

NIPPON THOMPSON CO., LTD.

Corporate Headquarters: Tokyo

Listed Code: 6480

Listed Stock Exchange: Tokyo

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

May 13, 2013

**Consolidated Financial Report
for the Fiscal Year ended March 31, 2013
<Japanese GAAP>**

Representative: Shigeki Miyachi, President and Representative Director

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

Telephone: +81-3-3448-5824

Scheduled Date of Ordinary General Meeting of Shareholders:	June 27, 2013
Scheduled Date to Submit Annual Securities Report:	June 27, 2013
Scheduled Date to Begin Dividend Payments:	June 28, 2013
Preparation of Supplementary Explanation Material for Financial Results:	Yes
Holding of Presentation Meeting for Financial Results:	Yes (Targeted at institutional investors and analysts)

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

**1. Consolidated Operating Performance for the Fiscal Year Ended March 31, 2013
(From April 1, 2012 to March 31, 2013)**

(1) Results of Consolidated Operations

Years ended March 31, 2013 and 2012

(Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change	Net income	Percentage change
2013	35,962	(15.4)	1,185	(61.2)	1,465	(48.7)	(124)	-
2012	42,505	(3.1)	3,053	(30.0)	2,857	(30.5)	2,827	(7.4)

Notes: Comprehensive income

Fiscal year ended March 31, 2013: 994 million yen (56.0) %

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

: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 (%)
2013	(1.69)	-	(0.2)	1.7	3.3
2012	38.50	34.82	5.4	3.2	7.2

Reference: Equity in earnings of affiliates

Fiscal year ended March 31, 2013: - million yen

Fiscal year ended March 31, 2012: - million yen

(2) Consolidated Financial Position

Years ended March 31, 2013 and 2012

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
2013	84,343	53,167	63.0	728.46
2012	92,990	53,349	57.4	726.41

Reference: shareholders' equity

Fiscal year ended March 31, 2013: 53,167 million yen

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

(3) Consolidated Cash Flows

Years ended March 31, 2013 and 2012

(Millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
2013	(352)	(2,768)	(1,561)	9,967
2012	(2,385)	(9,046)	4,340	14,707

2. Dividends

Base date	Dividends per share				
	June 30 (Yen)	September 30 (Yen)	December 31 (Yen)	March 31 (Yen)	Full fiscal year (Yen)
2014 (Forecast)	-	5.00	-	5.00	10.00
2013	-	5.00	-	4.00	9.00
2012	-	6.50	-	6.50	13.00

Base date	Total dividends (Full fiscal year)	Dividends payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	(Millions of yen)	(%)	(%)
2014 (Forecast)		31.9	
2013	661	-	1.2
2012	955	33.8	1.8

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2014

Six-month period ending September 30, 2013, and the fiscal year ending March 31, 2014						(Millions of yen)
	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
Six-month period ending September 30, 2013	20,000	4.4	900	(6.1)	900	4.3
Year ending March 31, 2014	42,000	16.8	3,000	153.1	3,000	104.7

	Net income	Percentage change	Net income per share (Yen)
Six-month period ending September 30, 2013	700	129.9	9.53
Year ending March 31, 2014	2,300	-	31.32

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:	Yes
Changes other than those in above:	None
Changes in accounting estimates:	Yes
Restatements:	None

Note: Effective for the first quarter of the consolidated fiscal period ending March 31, 2013, Nippon Thompson Co., Ltd. (the "Company") and its domestic consolidated subsidiary have changed the depreciation method. Such changes fall under "Changes in accounting policies which are difficult to distinguish from changes in accounting estimates". For further details, please refer to "Changes in accounting policies" on page 21.

(3) Number of shares issued (Common stock)

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

Fiscal year ended March 31, 2013: 73,499,875 shares

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

Number of treasury stock

Fiscal year ended March 31, 2013: 59,769 shares

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

Average number of shares outstanding at period-end

Fiscal year ended March 31, 2013: 73,441,267 shares

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

**Reference: Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2013
(From April 1, 2012 to March 31, 2013)**

(1) Results of Non-consolidated Operations

Years ended March 31, 2013 and 2012

(Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change	Net income	Percentage change
2013	31,485	(18.8)	822	(70.7)	975	(63.7)	(140)	-
2012	38,798	(4.4)	2,805	(22.3)	2,683	(25.4)	2,664	(35.0)

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)
2013	(1.91)	-
2012	36.28	32.81

(2) Non-consolidated Financial Position

Years ended March 31, 2013 and 2012

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
2013	80,830	50,178	62.1	687.77
2012	89,868	51,286	57.1	698.32

Note: shareholders' equity

Fiscal year ended March 31, 2013: 50,178 million yen

Fiscal year ended March 31, 2012: 51,286 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 13, 2013. 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 page 6.

Operating Results and Financial Position

(1) Analysis of Operating Results

Overview for the Fiscal Year Ended March 31, 2013

The Japanese economy in the consolidated fiscal year ended March 31, 2013 remained uncertain due to a strong shift towards cutbacks in private capital investment, a reduction in exports influenced by the appreciation of the yen as well as the prolonged European debt crisis and slower economic growth in emerging economies in Asia and elsewhere. Overseas, the European economy remained stagnant amid debt problems and market conditions worsened in China and other emerging economies. This situation persisted despite signs of gradual economic growth in the United States. As a result, the environment in which the Group operates in Japan and overseas remained harsh.

Under these circumstances, the Group undertook various initiatives to strengthen its international competitiveness as it plans to increase the scope of its businesses in global markets.

From the sales perspective, the Group actively developed its “user-centered, proposal-based sales approach” as it endeavored to penetrate the market with IKO brands and increase sales. In addition, the Group enhanced its business development capabilities by reinforcing its personnel and reshuffling its overseas sales department in order to swiftly and solidly expand its share of the overseas market. In China, where continued growth in demand is projected, our sales subsidiary IKO – THOMPSON (SHANGHAI) LTD. continued preparations to open offices in Qingdao and Shenyang in order to bolster its business foundation in the Chinese market. Operations began at the Qingdao Office on March 1, 2013, and at the Shenyang Office on April 1, 2013.

From a product development standpoint, in the “Maintenance-Free Series,” which based on proprietary Group technology that reduces the number of man-hours needed for refueling and maintenance as well as environmental impact, the Group strengthened its lineup of Linear Motion Rolling Guides, beginning with roller-type models. The Group also expanded its lineup of Precision Positioning Table Series, offering lighter and more compact models, thus cultivating demand across many industry segments.

From the production standpoint, the Group attempted to strengthen its overseas production systems by reinforcing the production capabilities of IKO Thompson Vietnam Co., Ltd. as a key production base in its global strategy. The Group also engaged in optimizing procurement and strengthening its cost-competitiveness by actively stepping up the overseas procurement of both materials and components.

Turning to the Group’s operational results, domestic sales declined due to such factors as overall stagnant demand amid the slowing global economy. Overseas, sales in North America remained level with the previous period under continued favorable conditions. In Europe, sales fell significantly due to the appreciation on top of a worsening regional economic situation. In Asia, conditions remained severe, with the effects of the economic slowdown being felt across the region, particularly by our Chinese sales subsidiary.

As a result, the Group’s net sales decreased 15.4% compared with the corresponding period of the previous fiscal year, to ¥35,962 million. On the earnings front, despite efforts made to reduce expenditures and costs, operating income declined 61.2% to ¥1,185 million, ordinary income fell 48.7% to ¥1,465 million primarily due to the fall in sales and productions. In

addition, the Group recorded an extraordinary loss of ¥1,245 million on impairment loss, and a net loss for the fiscal year under review totaling ¥124 million, compared with net income of ¥2,827 million for 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 ¥31,577 million, a 15.4% decrease compared with the corresponding period in the previous fiscal year. Sales of Machine Components decline 15.3% to ¥4,385 million.

Business Segment Information

	March 31, 2013		March 31, 2012		Change	
	Millions of yen	Component percentages	Millions of yen	Component percentages	Millions of yen	Percentage change
Needle Roller Bearings, Linear Motion Rolling Guides	31,577	87.8	37,329	87.8	(5,751)	(15.4)
Machine Components	4,385	12.2	5,176	12.2	(791)	(15.3)
Total net sales	35,962	100.0	42,505	100.0	(6,542)	(15.4)

Outlook

Regarding future forecasts, overseas, the U.S. economy is anticipated to remain steady despite concerns of a delayed economic recovery in Europe amid a mood of uncertainty. Emerging countries in Asia and elsewhere are expected to expand, albeit gradually, as overall economic conditions recover. The Japanese economy is expected to continue on a path toward robust recovery, primarily due to an improved export environment as the overvaluation of the yen begins to correct, overseas economies recover and the Japanese government's monetary, economic, and other policies start to affect the real-world economy.

In light of these economic conditions, the Group is forecasting consolidated net sales of ¥42.0 billion, ordinary income of ¥3.0 billion and net income of ¥2.3 billion for the year ending March 31, 2014.

(2) Analysis of Financial Position

Total assets as of March 31, 2013, totaled ¥84,343 million, a decrease of ¥8,647 million compared with the end of the previous fiscal year. This mainly comprised decreases of cash and deposits of ¥4,649 million, notes and accounts receivable-trade of ¥767 million, inventories of ¥1,242 million, and tangible fixed assets of ¥1,813 million.

Total liabilities amounted ¥31,176 million, a decrease of ¥8,464 million compared with the end of the previous fiscal year. This mainly comprised an increase in corporate bonds of ¥1,000 million as well as decreases of notes and accounts payable-trade of ¥4,903 million, income taxes payable of ¥1,164 million, and long-term bank loans of ¥1,147 million.

Total net assets amounted to ¥53,167 million, a decrease of ¥182 million compared with the end of the previous fiscal year. The main components were an increase in accumulated other comprehensive income of ¥1,118 million, and a decrease in retained earnings of ¥970 million.

Cash Flows

Cash and cash equivalents at the end of this fiscal year totaled ¥9,967 million, a fall of ¥4,740 million compared with the end of the previous fiscal year.

Cash Flows from Operating Activities

Net cash used in operating activities was ¥352 million. The major reasons were depreciation and amortization of ¥3,048 million, impairment loss of ¥1,161 million, a decrease in inventories of ¥1,823 million, a decrease in notes and accounts payable-trade of ¥5,054 million, and income taxes paid of ¥1,404 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥2,768 million. This result was primarily attributable to the purchase of property, plant and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥1,561 million. This was mainly due to proceeds from long-term bank loans of ¥1,834 million, repayments of long-term bank loans of ¥2,981 million, proceeds from corporate bond of ¥5,000 million, and repayments of corporate bonds of ¥4,000 million.

The trend of cash flow indices is as follows:

	For the periods ended			
	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013
Equity ratio (%)	64.4	60.3	57.4	63.0
Equity ratio on market value basis (%)	61.1	56.6	41.2	39.8
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 ¥4 per share. Including the interim dividend of ¥5 per share, the planned full-year dividend payment ¥9 per share.

The Company is forecasting a dividend of ¥10 per share (including an interim dividend of ¥5) for the fiscal year ending March 31, 2014.

(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 13, 2013, 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, the Netherlands and China, 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 28, 2012), 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.

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 addition, we are revamping our sales systems to improve efficiency and also aim to increase sales by cultivating existing markets and nurturing new ones. In particular, we are continuing to aggressively tap into the significant latent demand in the Chinese market by strengthening the technological support our subsidiary IKO – Thompson (Shanghai) Ltd. provides to local sales agencies. We will look into expanding our sales network in other Asian regions by establishing new offices there, while at the same time implementing 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.

Turning to production activities, as the Group optimizes the procurement of materials and components both within Japan and overseas, it is further promoting the expansion of the production lineup at its subsidiary IKO Thompson Vietnam Co., Ltd. and working to ensure both consistent quality and cost competitiveness at all its operations. This will, 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, 2013 and 2012

ASSETS	Millions of yen	
	March 31, 2013	March 31, 2012
Current Assets:		
Cash and deposits	10,095	14,744
Notes and accounts receivable-trade	8,696	9,463
Finished products	15,614	17,628
Material in process	10,672	10,368
Raw material	7,990	7,522
Deferred tax assets	1,810	2,056
Others	1,298	1,550
Less: Allowance for doubtful accounts	(25)	(31)
Total current assets	<u>56,151</u>	<u>63,301</u>
Fixed Assets:		
Tangible fixed assets:		
Buildings and structures	5,401	5,248
Machinery and vehicles	9,451	10,453
Tools and fixtures	525	683
Land	3,091	3,091
Construction in progress	358	1,165
Total tangible fixed assets	<u>18,829</u>	<u>20,643</u>
Intangible fixed assets	396	302
Investments and other assets:		
Investment securities	6,106	5,890
Deferred tax assets	1,300	1,245
Others	1,621	1,674
Less: Allowance for doubtful accounts	(64)	(67)
Total investments and other assets	<u>8,965</u>	<u>8,743</u>
Total fixed assets	<u>28,191</u>	<u>29,688</u>
TOTAL ASSETS	<u><u>84,343</u></u>	<u><u>92,990</u></u>

LIABILITIES	Millions of yen	
	March 31, 2013	March 31, 2012
Current Liabilities:		
Notes and accounts payable-trade	4,487	9,390
Short-term bank loans	-	231
Current portion of corporate bonds	-	4,000
Current portion of long-term bank loans	3,556	2,915
Accrued expenses	1,860	2,305
Income taxes payable	125	1,289
Allowance for directors' and corporate auditors' bonuses	70	80
Others	715	1,834
Total current liabilities	10,815	22,047
Long-Term Liabilities:		
Corporate bonds	5,000	-
Convertible bond	5,000	5,000
Long-term bank loans	9,179	10,969
Deferred tax liabilities	5	5
Accrued retirement benefits	1,096	1,351
Others	79	267
Total long-term liabilities	20,360	17,593
TOTAL LIABILITIES	31,176	39,640
NET ASSETS		
Shareholders' Equity:		
Common stock	9,532	9,532
Capital surplus	12,886	12,886
Retained earnings	31,870	32,840
Treasury stock	(378)	(46)
Total shareholders' equity	53,911	55,212
Accumulated other comprehensive income:		
Net unrealized holding gains on available-for-sale securities	1,173	964
Deferred gains or losses on hedges	0	(2)
Foreign currency translation adjustments	(1,918)	(2,824)
Total accumulated other comprehensive income	(744)	(1,862)
TOTAL NET ASSETS	53,167	53,349
TOTAL LIABILITIES AND NET ASSETS	84,343	92,990

Consolidated Statements of Income

Years ended March 31, 2013 and 2012

	Millions of yen	
	March 31, 2013	March 31, 2012
Net Sales	35,962	42,505
Cost of Sales	26,255	30,606
Gross Profit	9,707	11,899
Selling, General and Administrative Expenses	8,521	8,846
Operating Income	1,185	3,053
Non-Operating Income:		
Interest income	10	21
Dividend income	120	197
Real estate rent	31	32
Foreign currency translation gain	324	-
Others	125	92
	612	344
Non-Operating Expenses:		
Interest expenses	212	244
Sales discounts	51	61
Loss on retirement of fixed assets	17	36
Foreign currency translation loss	-	113
Others	50	83
	332	540
Ordinary Income	1,465	2,857
Extraordinary Income:		
Gain on sales of investment in securities	-	78
	-	78
Extraordinary Losses:		
Loss from write-down of investment in securities	84	-
Impairment loss	1,161	-
	1,245	-
Income before Income Taxes	219	2,936
Income Taxes:		
Current	239	1,396
Deferred	104	(1,287)
Income (Loss) before Minority Interests	(124)	2,827
Net Income (Loss)	(124)	2,827

Consolidated Statements of Comprehensive Income

Years ended March 31, 2013 and 2012

	Millions of yen	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Income (Loss) before Minority Interests	(124)	2,827
Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	209	(227)
Deferred gains or losses on hedges	3	2
Foreign currency translation adjustments	906	(341)
Total Other Comprehensive Income	<u>1,118</u>	<u>(566)</u>
Comprehensive Income	<u>994</u>	<u>2,260</u>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	994	2,260

Statement of Changes in Consolidated Shareholders' Equity

For the fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2012	9,532	12,886	32,840	(46)	55,212
Changes during the period					
Cash dividends	-	-	(844)	-	(844)
Net Loss	-	-	(124)	-	(124)
Acquisition of treasury stock	-	-	-	(335)	(335)
Disposal of treasury stock	-	-	(1)	4	3
Net changes in items other than shareholders' capital	-	-	-	-	-
Total changes during the period	-	-	(970)	(331)	(1,301)
As of March 31, 2013	9,532	12,886	31,870	(378)	53,911

	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, 2012	964	(2)	(2,824)	(1,862)	53,349
Changes during the period					
Cash dividends	-	-	-	-	(844)
Net Loss	-	-	-	-	(124)
Acquisition of treasury stock	-	-	-	-	(335)
Disposal of treasury stock	-	-	-	-	3
Net changes in items other than shareholders' capital	209	3	906	1,118	1,118
Total changes during the period	209	3	906	1,118	(182)
As of March 31, 2013	1,173	0	(1,918)	(744)	53,167

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

Consolidated Statements of Cash Flows

Years ended March 31, 2013 and 2012

	Millions of yen	
	March 31, 2013	March 31, 2012
Cash Flows from Operating Activities:		
Income before income taxes	219	2,936
Depreciation and amortization	3,048	3,090
Impairment loss	1,161	-
Increase (Decrease) in allowance for doubtful accounts	(10)	2
Decrease in allowance for directors' and corporate auditors' bonuses	(10)	-
Decrease in accrued retirement benefits	(256)	(256)
Interest and dividend income	(131)	(219)
Interest expenses	212	245
Loss on retirement of fixed assets	17	36
Gain on sales of investment in securities	-	(78)
Loss from write-down of investment in securities	84	-
Decrease in notes and accounts receivable-trade	916	1,283
Decrease (Increase) in inventories	1,823	(8,741)
Decrease (Increase) in other accounts receivable	396	(284)
Decrease in notes and accounts payable-trade	(5,054)	(296)
Decrease in accrued expenses	(471)	(99)
Others-net	(814)	458
Subtotal	1,132	(1,922)
Interest and dividend income received	131	144
Interest paid	(211)	(254)
Income taxes paid	(1,404)	(353)
Net cash used in operating activities	(352)	(2,385)

	Millions of yen	
	March 31, 2013	March 31, 2012
Cash Flows from Investing Activities:		
Payments into time deposits	(155)	(74)
Proceeds from time deposits	75	74
Payments for purchase of property, plant and equipment	(2,691)	(8,428)
Payments for purchase of investment securities	(14)	(502)
Proceeds from sales of investment securities	20	172
Proceeds from cancellation of insurance funds	542	-
Payments for purchase of insurance funds	(395)	(188)
Others-net	(150)	(97)
Net cash used in investing activities	(2,768)	(9,046)
Cash Flows from Financing Activities:		
Proceeds from short-term bank loans	7,969	4,231
Repayments of short-term bank loans	(8,206)	(4,268)
Proceeds from long-term bank loans	1,834	8,000
Repayments of long-term bank loans	(2,981)	(7,740)
Proceeds from corporate bonds	5,000	-
Repayments of corporate bonds	(4,000)	-
Proceeds from convertible bond	-	5,000
Cash dividends paid	(844)	(881)
Payments for purchase of treasury stock	(335)	(0)
Others-net	3	-
Net cash provided by (used in) financing activities	(1,561)	4,340
Foreign currency translation adjustments on cash and cash equivalents	(57)	(38)
Net decrease in cash and cash equivalents	(4,740)	(7,130)
Cash and cash equivalents at beginning of year	14,707	21,837
Cash and cash equivalents at end of year	9,967	14,707

Notes on the Premise of a Going Concern

There are no applicable articles.

Changes in accounting policies

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

From the consolidated fiscal year ended March 31, 2013, the Company and its domestic consolidated subsidiary have changed the method of depreciation for tangible fixed assets acquired after April 1, 2012 in accordance with the revised Corporation Tax Act.

The effect of this change on income was immaterial for the consolidated fiscal year ended March 31, 2013.

Changes in disclosure methods

(Consolidated Statements of Income)

Because “Purchase discounts,” previously listed separately under non-operating income, amounted to less than ten percent of total non-operating income in the period under review, this item is included in “Others” under non-operating income from this consolidated fiscal year. To reflect this change in disclosure methods, the consolidated financial statements for the previous fiscal year have been restated.

As a result, under non-operating income in the consolidated statements of income for the previous consolidated fiscal year, “Purchase discounts” amounting to 40 million yen are now included in “Others.”

(Consolidated Statements of Cash Flows)

Reflecting their increased significance, “Payments for purchase of insurance funds,” previously included in “Others” under cash flows from investing activities, and “Payments for purchase of treasury stock,” previously included in “Others” under cash flows from financing activities will be listed separately from this consolidated fiscal year. To reflect these changes in disclosure methods, the consolidated financial statements for the previous fiscal year have been restated.

As a result, in the consolidated statements of cash flows for the previous consolidated fiscal year, under cash flows from investing activities, an outflow of 188 million yen is presented as “Payments for purchase of insurance funds” while “Others,” previously presented as an outflow of 286 million yen, decreased to an outflow of 97 million. Similarly, under cash flows from financing activities, a 0 million yen outflow previously included in “Others” has been restated as a 0 million yen outflow under “Payments for purchase of treasury stock.”

Additional Information

(Accounting procedures for the ESOP trust)

With the improvement of the employee benefits system as its principle goal, the Company passed a resolution to establish an Employee Stock Ownership Plan (ESOP) trust, a trust-type employee incentive program, at a meeting of Board of Directors held on December 17, 2012.

The ESOP trust (hereafter referred to as the Trust Account) was established by the Company to cover employees enrolled in the Nippon-Thompson Employee Stock Ownership Association (hereafter referred to as the Company's Stock Ownership Association) who fulfill certain criteria for becoming beneficiaries. Within a predetermined acquisition period, the Trust Account acquires shares of treasury stock in a number equivalent to that which the Company's Stock Ownership Association expects to acquire over the next five years, and then sells on said stock to the Company's Stock Ownership Association on a set day every subsequent month. At the end of the term of the trust, if the Trust Account records a profit due to higher share prices, this profit shall be distributed to the beneficiaries in proportion to their individual contributions. If the Trust Account records a loss on transfer due to lower share prices and debt is incurred on trust assets, no additional burden will be imposed on employees as the Company will repay the bank in one lump sum in accordance with the warranty of the loan agreement.

With regard to the acquisition or disposal of treasury stock, the Company's stockholdings and the Trust Account holdings are considered a single entity for accounting purposes. Income as well as debt and assets, including treasury stock held by the Trust Account, are recorded in the consolidated balance sheets, the consolidated statements of income, the statement of changes in consolidated shareholders' equity and the consolidated statements of cash flows.

Number of treasury stock as of March 31, 2013 is as follows.

Number of treasury stock:	842,769 shares
Number of treasury stock held by the Company:	59,769 shares
Number of treasury stock held by the Trust Account:	783,000 shares

Notes

(Consolidated Balance Sheets)

	Millions of yen	
	March 31, 2013	March 31, 2012
1. Items for non-consolidated subsidiaries		
Investment securities	115	115

(Consolidated Statements of Income)

	Millions of yen	
	March 31, 2013	March 31, 2012
1. Major items of Selling, general and administrative expenses		
Employees' salaries	3,223	3,332
Welfare expenses	621	620
Packing and distribution expenses	402	499
Rent expenses	523	545
Business consignment expenses	783	845
2. Research and development costs	683	818
3. Impairment loss		

In the consolidated fiscal year under review, the Group recorded impairment losses on the following assets.

Address	Use	Category	Impairment Loss (Millions of yen)
Mino City in Gifu Prefecture	Idle assets	Machinery	372
Toki City in Gifu Prefecture	Idle assets	Machinery, etc.	788

Based on management accounting classifications, the Group conducted asset grouping. Idle assets were placed in the asset grouping for each individual unit.

With regard to idle and other fixed assets held by the Group, following an investigation into the future recoverability of such assets conducted in accordance with “the accounting standard for the impairment of fixed assets”, the Group recorded a 1,161 million yen “Impairment loss” under extraordinary loss.

The recoverable value of said idle assets was originally estimated based on the net of fair value less selling costs, but due to the difficulty of selling or repurposing the assets, the fair value has been reduced to 0 yen.

(Statement of Changes in Consolidated Shareholders' Equity)

For the fiscal Year ended March 31, 2013

1. Class and Number of Shares Issued

	As of April 1, 2012 (Shares)	Increased shares during the fiscal year (Shares)	Decreased shares during the fiscal year (Shares)	As of March 31, 2013 (Shares)
Common stock	73,499,875	-	-	73,499,875

2. Class and Number of Treasury stock

	As of April 31, 2012 (Shares)	Increased shares during the fiscal year (Shares)	Decreased shares during the fiscal year (Shares)	As of March 31, 2013 (Shares)
Common stock	57,172	5,053	2,456	59,769

Notes: 1. The increase of 5,053 shares of treasury stock is due to purchase of odd lot shares of less than one trading unit.

2. The decrease of 2,456 shares of treasury stock is due to sales claims of odd lot shares of less than one trading unit.

3. The 783,000 shares held by the ESOP trust are not treasury stock held and are therefore not included in treasury stock.

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 31,2013 (Millions of yen)
			As of April 1, 2012	Increased shares during the fiscal year	Decreased shares during the fiscal year	As of March 31, 2013	
The Company	Second Series of Unsecured Convertible Bonds with Subscription Rights (Issued April 19, 2011)	Common stock	-	7,751,937	-	7,751,937	Note

Note: 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.

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 28, 2012	Common stock	477	6.50	March 31, 2012	June 29, 2012
Board of directors on November 12, 2012	Common stock	367	5.00	September 30, 2012	December 12, 2012

(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 27, 2013	Common stock	Retained earnings	293	4.00	March 31, 2013	June 28, 2013

Note: Total dividends include 3 million yen to be paid as dividends on the 783,000 shares of treasury stock held to date by the ESOP trust.

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

(Consolidated Statements of Cash Flow)

	Millions of yen	
	March 31, 2013	March 31, 2012
Relationship between cash and cash equivalents year ended and the amount of the account stated in the consolidated balance sheets.		
Cash and deposits	10,095	14,744
Time deposits with maturity exceeding three months	(127)	(36)
Cash and cash equivalents at end of period	9,967	14,707

(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.

(Per Share Information)

	Yen	
	March 31, 2013	March 31, 2012
Net assets per share	728.46	726.41
Net income (loss) per share	(1.69)	38.50
Diluted net income per share	-	34.82

Notes: 1. Diluted net income per share for the fiscal year ending March 31, 2013 has not been recorded, because, although there are residual securities, the Group posted a net loss per share.

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

	Millions of yen	
	March 31, 2013	March 31, 2012
Net income (loss) per share		
Net income (loss)	(124)	2,827
Value not attributed to common stock	-	-
Net income (loss) pertaining to common stock	(124)	2,827
Average number of shares outstanding during period	73,441,267shares	73,443,417shares
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	-	-

3. With regard to the computation of the number of shares outstanding at period-end, which is used to determine net assets per share, and the average number of shares outstanding at period-end, which is used to determine net income per share for the period or net loss per share for the period, the shares held by the ESOP trust are not treasury stock held and are therefore not included in treasury stock.

(Important Subsequent Events)

There are no applicable articles.