

NSK



FINANCIAL CONFERENCE

Consolidated Business Results, Forecast, and The 5th Mid-term Plan

May 16, 2016
NSK Ltd.



Cautionary Statements with Respect to Forward-Looking Statements

Statements made in this report with respect to plans, strategies and future performance that are not historical fact are forward-looking statements. NSK cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Note : This document is an English translation of material written initially in Japanese.

The Japanese original should be considered the primary version

- 1. Consolidated Business Results
for the Year Ended March 31, 2016**
- 2. The 5th Mid-Term Management Plan**
- 3. Consolidated Business Forecast
for the Year Ending March 31, 2017**

(Supplementary Information)

1. Consolidated Business Results for the Year Ended March 31, 2016

Summary of Consolidated Business Results for the Year Ended March 31, 2016



Business Environment

- ✓ Japan: Uncertainty increased, US: Robust demand, Europe: Moderate recovery trend, Emerging markets: Low growth continued.
- ✓ Forex: Appreciation of Yen accelerated from the beginning of the year. Unstable resource markets.
- ✓ Industrial: Economic slowdown in China spread to global market.
- ✓ Automotive: Solid growth continued, primarily in North America.

Summary of Business Results

	(FY2015)	(Compared to 2014)
Net Sales:	¥975.3 billion	+¥0.4 billion / +0.0%
Operating Income:	¥94.7 billion	-¥2.6 billion / -2.7%
Net Income attributable to shareholders of the parent:	¥67.2 billion	+¥5.2 billion / +8.4%

- ✓ Records for net sales and net income.
- ✓ Operating income declined due to environmental changes in industrial business.
- ✓ Automotive business marked record performance due to higher volume and effect of cost reductions.
- ✓ Dividend: FY2015 full-year dividend ¥34.0 (1st half ¥17.0, 2nd half ¥17.0, YOY +¥6.0) 3

Summary of Consolidated Business Results for the Year Ended March 31, 2016



(Billions of yen)	FY2014 <Actual> [JGAAP]	FY2015 <Actual> [JGAAP]	Increase/ Decrease YOY	Difference YOY
Net sales	974.9	975.3	+0.4	+0.0%
Operating income <%>	97.3 <10.0%>	94.7 <9.7%>	-2.6	-2.7%
Ordinary income	91.0	94.0	+3.0	+3.3%
Income before tax	88.0	90.4	+2.5	+2.8%
Net income attributable to shareholders of the parent	62.0	67.2	+5.2	+8.4%
(Exchange rate: US1\$=)	(¥109.93)	(¥120.14)		
(Exchange rate: 1EURO=)	(¥138.77)	(¥132.58)		
(Exchange rate: 1RMB=)	(¥17.74)	(¥18.85)		

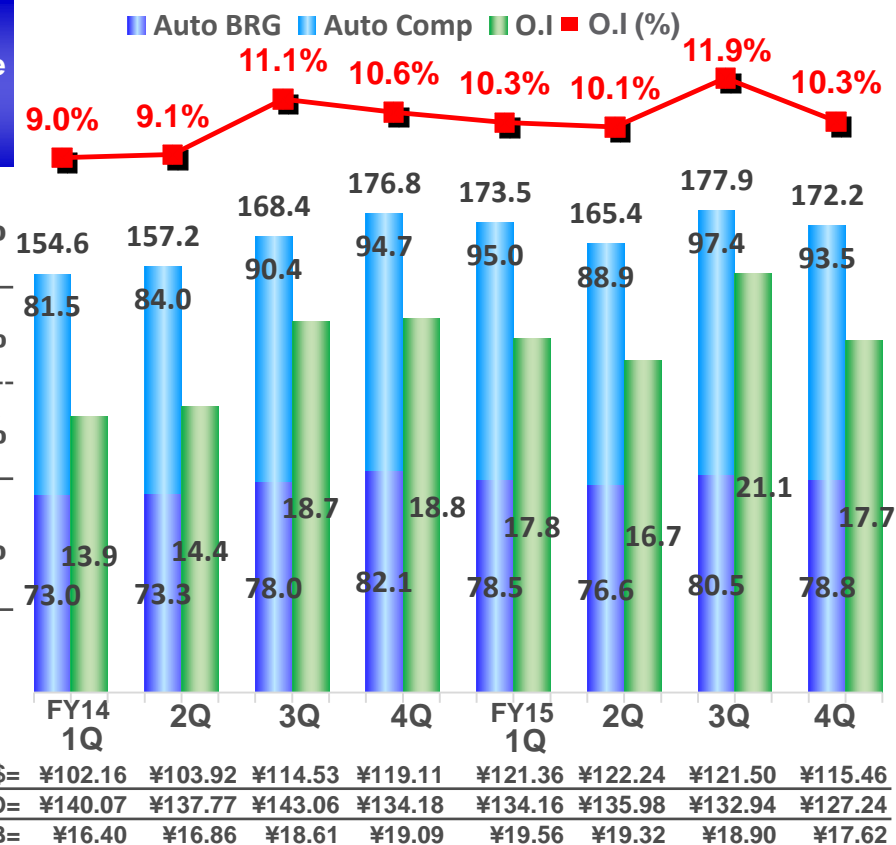
【Major indexes】

ROE	15.3%	14.9%		
Net D/E ratio (times)	0.31	0.23		
Inventory turnover (times)	7.1	7.2		

Business Results: Automotive Business



(Billions of yen)	FY2014 <Actual> [JGAAP]	FY2015 <Actual> [JGAAP]	Increase/ Decrease YOY	Difference YOY
Sales	657.0	689.1	+32.1	+4.9%
Automotive Bearings	306.4	314.3	+7.9	+2.6%
Automotive Components	350.6	374.8	+24.2	+6.9%
Operating income	65.7 <10.0%>	73.4 <10.6%>	+7.7	+11.7%
Exchange rate:				
US1\$=	(¥109.93)	(¥120.14)		
1EURO=	(¥138.77)	(¥132.58)		
1RMB=	(¥ 17.74)	(¥ 18.85)		

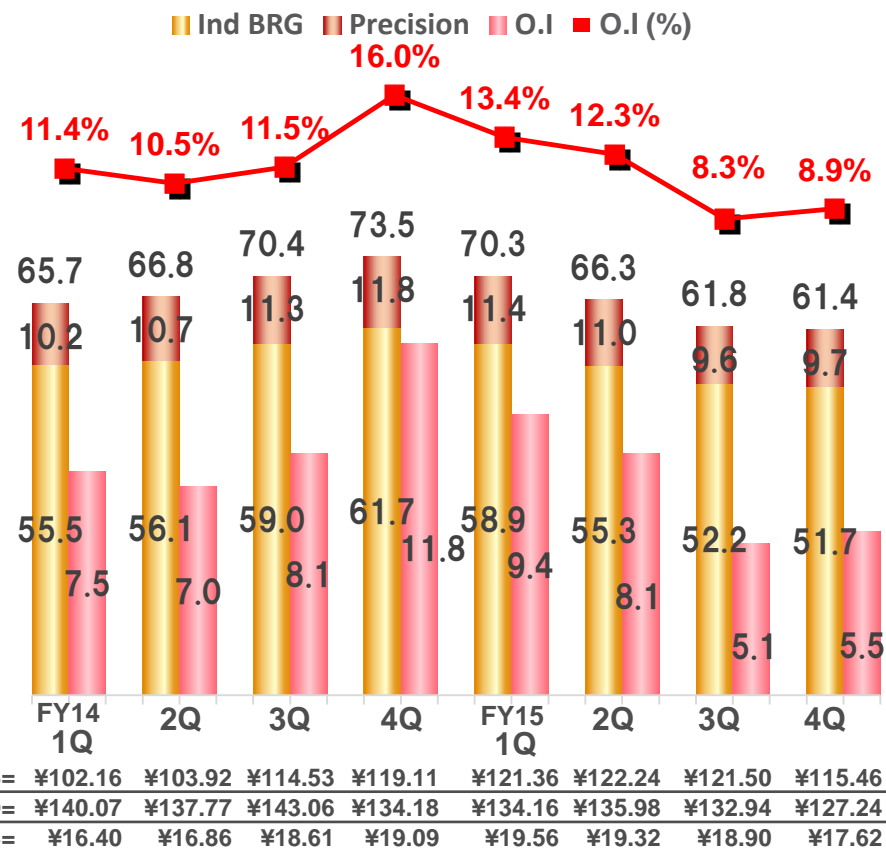


- ✓ Overall demand expanded, primarily in the North American market.
- ✓ In Japan, sales decreased due to weak sales of Japanese mini vehicles.
- ✓ Chinese market recovered in the second half due to effect of tax reductions, although production volume underwent adjustment in the first half.
- ✓ Automotive business marked record performance due to higher volume and effect of cost reductions.

Business Results: Industrial Machinery Business



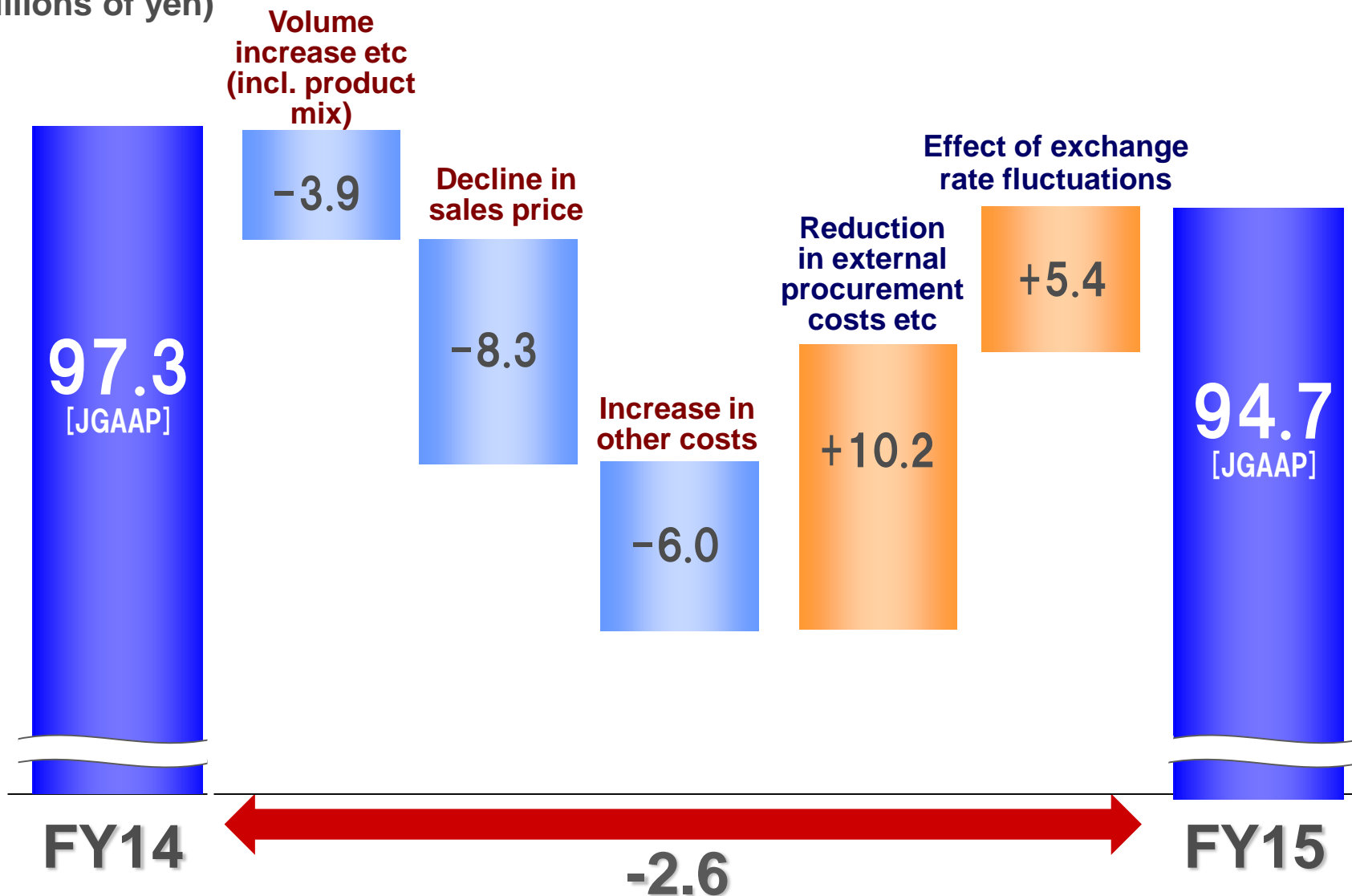
(Billions of yen)	FY2014 <Actual> [JGAAP]	FY2015 <Actual> [JGAAP]	Increase/ Decrease YOY	Difference YOY
Sales	276.4	259.8	-16.6	-6.0%
Industrial machinery Bearings	232.4	218.1	-14.3	-6.2%
Precision machinery and parts	44.0	41.7	-2.3	-5.2%
Operating income	34.4 <12.4%>	28.1 <10.8%>	-6.2	-18.2%
Exchange rate:	(¥109.93)	(¥120.14)		
US1\$=	(¥138.77)	(¥132.58)		
1EURO=	(¥ 17.74)	(¥ 18.85)		



- ✓ Impact on global economy of economic/growth slowdown in China grew.
- ✓ Demand environment in many sectors deteriorated, including machine tools.
- ✓ Unstable resource market continued.
- ✓ YOY decrease in both sales and profit due to demand decline.

Operating Income: Factors Behind Change (FY2014 ⇒ FY2015)

(Billions of yen)



2. The 5th Mid-Term Management Plan

4th MTP: Achievements and Shortcomings



Outline

Establish corporate fundamentals appropriate for a company with net sales of 1 trillion Yen

Business Strategies

Growth with a focus on profitability

Corporate Foundation

Develop management capability to handle 1 trillion Yen in sales volume

Achievements and Shortcomings

- Achieved all numerical targets of the 4th MTP. Improved profitability.
- Significant growth in Chinese business and electric power steering systems.
- Performance assisted by favorable exchange rate environment.
- Will continue to enhance response to demand fluctuations and build corporate fundamentals appropriate for a company with net sales of 1 trillion Yen.

Numerical Targets / Results

《The 4th Mid-term Management Plan》

	FY2015 Original Target	FY2015 Actual
Net Sales	¥940.0 billion	¥975.3 billion
Operating Income	¥86.0 billion	¥94.7 billion
Net Income	¥52.0 billion	¥67.2 billion
Operating Income %	9.1%	9.7%
ROE	13.0%	14.9%
Net D/E Ratio	0.40	0.23
Exchange Rate	1US\$=¥90 1Euro=¥120	1US\$=¥120 1Euro=¥133

Theme of the 5th Mid-Term Management Plan



FY13 | FY14 | FY15

The 4th MTP

2013 ~ 2015

Founded
in 1916

FY16

FY17

FY18

The 5th MTP

2016: 100th Anniversary

2026

NSK Vision 2026

Setting the
Future in
Motion

Realize Vision

Embark on new
chapter in evolution
towards next 100 years

Respond to shifts in
business environment

Reconstruct profit base

Develop new products,
expand into new fields

Invest resources for
future growth

Developing Corporate
Fundamentals to
Support a 1 trillion
Yen Company

FY14: achieved final-year
targets a year ahead of
schedule - record highs
for sales and profit

FY15: shift in business
environment

Failed to achieve FY15
original budget

Commence mid- and long-term measures to
achieve sustainable growth

NSK Vision 2026 Setting the Future in Motion

Embark on new chapter in evolution towards next 100 years

**Operational
Excellence**

Sustainable Growth

Deliver new value to society
Work together with stakeholders

Reconstruct profit base

Increase and stabilize profitability
Monozukuri, quality, personnel

Expand into new growth fields

Growth in core businesses
New products, new fields

**Innovate
and Challenge**

Industrial Machinery • Automotive

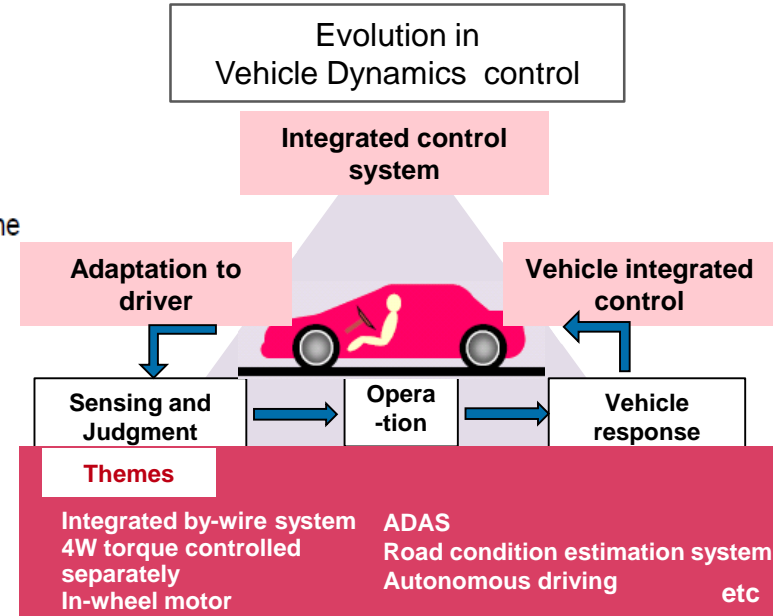
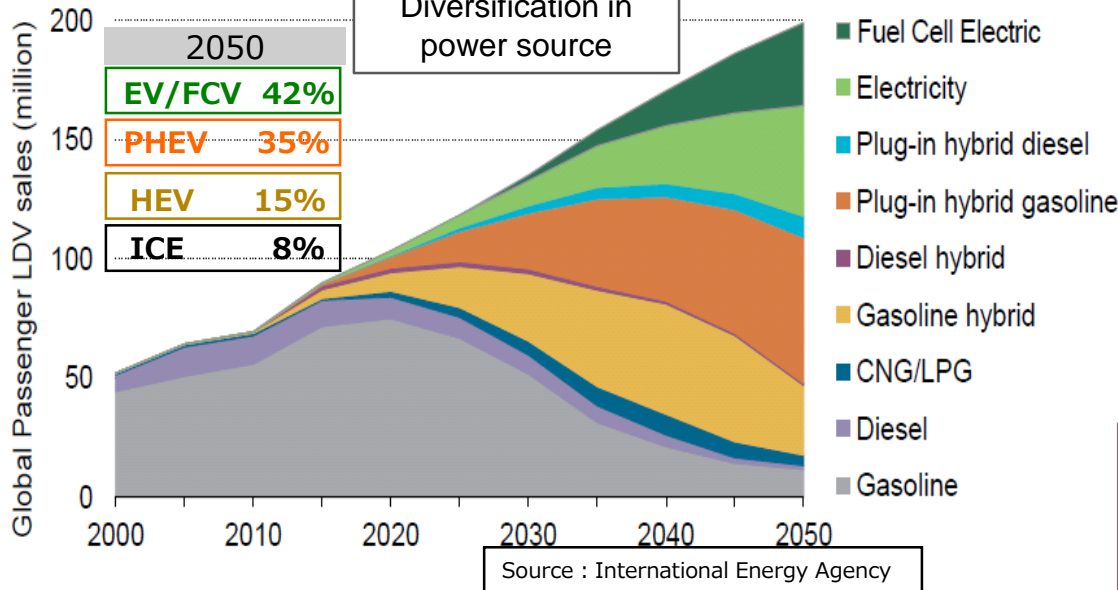
Safety • Quality • Compliance

Business Foundation as 1 trillion Yen Company

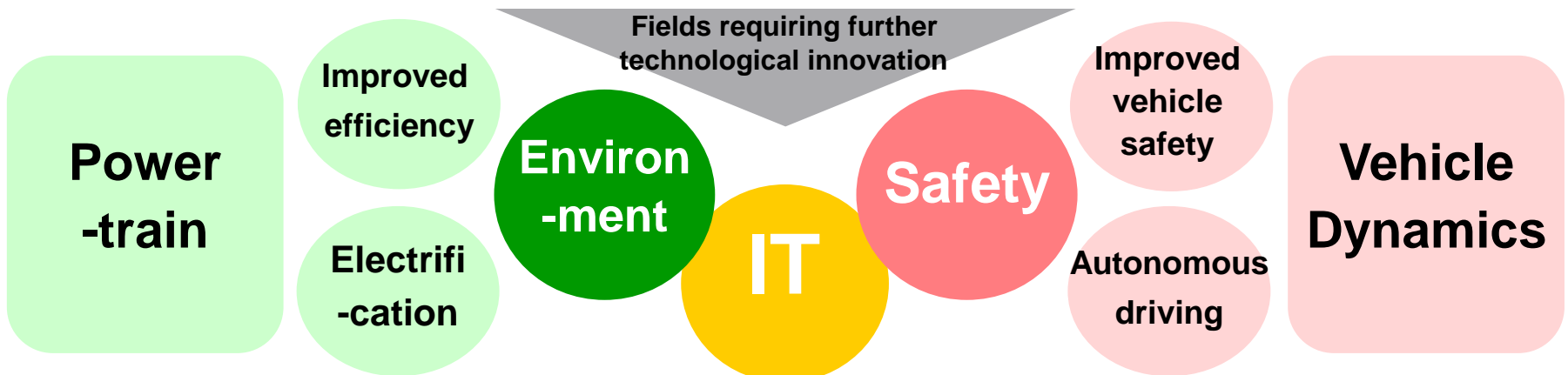
5th MTP: Automotive Business 1

Changes in Business Environment

Changes in Automotive Business Environment



Future diversification in power source, evolution in vehicle dynamics control



5th MTP: Automotive Business 2

New Organization and Key initiatives



Automotive Business: New Organization

**Automotive Powertrain
Division HQ**
(BRG + Components))

Manufacturing plants

**Automotive Steering
and Actuator
Division HQ**

Manufacturing plants

Refine elemental technology
Enhance responsiveness
toward system technology

Automotive Technology Development Center

Powertrain Bearing
Technology Center

Application
engineering

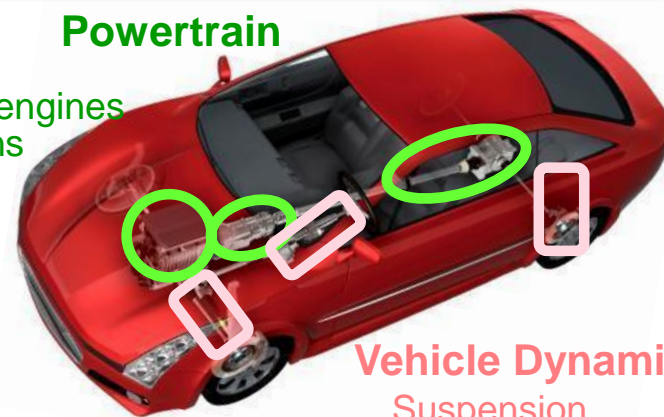
Steering Technology
Center

New technology and
product development

Powertrain/Vehicle Dynamics

HEV•PHEV
EV•FCV
Combustion engines
Transmissions
Motors

Powertrain



Vehicle Dynamics

Suspension
Steering
Brakes

Elemental Technology Development

Key initiatives

Reinforce profit base and establish platform for future growth

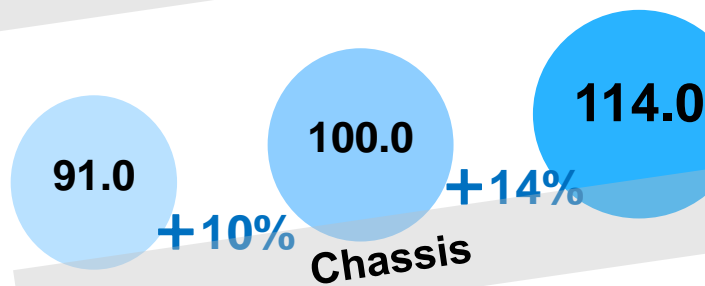
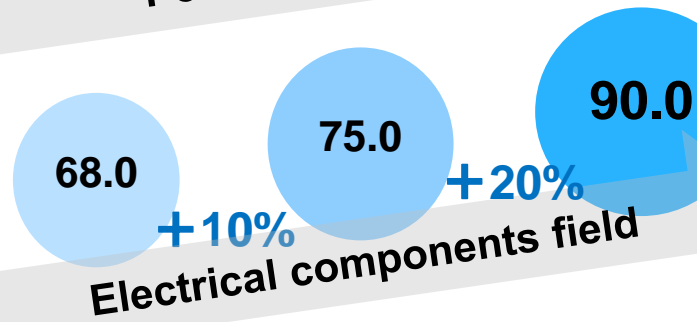
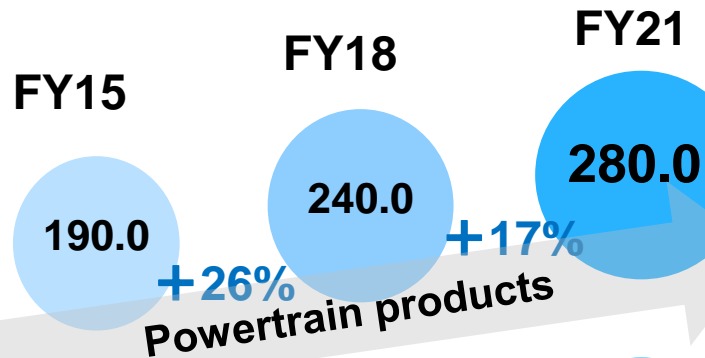
Operational Excellence

- Expand drivetrain business, achieve growth with accompanying profitability
- Expand customer portfolio for EPS

Innovate and Challenge

- Respond to technology evolution (high-efficiency, electrification, autonomous driving)
- Develop lower-assist EPS

Core business to underpin mid-to-long term growth



(Billions of yen)

1) Expand Powertrain Business

Transmissions

- Needle bearings: Expand sales from shift to AT multistep
- Clutch packs: Expand in module business

2) Evolve/expand in electrical applications

Traditional Applications

- Establish base business in engines and electrical accessories

New Applications

- Develop new fields and products with potential to serve as future growth drivers.
- Develop new electrical applications: electric chargers, in-vehicle motors etc.

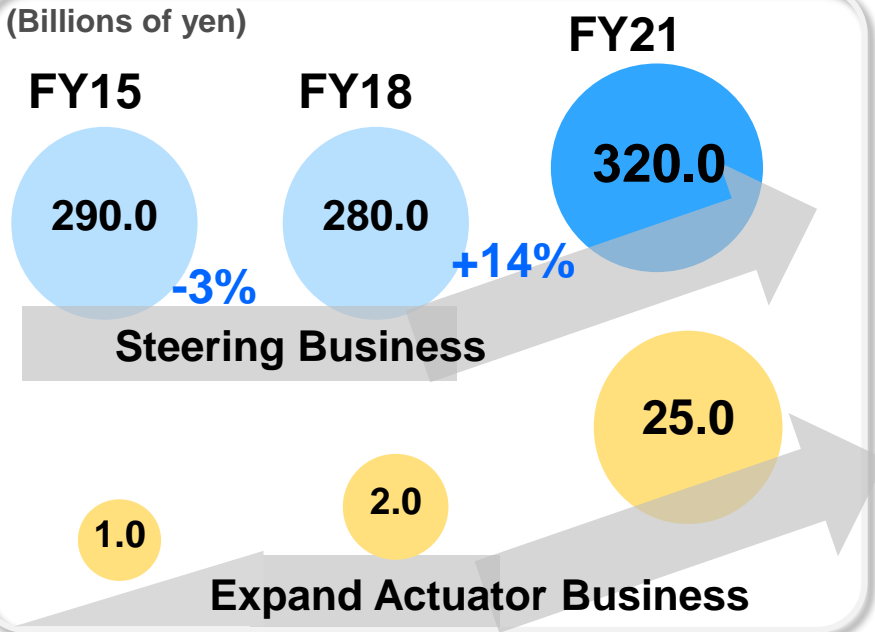
3) Expand Chassis Business

HUB Unit Bearings

- Expand customer base
- Improve warranty performance

Sowing seeds for the next phase of growth

(Billions of yen)



1) Further development of Column EPS

- Expand customer base
- Develop next-generation systems

2) Development of Rack EPS

- Product development leveraging NSK's elemental technology
- Launch to market during 6th MTP

3) Development of new core products

- Utilize systemized product technology and knowhow accumulated through EPS development
- Develop and apply elemental and mechatronic technologies : electric brakes
- Reinforce ECU design and development : AD Tech made fully-owned subsidiary of NSK

New core products



Ball screw for e-brake booster



Advanced steering system for partially and fully autonomous cars

5th MTP: Industrial Machinery Business Changes in Business Environment

Present demand trend

Sector	FY18 vs. FY15	Sector	FY18 vs. FY15
Electrical / IT	→	Railcars	↑
Steel Plant Facilities	→	Machine Tools	↑
Mining	→	Semiconductors	↑
Construction Machinery	↓	Robots	↑ ↑ ↑
Agricultural Machinery	→	Medical	↑ ↑ ↑
Wind Turbines	↑	Aftermarket	↑

Evolving mid-term needs

W/T : Off Shore

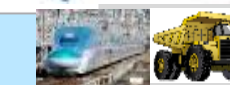
High Reliability



Machine Tool : Assessm't LCC Saving



Construction Machine, Railway CMS



Building & Railway : Damping Control Safety



Smart Factory Electrification IoT



Medical & Robot Sensing & Control



*LCC: Life Cycle Cost

Environment

Infrastructure

IT

Demand forecast: ↑ Upward, → Same level, ↓ Downward

Trends differ by sector

Changes to current business environment

Fierce competition in sluggish growth environment

Entry of Chinese manufacturers

Technological innovation

Mid-term focus fields

Growth fields (Environment, Infrastructure, IT)

Respond to smart technology, new added-value fields

Key Initiatives in Industrial Machinery Business

Respond to changes in business environment and expand target fields

Operational Excellence

- Reinforce response capabilities and profitability
- Enhance product capability

Innovate and Challenge

- Concentrate resources on focus sectors
- Generate new added value and demand

Respond to changes in business environment

Rebuild competitiveness

- 1) Respond to fierce competition
 - Reassess product capability
 - Shorten lead time
- 2) Improve cost competitiveness
 - F2 (Fujisawa) project
 - Introduce new manufacturing methods

Initiatives for focus sectors

Sustainable growth

- 1) Expand presence through solution-provision capability
 - Infrastructure (wind turbines, railcars)
 - Capital goods (machine tools)
 - Robots, medical
- 2) Channel management
 - GAM

Create new added value and demand

Solution provider

- 1) Develop CMS technology and establish business model
- 2) Harness synergy effect between bearing and linear-motion technologies
- 3) Make advance in maintenance business

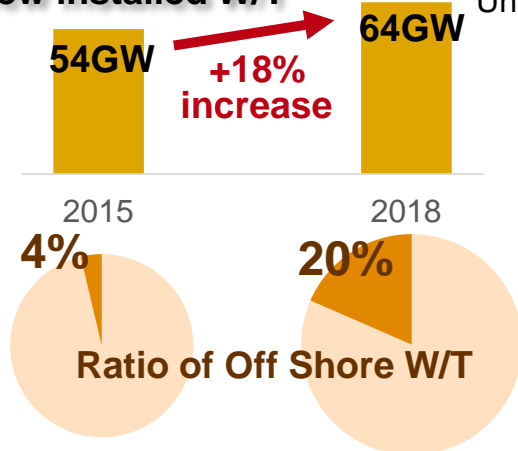
5th MTP: Industrial Machinery Business 3 Focus Sectors

Wind turbines

Meet needs of offshore W/T and enhance cost competitiveness

New installed W/T

Unit: GW



Initiatives

- Meet needs in offshore wind turbine sector
 - High output power specs
 - Countermeasures for bearing damage
- Enhance cost competitiveness
 - F2 project

Sales (FY15 vs. FY18)
35% UP

Railways

Expand presence outside Japan

Railway market

Unit: b€



- Meet needs in high-speed railway sector
 - Adapt to low-temperature regions
 - Long-life specs
- Win subway business in emerging countries
 - Lower costs through standardization
 - Maintenance

Sales (FY15 vs. FY18)
45% UP

Ex.: Past projects won

Region	Project
UK	High-speed rail
France	TGV repair
China	High-speed / Metro
Thailand	Purple line
Qatar	Doha metro

AM**Strengthen high-profit aftermarket business****Initiatives****Developed countries:**

- Expand high added-value business
(Asset Improvement Program)

Emerging countries:

- Channel management (Quantity → Quality)
- Strengthen MRO (Maintenance, Replacement, Operation)

**Sales (FY15 vs. FY18)
20% UP****Develop condition monitoring technology****CMS****Technical proposals
based on integrated
capabilities****(W/T, Railway,
Machining Tool)****•Provide total service**

- Bearings, components
- Condition monitoring
service
- AM maintenance service

- Preventive safety
- Stabilize operations
through preventive
detection of faults
- Reduce LCC

NSK SmF (Smart Factory)

- Visualize manufacturing process by linking objects and information
- Develop highly flexible manufacturing system that is resistant to demand fluctuations
- Create a vibrant work environment for employees

Supplier perspective

Space efficiency:
More than 2-fold increase
Process integration

IoT
Capture and analyze
big data

Automation
Automated lot/set changes
Productivity: 3-fold
increase

Customer perspective

1. Quality Control

2. Production Control

3. Machine Control

4. Work Environment

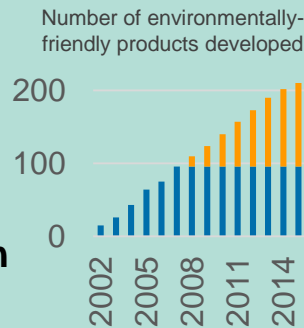
Real-time monitoring / Early detection and warning / Individual identification / Analysis and improvement / Safety and cleanliness

Non-financial initiatives to improve corporate value

E: Environment

Environmental contribution through our core business

- Introduce environmentally-friendly products (211 products through 2015)
- Contribute through innovation in production technology



S: Society

Diversity and human resource development

- Increase number of female employees hired, develop global talent
- Enhance training (engineering, executive, global, etc.)

Social contribution activities

- Establish global action period

G: Governance

Enhance governance structure

- Separated executive and supervisory roles from early 2000s
- Company with Committees system (FY04~)
- 4 Independent directors, 1/3 of total (FY04~)
- Company with Three Committees system (FY15~)

Respect the spirit of Japan's CG Code

SRI index

Included in 6 SRI indexes



In Collaboration with RobecoSAM



FTSE4Good



vigeo INDICES World 120



rated by eekom research



Continue working to achieve further improvement

*From 2016, an Integrated report will be issued

The 5th MTP Numerical Targets

	FY2015 (Actual)	FY2018 (Plan)
Net Sales	¥975.3billion	¥1 trillion
Operating Income	¥94.7 billion	¥100.0 billion
Net Income	¥67.2 billion	¥70.0 billion
Operating Income Margin	9.7%	10.0%
ROE	14.9%	10.0% or more
Net D/E ratio	0.23	0.3

Exchange rate

1US\$= ¥120
 1Euro=¥133
 1RMB=¥18.9

1US\$= ¥105
 1Euro=¥120
 1RMB=¥16.7

Investment for future growth

	4 th MTP Actual	5 th MTP Plan
Capital Expenditure (incl. intangible assets)	149.0 billion	180.0 billion
Operational Excellence Enhance profitability, reorganize plant network, improve operation efficiency		140.0 billion
Innovate and Challenge New manufacturing methods, smart factories, new products and fields		20.0 billion
Reinforce business base Safety, security, environment, BCP		20.0 billion
R&D Expenses (SG&A)	68.5 billion	80.0 billion
Depreciation and Amortization	115.3 billion	130.0 billion
Exchange rate	1US\$= ¥110 1Euro=¥135 1RMB=¥17.7	1US\$= ¥105 1Euro=¥120 1RMB=¥16.7

Embark on new chapter in evolution towards next 100 years

- **Beginning new MTP under adverse environment**
 - ✓ Reconstruct profit base
 - ✓ Reassess and enhance product capability and competitiveness
- **Implement initiatives for sustainable growth**
 - ✓ Invest resources in the future
 - ✓ Pursue new products and new fields
 - ✓ Evolution in *monozukuri*
- **Pursue creation of non-financial value**

3. Consolidated Business Forecast for the Year Ending March 31, 2017

Summary of Consolidated Business Forecast for the Year Ending March 31, 2017



Forecasted Business Environment

- ✓ Adjustment phase in the industrial machinery business to continue, lack of a recovery driver.
- ✓ Automotive business forecast formulated assuming slower growth.
- ✓ Appreciation of the yen, increasingly competitive environment.
- ✓ Rapid advancement in both industrial and automotive technologies.

Business Forecast

Net Sales:	(FY2016) ¥920.0 billion	(compared to 2015) -¥55.3 billion /-5.7%
Operating Income:	¥65.0 billion	-¥29.7 billion /-31.4%
Net Income attributable to shareholders of the parent:	¥40.0 billion	-¥27.2 billion /-40.4%

- ✓ Under a deteriorating business environment, focus on investing resources for future growth.
- ✓ Exchange rate: US\$=¥105, EURO=¥120, RMB=¥16.7
- ✓ Begin voluntary adoption of IFRS

※YOY(%): Comparison between FY2015 actual based on JGAAP and FY2016 forecast formulated based on IFRS for reference purposes

Summary of Consolidated Business Forecast for the Year Ending March 31, 2017



(Billions of yen)	FY2015 [JGAAP]			FY2016 [IFRS]			Difference YOY	Change YOY
	1 st half <Actual>	2 nd half <Actual>	Full year <Actual>	1 st half <Forecast>	2 nd half <Forecast>	Full year <Forecast>		
Net sales	489.7	485.6	975.3	450.0	470.0	920.0	-55.3	-5.7%
Operating income <%>	49.4 <10.1%>	45.3 <9.3%>	94.7 <9.7%>	28.0 <6.2%>	37.0 <7.9%>	65.0 <7.1%>	-29.7	-31.4%
Income before tax	49.0	41.4	90.4	27.0	36.0	63.0	-27.4	-30.3%
Net income attributable to shareholders of the parent	33.5	33.7	67.2	17.0	23.0	40.0	-27.2	-40.4%
(Exchange rate: US\$ =)	(¥121.80)	(¥118.48)	(¥120.14)	(¥105)	(¥105)	(¥105)		
(Exchange rate: EURO =)	(¥135.07)	(¥130.09)	(¥132.58)	(¥120)	(¥120)	(¥120)		
(Exchange rate: RMB =)	(¥19.44)	(¥18.26)	(¥18.85)	(¥16.7)	(¥16.7)	(¥16.7)		

※Change YOY: Comparison between FY2015 actual based on JGAAP and FY2016 forecast formulated based on IFRS for reference purposes

Forecast by Business Segment



Automotive Business

※Change YOY: Comparison between FY2015 actual based on JGAAP and FY2016 forecast formulated based on IFRS for reference purposes

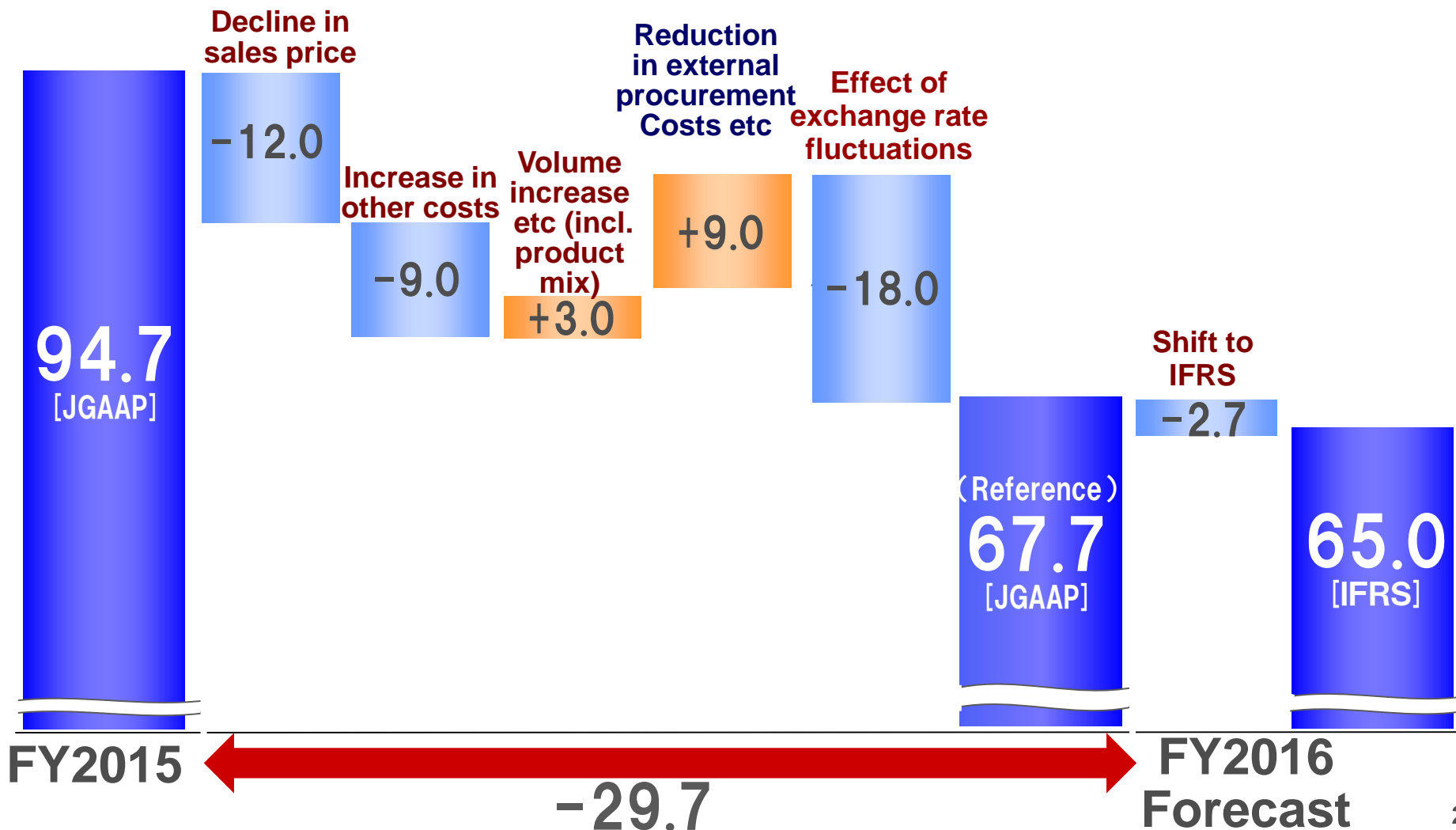
(Billions of yen)	FY2015 [JGAAP]			FY2016 [IFRS]			Difference YOY	Change YOY
	1 st half <Actual>	2 nd half <Actual>	Full year <Actual>	1 st half <Forecast>	2 nd half <Forecast>	Full year <Forecast>		
Sales	339.0	350.1	689.1	324.0	332.0	656.0	-33.1	-4.8%
Automotive Bearings	155.1	159.2	314.3	151.0	155.0	306.0	-8.3	-2.6%
Automotive Components	183.9	190.9	374.8	173.0	177.0	350.0	-24.8	-6.6%
Operating income	34.5 <10.2%>	38.8 <11.1%>	73.4 <10.6%>	22.0 <6.8%>	27.0 <8.1%>	49.0 <7.5%>	-24.4	-33.2%

Industrial Machinery Business

(Billions of yen)	FY2015 [JGAAP]			FY2016 [IFRS]			Difference YOY	Change YOY
	1 st half <Actual>	2 nd half <Actual>	Full year <Actual>	1 st half <Forecast>	2 nd half <Forecast>	Full year <Forecast>		
Sales	136.6	123.2	259.8	116.0	126.0	242.0	-17.8	-6.9%
Industrial machinery Bearings	114.2	103.9	218.1	97.5	104.5	202.0	-16.1	-7.4%
Precision machinery and parts	22.4	19.3	41.7	18.5	21.5	40.0	-1.7	-4.1%
Operating income	17.5 <12.8%>	10.6 <8.6%>	28.1 <10.8%>	5.0 <4.3%>	8.0 <6.3%>	13.0 <5.4%>	-15.1	-53.7%

Operating Income: Factors Behind Change (FY2015 ⇒ FY2016 Forecast)

(Billions of yen)



Stabilize financial base

Credit rating: maintain level A
Net D/E ratio: around 0.3

Balance investment in future growth with shareholder returns under a stable financial structure

Growth with profitability

ROE: 10% or more

Investment for future growth :180 billion/ 3 years

Shareholder returns

- Dividend payout ratio of approximately 30%
- Acquisition of treasury stock

Enhance shareholder returns/ Acquire treasury stock**FY2016 Plan****Dividend****Total: ¥38**

-Ordinary dividend: ¥28
(Interim ¥14 + Year-end ¥14)

-100th anniversary commemorative
dividend: ¥10
(at time of the interim dividend)

**Acquisition of
treasury stock****Total acquisition cost: ¥15.0 billion**

(Announced on May 11, 2016)

(Supplementary Information)

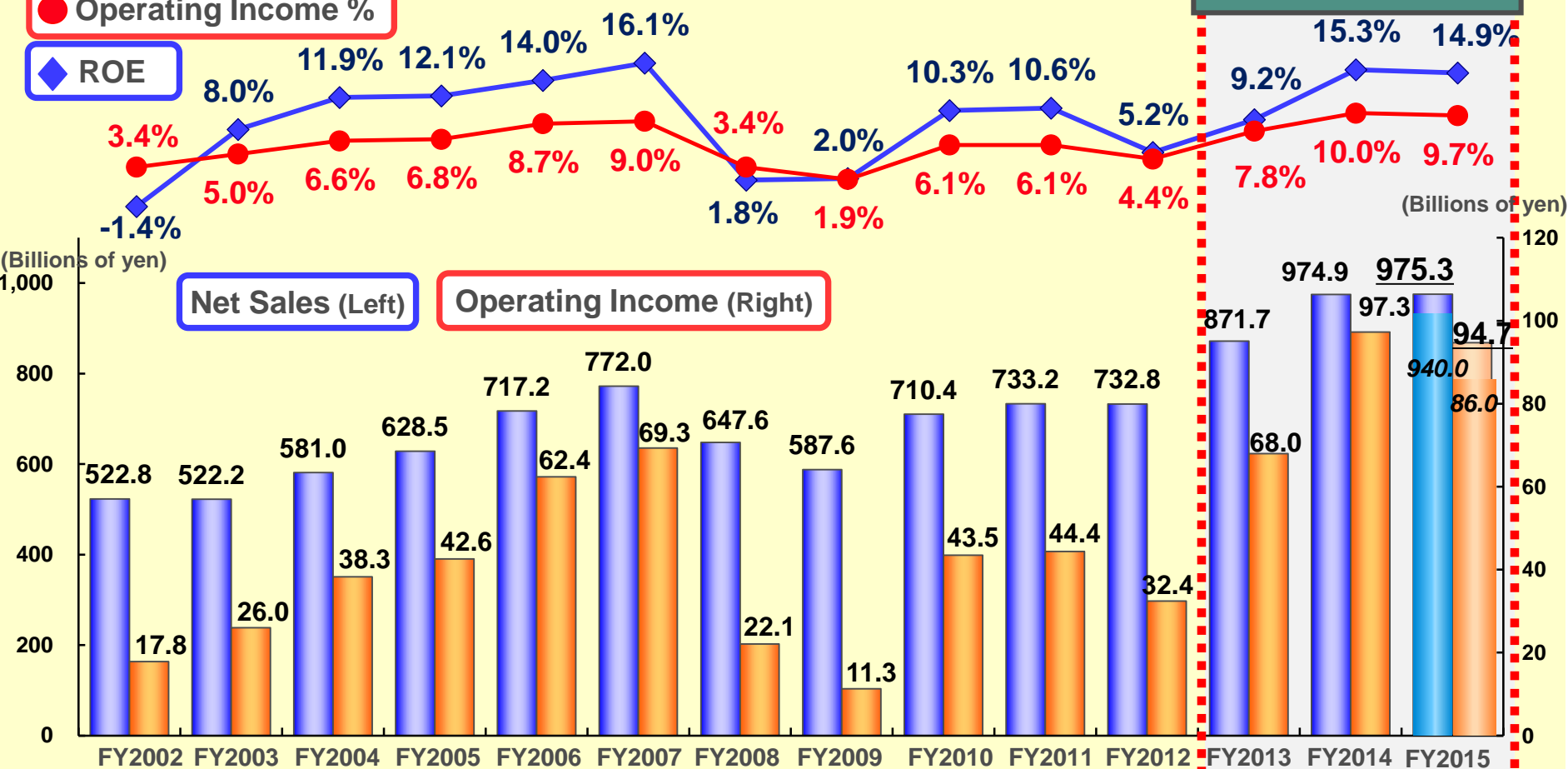
(Supplementary Information) Consolidated Business Trend



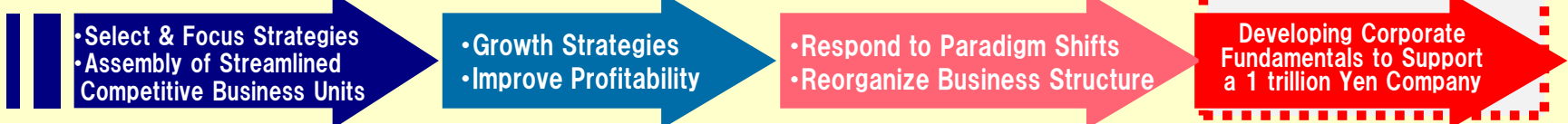
● Operating Income %

◆ ROE

The 4th Mid-term Plan



\$	125	116	108	110	117	115	101	93	86	79	83	100	110	120
EURO	118	131	134	137	150	162	145	131	113	109	107	134	139	133



Sales and O.I. by Business Segment

(Billions of yen)	FY2014 <Actual> [JGAAP]	FY2015 <Actual> [JGAAP]	FY2016 <Forecast> [IFRS]
Net sales	974.9	975.3	920.0
Automotive business	657.0	689.1	656.0
Automotive bearings	306.4	314.3	306.0
Automotive components	350.6	374.8	350.0
Industrial machinery business	276.4	259.8	242.0
Industrial machinery bearings	232.4	218.1	202.0
Precision machinery and parts	44.0	41.7	40.0
Others	72.9	52.0	49.0
Eliminations	-31.4	-25.6	-27.0
Operating income	97.3 <10.0%>	94.7 <9.7%>	65.0 <7.1%>
Automotive business	65.7 <10.0%>	73.4 <10.6%>	49.0 <7.5%>
Industrial machinery business	34.4 <12.4%>	28.1 <10.8%>	13.0 <5.4%>
Others	5.8 <7.9%>	3.0 <5.7%>	4.5 <9.2%>
Corporate	-8.5	-9.7	-1.5

*Systemized products (photofabrication exposure equipment) have been removed from "Others" as of FY2015 due to the divestiture of related businesses.

Sales by Customer Location

(Billions of yen)	FY2014 <Actual> [JGAAP]	FY2015 <Actual> [JGAAP]	FY2016 <Forecast> [IFRS]
Net sales	974.9	975.3	920.0
Japan	328.8	318.4	319.5
Non-Japan (Non-Japan ratio)	646.0 (66.3%)	656.9 (67.4%)	600.5 (65.3%)
The Americas	164.8	183.7	157.5
Europe	133.8	131.8	121.5
China	210.2	204.4	194.0
Other Asia	137.2	137.0	127.5
(Exchange rate: US\$ =)	(¥109.93)	(¥120.14)	(¥105)
(Exchange rate: EURO =)	(¥138.77)	(¥132.58)	(¥120)
(Exchange rate: RMB =)	(¥17.74)	(¥18.85)	(¥16.7)

Sales and O.I. by Geographical Segment

(Billions of yen)	FY2014 <Actual> [JGAAP]	FY2015 <Actual> [JGAAP]	FY2016 <Forecast> [IFRS]
Net sales	974.9	975.3	920.0
Japan	522.7	484.8	481.5
The Americas	156.7	177.7	148.5
Europe	138.8	135.5	125.5
Asia	353.9	363.5	332.0
Eliminations	-197.4	-186.3	-167.5

Operating Income	97.3 <10.0%>	94.7 <9.7%>	65.0 <7.1%>
Japan	41.0 <7.8%>	29.4 <6.1%>	12.0 <2.5%>
The Americas	10.5 <6.7%>	15.2 <8.6%>	10.0 <6.7%>
Europe	11.3 <8.2%>	9.2 <6.8%>	7.0 <5.6%>
Asia	44.2 <12.5%>	48.5 <13.3%>	37.0 <11.1%>
Eliminations/ Corporate	-9.7	-7.6	-1.0

(Supplementary Information)
Consolidated Balance Sheets (FY2015)



Assets

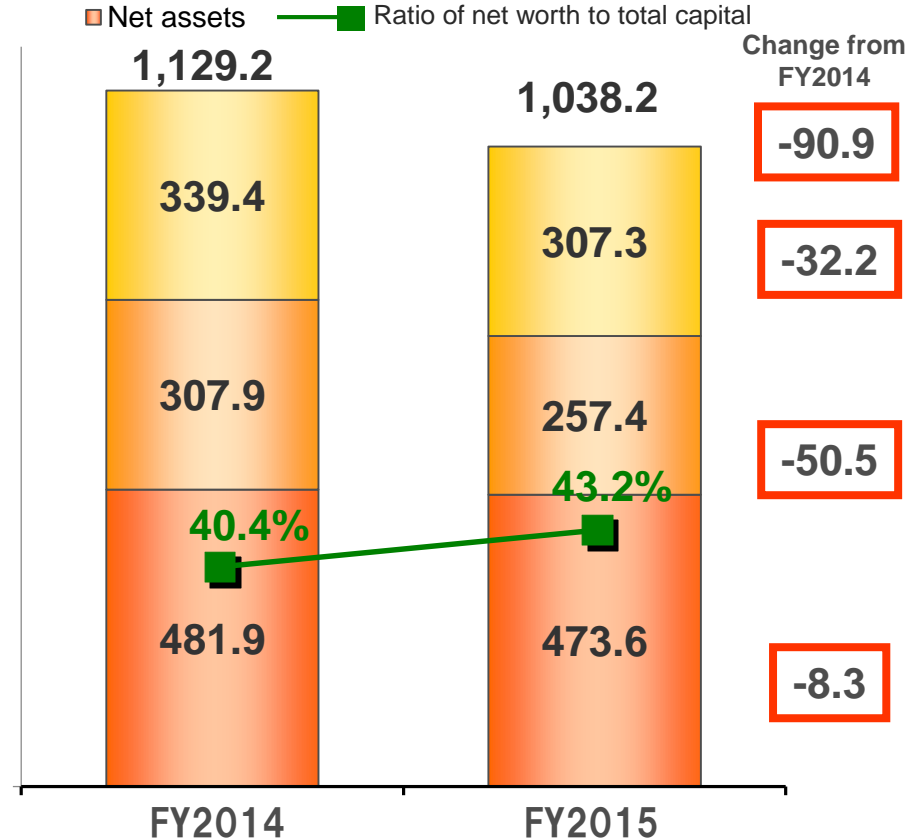
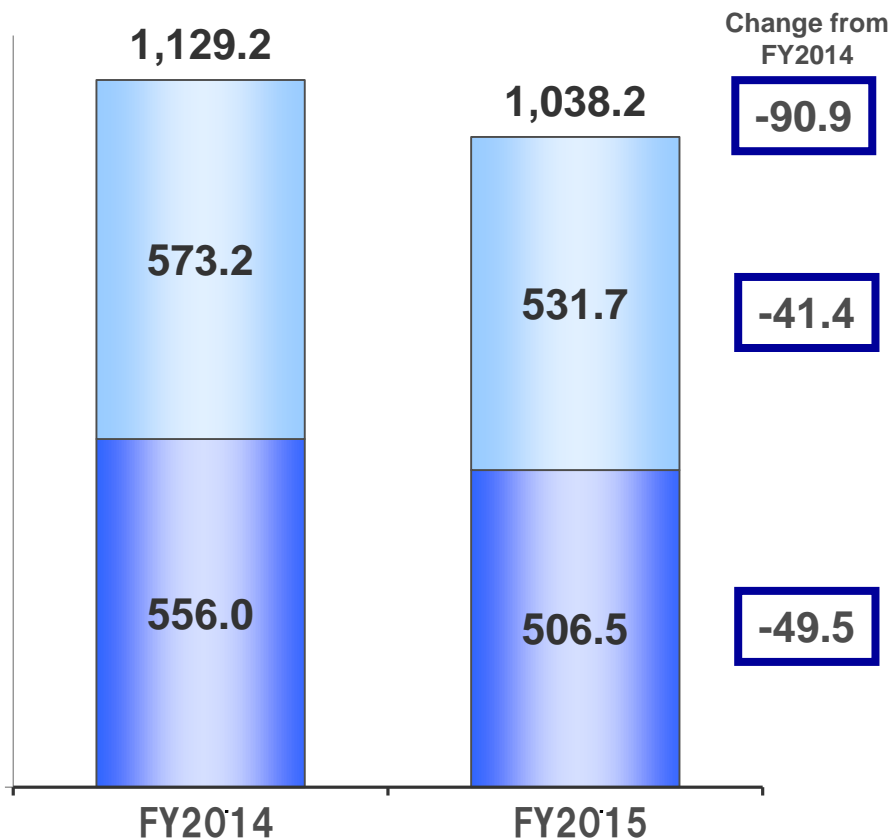
Liabilities / Net assets

(Billions of yen)

(Billions of yen)

■ Non-current assets ■ Current assets

■ Current liabilities ■ Non-current liabilities
 ■ Net assets ■ Ratio of net worth to total capital



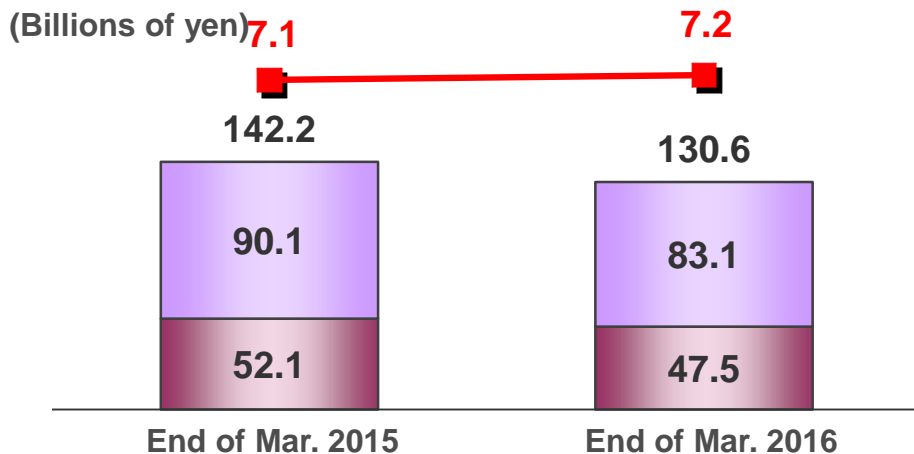
Exchange rate	FY2014	FY2015
US \$	120.17	112.68
Euro	130.32	127.70
RMB	19.36	17.39

(Supplementary Information) Inventories / Interest-Bearing Debt, Capital Expenditure / Depreciation and Amortization (FY2015)



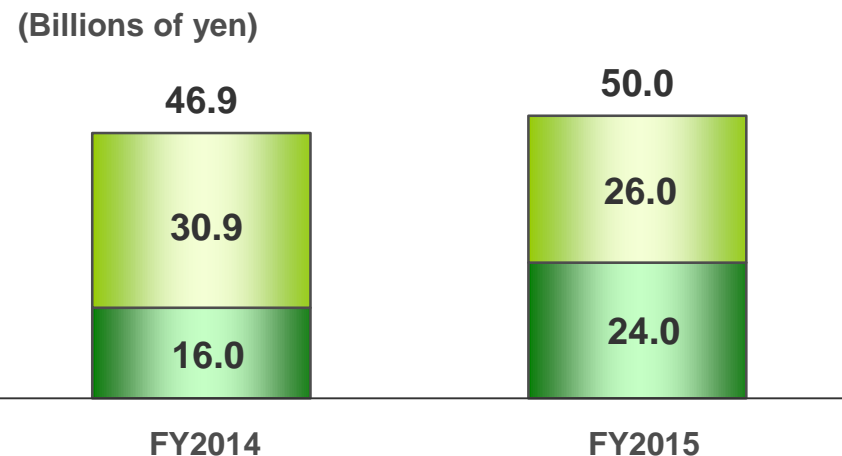
Inventories

Japan Non-Japan Inventory turnover



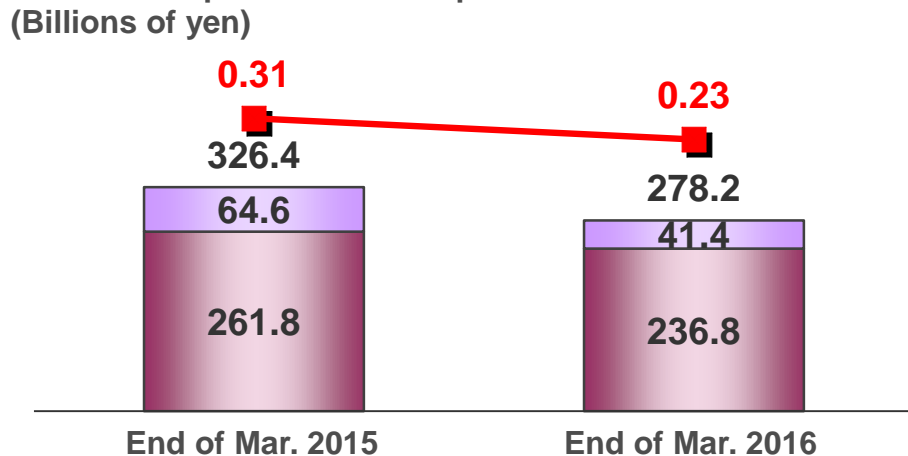
Capital Expenditure

Japan Non-Japan



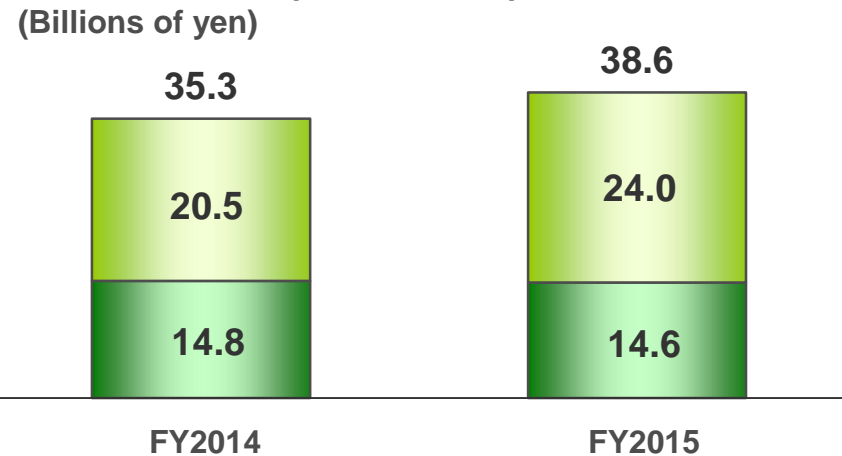
Interest-Bearing Debt

Japan Non-Japan Net D/E ratio



Depreciation and Amortization

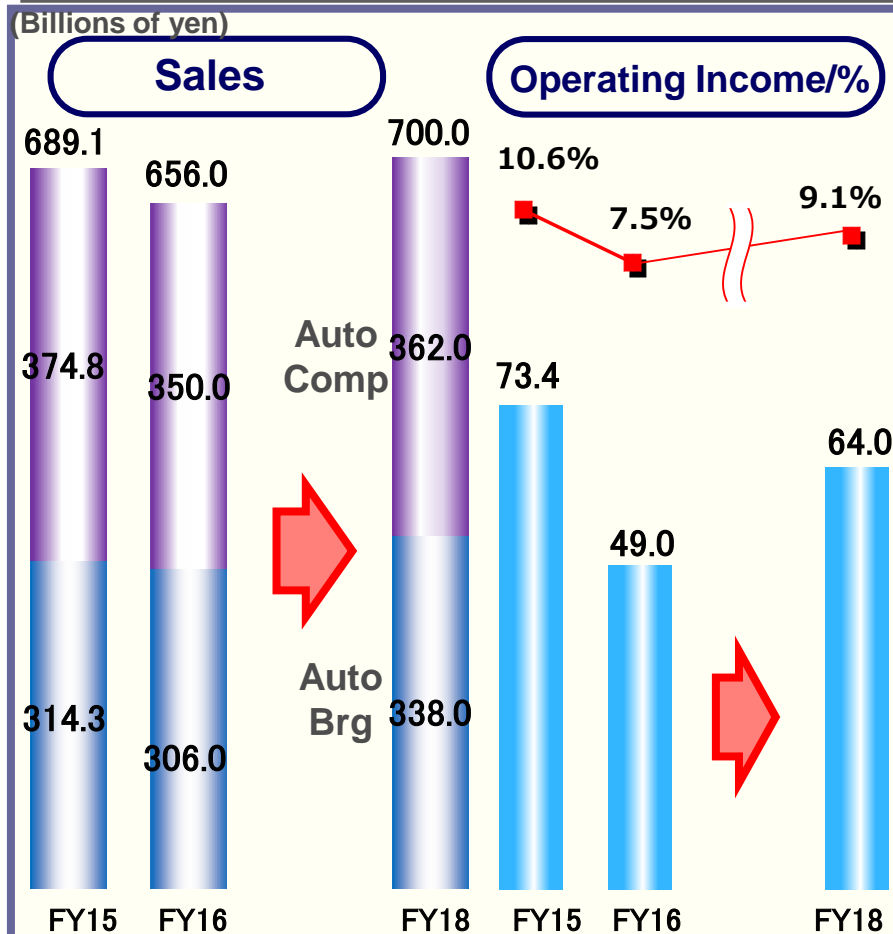
Japan Non-Japan



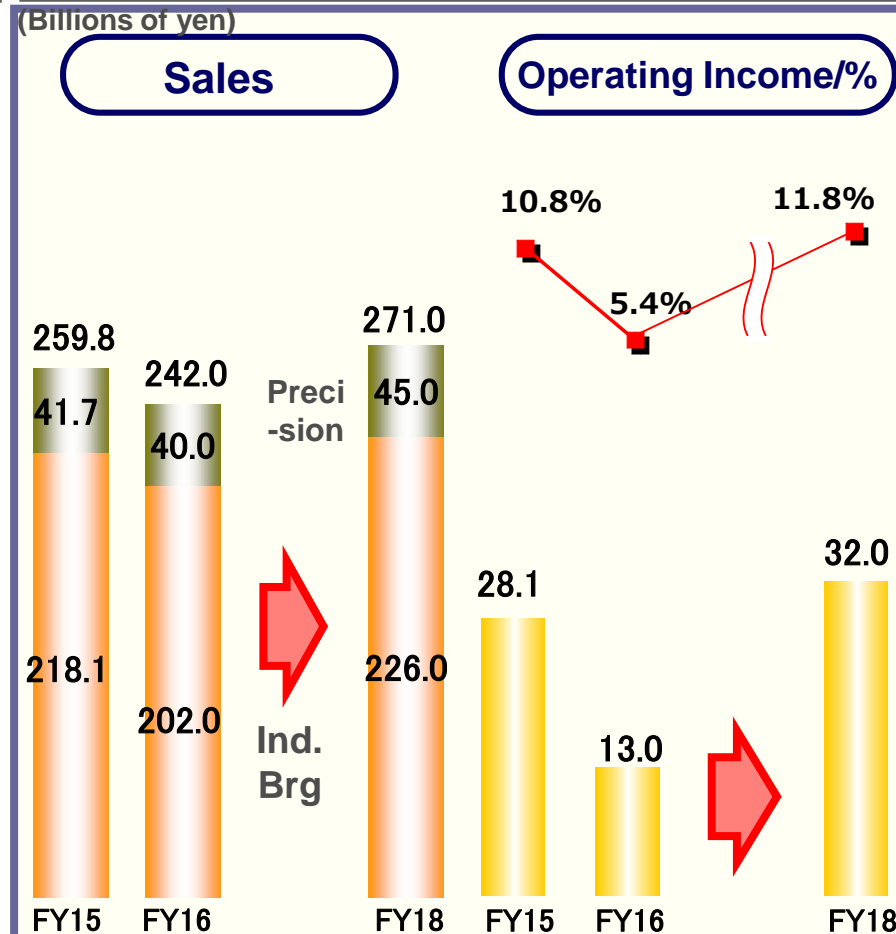
(Supplementary Information)
5th MTP Target by Business Segment



Automotive Business



Industrial Machinery Business



Business Targets

FY2015 [JGAAP]

US\$=JY120.14, €=132.58, RMB=18.85

FY2016&FY2018 [IFRS]

US\$=JY105, €=120, RMB=16.7

(Supplementary Information)
5th MTP Sales and O.I. by business Segment

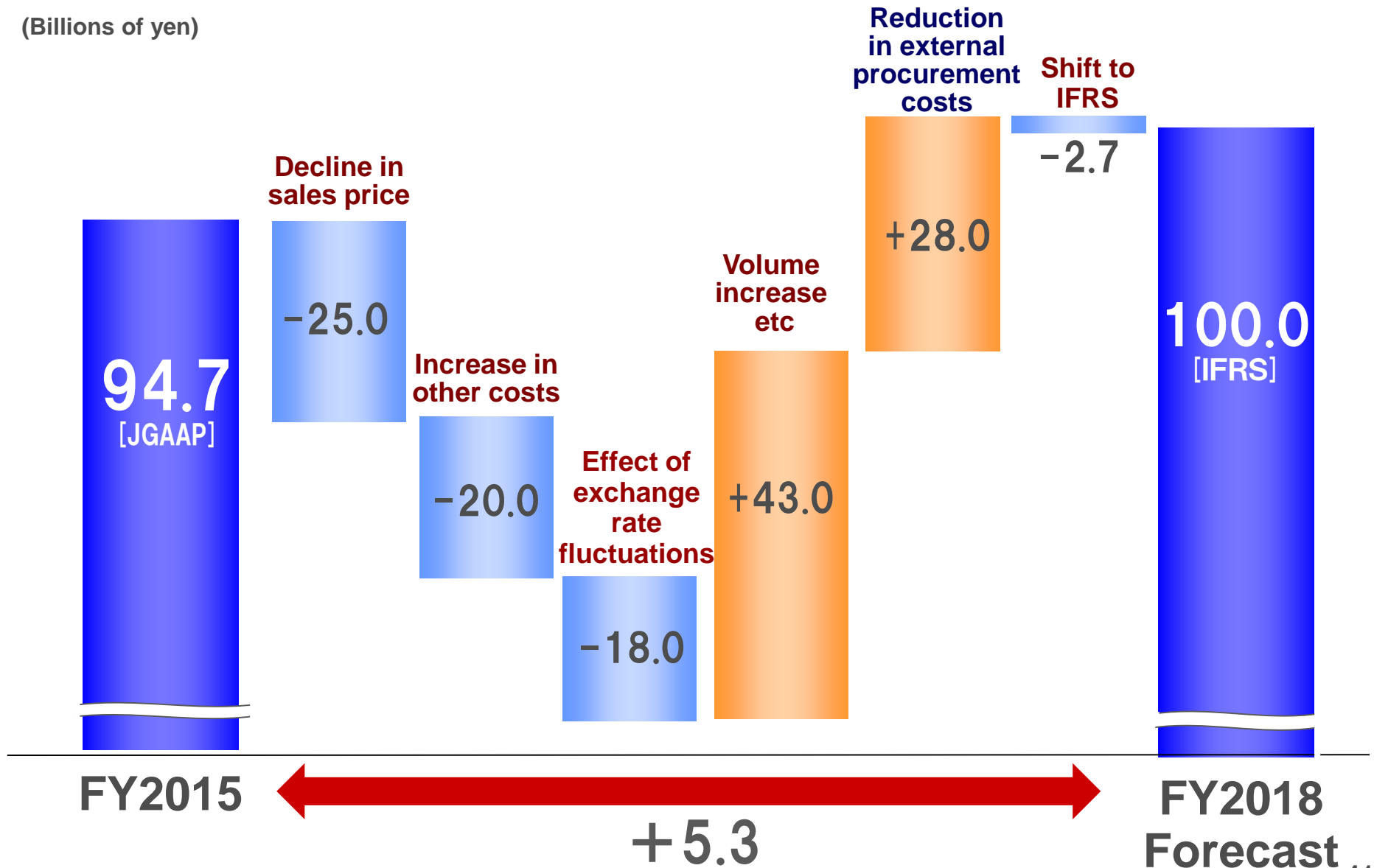


(Billions of yen)	FY2015 <Actual> [JGAAP]	FY2016 <Forecast> [IFRS]	FY2018 <Forecast> [IFRS]
Automotive business			
Sales	689.1	656.0	700.0
Automotive bearings	314.3	306.0	338.0
Automotive comps	374.8	350.0	362.0
Operating income <%>	73.4 <10.6%>	49.0 <7.5%>	64.0 <9.1%>
Industrial machinery business			
Sales	259.8	242.0	271.0
Industrial machinery bearings	218.1	202.0	226.0
Precision machinery and parts	41.7	40.0	45.0
Operating income <%>	28.1 <10.8%>	13.0 <5.4%>	32.0 <11.8%>
Others			
Sales	52.0	49.0	56.0
Operating income <%>	3.0 <5.7%>	4.5 <9.2%>	6.0 <10.7%>
Eliminations/Corporate			
Sales	-25.6	-27.0	-27.0
Operating income	-9.7	-1.5	-2.0
Total			
Sales	975.3	920.0	1,000.0
Operating income <%>	94.7 <9.7%>	65.0 <7.1%>	100.0 <10.0%>

(Supplementary Information) 5th MTP Factors Behind Increase Operating Income (FY2015 ⇒ FY2018)



(Billions of yen)



(Supplementary Information) 5th MTP Capital Expenditure,
Depreciation and Amortization, R&D Expenses



(Billions of yen)	FY2014			4 th MTP	
	<Actual>	<Actual>	<Plan>	FY2013-FY2015 <Actual>	FY2016-FY2018 <Plan>
Capital expenditure	49.2	54.4	62.0	149.0	180.0
Capital expenditure (excl. intangible assets)	46.9	50.0	57.0	140.2	168.0
Depreciation and amortization	38.6	41.6	42.0	115.3	130.0
Depreciation and amortization (excl. intangible assets)	35.3	38.6	39.0	106.2	121.0
R&D expenses	10.7	11.2	13.0	31.7	40.0