

Financial Results For the Year Ended March 31, 2019
[Japanese Accounting Standards] (Consolidated)
(Unaudited)

May 15, 2019

NTN Corporation
Security Code: 6472
Listings: Tokyo Stock Exchange
URL: <https://www.ntnglobal.com>
Representative: Hiroshi Ohkubo, President
Contact: Tetsuya Sogo, Senior Executive Officer,
Corporate General Manager, Finance Headquarters
Telephone: +81-6-6443-5001
Scheduled date of annual shareholders' meeting: June 25, 2019
Scheduled commencement date of dividend payment: June 26, 2019
Scheduled submission date of financial statements: June 26, 2019
Supplementary material of the financial results: Prepared
Investor meeting: Scheduled

1. Consolidated Financial Results for the Year Ended March 31, 2019
(April 1, 2018 to March 31, 2019)

(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	%
Year ended March 31, 2019	733,569	-1.5	26,945	-32.0	22,231	-28.9	-6,958	-
Year ended March 31, 2018	744,372	8.9	39,608	11.2	31,250	5.6	20,373	619.8

Note: comprehensive income: Year ended March 31, 2019: -14,631 million yen (-%)
Year ended March 31, 2018: 32,215 million yen (796.8%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income/ Total assets	Operating income/ Net sales
	yen	yen	%	%	%
Year ended March 31, 2019	-13.10	—	-2.9	2.6	3.7
Year ended March 31, 2018	38.36	—	8.4	3.8	5.3

Note: Equity method investment gains or losses: Year ended March 31, 2019: 72 million yen
Year ended March 31, 2018: 455 million yen

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2019	840,750	246,404	27.4	433.32
Year ended March 31, 2018	839,427	269,759	30.2	477.17

Note: Shareholders' equity Year ended March 31, 2019: 230,154 million yen
Year ended March 31, 2018: 253,403 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2019	43,224	-65,614	20,745	83,474
Year ended March 31, 2018	61,799	-48,358	-7,520	86,087

2. Dividends

	Dividends per share					Total dividends paid (full year) million yen	Dividend payout ratio (consolidated) %	Dividends on net assets (consolidated) %
	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	7,974	39.1	3.3
Year ended March 31, 2019	—	7.50	—	7.50	15.00	7,974	—	3.3
Year ending March 31, 2020 (forecast)	—	7.50	—	7.50	15.00		83.8	

Note: 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, 2020 (April 1, 2019 to March 31, 2020)

(For full year figures, percentage figures represent year-on-year changes.

For quarterly figures, percentage figures represent changes against the same period in the previous fiscal year.)

	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)	360,000	-2.8	10,000	-35.0	7,000	-44.2	3,500	-57.0	6.59
Full year	730,000	-0.5	24,000	-10.9	18,000	-19.0	9,500	—	17.89

*Notes

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

(2) Changes in accounting policy, changes in accounting estimates and retrospective restatements

1) Changes in accounting principles due to amendment to accounting standards: Yes

2) Changes in accounting policy other than above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

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

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

Year ended March 31, 2019: 532,463,527 shares

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

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

Year ended March 31, 2019: 1,320,628 shares

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

3) Average number of shares outstanding:

Year ended March 31, 2019: 531,107,252 shares

Year ended March 31, 2018: 531,063,087 shares

Reference: Overview of Financial Results on Non-Consolidated basis

For the Year Ended March 31, 2019 – Non-consolidated

1. Financial Results for the Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2019	347,154	1.4	-5,354	—	3,801	-52.3	6,963	-6.1
Year ended March 31, 2018	342,446	7.5	-2,630	—	7,965	—	7,413	—

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2019	13.11	—
Year ended March 31, 2018	13.96	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2019	595,658	170,247	28.6	320.53
Year ended March 31, 2018	589,700	175,593	29.8	330.65

Note: Shareholders' equity Year ended March 31, 2019:170,247 million yen

Year ended March 31, 2018:175,593 million yen

* This financial result report is exempt from 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 matters related to the above forecast, please refer to "1. Operating Results and Analysis of Financial Position (1) Analysis of Operating Results (Forecast for the Year Ending March 31, 2020)" from page 3

[Contents of the Attached Documents]

1. Operating Results and Analysis of Financial Position.....	2
(1) Explanation regarding Consolidated Operating Results	2
(2) Explanation regarding Consolidated Financial Position	4
(3) Dividend Policy and Dividends for the Current and Next Fiscal Year.....	5
2. The Group Overview	5
3. Management policy	7
(1) Basic Management Policy	7
(2) Goals and Objectives	7
(3) Medium to Long-term Management Strategy	7
(4) Management Issues to be Addressed	7
4. Basic Approach to Selecting Accounting Standards	7
5. Consolidated Financial Statements	10
(1) Balance Sheets.....	9
(2) Consolidated Statement of Operation and Consolidated Statement of Comprehensive Income	11
(Consolidated Statement of Operation)	11
(Consolidated Statement of Comprehensive Income).....	13
(3) Statement of Changes in Shareholders' Equity.....	13
(4) Statements of Cash Flows.....	15
(5) Notes to Consolidated Financial Statements	16
(Going Concern Assumption).....	16
(Changes in Presentation Method)	16
(Consolidated Balance Sheet)	16
(Consolidated Statement of Operation)	17
(Matters Related to Consolidated Statement of Comprehensive Income)	19
(Consolidated Statements of Changes in Shareholders' Equity).....	19
(Cash flows)	21
(Segment Information, etc.)	22
(Per share data)	26
(Significant Subsequent Events).....	26
(Additional information)	27

1. Operating Results and Analysis of Financial Position

(1) Explanation regarding Consolidated Operating Results

During the fiscal year under review, the Japanese economy saw a continued moderate recovery reflecting improvement of employment and income environment but there was an impact on the economy from a series of natural disasters in some areas. Looking at overseas economy, the U.S. economy remained strong although there is a impact of trade issues. The European economy showed signs of weakness due to policy uncertainty and trade issues. The Chinese economy had started slow-down in growth due to the impact of trade friction with the U.S. and other factors 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 the fiscal year ended March 31,2019, net sales were 733,569 million yen (a year-on-year decrease of 1.5 %). In terms of income, operating income was 26,945 million yen (a year-on-year decrease of 32.0 %) and ordinary income was 22,231 million yen (a year-on-year decrease of 28.9 %). Net loss attributable to shareholder (parent company) was 6,958 million yen as a result of recording 16,963 million yen of impairment loss, 2,108 million yen of the loss related Anti-monopoly act and 220 million yen of the loss on sales of stock of a consolidated subsidiary(2,373 million yen of net income attributable to shareholder(parent company) in last fiscal year).

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 mainly for construction machinery and machine tools. Sales in automotive applications increased mainly due to an increase in customer demand. As a result, net sales were 353,071 million yen (year-on-year increase of 1.7%) and segment income was 681 million yen (year-on-year decrease of 91.5%) due to mainly an increase in steel prices and fixed costs, etc., despite the effects of an increase of sales.

(2) Americas

Sales in aftermarket applications increased in industrial aftermarket applications and automotive aftermarket applications. Sales in industrial machinery applications increased mainly for wind turbines. Sales in automotive applications decreased mainly due to a decrease in customer demand. As a result, net sales were consistent with the previous fiscal year, 198,302 million yen (year-on-year decrease of 0.1%). Segment income was 4,344 million yen (year-on-year decrease of 38.7%) due to the increase in steel prices, tariff rates, and fixed costs.

(3) Europe

Sales in aftermarket applications decreased in automotive aftermarket applications. Sales in industrial machinery applications increased mainly for use in aircraft. Sales in automotive applications decreased mainly because customer demand decreased due to response to new emissions regulations. As a whole, net sales were 184,004 million yen (year-on-year decrease of 4.4%). Segment income was 954 million yen (year-on-year decrease of 65.9%) due to a decrease in sales and an increase in the price of steel.

(4) Asia and other areas

Sales in aftermarket applications increased in industrial aftermarket applications and automotive aftermarket applications. Sales in industrial machinery applications increased mainly for construction machinery and wind turbines, but sales in automotive applications decreased mainly due to reduction of customer demand caused by the slowdown in the Chinese market. As a whole, net sales were 155,577 million yen (year-on-year decrease of 3.9%) and segment income was 17,218 million yen (year-on-year decrease of 12.2%) mainly due to the decrease in sales.

Operating results by business sector were as follows.
 Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Sales to external customers	116,695	119,085	508,592	744,372
Operating income	15,009	2,796	21,803	39,608

Year ended March 31, 2019 (April 1, 2018 - March 31, 2019) (In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Sales to external customers	118,849	123,397	491,322	733,569
Operating income	15,183	3,106	8,655	26,945

Operating results by business sector were as follows.

(1) Aftermarket applications

Net sales were 118,849 million yen (year-on-year increase of 1.8%) due to an increase in industrial machinery aftermarket applications. Operating income was 15,183 million yen (year-on-year increase of 1.2%) mainly due to the effect of increased sales.

(2) Industrial machinery applications

Net sales were 123,397 million yen (year-on-year increase of 3.6%) due to the expansion of customer demand for wind turbines and aircraft. Operating income was 3,106 million yen (year-on-year increase of 11.1%) mainly due to the effect of increased sales.

(3) Automotive applications

Net sales were 491,322 million yen (year-on-year decrease of 3.4%) due to a decrease in customer demand. Operating income was 8,655 million yen (year-on-year decrease of 60.3%) due to the increase in steel prices, the increase in tariff rates in the U.S., and the increase in fixed cost.

(Forecast for the Year Ending March 31, 2020)

There is an uncertainty in world economy such as U.S.-China trade friction, slowdown in Chinese economy and Brexit. Also, in the Japanese economy, there is a concern of increased consumption tax rate.

Under such circumstances, as our full-year earning forecast we expect to see net sales of 730 billion yen, operating income of 24.0 billion yen, ordinary income of 18.0 billion yen and net income attributable to shareholders (parent company) of 9.5 billion yen. We are assuming exchange rates of ¥110/US\$1.00 and ¥125/EUR1.00.

In addition, there are ongoing investigations by the authorities into our consolidated subsidiaries in Brazil and elsewhere. Also, the Company and its subsidiaries in the U.S and Canada, etc. are defendants in a number of class action suits although we entered into a settlement agreement with indirect purchasers who compromised a part of plaintiffs. The Company or its affiliated companies may be filled the lawsuits similar to the above mentioned lawsuits. We record 4.5 billion yen as the extraordinary losses in current forecast although it is difficult to make reasonable estimates of the future possible effects on the results of operations and financial position.

(2) Explanation regarding Consolidated Financial Position
(Assets, Liabilities, and Net assets)

Total current assets increased 3,554 million yen (up 0.8 %) from the previous consolidated fiscal year end to 455,279 million yen. This was due principally to an increase of 6,208 million yen of finished goods and purchased goods, 5,941 million yen of work in process, 3,761 million yen of electronically-recorded monetary claims, 2,618 million yen of raw material and supplies and decrease of 14,887 million yen of notes and accounts receivable-trade. Total fixed assets decreased 2,230 million yen (down 0.6%) from the previous consolidated fiscal year and ended to 385,471 million yen. The major factor was a decrease of 8,196 million yen in tangible fixed assets and an increase of 6,295 million yen in intangible asset. As a result, total assets increased 1,323 million yen (up 0.2%) from the previous consolidated fiscal year and ended to 840,750 million yen.

Total current liabilities decreased 26,728 million yen (down 8.4%) from the previous consolidated fiscal year and ended to 289,697 million yen. This was due principally to a decrease of 22,501 million yen in short-term loan payable. Fixed liabilities increased 51,407 million yen (up 20.3%) from the previous consolidated fiscal year and ended to 304,648 million yen, due principally to an increase of 52,012 million yen in long-term loans payable. As a result, total liabilities increased 24,679 million yen (up 4.3%) from the previous consolidated fiscal year and ended to 594,346 million yen.

Total net assets decreased 23,355 million yen (down 8.7%) from the previous consolidated fiscal year and ended to 246,404 million yen. This was mainly due to a decrease of 15,109 million yen in retained earnings, and a decrease of 4,360 million yen in net unrealized holding gain on other securities.

(Cash flows)

Net cash provided by operating activities was 43,224 million yen (a-year-on-year decrease of 18,575 million yen, or down 30.1%). Major item is proceeds from depreciation and amortization of 38,926 million yen.

Net cash provided by investing activities was 65,614 million yen (a-year-on-year increase of 17,256 million yen, or up 35.7%). This was mainly due to expenditure for purchase of property, plant and equipment of 42,380 million yen and purchase of intangible fixed assets of 10,845 million yen.

Net cash provided by financing activities was 20,745 million yen (expenditure of 7,520 million yen in last fiscal year). This was mainly due to an income of 74,297 million yen in long-term loans, net increase of 13,642 million yen in short-term loan payable, 58,359 million yen of repayment of long-term loans and 7,974 million yen of dividend paid.

After adding an decrease of 969 million yen in translation adjustments, cash and cash equivalents as of the end of the current fiscal year came to 83,474 million yen, a decrease of 2,613 million yen (down 3.0%) from the previous consolidated fiscal year end.

(Reference) Cash flow indicators

	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2019
Shareholders' equity ratio (%)	29.3	28.8	30.2	27.4
Shareholders' equity ratio based on current market value (%)	24.0	36.9	28.1	20.7
Cash flows to interest-bearing debt ratio (annual)	7.0	5.1	5.2	8.1
Interest coverage ratio (times)	9.7	14.5	15.6	11.1

- Notes:
- Shareholders' equity ratio: Shareholders' equity / Total assets
 - Shareholders' equity ratio based on current market value: Market capitalization / Total assets
 - Cash flows to interest-bearing debt ratio: Interest-bearing debt / Operating cash flows
 - Interest coverage ratio: Operating cash flows / Interest payments
 - Each of these was calculated based on the consolidated statements.
 - Market value on the stock is calculated based on the closing stock price at the end of the respective accounting period above multiplied by the number of shares issued and outstanding as of the end of the respective accounting period above (after deducting treasury stock).
 - Operating cash flow is taken from the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt refers to all debts included in the consolidated balance sheets for which interest is paid. The amount for interest payments was taken from interest expenses paid in the consolidated statements of cash flows.

(3) Dividend Policy and Dividends for the Current and Next Fiscal Year

The Company considers rewarding its shareholders as an issue of foremost importance. Regarding dividends, the Company makes it a basic policy to first secure funds for research & development and capital expenditure for future growth, and then provide steady, sustainable dividends from a medium- and long-term perspective in accordance with its consolidated performance. Specifically, the Company will determine each dividend in consideration of its cash flow situation and the consolidated dividend payout ratio.

Regarding year-end dividends for the current fiscal year, it is forecast that year-end dividends will be 7.5 yen per share. When added to the interim dividend (7.5 yen per share), it is forecast that for the year as a whole total dividends will be 15 yen per share. We are planning that the total dividends in next fiscal year is 15.0 yen per share (interim dividends of 7.5 yen and year-end dividends of 7.5 yen).

2. The Group Overview

The NTN Group consists of NTN Corporation (the Company), 74 subsidiaries, and 15 affiliated companies (as of March 31, 2019). The Group's main business is the manufacturing and sale of bearings, driveshafts and precision equipment for aftermarket applications, industrial machinery applications, and automotive applications. Business activities in Japan are controlled by the Company (head office) and overseas the activities of each region are controlled by the general managers' departments allocated to each region.

Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

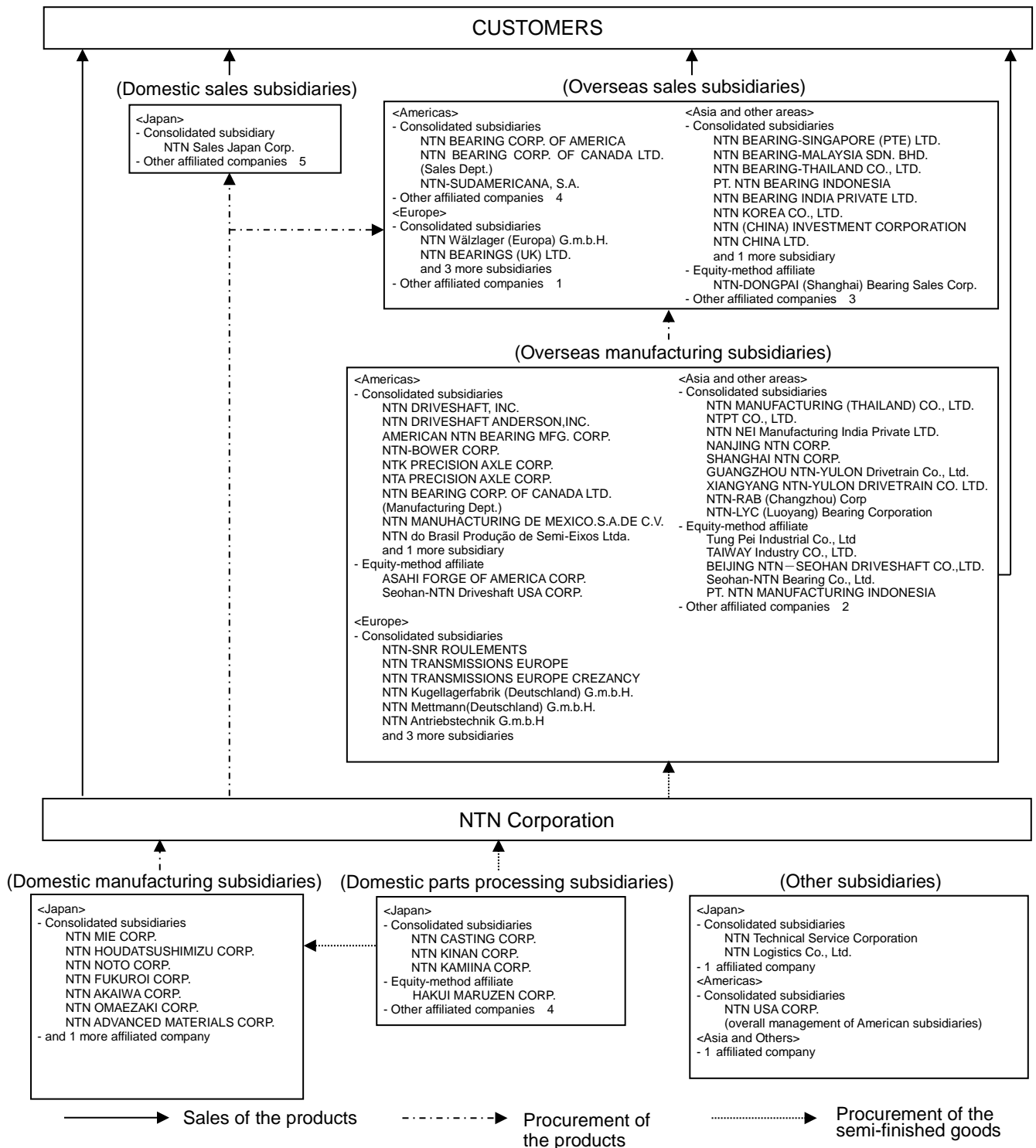
Accordingly, the NTN Group consists of the head office and business segments in different regions based on general managers' departments. Its four reporting segments are "Japan," "Americas," "Europe" and "Asia and other areas."

The main roles of each company within the Group are as follows in all segments.

- Domestic manufacturing is mainly handled by the Company, but some production is consigned to domestic affiliated companies, from whom the Company purchases products. Part of the Company's parts processing operation is also consigned to domestic affiliated companies.
- Domestic sales are mainly handled by the Company, but are also partly made through domestic affiliated companies.
- Overseas manufacturing is handled by the Company's overseas affiliates, with some semi-finished goods supplied by the Company.
- Overseas sales are conducted by the Company, by its overseas sales subsidiaries which procure goods from the Company or from its overseas manufacturing subsidiaries, and by its overseas manufacturing subsidiaries directly.

NTN Bearing Service Corp. changed its name to NTN Sales Japan Corp in April, 2018. The Company made a investment to Hakai Maruzen Corp. in October, 2018 and it became a non-consolidated company which is accounted for the equity.

Also, the company absorbed its subsidiaries, NTN Kongo Corp., NTN Mikumo Company Ltd., and NTN Engineering Plastics Corp. as a surviving company. In addition, UNIDRIVE PTY LTD. is excluded from the scope of the application of the equity as the Company sold the shares in December, 2018.



3. Management policy

(1) Basic Management Policy

The NTN Group's basic management policy is "We shall contribute to international society through creating new technologies and developing new products." Based on compliance with laws and regulations, fairness and honesty, the Group carries out business activities appropriate for an international company by creating original technologies, improving customer satisfaction and promoting globalization as well as aiming to reduce its burden on the environment and construct a resources recycling society.

(2) Goals and Objectives

The Company attaches great importance to ROA and ROE which represents the operating margin and capital efficiency. To improve these indexes, the Group takes initiatives in strengthening of the business structure.

(3) Medium to Long-term Management Strategy

The Company celebrated the 100th anniversary in March 2018. In order to grow continuously in the next 100 years the Company has defined "Our vision" as follows:

- (i) A company where its corporate philosophy is understood by all employees around the world and where all employees think and act for themselves.
- (ii) A company with original new products and services, appreciated for its high quality and functions, and has a global presence.
- (iii) A company where everyone involved with NTN be able to be proud of the "NTN" brand.

To realize "Our vision", the NTN Group has adopted a 10-year long-term vision for the next 100 years, aiming to transform its business structure that enables us to offer value through both existing products and new products in new field, thereby achieving a trillion yen of net sales, the operating margin of 10 percent or more and the total asset turnover ratio of 1.0 or more and halving the current level of impact of foreign exchange fluctuations on profits.

In the New 3-year Medium-term Management Plan "DRIVE NTN100" starting in April,2018, we will accelerate transformation of our business structure by implementing the following three major themes.

- 1) Creation and commercialization of new products and businesses
- 2) Pursuit of profit margin and investment efficiency for existing products and business
- 3) Construction of a management system that supports the transformation of business structure

(4) Management Issues to be Addressed

Efforts for the New Medium-term Management Plan "DRIVE NTN100"

The Company will take initiatives to continue to realize the sustainable society as an enterprise that "contributes to international society through creating new technologies and developing new products."

In external environments surrounding the NTN Group, major changes have occurred, such as electrification of automobiles, progress of automated driving technologies, implementation of IoT and artificial intelligence (AI), etc. The NTN Group has adopted a 10-year long-term vision for the next 100 years, aiming to transform its business structure so that we can offer value through both existing products and new products in new fields, thereby achieving a trillion yen of net sales, the operating margin of 10 percent or more and the total asset turnover ratio of 1.0 or more and halving the current level of impact of foreign exchange fluctuations on profits.

To achieve the long-term vision, we will work on the New 3-year Medium-term Management Plan "DRIVE NTN100 (DRIVE NTN Transformation for New 100) starting in April of last year. With the fusion of the cutting-edge Digitalization technology and accumulated management Resources of NTN Group, we will realize "the development of the innovative technology, products and services (Innovation)," "Variable cost reform" and "pursuit of productivity and quality" and "Efficiency improvement." To achieve them, the Group will forge ahead with the following three major themes to accelerate transformation of business structure:

1) Develop Businesses in New Area

The Company is accelerating development and supply of innovative technology, products and service which can meet the new needs such as electrification and autonomous driving in automotive market and implementation of IoT and utilization of AI in industrial machinery market.

Last year, we developed "sHUB," a hub bearing with steering assist function and starts to proposed to customers. The product can adjust the steering angle of wheel itself linked with the vehicle speed and handling. This function contributes to the improvement of fuel efficiency and stability of the vehicle. NTN also proposes "eHUB," hub bearing with motor generator function. The product can regenerate electricity at moving and accelerating and contributes to the improvement of fuel efficiency of 48V Mild Hybrid System.

In natural energy business, NTN started to sell "Grid Connectable NTN Micro Hydro Turbine." It generates the power by simply placing over existing water channels to generate power that can then be sold by feeding into the grid. We will contribute to achieving a low-carbon society by making progress with proposals of energy locally produced and consumed.

2) Strengthen Core Technologies and Products

In response to universal needs such as low-friction and lighter weight in the automotive market, we aim to be the leading manufacturer in the drive-train system by offering our core products such as hub bearings with the world's top market share, as well as driveshafts with the world's second largest share. Last year, we developed a fixed constant velocity joint CFJ-W for automotive front wheel driveshafts with high efficiency in transmitting and the world's largest operating angle of 55°. By applying this technology to SUVs and 4WD vehicles, which are becoming increasingly popular in recent years, the product can reduce fuel consumption and realize smaller minimum turning radius, thereby contributing to improved customer satisfaction.

In the industrial machinery market, last year we developed the industry's first sensor-integrated bearing unit with built-in heat flow sensors for machine tools. By enabling advanced monitoring of conditions and preventing seizures, the product will contribute to enhancing the productivity of our customers. In addition, we began mass production of precision bearings at NTN Mettmann G.m.b.H. (Deutschland) last year. We will expand our business by acquiring new customers by expanding our global supply capacity for high-performance bearings and shorter lead times.

3) Strengthen the Management Bases that Support Our Businesses

In order to overcome changes in the global competitive environment, we are working to strengthen management bases. Last year, we established a Procurement Headquarters to promote reforms in procurement. In addition to promoting local procurement and optimal local procurement between regions, consolidating orders and enhancing price management. We are establishing systems and rules to evaluate suppliers comprehensively in terms of quality, cost, delivery time, and compliance.

In order to suppress personnel expenses, we will utilize IoT, AI, and robots in manufacturing division and introduce RPA in back-office division. In the Wakayama Works, which is scheduled to be completed this autumn, will promote smart factories in the manufacturing division and work to drastically shorten production lead times.

With regard to the system, we are renewing our core IT systems in Japan. We will work to strengthen our supply chain management system to ensure efficient global inventory holdings and shorten lead times from receiving orders to deliveries.

Also, we established the EHS Integrated Management Department last year. We will promote efforts in the fields of Environment, Health and Safety which is attracting interest in the world.

4. Basic Approach to Selecting Accounting Standards

NTN Group prepared its consolidated financial statements in accordance with Japanese Accounting Standards in order to improve the comparability of consolidated financial statements between different accounting periods and against different companies.

NTN Group intends to consider the future application of International Financial Reporting Standards (IFRS).

5. Consolidated Financial Statements
(1) Balance Sheets

(In million yen)

	As of Mar. 31, 2018	As of Mar. 31, 2019
Assets		
Current assets		
Cash and bank deposits	88,683	90,243
Notes and accounts receivable-trade	143,692	128,805
Electronically-recorded monetary claims	5,744	9,505
Finished goods & purchased goods	96,468	102,676
Work in process	49,478	55,419
Raw materials & supplies	33,791	36,409
Short-term loans receivable	76	71
Other	34,798	33,274
Allowance for doubtful accounts	-1,008	-1,125
Total current assets	451,725	455,279
Fixed assets		
Property, plant and equipment		
Buildings and structures	205,405	207,862
Accumulated depreciation	-122,424	-127,799
Buildings and structures, net	*2 82,981	*2 80,062
Machinery, equipment and vehicles	732,323	731,820
Accumulated depreciation	-589,076	-602,470
Machinery, equipment and vehicles, net	*2 143,246	*2 129,349
Land	*2 32,656	*2 32,399
Construction in progress	21,580	30,421
Other	63,618	61,634
Accumulated depreciation	-56,023	-54,004
Other, net	*2 7,595	*2 7,630
Total property, plant and equipment	288,059	279,863
Intangible fixed assets	25,044	31,339
Investments and other assets		
Investment securities	*1 59,233	*1 59,191
Deferred tax assets	11,881	10,241
Other	3,719	5,065
Allowance for doubtful accounts	-236	-230
Total investments and other assets	74,598	74,267
Total fixed assets	387,701	385,471
Total assets	839,427	840,750

(In million yen)

	As of Mar. 31, 2018	As of Mar. 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable-trade	69,716	59,971
Electronically-recorded monetary claims	64,112	73,187
Short-term loans	118,932	96,431
Accrued income taxes	3,887	2,503
Accrued bonuses for directors and statutory auditors	176	161
Other	59,600	57,441
Total current liabilities	316,425	289,697
Long-term liabilities		
Bonds	30,000	30,000
Long-term loans	171,900	223,912
Reserve for product defect compensation	1,491	1,107
Liabilities for retirement benefits	40,393	41,889
Other	9,456	7,738
Total long-term liabilities	253,241	304,648
Total liabilities	569,667	594,346
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	127,886	112,777
Treasury stock	-816	-789
Total shareholders' equity	249,387	234,305
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	16,380	12,020
Translation adjustments	-4,681	-7,271
Accrued retirement benefits adjustments	-7,683	-8,899
Total accumulated other comprehensive income	4,015	-4,150
Non-controlling shareholders' equity	16,356	16,249
Total net assets	269,759	246,404
Total liabilities and net assets	839,427	840,750

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

(In million yen)

	Year ended Mar. 31, 2018 <small>(Apr. 1, 2017 – Mar. 31, 2018)</small>	Year ended Mar. 31, 2019 <small>(Apr. 1, 2018 – Mar. 31, 2019)</small>
Net sales	744,372	733,569
Cost of sales	*2 603,612	*2 603,082
Gross profit	140,760	130,486
Selling, general and administrative expenses	*1,*2 101,151	*1,*2 103,541
Operating income	39,608	26,945
Non-operating income		
Interest income	621	791
Dividend income	1,076	1,173
Equity in earnings of unconsolidated subsidiaries	455	72
Other	2,261	3,651
Total non-operating income	4,415	5,689
Non-operating expenses		
Interest expenses	3,884	3,882
Foreign exchange losses	1,642	3,031
Other	7,246	3,489
Total non-operating expenses	12,773	10,403
Ordinary income	31,250	22,231
Extraordinary losses		
Impairment loss	*3 634	*3 16,963
Loss related to Anti-Monopoly Act	*4 3,710	*4 2,108
Loss on sales of stock of the consolidated subsidiary	—	220
Total extraordinary losses	4,345	19,292
Income before income taxes and equity in earnings of affiliated companies	26,905	2,938
income and other taxes	8,055	5,750
income and other taxes adjustment	-3,438	3,354
Income and other taxes	4,616	9,105
Net income	22,289	-6,166
Net income attributable to shareholder (non-controlling shareholder)	1,915	792
Net income/loss(-) attributable to shareholder (parent company)	20,373	-6,958

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Year ended Mar. 31, 2018 <small>(Apr. 1, 2017 – Mar. 31, 2018)</small>	Year ended Mar. 31, 2019 <small>(Apr. 1, 2018 – Mar. 31, 2019)</small>
Net income or loss(-)	22,289	-6,166
Other comprehensive income		
Net unrealized holding gain on other securities	2,872	-4,360
Translation adjustments	5,269	-1,841
Accrued retirement benefits adjustments	1,237	-1,265
Equity in equity-method affiliates	545	-998
Total other comprehensive income	* 9,926	* -8,465
Comprehensive income	32,215	-14,631
(Breakdown)		
Comprehensive income attributable to owners of parent company	29,787	-15,124
Comprehensive income related to non-controlling shareholders	2,428	493

(3) Statement of Changes in Shareholders' Equity

Previous consolidated accounting year (April 1, 2017 to March 31, 2018)

(In million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2017	54,346	66,943	114,158	-807	234,641
Changes during the period					
Distribution of retained earnings			-6,645		-6,645
Net income attributable to shareholder (parent company)			20,373		20,373
Purchase of treasury stock				-9	-9
Sales of shares				0	0
Changes in equity of parent company pertaining to transactions with non-controlling shareholders		1,027			1,027
Net changes in items other than shareholders' equity during the period					
Total changes during the period	—	1,027	13,728	-9	14,746
Balance on March 31, 2018	54,346	67,970	127,886	-816	249,387

	Accumulated other comprehensive income				Minority interest	Total net assets
	Valuation and translation adjustment	Translation adjustments	Accumulated accrued retirement benefits adjustments	Total accumulated other comprehensive income		
Balance on April 1, 2017	13,507	-10,005	-8,899	-5,397	15,806	245,050
Changes during the period						
Distribution of retained earnings						-6,645
Net income attributable to shareholder (parent company)						20,373
Purchase of treasury stock						-9
Sales of shares						0
Changes in equity of parent company pertaining to transactions with non-controlling shareholders						1,027
Net changes in items other than shareholders' equity during the period	2,872	5,324	1,216	9,413	549	9,962
Total changes during the period	2,872	5,324	1,216	9,413	549	24,709
Balance on March 31, 2018	16,380	-4,681	-7,683	4,015	16,356	269,759

Current consolidated accounting year (April 1, 2018 to March 31, 2019)

(In million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2018	54,346	67,970	127,886	-816	249,387
Cumulative impact due to change in accounting			-176		-176
Balance on April 1, 2018 reflecting change in accounting	54,346	67,970	127,710	-816	249,211
Changes during the period					
Distribution of retained earnings			-7,974		-7,974
Net income attributable to shareholder (parent company)			-6,958		-6,958
Purchase of treasury stock				-0	-0
Sales of treasury stock				27	27
Net changes in items other than shareholders' equity during the period					
Total changes during the period	—	—	-14,932	26	-14,905
Balance on March 31, 2019	54,346	67,970	112,777	-789	234,305

	Accumulated other comprehensive income				Minority interest	Total net assets
	Valuation and translation adjustment	Translation adjustments	Accumulated accrued retirement benefits adjustments	Total accumulated other comprehensive income		
Balance on April 1, 2018	16,380	-4,681	-7,683	4,015	16,356	269,759
Cumulative impact due to change in accounting						-176
Balance on April 1, 2018 reflecting change in accounting	16,380	-4,681	-7,683	4,015	16,356	269,583
Changes during the period						
Distribution of retained earnings						-7,974
Net income attributable to shareholder (parent company)						-6,958
Purchase of treasury stock						-0
Sales of treasury stock						27
Net changes in items other than shareholders' equity during the period	-4,360	-2,589	-1,216	-8,166	-106	-8,273
Total changes during the period	-4,360	-2,589	-1,216	-8,166	-106	-23,179
Balance on March 31, 2019	12,020	-7,271	-8,899	-4,150	16,249	246,404

(4) Statements of Cash Flows

(In million yen)

	Year ended Mar. 31, 2018 <small>(Apr. 1, 2017 – Mar. 31, 2018)</small>	Year ended Mar. 31, 2019 <small>(Apr. 1, 2018 – Mar. 31, 2019)</small>
Cash flow from operating activities		
Income before income taxes and equity in earnings of affiliated companies	26,905	2,938
Depreciation and amortization	37,505	38,926
Impairment loss	634	16,963
Increase / decrease(-) in reserves for loss on supporting affiliated companies	-2,153	—
Loss related to Anti-Monopoly Act	3,710	2,108
Income(-) or loss on sales of stock of the consolidated subsidiary	—	220
Increase/decrease(-) in allowance for doubtful accounts	63	156
Increase/decrease(-) in accrued retirement benefits for directors and statutory auditors	25	-14
Increase/decrease(-) in reserve for product defect compensation	1,108	-400
Increase/decrease(-) in liabilities in retirement benefits	-1,044	600
Interest and dividend income	-1,698	-1,964
Interest expenses	3,884	3,882
Foreign currency translation adjustments / Foreign exchange losses/gains(-)	28	1,363
Equity in earnings (-) /losses of non-consolidated subsidiaries	-455	-72
Decrease/increase(-) in trade receivables	-4,458	10,533
Decrease/increase(-) in inventories	-5,791	-16,183
Increase/decrease(-) in trade payables	14,840	197
Other	5,616	465
Subtotal	78,721	59,720
Interest and dividend income received	2,078	2,471
Interest paid	-3,968	-3,893
Loss related to Anti-Monopoly Act	-10,236	-6,399
Income taxes paid	-4,794	-8,675
Cash flow from operating activities	61,799	43,224
Cash flow from investing activities		
Increase in time deposits	-4,603	-6,499
Decrease in time deposits	2,729	2,235
Purchase of property, plant and equipment	-36,457	-42,380
Purchase of intangible fixed assets	-9,644	-10,845
Loss on purchase of stock of the consolidated subsidiary	—	-9,180
Income on sales of stock of the consolidated subsidiary	—	1,144
Decrease / increase (-) in short-term loans receivable, net	14	7
Other	-397	-94
Cash flow from investing activities	-48,358	-65,614
Cash flow from financing activities		
Increase/decrease(-) in short-term loans, net	-10,030	13,642
Proceeds from long-term loans	68,998	74,297
Repayment of long-term loans	-68,858	-58,359
Proceeds from bonds	10,000	—
Dividend payment	-6,645	-7,974
Repayment of lease payable	-348	-287
Other	-636	-573
Cash flow from financing activities	-7,520	20,745
Effect of exchange rate changes on cash and cash equivalents	884	-969
Increase/decrease(-) in cash and cash equivalents	6,803	-2,613
Cash and cash equivalents, at beginning of the year	79,284	86,087
Cash and cash equivalents, at end of the year	* 86,087	* 83,474

(5) Notes to Consolidated Financial Statements
 (Going Concern Assumption)
 None

(Changes in Accounting method)

(IFRS 15, "Revenue from Contracts with Customers")

IFRS 15, "Revenue from Contracts with Customers," has been applied to consolidated subsidiaries overseas from the current fiscal year excluding certain consolidated subsidiaries.

With respect to the application of IFRS No. 15, the cumulative effect is adjusted to retained earnings at the beginning of the fiscal year under review in accordance with the transitional treatment of IFRS No. 15. The effect of the adoption of this accounting standard on the consolidated financial statements is immaterial.

(Changes in Presentation Method)

(Consolidated Statement of Operation)

"Product compensation expenses" and "Litigation-related expenses," which were separately presented in the previous fiscal year, were less than 10% of the total non-operating expenses, and are therefore included in "Other" in the current fiscal year. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 2,312 million yen presented as "Product compensation expenses" under "Non-operating expenses" in the consolidated statements of income for the previous fiscal year, 1,491 million yen presented as "Litigation-related expenses," and 3,443 million yen presented as "Other" in the consolidated statements of income for the previous fiscal year have been reclassified as 7,246 million yen under "Other" in "Non-operating expenses."

(Application of "Partial Revision of Accounting Standard for Tax Effect Accounting")

From the beginning of the fiscal year under review, the Company has applied the "Partial Revision of the Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), and changed the method of presenting deferred tax assets under the classification of investments and other assets, and deferred tax liabilities under the classification of fixed liabilities.

As a result, "Deferred tax assets" in "Current assets" decreased by 8,377 million yen and "Deferred tax assets" in "Investments and other assets" increased by 8,377 million yen in the consolidated balance sheet for the previous consolidated fiscal year. "Deferred tax liabilities" included in "Other current liabilities" decreased by 85 million yen and "Deferred tax liabilities" included in "Other non-current liabilities" increased by 85 million yen.

Deferred tax assets and deferred tax liabilities of the same taxable entity are offset and presented, resulting in a decrease in total assets of 624 million yen compared with the previous fiscal year.

(Consolidated Balance Sheet)

*1 Notes on non-consolidated subsidiaries and affiliates are as follows.

(In million yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Investment securities (stock)	18,734	24,949

*2 Reductions of value due to government subsidies received are as follows. These reductions of value are reflected on the Consolidated Balance Sheet.

(In million yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Buildings and structures	372	410
Machinery, equipment and vehicles	117	91
Land	798	798
Other	1	0
Total	1,289	1,301

3 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 consolidated 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) A lawsuit has been filed against the Company and its two consolidated subsidiaries in Europe before the France Tribunal de Commerce de Lyon by Renault S.A. and its group companies, which are 15 in total (hereafter, "Renault"), seeking compensation of 66.7 million euros (provisional amount) for damages. In addition, a lawsuit has been filed against the Company and its two consolidated subsidiaries in Europe before the United Kingdom Commercial Court by Fiat Chrysler Automobiles N.V. and its group companies, which are seven in total (hereafter, "FCA"), seeking compensation for damages.

These lawsuits were filed by Renault and FCA alleging that they suffered damages in connection with the infringement of the European competition laws, which was subject of the decision adopted by the European Commission dated March 19, 2014.

(4) 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.

(Consolidated Statement of Operation)

*1 Major items and amounts under "Selling, general and administrative expenses" are as follows.

(In million yen)

	Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Salaries and benefit	35,580	36,118
Freight	15,602	16,295
Research and development	12,459	12,900
Rent expenses	2,832	4,055
Retirement benefits expenses	2,019	1,730

*2 Total research and development expense included in general and administrative expense and current manufacturing costs

(In million yen)

	Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
	21,007	21,661

*3 The NTN Group carries out grouping of assets. With regard to manufacturing assets, any plants etc. coming under managerial accounting business classifications are deemed to be the smallest unit creating cash flow. With regard to Head Office and business-use assets are grouped as corporate assets and the assets no longer used are grouped by individual asset.

In the case of the assets shown in the following table, there is no prospect for future use in the current consolidated accounting period and the previous consolidated accounting period and no possibility of recovery is found for the estimated period of future cash flows. For these reasons, 16,963 million yen of impairment loss in current consolidated accounting period and 634 million yen in the previous consolidated accounting period is recorded as the extraordinary loss. The recoverable amount has been measured using the net realizable value or the value in use. Assets, which are difficult to sell or alternatively use, have been given a value of 0. Value in use is calculated using a discount rate of 6% on future cash flows for each business segment.

Location	Applications	Type of asset	Impairment loss (million yen)	
			Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Japan	Manufacturing facilities and other	Buildings and structures	-	3,113
		Machinery, equipment and vehicles	14	12,850
		Land	447	489
		Construction in progress	64	166
		Tangible fixed assets and others	-	328
		Intangible fixed assets	-	14
	Welfare facilities	Property, plant and equipment	107	-
		Fixed assets and others	0	-
Total			4,562	16,963

*4 The Company has negotiated the compensation of damages with a part of customers in association with investigations by the authorities about the competition laws. We considered the effects to our business by the long-term negotiation and reached the conclusion to pay the settlement amount to make the benefits for both parties by amicably and early resolution. With regard to these settlements etc., we recorded 2,108 million yen as extraordinary loss in association with the Anti-monopoly act in the current consolidated fiscal year and 3,710 million yen in the previous consolidated fiscal year as extraordinary loss in association with the Anti-monopoly act.

(Matters Related to Consolidated Statement of Comprehensive Income)

* Reclassification adjustment and tax effect on other comprehensive income

(In million yen)

	Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Net unrealized holding gain on other securities:		
Amount arising in current fiscal year	4,104	-6,254
Reclassification adjustment	—	—
Before tax effect adjustment	4,104	-6,254
Tax effect	-1,231	1,894
Net unrealized holding gain on other securities	2,872	-4,360
Translation adjustments:		
Amount arising in current fiscal year	5,269	-1,938
Reclassification adjustment	—	97
Before tax effect adjustment	5,269	-1,841
Tax effect	—	—
Translation adjustments	5,269	-1,841
Accrued retirement benefits adjustments:		
Amount arising in current fiscal year	1,069	-2,114
Reclassification adjustment	1,910	457
Before tax effect adjustment	2,979	-1,657
Tax effect	-1,741	391
Accrued retirement benefits adjustments	1,237	-1,265
Equity in equity-method affiliates:		
Amount arising in current fiscal year	552	-935
Reclassification adjustment	-6	-62
Equity in equity-method affiliates	545	-998
Total other comprehensive income	9,926	-8,465

(Consolidated Statements of Changes in Shareholders' Equity)

Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

1. Type and total number of shares issued and outstanding and Treasury stock

	Number of shares as of April 1, 2017 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2018 (thousand shares)
Shares issued and outstanding				
Common stock	532,463	—	—	532,463
Total	532,463	—	—	532,463
Treasury stock				
Common stock *	1,388	18	1	1,405
Total	1,388	18	1	1,405

Note: The increase of 18,000 shares in common stock in treasury stock is due to the acquisition by purchasing the fractional unit share and decrease of 1,000 shares is due to sales by "BIP Trust" as trust property of stock compensation scheme for directors. Also, number of treasury stocks in common stock includes the treasury stocks acquired by "BIP Trust" (568,000 shares as of April 1, 2017, 566,000 shares as of March 31, 2018).

2. Equity warrant and subscription right to treasury stock

N.A.

3. Dividends

(1) Dividend paid

(Date of approval)	Type of share	Total dividend paid (million yen)	Dividend per share (yen)	Record date	Payable date
Annual general meeting of shareholders on June 23, 2017	Common stock	2,658	5.0	March 31, 2017	June 26, 2017
Board of Directors on October 31, 2017	Common stock	3,987	7.5	September 30, 2017	December 4, 2017

Note 1) The total amount of dividend whose record date is March 31, 2017 includes 2 million yen for the Company's stock acquired by "BIP Trust."

2) The total amount of dividend whose record date is September 30, 2017 includes 4 million yen for the Company's stock acquired by "BIP Trust."

(2) Among the dividends for which the record date falls within the current consolidated accounting period under review, the portion of the dividend for which the effective date falls in the next consolidated accounting period

(Date of approval)	Type of share	Total dividend paid (million yen)	Dividend source	Dividend per share (yen)	Record date	Payable date
Annual general meeting of shareholders on June 26, 2018	Common stock	3,987	Retained earnings	7.5	March 31, 2018	June 27, 2018

Note: The total amount of dividend whose record date is September 30, 2018 includes 2 million yen for the Company's stock acquired by "BIP Trust".

Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

1. Type and total number of shares issued and outstanding and Treasury stock

	Number of shares as of April 1, 2018 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2019 (thousand shares)
Shares issued and outstanding				
Common stock	532,463	-	-	532,463
Total	532,463	-	-	532,463
Treasury stock				
Common stock *	1,405	1	87	1,320
Total	1,405	1	87	1,320

Note: Note: The increase of 1,000 shares in common stock in treasury stock is due to the acquisition by purchasing the fractional unit share and decrease of 87,000 shares is due to sales by "BIP Trust" as trust property of stock compensation scheme for directors. Also, number of treasury stocks in common stock includes the treasury stocks acquired by "BIP Trust" (566,000 shares as of April 1, 2018, 479,000 shares as of March 31, 2019)

2. Equity warrant and subscription right to treasury stock

N.A.

3. Dividends

(1) Dividend paid

(Date of approval)	Type of share	Total dividend paid (million yen)	Dividend per share (yen)	Record date	Payable date
Annual general meeting of shareholders on June 26, 2018	Common stock	3,987	7.5	May 31, 2018	June 27, 2018
Board of Directors on October 31, 2018	Common stock	3,987	7.5	September 30, 2018	December 3, 2018

Note.1:The total amount of dividend whose record date is March 31, 2018 includes 4 million yen for the Company's stock acquired by "BIP Trust"

Note.2:The total amount of dividend whose record date is September 30, 2018 includes 3 million yen for the Company's stock acquired by "BIP Trust"

(2) Among the dividends for which the record date falls within the current consolidated accounting period under review, the portion of the dividend for which the effective date falls in the next consolidated accounting period

(Scheduled date of resolution)	Type of share	Total dividend paid (million yen)	Dividend source	Dividend per share (yen)	Record date	Payable date
Annual general meeting of shareholders on June 25, 2019	Common stock	3,987	Retained earnings	7.5	March 31, 2019	June 26, 2019

Note:The total amount of dividend whose record date is March 31, 2019 includes 3 million yen for the Company's stock acquired by "BIP Trust".

(Cash flows)

* Reconciliation of the amounts of cash and cash equivalents at end of the year stated in Consolidated Statements of Cash Flows to the amounts of accounts stated in Consolidated Balance Sheets

(In million yen)

	Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Cash and bank deposits	88,683	90,243
Short-term loans receivable	76	71
Time deposits with original maturities of more than three months	-2,595	-6,769
Short-term loans receivable, excluding repurchase agreements	-76	-71
Cash and cash equivalents	86,087	83,474

(Segment Information, etc.)

[Segment information]

1. Description of reporting segments

It is possible to acquire financial information for the separate components making up the Company, and the Company's highest decision-making body (the Board of Directors) carries out regular investigations into the Company's reporting segments in order to decide the allocation of management resources and to assess results.

The Group's main business is the manufacturing and sale of bearings, driveshafts and precision equipment for aftermarket applications, industrial machinery applications, and automotive applications. Business activities in Japan are controlled by the Company (Head Office), the activities of each region are controlled by the general managers' department overseas allocated to each region. Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

Accordingly, the NTN Group consists of the Head Office and business segments in different regions based on general managers' offices. Its four reporting segments are "Japan," "Americas," "Europe" and "Asia and other areas." Each segment carries out the manufacturing and sale of bearings, driveshafts and precision equipment.

2. Methods used to calculate and report sales, income or losses, assets, liabilities and other items for each reporting segment

The business segment accounting methods for each reporting segment are the same methods as those used in the consolidated financial statements. "Inter-segment sales or transfers" is calculated based on prevailing market prices.

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

Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(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	213,976	194,277	188,224	147,894	744,372	—	744,372
Inter-segment sales or transfers	133,345	4,269	4,292	14,057	155,965	(155,965)	—
Total	347,322	198,546	192,516	161,952	900,338	(155,965)	744,372
Segment income (Operating income)	8,015	7,091	2,800	19,600	37,508	2,100	39,608
Segment assets	600,895	162,740	153,104	172,888	1,089,629	(250,202)	839,427
Segment liabilities	390,464	104,599	112,591	52,238	659,893	(90,225)	569,667
Other items							
Depreciation and amortization	13,481	9,853	7,235	6,934	37,505	—	37,505
Increase in tangible and intangible fixed assets	26,409	10,286	7,710	4,266	48,672	(200)	48,472

Note.1:“Adjustments” refers to elimination of all inter-segment transactions with the exception of segment assets. Also,Adjustments under “segment assets” is made up of inter-segment eliminations of -290,727 million yen and company-wide assets not allocated to specific segments of 40,525 million yen (major items include operating capital (deposits and marketable securities), and long-term investment capital (marketable investment securities) etc.).

Note.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

Year ended March 31, 2018 (April 1, 2018 - March 31, 2019)

(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	216,267	194,668	179,827	142,806	733,569	—	733,569
Inter-segment sales or transfers	136,803	3,634	4,176	12,771	157,386	(157,386)	—
Total	353,071	198,302	184,004	155,577	890,955	(157,386)	733,569
Segment income (Operating income)	681	4,344	954	17,218	23,200	3,745	26,945
Segment assets	609,258	176,903	143,804	173,682	1,103,649	(262,898)	840,750
Segment liabilities	417,715	107,031	110,503	45,417	680,668	(86,322)	594,346
Other items							
Depreciation and amortization	15,285	9,687	7,117	6,837	38,926	—	38,926
Increase in tangible and intangible fixed assets	27,252	13,599	9,366	5,146	55,364	(552)	54,812

Note1:“Adjustments” refers to elimination of all inter-segment transactions with the exception of segment assets. Also,Adjustments under “segment assets” is made up of inter-segment eliminations of -297,147 million yen and company-wide assets not allocated to specific segments of 34,248 million yen (major items include long-term investment capital (marketable investment securities) etc.).

Note2: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

[Related information]

Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

1. Information related to products and services

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Sales to external customers	116,695	119,085	508,592	744,372

Note:“Net sales to external customers” refers to sales in each product category based on similarity with sales markets.

2. Geographic information

(1) Net Sales

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
204,324	201,676	175,598	162,772	744,372

- Notes:
1. Net sales are classified according to country or region based on the location of customers.
 2. Major countries or regions in each reporting 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
 3. Of the sales classified as net sales to the Americas, sales to the U.S.A accounted for 172,454 million yen.
 4. Of the sales classified as net sales to Asia and others, sales to China accounted for 86,709 million yen.

(2) Property, plant and equipment

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
113,587	72,951	49,543	51,976	288,059

- Notes:
1. Of the property, plant and equipment classified under Americas, property, plant and equipment held in the U.S.A accounted for 64,293 million yen.
 2. Of the property, plant and equipment classified under Europe, property, plant and equipment held in France accounted for 34,723 million yen.
 3. Of the property, plant and equipment classified under Asia and other areas, property, plant and equipment held in China accounted for 38,838 million yen.

Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

1. Information related to products and services

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Net sales to external customers	118,849	123,397	491,322	733,569

(Note) "Net sales to external customers" refers to sales in each product category based on similarity with sales markets.

2. Geographic information

(1) Net Sales

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
207,248	201,464	167,826	157,030	733,569

Note.1: Net sales are classified according to country or region based on the location of customers.

Note.2: Major countries or regions in each reporting 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

Note.3: Of the sales classified as net sales to the Americas, sales to the U.S.A accounted for 171,061 million yen.

Note.4: Of the sales classified as net sales to Asia and others, sales to China accounted for 79,886 million yen.

(2) Property, plant and equipment

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
104,181	79,046	48,400	48,235	279,863

Note.1: Of the property, plant and equipment classified under Americas, property, plant and equipment held in the U.S.A accounted for 70,062 million yen.

Note.2: Of the property, plant and equipment classified under Europe, property, plant and equipment held in France accounted for 31,930 million yen.

Note.3: Of the property, plant and equipment classified under Asia and other areas, property, plant and equipment held in China accounted for 35,842 million yen.

[Information related to impairment loss on fixed assets by reporting segment]

Previous consolidated accounting period (April 1, 2017 – March 31, 2018)

(In million yen)

	Japan	Americas	Europe	Asia and other areas	Adjustment	Total
Impairment loss	634	—	—	—	—	634

Current consolidated accounting period (April 1, 2018 to March 31, 2019)

(In million yen)

	Japan	Americas	Europe	Asia and other areas	Adjustment	Total
Impairment loss	16,963	—	—	—	—	16,963

(Per share data)

	Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Net assets per share (yen)	477.17	433.32
Net income per share or net loss (-) per share	38.36	-13.10

Note.1: Diluted net income per share in the current consolidated accounting period is not reported because no residual securities existed.

Note.2: The Company has introduced an “Officer Remuneration BIP Trust” in the current consolidated accounting period, and recorded the Company’s shares held by such trust as treasury stock in consolidated financial statements. Accordingly, to calculate the “amount of net assets per share,” the Company’s shares held by the trust are included in treasury stock (566,000 shares for the previous consolidated accounting period, 479,000 shares for the current consolidated accounting period) that is excluded from the total number of shares issued and outstanding as of fiscal year end. In addition, to calculate the “amount of net income per share,” the Company’s shares held by the trust are included in treasury stock (567,000 shares for the previous consolidated accounting period, 516,000 shares for the current consolidated accounting period) that is excluded from the calculation of the average number of shares for the period.

Note.3 The basic methods for calculating net income per share are as follows.

	Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Net income attributable to shareholder (parent company) (million yen)	20,373	-6,958
Amount not attributable common shareholders (million yen)	—	—
Net income attributable to shareholders (parent company) for common stocks (million yen)	20,373	-6,958
Average number of shares during the period (thousand shares)	531,063	531,107

(Significant Subsequent Events)

N.A

Explanatory Materials

1.Reference

1.1. Consolidated Financial Results

(In million yen)

		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Consolidated operating results (Lower: Net sales ratio)	Net sales	701,900 100.0%	716,996 100.0%	683,328 100.0%	744,372 100.0%	733,569 100.0%	
	Operating income	43,850 6.2%	47,770 6.7%	35,622 5.2%	39,608 5.3%	26,945 3.7%	
	Ordinary income	38,868 5.5%	38,211 5.3%	29,604 4.3%	31,250 4.2%	22,231 3.0%	
	Extraordinary loss	-1,805 -0.3%	-11,268 -1.6%	-14,714 -2.2%	-4,345 -0.6%	-19,292 -2.6%	
	Net income attributable to shareholder (parent company)	23,352 3.3%	15,037 2.1%	2,830 0.4%	20,373 2.7%	-6,958 -0.9%	
Net sales by region (Lower: Net sales ratio)	Japan	191,460 27.3%	189,556 26.4%	191,466 28.0%	204,324 27.4%	207,248 28.3%	
	Americas	202,561 28.9%	212,549 29.6%	194,765 28.5%	201,676 27.1%	201,464 27.5%	
	Europe	171,217 24.4%	169,039 23.6%	154,989 22.7%	175,598 23.6%	167,826 22.9%	
	Asia and other areas	136,661 19.5%	145,850 20.3%	142,107 20.8%	162,772 21.9%	157,030 21.4%	
	Total	701,900 100.0%	716,996 100.0%	683,328 100.0%	744,372 100.0%	733,569 100.0%	
Net sales / Operating income by location	Japan	Net sales	343,315	337,685	320,834	347,322	353,071
		Operating income	27,557	24,149	4,461	8,015	681
		Operating margin	8.0%	7.2%	1.4%	2.3%	0.2%
	Americas	Net sales	198,912	208,378	191,393	198,546	198,302
		Operating income	1,410	5,774	8,286	7,091	4,344
		Operating margin	0.7%	2.8%	4.3%	3.6%	2.2%
	Europe	Net sales	187,206	183,548	169,016	192,516	184,004
		Operating income	3,700	3,100	3,310	2,800	954
		Operating margin	2.0%	1.7%	2.0%	1.5%	0.5%
	Asia and other areas	Net sales	132,925	148,159	142,302	161,952	155,577
		Operating income	10,081	12,619	14,522	19,600	17,218
		Operating margin	7.6%	8.5%	10.2%	12.1%	11.1%
	Deletion	Net sales	-160,458	-160,775	-140,218	-155,965	-157,386
		Operating income	1,100	2,126	5,041	2,100	3,745
	Total	Net sales	701,900	716,996	683,328	744,372	733,569
Operating income		43,850	47,770	35,622	39,608	26,945	
Operating margin		6.2%	6.7%	5.2%	5.3%	3.7%	

(In million yen)

			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Net sales / Operating income by business applications	Aftermarket	Net sales	112,433	113,628	104,500	116,695	118,849	
		Operating income	19,237	17,702	13,994	15,009	15,183	
		Operating margin	17.1%	15.6%	13.4%	12.9%	12.8%	
	Industrial machinery	Net sales	108,993	104,109	98,611	119,085	123,397	
		Operating income	6,261	5,618	1,622	2,796	3,106	
		Operating margin	5.7%	5.4%	1.6%	2.3%	2.5%	
	Automotive	Net sales	480,473	499,258	480,216	508,592	491,322	
		Operating income	18,351	24,448	20,005	21,803	8,655	
		Operating margin	3.8%	4.9%	4.2%	4.3%	1.8%	
	Total	Net sales	701,900	716,996	683,328	744,372	733,569	
		Operating income	43,850	47,770	35,622	39,608	26,945	
		Operating margin	6.2%	6.7%	5.2%	5.3%	3.7%	
Capital expenditures /Depreciation and amortization	Capital expenditures		31,266	36,300	35,398	37,589	45,172	
	Depreciation and amortization	Domestic	15,708	11,836	13,167	13,481	15,285	
		Overseas	24,683	26,441	23,461	24,023	23,641	
	Total		40,391	38,277	36,629	37,505	38,926	
R&D expenditures			18,088	18,480	19,196	21,007	21,661	
Ratio of R&D expenditures to net sales			2.6%	2.6%	2.8%	2.8%	3.0%	
Inventories			184,128	178,220	171,481	179,738	194,505	
Inventory turnover ratio (times)			3.8	4.0	4.0	4.1	3.8	
Interest- bearing debts	Loans		359,105	325,173	300,169	290,833	320,344	
	Bonds		—	—	20,000	30,000	30,000	
	Total		359,105	325,173	320,169	320,833	350,344	
Major management indicators	Ordinary income ratio to total assets		4.6%	4.6%	3.7%	3.8%	2.6%	
	Return on assets (ROA)		2.7%	1.8%	0.4%	2.5%	-0.8%	
	Return on equity (ROE)		10.5%	6.3%	1.2%	8.4%	-2.9%	
	Shareholder's equity ratio		28.6%	29.3%	28.8%	30.2%	27.4%	
	Net assets per share (yen)		461.21	436.97	431.66	477.17	433.32	
	Net income per share (yen)		43.91	28.28	5.33	38.36	-13.10	
Employees	Domestic	(persons)	8,003	8,145	8,420	8,546	8,648	
	Overseas	(persons)	15,357	15,964	16,245	16,947	16,340	
	Total	(persons)	23,360	24,109	24,665	25,493	24,988	
Exchange rates	Average	Dollar	(yen)	109.76	120.15	108.39	110.85	110.88
		Euro	(yen)	138.69	132.60	118.80	129.64	128.41
	At year end	Dollar	(yen)	120.17	112.68	111.85	106.49	110.64
		Euro	(yen)	130.32	127.70	119.48	131.00	124.21

1.2. Non-consolidated Financial Results

(In million yen)

		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Non-consolidated operating results (Lower: Net sales ratio)	Net sales	337,995	335,544	318,561	342,446	347,154
		100.0%	100.0%	100.0%	100.0%	100.0%
	Operating income	12,652	9,110	-7,681	-2,630	-5,354
		3.7%	2.7%	-2.4%	-0.8%	-1.5%
	Ordinary income	18,869	19,593	-2,522	7,965	3,801
	5.6%	5.8%	-0.8%	2.3%	1.1%	
	Extraordinary loss	-969	-3,294	-6,180	-2,599	3,591
		-0.3%	-1.0%	-1.9%	-0.8%	1.0%
	Net income	11,488	12,864	-7,936	7,413	6,963
		3.4%	3.8%	-2.5%	2.2%	2.0%
Net sales by region (Lower: Net sales ratio)	Japan	185,059	183,211	184,920	197,155	198,183
		54.8%	54.6%	58.0%	57.6%	57.1%
	Americas	56,088	57,448	51,615	54,609	57,895
		16.6%	17.1%	16.2%	15.9%	16.7%
	Europe	36,691	34,972	32,058	34,893	33,973
	10.9%	10.4%	10.1%	10.2%	9.8%	
	Asia and other areas	60,156	59,912	49,966	55,787	57,102
		17.8%	17.9%	15.7%	16.3%	16.4%
	Total	337,995	335,544	318,561	342,446	347,154
		100.0%	100.0%	100.0%	100.0%	100.0%
Capital expenditures		6,995	8,019	7,047	9,325	14,313
Depreciation and amortization		8,826	6,851	7,599	7,864	9,924
R&D expenditures		12,451	13,044	14,006	15,507	16,636
Ratio of R&D expenditures to net sales		3.7%	3.9%	4.4%	4.5%	4.8%
Inventories		44,158	43,248	41,276	43,506	51,319
Inventory turnover ratio (times)		7.7	7.8	7.7	7.9	6.8
Interest-bearing debts	Loans	217,100	209,077	202,051	199,578	222,203
	Bonds	—	—	20,000	30,000	30,000
	Total	217,100	209,077	222,051	229,578	252,203
Major management indicators	Ordinary income ratio to total assets	3.5%	3.6%	-0.5%	1.4%	0.6%
	Return on assets (ROA)	2.1%	2.3%	-1.4%	1.3%	1.2%
	Return on equity (ROE)	6.8%	7.2%	-4.5%	4.3%	4.0%
	Shareholder's equity ratio	32.0%	33.2%	30.2%	29.8%	28.6%
	Net assets per share (yen)	335.00	339.41	323.80	330.65	320.53
	Net income per share (yen)	21.60	24.19	-14.94	13.96	13.11
Employees (persons)		5,062	5,154	5,301	5,382	5,892