

Financial Results for the Six Months Ended September 30, 2017
[Japanese Accounting Standards] (Consolidated)
(Unaudited)

October 31, 2017

NTN Corporation
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 Listings: Tokyo Stock Exchanges
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 Supplementary material of the financial results: Prepared
 Investor meeting: Scheduled

1. Consolidated Financial Results for the Six Months Ended September 30, 2017
 (April 1, 2017 to September 30, 2017)

(Amounts rounded down to the nearest million yen)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders (parent company)	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2017	357,935	9.5	16,828	6.2	13,641	18.3	8,381	36.8
Six months ended September 30, 2016	326,824	-9.4	15,841	-36.2	11,531	-35.9	6,126	-41.0

Note: comprehensive income: Six months ended September 30, 2017 : 22,611 million yen (- %)
 Six months ended September 30, 2016 : -18,238 million yen (- %)

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2017	15.78	-
Six months ended September 30, 2016	11.52	-

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Six months ended September 30, 2017	824,932	264,966	30.0
Year ended March 31, 2017	798,891	245,050	28.7

Note: Shareholders' equity Six months ended September 30, 2017 : 247,698 million yen
 Year ended March 31, 2017 : 229,243 million yen

2. Dividends

(Record date)	Dividends per share				
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2017	-	5.00	-	5.00	10.00
Year ending March 31, 2018	-	7.50			
Year ending March 31, 2018 (forecast)			-	7.50	15.00

Notes: Adjustment from the previously published forecast of dividends: None
 Details of dividends

At 2nd quarter end, year ending March 31, 2018:

Ordinary dividend of 5.00 yen, Commemorative dividend of 2.50 yen

At fiscal year end, year ending March 31, 2018 (forecast):

Ordinary dividend of 5.00 yen, Commemorative dividend of 2.50 yen

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholder (parent company)		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	720,000	5.4	39,000	9.5	32,000	8.1	13,000	359.3	24.48

Notes: Adjustment from the previously published forecast of earnings: Adjusted
See the "Notice Regarding Difference between Results and Actual Results of Consolidated Earnings for Six Months Ended September 30, 2017 and Revised Full-year Earnings Forecast" published today (October 31, 2017).

* Notes to consolidated financial statements

(1) Significant changes in subsidiaries during the period (Scope of consolidation): None

(2) Adoption of accounting method specific to the preparation of consolidated quarterly financial statements: Adopted

(Note) For further details, refer to "(4) Notes to Consolidated Financial Statements" (Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements) in "2.Consolidated Financial Statements for the Six Months" on page 9 of Attached Documents.

(3) Changes in accounting principles and accounting estimates and retrospective restatement

- | | |
|---|------|
| 1) Changes in accounting principles due to amendment to accounting standards: | None |
| 2) Changes other than above: | None |
| 3) Changes in accounting estimates: | None |
| 4) Retrospective restatement: | None |

(4) Number of shares issued and outstanding (Common stock)

1) Number of shares issued and outstanding at end of the period (treasury stock included):

Six months ended September 30, 2017:	532,463,527 shares
Year ended March 31, 2017:	532,463,527 shares

2) Number of treasury stock at end of the period:

Six months ended September 30, 2017:	1,404,659 shares
Year ended March 31, 2017:	1,388,394 shares

3) Average number of shares outstanding during the quarter:

Six months ended September 30, 2017:	531,067,502 shares
Six months ended September 30, 2016:	531,664,892 shares

* This financial results report for the first half quarter is exempt from quarterly review.

* Notes

All descriptions about the future of the Company contained herein including earnings forecasts are prepared on the basis of data and information currently in our possession as well as certain assumptions that are deemed reasonable, and therefore are not meant to have us committed to their achievement. Various factors may cause actual results to substantially differ from those described herein.

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1. Qualitative Information of Consolidated Financial Statements for the Six Months ended September 30, 2017

(1) Explanation regarding Consolidated Operating Results

During the first half of fiscal year under review (April 1 - September 30, 2017), the Japanese economy saw a continued moderate recovery reflecting improvement of employment and income environment. Looking at overseas economy, the U.S. economy continued showing the steady recovery in production of construction machinery while the automotive production was less than previous year. The European economy also saw a moderate recovery although there is uncertainty due to the withdrawal of the U.K from the E.U. The economic conditions in China and other emerging countries show signs of recovery.

In this environment, under the three-year Medium-term Management Plan "NTN 100" started in April 2015, the NTN Group aims to transform and build a foundation toward "Our Vision" in a bid to mark the 100th anniversary in March 2018 and achieve sustainable growth for the next 100 years. Through these efforts, we are now promoting various initiatives, with three basic policies of "Manage Growth" where management resources (persons, materials, and cash) are concentrated in priority areas, "Manage Profitability" where we reform our business structure from volume to value to generate profit, and "Manage Foundation" where our management and financial foundations are strengthened.

For Six Months ended September 30, 2017, net sales were 357,935 million yen (a year-on-year increase of 9.5 %). In terms of income, operating income was 16,828 million yen (a year-on-year increase of 6.2 %) and ordinary income was 13,641 million yen (a year-on-year increase of 18.3 %). As a result, net quarterly income attributable to shareholder (parent company) was 8,381 million yen (a year-on-year increase of 36.8 %).

Operating results by reporting segment (company location) were as follows:

(1) Japan

Sales in aftermarket applications increased in industrial machinery aftermarket applications. Sales in industrial machinery applications increased in construction machinery and others. Sales in automotive applications also increased reflecting an increase of customer demand and other factors. As a result, net sales were 168,866 million yen (a year-on-year increase of 9.2 %). The segment income was 3,172 million yen (a year-on-year increase of 412.4 %) due principally to the effect of increased sales, exchange rates and other factors.

(2) Americas

Sales in aftermarket applications increased in industrial aftermarket applications. Sales in industrial machinery applications also increased in construction machinery. Sales in automotive applications decreased due principally to a decrease of customer demand. Overall, net sales were 97,406 million yen (a year-on-year increase of 6.2 %). The segment income was 3,706 million yen (a year-on-year increase of 13.1 %) due principally to slash in proportional cost.

(3) Europe

Sales in aftermarket applications increased in both industrial and automotive aftermarket applications. Sales in industrial machinery applications increased in gear box and others. Sales in automotive applications also increased reflecting an increase of customer demand and other factors. As a result, net sales were 90,789 million yen (a year-on-year increase of 11.1 %). The segment income was 1,180 million yen (a year-on-year increase of 14.2 %) backed mainly by effects of increased sales, exchange-rates and other factors.

(4) Asia and other areas

Sales in aftermarket applications increased in industrial aftermarket applications. Sales in industrial machinery applications increased in wind turbines, construction machinery and others. Sales in automotive applications increased reflecting an increase of customer demand and other factors. As a result, net sales were 77,396 million yen (a year-on-year increase of 17.0 %). The segment was 9,104 million yen (a year-on-year increase of 49.2 %) supported mainly by effects of increased sales, exchange-rates and other factors.

Operating results by business sector were as follows.

(1) Aftermarket applications

Due mainly to the increased sales in industrial machinery aftermarket applications and exchange-rates effect, sales were 56,245 million yen (a year-on-year increase of 10.9 %). Operating income was 6,845 million yen (a year-on-year increase of 1.9 %) due to the effect of increased sales and other factors.

(2) Industrial machinery applications

Sales were 57,329 million yen (a year-on-year increase of 24.3 %) due principally to the effect of increased sales in construction machinery and gear box, exchange-rates and other factors. Operating income was 828 million yen (a year-on-year increase of 123.2 %) due to the effect of increased sales and other factors.

(3) Automotive applications

Sales were 244,360 million yen (a year-on-year increase of 6.2 %) due to the expansion of customer demand, exchange-rates and other factors. Operating income was 9,154 million yen (a year-on-year increase of 4.6 %) due to the effect of increased sales and other factors.

(2) Explanation regarding Consolidated Financial Position

(Assets, Liabilities, and Net assets)

Total current assets increased 13,114 million yen (up 3.0 %) from the previous consolidated fiscal year end to 448,043 million yen. This was due principally to an increase of 7,651 million yen in cash and bank deposit and 5,780 million yen in work in process. Total fixed assets increased 12,928 million yen (up 3.6 %) from the previous consolidated fiscal year end to 376,889 million yen. The major factors were an increase of 5,444 million yen in investment securities and 5,128 million yen in property, plant and equipment. As a result, total assets increased 26,041 million yen (up 3.3 %) from the previous consolidated fiscal year end to 824,932 million yen.

Total current liabilities increased 1,244 million yen (up 0.4 %) from the previous consolidated fiscal year end to 316,271 million yen. This was due principally to an increase of 4,721 million yen in electronically-recorded monetary claims and a decrease of 2,866 million yen in short-term loans payable. Total long-term liabilities increased 4,882 million yen (up 2.0 %) from the previous consolidated fiscal year end to 243,694 million yen, due principally to an increase of 4,371 million yen in long-term loans. As a result, total liabilities increased 6,125 million yen (up 1.1 %) from the previous consolidated fiscal year end to 559,965 million yen.

Total net assets increased 19,916 million yen (up 8.1 %) from the previous consolidated fiscal year end to 264,966 million yen. This was mainly due to an increase of 8,498 million yen in translation adjustments, 5,723 million yen in retained earnings and 3,848 million yen in net unrealized holding gain on other securities.

(Cash flows)

Net cash provided by operating activities was 32,236 million yen (year-on-year decrease of 5,073 million yen, or down 13.6 %). Major items included proceeds from depreciation and amortization of 18,454 million yen, income before income taxes and equity in earnings of affiliated companies of 13,641 million yen, a decrease in trade receivables of 5,085 million yen and expense of decreased accrued liabilities related to a loss pertaining to Anti-Monopoly Act of 8,405 million yen.

Net cash provided by investing activities was 19,987 million yen (year-on-year decrease of 3,626 million yen, or down 15.4 %). This was mainly due to expenditure for purchase of property, plant and equipment of 15,192 million yen and purchase of intangible fixed assets of 4,814 million yen.

Net cash provided by financing activities was 5,330 million yen (year-on-year increase of 7,547 million yen, or down 58.6 %). This was mainly due to an expenditure of 36,887 million yen in repayment of long-term loans, the payment of 2,658 million yen in dividends and net decrease of 2,174 million yen in short-term loans although there were proceeds of 36,597 million yen from long-term loans.

After adding an increase of 716 million yen in translation adjustments, cash and cash equivalents as of the end of the first half of the consolidated accounting period under review came to 86,918 million yen, an increase of 7,634 million yen (up 9.6 %) from the previous consolidated fiscal year end.

2. Consolidated Financial Statements for the Six Months

(1) Balance Sheets

(In million yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and bank deposits	80,001	87,652
Notes and accounts receivable-trade	136,847	136,731
Electronically-recorded monetary claims	5,494	4,961
Finished goods & purchased goods	97,405	99,389
Work in process	43,629	49,409
Raw materials & supplies	30,446	33,683
Deferred tax assets	8,405	7,724
Short-term loans receivable	94	95
Other	33,480	29,350
Allowance for doubtful accounts	-876	-955
Total current assets	434,929	448,043
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	83,259	84,793
Machinery, equipment and vehicles, net	144,301	145,864
Other, net	57,051	59,081
Total property, plant and equipment	284,611	289,739
Intangible fixed assets	15,786	19,482
Investments and other assets		
Investment securities	54,386	59,830
Deferred tax assets	5,150	4,834
Other	4,264	3,258
Allowance for doubtful accounts	-237	-255
Total investments and other assets	63,563	67,667
Total fixed assets	363,961	376,889
Total assets	798,891	824,932

(In million yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	59,261	59,133
Electronically-recorded monetary claims	58,131	62,852
Short-term loans	133,347	130,481
Accrued income taxes	3,057	4,222
Accrued bonuses for directors and statutory auditors	150	89
Reserve for loss on support to affiliated companies	2,173	2,242
Other	58,905	57,249
Total current liabilities	315,027	316,271
Long-term liabilities		
Bonds	20,000	20,000
Long-term loans	166,822	171,193
Reserve for product defect compensation	400	435
Liabilities for retirement benefits	42,148	42,704
Other	9,441	9,360
Total long-term liabilities	238,812	243,694
Total liabilities	553,840	559,965
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	66,943	66,918
Retained earnings	114,158	119,881
Treasury stock	-807	-815
Total shareholders' equity	234,641	240,330
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	13,507	17,355
Translation adjustments	-10,005	-1,507
Accrued retirement benefits adjustments	-8,899	-8,480
Total accumulated other comprehensive income	-5,397	7,367
Non-controlling shareholders' equity	15,806	17,267
Total net assets	245,050	264,966
Total liabilities and net assets	798,891	824,932

(2) Consolidated Statement of Operation and Consolidated Statement of Comprehensive Income
(Consolidated Income Statements)

(In million yen)

	Nine months ended September 30, 2016 (April 1, 2016 – September 30, 2016)	Nine months ended September 30, 2017 (April 1, 2017 – September 30, 2017)
Net sales	326,824	357,935
Cost of sales	266,071	292,636
Gross profit	60,752	65,298
Selling, general and administrative expenses	44,911	48,470
Operating income	15,841	16,828
Non-operating income		
Interest income	211	303
Dividend income	459	623
Equity in earnings of unconsolidated subsidiaries	291	206
Foreign exchange gain	—	1,103
Derivative transaction gains	1,840	—
Other	930	969
Total non-operating income	3,733	3,204
Non-operating expenses		
Interest expenses	2,114	1,969
Derivative transaction losses	—	1,472
Foreign exchange loss	3,875	—
Other	2,053	2,949
Total non-operating expenses	8,043	6,391
Ordinary income	11,531	13,641
Extraordinary loss		
Loss on sales of fixed assets	135	—
Total extraordinary losses	135	—
Income before income taxes and equity in earnings of affiliated companies	11,395	13,641
Total income and other taxes	4,633	4,325
Net income	6,762	9,315
Net income attributable to shareholder (non-controlling shareholder)	636	934
Net income attributable to shareholder (parent company)	6,126	8,381

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Nine months ended September 30, 2016 (April 1, 2016 – September 30, 2016)	Nine months ended September 30, 2017 (April 1, 2017 – September 30, 2017)
Net income	6,762	9,315
Other comprehensive income		
Net unrealized holding gain on other securities	315	3,848
Translation adjustments	-24,540	8,895
Accrued retirement benefits adjustments	1,233	414
Equity in equity-method affiliates	-2,009	138
Total other comprehensive income	-25,000	13,296
Comprehensive income	-18,238	22,611
(Breakdown)		
Comprehensive income attributable to owners of parent company	-16,876	21,147
Comprehensive income related to non-controlling shareholders	-1,361	1,464

(3) Statements of Cash Flows

(In million yen)

	Nine months ended September 30, 2016 (April 1, 2016 – September 30, 2016)	Nine months ended September 30, 2017 (April 1, 2017 – September 30, 2017)
Cash flow from operating activities		
Income before income taxes and equity in earnings of affiliated companies	11,395	13,641
Depreciation and amortization	18,088	18,454
Goodwill depreciation	23	—
Increase / decrease (-) in reserves for loss on supporting affiliated companies	—	59
Increase/decrease (-) in allowance for doubtful accounts	-1	12
Increase/decrease (-) in accrued retirement benefits for directors and statutory auditors	-80	-61
Increase/decrease (-) in reserve for product defect compensation	-24	35
Increase/decrease (-) in liabilities in retirement benefits	663	457
Increase/decrease (-) in accrued liabilities related to a loss pertaining to Anti-Monopoly Act	—	-8,405
Loss related to Anti-Monopoly Act	—	8,359
Interest and dividend income	-671	-926
Interest expenses	2,114	1,969
Foreign currency translation adjustments / Foreign exchange losses/gains (-)	2,861	-1,762
Loss/gain (-) on derivative transactions	-1,840	1,472
Equity in earnings (-) / losses of non-consolidated subsidiaries	-291	-206
Gains (-) or loss on sale of fixed assets	135	—
Decrease/increase (-) in trade receivables	4,105	5,085
Decrease/increase (-) in inventories	-1,899	-5,247
Increase/decrease (-) in trade payables	-1,626	2,400
Other	9,022	6,738
Subtotal	41,974	42,078
Interest and dividend income received	1,238	1,325
Interest paid	-2,017	-1,917
Loss related to Anti-Monopoly Act	—	-8,359
Income taxes paid	-3,886	-890
Cash flow from operating activities	37,309	32,236
Cash flow from investing activities		
Increase in time deposits	-2,074	-14
Decrease in time deposits	201	0
Purchase of property, plant and equipment	-19,564	-15,192
Proceeds from sale of property, plant and equipment	357	—
Purchase of intangible fixed assets	-2,511	-4,814
Decrease / increase (-) in short-term loans receivable, net	-87	-0
Other	67	34
Cash flow from investing activities	-23,613	-19,987
Cash flow from financing activities		
Increase/decrease (-) in short-term loans, net	1,862	-2,174
Proceeds from long-term loans	8,438	36,597
Repayment of long-term loans	-20,353	-36,887
Dividend payment	-2,658	-2,658
Repayment of lease payable	-161	-170
Other	-6	-37
Cash flow from financing activities	-12,877	-5,330
Effect of exchange rate changes on cash and cash equivalents	-2,587	716
Increase/decrease (-) in cash and cash equivalents	-1,768	7,634
Cash and cash equivalents, at beginning of the year	67,310	79,284
Cash and cash equivalents, at end of the quarter	65,542	86,918

(4) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Notes to Balance Sheet)

1. Contingency liabilities

(Lawsuits, etc.)

(1) In June 2012, the Company and its former executives received an indictment filed by the Tokyo District Prosecutors Office (“TDPO”) on suspicion of having violated the Japan Antimonopoly Act in relation to domestic sale of bearings. In March 2013, the Company received a cease and desist order and surcharge payment order (for 7,231 million yen) from the Japan Fair Trade Commission (“JFTC”). Because the assertions by the JFTC and the TDPO are greatly different from the Company’s view of the facts, in April 2013, the Company requested the JFTC to initiate a hearing. As a result, hearing proceedings for the JFTC orders were commenced in September 2013. In addition, in respect of a criminal trial we had been appealing against the conviction declared in February 2015 by the Tokyo District Court, but the Tokyo High Court rendered judgment of the rejection of the appeal in March 2016. The Company and its former executives have appealed to the Supreme Court.

Overseas, in June 2017, the subsidiary in the South Korea received from the Korea Fair Trade Commission the notice that it had finished the investigation with its conclusion that the subsidiary was not guilty about the automotive bearings sale in the South Korean market. But there are ongoing investigations by the authorities into our consolidated subsidiaries in Brazil and elsewhere.

(2) The Company and its subsidiaries in the U.S. and Canada, etc. are defendants in a number of class action suits for suspected price-fixing of bearing sales with other businesses.

(3) Four bearing manufacturers, including the Company, have been named as defendants in the lawsuits filed by Peugeot S.A. and its total 19 group companies (hereinafter referred to as the “Plaintiffs”) at The United Kingdom Competition Appeal Tribunal. The Plaintiffs sought the joint payment of damages of 437.7 million euros (provisional amount). The suit has been filed allegedly because the Plaintiffs incurred damages in connection with the violation of the European Competition Law, which is subject of the decision made by the European Commission on March 19, 2014.

(4) The Company or its affiliated companies may be filed the lawsuit similar to the abovementioned lawsuit etc. and continue to address these claims. However, it is currently difficult to make reasonable estimates of the future possible effects on the results of operations and financial position of the Company and its consolidated subsidiaries.

(Notes Related to Significant Changes in Shareholder’s Equity)

None

(Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by multiplying quarterly income before income taxes by an effective tax rate reasonably estimated based on income before income taxes for the full fiscal year, including the six months ended June 30, 2017, after the application of tax effect accounting.

However, in cases where calculating tax expenses using a reasonably estimated effective tax rate yields a result that is notably lacking rationality, then, tax expenses are calculated using the statutory effective tax rate.

(Segment Information)

I. Six months ended September 30, 2016 (April 1, 2016 – September 30, 2016)

1. Information related to sales, income or losses, assets, liabilities and other items for individual reporting segments

(In million yen)

	Reporting segment					Adjustments (Note)1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	97,215	90,051	80,075	59,482	326,824	-	326,824
Inter-segment sales or transfers	57,370	1,653	1,660	6,692	67,376	(67,376)	-
Total	154,585	91,704	81,735	66,175	394,201	(67,376)	326,824
Segment income (Operating income)	619	3,276	1,033	6,103	11,032	4,809	15,841

Notes: 1. "Adjustments" refers to elimination of all inter-segment transactions.

2. Major countries or regions in each segment:

Americas: U.S.A., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

II. Six months ended September 30, 2017 (April 1, 2017 – September 30, 2017)

1. Information related to sales, income or losses, assets, liabilities and other items for individual reporting segments

(In million yen)

	Reporting segment					Adjustments (Note)1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	104,266	95,160	88,685	69,823	357,935	-	357,935
Inter-segment sales or transfers	64,600	2,246	2,103	7,573	76,523	(76,523)	-
Total	168,866	97,406	90,789	77,396	434,459	(76,523)	357,935
Segment income (Operating income)	3,172	3,706	1,180	9,104	17,163	(334)	16,828

Notes: 1. "Adjustments" refers to elimination of all inter-segment transactions.

2. Major countries or regions in each segment:

Americas: U.S.A., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

(Significant Subsequent Events)

None

3. Supplementary Information

(1) Explanatory Materials

Consolidated Financial Results

(in million yen)

		FY2015		FY2016		FY2017	
		1st Half	Full year	1st Half	Full year	1st Half	
Consolidated operating results (Lower: Net sales ratio)	Net Sales	360,771 100.0%	716,996 100.0%	326,824 100.0%	683,328 100.0%	357,935 100.0%	
	Operating income	24,819 6.9%	47,770 6.7%	15,841 4.8%	35,622 5.2%	16,828 4.7%	
	Ordinary income	18,002 5.0%	38,211 5.3%	11,531 3.5%	29,604 4.3%	13,641 3.8%	
	Extraordinary loss	— —	-11,268 -1.6%	-135 -0.0%	-14,714 -2.2%	— —	
	Net income attributable to shareholder (parent company)	10,391 2.9%	15,037 2.1%	6,126 1.9%	2,830 0.4%	8,381 2.3%	
Net sales by region (Lower: Net sales ratio)	Japan	94,642 26.2%	189,556 26.4%	92,755 28.4%	191,466 28.0%	99,487 27.8%	
	Americas	108,174 30.0%	212,549 29.6%	93,397 28.6%	194,765 28.5%	98,782 27.6%	
	Europe	84,670 23.5%	169,039 23.6%	75,212 23.0%	154,989 22.7%	82,486 23.0%	
	Asia and other areas	73,283 20.3%	145,850 20.3%	65,458 20.0%	142,107 20.8%	77,179 21.6%	
	Total	360,771 100.0%	716,996 100.0%	326,824 100.0%	683,328 100.0%	357,935 100.0%	
Net sales / Operating income by location	Japan	Net sales	169,044	337,685	154,585	320,834	168,866
		Operating income	13,618	24,149	619	4,461	3,172
		Operating margin	8.1%	7.2%	0.4%	1.4%	1.9%
	Americas	Net sales	106,586	208,378	91,704	191,393	97,406
		Operating income	2,427	5,774	3,276	8,286	3,706
		Operating margin	2.3%	2.8%	3.6%	4.3%	3.8%
	Europe	Net sales	91,716	183,548	81,735	169,016	90,789
		Operating income	1,276	3,100	1,033	3,310	1,180
		Operating margin	1.4%	1.7%	1.3%	2.0%	1.3%
	Asia and other areas	Net sales	74,392	148,159	66,175	142,302	77,396
		Operating income	6,361	12,619	6,103	14,522	9,104
		Operating margin	8.6%	8.5%	9.2%	10.2%	11.8%
	Deletion	Net sales	-80,968	-160,775	-67,376	-140,218	-76,523
		Operating income	1,135	2,126	4,809	5,041	-334
	Total	Net sales	360,771	716,996	326,824	683,328	357,935
Operating income		24,819	47,770	15,841	35,622	16,828	
Operating margin		6.9%	6.7%	4.8%	5.2%	4.7%	

(in million yen)

			FY2015		FY2016		FY2017	
			1st Half	Full year	1st Half	Full year	1st Half	
Net sales / Operating income by business applications	Aftermarket	Net sales	58,339	113,628	50,706	104,500	56,245	
		Operating income	9,507	17,702	6,719	13,994	6,845	
		Operating margin	16.3%	15.6%	13.3%	13.4%	12.2%	
	Industrial machinery	Net sales	52,824	104,109	46,109	98,611	57,329	
		Operating income	3,573	5,618	371	1,622	828	
		Operating margin	6.8%	5.4%	0.8%	1.6%	1.4%	
	Automotive	Net sales	249,607	499,258	230,009	480,216	244,360	
		Operating income	11,738	24,448	8,750	20,005	9,154	
		Operating margin	4.7%	4.9%	3.8%	4.2%	3.7%	
	Total	Net sales	360,771	716,996	326,824	683,328	357,935	
		Operating income	24,819	47,770	15,841	35,622	16,828	
		Operating margin	6.9%	6.7%	4.8%	5.2%	4.7%	
Capital expenditures /Depreciation and amortization	Capital expenditures		18,602	36,300	18,378	35,398	15,536	
	Depreciation and amortization	Domestic	5,690	11,836	6,518	13,167	6,598	
		Overseas	13,296	26,441	11,569	23,461	11,856	
	Total		18,987	38,277	18,088	36,629	18,454	
R&D expenditures			9,213	18,480	9,109	19,196	9,408	
Ratio of R&D expenditures to net sales			2.6%	2.6%	2.8%	2.8%	2.6%	
Inventories			191,280	178,220	166,633	171,481	182,482	
Inventory turnover ratio (times)			3.8	4.0	3.9	4.0	3.9	
Interest- bearing debts	Loans		340,572	325,173	303,538	300,169	301,675	
	Bonds		—	—	—	20,000	20,000	
	Total		340,572	325,173	303,538	320,169	321,675	
Major management indicators	Ordinary income ratio to total assets		4.2%	4.6%	3.0%	3.7%	3.4%	
	Return on assets (ROA)		2.5%	1.8%	1.6%	0.4%	2.1%	
	Return on equity (ROE)		8.4%	6.3%	5.5%	1.2%	7.0%	
	Shareholder's equity ratio		29.6%	29.2%	28.6%	28.7%	30.0%	
	Net assets per share (yen)		467.26	436.97	400.23	431.66	466.42	
	Net income per share (yen)		19.54	28.28	11.52	5.33	15.78	
Employees	Domestic	(persons)	8,140	8,145	8,437	8,420	8,574	
	Overseas	(persons)	15,890	15,964	16,012	16,245	16,461	
	Total	(persons)	24,030	24,109	24,449	24,665	25,035	
Exchange rates	Average	Dollar	(yen)	121.87	120.15	105.20	108.39	111.04
		Euro	(yen)	135.11	132.60	118.04	118.80	126.22
	At term end	Dollar	(yen)	119.96	112.68	101.12	111.85	112.31
		Euro	(yen)	134.97	127.70	113.36	119.48	132.35