Consolidated Financial Results for the First Quarter of FY2024

DRIVE NTN100 Final

Digitalization Resources Innovation Variable cost reformation Efficiency improvement



Make the world NAMERAKA

August 2, 2024

NTN Corporation

Key Points of Financial Results

FY2024 Q1

Net sales ： ¥210.8 billion（+¥10.0 billion YoY) incl. for Aftermarket ¥35.4 billion

Operating income ：¥4.5 billion (+¥3.0 billion YoY) Operating margin ：2.1%

☐ Bearing and Others

Net sales ¥84.3 billion, Operating income ¥3.3 billion, Operating margin 3.9%

Sales decreased YoY due to decreased demand mainly in Japan, Europe and Asia.
Operating income decreased YoY due to the significant impact of declined scale despite the improvement of selling prices.

☐ CVJ/Axle

Net sales ¥126.5 billion, Operating income ¥1.2 billion, Operating margin 1.0%

Sales and operating income increased YoY due to the impact of foreign exchange rates, while demand decreased except in Asia and other regions, improvement in selling price, and cost reductions.

Forecast for FY2024 Full Year

No change from the previous announcement

（For reference）Net Sales : ¥860.0 billion, Operating income : ¥32.0 billion, Operating margin3.7%

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1. Key Financial Indicators of FY2024

(billion yen)		FY2023 Q1 Results ①	FY2023 Full Year Results	FY2024 Q1 Results ②	FY2024 Q2 Forcast	FY2024 H1 Forcast	FY2024 H2 Forcast	FY2024 Full Year Forcast (Previous Announcement)	Diff. ②-① Total	Diff. ②-① Volume	Diff. ②-① Forex
Net sales		200.8	836.3	**210.8**	**219.2**	**430.0**	**430.0**	**860.0**	**10.0**	**(7.3)**	**17.4**
Operating income		1.5	28.1	**4.5**	**6.5**	**11.0**	**21.0**	**32.0**	**3.0**	**0.2**	**2.8**
Operating margin		0.7%	3.4%	**2.1%**	**3.0%**	**2.6%**	**4.9%**	**3.7%**			
Ordinary income		1.9	20.0	**2.2**	**3.8**	**6.0**	**16.0**	**22.0**	**0.3**	**(2.3)**	**2.6**
Extraordinary income (loss)		-	(3.4)	**-**	**-**	**-**	**(8.0)**	**(8.0)**	**-**	**-**	**-**
Profit (loss) attributable to owners of parent		1.6	10.6	**0.2**	**1.8**	**2.0**	**3.0**	**5.0**	**(1.5)**	**(3.1)**	**1.6**
Inventories		255.0	264.8	**273.9**				**242.0**	* **9.1**	**(1.0)**	**10.1**
FCF		12.1	40.1	**(4.6)**				**24.0**	**(16.7)**	**-**	**-**
Exchange rate	1USD	¥137.2	¥144.5	**¥155.7**	**¥145.0**	**¥150.4**	**¥145.0**	**¥147.7**	**¥18.5**		
	1EURO	¥149.4	¥156.7	**¥167.7**	**¥160.0**	**¥163.8**	**¥160.0**	**¥161.9**	**¥18.3**		

FY2024 Annual Dividend	**¥11.0 (Interim ¥5.5 / Year-end ¥5.5)**

* Increase/decrease from the end of Mar.2024

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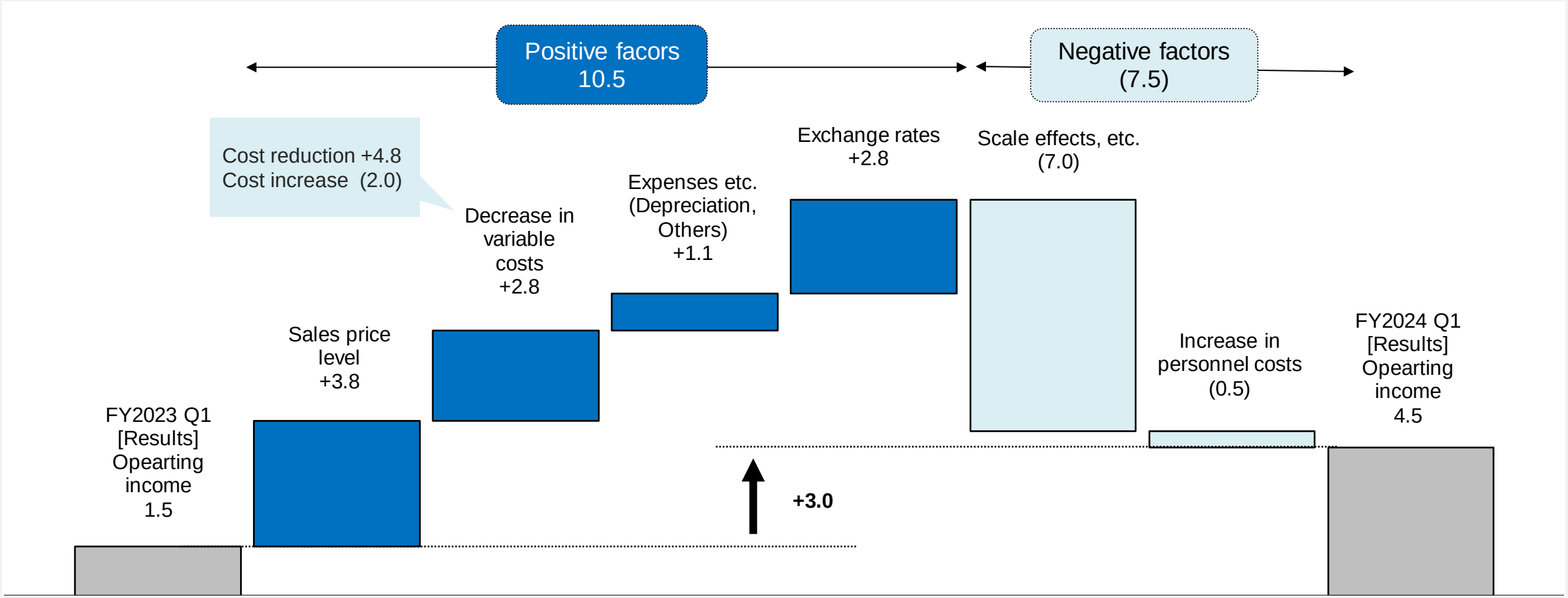
2-1. Analysis of Operating Income

[FY2023 Q1 Results vs FY2024 Q1 Results]



	FY2023 Q1 Results	FY2024 Q1 Results	**Diff.**	Forex	Sales price	Volume
Net sales	200.8	210.8	**+10.0**	+17.4	+3.8	(11.1)

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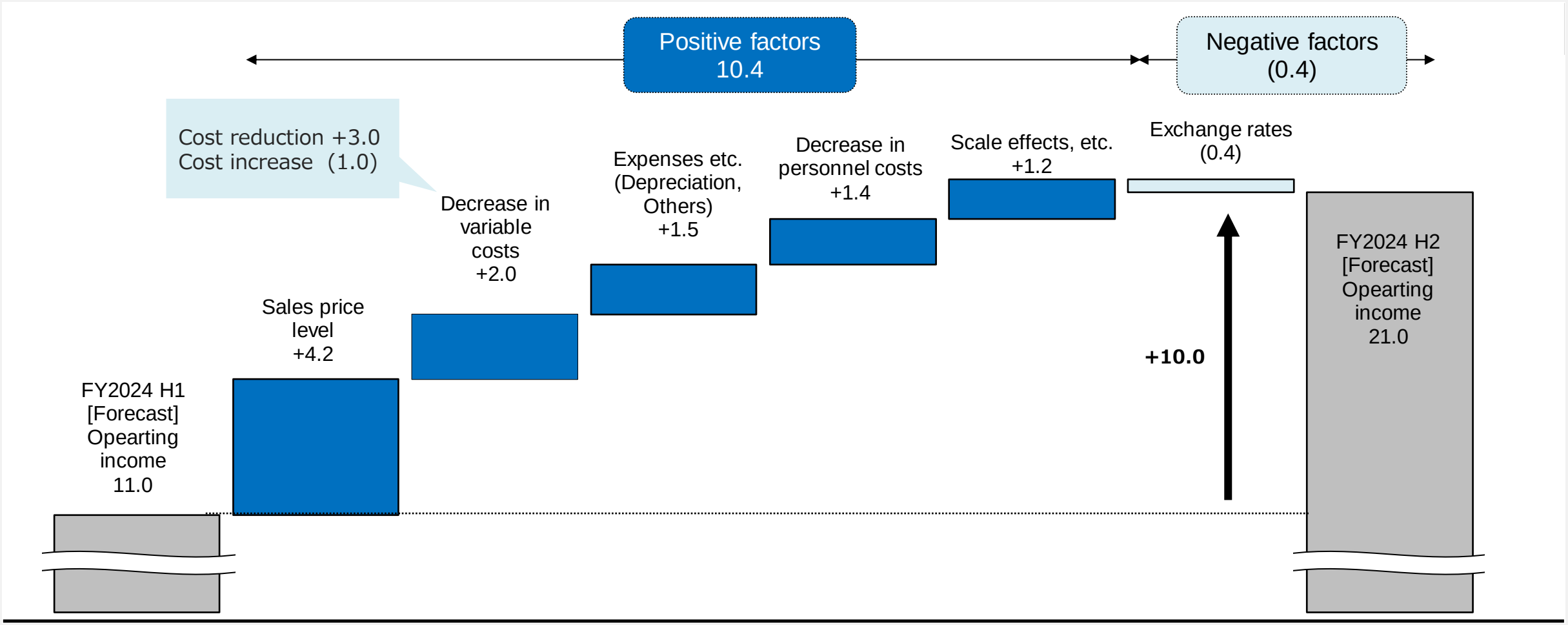
2-2. Analysis of Operating Income

[FY2024 H1 Forecast vs FY2024 H2 Forecast]



	FY2024 H1 Forecast	FY2024 H2 Forecast	**Diff.**	Forex	Sales price	Volume
Net sales	430.0	430.0	**+0.0**	(10.6)	+4.2	+6.4

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3. Net Sales by Region

(billion yen)	FY2023 Q1 Results ①	FY2023 Full Year Results	FY2024 Q1 Results ②	FY2024 Full Year Forcast (Previous Announcement)	Diff. ②-① Total	Diff. ②-① Volume	Diff. ②-① Forex
Japan	50.8	210.0	**49.1**	**222.5**	**(1.7)**	**(1.7)**	**0.0**
Americas	64.9	274.7	**74.5**	**273.0**	**9.6**	**0.7**	**8.9**
Europe	43.0	171.5	**44.8**	**183.5**	**1.8**	**(3.1)**	**4.9**
Asia and others	42.0	180.1	**42.4**	**181.0**	**0.4**	**(3.3)**	**3.6**
Total	200.8	836.3	**210.8**	**860.0**	**10.0**	**(7.3)**	**17.4**

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4. Net Sales and Operating Income by Business Segment

<Net Sales by Business Segment>

(billion yen)	FY2023 Q1 Results ①	FY2023 Full Year Results	FY2024 Q1 Results ②	FY2024 Full Year Forecast (Previous Announcement)	Diff. ②-① Total	Diff. ②-① Volume	Diff. ②-① Forex
Bearing and Others	**87.5**	**346.8**	**84.3**	**357.0**	**(3.2)**	**(9.2)**	**6.0**
CVJ/Axle	**113.3**	**489.5**	**126.5**	**503.0**	**13.2**	**1.9**	**11.3**
Total	**200.8**	**836.3**	**210.8**	**860.0**	**10.0**	**(7.3)**	**17.4**

<Operating Income by Business Segment>

(billion yen)	FY2023 Q1 Results ①	FY2023 Full Year Results	FY2024 Q1 Results ②	FY2024 Full Year Forecast (Previous Announcement)	Diff. ②-①
Bearing and Others	**3.8**	**17.7**	**3.3**	**18.7**	**(0.5)**
CVJ/Axle	**(2.3)**	**10.4**	**1.2**	**13.3**	**3.6**
Total	**1.5**	**28.1**	**4.5**	**32.0**	**3.0**

[Notes] After disclosing the results for the fiscal year ended March 31, 2024, at the financial results briefing on May 17, 2024, we have refined our common cost allocation criteria for several overseas subsidiaries.

As a result, common expenses allocated to Bearings and Others decreased, while common expenses allocated to CVJ/Axles increased

(Impact on operating income)

- FY2024 Q1 results Bearings and Others **+¥0.6 billion** CVJ/Axle **(¥0.6 billion)**
- FY2024 Full year forecast Bearings and Others **+¥2.3 billion** CVJ/Axle **(¥2.3 billion)**

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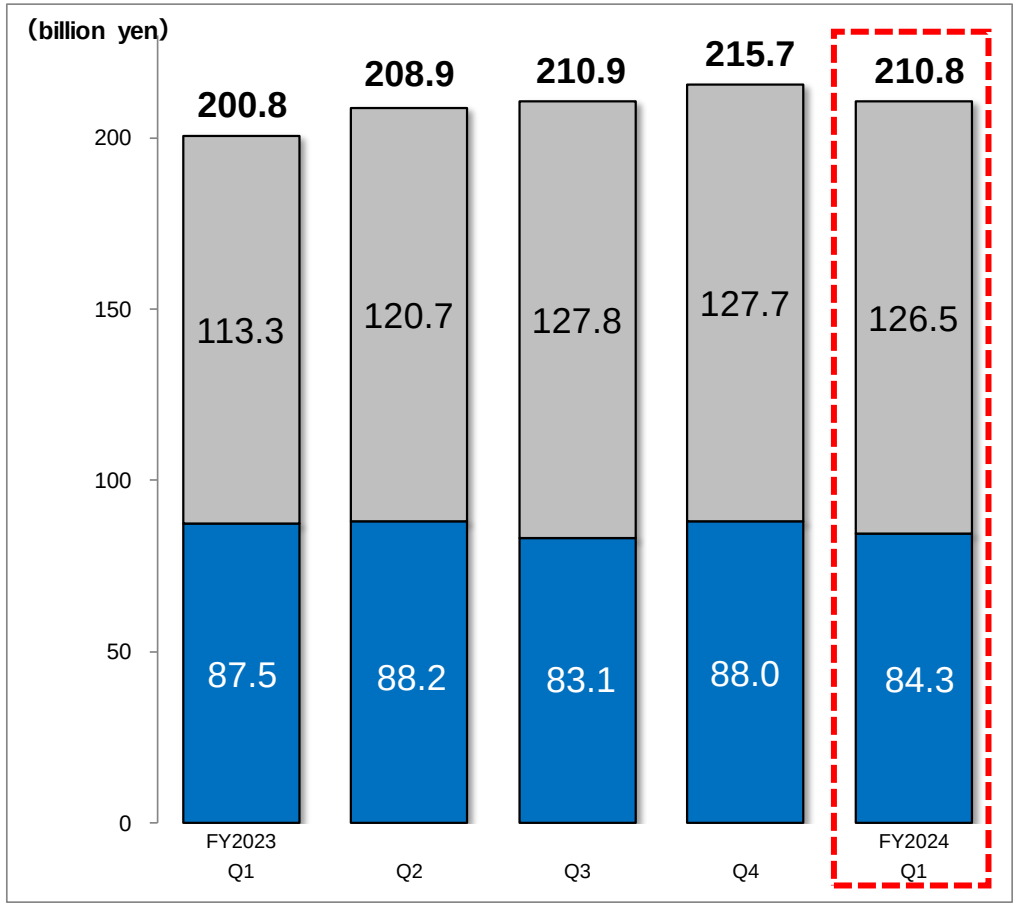
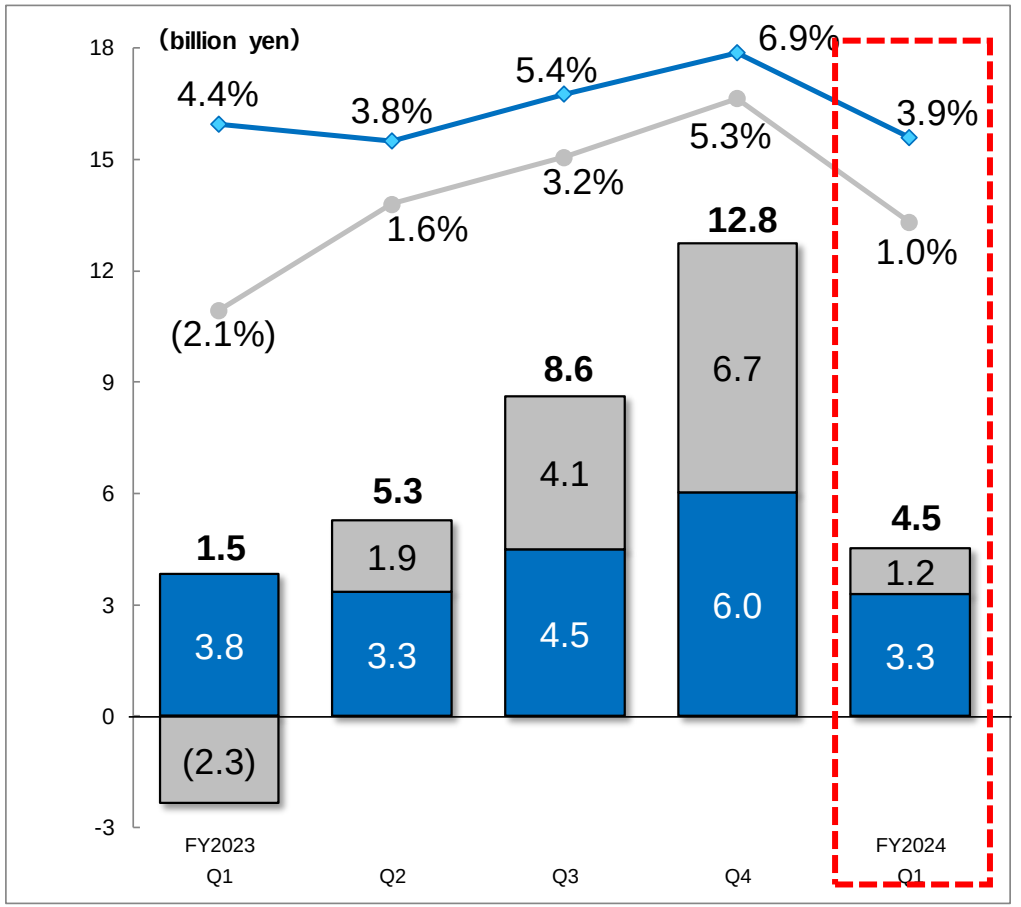
5. Financial Results by Business Segment (Quarterly Trend)

Net Sales



Incl. for Aftermarket	FY2023 Q1	Q2	Q3	Q4	FY2024 Q1
	35.5	34.4	32.6	36.5	35.4

Operating Income/ Operating Margin



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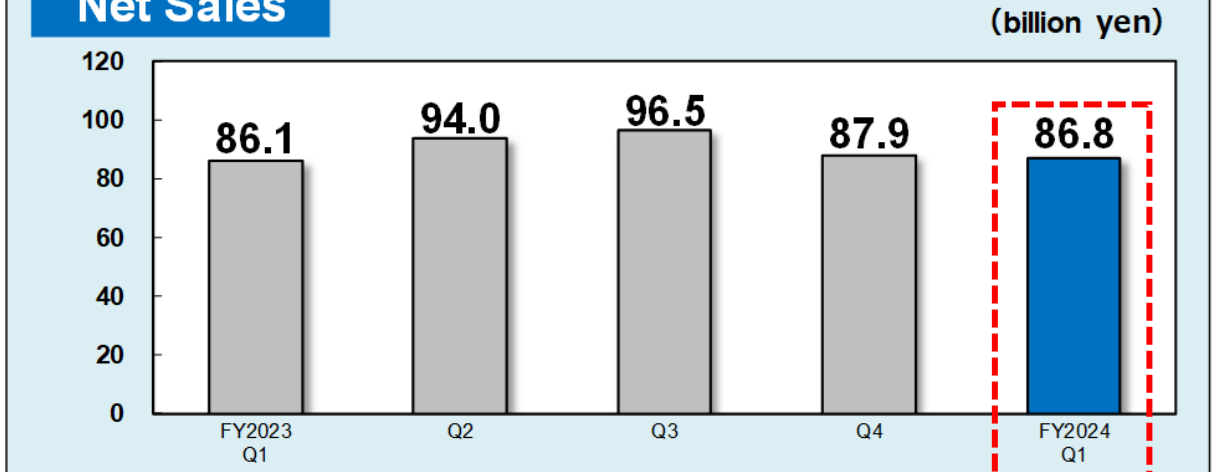
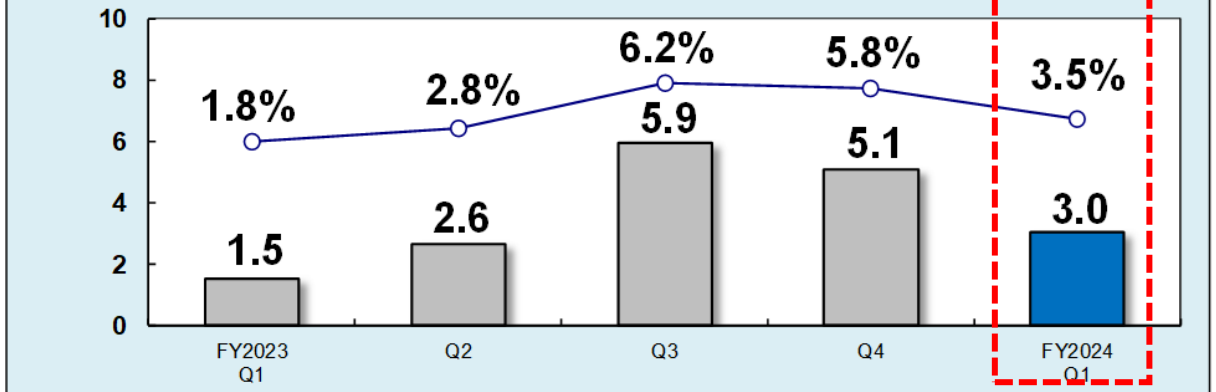
6-1. Net Sales and Operating Income by Company Location

《 Japan 》

Net Sales

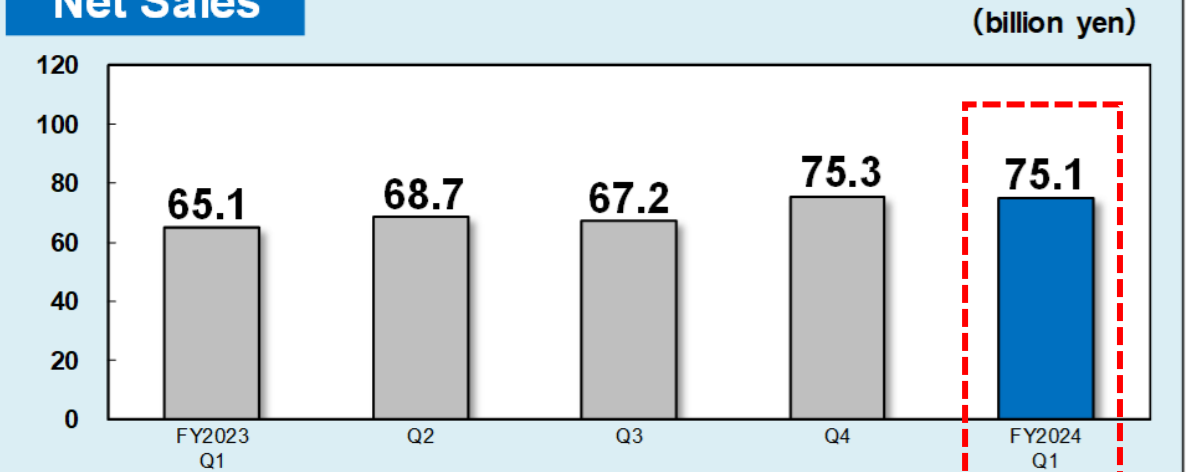


Operating Income

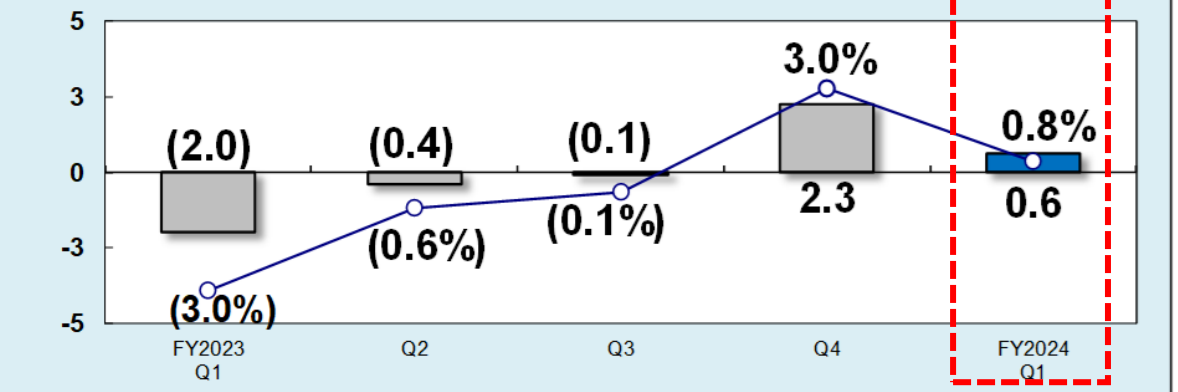


《 Americas 》

Net Sales



Operating Income



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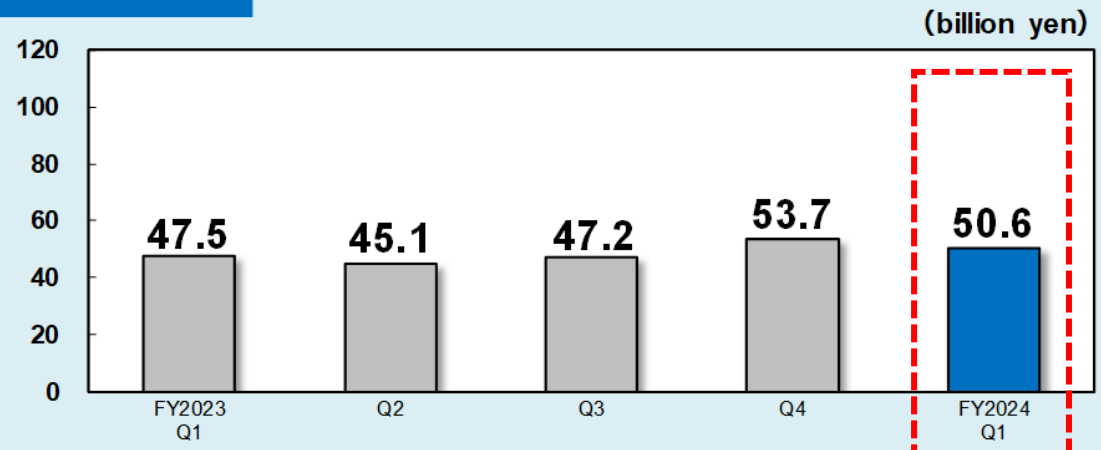
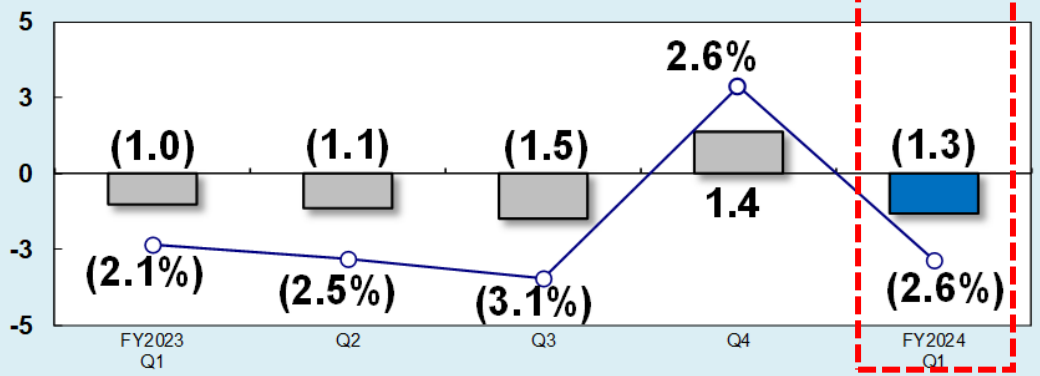
6-2. Net Sales and Operating Income by Company Location

《 Europe 》

Net Sales

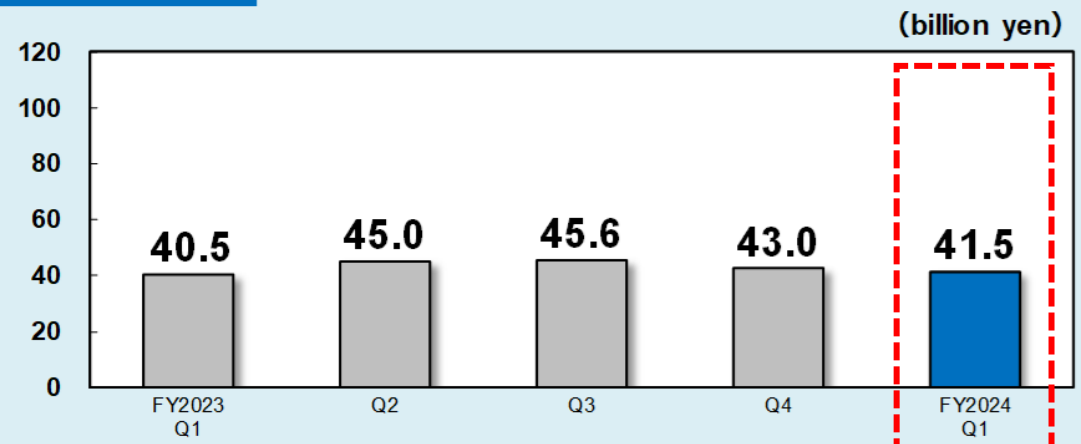


Operating Income

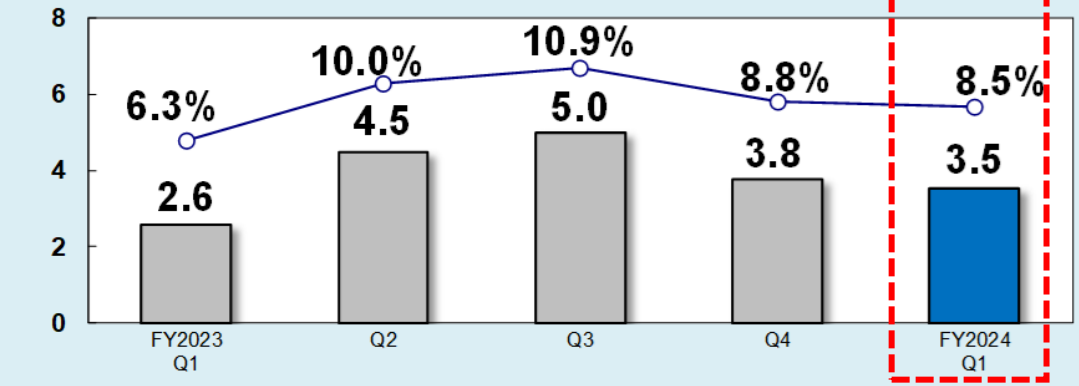


《 Asia and others 》

Net Sales



Operating Income



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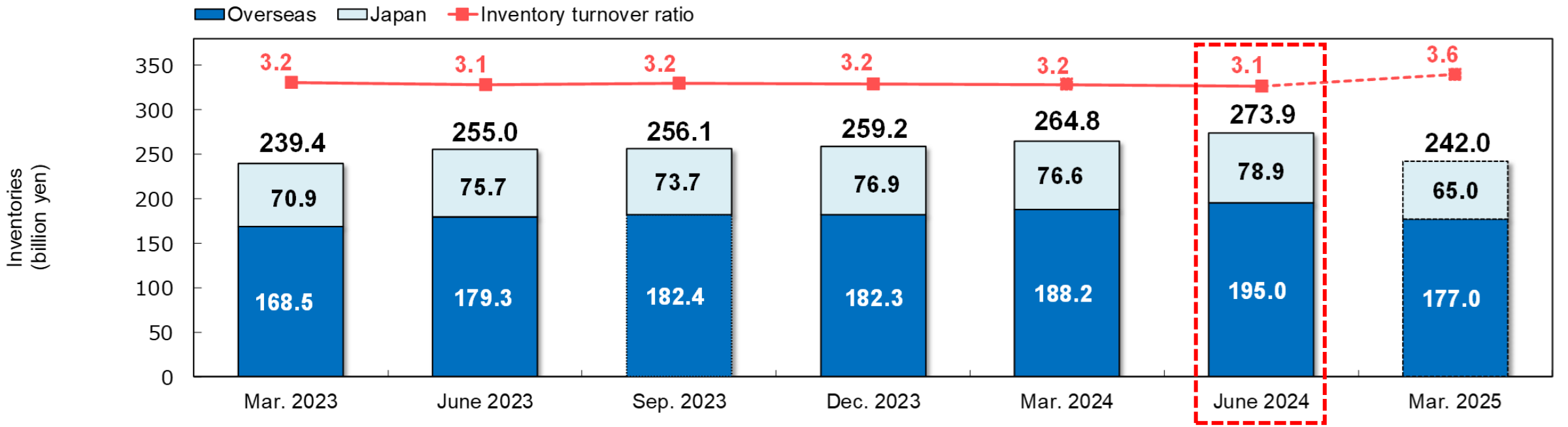
7. Inventories



(billion yen)	Mar. 2023 Results	June 2023 Results	Sep. 2023 Results	Dec. 2023 Results	Mar. 2024 Results	**June 2024 Results**	Mar. 2025 Forecast(Previous)
Inventories	239.4	255.0	256.1	259.2	264.8	273.9	242.0
[Japan]	70.9	75.7	73.7	76.9	76.6	78.9	65.0
[Overseas]	168.5	179.3	182.4	182.3	188.2	195.0	177.0
Inventory turnover ratio [times]	3.2	3.1	3.2	3.2	3.2	3.1	3.6

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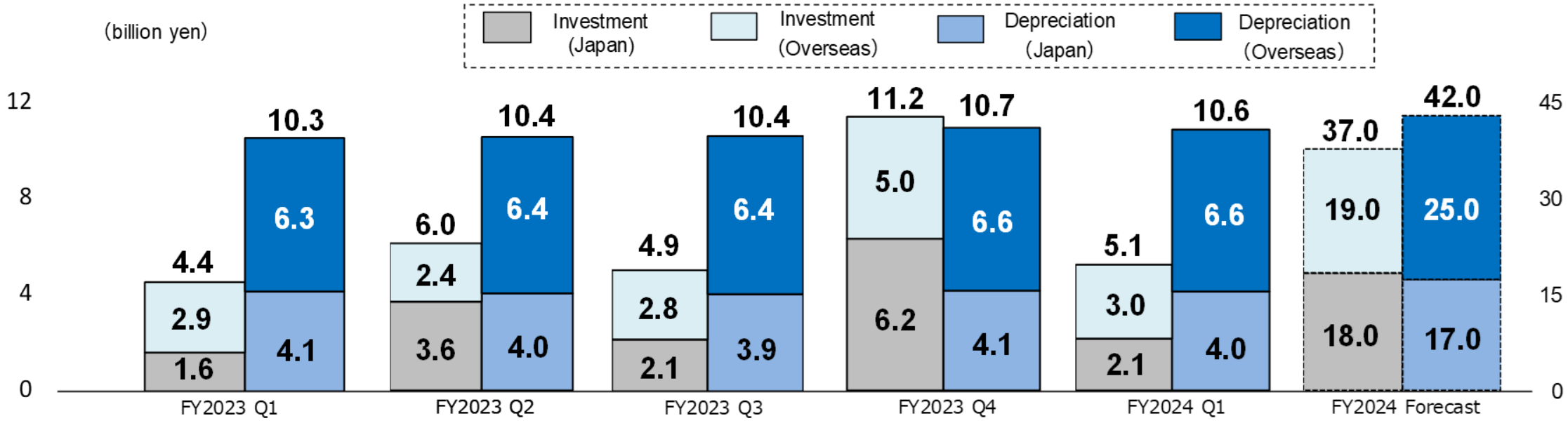
8. Capital Expenditures and Depreciation



(billion yen)	FY2023 Q1 Results①	FY2023 Q2 Results	FY2023 Q3 Results	FY2023 Q4 Results	FY2023 Full Year Results	FY2024 Q1 Results②	Diff. ②-①	FY2024 Full Year Forecast
Capital expenditure	4.4	6.0	4.9	11.2	26.6	＊ 5.1	0.7	37.0
[Japan]	1.6	3.6	2.1	6.2	13.5	2.1	0.5	18.0
[Overseas]	2.9	2.4	2.8	5.0	13.1	3.0	0.1	19.0

*In addition, capital expenditure for intangible fixed assets (FY2024 Q1 Results : ¥0.6 billion, FY2024 Full Year Foreacst : ¥5.0 billion)

(billion yen)	FY2023 Q1 Results①	FY2023 Q2 Results	FY2023 Q3 Results	FY2023 Q4 Results	FY2023 Full Year Results	FY2024 Q1 Results②	Diff. ②-①	FY2024 Full Year Forecast
Depreciation	10.3	10.4	10.4	10.7	41.8	10.6	0.3	42.0
[Japan]	4.1	4.0	3.9	4.1	16.1	4.0	(0.0)	17.0
[Overseas]	6.3	6.4	6.4	6.6	25.7	6.6	0.3	25.0

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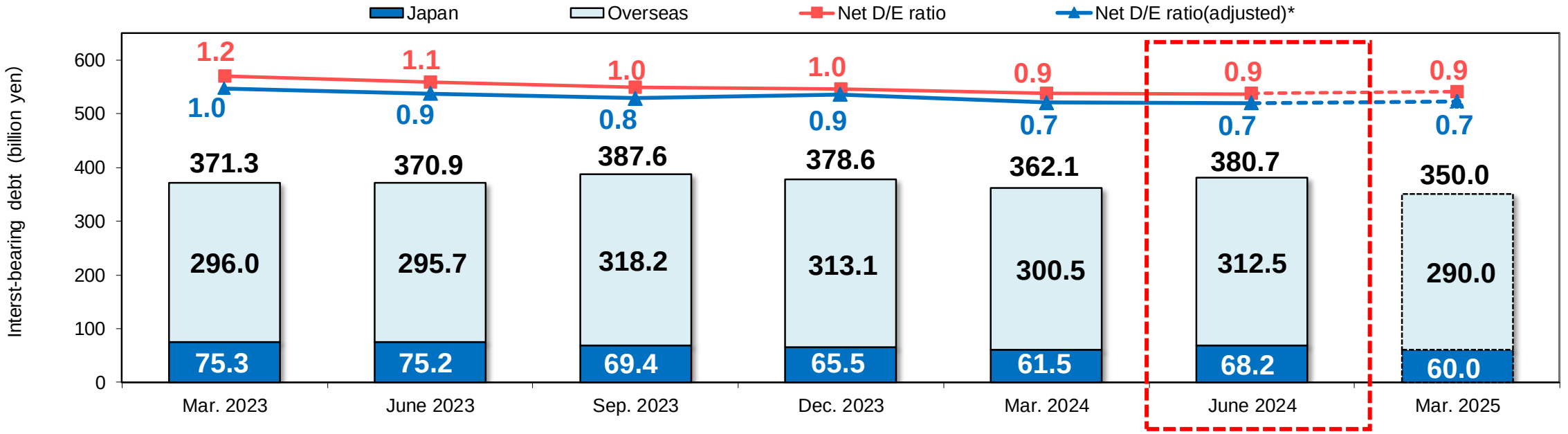
9. Interest - Bearing Debt



(billion yen)	Mar. 2023 Results	June 2023 Results	Sep. 2023 Results	Dec. 2023 Results	Mar. 2024 Results	June 2024 Results	Mar. 2025 Forecast(Previous)
Interest-bearing debt	371.3	370.9	387.6	378.6	362.1	380.7	350.0
[Japan]	296.0	295.7	318.2	313.1	300.5	312.5	290.0
[Overseas]	75.3	75.2	69.4	65.5	61.5	68.2	60.0
Net Interest-bearing debt	260.6	253.7	243.4	232.7	234.8	243.2	228.0

*Taking into account a part of the subordinated bonds through public offering that is recognized as equity (50%).

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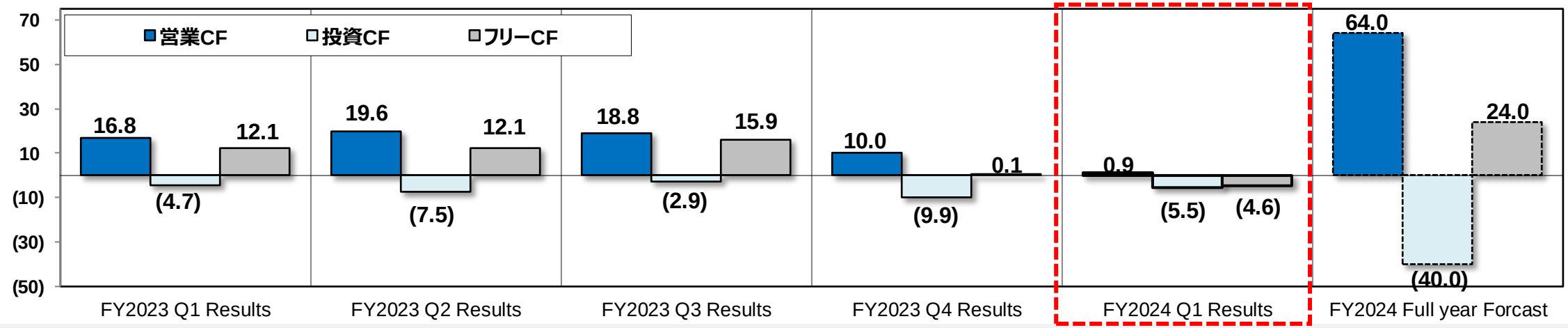
10. Cash Flows

*Deterioration in operating CF because of temporary suspension of liquidation of accounts receivable due to worsening conditions

(billion yen)	FY2023 Q1 Results①	FY2023 Q2 Results	FY2023 Q3 Results	FY2023 Q4 Results	FY2023 Full Year Results	FY2024 Q1 Results②	②-①	FY2024 Full Year Forecast
Ⅰ. **Cash flow from** operating activities	16.8	19.6	18.8	10.0	65.1	**＊0.9**	**(15.8)**	**64.0**
Ⅱ. **Cash flow from** investing activities	(4.7)	(7.5)	(2.9)	(9.9)	(25.0)	**(5.5)**	**(0.8)**	**(40.0)**
Ⅰ+Ⅱ. Free cash flow	12.1	12.1	15.9	0.1	40.1	**(4.6)**	**(16.6)**	**24.0**
Ⅲ. **Cash flow from** financing activities	(9.7)	13.9	(12.4)	(22.0)	(30.2)	**10.5**	**20.2**	**(29.0)**
Ⅳ. Effect of exchanging rate translation on cash and cash equivalents	4.0	1.0	(1.8)	3.5	6.7	**4.3**	**0.4**	**(0.3)**
Ⅴ. Net increase in cash and cash equivalents	6.3	27.0	1.9	(18.7)	16.6	**10.3**	**4.0**	**(5.3)**



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