



Business Results

FY2005 ending March 2006

May 18, 2006
NTN corporation

FACT BOOK(consolidated)

1. Net sales and Income

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Sales | 324,339 100.0% | 342,745 100.0% | 357,394 100.0% | 388,348 100.0% | 434,836 100.0% |
| Operating income | 8,140 2.5% | 20,785 6.1% | 24,709 6.9% | 33,200 8.5% | 37,645 8.7% |
| Ordinary income | 2,689 0.8% | 16,169 4.7% | 20,776 5.8% | 28,385 7.3% | 32,816 7.5% |
| Extraordinary income(loss) | -3,391 -1.0% | -9,972 -2.9% | -2,595 -0.7% | -1,800 -0.5% | -2,446 -0.6% |
| Net income | -132 0.0% | 2,657 0.8% | 11,031 3.1% | 16,739 4.3% | 19,550 4.5% |

2. Sales by Business Segment

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|---------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Bearing | 215,558 66.5% | 220,685 64.4% | 228,615 64.0% | 248,810 64.0% | 276,694 63.6% |
| CVJs | 86,785 26.7% | 98,875 28.8% | 102,959 28.8% | 111,307 28.7% | 131,327 30.2% |
| Precision Equipment | 21,996 6.8% | 23,185 6.8% | 25,820 7.2% | 28,230 7.3% | 26,815 6.2% |
| Total | 324,339 100.0% | 342,745 100.0% | 357,394 100.0% | 388,348 100.0% | 434,836 100.0% |

3. Sales by Region

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|---------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Japan | 169,080 52.1% | 170,010 49.6% | 176,203 49.3% | 189,990 48.9% | 197,697 45.4% |
| North America | 87,774 27.1% | 92,696 27.0% | 86,084 24.1% | 92,046 23.7% | 112,001 25.8% |
| Europe | 38,748 11.9% | 47,871 14.0% | 58,243 16.3% | 62,592 16.1% | 66,892 15.4% |
| Asia & Other | 28,737 8.9% | 32,168 9.4% | 36,864 10.3% | 43,719 11.3% | 58,245 13.4% |
| Total | 324,339 100.0% | 342,745 100.0% | 357,394 100.0% | 388,348 100.0% | 434,836 100.0% |

4. Sales by Region & Business Segment

(Millions of yen)

| | | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|---------------|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Japan | Bearing | 104,698 | 104,649 | 109,064 | 119,880 | 127,644 |
| | CVJs | 45,768 | 45,496 | 45,087 | 45,699 | 46,931 |
| | Precision Equipment | 18,615 | 19,865 | 22,052 | 24,410 | 23,124 |
| | Total | 169,080 | 170,010 | 176,203 | 189,990 | 197,697 |
| North America | Bearing | 60,673 | 60,882 | 56,308 | 57,817 | 64,539 |
| | CVJs | 26,959 | 30,982 | 29,133 | 33,236 | 46,703 |
| | Precision Equipment | 142 | 832 | 643 | 994 | 758 |
| | Total | 87,774 | 92,696 | 86,084 | 92,046 | 112,001 |
| Europe | Bearing | 25,354 | 27,408 | 31,215 | 34,244 | 36,872 |
| | CVJs | 10,747 | 18,397 | 24,660 | 26,514 | 28,257 |
| | Precision Equipment | 2,647 | 2,066 | 2,368 | 1,835 | 1,763 |
| | Total | 38,748 | 47,871 | 58,243 | 62,592 | 66,892 |
| Asia & Other | Bearing | 24,833 | 27,746 | 32,027 | 36,870 | 47,639 |
| | CVJs | 3,311 | 4,000 | 4,079 | 5,858 | 9,436 |
| | Precision Equipment | 592 | 422 | 757 | 992 | 1,170 |
| | Total | 28,737 | 32,168 | 36,864 | 43,719 | 58,245 |
| Total | Bearing | 215,558 | 220,685 | 228,615 | 248,810 | 276,694 |
| | CVJs | 86,785 | 98,875 | 102,959 | 111,307 | 131,327 |
| | Precision Equipment | 21,996 | 23,185 | 25,820 | 28,230 | 26,815 |
| | Total | 324,339 | 342,745 | 357,394 | 388,348 | 434,836 |

5. Geographic Segment Information

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Japan Sales | 238,802 | 249,679 | 264,513 | 294,950 | 320,322 |
| Operating income | 4,588 | 12,802 | 16,725 | 22,835 | 25,077 |
| | 1.9% | 5.1% | 6.3% | 7.7% | 7.8% |
| North America sales | 89,024 | 92,965 | 86,758 | 92,374 | 114,528 |
| Operating income | 1,402 | 4,098 | 2,431 | 3,537 | 4,460 |
| | 1.6% | 4.4% | 2.8% | 3.8% | 3.9% |
| Europe Sales | 38,088 | 48,028 | 58,707 | 63,305 | 67,423 |
| Operating income | 384 | 1,347 | 2,956 | 3,150 | 3,195 |
| | 1.0% | 2.8% | 5.0% | 5.0% | 4.7% |
| Asia & Other Sales | 16,018 | 19,448 | 24,890 | 32,308 | 44,654 |
| Operating income | 1,087 | 1,885 | 1,479 | 2,767 | 3,919 |
| | 6.8% | 9.7% | 5.9% | 8.6% | 8.8% |
| Sales | -57,594 | -67,376 | -77,475 | -94,590 | -112,093 |
| Operating income | 676 | 651 | 1,116 | 908 | 992 |
| Sales Total | 324,339 | 342,745 | 357,394 | 388,348 | 434,836 |
| Operating income total | 8,140 | 20,785 | 24,709 | 33,200 | 37,645 |
| | 2.5% | 6.1% | 6.9% | 8.5% | 8.7% |

6. Capital expenditure, Depreciation and Cash flow

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Capital expenditure | 21,088 | 25,264 | 38,092 | 49,670 | 49,284 |
| Depreciation | | | | | |
| Japan | 15,896 | 14,848 | 14,758 | 15,515 | 16,978 |
| Overseas | 8,503 | 8,990 | 9,221 | 9,355 | 11,608 |
| Depreciation Total | 24,399 | 23,838 | 23,979 | 24,870 | 28,586 |
| Cash flow | 24,399 | 26,495 | 35,010 | 41,609 | 48,136 |

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

7. R&D expenditures

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|---------------------|--------|--------|--------|--------|--------|
| R&D expenditures | 11,706 | 12,255 | 13,542 | 14,952 | 14,771 |
| Ratio against sales | 3.6% | 3.6% | 3.8% | 3.9% | 3.4% |

8. Inventories

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--------------------------|--------|--------|--------|--------|---------|
| Inventories | 98,513 | 92,728 | 83,565 | 93,167 | 107,047 |
| Inventory turnover ratio | x3.3 | x3.7 | x4.3 | x4.2 | x4.1 |

9. Interest Bearing Debt

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--------------|----------------|----------------|----------------|----------------|----------------|
| Loan | 102,587 | 91,445 | 84,090 | 96,185 | 103,198 |
| Bonds | 70,000 | 70,000 | 80,000 | 80,000 | 80,000 |
| Total | 172,587 | 161,445 | 164,090 | 176,185 | 183,198 |

10. Main Management Index

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Ordinary Income/ Total Assets | 0.6% | 3.5% | 4.5% | 5.8% | 6.1% |
| ROA | - | 0.6% | 2.4% | 3.4% | 3.6% |
| ROE | - | 1.9% | 8.0% | 11.1% | 11.5% |
| Shareholder's Equity Ratio | 29.9% | 28.9% | 31.0% | 30.6% | 32.6% |
| Shareholder's Equity per Share | Yen299.27 | Yen291.82 | Yen308.27 | Yen341.93 | Yen396.73 |
| Net income per Share | Yen0.29 | Yen5.70 | Yen23.54 | Yen35.83 | Yen41.94 |

11. Number of employees

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Japan | 7,777 | 7,498 | 6,561 | 6,635 | 6,693 |
| Overseas | 4,212 | 4,312 | 5,324 | 6,153 | 7,938 |
| Total | 11,989 | 11,810 | 11,885 | 12,788 | 14,631 |

12. Exchange rate

(Unit:Yen)

| | | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|-------------|------|--------|--------|--------|--------|--------|
| A V | US\$ | 124.98 | 121.98 | 113.19 | 107.55 | 113.32 |
| | EURO | 110.44 | 120.88 | 132.65 | 135.17 | 137.83 |
| | S\$ | 68.98 | 68.94 | 65.39 | 64.17 | 68.18 |
| E n d | US\$ | 133.25 | 120.20 | 105.69 | 107.39 | 117.47 |
| | EURO | 116.14 | 129.83 | 128.88 | 138.87 | 142.81 |
| | S\$ | 72.36 | 68.01 | 62.91 | 65.19 | 72.57 |

FACT BOOK(unconsolidated)

1. Net sales and Income

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Sales | 235,845 100.0% | 246,332 100.0% | 261,710 100.0% | 291,975 100.0% | 317,343 100.0% |
| Operating income | 3,363 1.4% | 10,016 4.1% | 12,988 5.0% | 18,161 6.2% | 20,283 6.4% |
| Ordinary income | 2,055 0.9% | 9,411 3.8% | 12,131 4.6% | 18,120 6.2% | 22,666 7.1% |
| Extraordinary income(loss) | -1,365 -0.6% | -8,592 -3.5% | - | -1,800 -0.6% | -2,446 -0.8% |
| Net income | 810 0.3% | 323 0.1% | 8,093 3.1% | 10,839 3.7% | 14,557 4.5% |

2. Sales by Business Segment

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|---------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Bearing | 153,251 65.0% | 158,253 64.2% | 164,610 62.9% | 181,092 62.0% | 200,290 63.1% |
| CVJs | 59,052 25.0% | 63,038 25.6% | 64,876 24.8% | 71,031 24.3% | 79,990 25.2% |
| Precision Equipment | 23,542 10.0% | 25,041 10.2% | 32,224 12.3% | 39,852 13.6% | 37,063 11.7% |
| Total | 235,845 100.0% | 246,332 100.0% | 261,710 100.0% | 291,975 100.0% | 317,343 100.0% |

3. Sales in Japan and export

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|-----------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Sales in Japan | 166,122 70.4% | 166,663 67.7% | 173,399 66.3% | 187,015 64.1% | 194,717 61.4% |
| Export sales | 69,723 29.6% | 79,669 32.3% | 88,311 33.7% | 104,960 35.9% | 122,626 38.6% |
| (North America) | (27,315) (11.6%) | (28,472) (11.6%) | (30,608) (11.7%) | (40,097) (13.7%) | (47,810) (15.1%) |
| (Europe) | (20,423) (8.7%) | (24,978) (10.1%) | (27,729) (10.6%) | (30,408) (10.4%) | (33,346) (10.5%) |
| (Asia & Other) | (21,985) (9.3%) | (26,219) (10.6%) | (29,974) (11.5%) | (34,455) (11.8%) | (41,470) (13.1%) |
| Total | 235,845 100.0% | 246,332 100.0% | 261,710 100.0% | 291,975 100.0% | 317,343 100.0% |

4. Capital expenditure, Depreciation and Cash flow

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|---------------------|--------|--------|--------|--------|--------|
| Capital expenditure | 10,554 | 11,808 | 15,946 | 17,014 | 18,954 |
| Depreciation | 13,418 | 12,757 | 12,774 | 12,969 | 13,461 |
| Cash flow | 14,228 | 13,080 | 20,867 | 23,808 | 28,018 |

$$[\text{Cash flow}] = [\text{Net income}] + [\text{Depreciation}]$$

5. R&D expenditures

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|---------------------|--------|--------|--------|--------|--------|
| R&D expenditures | 11,223 | 11,642 | 12,858 | 14,070 | 13,709 |
| Ratio against sales | 4.8% | 4.7% | 4.9% | 4.8% | 4.3% |

6. Inventories

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--------------------------|--------|--------|--------|--------|--------|
| Inventories | 44,982 | 43,633 | 38,817 | 41,743 | 44,603 |
| Inventory turnover ratio | x5.2 | x5.6 | x6.7 | x7.0 | x71. |

7. Interest Bearing Debt

(Millions of yen)

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--------------|---------------|---------------|----------------|----------------|---------------|
| Loan | 28,900 | 28,900 | 23,300 | 23,300 | 15,620 |
| Bonds | 70,000 | 70,000 | 80,000 | 80,000 | 80,000 |
| Total | 98,900 | 98,900 | 103,300 | 103,300 | 95,620 |

8. Main Management Index

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Ordinary Income/ Total Assets | 0.6% | 2.6% | 3.3% | 4.8% | 5.7% |
| ROA | 0.2% | 0.1% | 2.2% | 2.9% | 3.6% |
| ROE | 0.6% | 0.3% | 6.1% | 7.7% | 9.5% |
| Shareholder's Equity Ratio | 36.7% | 34.7% | 37.6% | 36.9% | 39.4% |
| Shareholder's Equity per Share | Yen280.96 | Yen275.24 | Yen296.46 | Yen313.54 | Yen346.62 |
| Net Income per Share | Yen1.75 | Yen0.70 | Yen17.25 | Yen17.25 | Yen31.21 |

9. Number of employees

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--|--------|--------|--------|--------|--------|
| | 6,576 | 6,429 | 5,576 | 5,465 | 5,442 |