

Supplementary material for the Results of the First quarter of Fiscal 2006

July 31, 2006
NTN Corporation

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Financial Results for the three months ended June 30, 2006 –consolidated-

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1. Consolidated Statements of operations (outline)

In 100 million yen

| | FY2005 | | | | |
|------------------------------|-----------|-------|-------|-------|-----------|
| | Q1 (1) | Q2 | Q3 | Q4 | Full Year |
| Net Sales | 1,030 | 1,041 | 1,080 | 1,198 | 4,348 |
| Operating Income | 81 | 79 | 97 | 119 | 376 |
| (Operating Margin) | 7.9% | 7.6% | 9.0% | 10.0% | 8.7% |
| Ordinary Income | 73 | 68 | 78 | 109 | 328 |
| Extraordinary Income/Loss | △ 2 | 0 | 0 | △ 22 | △ 24 |
| Net Income | 46 | 43 | 52 | 54 | 196 |

| FY2006 | YoY Change |
|-----------|-------------------------|
| Q1 (2) | three months (2)-(1) |
| 1,136 | 106 |
| 108 | 27 |
| 9.5% | 1.6% |
| 92 | 19 |
| 29 | 31 |
| 82 | 37 |

Exchange Rate

| | | | | | |
|------|-------|-------|-------|-------|-------|
| US\$ | 107.7 | 111.3 | 117.4 | 117.0 | 113.3 |
| EURO | 135.5 | 135.7 | 139.4 | 140.7 | 137.8 |

| | |
|-------|-----|
| 114.5 | 6.8 |
| 143.8 | 8.3 |

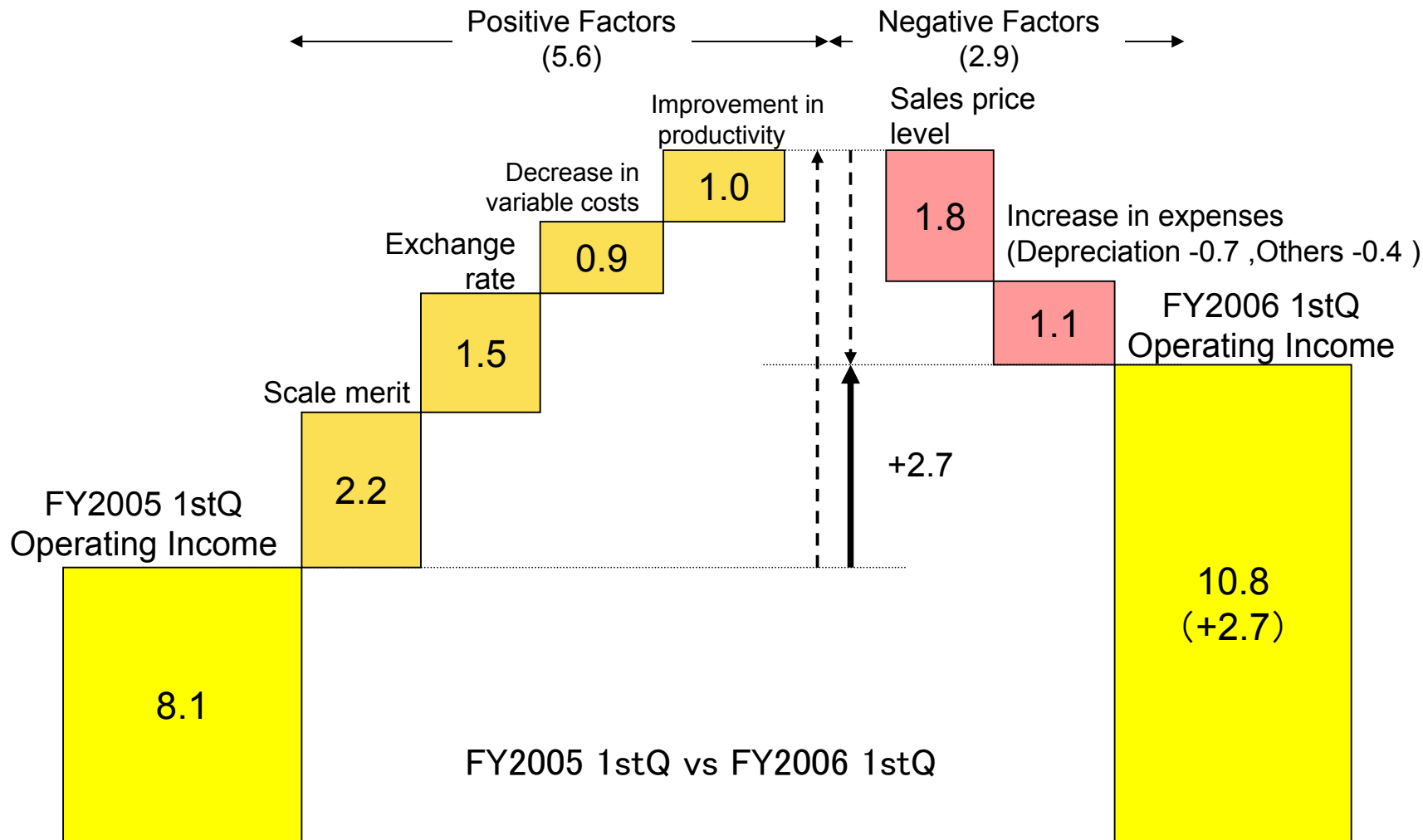
2. Net sales - By Region and Business Segment

In 100 million yen

| | | FY2005 | | | | | FY2006 1Q (2) | YoY Change | |
|--------------------|---------------------|-----------|-------|-------|-------|-----------|---------------------|----------------------|---------------|
| | | 1Q (1) | 2Q | 3Q | 4Q | Full Year | | Three months (2)-(1) | Exchange rate |
| Japan | Bearings | 306 | 320 | 322 | 328 | 1,278 | 313 | 7 | 0 |
| | CVJs | 110 | 116 | 120 | 124 | 469 | 115 | 5 | 0 |
| | Precision Equipment | 54 | 58 | 54 | 66 | 230 | 53 | △ 2 | 0 |
| | Total | 470 | 494 | 496 | 517 | 1,977 | 481 | 11 | 0 |
| North America | Bearings | 161 | 155 | 151 | 179 | 645 | 170 | △ 2 | 11 |
| | CVJs | 100 | 109 | 123 | 134 | 467 | 124 | 16 | 7 |
| | Precision Equipment | 2 | 2 | 2 | 2 | 8 | 2 | 0 | 0 |
| | Total | 263 | 267 | 276 | 315 | 1,120 | 296 | 15 | 19 |
| Europe | Bearings | 92 | 84 | 82 | 111 | 368 | 104 | 6 | 6 |
| | CVJs | 79 | 58 | 68 | 77 | 283 | 81 | △ 3 | 5 |
| | Precision Equipment | 4 | 4 | 4 | 6 | 18 | 5 | 1 | 0 |
| | Total | 175 | 146 | 154 | 194 | 669 | 190 | 4 | 11 |
| Asia & Other Areas | Bearings | 101 | 109 | 127 | 140 | 476 | 131 | 21 | 10 |
| | CVJs | 18 | 22 | 25 | 29 | 94 | 32 | 11 | 2 |
| | Precision Equipment | 2 | 3 | 3 | 4 | 12 | 5 | 2 | 1 |
| | Total | 122 | 134 | 154 | 173 | 582 | 168 | 34 | 12 |
| Total | Bearings | 660 | 668 | 682 | 757 | 2,767 | 719 | 32 | 27 |
| | CVJs | 308 | 306 | 336 | 364 | 1,313 | 352 | 30 | 14 |
| | Precision Equipment | 62 | 67 | 62 | 76 | 268 | 65 | 2 | 1 |
| | Total | 1,030 | 1,041 | 1,080 | 1,198 | 4,348 | 1,136 | 64 | 42 |

3. Analysis of Operating Income (FY2006 1Q)

In billion yen

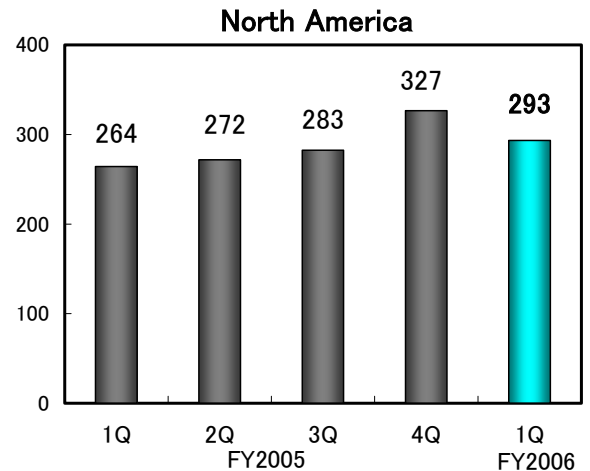
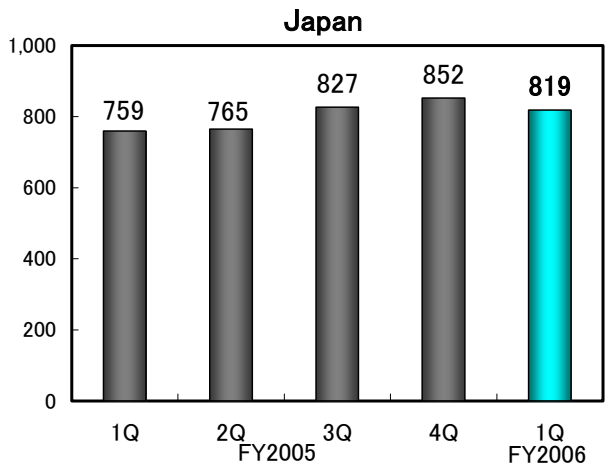


4. Net sales and Operating Income (Margin) by Region

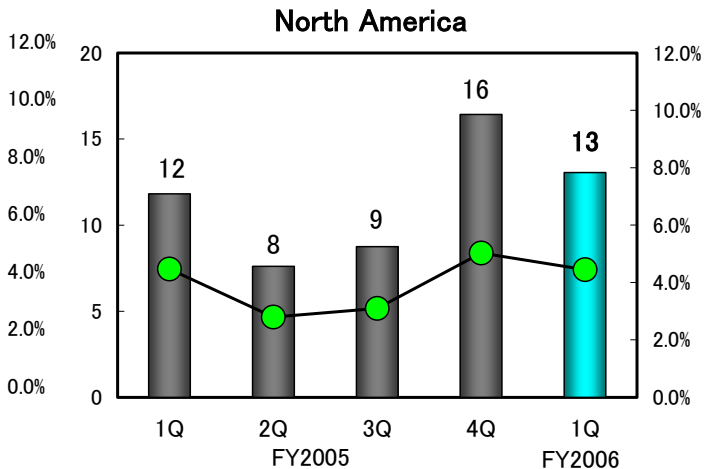
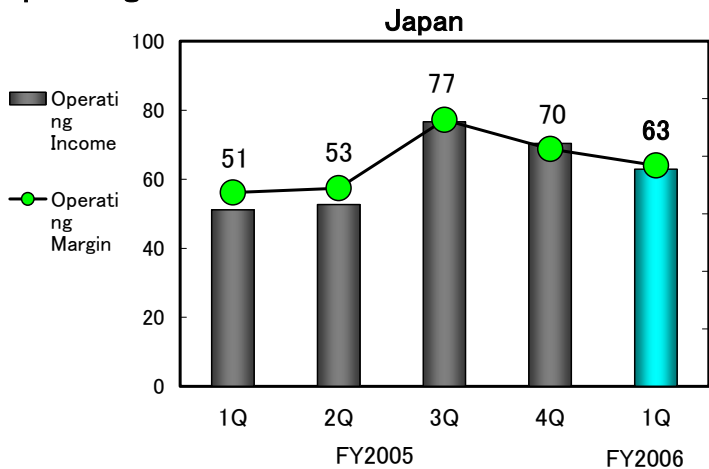
4-1. Japan and North America

▪ Net Sales

In 100 million yen



▪ Operating Income

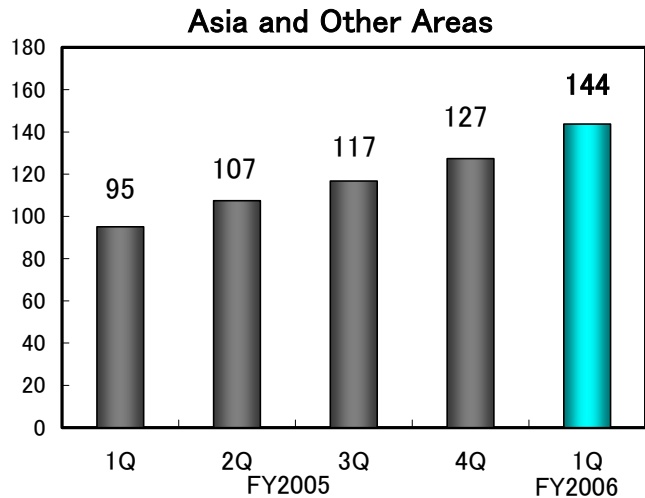
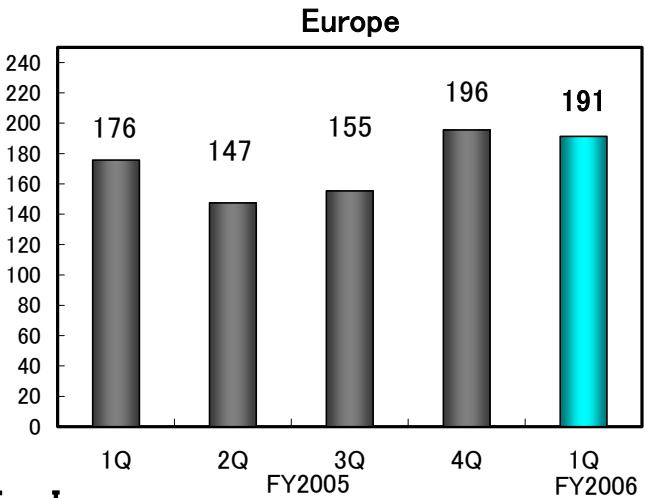


4. Net sales and Operating Income (Margin) by Region

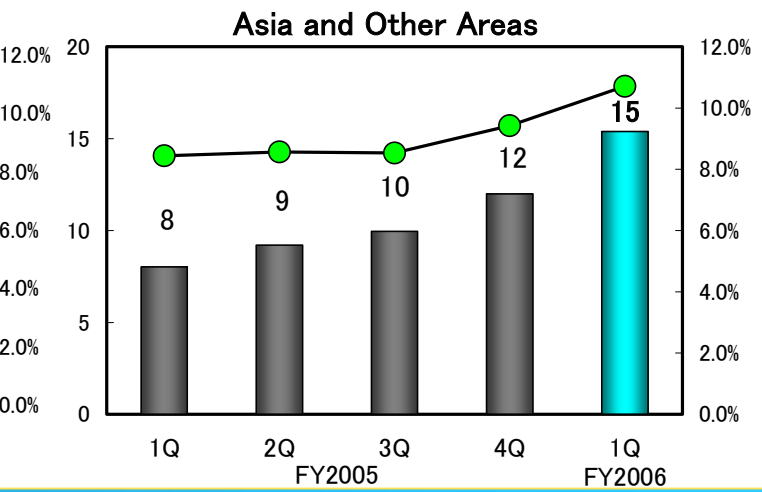
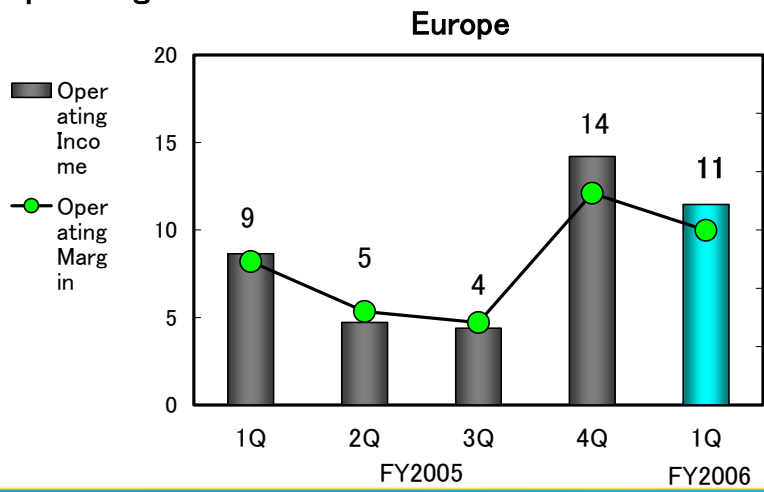
4-2. Europe ,Asia and Other Areas

• Net Sales

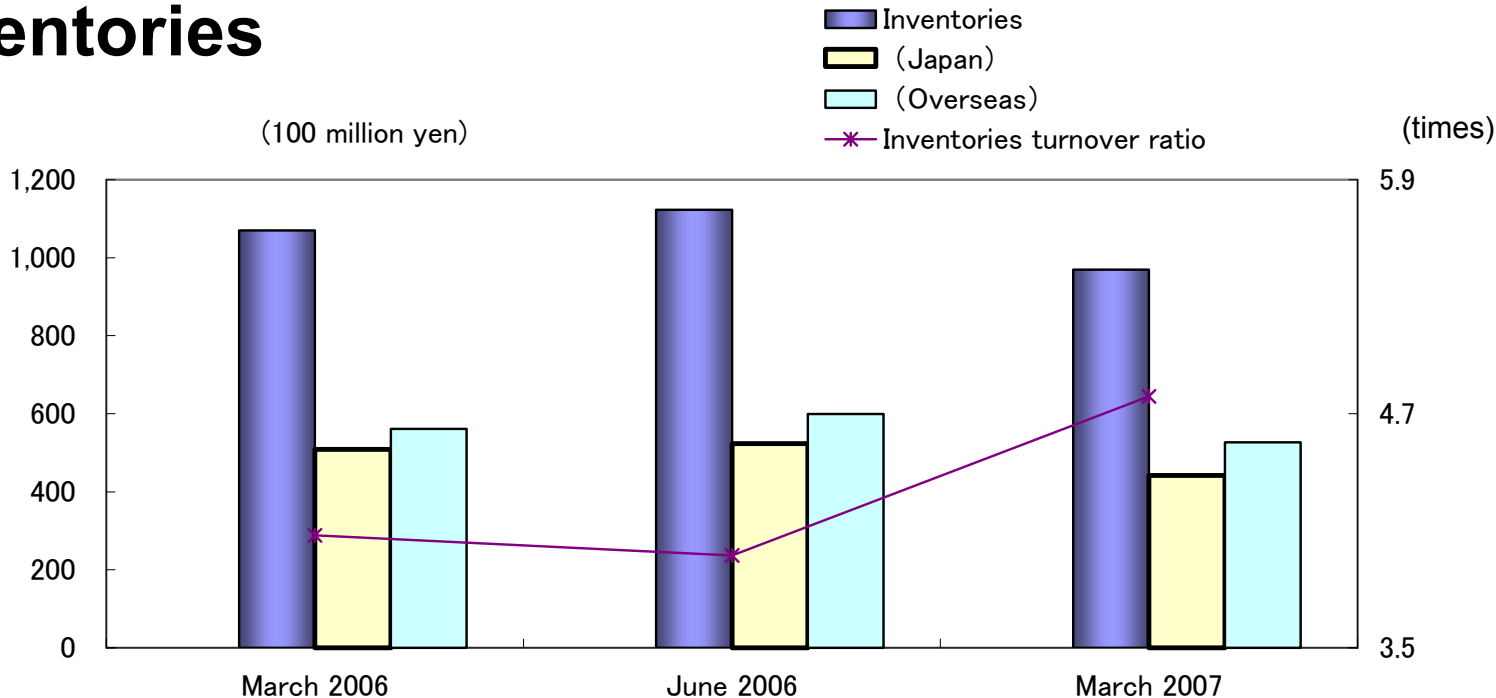
In 100 million yen



• Operating Income



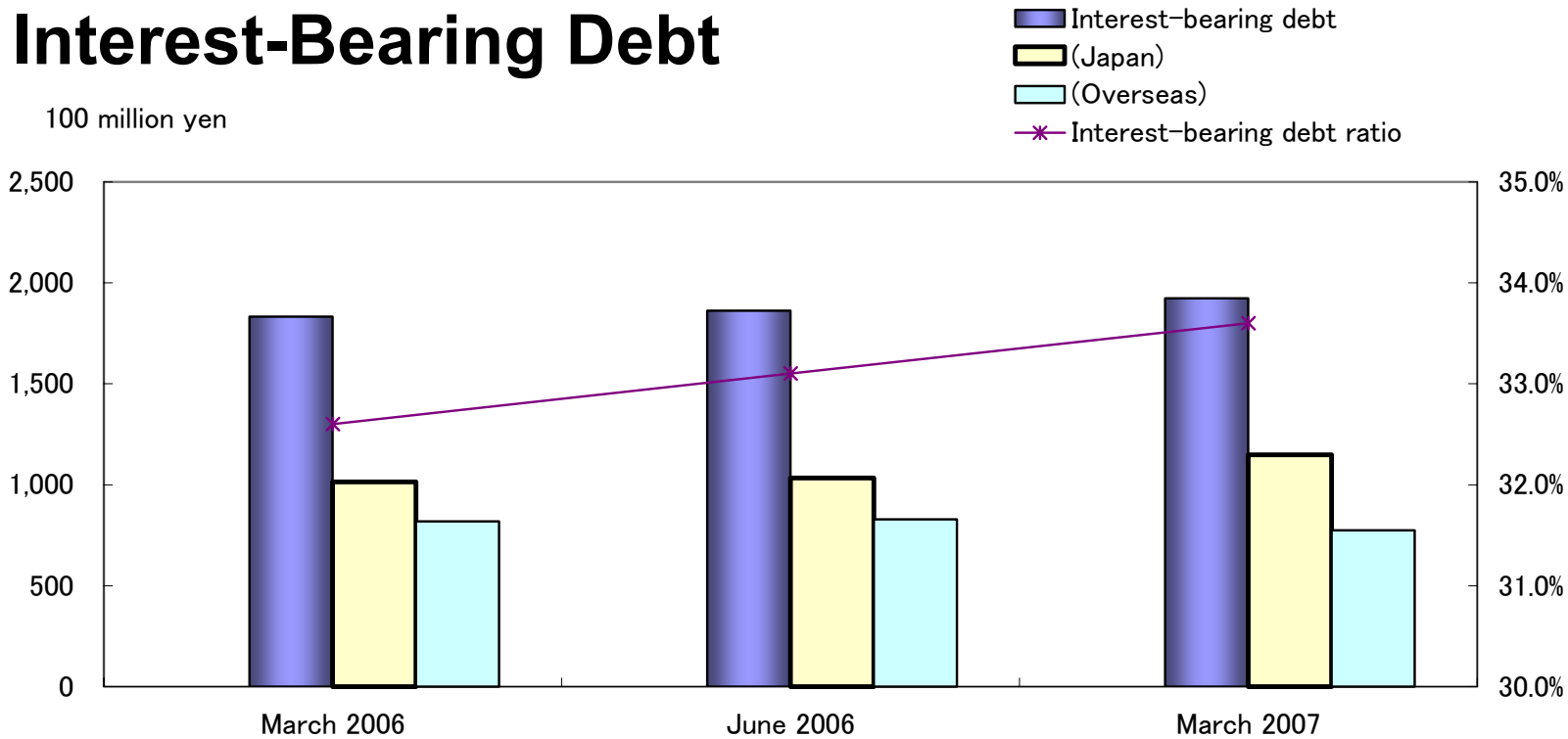
5. Inventories



(In 100 million yen)

| | March 2006 Actual | June 2006 Actual | March 2007 Forecast |
|--------------------------|----------------------|---------------------|------------------------|
| Inventories | 1,070 | 1,123 | 969 |
| (Japan) | (509) | (524) | (442) |
| (Overseas) | (561) | (599) | (527) |
| Inventory turnover ratio | 4.1times | 4.0times | 4.8times |

6. Interest-Bearing Debt



In 100 million yen

| | March 2006 Actual | June 2006 Actual | March 2007 Forecast |
|-----------------------------|----------------------|---------------------|------------------------|
| Interest-bearing debt | 1,832 | 1,861 | 1,923 |
| (Japan) | (1,014) | (1,033) | (1,149) |
| (Overseas) | (818) | (828) | (774) |
| Interest-bearing debt ratio | 32.6% | 33.1% | 33.6% |

7. Capital Expenditures and Depreciation

In 100 million yen

| | FY2005 1Q (1) | FY2006 1Q (2) | YoY Change (2)-(1) | FY2006 Full Year (3) |
|----------------------|---------------------|---------------------|-----------------------|----------------------------|
| Capital Expenditures | 121 | 135 | 14 | 450 |
| (Japan) | (61) | (66) | (5) | (260) |
| (Overseas) | (60) | (69) | (9) | (190) |

| | FY2005 1Q (1) | FY2006 1Q (2) | YoY Change (2)-(1) | FY2006 Full Year (3) |
|--------------|---------------------|---------------------|-----------------------|----------------------------|
| Depreciation | 64 | 73 | 9 | 329 |
| (Japan) | (37) | (41) | (4) | (194) |
| (Overseas) | (27) | (32) | (5) | (135) |

8. Cash Flows

In 100 million yen

| | FY2005 1Q | FY2006 1Q |
|--|--------------|--------------|
| I . Cash Flows from operating activities | 29 | 105 |
| II . Cash Flows from investing activities | -122 | -164 |
| III . Cash Flows from financial activities | 59 | 9 |
| IV . Effect of exchange rate changes on cash and cash equivalents | -1 | -9 |
| V . Increase in cash and cash equivalents | -35 | -59 |

