/decrease in accrued retirement benefits for directors and statutory auditors	(18)	76
Increase/decrease in accrued retirement benefits for employees	(308)	635
Increase/decrease in reserve for product defect compensation	(161)	(892)
Increase/decrease in accrued payments due to the change in retirement benefit plan	(384)	(199)
Interest and dividend income	(361)	(350)
Interest expenses	2,215	1,673
Foreign currency translation adjustments / Foreign exchange losses/gains	(172)	(17)
Gain or loss in equity of non-consolidated subsidiaries and affiliates	215	(257)
Profit from sale of subsidiary stock	(722)	-
Decrease/increase in trade receivables	(5,249)	(7,170)
Decrease/increase in inventories	12,081	(2,872)
Increase/decrease in trade payables	(3,539)	7,690
Other	2,775	2,445
Subtotal	<u>19,574</u>	<u>28,822</u>
Interest and dividend income received	893	625
Interest paid	(2,378)	(1,627)
Income taxes paid	(1,063)	(3,442)
Net cash provided by operating activities	<u>17,026</u>	<u>24,378</u>
Cash flows from investing activities:		
Increase in time deposits	(480)	(395)
Decrease in time deposits	918	255
Purchase of property, plant and equipment	(9,960)	(11,573)
Purchase of intangible fixed assets	(237)	(243)
Purchase of investment securities	(1,099)	(158)
Proceeds from sale of investment securities	-	1,564
Payment for purchase of subsidiaries' stock	-	(5,908)
Proceeds from sale of subsidiaries resulting in changes of consolidation scope	2,421	-
Decrease/increase in short-term loans receivable, net	(17)	3
Other	(30)	120
Net cash used in investing activities	<u>(8,486)</u>	<u>(16,334)</u>

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Cash flows from financing activities		
Increase/decrease in short-term loans, net	(14,106)	(10,003)
Proceeds from long-term loans	6,933	30,733
Repayment of long-term loans	(951)	(4,324)
Payment for redemption of bonds	-	(20,000)
Proceeds from issuing stock	23,884	-
Dividend payment	(1,878)	(2,126)
Repayment of lease payables	(53)	(93)
Other	(4)	(11)
Net cash provided by financing activities	<u>13,824</u>	<u>(5,826)</u>
Effect of exchange rate changes on cash and cash equivalents	1,714	1,664
Increase/decrease in cash and cash equivalents	<u>24,078</u>	<u>3,882</u>
Cash and cash equivalents, at beginning of the year	<u>30,995</u>	<u>32,758</u>
Cash and cash equivalents, at end of the three months period	<u>55,074</u>	<u>36,641</u>

4) Going Concern Assumption

None

5) Segment Information**[Geographic segment information]**

(Millions of yen)

	Six months ended September 30, 2009 (April 1, 2009—September 30, 2009)						
	Japan	Americas	Europe	Asia and other areas	Total	Elimination	Consolidated total
Net sales							
(1) External sales	74,116	38,441	63,619	30,482	206,660	—	206,660
(2) Inter-segment sales	33,076	956	1,325	2,036	37,394	(37,394)	—
Total	107,193	39,397	64,944	32,519	244,055	(37,394)	206,660
Operating income	(10,495)	(1,145)	1,376	3,037	(7,227)	1,608	(5,618)

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 and others

Asia and other areas: China, Thailand, India and others

[Overseas sales]

(Millions of yen)

	Six months ended September 30, 2009 (April 1, 2009—September 30, 2009)			
	Americas	Europe	Asia and other areas	Total
I Overseas sales	39,895	60,416	37,279	137,591
II Consolidated net sales				206,660
III Ratio of overseas sales to total consolidated sales (%)	19.3	29.3	18.0	66.6

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 and others

Asia and other areas: China, Thailand, India and others

3. "Overseas sales" includes sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.

[Segment Information]

1. Outline of reporting segments

NTN's reporting segments are divisions of the Company for which separate financial information is available, and whose operating results are reviewed regularly by the chief operating decision maker (board of directors) in order to allocate resources and assess segment performance.

The Group's main business lines consist of sales and manufacture of bearings, CVJs, and precision equipment and other products. Business activities in Japan are controlled by the Company (head office), and overseas are controlled by the General Manager set up in each region. Each business unit in each region prepares its own business plans and strategies to conduct its business activities, while analyzing profitability and investment efficiency of operation.

The company has four reporting segments based on geographic business segmentation controlled by the Head Office or the General Manager: Japan, the Americas, Europe, and Asia and other areas. Each reporting segment engages in sales and manufacture of bearings, CVJs, and precision equipment and other products.

2. Sales and profits or losses by reporting segments

Six months (from April 1, 2010 to September 30, 2010)

(Millions of yen)

	Reporting segments					Elimination	Six months
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to third parties	101,107	54,704	67,649	37,303	260,764	-	260,764
Inter-segment sales/transfer	56,043	1,370	1,454	3,134	62,003	(62,003)	-
Total	157,150	56,074	69,104	40,438	322,767	(62,003)	260,764
Segment Profits (operating income)	2,744	1,370	2,530	3,530	10,175	300	10,476

Notes: 1. All transactions under Elimination are inter-segmental transactions.

2. Major countries or regions in each reporting segment:

Americas: U.S.A., Canada, South and Central America

Europe: Germany, France, United Kingdom and others

Asia and other areas: China, Thailand, India and others

3. Information on impairment loss of fixed assets or goodwill

(Significant gains from negative goodwill)

The Company raised its ownership in SNR ROULEMENTS, a consolidated subsidiary, to 80 % after acquiring additional 29 % ownership interest on April 22. This resulted in recognition of negative goodwill in the Japan segment. The event created a gain of 1,202 million yen for the period.

Notes: SNR ROULEMENTS changed its name to NTN-SNR ROULEMENTS in July 2010.

(Additional information)

Effective from the first quarter, the Company adapted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement NO.17 issued on March 27,2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20 issued on March 21, 2008).

6) Notes Related to Significant Changes in Shareholders Equity

None

4. [Supplementary Information]

1) Earnings by business segment

Six months (from April 1, 2010 to September 30, 2010)

(Millions of yen)

	Automotive	Industrial machinery	Distribution and aftermarket	Total
Sale to third parties	171,397	47,808	41,557	260,764
Operating profit	1,336	778	8,360	10,476

Notes: Earnings reported by business segment are voluntary disclosures of earnings by product group according to analogous market positions, in addition to the required information by "(ASBJ Statement No.17 issued on March 27, 2009)".

2) Sales by geographic segment

Six months (from April 1, 2010 to September 30, 2010)

(Millions of yen)

Japan	Americas	Europe	Asia and other areas	Total
94,038	57,804	63,700	45,220	260,764

- Notes:
1. Sales are reported geographically based on customers' locations
 2. Segmentation into country or region is done according to geographic proximity
 3. Major countries or regions in each segment:
Americas: U.S.A., Canada, South and Central America
Europe: Germany, France, United Kingdom and others
Asia and other areas: China, Thailand, India and others
 4. Sales reporting by geographic segment is a voluntary disclosure for items not stipulated in the Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance (ASBJ NO.12 issued on December 26, 2008).