

**Financial Results for the Three Months Ended June 30, 2015**  
**[Japanese Accounting Standards] (Consolidated)**  
**(Unaudited)**

July 31, 2015

NTN Corporation  
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Listings: Tokyo Stock Exchange  
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Supplementary material of the financial results: Prepared  
Investor meeting: Scheduled

1. Consolidated Financial Results for the Three Months Ended June 30, 2015  
(April 1, 2015 to June 30, 2015)

(Amounts rounded down to the nearest million yen)  
(Percentage figures represent quarter-on-quarter changes)

(1) Operating Results

	Net sales		Operating income		Ordinary income		Net income attributable to shareholder (parent company)	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2015	182,788	9.4	14,064	60.2	14,580	81.6	9,785	77.1
Three months ended June 30, 2014	167,049	8.4	8,780	80.0	8,027	124.6	5,525	322.8

Note: comprehensive income: Three months ended June 30, 2015: 17,448 million yen (243.9%)  
Three months ended June 30, 2014: 5,073 million yen (-56.6%)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2015	18.40	—
Three months ended June 30, 2014	10.39	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Three months ended June 30, 2015	858,839	278,093	30.3
Year ended March 31, 2015	856,277	262,559	28.6

Note: Shareholders' equity Three months ended June 30, 2015: 260,181 million yen  
Year ended March 31, 2015: 245,270 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, 2015	—	2.50	—	3.50	6.00
Year ending March 31, 2016	—	—	—	—	—
Year ending March 31, 2016 (forecast)	—	5.00	—	5.00	10.00

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

### 3. Forecast of Consolidated Earnings for the Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% represents for "Full year" an increase/decrease from the immediately preceding year, and for "Quarter," from the same quarter of the immediately preceding year)

	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	%	
First half (cumulative)	355,000	5.6	22,000	20.5	20,000	20.0	14,000	51.0	26.33
Full year	725,000	3.3	50,000	14.0	45,000	15.8	31,000	32.7	58.29

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

#### \* 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 "(1) Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements" in "2. Information regarding Summary Information (Other Information)" on page 4 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: Changed
- 2) Changes other than above: Changed
- 3) Changes in accounting estimates: Changed
- 4) Retrospective restatement: None

(Note) For further details, refer to "(2) Changes in accounting principles and accounting estimates and retroactive restatement" in "2. Information regarding Summary Information (Other Information)" on page 4 of Attached Documents.

(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, 2015: 532,463,527 shares

Year ended March 31, 2015: 532,463,527 shares

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

Three months ended June 30, 2015: 683,496 shares

Year ended March 31, 2015: 670,098 shares

3) Average number of shares outstanding during the quarter:

Three months ended June 30, 2015: 531,787,584 shares

Three month ended June 30, 2014: 531,841,477 shares

#### \* Presentations related to implementation of quarterly review process

This financial results report for the three months is exempt from quarterly review under the Financial Instruments and Exchange Act of Japan. As of the date of disclosure, the quarterly review process for the financial statements under the Financial Instruments and Exchange Act has not been completed.

#### \* 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. For matters related to the above forecast, see "1. Qualitative Information of Consolidated Financial Statements for the Three Months ended June 30, 2015 - (3) Explanation regarding Information on Future Forecast, including Forecast of Consolidated Earnings" on page 4 of Attached Documents.

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## 1. Qualitative Information of Consolidated Financial Statements for the Three Months ended June 30, 2015

### (1) Explanation regarding Consolidated Operating Results

During the first quarter (April 1 - June 30, 2015), the Japanese economy saw a continued moderate recovery trend partly reflecting a decline in crude oil prices and effects of various government policies. Looking at overseas economies, the U.S. economy continued to recover and the European economy picked up. In contrast, the rate of expansion in the Chinese economy slowed further, while other emerging countries saw a gradual deceleration in economic growth.

In this environment, under the three-year Medium-term Management Plan "NTN 100" started this April, NTN Group aims to transform and build a foundation toward "Our vision" in a bid to mark the 100th anniversary in March 2018 and achieve sustainable growth for a next century. Through these efforts, we are now promoting various initiatives, with three basic policies of "Manage Growth" where management resources (persons, materials, and cash) are concentrated in priority areas, "Manage profitability" where we are reform business structure from volume to value to generate profit, and "Manage Foundation" where our management and financial foundations are strengthened.

For the current quarter, the Group achieved sales of 182,788 million yen (up 9.4% year on year). In terms of income, the Group reported operating income of 14,064 million yen (up 60.2% year on year) and ordinary income of 14,580 million yen (up 81.6% year on year). As a result, net quarterly income attributable to shareholder (parent company) was 9,785 million yen (up 77.1% year on year).

Sales by geographical segment were as follows:

#### 1) Japan

Sales in aftermarket applications increased on the back of growing customer demand and other factors in industrial machinery aftermarket applications and sales in industrial machinery applications decreased primarily in construction machinery and other products. Sales in automotive applications increased reflecting an increase of customer demand and other factors. As a result, net sales were 83,791 million yen (up 2.6% year on year). The segment income increased to 7,829 million yen (up 31.4% year on year) supported mainly by effects of a rise in sales and favorable exchange rates.

#### 2) Americas

Sales in aftermarket applications remained on par with the same period of the previous year. Sales in industrial machinery applications fell mainly in products for use in construction machinery and agricultural machinery. Sales of automotive applications grew thanks to increased customer demand and other factors. As a result, net sales were 53,673 million yen (up 18.0% year on year) due partly to favorable exchange rates. The segment income was 1,360 million yen (against segment loss of 750 million yen booked in the same period in the previous year) due mainly to effects of an increase in sales and reduce in proportional cost.

#### 3) Europe

Sales in aftermarket applications declined. Sales in industrial machinery applications increased thanks to sales in products for wind turbines, aircraft and other applications. Sales in automotive applications rose reflecting an increase of customer demand and other factors. As a whole, net sales were 47,535 million yen (down 2.7% year on year) due partly to negative exchange rates, but the segment income amounted to 1,073 million yen of profit (up 79.4% year on year) backed by reduce in fixed cost and other factors.

#### 4) Asia and other areas

Sales in aftermarket applications grew mainly reflecting expansion of customer demand for industrial machinery aftermarket applications in the ASEAN region. Sales in industrial machinery applications increased thanks primarily to increased sales in products for wind turbines and other applications. Sales in automotive applications increased backed mainly by growing customer demand in China. As a result, net sales were 38,107 million yen (up 28.3% year on year) thanks partly to favorable exchange rates. The segment income amounted to 3,306 million yen (up 86.5% year on year) supported by effects of increased sales and other factors.

Operating results by business application are as follows:

1) Aftermarket applications

Net sales were 28,954 million yen (up 8.4% year on year) backed by effects of the capture of new demand, an increase of customer demand and favorable exchange rates. Operating income was 5,263 million yen (up 20.7% year on year) thanks mainly to effects of increased sales and favorable exchange rates.

2) Industrial machinery applications

Net sales were 26,803 million yen (up 3.6% year on year) mainly reflecting effects of expanded customer demand for wind turbines and favorable exchange rates. Operating income was 1,866 million yen (up 113.5% year on year) thanks to effects of favorable exchange rates and other factors.

3) Automotive applications

Net sales were 127,029 million yen (up 11.0% year on year) primarily reflecting expanded customer demand and effects of favorable exchange rates. Operating income was 6,934 million yen (up 95.5% year on year) mainly reflecting effects of increased sales, reduce in proportional cost, and favorable exchange rates.

(2) Explanation regarding Consolidated Financial Position

(Assets, Liabilities, and Net assets)

Total current assets decreased 2,482 million yen (down 0.5%) from the previous consolidated fiscal year end to 458,497 million yen, due principally to a decrease of 9,981 million yen in short-term loans receivable, a decrease of 5,000 million yen in securities, an increase of 7,127 million yen in finished goods and purchased goods, and an increase of 4,752 million yen in work in process. Total fixed assets increased 5,045 million yen (up 1.3%) from the previous consolidated fiscal year end to 400,342 million yen. The major factor was an increase of 4,153 million yen in property, plant and equipment. As a result, total assets increased 2,562 million yen (up 0.3%) from the previous consolidated fiscal year end to 858,839 million yen.

Total current liabilities decreased 11,003 million yen (down 3.6%) from the previous consolidated fiscal year end to 290,526 million yen, due principally to a decrease of 12,759 million yen in short-term loans payable, a decrease of 4,068 in accrued income taxes, and an increase of 3,781 million yen in notes and accounts payable-trade. Total long-term liabilities decreased 1,968 million yen (down 0.7%) from the previous consolidated fiscal year end to 290,220 million yen, due principally to a decrease of 2,453 million yen in long-term loans payable.

Total net assets increased 15,534 million yen from the previous consolidated fiscal year end (up 5.9%) to 278,093 million yen. This was mainly due to an increase of 7,924 million yen in retained earnings and an increase of 5,240 million yen in translation adjustments.

(Cash flows)

Net cash provided by operating activities was 19,063 million yen (against expenditure of 10,733 million yen booked in the same period in the previous year). Major items included proceeds from an increase of 14,580 million yen in quarterly net income before adjustments for income taxes, 9,396 million yen in depreciation and amortization, and 4,960 million yen in accounts payable-trade, compared to payment of 8,078 million yen in an increase in inventory.

Net cash provided by investing activities was 7,946 million yen (year-on-year increase of 839 million yen, or up 11.8%). This was mainly due to expenditure for purchase of property, plant and equipment of 8,934 million yen, compared to proceeds of 1,000 million yen by redemption of investment securities.

Net cash provided by financing activities was 20,298 million yen (year-on-year increase of 11,641 million yen, or up 134.5%). This was mainly due to 19,299 million yen in repayments of long-term loans, and a net decrease of 7,865 million yen in short-term loans payable, compared to proceeds of 8,851 million yen in long-term loans payable.

After adding a decrease of 1,018 million yen in translation adjustments to these increases and decreases, cash and cash equivalents as of the end of the current three months of this consolidated accounting period decreased 10,199 million yen (down 11.6%) from the previous consolidated fiscal year end to 77,578 million yen.

- (3) Explanation regarding Information on Future Forecast, including Forecast of Consolidated Earnings  
The Company has made no modification to the consolidated earnings forecast announced on May 13, 2015.

2. Information regarding Summary Information (Other Information)

- (1) 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, 2015, 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. Moreover, income taxes adjustments are shown in income and other taxes.

- (2) Changes in accounting policies and accounting estimates and retrospective restatement

Changes in Accounting policies

(Application of Accounting Standards for Business Combination)

Accounting Standards for Business Combination (Corporate Accounting Standards No. 21, September 13, 2013, hereinafter referred to as "Business Combination Accounting Standards"), Accounting Standards for Consolidated Financial Statements (Corporate Accounting Standards No. 22, September 13, 2013, hereinafter referred to as "Consolidated Accounting Standards"), and Accounting Standards for Business Splits (Corporate Accounting Standards No. 7, September 13, 2013, hereinafter referred to as "Business Splits Accounting Standards") are applied from the first quarter of this consolidated accounting period, and the accounting method is changed where differences caused by changes in the Company's equity for subsidiaries in case of continued control are reported as capital surplus, and acquisition related costs are reported as expenses for a consolidated accounting period in which those expenses accrued. In addition, regarding a business combination carried out after the beginning of the first quarter of this consolidated accounting period, the accounting method is changed where a review of the allotment amount of acquisition costs resulting from provisional determination of accounting standards is reflected in quarterly consolidated financial statements for a quarterly consolidated accounting period containing the date of business combination. Furthermore, changes are made in the presentation method of quarterly net income, etc. and the presentation method from the minority shareholders' equity to non-controlling shareholders' equity. To reflect such changes, as for the first quarter of the previous consolidated accounting period and the previous consolidated accounting period, certain reclassifications were made to quarterly consolidated financial statements and consolidate financial statements.

Regarding cash flows related to acquisition or sale of shares of subsidiaries not resulting in changes in scope of consolidation in the consolidated Statements of Cash Flows in and after the first quarter of this consolidated accounting period are stated in the Net cash provided by financing activities, and cash flows related to expenses for acquisition of shares of subsidiaries resulting in changes in scope of consolidation or expenses accrued related to acquisition or sale of shares of subsidiaries not resulting in changes in scope of consolidation will be stated in Net cash provided by operating activities.

Application of Business Combination Accounting Standards follows the transitional treatment set forth in 58-paragraph 2 (4) of Business Combination Accounting Standards, 44-paragraph 5 (4) of Consolidated Accounting Standards and 57-paragraph 4 (4) of Business Splits Accounting Standards, which are applied from the beginning of the first quarter of this consolidated accounting period to the future. The effects this change will have on operating income, ordinary income, quarterly net income before adjustments of income taxes, and capital surplus for the first quarter of this consolidated accounting period are minor.

Changes in accounting policy which is difficult to distinguish from changes in accounting estimates  
(Changes in depreciation method)

The Company and domestic consolidated subsidiaries. adopt the straight-line method for a depreciation method for property, plant and equipment excluding buildings (excluding facilities attached to buildings) from the first quarter of this consolidated accounting period, instead of the declining-balance method previously used.

Our Group has started the New Medium-term Management Plan “NTN 100” from April this year. Taking the opportunity to introduce the medium-term management plan, we examined anew the actual condition of use and operational status of property, plant and equipment of the Company and domestic consolidated subsidiaries, etc.

As a result, on the back of the expansion of overseas business, we are proceeding with creation of a structure that enables us to ensure stable supply on a global basis and constant production of high value-added products in Japan, by strengthening production structure in growth markets where demand is expected to increase. Thus, domestic manufacturing facilities are expected to operate stably for a long term in the future. Considering these factors, our company has decided that adoption of a straight-line method as a depreciation method is more appropriate for the Group.

Through this change, operating income, ordinary income and net income before adjustments of income taxes for the first quarter of this consolidated accounting period increased by 491 million yen, respectively, compared with the previous method.

### 3. Consolidated Financial Statements for the Three Months

#### (1) Balance Sheets

(In million yen)

	As of March 31, 2015	As of June 30, 2015
<b>Assets</b>		
Current assets		
Cash and bank deposits	69,094	73,799
Notes and accounts receivable-trade	144,537	144,038
Electronically-recorded monetary claims	1,786	1,693
Securities	10,000	5,000
Finished goods & purchased goods	103,306	110,433
Work in process	46,512	51,264
Raw materials & supplies	34,309	34,267
Deferred tax assets	11,062	9,993
Short-term loans receivable	10,020	39
Other	31,288	28,752
Allowance for doubtful accounts	-939	-785
Total current assets	460,979	458,497
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	88,924	90,977
Machinery, equipment and vehicles, net	163,953	166,610
Other, net	63,174	62,616
Total property, plant and equipment	316,052	320,205
Intangible fixed assets		
Goodwill	193	190
Other	9,711	9,695
Total intangible fixed assets	9,904	9,885
Investments and other assets		
Investment securities	56,984	58,053
Deferred tax assets	9,377	8,664
Other	3,175	3,737
Allowance for doubtful accounts	-197	-203
Total investments and other assets	69,340	70,251
Total fixed assets	395,297	400,342
Total assets	856,277	858,839

(In million yen)

	As of March 31, 2015	As of June 30, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	61,091	64,872
Electronically-recorded monetary claims	57,778	60,227
Short-term loans	120,657	107,898
Accrued income taxes	7,918	3,850
Accrued bonuses for directors and statutory auditors	123	45
Reserve for loss on support to affiliated companies	1,562	1,591
Other	52,398	52,040
Total current liabilities	301,529	290,526
Long-term liabilities		
Long-term loans	238,448	235,995
Reserve for product defect compensation	940	934
Liabilities for retirement benefits	45,077	45,504
Other	7,722	7,785
Total long-term liabilities	292,188	290,220
Total liabilities	593,717	580,746
<b>Net assets</b>		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,369	67,357
Retained earnings	106,127	114,051
Treasury stock	-558	-568
Total shareholders' equity	227,284	235,187
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	14,562	16,240
Translation adjustments	14,901	20,141
Accrued retirement benefits adjustments	-11,477	-11,388
Total accumulated other comprehensive income	17,986	24,993
Non-controlling shareholders' equity	17,288	17,912
Total net assets	262,559	278,093
Total liabilities and net assets	856,277	858,839

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

(In million yen)

	Three months ended June 30, 2014 (April 1, 2014– June 30, 2014)	Three months ended June 30, 2015 (April 1, 2015– June 30, 2015)
Net sales	167,049	182,788
Cost of sales	136,615	145,321
Gross profit	30,434	37,466
Selling, general and administrative expenses	21,653	23,401
Operating income	8,780	14,064
Non-operating income		
Interest income	139	118
Dividend income	333	469
Equity in earnings of unconsolidated subsidiaries	190	195
Foreign exchange gains	-	1,339
Other	666	383
Total non-operating income	1,330	2,506
Non-operating expenses		
Interest expenses	1,146	1,226
Other	937	764
Total non-operating expenses	2,084	1,990
Ordinary income	8,027	14,580
Income before income taxes and equity in earnings of affiliated companies	8,027	14,580
Income and other taxes	2,277	4,447
Net income	5,749	10,133
Net income attributable to shareholder (non-controlling shareholder)	224	348
Net income attributable to shareholder (parent company)	5,525	9,785

## (Consolidated Statement of Comprehensive Income)

(In million yen)

	Three months ended June 30, 2014 (April 1, 2014– June 30, 2014)	Three months ended June 30, 2015 (April 1, 2015– June 30, 2015)
Net income	5,749	10,133
Other comprehensive income		
Net unrealized holding gain on securities	2,038	1,678
Translation adjustments	-2,648	5,535
Accrued retirement benefits adjustments	323	94
Equity in equity-method affiliates	-389	6
Total other comprehensive income	-676	7,314
Comprehensive income	5,073	17,448
(Breakdown)		
Comprehensive income attributable to owners of parent company	5,059	16,793
Comprehensive income related to non-controlling shareholders	14	654

## (3) Statements of Cash Flows

(In million yen)

	Three months ended June 30, 2014 (April 1, 2014– June 30, 2014)	Three months ended June 30, 2015 (April 1, 2015– June 30, 2015)
<b>Net cash provided by operating activities</b>		
Income before income taxes and equity in earnings of affiliated companies	8,027	14,580
Depreciation and amortization	9,522	9,396
Goodwill depreciation	13	13
Increase/decrease in reserve for loss related to Anti-Monopoly Act	-35	-
Increase/decrease in allowance for doubtful accounts	24	-192
Increase/decrease in accrued retirement benefits for directors and statutory auditors	7	-77
Increase/decrease in reserve for product defect compensation	-3	-5
Increase/decrease (-) in liabilities in retirement benefits	-3,682	204
Increase/decrease (-) in accrued liabilities related to a loss pertaining to Anti-Monopoly Act	-28,203	-
Surcharge payments under the Anti-Monopoly Act	28,203	-
Interest and dividend income	-473	-588
Interest expenses	1,146	1,226
Foreign currency translation adjustments / Foreign exchange losses/gains	-49	-529
Equity in earnings/losses of non-consolidated subsidiaries	-190	-195
Decrease(-)/increase in trade receivables	1,492	3,614
Decrease(-)/increase in inventories	-7,156	-8,078
Increase/decrease(-) in trade payables	7,244	4,960
Other	5,016	2,369
Subtotal	20,905	26,698
Interest and dividend income received	942	1,181
Interest paid	-1,240	-1,329
Surcharge payments under the Anti-Monopoly Act	-28,203	-
Income taxes paid	-3,137	-7,486
<b>Net cash provided by operating activities</b>	<b>-10,733</b>	<b>19,063</b>
<b>Net cash used in investing activities</b>		
Increase in time deposits	-384	-202
Decrease in time deposits	163	321
Purchase of property, plant and equipment	-6,437	-8,934
Purchase of intangible fixed assets	-559	-242
Redemption of investment securities	-	1,000
Decrease/increase(-) in short-term loans receivable, net	3	-21
Other	106	132
<b>Net cash used in investing activities</b>	<b>-7,107</b>	<b>-7,946</b>

(In million yen)

	Three months ended June 30, 2014 (April 1, 2014– June 30, 2014)	Three months ended June 30, 2015 (April 1, 2015– June 30, 2015)
Net cash provided by financing activities		
Increase/decrease(-) in short-term loans, net	-3,626	-7,865
Proceeds from long-term loans	7,310	8,851
Repayment of long-term loans	-11,152	-19,299
Dividend payment	-1,063	-1,861
Repayment of lease payable	-79	-70
Other	-46	-52
Net cash provided by financing activities	-8,657	-20,298
Effect of exchange rate changes on cash and cash equivalents	-73	-1,018
Increase/decrease(-) in cash and cash equivalents	-26,572	-10,199
Cash and cash equivalents, at beginning of the year	129,670	87,777
Cash and cash equivalents, at end of the quarter	103,098	77,578

(4) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Balance Sheet)

1. Contingent liabilities

(Launch of arbitration proceedings related to compensation for damages)

NTN-SNR ROULEMENTS (hereinafter referred to as NTN-SNR), our consolidated subsidiary, has been involved in arbitration proceedings since November 2012. One automotive customer submitted a claim to arbitration and requested the payment in the amount of 57,774 thousand US dollars (7,074 million yen equivalent at the rate of the end of the first quarter of this consolidated fiscal year) for damages due to allegedly defective products provided by NTN-SNR. With subsequent arbitration proceedings, the claim for damages has been revised to 9,511 million yen (equivalent at the rate of the end of the first quarter of this consolidated fiscal year) due to the increase in the number of allegedly defective bearings.

We continue presenting counterarguments appropriately. Depending on the results of the arbitration, the results of operations of the Company and its consolidated subsidiaries could be affected. However, it is currently difficult to make reasonable estimates of the future possible effects on the results of operations and financial positions of the Company and its consolidated subsidiaries.

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

None

## (Segment Information)

## I. Three months ended June 30, 2014 (April 1, 2014– June 30, 2014)

## 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	48,759	44,017	46,999	27,272	167,049	-	167,049
Inter-segment sales or transfers	32,890	1,481	1,879	2,436	38,687	(38,687)	-
Total	81,649	45,498	48,879	29,709	205,737	(38,687)	167,049
Segment income (Operating income or operating loss (-))	5,959	-750	598	1,773	7,580	1,200	8,780

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, 2015 (April 1, 2015 – June 30, 2015)

## 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	49,747	52,224	46,282	34,532	182,788	-	182,788
Inter-segment sales or transfers	34,043	1,449	1,252	3,574	40,319	(40,319)	-
Total	83,791	53,673	47,535	38,107	223,108	(40,319)	182,788
Segment income (Operating income)	7,829	1,360	1,073	3,306	13,570	494	14,064

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

#### 4. Supplemental Information

##### (1) Lawsuits, etc.

- 1) In June 2012, the Company and former executives received an indictment filed by the Tokyo District Prosecutors Office (“TDPO”) on suspicion of having violated the Anti-monopoly Act in relation to domestic sale of bearings. In March 2013, the Company received a cease and desist order and surcharge payment order (for 7,231 million yen) from the Japan Fair Trade Commission (“JFTC”). Because the assertions by the JFTC are greatly different from the Company’s view of the facts, in April 2013, the Company appealed the JFTC orders. As a result, hearing proceedings for the JFTC orders were commenced in September 2013. The Company paid provisionally the surcharge in full before the deadline of payment to avoid a risk of overdue charges. In addition, a criminal trial was commenced in December 2013, and on February 4, 2015, NTN was sentenced to a penalty of 400 million yen by Tokyo District Court for violation of the Anti-monopoly Act of Japan with respect to the domestic sales of bearings. In addition, two former executives of NTN were sentenced to 18 months and 12 months in prison, respectively, with a stay of execution for 3 years. In response, the Company has appealed against such judgment and the criminal case is still pending at the Tokyo High Court.

There are ongoing investigations by the authorities into our consolidated subsidiaries in South Korea and elsewhere.

- 2) The Company and its subsidiaries in the U.S. and Canada are defendants in a number of class action suits.

##### (2) Explanatory Materials

(in million yen)

		FY2014					FY2015	
		1Q	2Q	3Q	4Q	Full year	1Q	
Consolidated operating results (Lower: Net sales ratio)	Net Sales	167,049 100.0%	169,194 100.0%	176,920 100.0%	188,735 100.0%	701,900 100.0%	182,788 100.0%	
	Operating income	8,780 5.3%	9,478 5.6%	11,137 6.3%	14,454 7.7%	43,850 6.2%	14,064 7.7%	
	Ordinary income	8,027 4.8%	8,633 5.1%	10,659 6.0%	11,548 6.1%	38,868 5.5%	14,580 8.0%	
	Extraordinary loss	— —	- 2,402 -1.4%	- 851 -0.5%	1,448 0.8%	- 1,805 -0.3%	— —	
	Net income attributable to shareholder (parent company)	5,525 3.3%	3,745 2.2%	6,746 3.8%	7,335 3.9%	23,352 3.3%	9,785 5.4%	
Net sales by region (Lower: Net sales ratio)	Japan	45,830 27.4%	48,383 28.6%	47,881 27.1%	49,365 26.2%	191,460 27.3%	47,116 25.8%	
	Americas	45,991 27.5%	49,505 29.3%	51,531 29.1%	55,532 29.4%	202,561 28.9%	54,391 29.8%	
	Europe	44,612 26.7%	39,403 23.3%	40,980 23.2%	46,220 24.5%	171,217 24.4%	43,969 24.1%	
	Asia and other areas	30,614 18.3%	31,902 18.9%	36,527 20.6%	37,616 19.9%	136,661 19.5%	37,310 20.4%	
	Total	167,049 100.0%	169,194 100.0%	176,920 100.0%	188,735 100.0%	701,900 100.0%	182,788 100.0%	
Net sales / Operating income by location	Japan	Net sales	81,649	84,981	88,926	87,757	343,315	83,791
		Operating income	5,959	5,876	9,262	6,459	27,557	7,829
		Operating margin	7.3%	6.9%	10.4%	7.4%	8.0%	9.3%
	Americas	Net sales	45,498	48,216	50,598	54,598	198,912	53,673
		Operating income	- 750	810	55	1,294	1,410	1,360
		Operating margin	-1.7%	1.7%	0.1%	2.4%	0.7%	2.5%
	Europe	Net sales	48,879	43,097	45,017	50,211	187,206	47,535
		Operating income	598	461	236	2,403	3,700	1,073
		Operating margin	1.2%	1.1%	0.5%	4.8%	2.0%	2.3%
	Asia and other areas	Net sales	29,709	31,330	35,447	36,436	132,925	38,107
		Operating income	1,773	2,159	2,759	3,388	10,081	3,306
		Operating margin	6.0%	6.9%	7.8%	9.3%	7.6%	8.7%
	Deletion	Net sales	- 38,687	- 38,432	- 43,069	- 40,268	- 160,458	- 40,319
		Operating income	1,200	170	- 1,177	907	1,100	494
	Total	Net sales	167,049	169,194	176,920	188,735	701,900	182,788
Operating income		8,780	9,478	11,137	14,454	43,850	14,064	
Operating margin		5.3%	5.6%	6.3%	7.7%	6.2%	7.7%	

(in million yen)

			FY2014					FY2015
			1Q	2Q	3Q	4Q	Full year	1Q
Net sales / Operating income by business applications	Aftermarket	Net sales	26,715	28,036	28,052	29,628	112,433	28,954
		Operating income	4,359	4,550	4,990	5,336	19,237	5,263
		Operating margin	16.3%	16.2%	17.8%	18.0%	17.1%	18.2%
	Industrial machinery	Net sales	25,870	26,760	26,864	29,498	108,993	26,803
		Operating income	874	1,263	1,508	2,615	6,261	1,866
		Operating margin	3.4%	4.7%	5.6%	8.9%	5.7%	7.0%
	Automotive	Net sales	114,464	114,396	122,003	129,609	480,473	127,029
		Operating income	3,547	3,664	4,637	6,501	18,351	6,934
		Operating margin	3.1%	3.2%	3.8%	5.0%	3.8%	5.5%
	Total	Net sales	167,049	169,194	176,920	188,735	701,900	182,788
		Operating income	8,780	9,478	11,137	14,454	43,850	14,064
		Operating margin	5.3%	5.6%	6.3%	7.7%	6.2%	7.7%
Capital expenditures /Depreciation and amortization	Capital expenditures		6,191	6,632	6,886	11,556	31,266	8,295
	Depreciation and amortization	Domestic	3,698	3,849	4,001	4,159	15,708	2,790
		Overseas	5,823	5,937	6,507	6,414	24,683	6,606
	Total		9,522	9,786	10,508	10,574	40,391	9,396
R&D expenditures			4,441	4,358	4,360	4,928	18,088	4,381
Ratio of R&D expenditures to net sales			2.7%	2.6%	2.5%	2.6%	2.6%	2.4%
Inventories			171,758	179,876	196,996	184,128	184,128	195,965
Inventory turnover ratio (times)			3.9	3.8	3.6	4.1	3.8	3.7
Interest-bearing debts	Loans		371,921	378,447	386,446	359,105	359,105	343,894
	Bonds		—	—	—	—	—	—
	Total		371,921	378,447	386,446	359,105	359,105	343,894
Major management indicators	Ordinary income ratio to total assets		3.9%	4.2%	4.9%	5.3%	4.6%	6.8%
	Return on assets (ROA)		2.7%	1.8%	3.1%	3.4%	2.7%	4.6%
	Return on equity (ROE)		10.9%	7.0%	11.6%	12.0%	10.5%	15.5%
	Shareholder's equity ratio		25.2%	26.1%	27.4%	28.6%	28.6%	30.3%
	Net assets per share (yen)		386.54	414.76	456.52	461.21	461.21	489.26
	Net income per share (yen)		10.39	7.04	12.69	13.79	43.91	18.40
Employees	Domestic (persons)	8,052	8,025	8,046	8,003	8,003	8,173	
	Overseas (persons)	14,652	14,986	15,447	15,357	15,357	15,707	
	Total (persons)	22,704	23,011	23,493	23,360	23,360	23,880	
Exchange rates	Average	Dollar (yen)	102.17	103.84	114.35	119.16	109.76	121.43
		Euro (yen)	140.07	137.75	142.88	134.00	138.69	134.21
	At term end	Dollar (yen)	101.36	109.45	120.55	120.17	120.17	122.45
		Euro (yen)	138.31	138.87	146.54	130.32	130.32	137.23