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October 31, 2024

Consolidated Financial Results
for the Six Months Ended September 30, 2024
[Under Japanese GAAP]
(Unaudited)

Company name: NTN Corporation
Listing: Tokyo Stock Exchange
Securities code: 6472
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Scheduled date to file semi-annual securities report: November 7, 2024
Scheduled date to commence dividend payments: December 2, 2024
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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	413,947	1.0	9,949	47.1	3,483	(28.7)	(2,125)	—
September 30, 2023	409,647	10.2	6,763	75.2	4,883	35.9	4,124	—

Note: Comprehensive income: For the six months ended September 30, 2024: (8,462) million yen [—]
For the six months ended September 30, 2023: 29,476 million yen [39.6%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2024	(4.01)	—
September 30, 2023	7.77	7.63

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	887,852	269,077	28.5
March 31, 2024	910,252	280,822	29.0

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)
As of September 30, 2024: 252,625 million yen
As of March 31, 2024: 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	—	5.50			
Fiscal year ending March 31, 2025 (forecast)			—	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
Full year	815,000	(2.5)	22,000	(21.8)	9,000	(55.0)	(16,000)	—	(30.18)

Notes: Revision to the most recently published forecast of dividends: Yes

Please refer to "Notice Regarding Difference between Forecast and Actual Results of Consolidated Earnings for the First Half of Fiscal Year Ending March 31, 2025 and Revised Full-year Earnings Forecast" issued today (on October 31, 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 semi-annual consolidated financial statements: Yes

(Note) For further details, refer to "2. Semi-annual Consolidated Financial Statements and Major Notes, (4) Notes to Semi-annual Consolidated Financial Statements," (Adoption of Accounting Method Specific to the Preparation of Semi-annual 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 September 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 September 30, 2024: 3,037,453 shares

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

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 530,651,072 shares

Six months ended September 30, 2023: 530,933,871 shares

* Semi-annual financial results reports are exempt from interim audit conducted by certified public accountants or an audit firm.

* 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 Semi-annual Consolidated Financial Results for the Six Months Ended September 30, 2024, (3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 3 of the attached documents.

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1. Quantitative Information on Semi-annual Consolidated Financial Results for the Six Months Ended September 30, 2024

(1) Explanation Regarding Operating Results

The global economy during the first six months of the current fiscal year (from April 1, 2024 to September 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 consumer spending remains sluggish in some areas. Overseas, the U.S. economy expanded despite concerns about the effects of the slowdown in the rate of increase in prices. The Chinese economy remained at a standstill despite an increase in supply due to policy effects, whereas other emerging Asian economies continued to show signs of gradual recovery. The European economy showed signs of a recovery despite some areas experiencing a slowdown.

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 six months amounted to 413,947 million yen (up 1.0% year on year). Regarding profit and loss, operating income amounted to 9,949 million yen (up 47.1% year on year) mainly due to the impact of price pass-on measures and reductions in variable costs, despite the impact of a decrease in the scale of sales. Ordinary income amounted to 3,483 million yen (down 28.7% year on year) mainly due to the impact of foreign exchange losses. Loss attributable to owners of parent was 2,125 million yen (profit attributable to owners of parent of 4,124 million yen in the same period of the previous fiscal year) mainly due to the impact of tax effects.

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

(1) Japan

In the Bearing and Others business, sales in aftermarket applications decreased. Sales in OEM applications also decreased in both industrial machinery applications and automotive applications. In the CVJ/Axle business, sales in OEM applications increased in automotive applications mainly due to recovered customer demand. As a result, net sales amounted to 175,814 million yen (down 2.4% year on year). Segment income amounted to 5,047 million yen (up 20.7% year on year) mainly due to the impact of price pass-on measures and exchange rates, despite the impact of a decrease in the scale of sales.

(2) Americas

In the Bearing and Others business, sales in aftermarket applications decreased. Sales in OEM applications increased in industrial machinery applications and decreased in automotive applications. In the CVJ/Axle business, sales in both aftermarket applications and OEM applications decreased in automotive applications mainly due to decreased customer demand. As a result, net sales amounted to 141,760 million yen (up 5.9% year on year) partly due to the impact of foreign exchange rates. Segment loss was 977 million yen (segment loss of 2,381 million yen in the same period of the previous fiscal year) despite price pass-on measures and the reduction of proportional expenses.

(3) Europe

In the Bearing and Others business, sales in aftermarket applications decreased. Sales in OEM applications also decreased in industrial machinery applications and automotive applications. In the CVJ/Axle business, sales in aftermarket applications and OEM applications increased in automotive applications mainly due to recovered customer demand. As a result, net sales amounted to 94,988 million yen (up 2.5% year on year), partly due to the impact of foreign exchange rates. Segment loss was 2,865 million yen (segment loss of 2,146 million yen in the same period of the previous fiscal year) mainly due to an increase in fixed costs and a decrease in the scale of sales, despite price pass-on measures and the reduction of proportional expenses.

(4) Asia and other areas

In the Bearing and Others business, sales in aftermarket applications decreased. Sales in OEM applications also decreased in both industrial machinery applications and automotive applications. In the CVJ/Axle business, sales in both aftermarket applications and OEM applications decreased in automotive applications mainly due to decreased customer demand. As a result, net sales amounted to 84,911 million yen (down 0.7% year on year). Segment income was 7,435 million yen (up 5.6% year on year) mainly due to the reduction of proportional expenses.

Operating results by business sector were as follows.

(1) Bearing and Others business

Net sales amounted to 168,136 million yen (down 4.3% year on year) mainly due to decreased customer demand. Operating income amounted to 6,638 million yen (down 7.5% 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 245,810 million yen (up 5.1% year on year) mainly due to the impact of foreign exchange rates, despite decreased customer demand. Operating income amounted to 3,311 million yen (operating loss of 409 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 the impact of a decrease in the scale of sales and an increase in common expenses resulting from a review of the allocation of expenses.

For more detailed analysis of operating results, etc., please refer to the presentation materials for the financial results briefing to be published on TDnet and our website on November 6, 2024.

(2) Explanation Regarding Financial Position

(Assets, liabilities, and net assets)

Current assets decreased 6,840 million yen (down 1.2%) from the previous fiscal year end and amounted to 556,088 million yen. This is mainly due to an increase of 9,974 million yen in cash and bank deposits, a decrease of 10,358 million yen in notes and accounts receivable-trade, and a decrease of 5,578 million yen in finished goods & purchased goods. Fixed assets decreased 15,560 million yen (down 4.5%) from the previous fiscal year end and amounted to 331,764 million yen. This is mainly due to a decrease of 14,679 million yen in property, plant and equipment. As a result, total assets decreased 22,400 million yen (down 2.5%) from the previous fiscal year end and amounted to 887,852 million yen.

Current liabilities increased 1,548 million yen (up 0.4%) from the previous fiscal year end and amounted to 361,454 million yen. This is mainly due to an increase of 19,498 million yen in short-term loans, a decrease of 8,880 million yen in other, including accrued expenses, and a decrease of 4,975 million yen in notes and accounts payable-trade. Fixed liabilities decreased 12,203 million yen (down 4.5%) from the previous fiscal year end and amounted to 257,320 million yen. This is mainly due to a decrease of 9,489 million yen in long-term loans. As a result, total liabilities decreased 10,655 million yen (down 1.7%) from the previous fiscal year end and amounted to 618,775 million yen.

Total net assets decreased 11,745 million yen (down 4.2%) from the previous fiscal year end and amounted to 269,077 million yen. This is mainly due to a decrease of 4,784 million yen in additional paid-in capital and a decrease of 6,183 million yen in translation adjustments.

(Cash flows)

Net cash provided by operating activities amounted to 15,339 million yen (down 20,994 million yen, or 57.8%, year on year). This was mainly due to the cash inflow factor of 21,160 million yen in depreciation and amortization and a decrease of 6,280 million yen in trade payables.

Net cash used in investing activities amounted to 12,571 million yen (up 415 million yen, or 3.4%, year on year). This was mainly due to the expenditure of 11,589 million yen in purchase of property, plant and equipment.

Net cash provided in financing activities amounted to 8,599 million yen (up 4,416 million yen, or 105.6%, year on year). This was mainly due to the cash inflow factor of an increase of 16,610 million yen in short-term loans, partially offset by 9,926 million yen in repayment of long-term loans.

After adding -1,266 million yen of the effect of exchange rate changes, cash and cash equivalents as of September 30, 2024 was 137,368 million yen, an increase of 10,101 million yen (up 7.9%) from the previous fiscal year end.

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

Please refer to "Notice Regarding Difference between Forecast and Actual Results of Consolidated Earnings for the First Half of Fiscal Year Ending March 31, 2025 and Revised Full-year Earnings Forecast" issued today (on October 31, 2024).

2. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual Consolidated Balance Sheets

(In million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and bank deposits	130,035	140,009
Notes and accounts receivable-trade	120,554	110,196
Electronically-recorded monetary claims	7,334	16,749
Finished goods & purchased goods	136,103	130,525
Work in process	65,046	63,147
Raw materials and supplies	63,645	61,593
Short-term loans receivable	61	48
Other	41,287	34,991
Allowance for doubtful accounts	(1,140)	(1,172)
Total current assets	562,928	556,088
Fixed assets		
Property, plant and equipment		
Buildings and structures	91,207	85,517
Machinery, equipment and vehicles, net	123,805	116,984
Other, net	56,054	53,888
Total property, plant and equipment	271,068	256,389
Intangible assets		
Goodwill	1,554	1,447
Other	33,878	31,586
Total intangible fixed assets	35,432	33,033
Investments and other assets		
Investment securities	22,270	23,440
Deferred tax assets	7,336	7,480
Assets for retirement benefits	6,304	6,805
Other	5,881	5,352
Allowance for doubtful accounts	(969)	(738)
Total investments and other assets	40,823	42,341
Total fixed assets	347,324	331,764
Total assets	910,252	887,852

(In million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	65,462	60,487
Electronically-recorded monetary claims	73,245	70,680
Short-term loans	125,714	145,212
Current portion of bonds payable	10,000	10,000
Accrued income taxes	7,148	5,671
Accrued bonuses for directors and other officers	116	62
Other	78,218	69,338
Total current liabilities	359,906	361,454
Long-term liabilities		
Bonds	70,000	70,000
Convertible-bond-type bonds with share acquisition rights	22,084	22,059
Long-term loans	134,264	124,775
Provision for product defect compensation	743	713
Liabilities for retirement benefits	21,577	21,463
Other	20,853	18,308
Total long-term liabilities	269,523	257,320
Total liabilities	629,430	618,775
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	75,770	70,986
Treasury stock	(834)	(1,202)
Total shareholders' equity	197,253	192,101
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	211	166
Translation adjustments	57,533	51,350
Remeasurements of defined benefit plans	9,332	9,007
Total accumulated other comprehensive income	67,076	60,524
Non-controlling shareholders' equity	16,491	16,451
Total net assets	280,822	269,077
Total liabilities and net assets	910,252	887,852

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income
(Semi-annual Consolidated Statements of Income)

(In million yen)

	Six months ended September 30, 2023 (April 1, 2023–September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024–September 30, 2024)
Net sales	409,647	413,947
Cost of sales	345,177	344,059
Gross profit	64,469	69,888
Selling, general and administrative expenses	57,705	59,938
Operating income	6,763	9,949
Non-operating income:		
Interest income	734	1,007
Dividend income	161	79
Share of profit of entities accounted for using equity method	344	209
Derivative transaction gains	–	2,481
Foreign exchange gains	2,102	–
Other	1,393	1,000
Total non-operating income	4,738	4,779
Non-operating expenses:		
Interest expenses	3,999	4,686
Foreign exchange losses	–	4,661
Other	2,618	1,897
Total non-operating expenses	6,618	11,245
Ordinary income	4,883	3,483
Extraordinary losses		
Impairment loss	–	¹ 643
Loss on business restructuring	² 404	–
Total extraordinary losses	404	643
Income before income taxes and equity in earnings of affiliated companies	4,478	2,840
Income and other taxes	(413)	4,425
Net income (loss)	4,891	(1,585)
Profit attributable to non-controlling shareholders	767	540
Profit (loss) attributable to owners of parent	4,124	(2,125)

(Semi-annual Consolidated Statements of Comprehensive Income)

	(In million yen)	
	Six months ended September 30, 2023 (April 1, 2023–September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024–September 30, 2024)
Net income (loss)	4,891	(1,585)
Other comprehensive income:		
Net unrealized holding gain on other securities	480	(44)
Translation adjustments	22,430	(7,979)
Remeasurements of defined benefit plans	365	(334)
Equity in equity-method affiliates	1,309	1,482
Total other comprehensive income	24,585	(6,877)
Comprehensive income	29,476	(8,462)
(Breakdown)		
Comprehensive income attributable to owners of parent	27,905	(8,678)
Comprehensive income attributable to non-controlling shareholders	1,571	216

(3) Semi-annual Consolidated Statements of Cash Flows

(In million yen)

	Six months ended September 30, 2023 (April 1, 2023–September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024–September 30, 2024)
Cash flows from operating activities		
Income before income taxes and equity in earnings of affiliated companies	4,478	2,840
Depreciation and amortization	20,695	21,160
Impairment losses	–	643
Goodwill depreciation	107	107
Loss on business restructuring	404	–
Increase (decrease) in allowance for doubtful accounts	751	(168)
Increase (decrease) in accrued retirement benefits for directors and statutory auditor	(59)	(54)
Increase (decrease) in provision for product defect compensation	(3)	(29)
Increase (decrease) in liabilities in retirement benefits	(558)	(392)
Decrease (increase) in assets for retirement benefits	(445)	(537)
Interest and dividend income	(896)	(1,087)
Interest expenses	3,999	4,686
Foreign currency translation adjustments / foreign exchange losses (gains)	(6,189)	5,942
Loss (gain) on derivative transactions	–	(2,481)
Share of loss (profit) of entities accounted for using equity method	(344)	(209)
Decrease (increase) in trade receivables	15,874	(1,327)
Decrease (increase) in inventories	281	1,784
Increase (decrease) in trade payables	(538)	(6,280)
Other	5,185	258
Subtotal	42,741	24,852
Interest and dividend income received	1,518	1,447
Interest paid	(4,615)	(5,355)
Income taxes paid	(3,309)	(5,604)
Net cash provided by operating activities	36,333	15,339
Cash flows from investing activities		
Increase in time deposits	(1,540)	(109)
Decrease in time deposits	539	173
Purchase of property, plant and equipment	(9,822)	(11,589)
Purchase of intangible assets	(1,257)	(1,260)
Decrease (increase) in short-term loans receivable, net	(3)	8
Other	(71)	205
Net cash used in investing activities	(12,156)	(12,571)
Cash flows from financing activities		
Increase (decrease) in short-term loans, net	6,940	16,610
Proceeds from long-term loans	33,000	7,000
Repayment of long-term loans	(54,495)	(9,926)
Dividend payment	(1,329)	(2,658)
Repayment of lease payable	(1,954)	(1,801)
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	22,110	–
Other	(87)	(624)
Net cash provided by (used in) financing activities	4,183	8,599
Effect of exchange rate changes on cash and cash equivalents	4,987	(1,266)
Increase (decrease) in cash and cash equivalents	33,349	10,101
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	144,209	137,368

(4) Notes to Semi-annual Consolidated Financial Statements
(Notes to Going Concern Assumption)
Not applicable.

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

(Adoption of Accounting Method Specific to the Preparation of Semi-annual Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by multiplying semi-annual 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 six 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 Semi-annual 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 September 30, 2024
PT. Astra NTN Driveshaft Indonesia	140	46

(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. On September 5, 2024, Renault changed the claiming amount for damages to 62.5 million euros (provisional amount).

(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 Semi-annual Consolidated Statements of Income)

*1 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, the book value was reduced to the recoverable amount because there was no prospect for future use due to the discontinuation of development, etc.,

and 643 million yen of impairment losses were recorded as the extraordinary loss. The recoverable amount was measured by using the net realizable value, and set at zero for assets that could not be sold or otherwise converted.

Location	Applications	Type of asset	Impairment losses (In millions of yen)
			As of September 30, 2024
Japan	Manufacturing facilities and others	Construction in progress	643
Total			643

- *2 The Company recorded 404 million yen of loss on business restructuring under an extraordinary loss in the six months ended September 30, 2023. This loss was due to the restructuring of production of consolidated subsidiaries.

(Notes to Segment Information, etc.)

I. Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

(In millions of yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	108,003	132,042	89,947	79,653	409,647	—	409,647
Inter-segment sales or transfers	72,076	1,813	2,703	5,864	82,457	(82,457)	—
Total	180,080	133,855	92,651	85,517	492,104	(82,457)	409,647
Segment income (Operating income (loss))	4,182	(2,381)	(2,146)	7,040	6,695	68	6,763

(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. Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

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

(In millions of yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	104,510	139,847	92,439	77,150	413,947	—	413,947
Inter-segment sales or transfers	71,303	1,913	2,549	7,761	83,527	(83,527)	—
Total	175,814	141,760	94,988	84,911	497,475	(83,527)	413,947
Segment income (Operating income (loss))	5,047	(977)	(2,865)	7,435	8,639	1,310	9,949

(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

2. Information related to impairment loss on fixed assets and goodwill, etc., by reporting segment
(Significant impairment loss related to fixed assets)

(In millions of yen)

	Japan	Americas	Europe	Asia and other areas	Adjustments	Total
Impairment loss	643	—	—	—	—	643

(Significant Subsequent Events)
Not applicable

3. Supplementary Information

(1) Explanatory Materials

(In millions of yen, unless otherwise indicated)

			FY2022		FY2023		FY2024
			As of September 30, 2022	As of March 31, 2023	As of September 30, 2023	As of March 31, 2024	As of September 30, 2024
Consolidated operating results (Lower: Net sales ratio)	Net sales		371,702	773,960	409,647	836,285	413,947
			100.0%	100.0%	100.0%	100.0%	100.0%
	Operating income		3,860	17,145	6,763	28,149	9,949
			1.0%	2.2%	1.7%	3.4%	2.4%
	Ordinary income		3,593	12,047	4,883	20,001	3,483
			1.0%	1.6%	1.2%	2.4%	0.8%
Net sales by region (Lower: Net sales ratio)	Japan		95,517	201,602	104,665	210,025	102,185
			25.7%	26.0%	25.6%	25.1%	24.7%
	Americas		118,570	246,246	133,220	274,726	141,289
			31.9%	31.8%	32.5%	32.9%	34.1%
	Europe		71,980	155,174	84,168	171,460	83,608
			19.4%	20.0%	20.5%	20.5%	20.2%
Net sales/ Operating income by location	Asia and other areas		85,632	170,937	87,592	180,074	86,864
			23.0%	22.1%	21.4%	21.5%	21.0%
	Total		371,702	773,960	409,647	836,285	413,947
			100.0%	100.0%	100.0%	100.0%	100.0%
	Japan	Net sales	177,856	364,064	180,080	364,457	175,814
		Operating income	7,839	17,382	4,182	15,222	5,047
		Operating margin	4.4%	4.8%	2.3%	4.2%	2.9%
Net sales/ Operating income by location	Americas	Net sales	117,110	243,569	133,855	276,411	141,760
		Operating income	(5,372)	(6,854)	(2,381)	(198)	(977)
		Operating margin	(4.6%)	(2.8%)	(1.8%)	(0.1%)	(0.7%)
	Europe	Net sales	79,860	172,441	92,651	193,504	94,988
		Operating income	(2,291)	(3,411)	(2,146)	(2,227)	(2,865)
		Operating margin	(2.9%)	(2.0%)	(2.3%)	(1.2%)	(3.0%)
Net sales/ Operating income by location	Asia and other areas	Net sales	83,009	165,506	85,517	174,061	84,911
		Operating income	6,787	12,538	7,040	15,796	7,435
		Operating margin	8.2%	7.6%	8.2%	9.1%	8.8%
	Deletion	Net sales	(86,135)	(171,621)	(82,457)	(172,150)	(83,527)
		Operating income	(3,101)	(2,509)	68	(444)	1,310
	Total	Net sales	371,702	773,960	409,647	836,285	413,947
		Operating income	3,860	17,145	6,763	28,149	9,949
		Operating margin	1.0%	2.2%	1.7%	3.4%	2.4%

(In millions of yen, unless otherwise indicated)

			FY2022		FY2023		FY2024
			As of September 30, 2022	As of March 31, 2023	As of September 30, 2023	As of March 31, 2024	As of September 30, 2024
Net sales/ Operating income by business applications	Bearings and other	Net sales	—	—	175,683	346,777	168,136
		Operating income	—	—	7,173	17,699	6,638
		Operating margin	—	—	4.1%	5.1%	3.9%
	CVJ axle	Net sales	—	—	233,963	489,508	245,810
		Operating income	—	—	(409)	10,449	3,311
		Operating margin	—	—	(0.2%)	2.1%	1.3%
	Total	Net sales	—	—	409,647	836,285	413,947
		Operating income	—	—	6,763	28,149	9,949
		Operating margin	—	—	1.7%	3.4%	2.4%
Capital expenditures /Depreciation and amortization	Capital expenditures		9,506	22,253	10,472	26,589	11,439
	Depreciation and amortization	Domestic	8,219	16,507	8,038	16,090	8,122
		Overseas	12,707	25,540	12,656	25,711	13,037
	Total		20,927	42,048	20,695	41,802	21,160
R&D expenditures			9,200	18,678	8,931	18,234	9,666
Ratio of R&D expenditures to net sales			2.5%	2.4%	2.2%	2.2%	2.3%
Inventories			247,578	239,385	256,104	264,794	255,267
Inventory turnover ratio (times)			3.0	3.2	3.2	3.2	3.2
Interest-bearing debts	Loans		302,970	291,292	285,459	259,979	269,988
	Bonds		80,000	80,000	80,000	80,000	80,000
	Convertible-bond-type bonds with share acquisition rights		—	—	22,108	22,084	22,059
	Total		382,970	371,292	387,568	362,064	372,048
Major management indicators	Ordinary income ratio to total assets		0.8%	1.4%	1.1%	2.2%	0.8%
	Return on assets (ROA)		(0.4%)	1.2%	0.9%	1.2%	(0.5%)
	Return on equity (ROE)		(1.6%)	5.0%	3.5%	4.4%	(1.6%)
	Shareholder's equity ratio		24.5%	25.4%	26.8%	29.0%	28.5%
	Net assets per share (yen)		409.28	415.64	465.72	497.83	477.17
	Net income per share (yen)		(3.08)	19.53	7.77	19.91	(4.01)
Employees	Domestic (persons)		8,570	8,419	8,428	8,285	8,391
	Overseas (persons)		14,813	14,608	14,287	14,332	14,121
	Total (persons)		23,383	23,027	22,715	22,617	22,512
Exchange rates	Average	Dollar (yen)	133.94	135.45	140.84	144.47	152.47
		Euro (yen)	138.70	140.91	153.31	156.69	165.76
	At term end	Dollar (yen)	144.47	132.68	149.29	151.39	142.29
		Euro (yen)	141.84	144.70	157.72	163.33	158.79