

Consolidated Financial Results for the Third Quarter of FY2018

February 5, 2019
NTN Corporation

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- 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 FY2018 Key Factors

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Results of FY2018 Third Quarter (April–December)

- ◇ Net Sales: **¥552.1 billion**
 - Increase of **¥3.7 billion**, year-on-year
(Excluding exchange rates: increase of **¥4.4 billion**)
- ◇ Operating Income: **¥20.8 billion**
 - Decrease of **-¥6.4 billion**, year-on-year
(Excluding exchange rates : decrease of **-¥6.2 billion**)
- ◇ Ordinary Income: **¥16.6 billion**
 - Decrease of **-¥5.6 billion** year-on-year
(Excluding exchange rates: decrease of **-¥5.5 billion**)
- ◇ Net income attributable to shareholder(parent company): **¥9.1 billion**
 - Decrease of **-¥4.7 billion**, year-on-year
(Excluding exchange rates: Decrease of **-¥4.7 billion**)
- ◇ Free Cash Flow: **-¥21.5 billion**, decrease of **-¥26.8 billion**, year-on-year

1. Consolidated Statements of Operation

(billion yen)

	FY2017			FY2018			Year on Year		
	3Q Results	1-3Q Results ①	Full year Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2018 1-3Q ②-①		
							Total	Excl.Forex	Forex
Net sales	190.5	548.5	744.4	181.9	552.1	750.0	3.6	4.4	-0.8
Operating income	10.3	27.1	39.6	5.4	20.8	35.0	-6.4	-6.2	-0.2
Operating margin	(5.4%)	(4.9%)	(5.3%)	(3.0%)	(3.8%)	(4.7%)	(-1.2%)		
Ordinary income	8.6	22.2	31.3	4.1	16.6	29.0	-5.6	-5.5	-0.1
Extraordinary income/loss	-	-	-4.3	-2.3	-2.3	-6.0	-2.3	-	-
Net income*	5.4	13.8	20.4	0.9	9.1	15.0	-4.7	-4.7	0.0
Exchange rate	US\$	112.9	111.7	110.8	112.8	111.1	107.6	-0.5	
	EURO	132.9	128.5	129.6	128.7	129.5	129.9	1.0	

(billion yen)

2. Net Sales by Region

	FY2017			FY2018			Year on Year		
	3Q Results	1-3Q Results ①	3Q Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2018 1-3Q ②-①		
							Total	Excl.Forex	Forex
Japan	53.0	152.5	204.3	54.6	156.9	210.0	4.4	4.4	-
Americas	49.9	148.6	201.7	49.7	150.1	201.0	1.5	2.8	-1.3
Europe	43.3	125.8	175.6	38.6	124.1	172.5	-1.7	-2.7	1.0
Asia and others	44.4	121.5	162.8	39.0	121.0	166.5	-0.6	-0.1	-0.4
Total	190.5	548.5	744.4	181.9	552.1	750.0	3.7	4.4	-0.8

3. Net Sales and Operating Income by Business Sector

<Net Sales by Business Sector>

(billion yen)

	FY2017			FY2018			Year on Year		
	3Q Results	1-3Q Results ①	3Q Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2018 1-3Q ②-①		
							Total	Excl.Forex	Forex
Aftermarket	28.9	85.1	116.7	28.2	89.2	120.0	4.1	4.1	0.1
Industrial machinery	29.7	87.0	119.1	30.5	92.4	125.5	5.4	5.4	0.0
Automotive	131.9	376.3	508.6	123.3	370.4	504.5	-5.9	-5.0	-0.8
Total	190.5	548.5	744.4	181.9	552.1	750.0	3.7	4.4	-0.8

<Operating Income by Business Sector>

(billion yen)

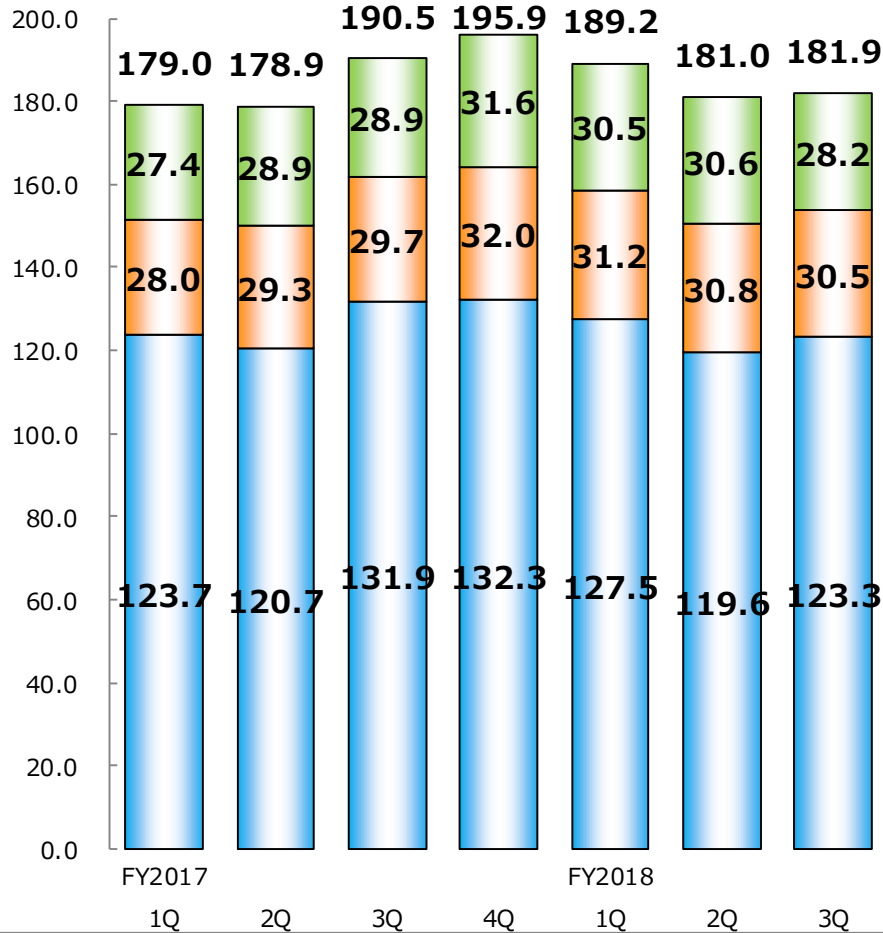
	FY2017			FY2018			Year on Year		
	3Q Results	1-3Q Results ①	3Q Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2018 1-3Q ②-①		
Aftermarket	3.4	10.2	15.0	3.5	11.3	15.2	1.1		
Industrial machinery	0.7	1.5	2.8	0.7	2.3	4.1	0.8		
Automotive	6.2	15.4	21.8	1.3	7.2	15.7	-8.2		
Total	10.3	27.1	39.6	5.4	20.8	35.0	-6.4		

4. Results by Business Sector (Quarterly Trend)

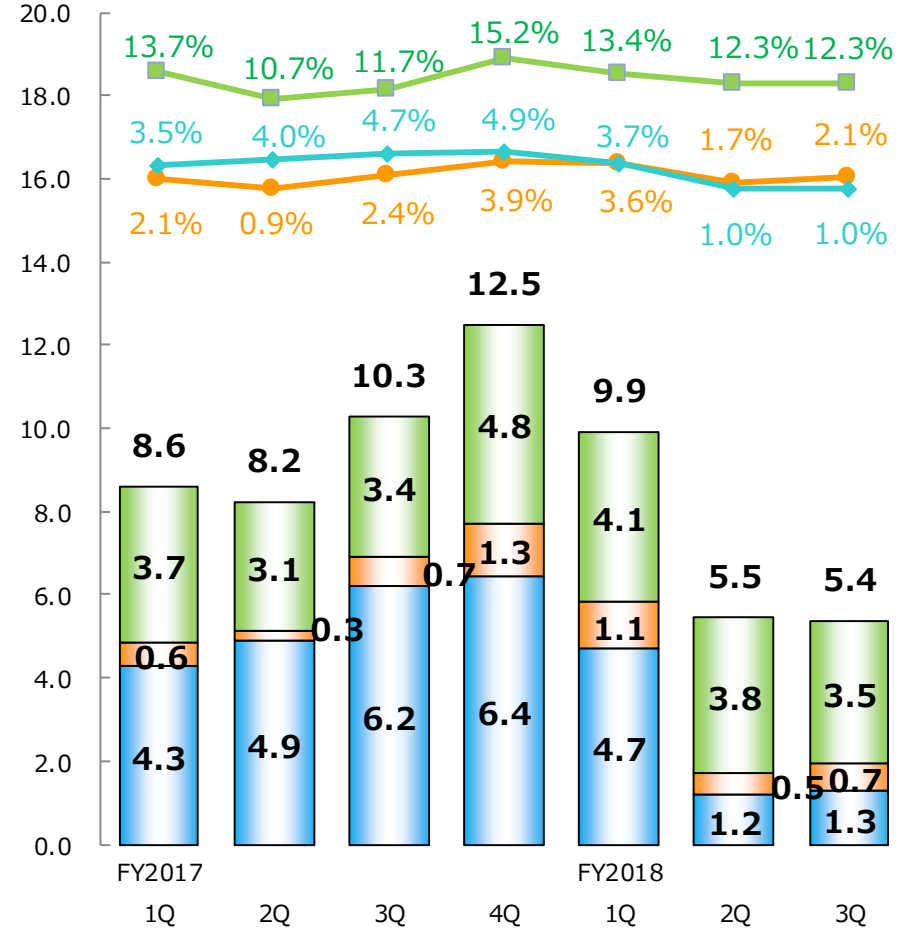
* All figures in billion yen.

Automotive Industrial Machinery Aftermarket

Net Sales

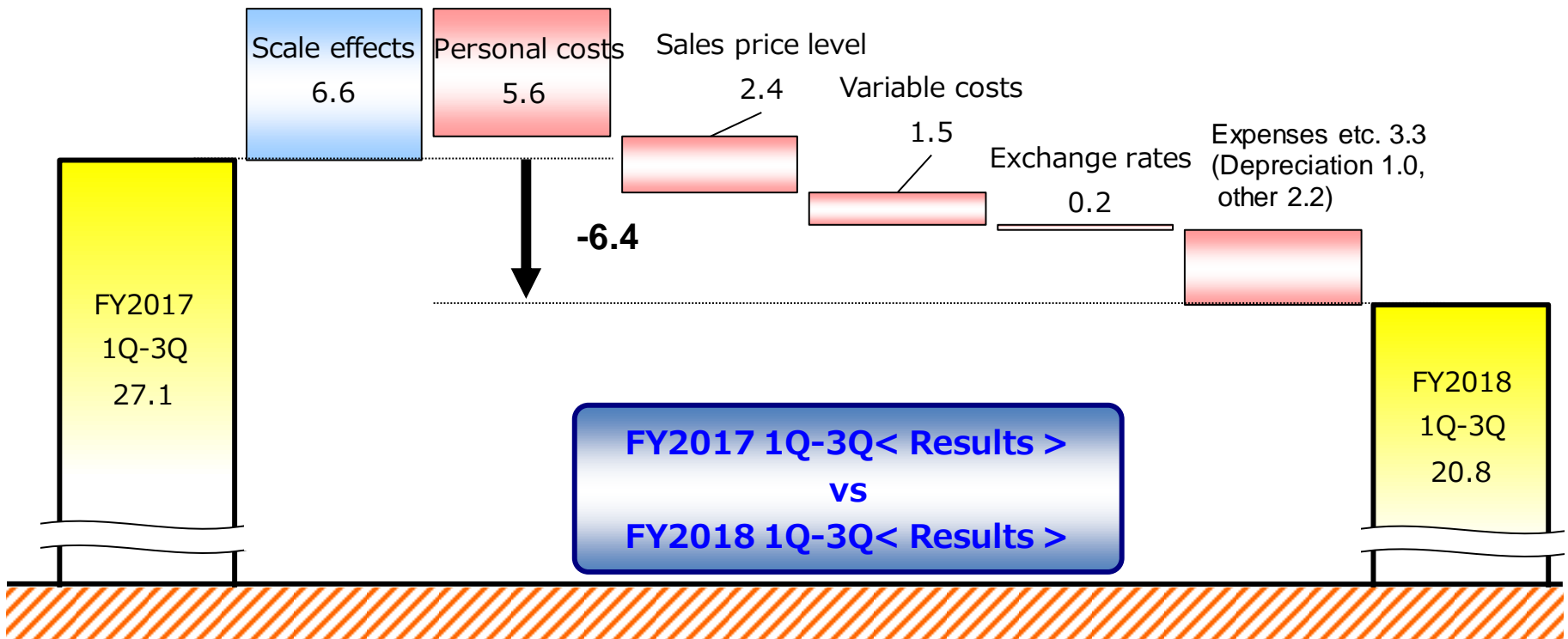
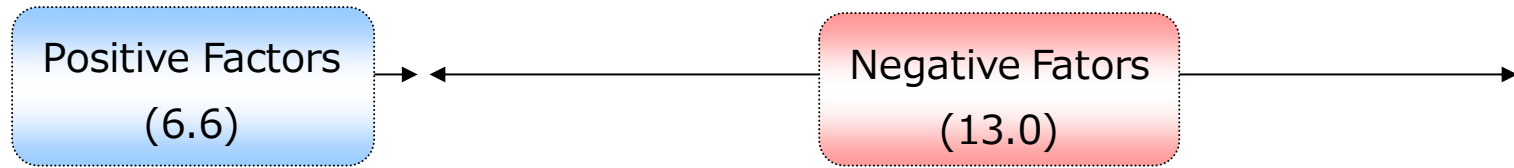


Operating Income/Operating Margin



5. Analysis of Operating Income (FY2018 3Q)

* All figures in billion yen.

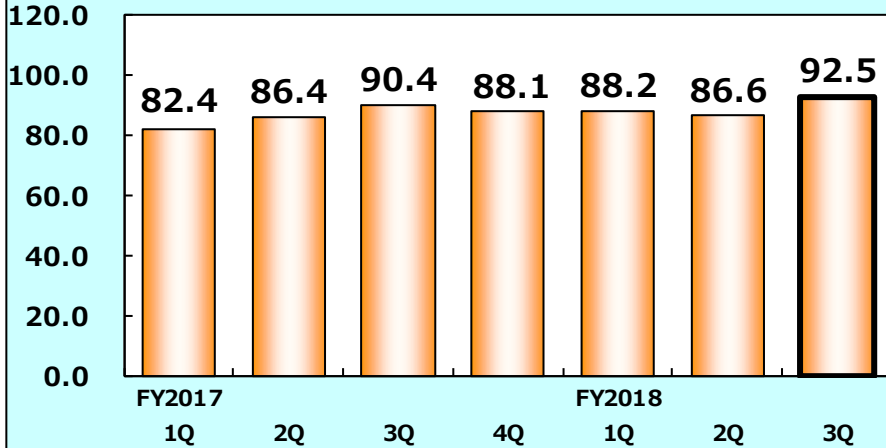


6. Net Sales and Operating Income by Company Location

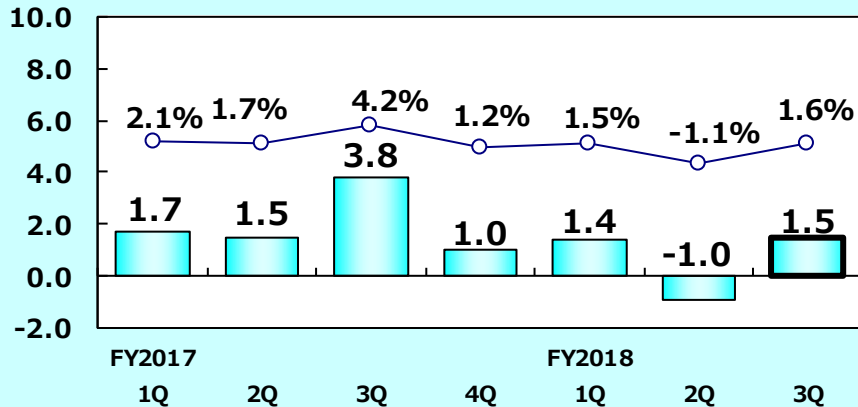
* All figures in billion yen

《 Japan 》

Net Sales

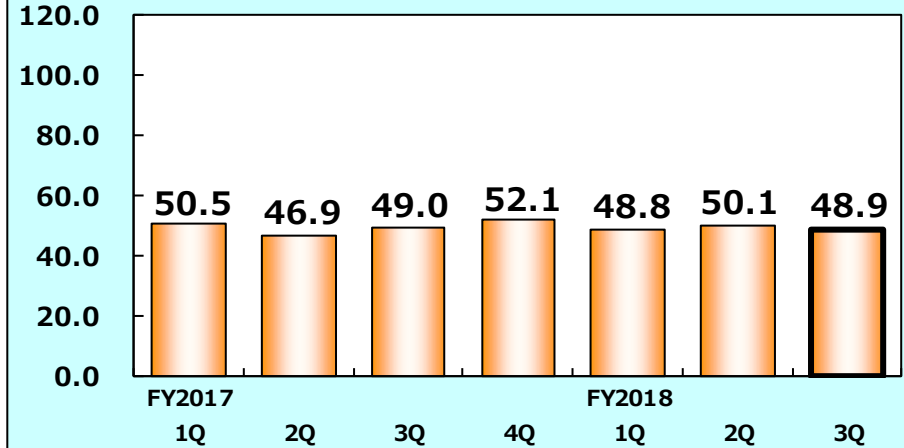


Operating Income

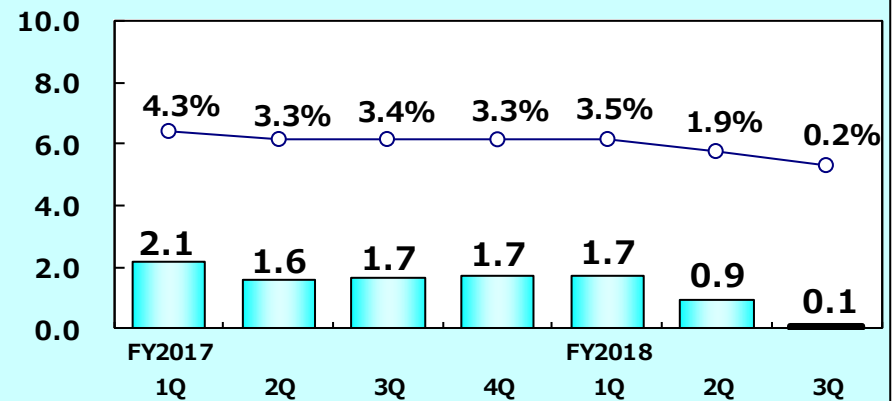


《 Americas 》

Net Sales



Operating Income



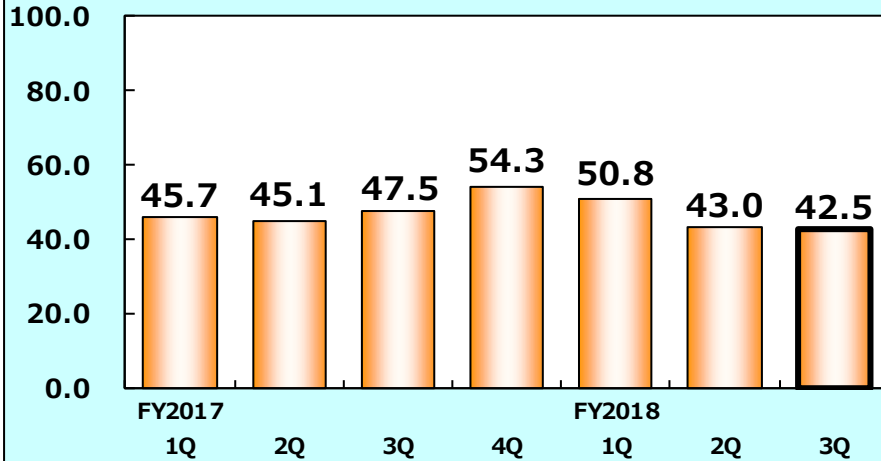
6. Net Sales and Operating Income by Company Location

* All figures in billion yen

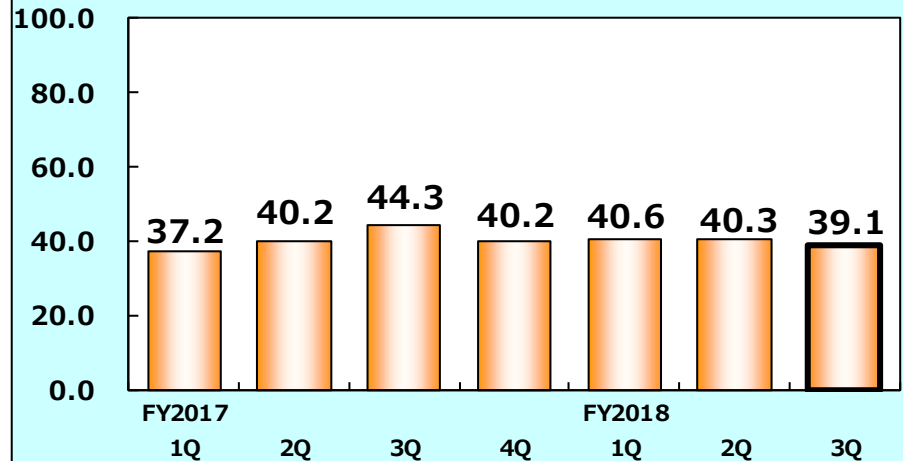
《 Europe 》

《 Asia and others 》

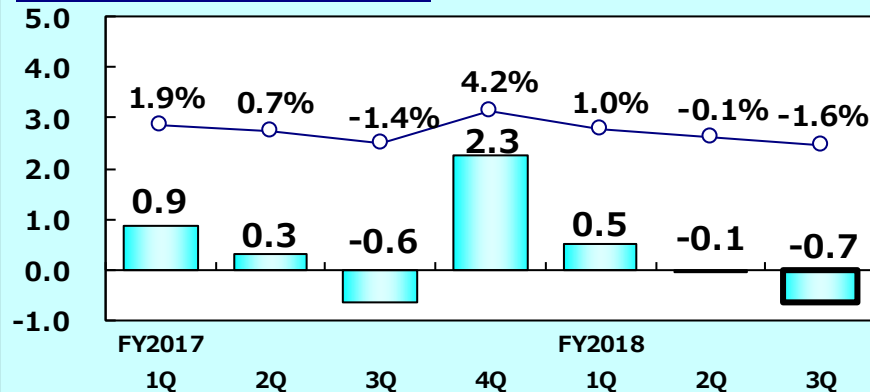
Net Sales



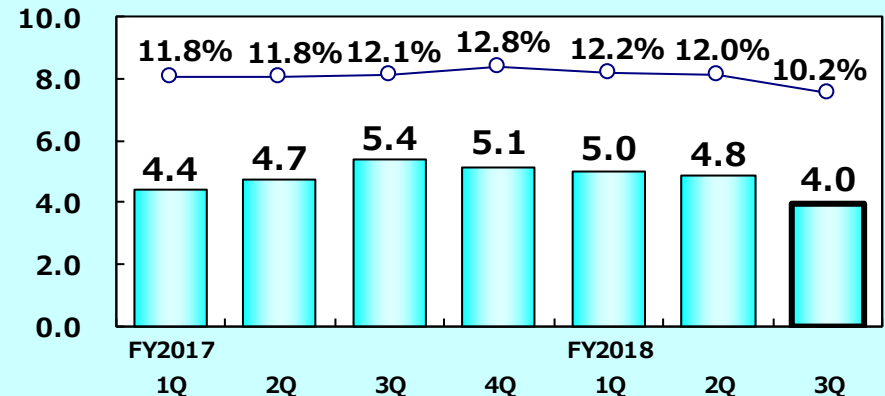
Net Sales



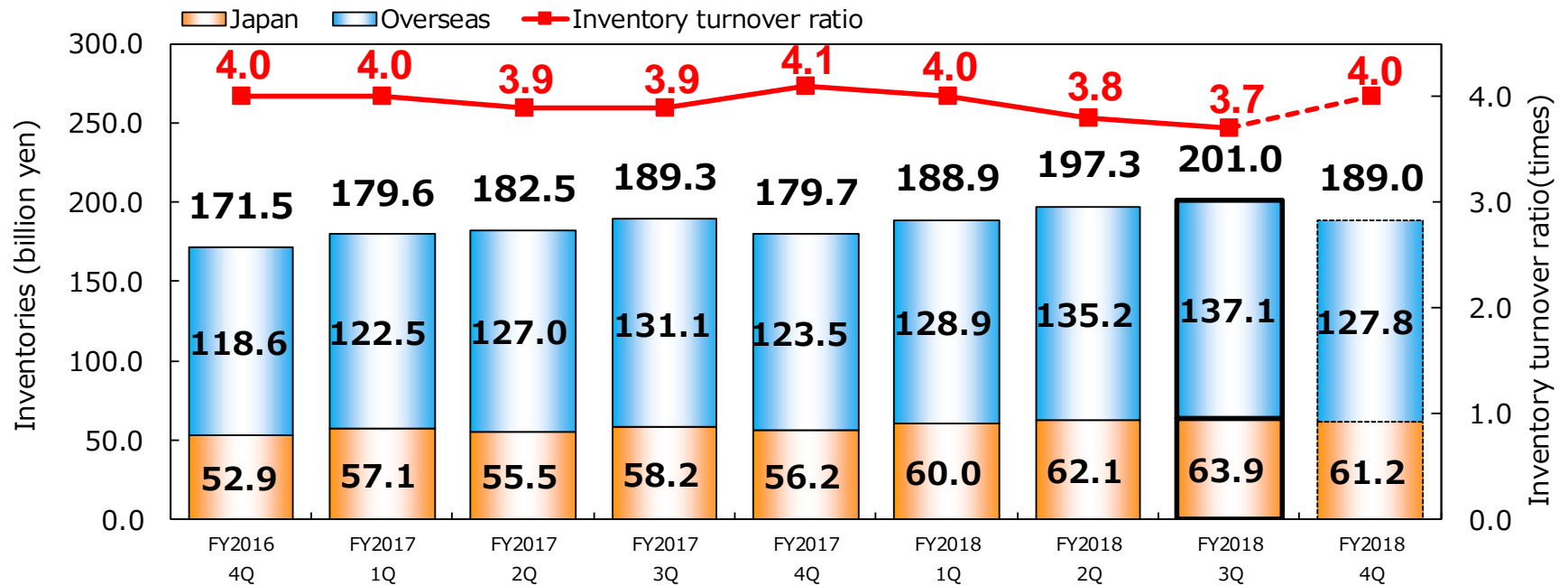
Operating Income



Operating Income



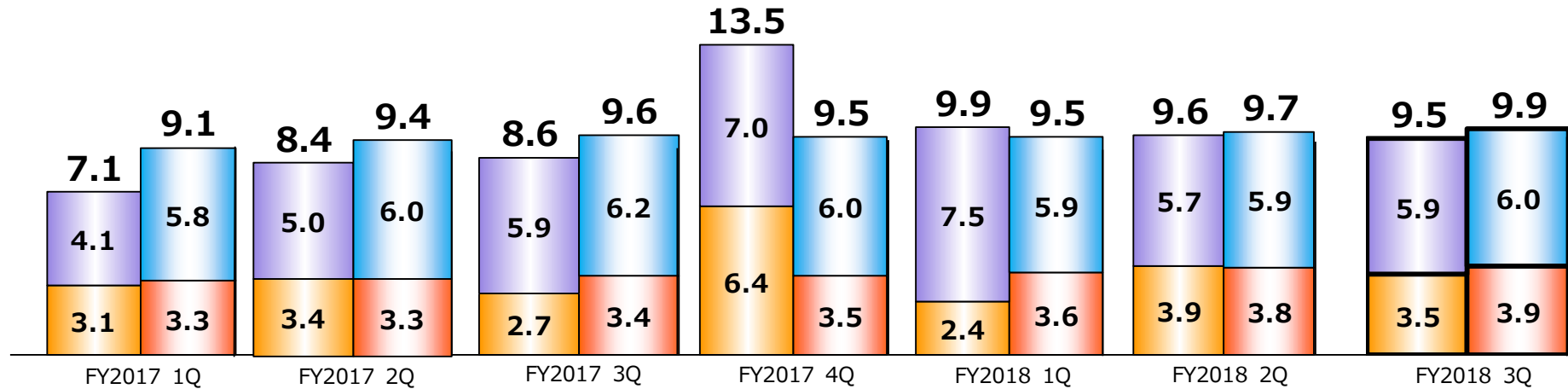
7. Inventories



	FY2016 4Q Results	FY2017 1Q Results	FY2017 2Q Results	FY2017 3Q Results	FY2017 4Q Results	FY2018 1Q Results	FY2018 2Q Results	FY2018 3Q Results	FY2018 4Q Forecast
Inventories	171.5	179.6	182.5	189.3	179.7	188.9	197.3	201.0	189.0
(Oversea)	(118.6)	(122.5)	(127.0)	(131.1)	(123.5)	(128.9)	(135.2)	(137.1)	(127.8)
(Japan)	(52.9)	(57.1)	(55.5)	(58.2)	(56.2)	(60.0)	(62.1)	(63.9)	(61.2)
Inventory turnover ratio(times)	4.0	4.0	3.9	3.9	4.1	4.0	3.8	3.7	4.0

8. Capital Expenditure and Depreciation

(billion yen) Investment(Japan) Investment(Overseas) Depreciation(Japan) Depreciation(Overseas)



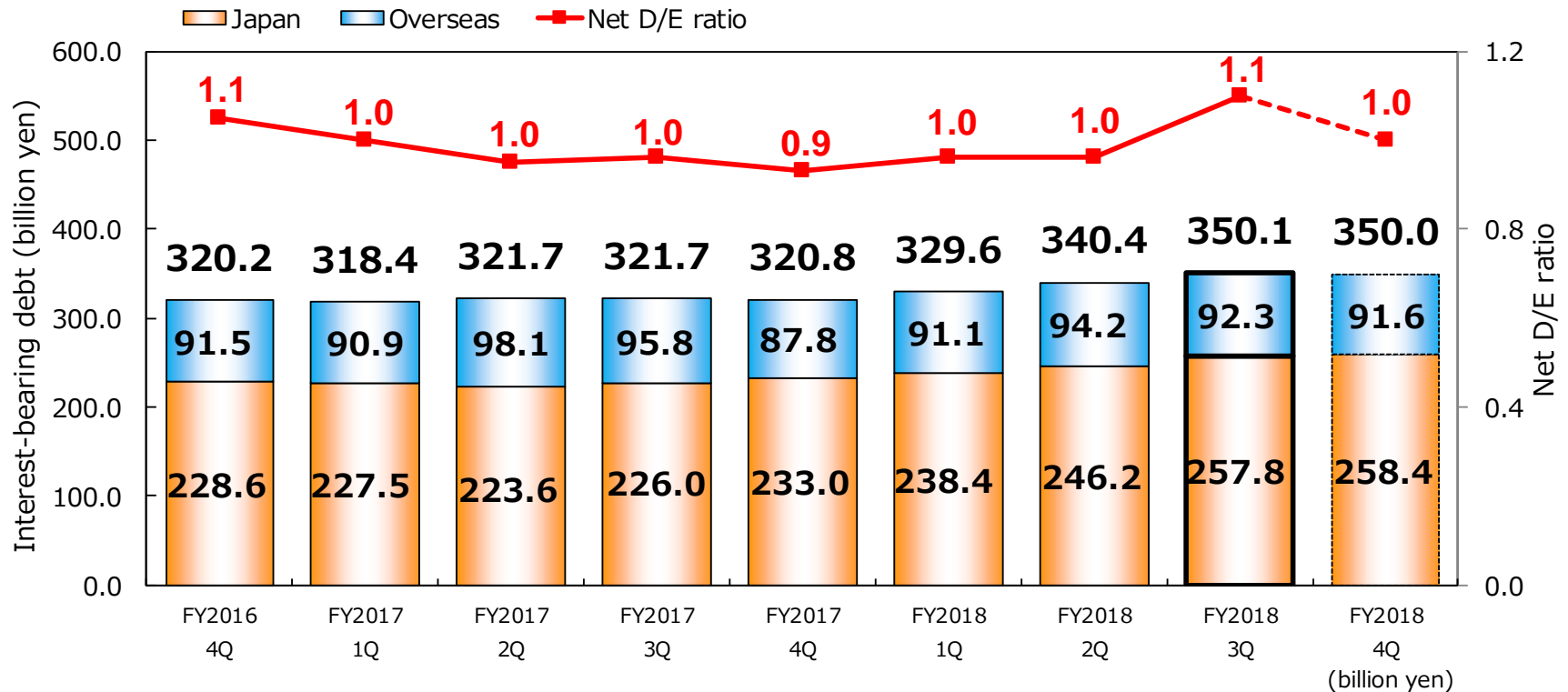
(billion yen)

	FY2017 ①1-3Q	FY2017 Full year	FY2018 ①1-3Q	Year on Year ②-①	FY2018 Full year forecast
Capital expenditure	(24.1)	(37.6)	※(28.9)	(4.8)	(45.0)
(Overseas)	(15.0)	(22.0)	(19.1)	(4.1)	(26.5)
(Japan)	(9.1)	(15.6)	(9.8)	(0.7)	(18.5)

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

	FY2017 ①1-3Q	FY2017 Full year	FY2018 ①1-3Q	Year on Year ②-①	FY2018 Full year forecast
Depreciation	(28.0)	(37.5)	(29.1)	(1.0)	(40.0)
(Overseas)	(18.0)	(24.0)	(17.7)	(-0.3)	(24.0)
(Japan)	(10.0)	(13.5)	(11.3)	(1.3)	(16.0)

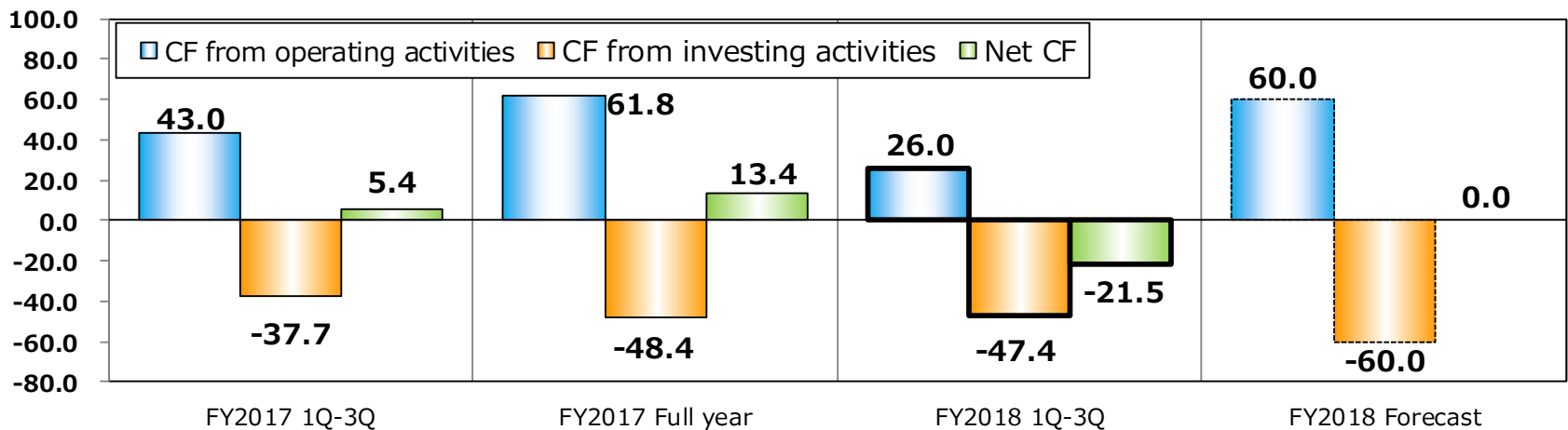
9. Interest-Bearing Debt



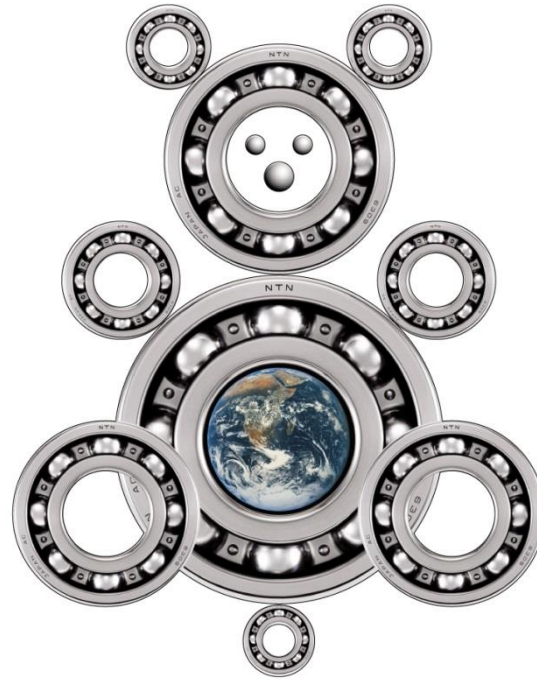
	FY2016 4Q Results	FY2017 1Q Results	FY2017 2Q Results	FY2017 3Q Results	FY2017 4Q Results	FY2018 1Q Results	FY2018 2Q Results	FY2018 3Q Results	FY2018 4Q Forecast
Interest-bearing debt	320.2	318.4	321.7	321.7	320.8	329.6	340.4	350.1	350.0
(Oversea)	(91.5)	(90.9)	(98.1)	(95.8)	(87.8)	(91.1)	(94.2)	(92.3)	(91.6)
(Japan)	(228.6)	(227.5)	(223.6)	(226.0)	(233.0)	(238.4)	(246.2)	(257.8)	(258.4)
Net interest-bearing debt	240.9	239.2	234.8	247.2	234.7	244.0	252.7	267.0	245.0

10. Cash Flows

(billion yen)	FY2017		FY2018		② - ①
	①1-3Q	Full year	①1-3Q	Full year forecast	
I. Cash flow from operating activities	43.0	61.8	26.0	60.0	-17.1
II. Cash flow from investing activities	-37.7	-48.4	-47.4	-60.0	-9.8
I + II. Net cash flow	5.4	13.4	-21.5	0.0	-26.8
III. Cash flow from financing activities	-10.8	-7.5	20.3	20.0	31.1
IV. Effect of exchanging rate translation on cash and cash equivalents	0.6	0.9	-1.8	-1.0	-2.5
V. Net increase in cash and cash equivalents	-4.8	6.8	-3.0	19.0	1.8



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