

Consolidated Financial Results for the First Quarter of FY2019

August 2, 2019
NTN Corporation

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- 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.

★Financial Results for the First Quarter of FY2019 Key Factors

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- 3. Net Sales and Operating Income by Business Sector**
- 4. Results by Business Sector (Quarterly Trend)**
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- 6. Net Sales and Operating Income by Company Location**
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- 8. Capital Expenditure and Depreciation**
- 9. Interest-Bearing Debt**
- 10. Cash Flows**

Results of FY2019 First Quarter (April-June)

- ◇ Net Sales: **¥171.7 billion**
 - Decrease of **-¥17.5 billion**, year-on-year
(Excluding exchange rates: decrease of **-¥14.5 billion**)
- ◇ Operating Income: **¥3.1 billion**
 - Decrease of **-¥6.8 billion**, year-on-year
(Excluding exchange rates : decrease of **-¥6.6 billion**)
- ◇ Ordinary Income: **¥2.6 billion**
 - Decrease of **-¥5.7 billion** year-on-year
(Excluding exchange rates: decrease of **-¥5.6 billion**)
- ◇ Net income attributable to shareholder(parent company): **¥2.4 billion**
 - Decrease of **-¥3.5 billion**, year-on-year
(Excluding exchange rates: decrease of **-¥3.4 billion**)
- ◇ Free Cash Flow: **¥0.7 billion**, increase of **¥3.9 billion**, year-on-year

FY2019 Full Year Forecast

Revised FY2019 Full Year Forecast

- ◇ Net Sales: **¥690.0 billion**
Decrease of **-¥40.0 billion** compared with previous announcement (¥730.0 billion)
- ◇ Operating income: **¥15.0 billion**,
Decrease of **-¥9.0 billion** compared with previous announcement (¥24.0 billion)
- ◇ Extraordinary losses: **-¥4.5 billion**
No revise from the previous announcement
- ◇ Net income attributable to shareholder (parent company): **¥3.0 billion**,
Decrease of **-¥6.5 billion** compared with previous announcement (¥9.5 billion)
- ◇ In regards to dividends, the Company plans **¥15** for this fiscal year
No revise from the previous announcement
(an interim dividend of **¥7.5** and year-end dividend of **¥7.5**)
- ◇ Exchange-rate from the second quarter:
1USD= **¥107** (previous announcement, ¥110)
1EURO = **¥120** (previous announcement, ¥125)

1. Consolidated Statements of Operation

(billion yen)

	FY2018					FY2019	Year on year			FY2019		
	1Q	2Q	3Q	4Q	Full year		1Q Results	②-①			1H Forecast	Full year Forecast
	①	Results	Results	Results	Results			②	Total	Volume		
Net sales	189.2	181.0	181.9	181.5	733.6	171.7	-17.5	-14.5	-3.0	340.0	690.0	
Operating income	9.9	5.5	5.4	6.2	26.9	3.1	-6.8	-6.6	-0.2	6.0	15.0	
Operating margin	(5.2%)	(3.0%)	(3.0%)	(3.4%)	(3.7%)	(1.8%)	(-3.4%)			(1.8%)	(2.2%)	
Ordinary income	8.3	4.2	4.1	5.6	22.2	2.6	-5.7	-5.6	-0.2	3.5	9.0	
Extraordinary income/loss	-	-	-2.3	-17.0	-19.3	-	-	-	-	-2.0	-4.5	
Net income*	5.9	2.2	0.9	-16.0	-7.0	2.4	-3.5	-3.4	-0.1	1.0	3.0	
Exchange rate	US \$	109.1	111.5	112.8	110.2	110.9	109.9	0.9		108.5	107.7	
	EURO	130.1	129.7	128.7	125.2	128.4	123.5	-6.6		121.8	120.9	

2. Net Sales by Region

(billion yen)

	FY2018					FY2019	Year on year			FY2019	
	1Q Results	2Q Results	3Q Results	4Q Results	Full year Results	1Q Results	②-①			1H Forecast	Full year Forecast
	①					②	Total	Volume	Forex		
Japan	51.6	50.6	54.6	50.4	207.2	49.5	-2.2	-2.2	-	101.5	205.0
Americas	49.3	51.1	49.7	51.3	201.5	47.9	-1.4	-1.6	0.1	92.5	185.0
Europe	46.6	38.9	38.6	43.7	167.8	38.8	-7.8	-5.7	-2.1	74.5	151.0
Asia and others	41.7	40.3	39.0	36.0	157.0	35.5	-6.2	-5.1	-1.1	71.5	149.0
Total	189.2	181.0	181.9	181.5	733.6	171.7	-17.5	-14.5	-3.0	340.0	690.0

3. Net Sales and Operating Income by Business Sector

< Net Sales by Business Sector >

(billion yen)

	FY2018					FY2019 1Q Results ②	Year on year ②-①			FY2019	
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results		Total	Volume	Forex	1H Forecast	Full year Forecast
	Aftermarket	30.5	30.6	28.2	29.6						
Industrial machinery	31.2	30.8	30.5	31.0	123.4	28.2	-3.0	-2.5	-0.5	55.0	112.5
Automotive	127.5	119.6	123.3	120.9	491.3	115.3	-12.2	-10.3	-1.9	228.0	461.5
Total	189.2	181.0	181.9	181.5	733.6	171.7	-17.5	-14.5	-3.0	340.0	690.0

< Operating Income by Business Sector >

(billion yen)

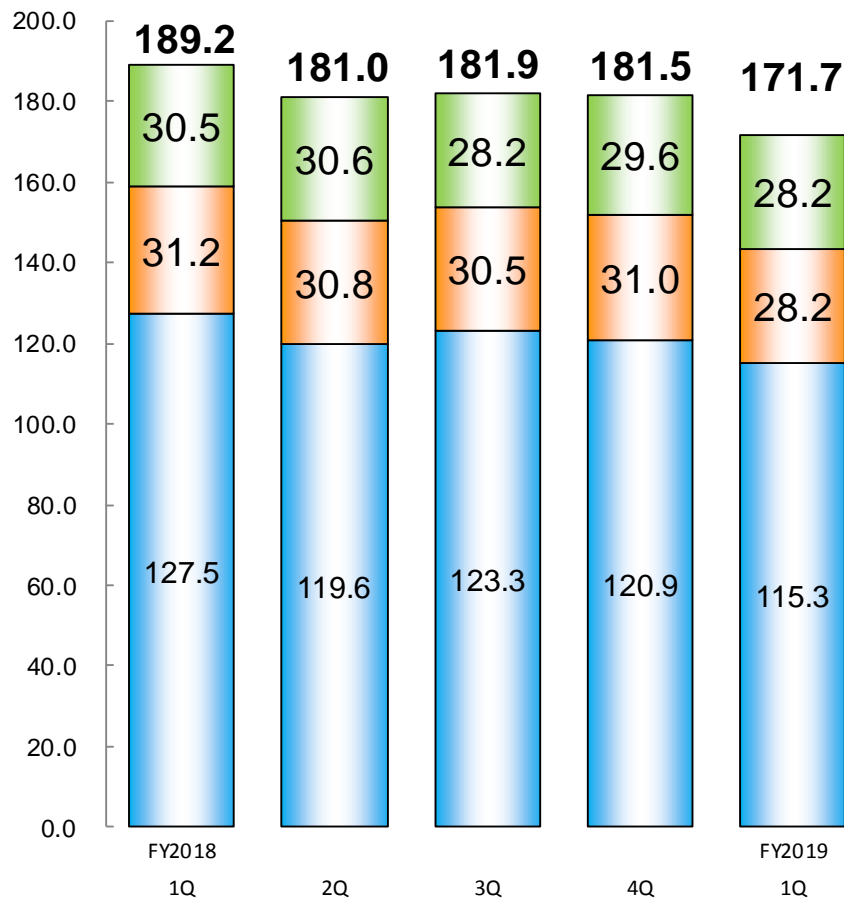
	FY2018					FY2019 1Q Results ②	Year on year ②-①		FY2019	
	1Q Results ①	2Q Results	3Q Results	4Q Results	Full year Results		Total	Volume	1H Forecast	Full year Forecast
	Aftermarket	4.1	3.8	3.5	3.9					
Industrial machinery	1.1	0.5	0.7	0.8	3.1	-0.3	-1.5	-0.5	0.5	
Automotive	4.7	1.2	1.3	1.5	8.7	0.1	-4.6	-0.5	0.5	
Total	9.9	5.5	5.4	6.2	26.9	3.1	-6.8	6.0	15.0	

4. Results by Business Sector (Quarterly Trend)

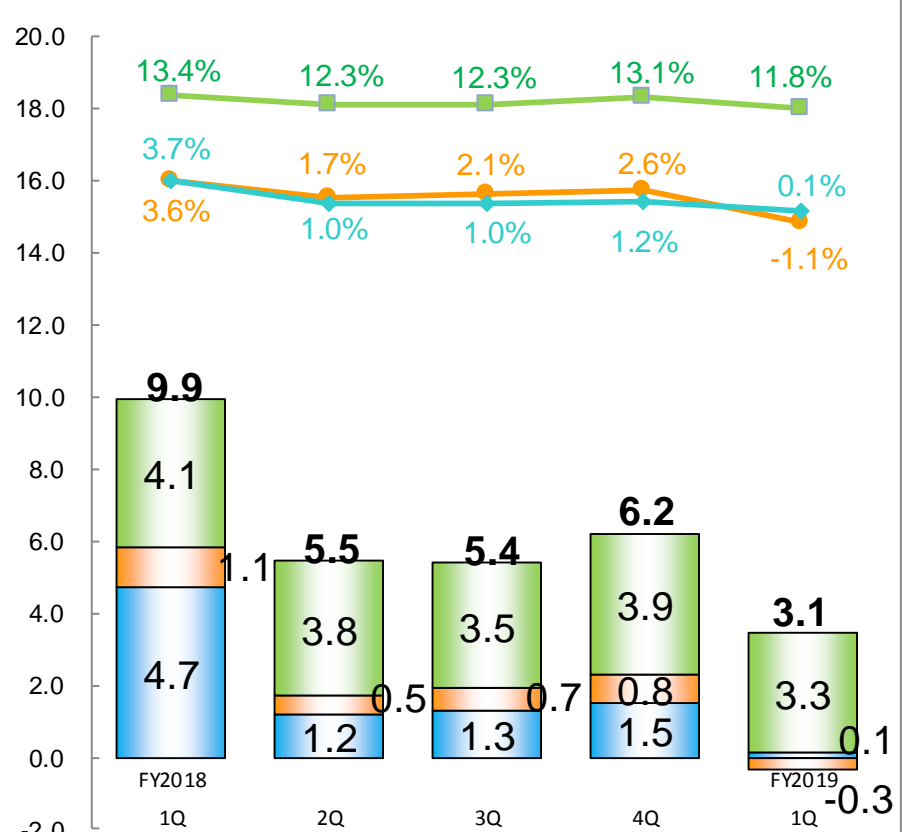
* All figures in billion yen.

Automotive Industrial machinery Aftermarket

Net Sales

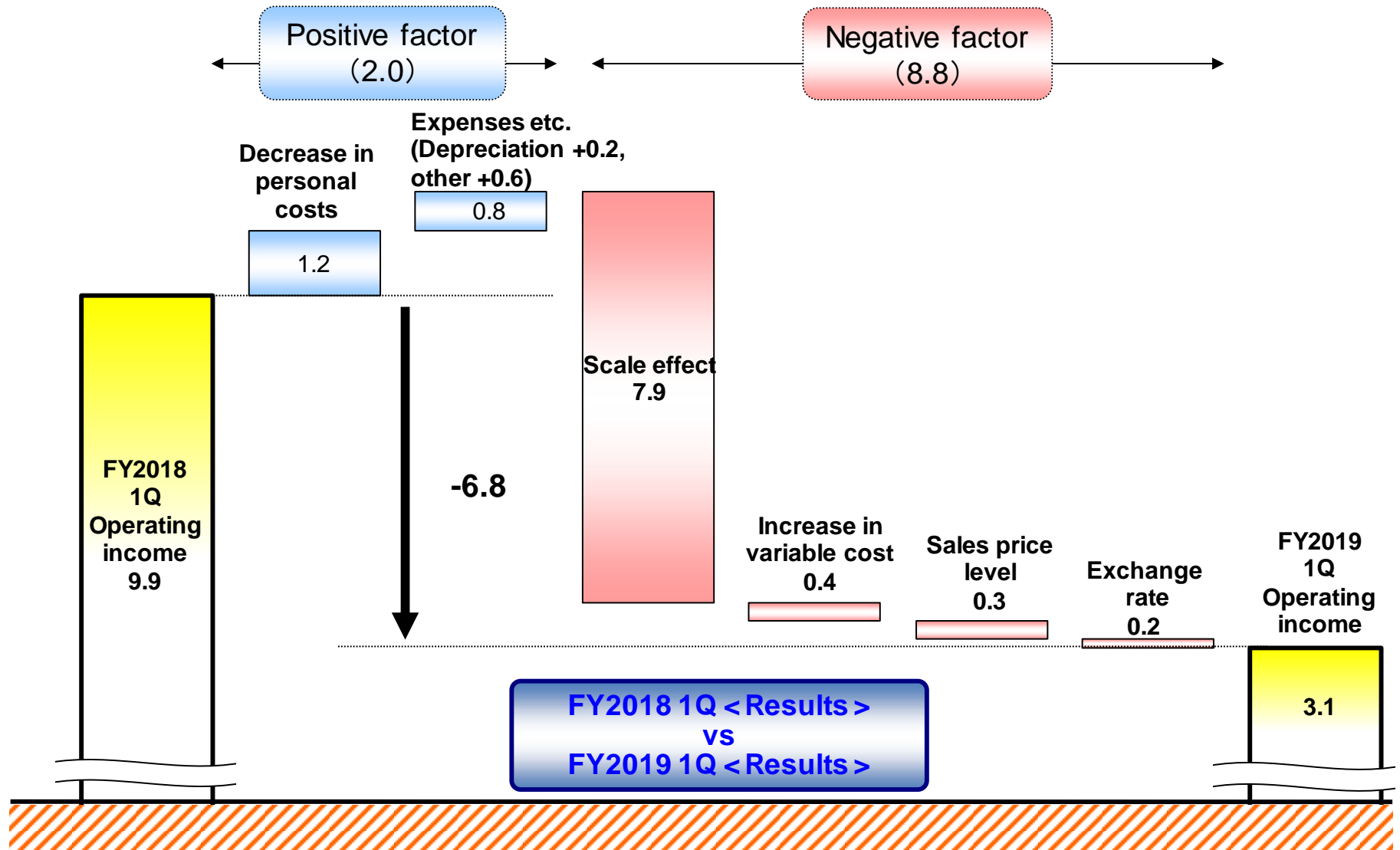


Operating Income/Operating Margin



5. Analysis of Operating Income (FY2019 1Q)

* All figures in billion yen.

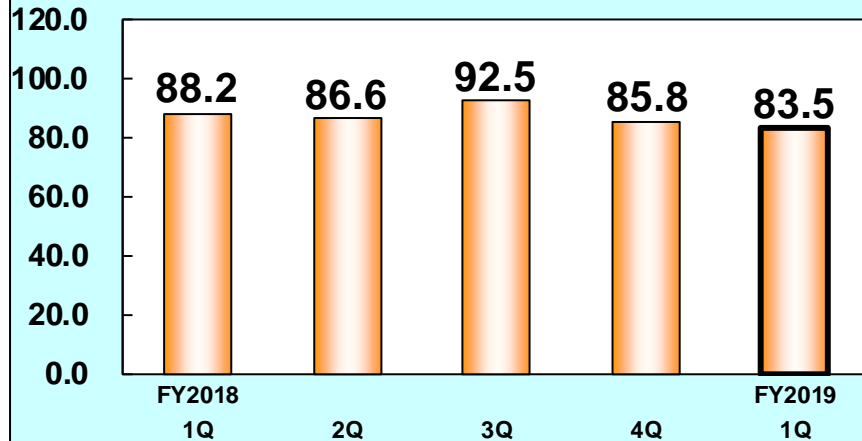


6. Net Sales and Operating Income by Company Location

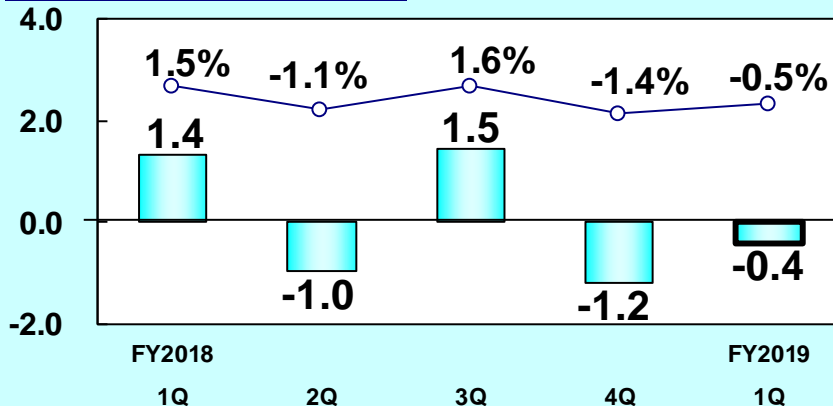
* All figures in billion yen

《 Japan 》

Net Sales

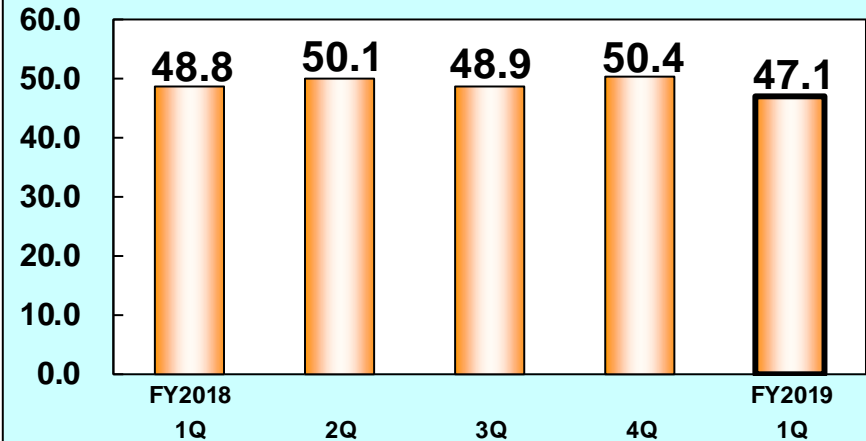


Operating Income

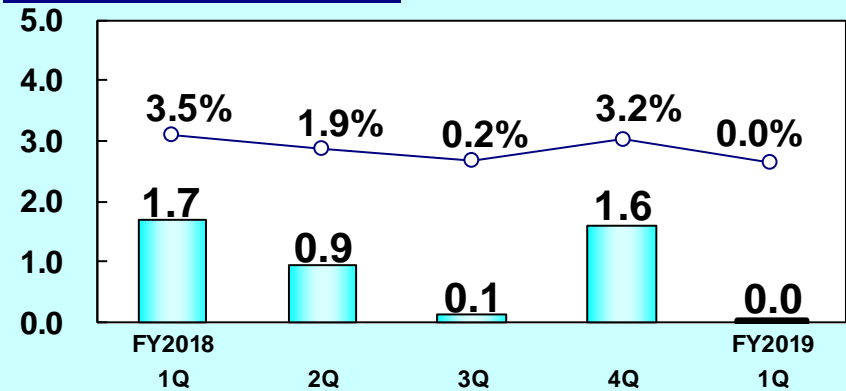


《 Americas 》

Net Sales



Operating Income



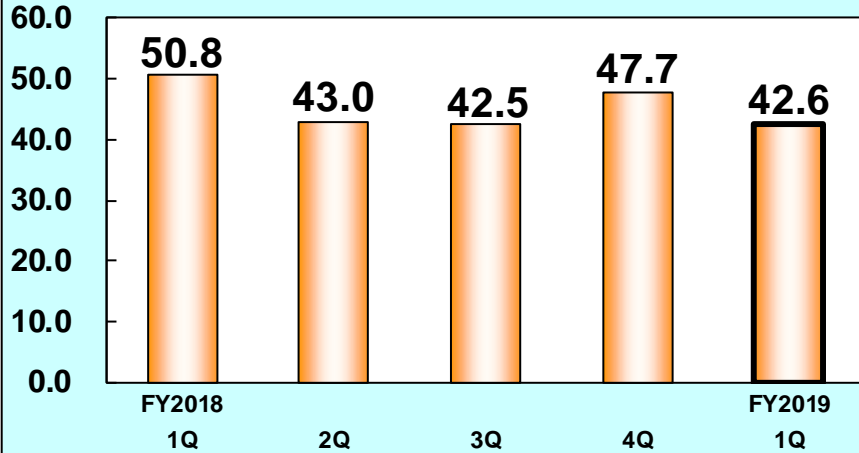
6. Net Sales and Operating Income by Company Location

* All figures in billion yen

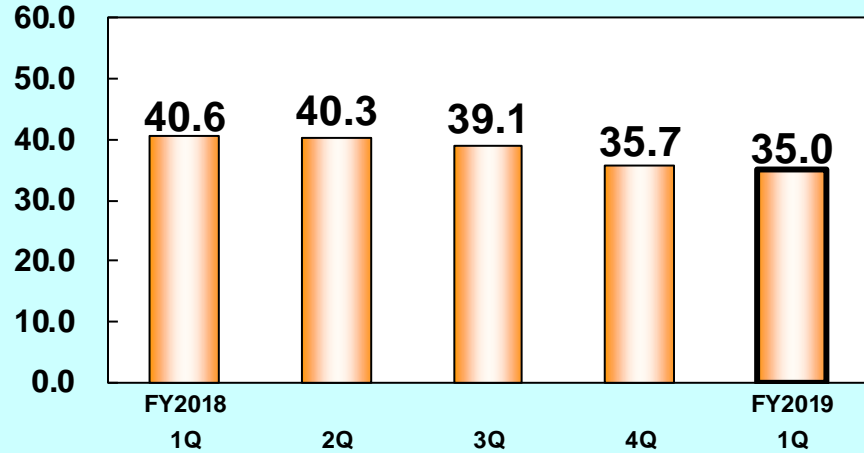
《 Europe 》

《 Asia and others 》

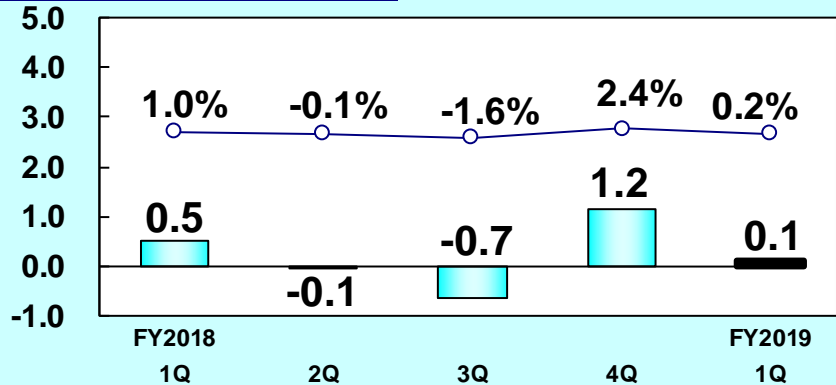
Net Sales



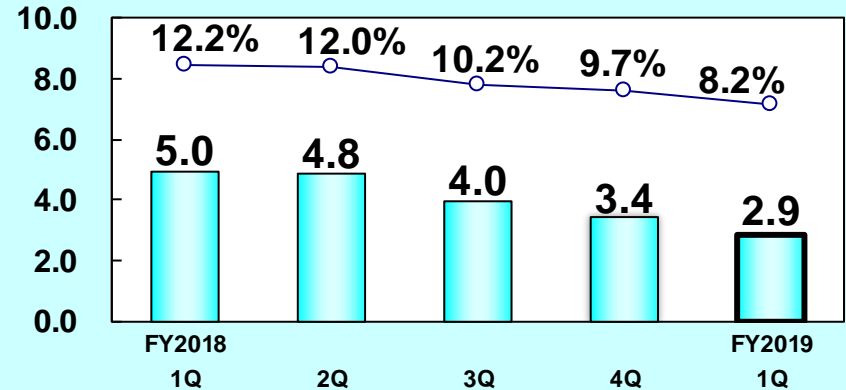
Net Sales



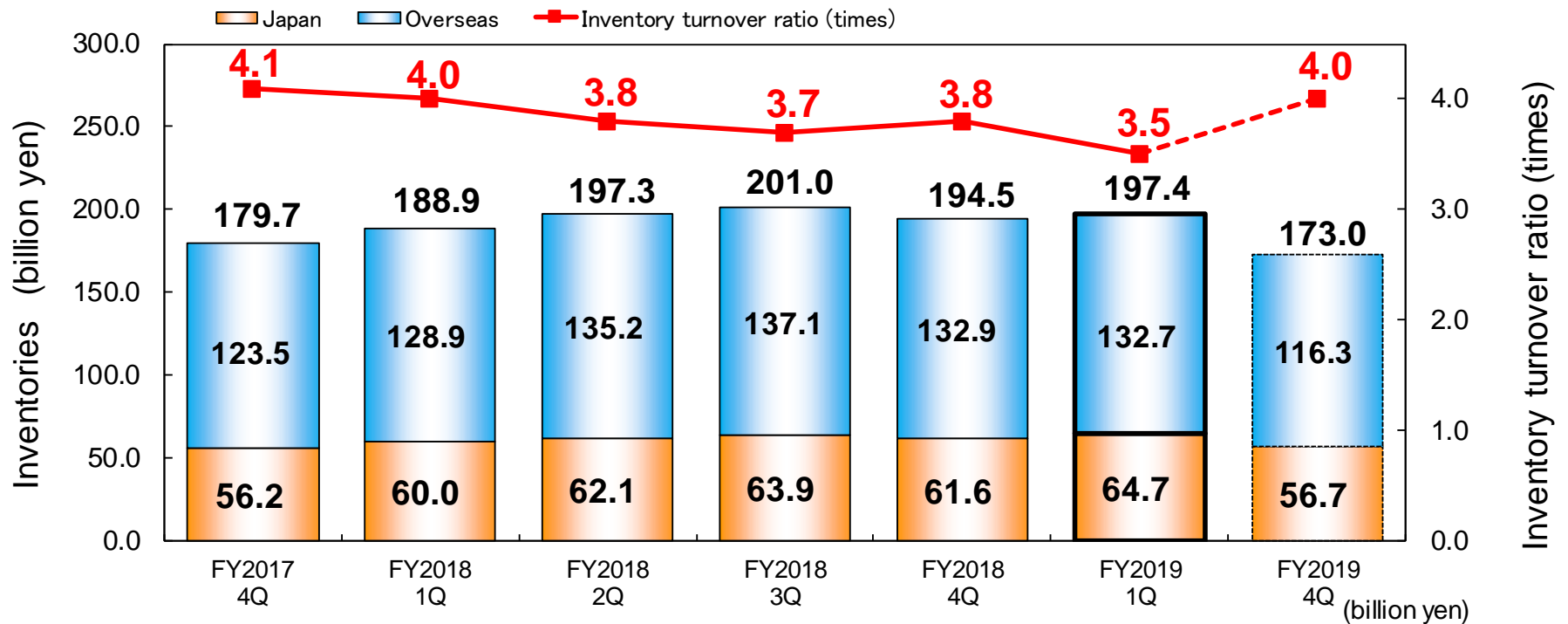
Operating Income



Operating Income



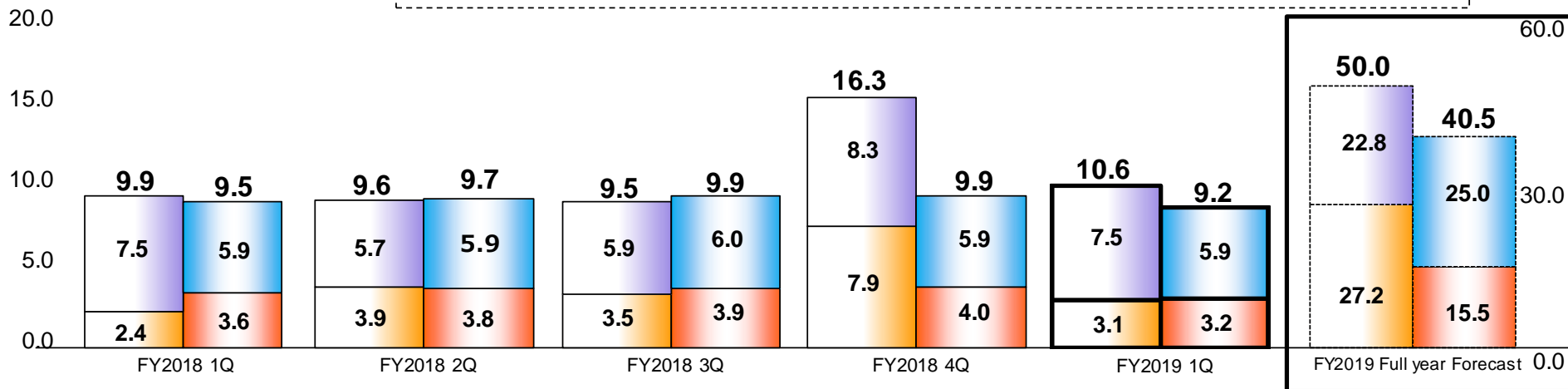
7. Inventories



	FY2017 4Q Results	FY2018 1Q Results	FY2018 2Q Results	FY2018 3Q Results	FY2018 4Q Results	FY2019 1Q Results	FY2019 Full year Forecast
Inventories	179.7	188.9	197.3	201.0	194.5	197.4	173.0
Overseas	(123.5)	(128.9)	(135.2)	(137.1)	(132.9)	(132.7)	(116.3)
Japan	(56.2)	(60.0)	(62.1)	(63.9)	(61.6)	(64.7)	(56.7)
Inventory turnover ratio (times)	4.1	4.0	3.8	3.7	3.8	3.5	4.0

8. Capital Expenditure and Depreciation

(billion yen) Investment(Japan) Investment(Overseas) Depreciation(Japan) Depreciation(Overseas)



	FY2018				FY2019	Year on year
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	②-①
Capital expenditure	9.9	9.6	9.5	16.3	※ 10.6	0.7
Overseas	(7.5)	(5.7)	(5.9)	(8.3)	(7.5)	(-0.0)
Japan	(2.4)	(3.9)	(3.5)	(7.9)	(3.1)	(0.8)

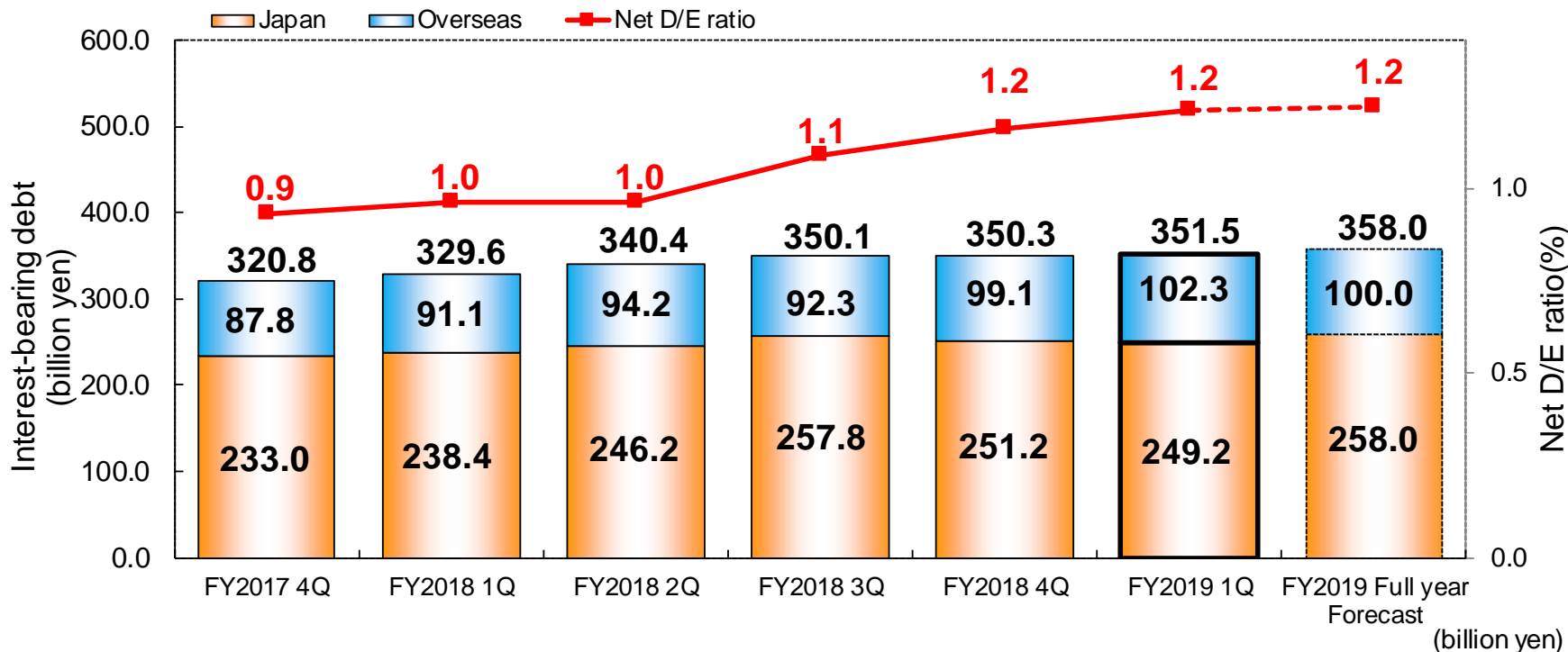
FY2019 Forecast	
Capital expenditure	50.0
Overseas	(22.8)
Japan	(27.2)

※In addition, capital expenditure of ¥2.8 billion of intangible fixed assets

	FY2018				FY2019	Year on year
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	②-①
Depreciation	9.5	9.7	9.9	9.9	9.2	-0.3
Overseas	(5.9)	(5.9)	(6.0)	(5.9)	(5.9)	(0.0)
Japan	(3.6)	(3.8)	(3.9)	(4.0)	(3.2)	(-0.4)

FY2019 Forecast	
Depreciation	40.5
Overseas	(25.0)
Japan	(15.5)

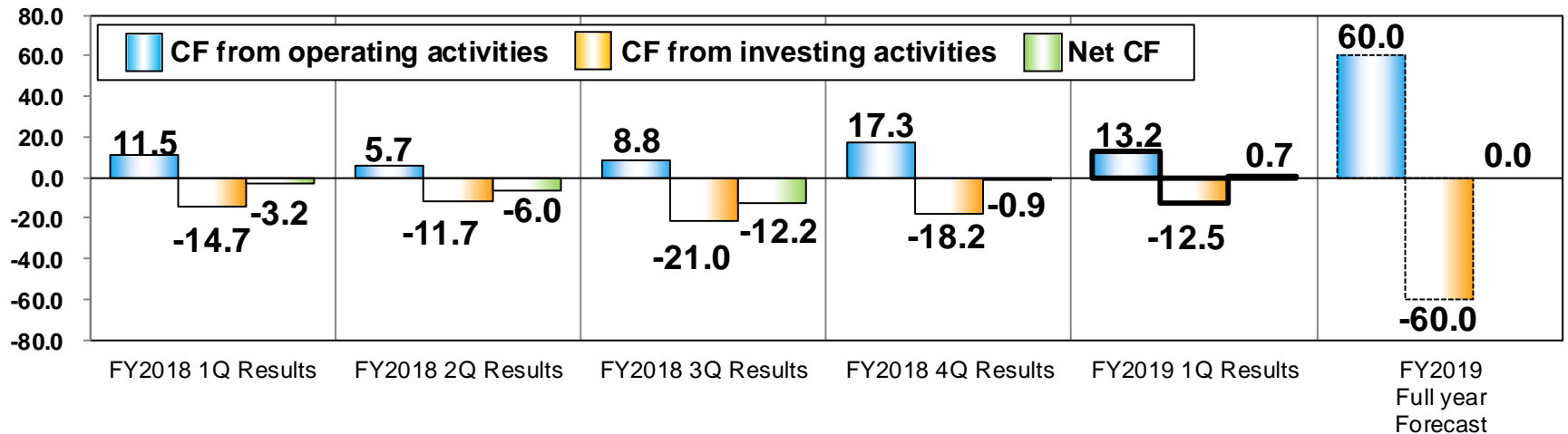
9. Interest-Bearing Debt



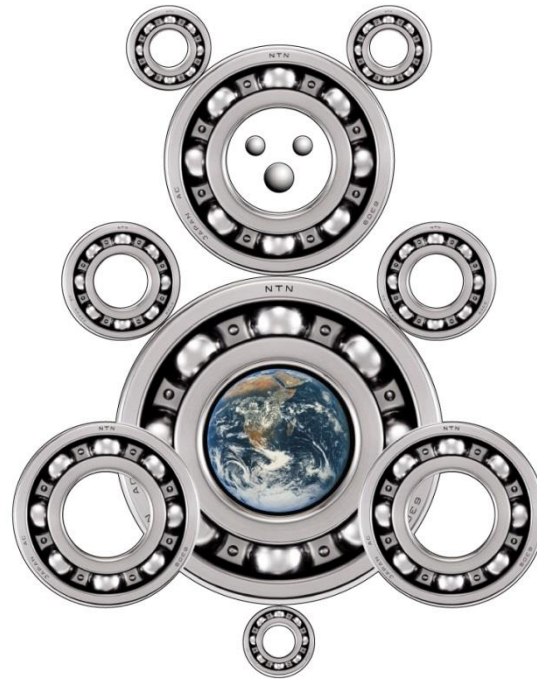
	FY2017 4Q Results	FY2018 1Q Results	FY2018 2Q Results	FY2018 3Q Results	FY2018 4Q Results	FY2019 1Q Results	FY2019 Full year Forecast
Interest-bearing debt	320.8	329.6	340.4	350.1	350.3	351.5	358.0
Overseas	(87.8)	(91.1)	(94.2)	(92.3)	(99.1)	(102.3)	(100.0)
Japan	(233.0)	(238.4)	(246.2)	(257.8)	(251.2)	(249.2)	(258.0)
Net Interest-bearing debt	234.7	244.0	252.7	267.0	266.9	268.6	274.3

10. Cash Flows

(billion yen)	FY2018				FY2019	FY2019	②-①
	1Q Results①	2Q Results	3Q Results	4Q Results	1Q Results②	Forecast	
I . Cash flow from operating activities	11.5	5.7	8.8	17.3	13.2	60.0	1.7
II . Cash flow from investing activities	-14.7	-11.7	-21.0	-18.2	-12.5	-60.0	2.2
I + II . Net cash flow	-3.2	-6.0	-12.2	-0.9	0.7	0.0	3.9
III . Cash flow from financing activities	3.8	8.0	8.5	0.4	-0.7	1.0	-4.5
IV . Effect of exchanging rate translation on cash and cash equivalents	-1.0	0.1	-0.9	0.9	-0.6	-0.8	0.4
V . Net increase in cash and cash equivalents	-0.5	2.1	-4.6	0.4	-0.6	0.2	-0.2



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