

Financial Results for the Three Months Ended June 30, 2019
[Japanese Accounting Standards] (Consolidated)
(Unaudited)

July 30, 2019

NTN Corporation
Security Code: 6472
Listings: Tokyo Stock Exchanges
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Scheduled commencement date of dividend payment: —
Supplementary material of the financial results: Prepared
Investor meeting: Scheduled

1. Consolidated Financial Results for the three months ended June 30, 2019
(April 1, 2019 to June 30, 2019)

(Amounts rounded down to the nearest million yen)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders (parent company)	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2019	171,675	-9.3	3,119	-68.6	2,603	-68.8	2,396	-59.4
Three months ended June 30, 2018	189,199	5.7	9,922	15.4	8,337	23.8	5,903	51.6

Note: comprehensive income: Three months ended June 30, 2019: -4,639 million yen (-%)
Three months ended June 30, 2018: 4,689 million yen (-61.7%)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2019	4.51	—
Three months ended June 30, 2018	11.12	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Three months ended June 30, 2019	827,564	237,766	26.9
Year ended March 31, 2019	840,750	246,404	27.4

Note: Shareholders' equity Three months ended June 30, 2019 : 222,212 million yen
Year ended March 31, 2019 : 230,154 million yen

2. Dividends

(Record date)	Dividends per share				
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2019	—	7.50	—	7.50	15.00
Year ending March 31, 2020	—				
Year ending March 31, 2020 (forecast)		7.50	—	7.50	15.00

Notes: Adjustment from the previously published forecast of dividends: None

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholder (parent company)		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half (cumulative)	340,000	-8.2	6,000	-61.0	3,500	-72.1	1,000	-87.7	1.88
Full year	690,000	-5.9	15,000	-44.3	9,000	-59.5	3,000	-	5.65

Notes: Adjustment from the previously published forecast of earnings: Yes
Please refer to "Notice of Revised Earnings Forecast" issued on July 30, 2019

* Notes to consolidated financial statements

(1) Significant changes in subsidiaries during the period (Scope of consolidation): None

(2) Adoption of accounting method specific to the preparation of consolidated quarterly financial statements: Adopted

(Note) For further details, refer to "(4) Notes to Consolidated Financial Statements" (Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements) in "2.Consolidated Financial Statements for the Nine Months" on page 9 of Attached Documents.

(3) Changes in accounting principles and accounting estimates and retrospective restatement

- | | |
|---|------|
| 1) Changes in accounting principles due to amendment to accounting standards: | Yes |
| 2) Changes other than above: | None |
| 3) Changes in accounting estimates: | None |
| 4) Retrospective restatement: | None |

(4) Number of shares issued and outstanding (Common stock)

1) Number of shares issued and outstanding at end of the period (treasury stock included):

Three months ended June 30, 2019:	532,463,527 shares
Year ended March 31, 2019:	532,463,527 shares

2) Number of treasury stock at end of the period:

Three months ended June 30, 2019:	1,317,409 shares
Year ended March 31, 2019:	1,320,628 shares

3) Average number of shares outstanding during the quarter:

Three months ended June 30, 2019:	531,143,537 shares
Three months ended June 30, 2018:	531,068,393 shares

* This financial results report for the first quarter is exempt from quarterly review.

* Notes

All descriptions about the future of the Company contained herein including earnings forecasts are prepared on the basis of data and information currently in our possession as well as certain assumptions that are deemed reasonable, and therefore are not meant to have us committed to their achievement. Various factors may cause actual results to substantially differ from those described herein.

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1. Qualitative Information of Consolidated Financial Statements for the Three months ended June 30, 2019

(1) Explanation regarding Consolidated Operating Results

During the first quarter year under review (April 1, 2019 to June 30, 2019), the Japanese economy continued to recover moderately due to improvements in the employment and income although there was a weak exports and productions. Outside Japan, the U.S. economy remained firm although there was an impact of trade issues. The European economy showed partly weakness due to uncertainties of policies. The Chinese economy slowed moderately due to trade conflicts with U.S. and other factors. Other emerging countries continued to recover at a moderate pace.

In this environment, under the three-year Medium-term Management Plan “DRIVE NTN100” started in April 2018, the NTN Group will work on “Developing innovative technologies, products, and services,” “Variable cost reformation” and “Achieving the world's highest productivity and quality and improved efficiency in asset management” by integrating latest digital technologies into the management resources that NTN has cultivated. Promoting the various initiatives to realize them, NTN will accelerate the transformation of business structure.

Net sales for the first quarter of consolidated amounted to 171,675 million yen (down 9.3% year-on-year). Regarding profit and loss, operating income was 3,119 million yen (down 68.6% year-on-year), ordinary income was 2,603 million yen (down 68.8% year-on-year), and net income attributable to shareholder (parent company) was 2,396 million yen (down 59.4% year-on-year).

Operating results by reporting segment (company location) were as follows:

(1) Japan

Sales in the aftermarket applications decreased due to the decreased sales in industrial machinery aftermarket applications. Sales in industrial machinery applications decreased due to reduced sales for construction machinery, gearboxes and others. Sales in automotive applications also decreased due to decrease of customer demand and other factors. As a result, net sales were 83,456 million yen, (down 5.4% year-on-year). Segment loss was 403 million yen (segment income of 1,354 million yen in the same period of the previous fiscal year), mainly due to a decreased sales, despite a decrease of fixed cost.

(2) Americas

Sales in aftermarket applications increased in automotive aftermarket applications. Sales in industrial machinery application decreased due to decreased sales of construction machinery and others. Sales in automotive applications also decreased due to reduced customer demand and other factors. Overall, net sales were 47,107 million yen (down 3.5% year-on-year). Segment income was 21 million yen (down 98.8% yen year-on-year), mainly due to decrease in sales volume.

(3) Europe

Sales in aftermarket applications decreased in industrial machinery aftermarket and automotive aftermarket applications. Sales in industrial machinery applications decreased due to decreased in sales for construction machinery and wind turbines. Sales in the automotive applications decreased due to a decrease in customer demand. As a result, net sales was 42,604 million yen (down 16.1% year-on-year), while segment income was 99 million yen (down 80.8% year-on-year) due to a decrease in sales volume, despite a decrease in fixed cost.

(4) Asia and other areas

Sales in aftermarket applications decreased in the automotive aftermarket applications. Overall sales in industrial machinery applications decreased due to decreased sales in rolling stock application although the sales increased for wind turbines and others. As a result, net sales was 34,976 million yen (down 13.8% year-on-year), and segment income was 2,875 million yen (down 42.1% year-on-year) due to the effect of exchange-rates and a decrease in sales volume, despite a decrease in fixed costs.

Operating results by business sector were as follows.

(1) Aftermarket applications

Due mainly to a decrease in customer demand, sales were 28,218 million yen (down 7.5 % year-on-year). Operating income was 3,318 million yen (down 18.8 % year-on-year) due to the effect of decreased sales and other factors.

(2) Industrial machinery applications

Sales were 28,164 million yen (down 9.7 % year-on-year) due principally to decrease of customer demand of construction machinery. Operating loss was 318 million yen (operating income of 1,134 million yen in the same period of last fiscal year) due to the decreased sales.

(3) Automotive applications

Sales were 115,293 million yen (down 9.6% year-on-year) due to the decrease of customer demand. Operating income was 120 million yen (down 97.4 % year-on-year) due to the decreased sales although there was a decrease in fixed cost.

(2) Explanation regarding Consolidated Financial Position

(Assets, Liabilities, and Net assets)

Total current assets decreased 11,130 million yen (down 2.4 %) from the previous consolidated fiscal year end to 444,149 million yen. This was due mainly to decrease of 6,580 million yen in notes and accounts receivable-trade. Total fixed assets increased 2,057 million yen (down 0.5 %) from the previous consolidated fiscal year end to 383,414 million yen. The major factors were decrease of 6,108 million yen in investment securities, increase of 1,807 million yen in intangible fixed asset and increase of 1,357 million yen in deferred tax assets. As a result, total assets decreased 13,186 million yen (down 1.6 %) from the previous consolidated fiscal year end to 827,564 million yen.

Total current liabilities increased 7,491 million yen (up 2.6 %) from the previous consolidated fiscal year end to 297,188 million yen. This was mainly due to increase of 15,204 million yen in short-term loans payable. Fixed liabilities decreased 12,039 million yen (down 4.0%) from the previous consolidated fiscal year end to 292,609 million yen. This was mainly due to decrease of 14,093 million yen in long-term loans payable. As a result, total liabilities decreased 4,548 million yen (down 0.8%) from the previous consolidated fiscal year end to 589,798 million yen.

Total net assets decreased 8,638 million yen (down 3.5%) from the previous consolidated fiscal year and ended to 237,766 million yen. This was mainly due to a decrease of 5,221 million yen in foreign currency translation in adjustment.

(Cash flows)

Net cash provided by operating activities was 13,177 million yen (increase 1,716 million yen, up 15.0% year-on-year). This was mainly due to proceeds from depreciation and amortization of 9,163 million yen and a decrease in notes and accounts receivable-trade of 5,599 million yen.

Net cash used in investing activities was 12,465 million yen (decrease of 2,233 million yen, down 15.2% year-on-year). This was mainly due to expenses of property, plant and equipment of 13,563 million yen.

Net cash used in financing activities was 731 million yen, (3,777 million yen in the same period of previous fiscal year). The major factors were proceed of short-term loans of 8,212 million yen against repayment of long-term loans payable of 4,676 million yen..

After adding an decrease of 611 million yen in translation adjustments, cash and cash equivalents as of the end of the first quarter of the consolidated accounting period under review came to 82,843 million yen, a decrease of 631 million yen (down 0.8 %) from the previous consolidated fiscal year end.

2. Consolidated Financial Statements for the Three Months

(1) Balance Sheets

(In million yen)

	As of Mar. 31, 2018	As of Jun. 30, 2019
Assets		
Current assets		
Cash and bank deposits	90,243	89,315
Notes and accounts receivable-trade	128,805	122,225
Electronically-recorded monetary claims	9,505	8,639
Finished goods & purchased goods	102,676	105,252
Work in process	55,419	55,990
Raw materials & supplies	36,409	36,197
Short-term loans receivable	71	68
Other	33,274	27,528
Allowance for doubtful accounts	-1,125	-1,070
Total current assets	455,279	444,149
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	80,062	80,507
Machinery, equipment and vehicles, net	129,349	128,175
Other, net	70,451	72,187
Total property, plant and equipment	279,863	280,870
Intangible fixed assets	31,339	33,146
Investments and other assets		
Investment securities	59,191	53,083
Deferred tax assets	10,241	11,598
Other	5,065	4,949
Allowance for doubtful accounts	-230	-233
Total investments and other assets	74,267	69,398
Total fixed assets	385,471	383,414
Total assets	840,750	827,564

(In million yen)

	As of Mar. 31, 2018	As of Jun. 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable-trade	59,971	58,844
Electronically-recorded monetary claims	73,187	72,842
Short-term loans	96,431	111,635
Accrued income taxes	2,503	2,224
Accrued bonuses for directors and statutory auditors	161	46
Other	57,441	51,594
Total current liabilities	289,697	297,188
Long-term liabilities		
Bonds	30,000	30,000
Long-term loans	223,912	209,819
Reserve for product defect compensation	1,107	1,079
Liabilities for retirement benefits	41,889	42,281
Other	7,738	9,428
Total long-term liabilities	304,648	292,609
Total liabilities	594,346	589,798
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	112,777	111,186
Treasury stock	-789	-788
Total shareholders' equity	234,305	232,715
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	12,020	10,750
Translation adjustments	-7,271	-12,492
Accrued retirement benefits adjustments	-8,899	-8,760
Total accumulated other comprehensive income	-4,150	-10,502
Non-controlling shareholders' equity	16,249	15,553
Total net assets	246,404	237,766
Total liabilities and net assets	840,750	827,564

(2) Consolidated Statement of Operation and Consolidated Statement of Comprehensive Income
(Consolidated Income Statements)

(In million yen)

	Three months ended Jun. 30, 2018 (Apr. 1, 2018 – Jun. 30, 2018)	Three months ended Jun. 30, 2019 (Apr. 1, 2019 – Jun. 30, 2019)
Net sales	189,199	171,675
Cost of sales	152,856	143,201
Gross profit	36,342	28,473
Selling, general and administrative expenses	26,420	25,353
Operating income	9,922	3,119
Non-operating income		
Interest income	201	218
Dividend income	615	624
Equity in earnings of unconsolidated subsidiaries	72	60
Derivative transaction gains	—	505
Other	581	696
Total non-operating income	1,472	2,105
Non-operating expenses		
Interest expenses	944	1,069
Foreign exchange losses	1,177	874
Other	935	678
Total non-operating expenses	3,057	2,622
Ordinary income	8,337	2,603
Income before income taxes and equity in earnings of affiliated companies	8,337	2,603
income and other taxes	1,866	240
Net income	6,470	2,363
Net income/loss(-) attributable to shareholder (non-controlling shareholder)	567	-33
Net income attributable to shareholder (parent company)	5,903	2,396

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Three months ended Jun. 30, 2018 (Apr. 1, 2018 – Jun. 30, 2018)	Three months ended Jun. 30, 2019 (Apr. 1, 2019 – Jun. 30, 2019)
Net income	6,470	2,363
Other comprehensive income		
Net unrealized holding gain on other securities	34	-1,269
Translation adjustments	-925	-5,836
Accrued retirement benefits adjustments	-194	129
Equity in equity-method affiliates	-696	-26
Total other comprehensive income	-1,781	-7,002
Comprehensive income	4,689	-4,639
(Breakdown)		
Comprehensive income attributable to owners of parent company	4,258	-3,954
Comprehensive income related to non-controlling shareholders	431	-685

(3) Statements of Cash Flows

(In million yen)

	Three months ended Jun. 30, 2018 <small>(Apr. 1, 2018 – Jun. 30, 2018)</small>	Three months ended Jun. 30, 2019 <small>(Apr. 1, 2019 – Jun. 30, 2019)</small>
Cash flow from operating activities		
Income before income taxes and equity in earnings of affiliated companies	8,337	2,603
Depreciation and amortization	9,483	9,163
Increase/decrease(-) in allowance for doubtful accounts	-26	-29
Increase/decrease(-) in accrued retirement benefits for directors and statutory auditors	-130	-115
Increase/decrease(-) in reserve for product defect compensation	33	-17
Increase/decrease(-) in liabilities in retirement benefits	304	563
Interest and dividend income	-817	-843
Interest expenses	944	1,069
Foreign currency translation adjustments / Foreign exchange losses/gains(-)	678	439
Loss or gain (-) on derivative transactions	298	-505
Equity in earnings (-) /losses of non-consolidated subsidiaries	-72	-60
Decrease/increase(-) in trade receivables	2,532	5,599
Decrease/increase(-) in inventories	-9,382	-5,768
Increase/decrease(-) in trade payables	12	-782
Other	5,681	1,860
Subtotal	17,876	13,175
Interest and dividend income received	1,356	1,217
Interest paid	-898	-1,047
Loss related to Anti-Monopoly Act	-3,557	—
Income taxes paid	-3,314	-168
Cash flow from operating activities	11,461	13,177
Cash flow from investing activities		
Increase in time deposits	-1,204	-6
Decrease in time deposits	1,647	—
Purchase of property, plant and equipment	-11,541	-13,563
Purchase of intangible fixed assets	-3,535	-3,020
Income on sales of stock of the consolidated subsidiary	—	4,301
Decrease / increase (-) in short-term loans receivable, net	7	0
Other	-71	-176
Cash flow from investing activities	-14,698	-12,465
Cash flow from financing activities		
Increase/decrease(-) in short-term loans, net	3,784	8,212
Proceeds from long-term loans	13,602	49
Repayment of long-term loans	-9,502	-4,676
Dividend payment	-3,987	-3,987
Repayment of lease payable	-88	-319
Other	-30	-10
Cash flow from financing activities	3,777	-731
Effect of exchange rate changes on cash and cash equivalents	-1,013	-611
Increase/decrease(-) in cash and cash equivalents	-471	-631
Cash and cash equivalents, at beginning of the year	86,087	83,474
Cash and cash equivalents, at end of the quarter	85,616	82,843

(4) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Changes in Accounting method)

(IFRS 16, "Lease ")

IFRS 16, "Lease," has been applied to certain consolidated subsidiaries overseas from the current first quarter consolidated accounting period.

With respect to the application of IFRS No. 16, the cumulative effect is adjusted to tangible assets, intangible assets, lease obligations and retained earnings at the beginning of the fiscal year under review in accordance with the transitional treatment of IFRS No. 16. The effect of the adoption of this accounting standard on the consolidated financial statements is immaterial.

(Notes to Balance Sheet)

1. Contingency liabilities

(Lawsuits, etc.)

- (1) There are ongoing investigations by the competition authorities into our consolidated subsidiaries in Brazil and elsewhere in relation to overseas sale of bearings, etc.
- (2) The Company and its consolidated subsidiaries in the U.S. and Canada, etc. are defendants in a number of class action suits for suspected price-fixing of bearing sales with other businesses.
- (3) A lawsuit has been filed against the Company and its two consolidated subsidiaries in Europe before the France Tribunal de Commerce de Lyon by Renault S.A. and its group companies, which are 15 in total (hereafter, "Renault"), seeking compensation of 66.7 million euros (provisional amount) for damages. In addition, a lawsuit has been filed against the Company and its two consolidated subsidiaries in Europe before the United Kingdom Commercial Court by Fiat Chrysler Automobiles N.V. and its group companies, which are seven in total (hereafter, "FCA"), seeking compensation for damages.

These lawsuits were filed by Renault and FCA alleging that they suffered damages in connection with the infringement of the European competition laws, which was subject of the decision adopted by the European Commission dated March 19, 2014.

- (4) The NTN Group may be subject to claims for compensation for damages in connection with the violation of competition laws and continue to address these claims. However, it is currently difficult to make reasonable estimates of the future possible effects on the results of operations and financial position of the NTN Group.

(Notes Related to Significant Changes in Shareholder's Equity)

None

(Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by multiplying quarterly income before income taxes by an effective tax rate reasonably estimated based on income before income taxes for the full fiscal year, including the three months ended June 30, 2019, after the application of tax effect accounting. However, in cases where calculating tax expenses using a reasonably estimated effective tax rate yields a result that is notably lacking rationality, then, tax expenses are calculated using the statutory effective tax rate.

(Segment Information)

I. Three months ended June 30, 2018 (April 1, 2018 – June 30, 2018)

1. Information related to sales, income or losses, assets, liabilities and other items for individual reporting segments

(In million yen)

	Reporting segment					Adjustments (Note)1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	54,005	47,893	49,683	37,616	189,199	—	189,199
Inter-segment sales or transfers	34,177	938	1,088	2,971	39,175	(39,175)	—
Total	88,183	48,831	50,771	40,588	228,374	(39,175)	189,199
Segment income (Operating income)	1,354	1,687	516	4,963	8,521	1,400	9,922

Notes: 1. "Adjustments" refers to elimination of all inter-segment transactions.

2. Major countries or regions in each segment:

Americas: U.S.A., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

II. Three months ended June 30, 2019 (April 1, 2019 – June 30, 2019)

1. Information related to sales, income or losses, assets, liabilities and other items for individual reporting segments

(In million yen)

	Reporting segment					Adjustments (Note)1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	51,397	46,508	41,841	31,928	171,675	—	171,675
Inter-segment sales or transfers	32,059	599	762	3,047	36,469	(36,469)	—
Total	83,456	47,107	42,604	34,976	208,144	(36,469)	171,675
Segment income (Operating income)	-403	21	99	2,875	2,559	526	3,119

Notes: 1. "Adjustments" refers to elimination of all inter-segment transactions.

2. Major countries or regions in each segment:

Americas: U.S.A., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

(Significant Subsequent Events)

None

3. Supplementary Information

(1) Explanatory Materials

(In million yen)

		FY2018					FY2019	
		1Q	2Q	3Q	4Q	Full year	1Q	
Consolidated operating results (Lower: Net sales ratio)	Net sales	189,199 100.0%	180,987 100.0%	181,917 100.0%	181,464 100.0%	733,569 100.0%	171,675 100.0%	
	Operating income	9,922 5.2%	5,453 3.0%	5,379 3.0%	6,190 3.4%	26,945 3.7%	3,119 1.8%	
	Ordinary income	8,337 4.4%	4,212 2.3%	4,062 2.2%	5,618 3.1%	22,231 3.0%	2,603 1.5%	
	Extraordinary loss	— —	— —	- 2,312 - 1.3%	- 16,980 - 9.4%	- 19,292 - 2.6%	— —	
	Net income attributable to shareholder (parent company)	5,903 3.1%	2,237 1.2%	941 0.5%	- 16,040 - 8.8%	- 6,958 - 0.9%	2,396 1.4%	
Net sales by region (Lower: Net sales ratio)	Japan	51,637 27.3%	50,642 28.0%	54,588 30.0%	50,379 27.8%	207,248 28.3%	49,467 28.8%	
	Americas	49,286 26.1%	51,111 28.2%	49,720 27.3%	51,345 28.3%	201,464 27.5%	47,866 27.9%	
	Europe	46,612 24.6%	38,893 21.5%	38,630 21.2%	43,689 24.1%	167,826 22.9%	38,834 22.6%	
	Asia and other areas	41,662 22.0%	40,339 22.3%	38,978 21.4%	36,049 19.9%	157,030 21.4%	35,507 20.7%	
	Total	189,199 100.0%	180,987 100.0%	181,917 100.0%	181,464 100.0%	733,569 100.0%	171,675 100.0%	
Net sales / Operating income by company location	Japan	Net sales	88,183	86,572	92,522	85,792	353,071	83,456
		Operating income	1,354	- 960	1,468	- 1,180	681	- 403
		Operating margin	1.5%	- 1.1%	1.6%	- 1.4%	0.2%	- 0.5%
	Americas	Net sales	48,831	50,109	48,923	50,437	198,302	47,107
		Operating income	1,687	938	119	1,599	4,344	21
		Operating margin	3.5%	1.9%	0.2%	3.2%	2.2%	0.0%
	Europe	Net sales	50,771	43,016	42,499	47,716	184,004	42,604
		Operating income	516	- 52	- 666	1,157	954	99
		Operating margin	1.0%	- 0.1%	- 1.6%	2.4%	0.5%	0.2%
	Asia and other areas	Net sales	40,588	40,282	39,054	35,652	155,577	34,976
		Operating income	4,963	4,842	3,969	3,443	17,218	2,875
		Operating margin	12.2%	12.0%	10.2%	9.7%	11.1%	8.2%
	Deletion	Net sales	- 39,175	- 38,993	- 41,082	- 38,134	- 157,386	- 36,469
		Operating income	1,400	685	490	1,169	3,745	526
	Total	Net sales	189,199	180,987	181,917	181,464	733,569	171,675
Operating income		9,922	5,453	5,379	6,190	26,945	3,119	
Operating margin		5.2%	3.0%	3.0%	3.4%	3.7%	1.8%	

(In million yen)

			FY2018					FY2019	
			1Q	2Q	3Q	4Q	Full year	1Q	
Net sales / Operating income by business applications	Aftermarket	Net sales	30,502	30,572	28,169	29,603	118,849	28,218	
		Operating income	4,085	3,760	3,452	3,884	15,183	3,318	
		Operating margin	13.4%	12.3%	12.3%	13.1%	12.8%	11.8%	
	Industrial machinery	Net sales	31,186	30,774	30,483	30,953	123,397	28,164	
		Operating income	1,134	509	650	811	3,106	- 318	
		Operating margin	3.6%	1.7%	2.1%	2.6%	2.5%	-1.1%	
	Automotive	Net sales	127,510	119,640	123,263	120,907	491,322	115,293	
		Operating income	4,702	1,183	1,276	1,493	8,655	120	
		Operating margin	3.7%	1.0%	1.0%	1.2%	1.8%	0.1%	
	Total	Net sales	189,199	180,987	181,917	181,464	733,569	171,675	
		Operating income	9,922	5,453	5,379	6,190	26,945	3,119	
		Operating margin	5.2%	3.0%	3.0%	3.4%	3.7%	1.8%	
Capital expenditures / Depreciation and amortization	Capital expenditures		9,890	9,571	9,458	16,252	45,172	10,611	
	Depreciation and amortization	Domestic	3,568	3,839	3,905	3,971	15,285	3,214	
		Overseas	5,914	5,864	5,958	5,903	23,641	5,949	
	Total		9,483	9,704	9,864	9,874	38,926	9,163	
R&D expenditures			5,376	5,346	5,400	5,537	21,661	5,180	
Ratio of R&D expenditures to net sales			2.8%	3.0%	3.0%	3.1%	3.0%	3.0%	
Inventories			188,925	197,347	200,958	194,505	194,505	197,441	
Inventory turnover ratio (times)			4.0	3.7	3.6	3.7	3.8	3.5	
Interest- bearing debts	Loans		299,579	310,388	320,113	320,344	320,344	321,455	
	Bonds		30,000	30,000	30,000	30,000	30,000	30,000	
	Total		329,579	340,388	350,113	350,344	350,344	351,455	
Major management indicators	Ordinary income ratio to total assets		4.0%	2.0%	1.9%	2.7%	2.6%	1.2%	
	Return on assets (ROA)		2.8%	1.1%	0.4%	-7.6%	-0.8%	1.1%	
	Return on equity (ROE)		9.3%	3.5%	1.5%	-27.0%	-2.9%	4.2%	
	Shareholder's equity ratio		30.2%	30.5%	28.9%	27.4%	27.4%	26.9%	
	Net assets per share (yen)		477.66	493.90	462.96	433.32	433.32	418.37	
	Net income per share (yen)		11.12	4.21	1.77	- 30.20	- 13.10	4.51	
Employees	Domestic	(persons)	8,729	8,685	8,685	8,648	8,648	8,869	
	Overseas	(persons)	16,998	16,830	16,747	16,340	16,340	16,227	
	Total	(persons)	25,727	25,515	25,432	24,988	24,988	25,096	
Exchange rates	Average	Dollar	(yen)	109.08	111.45	112.83	110.17	110.88	109.94
		Euro	(yen)	130.10	129.65	128.72	125.16	128.41	123.52
	At term end	Dollar	(yen)	110.47	113.41	110.35	110.64	110.64	107.82
		Euro	(yen)	127.73	131.99	126.23	124.21	124.21	122.58