

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

February 3, 2010
NTN Corporation

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

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Highlights of Consolidated Financial Results

Results of the 9 months ended December 31, 2009

- ◇ **Net Sales** : decreased 114.1 billion yen, 26 % from a year earlier to 323.9 billion yen
- ◇ **Operating Income** : ended in 4.2 billion yen loss for the period, but 1.4 billion yen profit was made for October ~ December period, which was **a return to the black** after 3 consecutive quarters' loss.
- ◇ **Inventories** : **decreased** 11.6 billion yen from March 31, 2009.
- ◇ **Free Cash Flow** : **moved back in the black**, 10.8 billion yen.

Forecast for full year ending March 31, 2010

- ◇ **Net Sales** : revised downward from 472 billion yen to **453 billion yen**
- ◇ **Operating Income** : revised downward from 7 billion yen to **1 billion yen**

Efforts in the fiscal year ending March 2011 to achieve management plan, “NTN 2010 for The Next Step”

1-1. Consolidated Statements of operations

FY2009 1-3Q (Actual)

In 100 million yen

| | FY2008 | | | FY2009 | | | Year On Year | |
|---|---------------|-------------|---------------|------------------|--------------|------------------|--------------|-------------------|
| | 1H | 3Q ① | 1-3Q ② | 1H | 3Q ③ | 1-3Q ④ | 3Q ③-① | 1-3Q ④-② |
| Net Sales | 3,206 | 1,174 | 4,380 | 2,067 | 1,172 | 3,239 | Δ 1 | Δ 1,141 |
| Operating Income (Operating Maargin) | 197 (6.1%) | 6 (0.5%) | 203 (4.6%) | Δ 56 (Δ 2.7%) | 14 (1.2%) | Δ 42 (Δ 1.3%) | 8 (0.7%) | Δ 246 (Δ 5.9%) |
| Ordinary Income | 196 | 0 | 196 | Δ 76 | 10 | Δ 66 | 10 | Δ 262 |
| Extraordinary Income/Loss | Δ 47 | Δ 115 | Δ 162 | 7 | Δ 14 | Δ 7 | 102 | 156 |
| Net Income | 85 | Δ 120 | Δ 35 | Δ 51 | Δ 8 | Δ 59 | 113 | Δ 24 |
| Exchange US \$ | 106.1 | 96.4 | 102.9 | 95.5 | 89.7 | 93.6 | Δ 6.7 | Δ 9.3 |
| Rate EURO | 162.8 | 127.0 | 151.1 | 133.2 | 132.7 | 133.0 | 5.7 | Δ 18.1 |

1-2. Consolidated Statements of operations

FY2009 Full Year (Forecast)

In 100 million Yen

| | FY2008 | | | FY2009 | | | Year On Year | |
|--|---------------|-------------------|--------------|------------------|--------------|--------------|---------------|------------------|
| | 1H | 2H | Full Year | 1H | 2H | Full Year | 2H | Full Year |
| | | ① | ② | | ③ | ④ | ③-① | ④-② |
| Net Sales | 3,206 | 2,065 | 5,271 | 2,067 | 2,463 | 4,530 | 398 | △ 741 |
| Operating Income (Operating Margin) | 197 (6.1%) | △ 102 △ (4.9%) | 95 (1.8%) | △ 56 (△ 2.7%) | 66 (2.7%) | 10 (0.2%) | 168 (7.6%) | △ 85 (△ 1.6%) |
| Ordinary Income | 196 | △ 109 | 87 | △ 76 | 51 | △ 25 | 160 | △ 112 |
| Extraordinary Income/Loss | △ 47 | △ 141 | △ 188 | 7 | △ 18 | △ 11 | 123 | 178 |
| Net Income | 85 | △ 175 | △ 90 | △ 51 | 16 | △ 35 | 191 | 55 |
| Exchange US \$ | 106.1 | 95.1 | 100.7 | 95.5 | 89.9 | 92.7 | △ 5.2 | △ 8.0 |
| Rate EURO | 162.8 | 124.6 | 144.1 | 133.2 | 131.3 | 132.3 | 6.8 | △ 11.8 |

2-1. Net Sales by Regions and Business Segments

FY2009 1-3Q (Actual)

In 100 million Yen

| | | FY2008 | | | FY2009 | | | Year On Year | | | |
|---------------|----------------------|--------|-------|-------|--------|-------|-------|--------------|----------|-------------|----------|
| | | 1H | 3Q | 1-3Q | 1H | 3Q | 1-3Q | 3Q ③-① | | 1-3Q ④-② | |
| | | | | | | | | Volume | Exchange | Volume | Exchange |
| | | ① | ② | ③ | ④ | | | | | | |
| Japan | Bearings | 736 | 324 | 1,061 | 439 | 261 | 700 | △64 | - | △361 | - |
| | CVJs | 282 | 123 | 405 | 174 | 112 | 286 | △11 | - | △120 | - |
| | Precision Equipments | 118 | 51 | 169 | 78 | 47 | 125 | △4 | - | △44 | - |
| | Total | 1,136 | 498 | 1,635 | 691 | 420 | 1,111 | △79 | - | △524 | - |
| Americas | Bearings | 407 | 153 | 560 | 243 | 127 | 370 | △20 | △6 | △152 | △38 |
| | CVJs | 260 | 87 | 347 | 152 | 100 | 252 | 19 | △7 | △71 | △25 |
| | Precision Equipments | 5 | 2 | 8 | 5 | 2 | 7 | 0 | 0 | 0 | △1 |
| | Total | 673 | 242 | 915 | 399 | 229 | 628 | 0 | △13 | △224 | △64 |
| Europe | Bearings | 755 | 209 | 964 | 482 | 248 | 731 | 29 | 10 | △132 | △101 |
| | CVJs | 159 | 33 | 192 | 110 | 63 | 174 | 28 | 2 | 8 | △26 |
| | Precision Equipments | 16 | 5 | 21 | 11 | 6 | 17 | 1 | 0 | △1 | △2 |
| | Total | 930 | 247 | 1,176 | 604 | 317 | 921 | 58 | 12 | △126 | △129 |
| Asia & Others | Bearings | 378 | 155 | 533 | 301 | 161 | 462 | 10 | △3 | △22 | △49 |
| | CVJs | 79 | 28 | 107 | 65 | 42 | 106 | 16 | △2 | 10 | △10 |
| | Precision Equipments | 10 | 4 | 14 | 8 | 4 | 11 | 0 | 0 | △2 | △1 |
| | Total | 468 | 187 | 654 | 373 | 207 | 579 | 25 | △5 | △14 | △61 |
| Total | Bearings | 2,277 | 841 | 3,118 | 1,465 | 797 | 2,262 | △45 | 1 | △668 | △188 |
| | CVJs | 780 | 272 | 1,052 | 500 | 317 | 817 | 52 | △7 | △174 | △61 |
| | Precision Equipments | 149 | 62 | 211 | 101 | 59 | 160 | △3 | 0 | △46 | △4 |
| | Total | 3,206 | 1,174 | 4,380 | 2,067 | 1,173 | 3,239 | 5 | △6 | △888 | △253 |

2-2. Net Sales by Regions and Business Segments

FY2009 Full Year (Forecast)

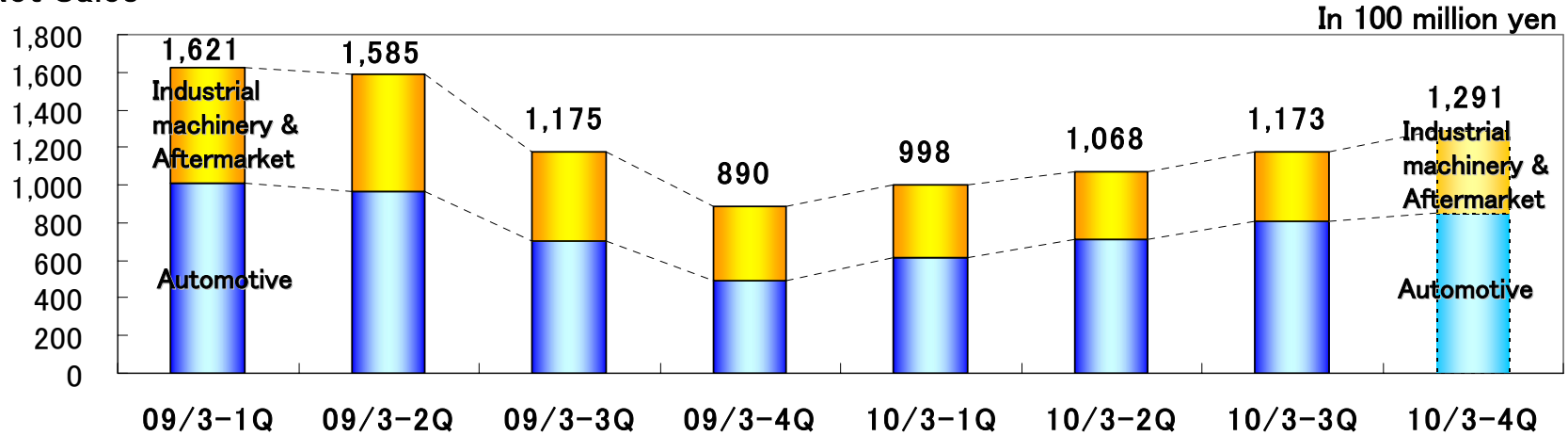
In 100 million Yen

| | | FY2008 | | | FY2009 | | | Year On Year | | | | | |
|---------------|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------------|-------------|--------|----------|
| | | 1H | 2H | Full Year | 1H | 2H | Full Year | 2H ③-① | | Full Year ④-② | | | |
| | | | | | | | | ① | ② | ③ | ④ | Volume | Exchange |
| | | | | | | | | | | | | | |
| Japan | Bearings | 736 | 519 | 1,256 | 439 | 555 | 994 | 36 | - | △261 | - | | |
| | CVJs | 282 | 199 | 481 | 174 | 228 | 402 | 29 | - | △80 | - | | |
| | Precision Equipments | 118 | 94 | 211 | 78 | 92 | 170 | △2 | - | △42 | - | | |
| | Total | 1,136 | 812 | 1,948 | 691 | 875 | 1,566 | 63 | - | △383 | - | | |
| Americas | Bearings | 407 | 275 | 682 | 243 | 282 | 524 | 17 | △10 | △114 | △44 | | |
| | CVJs | 260 | 141 | 402 | 152 | 211 | 362 | 80 | △11 | △9 | △31 | | |
| | Precision Equipments | 5 | 4 | 9 | 5 | 4 | 9 | 1 | 0 | 1 | △1 | | |
| | Total | 673 | 420 | 1,093 | 399 | 496 | 895 | 98 | △22 | △123 | △75 | | |
| Europe | Bearings | 755 | 406 | 1,161 | 482 | 540 | 1,022 | 107 | 27 | △46 | △93 | | |
| | CVJs | 159 | 72 | 231 | 110 | 132 | 242 | 54 | 6 | 36 | △24 | | |
| | Precision Equipments | 16 | 10 | 26 | 11 | 12 | 24 | 2 | 1 | 0 | △2 | | |
| | Total | 930 | 487 | 1,417 | 604 | 684 | 1,288 | 163 | 34 | △10 | △119 | | |
| Asia & Others | Bearings | 378 | 287 | 665 | 301 | 323 | 623 | 39 | △4 | 9 | △51 | | |
| | CVJs | 79 | 52 | 131 | 65 | 78 | 143 | 30 | △3 | 24 | △12 | | |
| | Precision Equipments | 10 | 7 | 17 | 8 | 7 | 15 | 1 | 0 | △1 | △1 | | |
| | Total | 468 | 345 | 813 | 373 | 408 | 781 | 70 | △7 | 32 | △64 | | |
| Total | Bearings | 2,277 | 1,487 | 3,764 | 1,465 | 1,699 | 3,164 | 199 | 13 | △413 | △187 | | |
| | CVJs | 780 | 464 | 1,244 | 500 | 649 | 1,149 | 193 | △8 | △29 | △67 | | |
| | Precision Equipments | 149 | 114 | 263 | 101 | 116 | 217 | 2 | 1 | △41 | △4 | | |
| | Total | 3,206 | 2,065 | 5,271 | 2,067 | 2,463 | 4,530 | 393 | 6 | △483 | △258 | | |

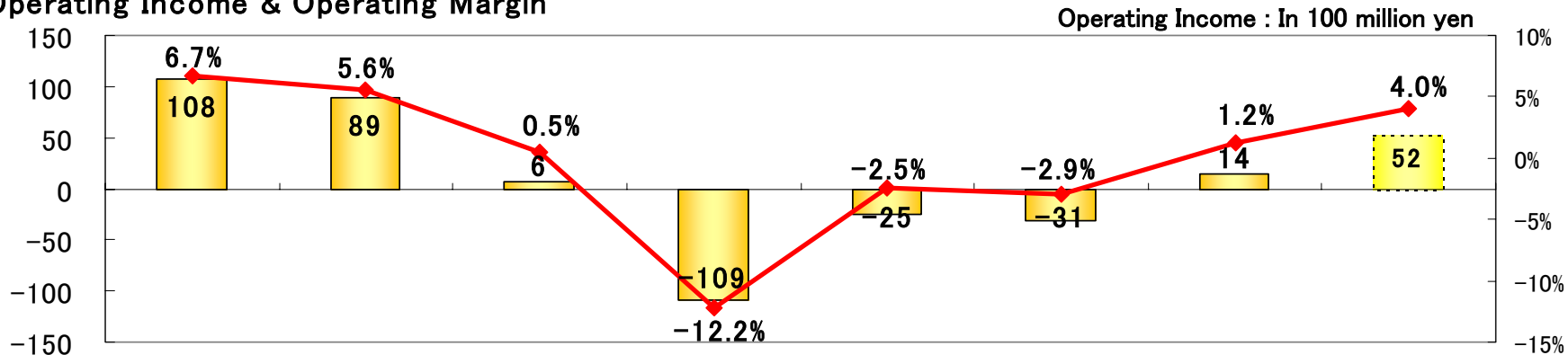
3. Net Sales and Operating Income by Quarter

“The 4th quarter of FY ended March 2009 was the bottom for the net sales and operating profit.”

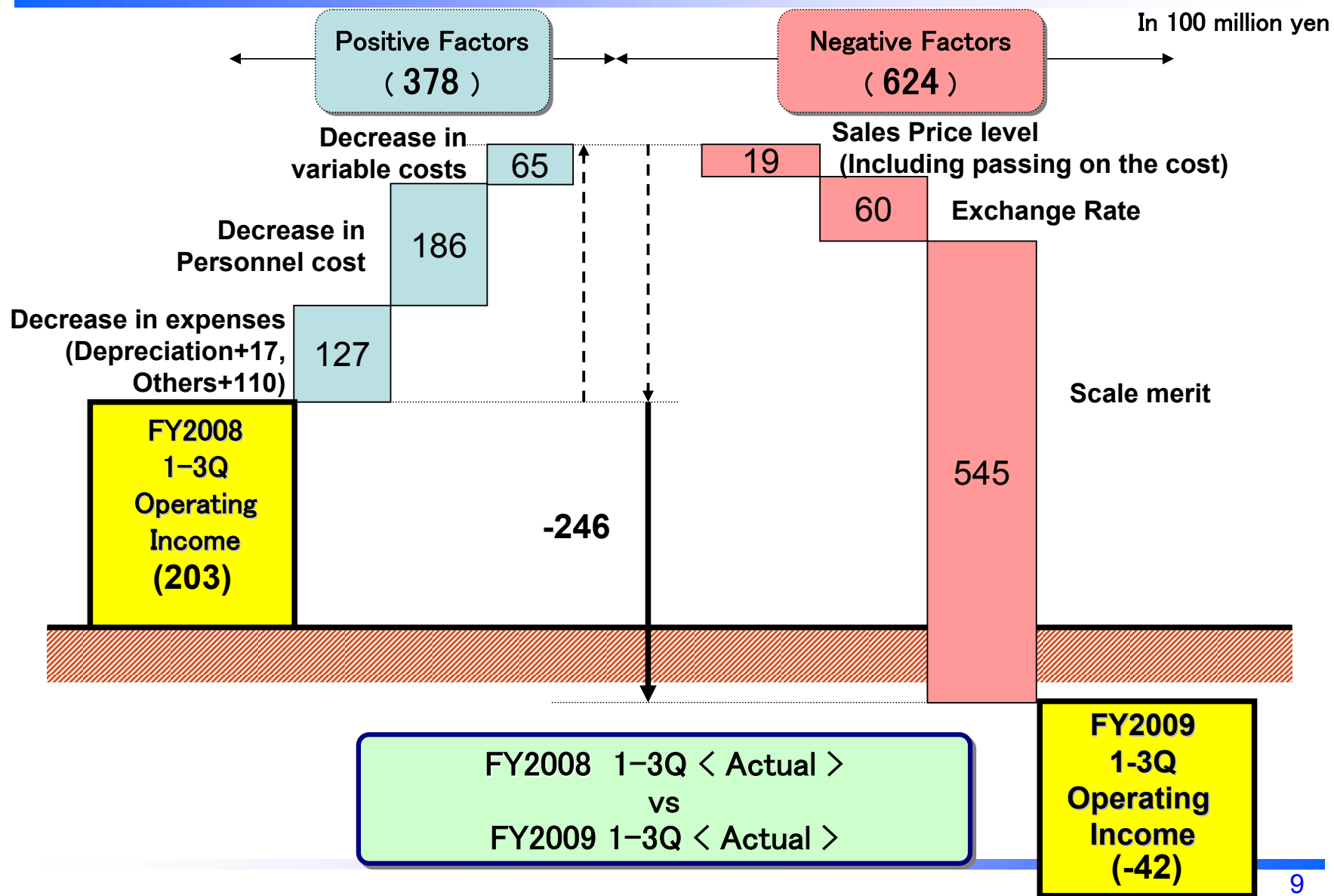
Net Sales



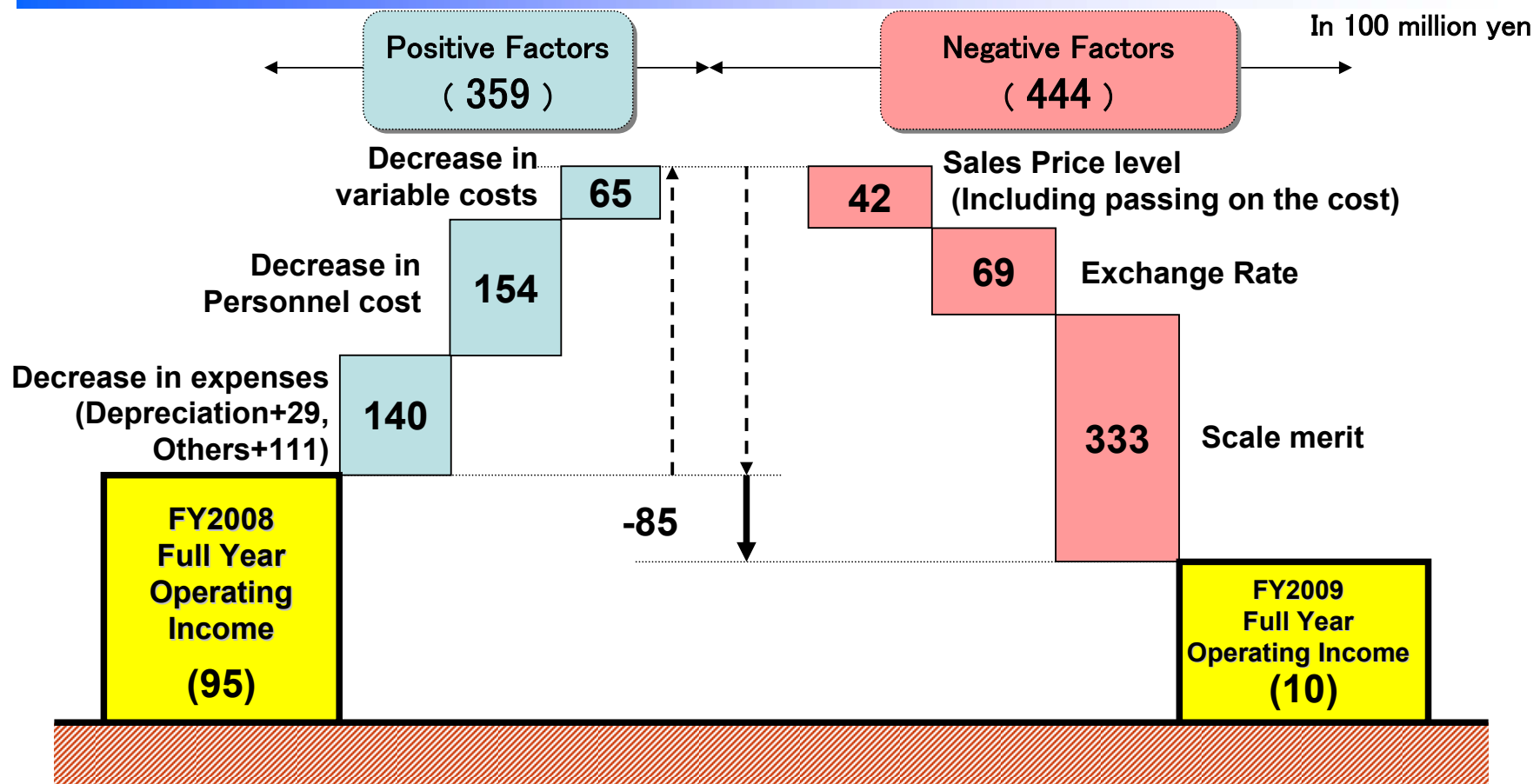
Operating Income & Operating Margin



4-1. Analysis of Operating Income (FY2009 1-3Q)



4-2. Analysis of Operating Income (Full Year)



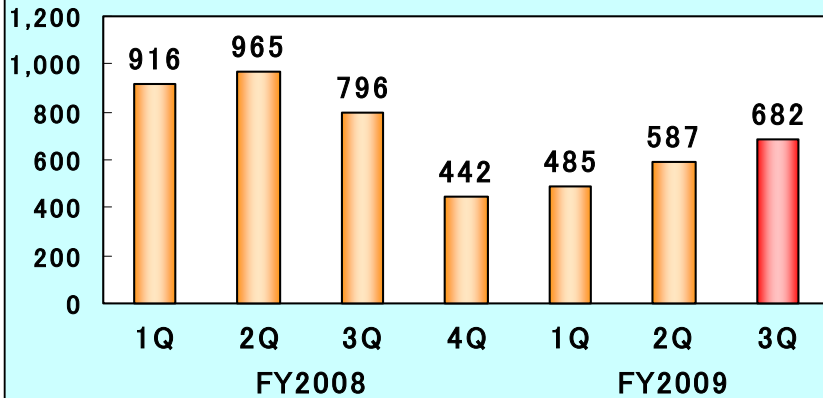
FY2008 Full Year < Actual >
 vs
 FY2009 Full Year < Forecast >

5. Net Sales and Operating Income (Margin)

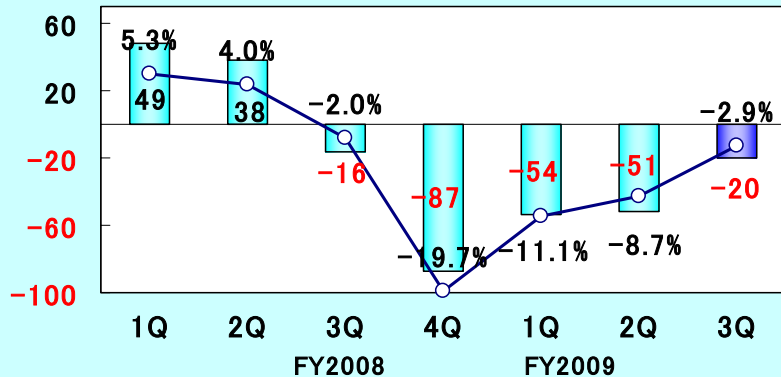
《 Japan 》

Net Sales

In 100 million yen



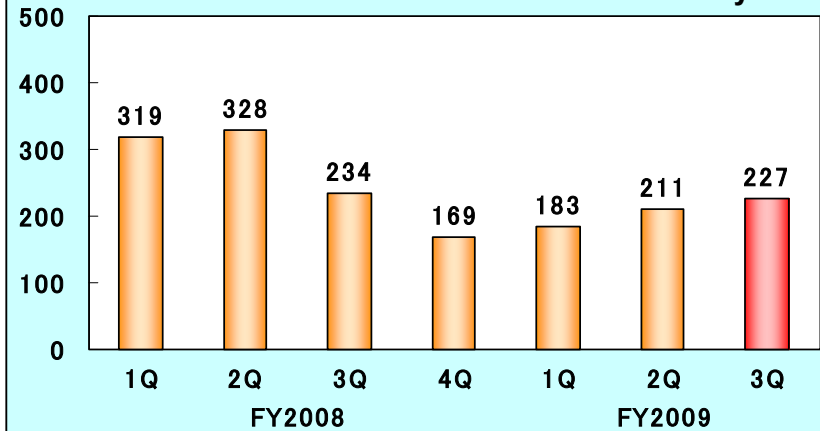
Operating Income



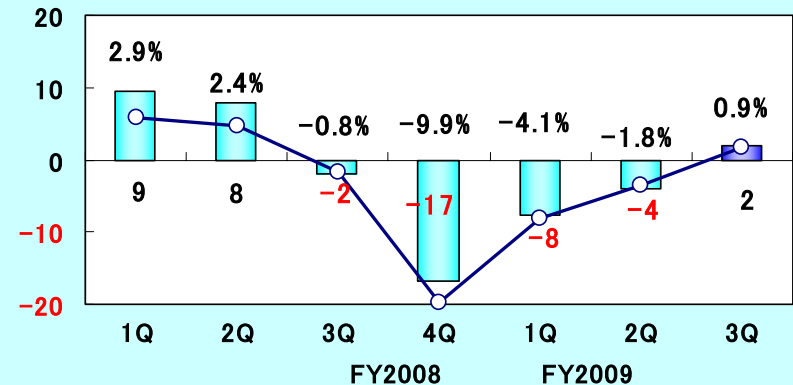
《 Americas 》

Net Sales

In 100 million yen



Operating Income

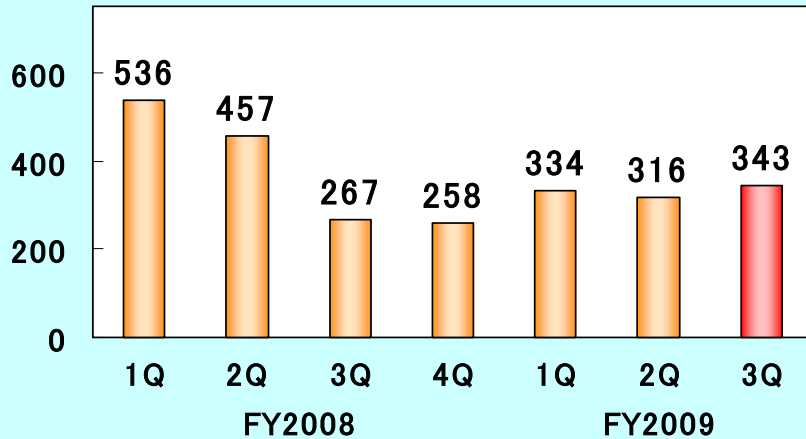


5. Net Sales and Operating Income (Margin)

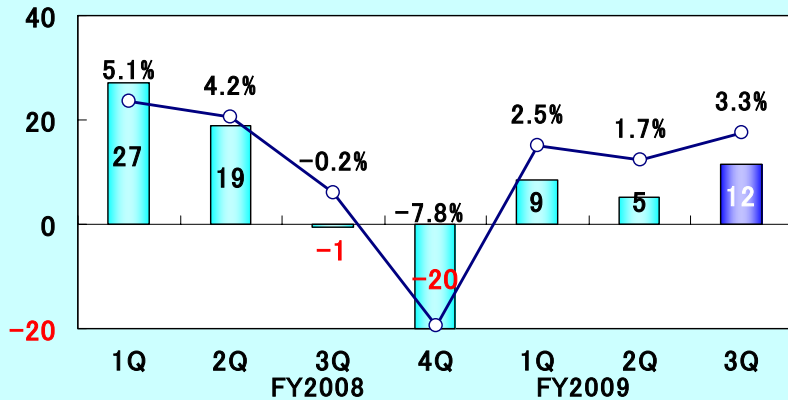
《 Europe 》

Net Sales

In 100 million yen



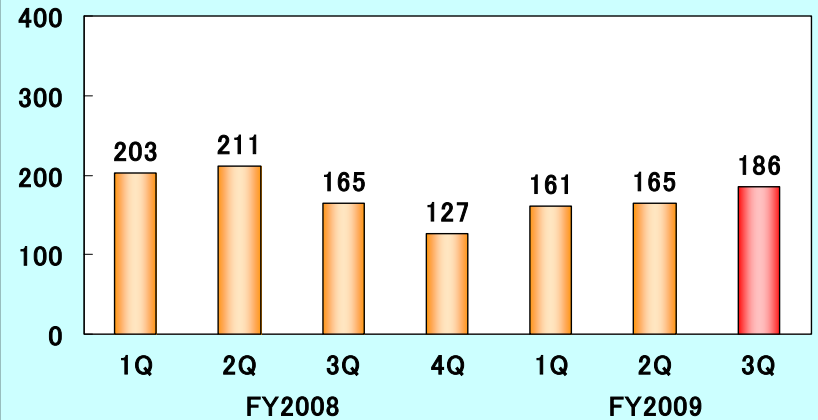
Operating Income



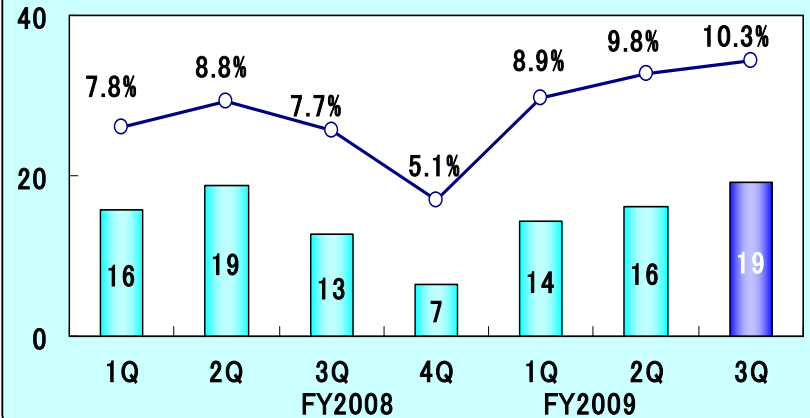
《 Asia & Others 》

Net Sales

In 100 million yen

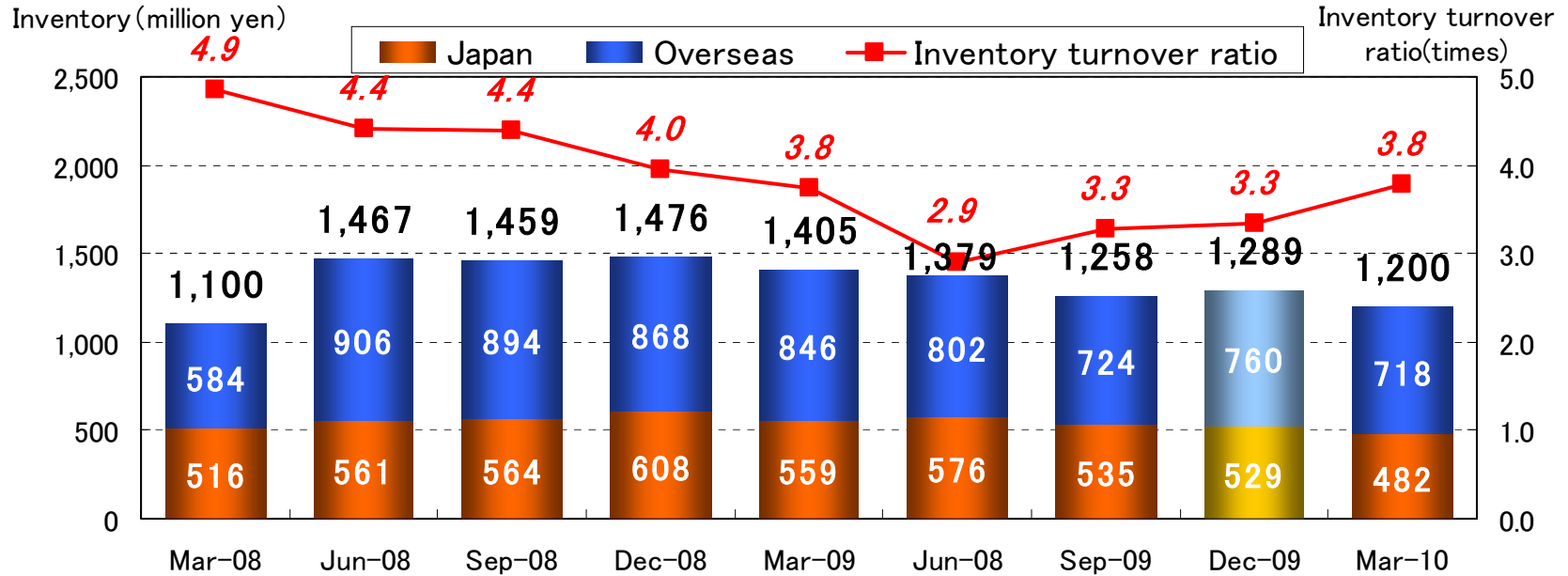


Operating Income



6. Inventories

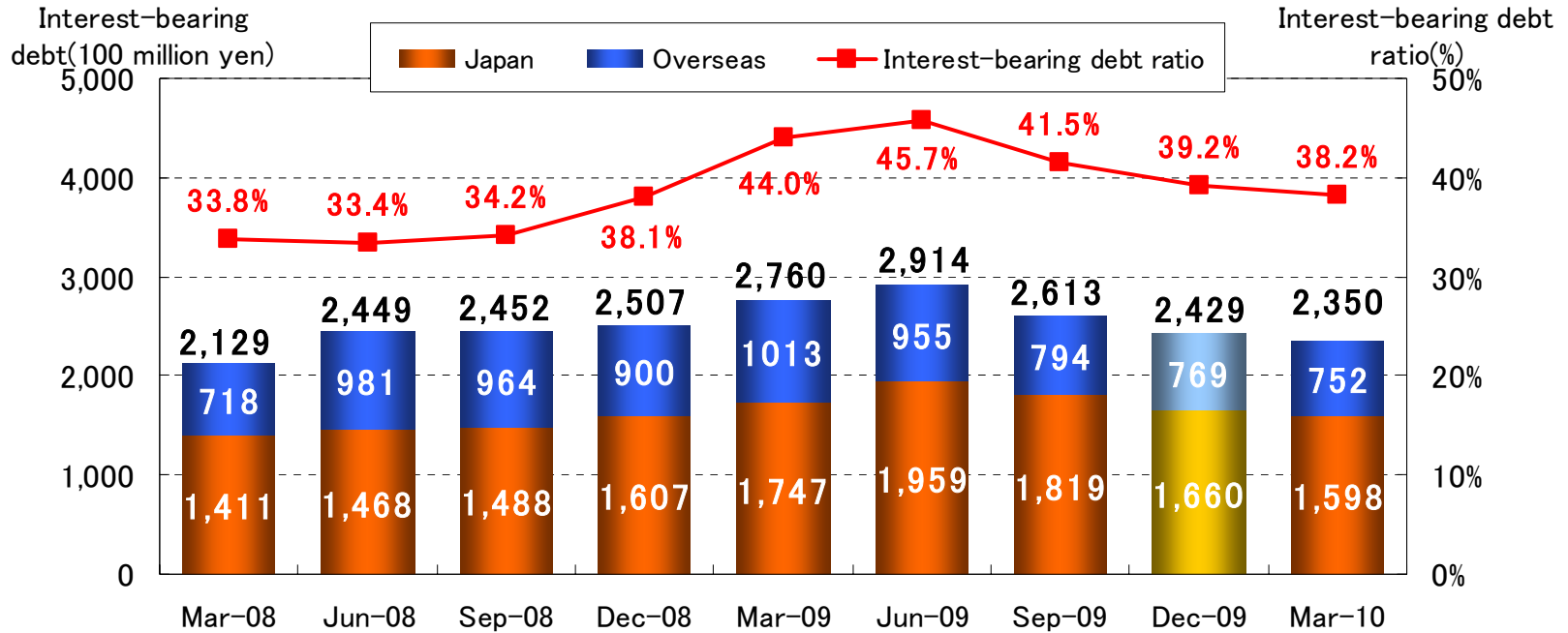
“Inventory is on the track of reduction, 20.5 billion yen annually at March 31, 2010.”



| | Mar-08 | Jun-08 | Sep-08 | Dec-08 | Mar-09 | Jun-08 | Sep-09 | Dec-09 | Mar-10 |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Forecast |
| Inventories | 1,100 | 1,467 | 1,459 | 1,476 | 1,405 | 1,379 | 1,258 | 1,289 | 1,200 |
| (Overseas) | (584) | (906) | (894) | (868) | (846) | (802) | (724) | (760) | (718) |
| (Japan) | (516) | (561) | (564) | (608) | (559) | (576) | (535) | (529) | (482) |
| Inventory turnover ratio | 4.9times | 4.4times | 4.4times | 4.0times | 3.8times | 2.9times | 3.3times | 3.3times | 3.8times |

7. Interest-Bearing Debt

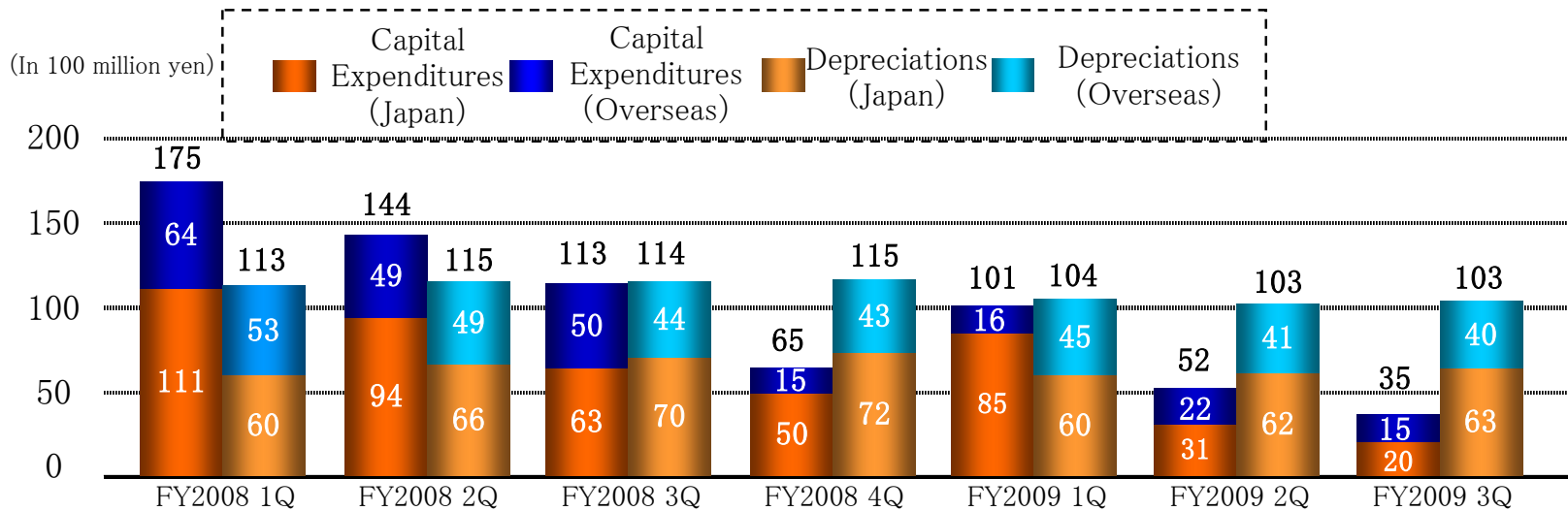
“Interest-bearing debt balance as of December 31, 2009 ended in the amount almost as planned.”



| | In 100 million yen | | | | | | | | |
|------------------------------------|--------------------|---------|---------|---------|---------|---------|---------|---------|----------|
| | Mar-08 | Jun-08 | Sep-08 | Dec-08 | Mar-09 | Jun-09 | Sep-09 | Dec-09 | Mar-10 |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Forecast |
| Interest-bearing debt | 2,129 | 2,449 | 2,452 | 2,507 | 2,760 | 2,914 | 2,613 | 2,429 | 2,350 |
| (Overseas) | (718) | (981) | (964) | (900) | (1,013) | (955) | (794) | (769) | (752) |
| (Japan) | (1,411) | (1,468) | (1,488) | (1,607) | (1,747) | (1,959) | (1,819) | (1,660) | (1,598) |
| Interest-bearing debt ratio | 33.8% | 33.4% | 34.2% | 38.1% | 44.0% | 45.7% | 41.5% | 39.2% | 38.2% |

8. Capital Expenditures and Depreciations

“Capital expenditure for the period was kept below a half of the amount from a year earlier.”



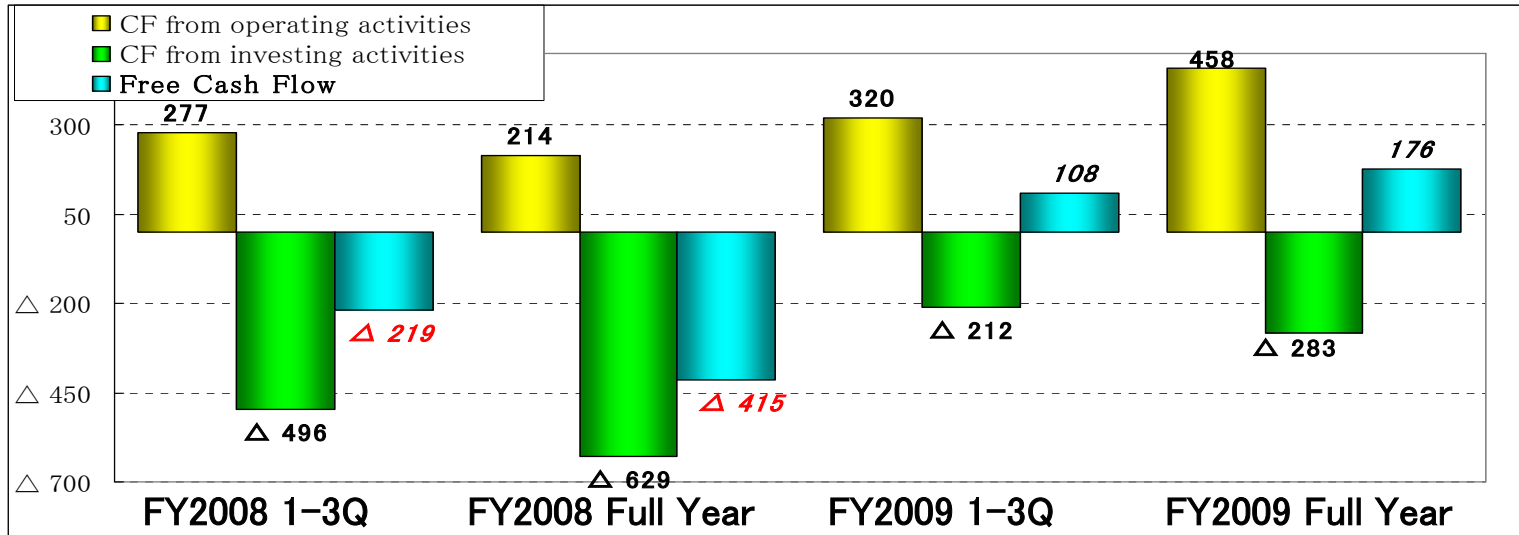
In 100 million yen

| | FY2008 ①1-3Q | FY2008 ②Full Year | FY2009 ③1-3Q | ③-① | FY2009 ④Full Year | ④-② |
|-----------------------------|-----------------|----------------------|-----------------|--------|----------------------|--------|
| Capital Expenditures | 431 | 496 | 188 | △243 | 210 | △286 |
| (Overseas) | (163) | (178) | (53) | (△111) | (62) | (△116) |
| (Japan) | (268) | (318) | (136) | (△132) | (148) | (△170) |
| Depreciations | 342 | 458 | 310 | △32 | 410 | △48 |
| (Overseas) | (147) | (190) | (126) | (△22) | (166) | (△24) |
| (Japan) | (195) | (268) | (185) | (△11) | (244) | (△23) |

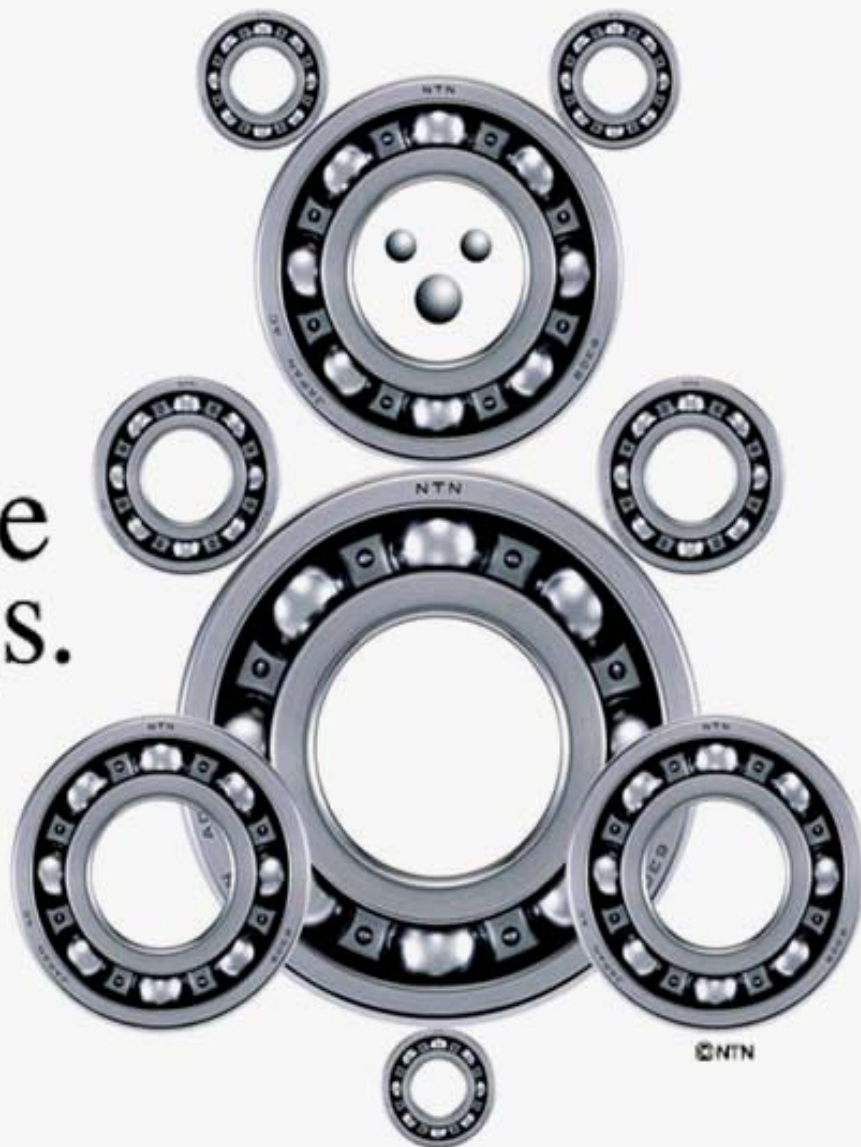
9. Cash Flow

“Free cash flow returned to the black.”

| (In 100 million yen) | FY2008 | | FY2009 | | FY2009 | |
|--|--------|------------|--------|------|------------|------|
| | ①1-3Q | ②Full Year | ③1-3Q | ③-① | ④Full Year | ④-② |
| I. Cash Flow from operating activities | 277 | 214 | 320 | 43 | 458 | 245 |
| II. Cash Flow from investing activities | △496 | △629 | △212 | 284 | △283 | 347 |
| III. Cash Flow from Financial activities | 241 | 446 | △82 | △322 | △143 | △588 |
| IV. Effect of exchange rate changes on each and cash equivalents | △3 | △47 | 15 | 19 | 12 | 59 |
| V. Increase in cash and cash equivalents | 18 | △17 | 42 | 23 | 45 | 62 |



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