

Consolidated Financial Results for the First Quarter of FY2020

August 4, 2020
NTN Corporation

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Financial Results for the First Quarter and Full Year Forecast of FY2020 : Key Factors

1Q: Due to lockdown in Americas, Europe, Asia caused by new coronavirus, sales decreased by half mainly in sales in automotive application. Drastic operating loss due to decreased volume and other factor.

Full Year: It is still difficult to precisely estimate the end of the infection however sales is recovering from June. The forecast has been calculated based on the current customer demand and estimation.

Dividend: The Company regrets to announce that we plan not to pay dividend because the earning declined drastically and the future forecast is uncertain.

(billion yen)

	FY2019 Full year Result*	FY2020							
		1 Q Result	YoY	Full year Forecast	YoY	Full year Forecast	YoY	Full year Forecast	YoY
Net sales	652.0	91.9	-46.5%	540.0	-17.2%	234.0	-30.1%	306.0	-3.5%
		(Exclude Exchange Rate -44.9%)		(Exclude Exchange Rate -16.5%)		(Exclude Exchange Rate -29.3%)		(Exclude Exchange Rate -3.1%)	
Operating income	7.5	-9.7	-	-20.0	-	-18.0	-	-2.0	-
(%)	(1.2%)	(-10.6%)		(-3.7%)		(-7.7%)		(-0.7%)	
Ordinary income	-1.7	-9.8	-	-25.0	-	-20.0	-	-5.0	-
Extraordinary loss	-32.3	-1.6	-	-5.0	-	-5.0	-	0.0	-
Income before taxes	-33.9	-11.4	-	-30.0	-	-25.0	-	-5.0	-
Net income attributable to parent company	-44	-12.1	-	-33.0	-	-26.5	-	-6.5	-

(Yen)

	Full year	1Q	Full year(from 2Q)
Exchange rate US\$	108.7	107.5	107.1 (107)
€	120.8	118.4	119.6 (120)

	Full year(Interim)	Full year(Interim)
Dividends	5 (5)	0 (0)

2020/8/4

*"Royalty", which was previously included in "Other" under "Non-operating income", has been included in "Net Sales" from the fiscal year ending March 2021. Financial results of the fiscal year ended March 2020 have been also reclassified. Please refer to Additional Information on p.10 of the financial results of 1Q of the fiscal year ending March 2021.

1. Consolidated Statements of Operation

(billion yen)

	FY2019					FY2020	Year on year			FY2020	
	1Q	2Q	3Q	4Q	Full year		1Q	②-①		1H	Full year
	Results	Results	Results	Results	Results			Results	Total		
	①					②					
Net sales	171.7	163.0	160.5	156.8	652.0	91.9	-79.8	-77.0	-2.7	234.0	540.0
Operating income	3.1	1.6	0.6	2.2	7.5	-9.7	-12.8	-11.9	-1.0	-18.0	-20.0
Operating margin	(1.8%)	(1.0%)	(0.4%)	(1.4%)	(1.2%)	(- 10.6%)	(- 12.4%)			(- 7.7%)	(- 3.7%)
Ordinary income	2.6	0.2	-1.9	-2.7	-1.7	-9.8	-12.4	-11.4	-1.0	-20.0	-25.0
Extraordinary income/loss	0.0	-0.7	0.0	-31.6	-32.3	-1.6	-1.6	-1.6	0.0	-5.0	-5.0
Net income*	2.4	-1.3	-2.3	-42.9	-44.0	-12.1	-14.5	-13.9	-0.7	-26.5	-33.0
Exchange rate	US \$	109.9	107.3	108.7	109.0	108.7	107.5	-2.4		107.3	107.1
	EURO	123.5	119.3	120.3	120.2	120.8	118.4	-5.1		119.2	119.6

2. Net Sales by Region

(billion yen)

	FY2019					FY2020 1Q Results ②	Year on year ②-①			FY2020	
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results		Total	Volume	Forex	1H Forecast	Full year Forecast
Japan	49.5	50.7	49.3	48.7	198.1	28.5	-20.9	-20.9	-	68.0	154.5
Americas	47.9	42.8	40.6	43.0	174.3	19.2	-28.7	-28.1	-0.6	61.5	146.5
Europe	38.8	33.4	33.6	35.1	140.8	18.1	-20.7	-19.9	-0.8	44.5	109.5
Asia and others	35.5	36.2	37.0	30.0	138.7	26.0	-9.5	-8.1	-1.4	60.0	129.5
Total	171.7	163.0	160.5	156.8	652.0	91.9	-79.8	-77.0	-2.7	234.0	540.0

3. Net Sales and Operating Income by Business Sector

< Net Sales by Business Sector >

(billion yen)

	FY2019				
	1Q	2Q	3Q	4Q	Full year
	Results ①	Results	Results	Results	Results
Aftermarket	28.2	27.8	26.6	26.8	109.4
Industrial machinery	28.2	25.8	24.6	26.7	105.2
Automotive	115.3	109.4	109.3	103.3	437.3
Total	171.7	163.0	160.5	156.8	652.0

FY2020	Year on year			
	1Q Results ②	②-①		
		Total	Volume	Forex
	19.6	-8.7	-8.1	-0.5
	22.6	-5.5	-5.0	-0.6
	49.7	-65.6	-63.9	-1.6
	91.9	-79.8	-77.0	-2.7

FY2020	
1H Forecast	Full year Forecast
41.5	91.0
46.0	93.5
146.5	355.5
234.0	540.0

< Operating Income by Business Sector >

	FY2019				
	1Q	2Q	3Q	4Q	Full year
	Results ①	Results	Results	Results	Results
Aftermarket	3.3	3.3	2.8	3.3	12.8
Industrial machinery	-0.3	-0.8	-0.6	-0.2	-1.9
Automotive	0.1	-1.0	-1.6	-0.9	-3.4
Total	3.1	1.6	0.6	2.2	7.5

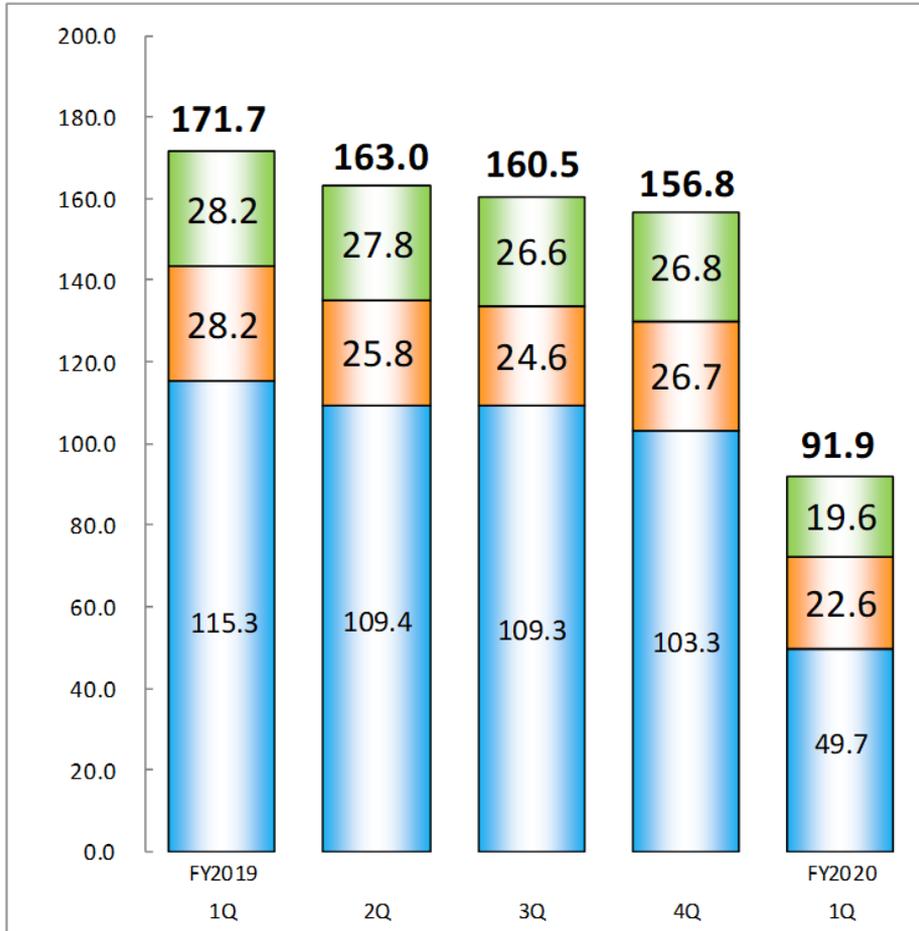
FY2020	Year on year
	②-①
	②
0.8	-2.6
-0.9	-0.5
-9.6	-9.7
-9.7	-12.8

4. Results by Business Sector (Quarterly Trend)

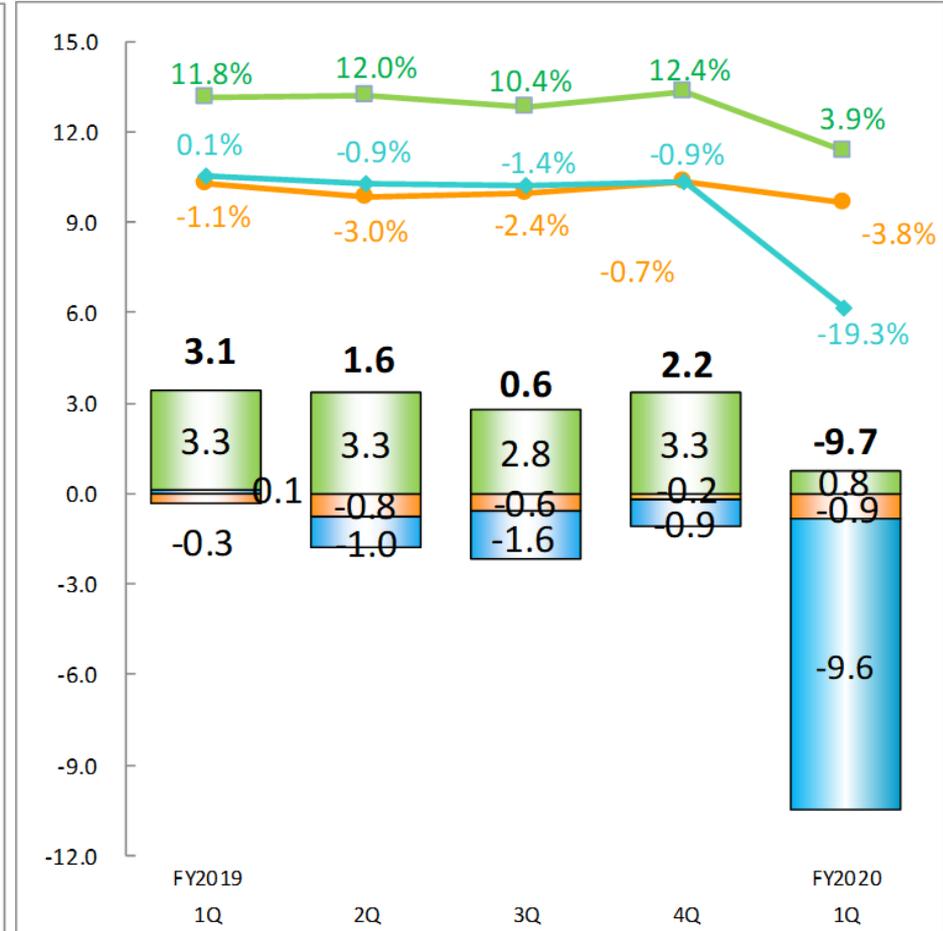
* All figures in billion yen.

Automotive Industrial machinery Aftermarket

Net Sales

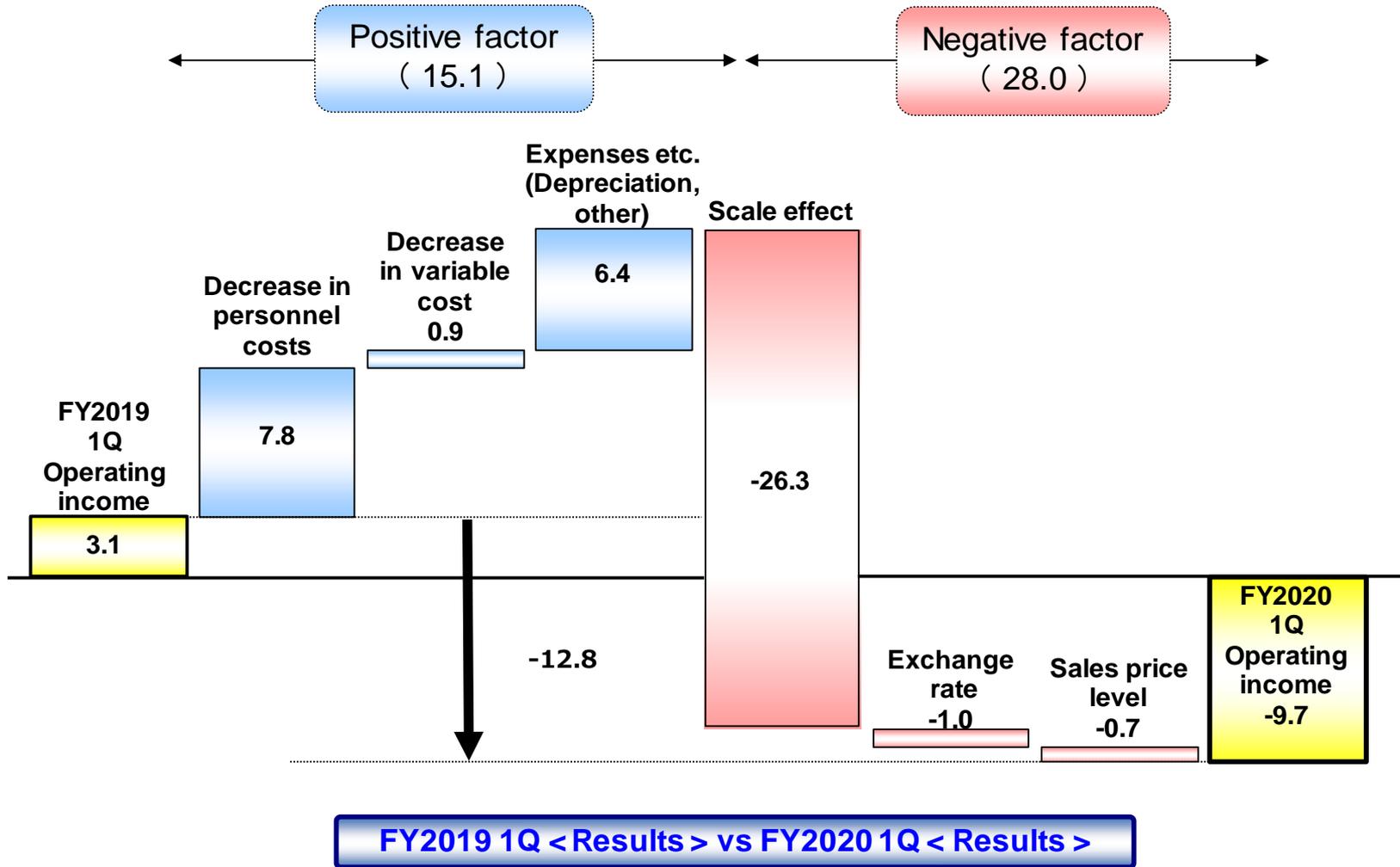


Operating Income/Operating Margin



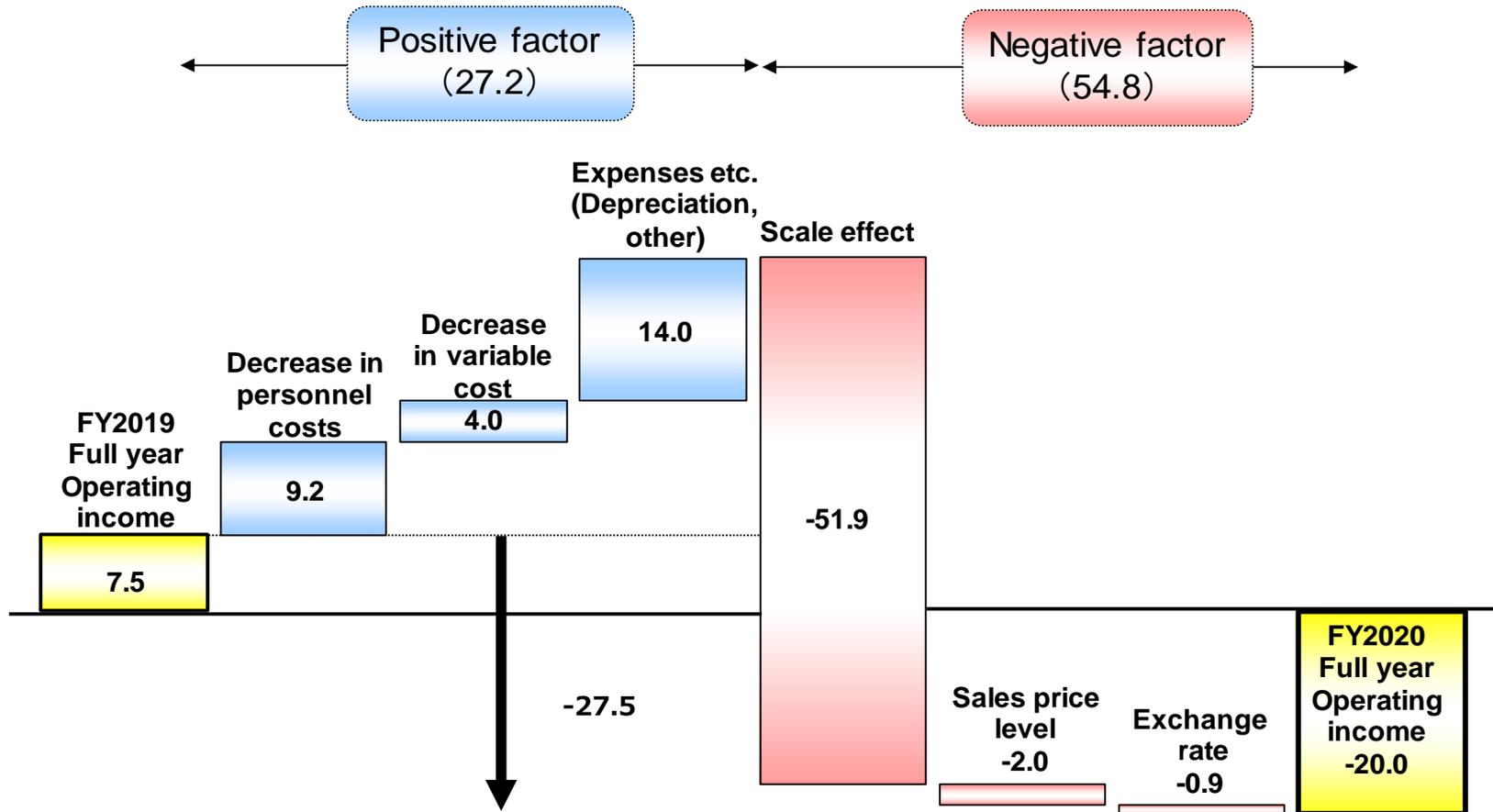
5. Analysis of Operating Income (FY2020 1Q)

* All figures in billion yen.



5. Analysis of Operating Income (FY2020 Full Year)

* All figures in billion yen.



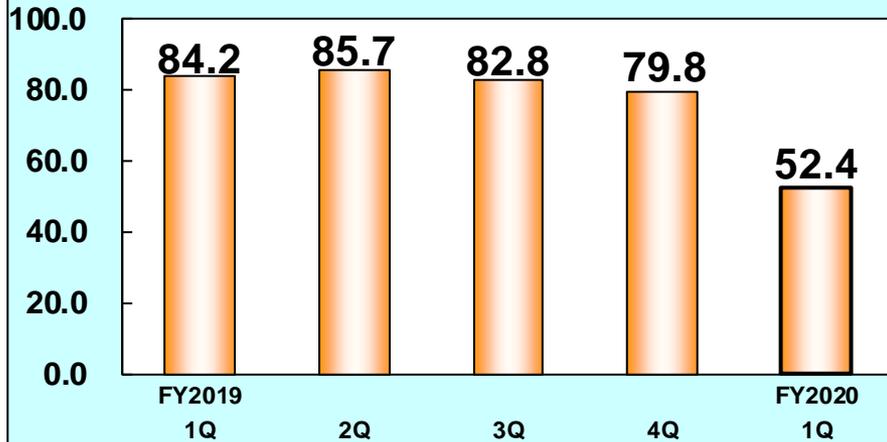
FY2019 Full year < Results > vs FY2020 Full year < Forecast >

6. Net Sales and Operating Income by Company Location

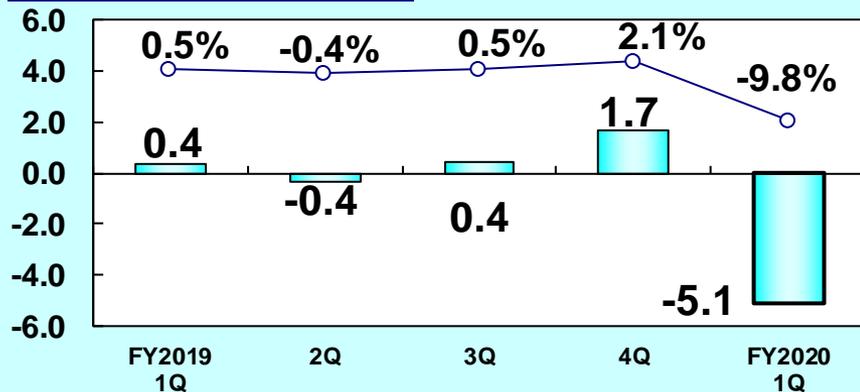
* All figures in billion yen

《 Japan 》

Net Sales

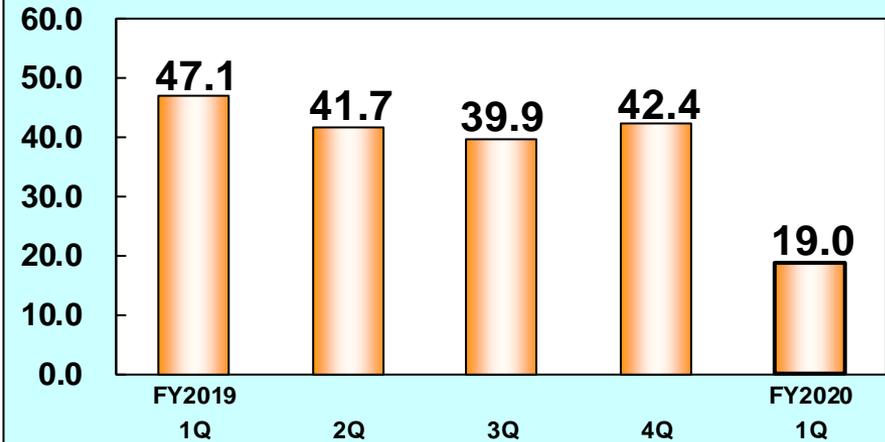


Operating Income

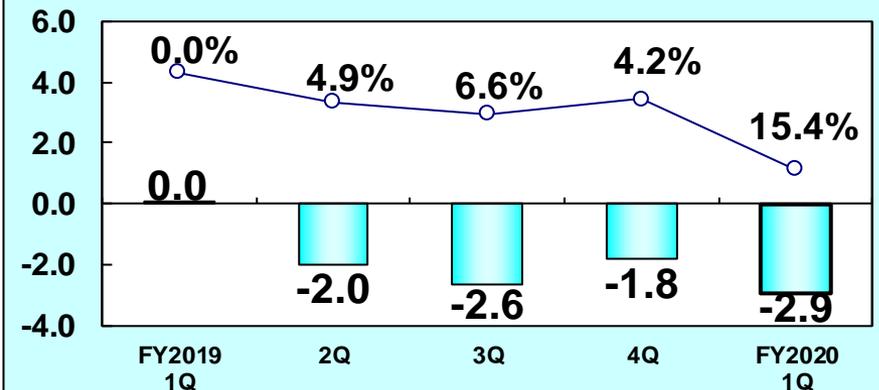


《 Americas 》

Net Sales



Operating Income

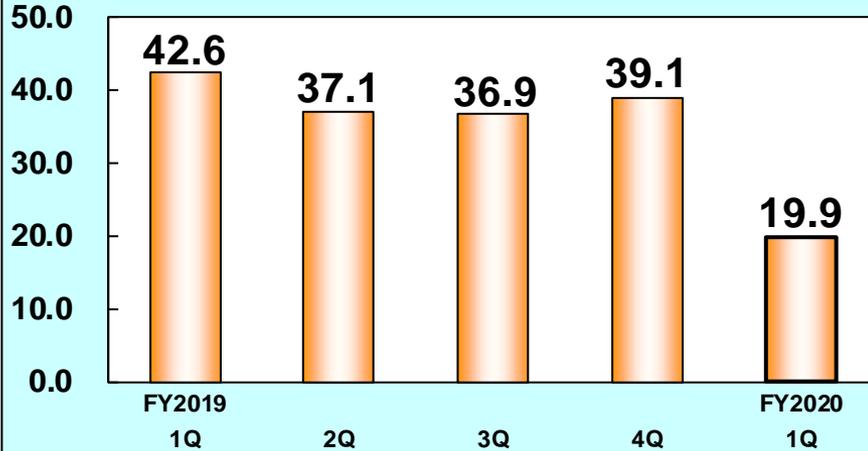


6. Net Sales and Operating Income by Company Location

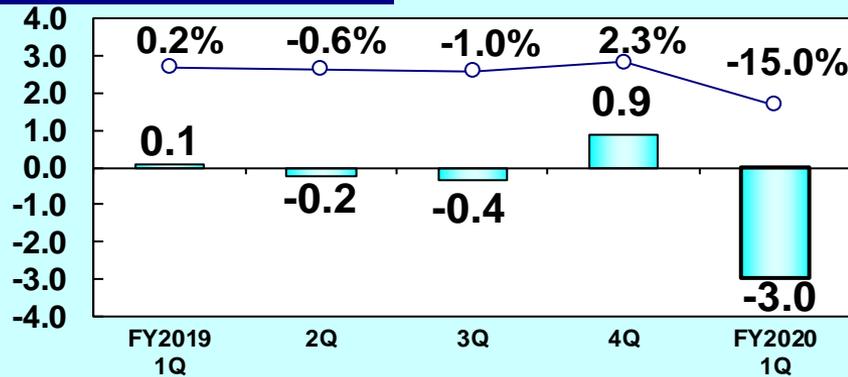
* All figures in billion yen

《 Europe 》

Net Sales

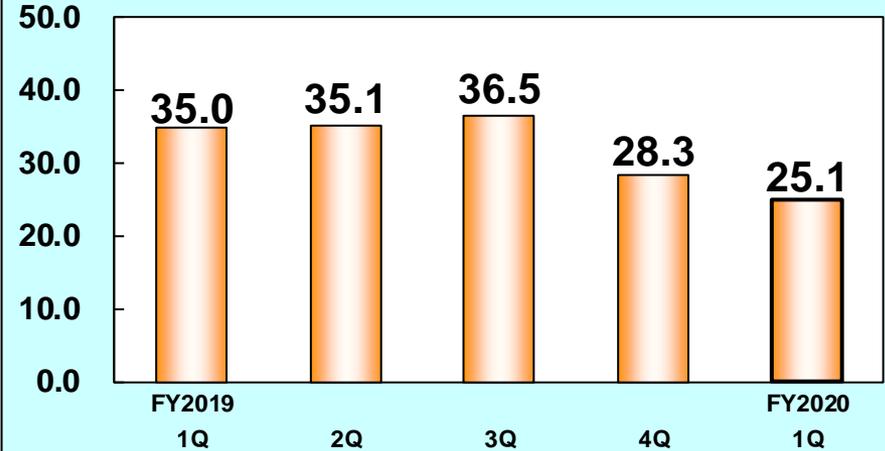


Operating Income

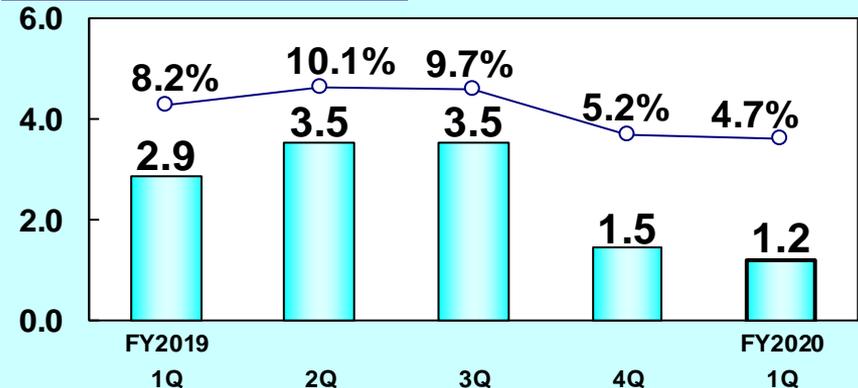


《 Asia and others 》

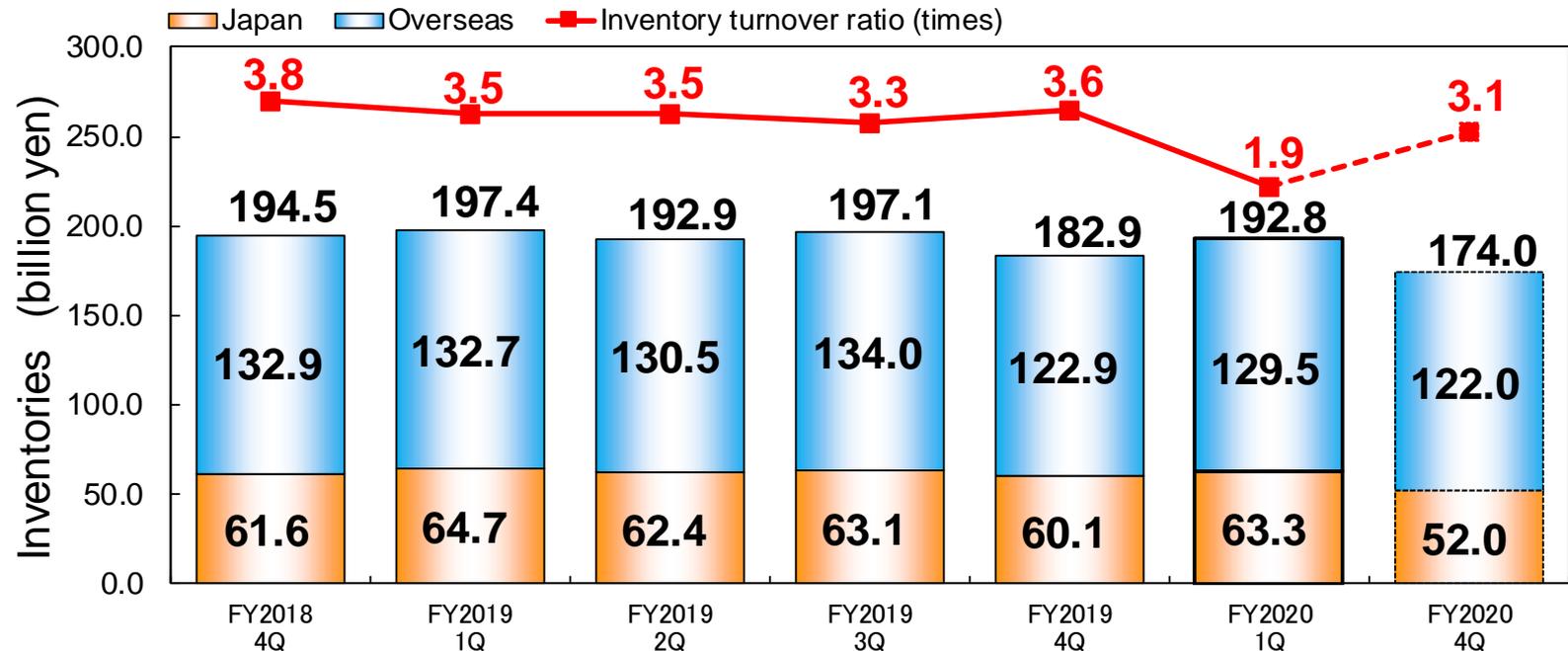
Net Sales



Operating Income

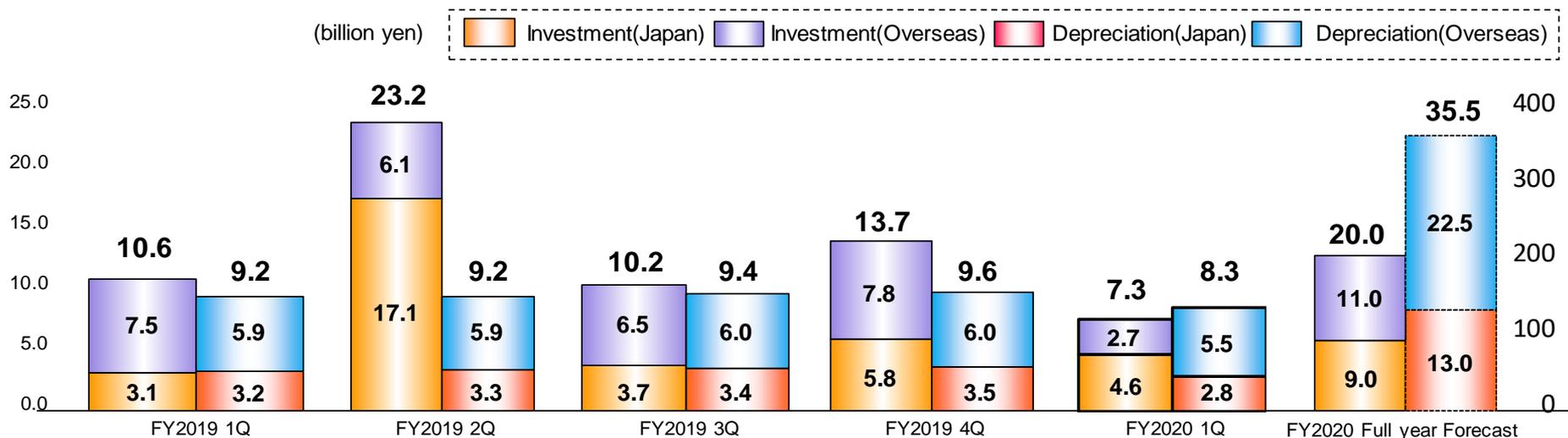


7. Inventories



	FY2018 4Q Results	FY2019 1Q Results	FY2019 2Q Results	FY2019 3Q Results	FY2019 4Q Results	FY2020 1Q Results	FY2020 Full year Forecast
Inventories	194.5	197.4	192.9	197.1	182.9	192.8	174.0
Overseas	(132.9)	(132.7)	(130.5)	(134.0)	(122.9)	(129.5)	(122.0)
Japan	(61.6)	(64.7)	(62.4)	(63.1)	(60.1)	(63.3)	(52.0)
Inventory turnover ratio (times)	3.8	3.5	3.5	3.3	3.6	1.9	3.1

8. Capital Expenditure and Depreciation

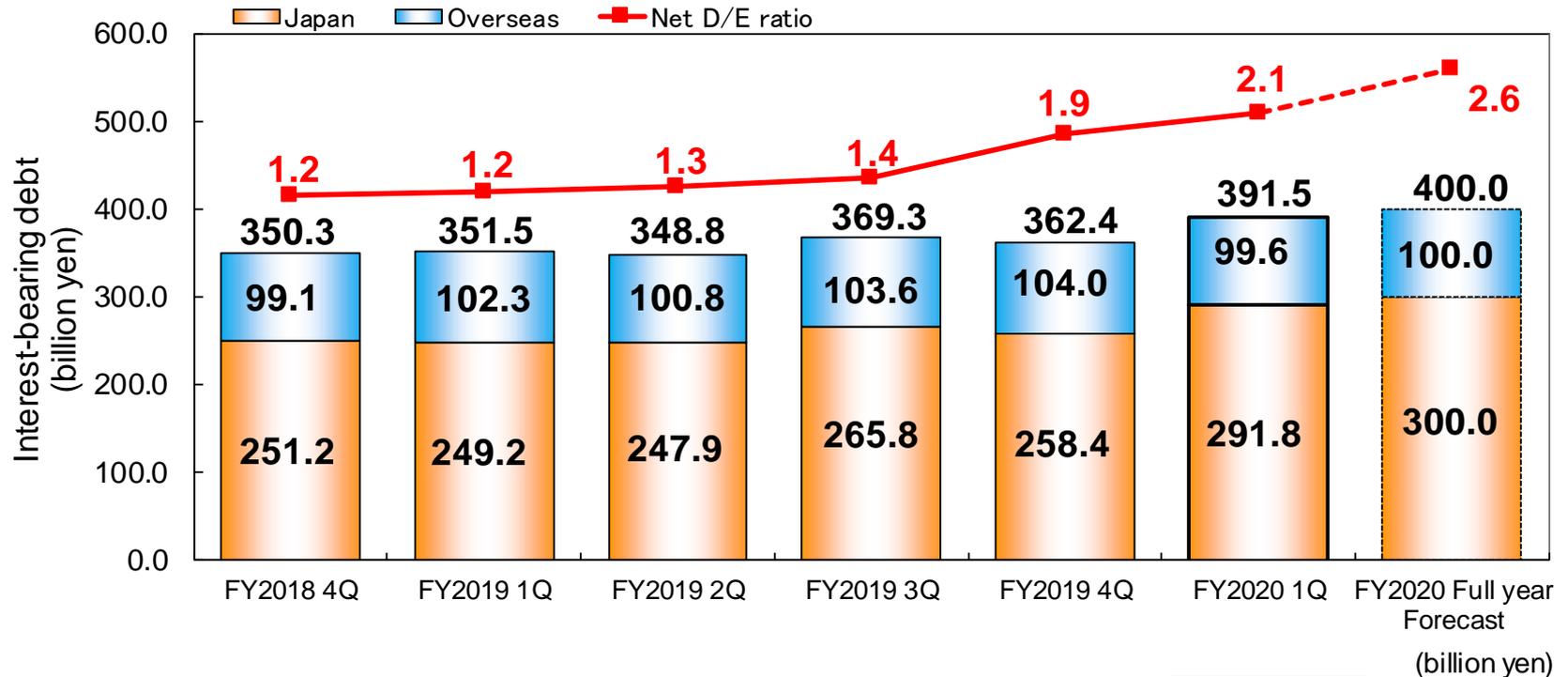


	FY2019					FY2020	Year on year	FY2020
	1Q Results①	2Q Results	3Q Results	4Q Results	Full year	1Q Results②	②-①	Forecast
Capital expenditure	10.6	23.2	10.2	13.7	57.7	※ 7.3	-3.3	※ 20.0
Overseas	(7.5)	(6.1)	(6.5)	(7.8)	(28.0)	(2.7)	(-4.7)	(11.0)
Japan	(3.1)	(17.1)	(3.7)	(5.8)	(29.7)	(4.6)	(1.5)	(9.0)

※In addition, capital expenditure of intangible fixed assets: ¥2.6 billion (1Q), ¥10.0 billion (Full year forecast)

	FY2019					FY2020	Year on year	FY2020
	1Q Results①	2Q Results	3Q Results	4Q Results	Full year	1Q Results②	②-①	Forecast
Depreciation	9.2	9.2	9.4	9.6	37.3	8.3	-0.9	35.5
Overseas	(5.9)	(5.9)	(6.0)	(6.0)	(23.9)	(5.5)	(-0.4)	(22.5)
Japan	(3.2)	(3.3)	(3.4)	(3.5)	(13.4)	(2.8)	(-0.4)	(13.0)

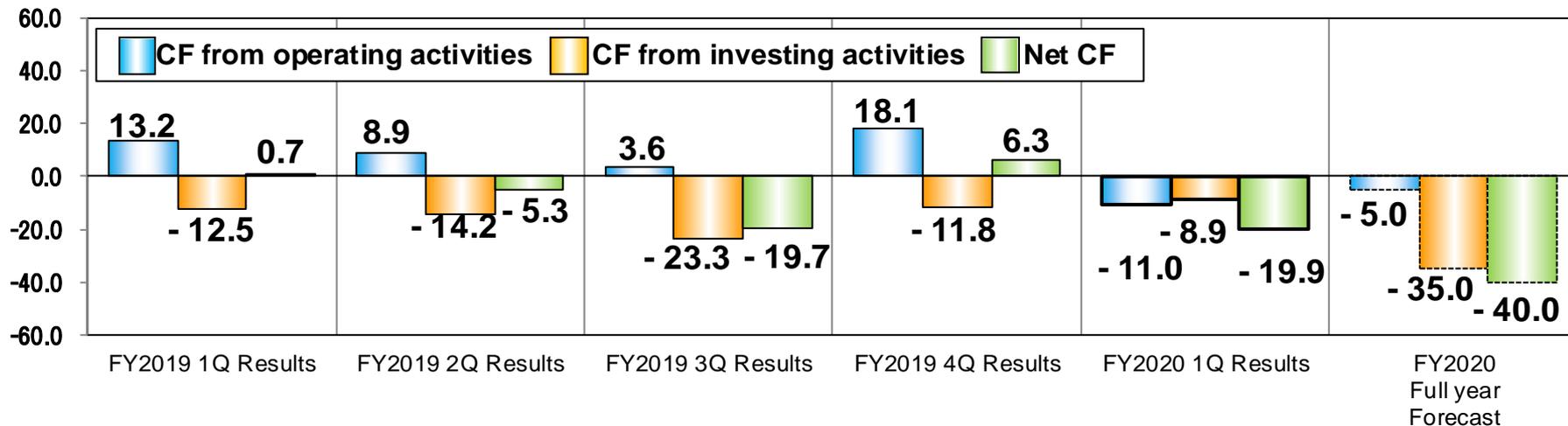
9. Interest-Bearing Debt



	FY2018 4Q Results	FY2019 1Q Results	FY2019 2Q Results	FY2019 3Q Results	FY2019 4Q Results	FY2020 1Q Results	FY2020 Full year Forecast
Interest-bearing debt	350.3	351.5	348.8	369.3	362.4	391.5	400.0
Overseas	(99.1)	(102.3)	(100.8)	(103.6)	(104.0)	(99.6)	(100.0)
Japan	(251.2)	(249.2)	(247.9)	(265.8)	(258.4)	(291.8)	(300.0)
Net Interest-bearing debt	266.9	268.6	273.2	297.0	291.3	311.3	332.0

10. Cash Flows

(billion yen)	FY2019					FY2020	②-①	FY2020 Forecast
	1Q Results①	2Q Results	3Q Results	4Q Results	Full year	1Q Results②		
I . Cash flow from operating activities	13.2	8.9	3.6	18.1	43.7	-11.0	-24.1	-5.0
II . Cash flow from investing activities	-12.5	-14.2	-23.3	-11.8	-61.8	-8.9	3.6	-35.0
I + II . Net cash flow	0.7	-5.3	-19.7	6.3	-18.1	-19.9	-20.6	-40.0
III . Cash flow from financing activities	-0.7	-1.5	15.8	-6.1	7.4	28.3	29.1	37.0
IV . Effect of exchanging rate translation on cash and cash equivalents	-0.6	-0.5	0.7	-1.3	-1.7	0.6	1.2	-0.2
V . Net increase in cash and cash equivalents	-0.6	-7.3	-3.3	-1.1	-12.3	9.0	9.7	-3.2



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