The background of the slide features a vertical image of 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 yellow fiber optic cable. The background is a solid, bright blue color.

For New Technology Network

NTN[®]

Consolidated Financial Results for Year ended 31 March, 2016

May 17, 2016

NTN Corporation

I. Progress of the Medium-term Management Plan, “NTN100”

II. Financial Results for FY2015 and Forecast for FY2016

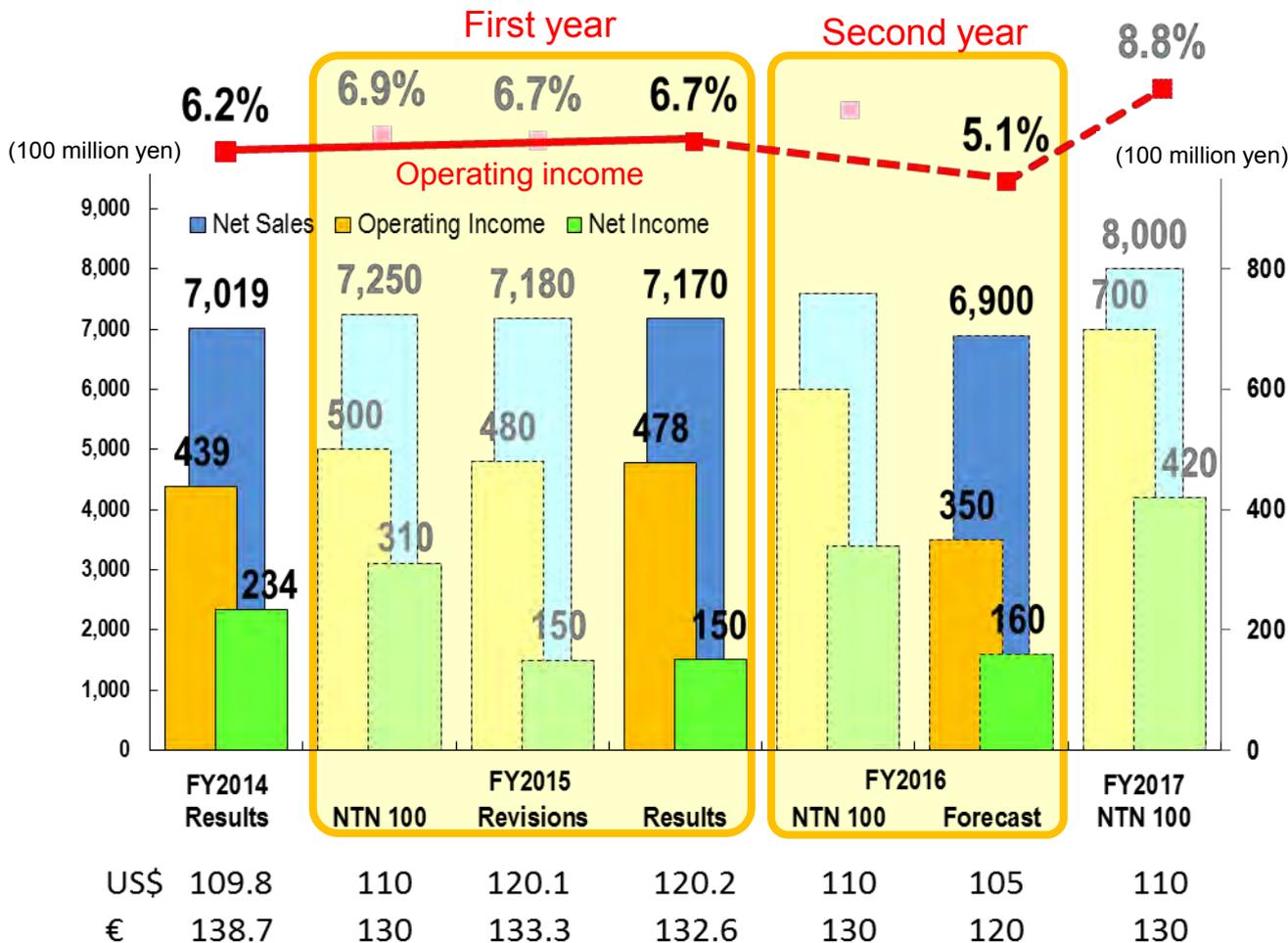
III. Q&A session

- This presentation and comments made in this conference or during the following Q&A session include forward-looking statements about future performance and future business strategies, all of which are based on decisions of the management of the Company currently available.
- These statements represent the best judgment of the management of the Company based on the information currently available. However, there can be no assurance that future results will meet any expectation, estimate or projection conveyed by these statements or comments. Actual results may differ materially from Management projections depending on various factors such as changes in product demand, exchange rates and interest rates, and contingent liabilities.

- I. Progress of the Medium-term Management Plan, “NTN100”**
- II. Financial Results for FY2015 and Forecast for FY2016
- III. Q&A session

Results in the first year of "NTN 100" and Forecast for the second year

- Increase in Net sales and Operating Income year-on-year in FY2015
- For FY2016, affected by strong yen, we expect a decrease of Net Sales and Operating Income in year on year (Exclude exchange rates, increase Net sales and Operating Income)



FY2015 (Results)

Net sales : **717,000 million yen**
Year on Year +2.2%

Operating income :
47,800 million yen
Year on Year +8.9%

Year-end dividend :
5 yen (10 yen annually)

FY2016 (Forecast)

Net sales: **690,000 million yen**
Year on Year -3.8%
(Excluding exchange rates +4%)

Operating income :
35,000 million yen
Year on Year -26.7%
(Excluding exchange rates +3%)

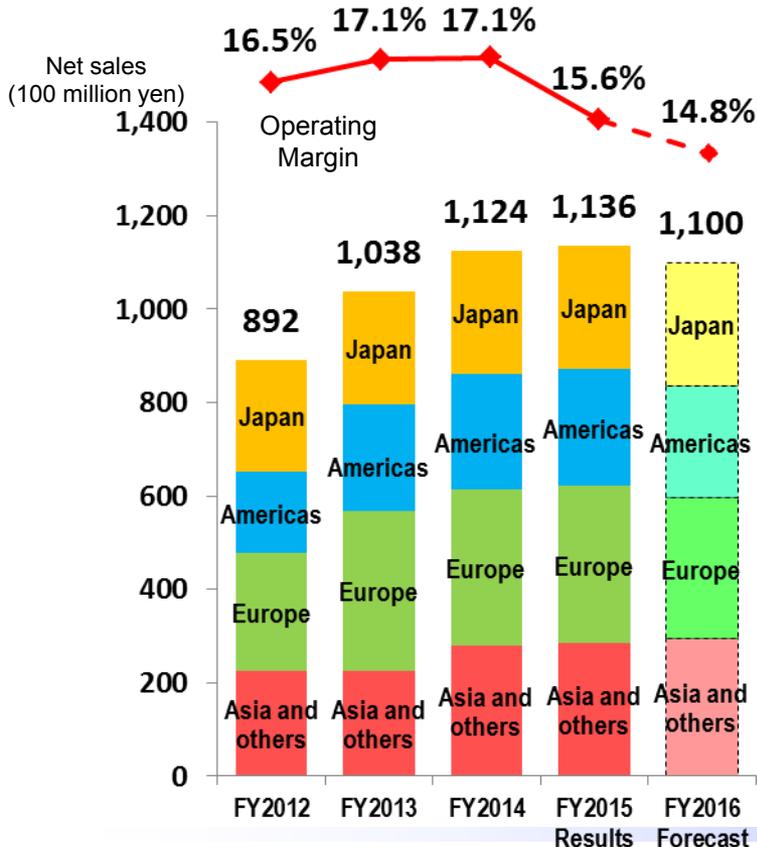
Dividend(annually):
12 yen (increased dividend)

Results and Forecast for After Market Business

< Results of FY2015 (compared with FY2014) >

Net sales : 113.6 billion yen (+ 1.1%), Operating income : 17.7 billion yen (-8.0%)

- In Japan, there was reduced demand and performance was flat
- In the Americas, sales of auto parts increased due to positive trends in North America but performance was weighed down by deceleration of the South America economy, and overall sales fell in North America, and also China



< Forecast for FY2016 (compared with FY2015) >

Japan	Increase share also due to the impact of the economic downturn. Strengthen discovery of new projects
Americas	Strengthen cooperation with distributors Enhance auto parts lineup
Europe	Conduct sales promotions for auto parts Fall in demand from emerging markets
Asia and others	Strengthen Asia's MRO team Increase of customer demand in the northeast and inland parts of China

Progress of "NTN 100" :

Aftermarket Business - Looking back

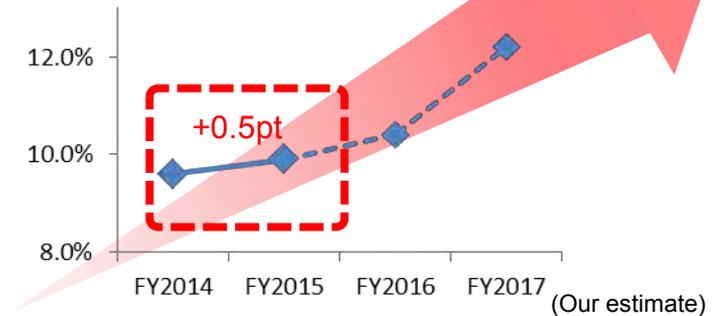
Achievements

- 1. Strengthened the quick delivery system**
Enhanced lineup of hot-selling products
Globally expanded the automatic stock replenishment system
- 2. Strengthened the service system**
Implemented a technical academy for the customers
Held the Aftermarket Academy
- 3. Globally increased the market share**
In spite of a decrease demand, strengthened supply capabilities and services, achieved a **+0.5 point** improvement in Japan, Americas, Europe and Asia

Issues

Even in the situation in which the economy of emerging countries slowing down, we must increase sales and further expand market share

Global Market Share

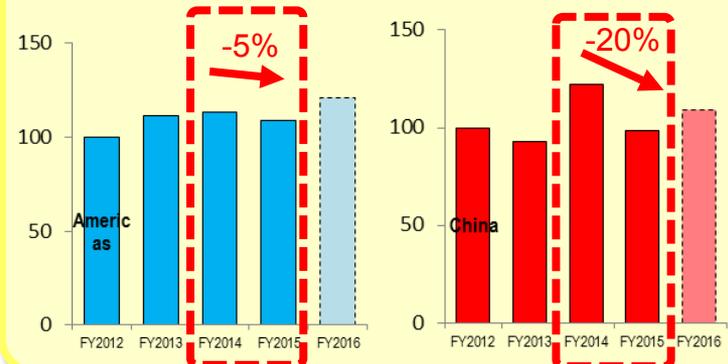


Share will also increase steadily but has been affected by the economic slowdown of emerging economies

Transition in amount of aftermarket in the Americas and China

Americas performance fell affected by the economic slowdown in South America

With an economic slowdown in China, sales fell



Progress of "NTN 100" :

Aftermarket Business: points to strengthen

For New Technology Network



1. Enhance brand image

1. Strengthen the relationship with customers around the global

Technology training academy:
2 companies/day (FY2015) → continued expansion

2. Expand the ULTAGE series

Expand input of products that can boast of the world's highest standard of bearing function

3. Expand in the aftermarket business for industrial machinery in emerging countries, and increase presence

Increase the number of distributors by enhancing the support system
Improve the order accuracy of MRO projects by using IT

2. Expand auto parts

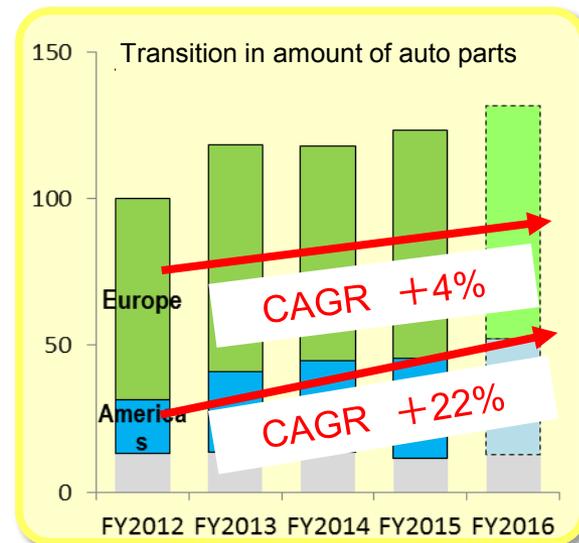
To lead growth, focus on regions leading growth such as Europe and the Americas (North America) and enhance a greater lineup of auto parts



Parts kit for tracks



Parts kit for Passenger cars

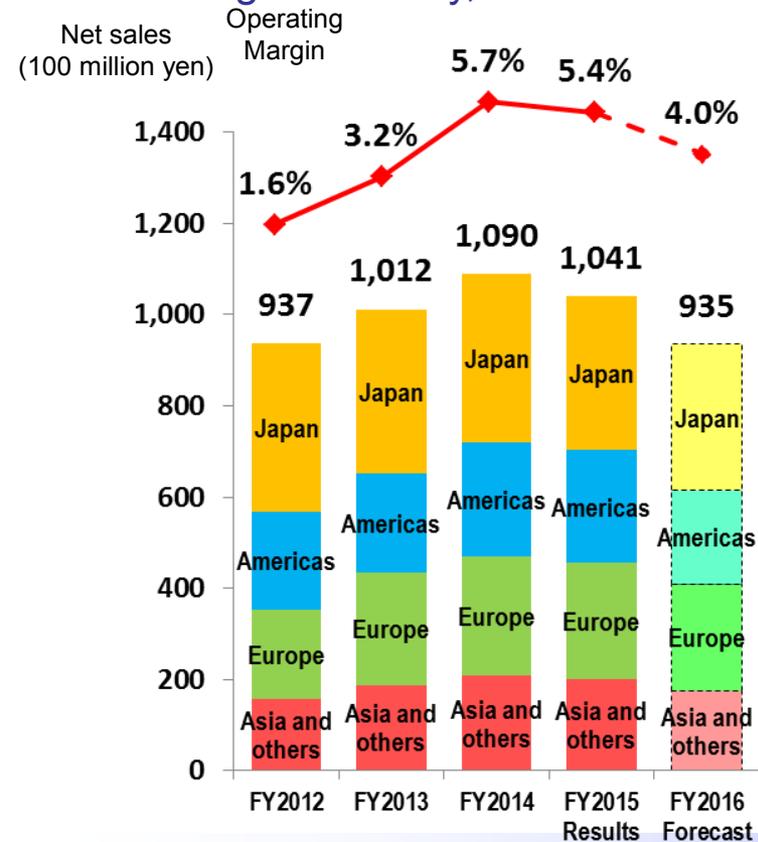


Results and Forecast for the Industrial Machinery Business

< Results of FY2015 (compared with FY2014) >

Net sales : 104.1 billion yen (-4.5%), Operating income : 5.6 billion yen (-10.3%)

- In Japan, there was decreased demand for construction machinery and mining machinery. Also associated reduced demand for gear box
- In Americas, increased demand for wind turbines, decrease in demand for construction machinery and mining machinery, and there was strong demand for wind turbines in Europe and China



< Forecast for FY2016 (compared with FY2015) >

Japan
Further reduce demand for construction machinery and mining machinery
Sluggish demand for steel, and also for machine tools

Americas
Further reduce demand for construction machinery and mining machinery
Increased sales for wind turbines

Europe
Increase sales of products for aircraft
Increase sales of gear box and general machinery

Asia and others
Decrease in sales of construction machinery and machine tools
Decreasing demand for products for wind turbines in China as a reflection of the previous term

Progress of "NTN 100" :

Looking back on Industrial Machinery Business and points to improve

Achievements

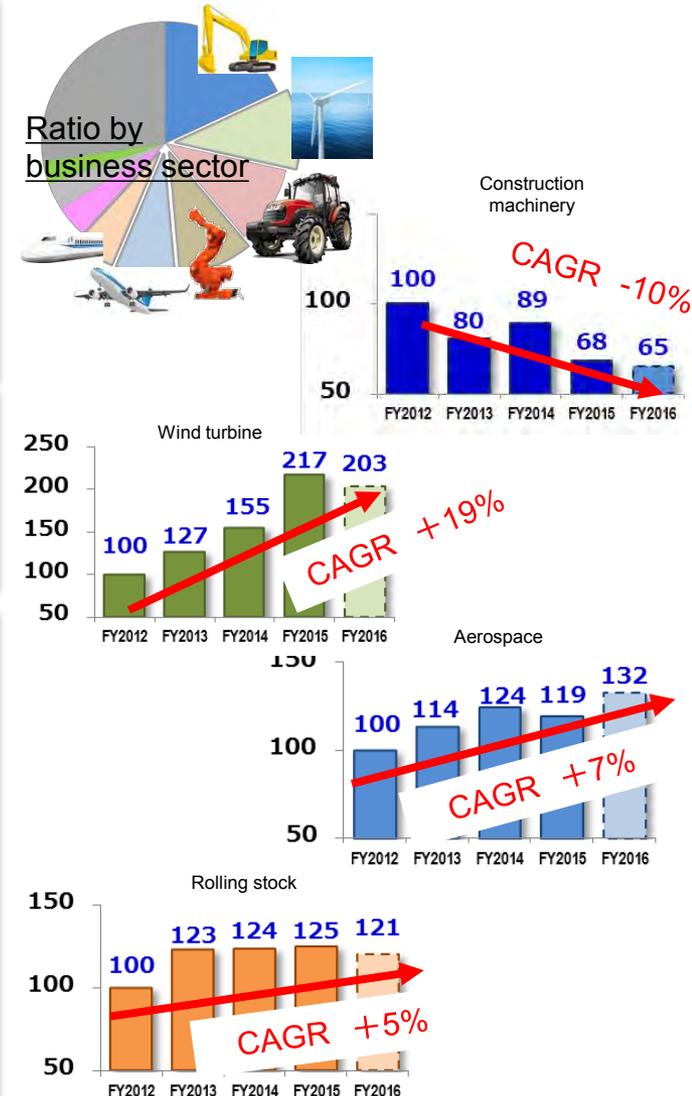
1. Against the background of environmental issues, **expanded demand for products for wind turbines, aircraft, and rolling stocks**, which are areas we focus on
2. Made practical use of **CMS**
(Condition Monitoring System for Wind Turbine)

Issues

To expand net sales, we must make efforts in growth fields and enhance the industrial machinery business overall

Points to strengthen

1. **Narrow down the targets in the growth areas and reorganize the technology sector**
Strengthen **capabilities of new product development**
Develop products and technology in **fields such as robots**
2. **Improve production efficiency by modernizing equipment and restructuring Enhance product competitiveness**

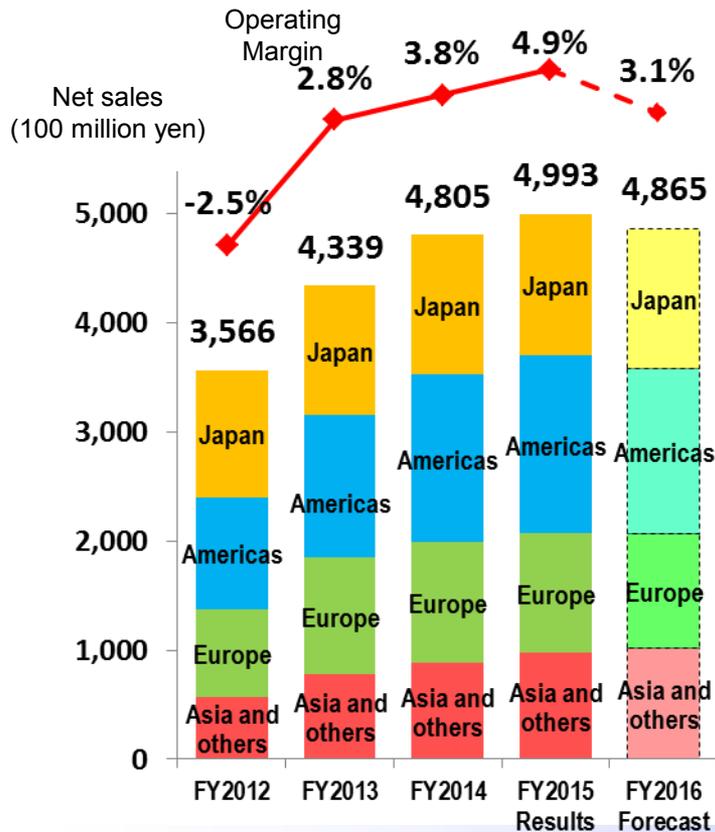


Results and Forecast for the Automotive Business

< Results of FY2015 (compared with FY2014) >

Net sales of 499.3 billion yen (+3.9%), operating income of 24.4 billion yen (+33.2%)

- In Japan, Cover the decrease in demand due to the effect of the increase in light automotive tax with demand for exports of vehicles to North America
- In Americas, strong demand in North America but overall a slight decrease due to delay in mass-production of some new cars and South American market downturn



< Forecast for FY2016 (compared with FY2015) >

Japan
Recover new car sales with new models
Keep an eye on effect of Kyushu earthquakes and fuel efficiency fraud problem

Americas
Strong sales of large vehicles against the backdrop of weaker prices of crude oil
Increase sales with start up of a plant in Mexico

Europe
Also there is a downturn in the Eastern European market, overall, strong sales continue

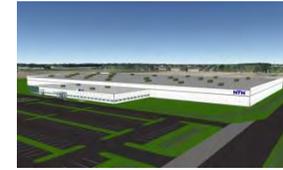
Asia and others
Continue to expand demands in China
Increased sales of D/S and products for two-wheel vehicles in ASEAN

Progress of "NTN 100" :

Looking back on D/S Business and points to strengthen

Achievements

1. Improved profitability with stabilized the North American supply structure, and reduced variable costs
Strengthened supply capacity by mass-production starting in China (Xiangyang) and Mexico.
Established "NTN Driveshaft Anderson (NDA)" in the United States.
Switched to local production of components
2. Started deploying high-value-added products in the market
Promoted weight reduction and the standardization of parts in the "ADS module"
Released the "Lightweight Driveshaft for FR vehicle" for premium cars



North American new base for finished products
(April 2017 mass production: NDA)



D/S components (U.S. company Bower)

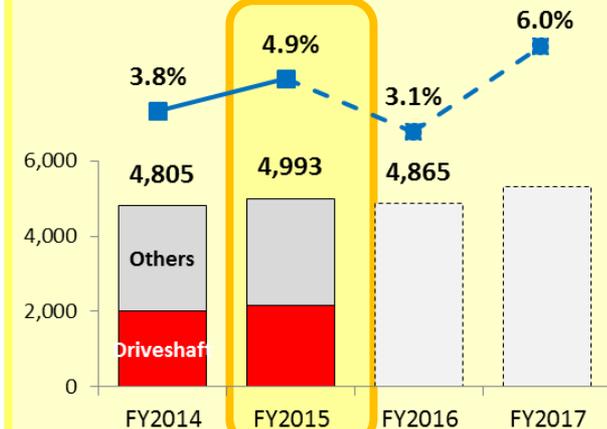
Issues

Further improvement of some products that have production inefficiencies and low profit

Points to strengthen

1. Reduce variable costs by having centralized purchasing of components
2. Expand sales of products for SUV and premium cars in North America and Europe

Automotive business
Changes in operating margin



Lightweight Driveshaft for FR vehicle for premium cars

Progress of “NTN 100” : Efforts for “Develop Business in New Areas”

Natural Energy Business

1. Established the Green Energy Products Division.
2. Commercialize natural energy products
 - Wind and solar hybrid street light:**
Scheduled for release in July 2016
 - Micro hydro turbine:**
Scheduled for release in December 2016
 - Compact wind turbine :**
Scheduled for release in late 2017
3. Start a demonstration test utilizing natural energy
Established Green Power Park
in the Advanced Technology R&D Center



Wind and solar hybrid street light



Micro hydro turbine



Compact wind turbine
(vertical axis)



Green Power Park

EV Business

1. Established the Electric Module Products Division.
2. Expanding electric module products for next-generation vehicle
Market development of **New In-wheel Motor System**
and **Two Motor On-board Drive System**
Scheduled to release **Electric Motor / Actuator**



New In-wheel Motor System



Electric Motor / Actuator

Two Motor On-board Drive System

Strengthening of global governance and risk management

1. Promote global awareness of the corporate philosophy

Recognition: Distribute the card to all employees in their own language
Understanding, empathy, practice: development and implementation of education and training programs,

Consider introducing the company award

2. Ensure compliance

Ensure compliance and reduce risks by the “Compliance Committee”

Ensure observance of the Subcontracting Act and Anti-Monopoly Act with the “Fair Trade Monitoring Committee”

Hold the “CSR Global Meeting” with the Overseas District Internal Control Section, and strengthen the global internal control system.

Enhance the governance system of affiliated companies

3. Strengthen risk management

Prevent and reduce risks with the "Risk Management Committee

Educate and train employees in the Business Continuity Plan (BCP)



Corporate philosophy chanting card in various languages (Japanese version)



CSR Global Meeting

Progress of “NTN 100” :

For New Technology Network



Strengthening of the Financial Foundation: Results and Forecast

1. Strengthen asset efficiency	FY2015		FY2016	FY2017
	NTN 100	Actual	Forecast	NTN 100 3-year period
Reduction of interest-bearing debt (excluding foreign exchange impact)	20 billion yen reduction	26.2 billion yen reduction	7.2 billion yen reduction	60 billion yen reduction / 3 years
Inventory reduction (inventory turnover)	4.0 times / year	4.0 times / year	4.0 times / year	4.5 times / year
Capital expenditure	50 billion yen	36.3 billion yen	76.3 billion yen / 2 years	135.0 billion yen / 3 years
Sale of assets	Sale of assets with no prospective use			
FCF	17.9 billion yen	12.5 billion yen	10 billion yen	67 billion yen / 3 years
Equity to capital ratio	30.0%	29.2%	30.0%	30.0% or more
Net D/E ratio	1.0	1.1	1.1	1.0 or less
ROE	12.0%	6.3%	8.2%	Over 14%

2. Improvement of the profit margin on sales	FY2015		FY2016	FY2017
	Announced	Actual	Forecast	NTN 100 3-year period
Operating margin	6.9%	6.7%	5.1% (If exchange rates are at the same level as the previous year) (6.6%)	8.8%

3. Shareholder return	FY2015		FY2016	FY2017
	Announced	Actual	Forecast	NTN 100 3-year period
Dividends	Annual 10 yen Dividend payout ratio of 17%	Annual 10 yen Dividend payout ratio of 35%	Annual 12 yen Dividend payout ratio of 40%	- Dividend payout ratio of 30% is basic idea

I. Progress of the Medium-term Management plan, “NTN100”

II. Financial Results for FY2015 and Forecast for FY2016

III. Q&A session

★Financial Results for FY2015 : 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) FY2015**
 - (2) FY2016**
- 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**

FY2015 Results

- ◇ Net sales: **717.0 billion yen**, a **15.1 billion yen (+2.2%)** increase year-on-year
- ◇ Operating income: **47.8 billion yen**, a **3.9 billion yen (+8.9%)** increase year-on-year
- ◇ Extraordinary income/loss: **-11.3 billion yen** (extraordinary income +4.4 billion yen, extraordinary losses -15.7 billion yen)
- ◇ Net income attributable to shareholder (parent company): **15 billion yen**, **-8.3 billion yen (-35.6%)** decrease year-on-year
- ◇ Planned fiscal year-end dividend of **5.0 yen** (Annual: **10 yen**, **+4 yen** year-on-year)

FY2016 Forecast

- ◇ Net sales: **690.0 billion yen**, a **-27.0 billion yen (-3.8%)** decrease year-on-year
- ◇ Operating income: **35 billion yen**, a **-12.8 billion yen (-26.7%)** decrease year-on-year
- ◇ Net income attributable to shareholder (parent company): **16 billion yen**, a **1.0 billion yen (+6.4%)** increase year-on-year
- ◇ Dividends: Plan for annual dividend of **12 yen** (**6 yen** for both interim and fiscal year-end)
- ◇ Exchange rates: 1US\$ = **105 yen**, 1EURO = **120 yen**

1. Consolidated Statements of Operation

(100 million yen)

	FY2014 Results ①	FY2015 Results ②	FY2016 Forecast ③	Year on year	
				FY2015 ②-①	FY2016 ③-②
Net sales	7,019	7,170	6,900	151	- 270
Operating income	439	478	350	39	-128
Operating margin	(6.2%)	(6.7%)	(5.1%)	(0.4%)	(-1.6%)
Ordinary income	389	382	270	- 7	- 112
Extraordinary income/loss	- 18	- 113	0	- 95	113
Net income attributable to shareholders (parent company)	234	150	160	- 83	10

Exchange rate	US \$	109.8	120.2	105.0	10.4	-15.2
	EURO	138.7	132.6	120.0	-6.1	-12.6

2. Net Sales by Region

< Net Sales by Region >

(100 million yen)

	FY2014	FY2015	FY2016	Year on year			Year on year		
	Results	Results	Forecast	FY2015			FY2016		
	①	②	③	②-①			③-②		
				Total	Volume	Forex	Total	Volume	Forex
Japan	1,915	1,896	1,875	-19	-19	0	-21	-21	0
Americas	2,026	2,125	1,950	100	-48	148	-175	100	-276
Europe	1,712	1,690	1,590	-22	52	-74	-100	65	-166
Asia and others	1,367	1,459	1,485	92	43	49	27	166	-140
Total	7,019	7,170	6,900	151	28	123	-270	311	-581

3. Net Sales and Operating Income by Business Sector

< Net Sales by Business Sector >

(100 million yen)

	FY2014	FY2015	FY2016	Year on year					
	Results	Results	Forecast	FY2015			FY2016		
	①	②	③	②-①			③-②		
				Total	Volume	Forex	Total	Volume	Forex
Aftermarket	1,124	1,136	1,100	12	6	6	- 36	54	- 90
Industrial machinery	1,090	1,041	935	- 49	- 63	14	- 106	- 37	- 69
Automotive	4,805	4,993	4,865	188	85	103	- 128	294	- 421
Total	7,019	7,170	6,900	151	28	123	- 270	311	- 581

< Operating Income by Business Sector >

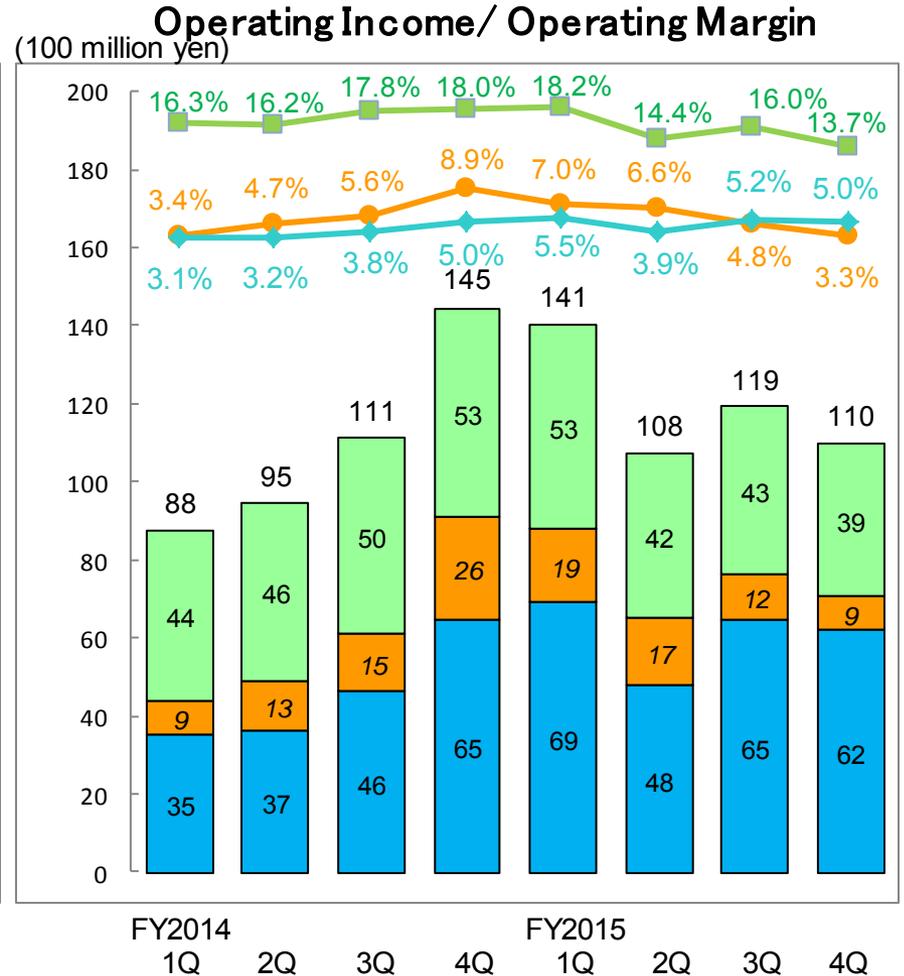
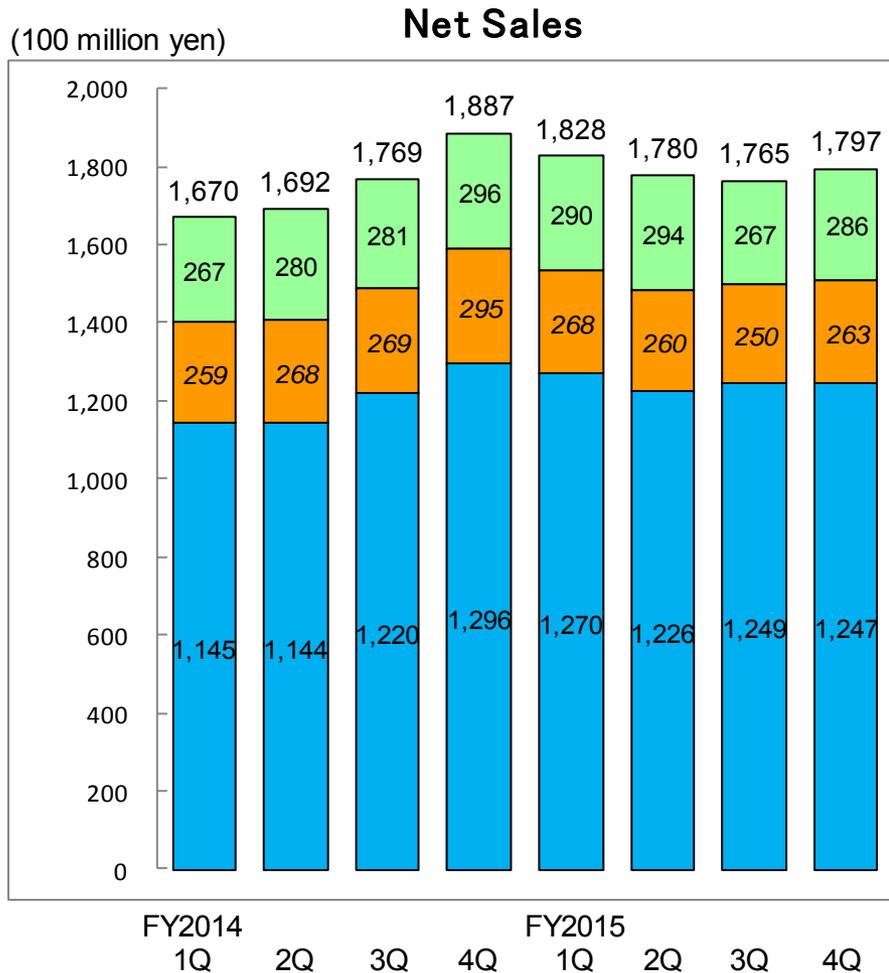
(100 million yen)

	FY2014	FY2015	FY2016	Year on year	
	Results	Results	Forecast	FY2015	FY2016
	①	②	③	②-①	③-②
Aftermarket	192	177	163	- 15	- 14
Industrial machinery	63	56	37	- 6	- 19
Automotive	184	244	150	61	- 94
Total	439	478	350	39	- 128

4. Results by Business Sector (Quarterly Trend)

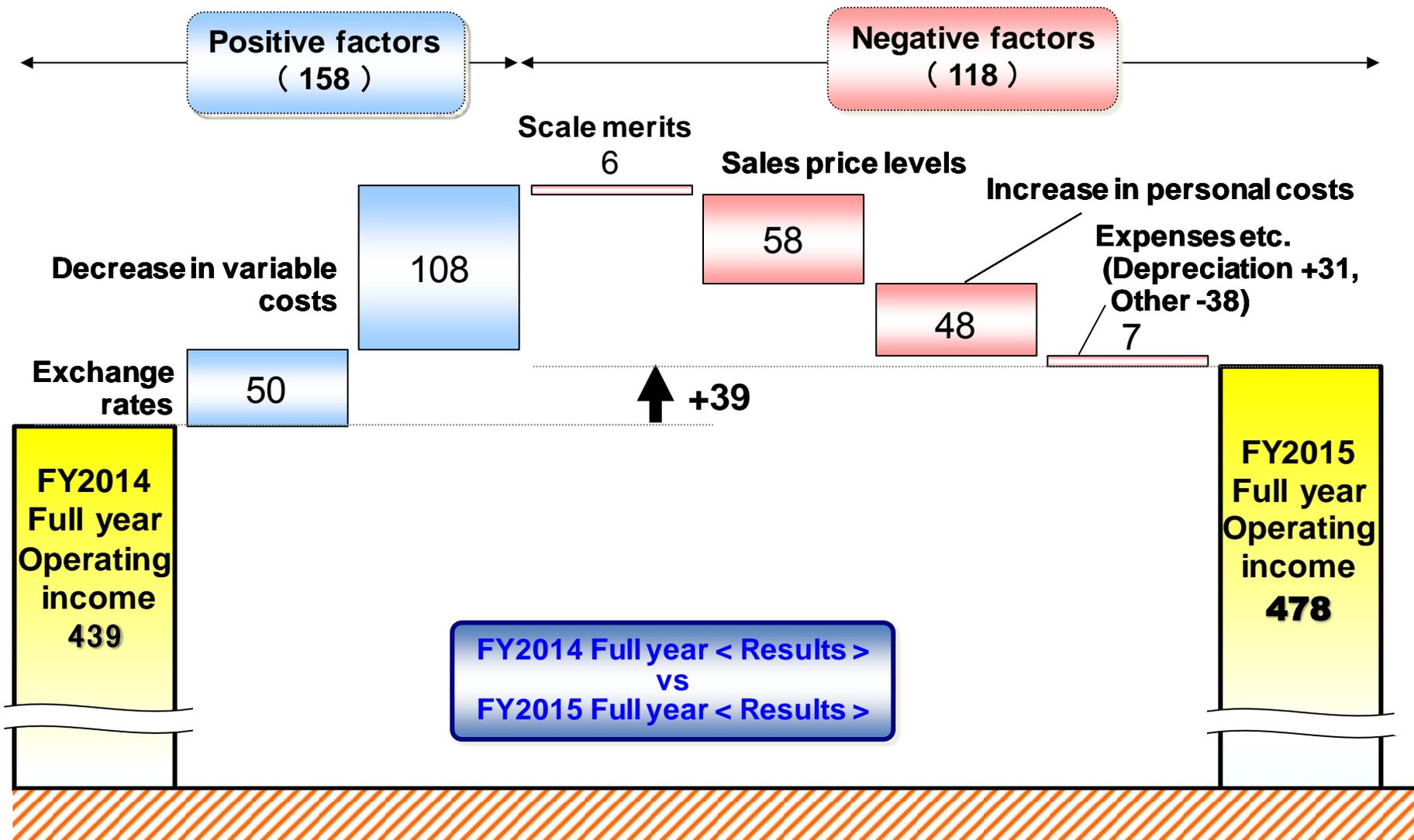
* All figures in 100 million yen

Automotive Industrial machinery Aftermarket



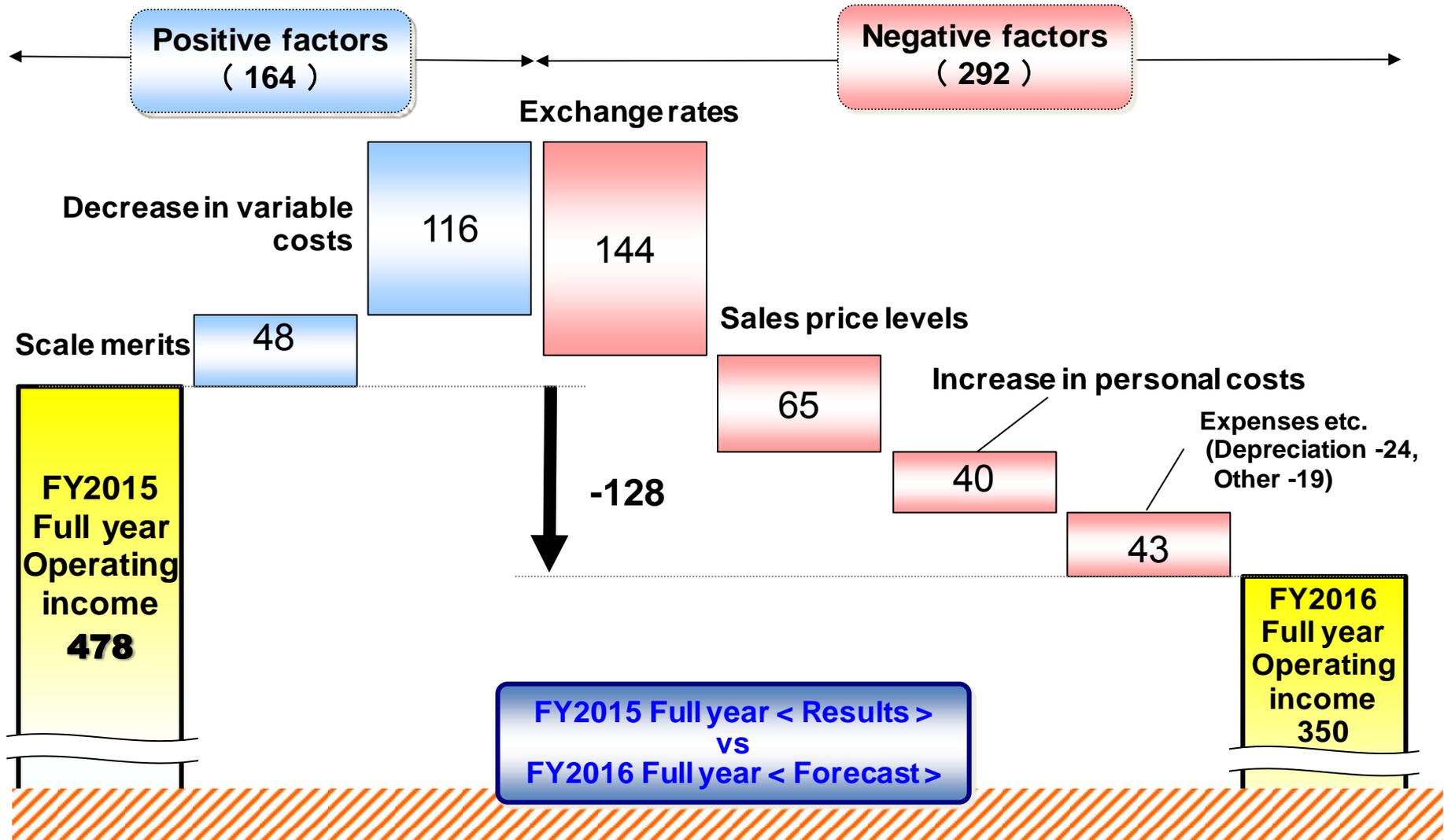
5-1. Analysis of Operating Income (FY2015)

* All figures in 100 million yen



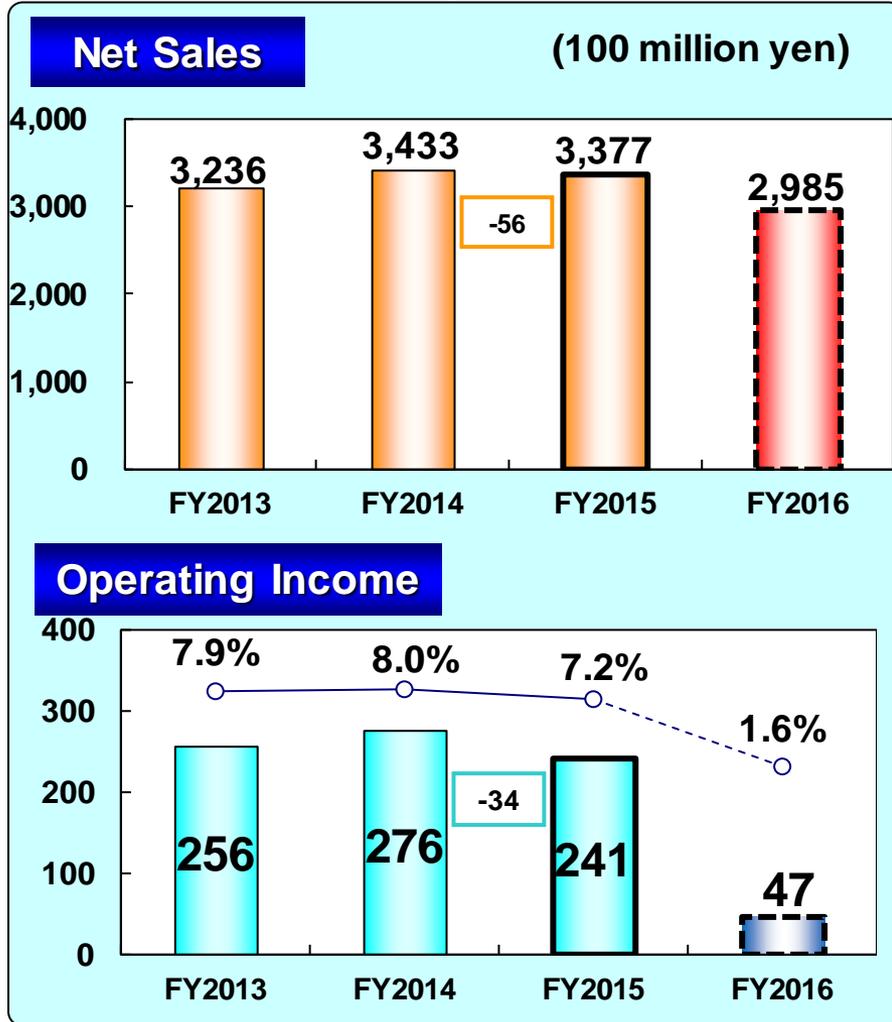
5-2. Analysis of Operating Income (FY2016)

* All figures in 100 million yen

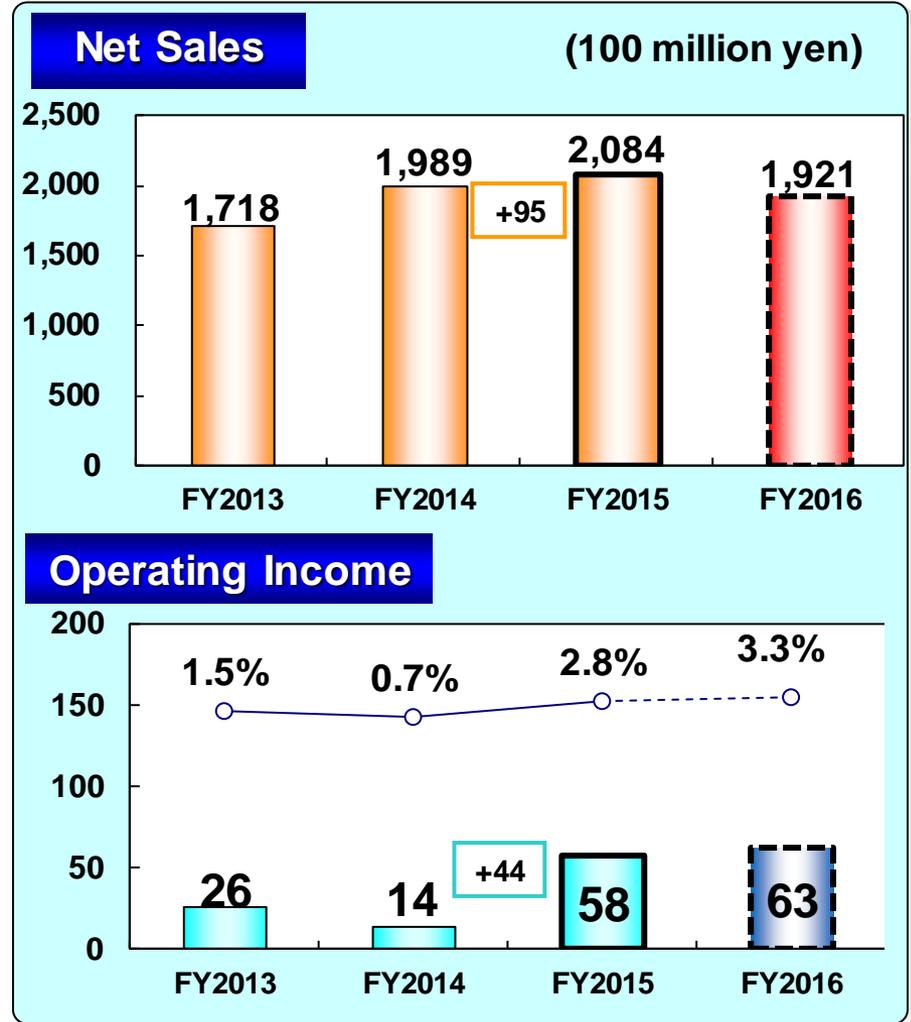


6. Net Sales and Operating Income by Region

《 Japan 》

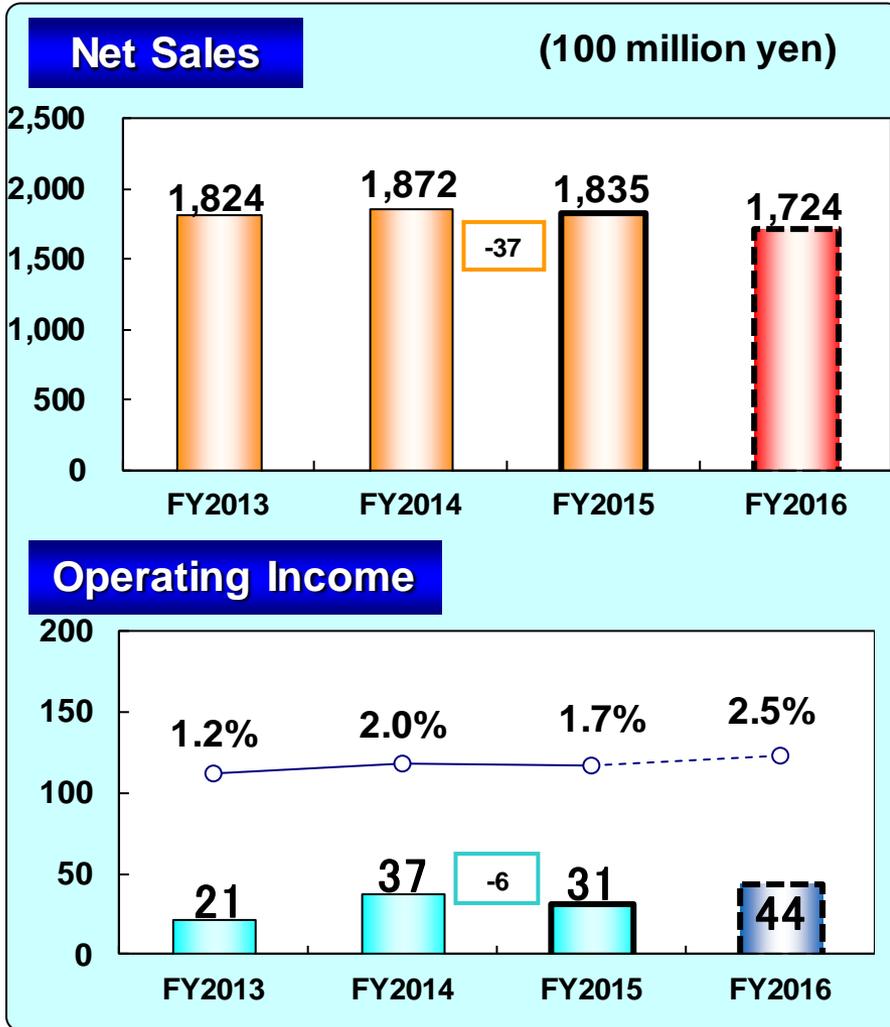


《 Americas 》

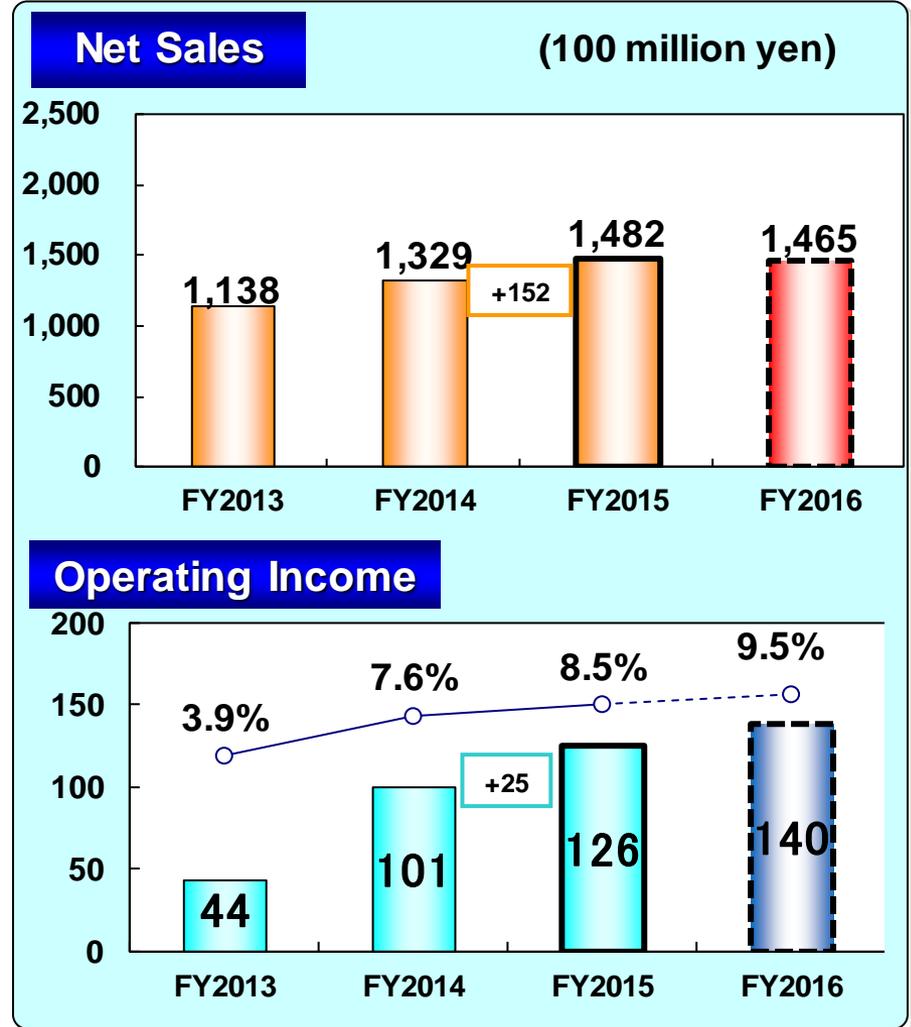


6. Net Sales and Operating Income by Region

《 Europe 》

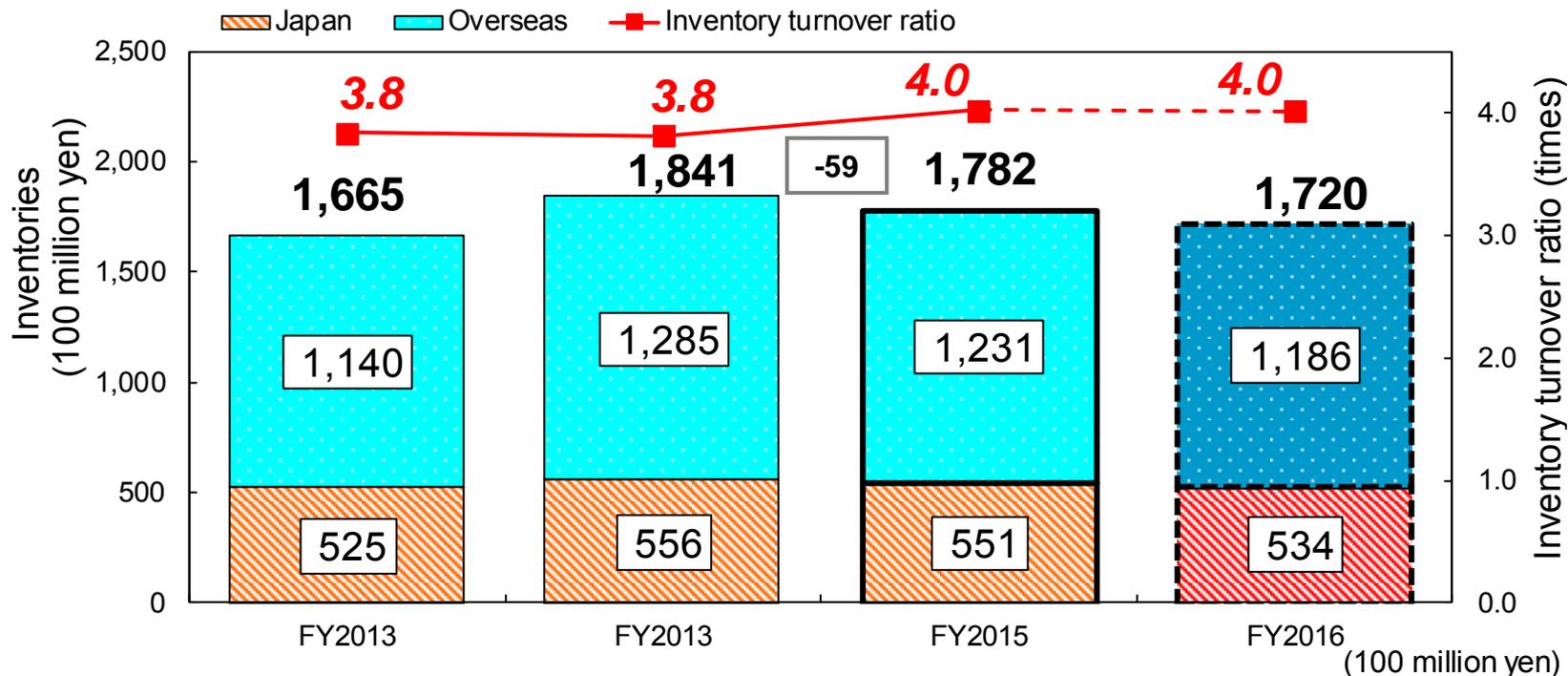


《 Asia and others 》



7. Inventories

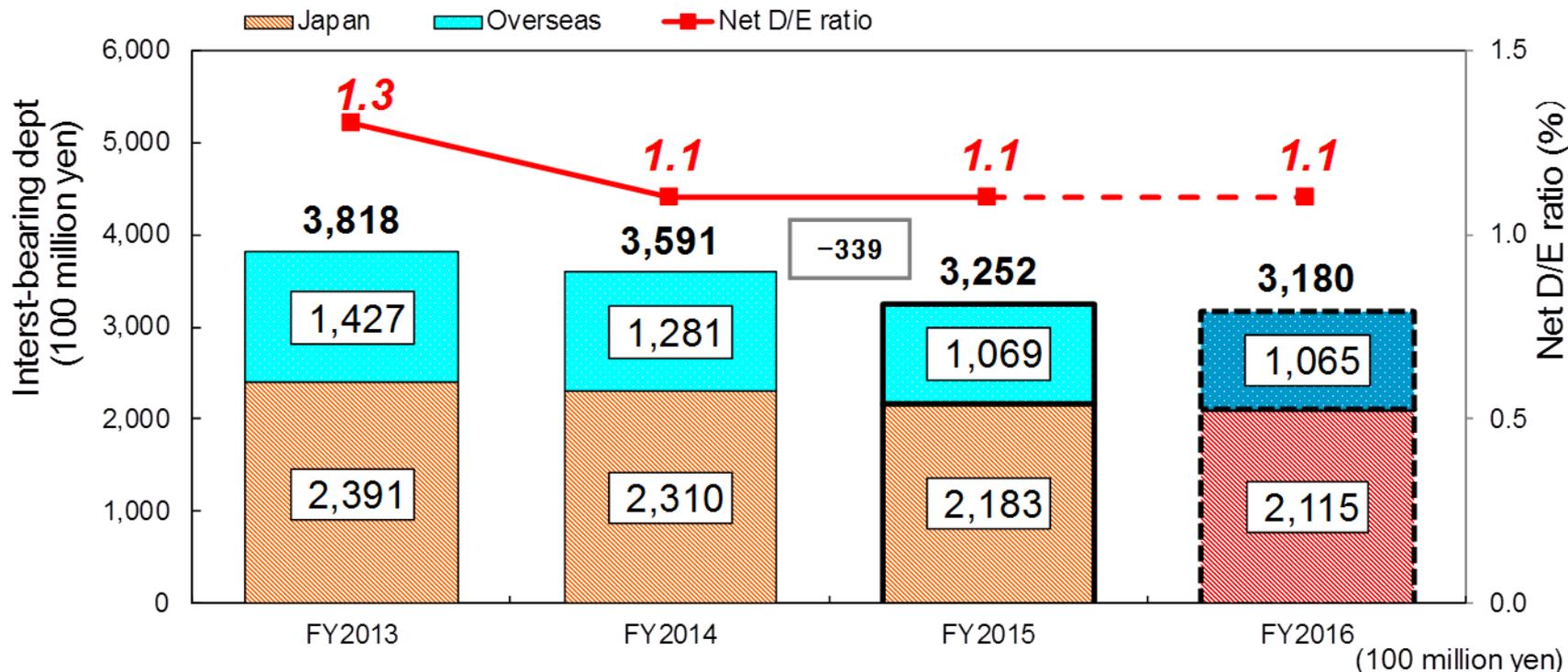
◆ Inventory turnover ratio (FY2016 forecast) is 4.0 times



	FY2013 Results	FY2014 Results	FY2015 Results	FY2016 Forecast
Inventories	1,665	1,841	1,782	1,720
Overseas	(1,140)	(1,285)	(1,231)	(1,186)
Japan	(525)	(556)	(551)	(534)
Inventory turnover ratio (times)	3.8	3.8	4.0	4.0

8. Interest-Bearing Debt

◆ Net D/E ratio (FY2016 forecast) is 1.1

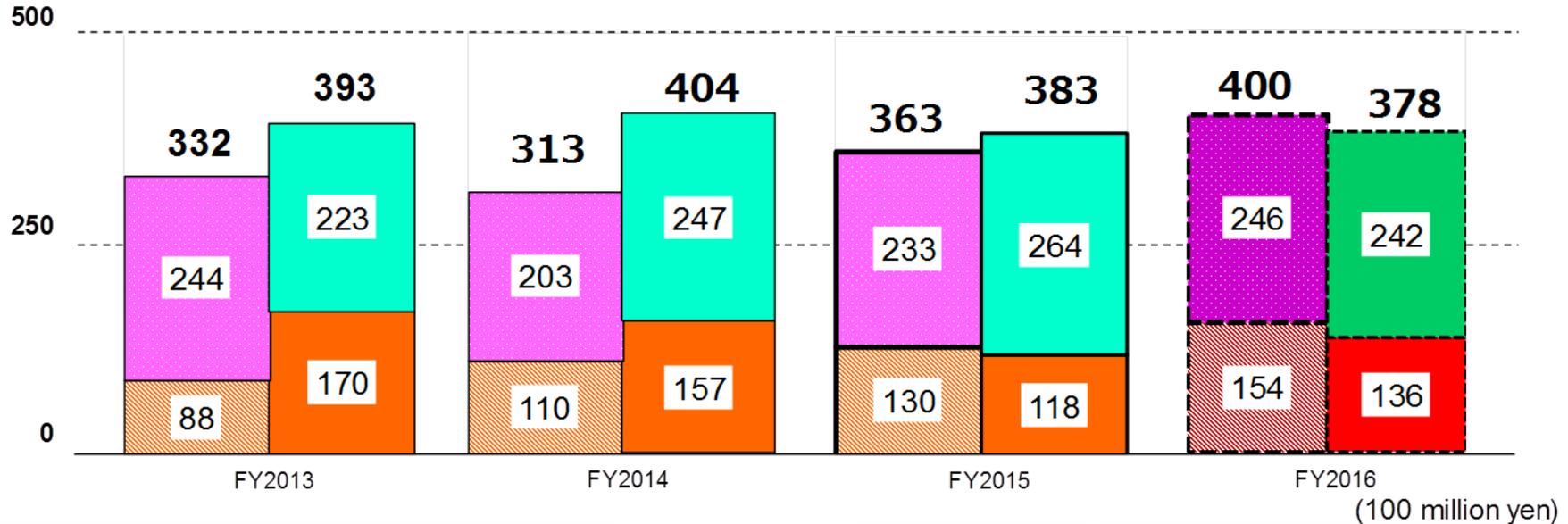


	FY2013 Results	FY2014 Results	FY2015 Results	FY2016 Forecast
Interest-bearing debt	3,818	3,591	3,252	3,180
Overseas	(1,427)	(1,281)	(1,069)	(1,065)
Japan	(2,391)	(2,310)	(2,183)	(2,115)
Net D/E ratio	2,521	2,713	2,579	2,521

9. Capital Expenditure and Depreciation

◆ Capital expenditure (FY2016 forecast) is 40 billion yen

(100 million yen)

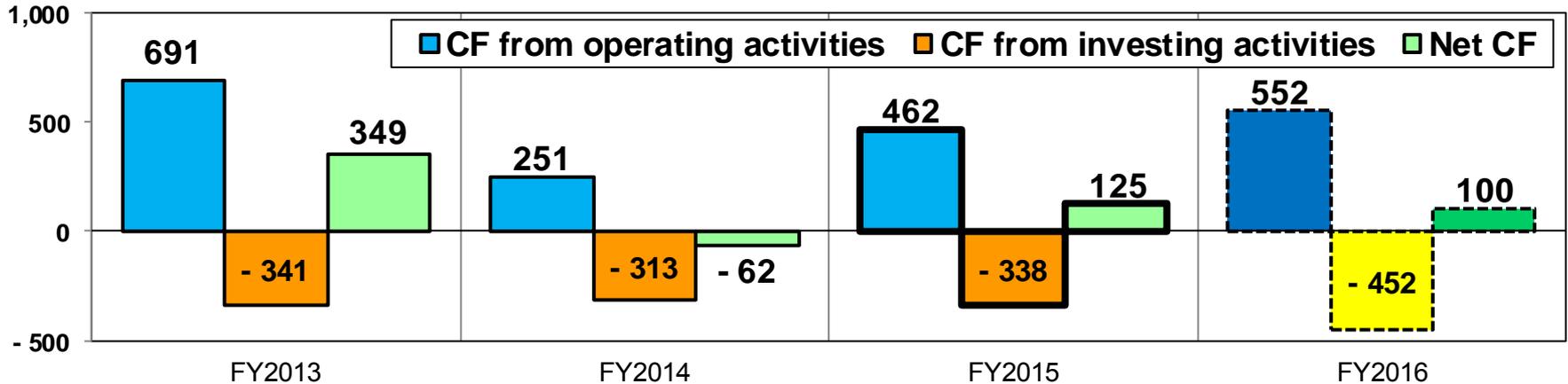


	FY2013 Results	FY2014 Results ①	FY2015 Results ②	FY2016 Forecast ③	②-①	③-②
Capital expenditure	332	313	363	400	50	37
Overseas	(244)	(203)	(233)	(246)	(30)	(13)
Japan	(88)	(110)	(130)	(154)	(20)	(24)
Depreciation	393	404	383	378	-21	-5
Overseas	(223)	(247)	(264)	(242)	(18)	(-22)
Japan	(170)	(157)	(118)	(136)	(-39)	(18)

10. Cash Flows

◆ Net CF (FY2016 forecast) is 10 billion yen

(100 million yen)	FY2013 Results	FY2014 Results ①	FY2015 Results ②	FY2016 Forecast ③	②-①	③-②
I. Cash flow from operating activities	691	251	462	552	211	90
II. Cash flow from investing activities	-341	-313	-338	-452	-25	-115
III. Cash flow from financing activities	66	-375	-280	-86	95	194
IV. Effect of exchanging rate translation on cash and cash equivalents	20	18	-50	-30	-68	20
V. Net increase in cash and cash equivalents	436	-419	-205	-15	214	189



We make
Bearings.



For New Technology Network
NTN[®]
NTN株式会社
www.ntn.co.jp