NTN

Make the world NAMERAKA

Consolidated Financial Results of FY2024

DRIVE NTN100 Final

Digitalization Resources Innovation Variable cost reformation Efficiency improvement



May 16, 2025

NTN Corporation

Contents

I. Key Points of FY2024 Financial Results and Progress of “DRIVE NTN100“ Final

II. FY2024 Financial Results and FY2025 Forecast

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1. Key Points of FY2024 Financial Results

Sales and operating income decreased YoY due to the significant impact of declined scale, increased compared to announced forecast

- Sales increased compared to announced forecast due to the impact of yen depreciation, despite sluggish automobile production and demand in industrial machinery market
- Operating income increased compared to announced forecast due to the impact of yen depreciation, improvement of selling prices and cost reductions, despite the significant impact of declined scale
- The loss was recorded due to impact of tax effects and restructuring expenses, etc. Profits decreased YoY and compared to announced forecast.
- Inventories reduced significantly compared to the end of the previous fiscal year, almost as announced

(billion yen)	FY2023 Results	FY2024 Results	YoY	Previous	Diff.	Q4
Net sales	836.3	**825.6**	(10.7)(1.3%) Excl. forex (37.1)(4.4%)	815.0	10.6 1.3% Excl. forex(0.8)(0.1%)	**210.1**
Operating income	28.1	**23.0**	(5.2)	22.0	+1.0	**8.7**
Operating margin	3.4%	**2.8%**	(0.6%)	2.7%	+0.1pt	**4.2%**
Ordinary income	20.0	**10.5**	(9.5)	9.0	+1.5	**4.7**
Extraordinary income (loss)	(3.4)	**(19.1)**	(15.6)	(15.0)	(4.1)	**(13.5)**
Profit (loss) attributable to owners of parent	10.6	**(23.8)**	(34.4)	(16.0)	(7.8)	**(15.6)**
Inventories	264.8	**244.4**	(20.4)	242.0	+2.4	
Capital expenditure	26.6	**32.2**	5.6	37.0	(4.8)	
FCF	40.1	**19.7**	(20.5)	15.0	+4.7	
Exchange rates US$	¥144.5	¥152.4	¥8.0	¥150.6	+¥1.8	
€	¥156.7	¥163.6	¥6.9	¥163.5	+¥0.1	

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2. FY2025 Forecast

Sales will decrease YoY due to the impact of declined scale and yen appreciation, etc.
Operating income will increase YoY due to improvement of selling prices and cost reductions

- Sales will decrease YoY due to sluggish automobile production and demand in industrial machinery market, as well as the impact of yen depreciation
- Operating income will increases YoY due to improvement of selling prices including unprofitable businesses and cost reductions
- The loss will be recorded due to impact of tax effects and restructuring expenses, etc.

(billion yen)	FY2024 1H Results	FY2024 2H Results	FY2024 Full year Results①	FY2025 Full year Forecast②	FY2025 YoY ①vs②
Net sales	413.9	411.6	825.6	**790.0**	(35.6)(4.3%) Excl. forex(1.7)(0.2%)
Operating income	9.9	13.0	23.0	**24.0**	+1.0
Operating margin	2.4%	3.2%	2.8%	3.0%	+0.3pt
Ordinary income	3.5	7.0	10.5	**11.0**	+0.5
Extraordinary income (loss)	(0.6)	(18.4)	(19.1)	**(8.0)**	+11.1
Profit (loss) attributable to owners of parent	(2.1)	(21.7)	(23.8)	**(6.0)**	+17.8
Exchange rates US$	¥152.5	¥148.7	¥152.4	¥140.0	(¥12.4)
€	¥165.8	¥161.3	¥163.6	¥160.0	(¥3.6)
Inventories	255.3	244.4	244.4	**222.0**	(22.4)
Capital expenditure	11.4	20.7	32.2	**31.0**	(1.2)
FCF	2.8	16.9	19.7	**20.0**	0.3

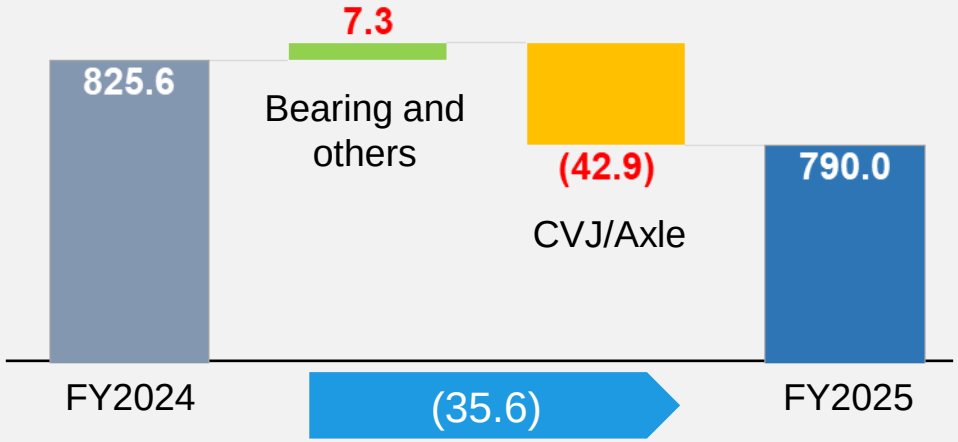
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3. FY2025 Forecast by Business Segment

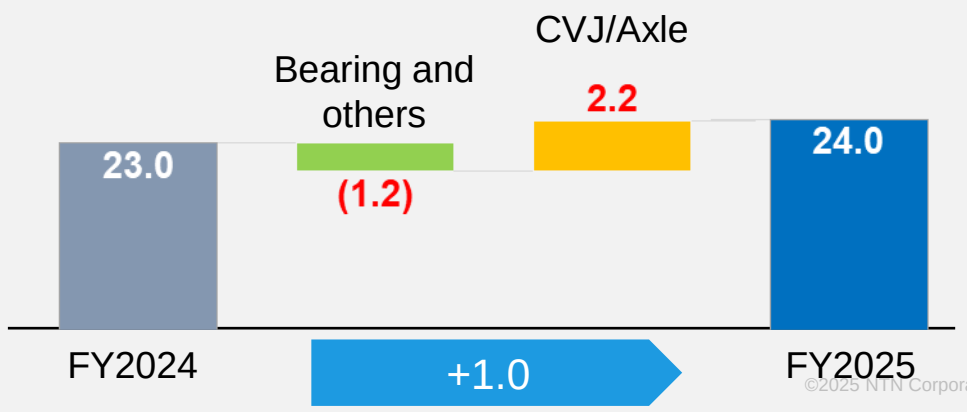
Bearing and others : Sales will increase and operating income will decrease YoY
CVJ and Axle : Sales will decrease and operating income will increase YoY

(billion yen)		FY2024 H1 Results		FY2024 H2 Results		FY2024 Full year Results		FY2025 Full year forecast		FY2025 YoY
Net sales Composition ratio	Bearing and others	168.1	40.6%	172.6	41.9%	340.7	41.3%	**348.0**	**44.1%**	**+7.3**
	CVJ and Axle	245.8	59.4%	239.1	58.1%	484.9	58.7%	**442.0**	**55.9%**	**(42.9)**
	Total	413.9	100.0%	411.6	100.0%	825.6	100.0%	**790.0**	**100.0%**	**(35.6)**
Operating income Operating margin	Bearing and others	6.6	3.9%	7.0	4.1%	13.7	4.0%	**12.5**	**3.6%**	**(1.2)**
	CVJ and Axle	3.3	1.3%	6.0	2.5%	9.3	1.9%	**11.5**	**2.6%**	**+2.2**
	Total	9.9	2.4%	13.0	3.2%	23.0	2.8%	**24.0**	**3.0%**	**+1.0**

Net sales (billion yen)



Operating income (billion yen)

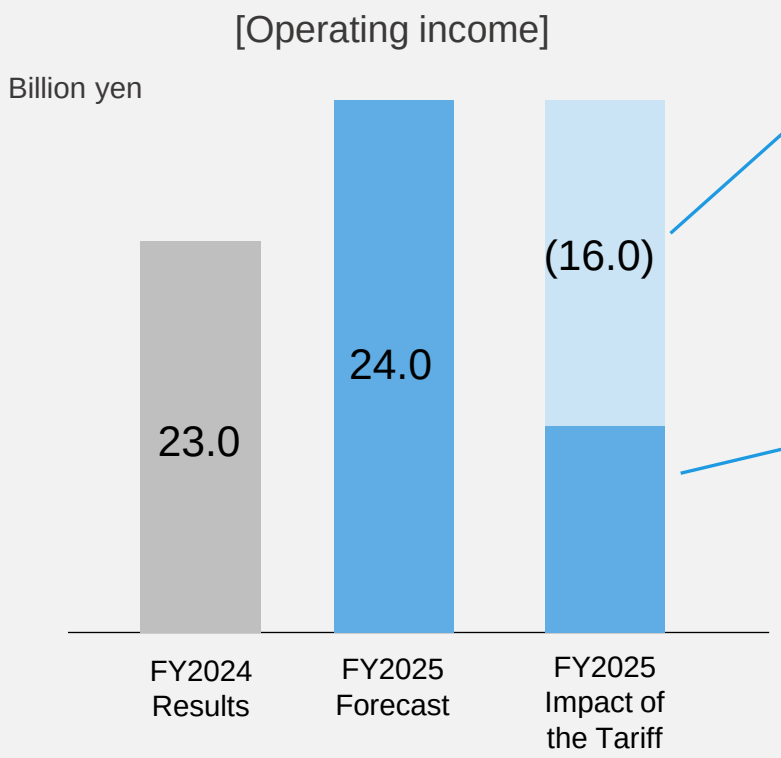


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4. FY2025 Forecast : Impact of U.S Trade Policy on Business Performance

Impact of U.S trade policy

US trade policy is still in flux and is not incorporated in the current forecast



Cost Impact

Cost impact is (16.0) billion yen

Estimated impact based on currently known tariff conditions

Risks such as economic slowdown due to the impact of trade policy and the resulting decline in sales are difficult to anticipate

Respond to tariff impact

The full cost increase due to tariffs will be passed on to the selling price, and the supply chain for some U.S. imports will be reviewed

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5. Initiatives of FY2024 in Bearing and others



Sales overview by industry

	FY23	vs FY24	vs FY25(Forecast)	
Construction machinery	↑	↑	Despite a sluggish market, sales will increase for certain customers
Agricultural machinery	↑↑	↑	Market conditions are firm, and our sales are expected to increase
Aerospace	↓↓	↓	Market conditions are subdued, and sales are expected to be sluggish
Gear box	↓↓↓	↑↑	Market conditions show signs of recovery, demand recovery expected
Rolling stock	↑↑	↑↑	Stable demand in Japan, increased sales to China
Machine tool	↓	↑	Sales are expected to increase due to the market recovery trend
Wind turbine	↓↓↓	↓↓	Sales in China expected to continue to decline
Automobile	↓	↓	Sluggish sales in the Americas, Europe and China
Aftermarket	→	↑↑	Inventory adjustment completed, sales will increase due to sales expansion measures, etc.

Profit improvement

- Ensure quantity by implementing flexible pricing policies, mainly at plants with production capacity
- Improve in sales price of unprofitable business and expand aftermarket business
- Increase adoption and mass production of bearings for electrification

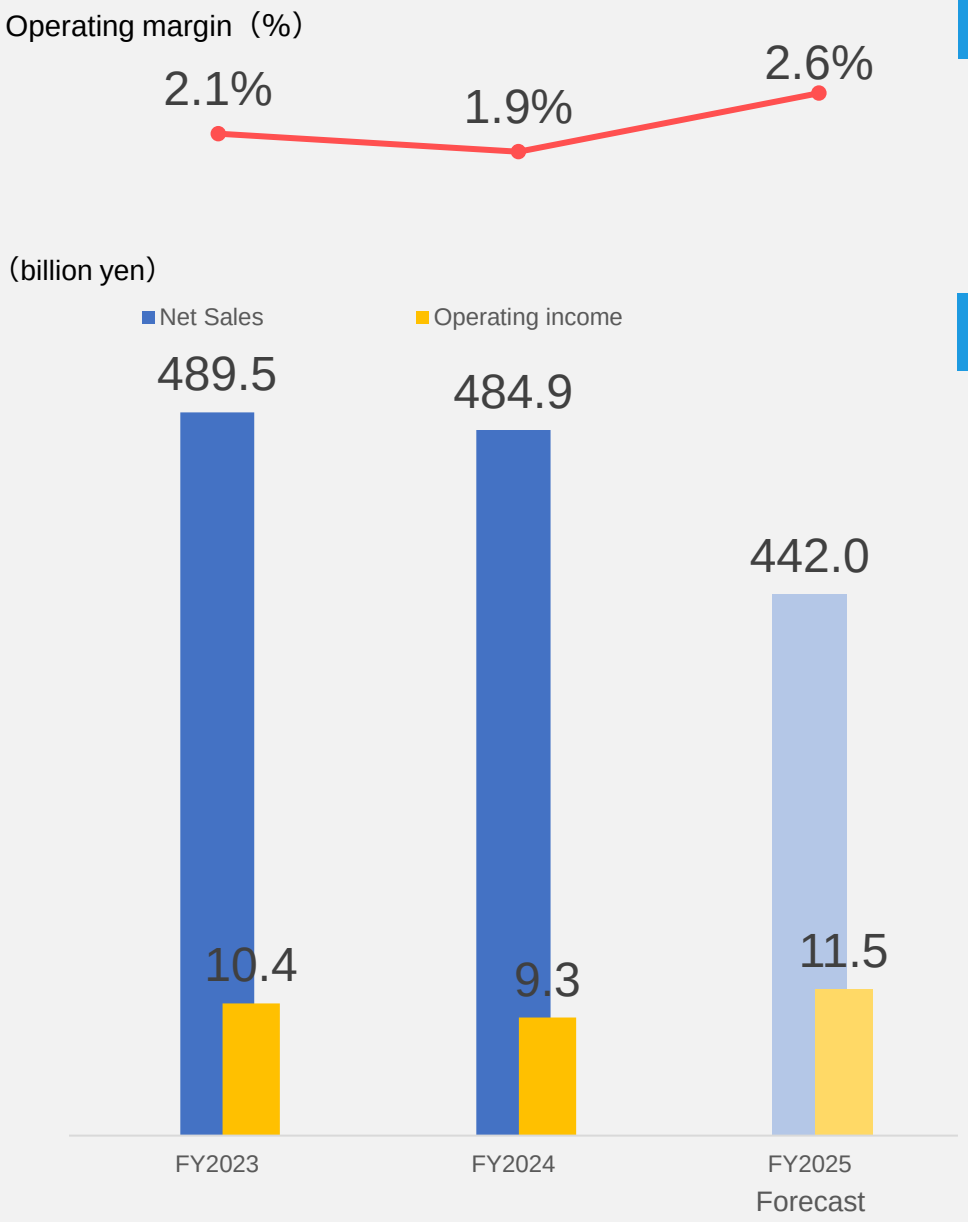

“Resin Mold Insulated Bearing”


“HA-C bearing” with special heat treatment technology


“Large Diameter Deep Groove Ball Bearings for Coaxial e-Axles”

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6. Initiatives of FY2024 in CVJ/Axle



Sales overview

- Global vehicle production is expected to decline slightly YoY
- Japanese automakers, which account for a high percentage of our sales, are struggling
- Expect sales decline in the Americas, Europe, and China



Profit improvement

Reduction of fixed assets and fixed costs through production restructuring

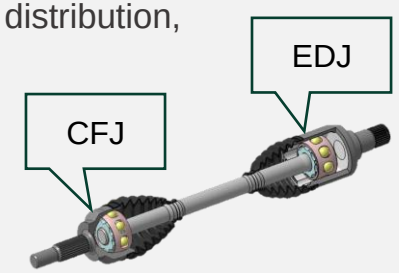
- Production restructuring in the Americas, Europe, and China is progressing ahead of schedule

Improvement of selling prices and promotion of value chain reforms

- Reduce cost through increased procurement of parts from China, Korea, India, etc.
- Review designs and materials not bound by conventional design concepts
- Enhance competitiveness by improving production efficiency such as reducing inventory, and investing in labor savings
- Improve selling prices to compensate for increases in labor, energy, distribution, and other costs

New product development and market launch

- Accelerate development of new products that meet market needs and improve profits through rapid market launch

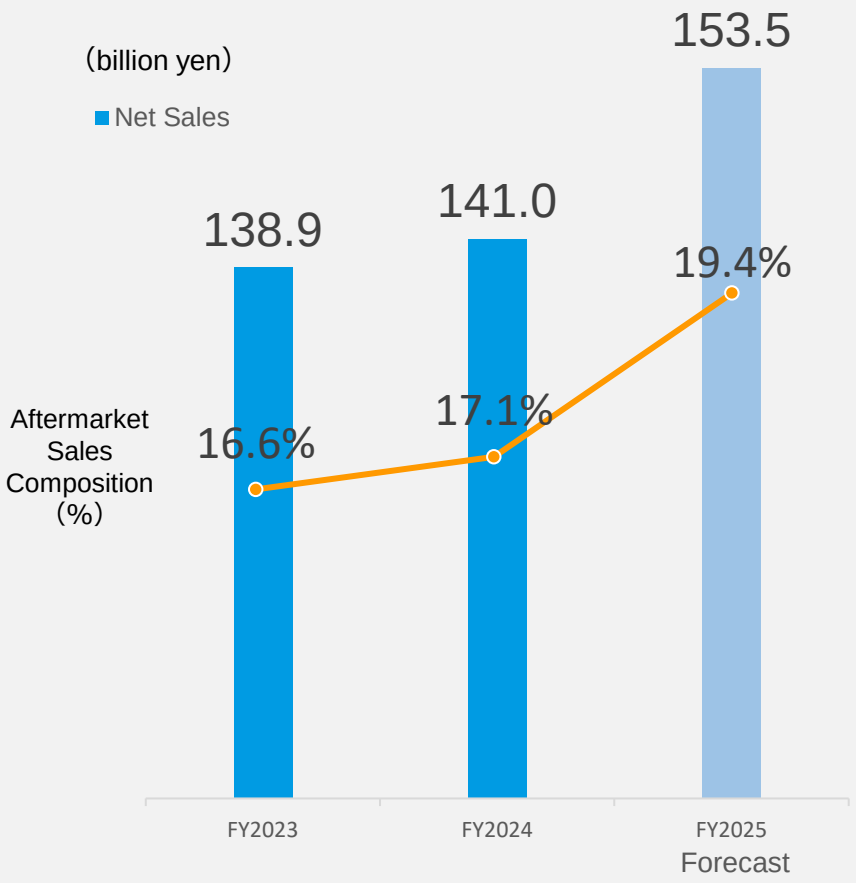


Driveshaft for EVs that adopts the “CFJ” that features excellent efficiency as a fixed type CVJ and the “EDJ” as a sliding type CVJ

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7. Progress of “DRIVE NTN100” Final : Expand Aftermarket Business

Continue to expand the sales composition ratio of the aftermarket business while consolidated net sales are declining



Expand sales

(For industrial machinery)

- Select target industries for each country, such as food and beverage, steel, machine tools, etc.
- Increase and deploy sales engineers to areas of demand for the mining and cement industries
- Expand sales through collaboration with major distributors that specialize in MRO
- Activities to shorten delivery time for large and extra-large products for MRO

(For Automobile)

- Develop new distributors and expand sales channels in the Americas





NTN Vietnam Sales Ho Chi Minh City Branch established

Strengthen supply capability

- Replace popular products for the aftermarket and expand inventory
- Establish a dedicated department to develop external suppliers and expand outsourcing

(For Automobile)

- Expand product lineup by increasing external procurement

Strengthen service solutions

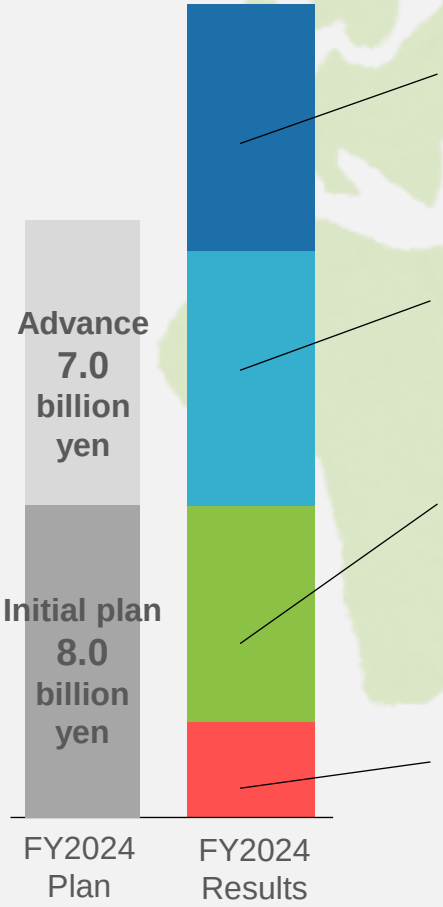
- Organize technical sessions and provide technical support services to distributors and end-users
- Establish and expand service businesses such as bearing diagnostic and refurbishment, etc.

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8. Progress of Structural Reform

Structural reform (35 billion yen/3 years) progresses ahead of plan

FY2024 Results [Extraordinary loss : 18.9 billion yen]



Japan : 5.7 billion yen

- Reorganization of bearing and other production sites, reduction of fixed assets

Americas : 5.0 billion yen

- Closure of Canadian plant and Brazilian CVJ production site
- Consolidating CVJ production sites in the U.S.

Europe : 5.9 billion yen

- Closure of axle bearing production site in Germany
- Consolidating/eliminating production sites in France and Germany and transferring production capacity partially to Eastern Europe

China : 2.2 billion yen

- Reorganization of axle production sites
- Reduced fixed assets at CVJ production sites

FY2025 Plan [Extraordinary loss : 10.0 billion yen]

Promote reorganization of production with a focus on Japan, the Americas, and China

Effects of structural reform

FY2025 Plan

Fixed cost reduction effect :

5.0 billion yen (vs FY2023)

FY2026（Final year of medium-term management plan）

Fixed cost reduction effect :

10.0 billion yen (vs FY2023)

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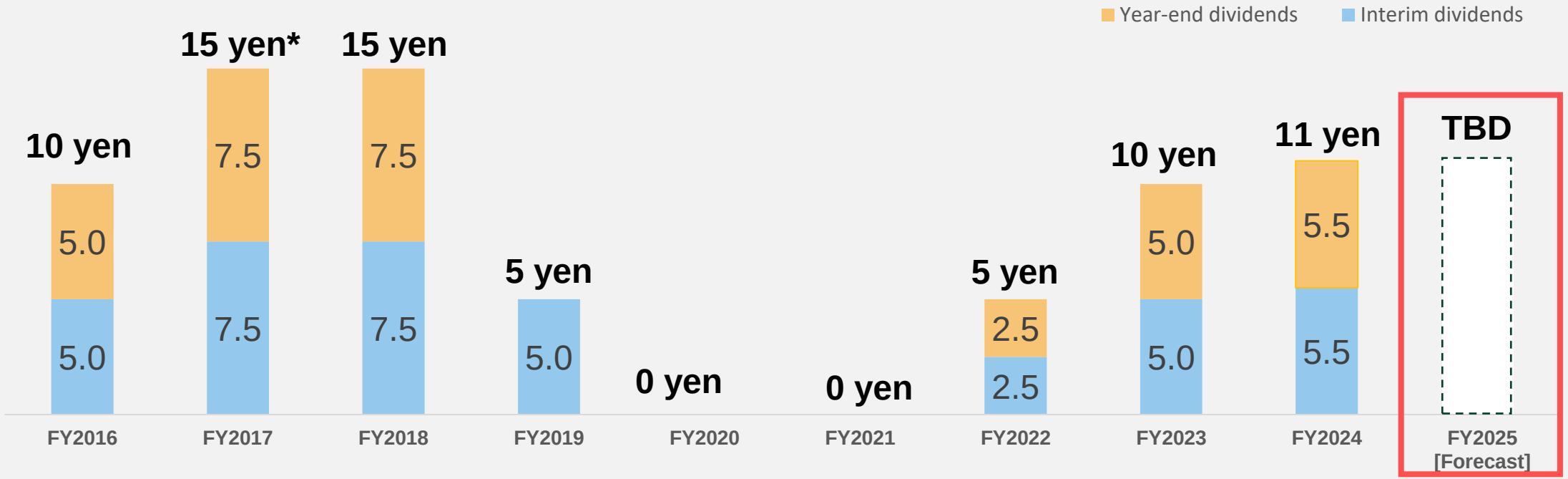
9. Forecast of Return to Shareholders

Dividends Policy

- Continue to implement dividends according to business results in a stable and continuous manner from a medium -to long-term viewpoint
- DOE2.5% is the lower limit and we aim to DOE4% after accomplishing the target of “DRIVE NTN100” Final

Dividends in FY2025

- Dividends for FY2025 are not yet determined due to the difficulty of reasonably calculating the impact of the U.S. trade policy on the Group's business performance



*Including 100th anniversary commemorative dividends

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I. Key Points of FY2024 Financial Results and Progress of “DRIVE NTN100“ Final

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1-1. Key Financial Indicators of FY2024

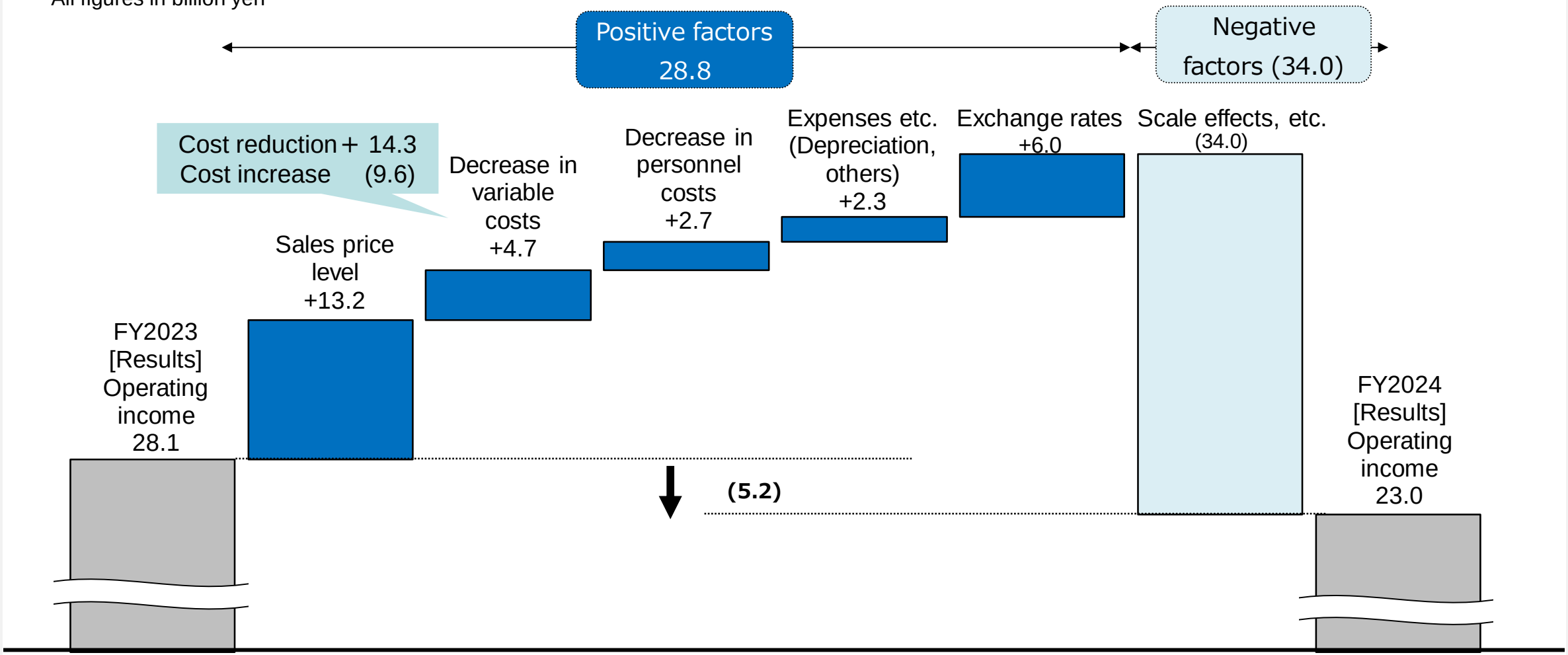
(billion yen)	FY2023 Full Year Results ①	FY2024 Full Year Forecast ②	FY2024 Full Year Results ③	Diff. ③-② Total	③-② Volume	③-② Forex	Diff. ③-① Total	③-① Volume	③-① Forex
Net sales	836.3	**815.0**	**825.6**	**10.6**	**(0.8)**	**11.4**	**(10.7)**	**(37.1)**	**26.4**
Operating income	28.1	**22.0**	**23.0**	**1.0**	**(0.8)**	**1.8**	**(5.2)**	**(11.2)**	**6.0**
Operating margin	3.4%	**2.7%**	**2.8%**	**0.1%**			**(0.6%)**		
Ordinary income	20.0	**9.0**	**10.5**	**1.5**	**(0.5)**	**2.0**	**(9.5)**	**(14.9)**	**5.4**
Extraordinary income (loss)	(3.4)	**(15.0)**	**(19.1)**	**(4.1)**	**(3.7)**	**(0.3)**	**(15.6)**	**(14.6)**	**(1.0)**
Profit (loss) attributable to owners of parent	10.6	**(16.0)**	**(23.8)**	**(7.8)**	**(9.0)**	**1.2**	**(34.4)**	**(36.8)**	**2.4**
Inventories	264.8	**242.0**	**244.4**	**2.4**	**(2.0)**	**4.4**	**(20.4)**	**(17.8)**	**(2.7)**
FCF	40.1	**15.0**	**19.7**	**4.7**	**-**	**-**	**(20.5)**	**-**	**-**
Exchange rate 1USD	¥144.5	**¥150.6**	**¥152.4**	**¥1.9**			**¥8.0**		
Exchange rate 1EURO	¥156.7	**¥163.5**	**¥163.6**	**¥0.1**			**¥6.9**		

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

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1-2. Analysis of Operating Income [FY2023 Results vs FY2024 Results]

*All figures in billion yen



	FY2023 Results	FY2024 Results	Diff.	Forex	Sales price	Volume
Net Sales	836.3	825.6	**(10.7)**	26.4	13.2	(50.3)

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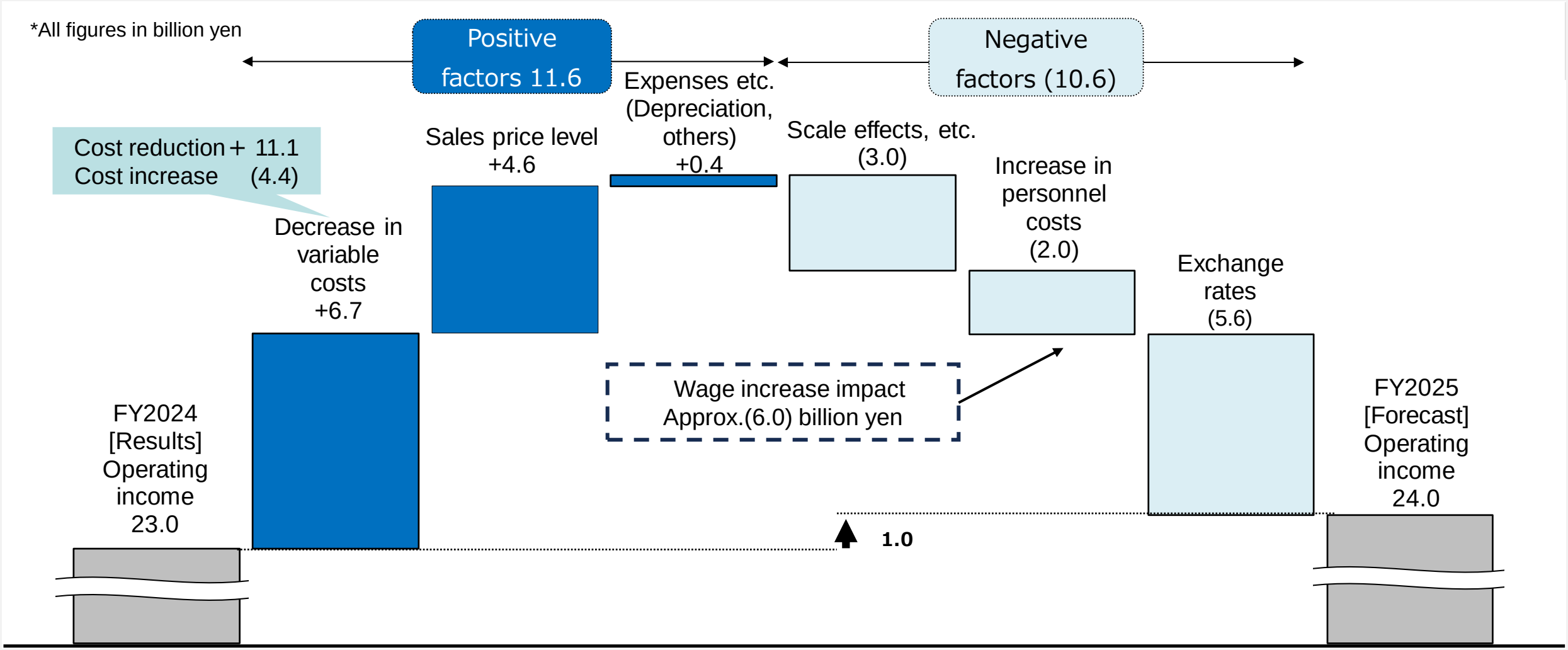
2-1. Key Financial Indicators of FY2025

(billion yen)		FY2023 Full Year Results	FY2024 Full Year Results ①	FY2025 Full Year Forecast ②	Diff. ②-① Total	Volume	Forex
Net sales		836.3	825.6	790.0	(35.6)	(1.7)	(33.8)
Operating income		28.1	23.0	24.0	1.0	6.7	(5.6)
Operating margin		3.4%	2.8%	3.0%	0.3%		
Ordinary income		20.0	10.5	11.0	0.5	6.2	(5.7)
Extraordinary income (loss)		(3.4)	(19.1)	(8.0)	11.1	11.0	0.1
Profit (loss) attributable to owners of parent		10.6	(23.8)	(6.0)	17.8	21.7	(3.9)
Inventories		264.8	244.4	222.0	(22.4)	(16.3)	(6.1)
FCF		40.1	19.7	20.0	0.3	-	-
Exchange rate	1USD	¥144.5	¥152.4	¥140.0	(¥12.4)		
	1EURO	¥156.7	¥163.6	¥160.0	(¥3.6)		

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2-2. Analysis of Operating Income [FY2024 Results vs FY2025 Forecast]

*All figures in billion yen



	FY2024 Results	FY2025 Forecast	Diff.	Forex	Sales price	Volume
Net Sales	825.6	790.0	**(35.6)**	(33.8)	4.6	(6.3)

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3. Net Sales by Company Location (Excluding intragroup sales)

(billion yen)	FY2023 Full Year Results ①	FY2024 Full Year Results ②	FY2025 Full Year Forecast ③	Diff. ②-① Total	Diff. ②-① Volume	Diff. ②-① Forex	Diff. ③-② Total	Diff. ③-② Volume	Diff. ③-② Forex
Japan	216.1	**215.2**	**221.5**	**(0.8)**	**(0.9)**	**0.0**	**6.3**	**6.3**	**(0.1)**
Americas	272.3	**269.5**	**240.0**	**(2.8)**	**(13.3)**	**10.6**	**(29.5)**	**(7.2)**	**(22.3)**
Europe	188.0	**186.3**	**181.0**	**(1.7)**	**(10.8)**	**9.2**	**(5.3)**	**(2.4)**	**(2.9)**
Asia and others	160.0	**154.5**	**147.5**	**(5.5)**	**(12.1)**	**6.7**	**(7.0)**	**1.5**	**(8.5)**
Total	836.3	**825.6**	**790.0**	**(10.7)**	**(37.1)**	**26.4**	**(35.6)**	**(1.7)**	**(33.8)**

*From FY2024Q2, sales by region have been changed to sales by company location.

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4. Net Sales and Operating Income by Business Segment

<Net Sales by Business Segment>

(billion yen)	FY2023 Full Year Results ①	FY2024 Full Year Results ②	FY2025 Full Year Forecast ③	Diff. ②-① Total	Diff. ②-① Volume	Diff. ②-① Forex	Diff. ③-② Total	Diff. ③-② Volume	Diff. ③-② Forex
Bearing and others	346.8	340.7	348.0	(6.1)	(16.1)	10.0	7.3	19.2	(11.9)
CVJ/Axle	489.5	484.9	442.0	(4.6)	(21.0)	16.4	(42.9)	(20.9)	(22.0)
Total	836.3	825.6	790.0	(10.7)	(37.1)	26.4	(35.6)	(1.7)	(33.8)

<Operating Income by Business Segment>

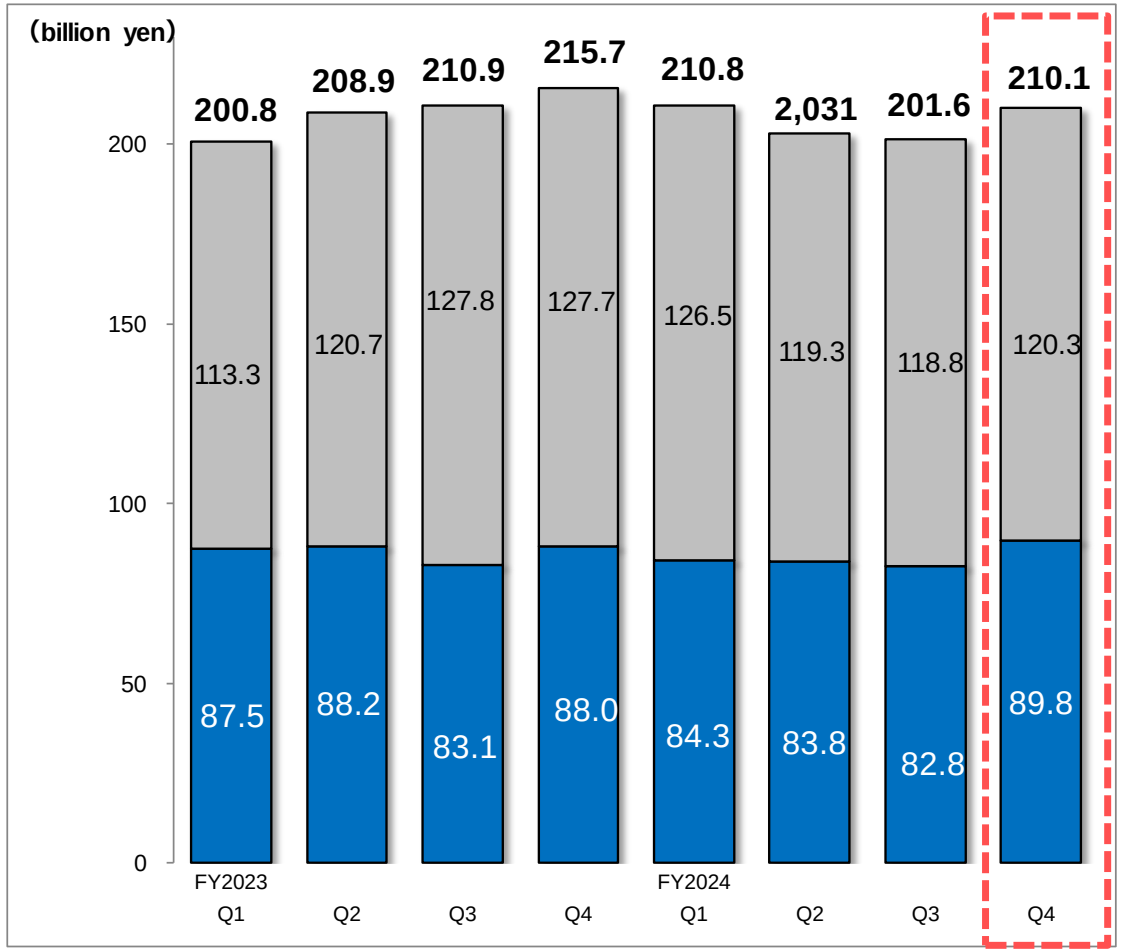
(billion yen)	FY2023 Full Year Results ①	FY2024 Full Year Results ②	FY2025 Full Year Forecast ③	Diff. ②-①	Diff. ③-②
Bearing and others	17.7	13.7	12.5	(4.0)	(1.2)
CVJ/Axle	10.4	9.3	11.5	(1.2)	2.2
Total	28.1	23.0	24.0	(5.2)	1.0

[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 Full year results Bearings and others **+¥2.2 billion** CVJ/Axle **¥(2.2) billion**

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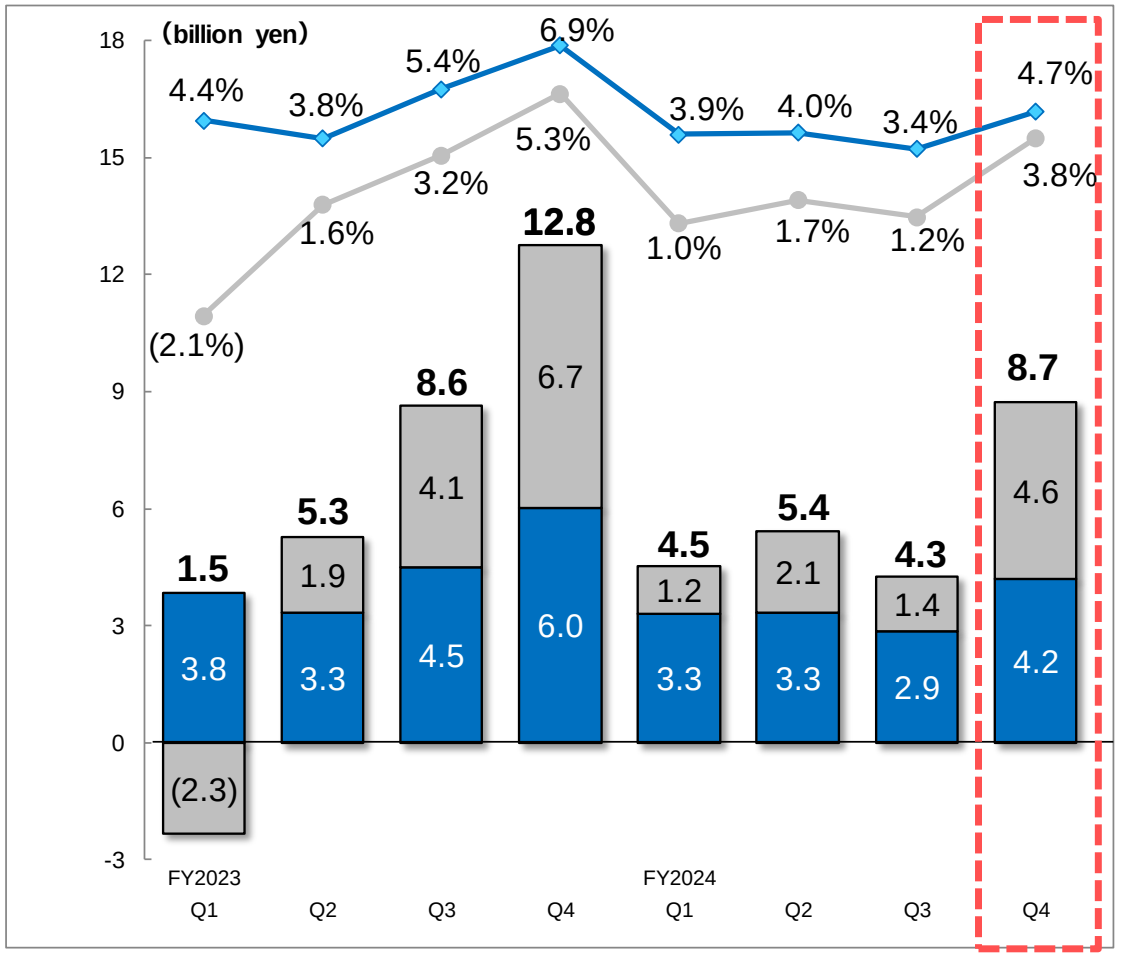
5. Financial Results by Business Segment (Quarterly Trend)

Net Sales



Incl. for Aftermarket	FY2023 Q1	Q2	Q3	Q4	FY2024 Q1	Q2	Q3	Q4
	35.5	34.4	32.6	36.5	35.4	34.5	34.4	36.6

Operating Income/ Operating Margin

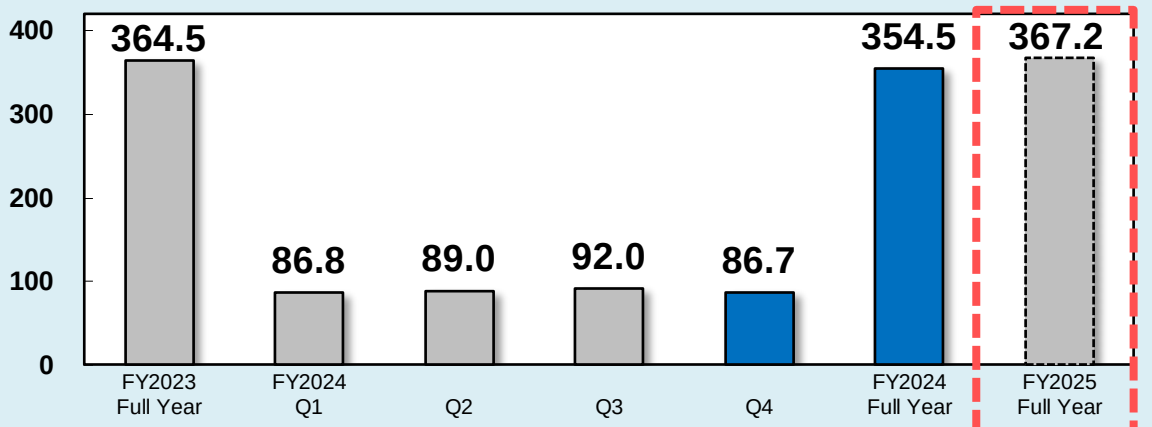


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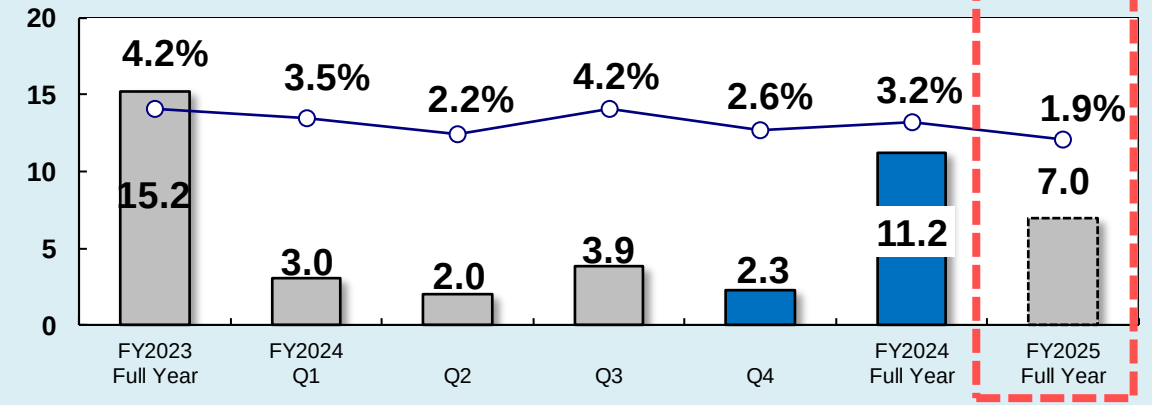
6-1. Net Sales and Operating Income by Company Location

《 Japan 》

Net Sales

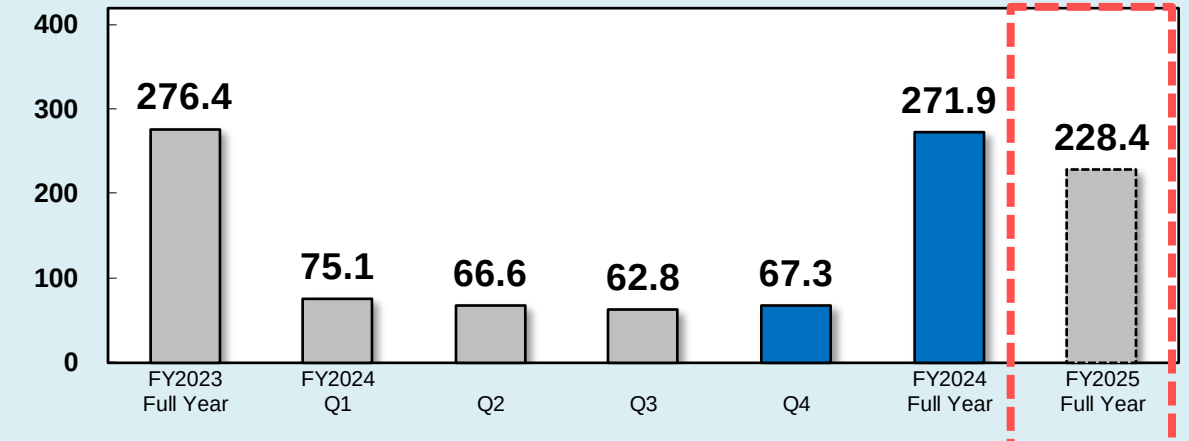


Operating Income

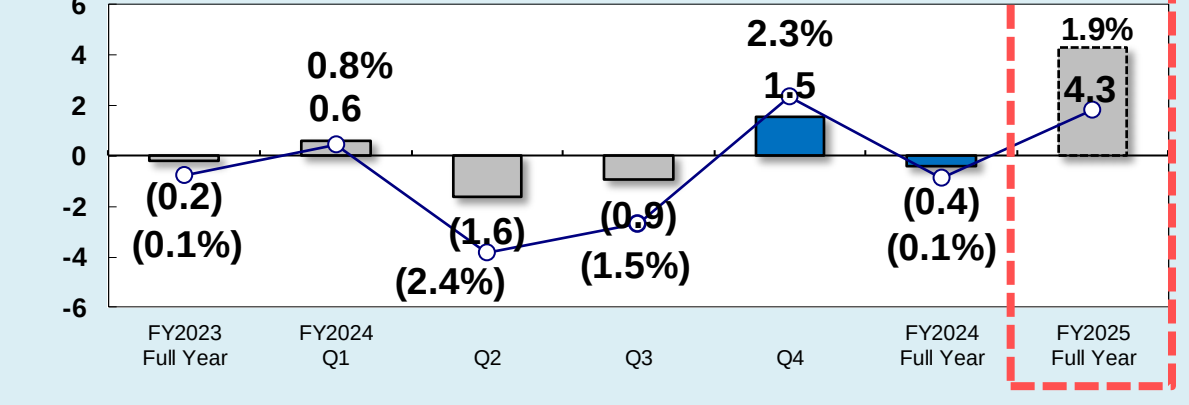


《 Americas 》

Net Sales



Operating Income

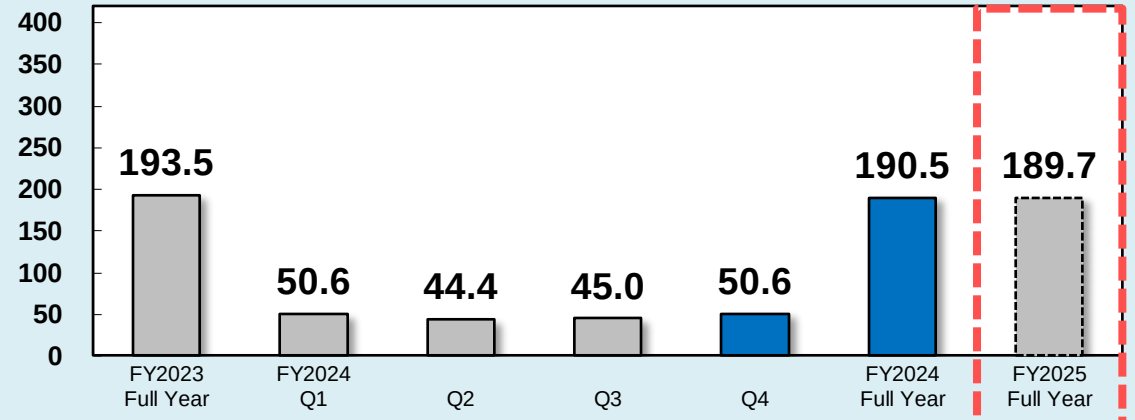


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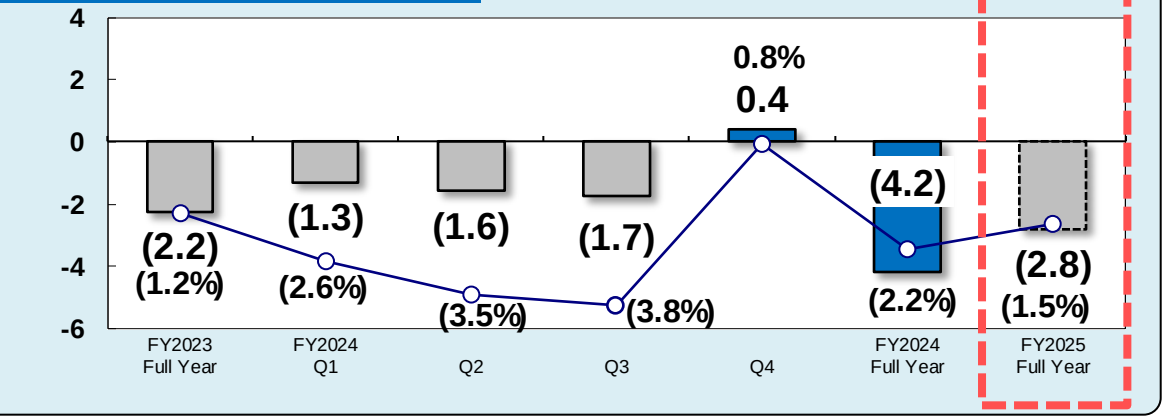
6-2. Net Sales and Operating Income by Company Location

《 Europe 》

Net Sales

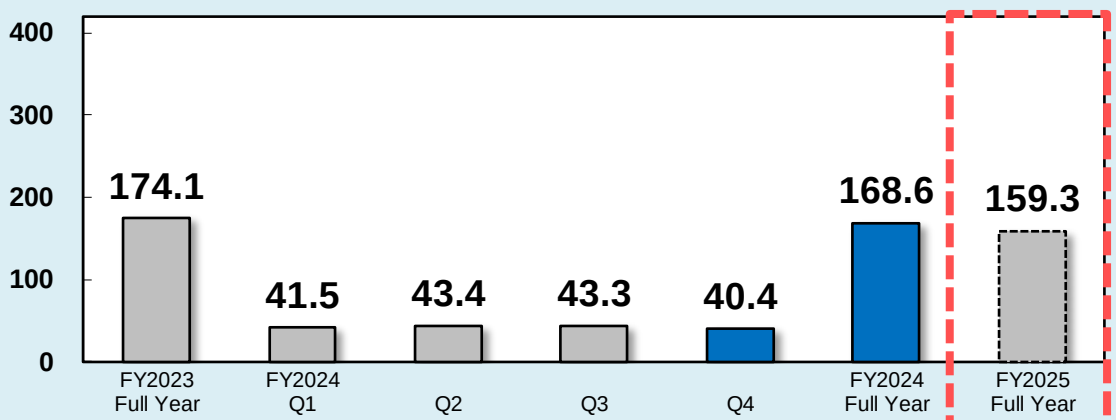


Operating Income

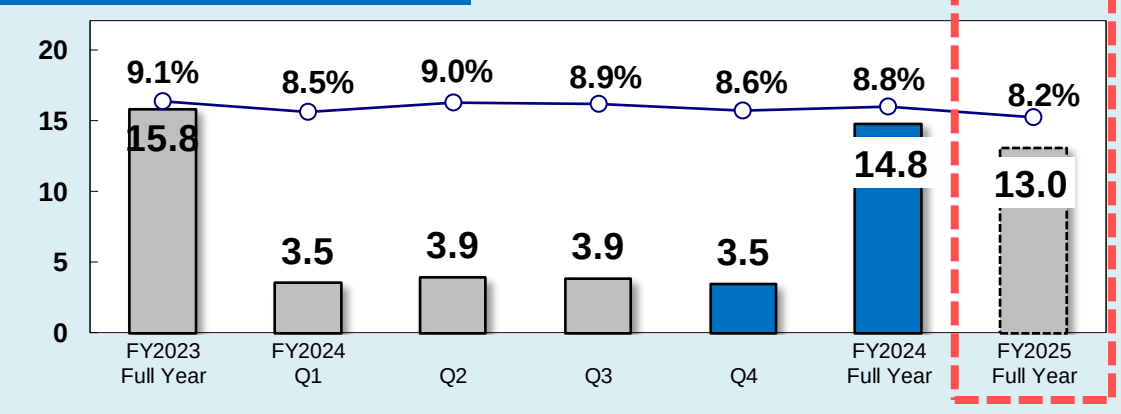


《 Asia and others 》

Net Sales

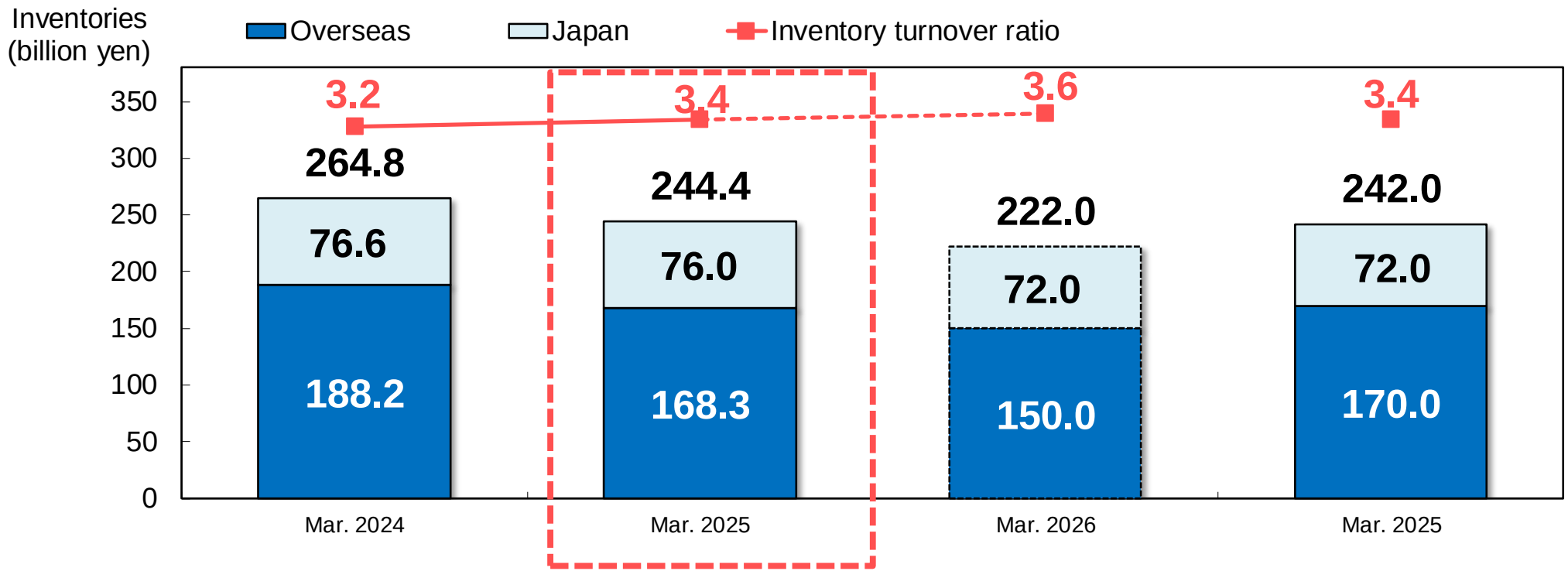


Operating Income



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7. Inventories

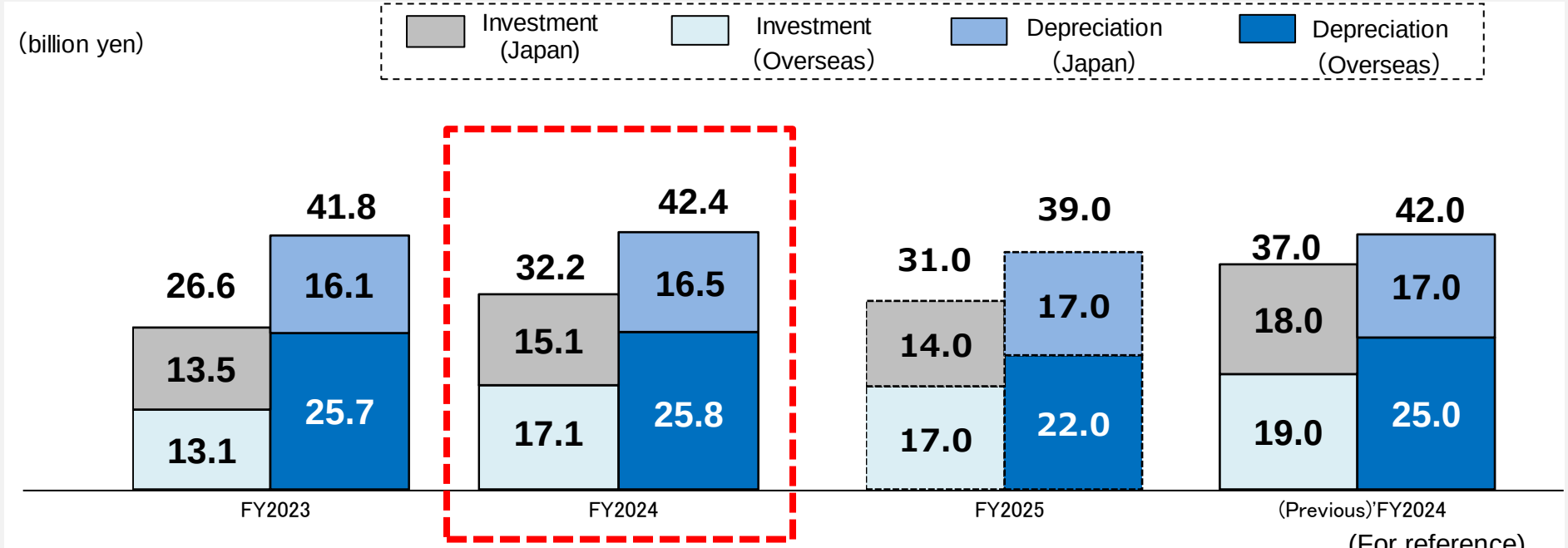


(For reference)

(billion yen)	Mar. 2024 Results	**Mar. 2025 Results**	Mar. 2026 Forecast	Mar. 2025 Forecast(Latest)
Inventories	264.8	**244.4**	222.0	242.0
[Japan]	76.6	**76.0**	72.0	72.0
[Overseas]	188.2	**168.3**	150.0	170.0
Inventory turnover ratio [times]	3.2	**3.4**	3.6	3.4

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8. Capital Expenditures and Depreciation



(For reference)

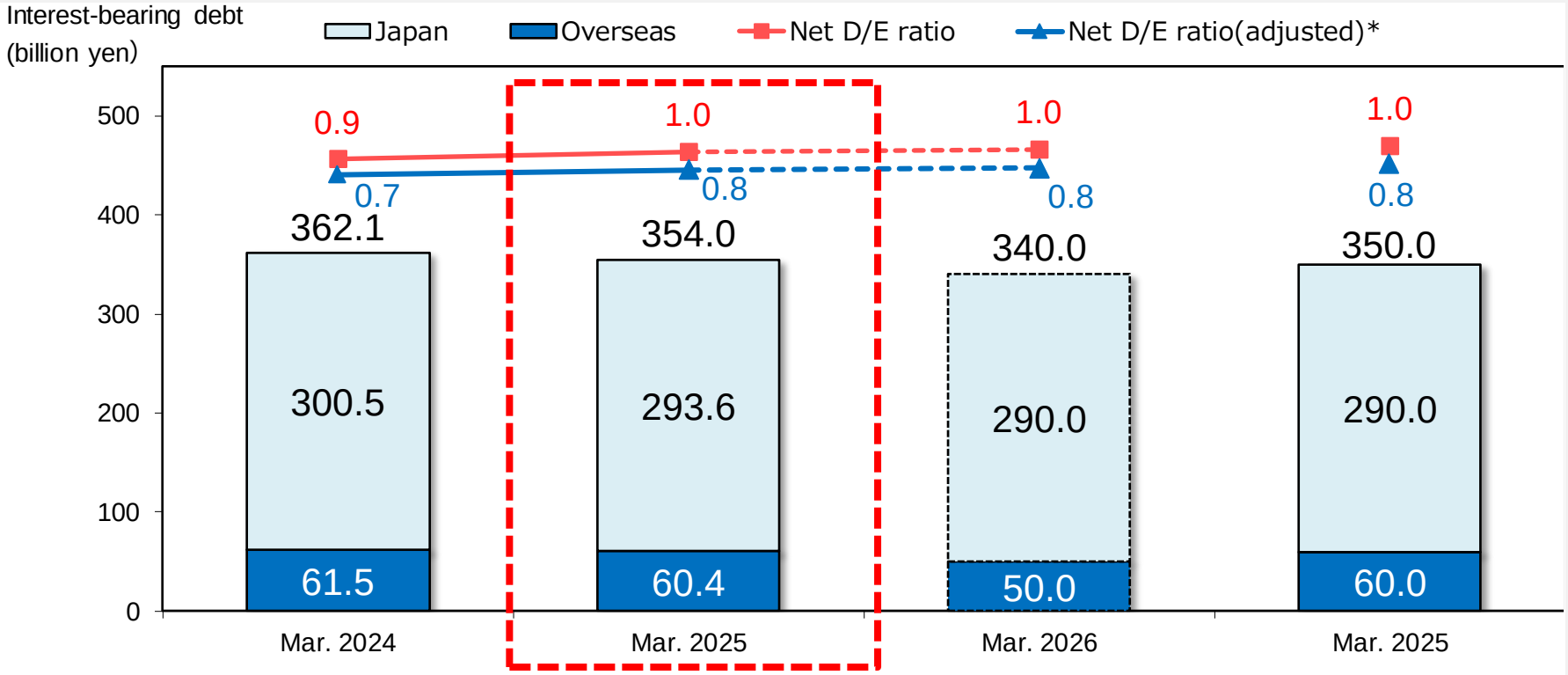
(billion yen)	FY2023 Full Year Results①	FY2024 Full Year Results②	Diff. ②-①	FY2025 Full Year Forecast	FY2024 Full Year Forecast(Latest)
Capital expenditure	26.6	**32.2**	**5.6**	**31.0**	**37.0**
[Japan]	13.5	**15.1**	**1.6**	**14.0**	**18.0**
[Overseas]	13.1	**17.1**	**4.0**	**17.0**	**19.0**

*In addition, capital expenditure for intangible fixed assets (FY2024 Full year Results : ¥3.0 billion, FY2025 Full Year Forecast : ¥5.9 billion)

(billion yen)	FY2023 Full Year Results①	FY2024 Full Year Results②	Diff. ②-①	FY2025 Full Year Forecast	FY2024 Full Year Forecast(Latest)
Depreciation	41.8	**42.4**	**0.6**	**39.0**	**42.0**
[Japan]	16.1	**16.5**	**0.4**	**17.0**	**17.0**
[Overseas]	25.7	**25.8**	**0.1**	**22.0**	**25.0**

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9. Interest - Bearing Debt



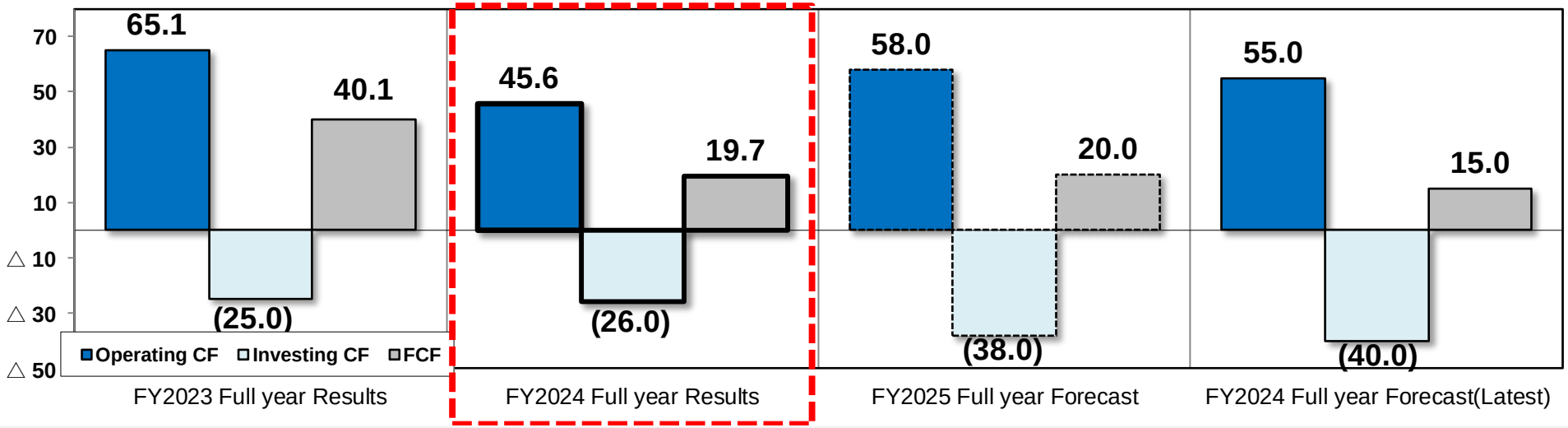
(billion yen)	Mar. 2024 Results	**Mar. 2025 Results**	Mar. 2026 Forecast	Mar. 2025 Forecast (Latest)
Interest-bearing debt	362.1	**354.0**	340.0	350.0
[Japan]	300.5	**293.6**	290.0	290.0
[Overseas]	61.5	**60.4**	50.0	60.0
Net Interest-bearing debt	234.8	**226.3**	211.5	237.0

*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

(billion yen)	FY2023 Full Year Results①	FY2024 Full Year Results②	②-①	FY2025 Full Year Forecast	FY2024 Full Year Forecast
Ⅰ. Cash flow from operating activities	65.1	**45.6**	**(19.5)**	**58.0**	**55.0**
Ⅱ. Cash flow from investing activities	(25.0)	**(26.0)**	**(1.0)**	**(38.0)**	**(40.0)**
Ⅰ+Ⅱ. Free cash flow	40.1	**19.7**	**(20.5)**	**20.0**	**15.0**
Ⅲ. Cash flow from financing activities	(30.2)	**(18.7)**	**11.5**	**(20.0)**	**(29.0)**
Ⅳ. Effect of exchanging rate translation on cash and cash equivalents	6.7	**(0.5)**	**(7.2)**	**(3.0)**	**(0.3)**
Ⅴ. Net increase in cash and cash equivalents	16.6	**0.4**	**(16.1)**	**(3.0)**	**(14.3)**



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