

Supplementary material for the Results of the First quarter of Fiscal 2009

August 5, 2009

NTN Corporation

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★ Highlights of Consolidated Financial Results

1. Consolidated Statements of operations
2. Net Sales by Regions and Business Segments
3. Analysis of Operating Income
4. Net sales and Operating Income (Margin)
 - (1) Japan, Americas
 - (2) Europe, Asia & Others
5. Inventories
6. Interest – Bearing Debt
7. Capital Expenditures and Depreciations
8. Cash Flows

Results of the First Quarter of FY 2009

- ◇ **Net sales** for the period **increased 12 % from the 4th quarter of FY 2008**, but decreased 38 % from a year earlier.
 - In **automotive applications**, net sales **increased 27 %** from the 4th quarter of FY 2008, helped by economic-stimulus packages implemented in many countries.
 - In **general industrial machinery and aftermarket applications**, net sales **decreased 6 %** from the 4th quarter of FY 2008, impacted by delayed economic recovery.
 - Geographically, **China is the area that showed most remarkable recovery both** in the automotive sector and in the general industrial machinery sector.
 - Net sales by **SNR increased 30 %** from the 4th quarter of FY 2008, benefited by the brisk sales of compact cars and solid performances in rolling stock as well as
- ◇ Efforts to **cut personnel cost and other expenses** contributed to **reduction of operating loss** to 2.5 billion yen (operating margin : negative 25 %), which was a marked improvement **over the 4th quarter of FY 2008**, while there were drastic decrease in sales volume and unfavorable foreign exchanges.
- ◇ **Inventory** as of June 30, 2009 was lessened **quantitatively by approximately 4 billion yen** from March 31, 2009,

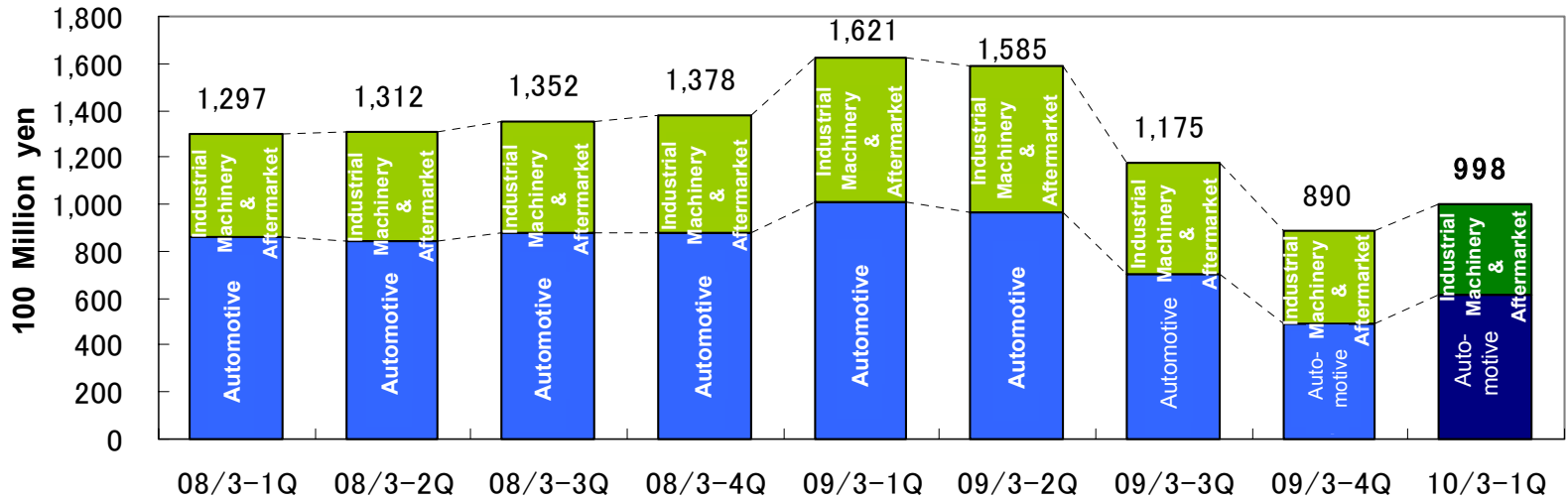
Forecast for the Second Quarter of FY 2009

- ◇ In automotive applications, **underlying trend to increase production by automakers** is expected following the 1st quarter.
- ◇ In general industry machinery and aftermarket applications, **a delay of demand recovery** is forecasted to **continue** in a part of the sector.
- ◇ Earning forecast for the first half and full year of FY 2009, reported in May 2009, has no changes.

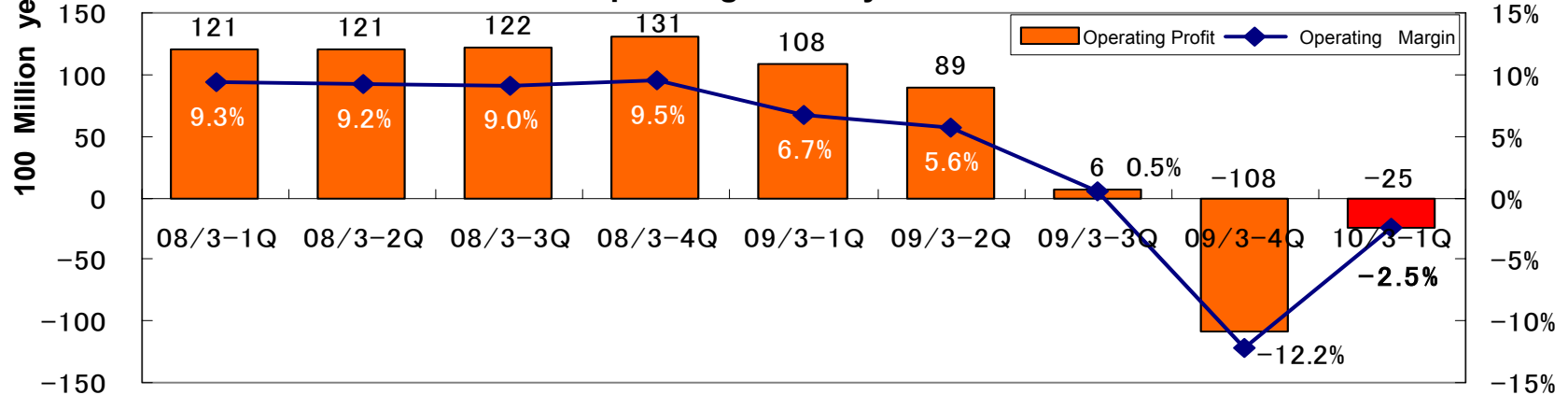
Highlights of Consolidated Financial Results

Net sales and operating profit improved from the 4th quarter of FY 2008, but worsened drastically from a year earlier

Net Sales by Quarter



Operating Profit by Quarter



1. Consolidated Statement of operations

In 100 million yen

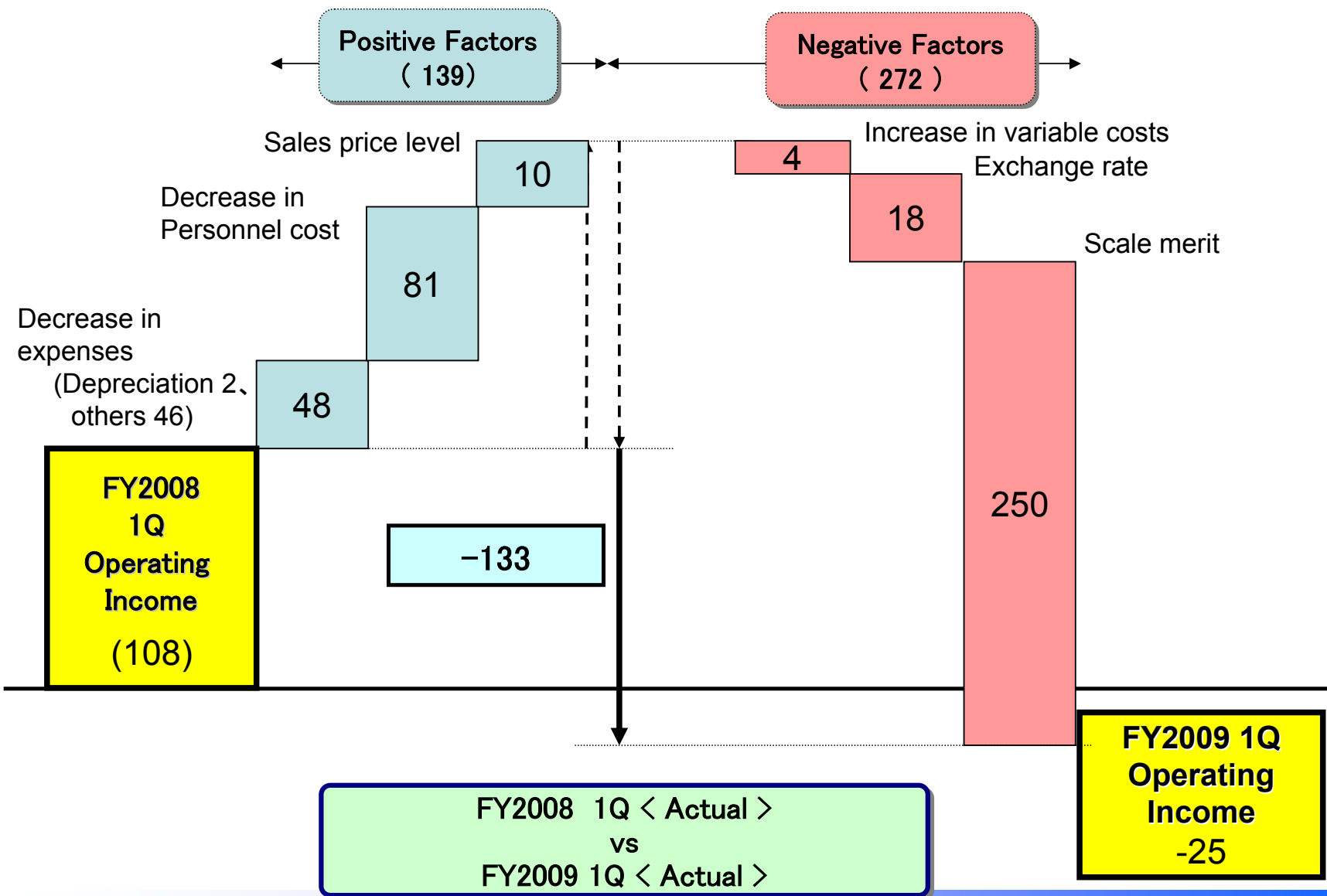
| | FY2008 | | | | | FY2009 | |
|--|---------------|--------------|-------------|-------------------|--------------|-----------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | Full Year | 1Q | Year On Year |
| Net Sales | 1,621 | 1,585 | 1,174 | 891 | 5,271 | 998 | △ 623 |
| Operating Income (Operating margin) | 108 (6.7%) | 89 (5.6%) | 6 (0.5%) | △ 108 (△12.2%) | 95 (1.8%) | △ 25 (△2.5%) | △ 133 (△9.2%) |
| Ordinary Income | 99 | 97 | 0 | △ 109 | 87 | △ 34 | △ 133 |
| Extraordinary Income/Loss | △ 1 | △ 46 | △ 115 | △ 26 | △ 188 | 0 | 1 |
| Net Income | 63 | 22 | △ 120 | △ 55 | △ 90 | △ 18 | △ 81 |
| Exchange Rate US \$ | 104.6 | 107.7 | 96.4 | 93.8 | 100.7 | 97.4 | △ 7.2 |
| Rate EURO | 163.4 | 161.9 | 127.0 | 122.0 | 144.1 | 132.7 | △ 30.7 |

2. Net Sales by Regions and Business Segments

In 100 million yen

| | | FY2008 | | | | | FY2009 | | |
|---------------|----------------------|--------------|--------------|--------------|------------|--------------|------------|--------------|--------------|
| | | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | Year On Year | |
| | | | | | | | | volume | Exchange |
| Japan | Bearings | 360 | 376 | 324 | 195 | 1,256 | 200 | △ 160 | - |
| | CVJs | 138 | 144 | 123 | 76 | 481 | 78 | △ 60 | - |
| | Precision Equipments | 55 | 63 | 51 | 43 | 211 | 35 | △ 20 | - |
| | Total | 553 | 583 | 498 | 314 | 1,948 | 313 | △ 240 | - |
| Americas | Bearings | 196 | 211 | 153 | 122 | 682 | 118 | △ 66 | △ 12 |
| | CVJs | 134 | 126 | 87 | 54 | 402 | 67 | △ 62 | △ 5 |
| | Precision Equipments | 3 | 3 | 2 | 2 | 9 | 2 | △ 0 | △ 0 |
| | Total | 333 | 340 | 242 | 178 | 1,093 | 188 | △ 128 | △ 17 |
| Europe | Bearings | 406 | 350 | 209 | 197 | 1,161 | 246 | △ 102 | △ 58 |
| | CVJs | 90 | 69 | 33 | 39 | 231 | 57 | △ 18 | △ 14 |
| | Precision Equipments | 8 | 8 | 5 | 5 | 26 | 7 | 0 | △ 2 |
| | Total | 503 | 427 | 247 | 240 | 1,417 | 309 | △ 120 | △ 73 |
| Asia & Others | Bearings | 187 | 191 | 155 | 132 | 665 | 156 | △ 12 | △ 19 |
| | CVJs | 39 | 40 | 28 | 24 | 131 | 28 | △ 8 | △ 3 |
| | Precision Equipments | 5 | 5 | 4 | 3 | 17 | 4 | △ 1 | △ 1 |
| | Total | 232 | 235 | 187 | 159 | 813 | 188 | △ 22 | △ 23 |
| Total | Bearings | 1,149 | 1,128 | 841 | 646 | 3,764 | 720 | △ 341 | △ 89 |
| | CVJs | 401 | 379 | 272 | 193 | 1,244 | 231 | △ 148 | △ 22 |
| | Precision Equipments | 71 | 78 | 62 | 52 | 263 | 47 | △ 21 | △ 2 |
| | Total | 1,621 | 1,585 | 1,174 | 891 | 5,271 | 998 | △ 510 | △ 113 |

3. Analysis of Operating Income

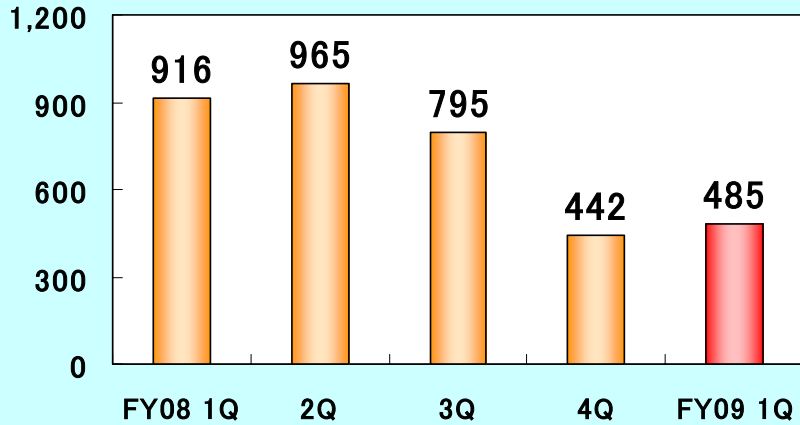


4. Net sales and Operating Income (Margin)

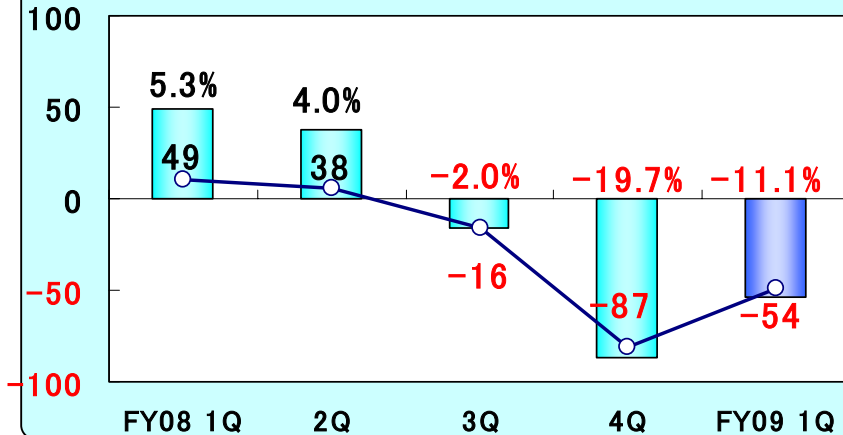
《 Japan 》

Net Sales

In 100 million yen



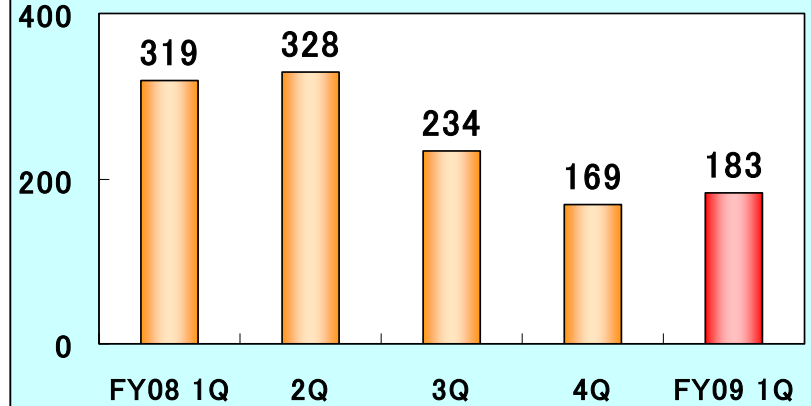
Operating Income



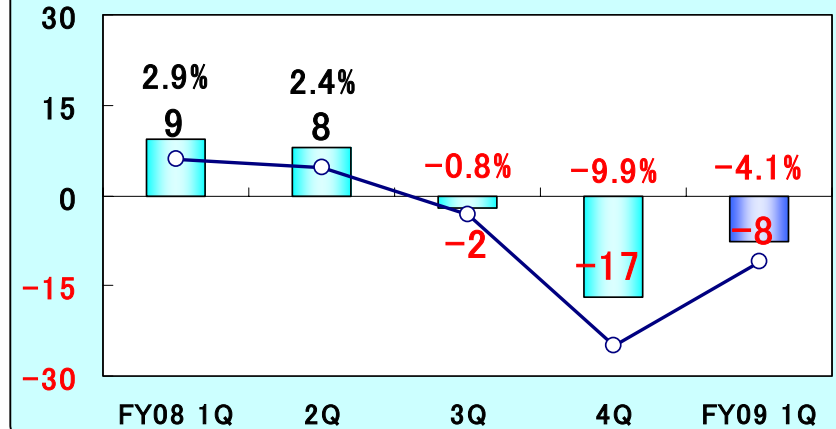
《 The Americas 》

Net Sales

In 100 million yen



Operating Income

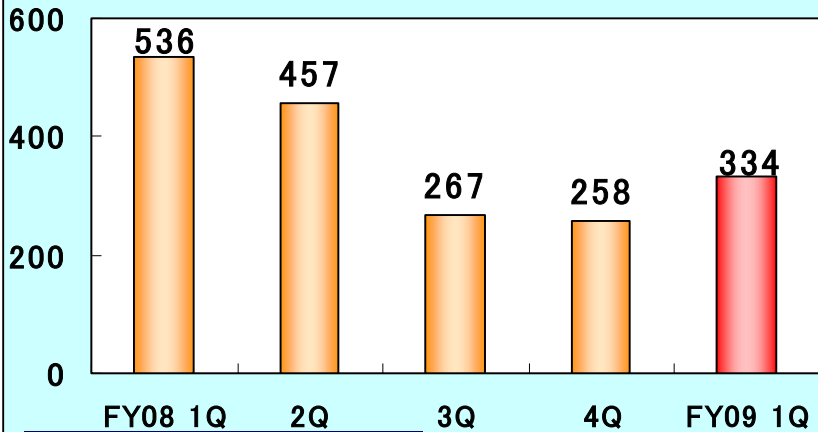


4. Net sales and Operating Income (Margin)

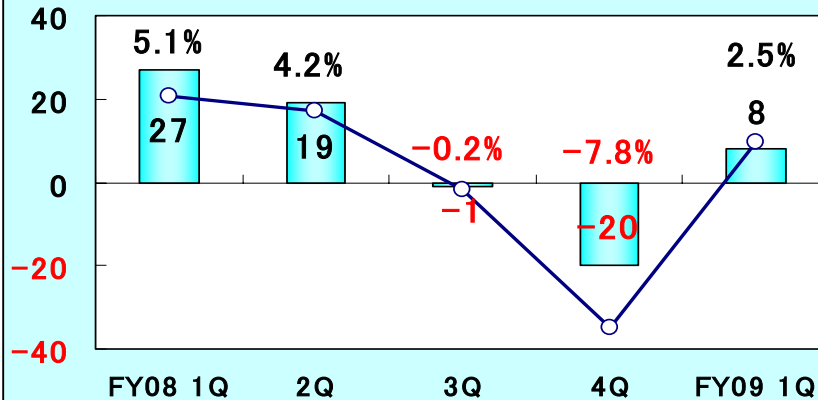
《 Europe 》

Net Sales

In 100 million yen



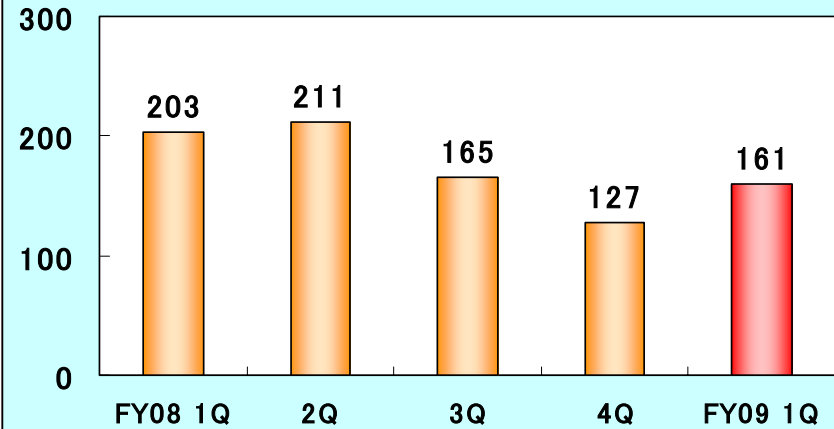
Operating Income



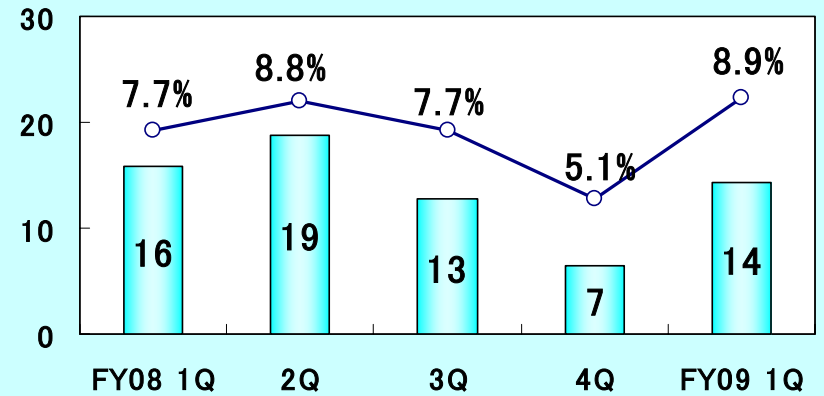
《Asia & Others》

Net Sales

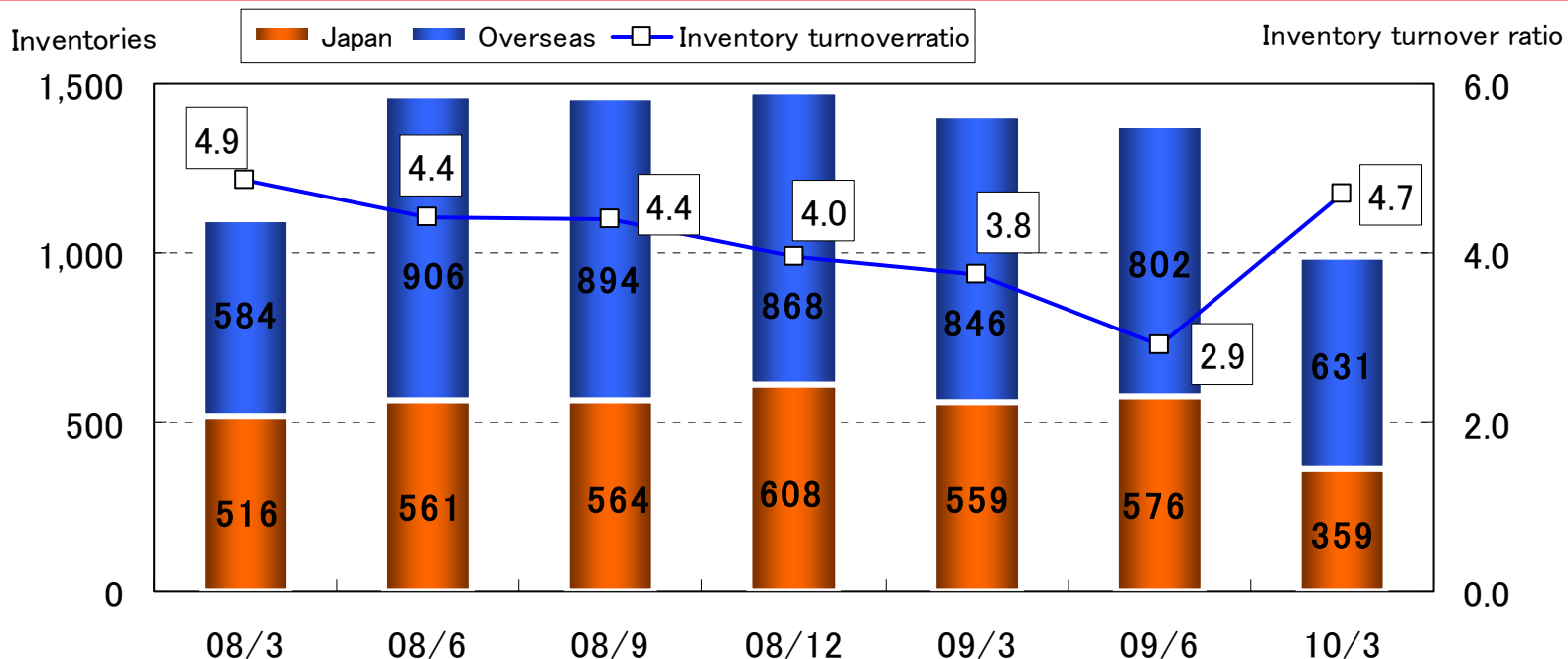
In 100 million yen



Operating Income



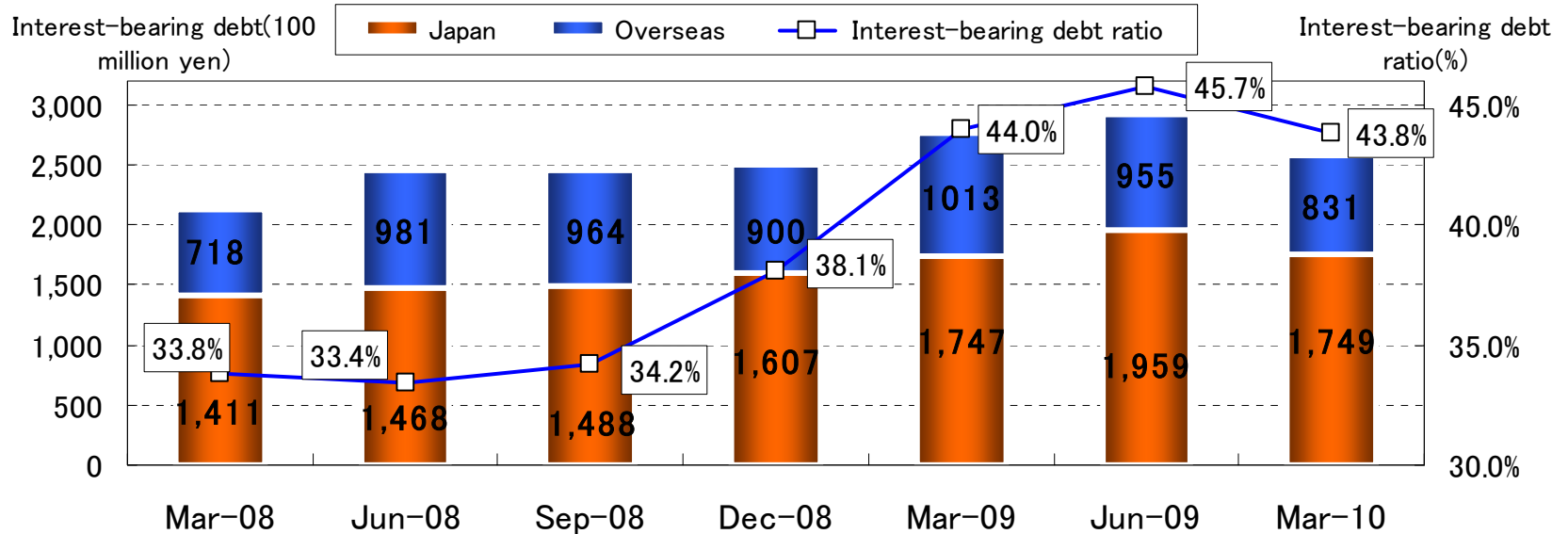
5. Inventories



(In 100 million yen)

| | Mar-08 | Jun-08 | Sep-08 | Dec-08 | Mar-09 | Jun-09 | Mar-10 |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|
| | Actual | Actual | Actual | Actual | Actual | Actual | Forecast |
| Inventories | 1,100 | 1,467 | 1,459 | 1,476 | 1,405 | 1,379 | 990 |
| (Overseas) | (584) | (906) | (894) | (868) | (846) | (802) | (631) |
| (Japan) | (516) | (561) | (564) | (608) | (559) | (576) | (359) |
| Inventory turnover ratio | 4.9times | 4.4times | 4.4times | 4.0times | 3.8times | 2.9times | 4.7times |

6. Interest-Bearing Debt

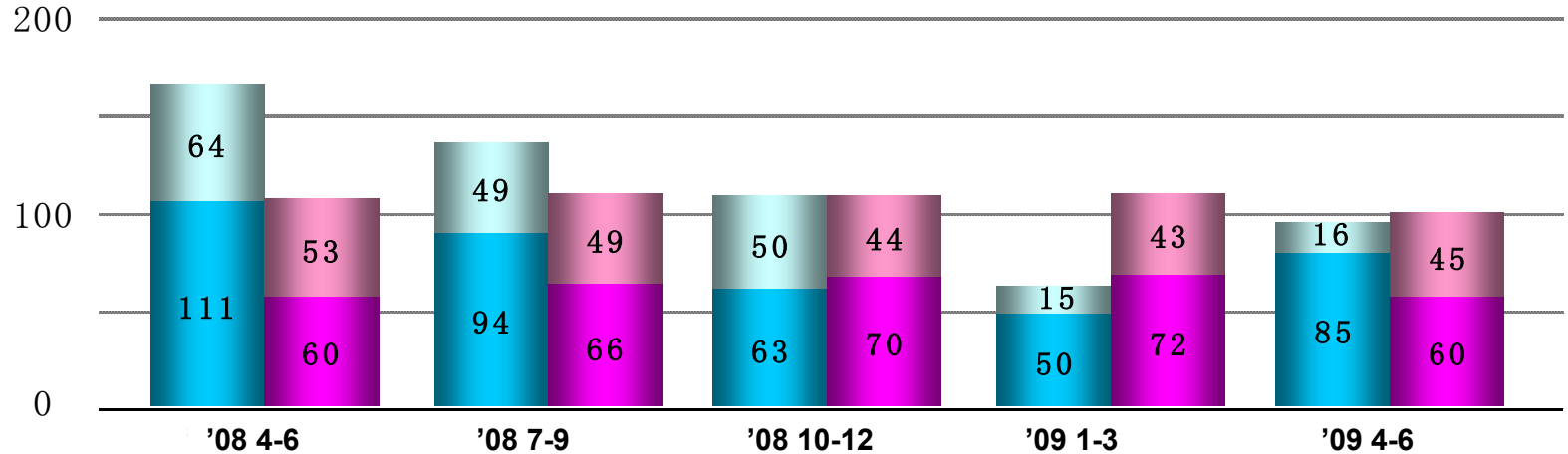
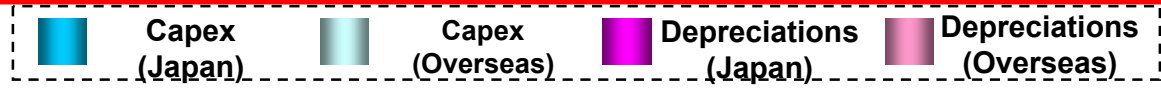


(In 100 million yen)

| | Mar-08 | Jun-08 | Sep-08 | Dec-08 | Mar-09 | Jun-09 | Mar-10 |
|-----------------------------|---------|---------|---------|---------|---------|---------|----------|
| | Actual | Actual | Actual | Actual | Actual | Actual | Forecast |
| Interest-bearing debt | 2,129 | 2,449 | 2,452 | 2,507 | 2,760 | 2,914 | 2,580 |
| (Overseas) | (718) | (981) | (964) | (900) | (1,013) | (955) | (831) |
| (Japan) | (1,411) | (1,468) | (1,488) | (1,607) | (1,747) | (1,959) | (1,749) |
| Interest-bearing debt ratio | 33.8% | 33.4% | 34.2% | 38.1% | 43.9% | 45.7% | 44.5% |

7. Capital Expenditures and Depreciations

(100 million yen)



| | Mar-09 ①4-6 | Mar-09 7-9 | Mar-09 10-12 | Mar-09 1-3 | Mar-10 ②4-6 | ②-① | Mar-10 Forecast |
|--|----------------|---------------|-----------------|---------------|----------------|-------|--------------------|
| Capital Expenditures (Overseas) | 175 | 144 | 50 | 65 | 101 | △74 | 180 |
| (Japan) | (111) | (94) | (50) | (50) | (85) | (△26) | (120) |

| | Mar-09 ①4-6 | Mar-09 7-9 | Mar-09 10-12 | Mar-09 1-3 | Mar-10 ②4-6 | ②-① | Mar-10 Forecast |
|--------------------------------|----------------|---------------|-----------------|---------------|----------------|------|--------------------|
| Depreciation (Overseas) | 113 | 115 | 114 | 115 | 104 | △9 | 408 |
| (Japan) | (60) | (66) | (70) | (72) | (60) | (△0) | (240) |

8. Cash Flow

(100 million yen)

| | FY2009 | | | | FY2010 | | FY2010 Full Year |
|---|--------|------|-------|------|--------|------|---------------------|
| | ①4-6 | 7-9 | 10-12 | 1-3 | ②4-6 | ②-① | |
| I. Cash Flow from Operating Activity | 192 | 96 | △10 | △63 | 8 | △184 | 440 |
| II. Cash Flow from Investing Activity | △220 | △164 | △112 | △133 | △87 | 133 | △250 |
| III. Cash Flow from Finance Activity | 34 | 56 | 150 | 205 | 130 | 96 | △80 |
| IV. Effect of exchange rate changes on cash and cash equivalents | △8 | 17 | △12 | △44 | 8 | 16 | △20 |
| V. Increase in cash and cash equivalents | △2 | 4 | 16 | △35 | 60 | 61 | 90 |

