

Consolidated Financial Results for the Third Quarter of FY2013

February 5, 2014

NTN Corporation

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★Financial Results for the Third Quarter of FY2013 Key Factors

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- 3. Net Sales and Operating Income by Business Sector**
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FY2013 3Q Results

- ◇ Net sales was **463.6 billion yen**, **18.1% increase** year-on-year
 - The aftermarket applications increased 15.9% year-on-year
 - The industrial machinery applications increased 4.7% year-on-year
 - The automotive applications increased 22.2% year-on-year
- ◇ Operating income was **20.6 billion yen**, **13-fold** year-on-year
- ◇ 27 billion yen is reported in extraordinary loss as “provision for surcharge payments under the Antimonopoly Act” in nine months ended December 31, 2013
- ◇ Net loss for the period was **19.6 billion yen** (net loss for the same period the previous year was 600 million yen)

FY2013 Full Year Forecast

- ◇ Net sales was revised to **630 billion yen** (previously 600 billion yen), and operating income was revised to **32 billion yen** (previously 30 billion yen)
- ◇ The exchange rate for 4Q was changed to 1US\$ = **100 yen** (previously 95 yen), 1EURO = **140 yen** (previously 120 yen)

1. Consolidated Statements of Operation

For New Technology Network



(100 million yen)

	FY2012			FY2013			Year on year		
	3Q Results	1-3Q Results ①	Full year Results ②	3Q Results	1-3Q Results ③	Full year Forecast ④	FY2013 1-3Q ③-①	FY2013 Full year ④-②	
Net sales	1,259	3,925	5,396	1,565	4,636	6,300	712	904	
Operating income	- 6	15	73	76	206	320	191	247	
Operating margin	(- 0.5%)	(0.4%)	(1.3%)	(4.8%)	(4.4%)	(5.1%)	(4.1%)	(3.7%)	
Ordinary income	2	- 14	25	78	181	260	195	235	
Extraordinary income/loss	19	12	- 164	- 271	- 287	- 290	- 299	- 126	
Net income	11	- 6	- 142	- 230	- 196	- 150	- 189	- 8	
Exchange rate	US \$	81.1	80.0	82.9	100.4	99.4	99.5	19.4	16.6
	EURO	105.1	102.0	106.8	136.6	132.2	134.1	30.1	27.3

2. Net Sales by Region

< Net Sales by Region >

(100 million yen)

	FY2012			FY2013			Year on year			
	3Q	1-3Q	Full year	3Q	1-3Q	Full year	FY2013 1-3Q		FY2013 Full year	
	Results	Results	Results	Results	Results	Forecast	Volume	Forex	Volume	Forex
Japan	427	1,360	1,775	452	1,303	1,750	- 57	0	- 25	0
Americas	325	1,003	1,416	412	1,266	1,735	20	243	35	284
Europe	285	877	1,248	394	1,192	1,635	46	268	55	332
Asia & Others	221	684	958	306	875	1,180	29	162	41	181
Total	1,259	3,925	5,396	1,565	4,636	6,300	38	674	107	797

3. Net Sales and Operating Income by Business Sector

<Net Sales by Business Sector>

(100 million yen)

	FY2012			FY2013		
	3Q	1-3Q	Full year	3Q	1-3Q	Full year
	Results	Results	Results	Results	Results	Forecast
Aftermarket	200	644	892	251	746	1,030
Industrial machinery	207	683	937	232	715	970
Automotive	852	2,598	3,566	1,082	3,175	4,300
Total	1,259	3,925	5,396	1,565	4,636	6,300

Year on year			
FY2013 1-3Q		FY2013 Full year	
Volume	Forex	Volume	Forex
- 12	114	0	137
- 60	92	- 78	110
110	467	184	550
38	674	107	797

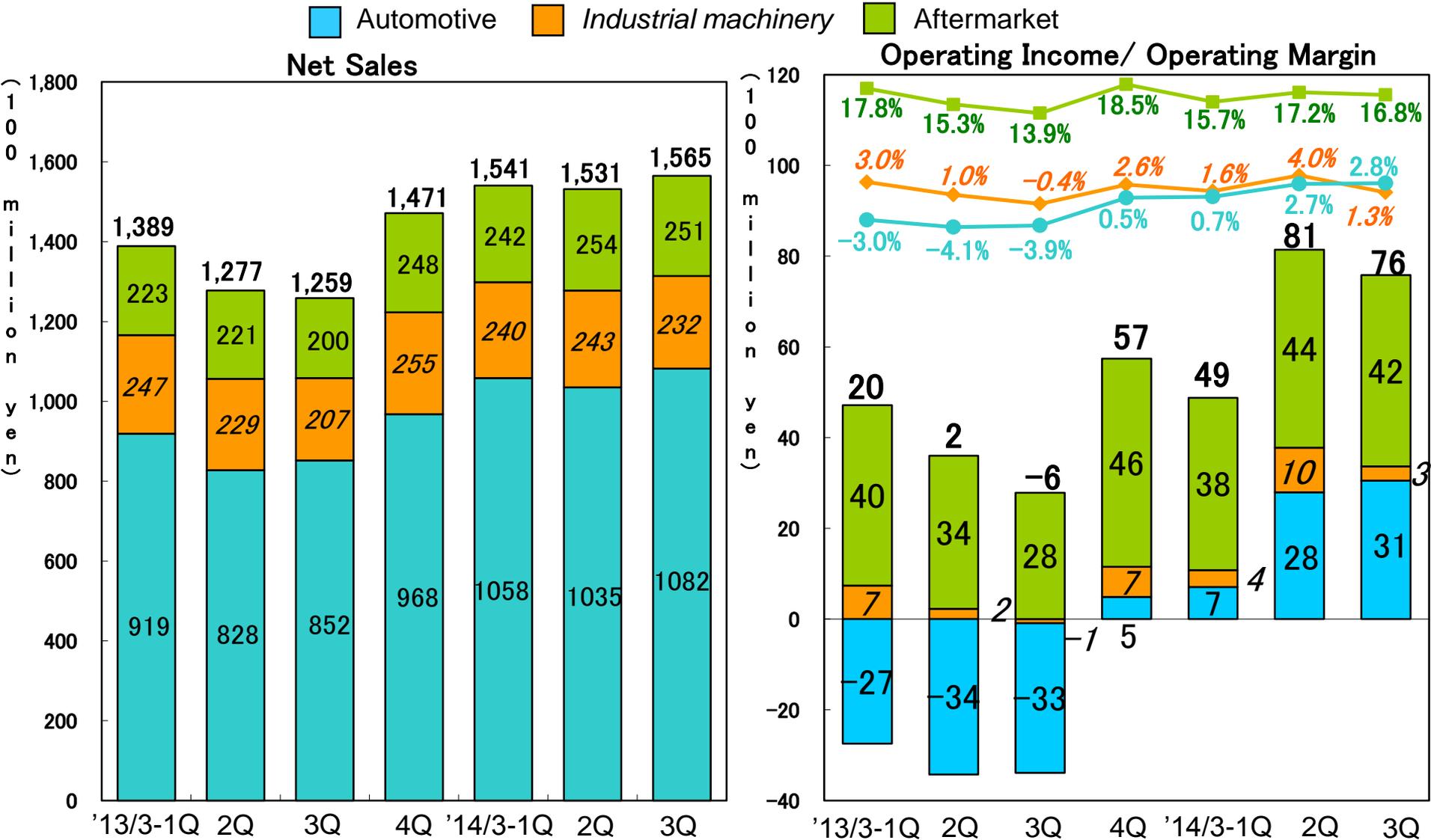
<Operating Income by Business Sector>

(100 million yen)

	FY2012			FY2013		
	3Q	1-3Q	Full year	3Q	1-3Q	Full year
	Results	Results	Results	Results	Results	Forecast
Aftermarket	28	101	147	42	124	175
Industrial machinery	- 1	9	15	3	17	30
Automotive	- 33	- 95	- 90	31	66	115
Total	- 6	15	73	76	206	320

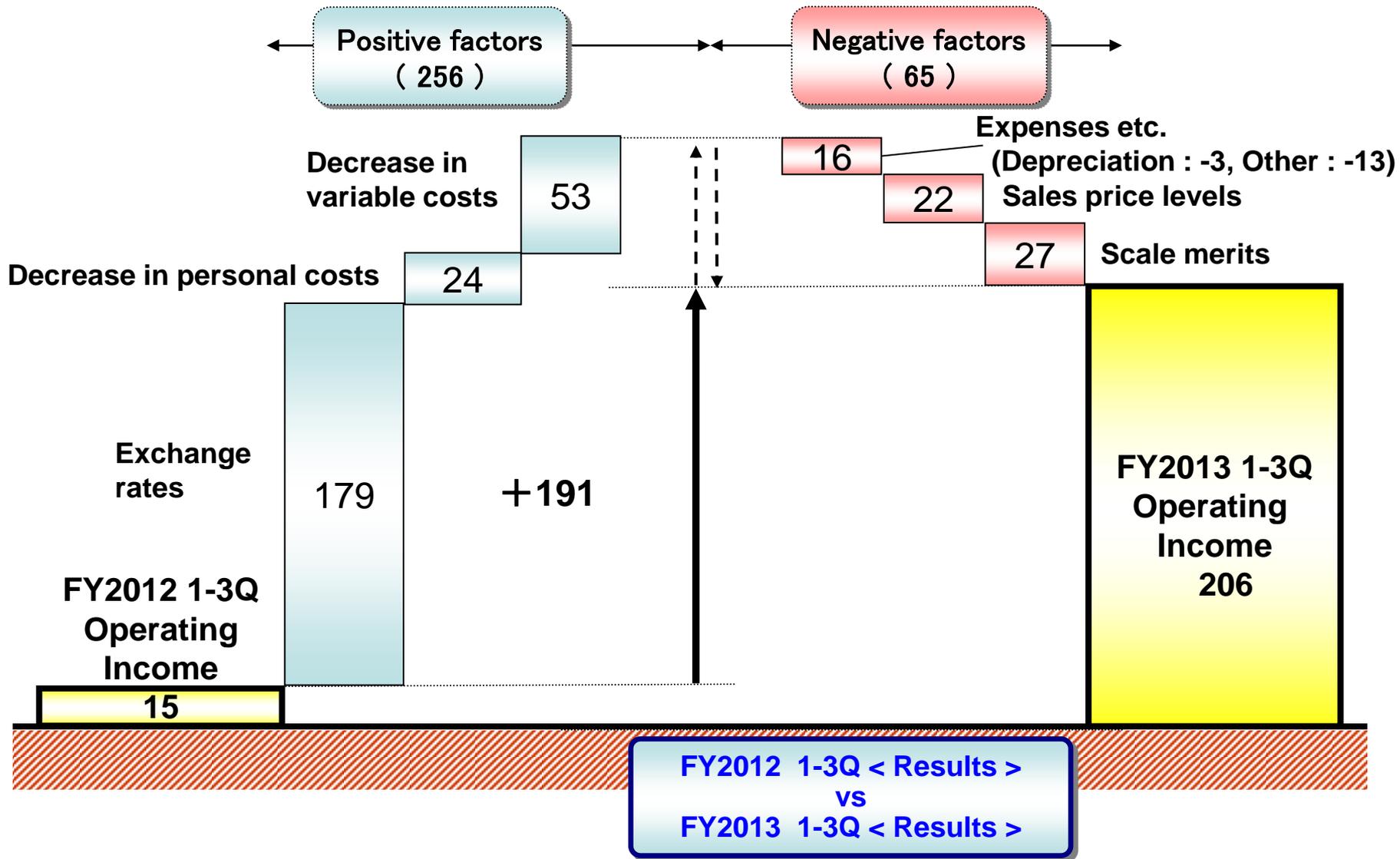
Year on year	
FY2013 1-3Q	FY2013 Full year
22	28
8	15
160	205
191	247

4. Results by Business Sector (Quarterly Trend)



5. Analysis of Operating Income (FY2013 3Q)

* All figures in 100 million yen.

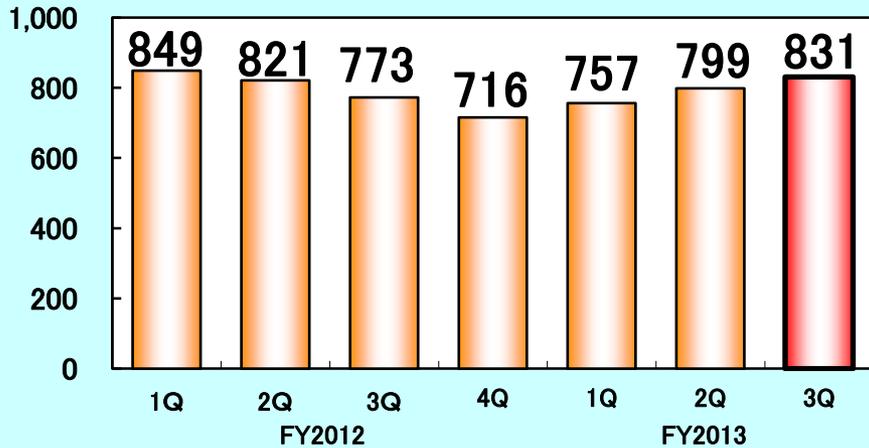


6. Net Sales and Operating Income by Region

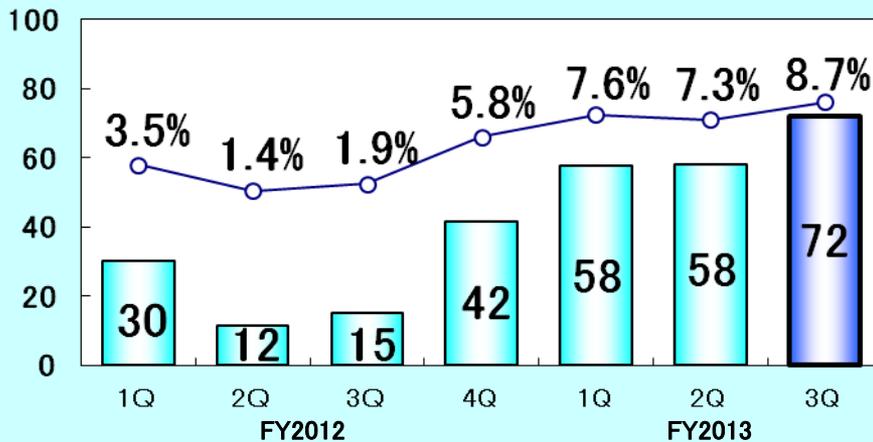
《 Japan 》

Net Sales

(100 million yen)



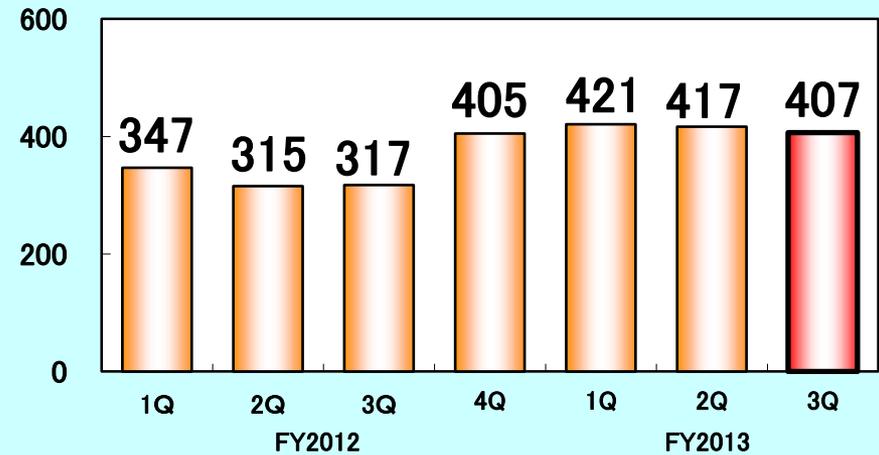
Operating Income



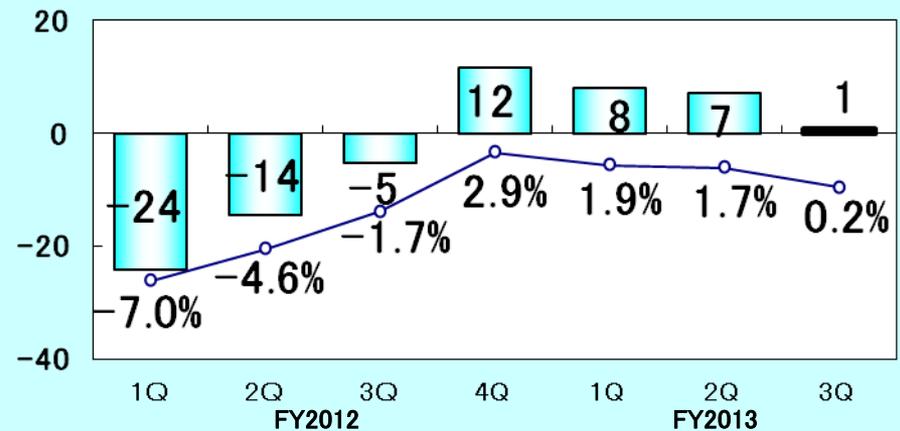
《 Americas 》

Net Sales

(100 million yen)



Operating Income

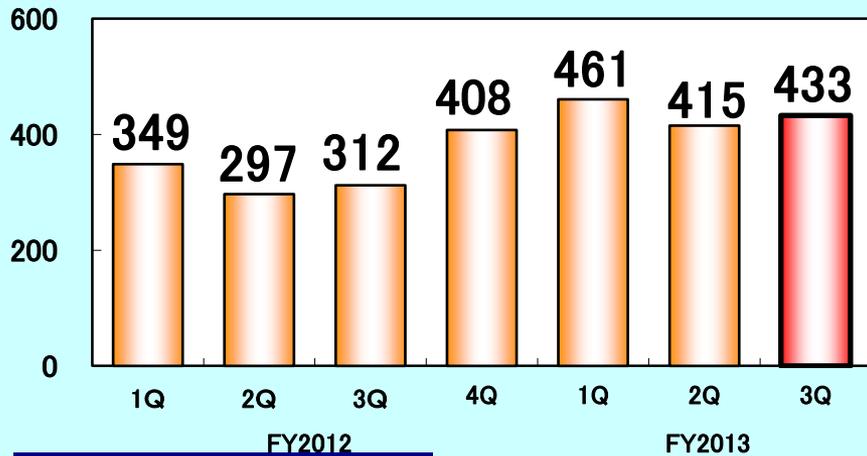


6. Net Sales and Operating Income by Region

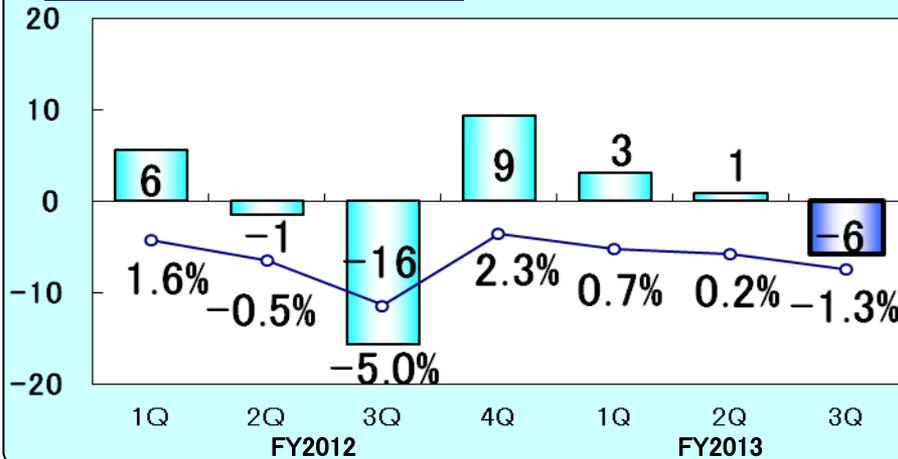
《 Europe 》

Net Sales

(100 million yen)



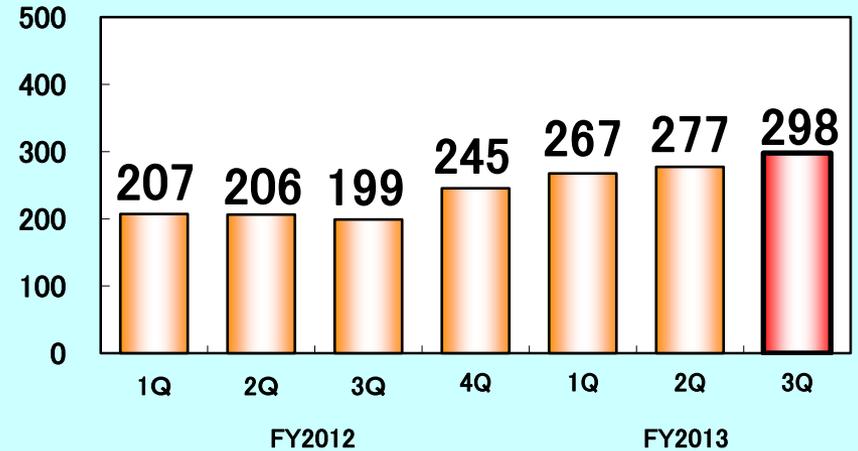
Operating Income



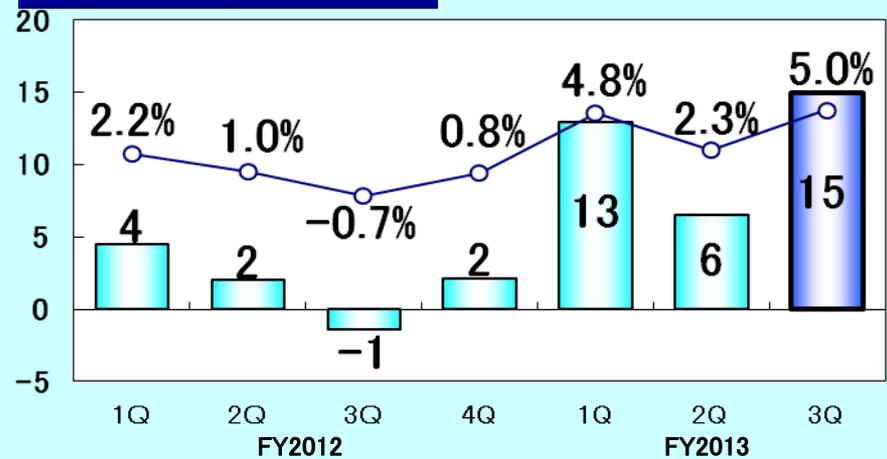
《 Asia & Others 》

Net Sales

(100 million yen)

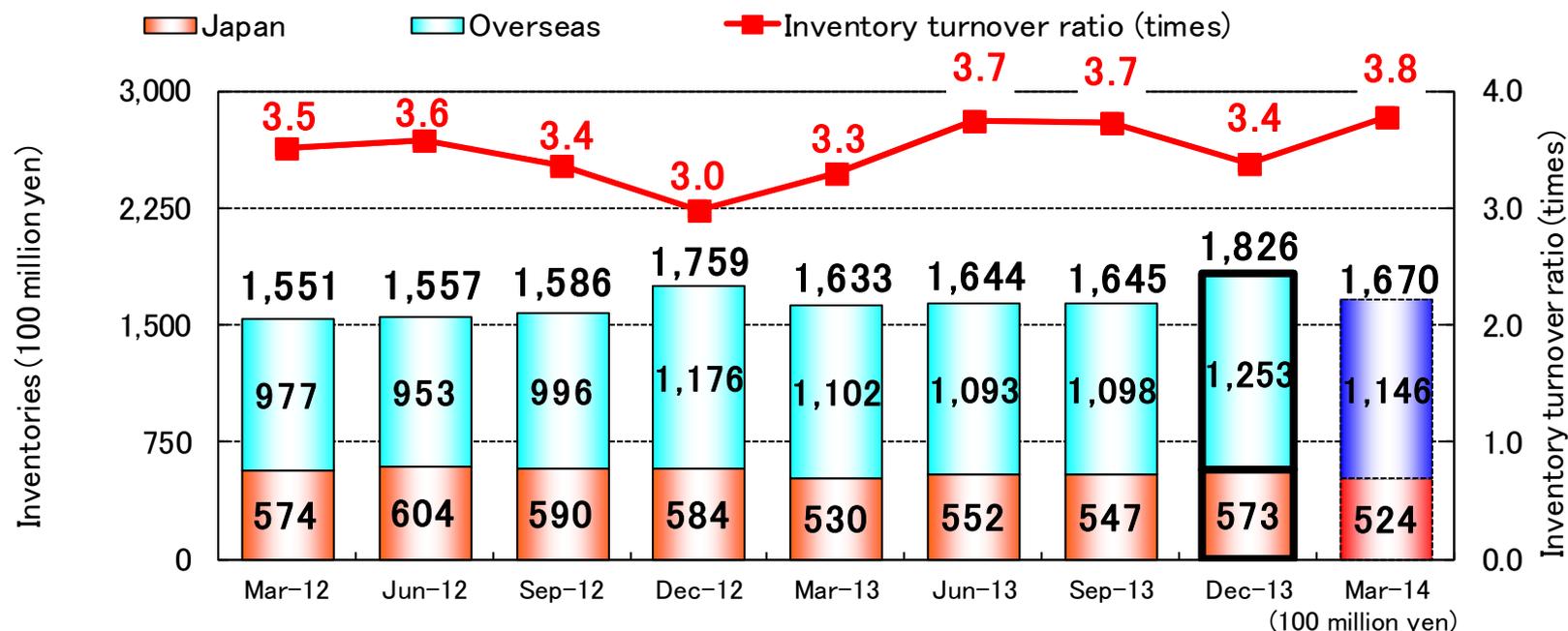


Operating Income



7. Inventories

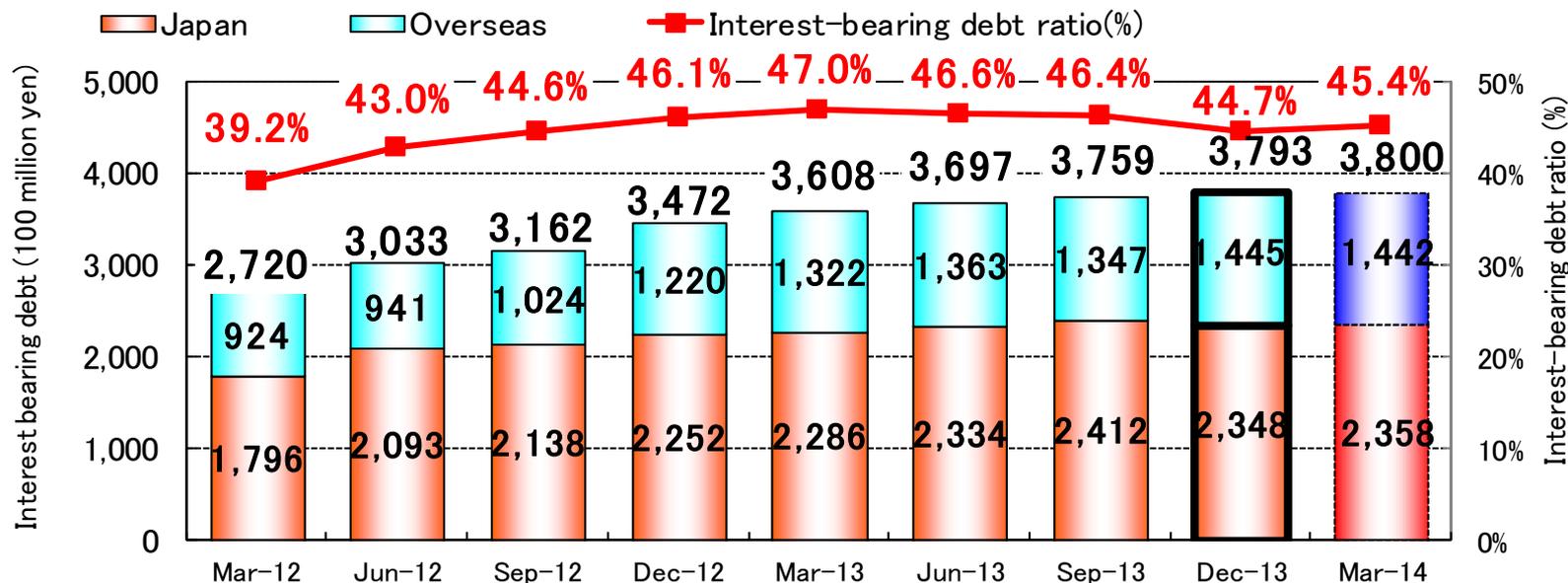
- ◆ December 2013 increased by +18.1 billion yen (including 8.5 billion yen for physical quantity) compared to the end of September.



	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
	Results	Forecast							
Inventories	1,551	1,557	1,586	1,759	1,633	1,644	1,645	1,826	1,670
Overseas	(977)	(953)	(996)	(1,176)	(1,102)	(1,093)	(1,098)	(1,253)	(1,146)
Japan	(574)	(604)	(590)	(584)	(530)	(552)	(547)	(573)	(524)
Inventory turnover ratio (times)	3.5	3.6	3.4	3.0	3.3	3.7	3.7	3.4	3.8

8. Interest-Bearing Debt

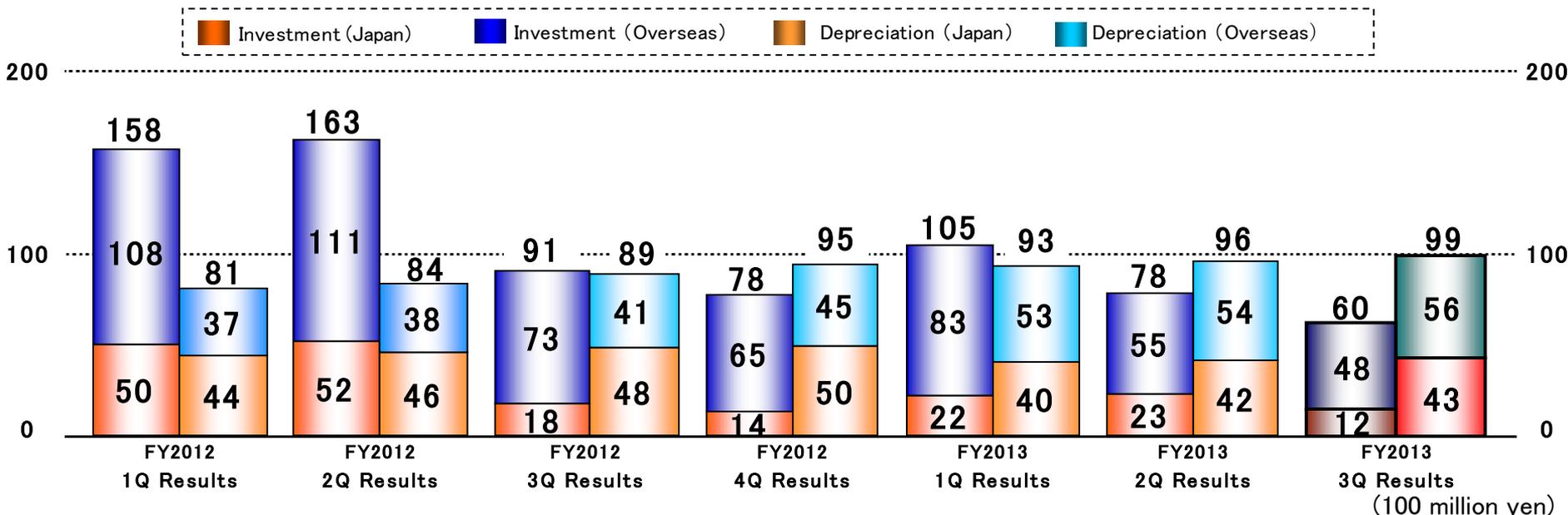
- ◆ Increased in December 2013 due to increase in cash on hand and the effects of exchange rates.



	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
	Results	Forecast							
Interest-bearing debt	2,720	3,033	3,162	3,472	3,608	3,697	3,759	3,793	3,800
Overseas	(924)	(941)	(1,024)	(1,220)	(1,322)	(1,363)	(1,347)	(1,445)	(1,442)
Japan	(1,796)	(2,093)	(2,138)	(2,252)	(2,286)	(2,334)	(2,412)	(2,348)	(2,358)
Interest-bearing debt ratio(%)	39.2%	43.0%	44.6%	46.1%	47.0%	46.6%	46.4%	44.7%	45.4%

9. Capital Expenditure and Depreciation

◆ Full year forecast is 37 billion yen, or within the scope of depreciation.



	FY2012 ①1-3Q	FY2012 ②Full year	FY2013 ③1-3Q	③-①
Capital expenditure	412	490	243	-169
Overseas	(292)	(357)	(186)	(-106)
Japan	(120)	(133)	(57)	(-63)

	FY2013 ④Full year forecast	④-②
Capital expenditure	370	-120
Overseas	(270)	(-87)
Japan	(100)	(-33)

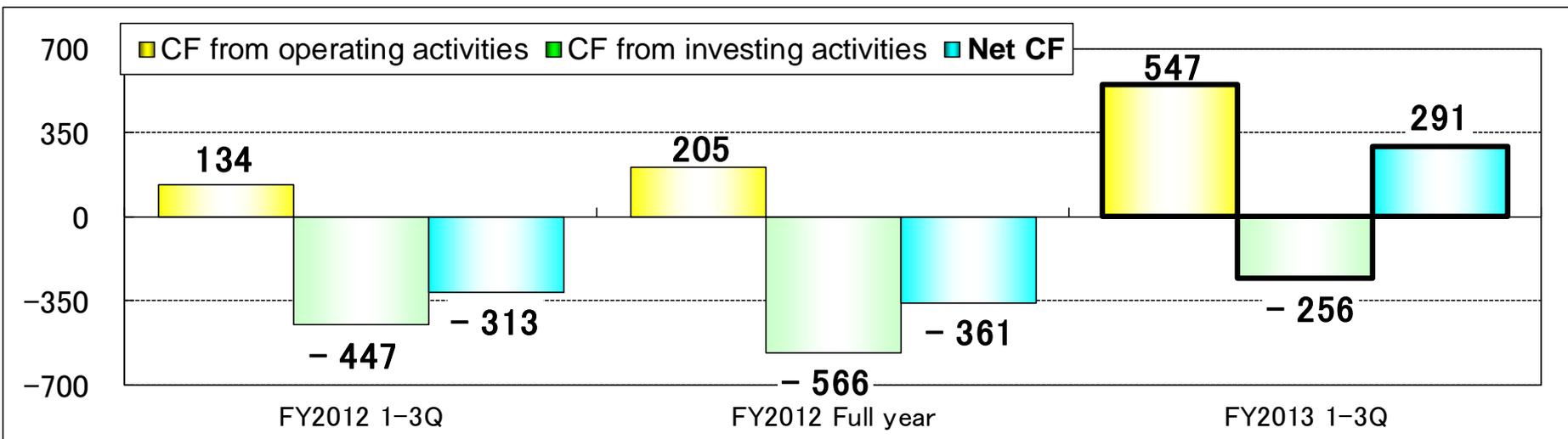
	FY2012 ①1-3Q	FY2012 ②Full year	FY2013 ③1-3Q	③-①
Depreciation	253	348	289	35
Overseas	(115)	(161)	(164)	(49)
Japan	(138)	(188)	(125)	(-13)

	FY2013 ④Full year forecast	④-②
Depreciation	393	44
Overseas	(222)	(61)
Japan	(171)	(-17)

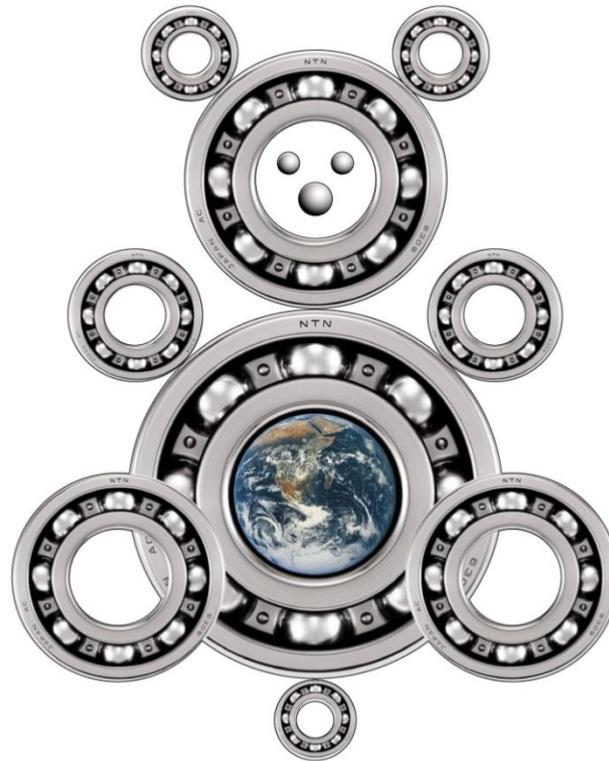
10. Cash Flows

- ◆ Sales cash flow improved compared to the previous year due to a cut backs in operating funds.

(100 million yen)	FY2012		FY2013	
	①1-3Q	Full year	②1-3Q	②-①
I. Cash flow from operating activities	134	205	547	413
II. Cash flow from investing activities	-447	-566	-256	191
III. Cash flow from financing activities	647	696	-1	-647
IV. Effect of exchanging rate translation on cash and cash equivalents	-5	0	9	14
V. Net increase in cash and cash equivalents	328	335	299	-29



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