

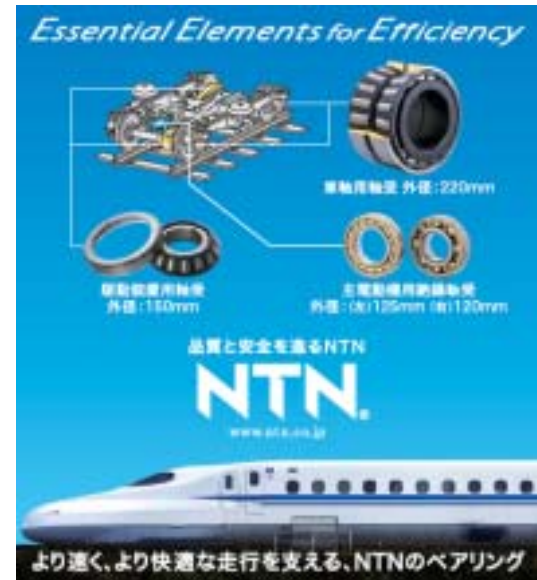


Financial results

for the year ended March 31, 2009

May 19, 2009

NTN Corporation



《Today's Agenda》

- I . Summary of Results of the first 2 years of “*GCA 21”
- II . Consolidated Financial Results for the year ended March 31, 2009 and Forecast of Consolidated Earnings for the year ending March 31, 2010
- III . New Medium-term Management Plan, ”NTN 2010 for the Next Step”
- IV . SNR Progress and Performance
- V . Q&A Session

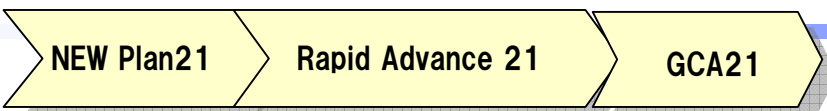
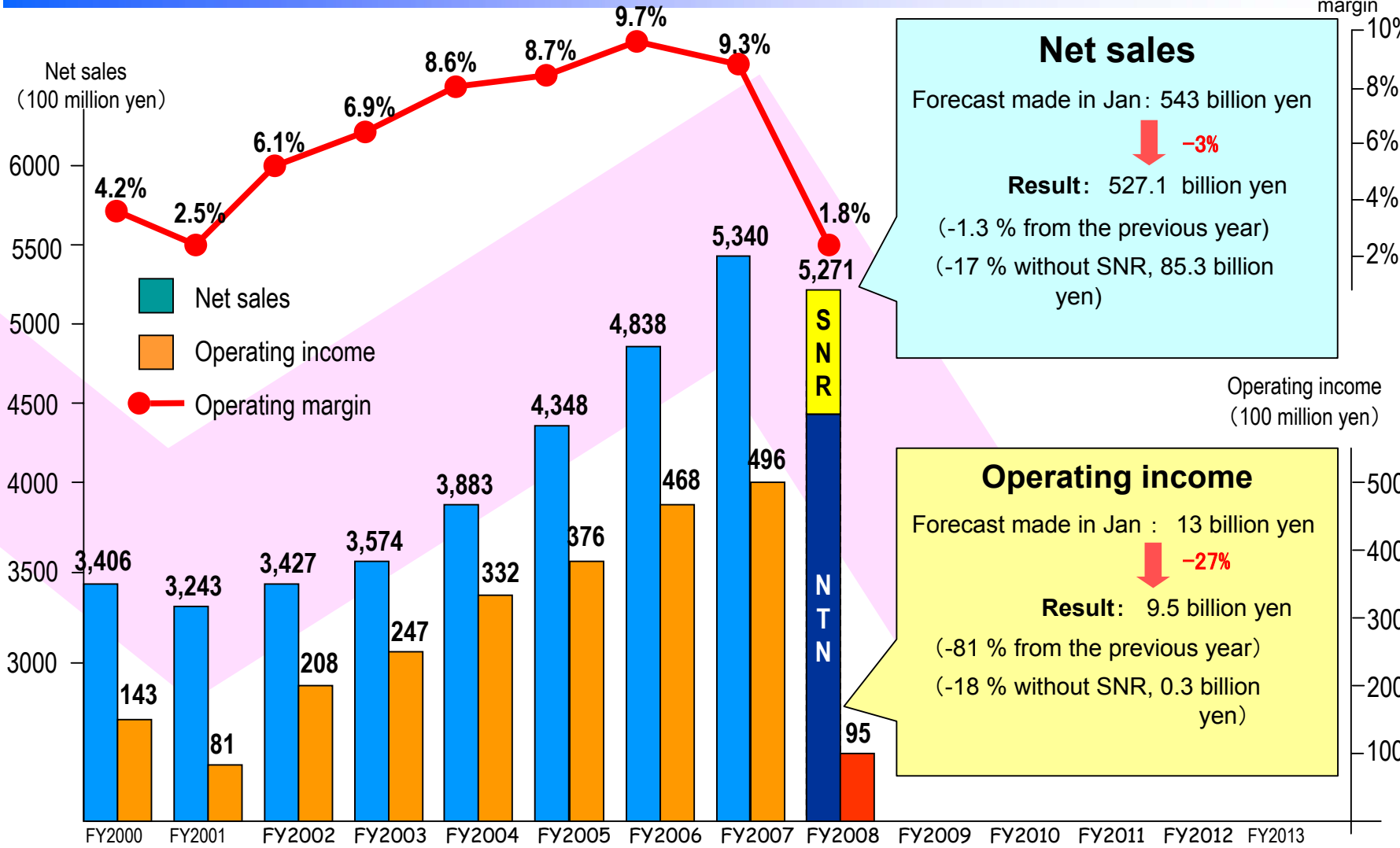
*”GCA 21” is abbreviation for “Growth through Creativity and Achievements 21”

- 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. ■

I . Summary of Results of the first 2 years of “GCA 21”

1. Results of the year ended March 31, 2009
2. Performance in the 2nd year of “GCA 21”
 - Industrial Machinery & Aftermarket
 - Automotive
3. Remaining tasks

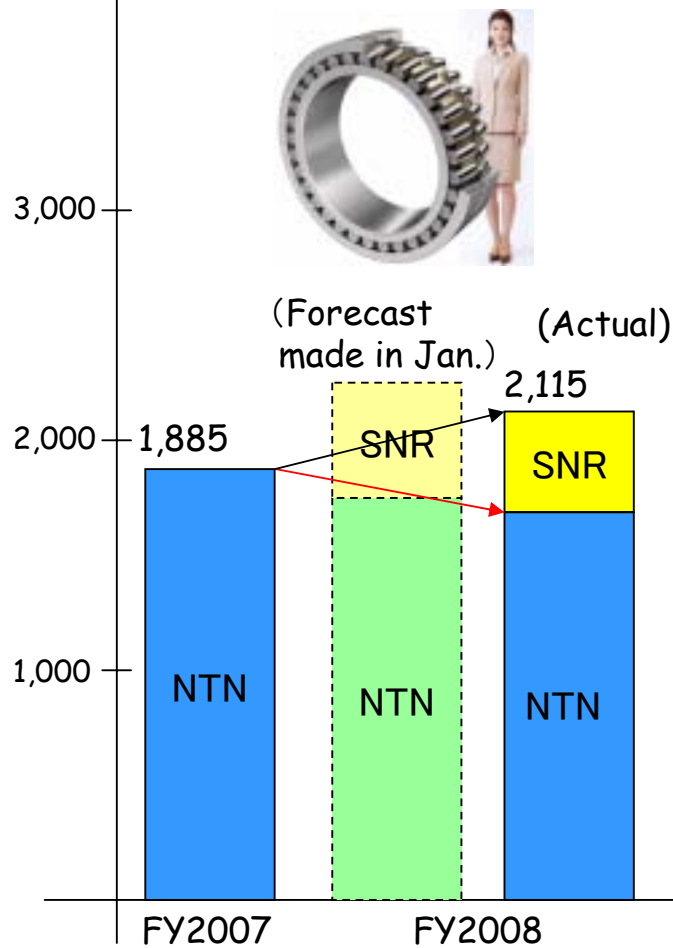
1. Results of the year ended March 31, 2009




2. Performance in the 2nd year of “GCA 21” : Industrial Machinery & Aftermarket

Net sales for Industrial Machinery & Aftermarket decreased 10 % from previous year, and increased 12 % including SNR

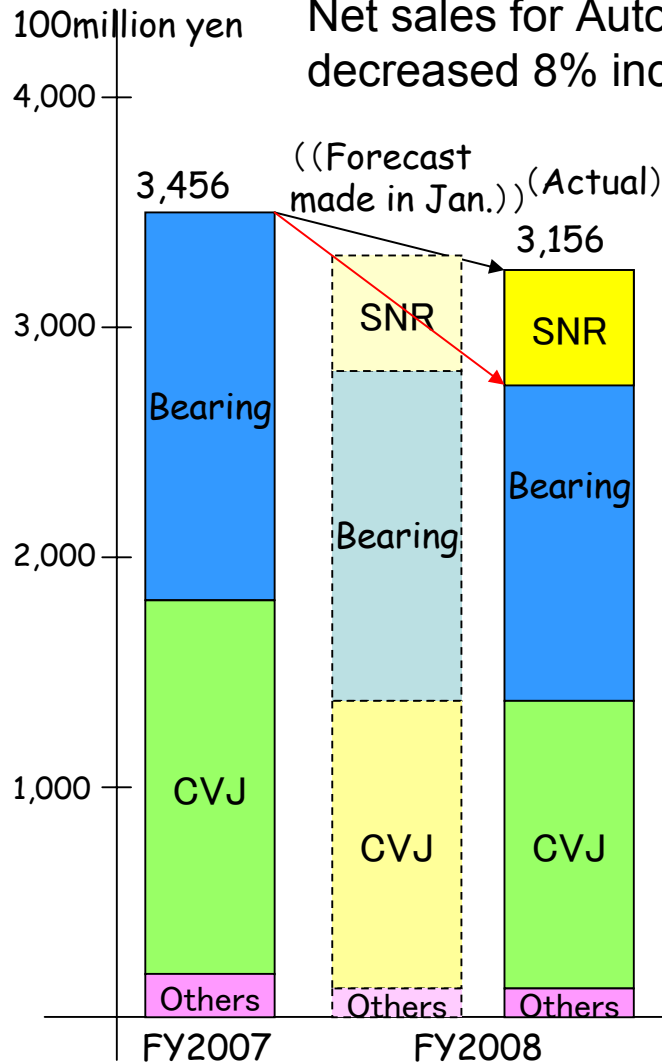
100million yen
4,000



- ◆ Decreased drastically due to a decrease in demand globally and unfavorable impact of foreign exchange rates
 - ◆ Sales of bearings for Wind Power Generation was strong in Japan, Europe and China
 - ◆ Sales of bearings for Construction and Mining Machinery was strong in Americas
 - ◆ Sales of Fluid Dynamic Bearings for HDD decreased rapidly in Asia
 - ◆ Sales of flat panel display repair devices was strong
- 

2. Performance in the 2nd year of "GCA 21" : Automotive

Net sales for Automotive decreased 21 % from the previous year, and decreased 8% including SNR



Bearing:

- ◆ Sales of axle bearings and needle bearings increased in **China**
- ◆ Demand declined in the other regions



Constant Velocity Joints (CVJs):

- ◆ New volume production in **China** contributed
- ◆ Demand declined in the other regions



Others:

- ⇒ Sales of clutch units and auto tensioner decreased



3. Remaining Tasks

R & D : Accelerate New Product Development

◆ Industrial Machinery and Aftermarket

- ◆ Focus on sectors **contributing to preservation of global environment** such as wind power generation and rolling stock
- ◆ Strengthen **unique products in the growth areas** including aircrafts and healthcare
- ◆ Delve into **elemental technologies** (complete R & D Center for elemental technologies)



◆ Automotive

- ◆ Continue efforts toward downsizing, reducing weight, and **lower-fuel consumption and reduce CO2 emission**
- ◆ Enhance development of **module products for electric vehicles**

Sales : Industrial Machinery & Aftermarket

- ◆ Reinforce **organizations involving sales** to industrial machinery and aftermarket sectors
- ◆ Expand sales in **emerging countries** and **parts replacement market**
- ◆ Stress **profitability** for sales to automotive sector

3. Remaining Tasks

Production: Improve cost competitiveness, cut delivery time to a half, achieve top quality in the world, utilize human resources, etc

- ◆ Minimize **capital expenditures**
- ◆ Reduce **inventories**
- ◆ Increase bearing production for industrial machinery and after market sector
 - ◆ Expand production capacity of **large bearings** (Kuwana, Mie, Hodatsu Shimizu . . .)
 - ◆ Establish **small-lot production system** including individualized production (cut delivery time to 1/2)
 - ◆ Top **quality** in the world
- ◆ **Reorganize production structure** to adapt to the drastic change in economic situation
 - ◆ Postponed construction of NTN Akaiwa Corp. (December 2008)
 - ◆ Production ended at Takarazuka Works (March 2009)
 - ◆ Eliminate and consolidate production bases in Japan and abroad

Image of Hodatsu Shimizu Corp.



II . Consolidated Financial Results for the year ended March 31, 2009

and

Forecast of Consolidated Earnings for the year ending March 31, 2010

1. Consolidated Statements of Income
 - (1) Outline
 - (2) Quarterly Net Sales and Operating Income
2. Net Sales by Geographic and Business Segment
3. Analysis of Operating Income
 - (1) Year Ended March 31, 2009
 - (2) Year Ending March 31, 2010
4. Net Sales and Operating Income by Region
 - (1) Japan, the Americas
 - (2) Europe, Asia & Other
5. Inventories
6. Interest-Bearing Debt
7. Capital Expenditure and Depreciation
8. Cash Flows

1. Consolidated Statements of Operations

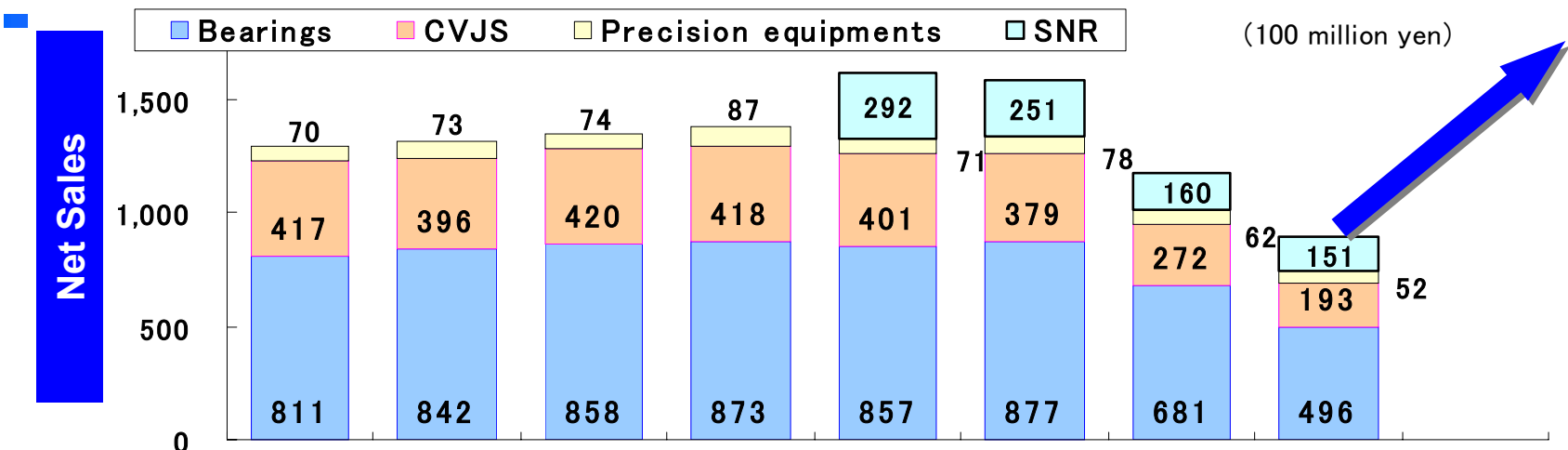
(1) Outline

100 million yen

	FY2007 Actual ①	FY2008 Actual ②	FY2009 Forecast ③	Year-on-Year		
				FY2008 ②-①	FY2009 ③-②	
Net sales	5,340	5,271	4,650	-69	-621	
SNR sales	0	853	776	853	-78	
Operating income	496	95	75	-401	-20	
Operating margin	9.3%	1.8%	1.6%	-7.5%	-0.2%	
Ordinary income	432	87	20	-345	-67	
Extraordinary income /expense	11	-188	-8	-199	180	
Net income	274	-90	5	-364	95	
Exchange rate	US \$	114.4	100.7	90.0	-13.7	-10.7
	EURO	161.6	144.1	120.0	-17.5	-24.1
ROE	13.1%	-4.3%	0.3%	-17.4%	4.6%	
ROA	4.4%	-1.3%	0.1%	-5.7%	1.4%	
Inventory turnover(times)	4.9	3.8	4.7	-1.1	0.9	

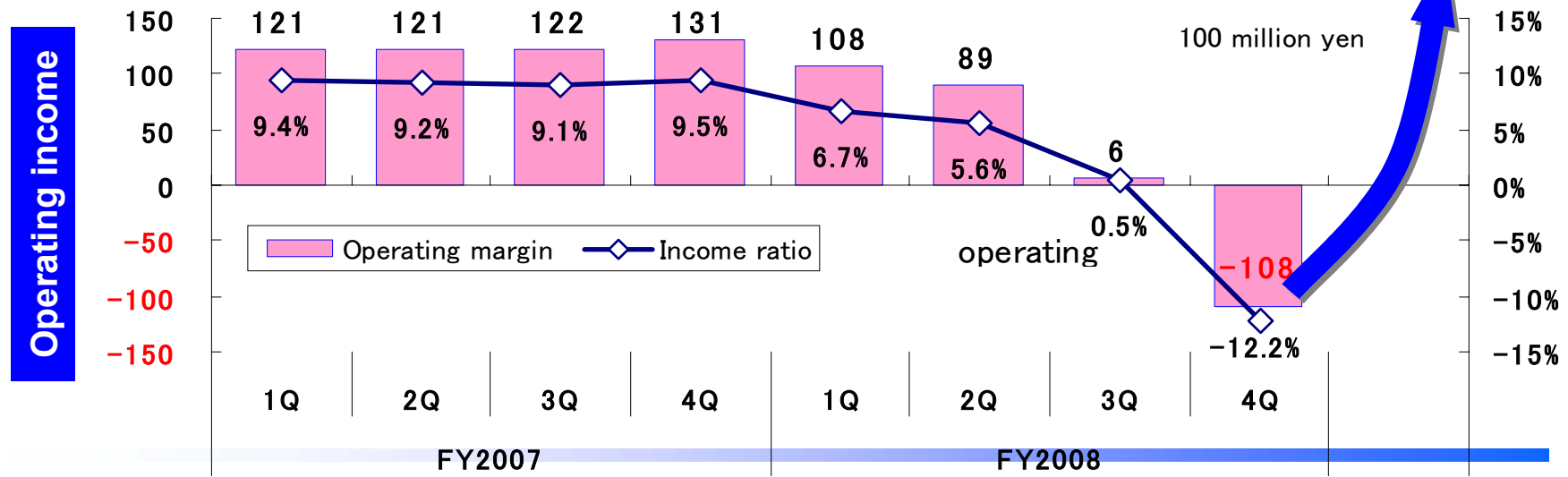
1. Consolidated Statements of Income

(2) Quarterly Net Sales and Operating Income



Exchange rate

1 US\$	120.8	117.9	113.2	105.3	104.6	107.7	96.4	93.8
1 EURO	162.8	161.9	163.9	157.6	163.4	161.9	127.0	122.0

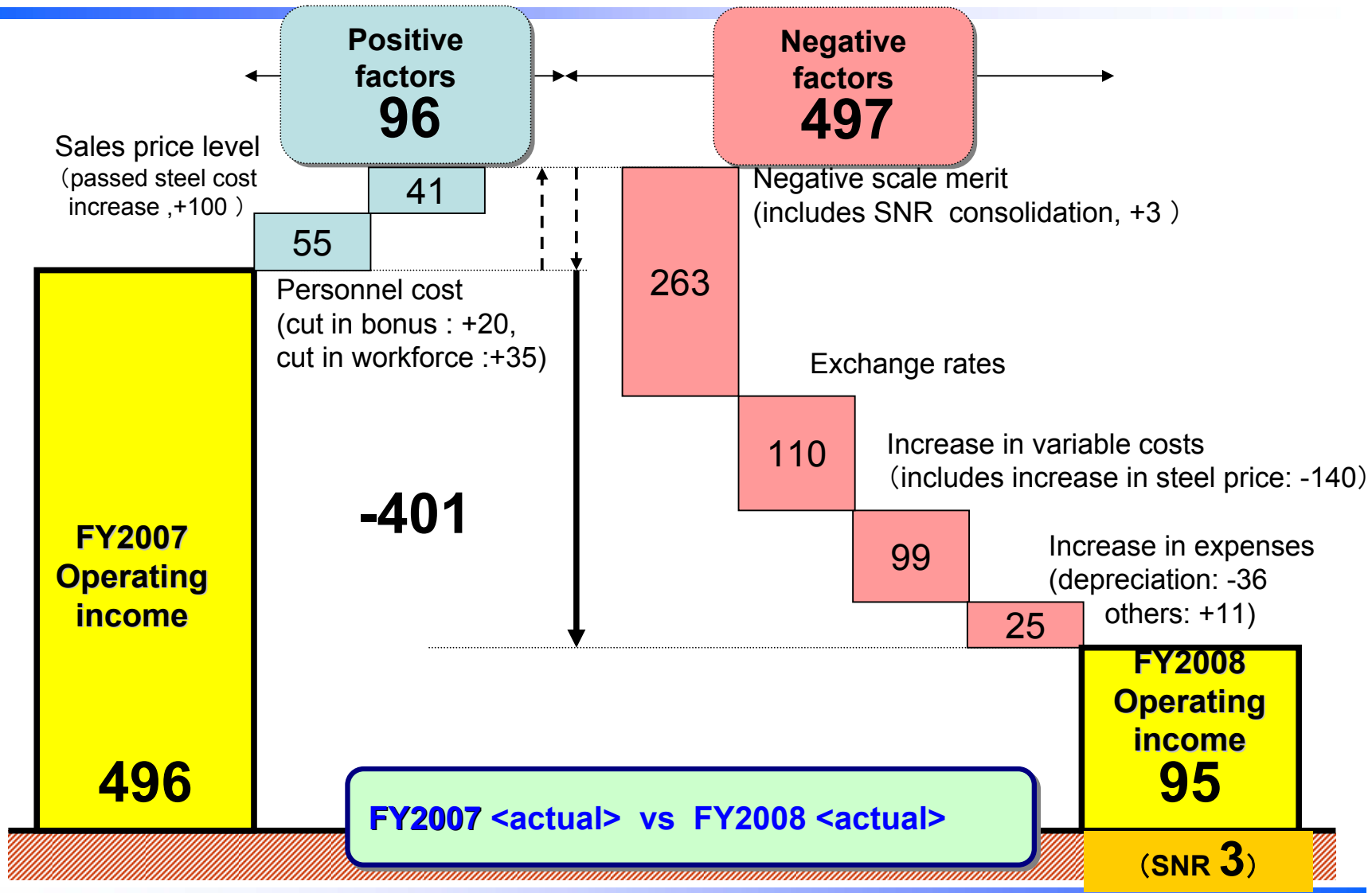


2. Net Sales by Geographic and Business Segment

		FY2007 Actual ①	FY2008 Actual ②	FY2009 Forecast ③	Year on year			
					FY2008②-①		FY2009③-②	
					Amount	Exchange rate	Amount	Exchange rate
Japan	Bearings	1,418	1,254	1,127	-164	0	-127	0
	CVJs	548	481	416	-67	0	-66	0
	Precision Equipments	235	211	178	-24	0	-33	0
	SNR	0	2	1	2	0	-1	0
	Total	2,201	1,948	1,721	-253	0	-227	0
Americas	Bearings	753	626	615	-41	-85	68	-79
	CVJs	592	402	322	-136	-55	-40	-39
	Precision Equipments	13	9	14	-3	-1	7	-2
	SNR	0	56	39	56	0	-10	-8
	Total	1,358	1,093	990	-124	-141	26	-128
Europe	Bearings	542	432	325	-51	-59	-35	-72
	CVJs	362	231	203	-98	-33	15	-43
	Precision Equipments	33	26	36	-4	-3	18	-7
	SNR	0	728	691	728	0	101	-139
	Total	936	1,417	1,254	576	-96	98	-261
Asia & others	Bearings	672	598	520	5	-78	-36	-42
	CVJs	149	131	113	-3	-15	-6	-12
	Precision Equipments	23	17	6	-4	-3	-7	-3
	SNR	0	67	46	67	0	-12	-9
	Total	844	813	685	65	-96	-61	-67
Total	Bearings	3,385	2,911	2,586	-252	-222	-130	-194
	CVJs	1,651	1,244	1,053	-303	-103	-97	-95
	Precision Equipments	305	263	235	-34	-8	-16	-12
	SNR	0	853	776	853	0	78	-156
	Total	5,340	5,271	4,650	264	-333	-165	-456

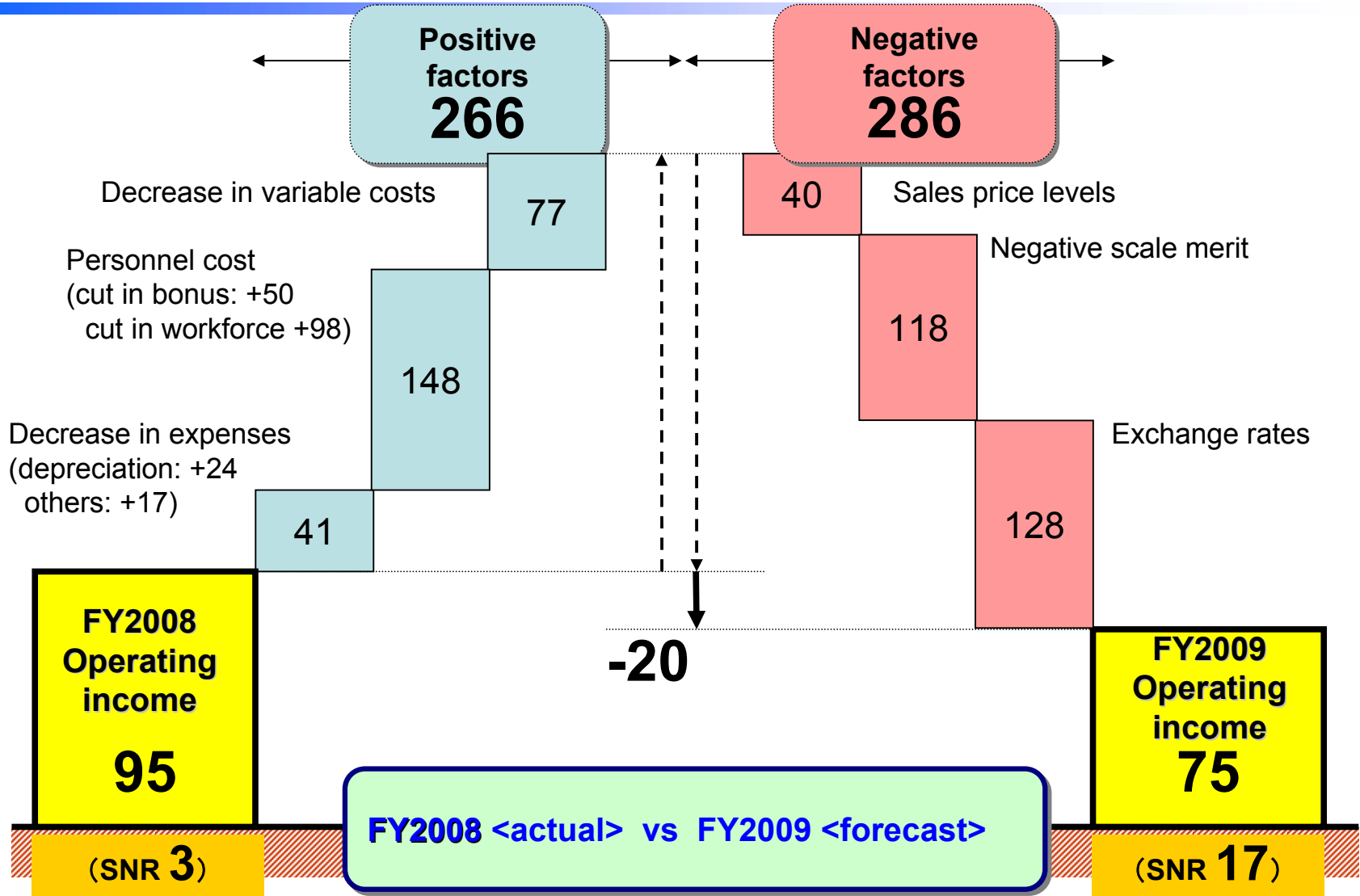
3. Analysis of Operating Income (FY2008)

* All figures in 100 million yen



3. Analysis of Operating Income (FY2009)

*All figures in 100 million yen

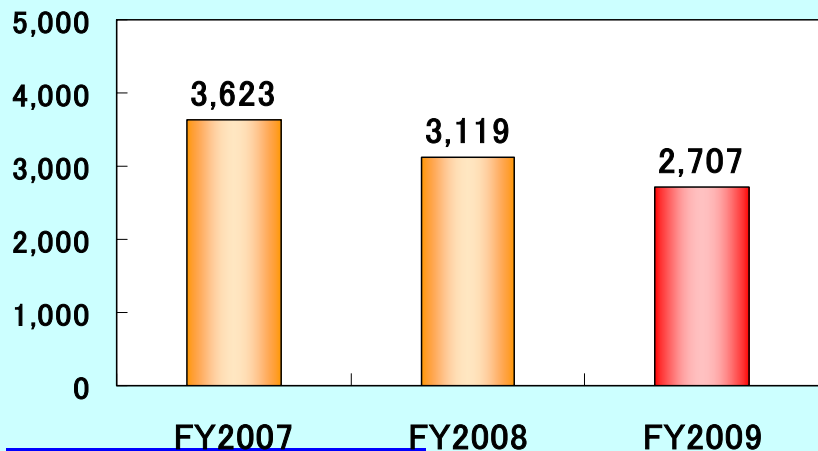


4. Net Sales and Operating Income by Region (Japan, Americas)

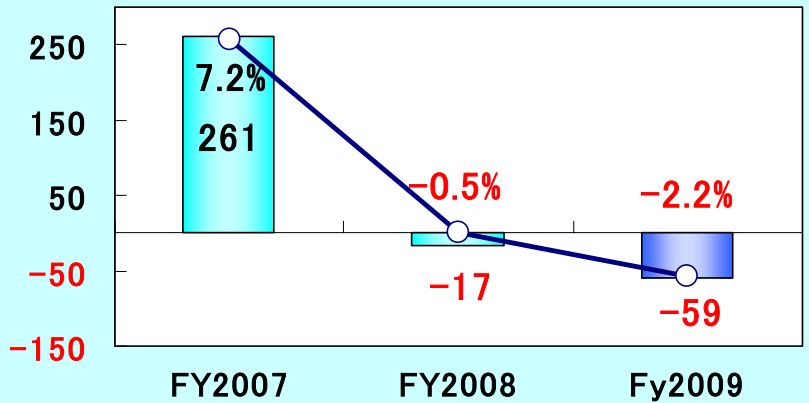
《 Japan 》

Net sales

100 million yen



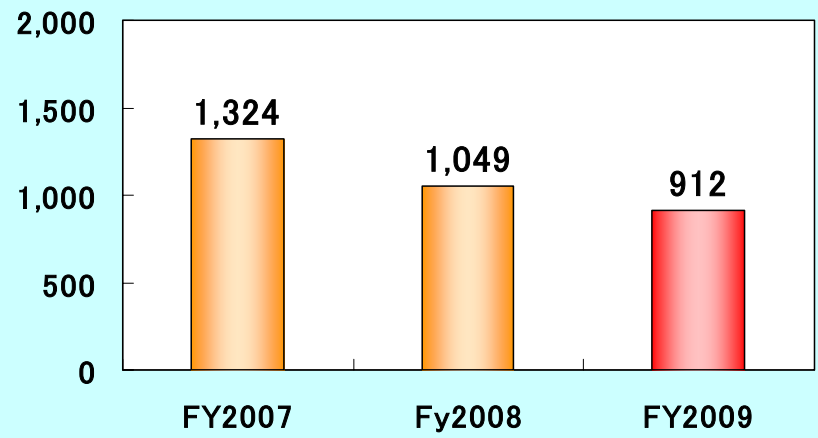
Operating income



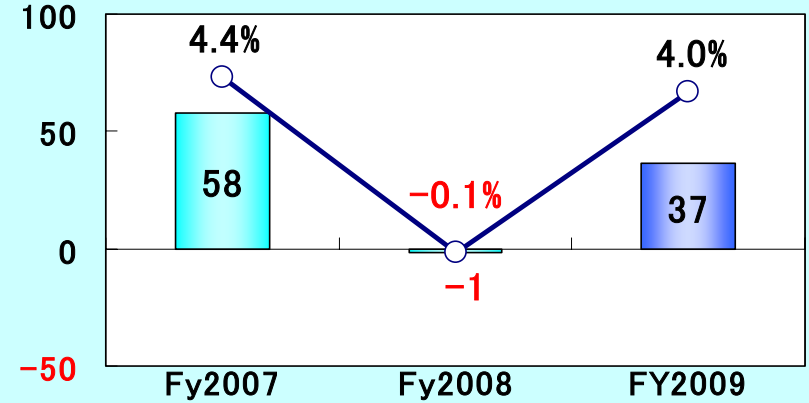
《 Americas 》

Net sales

100 million yen

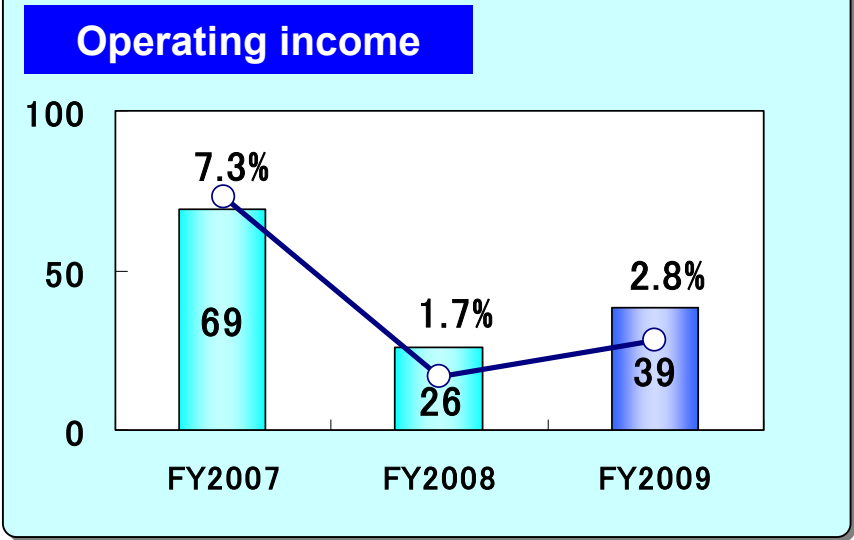
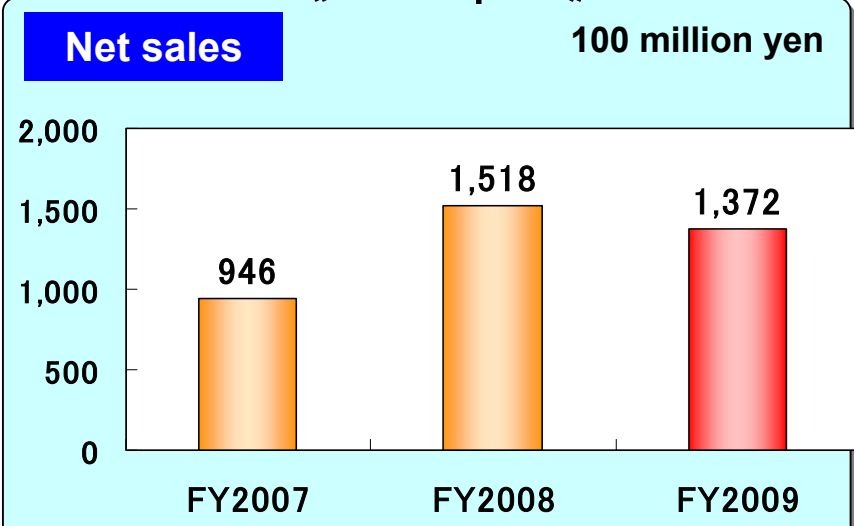


Operating income

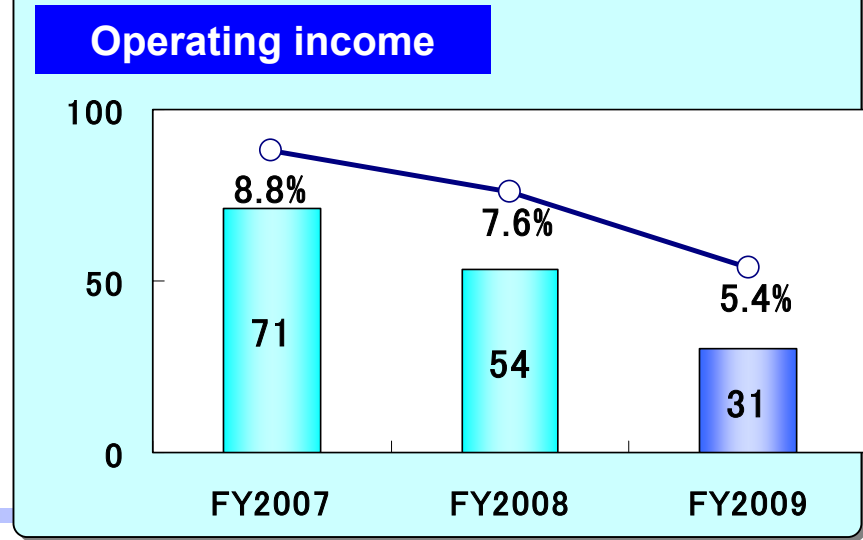
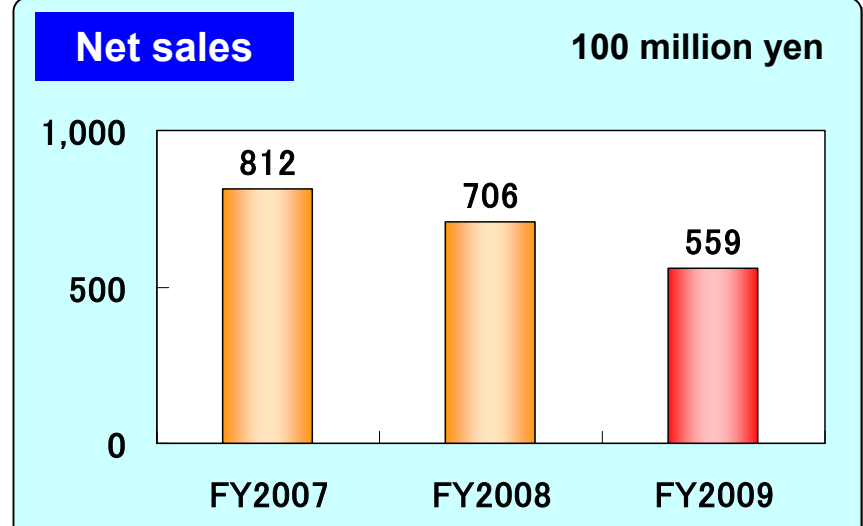


4. Net Sales and Operating Income by Region (Europe , Asia & Other)

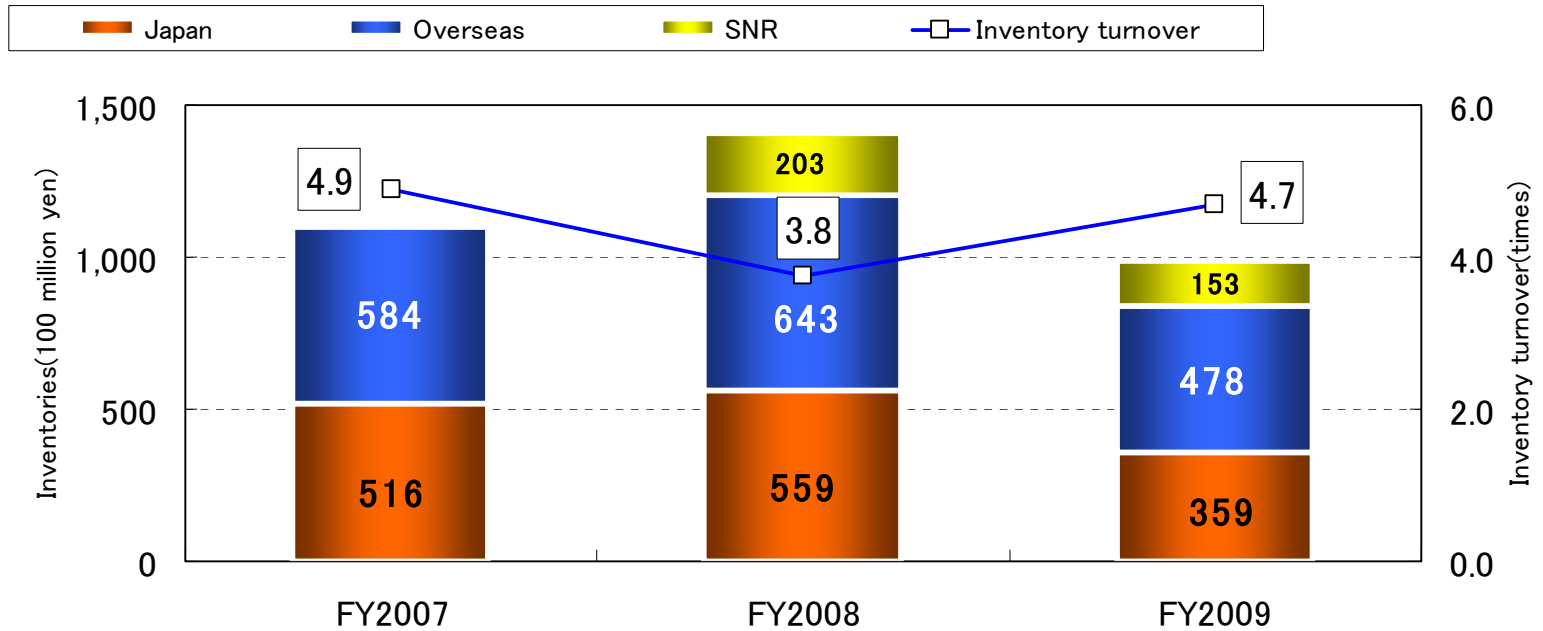
《 Europe 》



《 Asia & Other 》

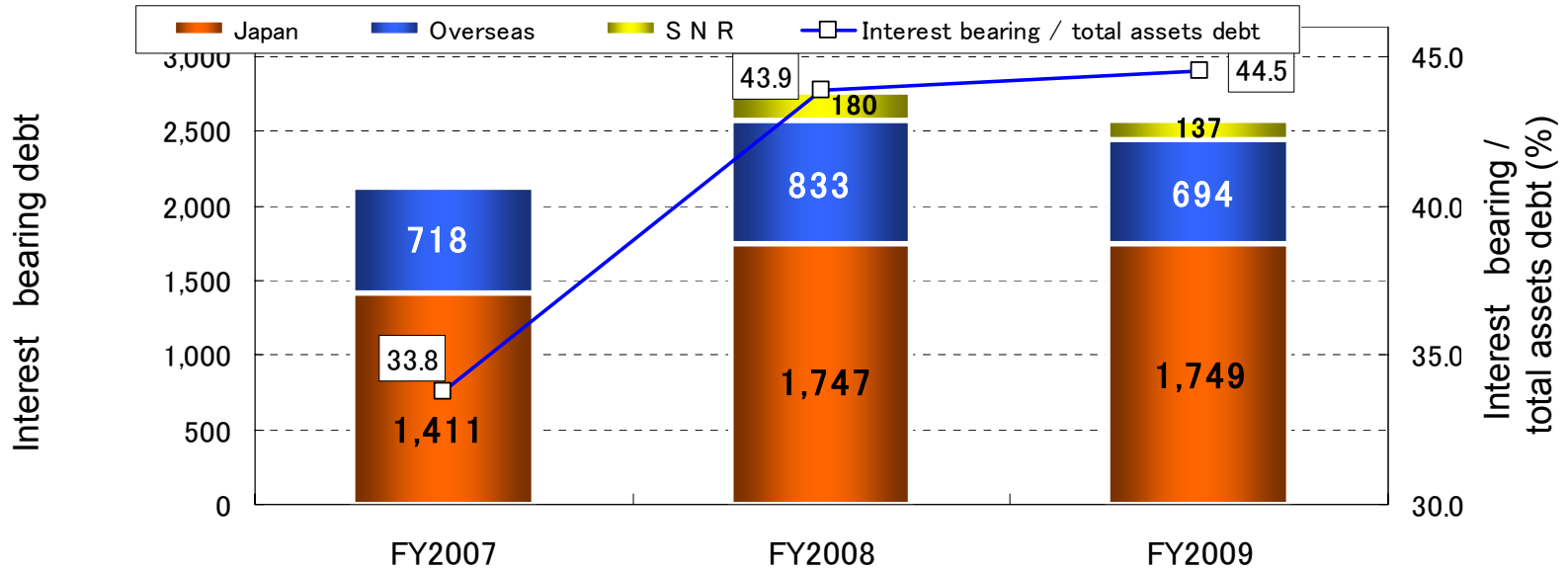


5. Inventories



	100 million yen		
	March, 2008	March, 2009	March, 2010
	Actual	Actual	Forecast
Inventories	1,100	1,405	990
SNR	-	203	153
Overseas	584	643	478
Japan	516	559	359
Inventory turnover(times)	4.9	3.8	4.7

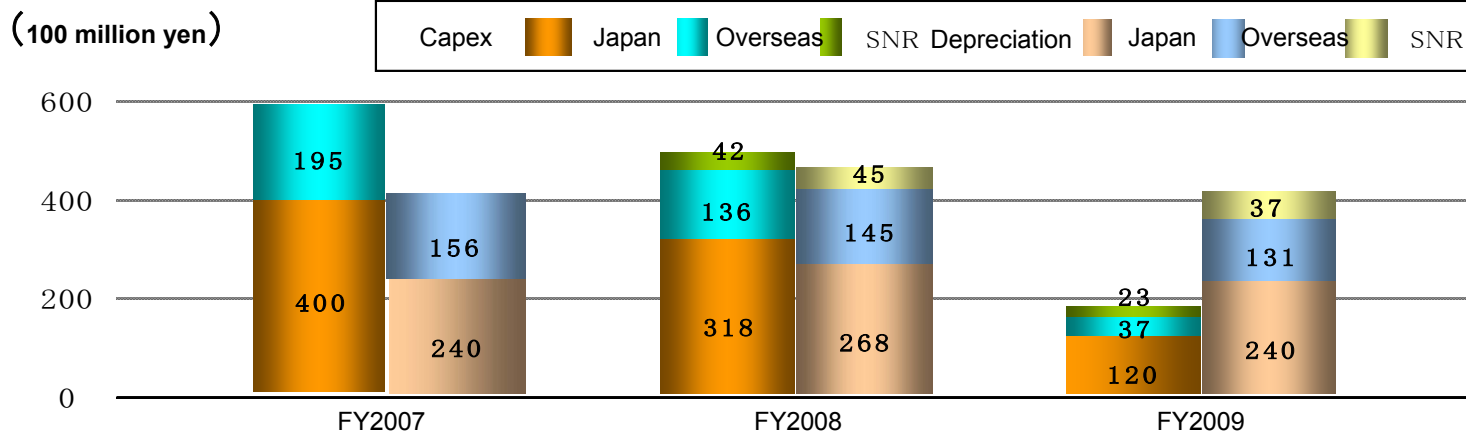
6. Interest Bearing Debt



100 million yen

	FY2007	FY2008	FY2009
	Actual	Actual	Actual
Interest bearing debt	2,129	2,760	2,580
S N R	-	180	137
Overseas	718	833	694
Japan	1,411	1,747	1,749
Interest bearing debt ratio(%)	33.8%	43.9%	44.5%

7. Capital Expenditure, Depreciation



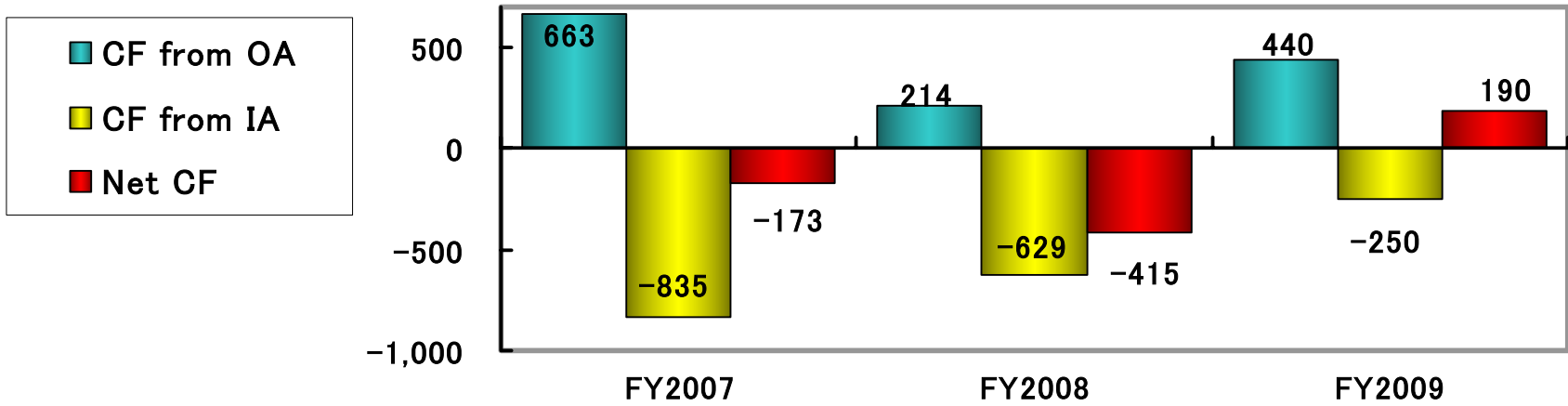
	FY2007	FY2008	FY2009	Year on Year	
	Actual ①	Actual ②	Forecast ③	②-①	③-②
Capital expenditure	595	496	180	-99	-316
SNR	-	42	23	42	-19
Overseas	195	136	37	-59	-99
Japan	400	318	120	-82	-198

	FY2007	FY2008	FY2009	Year on Year	
	Actual ①	Actual ②	Forecast ③	②-①	③-②
Depreciation	395	458	408	63	-50
SNR	-	45	37	45	-8
Overseas	156	145	131	-11	-14
Japan	240	268	240	28	-28

8. Cash Flows

100 million yen

	FY2007 Actual	FY2008 Actual	Increase/decrease	FY2009 Forecast
I . Cash flows from operating activities (CF from OA)	663	214	-449	440
II . Cash flows from investing activities (CF from IA)	-835	-629	206	-250
III . Cash flows from financing activities	156	446	289	-80
IV . Effect of exchange rates on cash and cash equivalents	21	-47	-68	-20
V . Increase in cash and cash equivalents	5	-17	-21	90



Ⅲ. New Medium-term Management Plan

“NTN2010 for the Next Step”

(April 2009～March 2011)

- We have prepared a new medium-term management plan covering 2 years from FY2009, the last year of “GCA 21”, to cope with the drastic change in the global economic situation

New Medium-term Management Plan “NTN2010 for the Next Step”

- Reinforce the corporate structure by standing on the fundamental principle **“For New Technology Network”**
- **2 years** to strengthen **the driving force for renewed growth** and achieve the company’s **long-term targets**

“Robust the operation not relying on business volume”

Long-term Vision (FY2013)

- Improve **business Portfolio**
 - FY2013: achieve 50% or more sales to non-automotive sectors
- Actualize “**Operation not relying on business volume**”
 - Build up a corporate structure, which enables NTN to maintain profit even if sales drop suddenly (FY2013: structure to create profit in case of sales dropping by 20%)
- Develop a new business model, “**New Market with Eco-products and New Energy**”
 - Promote module products for EV market
 - Expand MRO business globally
MRO: Maintenance, Repair and Operation
 - Establish global standards for next-generation technology

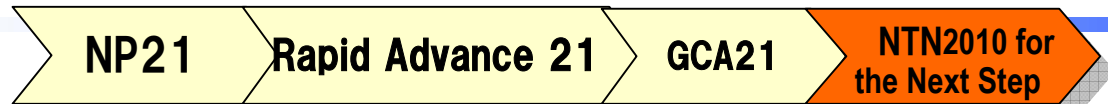
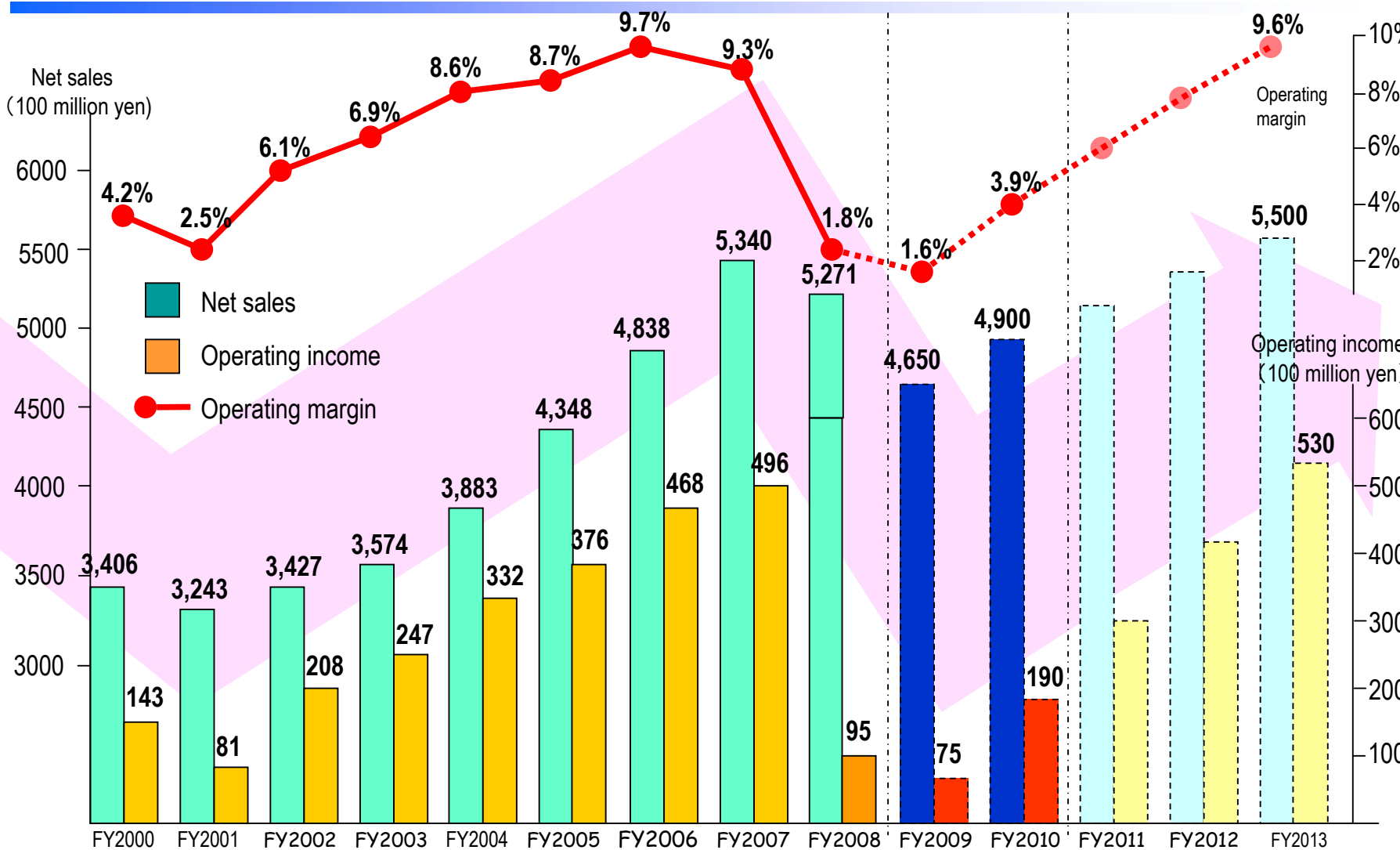
New Medium-term Management Plan, 'NTN2010 for the Next Step'

Primary Management Targets

	FY2008 (Actual)	FY2009 (Plan)	FY2010 (Plan)
Net sales (100 million yen)	5,271	4,650	4,900
Operating income (100 million yen)	95	75	190
Operating margin (%)	1.8	1.6	3.9
Ordinary income (100 million yen)	87	20	130
Net income (100 million yen)	-90	5	65
Inventories (100 million yen)	1,405	990	1,035
Inventory turnover (times)	3.8	4.7	4.7
Capital expenditures (100 million yen)	496	180	180
Tangible fixed asset (100 million yen)	2,884	2,430	2,340
Tangible fixed asset turnover (times)	1.8	1.9	2.1
Interest bearing debts (100 million yen)	2,760	2,580	2,560
D/E ratio	1.6	1.6	1.3
NTN-ROI (%)	1.5	1.3	3.7

NTN-ROI=NOPLAT /(inventories + tangible fixed asset)

“NTN2010 for the Next Step”; April 2009~March 2011



Priority Tasks in “NTN2010 for the Next Step”

- ① **Acceleration in developing New Products**
- ② **Expanding sales to Industrial Machinery and Aftermarket sector**
- ③ **To be world leader in MONOZUKURI (production) and Quality**
- ④ **Cost competitive structure**
- ⑤ **Development and Utilization of Human Resources**

① Acceleration in developing New Products

- ◆ Develop business in the sectors related to **ecology and natural energy**
 - Offer **technical solution** in the growth areas such as wind power generation, Rolling stock, aircrafts, and healthcare
 - Contribute to **preserving the environment** with new products to the automotive sector
 - Develop and commercialize module products **for autos of next generation**
- ◆ Enhance **a cross-industry approach and an industry-academia-government collaboration**
 - Develop new **elemental technology**
(open R & D Center for elemental technologies in June 2009)
 - Utilize partners in development and commercializing (**open innovation**)
 - Establish **global standards** of sensor technology by combining NTN and SNR technologies

Develop “New Market with Eco-products and New Energy” by technological capability based on “Concentration” and “Collaboration”

Priority Tasks

② Expanding sales to Industrial Machinery and Aftermarket sector

- ◆ Strengthen **sales activities as a team** to growth sectors
 - **Enhance GAM system**
 Set up a new team dedicating to targeted sectors
 55 staff appointed (March 2009)
 - Increase **sales and engineering staff**
 +30 staff added (March 2009)、
 +40 staff to be added (~September 2009)
- ◆ Reinforce organizations of sales and production for after market
 - Created **a dedicated sales team** with 30 staff(March 2009)
 - Shorten delivery time by improving **small lot production**
 - Achieve synergies by utilizing **SNR's** sales network and selling capability
- ◆ Improve sales and production structures in emerging countries such as China and India

Increase a weight of sales to industrial machinery and after market sectors

③ To be world leader in MONOZUKURI and Quality

- ◆ “Monozukuri” to cut **delivery time to 1/2**
 - Deliver products for industrial machinery and after market **within 70 days**
 - Enhance capability to take care of orders of **a high mix and small volume**
- ◆ **Reduce inventories**
 - Shorten procurement lead-time including suppliers
 - Carry out thorough production control
- ◆ Monozukuri of **top quality product** in the world
 - Production using top quality component
 - Improve production efficiency through model line activities and expand company-wide
- ◆ **Establish and reorganize** global production structure
 - **Integrate and eliminate production** bases in Japan and overseas, and optimize **product mix**
 - **Reduce the number of suppliers and enhance their QCD**

Increase sales to industrial machinery and after market sectors by
“cutting delivery time to 1/2” and “top quality in the world”

④ Cost competitive structure

- ◆ Improve **personnel cost efficiency**
 - Reduction of employees (Cut approx. 5,200 : FY2008)
 - Cut salary and bonus as an emergency measure
- ◆ In principle, **no capital expenditure** for new equipments
- ◆ (FY2008 : 50 billion yen/year ⇒ FY2009 18 billion yen/year)
 - Prompt recoupment of capital expenditure (improve **machine operating rate**)
 - Rebuild and deploy redundant and used machines
- ◆ Reduce **procurement cost**
 - Revise steel prices, promote VA activities, and review processing flow
- ◆ **Reduce logistic cost**
 - Improve efficiency of logistic base and delivery routing, review packing style, etc.
- ◆ **Cost reduction** based on the concept of “zero base” and “without exception”

Build up a corporate structure, which enables NTN to maintain profit even if sales drop suddenly

⑤ Development and Utilization of Human Resources

- ◆ Increase staff in **industrial machinery sector**
 - Strengthen sales and application engineering capability
- ◆ Increase staff **in R & D**
- ◆ Provide **female employees with opportunity to demonstrate their abilities**
 - **Promote projects for female employees to demonstrate their abilities**
 - **Appoint more female employees to managerial positions**
 - **Create workplace environment friendly to female employees**
- ◆ Pass down **“MONOZUKURI” skill** to younger generation
 - **Continue to promote Meister system and Skill Workshop**

“MONOZUKURI” starts with
“HITOUZUKURI” (Human Resources Development)

IV. SNR performance and Progress

- 1. Production bases in Europe**
- 2. Weight of overseas sales and production increased**
- 3. Plan & result, and forecast of bearing sales in Europe**
- 4. Performance and progress**

1. Production sites in Europe

① NTN Plant in Germany



R & D, production and sales capabilities in Europe are enhanced by SNR's participation



⑤ SNR H.Q.

Annecy plant



② NTE



Meythet plant



③ NTE Crezancy



Argonay plant



④ IFA-AT



Seynod plant



⑥ Plant in Italy



⑦ Plant in Romania

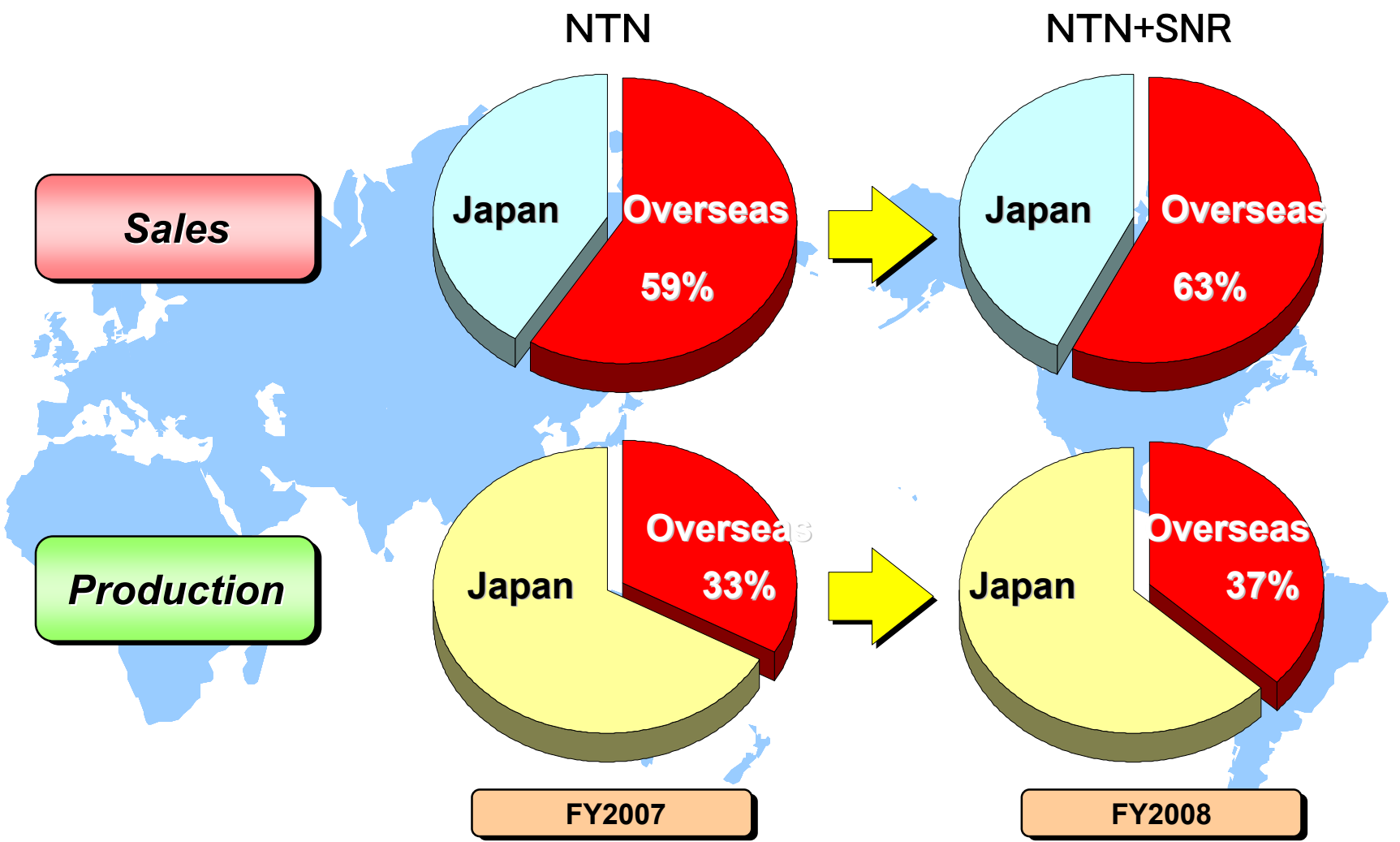


Ales plant

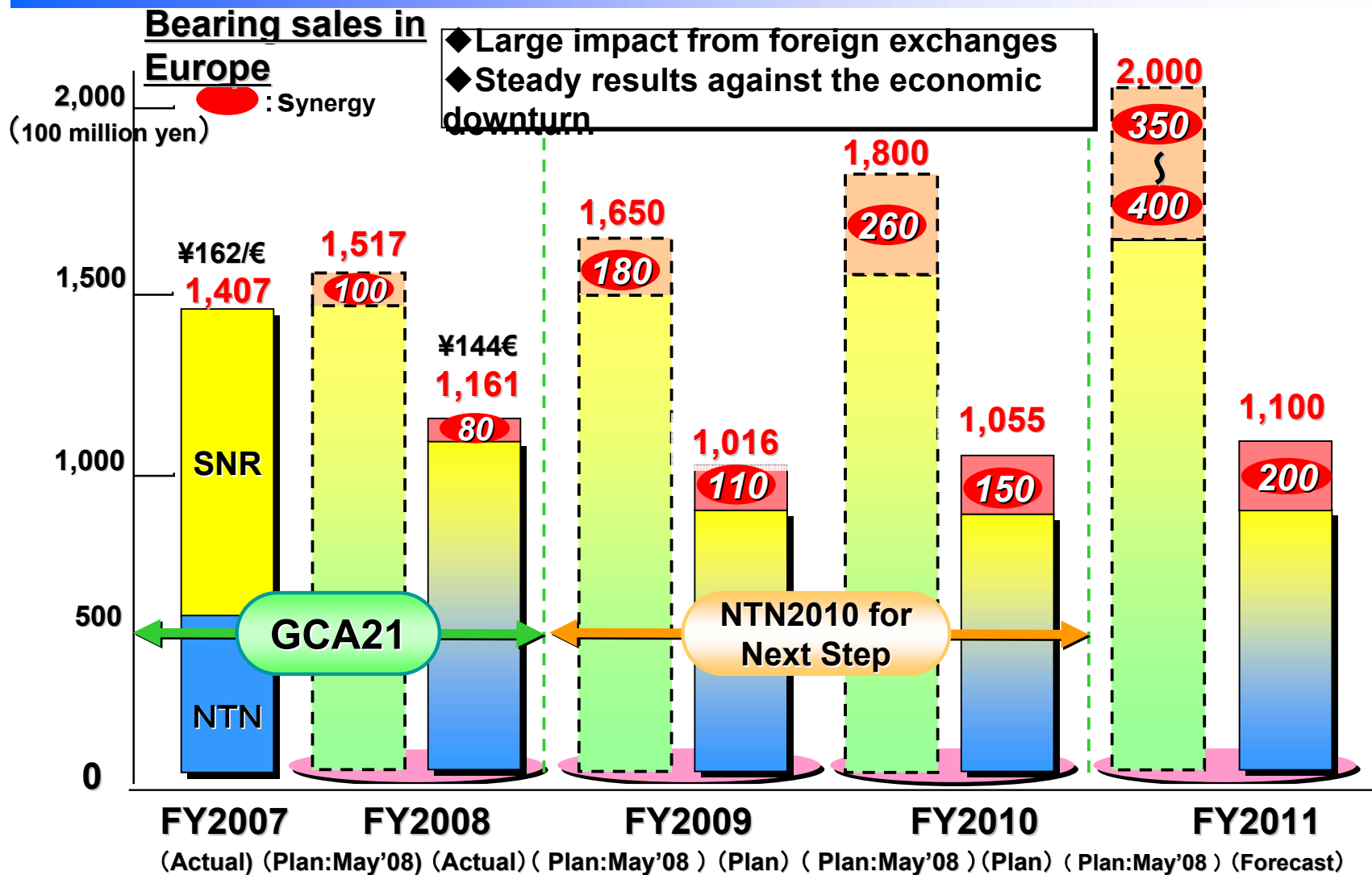


Sales : 17, Production : 13, R & D : 3

2. Weight of overseas sales and production increased



3. Plan & result, and forecast of bearing sales in Europe



4. Performance and progress (1/4)

① Increased sales to industrial machinery sector by collaboration (FY2008: 2 billion yen)

⇒ Increased sales to Rolling stock sector: insulated bearings and bearings for Aftermarket

⇒ Increased sales to wind power generation sector

⇒ Increased sales to the other areas in industrial machinery sector (reduction gears, hydraulic pump, etc)

② Expanded sales to replacement market and distributors (FY2008: 2 billion yen)

⇒ Expanded distributor network in Northern and Eastern Europe and Russia

③ Increased sales by mutual exploitation of sales networks (FY2008: 0.5 billion yen)

⇒ NTN sells SNR products and SNR sells NTN products

④ Increased sales to automotive sector by collaboration (FY2008: 3 billion yen)

⇒ Pursue European vehicle projects of European automakers

4. Performance and progress (2/4)



⑤ Utilization of plant in Romania (FY2009: 200 million yen)

⇒ Gain orders for tapered roller bearings from manufacturers in Europe

⑥ Utilization of plants located in the other areas (FY2009: 500 million yen)

⇒ Gain orders for strategic global cars from Japanese automakers (plant in Brazil)

⇒ Gain orders from European automakers (plant in Brazil)

⇒ Gain orders from European automakers (SHANGHAI NTN)

⑦ Joint procurement of parts and raw materials

⇒ Collaboration with SNR for procuring parts and raw materials

⑧ SNR switches current suppliers to NTN

⇒ Tapered roller bearings, needle roller bearings, thin-walled bearings, etc.

⑨ Integrating organizations related to sales and operational function

<Sales >

⇒ Reinforced sales structure in Europe through reorganization by business sector (April 2008)

⇒ Integrate sales organizations in U.S and England respectively (April 2009)

<Operation >

⇒ Integrated distribution warehouses in France (February 2009)

⇒ Integrate IT system (March ~ October 2009)

<Integration of Sales office >

⇒ Integrated branch offices in Germany (November 2008)

⇒ Integrate main office of sales company in Germany (Scheduled in 2009)

⇒ Integrate sales companies in France (Scheduled in 2010)

⇒ Establish European holding company (to be determined)

⑩ Acceleration of research and development

- ⇒ Completed commercialization of high-resolution rotational sensors
- ⇒ Practical application of malfunction detector, detecting technology (wind power generation, railway car, etc.), advanced sensor technology (load sensor)
- ⇒ Develop a cross-industry approach and an industry-academia-government collaboration
- ⇒ Joint study on elementary technologies (metallic material, solid lubricant, ceramic material, lubrication, technology to lower friction and analyze)



R&D Center for elemental technology



R&D Center -SNR



Bearing with high-resolution rotational sensor

(Reference)

Sales Plan by Product

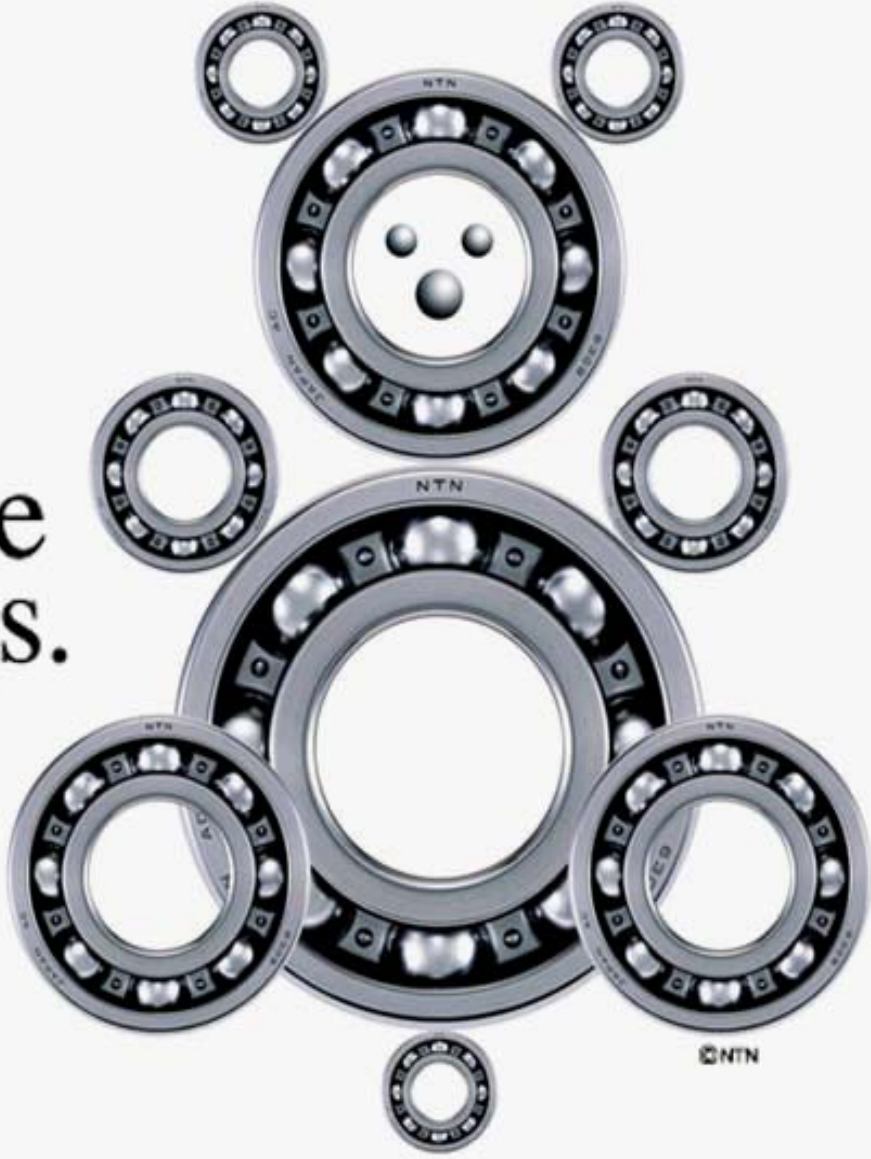
For New Technology Network



100 million yen

Product	Region	FY2008 (Actual)	FY2009 (Actual)	+/- (FY2009-FY2008)
CVJs	Japan	481	416	-65
	Americas	402	322	-80
	Europe	231	203	-28
	Asia & others	131	113	-18
	Total	1,244	1,053	-191
Axle Bearings	Japan	214	200	-14
	Americas	202	160	-42
	Europe	371	275	-96
	Asia & others	117	100	-17
	Total	904	735	-169
Needle Bearings	Japan	257	195	-62
	Oversreas	147	125	-22
	Total	404	320	-84

We make Bearings.



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