



## **NTN Corporation**

Financial Results Briefing for the Fiscal Year Ended March 2025

May 16, 2025

## Event Summary

---

<b>[Company Name]</b>	NTN Corporation	
<b>[Company ID]</b>	6472-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	Financial Results Briefing for the Fiscal Year Ended March 2025	
<b>[Fiscal Period]</b>	FY2024 Annual	
<b>[Date]</b>	May 16, 2025	
<b>[Number of Pages]</b>	34	
<b>[Time]</b>	13:30 – 14:36 (Total: 66 minutes, Presentation: 33 minutes, Q&A: 33 minutes)	
<b>[Venue]</b>	Webcast	
<b>[Venue Size]</b>		
<b>[Participants]</b>		
<b>[Number of Speakers]</b>	6	
	Eiichi Ukai	Director, Representative Executive Officer, President, Executive Officer, CEO
	Masaaki Yamamoto	Director, Representative Executive Officer, Executive Officer, CFO
	Ikuya Tateoka	Executive Officer, Corporate General Manager, CVJ & Axle Bearing Business HQ.
	Keiji Yanagida	Executive Officer, Corporate General Manager, Bearing Business HQ.
	Tatsuo Nagao	Manager, Corporate Communications Department, Group Management HQ.
	Kazuhisa Kouge	Corporate Communications Department, Group Management HQ.

---

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)



**[Analyst Names]\***

Tsubasa Sasaki  
Tatsuhiko Ito  
Boqiong Wang

UBS Securities  
Mizuho Securities  
Nomura Securities

\*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

---

**Support**

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support [support@scriptsasia.com](mailto:support@scriptsasia.com)



## Presentation

---

**Nagao:** It is now time to begin NTN Corporation's financial results briefing for the fiscal year ended March 2025. Thank you very much for taking time out of your busy schedule today to participate in our financial results IR briefing.

First, let me introduce the attendees. President, Executive Officer, CEO, Ukai.

**Ukai:** I am Ukai. Thank you.

**Nagao:** Executive Officer, CFO, Yamamoto.

**Yamamoto:** I am Yamamoto. Thank you.

**Nagao:** Executive Officer, Corporate General Manager, CVJ & Axle Bearing Business HQ., Tateoka.

**Tateoka:** I am Tateoka. Thank you.

**Nagao:** Executive Officer, Corporate General Manager, Bearing Business HQ., Yanagida.

**Yanagida:** I am Yanagida. Thank you.

**Nagao:** Kouge and I, Nagao, of the Corporate Communications Department will serve as the secretariat. Thank you.

**Kouge:** Thank you very much.

**Nagao:** Today's briefing will be based on the briefing materials distributed to your registered e-mail address. The documents are also available on our website, if you do not have them.

Today, President Ukai will first explain the key points of the financial results, followed by CFO Yamamoto's presentation on the financial results for FY2024 and the outlook for FY2025. After the presentation, there will be a Q&A session, and the meeting is scheduled to end at 3:00 PM.

Now, President Ukai, please begin.

**Ukai:** I am Ukai from NTN. Thank you very much for taking time out of your busy schedule today to attend our earnings presentation. We would also like to thank our shareholders and analysts for their continued support.

Mr. Yamamoto, CFO, will provide a detailed overview of the financial results, earnings forecast, and analysis of profit increase/decrease, so I will explain the key points of the financial results and the progress of the medium-term management plan, DRIVE NTN100 Final.

---

### Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)



# 1. Key Points of FY2024 Financial Results

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

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

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

©2025 NTN Corporation 3

See page three. For FY2024, net sales were JPY825.6 billion, down JPY10.7 billion YoY due to a delay in the recovery of demand in the automotive and industrial machinery markets, despite an improvement in selling prices and the impact of foreign exchange due to a weaker yen, and also down from the announced forecast excluding foreign exchange.

Operating income was JPY23.0 billion. In addition to the effects of improved selling prices and cost reductions, the weaker yen had a positive impact on foreign exchange rates, but this was not enough to compensate for the decline in scale, resulting in a JPY5.2 billion decrease in profit YoY. On the other hand, we were able to increase profit by JPY1.0 billion compared to the announcement.

Ordinary income was JPY10.5 billion, mainly due to foreign exchange losses. Loss attributable to owners of parent was JPY23.8 billion, due in part to the recording of negative JPY19.1 billion in extraordinary income/loss resulting from structural reform and other costs, as well as the impact of tax effects resulting from weak performance in the Americas and Europe.

Inventories totaled JPY244.4 billion, a decrease of JPY20.4 billion from the end of the previous fiscal year. Free cash flow was positive JPY19.7 billion, partly due to inventory reduction.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 2. FY2025 Forecast



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

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

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

©2025 NTN Corporation 4

See page four. I would like to explain our business forecast for FY2025. As for the business environment, automobile production is slightly down from the previous year, and the industrial machinery market continues to lag behind a full-fledged recovery, but there are signs of recovery in some industries. On the cost front, there will be price declines in steel and other materials, but we will continue to strive to improve selling prices and minimize the impact of continued increases in labor and logistics costs. At the same time, we will continue to reform our value chain, including design, procurement, and production, in an effort to reduce costs.

In this business environment, we expect net sales of JPY790.0 billion, operating income of JPY24.0 billion, operating margin of 3%, and ordinary income of JPY11.0 billion for FY2025.

We also continue to factor in JPY10.0 billion in extraordinary losses as restructuring expenses in Japan, the Americas, and China and JPY2.0 billion in extraordinary gains, resulting in an extraordinary loss of JPY8.0 billion and a loss attributable to owners of parent of JPY6.0 billion. Exchange rates are assumed to be JPY140 to the US dollar and JPY160 to the euro.

Inventories are expected to be JPY222.0 billion as a result of reductions, and capital expenditure is expected to be JPY31.0 billion, resulting in a positive free cash flow of JPY20.0 billion. The impact of trade policy in the US has not been incorporated in the forecast for the current fiscal year due to the fluidity of the trend at this point, although the amount of impact has been estimated based on certain assumptions. The estimated impact will be explained later.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com



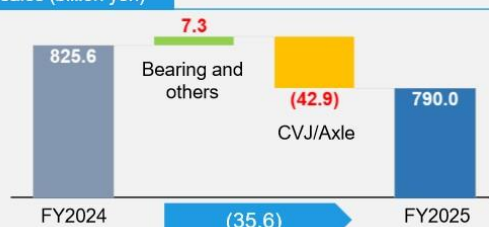
### 3. FY2025 Forecast by Business Segment



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

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

Net sales (billion yen)



Operating income (billion yen)



See page five. The forecast is shown by the business segment. In bearings and others, we plan sales of JPY348.0 billion and operating income of JPY12.5 billion. Although sales to the automotive industry will decline, we expect sales to increase by JPY7.3 billion YoY, factoring in the expansion of the aftermarket business and the recovery of some industries in the industrial machinery market. On the other hand, operating income is expected to decrease by JPY1.2 billion YoY due to the impact of the strong yen, higher labor costs, a pull-back from inventory valuation, and the cost of transferring production facilities associated with the reorganization of production in some overseas regions.

CVJ and axle segment plans net sales of JPY442.0 billion and operating income of JPY11.5 billion. We expect a decrease of JPY42.9 billion YoY for automobiles due to the continued difficult market environment. On the other hand, although operating income will decrease in scale, it is expected to increase by JPY2.2 billion YoY due to the effects of structural reforms, reduction of variable costs through design, procurement, and other value chain reforms, and improvement of selling prices.

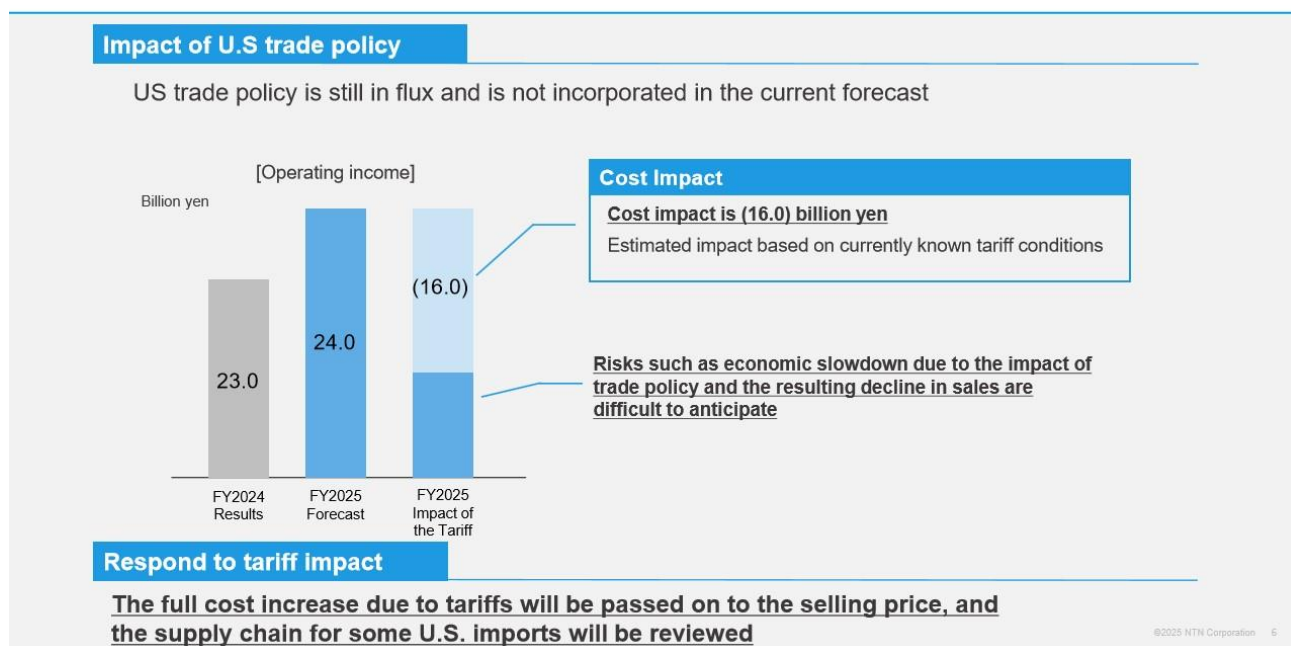
#### Support

Japan 050.5212.7790  
 Tollfree 0120.966.744

Email Support support@scriptasia.com



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



See page six. This is the assumed impact of US trade policy. We estimate the impact on profits to be approximately JPY16.0 billion, based on currently known tariff conditions. There is also the risk of an economic slowdown due to the impact of trade policies, the resulting appreciation of the yen, and declining sales, but it is extremely difficult to anticipate these risks.

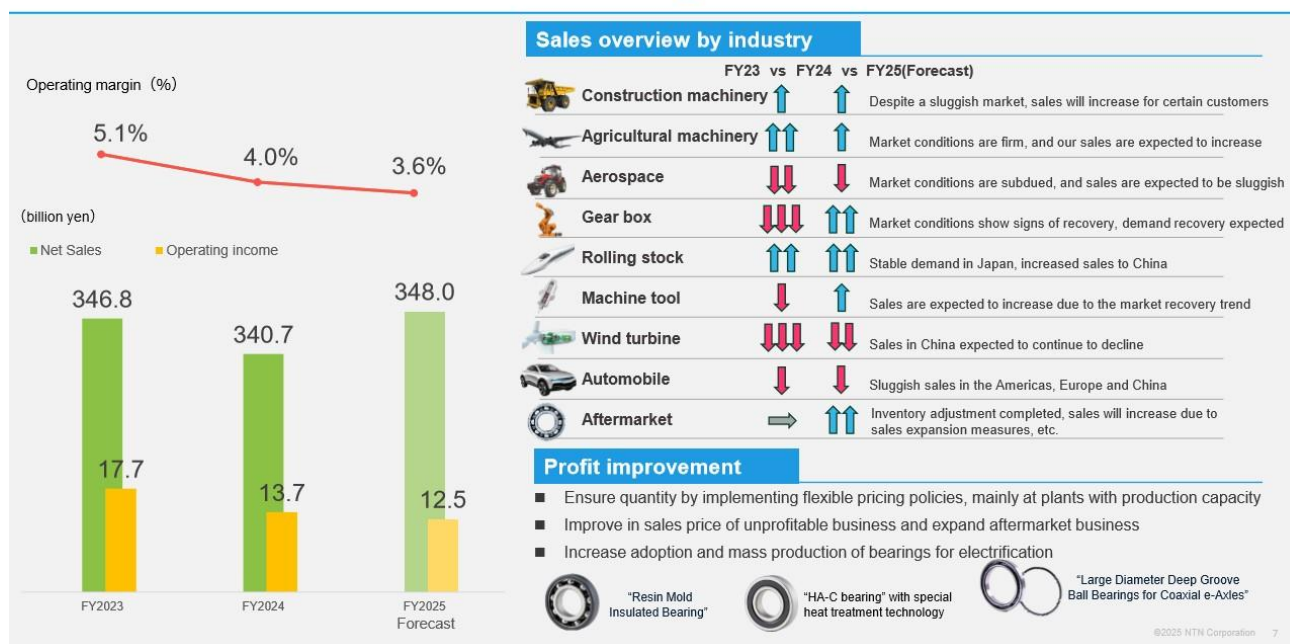
On the other hand, the trend of US trade policy is very fluid, with the US and China agreeing to lower tariffs this week, and we have not factored this into our earnings forecast. We will pass on the full cost increase caused by these tariffs to selling prices, and we will also begin to review a portion of the supply chain for US imports in an effort to minimize the impact on profits.

### Support

Japan 050.5212.7790  
 Tollfree 0120.966.744

Email Support support@scriptasia.com

## 5. Initiatives of FY2024 in Bearing and others



See page seven. The following table shows the sales overview of bearings and others by industry. We expect sales of aerospace and rolling stock to continue to be strong, as passenger demand is expected to continue to increase over the medium-to-long term. Indicators for construction machinery are soft, and although a full recovery is not expected, demand for parts from some of our customers is expected to recover.

We expect a recovery in gear box this fiscal year, supported by demand for investment in semiconductors and electronics and demand for automation in automobile manufacturing in China and other parts of Asia. Meanwhile, demand for agricultural machinery will continue bottoming out over the past year. The situation is expected to remain difficult.

In the automobile sector, there are concerns about declining consumer confidence due to economic stagnation, in addition to rising vehicle prices in the Americas and Europe. In China, demand is also expected to decline due to sluggish sales by Japanese automakers, which are our major customers. For the aftermarket, in addition to the completion of inventory adjustments by distributors, we will apply flexible pricing policies to products for which we have excess production capacity, thereby expanding sales and improving profits for the bearing business as a whole.

In addition, we are developing new products that are compatible with electrification. In particular, HA-C bearings, in which our proprietary special heat treatment technology is applied to deep groove ball bearings, have achieved a 15% reduction in outer diameter of bearings, a 30% reduction in width, and a 55% reduction in weight, while maintaining the same life as conventional products.

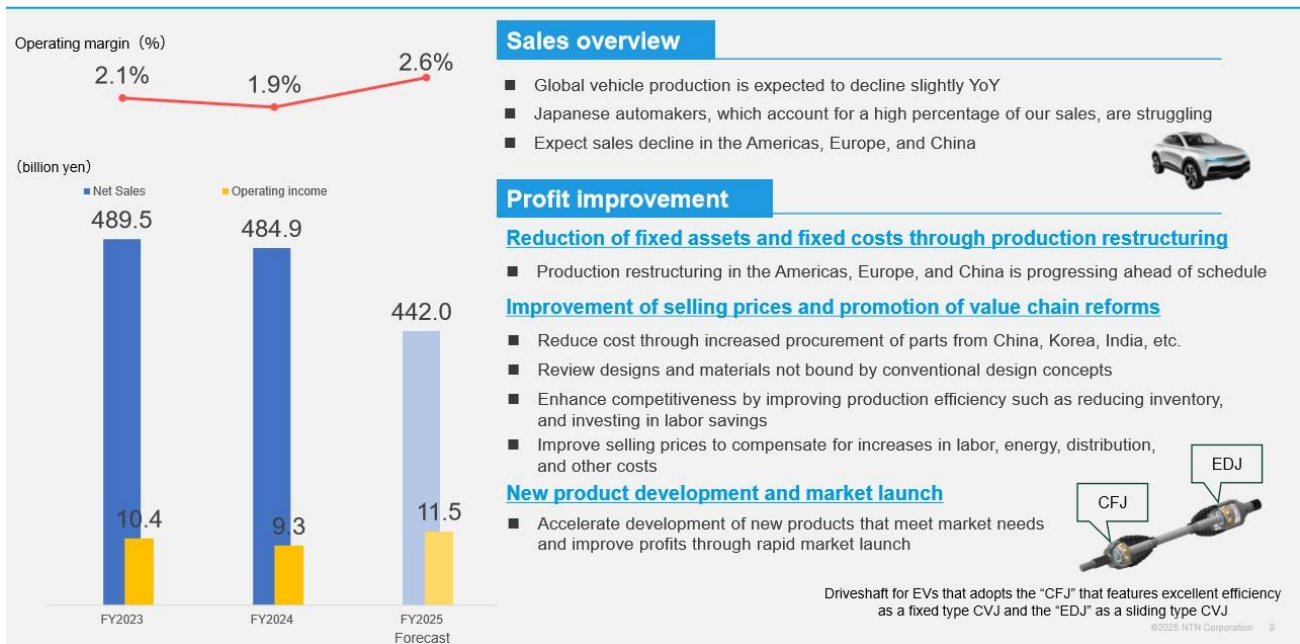
We have responded to the need for downsizing and weight reduction required in recent automotive drive units, such as e-Axle and transmissions to improve fuel consumption and electricity consumption, and we have received many inquiries from customers. We will ensure that these new high value-added products lead to orders, improve the product mix, and improve profits.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 6. Initiatives of FY2024 in CVJ/Axle



See page eight. As mentioned on the previous page, automobile production is expected to decline this fiscal year as well as the previous fiscal year, with no full-scale recovery expected. On a regional basis, with the exception of Japan, where CVJs switched from domestic automakers to in-house production were all launched in the previous fiscal year, results for the Americas, Europe, China, and other regions are expected to be lower than the previous fiscal year's results.

Under these circumstances, in addition to fixed cost reductions due to the effects of structural reforms that were brought forward in the previous fiscal year, we will ensure that variable cost reductions are achieved through value chain reforms in design, procurement, and other areas. We will also improve our manufacturing competitiveness as a manufacturer by executing investments in automation and labor saving, as well as improving production efficiency.

On the other hand, we will promote price increases in unprofitable businesses and the transfer of sharp cost increases, including tariffs, to selling prices. In addition, we are developing and bringing to market new products that respond to market needs.

Due to their characteristics, EVs must be quiet, have a low torque loss rate from the motor, and be compact and highly responsive. We have announced a high-performance model for EVs, which improved EDJ, the world's most compact and highly responsive sliding type CVJ and applies a newly developed grease. Similarly, by combining CFJ, the world's highest efficiency fixed type CVJ, we will propose driveshafts optimized for EVs to meet a wide variety of customer needs.

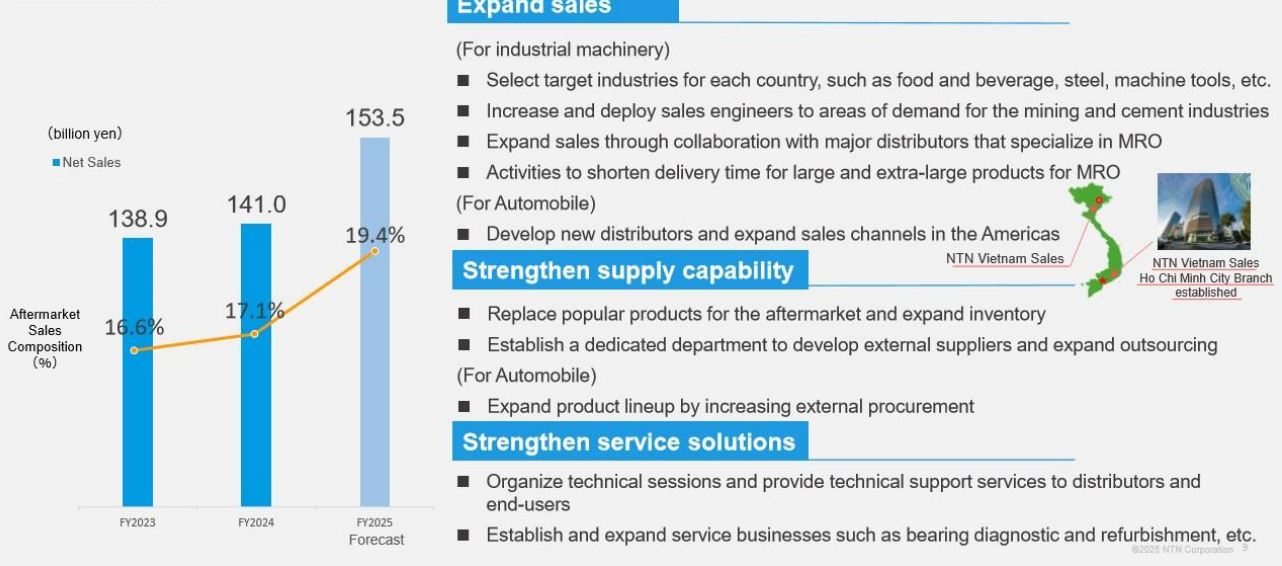
**Support**

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

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

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



See page nine. I would like to explain the expansion of the aftermarket business, a key initiative of DRIVE NTN100 Final. To expand our aftermarket business, we have set target industries in each region and country and are developing optimal distributors and expanding sales channels.

Last year, we established a new Ho Chi Minh City branch in Vietnam to expand our sales channels in the growing Vietnamese market. Sales companies in each region hold technical sessions for distributors' engineers and end-user customers to promote our technical support services, and work to expand sales, especially in emerging regions such as the Middle East and Africa.

In the automotive aftermarket, we have developed new distributors in the Americas, where demand is strong, and in Europe we have begun external procurement of shock absorbers in addition to CVJs and hub bearings, products in which we excel, and this has contributed to sales expansion by adding them to our product lineup.

To strengthen product supply capabilities, we will reorganize and strengthen domestic production, including Wakayama Works, and expand popular products' inventory for the aftermarket. In addition, last year we completed the transfer of small-sized ball bearings to an overseas subcontractor, which we have been working on for some time. In April of this year, we have established a dedicated department to oversee and manage smooth external procurement and production outsourcing, and to further strengthen our supply capabilities. We will work to develop new external procurement and production outsourcing partners.

Through these efforts, we will steadily expand our aftermarket business and achieve our goal of 40% aftermarket ratio by 2035.

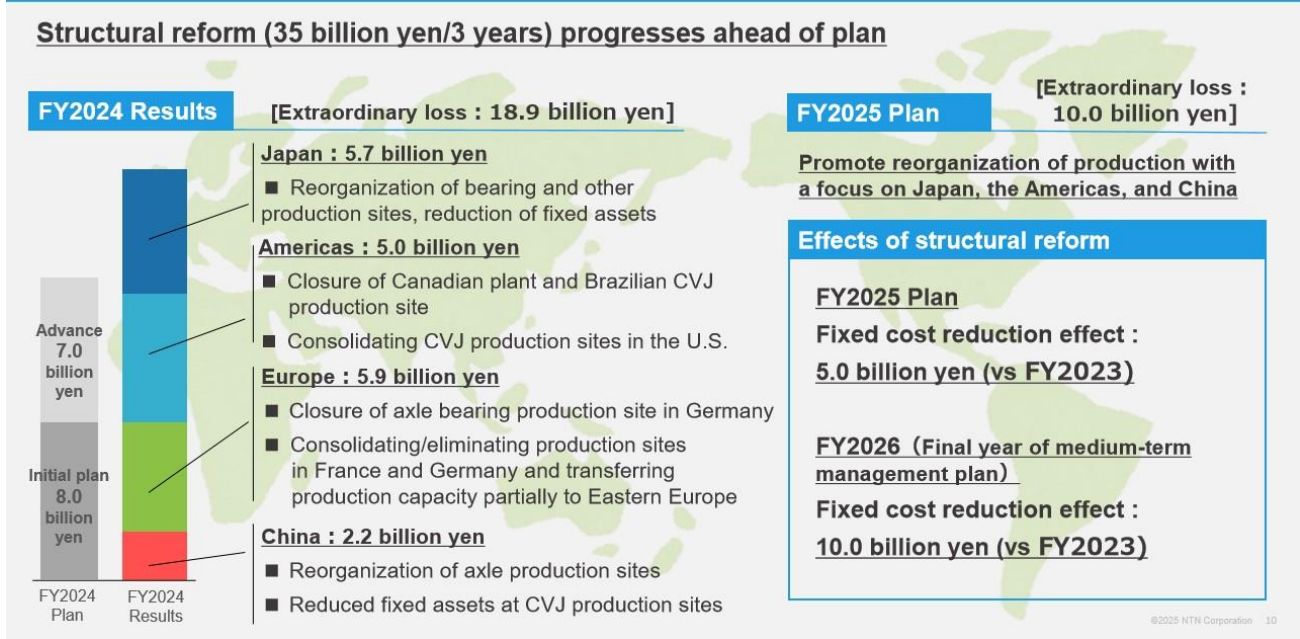
### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 8. Progress of Structural Reform

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



See page 10. I will explain the progress of structural reforms. Progress in structural reform is the most important issue for DRIVE NTN100 Final to complete the revitalization of NTN. As for the cost of structural reforms, we still expect to incur an extraordinary loss of JPY35.0 billion over the three-year cumulative period from FY2024 to FY2026.

The plan for FY2024 was JPY15.0 billion, but the actual result was JPY18.9 billion due to the advance of some sites and the effect of foreign exchange due to the weaker yen. In FY2025, we expect JPY10.0 billion in Japan, the Americas, and China, and will promote structural reforms in line with the market environment.

As a result of these structural reforms, we expect to reduce fixed costs by approximately JPY5.0 billion in FY2025. We will continue to steadily implement structural reforms, reduce fixed assets, and cut fixed costs in order to complete the revitalization of NTN.

#### Support

Japan 050.5212.7790  
 Tollfree 0120.966.744

Email Support support@scriptasia.com

## 9. Forecast of Return to Shareholders

### Dividends Policy

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

### Dividends in FY2025

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



\*Including 100th anniversary commemorative dividends

©2025 NTN Corporation 11

See page 11. I will explain the outlook for shareholder returns. For the current fiscal year, the dividend plan is undecided at this time due to the uncertain impact of the US trade policy on our group. This is not a revision of the shareholder return policy presented in the DRIVE NTN100 Final, but rather an effort to ensure that dividends are stable and sustainable from a medium- to long-term perspective and commensurate with operating results, based on trends in trade policy and the impact of such policies.

That is all from me.

**Nagao:** Thank you, President Ukai. Mr. Yamamoto, CFO, will continue the presentation. CFO Yamamoto, please.

**Yamamoto:** I am Yamamoto, CFO. Here is my explanation.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 1-1. Key Financial Indicators of FY2024

NTN

(billion yen)	FY2023 Full Year Results ①	FY2024		Diff.					
		Full Year Forecast ②	Full Year Results ③	③-②			③-①		
				Total	Volume	Forex	Total	Volume	Forex
Net sales	836.3	815.0	825.6	10.6	(0.8)	11.4	(10.7)	(37.1)	26.4
Operating income	28.1	22.0	23.0	1.0	(0.8)	1.8	(5.2)	(11.2)	6.0
Operating margin	3.4%	2.7%	2.8%	0.1%			(0.6%)		
Ordinary income	20.0	9.0	10.5	1.5	(0.5)	2.0	(9.5)	(14.9)	5.4
Extraordinary income (loss)	(3.4)	(15.0)	(19.1)	(4.1)	(3.7)	(0.3)	(15.6)	(14.6)	(1.0)
Profit (loss) attributable to owners of parent	10.6	(16.0)	(23.8)	(7.8)	(9.0)	1.2	(34.4)	(36.8)	2.4
Inventories	264.8	242.0	244.4	2.4	(2.0)	4.4	(20.4)	(17.8)	(2.7)
FCF	40.1	15.0	19.7	4.7	-	-	(20.5)	-	-
Exchange rate	1USD	¥144.5	¥150.6	¥152.4	¥1.9		¥8.0		
	1EURO	¥156.7	¥163.5	¥163.6	¥0.1		¥6.9		
FY2024 Annual Dividend		¥11.0 (Interim ¥5.5 / Year-end ¥5.5)							

©2025 NTN Corporation 13

First, please see page 13. Key financial indicators. Since Ukai explained this earlier, I will only explain the key points on this page. Operating income for FY2024 was JPY23.0 billion, an increase of JPY1.0 billion from the previous announcement. Extraordinary losses increased by JPY4.1 billion compared to the announcement, but this was due to the recording of impairment losses at manufacturing sites in Japan ahead of schedule. Due to an increase in extraordinary losses and the impact of tax effect accounting, loss attributable to owners of parent was JPY23.8 billion, a decrease of JPY7.8 billion from the previous announcement.

### Support

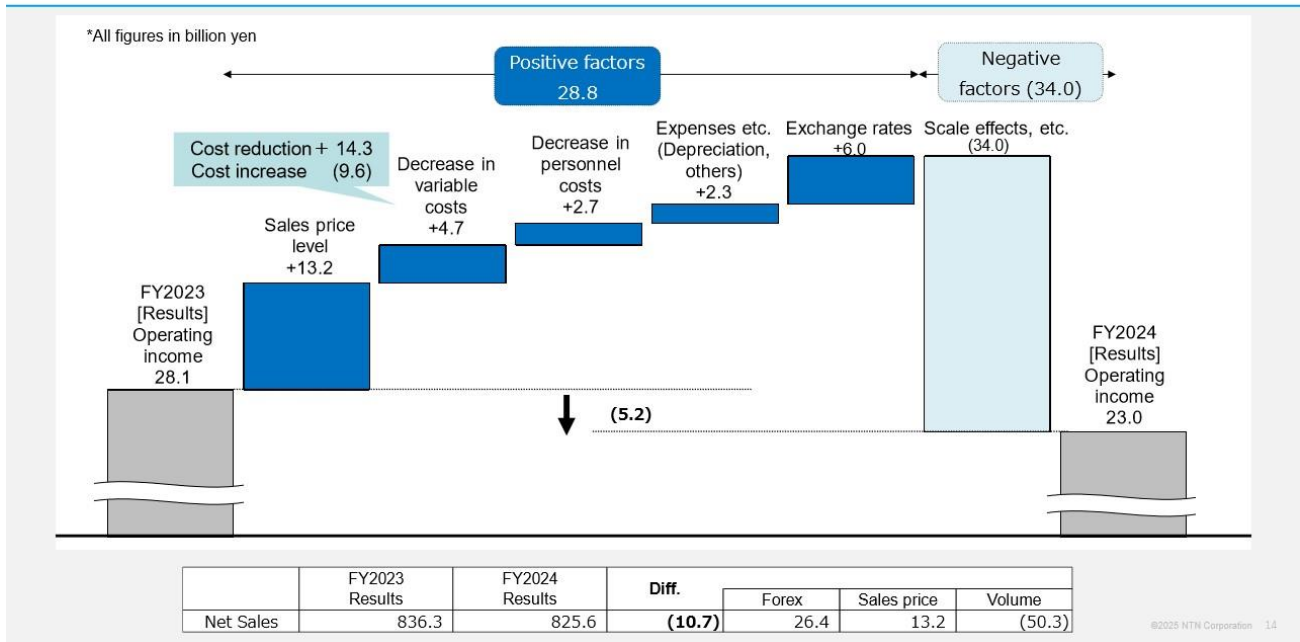
Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptasia.com

 **SCRIPTS**  
Asia's Meetings, Globally

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



Next, please see page 14. This is the waterfall graph of operating income increase/decrease analysis between FY2023 results and FY2024 results. The leftmost figure is the operating income amount for FY2023, and the rightmost figure is the operating income amount for FY2024. The chart below the graph shows the change in net sales. Excluding exchange rates and sales prices, volume decrease was JPY50.3 billion YoY. Negative factors on the right side are only scale effects, etc. of JPY34.0 billion due to sales and production decrease.

On the other hand, positive factors on the left side included positive JPY13.2 billion in sales price level, positive JPY4.7 billion in decrease in variable cost, positive JPY2.7 billion in decrease in personnel costs, positive JPY2.3 billion in reduction of expenses, and positive JPY6.0 billion in exchange rates, but they could not cover the impact of the decrease in scale, resulting in a JPY5.2 billion decrease YoY.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 2-1. Key Financial Indicators of FY2025

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

©2025 NTN Corporation 15

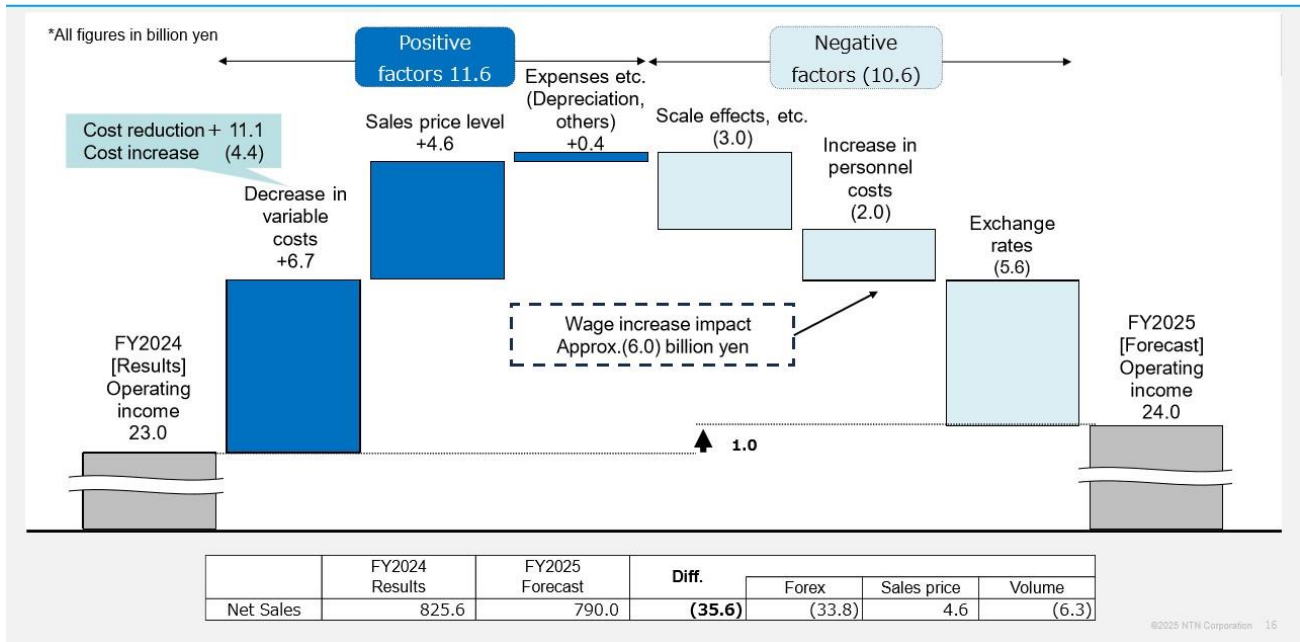
See page 15. Since Ukai explained the key financial indicators for FY2025 on this page earlier, I will skip the explanation. Changes in operating income are explained on the next page.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptsasia.com

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



See page 16. This is the waterfall graph of operating income increase/decrease analysis between actual results for FY2024 and forecast for FY2025. The leftmost figure is the operating income amount for FY2024, and the rightmost figure is the operating income amount for FY2025. The table of changes in net sales is shown at the bottom of the graph. Excluding exchange rates and sales prices, we expect a decrease of JPY6.3 billion in volume compared to the previous year.

Negative factors on the right side include the scale effects, etc. associated with reduced sales and production of negative JPY3.0 billion, while personnel expenses are expected to increase by JPY2.0 billion, including approximately JPY6.0 billion from wage increases. In addition, we expect a negative JPY5.6 billion due to the impact of exchange rates.

On the other hand, positive factors on the left side include positive JPY6.7 billion in decrease in variable costs, positive JPY4.6 billion in sales price level, and positive JPY0.4 billion in expenses, etc. Although there will be a decrease in scale and negative foreign exchange rates, we expect a profit increase of JPY1.0 billion.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

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

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

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

©2025 NTN Corporation 17

See page 17. Net sales by company location. First, please see the difference column, two-one for FY2024 vs. FY2023, volume excluding exchange rates. Net sales decreased by JPY37.1 billion YoY, but as I explained earlier, this includes positive JPY13.2 billion in sales price level, so excluding the sales price, the decrease is JPY50.3 in terms of volume.

I would like to report the increase/decrease on a volume basis by region. Japan was down JPY9.3 billion, the Americas was down JPY15.4 billion, Europe was down JPY12.8 billion, and Asia and other regions were down JPY12.7 billion, of which China was down JPY8.9 billion.

Likewise, see the difference column, three-two for FY2025 vs. FY2024, volume excluding exchange rates. This is a decrease of JPY1.7 billion YoY, but since this includes positive JPY4.6 billion in sales price level, the decrease is JPY6.3 billion in terms of volume. I would like to report the increase/decrease on a volume basis by region. Japan is up JPY0.9 billion, the Americas is down JPY7.0 billion, Europe is down JPY1.8 billion, and Asia and other regions are up JPY1.5 billion, of which China is down JPY0.9 billion.

#### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)

 **SCRIPTS**  
Asia's Meetings, Globally

## 4. Net Sales and Operating Income by Business Segment NTN

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

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

[Notes] After disclosing the results for the fiscal year ended March 31, 2024, at the financial results briefing on May 17, 2024, we have refined our common cost allocation criteria for several overseas subsidiaries. As a result, common expenses allocated to Bearings and others decreased, while common expenses allocated to CVJ/Axles increased. Impact on operating income :  
 - FY2024 Full year results Bearings and others **¥2.2 billion** CVJ/Axle **¥(2.2) billion**

©2025 NTN Corporation 18

Next, please see page 18. Net sales and operating income by business segment. First, please see the net sales difference column in the top row, two-one for FY2024 versus FY2023, volume excluding exchange rates. Net sales decreased by JPY37.1 billion YoY, but as I explained earlier, this includes positive JPY13.2 billion in sales price level, so excluding the sales price, the decrease is JPY50.3 in terms of volume. The breakdown on a volume basis is a JPY 22.4 billion decrease in bearings and others and a JPY27.9 billion decrease in CVJ /Axle.

Next is operating income in the lower row. Operating income in bearings and others declined by JPY4.0 billion, as positive factors such as positive foreign exchange rates, improved sales prices, and fixed cost reductions could not offset the impact of the decline in scale. CVJ/Axle also reported a decrease of JPY1.2 billion, as positive foreign exchange rates, improved sales prices, and better variable costs were unable to offset the impact of increased common costs and a decrease in scale.

Next, please see the net sales difference column in the top row, three-two for FY2025 vs. FY2024, volume excluding exchange rates. This is a decrease of JPY1.7 billion YoY, but as I explained earlier, since this includes positive JPY4.6 billion in sales price level, the decrease is JPY6.3 billion in terms of volume. The breakdown is a JPY14.9 billion increase in bearings and others and a JPY21.2 billion decrease in CVJ/Axle.

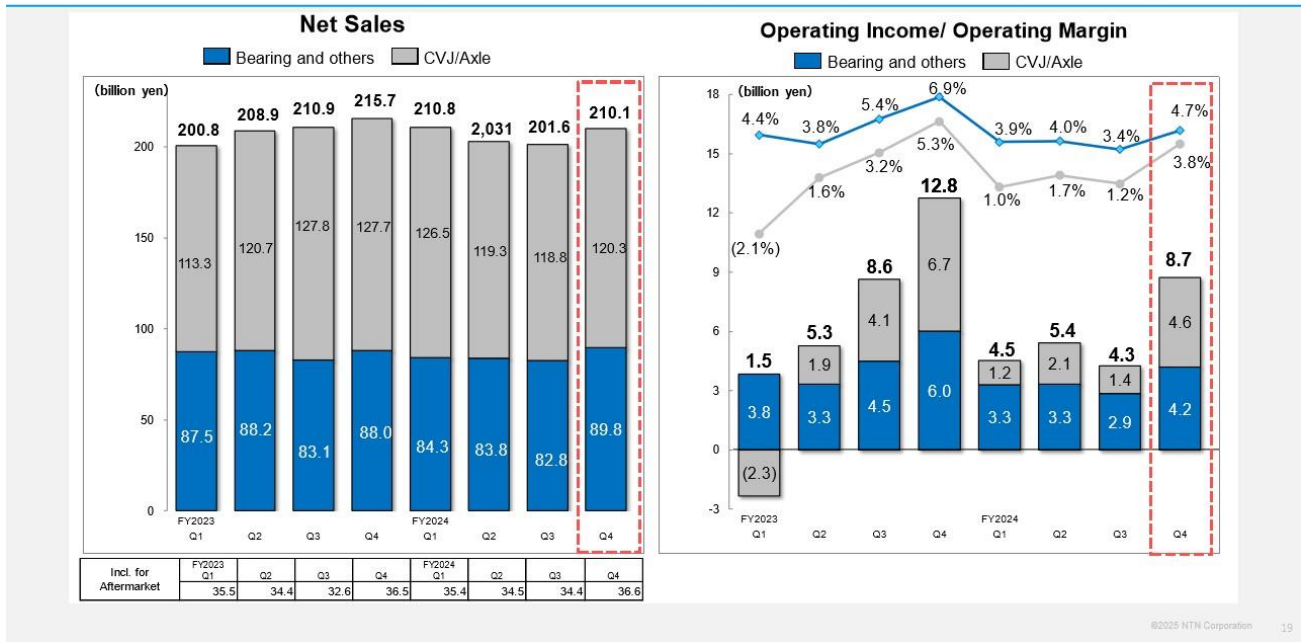
As for operating income in the lower part of the table, we expect operating income for bearings and others to decrease by JPY1.2 billion due to inventory valuation effects, foreign exchange effects, and an increase in fixed costs mainly in Japan, although there are factors to increase profits, such as an increase in the scale of sales, improvement in sales prices, and better variable costs. CVJ/Axle, on the other hand, are expected to increase by JPY2.2 billion in profit, taking into account the reduction of fixed costs due to the reduction of variable costs and the effect of structural reforms, despite a decrease in scale and the negative impact of exchange rate fluctuations.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 5. Financial Results by Business Segment (Quarterly Trend) NTN



See page 19. Quarterly trend of net sales, operating income and operating margin by business segment. The graph on the left shows the trend of net sales, and the graph on the right shows the trend of operating income plan and operating margin.

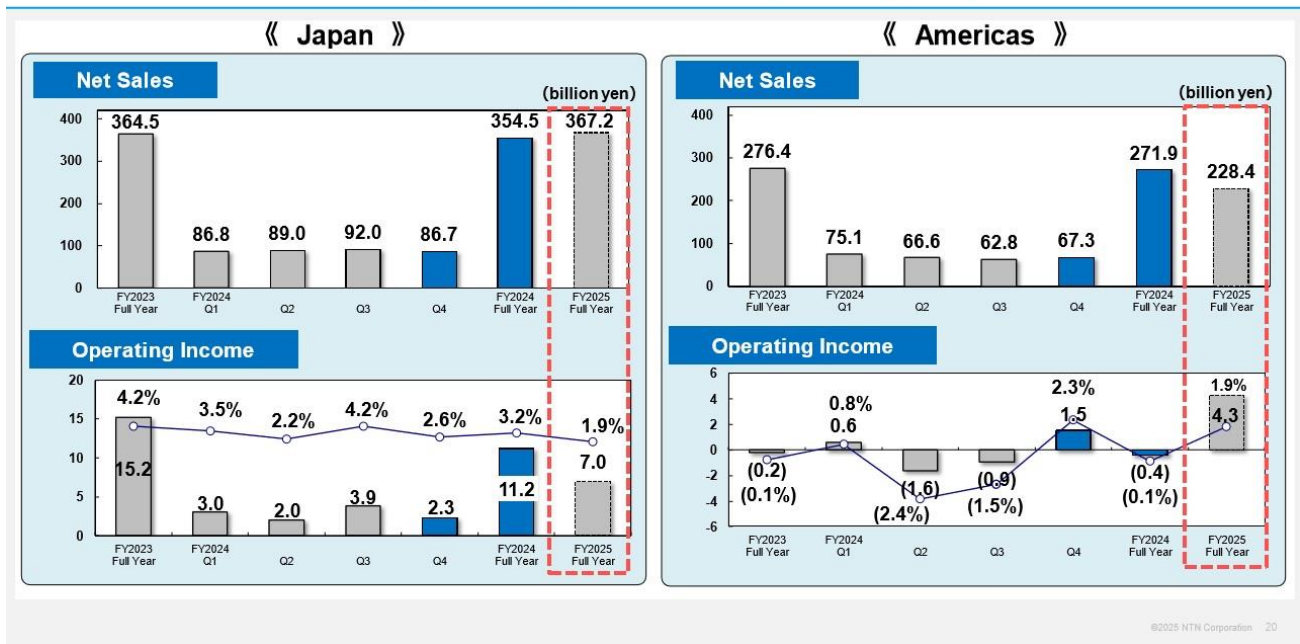
I will explain the situation in Q4. For Q4, both bearings and others and CVJ/Axle improved from Q3, with an operating margin of 4.7% and operating income of JPY4.2 billion for bearings and others, and an operating margin of 3.8% and operating income of JPY4.6 billion for CVJ/Axle, thanks to an improvement in sales price level and fixed cost reduction effects.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

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



See page 20. The quarterly trend of net sales and operating income by company location.

Japan is on the left and the Americas on the right. I will explain the situation in Q4. Q4 sales in Japan were JPY86.7 billion, down JPY5.3 billion from JPY92.0 billion in Q3. Operating income decreased by JPY1.6 billion from Q3 to JPY2.3 billion, due to the significant impact of the decrease in scale, despite the improvement in sales price level and reduction of fixed costs.

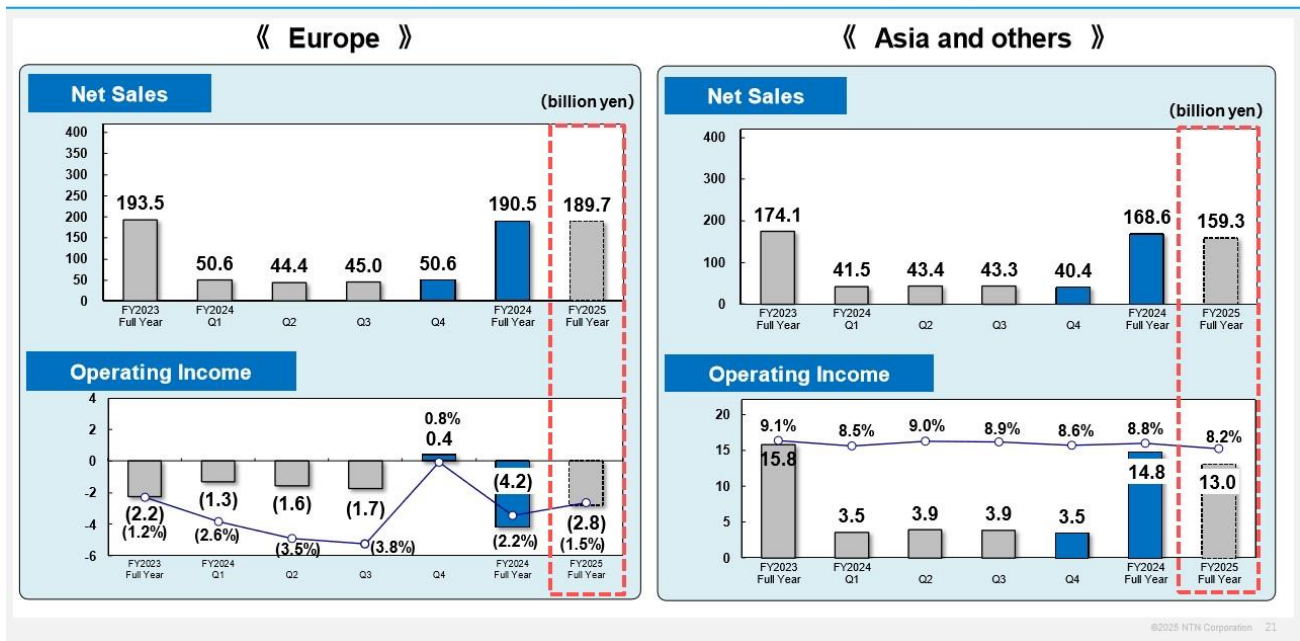
Next is the Americas. Sales for Q4 were JPY67.3 billion, an increase of JPY4.5 billion from JPY62.8 billion in Q3, with virtually no impact from foreign exchange rates. Operating income increased JPY2.4 billion from Q3 to JPY1.5 billion due to the impact of increased scale, improved selling price level, and fixed cost reductions.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

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



See page 21. This is also the quarterly trend of net sales and operating income by company location. Europe is on the left and Asia and others on the right.

Q4 sales in Europe were JPY50.6 billion, an increase of JPY6.2 billion from JPY45.0 billion in Q3, excluding the negative foreign exchange impact of JPY0.6 billion. Operating income increased JPY2.1 billion from Q3 to JPY0.4 billion due to an increase in scale and higher sales price level.

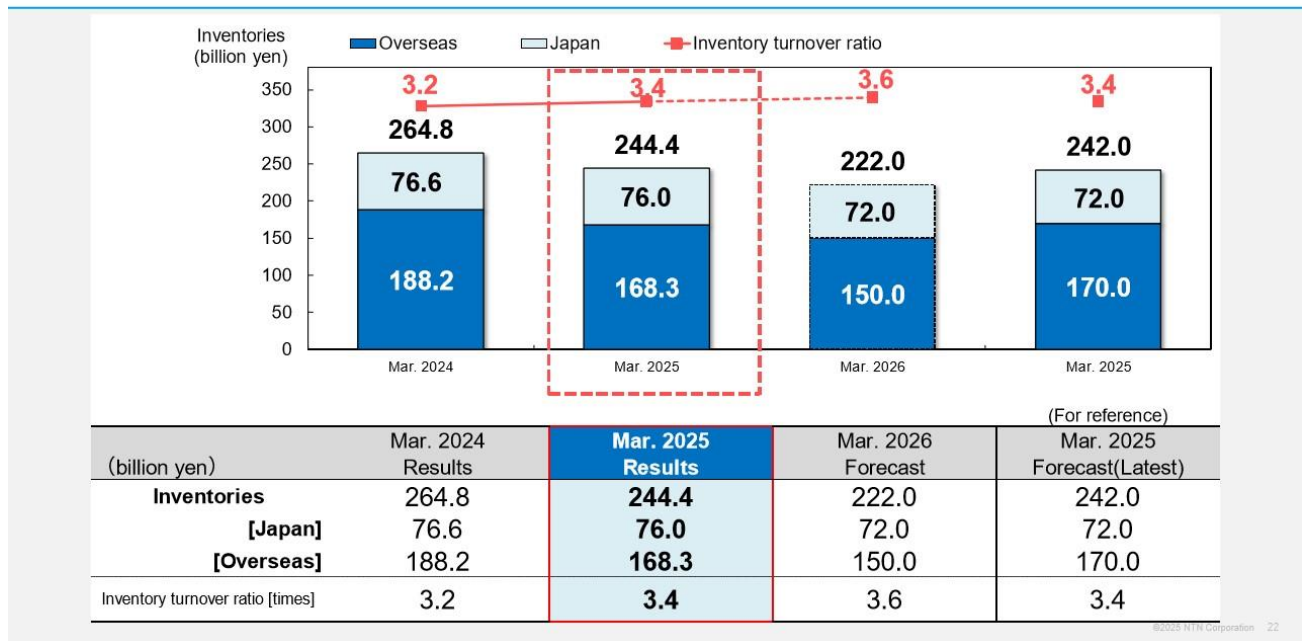
Asia and others reported Q4 sales of JPY40.4 billion, a decrease of JPY2.4 billion from JPY43.3 billion in Q3, excluding a negative JPY0.5 billion impact from foreign exchange rates. Operating income declined JPY0.4 billion from Q3 to JPY3.5 billion, as improved sales price level and fixed cost reductions were unable to offset the impact of the decline in scale.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 7. Inventories



See page 22. Inventories. Inventories at the end of March 2025 were JPY244.4 billion, a decrease of JPY20.4 billion from the end of March 2024. Of the decrease, JPY2.7 billion was due to the negative impact of foreign exchange rates, and the volume decrease was JPY17.8 billion.

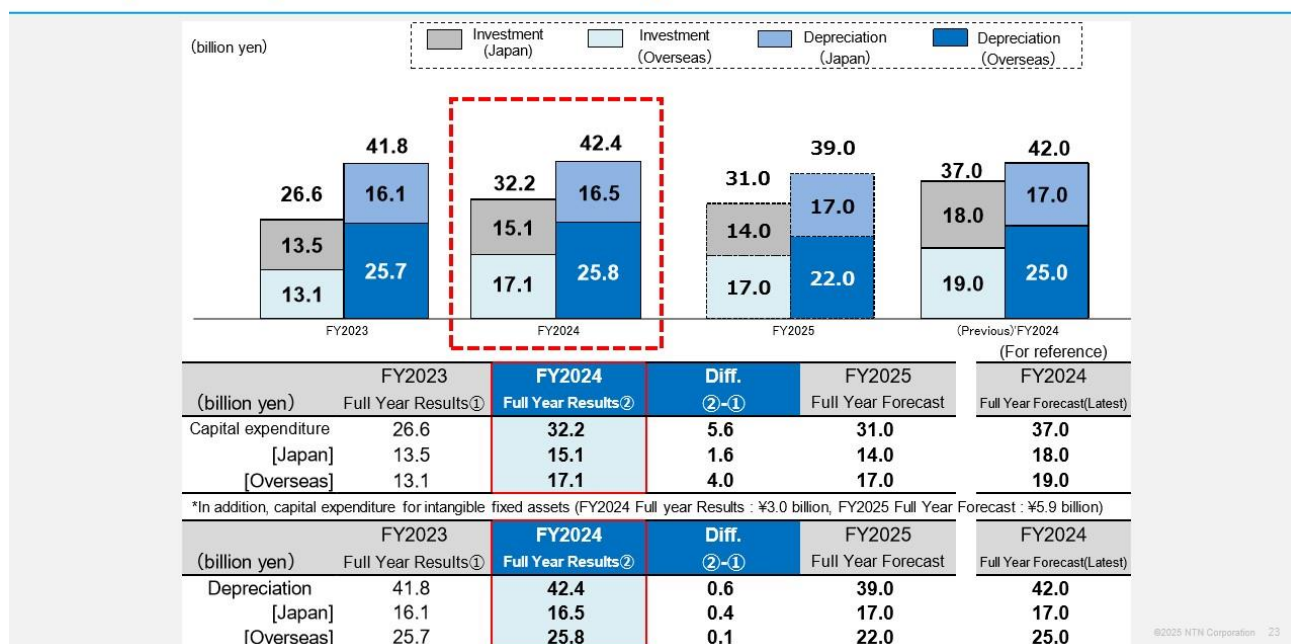
The turnover ratio was 3.4 times, the same as the latest forecast. At the end of March 2026, inventory balance is expected to be JPY222.0 billion, with a turnover ratio of 3.6 times. We will promote a reduction of JPY15.9 billion in volume excluding foreign exchange.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)

## 8. Capital Expenditures and Depreciation



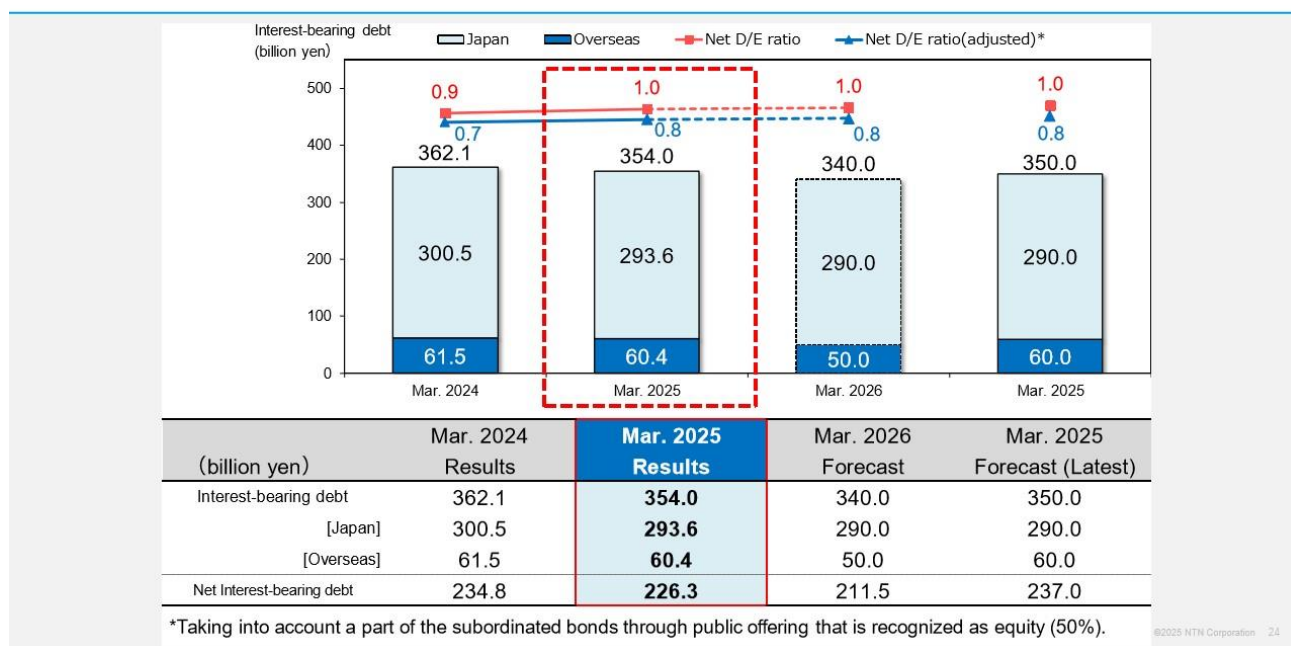
See page 23. Capital expenditures and depreciation. Capital expenditures for FY2024 totaled JPY32.2 billion, and depreciation totaled JPY42.4 billion. Capital expenditures of JPY32.2 billion were broken down by region: JPY15.1 billion in Japan, JPY3.4 billion in the Americas, JPY9.5 billion in Europe, and JPY4.2 billion in Asia and others, of which JPY1.4 billion was in China. Capital expenditures for FY2025 are expected to be JPY31.0 billion, and depreciation is expected to be JPY39.0 billion.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 9. Interest - Bearing Debt



See page 24. Interest-bearing debt. Interest-bearing debt at the end of March 2025 was JPY354.0 billion, net interest-bearing debt was JPY226.3 billion, and the net D/E ratio was 1.0. At the end of March 2026, interest-bearing debt is expected to be JPY340.0 billion, net interest-bearing debt JPY211.5 billion, and the net D/E ratio 1.0.

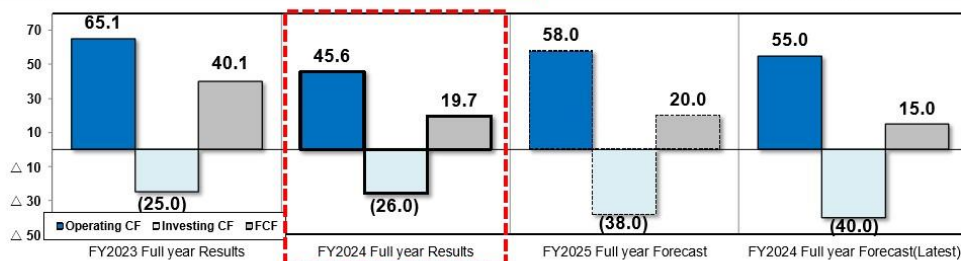
### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## 10. Cash Flows

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



©2025 NTN Corporation 25

See page 25. Cash flows. Operating cash flow for FY2024 was JPY45.6 billion and free cash flow was JPY19.7 billion. Compared to the announced forecast, operating cash flow fell short, but free cash flow was achieved by holding down investment cash flow.

For FY2025, we assume operating cash flow of JPY58.0 billion and free cash flow of JPY20.0 billion.

That is all from me.

**Nagao:** Thank you very much, CFO Yamamoto.

### Support

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support support@scriptasia.com

## Question & Answer

---

**Nagao [M]:** Now it is time for Q&A. Now, Mr. Sasaki of UBS Securities, please ask your questions.

**Sasaki [Q]:** I am Sasaki from UBS Securities. Thank you for everything. Let me ask you three questions. The first question is about the actual and planned performance, and I always ask you about the increase or decrease, but if you don't mind, please tell us what the increase or decrease was for CVJ and bearings, in numbers. If you have the numbers for the plan, please also share them with us.

If not, I think CFO Yamamoto explained it in his presentation this time, but I would appreciate it if you could give me an idea of these ups and downs in this fiscal year's plan.

**Yamamoto [M]:** This is Yamamoto. Would it be all right if I first provide you with a profit analysis of CVJ/Axle for FY2024, in comparison with FY2023?

**Sasaki [Q]:** Yes, that's right. What are the numbers for this increase/decrease decomposition with bearings and CVJ/Axle?

**Yamamoto [A]:** First of all, as I mentioned earlier, net sales for FY2024, in comparison with FY2023, on a volume basis, bearings and others decreased by JPY22.4 billion. Then, CVJ/Axle sales decreased by JPY27.9 billion, and total sales decreased by JPY50.3 billion. On the other hand, the sales price level. An increase of JPY6.3 billion for bearings and others, and an increase of JPY6.9 billion for CVJ/Axle, for a total of JPY13.2 billion. These are the sales figures.

Next, the impact of exchange rates. In bearings and others, foreign exchange effects increased profits by JPY2.4 billion and in CVJ/Axle, by JPY3.6 billion, for a total of JPY6.0 billion. As for the scale effects, etc., inventory reductions were carried out in FY2024, resulting in a negative impact of JPY13.5 billion in bearings and others and a negative impact of JPY20.6 billion in CVJ/Axle, for a total negative impact of JPY34.0 billion.

The total reduction in fixed costs is JPY5.0 billion, of which JPY1.3 billion is for bearings and others and JPY3.7 billion is for CVJ/Axle. Also, variable costs. For CVJ/Axle, variable costs were positive JPY5.3 billion, while for bearings, negative JPY0.6 billion, for a total of JPY4.7 billion. Is that okay for FY2023 vs FY2024?

**Sasaki [Q]:** Thank you very much. If you don't mind, could you tell us the same for slide number 16? The plan for FY2025.

**Yamamoto [A]:** We are still examining the details, so it is difficult for us to give you a detailed figure. First of all, as for the sales price level, especially since we have a lot of production in Japan, we accepted quite a lot of cost increase from suppliers in H2 of FY2024. Conversely, for FY2025, we are looking at an increase of about JPY4.3 billion in bearings and others at the sales price level. We are expecting about JPY0.2 billion in CVJ/Axle, since we have made considerable progress in converting sales prices and market conditions for steel and other materials have been declining.

As a result of the exchange rate, we expect a negative impact of JPY2.2 billion on bearings and others and a negative impact of JPY3.4 billion on CVJ/Axle. We are still in the process of analyzing the details of the scale, etc., so it is difficult to give you more information, but I think that the scale of the bearing and others will swing slightly to the negative side due to a considerable decline in the valuation of inventories. CVJ/Axle, on the other hand, will see a considerable decrease in the volume of sales, but due to the effect of its improved structure, we expect the impact of the decrease in scale to be much less here.

---

### Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptasia.com

Then the fixed costs. We are also still under detailed analysis, but since bearings and others inevitably have many domestic manufacturing bases, we expect that fixed costs will be negatively affected by the increase in domestic labor costs. It will swing slightly to the decrease in profits. CVJ/Axle were well ahead in structural reforms, etc., and we expect to be able to reduce fixed costs as a result of these reforms.

I will provide more details on the scale and other details during individual interviews, but such factors have led to a situation where CVJ/Axle's profits are inverted. Mr. Sasaki, is that okay?

**Sasaki [Q]:** I'm sorry. Could you also tell me a little bit about various costs, even qualitatively?

**Yamamoto [A]:** We are considering reducing various costs for both this fiscal year.

**Sasaki [M]:** I understand very well. Thank you very much.

**Yamamoto [M]:** Thanks.

**Sasaki [Q]:** The second question. This is just the second year of the medium-term management plan. While there are positive indications that structural reforms are progressing well ahead of schedule, I believe that the external environment is also becoming more challenging than expected.

President Ukai, you are now in the second year of the medium-term management plan, and I would like to ask you to look back on the plan compared to when the medium-term management plan was formulated last year. Are there any areas where things are going better than planned? And conversely, if there are any areas of delay that you did not anticipate at the time, could you please tell us about them, including internal factors and the external environment?

**Ukai [A]:** Ukai will answer. First of all, in Europe and China, structural reforms have been implemented as part of this medium-term management plan, and they are proceeding almost as planned, with some advancements.

In the case of Japan and the US, the structural reforms are not simply closing a single factory or transferring the products from that factory to another factory, but rather transferring the production of a factory in the US to Japan, and then in Japan, the products that were originally made at that factory have been transferred to a Taiwanese company, as was mentioned earlier in the report. Ball bearings with bore diameters of 20 or less have been fully transferred to a company with which we have had a technical tie-up for 40 years.

Therefore, there were factories that were changing their production style, and we were proceeding with a reorganization that would create a very chain reaction of relocating products that had been made in the US to such places and then using those locations for production in the US again.

In the midst of all this, Trump's tariffs have emerged. It is unclear where the tariffs will ultimately end up. This and other factors are having a slight impact on the final decision on whether it is better to continue local production in the US or to transfer production as planned and continue with the scheme of supplying products from Japan to the US, for example.

This is something that needs to be carefully monitored, but even before the Trump tariffs, I have been in my current position since 2021, and at that time there was a pandemic caused by COVID-19, which caused a very large supply shortage. We believe that market movements are always about buying good products at a good price, and being able to buy at a low price is what the market is looking for. In contrast, from the perspective of BCP, we are concerned about whether or not we can provide a stable supply of products. At that time, the pandemic threatened the stable supply.

---

## Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)

There is also the issue of exchange rates, and then there are issues of interstate disputes, and natural disasters. And, as for the tariffs, one of the factors that threaten the BCP is tariffs. But even excluding those tariffs, there have been various BCP-threatening issues since that time, so in response to those issues, we have been working on a various-lined supply chain, rather than the traditional one fixed line of supply. We have been working to achieve this.

For example, we have been developing suppliers of products. We used to buy from China and send to somewhere overseas, but now we can buy in China as well as India. We have been working on a various-lined supply chain. As I explained earlier, we will pass on the tariff issue to our customers in our prices, but at the same time, we will diversify our procurement routes to our customers.

One of the things we need to do is to provide customers with options that will satisfy them, and we would like to respond to this issue while making sure that we do so. In addition, this tariff will affect a very large number of suppliers or all parts of the supply chain this time. The final product, for example, if it is an automobile manufacturer, will come from a very large number of companies, not just one, so it will probably take some time to examine that evidence and various other things.

Naturally, we are trying to start negotiations right away and have already sent out the documents, etc., but in reality, many suppliers are making demands to the final manufacturer, and it is likely that it will take some time to settle the matter. Then there is the possibility of a time lag in collection. As for conventional price increase activities, it will be a very difficult read to see how far we can go in our composition to obtain a large price increase at the end of March. We will need to take all of these factors into consideration and respond to the situation in a firm and solemn manner.

I am not sure if this answers your question, but is this okay?

**Sasaki [Q]:** Thank you very much. I believe that structural reforms are well ahead of schedule. I think you are right about the changes in the external environment, tariffs in particular, but if there is anything else you can tell us about the response to the measures in the medium-term management plan, could you tell us additionally?

**Ukai [A]:** As Yamamoto mentioned earlier in his report, we have actually seen effects in the fixed cost area, so we will estimate how much this will be in the next fiscal year. Then, in practice, this will also shift from term to term, so it does not mean that the entire amount can be recovered in three years, but we would like to make sure that we can reap the benefits of this.

As I mentioned earlier, however, changes in the external environment are occurring along the way, so we need to consider how far we can go beyond or close to the plan while we are running.

**Sasaki [Q]:** Thank you very much. Finally, briefly, the third question. This is where it looked like an improvement, but the inventory is shown at the back of the slide. Up until now, you have had problems with inventory piling up, but this time, you have been able to reduce your inventory considerably in line with your plan. Traditionally, I think this inventory control management has been the matter. Does this really mean that inventory management has improved? If there is any background to this, could you please explain in more detail?

Also, on page nine, there has been quite a bit of steady growth in the aftermarket business as well. The initiatives are as you mentioned, but please tell us again what is behind the significant increase in sales of the aftermarket business, especially this fiscal year.

**Ukai [A]:** In response to your current question, Ukai would like to answer. First of all, we are making strong progress in reducing total inventories. The basis for this is the production reform that has been underway for

---

#### Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)

more than three years now. First of all, we focused on how to reduce work-in-progress that is stuck in the supply chain, including between production processes at factories, during transportation, on ships, and at overseas factories. These activities, which originally started in factories, are now gradually linking up with global activities.

On the one hand, there is the issue of controlling and reducing inventory overall. However, in the aftermarket, as Mr. Sasaki mentioned earlier in second question, it is very important to eliminate sales losses by increasing the capacity for immediate delivery of necessary finished products.

In order to expand the aftermarket, we will expand the immediate delivery system, and we will also firmly establish a system in our supply chain, including distributors, to provide technical services to end-users on a daily basis. We have been promoting this for a long time, and the gears are gradually coming together in this area. Therefore, we are reducing inventories in total but are also promoting controls such as holding large inventories of finished goods that are considered necessary.

In particular, the market for industrial machinery has been sluggish for the past three years, and we are now preparing for the next upturn by making full use of the surplus production facilities and capacity that have been left over. That is all.

**Sasaki [Q]:** From what President Ukai said, it seems that things have really changed quite a bit here.

**Ukai [A]:** Yes.

**Sasaki [M]:** This was very helpful. Thank you very much.

**Ukai [M]:** Thank you.

**Nagao [M]:** Thank you very much, Mr. Sasaki. Next, Mr. Ito of Mizuho Securities, please ask your questions.

**Ito [M]:** I am Ito from Mizuho Securities. Thank you.

**Ukai [M]:** Thank you very much.

**Ito [Q]:** My first question is about the US tariff impact, and I would like to ask for a supplemental explanation. Thank you for making this assumption based on the known conditions. In the supply chain, what products could have a greater impact? And then there is the impact of inventory, and actually, in terms of the amount, if it costs, will it cost additional money in the next year? At this point, there are many possible scenarios, such as whether the impact would be for a full year or only for six months. Please tell me how you arrived at this premise.

**Ukai [A]:** Thank you very much. Ukai would like to answer. First of all, CVJ/Axle and bearings have slightly different structures. In the US, CVJ/Axle are manufactured at a local factory using local procurement. For example, in some cases we are buying materials from US steel manufacturers, and in other cases we are buying from outside the US. Naturally, we have sought to diversify our supply chain to make our cost structure more competitive, which impacts our final costs. So, in that context, regarding steel materials currently purchased from overseas, the question arises as to whether or not to immediately switch to sourcing steel domestically in the US.

For example, to take one example, what is actually happening now is that steel manufacturers in the US are increasing their prices due to rising demand, and considering this price increase, there are cases where the current supply chain is more competitive even if we need to pay tariffs.

---

#### Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)

In addition, while there is a movement among companies to strengthen production in the US, even before Trump, it was difficult to secure labor for our American factories. This is because labor costs have risen very steeply over the past two years. This makes fixed costs structurally very high. In the midst of this, in a sense, they are also regulating immigration from overseas, so we are now facing the issue of whether we can secure the labor force that is truly needed in the U.S. in a way that does not reduce our competitiveness, and whether we can conduct operations separate from the procurement of steel and other materials in a reasonable manner. This will depend on the tariffs, but we need to make a decision on how we will manage our current supply chain, while keeping an eye on the situation.

I know this is not a straight answer, but we are in a very chaotic situation right now, with various facts and realities changing on a daily basis, and we are being forced to respond in that sense. Sorry for being a bit qualitative.

**Ito [Q]:** Okay. Thank you very much. I also have one more question regarding the progress of structural reforms. You are moving ahead of schedule this time. Also, we were told of the estimated JPY10.0 billion to be spent in the current fiscal year.

I understand that this is ahead of schedule this fiscal year, but is there a possibility that it could go even further and exceed the three-year cumulative total of JPY35.0 billion? The external environment is also changing, and in particular, when it comes to automobile sales destination, there is a possibility that the forecast for the number of units will be further reduced. Are you now considering your next plans and ideas in the event that this happens? Please tell us about that.

**Yamamoto [A]:** This is Yamamoto. As you can see on the slide, as Ukai explained earlier, the fact that we are moving forward means that what was originally planned for the second year is now pretty much in the first year. Therefore, as for JPY35.0 billion for the three-year period, we are not currently considering increasing this quota for the three-year period.

The original plan was to spend over JPY20.0 billion in the second year, but since we brought in JPY18.9 billion in the first year, the second year is now JPY10.0 billion. I hope this answers your question.

**Ito [M]:** Okay. Thank you very much. That's all from me.

**Yamamoto [M]:** Thank you very much.

**Nagao [M]:** Thank you very much for your question, Mr. Ito. Does anyone have any other questions? Now, Ms. Wang of Nomura Securities, please ask your questions.

**Wang [M]:** Thank you for your help. I am Wang of Nomura Securities. Thank you for your explanation today.

**Ukai [M]:** Thank you very much.

**Wang [Q]:** First of all, regarding the tariff impact mentioned earlier, what are your assumptions regarding the impact of the bearing and other estimates?

**Yamamoto [M]:** Do you mean the assumption of JPY16.0 billion?

**Wang [Q]:** Yes, that's right. Could you tell us what you expect the costs to be and what assumptions you are making about the tax rate?

**Yamamoto [A]:** First of all, the assumption of JPY16.0 billion is that 10% reciprocal tariff is applied now. On the other hand, the country-by-country tariffs, the additional part, I think this is now frozen for 90 days. If this

---

#### Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)

rate is raised from July to the rate announced in April as scheduled, the impact will be JPY16.0 billion, and this is based on purchases. Does this answer your question?

**Wang [Q]:** Thank you very much. I think the direction is to pass on the price to the consumer, but if we think of it by segment, I believe that the aftermarket part can be raised by price list or something like that, but is it correct to think that it is relatively easy to reflect that?

**Ukai [A]:** This is Ukai. I am not sure if it is easy or not, but as Ms. Wang mentioned, the aftermarket business is conducted by issuing a price list and getting it approved, so in a sense, it is more a matter of moving with the market conditions rather than negotiating.

On the other hand, with OEM customers, it is still all negotiation, so we have to submit evidence and get verification with that evidence, which may or may not be accepted. Or like how much percentage to have in negotiations, I think it will take many forms in the end, but our stance is to pass on 100% of the cost to the selling price.

**Wang [Q]:** Thank you very much. The second question. I think your results for the period that ended showed a significant upward swing in the sales price level compared to the plan, but what were the areas where you were able to recover more than expected?

**Ukai [M]:** I'm sorry, it was a little difficult to hear what you meant when you said it was an upward swing.

**Wang [Q]:** I'm sorry. This is about the sales price level portion of the operating increase and decrease.

**Ukai [A]:** As for the sales price, for the past several years, we have been working to provide evidence of the sales prices of materials, labor costs, and other items such as electric gas, but at the same time, we have not been able to negotiate prices for unprofitable products, which we have been in business for many years. As a result, some of these projects have become unprofitable, so we have continued to work on these areas with considerable effort, and we are still in the process of making progress.

**Yamamoto [M]:** What you just said, Ms. Wang, is that you are asking if there has been an upward swing compared to the original forecast, is that correct?

**Wang [Q]:** Yes. I think that your results are exceeding your previous plans.

**Yamamoto [A]:** I see. When we announced the forecast, at the end of the fiscal year, there were some customers for whom we were not sure whether we would be able to get the deal or not, so we did not include them in the figures we published.

For example, we were able to negotiate a price increase for a product whose volume had dropped considerably in Europe, and we were also able to get what we thought we could get in Japan in the area of labor costs. Since that came in in March, the price increase for the full year has been raised from the IR figure.

**Wang [M]:** Thank you. That's all from me.

**Ukai [M]:** Thank you very much.

**Nagao [M]:** Thank you very much, Ms. Wang, for your question. Does anyone have any other questions? Mr. Sasaki of UBS Securities, again, please ask your questions.

**Sasaki [Q]:** I am Sasaki from UBS Securities. Please tell me one additional thing. It is about dividends and shareholder returns. You have now announced your dividend forecast as undecided. I understand that you were unable to issue a dividend forecast due to the extreme uncertainty. On the other hand, looking at the

---

#### Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)



cash flow assumptions in your plan, you are projecting free cash flow of JPY20.0 billion for the current fiscal year. So, in this sense, I think you didn't have to make the dividend forecast undecided. If you are able to talk about it, could you tell us a little more about the discussions that led to this undecided dividend forecast?

**Yamamoto [A]:** This is Yamamoto. As Mr. Sasaki just mentioned, to be honest, there was a great deal of discussion among the executive officers about this issue. First of all, the earnings forecast should normally be issued for H1 and H2. As I mentioned earlier, the price increase may be shifted from H1 to H2, and from H2 to the next fiscal year. While we can think of these things, currently we have a single earnings forecast, and yet it doesn't include the impact of tariffs.

And since we also inevitably issue dividend forecasts in the form of interim and year-end dividends, the final conclusion was that the dividend forecast should be undecided now. Of course, this does not mean that we will change the policy itself as stated in the dividend policy, but as I mentioned earlier, the current situation is that we have withheld the amount due to considerable uncertainty. I hope this answers your question.

**Sasaki [M]:** Thank you very much.

**Yamamoto [M]:** Thank you very much.

**Nagao [M]:** Thank you very much for your question, Mr. Sasaki. If anyone has any other new questions, please let us know.

Since there are no questions, we have a little more time before the scheduled time, but this concludes the IR briefing of NTN Corporation. Thank you very much for your participation today.

**Ukai [M]:** Thank you very much.

**Yamamoto [M]:** Thank you very much.

[END]

---

### **Document Notes**

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

---

### **Support**

Japan 050.5212.7790  
Tollfree 0120.966.744

Email Support [support@scriptsasia.com](mailto:support@scriptsasia.com)



## Disclaimer

SCRIPTS Asia reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case SCRIPTS Asia shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources SCRIPTS Asia believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, SCRIPTS Asia does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which SCRIPTS Asia's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH SCRIPTS ASIA ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES SCRIPTS ASIA OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY SCRIPTS ASIA. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. SCRIPTS ASIA DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of SCRIPTS Asia's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SCRIPTS Asia. SCRIPTS Asia's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by SCRIPTS Asia at any time without notice.

Copyright © 2025 SCRIPTS Asia K.K. ("SCRIPTS Asia"), except where explicitly indicated otherwise. All rights reserved.

---

### Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support [support@scriptasia.com](mailto:support@scriptasia.com)

