

Supplementary material for the Results of the First quarter of Fiscal 2008

August 1, 2008
NTN Corporation

This presentation and comments made in this conference or during the following Q&A session include forward-looking statements about management expectations for future performance and future business strategies. These statements represent the best judgment of the management of the company based on the information currently available. However, 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 management projections depending on various factors such as changes in product demand, exchange rates and interest rates.

Consolidated Financial Results

Results of the 1st Quarter Ended June 30, 2008

- ◇ SNR joined NTN as a consolidated subsidiary. Net sales for the period increased 25% from a year earlier to 162.1 billion yen.
- ◇ Increased consciousness of global environmental protection and resource development stimulated vigorous worldwide demand and solid performance for general industrial machinery applications— large bearings for construction machinery, wind power generation and agricultural machinery. Bearings for office machinery bearings in China and hydrodynamic BEAPHITE units in other areas of Asia were also solid.
- ◇ In automotive applications, sales for the large car sector dropped, impacted by drastic production cuts, but increased for small cars in North America. Japan showed solidness in exports. China and other areas of Asia also enjoyed good performance.
- ◇ Operating income decreased 11% from a year earlier to 10.8 billion yen, impacted by higher steel price and unfavorable foreign exchange rates

Forecast for the 2nd Quarter ending September 30, 2008

- ◇ In general industry machinery applications, robust performance is expected to continue for large bearings owing to its active demand.
- ◇ In automotive applications, production cut will continue to affect performance in North America, but solid performance is expected in China and other areas of Asia
- ◇ Budgeted earnings will be achieved by passing the increased cost of steel to customers.

1. Consolidated Statements of operations
2. Net sales
By Region and Business Segment
3. Analysis of Operating Income
4. Net sales and Operating Income(Margin)
5. Inventories
6. Interest-Bearing Debt
7. Capital Expenditures and Depreciation
8. Cash Flows

1. Consolidated Statements of Operations

In 100 million yen

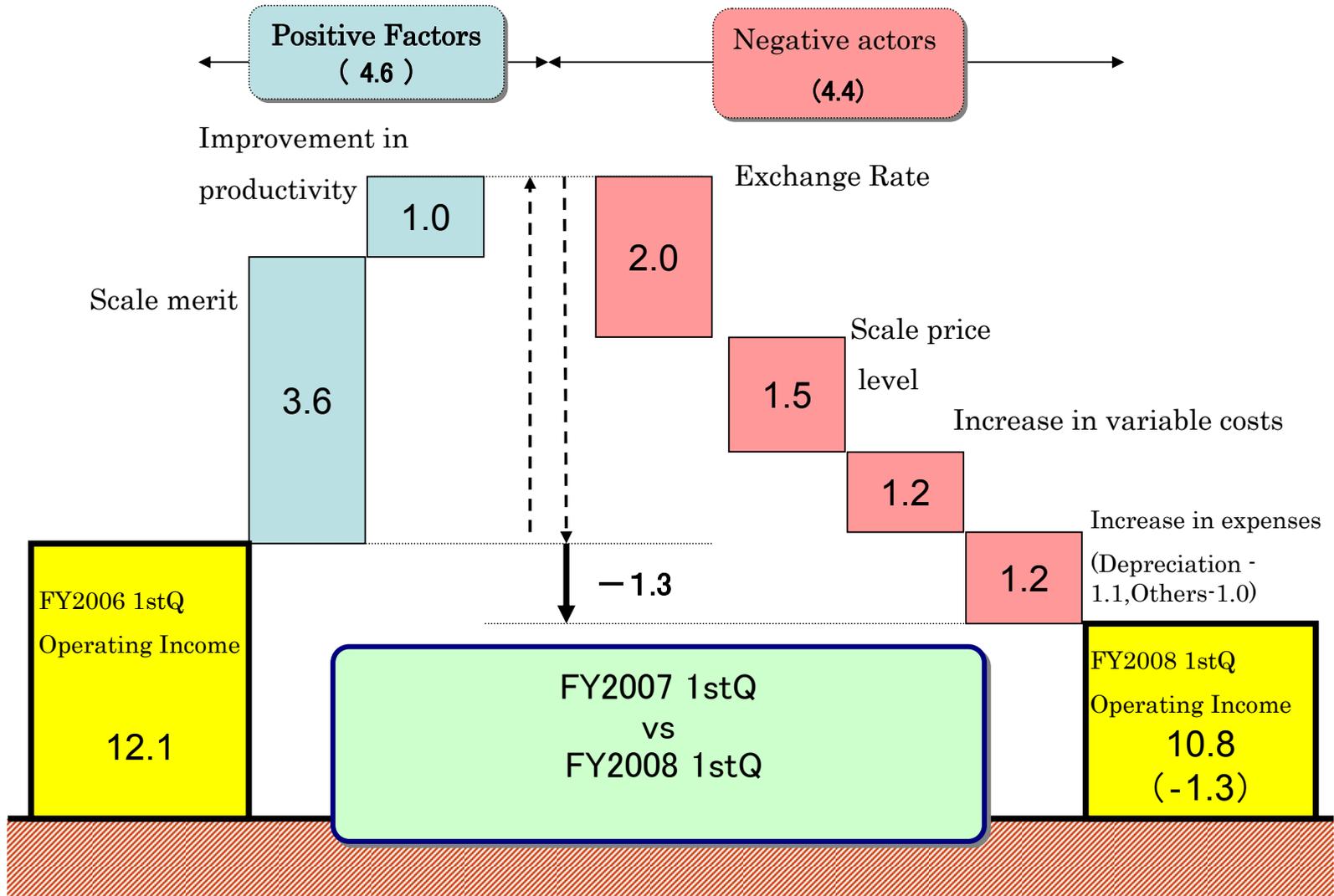
	FY2007					FY2008	YoY Change
	1Q	2Q	3Q	4Q	Full Year	1Q	three months
Net Sales	1,298	1,312	1,352	1,378	5,340	1,621	323
Operating Income	121	121	122	131	496	108	△ 13
(Operating Margin)	(9.4%)	(9.2%)	(9.1%)	(9.5%)	(9.3%)	(6.7%)	(△2.7points)
Ordinary Income	112	102	110	109	432	99	△ 13
Extraordinary Income/Loss	△ 1	4	△ 2	10	11	△ 1	0
Net Income	73	58	69	74	274	63	△ 10
為替 US\$	120.8	117.9	113.2	105.3	114.4	104.6	△ 16.2
レート EURO	162.8	161.9	163.9	157.7	161.6	163.4	0.6

2. Net sales –By Region and Business Segment

In 100 million yen

		FY2007					FY2008	YoY Change	
		1Q	2Q	3Q	4Q	Full Year	1Q	Three months	
								Volume	Exchange rate
Japan	Bearings	331	350	368	369	1,418	360	29	–
	CVJs	120	131	146	152	548	138	18	–
	Precision Equipments	53	57	58	67	235	55	3	–
	Total	503	538	572	587	2,201	553	50	–
The Americas	Bearings	193	192	180	188	753	196	28	△ 25
	CVJs	161	149	142	140	592	134	△ 6	△ 20
	Precision Equipments	6	3	2	3	13	3	△ 3	△ 0
	Total	359	344	325	330	1,358	333	19	△ 45
Europe	Bearings	130	131	133	148	542	406	276	△ 1
	CVJs	102	78	94	88	362	90	△ 11	△ 1
	Precision Equipments	7	8	8	10	33	8	1	0
	Total	238	216	236	247	936	503	266	△ 2
Asia & Other Areas	Bearings	158	169	176	169	672	187	45	△ 16
	CVJs	34	39	37	39	149	39	8	△ 3
	Precision Equipments	5	6	5	7	23	5	1	△ 1
	Total	197	214	218	215	844	232	55	△ 20
Total	Bearings	811	842	858	873	3,385	1,149	379	△ 41
	CVJs	417	396	419	418	1,651	401	9	△ 25
	Precision Equipments	70	74	74	87	305	71	2	△ 1
	Total	1,298	1,312	1,352	1,378	5,340	1,621	390	△ 66

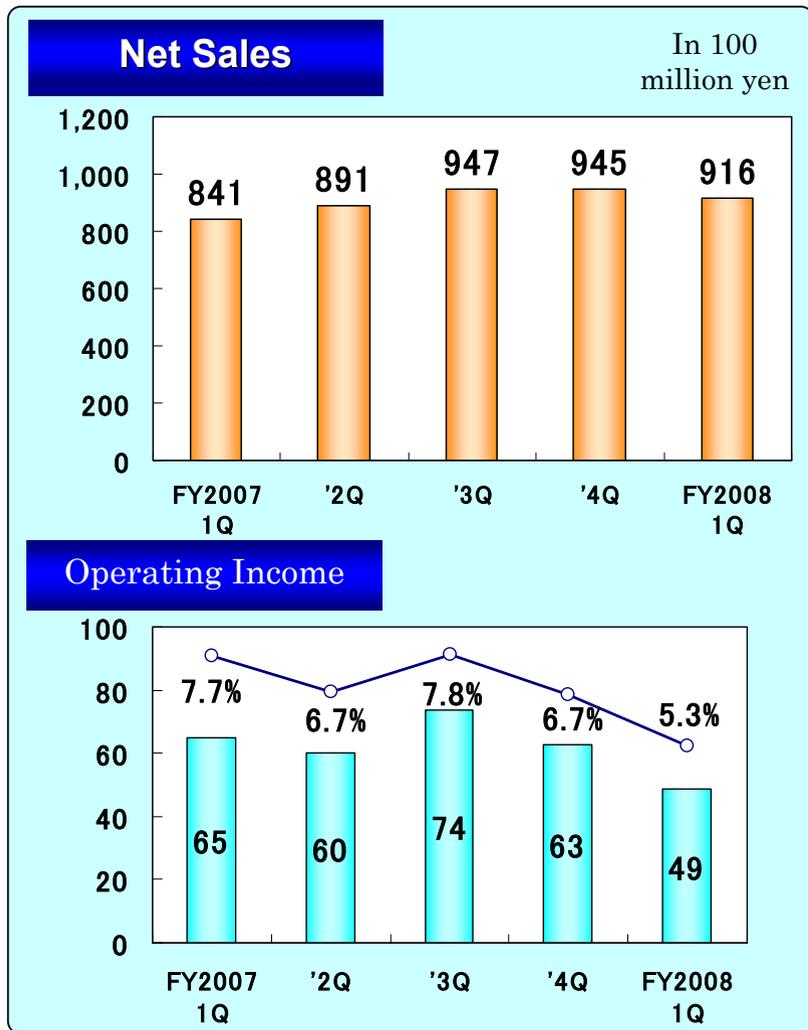
3. Analysis of Operating Income (FY2008 1Q)



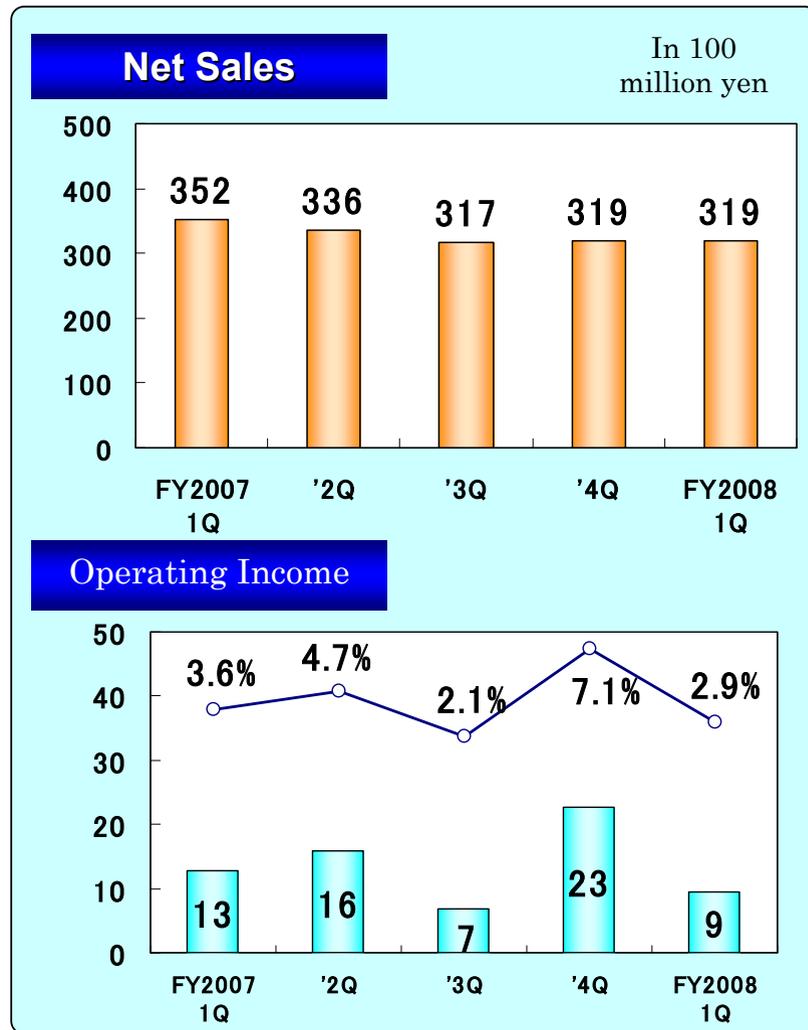
4. Net sales and Operating Income by Region

Japan and The Americas

《 Japan 》



《 The Americas 》



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

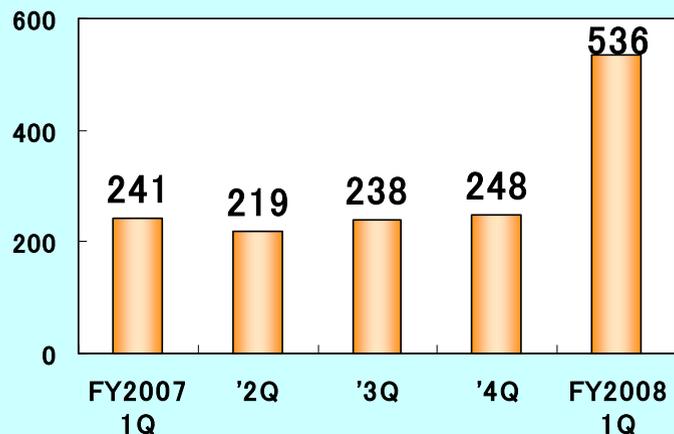
4-2. Europe, Asia and Other Areas

《Europe》

《Asia & Other Areas》

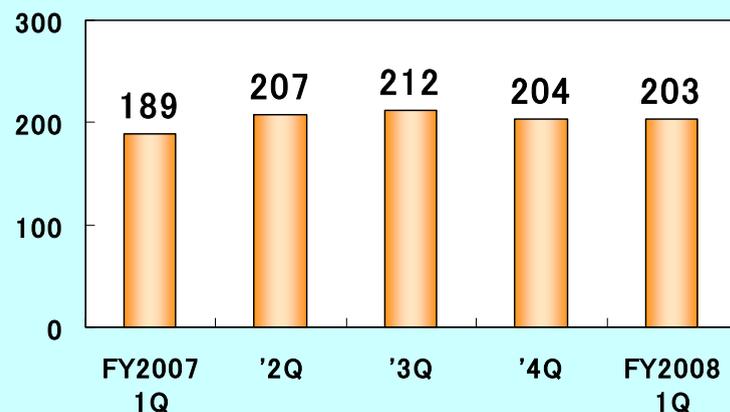
Net Sales

In 100 million yen

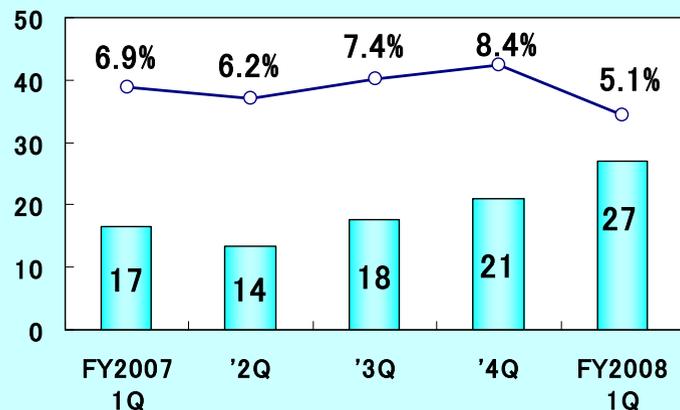


Net Sales

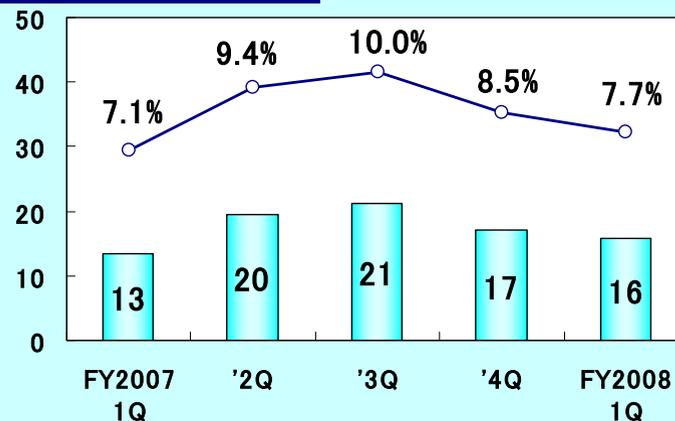
In 100 million yen



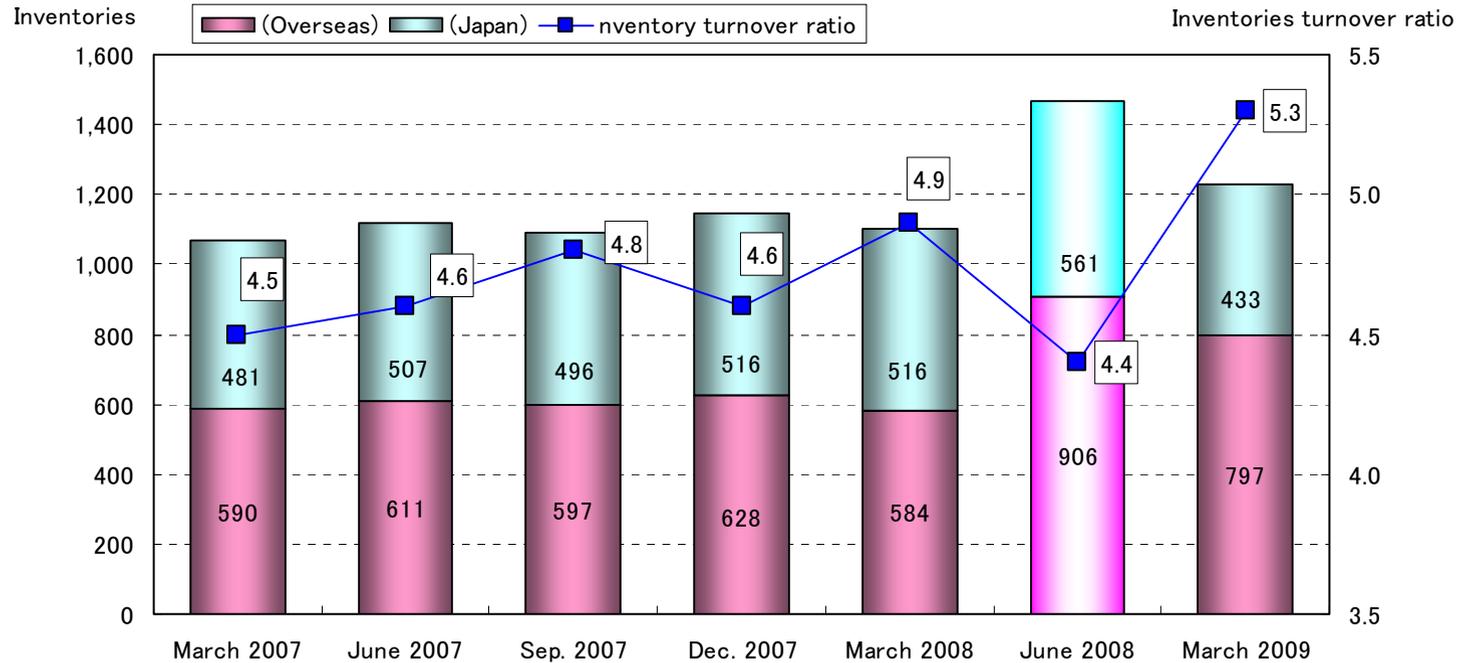
Operating Income



Operating Income



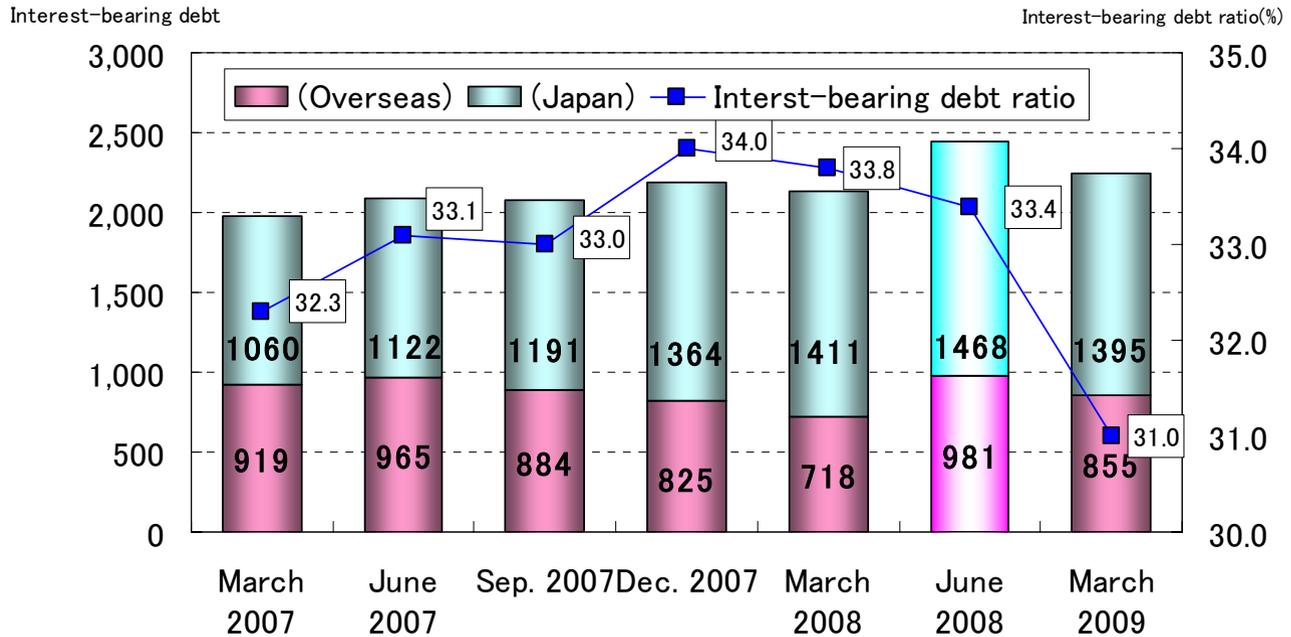
5. Inventories



(In 100 million yen)

	March 2007	June 2007	Sep. 2007	Dec. 2007	March 2008	June 2008	March 2009
	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Inventories	1,071	1,118	1,093	1,144	1,100	1,467	1,230
(Japan)	(481)	(507)	(496)	(516)	(516)	(561)	(433)
(Overseas)	(590)	(611)	(597)	(628)	(584)	(906)	(797)
Inventory turnover ratio	4.5times	4.6times	4.8times	4.6times	4.9times	4.4times	5.3times

6. Interest-Bearing Debt



(In 100 million yen)

	March 2007	June 2007	Sep. 2007	Dec. 2007	March 2008	June 2008	March 2009
	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Interest-bearing debt	1,979	2,087	2,075	2,189	2,129	2,449	2,250
(Japan)	(1,060)	(1,122)	(1,191)	(1,364)	(1,411)	(1,468)	(1,395)
(Overseas)	(919)	(965)	(884)	(825)	(718)	(981)	(855)
Interest-bearing debt ratio	32.3%	33.1%	33.0%	34.0%	33.8%	33.4%	31.0%

7. Capital Expenditures and Depreciation

In 100 million yen

	FY2007 1Q (1)	FY2008 1Q (2)	YoY Change (2)– (1)	FY2008 Full Year (3)
Capital Expenditures	131	175	44	590
(Japan)	(94)	(111)	17	(347)
(Overseas)	(37)	(64)	27	(243)

	FY2007 1Q (1)	FY2008 1Q (2)	YoY Change (2)– (1)	FY2008 Full Year (3)
Depreciation	91	113	22	470
(Japan)	(51)	(60)	9	(268)
(Overseas)	(40)	(53)	13	(202)

8. Cash Flows

In 100 million yen	FY2007 1Q	FY2008 1Q	YoY Change
1. Cash Flows from operating activities	154	192	+ 38
2. Cash Flows from investing activities	△ 144	△ 220	△ 76
3. Cash Flows from financial activities	17	34	+ 17
4. Effect of exchange rate changes on cash and cash equivalents	△ 10	△ 8	+ 2
5. Increase in cash and cash equivalents	18	△ 2	△ 20

