

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 2, 2024

**Consolidated Financial Results**  
**for the Three Months Ended June 30, 2024**  
**[Under Japanese GAAP]**  
**(Unaudited)**

Company name: NTN Corporation  
Listing: Tokyo Stock Exchange  
Securities code: 6472  
URL: <https://www.ntnglobal.com>  
Representative: Eiichi Ukai, President, Executive Officer  
Inquiries: Masaaki Yamamoto, Executive Officer, CFO  
Telephone: +81-6-6443-5001  
Scheduled date to commence dividend payments: –  
Preparation of supplementary material of the 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 three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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

|                    | Net sales       |      | Operating income |       | Ordinary income |      | Profit attributable to owners of parent |        |
|--------------------|-----------------|------|------------------|-------|-----------------|------|---|--------|
| Three months ended | Millions of yen | %    | Millions of yen  | %     | Millions of yen | %    | Millions of yen                         | %      |
| June 30, 2024      | 210,809         | 5.0  | 4,532            | 204.2 | 2,200           | 14.2 | 170                                     | (89.6) |
| June 30, 2023      | 200,768         | 16.3 | 1,490            | –     | 1,925           | –    | 1,641                                   | –      |

Note: Comprehensive income: For the three months ended June 30, 2024: 15,974 million yen [(24.8%)]  
For the three months ended June 30, 2023: 21,255 million yen [31.1%]

|                    | Net income per share | Diluted net income per share |
|--------------------|----------------------|------------------------------|
| Three months ended | Yen                  | Yen                          |
| June 30, 2024      | 0.32                 | 0.27                         |
| June 30, 2023      | 3.09                 | –                            |

(2) Consolidated financial position

|               | Total assets    | Net assets      | Equity ratio |
|---------------|-----------------|-----------------|--------------|
| As of         | Millions of yen | Millions of yen | %            |
| June 30, 2024 | 935,873         | 294,116         | 29.6         |
| June 30, 2023 | 910,252         | 280,822         | 29.0         |

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)

As of June 30, 2024: 276,703 million yen  
As of June 30, 2023: 264,330 million yen

## 2. Cash dividends

|  | Annual dividends per share |                    |                   |                 |       |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
|  | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
|  | Yen                        | Yen                | Yen               | Yen             | Yen   |
| Fiscal year ended March 31, 2024             | —                          | 5.00               | —                 | 5.00            | 10.00 |
| Fiscal year ending March 31, 2025            | —                          |                    |                   |                 |       |
| Fiscal year ending March 31, 2025 (forecast) |                            | 5.50               | —                 | 5.50            | 11.00 |

Note: Revision to the most recently published forecast of dividends: None

## 3. Forecast of consolidated earnings for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025) (Percentages 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                  |
| Six months ending September 30, 2024 | 430,000         | 5.0 | 11,000           | 62.6 | 6,000           | 22.9 | 2,000                                   | (51.5) | 3.77                 |
| Full year                            | 860,000         | 2.8 | 32,000           | 13.7 | 22,000          | 10.0 | 5,000                                   | (52.7) | 9.42                 |

Notes: Revision to the most recently published forecast of dividends: Yes  
Please refer to "Notice Regarding Forecast" issued today (on August 2, 2024).

### \* Notes to consolidated financial statements

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting method specific to the preparation of quarterly consolidated financial statements: Yes  
(Note) For further details, refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (4) Notes to Quarterly Consolidated Financial Statements," (Notes to Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements) on page 10 of the attached documents.

(3) Changes in accounting principles and accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(4) Number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

As of June 30, 2024: 532,463,527 shares

As of March 31, 2024: 532,463,527 shares

2) Number of treasury stock at the end of the period:

As of June 30, 2024: 1,200,831 shares

As of March 31, 2024: 1,494,526 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 531,042,200 shares

Three months ended June 30, 2023: 530,905,266 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* Explanation on the appropriate utilization of earnings forecasts and other special notes

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 earnings forecasts, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2024, (3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 4 of the attached documents.

[Contents of the Attached Documents]

|   |    |
|---|----|
| 1. Quantitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2024..... | 2  |
| (1) Explanation Regarding Operating Results .....   | 2  |
| (2) Explanation Regarding Financial Position.....   | 3  |
| (3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements.....                   | 4  |
| 2. Quarterly Consolidated Financial Statements and Major Notes.....   | 5  |
| (1) Quarterly Consolidated Balance Sheets.....  | 5  |
| (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income         | 7  |
| (Quarterly Consolidated Statements of Income) .....   | 7  |
| (Quarterly Consolidated Statements of Comprehensive Income) .....   | 8  |
| (3) Quarterly Consolidated Statements of Cash Flows .....   | 9  |
| (4) Notes to Quarterly Consolidated Financial Statements .....  | 10 |
| (Notes to Going Concern Assumption) .....   | 10 |
| (Notes to Significant Changes in Shareholders' Equity).....   | 10 |
| (Notes to Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements) .....         | 10 |
| (Notes to Quarterly Consolidated Balance Sheets).....   | 10 |
| (Notes to Segment Information, etc.).....   | 11 |
| (Significant Subsequent Events).....  | 11 |
| 3. Supplementary Information.....   | 12 |
| (1) Explanatory Materials.....  | 12 |

# 1. Quantitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2024

## (1) Explanation Regarding Operating Results

The global economy during the first three months of the current fiscal year (from April 1, 2024 to June 30, 2024) continued to pick up, although some areas showed signs of a slowdown. The Japanese economy gradually recovered as personal consumption, capital investment, and the employment situation recovered or improved, although there were signs of a standstill due to the suspension of production and shipments by some automobile manufacturers. Overseas, the U.S. economy expanded despite concerns about the effects of monetary tightening. The Chinese economy showed signs of picking up due to policy effects, whereas other emerging Asian economies continued to show signs of gradual recovery. The European economy was weakening mainly due to the energy situation and monetary tightening.

Under these circumstances, the Company will continue to accelerate the transformation of our business structure, set forth in the New Medium-term Management Plan “DRIVE NTN100” Final, which started in April 2024 and complete the revitalization of NTN, focusing on the implementation of business structure reforms, mainly production restructuring, and the enhancement of “earning power” through strengthening SQCCD.

Net sales for the first three months amounted to 210,809 million yen (up 5.0% year on year). Regarding profit and loss, operating income amounted to 4,532 million yen (up 204.2% year on year), and ordinary income amounted to 2,200 million yen (up 14.2% year on year), mainly due to price pass-on measures and reduction of proportional expenses. Profit attributable to owners of parent was 170 million yen (down 89.6% year on year) mainly due to the impact of tax effects.

Operating results by reporting segment (company location) were as follows. As described below, the business classification in each segment has been changed to “Bearing and Others business” and “CVJ/Axle business” beginning from the first three months of the current fiscal year.

### (1) Japan

In the Bearing and Others business, sales in aftermarket applications decreased in industrial machinery aftermarket applications. Sales in industrial machinery applications decreased in gearboxes and construction machinery. Sales in automotive applications increased mainly due to recovered customer demand. In the CVJ/Axle business, sales in automotive applications increased mainly due to recovered customer demand. As a result, net sales amounted to 86,830 million yen (up 0.8% year on year). Segment income amounted to 3,048 million yen (up 97.5% year on year) mainly due to the impact of price pass-on measures and exchange rates.

### (2) Americas

In the Bearing and Others business, sales in aftermarket applications decreased mainly in industrial machinery aftermarket applications. Sales in industrial machinery applications increased in construction machinery and others. Sales in automotive applications decreased mainly due to decreased customer demand. In the CVJ/Axle business, sales in aftermarket applications decreased in automotive aftermarket applications. Sales in automotive applications increased mainly due to recovered customer demand. As a result, net sales amounted to 75,118 million yen (up 15.4% year on year). Segment income was 620 million yen (segment loss of 1,983 million yen in the same period of the previous fiscal year) mainly due to price pass-on measures and the reduction of proportional expenses.

### (3) Europe

In the Bearing and Others business, sales in aftermarket applications decreased in both industrial machinery aftermarket applications and automotive aftermarket applications. Sales in industrial machinery applications decreased in agricultural machinery and gearboxes. Sales in automotive applications decreased mainly due to decreased customer demand. In the CVJ/Axle business, sales in aftermarket applications decreased in automotive aftermarket applications. Sales in automotive applications decreased mainly due to decreased customer demand. As a result, net sales amounted to 50,623 million yen (up 6.5% year on year), partly due to the impact of foreign exchange rates. Segment loss was 1,299 million yen (segment loss of 1,001 million yen in the same period of the previous fiscal year) mainly due to a decrease in the scale of sales, despite price pass-on measures.

### (4) Asia and other areas

In the Bearing and Others business, sales in aftermarket applications decreased in both industrial machinery aftermarket applications and automotive aftermarket applications. Sales in industrial machinery applications decreased mainly in wind turbines. Sales in automotive applications decreased mainly due to decreased customer demand. In the CVJ/Axle business, sales in aftermarket

applications decreased in automotive aftermarket applications. Sales in automotive applications decreased mainly due to decreased customer demand. As a result, net sales amounted to 41,543 million yen (up 2.5% year on year) partly due to the impact of foreign exchange rates. Segment income was 3,514 million yen (up 37.2% year on year) mainly due to the reduction of proportional expenses and the impact of foreign exchange rates, despite the impact of a decrease in the scale of sales.

The Company has changed the classification of operating results by business sector from “aftermarket applications,” “industrial machinery applications,” and “automotive applications,” which was previously based on the similarity of face-to-face markets, to “Bearing and Others business” and “CVJ/Axle business,” effective from the first three months of the current consolidated fiscal year.

This change was made due to the change from a market-oriented organization to a product-oriented organization in the New Medium-term Management Plan “DRIVE NTN100” Final, which started from the first three months of the current fiscal year, with the aim of improving profit margins in OEM applications and strengthening supply capacity for aftermarket applications. As a result, the figures for the first three months of the previous fiscal year have been reclassified to reflect these changes. There are no changes in reportable segments as a result of these changes.

Operating results by business sector based on the above-mentioned classification after the change were as follows.

(1) Bearing and Others business

Net sales amounted to 84,342 million yen (down 3.6% year on year) mainly due to decreased customer demand. Operating income amounted to 3,299 million yen (down 13.9% year on year) mainly due to a decrease in the scale of sales, despite price pass-on measures and a decrease in common expenses resulting from a review of the allocation of expenses.

(2) CVJ/Axle business

Net sales amounted to 126,466 million yen (up 11.7% year on year) mainly due to recovered customer demand. Operating income amounted to 1,233 million yen (operating loss of 2,341 million yen in the same period of the previous fiscal year) mainly due to price pass-on measures and the reduction of proportional expenses, despite an increase in common expenses resulting from a review of the allocation of expenses.

(2) Explanation Regarding Financial Position

(Assets, liabilities, and net assets)

Current assets increased 20,824 million yen (up 3.7%) from the previous fiscal year end and amounted to 583,752 million yen. This is mainly due to an increase of 10,234 million yen in cash and bank deposits and an increase of 9,419 million yen in electronically-recorded monetary claims. Fixed assets increased 4,796 million yen (up 1.4%) from the previous fiscal year end and amounted to 352,120 million yen. This is mainly due to an increase of 4,902 million yen in property, plant and equipment and a decrease of 999 million yen in intangible assets. As a result, total assets increased 25,621 million yen (up 2.8%) from the previous fiscal year end and amounted to 935,873 million yen.

Current liabilities increased 19,650 million yen (up 5.5%) from the previous fiscal year end and amounted to 379,556 million yen. This is mainly due to an increase of 26,223 million yen in short-term loans, a decrease of 3,507 million yen in other, including accrued expenses, and a decrease of 3,196 million yen in electronically-recorded monetary claims. Fixed liabilities decreased 7,324 million yen (down 2.7%) from the previous fiscal year end and amounted to 262,199 million yen. This is mainly due to a decrease of 7,541 million yen in long-term loans. As a result, total liabilities increased 12,326 million yen (up 2.0%) from the previous fiscal year end and amounted to 641,756 million yen.

Total net assets increased 13,294 million yen (up 4.7%) from the previous fiscal year end and amounted to 294,116 million yen. This is mainly due to an increase of 14,896 million yen in translation adjustments.

(Cash flows)

Net cash provided by operating activities amounted to 926 million yen (down 15,836 million yen, or 94.5%, year on year). This was mainly due to the cash inflow factor of 10,641 million yen in depreciation and amortization, an increase of 5,498 million yen in trade receivables, and the expenditure of 4,053 million yen in income taxes paid.

Net cash used in investing activities amounted to 5,492 million yen (up 800 million yen, or 17.1%, year on year). This was mainly due to the expenditure of 5,091 million yen in purchase of property, plant and equipment.

Net cash provided in financing activities amounted to 10,543 million yen (the expenditure of 9,678 million yen in the same period of the previous fiscal year). This was mainly due to an increase of 21,184 million yen in short-term loans, partially offset by the cash outflow factors of 7,018 million yen in repayment of long-term loans and 2,658 million yen in dividend payment.

After adding 4,336 million yen of the effect of exchange rate changes, cash and cash equivalents as of June 30, 2024 was 137,580 million yen, an increase of 10,313 million yen (up 8.1%) from the previous fiscal year end.

(3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements

Please refer to “Notice Regarding Forecast” issued today (on August 2, 2024).

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(In million yen)

|   | As of March 31, 2024 | As of June 30, 2024 |
|---|----------------------|---------------------|
| <b>Assets</b>                           |                      |                     |
| Current assets                          |                      |                     |
| Cash and bank deposits                  | 130,035              | 140,269             |
| Notes and accounts receivable-trade     | 120,554              | 120,938             |
| Electronically-recorded monetary claims | 7,334                | 16,753              |
| Finished goods & purchased goods        | 136,103              | 140,135             |
| Work in process                         | 65,046               | 67,859              |
| Raw materials and supplies              | 63,645               | 65,896              |
| Short-term loans receivable             | 61                   | 58                  |
| Other                                   | 41,287               | 33,034              |
| Allowance for doubtful accounts         | (1,140)              | (1,193)             |
| Total current assets                    | 562,928              | 583,752             |
| Fixed assets                            |                      |                     |
| Property, plant and equipment           |                      |                     |
| Buildings and structures                | 91,207               | 92,626              |
| Machinery, equipment and vehicles, net  | 123,805              | 126,938             |
| Other, net                              | 56,054               | 56,406              |
| Total property, plant and equipment     | 271,068              | 275,970             |
| Intangible assets                       |                      |                     |
| Goodwill                                | 1,554                | 1,500               |
| Other                                   | 33,878               | 32,932              |
| Total intangible fixed assets           | 35,432               | 34,433              |
| Investments and other assets            |                      |                     |
| Investment securities                   | 22,270               | 22,743              |
| Deferred tax assets                     | 7,336                | 7,321               |
| Assets for retirement benefits          | 6,304                | 6,610               |
| Other                                   | 5,881                | 6,024               |
| Allowance for doubtful accounts         | (969)                | (983)               |
| Total investments and other assets      | 40,823               | 41,716              |
| Total fixed assets                      | 347,324              | 352,120             |
| Total assets                            | 910,252              | 935,873             |



(In million yen)

|   | As of March 31, 2024 | As of June 30, 2024 |
|---|----------------------|---------------------|
| <b>Liabilities</b>  |                      |                     |
| Current liabilities                                       |                      |                     |
| Notes and accounts payable-trade                          | 65,462               | 68,021              |
| Electronically-recorded monetary claims                   | 73,245               | 70,049              |
| Short-term loans  | 125,714              | 151,937             |
| Current portion of bonds payable                          | 10,000               | 10,000              |
| Accrued income taxes                                      | 7,148                | 4,797               |
| Accrued bonuses for directors and other officers          | 116                  | 39                  |
| Other   | 78,218               | 74,711              |
| Total current liabilities                                 | 359,906              | 379,556             |
| Long-term liabilities                                     |                      |                     |
| Bonds   | 70,000               | 70,000              |
| Convertible-bond-type bonds with share acquisition rights | 22,084               | 22,072              |
| Long-term loans   | 134,264              | 126,723             |
| Provision for product defect compensation                 | 743                  | 710                 |
| Liabilities for retirement benefits                       | 21,577               | 21,880              |
| Other   | 20,853               | 20,812              |
| Total long-term liabilities                               | 269,523              | 262,199             |
| Total liabilities   | 629,430              | 641,756             |
| <b>Net assets</b>   |                      |                     |
| Shareholders' equity                                      |                      |                     |
| Common stock  | 54,346               | 54,346              |
| Additional paid-in capital                                | 67,970               | 67,970              |
| Retained earnings   | 75,770               | 73,283              |
| Treasury stock  | (834)                | (745)               |
| Total shareholders' equity                                | 197,253              | 194,854             |
| Accumulated other comprehensive income                    |                      |                     |
| Net unrealized holding gain on other securities           | 211                  | 252                 |
| Translation adjustments                                   | 57,533               | 72,429              |
| Remeasurements of defined benefit plans                   | 9,332                | 9,166               |
| Total accumulated other comprehensive income              | 67,076               | 81,848              |
| Non-controlling shareholders' equity                      | 16,491               | 17,413              |
| Total net assets  | 280,822              | 294,116             |
| Total liabilities and net assets                          | 910,252              | 935,873             |

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

(In million yen)

|   | Three months ended<br>June 30, 2023<br>(April 1, 2023–June 30, 2023) | Three months ended<br>June 30, 2024<br>(April 1, 2024–June 30, 2024) |
|---|--|--|
| Net sales   | 200,768  | 210,809  |
| Cost of sales   | 170,468  | 175,687  |
| Gross profit  | 30,300   | 35,122   |
| Selling, general and administrative expenses                              | 28,810   | 30,589   |
| Operating income  | 1,490  | 4,532  |
| Non-operating income:   |  |  |
| Interest income   | 309  | 498  |
| Dividend income   | 101  | 75   |
| Share of profit of entities accounted for using equity method             | 165  | 170  |
| Foreign exchange gains  | 3,799  | —  |
| Other   | 580  | 460  |
| Total non-operating income  | 4,957  | 1,204  |
| Non-operating expenses:   |  |  |
| Interest expenses   | 1,888  | 2,317  |
| Foreign exchange losses   | —  | 438  |
| Other   | 2,633  | 782  |
| Total non-operating expenses  | 4,521  | 3,537  |
| Ordinary income   | 1,925  | 2,200  |
| Income before income taxes and equity in earnings of affiliated companies | 1,925  | 2,200  |
| Income and other taxes  | (65)   | 1,721  |
| Net income  | 1,991  | 478  |
| Profit attributable to non-controlling shareholders                       | 350  | 307  |
| Profit (loss) attributable to owners of parent                            | 1,641  | 170  |

(Quarterly Consolidated Statements of Comprehensive Income)

|   | (In million yen)   |  |
|---|--|--|
|   | Three months ended<br>June 30, 2023<br>(April 1, 2023–June 30, 2023) | Three months ended<br>June 30, 2024<br>(April 1, 2024–June 30, 2024) |
| Net income  | 1,991  | 478  |
| Other comprehensive income:                                       |  |  |
| Net unrealized holding gain on other securities                   | 674  | 41   |
| Translation adjustments   | 17,930   | 14,928   |
| Remeasurements of defined benefit plans                           | 426  | (176)  |
| Equity in equity-method affiliates                                | 231  | 702  |
| Total other comprehensive income                                  | 19,263   | 15,495   |
| Comprehensive income  | 21,255   | 15,974   |
| (Breakdown)   |  |  |
| Comprehensive income attributable to owners of parent             | 20,429   | 14,942   |
| Comprehensive income attributable to non-controlling shareholders | 825  | 1,031  |

### (3) Quarterly Consolidated Statements of Cash Flows

(In million yen)

|   | Three months ended<br>June 30, 2023<br>(April 1, 2023–June 30, 2023) | Three months ended<br>June 30, 2024<br>(April 1, 2024–June 30, 2024) |
|---|--|--|
| Cash flows from operating activities  |  |  |
| Income before income taxes and equity in earnings of affiliated companies                       | 1,925  | 2,200  |
| Depreciation and amortization   | 10,330   | 10,641   |
| Goodwill depreciation   | 53   | 53   |
| Increase (decrease) in allowance for doubtful accounts  | 710  | 14   |
| Increase (decrease) in accrued retirement benefits for directors and statutory auditor          | (83)   | (77)   |
| Increase (decrease) in provision for product defect compensation                                | (16)   | (33)   |
| Increase (decrease) in liabilities in retirement benefits                                       | (98)   | (114)  |
| Decrease (increase) in assets for retirement benefits   | (274)  | (268)  |
| Interest and dividend income  | (411)  | (574)  |
| Interest expenses   | 1,888  | 2,317  |
| Foreign currency translation adjustments / foreign exchange losses (gains)                      | (5,969)  | (3,034)  |
| Share of loss (profit) of entities accounted for using equity method                            | (165)  | (170)  |
| Decrease (increase) in trade receivables  | 8,283  | (5,498)  |
| Decrease (increase) in inventories  | (1,709)  | 1,080  |
| Increase (decrease) in trade payables   | 622  | (2,863)  |
| Other   | 4,801  | 3,061  |
| Subtotal  | 19,888   | 6,735  |
| Interest and dividend income received   | 628  | 965  |
| Interest paid   | (2,193)  | (2,720)  |
| Income taxes paid   | (1,560)  | (4,053)  |
| Net cash provided by operating activities   | 16,762   | 926  |
| Cash flows from investing activities  |  |  |
| Increase in time deposits   | (235)  | (0)  |
| Decrease in time deposits   | 505  | 176  |
| Purchase of property, plant and equipment   | (4,478)  | (5,091)  |
| Purchase of intangible assets   | (647)  | (628)  |
| Decrease (increase) in short-term loans receivable, net   | 0  | 4  |
| Other   | 162  | 46   |
| Net cash used in investing activities   | (4,692)  | (5,492)  |
| Cash flows from financing activities  |  |  |
| Increase (decrease) in short-term loans, net  | 4,819  | 21,184   |
| Proceeds from long-term loans   | 26,001   | –  |
| Repayment of long-term loans  | (38,175)   | (7,018)  |
| Dividend payment  | (1,329)  | (2,658)  |
| Repayment of lease payable  | (946)  | (942)  |
| Other   | (50)   | (21)   |
| Net cash provided by (used in) financing activities   | (9,678)  | 10,543   |
| Effect of exchange rate changes on cash and cash equivalents                                    | 3,958  | 4,336  |
| Increase (decrease) in cash and cash equivalents  | 6,348  | 10,313   |
| Cash and cash equivalents at beginning of the year  | 110,675  | 127,266  |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 184  | –  |
| Cash and cash equivalents, at end of the quarter  | 117,209  | 137,580  |

(4) Notes to Quarterly Consolidated Financial Statements  
(Notes to Going Concern Assumption)  
Not applicable.

(Notes to Significant Changes in Shareholders' Equity)  
Not applicable.

(Notes to Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements)  
(Calculation of tax expenses)

Tax expenses are calculated by multiplying quarterly income before income taxes by an effective tax rate reasonably estimated based on income before income taxes for the full fiscal year, including the first three months under review, after the application of tax effect accounting. However, in cases where calculating tax expenses using a reasonably estimated effective tax rate yields a result that is notably lacking rationality, then, tax expenses are calculated using the statutory effective tax rate.

(Notes to Quarterly Consolidated Balance Sheets)

1 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, 2024 | As of June 30, 2024 |
|---------------------------------------|----------------------|---------------------|
| PT. Astra NTN<br>Driveshaft Indonesia | 140                  | 96                  |

(Lawsuits, etc.)

(1) A lawsuit was filed against the Company and its two consolidated subsidiaries in Europe before the France Tribunal de Commerce de Lyon (hereafter "Lyon Tribunal") by Renault S.A. and its group companies, which are 15 in total (hereafter, "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, and seeking compensation of 58.3 million euros for damages as of April 2022. On November 10, 2023, the Lyon Tribunal issued a judgment rejecting Renault's claim and dismissing the lawsuit. On December 8, 2023, Renault appealed against the judgment to the Cour d'appel de Paris.

(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.

(Notes to Segment Information, etc.)

I. Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

1. Information related to sales, income or losses for individual reporting segments

(In million yen)

|   | Reporting segment |          |         |                         |         | Adjustments<br>(Note) 1 | Balance<br>sheet<br>amount |
|---|-------------------|----------|---------|-------------------------|---------|-------------------------|----------------------------|
|   | Japan             | Americas | Europe  | Asia and<br>other areas | Total   |                         |                            |
| Net sales                                   |                   |          |         |                         |         |                         |                            |
| Sales to external customers                 | 52,447            | 64,192   | 46,209  | 37,919                  | 200,768 | —                       | 200,768                    |
| Inter-segment sales or transfers            | 33,664            | 927      | 1,333   | 2,596                   | 38,521  | (38,521)                | —                          |
| Total                                       | 86,111            | 65,119   | 47,542  | 40,515                  | 239,289 | (38,521)                | 200,768                    |
| Segment income<br>(Operating income (loss)) | 1,543             | (1,983)  | (1,001) | 2,562                   | 1,120   | 369                     | 1,490                      |

(Notes) 1. "Adjustments" refers to elimination of all inter-segment transactions.

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

II. Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

1. Information related to sales, income or losses for individual reporting segments

(In million yen)

|   | Reporting segment |          |         |                         |         | Adjustments<br>(Note) 1 | Balance<br>sheet<br>amount |
|---|-------------------|----------|---------|-------------------------|---------|-------------------------|----------------------------|
|   | Japan             | Americas | Europe  | Asia and<br>other areas | Total   |                         |                            |
| Net sales                                   |                   |          |         |                         |         |                         |                            |
| Sales to external customers                 | 50,292            | 73,751   | 49,340  | 37,424                  | 210,809 | —                       | 210,809                    |
| Inter-segment sales or transfers            | 36,537            | 1,367    | 1,283   | 4,118                   | 43,306  | (43,306)                | —                          |
| Total                                       | 86,830            | 75,118   | 50,623  | 41,543                  | 254,116 | (43,306)                | 210,809                    |
| Segment income<br>(Operating income (loss)) | 3,048             | 620      | (1,299) | 3,514                   | 5,884   | (1,351)                 | 4,532                      |

(Notes) 1. "Adjustments" refers to elimination of all inter-segment transactions.

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

(Significant Subsequent Events)

Not applicable

### 3. Supplementary Information

#### (1) Explanatory Materials

(In millions of yen, unless otherwise indicated)

|  |                      |                  | FY2023   |          |          |          |           | FY2024   |
|--|----------------------|------------------|----------|----------|----------|----------|-----------|----------|
|  |                      |                  | 1Q       | 2Q       | 3Q       | 4Q       | Full year | 1Q       |
| Consolidated operating results<br>(Lower: Net sales ratio) | Net sales            |                  | 200,768  | 208,878  | 210,898  | 215,739  | 836,285   | 210,809  |
|  |                      |                  | 100.0%   | 100.0%   | 100.0%   | 100.0%   | 100.0%    | 100.0%   |
|  | Operating income     |                  | 1,490    | 5,273    | 8,630    | 12,755   | 28,149    | 4,532    |
|  |                      |                  | 0.7%     | 2.5%     | 4.1%     | 5.9%     | 3.4%      | 2.2%     |
|  | Ordinary income      |                  | 1,925    | 2,957    | 4,897    | 10,219   | 20,001    | 2,200    |
|  |                      |                  | 1.0%     | 1.4%     | 2.3%     | 4.7%     | 2.4%      | 1.0%     |
| Net sales by region<br>(Lower: Net sales ratio)            | Japan                |                  | 50,808   | 53,857   | 55,652   | 49,707   | 210,025   | 49,142   |
|  |                      |                  | 25.3%    | 25.8%    | 26.4%    | 23.0%    | 25.1%     | 23.3%    |
|  | Americas             |                  | 64,919   | 68,301   | 66,710   | 74,795   | 274,726   | 74,473   |
|  |                      |                  | 32.3%    | 32.7%    | 31.6%    | 34.7%    | 32.9%     | 35.3%    |
|  | Europe               |                  | 43,033   | 41,134   | 39,720   | 47,571   | 171,460   | 44,835   |
|  |                      |                  | 21.4%    | 19.7%    | 18.8%    | 22.1%    | 20.5%     | 21.3%    |
| Net sales/<br>Operating income by location                 | Asia and other areas |                  | 42,007   | 45,585   | 48,814   | 43,666   | 180,074   | 42,358   |
|  |                      |                  | 20.9%    | 21.8%    | 23.1%    | 20.2%    | 21.5%     | 20.1%    |
|  | Total                |                  | 200,768  | 208,878  | 210,898  | 215,739  | 836,285   | 210,809  |
|  |                      |                  | 100.0%   | 100.0%   | 100.0%   | 100.0%   | 100.0%    | 100.0%   |
|  | Japan                | Net sales        | 86,111   | 93,968   | 96,480   | 87,896   | 364,457   | 86,830   |
|  |                      | Operating income | 1,543    | 2,638    | 5,948    | 5,091    | 15,222    | 3,048    |
|  |                      | Operating margin | 1.8%     | 2.8%     | 6.2%     | 5.8%     | 4.2%      | 3.5%     |
|  | Americas             | Net sales        | 65,119   | 68,736   | 67,242   | 75,312   | 276,411   | 75,118   |
|  |                      | Operating income | (1,983)  | (397)    | (71)     | 2,254    | (198)     | 620      |
|  |                      | Operating margin | (3.0%)   | (0.6%)   | (0.1%)   | 3.0%     | (0.1%)    | 0.8%     |
|  | Europe               | Net sales        | 47,542   | 45,108   | 47,175   | 53,677   | 193,504   | 50,623   |
|  |                      | Operating income | (1,001)  | (1,144)  | (1,473)  | 1,392    | (2,227)   | (1,299)  |
|  |                      | Operating margin | (2.1%)   | (2.5%)   | (3.1%)   | 2.6%     | (1.2%)    | (2.6%)   |
|  | Asia and other areas | Net sales        | 40,515   | 45,001   | 45,571   | 42,972   | 174,061   | 41,543   |
|  |                      | Operating income | 2,562    | 4,478    | 4,977    | 3,778    | 15,796    | 3,514    |
|  |                      | Operating margin | 6.3%     | 10.0%    | 10.9%    | 8.8%     | 9.1%      | 8.5%     |
|  | Deletion             | Net sales        | (38,521) | (43,936) | (45,572) | (44,119) | (172,150) | (43,306) |
|  |                      | Operating income | 369      | (301)    | (750)    | 238      | (444)     | (1,351)  |
|  | Total                | Net sales        | 200,768  | 208,878  | 210,898  | 215,739  | 836,285   | 210,809  |
|  |                      | Operating income | 1,490    | 5,273    | 8,630    | 12,755   | 28,149    | 4,532    |
|  |                      | Operating margin | 0.7%     | 2.5%     | 4.1%     | 5.9%     | 3.4%      | 2.2%     |

(In millions of yen, unless otherwise indicated)

|   |   |                  | FY2023  |         |         |         |           | FY2024  |
|---|---|------------------|---------|---------|---------|---------|-----------|---------|
|   |   |                  | 1Q      | 2Q      | 3Q      | 4Q      | Full year | 1Q      |
| Net sales/<br>Operating income by business applications | Bearing and Others  | Net sales        | 87,513  | 88,169  | 83,089  | 88,004  | 346,777   | 84,342  |
|   |   | Operating income | 3,831   | 3,341   | 4,496   | 6,030   | 17,699    | 3,299   |
|   |   | Operating margin | 4.4%    | 3.8%    | 5.4%    | 6.9%    | 5.1%      | 3.9%    |
|   | CVJ/Axle  | Net sales        | 113,255 | 120,708 | 127,808 | 127,735 | 489,508   | 126,466 |
|   |   | Operating income | (2,341) | 1,932   | 4,133   | 6,725   | 10,449    | 1,233   |
|   |   | Operating margin | (2.1%)  | 1.6%    | 3.2%    | 5.3%    | 2.1%      | 1.0%    |
|   | Total   | Net sales        | 200,768 | 208,878 | 210,898 | 215,739 | 836,285   | 210,809 |
|   |   | Operating income | 1,490   | 5,273   | 8,630   | 12,755  | 28,149    | 4,532   |
|   |   | Operating margin | 0.7%    | 2.5%    | 4.1%    | 5.9%    | 3.4%      | 2.2%    |
| Capital expenditures<br>/Depreciation and amortization  | Capital expenditures                                      |                  | 4,446   | 6,026   | 4,923   | 11,193  | 26,589    | 5,129   |
|   | Depreciation and amortization                             | Domestic         | 4,071   | 3,966   | 3,948   | 4,104   | 16,090    | 4,042   |
|   |   | Overseas         | 6,258   | 6,398   | 6,440   | 6,614   | 25,711    | 6,599   |
|   | Total   |                  | 10,330  | 10,364  | 10,388  | 10,719  | 41,802    | 10,641  |
| R&D expenditures  |   |                  | 4,738   | 4,192   | 4,694   | 4,609   | 18,234    | 4,874   |
| Ratio of R&D expenditures to net sales                  |   |                  | 2.4%    | 2.0%    | 2.2%    | 2.1%    | 2.2%      | 2.3%    |
| Inventories   |   |                  | 255,016 | 256,104 | 259,151 | 264,794 | 264,794   | 273,891 |
| Inventory turnover ratio (times)                        |   |                  | 3.1     | 3.3     | 3.3     | 3.3     | 3.2       | 3.1     |
| Interest-bearing debts                                  | Loans   |                  | 290,908 | 285,459 | 276,549 | 259,979 | 259,979   | 278,661 |
|   | Bonds   |                  | 80,000  | 80,000  | 80,000  | 80,000  | 80,000    | 80,000  |
|   | Convertible-bond-type bonds with share acquisition rights |                  | —       | 22,108  | 22,096  | 22,084  | 22,084    | 22,072  |
|   | Total   |                  | 370,908 | 387,568 | 378,645 | 362,064 | 362,064   | 380,733 |
| Major management indicators                             | Ordinary income ratio to total assets                     |                  | 0.9%    | 1.3%    | 2.1%    | 4.5%    | 2.2%      | 1.0%    |
|   | Return on assets (ROA)                                    |                  | 0.7%    | 1.1%    | 1.6%    | 1.3%    | 1.2%      | 0.1%    |
|   | Return on equity (ROE)                                    |                  | 2.9%    | 4.1%    | 5.8%    | 4.6%    | 4.4%      | 0.3%    |
|   | Shareholder's equity ratio                                |                  | 26.7%   | 26.8%   | 26.7%   | 29.0%   | 29.0%     | 29.6%   |
|   | Net assets per share (yen)                                |                  | 451.65  | 465.72  | 454.55  | 497.83  | 497.83    | 520.84  |
|   | Net income per share (yen)                                |                  | 3.09    | 4.68    | 6.70    | 5.44    | 19.91     | 0.32    |
| Employees   | Domestic (persons)  |                  | 8,522   | 8,428   | 8,378   | 8,285   | 8,285     | 8,468   |
|   | Overseas (persons)  |                  | 14,221  | 14,287  | 14,406  | 14,332  | 14,332    | 14,210  |
|   | Total (persons)   |                  | 22,743  | 22,715  | 22,784  | 22,617  | 22,617    | 22,678  |
| Exchange rates<br>At term end                           | Average   | Dollar (yen)     | 137.20  | 144.48  | 147.85  | 148.35  | 144.47    | 155.73  |
|   |   | Euro (yen)       | 149.39  | 157.22  | 159.04  | 161.10  | 156.69    | 167.67  |
|   |   | Dollar (yen)     | 144.76  | 149.29  | 141.42  | 151.39  | 151.39    | 160.75  |
|   |   | Euro (yen)       | 157.27  | 157.72  | 156.44  | 163.33  | 163.33    | 172.09  |