

Consolidated Financial Results for the Third Quarter of FY2017

February 2, 2018
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 FY2017 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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- 10. Cash Flows**

Results of FY2017 Third Quarter (April–December)

- ◇ Net Sales: **¥548.5 billion**
 - Increase of **¥50.1 billion**, year-on-year
(Excluding exchange rates: increase of **¥26.5 billion**, increased by **5.3%**)
- ◇ Operating Income: **¥27.1 billion**
 - Increase of **¥2.3 billion**, year-on-year
(Excluding exchange rates : decrease of **¥0.1 billion**)
- ◇ Ordinary Income: **¥22.2 billion**
 - Increase of **¥0.7 billion** year-on-year
(Excluding exchange rates: decrease of **¥1.6 billion**)
- ◇ Net income attributable to shareholder(parent company): **¥13.8 billion**
 - Increase of **¥4.1 billion**, year-on-year
(Excluding exchange rates: increase of **¥1.5 billion**)
- ◇ Free Cash Flow: **¥5.4 billion**, decrease of **¥6.7 billion**, year-on-year

(billion yen)

	FY2016			FY2017			Year on Year			
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast	FY20171-3Q ②-①			
		①			②		Total	Excl.Forex	Forex	
Net sales	171.5	498.3	683.3	190.5	548.5	720.0	50.1	26.5	23.6	
Operating income	9.0	24.8	35.6	10.3	27.1	39.0	2.3	-0.1	2.4	
Operating margin	(5.2%)	(5.0%)	(5.2%)	(5.4%)	(4.9%)	(5.4%)	(-0.0%)			
Ordinary income	10.0	21.5	29.6	8.6	22.2	32.0	0.7	-1.6	2.3	
Extraordinary income/loss	-2.7	-2.9	-14.7	-	-	-10.0	2.9	2.9	0.0	
Net income attributable to shareholder (parent company)	3.6	9.7	2.8	5.4	13.8	13.0	4.1	1.5	2.6	
Exchange rate	US \$	109.3	106.6	108.4	112.9	111.7	110.5	5.0		
	EURO	117.8	118.0	118.8	132.9	128.5	125.6	10.4		

(billion yen)

2. Net Sales by Region

	FY2016			FY2017			Year on Year		
	3Q Results	1-3Q Results ①	3Q Results	3Q Results	1-3Q Results ②	3Q Results	FY20171-3Q ②-①		
							Total	Excl.Forex	Forex
Japan	49.4	142.1	191.5	53.0	152.5	201.5	10.3	10.3	-
Americas	47.7	141.1	194.8	49.9	148.6	198.5	7.5	0.3	7.2
Europe	35.7	110.9	155.0	43.3	125.8	167.0	14.9	4.9	10.1
Asia and others	38.8	104.2	142.1	44.4	121.5	153.0	17.3	11.0	6.4
Total	171.5	498.3	683.3	190.5	548.5	720.0	50.1	26.5	23.6

3. Net Sales and Operating Income by Business Sector

< Net Sales by Business Sector >

(billion yen)

	FY2016			FY2017			Year on Year		
	3Q Results	1-3Q Results ①	3Q Results	3Q Results	1-3Q Results ②	3Q Results	FY20171-3Q ②-①		
							Total	Excl.Forex	Forex
Aftermarket	24.6	75.3	104.5	28.9	85.1	112.5	9.8	5.8	4.0
Industrial machinery	24.6	70.7	98.6	29.7	87.0	114.5	16.3	13.0	3.3
Automotive	122.3	352.3	480.2	131.9	376.3	493.0	24.0	7.6	16.3
Total	171.5	498.3	683.3	190.5	548.5	720.0	50.1	26.5	23.6

< Operating Income by Business Sector >

(billion yen)

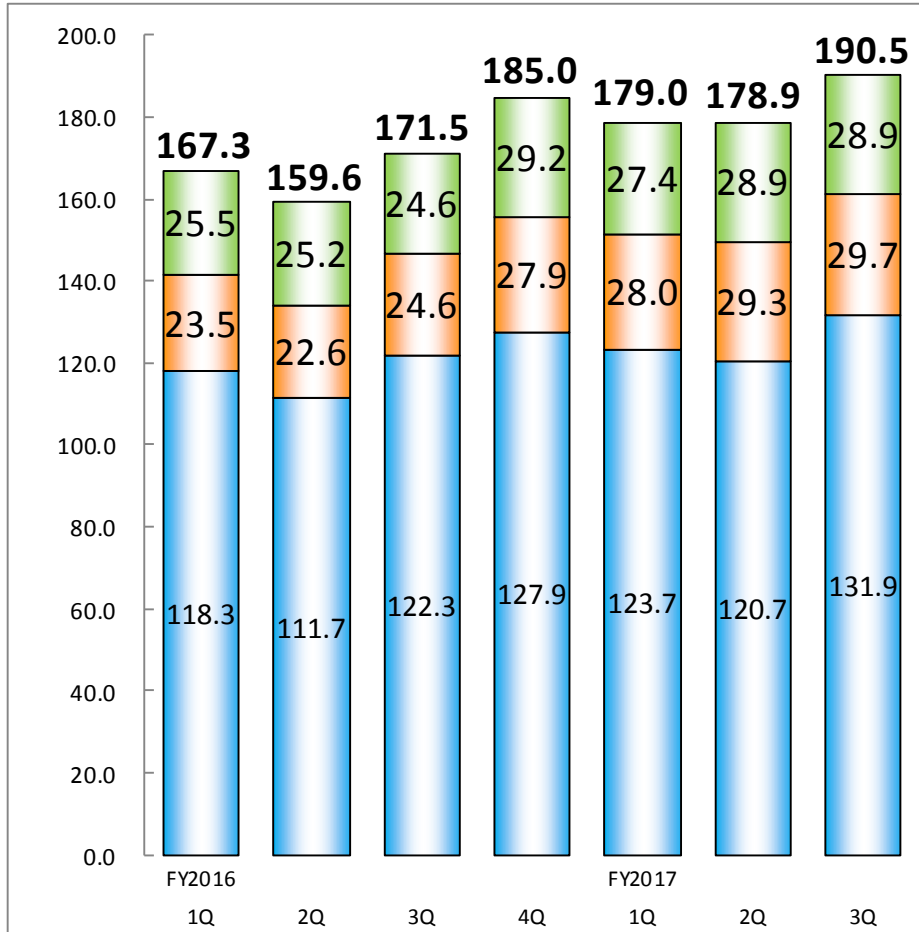
	FY2016			FY2017			Year on Year		
	3Q Results	1-3Q Results ①	3Q Results	3Q Results	1-3Q Results ②	3Q Results	FY20171-3Q ②-①		
Aftermarket	3.1	9.8	14.0	3.4	10.2	15.0	0.4		
Industrial machinery	0.2	0.5	1.6	0.7	1.5	2.8	1.0		
Automotive	5.7	14.5	20.0	6.2	15.4	21.2	0.9		
Total	9.0	24.8	35.6	10.3	27.1	39.0	2.3		

4. Results by Business Sector (Quarterly Trend)

* All figures in billion yen.

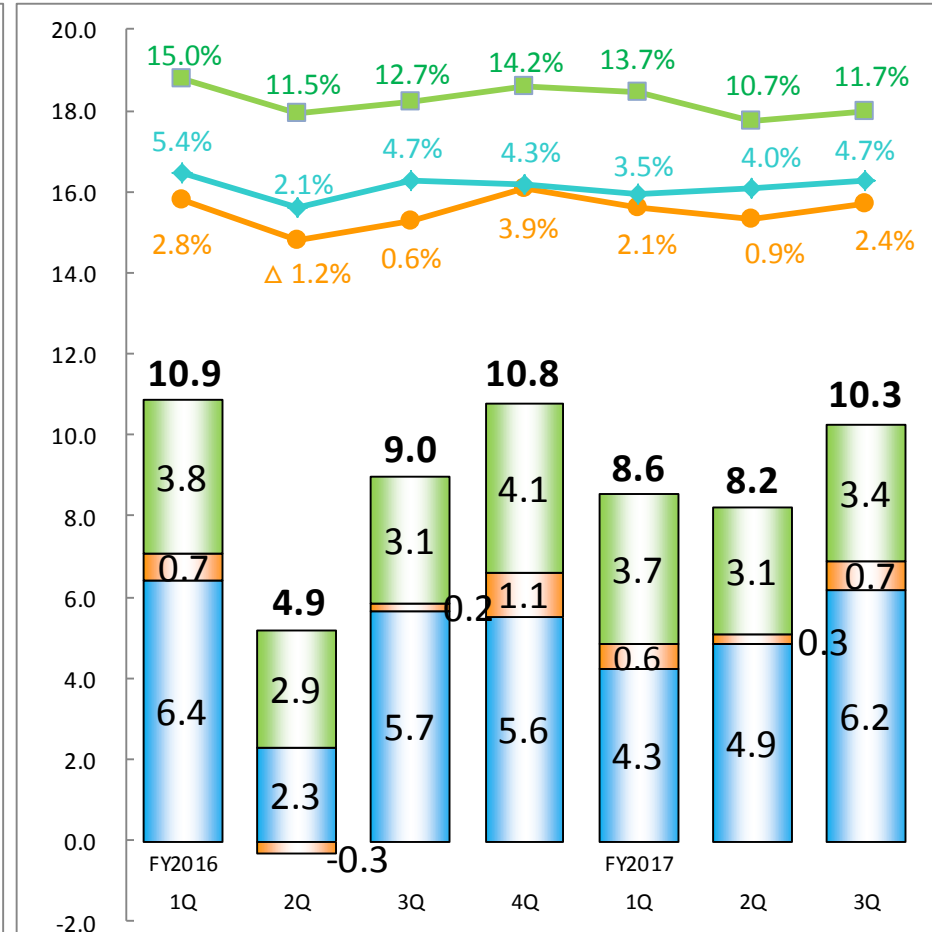
Net Sales

Automotive Industrial Machinery Aftermarket



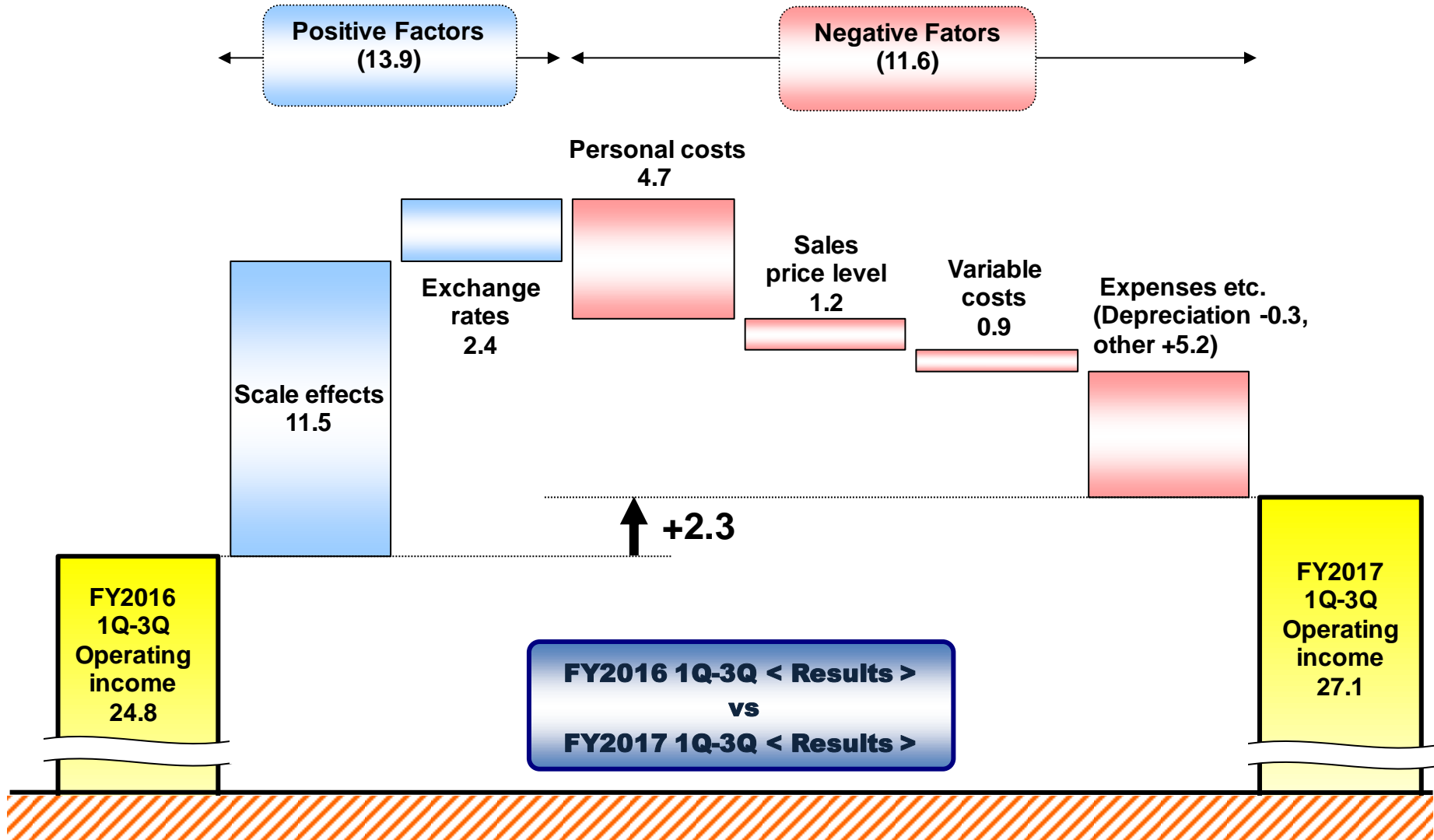
Operating Income/Operating Margin

Automotive Industrial Machinery Aftermarket



5. Analysis of Operating Income (FY2017 3Q)

* All figures in billion yen.

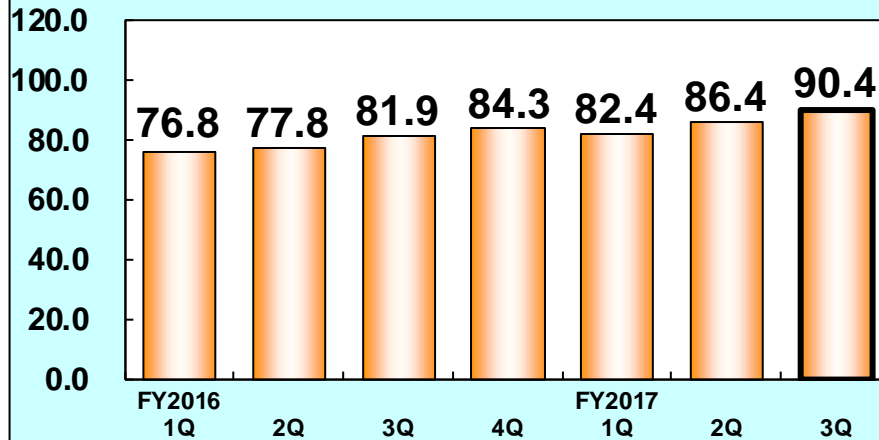


6. Net Sales and Operating Income by Company Location

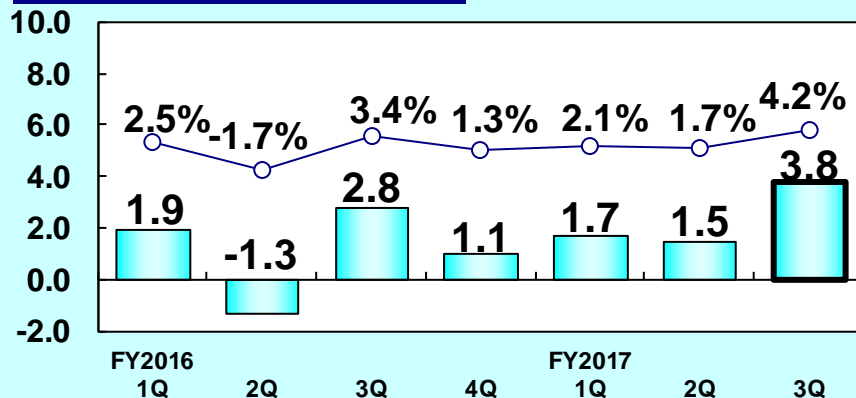
* All figures in billion yen

《 Japan 》

Net Sales

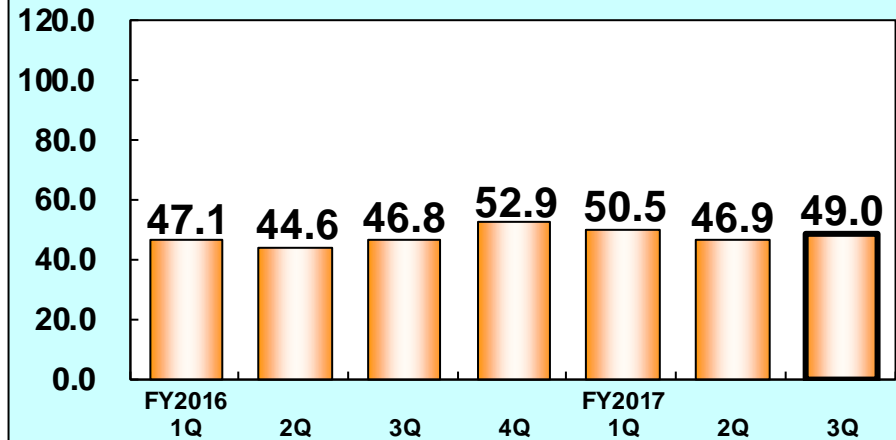


Operating Income

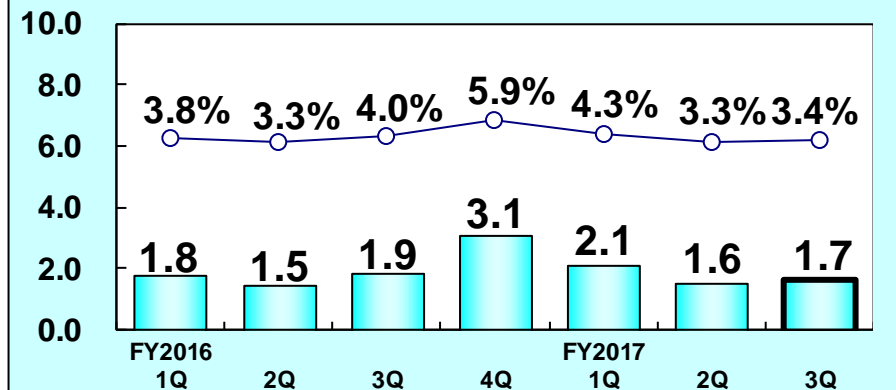


《 Americas 》

Net Sales



Operating Income

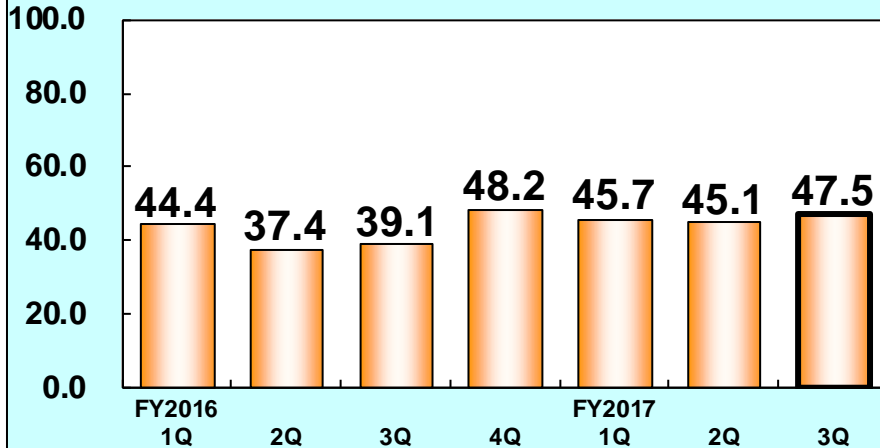


6. Net Sales and Operating Income by Company Location

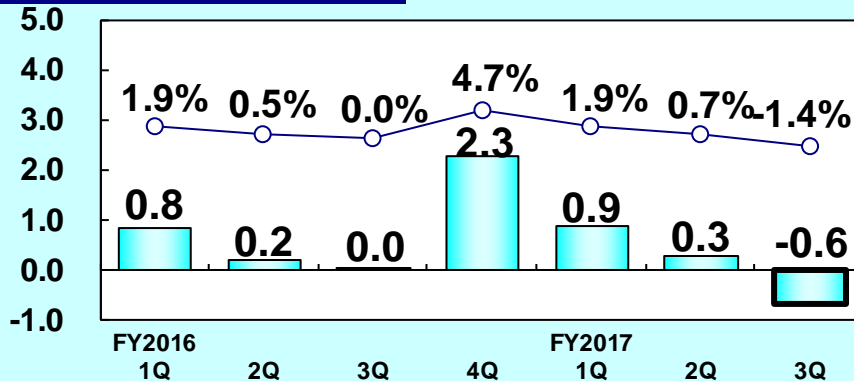
* All figures in billion yen

《 Europe 》

Net Sales

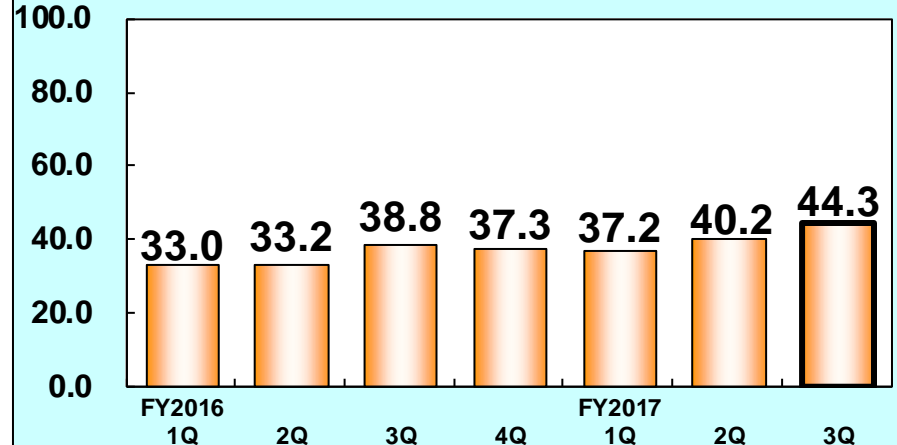


Operating Income

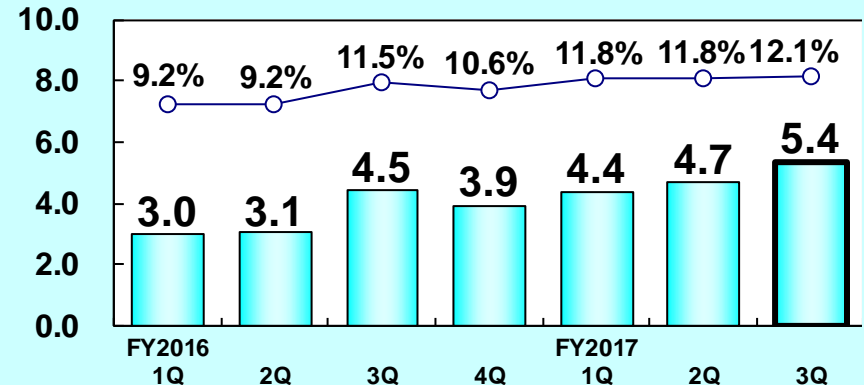


《 Asia and others 》

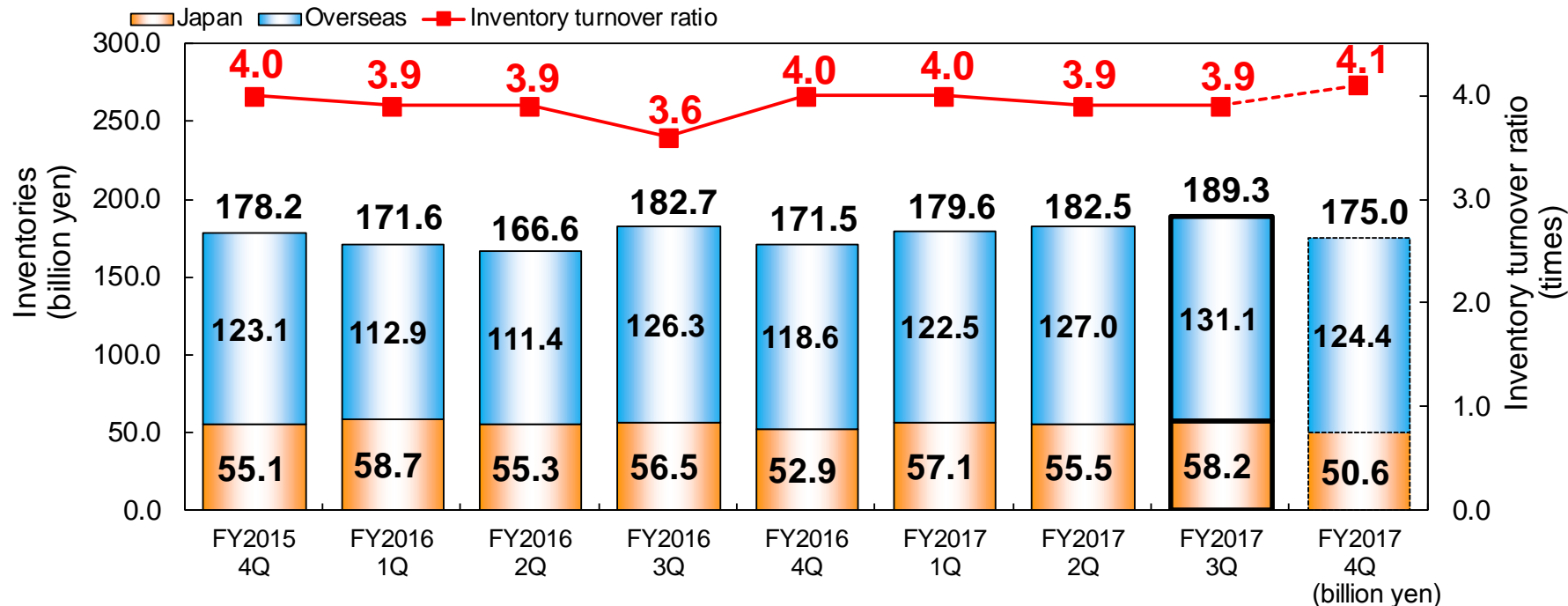
Net Sales



Operating Income

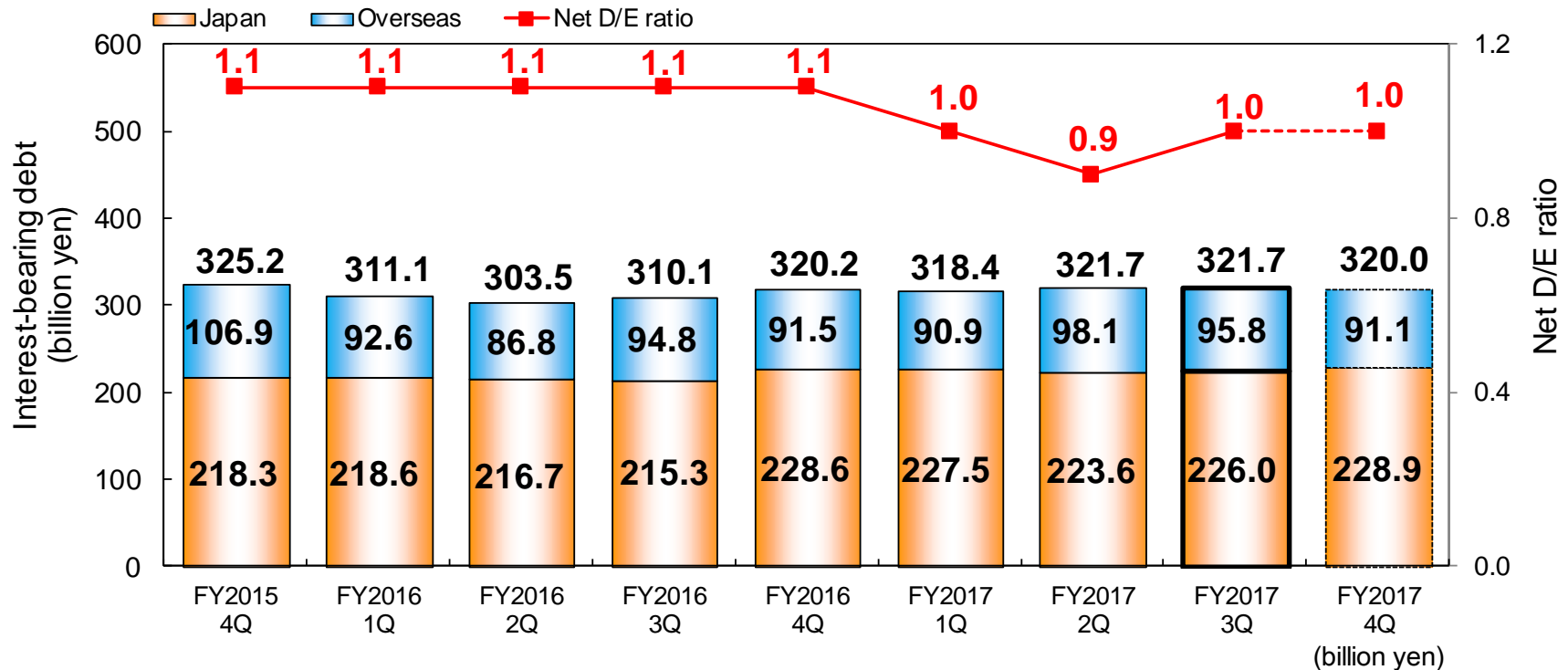


7. Inventories



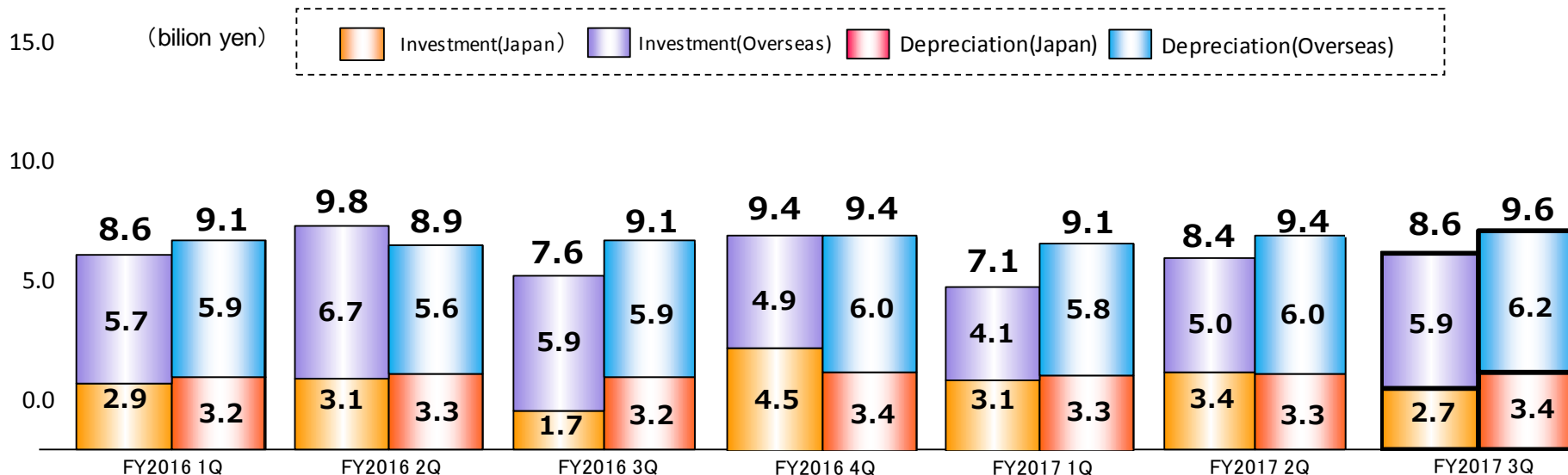
	FY2015 4Q Results	FY2016 1Q Results	FY2016 2Q Results	FY2016 3Q Results	FY2016 4Q Results	FY2017 1Q Results	FY2017 2Q Results	FY2017 3Q Results	FY2017 4Q Forecast
Inventories	178.2	171.6	166.6	182.7	171.5	179.6	182.5	189.3	175.0
(Oversea)	(123.1)	(112.9)	(111.4)	(126.3)	(118.6)	(122.5)	(127.0)	(131.1)	(124.4)
(Japan)	(55.1)	(58.7)	(55.3)	(56.5)	(52.9)	(57.1)	(55.5)	(58.2)	(50.6)
Inventory turnover ratio(times)	4.0	3.9	3.9	3.6	4.0	4.0	3.9	3.9	4.1

8. Interest-Bearing Debt



	FY2015 4Q Results	FY2016 1Q Results	FY2016 2Q Results	FY2016 3Q Results	FY2016 4Q Results	FY2017 1Q Results	FY2017 2Q Results	FY2017 3Q Results	FY2017 4Q Forecast
Interest-bearing debt	325.2	311.1	303.5	310.1	320.2	318.4	321.7	321.7	320.0
(Oversea)	(106.9)	(92.6)	(86.8)	(94.8)	(91.5)	(90.9)	(98.1)	(95.8)	(91.1)
(Japan)	(218.3)	(218.6)	(216.7)	(215.3)	(228.6)	(227.5)	(223.6)	(226.0)	(228.9)
Net interest-bearing debt	257.9	243.2	238.0	252.6	240.9	239.2	234.8	247.2	240.0

9. Capital Expenditure and Depreciation



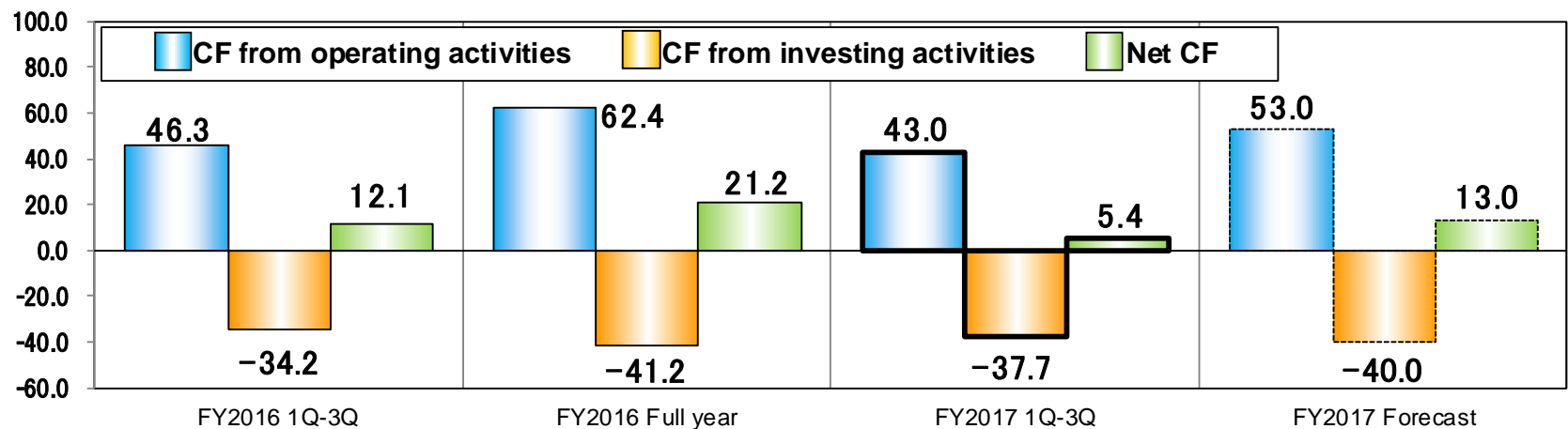
(billion yen)

	FY2016 ①1-3Q	FY2016 Full year	FY2017 ①1-3Q	Year on Year ②-①	FY2017 Full year forecast
Capital expenditure	26.0	35.4	24.1	-1.9	40.0
Overseas	18.3	23.2	15.0	-3.2	22.3
Japan	7.7	12.2	9.1	1.4	17.7
Depreciation	27.2	36.6	28.0	0.8	37.5
Overseas	17.5	23.5	18.0	0.5	23.5
Japan	9.7	13.2	10.0	0.3	14.0

10. Cash Flows

(billion yen)	FY2016		FY2017		② - ①
	① 1-3Q	Full year	① 1-3Q	Full year forecast	
I . Cash flow from operating activities	46.3	62.4	43.0	53.0	-3.2
II . Cash flow from investing activities	-34.2	-41.2	-37.7	-40.0	-3.5
I + II . Net cash flow	12.1	21.2	5.4	13.0	-6.7
III . Cash flow from financing activities	-21.2	-8.2	-10.8	-14.0	10.4
IV . Effect of exchanging rate translation on cash and cash equivalents	-0.7	-1.0	0.6	1.7	1.3
V . Net increase in cash and cash equivalents	-9.8	12.0	-4.8	0.7	5.0

* CF from investing activities include -4.3 billion yen of time deposits(over 3month). The actual Net CF increased 9.7 billion yen.



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