

For New Technology Network



Financial Results for the First Half of Fiscal 2008

**November 4, 2008
NTN Corporation**



Today's Agenda

- I. Progress of “Growth through Creativity and Achievements 21”,* now in its second year
- II. Consolidated Financial Results for the First Half of Fiscal Year ending March 31, 2009 (FY2008) and Full-Year Outlook
- III. Q&A Session

*Abbreviated as “GCA21” in this presentation.

These presentation materials and comments made at this conference and during the Q&A session include forward-looking statements about the company's expectations of future performance and future business strategies. They represent the best judgment of company management based on information currently available.

These forward-looking statements and comments, based on expectations, estimates, and projections, are not guarantees of future results. Actual results may differ materially from the company's projections depending on various factors such as changes in product demand, foreign exchange rates, and interest rates.



I. Progress of GCA21 in its Second Year

1. Performance for the First Half
of FY2008 and
Full-Year Outlook
2. Trends in the Automotive Sector
3. Trends in the Industrial
Machinery Sector
4. Progress in Achieving Synergies
with SNR



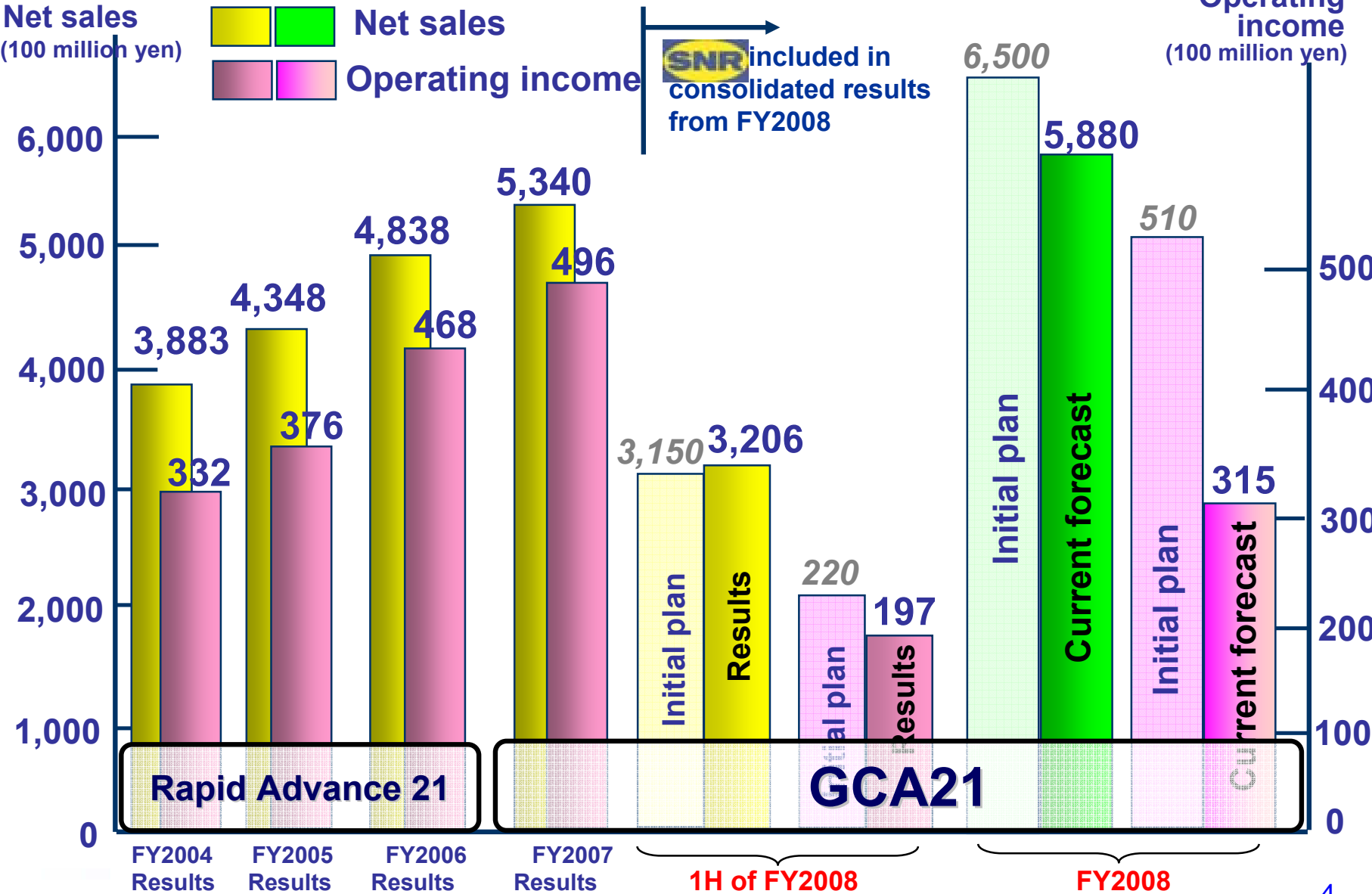
1. Performance for the First Half of FY2008 and Full-Year Outlook

Net sales
(100 million yen)

Net sales
Operating income

SNR included in consolidated results from FY2008

Operating income
(100 million yen)

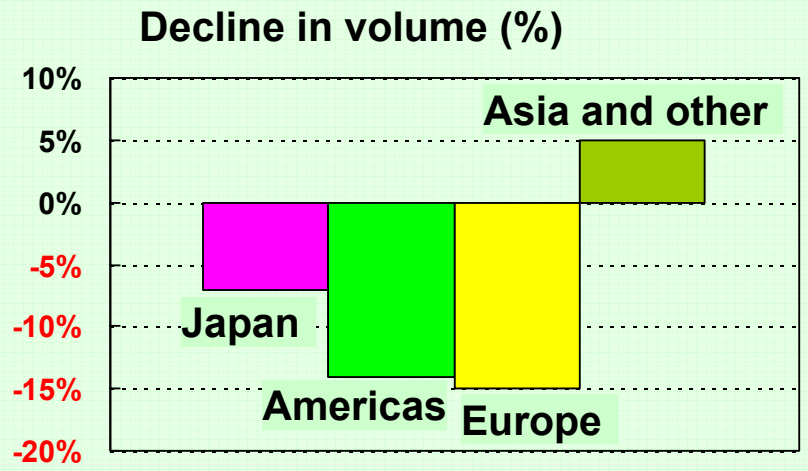


2-1. Significant Decline Expected in Automotive Sector Demand in Second Half

- ◆ Decline in automobile production around the world
 - Japan: Slowdown in the hitherto robust small car segment and exports to emerging markets
 - U.S./Europe: Further reduction in output by U.S. and European manufacturers and the knock-on effect on small car production by Japanese manufacturers

◆ Revised sales plan (for CVJs)

	Initial plan (100 million yen)	Revised
Japan	574 ⇒	534
Americas	526 ⇒	460
Europe	332 ⇒	259
Asia and other	144 ⇒	147
Total	1,576 ⇒	1,400



◆ Full-year sales to automotive sector to decline on year; slight increase when SNR is included

2-2. Efforts in Automotive Sector under Adversity

Increase profitability

Sales



V-series 4th generation hub joints



Hub bearings with built-in high-resolution rotational sensors

- Start delivery to **European manufacturers**
- Expand sales to **emerging markets**
- Order from Company A for **global platform cars**



FA treatment for weight-reducing technology

Production

R&D/Technology



NTE Crézancy Plant (forging plant)

- Optimal localized production
- Utilization of existing facilities
- Utilization of new production bases

- Reduction in size and weight
- Low torque
- Sensor technology

Fuel efficient
Global environment



Ultra-light hub bearings

3. Focusing on Strong Sectors in Industrial Machinery (1/2)

Mining and large construction machinery

Expanding share of sales to top global manufacturers

- ◆ Began **mass production in the U.S.** for Company A's largest model
- ◆ Developing intelligent **sensors**
- ◆ Building competitive advantage with **long-life technology**



External diameter: 800mm and above

Wind power generation

Expand share and increase profitability

Expanding share of sales to largest European manufacturers

- ◆ Expanded sales to speed-up gear manufacturer Company B, etc.
- ◆ Began supplying **the world's largest makers of wind power generators**, Company C
- ◆ Expanded global **production capacity**



External diameter: 1,300 to 2,500mm

3. Focusing on Strong Sectors in Industrial Machinery (2/2)

Rolling stock

Expanding sales to high-speed railcar manufacturers and to overseas clients

- ◆ **Largest market share** in bearings for bullet trains
- ◆ Production and sales in the **Chinese market**
- ◆ Synergies in **high-speed railcar technologies** between NTN and SNR



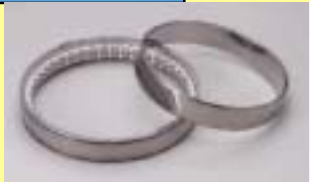
Bearing's external diameter: 220mm
Rotation speed: 2,000 rpm

Aircraft

Expand share and increase profitability

Expanding sales of bearings used in engines

- ◆ Increased share of sales to **U.S.-based jet engine manufacturers**
- ◆ Won new orders from **U.S./European manufacturers** and expanded sales
- ◆ **Advanced technologies** such as light weight, long life, and heat resistance



Bearing's external diameter: 238mm
Rotation speed: 10,000 rpm

4. Progress in Achieving Synergies with SNR (1/2)

(1) Enhance the integration of sales activities

⇒ "One face to the customer" (completed), standardization of price list (completed), integration of shipping storage (from Dec '08), integration of systems (from Apr '09)

(2) Expand sales of bearings for industrial machinery

⇒ Orders for ultra-large bearings from **manufacturer of wind power generators** and for repair bearings for **rolling stock**

(3) Expand sales of repair products by enhancing sales network

⇒ Expand agent network in **Northern and Eastern Europe**

(4) Utilize plants in Romania and Brazil

⇒ Orders for NTN products for European manufacturers and for **global strategic vehicles** of Japanese manufacturers



Romania Plant



Brazil Plant

4. Progress in Achieving Synergies with SNR (2/2)

(5) Joint-sourcing of parts and semi-finished goods

⇒ Jointly source parts and semi-finished goods with SNR

(6) Supply finished goods to each other

⇒ Tapered roller bearings, needle roller bearings, and thin type ball bearings

(7) Accelerate R&D

⇒ Elemental technology, sensor technology, bearings for wind turbines, bearings for rolling stock



New R&D center in Kuwana, Mie prefecture * Conceptual image



R&D Center (SNR)



Bearing with high resolution rotation sensors

Consolidated Financial Results for the First Half of the Year Ending March 31, 2009 (FY2008) and Full-Year Forecast

November 4, 2008

NTN Corporation

These presentation materials and comments made at this conference and during the Q&A session include forward-looking statements about the company's expectations of future performance and future business strategies. They represent the best judgment of company management based on information currently available.

These forward-looking statements and comments, based on expectations, estimates, and projections, are not guarantees of future results. Actual results may differ materially from the company's projections depending on various factors such as changes in product demand, foreign exchange rates, and interest rates.

Results for the First Half of FY2008

- ◇ Net sales came to 320.6 billion yen with consolidation of SNR also contributing (up 23% year-on-year)
 - ⇒ Bearings: 227.7 billion yen (up 38% year-on-year)
Robust sales of large bearings in the industrial bearings sector thanks to demand for environmental, resource and energy applications.
In the automotive sector, demand from American automakers fell.
 - ⇒ CVJs: 78.0 billion yen (down 4% year-on-year)
Fall in demand from American and European automakers
 - ⇒ Precision equipments: 14.9 million yen (up 4% year-on-year)
Slight increase thanks to new orders
- ◇ Operating income fell to 19.7 billion yen due to impact of higher steel prices and exchange rates (down 19% year-on-year)

Forecast for FY2008

- ◇ Net sales are expected to total 588.0 billion yen reflecting slowing global economy and higher yen (up 10% year-on-year)
Significant decline expected in demand in the automotive sector
- ◇ Operating income is expected to be 31.5 billion yen due to reduced scale merit and exchange rates effects (down 36% year-on-year)

- 1. Consolidated Statements of Operations**
- 2. Net Sales by Geographic and Business Segment**
- 3. Analysis of Operating Income**
 - (1) FY2008 First Half**
 - (2) FY2008 Full Year**
- 4. Net Sales, Operating Income by Region**
 - (1) Japan, the Americas**
 - (2) Europe, Asia & Other**
- 5. Inventories**
- 6. Interest-Bearing Debt**
- 7. Capital Expenditure and Depreciation**
- 8. Cash Flows**

1. Consolidated Statements of Operations

(100 million yen)

	FY2007			FY2008			Year-on-year		
	1H (1)	2H	Full year (2)	1H (3)	2H	Full year (4)	FY2008 first half (3) - (1)	FY2008 full year (4) - (2)	
Net sales	2,610	2,730	5,340	3,206	2,674	5,880	596	540	
Operating income	243	254	496	197	118	315	-46	-181	
<i>Operating margin</i>	9.3%	9.3%	9.3%	6.1%	4.4%	5.4%	-3.2pts	-3.9 pts	
Ordinary income	213	219	432	196	89	285	-17	-147	
Extraordinary income/loss	3	8	11	-47	-5	-51	-50	-62	
Net income	131	143	274	85	55	140	-46	-134	
Exchange rate	USD	119.4	109.2	114.4	106.1	95.0	100.6	-13.3	-13.8
	EURO	162.3	160.8	161.6	162.8	125.0	143.9	0.5	-17.7
ROE	12.3%	13.4%	13.1%	7.6%	5.2%	6.3%	-4.7%	-6.8%	
ROA	4.2%	4.6%	4.4%	2.4%	1.6%	2.0%	-1.8%	-2.4%	
Dividend per share (yen)	9.0	10.0	19.0	9.0	9.0	18.0	0.0	-1.0	

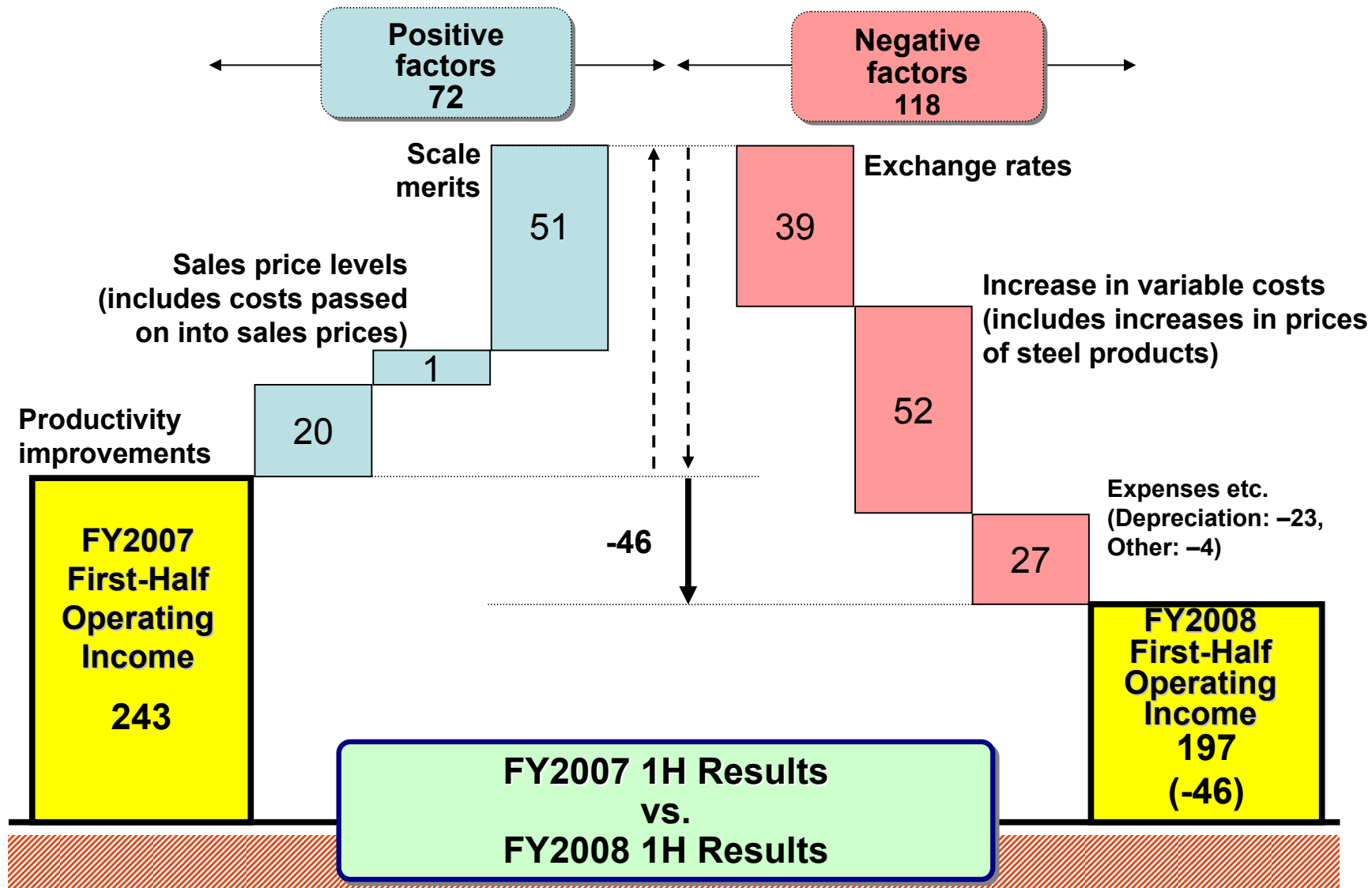
2. Net Sales by Geographic and Business Segment

(100 million yen)

		FY2007			FY2008			Year-on-Year			
		1H	2H	Full year	1H	2H	Full year	FY2008 1H (3) - (1)		FY2008 full year (4) - (2)	
		(1)	(2)	(2)	(3)	(4)	(4)	Amount	Forex	Amount	Forex
Japan	Bearings	681	737	1,418	736	699	1,435	56	-	17	-
	CVJs	251	298	548	282	252	534	32	-	-14	-
	Precision Equipments	110	125	235	118	112	230	8	-	-5	-
	Total	1,041	1,160	2,201	1,136	1,063	2,199	95	-	-2	-
Americas	Bearings	385	368	753	407	344	751	65	-42	103	-104
	CVJs	310	282	592	260	200	460	-18	-32	-64	-68
	Precision Equipments	9	5	13	5	2	7	-3	-1	-4	-2
	Total	703	655	1,358	673	546	1,219	44	-75	35	-174
Europe	Bearings	261	281	542	755	541	1,296	497	-3	925	-171
	CVJs	179	182	362	159	100	259	-18	-2	-64	-39
	Precision Equipments	14	19	33	16	10	26	2	0	-4	-4
	Total	454	482	936	930	651	1,581	481	-6	858	-213
Asia & others	Bearings	327	345	672	378	341	719	81	-30	139	-92
	CVJs	73	76	149	79	68	147	12	-6	15	-17
	Precision Equipments	11	13	23	10	5	15	1	-1	-5	-3
	Total	411	433	844	468	414	882	94	-38	150	-112
Total	Bearings	1,654	1,731	3,385	2,277	1,925	4,202	698	-75	1184	-367
	CVJs	813	838	1,651	780	620	1,400	8	-40	-127	-124
	Precision Equipments	144	161	305	149	129	278	8	-2	-18	-9
	Total	2,610	2,730	5,340	3,206	2,674	5,880	714	-118	1040	-500

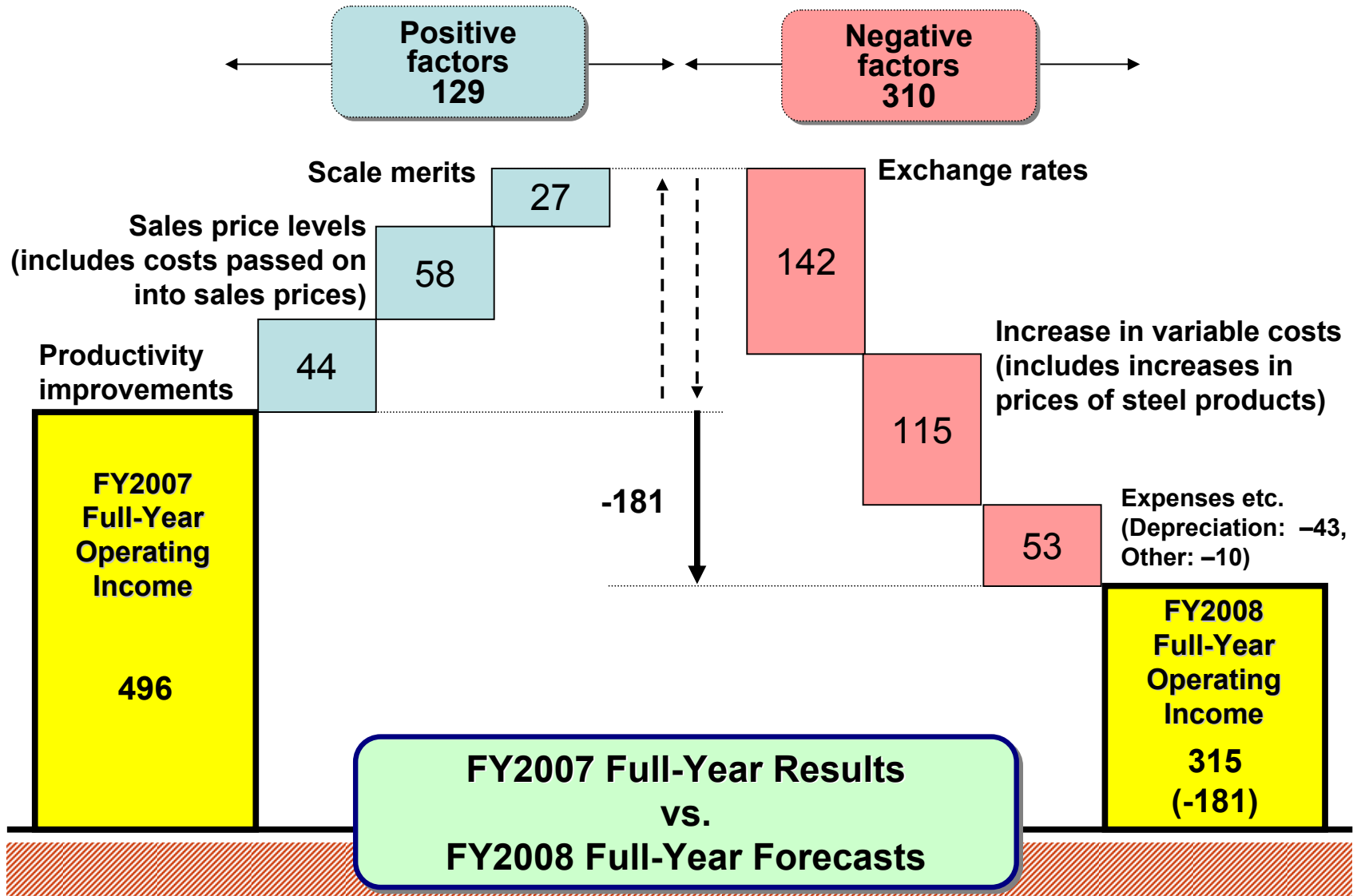
3. Analysis of Operating Income (FY2008 First Half)

* All figures in 100 million yen



3. Analysis of Operating Income (FY2008 Full Year)

* All figures in 100 million yen

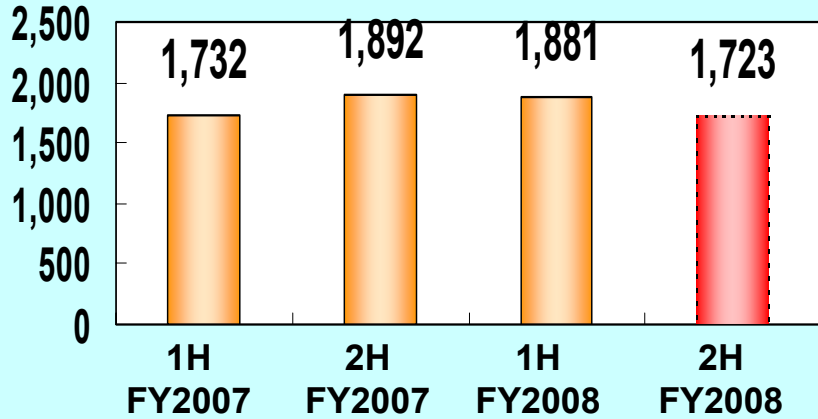


4. Net Sales, Operating Income by Region (Japan, Americas)

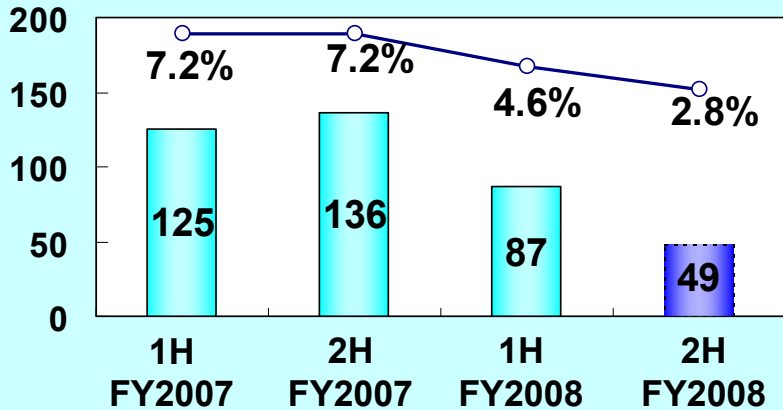
Japan

Net sales

(100 million yen)



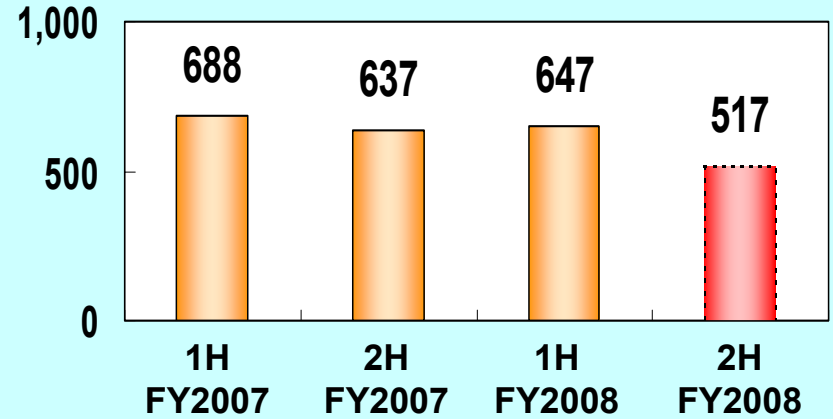
Operating income



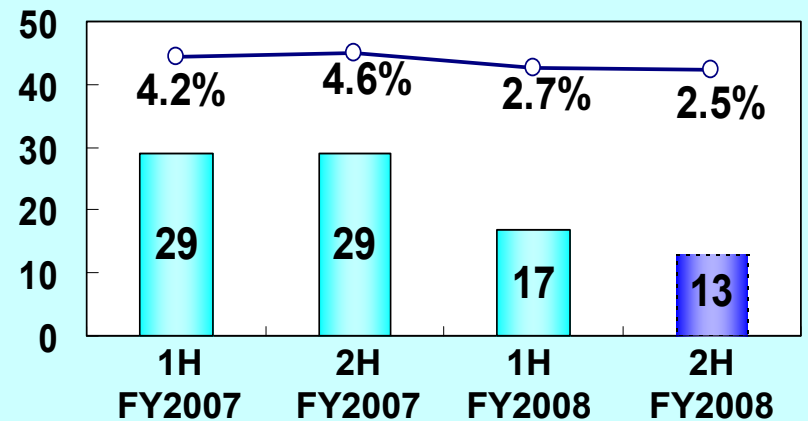
Americas

Net sales

(100 million yen)

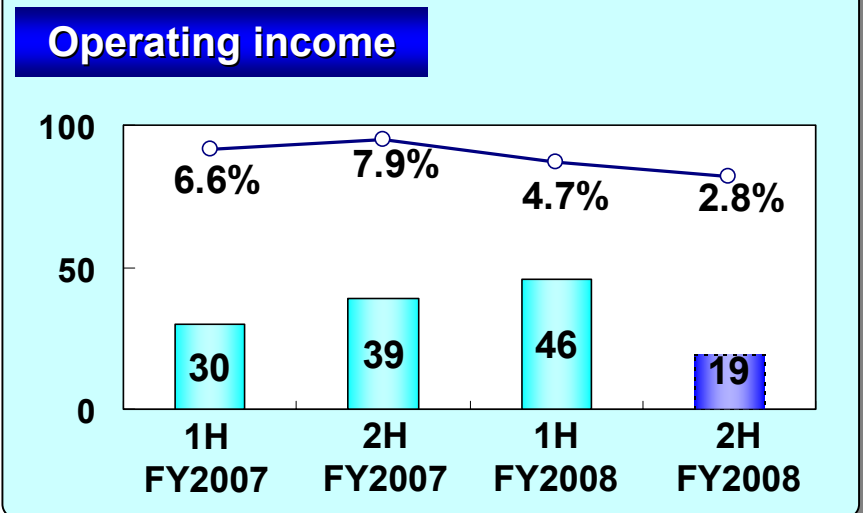
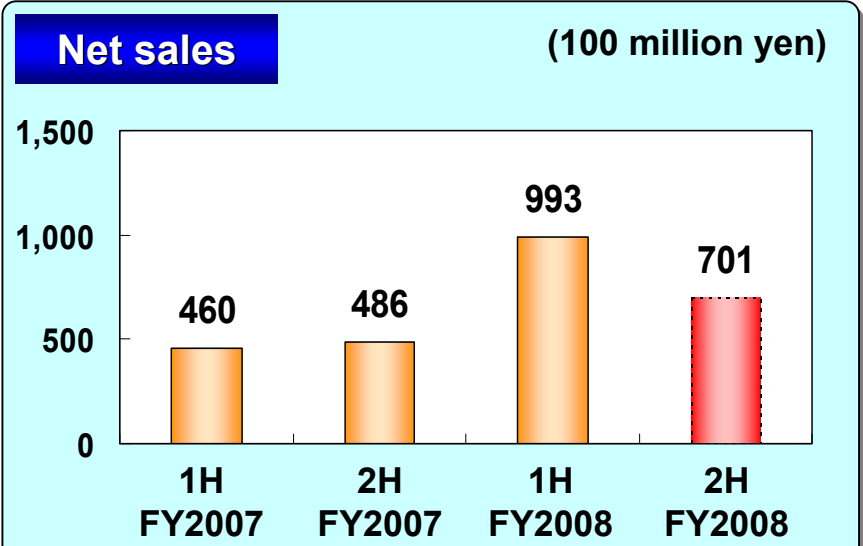


Operating income

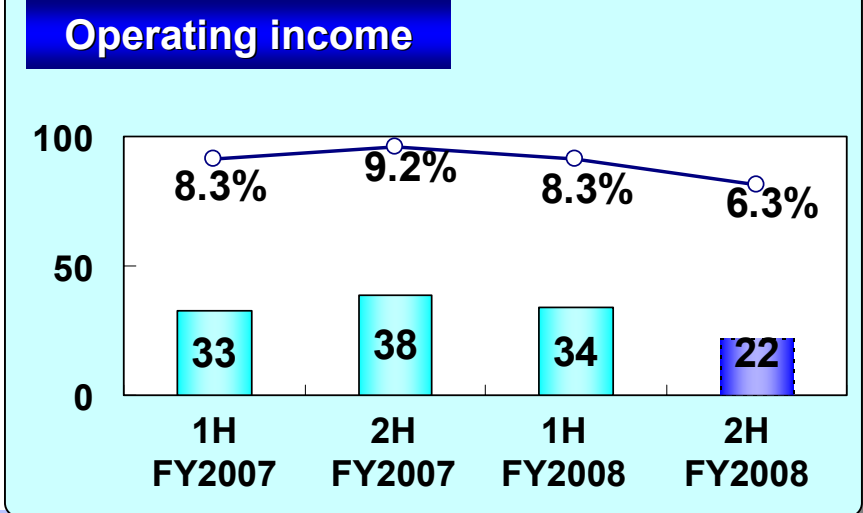
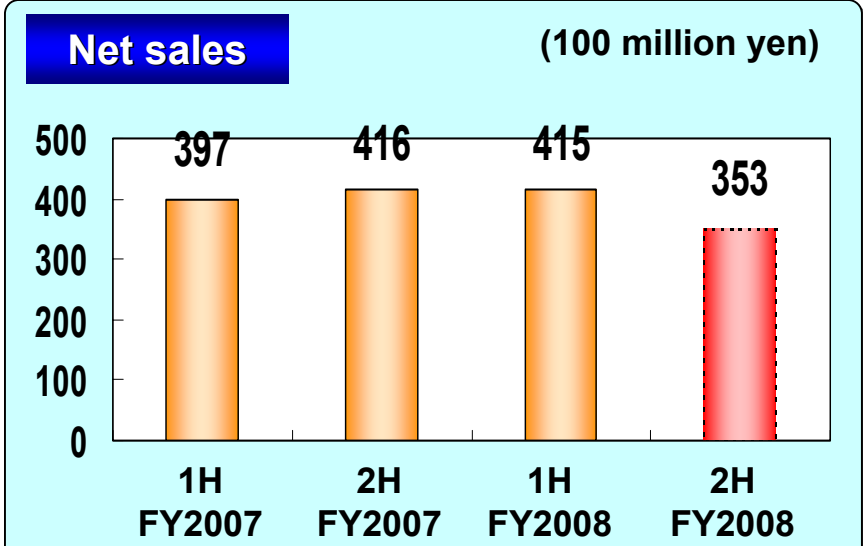


4. Net sales, Operating Income by Region (Europe, Asia & Others)

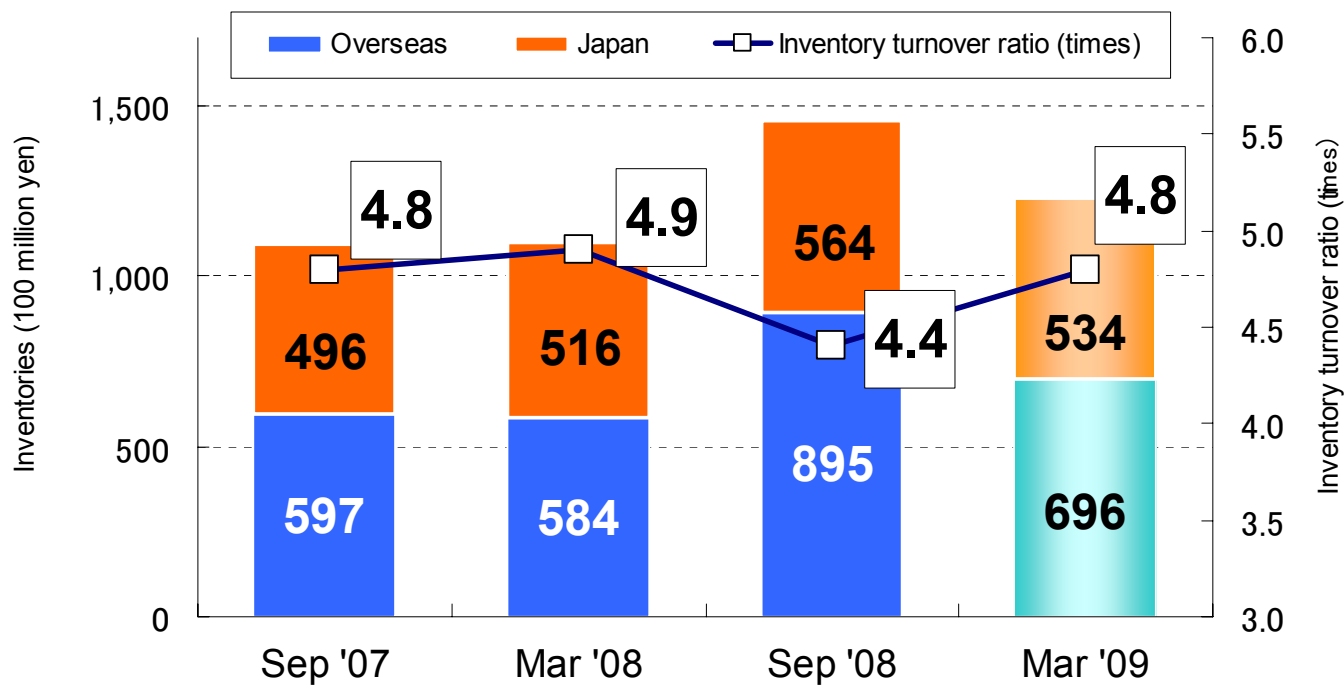
Europe



Asia & Others



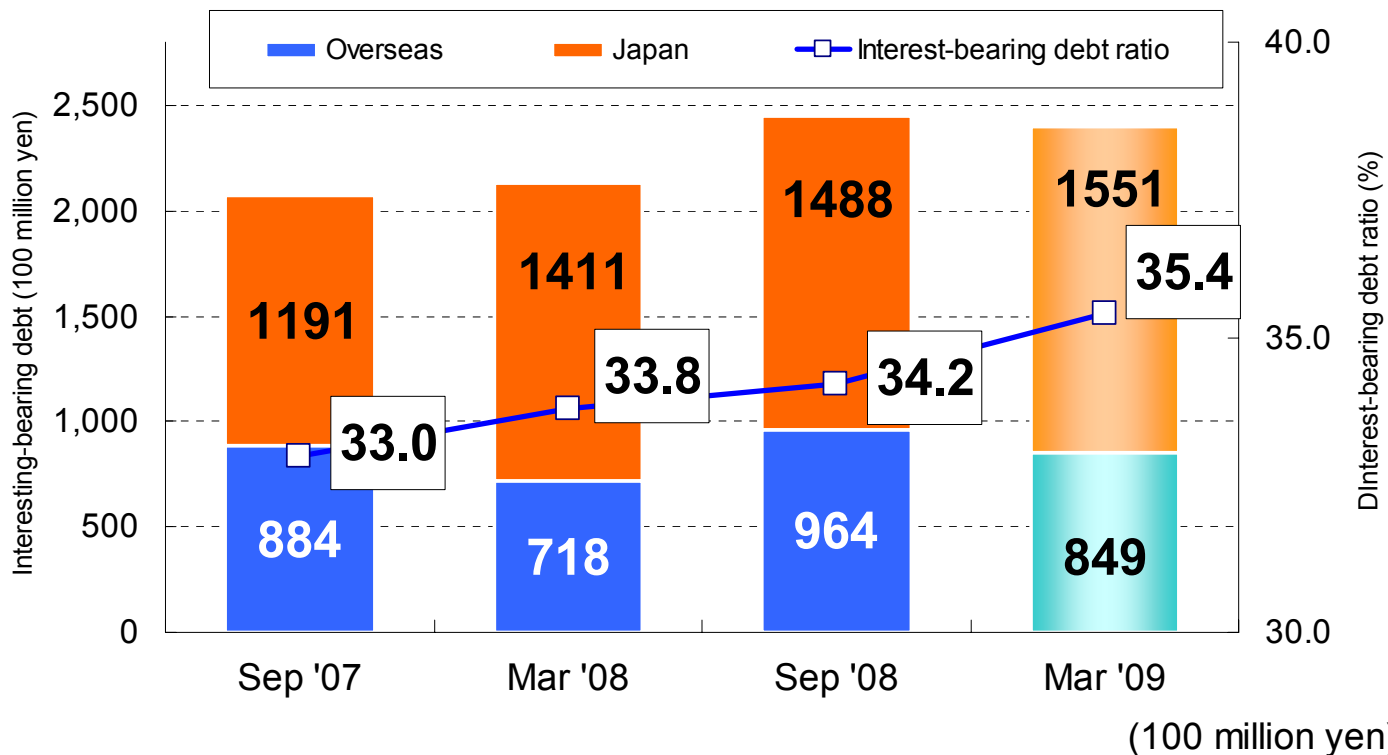
5. Inventories



(100 million yen)

	Sep '07 Results	Mar '08 Results	Sep '08 Results	Mar '09 Forecast
Inventories	1,093	1,100	1,459	1,230
<i>Japan</i>	496	516	564	534
<i>Overseas</i>	597	584	895	696
Inventory turnover ratio (times)	4.8	4.9	4.4	4.8

6. Interest-Bearing Debt



	Sep '07 Results	Mar '08 Results	Sep '08 Results	Mar '09 Forecast
Interesting-bearing debt	2,075	2,129	2,452	2,400
<i>Japan</i>	1,191	1,411	1,488	1,551
<i>Overseas</i>	884	718	964	849
Interest-bearing debt ratio (%)	33.0%	33.8%	34.2%	35.4%

7. Capital Expenditure and Depreciation

(100 million yen)

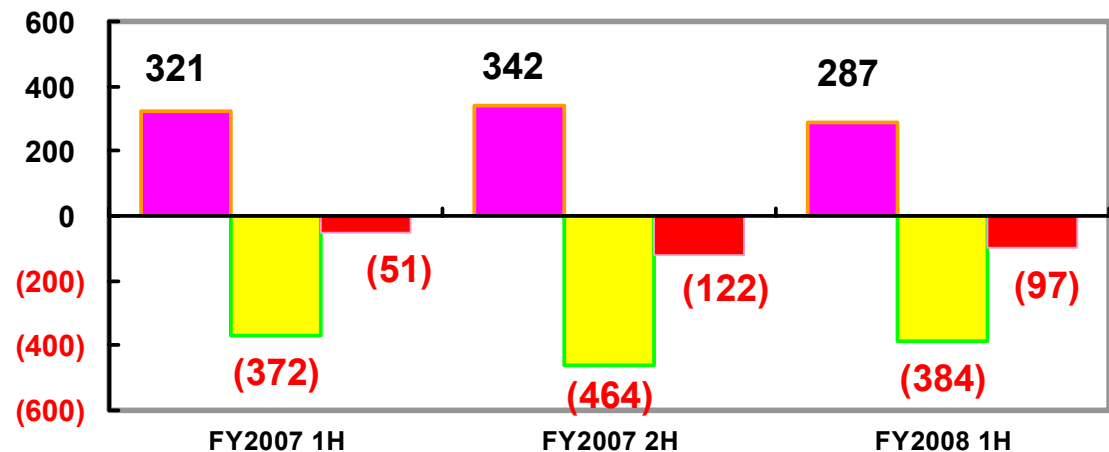
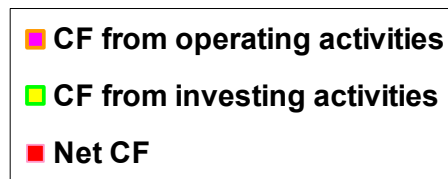
	FY2007	FY2007	FY2008	FY2008	Year-on-Year	
	First half	Full year	First half	Full year forecast	FY2008 1H	FY2008 Full year
	(1)	(2)	(3)	(4)	(3) - (1)	(4) - (2)
Capital expenditure	288	595	318	500	30	-95
<i>Japan</i>	203	400	205	285	2	-115
<i>Overseas</i>	85	195	113	215	28	20

	FY2007	FY2007	FY2008	FY2008	Y-o-Y change	
	First half	Full year	First half	Full year forecast	FY2008 1H	FY2008 Full year
	(1)	(2)	(3)	(4)	(3) - (1)	(4) - (2)
Depreciation	187	395	228	467	41	72
<i>Japan</i>	108	240	125	270	17	30
<i>Overseas</i>	79	155	103	197	24	42

8. Cash Flows

(100 million yen)

	FY2007		Full year	FY2008
	First half	Second half		First half
I. Cash flow from operating activities	321	342	663	287
II. Cash flow from investing activities	-372	-464	-835	-384
III. Cash flow from financing activities	54	102	156	90
IV. Effect of exchange rate translation on cash and cash equivalents	-3	25	21	9
V. Net increase in cash and cash equivalents	0	5	5	2



(Supplementary information) Sales Forecasts for Strategic Products

Product	Region	FY2007		FY2008	
		First half (Results)	Full year (Results)	First half (Results)	Full year (Forecast)
CVJs	Japan	251	548	282	534
	Americas	310	592	260	460
	Europe	179	362	159	259
	Asia & Other	73	149	79	147
	Total	813	1,651	780	1,400
Axle bearings	Japan	97	220	127	239
	Americas	118	225	127	222
	Europe	43	92	234	395
	Asia & Other	51	103	70	134
	Total	309	640	558	990
Needle bearings	Japan	161	332	158	298
	Overseas	87	174	88	158
	Total	248	506	246	456

* All figures in 100 million yen