

# Financial results For the year ended March 31, 2011

**May 19, 2011**  
**NTN Corporation**

This presentation and comments made in this conference or during the following Q&A session include forward-looking statements about management expectations for future performance and future business strategies. These statements represent the best judgment of the management of the company based on the information currently available. However, 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 management projections depending on various factors such as changes in product demand, exchange rates and interest rates.

Please allow us to express deep sadness at the loss of so many lives during the recent Great East Japan Earthquake and our sincerest condolences to those who have suffered.

We also hope and pray for the safety of people living in the affected areas and the earliest possible recovery of those areas.

NTN Group will do everything within its power to support the affected areas and be of use during the recovery.

NTN Corporation

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# Financial Results for the FY2010: Key Factors

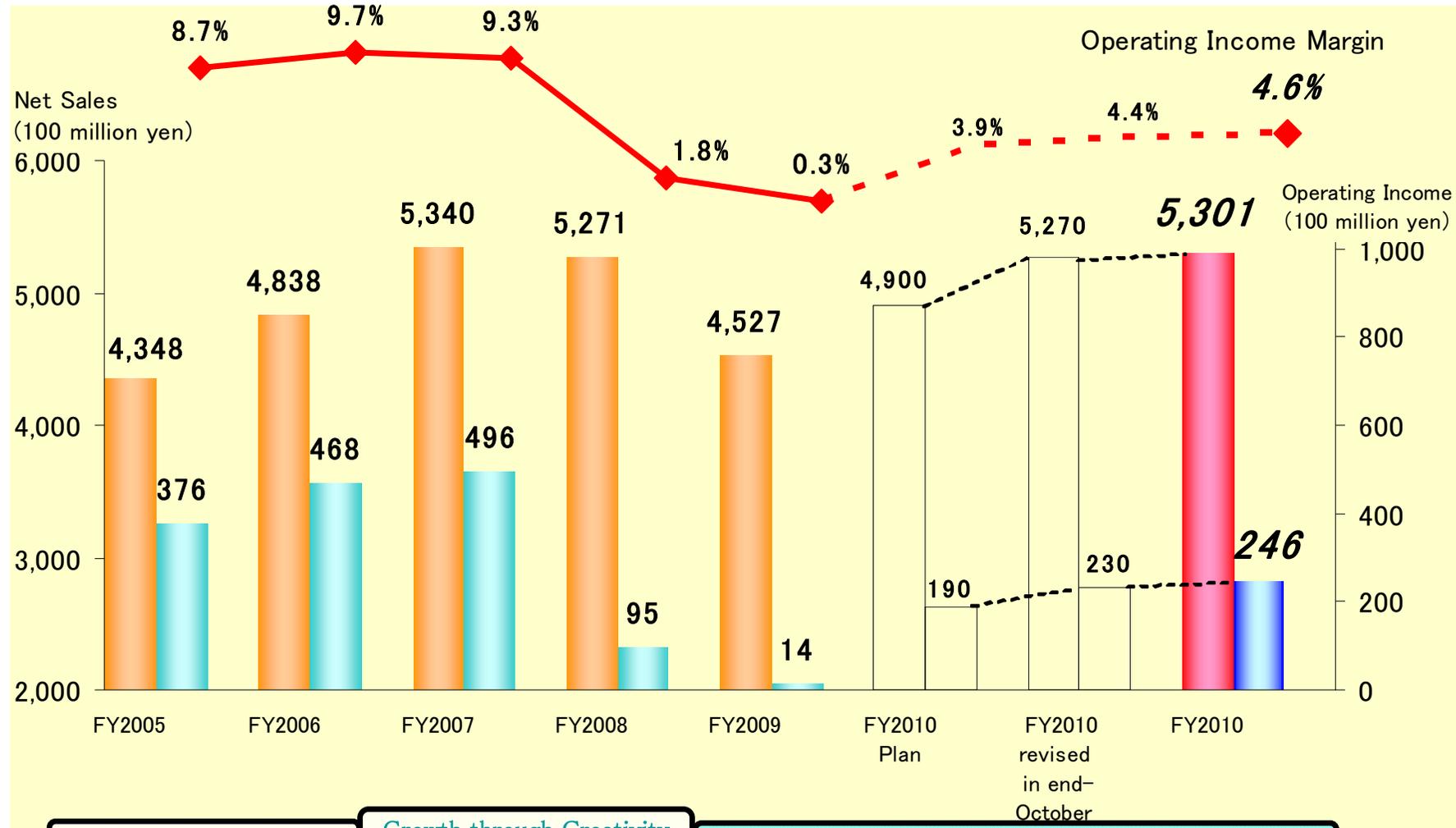
## Results of FY 2010

- ◇ Net sales for the period was **530.1 billion yen, increased 17%** from a year earlier.  
(**25% increase** when impact of exchange rates is removed.)
  - Sales in the Automotive sector increased 15% from a year earlier by sales increase for American maker and in Asia & Others (increased 22%).
  - Sales in the Industrial machinery sector increased 25% from a year earlier by recovery in Construction machinery and Machine tool (increased 32%).
  - Sales in Aftermarket & Distributor sector increased 19% from a year earlier by positive sales of auto parts and a recovery in demand in all regions (increased 28%).
- ◇ Operating Income for the period was **24.6 billion yen, increased 17.5 time** from a year earlier.
  - Operating income ratio improved to **4.6%** thanks to increased sales and a recovery in the production operation rate.
- ◇ Divided projection : ¥10/share annually (¥5 at mid-FY and ¥5 at FY-end).

**Due to the impact of the Great East Japan Earthquake, a reasonable forecast for FY2011 cannot be made at this point. The forecast for FY2011 will be disclosed as soon as it becomes available.**

# 1. FY2010 Net Sales & Operating Income

- Sales of 530.1 billion yen and operating income of 24.6 billion yen were achieved, exceeding the plan revised in October.



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Medium-term Management Plan

## 2. Consolidated Statements of Operations

(100 million yen)

	FY2009 Results ①	FY2010 Results ②	Year-on-Year ②-①
Net Sales	4,527	5,301	773
Operating income (Operating margin)	14 (0.3%)	246 (4.6%)	232 (4.3%)
Ordinary income	-6	211	217
Extraordinary income/loss	-12	18	30
Net income	-20	144	164
Exchange rate			
US \$	92.9	85.7	-7.2
EURO	131.2	113.1	-18.1

### 3. Net Sales by Region

(100 million yen)

	FY2009 Results ①	FY2010 Results ②	Year-on-Year	
			②-①	
			Volume	Forex
Japan	1,564	1,866	302	0
Americas	900	1,180	374	-94
Europe	1,271	1,328	266	-209
Asia & Others	793	927	170	-37
Total	4,527	5,301	1,113	-340

## 4. Net Sales & Operating Income by Business Sector

### <Net Sales by Business Sector >

(100 million yen)

	FY2009 Results		FY2010 Results		Year-on-Year	
	①		②		②-①	
	Volume		Forex			
Automotive	3,009	3,444	660	-224		
Industrial machinery	797	995	252	-54		
Aftermarket/ Distributor	722	862	202	-62		
<b>Total</b>	<b>4,527</b>	<b>5,301</b>	<b>1,113</b>	<b>-340</b>		

### <Operating Income by Business Sector >

	FY2009 Results		FY2010 Results		Year-on-Year		
	Operating income	Operating margin	Operating income	Operating margin	③-①	Exchange rate	④-②
	①	②	③	④			
Automotive	-85	-2.8%	35	1.0%	121	-66	3.9%
Industrial machinery	-16	-2.0%	31	3.1%	47	-14	5.2%
Aftermarket/ Distributor	115	16.0%	179	20.8%	64	-23	4.8%
<b>Total</b>	<b>14</b>	<b>0.3%</b>	<b>246</b>	<b>4.6%</b>	<b>232</b>	<b>-103</b>	<b>4.3%</b>

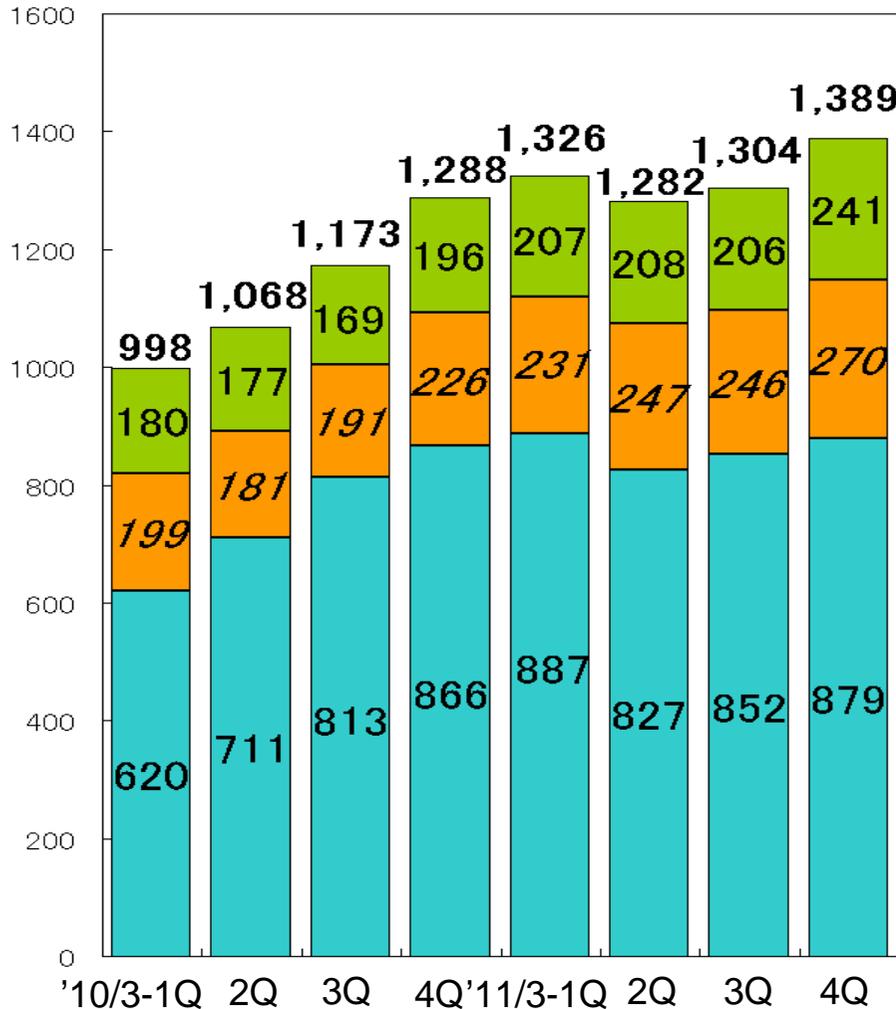
# 5. Trends in Quarterly Results by Business Sector

◆ Automotive, Industrial Machinery and Aftermarket/Distributor were all favorable.

■ Automotive 
 ■ Industrial Machinery 
 ■ Aftermarket/Distributor

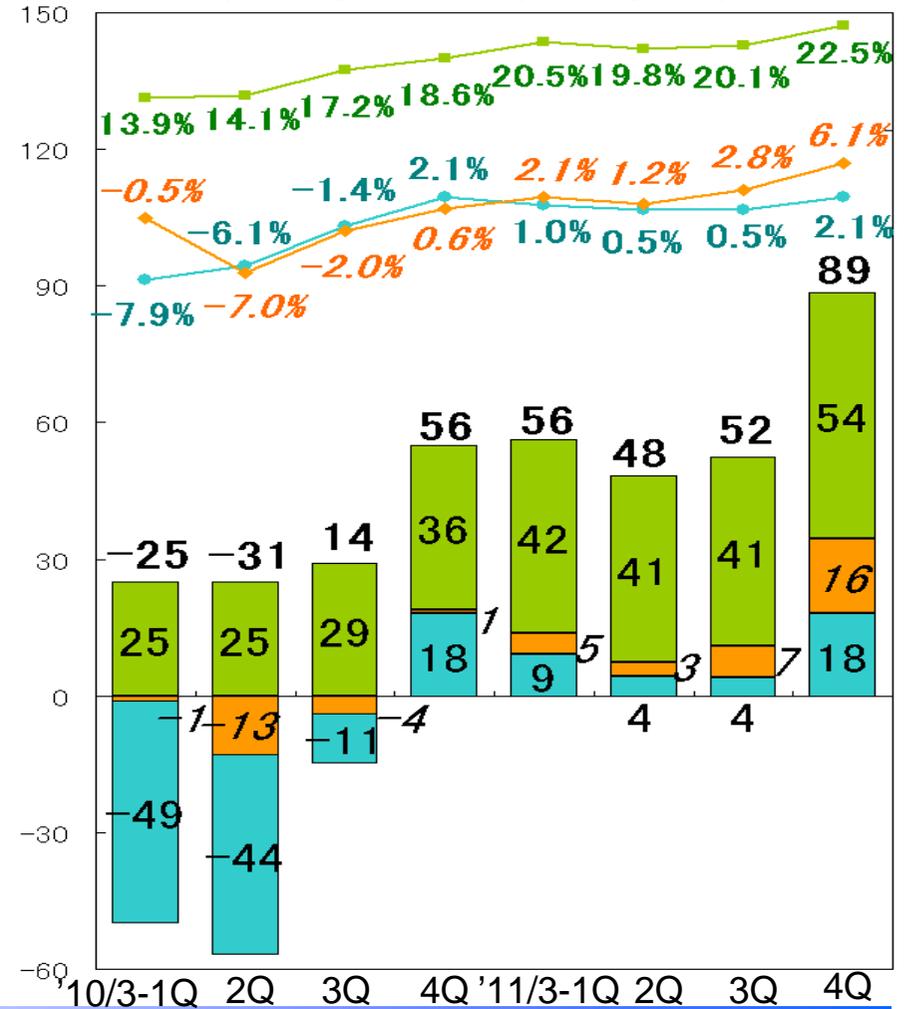
(100 million yen)

Net Sales



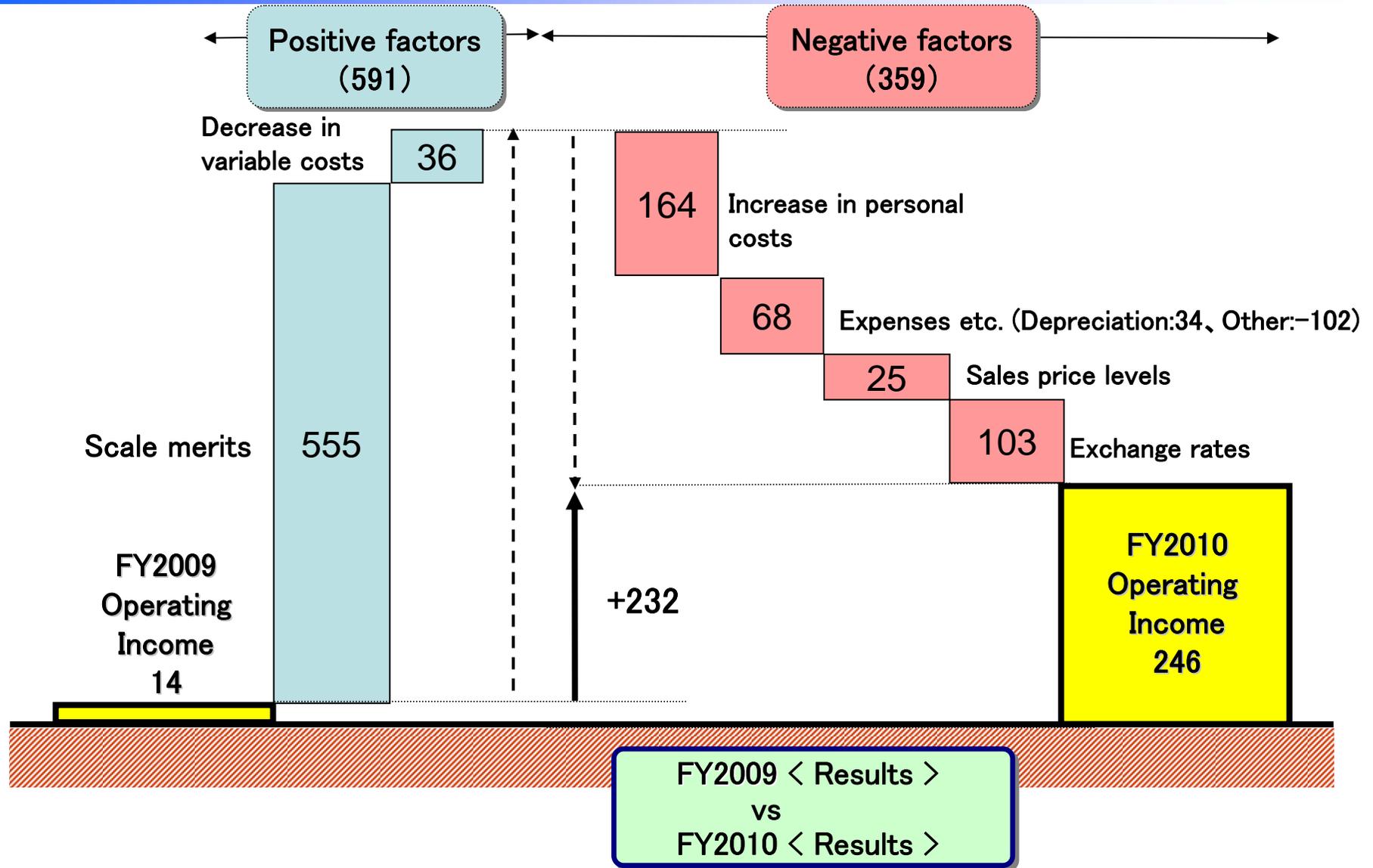
(100 million yen)

Operating Income/Operating Margin



# 6. Analysis of Operating Income

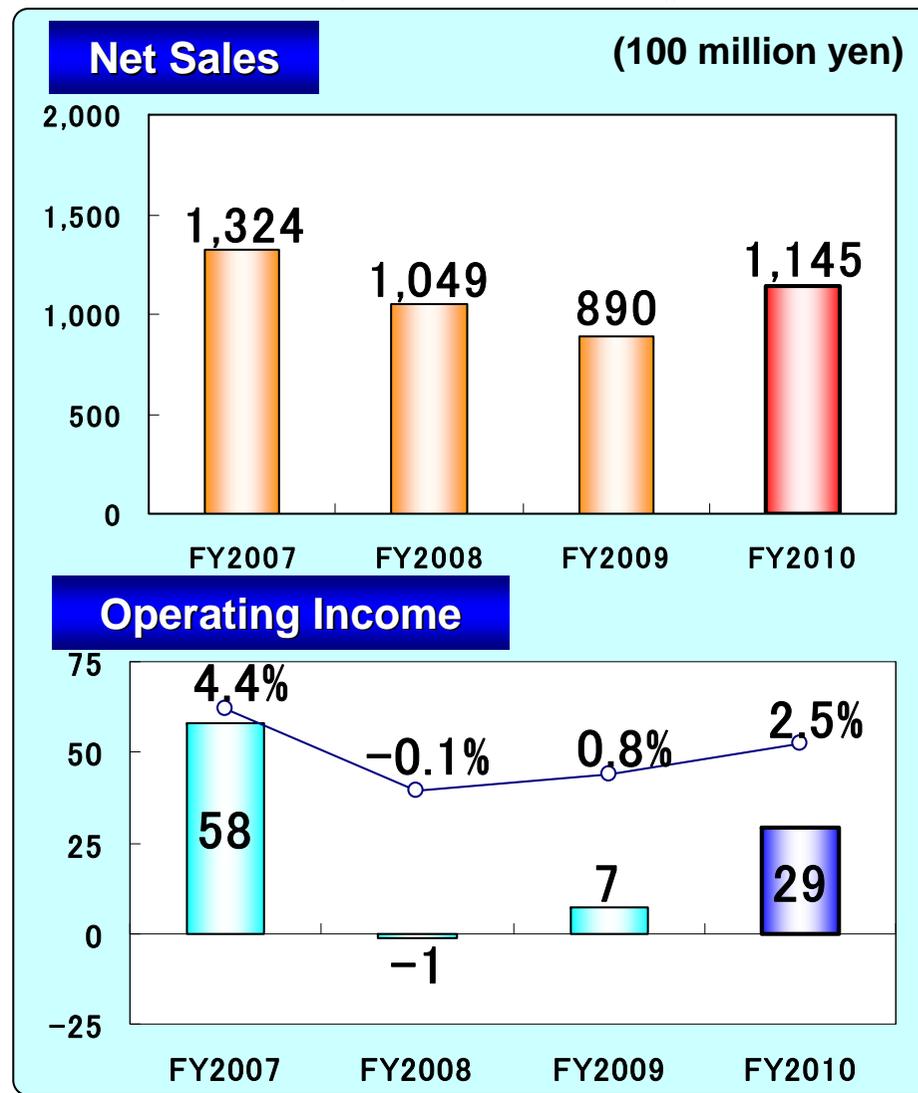
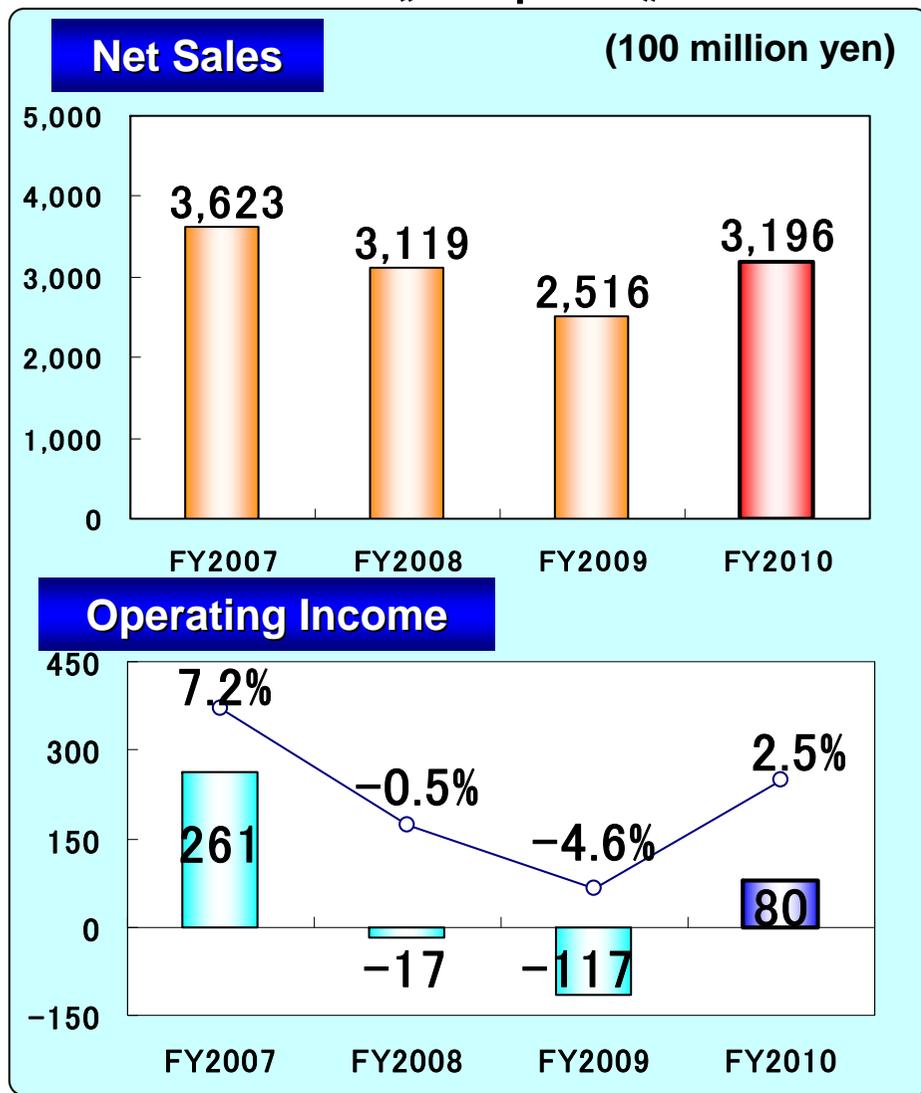
\* All figures in 100 million yen.



# 7. Net Sales, Operating Income by Region

## 《 Japan 》

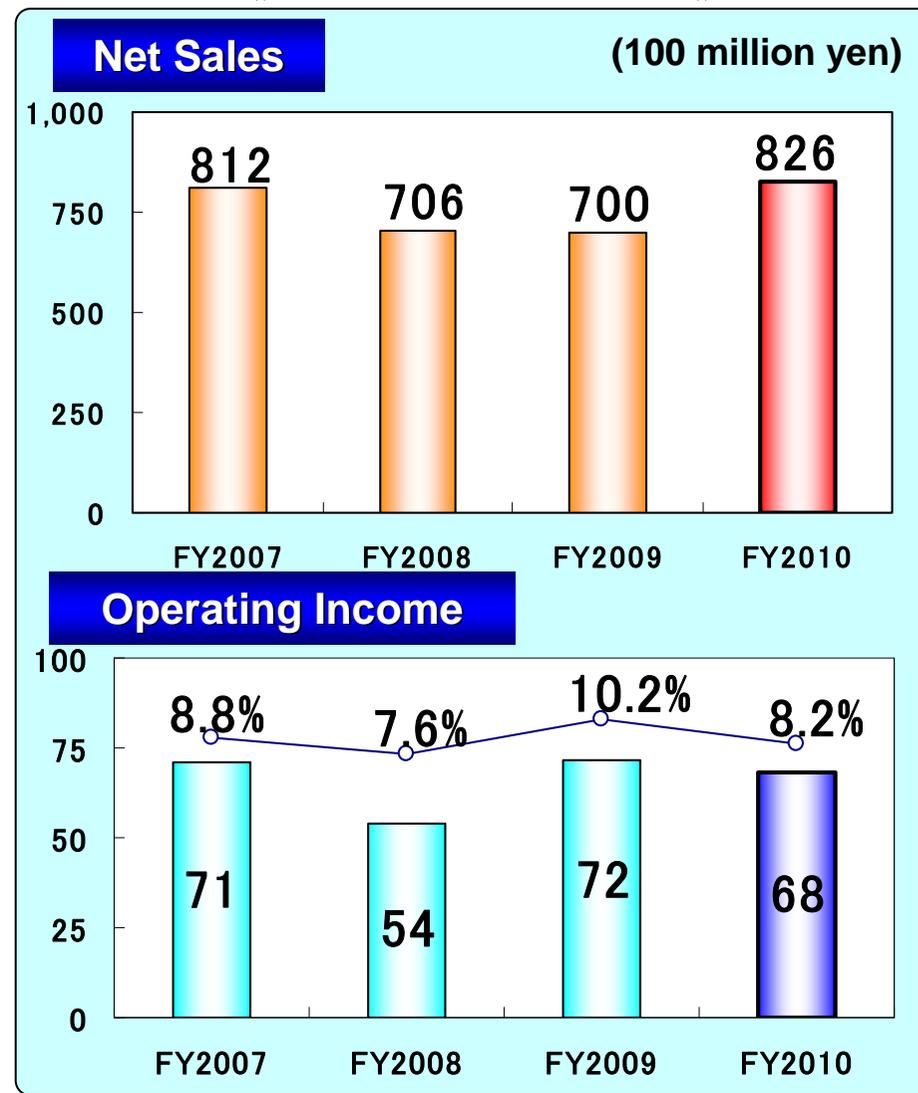
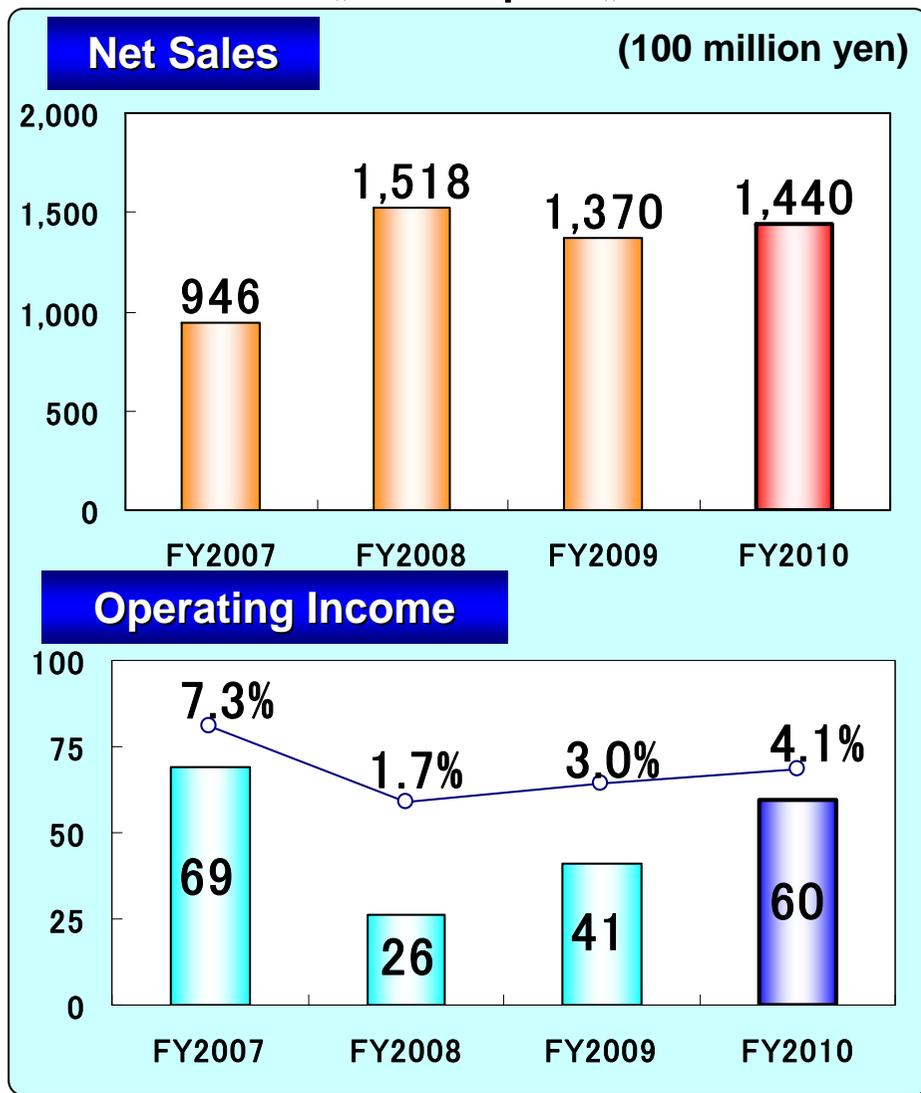
## 《 Americas 》



# 7. Net Sales, Operating Income by Region

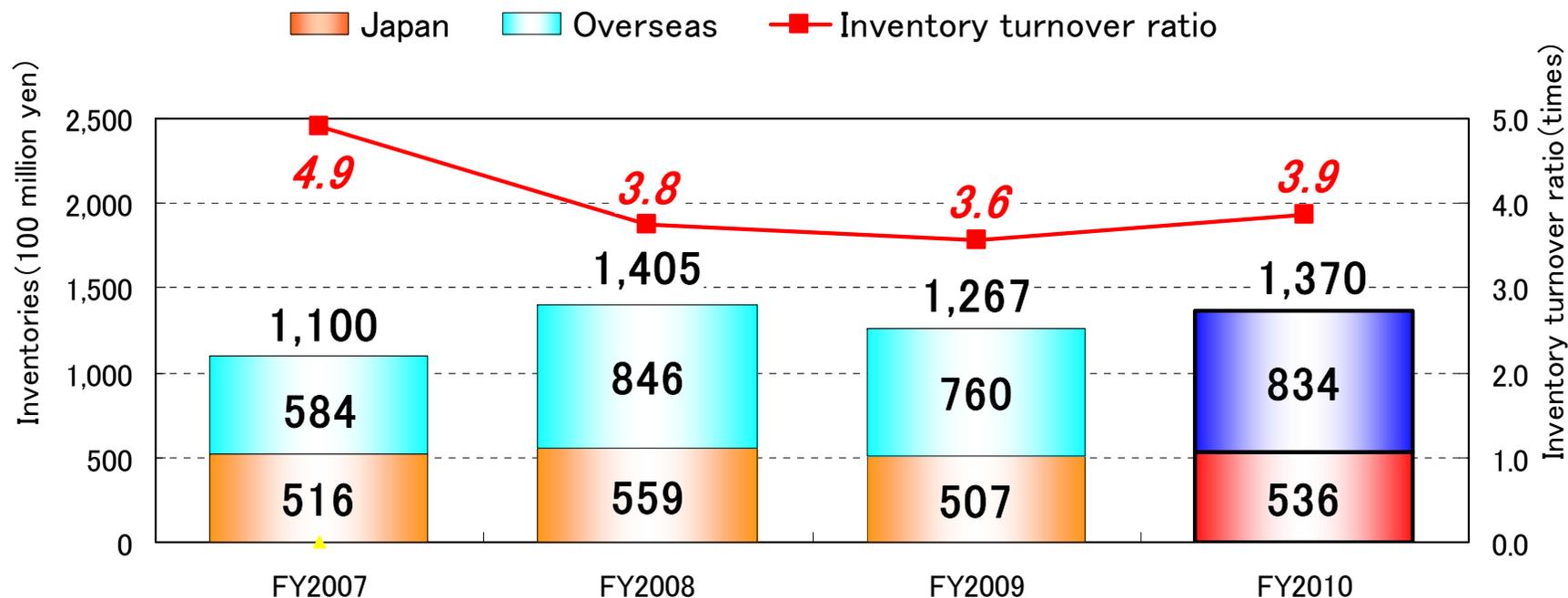
## 《 Europe 》

## 《 Asia & Others 》



# 8. Inventories

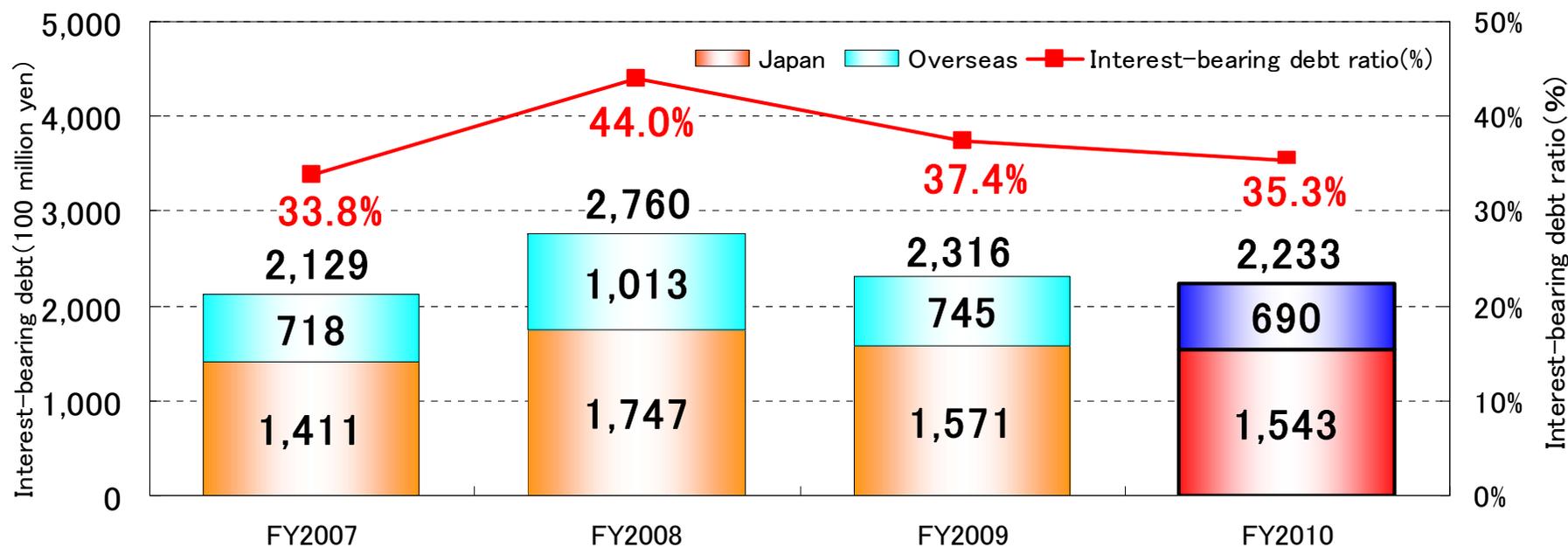
◆ Increase as a result of sales promotions in growth markets and the impact of the earthquake.



	(100 million yen)			
	FY2007 Results	FY2008 Results	FY2009 Results	FY2010 Results
<b>Inventories</b>	1,100	1,405	1,267	1,370
Overseas	(584)	(846)	(760)	(834)
Japan	(516)	(559)	(507)	(536)
<b>Inventory turnover ratio (times)</b>	4.9	3.8	3.6	3.9

## 9. Interest-Bearing Debt

◆ Interest-bearing debt was reduced 8.4 billion yen year on year as of March 31, 2011.

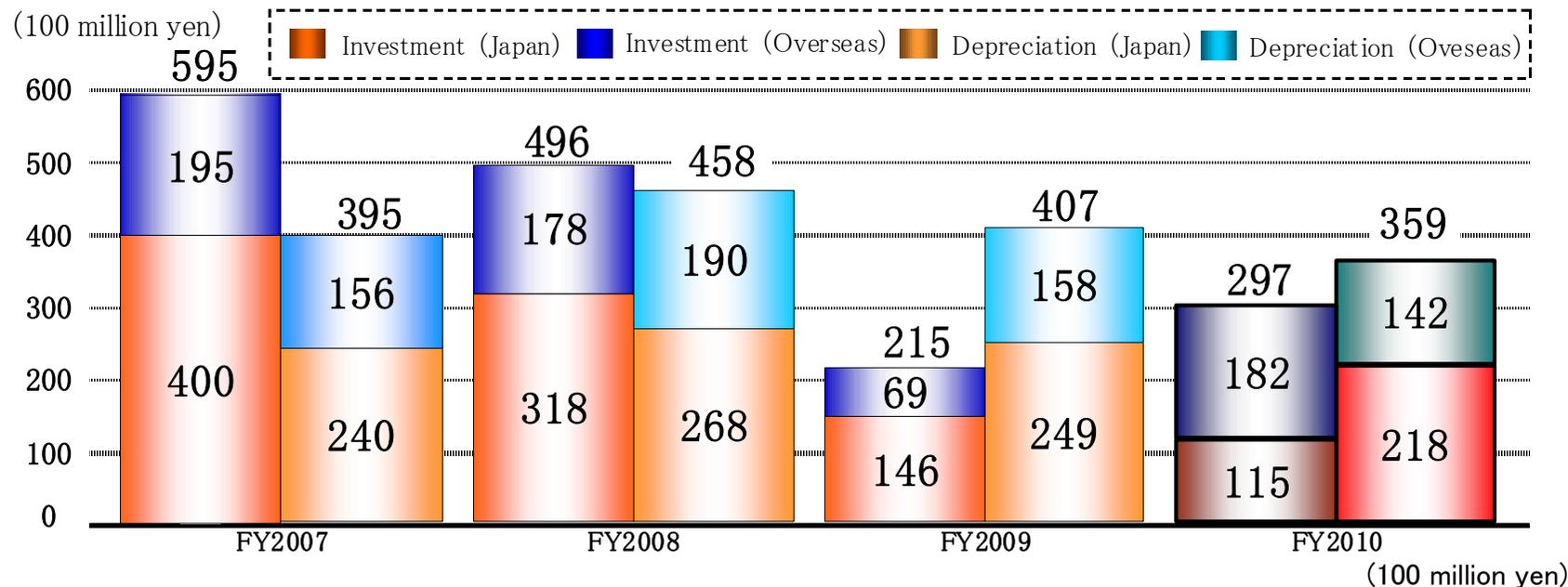


(100 million yen)

	FY2007 Results	FY2008 Results	FY2009 Results	FY2010 Results
<b>Interest-bearing debt</b>	2,129	2,760	2,316	2,233
Overseas	(718)	(1,013)	(745)	(690)
Japan	(1,411)	(1,747)	(1,571)	(1,543)
<b>Interest-bearing debt ratio(%)</b>	33.8%	44.0%	37.4%	35.3%

# 10. Capital Expenditure and Depreciation

◆ Expansion in overseas investment with the aim of expanding business in growth markets.

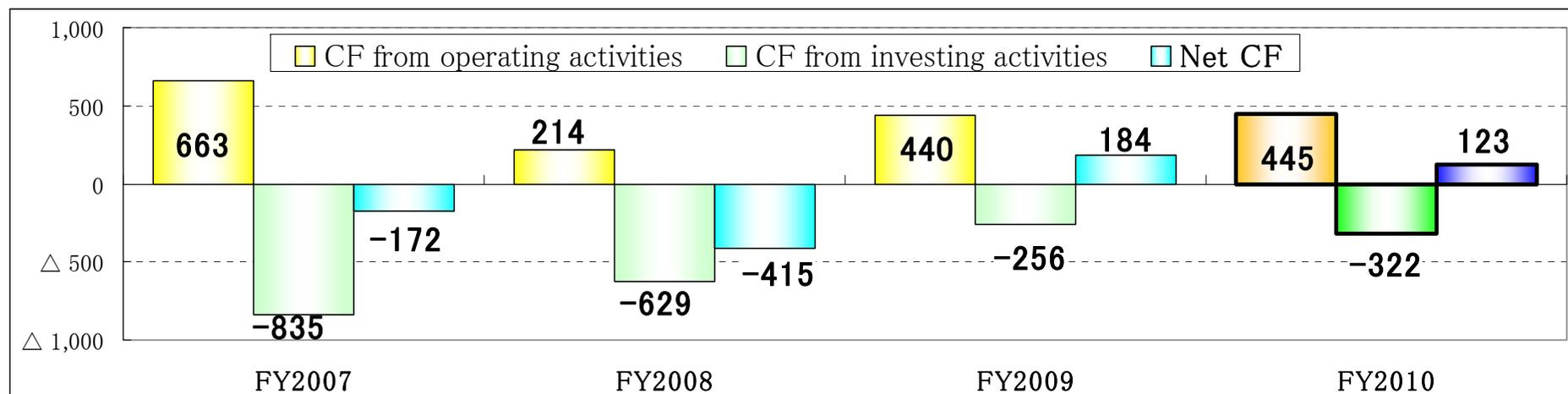


	FY2007 Results	FY2008 Results	FY2009 Results ①	FY2010 Results②	②-①
<b>Capital expenditure</b>	595	496	215	297	82
Overseas	(195)	(178)	(69)	(182)	(112)
Japan	(400)	(318)	(146)	(115)	(-30)
<b>Depreciation</b>	395	458	407	359	-48
Overseas	(156)	(190)	(158)	(142)	(-16)
Japan	(240)	(268)	(249)	(218)	(-32)

# 11. Cash Flows

◆ Free cash flow was continuously in black.

(100 million yen)	FY2007 Results	FY2008 Results	FY2009 Results ①	FY2010 Results ②	②-①
I. Cash flow from operating activities	663	214	440	445	5
II. Cash flow from investing activities	-835	-629	-256	-322	-66
III. Cash flow from financing activities	156	446	-186	-67	119
IV. Effect of exchanging rate translation on cash and cash equivalents	21	-47	19	17	-2
V. Net increase in cash and cash equivalents	5	-17	18	73	56



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