

Supplementary material for the Results of the First quarter of Fiscal 2010

August 3, 2010

NTN Corporation

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★ Highlights of Consolidated Financial Results

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3. Analysis of Operating Income
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6. Inventories
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8. Capital Expenditures and Depreciations
9. Cash Flows

Highlights of Consolidated Financial Results

Improving the method of disclosing segmental information

- ◇ Profits and losses by the types of business are disclosed in addition to those by locational segments, effective from FY2010.
 - Types of business: Automotive market, Industrial machinery market, Aftermarket & Distributor market

Results of the First Quarter of FY 2010

- ◇ Net sales was 132.6 billion yen, increased 33% from a year earlier
 - Automotive: increased 43% from a year earlier thanks to customer demand recovery in many countries worldwide.
 - Industrial machinery: increased 16% from a year earlier thanks to demand recovery in Japan, The Americas and China.
 - Aftermarket & Distributor sales: increased 15% from a year earlier thanks to demand recovery in many countries worldwide.
- ◇ Operating income improved to 5.6 billion yen (operating margin: 4.2%) as a result of upgraded productivity and reduced costs in addition to the scale effect of increased sales.(2.5 billion yen loss in a year earlier)

Forecast for the First Quarter and full year forecast of FY2010

- ◇ Despite adverse factors of foreign exchange market, our initial outlooks are modified upward thanks to unexpectedly good demand recovery.
 - the first half: Net Sales: 258billion yen (+5.3%)、Operating Income: 10 billion yen (+49%)
 - Full year: Net Sales: 523billion yen (+2.5%)、Operating Income: 23billion yen (+15%)
- ◇ Exchange rates are now changed: US\$1 = ¥88, €1 = ¥110.

1. Consolidated Statement of operations

(In 100 million yen)

	FY2009					FY2010		1H Forecast	Full year Forecast	
	1Q Actual	2Q Actual	3Q Actual	4Q Actual	Full year Actual	1Q Actual	Year on Year			
Net Sales	998	1,068	1,173	1,288	4,527	1,326	328	2,580	5,230	
Operating Income (Operating margin)	-25 (-2.5%)	-31 (-2.9%)	14 (1.2%)	56 (4.4%)	14 (0.3%)	56 (4.2%)	81 (6.7%)	100 (3.9%)	230 (4.4%)	
Ordinary Income	-34	-42	10	59	-6	49	83	80	185	
Extraordinary Income/Loss	0	7	-14	-5	-12	15	15	30	10	
Net Income	-18	-33	-8	38	-20	40	57	70	135	
Exchange rate	US\$	97.4	93.7	89.7	90.7	92.9	92.0	-5.3	90.0	89.0
	EURO	132.7	133.7	132.7	125.5	131.2	117.0	-15.6	113.5	111.8

2. Net Sales by Regions and Types of business

<Net Sales by Regions>

(In 100 million yen)

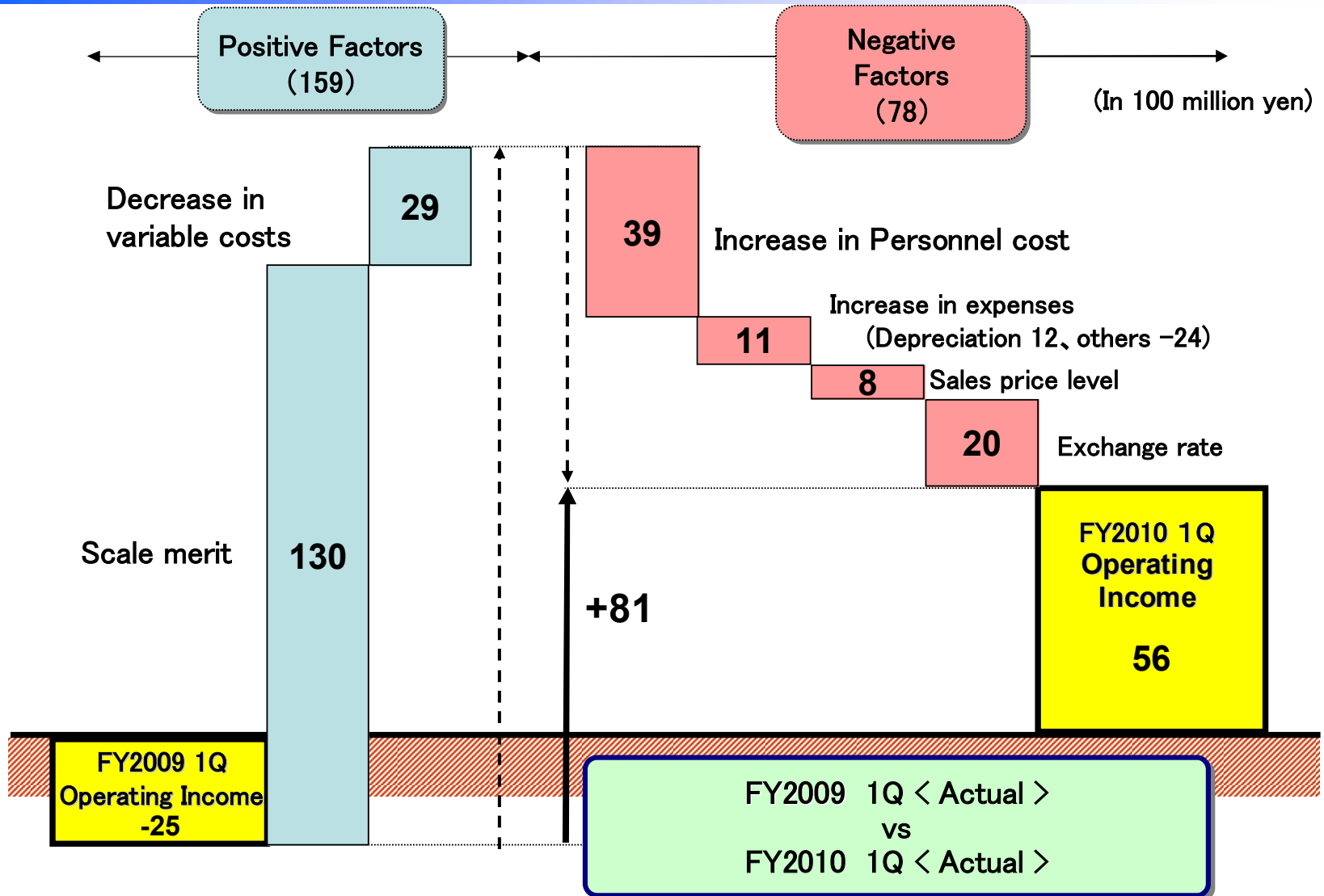
	FY2009					FY2010			1H Forecast	Full year Forecast
	1Q Actual	2Q Actual	3Q Actual	4Q Actual	Full year Actual	1Q Actual	Year on Year			
							volume	Exchange		
Japan	313	377	420	453	1,564	459	146	0	940	1,937
The Americas	188	211	229	272	900	291	119	-15	561	1,142
Europe	309	295	317	349	1,271	343	79	-45	614	1,205
Asia & Others	188	185	207	214	793	232	50	-6	464	945
Total	998	1,068	1,173	1,288	4,527	1,326	394	-66	2,580	5,230

<Net Sales by Types of business>

In 100 million yen

	FY2009					FY2010			1H Forecast	Full year Forecast
	1Q Actual	2Q Actual	3Q Actual	4Q Actual	Full year Actual	1Q Actual	Year on Year			
							volume	Exchange		
Automotive	620	711	813	866	3,009	887	313	-45	1,709	3,436
Industrial machinery	199	181	191	226	797	231	41	-9	460	968
Aftermarket & Distributor	180	177	169	196	722	207	40	-12	410	826
Total	998	1,068	1,173	1,288	4,527	1,326	394	-66	2,580	5,230

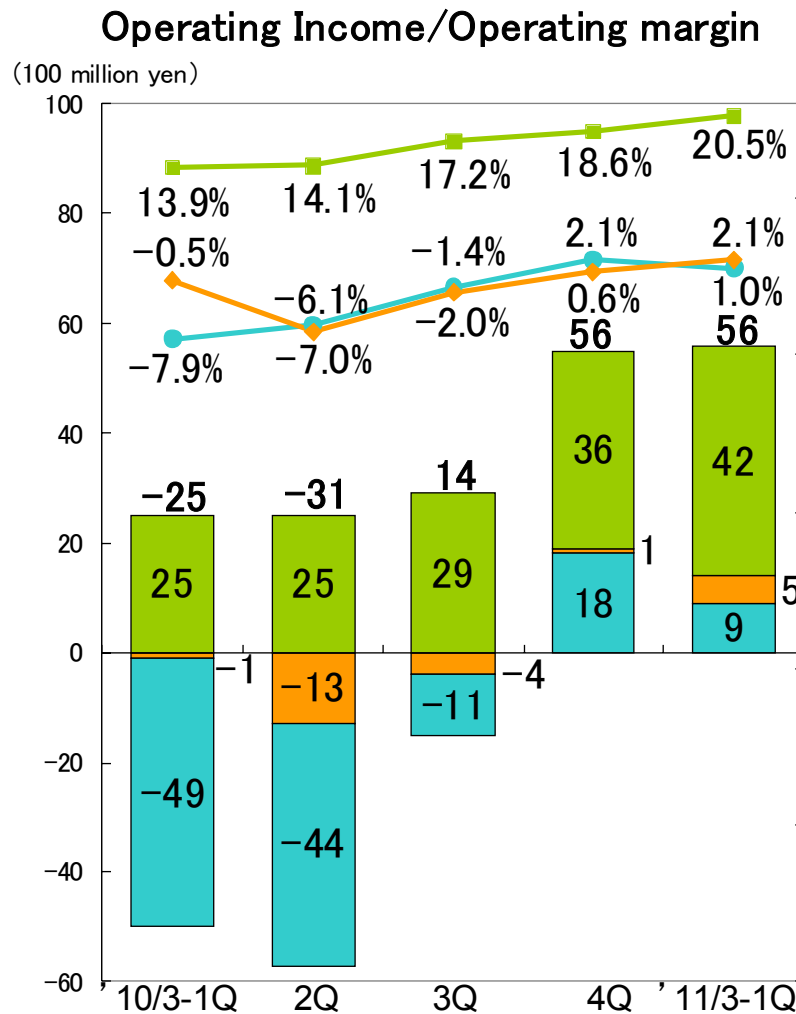
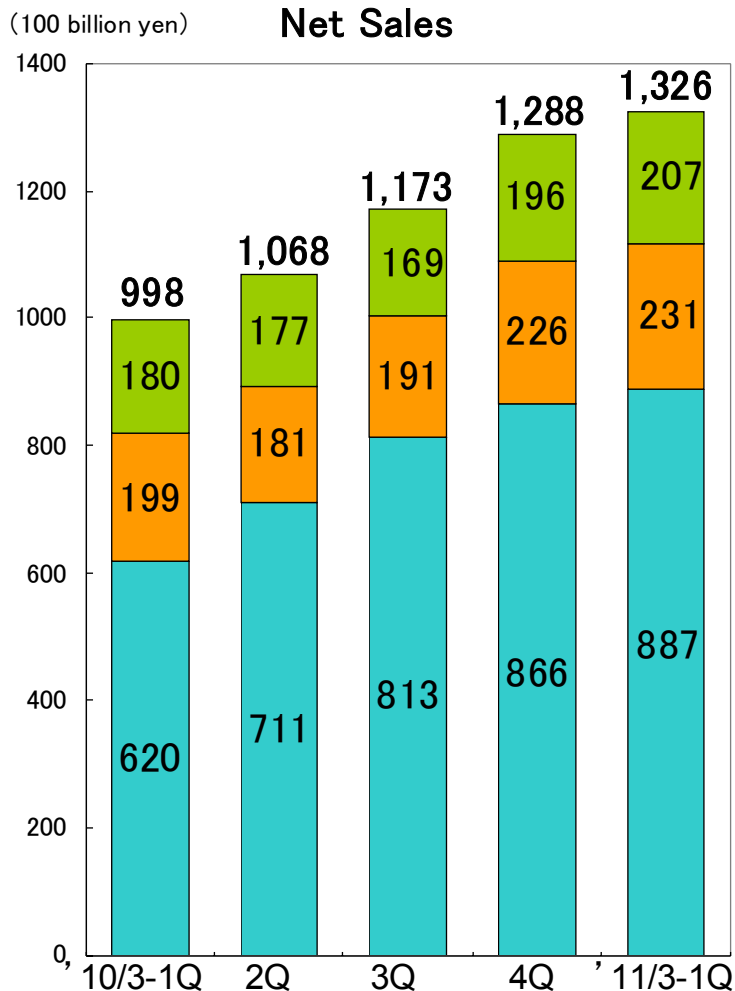
3. Analysis of Operating Income



4. Quarterly Changes in Performance by the Types of Business

◆ Net sales and Operating income recovering in all Automotive, Industrial Machinery and Aftermarket & Distributor sales

Automotive Industrial Machinery Aftermarket/Distributor



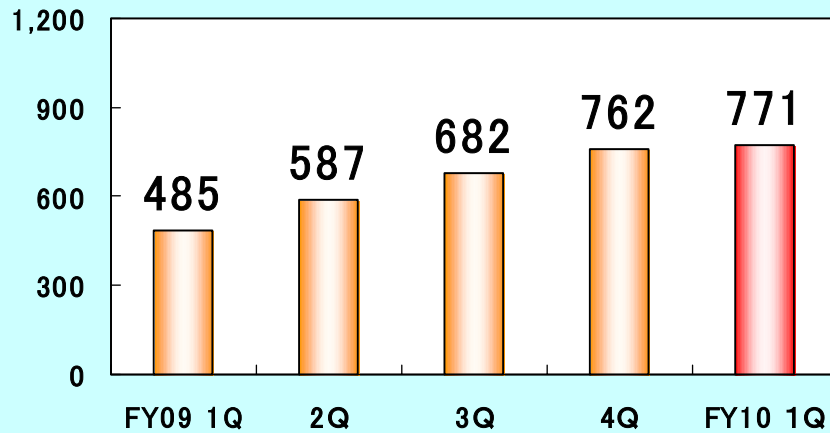
5. Net Sales and Operating Income (Margin)

《 Japan 》

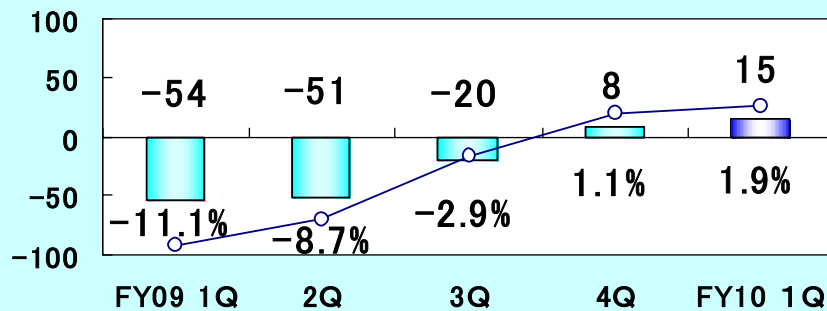
《 The Americas 》

Net Sales

(In 100 million yen)

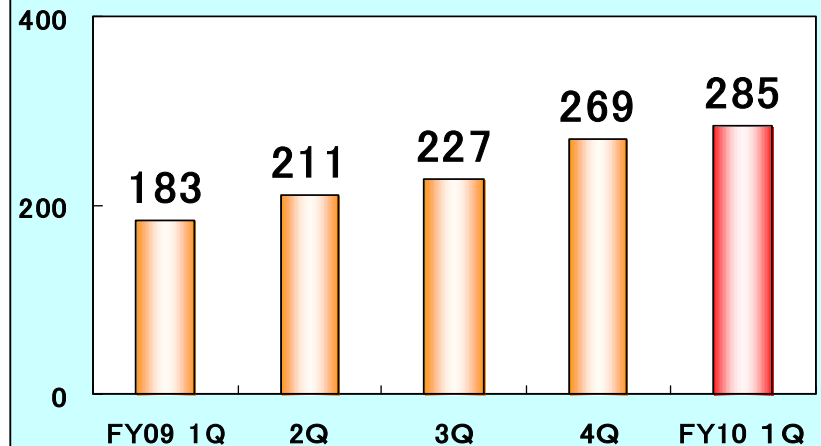


Operating Income

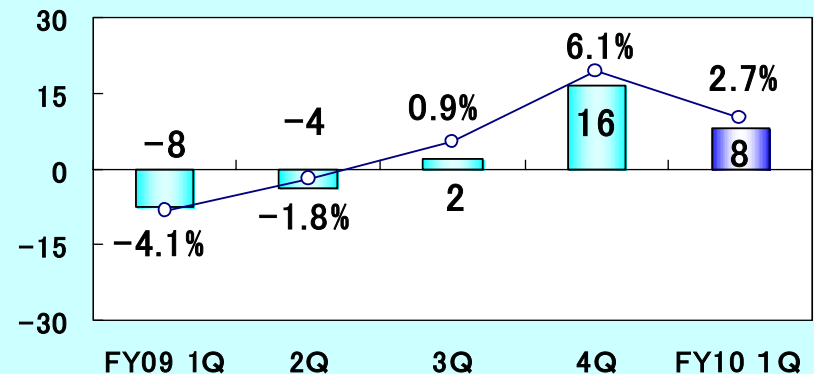


Net Sales

(In 100 million yen)



Operating Income

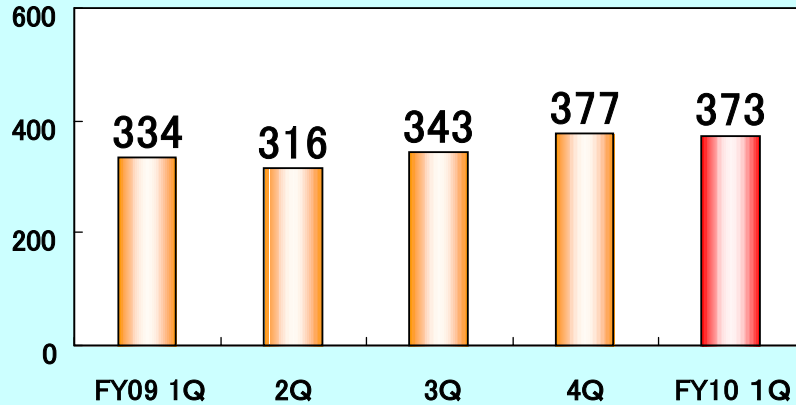


5. Net Sales and Operating Income (Margin)

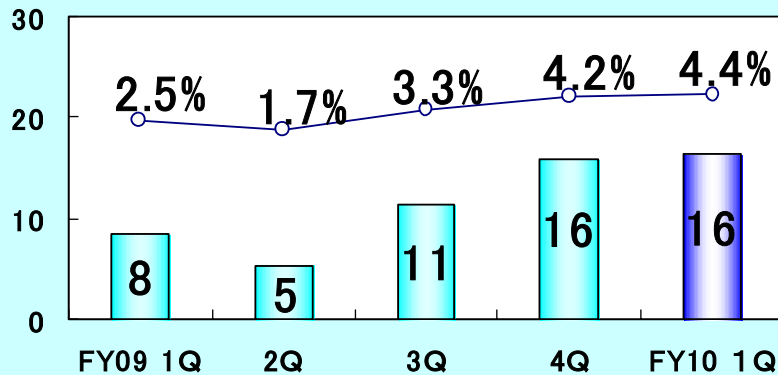
《 Europe 》

Net Sales

(In 100 million yen)



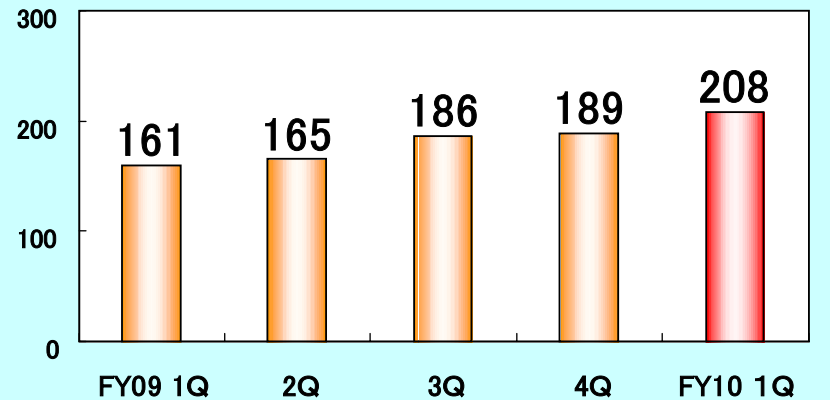
Operating Income



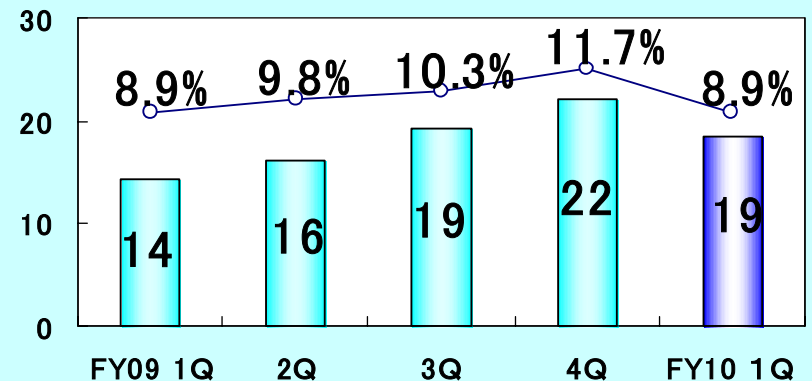
《 Asia & Others 》

Net Sales

(In 100 million yen)

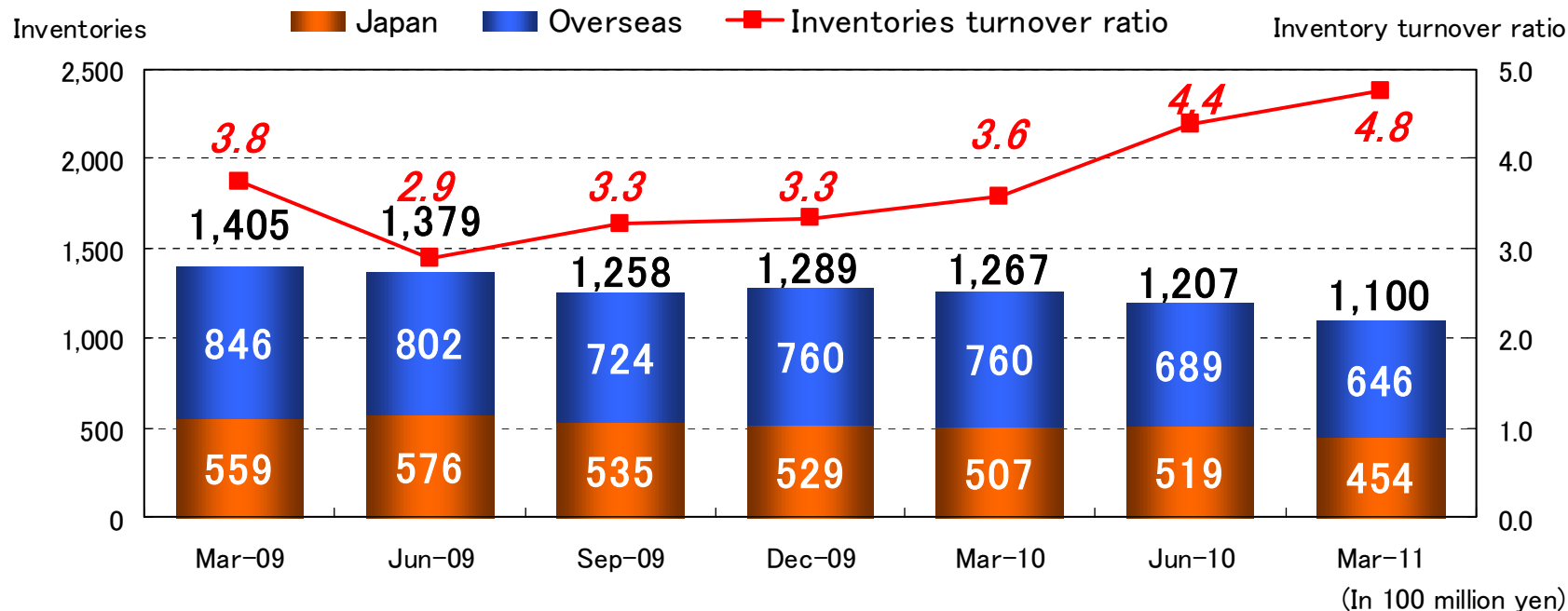


Operating Income



6. Inventories

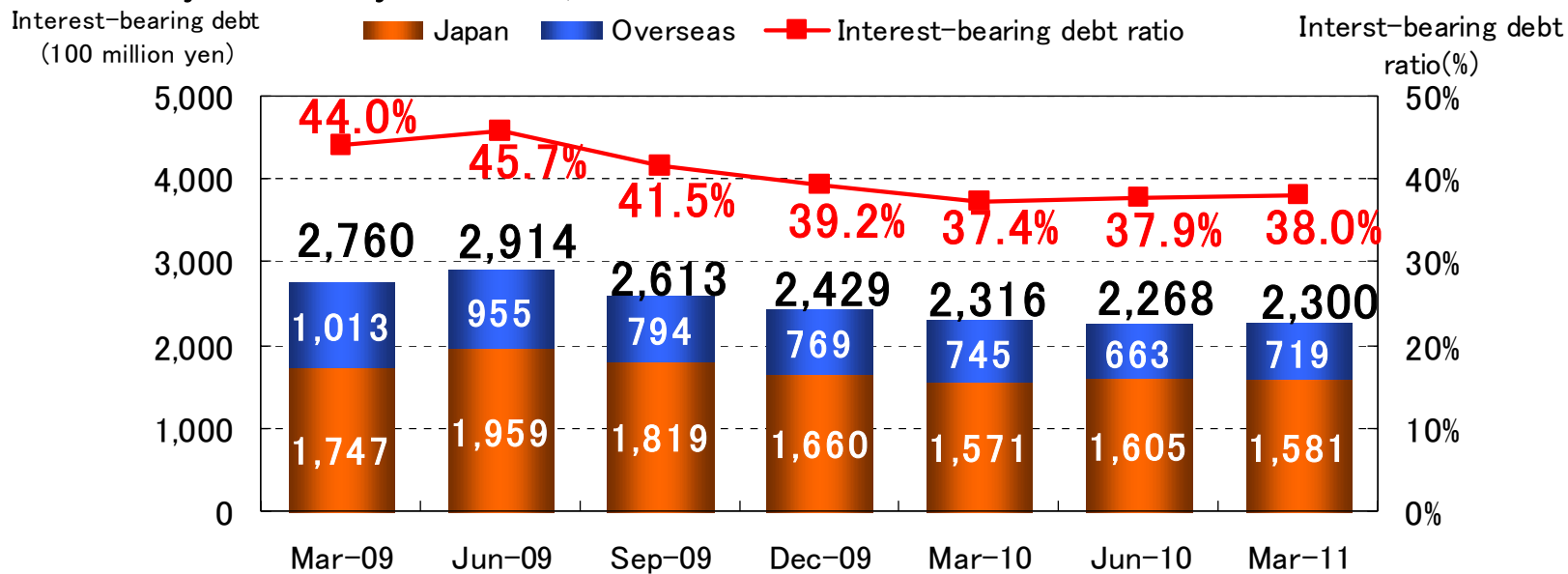
◆ Inventory turnover ratio has recovered to 4.4 times by 1.5 times from a year earlier.



	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Mar-11
	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Inventories	1,405	1,379	1,258	1,289	1,267	1,207	1,100
(Overseas)	(846)	(802)	(724)	(760)	(760)	(689)	(646)
(Japan)	(559)	(576)	(535)	(529)	(507)	(519)	(454)
Inventory turnover ratio	3.8times	2.9times	3.3times	3.3times	3.6times	4.4times	4.8times

7. Interest-Bearing Debt

◆ Interest-bearing debt was 226.8 billion yen as almost expected (down by 64.6 billion yen from a year earlier).

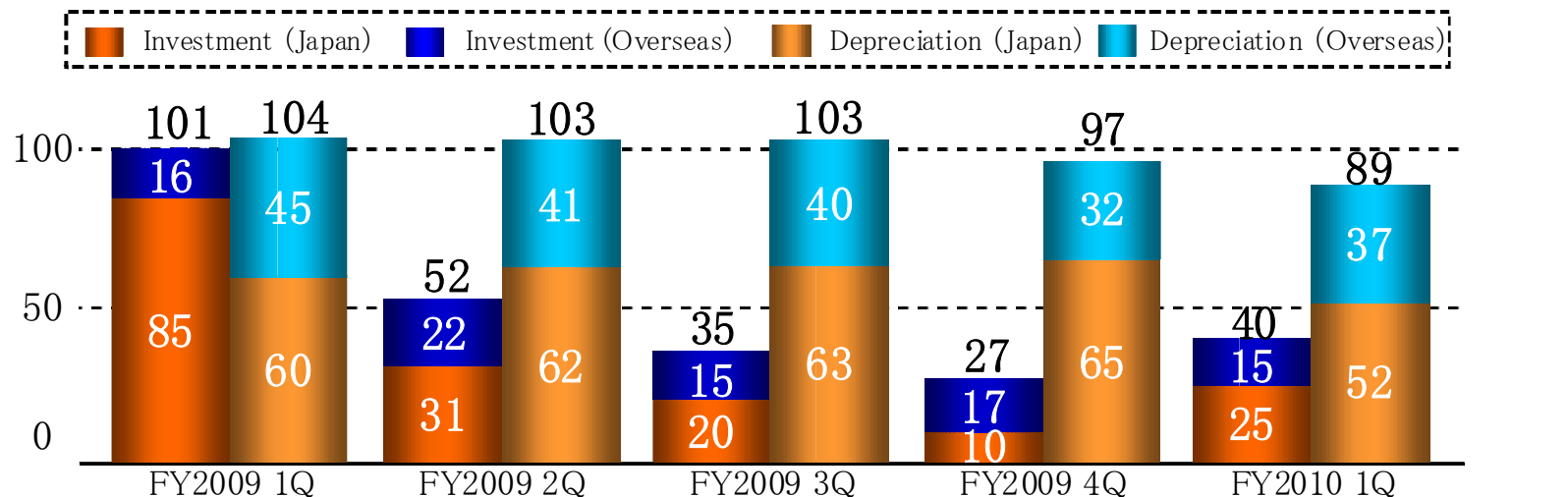


(In 100 million yen)

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Mar-11
	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Interest-bearing debt	2,760	2,914	2,613	2,429	2,316	2,268	2,300
(Overseas)	(1,013)	(955)	(794)	(769)	(745)	(663)	(719)
(Japan)	(1,747)	(1,959)	(1,819)	(1,660)	(1,571)	(1,605)	(1,581)
Interest-bearing debt ratio	44.0%	45.7%	41.5%	39.2%	37.4%	37.9%	38.0%

8. Capital Expenditures and Depreciations

◆ Capital expenditures was held down to less than a half from a year earlier, will be approx. 30 billion yen on full year basis.

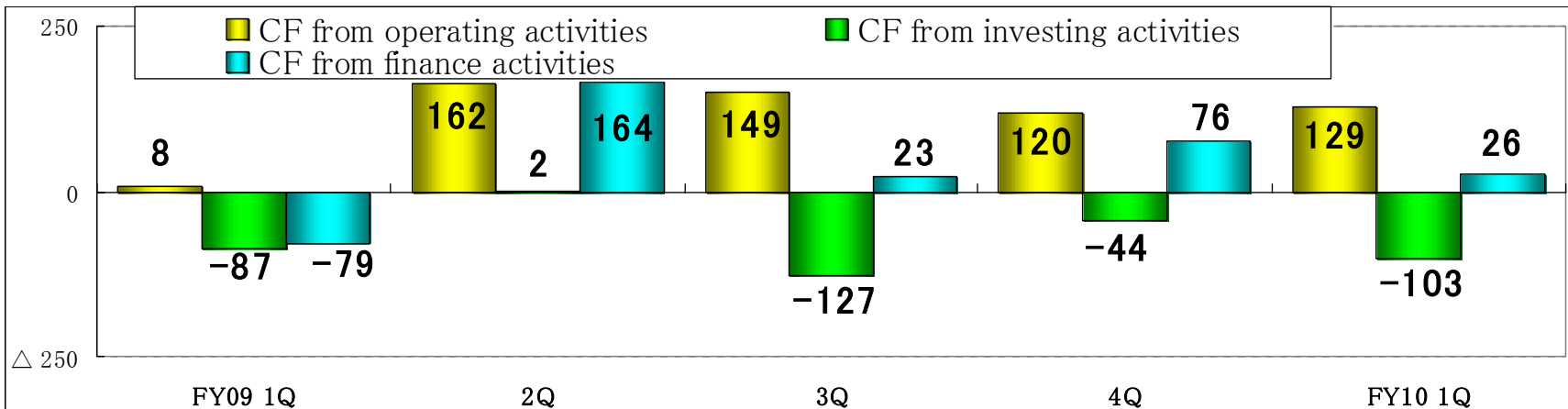


	FY2009 ①1Q	FY2009 2Q	FY2009 3Q	FY2009 4Q	FY2010 ②1Q	②-①	FY2010 Forecast
Capital Expenditures	101	52	35	27	40	-60	300
(Overseas)	(16)	(22)	(15)	(17)	(15)	(-1)	(181)
(Japan)	(85)	(31)	(20)	(10)	(25)	(-59)	(119)
Depreciation	104	103	103	97	89	-15	372
(Overseas)	(45)	(41)	(40)	(32)	(37)	(-7)	(149)
(Japan)	(60)	(62)	(63)	(65)	(52)	(-8)	(222)

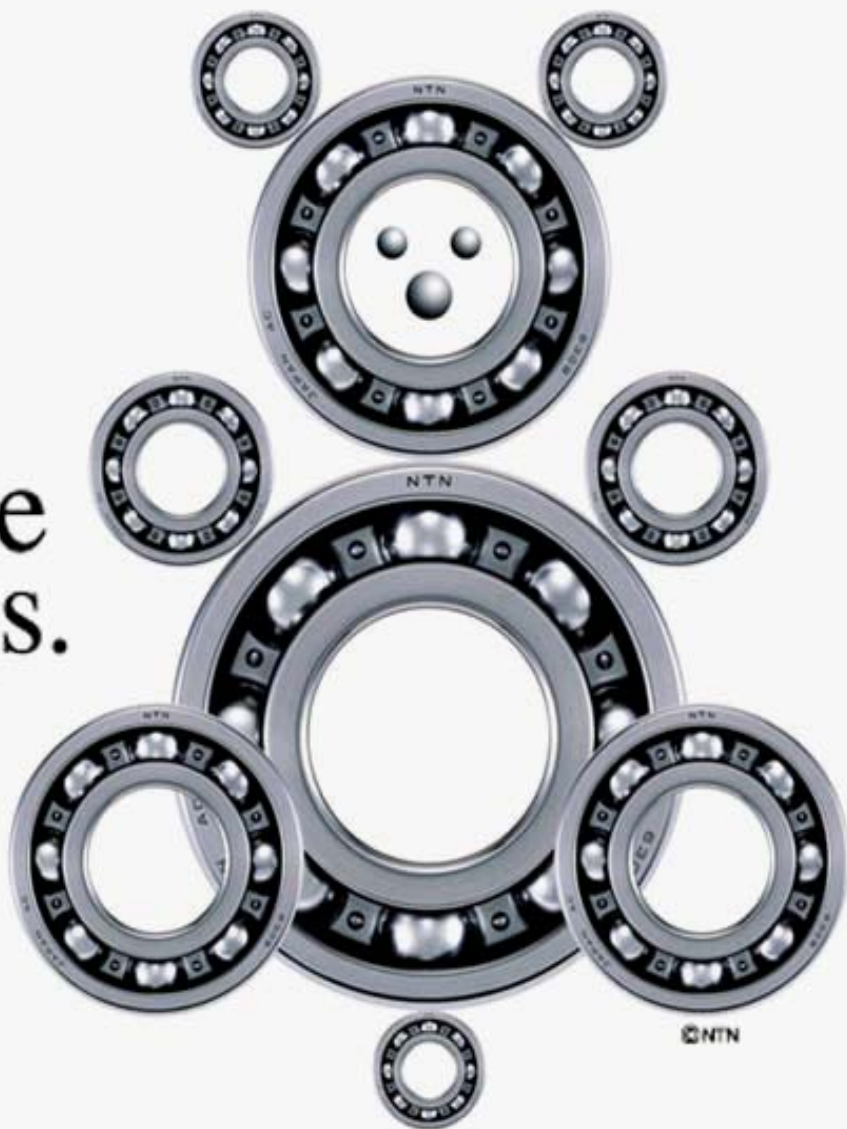
9. Cash Flow

◆ Free cash flow turnaround (a year earlier -7.9 billion yen → FY2010 1Q +2.6 billion yen)

(In 100 million yen)	FY2009				FY2010	②-①	FY2010 Full year
	①1Q	2Q	3Q	4Q	②1Q		
I. Cash Flow from Operating Activity	8	162	149	120	129	121	472
II. Cash Flow from Investing Activity	-87	2	-127	-44	-103	-16	-426
III. Cash Flow from Finance Activity	130	8	-220	-104	-15	-145	20
IV. Effect of exchange rate changes on cash and cash equivalents	8	9	-2	4	21	12	-43
V. Increase in cash and cash equivalents	60	181	-199	-24	31	-28	22



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