

We make  
Bearings.



For New Technology Network  
**NTN**<sup>®</sup>  
NTN corporation  
<http://www.ntn.co.jp>

# **Business Results for the First Half of Fiscal Year ending March, 2007**

November 8, 2006

NTN corporation

## ***FACT BOOK (consolidated)***

### 1. Net sales and Income

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Sales	190,070 100.0%	388,348 100.0%	207,089 100.0%	434,836 100.0%	230,593 100.0%
Operating income	15,828 8.3%	33,200 8.5%	16,015 7.7%	37,645 8.7%	21,969 9.5%
Ordinary income	14,345 7.5%	28,385 7.3%	14,129 6.8%	32,816 7.5%	19,938 8.6%
Extraordinary income(loss)	-	-1,800 -0.5%	-224 -0.1%	-2,446 -0.6%	2,190 0.9%
Net income	8,657 4.6%	16,739 4.3%	8,929 4.3%	19,550 4.5%	13,547 5.9%

### 2. Sales by Business Segment

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Bearing	121,723 64.0%	248,810 64.0%	132,794 64.1%	276,694 63.6%	147,148 63.8%
CVJs	54,330 28.6%	111,307 28.7%	61,321 29.6%	131,327 30.2%	69,009 29.9%
Precision Equipment	14,016 7.4%	28,230 7.3%	12,973 6.3%	26,815 6.2%	14,435 6.3%
Total	190,070 100.0%	388,348 100.0%	207,089 100.0%	434,836 100.0%	230,593 100.0%

### 3. Sales by Region

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Japan	93,255 49.1%	189,990 48.9%	96,431 46.6%	197,697 45.4%	99,725 43.3%
North America	45,014 23.7%	92,046 23.7%	52,937 25.6%	112,001 25.8%	59,362 25.7%
Europe	30,648 16.1%	62,592 16.1%	32,124 15.5%	66,892 15.4%	36,409 15.8%
Asia & Others	21,152 11.1%	43,719 11.3%	25,597 12.3%	58,245 13.4%	35,097 15.2%
Total	190,070 100.0%	388,348 100.0%	207,089 100.0%	434,836 100.0%	230,593 100.0%

### 4. Sales by Region & Business Segment

(Millions of yen)

		FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Japan	Bearing	58,574	119,880	62,642	127,644	64,460
	CVJs	22,463	45,699	22,610	46,931	23,557
	Precision Equipment	12,218	24,410	11,178	23,124	11,708
	Total	93,255	189,990	96,431	197,697	99,725
North America	Bearing	28,999	57,817	31,576	64,539	34,408
	CVJs	15,506	33,236	20,963	46,703	24,502
	Precision Equipment	510	994	399	758	451
	Total	45,014	92,046	52,937	112,001	59,362
Europe	Bearing	16,408	34,244	17,587	36,872	20,674
	CVJs	13,366	26,514	13,689	28,257	14,475
	Precision Equipment	873	1,835	847	1,763	1,261
	Total	30,648	62,592	32,124	66,892	36,409
Asia & Others	Bearing	17,742	36,870	20,989	47,639	27,606
	CVJs	2,995	5,858	4,059	9,436	6,475
	Precision Equipment	415	992	550	1,170	1,016
	Total	21,152	43,719	25,597	58,245	35,097
Total	Bearing	121,723	248,810	132,794	276,694	147,148
	CVJs	54,330	111,307	61,321	131,327	69,009
	Precision Equipment	14,016	28,230	12,973	26,815	14,435
	Total	190,070	388,348	207,089	434,836	230,593

## 5.Geographic Segment Information

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Japan Sales	141,687	294,950	152,436	320,322	165,932
Operating income	10,795 7.6%	22,835 7.7%	10,383 6.8%	25,077 7.8%	13,369 8.1%
North America Sales	45,178	92,374	53,608	114,528	58,778
Operating income	1,849 4.1%	3,537 3.8%	1,942 3.6%	4,460 3.9%	1,972 3.4%
Europe Sales	31,014	63,305	32,318	67,423	36,699
Operating income	1,473 4.7%	3,150 5.0%	1,336 4.1%	3,195 4.7%	2,044 5.6%
Asia & Others Sales	15,589	32,308	20,250	44,654	30,241
Operating income	1,144 7.3%	2,767 8.6%	1,723 8.5%	3,919 8.8%	3,187 10.5%
Sales	-43,399	-94,590	-51,523	-112,093	-61,057
Operating income	565	908	629	992	1,394
Sales total	190,070	388,348	207,089	434,836	230,593
Operating income total	15,828 8.3%	33,200 8.5%	16,015 7.7%	37,645 8.7%	21,969 9.5%

## 6.Capital expenditure, Depreciation and Cash flow

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Capital expenditure	25,765	49,670	23,663	49,284	29,826
Depreciation Japan	7,106	15,515	7,839	16,978	8,540
Overseas	4,527	9,355	5,458	11,608	6,580
Depreciation total	11,633	24,870	13,297	28,586	15,120
Cash flow	20,290	41,609	22,226	48,136	28,667

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

## 7.R&amp;D expenditures

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
R&D expenditures	7,280	14,952	7,454	14,771	6,962
Ratio against sales	3.8%	3.9%	3.6%	3.4%	3.0%

## 8.Inventories

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Inventories	87,352	93,167	101,810	107,047	110,585
Inventory turnover ratio	x4.4	x4.2	x4.1	x4.1	x4.2

## 9.Interest Bearing Debt

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Loan	89,770	96,185	109,766	103,198	113,034
Bonds	80,000	80,000	80,000	80,000	80,000
Total	169,770	176,185	189,766	183,198	193,034

## 10.main Management Index

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Ordinary Income/ Total Assets	6.1%	5.8%	5.3%	6.1%	7.0%
ROA	3.7%	3.4%	3.4%	3.6%	4.8%
ROE	11.8%	11.1%	10.9%	11.5%	14.4%
Shareholder's Equity Ratio	31.0%	30.6%	31.1%	32.6%	33.4%
Shareholder's Equity per Share	Yen327.39	Yen341.93	Yen365.84	Yen396.73	Yen418.82
Net income per Share	Yen18.73	Yen35.83	Yen19.33	Yen41.94	Yen29.32

## 11.Number of employees

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Japan	6,676	6,635	6,732	6,693	6,874
Overseas	5,656	6,153	6,901	7,938	8,921
Total	12,332	12,788	13,633	14,631	15,795

## 12.Exchange rate

(Unit:Yen)

		FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
A V	US\$	109.80	107.55	109.52	113.32	115.38
	EURO	133.28	135.17	135.61	137.83	146.01
	S\$	64.40	64.17	65.69	68.18	72.81
E n d	US\$	111.05	107.39	113.19	117.47	117.90
	EURO	137.04	138.87	136.13	142.81	149.77
	S\$	65.69	65.19	66.96	72.57	74.32

# ***FACT BOOK (unconsolidated)***

## **1. Net sales and Income**

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Sales	140,344 100.0%	291,975 100.0%	150,840 100.0%	317,343 100.0%	164,373 100.0%
Operating income	8,417 6.0%	18,161 6.2%	8,091 5.4%	20,283 6.4%	10,535 6.4%
Ordinary income	8,857 6.3%	18,120 6.2%	9,765 6.5%	22,666 7.1%	14,678 8.9%
Extraordinary income(loss)	—	-1,800 -0.6%	-224 -0.2%	-2,446 -0.8%	2,380 1.5%
Net income	5,521 3.9%	10,839 3.7%	7,034 4.7%	14,557 4.6%	11,394 6.9%

## **2. Sales by Business Segment**

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Bearing	86,889 61.9%	181,092 62.0%	94,553 62.7%	200,290 63.1%	104,458 63.5%
CVJs	34,703 24.7%	71,031 24.3%	37,679 25.0%	79,990 25.2%	41,139 25.0%
Precision Equipment	18,752 13.4%	39,852 13.6%	18,608 12.3%	37,063 11.7%	18,776 11.4%
Total	140,344 100.0%	291,975 100.0%	150,840 100.0%	317,343 100.0%	164,373 100.0%

## **3. Sales in Japan and export**

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Sales in Japan	91,912 65.5%	187,015 64.1%	94,834 62.9%	194,717 61.4%	98,165 59.7%
Export sales	48,432 34.5%	104,960 35.9%	56,006 37.1%	122,626 38.6%	66,208 40.3%
( North America )	(18,343) (13.1%)	(40,097) (13.7%)	(23,083) (15.3%)	(47,810) (15.1%)	(22,140) (13.5%)
( Europe )	(13,723) (9.8%)	(30,408) (10.4%)	(15,619) (10.4%)	(33,346) (10.5%)	(17,430) (10.6%)
( Asia & Others )	(16,366) (11.7%)	(34,455) (11.8%)	(17,304) (11.5%)	(41,470) (13.1%)	(26,638) (16.2%)
Total	140,344 100.0%	291,975 100.0%	150,840 100.0%	317,343 100.0%	164,373 100.0%

## **4. Capital expenditure, Depreciation and Cash flow**

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Capital expenditure	8,322	17,014	10,405	18,954	8,106
Depreciation	6,058	12,969	6,289	13,461	6,487
Cash flow	11,579	23,808	13,323	28,018	17,881

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

## **5. R&D expenditures**

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
R&D expenditures	6,870	14,070	6,936	13,709	6,391
Ratio against sales	4.9%	4.8%	4.6%	4.3%	3.9%

## **6. Inventories**

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Inventories	40,367	41,743	45,022	44,603	43,083
Inventory turnover ratio	x7.0	x7.0	x6.7	x7.1	x7.6

## 7. Interest Bearing Debt

(Millions of yen)

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Loan	23,300	23,300	23,200	15,620	15,620
Bonds	80,000	80,000	80,000	80,000	80,000
Total	103,300	103,300	103,200	95,620	95,620

## 8. Main Management Index

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
Ordinary Income/ Total Assets	4.7%	4.6%	4.9%	5.7%	7.2%
ROA	3.0%	2.8%	3.5%	3.6%	5.6%
ROE	8.0%	7.7%	9.5%	9.5%	13.9%
Shareholder's Equity Ratio	37.5%	36.9%	38.0%	39.4%	40.8%
Shareholder's Equity per Share	Yen303.25	Yen313.54	Yen329.33	Yen346.62	Yen360.82
Net Income per Share	Yen11.95	Yen23.15	Yen15.23	Yen31.21	Yen24.66

## 9. Number of employees

	FY2004,1st half	FY2004,Full year	FY2005,1st half	FY2005,Full year	FY2006,1st half
	5,548	5,465	5,524	5,442	5,519