

Consolidated Financial Results for the Third quarter of the Year Ending March 31, 2011(FY2010) and Full-Year Forecast

February 2, 2011
NTN Corporation

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★ Financial Results for the Third quarter of FY2010:

Key Factors

1. Consolidated Statements of Operations
2. Net Sales by Region and Business Sector
3. Analysis of Operating Income
4. Trends in Quarterly Results by Business Sector
5. Net Sales, Operating Income by Region
 - (1) Japan, Americas
 - (2) Europe, Asia & Others
6. Inventories
7. Interest-Bearing Debt
8. Capital Expenditure and Depreciation
9. Cash Flows

Highlights of Consolidated Financial Results For New Technology Network NTN®

Results of the Third Quarter of FY 2010

- ◇ Net sales for the period was **391.1 billion yen, increased 21 %** from a year earlier.
 - Sales in the Automotive sector increased 20% from a year earlier by sales increase in Americas and Asia & Others.
 - Sales in the Industrial machinery sector increased 27% from a year earlier by recovery in Japan and Americas.
 - Sales in the Aftermarket/Distributor sector increased 18% from a year earlier by demand recovery in every region.
- ◇ Operating income was **15.7 billion yen** (negative ¥4.2 billion yen for the same period last year).
 - **Operating margin improved to 4.0%** by increase mainly for Industrial Machinery.

Full-Year Forecast of FY2010

- ◇ Net Sales from previously announced ¥527 billion yen and Operating income from previously announced ¥23 billion yen to **remain unchanged**.
- ◇ Exchange rates to **remain unchanged**: US\$1 = ¥83, €1 = ¥114.

1-1. Consolidated Statements of Operations

(100 million yen)

	FY2009			FY2010			Year-on-Year		
	1H	3Q ①	1-3Q ②	1H	3Q ③	1-3Q ④	3Q ③-①	1-3Q ④-②	
Net sales	2,067	1,173	3,239	2,608	1,304	3,911	131	672	
Operating income	-56	14	-42	105	52	157	38	199	
Operating margin	(-2.7%)	(1.2%)	(-1.3%)	(4.0%)	(4.0%)	(4.0%)	(2.8%)	(5.3%)	
Ordinary income	-76	10	-66	86	41	127	31	193	
Extraordinary income/loss	7	-14	-7	29	6	34	20	41	
Net income	-51	-8	-59	73	30	102	38	161	
Exchange rate	US \$	95.5	89.7	93.6	88.9	82.7	86.9	-7.1	-6.8
	EURO	133.2	132.7	133.0	113.8	112.2	113.3	-20.5	-19.8

2. Net Sales by Region and Business Sector

<Net Sales by Region>

(100 million yen)

	FY2009			FY2010		
	1H Results	3Q Results	1-3Q Results	1H Results	3Q Results	1-3Q Results
Japan	691	420	1,111	940	479	1,420
Americas	399	229	628	578	275	853
Europe	604	317	921	637	318	955
Asia & Others	373	207	579	452	231	683
Total	2,067	1,173	3,239	2,608	1,304	3,911

Year on Year			
FY2010 3Q		FY2010 1-3Q	
Volume	Forex	Volume	Forex
59	0	309	0
69	-23	290	-64
58	-57	198	-164
32	-8	129	-26
219	-88	926	-254

<Net Sales by Business Sector>

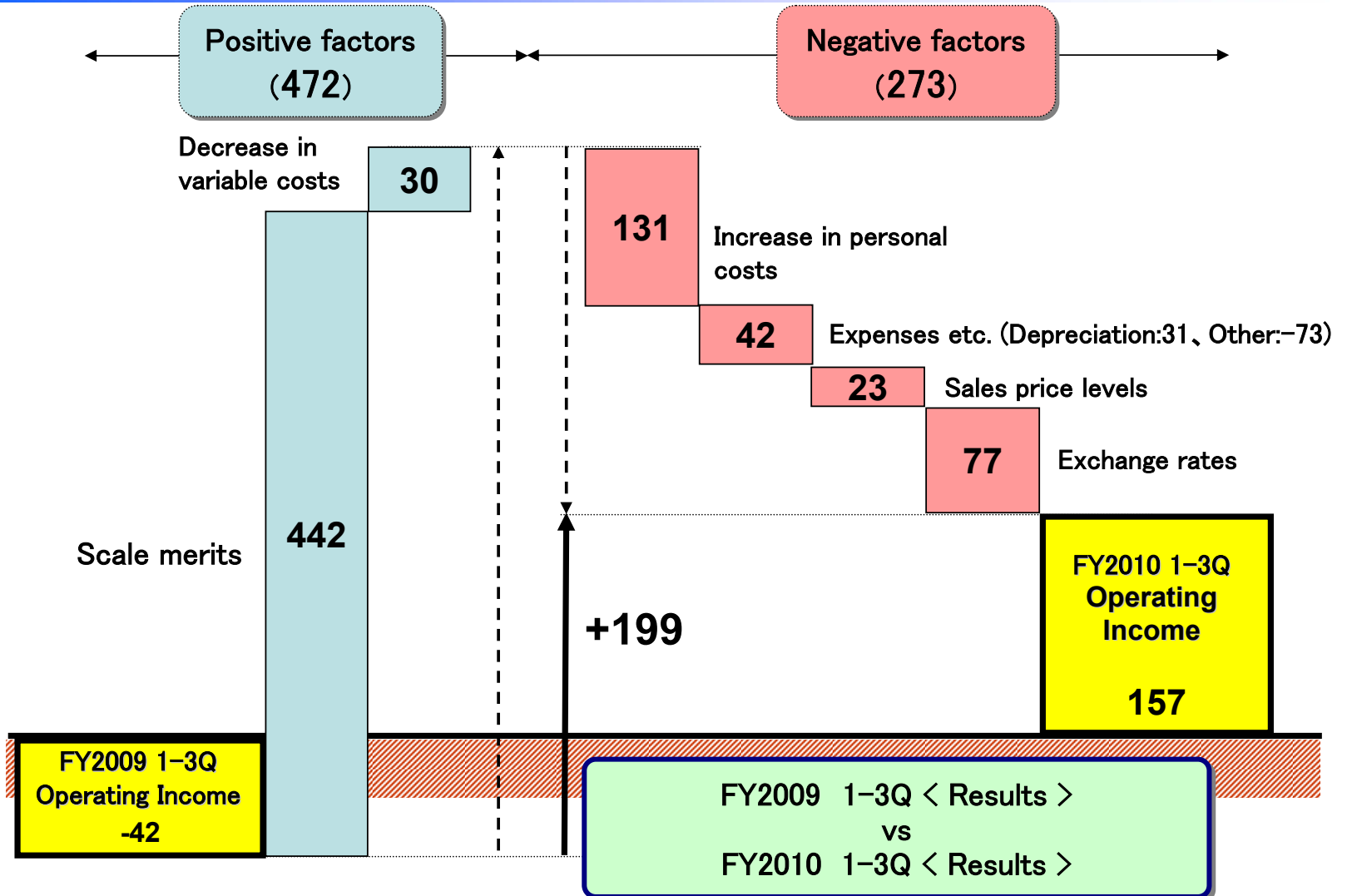
(100 million yen)

	FY2009			FY2010		
	1H Results	3Q Results	1-3Q Results	1H Results	3Q Results	1-3Q Results
Automotive	1,330	813	2,143	1,714	852	2,566
Industrial machinery	380	191	570	478	246	724
Aftermarket/Distributor	356	169	526	416	206	621
Total	2,067	1,173	3,239	2,608	1,304	3,911

Year on Year			
FY2010 3Q		FY2010 1-3Q	
Volume	Forex	Volume	Forex
98	-59	591	-169
70	-14	193	-39
52	-16	142	-46
219	-88	926	-254

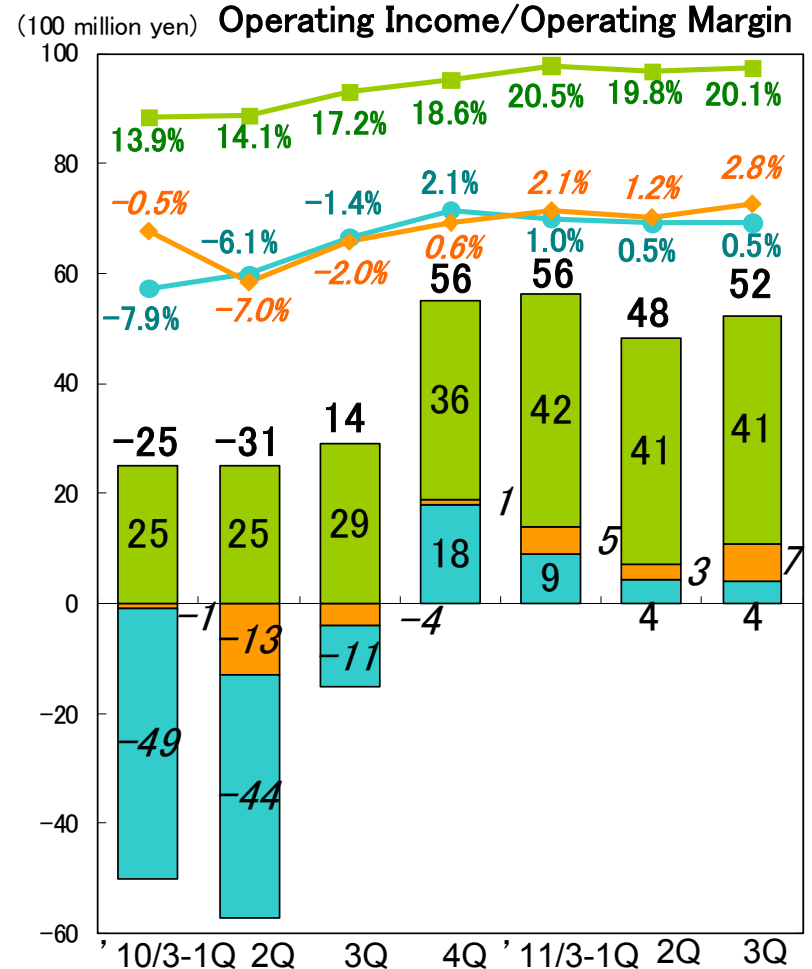
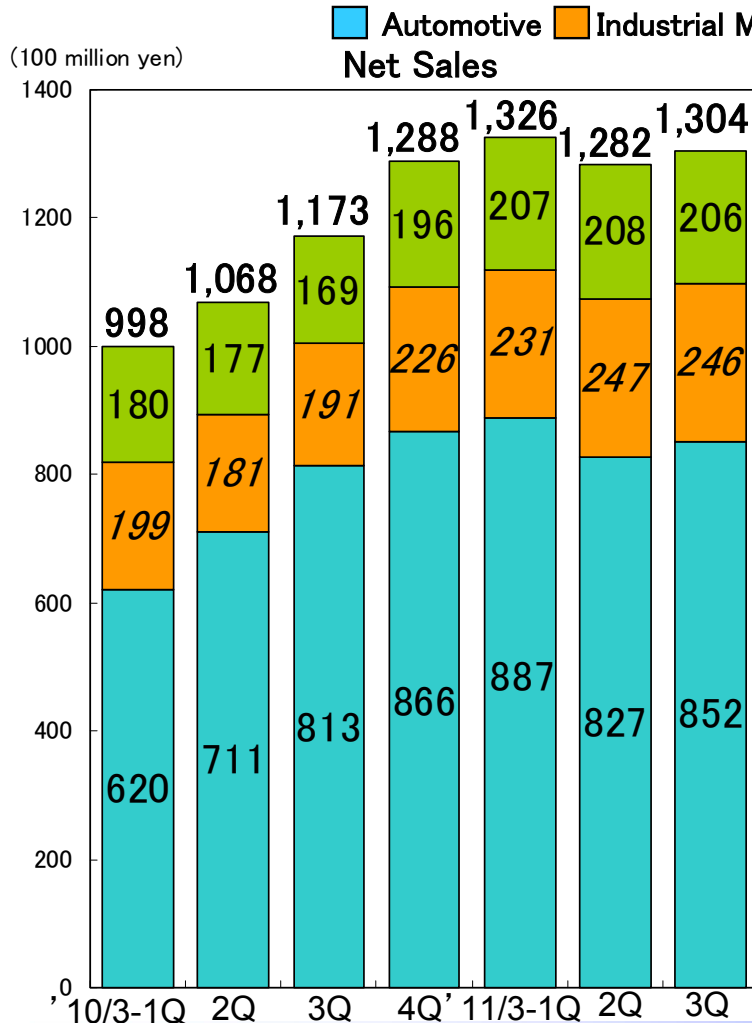
3. Analysis of Operating Income (FY2010 3Q Results)

* All figures in 100 million yen.



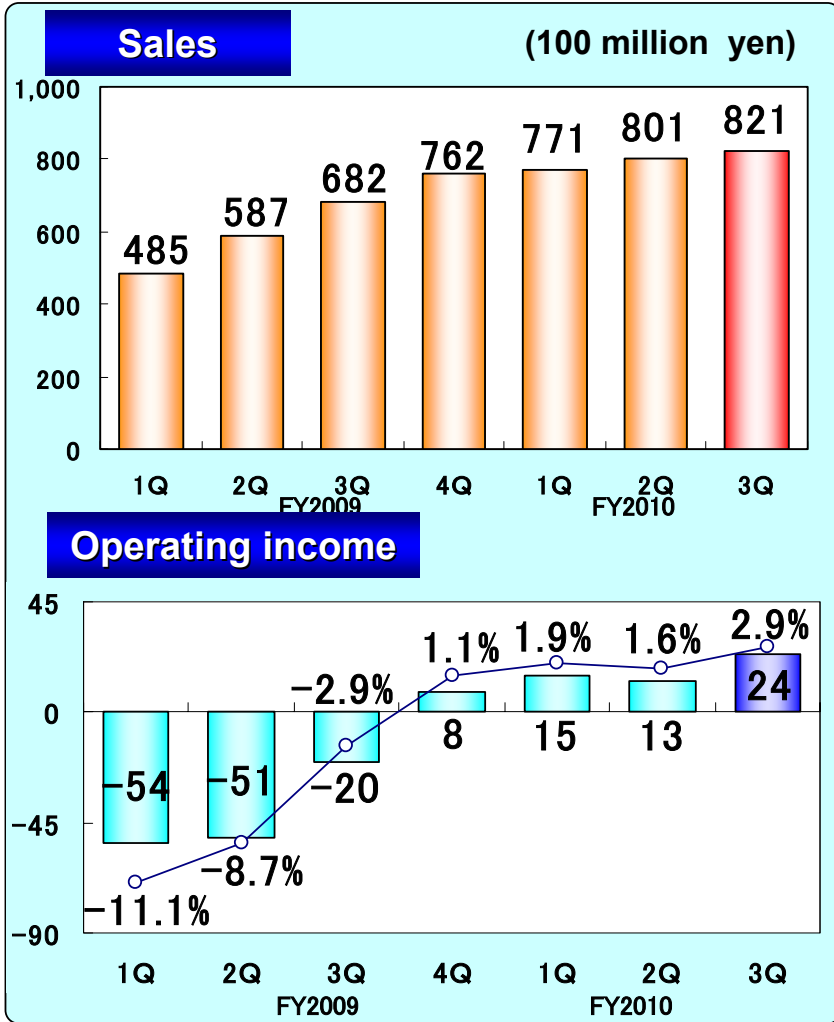
4. Trends in Quarterly Results by Business Sector

◆ Automotive, Industrial Machinery and Aftermarket Applications were all favorable.

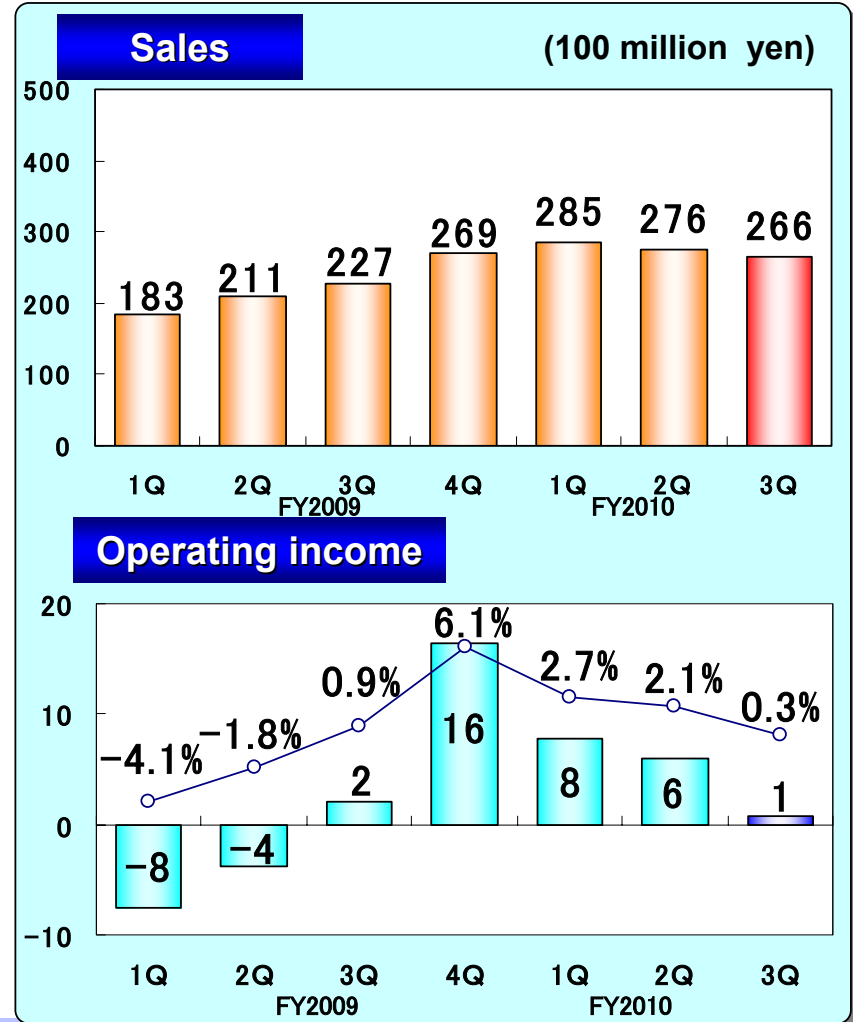


5. Net Sales, Operating Income by Region

《 Japan 》

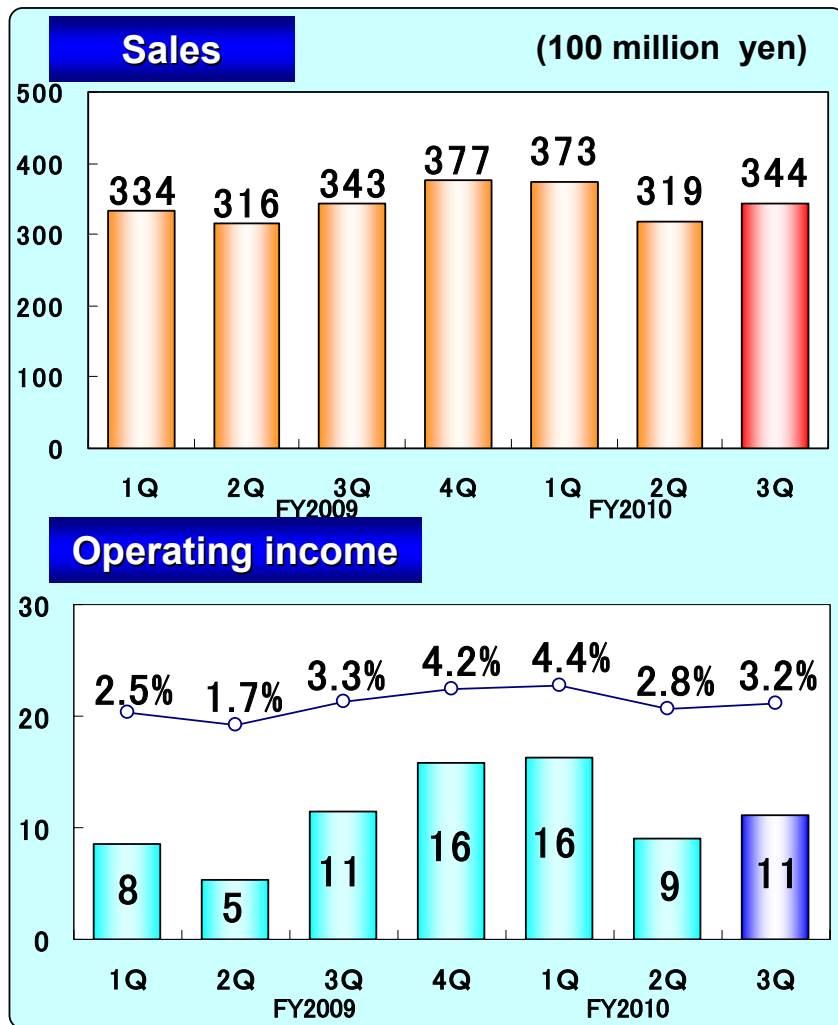


《 Americas 》

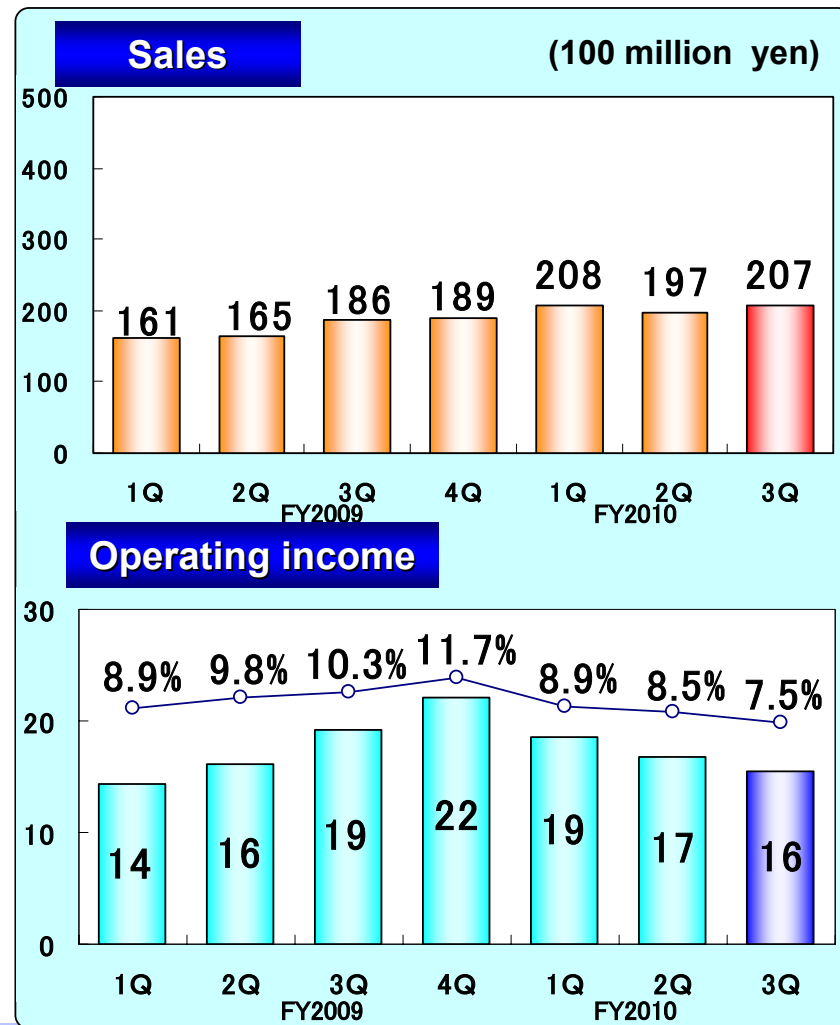


5. Net Sales, Operating Income by Region

《 Europe 》

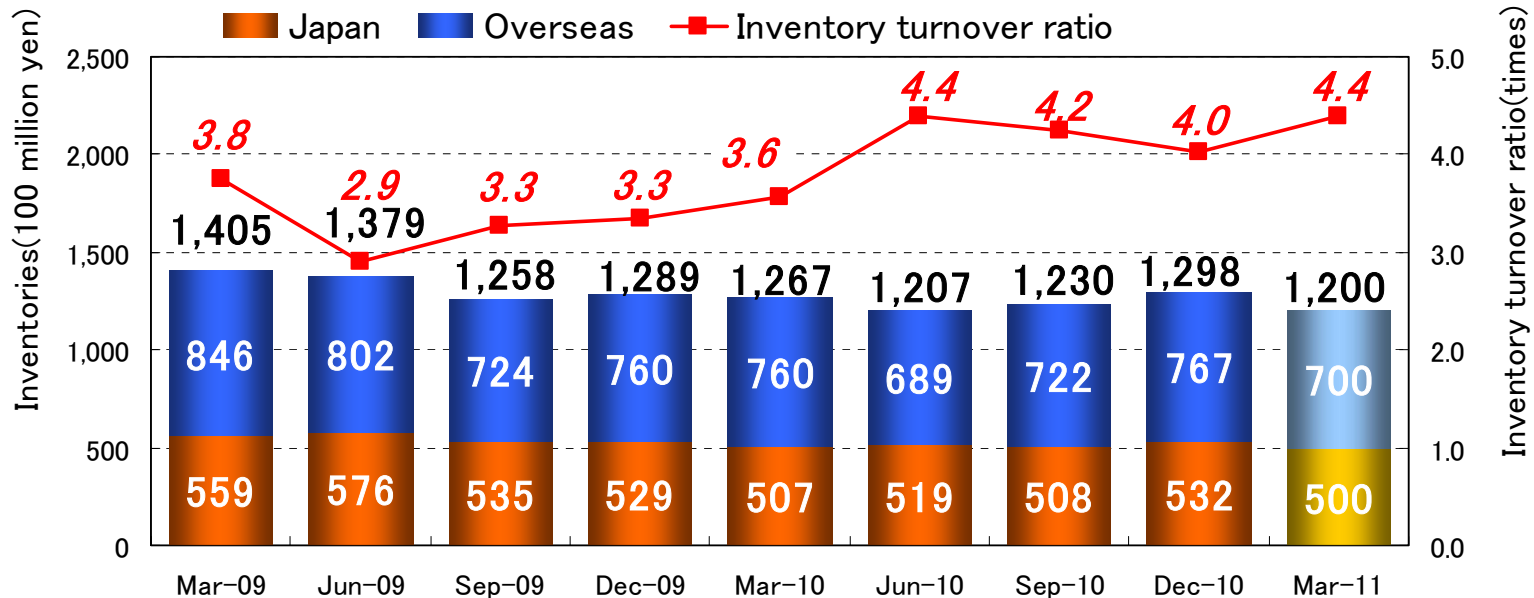


《 Asia & Others 》



6. Inventories

◆ Inventory expansion toward active demand and sales expansion.

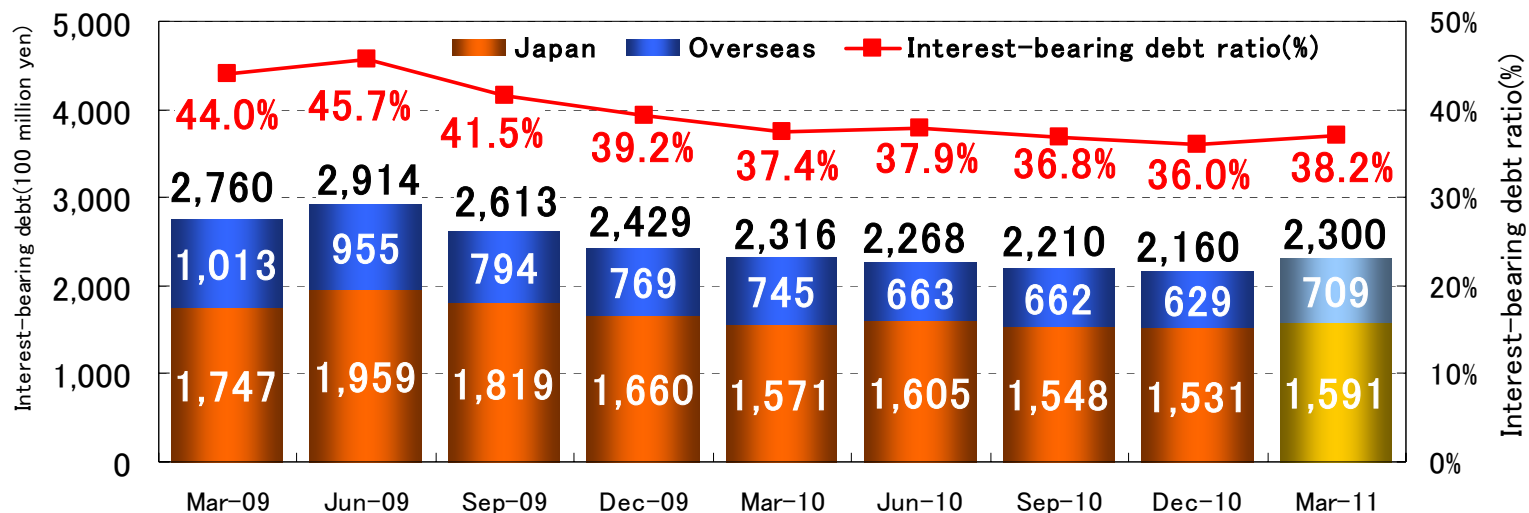


(100 million yen)

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11
	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Inventories	1,405	1,379	1,258	1,289	1,267	1,207	1,230	1,298	1,200
Overseas	(846)	(802)	(724)	(760)	(760)	(689)	(722)	(767)	(700)
Japan	(559)	(576)	(535)	(529)	(507)	(519)	(508)	(532)	(500)
Inventory turnover ratio (times)	3.8	2.9	3.3	3.3	3.6	4.4	4.2	4.0	4.4

7. Interest-Bearing Debt

- ◆ Interest-bearing debt declined drastically by 5 billion yen from the end of the first half, improving interest-bearing debt ratio as well.

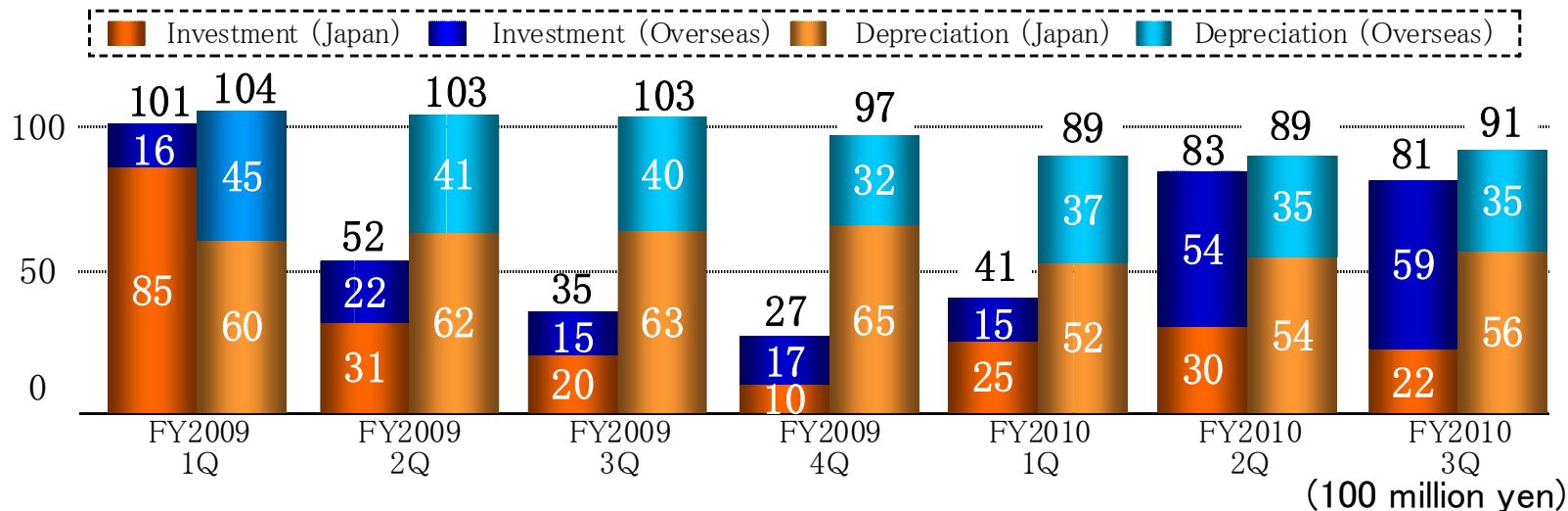


(100 million yen)

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11
	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Interest-bearing debt	2,760	2,914	2,613	2,429	2,316	2,268	2,210	2,160	2,300
Overseas	(1,013)	(955)	(794)	(769)	(745)	(663)	(662)	(629)	(709)
Japan	(1,747)	(1,959)	(1,819)	(1,660)	(1,571)	(1,605)	(1,548)	(1,531)	(1,591)
Interest-bearing debt ratio(%)	44.0%	45.7%	41.5%	39.2%	37.4%	37.9%	36.8%	36.0%	37.0%

8. Capital Expenditure and Depreciation

◆ Positive investment mainly for overseas.



	FY2009 ①1-3Q	FY2009 ②Full year	FY2010 ③1-3Q	③-①
Capital expenditure	188	215	205	17
Overseas	(53)	(69)	(128)	(75)
Japan	(136)	(146)	(77)	(-58)

FY2010 ④Full year Forecast	④-②
340	125
(211)	(142)
(129)	(-17)

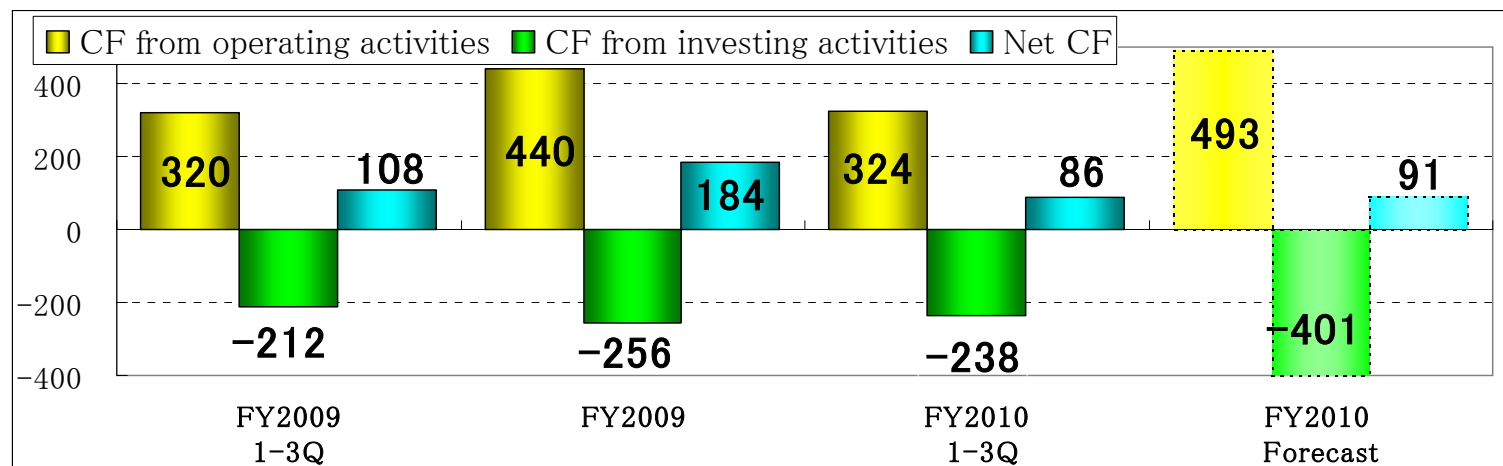
	FY2009 ①1-3Q	FY2009 ②Full year	FY2010 ③1-3Q	③-①
Depreciation	310	407	269	-42
Overseas	(126)	(158)	(108)	(-18)
Japan	(185)	(249)	(161)	(-24)

FY2010 ④Full year Forecast	④-②
365	-42
(145)	(-13)
(220)	(-29)

9. Cash Flows

◆ Free cash flow was continuously in black.

(100 million yen)	FY2009		FY2010		FY2010 Forecast	
	①1-3Q	②Full year	③1-3Q	③-①	④Full year	④-②
I. Cash flow from operating activities	320	440	324	4	493	53
II. Cash flow from investing activities	-212	-256	-238	-26	-401	-146
III. Cash flow from financing activities	-82	-186	-114	-32	1	186
IV. Effect of exchanging rate translation on cash and cash equivalents	15	19	29	14	18	-1
V. Net increase in cash and cash equivalents	42	18	2	-40	110	92



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