A vertical image on the left side of the slide shows two hands, one from a lighter-skinned person at the top and one from a darker-skinned person at the bottom, both holding a glowing, golden-yellow vertical bar. The background is a solid blue color.

For New Technology Network

NTN®

Consolidated Financial Results for Year ended 31 March, 2015

May 18, 2015

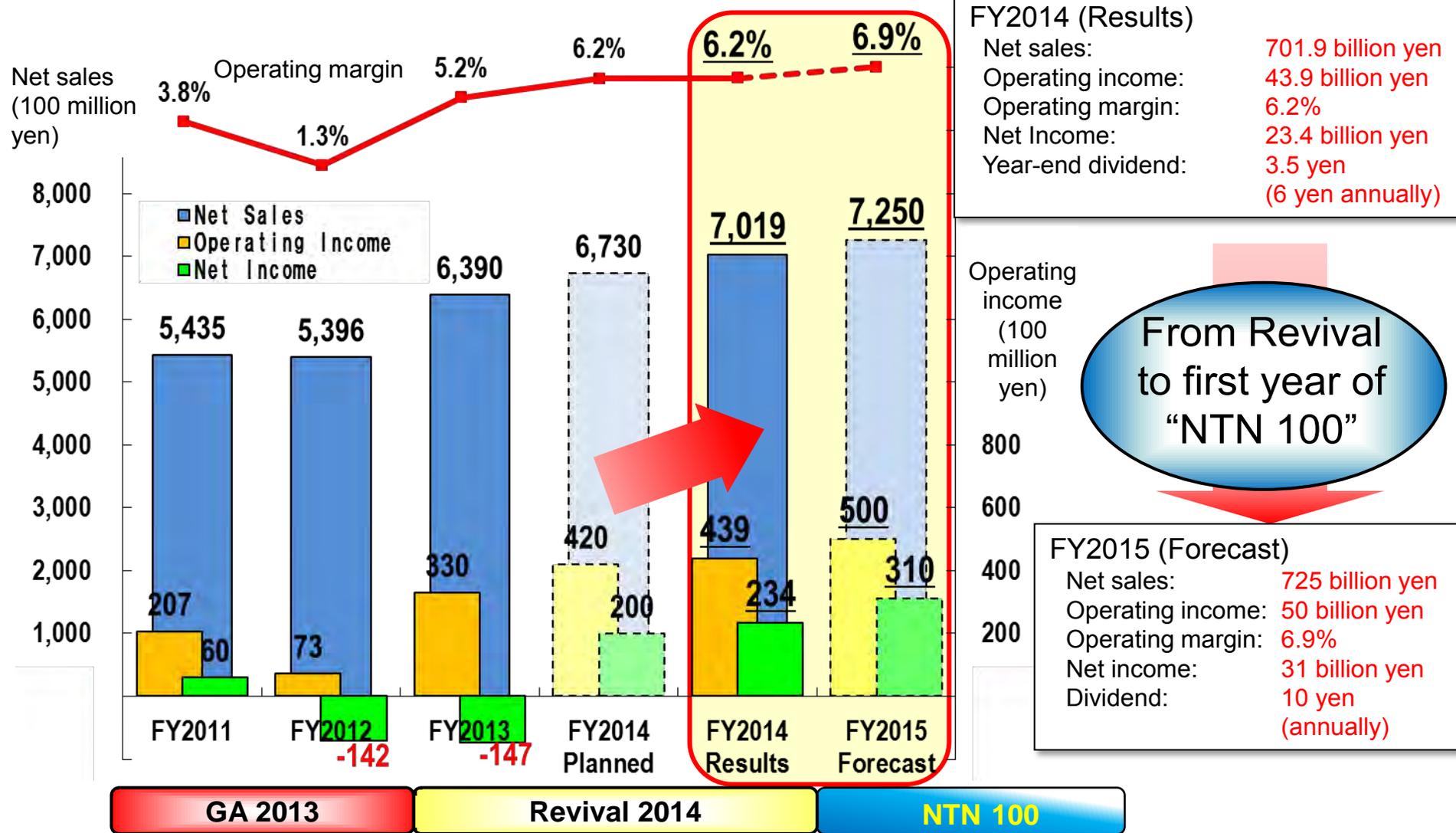
NTN Corporation

- I. Results of Medium-term Management Plan “Revival 2014” and first year of New Medium-term Management Plan “NTN100”
- II. Financial results for FY2014 and Forecast for FY2015

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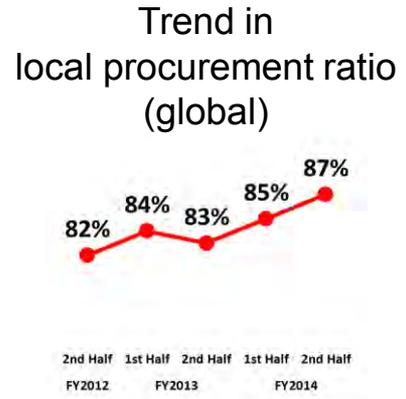
- I. Results of Medium-term Management Plan
“Revival 2014” and first year of New Medium-
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Forecast for FY2015

Financial results for FY2014 and FY2015 Forecast



1. Emergency Measures

- Reduce personnel costs and fixed costs
 - Reduced salary, bonuses and expenses from second half FY2012
- Limit capital expenditure
 - Utilized existing facilities, more locally supplied equipment
Kept within the scope of depreciation for efficient investment
- Reduce inventories
 - Increased due to expansion of aftermarket inventory and effects of exchange rates
 The inventory turnover ratio **increased 0.5 points** (3.3 times in FY2012 → 3.8 times in FY2014)



2. Centralization of Management Resources

- Sales expansion for Aftermarket
 - Establish **Aftermarket Business Headquarters**
 Roll-out of technical **services** with technical service units
 Securing **MRO orders** and expanding the auto **parts product** lineup
- Strengthen Industrial machinery business globally
 - **New orders** for aircraft, wind turbine and rolling stock
Expand sales of machine tools and robots
- Greater profits in Automotive Business (compared to FY2012)
 - **Operating margin** -2.5% → **improve to 3.8%**
 Increase use of local steel materials
 Global **local procurement ratio** 82% → 87%
 Expanding local production
Overseas production ratio 48% → **51%**
 Improve sales cost of low-profit products and limit price reductions

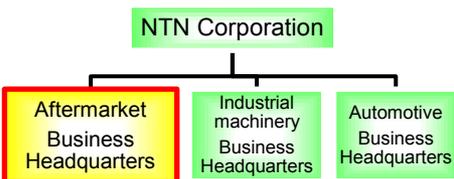
3. Structural Reform

- Reform to personnel costs
 - 420 employees completed early retirement procedures out of 600 planned. Approximately 200 were reassigned to **strengthen the aftermarket business system**
- Acceleration of overseas production
 - Continue transferring production Management overseas
Establish **new companies in China, Mexico**
- Selection of Business
 - **Establish logistics subsidiary**, integration of logistics
Withdraw from some precision product businesses

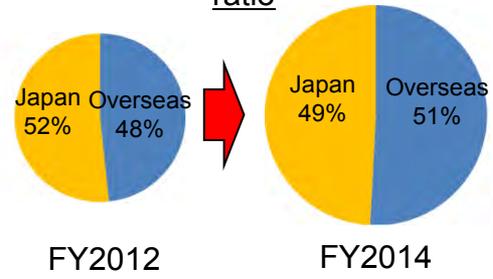
4. Expansion of New Products and New Businesses

- Strengthening development of module products and system products
 - Mass-production of products **that suit electrification of automobiles** including electronic hydraulic brakes and steer-by-wire
Development of **robot**-related products including Condition Monitoring System (**CMS**) for Wind turbines and parallel link
- Full operation of EV system products business
 - Acquire number plate for driving on public roads with "Q'mo" that is capable of "lateral move" and "pivot turn"
- Development of composite material Products and market deployment
 - Mass-production of **composite material products** such as sintered alloys and resin

Establish Aftermarket Business Headquarters



Trends in overseas production ratio



Ball Screw Drive Module for Electric Hydraulic Brake



CMS for wind turbines



Electric commuter "Q'mo"



Parallel Link type High Speed Angle Control Equipment



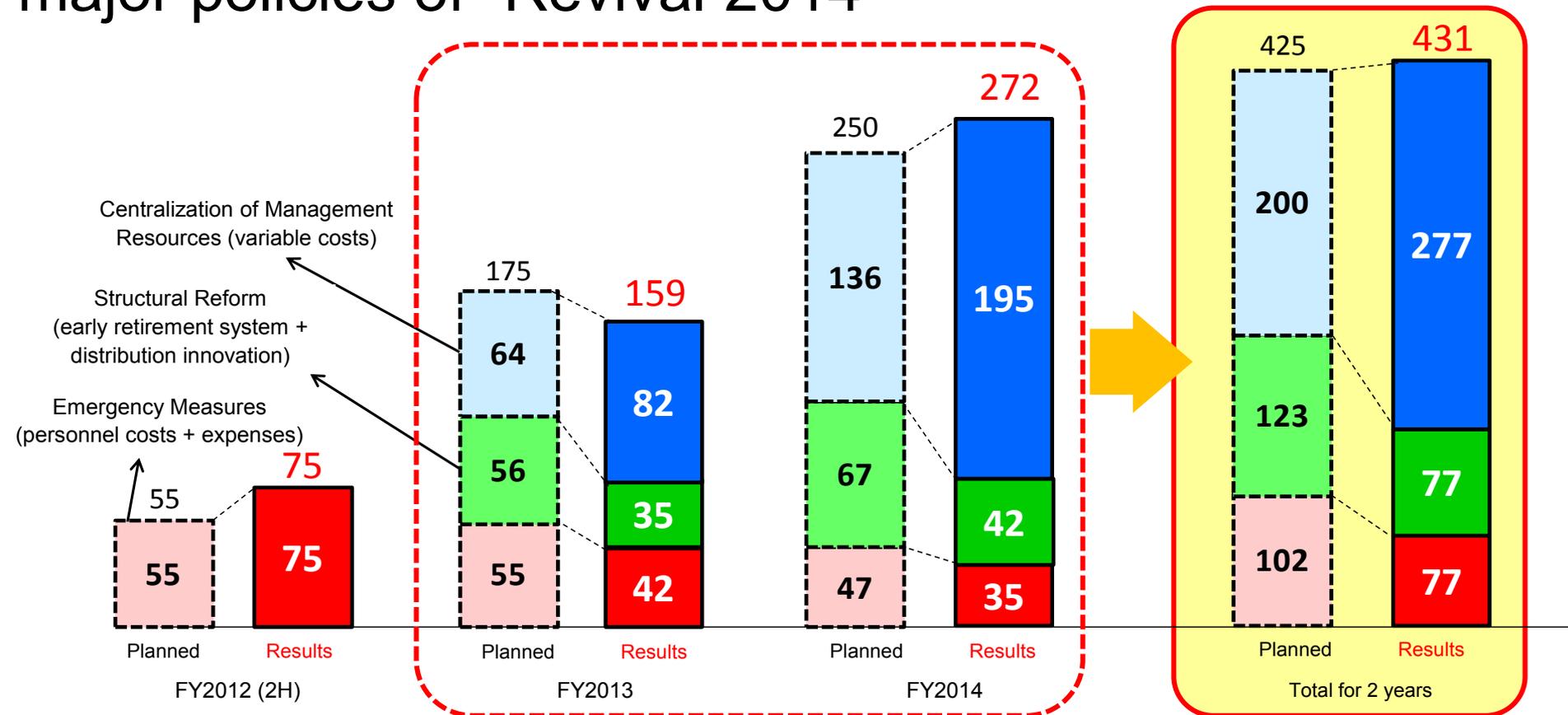
New material Bearphte CL

Results of Medium-term Management Plan

“Revival 2014”

* All figures in 100 million yen.

Amount of effects on operating income of major policies of “Revival 2014”

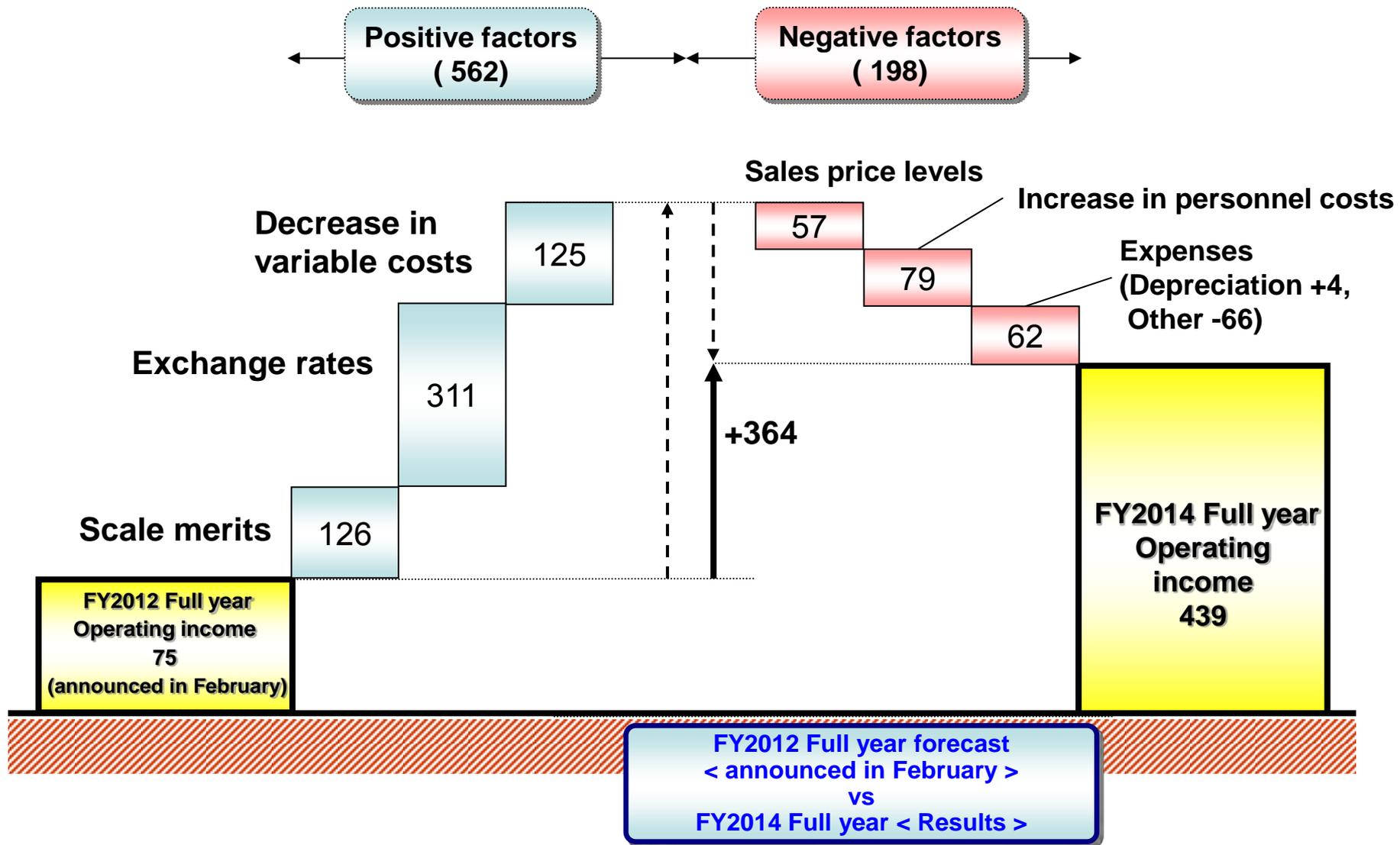


Plans were brought forward for emergency measures to achieve reductions.

420 employees completed their early retirement procedures out of 600 planned.
Proportional expenses reduced much further than planned.

Analysis of Factors Affecting Operating Income of "REVIVAL 2014"

* All figures in 100 million yen.



Results and Forecast for the Aftermarket Business

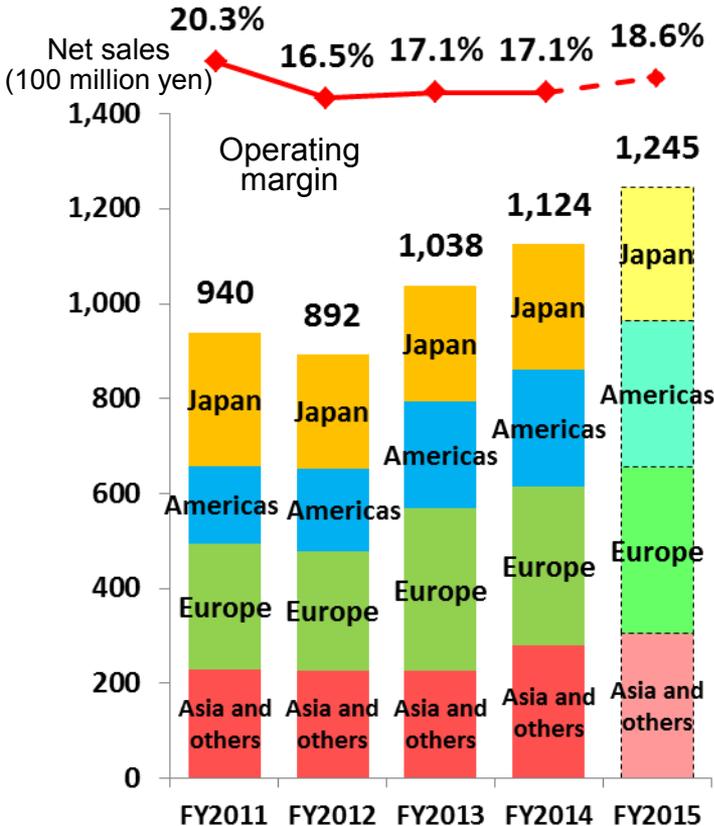
<Results of FY2014 (compared with FY2013)>

Net Sales 112.4 billion yen (+8.3%), Operating income 19.2 billion yen (+8.5%)

- Demand for industrial machinery slowed in the Americas and Europe, while sales increased in Japan, China and Asia
- Sales increased in particular due to MRO orders secured in Japan, and expansion of technical services in China and Asia

<Forecast for FY2015 (compared to FY2014)>

Net Sales 124.5 billion yen (+10.7%),
 Operating income 23.2 billion yen (+20.6%)



Japan	Implement activities to increase share amongst target customers Secure more orders by developing technical training
Americas	Strengthen cooperation with distributors, accelerate expansion of sales of automotive aftermarket, and meet demand in central and southern Americas
Europe	Develop sales system and focus on securing MRO orders Expand sales in Eastern Europe, Russia and emerging countries
Asia and others	Expand sales of MRO orders and secure distributors Develop new orders with mobile activities

Results and Forecast for the Industrial Machinery Business

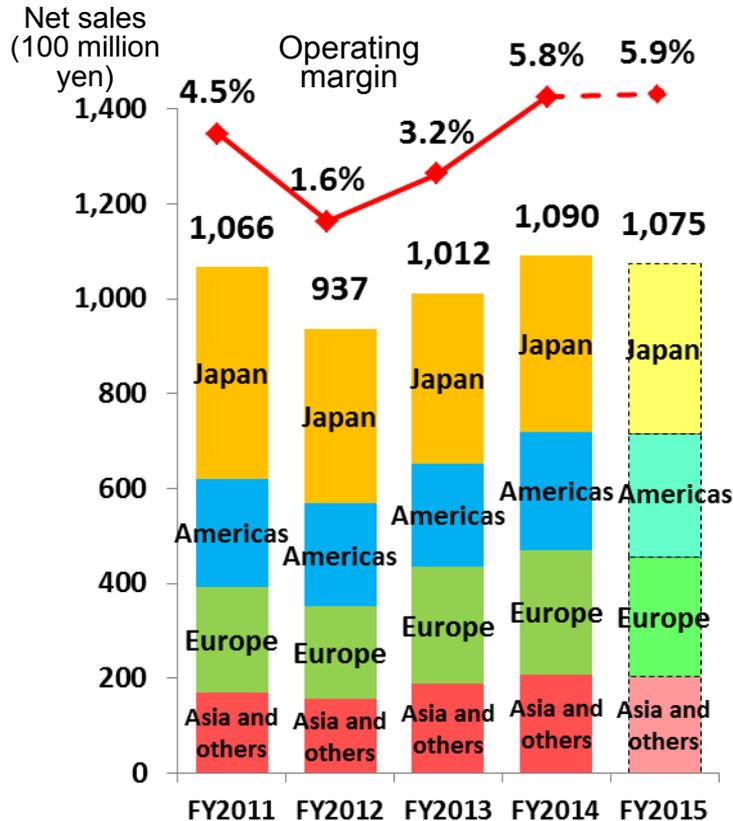
<Results of FY2014 (compared with FY2013)>

Net Sales 109 billion yen (+7.7%), Operating income 6.3 billion yen (+90.9%)

- Robot reducers, aircraft and machine tools increased in Japan, and wind turbine and rolling stock increased in China
- Construction machinery increased in the Americas, and wind turbine and aircraft increased in Europe

<Forecast for FY2015 (compared to FY2014)>

Net Sales 107.5 billion yen (-1.4%),
 Operating income 6.3 billion yen (+0.6%)



Japan	Demand for machine tools will remain strong Construction machinery will face sluggish demand of exports for mining
Americas	Meet demand for wind turbine Slow demand for construction machinery and agricultural machinery
Europe	Positive trends for aircraft and wind turbine Slowdown in demand for construction machinery and reducers
Asia and Others	Positive trends for rolling stock and machine tools Reduction in demand for office equipment

Results and Forecast for the Automotive Business

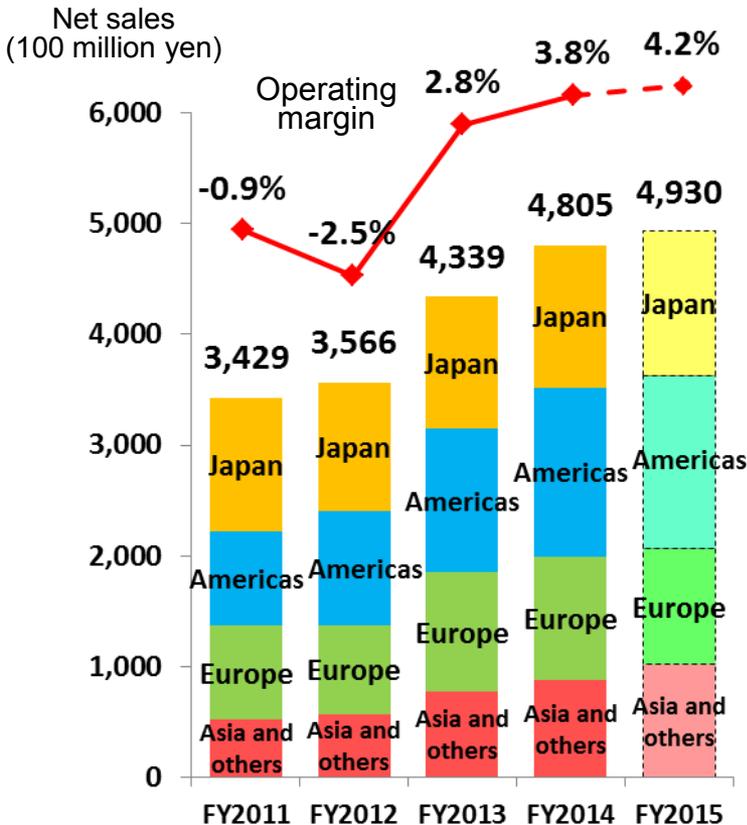
<Results of FY2014 (compared with FY2013)>

Net Sales 480.5 billion yen (+10.7%), Operating income 18.4 billion yen (+52.9%)

- Sales for North America increased in Japan and the Americas due to positive demand in the automotive sector in North America
- Sales increased in Asia and others due to increased production of automobiles in China and the start of new mass-production in India

<Forecast for FY2015 (compared to FY2014)>

Net Sales 493 billion yen (+2.6%),
 Operating income 20.5 billion yen (+11.7%)



Japan
 Drop in demand in Japan due to reduction in automobile production
 Sales increase due to increase in exports to customers in North America

Americas
 Increase in demand due to increased production of automobile in North America
 Demand for driveshafts to increase steadily

Europe
 Slight increase in production of automobiles in major European countries
 Reduction in demand due to economic uncertainty in Russia and other regions

Asia and others
 Increase in new projects in Asia, chiefly axles
 Increase in share in China due to new Japanese and European projects

Manage Growth

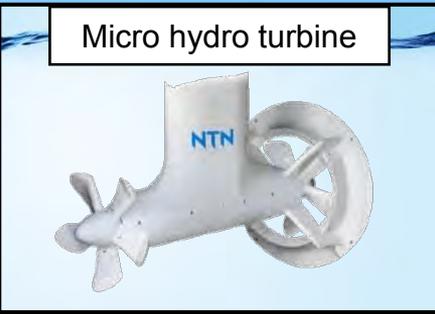
Enter new fields of business related to natural energy
Many business inquiries and questions from Japan and overseas

- [Features]**
- Starts rotating at wind speeds of 1 to 1.5 m/s
 - Starts generating power from wind speeds of 2.0 m/s
 - Minimal slowdown for long periods of power generation
 - No noise generated

[NTN]
Rolling bearing technology and power generation technology

[Global Energy etc]
High-efficiency "blade" technology

Start sales: Summer 2016 (planned)
Sales target (FY2025): 50 billion yen/year



Horizontal axis wind turbines



Vertical axis wind turbine

Medium-term Management Plan “NTN100” Initiatives (2): Structural Reform of the Driveshaft Business

Manage Profitability



Establish a system capable of reliable supply from anywhere in the world to suit regional fluctuations



Main Management Indices of "NTN 100" 1st Year

For New Technology Network



(100 million yen)

	Revival 2014	NTN100	Year on year (2)-(1)
	FY2014 (1)	FY2015 (2)	
Net sales	7,019	7,250	+231
Operating income	439	500	+61
Operating margin	6.2%	6.9%	+0.6 points
Net Income	234	310	+96
Inventories	1,841	1,790	-50
Inventory turnover ratio (times)	3.8	4.1	+0.3
Equity to capital ratio	28.6%	30%	+1.4 points
Net D/E ratio	1.11	1.0	0.11 improvement
ROE	10.5%	12%	+1.5 points
Exchange rate	\$:¥109.8 €:¥138.7	\$:¥110 €:¥130	-

※ In FY2015 "Operating Income" means "Net income attributable to shareholder (parent company)"

- I. Results of medium-term management plan
“Revival 2014“ and first year of New Medium-
term Management Plan "NTN100"

- II. Financial results for FY2014 and
Forecast for FY2015**

Financial results for FY2014 and Forecast for FY2015

May 18, 2015

NTN Corporation

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★Financial Results for FY2014 : Key Factors

- 1. Consolidated Statements of Operation**
- 2. Net Sales by Region**
- 3. Net Sales and Operating Income by Business Sector**
- 4. Results by Business Sector (Quarterly Trend)**
- 5. Analysis of Operating Income**
 - (1) FY2014**
 - (2) FY2015**
- 6. Net Sales and Operating Income by Region**
 - (1) Japan, Americas**
 - (2) Europe, Asia and others**
- 7. Inventories**
- 8. Interest-Bearing Debt**
- 9. Capital Expenditure and Depreciation**
- 10. Cash Flows**

FY2014 Results

- ◇ Net sales increased by 62.9 billion yen (+9.8%) year-on-year to 701.9 billion yen.
- ◇ Operating income increased by 10.8 billion yen (+32.9%) year-on-year to 43.9 billion yen.
- ◇ Net Income was 23.4 billion yen (the last year was loss 14.6 billion yen)
- ◇ Dividends planned for 3.5 yen at year end.
(6 yen for full year. Year-on-year +4 yen)

FY2015 Forecast

- ◇ Net sales forecast to increase by 23.1 billion yen (+3.3%) year-on-year to 725 billion yen.
- ◇ Operating income forecast to increase by 6.1 billion yen (+14.0%) year-on-year to 50 billion yen.
- ◇ Net income* forecast to increase by 7.6 billion yen (+32.8%) year-on-year to 31 billion yen.
- ◇ Dividends planned for 10 yen for the year (5 yen for both interim and year-end).
- ◇ Exchange rate of 1US\$ = 110 yen, 1EURO = 130 yen.

* FY2015 net income indicates the net income for the year attributed to parent company shareholders.

1. Consolidated Statements of Operation

(100 million yen)

	FY2013 Results ①	FY2014 Results ②	FY2015 Forecast ③	Year on year		
				FY2014 ②-①	FY2015 ③-②	
Net sales	6,390	7,019	7,250	629	231	
Operating income	330	439	500	108	61	
Operating margin	(5.2%)	(6.2%)	(6.9%)	(1.1%)	(0.6%)	
Ordinary income	287	389	450	102	61	
Extraordinary income/loss	- 311	- 18	10	293	28	
Net income*	- 146	234	310	380	76	
Exchange rate	US \$	100.2	109.8	110.0	9.6	0.2
	EURO	134.2	138.7	130.0	4.5	- 8.7

* FY2015 net income indicates the net income for the year attributed to parent company shareholders.

2. Net Sales by Region

<Net Sales by Region>

(100 million yen)

	FY2013	FY2014	FY2015	Year on year			Year on year		
	Results	Results	Forecast	FY2014			FY2015		
	①	②	③	②-①			③-②		
				Total	Volume	Forex	Total	Volume	Forex
Japan	1,791	1,915	1,940	124	124	0	25	25	0
Americas	1,746	2,026	2,130	280	121	159	104	110	-6
Europe	1,663	1,712	1,650	49	-11	60	-62	47	-109
Asia and others	1,190	1,367	1,530	176	90	87	163	171	-8
Total	6,390	7,019	7,250	629	323	306	231	354	-123

3. Net Sales and Operating Income by Business Sector

< Net Sales by Business Sector >

(100 million yen)

	FY2013 Results ①	FY2014 Results ②	FY2015 Forecast ③
Aftermarket	1,038	1,124	1,245
Industrial machinery	1,012	1,090	1,075
Automotive	4,339	4,805	4,930
Total	6,390	7,019	7,250

Year on year					
FY2014 ②-①			FY2015 ③-②		
Total	Volume	Forex	Total	Volume	Forex
86	40	46	121	152	- 31
78	36	42	- 15	4	- 19
465	247	218	125	199	- 74
629	323	306	231	354	- 123

< Operating Income by Business Sector >

(100 million yen)

	FY2013 Results ①	FY2014 Results ②	FY2015 Forecast ③
Aftermarket	177	192	232
Industrial machinery	33	63	63
Automotive	120	184	205
Total	330	439	500

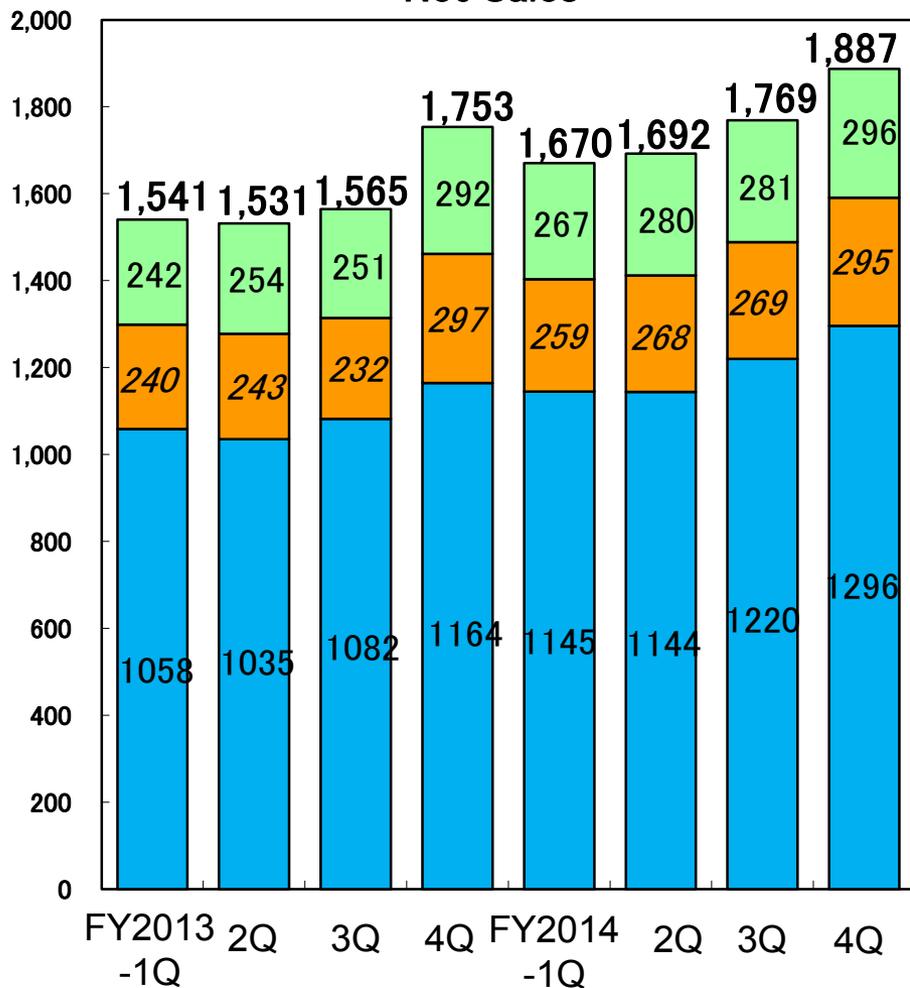
Year on year	
FY2014 ②-①	FY2015 ③-②
15	40
30	0
64	21
108	61

4. Results by Business Sector (Quarterly Trend)

Automotive Industrial machinery Aftermarket

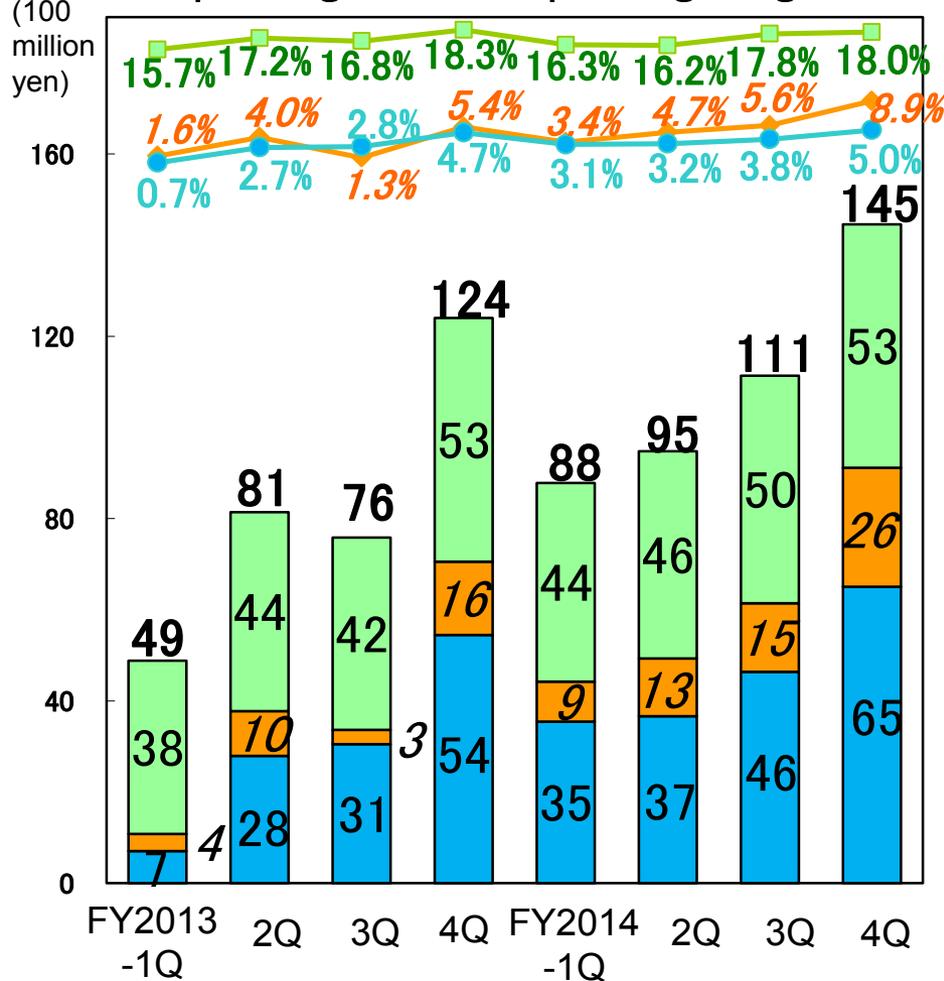
(100 million yen)

Net Sales



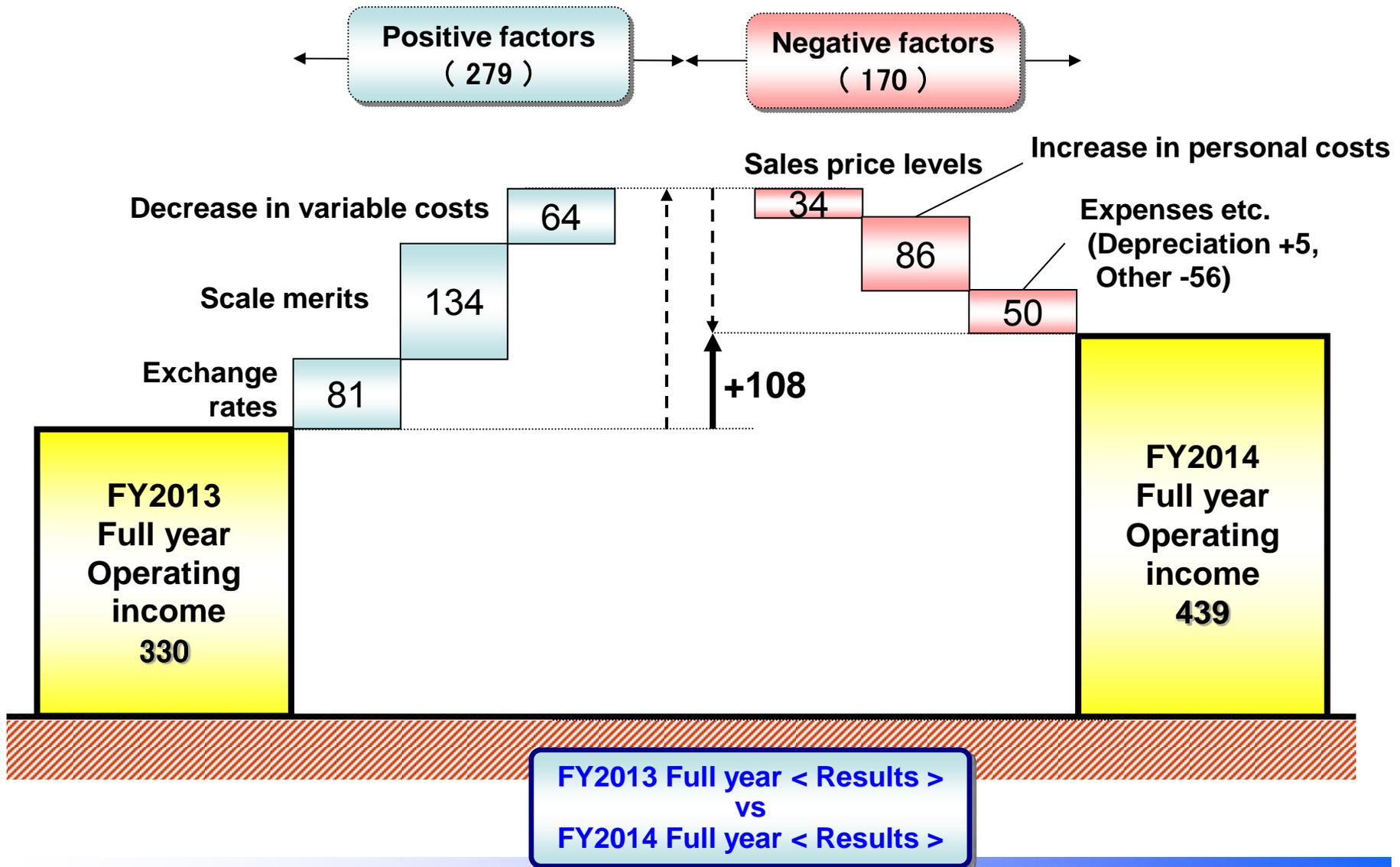
(100 million yen)

Operating Income/ Operating Margin



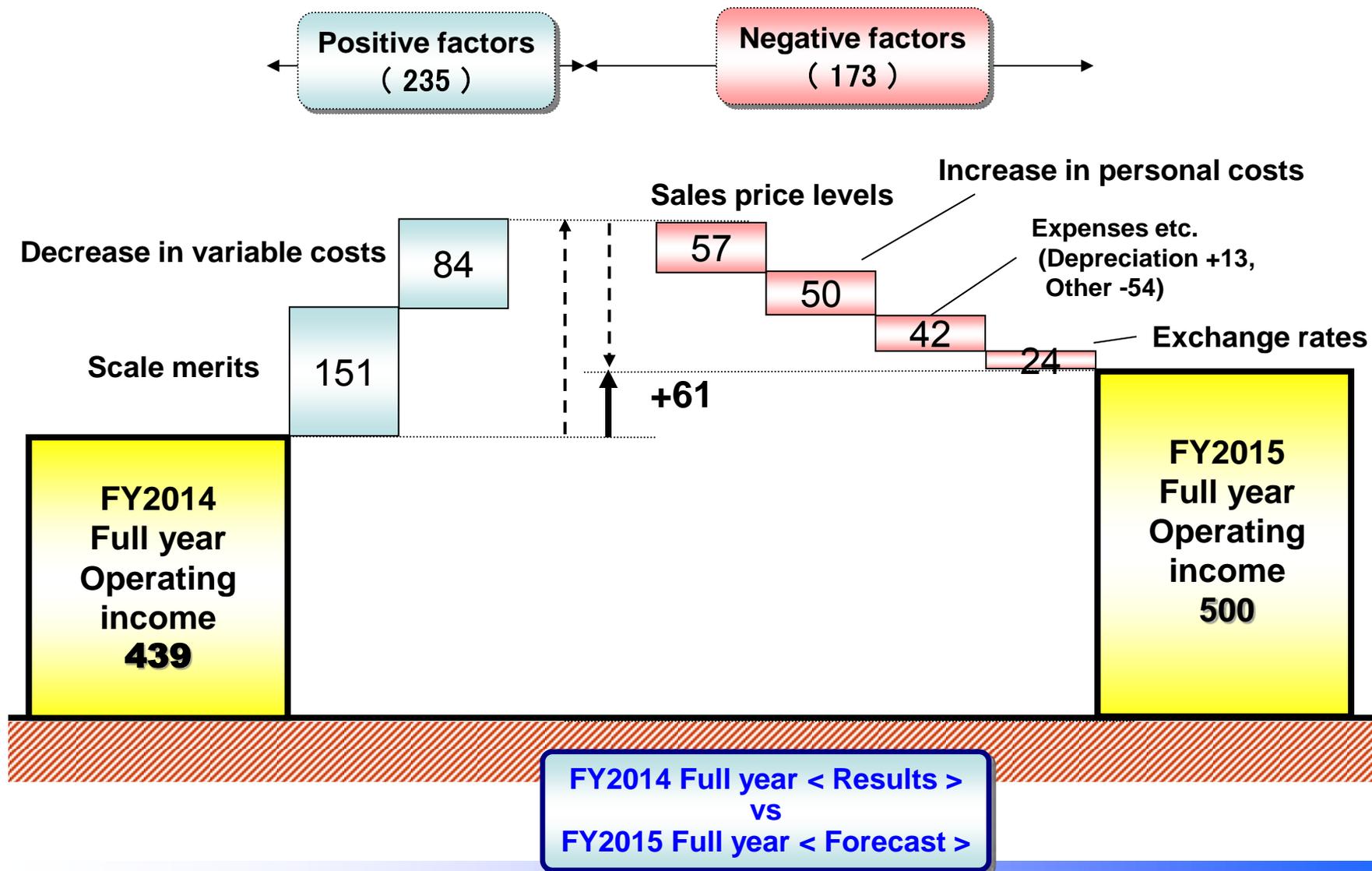
5-1. Analysis of Operating Income (FY2014)

* All figures in 100 million yen.



5-2. Analysis of Operating Income (FY2015)

* All figures in 100 million yen.

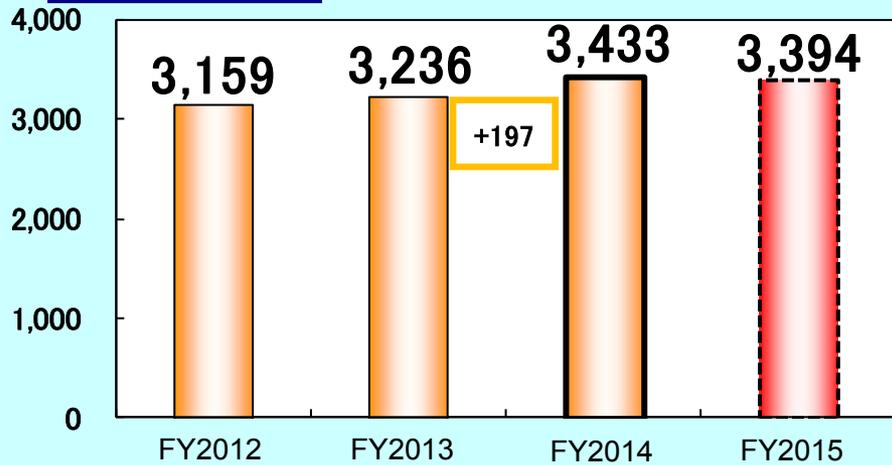


6. Net Sales and Operating Income by Region

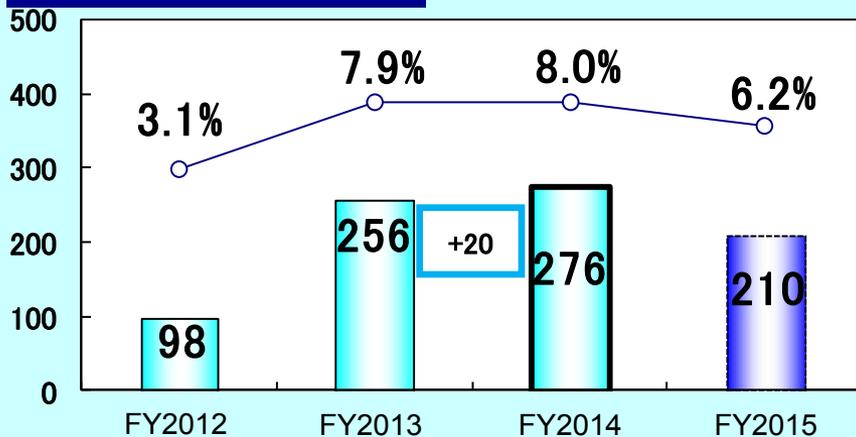
《 Japan 》

Net Sales

(100 million yen)



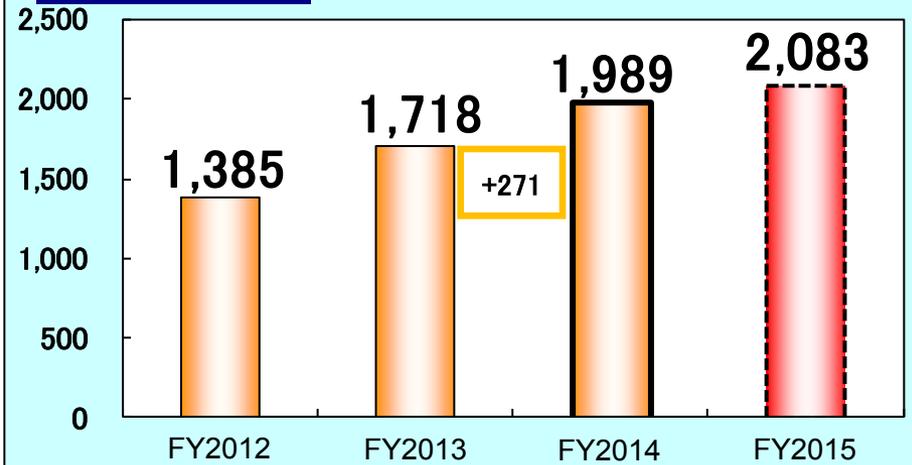
Operating Income



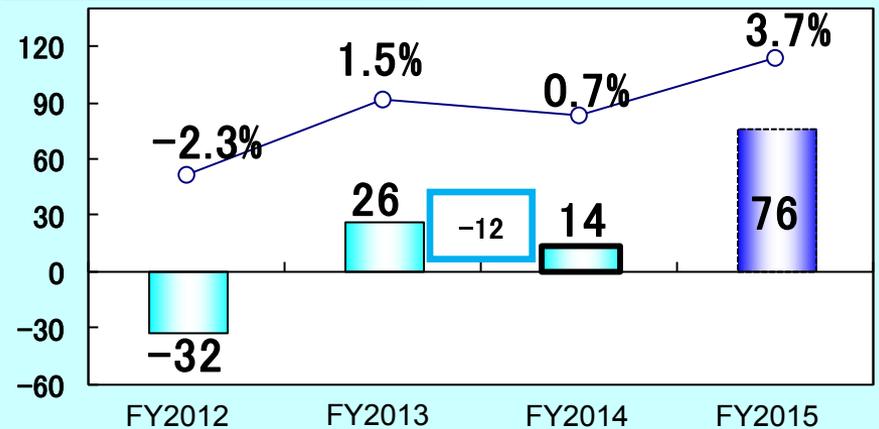
《 Americas 》

Net Sales

(100 million yen)



Operating Income



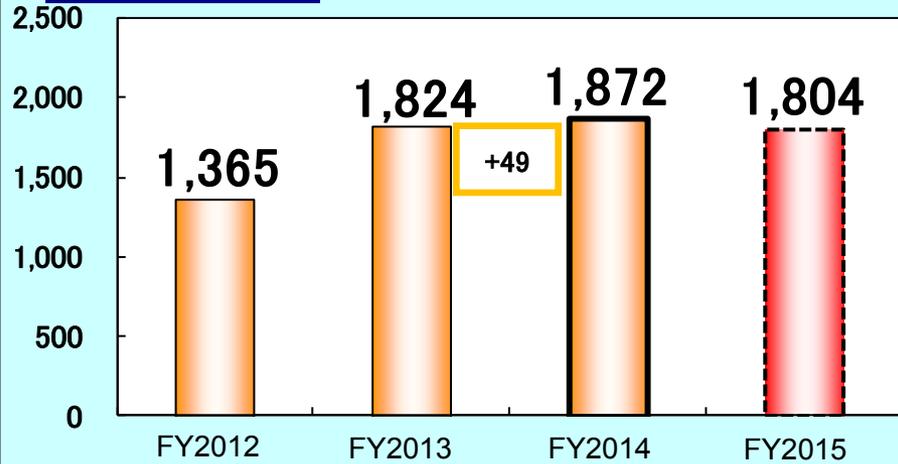
6. Net Sales and Operating Income by Region

《 Europe 》

《 Asia and others 》

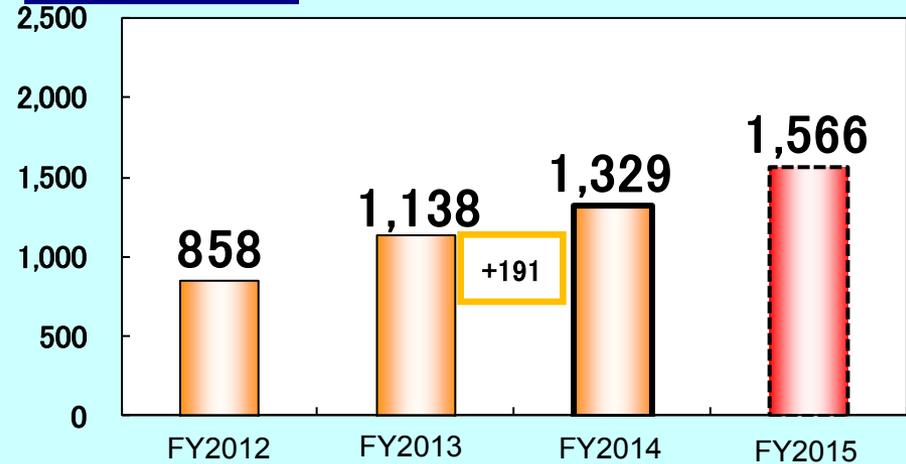
Net Sales

(100 million yen)

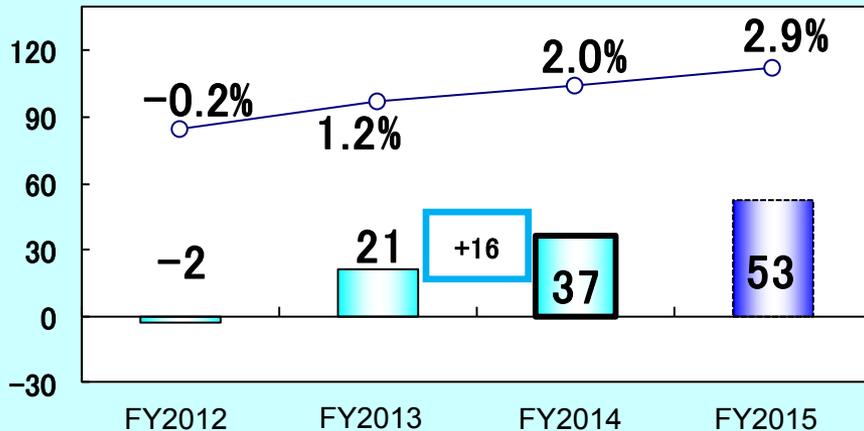


Net Sales

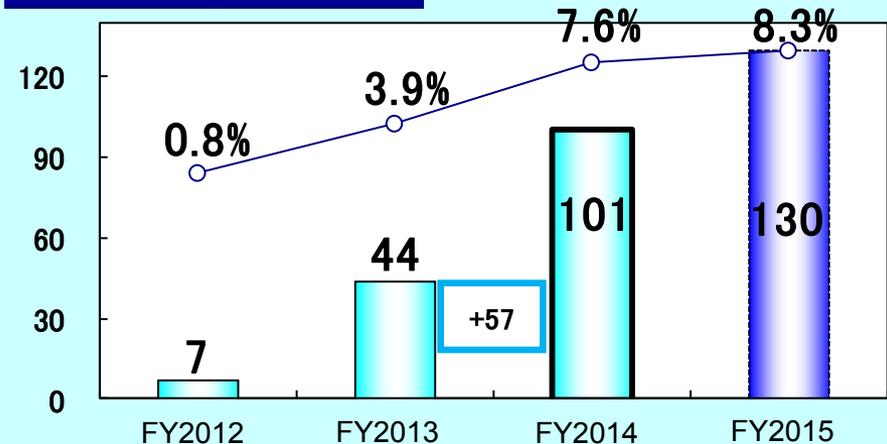
(100 million yen)



Operating Income

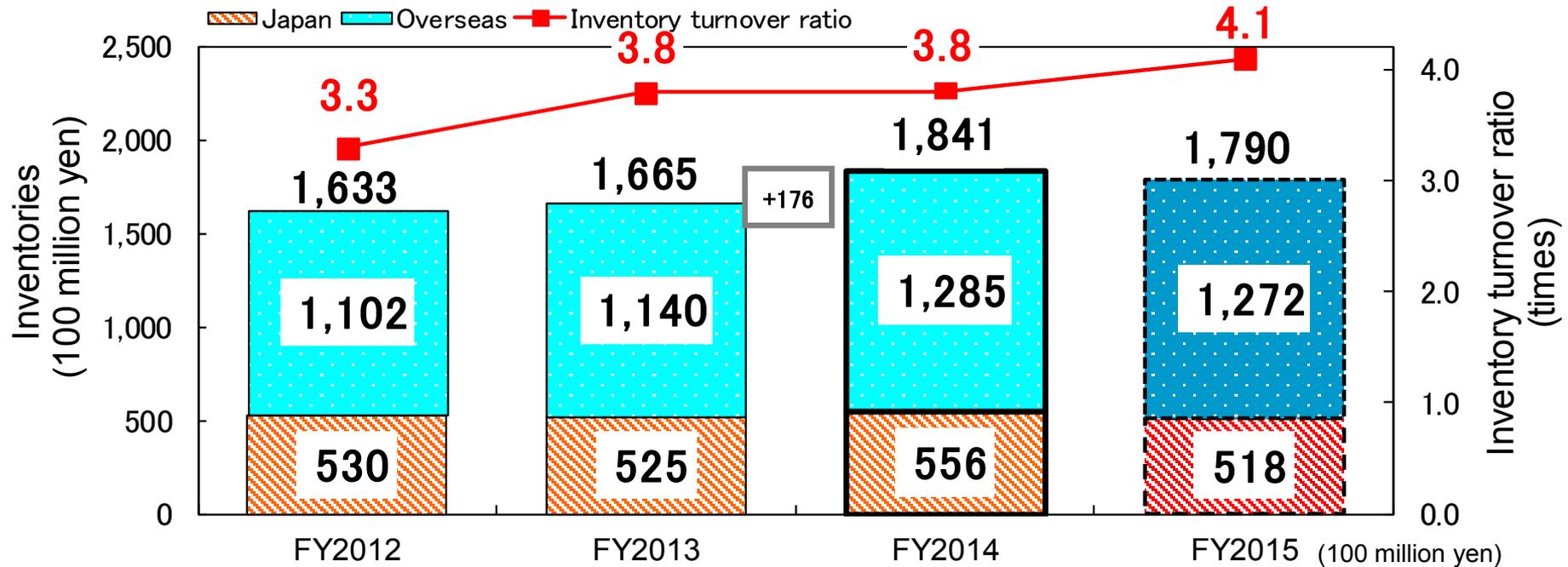


Operating Income



7. Inventories

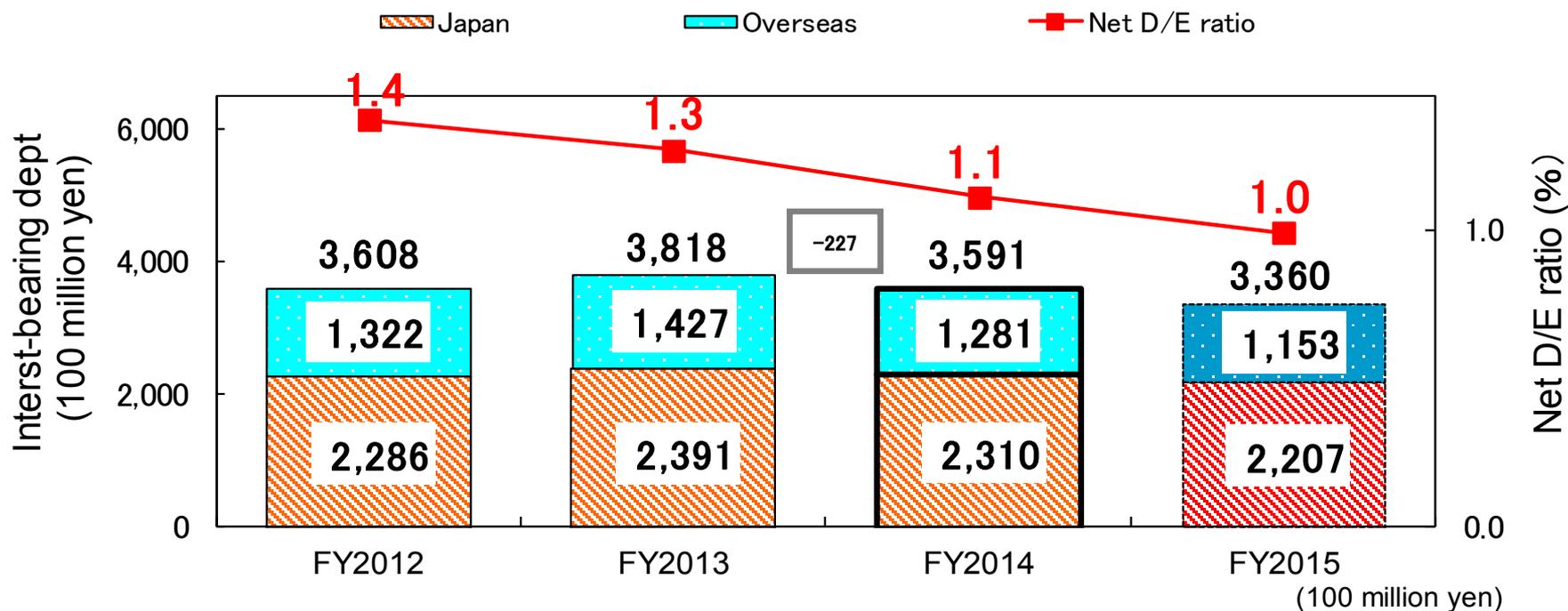
◆ Inventory turnover ratio (FY2015 forecast) is 4.1 times



	FY2012 Results	FY2013 Results	FY2014 Results	FY2015 Forecast
Inventories	1,633	1,665	1,841	1,790
Overseas	(1,102)	(1,140)	(1,285)	(1,272)
Japan	(530)	(525)	(556)	(518)
Inventory turnover ratio	3.3	3.8	3.8	4.1

8. Interest-Bearing Debt

◆ Net D/E ratio (FY2015 forecast) is 1.0



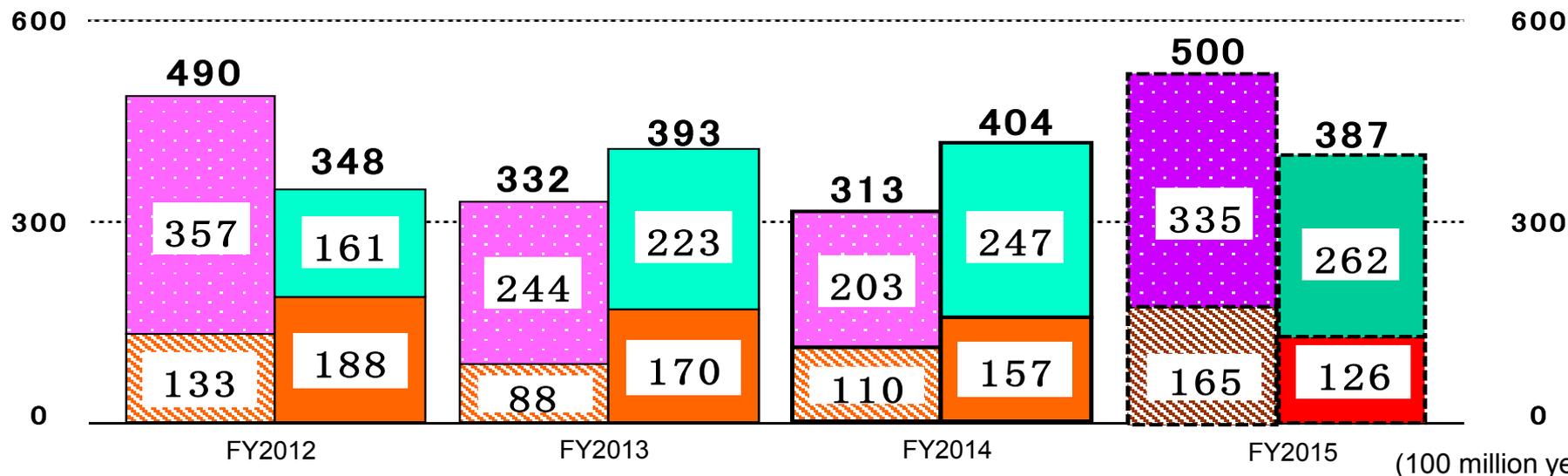
	FY2012 Results	FY2013 Results	FY2014 Results	FY2015 Forecast
Interest-bearing debt	3,608	3,818	3,591	3,360
Overseas	(1,322)	(1,427)	(1,281)	(1,153)
Japan	(2,286)	(2,391)	(2,310)	(2,207)
Net D/E ratio	2,747	2,521	2,713	2,561

9. Capital Expenditure and Depreciation

◆ Capital expenditure (FY2015 forecast) is 50 billion yen

(100 million yen)

Investment (Japan) Investment (Overseas) Depreciation (Japan) Depreciation (Overseas)



(100 million yen)

	FY2012 Results	FY2013 Results ①	FY2014 Results ②	FY2015 Forecast ③
Capital expenditure	490	332	313	500
Overseas	(357)	(244)	(203)	(335)
Japan	(133)	(88)	(110)	(165)

	②-①	③-②
	-19	187
Overseas	(-41)	(132)
Japan	(23)	(55)

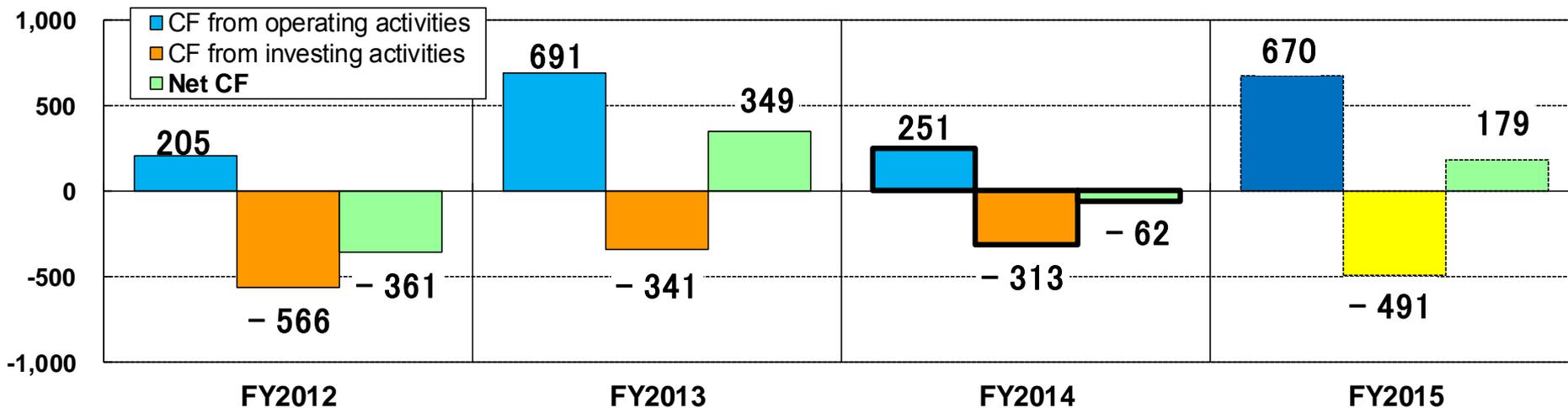
	FY2012 Results	FY2013 Results ①	FY2014 Results ②	FY2015 Forecast ③
Depreciation	348	393	404	387
Overseas	(161)	(223)	(247)	(262)
Japan	(188)	(170)	(157)	(126)

	②-①	③-②
	11	-17
Overseas	(24)	(15)
Japan	(-13)	(-31)

10. Cash Flows

◆ Net CF (FY2015 forecast) is 17.9 billion yen

(100 million yen)	FY2012 Results	FY2013 Results ①	FY2014 Results ②	FY2015 Forecast ③	②-①	③-②
I. Cash flow from operating activities	205	691	251	670	-439	419
II. Cash flow from investing activities	-566	-341	-313	-491	28	-178
III. Cash flow from financing activities	696	66	-375	-244	-441	131
IV. Effect of exchanging rate translation on cash and cash equivalents	0	20	18	-14	-3	-32
V. Net increase in cash and cash equivalents	335	436	-419	-79	-855	340



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