

Financial Results for the First Half of Fiscal 2009



November 11, 2009
NTN Corporation

《Contents》

- I . Progress of “NTN 2010 for The Next Step”
- II . Consolidated Financial Results for the First Half of Fiscal Year ending March 31, 2010 (FY2009) and Full-Year Forecast
- III . Q&A Session

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.

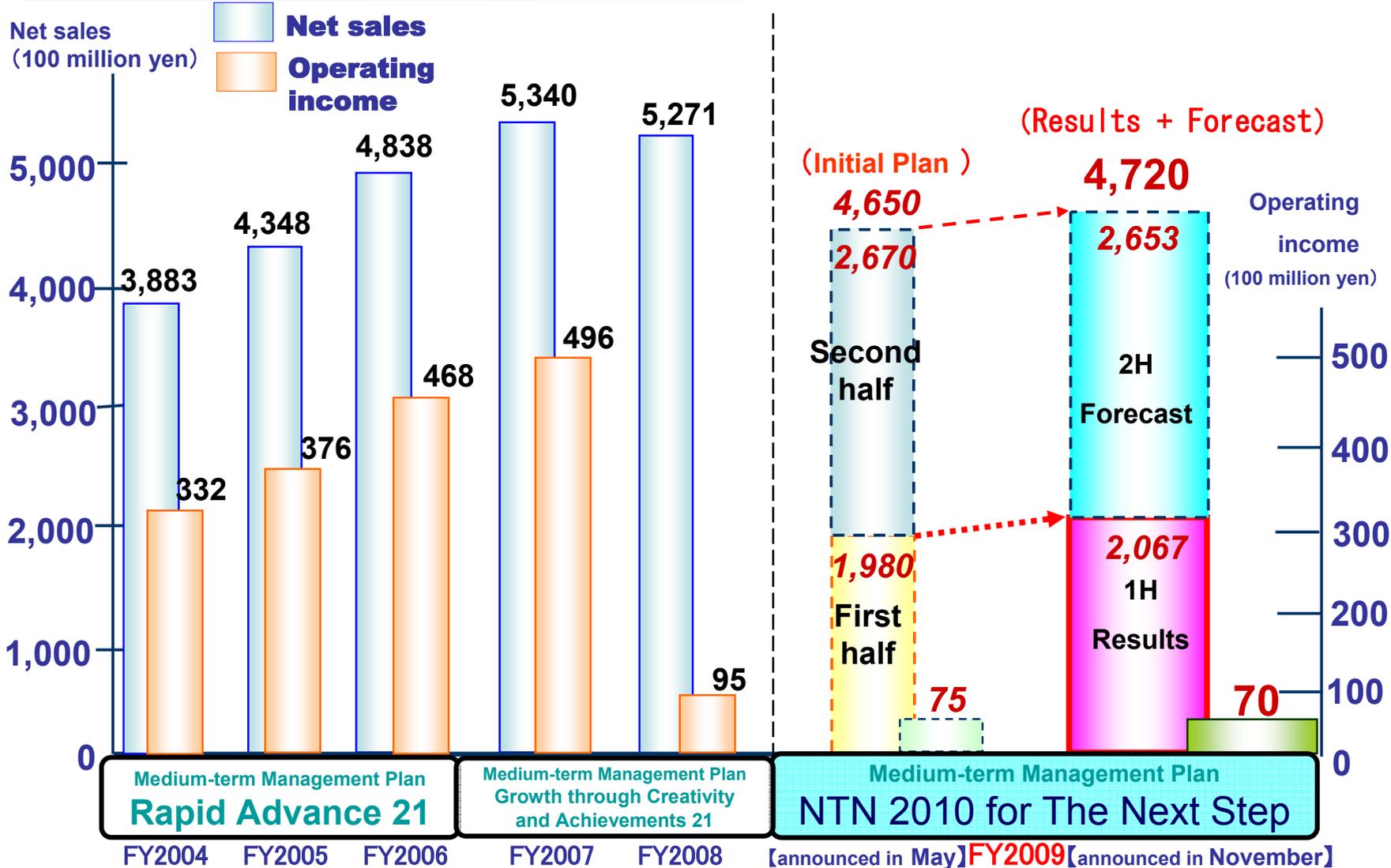
For New Technology Network



I .Progress of “NTN 2010 for The Next Step”

- 1.Results for the First Half of FY2009 and Full-Year Forecast
- 2.Expanding Sales to Industrial Machinery and Aftermarket Applications
- 3.Progress of Integration with SNR
- 4.Initiatives to Protect the Environment and to Reduce CO2 Emissions
- 5.Progress of Priority Tasks in “NTN 2010 for The Next Step”

1-1. Results for the First Half of FY2009 and Full-year Forecast



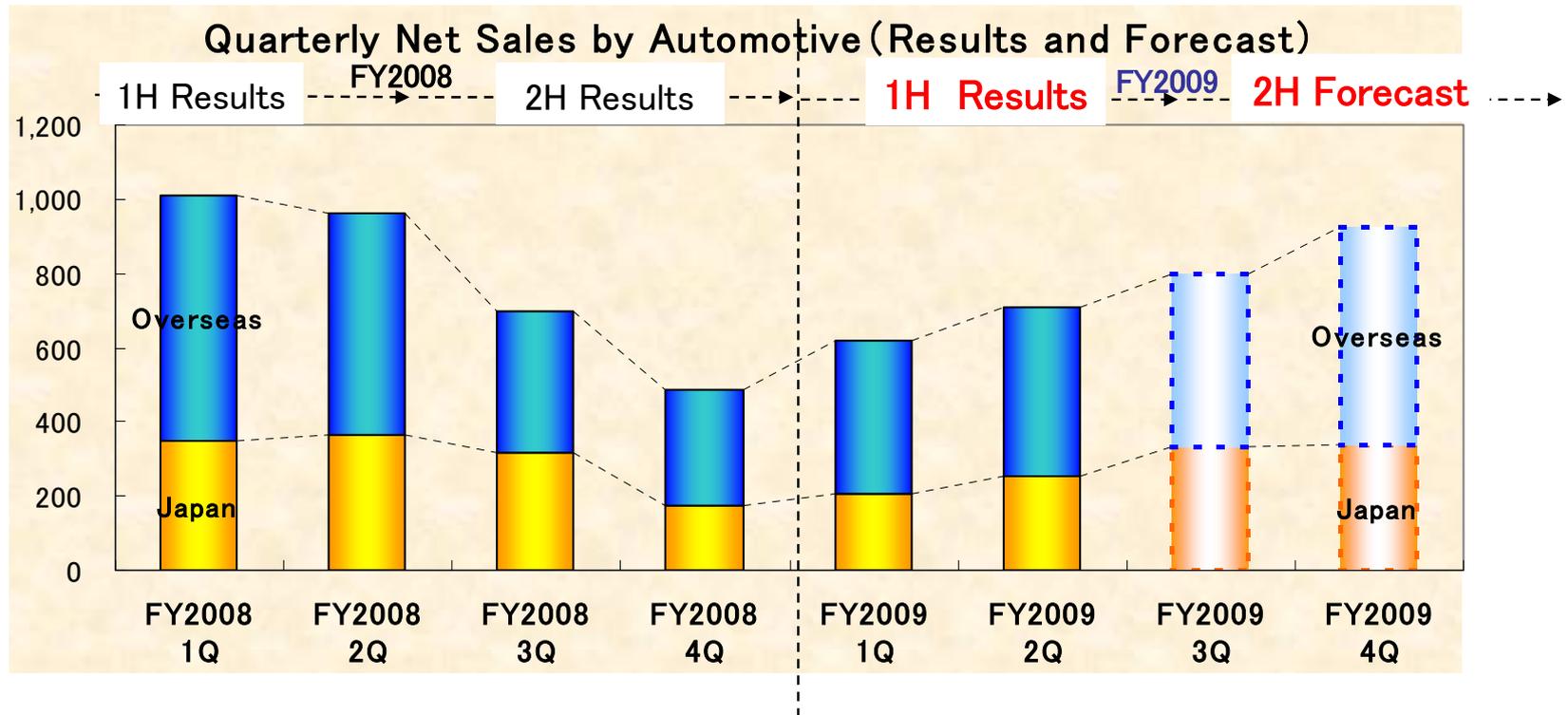
※SNR became a consolidated member of NTN from FY 2008

1-2. Net sales by Automotive

First half: Demand increased especially in compact cars, helped by economic-stimulus packages implemented in many countries

Second half: Recovery trend in demand to be continued, and sales to be increased through new projects

(100 million yen)

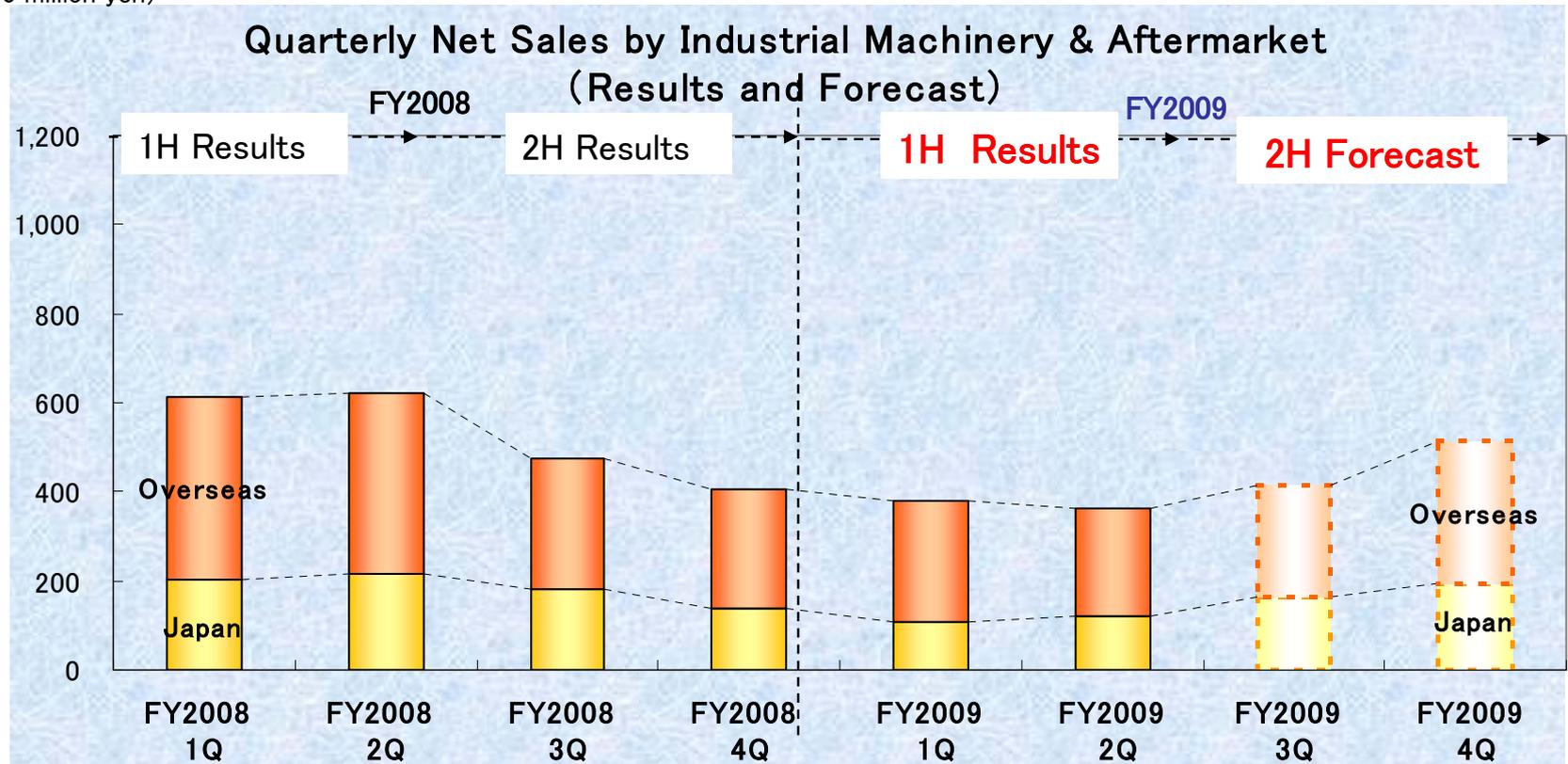


1-3. Net sales by Industrial Machinery & Aftermarket

First half: Sales Increased in rolling stock and air craft, but demand was sluggish in construction machinery and machine tools, and inventory adjustment was promoted

Second half: Recovery trend in demand to be continued, and sales to be increased through dedicated teams set up for targeted line of business

(100 million yen)



2. Expanding sales to industrial Machinery and Aftermarket Applications

◆ Rolling stock

- Modal shift in consideration of the global environmental problems
- ✓ Speed up sales expansion in emerging countries
- ✓ Apply NTN-SNR synergies to high-speed vehicles



Journal bearing for

France's TGV's train



Journal bearing for

Japan's bullet train



◆ Wind power systems

- Increasing demand overseas corresponding to the need of reducing CO2 emissions
- ✓ Production started at NTN Houdatsushimizu Corporation
- ✓ Expand sales in emerging countries including China, Korea and India
- ✓ Strengthen competitiveness in the technology of ultra-large ocean-based wind power systems



Main shaft bearing for
wind power systems

2. Expanding sales to industrial Machinery and Aftermarket Applications

◆ Construction machinery

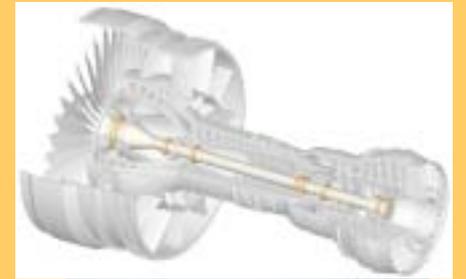
- Rapid demand increase in infrastructure building and resource development
- ✓ Expand sales in emerging countries including China, India and Indonesia
- ✓ Enhance hybrid technologies, applying low torque and long-life operation technologies



Bearing for construction machinery

◆ Aircraft

- Increasing demand in energy-saving and environmental-responsive products
- ✓ Apply NTN-SNR synergies
- ✓ Supply NTN products to the world top three jet engine manufacturers



Main shaft bearing for aircraft

3. Progress of Integration with SNR

Sales

- 1.Reinforcing industry-driven sales structures
- 2.Combining sales bases
- 3.Consolidating operation (logistics and IT)

Production

- ①Promoting joint procurement for parts and materials
- ②Selling products procured from the other partner (effective utilization of production capacity)
- ③Utilizing SNR's plants in Romania and Brazil

Technology

- ①Commercializing the advanced sensor technology
- ②Promoting joint study on elemental technology
- ③Speeding up product development through industrial cluster approaches, and collaboration with industry, academia and the government

1:SNR H.Q.



Anney plant



Meythet plant



2:Plant in Italy



Argonay plant



Seynod plant



Ales plant



Achievement

- Expanded sales in industrial machinery and after-market sector
- Secured orders on global automotive projects
- Commercialized cutting-edge technologies



Hub bearing with high resolution rotational sensors



Plant in Romania



Plant in Brazil

4. Initiatives to Protect the Environment and to Reduce CO2 Emissions

1. Development of technology for next generation automobiles

- Making products electrical and modular
- Intelligent In-wheel motor type axle unit



Electric brake unit



Intelligent In-wheel motor type axle unit

2. Development of energy conservation technology

- Reduce size, weight, and torque

3. Delving into element technology

- Pursue material technology research and development



V-series, GEN 4 Hub Joint

4. Reduction of CO2 emissions

- Utilize natural energy including wind power and solar power
- Improve energy conservation by downsizing equipments and updating air conditioning system
- Achieved recycle rate, 99.6 % in Japan



Thermal storage tank for hydrate-slurry air conditioning system (Okayama Works)

5. Progress of Priority Tasks in “NTN 2010 for The Next Step”

1. Accelerate New Product Development

- Organized Production Innovation and Intellectual Property Strategy Headquarters
- Established Elemental Technology R&D Center (June 2009)



R&D Center for elemental technology (Kuwana)

2. Expanding sales to industrial machinery and aftermarket sector

- Promote sales by the newly set-up teams dedicating to targeted sectors
- Integrate marketing, engineering, development, and production



NTN Houdatsushimizu (Ishikawa)

3. New World leader in MONOZUKURI and quality

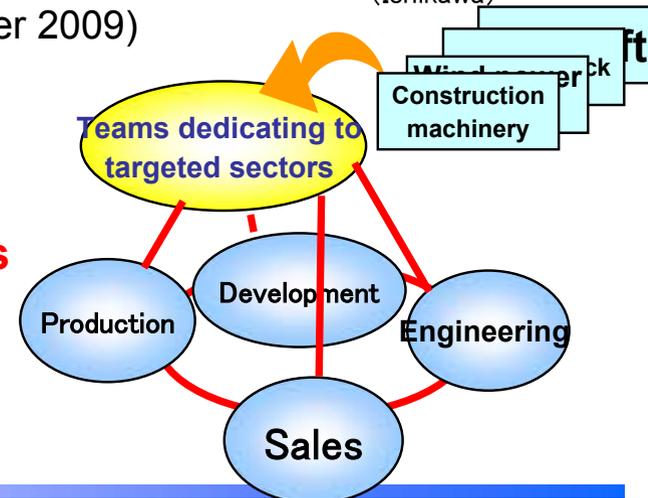
- Cut delivery time to 1/2 for orders of large mix and small volume
- NTN Houdatsushimizu started its production (October 2009)

4. Cost competitive structure

- Improve personnel cost efficiency
- Cut drastically capital expenditures

5. Development and utilization of human resources

- Increase staffs in industrial machinery sector
- Promote product development by younger or female employees



Consolidated Financial Results for the First Half of the Year Ending March 31, 2010 (FY2009) and Full-Year Forecast

November 11, 2009

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.

★ **Financial Results for the First Half of FY2009: Key Factors**

- 1. Consolidated Statements of Operations**
- 2. Net Sales by Geographic and Business Segment**
- 3. Change of Quarterly Net Sales and Operating income**
- 4. Analysis of Operating Income**
- 5. Net Sales, Operating Income by Region**
- 6. Inventories**
- 7. Interest-Bearing Debt**
- 8. Capital Expenditure and Depreciation**
- 9. Cash Flows**

Highlights of Consolidated Financial Results

Results for the First Half of FY2009

- ◇ Net sales for the period decreased 113.9 billion yen, 36 % from a year earlier to 206.7 billion yen.
- ◇ Operating profit decreased 25.3 billion yen from a year earlier to negative 5.6 billion yen.
- ◇ Inventory on September 30 decreased 14.6 billion yen from March 31, 2009
- ◇ Free cash flow generated for the period was positive 8.5 billion yen, reflecting capital expenditures cut and inventory reduction.

Forecast for the Full-Year Forecast

- ◇ Revised net sales plan upward from 465 billion yen to 472 billion yen, as the net sales in the automotive sector exceeded the plan in the first six month period.
- ◇ Revised operating profit plan downward from 7.5 billion yen to 7 billion yen, as the weight of automotive in the total sales is forecasted to increase.

1. Consolidated Statements of Operations

(100 million yen)

	FY2008			FY2009			Year-on-year	
	1H	2H	Full year	1H	2H	Full year	FY2009 1H	FY2009 Full year
	①		②	③		④	③-①	④-②
Net sales	3,206	2,065	5,271	2,067	2,653	4,720	△ 1,139	△ 551
Operating income	197	△ 102	95	△ 56	126	70	△ 253	△ 25
Operating margin	(6.1%)	(△ 4.9%)	(1.8%)	(△ 2.7%)	(4.7%)	(1.5%)	(△ 8.8%)	(△ 0.3%)
Ordinary income	196	△ 109	87	△ 76	101	25	△ 272	△ 62
Extraordinary income/loss	△ 47	△ 141	△ 188	7	△ 14	△ 7	54	181
Net income	85	△ 175	△ 90	△ 51	56	5	△ 136	95
Exchange US \$	106.1	95.1	100.7	95.5	90.0	92.7	△ 10.6	△ 8.0
rate EURO	162.8	124.6	144.1	133.2	120.0	126.6	△ 29.6	△ 17.5
ROE	7.6%	-18.0%	-4.3%	-5.5%	5.8%	0.3%	△ 13.1%	4.6%
ROA	2.4%	-5.2%	-1.3%	-1.6%	1.8%	0.1%	△ 4.0%	1.4%
Divided per share (yen)	9.0	4.0	13.0	4.0			△ 5.0	

2. Net Sales by Geographic and Business Segment

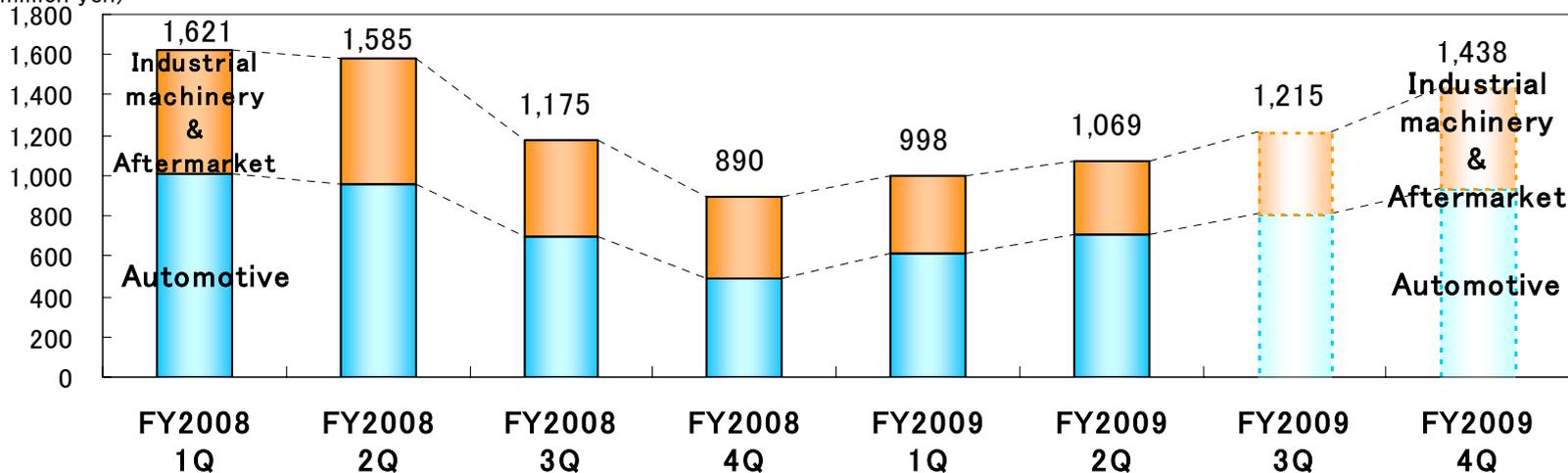
(100 million yen)

	FY2008			FY2009			Year-on-year			
	1H	2H	Full year	1H	2H	Full year	FY2009 1H ③-①		FY2009 Full year ④-②	
	①		②	③		④	Amount	Forex	Amount	Forex
Bearings	736	519	1,256	439	707	1,146	△297	-	△110	-
CVJs	282	199	481	174	254	428	△108	-	△53	-
Precision Equipments	118	94	211	78	72	150	△40	-	△61	-
Total	1,136	812	1,948	691	1,033	1,724	△446	-	△225	-
Bearings	407	275	682	243	315	558	△133	△31	△76	△48
CVJs	260	141	402	152	192	344	△92	△17	△30	△28
Precision Equipments	5	4	9	5	5	9	0	△1	1	△1
Total	673	420	1,093	399	512	911	△225	△49	△106	△77
Bearings	755	406	1,161	482	561	1,043	△164	△108	13	△130
CVJs	159	72	231	110	147	257	△22	△26	59	△32
Precision Equipments	16	10	26	11	9	20	△2	△3	△3	△3
Total	930	487	1,417	604	716	1,320	△188	△137	69	△165
Bearings	378	287	665	301	312	613	△35	△43	4	△57
CVJs	79	52	131	65	74	138	△7	△8	19	△12
Precision Equipments	10	7	17	8	7	14	△1	△1	△1	△2
Total	468	345	813	373	392	765	△43	△52	23	△71
Bearings	2,277	1,487	3,764	1,465	1,894	3,359	△630	△182	△169	△236
CVJs	780	464	1,244	500	667	1,167	△229	△51	△5	△72
Precision Equipments	149	114	263	101	92	194	△43	△4	△64	△5
Total	3,206	2,065	5,271	2,067	2,653	4,720	△902	△237	△238	△313

3.Change of Quarterly Net Sales and Operating income

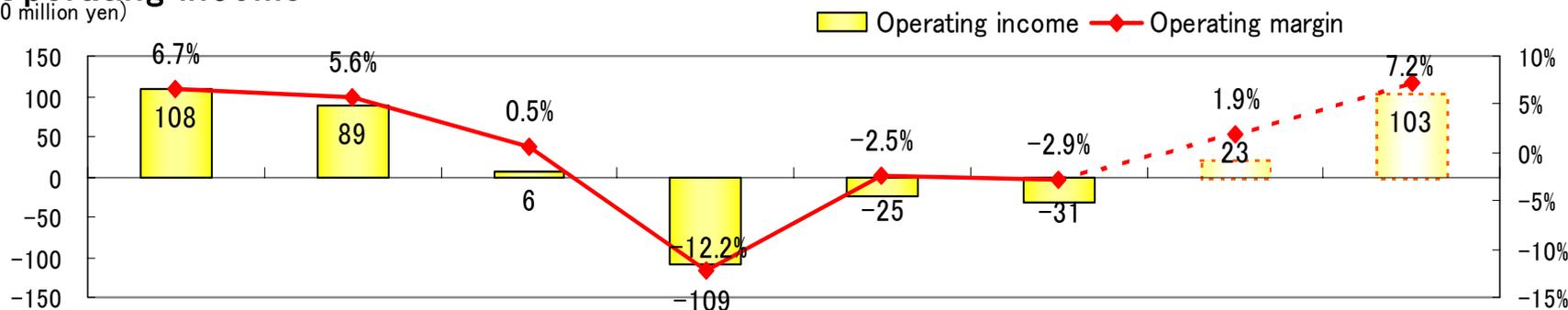
Net sales

(100 million yen)



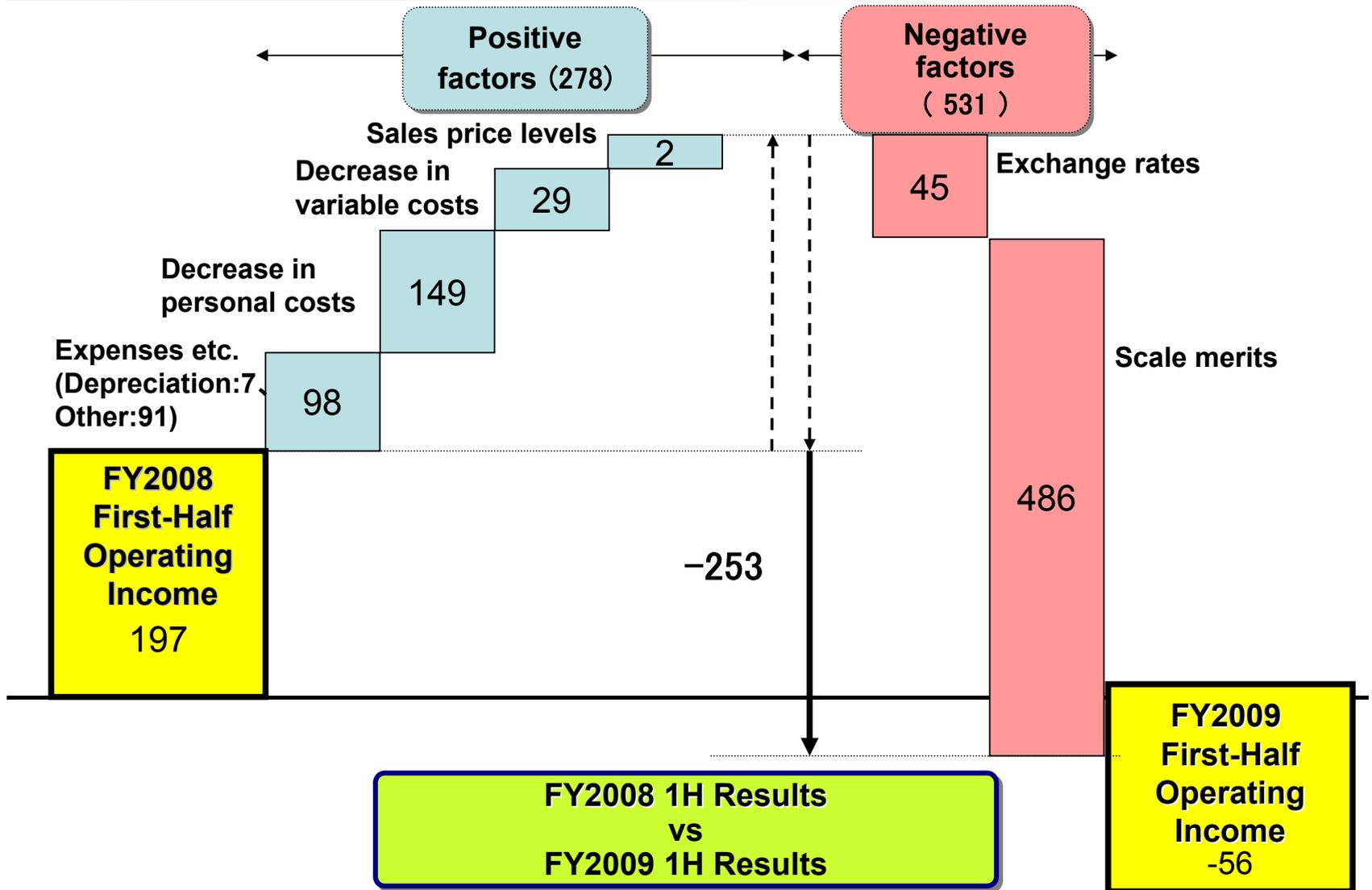
Operating income

(100 million yen)



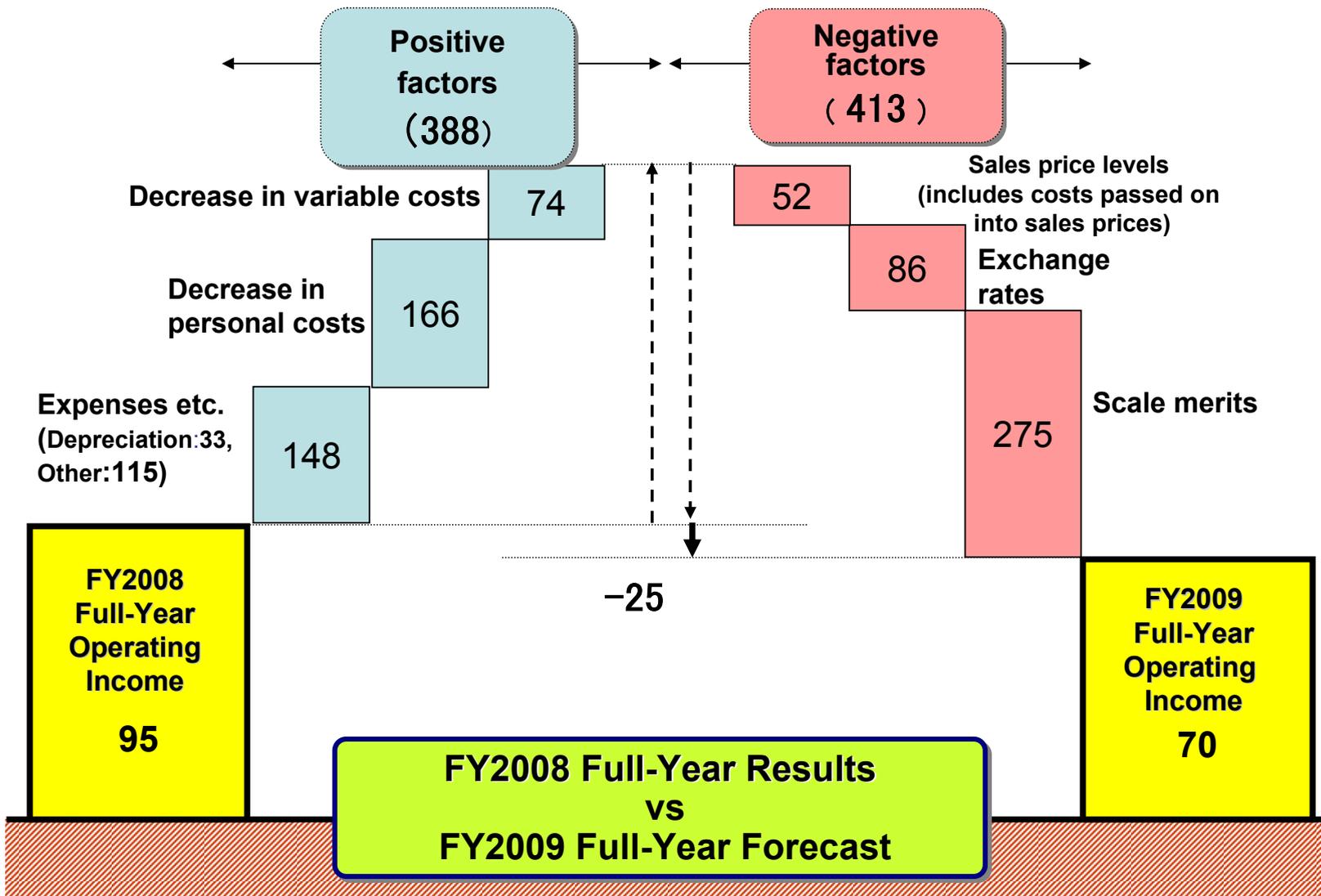
4. Analysis of Operating Income (FY2009 First Half)

* All figures in 100 million yen



4. Analysis of Operating Income (FY2009 Full year)

* All figures in 100 million yen

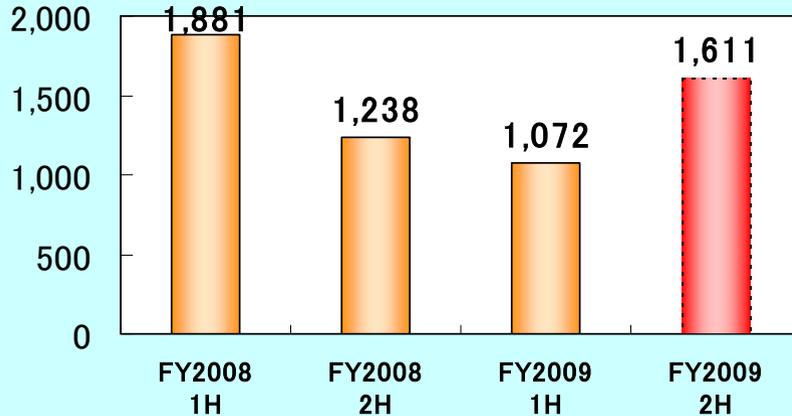


5. Net Sales, Operating Income by Region

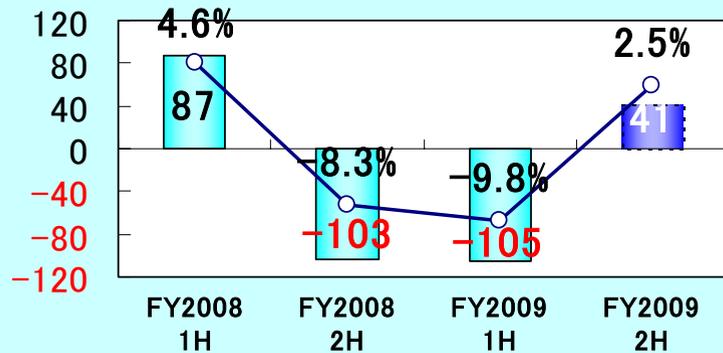
Japan

Net sales

(100 million yen)



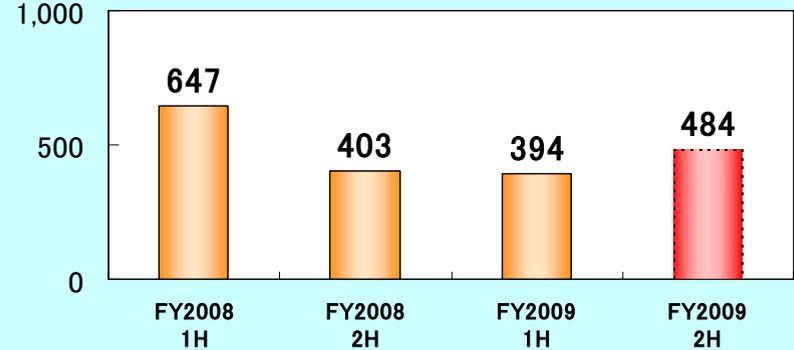
Operating income



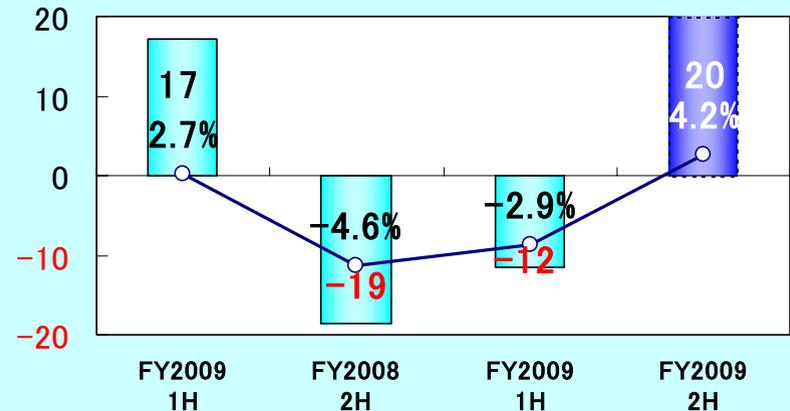
Americas

Net sales

(100 million yen)

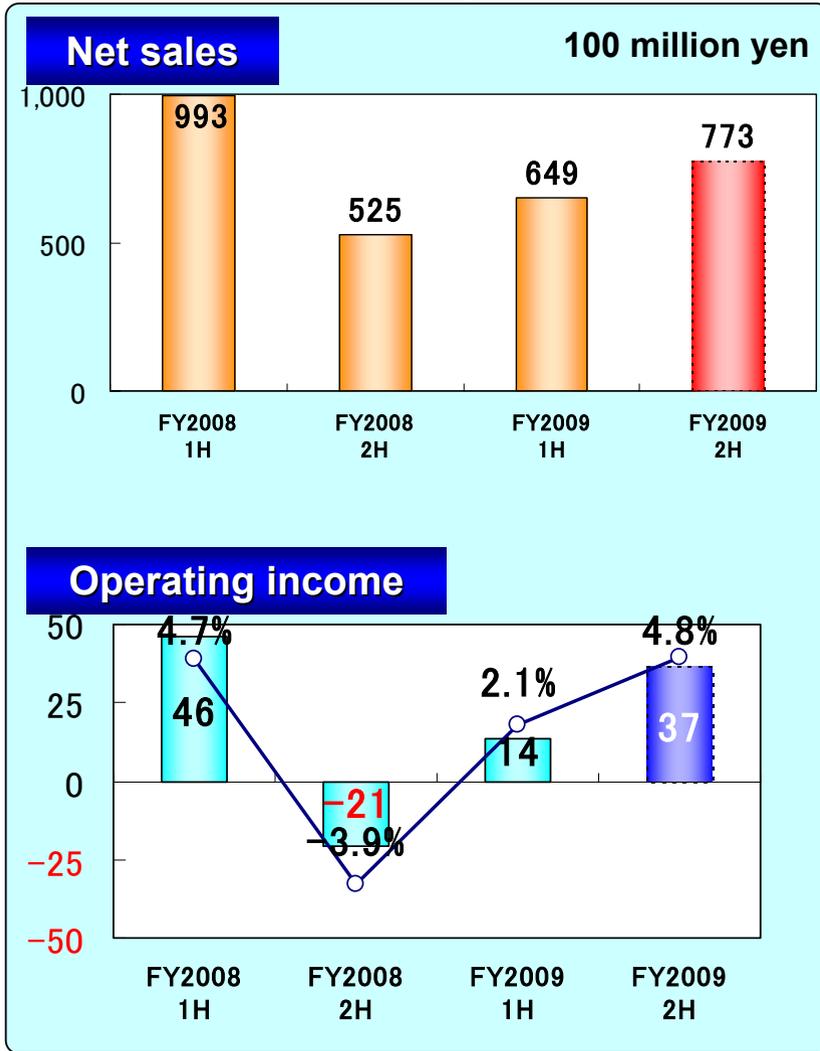


Operating income

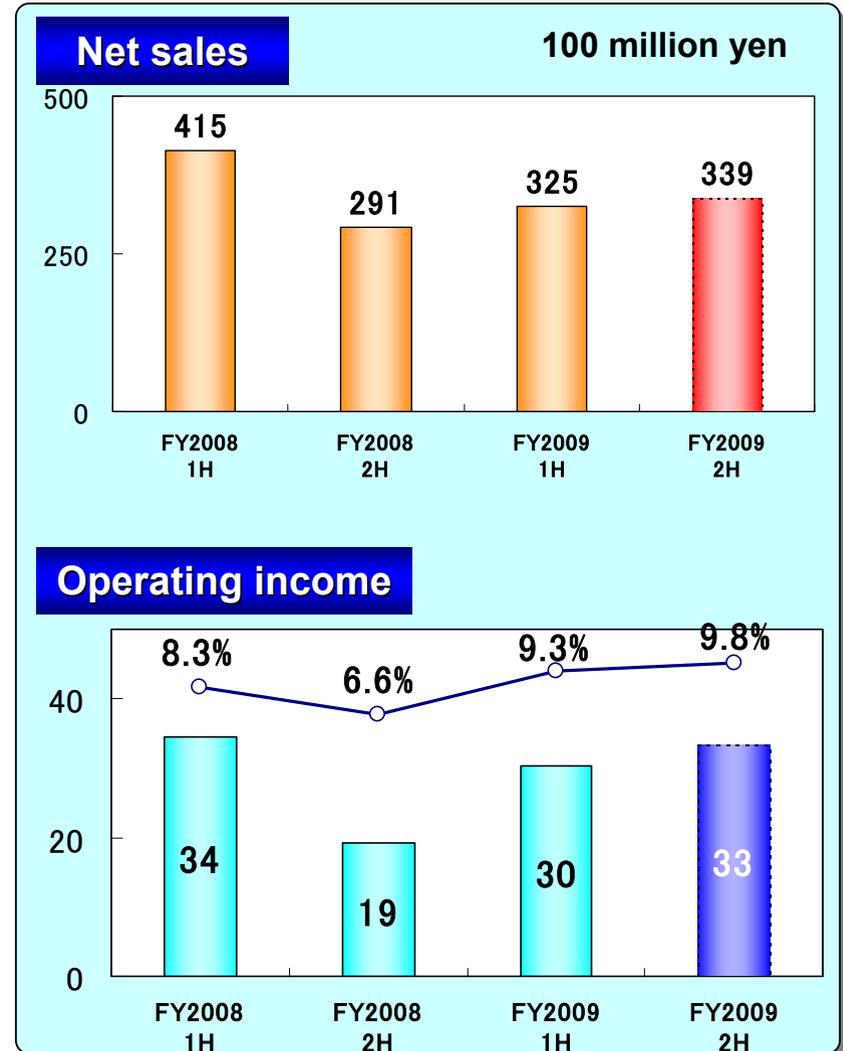


5. Net Sales, Operating Income by Region

Europe



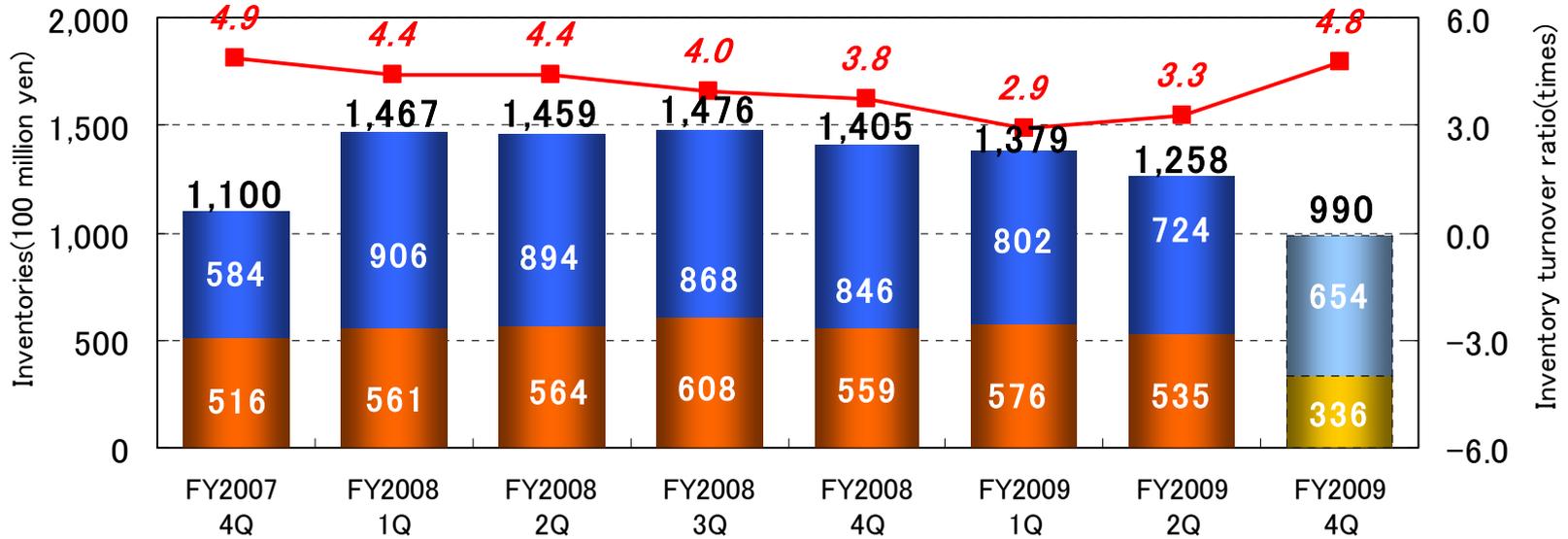
Asia & Others



6. Inventories

◆ Inventory as of September 2009 resulted in the level almost as planned.

Japan Overseas Inventory turnover ratio

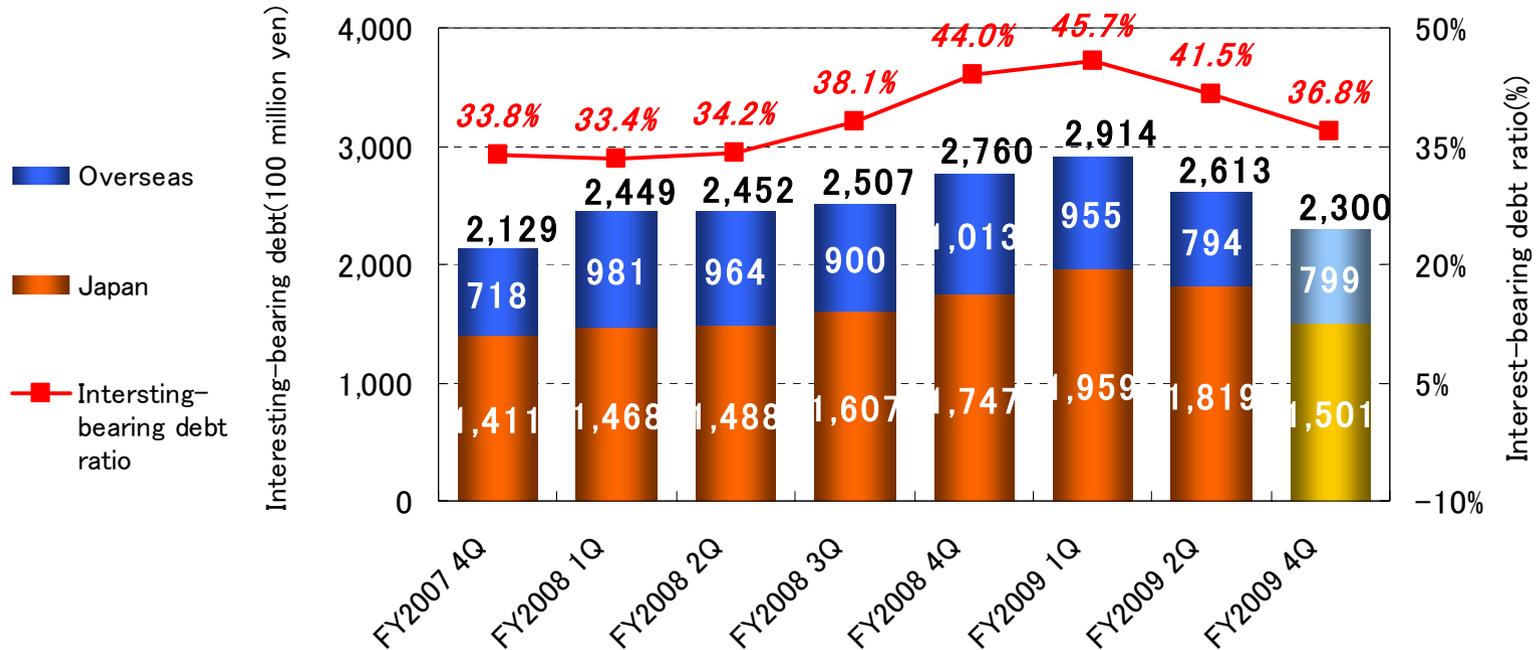


(100 million yen)

	FY2007 4Q	FY2008 1Q	FY2008 2Q	FY2008 3Q	FY2008 4Q	FY2009 1Q	FY2009 2Q	FY2009 4Q
	Results	Forecast						
Inventories	1,100	1,467	1,459	1,476	1,405	1,379	1,258	990
Overseas	(584)	(906)	(894)	(868)	(846)	(802)	(724)	(654)
Japan	(516)	(561)	(564)	(608)	(559)	(576)	(535)	(336)
Inventory turnover ratio (times)	4.9	4.4	4.4	4.0	3.8	2.9	3.3	4.8

7. Interest-Bearing Debt

◆ Budgeted balance for September 2009, 275 billion yen, was achieved



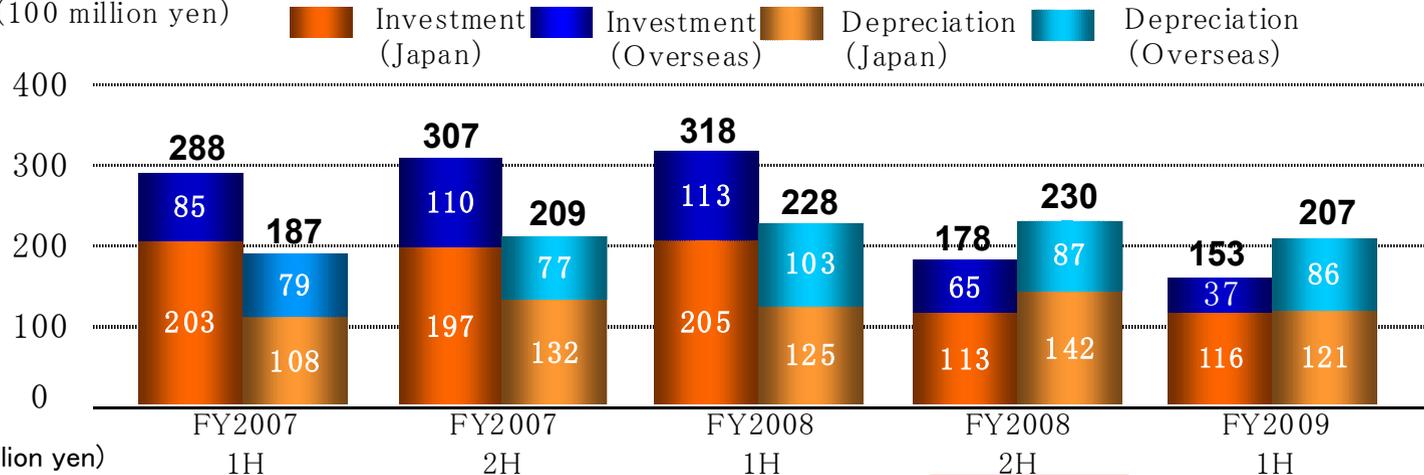
(100 million yen)

	FY2007 4Q Results	FY2008 1Q Results	FY2008 2Q Results	FY2008 3Q Results	FY2008 4Q Results	FY2009 1Q Results	FY2009 2Q Results	FY2009 4Q Forecast
Interesting-bearing debt	2,129	2,449	2,452	2,507	2,760	2,914	2,613	2,300
Overseas	(718)	(981)	(964)	(900)	(1,013)	(955)	(794)	(799)
Japan	(1,411)	(1,468)	(1,488)	(1,607)	(1,747)	(1,959)	(1,819)	(1,501)
Interesting-bearing debt ratio(%)	33.8%	33.4%	34.2%	38.1%	44.0%	45.7%	41.5%	36.8%

8. Capital Expenditure and Depreciation

◆ Capital expenditures for the period was kept below a half of the amount from a year earlier

(100 million yen)



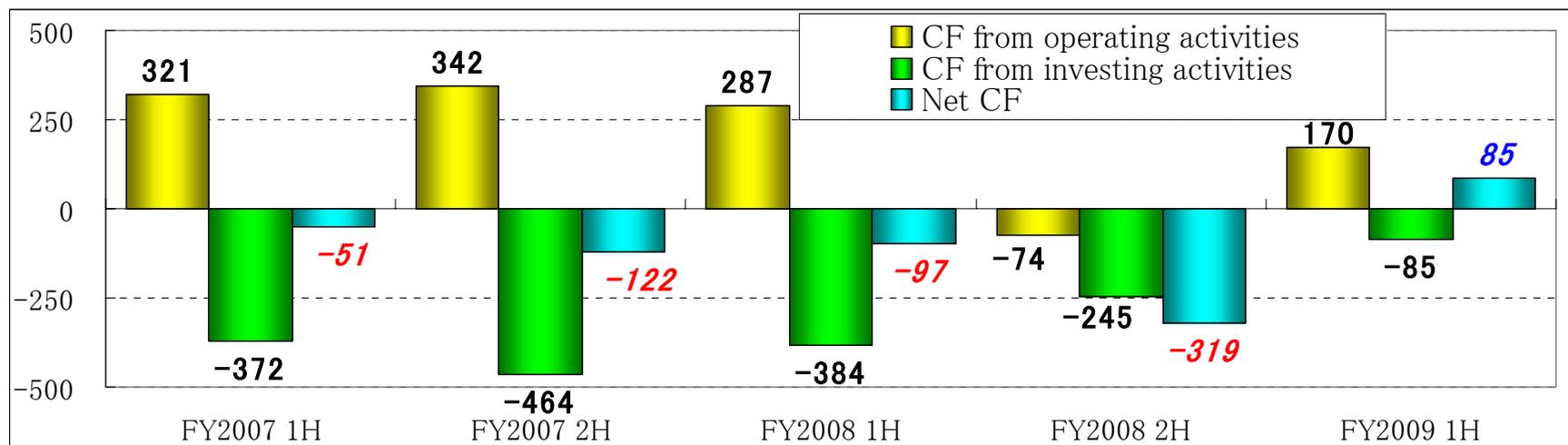
(100 million yen)

	FY2007 First half	FY2007 Second half	FY2008 ①First half	FY2008 Second half	FY2009 ②First half	②-①	FY2009 Forecast
Capital expenditure	288	307	318	178	153	-165	210
Overseas	(85)	(110)	(113)	(65)	(37)	-76	(70)
Japan	(203)	(197)	(205)	(113)	(116)	-89	(140)
Depreciation	187	209	228	230	207	-21	406
Overseas	(79)	(77)	(103)	(87)	(86)	-17	(155)
Japan	(108)	(132)	(125)	(142)	(121)	-4	(251)

9. Cash Flows

◆ Free cash flow turnaround

(100 million yen)	FY2007 First half	Second half	FY2008 First half ①	Second half	FY2009 First half ②	②-①	FY2009 Forecast
I. Cash flow from operating activities	321	342	287	-74	170	-117	458
II. Cash flow from investing activities	-372	-464	-384	-245	-85	299	-295
III. Cash flow for financing activities	54	102	90	355	138	48	-117
IV. Effect of exchanging rate translation on cash and cash equivalents	-3	25	9	-56	17	8	-6
V. Net increase in cash and cash equivalents	0	5	2	-19	241	239	40



(Supplementary information)

Sales Results and forecasts for Strategic Products

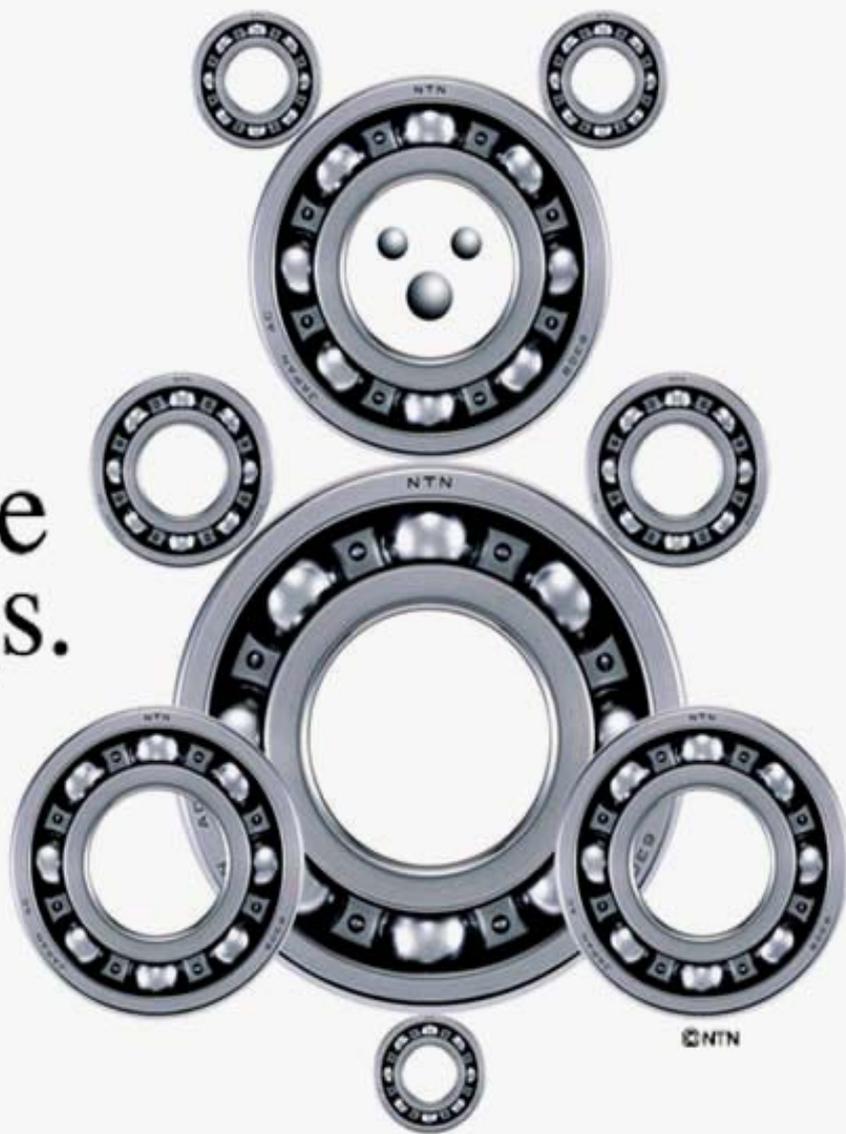
For New Technology Network



Product	Region	FY2008		FY2009	
		First half (Results)	Full year (Results)	First half (Results)	Full year (Forecast)
CVJs	Japan	282	481	174	428
	Americas	260	402	152	344
	Europe	159	231	110	257
	Asia & Other	79	131	65	138
	Total	780	1,244	500	1,167
Axle Bearings	Japan	127	214	90	230
	Americas	127	202	81	185
	Europe	234	371	174	390
	Asia & Other	70	117	58	125
	Total	558	904	403	930
Needle Bearings	Japan	158	257	84	215
	Overseas	88	147	62	135
	Total	246	404	146	350

* All figures in 100 million yen

We make
Bearings.



For New Technology Network

NTN®

NTN corporation

<http://www.ntn.co.jp>

©NTN