

Consolidated Financial Results for the First Quarter of FY2016

August 2, 2016
NTN Corporation

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★Financial Results for the First Quarter of FY2016

Key Factors

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- 2. Net Sales by Region**
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- 7. Inventories**
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- 9. Capital Expenditure and Depreciation**
- 10. Cash Flows**

FY2016 1Q Results

- ◇ Net Sales: **167.3 billion yen, decreased by 8.5% year-on-year**
 - Progress rate for the 1st Half (forecast) :337.0 billion yen is **approximately 50%. (including exchange-rates)**
 - Aftermarket applications **decreased by approximately 12% year-on-year**, due to the industrial machinery aftermarket was decreased and other factors.
 - Industrial machinery applications **decreased by approximately 13% year-on-year**, due to the decrease sales for construction machinery and other factors.
 - Automotive applications **decreased by approximately 7% year-on-year** due to the impact of appreciation of the Yen, although customer demand in overseas increased.
- ◇ Operating Income: **10.9 billion yen, decreased by 22.5% year-on-year**
 - Due to the decrease in valuable cost, progress rate for the 1st Half (forecast) is **approximately 73%. (including exchange-rates)**
- ◇ Net income attributable to shareholder (parent company) :
3.7billion yen, decreased by 62.3% year-on-year
 - Progress rate for the 1st Half (forecast) is **approximately 62%. (including exchange-rates)**

FY2016 Forecast (1st Half & Full year)

- ◇ The forecast for the first half and full year remains unchanged

1. Consolidated Statements of Operation

(100 million yen)

	FY2015					FY2016 1Q Results ②	Year on year ②-①			FY2016		
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results		Total	Volume	Forex	1H Forecast	Full year Forecast	
Net sales	1,828	1,780	1,765	1,797	7,170	1,673	-155	3	-158	3,370	6,900	
Operating income	141	108	119	110	478	109	-32	-0	-31	150	350	
Operating margin	(7.7%)	(6.0%)	(6.8%)	(6.1%)	(6.7%)	(6.5%)	(-1.2%)	-	-	(4.5%)	(5.1%)	
Ordinary income	146	34	117	85	382	83	-63	-34	-29	110	270	
Extraordinary income/loss	-	-	-133	20	-113	-5	-5	-5	-	-	-	
Net income attributable to shareholder (parent company)	98	6	-8	54	150	37	-61	-42	-19	60	160	
Exchange rate	US \$	121.4	122.3	121.5	115.4	120.2	108.0	-13.4	-	-	105.0	105.0
	EURO	134.2	136.0	133.0	127.2	132.6	121.9	-12.3	-	-	120.0	120.0

2. Net Sales by Region

(100 million yen)

	FY2015					FY2016	Year on year ②-①			FY2016	
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results	1Q Results ②	Total	Volume	Forex	1H Forecast	Full year Forecast
	Japan	471	475	475	474	1,896	462	-9	-9	0	915
Americas	544	538	512	532	2,125	478	-66	-3	-62	955	1,950
Europe	440	407	396	448	1,690	411	-29	14	-43	775	1,590
Asia and others	373	360	382	344	1,459	322	-51	2	-53	725	1,485
Total	1,828	1,780	1,765	1,797	7,170	1,673	-155	3	-158	3,370	6,900

3. Net Sales and Operating Income by Business Sector

<Net Sales by Business Sector>

(100 million yen)

	FY2015					FY2016 1Q Results ②	Year on year ②-①	FY2016	
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results			1H Forecast	Full year Forecast
Aftermarket	290	294	267	286	1,136	255	-34	535	1,100
Industrial machinery	268	260	250	263	1,041	235	-33	460	935
Automotive	1,270	1,226	1,249	1,247	4,993	1,183	-88	2,375	4,865
Total	1,828	1,780	1,765	1,797	7,170	1,673	-155	3,370	6,900

<Operating Income by Business Sector>

(100 million yen)

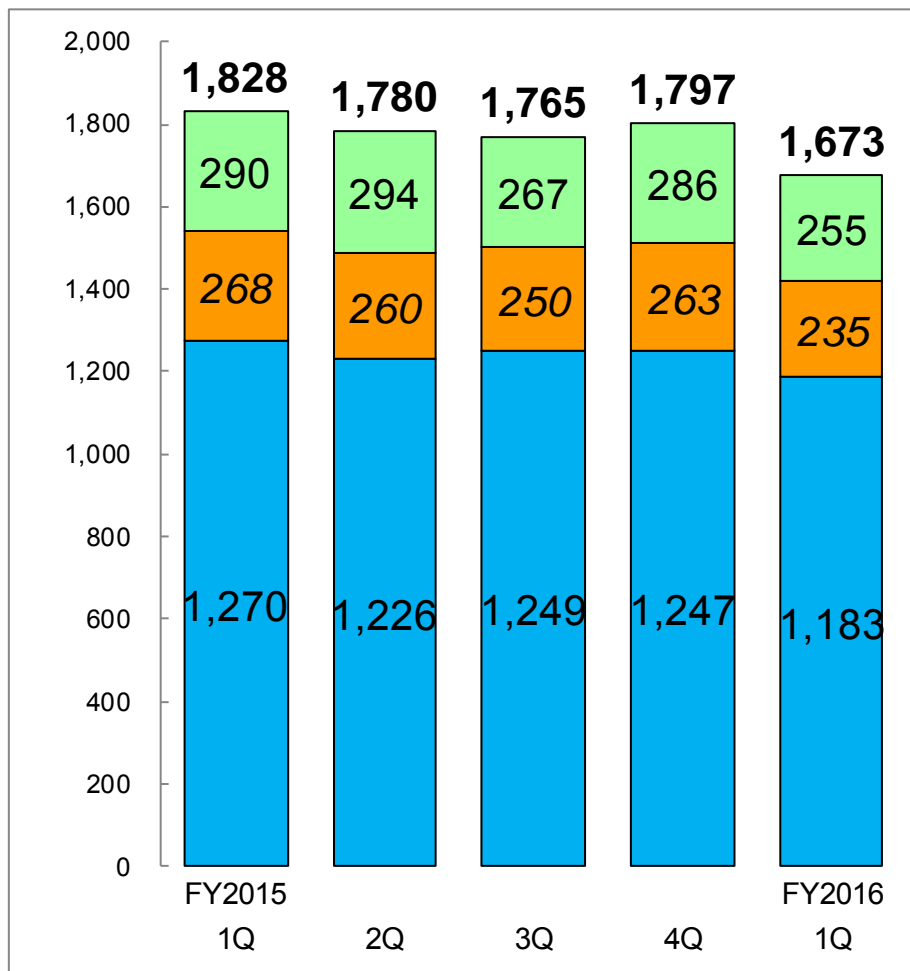
	FY2015					FY2016 1Q Results ②	Year on year ②-①	FY2016	
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results			1H Forecast	Full year Forecast
Aftermarket	53	42	43	39	177	38	-14	75	163
Industrial machinery	19	17	12	9	56	7	-12	15	37
Automotive	69	48	65	62	244	64	-5	60	150
Total	141	108	119	110	478	109	-32	150	350

4. Results by Business Sector (Quarterly Trend)

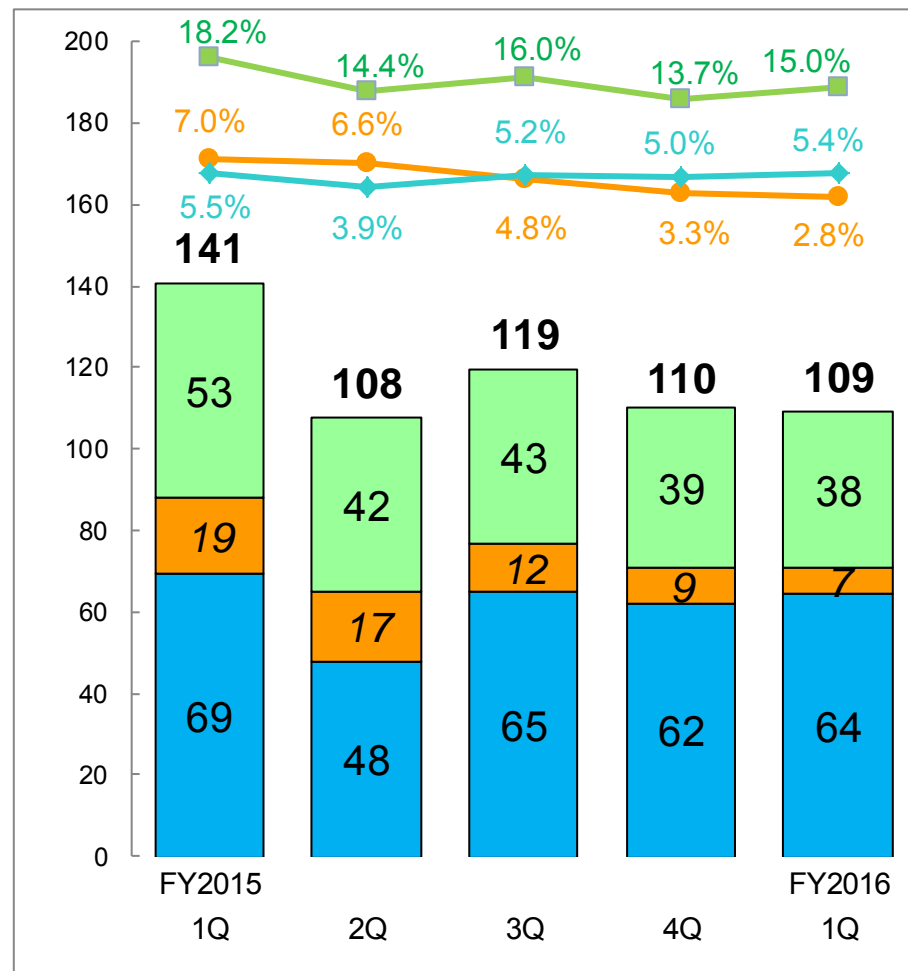
* All figures in 100 million yen.

Automotive Industrial machinery Aftermarket

Net Sales

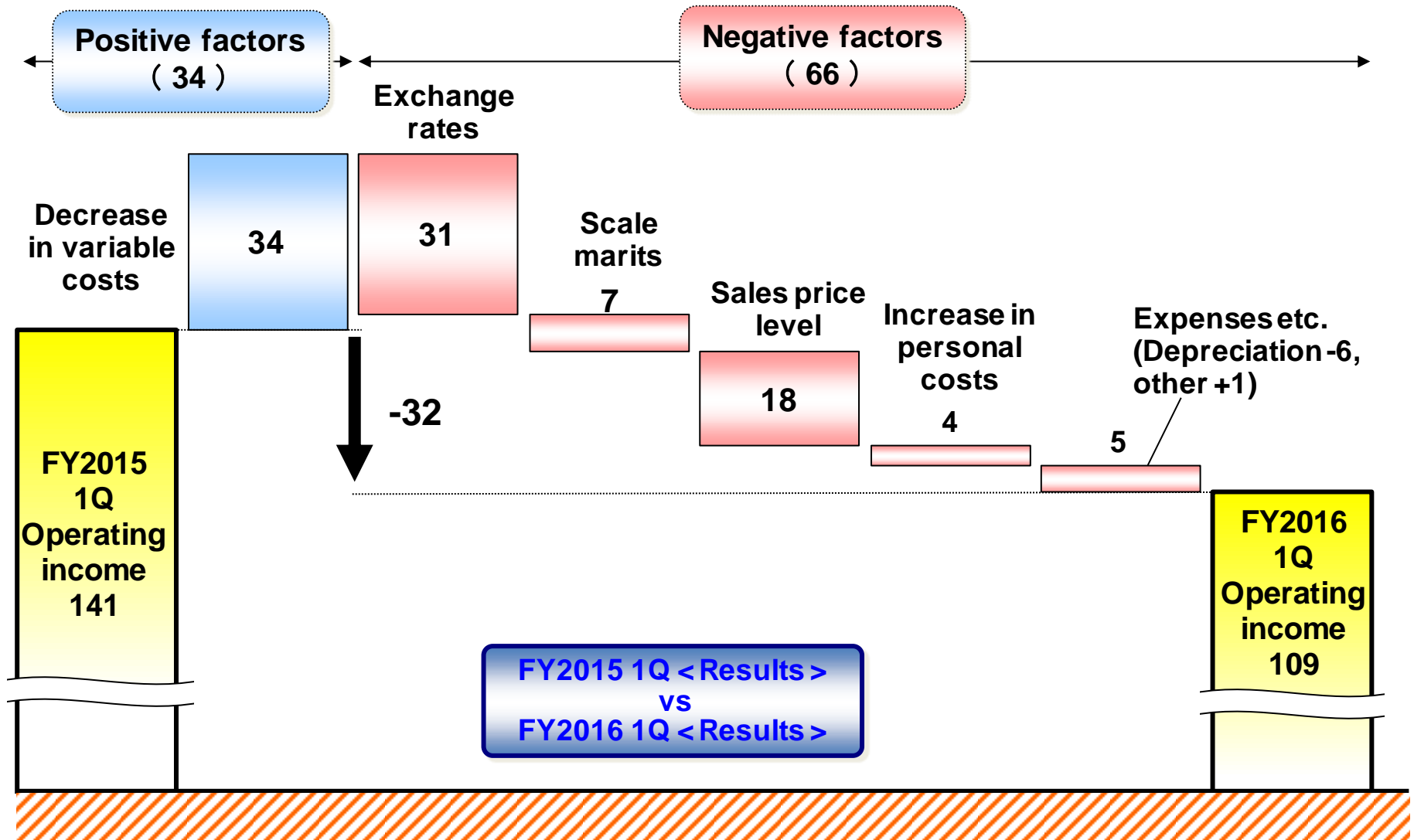


Operating Income/Operating Margin



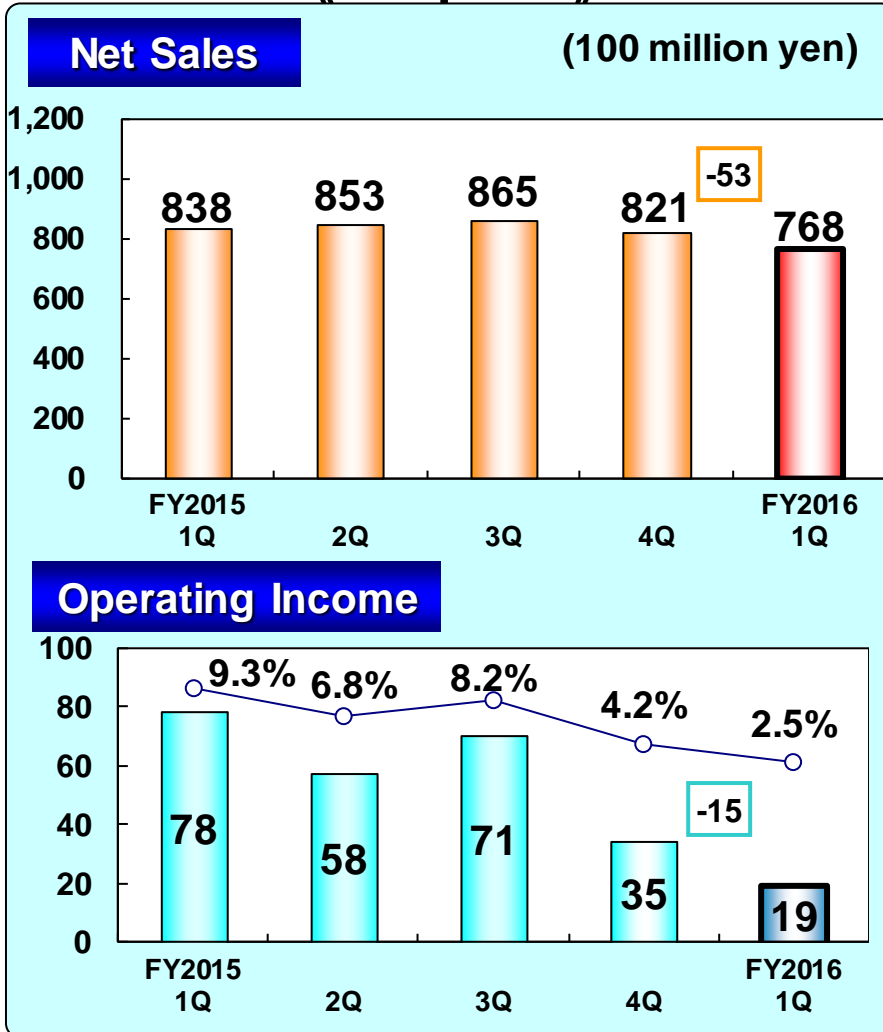
5. Analysis of Operating Income (FY20161Q)

* All figures in 100 million yen.

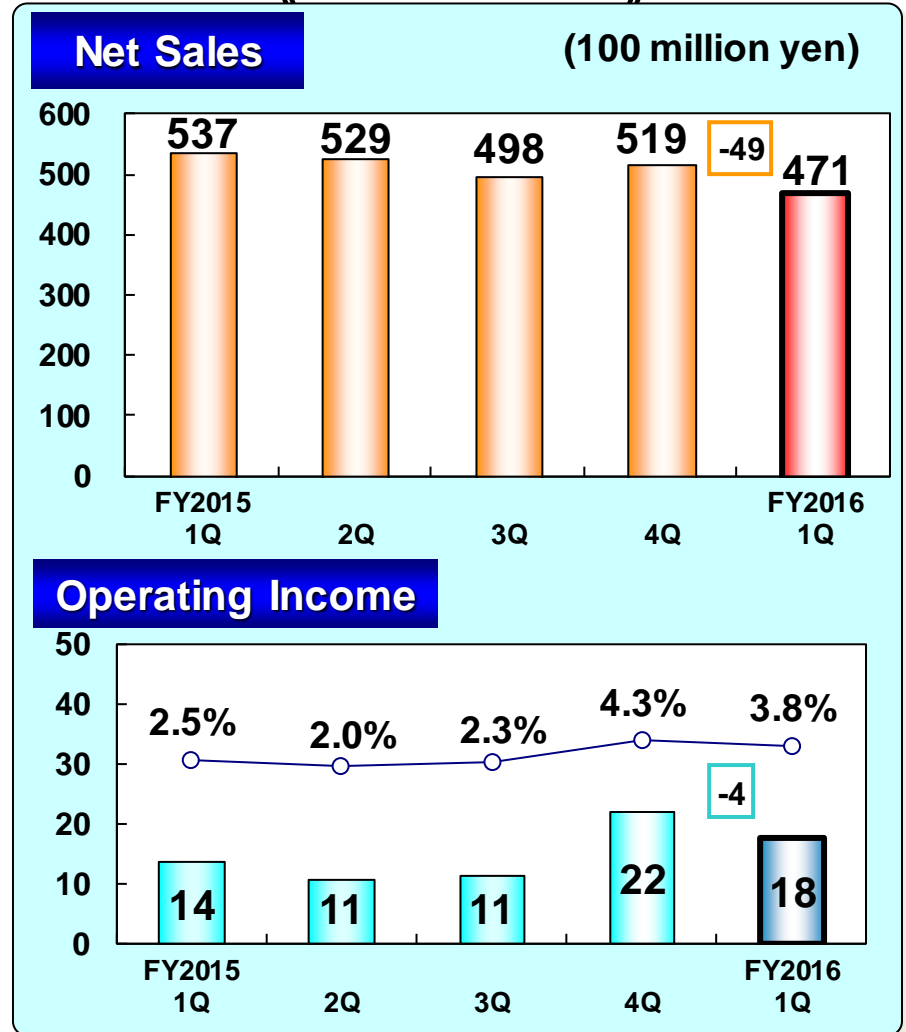


6. Net Sales and Operating Income by Region

《 Japan 》

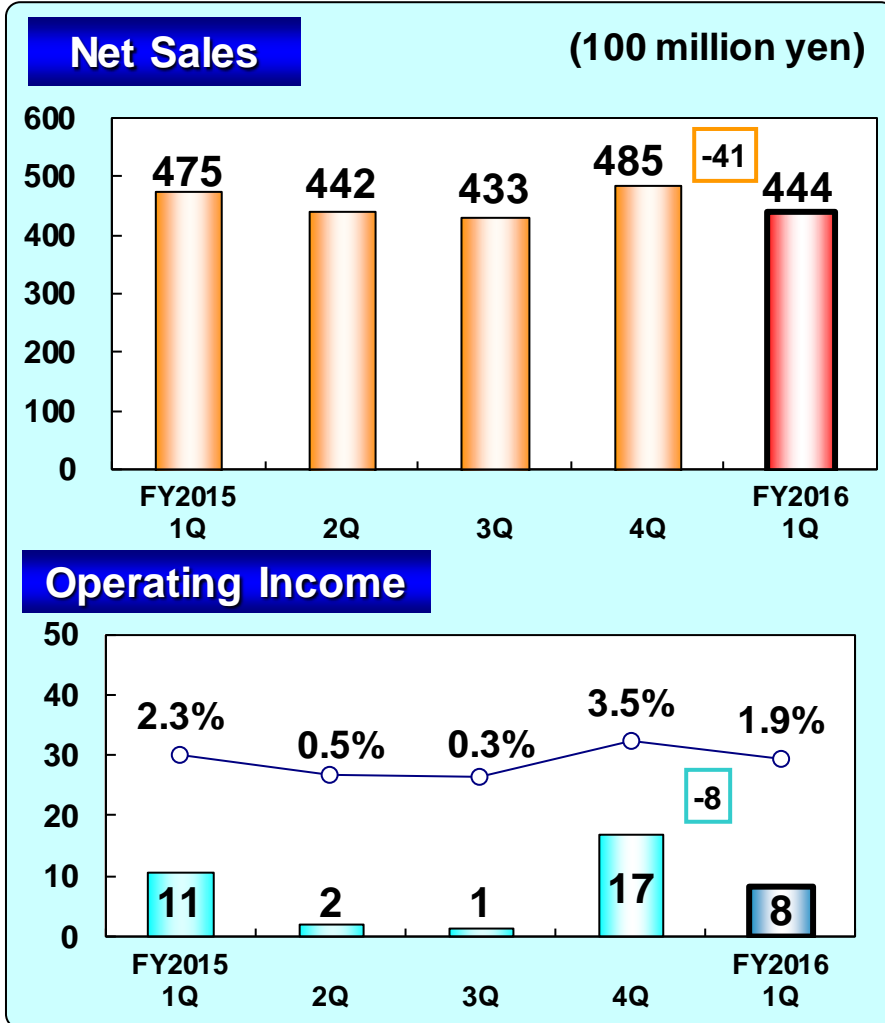


《 Americas 》

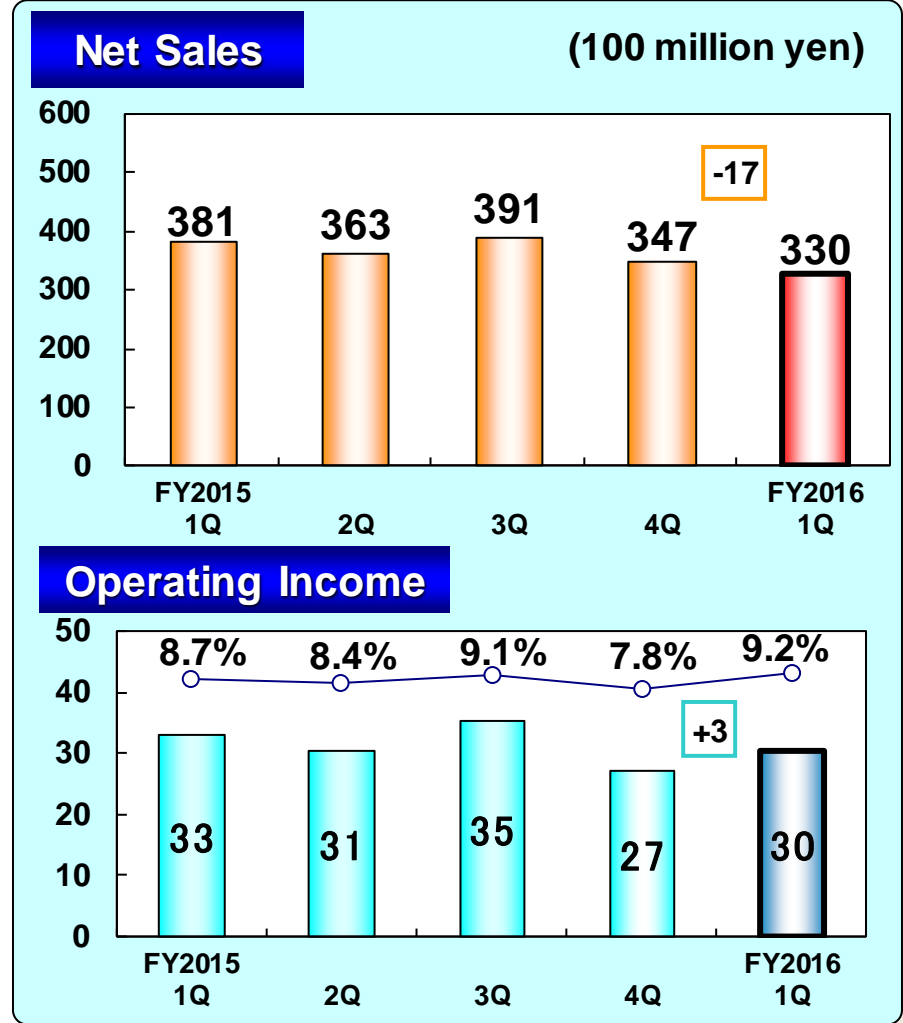


6. Net Sales and Operating Income by Region

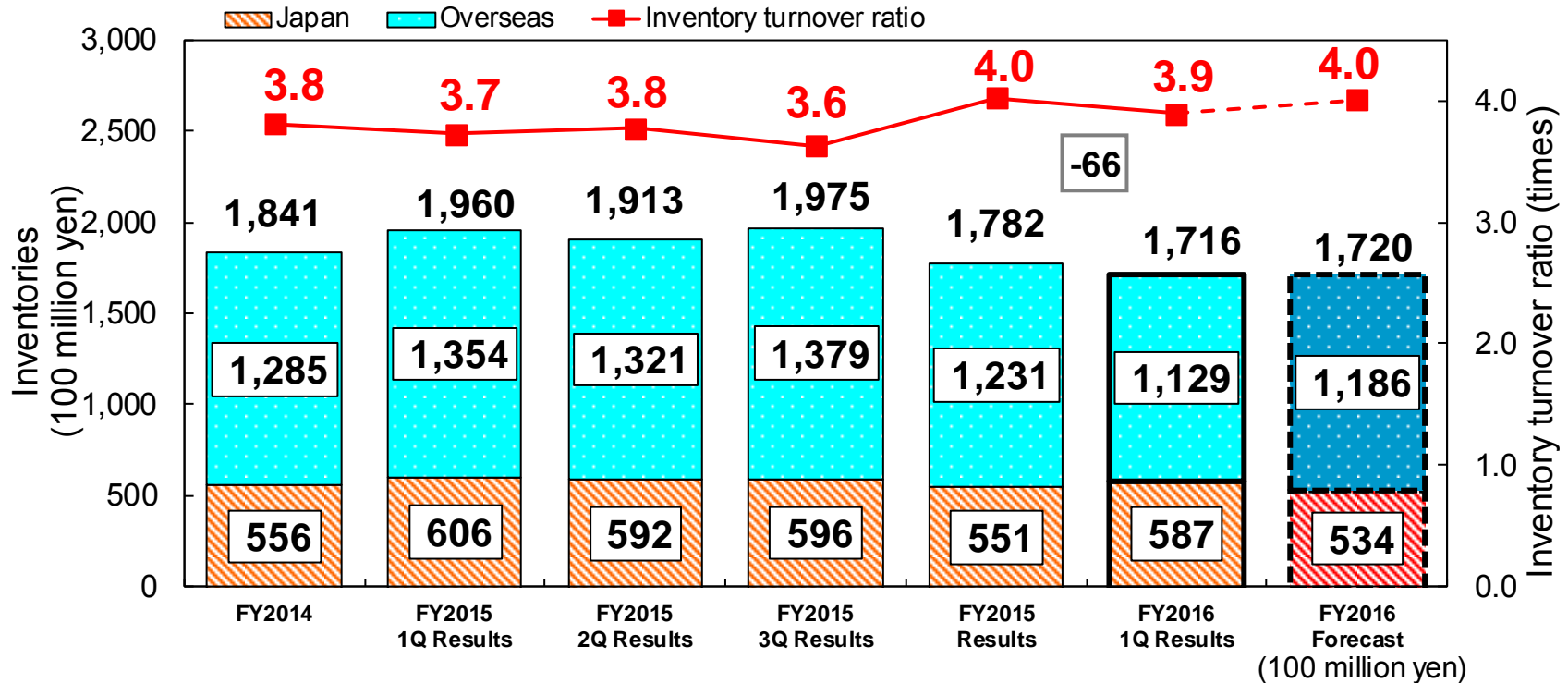
《 Europe 》



《 Asia and others 》

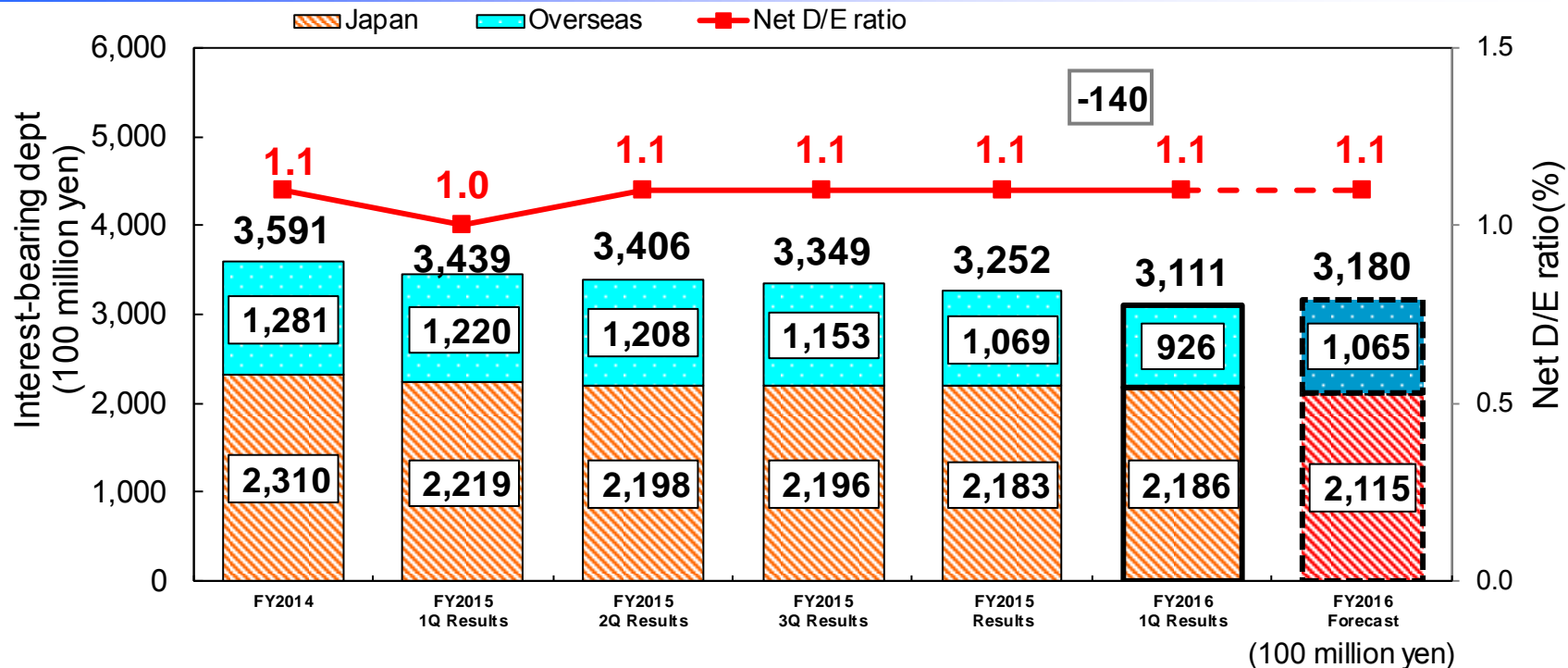


7. Inventories



	FY2014	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 Results	FY2016 1Q Results	FY2016 Forecast
Inventories	1,841	1,960	1,913	1,975	1,782	1,716	1,720
Overseas	(1,285)	(1,354)	(1,321)	(1,379)	(1,231)	(1,129)	(1,186)
Japan	(556)	(606)	(592)	(596)	(551)	(587)	(534)
Inventory turnover ratio (times)	3.8	3.7	3.8	3.6	4.0	3.9	4.0

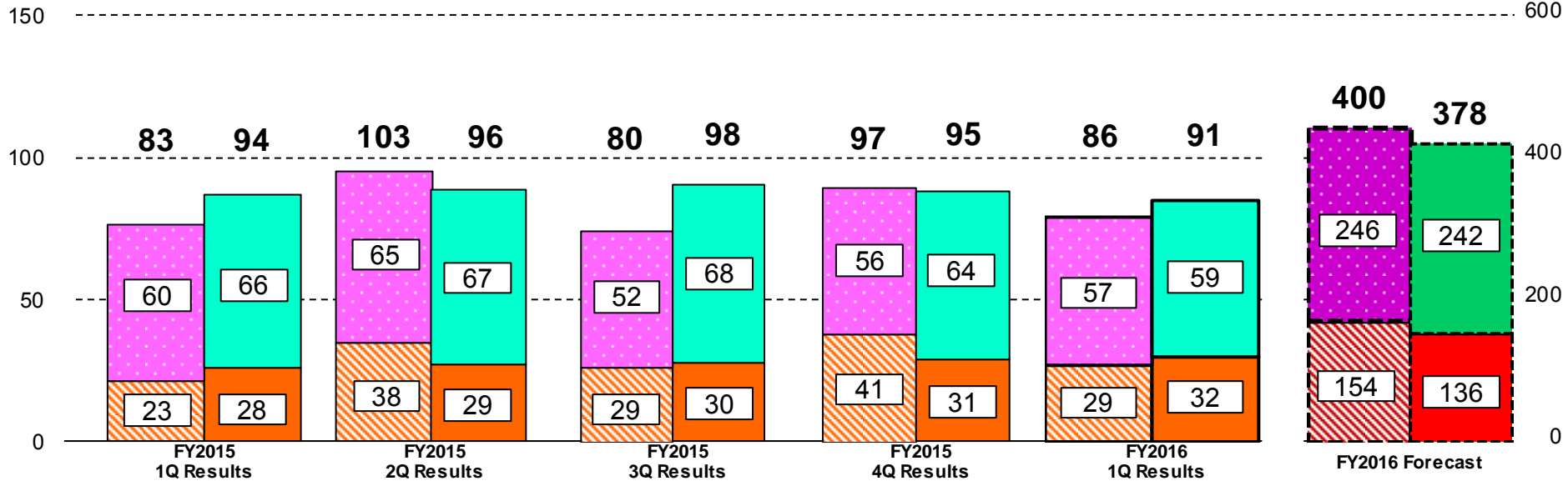
8. Interest-Bearing Debt



	FY2014	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 Results	FY2016 1Q	FY2016 Forecast
	Results	Results	Results	Results	Results	Results	Forecast
Interest-bearing debt	3,591	3,439	3,406	3,349	3,252	3,111	3,180
Overseas	(1,281)	(1,220)	(1,208)	(1,153)	(1,069)	(926)	(1,065)
Japan	(2,310)	(2,219)	(2,198)	(2,196)	(2,183)	(2,186)	(2,115)
Net Interest-bearing debt	2,713	2,663	2,613	2,719	2,579	2,432	2,521

9. Capital Expenditure and Depreciation

(100 million yen)



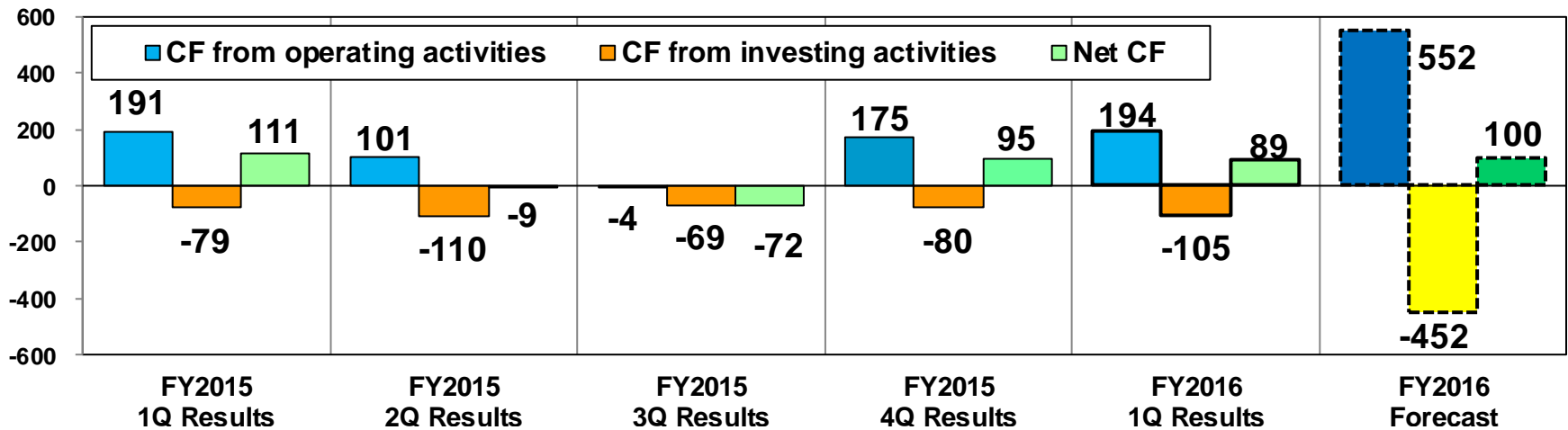
(100 million yen)

	FY2015				FY2016	Year on year	FY2016
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	②-①	Forecast
Capital expenditure	83	103	80	97	86	3	400
Overseas	(60)	(65)	(52)	(56)	(57)	(-3)	(246)
Japan	(23)	(38)	(29)	(41)	(29)	(6)	(154)

	FY2015				FY2016	Year on year	FY2016
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	②-①	Forecast
Depreciation	94	96	98	95	91	(-3)	378
Overseas	(66)	(67)	(68)	(64)	(59)	(-7)	(242)
Japan	(28)	(29)	(30)	(31)	(32)	(4)	(136)

10. Cash Flows

(100 million yen)	FY2015				FY2016	FY2016	②-①
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	Forecast	
I . Cash flow from operating activities	191	101	-4	175	194	552	3
II . Cash flow from investing activities	-79	-110	-69	-80	-105	-452	-25
I + II . Net cash flow	111	-9	-72	95	89	100	-22
III . Cash flow from financing activities	-203	-9	-80	13	-69	-86	134
IV . Effect of exchanging rate translation on cash and cash equivalents	-10	36	-11	-64	-14	-30	-4
V . Net increase in cash and cash equivalents	-102	17	-163	43	6	-15	108



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