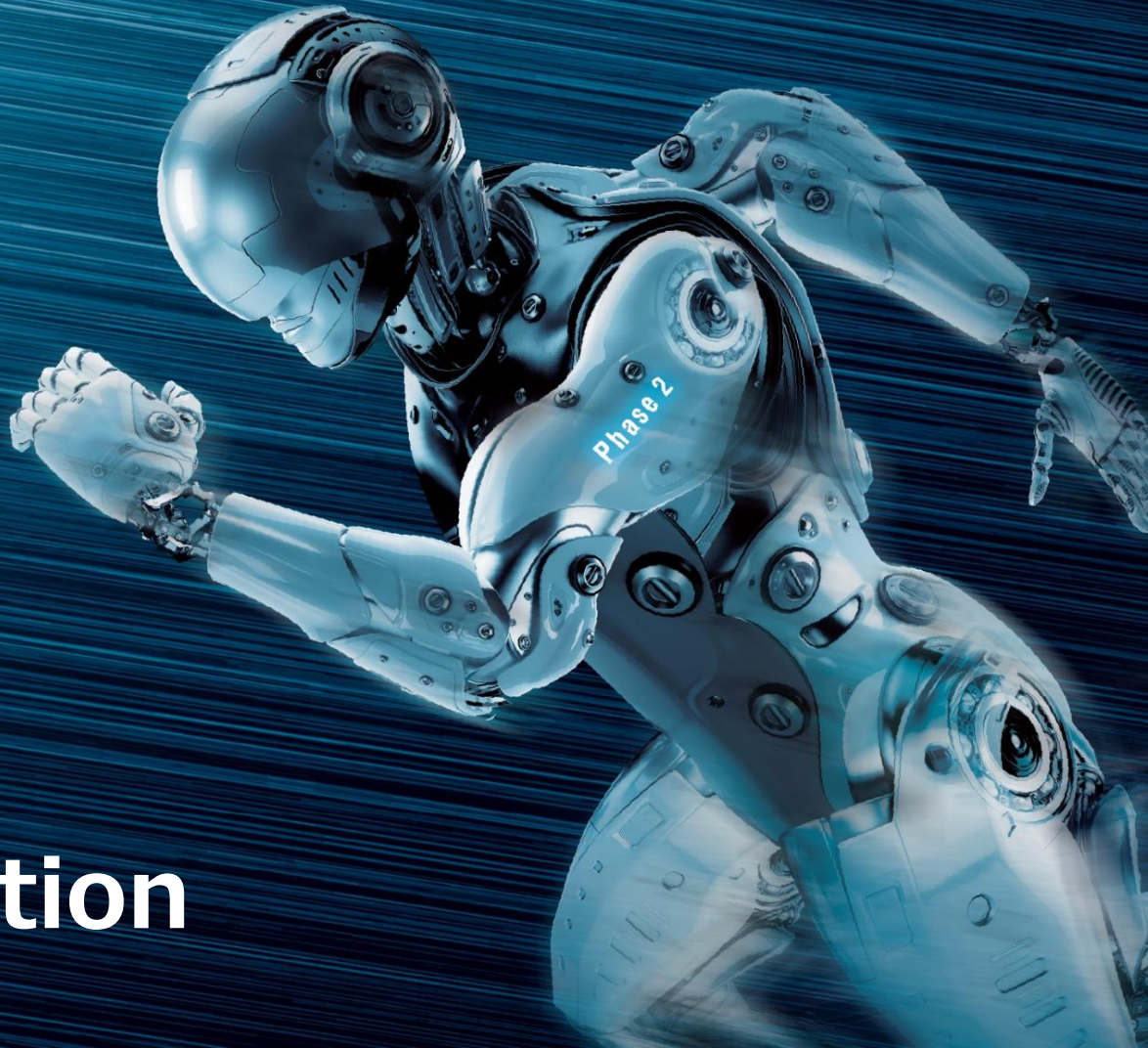


Consolidated Financial Results of FY2023



May 17, 2024

NTN Corporation

I. Key Points of FY2023 Financial Results

II. FY2023 Financial Results and FY2024 Forecast

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1. Key Points of FY2023 Financial Results

Sales and income increased YoY and compared to announced forecast

- ◆ **Sales increased** by positive effect of exchange rate despite decreased demand in industrial machinery applications
- ◆ **Operating income increased** by price pass-on measures, cost reduction and positive effect of exchange rate despite decrease in volume and price hike in material cost. **Turned profitable** from FY2023 Q2 and **for the first time in five years for full year** in Automotive Business

FY2022		FY2023				
(billion yen)	Results	Results	Year on year	Previous forecast at 3Q	Difference	4Q Results
Net sales	774.0	836.3	+62.3(+8%) Excl. forex +17.6(+2.3%)	830.0	6.3(+1%) Excl. forex (4.1)(0.5%)	215.7
Operating income	17.1	28.1	+11.0	25.0	+3.1	12.8
Operating margin	2.2%	3.4%	+1.2pt	3.0%	+0.4pt	5.9%
Ordinary income	12.0	20.0	+8.0	17.5	+2.5	10.2
Extraordinary income (loss)	(1.2)	(3.4)	(2.2)	(2.1)	(1.3)	(4.7)
Profit attributable to owners of parent	10.4	10.6	+0.2	9.0	+1.6	2.9
Inventories	239.4	264.8	+25.4	243.0	+21.8	
Capital expenditure	22.3	26.6	+4.3	25.0	+1.6	
FCF	20.4	40.1	+19.8	29.0	+11.1	
Exchange rates US\$	¥135.5	¥144.5	+¥9.0	¥142.4	+¥2.1	
€	¥140.9	¥156.7	+¥15.8	¥155.2	+¥1.5	

2. FY2023 Financial Results: Comparison with Target of Medium-term Management Plan

- ◆ FCF (72.0 billion yen/3 years) and improvement of financial structure achieved the target.
- ◆ Need to strengthen earning power (operating income and inventory turnover ratio)
- ◆ **Aim to achieve operating margin 6% and ROE 8% in the third year of New Medium-term Management Plan**

(billion yen)	FY2020 Results	DRIVE NTN100 Phase 2 ①	FY2023 Results ②	Diff. ② - ①
Net sales	562.8	700.0 or more	836.3	+136.3
Operating income	(3.1)	42.0 or more	28.1	(13.9)
Operating margin	(0.6%)	6% or more	3.4%	(2.6pt)
FCF	18.5	27.0 or more	40.1	+13.1
Inventory turnover ratio	3.2	4.1	3.2	(0.9)
Equity to capital ratio	20.4%	20% or more	29.0%	+9.0pt
Net D/E ratio	1.6	1.5 or less	0.9	(0.6)
ROIC	(0.4%)	5% or more	3.2%	(1.8pt)
ROE	(7.1%)	8% or more	4.4%	(3.6pt)

3. FY2024 Forecast

Sales will increase slightly in volume

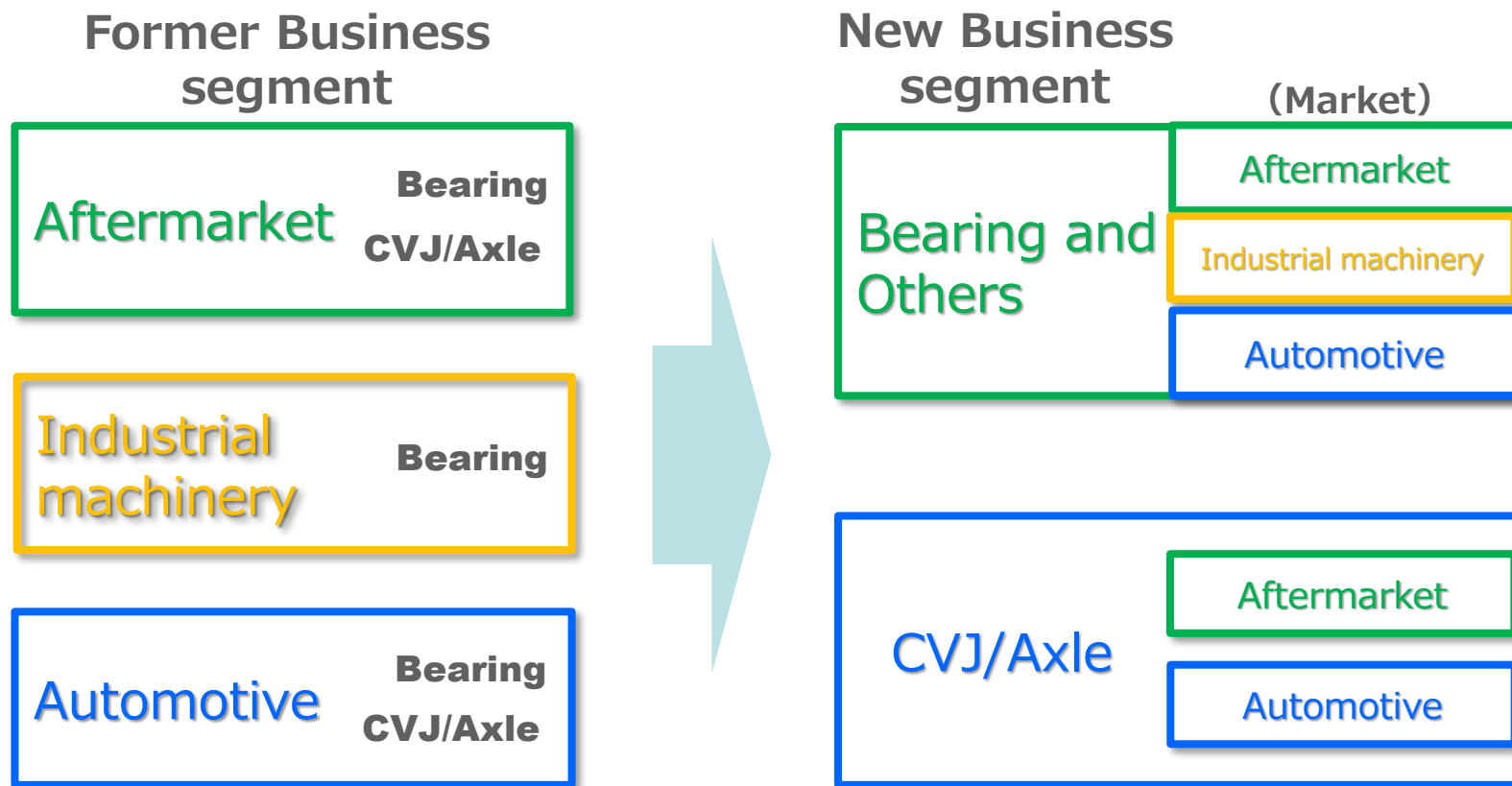
Promote profit improvement by improving selling price and cost reduction

- ◆ Automotive production will be the same level as previous year and demand recovery in industrial machinery market is expected from 2H of FY2024
- ◆ Continue to promote improving selling price for unprofitable business and inflation cost
- ◆ Increase capital expenditure within the scope of depreciation compared to previous fiscal year or before

		FY2023			FY2024	
(billion yen)		1H Results	2H Results	Full year Results①	Forecast②	YoY ①vs②
Net sales		409.6	426.6	836.3	860.0	+237(+2.8%) Excl. forex+23.7(+2.8%)
Operating income		6.8	21.4	28.1	32.0	+3.9
Operating margin		1.7%	5.0%	3.4%	3.7%	+0.3pt
Ordinary income		4.9	15.1	20.0	22.0	+2.0
Extraordinary income (loss)		(0.4)	(3.1)	(3.4)	(8.0)	(4.6)
Profit (loss) attributable to owners of parent		4.1	6.5	10.6	5.0	(5.6)
Exchange rate						
1USD		¥140.8	¥148.1	¥144.5	¥145.0	+¥0.5
1EURO		¥153.3	¥160.1	¥156.7	¥160.0	+¥3.3
Inventories		256.1	264.8	264.8	242.0	(22.8)
Capital expenditure		10.5	16.1	26.6	37.0	+10.4
FCF		24.2	16.0	40.1	24.0	(16.1)

4. Structural Reforms : Business Segment Change

- ◆ Consolidating Bearing Business to strengthen our supply capabilities and propose optimal solutions for sales expansion in Aftermarket Business
- ◆ Increasing profit and responding new needs such as electrification in CVJ/Axle Business



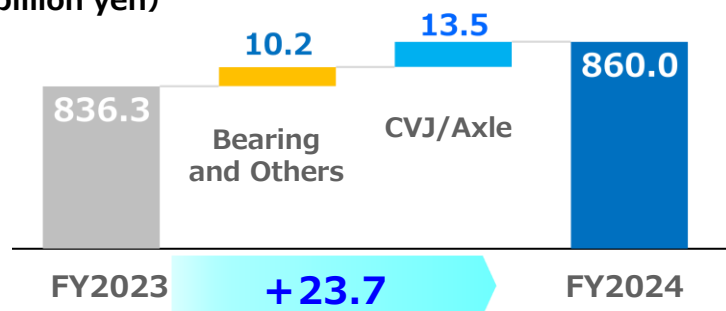
5. FY2024 Forecast : By Business Segment

Sales will increase in both Bearing and Others and CVJ/Axle
Operating income is expected to decrease in Bearing and Others

(billion yen)		FY2023 Results		FY2024 Forecast		
					YoY	
Net sales	Bearing and Others	346.8	41.5%	357.0	41.5%	+10.2
Composition ratio	CVJ / Axle	489.5	58.5%	503.0	58.5%	+13.5
	Total	836.3	100.0%	860.0	100.0%	+23.7
Operating income	Bearing and Others	17.7	5.1%	16.4	4.6%	(1.3)
Operating margin	CVJ / Axle	10.4	2.1%	15.6	3.1%	+5.2
	Total	28.1	3.4%	32.0	3.7%	+3.9

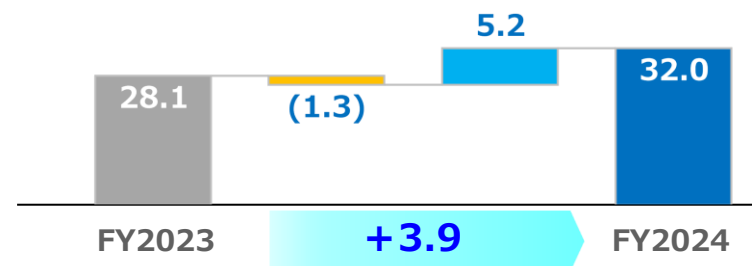
Net Sales

(billion yen)



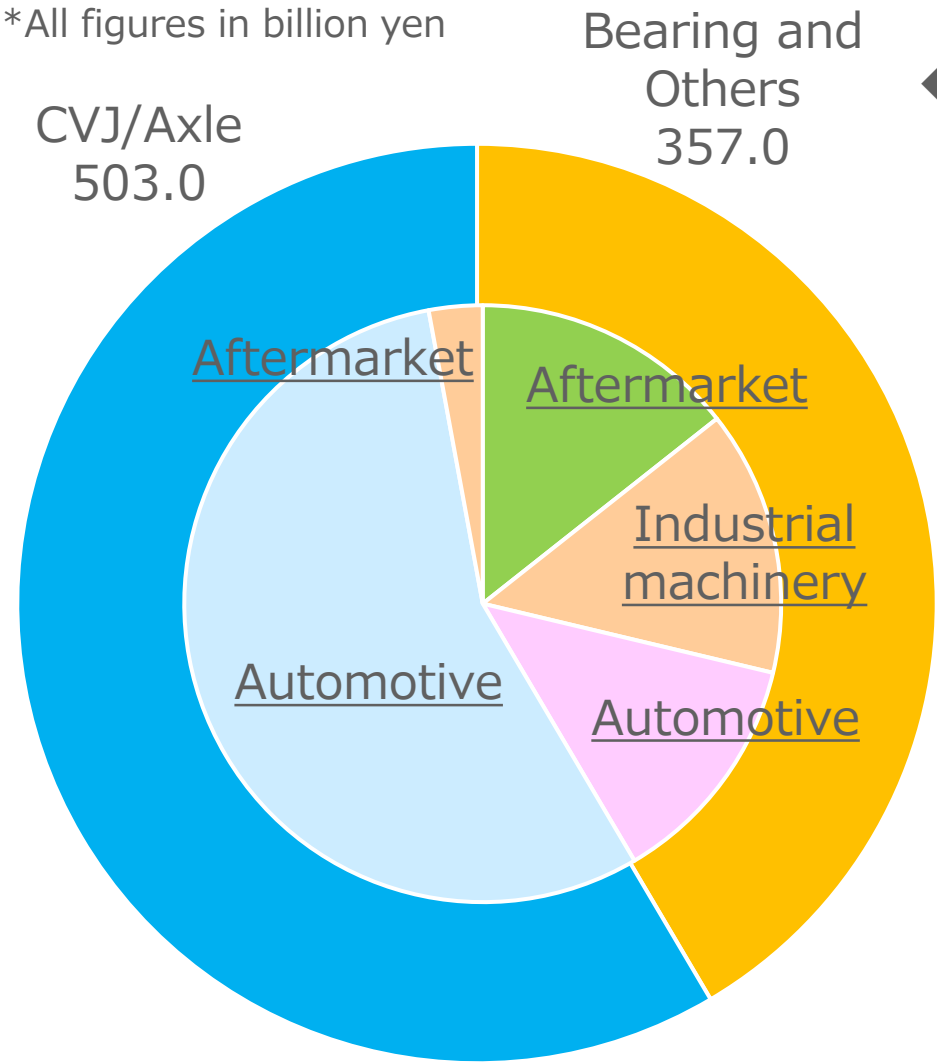
Operating income

(billion yen)















6. FY2024 Composition by Business Segment

*All figures in billion yen



- ◆ Assume increasing demand in aftermarket applications
- ◆ Expect demand recovery in industrial machinery market from 2H of FY2024

Sales Overview by Industry	FY2024 VS FY2023
Construction machinery 	
Agricultural machinery 	
Gear box 	
Aerospace 	
Rolling stocks 	
Wind turbine 	
Machine tool 	

- ◆ Expect automotive production will be the same level as previous year

Automotive 	
--	---

7. Initiatives in Bearing and Others Business

【Net sales and Operating margin of Bearing and Others】



(operating margin)

5.1%

4.6%

(billion yen)

346.8

357.0

FY2023

FY2024

For Aftermarket

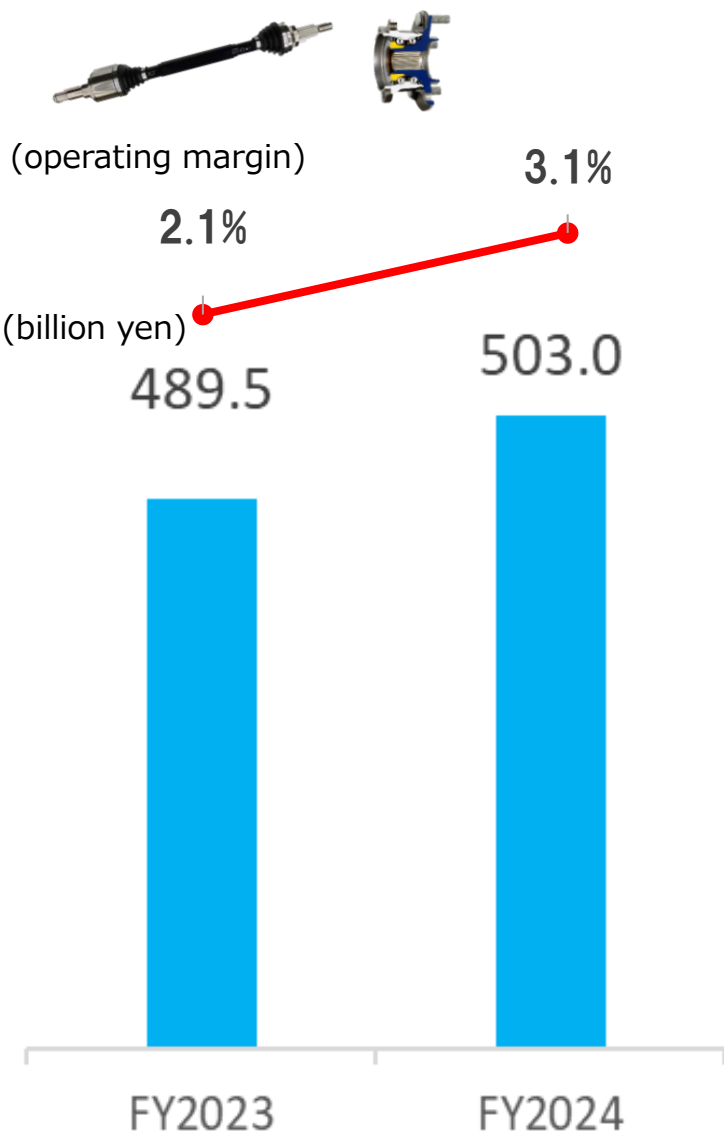
- ◆ Continue price pass-on measures accompanied by the price hike in raw materials etc. such as revising price list and individual negotiations
- ◆ Expand inventories of hot selling items, and expand coverage of general-purpose product inventory management system "FIRST"
- ◆ Outsource production to overseas suppliers etc., and strengthen supply capacity by expansion of external purchases

For Industrial Machinery/Automotive

- ◆ Promote price pass-on measures accompanied by the price hike in raw materials etc. and selling price improvements for unprofitable business
- ◆ Issue is to improve profit of bearings for automotive manufactures
- ◆ Promote collaborative activities with some industrial machinery manufacturers
- ◆ Develop new products for e-Axle with excellent high-speed and resistant to electrical pitting

8. Initiatives in CVJ/Axle Business

【Net sales and Operating margin
of CVJ/Axle】



For Automotive

- ◆ Promote price pass-on measures accompanied by the price hike in raw materials etc. and selling price improvements for unprofitable business
- ◆ Expand procurements from competitive suppliers in China, Korea, India, etc. for Europe and the U.S.
- ◆ Optimize fixed costs through reorganization of production bases in the Americas, Europe, and China
- ◆ Accelerate development of new products for EV

For Aftermarket

- ◆ Promote a plan to relocate automotive aftermarket headquarters functions to Europe
- ◆ Enhance lineup of automotive aftermarket products by expansion of external purchases

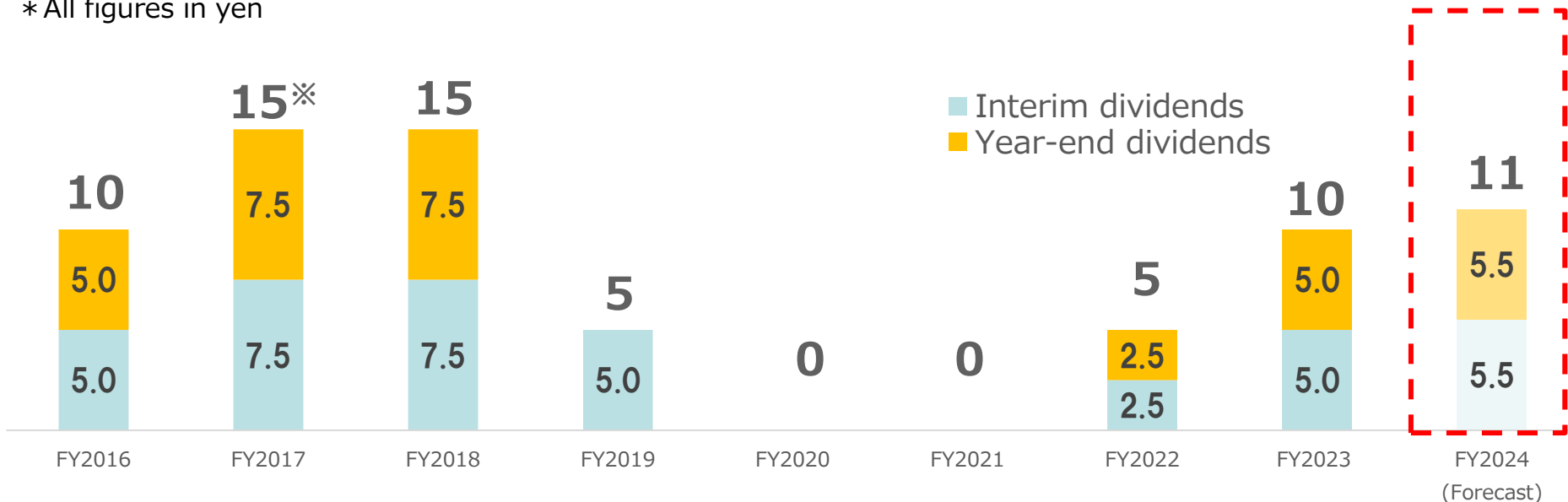
9. FY2024 Forecast: Return to Shareholders

- ◆ Continue to implement dividends according to business results in a stable and continuous manner from a medium -to long-term viewpoint.

Dividends Forecast in FY2024

- ◆ Annual dividend per share is expected to be 11 yen (YoY +1 yen)

* All figures in yen



*Including 100th anniversary commemorative dividends

I. Key Points of FY2023 Financial Results

II. FY2023 Financial Results and FY2024 Forecast

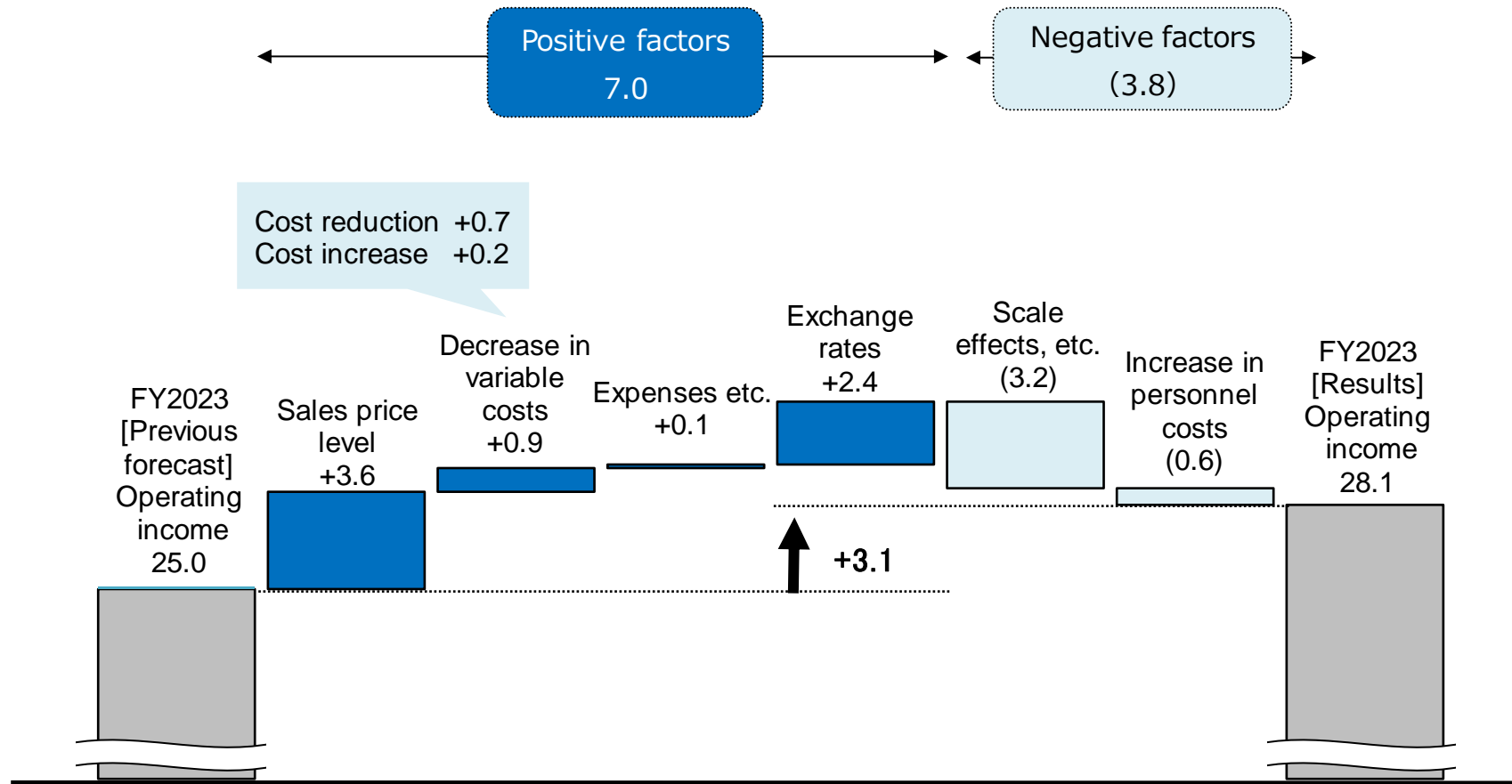
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1-1. Key Financial Indicators (vs Previous Announcement)

		FY2022	FY2023		Diff.					
		Results	Forecast	Results	③-②			③-①		
(billion yen)		①	②	③	Total	Volume	Forex	Total	Volume	Forex
Net sales		774.0	830.0	836.3	6.3	(4.1)	10.4	62.3	17.6	44.7
Operating income		17.1	25.0	28.1	3.1	0.8	2.4	11.0	0.4	10.6
Operating margin		2.2%	3.0%	3.4%	0.4%			1.2%		
Ordinary income		12.0	17.5	20.0	2.5	(0.1)	2.6	8.0	(2.9)	10.8
Extraordinary income (loss)		(1.2)	(2.1)	(3.4)	(1.3)	(1.3)	(0.1)	(2.2)	(1.2)	(1.1)
Profit (loss) attributable to owners of parent		10.4	9.0	10.6	1.6	(0.2)	1.8	0.2	(6.1)	6.3
Inventories		239.4	243.0	264.8	21.8	7.4	14.4	25.4	4.0	21.4
FCF		20.4	29.0	40.1	11.1	-	-	19.8	-	-
Exchange rate	1USD	¥135.5	¥142.4	¥144.5	¥2.1			¥9.0		
	1EURO	¥140.9	¥155.2	¥156.7	¥1.5			¥15.8		

1-2. Analysis of Operating Income (FY2023 Forecast (previous) vs FY2023 Results)

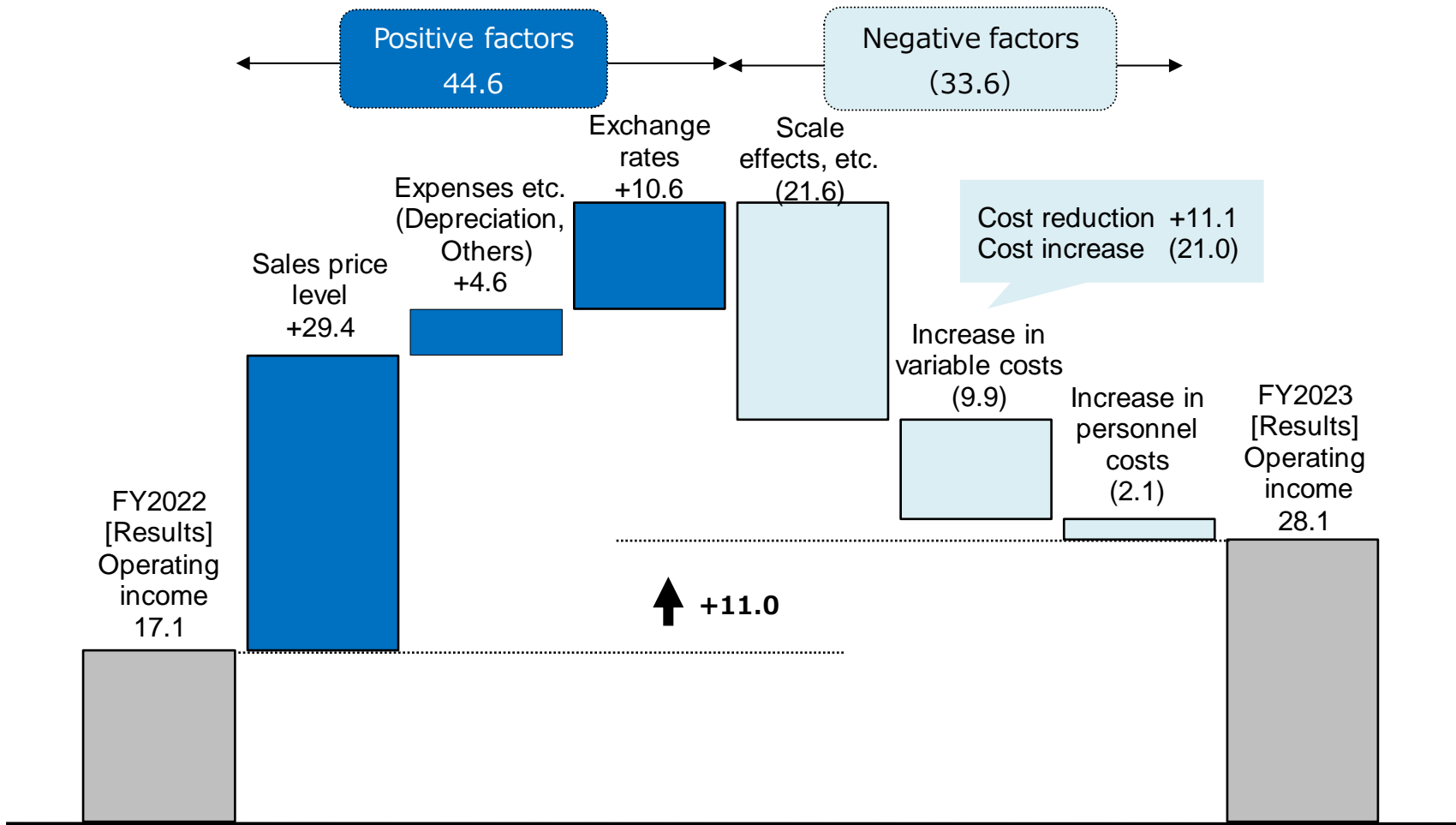
* All figures in billion yen



	FY2023 Forecast (Previous)	FY2023 Results	Diff.	Forex	Sales price	Volume
Net Sales	830.0	836.3	+ 6.3	+ 10.4	+ 3.6	(7.7)

1-2. Analysis of Operating Income (FY2022 Results vs FY2023 Results)

* All figures in billion yen



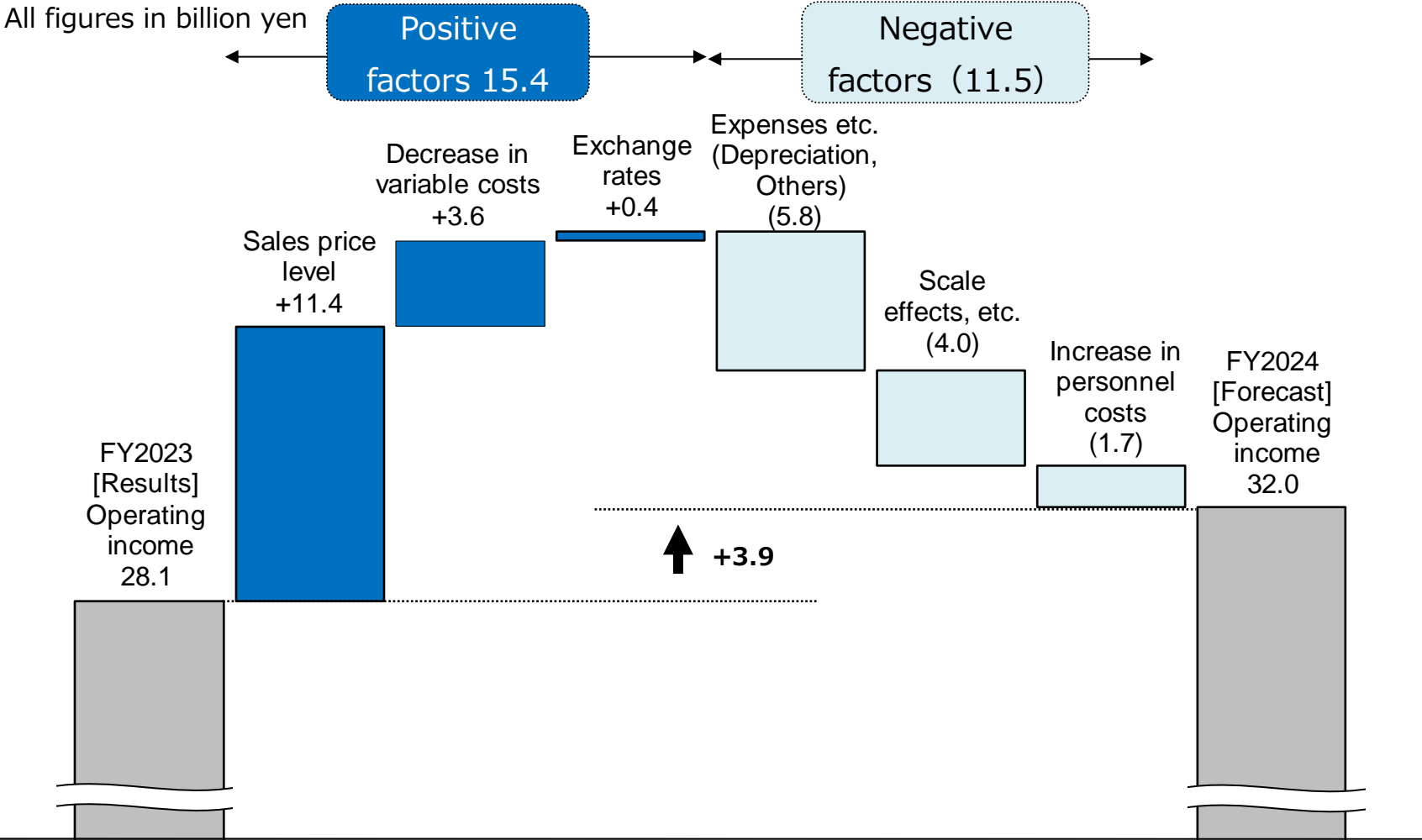
	FY2022 Results	FY2023 Results	Diff.	Forex	Sales price	Volume
Net Sales	774.0	836.3	+62.3	+44.7	+29.4	(11.7)

2-1. FY2024 Key Financial Indicators (vs Previous Fiscal Year)

FY2022 Results (billion yen)			FY2023	FY2024	Diff.		
			Results	Forecast	②-①		
			①	②	Total	Volume	Forex
Net sales	774.0		836.3	860.0	23.7	23.7	0.0
Operating income	17.1		28.1	32.0	3.9	3.5	0.4
Operating margin	2.2%		3.4%	3.7%	0.4%		
Ordinary income	12.0		20.0	22.0	2.0	1.8	0.2
Extraordinary income (loss)	(1.2)		(3.4)	(8.0)	(4.6)	(4.4)	(0.2)
Profit (loss) attributable to owners of parent	10.4		10.6	5.0	(5.6)	(5.9)	0.3
Inventories	239.4		264.8	242.0	(22.8)	(13.4)	(9.4)
FCF	20.4		40.1	24.0	(16.1)	-	-
Exchange rate	1USD	¥135.5	¥144.5	¥145.0	¥0.5		
	1EURO	¥140.9	¥156.7	¥160.0	¥3.3		

2-2. Analysis of Operating Income (FY2023 Results vs FY2024 Forecast)

* All figures in billion yen



	FY2023 Results	FY2024 Forecast	Diff.	Forex	Sales price	Volume
Net Sales	836.3	860.0	+23.7	+0.0	+11.4	+12.2

3. Net Sales by Region



(billion yen)	FY2022	FY2023	FY2024	Diff.					
	Results	Results	Forecast	㉒-㉑			㉓-㉒		
	㉑	㉒	㉓	Total	Volume	Forex	Total	Volume	Forex
Japan	201.6	210.0	222.5	8.4	8.4	0.0	12.5	12.5	(0.0)
Americas	246.2	274.7	273.0	28.5	9.3	19.2	(1.7)	(1.2)	(0.5)
Europe	155.2	171.5	183.5	16.3	(1.0)	17.3	12.0	8.2	3.9
Asia and others	170.9	180.1	181.0	9.1	0.9	8.3	0.9	4.2	(3.3)
Total	774.0	836.3	860.0	62.3	17.6	44.7	23.7	23.7	0.0

4. Net Sales and Operating Income by Business Segment

<Net Sales by Business Segment>

	FY2022	FY2023	Diff.			FY2023
	Results	Results	②-①			Forecast
(billion yen)	①	②	Total	Volume	Forex	(Latest)
Aftermarket	134.0	138.9	4.9	(3.7)	8.6	138.0
Industrial machinery	139.5	126.5	(13.0)	(19.1)	6.2	126.5
Automotive	500.4	570.8	70.4	40.5	29.9	565.5
Total	774.0	836.3	62.3	17.6	44.7	830.0

<Operating Income by Business Segment>

	FY2022	FY2023	Diff.	FY2023
	Results	Results	②-①	Forecast
(billion yen)	①	②		(Latest)
Aftermarket	22.3	20.1	(2.2)	18.5
Industrial machinery	7.3	4.6	(2.7)	4.0
Automotive	(12.4)	3.4	15.8	2.5
Total	17.1	28.1	11.0	25.0

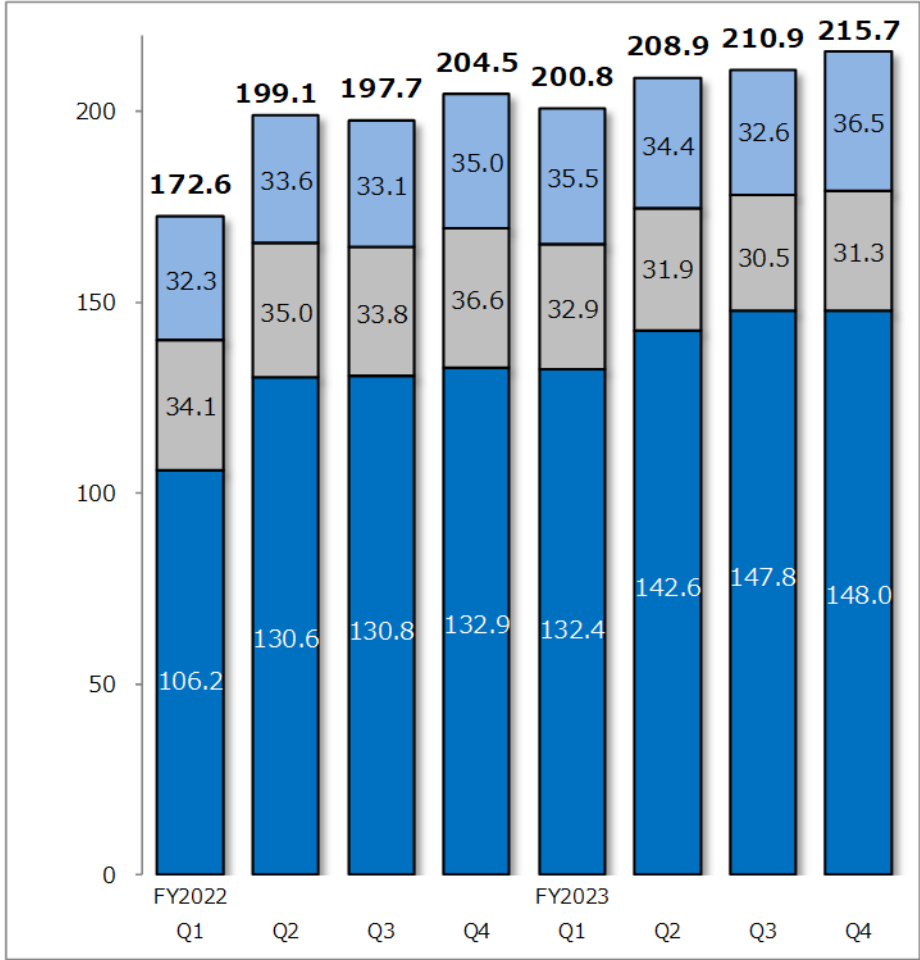
5. Financial Results by Business Segment (Quarterly Trend)



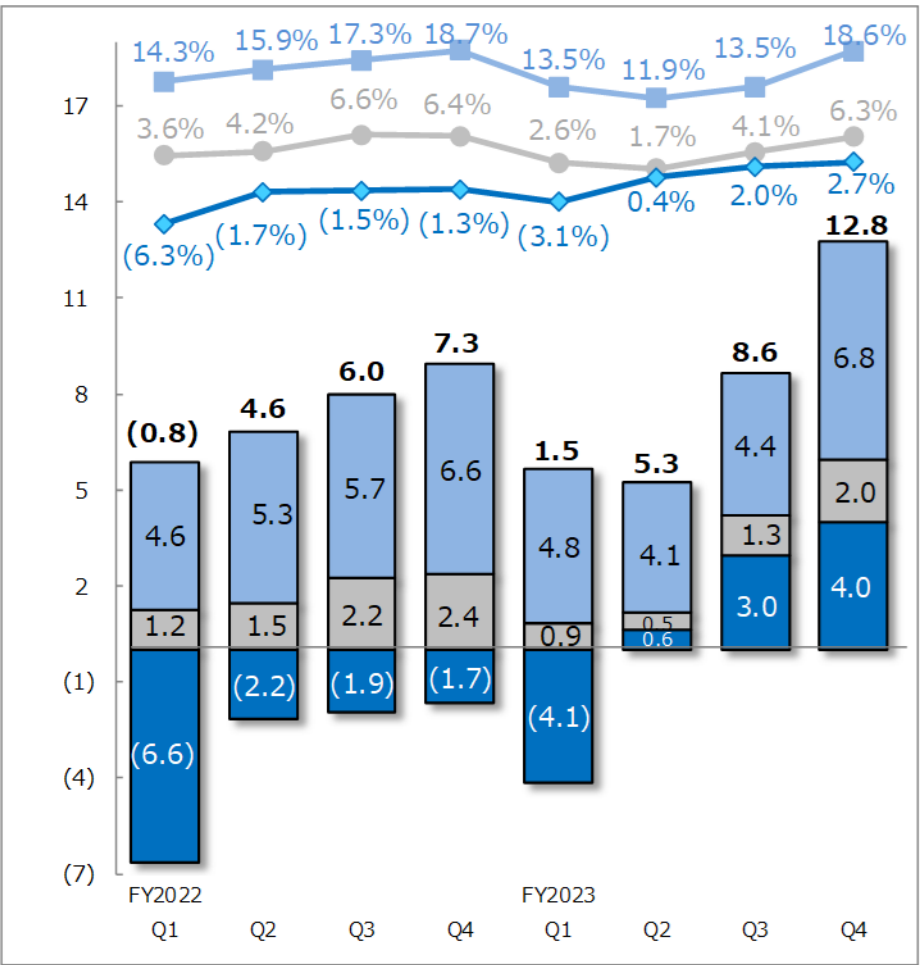
* All figures in billion yen

Automotive Industrial machinery Aftermarket

Net Sales



Operating Income/ Operating Margin

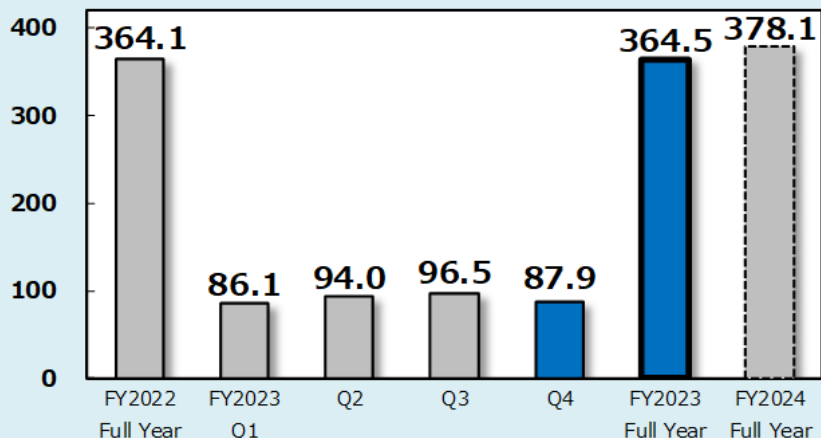


6-1. Net Sales and Operating Income by Company Location

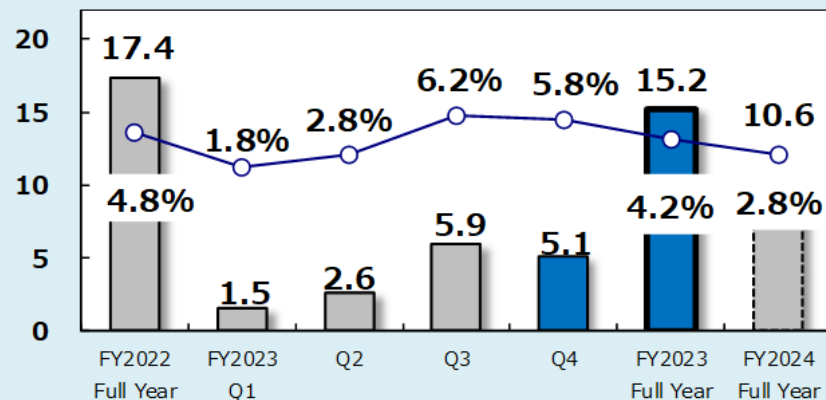
《 Japan 》

Net Sales

(billion yen)



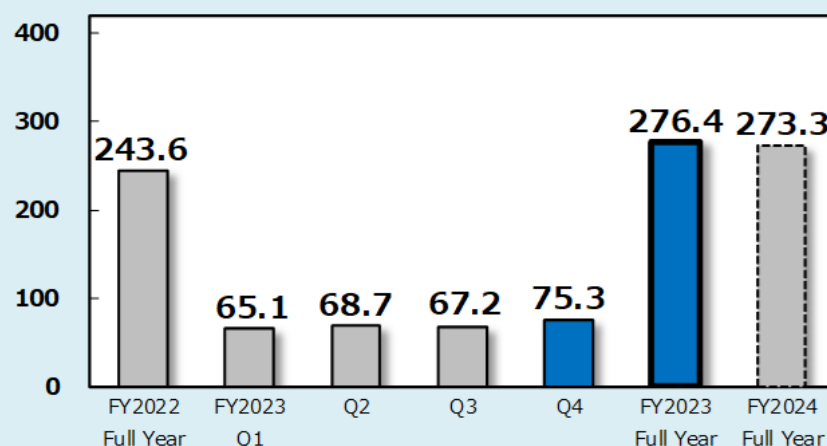
Operating Income



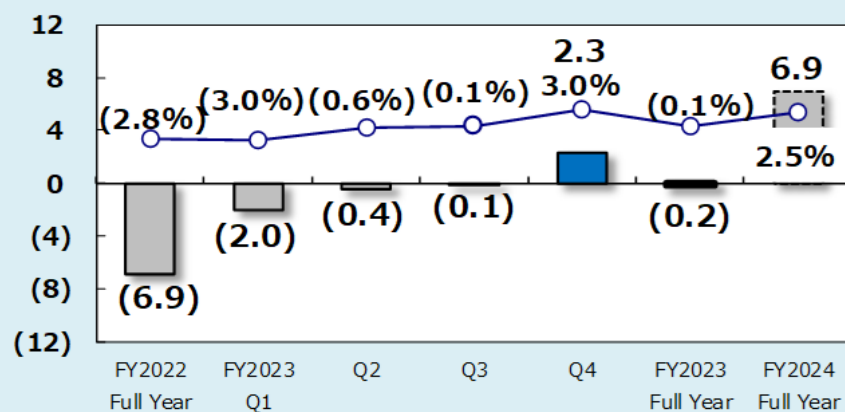
《 Americas 》

Net Sales

(billion yen)



Operating Income

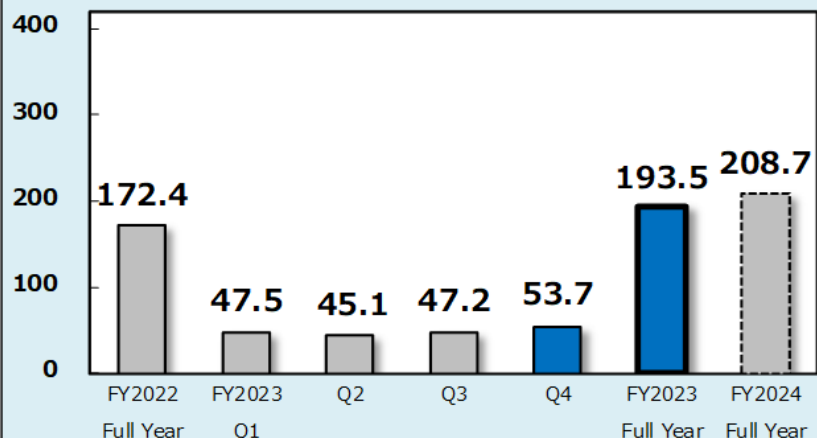


6-2. Net Sales and Operating Income by Company Location

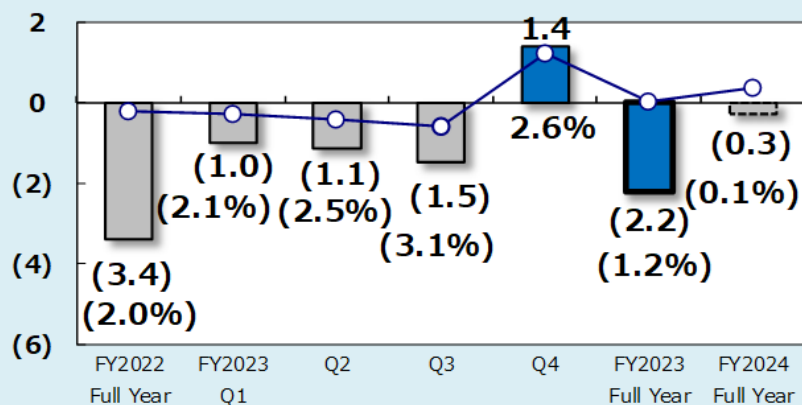
《 Europe 》

Net Sales

(billion yen)



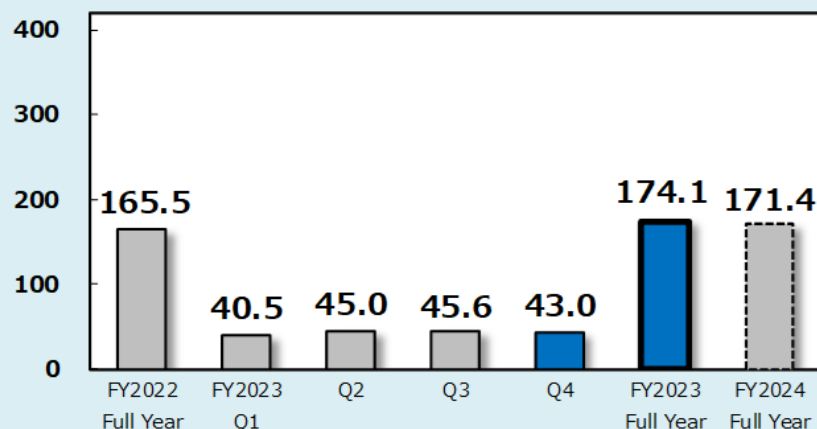
Operating Income



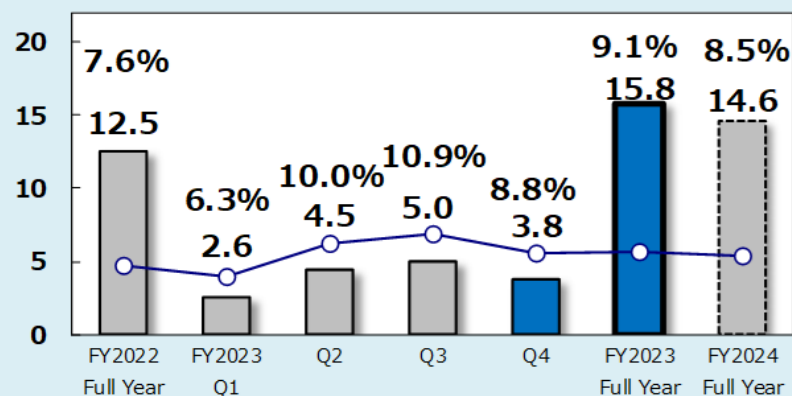
《 Asia and others 》

Net Sales

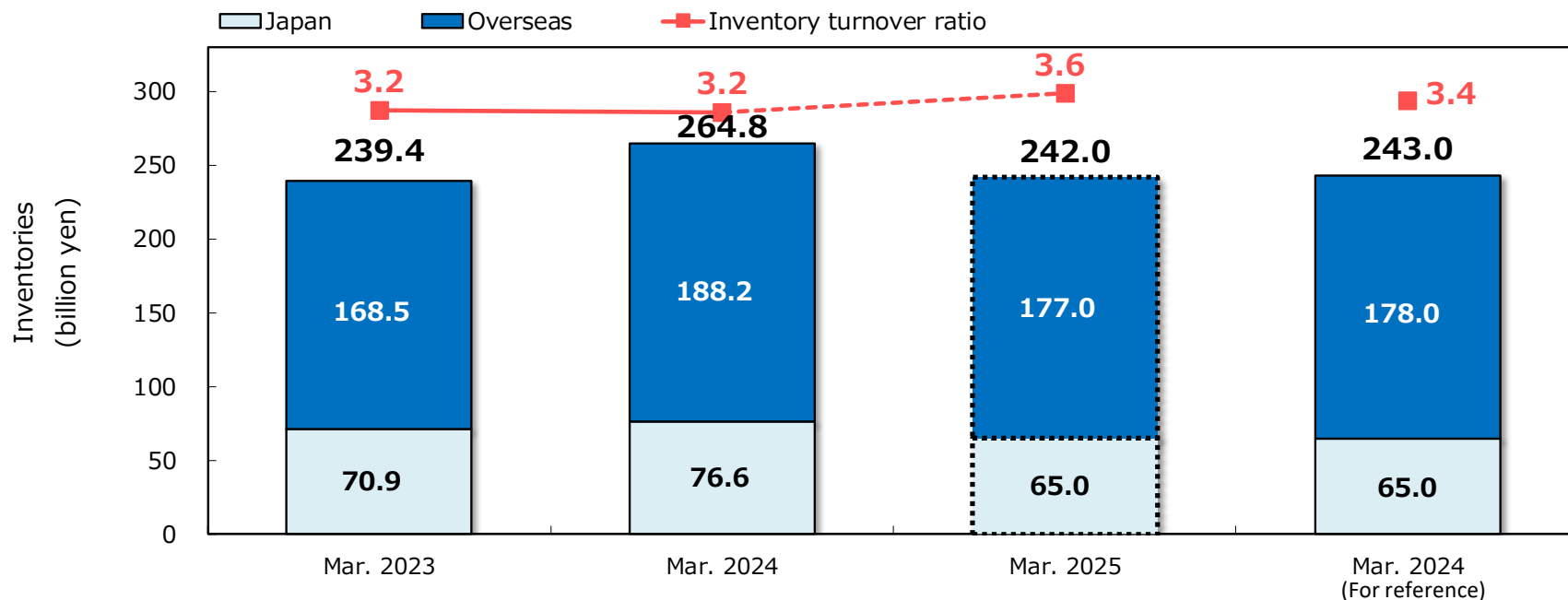
(billion yen)



Operating Income



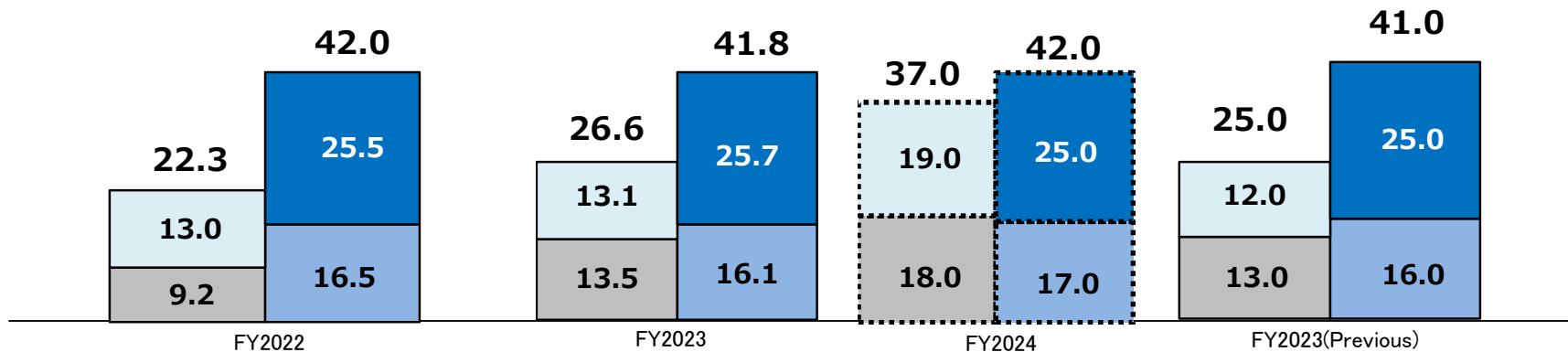
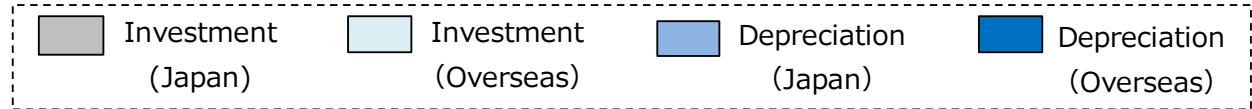
7. Inventories



	Mar. 2023 Results	Mar. 2024 Results	Mar. 2025 Forecast	Mar. 2024 Forecast (Previous)
Inventories (billion yen)	239.4	264.8	242.0	243.0
[Overseas]	168.5	188.2	177.0	178.0
[Japan]	70.9	76.6	65.0	65.0
Inventory turnover ratio [times]	3.0	3.2	3.6	3.4

8. Capital Expenditures and Depreciation

(billion yen)

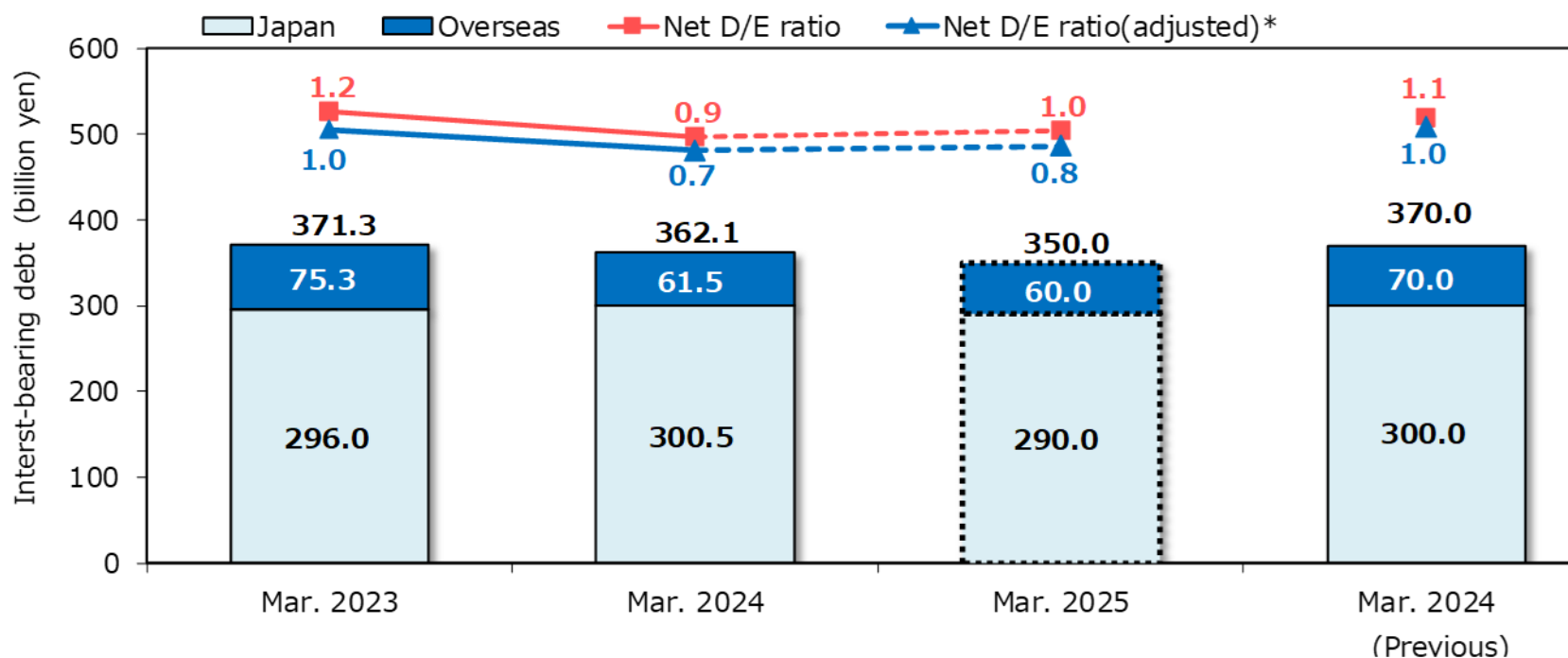


	FY2022 Results ①	FY2023 Results ②	②-①	FY2024 Forecast	(For reference) FY2023 Forecast (Previous)
Capital expenditure	22.3	* 26.6	4.3	37.0	25.0
[Overseas]	13.0	13.1	0.1	19.0	12.0
[Japan]	9.2	13.5	4.3	18.0	13.0

*In addition, capital expenditure for intangible fixed assets (FY2023 Results : ¥2.4 billion, FY2024 Full Year Forecast : ¥5.0 billion)

	FY2022 Results ①	FY2023 Results ②	②-①	FY2024 Forecast	FY2023 Forecast (Previous)
Depreciation	42.0	41.8	(0.2)	42.0	41.0
[Overseas]	25.5	25.7	0.2	25.0	25.0
[Japan]	16.5	16.1	(0.4)	17.0	16.0

9. Interest-Bearing Debt

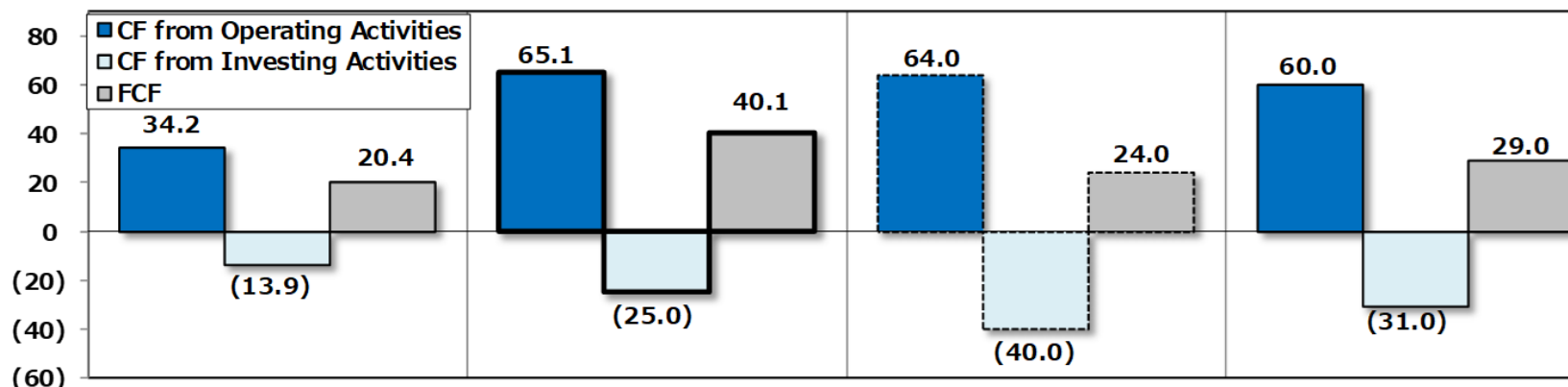


	Mar. 2023	Mar. 2024	Mar. 2025	Mar. 2024
(billion yen)	Results	Results	Forecast	Forecast (Previous)
Interest-bearing debt	371.3	362.1	350.0	370.0
[Overseas]	75.3	61.5	60.0	70.0
[Japan]	296.0	300.5	290.0	300.0
Net Interest-bearing debt	260.6	234.8	228.0	245.0

*Taking into account a part of the subordinated bonds through public offering that is recognized as equity (50%).

10. Cash Flows

	FY2022 Results ①	FY2023 Results ②	②-①	FY2024 Forecast	(For reference) FY2023 Forecast (Previous)
(billion yen)					
I. Cash flow from operating activities	34.2	65.1	30.9	64.0	60.0
II. Cash flow from investing activities	(13.9)	(25.0)	(11.1)	(40.0)	(31.0)
I + II. Free cash flow	20.4	40.1	19.8	24.0	29.0
III. Cash flow from financing activities	(33.3)	(30.2)	3.0	(29.0)	(17.0)
IV. Effect of exchanging rate translation on cash and cash equivalents	2.1	6.7	4.6	(0.3)	2.3
V. Net increase in cash and cash equivalents	(10.8)	16.6	27.4	(5.3)	14.3





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