

NIPPON THOMPSON CO., LTD.

Corporate Headquarters: Tokyo

Listed Code: 6480

Listed Stock Exchange: Tokyo

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

May 14, 2012

**Consolidated Financial Report
for the Fiscal Year ended March 31, 2012
<Japanese GAAP>**

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Scheduled Date of Ordinary General Meeting of Shareholders: June 28, 2012

Scheduled Date to Submit Annual Securities Report: June 28, 2012

Scheduled Date to Begin Dividend Payments: June 29, 2012

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, 2012**(From April 1, 2011 to March 31, 2012)****(1) Results of Consolidated Operations**

Years ended March 31, 2012 and 2011

(Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change	Net income	Percentage change
2012	42,505	(3.1)	3,053	(30.0)	2,857	(30.5)	2,827	(7.4)
2011	43,849	72.8	4,362	-	4,112	-	3,054	-

Notes: Comprehensive income

Fiscal year ended March 31, 2012: 2,260 million yen 4.5%

Fiscal year ended March 31, 2011: 2,163 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 (%)
2012	38.50	34.82	5.4	3.2	7.2
2011	41.59	-	6.0	5.0	9.9

Reference: Equity in earnings of affiliates

Fiscal year ended March 31, 2012: - million yen

Fiscal year ended March 31, 2011: - million yen

(2) Consolidated Financial Position

Years ended March 31, 2012 and 2011

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
2012	92,990	53,349	57.4	726.41
2011	86,252	51,970	60.3	707.62

Reference: shareholders' equity

Fiscal year ended March 31, 2012: 53,349 million yen

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

(3) Consolidated Cash Flows

Years ended March 31, 2012 and 2011

(Millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
2012	(2,385)	(9,046)	4,340	14,707
2011	6,773	(137)	(650)	21,837

2. Dividends

Base date	Dividends per share				
	June 30 (Yen)	September 30 (Yen)	December 31 (Yen)	March 31 (Yen)	Full fiscal year (Yen)
2013 (Forecast)	-	5.00	-	5.00	10.00
2012	-	6.50	-	6.50	13.00
2011	-	4.50	-	5.50	10.00

Base date	Total dividends (Full fiscal year)	Dividends payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	(Millions of yen)	(%)	(%)
2013 (Forecast)		40.8	
2012	955	33.8	1.8
2011	734	24.0	1.4

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2013

Six-month period ending September 30, 2012, and the fiscal year ending March 31, 2013						(Millions of yen)
	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
Six-month period ending September 30, 2012	21,000	(9.3)	1,600	(25.8)	1,500	(21.6)
Year ending March 31, 2013	43,000	1.2	3,500	14.6	3,300	15.5

	Net income	Percentage change	Net income per share (Yen)
Six-month period ending September 30, 2012	850	(52.9)	11.57
Year ending March 31, 2013	1,800	(36.3)	24.51

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): None

(2) Changes in accounting policies and accounting estimates, and restatements

Changes in accounting policies arising from revision of accounting standards: None

Changes other than those in above: None

Changes in accounting estimates: None

Restatements: None

(3) Number of shares issued (Common stock)

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

Fiscal year ended March 31, 2012: 73,499,875 shares

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

Number of treasury stock

Fiscal year ended March 31, 2012: 57,172 shares

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

Average number of shares outstanding at period-end

Fiscal year ended March 31, 2012: 73,443,417 shares

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

**Reference: Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2012
(From April 1, 2011 to March 31, 2012)**

(1) Results of Non-consolidated Operations

Years ended March 31, 2012 and 2011

(Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change	Net income	Percentage change
2012	38,798	(4.4)	2,805	(22.3)	2,683	(25.4)	2,664	(35.0)
2011	40,583	83.5	3,611	-	3,596	-	4,098	-

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)
2012	36.28	32.81
2011	55.79	-

(2) Non-consolidated Financial Position

Years ended March 31, 2012 and 2011

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
2012	89,868	51,286	57.1	698.32
2011	83,047	49,726	59.9	677.07

Note: shareholders' equity

Fiscal year ended March 31, 2012: 51,286 million yen

Fiscal year ended March 31, 2011: 49,726 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 14, 2012. 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, 2012

The Japanese economy in the consolidated fiscal year ended March 31, 2012 remained uncertain due to a reduction in exports following a rapid appreciation of the yen. Such conditions persisted despite signs of recovery in the economy, which has been stagnant since the Great East Japan Earthquake. Overseas, concern over an overall economic slowdown increased amid worsening debt problems in Europe and slower economic growth in China and other emerging countries. This situation persisted despite signs of gradual economic growth in the United States. As a result, the environment in which the Group operates remained harsh overall.

Under these circumstances, the Group undertook various initiatives to exploit higher demand in global markets and increase the scope of its businesses.

From the sales perspective, the Group endeavored to grow its business with existing customers and to cultivate new markets by continuing to actively develop its key “user-centered, proposal-based sales approach”. In particular, the Group bolstered its business foundation in order to tap into demand and increase sales in the Chinese market. Specifically, our sales subsidiary, IKO – Thompson (Shanghai) Ltd., opened new sales offices in Xian, Shenzhen, Chengdu and Ningbo while taking steps to strengthen its direct sales capabilities and expand its network of sales agencies.

From a product development standpoint, the Group worked to expand its lineups of high-value-added products that meet user needs. Specifically, the Group strengthened its “Maintenance-Free Series”, which is designed to reduce environmental impact and developed its “Precision Positioning Table Series”, which is made of a high-strength aluminum alloy appropriate for use in clean environments.

From the production standpoint, the Group revamped production systems able to flexibly respond to changing demand. In particular, the Group undertook initiatives to bolster the international competitiveness of its overseas manufacturing subsidiary, IKO Thompson Vietnam Co., Ltd.. Specifically, the Group restructured the subsidiary’s production system to enable the shipment of finished products. This was accomplished by establishing a uniform production line, extending from the grinding process to assembly.

There were signs of an ongoing recovery trend in Group sales from the beginning of the consolidated fiscal year under review, particularly in the machine tool and other key demand industries, reflecting steadily expanding markets in emerging countries. From summer 2011 onward, however, Group sales were negatively impacted by the continued strength of the yen due mainly to European debt problems as well as slower economic growth in emerging countries.

As a result, the Group’s net sales decreased 3.1% compared with the corresponding period of the previous fiscal year, to ¥42,505 million. On the earnings front, despite efforts made to reduce expenditures and costs, operating income declined 30.0% to ¥3,053 million, ordinary income fell 30.5% to ¥2,857 million and net income decreased 7.4 % to ¥2,827 million.

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 ¥37,329 million, a 2.4% decrease compared with the corresponding period in the previous fiscal year. Sales of Machine Components decline 7.8% to ¥5,176 million.

Business Segment Information

	March 31, 2012		March 31, 2011		Change	
	Millions of yen	Component percentages	Millions of yen	Component percentages	Millions of yen	Percentage change
Needle Roller Bearings, Linear Motion Rolling Guides	37,329	87.8	38,237	87.2	(908)	(2.4)
Machine Components	5,176	12.2	5,612	12.8	(435)	(7.8)
Total net sales	42,505	100.0	43,849	100.0	(1,343)	(3.1)

Outlook

Regarding future forecasts, the global economy is anticipated to gradually rebound despite recessionary risks caused by future uncertainty amid debt problems in Europe and rising crude oil prices. This recovery is attributable to forecasts of an ongoing upswing in the U.S. economy and anticipated high economic growth in all emerging countries (including those in Asia) on the back of steady internal demand. Moreover, in spite of ongoing difficulties in the export environment because of the persistently strong yen, the Japanese economy is expected to enjoy a more robust recovery, assuming that disaster recovery-related demand gains momentum.

Under these conditions, forecasts of consolidated performance for the fiscal year ending March 31, 2013 are for net sales of ¥43.0 billion, ordinary income of ¥3.3 billion and net income of ¥1.8 billion.

(2) Analysis of Financial Position

Total assets as of March 31, 2012, totaled ¥92,990 million, an increase of ¥6,738 million compared with the end of the previous fiscal year. This mainly comprised a ¥8,460 million jump in inventories. Tangible fixed assets increased ¥4,662 million, investment and other assets rose ¥1,155 million, cash and deposits decreased ¥7,130 million, and notes and accounts receivable-trade declined ¥1,331 million.

Total liabilities totaled ¥39,640 million, an increase of ¥5,359 million compared with the end of the previous fiscal year. This increase mainly comprised rises in income taxes payable of ¥1,099 million and convertible bond of ¥5,000 million.

Total net assets amounted to ¥53,349 million, an increase of ¥1,378 million compared with the end of the previous fiscal year. The main components were an increase in retained earnings of ¥1,945 million, and a decrease in accumulated other comprehensive income of ¥566 million.

Cash Flows

Cash and cash equivalents at the end of this fiscal year totaled ¥14,707 million, a fall of ¥7,130 million compared with the end of the previous year.

Cash Flows from Operating Activities

Net cash used in operating activities was ¥2,385 million. The major reasons were income before income taxes of ¥2,936 million, depreciation and amortization of ¥3,090 million, a decrease in notes and accounts receivable-trade of ¥1,283 million, a jump in inventories of ¥8,741 million, and a decrease in notes and accounts payable-trade of ¥296 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥9,046 million. This result was primarily attributable to the purchase of property, plant and equipment.

Cash Flows from Financing Activities

Net cash provided by financing activities was ¥4,340 million. This was mainly due to proceeds from long-term bank loans of ¥8,000 million, payments of long-term bank loans of ¥7,740 million, proceeds from convertible bond of ¥5,000 million, and cash dividends paid of ¥881 million.

The trend of cash flow indices is as follows:

	For the periods ended			
	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012
Equity ratio (%)	68.8	64.4	60.3	57.4
Equity ratio on market value basis (%)	30.1	61.1	56.6	41.2
Debt repayment period (Years)	-	8.2	2.7	-
Interest coverage ratio (Times)	-	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 ¥6.5 per share. Including the interim dividend of ¥6.5 per share, the planned full-year dividend payment ¥13.0 per share, an increase of ¥3.0 per share year on year.

The Company is forecasting a dividend of ¥10 per share (including an interim dividend of ¥5) for the fiscal year ending March 31, 2013.

(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 14, 2012, 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 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

As there were no significant changes to diagram “Business Flows within the Group” and the text “Overview of Related Companies” in the latest annual securities report (produced on June 29, 2011), these have been omitted.

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 machine tools and semiconductor manufacturing equipment industry. This forecasted rise in demand is attributable to the global growth of the machinery and electronics 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.

We aim to develop into a globally trusted and indispensable business group with a unique presence through the manufacture and sale of Needle Roller Bearing and Linear Motion Rolling Guides. To this end, The Group will implement measures to increase international competitiveness based on a flexible approach to addressing changes in the operating environment and the establishment of a global system.

From the sales perspective, the Group will further promote the IKO brand by actively developing on a global scale a "user-centered, proposal-based sales approach" as a pillar of its sales policy. In Japan, we are revamping our sales systems to improve efficiency. We also aim to increase sales by cultivating existing markets and nurturing new ones. Overseas, the Group is tapping into demand in China—which is experiencing ongoing boosts in production and consumption—through the 8 sales bases of the consolidated subsidiary IKO–Thompson (Shanghai) Ltd. Moreover, the Group plans to augment its Chinese sales network by establishing new branches and offices. We will also implement measures intended to expand global sales by bolstering sales networks in the Americas and Europe.

Regarding product development, the Group is continually working to create high-value-added products that meet user needs. By assessing demand trends and needs in various regions worldwide, sharing user values and taking advantage of our superior technological capabilities, we will develop products that anticipate user needs. In the fiscal year under review, the Group launched 10 new products onto the market.

Turning to production activities, the Group upgraded IKO Thompson Vietnam Co., Ltd.'s uniform production system, which now extends from manufacture to shipping of finished Linear Motion Rolling Guides. The production system will become fully operational in spring 2012. The Group has positioned IKO Thompson Vietnam Co., Ltd. as an important base in its global strategy, which will continue to improve the Group's production capacity and, in turn, increase its international competitiveness. In terms of domestic manufacturing bases, we will improve customer satisfaction through finely tuned production responsiveness.

Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31, 2012 and 2011

ASSETS	Millions of yen	
	March 31, 2012	March 31, 2011
Current Assets:		
Cash and deposits	14,744	21,874
Notes and accounts receivable-trade	9,463	10,794
Finished products	17,628	12,028
Material in process	10,368	8,875
Raw material	7,522	6,154
Deferred tax assets	2,056	1,592
Others	1,550	1,252
Less: Allowance for doubtful accounts	(31)	(34)
Total current assets	<u>63,301</u>	<u>62,538</u>
Fixed Assets:		
Tangible fixed assets:		
Buildings and structures	5,248	4,569
Machinery and vehicles	10,453	6,986
Tools and fixtures	683	788
Land	3,091	3,091
Construction in progress	1,165	543
Total tangible fixed assets	<u>20,643</u>	<u>15,980</u>
Intangible fixed assets	302	146
Investments and other assets:		
Investment securities	5,890	5,968
Deferred tax assets	1,245	209
Others	1,674	1,471
Less: Allowance for doubtful accounts	(67)	(62)
Total investments and other assets	<u>8,743</u>	<u>7,587</u>
Total fixed assets	<u>29,688</u>	<u>23,714</u>
TOTAL ASSETS	<u><u>92,990</u></u>	<u><u>86,252</u></u>

LIABILITIES	Millions of yen	
	March 31, 2012	March 31, 2011
Current Liabilities:		
Notes and accounts payable-trade	9,390	9,691
Short-term bank loans	231	332
Current portion of corporate bonds	4,000	-
Current portion of long-term bank loans	2,915	7,540
Accrued expenses	2,305	2,419
Income taxes payable	1,289	190
Allowance for directors' and corporate auditors' bonuses	80	80
Others	1,834	2,058
Total current liabilities	22,047	22,312
Long-Term Liabilities:		
Corporate bonds	-	4,000
Convertible bond	5,000	-
Long-term bank loans	10,969	6,084
Deferred tax liabilities	5	10
Accrued retirement benefits	1,351	1,608
Others	267	266
Total long-term liabilities	17,593	11,968
TOTAL LIABILITIES	39,640	34,281
NET ASSETS		
Shareholders' Equity:		
Common stock	9,532	9,532
Capital surplus	12,886	12,886
Retained earnings	32,840	30,894
Treasury stock	(46)	(46)
Total shareholders' equity	55,212	53,267
Accumulated other comprehensive income:		
Net unrealized holding gains on available-for-sale securities	964	1,192
Deferred gains or losses on hedges	(2)	(5)
Foreign currency translation adjustments	(2,824)	(2,483)
Total accumulated other comprehensive income	(1,862)	(1,296)
TOTAL NET ASSETS	53,349	51,970
TOTAL LIABILITIES AND NET ASSETS	92,990	86,252

Consolidated Statements of Income

Years ended March 31, 2012 and 2011

	Millions of yen	
	March 31, 2012	March 31, 2011
Net Sales	42,505	43,849
Cost of Sales	30,606	30,363
Gross Profit	11,899	13,485
Selling, General and Administrative Expenses	8,846	9,123
Operating Income	3,053	4,362
Non-Operating Income:		
Interest income	21	10
Dividend income	197	102
Real estate rent	32	33
Purchase discounts	40	17
Others	51	120
	344	284
Non-Operating Expenses:		
Interest expenses	244	270
Sales discounts	61	58
Loss on retirement of fixed assets	36	34
Foreign currency translation loss	113	130
Others	83	40
	540	534
Ordinary Income	2,857	4,112
Extraordinary Income:		
Gain on sales of investment in securities	78	28
	78	28
Extraordinary Losses:		
Loss from write-down of investment in securities	-	103
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	30
	-	134
Income before Income Taxes	2,936	4,006
Income Taxes:		
Current	1,396	189
Deferred	(1,287)	762
Income before Minority Interests	2,827	3,054
Net Income	2,827	3,054

Consolidated Statements of Comprehensive Income

Years ended March 31, 2012 and 2011

	Millions of yen	
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Income before Minority Interests	2,827	3,054
Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	(227)	(37)
Deferred gains or losses on hedges	2	(5)
Foreign currency translation adjustments	(341)	(847)
Total Other Comprehensive Income	(566)	(891)
Comprehensive Income	2,260	2,163
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	2,260	2,163

Statement of Changes in Consolidated Shareholders' Equity

For the fiscal year ended March 31, 2012

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2011	9,532	12,886	30,894	(46)	53,267
Changes during the period					
Cash dividends	-	-	(881)	-	(881)
Net income	-	-	2,827	-	2,827
Acquisition of treasury stock	-	-	-	(0)	(0)
Net changes in items other than shareholders' capital	-	-	-	-	-
Total changes during the period	-	-	1,945	(0)	1,945
As of March 31, 2012	9,532	12,886	32,840	(46)	55,212

	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 April 1, 2011	1,192	(5)	(2,483)	(1,296)	51,970
Changes during the period					
Cash dividends	-	-	-	-	(881)
Net income	-	-	-	-	2,827
Acquisition of treasury stock	-	-	-	-	(0)
Net changes in items other than shareholders' capital	(227)	2	(341)	(566)	(566)
Total changes during the period	(227)	2	(341)	(566)	1,378
As of March 31, 2012	964	(2)	(2,824)	(1,862)	53,349

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

Consolidated Statements of Cash Flows

Years ended March 31, 2012 and 2011

	Millions of yen	
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Cash Flows from Operating Activities:		
Income before income taxes	2,936	4,006
Depreciation and amortization	3,090	2,457
Increase (Decrease) in allowance for doubtful accounts	2	(45)
Increase in allowance for directors' and corporate auditors' bonuses	-	79
Increase (Decrease) in accrued retirement benefits	(256)	33
Interest and dividend income	(219)	(112)
Interest expenses	245	270
Loss on retirement of fixed assets	36	34
Gain on sales of investment in securities	(78)	(28)
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)
Decrease (Increase) in notes and accounts receivable - trade	1,283	(3,632)
Increase in inventories	(8,741)	(1,223)
Increase in other accounts receivable	(284)	(357)
Increase (Decrease) in notes and accounts payable - trade	(296)	4,686
Increase (Decrease) in accrued expenses	(99)	913
Others - net	458	(161)
Subtotal	<u>(1,922)</u>	<u>6,999</u>
Interest and dividend income received	144	112
Interest paid	(254)	(275)
Income taxes paid	(353)	(64)
Net cash provided by (used in) operating activities	<u>(2,385)</u>	<u>6,773</u>

	Millions of yen	
	March 31, 2012	March 31, 2011
Cash Flows from Investing Activities:		
Payments into time deposits	(74)	(77)
Proceeds from time deposits	74	116
Payments for purchase of property, plant and equipment	(8,428)	(1,405)
Payments for purchase of investment securities	(502)	(13)
Proceeds from sales of investment securities	172	82
Proceeds from cancellation of insurance funds	-	1,261
Others - net	(286)	(101)
Net cash used in investing activities	(9,046)	(137)
Cash Flows from Financing Activities:		
Proceeds from short-term bank loans	4,231	2,788
Repayments of short-term bank loans	(4,268)	(2,599)
Proceeds from long-term bank loans	8,000	1,000
Repayments of long-term bank loans	(7,740)	(1,282)
Proceeds from convertible bond	5,000	-
Cash dividends paid	(881)	(551)
Others - net	(0)	(4)
Net cash provided by (used in) financing activities	4,340	(650)
Foreign currency translation adjustments on cash and cash equivalents	(38)	(227)
Net increase (decrease) in cash and cash equivalents	(7,130)	5,758
Cash and cash equivalents at beginning of year	21,837	16,079
Cash and cash equivalents at end of year	14,707	21,837

Notes on the Premise of a Going Concern

There are no applicable articles.

Additional Information

Application of Accounting Standard for Accounting Changes and Error Corrections

For the accounting changes and error corrections after the beginning of the fiscal year, the Company has applied the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, issued December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24, issued December 4, 2009).

Adjustment of deferred tax assets and deferred tax liabilities due to change of effective statutory tax rate

In accordance with the promulgation of The Law to Revise the Income Tax, etc., in Order to Construct a Tax System Addressing Changes in the Socio Economic Structure (Act No.114, 2011) and Special Measures to Secure the Financial Resources to Implement the Restoration from the Great East Japan Earthquake (Act No.117, 2011), enacted on December 2, 2011, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities in the consolidated fiscal year under review (only those expected to settled or realized on or after April 1, 2012) has been changed from the previous consolidated fiscal year's rate of 40.7% to 38.0% for temporary differences expected to be resolved during the period from April 1, 2012 to March 31, 2015, and to 35.6% for temporary differences expected to be resolved on or after April 1, 2015.

As a result of these changes, deferred tax assets (net of deferred tax liabilities) decreased ¥234 million, and income taxes - deferred and net unrealized holding gains on available-for-sale securities recorded in the consolidated fiscal year under review increased ¥309 million and ¥75 million, respectively.

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 29, 2011), these have been omitted.

Notes

(Consolidated Balance Sheets)

	Millions of yen	
	March 31, 2012	March 31, 2011
1. Items for non-consolidated subsidiaries		
Investment securities	115	145

(Consolidated Statements of Income)

	Millions of yen	
	March 31, 2012	March 31, 2011
1. Major items of Selling, general and administrative expenses		
Employees' salaries	3,332	3,277
Welfare expenses	620	619
Packing and distribution expenses	499	534
Rent expenses	545	526
Business consignment expenses	845	1,020
2. Research and development costs	818	841

(Statement of Changes in Consolidated Shareholders' Equity)

For the fiscal Year ended March 31, 2012

1. Class and Number of Shares Issued

	As of April 1, 2011 (Shares)	Increased shares during the fiscal year (Shares)	Decreased shares during the fiscal year (Shares)	As of March 31, 2012 (Shares)
Common stock	73,499,875	-	-	73,499,875

2. Class and Number of Treasury stock

	As of April 31, 2011 (Shares)	Increased shares during the fiscal year (Shares)	Decreased shares during the fiscal year (Shares)	As of March 31, 2012 (Shares)
Common stock	55,814	1,358	-	57,172

Note: The increase of 1,358 shares of treasury stock is due to purchase of odd lot shares of less than one trading unit.

3. Subscription rights

	Breakdown of subscription rights	Type of shares subject to subscription rights	Number of shares subject to subscription rights (Shares)				Balance as of March 31, 2012 (Millions of yen)
			As of April 1, 2011	Increased shares during the fiscal year	Decreased shares during the fiscal year	As of March 31, 2012	
The Company	Second Series of Unsecured Convertible Bonds with Subscription Rights (Issued April 19, 2011)	Common stock	-	7,751,937	-	7,751,937	Note No.1

Notes: 1. The total amount of convertible bonds with subscription rights shall be recorded as liabilities at the time of issuance pursuant to the issuance of straight bonds.

2. The increase of 7,751,937 shares is due to the issuance of the Second Series of Unsecured Convertible Bonds with Subscription Rights

4. 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, 2011	Common stock	403	5.50	March 31, 2011	June 30, 2011
Board of directors on November 7, 2011	Common stock	477	6.50	September 30, 2011	December 7, 2011

(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 28, 2012	Common stock	Retained earnings	477	6.50	March 31, 2012	June 29, 2012

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

Note: 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

(Consolidated Cash Flow)

	Millions of yen	
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Relationship between cash and cash equivalents year ended and the amount of the account stated in the consolidated balance sheets.		
Cash and deposits	14,744	21,874
Time deposits with maturity exceeding three months	(36)	(36)
Cash and cash equivalents at end of period	<u>14,707</u>	<u>21,837</u>

(Segment Information)

March 31, 2012	March 31, 2011
Same as on the right.	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, 2012	March 31, 2011
Net assets per share	726.41	707.62
Net income per share	38.50	41.59
Diluted net income per share	34.82	Not stated due to no residual securities in existence.

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

	Millions of yen	
	March 31, 2012	March 31, 2011
Net income per share		
Net income	2,827	3,054
Value not attributed to common stock	-	-
Net income pertaining to common stock	2,827	3,054
Average number of shares outstanding during period	73,443,417shares	73,448,470shares
Diluted net income per share		
Net income adjustment value	-	-
Increase in number of shares outstanding (of which convertible bonds with subscription rights)	7,751,937shares (7,751,937shares)	-
Residual shares not included in the calculation of diluted net income per share because they have no dilutive effect	-	-

(Important Subsequent Events)

March 31, 2012

March 31, 2011

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, 2012

March 31, 2011

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.