

NIPPON THOMPSON CO., LTD.

Corporate Headquarters: Tokyo

Listed Code: 6480

Listed Stock Exchange: Tokyo

(URL: <http://www.ikont.co.jp/eg/>)

August 9, 2010

Consolidated Financial Report
for the First Quarter of the Fiscal Year Ending March 31, 2011
<Japanese GAAP>

Representative: Akira Yamashita, President and Representative Director

For further information contact: Kesaaki Ushikoshi, General Manager of Accounting Department

Telephone: +81-3-3448-5824

Scheduled Date to Submit Quarterly Annual Securities Report:	August 10, 2010
Preparation of Supplementary Explanation Material for Quarterly Financial Results:	None
Holding of Presentation Meeting for Quarterly Financial Results:	None
Expected Date of Payment for Dividends:	-

Figures have been rounded off to eliminate amounts less than one million yen.

1. Consolidated Operating Performance for the First Quarter of Fiscal Year Ending March 31, 2011
(From April 1, 2010 to June 30, 2010)

(1) Results of Consolidated Operations

(Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change	Net income	Percentage change
June 30, 2010	10,280	116.0	1,126	-	1,069	-	897	-
June 30, 2009	4,760	(63.9)	(1,511)	-	(1,425)	-	(1,013)	-

Note: Percentage change for net sales, operating income, ordinary income, and net income indicate percentage increase/decrease compared to the same period in the previous year.

	Net income per share (Yen)	Diluted net income per share (Yen)
June 30, 2010	12.21	-
June 30, 2009	(13.79)	-

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
June 30, 2010	80,940	50,574	62.5	688.55
March 31, 2010	78,262	50,400	64.4	686.17

Reference: Shareholders' equity

As of June 30, 2010: 50,574 million yen

As of March 31, 2010: 50,400 million yen

2. Dividends

(Yen)

Base date	Dividends per share				
	June 30	September 30	December 31	March 31	Full Fiscal Year
2011 (Forecast)		4.50	-	5.50	10.00
2011	-				
2010	-	3.00	-	3.00	6.00

Note: Change in the current three-month period ended June 30, 2010, to dividend forecast: None

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2011

(Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
Six-month period ending September 30, 2010	21,000	102.8	1,700	-	1,600	-
Year ending March 31, 2011	44,000	73.4	4,000	-	3,700	-

	Net income	Percentage change	Net income per share (Yen)
Six-month period ending September 30, 2010	1,000	-	13.61
Year ending March 31, 2011	2,300	-	31.31

Notes: Percentage change for net sales, operating income, ordinary income, and net income indicate percentage increase/decrease compared to the same period in the previous year.

Change in the current three-month period ended June 30, 2010, to consolidated operating performance forecast: None

4. Others (For further details, please refer to “1. Other Information” on page 4.)

- (1) Changes in the state of significant subsidiaries during the period: None

Note: Changes regarding specific companies accompanying changes in the scope of consolidation in this quarter.

- (2) Application of the simplified accounting method and special accounting methods for the presentation of the quarterly consolidated financial statements: Yes

Note: Application of the simplified accounting and accounting peculiar to preparation of the quarterly consolidated financial statements.

- (3) Changes in principles, procedures, methods of presentation, etc. related to the quarterly consolidated financial statements

Changes related to revisions in accounting principles: Yes

Changes other than those in above: None

Note: Changes in significant items that form the basis for the preparation and presentation of the quarterly consolidated financial statements.

- (4) Number of shares issued (Common stock)

Number of shares outstanding at period-end (Including treasury stock)

As of June 30, 2010: 73,499,875 shares

As of March 31, 2010: 73,499,875 shares

Number of treasury stock

As of June 30, 2010: 48,750 shares

As of March 31, 2010: 47,994 shares

Average number of shares outstanding at period-end

Three-month period ended June 30, 2010: 73,451,258 shares

Three-month period ended June 30, 2009: 73,457,540 shares

Disclosure with Regard to Implementation of Quarterly Review Procedures

Although falling outside quarterly review procedures based on the Financial Instruments and Exchange Law, these financial results are subjected to such review procedures, which are completed at the time of disclosure.

Explanations or Other Items Pertaining to Appropriate use of Operating Performance Forecasts

Performance forecasts presented herein are based on information available to the Nippon Thompson Group (the “Group”) as of the date of this document, August 9, 2010. Accordingly, for a wide variety of reasons, there remains the possibility that actual performance results may differ from projections.

1. Other Information

- (1) Changes in the state of significant subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation)

There are no applicable articles.

- (2) Application of simplified accounting methods and special accounting methods for the presentation of the quarterly consolidated financial statements

Application of the simplified accounting methods

Calculation method for depreciation of fixed assets

A pro-rata amount for the period under review based on the estimated amount of fixed assets to be acquired, sold or disposed of during the fiscal year was used as the basis for calculating depreciation of fixed assets.

For assets depreciated using the declining-balance method, depreciation expenses applicable to the fiscal year are calculated on a pro-rata basis.

Method for calculating deferred tax assets and liabilities

Since no significant changes have been recognized in the business environment after the end of the previous fiscal year and in temporary differences and other items, the recoverability of deferred tax assets has been estimated using the performance forecasts and tax planning that were used in the previous fiscal year's financial statements.

Special accounting methods for presentation of quarterly consolidated financial statements

Calculation of tax expenses

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of deferred tax accounting on income before income taxes and minority interests in the consolidated fiscal year and multiplying income before income taxes and minority interests for the three-month period of the fiscal year ending March 31, 2011, by said estimated effective tax rate.

- (3) Changes in principles, procedures, methods of presentation, etc. related to the quarterly consolidated financial statements

Application of Accounting Standard for Asset Retirement Obligations

From the first quarter of the fiscal year ending March 31, 2011, the Group has applied the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.18, issued March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No 21, issued March 31, 2008).

The effect of this change on income was immaterial in the first quarter ended June 30, 2010.

Changes in disclosure methods

As a result of applying the Cabinet Office Ordinance Partially Revising Regulations on the Terminology, Format and Preparation of Financial Statements (Cabinet Office Ordinance No.5, issued March 24, 2009), as per the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No 22, issued December 26, 2008), the Group has included "Income before minority interests" in the consolidated statements of income for the first quarter of the fiscal year ending March 31, 2011.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of June 30, 2010 and March 31, 2010

ASSETS	Millions of yen	
	June 30, 2010	March 31, 2010
Current Assets:		
Cash and deposits	18,202	16,160
Notes and accounts receivable-trade	9,333	7,285
Finished products	11,162	12,173
Material in process	8,499	8,237
Raw material	6,027	6,044
Others	3,548	3,250
Less: Allowance for doubtful accounts	(39)	(39)
Total current assets	<u>56,734</u>	<u>53,112</u>
Fixed Assets:		
Tangible fixed assets:		
Machinery and vehicles	6,786	7,118
Others	8,643	8,787
Total tangible fixed assets	<u>15,429</u>	<u>15,906</u>
Intangible fixed assets	185	194
Investments and other assets:		
Investment securities	5,469	6,142
Others	3,190	3,011
Less: Allowance for doubtful accounts	(68)	(105)
Total investments and other assets	<u>8,591</u>	<u>9,048</u>
Total fixed assets	<u>24,205</u>	<u>25,149</u>
 TOTAL ASSETS	 <u><u>80,940</u></u>	 <u><u>78,262</u></u>

LIABILITIES	Millions of yen	
	June 30, 2010	March 31, 2010
Current Liabilities:		
Notes and accounts payable-trade	6,903	5,195
Short-term bank loans	350	153
Current portion of long-term bank loans	1,195	1,195
Income taxes payable	382	66
Allowance for directors' and corporate auditors' bonuses	20	0
Others	2,828	2,372
Total current liabilities	11,680	8,984
Long-Term Liabilities:		
Corporate bonds	4,000	4,000
Long-term bank loans	12,582	12,712
Accrued retirement benefits	1,576	1,577
Others	527	587
Total long-term liabilities	18,685	18,877
TOTAL LIABILITIES	30,365	27,861
NET ASSETS		
Shareholders' Equity:		
Common stock	9,532	9,532
Capital surplus	12,886	12,886
Retained earnings	29,104	28,428
Treasury stock	(41)	(41)
Total shareholders' equity	51,482	50,805
Revaluation and Translation difference:		
Net unrealized holding gains on available-for-sale securities	817	1,230
Foreign currency translation adjustments	(1,725)	(1,635)
Total revaluation and translation difference	(907)	(405)
TOTAL NET ASSETS	50,574	50,400
TOTAL LIABILITIES AND NET ASSETS	80,940	78,262

(2) Consolidated Statements of Income

For the first quarter ended June 30, 2010 and 2009

	Millions of yen	
	June 30, 2010	June 30, 2009
Net Sales	10,280	4,760
Cost of Sales	6,983	4,130
Gross Profit	3,296	629
Selling, General and Administrative Expenses	2,170	2,141
Operating Income (Loss)	1,126	(1,511)
Non-Operating Income:		
Interest income	2	5
Dividend income	45	59
Subsidy income	-	83
Others	38	43
	86	192
Non-Operating Expenses:		
Interest expenses	75	53
Sales discount	13	6
Foreign currency translation loss	46	-
Loss on retirement of tangible fixed assets	4	31
Others	4	14
	144	106
Ordinary Income (Loss)	1,069	(1,425)
Extraordinary Loss:		
Loss from write-down of investment in securities	58	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	30	-
	89	-
Income (Loss) before Income Taxes	979	(1,425)
Income Taxes	82	(412)
Income before Minority Interests	897	-
Net Income (Loss)	897	(1,013)

(3) Consolidated Statements of Cash Flows

For the first quarter ended June 30, 2010 and 2009

	Millions of yen	
	June 30, 2010	June 30, 2009
Cash Flows from Operating Activities:		
Income (Loss) before income taxes	979	(1,425)
Depreciation and amortization	599	712
Decrease in account reserve	(19)	(134)
Interest and dividend income	(48)	(65)
Interest expenses	75	53
Loss on retirement of tangible fixed assets	4	31
Loss from write-down of investment in securities	58	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	30	-
Decrease (Increase) in notes and accounts receivable-trade	(2,027)	1,876
Decrease in inventories	646	484
Increase (Decrease) in notes and accounts payable-trade	1,677	(3,407)
Increase in accrued expenses	467	24
Others-net	(130)	540
Subtotal	<u>2,314</u>	<u>(1,307)</u>
Interest and dividend income received	48	65
Interest paid	(38)	(26)
Income taxes paid	(51)	(128)
Net cash provided (used) by operating activities	<u>2,272</u>	<u>(1,397)</u>
Cash Flows from Investing Activities:		
Proceeds from time deposits	39	-
Payments for purchase of property, plant and equipment	(119)	(1,555)
Others-net	(32)	(23)
Net cash used by investing activities	<u>(111)</u>	<u>(1,578)</u>
Cash Flows from Financing Activities:		
Net increase in short-term bank loans	241	137
Proceeds from long-term bank loans	-	500
Repayments of long-term bank loans	(130)	-
Cash dividends paid	(210)	(209)
Others-net	(0)	(1)
Net cash provided (used) by financing activities	<u>(99)</u>	<u>426</u>
Foreign currency translation adjustments on cash and cash equivalents	<u>20</u>	<u>116</u>
Net increase (decrease) in cash and cash equivalents	<u>2,081</u>	<u>(2,433)</u>
Cash and cash equivalents at beginning of year	16,079	12,559
Increase in cash and cash equivalents from newly consolidated subsidiary	-	315
Cash and cash equivalents at end of period	<u>18,161</u>	<u>10,440</u>

(4) Notes on the Premise of a Going Concern

There are no applicable articles.

(5) Segment Information

Segment Information by Geographic Areas

(Millions of yen)

	First quarter ended June 30, 2009						
	Japan	North America	Europe	Other Areas	Total	Corporate or Eliminations	Consolidated
(1) Net sales to customers	3,174	695	743	146	4,760	-	4,760
(2) Inter-segment sales	863	0	1	21	887	(887)	-
Total net sales	4,038	695	744	168	5,647	(887)	4,760
Operating income (loss)	(1,416)	(12)	30	(13)	(1,411)	(99)	(1,511)

Overseas Sales Information

(Millions of yen)

	First quarter ended June 30, 2009			
	Americas	Europe	Asia and Other areas	Total
(1) Overseas sales	786	755	566	2,107
(2) Consolidated sales				4,760
(3) Ratio of overseas sales to consolidated sales	16.5%	15.9%	11.9%	44.3%

Segment Information

Because the Group manufactures and sells Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components on an integrated basis, the disclosure of segment information has been omitted.

(Additional information)

From the first quarter of the fiscal year ending March 31, 2011, the Group has applied the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No.17, issued March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No.20, issued March 21, 2008).

(6) Notes on the Statement of Changes in Consolidated Shareholders' Equity

There are no applicable articles.