

Financial Results

for the Year Ended March 31, 2006

May 18, 2006

NTN Corporation

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

Today's Agenda

I. Results of the Second Year of “Rapid Advance 21” and Future Strategies

by Yasunobu Suzuki, President

II. Consolidated Financial Results for the Year Ended March 31, 2006 (FY2005) and Forecast of Consolidated Earnings for the Year Ending March 31, 2007 (FY2006)

by Tatsuo Kondo,
Executive Senior Managing Director

III. Q & A Session

Results of the Second Year of “Rapid Advance 21” and Future Strategies

May 18, 2006

NTN Corporation
Yasunobu Suzuki, President

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- Contents in Brief -

Progress in Medium-term Business Plan “Rapid Advance 21”

1. Results of the second year of “Rapid Advance 21”
2. Finishing year of “Rapid Advance 21” : FY2006
3. Shareholder value enhancement (HITOUZUKURI · MONOZUKURI – value creation of goods & people)

Business Strategy from FY2006

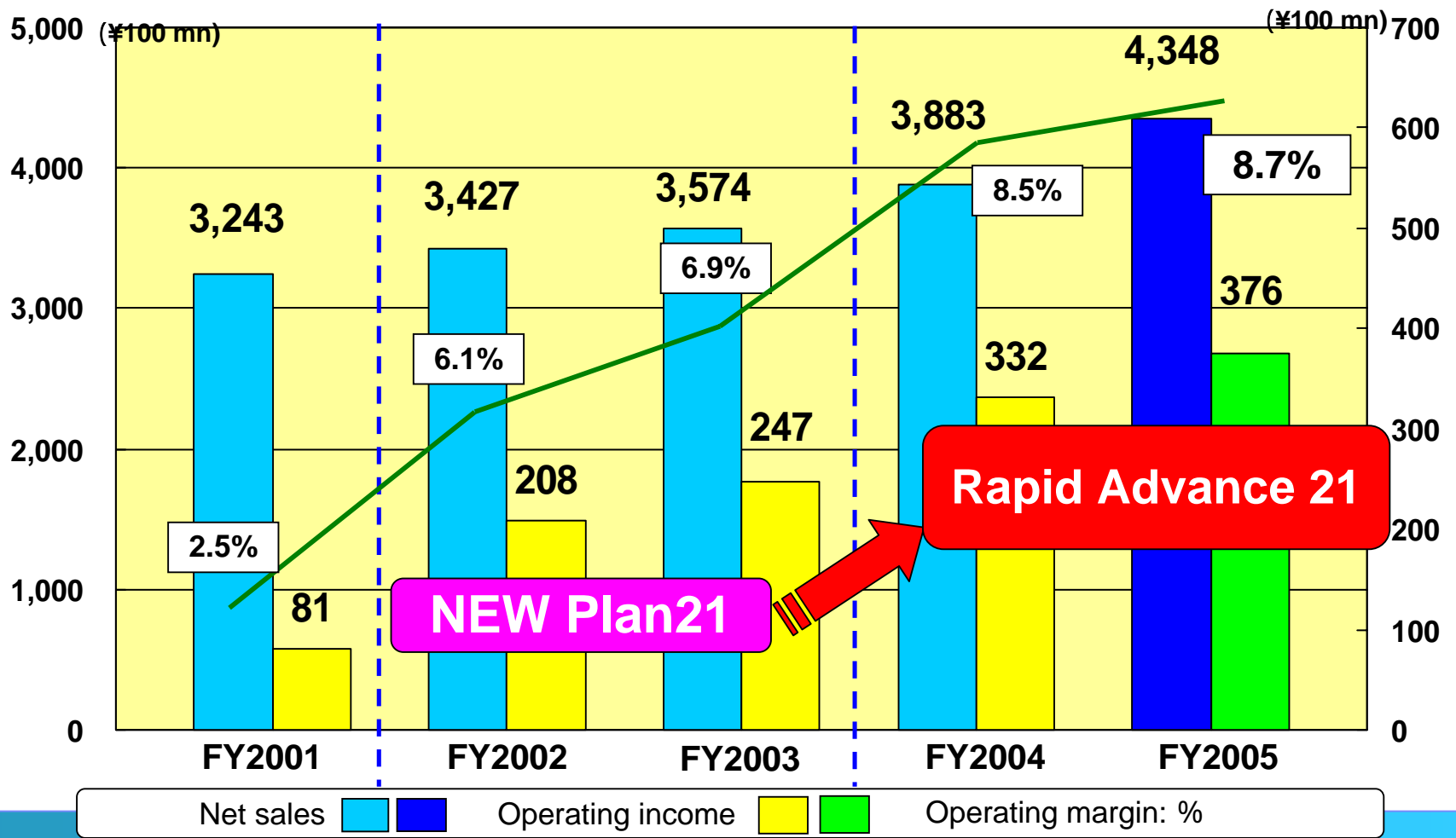
1. Bearings
2. CVJs
3. Axle Bearings
4. New Medium-term Business Plan

[Progress in Medium-term Business Plan "Rapid Advance 21"]

1. Results of the second year of "Rapid Advance 21"

Four consecutive years of sales and profit growth

Record high earnings

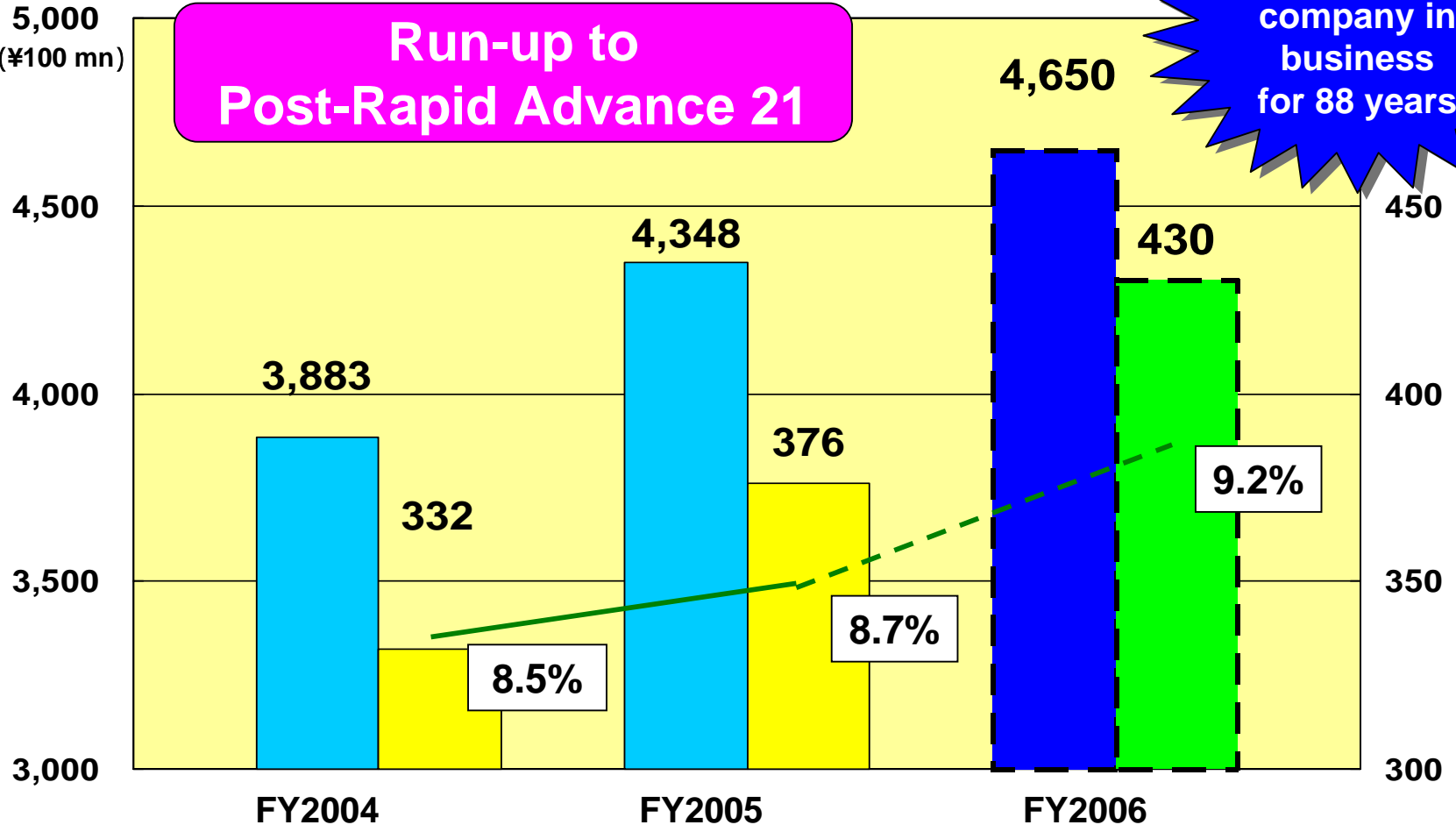


[Progress in Medium-term Business Plan "Rapid Advance 21"]

2. Finishing year of "Rapid Advance 21" : FY2006

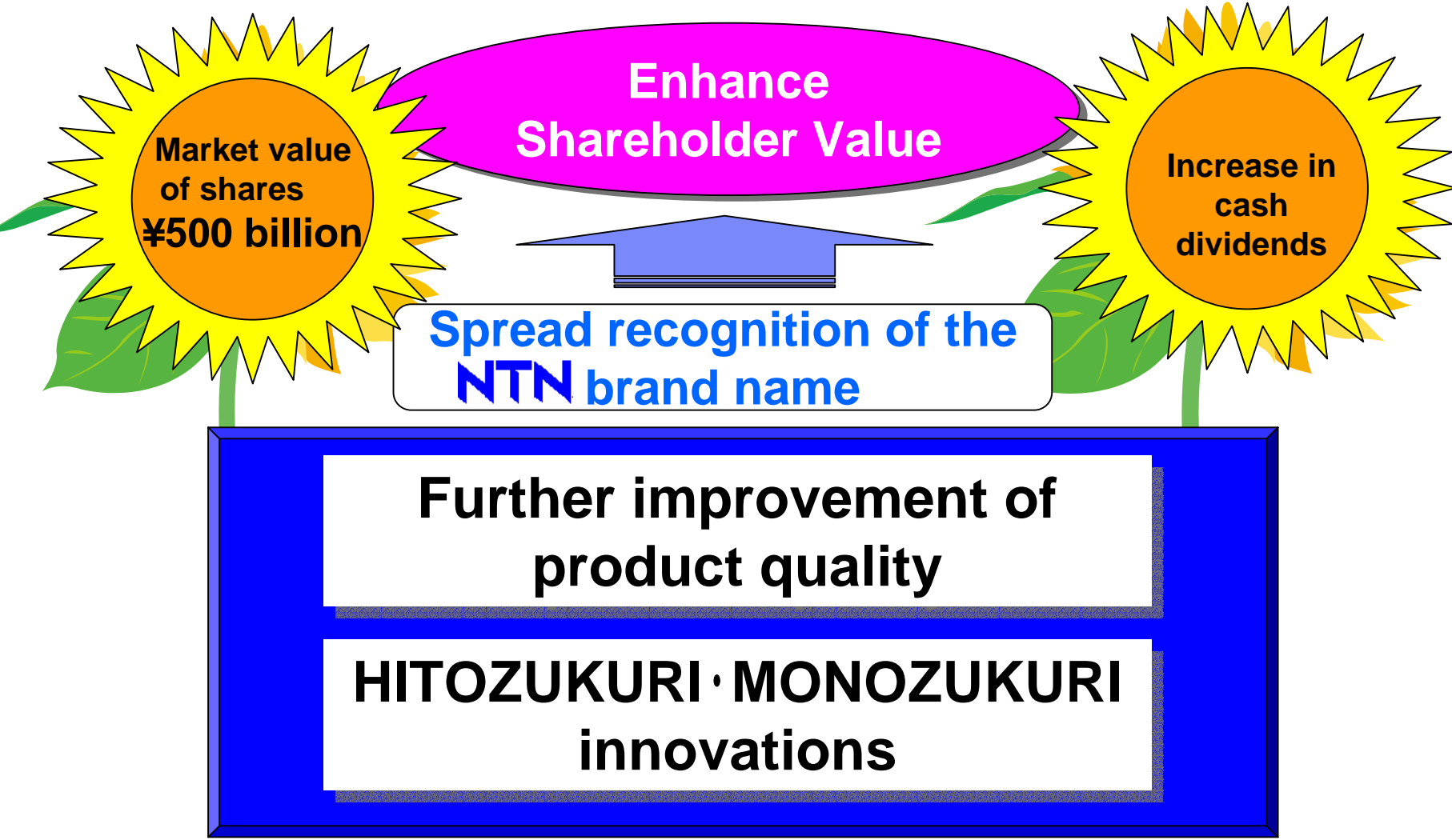


Run-up to Post-Rapid Advance 21



Net sales Actual: ■ Estimate: ■ Operating income Actual: ■ Estimate: ■ Operating margin: %

3. Shareholder Value Enhancement

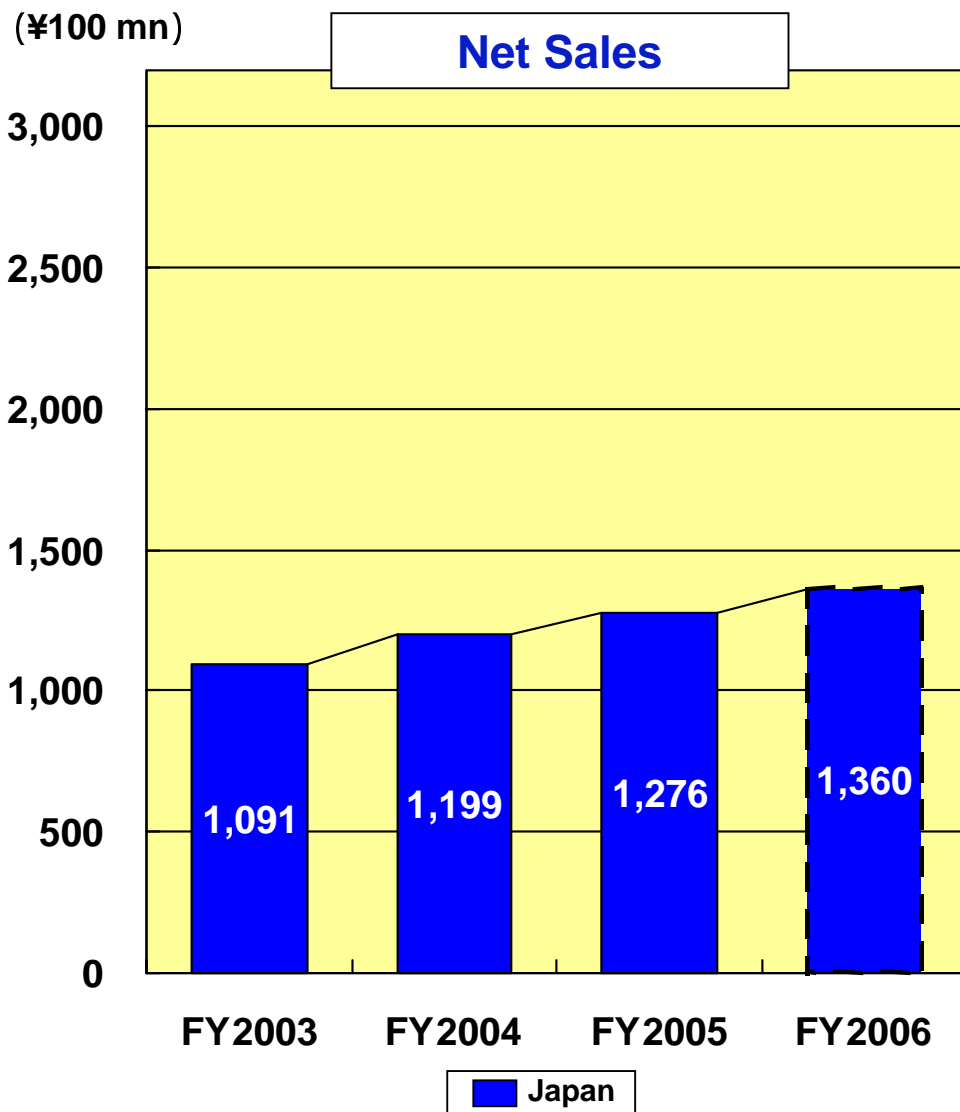


1. Bearings

Japan

Strengthen the competitiveness in cost and product quality

- (1) Accommodate demand increase in
 - Large-scale and precision bearings
 - Tapered roller bearings
- (2) Ensure global best-in-class roller quality
 - Established NTN Kamiina Corporation



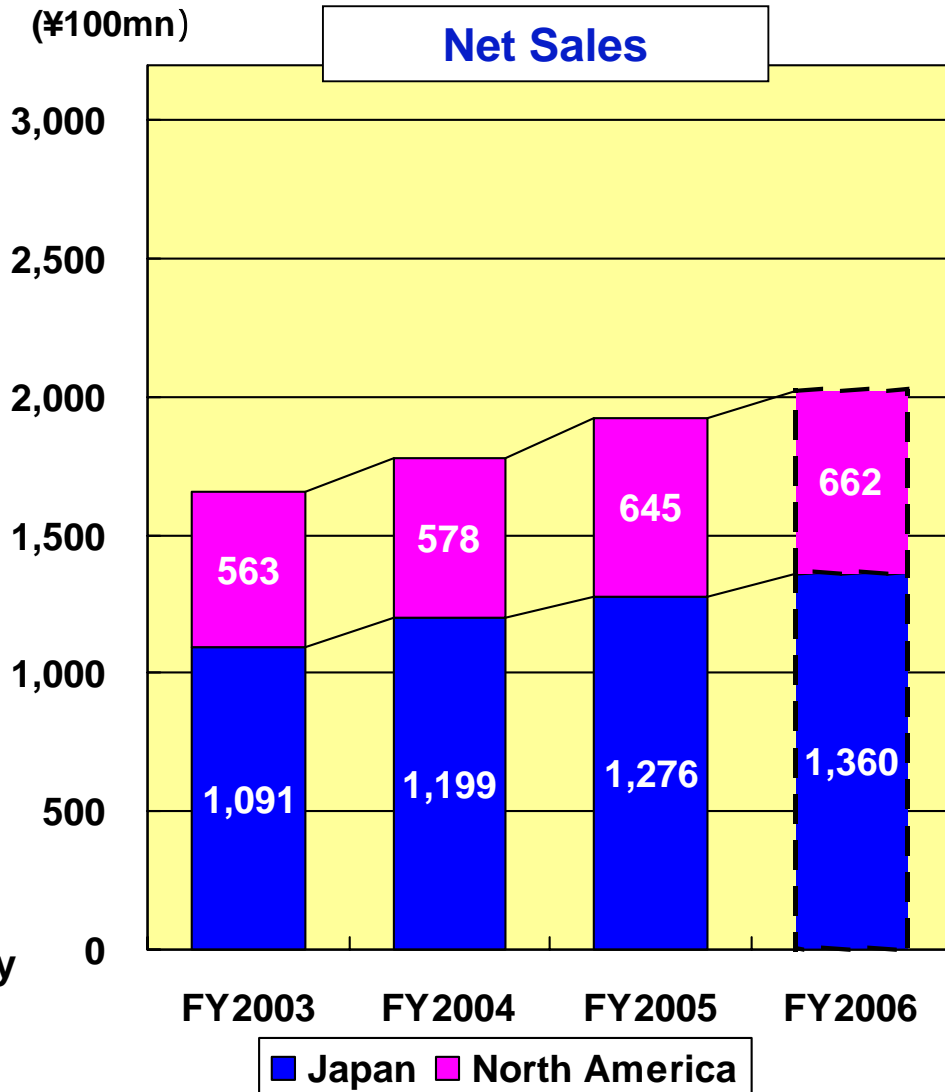
1. Bearings

North America

Enhance production capability to accommodate increase in demand for:
 bearings for construction machinery, tapered roller bearings for automobiles, and axle bearings



Bearings for construction machinery

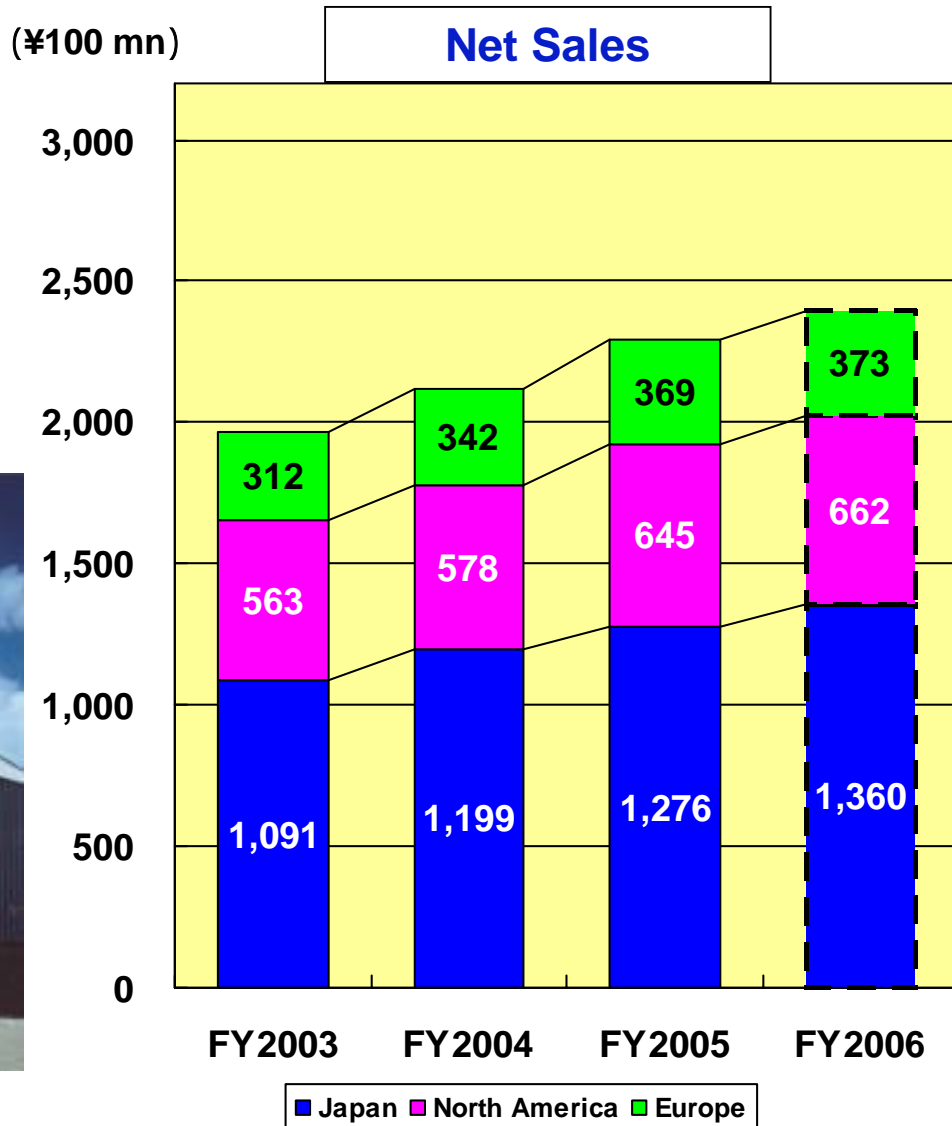


1. Bearings

Europe

Increase sales of:
 large-scale bearings
 for wind power generators, and
 bearings for automobiles

D-MF (Germany)



1. Bearings

Asia and other regions

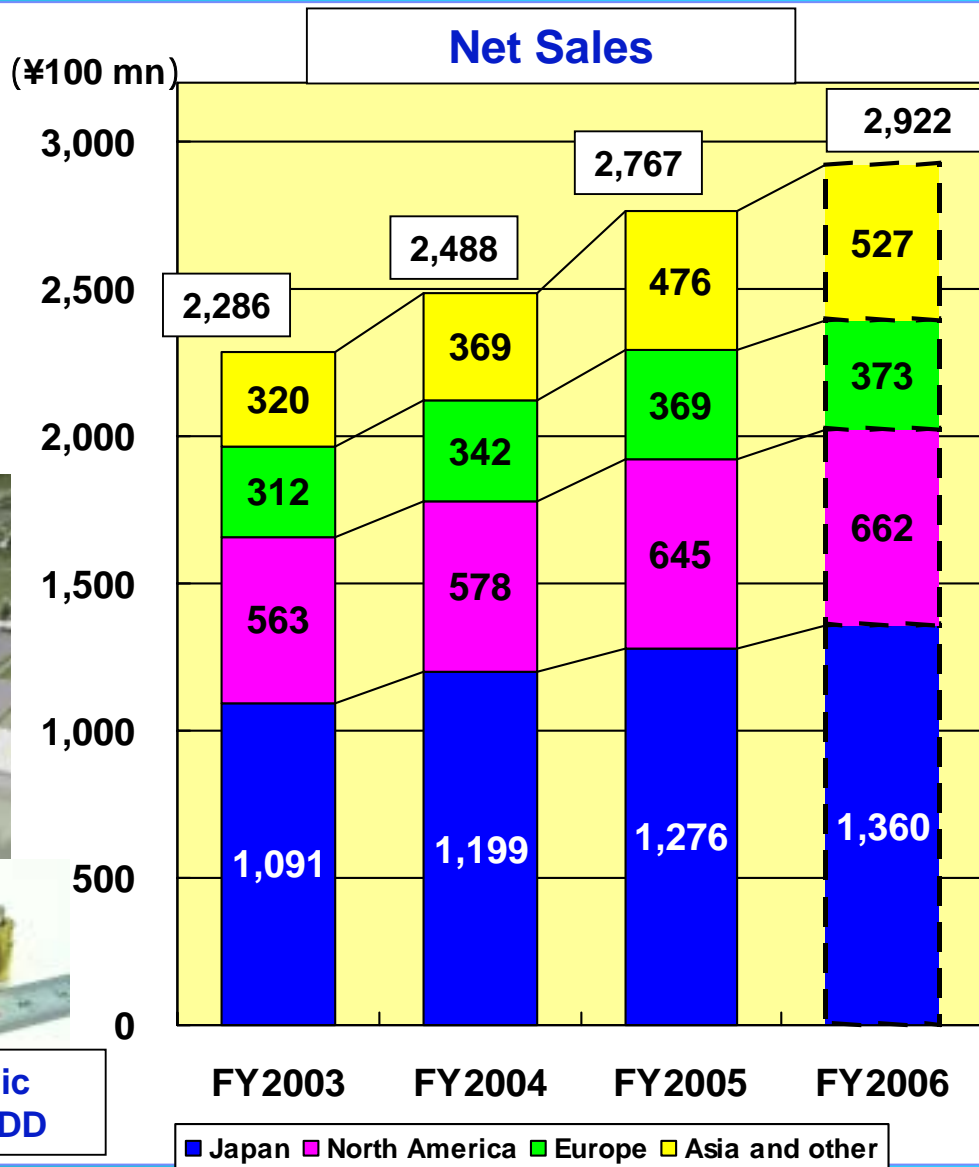
Expand Fluid Dynamic Bearing Business

- Respond to the increasing demand for 3.5 inch HDD
- Strengthen cost competitiveness with optimal local production

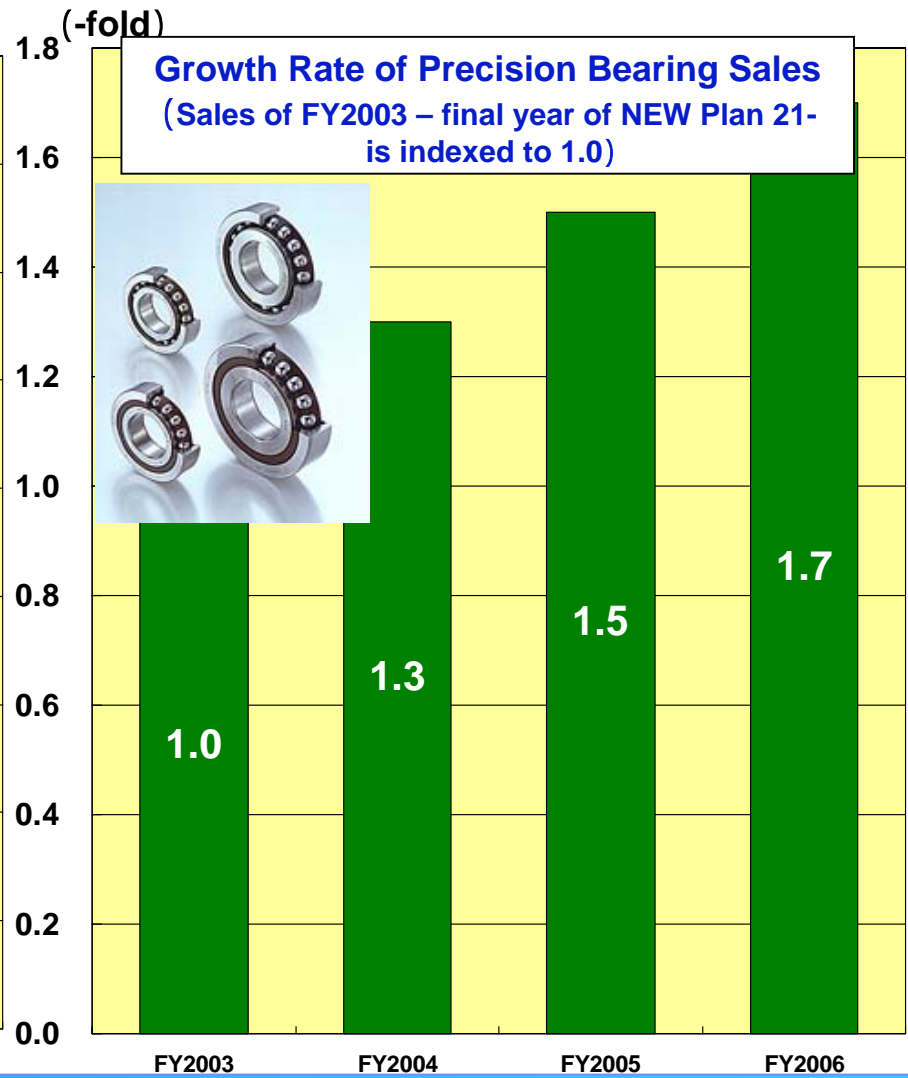
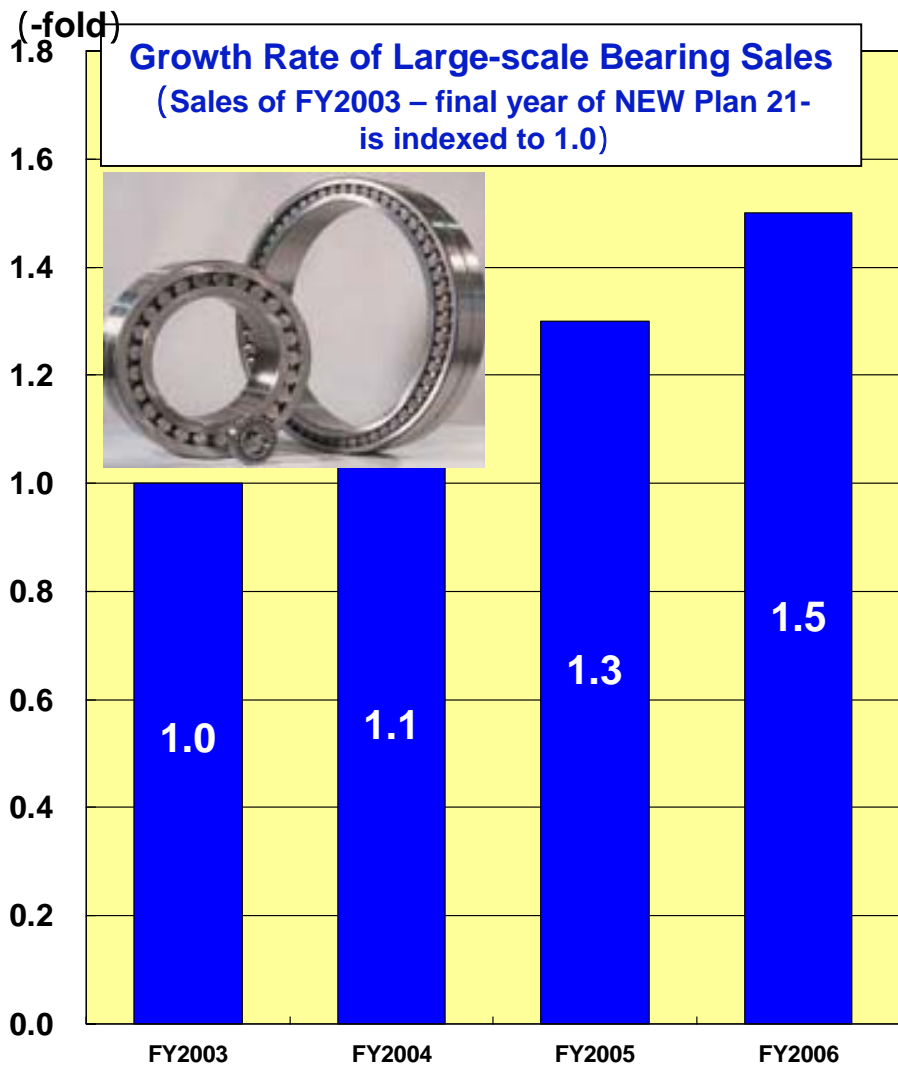
NTN-Nidec (Thailand)



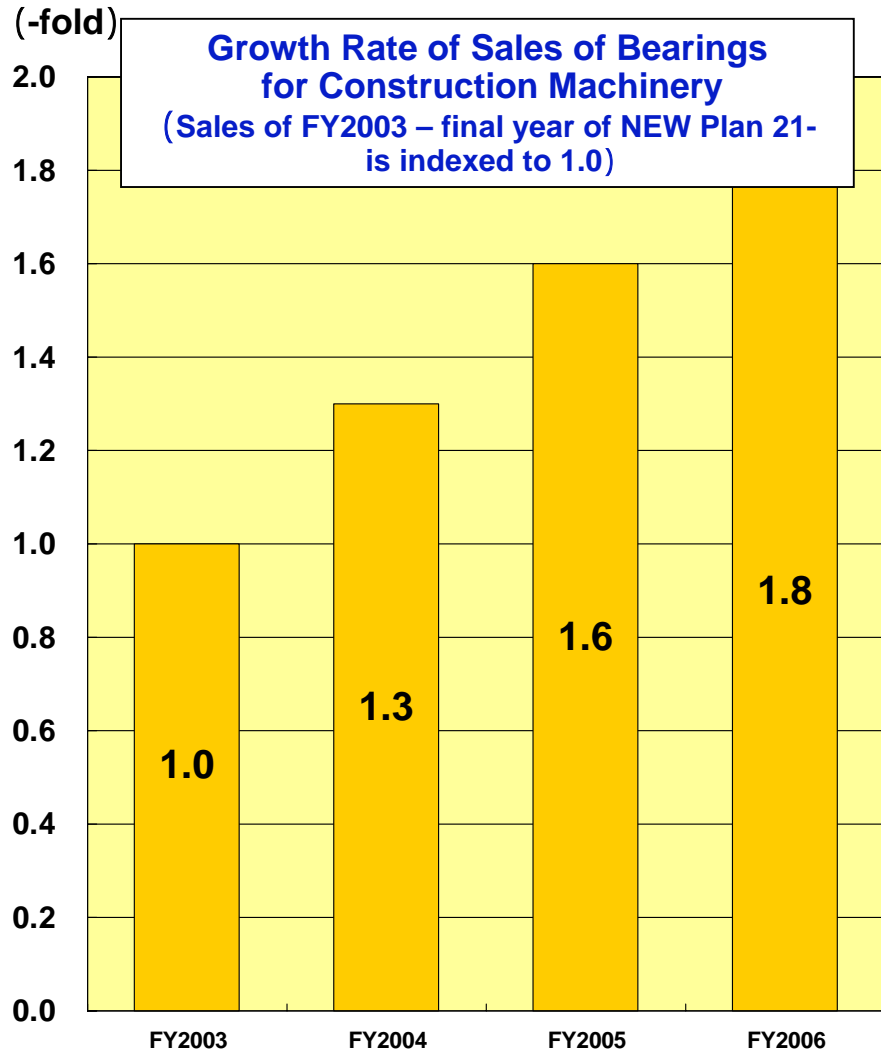
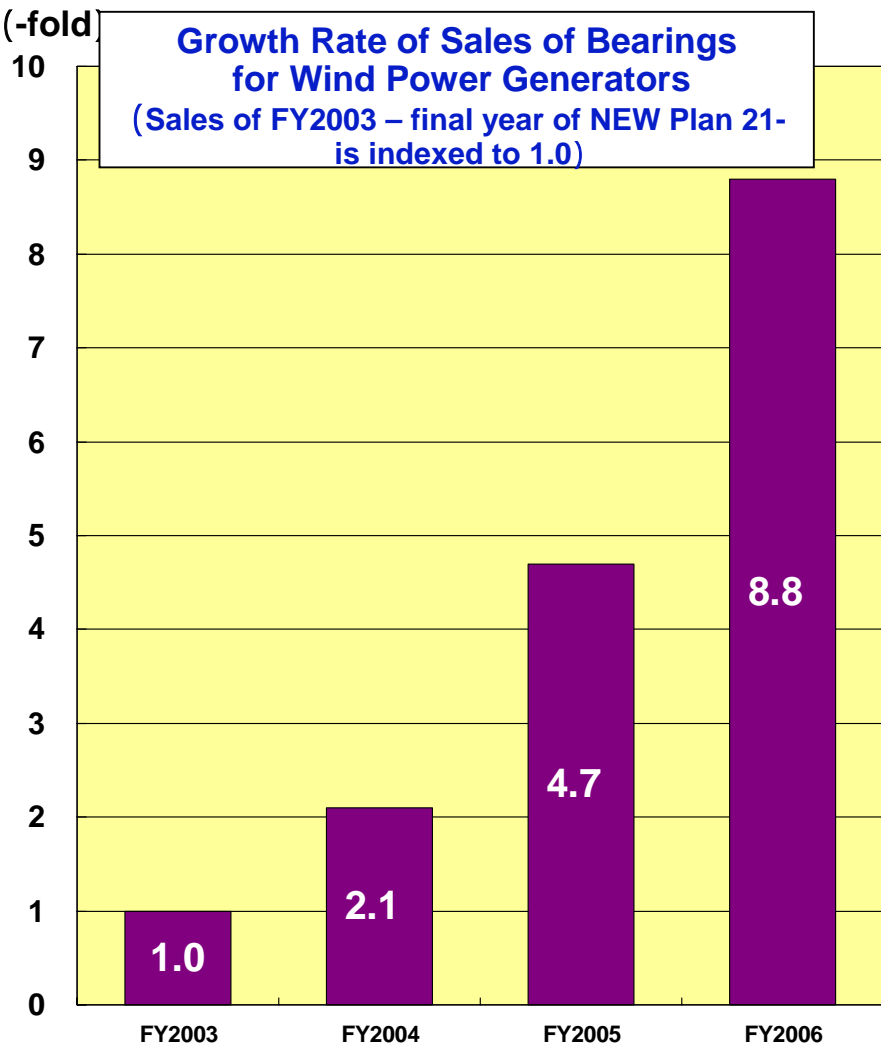
Fluid dynamic bearing for HDD



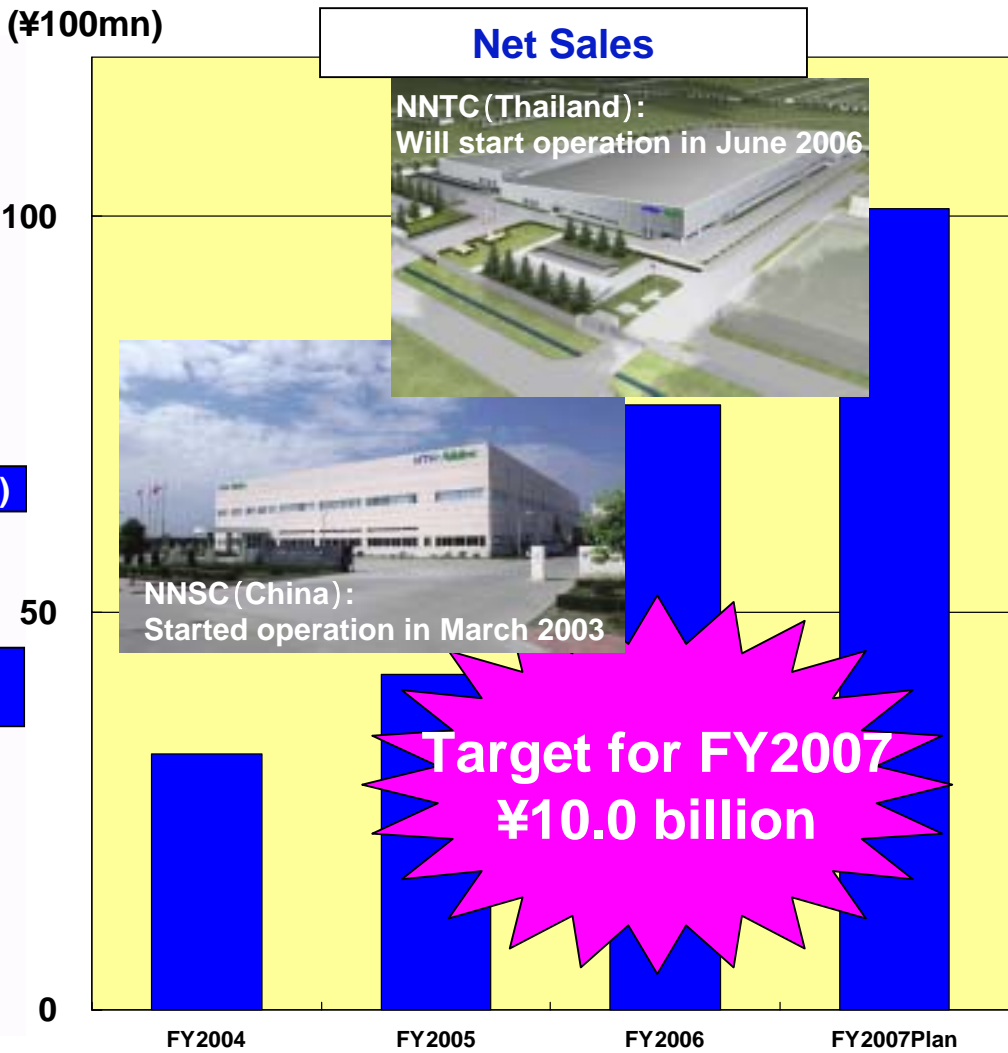
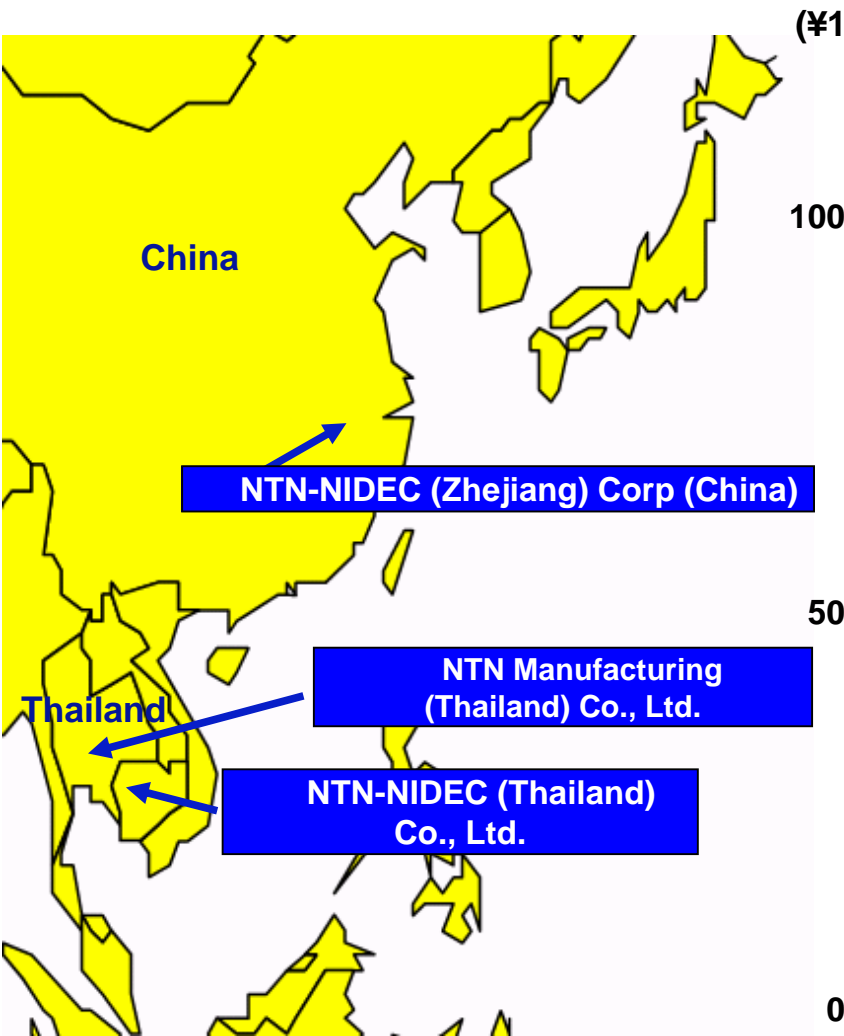
1. Bearings: Large-scale and Precision Bearings



1. Bearings: Wind Power Generators and Construction Machinery



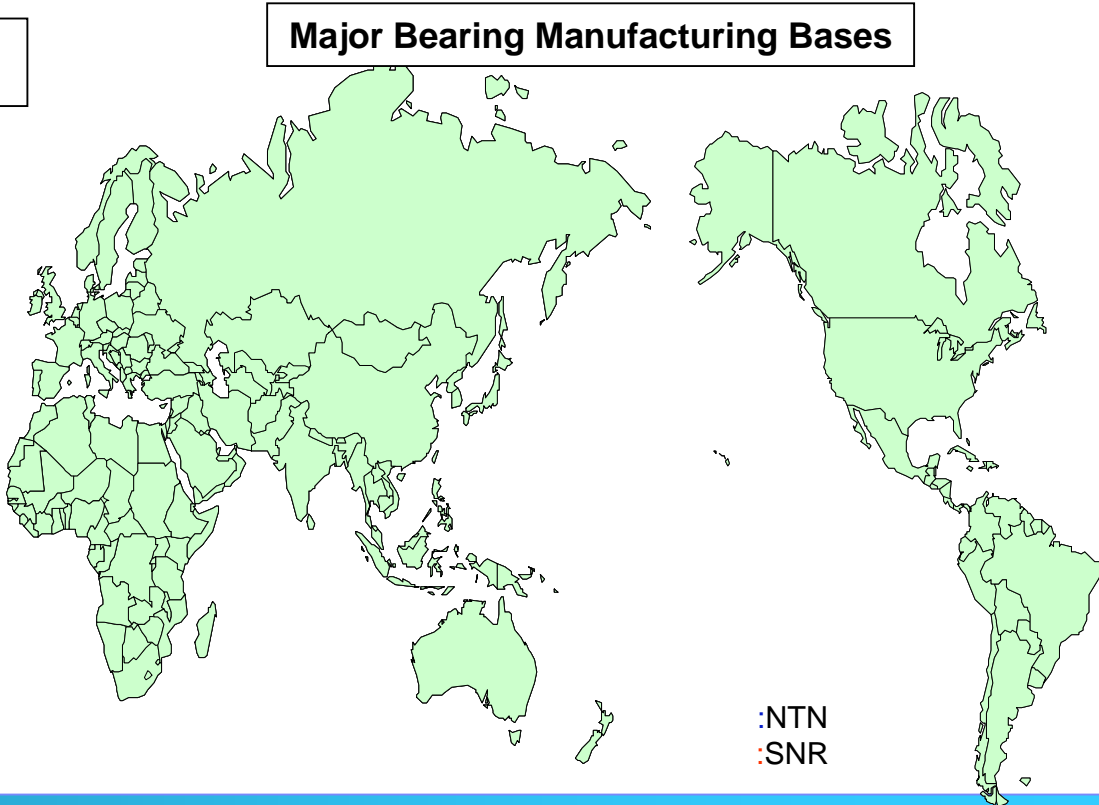
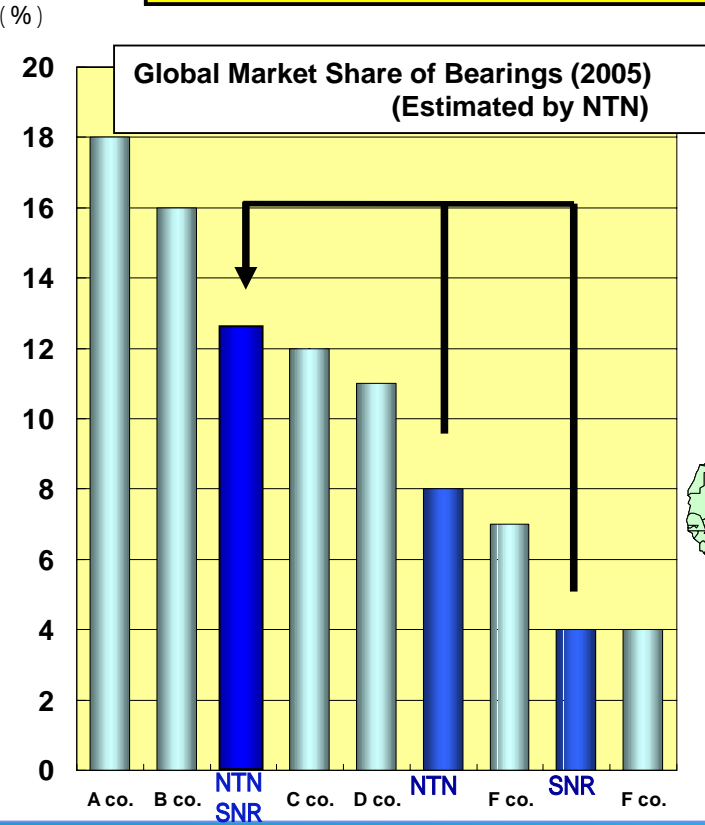
1. Bearings: Fluid Dynamic Bearings



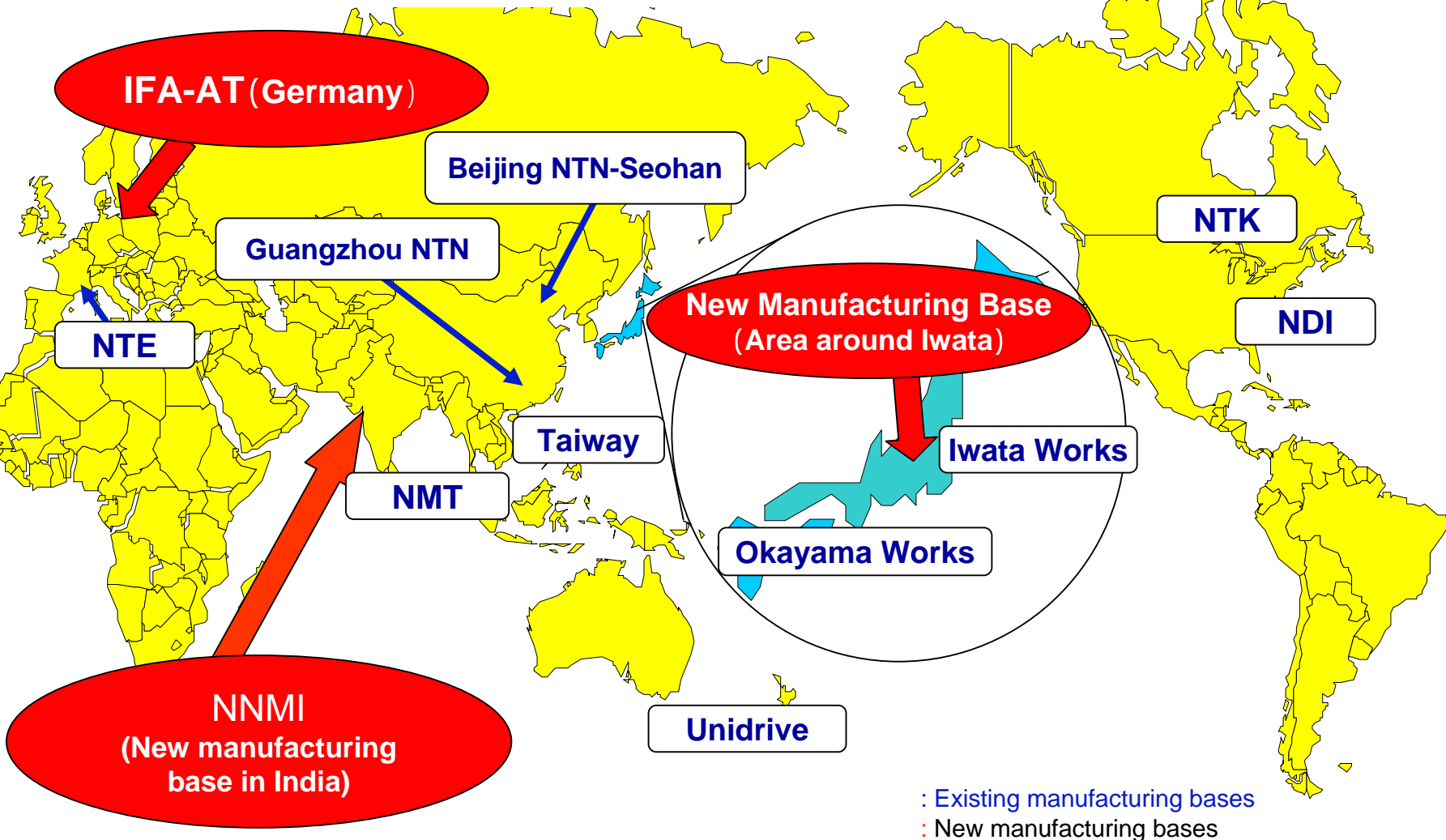
1. Bearings: Alliance

Started negotiation with Renault for alliance in bearing businesses

Purpose of alliance: Utilize SNR as base in Europe



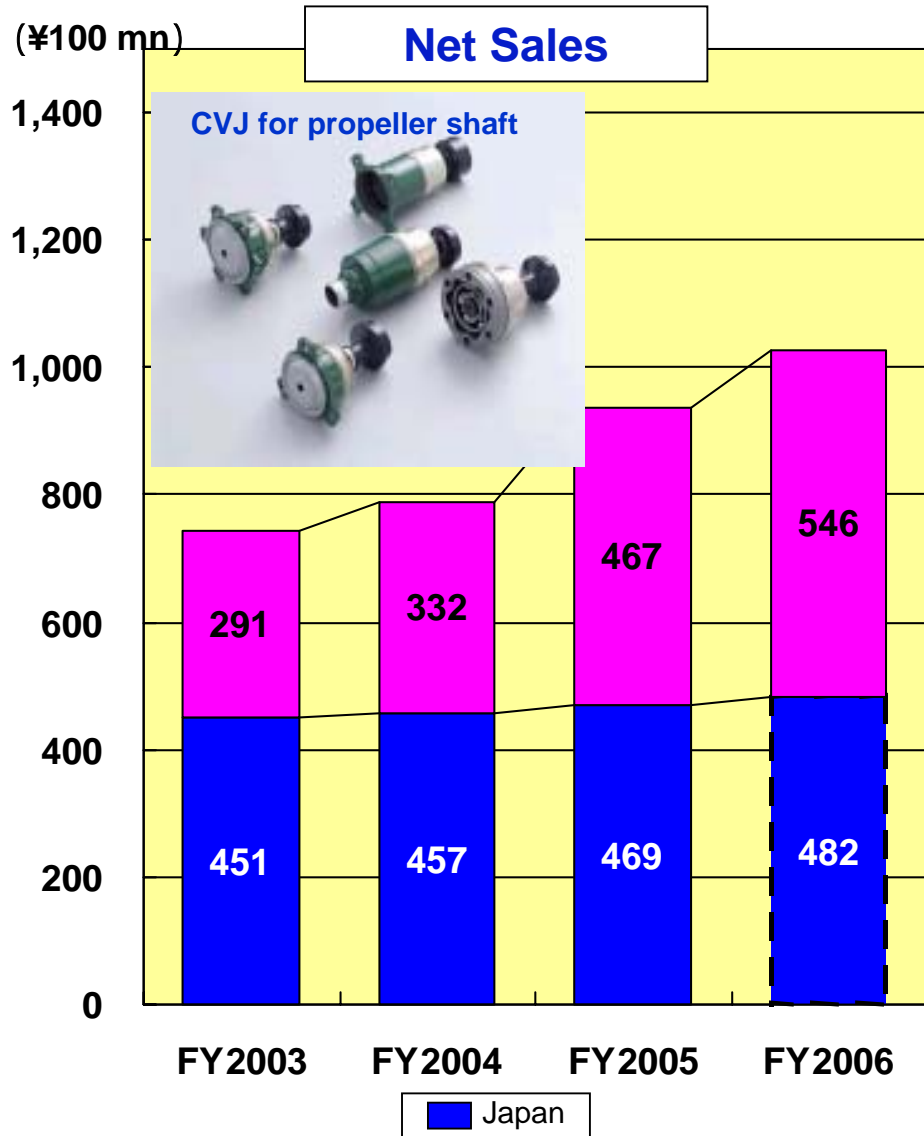
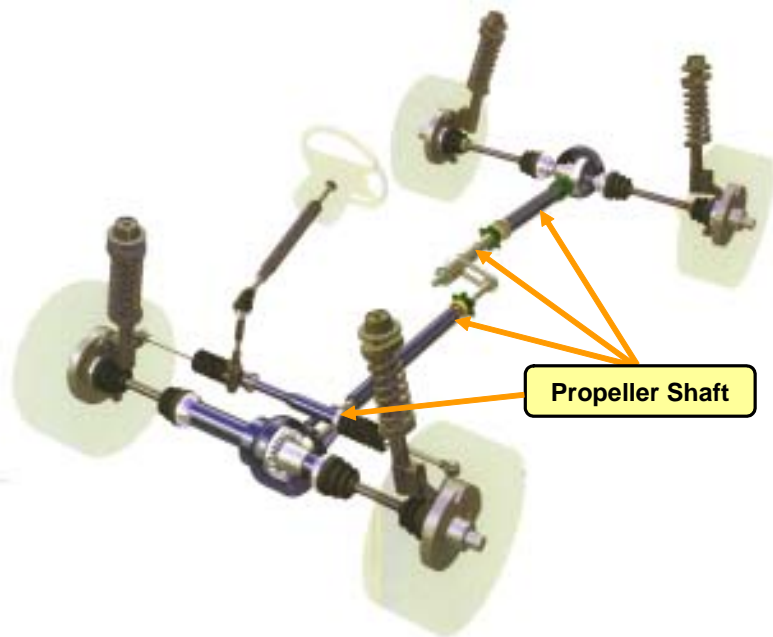
2. CVJs: Global Production Bases



2. CVJs

Japan

- Increasing demand for CVJs mainly supported by E-series
- Raise the production volume of propeller shaft
- Develop new products

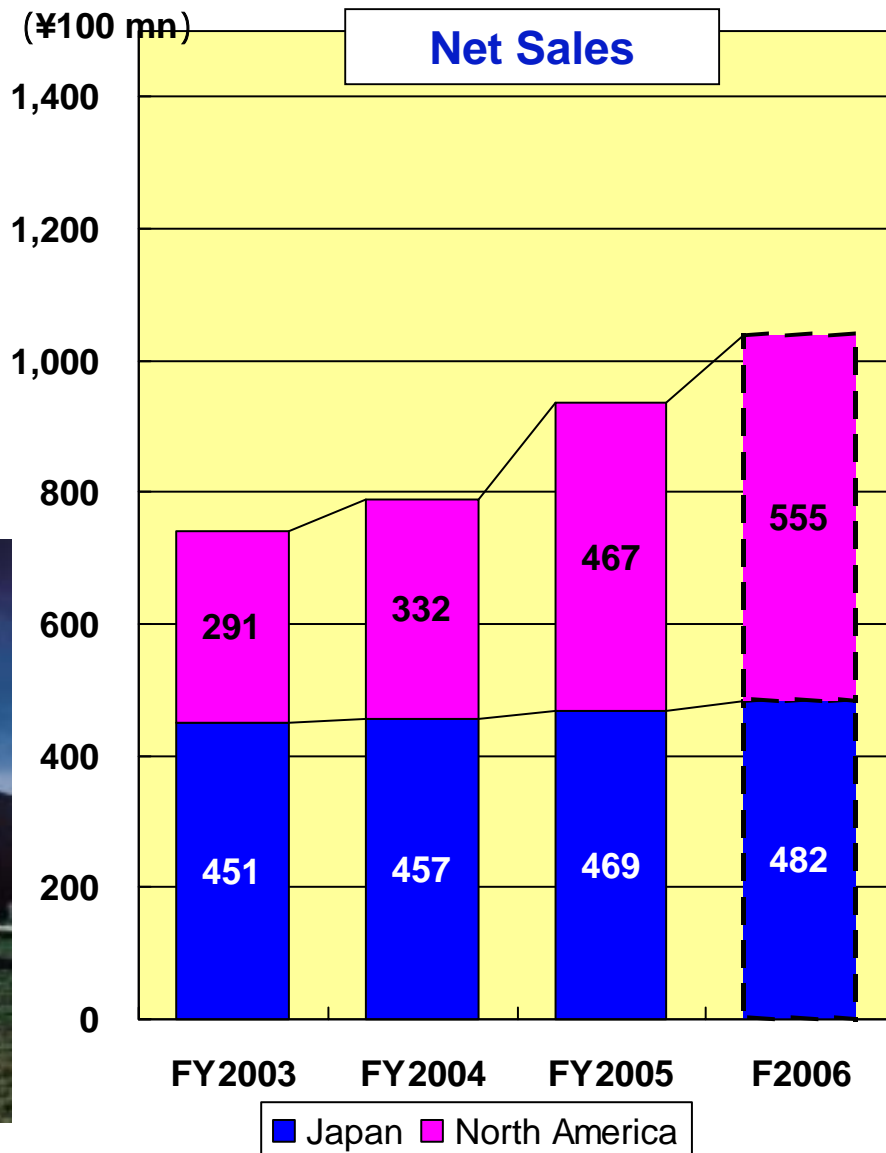


2. CVJs

North America

- Meet sharp demand rise and strengthen profitability
- Accommodate increase in CVJs for propeller shaft

NTN Driveshaft, Inc. (NDI) (Indiana, US)



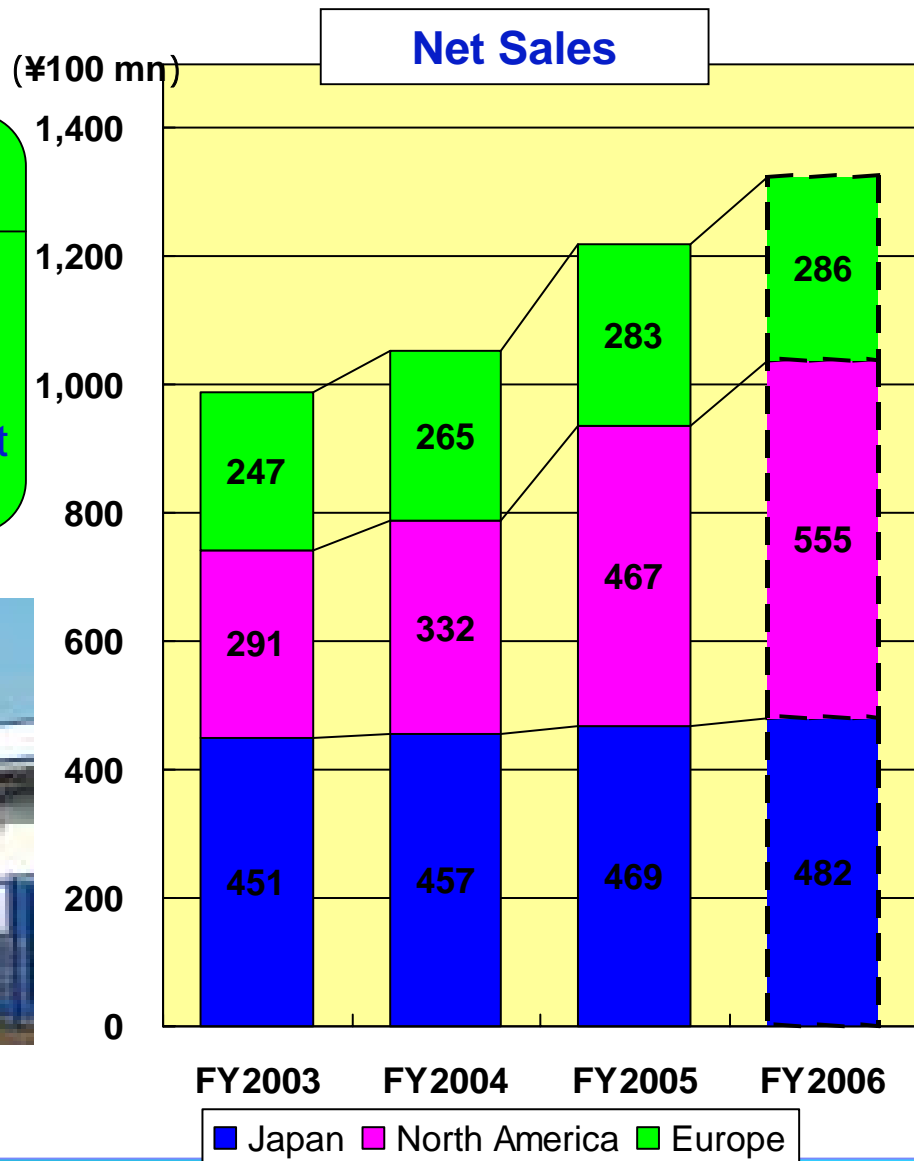
2. CVJs

Europe

Cause synergy effect with strategic alliance

- Full-scale entry into the VW group
- Explore new customers besides Renault

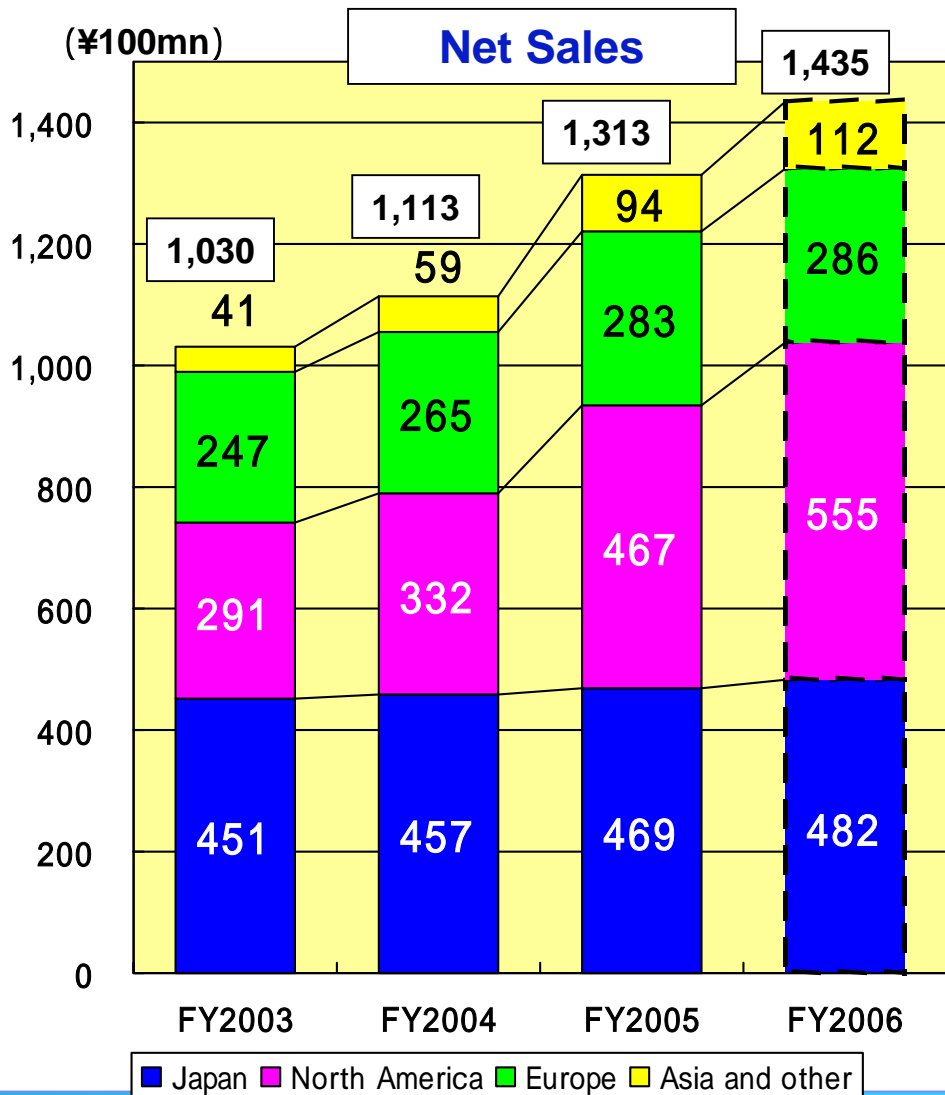
IFA-AT (Germany)



2. CVJs

Asia and other areas

- Respond to demand increase in Southeast Asia, China and Korea.
- Strengthen NMT capability
- Enhance Guangzhou NTN capability
- Start operation in India (March 2007)

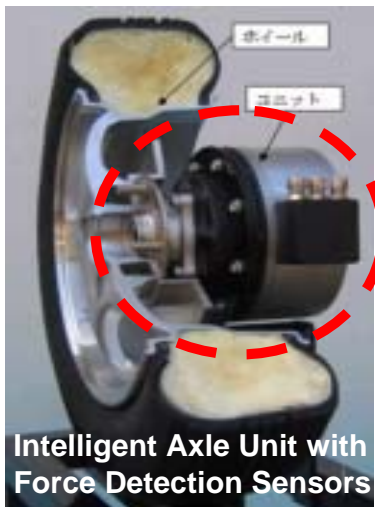


3. Axle Bearings

[Introduce new products promising sales growth in the future]



In-Wheel Motor Type Axle Units



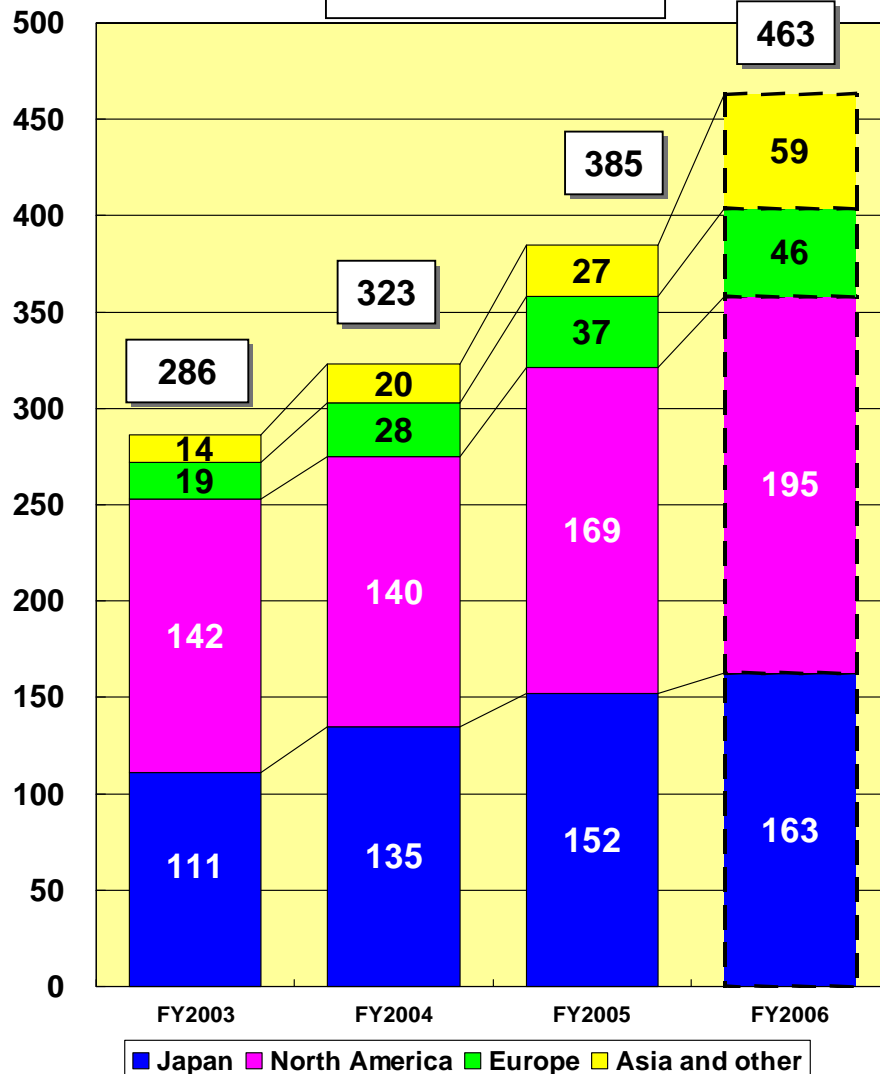
[Global Enhancement of Capability]

Additional Axle bearing lines

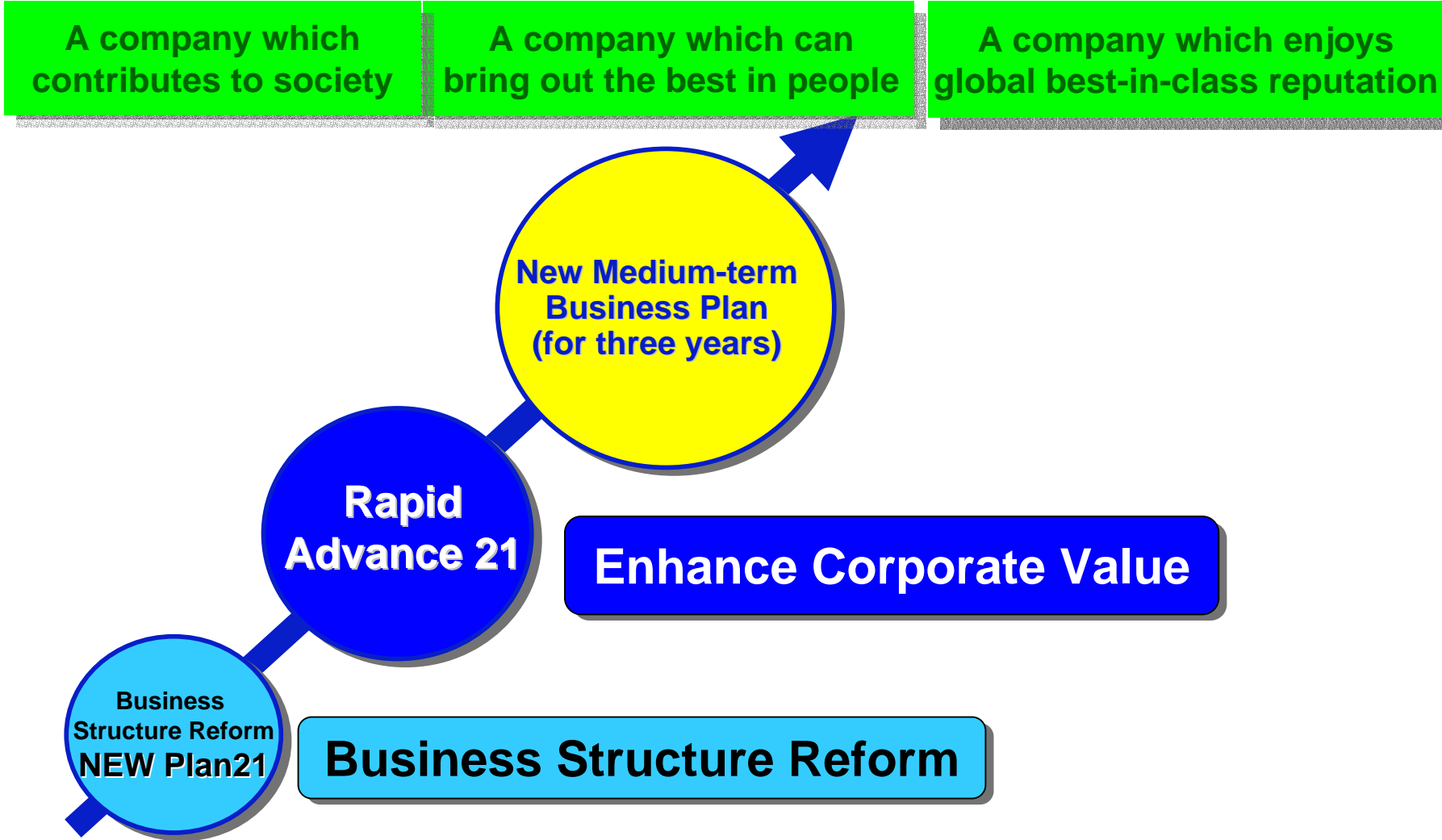
- | | |
|----------|---------------|
| Japan | Okayama works |
| US | ANBM |
| China | Shanghai NTN |
| Thailand | NMT |

(¥100 mn)

Net Sales



4. New Medium-term Business Plan



Consolidated Financial Results for the Year Ended March 31, 2006 and Forecast of Consolidated Earnings for the Year Ending March 31, 2007

May 18, 2006

NTN Corporation

by Tatsuo Kondo,

Executive Senior Managing Director

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II. Consolidated Financial Results for the Year Ended March 2006 and Forecast of Consolidated Earnings for the Year Ending March 2007

1. Operating Results
 - (1) Major Achievements and Challenges
 - (2) Consolidated Statements of Operations
2. Net Sales
 - By Geographic and Business Segment
3. Analysis of Operating Income
 - (1) Year Ended March 2006 (FY2005)
 - (2) Year Ending March 2007 (FY2006)
4. Net Sales and Operating Income · Margin by Region
5. Inventories
6. Interest Bearing Debt
7. Capital Expenditure and Depreciation
8. Cash Flows

1. Operating Results

(1) Major Achievements and Challenges

Highlights of FY2005

- Consolidated operating income improved to 8.7% from 8.5% in FY2004
- ROA increased to 3.6% from 3.4% in FY2004
- ROE increased to 11.5% from 11.1% in FY2004
- Annual cash dividend increased by one yen per share to 11.00 yen

Challenges for FY2006

- Successful completion of the medium-term business plan "Rapid Advance 21"
- Improve profitability
- Improve asset efficiency

1. Operating Results

(2) Consolidated Statements of Operations

	FY2004 Actual	FY2005 Actual	FY2006 Forecast	Year-on-Year	
				FY2005	FY2006
				-	-
Net sales	3,883	4,348	4,650	465	302
Operating income	332	376	430		
(Operating margin)	(8.5%)	(8.7%)	(9.2%)	(0.2%)	(0.5%)
Ordinary income	284	328	360		
Extraordinary income/loss	-18	-24	19	-6	43
Net income	167	196	240	28	45
Exchange rate					
US \$	107.6	113.3	110.0	5.7	-3.3
EURO	135.2	137.8	135.0	2.6	-2.8
ROE	11.1%	11.5%	12.6%	0.4%	1.1%
ROA	3.4%	3.6%	4.2%	0.2%	0.6%
Inventory turnover (times)	4.2	4.1	4.8	-0.1	0.7

2. Net Sales By Geographic and Business Segment

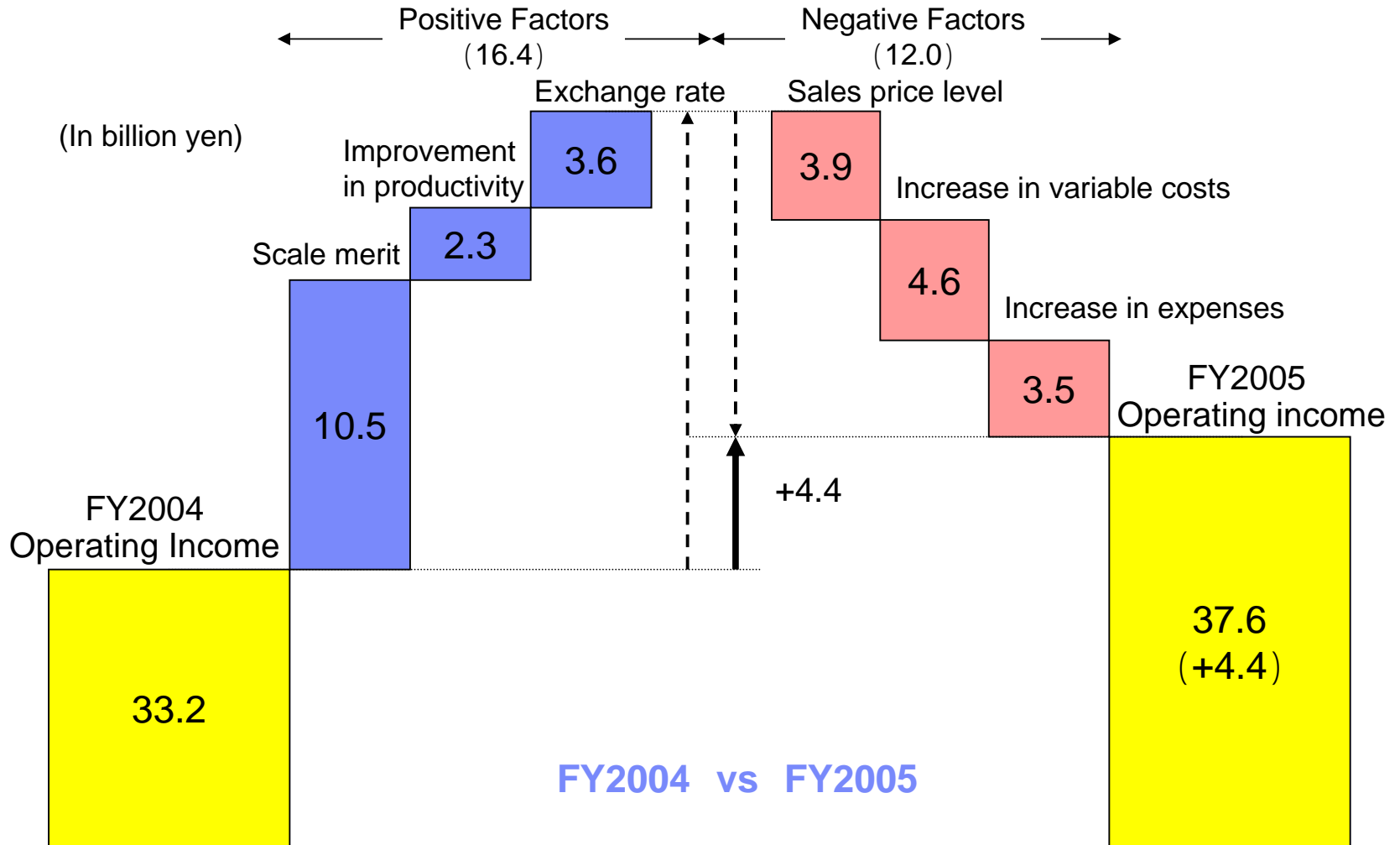
In 100 million yen

		FY2004 Actual	FY2005 Actual	FY2006 Forecast
Japan	Bearings	1,199	1,278	1,360
	CVJs	457	469	482
	Precision Equipment	244	230	248
	Total	1,900	1,977	2,090
North America	Bearings	578	645	662
	CVJs	332	467	555
	Precision Equipment	10	8	13
	Total	920	1,120	1,230
Europe	Bearings	342	368	373
	CVJs	265	283	286
	Precision Equipment	18	18	16
	Total	626	669	675
Asia and other	Bearings	369	476	527
	CVJs	59	94	112
	Precision Equipment	10	12	16
	Total	437	582	655
Total	Bearings	2,488	2,767	2,922
	CVJs	1,113	1,313	1,435
	Precision Equipment	282	268	293
	Total	3,883	4,348	4,650

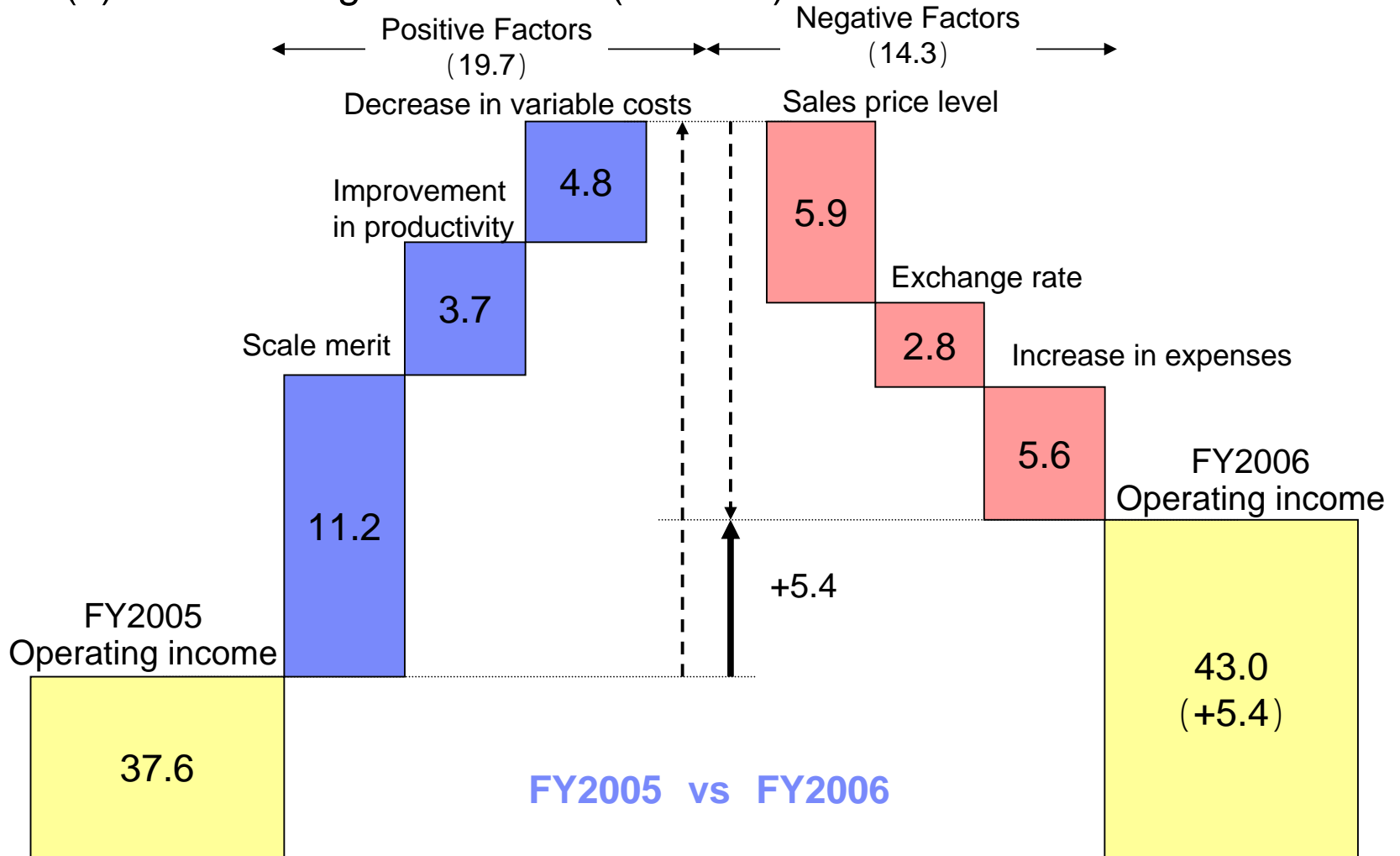
Year-on-Year			
FY2005 -		FY2006 -	
Amount	Exchange rate	Amount	Exchange rate
79	0	82	0
12	0	13	0
-14	0	18	0
77	0	113	0
30	37	34	-17
111	24	103	-15
-2	0	6	-1
139	61	143	-33
18	7	15	-10
12	5	9	-6
-1	0	-2	0
31	12	22	-16
85	23	62	-11
30	6	21	-3
1	1	5	-1
115	30	88	-15
212	66	193	-38
165	35	146	-24
-16	2	27	-2
362	103	366	-64

3. Analysis of Operating Income

(1) Year Ended March 2006 (FY2005)



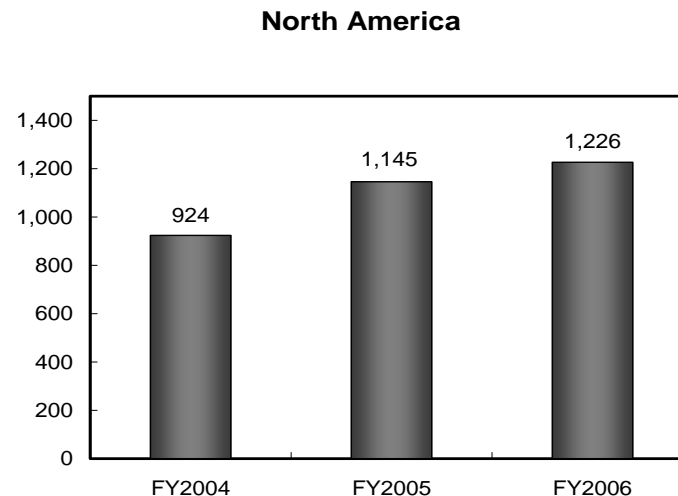
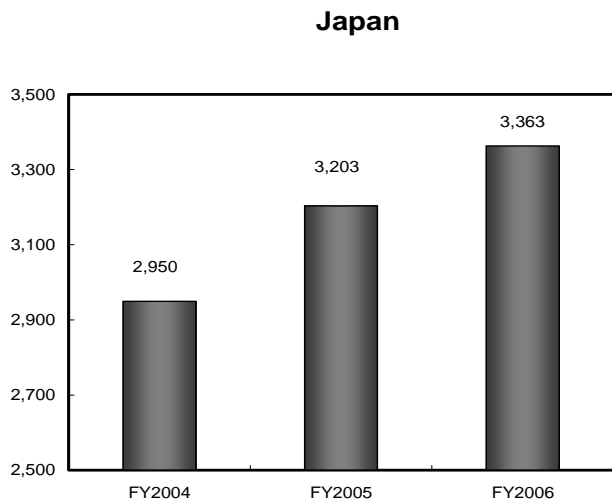
3. Analysis of Operating Income (1) Year Ending March 2007 (FY2006)



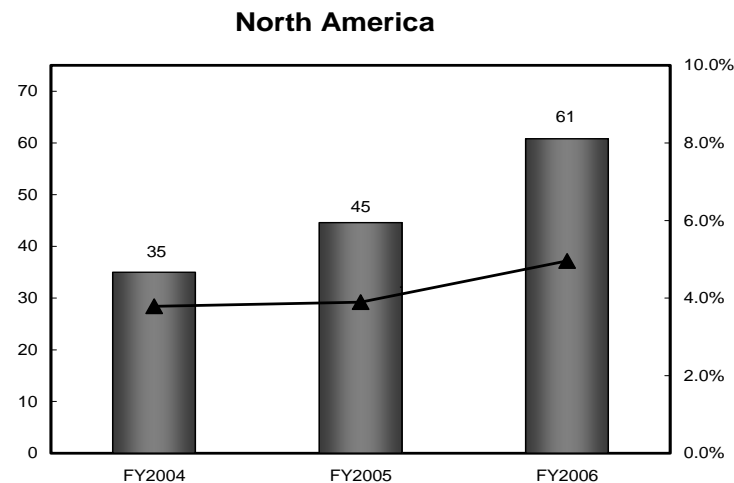
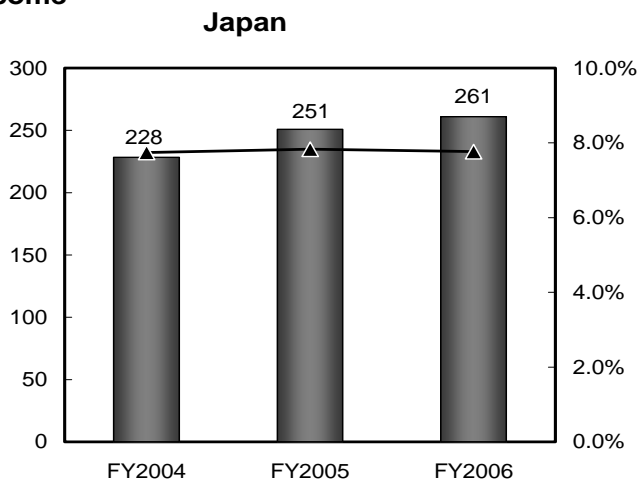
4. Net Sales and Operating Income · Margin by Region

In 100 million yen

· Net sales



· Operating income

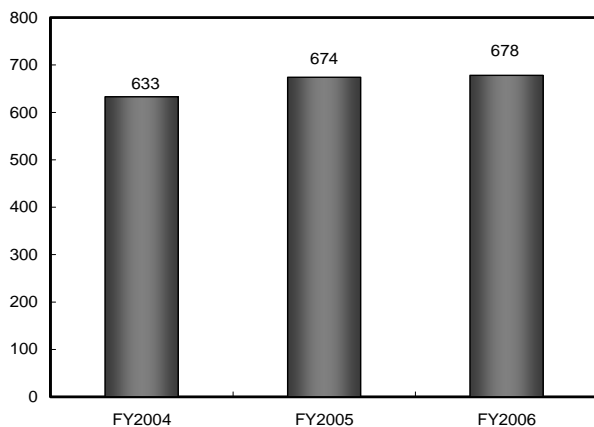


4. Net Sales and Operating Income · Margin by Region

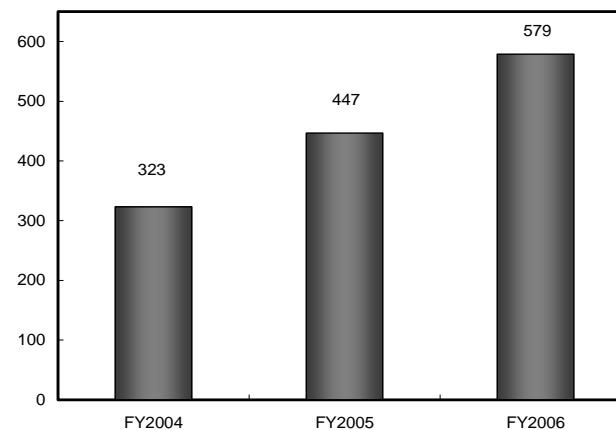
In 100 million yen

· Net sales

Europe

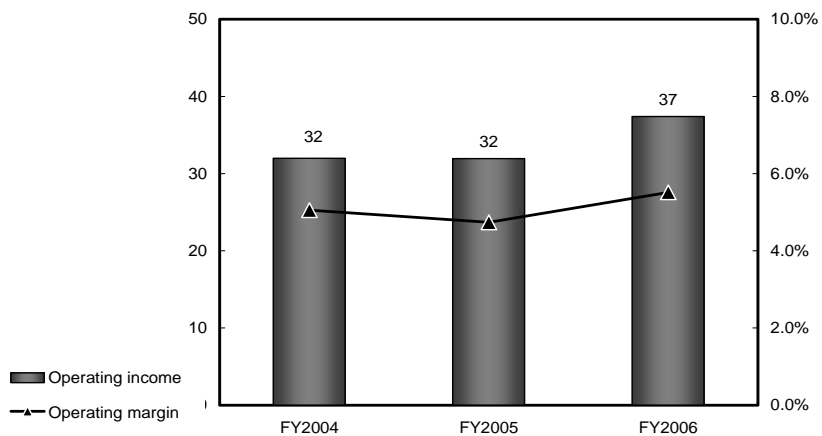


Asia and other

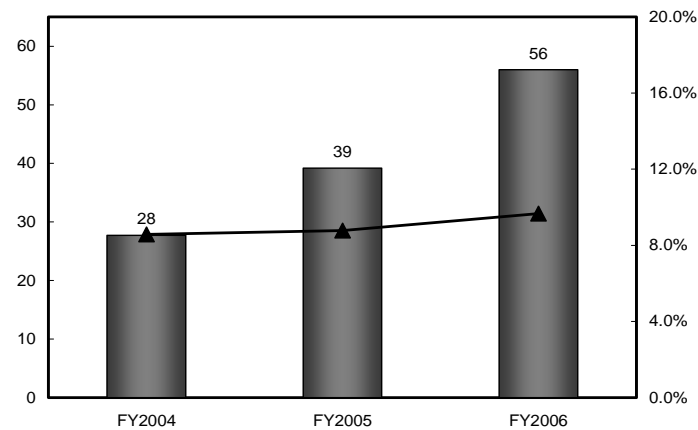


· Operating income

Europe

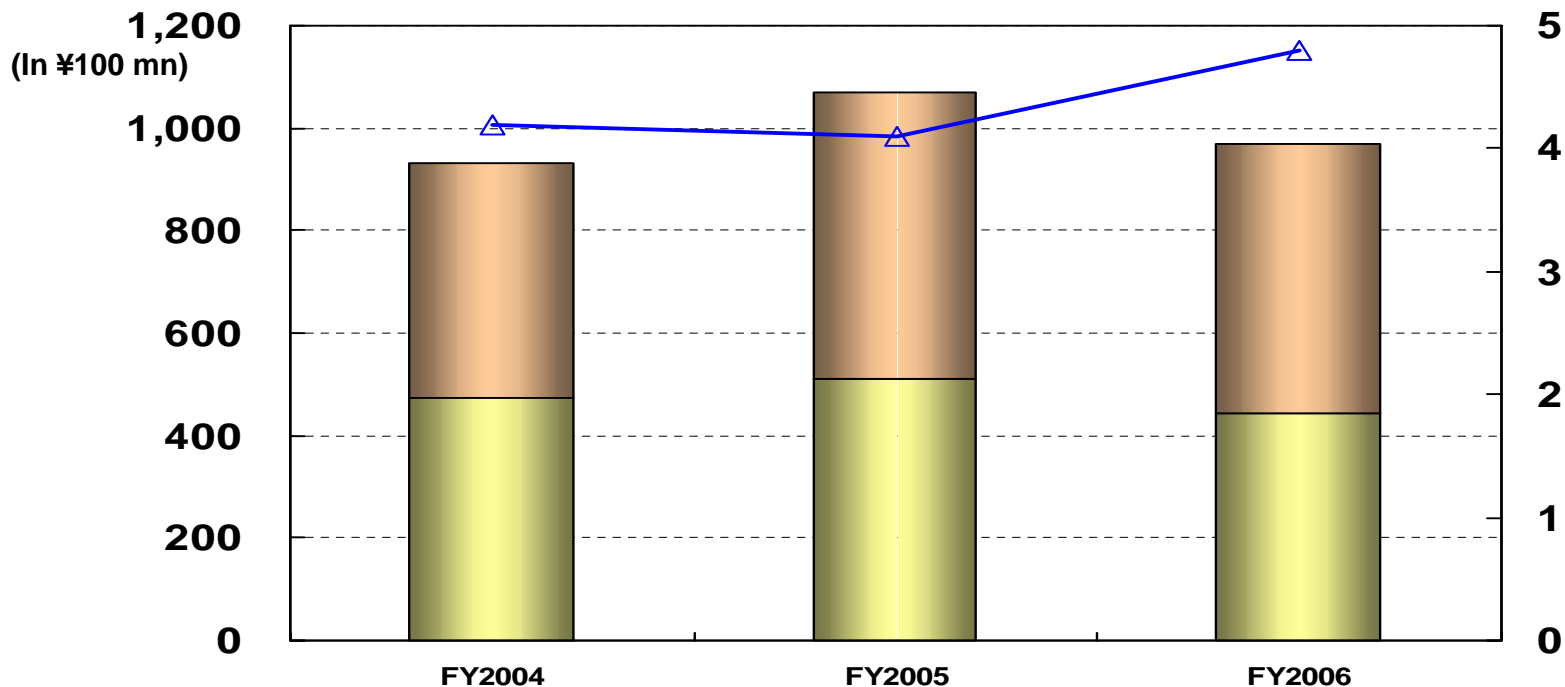


Asia and other



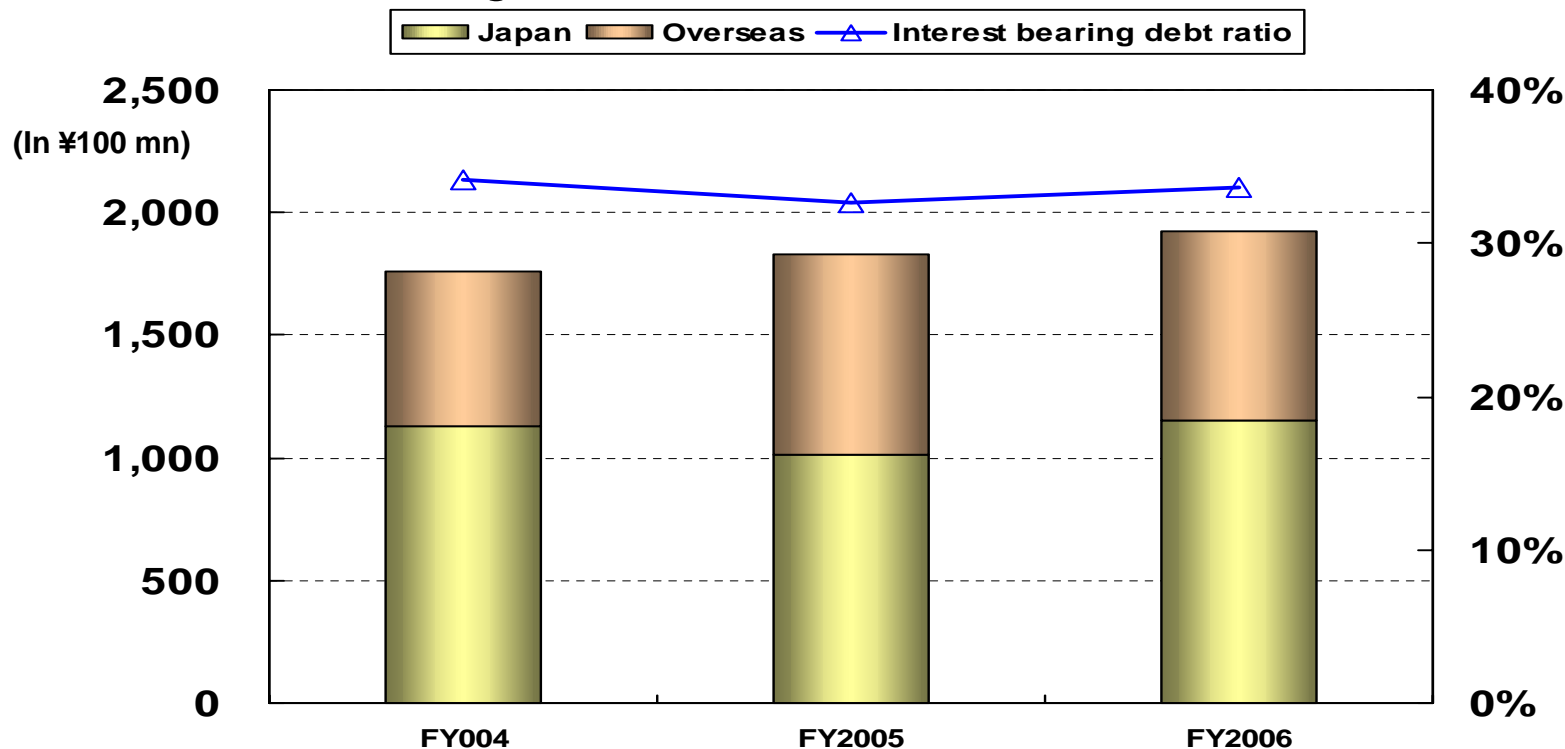
5. Inventories

Japan
 Overseas
 Inventory turnover



	FY2004 Actual	FY2005 Actual	FY2006 Forecast
(In 100 million yen)			
Inventories	932	1,070	969
(Japan)	(474)	(509)	(442)
(Overseas)	(458)	(561)	(527)
Inventory turnover	4.2 times	4.1 times	4.8 times

6. Interest Bearing Debt



(In 100 million yen)

	FY2004 Actual	FY2005 Actual	FY2006 Forecast
Interest bearing debt	1,762	1,832	1,923
(Japan)	(1,131)	(1,014)	(1,149)
(Overseas)	(631)	(818)	(774)
Interest bearing debt ratio	34.1%	32.6%	33.6%

7. Capital Expenditure and Depreciation

(In 100 million yen)

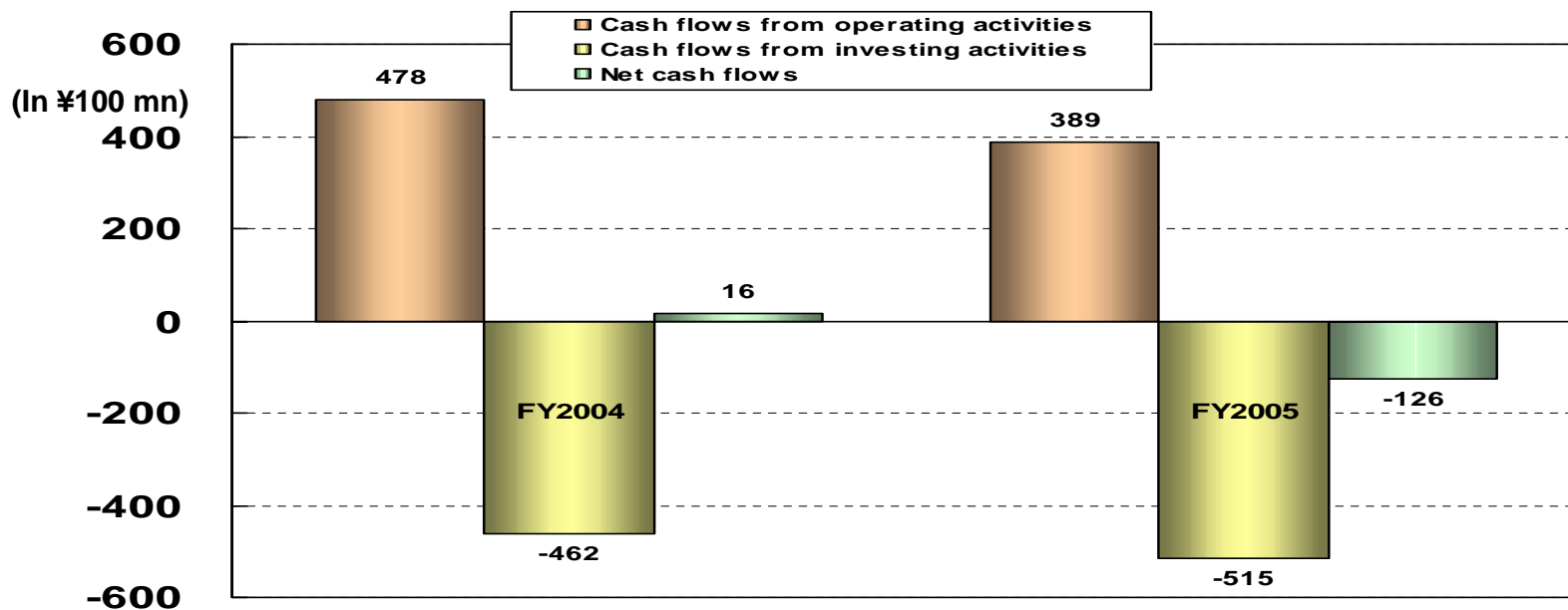
	FY2004 Actual	FY2005 Actual	FY2006 Forecast
Capital expenditure	497	493	450
(Japan)	(262)	(259)	(260)
(Overseas)	(235)	(234)	(190)

Y-o-Y	
	-
	-
	-4
	-43
	(- 3)
	(1)
	(- 1)
	(- 44)

	FY2004 Actual	FY2005 Actual	FY2006 Forecast
Depreciation and amortization	249	286	329
(Japan)	(155)	(170)	(194)
(Overseas)	(94)	(116)	(135)

Y-o-Y	
	-
	-
	37
	43
	(15)
	(24)
	(22)
	(19)

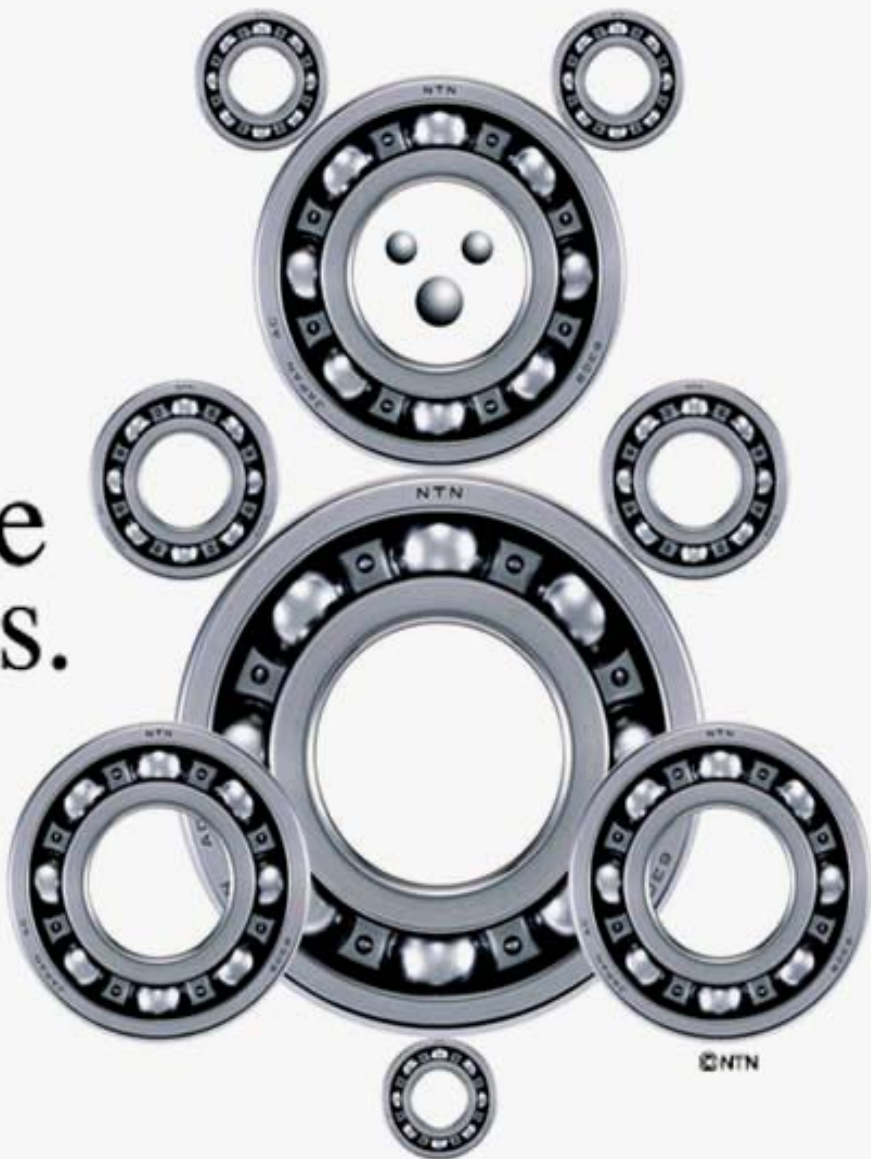
8. Cash Flows



(In 100 million yen)

	FY2004 Actual	FY2005 Actual
I. Cash flows from operating activities	478	389
II. Cash flows from investing activities	-462	-515
III. Cash flows from financing activities	67	-33
IV. Effect of exchange rate changes on cash and cash equivalents	6	5
V. Increase in cash and cash equivalents	89	-154

We make Bearings.



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