

For New Technology Network



Financial results for the year ended March 31, 2010



May 19, 2010

NTN Corporation



《Today's Agenda》

I . Accomplishing “NTN 2010 for The Next Step”

(V-shaped recovery)

II . Consolidated Financial Results for the year ended

March 31, 2010 and Forecast of Consolidated

Earning for the year ending March 31, 2011

III. Q & A Session

- 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 . Accomplishing “NTN 2010 for The Next Step” (**V-shaped recovery**)

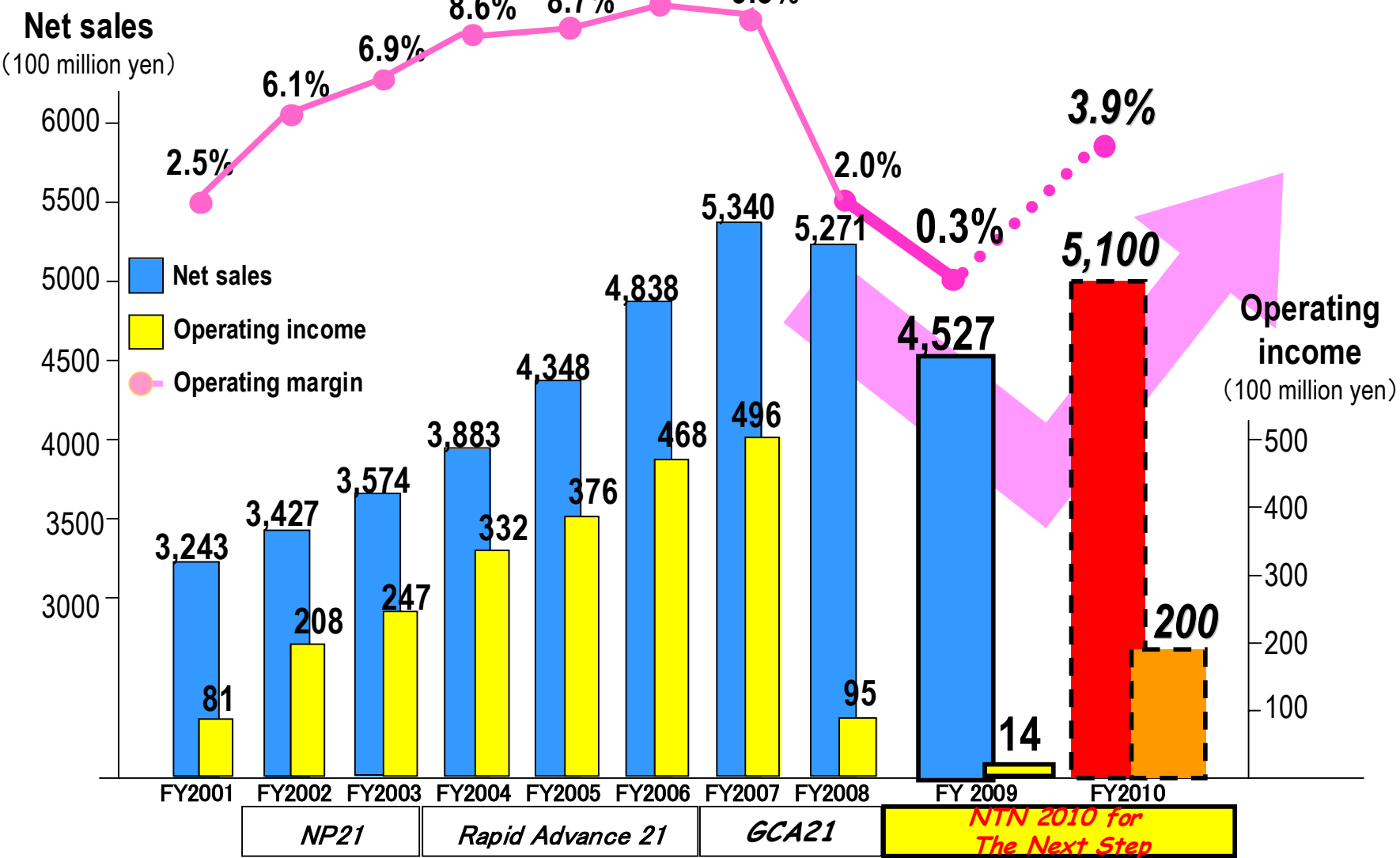
1. Results of the year ended March 31, 2010 and Forecast of Consolidated Earnings for the year ending March 31, 2011

- Net sales for Automotive
- Net sales for Industrial Machinery & Aftermarket

2. Towards growth of the new phase

- Acceleration of business development in emerging countries
- Strengthening business in “ECO/New energy” market
- Headquarters system to strengthen ability to adopt market diversification

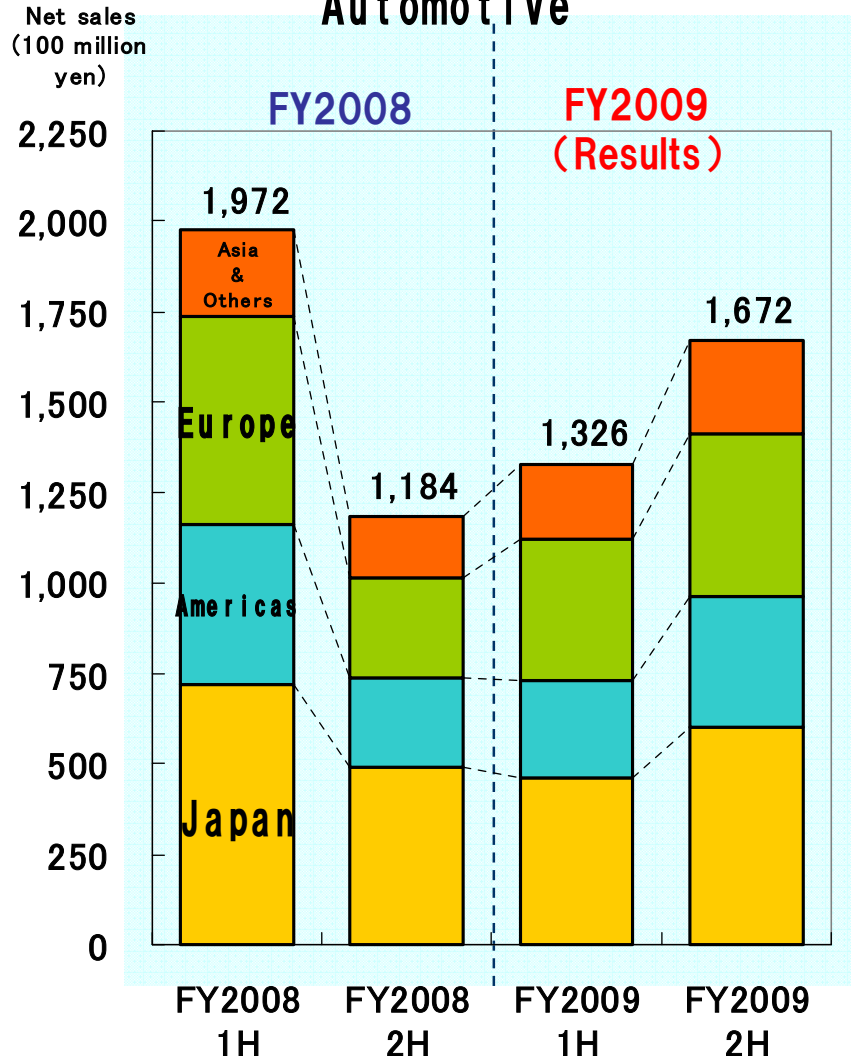
1. Results of the year ended March 31, 2010 and Forecast of Consolidated Earnings for the year ending March 31, 2011



Net sales for Automotive

(Results of the year ended March 31, 2010)

Sales trend for Automotive



- Demand recovery resulting from economic stimulus policies in various regions
 - Expansion of global platform
- Demand recovery in various regions from FY2008 2nd half at the bottom

Japan Sales recovery from “eco” tax reduction

Americas Recovery by American makers, start of new projects

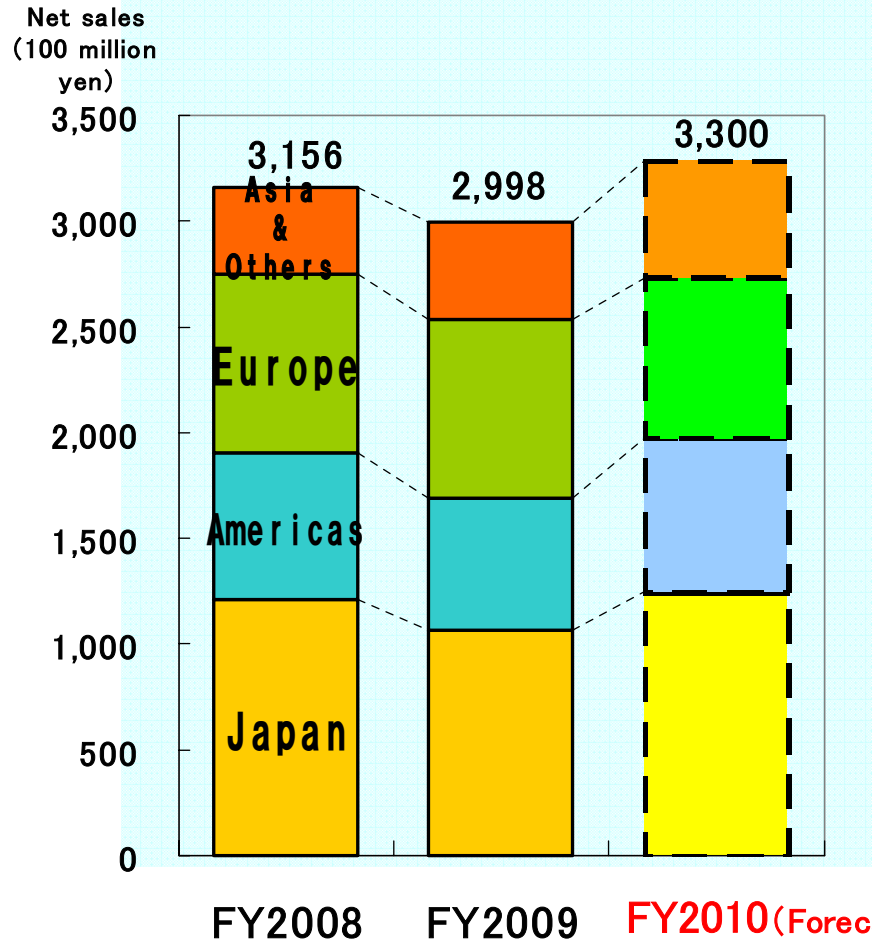
Europe Positive effect of sale incentives for compact cars

Asia & Others Positive effect of sales of Japanese and Korean compact cars in China

Net sales for Automotive

(Forecast of consolidated earnings for the year ending March 31, 2011)

Sales trend for Automotive



- Estimating car production increase in Japan, the Americas and Asia
- Planning 10% increase in sales

Japan

Increase by export demand recovery and new projects

Americas

Sales increase by SOP of awarded new projects

Europe

Assuming sales decline from incentives counteraction

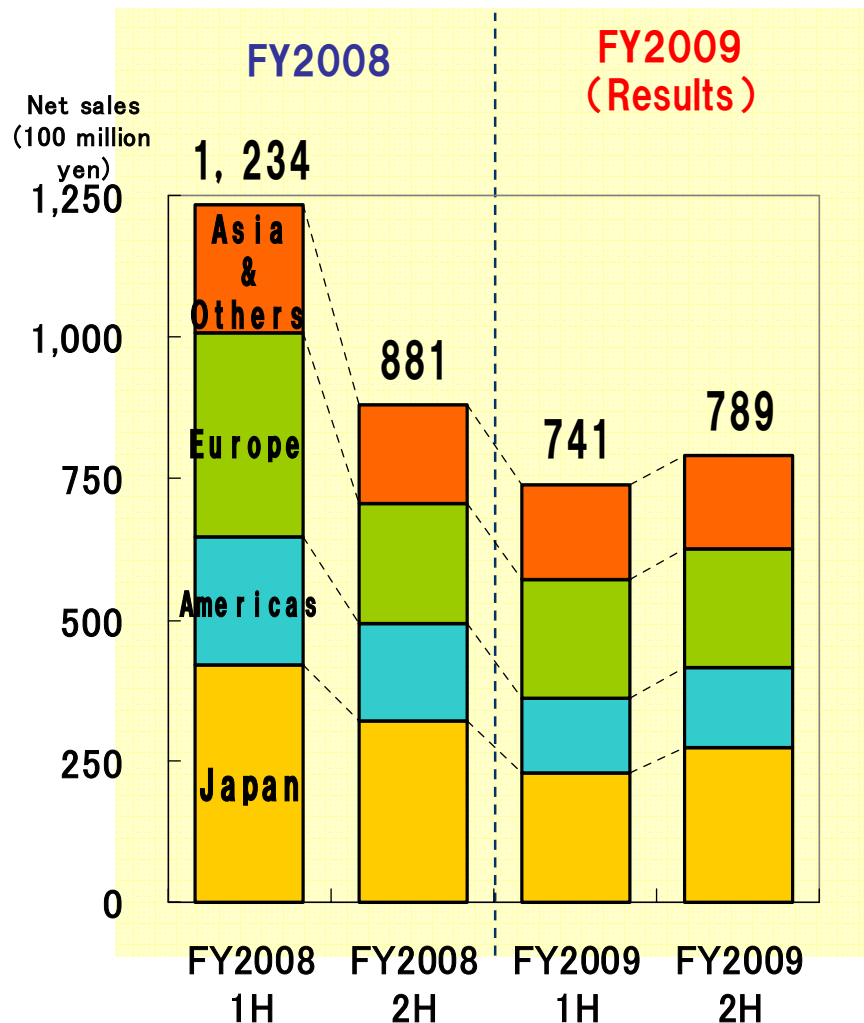
Asia & Others

Sales growth following car production increase in China

Net sales for Industrial Machinery & Aftermarket

(Results of the year ended March 31, 2010)

Sales trend for Industrial machinery & Aftermarket



- Demand decline in various regions
- Recovery starting from FY2009 4Q

- Demand decline in construction machinery, machine tools, agricultural machinery etc. in Japan, the Americas and Europe
- Favorable sales of rolling stocks in Europe and China
- Favorable sales of aircraft cars in Europe

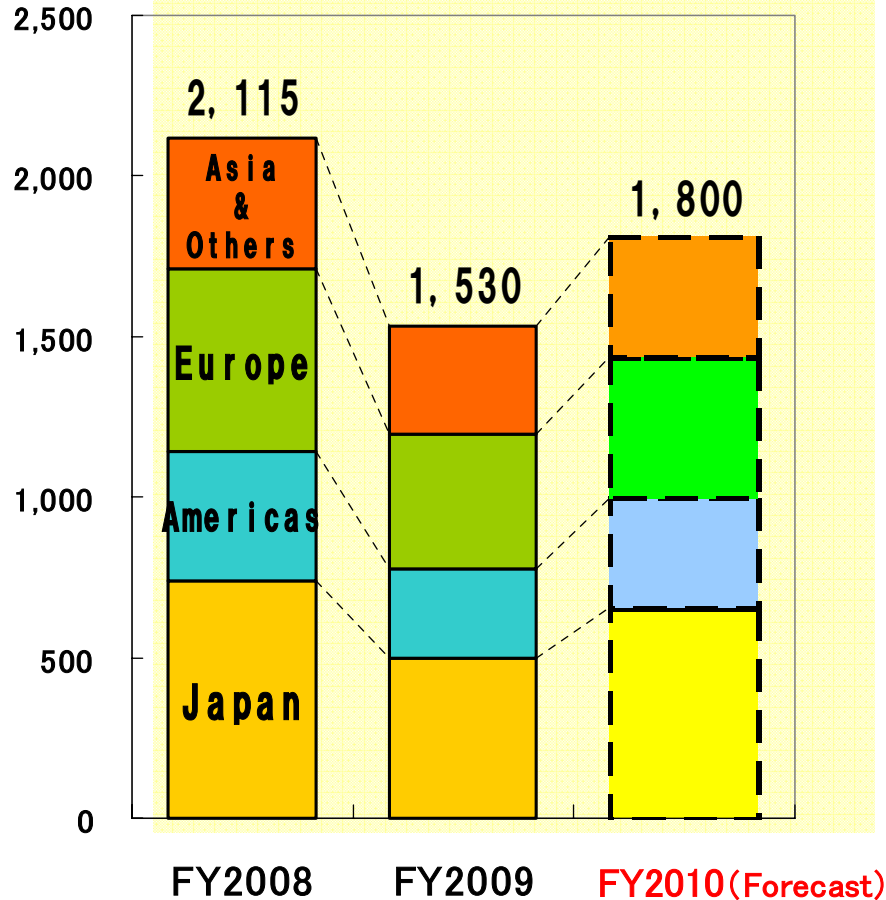
- Decline in aftermarket/distributor sales due to prolonged inventory adjustment in distributors

Net sales for Industrial Machinery & Aftermarket

(Forecast of consolidated earnings for the year ending March 31, 2011)

Sales trend for Industrial machinery & Aftermarket

Net sales
(100 million
yen)



- Demand recovery in various regions
- Projected 18% increase in sales

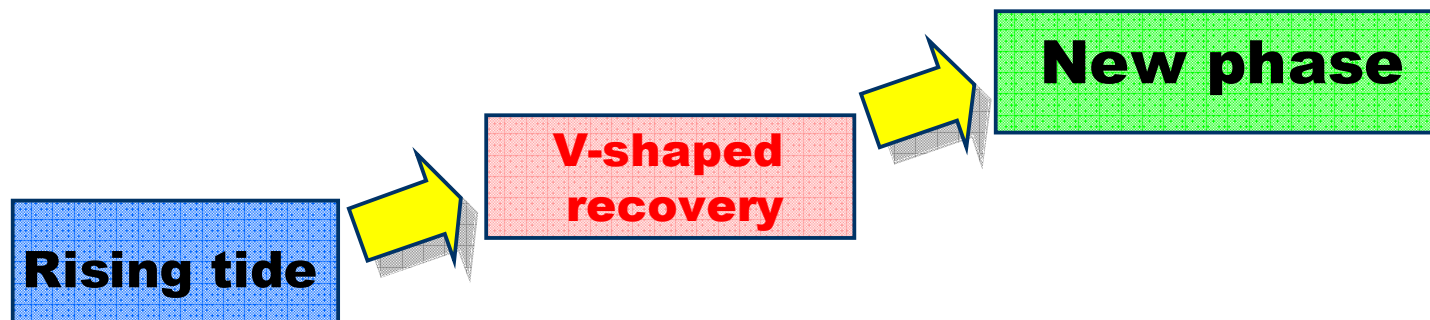
- Construction machinery: recovery due to infrastructure demand in emerging countries
- Wind power: demand increase and new projects for emerging countries
- Machine tools: order increase in emerging countries

- Aftermarket/distributor sales: conclusion of inventory adjustment in distributors

2. Towards growth of the new phase

Strengthening our business based on the corporate philosophy, “For New Technology Network”

- ◆ Acceleration of business development in emerging countries
- ◆ Strengthening business in “ECO/New energy” market
- ◆ Headquarters system to strengthen ability to adopt market diversification



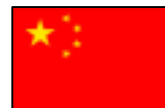
Acceleration of business development in emerging countries

「On local ground with local materials by local personnel」



Romania

Production start of CVJ (2009)



China

- Establishment of Technical Center (2011)
- Production capacity increase of bearings (2011)
- Production capacity increase of CVJ (2010)
- Alliances with local enterprises (2011)



Korea

Production start of large bearings (2011)



Thailand

Production increase of hub bearings (2009)



India

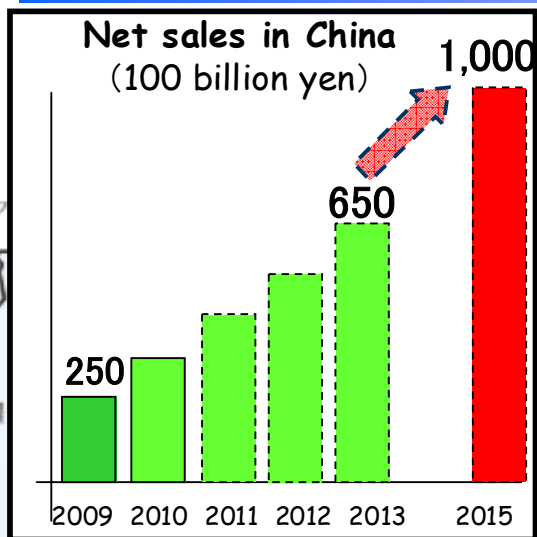
Production capacity increase of CVJ (2010)



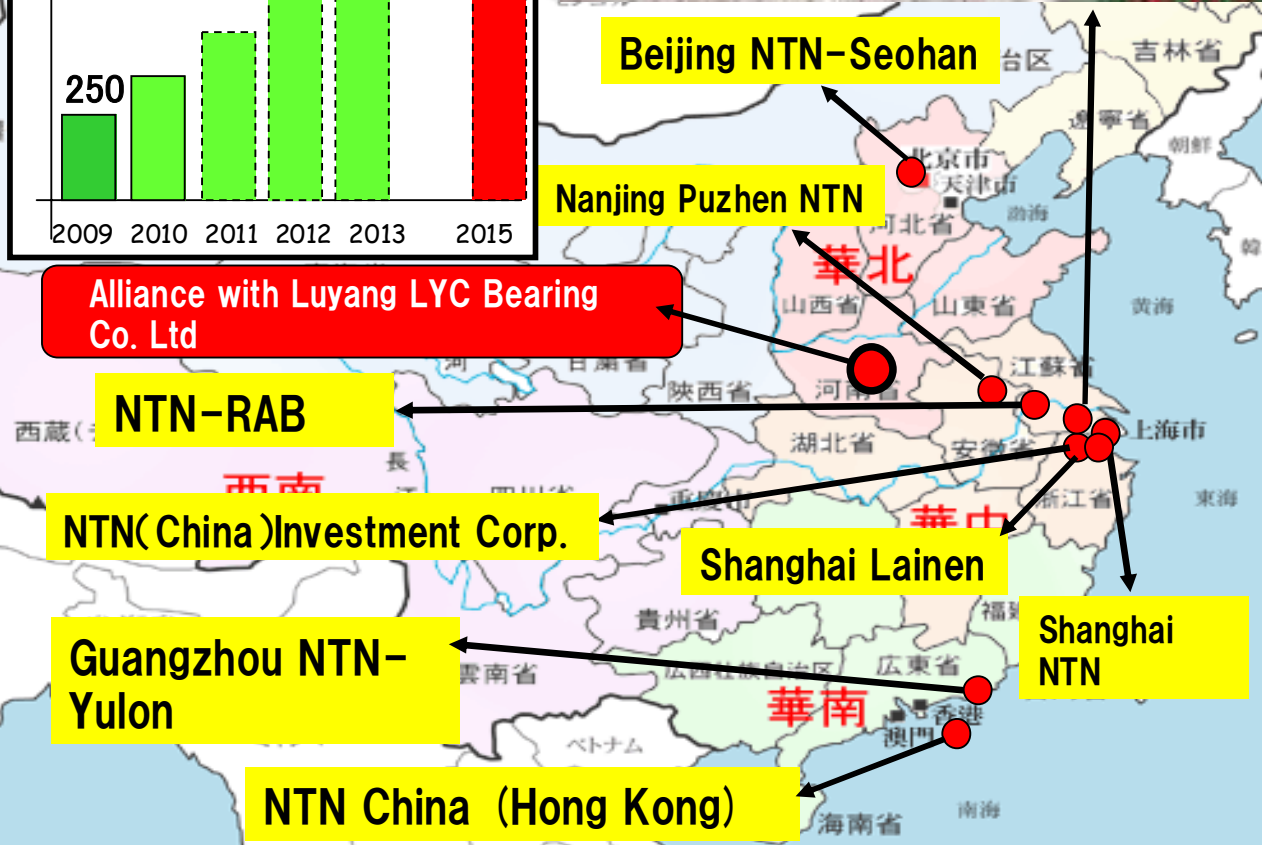
Brazil

- Production increase of hub bearings (2011)
- Production start of CVJ (2011)

Business expansion in China: aiming at 100 billion yen in FY2015



NTN China Technical Center



Production capacity increase

- Ball bearing: 8 times increase in FY2013 vs current level
- Needle bearing: 2 times increase in FY2013 vs current level
- CVJ: 30% increase during FY2010

Expansion of sales network

- Inland and Northeast district
- Number of distributors: 2.5 times in FY2013 vs current level

Strengthening technological development

- Launch in April 2011
- Increase personnel by more than 200 persons

“ECO/New Energy Market” : Automotive

Next-generation vehicle & eco-friendly vehicles

Electrical

Fuel-efficient

EV modules



Single-motor modules



Low torque thrust NB

Stop idling



Low torque taperd roller BRG

Electrically variable valves

Direct-injection engines



Low torque Ball BRG

Electric brake

Multistage automatic transmissions, dual clutch transmissions and others



Roller reduction gears

Body weight reduction, downsizing, etc.



Roller type bearings for cranks and camshafts

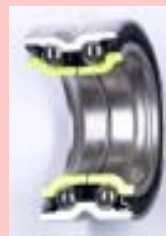
Intelligent In-wheel motor



Electric actuator unit



Light weight HUB



V series

“ECO/New Energy Market” : Industrial machinery

Construction machinery

- ◆ Expanding energy-saving electrification:
Hybrid Hydraulic Excavators/Electric Dump Trucks
- ◆ Increasing unmanned operation, improving operation rate
Expansion of sensor units



Wind power generation

- ◆ Increasing demand in emerging countries such as China and India in addition to Europe and the Americas
- ◆ Production start in NTN Houdatsushimizu (2009)
- ◆ Establishment of Seohan-NTN Bearing (Korean) (2010)



Rolling stock

- ◆ Americas: High speed train projects,
Europe: Increase in new rolling stocks and aftermarket services
- ◆ China, Asia etc.: Increase in subways and medium-to-high-speed train projects



Aircraft

- ◆ The NTN Group supplies the world's top four engine makers
- ◆ Increase in small and medium-size energy-saving jet engines



Headquarters system to strengthen ability to adopt market diversification

Launching the GAM system to integrate sales and engineering

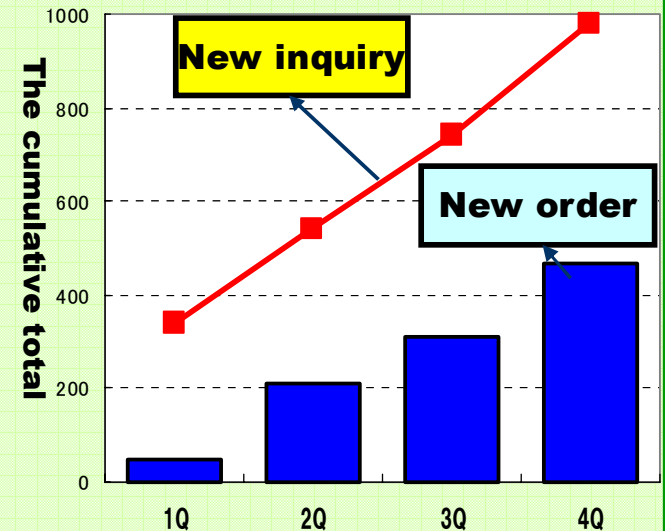
2002~

March, 2009~

Strengthening the sales organization for industrial machinery.

- ◆ Rotate employees from automotive to industrial machinery department
- ◆ Establishment of “**Target Industry Team**”
- ◆ Establishment of “**Aftermarket Team**”

Results of the team project activities



Establishment of “**Industrial Business HQ**”
and “**Automotive Business HQ**”

February, 2010~

- ◆ Speedup by Production/Sales/Engineering integrated structure
- ◆ Sales and profit expansion on the global scale

Consolidated Financial Results for the year ended March 31, 2010 and Forecast of Consolidated Earnings for the year ending March 31, 2011

May 19, 2010
NTN Corporation

These presentation materials and comments made at this conference and during the Q&A session include forward-looking statements about the company's expectations of future performance and future business strategies. They represent the best judgment of company management based on information currently available.

These forward-looking statements and comments, based on expectations, estimates, and projections, are not guarantees of future results. Actual results may differ materially from the company's projections depending on various factors such as changes in product demand, foreign exchange rates, and interest rates.

★Financial Results for the year ended of FY 2009: Key Factors

1. Consolidated Statements of Income
 - (1) Outline
 - (2) Trend of Quarterly Net sales and Operating income
2. Net sales by Geographic and Business Segment
3. Analysis of Operating Income
 - (1) FY2009
 - (2) FY2010
4. Net Sales and Operating Income by Region
 - (1) Japan, the Americas
 - (2) Europe, Asia & Others
5. Inventories
6. Interest-Bearing Debt
7. Capital Expenditure and Depreciation
8. Cash Flows

Results for FY 2009

- ◇ Net sales: **452.7 billion yen**, decreased 74.4 billion yen (−14%) from a year earlier.
- ◇ Operating income: **1.4 billion yen** (Operating margin 0.3%), **Restoring** profitability throughout the FY2009.
- ◇ Interest-Bearing Debt: **231.6 billion yen**, **decreased** 44.4 billion yen from March 31, 2009.
- ◇ Capital Expenditure: decreased 28.1 billion yen, 57% from a year earlier to **21.5 billion yen**
- ◇ Divided projection: **¥8/share annually** (¥4 at mid-FY and ¥4 at FY-end).

Forecast for FY 2010 **V-shaped recovery**

- ◇ Net sales: **510 billion yen**, **increasing 57.3 billion yen (+13%) from a year earlier.**
- ◇ Operating income: **20 billion yen** (Operating margin 3.9%).
- ◇ Ordinary income: **15 billion yen**, restoring profitability.
- ◇ Net income: **9.5 billion yen**, Profitable for the first time in 3 fiscal years.
- ◇ Divided projection: **¥10/share annually** (¥5 at mid-FY and ¥5 at FY-end)

(100 million yen)

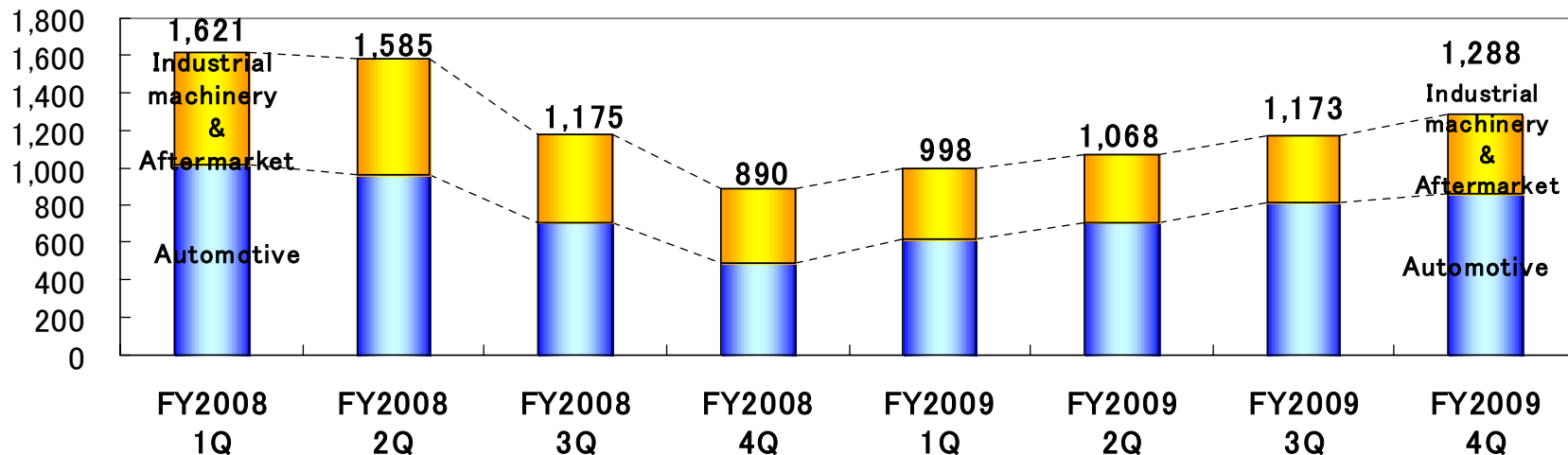
1. Consolidated Statements of Income(Outline)

	FY2008 Actual ①	FY2009 Actual ②	FY2010 Forecast ③	Year-on-year		
				FY2009 ②-①	FY2010 ③-②	
Net sales	5,271	4,527	5,100	-744	573	
Operating income	95	14	200	-81	186	
Operating margin	(1.8%)	(0.3%)	(3.9%)	(-1.5%)	(3.6%)	
Ordinary income	87	-6	150	-94	156	
Extraordinary income/expense	-188	-12	10	176	22	
Net income	-90	-20	95	70	115	
Exchange rate	US \$	100.7	92.9	90.0	-7.8	-2.9
	EURO	144.1	131.2	120.0	-12.9	-11.2

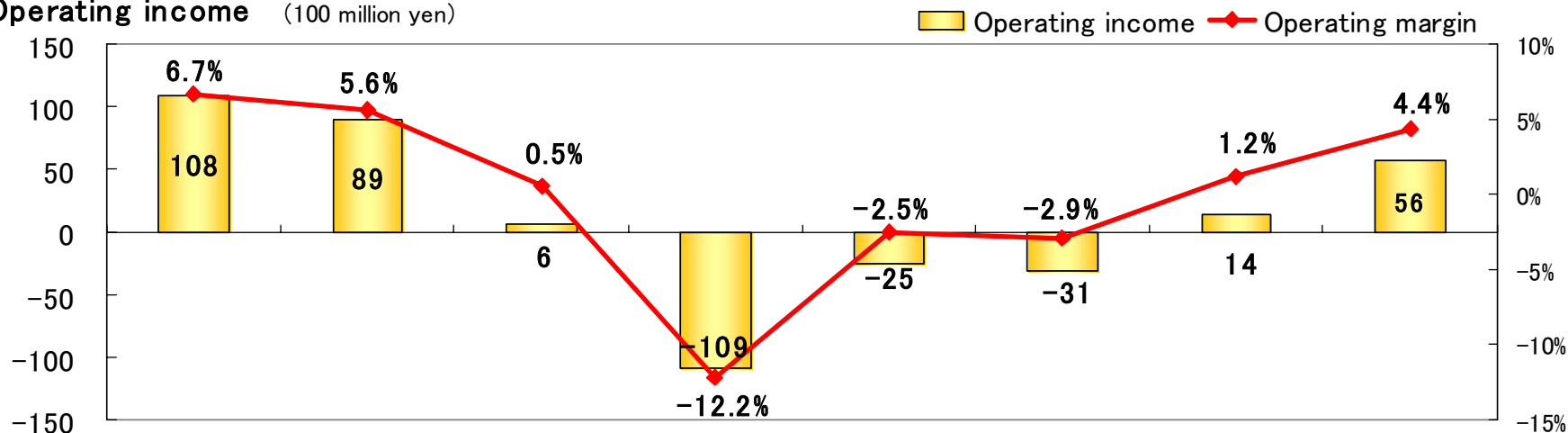
1. (2) Trend of Quarterly Net Sales and Operating income

- ◇ Sales and operating profit bottomed in the 4Q of the FY2008. A rapid recovery was seen in the 4Q of the FY2009.

Net sales (100 million yen)



Operating income (100 million yen)



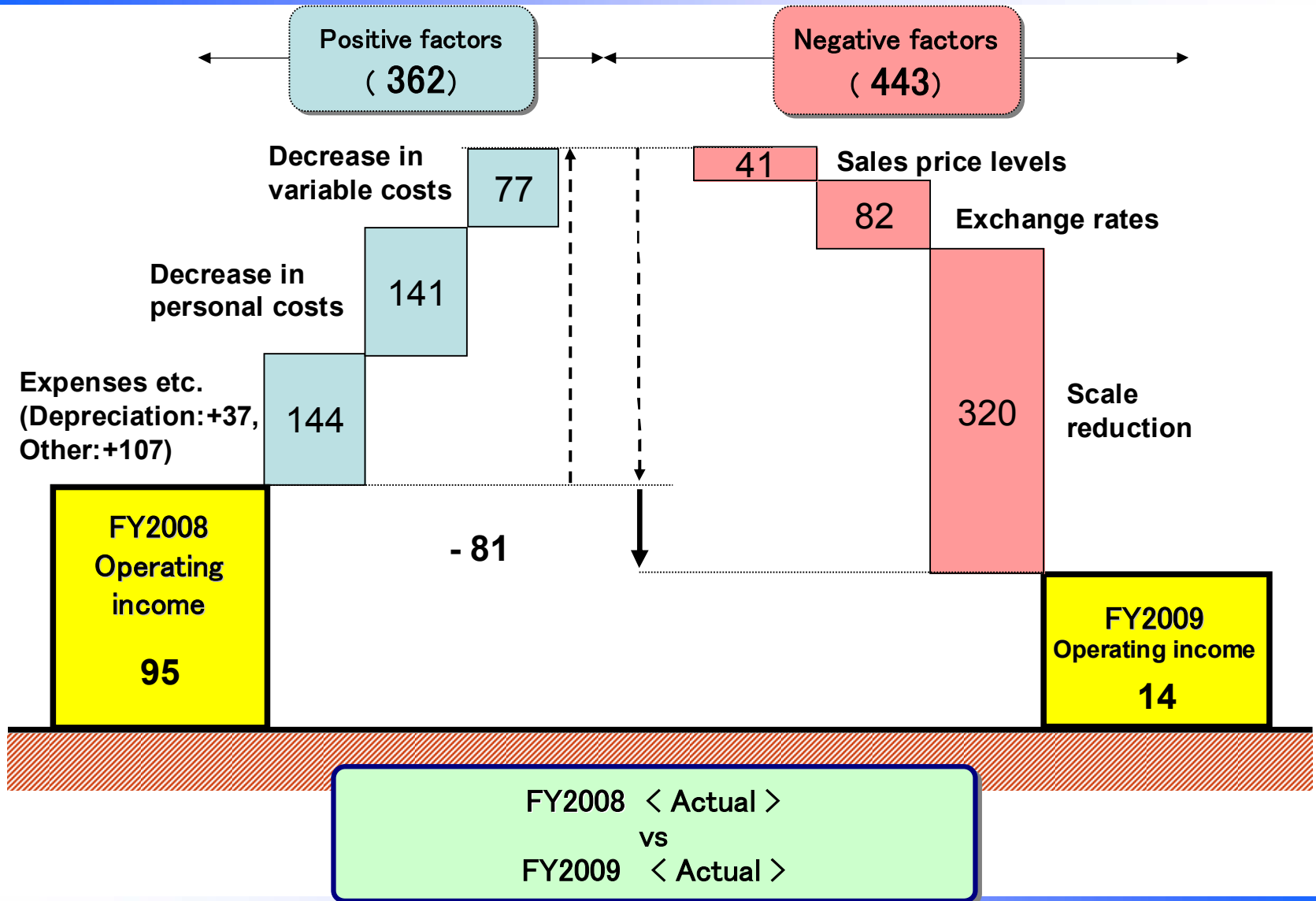
2. Net sales by Geographic and Business Segment

(100 million yen)

		FY2008 Actual ①	FY2009 Actual ②	FY2010 Forecast ③	Year on year			
					FY2009 ②-①		FY2010 ③-②	
					Amount	Forex	Amount	Forex
Japan	Bearings	1,256	978	1,270	-277	-	291	-
	CVJs	481	407	464	-75	-	57	-
	Precision Equipments	211	178	166	-33	-	-12	-
	Total	1,948	1,564	1,900	-385	-	336	-
Americas	Bearings	682	529	680	-110	-43	172	-21
	CVJs	402	361	386	-11	-30	36	-11
	Precision Equipments	9	10	9	2	-1	-1	0
	Total	1,093	900	1,074	-119	-74	207	-33
Europe	Bearings	1,161	1,005	957	-56	-101	41	-89
	CVJs	231	242	218	38	-26	-4	-20
	Precision Equipments	26	24	18	1	-2	-4	-2
	Total	1,417	1,271	1,193	-17	-129	34	-111
Asia & Others	Bearings	665	631	731	13	-47	126	-26
	CVJs	131	146	178	27	-11	37	-5
	Precision Equipments	17	15	24	0	-1	9	-1
	Total	813	793	933	40	-60	172	-32
Total	Bearings	3,764	3,143	3,637	-430	-191	630	-136
	CVJs	1,244	1,157	1,246	-21	-67	127	-37
	Precision Equipments	263	228	217	-30	-4	-9	-3
	Total	5,271	4,527	5,100	-481	-263	748	-176

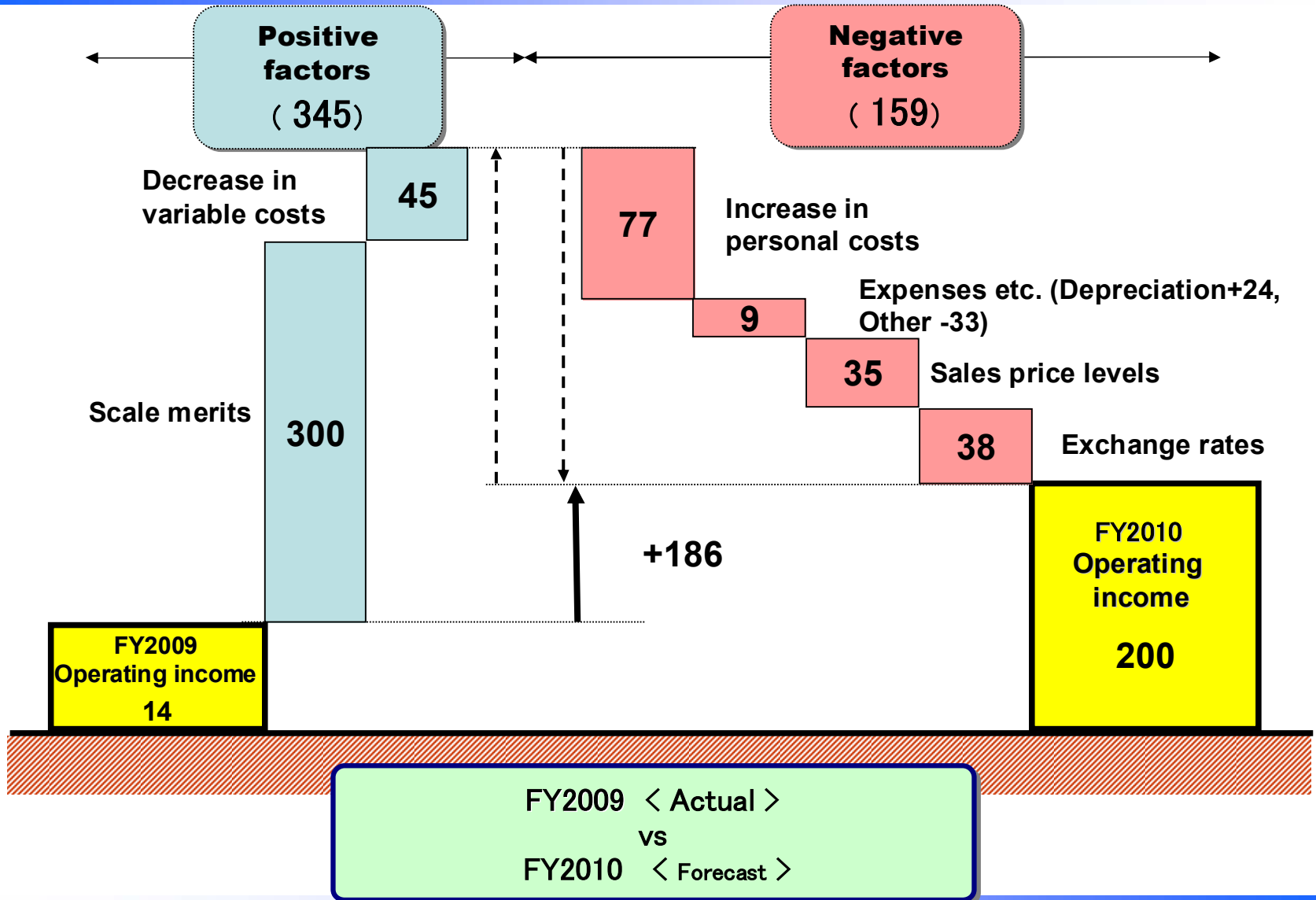
3-1. Analysis of Operating Income (FY2009)

*All figures in 100 million yen.



3-2. Analysis of Operating Income (FY2010)

*All figures in 100 million yen.

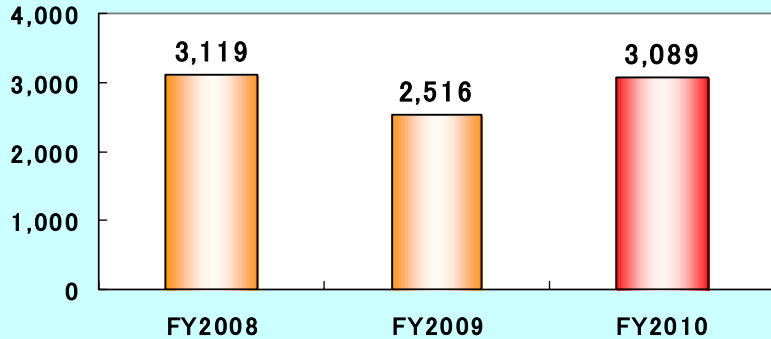


4. Net sales, Operating Income by Region

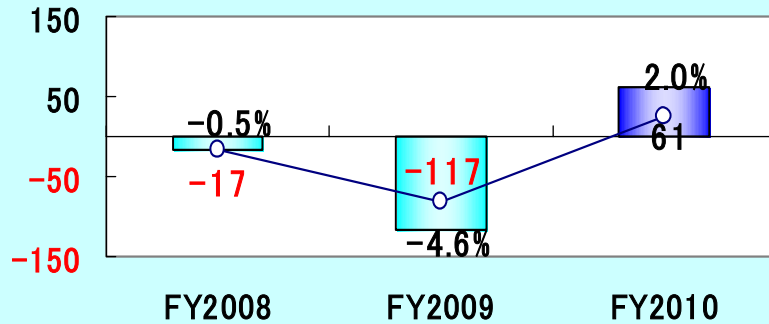
《 Japan 》

Net sales

(100 million yen)



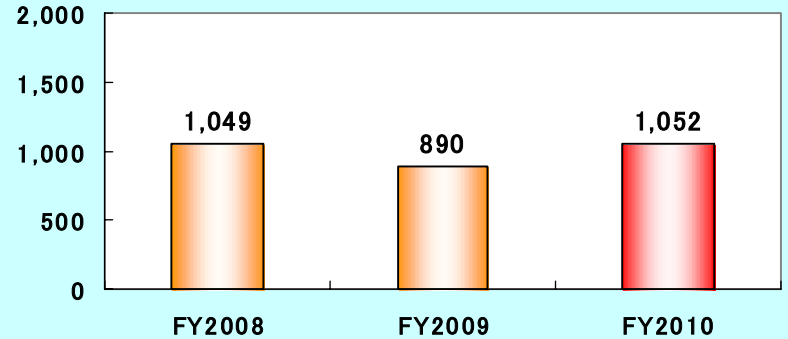
Operating income



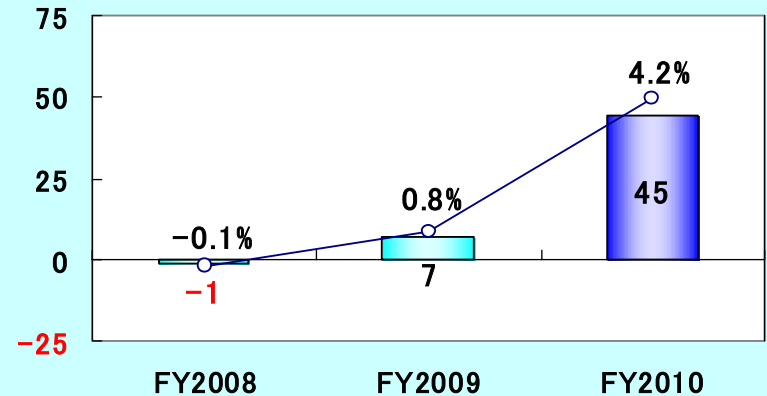
《 Americas 》

Net sales

(100 million yen)



Operating income

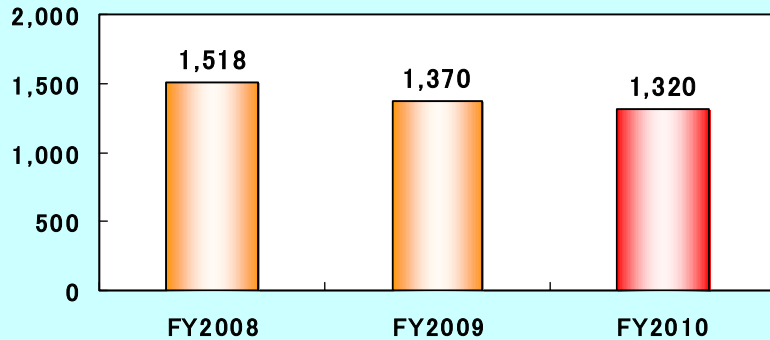


4. Net sales, Operating Income by Region

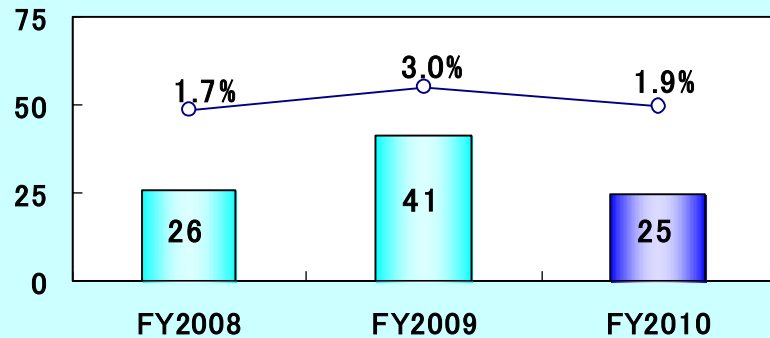
《 Europe 》

Net income

(100 million yen)



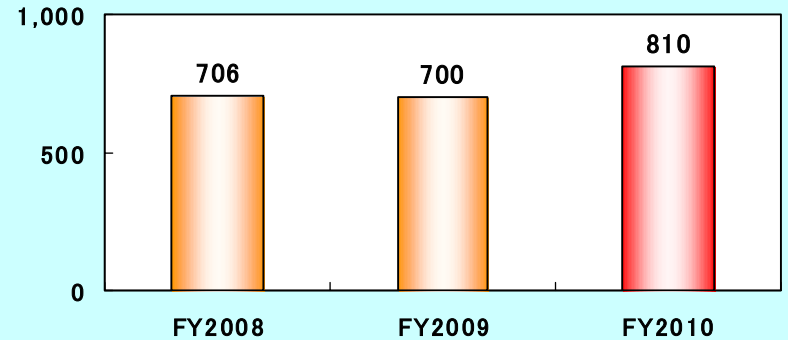
Operating income



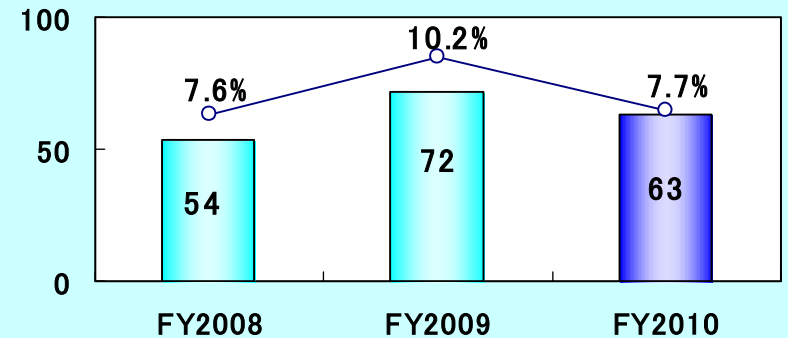
《 Asia & Others 》

Net income

(100 million yen)

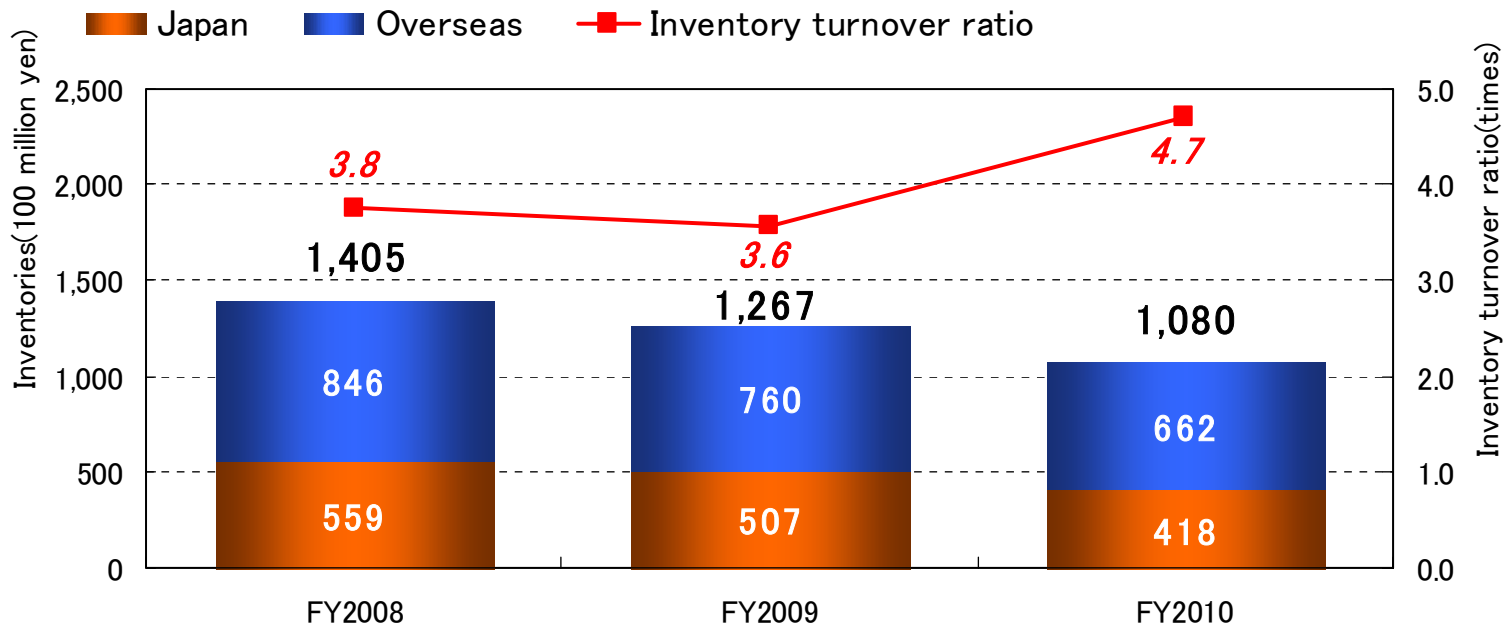


Operating income



5. Inventories

◆ Inventories at March 31, 2010, was 13.8 billion yen less than a year earlier

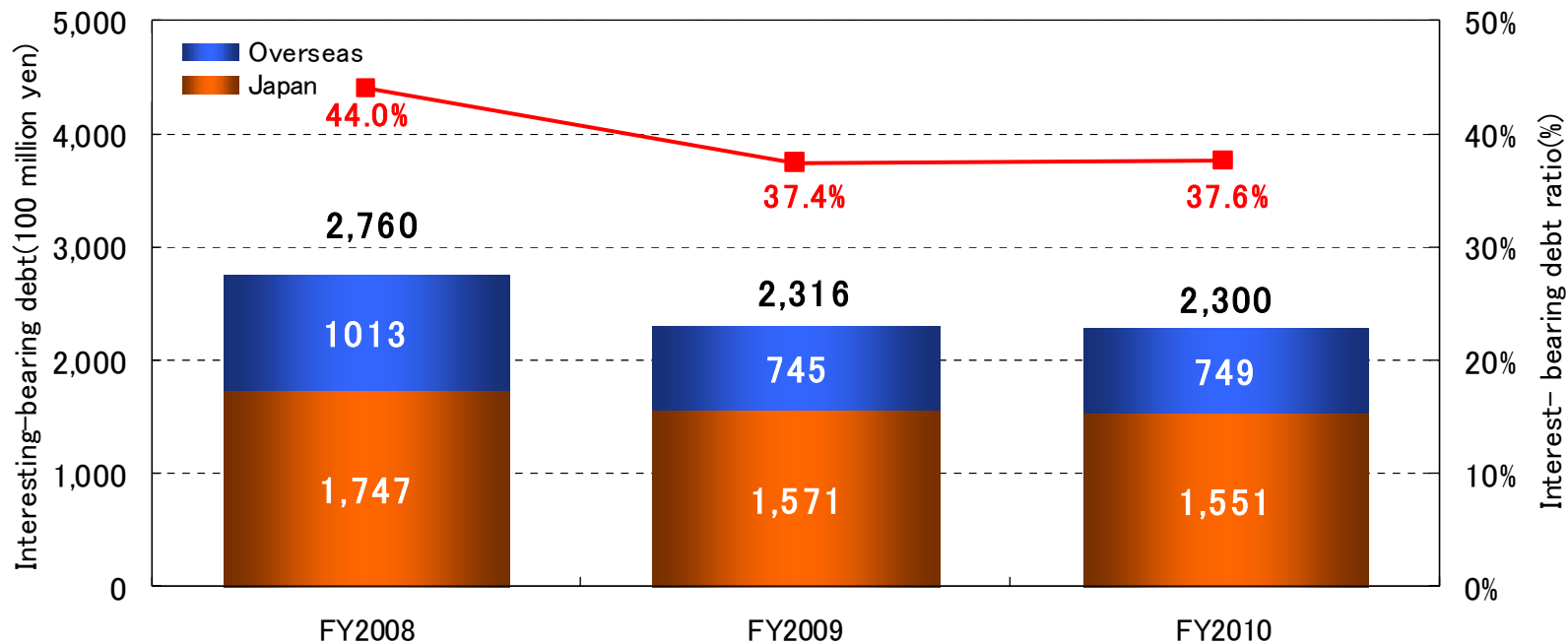


(100 million yen)

	FY2008 Results	FY2009 Results	FY2010 Forecast
Inventories	1,405	1,267	1,080
(Overseas)	(846)	(760)	(662)
(Japan)	(559)	(507)	(418)
Inventory turnover ratio (times)	3.8	3.6	4.7

6. Interest-Bearing Debt

◆ Interest-bearing debt at March 31, 2010, were ¥44.4 billion less than a year earlier.



(100 million yen)

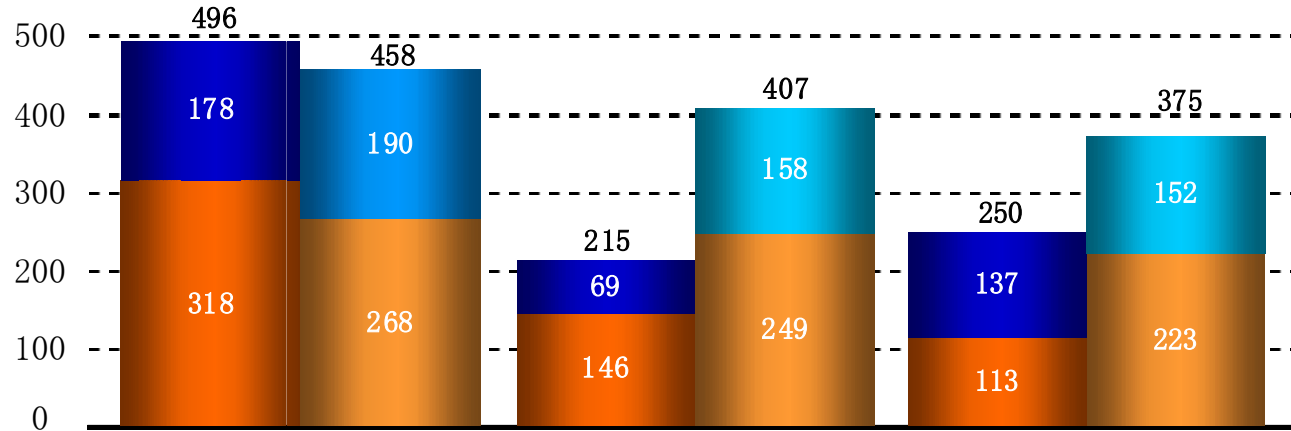
	FY2008	FY2009	FY2010
	Results	Results	Forecast
Interesting-bearing debt	2,760	2,316	2,300
Overseas	(1,013)	(745)	(749)
Japan	(1,747)	(1,571)	(1,551)
Interest-bearing debt ratio(%)	44.0%	37.4%	37.6%

7. Capital Expenditure and Depreciation

◆ Capital expenditures for period were kept below a half of the amount from a year earlier.

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

(100 million yen)



FY2008

FY2009

FY2010

(100 million yen)

	FY2008 Results ①	FY2009 Results ②	FY2010 Forecast ③
Capital expenditure	496	215	250
Overseas	(178)	(69)	(137)
Japan	(318)	(146)	(113)

	②-①	③-②
	-281	35
	-109	68
	-172	-33

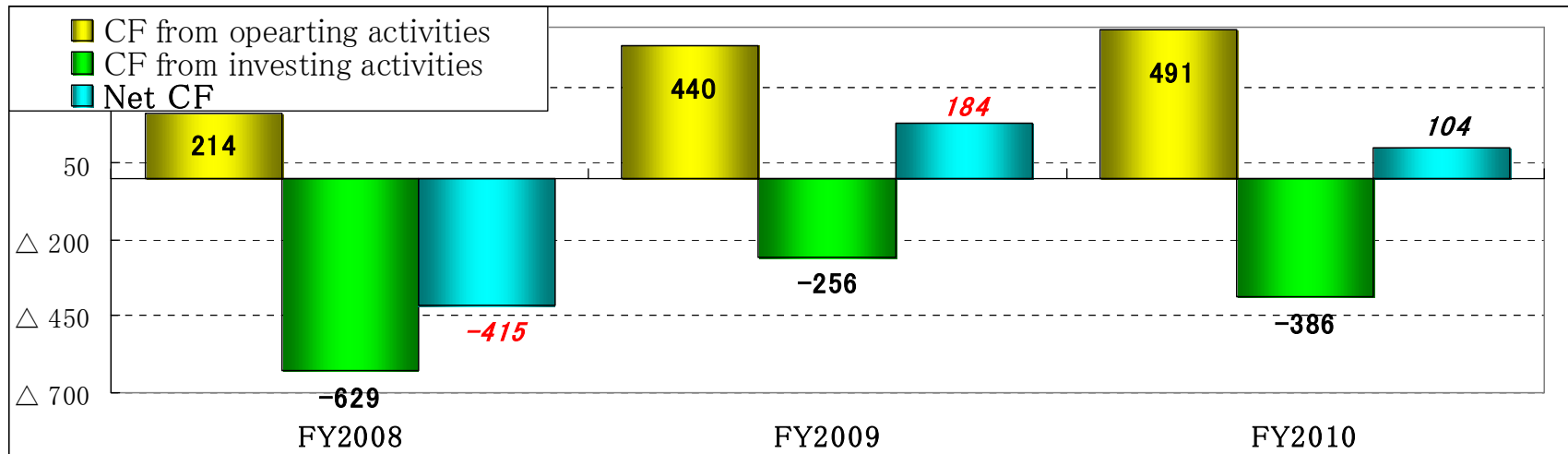
	FY2008 Results ①	FY2009 Results ②	FY2010 Forecast ③
Depreciation	458	407	375
Overseas	(190)	(158)	(152)
Japan	(268)	(249)	(223)

	②-①	③-②
	-51	-32
	-32	-6
	-18	-26

8. Cash Flows

◆ Free cash flow turnaround

(100 million yen)	FY2008	FY2009	②-①	FY2010	③-②
	Results ①	Results ②		Forecast ③	
I . Cash flow from operating activities	214	440	226	491	51
II . Cash flow from investing activities	-629	-256	374	-386	-131
III . Cash flow from financing activities	446	-186	-631	-33	152
IV . Effect of exchanging rate translation on cash and cash equivalents	-47	19	66	-5	-25
V . Net increase in cash and cash equivalents	-17	18	35	66	48



(Supplementary information)

Sales Results and forecasts for Strategic Products

(All figures in 100 million yen)

Product	Region	FY2009 (Results)	FY2010 (Forecast)	+ / - (FY2010-FY2009)
CVJs	Japan	407	464	+57
	Americas	361	386	+25
	Europe	242	218	-24
	Asia & Others	147	178	+31
	Total	1,157	1,246	+89
Axle Bearings	Japan	203	233	+30
	Americas	184	239	+55
	Europe	372	331	-41
	Asia & Others	125	166	+41
	Total	884	969	+85
Needle Bearings	Japan	195	235	+40
	Overseas	147	157	+10
	Total	342	392	+50

We make
Bearings.



For New Technology Network

NTN[®]

NTN株式会社
www.ntn.co.jp