

Consolidated Financial Results for the First Quarter of FY2015

August 5, 2015

NTN Corporation

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★Financial Results for the First Quarter of FY2015 Key Factors

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FY2015 1Q Results

- ◇ Net sales: increased by 15.7 billion yen (+9.4%) year-on-year to **182.8 billion yen**
 - Aftermarket **increased by approximately 8%** year-on-year, chiefly in Japan and Asia
 - Industrial machinery **increased by approximately 4%** year-on-year in Europe and China
 - Automotive **increased by approximately 11%** year-on-year in Japan, the Americas and China
- ◇ Operating income: increased by 5.3 billion yen (+60%) year-on-year **14.1 billion yen**
 - Due to the contribution of increased scale of sales and reduced materials costs, as well as the effects of the exchange rate, the operating margin was **7.7%**, an **improve of 2.4 points**
- ◇ In 1Q, net sales, operating income, ordinary income and net income attributable to shareholder (parent company) all set record highs

FY2015 Forecast (1st Half & Full year)

- ◇ Prospects for Asia and other regions are unclear, and thus the forecast for the first half and full year remains unchanged

1. Consolidated Statements of Operation

(100 million yen)

	FY2014					FY2015	Year on year	1H	Full year	
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results	1Q Results ②	②-①	Forecast	Forecast	
Net sales	1,670	1,692	1,769	1,887	7,019	1,828	157	3,550	7,250	
Operating income	88	95	111	145	439	141	53	220	500	
Operating margin	(5.3%)	(5.6%)	(6.3%)	(7.7%)	(6.2%)	(7.7%)	(2.4%)	(6.2%)	(6.9%)	
Ordinary income	80	86	107	115	389	146	66	200	450	
Extraordinary income/loss	0	- 24	- 9	14	- 18	0	0	10	10	
Net income attributable to shareholder (parent company)	55	37	67	73	234	98	43	140	310	
Exchange rate	US \$	102.2	103.8	114.4	119.2	109.8	121.4	19.3	110.0	110.0
	EURO	140.1	137.8	142.9	134.0	138.7	134.2	- 5.9	130.0	130.0

2. Net Sales by Region

< Net Sales by Region >

(100 million yen)

	FY2014					FY2015				1H Forecast	Full year Forecast
	1Q Results	2Q Results	3Q Results	4Q Results	Full year Results	1Q Results	Year on year (②-①)				
	①						Total	Volume	Forex		
Japan	458	484	479	494	1,915	471	13	13	0	965	1,940
Americas	460	495	515	555	2,026	544	84	8	76	1,045	2,130
Europe	446	394	410	462	1,712	440	- 6	11	- 17	800	1,650
Asia & Others	306	319	365	376	1,367	373	67	21	46	740	1,530
Total	1,670	1,692	1,769	1,887	7,019	1,828	157	52	106	3,550	7,250

3. Net Sales and Operating Income by Business Sector

< Net Sales by Business Sector >

(100 million yen)

	FY2014				
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results
Aftermarket	267	280	281	296	1,124
Industrial machinery	259	268	269	295	1,090
Automotive	1,145	1,144	1,220	1,296	4,805
Total	1,670	1,692	1,769	1,887	7,019

FY2015	Year on year
1Q Results ②	②-①
290	22
268	9
1,270	126
1,828	157

1H Forecast	Full year Forecast
595	1,245
530	1,075
2,425	4,930
3,550	7,250

< Operating Income by Business Sector >

(100 million yen)

	FY2014				
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results
Aftermarket	44	46	50	53	192
Industrial machinery	9	13	15	26	63
Automotive	35	37	46	65	184
Total	88	95	111	145	439

FY2015	Year on year
1Q Results ②	②-①
53	9
19	10
69	34
141	53

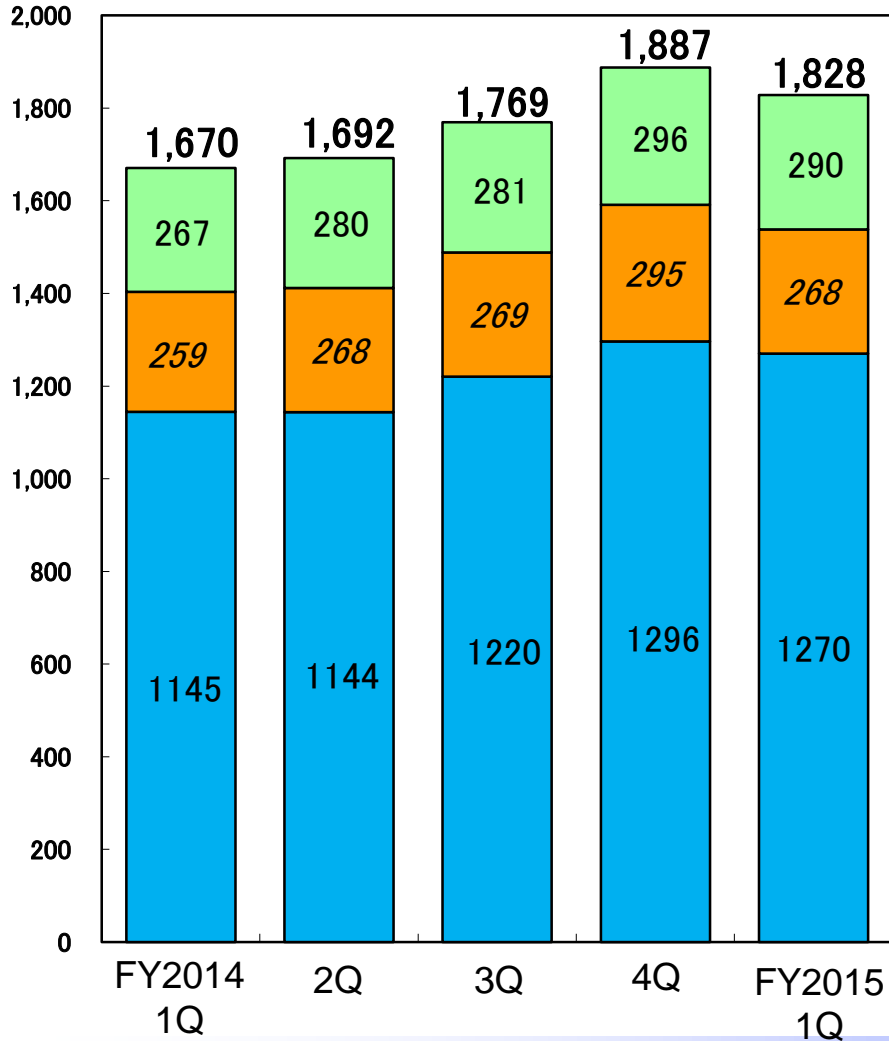
1H Forecast	Full year Forecast
108	232
23	63
89	205
220	500

4. Results by Business Sector (Quarterly Trend)

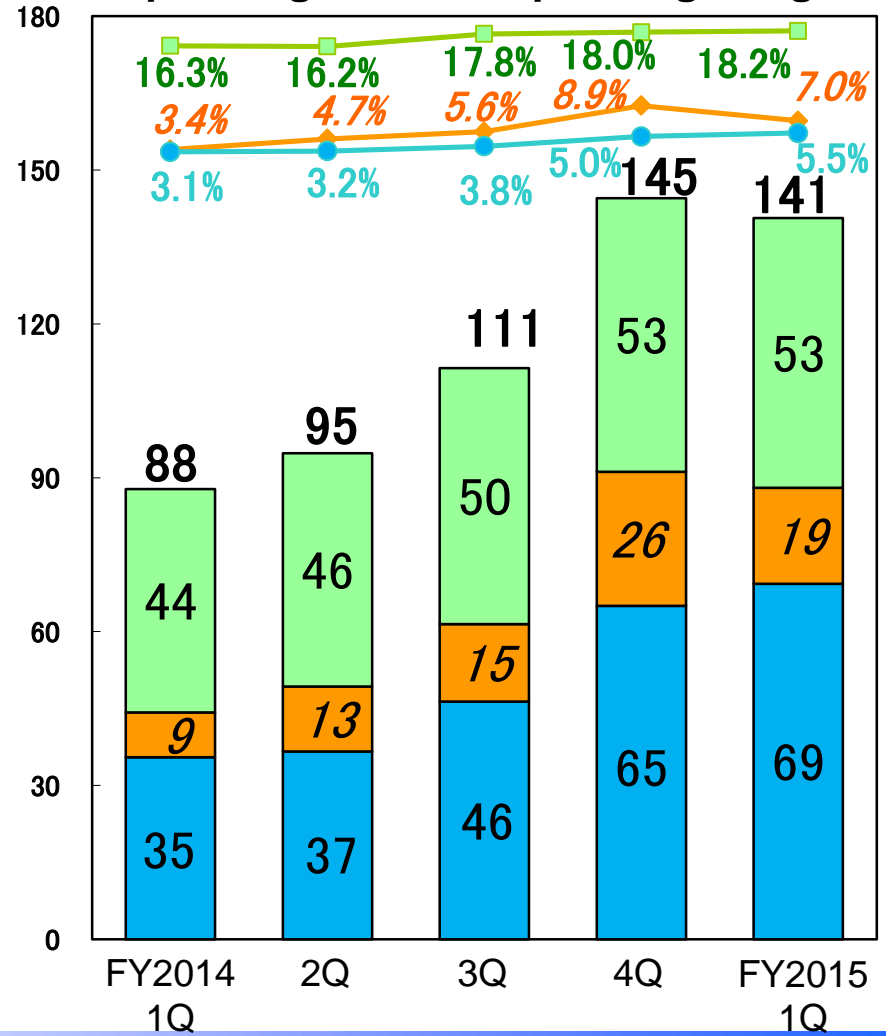
* All figures in 100 million yen.

Automotive Industrial machinery Aftermarket

Net Sales

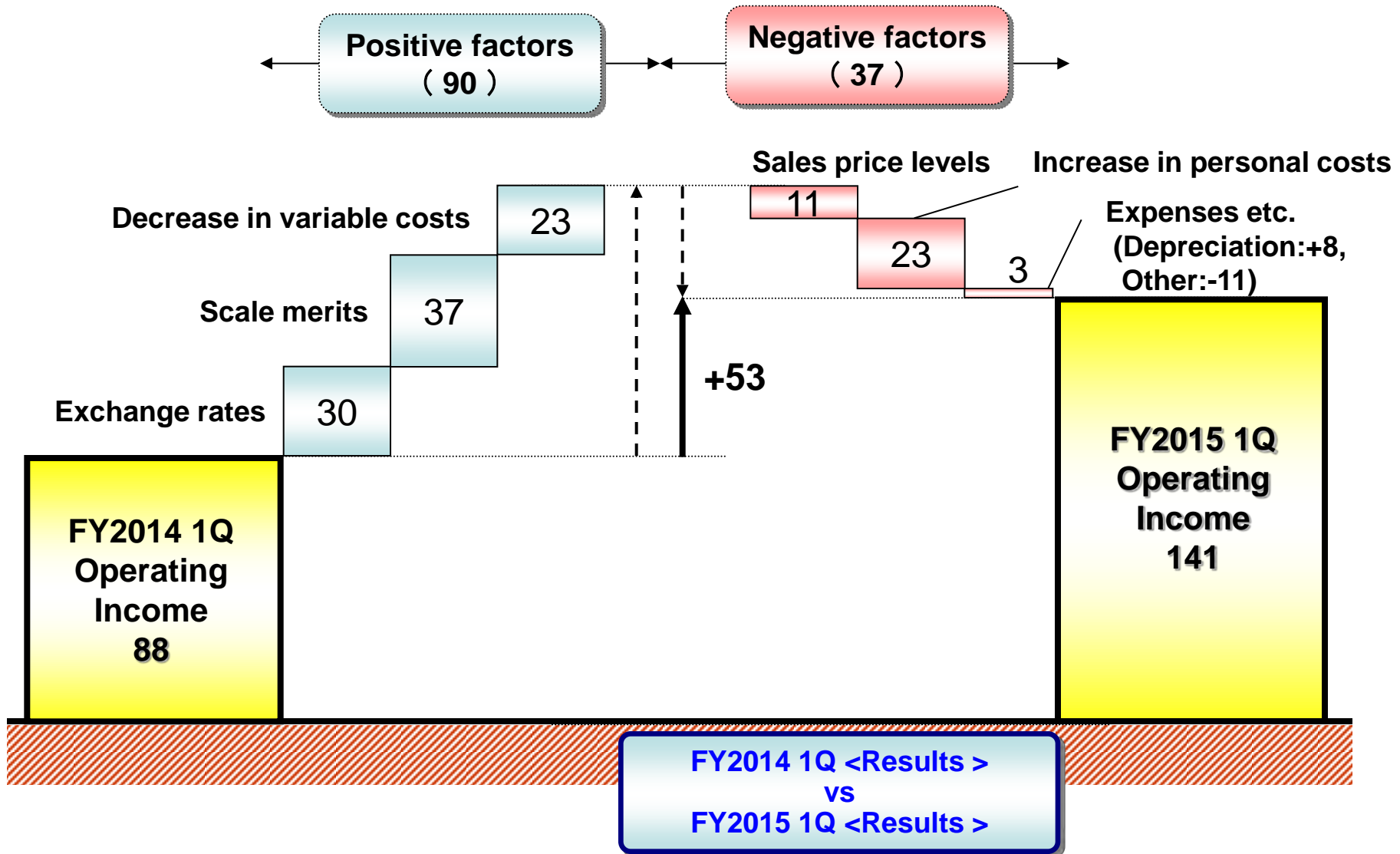


Operating Income/ Operating Margin



5. Analysis of Operating Income (FY2015 1Q)

* All figures in 100 million yen.



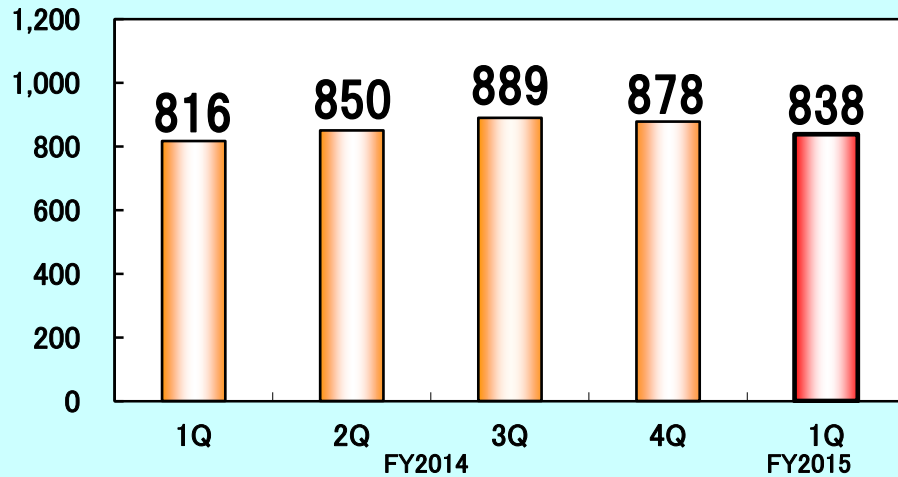
6. Net Sales and Operating Income by Region

《 Japan 》

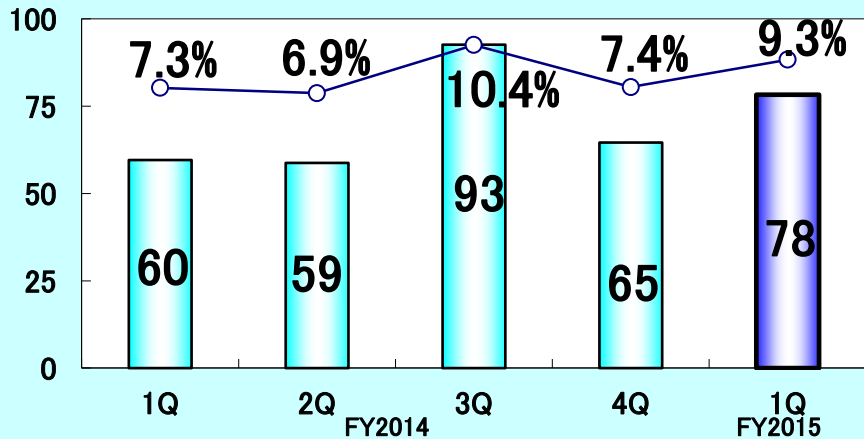
《 Americas 》

Net Sales

(100 million yen)

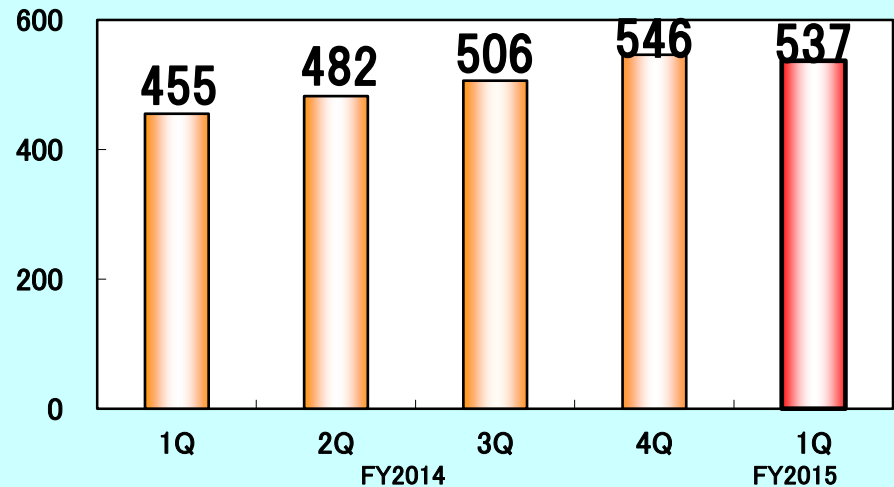


Operating Income

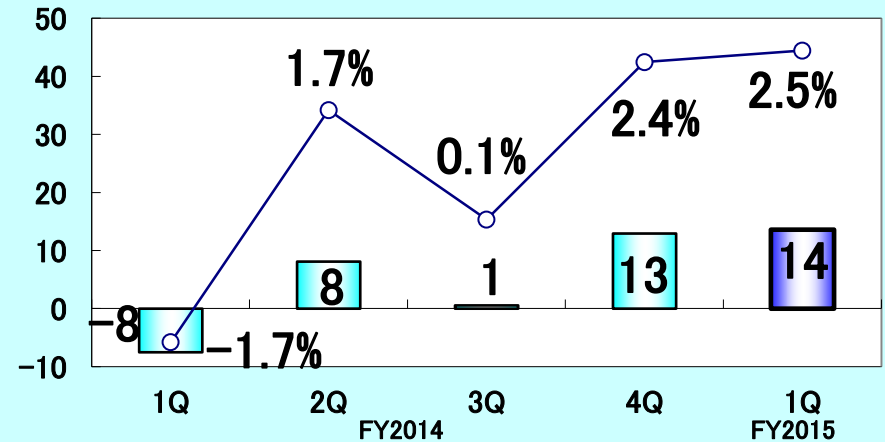


Net Sales

(100 million yen)



Operating Income

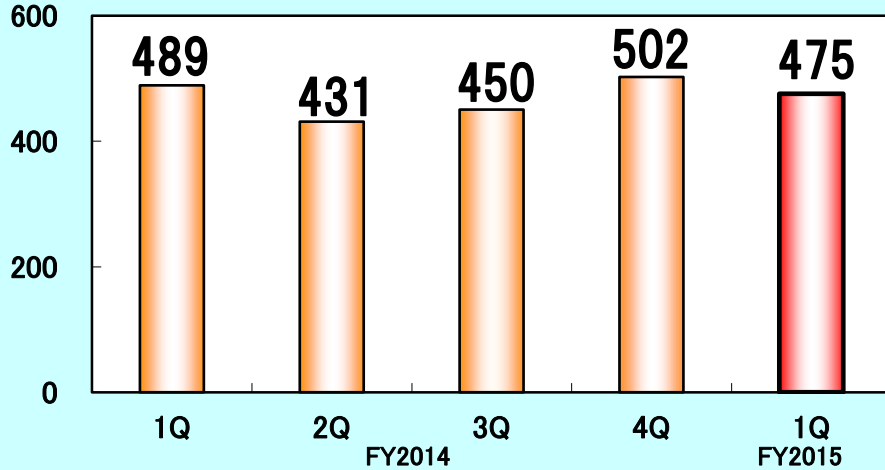


6. Net Sales and Operating Income by Region

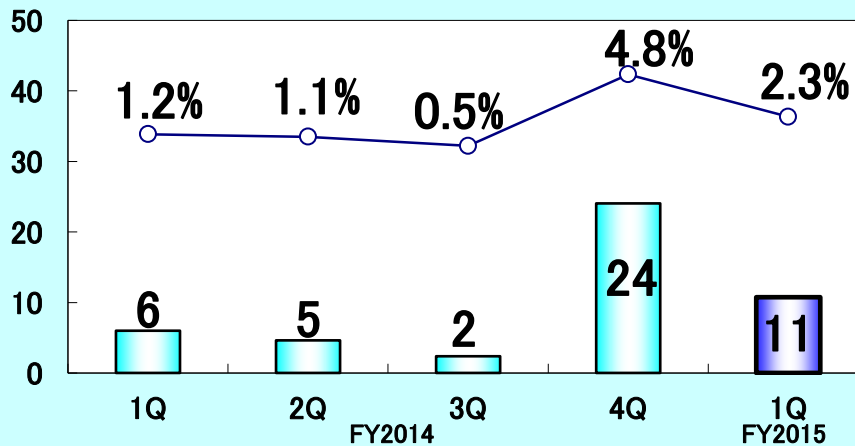
《 Europe 》

Net Sales

(100 million yen)



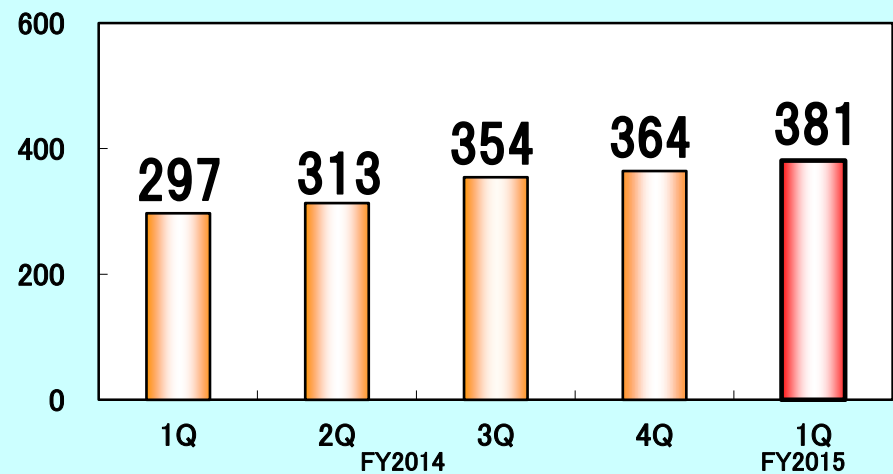
Operating Income



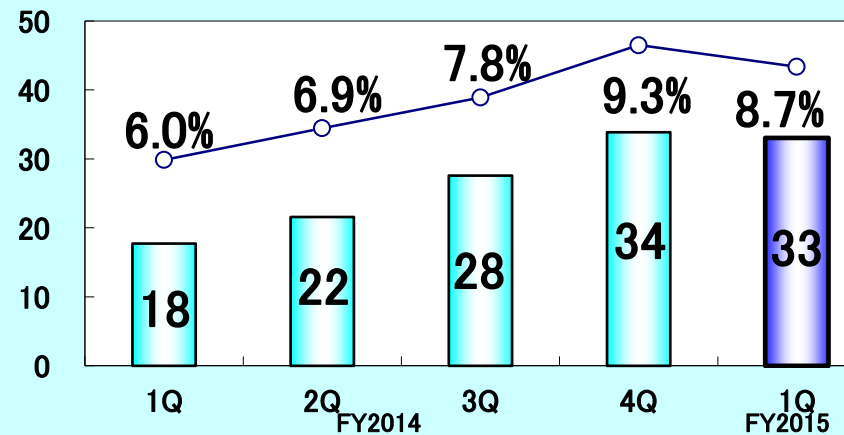
《 Asia & Others 》

Net Sales

(100 million yen)

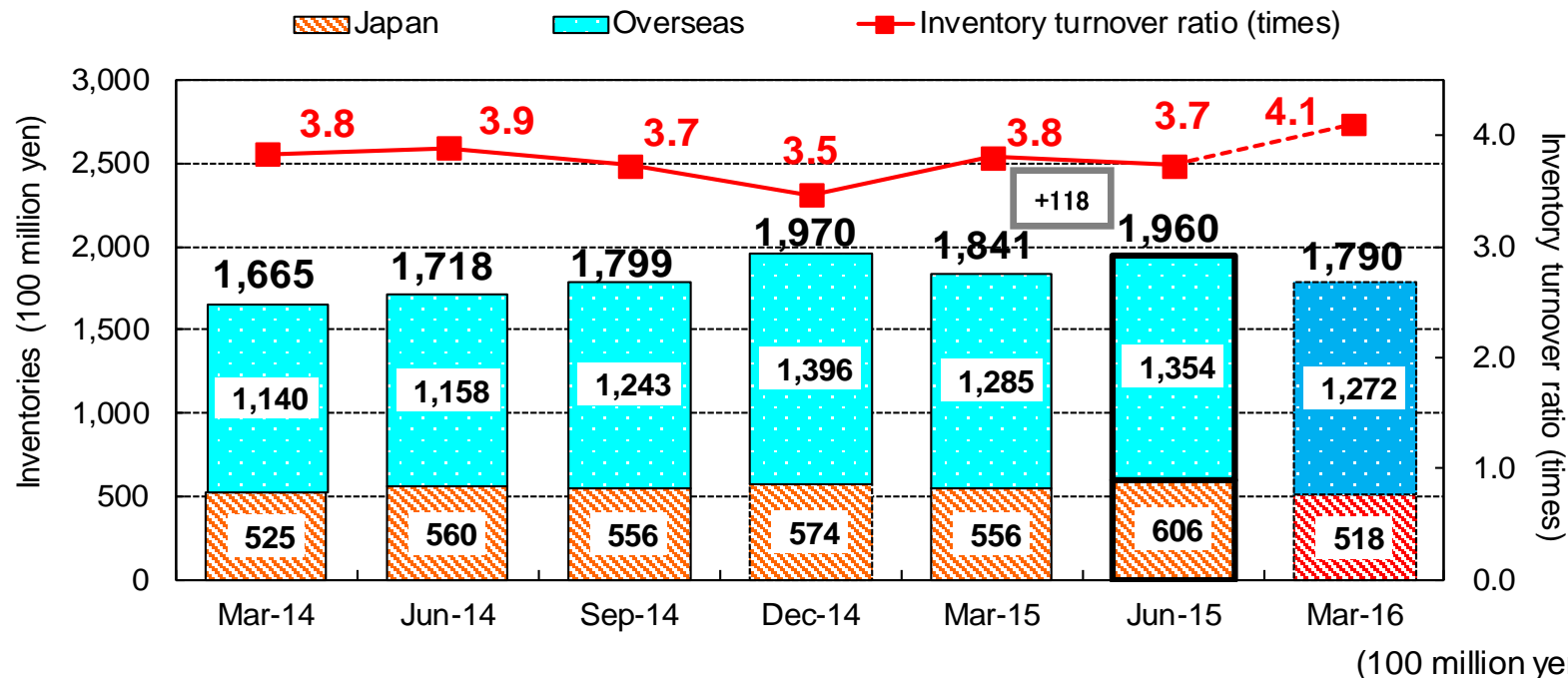


Operating Income



7. Inventories

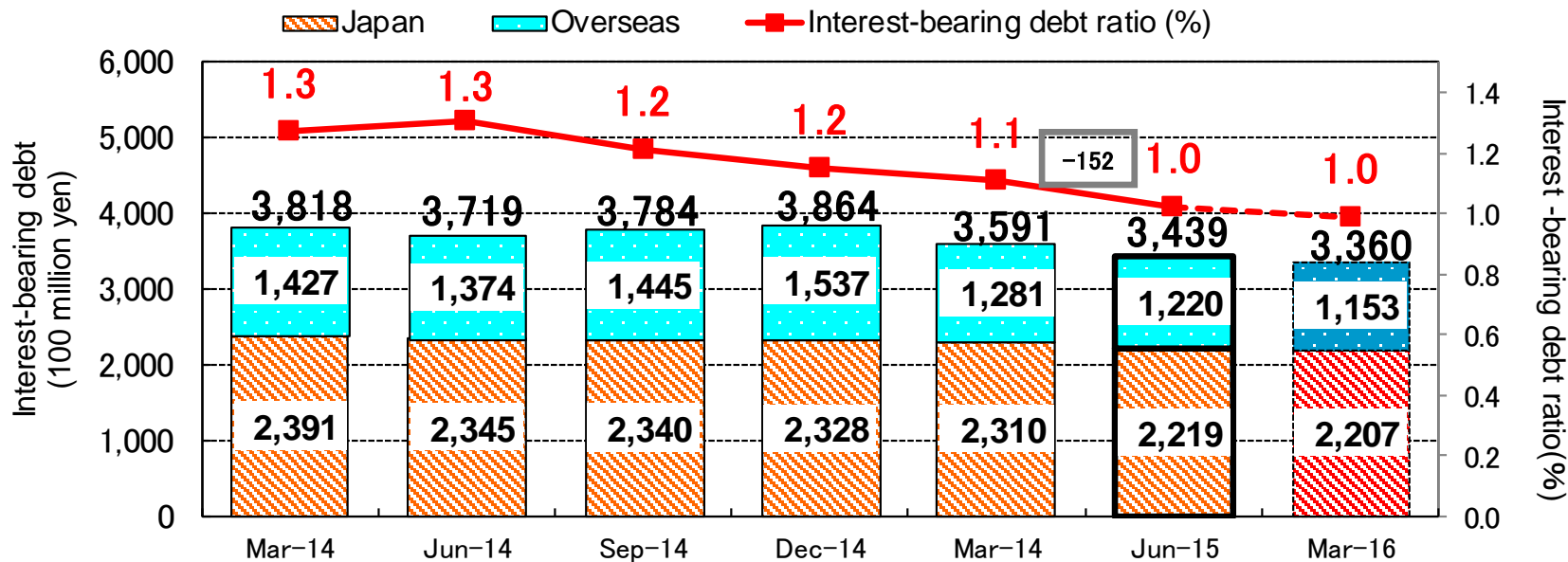
◆ Inventory assets at the end of June 2015 increased by 11.8 billion yen compared to the end of the previous fiscal year (increasing of 8 billion yen if excluding exchange rates).



	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Mar-16
	Results	Results	Results	Results	Results	Results	Forecast
Inventories	1,665	1,718	1,799	1,970	1,841	1,960	1,790
Overseas	(1,140)	(1,158)	(1,243)	(1,396)	(1,285)	(1,354)	(1,272)
Japan	(525)	(560)	(556)	(574)	(556)	(606)	(518)
Inventory turnover ratio (times)	3.8	3.9	3.7	3.5	3.8	3.7	4.1

8. Interest-Bearing Debt

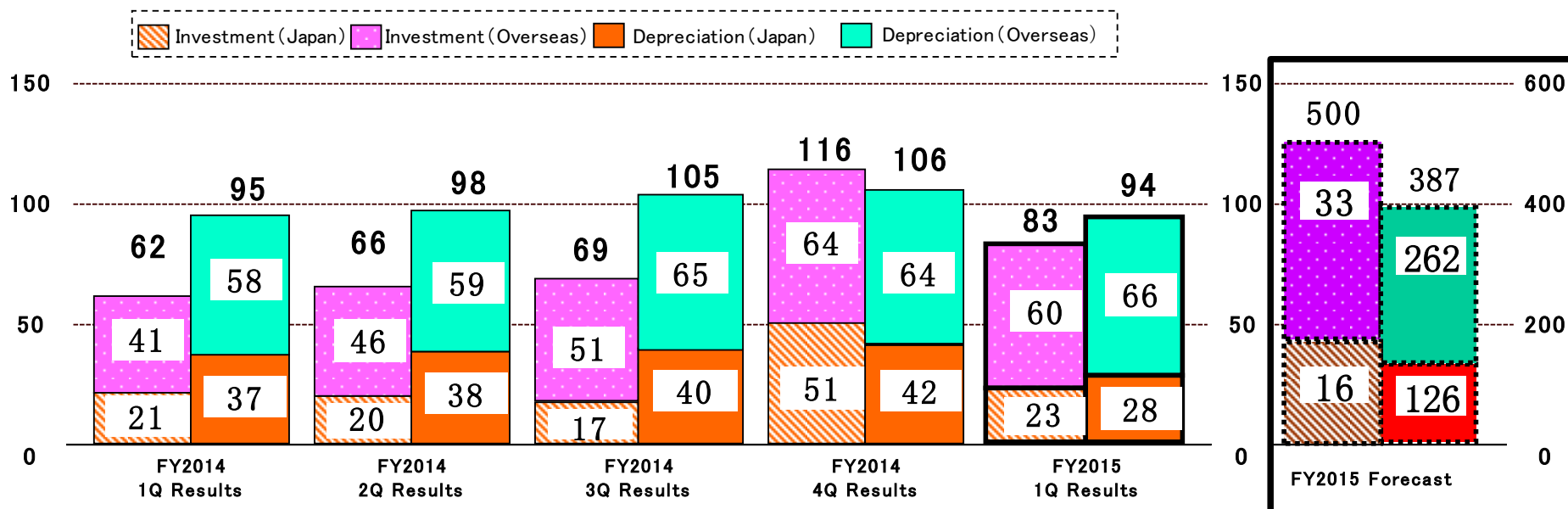
◆ Interest-bearing debt at the end of June 2015 decreased by 15.2 billion yen compared to the end of the previous fiscal year (decrease of 18.1 billion yen if excluding exchange rates).



(100 million yen)

	Mar-14 Results	Jun-14 Results	Sep-14 Results	Dec-14 Results	Mar-14 Results	Jun-15 Results	Mar-16 Forecast
Interest-bearing debt	3,818	3,719	3,784	3,864	3,591	3,439	3,360
Overseas	(1,427)	(1,374)	(1,445)	(1,537)	(1,281)	(1,220)	(1,153)
Japan	(2,391)	(2,345)	(2,340)	(2,328)	(2,310)	(2,219)	(2,207)
Net Interest-bearing debt	2,521	2,688	2,673	2,794	2,713	2,663	2,561

9. Capital Expenditure and Depreciation

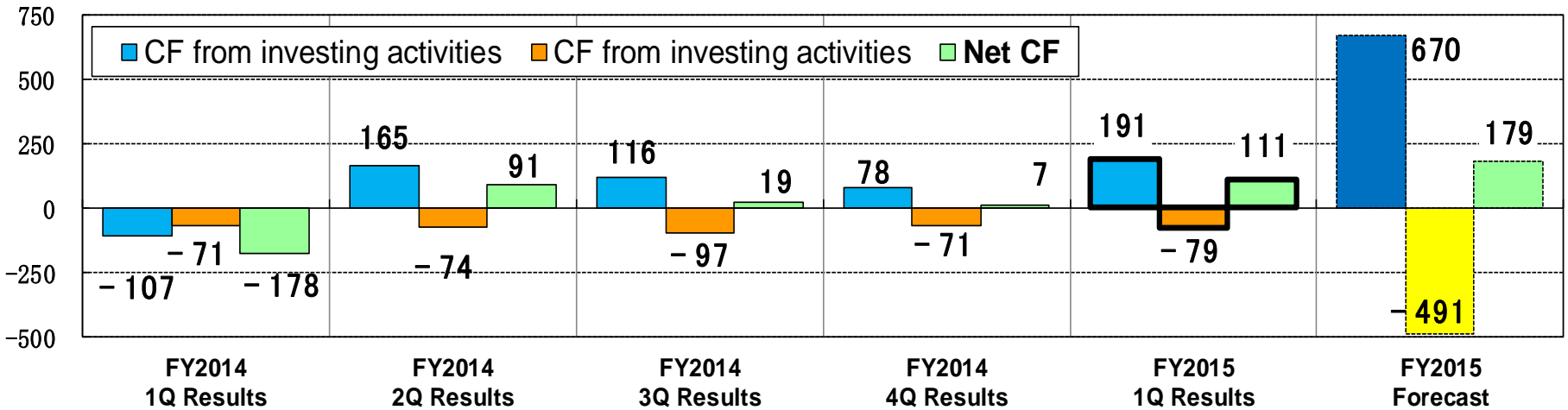


(100 million yen)

	FY2014				FY2015		FY2015 Forecast
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	②-①	
Capital expenditure	62	66	69	116	83	21	500
Overseas	(41)	(46)	(51)	(64)	(60)	(19)	(335)
Japan	(21)	(20)	(17)	(51)	(23)	(2)	(165)
	FY2014				FY2015		FY2015 Forecast
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	②-①	
Depreciation	95	98	105	106	94	-1	387
Overseas	(58)	(59)	(65)	(64)	(66)	(8)	(262)
Japan	(37)	(38)	(40)	(42)	(28)	(-9)	(126)

10. Cash Flows

(100 million yen)	FY2014				FY2015	FY2015	②-①
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	Forecast	
I. Cash flow from operating activities	-107	165	116	78	191	670	298
II. Cash flow from investing activities	-71	-74	-97	-71	-79	-491	-8
III. Cash flow from financing activities	-87	-12	-53	-223	-203	-244	-116
IV. Effect of exchanging rate translation on cash and cash equivalents	-1	2	-6	23	-10	-14	-9
V. Net increase in cash and cash equivalents	-266	81	-41	-193	-102	-79	164



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