

Financial Results

for Six Months Ended September 30, 2006

November 13, 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.

Today's Agenda

I. Progress in the last year of "Rapid Advance 21" and Business Development

by Yasunobu Suzuki, President

II. Consolidated Financial Results for Six Months Ended September 30, 2006 (1H FY2006) and

Earnings Forecast for Year Ending March 31, 2007
(FY2006)

by Tatsuo Kondo, Senior Managing Director

III. Q & A Session

Progress in the last year of “Rapid Advance 21” and Business Development

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Yasunobu Suzuki, President

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< Contents in Brief >

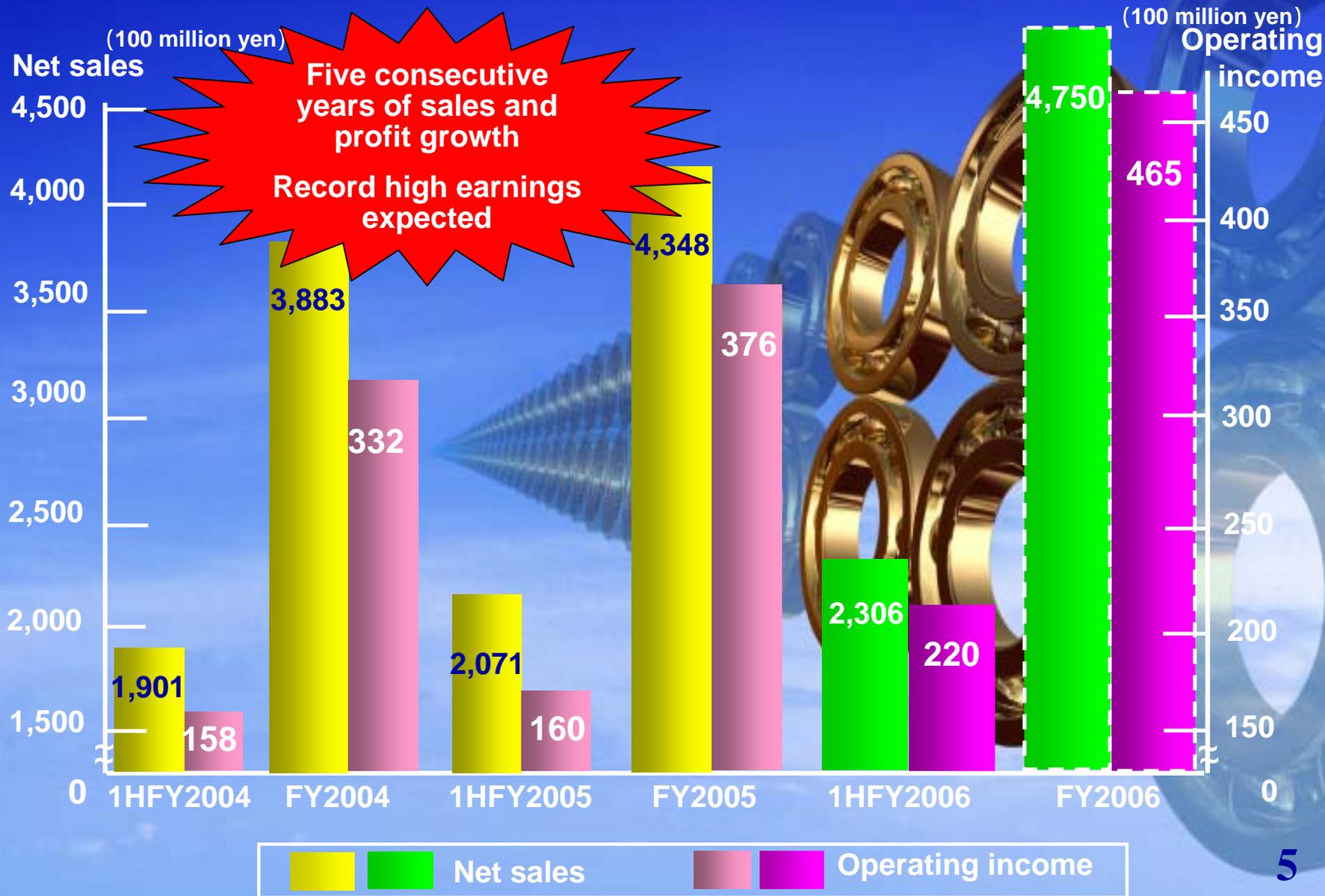
Medium-term Business Plan “Rapid Advance 21”

1. Results of 1H FY2006 and forecast of FY2006 (full year)
2. Sales results and forecast of strategic products
3. Business environment and its effect on NTN
4. Progress
 - Japan
 - North America
 - Europe
 - Asia and other areas
5. Fluid Dynamic Bearing Business

Next Medium-term Business Plan

- 6 . Long-term vision
- 7 . From “Rapid Advance 21” to next three years
- 8 . Further enhancement of shareholder value

1. Results of 1H FY2006 and forecast of FY2006

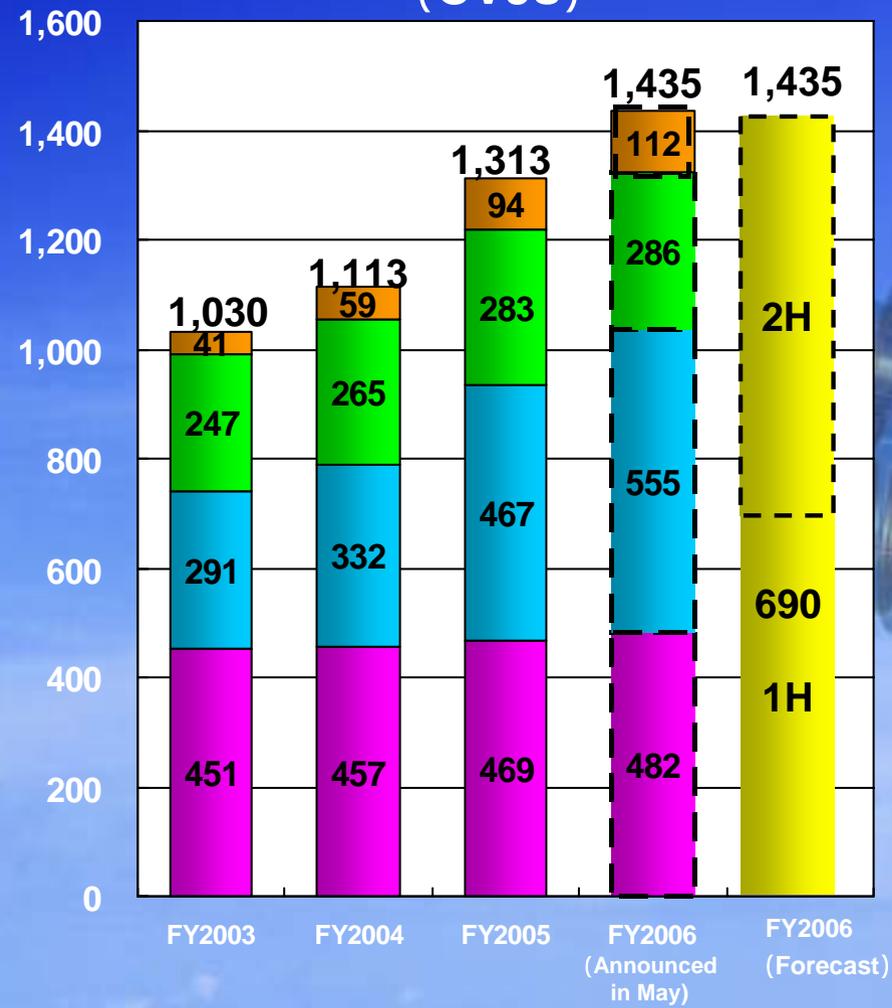


Medium-term Business Plan "Rapid Advance 21"

2. Sales results and forecast of strategic products

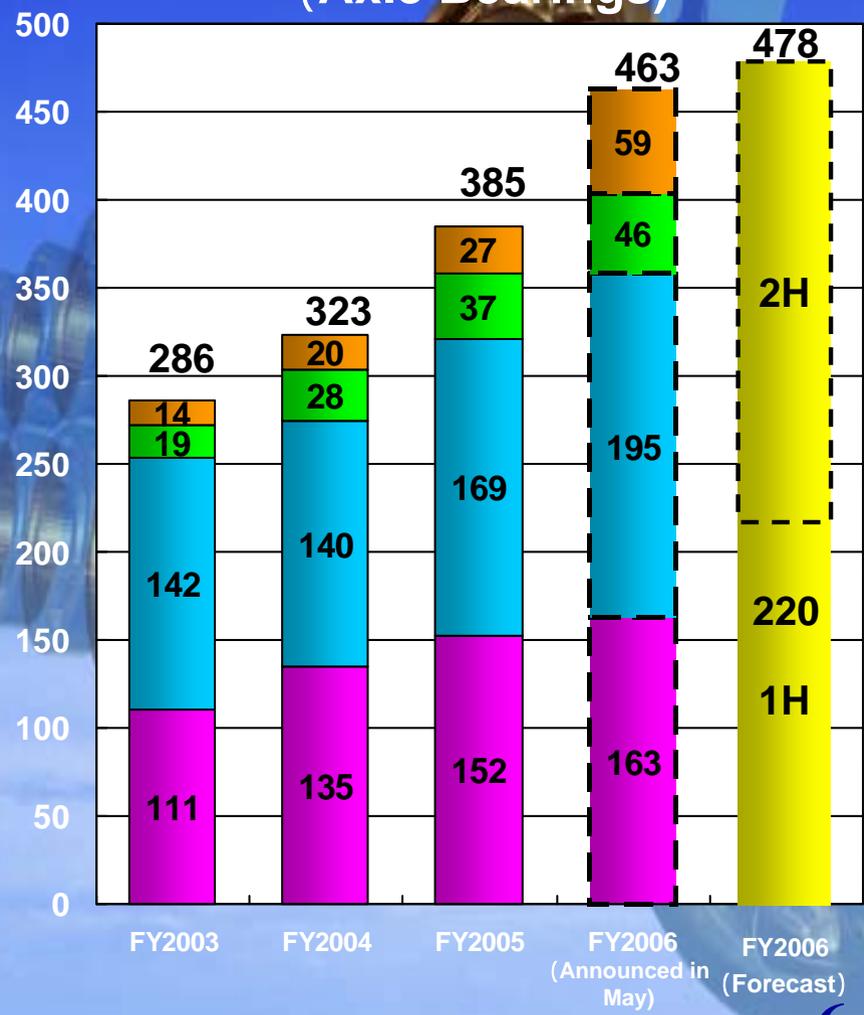
Sales Performance (CVJs)

(100 million yen)



Sales Performance (Axle Bearings)

(100 million yen)



■ Japan ■ North America ■ Europe ■ Asia and other areas

■ Japan ■ North America ■ Europe ■ Asia and other areas

3. Business environment and its effect on NTN

Business Environment

Increasing steel supply

Yen depreciation

Rising interest rates

Oil price

US business trends



Effects on NTN

Improvement of variable costs

Productivity advance

Continuing demand for industrial machinery products

Solid demand for automotive products

Medium-term Business Plan “Rapid Advance 21”

4. Progress

Japan

Bearings

NTN Mie Corporation

Homebase to enhance production for industrial machinery products

Model plant to pursue ultimate productivity
(Heat treating · grinding · robot assembly system · etc.)

Takarazuka Works

Postponed closure due to solid demand

Okayama Works

Meet increase in demand for GEN3 hub bearings
New production line in operation



< Okayama Works: Factory specializing in axle bearings >

4. Progress

Japan

Bearings

Kamiina Corporation

< Roller >

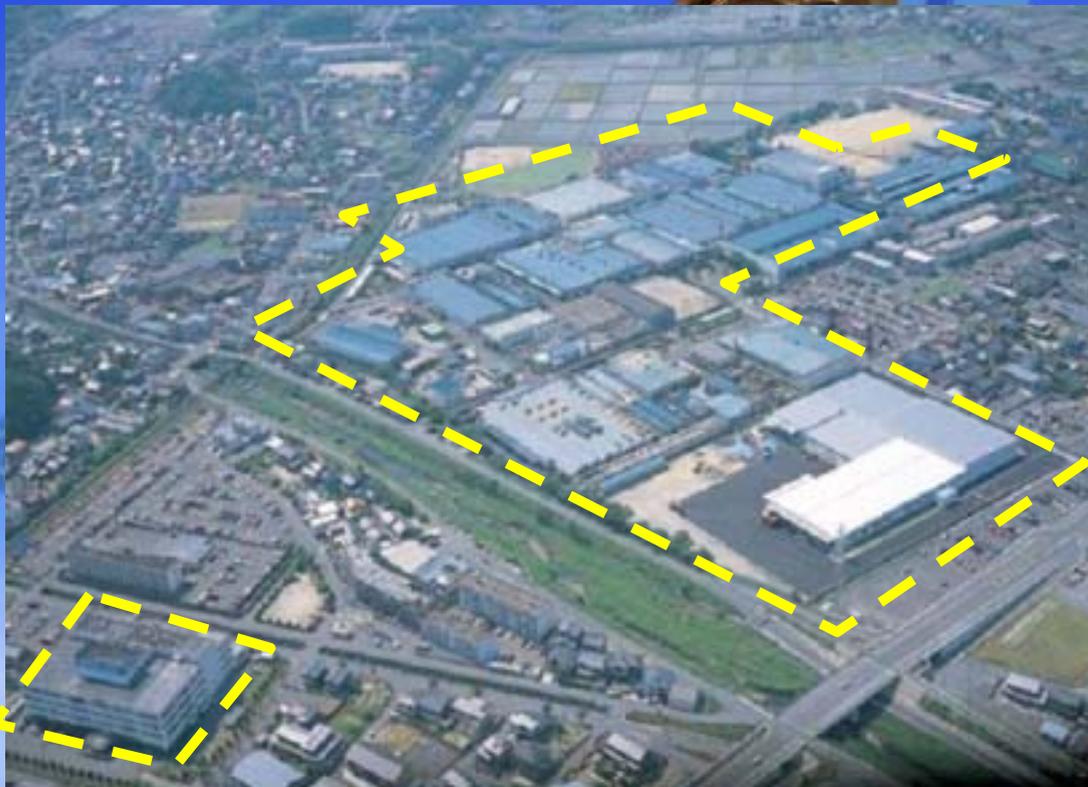
Ensure global best-in-class roller

Reduce costs

< Kamiina Corporation >



Reorganization of Kuwana area



Respond to increased demand for large-scale and precision bearings

Production system designed to operate more than 20 years from now

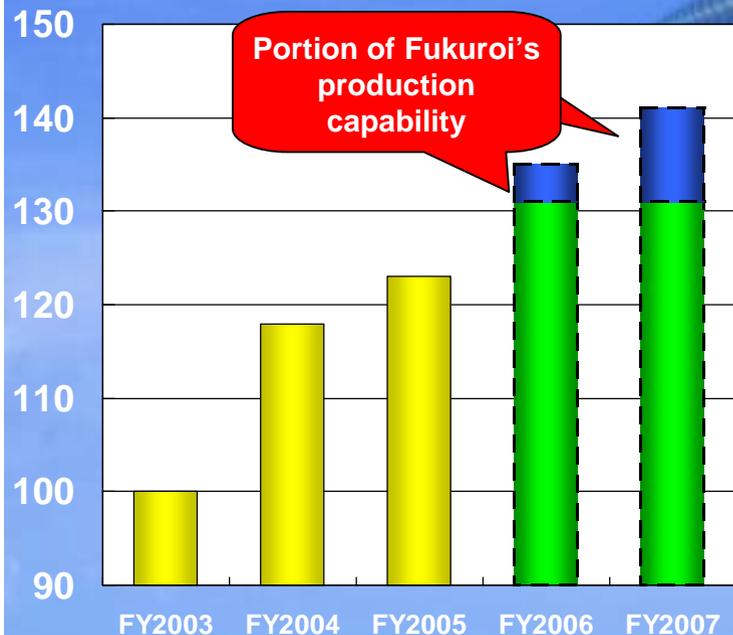
4. Progress Japan

CVJs

Fukuroi Corporation

< Production Capability of
CVJs in Japan >

Unit: 10,000/month



Set up in July 2006
Operations start in November
To cope with rapidly expanding demand
To diversify risks globally

4. Progress

North America

Bearings

Produced by NTN USA

Respond to new orders of GEN 3 hub bearings

NTN-Bower

Meet increasing demand for bearings for construction machinery makers

Produced by NTN Canada

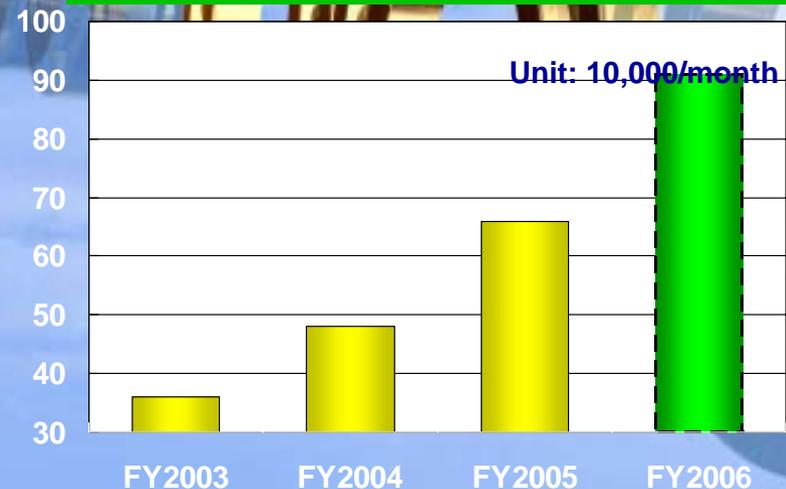
Accommodate new orders of axle bearings

CVJs

NTN Driveshaft

Flexibly cope with increasing demand
Strengthen profitability

< Production Capability of CVJs by NDI >



4. Progress

Europe (Produce synergy with strategic partners)

Bearings

SNR (France)

Acquisition of its shares
on a step-by-step basis
Project team started its activities.



CVJs

IFA (Germany)

Expand sales of
products to VW



4. Progress

Asia and other areas

Bearings

NNTC

(NTN Manufacturing (Thailand))

< Fluid Dynamic Bearing >

Started production from June
Cope with the increasing demand
for 3.5 inch HDD

NNTC (Thailand)



CVJs

NMI (NTN India)

To start operation in March 2007

To supply products to Japanese
manufacturer in India

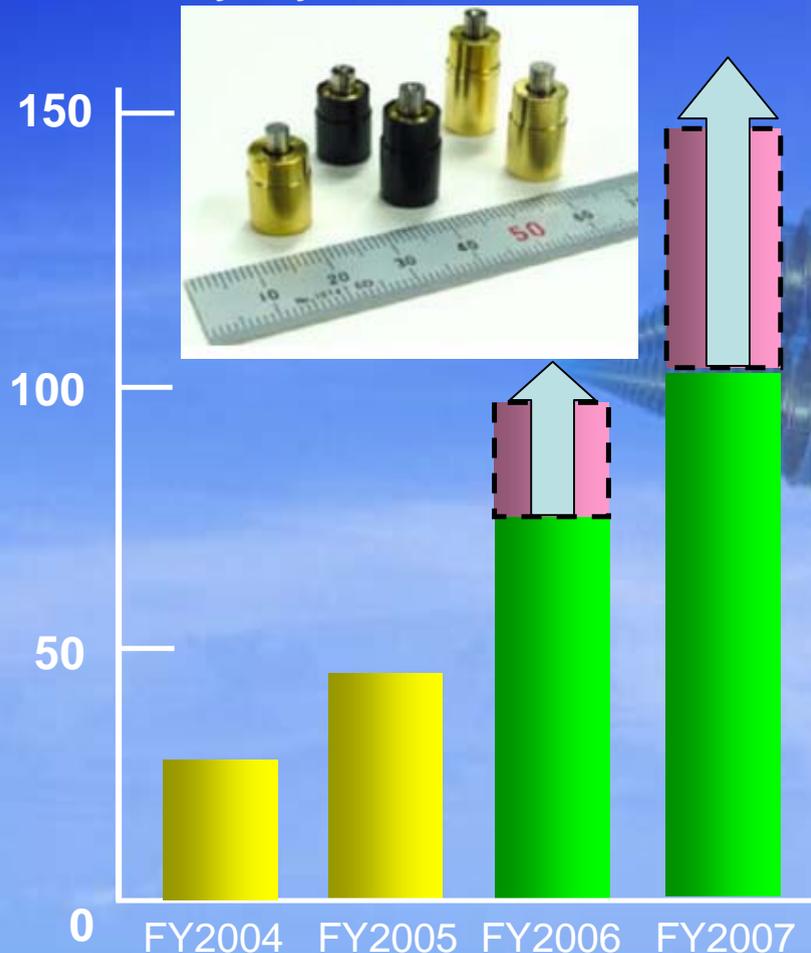
NMI (India) < Under construction >



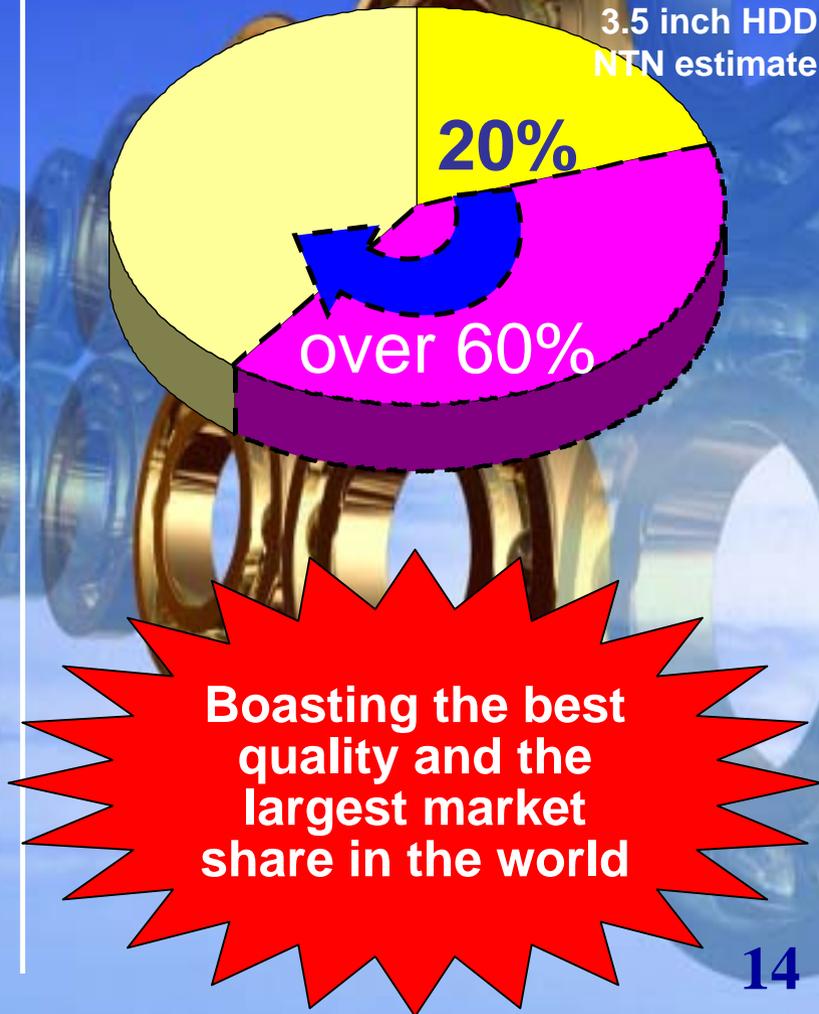
5. Fluid Dynamic Bearing Business

< Net Sales >

100 million yen/year



< NTN Market Share >



6 . Long-term vision

By 2018
(100th year in business)
Net sales:
¥ 1 trillion

April 2007 – March 2010
Next Medium-term
Business Plan
Net sales:
¥700 billion

“Rapid Advance 21”

7 . From “Rapid Advance” to the next 3 years

Global recognition of the NTN brand

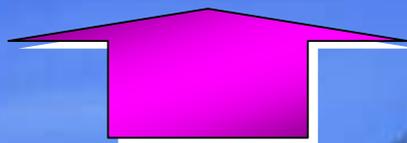
MONOZUKURI innovations

HITOUZUKURI innovations

Establish strategic partnership

8 . Further enhancement of shareholder value

Enhance Shareholder Value



- Expand sales of strategic and new products
- Increase operating margin
- Make best efforts to recoup investment
- Reinvest in view of further growth
- Improve D/E ratio

< Next Medium-term Business Plan >
Key words for
the next three years



Recoup investment and reinvest strategically to improve asset efficiency

**NTN is celebrating its 88th
year of business in 2006.**

**We would like to thank our
customers.**



Consolidated Financial Results for Six Months Ended September 30, 2006 (1H FY2006) and Earnings Forecast for Year Ending March 31, 2007 (FY2006)

November 13, 2006

NTN Corporation

Tatsuo Kondo, Senior Managing Director

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II. Consolidated Financial Results for Six Months Ended September 30, 2006 (1H FY2006) and Earnings Forecast for Year Ending March 31, 2007 (FY2006)

1. Operating Results

(1) Summary Results

(2) Consolidated Statements of Operations

2. Net Sales

By Region and Business Segment

3. Operating Income Analysis

(1) First Half of FY 2006

(2) FY2006 (Full Year)

4. Net Sales and Operating Income by Region

5. Inventories

6. Interest-Bearing Debt

7. Capital Expenditures and Depreciation

8. Cash Flows

1. Operating Results

(1) Summary Results

Results of 1H FY 2006

- Consolidated operating margin 1H **9.5%** (YoY 7.7%)
- Improvement in ROA 1H **4.8%** (YoY 3.4%)
- Improvement in ROE 1H **14.4%** (YoY 10.9%)

Outlook of Full Year

- Five consecutive years of sales and profit growth
Record high earnings expected

Dividend per share

Interim dividend ¥ **7**

Term-end dividend ¥ **9** (Commemorative dividend ¥1)

Full year dividend ¥**16** (YoY **+¥5**)

1. Operating Results

Outlook of FY2006 (Full Year)

- Consolidated operating margin FY2006 **9.8%** (1H 8.7%)
- Improvement in ROA FY2006 **4.7%** (1H 3.6%)
- Improvement in ROE FY2006 **14.2%** (1H 11.5%)

Comparison with medium-term business plan “Rapid Advance 21”

In 100 million yen

	FY2006 Rapid Advance 21	FY2006 Forecast
Net Sales	4,500	4,750
Operating Income	420	465
Operating Margin	9.3%	9.8%
Ordinary Income	370	405
Net Income	220	270
ROE	12.0%	14.2%
ROA	4.2%	4.7%

1. Operating Results

(2) Consolidated Statements of Operations

In 100 million yen

	FY2005			FY2006			YoY Change	
	1H	2H	Full Year	1H	2H	Full Year	1H	Full Year
							-	-
Net Sales	2,071	2,277	4,348	2,306	2,444	4,750	235	402
Operating Income (Operating Margin)	160 (7.7%)	216 (9.5%)	376 (8.7%)	220 (9.5%)	245 (10.0%)	465 (9.8%)	60 (1.8%)	89 (1.1%)
Net Interest Expenses	15	20	35	22	27	48	7	13
Other	4	10	13	2	13	12	5	2
Ordinary Income	141	187	328	199	206	405	58	77
Extraordinary Income/Loss	2	22	24	22	0	22	24	46
Net Income	89	106	196	135	135	270	46	74
Exchange Rate								
US\$	109.5	117.2	113.3	115.4	115.0	115.2	5.9	1.9
EURO	135.6	140.1	137.8	146.0	145.0	145.5	10.4	7.7
ROA	3.4%	3.8%	3.6%	4.8%	4.6%	4.7%	1.4%	1.1%
ROE	10.9%	12.1%	11.5%	14.4%	13.7%	14.2%	3.5%	2.7%
Inventory Turnover Ratio (Times)	4.1	4.3	4.1	4.2	4.9	4.8	0.1	0.7

2. Net Sales

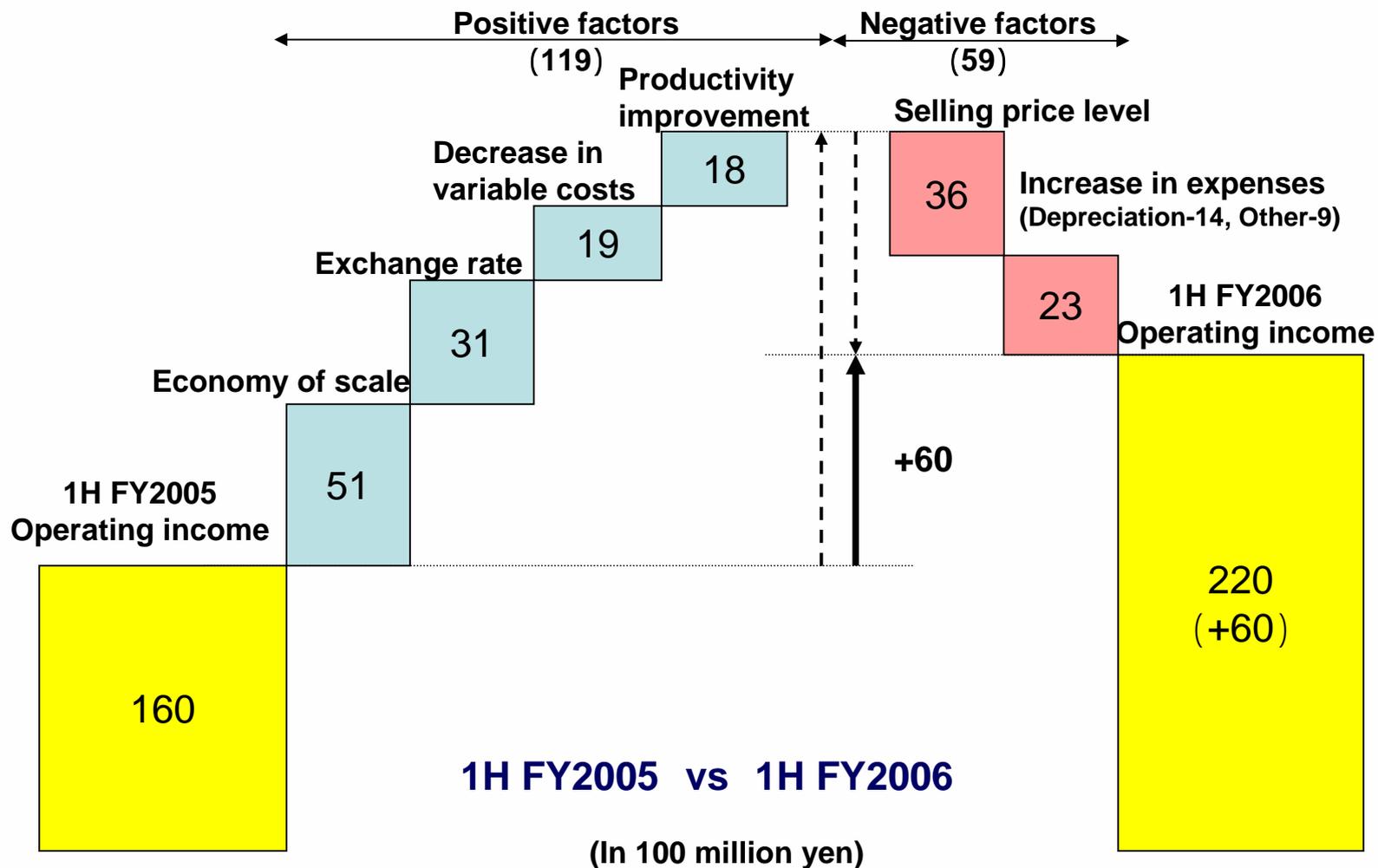
Net Sales by Region and Business Segment

In 100 million yen

		FY2005			FY2006			YoY			
		1H	2H	Full Year	1H	2H	Full Year	1H		Full Year	
								Quantity	FX rate	Quantity	FX rate
Japan	Bearings	626	650	1,278	645	697	1,342	18		65	
	CVJs	226	243	469	236	253	489	9		19	
	Precision Equipment	112	119	230	117	130	247	5		16	
	Total	964	1,013	1,977	997	1,080	2,077	33		100	
North America	Bearings	316	330	645	344	348	692	9	20	33	13
	CVJs	209	257	467	245	274	519	23	13	43	9
	Precision Equipment	4	4	8	5	7	12	0	0	4	0
	Total	529	591	1,120	594	629	1,223	32	33	81	22
Europe	Bearings	176	193	368	207	211	417	16	15	28	21
	CVJs	137	146	283	145	150	294	2	10	3	15
	Precision Equipment	8	9	18	13	9	21	3	1	2	1
	Total	321	348	669	364	369	733	17	26	27	37
Asia and other areas	Bearings	210	267	476	276	290	566	47	19	76	13
	CVJs	41	54	94	64	68	133	20	4	35	3
	Precision Equipment	6	6	12	10	8	19	4	1	6	1
	Total	257	326	582	351	366	717	71	24	118	17
Total	Bearings	1,328	1,439	2,767	1,471	1,545	3,017	90	53	203	47
	CVJs	613	700	1,313	690	745	1,435	50	27	94	27
	Precision Equipment	130	138	268	144	154	299	13	2	29	2
	Total	2,071	2,277	4,348	2,306	2,444	4,750	152	83	325	76

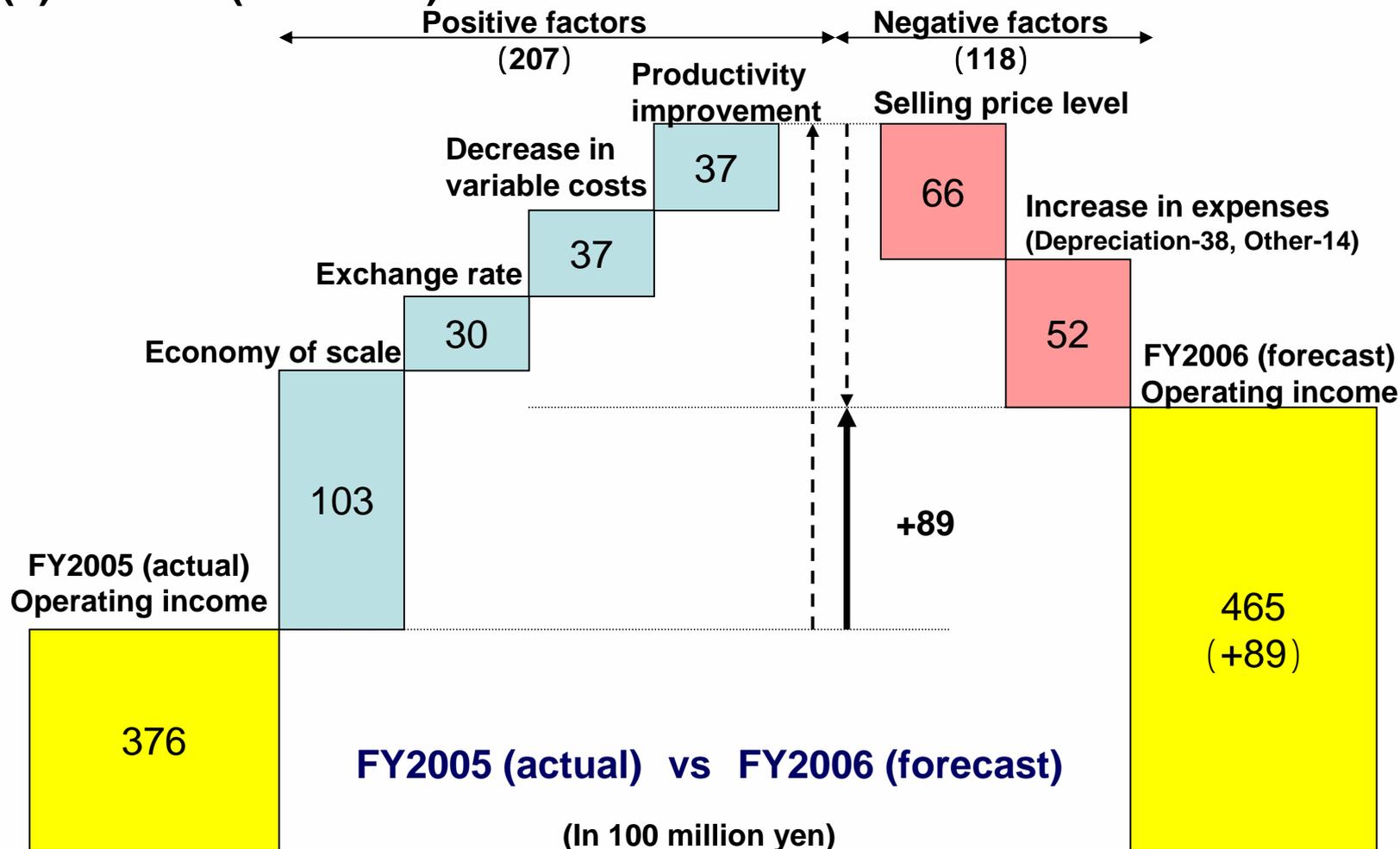
3. Operating Income Analysis

(1) First Half of FY 2006



3. Operating Income Analysis

(2) FY2006 (Full Year)



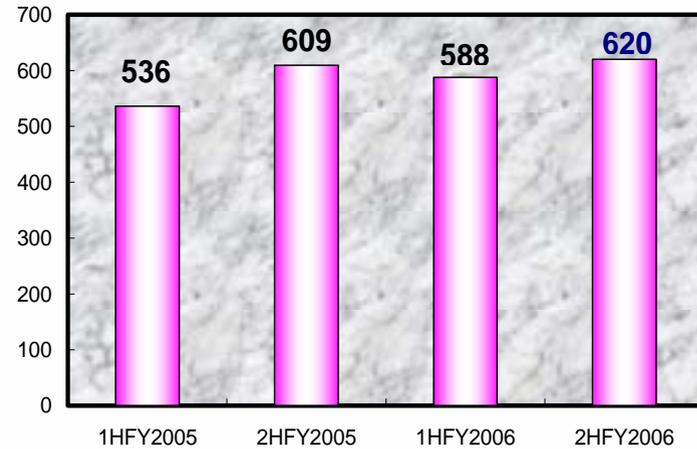
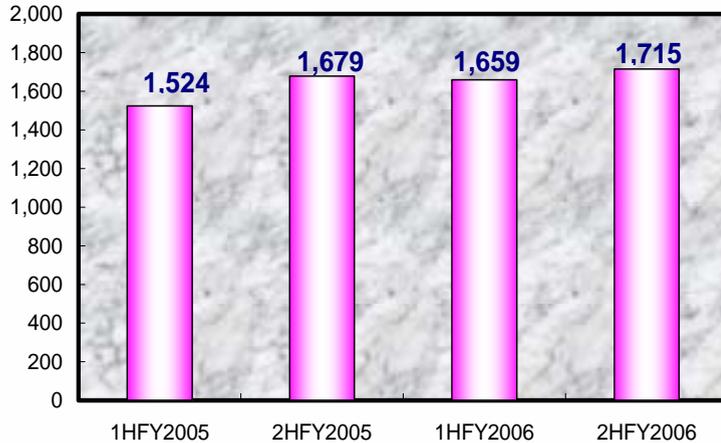
4-1 Net Sales and Operating Income by Region (Japan and North America)

(Net Sales)

(In 100 million yen)

Japan

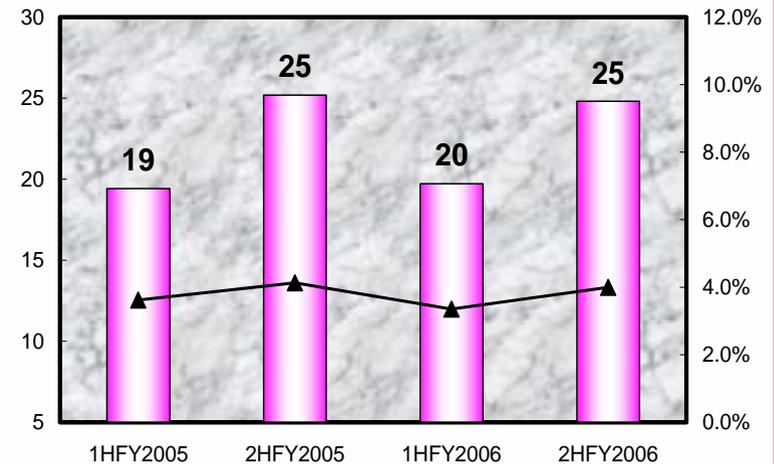
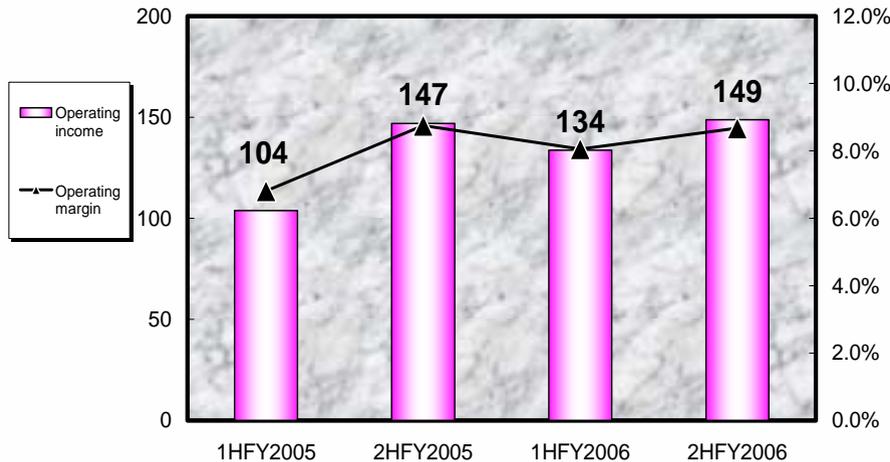
North America



(Operating Income)

Japan

North America



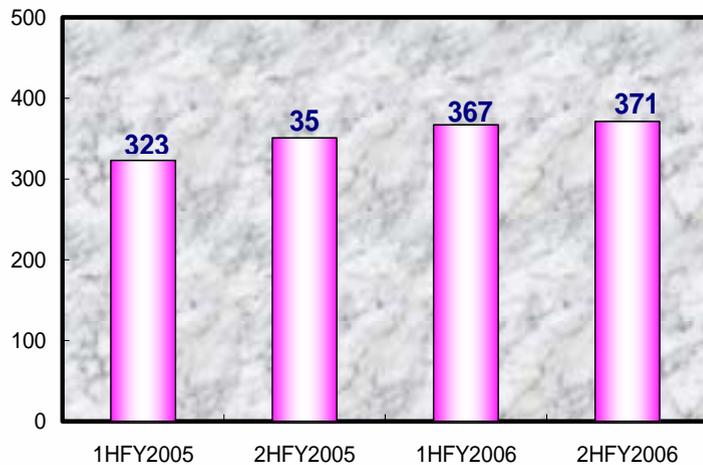
4-1 Net Sales and Operating Income by Region (Europe and Asia and other areas)

(Net Sales)

(In 100 million yen)

Europe

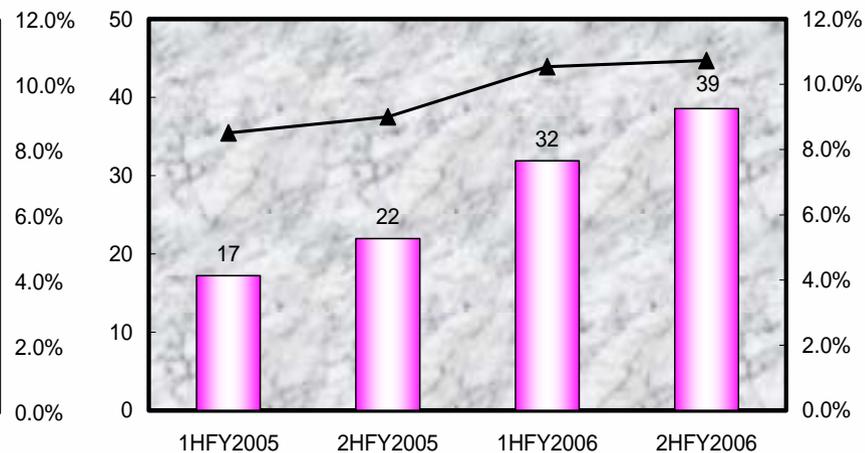
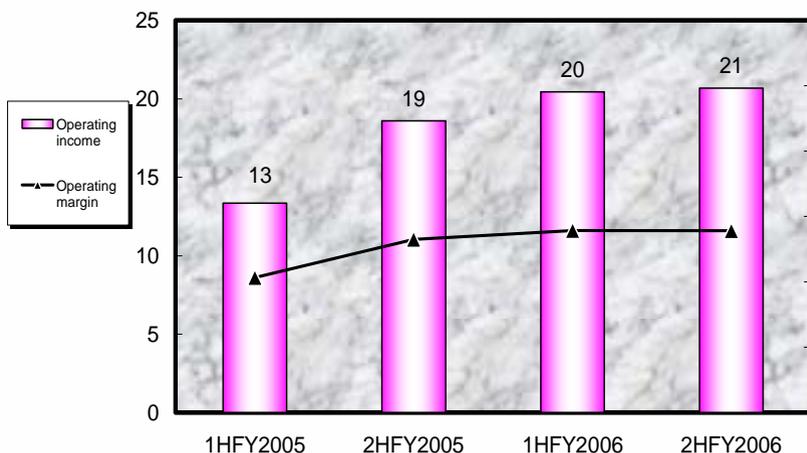
Asia and other areas



(Operating Income)

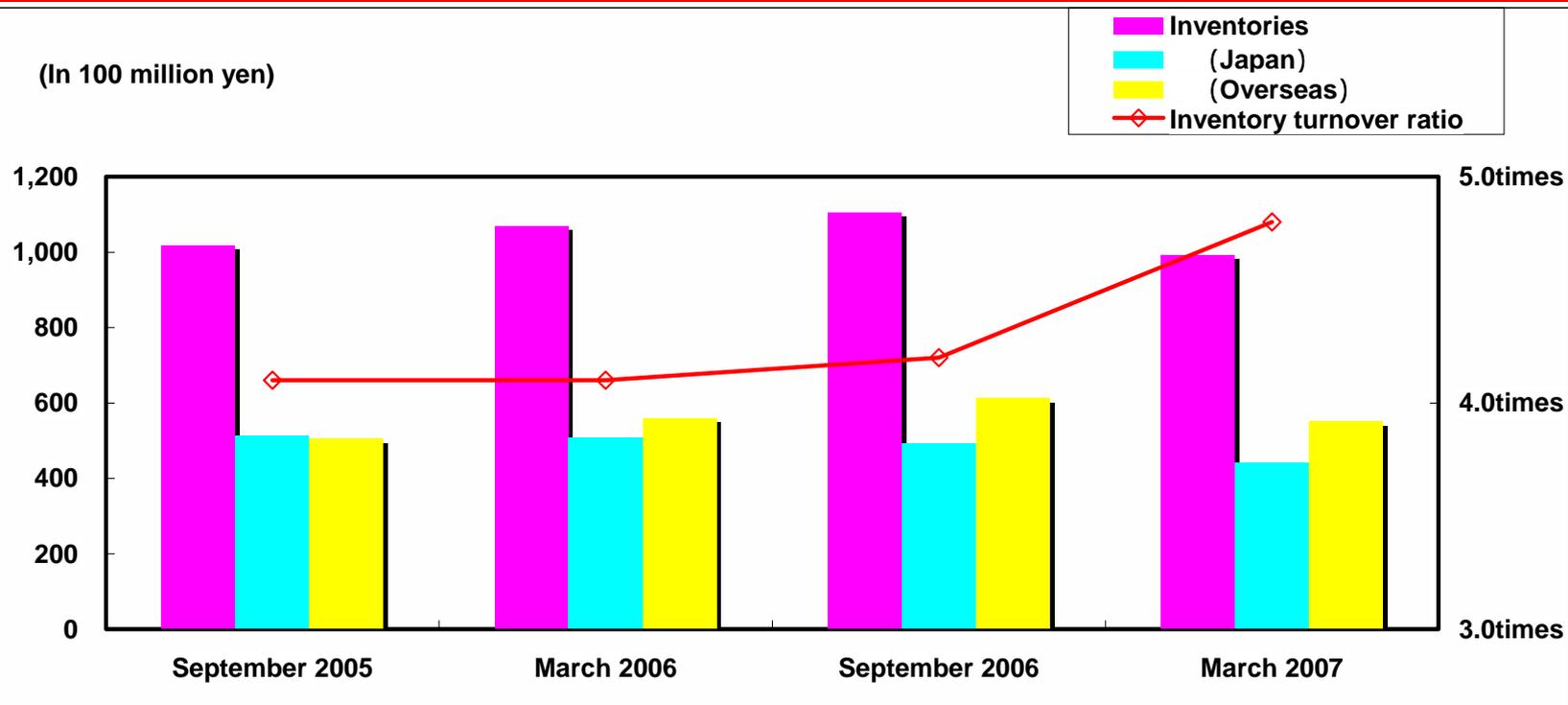
Europe

Asia and other areas



5. Inventories

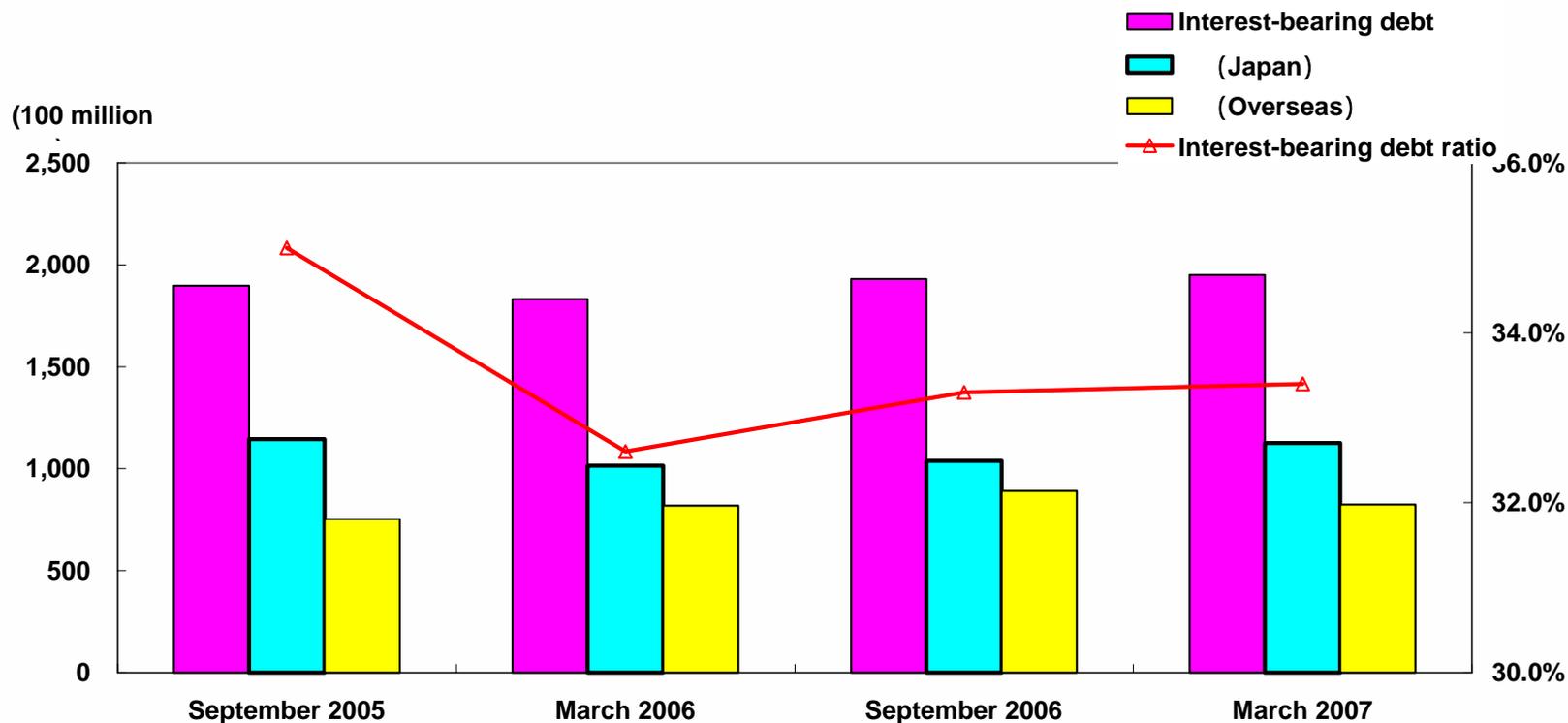
(In 100 million yen)



In 100 million yen

	September 2005	March 2006	September 2006	March 2007 Forecast
Inventories	1,018	1,070	1,106	993
(Japan)	(513)	(509)	(494)	(442)
(Overseas)	(505)	(561)	(612)	(551)
Inventory turnover ratio	4.1times	4.1times	4.2times	4.8times

6. Interest-Bearing Debt



In 100 million yen

	September 2005	March 2006	September 2006	March 2007 Forecast
Interest-bearing debt	1,898	1,832	1,930	1,950
(Japan)	(1,145)	(1,014)	(1,039)	(1,126)
(Overseas)	(753)	(818)	(891)	(824)
Interest-bearing debt ratio	35.0%	32.6%	33.3%	33.4%

7. Capital Expenditures and Depreciation

In 100 million yen

	FY2005 1H	FY2005 Full Year	FY2006 1H	FY2006 Full Year
Capital Expenditures	237	493	298	520
(Japan)	(127)	(259)	(161)	(279)
(Overseas)	(110)	(234)	(137)	(241)

YoY	
1H	Full Year
-	-
61	27
(34)	(20)
(27)	(7)

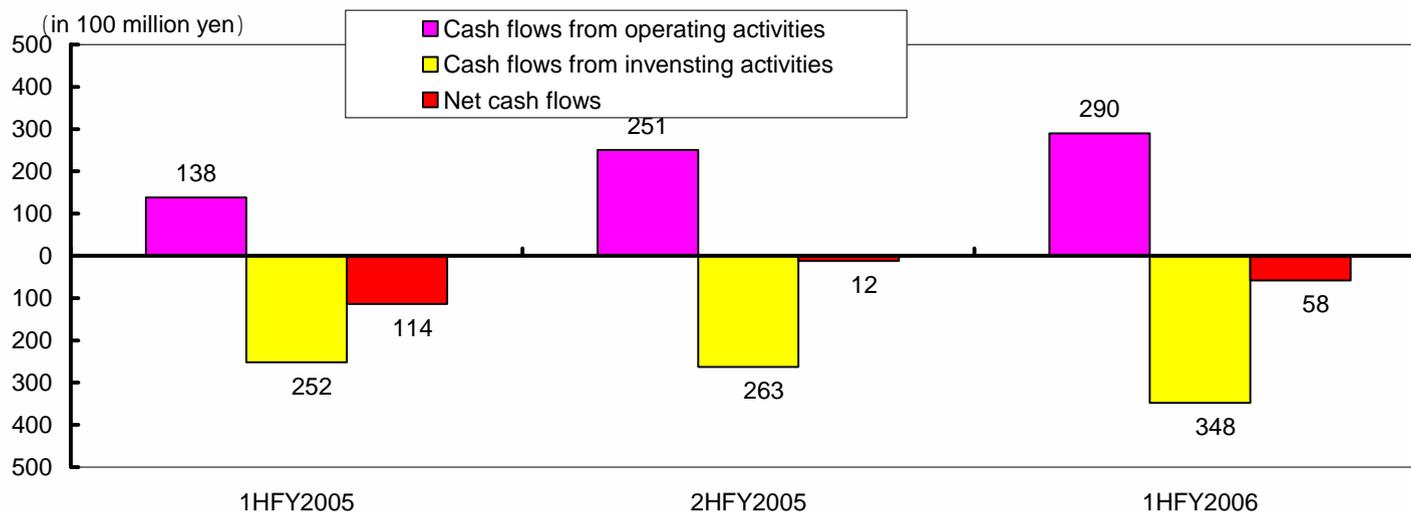
	FY2005 1H	FY2005 Full Year	FY2006 1H	FY2006 Full Year
Depreciation	133	286	151	328
(Japan)	(78)	(170)	(85)	(190)
(Overseas)	(55)	(116)	(66)	(138)

YoY	
1H	Full Year
-	-
18	42
(7)	(20)
(11)	(22)

8. Cash Flows

In 100 million yen

	1H	FY2005 2H	Full Year	FY2006 1H
I. Cash flows from operating activities	138	251	389	290
II. Cash flows from operating investing activities	252	263	515	348
III. Cash flows from operating financing activities	85	118	33	57
IV. Effect of exchange rate changes on cash and cash equivalents	3	2	5	10
V. Increase in cash and cash equivalents	26	128	154	11



< Supplementary Information >

Sales Results of Strategic Products

Products	Region	FY2004		FY2005		FY2006	
		1H (Actual)	Full Year (Actual)	1H (Actual)	Full Year (Actual)	1H (Actual)	Full Year (Forecast)
CVJs () represents sales in China	Japan	225	457	226	469	236	489
	North America	155	332	209	467	245	519
	Europe	134	265	137	283	145	294
	Asia and other areas	30(10)	59(19)	41(17)	94(37)	64(20)	133(41)
	Total	544	1,113	613	1,313	690	1,435
Axle Bearings () represents sales in China	Japan	64	135	73	152	77	166
	North America	66	140	83	169	99	205
	Europe	12	28	17	37	26	57
	Asia and other areas	9(3)	20(8)	11(5)	27(13)	18(12)	50(27)
	Total	151	323	184	385	220	478
Needle Bearings	Japan	148	288	151	311	157	326
	Overseas	35	98	53	120	69	140
	Total	183	386	204	431	226	466

FX rates used: 1HFY2004: \$¥110/US\$, ¥133/EURO FY2004: ¥108/US\$, ¥135/EURO 1HFY2005: ¥110/US\$, ¥136/EURO
 FY2005: ¥/113US\$, ¥138/EURO 1HFY2006: ¥115/US\$, ¥146/EURO FY2006 (E): ¥115/US\$, ¥146/EURO