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To whom it may concern

NTN Corporation
Representative: Eiichi Ukai,
President, Executive Officer
(Security Code:6472 Tokyo Stock Exchange Prime Market)
Contact: Masaaki Yamamoto, Executive Officer, CFO
(TEL: +81-6-6443-5001)

Notice of Non-operating Expenses (Non-consolidated) and Extraordinary Losses (Consolidated and Non-consolidated), and Differences between Consolidated Forecasts and Actual Results for the Fiscal Year Ending March 31, 2025

NTN Corporation hereby announces that the Company recorded non-operating expenses (non-consolidated) and extraordinary losses (consolidated and non-consolidated) for the fiscal year ending March 31, 2025 (from April 1, 2024, to March 31, 2025). As a result, there is a difference between the consolidated earnings forecast for the full fiscal year ending March 31, 2025, announced on October 31, 2024, and the actual results announced today.

1. Details of Non-operating Expenses and Extraordinary Losses

(1) Consolidated Financial Results

The Company and its group recorded an impairment loss of 11,735 million yen as an extraordinary loss in the fourth quarter of the current consolidated cumulative period. This was due to the impairment of fixed assets in Japan, the Americas, Europe, Asia, and other regions where profitability had declined as a result of production restructuring and other factors, as well as fixed assets that are no longer expected to be used in the future, in accordance with the “Accounting Standard for Impairment of Fixed Assets” and other relevant standards.

In addition, the Company's consolidated subsidiaries recorded an extraordinary loss of 7,171 million yen for business restructuring in the fourth quarter of the current consolidated cumulative period. This loss was incurred due to headcount reductions at subject subsidiaries in the Americas, Europe, Asia, and other regions as part of the Company's global production reorganization efforts.

The impact of the above impairment loss and loss for business restructuring on our business performance is reflected in the “Summary of Consolidated Financial Results of the Fiscal Year Ending March 31, 2025 [Japanese GAAP] (Consolidated)” released today.

(2) Non-Consolidated Financial Results

In accordance with (1) above, in the non-consolidated financial results of the Company, provision of allowance for doubtful accounts of 4,577 million yen was recorded as non-operating expenses, and loss on valuation of stocks of subsidiaries and affiliates of 9,035 million yen and loss on valuation of investments in subsidiaries and affiliates of 8,296 million yen were recorded as extraordinary losses.

There is no impact on consolidated profit and loss because these items are offset and eliminated in the consolidated financial statements.

2. Difference between forecast and actual results of consolidated earnings for the fiscal year ending March 31, 2025 (from April 1, 2024, to March 31, 2025)

	Net sales Millions of yen	Operating income Millions of yen	Ordinary income Millions of yen	Profit attributable to owners of parent Millions of yen	Net income per share Yen
Previous forecast (A)	815,000	22,000	9,000	(16,000)	(30.18)
Actual result (B)	825,587	22,959	10,475	(23,801)	(44.90)
Change (B-A)	10,587	959	1,475	(7,801)	
Change (%)	1.3	4.4	16.4	—	
(Reference) Previous year results of the fiscal year ended March 31, 2024	836,285	28,149	20,001	10,568	19.91

3. Reasons for differences between the full fiscal year forecasts and actual results

Sales, operating income, and ordinary income exceeded the latest forecasts due to reduction of fixed costs, improvement of selling prices, and foreign exchange effects, etc. However, as a result of the increase in extraordinary losses described in 1. (1) above and the increase in tax expenses due to tax effects, profit attributable to owners of parent fell short of the latest forecasts.