

Consolidated Financial Results for the Third Quarter of FY2011 and Full-Year Forecast (consolidated)

February 2, 2012

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.

★Financial Results for the Third Quarter of FY2011: Key Factors

- 1. Consolidated Statements of Operation**
- 2. Net Sales by Region**
- 3. Net Sales and Operating Income by Business Sector**
- 4. Results by Business Sector (Quarterly Trend)**
- 5. Analysis of Operating Income**
 - 5-1 3Q Results**
 - 5-2 Full Year Forecast**
- 6. Net Sales and Operating Income by Region**
 - (1)Japan, Americas**
 - (2)Europe, Asia & Others**
- 7. Inventories**
- 8. Interest-Bearing Debt**
- 9. Capital Expenditure and Depreciation**
- 10. Cash Flows**

Financial Results for the Third Quarter of FY2011 : Key Factors

FY2011 3Q Results

- ◇ Net Sales **increased by 1.7%** year-on-year to **397.8 billion yen**
(**increased by 5.2%** if excluding the effects of exchange rates)
 - The automotive market **decreased by 2.8%** year on year due to the effects of the earthquake and flooding in Thailand (**increased by 0.7%** if excluding the effects of exchange rates)
 - The industrial machinery market **increased by 9.2%** year-on-year due to a recovery in demand (**increased by 12.5%** if excluding the effects of exchange rates)
 - The aftermarket and distributor market **increased by 11.7%** year-on-year due to a recovery in demand (**increased by 15.3%** if excluding the effects of exchange rates)
- ◇ Operating income **decreased by 10.1%** year-on-year to **14.1 billion yen** (**increased by 22.1%** if excluding the effects of exchange rates)
- ◇ Net income **decreased by 56.4%** year-on-year to **4.5 billion yen** due to the effects of revised corporate tax

FY2011 Full Year Forecast

- ◇ The consolidated earnings forecast has been revised due to the effects of unstable market conditions in Europe and the general economic environment, flooding in Thailand, and exchange rates
 - Net Sales of **540 billion yen** (previous release 575 billion yen, an **increase of 1.9%** year-on-year)
 - Operating income of **20 billion yen** (previous release 30 billion yen, a **decrease of 18.6%** year-on-year)
 - Net income of **7 billion yen** (previous release 14 billion yen, a **decrease of 51.4%** year-on-year)
- ◇ Exchange rate of 4Q: **1EURO=¥100** (previous ¥105)、**1US\$=¥75** (remain unchanged)

1. Consolidated Statements of Operation

For New Technology Network



(100 million yen)

	FY2010			FY2011			Year on year		
	3Q Results	1-3Q Results ①	Full year Results ②	3Q Results	1-3Q Results ③	Full year Forecast ④	1-3Q ③-①	FY2011 Full year ④-②	
Net sales	1,304	3,911	5,301	1,318	3,978	5,400	67	99	
Operating income	52	157	246	34	141	200	-16	-46	
Operating margin	(4.0%)	(4.0%)	(4.6%)	(2.6%)	(3.6%)	(3.7%)	(-0.5%)	(-0.9%)	
Ordinary income	41	127	211	29	115	155	-11	-56	
Extraordinary income/loss	6	34	18	17	-4	-4	-39	-22	
Net income	30	102	144	7	45	70	-58	-74	
Exchange rate	US \$	82.7	86.9	85.7	77.4	79.0	78.0	-7.9	-7.8
	EURO	112.2	113.3	113.1	104.3	110.6	108.0	-2.7	-5.2

2. Net Sales by Region

< Net Sales by Region >

(100 million yen)

	FY2010			FY2011			Year on year			
	3Q	1-3Q	Full year	3Q	1-3Q	Full year	FY2011 1-3Q		FY2011 Full year	
	Results	Results	Results	Results	Results	Forecast	Volume	Forex	Volume	Forex
Japan	479	1,420	1,866	502	1,418	1,941	- 2	0	75	0
Americas	275	853	1,180	302	884	1,232	110	- 79	165	- 113
Europe	318	955	1,328	296	987	1,305	56	- 25	41	- 64
Asia & Others	231	683	927	217	690	922	40	- 33	46	- 51
Total	1,304	3,911	5,301	1,318	3,978	5,400	204	- 137	327	- 228

3. Net Sales and Operating Income by Business Sector

<Net Sales by Business Sector>

(100 million yen)

	FY2010			FY2011		
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast
Automotive	852	2,566	3,444	859	2,493	3,398
Industrial machinery	246	724	995	244	791	1,055
Aftermarket/Distributor	206	621	862	214	694	947
Total	1,304	3,911	5,301	1,318	3,978	5,400

Year on year			
FY2011 1-3Q		FY2011 Full year	
Volume	Forex	Volume	Forex
19	- 91	104	- 150
91	- 24	99	- 39
95	- 22	123	- 38
204	- 137	327	- 228

<Operating Income by Business Sector>

(100 million yen)

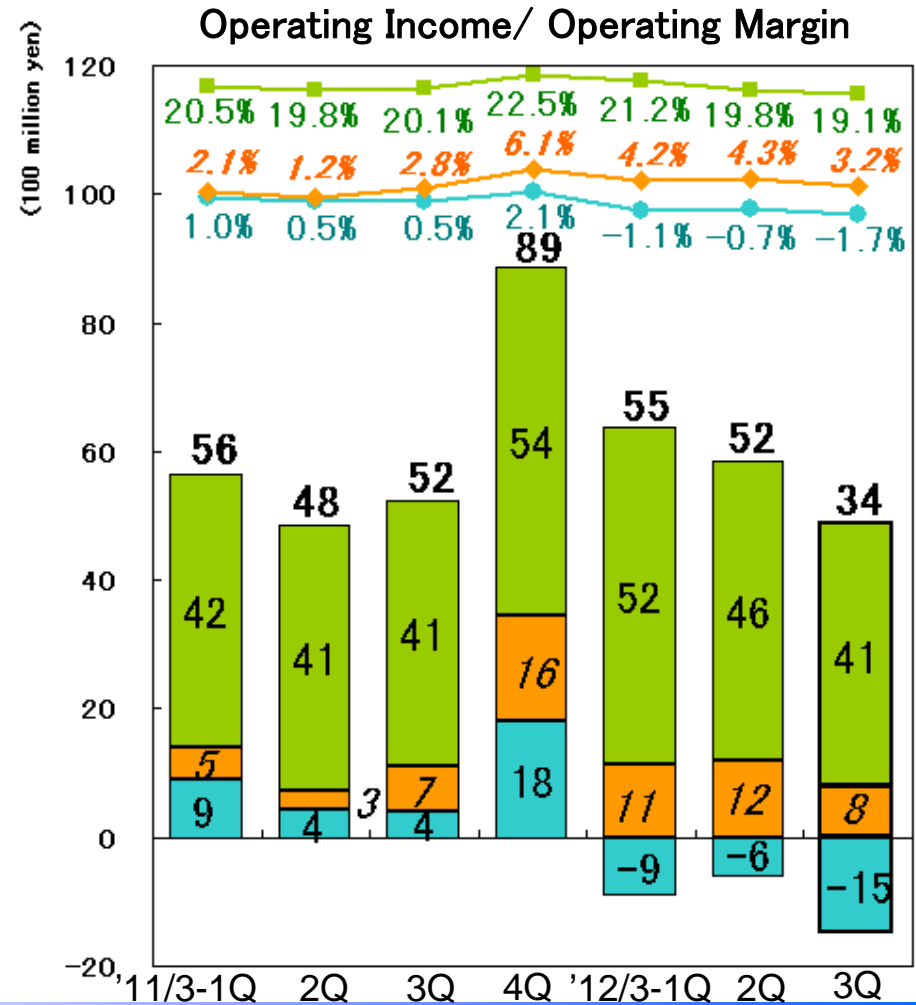
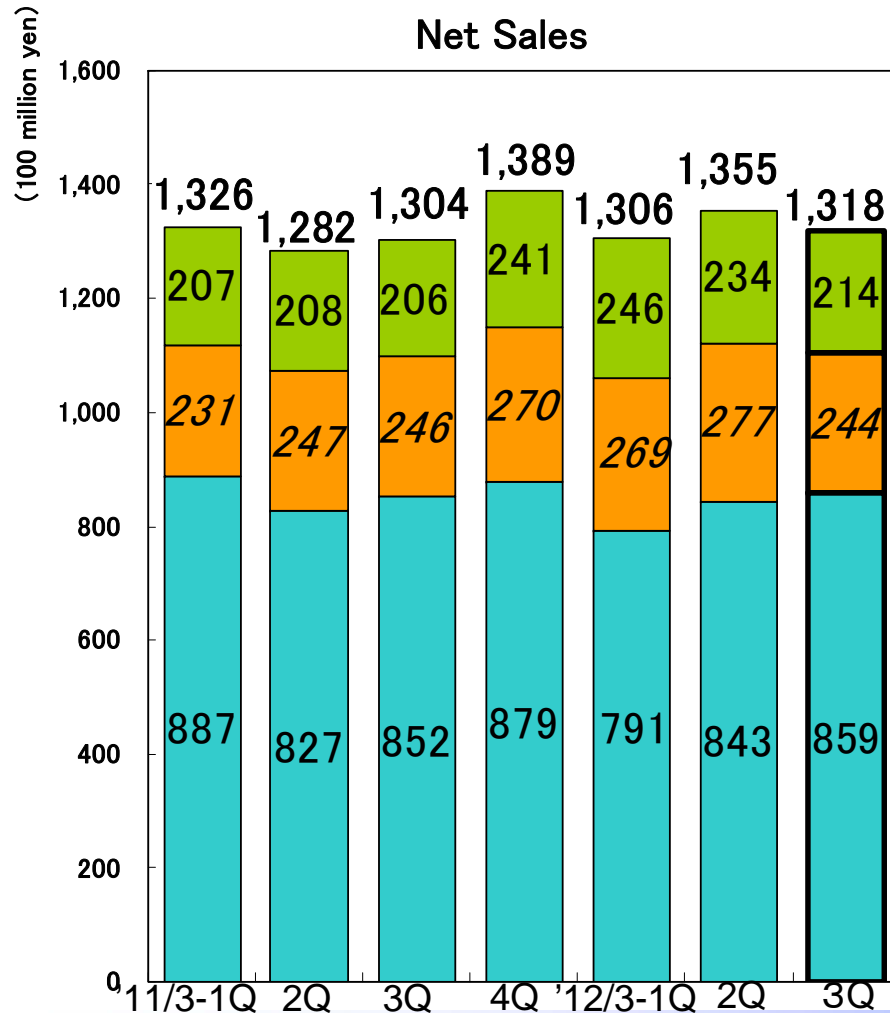
	FY2010			FY2011		
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast
Automotive	4	17	35	- 15	- 30	- 35
Industrial machinery	7	15	31	8	31	43
Aftermarket/Distributor	41	125	179	41	140	192
Total	52	157	246	34	141	200

Year on year	
FY2011 1-3Q	FY2011 Full year
- 47	- 71
17	12
15	13
- 16	- 46

4. Results by Business Sector (Quarterly Trend)

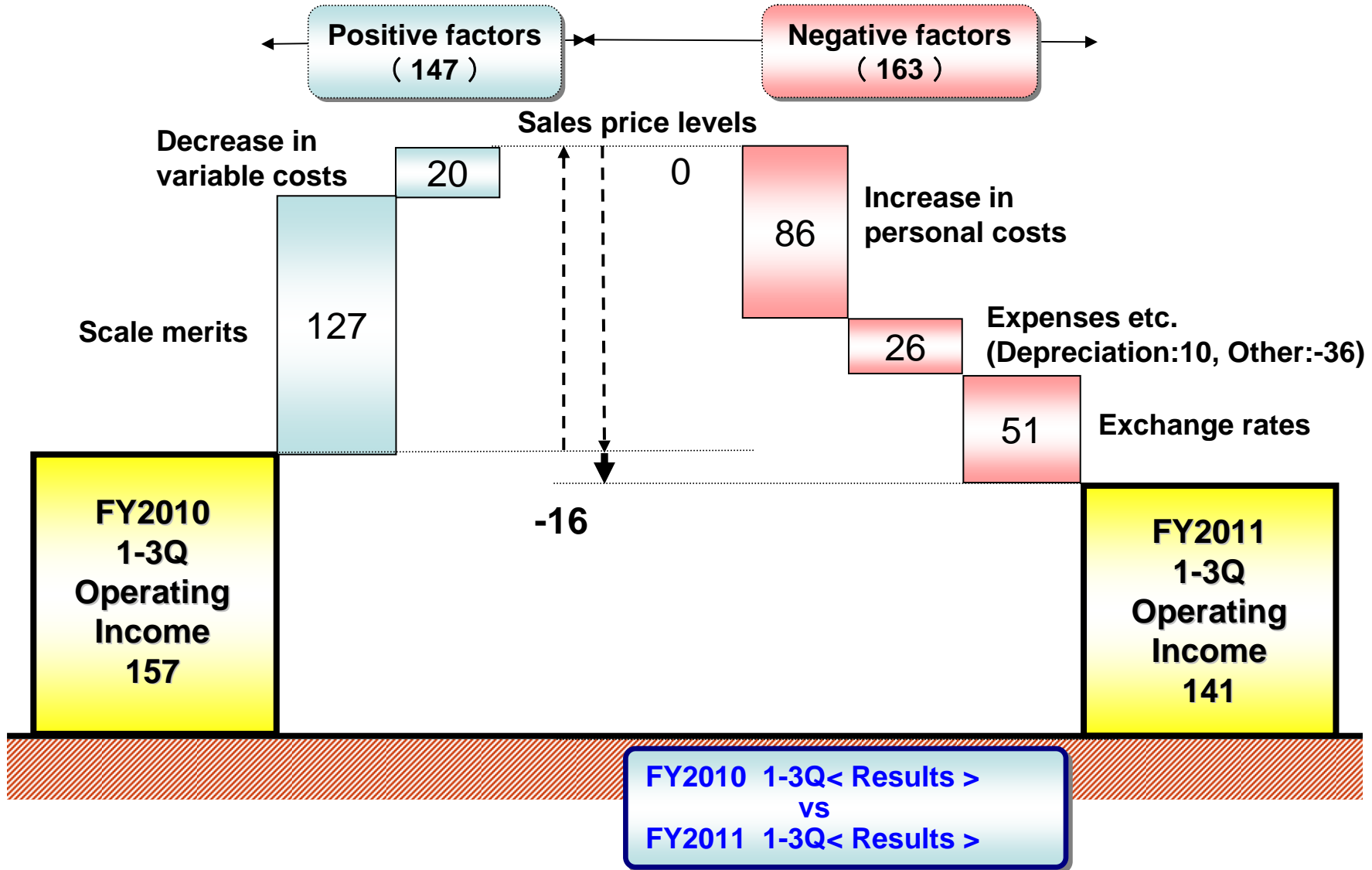
- ◆ The automotive market decreased in Asia in 3Q due to the effects of flooding in Thailand. Demand for industrial machinery market and aftermarket/distributor for also decreased.

■ Automotive
 ■ Industrial machinery
 ■ Aftermarket/Distributor



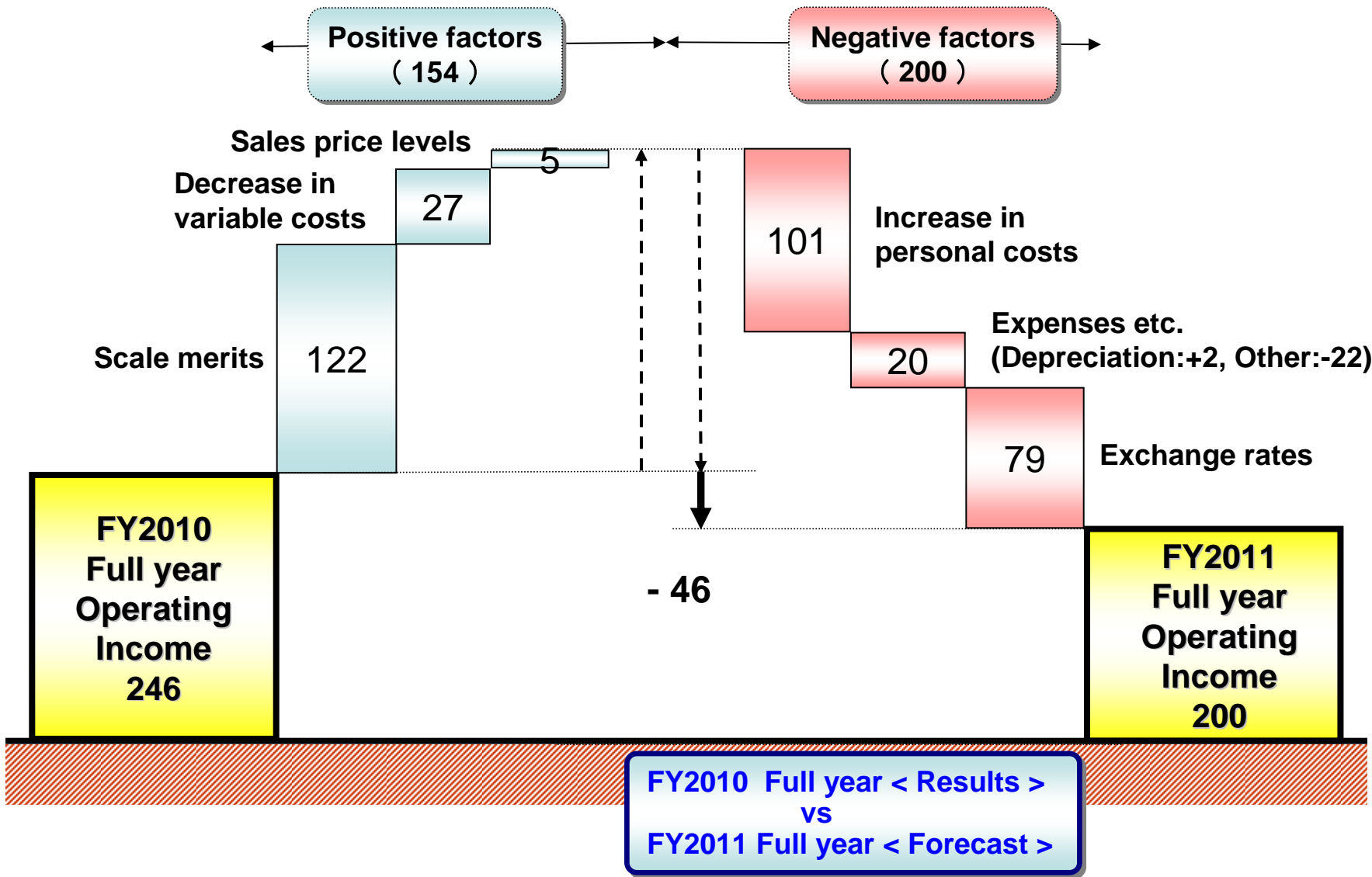
5-1. Analysis of Operating Income (3Q Results)

* All figures in 100 million yen.



5-2. Analysis of Operating Income (Full year forecast)

* All figures in 100 million yen.

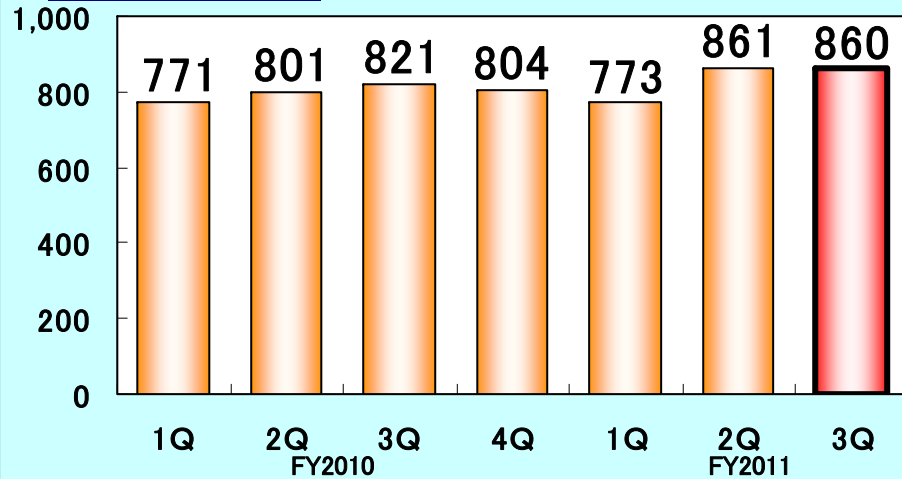


6. Net Sales and Operating Income by Region

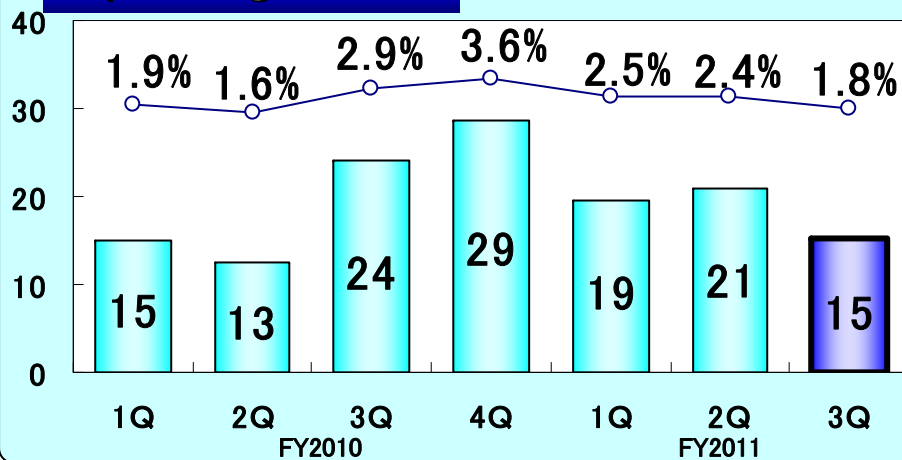
《 Japan 》

Net Sales

(100 million yen)



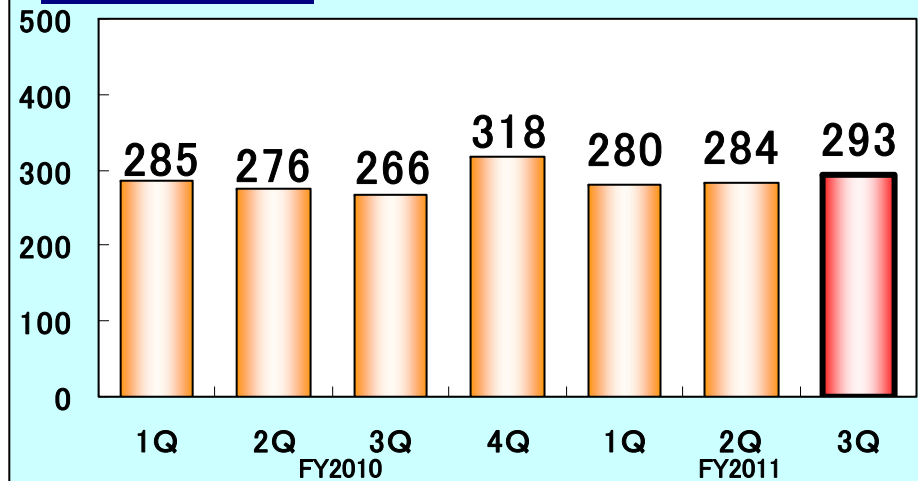
Operating Income



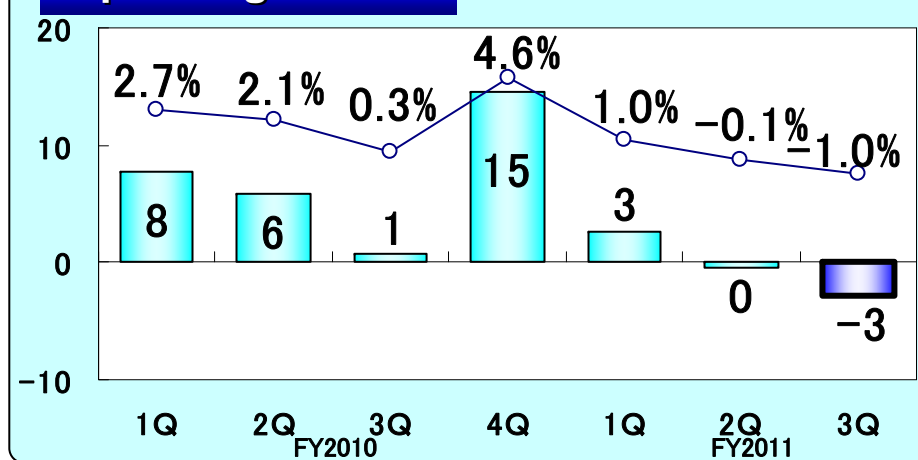
《 Americas 》

Net Sales

(100 million yen)



Operating Income

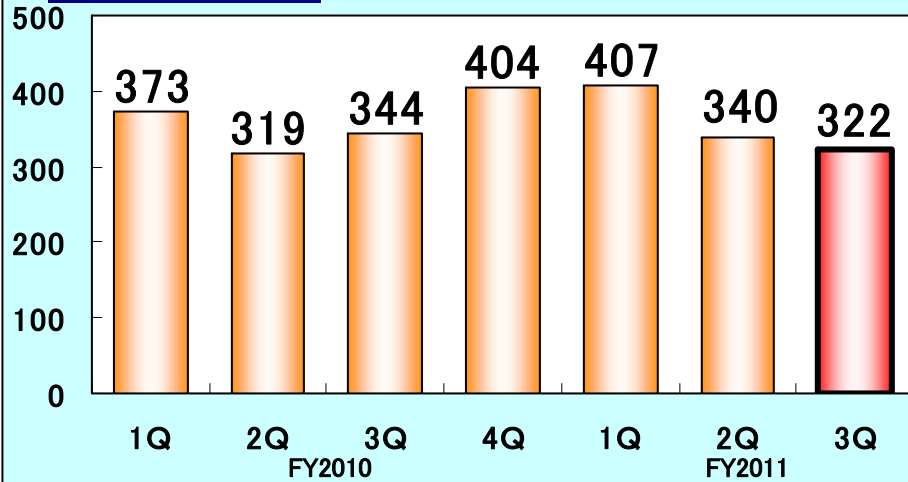


6. Net Sales and Operating Income by Region

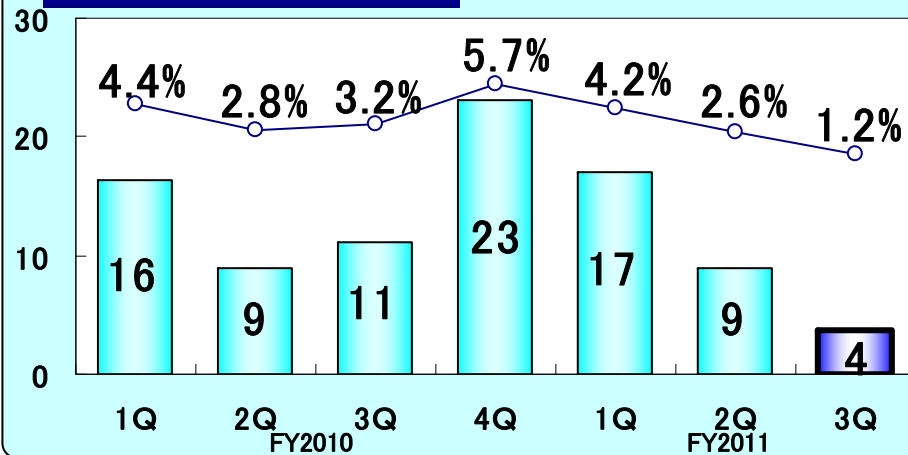
《 Europe 》

Net Sales

(100 million yen)



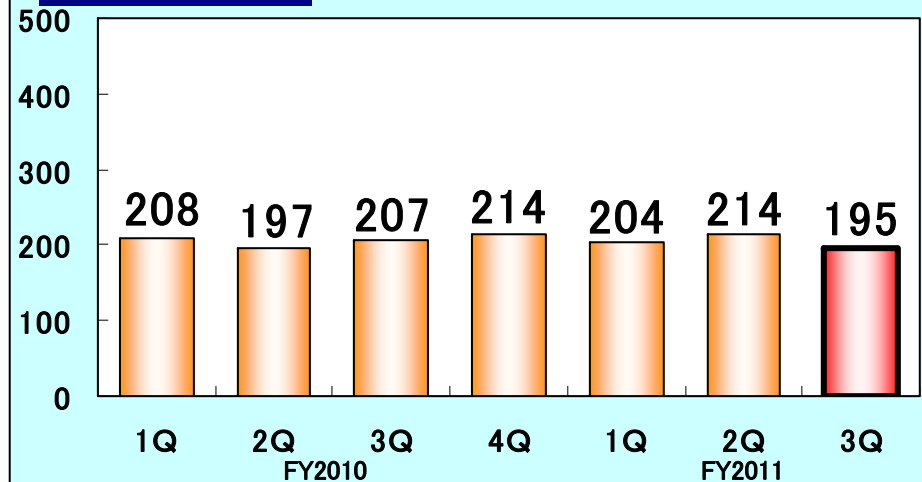
Operating Income



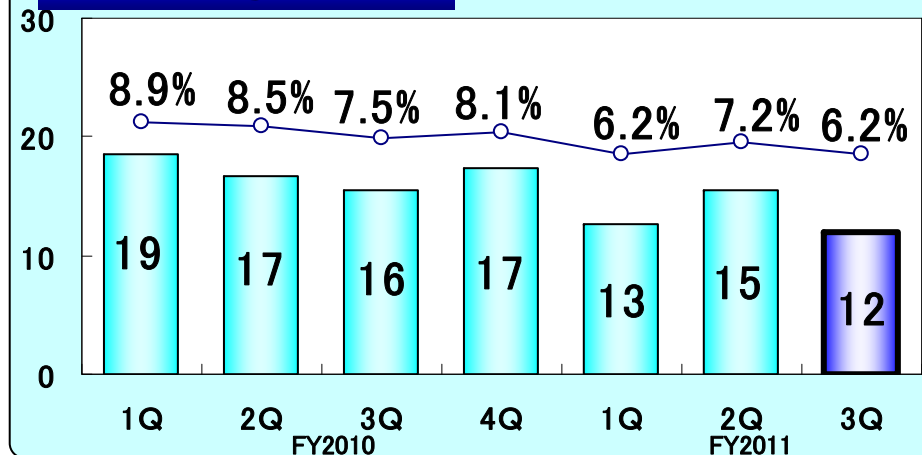
《 Asia & Others 》

Net Sales

(100 million yen)

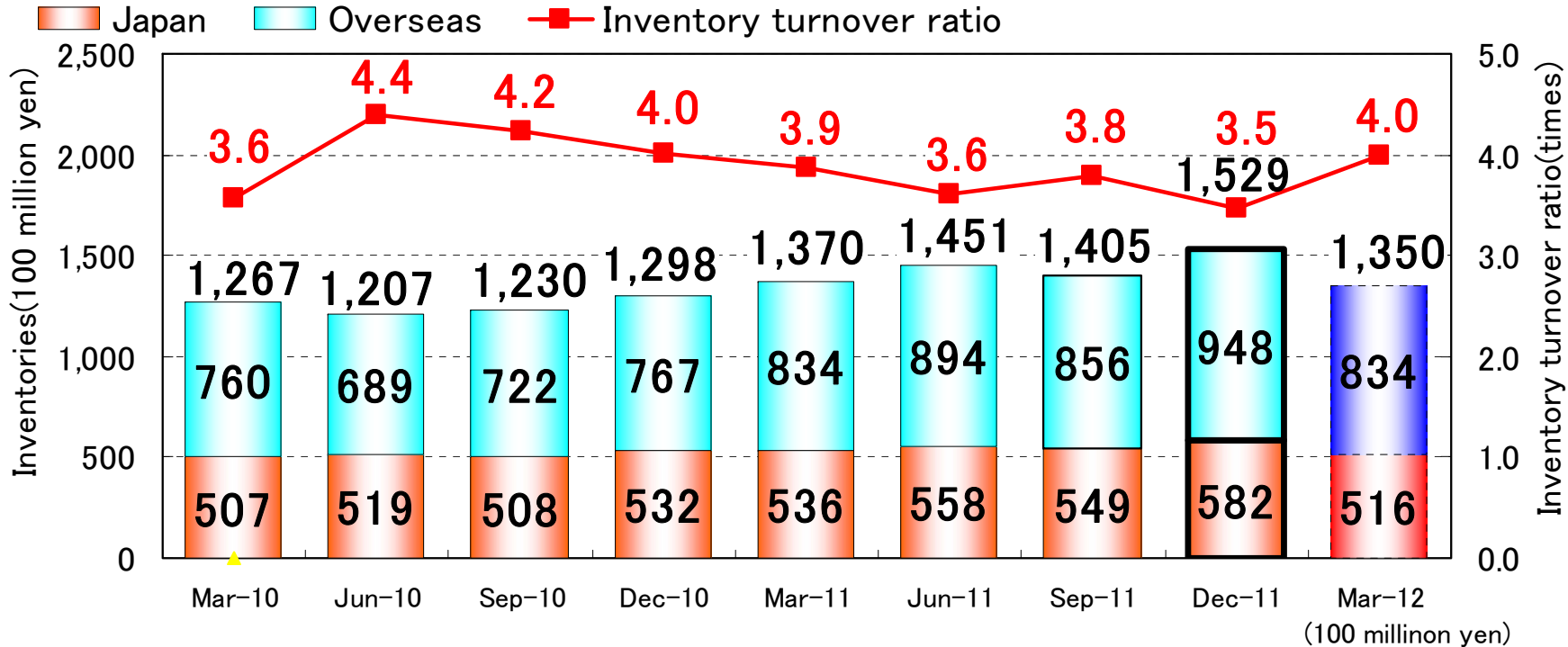


Operating Income



7. Inventories

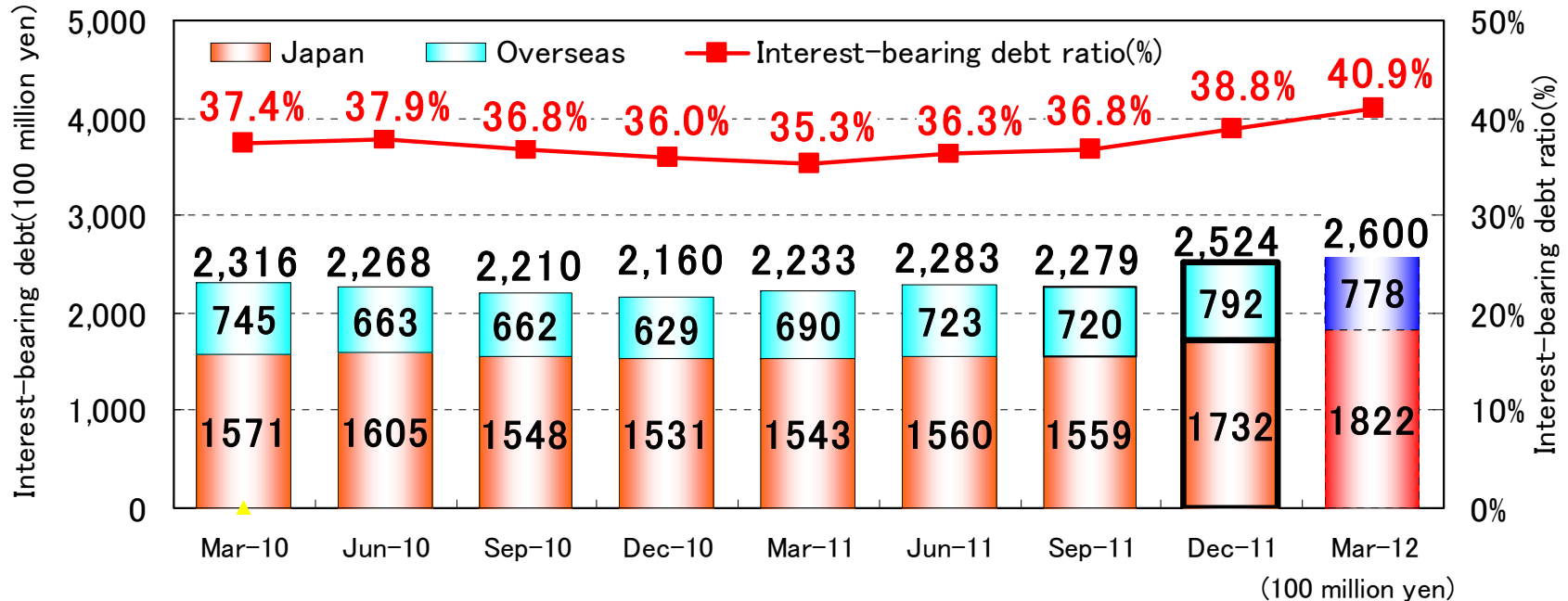
◆ Temporarily increased due to the sharp decrease in demand around the world in December 2011.



	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Inventories	1,267	1,207	1,230	1,298	1,370	1,451	1,405	1,529	1,350
Overseas	(760)	(689)	(722)	(767)	(834)	(894)	(856)	(948)	(834)
Japan	(507)	(519)	(508)	(532)	(536)	(558)	(549)	(582)	(516)
Inventory turnover ratio (times)	3.6	4.4	4.2	4.0	3.9	3.6	3.8	3.5	4.0

8. Interest-Bearing Debt

- ◆ Increased due to the decrease in sales, and the increase in equipment investments, inventory assets and other factors.



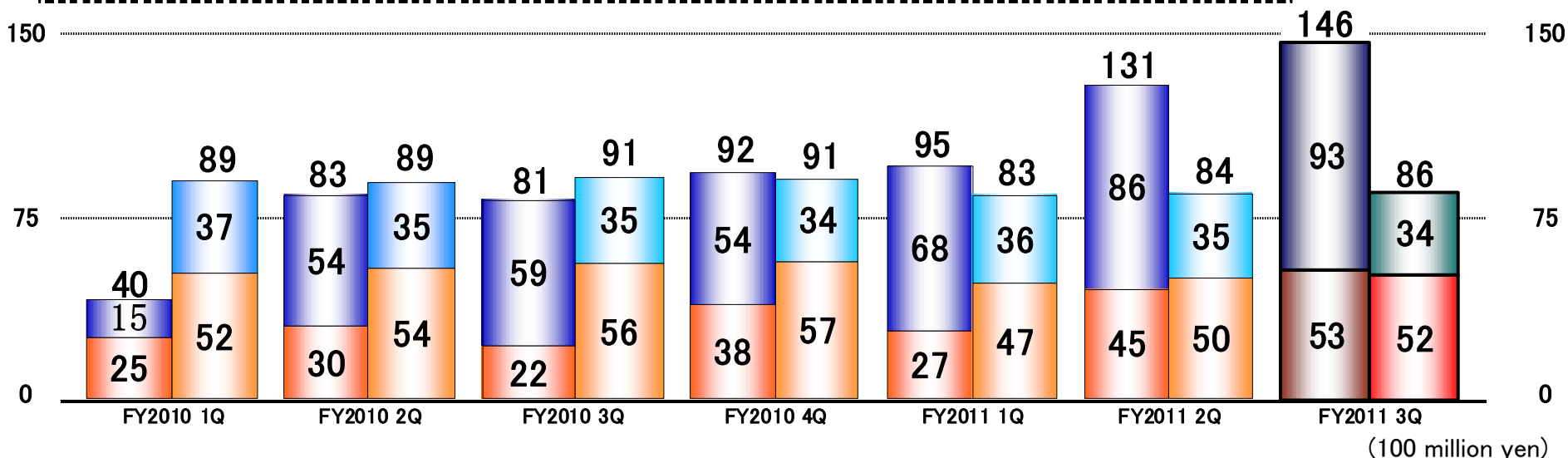
(100 million yen)

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Interest-bearing	2,316	2,268	2,210	2,160	2,233	2,283	2,279	2,524	2,600
Overseas	(745)	(663)	(662)	(629)	(690)	(723)	(720)	(792)	(778)
Japan	(1,571)	(1,605)	(1,548)	(1,531)	(1,543)	(1,560)	(1,559)	(1,732)	(1,822)
Interest-bearing debt ratio(%)	37.4%	37.9%	36.8%	36.0%	35.3%	36.3%	36.8%	38.8%	40.9%

9. Capital Expenditure and Depreciation

◆ Increased production capacity overseas, chiefly in China and Europe and the United States.

Investment (Japan) Investment (Overseas) Depreciation (Japan) Depreciation (Overseas)



(100 million yen)

	FY2010 ①1-3Q	FY2010 ②Full year	FY2011 ③1-3Q	③-①
Capital expenditure	205	297	373	168
Overseas	(128)	(182)	(247)	(119)
Japan	(77)	(115)	(126)	(49)

	FY2011 ④Full year forecast	④-②
Capital expenditure	550	253
Overseas	(363)	(181)
Japan	(188)	(72)

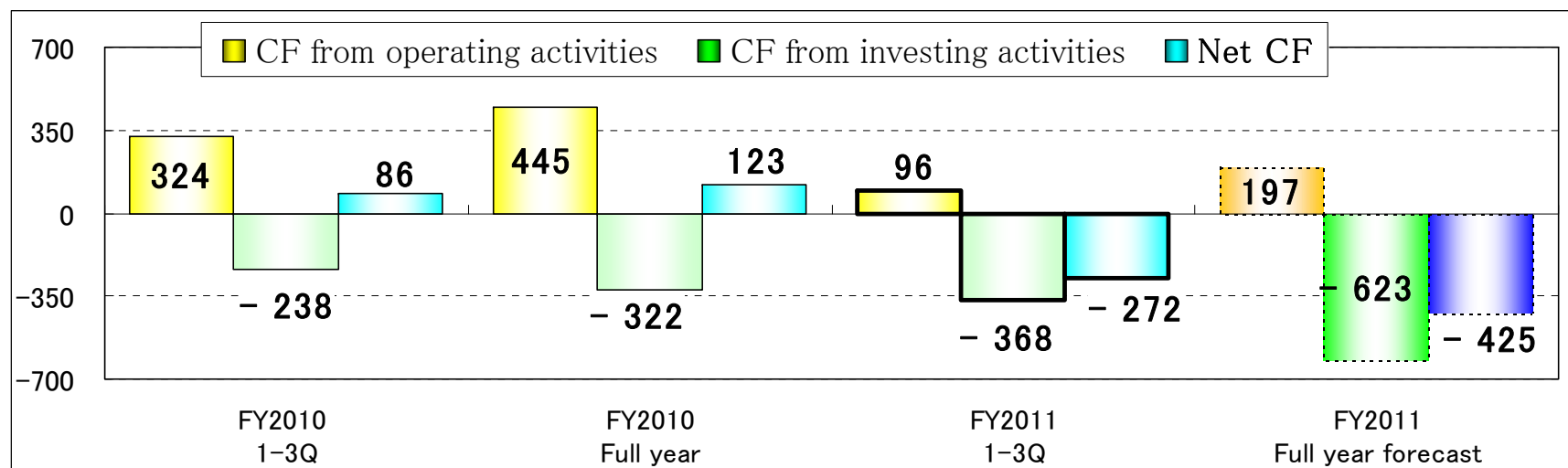
	FY2010 ①1-3Q	FY2010 ②Full year	FY2011 ③1-3Q	③-①
Depreciation	269	359	253	-16
Overseas	(108)	(142)	(104)	(-3)
Japan	(161)	(218)	(149)	(-12)

	FY2011 ④Full year forecast	④-②
Depreciation	347	-13
Overseas	(141)	(-1)
Japan	(206)	(-12)

10. Cash Flows

◆ Negative operating cash flow due to a temporary increase in operating funds.

(100 million yen)	FY2010		FY2011		FY2011 Forecast	
	①1-3Q	②Full year	③1-3Q	③-①	④Full year	④-②
I . Cash flow from operating activities	324	445	96	-228	197	-248
II . Cash flow from investing activities	-238	-322	-368	-130	-623	-301
III . Cash flow from financing activities	-114	-67	320	434	410	477
IV . Effect of exchanging rate translation on cash and cash equivalents	29	17	17	-13	14	-3
V . Net increase in cash and cash equivalents	2	73	65	64	-1	-74



We make
Bearings.



For New Technology Network

NTN[®]

NTN株式会社
www.ntn.co.jp