



# FINANCIAL CONFERENCE

## Consolidated Business Results and Forecast

November 7, 2017  
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 Six Months Ended September 30, 2017**
- 2. Consolidated Business Forecast  
for the Year Ending March 31, 2018**
- 3. Progress of the 5<sup>th</sup> Mid-Term Management Plan  
(Supplementary Information)**

# **1. Consolidated Business Results for the Six Months Ended September 30, 2017**

## Business Environment

- ✓ Global economy continued to see solid growth. Japanese yen weakened.
- ✓ Industrial machinery business: Clear recovery trend emerged, driven by robust capital expenditure in China.
- ✓ Automotive business: Adjustment phase in NA, while China remained flat YoY. AT-related demand grew.

## Summary of Business Results

### ✓ Consolidated Business Results for FY2017: 1H (Apr.-Sep.)

(From FY2016 1H)

Net Sales :	¥493.3 billion	( +¥37.7 billion / +8.3% )
Operating Income :	¥42.7 billion	( +¥15.4 billion / +56.4% )
Net Income Attributable to Owners of the Parent :	¥28.4 billion	( +¥8.5 billion / +42.9% )
(Segment Income :	¥44.2 billion	( +¥9.2 billion / +26.4% )

\*Segment Income : Operating income before deduction of other operating expenses

- ✓ YoY: Substantial increase in both sales and profit.
- ✓ Other operating expenses: declined by ¥6.2 billion YoY, contributing to profit increase.
- ✓ ROE 11.7%; recovered to double-digit range. Interim dividend: ¥19.

# Summary of Consolidated Business Results for the Six Months Ended September 30, 2017

(Billions of yen)	FY2016	FY2017			
	1 <sup>st</sup> half <Actual>	1 <sup>st</sup> half <Actual>	Increase/ Decrease YOY	Difference YOY	1 <sup>st</sup> half <FCST>
Net sales	455.6	493.3	+37.7	+8.3%	474.0
Operating income <%>	27.3 <6.0%>	42.7 <8.7%>	+15.4	+56.4%	39.0 <8.2%>
Income before income taxes	26.5	42.4	+15.9	+60.1%	38.5
Net income attributable to owners of the parent	19.9	28.4	+8.5	+42.9%	27.0
(Ex. rate: 1USD=)	105.35	111.07	+5.72	+5.4%	105
( " 1EUR=)	118.22	126.29	+8.07	+6.8%	115
( " 1CNY=)	15.95	16.42	+0.47	+2.9%	15.7

**\*Reference** Segment Income : Operating income before deduction of other operating expenses  
Other operating expenses : Antimonopoly Act -related losses, foreign exchange losses

Segment income <%>	35.0 <7.7%>	44.2 <9.0%>	+9.2	+26.4%
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## Major Indexes

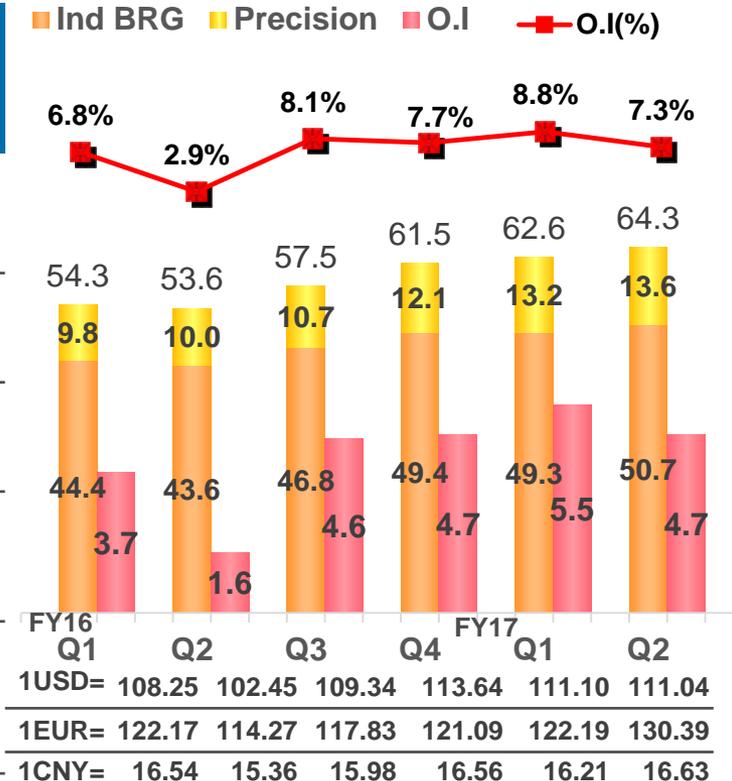
ROE	9.1%	11.7%
Net D/E ratio (times)	0.27	0.22
Inventory turnover (times)	7.1	7.2

# Sales & O.I. Results by Business Segment

## — Industrial Machinery Business —



(Billions of yen)	FY2016 1st half <Actual>	FY2017 1st half <Actual>	Increase/ Decrease YOY	Difference YOY	FY2017 1st half <FCST>
<b>Sales</b>	<b>107.9</b>	<b>126.9</b>	<b>+19.1</b>	<b>+17.7%</b>	<b>116.0</b>
Industrial Machinery Bearings	88.0	100.0	+12.0	+13.7%	93.0
Precision Machinery and Parts	19.8	26.9	+7.0	+35.5%	23.0
<b>Operating Income &lt;%&gt;</b>	<b>5.3 &lt;4.9%&gt;</b>	<b>10.2 &lt;8.1%&gt;</b>	<b>+5.0</b>	<b>+93.7%</b>	<b>8.0 &lt;6.9%&gt;</b>
(Ex. rate: 1USD=)	105.35	111.07	+5.72	+5.4%	105
( " 1EUR=)	118.22	126.29	+8.07	+6.8%	115
( " 1CNY=)	15.95	16.42	+0.47	+2.9%	15.7



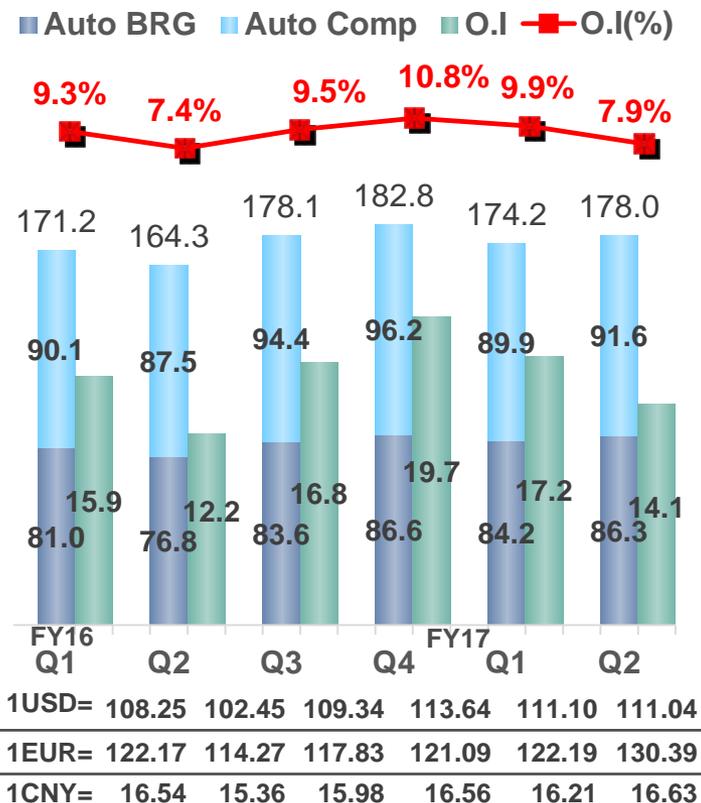
- ✓ YoY: significant increase in both sales and OI in line with demand recovery.
- ✓ Industrial sales increased by 18% (an increase of 14% excluding foreign currency fluctuations). Sales of precision machinery and parts, sales increased by 32% excluding foreign currency fluctuations.
- ✓ Robust sectors: Machine tools, semiconductors, construction machinery, agriculture, pump and compressor.

# Sales & O.I. Results by Business Segment

## — Automotive Business —



(Billions of yen)	FY2016 1st half <Actual>	FY2017 1st half <Actual>	Increase/ Decrease YOY	Difference YOY	FY2017 1st half <FCST>
Sales	335.4	352.1	+16.7	+5.0%	344.0
Automotive Bearings	157.8	170.6	+12.8	+8.1%	168.5
Automotive Components	177.6	181.6	+4.0	+2.2%	175.5
Operating Income <%>	28.1 <8.4%>	31.2 <8.9%>	+3.1	+11.2%	30.0 <8.7%>
(Ex. rate: 1USD=)	105.35	111.07	+5.72	+5.4%	105
( " 1EUR=)	118.22	126.29	+8.07	+6.8%	115
( " 1CNY=)	15.95	16.42	+0.47	+2.9%	15.7

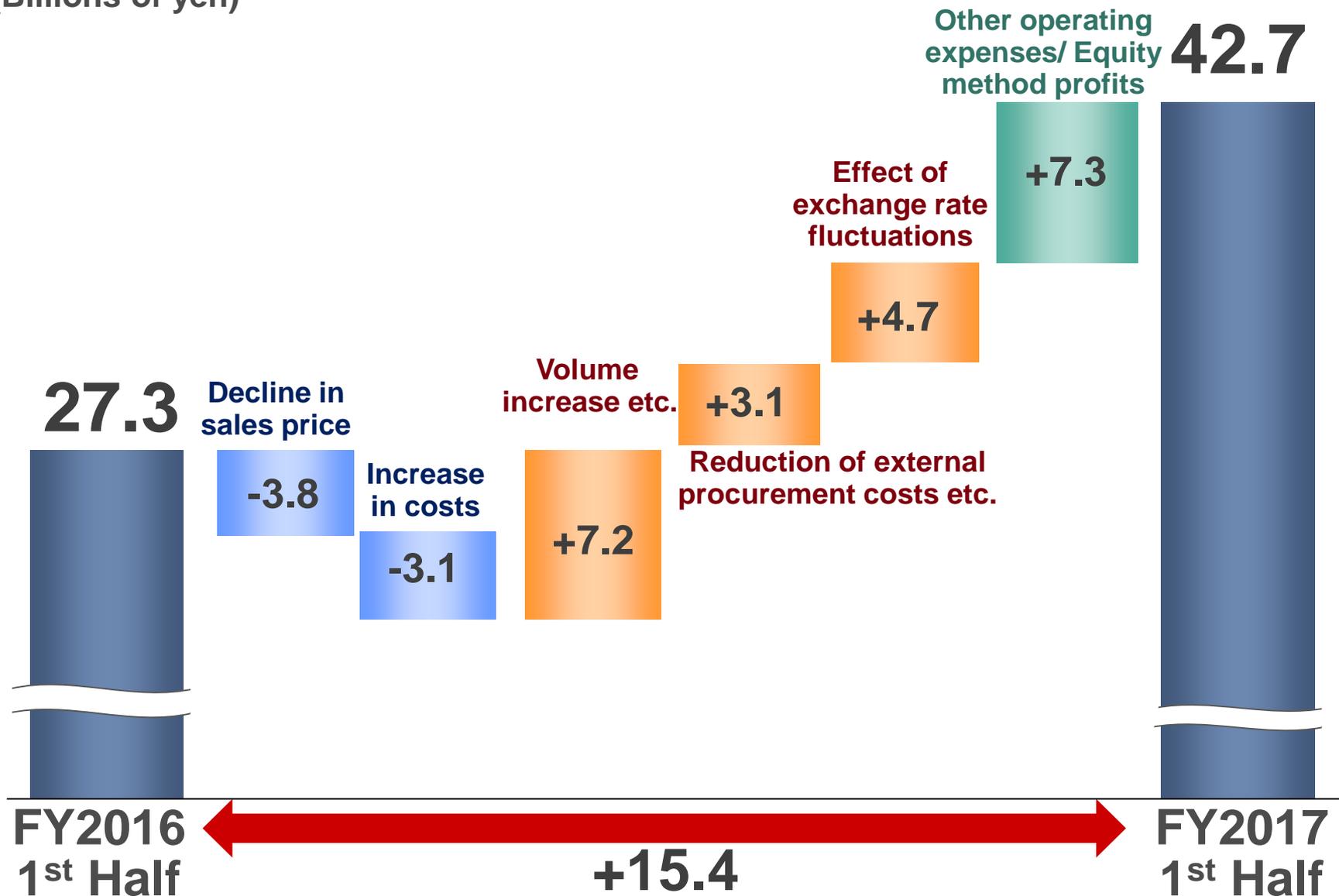


- ✓ Solid sales continued. Sales increased by 5% (an increase of 2% excluding foreign currency fluctuations), exceeding market growth.
- ✓ Japan: Strong growth of +11% YoY, driven by higher sales of AT-related products.
- ✓ NA: Market declined from peak. Sales decreased due to vehicle model changes.

# Operating Income: Factors Behind Change (FY2016 1<sup>st</sup> Half ⇒ FY2017 1<sup>st</sup> Half)

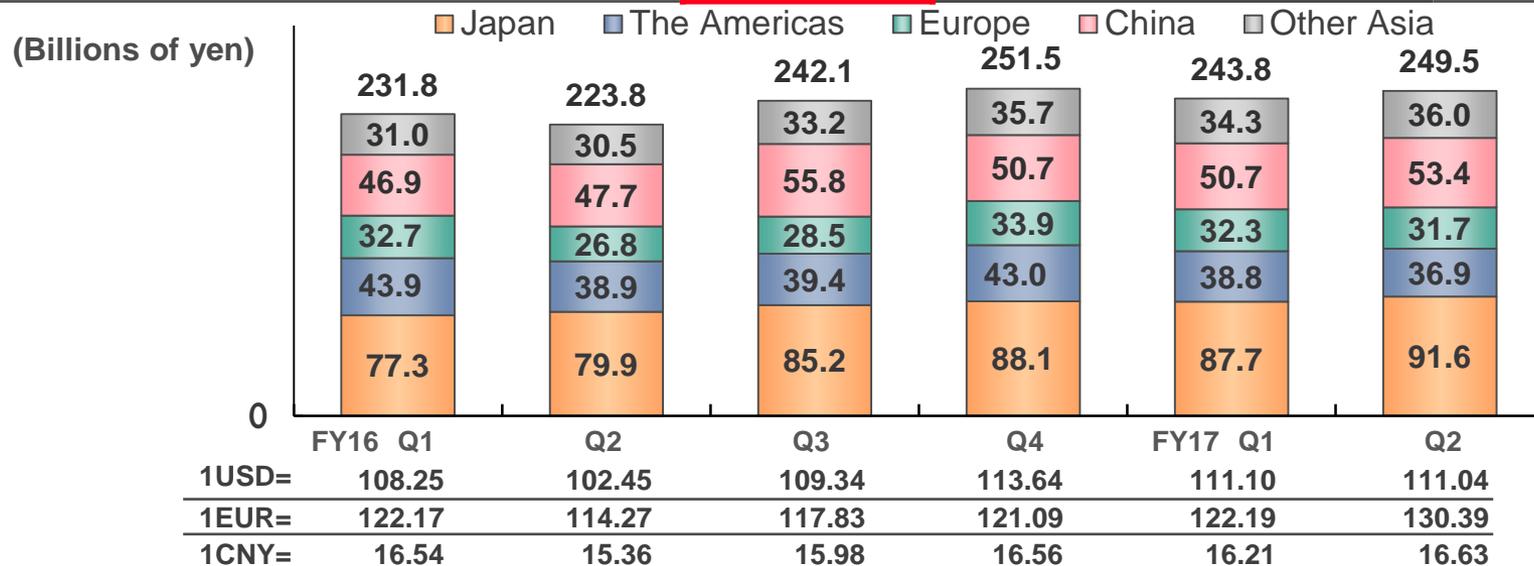
**NSK**

(Billions of yen)



# Sales Results by Customer Location

(Billions of yen)	FY2016		FY2017		
	1st half <Actual>	1st half <Actual>	Increase/ Decrease YOY	Difference YOY	1st half <FCST>
Net sales	455.6	493.3	+37.7	+8.3%	474.0
Japan	157.2	179.3	+22.1	+14.0%	174.5
Non-Japan	298.4	314.1	+15.7	+5.3%	299.5
<Non-Japan ratio>	<65.5%>	<63.7%>			<63.2%>
The Americas	82.7	75.7	-7.0	-8.5%	75.0
Europe	59.5	64.0	+4.5	+7.6%	59.5
China	94.7	104.0	+9.4	+9.9%	100.5
Other Asia	61.5	70.3	+8.8	+14.4%	64.5



## **2. Consolidated Business Forecast for the Year Ending March 31, 2018**

## Forecasted Business Environment

- ✓ Moderate economic growth forecast to continue globally.
- ✓ Industrial machinery business: Driven by semiconductor and machine tool sectors and China-related demand.
- ✓ Automotive business: Despite an adjustment phase in NA, modest growth to continue globally.
- ✓ Political risks: US trade policies, UK's planned exit from the EU, North Korean tensions.

## Business Forecast

- ✓ Upward revision to original business forecast  

		(YOY)
<b>Net Sales :</b>	<b>¥1,000.0 billion</b>	<b>( +¥50.8 billion / +5.4% )</b>
<b>Operating Income :</b>	<b>¥92.0 billion</b>	<b>( +¥26.7 billion /+40.8% )</b>
<b>Net Income Attributable to Owners of the Parent :</b>	<b>¥62.0 billion</b>	<b>( +¥16.4 billion /+36.1% )</b>
- ✓ Revised exchange rate assumptions (further depreciation of the yen):  
USD: ¥110 (originally ¥105) Euro: ¥125 (originally ¥115)  
CNY: ¥16.4 (originally ¥15.7)
- ✓ FY2017 full-year dividend: ¥38 (Interim:¥19, 2<sup>nd</sup> half :¥19)  
Payout ratio (forecast) 32%

# Summary of Consolidated Business Forecast for the Year Ending March 31, 2018 (FY2017)

(Billions of yen)	FY2016	FY2017					
	Full year <Actual>	1 <sup>st</sup> half <Actual>	2 <sup>nd</sup> half <Revised FCST>	Full year <Revised FCST>	Increase/ Decrease YOY	Difference YOY	Full year <May FCST>
Net sales	949.2	493.3	506.7	1000.0	+50.8	+5.4%	960.0
Operating income <%>	65.3 <6.9%>	42.7 <8.7%>	49.3 <9.7%>	92.0 <9.2%>	+26.7	+40.8%	82.0 <8.5%>
Income before income taxes	63.6	42.4	48.6	91.0	+27.4	+43.0%	81.0
Net income attributable to owners of the parent	45.6	28.4	33.6	62.0	+16.4	+36.1%	56.0
(Ex. rate: 1USD=)	108.42	111.07	110	110.54	+2.12	+2.0%	105
( " 1EUR=)	118.84	126.29	125	125.65	+6.81	+5.7%	115
( " 1CNY=)	16.11	16.42	16.4	16.41	+0.30	+1.9%	15.7
<b>*Reference</b>	Segment Income : Operating income before deduction of other operating expenses Other operating expenses : Antimonopoly Act -related losses, foreign exchange losses						
Segment income <%>	83.8 <8.8%>	44.2 <9.0%>	50.8 <10.0%>	95.0 <9.5%>	+11.2	+13.4%	

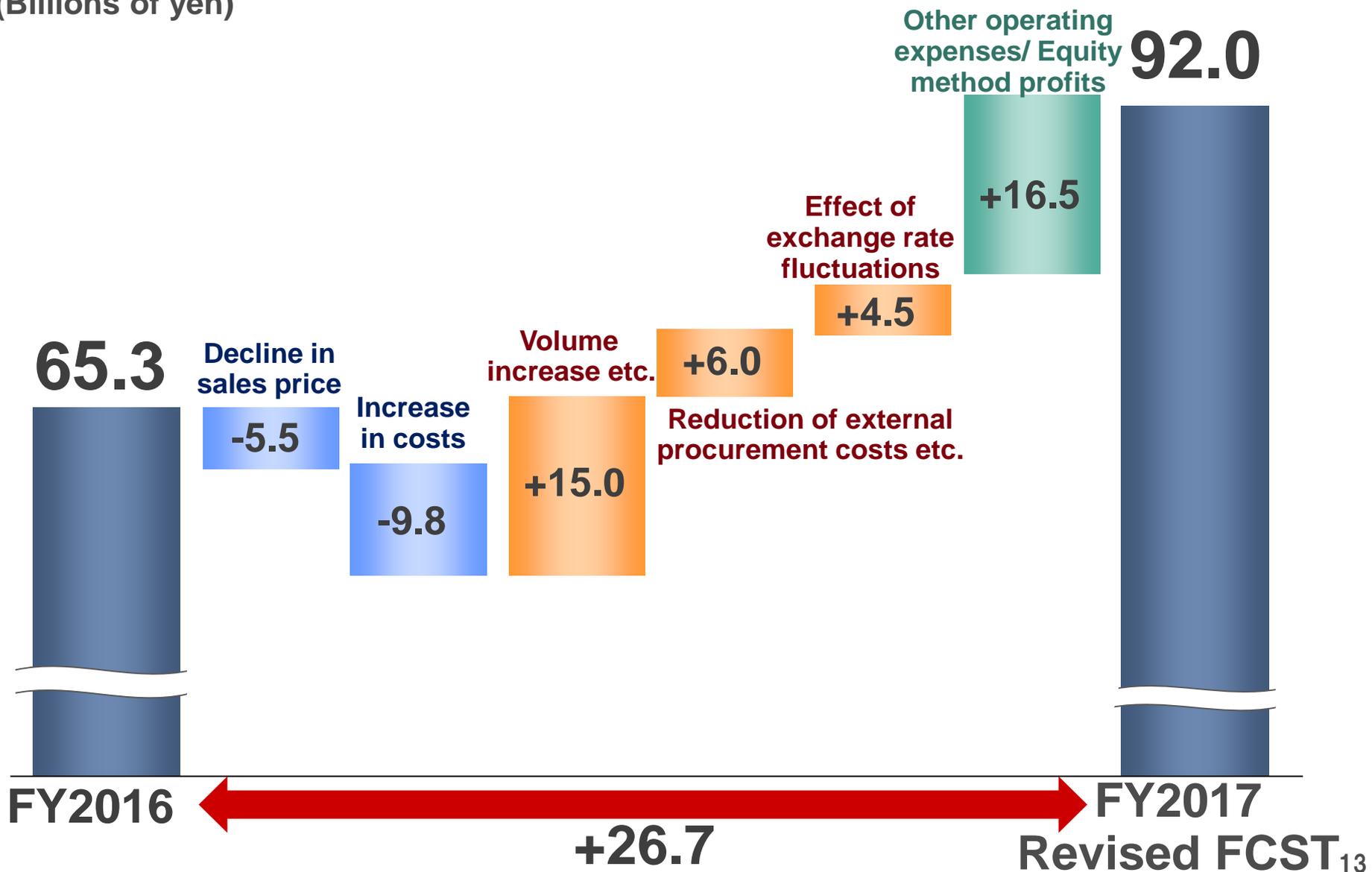
# Forecast by Business Segment (FY2017)

(Billions of yen)		FY2016	FY2017					Full year <May FCST>
		Full year <Actual>	1st half <Actual>	2nd half <Revised FCST>	Full year <Revised FCST>	Increase/ Decrease YOY	Difference YOY	
Total	Net sales	949.2	493.3	506.7	1000.0	+50.8	+5.4%	960.0
	Operating income	65.3	42.7	49.3	92.0	+26.7	+40.8%	82.0
	<%>	6.9%	8.7%	9.7%	9.2%			8.5%
Industrial Machinery Business	Net sales	226.9	126.9	132.1	259.0	+32.1	+14.1%	233.5
	Industrial Machinery Bearings	184.3	100.0	104.0	204.0	+19.7	+10.7%	187.5
	Precision Machinery and Parts	42.7	26.9	28.1	55.0	+12.3	+28.9%	46.0
	Operating income	14.7	10.2	15.3	25.5	+10.8	+73.9%	17.5
	<%>	6.5%	8.1%	11.5%	9.8%			7.5%
Automotive Business	Net sales	696.3	352.1	360.9	713.0	+16.7	+2.4%	698.0
	Automotive Bearings	328.0	170.6	179.4	350.0	+22.0	+6.7%	343.0
	Automotive Components	368.3	181.6	181.4	363.0	-5.3	-1.4%	355.0
	Operating income	64.6	31.2	32.8	64.0	-0.6	-0.9%	62.5
	<%>	9.3%	8.9%	9.1%	9.0%			9.0%
Others	Net sales	52.9	26.7	29.3	56.0	+3.1	+5.9%	53.5
	Operating income	4.4	2.6	2.7	5.3	+0.9	+20.0%	4.0
	<%>	8.4%	9.6%	9.3%	9.5%			7.5%
Eliminations (sales)		-26.9	-12.4	-15.6	-28.0			-25.0
Other operating expenses / Adjustments		-18.3	-1.3	-1.5	-2.8			-2.0

# Operating Income: Factors Behind Change (FY2016 ⇒ FY2017 Revised Forecast)

**NSK**

(Billions of yen)



# Business Forecast by Customer Location (FY2017)



(Billions of yen)	FY2016	FY2017					
	Full year <Actual>	1 <sup>st</sup> half <Actual>	2 <sup>nd</sup> half <Revised FCST>	Full year <Revised FCST>	Increase/ Decrease YOY	Difference YOY	Full year <May FCST>
Net sales	949.2	493.3	506.7	1000.0	+50.8	+5.4%	960.0
Japan	330.5	179.3	187.7	367.0	+36.5	+11.0%	354.0
Non-Japan <Non-Japan ratio>	618.7 <65.2%>	314.1 <63.7%>	318.9 <62.9%>	633.0 <63.3%>	+14.3	+2.3%	606.0 <63.1%>
The Americas	165.2	75.7	76.3	152.0	-13.2	-8.0%	152.0
Europe	121.9	64.0	67.5	131.5	+9.6	+7.9%	122.0
China	201.2	104.0	103.5	207.5	+6.3	+3.1%	201.5
Other Asia	130.4	70.3	71.7	142.0	+11.6	+8.9%	130.5

### **3. Progress of the 5<sup>th</sup> Mid-Term Management Plan**

## 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**

# Industrial Machinery Business: 1



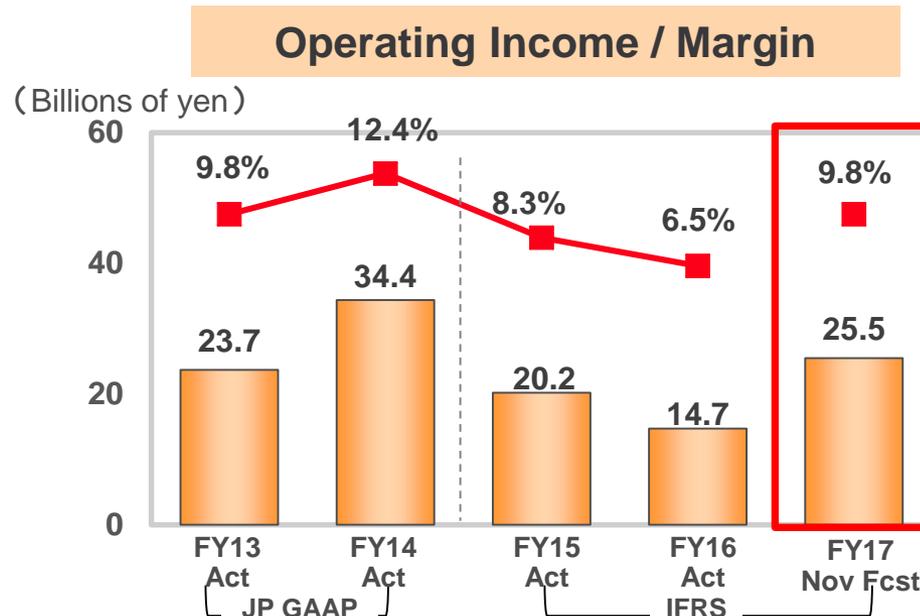
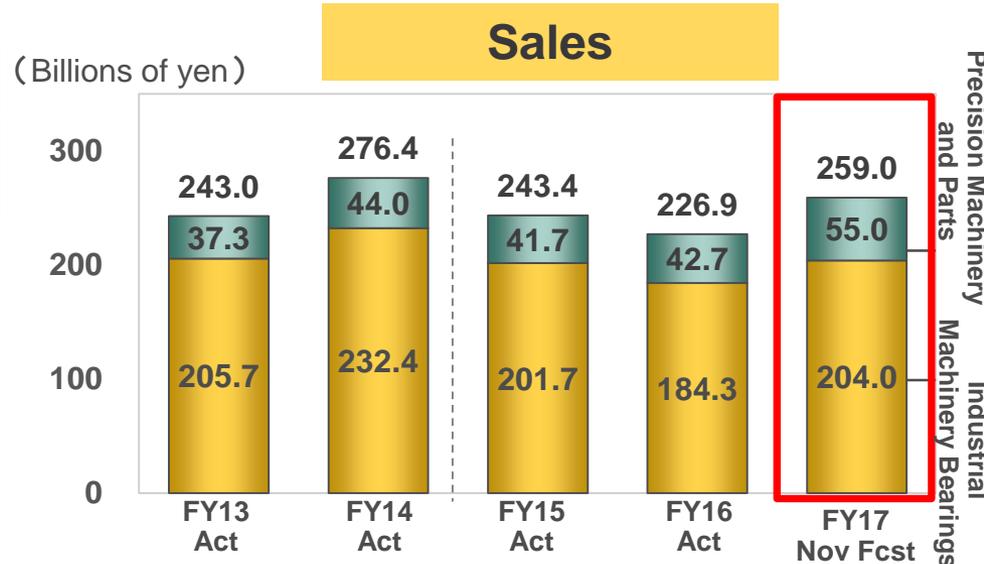
## Business Environment and Forecast

### Demand trend by Sector

Sector	Forecast (YOY)	Forecast (Trend)	
	FY17 2H vs. FY16 2H	FY17 1H to FY17 2H	FY17 2H to FY18 1H
Home Appliances	↑ ↑	↑	↑
Steel Plant Facilities	↑	→	↑
Fluid Machinery	↑ ↑ ↑	↑ ↑	→
Mining / Construction Machinery	↑ ↑ ↑	↑	→
Agricultural Machinery	↑ ↑	→	↑ ↑
Wind Turbines	↓	↓	↑ ↑
Railcars	→	→	↑
Machine Tools	↑ ↑ ↑	→	→
Injection Molding	↑ ↑ ↑	→	→
Semiconductors	↑ ↑ ↑	↑ ↑ ↑	↑ ↑
Robots	↑ ↑ ↑	↑ ↑ ↑	↑ ↑ ↑
Aftermarket	↑ ↑	↑	↑

Demand forecast: ↑ Increase, → Unchanged, ↓ Decrease

- YOY: Significant increase in most sectors, excluding wind turbine and railcar sectors.
- Trend: Solid market conditions to continue, excluding sectors influenced by seasonal factors.



\*Part of industrial machinery business operations were transferred to the automotive business in FY2016. Accordingly, figures for FY2015 have been reclassified to match current segments.

# Industrial Machinery Business: 2

## The 5<sup>th</sup> MTP: Status of Key Initiatives

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### MTP Key Initiatives

Respond to changes in business environment and expand target fields

- FY2017/2H OI: recover to double-digit range.
- Expand presence over mid- to long-term and strive for prompt realization of 15% OI level.

#### 1 Respond to changes in business environment

##### Maximize sales and improve profitability under demand recovery environment

- Reinforce supply capability  
Increase capacity to respond to demand surge
- Reorganize production site  
F2 project : Production commenced  
Shenyang plant : Expansion of capacity  
Innovation in production methods
- Enhance brand power  
Proactive response to increasing customer quality requirements
- Improve profitability  
Sales price revision  
Cost reduction



#### 2 Expand target fields

##### Expand sales in focus sectors by leveraging presence and engineering capability

###### Focus sectors

###### Major products

- Machine tools → Precision brgs/BS
- Wind Turbines → Extra-large brgs
- Railcars → Axle brgs (Tapered and Cylindrical roller)
- Robots → Thin-section brgs
- Industrial motors /servomotors → Ball brgs for high-accuracy motors
- Semi-conductors → Precision machinery and parts

# Industrial Machinery Business: 3

## The 5<sup>th</sup> MTP: Status of Key Initiatives

### 2-1 Machine tools

Further strengthen Global No.1 brand



#### Market Environment

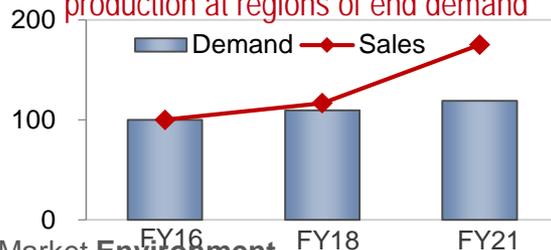
- Increase in vehicle production volume, technological innovations
- Demand increase in NC machine tools due to rising labor costs in China.
- Sophistication of machinery due to IoT/CMS

#### Measures

- Reinforce supply capability.
- Improve response to demand fluctuations.

### 2-2 Wind Turbines

Reinforce competitiveness by promoting production at regions of end demand



#### Market Environment

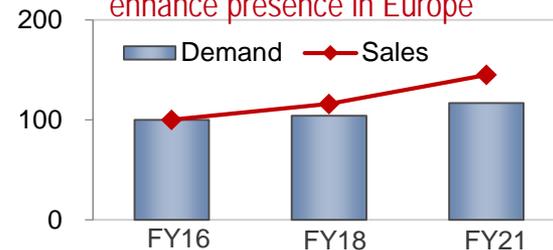
- Steady demand expansion due to clean energy policies around the world.
- Trend to off-shore and large sized turbines
- Full-scale demand in MRO business

#### Measures

- Increase production at Shenyang plant.
- Strive for increase in sales by reducing cost and lead-time through production at regions of end demand.

### 2-3 Railcars

Expand business in China, enhance presence in Europe



#### Market Environment

- Expansion in infrastructure investment due to Chinese government policies.
- Achieve entry into EU market.

#### Measures

- Expand business with CRRC by leveraging engineering capability.
- Work to strengthen presence in EU gearbox market

### 2-4 Robots

Develop new products for robots /gearboxes in response to growing market size



#### Market Environment

- Demand expansion in response to FA due to decline in work force.
- Expansion due to rise of labor costs in China, need for stable high quality.

#### Measures

- Introduce new products meeting enhanced performance requirements.

### 2-5 Industrial motors/servomotors

Leverage technical capabilities to respond to high-speed/accuracy/efficiency needs



#### Market Environment

- Increasing demand for robot and machine tool.
- Higher requirements for efficiency and performance due to energy-efficiency regulations around the world.

#### Measures

- Differentiate through high performance seals and low dust emission grease.

### 2-6 Semiconductors

Respond to requirements for High speed/reliability



#### Market Environment

- Investment in 3D-NAND and DRAM due to expansion of application scope, including smartphones, memory for data centers and in-vehicle motors.

#### Measures

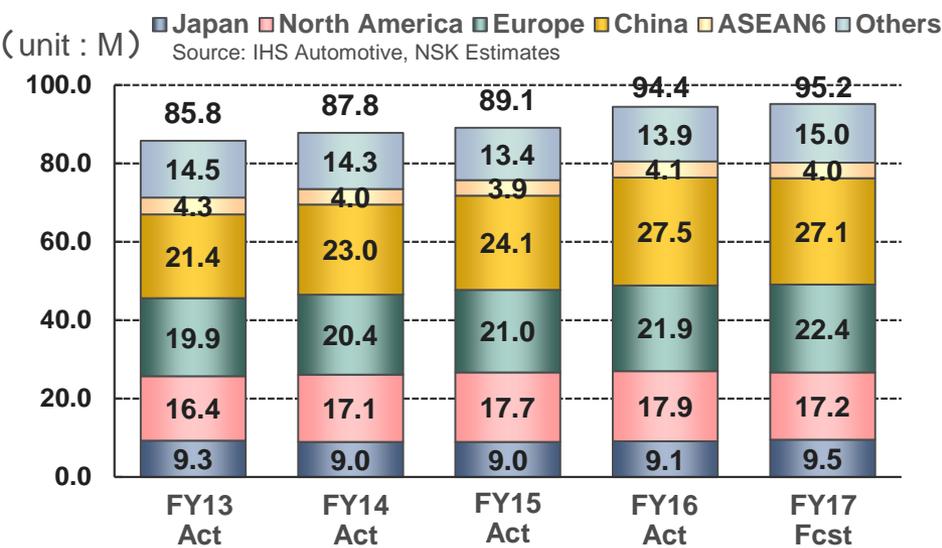
- Utilize technical capabilities to expand sales to Japanese and US manufacturers
- Work to achieve entry into Chinese market.

# Automotive Business: 1

## Vehicle Production and Business Forecast



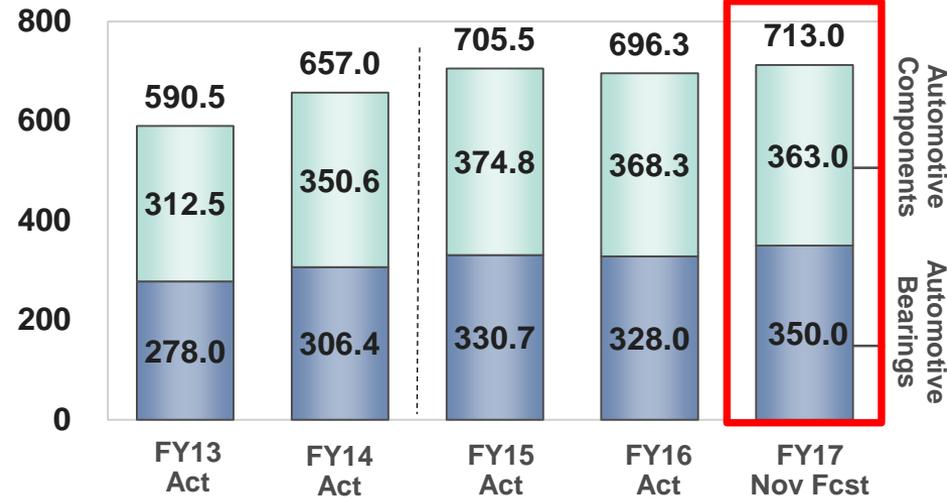
### Global Vehicle Production Volume



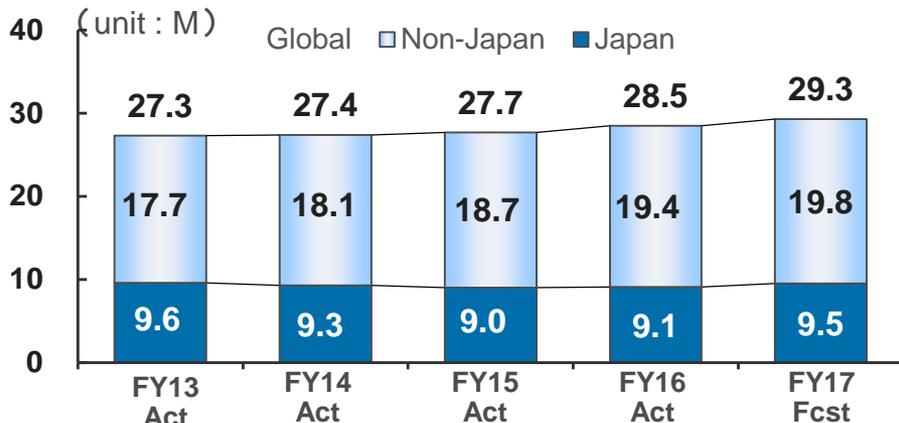
Peak in NA and China market becoming clear, while other regions showing solid market trends. As a result, global vehicle production to increase slightly (+1%) year on year.

(Billions of yen)

### Sales



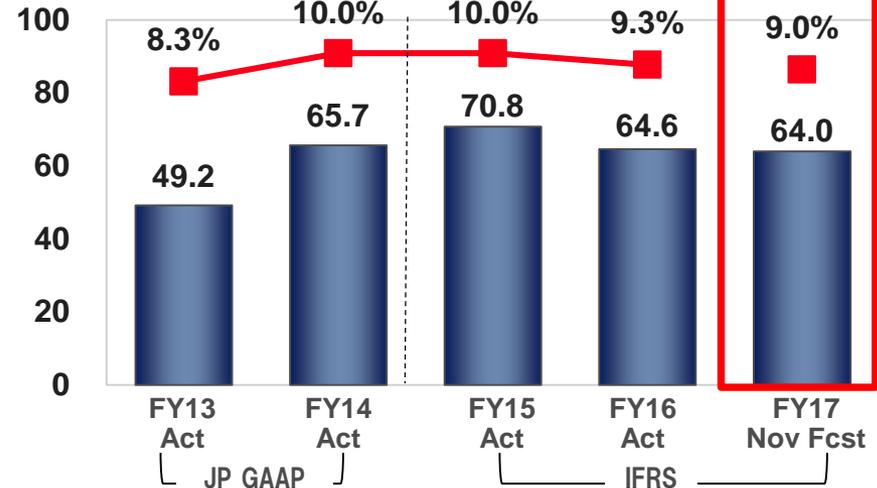
### Production Volume by Japanese Automakers



Solid production volume due to introduction of new vehicle models in Japan and growing popularity of SUVs in Western markets.

### Operating Income / Margin

(Billions of yen)



\*Part of industrial machinery business operations were transferred to the automotive business in FY2016. Accordingly, figures for FY2015 have been reclassified to match current segments.

# Automotive Business: 2

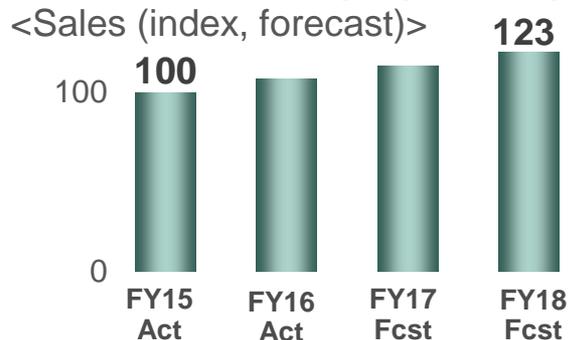
## The 5<sup>th</sup> MTP: Status of Key Initiatives

### MTP Key Initiatives

Mid- to long-term growth through core businesses and technology development toward a new automotive era

## 1 Powertrain Business

**Expansion of powertrain products to continue (AT, electrical components).  
Maximize sales opportunities by leveraging technical and solution-proposal capabilities.**



### Maximize sales opportunity

Advanced requirements for bearing performance: small, lightweight, high-efficiency, low-torque

- Expand sales through low-torque HUB for mass-produced EV (Unique grease and seal technologies)
- New applications  
In-vehicle motors
- Expansion of customer portfolio  
Increase sales to major Tier 1 manufacturers

## 2 Steering and Actuator Business

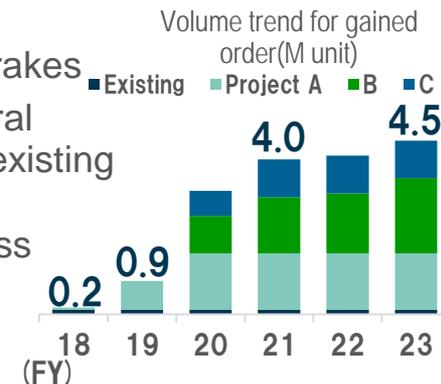
**Establish foundation of renewed growth by developing next-generation products and expanding customer base.  
Expand electric brake business.**

### EPS products

- Column-type EPS: Improve cost competitiveness  
Continue initiatives to expand customer base (Chinese, European and US customers)
- Rack-type EPS: Under evaluation in demonstration cars. Working to expand target vehicles.
- Pinion-type EPS: Expand EPS product lineup
- Next-generation steering system: Steer-by-wire

### Actuator products

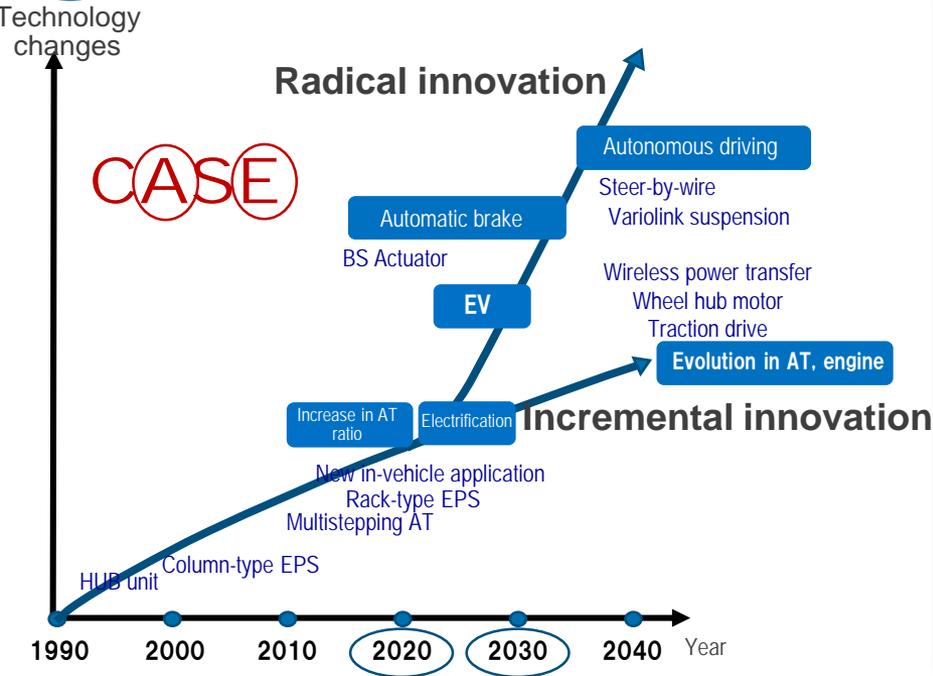
- Ball screw for electric brakes
  - Gained orders from several customers in addition to existing Japanese EVs
  - 4.5M units of new business confirmed
  - Strive for 30M units in latter half of 2020s



# Automotive Business: 3

## The 5<sup>th</sup> MTP: Status of Key Initiatives

### 3 Future automotive technology



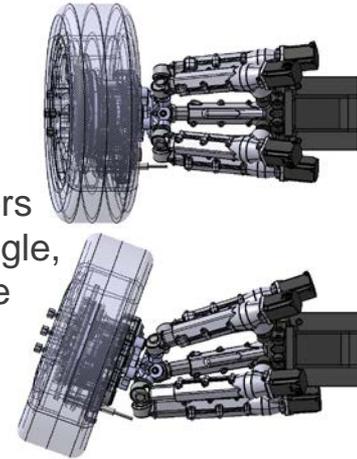
Contributing to dramatic technological innovations in automotive industry

### 3-1 Flex corner module concept

Combination of driving and steering technology

#### 1. Variolink suspension

- 5 independently moving actuators
- Enables toe/camber/steering angle, axle track, and wheel base to be controlled at will.

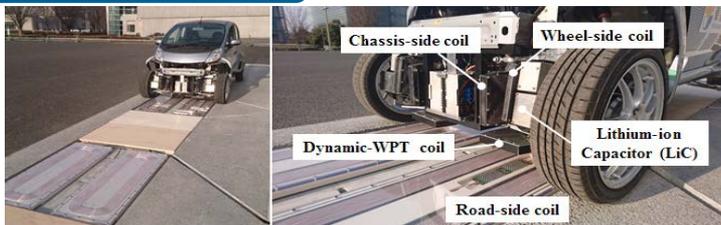


#### 2. Wheel hub motor Fit

- Driving system within the wheel
- Second-generation thin type miniaturized motor installed directly in the wheel.

### 3-3 Wireless power transfer

Wireless power transfer from a coil array on the ground to an in-wheel motor



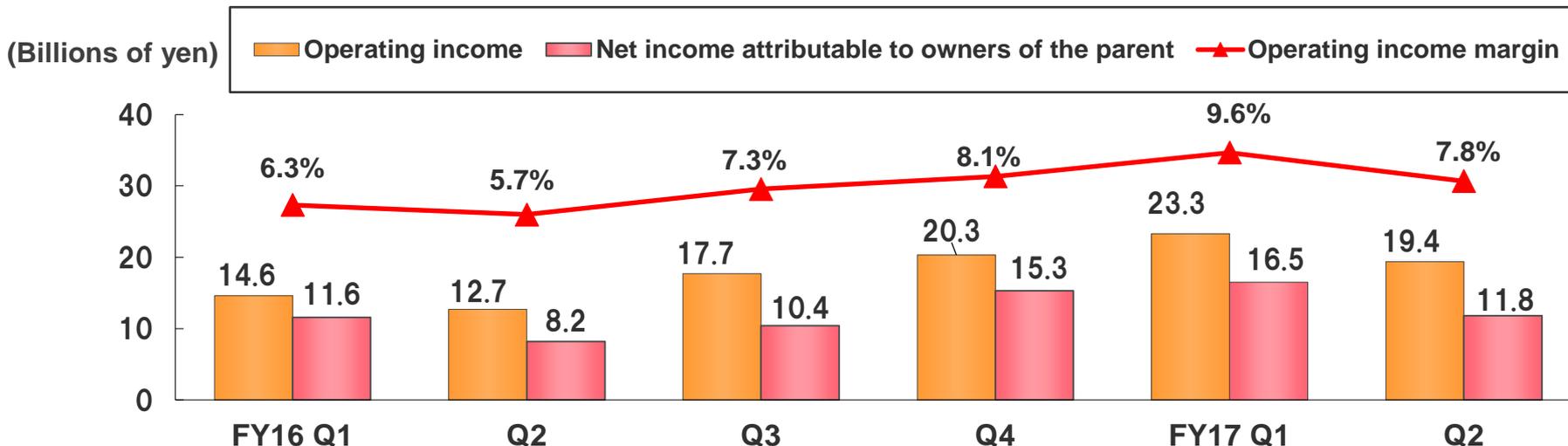
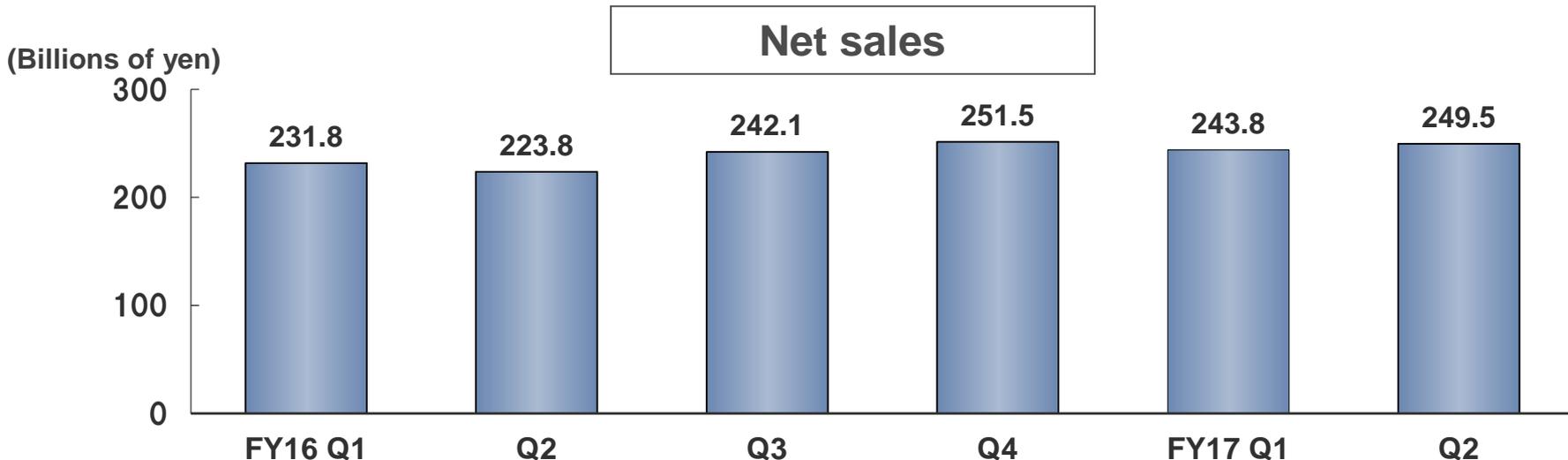
### 3-2 Traction<sup>2</sup> drive (Traction reducer)

- EV drive unit which incorporates traction drive speed reducer
- Conveys power through unique oil, without using gears
- Achieved downsizing, lower weight and lower noise by incorporating high-speed motor and traction drive speed reducer



**(Supplementary Information)**

(Supplementary Information)  
**Quarterly Business Performance**



1USD=	108.25	102.45	109.34	113.64	111.10	111.04
1EUR=	122.17	114.27	117.83	121.09	122.19	130.39
1CNY=	16.54	15.36	15.98	16.56	16.21	16.63

(Supplementary Information)

**NSK****Sales & Operating Income Results by Business Segment**

(Billions of yen)		FY2016	FY2017	Increase/ Decrease YOY	Difference YOY	1st half <FCST>
		1st half <Actual>	1st half <Actual>			
<b>Total</b>	Net sales	455.6	493.3	+37.7	+8.3%	474.0
	Operating income	27.3	42.7	+15.4	+56.4%	39.0
	<%>	6.0%	8.7%			8.2%
<b>Industrial Machinery Business</b>	Net sales	107.9	126.9	+19.1	+17.7%	116.0
	Industrial Machinery Bearings	88.0	100.0	+12.0	+13.7%	93.0
	Precision Machinery and Parts	19.8	26.9	+7.0	+35.5%	23.0
	Operating income	5.3	10.2	+5.0	+93.7%	8.0
	<%>	4.9%	8.1%			6.9%
<b>Automotive Business</b>	Net sales	335.4	352.1	+16.7	+5.0%	344.0
	Automotive Bearings	157.8	170.6	+12.8	+8.1%	168.5
	Automotive Components	177.6	181.6	+4.0	+2.2%	175.5
	Operating income	28.1	31.2	+3.1	+11.2%	30.0
	<%>	8.4%	8.9%			8.7%
<b>Others</b>	Net sales	23.8	26.7	+2.9	+12.0%	26.0
	Operating income	1.5	2.6	+1.1	+69.4%	2.0
	<%>	6.4%	9.6%			7.7%
<b>Eliminations (sales)</b>		-11.5	-12.4	-0.9		-12.0
Other operating expenses / Adjustments		-7.6	-1.3	+6.2		-1.0

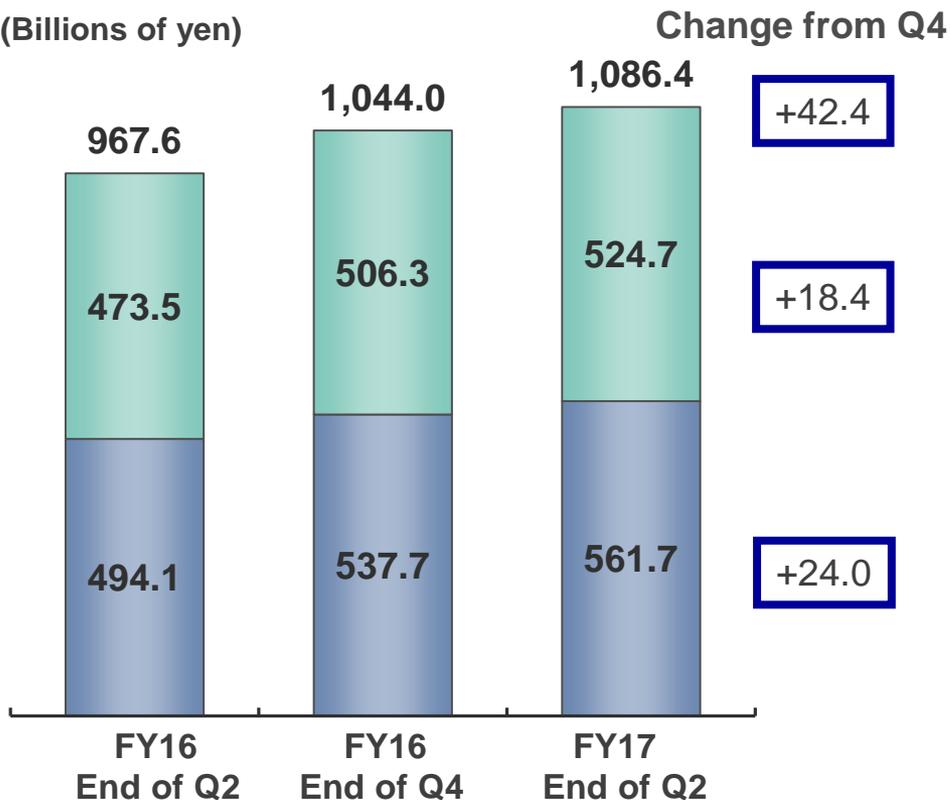
# Sales and O.I. by Geographical Segment

(Billions of yen)	FY2016				FY2017					
	1 <sup>st</sup> half <Actual>		Full year <Actual>		1 <sup>st</sup> half <Actual>	Increase/ Decrease YOY	Difference YOY	Full year <May FCST>		
Net sales	455.6		949.2		493.3	+37.7	+8.3%	1000.0		
Japan	230.7		489.1		264.2	+33.5	+14.5%	549.0		
The Americas	80.2		161.0		74.1	-6.1	-7.6%	151.0		
Europe	61.0		125.5		65.8	+4.8	+7.8%	139.0		
Asia	166.1		351.2		186.8	+20.7	+12.5%	372.0		
Eliminations	-82.4		-177.5		-97.5	-15.1		-211.0		
Operating Income	27.3	<6.0%>	65.3	<6.9%>	42.7	<8.7%>	+15.4	+56.4%	92.0	<9.2%>
Japan	0.3	<0.1%>	11.1	<2.3%>	13.1	<5.0%>	+12.8	-	26.5	<4.8%>
The Americas	5.4	<6.7%>	12.2	<7.6%>	4.9	<6.6%>	-0.5	-9.4%	11.5	<7.6%>
Europe	5.2	<8.4%>	11.8	<9.4%>	2.0	<3.0%>	-3.2	-61.8%	8.0	<5.8%>
Asia	22.4	<13.5%>	48.0	<13.7%>	25.5	<13.6%>	+3.0	+13.6%	50.0	<13.4%>
Eliminations/ Corporate expenses	-6.0		-17.8		-2.7		+3.3		-4.0	

## Assets

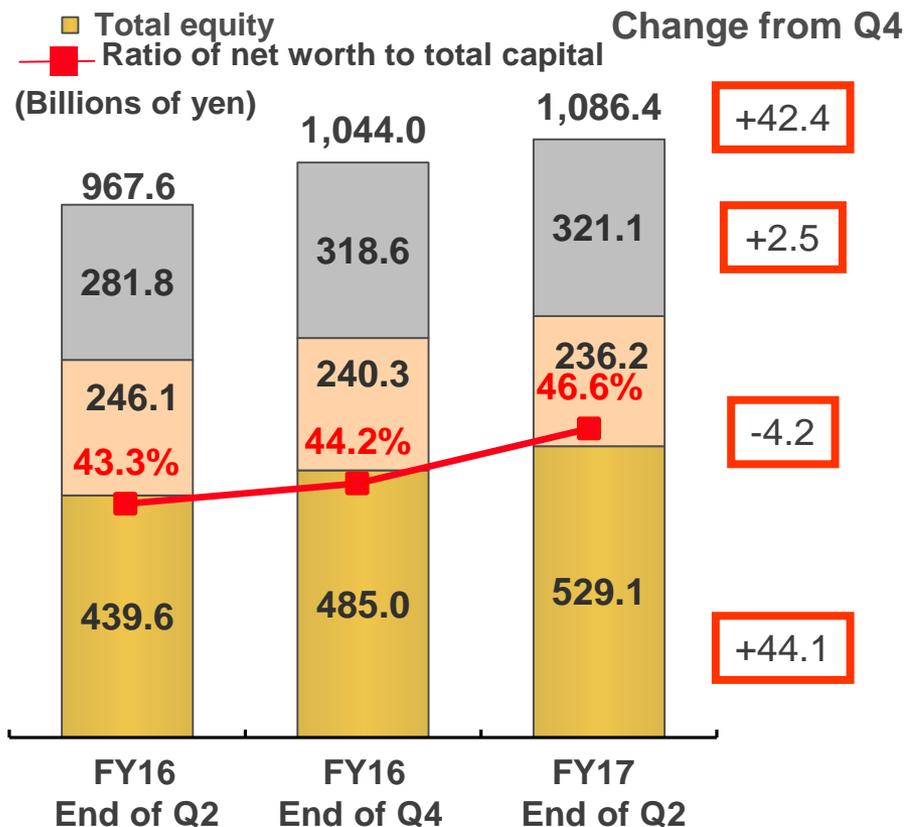
- Non-Current assets
- Current assets

(Billions of yen)



## Liabilities / Total equity

- Current liabilities
- Non-Current liabilities
- Total equity
- Ratio of net worth to total capital

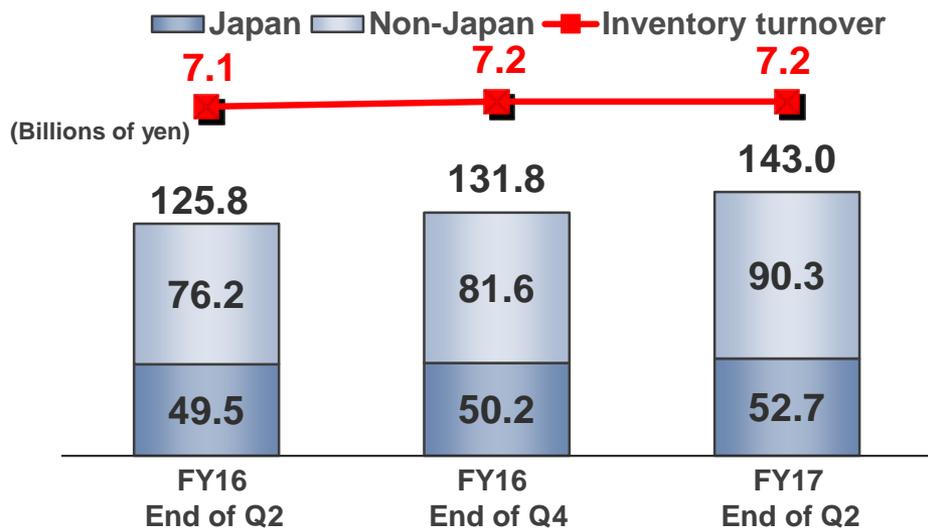


Ex. Rate	FY16 End of Q2	FY16 End of Q4	FY17 End of Q2
1USD=	101.12	112.20	112.74
1EUR=	113.29	119.78	132.81
1CNY=	15.15	16.29	16.96

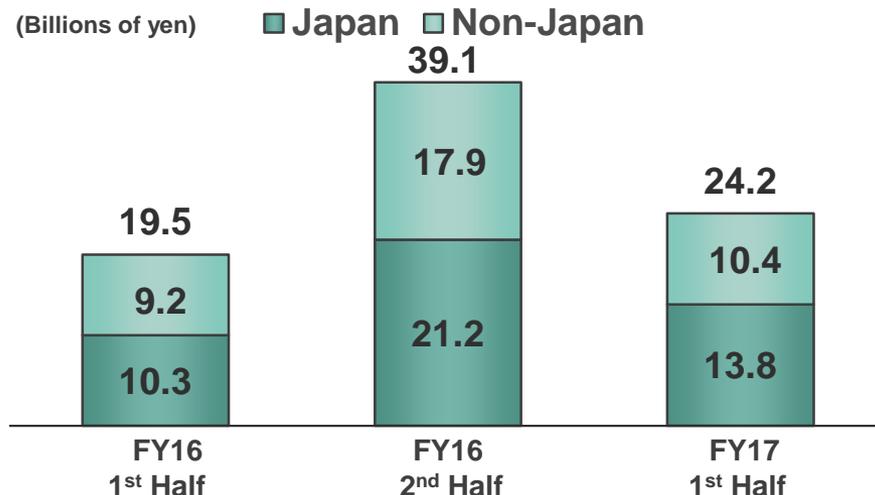
(Supplementary Information)  
**Inventories/Interest-bearing debt**  
**Capital Expenditure/Depreciation and amortisation**



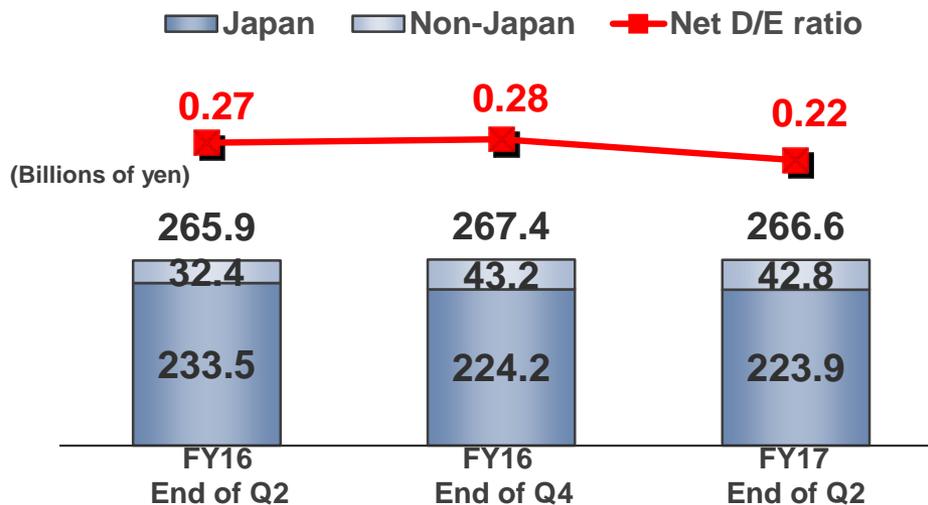
### Inventories



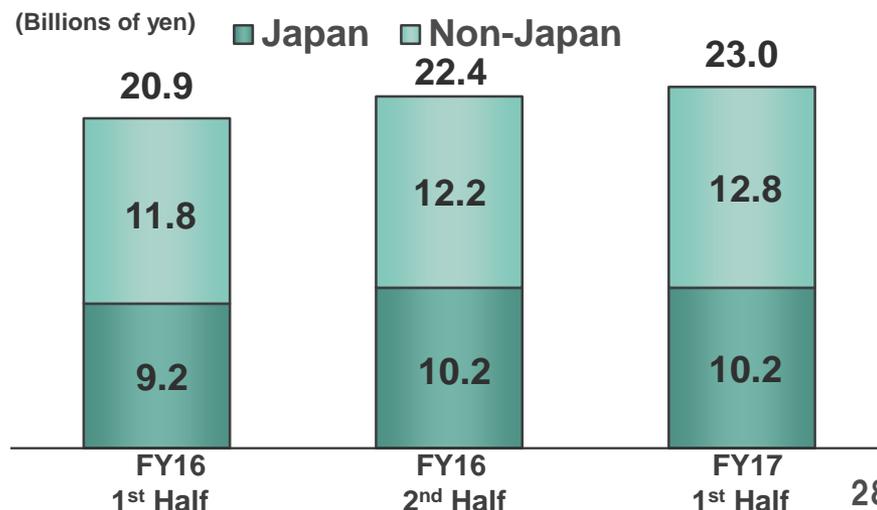
### Capital Expenditure



### Interest-bearing debt



### Depreciation and amortisation



(Supplementary Information) **Capital Expenditure,  
Depreciation and amortisation, R&D Expenses**



(Billions of yen)	FY2016 <Actual>	FY2017 1 <sup>st</sup> half <Actual>	FY2017 <Plan>
Capital Expenditure	58.6	24.2	68.0
Depreciation and amortisation	43.4	23.0	45.0
R&D expenses (on Statutory basis)	13.9	8.2	*17.0

\*Revised planned R&D from ¥15 billion (original plan) to ¥17 billion.