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May 12, 2023

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2023
[Under Japanese GAAP]
(Unaudited)

Company name: NTN Corporation
Listing: Tokyo Stock Exchange
Securities code: 6472
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Scheduled date of annual general meeting of shareholders: June 27, 2023
Scheduled date to commence dividend payments: June 28, 2023
Scheduled date to file annual securities report: June 28, 2023
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	773,960	20.6	17,145	149.2	12,047	76.8	10,367	41.2
March 31, 2022	642,023	14.1	6,880	—	6,815	—	7,341	—

Note: Comprehensive income For the fiscal year ended March 31, 2023: 25,715 million yen (-17.0%)
For the fiscal year ended March 31, 2022: 30,983 million yen (113.2%)

Fiscal year ended	Net income per share	Diluted net income per share	Return on equity	Ordinary income/ Total assets	Operating income/ Net sales
	Yen	Yen	%	%	%
March 31, 2023	19.53	—	5.0	1.4	2.2
March 31, 2022	13.83	—	4.0	0.8	1.1

Reference: Equity in earnings of unconsolidated subsidiaries
For the fiscal year ended March 31, 2023: 1,459 million yen
For the fiscal year ended March 31, 2022: 1,099 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	869,827	237,425	25.4	415.64
March 31, 2022	855,483	216,425	23.1	372.70

Reference: Shareholders' equity As of March 31, 2023: 220,659 million yen
As of March 31, 2022: 197,850 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	34,219	-13,858	-33,258	110,675
March 31, 2022	8,956	2,512	-41,300	121,460

2. Cash dividends

	Annual dividends per share					Total dividends paid (full year)	Dividend payout ratio (consolidated)	Dividends on net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	0.00	—	0.00	0.00	0	—	0.0
Fiscal year ended March 31, 2023	—	2.50	—	2.50	5.00	2,658	25.6	1.3
Fiscal year ending March 31, 2024 (Forecast)	—	5.00	—	5.00	10.00		48.3	

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentage indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	810,000	4.7	30,000	75.0	23,000	90.9	11,000	6.1	20.72

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Number of issued shares (common stocks)

(i) Total number of issued shares at the end of the period (including treasury stocks)

As of March 31, 2023	532,463,527 shares
As of March 31, 2022	532,463,527 shares

(ii) Number of treasury stocks at the end of the period

As of March 31, 2023	1,567,870 shares
As of March 31, 2022	1,599,787 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	530,887,334 shares
Fiscal year ended March 31, 2022	530,982,436 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	356,612	13.2	13,447	104.1	24,865	129.5	24,463	13.1
March 31, 2022	314,917	18.1	6,589	—	10,834	—	21,629	—

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2023	46.08	—
March 31, 2022	40.74	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	648,767	170,634	26.3	321.41
March 31, 2022	614,231	147,279	24.0	277.43

Reference: Shareholders' equity As of March 31, 2023: 170,634 million yen
As of March 31, 2022: 147,279 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

All descriptions about the future of the Company contained herein including earnings forecasts are prepared on the basis of data and information currently in our possession as well as certain assumptions that are deemed reasonable, and therefore are not meant to have us committed to their achievement. Various factors may cause actual results to substantially differ from those described herein. For matters related to the above forecast, please refer to “1. Operating Results and Analysis of Financial Position (1) Explanation regarding Consolidated Operating Results (Forecast for the Year Ending March 31, 2024)” on page 3 of the attached documents.

[Contents of the Attached Documents]

1. Operating Results and Analysis of Financial Position	2
(1) Explanation regarding Consolidated Operating Results	2
(2) Explanation regarding Consolidated Financial Position	3
(3) Dividend Policy and Dividends for the Current and Next Consolidated Fiscal Year	5
2. The Group Overview	6
3. Basic Approach to Selecting Accounting Standards	7
4. Consolidated Financial Statements	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
(Consolidated Statements of Income)	10
(Consolidated Statements of Comprehensive Income)	11
(3) Statements of Changes in Shareholders' Equity	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes to Consolidated Financial Statements	16
(Going Concern Assumption)	16
(Changes in Accounting Policies)	16
(Consolidated Balance Sheet)	16
(Consolidated Statements of Income)	17
(Consolidated Statements of Comprehensive Income)	19
(Consolidated Statements of Changes in Shareholders' Equity)	20
(Consolidated Statements of Cash Flows)	21
(Segment Information, etc.)	22
(Per Share Data)	25
(Significant Subsequent Events)	26
(Additional information)	26

1. Operating Results and Analysis of Financial Position

(1) Explanation regarding Consolidated Operating Results (Operating Results)

Regarding the global economy in the consolidated fiscal year ended March 31, 2023, a gradual recovery continued as economic activities normalized, although there were stagnations in some regions. As for the Japanese economy, although domestic corporate goods price and consumer price were rising, personal consumption recovered moderately. Overseas, the U.S. economy, the European economy, and the economies of other emerging countries in Asia and others continued to show signs of recovery, but the Chinese economy showed signs of weakness due to the impact of the re-expansion of COVID-19 infections. In addition, the situation of global economy remained uncertain due to the effect of semiconductor shortage, supply chain disruptions, situation in Ukraine, energy problems, and price increases, as well as the global monetary tightening.

Under these business environment, the Company has been steadily implementing the measures in the Medium-term Management Plan "DRIVE NTN100" Phase 2 which started in April, 2021, accelerating the transformation of our business structure, strengthening our financial position and organization to build a business structure that can flexibly respond to changes in the business environment.

Net sales for the consolidated fiscal year ended March 31, 2023 amounted to 773,960 million yen (up 20.6% year on year). Regarding profit and loss, operating income amounted to 17,145 million yen (up 149.2% year on year), ordinary income amounted to 12,047 million yen (up 76.8% year on year), and profit attributable to owners of parent amounted to 10,367 million yen (up 41.2% year on year) by reflecting price pass-on measures, sales volume, and effects of exchange rate, although increases in steel prices and fixed costs occurred mainly in automotive business in Europe and America market.

Operating results by reporting segment (company location) were as follows:

(1) Japan

Sales in aftermarket applications increased in industrial machinery aftermarket applications. Sales in the industrial machinery applications increased in construction machinery and aircrafts, and sales in automotive applications increased due to increased customer demand. As a result, net sales amounted to 364,064 million yen (up 13.4% year on year). Segment income amounted to 17,382 million yen (up 128.1% year on year) due to price pass-on measures, an increase in sales volume, and effects of exchange rate, although there was price hike in steel price and increased fixed cost.

(2) Americas

Sales in aftermarket applications increased in industrial machinery aftermarket applications and decreased in automotive aftermarket applications. Sales in industrial machinery applications increased in construction machinery and agricultural machinery. Sales in automotive applications also increased due to recovered customer demand. As a result, net sales amounted to 243,569 million yen (up 36.3% year on year). Segment loss amounted to 6,854 million yen (loss of 7,427 million yen in the same period of the previous consolidated fiscal year), although there was promotion of price pass-on measures accompanied by price hike in steel prices and increased fixed costs, and effects of sales volume.

(3) Europe

Sales in aftermarket applications increased in industrial machinery aftermarket applications and decreased in automotive aftermarket applications. Sales in industrial machinery applications increased in aircrafts and agricultural machinery, and sales in automotive applications increased due to recovered customer demand. As a result, net sales amounted to 172,441 million yen (up 20.2% year on year) in spite of the effects of the situation in Ukraine. Segment loss amounted to 3,411 million yen (loss of 4,265 million yen in the same period of the previous consolidated fiscal year), although there was promotion of price pass-on measures accompanied by price hike in steel prices and increased fixed costs, and the effect of sales volume.

(4) Asia and other areas

Sales in aftermarket applications increased in industrial machinery aftermarket applications. Sales in industrial machinery applications decreased in construction machinery, and sales in automotive applications decreased due to reduced customer demand. As a result, net sales amounted to 165,506 million yen (up 12.4% year on year). Segment income amounted to 12,538 million yen (down 11.0% year on year) by reflecting the effects of shutdowns and lower operating rates due to lockdowns in China and other factors.

Operating results by business sector were as follows.

Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Sales to external customers	112,196	126,104	403,722	642,023
Operating income or loss (-)	14,668	4,074	-11,862	6,880

Year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Sales to external customers	134,039	139,499	500,421	773,960
Operating income or loss (-)	22,270	7,289	-12,414	17,145

(1) Aftermarket applications

Due to an increase in customer demand and other factors, net sales amounted to 134,039 million yen (up 19.5% year on year). Operating income amounted to 22,270 million yen (up 51.8% year on year) by reflecting price pass-on measures, sales volume, and the effects of exchange rate in spite of price hike in steel prices and increased fixed costs.

(2) Industrial machinery applications

Net sales amounted to 139,499 million yen (up 10.6% year on year) due to increased sales of construction machinery and aircrafts. Operating income amounted to 7,289 million yen (up 78.9% year on year) by reflecting price pass-on measures, sales volume, and the effects of exchange rate in spite of price hike in steel prices and increased fixed costs.

(3) Automotive applications

Net sales amounted to 500,421 million yen (up 24.0% year on year) due to increased customer demand. Operating loss amounted to 12,414 million yen (operating loss of 11,862 million yen in the same period of the previous consolidated fiscal year), although there were promotion of price pass-on measures accompanied by price hike in steel prices and increased fixed costs, and the effect of sales volume.

(Forecast for the Year Ending March 31, 2024)

The global economy is expected to recover moderately although it is still in difficult situation due to the effects of COVID-19, the situation in Ukraine, and the shortage of semiconductor supply and other factors. However, events with high uncertainty such as the re-expansion of COVID-19 infection and the situation in Ukraine may become an important risk.

Under such circumstances, as our full-year earnings forecast we expect net sales of 810.0 billion yen, operating income of 30.0 billion yen, ordinary income of 23.0 billion yen, and profit attributable to owners of parent of 11.0 billion yen. We are assuming exchange rates of ¥130/US\$1.00 and ¥140/EUR1.00.

(2) Explanation regarding Consolidated Financial Position

(Assets, Liabilities, and Net Assets)

Total current assets increased by 16,993 million yen (up 3.3%) from the end of previous fiscal year, totaling 529,024 million yen. This was mainly due to increases of 11,181 million yen in finished goods & purchased goods, 7,045 million yen in raw materials and supplies, 6,317 million yen in work in process, and 4,253 million yen in notes and accounts receivable-trade, partially offset by a decrease of 16,986 million yen in cash and deposits. Total fixed assets decreased by 2,649 million yen (down 0.8%) from the end of previous fiscal year, totaling 340,802 million yen. This was mainly due to decreases of 4,335 million yen in machinery, equipment and vehicles, partially offset by an increase of 1,867 million yen in construction in progress. As a result, total assets increased by 14,344 million yen (up 1.7%) from the end of previous fiscal year, totaling 869,827 million yen.

Total current liabilities increased by 47,869 million yen (up 14.9%) from the end of previous fiscal year, totaling 369,074 million yen. This was mainly due to increases of 27,714 million yen in short-term loans, 7,459 million yen in electronically-recorded monetary claims, and 6,250 million yen in notes and

accounts payable-trade. Non-current liabilities decreased by 54,526 million yen (down 17.2%) from the end of previous fiscal year, totaling 263,327 million yen. This was mainly due to a decrease of 50,453 million yen in long-term borrowings. As a result, total liabilities decreased by 6,656 million yen (down 1.0%) from the end of previous fiscal year, totaling 632,402 million yen.

Total net assets increased by 21,000 million yen (up 9.7%) from the end of previous fiscal year, totaling 237,425 million yen. This was mainly due to increases of 12,054 million yen in translation adjustments and 9,039 million yen in retained earnings.

(Cash Flows)

Cash flows from operating activities amounted to 34,219 million yen (up 25,263 million yen, or 282.1%, year on year). This was mainly due to the cash inflow factors of 42,048 million yen in depreciation, and 11,443 million yen in an increase in trade payables, partially offset by the cash outflow factor of 15,044 million yen in an increase in inventories.

Cash flows used in investing activities amounted to 13,858 million yen (proceed of 2,512 million yen in the previous consolidated fiscal year). This was mainly expenditures of 19,705 million yen in purchase of property, plant and equipment, and 4,020 million yen in purchase of intangible assets, partially offset by 8,709 million yen in proceeds from withdrawal of time deposits.

Cash flows used in financing activities amounted to 33,258 million yen (down 8,042 million yen, or 19.5%, year on year). This was mainly due to an expenditure of 52,832 million yen in repayments of long-term borrowings, partially offset by 22,541 million yen in proceeds from long-term loans.

After adding 2,112 million yen of the effect of exchange rate changes, cash and cash equivalents at the end of March 31, 2023, amounted to 110,675 million yen, a decrease of 10,785 million yen (down 8.9%) from the end of previous fiscal year.

(Reference) Cash flow indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Shareholders' equity ratio (%)	20.6	20.4	23.1	25.4
Shareholders' equity ratio based on current market value (%)	13.2	21.7	13.3	20.6
Cash flow to interest-bearing debt ratio (annual)	8.3	11.6	44.0	10.9
Interest coverage ratio (times)	11.1	10.5	2.1	6.6

(Notes) Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on current market value: Market capitalization / Total assets

Cash flows to interest-bearing debt ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

- Each of them was calculated based on the consolidated statements.
- Market value on the stock is calculated based on the closing stock price at the end of the respective accounting period above multiplied by the number of shares issued and outstanding as of the end of the respective accounting period above (after deducting treasury stock).
- Operating cash flow is taken from the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt refers to all debts included in the consolidated balance sheets for which interest is paid. The amount for Interest payments was taken from interest expenses paid in the consolidated statements of cash flows.

(3) Dividend Policy and Dividends for the Current and Next Consolidated Fiscal Year

The Company views return of profits to its shareholders as one of its most important policies. Concerning dividends, while securing funds for research and development, capital investment, etc., that are necessary for future growth, the Company's basic policy is to implement dividends according to business results in a stable and continuous manner from a medium- to long-term viewpoint. Specifically, when determining dividends, the consolidated dividend payout ratio is emphasized, taking into consideration cash flow conditions.

Regarding dividends for the current consolidated fiscal year, the total dividends will be 5 yen (interim dividends of 2.5 yen and year-end dividends of 2.5 yen). The total dividends in the next consolidated fiscal year is 10 yen (interim dividends of 5 yen and year-end dividends of 5 yen).

2. The Group Overview

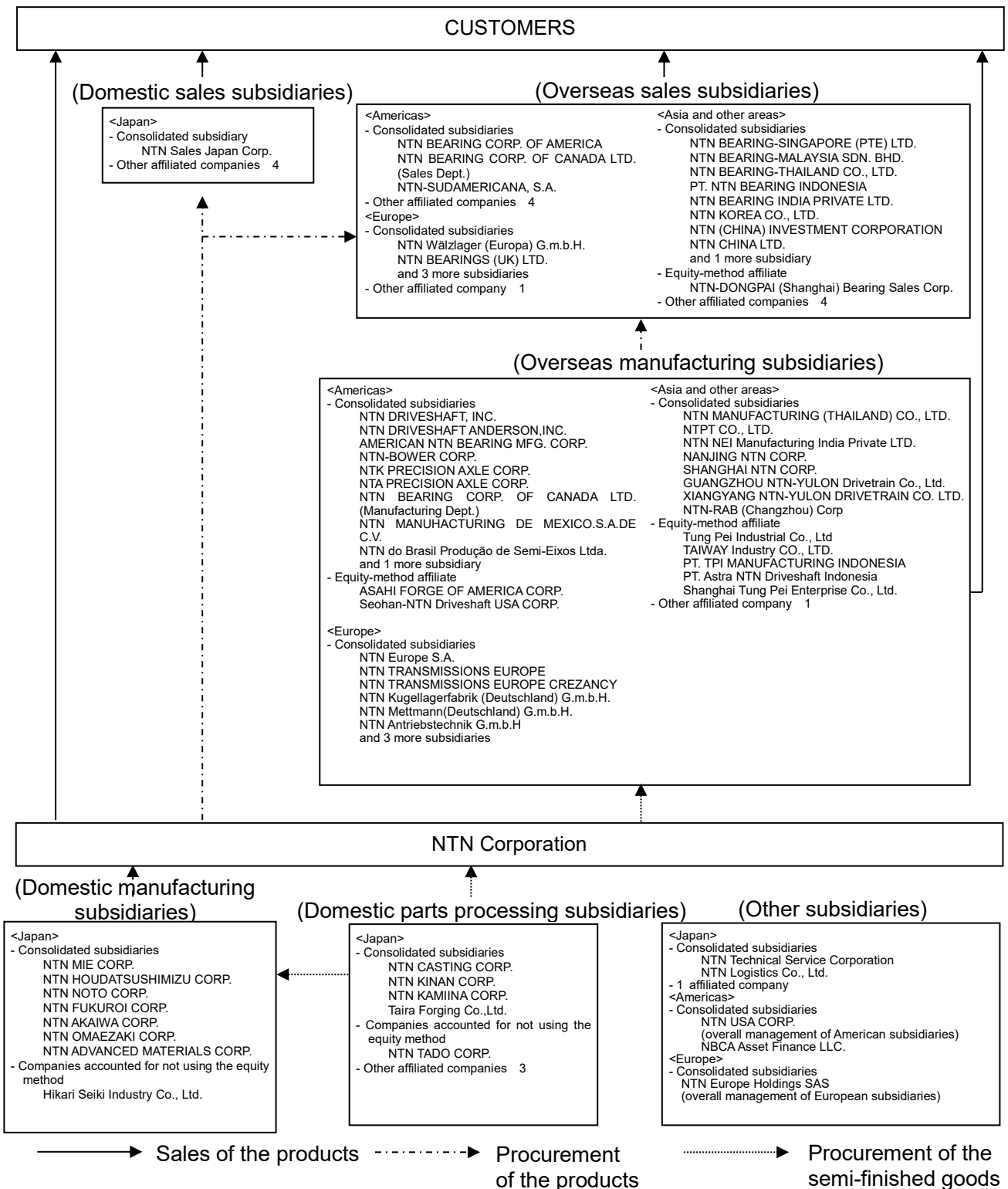
The NTN Group consists of NTN Corporation (the Company), 75 subsidiaries, and 13 affiliated companies (as of March 31, 2023). The Group's main business is the manufacturing and sale of bearings, driveshafts and precision equipment for aftermarket applications, industrial machinery applications, and automotive applications. Business activities in Japan are controlled by the Company (head office) and overseas activities of each region are controlled by the general managers' departments allocated to each region. Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

Accordingly, the NTN Group consists of the head office and business segments in different regions based on general managers' departments. Its four reporting segments are "Japan," "Americas," "Europe" and "Asia and other areas."

The main roles of each company within the Group are as follows in all segments.

- Domestic manufacturing is mainly handled by the Company, but some production is consigned to domestic affiliated companies, from whom the Company purchases products. Part of the Company's parts processing operation is also consigned to domestic affiliated companies.
- Domestic sales are mainly handled by the Company, but are also partly made through domestic affiliated companies.
- Overseas manufacturing is handled by the Company's overseas affiliates, with some semi-finished goods supplied by the Company.
- Overseas sales are conducted by the Company, by its overseas sales subsidiaries which procure goods from the Company or from its overseas manufacturing subsidiaries, and by its overseas manufacturing subsidiaries directly.

In September 2022, NTN newly established NBCA Asset Finance LLC., as a consolidated subsidiary. In March 2023, NTN-SNR ROULEMENTS changed its company name to NTN Europe S.A.



3. Basic Approach to Selecting Accounting Standards

NTN Group prepared its consolidated financial statements in accordance with Japanese Accounting Standards in order to improve the comparability of consolidated financial statements between different accounting periods and against different companies.

NTN Group intends to consider the future application of International Financial Reporting Standards (IFRS).

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and bank deposits	128,644	111,658
Notes and accounts receivable-trade	125,507	129,760
Electronically-recorded monetary claims	6,491	6,902
Finished goods & purchased goods	105,514	116,695
Work in process	55,939	62,256
Raw materials and supplies	53,389	60,434
Short-term loans receivable	57	21
Other	37,533	42,086
Allowance for doubtful accounts	-1,045	-790
Total current assets	512,031	529,024
Fixed assets		
Property, plant and equipment		
Buildings and structures	237,099	247,774
Accumulated depreciation	-149,144	-159,103
Buildings and structures, net	^{*1,*3} 87,955	^{*3} 88,671
Machinery, equipment and vehicles	753,597	778,061
Accumulated depreciation	-630,990	-659,788
Machinery, equipment and vehicles, net	^{*3} 122,607	^{*3} 118,272
Land	^{*1,*3} 33,563	^{*3} 33,452
Construction in progress	15,557	17,424
Other	65,498	67,107
Accumulated depreciation	-59,385	-60,815
Other, net	^{*3} 6,113	^{*3} 6,291
Total property, plant and equipment	265,797	264,113
Intangible fixed assets		
Goodwill	1,983	1,768
Other	42,046	38,121
Total intangible fixed assets	44,029	39,890
Investments and other assets		
Investment securities	^{*1,*2} 24,679	^{*2} 25,434
Deferred tax assets	3,495	4,219
Assets for retirement benefits	1,555	3,312
Other	4,094	4,049
Allowance for doubtful accounts	-200	-217
Total investments and other assets	33,624	36,799
Total fixed assets	343,451	340,802
Total assets	855,483	869,827

(In million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	61,033	67,283
Electronically-recorded monetary claims	60,881	68,340
Short-term loans	134,229	161,943
Accrued income taxes	4,544	4,307
Accrued bonuses for directors and statutory auditors	29	117
Other	60,486	67,083
Total current liabilities	321,205	369,074
Long-term liabilities		
Bonds	80,000	80,000
Long-term loans	^{**1} 179,802	129,349
Reserve for product defect compensation	408	251
Liabilities for retirement benefits	36,852	34,862
Other	20,790	18,863
Total long-term liabilities	317,853	263,327
Total liabilities	639,058	632,402
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	60,127	69,166
Treasury stock	-866	-856
Total shareholders' equity	181,578	190,626
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	1,044	1,255
Translation adjustments	16,025	28,079
Accrued retirement benefits adjustments	-797	697
Total accumulated other comprehensive income	16,272	30,032
Non-controlling shareholders' equity	18,574	16,765
Total net assets	216,425	237,425
Total liabilities and net assets	855,483	869,827

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(In million yen)

	Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
Net sales	642,023	773,960
Cost of sales	^{*2} 536,070	^{*2} 648,047
Gross profit	105,953	125,912
Selling, general and administrative expenses	^{*1,*2} 99,072	^{*1,*2} 108,766
Operating income	6,880	17,145
Non-operating income		
Interest income	866	1,146
Dividend income	605	278
Equity in earnings of unconsolidated subsidiaries	1,099	1,459
Derivative transaction gains	—	2,035
Foreign exchange gains	2,591	—
Gain on reversal of product defect compensation	1,213	—
Other	1,090	2,499
Total non-operating income	7,467	7,419
Non-operating expenses		
Interest expenses	4,277	5,910
Foreign exchange losses	—	3,378
Derivative transaction losses	812	—
Other	2,441	3,228
Total non-operating expenses	7,532	12,517
Ordinary income	6,815	12,047
Extraordinary income		
Gain on sale of tangible fixed assets	^{*3} 3,850	^{*3} 1,716
Gain on sales of investment securities	10,483	—
Total extraordinary income	14,333	1,716
Extraordinary losses		
Impairment loss	^{*4} 601	^{*4} 1,609
Business restructuring loss	—	^{*5} 1,348
Loss related to Anti-Monopoly Act	^{*6} 2,928	—
Total extraordinary losses	3,529	2,957
Net income before taxes and equity in earnings of affiliated companies	17,619	10,807
Income and other taxes	5,071	7,253
Income and other taxes adjustment	3,451	-8,307
Total income and other taxes	8,522	-1,054
Net income	9,096	11,861
Profit attributable to non-controlling shareholders	1,755	1,493
Profit attributable to owners of parent	7,341	10,367

(Consolidated Statements of Comprehensive Income)

(In million yen)

	Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
Net income	9,096	11,861
Other comprehensive income		
Net unrealized holding gain on other securities	-7,615	210
Translation adjustments	22,947	11,307
Accrued retirement benefits adjustments	4,795	1,417
Equity in equity-method affiliates	1,759	918
Total other comprehensive income	* 21,886	* 13,853
Comprehensive income	30,983	25,715
(breakdown)		
Comprehensive income attributable to owners of parent company	27,407	24,128
Comprehensive income attributable to non-controlling shareholders	3,575	1,587

(3) Statements of Changes in Shareholders' Equity
 Previous consolidated accounting year (April 1, 2021 to March 31, 2022)

(In million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2021	54,346	67,970	52,786	-782	174,321
Changes during the current period					
Distribution of retained earnings					
Profit attributable to owners of parent			7,341		7,341
Purchase of treasury stock				-92	-92
Sales of treasury stock				8	8
Net changes in items other than shareholders' equity during the period					
Total changes during the period	—	—	7,341	-83	7,257
Balance on March 31, 2022	54,346	67,970	60,127	-866	181,578

	Accumulated other comprehensive income				Minority interest	Total net assets
	Valuation and translation adjustment	Translation adjustments	Accumulated accrued retirement benefits adjustments	Total accumulated other comprehensive income		
Balance on April 1, 2021	8,646	-6,865	-5,575	-3,794	13,224	183,751
Changes during the current period						
Distribution of retained earnings						
Profit attributable to owners of parent						7,341
Purchase of treasury stock						-92
Sales of treasury stock						8
Net changes in items other than shareholders' equity during the period	-7,601	22,890	4,777	20,066	5,350	25,416
Total changes during the period	-7,601	22,890	4,777	20,066	5,350	32,674
Balance on March 31, 2022	1,044	16,025	-797	16,272	18,574	216,425

Current consolidated accounting year (April 1, 2022 to March 31, 2023)

(In million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2022	54,346	67,970	60,127	-866	181,578
Changes during the current period					
Distribution of retained earnings			-1,329		-1,329
Profit attributable to owners of parent			10,367		10,367
Purchase of treasury stock				-0	-0
Sales of treasury stock				9	9
Net changes in items other than shareholders' equity during the period					
Total changes during the period	—	—	9,038	9	9,048
Balance on March 31, 2023	54,346	67,970	69,166	-856	190,626

	Accumulated other comprehensive income				Minority interest	Total net assets
	Valuation and translation adjustment	Translation adjustments	Accumulated accrued retirement benefits adjustments	Total accumulated other comprehensive income		
Balance on April 1, 2022	1,044	16,025	-797	16,272	18,574	216,425
Changes during the current period						
Distribution of retained earnings						-1,329
Profit attributable to owners of parent						10,367
Purchase of treasury stock						-0
Sales of treasury stock						9
Net changes in items other than shareholders' equity during the period	210	12,054	1,495	13,760	-1,808	11,951
Total changes during the period	210	12,054	1,495	13,760	-1,808	20,999
Balance on March 31, 2023	1,255	28,079	697	30,032	16,765	237,425

(4) Consolidated Statements of Cash Flows

(In million yen)

	Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Year ended March 31, 2023 (April 1, 2022– March 31, 2023)
Net cash provided by operating activities		
Net income before income taxes and equity in earnings of affiliated companies	17,619	10,807
Depreciation and amortization	37,898	42,048
Impairment loss	601	1,609
Goodwill depreciation	160	214
Business restructuring loss	—	1,348
Loss related to Anti-Monopoly Act	2,928	—
Increase/decrease (-) in allowance for doubtful accounts	-53	-308
Increase/decrease (-) in accrued retirement benefits for Officers	-7	88
Increase/decrease (-) in reserve for product defect compensation	-684	-157
Increase/decrease (-) in liabilities in retirement benefits	1,605	-1,228
Decrease/increase (-) in assets for retirement benefits	-1,555	-1,756
Interest and dividend income	-1,472	-1,424
Interest expenses	4,277	5,910
Foreign currency translation adjustments / foreign exchange losses/gains (-)	-1,067	-3,519
Loss or gain (-) on derivative transactions	812	-2,035
Equity in earnings (-) /loss of non-consolidated subsidiaries	-1,099	-1,459
Gain (-) or loss on sale of tangible fixed assets	-3,850	-1,716
Gain (-) or loss on sales of investment securities	-10,483	—
Decrease/increase (-) in trade receivables	-2,165	1,210
Decrease/increase (-) in inventories	-25,300	-15,044
Increase/decrease (-) in trade payables	691	11,443
Other	-2,445	-1,949
Subtotal	16,410	44,079
Interest and dividend income received	1,717	2,575
Interest paid	-4,342	-5,165
Subsidies received	898	—
Loss related to Anti-Monopoly Act	-3,125	—
Income taxes paid	-2,601	-7,271
Net cash provided by operating activities	8,956	34,219
Net cash used in investing activities		
Increase in time deposits	-1,339	-2,314
Decrease in time deposits	2,780	8,709
Purchases of property, plant and equipment	-16,336	-19,705
Proceeds from sale of property, plant and equipment	4,740	2,210
Purchase of intangible fixed assets	-5,534	-4,020
Proceeds from sales of investment securities	17,052	—
Loss on purchase of stock of the consolidated subsidiary	—	-26
Proceeds from purchase of subsidiaries' stock resulting in change in scope of consolidation	1,200	—
Decrease/increase (-) in short-term loans receivable, net	15	39
Other	-66	1,248
Net cash used in investing activities	2,512	-13,858

(In million yen)

	Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
Net cash provided by financing activities		
Increase/decrease (-) in short-term loans, net	2,588	-377
Proceeds from long-term loans	12,178	22,541
Repayment of long-term loans	-52,330	-52,832
Dividend payment	—	-1,329
Repayment of lease payable	-2,122	-3,138
Proceeds from sale and leaseback	—	5,264
Other	-1,614	-3,386
Net cash provided by financing activities	-41,300	-33,258
Effect of exchange rate changes on cash and cash equivalents	4,042	2,112
Increase/decrease (-) in cash and cash equivalents	-25,788	-10,785
Cash and cash equivalents at beginning of the year	147,249	121,460
Cash and cash equivalents at end of the year	* 121,460	* 110,675

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

None

(Changes in Accounting Policies)

(Adoption of No. 842, "Leases," Accounting Standards Codification (ASC) of Financial Accounting Standards Board)

The Company adopted No. 842, "Leases" of ASC to some consolidated subsidiaries in Americas from the consolidated fiscal year ended March 31, 2023.

With regard to the adoption of this accounting standard, cumulative effects have been adjusted for tangible fixed assets, intangible fixed assets, and lease payable at the end of the consolidated fiscal year ended March 31, 2023 in accordance with transitional treatment. The impact of this adoption of the accounting standard on the consolidated financial statements is negligible.

(Consolidated Balance Sheet)

*1 The assets pledged as collateral and the debts related to the collateral are as follows.

1) Assets and debt that ogives as security

(In million yen)

	As of March 31, 2022	As of March 31, 2023
Buildings	2,712	—
Land	7,180	—
Investment securities	1,372	—
Total	11,265	—

2) Debt that is related to security

(In million yen)

	As of March 31, 2022	As of March 31, 2023
Long-term borrowings	27,000	—

*2 Value related to non-consolidated subsidiary and related company are as follows.

(In million yen)

	As of March 31, 2022	As of March 31, 2023
Investment securities (shares)	18,632	20,135

*3 Reserve for tax purpose reduction entry due to the acceptance of national subsidies are as follows. The amount recorded on the consolidated balance sheet is deducted from this reduction entry.

(In million yen)

	As of March 31, 2022	As of March 31, 2023
Buildings and structures	339	402
Machinery, equipment and vehicles	67	143
Land	773	773
Others	0	6
Total	1,180	1,325

4 Contingent liabilities, etc.
(Guarantee, etc.)

The Company provides the following debt guarantees for loans from financial institutions of companies other than consolidated subsidiaries.

(In million yen)

	As of March 31, 2022	As of March 31, 2023
PT. Astra NTN Driveshaft Indonesia	707	734

(Lawsuits, etc.)

(1) A lawsuit has been filed against the Company and its two consolidated subsidiaries in Europe before the France Tribunal de Commerce de Lyon by Renault S.A. and its group companies, which are 15 in total (hereafter, "Renault"), seeking compensation of 66.7 million euros (provisional amount) for damages. In December 2020, Renault changed the claiming amount for damages to 32.5 million euros (provisional amount). In April 2022, Renault changed the claiming amount for damages to 58.3 million euros (provisional amount).

This lawsuit was filed by Renault alleging that they suffered damages in connection with the infringement of the European competition laws, which was subject of the decision adopted by the European Commission dated March 19, 2014.

(2) The NTN Group may be subject to claims for compensation for damages in connection with the violation of competition laws and continue to address these claims. However, it is currently difficult to make reasonable estimates of the future possible effects on the results of operations and financial position of the NTN Group.

(Consolidated Statements of Income)

*1 Major items and amounts under "Selling, general and administrative expenses" are as follows.

(In million yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Salaries and allowances	34,926	38,954
Transportation costs	16,161	16,070
Outsourcing expenses	11,023	11,855
Research and development expenses	10,466	11,262
Retirement benefit expenses	1,526	1,455

*2 Total research and development expenses included in general and administrative expenses and manufacturing costs

(In million yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
	17,444	18,678

*3 3,850 million yen of gain on sale of property, plant and equipment was recorded as an extraordinary income in the consolidated fiscal year ended March 31, 2022. This was mainly due to 3,729 million yen in gain on sale of building and land of head office, and 120 million yen in others. The Company recorded 1,716 million yen of gain on sale of property, plant and equipment as an extraordinary income in the consolidated fiscal year ended March 31, 2023. This was mainly due to 1,257 million yen in gain on sale of land and buildings of consolidated subsidiaries in Europe, and 459 million yen of others.

*4 The NTN Group carries out grouping of assets. With regard to manufacturing assets, any plants etc. coming under managerial accounting business classifications are deemed to be the smallest unit creating cash flow. With regard to Head Office and business-use assets are grouped as corporate assets and the assets no longer used are grouped by individual asset.

In the case of the assets shown in the following table, there was no prospect for future use in the consolidated fiscal year ended March 31, 2023, and the previous consolidated fiscal year and no possibility of recovery was found for the estimated period of future cash flows. For these reasons, 1,609 million yen of impairment losses in the consolidated fiscal year ended March 31, 2023, and 601 million yen of impairment losses in the previous consolidated fiscal year were recorded as the extraordinary loss. The recoverable amount was measured by using the net realizable value or the value in use. The recoverable amount was measured by fair value less cost to sell or value in use, and zero for assets that could not be sold or otherwise converted. The fair value less cost to sell was estimated based on real estate appraisal standards, etc.

Location	Applications	Type of asset	Impairment losses (Millions of yen)	
			Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Japan	Manufacturing facilities and others	Buildings and structures	12	277
		Machinery, equipment and vehicles	338	789
		Land	—	95
		Construction in progress	228	—
		Property, plant and equipment (others)	21	34
Asia and other areas	Manufacturing facilities and others	Buildings and structures	—	411
Total			601	1,609

*5 The Company recorded 1,348 million yen of loss on business restructuring in the consolidated fiscal year ended March 31, 2023. This was mainly due to manufacturing restructuring of consolidated subsidiaries.

*6 In the consolidated fiscal year ended March 31, 2022, the Company has negotiated the compensation of damages with a part of customers in association with investigations by the authorities about the competition laws. We considered the effects to our business by the long-term negotiation and reached the conclusion to pay the settlement amount to make the benefits for both parties by amicably and early resolution.

With regard to these settlements, the Company recorded 2,928 million yen in the previous consolidated fiscal year as Loss related to Anti-Monopoly Act in Extraordinary Losses.

(Consolidated Statements of Comprehensive Income)

* Reclassification adjustment and tax effect on other comprehensive income

(In million yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Net unrealized holding gain on other securities:		
Amount arising in current fiscal year	-423	572
Reclassification adjustment	-10,483	-279
Before tax effect adjustment	-10,906	293
Tax effect	3,291	-83
Net unrealized holding gain on other securities	-7,615	210
Translation adjustments:		
Amount arising in current fiscal year	22,947	11,307
Reclassification adjustment	-	-
Before tax effect adjustment	22,947	11,307
Tax effect	-	-
Translation adjustments	22,947	11,307
Accrued retirement benefits adjustments:		
Amount arising in current fiscal year	3,701	1,516
Reclassification adjustment	1,267	941
Before tax effect adjustment	4,969	2,457
Tax effect	-173	-1,039
Accrued retirement benefits adjustments	4,795	1,417
Equity in equity-method affiliates:		
Amount arising in current fiscal year	1,759	918
Reclassification adjustment	-	-
Equity in equity-method affiliates	1,759	918
Total other comprehensive income	21,886	13,853

(Consolidated Statements of Changes in Shareholders' Equity)
 Fiscal year ended March 31, 2022 (April 1, 2021- March 31, 2022)

1. Type and total number of shares issued and outstanding and Treasury stock

	Number of shares as of April 1, 2021 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2022 (thousand shares)
Shares issued and outstanding				
Common stock	532,463	—	—	532,463
Total	532,463	—	—	532,463
Treasury stock				
Common stock *	1,299	326	26	1,599
Total	1,299	326	26	1,599

(Note) The increase of 326,000 shares in treasury stock in common stock is due to acquisition of 1,000 shares by purchasing fractional unit share and 325,000 shares by “BIP Trust” as trust property of stock compensation scheme for Officers and the decrease of 26,000 shares is due to sales by “BIP Trust” as trust property of stock compensation scheme for Officers. Also, number of treasury stocks in common stock includes the treasury stocks acquired by “BIP Trust” (456,000 shares as of April 1, 2021, 754,000 shares as of March 31, 2022)

2. Equity warrant and subscription right to treasury stock

N.A.

3. Dividend

N.A.

Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

1. Type and total number of shares issued and Treasury stock

	Number of shares as of April 1, 2022 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2023 (thousand shares)
Shares issued and outstanding				
Common stock	532,463	—	—	532,463
Total	532,463	—	—	532,463
Treasury stock				
Common stock *	1,599	0	32	1,567
Total	1,599	0	32	1,567

(Note) The increase of 0 thousand shares in treasury stock in common stock is due to the acquisition by purchasing the fractional unit share and decrease of 32,000 shares is due to sales by “BIP Trust” for compensation of Officers. Also, number of treasury stocks in common stock includes the treasury stocks acquired by “BIP Trust” for compensation of Officers (754,000 shares as of April 1, 2022, 721,000 shares as of March 31, 2023)

2. Equity warrant and subscription right to treasury stock

N.A.

3. Dividends

(1) Dividend paid

(Date of approval)	Type of share	Total dividend paid (million yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors on October 31, 2022	Common stock	1,329	2.5	September 30, 2022	December 1, 2022

(Note) The total amount of dividend whose record date is September 30, 2022 includes 1 million yen for the Company's stock acquired by "BIP Trust" for compensation of Officers.

(2) Among the dividends for which the record date falls within the current consolidated accounting period under review, the portion of the dividend for which the effective date falls in the next consolidated accounting period

(Date of approval)	Type of share	Total dividend paid (million yen)	Dividend source	Dividend per share (yen)	Record date	Effective date
Annual general meeting of shareholders on June 27, 2023	Common stock	1,329	Retained earnings	2.5	March 31, 2023	June 28, 2023

(Note) The total amount of dividend whose record date is March 31, 2023 includes 1 million yen for the Company's stock acquired by "BIP Trust" for compensation of Officers.

(Consolidated Statements of Cash Flows)

* Reconciliation of the amounts of cash and cash equivalents at end of the year stated in Consolidated Statements of Cash Flows to the amounts of accounts stated in Consolidated Balance Sheets
(In million yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Cash and bank deposits	128,644	111,658
Time deposits with original maturities of more than three months	-7,183	-982
Cash and cash equivalents	121,460	110,675

(Segment Information, etc.)

[Segment information]

1. Description of reporting segments

It is possible to acquire financial information for the separate components making up the Company, and the Company's highest decision-making body (the Board of Directors) carries out regular investigations into the Company's reporting segments in order to decide the allocation of management resources and to assess results.

The Group's main business is the manufacturing and sale of bearings, driveshafts and precision equipment for aftermarket applications, industrial machinery applications, and automotive applications. Business activities in Japan are controlled by the Company (Head Office), the activities of each region are controlled by the general managers' department overseas allocated to each region. Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

Accordingly, the NTN Group consists of the Head Office and business segments in different regions based on general managers' offices. Its four reporting segments are "Japan," "Americas," "Europe" and "Asia and other areas." Each segment carries out the manufacturing and sale of bearings, driveshafts and precision equipment.

2. Methods used to calculate and report sales, income or losses, assets, liabilities and other items for each reporting segment

The business segment accounting methods for each reporting segment are the same methods as those used in the consolidated financial statements. "Inter-segment sales or transfers" is calculated based on prevailing market prices.

3. Information related to sales, income or losses, assets, liabilities and other items for individual reporting segments

Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(In million yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	186,854	177,563	139,236	138,369	642,023	—	642,023
Inter-segment sales or transfers	134,260	1,080	4,211	8,941	148,493	(148,493)	—
Total	321,115	178,643	143,447	147,310	790,516	(148,493)	642,023
Segment income/loss(-) (Operating income)	7,621	-7,427	-4,265	14,090	10,019	(3,139)	6,880
Segment assets	659,756	196,793	133,621	206,808	1,196,979	(341,496)	855,483
Segment liabilities	460,061	134,499	92,127	36,546	723,235	(84,177)	639,058
Other items							
Depreciation	14,698	8,959	7,378	6,861	37,898	—	37,898
Increase in property, plant and equipment, and intangible assets	14,507	3,254	4,047	3,590	25,399	—	25,399

(Notes) 1. "Adjustments" refers to elimination of all inter-segment transactions with the exception of segment assets. Also, adjustments under "segment assets" is made up of inter-segment eliminations of -347,521 million yen and company-wide assets not allocated to specific segments of 6,025 million yen (major items include long-term investment capital (investment securities) etc.).

2. Major countries or regions in each segment:

Americas: U.S., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(In million yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	209,132	241,672	167,426	155,728	773,960	—	773,960
Inter-segment sales or transfers	154,932	1,896	5,015	9,777	171,621	(171,621)	—
Total	364,064	243,569	172,441	165,506	945,581	(171,621)	773,960
Segment income/loss(-) (Operating income)	17,382	-6,854	-3,411	12,538	19,655	(2,509)	17,145
Segment assets	696,556	209,488	151,708	209,059	1,266,812	(396,985)	869,827
Segment liabilities	463,910	150,358	79,846	35,923	730,039	(97,637)	632,402
Other items							
Depreciation	16,507	10,812	7,630	7,098	42,048	—	42,048
Increase in property, plant and equipment, and intangible assets	12,713	4,275	5,875	3,234	26,098	(63)	26,035

(Notes) 1. “Adjustments” refers to elimination of all inter-segment transactions with the exception of segment assets. Also, adjustments under “segment assets” is made up of inter-segment eliminations of -402,272 million yen and company-wide assets not allocated to specific segments of 5,286 million yen (major items include long-term investment capital (investment securities) etc.).

2. Major countries or regions in each segment:

Americas: U.S., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

[Related information]

Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

1. Information related to products and services

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Net sales to external customers	112,196	126,104	403,722	642,023

(Note) “Net sales to external customers” refers to sales in each product category based on similarity with sales markets.

2. Geographic information

(1) Net sales

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
180,756	181,214	127,056	152,996	642,023

(Notes) 1. Net sales are classified according to country or region based on the location of customers.

2. Major countries or regions in each reporting segment:

Americas: U.S, Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

3. Of the sales classified as net sales to Americas, sales to the U.S. accounted for 151,317 million yen.

4. Of the sales classified as net sales to Asia and other areas, sales to China accounted for 77,115 million yen.

(2) Property, plant and equipment

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
104,086	78,181	43,696	39,833	265,797

- (Notes) 1. Of the property, plant and equipment classified under Americas, property, plant and equipment held in the U.S. accounted for 69,438 million yen.
2. Of the property, plant and equipment classified under Europe, property, plant and equipment held in France accounted for 27,322 million yen.
3. Of the property, plant and equipment classified under Asia and other areas, property, plant and equipment held in China accounted for 29,317 million yen.

Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

1. Information related to products and services

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Net sales to external customers	134,039	139,499	500,421	773,960

- (Note) "Net sales to external customers" refers to sales in each product category based on similarity with sales markets.

2. Geographic Information

(1) Net sales

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
201,602	246,246	155,174	170,937	773,960

- (Notes) 1. Net sales are classified according to country or region based on the location of customers.
2. Major countries or regions in each reporting segment:
Americas: U.S, Canada, South and Central America
Europe: Germany, France, United Kingdom, and others
Asia and other areas: China, Thailand, India, and others
3. Of the sales classified as net sales to Americas, sales to the U.S. accounted for 203,992 million yen.

(2) Property, plant and equipment

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
102,447	80,959	44,388	36,317	264,113

- (Notes) 1. Of the property, plant and equipment classified under Americas, property, plant and equipment held in the U.S. accounted for 71,979 million yen.
2. Of the property, plant and equipment classified under Europe, property, plant and equipment held in France accounted for 28,827 million yen.
3. Of the property, plant and equipment classified under Asia and other areas, property, plant and equipment held in China accounted for 26,623 million yen.

[Information related to Impairment Loss on Fixed Assets by Reporting Segment]

Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(In million yen)

	Japan	Americas	Europe	Asia and other areas	Adjustment	Total
Impairment losses	601	—	—	—	—	601

Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(In million yen)

	Japan	Americas	Europe	Asia and other areas	Adjustment	Total
Impairment losses	1,197	—	—	411	—	1,609

[Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment]

Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(In million yen)

	Japan	Americas	Europe	Asia and other areas	Adjustment	Total
Amortization	160	—	—	—	—	160
Ending balance	1,983	—	—	—	—	1,983

Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(In million yen)

	Japan	Americas	Europe	Asia and other areas	Adjustment	Total
Amortization	214	—	—	—	—	214
Ending balance	1,768	—	—	—	—	1,768

(Per Share Data)

	Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
Net assets per share (yen)	372.70 yen	415.64 yen
Profit per share or loss (-) per share	13.83 yen	19.53 yen

(Notes) 1. Diluted net income per share in the current consolidated accounting period is not reported because no residual securities existed.

- The Company has introduced “BIP Trust” for compensation of Officers in the current consolidated accounting period, and recorded the Company’s shares held by such trust as treasury stock in consolidated financial statements. Accordingly, to calculate the “amount of net assets per share,” the Company’s shares held by the trust are included in treasury stock (754,000 shares for the previous consolidated fiscal year, 721,000 shares for the current consolidated fiscal year) that is excluded from the total number of shares issued and outstanding as of consolidated fiscal year end. In addition, to calculate the “profit per share,” the Company’s shares held by the trust are included in treasury stock (636,000 shares for the previous consolidated fiscal year, 730,000 shares for the current consolidated fiscal year) that is excluded from the calculation of the average number of shares for the period.

3. The basic methods for calculating net income per share are as follows.

	Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
Profit attributable to owners of parent (Millions of yen)	7,341	10,367
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent for common stocks (Millions of yen)	7,341	10,367
Average number of shares during the period (Thousands of shares)	530,982	530,887

(Significant Subsequent Events)

None

(Additional Information)

1. Accounting estimates related to spread of COVID-19 infection

The Company made the accounting estimate on the assumption that the effect of the worldwide spread of the COVID-19 infection disease will improve by the consolidated fiscal year ending March 31, 2024. However it is highly uncertain and its end is not assumed and it might be an important risk in the future.

2. Application of tax effect accounting in relation to the transition from the consolidated tax payment system to the Group taxation system

The Company and some of its domestic subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system from the current consolidated fiscal year. Therefore, corporate and local corporate taxes, and tax-effect accounting are accounted for and disclosed in accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021. Hereafter “PITF 42”). In addition, based on Article 32 (1) of PITF 42, we assume that there is no effect of the change in accounting policies due to PITF 42.

3.1 Consolidated Financial Results

(in million yen)

		FY2018	FY2019	FY2020	FY2021	FY2022	
Consolidated operating results (Lower: Net sales ratio)	Net sales	733,846 100.0%	651,956 100.0%	562,847 100.0%	642,023 100.0%	773,960 100.0%	
	Operating income	27,222 3.7%	7,517 1.2%	-3,138 -0.6%	6,880 1.1%	17,145 2.2%	
	Ordinary income	22,231 3.0%	-1,698 -0.3%	-5,742 -1.0%	6,815 1.1%	12,047 1.6%	
	Extraordinary income	-19,292 -2.6%	-32,251 -4.9%	4,486 0.8%	10,804 1.7%	-1,240 -0.2%	
	Profit attributable to owners of parent	-6,958 -0.9%	-43,992 -6.7%	-11,641 -2.1%	7,341 1.1%	10,367 1.3%	
Net sales by region (Lower: Net sales ratio)	Japan	207,400 28.3%	198,100 30.4%	162,814 28.9%	180,756 28.2%	201,602 26.0%	
	Americas	201,464 27.5%	174,308 26.7%	144,431 25.7%	181,214 28.2%	246,246 31.8%	
	Europe	167,826 22.9%	140,839 21.6%	117,235 20.8%	127,056 19.8%	155,174 20.0%	
	Asia and other areas	157,155 21.4%	138,707 21.3%	138,365 24.6%	152,996 23.8%	170,937 22.1%	
	Total	733,846 100.0%	651,956 100.0%	562,847 100.0%	642,023 100.0%	773,960 100.0%	
Net sales / Operating income by location	Japan	Net sales	356,816	332,517	266,971	321,115	364,064
		Operating income	4,427	2,138	-10,792	7,621	17,382
		Operating margin	1.2%	0.6%	-4.0%	2.4%	4.8%
	Americas	Net sales	198,302	171,072	142,934	178,643	243,569
		Operating income	4,344	-6,438	-2,803	-7,427	-6,854
		Operating margin	2.2%	-3.8%	-2.0%	-4.2%	-2.8%
	Europe	Net sales	184,022	155,651	129,197	143,447	172,441
		Operating income	973	413	-2,427	-4,265	-3,411
		Operating margin	0.5%	0.3%	-1.9%	-3.0%	-2.0%
	Asia and other areas	Net sales	155,577	134,929	133,419	147,310	165,506
		Operating income	17,218	11,418	12,305	14,090	12,538
		Operating margin	11.1%	8.5%	9.2%	9.6%	7.6%
	Deletion	Net sales	-160,873	-142,214	-109,676	-148,493	-171,621
		Operating income	258	-14	579	-3,139	-2,509
	Total	Net sales	733,846	651,956	562,847	642,023	773,960
Operating income		27,222	7,517	-3,138	6,880	17,145	
Operating margin		3.7%	1.2%	-0.6%	1.1%	2.2%	

(in million yen)

			FY2018	FY2019	FY2020	FY2021	FY2022	
Net sales / Operating income by business applications	Aftermarket	Net sales	118,861	109,428	91,492	112,196	134,039	
		Operating income	15,195	12,750	8,904	14,668	22,270	
		Operating margin	12.8%	11.7%	9.7%	13.1%	16.6%	
	Industrial machinery	Net sales	123,552	105,210	101,853	126,104	139,499	
		Operating income	3,260	-1,863	354	4,074	7,289	
		Operating margin	2.6%	-1.8%	0.3%	3.2%	5.2%	
	Automotive	Net sales	491,432	437,317	369,501	403,722	500,421	
		Operating income	8,766	-3,369	-12,397	-11,862	-12,414	
		Operating margin	1.8%	-0.8%	-3.4%	-2.9%	-2.5%	
	Total	Net sales	733,846	651,956	562,847	642,023	773,960	
		Operating income	27,222	7,517	-3,138	6,880	17,145	
		Operating margin	3.7%	1.2%	-0.6%	1.1%	2.2%	
Capital expenditures /Depreciation and amortization	Capital expenditures		45,172	57,675	23,817	19,809	22,253	
	Depreciation and amortization	Domestic	15,285	13,424	12,875	14,698	16,507	
		Overseas	23,641	23,882	22,602	23,200	25,540	
	Total		38,926	37,306	35,478	37,898	42,048	
R&D expenditures			21,661	19,961	17,485	17,444	18,678	
Ratio of R&D expenditures to net sales			3.0%	3.1%	3.1%	2.7%	2.4%	
Inventories			194,505	182,923	176,847	214,843	239,385	
Inventory turnover ratio (times)			3.8	3.6	3.2	3.0	3.2	
Interest- bearing debts	Loans		320,344	332,416	342,803	314,031	291,292	
	Bonds		30,000	30,000	80,000	80,000	80,000	
	Total		350,344	362,416	422,803	394,031	371,292	
Major management indicators	Ordinary income ratio to total assets		2.6%	-0.2%	-0.7%	0.8%	1.4%	
	Return on assets (ROA)		-0.8%	-5.5%	-1.5%	0.9%	1.2%	
	Return on equity (ROE)		-2.9%	-22.8%	-7.1%	4.0%	5.0%	
	Shareholder's equity ratio		27.4%	20.6%	20.4%	23.1%	25.4%	
	Net assets per share (yen)		433.32	294.00	321.04	372.70	415.64	
	Net income per share (yen)		-13.10	-82.83	-21.92	13.83	19.53	
Employees	Domestic	(persons)	8,648	8,718	8,735	8,579	8,419	
	Overseas	(persons)	16,340	15,481	14,557	14,804	14,608	
	Total	(persons)	24,988	24,199	23,292	23,383	23,027	
Exchange rates	Average	Dollar	(yen)	110.88	108.73	106.01	112.34	135.45
		Euro	(yen)	128.41	120.84	123.66	130.53	140.91
	At term end	Dollar	(yen)	110.64	107.85	110.36	121.89	132.68
		Euro	(yen)	124.21	119.13	129.32	136.01	144.70

3.2 Non-Consolidated Financial Results

(in million yen)

		FY2018	FY2019	FY2020	FY2021	FY2022
Consolidated operating results (Lower: Net sales ratio)	Net sales	350,966 100.0%	333,634 100.0%	266,678 100.0%	314,917 100.0%	356,612 100.0%
	Operating income	-1,543 -0.4%	2,176 0.7%	-9,432 -3.5%	6,589 2.1%	13,447 3.8%
	Ordinary income	3,801 1.1%	7,835 2.3%	-5,204 -2.0%	10,834 3.4%	24,865 7.0%
	Extraordinary income	3,591 1.0%	-19,284 -5.8%	1,715 0.6%	11,682 3.7%	-5,653 -1.6%
	Net income	6,963 2.0%	-17,535 -5.3%	-9,382 -3.5%	21,629 6.9%	24,463 6.9%
Net sales by region (Lower: Net sales ratio)	Japan	198,401 56.5%	192,188 57.6%	158,643 59.5%	172,494 54.8%	191,341 53.7%
	Americas	59,866 17.1%	54,903 16.5%	39,867 14.9%	54,092 17.2%	66,628 18.7%
	Europe	34,178 9.7%	26,842 8.0%	18,178 6.8%	25,744 8.2%	26,669 7.5%
	Asia and other areas	58,519 16.7%	59,699 17.9%	49,989 18.7%	62,586 19.9%	71,973 20.2%
	Total	350,966 100.0%	333,634 100.0%	266,678 100.0%	314,917 100.0%	356,612 100.0%
Capital expenditures		14,313	26,550	9,727	6,317	7,581
Depreciation and amortization		9,924	10,882	11,691	12,917	14,422
R&D expenditures		16,636	15,032	12,429	12,287	12,981
Ratio of R&D expenditures to net sales		4.7%	4.5%	4.7%	3.9%	3.6%
Inventories		51,319	50,930	51,948	54,878	56,051
Inventory turnover ratio (times)		6.8	6.6	5.1	5.7	6.4
Interest-bearing debts	Loans	222,203	230,982	251,692	223,847	226,366
	Bonds	30,000	30,000	80,000	80,000	80,000
	Total	252,203	260,982	331,692	303,847	306,366
Major management indicators	Ordinary income ratio to total assets	0.6%	1.3%	-0.9%	1.7%	3.9%
	Return on assets (ROA)	1.2%	-3.0%	-1.6%	3.5%	3.9%
	Return on equity (ROE)	4.0%	-11.3%	-6.9%	15.4%	15.4%
	Shareholder's equity ratio	28.6%	24.4%	21.2%	24.0%	26.3%
	Net assets per share (yen)	320.53	261.97	250.74	277.43	321.41
	Net income per share (yen)	13.11	-33.01	-17.66	40.74	46.08
Employees (persons)		5,892	5,953	5,948	5,756	5,647