

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

October 30, 2015

NTN Corporation  
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Listings: Tokyo Stock Exchanges  
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Investor meeting: Scheduled

1. Consolidated Financial Results for the Six Months Ended September 30, 2015  
(April 1, 2015 to September 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	%
Six months ended September 30, 2015	360,771	7.3	24,819	35.9	18,002	8.1	10,391	12.1
Six months ended September 30, 2014	336,244	9.5	18,259	40.2	16,660	61.2	9,270	170.9

Note: comprehensive income: Six months ended September 30, 2015: 5,130 million yen (-76.0%)  
Six months ended September 30, 2014: 21,388 million yen (31.2%)

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2015	19.54	—
Six months ended September 30, 2014	17.43	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Six months ended September 30, 2015	838,571	265,717	29.6
Year ended March 31, 2015	856,277	262,559	28.6

Note: Shareholders' equity Six months ended September 30, 2015: 248,471 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	—	5.00			
Year ending March 31, 2016 (forecast)			—	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 year-on-year changes)

	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	%	yen
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):

Six months ended September 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:

Six months ended September 30, 2015: 696,435 shares

Year ended March 31, 2015: 670,098 shares

3) Average number of shares outstanding during the quarter:

Six months ended September 30, 2015: 531,780,233 shares

Six months ended September 30, 2014: 531,835,548 shares

\* Presentations related to implementation of quarterly review process

This financial results report for the second quarter 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 Six Months ended September 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 Six Months ended September 30, 2015

### (1) Explanation regarding Consolidated Operating Results

During the first half (April 1 – September 30, 2015), the Japanese economy saw a continued moderate recovery partly reflecting improvement of employment and income environment, coupled with effects of various government policies. Looking at overseas economy, the U.S. economy continued recovering and the European economy also showed a moderate recovery, while economic conditions in China and other emerging economies slowed down.

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 first half, the Group achieved sales of 360,771 million yen (up 7.3% year on year). In terms of income, the Group posted operating income of 24,819 million yen (up 35.9% year on year) and ordinary income of 18,002 million yen (up 8.1% year on year). As a result, net income attributable to shareholder (parent company) was 10,391 million yen (up 12.1% 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, but 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 169,044 million yen (up 1.4% year on year). The segment income increased to 13,618 million yen (up 15.1% year on year) supported mainly by favorable exchange rates.

#### 2) Americas

Sales in aftermarket applications decreased in industrial machinery aftermarket applications. Sales in industrial machinery applications fell mainly in products for use in construction machinery, but sales in automotive applications grew thanks to increased customer demand and other factors. As a result, net sales were 106,586 million yen (up 13.7% year on year) due partly to favorable exchange rates. The segment income was 2,427 million yen (against segment gain of 59 million yen booked in the same period in the previous year) due principally to effects of slash in proportional cost.

#### 3) Europe

Sales in aftermarket applications remained on a par with the same period in the previous year. Sales in industrial machinery applications increased in products for wind turbines, aircraft and other applications. And also, sales in automotive applications rose reflecting an increase of customer demand and other factors. However, as a whole, net sales were 91,716 million yen (down 0.3% year on year) due partly to negative exchange rates. The segment income amounted to 1,276 million yen (up 20.4% year on year) backed mainly by effects of increased sales and a reduction in fixed cost.

#### 4) Asia and other areas

Sales in aftermarket applications grew mainly reflecting expansion of customer demand for industrial machinery aftermarket applications primarily in the ASEAN region. Sales in industrial machinery applications decreased mainly in products for use in construction machinery, but sales in automotive applications rose backed mainly by growing customer demand in China. As a result, net sales were 74,392 million yen (up 21.9% year on year) thanks partly to favorable exchange rates. The segment income amounted to 6,361 million yen (up 61.7% 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 58,339 million yen (up 6.6% year on year) backed by effects of the capture of new demand, an increase of customer demand and favorable exchange rates. Operating income was 9,507 million yen (up 6.7% year on year) thanks mainly to effects of increased sales and favorable exchange rates.

2) Industrial machinery applications

Net sales were 52,824 million yen (up 0.4% year on year) mainly reflecting effects of expanded customer demand for wind turbines and favorable exchange rates. Operating income was 3,573 million yen (up 67.2% year on year) thanks to effects of favorable exchange rates and other factors.

3) Automotive applications

Net sales were 249,607 million yen (up 9.1% year on year) primarily reflecting expanded customer demand and effects of favorable exchange rates. Operating income was 11,738 million yen (up 62.8% 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 9,973 million yen (down 2.2%) from the previous consolidated fiscal year end to 451,006 million yen. This was due to a decrease of 10,012 million yen in short term loans receivable, a decrease of 7,763 million yen in notes and accounts receivable, a decrease of 5,000 million yen in securities, an increase of 7,024 million yen in cash and deposits, and an increase of 5,928 million yen in finished goods and purchased goods. Total fixed assets decreased 7,733 million yen (2.0%) from the previous consolidated fiscal year end to 387,564 million yen. Major factor was a decrease of 6,564 million yen in investment securities. As a result, total assets decreased 17,706 (2.1%) from the previous consolidated fiscal year end to 838,571 million yen.

Total current liabilities decreased 28,270 million yen (9.4%) from the previous consolidated fiscal year end to 273,259 million yen, due principally to a decrease of 26,193 million yen in short-term loans payable and a decrease of 2,742 million yen in notes and accounts payable. Total fixed liabilities increased 7,405 million yen (2.5%) from the previous consolidated fiscal year to 299,593 million yen. This was due mainly to an increase of 7,660 million yen in long-term loans payable.

Total net assets increased 3,158 million yen (1.2%) from the previous consolidated fiscal year end to 265,717 million yen. This was primarily due to an increase of 8,530 million yen in retained earnings, a decrease of 3,906 million yen in net unrealized holding gain on other securities and a decrease of 1,886 million yen in translation adjustments.

(Cash flows)

Net cash flow provided by operating activities was 29,145 million yen (year-on-year increase of 23,423 million yen, or 409.3%). Major items included proceeds from an increase of 18,002 million yen in Income before income taxes and equity in earnings of affiliated companies and proceeds of 18,987 million yen from depreciation and amortization, compared to an increase of 8,095 million yen in inventory.

Net cash flow provided by investing activities was 18,948 million yen (year-on-year increase of 4,454 million yen, or 30.7%). This was due mainly to expenditure for purchase of property, plant and equipment of 19,414 million yen, compared to proceeds of 1,000 million yen from redemption of investment securities.

Net cash flow provided by financing activities was 21,226 million yen (year-on-year increase of 11,383 million yen, or 115.6%). This was due mainly to expenditure of 33,377 million yen in repayments of long-term loans and a net decrease of 11,764 million yen in short-term loans payable, compared to proceeds of 26,029 million yen from long-term loans.

After adding an increase of 2,565 million yen in translation adjustments to these increases or decreases, cash and deposits as of the end of first half of the current consolidated fiscal year were 79,314 million yen, a decrease of 8,463 million yen (down 9.6%) from the previous consolidated fiscal year end.

(3) Explanation regarding Information on Future Forecast, including Forecast of Consolidated Earnings

Although the company has made no modification to the consolidated earnings forecast announced on May 13, 2015, since the third quarter, the assumption of the exchange rate has been changed from 110 yen/US\$ to 115 yen/US\$.

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 six months ended September 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 second 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 at the end of the first half 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.

Taking the opportunity to draw up the Medium-term Management Plan “NTN 100” that started April this year, our Group examined anew the actual condition of use and operational status of property, plant and equipment of the Company and domestic consolidated subsidiaries.

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 production facilities are expected to operate stably for a long term in the future. Considering these factors, we have 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 half of this consolidated accounting period increased by 1,248 million yen, respectively, compared with the previous method.

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

#### (1) Balance Sheets

(In million yen)

	As of March 31, 2015	As of September 30, 2015
<b>Assets</b>		
Current assets		
Cash and bank deposits	69,094	76,118
Notes and accounts receivable-trade	144,537	136,774
Electronically-recorded monetary claims	1,786	1,774
Securities	10,000	5,000
Finished goods & purchased goods	103,306	109,234
Work in process	46,512	49,037
Raw materials & supplies	34,309	33,008
Deferred tax assets	11,062	10,907
Short-term loans receivable	10,020	8
Other	31,288	29,915
Allowance for doubtful accounts	-939	-772
Total current assets	460,979	451,006
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	88,924	90,190
Machinery, equipment and vehicles, net	163,953	162,938
Other, net	63,174	60,108
Total property, plant and equipment	316,052	313,237
Intangible fixed assets		
Goodwill	193	173
Other	9,711	10,571
Total intangible fixed assets	9,904	10,744
Investments and other assets		
Investment securities	56,984	50,420
Deferred tax assets	9,377	10,083
Other	3,175	3,279
Allowance for doubtful accounts	-197	-201
Total investments and other assets	69,340	63,581
Total fixed assets	395,297	387,564
Total assets	856,277	838,571



(In million yen)

	As of March 31, 2015	As of September 30, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	61,091	58,349
Electronically-recorded monetary claims	57,778	59,483
Short-term loans	120,657	94,464
Accrued income taxes	7,918	5,752
Accrued bonuses for directors and statutory auditors	123	85
Reserve for loss on support to affiliated companies	1,562	1,559
Other	52,398	53,565
Total current liabilities	301,529	273,259
Long-term liabilities		
Long-term loans	238,448	246,108
Reserve for product defect compensation	940	933
Liabilities for retirement benefits	45,077	45,117
Other	7,722	7,434
Total long-term liabilities	292,188	299,593
Total liabilities	593,717	572,853
<b>Net assets</b>		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,369	67,357
Retained earnings	106,127	114,657
Treasury stock	-558	-577
Total shareholders' equity	227,284	235,784
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	14,562	10,656
Translation adjustments	14,901	13,015
Accrued retirement benefits adjustments	-11,477	-10,984
Total accumulated other comprehensive income	17,986	12,687
Non-controlling shareholders' equity	17,288	17,246
Total net assets	262,559	265,717
Total liabilities and net assets	856,277	838,571

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

(In million yen)

	Six months ended September 30, 2014 (April 1, 2014– September 30, 2014)	Six months ended September 30, 2015 (April 1, 2015– September 30, 2015)
Net sales	336,244	360,771
Cost of sales	275,389	289,674
Gross profit	60,854	71,096
Selling, general and administrative expenses	42,595	46,276
Operating income	18,259	24,819
Non-operating income		
Interest income	271	267
Dividend income	333	513
Equity in earnings of unconsolidated subsidiaries	515	505
Other	1,054	939
Total non-operating income	2,175	2,225
Non-operating expenses		
Interest expenses	2,306	2,394
Foreign exchange loss	32	4,939
Other	1,434	1,709
Total non-operating expenses	3,773	9,042
Ordinary income	16,660	18,002
Extraordinary income		
Gains on sale of fixed assets	305	-
Total extraordinary income	305	-
Extraordinary losses		
Loss related to Anti-Monopoly Act	*1 2,006	-
Payment of customs duties for past fiscal years	701	-
Total extraordinary losses	2,708	-
Income before income taxes and equity in earnings of affiliated companies	14,258	18,002
Income and other taxes	4,550	7,070
Net income	9,708	10,932
Net income attributable to shareholder (non-controlling shareholder)	437	541
Net income attributable to shareholder (parent company)	9,270	10,391

## (Consolidated Statement of Comprehensive Income)

(In million yen)

	Six months ended September 30, 2014 (April 1, 2014– September 30, 2014)	Six months ended September 30, 2015 (April 1, 2015– September 30, 2015)
Net income	9,708	10,932
Other comprehensive income		
Net unrealized holding gain on securities	3,572	-3,906
Translation adjustments	8,034	-2,727
Accrued retirement benefits adjustments	343	509
Equity in equity-method affiliates	-269	322
Total other comprehensive income	11,680	-5,801
Comprehensive income	21,388	5,130
(Breakdown)		
Comprehensive income attributable to owners of parent company	20,066	5,092
Comprehensive income related to non-controlling shareholders	1,322	38

## (3) Statements of Cash Flows

(In million yen)

	Six months ended September 30, 2014 (April 1, 2014– September 30, 2014)	Six months ended September 30, 2015 (April 1, 2015– September 30, 2015)
<b>Net cash provided by operating activities</b>		
Income before income taxes and equity in earnings of affiliated companies	14,258	18,002
Depreciation and amortization	19,308	18,987
Goodwill depreciation	27	26
Increase/decrease in reserve for loss related to Anti-Monopoly Act	-35	-
Increase/decrease in allowance for doubtful accounts	61	-169
Increase/decrease in accrued retirement benefits for directors and statutory auditors	46	-37
Increase/decrease in reserve for product defect compensation	-1	-6
Increase/decrease (-) in liabilities in retirement benefits	-4,017	421
Increase/decrease (-) in accrued liabilities related to a loss pertaining to Anti-Monopoly Act	-27,968	-
Surcharge payments under the Anti-Monopoly Act	30,012	-
Interest and dividend income	-605	-781
Interest expenses	2,306	2,394
Foreign currency translation adjustments / Foreign exchange losses/gains	857	-508
Equity in earnings/losses of non-consolidated subsidiaries	-515	-505
Gains or losses on the sale of fixed assets	-305	-
Decrease(-)/increase in trade receivables	3,802	7,961
Decrease(-)/increase in inventories	-9,646	-8,095
Increase/decrease(-) in trade payables	9,904	-1,209
Other	3,129	2,173
<b>Subtotal</b>	<b>40,619</b>	<b>38,654</b>
Interest and dividend income received	1,270	1,739
Interest paid	-2,261	-2,455
Surcharge payments under the Anti-Monopoly Act	-30,012	-
Income taxes paid	-3,894	-8,792
<b>Net cash provided by operating activities</b>	<b>5,722</b>	<b>29,145</b>
<b>Net cash used in investing activities</b>		
Increase in time deposits	-1,265	-1,194
Decrease in time deposits	875	656
Purchase of property, plant and equipment	-14,581	-19,414
Proceeds from the sale of property, plant and equipment	1,420	980
Purchase of intangible fixed assets	-813	-1,053
Redemption of investment securities	-	1,000
Decrease/increase(-) in short-term loans receivable, net	6	8
Other	-136	68
<b>Net cash used in investing activities</b>	<b>-14,494</b>	<b>-18,948</b>

(In million yen)

	Six months ended September 30, 2014 (April 1, 2014– September 30, 2014)	Six months ended September 30, 2015 (April 1, 2015– September 30, 2015)
Net cash provided by financing activities		
Increase/decrease(-) in short-term loans, net	-5,854	-11,764
Proceeds from long-term loans	12,815	26,029
Repayment of long-term loans	-15,960	-33,377
Proceeds from issuance of shares to non-controlling shareholders	483	-
Dividend payment	-1,063	-1,861
Repayment of lease payable	-144	-141
Other	-118	-111
Net cash provided by financing activities	-9,843	-21,226
Effect of exchange rate changes on cash and cash equivalents	95	2,565
Increase/decrease(-) in cash and cash equivalents	-18,520	-8,463
Cash and cash equivalents, at beginning of the year	129,670	87,777
Cash and cash equivalents, at end of the quarter	111,150	79,314

(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 (6,930 million yen equivalent at the rate of the end of the second 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 9,305 million yen (equivalent at the rate of the end of the second quarter of this consolidated fiscal year) due to the increase in the number of allegedly defective bearings.

We have presented counterarguments appropriately against such claim, and currently, the arbitration procedure is left with only the ruling. Depending on the results of the ruling, 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.

(Statement of income)

\*1 In August 2014, the Company's consolidated subsidiary in China and the Company, as parent company, received an order from the National Development and Reform Commission to pay fines of 119,160 thousand RMB for alleged violations of the Anti-Monopoly Law of China in relation to bearings transactions in China. During the previous consolidated first half, the Company recorded 2,006 million yen under extraordinary losses as a loss pertaining to Anti-monopoly act.

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

None

(Segment Information)

I. Six months ended September 30, 2014 (April 1, 2014 – September 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	100,634	91,124	88,778	55,705	336,244	—	336,244
Inter-segment sales or transfers	65,996	2,591	3,198	5,334	77,120	(77,120)	—
Total	166,631	93,715	91,976	61,040	413,364	(77,120)	336,244
Segment income (Operating income)	11,835	59	1,060	3,933	16,888	1,370	18,259

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. Six months ended September 30, 2015 (April 1, 2015 – September 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	100,274	103,952	89,469	67,073	360,771	—	360,771
Inter-segment sales or transfers	68,769	2,633	2,246	7,318	80,968	(80,968)	—
Total	169,044	106,586	91,716	74,392	441,739	(80,968)	360,771
Segment income (Operating income)	13,618	2,427	1,276	6,361	23,684	1,135	24,819

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

## Consolidated Financial Results

(in million yen)

		FY2013	FY2013	FY2014	FY2014	FY2015	
		1st Half	Full year	1st Half	Full year	1st Half	
Consolidated operating results (Lower: Net sales ratio)	Net Sales	307,183 100.0%	638,970 100.0%	336,244 100.0%	701,900 100.0%	360,771 100.0%	
	Operating income	13,020 4.2%	33,003 5.2%	18,259 5.4%	43,850 6.2%	24,819 6.9%	
	Ordinary income	10,333 3.4%	28,670 4.5%	16,660 5.0%	38,868 5.5%	18,002 5.0%	
	Extraordinary loss	- 1,573 - 0.5%	- 31,121 - 4.9%	- 2,402 - 0.7%	- 1,805 - 0.3%	- -	
	Net income attributable to shareholder (parent company)	3,421 1.1%	- 14,648 - 2.3%	9,270 2.8%	23,352 3.3%	10,391 2.9%	
Net sales by region (Lower: Net sales ratio)	Japan	85,098 27.7%	179,081 28.0%	94,213 28.0%	191,460 27.3%	94,642 26.2%	
	Americas	85,384 27.8%	174,566 27.3%	95,497 28.4%	202,561 28.9%	108,174 30.0%	
	Europe	79,788 26.0%	166,279 26.0%	84,016 25.0%	171,217 24.4%	84,670 23.5%	
	Asia and other areas	56,912 18.5%	119,043 18.6%	62,517 18.6%	136,661 19.5%	73,283 20.3%	
	Total	307,183 100.0%	638,970 100.0%	336,244 100.0%	701,900 100.0%	360,771 100.0%	
Net sales / Operating income by location	Japan	Net sales	155,531	323,582	166,631	343,315	169,044
		Operating income	11,575	25,593	11,835	27,557	13,618
		Operating margin	7.4%	7.9%	7.1%	8.0%	8.1%
	Americas	Net sales	83,752	171,843	93,715	198,912	106,586
		Operating income	1,503	2,644	59	1,410	2,427
		Operating margin	1.8%	1.5%	0.1%	0.7%	2.3%
	Europe	Net sales	87,600	182,350	91,976	187,206	91,716
		Operating income	397	2,139	1,060	3,700	1,276
		Operating margin	0.5%	1.2%	1.2%	2.0%	1.4%
	Asia and other areas	Net sales	54,470	113,806	61,040	132,925	74,392
		Operating income	1,944	4,405	3,933	10,081	6,361
		Operating margin	3.6%	3.9%	6.4%	7.6%	8.6%
	Deletion	Net sales	- 74,172	- 152,611	- 77,120	- 160,458	- 80,968
		Operating income	- 2,399	- 1,779	1,370	1,100	1,135
	Total	Net sales	307,183	638,970	336,244	701,900	360,771
		Operating income	13,020	33,003	18,259	43,850	24,819
		Operating margin	4.2%	5.2%	5.4%	6.2%	6.9%

(in million yen)

			FY2013	FY2013	FY2014	FY2014	FY2015	
			1st Half	Full year	1st Half	Full year	1st Half	
Net sales / Operating income by business applications	Aftermarket	Net sales	49,555	103,844	54,751	112,433	58,339	
		Operating income	8,162	17,725	8,910	19,237	9,507	
		Operating margin	16.5%	17.1%	16.3%	17.1%	16.3%	
	Industrial machinery	Net sales	48,283	101,181	52,631	108,993	52,824	
		Operating income	1,355	3,279	2,137	6,261	3,573	
		Operating margin	2.8%	3.2%	4.1%	5.7%	6.8%	
	Automotive	Net sales	209,344	433,944	228,861	480,473	249,607	
		Operating income	3,501	11,999	7,211	18,351	11,738	
		Operating margin	1.7%	2.8%	3.2%	3.8%	4.7%	
	Total	Net sales	307,183	638,970	336,244	701,900	360,771	
		Operating income	13,020	33,003	18,259	43,850	24,819	
		Operating margin	4.2%	5.2%	5.4%	6.2%	6.9%	
Capital expenditures /Depreciation and amortization	Capital expenditures		18,306	33,162	12,824	31,266	18,602	
	Depreciation and amortization	Domestic	8,192	17,012	7,547	15,708	5,690	
		Overseas	10,753	22,302	11,760	24,683	13,296	
	Total		18,945	39,315	19,308	40,391	18,987	
R&D expenditures			8,403	17,820	8,799	18,088	9,213	
Ratio of R&D expenditures to net sales			2.7%	2.8%	2.6%	2.6%	2.6%	
Inventories			164,486	166,484	179,876	184,128	191,280	
Inventory turnover ratio (times)			3.7	3.8	3.7	3.8	3.8	
Interest- bearing debts	Loans		375,924	381,767	378,447	359,105	340,572	
	Bonds		-	-	-	-	-	
	Total		375,924	381,767	378,447	359,105	340,572	
Major management indicators	Ordinary income ratio to total assets		2.6%	3.5%	3.9%	4.6%	4.2%	
	Return on assets (ROA)		0.9%	- 1.8%	2.2%	2.7%	2.5%	
	Return on equity (ROE)		3.3%	- 7.3%	8.8%	10.5%	8.4%	
	Shareholder's equity ratio		26.6%	23.5%	26.1%	28.6%	29.6%	
	Net assets per share (yen)		404.86	374.68	414.76	461.21	467.26	
	Net income per share (yen)		6.43	- 27.54	17.43	43.91	19.54	
Employees	Domestic	(persons)	7,623	7,900	8,025	8,003	8,140	
	Overseas	(persons)	13,869	14,256	14,986	15,357	15,890	
	Total	(persons)	21,492	22,156	23,011	23,360	24,030	
Exchange rates At term end	Average	Dollar	(yen)	98.86	100.17	103.01	109.76	121.87
		Euro	(yen)	129.98	134.21	138.90	138.69	135.11
	At term end	Dollar	(yen)	97.75	102.92	109.45	120.17	119.96
		Euro	(yen)	131.87	141.65	138.87	130.32	134.97