

# Consolidated Financial Results for the Third Quarter of FY2012 and Full-Year Forecast

**February 5, 2013**

**NTN Corporation**

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# Financial Results for the Third Quarter of FY2012 : Key Factors

## FY2012 3Q Results

- ◇ Net Sales **decreased by 1.3%** year-on-year to **392.5 billion yen**  
(**increased by 0.4%** if excluding the effects of exchange rates)
  - The automotive market increased by 4.2% year on year  
(increased by 6.0% if excluding the effects of exchange rates )
  - The industrial machinery market decreased by 13.7% year-on-year  
(decreased by 12.5% if excluding the effects of exchange rates)
  - The aftermarket and distributor market decreased by 7.3% year-on-year  
(decreased by 5.0% if excluding the effects of exchange rates)
- ◇ Operating income **decreased by 89.1%** year-on-year to **1.5 billion yen**  
(**decreased by 80.0%** if excluding the effects of exchange rates)
- ◇ Net income was a loss of **0.6 billion yen**  
(Net income was 4.5 billion yen for the same period last year)

## FY2012 Full Year Forecast

- ◇ The exchange rate of 4Q has been changed to 1US\$ = **85 yen** (previously 78 yen),  
1EURO = **115 yen** (previous 102 yen)
- ◇ No change to sales of **530 billion yen** and operating income of **7.5 billion yen**

# 1. Consolidated Statements of Operation

For New Technology Network



(100 million yen)

	FY2011			FY2012			Year on year		
	3Q Results	1-3Q Results ①	Full year Results ②	3Q Results	1-3Q Results ③	Full year Forecast ④	FY2012 1-3Q ③-①	FY2012 Full year ④-②	
Net sales	1,318	3,978	5,435	1,259	3,925	5,300	- 54	- 135	
Operating income	34	141	207	- 6	15	75	- 126	- 132	
Operating margin	(2.6%)	(3.6%)	(3.8%)	(-0.5%)	(0.4%)	(1.4%)	(-3.2%)	(-2.4%)	
Ordinary income	29	115	187	2	- 14	5	- 129	- 182	
Extraordinary income/loss	17	- 4	- 23	19	12	- 107	16	- 84	
Net income	7	45	60	11	- 6	- 70	- 51	- 130	
Exchange rate	US\$	77.4	79.0	79.1	81.1	80.0	81.2	1.0	2.1
	EURO	104.3	110.6	109.0	105.1	102.0	105.3	- 8.6	- 3.7

## 2. Net Sales by Region

< Net Sales by Region >

(100 million yen)

	FY2011			FY2012			Year on year			
	3Q	1-3Q	Full year	3Q	1-3Q	Full year	FY2012 1-3Q		FY2012 Full year	
	Results	Results	Results	Results	Results	Forecast	Volume	Forex	Volume	Forex
Japan	502	1,418	1,934	427	1,360	1,768	- 58	0	- 166	0
Americas	302	884	1,246	325	1,003	1,372	114	5	97	28
Europe	296	987	1,330	285	877	1,231	- 39	- 71	- 59	- 40
Asia & Others	217	690	924	221	684	929	- 3	- 3	- 5	10
Total	1,318	3,978	5,435	1,259	3,925	5,300	15	- 69	- 133	- 2

# 3. Net Sales and Operating Income by Business Sector

## <Net Sales by Business Sector>

(100 million yen)

	FY2011			FY2012			Year on year			
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast	FY2012 1-3Q		FY2012 Full year	
							Volume	Forex	Volume	Forex
Automotive	859	2,493	3,429	852	2,598	3,510	148	- 44	78	3
Industrial machinery	244	791	1,066	207	683	915	- 99	- 9	- 151	- 0
Aftermarket/ Distributor	214	694	940	200	644	875	- 35	- 16	- 60	- 4
Total	1,318	3,978	5,435	1,259	3,925	5,300	15	- 69	- 133	- 2

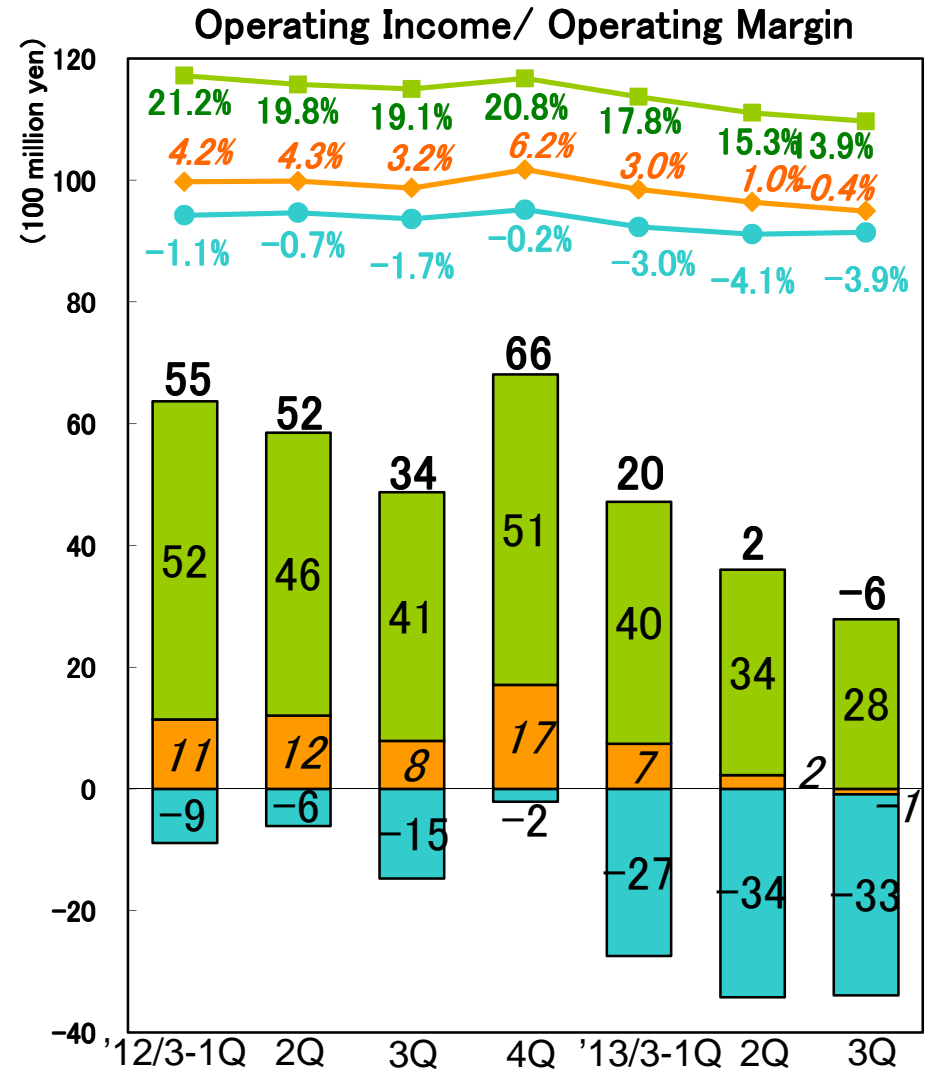
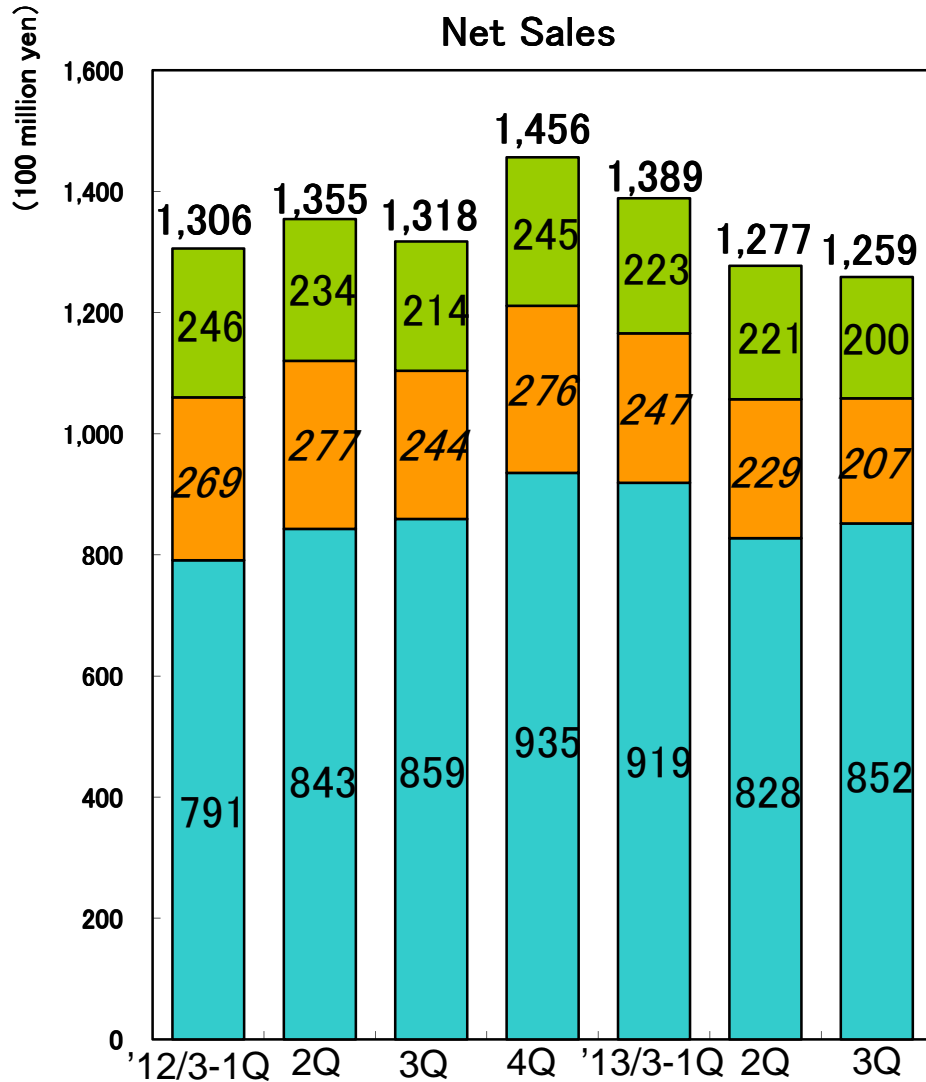
## <Operating Income by Business Sector>

(100 million yen)

	FY2011			FY2012			Year on year	
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast	FY2012 1-3Q	FY2012 Full year
Automotive	- 15	- 30	- 32	- 33	- 95	- 88	- 65	- 56
Industrial machinery	8	31	48	- 1	9	17	- 23	- 31
Aftermarket/ Distributor	41	140	191	28	101	145	- 38	- 45
Total	34	141	207	- 6	15	75	- 126	- 132

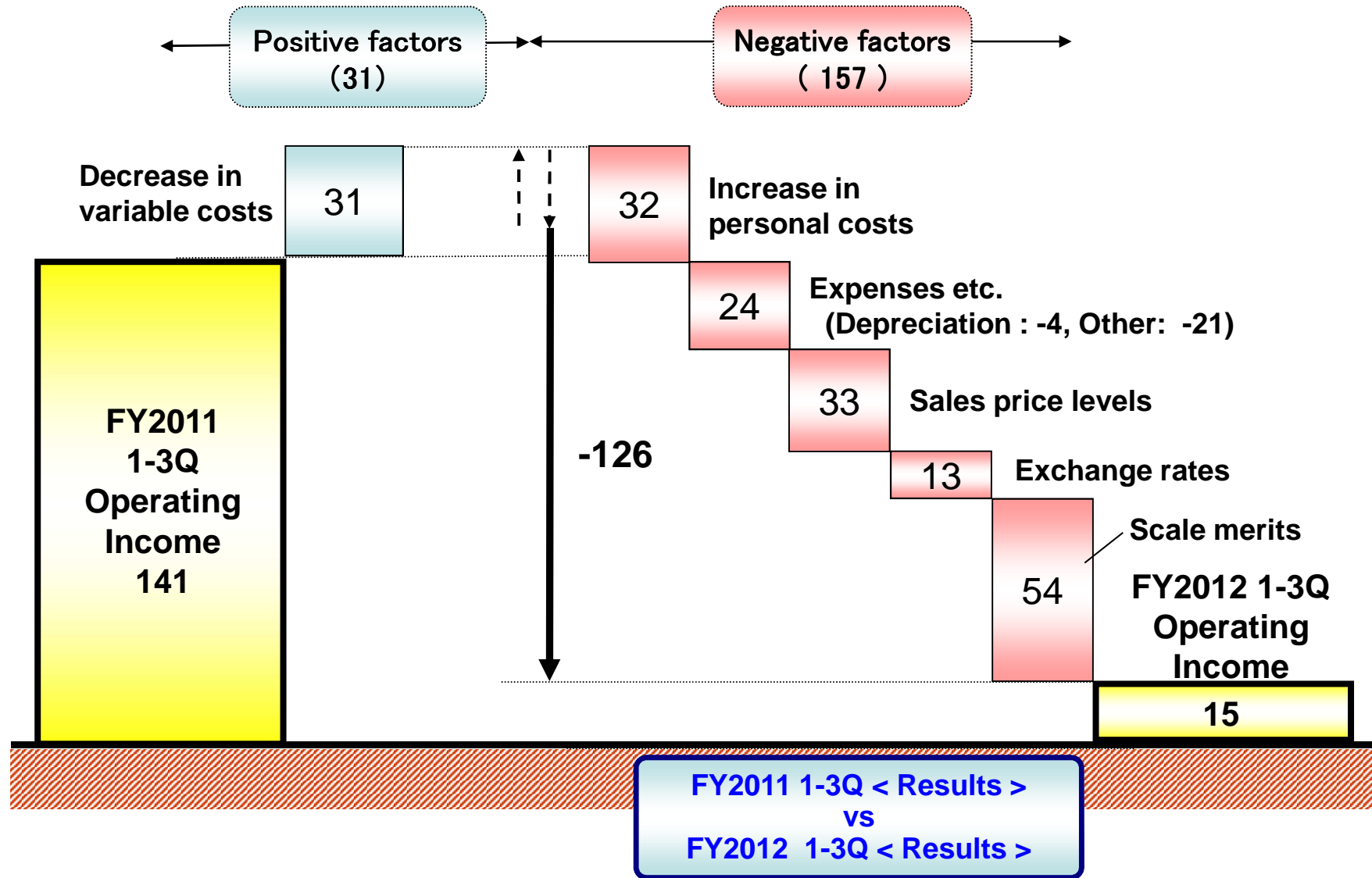
# 4. Results by Business Sector (Quarterly Trend)

Automotive Industrial machinery Aftermarket/Distributor



# 5 – 1. Analysis of Operating Income ( 3Q Results )

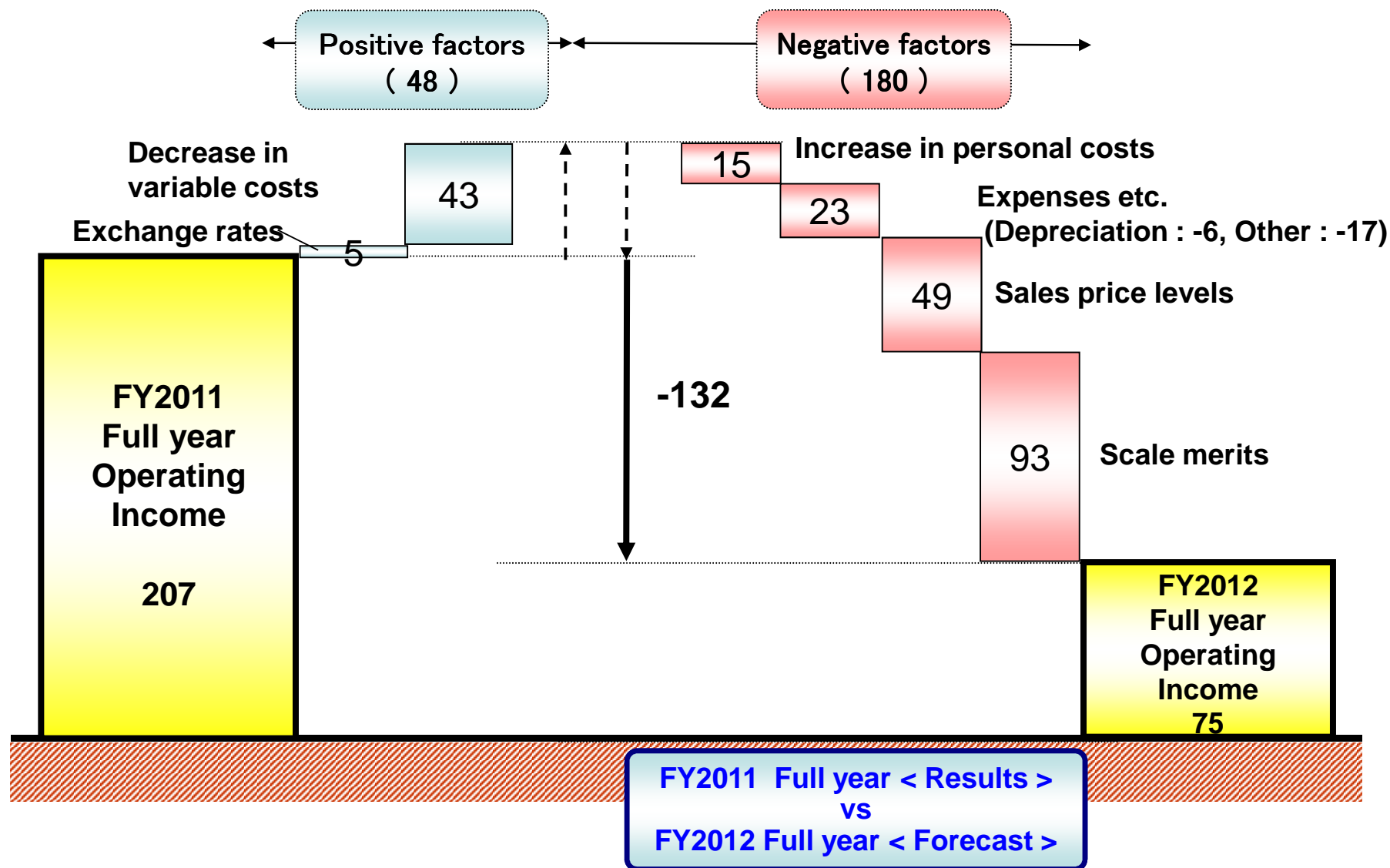
\* All figures in 100 million yen.





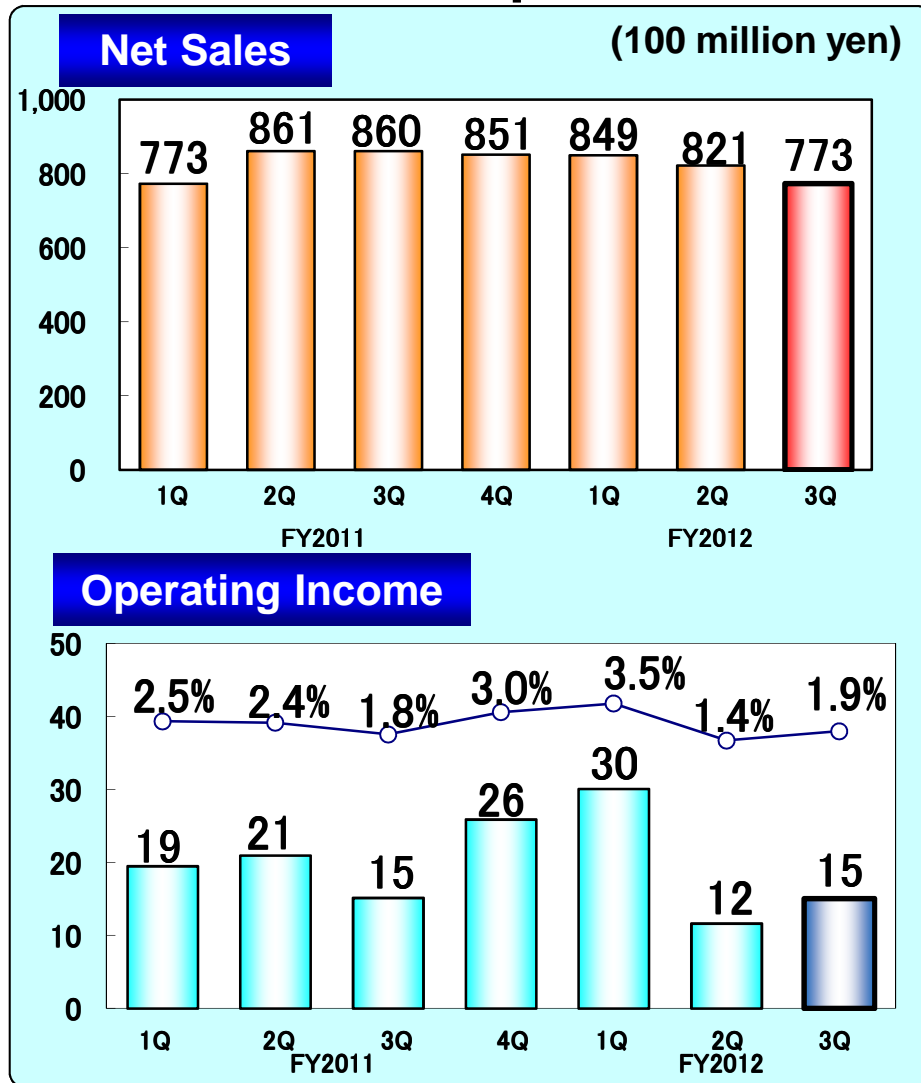
# 5-2. Analysis of Operating Income ( Full year forecast )

\* All figures in 100 million yen.

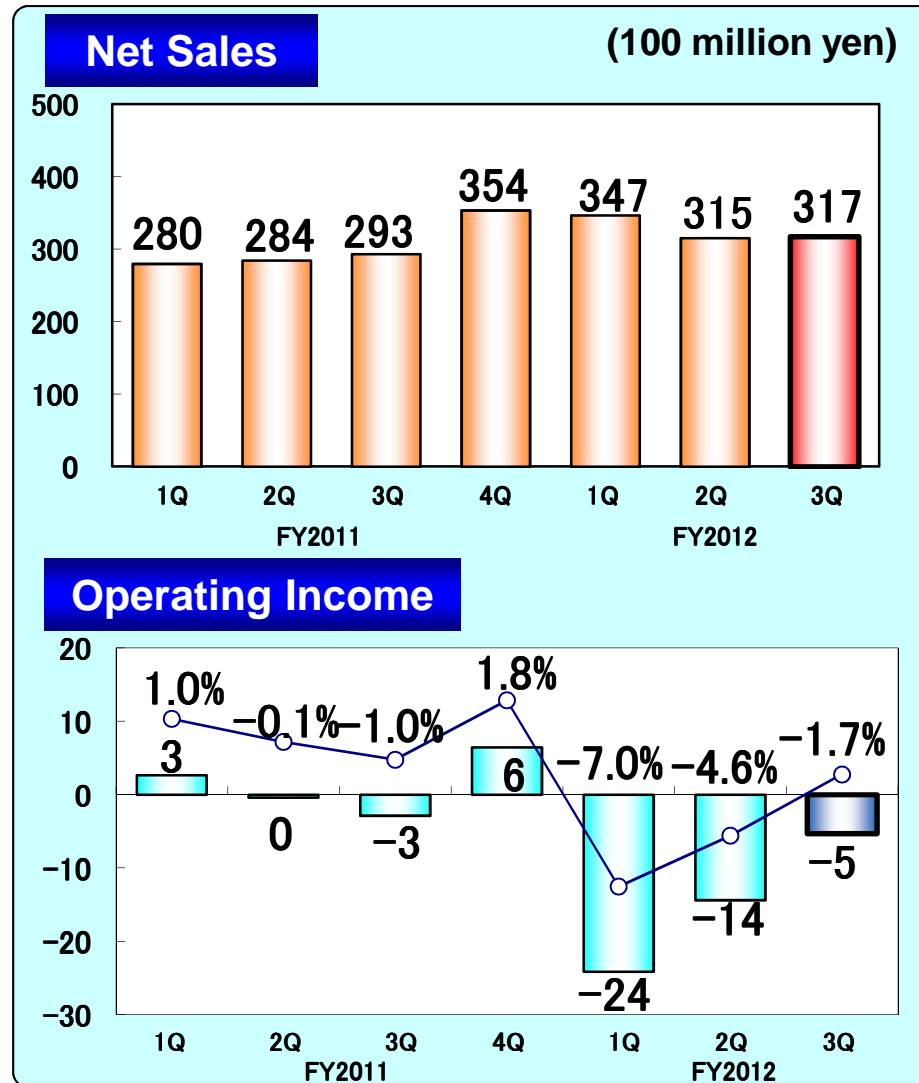


# 6. Net Sales and Operating Income by Region

## 《 Japan 》



## 《 Americas 》



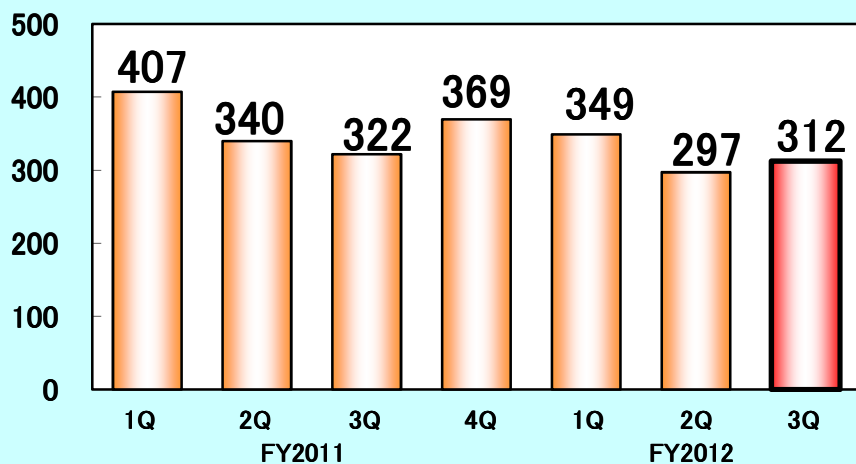
# 6. Net Sales and Operating Income by Region

## 《 Europe 》

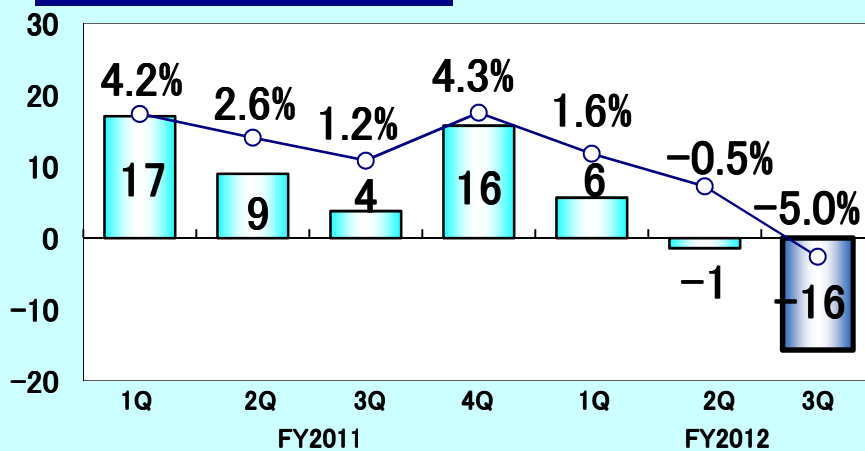
## 《 Asia & Others 》

### Net Sales

(100 million yen)

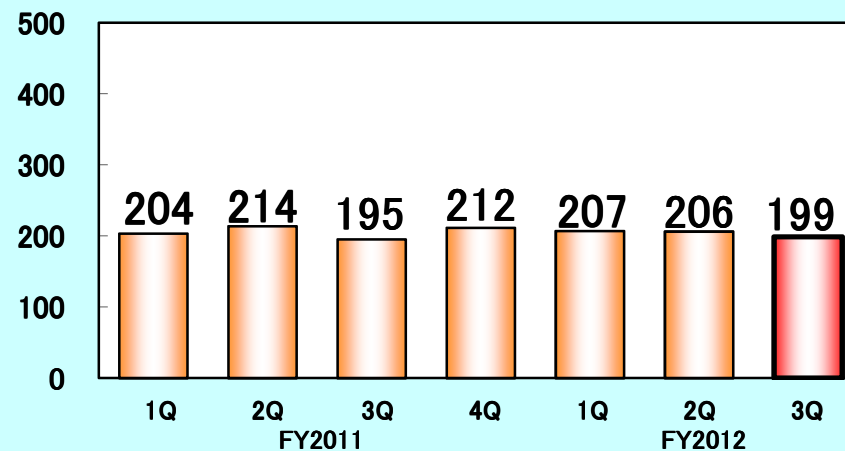


### Operating Income

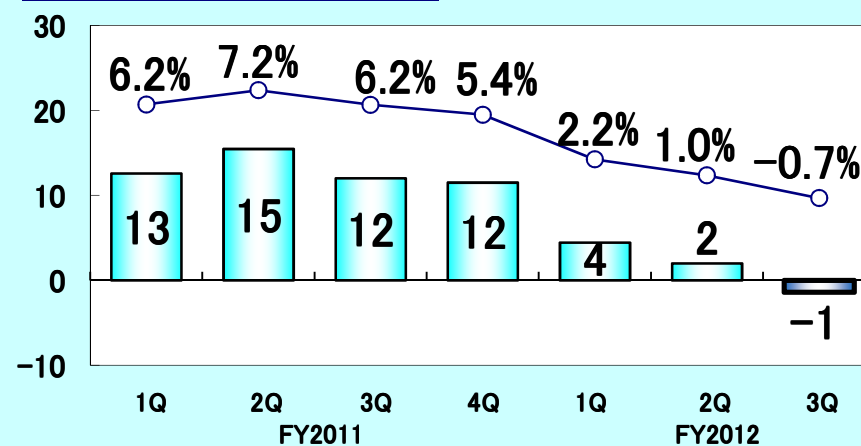


### Net Sales

(100 million yen)

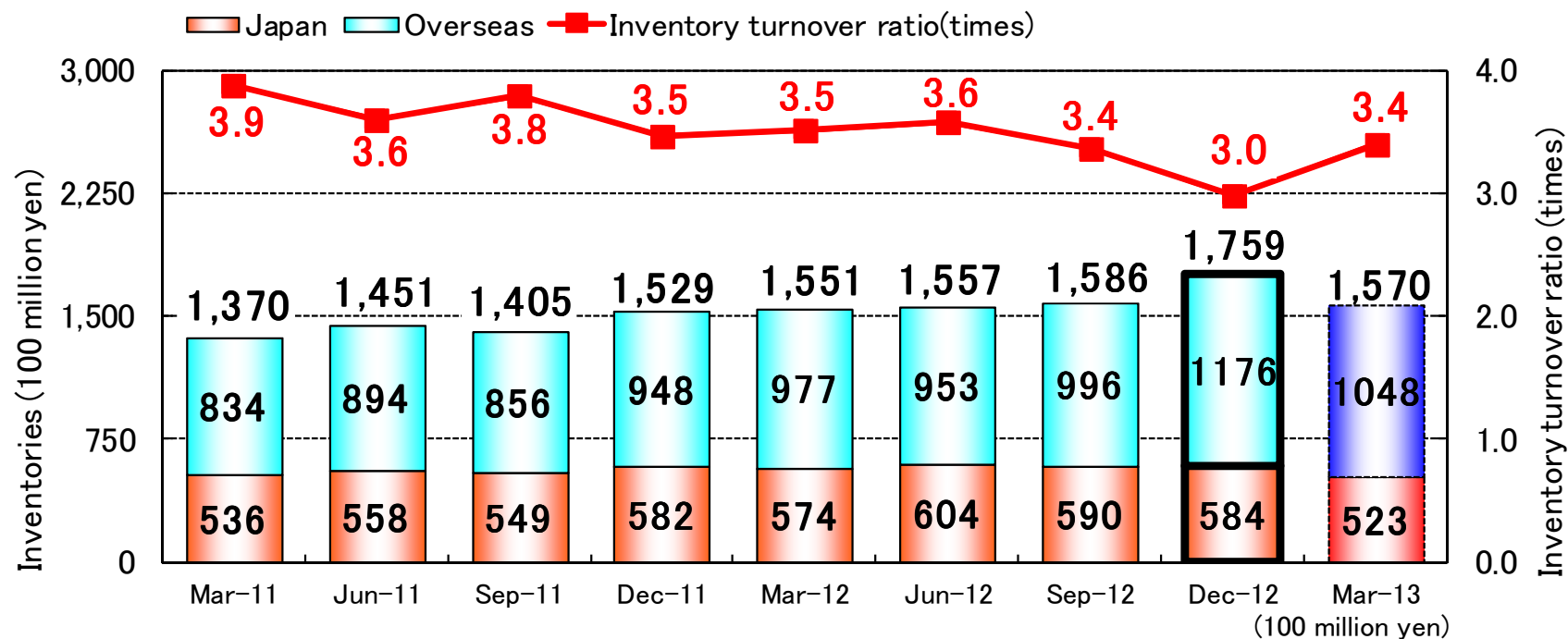


### Operating Income



# 7. Inventories

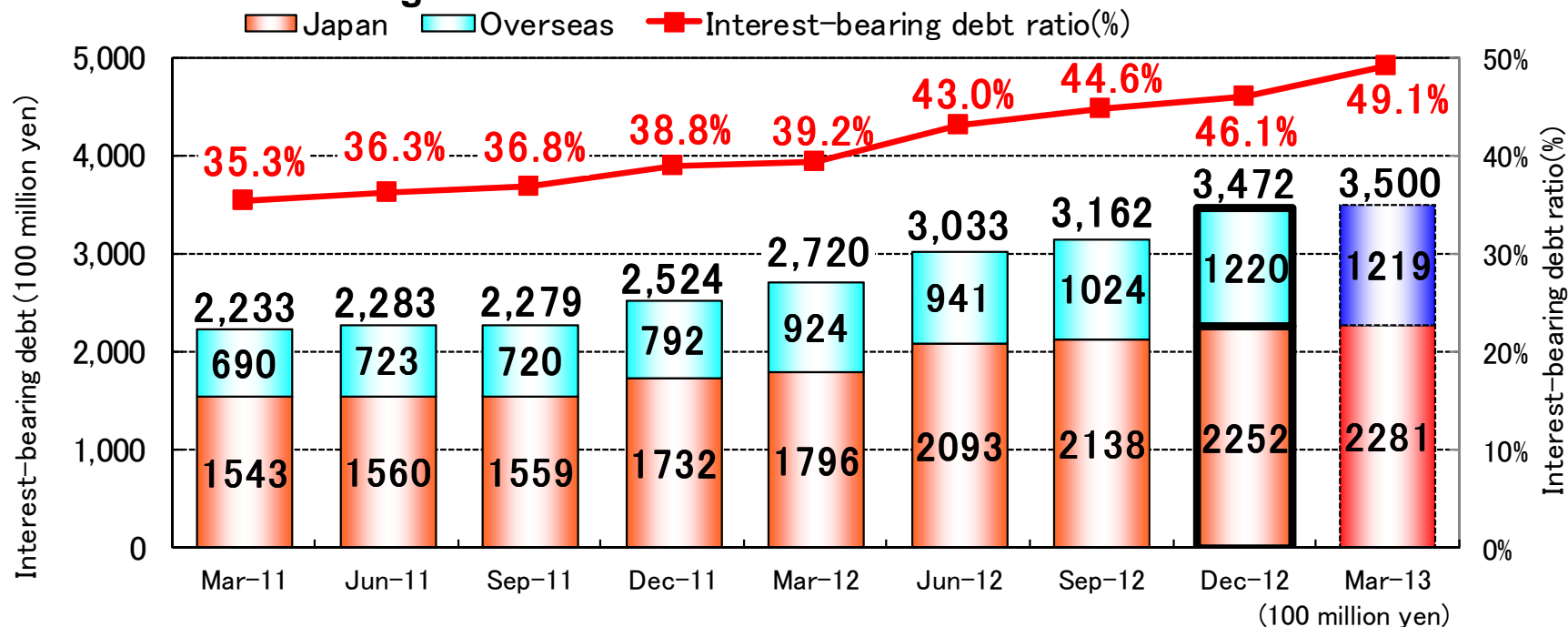
◆ Increased in December 2012 due to the effect of exchange rates and increased stock overseas.



	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13
	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
<b>Inventories</b>	1,370	1,451	1,405	1,529	1,551	1,557	1,586	1,759	1,570
Overseas	(834)	(894)	(856)	(948)	(977)	(953)	(996)	(1,176)	(1,048)
Japan	(536)	(558)	(549)	(582)	(574)	(604)	(590)	(584)	(523)
<b>Inventory turnover ratio</b>	3.9	3.6	3.8	3.5	3.5	3.6	3.4	3.0	3.4

# 8. Interest-Bearing Debt

- ◆ Increased in December 2012 due to the increase in cash on hand and the effects of exchange rates.

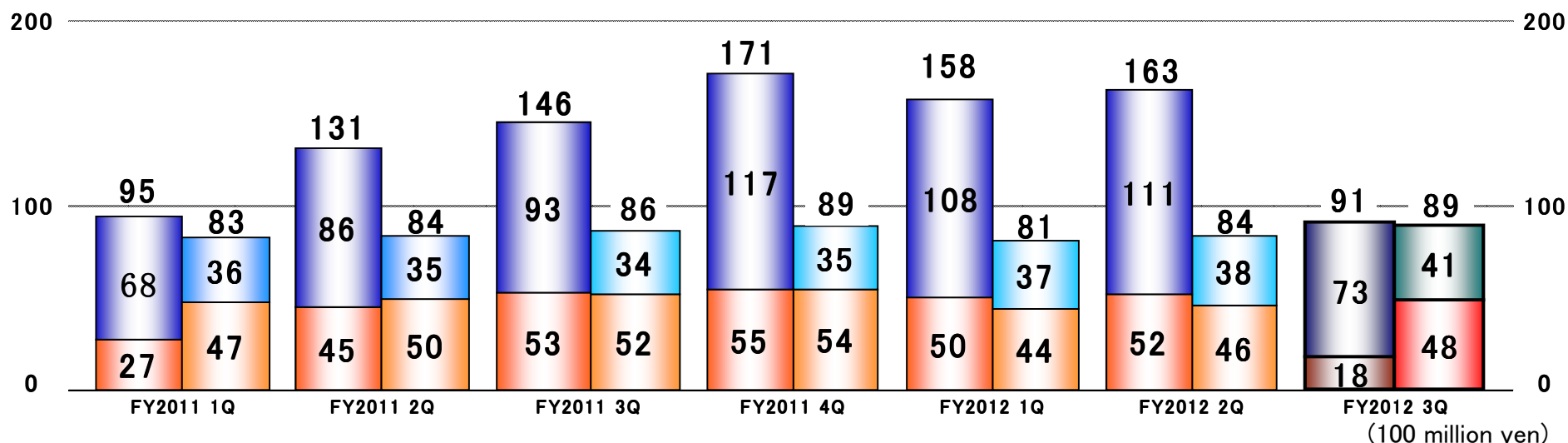


	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13
	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Interest-bearing debt	2,233	2,283	2,279	2,524	2,720	3,033	3,162	3,472	3,500
Overseas	(690)	(723)	(720)	(792)	(924)	(941)	(1,024)	(1,220)	(1,219)
Japan	(1,543)	(1,560)	(1,559)	(1,732)	(1,796)	(2,093)	(2,138)	(2,252)	(2,281)
Interest-bearing debt ratio(%)	35.3%	36.3%	36.8%	38.8%	39.2%	43.0%	44.6%	46.1%	49.1%

# 9. Capital Expenditure and Depreciation

◆ Investment of 3Q decreased 7.2 billion yen to 9.1 billion yen. Full year forecast is 48 billion yen.

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



	FY2011 ①1-3Q	FY2011 ②Full year	FY2012 ③1-3Q	③-①
<b>Capital expenditure</b>	373	545	412	39
Overseas	(247)	(364)	(292)	(46)
Japan	(126)	(181)	(120)	(-6)

	FY2012 ④Full year Forecast	④-②
<b>Capital expenditure</b>	480	-65
Overseas	(346)	(-18)
Japan	(134)	(-47)

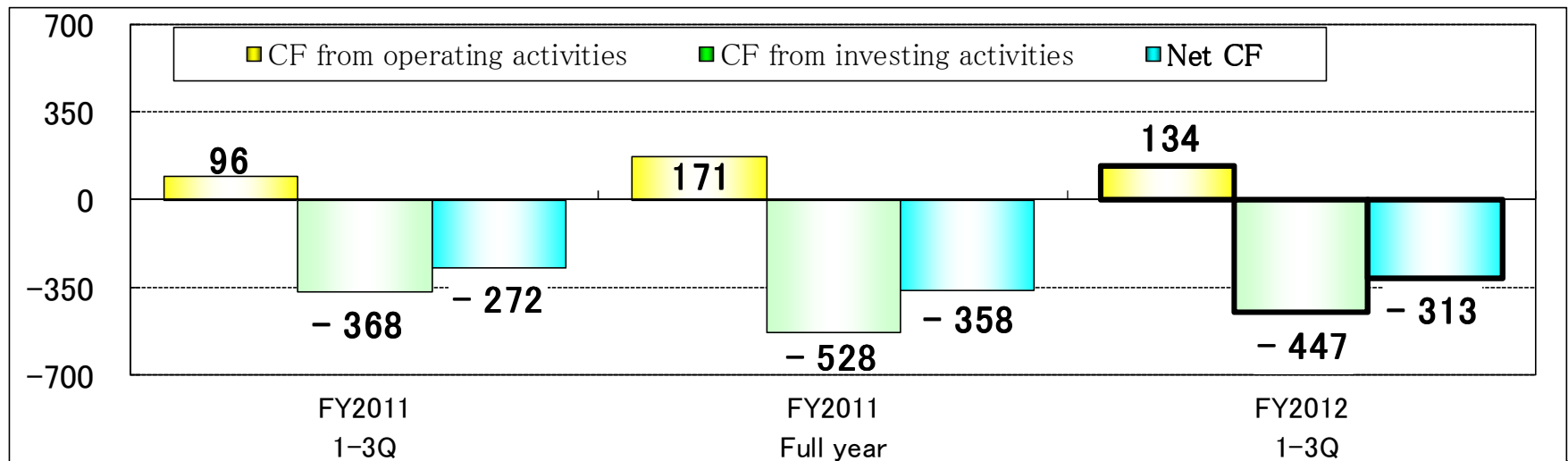
	FY2011 ①1-3Q	FY2011 ②Full year	FY2012 ③1-3Q	③-①
<b>Depreciation</b>	253	343	253	1
Overseas	(104)	(140)	(115)	(11)
Japan	(149)	(203)	(138)	(-11)

	FY2012 ④Full year Forecast	④-②
<b>Depreciation</b>	348	5
Overseas	(161)	(21)
Japan	(188)	(-15)

# 10. Cash Flows

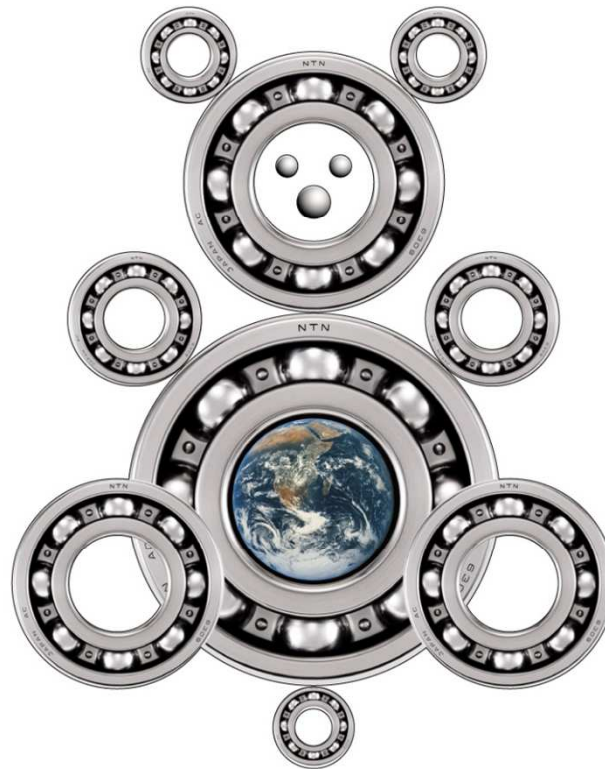
◆ Sales cash flow improved compared to the previous year due to cut backs in operating funds.

(100 million yen)	FY2011		FY2012	
	①1-3Q	Full year	②1-3Q	②-①
I. Cash flow from operating activities	96	171	134	38
II. Cash flow from investing activities	-368	-528	-447	-79
III. Cash flow from financing activities	320	472	647	326
IV. Effect of exchanging rate translation on cash and cash equivalents	17	11	-5	-22
V. Net increase in cash and cash equivalents	65	125	328	263



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