NIPPON THOMPSON CO., LTD.
Corporate Headquarters: Tokyo
Listed Code: 6480
Listed Stock Exchange: Tokyo
(URL: http://www.ikont.co.jp/eg/)

May 16, 2011

Consolidated Financial Report for the Fiscal Year ended March 31, 2011 <Japanese GAAP>

Representative: Akira Yamashita, President and Representative Director

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Scheduled Date of Ordinary General Meeting of Shareholders:	June 29, 2011
Scheduled Date to Submit Annual Securities Report:	June 29, 2011
Scheduled Date to Begin Dividend Payments:	June 30, 2011
Preparation of Supplementary Explanation Material for Financial Results:	None
Holding of Presentation Meeting for Financial Results:	None

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

1. Consolidated Operating Performance for the Fiscal Year Ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

(1) Results of Consolidated Operations

Years ended March 31, 2011 and 2010 (Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change	Net income	Percentage change
2011	**43,849**	**72.8**	**4,362**	—	**4,112**	—	**3,054**	—
2010	25,369	(38.5)	(4,667)	—	(4,739)	—	(6,061)	—

Note: Comprehensive income
Fiscal year ended March 31, 2011: 2,163 million yen — %
Fiscal year ended March 31, 2010: (5,187) million yen — %
: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)	Return on equity (%)	Ordinary income to total assets (%)	Operating income to net sales (%)
2011	**41.59**	—	**6.0**	**5.0**	**9.9**
2010	(82.51)	—	(11.4)	(6.0)	(18.4)

Reference: Equity in earnings of affiliates
Fiscal year ended March 31, 2011: —million yen
Fiscal year ended March 31, 2010: —million yen

(2) Consolidated Financial Position

Years ended March 31, 2011 and 2010 (Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
2011	**86,252**	**51,970**	**60.3**	**707.62**
2010	78,262	50,400	64.4	686.17

Reference: shareholders' equity

Fiscal year ended March 31, 2011: 51,970 million yen

Fiscal year ended March 31, 2010: 50,400 million yen

(3) Consolidated Cash Flows

Years ended March 31, 2011 and 2010 (Millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
2011	**6,773**	**(137)**	**(650)**	**21,837**
2010	2,210	(3,708)	4,649	16,079

2. Dividends

Base date	Dividends per share				
	June 30	September 30	December 31	March 31	Full fiscal year
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
2012 (Forecast)	—	**6.50**	—	**6.50**	**13.00**
2011	—	**4.50**	—	**5.50**	**10.00**
2010	—	3.00	—	3.00	6.00

Base date	Total dividends (Full fiscal year)	Dividends payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	(Millions of yen)	(%)	(%)
2012 (Forecast)		**19.1**	
2011	**734**	**24.0**	**1.4**
2010	440	—	0.8

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2012

Six-month period ending September 30, 2011, and the fiscal year ending March 31, 2012 (Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
Six-month period ending September 30, 2011	25,000	17.0	2,900	32.9	2,800	35.5
Year ending March 31, 2012	52,000	18.6	6,500	49.0	6,200	50.8

	Net income	Percentage change	Net income per share (Yen)
Six-month period ending September 30, 2011	2,200	74.2	29.95
Year ending March 31, 2012	5,000	63.7	68.07

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.

4. Others

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

Increase: None

Exclusion: 2 companies (The name of companies: Nippon Thompson Sales Co., Ltd., Mugegawa Mfg. Co., Ltd.)

(2) Changes in principles, procedures, methods of presentation, etc.

Changes related to revisions in accounting principles: Yes

Changes other than those in above: None

(3) Number of shares issued (Common stock)

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

Fiscal year ended March 31, 2011: 73,499,875 shares

Fiscal year ended March 31, 2010: 73,499,875 shares

Number of treasury stock

Fiscal year ended March 31, 2011: 55,814 shares

Fiscal year ended March 31, 2010: 47,994 shares

Average number of shares outstanding at period-end

Fiscal year ended March 31, 2011: 73,448,470 shares

Fiscal year ended March 31, 2010: 73,455,456 shares

Reference: Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2011
(From April 1, 2010 to March 31, 2011)

(1) Results of Non-consolidated Operations

Years ended March 31, 2011 and 2010 (Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change	Net income	Percentage change
2011	**40,583**	**83.5**	**3,611**	—	**3,596**	—	**4,098**	—
2010	22,120	(38.1)	(4,643)	—	(4,644)	—	(5,885)	—

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)
2011	**55.79**	—
2010	(80.13)	—

(2) Non-consolidated Financial Position

Years ended March 31, 2011 and 2010 (Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
2011	**83,047**	**49,726**	**59.9**	**677.07**
2010	72,592	46,016	63.4	626.49

Note: shareholders' equity

Fiscal year ended March 31, 2011: 49,726 million yen

Fiscal year ended March 31, 2010: 46,016 million yen

Disclosure with Regard to Implementation of Audit Procedures

Although falling outside audit procedures based on the Financial Instruments and Exchange Law, these financial results are subjected to such audit procedures, which are not 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, May 16, 2011. Accordingly, for a wide variety of reasons, there remains the possibility that actual performance results may differ from projections. . For performance forecasts, please refer to "Operating Results and Financial Position (1) Analysis of Operating Results [Outlook]" on pages 6.

Operating Results and Financial Position

(1) Analysis of Operating Results

Overview for the Fiscal Year Ended March 31, 2011

With regard to the global economy in the fiscal year ended March 31, 2011, favorable growth continued in the Asian region, while the U.S. economy sustained its recovery. Overall, the European economy headed toward recovery, through there was significant national variation. Despite the effects of a strong yen, the Japanese economy sustained its recovery. The recovery benefited from improvements in the export environment brought about by overseas economic growth, as well as the economic stimulus policies adopted by the Government of Japan.

Under these circumstances, the Group took measures to bring about an early and assured recovery in sales, improve its earnings structure and build a resilient corporate structure.

From the sales perspective, the Group continued to actively develop its key “user-centered, proposal-based sales approach”. The Group endeavored to grow its business with existing customers and to cultivate new markets. In Japan, the Group absorbed its sales subsidiary, Nippon Thompson Sales Co., Ltd., by merger on July 1, 2010. Through this initiative, the Group accelerated its decision-making and endeavored to improve its capabilities for responding to the distributor market by enhancing its ability to offer solutions to customers. Overseas, in addition to strengthening relationship to sales agencies, the Group inaugurated new sales branches in Beijing, Guangzhou and Wuhan under its Chinese subsidiary, IKO-Thompson (Shanghai) Ltd. The Group thus strengthened its foundation to generate demand and expand sales in the Chinese market.

From the product development standpoint, the Group strengthened its “Maintenance-Free Series”, which is designed to reduce environmental impact, in its “Four Rows of Cylindrical Roller-type Linear Motion Guide” lineup. Due to its superior performance, demand for this lineup has been expanding. In addition, the Group developed “Precision Positioning Table Series” made of high-strength aluminum alloy that is both lightweight and compact, enhancing its “Precision Positioning Table Series” lineup.

From the production standpoint, in response to a rapid improvement in orders received for electronics-related industries and overseas markets, the Group made strenuous efforts to improve its supply capabilities. As part of efforts to enhance production systems, the Group absorbed Kasagami Mfg. Co., Ltd. and Mugegawa Mfg. Co., Ltd. by mergers on July 1, 2010. Through this initiative, the Group formed a more efficient production system.

Seen from market trends by region, due to the recovering export environment brought about by economic growth overseas, domestic market demand was particularly strong in electronics-related industries, such as semiconductor and electronic components mounting equipment, as well as machine tools. Demand in Asia remained robust due in part to ongoing investment in infrastructure and manufacturing facilities. Recovering demand in North America and Europe was primarily evident in electronics-related industries, precision machinery and medical equipment.

As a result, although negatively affected by the strong yen, the Group’s net sales increased 72.8% compared with the corresponding period of the previous fiscal year, to ¥43,849 million. On the earnings front, in addition to the effects of increased earnings stemming from increased production, operating income of ¥4,362 million (compared with an operating loss of ¥4,667 million in the corresponding period of the previous fiscal year) as a result of concerted efforts to reduce expenses and costs.

Ordinary income of ¥4,112 million was recorded, reversing an ordinary loss of ¥4,739 million in the previous fiscal year, while net income of ¥3,054 million (turning around a net loss of ¥6,061 million for the same period of the previous fiscal year).

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

Sales of Needle Roller Bearings and Linear Motion Rolling Guides totaled ¥38,237 million, a 72.9% increase compared with the corresponding period in the previous fiscal year. Sales of Machine Components rose 72.7% to ¥5,612 million.

Business Segment Information

	March 31, 2011		March 31, 2010		Change	
	Millions of yen	Component percentages	Millions of yen	Component percentages	Millions of yen	Percentage change
Needle Roller Bearings, Linear Motion Rolling Guides	**38,237**	**87.2**	22,120	87.2	16,116	72.9
Machine Components	**5,612**	**12.8**	3,249	12.8	2,362	72.7
Total net sales	**43,849**	**100.0**	25,369	100.0	18,479	72.8

Outlook

The global economy is expected to achieve stable growth due to such factors as economic growth in China and other emerging countries, the forecast recovery in North America and broad recovery in Europe. In contrast, the Japanese economy may experience a downturn in the first half of the fiscal year ending March 31, 2012 due to the effects of the Great East Japan Earthquake. In the second half, however, the Japanese economy is expected to show marked recovery, buoyed by robust economies overseas and extraordinary demand for restoration and reconstruction in devastated regions.

Under these conditions, forecasts of consolidated performance for the fiscal year ending March 31, 2012 are for net sales of ¥52.0 billion, ordinary income of ¥6.2 billion and net income of ¥5.0 billion.

(2) Analysis of Financial Position

Total assets as of March 31, 2011, totaled ¥86,252 million, an increase of ¥7,990 million compared with the end of the previous fiscal year. This mainly comprised a ¥5,714 million increase in cash and deposits. Notes and accounts receivable-trade rose ¥3,508 million, inventories increased ¥603 million, and investment and other assets decreased ¥1,460 million.

Total liabilities totaled ¥34,281 million, an increase of ¥6,420 million compared with the end of the previous fiscal year. This increase was mainly made up of rises in notes and accounts payable-trade of ¥4,495 million.

Total net assets amounted to ¥51,970 million, an increase of ¥1,569 million compared with the end of the previous fiscal year. The main components were an increase in retained earnings of ¥2,466 million, and a decrease in accumulated other comprehensive income of ¥891 million.

Cash Flows

Cash and cash equivalents at the end of this fiscal year totaled ¥21,837 million, an increase of ¥5,758 million compared with the end of the previous year.

Cash Flows from Operating Activities

Net cash provided by operating activities was ¥6,773 million. The major reasons were income before income taxes of ¥4,006 million, depreciation and amortization of ¥2,457 million, an increase in notes and accounts payable-trade of ¥4,686 million, an increase in notes and accounts receivable-trade of ¥3,632 million, and an increase in inventories of ¥1,223 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥137 million. The principal component being ¥1,405 million for the payments for purchase of property, plant and equipment, and ¥1,261 million in proceeds from cancellation of insurance funds.

Cash Flows from Financing Activities

Net cash provided by financing activities was ¥650 million. This was mainly due to proceeds from long-term bank loans of ¥1,000 million, payments of long-term bank loans of ¥1,282 million, and cash dividends paid of ¥551 million.

The trend of cash flow indices is as follows:

	For the periods ended			
	March 31, 2008	March 31, 2009	March 31, 2010	**March 31, 2011**
Equity ratio (%)	69.6	68.8	64.4	**60.3**
Equity ratio on market value basis (%)	53.0	30.1	61.1	**56.6**
Debt repayment period (Years)	0.1	—	8.2	**2.7**
Interest coverage ratio (Times)	94.6	—	8.7	**24.6**

Notes:

Equity ratio:	Total shareholders' equity / total assets
Equity ratio on market value basis:	Aggregate market value of common stock / total assets
Debt repayment period:	Interest-bearing liabilities / cash flows from operating activities
Interest coverage ratio:	Cash flows from operating activities / interest payments

1. All indices based on consolidated financial figures.
2. Aggregate market value of common stock:
   Market price at the period-end x number of shares outstanding at the period-end (excluding treasury stock)
3. Cash flow from operating activities corresponds to the cash flow from operating activities in the consolidated statement of cash flows. Interest-bearing liabilities include all liabilities reported on the consolidated balance sheet for which the Group is paying interest. Interest payments correspond to the interest paid in the consolidated statement of cash flows.

(3) Fundamental Earnings Distribution Policy and Dividends for the Current and Next Fiscal Periods

With regard to the distribution of profits, Nippon Thompson Co., Ltd. (the "Company") positions the return of profits to shareholders as one of its major management issues, having as its basic policy continuing stable dividends while taking performance levels into overall consideration.

In addition, while giving heed to such factors as the future business environment, the Group intends to retain sufficient internal reserves. Specifically in this regard, the Group works to strengthen its management base and improve earnings power to maximize corporate value. Simultaneously, it reviews production systems that respond to rapid technological innovation and fluctuating demand and makes such investments as new product development.

In keeping with the basic policy and as a result of a general review of, for example, the level of performance over the fiscal year and internal reserves, the Company plans a year-end dividend of ¥5.5 per share. Including the interim dividend of ¥4.5 per share, the planned full-year dividend payment ¥10.0 per share, an increase of ¥4.0 per share year on year.

The Company is forecasting a dividend of ¥13 per share (including an interim dividend of ¥6.5) for the fiscal year ending March 31, 2012.

(4) Business Risks and Other Risks

Risk factors that may possibly have an effect on the Group's operating results and financial position are set out below. While acknowledging the possibility of these risks occurring, the Group has policies in place to prevent any occurrence and, should the need arise, to respond appropriately.

Forward-looking statements in the text are based on the judgments of the Group's management as of May 16, 2011, the date of this financial report.

1. Market environment

The Group's sales are made up of 85% for Needle Roller Bearings, Linear Motion Rolling Guides and 15% for Machine Components with no major changes foreseen in this respect; no entries into new business areas are foreseen at the present time.

The Group's products are used in a wide variety of fields, including domestic and overseas electronics-related industries, machine tools, automobiles and motorbikes, robots, construction and general machinery. The proportion of sales to specific industrial fields, especially semiconductor and electronic components mounting equipment and machine tools, is becoming relatively high. By making strenuous efforts to expand sales to other industries, the Group is attempting to mitigate the impact of demand fluctuations in these specific fields. At present, however, the Group's operating results and financial position could be affected by a sharp contraction in demand in these specific fields. In addition, the possibility exists that the decline in demand resulting from the recession in the Group's main markets, which include Japan, North America, Europe and Asia, will affect its operating results and financial position.

2. Currency exchange rate movements

The Group sells its products in global markets, including North America, Europe and Asia. Therefore, although the Group hedges the risk from currency exchange rate movements by means of forward-exchange contracts, it is not possible to completely eliminate this risk. In addition, items denominated in foreign currencies, including the sales, costs and assets of overseas consolidated subsidiaries in the United States and the Netherlands, etc. are translated into yen for the purposes of the consolidated financial statements and can be affected by currency exchange rate movements.

3. Overseas business activities

As the Group conducts an increasing proportion of its business in overseas markets, the possibility exists that its business operations will be affected by, for example, changes in foreign laws and regulations as well as by political and economic turmoil.

4. Product development

Needle Roller Bearings, Linear Motion Rolling Guides produced and sold by the Group reflect customer needs gathered by its "user-centered, proposal-based sales approach" which forms the linchpin of its sales strategy. The products are launched into markets having been extensively developed so that they are set apart from rival companies' products. However, should a fall in demand be caused by lower-cost products that nevertheless display comparatively superior quality and performance, there remains the concern that this would cause difficulties in setting sales prices commensurate with the Group's value-added products.

5. Production system

The Group regards as indispensable the prioritizing of investment in raw materials and production facilities so that it can respond to the constantly changing demands in domestic and overseas markets as well as to requests for shorter delivery times. Accordingly, the Group endeavors to maintain and improve a production system that is capable of responding flexibly to user needs. There remains the concern, however, that greater than expected short-term changes in demand may result in supply delays and cost increases. In addition, the Group procures raw materials and components from outside suppliers for use in the manufacture of its products. Procurement of these raw materials and components could be subject to a number of detrimental factors: rising prices as well as product shortages resulting from market volatility; insufficient production capacity at suppliers; fires or natural disasters at suppliers; and supplier bankruptcy. In such event, the Group's operating results could be adversely affected should product manufacturing costs rise or production be halted.

6. Maintaining product quality

The Group ensures product quality through its comprehensive quality control system. Nevertheless, operating results may be affected by indemnity liabilities arising from customer complaints should issues with raw materials, production processes or product quality management lead to the manufacture of non-shippable products.

7. Debt default by business partners

The Group maintains systems, primarily through its sales department, that constantly monitor and update information related to the credit standing of its business partners. Nevertheless, risks exist regarding unforeseen loan default and credit loss caused by changes in the economic environment. In the event that domestic or overseas business partners default on debt as a result of economic downturn or intensified competition, the Group's operating results and financial position may be adversely affected.

8. Infringement of intellectual property rights

With regard to technology ownership, the Group makes efforts to safeguard its technologies by obtaining such intellectual property rights as patents. However, there remains the possibility that the Group's intellectual property rights will be infringed by other companies; should this happen, it could affect the Group's business activities

9. Environmental problems

The Group works to reduce environmental impact by formulating its "Environmental Policy", taking measures to deal with environmental problems and developing energy efficient products. In addition, the Group obtained ISO14001 certification, the international standard for environmental management system, and adheres to Japanese and overseas legal regulations as a matter of course. The Group also complies with numerous regulations represented by European ELV Directives and the RoHS Directive. In spite of these actions, the Group's operating results may be negatively impacted by expenses incurred in the event that unexpected circumstances lead to future environmental problems.

10. Information leakage

During the course of its business activities, the Group has access to a wide array of important and personal information. In order to prevent leaks to outside parties and unintentional usage, the Group manages such information through the establishment and dissemination of its Basic Information Security Policy and Personal Information Protection Policy. In the event that an information leak is caused by unforeseen circumstances, the Group could incur significant costs in response to a subsequent loss of public trust.

11.Occurrence of a large-scale disaster

In the event a large-scale natural or other disaster (including but not limited to earthquakes, floods, fires or snow damage) occurs at the Group's factories or its business partners' facilities, performance may be affected by a reduction or complete cessation of production because of damage to production, products or work in process. Moreover, the Group's production and sales activities may be negatively affected by material damage or injuries to personnel in the event that a terrorist attack or changes in political conditions result in social turmoil.

The Group's main factories are concentrated within Gifu Prefecture in Japan. In the unlikely event that a large-scale earthquake, flood or other disaster occurs in this region, the Group's operating results and financial position may be negatively impacted.

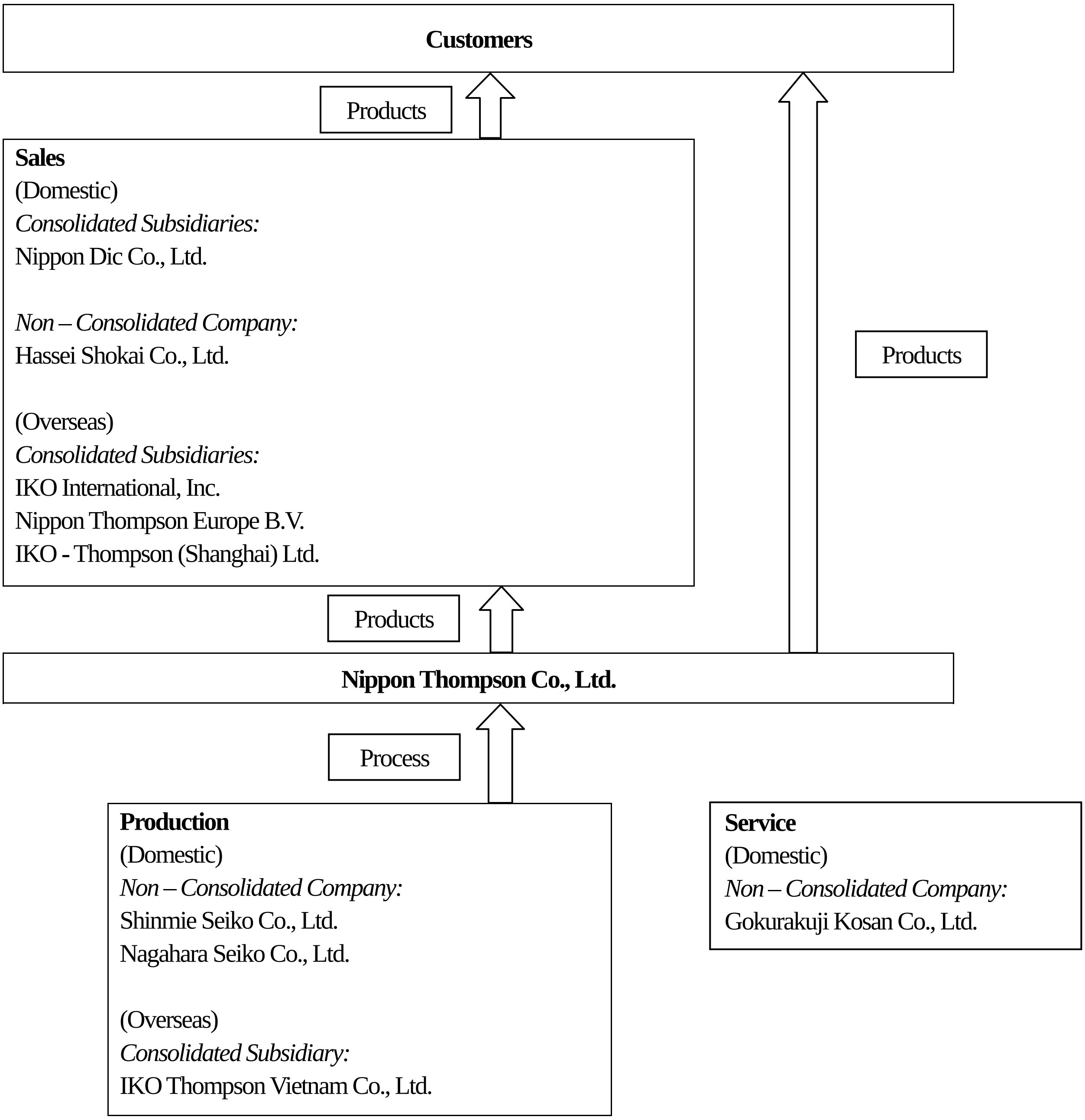
The Group's headquarters, factories and sales offices were not seriously damaged by the Great East Japan Earthquake, which occurred on March 11, 2011. However, operations at the Group factories and sales offices may still be affected depending on future conditions.

The various kinds of risk stated above are not intended to provide an exhaustive list of all the forms of risk to which the Group might be exposed.

Status of the Group

The Group is composed of the Company and its subsidiaries, and engages in the manufactures and sells Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components.

The Group's business is outlined in the following diagram.



Management Policies

(1) Fundamental Management Policies

Based on the corporate philosophy of "contributing to society as an R&D-oriented company," the Group —a trusted international enterprise—is committed to serving domestic and overseas markets through the manufacture and sale of Needle Roller Bearings and Linear Motion Rolling Guides. Our emphasis is on quality rather than scale, as we see our mission as developing high-value-added products that meet customer needs. The entire company is engaged in an effort to associate the Nippon Thompson brand with the acronym IKO—**"I"** for Innovation, because the Company's products are always innovative; **"K"** for Know-how, because they incorporate a high level of technological expertise; and **"O"** for Originality, because they are highly creative.

The Group believes that contributing to the development of society is one of its most important management policies. While thoroughly instilling corporate ethics, we make every effort to ensure compliance in management and contribute to the preservation of the global environment as a good corporate citizen. Our corporate activities take into account this social mission.

(2) Management Targets and Performance Indicators

Raising shareholder return on equity (ROE), in an effort to maximize shareholder value, is the principal indicator for the Group. Management also focuses on improving cash flows to enhance stability and to strengthen the Group's financial position.

(3) Medium-Term Management Strategies

To remain a creative and competitive corporate group in this era of economic globalization, the Group is strengthening ties among domestic and overseas Group companies, and concentrating management resources into Linear Motion Rolling Guides and other high-growth strategic businesses. Strengthening the Group's ability to meet demand in this way will allow improved earning power and strengthen the Group's financial position.

(4) Issues to Be Resolved

The main businesses of the Group are expected to experience a steady increase in demand from various sectors, centered on the semiconductor manufacturing equipment industry. This forecasted rise in demand is attributable to the global growth of electronics used in the machinery industry. In step with worldwide trends toward the prevention of global warming, the Company's products, which meet the need for compact, power-saving machinery, are present in business fields that possess growth potential.

Based on current business development and forecasts for the next fiscal period, the Group will promote the following measures in order to steadily progress to the next stage.

Through the "user-centered, proposal-based sales approach" that are the linchpin of our marketing strategy, the Group will work to increase demand by further penetrating domestic and overseas markets with its IKO brand.

① Domestic market strategy

The Group focuses its sales efforts on users' newly developed products. However, the Group will also work in conjunction with its overseas department to improve support systems that keep pace with users' overseas manufacturing base. In new business fields, the Group will make a concerted effort to visit users directly while holding small-scale exhibitions and technical seminars, which are central to its proposal-based sales approach. The Group will also work to cultivate new users as it creates demand by developing new product applications.

② Overseas market strategy

To increase market penetration of IKO brand products and make headway with business development, it is essential that Group sales become more robust in overseas markets. Particularly in the rapidly growing Chinese market, the Group recently established the consolidated subsidiary IKO-Thompson (Shanghai) Ltd. as a sales base to undertake full-fledged marketing activities and will set up new bases to expand into the northeast and interior regions of China. The Group will make concerted inroads into the Chinese market, where it plans to expand sales.

The Group recognizes that improving its new product development capabilities, combined with its ability to contribute to society through its products, are essential elements to increasing its corporate value. The Group will maintain its focus on the development of high-value-added products that reflect user needs. Specifically, the Group is taking steps to further augment variation and enhance their performance of "Maintenance-Free Series" that help protect the global environment, as well as high-performance, "Four Rows of Cylindrical Roller-type Linear Motion Guide". In the fiscal year under review, the Group launched 11 new products onto the market.

In its manufacturing operations, in addition to enhancing its production system from the long-term perspective and making progress with production activities that maintain high profit levels, the Group as a whole will supply products that anticipate rapid changes in demand and thus improve its market competitiveness. In specific terms, the Group upgraded its production system by commencing operations at the Toki Factory in April 2011 in order to bolster its supply capacity for Linear Motion Rolling Guides, for which demand is growing significantly. In addition, the Group positioned its overseas manufacturing subsidiary, IKO Thompson Vietnam Co., Ltd., as an important manufacturing base to improve its international competitiveness. Through this action, IKO Thompson Vietnam Co., Ltd. is being developed as a strategic manufacturing base capable of assembling, grinding and shipping Linear Motion Rolling Guides.

Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31, 2011 and 2010

	Millions of yen	
ASSETS	**March 31, 2011**	March 31, 2010
Current Assets:		
Cash and deposits	**21,874**	16,160
Notes and accounts receivable-trade	**10,794**	7,285
Finished products	**12,028**	12,173
Material in process	**8,875**	8,237
Raw material	**6,154**	6,044
Deferred tax assets	**1,592**	2,455
Others	**1,252**	795
Less: Allowance for doubtful accounts	**(34)**	(39)
Total current assets	**62,538**	53,112
Fixed Assets:		
Tangible fixed assets:		
Buildings and structures	**4,569**	4,676
Machinery and vehicles	**6,986**	7,118
Tools and fixtures	**788**	754
Land	**3,091**	3,091
Construction in progress	**543**	264
Total tangible fixed assets	**15,980**	15,906
Intangible fixed assets	**146**	194
Investments and other assets:		
Investment securities	**5,968**	6,142
Deferred tax assets	**209**	369
Others	**1,471**	2,641
Less: Allowance for doubtful accounts	**(62)**	(105)
Total investments and other assets	**7,587**	9,048
Total fixed assets	**23,714**	25,149
TOTAL ASSETS	**86,252**	78,262

LIABILITIES	Millions of yen	
	March 31, 2011	March 31, 2010
Current Liabilities:		
Notes and accounts payable-trade	**9,691**	5,195
Short-term bank loans	**332**	153
Current portion of long-term bank loans	**7,540**	1,195
Accrued expenses	**2,419**	1,535
Income taxes payable	**190**	66
Allowance for directors' and corporate auditors' bonuses	**80**	0
Others	**2,058**	836
Total current liabilities	**22,312**	8,984
Long-Term Liabilities:		
Corporate bonds	**4,000**	4,000
Long-term bank loans	**6,084**	12,712
Deferred tax liabilities	**10**	272
Accrued retirement benefits	**1,608**	1,577
Others	**266**	314
Total long-term liabilities	**11,968**	18,877
TOTAL LIABILITIES	**34,281**	27,861
NET ASSETS		
Shareholders' Equity:		
Common stock	**9,532**	9,532
Capital surplus	**12,886**	12,886
Retained earnings	**30,894**	28,428
Treasury stock	**(46)**	(41)
Total shareholders' equity	**53,267**	50,805
Accumulated other comprehensive income:		
Net unrealized holding gains on available-for-sale securities	**1,192**	1,230
Deferred gains or losses on hedges	**(5)**	—
Foreign currency translation adjustments	**(2,483)**	(1,635)
Total accumulated other comprehensive income	**(1,296)**	(405)
TOTAL NET ASSETS	**51,970**	50,400
TOTAL LIABILITIES AND NET ASSETS	**86,252**	78,262

Consolidated Statements of Income

Years ended March 31, 2011 and 2010

	Millions of yen	
	March 31, 2011	March 31, 2010
Net Sales	**43,849**	25,369
Cost of Sales	**30,363**	21,487
Gross Profit	**13,485**	3,882
Selling, General and Administrative Expenses	**9,123**	8,549
Operating Income (Loss)	**4,362**	(4,667)
Non-Operating Income:		
Interest income	**10**	13
Dividend income	**102**	102
Real estate rent	**33**	36
Insurance income	**52**	—
Subsidy income	—	171
Others	**85**	83
	284	407
Non-Operating Expenses:		
Interest expenses	**270**	249
Sales discounts	**58**	33
Loss on retirement of fixed assets	**34**	77
Amortization of bond issuance cost	—	72
Foreign currency translation loss	**130**	30
Others	**40**	16
	534	480
Ordinary Income (Loss)	**4,112**	(4,739)
Extraordinary Income:		
Gain on sales of fixed assets	—	176
Gain on sales of investment in securities	**28**	79
	28	255
Extraordinary Losses:		
Impairment loss	—	2,946
Loss from write-down of investment in securities	**103**	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	**30**	—
	134	2,946
Income (Loss) before Income Taxes	**4,006**	(7,430)
Income Taxes:		
Current	**189**	37
Deferred	**762**	(1,407)
Income before Minority Interests	**3,054**	—
Net Income (Loss)	**3,054**	(6,061)

Consolidated Statements of Comprehensive Income

Years ended March 31, 2011 and 2010

	Millions of yen	
	March 31, 2011	March 31, 2010
Income before Minority Interests	**3,054**	—
Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	**(37)**	—
Deferred gains or losses on hedges	**(5)**	—
Foreign currency translation adjustments	**(847)**	—
Total Other Comprehensive Income	**(891)**	—
Comprehensive Income	**2,163**	—
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	**2,163**	—

Statement of Changes in Consolidated Shareholders' Equity

For the fiscal year ended March 31, 2011 (Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of March 31, 2010	**9,532**	**12,886**	**28,428**	**(41)**	**50,805**
Decrease from accounting method changes at overseas subsidiaries	—	—	**(37)**	—	**(37)**
Changes during the period					
Cash dividends	—	—	**(550)**	—	**(550)**
Net income	—	—	**3,054**	—	**3,054**
Acquisition of treasury stock	—	—	—	**(4)**	**(4)**
Net changes in items other than shareholders' capital	—	—	—	—	—
Total changes during the period	—	—	**2,503**	**(4)**	**2,498**
As of March 31, 2011	**9,532**	**12,886**	**30,894**	**(46)**	**53,267**

	Accumulated other comprehensive income				Total net assets
	Net unrealized holding gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total Accumulated other comprehensive income	
As of March 31, 2010	**1,230**	—	**(1,635)**	**(405)**	**50,400**
Decrease from accounting method changes at overseas subsidiaries	—	—	—	—	**(37)**
Changes during the period					
Cash dividends	—	—	—	—	**(550)**
Net income	—	—	—	—	**3,054**
Acquisition of treasury stock	—	—	—	—	**(4)**
Net changes in items other than shareholders' capital	**(37)**	**(5)**	**(847)**	**(891)**	**(891)**
Total changes during the period	**(37)**	**(5)**	**(847)**	**(891)**	**1,607**
As of March 31, 2011	**1,192**	**(5)**	**(2,483)**	**(1,296)**	**51,970**

For the fiscal year ended March 31, 2010 (Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of March 31, 2009	9,532	12,886	34,630	(37)	57,011
Changes during the period					
Cash dividends	—	—	(440)	—	(440)
Net loss	—	—	(6,061)	—	(6,061)
Acquisition of treasury stock	—	—	—	(3)	(3)
Change of scope of consolidation	—	—	299	—	299
Net changes in items other than shareholders' capital	—	—	—	—	—
Total changes during the period	—	—	(6,202)	(3)	(6,206)
As of March 31, 2010	9,532	12,886	28,428	(41)	50,805

	Revaluation and Translation difference			Total net assets
	Net unrealized holding gains on available-for-sale securities	Foreign currency translation adjustments	Total revaluation and translation difference	
As of March 31, 2009	475	(1,753)	(1,278)	55,733
Changes during the period				
Cash dividends	—	—	—	(440)
Net loss	—	—	—	(6,061)
Acquisition of treasury stock	—	—	—	(3)
Change of scope of consolidation	—	—	—	299
Net changes in items other than shareholders' capital	754	118	873	873
Total changes during the period	754	118	873	(5,332)
As of March 31, 2010	1,230	(1,635)	(405)	50,400

Consolidated Statements of Cash Flows

Years ended March 31, 2011 and 2010

	Millions of yen	
	March 31, 2011	March 31, 2010
Cash Flows from Operating Activities:		
Income (Loss) before income taxes	**4,006**	(7,430)
Depreciation and amortization	**2,457**	2,927
Impairment loss	—	2,946
Increase (Decrease) in allowance for doubtful accounts	**(45)**	15
Increase (Decrease) in allowance for directors' and corporate auditors' bonuses	**79**	(0)
Increase in accrued retirement benefits	**33**	376
Decrease in accrued retirement benefits for directors' and corporate auditors' bonuses	—	(275)
Interest and dividend income	**(112)**	(116)
Interest expenses	**270**	249
Loss on retirement of fixed assets	**34**	77
Gain on sales of investment in securities	**(28)**	(79)
Gain on sales of fixed assets	—	(176)
Loss from write-down of investment in securities	**103**	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	**30**	—
Insurance income	**(52)**	—
Increase in notes and accounts receivable—trade	**(3,632)**	(419)
Decrease (Increase) in inventories	**(1,223)**	4,688
Increase in other accounts receivable	**(357)**	(78)
Increase (Decrease) in notes and accounts payable—trade	**4,686**	(1,690)
Increase (Decrease) in accrued expenses	**913**	(542)
Others—net	**(161)**	496
Subtotal	**6,999**	968
Interest and dividend income received	**112**	116
Interest paid	**(275)**	(253)
Income taxes refund (paid)	**(64)**	1,379
Net cash provided by operating activities	**6,773**	2,210

	Millions of yen	
	March 31, 2011	March 31, 2010
Cash Flows from Investing Activities:		
Payments into time deposits	**(77)**	(41)
Proceeds from time deposits	**116**	—
Payments for purchase of property, plant and equipment	**(1,405)**	(3,819)
Proceeds from sales of property, plant and equipment	—	240
Payments for purchase of investment securities	**(13)**	(270)
Proceeds from sales of investment securities	**82**	295
Proceeds from cancellation of insurance funds	**1,261**	—
Others—net	**(101)**	(114)
Net cash used in investing activities	**(137)**	(3,708)
Cash Flows from Financing Activities:		
Proceeds from short-term bank loans	**2,788**	2,211
Repayments of short-term bank loans	**(2,599)**	(2,301)
Proceeds from long-term bank loans	**1,000**	2,000
Repayments of long-term bank loans	**(1,282)**	(815)
Proceeds from corporate bonds	—	4,000
Cash dividends paid	**(551)**	(441)
Others—net	**(4)**	(3)
Net cash provided by (used in) financing activities	**(650)**	4,649
Foreign currency translation adjustments on cash and cash equivalents	**(227)**	55
Net increase in cash and cash equivalents	**5,758**	3,205
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 year	**21,837**	16,079

Notes on the Premise of a Going Concern

There are no applicable articles.

Basis for the Presentation of the Consolidated Financial Statements

1. Scope of Consolidation

Number of consolidated subsidiaries	5 companies
The name of principal consolidated subsidiaries	IKO International, Inc. Nippon Thompson Europe B.V. IKO – Thompson (Shanghai) Ltd. During the previous consolidated fiscal year, three consolidated subsidiaries (Nippon Thompson Sales Co., Ltd.; Kasagami Mfg Co., Ltd.; and Mugegawa Mfg Co., Ltd.) were acquired and absorbed by the Company, which became the surviving company. Accordingly, these subsidiaries were removed from the scope of consolidation during the fiscal year under review.

2. Significant Accounting Policy

1. Valuation basis and method of significant assets

Securities:	
Held-to-maturity	Amortized cost method (Straight-line)
Other marketable securities	
Securities with market value	The Group adopted the market value method based on market prices and other conditions at the end of the fiscal year. (The Group accounted for all valuation differences based on the direct net asset method and sales costs are calculated by the moving average method.)
Securities without market value	Mainly a moving average method.
Inventories:	Mainly an average method. (The amounts of inventories held for sale in ordinary course of business are measured at the lower of cost or net selling value, which is define as the selling price less additional estimated manufacturing costs and estimated direct selling expenses, determined principally by the average method.)
Derivatives:	Market value method

2. Accounting method of significant hedge transactions

Method of hedge accounting	Designation accounting is used for forward foreign exchange and foreign exchange swaps that meet the requirements for designation accounting, and exceptional accounting is used for interest rate swaps that meet the requirements for exceptional accounting.
Hedging instruments and hedged items	(Hedging instruments) Forward foreign exchange Interest rate swaps Foreign exchange swaps (Hedged items) Monetary assets and liabilities denominated in foreign currencies Interest from long-term debt Long-term debt
Hedge policy	Nippon Thompson hedges against currency exchange and interest rate fluctuation risks primarily based on its internal regulations.
Method of assessing hedge effectiveness	Because notional values and important conditions concerning hedges are identical, determinations concerning hedge effectiveness have been omitted since ongoing market fluctuations and changes in cash flows from the commencement of hedges onward are canceled out.

Changes in Basis for the Presenting of the Consolidated Financial Statements

Changes in Accounting Policy

1）Application of Accounting Standard for Asset Retirement Obligations

From the fiscal year ended 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 for the fiscal year ended March 31, 2011.

2）Application of Accounting Standards for Business Combinations

From the fiscal year ended March 31, 2011, the Group has applied the Accounting Standard for Business Combinations (ASBJ Statement No.21, issued December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, issued December 26, 2008), the Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No.23, issued December 26, 2008), the Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7, issued December 26, 2008), the Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No.16, issued December 26, 2008), and the Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10, issued December 26, 2008).

Changes in disclosure methods

(Consolidated Statements of Income)

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 fiscal year ended March 31, 2011.

(Consolidated Statements of Cash Flows)

Due to the negligible amount of “Gain on sales of fixed assets” in cash flows from operating activities, this figure is included in “Other—net” in the fiscal year ended March 31, 2011.

The “Gain on sales of fixed assets” included in “Other—net” in the fiscal year ended March 31, 2011 is ¥(0) million.

Due to the negligible amount of “Proceeds from sales of property, plant and equipment” in cash flows from investing activities, this figure is included in “Other—net”.

“Proceeds from sales of property, plant and equipment” included in “Other—net” in the fiscal year ended March 31, 2011 amount to ¥5 million.

Additional Information

Application of Accounting Standard for Presentation of Comprehensive income

From the fiscal year ended March 31, 2011, Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No.25, issued June 30, 2010) has been applied. The items “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” for the previous fiscal year are, respectively, identical to “Revaluation and translation difference” and “Total revaluation and translation difference” of the previous fiscal year.

As there have been no significant changes apart from “Changes in Basis for the Presenting Consolidated Financial Statements” above since they were mentioned in the latest annual securities report (published on June 26, 2010), these have been omitted.

Notes

(Consolidated Balance Sheets)

	Millions of yen	
	March 31, 2011	March 31, 2010
1. Items for non-consolidated subsidiaries		
Investment securities	**145**	136

(Consolidated Statements of Income)

	Millions of yen	
	March 31, 2011	March 31, 2010
1. Major items of Selling, general and administrative expenses		
Employees' salaries	**3,277**	3,175
Welfare expenses	**619**	590
Packing and distribution expenses	**534**	
Rent expenses	**526**	550
Business consignment expenses	**1,020**	608
2. Research and development costs	**841**	876
3. Gain on sales of fixed assets	**―**	176 This was mainly due to sales of land.

4. Impairment loss

March 31, 2011	March 31, 2010
―――――	In the consolidated fiscal year under review, the Group recorded impairment losses on the following assets. Address: Toki City in Gifu Prefecture Name: Toki Factory Account title: Construction in progress Based on management accounting classifications, the Group conducted asset grouping. Idle assets were placed in the asset grouping for each individual unit. Since the commencement date for full-scale operations at the "Toki Factory" cannot be determined, nor future cash flow estimated, due to the postponement of construction work, the book value has been reduced to the recoverable amount and the aforementioned decreased amount recorded under extraordinary impairment loss ¥2,946 million. Because the recoverable amount of the above-mentioned construction in progress is determined by net selling price, combined with the difficulties in converting to another use or selling, the net selling price is assessed as zero.

(Consolidated Statements of Comprehensive Income)

1. Comprehensive income for the previous fiscal year

	Millions of yen
	March 31, 2010
Comprehensive income attributable to owners of the parent	(5,187)
Total	(5,187)

2. Other comprehensive income for the previous fiscal year

	Millions of yen
	March 31, 2010
Net unrealized holding gains on available-for-sale securities	754
Foreign currency translation adjustments	118
Total	873

(Statement of Changes in Consolidated Shareholders' Equity)

For the fiscal Year ended March 31, 2011

1. Class and Number of Shares Issued

	As of March 31, 2010 (Shares)	Increased shares during the fiscal year (Shares)	Decreased shares during the fiscal year (Shares)	As of March 31, 2011 (Shares)
Common stock	**73,499,875**	—	—	**73,499,875**

2. Class and Number of Treasury stock

	As of March 31, 2010 (Shares)	Increased shares during the fiscal year (Shares)	Decreased shares during the fiscal year (Shares)	As of March 31, 2011 (Shares)
Common stock	**47,994**	**7,820**	—	**55,814**

Notes: The increase of 7,820 shares of treasury stock is due to purchase of odd lot shares of less than one trading unit.

3. Dividend

(1) Dividend Paid

Resolution	Class of Stock	Total Dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective Date
Ordinary general meeting of shareholders on June 29, 2010	**Common stock**	**220**	**3.00**	**March 31, 2010**	**June 30, 2010**
Board of directors on November 8, 2010	**Common stock**	**330**	**4.50**	**September 30, 2010**	**December 8, 2010**

(2) Dividend with a record date that falls within the current fiscal period under review and an effective date in the following fiscal period

Resolution	Class of stock	Resource of dividend	Total Dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective Date
Ordinary general meeting of shareholders on June 29, 2011	**Common stock**	**Retained earnings**	**403**	**5.50**	**March 31, 2011**	**June 30, 2011**

For the fiscal Year ended March 31, 2010

1. Class and Number of Shares Issued

	As of March 31, 2009 (Shares)	Increased shares during the fiscal year (Shares)	Decreased shares during the fiscal year (Shares)	As of March 31, 2010 (Shares)
Common stock	73,499,875	—	—	73,499,875

2. Class and Number of Treasury stock

	As of March 31, 2009 (Shares)	Increased shares during the fiscal year (Shares)	Decreased shares during the fiscal year (Shares)	As of March 31, 2010 (Shares)
Common stock	40,737	7,257	—	47,994

Notes: The increase of 7,257 shares of treasury stock is due to purchase of odd lot shares of less than one trading unit.

3. Dividend

(1) Dividend Paid

Resolution	Class of Stock	Total Dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective Date
Ordinary general meeting of shareholders on June 26, 2009	Common stock	220	3.00	March 31, 2009	June 29, 2009
Board of directors on November 9, 2009	Common stock	220	3.00	September 30, 2009	December 9, 2009

(2) Dividend with a record date that falls within the current fiscal period under review and an effective date in the following fiscal period

Resolution	Class of stock	Resource of dividend	Total Dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective Date
Ordinary general meeting of shareholders on June 29, 2010	Common stock	Retained earnings	220	3.00	March 31, 2010	June 30, 2010

(Consolidated Cash Flow)

	Millions of yen	
	March 31, 2011	March 31, 2010
Relationship between cash and cash equivalents year ended and the amount of the account stated in the consolidated balance sheets.		
Cash and deposits	**21,874**	16,160
Time deposits with maturity exceeding three months	**(36)**	(80)
Cash and cash equivalents at end of period	**21,837**	16,079

(Segment Information)

1. Segment Information by Geographic Areas

(Millions of yen)

	Fiscal Year ended March 31, 2010						
	Japan	North America	Europe	Other areas	Total	Corporate or Eliminations	Consolidated
(1) Net sales to customers	18,872	2,833	2,551	1,111	25,369	—	25,369
(2) Inter-segment sales	4,388	5	9	86	4,489	(4,489)	—
Total net sales	23,261	2,838	2,561	1,197	29,859	(4,489)	25,369
Operating expenditure	27,580	2,873	2,662	1,212	34,328	(4,291)	30,036
Operating loss	(4,319)	(34)	(100)	(14)	(4,469)	(197)	(4,667)
Assets	53,756	2,888	3,007	1,664	61,316	16,945	78,262

Notes:

1. Categorization of countries and area is based on geographical adjacency.

2. Main countries or areas other than Japan:
   (1) North America: United States
   (2) Europe: The Netherlands, Germany, United Kingdom, and Spain
   (3) Other areas: Asia

3. Indistributable operating expenditure included in "Corporate or Eliminations" are mainly concerned with administrative sectors such as personnel and general affairs of the head offices of data-offering units.
   Indistributable operating expenditure
   Fiscal year ended March 31, 2010: ¥461 million
   Fiscal year ended March 31, 2009: ¥423 million

4. Overall corporate assets included in "Corporate or Eliminations" are mainly concerned with surplus funds for investment, long-term investment funds, and administrative sectors.
   Overall corporate assets
   Fiscal year ended March 31, 2010: ¥21,759 million
   Fiscal year ended March 31, 2009: ¥17,099 million

2. Overseas Sales Information

(Millions of yen)

	Fiscal Year ended March 31, 2010			
	Americas	Europe	Asia and Other areas	Total
(1) Overseas sales	3,300	2,648	4,087	10,035
(2) Consolidated sales	—	—	—	25,369
(3) Ratio of overseas sales to consolidated sales	13.0%	10.5%	16.1%	39.6%

Notes:

1. Categorization of countries and areas is based on geographical adjacency.

2. Major countries or areas that belong to a category:
   (1) Americas: United States, Canada, and Latin America
   (2) Europe: The Netherlands, Germany, United Kingdom, and Spain
   (3) Asia and Other areas: Singapore, China, Taiwan, and Middle and near east

3. Overseas sales indicate the amount of sales made by the Group in foreign countries and areas except Japan.

(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 fiscal year ended 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).

(Per Share Information)

	Yen	
	March 31, 2011	March 31, 2010
Net assets per share	**707.62**	686.17
Net income (loss) per share	**41.59**	(82.51)
Diluted net income per share	**Not stated due to no residual securities in existence.**	Same as on the left.

Note: Basis for calculations of net income (loss) per share and diluted net income per share is as follows.

	Millions of yen	
	March 31, 2011	March 31, 2010
Net income (loss) in the consolidated statements of income	**3,054**	(6,061)
Value not attributed to common stock	—	—
Net income (loss) pertaining to common stock	**3,054**	(6,061)
Average number of shares outstanding during period	**73,448,470shares**	73,455,456shares

(Important Subsequent Events)

March 31, 2011	March 31, 2010
Issuance of convertible bonds with subscription rights **In accordance with a resolution passed at a meeting of Board of Directors held on April 4, 2011, the Company issued the Second Series of Unsecured Convertible Bonds with Subscription Rights (the "convertible bonds") on April 19, 2011.** **An outline of the convertible bond issue follows:** **1. Name of bond** **Nippon Thompson Co., Ltd. Second Series of Unsecured Convertible Bonds with Subscription Rights (Early Redemption and Convertible Limited-Term Priority Special Agreement)** **2. Issue amount** **¥ 5,000 million** **3. Denomination per bond** **¥ 1 million** **4. Issue price** **¥ 102.5 for bonds with a face value of ¥ 100** **5. Par value** **¥ 100 for bonds with a face value of ¥ 100** **6. Coupon rate (%)** **Zero interest** **7. Security of Guarantee** **None** **8. Date of issue** **April 19, 2011** **9. Maturity date** **April 19, 2016** **10. Redemption method** **(1) Redemption price at maturity** **¥ 100 face value** **(2) Redemption of interim redemption claims** **Claims for the redemption of convertible bonds can be made between March 5, 2014 and March 18, 2014. In this case, the Company will redeem each bond at face value ¥ 100 on April 18, 2014 for the full amount of each corporate bond for which an interim redemption claim is being made.**	―――――――

March 31, 2011	March 31, 2010
11. Items concerning subscription rights **(1) Total number of subscription rights** **5,000** **(2) Issue price of subscription rights** **Cash payment is unnecessary in exchange for subscription rights.** **(3) Type of share subject to subscription rights** **Common stock** **(4) Period in which subscription rights can be exercised** **From June 1, 2011 to April 15, 2016** **(5) Content and value of holdings invested upon the exercise of subscription rights** **1) A portion of each corporate bond is redeemed upon the exercise of applicable subscription rights.** **2) The value of holdings being invested upon the exercise of subscription rights is equivalent to the amount paid for each corporate bond.** **3) The conversion price used to calculate the number of common stock issued from the exercise of subscription rights is ¥ 645 per share.** **12. Use of funds** **The full amount is for planned capital investment through March 2012 in Needle Roller Bearing and Linear Motion Rolling Guides facilities.**	―――――――――