

Consolidated Financial Results for the First Quarter of FY2018

August 2, 2018
NTN Corporation

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★Financial Results for the First Quarter of FY2018 Key Factors

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- 6. Net Sales and Operating Income by Company Location**
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- 9. Capital Expenditure and Depreciation**
- 10. Cash Flows**

Results of FY2018 First Quarter (April-June)

- ◇ Net Sales: **¥189.2 billion**
 - Increase of **¥10.2 billion**, year-on-year
(Excluding exchange rates: increase of **¥6.7 billion**)
- ◇ Operating Income: **¥9.9 billion**
 - Increase of **¥1.3 billion**, year-on-year
(Excluding exchange rates : decrease of **¥0.5 billion**)
- ◇ Ordinary Income: **¥8.3 billion**
 - Increase of **¥1.6 billion** year-on-year
(Excluding exchange rates: decrease of **¥0.7 billion**)
- ◇ Net income attributable to shareholder(parent company): **¥5.9 billion**
 - Increase of **¥2.0 billion**, year-on-year
(Excluding exchange rates: increase of **¥1.4 billion**)
- ◇ Free Cash Flow: **-¥3.2 billion**, decrease of **¥9.6 billion**, year-on-year

(billion yen)

1. Consolidated Statements of Operation

	FY2017					FY2018	Year on year			FY2018		
	1Q	2Q	3Q	4Q	Full year		1Q	②-①			1H	Full year
	Results	Results	Results	Results	Results			Results	Total	Volume		
	①					②				Announce	ment	
Net sales	179.0	178.9	190.5	195.9	744.4	189.2	10.2	6.7	3.5	370.0	750.0	
Operating income	8.6	8.2	10.3	12.5	39.6	9.9	1.3	0.5	0.8	20.0	43.0	
Operating margin	(4.8%)	(4.6%)	(5.4%)	(6.4%)	(5.3%)	(5.2%)	(0.4%)			(5.4%)	(5.7%)	
Ordinary income	6.7	6.9	8.6	9.0	31.3	8.3	1.6	0.7	0.9	17.0	37.0	
Extraordinary income/loss	-	-	-	- 4.3	- 4.3	-	-	-	-	- 6.0	- 6.0	
Net income*	3.9	4.5	5.4	6.6	20.4	5.9	2.0	1.4	0.7	7.0	21.0	
Exchange rate	US\$	111.1	111.0	112.9	108.4	110.8	109.1	- 2.0			105.0	105.0
	EURO	122.1	130.3	132.9	133.2	129.6	130.1	8.0			130.0	130.0

(billion yen)

2. Net Sales by Region

	FY2017					FY2018 1Q Results ②	Year on year ②-①			FY2018	
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results		Total	Volume	Forex	1H Forecast (As of May)	Full year Forecast
	Japan	49.2	50.3	53.0	51.9						
Americas	51.2	47.6	49.9	53.0	201.7	49.3	- 1.9	- 1.1	- 0.8	95.5	190.5
Europe	41.6	40.9	43.3	49.8	175.6	46.6	5.0	2.1	2.9	87.5	177.0
Asia and others	37.1	40.1	44.4	41.2	162.8	41.7	4.6	3.2	1.4	84.0	171.5
Total	179.0	178.9	190.5	195.9	744.4	189.2	10.2	6.7	3.5	370.0	750.0

3. Net Sales and Operating Income by Business Sector

< Net Sales by Business Sector >

(billion yen)

	FY2017				
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results
Aftermarket	27.4	28.9	28.9	31.6	116.7
Industrial machinery	28.0	29.3	29.7	32.0	119.1
Automotive	123.7	120.7	131.9	132.3	508.6
Total	179.0	178.9	190.5	195.9	744.4

FY2018	Year on year		
1Q Results ②	②-①		
	Total	Volume	Forex
30.5	3.1	2.5	0.6
31.2	3.2	2.7	0.5
127.5	3.8	1.5	2.3
189.2	10.2	6.7	3.5

FY2018	
1H Forecast (As of May)	Full year Forecast
58.0	117.5
59.5	121.0
252.5	511.5
370.0	750.0

< Operating Income by Business Sector >

(billion yen)

	FY2017				
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results
Aftermarket	3.7	3.1	3.4	4.8	15.0
Industrial machinery	0.6	0.3	0.7	1.3	2.8
Automotive	4.3	4.9	6.2	6.4	21.8
Total	8.6	8.2	10.3	12.5	39.6

FY2018	Year on year
1Q Results ②	②-①
4.1	0.3
1.1	0.6
4.7	0.4
9.9	1.3

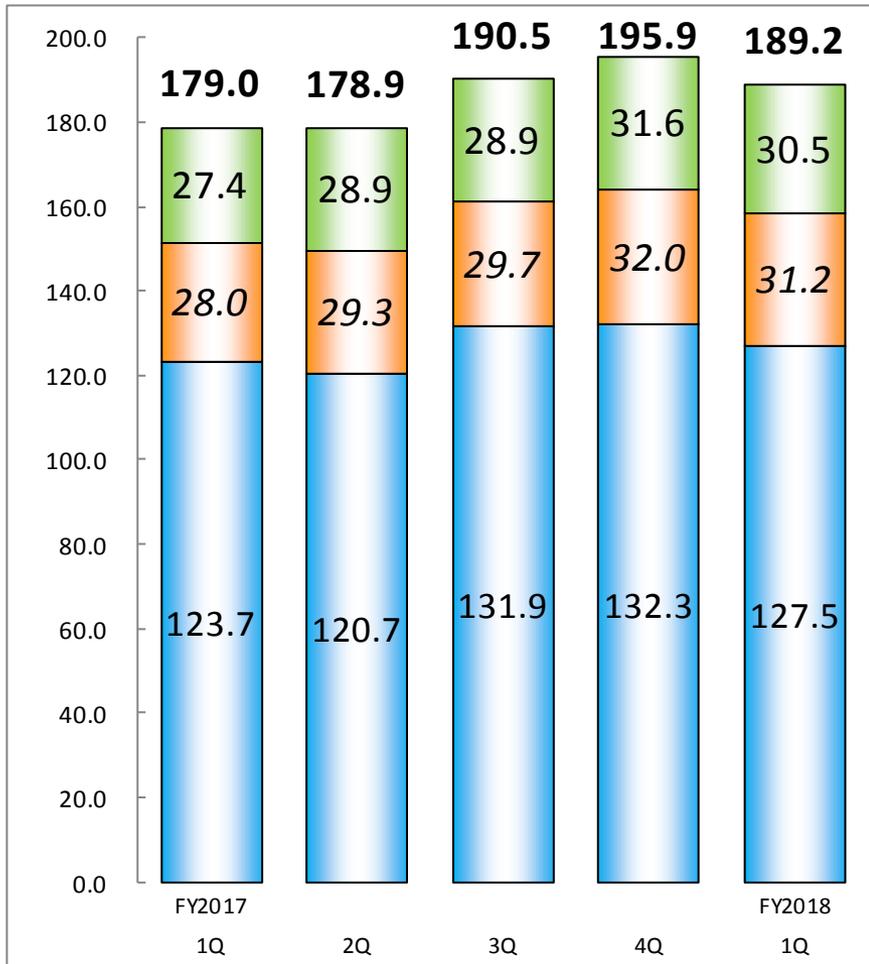
FY2018	
1H Forecast (As of May)	Full year Forecast
7.3	15.3
2.2	4.7
10.5	23.0
20.0	43.0

4. Results by Business Sector (Quarterly Trend)

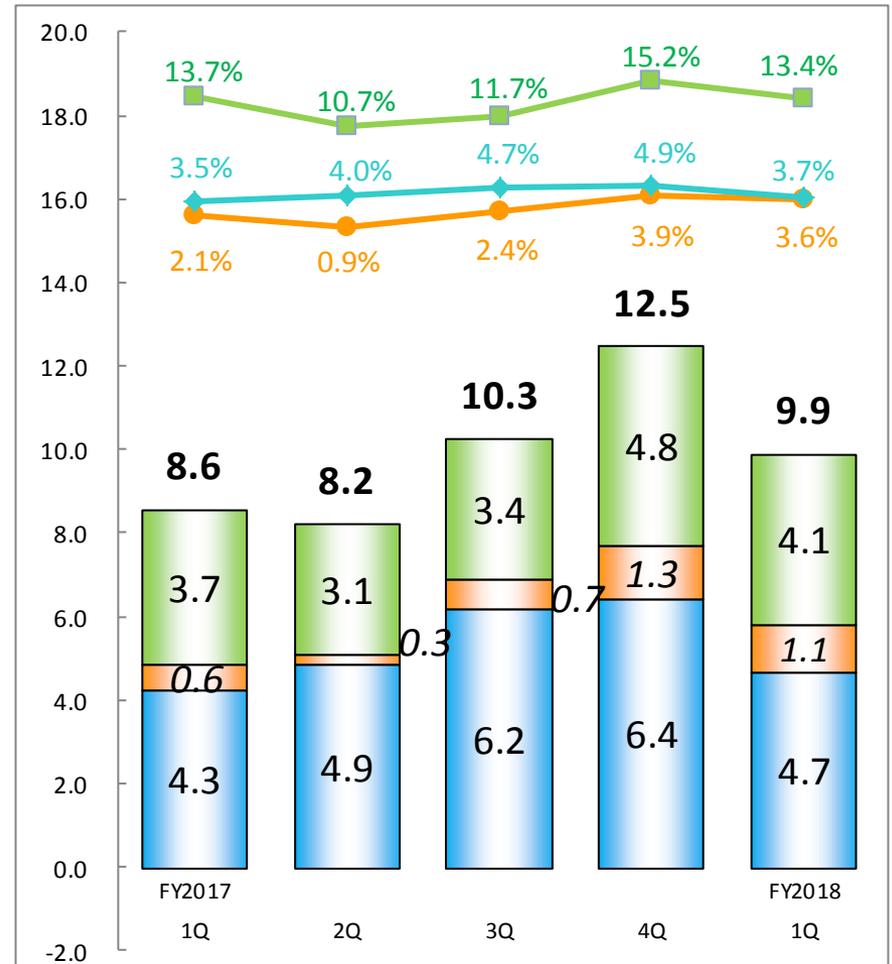
* All figures in billion yen.

Automotive Industrial machinery Aftermarket

Net Sales

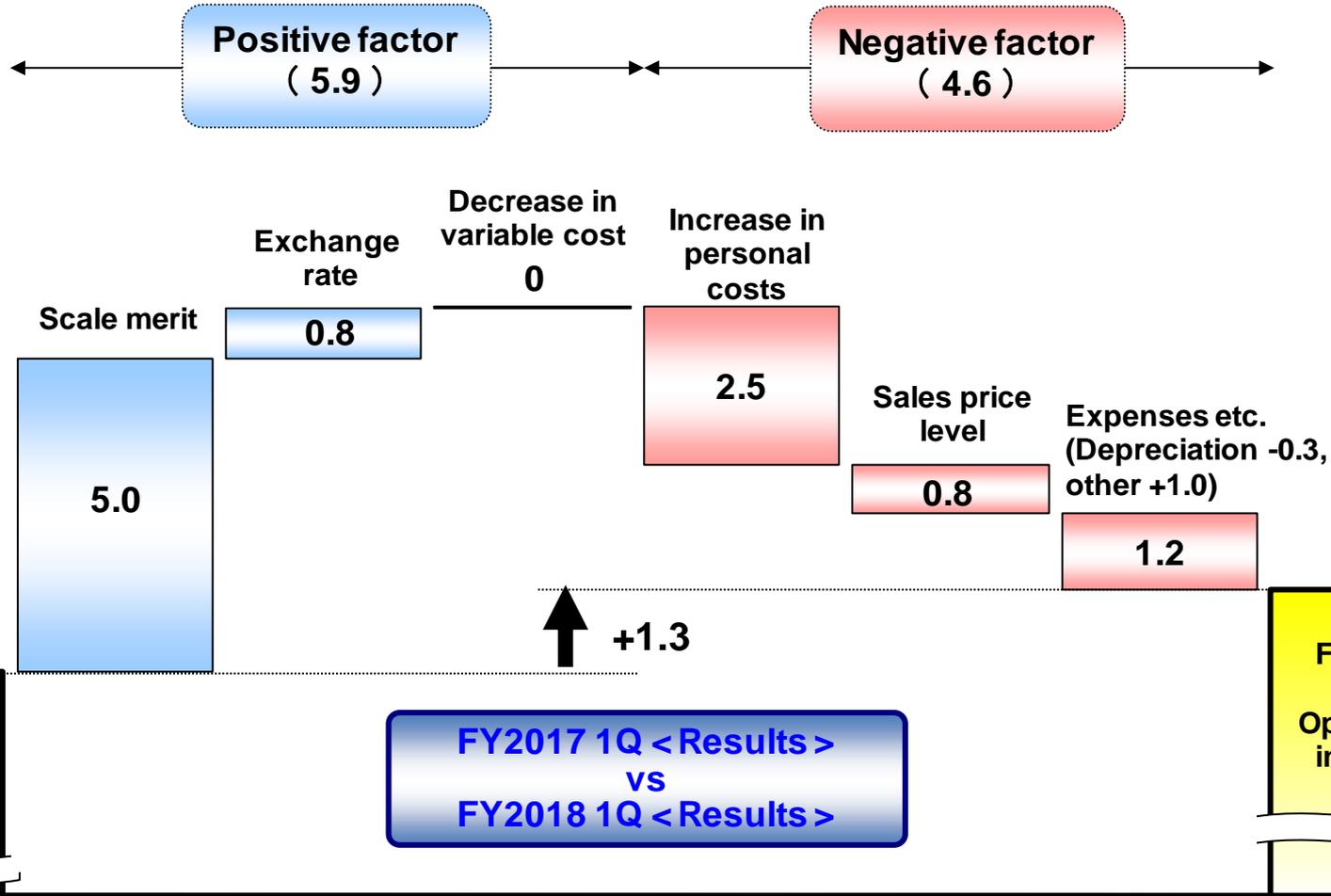


Operating Income/Operating Margin



5. Analysis of Operating Income (FY2018 1Q)

* All figures in billion yen.



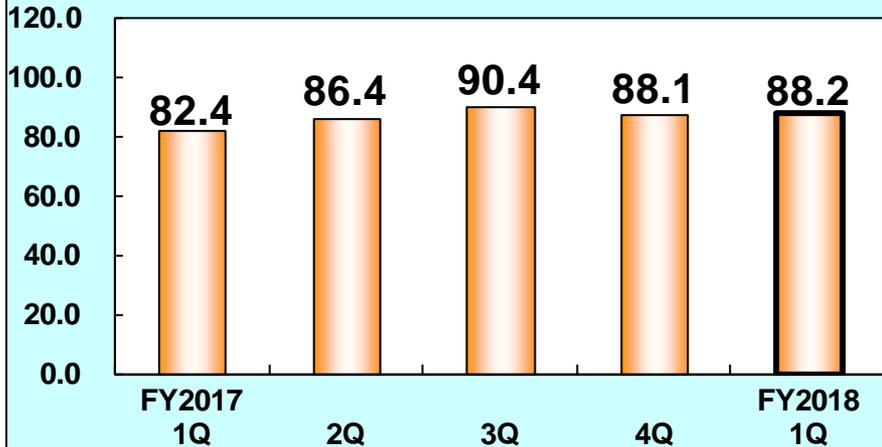
6. Net Sales and Operating Income by Company Location

* All figures in billion yen

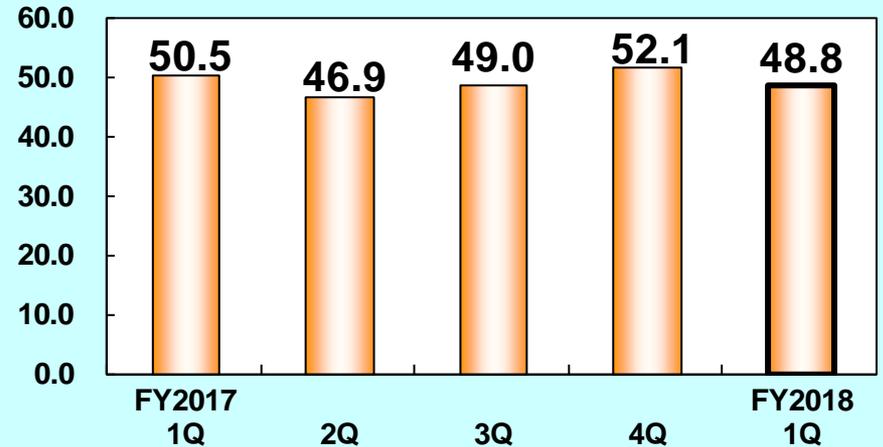
《 Japan 》

《 Americas 》

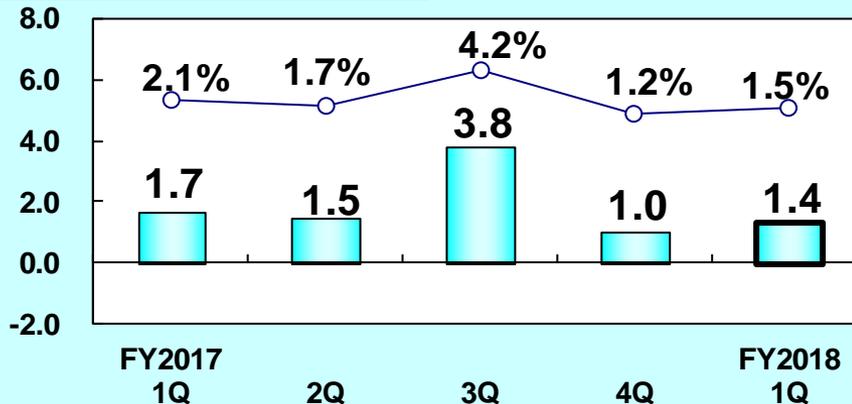
Net Sales



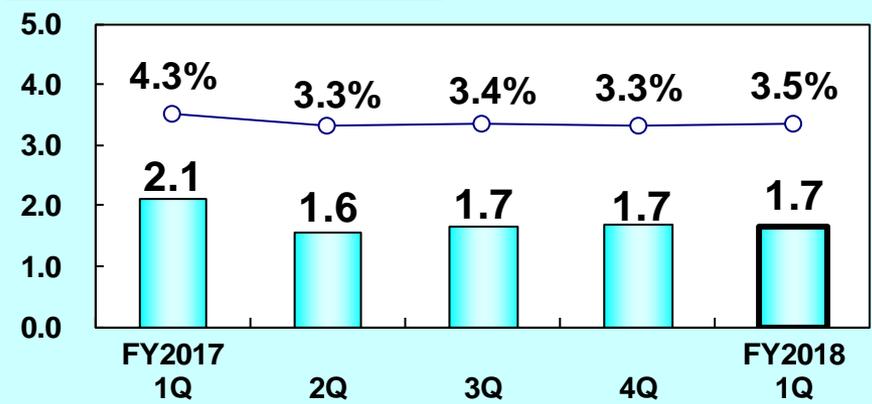
Net Sales



Operating Income



Operating Income

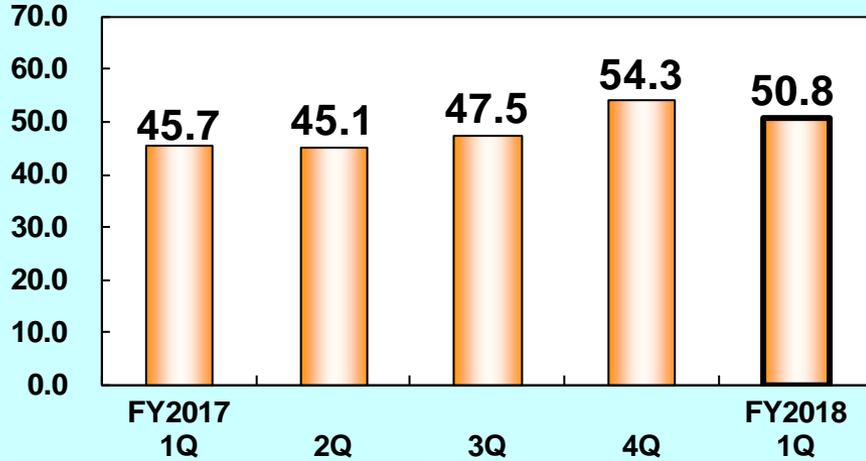


6. Net Sales and Operating Income by Company Location

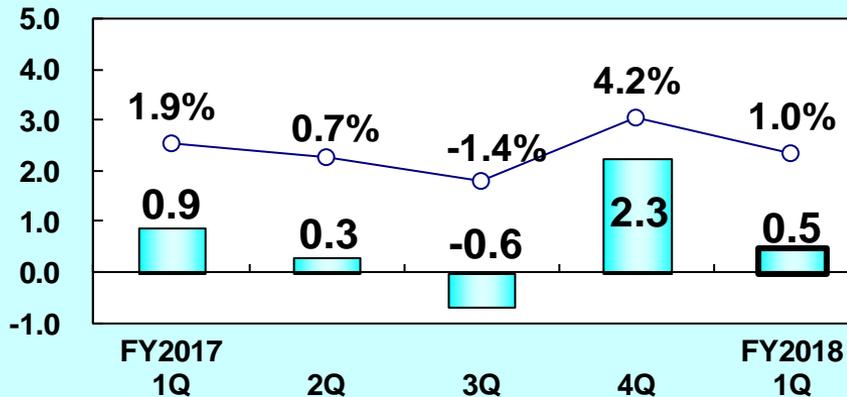
* All figures in billion yen

《 Europe 》

Net Sales

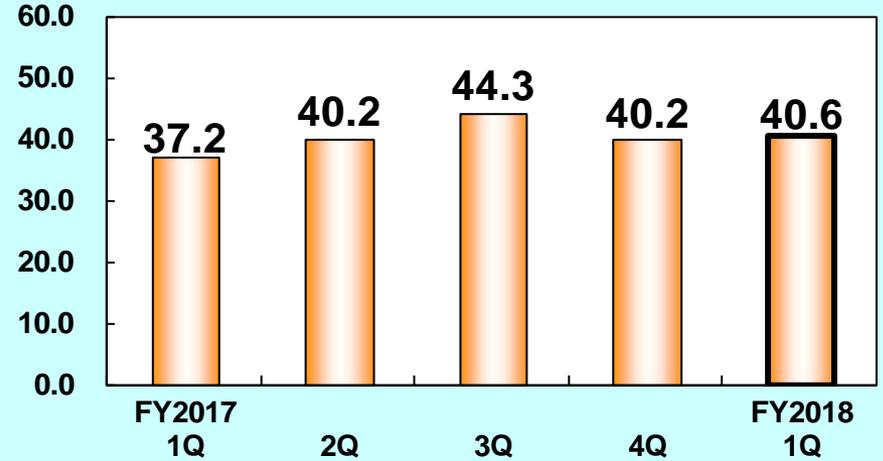


Operating Income

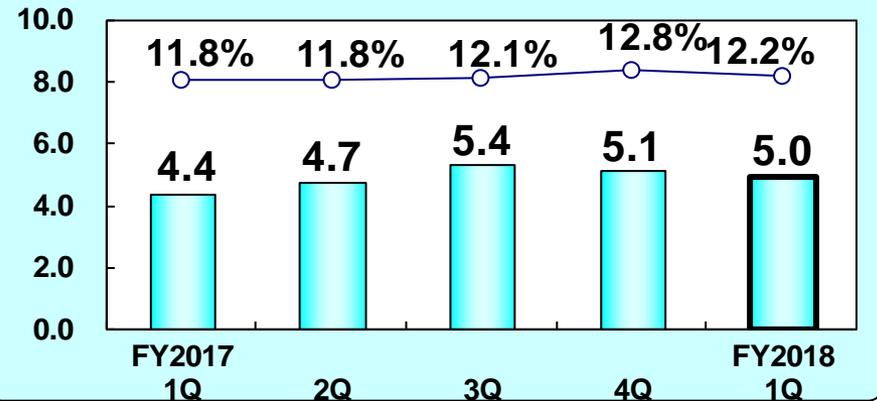


《 Asia and others 》

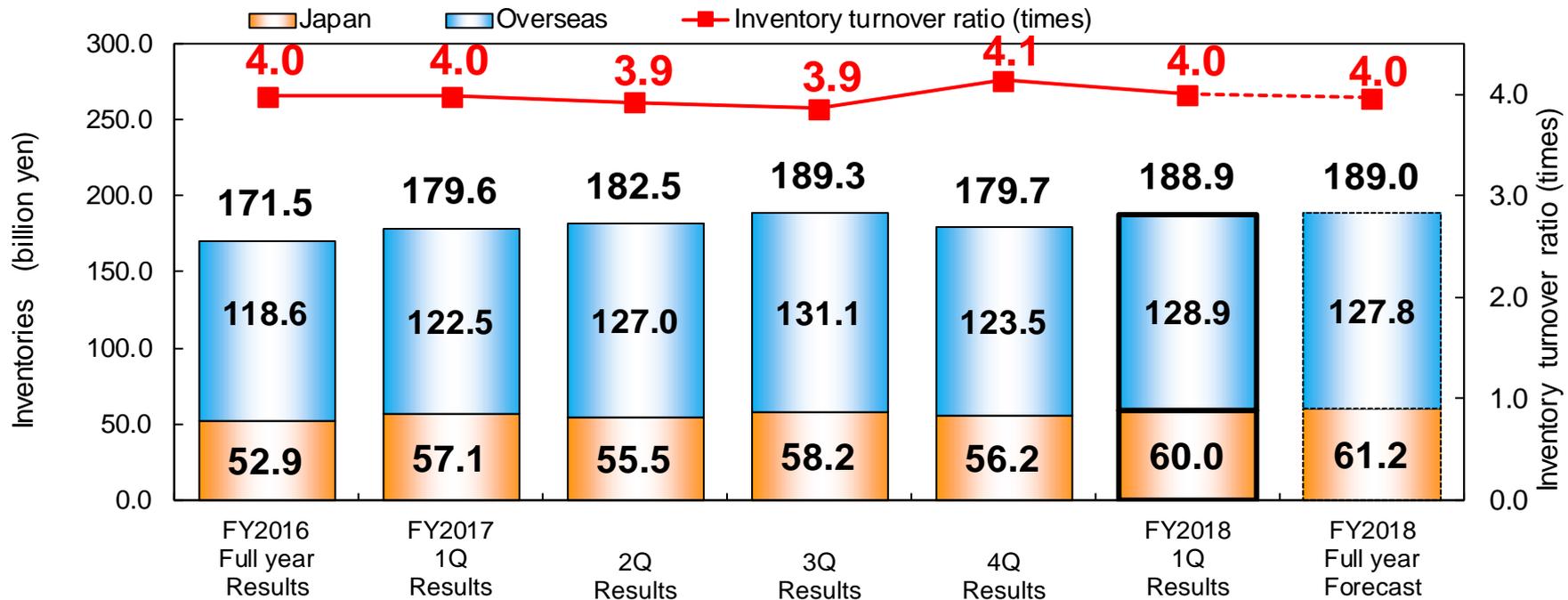
Net Sales



Operating Income



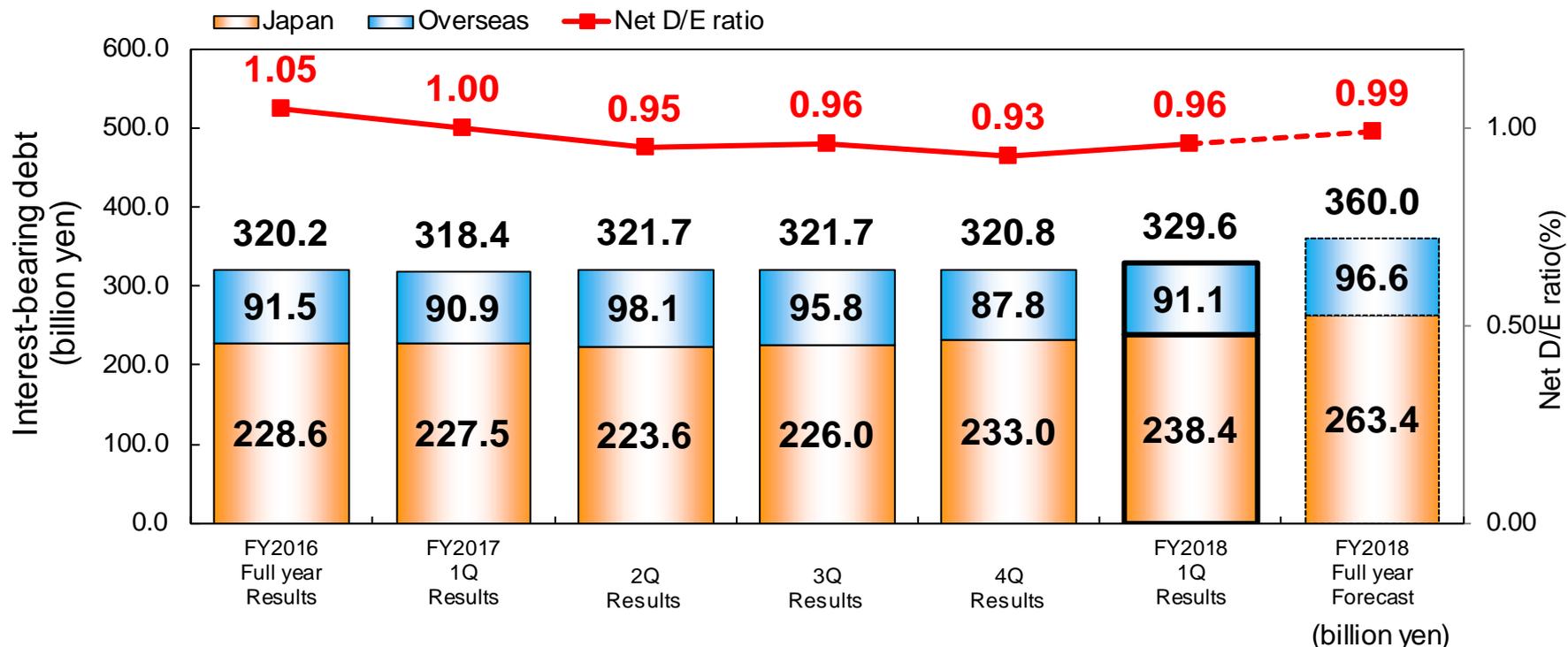
7. Inventories



(billion yen)

	FY2016 Full year Results	FY2017 1Q Results	FY2017 2Q Results	FY2017 3Q Results	FY2017 4Q Results	FY2018 1Q Results	FY2018 Full year Forecast
Inventories	171.5	179.6	182.5	189.3	179.7	188.9	189.0
Overseas	(118.6)	(122.5)	(127.0)	(131.1)	(123.5)	(128.9)	(127.8)
Japan	(52.9)	(57.1)	(55.5)	(58.2)	(56.2)	(60.0)	(61.2)
Inventory turnover ratio (times)	4.0	4.0	3.9	3.9	4.1	4.0	4.0

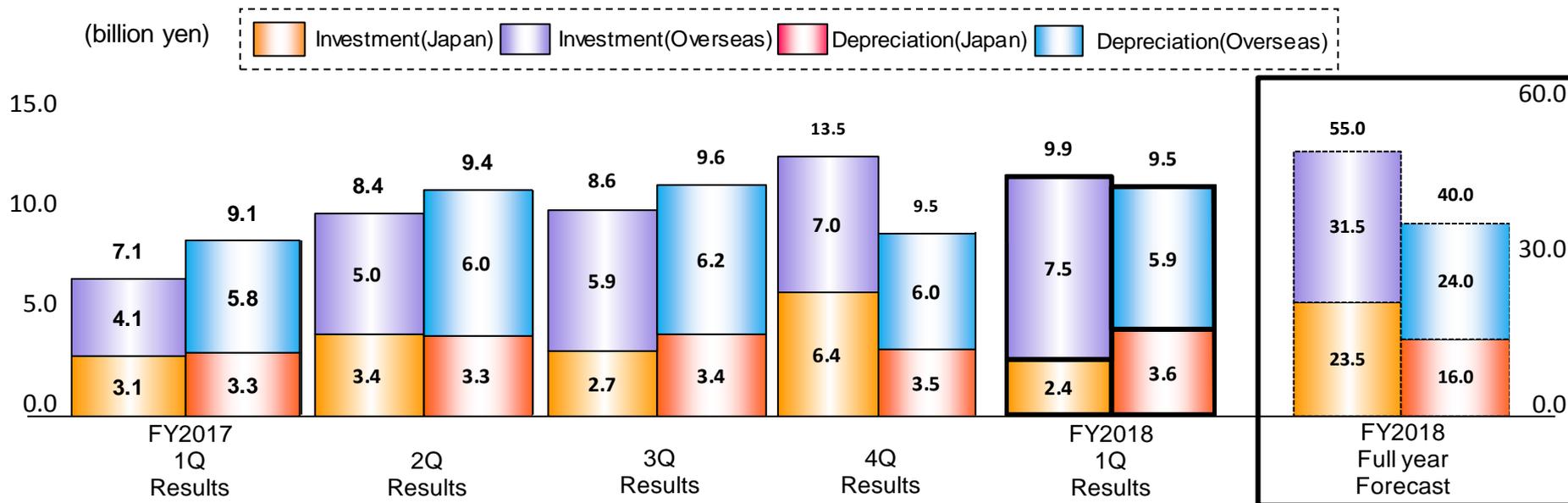
8. Interest-Bearing Debt



(billion yen)

	FY2015 Full year Results	FY2016 1Q Results	FY2016 2Q Results	FY2016 3Q Results	FY2016 4Q Results	FY2017 1Q Results	FY2017 Full year Forecast
Interest-bearing debt	320.2	318.4	321.7	321.7	320.8	329.6	360.0
Overseas	(91.5)	(90.9)	(98.1)	(95.8)	(87.8)	(91.1)	(96.6)
Japan	(228.6)	(227.5)	(223.6)	(226.0)	(233.0)	(238.4)	(263.4)
Net Interest-bearing debt	240.9	239.2	234.8	247.2	234.7	244.0	264.0

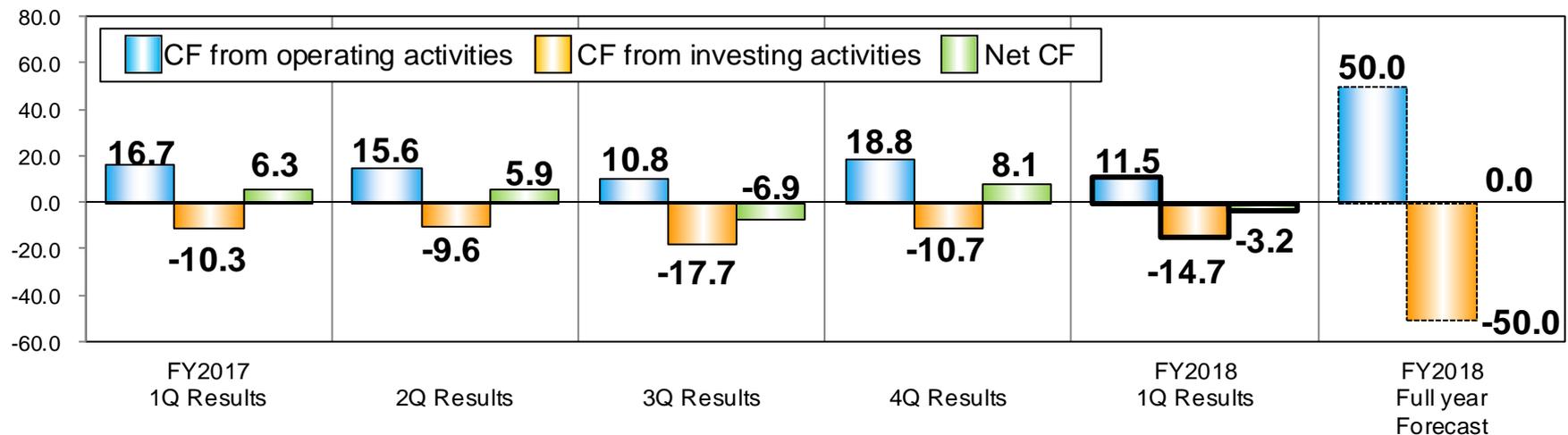
9. Capital Expenditure and Depreciation



	FY2017				FY2018	Year on year	FY2018
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	②-①	Forecast
Capital expenditure	7.1	8.4	8.6	13.5	9.9	2.8	55.0
Overseas	(4.1)	(5.0)	(5.9)	(7.0)	(7.5)	(3.5)	(31.5)
Japan	(3.1)	(3.4)	(2.7)	(6.4)	(2.4)	(-0.7)	(23.5)
	FY2017				FY2018	Year on year	FY2018
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	②-①	Forecast
Depreciation	9.1	9.4	9.6	9.5	9.5	0.4	40.0
Overseas	(5.8)	(6.0)	(6.2)	(6.0)	(5.9)	(0.1)	(24.0)
Japan	(3.3)	(3.3)	(3.4)	(3.5)	(3.6)	(0.3)	(16.0)

10. Cash Flows

(billion yen)	FY2017				FY2018	FY2018	②-①
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	Forecast	
I . Cash flow from operating activities	16.7	15.6	10.8	18.8	11.5	50.0	-5.2
II . Cash flow from investing activities	-10.3	-9.6	-17.7	-10.7	-14.7	-50.0	-4.4
I + II . Net cash flow	6.3	5.9	-6.9	8.1	-3.2	0.0	-9.6
III . Cash flow from financing activities	-6.9	1.6	-5.5	3.3	3.8	11.0	10.7
IV . Effect of exchanging rate translation on cash and cash equivalents	0.5	0.2	-0.1	0.2	-1.0	-1.0	-1.5
V . Net increase in cash and cash equivalents	-0.1	7.8	-12.4	11.6	-0.5	10.0	-0.4



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NTN Transformation for **N**ew **100**years