



For New Technology Network

NTN®



Financial Results for the First Half of Fiscal 2010



November 4, 2010
NTN Corporation



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These presentation materials and comments made at this conference and during the Q&A session include forward-looking statements about the company’s expectations of future performance and future business strategies. They represent the best judgment of company management based on information currently available.

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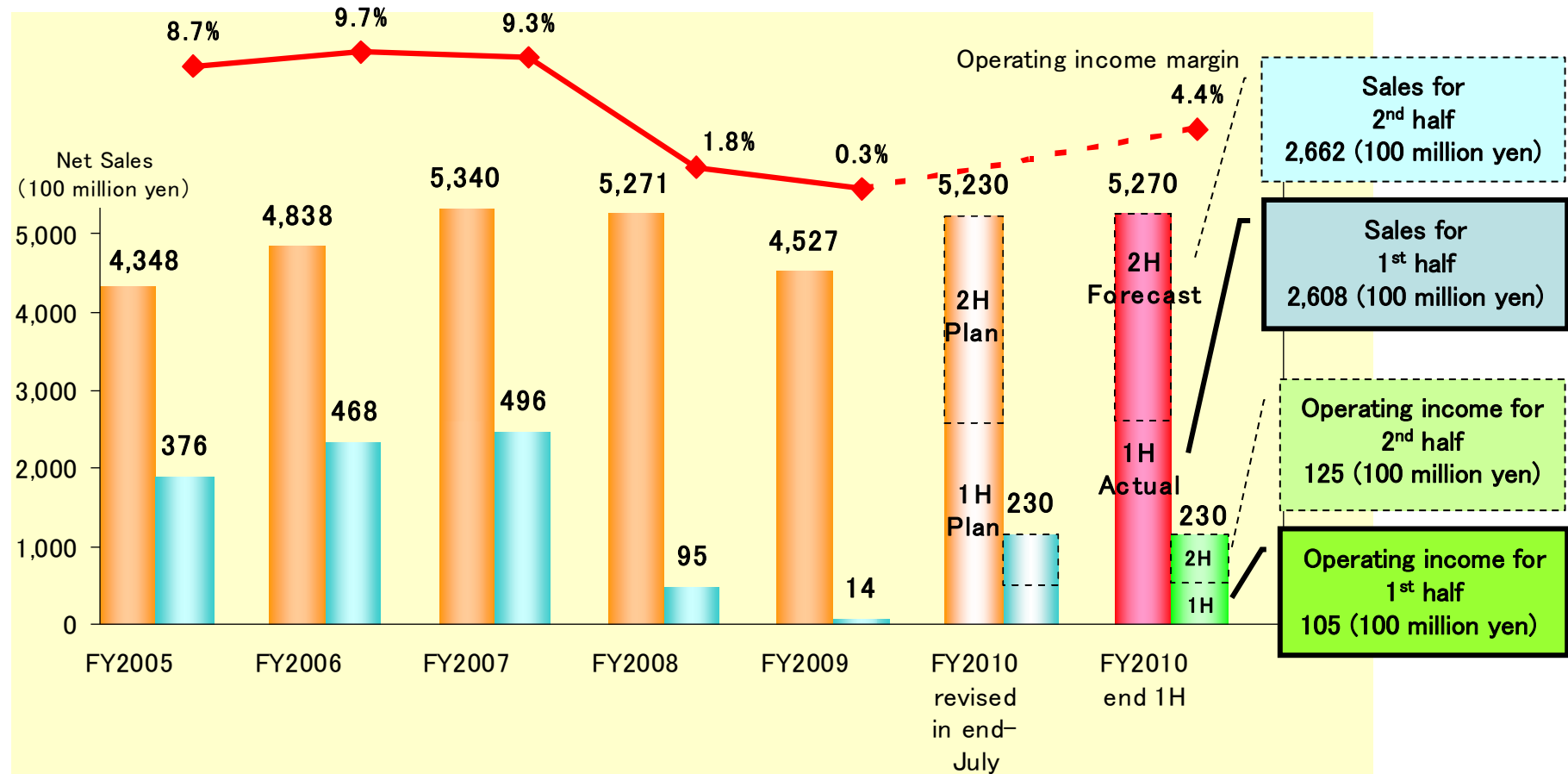


I . Progress of the Medium-term Management Plan “NTN 2010 for The Next Step” and Future Priority Tasks

1. Results for the First Half of FY2010 and Full-Year Forecast
2. Sales Trend by Business Sector
3. Business expansion in emerging countries
4. Synergy expansion with SNR

1. Results for the First Half of FY2010 and Full-year Forecast

- Sales and profit in 1H achieved the First Half Plan (revised in end-July).
- Although exchange rates for 2H are reviewed for full-year forecast, sales and profit will be secured.



Rapid Advance21

Growth through Creativity and Achievements 21

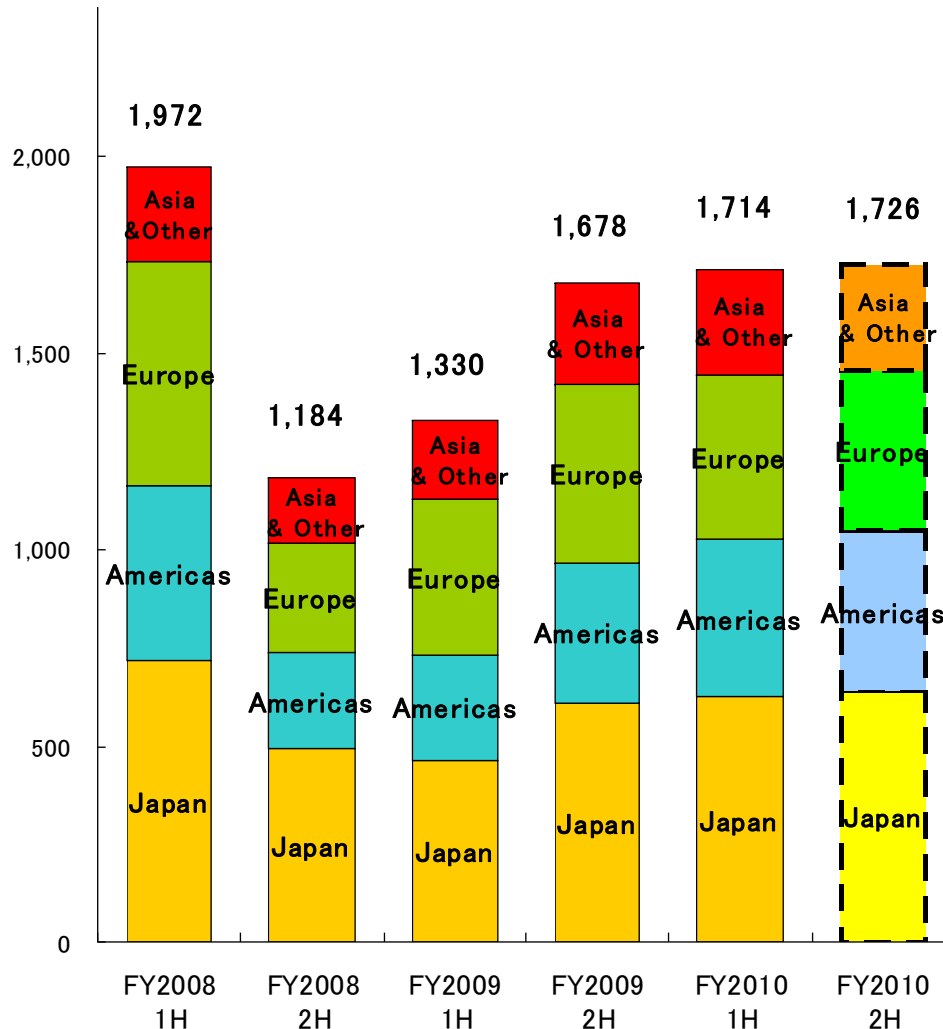
NTN 2010 for The Next Step

← Medium-term Management Plan

2-① Sales Trend for Automotive

Sales Trend for Automotive

Net Sales
(100 million yen)



- Compared with FY2009 2H, FY2010 1H sales grew in Americas, Asia and Japan, meanwhile dropped in Europe.
- Delivery for global platform increased.

Japan
Export business is favorable.
New project contribution.
Impact of the eco-car subsidy is minor.

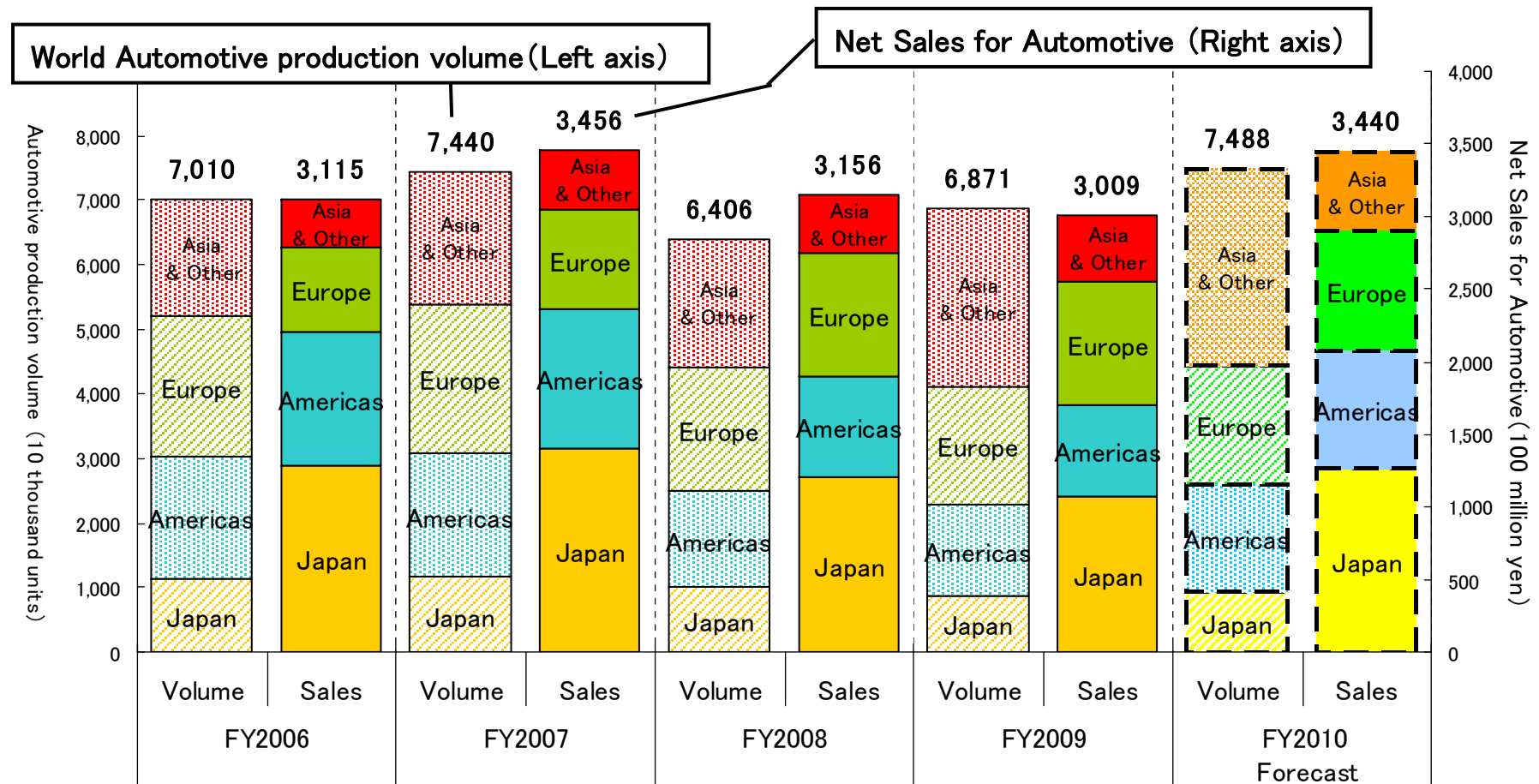
Americas
Sales for American manufacturers are going well.
New projects make a great contribution.

Europe
Export sales are brisk in 1H.
Incentive backlash decreases in 2H.

Asia
Production increases in China, Thailand and India.
New projects are contributors to the results.

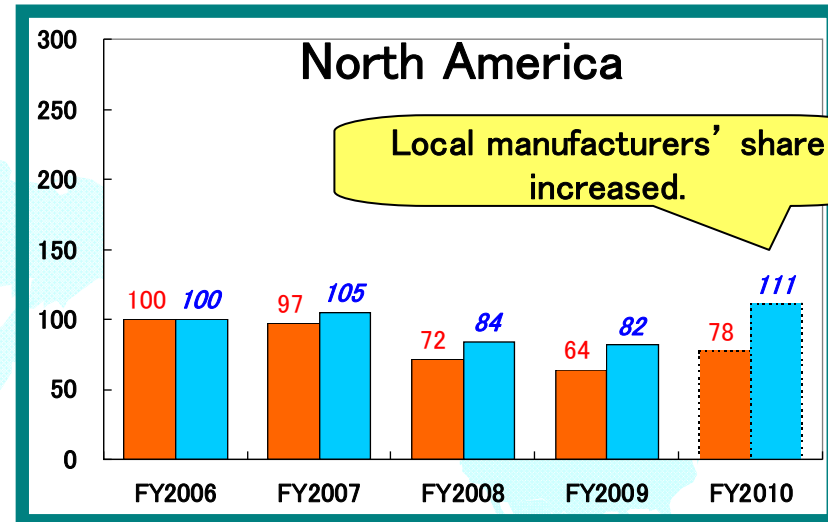
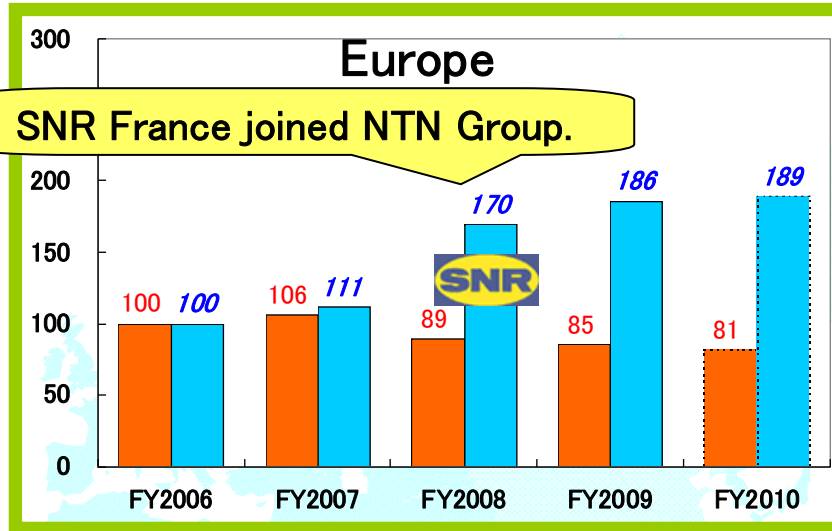
2-① Automotive production volume and Net sales

- In Europe, NTN's sales growth to production volume is significant (SNR makes a great contribution).
- In Americas, as American automobile manufacturers' production volume increases, NTN's sales increase substantially.
- As to production volume increase in Asia, NTN's sales are expected to increase from now on.

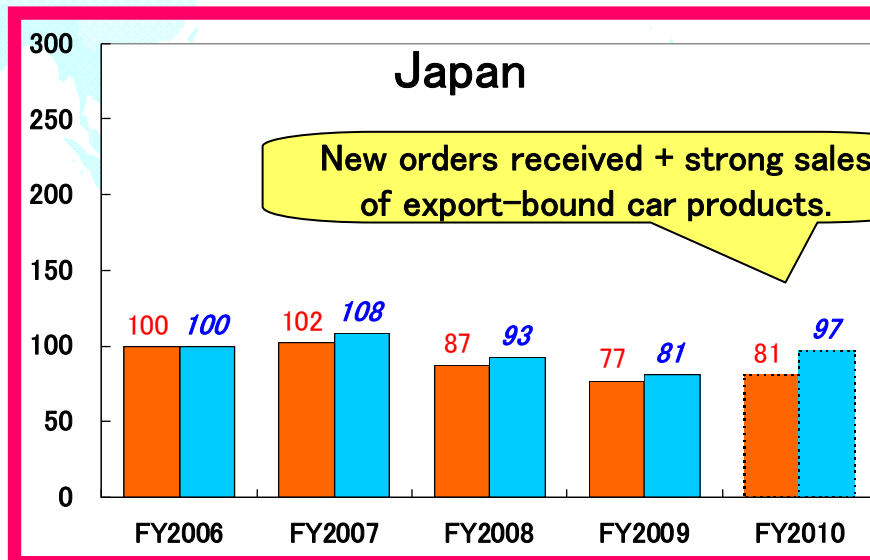


2-① Trends in Automotive Business by Region (Developed Countries)

- Automotive production volume has been declining in Japan, North America and Europe.



- EV and other **next generation vehicles** are being developed.
- Existing internal-combustion engine vehicles are getting **fuel-efficient.**

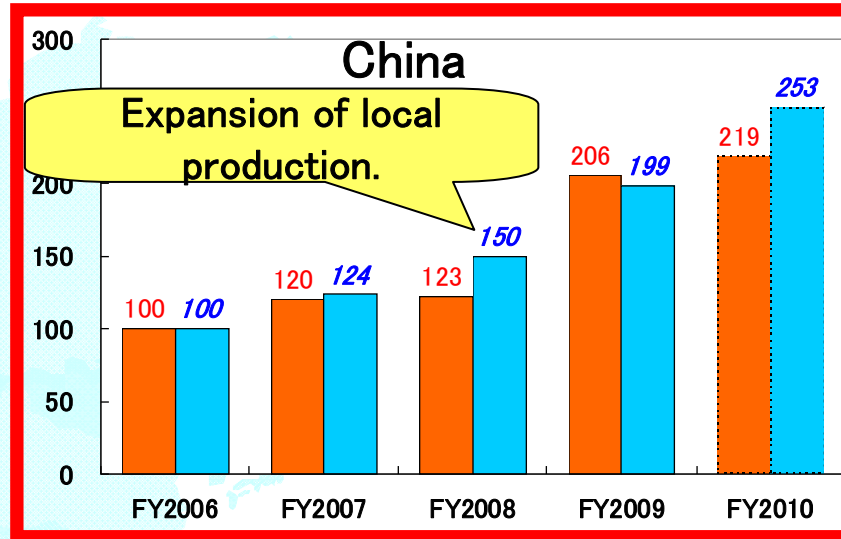


Trend with a score of 100 representing FY2006

- Automotive production volume
- NTN Net Sales for Automotive

2-① Trends in Automotive Business by Region (Emerging Countries)

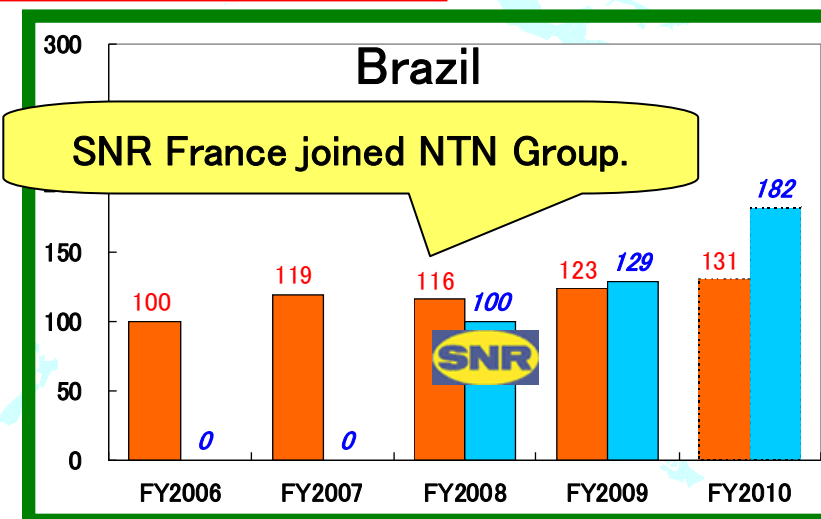
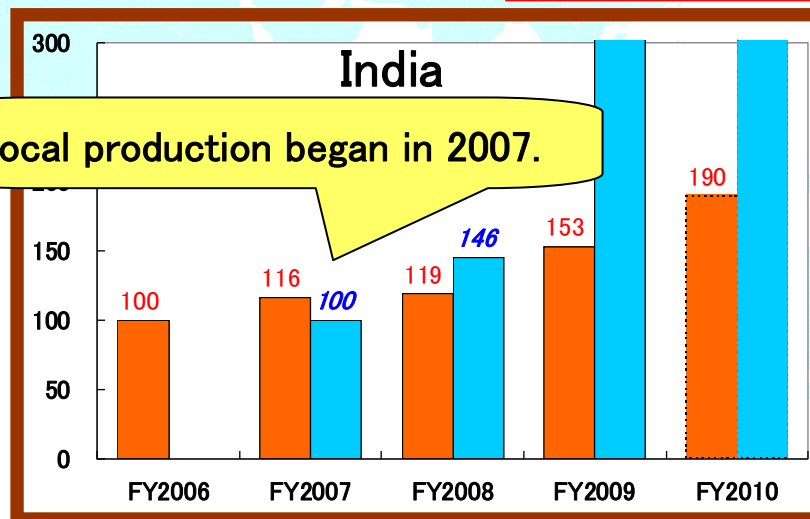
- Automotive production volume has been increasing substantially in China, India and Brazil.
- Infrastructure is being improved.
- EV development is being promoted actively.



Trend with a score of 100 representing FY2006

Automotive production volume

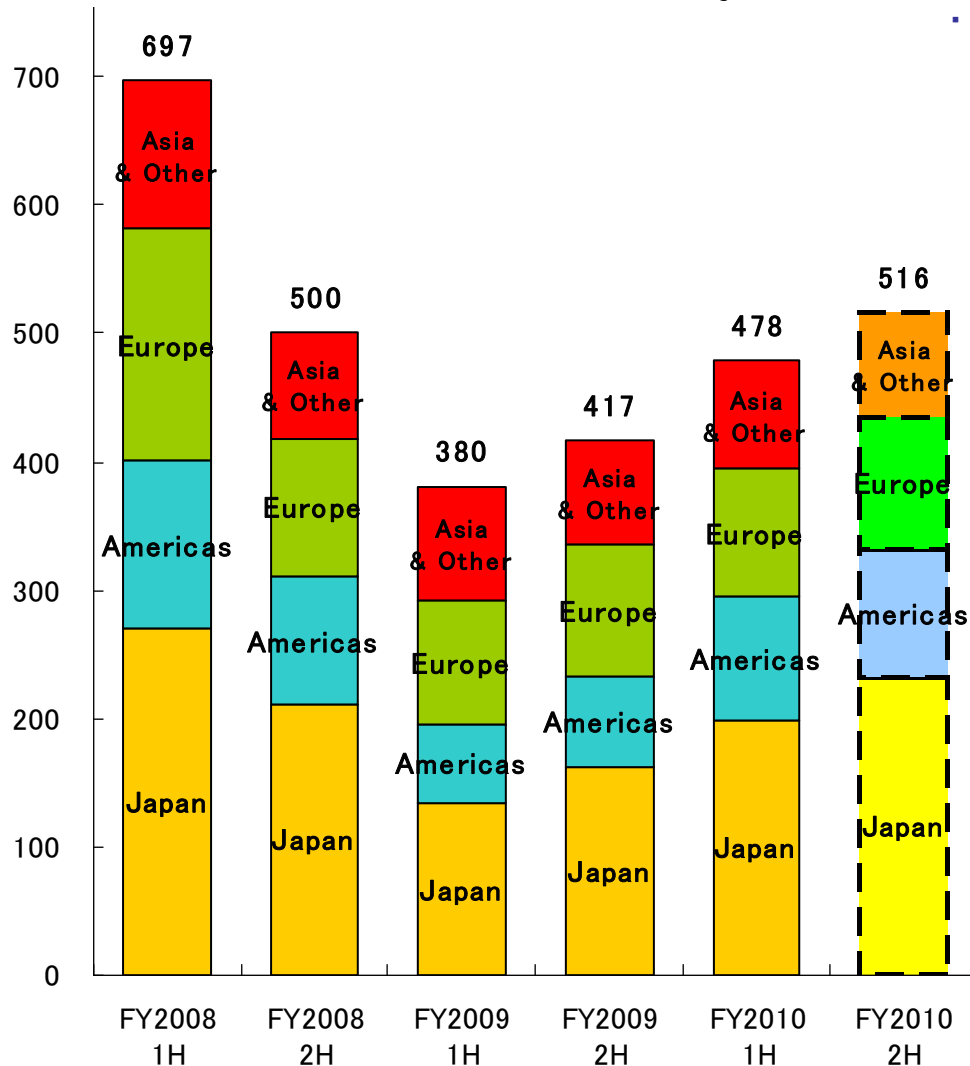
NTN Net Sales for Automotive



2-② Sales Trend for Industrial Machinery

Sales Trend for Industrial Machinery

Net Sales
 (100 million yen)



- Sales bottomed out in FY2009 1H, and have been recovering since FY2009 2H.
- Recovery of construction machinery, gear box and machine tool will be major drives for continuous growth in 2H.

Japan
 Construction machinery, gear box, machine tool, precision equipment, etc. grew drastically.

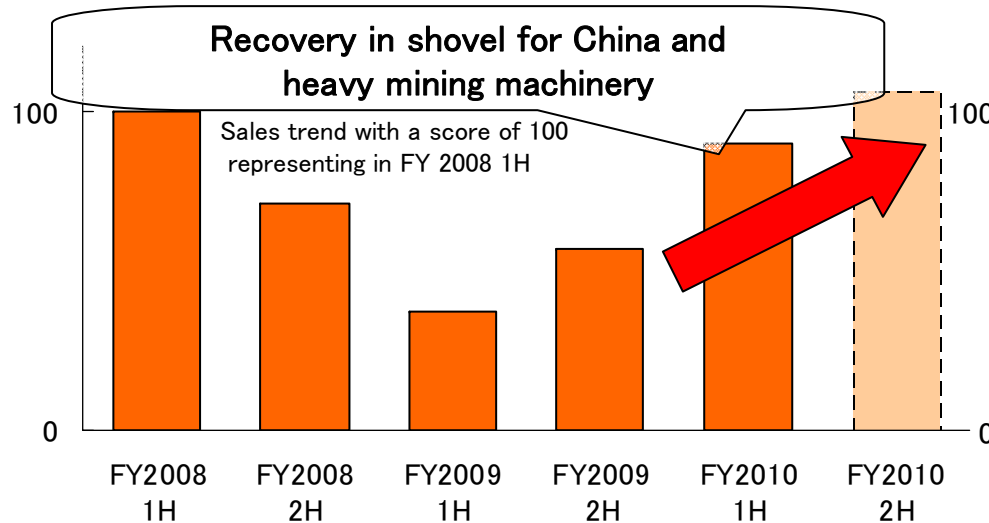
Americas
 Construction machinery, agricultural machinery, gear box, etc. grew drastically.

Europe
 Aircraft, rolling stock, etc. enjoy robust sales. New projects will give a boost to wind power systems from 2H.

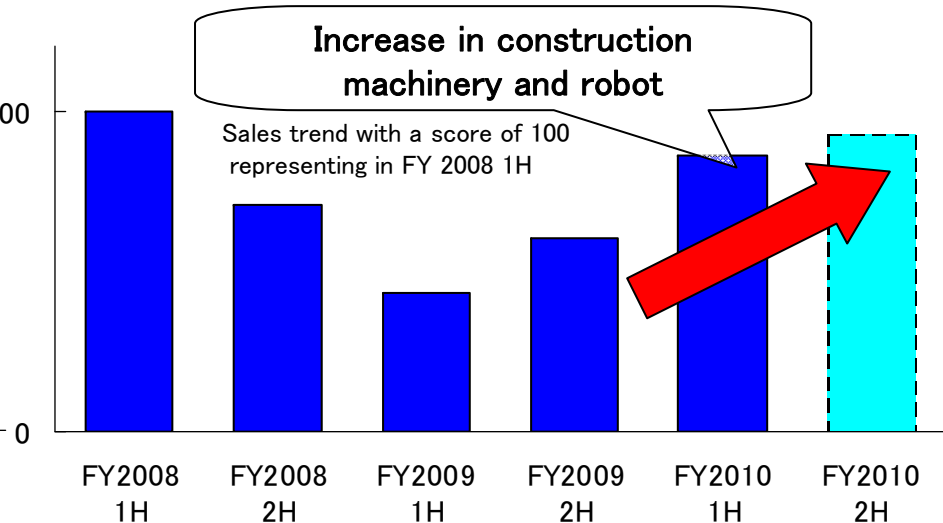
Asia
 Rolling stock and machine tool increased greatly. New projects will give a boost to wind power systems from 2H.

2-② Sales Trend for Main segment

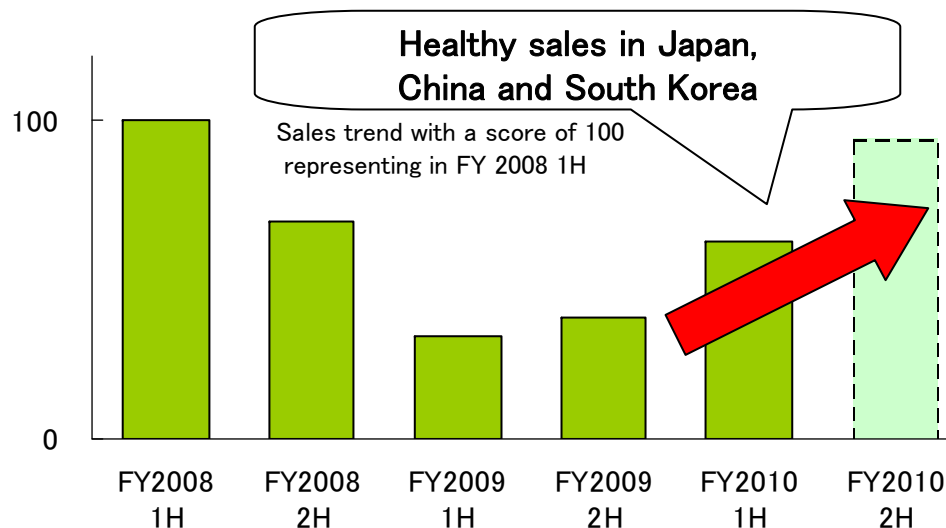
Construction Machinery



Gear Box

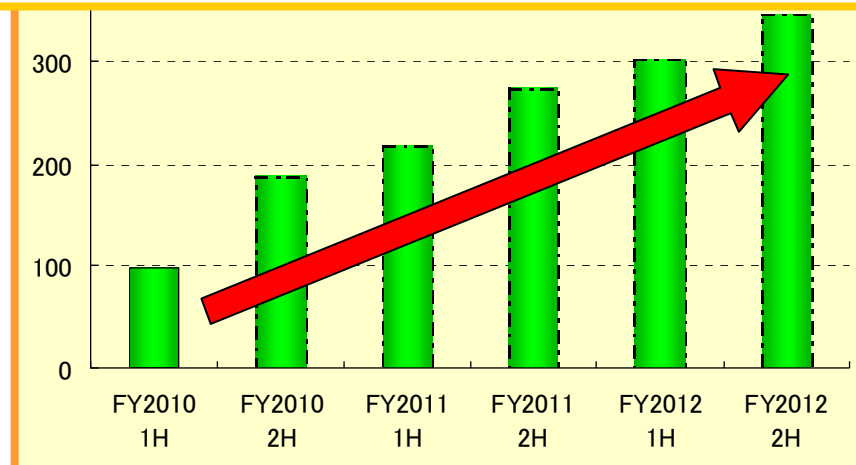


Machine Tool



Outcome of dedicated team activities by business category

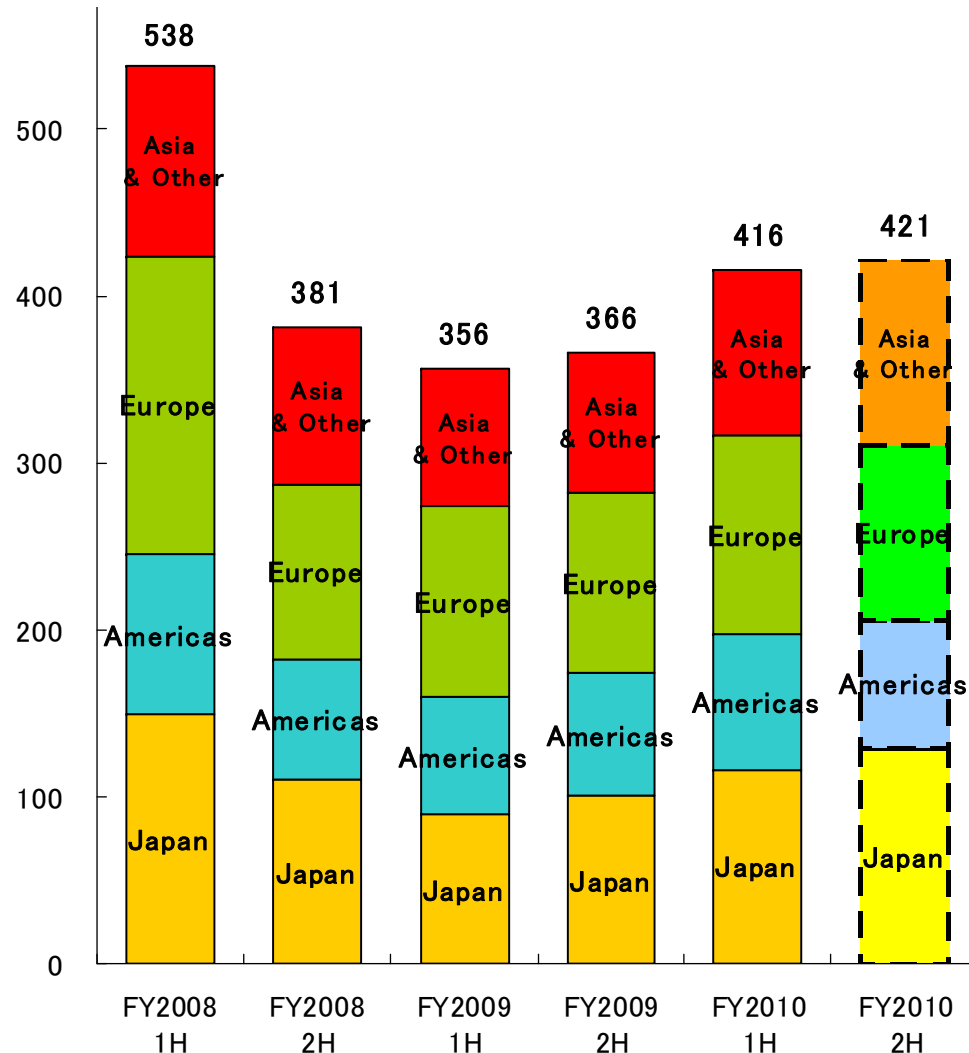
Present sales forecast with a score of 100 representing sales in FY2010 1H



2-③ Sales Trend for Aftermarket/Distributor

Sales Trend for Aftermarket/Distributor

Net Sales
(100 million yen)



- Sales bottomed out in FY2009 1H, and have been recovering since FY2009 2H.
- Demand for distributors rose thanks to the economic turnaround.
- Overseas, sales for auto parts are going well.

Japan Sales are increasing backed by the reviving demand for distributors. Sales targeted at low-share users are expanding.

Americas Business expansion with major distributors
Sales for auto parts were favorable in 1H.

Europe Sales for auto parts were increasing in 1H
Demand for steel, mining, etc. is recovering.

Asia Sales are increasing backed by incoming orders for plant. New distributors in China are being enhanced.

2-③ Sales Expansion for Aftermarket/Distributor

China: Expansion of Sales Network

Europe: Sales expansion to North and Eastern Europe

- Utilize Network of NTN-SNR



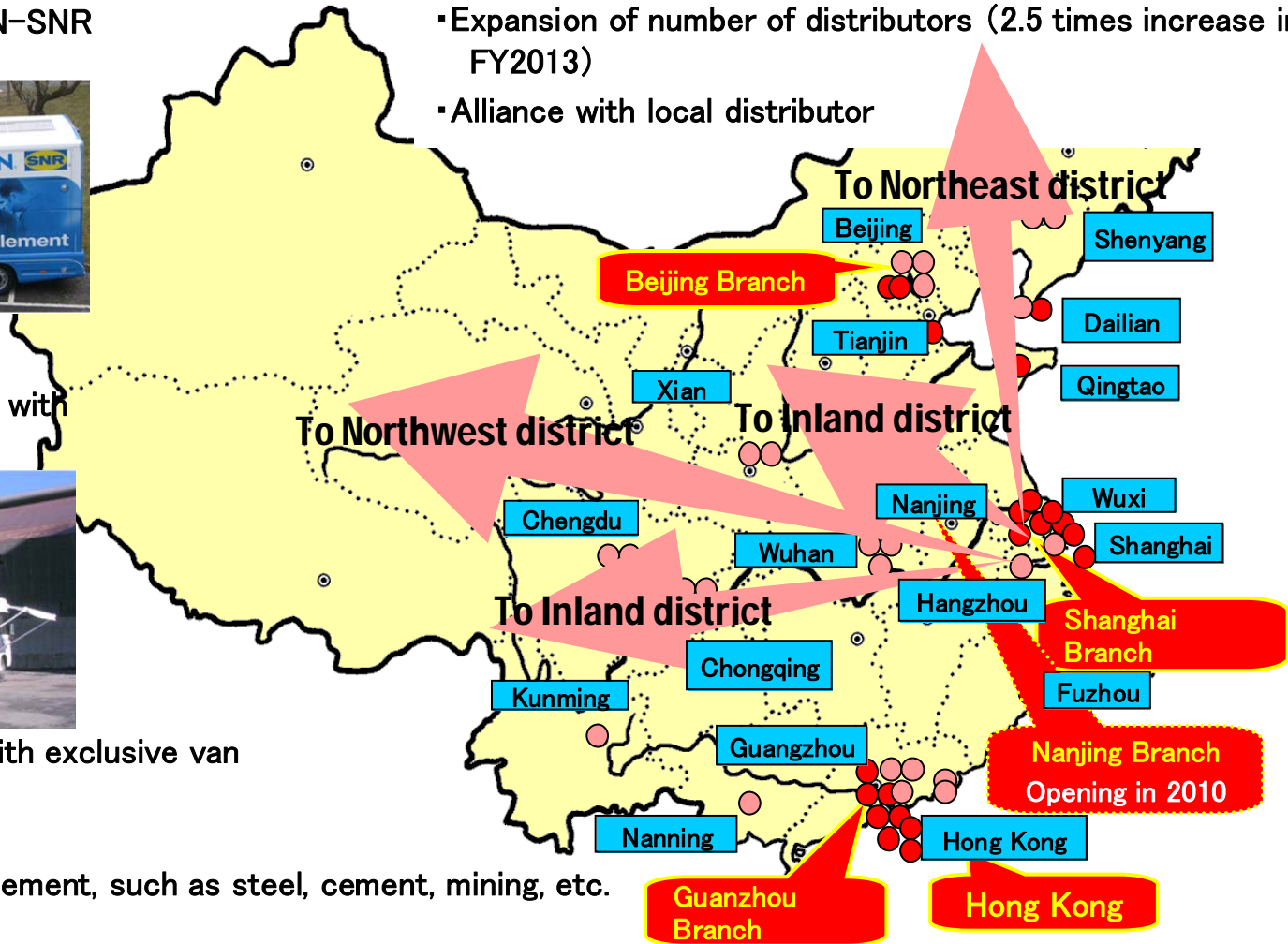
- Expansion of Sales offices (2 times increase in FY2012)
- Expansion of number of distributors (2.5 times increase in FY2013)
- Alliance with local distributor

Americas: Business expansion with major distributors



- Training and seminar with exclusive van

India: MRO business enhancement, such as steel, cement, mining, etc.



3. Business expansion in emerging countries

**On local ground
With local materials
By local personnel**



Romania

- Production start of CVJ (2009)
- Production capacity increase of bearings (2011)



China

- Opening of Nanjing Branch (2010)
- Production capacity increase of CVJ (2010)
- Production capacity increase of bearings (2011)
- Establishment of Technical Center (2011)
- Establishment of Joint Venture in the Bearing Business with Luoyang LYC. (2011)



Thailand

- Production increase of hub bearings (2009)
- System to increase CVJ and hub bearing production



India

- Production capacity increase of CVJ (2010)
- CVJ and hub bearing production increase in south (2012)



Brazil

- Production increase of hub bearings (2011)
- Production start of CVJ (2011)
- Integration of business structure

- Expansion of local product and global purchase
- Expansion of local product sales on a global scale
- Utilization of FTA, EPA

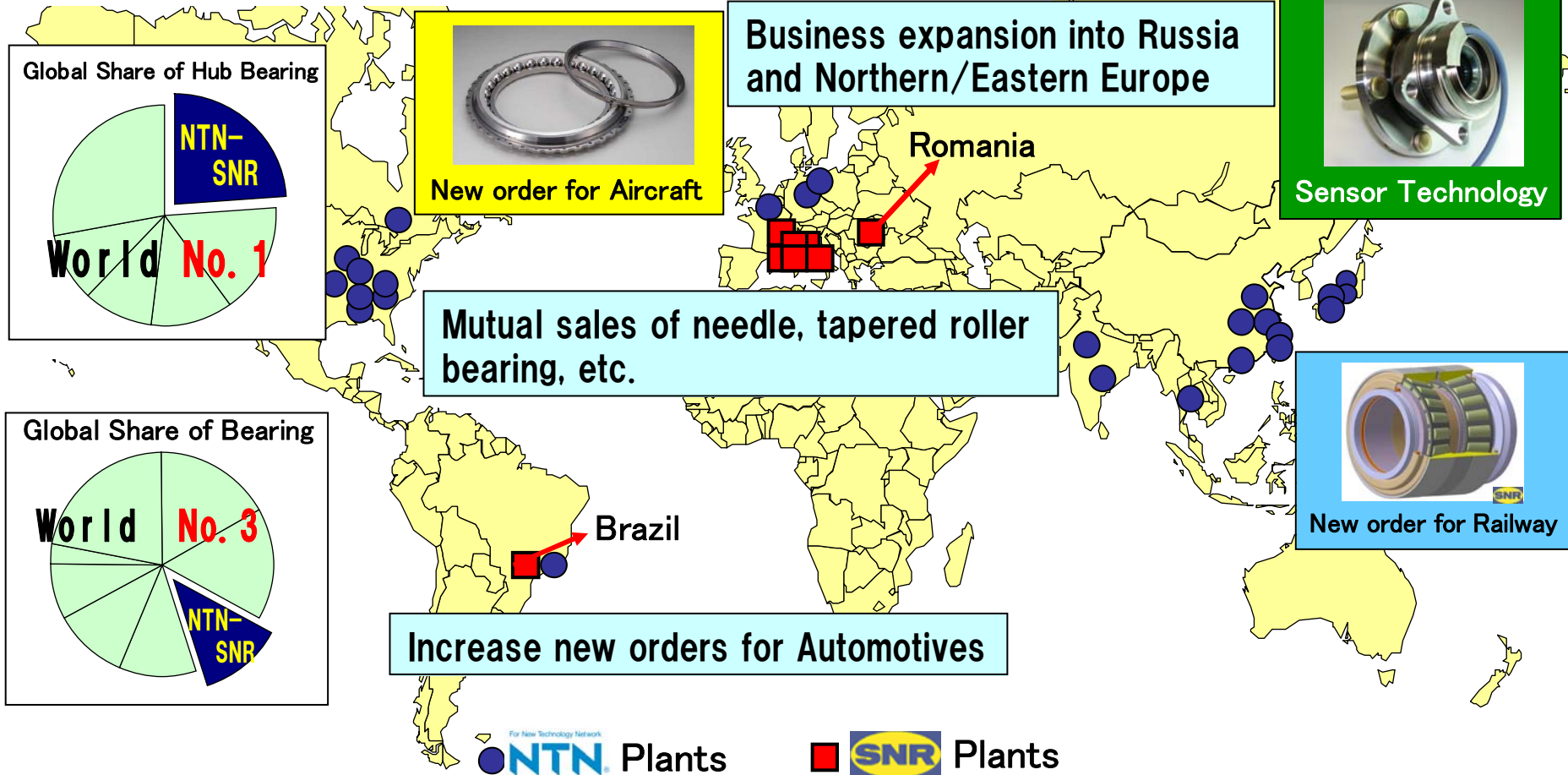
Currency risk free structure

4. Synergy expansion with SNR



- Large synergy potential in geographical business expansion, new business development and technological development
- Increase share of capital 80% (April 2010)
- Corporate name change to NTN-SNR ROULEMENTS (July 2010)

Maximize Synergy as NTN-SNR



Consolidated Financial Results for the First Half of the Year Ending March 31, 2011(FY2010) and Full-Year Forecast

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5. Net Sales, Operating Income by Region
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6. Inventories
7. Interest-Bearing Debt
8. Capital Expenditure and Depreciation
9. Cash Flows

Highlights of Consolidated Financial Results



Results for the First Half of FY2010

- ◇ Net sales for the period **increased 260.8 billion yen, 26 % from a year earlier.**
 - Sales in the Automotive sector increased by 29% from a year earlier.
 - Sales in the Industrial machinery sector increased by 26% from a year earlier.
 - Sales in the Aftermarket/Distributor sector increased by 17% from a year earlier.
- ◇ Operating income improved to **10.5 billion yen, operating margin of 4.0%** (negative ¥5.6 billion yen for the same period last year).

Forecast for the Full-Year Forecast

- ◇ **Revised net sales upward from previously announced ¥523 billion yen to ¥527 billion yen.**
- ◇ Operating income to remain unchanged from previously announced ¥23 billion yen.
- ◇ Exchange rates are now changed: US\$1 = **¥83**, €1 = **¥114**.

1-1. Consolidated Statements of Operations (Half Trend)

(100 million yen)

	FY2009			FY2010			Year-on-year		
	1H ①	2H	Full year ②	1H ③	2H	Full year ④	FY2010 1H ③-①	FY2010 Full year ④-②	
Net sales	2,067	2,461	4,527	2,608	2,662	5,270	541	743	
Operating income	-56	70	14	105	125	230	161	216	
Operating margin	(-2.7%)	(2.8%)	(0.3%)	(4.0%)	(4.7%)	(4.4%)	(6.7%)	(4.1%)	
Ordinary income	-76	70	-6	86	99	185	162	191	
Extraordinary income/loss	7	-19	-12	29	-19	10	22	22	
Net income	-51	31	-20	73	62	135	124	155	
Exchange rate	US \$	95.5	90.2	92.9	88.9	83.0	86.0	-6.6	-6.9
	EURO	133.2	129.1	131.2	113.8	114.0	113.9	-19.4	-17.3

1-2. Consolidated Statements of Operations (Quarterly Trend)

(100 million yen)

	FY2010				Comparison					
	Q1	Q2	Q3	Q4	②-①		③-②		④-③	
	①	②	③	④	Volume	Forex	Volume	Forex	Volume	
Net sales	1,326	1,282	1,298	1,364	3	-47	17	-1	66	
Operating income	56	48	52	73	7	-15	6	-2	21	
Operating margin	(4.2%)	(3.8%)	(4.0%)	(5.3%)	(0.5%)	(-0.9%)	(0.4%)	(-0.2%)	(1.3%)	
Ordinary income	49	37	39	60	3	-15	4	-2	21	
Extraordinary income/loss	15	14	6	-25	-1	-	-8	-	-31	
Net income	40	33	33	30	1	-8	1	-1	-3	
Exchange rate	US\$	92.0	85.9	83.0	83.0	-	-6.1	-	-2.9	-
	EURO	117.0	110.7	114.0	114.0	-	-6.3	-	3.3	-

2. Net Sales by Region and Business Sector

For New Technology Network



<Net Sales by Region>

(100 million yen)

	FY2009			FY2010		
	1H Results	2H Results	Full year Results	1H Results	2H Forecast	Full year Forecast
Japan	691	873	1,564	940	1,001	1,941
Americas	399	501	900	578	586	1,164
Europe	604	667	1,271	637	612	1,249
Asia & Others	373	420	793	452	464	916
Total	2,067	2,461	4,527	2,608	2,662	5,270

Year on Year			
FY2010 1H		FY2010 Full year	
Volume	Forex	Volume	Forex
250	0	378	0
220	-41	354	-90
140	-107	165	-187
97	-18	161	-38
707	-166	1,058	-315

<Net Sales by Business Sector>

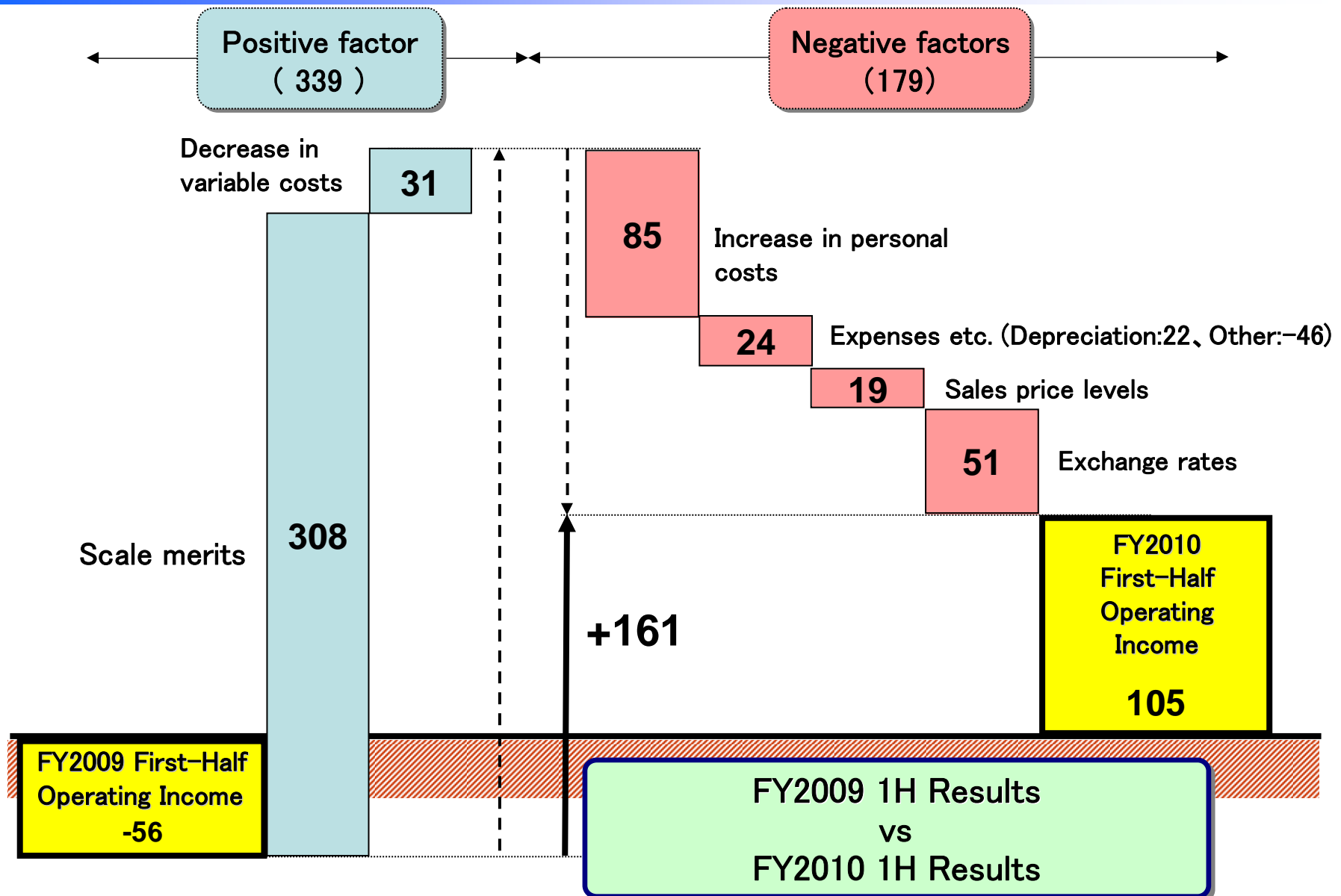
(100 million yen)

	FY2009			FY2010		
	1H Results	2H Results	Full year Results	1H Results	2H Forecast	Full year Forecast
Automotive	1,330	1,678	3,009	1,714	1,726	3,440
Industrial machinery	380	417	797	478	516	994
Aftermarket/Distributor	356	366	722	416	421	837
Total	2,067	2,461	4,527	2,608	2,662	5,270

Year on Year			
FY2010 1H		FY2010 Full year	
Volume	Forex	Volume	Forex
494	-110	640	-209
123	-25	247	-50
90	-31	171	-56
707	-166	1,058	-315

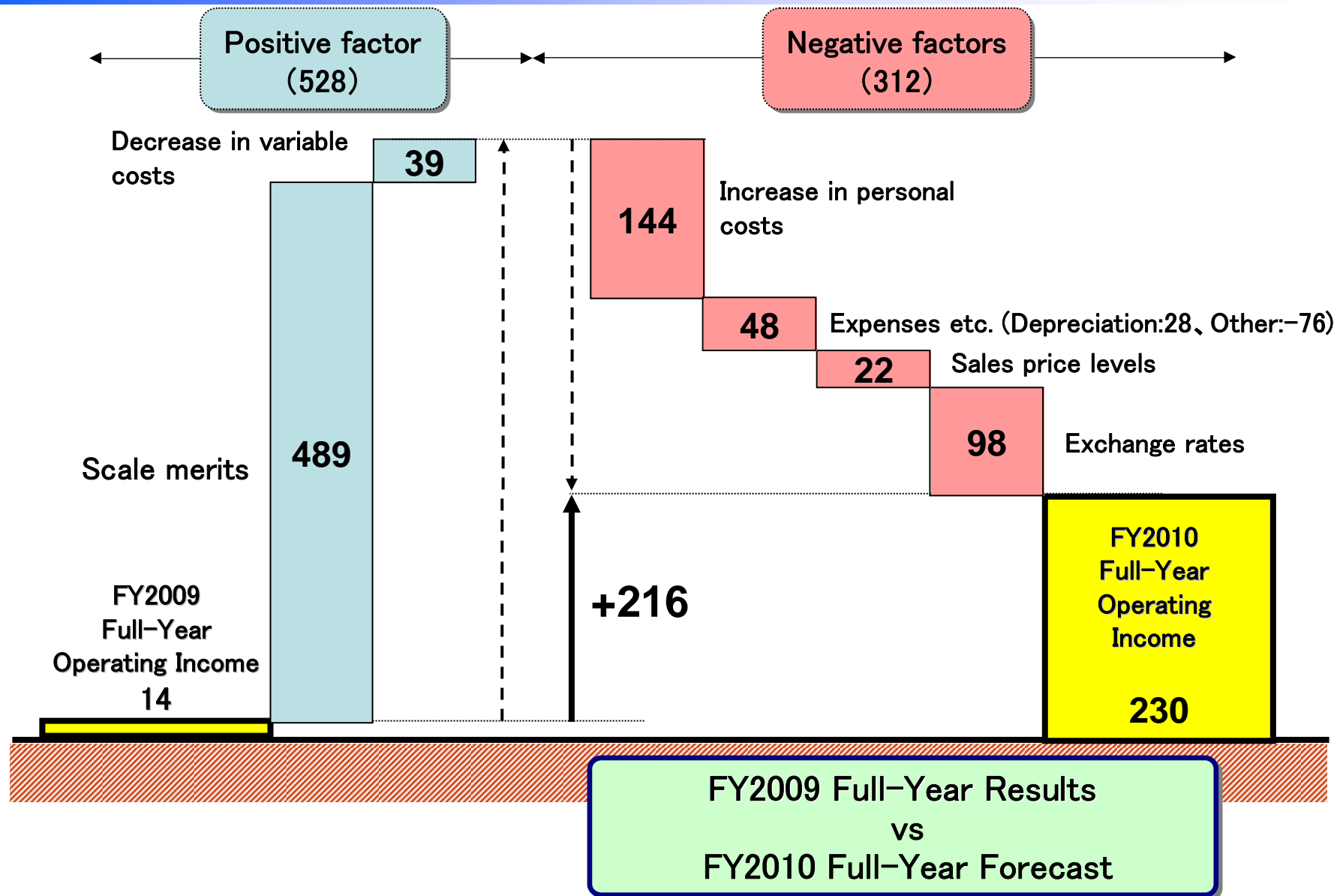
3. Analysis of Operating Income (FY2010 First Half)

* All figures in 100 million yen.



3. Analysis of Operating Income (FY2010 Full year)

* All figures in 100 million yen.



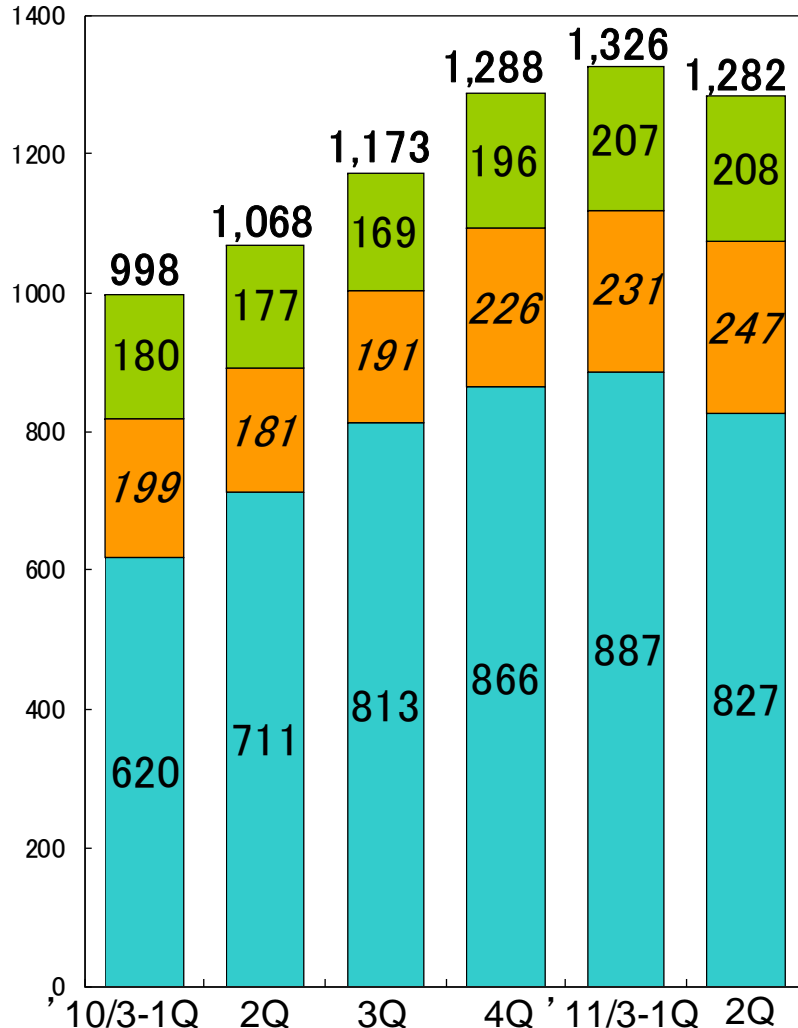
4. Trends in Quarterly Results by Business Sector

◆ Automotive, Industrial Machinery and Aftermarket Applications are all on the recovery path.

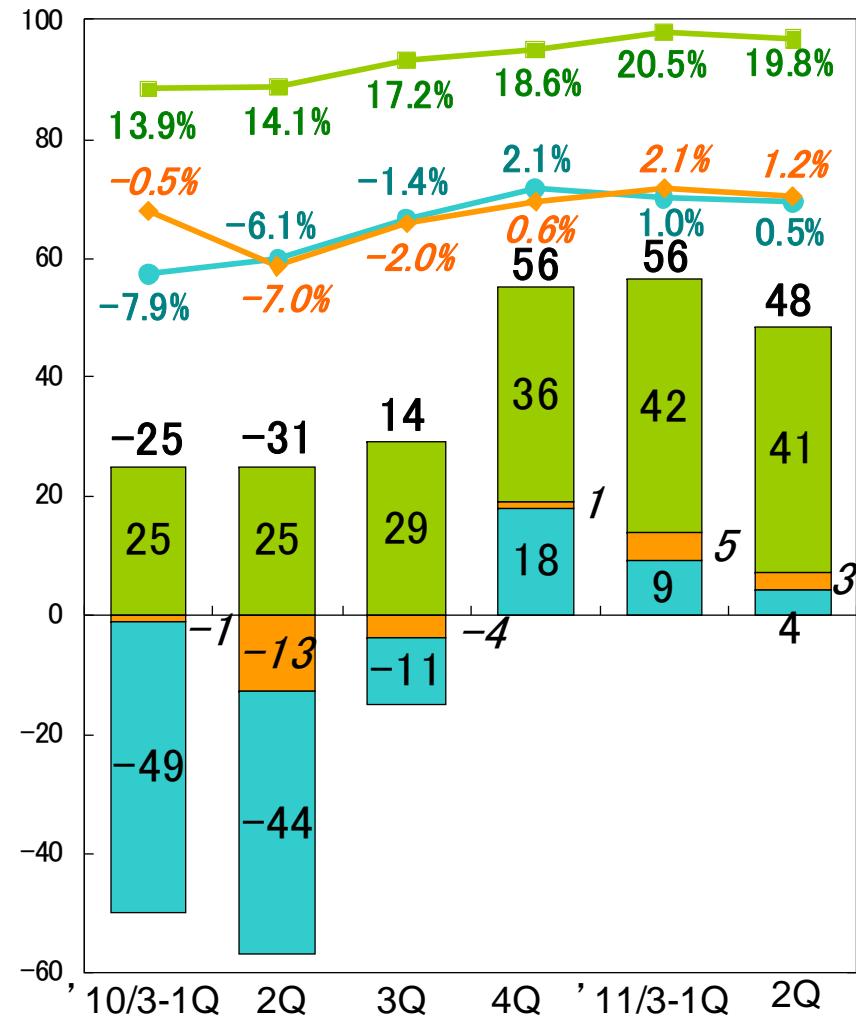
Automotive Industrial Machinery Aftermarket/Distributor

(100 million yen)

Net Sales



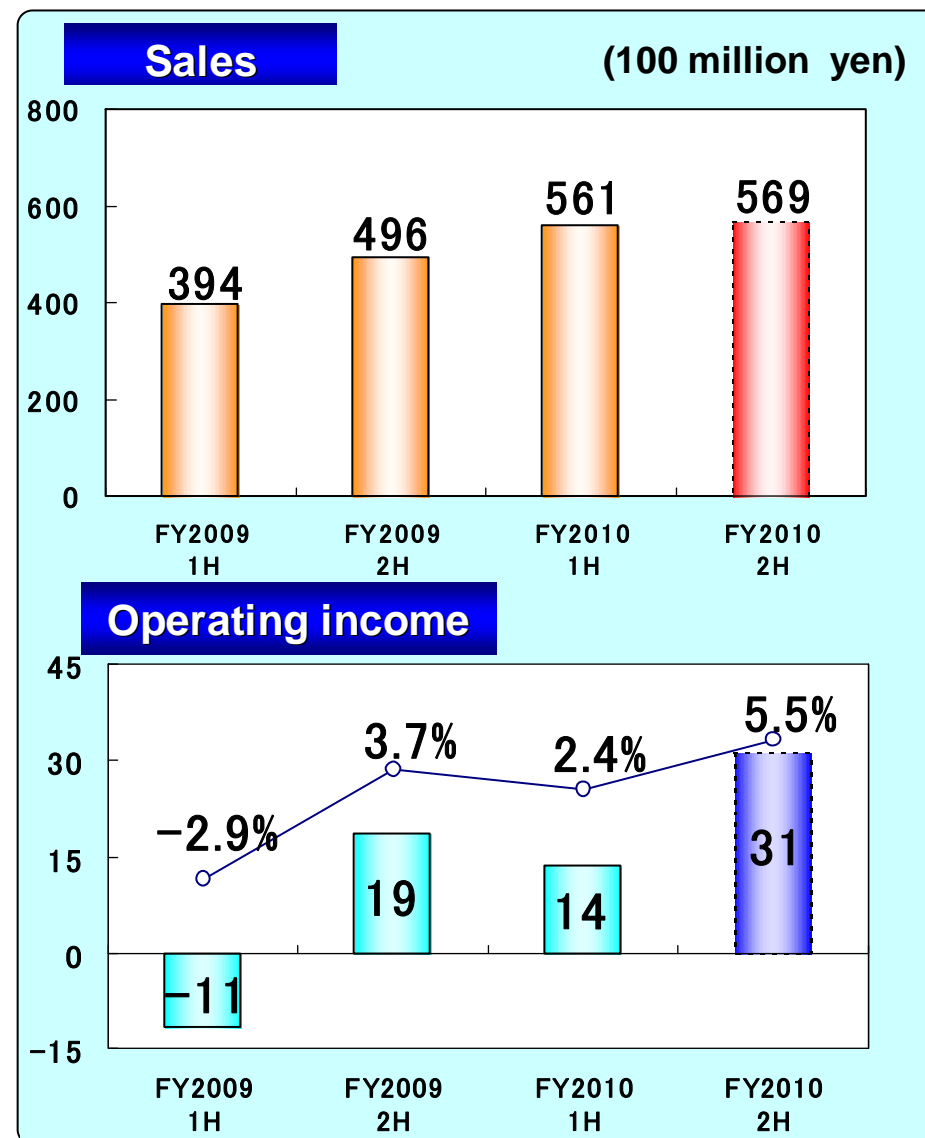
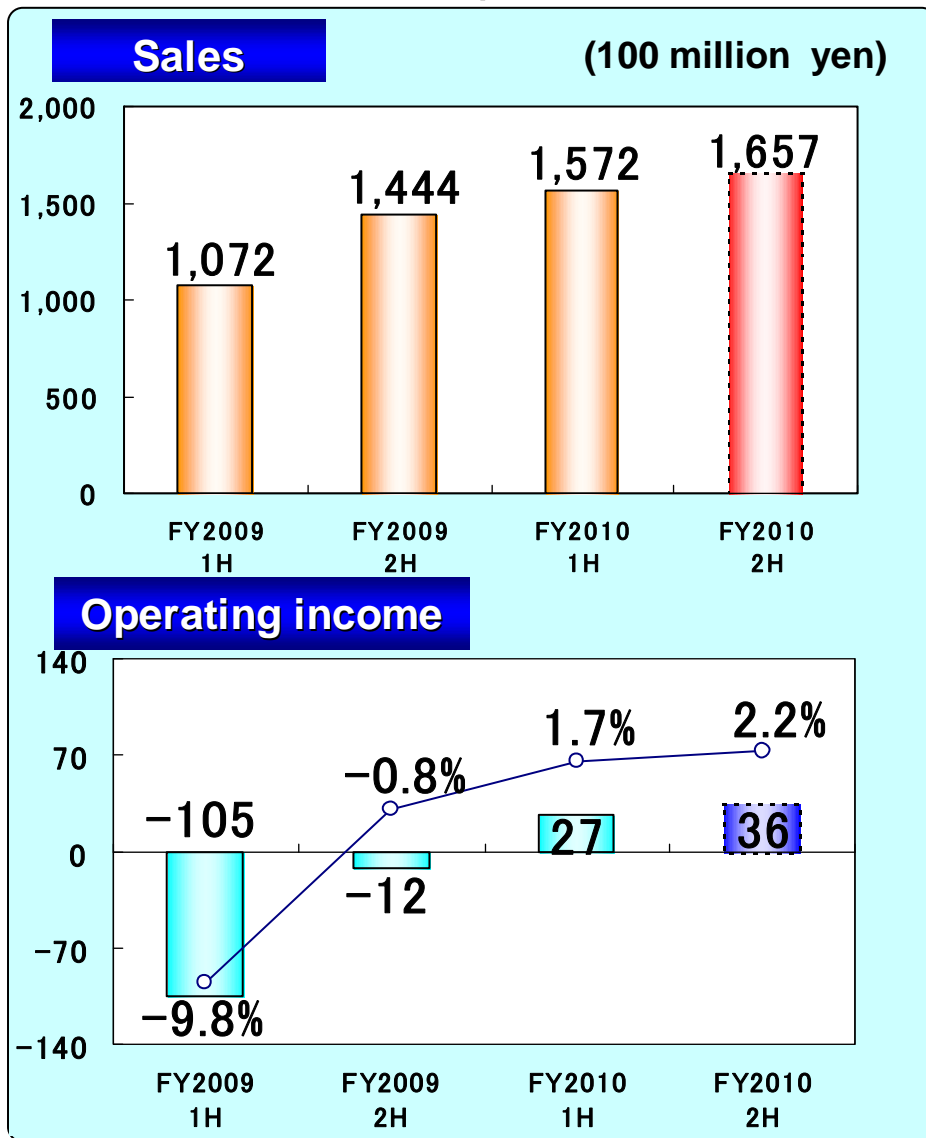
(100 million yen) Operating Income/Operating Margin



5. Net Sales, Operating Income by Region

《 Japan 》

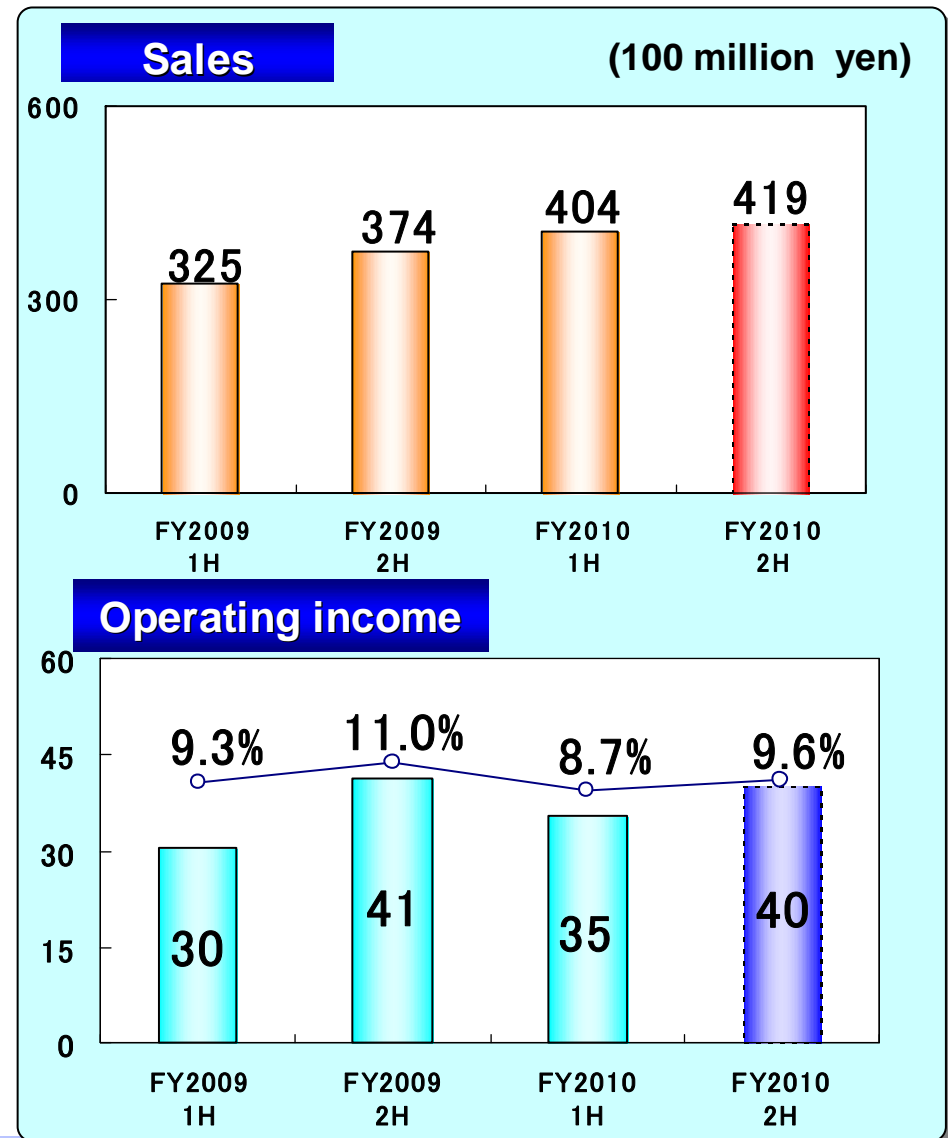
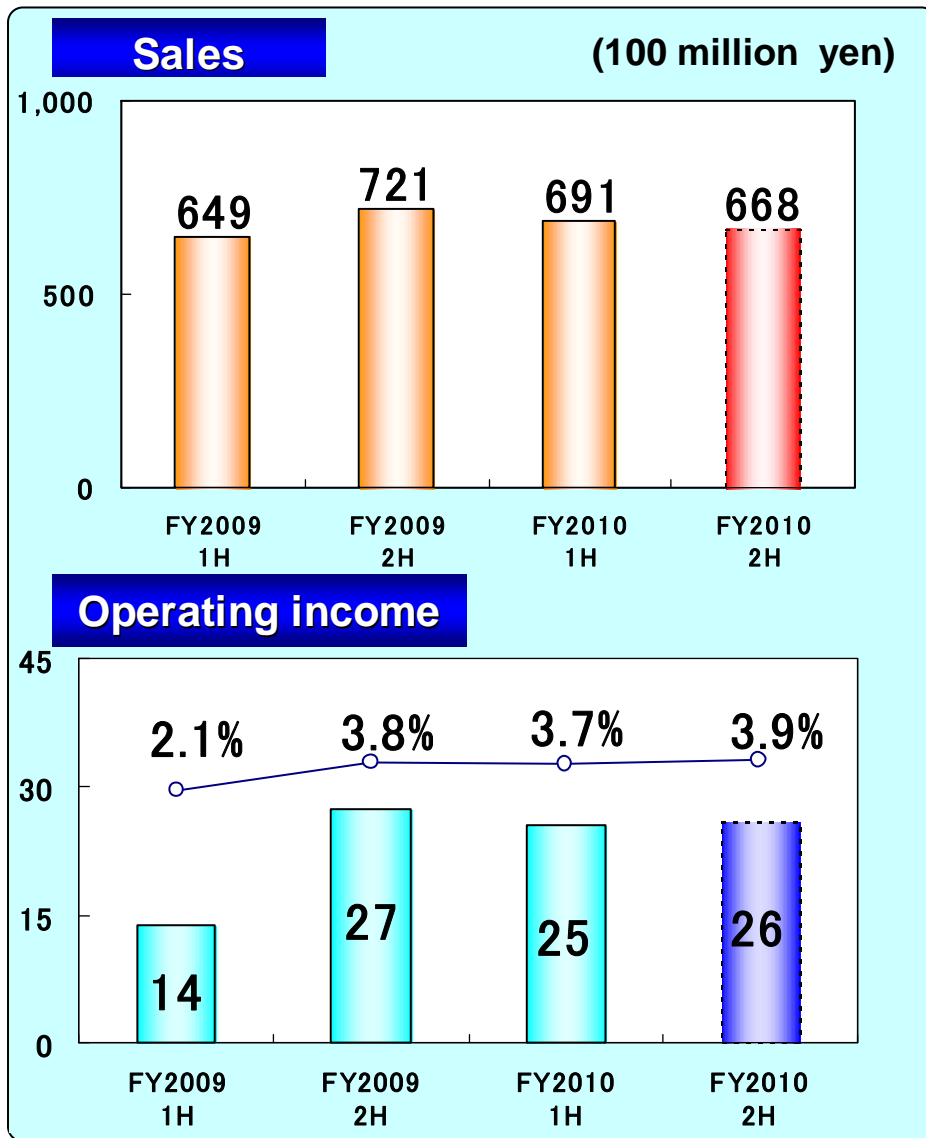
《 Americas 》



5. Net Sales, Operating Income by Region

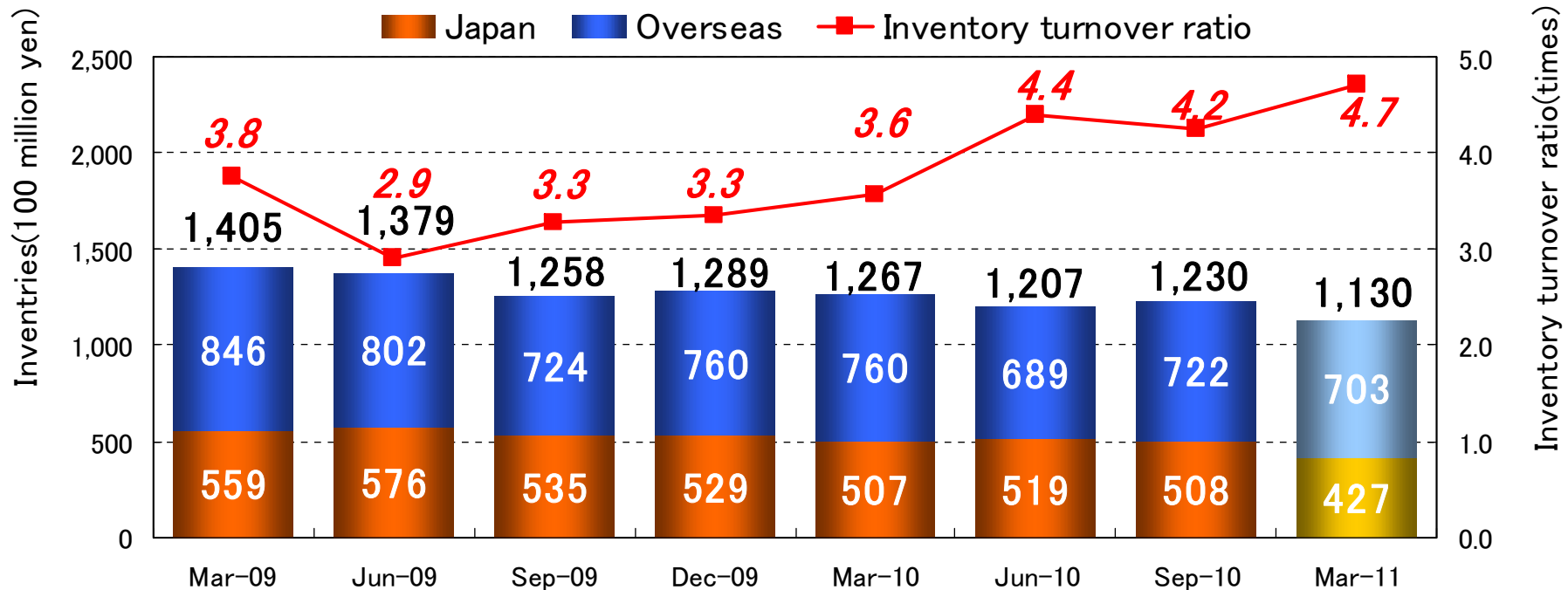
《 Europe 》

《 Asia & Other 》



6. Inventories

◆ Inventory turnover ratio improved by positive 0.6 from the end of the previous term.

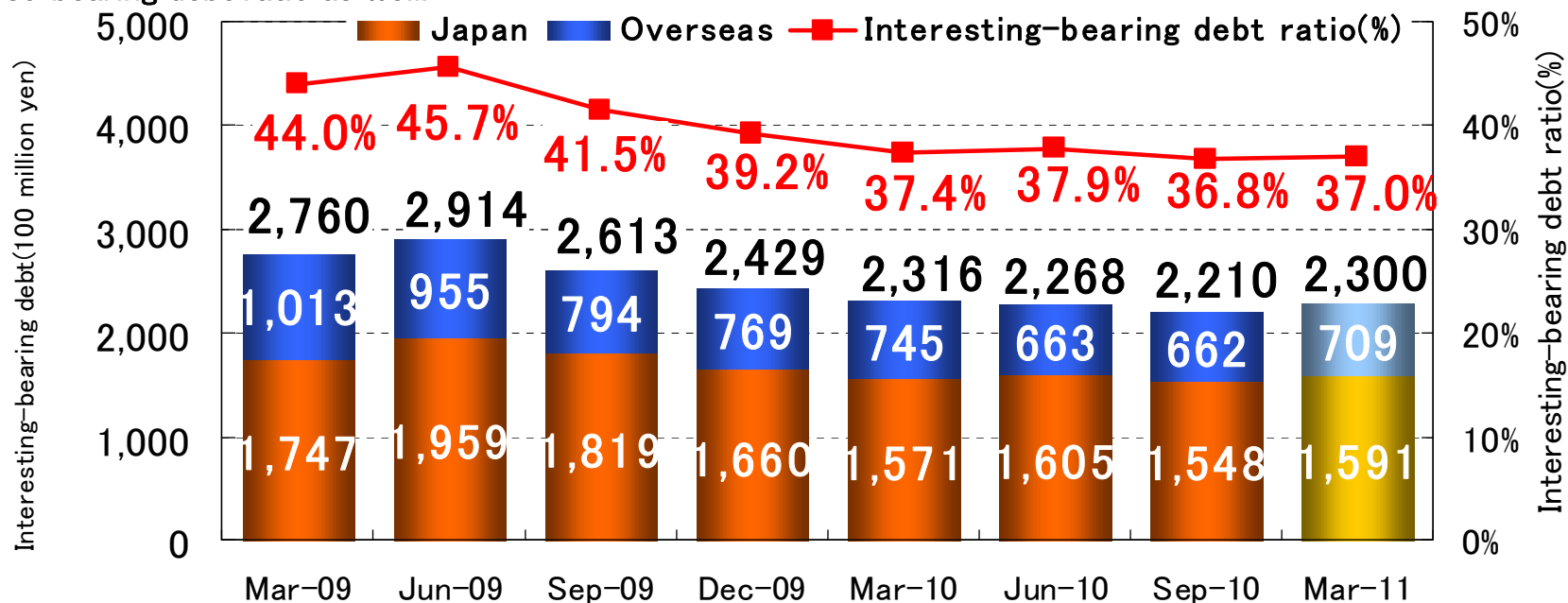


(100 million yen)

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Mar-11
	Results	Results	Results	Results	Results	Results	Results	Forecast
Inventories	1,405	1,379	1,258	1,289	1,267	1,207	1,230	1,130
Overseas	(846)	(802)	(724)	(760)	(760)	(689)	(722)	(703)
Japan	(559)	(576)	(535)	(529)	(507)	(519)	(508)	(427)
Inventory turnover ratio (times)	3.8	2.9	3.3	3.3	3.6	4.4	4.2	4.7

7. Interest-Bearing Debt

- ◆ Interest-bearing debt declined drastically by 10.6 billion yen from the end of the previous term, improving interest-bearing debt ratio as well.



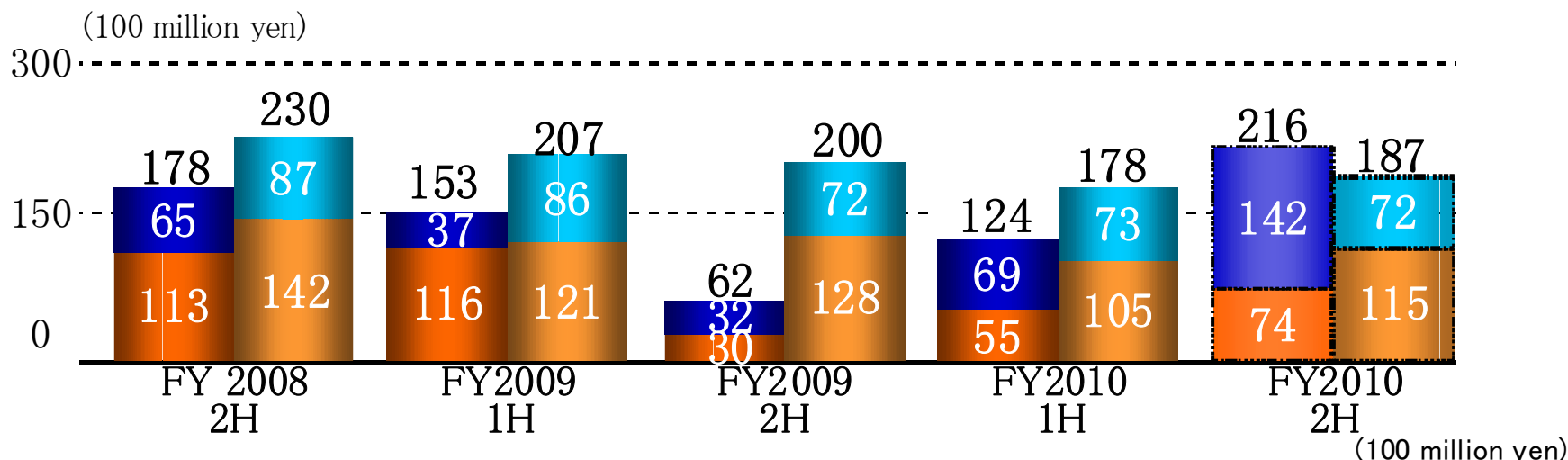
(100 million yen)

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Mar-11
	Results	Results	Results	Results	Results	Results	Results	Forecast
Interesting-bearing debt	2,760	2,914	2,613	2,429	2,316	2,268	2,210	2,300
Overseas	(1,013)	(955)	(794)	(769)	(745)	(663)	(662)	(709)
Japan	(1,747)	(1,959)	(1,819)	(1,660)	(1,571)	(1,605)	(1,548)	(1,591)
Interesting-bearing debt ratio(%)	44.0%	45.7%	41.5%	39.2%	37.4%	37.9%	36.8%	37.0%

8. Capital Expenditure and Depreciation

◆ Overseas markets will stay focused in capital expenditure.

Investment (Japan) Investment (Overseas) Depreciation (Japan) Depreciation (Overseas)

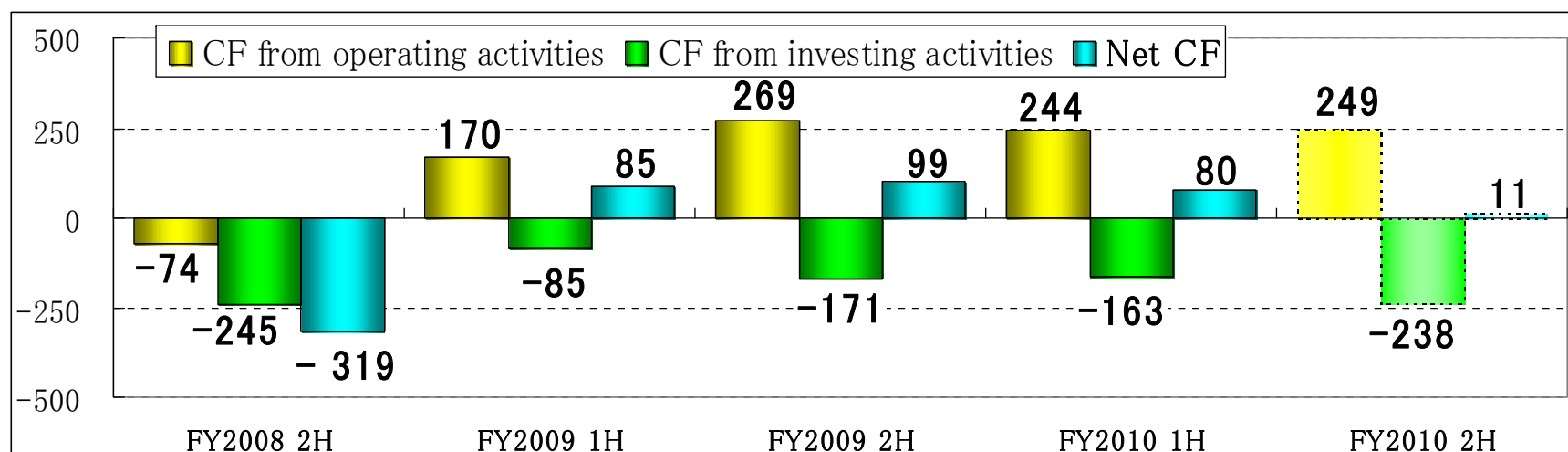


	FY2008 2H	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H
Capital expenditure	178	153	62	124	216
Overseas	(65)	(37)	(32)	(69)	(142)
Japan	(113)	(116)	(30)	(55)	(74)
Depreciation	230	207	200	178	187
Overseas	(87)	(86)	(72)	(73)	(72)
Japan	(142)	(121)	(128)	(105)	(115)

9. Cash Flows

◆ Positive free cash flow continues

(100 million yen)	FY2008 2H	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H
I. Cash flow from operating activities	-74	170	269	244	249
II. Cash flow from investing activities	-245	-85	-171	-163	-238
III. Cash flow for financing activities	355	138	-324	-58	59
IV. Effect of exchanging rete translation on cash and cash equivalents	-56	17	2	17	1
V. Net increase in cash and cash equivalents	-19	241	-223	39	71



We make
Bearings.



For New Technology Network

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