

For New Technology Network

NTN®

Financial results

for the year Ended March 31,2008

May 15,2008
NTN Corporation



《Today's Agenda》

I . Results of the first year of “*Growth through Creativity and Achievements 21” and Forecast for the Year Ending March 31, 2009

II . Synergies with SNR

III . Consolidated Financial Results for the Year Ended March 31, 2008 and Forecast of Consolidated Earnings for the Year Ending March 31, 2009

IV . Q&A Session

* The management catch-phrase is abbreviated as “GCA21” in this report.

• This presentation and comments made in this conference or during the Q&A session include forward-looking statements about our expectations for our future performance and our future business strategies. They represent the best judgment of the management of the company based on the information currently available.

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"GCA21"

Results of the First Year and Forecast for Year Ending March 31, 2009

1. Main points of financial results for year ended March 31, 2008
2. Performance for year ended March 31, 2008
3. Forecast for year ending March 31, 2009
4. Sales trend in the market of Americas
5. Progress of "Growth through Creativity and Achievements"
6. Challenges to external environmental change

1. Main points of financial results for year ended March 31, 2008

Performance for year ended March 31, 2008

- Posted sales and profit increase for 6 consecutive years and record profit for 5 consecutive years
- Increased year end dividend by 1 yen per share in commemoration of SNR becoming subsidiary of NTN (10 yen for year-end dividend, and 19 yen for full year, 3 yen more than previous year)
- Profit did not reach the plan initially announced

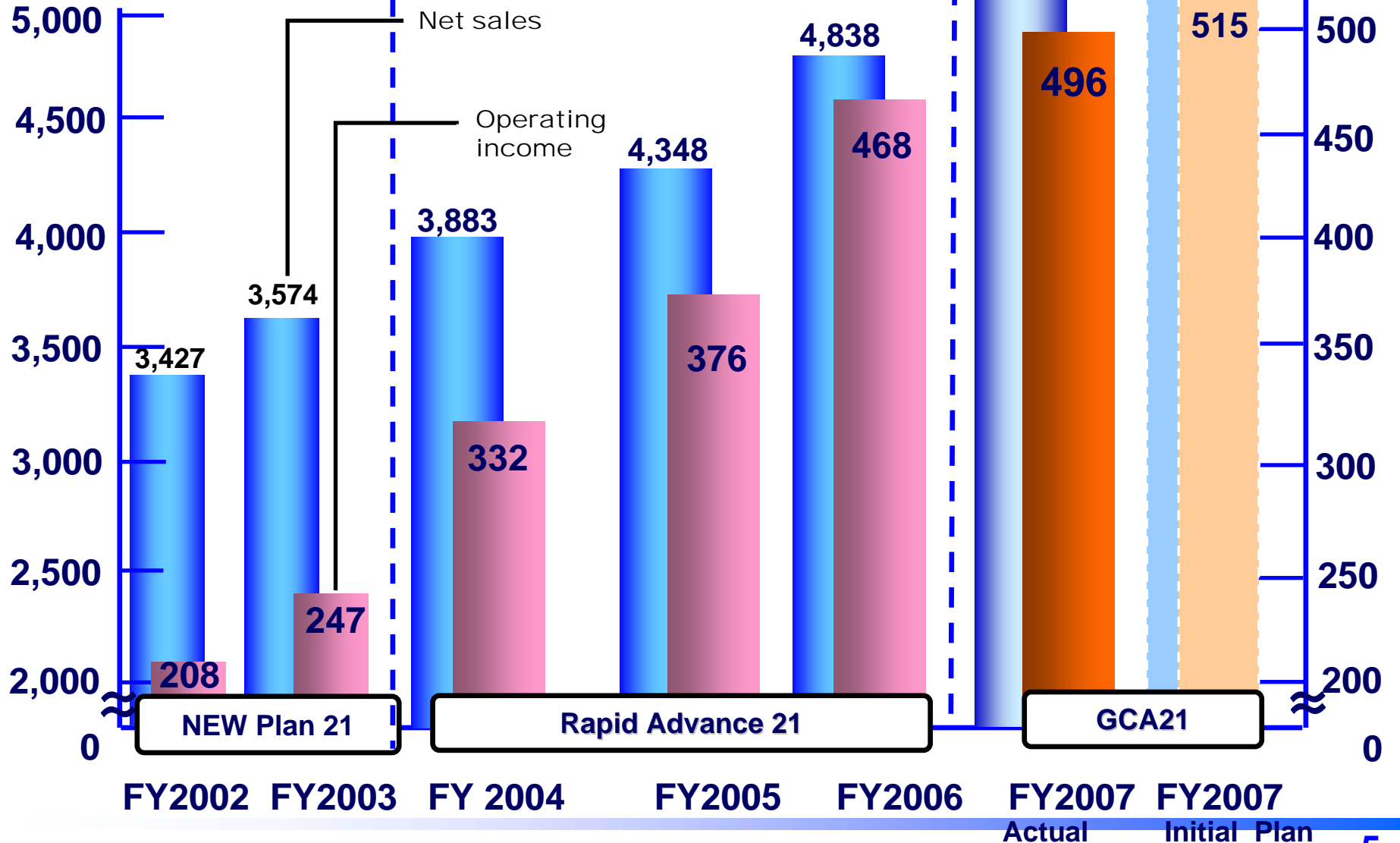
Forecast for year ending March 31, 2009

- SNR is included in NTN's consolidated performance starting from April 2008 (NTN's ownership: 51 %)
- Both sales and profit are projected to increase with SNR included, but profit is projected to decrease without SNR
- Payment of 20 yen dividend per share annually is projected (1 yen increase from a year earlier)

2. Performance for Year ended March 31, 2008

Trends in Net Sales and Operating Income

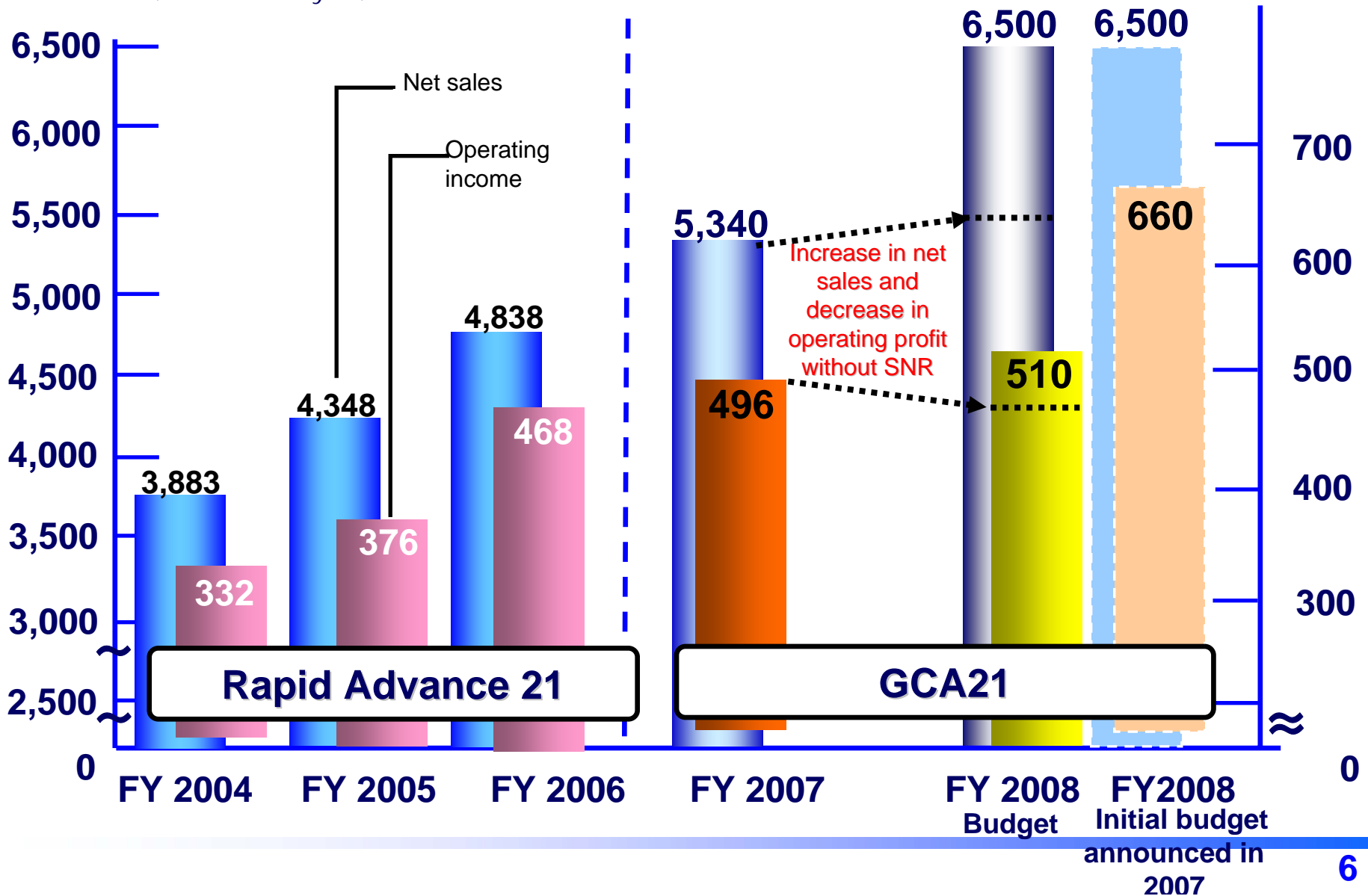
Net sales(100 million yen)



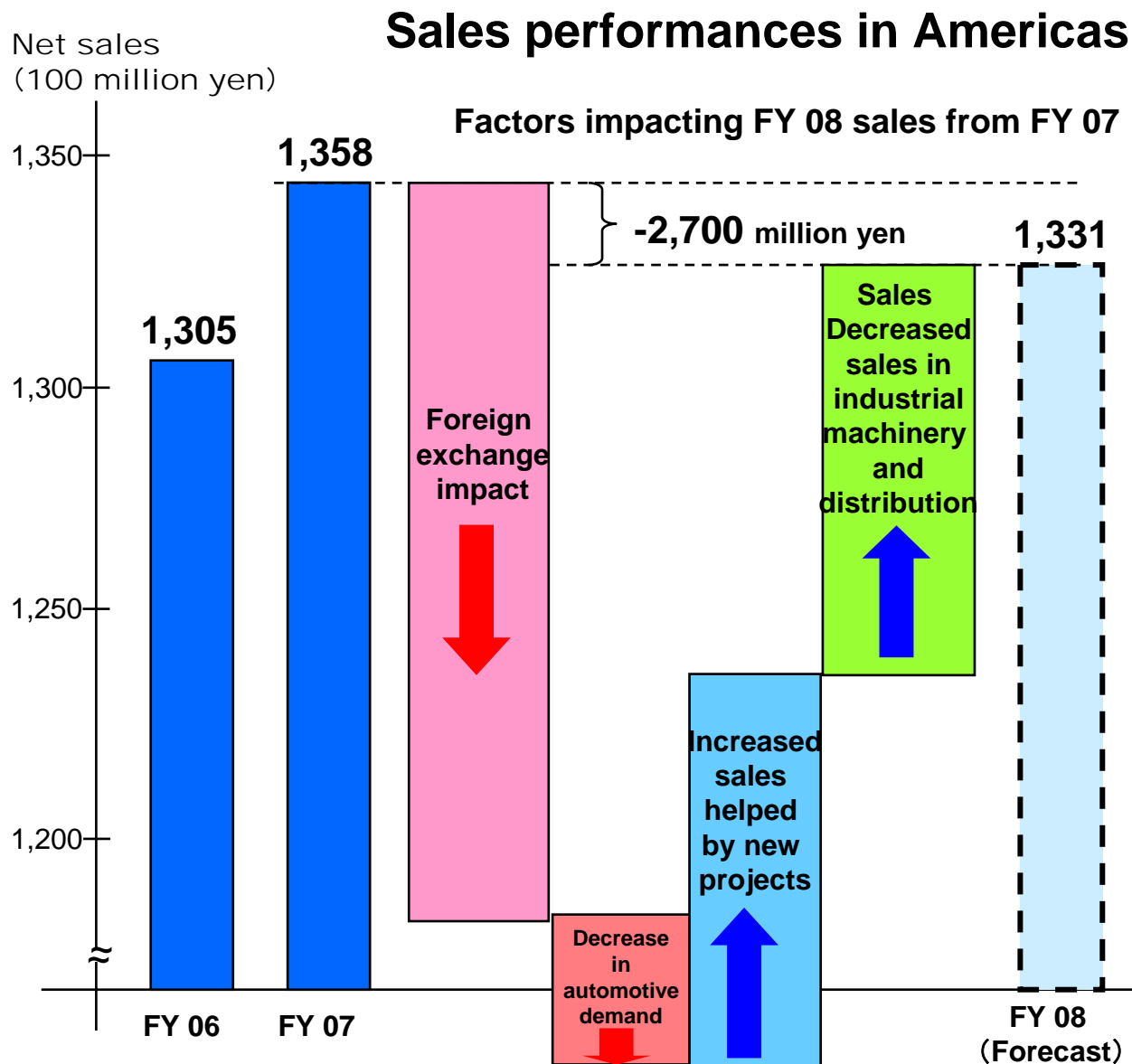
3. Forecast for Year ending March 31, 2009

Net sales (100 million yen)

Operating income (100 million yen)



4. Sales trend in Americas



- Substantial decline due to yen appreciation against U.S. dollar
- Decrease in automotive demand impacted by sub-prime loan problems
- Start of volume production owing to new orders for CVJs and axle bearings in automotive sector
- Increased sales in industrial machinery and distribution sectors
 - Large construction machinery
 - Wind power system
 - Agricultural machinery
 - Air craft

5. Progress of “GCA21”

5-1. Sales trend of Industrial Machinery Bearings

Construction machinery application

- ◆ Provide full response to increasing demand by strengthening global supply system
- ◆ Bolster up responding capability to increased production by construction machinery manufacturer, and expand market share

Wind power generation

- ◆ Started volume production of one of Japan's largest size of bearing for main shaft
- ◆ Increase business share with leading global manufacturers, and strengthen global supply system

Rolling stock

- ◆ Obtained the largest portion of orders for N700 series of Japan's bullet train
- ◆ Started operation at the joint-venture company in China, and expand sales in the Chinese market

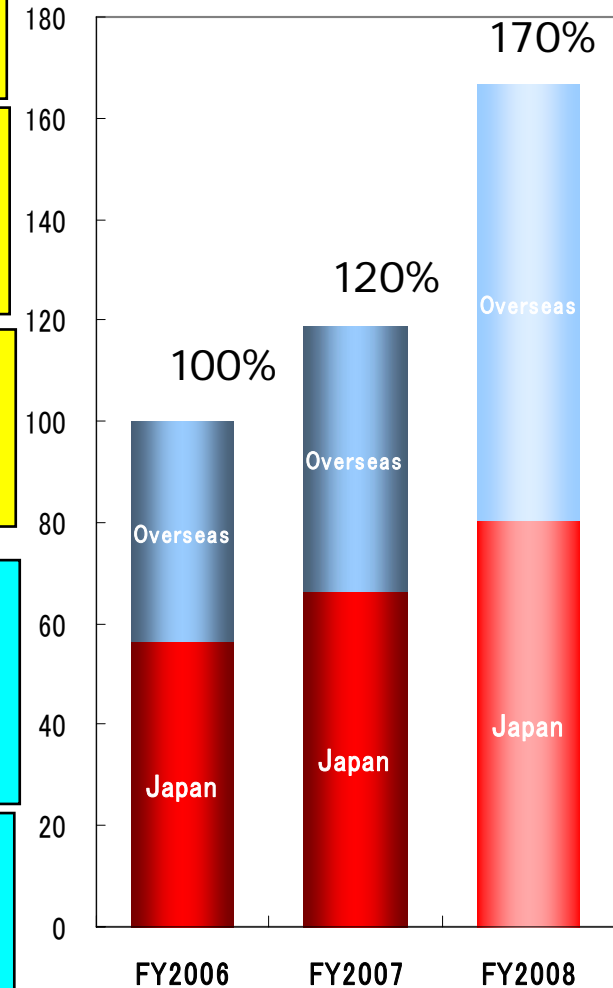
Machine tools

- ◆ Increase business shares with leading machine tool manufacturers in Europe, and expand sales in Korea
- ◆ Approach leading manufacturers with the products exhibited at JIMTO

Air craft

- ◆ Respond positively to inquiries from commercial air crafts to increase sales air craft bearings
- ◆ Expand sales of engine bearings through cooperation with SNR

Sales plan of main products expressed in % against FY2006 as 100 %



(Large Bearings)

(Precision Bearings)

5. Progress of “GCA21”

5-2. Development and Production of Large Bearings and Precision Bearings

- Cultivate element technologies and enhance research and development capability ⇒ Start building a **new R&D center in Kuwana** (December 2008)
- Increase production capacity to cope with increased demand
 - ⇒ **Extra-large bearing plant in Kuwana** started full operation (November 2007)
 - ⇒ **NTN Hakui Corp.** started operation (November 2007)
 - ⇒ **NTN Houdatsu Shimizu Corp.** will start operation (October 2009)
 - ⇒ **Nanjing- Puzhen NTN Railway Co.** started operation (January 2008)



New R&D center in Kuwana(Mie Prefecture)

※Image



NTN Hakui Corp.(Ishikawa Prefecture)

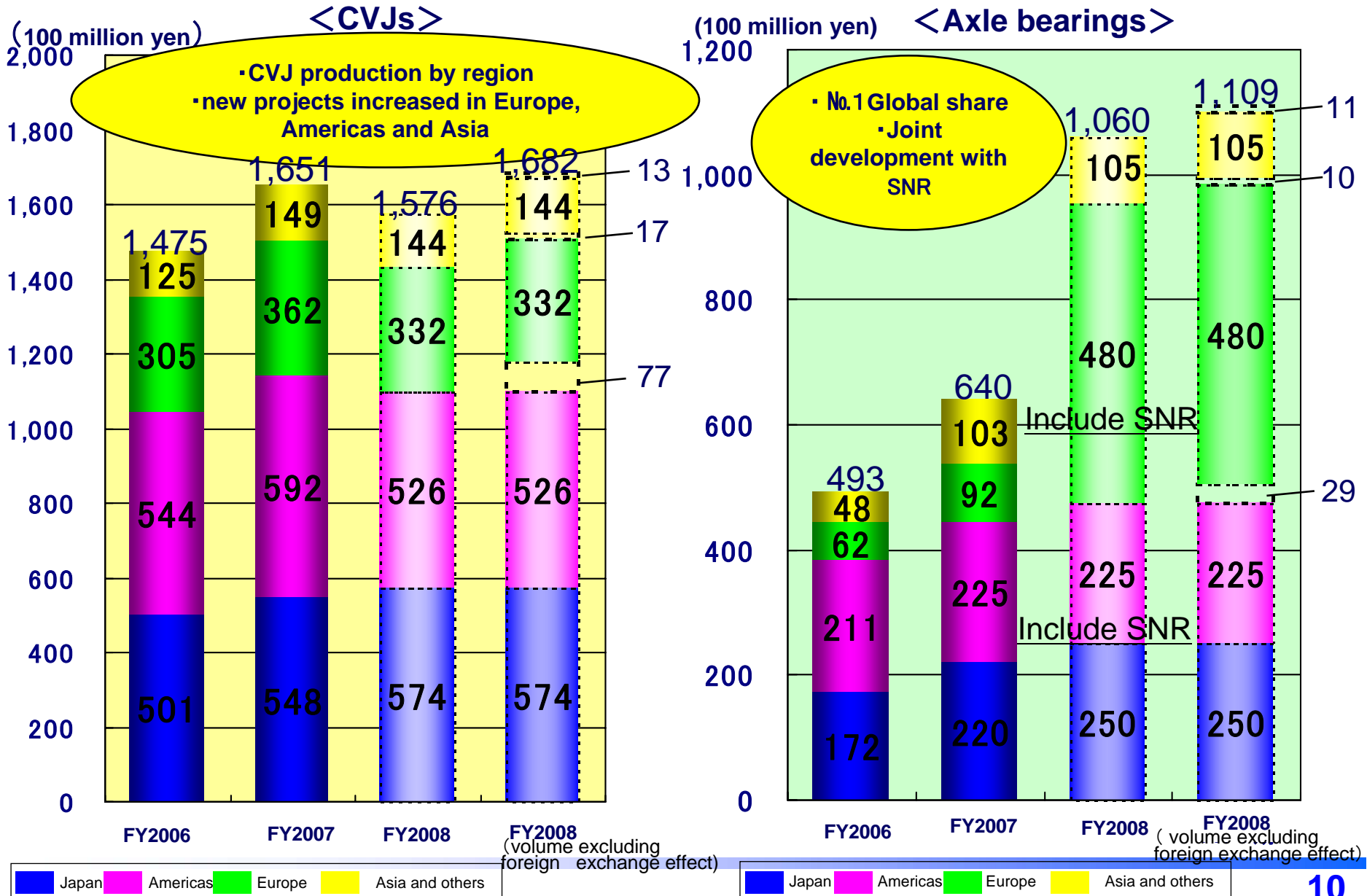


NTN Houdatsu Shimizu Corp.(Ishikawa Prefecture)

※Image

5. Progress of "GCA21"

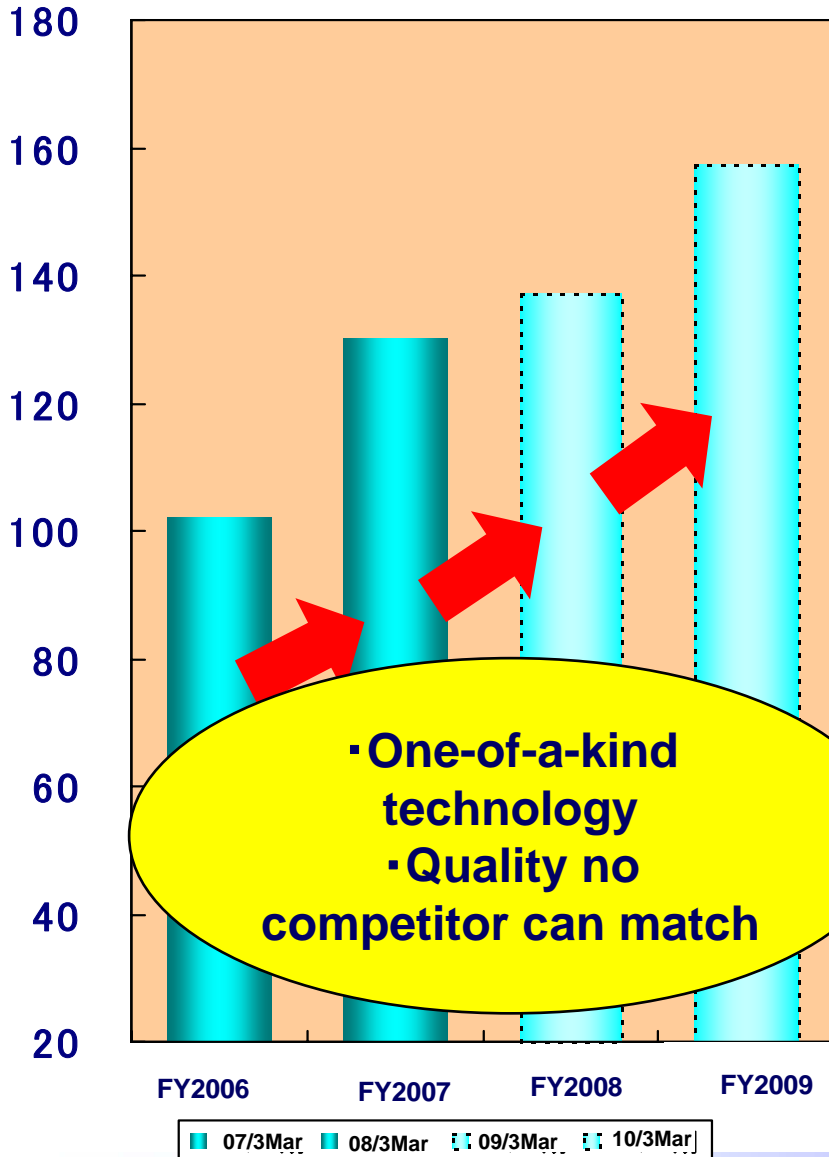
5-3. Sales Trend of CVJs and Axle Bearings



5. Progress of "GCA21"

5-4. Sales Trend of Fluid Dynamic Bearings

(100 million yen)



<Performance in FY2007>

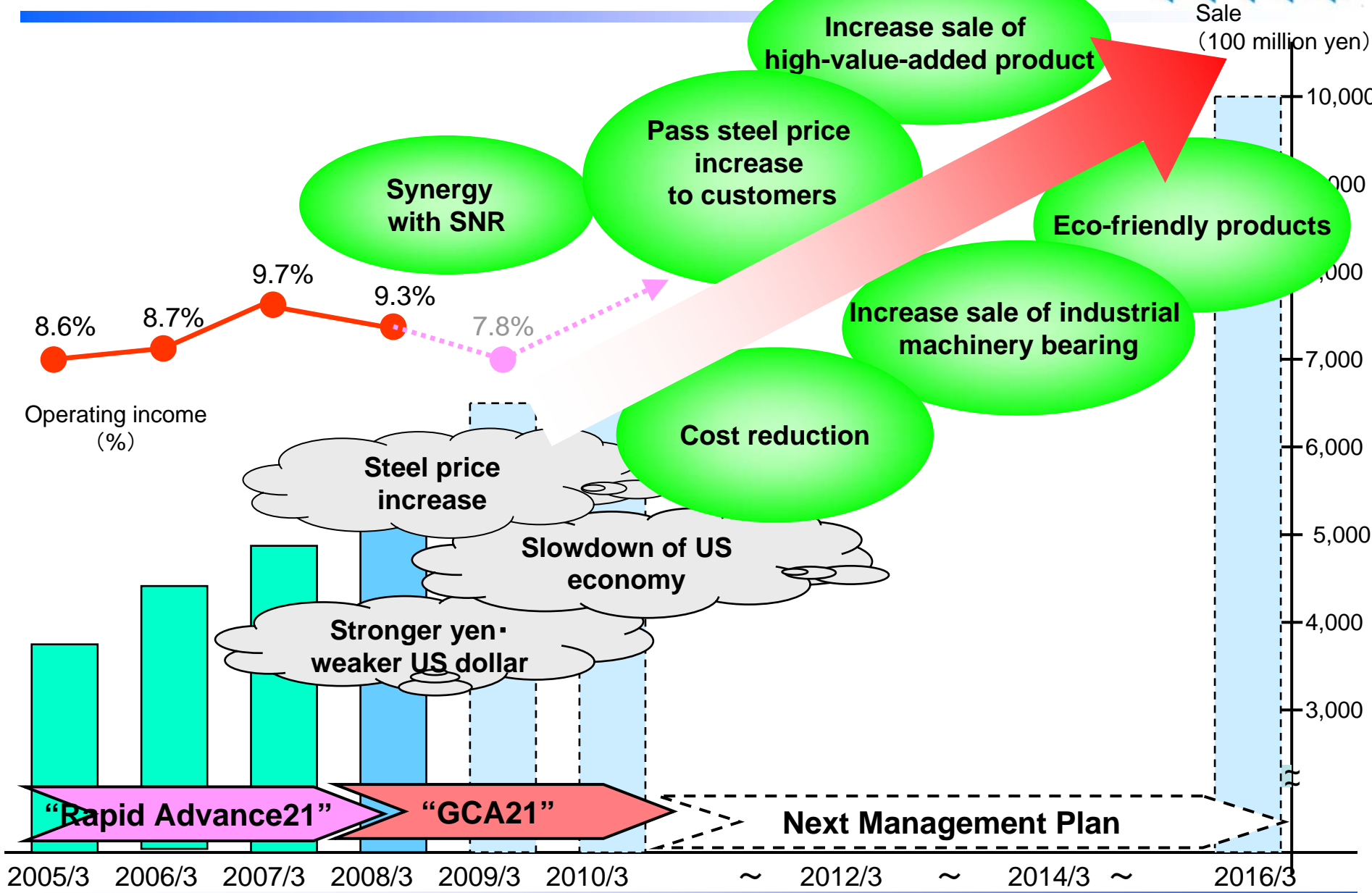
- Booming demand for HDD of consumer electronics such as home VCR
- Robust growth in revenues achieved by NTN-NIDEC(THAILAND) Co. and others involved.
- Volume production for plastic housing started

<Measures in FY 2008>

- Growth at an annual rate of 10 % is expected
- Start sales of the product for 2.5-inch HDD utilizing the technology for 3.5-inch HDD



6. Challenges to External Environmental Change



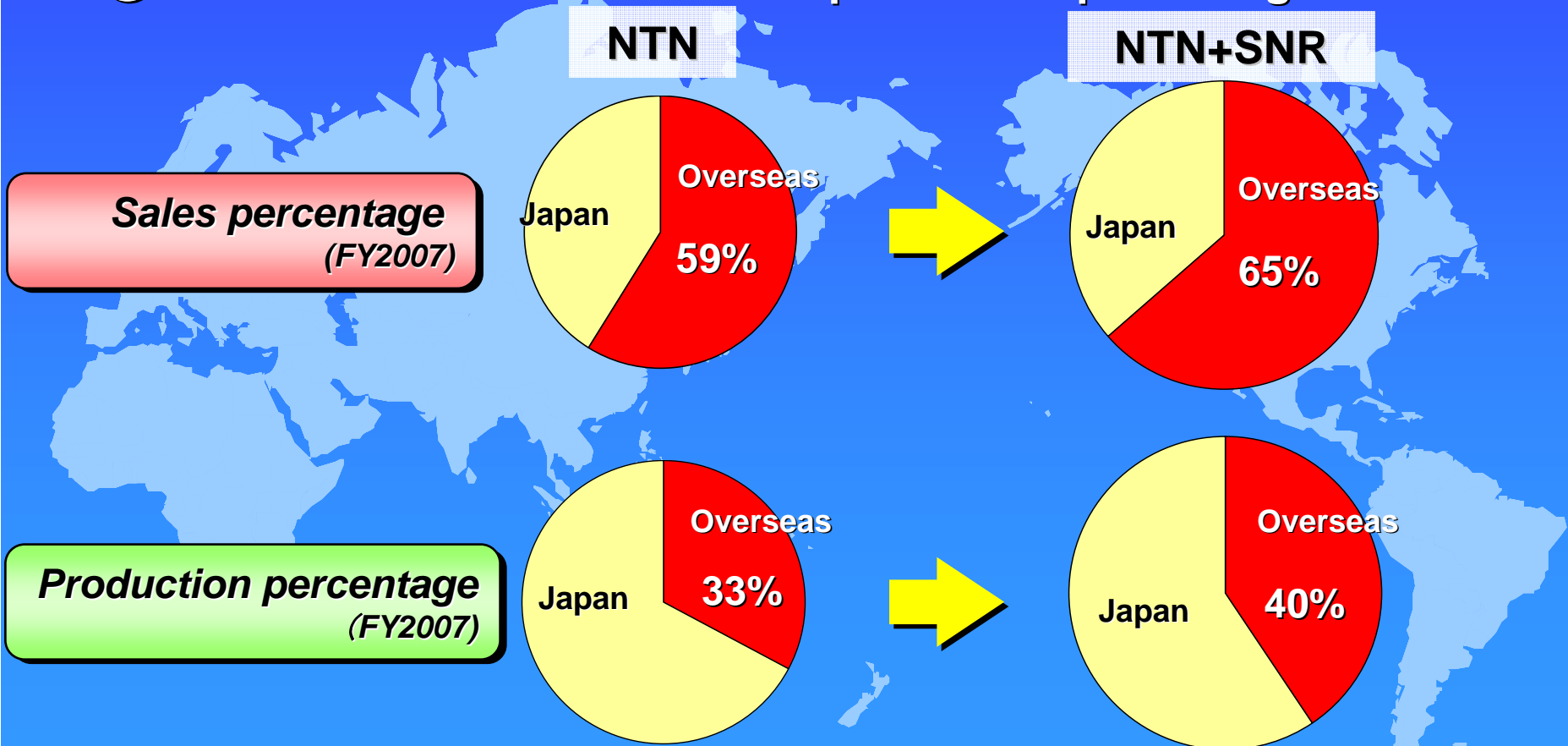
Synergy with SNR

1. SNR Effect
2. 『NTN+SNR』: Expansion of Bearing Sales in European Regions

1. SNR Effect (1/3)

1-1 Further Competitiveness in Global Market

① Increase in overseas sales and production percentage



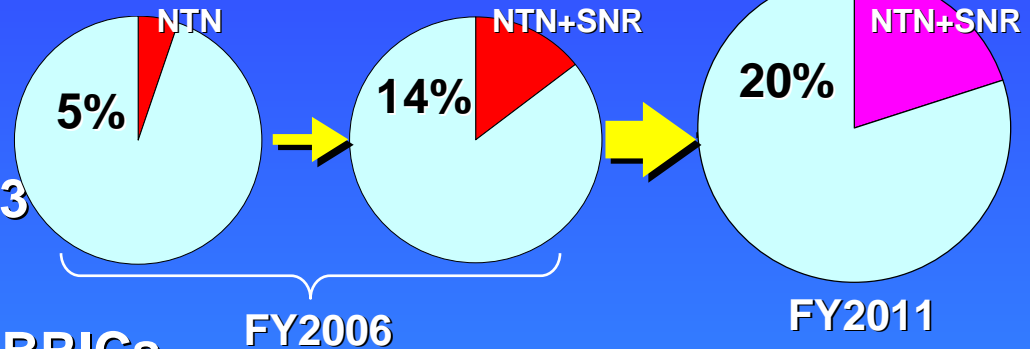
1. SNR Effect (2/3)

1-1 Further Competitiveness in Global Market

② Increase in market share globally

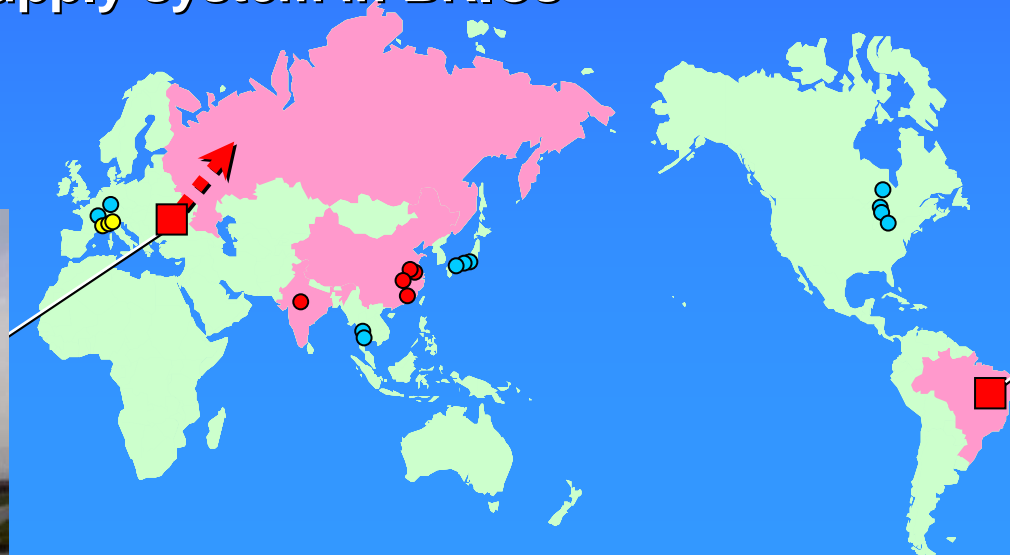
- ◆ Axle: No. 1 globally
- ◆ Bearing: No. 3 globally
: No. 3 in Europe

Increase of bearing market share in Europe



③ Improve supply system in BRICs

Plant in Romania



Plant in Brazil

1. SNR Effect (3/3)

1-2 Substantial Increase in staff and capital expenditure for R&D

① Accelerate the speed of R&D

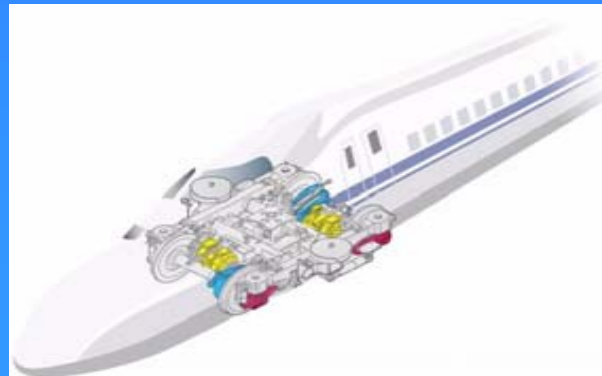
- Elemental technology (materials, lubrication, friction-reducing-technology, and analysis)
- Cutting-edge sensor technology

② Enhance R&D center capability in European region

Hub bearing with high resolution rotational sensors



Bearings for TGV bullet train

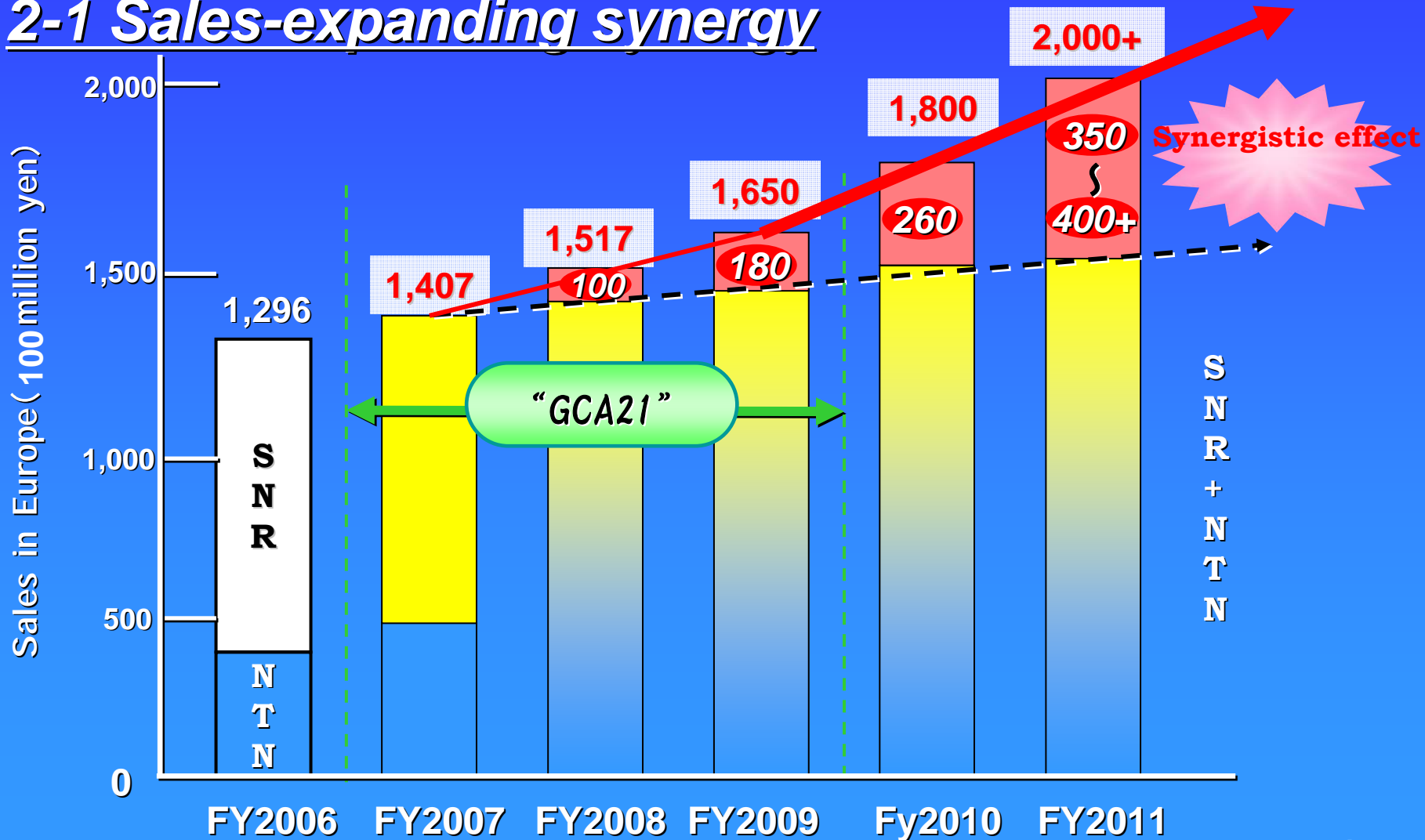


Large-size wind power generator



2. 『NTN+SNR』: Expansion of Bearing Sales in Europe (1/2)

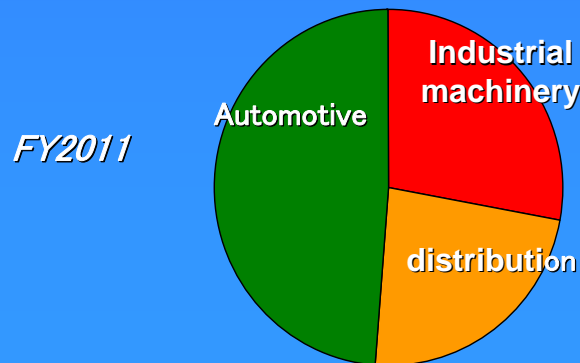
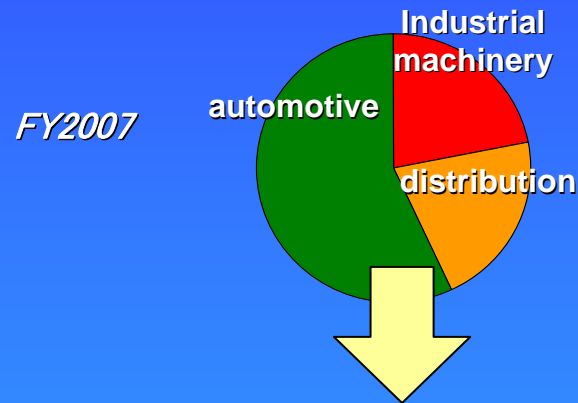
2-1 Sales-expanding synergy



2. 『NTN+SNR』: Expansion of Bearing Sales in Europe (2/2)

2-2 Sales Expansion Plan by Industry

Sales structure by industry



FY2007 →
(100%)

FY2011

① Industrial machinery → 190%

- GAM (global application manager) system (rolling stock, wind power, construction machinery, machine tool, aircraft)

② Distribution → 170%

- strategic area (Germany and France)
- newly focused area (N. Europe and E. Europe)

③ Automotive → 130%

- sales expansion through cooperation

Consolidated Financial Results for the Year Ended March 31, 2008 (FY2007) and forecast of Consolidated Earnings for the Year Ending March 31, 2009 (FY2008)

May 15, 2008

NTN Corporation

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- 5. Inventories**
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- 7. Capital Expenditures and Depreciation Expense**
- 8. Cash Flows**

1. Consolidated Statements of Operation

100 million yen

	FY2006 Actual ①	FY2007 Actual ②	FY2008 Forecast ③	Year-on-Year	
				FY2007 ②-①	FY2008 ③-②
Net sales	4,838	5,340	6,500	502	1,160
Operating income (Operating margin)	468 (9.7%)	496 (9.3%)	510 (7.8%)	28 (-0.4%)	14 (-1.5%)
Ordinary income	422	432	450	10	18
Extraordinary income/loss	30	11	-3	-19	-14
Net income	270	274	280	4	6
Exchange rate					
US\$	117.0	114.4	100.0	-2.6	-14.4
EURO	150.0	161.6	155.0	11.6	-6.6
ROE	13.8%	13.1%	11.4%	-0.7%	-1.7%
ROA	4.6%	4.4%	3.9%	-0.2%	-0.5%
Return on investment	4.5	4.9	5.3	0.4	0.4

2. Net Sales – By Geographic and Business Segment

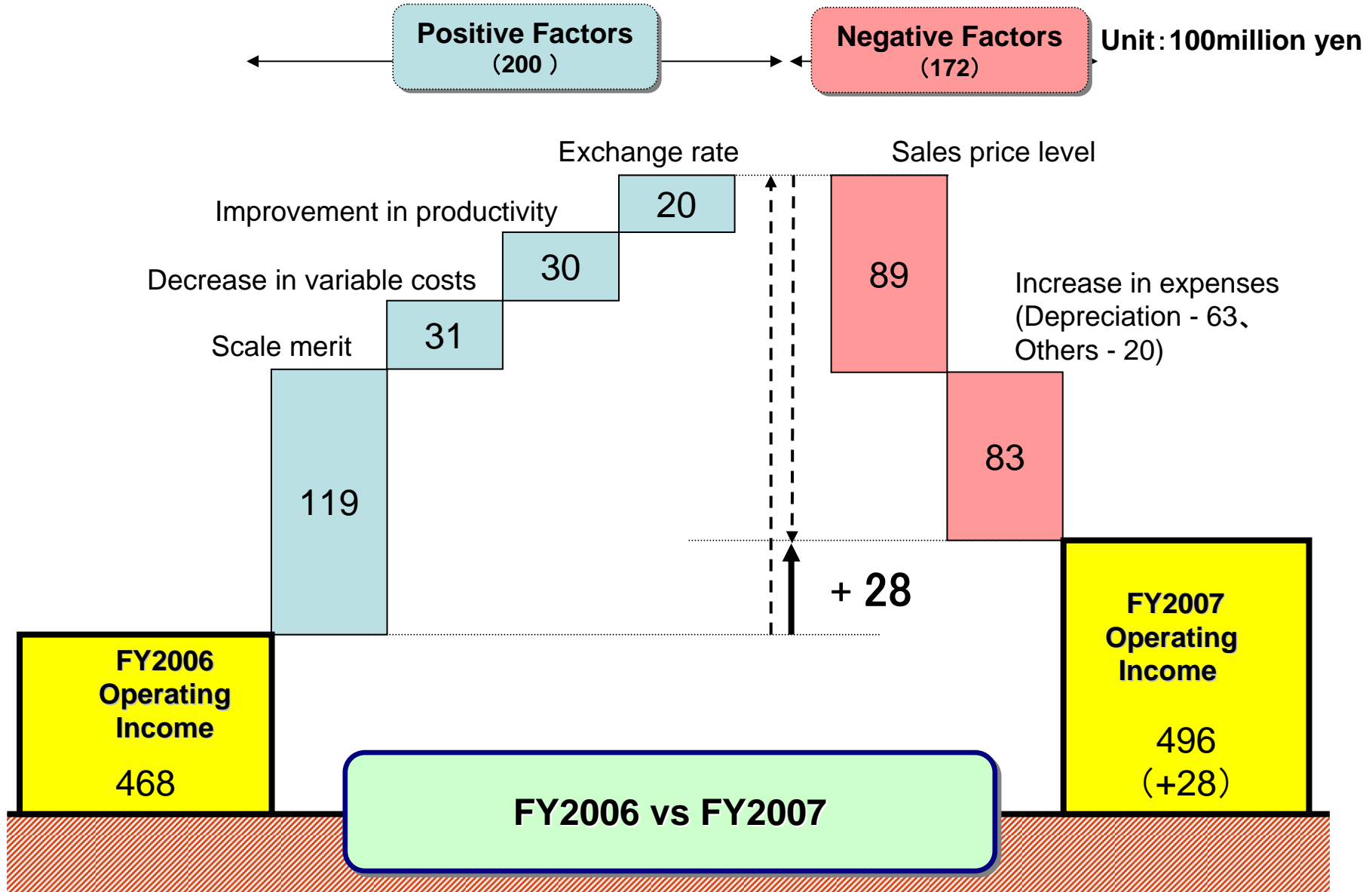
For New Technology Network



100 million yen

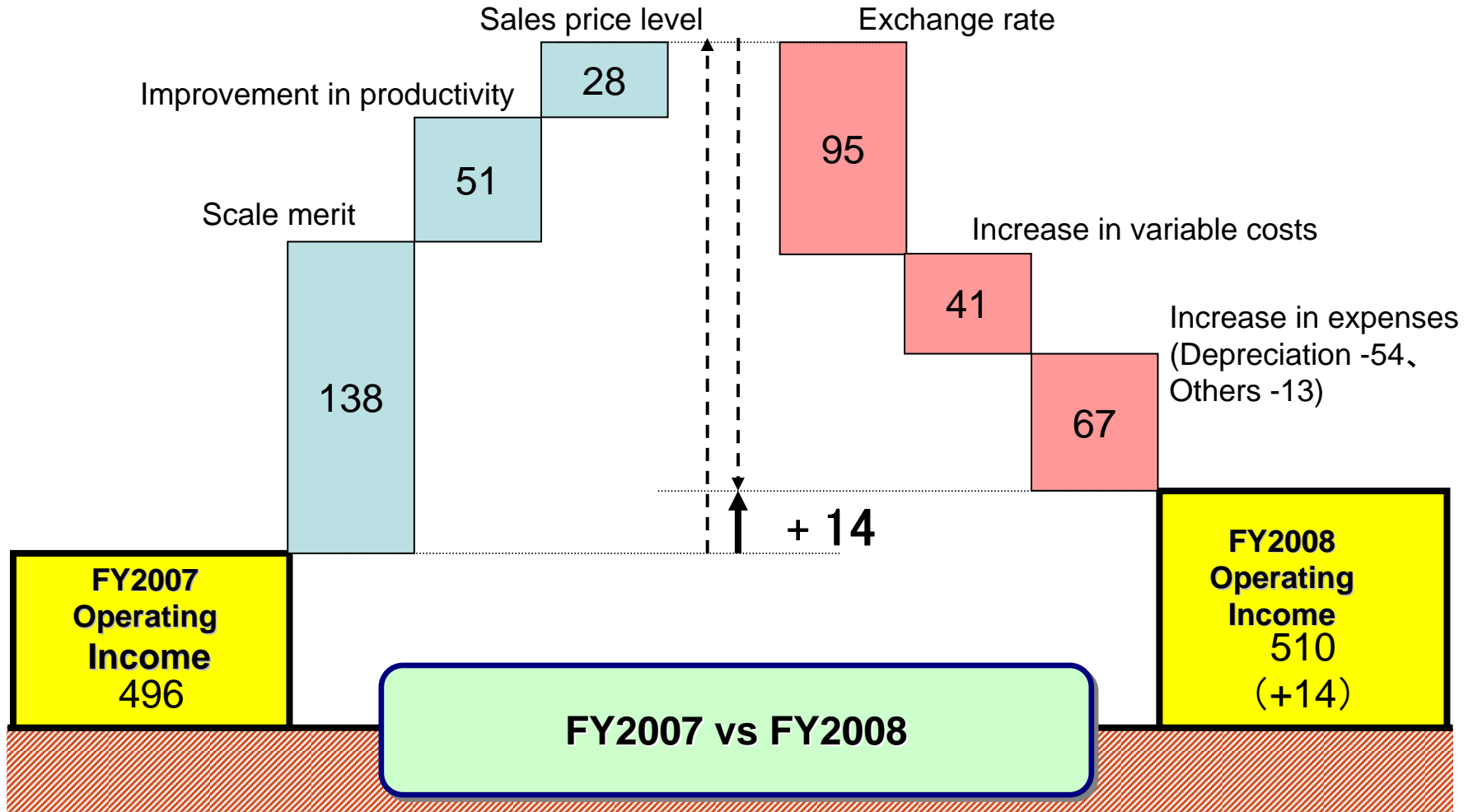
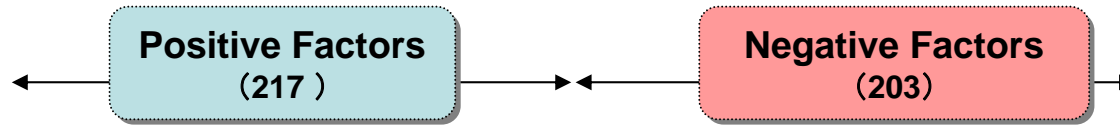
		FY2006 Actual ①	FY2007 Actual ②	FY2008 Forecast ③	Year on Year			
					FY2007②-①		FY2008③-②	
					Amount	Exchange rate	Amount	Exchange rate
Japan	Bearings	1,331	1,418	1,565	87	0	147	0
	CVJs	501	548	574	47	0	26	0
	Precision Equipments	237	235	272	-2	0	36	0
	Total	2,069	2,201	2,411	132	0	209	0
Americas	Bearings	750	753	796	11	-9	148	-104
	CVJs	544	592	526	60	-12	10	-77
	Precision Equipments	11	13	10	2	-0	-2	-1
	Total	1,305	1,358	1,331	73	-21	156	-182
Europe	Bearings	442	542	1,517	63	37	1046	-70
	CVJs	305	362	332	32	25	-13	-17
	Precision Equipments	25	33	31	5	2	-1	-1
	Total	772	936	1,881	101	64	1032	-88
Asia & other	Bearings	549	672	713	93	30	111	-70
	CVJs	125	149	144	17	8	8	-13
	Precision Equipments	18	23	20	5	1	-1	-2
	Total	692	844	878	114	38	118	-85
Total	Bearings	3,073	3,385	4,592	254	58	1452	-245
	CVJs	1,475	1,651	1,576	156	21	31	-106
	Precision Equipments	291	305	332	10	3	32	-5
	Total	4,838	5,340	6,500	420	82	1515	-355

3. Analysis of Operating Income (FY2007)



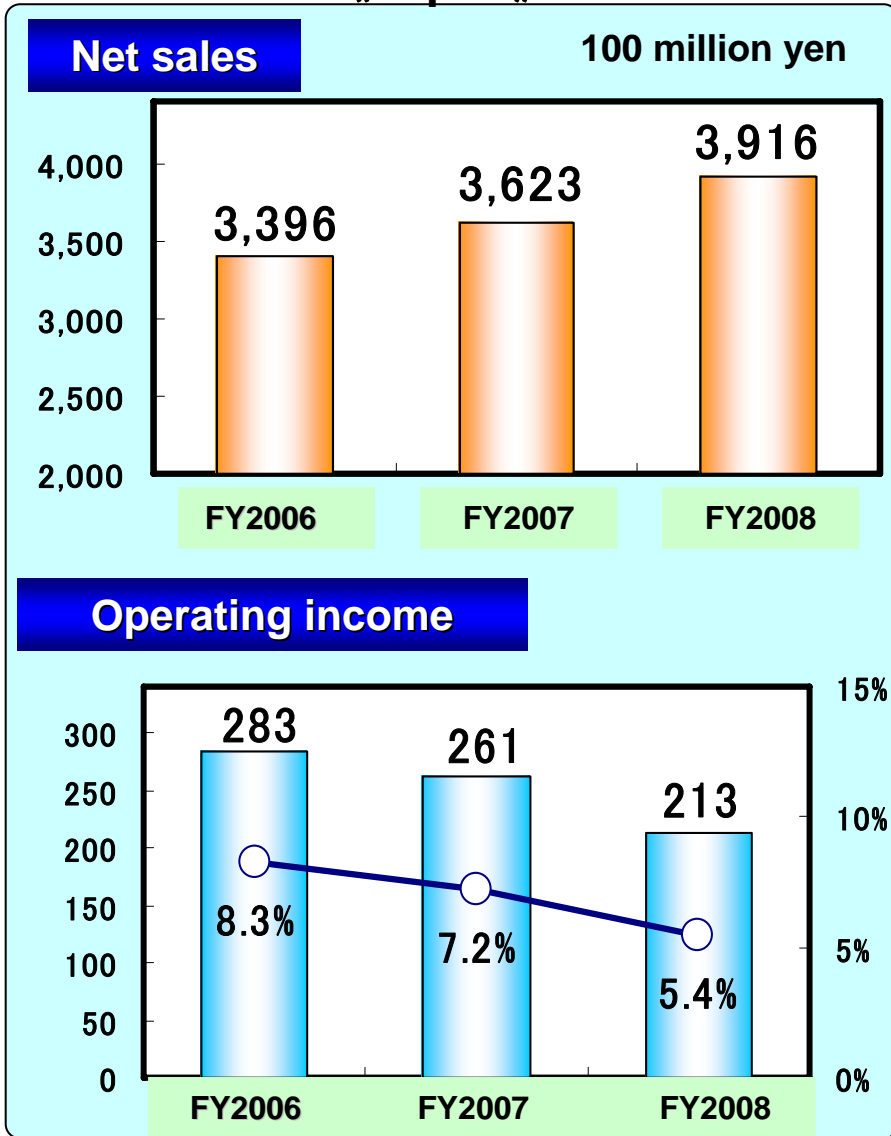
3. Analysis of Operating Income (FY2008)

Unit: 100million yen

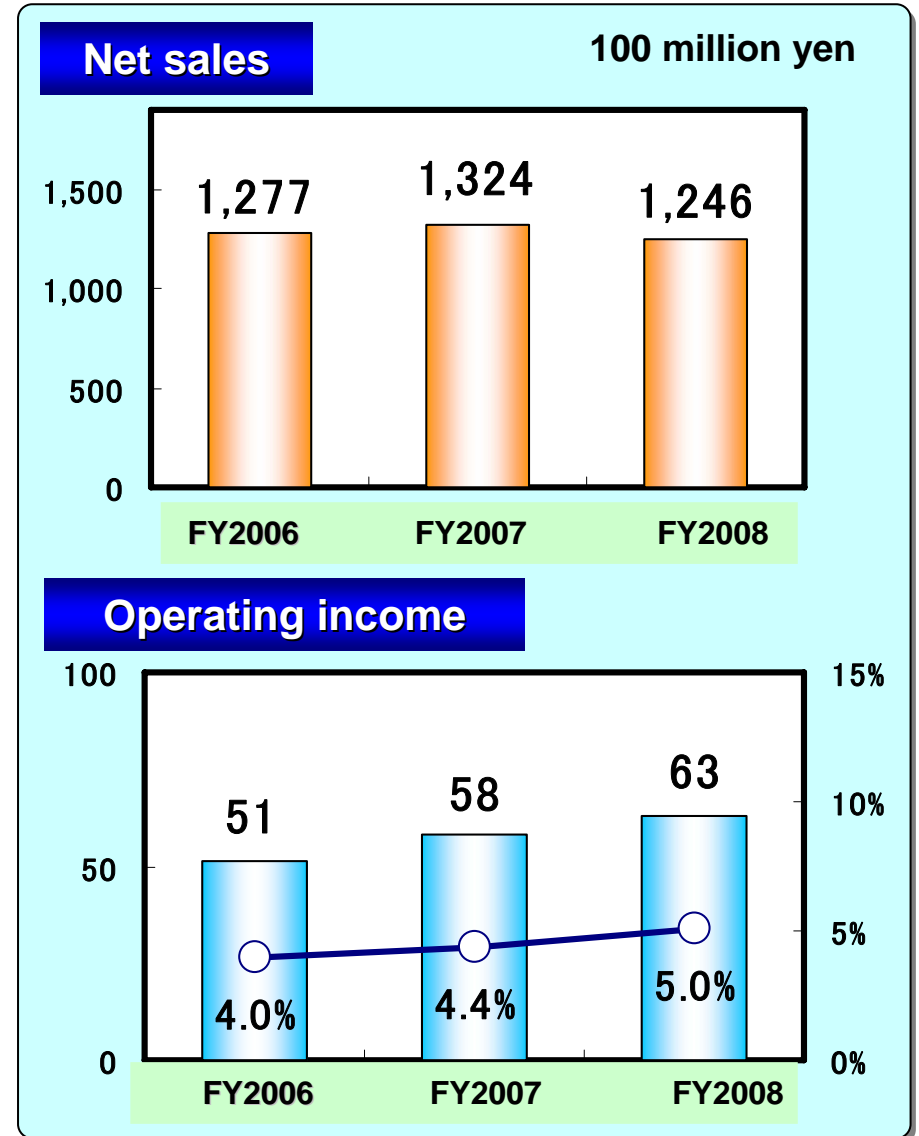


4. Net Sales and Operating Income - Margin by Region (Japan, North America)

《Japan》



《Americas》



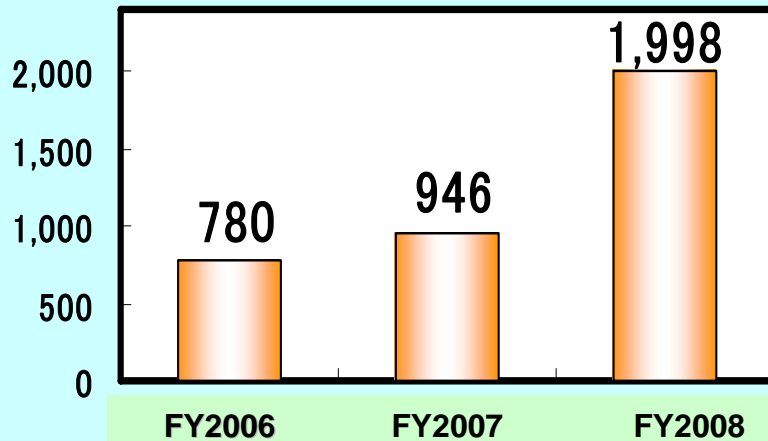
4. Net Sales and Operating Income - Margin by Region (Europe, Asia & others)

《Europe》

《Asia & others》

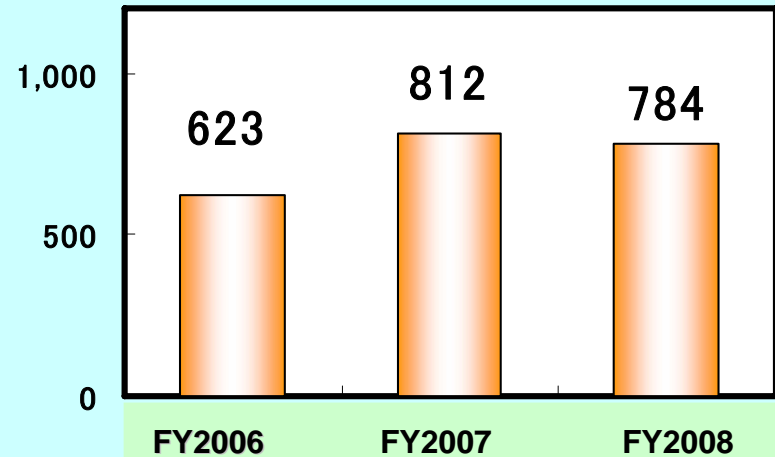
Net sales

100 million yen

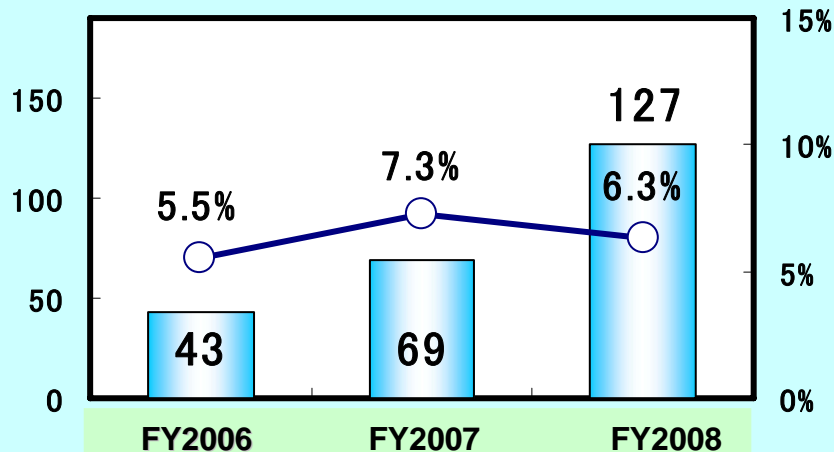


Net sales

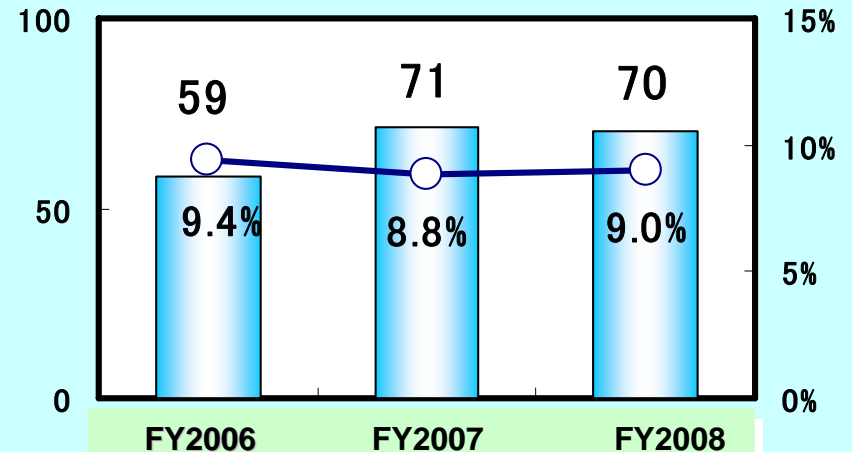
100 million yen



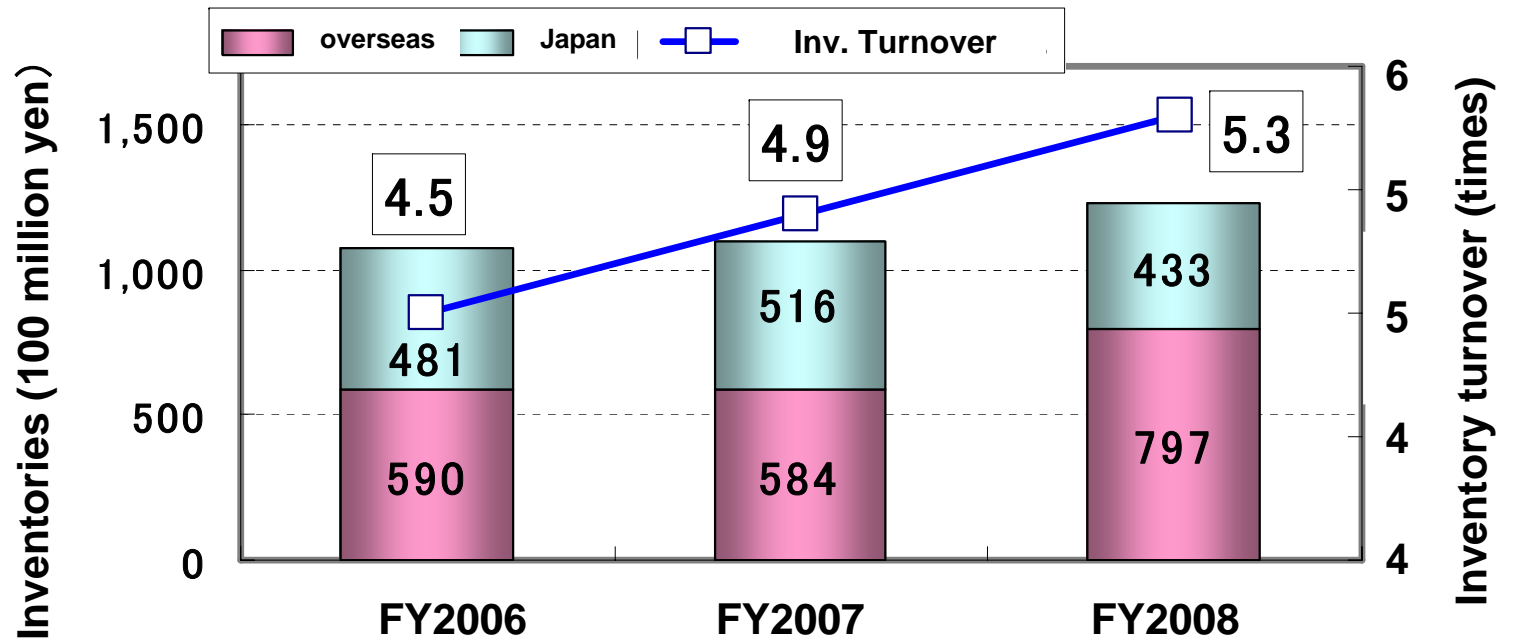
Operating profit



Operating profit



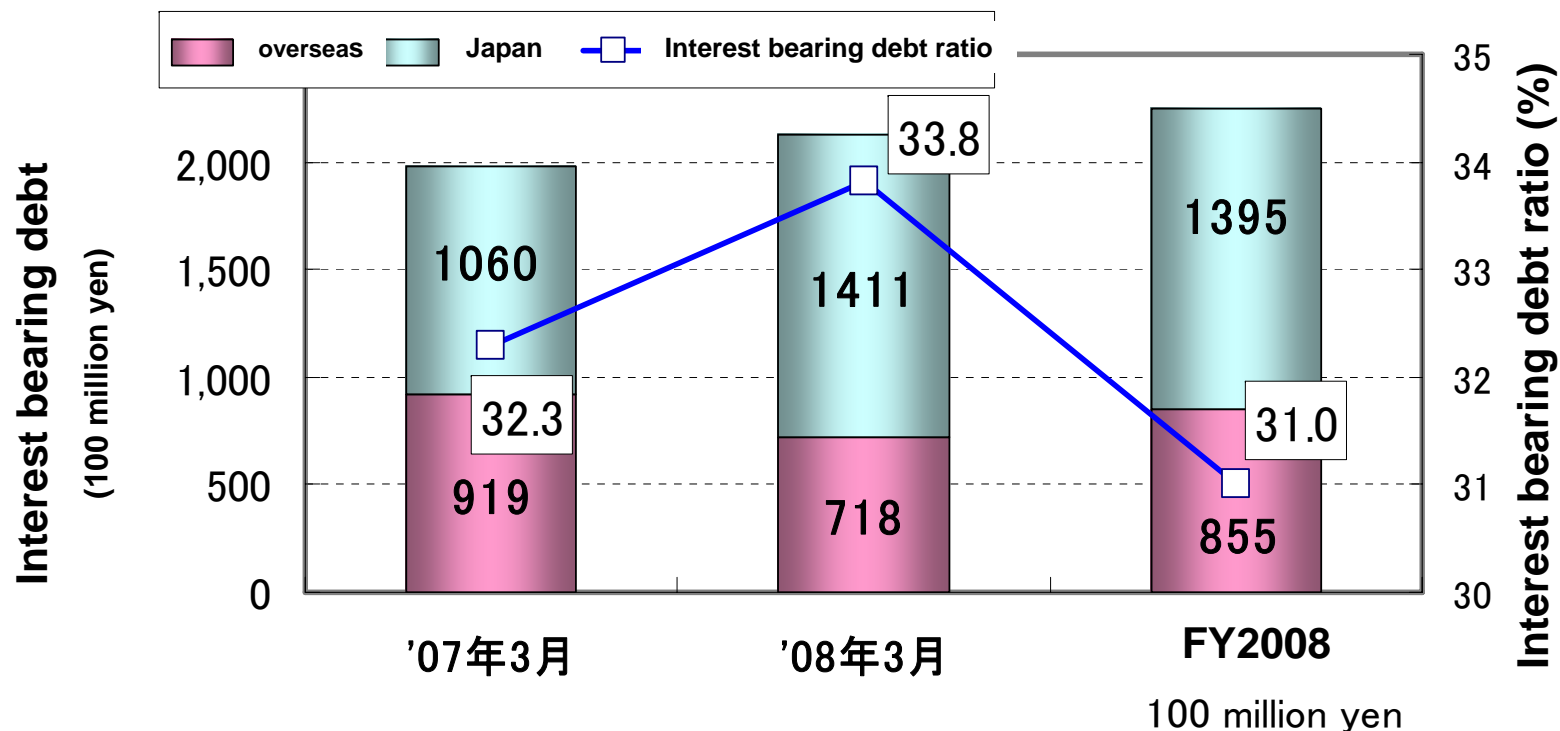
5. Inventories



	FY2006 Actual	FY2007 Actual	FY2008 Forecast
Inventories (Japan) (Overseas)	1,071 (481) (590)	1,100 (516) (584)	1,230 (433) (797)
Inventory turnover	4.5times	4.9 times	5.3 times

100 million yen

6. Interest Bearing Debt



100 million yen

	FY2006 Actual	FY2007 Actual	FY2008 Forecast
Interest bearing debt	1,979	2,129	2,250
(Japan)	(1,060)	(1,411)	(1,395)
(Overseas)	(919)	(718)	(855)
Interest bearing debt ratio(%)	32.3%	33.8%	31.0%

7. Capital Expenditure and Depreciation

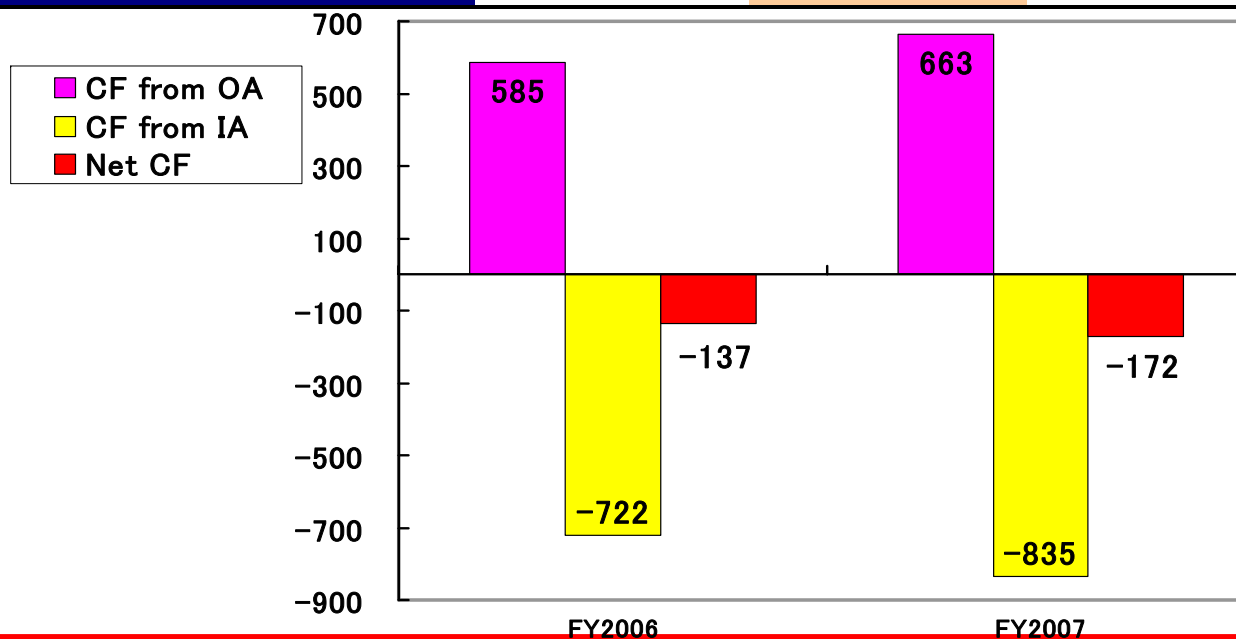
100 million yen

	FY2006	FY2007	FY2008	Year on Year	
	Actual	Actual	Forexcast		
	①	②	③	②-①	③-②
Capital expenditure	593	595	590	2	-5
(Japan)	334	400	347	66	-53
(Overseas)	259	195	243	-64	48

	FY2006	FY2007	FY2008	Year on Year	
	Actual	Actual	Forexcast		
	①	②	③	②-①	③-②
Depreciation and amortization	327	395	470	68	75
(Japan)	187	240	268	53	28
(Overseas)	140	155	202	16	47

8. Cash Flows

(100 million yen)	FY2006 Actual	FY2007 Actual	Increase/Decrease
I. Cash flows from operating activities (CF from OA)	585	663	78
II. Cash flows from investing activities (CF from IA)	-722	-835	-113
III. Cash flows from financing activities	109	156	47
IV. Effect of exchange rate changes on cash and cash equivalents	-10	21	31
V. Increase in cash and cash equivalents	-38	5	43



Sales Results and Plan of Strategic Products

Products	Region	FY2007 (Actual) < I >	FY2008 (Plan) < II >	Increase /Decrease (< I > - < II >)
CVJs	Japan	548	574	+26
	Americas	592	526	-66
	Europe	362	332	-30
	Asia & Others	149	144	-5
	Total	1,651	1,576	-75
Axle Bearings	Japan	220	250	+30
	Americas	225	225	0
	Europe	92	480	+388
	Asia & Others	103	105	+2
	Total	640	1,060	+420
Needle Bearings*	Japan	332	335	+3
	Overseas	174	180	+6
	Total	506	515	+9

We make
Bearings.



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