

# **Supplementary material for the Results of the First quarter of Fiscal 2006**

**July 31, 2006**  
**NTN Corporation**

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. There can be no assurance that future results will meet any expectation, estimate or projection conveyed by these statements or comments. Actual results may differ materially from our projections depending on various factors such as changes in product demand, exchange rates and interest rates.

# **Financial Results for the three months ended June 30, 2006 –consolidated-**

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# 1. Consolidated Statements of operations (outline)

In 100 million yen

	FY2005				
	Q1 (1)	Q2	Q3	Q4	Full Year
Net Sales	1,030	1,041	1,080	1,198	4,348
Operating Income	81	79	97	119	376
(Operating Margin)	7.9%	7.6%	9.0%	10.0%	8.7%
Ordinary Income	73	68	78	109	328
Extraordinary Income/Loss	△ 2	0	0	△ 22	△ 24
Net Income	46	43	52	54	196

FY2006	YoY Change
Q1 (2)	three months (2)-(1)
1,136	106
108	27
9.5%	1.6%
92	19
29	31
82	37

## Exchange Rate

US\$	107.7	111.3	117.4	117.0	113.3
EURO	135.5	135.7	139.4	140.7	137.8

114.5	6.8
143.8	8.3

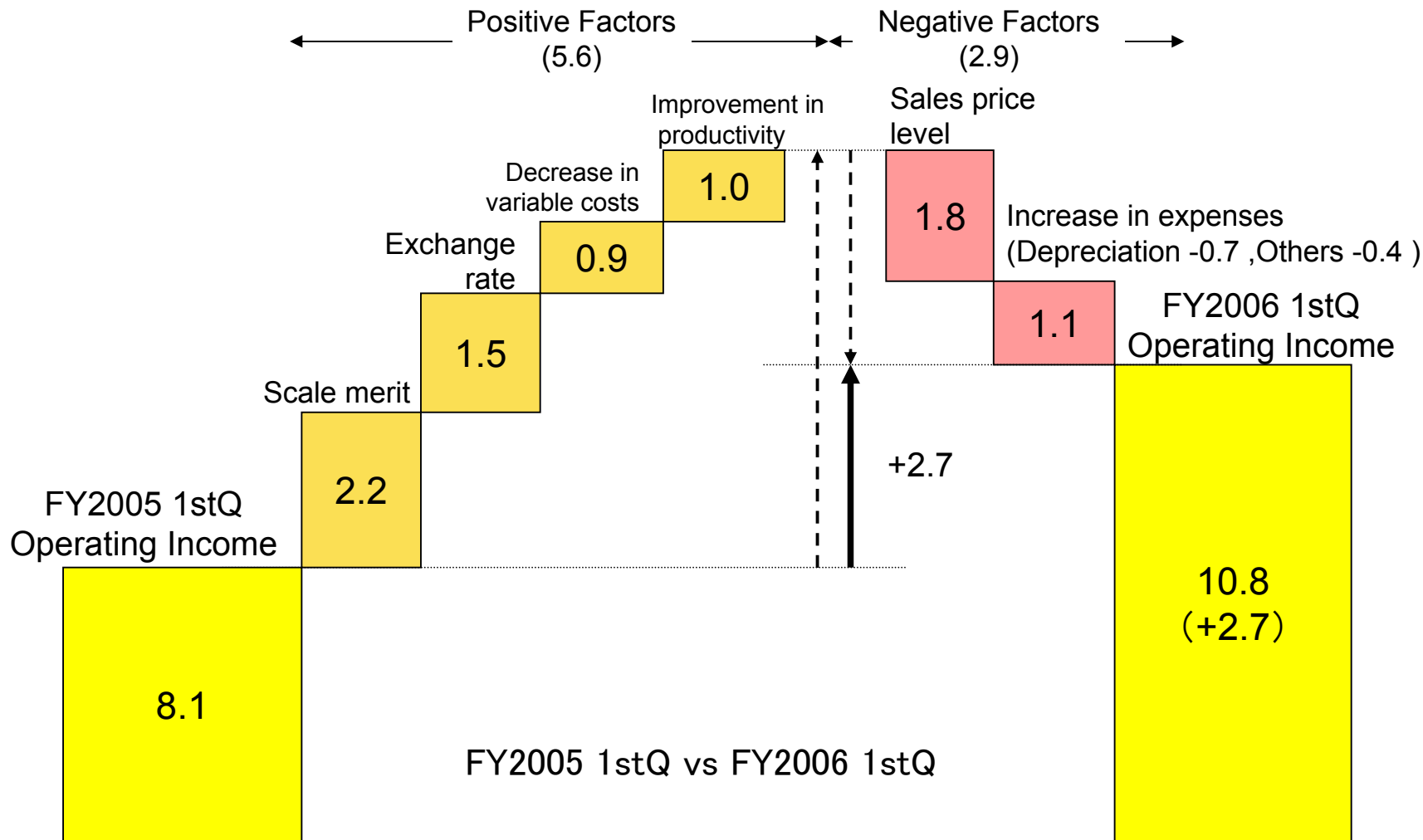
## 2. Net sales - By Region and Business Segment

In 100 million yen

		FY2005					FY2006 1Q (2)	YoY Change	
		1Q (1)	2Q	3Q	4Q	Full Year		Three months (2)-(1)	
							Volume	Exchange rate	
Japan	Bearings	306	320	322	328	1,278	313	7	0
	CVJs	110	116	120	124	469	115	5	0
	Precision Equipment	54	58	54	66	230	53	△ 2	0
	Total	470	494	496	517	1,977	481	11	0
North America	Bearings	161	155	151	179	645	170	△ 2	11
	CVJs	100	109	123	134	467	124	16	7
	Precision Equipment	2	2	2	2	8	2	0	0
	Total	263	267	276	315	1,120	296	15	19
Europe	Bearings	92	84	82	111	368	104	6	6
	CVJs	79	58	68	77	283	81	△ 3	5
	Precision Equipment	4	4	4	6	18	5	1	0
	Total	175	146	154	194	669	190	4	11
Asia & Other Areas	Bearings	101	109	127	140	476	131	21	10
	CVJs	18	22	25	29	94	32	11	2
	Precision Equipment	2	3	3	4	12	5	2	1
	Total	122	134	154	173	582	168	34	12
Total	Bearings	660	668	682	757	2,767	719	32	27
	CVJs	308	306	336	364	1,313	352	30	14
	Precision Equipment	62	67	62	76	268	65	2	1
	Total	1,030	1,041	1,080	1,198	4,348	1,136	64	42

### 3. Analysis of Operating Income (FY2006 1Q)

In billion yen

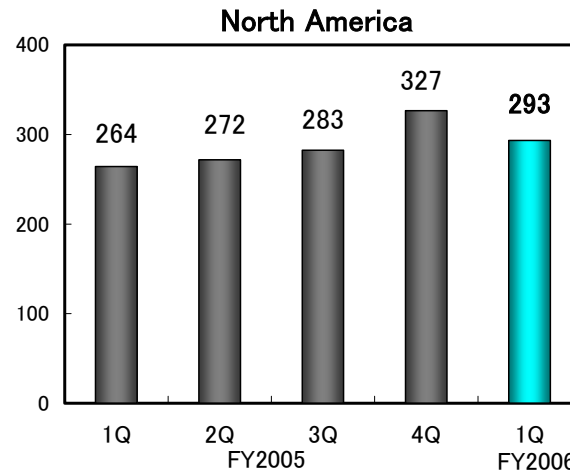
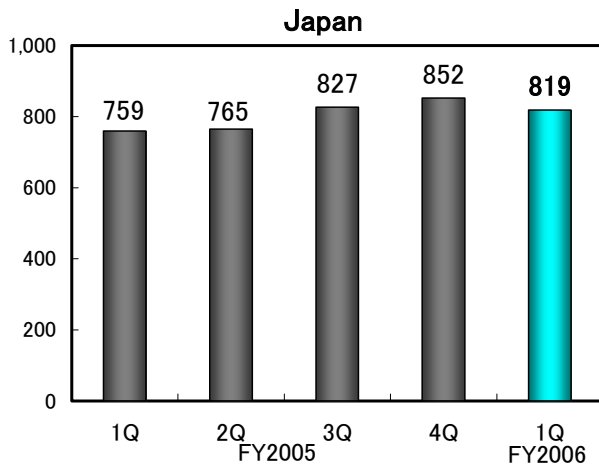


# 4. Net sales and Operating Income (Margin) by Region

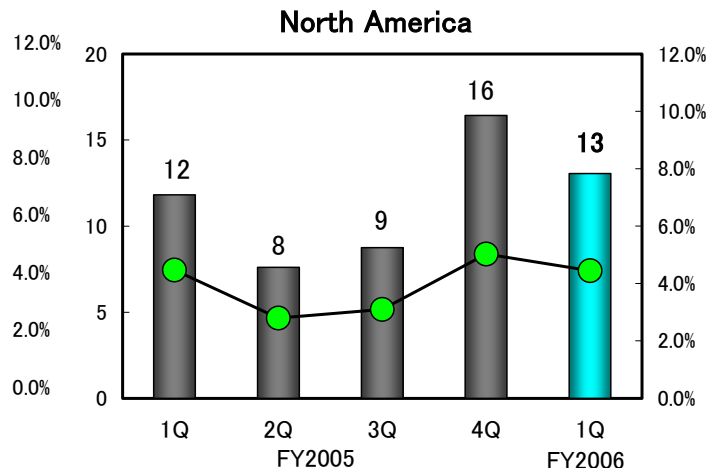
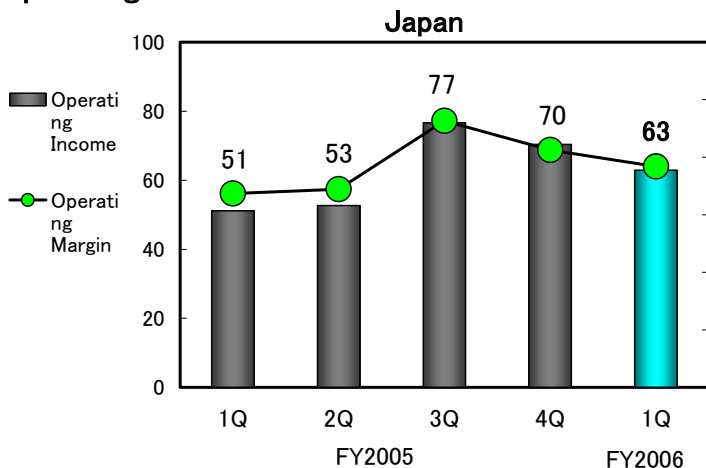
## 4-1. Japan and North America

▪ Net Sales

In 100 million yen



▪ Operating Income

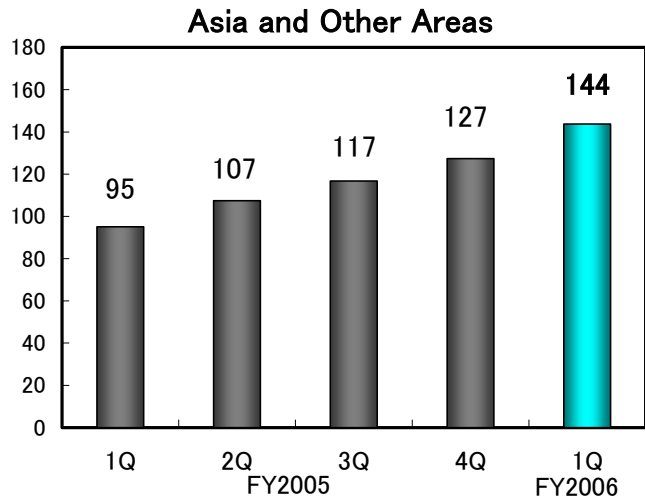
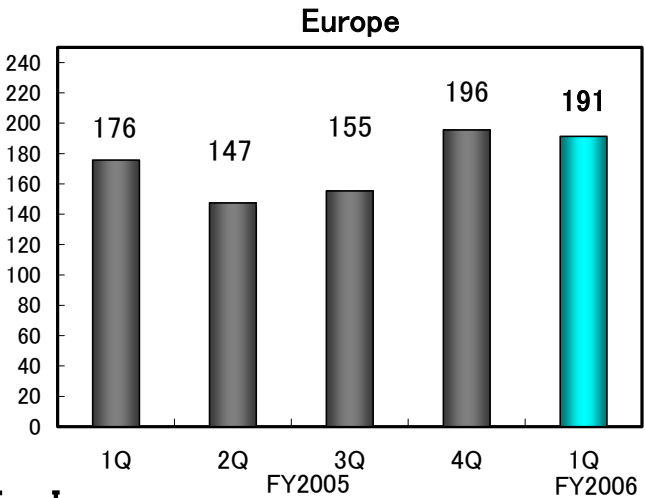


# 4. Net sales and Operating Income (Margin) by Region

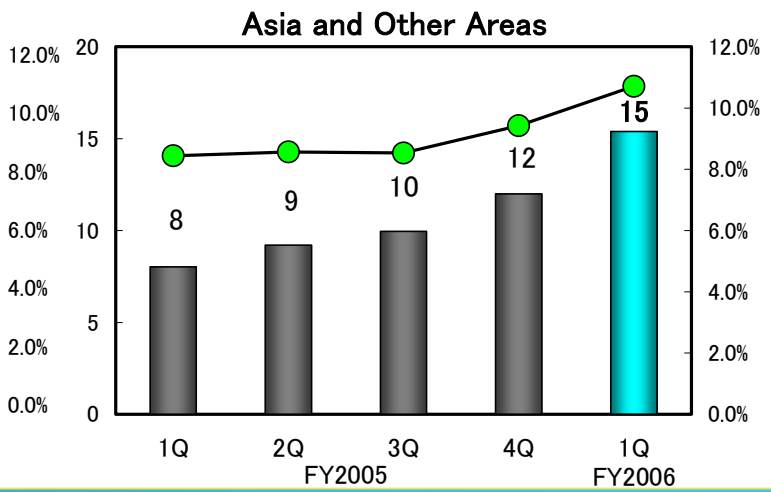
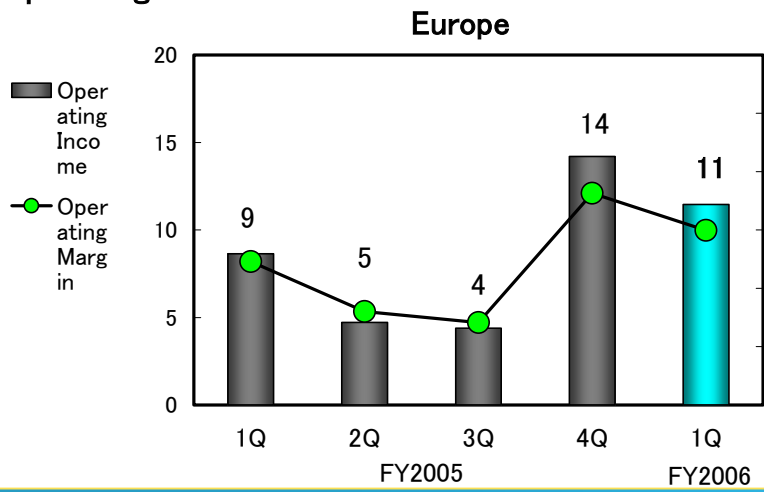
## 4-2. Europe ,Asia and Other Areas

• Net Sales

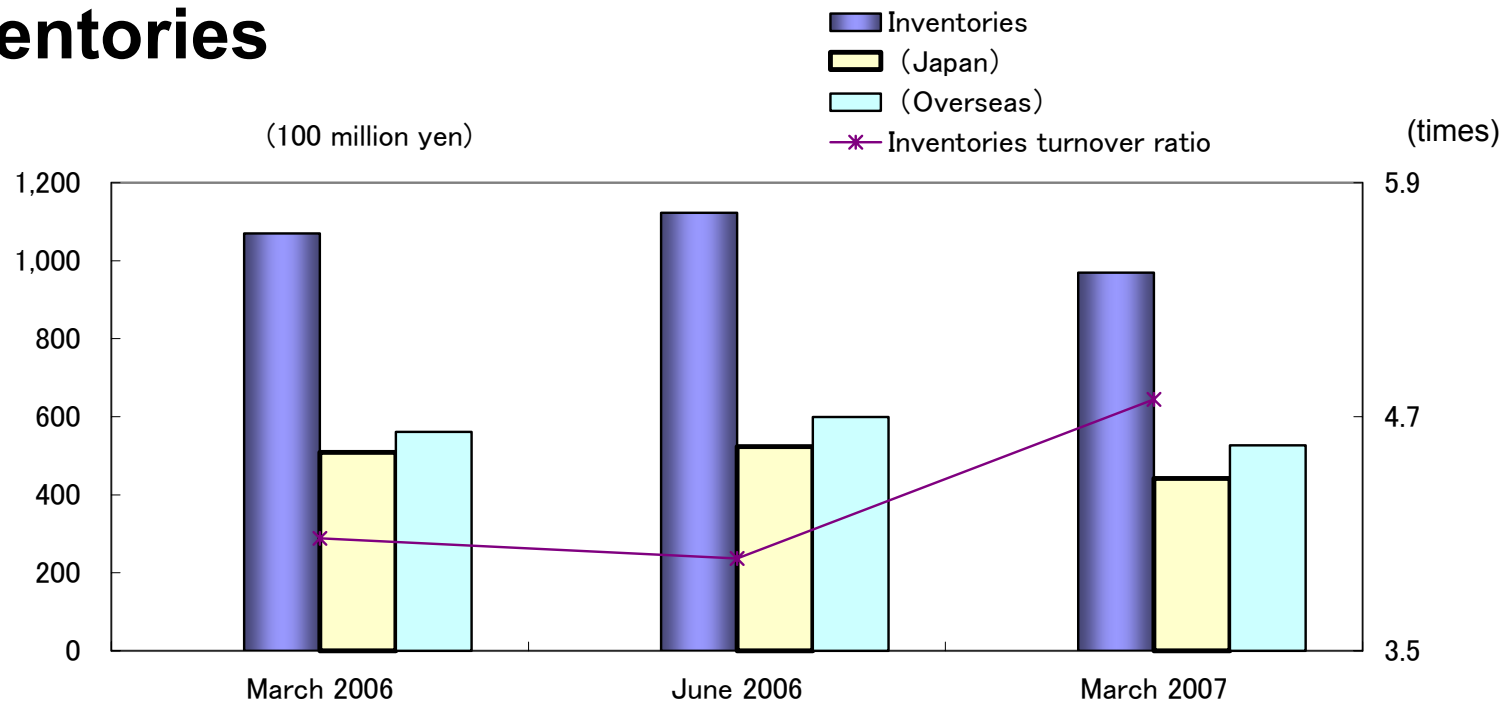
In 100 million yen



• Operating Income



# 5. Inventories

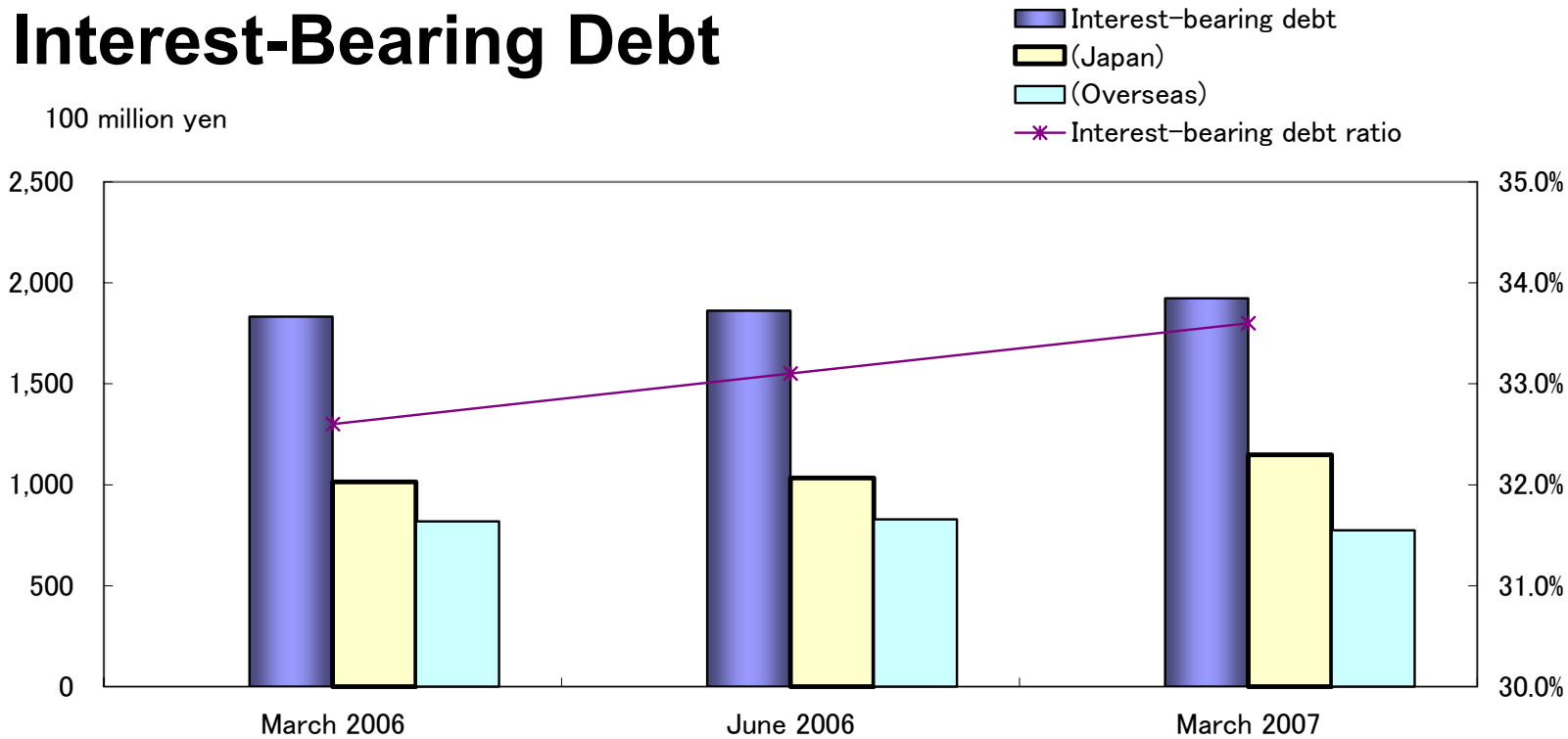


(In 100 million yen)

	March 2006 Actual	June 2006 Actual	March 2007 Forecast
Inventories	1,070	1,123	969
(Japan)	(509)	(524)	(442)
(Overseas)	(561)	(599)	(527)
Inventory turnover ratio	4.1times	4.0times	4.8times



# 6. Interest-Bearing Debt



In 100 million yen

	March 2006 Actual	June 2006 Actual	March 2007 Forecast
Interest-bearing debt	1,832	1,861	1,923
(Japan)	(1,014)	(1,033)	(1,149)
(Overseas)	(818)	(828)	(774)
Interest-bearing debt ratio	32.6%	33.1%	33.6%

# 7. Capital Expenditures and Depreciation

In 100 million yen

	FY2005 1Q (1)	FY2006 1Q (2)	YoY Change (2)-(1)	FY2006 Full Year (3)
Capital Expenditures	121	135	14	450
(Japan)	(61)	(66)	(5)	(260)
(Overseas)	(60)	(69)	(9)	(190)

	FY2005 1Q (1)	FY2006 1Q (2)	YoY Change (2)-(1)	FY2006 Full Year (3)
Depreciation	64	73	9	329
(Japan)	(37)	(41)	(4)	(194)
(Overseas)	(27)	(32)	(5)	(135)

# 8. Cash Flows

In 100 million yen

	FY2005 1Q	FY2006 1Q
<b>I . Cash Flows from operating activities</b>	29	105
<b>II . Cash Flows from investing activities</b>	-122	-164
<b>III . Cash Flows from financial activities</b>	59	9
<b>IV . Effect of exchange rate changes on cash and cash equivalents</b>	-1	-9
<b>V . Increase in cash and cash equivalents</b>	-35	-59

