## We make Bearings.

## Business Results

for the First Half of Fiscal Year ending March, 2006

## FACT BOOK

November 10, 2005
NTN corporation

1. Net sales and Income

|  | (Millions of yen) |  |  |  |  |
| :---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| Sales | 175,488 | 357,394 | 190,070 | 388,348 | 207,089 |
|  | $100.0 \%$ | $100.0 \%$ | $100.0 \%$ | $100.0 \%$ | $100.0 \%$ |
| Operating income | 11,271 | 24,709 | 15,828 | 33,200 | 16,015 |
|  | $6.4 \%$ | $6.9 \%$ | $8.3 \%$ | $8.5 \%$ | $7.7 \%$ |
| Ordinary income | 9,947 | 20,776 | 14,345 | 28,385 | 14,129 |
| Extraordinary income(loss) | $5.7 \%$ | $5.8 \%$ | $7.5 \%$ | $7.3 \%$ | $6 \%$ |
| Net income | - | $-2,595$ | - | $-1,800$ | -224 |
|  |  | $-0.7 \%$ |  | $-0.5 \%$ | $-0.1 \%$ |
|  | 6,356 | 11,031 | 8,657 | 16,739 | 8,929 |

## 2. Sales by Business Segment

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Bearing | 112,148 | 228,615 | 121,723 | 248,810 | 132,794 |
|  | 63.9\% | 64.0\% | 64.0\% | 64.0\% | 64.1\% |
| CVJs | 50,552 | 102,959 | 54,330 | 111,307 | 61,321 |
|  | 28.8\% | 28.8\% | 28.6\% | 28.7\% | 29.6\% |
| Precision Equipment | 12,788 | 25,820 | 14,016 | 28,230 | 12,973 |
|  | 7.3\% | 7.2\% | 7.4\% | 7.3\% | 6.3\% |
| Total | 175,488 | 357,394 | 190,070 | 388,348 | 207,089 |
|  | 100.0\% | 100.0\% | 100.0\% | 100.0\% | 100.0\% |

3. Sales by Region

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: |
| J apan | 85,531 | 176,203 | 93,255 | 189,990 | 96,431 |
|  | 48.7\% | 49.3\% | 49.1\% | 48.9\% | 46.6\% |
| North America | 43,871 | 86,084 | 45,014 | 92,046 | 52,937 |
|  | 25.0\% | 24.1\% | 23.7\% | 23.7\% | 25.6\% |
| Europe | 28,285 | 58,243 | 30,648 | 62,592 | 32,124 |
|  | 16.1\% | 16.3\% | 16.1\% | 16.1\% | 15.5\% |
| Asia \& Others | 17,800 | 36,864 | 21,152 | 43,719 | 25,597 |
|  | 10.1\% | 10.3\% | 11.1\% | 11.3\% | 12.3\% |
| Total | 175,488 | 357,394 | 190,070 | 388,348 | 207,089 |
|  | 100.0\% | 100.0\% | 100.0\% | 100.0\% | 100.0\% |

## 4. Sales by Region \& Business Segment

|  |  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| J apan | Bearing | 52,292 | 109,064 | 58,574 | 119,880 | 62,642 |
|  | CVJs | 22,439 | 45,087 | 22,463 | 45,699 | 22,610 |
|  | Precision Equipment | 10,800 | 22,052 | 12,218 | 24,410 | 11,178 |
|  | Total | 85,531 | 176,203 | 93,255 | 189,990 | 96,431 |
| North America | Bearing | 29,046 | 56,308 | 28,999 | 57,817 | 31,576 |
|  | CVJs | 14,486 | 29,133 | 15,506 | 33,236 | 20,963 |
|  | Precision Equipment | 341 | 643 | 510 | 994 | 399 |
|  | Total | 43,871 | 86,084 | 45,014 | 92,046 | 52,937 |
| Europe | Bearing | 15,422 | 31,215 | 16,408 | 34,244 | 17,587 |
|  | CVJs | 11,671 | 24,660 | 13,366 | 26,514 | 13,689 |
|  | Precision Equipment | 1,191 | 2,368 | 873 | 1,835 | 847 |
|  | Total | 28,285 | 58,243 | 30,648 | 62,592 | 32,124 |
| Asia \& Others | Bearing | 15,388 | 32,027 | 17,742 | 36,870 | 20,989 |
|  | CVJs | 1,956 | 4,079 | 2,995 | 5,858 | 4,059 |
|  | Precision Equipment | 456 | 757 | 415 | 992 | 550 |
|  | Total | 17,800 | 36,864 | 21,152 | 43,719 | 25,597 |
| Total | Bearing | 112,148 | 228,615 | 121,723 | 248,810 | 132,794 |
|  | CVJs | 50,552 | 102,959 | 54,330 | 111,307 | 61,321 |
|  | Precision Equipment | 12,788 | 25,820 | 14,016 | 28,230 | 12,973 |
|  | Total | 175,488 | 357,394 | 190,070 | 388,348 | 207,089 |


|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: |
| J apan Sales Operating income | 129,166 | 264,513 | 141,687 | 294,950 | 152,436 |
|  | 7,737 | 16,725 | 10,795 | 22,835 | 10,383 |
|  | 6.0\% | 6.3\% | 7.6\% | 7.7\% | 6.8\% |
| North America Sales Operating income | 44,116 | 86,758 | 45,178 | 92,374 | 53,608 |
|  | 1,249 | 2,431 | 1,849 | 3,537 | 1,942 |
|  | 2.8\% | 2.8\% | 4.1\% | 3.8\% | 3.6\% |
| Europe Sales Operating income | 28,429 | 58,707 | 31,014 | 63,305 | 32,318 |
|  | 1,344 | 2,956 | 1,473 | 3,150 | 1,336 |
|  | 4.7\% | 5.0\% | 4.7\% | 5.0\% | 4.1\% |
| Asia \& Others Sales Operating income | 11,555 | 24,890 | 15,589 | 32,308 | 20,250 |
|  | 543 | 1,479 | 1,144 | 2,767 | 1,723 |
|  | 4.7\% | 5.9\% | 7.3\% | 8.6\% | 8.5\% |
| SalesOperating income | - 37,779 | - 77,475 | - 43,399 | - 94,590 | - 51,523 |
|  | 396 | 1,116 | 565 | 908 | 629 |
| Sales totalOperating income total | 175,488 | 357,394 | 190,070 | 388,348 | 207,089 |
|  | 11,271 | 24,709 | 15,828 | 33,200 | 16,015 |
|  | 6.4\% | 6.9\% | 8.3\% | 8.5\% | 7.7\% |

## 6. Capital expenditure, Depreciation and Cash flow

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Capital expenditure | 17,947 | 38,092 | 25,765 | 49,670 | 23,663 |
| Depreciatior J apan | 6,941 | 14,758 | 7,106 | 15,515 | 7,839 |
| Oversea | 4,680 | 9,221 | 4,527 | 9,355 | 5,458 |
| Depreciation total | 11,621 | 23,979 | 11,633 | 24,870 | 13,297 |
| Cash flow | 17,977 | 35,010 | 20,290 | 41,609 | 22,226 |

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

## 7. R\&D expenditures

|  | (Millions of yen) |  |  |  |  |
| :---: | ---: | ---: | ---: | ---: | ---: |
| R\&D expenditures | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| Ratio against sales | 6,530 | 13,542 | 7,280 | 14,952 | 7,454 |

8. Inventories

|  | (Millions of yen) |  |  |  |  |
| :---: | ---: | ---: | ---: | ---: | ---: |
| Inventories | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| Inventory turnover ratio | 90,760 | 83,565 | 87,352 | 93,167 | 101,810 |

## 9. Interest Bearing Debt

(Millions of yen)

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | ---: | ---: | ---: | ---: | ---: |
| Loan | 79,810 | 84,090 | 89,770 | 96,185 | 109,766 |
| Bonds | 100,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Total | 179,810 | 164,090 | 169,770 | 176,185 | 189,766 |

## 10. Main Management Index

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Ordinary Income/ Total Assets | $4.3 \%$ | $4.5 \%$ | $6.1 \%$ | $5.8 \%$ | $5.3 \%$ |
| ROA | $2.7 \%$ | $2.4 \%$ | $3.7 \%$ | $3.4 \%$ |  |
| ROE | $9.3 \%$ | $8.0 \%$ | $11.8 \%$ | $11.1 \%$ | $10.9 \%$ |
| Shareholder's Equity Ratio | $30.0 \%$ | $31.0 \%$ | $31.0 \%$ | $30.6 \%$ | $31.1 \%$ |
| Shareholder's Equity per Share | Yen302.48 | Yen308.27 | Yen327.39 | Yen341.93 | Yen365.84 |
| Net income per Share | Yen13.75 | Yen23.54 | Yen18.73 | Yen35.83 | Yen19.33 |

## 11. Number of employees

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | ---: | ---: | ---: | ---: | ---: |
| J apan | 6,682 | 6,561 | 6,676 | 6,732 |  |
| Oversea | 5,045 | 5,324 | 5,656 | 6,153 |  |
| Total | 11,727 | 11,885 | 12,332 | 12,788 | 6,901 |

## 12. Exchange rate

(Unit:Yen)

|  |  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| A | US\$ | 118.08 | 113.19 | 109.80 | 107.55 | 109.52 |
|  | EURO | 133.51 | 132.65 | 133.28 | 135.17 | 135.61 |
|  | S\$ | 67.47 | 65.39 | 64.40 | 64.17 | 65.69 |
| End | US\$ | 111.25 | 105.69 | 111.05 | 107.39 | 113.19 |
|  | EURO | 129.19 | 128.88 | 137.04 | 138.87 | 136.13 |
|  | S\$ | 64.37 | 62.91 | 65.69 | 65.19 | 66.96 |

## FACT BOOK(unconsolidated)

1. Net sales and Income
(Millions of yen)

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Sales | 127,733 | 261,710 | 140,344 | 291,975 | 150,840 |
|  | 100.0\% | 100.0\% | 100.0\% | 100.0\% | 100.0\% |
| Operating income | 6,172 | 12,988 | 8,417 | 18,161 | 8,091 |
|  | 4.8\% | 5.0\% | 6.0\% | 6.2\% | 5.4\% |
| Ordinary income | 6,983 | 12,131 | 8,857 | 18,120 | 9,765 |
|  | 5.5\% | 4.6\% | 6.3\% | 6.2\% | 6.5\% |
| Extraordinary income(loss) | - | - | - | - 1,800 | - 224 |
| Net income | 5,192 | 8,093 | 5,521 | 10,839 | 7,034 |
|  | 4.1\% | 3.1\% | 3.9\% | 3.7\% | 4.7\% |

## 2. Sales by Business Segment

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | ---: | ---: | ---: | ---: | ---: |
| Bearing | 81,281 | 164,610 | 86,889 | 181,092 | 94,553 |
|  | $63.6 \%$ | $62.9 \%$ | $61.9 \%$ | $62.0 \%$ | $62.7 \%$ |
| CVJ s | 32,111 | 64,876 | 34,703 | 71,031 | 37,679 |
|  | $25.1 \%$ | $24.8 \%$ | $24.7 \%$ | $24.3 \%$ | $25.0 \%$ |
| Precision Equipment | 14,341 | 32,224 | 18,752 | 39,852 | 18,608 |
|  | $11.2 \%$ | $12.3 \%$ | $13.4 \%$ | $13.6 \%$ | $12.3 \%$ |
| Total | 127,733 | 261,710 | 140,344 | 291,975 | 150,840 |
|  | $100.0 \%$ | $100.0 \%$ | $100.0 \%$ | $100.0 \%$ | $100.0 \%$ |

## 3. Sales in J apan and export

(Millions of yen)

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Sales in J apan | 84,097 | 173,399 | 91,912 | 187,015 | 94,834 |
|  | 65.8\% | 66.3\% | 65.5\% | 64.1\% | 62.9\% |
| Export sales | 43,636 | 88,311 | 48,432 | 104,960 | 56,006 |
|  | 34.2\% | 33.7\% | 34.5\% | 35.9\% | 37.1\% |
| ( North America ) | $(14,458)$ | $(30,608)$ | $(18,343)$ | $(40,097)$ | $(23,083)$ |
|  | (11.3\%) | (11.7\%) | (13.1\%) | (13.7\%) | (15.3\%) |
| ( Europe ) | $(14,052)$ | $(27,729)$ | $(13,723)$ | $(30,408)$ | $(15,619)$ |
|  | (11.0\%) | (10.6\%) | (9.8\%) | (10.4\%) | (10.4\%) |
| ( Asia \& Others ) | $(15,126)$ | $(29,974)$ | $(16,366)$ | $(34,455)$ | $(17,304)$ |
|  | (11.8\%) | (11.5\%) | (11.7\%) | (11.8\%) | (11.5\%) |
| Total | 127,733 | 261,710 | 140,344 | 291,975 | 150,840 |
|  | 100.0\% | 100.0\% | 100.0\% | 100.0\% | 100.0\% |

## 4. Capital expenditure, Depreciation and Cash flow

(Millions of yen)

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | ---: | ---: | ---: | ---: | ---: |
| Capital expenditure | 8,549 | 15,946 | 8,322 | 17,014 | 10,405 |
| Depreciation | 6,001 | 12,774 | 6,058 | 12,969 | 6,289 |
| Cash flow | 11,193 | 20,867 | 11,579 | 23,808 | 13,323 |

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

## 5. R\&D expenditures

|  |  |  |  |  |  |
| :---: | ---: | ---: | ---: | ---: | ---: |
|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| R\&D expenditures | 6,173 | 12,858 | 6,870 | 14,070 | 6,936 |
| Ratio against sales | $4.8 \%$ | $4.9 \%$ | $4.9 \%$ | $4.8 \%$ | $4.6 \%$ |

## 6. Inventories

(Millions of yen)

|  | Millions of yen) |  |  |  |  |
| :---: | ---: | ---: | ---: | ---: | ---: |
| Inventories | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| Inventory turnover ratio | 41,836 | 38,817 | 40,367 | 41,743 | 45,022 |

7. Interest Bearing Debt
(Millions of yen)

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | ---: | ---: | ---: | ---: | ---: |
| Loan | 18,900 | 23,300 | 23,300 | 23,300 | 23,200 |
| Bonds | 100,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Total | 118,900 | 103,300 | 103,300 | 103,300 | 103,200 |

## 8. Main Management Index

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Ordinary Income/ Total Assets | $3.8 \%$ | $3.3 \%$ | $4.7 \%$ | $4.6 \%$ | $4.9 \%$ |
| ROA | $2.8 \%$ | $2.2 \%$ | $3.0 \%$ | $2.8 \%$ | $3.5 \%$ |
| ROE | $8.0 \%$ | $6.1 \%$ | $8.0 \%$ | $7.7 \%$ | $9.5 \%$ |
| Shareholder's Equity Ratio | $36.1 \%$ | $37.6 \%$ | $37.5 \%$ | $36.9 \%$ | $38.0 \%$ |
| Shareholder's Equity per Share | Yen289.40 | Yen296.46 | Yen303.25 | Yen313.54 | Yen329.33 |
| Net Income per Share | Yen11.23 | Yen17.25 | Yen11.95 | Yen23.15 | Yen15.23 |

9. Number of employees

|  | FY2003, 1st half | FY2003, Full year | FY2004, 1st half | FY2004, Full year | FY2005, 1st half |
| ---: | ---: | ---: | ---: | ---: | ---: |
|  | 5,684 | 5,576 | 5,548 | 5,465 | 5,524 |

