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Business Results

FY2004 ending March 2005

May 19, 2005
NTN corporation

FACT BOOK (consolidated)**1. Net sales and Income**

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Sales	340,551 100.0%	324,339 100.0%	342,745 100.0%	357,394 100.0%	388,348 100.0%
Operating income	14,335 4.2%	8,140 2.5%	20,785 6.1%	24,709 6.9%	33,200 8.5%
Ordinary income	9,106 2.7%	2,689 0.8%	16,169 4.7%	20,776 5.8%	28,385 7.3%
Extraordinary income(loss)	-2,219 -0.7%	-3,391 -1.0%	-9,972 -2.9%	-2,595 -0.7%	-1,800 -0.5%
Net income	4,289 1.3%	-132 0.0%	2,657 0.8%	11,031 3.1%	16,739 4.3%

2. Sales by Business Segment

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Bearing	230,017 67.5%	215,558 66.5%	220,685 64.4%	228,615 64.0%	248,810 64.0%
CVJs	86,318 25.4%	86,785 26.7%	98,875 28.8%	102,959 28.8%	111,307 28.7%
Precision Equipment	24,216 7.1%	21,996 6.8%	23,185 6.8%	25,820 7.2%	28,230 7.3%
Total	340,551 100.0%	324,339 100.0%	342,745 100.0%	357,394 100.0%	388,348 100.0%

3. Sales by Region

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Japan	195,134 57.3%	169,080 52.1%	170,010 49.6%	176,203 49.3%	189,990 48.9%
North America	85,925 25.2%	87,774 27.1%	92,696 27.0%	86,084 24.1%	92,046 23.7%
Europe	30,449 8.9%	38,748 11.9%	47,871 14.0%	58,243 16.3%	62,592 16.1%
Asia & Other	29,043 8.5%	28,737 8.9%	32,168 9.4%	36,864 10.3%	43,719 11.3%
Total	340,551 100.0%	324,339 100.0%	342,745 100.0%	357,394 100.0%	388,348 100.0%

4. Sales by Region & Business Segment

(Millions of yen)

		FY2000	FY2001	FY2002	FY2003	FY2004
Japan	Bearing	121,136	104,698	104,649	109,064	119,880
	CVJs	53,110	45,768	45,496	45,087	45,699
	Precision Equipment	20,888	18,615	19,865	22,052	24,410
	Total	195,134	169,080	170,010	176,203	189,990
North America	Bearing	61,367	60,673	60,882	56,308	57,817
	CVJs	24,420	26,959	30,982	29,133	33,236
	Precision Equipment	138	142	832	643	994
	Total	85,925	87,774	92,696	86,084	92,046
Europe	Bearing	22,623	25,354	27,408	31,215	34,244
	CVJs	5,301	10,747	18,397	24,660	26,514
	Precision Equipment	2,526	2,647	2,066	2,368	1,835
	Total	30,449	38,748	47,871	58,243	62,592
Asia & Other	Bearing	24,891	24,833	27,746	32,027	36,870
	CVJs	3,487	3,311	4,000	4,079	5,858
	Precision Equipment	664	592	422	757	992
	Total	29,043	28,737	32,168	36,864	43,719
Total	Bearing	230,017	215,558	220,685	228,615	248,810
	CVJs	86,318	86,785	98,875	102,959	111,307
	Precision Equipment	24,216	21,996	23,185	25,820	28,230
	Total	340,551	324,339	342,745	357,394	388,348

5. Geographic Segment Information

(Millions of yen)

		FY2000	FY2001	FY2002	FY2003	FY2004
Japan	Sales	268,666	238,802	249,679	264,513	294,950
	Operating income	9,884	4,588	12,802	16,725	22,835
		3.7%	1.9%	5.1%	6.3%	7.7%
North America	Sales	86,406	89,024	92,965	86,758	92,374
	Operating income	3,242	1,402	4,098	2,431	3,537
		3.8%	1.6%	4.4%	2.8%	3.8%
Europe	Sales	27,989	38,088	48,028	58,707	63,305
	Operating income	190	384	1,347	2,956	3,150
		0.7%	1.0%	2.8%	5.0%	5.0%
Asia & Other	Sales	14,956	16,018	19,448	24,890	32,308
	Operating income	1,087	1,087	1,885	1,479	2,767
		7.3%	6.8%	9.7%	5.9%	8.6%
Total	Sales	-57,469	-57,594	-67,376	-77,475	-94,590
	Operating income	-69	676	651	1,116	908
Sales total		340,551	324,339	342,745	357,394	388,348
Operating income total		14,335	8,140	20,785	24,709	33,200
		4.2%	2.5%	6.1%	6.9%	8.5%

6. Capital expenditure, Depreciation and Cash flow

(Millions of yen)

		FY2000	FY2001	FY2002	FY2003	FY2004
Capital expenditure		24,123	21,088	25,264	38,092	49,670
Depreciation	Japan	16,441	15,896	14,848	14,758	15,515
	Overseas	6,961	8,503	8,990	9,221	9,355
Depreciation Total		23,402	24,399	23,838	23,979	24,870
Cash flow		27,691	24,399	26,495	35,010	41,609

※ [Cash flow]=[Net income]+[Depreciation]

7. R&D expenditures

(Millions of yen)

		FY2000	FY2001	FY2002	FY2003	FY2004
R&D expenditures		10,618	11,706	12,255	13,542	14,952
Ratio against sales		3.1%	3.6%	3.6%	3.8%	3.9%

8. Inventories

(Millions of yen)

		FY2000	FY2001	FY2002	FY2003	FY2004
Inventories		106,409	98,513	92,728	83,565	93,167
Inventory turnover ratio		x3.2	x3.3	x3.7	x4.3	x4.2

9. Interest Bearing Debt

(Millions of yen)

		FY2000	FY2001	FY2002	FY2003	FY2004
Loan		103,752	102,587	91,445	84,090	96,185
Bonds		70,000	70,000	70,000	80,000	80,000
Total		173,752	172,587	161,445	164,090	176,185

10. Main Management Index

		FY2000	FY2001	FY2002	FY2003	FY2004
Ordinary Income/ Total Assets		1.9%	0.6%	3.5%	4.5%	5.8%
ROA		0.9%	—	0.6%	2.4%	3.4%
ROE		3.0%	—	1.9%	8.0%	11.1%
Shareholder's Equity Ratio		28.9%	29.9%	28.9%	31.0%	30.6%
Shareholder's Equity per Share		Yen299.44	Yen299.27	Yen291.82	Yen308.27	Yen341.93
Net income per Share		Yen9.26	△Yen0.29	Yen5.70	Yen23.54	Yen35.83

11. Number of employees

		FY2000	FY2001	FY2002	FY2003	FY2004
Japan		8,168	7,777	7,498	6,561	6,635
Overseas		4,451	4,212	4,312	5,324	6,153
Total		12,619	11,989	11,810	11,885	12,788

12. Exchange rate

(Unit:Yen)

		FY2000	FY2001	FY2002	FY2003	FY2004
A V	US \$	110.51	124.98	121.98	113.19	107.55
	EURO	100.36	110.44	120.88	132.65	135.17
	S \$	63.61	68.98	68.94	65.39	64.17
E n d	US \$	123.90	133.25	120.20	105.69	107.39
	EURO	109.33	116.14	129.83	128.88	138.87
	S \$	69.03	72.36	68.01	62.91	65.19

FACT BOOK(unconsolidated)

1. Net sales and Income

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Sales	265,514 100.0%	235,845 100.0%	246,332 100.0%	261,710 100.0%	291,975 100.0%
Operating income	7,790 2.9%	3,363 1.4%	10,016 4.1%	12,988 5.0%	18,161 6.2%
Ordinary income	7,755 2.9%	2,055 0.9%	9,411 3.8%	12,131 4.6%	18,120 6.2%
Extraordinary income(loss)	459 0.2%	-1,365 -0.6%	-8,592 -3.5%	-	-1,800 -0.6%
Net income	5,179 2.0%	810 0.3%	323 0.1%	8,093 3.1%	10,839 3.7%

2. Sales by Business Segment

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Bearing	169,292 63.8%	153,251 65.0%	158,253 64.2%	164,610 62.9%	181,092 62.0%
CVJs	68,188 25.7%	59,052 25.0%	63,038 25.6%	64,876 24.8%	71,031 24.3%
Precision Equipment	28,034 10.6%	23,542 10.0%	25,041 10.2%	32,224 12.3%	39,852 13.6%
Total	265,514 100.0%	235,845 100.0%	246,332 100.0%	261,710 100.0%	291,975 100.0%

3. Sales in Japan and export

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Sales in Japan	191,981 72.3%	166,122 70.4%	166,663 67.7%	173,399 66.3%	187,015 64.1%
Export sales	73,533 27.7%	69,723 29.6%	79,669 32.3%	88,311 33.7%	104,960 35.9%
(North America)	(25,220) (9.5%)	(27,315) (11.6%)	(28,472) (11.6%)	(30,608) (11.7%)	(40,097) (13.7%)
(Europe)	(23,911) (9.0%)	(20,423) (8.7%)	(24,978) (10.1%)	(27,729) (10.6%)	(30,408) (10.4%)
(Asia & Other)	(24,402) (9.2%)	(21,985) (9.3%)	(26,219) (10.6%)	(29,974) (11.5%)	(34,455) (11.8%)
Total	265,514 100.0%	235,845 100.0%	246,332 100.0%	261,710 100.0%	291,975 100.0%

4. Capital expenditure, Depreciation and Cash flow

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Capital expenditure	12,548	10,554	11,808	15,946	17,014
Depreciation	13,814	13,418	12,757	12,774	12,969
Cash flow	18,993	14,228	13,080	20,867	23,808

※ [Cash flow]=[Net income]+[Depreciation]

5. R&D expenditures

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
R&D expenditures	10,127	11,223	11,642	12,858	14,070
Ratio against sales	3.8%	4.8%	4.7%	4.9%	4.8%

6. Inventories

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Inventories	50,758	44,982	43,633	38,817	41,743
Inventory turnover ratio	5.2回	5.2回	5.6回	6.7回	7.0回

7. Interest Bearing Debt

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004
Loan	32,500	28,900	28,900	23,300	23,300
Bonds	70,000	70,000	70,000	80,000	80,000
Total	102,500	98,900	98,900	103,300	103,300

8. Main Management Index

	FY2000	FY2001	FY2002	FY2003	FY2004
Ordinary Income/ Total Assets	2.1%	0.6%	2.6%	3.3%	4.6%
ROA	1.4%	0.2%	0.1%	2.2%	2.8%
ROE	4.0%	0.6%	0.3%	6.1%	7.7%
Shareholder's Equity Ratio	35.3%	36.7%	34.7%	37.6%	36.9%
Shareholder's Equity per Share	Yen 287.27	Yen 280.96	Yen 275.24	Yen 296.46	Yen 313.54
Net Income per Share	Yen 11.19	Yen 1.75	Yen 0.70	Yen 17.25	Yen 23.15

9. Number of employees

	FY2000	FY2001	FY2002	FY2003	FY2004
	6,828	6,576	6,429	5,576	5,465