

# Consolidated Financial Results for the Third Quarter of FY2019

**February 4, 2020**  
**NTN Corporation**

- This presentation and comments made in this conference or during the following Q&A session include forward-looking statements about future performance and future business strategies, all of which are based on decisions of the management of the Company currently available.
- 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 Third Quarter of FY2019 Key Factors

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## Results of FY2019 Third Quarter (April–December)

- ◇ Net Sales: **¥494.9 billion**
  - Decrease of **-¥57.2 billion**, year-on-year  
(Excluding exchange rates: decrease of **-¥42.8 billion**)
- ◇ Operating Income: **¥5.0 billion**
  - Decrease of **-¥15.7 billion**, year-on-year  
(Excluding exchange rates: decrease of **-¥13.7 billion**)
- ◇ Ordinary Income: **¥1.0 billion**
  - Decrease of **-¥15.6 billion**, year-on-year  
(Excluding exchange rates: decrease of **-¥13.6 billion**)
- ◇ Net income attributable to shareholder(parent company): **-¥1.1 billion**
  - Decrease of **-¥10.2 billion**, year-on-year  
(Excluding exchange rates: Decrease of **-¥8.7 billion**)
- ◇ Free Cash Flow: **-¥24.3 billion**, decrease of **-¥2.8 billion**, year-on-year

# 1. Consolidated Statements of Operation

(billion yen)

	FY2018			FY2019			Year on Year		
	3Q Results	1-3Q Results ①	Full year Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2019 1-3Q ②-①		
							Total	Excl.Forex	Forex
Net sales	181.9	552.1	733.6	160.4	494.9	680.0	-57.2	-42.8	-14.3
Operating income	5.4	20.8	26.9	0.5	5.0	10.0	-15.7	-13.7	-2.0
Operating margin	(3.0%)	(3.8%)	(3.7%)	(0.3%)	(1.0%)	(1.5%)	(-2.7%)		
Ordinary income	4.1	16.6	22.2	-1.9	1.0	6.0	-15.6	-13.6	-2.0
Extraordinary income/loss	-2.3	-2.3	-19.3	-0.0	-0.7	-4.5	1.6	1.6	0.0
Net income*	0.9	9.1	-7.0	-2.3	-1.1	0.5	-10.2	-8.7	-1.5
Exchange rate	US \$	112.8	111.1	110.9	108.7	108.6	108.2	-2.5	
	EURO	128.7	129.5	128.4	120.3	121.1	120.8	-8.4	

# 2. Net Sales by Region

(billion yen)

	FY2018			FY2019			Year on Year		
	3Q Results	1-3Q Results ①	Full year Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2019 1-3Q ②-①		
							Total	Excl.Forex	Forex
Japan	54.6	156.9	207.2	49.3	149.4	204.0	-7.5	-7.5	-
Americas	49.7	150.1	201.5	40.6	131.3	182.5	-18.9	-15.5	-3.3
Europe	38.6	124.1	167.8	33.6	105.8	147.0	-18.4	-11.0	-7.3
Asia and others	39.0	121.0	157.0	37.0	108.5	146.5	-12.5	-8.8	-3.7
Total	181.9	552.1	733.6	160.4	494.9	680.0	-57.2	-42.8	-14.3

# 3. Net Sales and Operating Income by Business Sector

## <Net Sales by Business Sector>

(billion yen)

	FY2018			FY2019			Year on Year		
	3Q Results	1-3Q Results ①	Full year Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2019 1-3Q ②-①		
							Total	Excl.Forex	Forex
Aftermarket	28.2	89.2	118.8	26.6	82.6	115.0	-6.6	-3.8	-2.8
Industrial machinery	30.5	92.4	123.4	24.5	78.4	107.5	-14.0	-11.8	-2.2
Automotive	123.3	370.4	491.3	109.3	333.9	457.5	-36.5	-27.2	-9.3
Total	181.9	552.1	733.6	160.4	494.9	680.0	-57.2	-42.8	-14.3

## <Operating Income by Business Sector>

(billion yen)

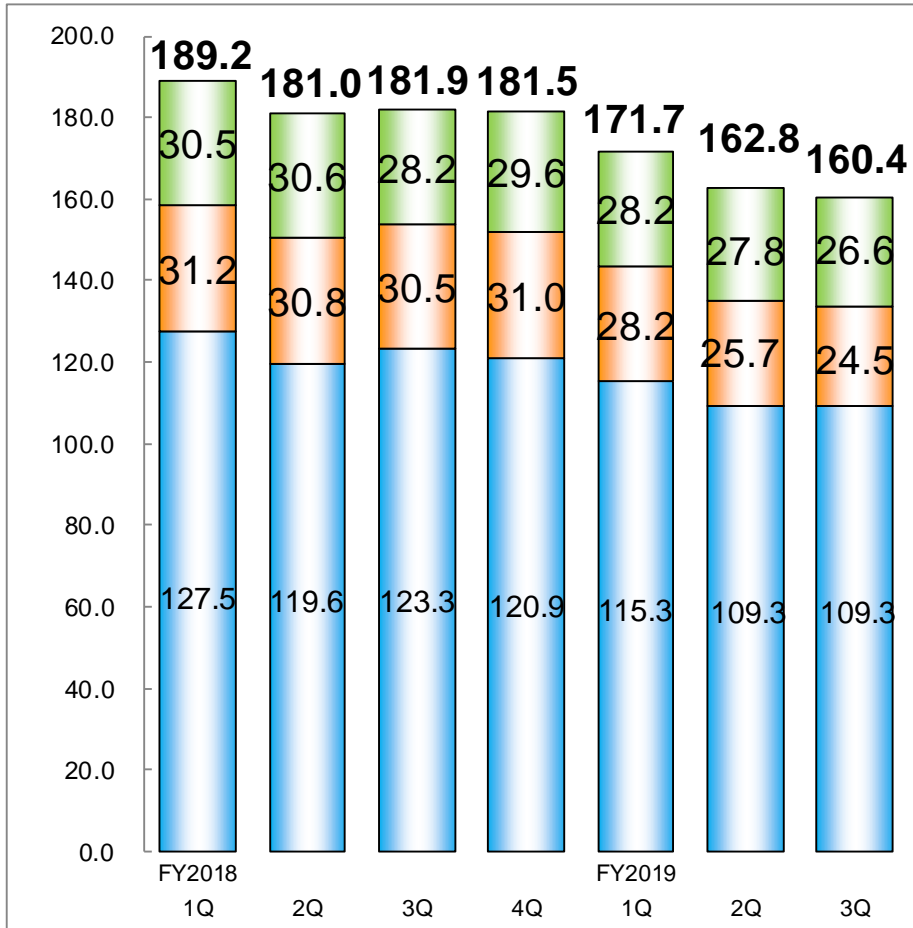
	FY2018			FY2019			Year on Year		
	3Q Results	1-3Q Results ①	Full year Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2019 1-3Q ②-①		
							Total	Excl.Forex	Forex
Aftermarket	3.5	11.3	15.2	2.8	9.4	13.5	-1.9		
Industrial machinery	0.7	2.3	3.1	-0.6	-1.8	-2.0	-4.1		
Automotive	1.3	7.2	8.7	-1.6	-2.6	-1.5	-9.8		
Total	5.4	20.8	26.9	0.5	5.0	10.0	-15.7		

# 4. Results by Business Sector (Quarterly Trend)

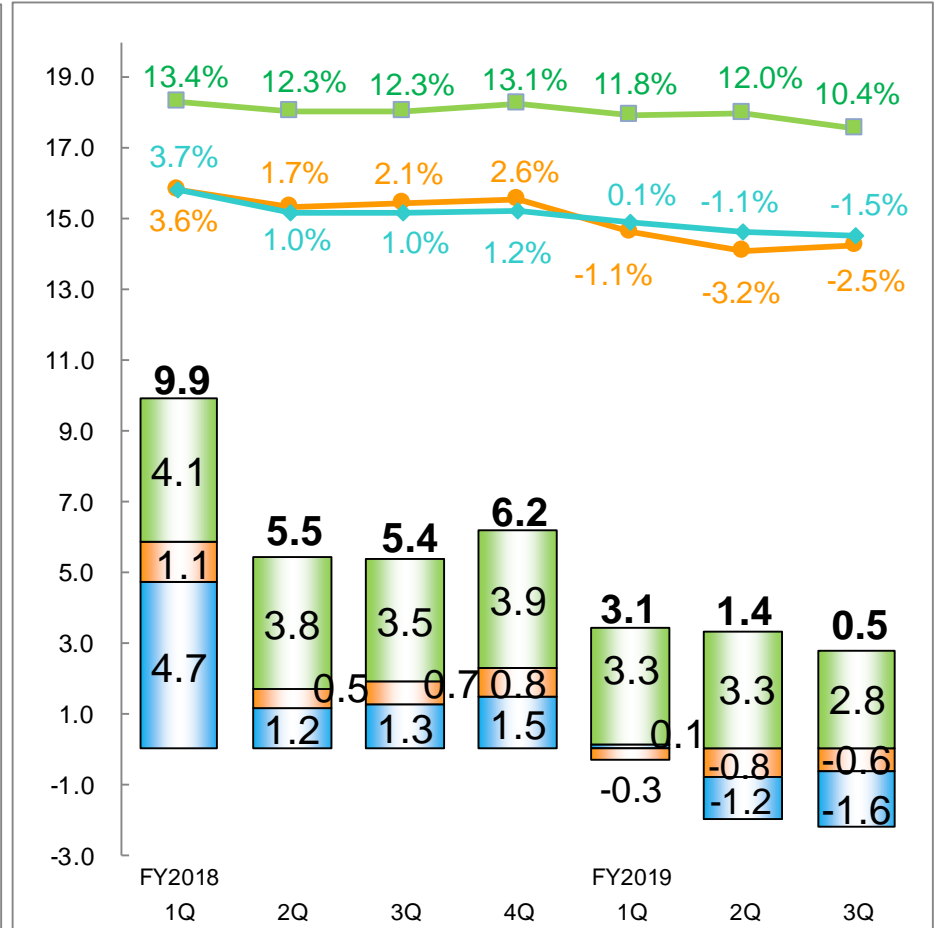
\* All figures in billion yen.

Automotive Industrial Machinery Aftermarket

### Net Sales

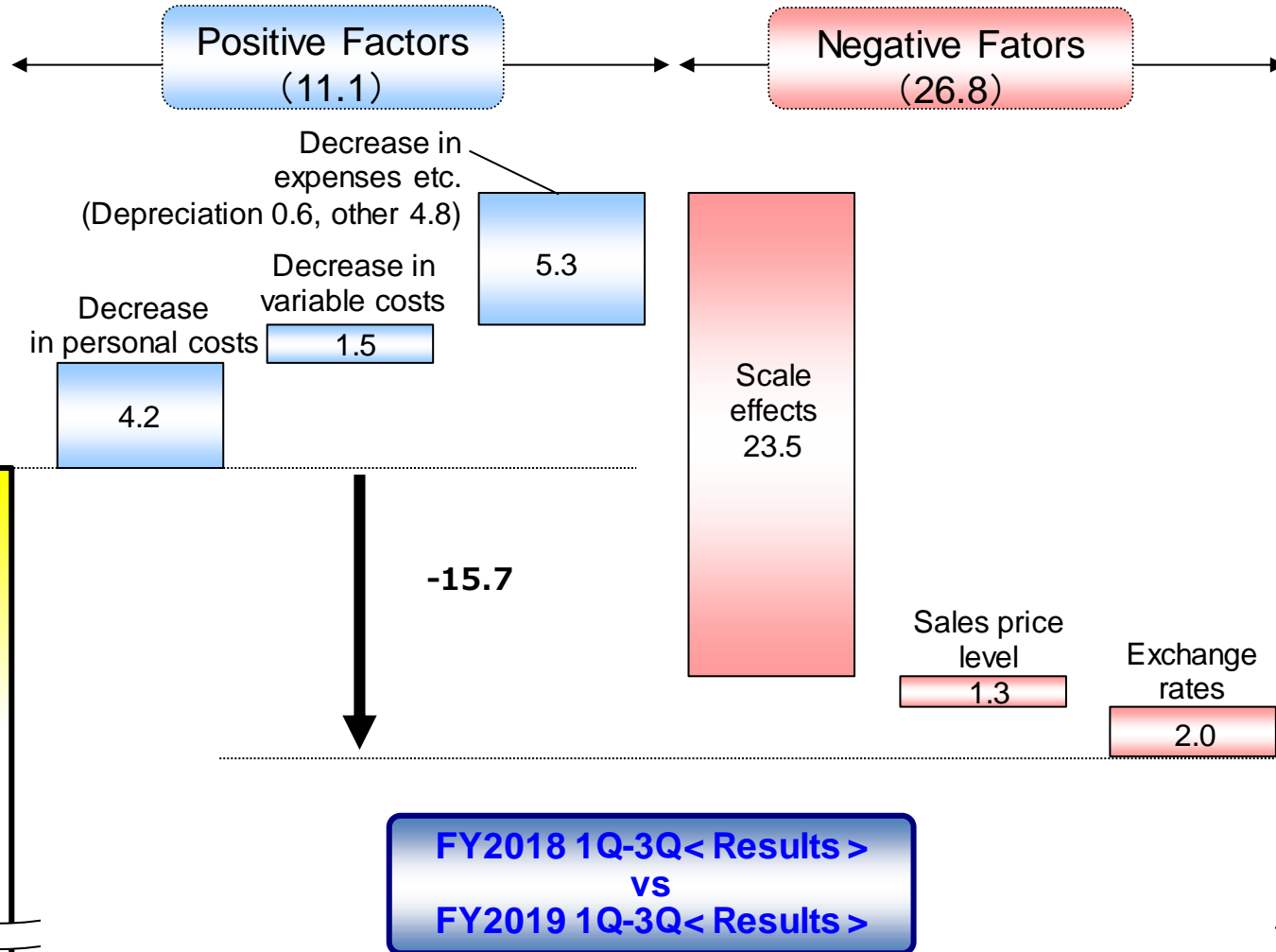


### Operating Income/Operating Margin



# 5. Analysis of Operating Income ( FY2019 3Q )

\* All figures in billion yen.



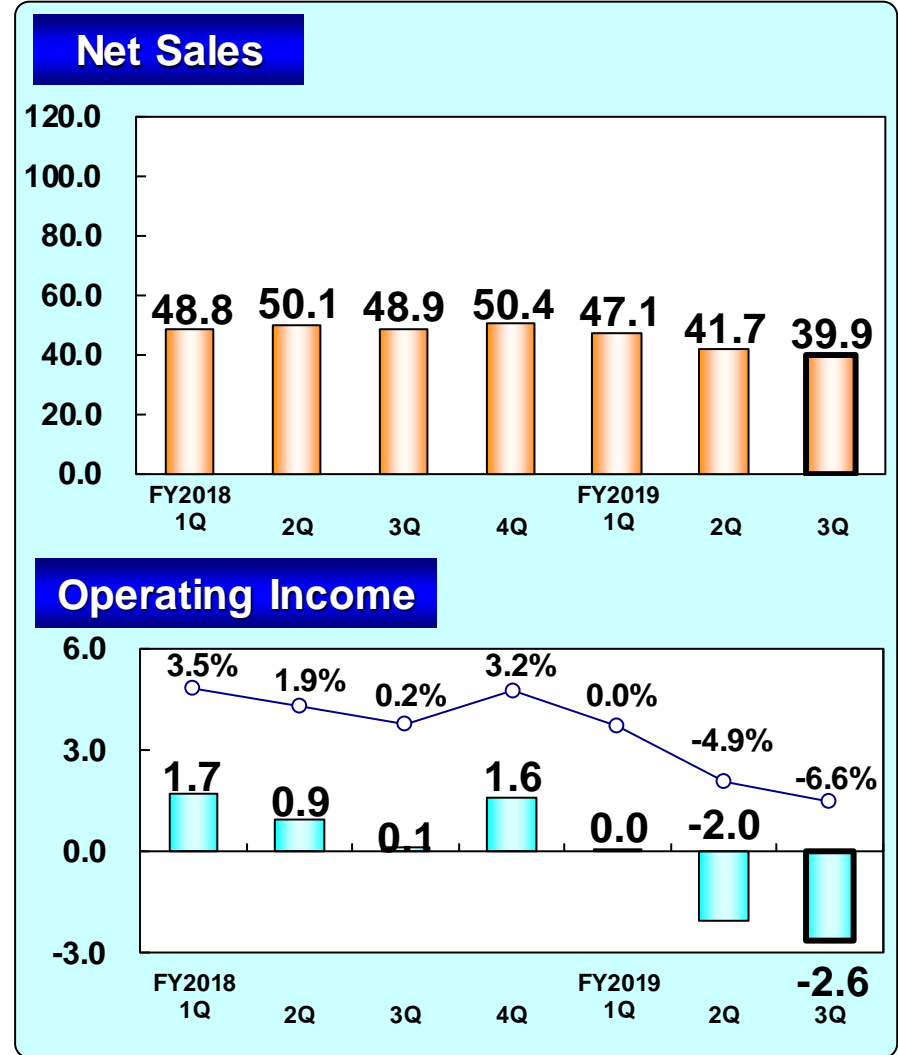
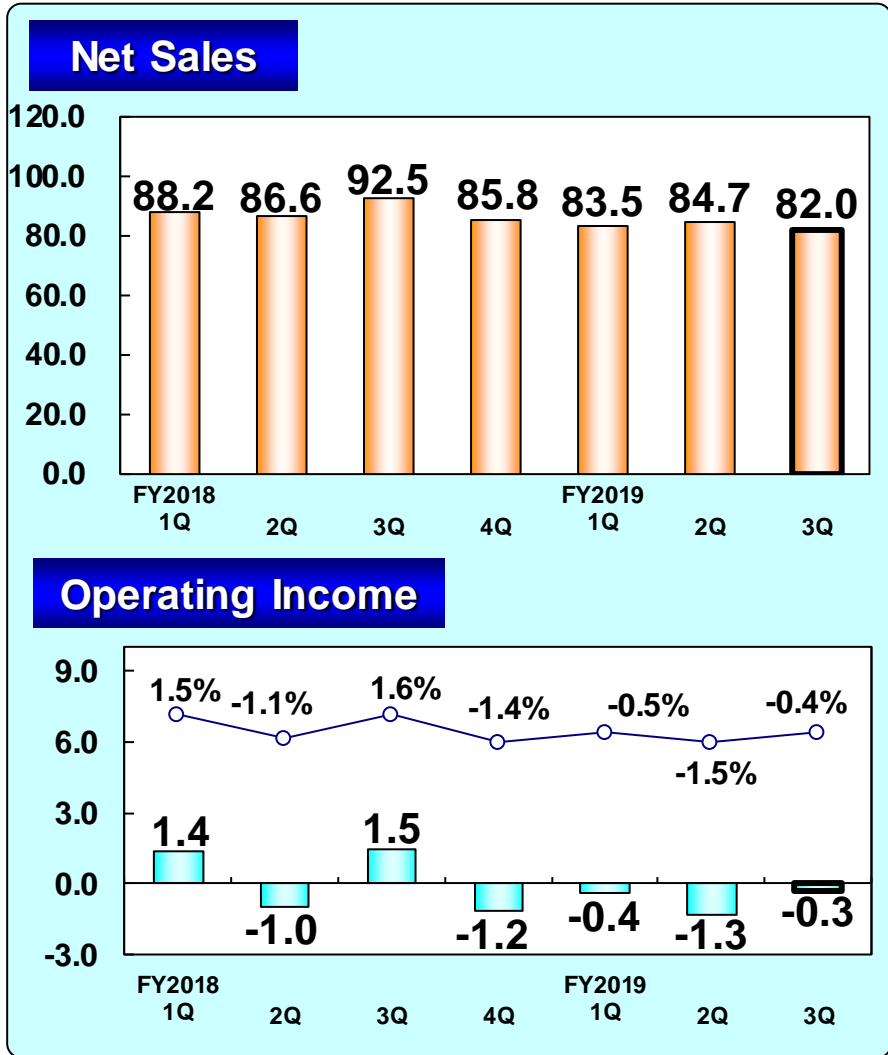


# 6. Net Sales and Operating Income by Company Location

\* All figures in billion yen

## 《 Japan 》

## 《 Americas 》

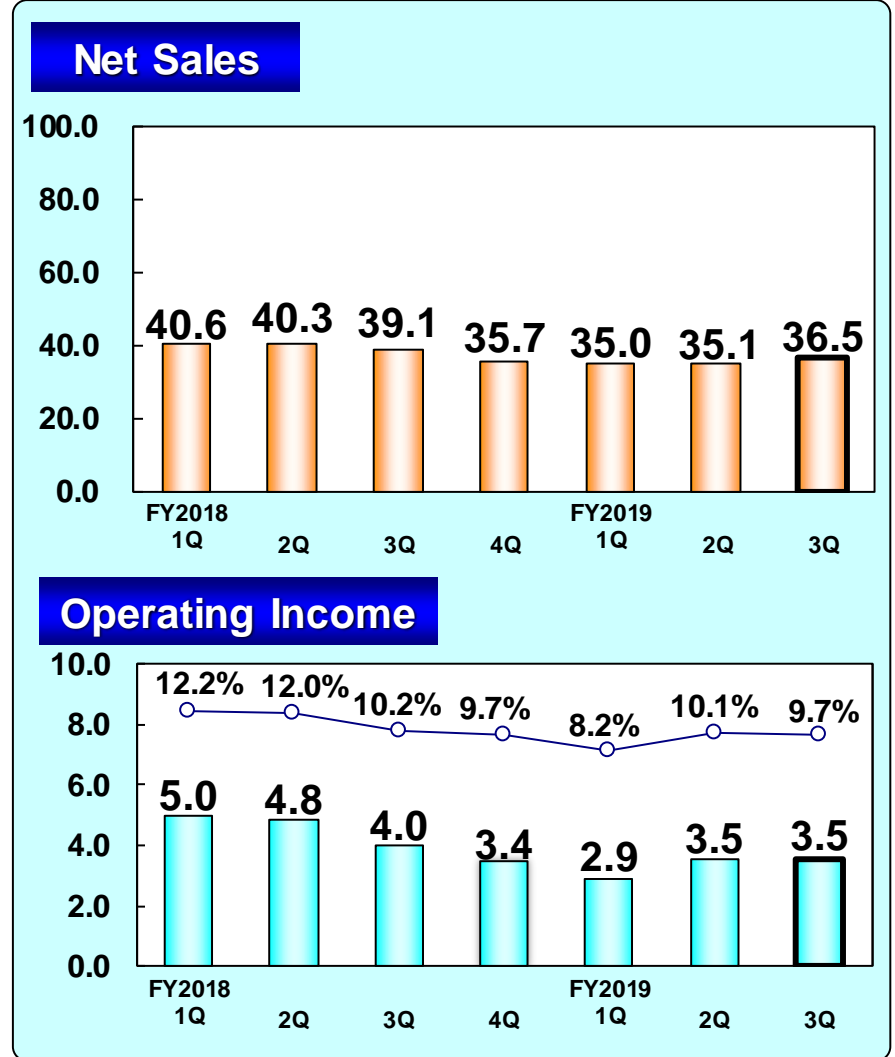
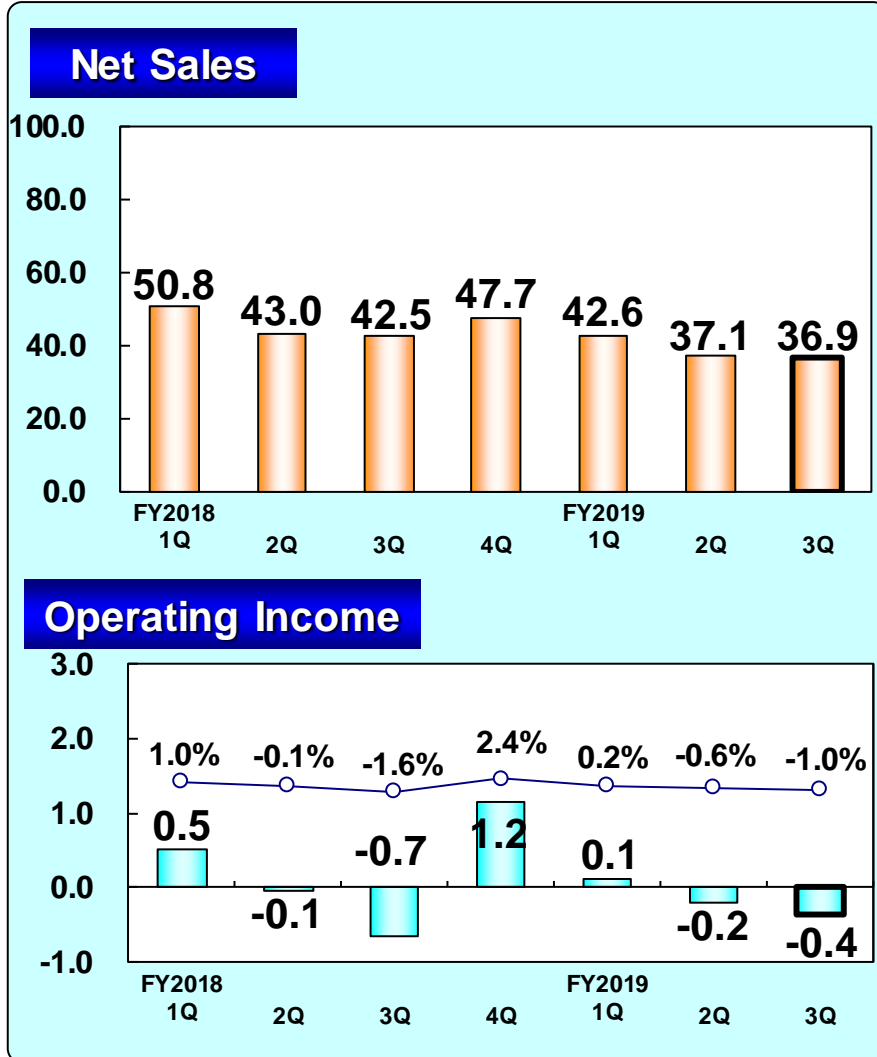


# 6. Net Sales and Operating Income by Company Location

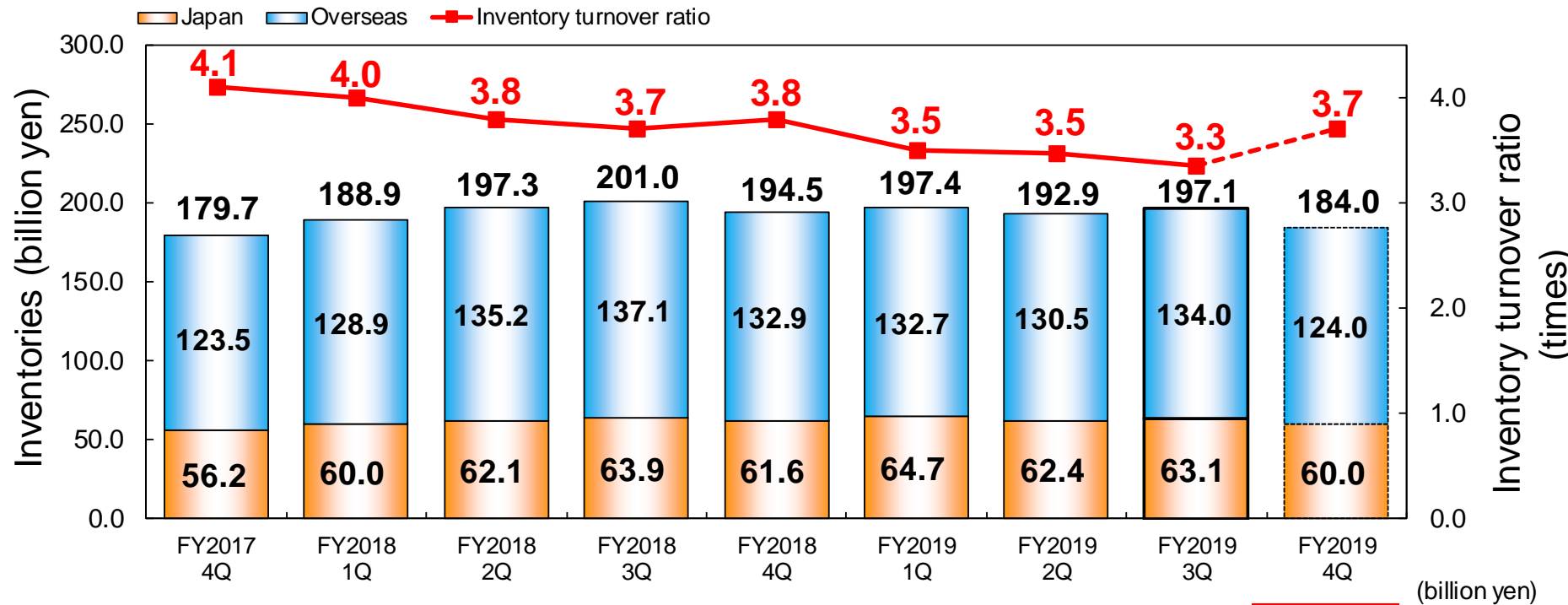
\* All figures in billion yen

## 《 Europe 》

## 《 Asia and others 》



# 7. Inventories

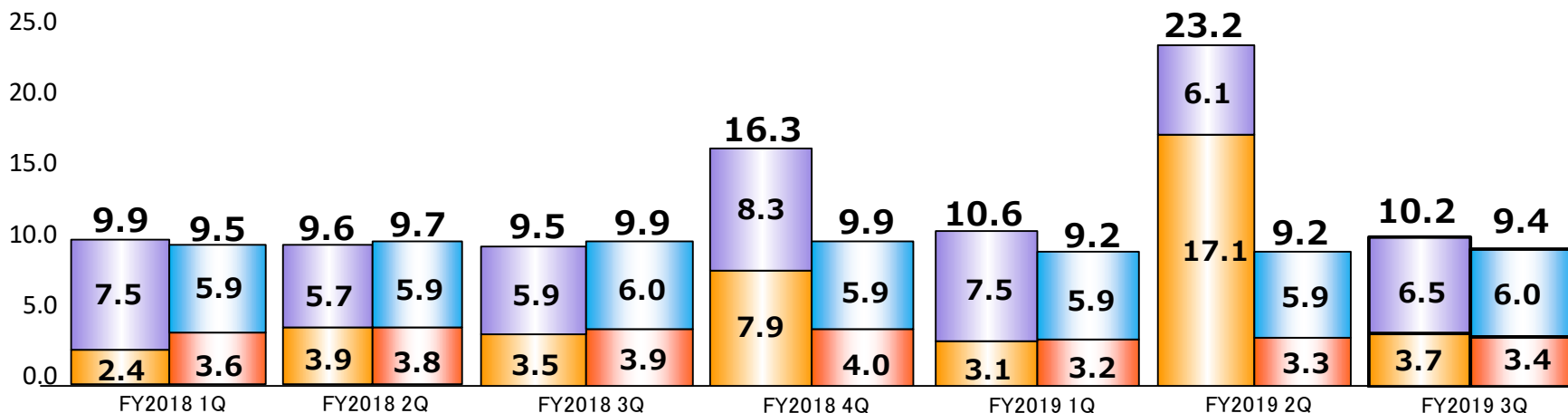


	FY2017 4Q Results	FY2018 1Q Results	FY2018 2Q Results	FY2018 3Q Results	FY2018 4Q Results	FY2019 1Q Results	FY2019 2Q Results	FY2019 3Q Results	FY2019 4Q Forecast
<b>Inventories</b>	179.7	188.9	197.3	201.0	194.5	197.4	192.9	197.1	184.0
(Oversea)	(123.5)	(128.9)	(135.2)	(137.1)	(132.9)	(132.7)	(130.5)	(134.0)	(124.0)
(Japan)	(56.2)	(60.0)	(62.1)	(63.9)	(61.6)	(64.7)	(62.4)	(63.1)	(60.0)
<b>Inventory turnover ratio(times)</b>	4.1	4.0	3.8	3.7	3.8	3.5	3.5	3.3	3.7

# 8. Capital Expenditure and Depreciation

(billion yen)

Investment(Japan) Investment(Overseas) Depreciation(Japan) Depreciation(Overseas)



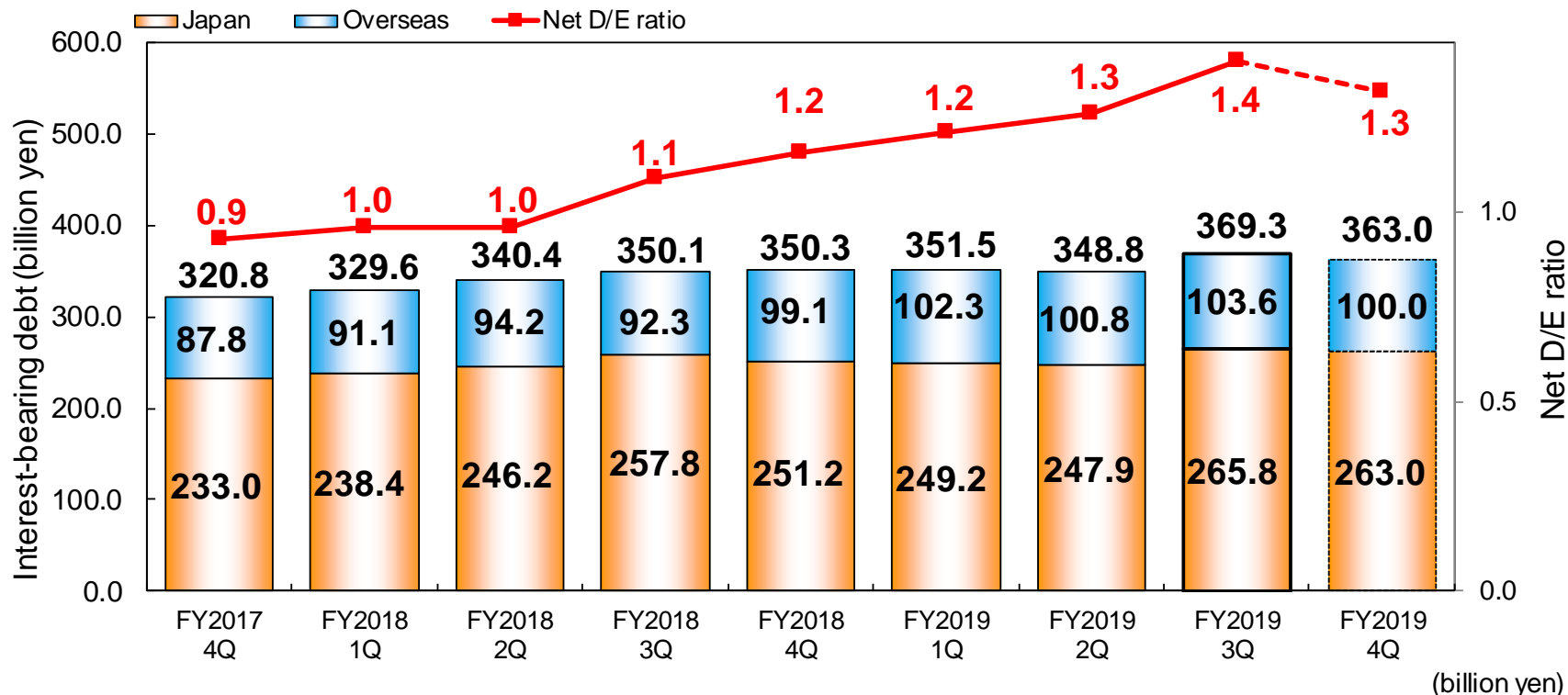
(billion yen)

	FY2018 ①1-3Q	FY2018 Full year	FY2019 ②1-3Q	Year on Year ②-①	FY2019 Full year forecast
<b>Capital expenditure</b>	28.9	45.2	※44.0	15.1	50.0
(Overseas)	(19.1)	(27.5)	(20.1)	(1.0)	(22.8)
(Japan)	(9.8)	(17.7)	(23.9)	(14.1)	(27.2)

※In addition, capital expenditure of ¥7.7 billion of intangible fixed assets

	FY2018 ①1-3Q	FY2018 Full year	FY2019 ②1-3Q	Year on Year ②-①	FY2019 Full year forecast
<b>Depreciation</b>	29.1	38.9	27.7	-1.3	40.5
(Overseas)	(17.7)	(23.6)	(17.8)	(0.1)	(25.0)
(Japan)	(11.3)	(15.3)	(9.9)	(-1.4)	(15.5)

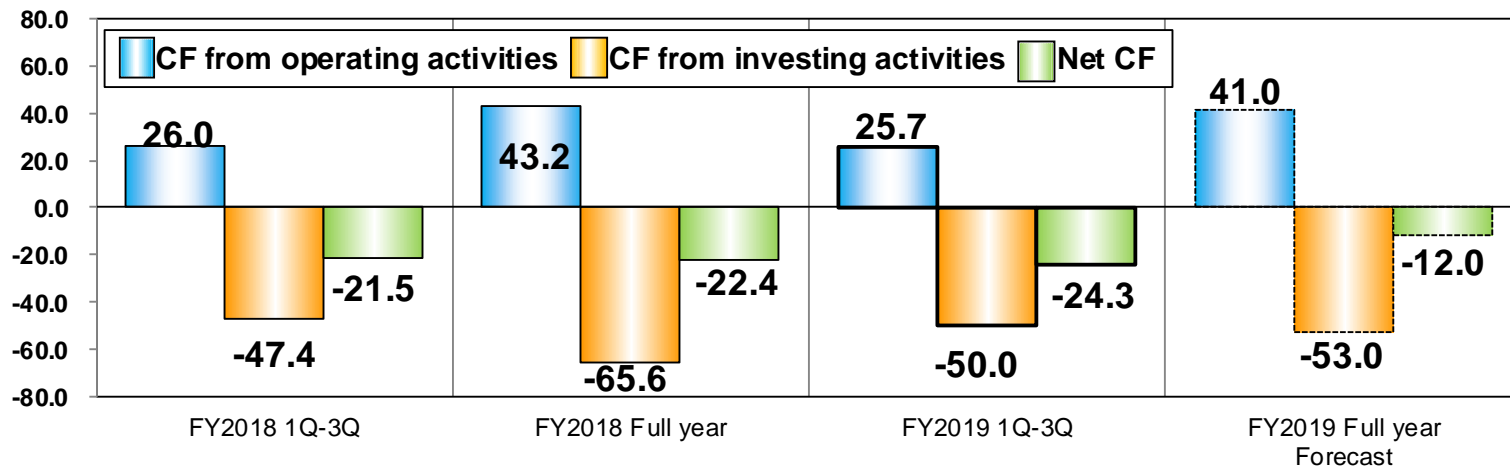
# 9. Interest-Bearing Debt



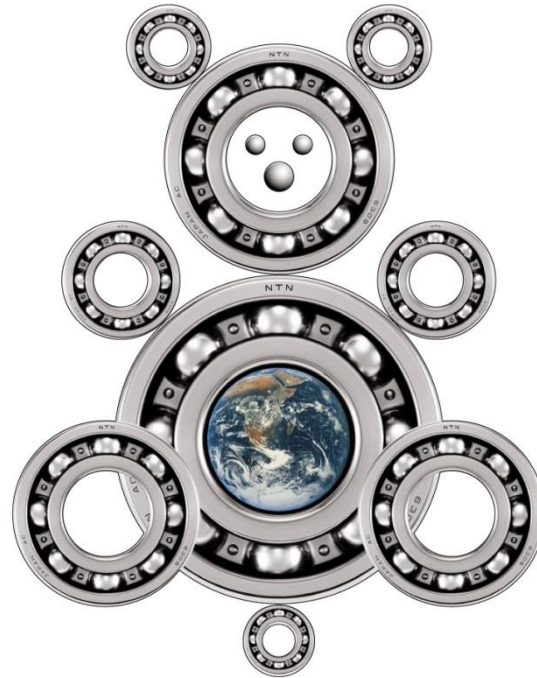
	FY2017 4Q	FY2018 1Q	FY2018 2Q	FY2018 3Q	FY2018 4Q	FY2019 1Q	FY2019 2Q	FY2019 3Q	FY2019 4Q
	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Interest-bearing debt	320.8	329.6	340.4	350.1	350.3	351.5	348.8	369.3	363.0
(Oversea)	(87.8)	(91.1)	(94.2)	(92.3)	(99.1)	(102.3)	(100.8)	(103.6)	(100.0)
(Japan)	(233.0)	(238.4)	(246.2)	(257.8)	(251.2)	(249.2)	(247.9)	(265.8)	(263.0)
Net interest-bearing debt	234.7	244.0	252.7	267.0	266.9	268.6	273.2	297.0	283.5

# 10. Cash Flows

(billion yen)	FY2018		FY2019		②-①
	①1-3Q	Full year	②1-3Q	Full year forecast	
I. Cash flow from operating activities	26.0	43.2	25.7	41.0	-0.3
II. Cash flow from investing activities	-47.4	-65.6	-50.0	-53.0	-2.6
I + II. Net cash flow	-21.5	-22.4	-24.3	-12.0	-2.9
III. Cash flow from financing activities	20.3	20.7	13.5	9.0	-6.8
IV. Effect of exchanging rate translation on cash and cash equivalents	-1.8	-1.0	-0.4	-1.0	1.4
V. Net increase in cash and cash equivalents	-3.0	-2.6	-11.2	-4.0	-8.2



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