

Financial Results for the Three Months Ended June 30, 2018
[Japanese Accounting Standards] (Consolidated)
(Unaudited)

July 31, 2018

NTN Corporation
Security Code: 6472
Listings: Tokyo Stock Exchanges
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Scheduled commencement date of dividend payment: —
Supplementary material of the financial results: Prepared
Investor meeting: Scheduled

1. Consolidated Financial Results for the Three months ended June 30, 2018
(April 1, 2018 to June 30, 2018)

(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	%
Three months ended June 30, 2018	189,199	5.7	9,922	15.4	8,337	23.8	5,903	51.6
Three months ended June 30, 2017	179,047	7.0	8,596	-21.2	6,735	-18.8	3,892	5.5

Note: comprehensive income: Three months ended June 30, 2018: 4,689 million yen (-61.7 %)
Three months ended June 30, 2017: 12,241 million yen (-)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2018	11.12	—
Three months ended June 30, 2017	7.33	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Three months ended June 30, 2018	840,631	270,431	30.2
Year ended March 31, 2018	839,427	269,759	30.2

Note: Shareholders' equity Three months ended June 30, 2018 : 253,688 million yen
Year ended March 31, 2017 : 253,403 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, 2018	—	7.50	—	7.50	15.00
Year ending March 31, 2019	—				
Year ending March 31, 2019 (forecast)		7.50	—	7.50	15.00

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

At 2nd quarter end, year ended March 31, 2018:
Ordinary dividend of 5.00 yen, Commemorative dividend of 2.50 yen
At fiscal year end, year ended March 31, 2018:
Ordinary dividend of 5.00 yen, Commemorative dividend of 2.50 yen

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(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
First half (cumulative)	370,000	3.4	20,000	18.8	17,000	24.6	7,000	-16.5	13.18
Full year	750,000	0.8	43,000	8.6	37,000	18.4	21,000	3.1	39.54

Notes: Adjustment from the previously published forecast of earnings: None

* 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 Nine Months” on page 4 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):

Three months ended June 30, 2018: 532,463,527 shares

Year ended March 31, 2018: 532,463,527 shares

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

Three months ended June 30, 2018: 1,362,115 shares

Year ended March 31, 2018: 1,405,959 shares

3) Average number of shares outstanding during the quarter:

Three months ended June 30, 2018: 531,068,393 shares

Three months ended June 30, 2017: 531,072,022 shares

* This financial results report for the first 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. For further details, please refer to “(3) Explanation regarding Information on Future Forecast, including Forecast of Consolidated Earnings” of “1. Qualitative Information of Consolidated Financial Statement” on page 2 of Attached Documents.

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1. Qualitative Information of Consolidated Financial Statements for the Three months ended June 30, 2018

(1) Explanation regarding Consolidated Operating Results

During the first quarter year under review (April 1 – June 30, 2018), 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. 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 showed signs of recovery.

In this environment, under the three-year Medium-term Management Plan “DRIVE NTN100” started in April 2018, the NTN Group will work on “Developing innovative technologies, products, and services”, “Variable cost reformation” and “Achieving the world's highest productivity and quality and improved efficiency in asset management” by integrating latest digital technologies into the management resources that NTN has cultivated. Promoting the various initiatives to realize them, NTN will accelerate the transformation of business structure.

For three months ended June 30, 2018, net sales were 189,199 million yen (a year-on-year increase of 5.7 %). In terms of income, operating income was 9,922 million yen (a year-on-year increase of 15.4 %) and ordinary income was 8,337 million yen (a year-on-year increase of 23.8 %). As a result, net quarterly income attributable to shareholder (parent company) was 5,903 million yen (a year-on-year increase of 51.6 %).

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 machine tool and 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 88,183 million yen (a year-on-year increase of 7.0 %). Although there is the effect of increased sales and other factors, the segment income was 1,354 million yen (a year-on-year decrease of 20.5 %) due to the increase of fixed cost.

(2) Americas

Sales in aftermarket applications increased in industrial aftermarket applications and automotive aftermarket applications. Sales in industrial machinery applications also increased in wind turbines while sales in automotive applications decreased due principally to a decrease of customer demand. Overall, net sales were 48,831 million yen (a year-on-year decrease of 3.2 %). The segment income was 1,687 million yen (a year-on-year decrease of 21.4 %) due principally to the effects of fixed cost.

(3) Europe

Sales in aftermarket applications increased in both industrial and automotive aftermarket applications. Sales in industrial machinery applications increased in aircraft, wind turbine and others. Sales in automotive applications increased reflecting an increase of customer demand and other factors. As a result, net sales were 50,771 million yen (a year-on-year increase of 11.1 %). The segment income was 516 million yen (a year-on-year decrease of 41.2 %) due principally to increased fixed cost and exchange rate effect.

(4) Asia and other areas

Sales in aftermarket applications increased in industrial aftermarket applications and automotive aftermarket applications. Sales in industrial machinery applications increased in construction machinery and others. Sales in automotive applications increased reflecting an increase of customer demand and other factors. As a result, net sales were 40,588 million yen (a year-on-year increase of 9.2 %). The segment was 4,963 million yen (a year-on-year increase of 13.4 %) 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, sales were 30,502 million yen (a year-on-year increase of 11.4 %). Operating income was 4,085 million yen (a year-on-year increase of 9.2 %) due to the effect of increased sales and other factors.

(2) Industrial machinery applications

Sales were 31,186 million yen (a year-on-year increase of 11.4 %) due principally to the effect of increased sales in construction machinery, aircrafts and other factors. Operating income was 1,134 million yen (a year-on-year increase of 97.9%) due to the effect of increased sales and other factors.

(3) Automotive applications

Sales were 127,510 million yen (a year-on-year increase of 3.1 %) due to the expansion of customer demand, exchange-rates and other factors. Operating income was 4,702 million yen (a year-on-year increase of 9.9 %) due to the effect of increased sales and other factors.

(2) Explanation regarding Consolidated Financial Position

(Assets, Liabilities, and Net assets)

Total current assets decreased 683 million yen (down 0.2 %) from the previous consolidated fiscal year end to 451,042 million yen. This was due principally to decrease of 5,135 million yen in notes and accounts receivable-trade and an increase of 4,081 million yen work in process. Total fixed assets increased 1,888 million yen (up 0.5 %) from the previous consolidated fiscal year end to 389,589 million yen. The major factors were an increase of 1,519 million yen in intangible fixed assets. As a result, total assets increased 1,204 million yen (up 0.1 %) from the previous consolidated fiscal year end to 840,631 million yen.

Total current liabilities decreased 9,692 million yen (down 3.1 %) from the previous consolidated fiscal year end to 306,733 million yen. This was due principally to decreased accrued liabilities related to a loss pertaining to Anti-Monopoly Act of 6,569 million yen and decrease of 1,826 million yen in notes and accounts payable-trade. Fixed liabilities increased 10,226 million yen (up 4.0 %) from the previous consolidated fiscal year end to 263,467 million yen, due principally to an increase of 10,087 million yen in long-term loans. As a result, total liabilities increased 533 million yen (up 0.1 %) from the previous consolidated fiscal year end to 570,200 million yen.

Total net assets increased 672 million yen (up 0.2 %) from the previous consolidated fiscal year end to 270,431 million yen. This was mainly due to an increase of 1,916 million yen in retained earnings and decrease of 1,507 million yen in foreign currency translation adjustments.

(Cash flows)

Net cash provided by operating activities was 11,461 million yen (year-on-year decrease of 5,213 million yen, or down 31.3 %). Major items included proceeds from depreciation and amortization of 9,483 million yen, income before income taxes and equity in earnings of affiliated companies of 8,337 million yen and expenditure for increase in inventories of 9,382 million yen.

Net cash provided by investing activities was 14,698 million yen (year-on-year increase of 4,359 million yen, or up 42.2 %). This was mainly due to expenditure for purchase of property, plant and equipment of 11,541 million yen.

Net cash provided by financing activities was 3,777 million yen (year-on-year expenditure of 6,945 million yen). This was mainly due to 13,602 million yen in proceeds from long-term loans and expenditure for 9,502 million yen in repayment of long-term loans.

After adding an decrease of 1,013 million yen in translation adjustments, cash and cash equivalents as of the end of the 1st quarter of the consolidated accounting period under review came to 85,616 million yen, a decrease of 471 million yen (down 0.5 %) from the previous consolidated fiscal year end.

(3) Explanation regarding Information on Future Forecast, including Forecast of Consolidated Earnings

The Company has made no modification to the consolidated earnings forecast announced on May 15, 2018.

2. Consolidated Financial Statements for the Three Months

(1) Balance Sheets

(In million yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and bank deposits	88,683	87,755
Notes and accounts receivable-trade	143,692	138,557
Electronically-recorded monetary claims	5,744	7,655
Finished goods & purchased goods	96,468	99,685
Work in process	49,478	53,559
Raw materials & supplies	33,791	35,679
Short-term loans receivable	76	71
Other	34,798	29,047
Allowance for doubtful accounts	-1,008	-969
Total current assets	451,725	451,042
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	82,981	85,044
Machinery, equipment and vehicles, net	143,246	142,216
Other, net	61,831	61,664
Total property, plant and equipment	288,059	288,925
Intangible fixed assets	25,044	26,563
Investments and other assets		
Investment securities	59,233	58,086
Deferred tax assets	11,881	12,145
Other	3,719	4,099
Allowance for doubtful accounts	-236	-231
Total investments and other assets	74,598	74,099
Total fixed assets	387,701	389,589
Total assets	839,427	840,631

(In million yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable-trade	69,716	67,890
Electronically-recorded monetary claims	64,112	65,523
Short-term loans	118,932	117,592
Accrued income taxes	3,887	2,649
Accrued bonuses for directors and statutory auditors	176	45
Other	59,600	53,031
Total current liabilities	316,425	306,733
Long-term liabilities		
Bonds	30,000	30,000
Long-term loans	171,900	181,987
Reserve for product defect compensation	1,491	1,541
Liabilities for retirement benefits	40,393	40,685
Other	9,456	9,253
Total long-term liabilities	253,241	263,467
Total liabilities	569,667	570,200
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	127,886	129,802
Treasury stock	-816	-802
Total shareholders' equity	249,387	251,317
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	16,380	16,414
Translation adjustments	-4,681	-6,188
Accrued retirement benefits adjustments	-7,683	-7,855
Total accumulated other comprehensive income	4,015	2,370
Non-controlling shareholders' equity	16,356	16,743
Total net assets	269,759	270,431
Total liabilities and net assets	839,427	840,631

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

(In million yen)

	Three months ended June 30, 2017 (April 1, 2017 – June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 – June 30, 2018)
Net sales	179,047	189,199
Cost of sales	146,070	152,856
Gross profit	32,977	36,342
Selling, general and administrative expenses	24,381	26,420
Operating income	8,596	9,922
Non-operating income		
Interest income	145	201
Dividend income	613	615
Equity in earnings of unconsolidated subsidiaries	126	72
Foreign exchange gains	606	—
Other	501	581
Total non-operating income	1,993	1,472
Non-operating expenses		
Interest expenses	980	944
Foreign exchange loss	—	1,177
Other	2,874	935
Total non-operating expenses	3,854	3,057
Ordinary income	6,735	8,337
Income before income taxes and equity in earnings of affiliated companies	6,735	8,337
Income and other taxes	2,330	1,866
Net income	4,404	6,470
Net income attributable to shareholder (non-controlling shareholder)	511	567
Net income attributable to shareholder (parent company)	3,892	5,903

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Three months ended June 30, 2017 (April 1, 2017 – June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 – June 30, 2018)
Net income	4,404	6,470
Other comprehensive income		
Net unrealized holding gain on other securities	1,905	34
Translation adjustments	5,585	-925
Accrued retirement benefits adjustments	207	-194
Equity in equity-method affiliates	138	-696
Total other comprehensive income	7836	-1,781
Comprehensive income	12,241	4,689
(Breakdown)		
Comprehensive income attributable to owners of parent company	11,471	4,258
Comprehensive income related to non-controlling shareholders	769	431

(3) Statements of Cash Flows

(In million yen)

	Three months ended June 30, 2017 (April 1, 2017 – June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 – June 30, 2018)
Cash flow from operating activities		
Income before income taxes and equity in earnings of affiliated companies	6,735	8,337
Depreciation and amortization	9,075	9,483
Increase / decrease (-) in reserves for loss on supporting affiliated companies	-107	—
Increase/decrease (-) in allowance for doubtful accounts	-29	-26
Increase/decrease (-) in accrued retirement benefits for directors and statutory auditors	-107	-130
Increase/decrease (-) in reserve for product defect compensation	28	33
Increase/decrease (-) in liabilities in retirement benefits	523	304
Interest and dividend income	-759	-817
Interest expenses	980	944
Foreign currency translation adjustments / Foreign exchange losses/gains (-)	-1,069	678
Equity in earnings (-) / losses of non-consolidated subsidiaries	-126	-72
Decrease/increase (-) in trade receivables	1,291	2,532
Decrease/increase (-) in inventories	-4,554	-9,382
Increase/decrease (-) in trade payables	8,340	12
Other	5,997	5,980
Subtotal	26,218	17,876
Interest and dividend income received	1,156	1,356
Interest paid	-1,001	-898
Loss related to Anti-Monopoly Act	-7,575	-3,557
Income taxes paid	-2,123	-3,314
Cash flow from operating activities	16,674	11,461
Cash flow from investing activities		
Increase in time deposits	-6	-1,204
Decrease in time deposits	—	1,647
Purchase of property, plant and equipment	-8,730	-11,541
Purchase of intangible fixed assets	-1,590	-3,535
Decrease / increase (-) in short-term loans receivable, net	-0	7
Other	-11	-71
Cash flow from investing activities	-10,339	-14,698
Cash flow from financing activities		
Increase/decrease (-) in short-term loans, net	2,087	3,784
Proceeds from long-term loans	21,824	13,602
Repayment of long-term loans	-28,086	-9,502
Dividend payment	-2,658	-3,987
Repayment of lease payable	-81	-88
Other	-31	-30
Cash flow from financing activities	-6,945	3,777
Effect of exchange rate changes on cash and cash equivalents	490	-1,013
Increase/decrease (-) in cash and cash equivalents	-119	-471
Cash and cash equivalents, at beginning of the year	79,284	86,087
Cash and cash equivalents, at end of the quarter	79,164	85,616

(4) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Notes to Balance Sheet)

1. Contingency liabilities

(Lawsuits, etc.)

- (1) There are ongoing investigations by the competition authorities into our consolidated subsidiaries in Brazil and elsewhere in relation to overseas sale of bearings, etc.
- (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) The NTN Group may be subject to claims for compensation for damages in connection with the violation of competition laws 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 NTN Group.

(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 three months ended June 30, 2018, 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.

(Additional Information)

(Adoption of partial revision of accounting standard pertaining to tax effect accounting)

Partial revision of accounting standard pertaining to tax effect accounting is adopted from the beginning of the 1st quarter of this consolidated accounting period. Deferred tax asset is indicated in "Total investment and other assets" and deferred tax liability is indicated in "Fixed liabilities."

(Segment Information)

I. Three months ended June 30, 2017 (April 1, 2017 – June 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	51,350	49,405	44,594	33,696	179,047	—	179,047
Inter-segment sales or transfers	31,077	1,064	1,086	3,478	36,707	(36,707)	—
Total	82,428	50,470	45,681	37,175	215,755	(36,707)	179,047
Segment income (Operating income)	1,704	2,146	877	4,375	9,104	(507)	8,596

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. Three months ended June 30, 2018 (April 1, 2018 – June 30, 2018)

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	54,005	47,893	49,683	37,616	189,199	—	189,199
Inter-segment sales or transfers	34,177	938	1,088	2,971	39,175	(39,175)	—
Total	88,183	48,831	50,771	40,588	228,374	(39,175)	189,199
Segment income (Operating income)	1,354	1,687	516	4,963	8,521	1,400	9,922

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

(In million yen)

		FY2017					FY2018	
		1Q	2Q	3Q	4Q	Full year	1Q	
Consolidated operating results (Lower: Net sales ratio)	Net sales	179,047 100.0%	178,887 100.0%	190,519 100.0%	195,918 100.0%	744,372 100.0%	189,199 100.0%	
	Operating income	8,596 4.8%	8,232 4.6%	10,284 5.4%	12,495 6.4%	39,608 5.3%	9,922 5.2%	
	Ordinary income	6,735 3.8%	6,906 3.9%	8,600 4.5%	9,008 4.6%	31,250 4.2%	8,337 4.4%	
	Extraordinary loss	— —	— —	— —	-4,345 -2.2%	-4,345 -0.6%	— —	
	Net income attributable to shareholder (parent company)	3,892 2.2%	4,488 2.5%	5,398 2.8%	6,594 3.4%	20,373 2.7%	5,903 3.1%	
Net sales by region (Lower: Net sales ratio)	Japan	49,167 27.5%	50,319 28.1%	52,977 27.8%	51,860 26.5%	204,324 27.4%	51,637 27.3%	
	Americas	51,163 28.6%	47,618 26.6%	49,855 26.2%	53,038 27.1%	201,676 27.1%	49,286 26.1%	
	Europe	41,620 23.2%	40,866 22.8%	43,324 22.7%	49,786 25.4%	175,598 23.6%	46,612 24.6%	
	Asia and other areas	37,096 20.7%	40,083 22.4%	44,361 23.3%	41,232 21.0%	162,772 21.9%	41,662 22.0%	
	Total	179,047 100.0%	178,887 100.0%	190,519 100.0%	195,918 100.0%	744,372 100.0%	189,199 100.0%	
	Net sales / Operating income by company location	Japan	Net sales	82,428	86,438	90,401	88,055	347,322
Operating income			1,704	1,467	3,824	1,018	8,015	1,354
Operating margin			2.1%	1.7%	4.2%	1.2%	2.3%	1.5%
Americas		Net sales	50,470	46,936	49,030	52,108	198,546	48,831
		Operating income	2,146	1,560	1,673	1,711	7,091	1,687
		Operating margin	4.3%	3.3%	3.4%	3.3%	3.6%	3.5%
Europe		Net sales	45,681	45,107	47,452	54,275	192,516	50,771
		Operating income	877	302	△ 647	2,267	2,800	516
		Operating margin	1.9%	0.7%	△ 1.4%	4.2%	1.5%	1.0%
Asia and other areas		Net sales	37,175	40,221	44,330	40,224	161,952	40,588
		Operating income	4,375	4,728	5,353	5,142	19,600	4,963
		Operating margin	11.8%	11.8%	12.1%	12.8%	12.1%	12.2%
Deletion		Net sales	-36,707	-39,816	-40,696	-38,745	-155,965	-39,175
		Operating income	-507	173	79	2,355	2,100	1,400
Total		Net sales	179,047	178,887	190,519	195,918	744,372	189,199
	Operating income	8,596	8,232	10,284	12,495	39,608	9,922	
	Operating margin	4.8%	4.6%	5.4%	6.4%	5.3%	5.2%	

(In million yen)

			FY2017					FY2018
			1Q	2Q	3Q	4Q	Full year	1Q
Net sales / Operating income by business applications	Aftermarket	Net sales	27,369	28,875	28,891	31,557	116,695	30,502
		Operating income	3,742	3,103	3,379	4,784	15,009	4,085
		Operating margin	13.7%	10.7%	11.7%	15.2%	12.9%	13.4%
	Industrial machinery	Net sales	27,989	29,340	29,719	32,036	119,085	31,186
		Operating income	573	255	702	1,264	2,796	1,134
		Operating margin	2.1%	0.9%	2.4%	3.9%	2.3%	3.6%
	Automotive	Net sales	123,688	120,671	131,908	132,324	508,592	127,510
		Operating income	4,280	4,873	6,202	6,446	21,803	4,702
		Operating margin	3.5%	4.0%	4.7%	4.9%	4.3%	3.7%
	Total	Net sales	179,047	178,887	190,519	195,918	744,372	189,199
		Operating income	8,596	8,232	10,284	12,495	39,608	9,922
		Operating margin	4.8%	4.6%	5.4%	6.4%	5.3%	5.2%
Capital expenditures / Depreciation and amortization	Capital expenditures		7,133	8,403	8,572	13,480	37,589	9,890
	Depreciation and amortization	Domestic	3,254	3,343	3,401	3,482	13,481	3,568
		Overseas	5,821	6,035	6,163	6,003	24,023	5,914
	Total		9,075	9,379	9,564	9,486	37,505	9,483
R&D expenditures			4,621	4,787	5,208	6,390	21,007	5,376
Ratio of R&D expenditures to net sales			2.6%	2.7%	2.7%	3.3%	2.8%	2.8%
Inventories			179,647	182,482	189,342	179,738	179,738	188,925
Inventory turnover ratio (times)			4.0	3.9	4.0	4.4	4.1	4.0
Interest- bearing debts	Loans		298,376	301,675	301,719	290,833	290,833	299,579
	Bonds		20,000	20,000	20,000	30,000	30,000	30,000
	Total		318,376	321,675	321,719	320,833	320,833	329,579
Major management indicators	Ordinary income ratio to total assets		3.4%	3.4%	4.1%	4.3%	3.8%	4.0%
	Return on assets (ROA)		1.9%	2.2%	2.6%	3.1%	2.5%	2.8%
	Return on equity (ROE)		6.7%	7.4%	8.6%	10.3%	8.4%	9.3%
	Shareholder's equity ratio		29.4%	30.1%	30.8%	30.2%	30.2%	30.2%
	Net assets per share (yen)		448.25	466.42	484.03	477.17	477.17	477.66
	Net income per share (yen)		7.33	8.45	10.1649436	12.42	38.36	11.12
Employees	Domestic (persons)	8,604	8,574	8,583	8,546	8,546	8,729	
	Overseas (persons)	16,466	16,461	16,823	16,947	16,947	16,998	
	Total (persons)	25,070	25,035	25,406	25,493	25,493	25,727	
Exchange rates	Average	Dollar (yen)	111.08	110.99	112.91	108.41	110.85	109.08
		Euro (yen)	122.09	130.35	132.94	133.19	129.64	130.10
	At term end	Dollar (yen)	112.13	112.31	112.88	106.49	106.49	110.47
		Euro (yen)	128.28	132.35	134.81	131.00	131.00	127.73