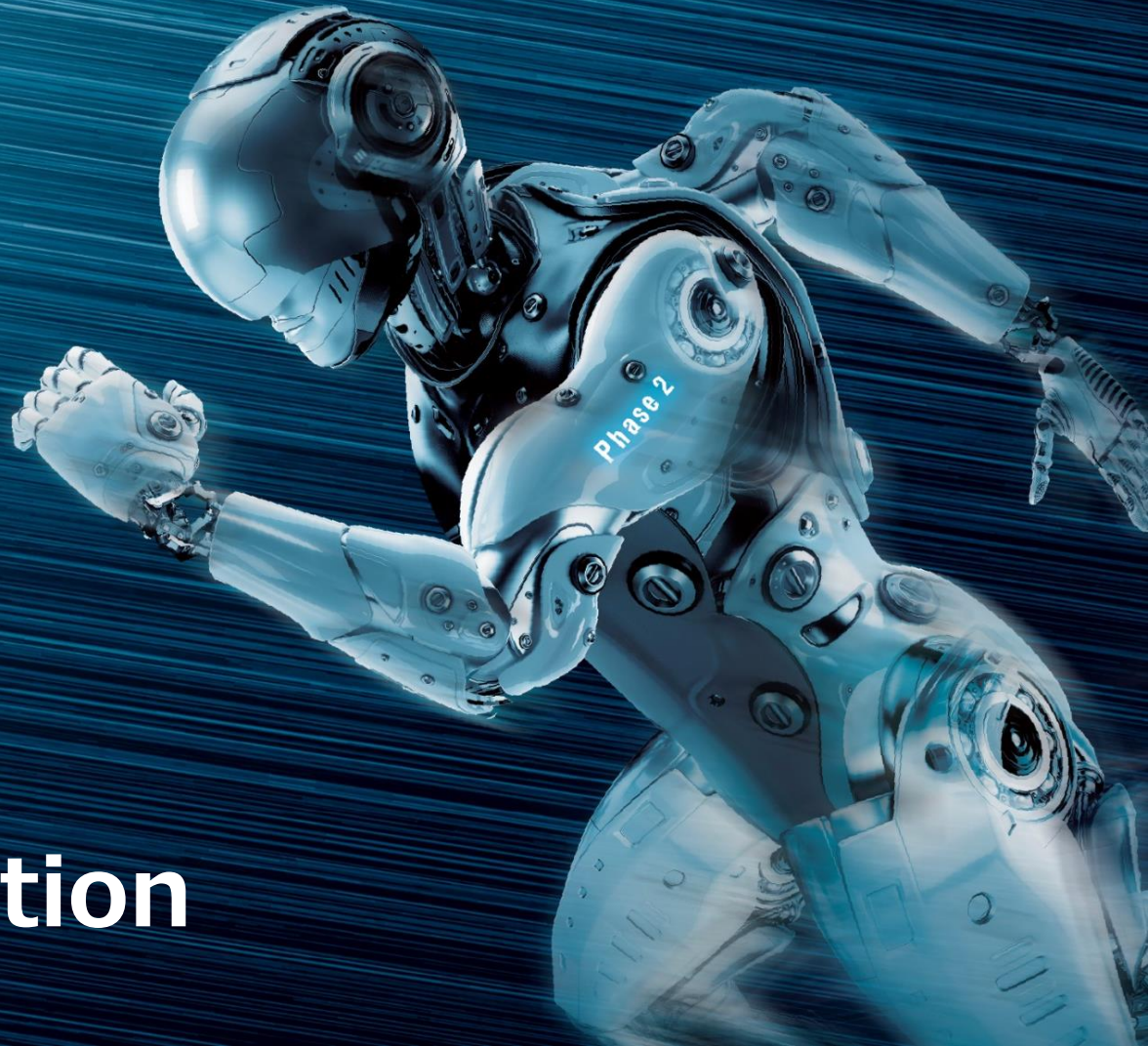


**NTN**

# Consolidated Financial Results for the Third Quarter of FY2023



February 2, 2024

**NTN Corporation**

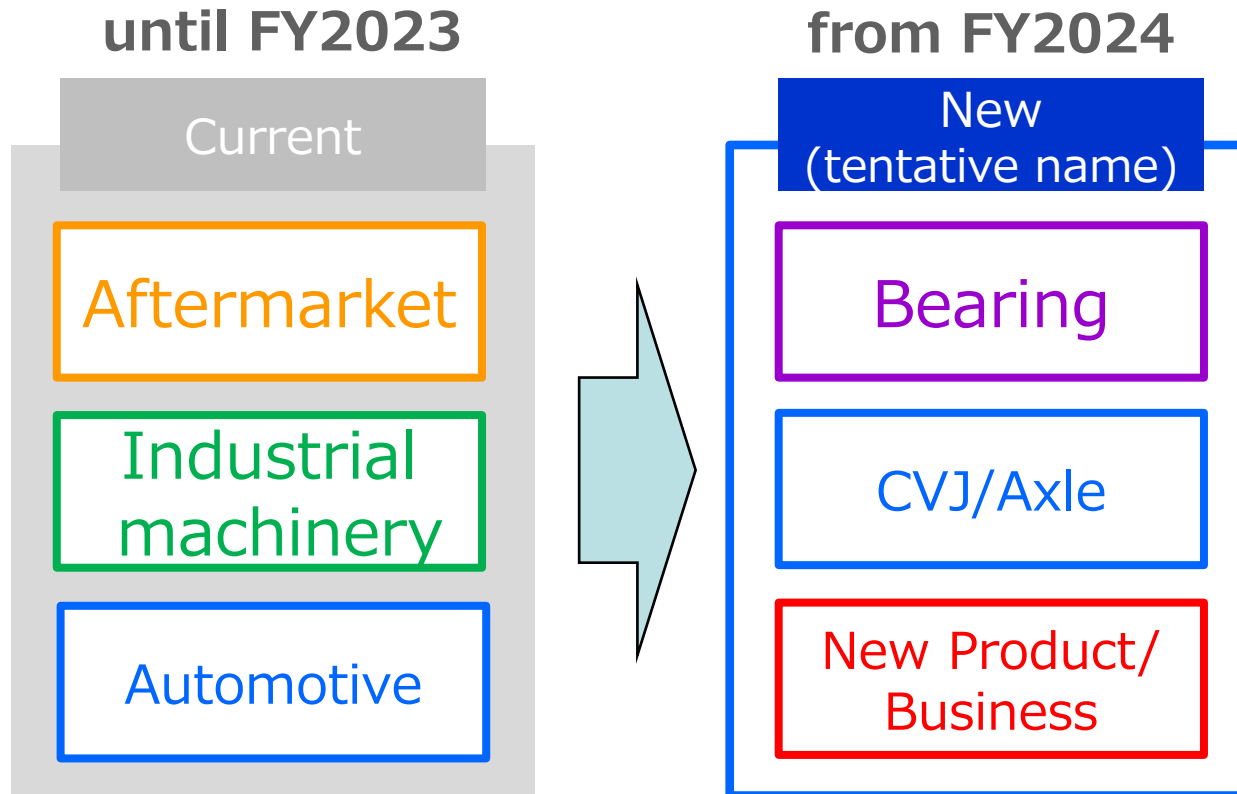
## FY2023 Q3 (October-December)

- ◆ Net sales: ¥210.9 billion (+¥13.2 billion YoY)
- ◆ Operating income: ¥8.6 billion (+¥2.6 billion YoY)
  - Aftermarket: Net sales ¥32.6 billion Operating income ¥4.4 billion  
Sales and operating income decreased YoY due to deteriorating market conditions in Japan, Europe and Asia
  - Industrial machinery: Net sales ¥30.5 billion Operating income ¥1.3 billion  
Sales and operating income decreased YoY due to deteriorating market conditions except for aircraft and rolling stock
  - Automotive: Net sales ¥147.8 billion Operating income ¥3.0 billion  
Sales and operating income increased YoY as semiconductor shortages resolved and demand recovered in Japan, Americas, and Asia

## Forecast for FY2023 Full Year

- ◆ Net sales: ¥830.0 billion, +¥5.0 billion from previous forecast in August
- ◆ Operating income: ¥25.0 billion, (¥5.0 billion) from previous forecast in August
  - Revised full year forecast for higher sales and lower operating income
  - Decrease in sales volume mainly in Industrial Machinery Business, Noto Peninsula Earthquake, effect of yen depreciation, etc.

- ◆ Plan to change our organization from the market-oriented to a product-oriented organization in order to expand Aftermarket Business and respond to changes in the industrial structure (electrification, EVs, etc.)



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



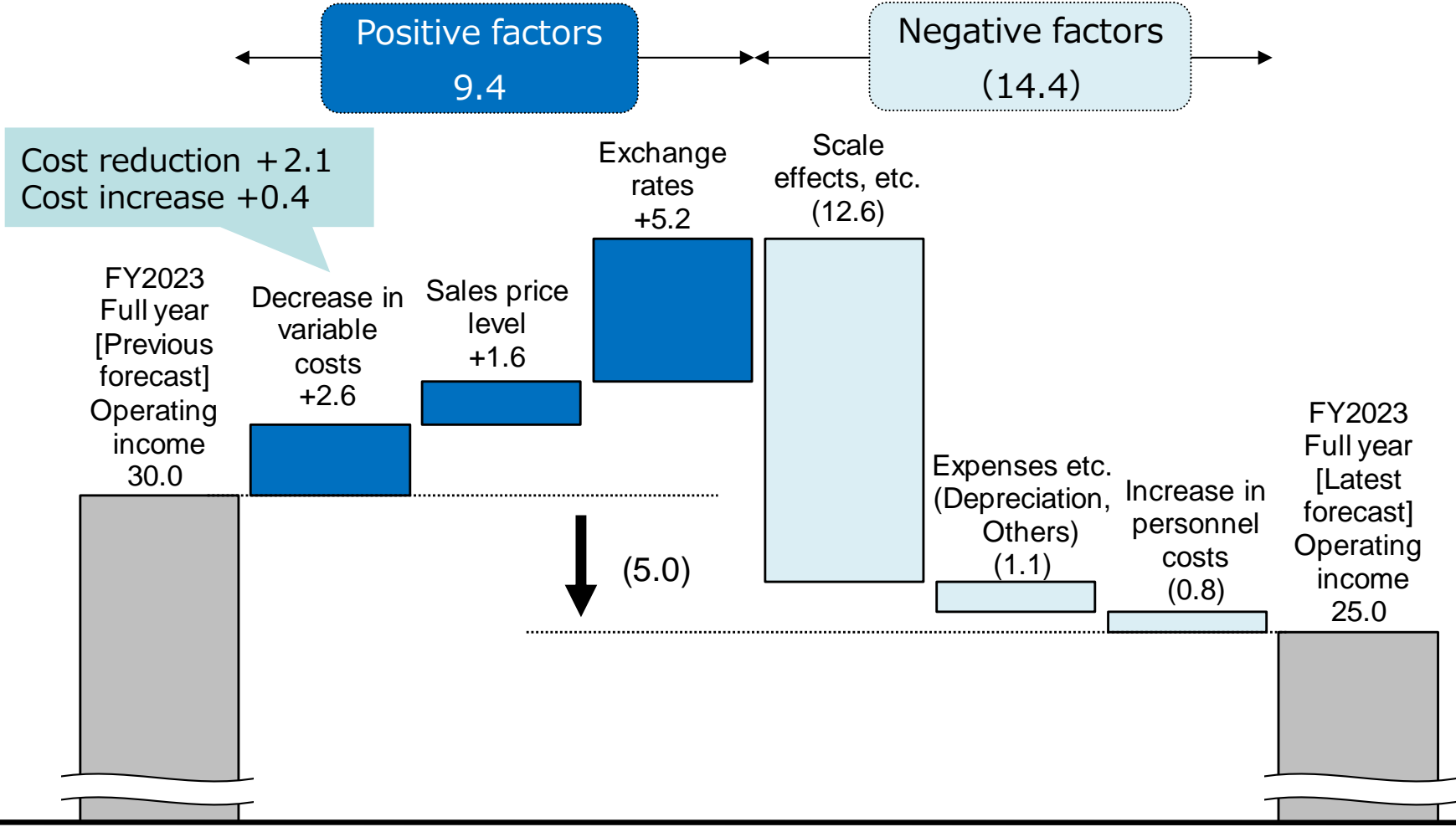
	FY2022		FY2023			Diff.		
	Q1-3 Results	Full Year Results	Q1-3 Results	Full Year Forecast	Full Year Forecast	②-①		
				①(Previous)	②(Latest)	Total	Volume	Excl. forex
(billion yen)								
Net sales	569.4	774.0	620.5	825.0	830.0	5.0	(23.9)	28.9
Operating income (loss)	9.9	17.1	15.4	30.0	25.0	(5.0)	(10.2)	5.2
Operating margin	1.7%	2.2%	2.5%	3.6%	3.0%	(0.6%)		
Ordinary income (loss)	7.4	12.0	9.8	23.0	17.5	(5.5)	(10.6)	5.1
Extraordinary income (loss)	(0.9)	(1.2)	1.2	(4.0)	(2.1)	1.9	1.8	0.1
Profit (loss) attributable to owners of parent	(0.8)	10.4	7.7	11.0	9.0	(2.0)	(5.4)	3.4
Inventories	247.7	239.4	259.2	230.0	243.0	13.0	3.0	10.0
FCF	15.4	20.4	40.1	29.0	29.0	-	-	-
Exchange rate	1USD	¥136.5	¥135.5	¥143.2	¥137.9	¥4.5		
	1EURO	¥140.5	¥140.9	¥155.2	¥151.7	¥3.5		

# 1-2. Analysis of Operating Income

## (FY2023 Full Year Forecast (previous) vs FY2023 Full Year Forecast (latest))



\* All figures in billion yen



	Full Year Forecast (Previous)	Full Year Forecast (Latest)	Diff.			
				Forex	Sales price	Volume
Net Sales	825.0	830.0	+5.0	+28.9	+1.6	(25.5)

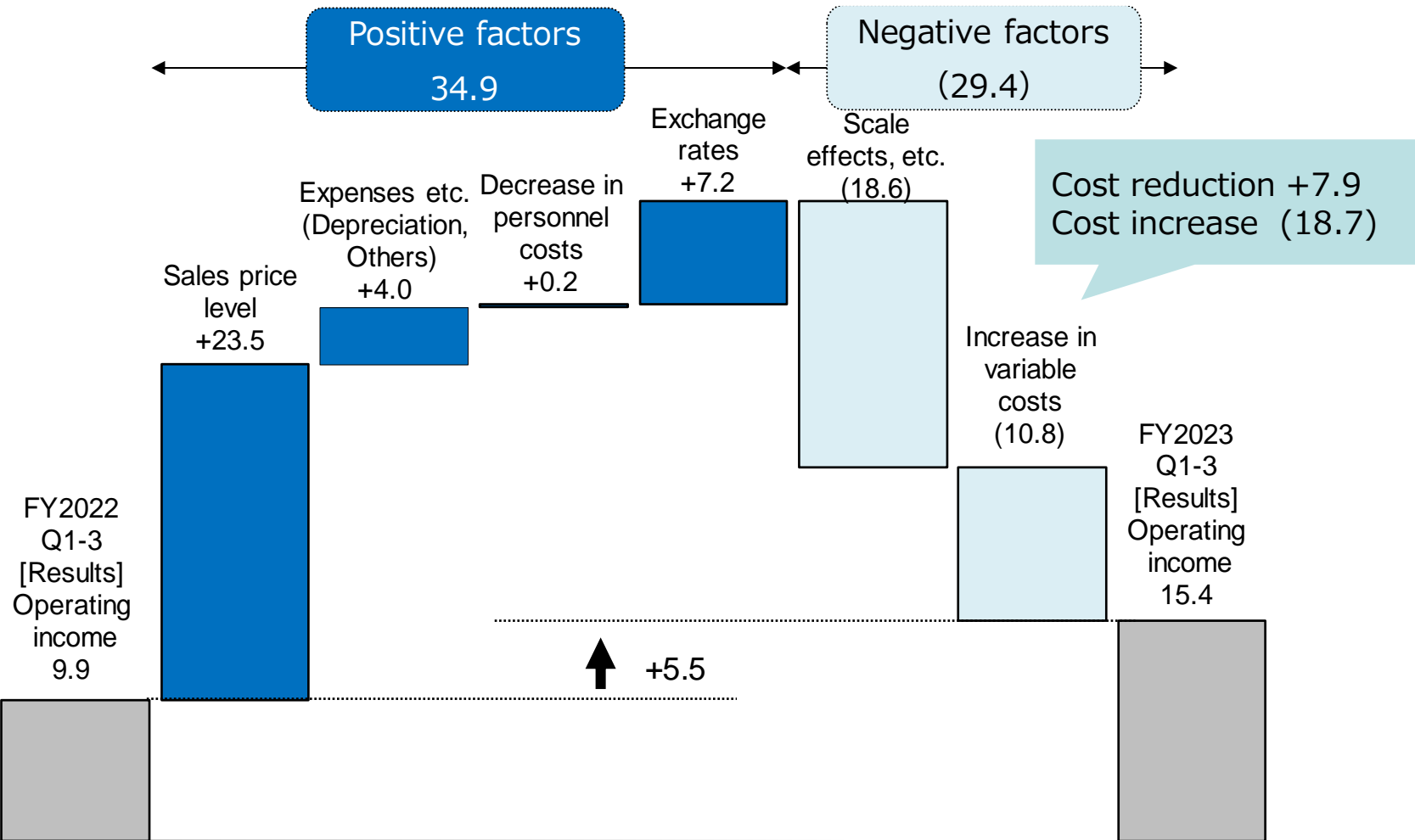
## 2-1. Key Financial Indicators (vs Previous Fiscal Year)

	FY2022			FY2023			Diff.		
	Q3 Results	Q1-3 Results	Full Year Results	Q3 Results	Q1-3 Results	Full Year Forecast	②-①		
	(billion yen)	①			②	(Latest)	Total	Volume	Excl. forex
Net sales	197.7	569.4	774.0	210.9	620.5	830.0	51.1	23.7	27.4
Operating income (loss)	6.0	9.9	17.1	8.6	15.4	25.0	5.5	(1.7)	7.2
Operating margin	3.1%	1.7%	2.2%	4.1%	2.5%	3.0%	0.7%		
Ordinary income (loss)	3.8	7.4	12.0	4.9	9.8	17.5	2.4	(4.7)	7.1
Extraordinary income (loss)	(0.9)	(0.9)	(1.2)	1.6	1.2	(2.1)	2.2	2.1	0.1
Profit (loss) attributable to owners of parent	0.9	(0.8)	10.4	3.6	7.7	9.0	8.4	3.8	4.7
Inventories *	247.7	247.7	239.4	259.2	259.2	243.0	19.8	7.9	11.9
FCF	1.9	15.4	20.4	15.9	40.1	29.0	24.6	-	-
Exchange rate	1USD	¥141.6	¥136.5	¥135.5	¥147.9	¥143.2	¥142.4	¥6.7	
	1EURO	¥144.2	¥140.5	¥140.9	¥159.0	¥155.2	¥155.2	¥14.7	

\* Increase/decrease from the end of Mar. 2023

## 2-2. Analysis of Operating Income (FY2022 Q1-3 Results vs FY2023 Q1-3 Results)

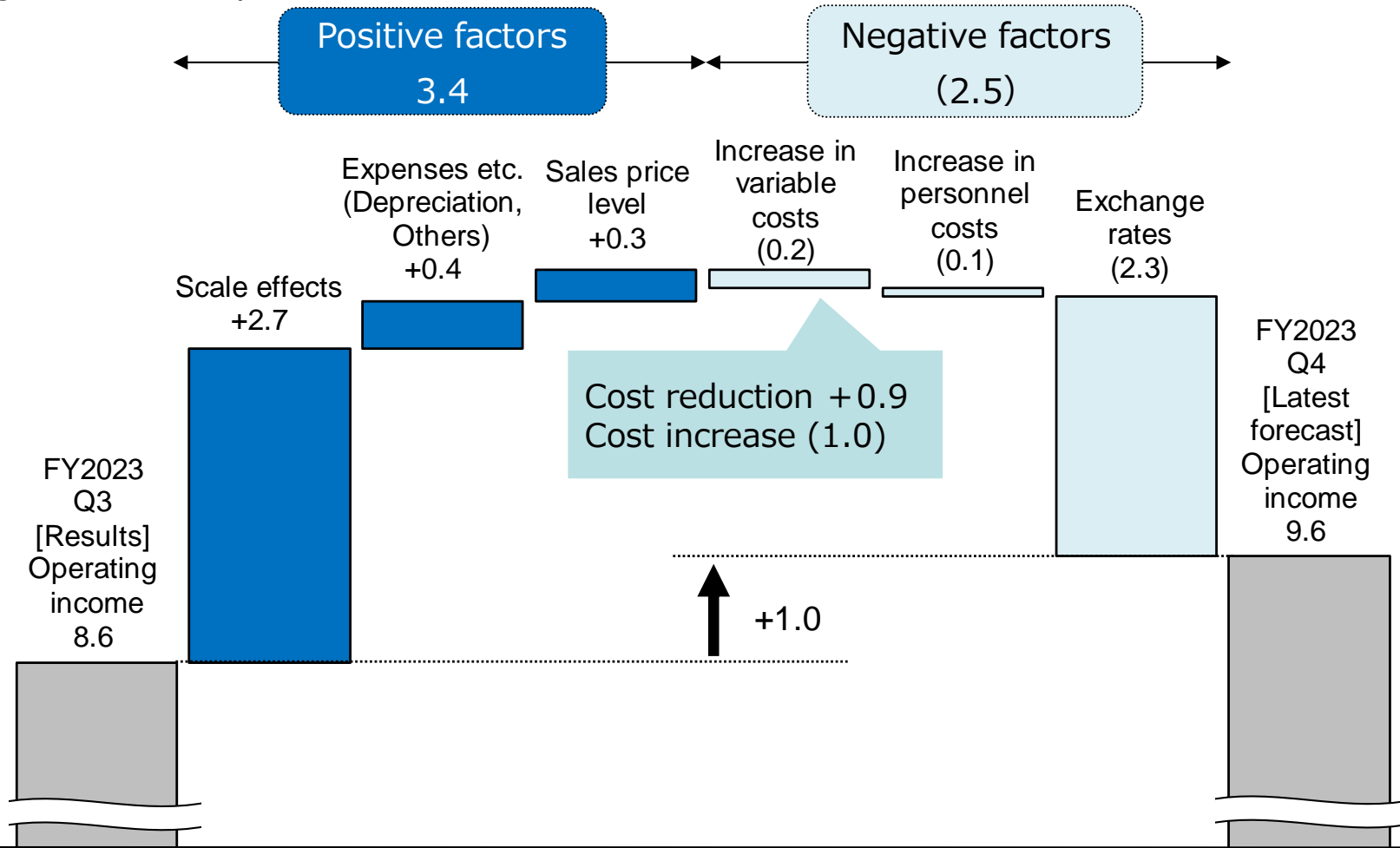
\* All figures in billion yen



	FY2022 Q1-3 Results	FY2023 Q1-3 Results	Diff.	Breakdown of Diff.		
				Forex	Sales price	Volume
Net Sales	569.4	620.5	<b>+51.1</b>	+27.4	+23.5	+0.3

## 2-3. Analysis of Operating Income (FY2023 Q3 Results vs FY2023 Q4 Forecast (latest))

\* All figures in billion yen



	FY2023 Q3 Results	FY2023 Q4 Forecast (Latest)	Diff.	Diff.		
				Forex	Sales price	Volume
Net Sales	210.9	209.5	(1.4)	(10.9)	+0.3	+9.2



### 3. Net Sales by Region

(billion yen)	FY2022			FY2023			Diff.			(For reference)
	Q3 Results	Q1-3 Results	Full Year Results	Q3 Results	Q1-3 Results	Full Year Forecast	②-①			FY2023 Full Year Forecast
		①			②	(Latest)	Total	Volume	Excl. forex	(Previous)
Japan	52.6	148.1	201.6	55.7	160.3	212.5	12.2	12.2	0.0	217.0
Americas	62.8	181.3	246.2	66.7	199.9	269.5	18.6	7.6	11.0	263.0
Europe	37.7	109.7	155.2	39.7	123.9	169.5	14.2	2.5	11.7	173.0
Asia and others	44.6	130.3	170.9	48.8	136.4	178.5	6.1	1.4	4.7	172.0
Total	197.7	569.4	774.0	210.9	620.5	830.0	51.1	23.7	27.4	825.0

# 4. Net Sales and Operating Income by Business Segment



## <Net Sales by Business Segment>

(billion yen)	FY2022			FY2023			Year on Year			(For reference)
	Q3 Results	Q1-3 Results	Full Year Results	Q3 Results	Q1-3 Results	Full Year Forecast	②-①			FY2023 Full Year Forecast (Previous)
	①			② (Latest)			Total	Volume	Excl. forex	
Aftermarket	33.1	99.0	134.0	32.6	102.5	138.0	3.4	(1.9)	5.4	138.5
Industrial machinery	33.8	102.8	139.5	30.5	95.3	126.5	(7.6)	(11.4)	3.8	130.5
Automotive	130.8	367.6	500.4	147.8	422.8	565.5	55.2	37.1	18.2	556.0
Total	197.7	569.4	774.0	210.9	620.5	830.0	51.1	23.7	27.4	825.0

## <Operating Income by Business Segment>

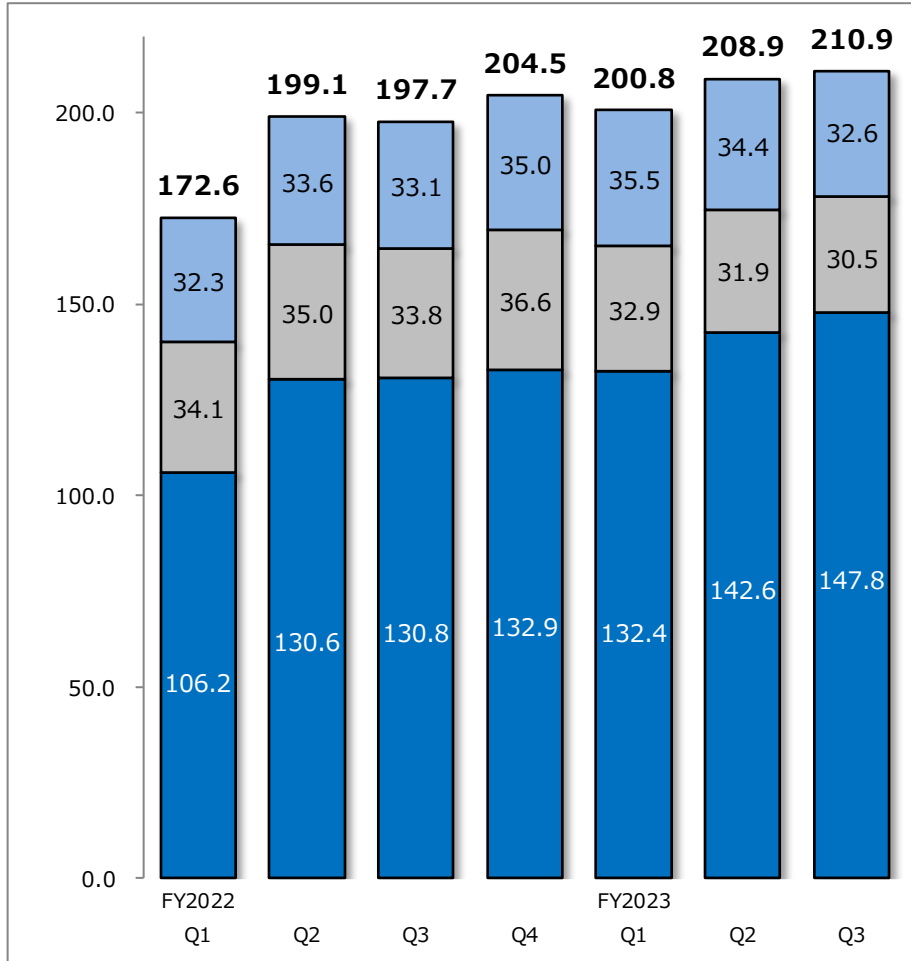
(billion yen)	FY2022			FY2023			Year on Year	(For reference)
	Q3 Results	Q1-3 Results	Full Year Results	Q3 Results	Q1-3 Results	Full Year Forecast		FY2023 Full Year Forecast (Previous)
	①			② (Latest)			②-①	
Aftermarket	5.7	15.7	22.3	4.4	13.3	18.5	(2.4)	23.5
Industrial machinery	2.2	4.9	7.3	1.3	2.7	4.0	(2.3)	5.5
Automotive	(1.9)	(10.7)	(12.4)	3.0	(0.6)	2.5	10.2	1.0
Total	6.0	9.9	17.1	8.6	15.4	25.0	5.5	30.0

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

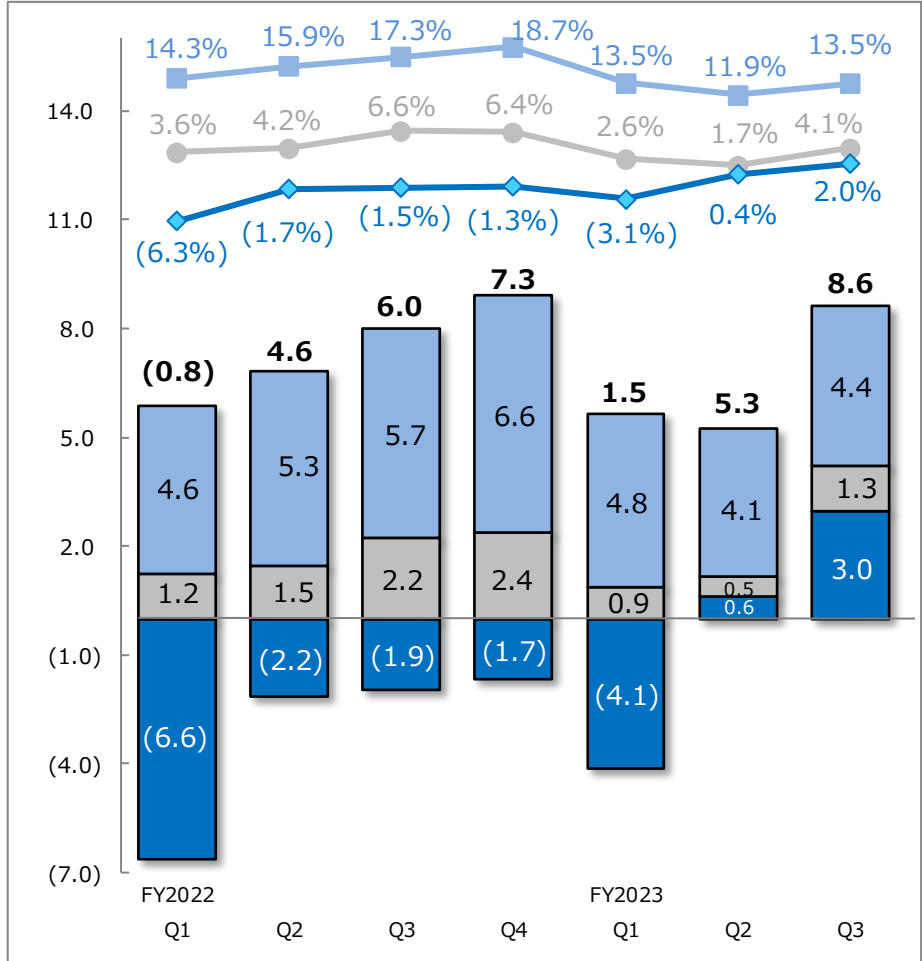
\* All figures in billion yen

■ Automotive 
 ■ Industrial machinery 
 ■ Aftermarket

### Net Sales



### Operating Income/ Operating Margin



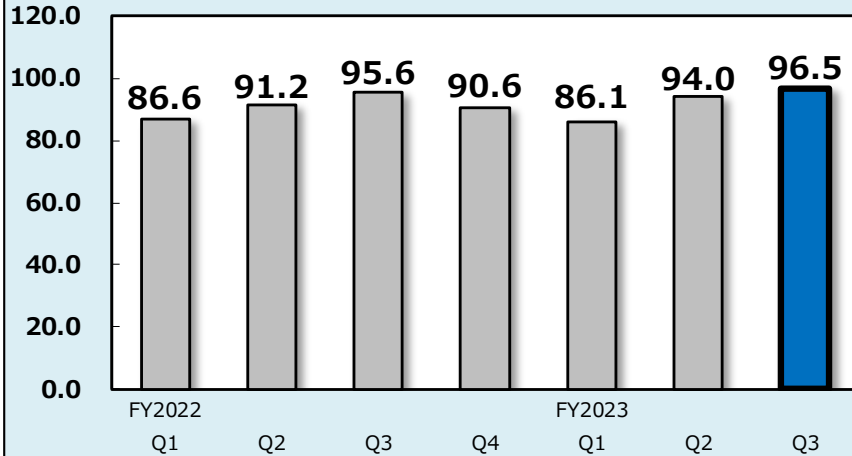
# 6-1. Net Sales and Operating Income by Company Location

\* All figures in billion yen

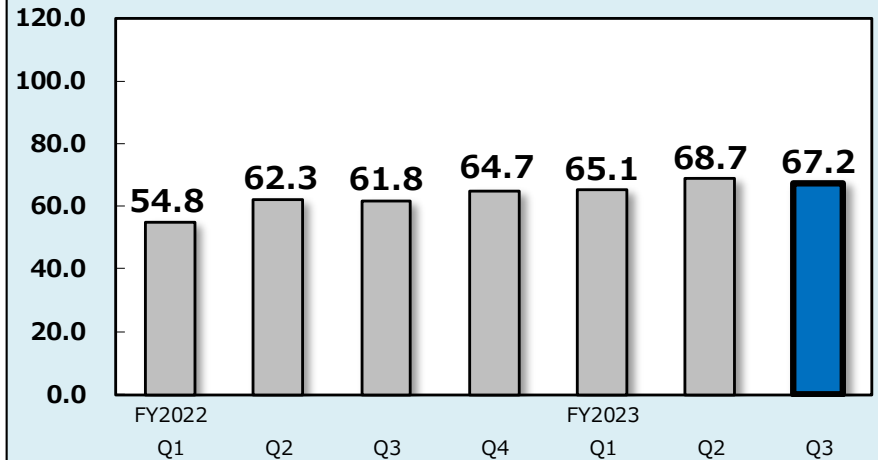
## 《 Japan 》

## 《 Americas 》

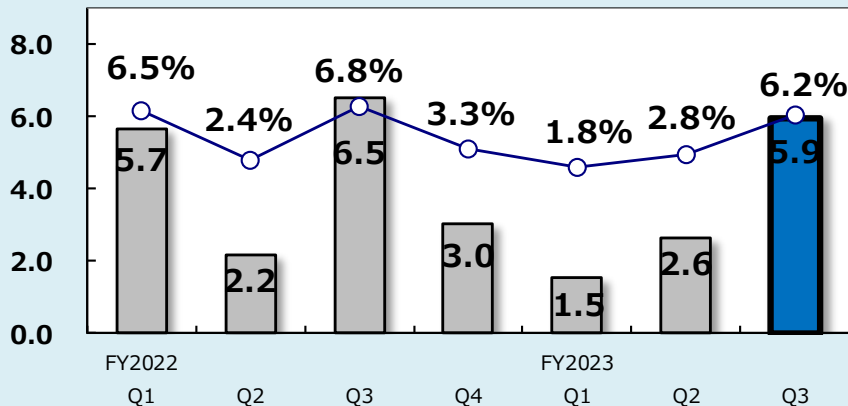
### Net Sales



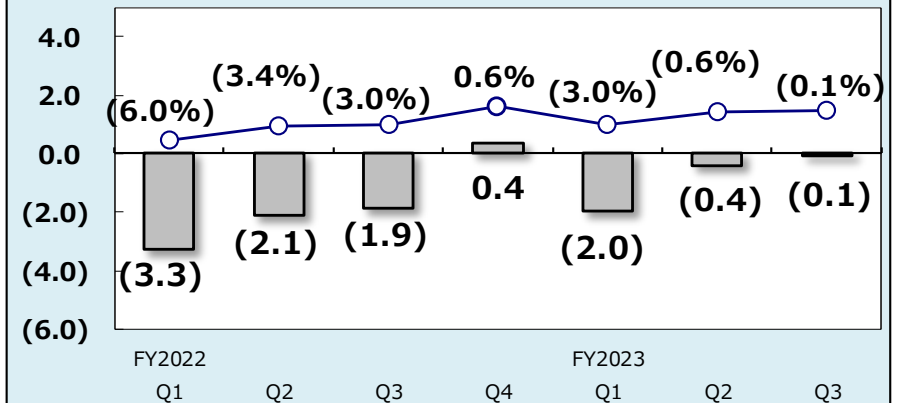
### Net Sales



### Operating Income



### Operating Income

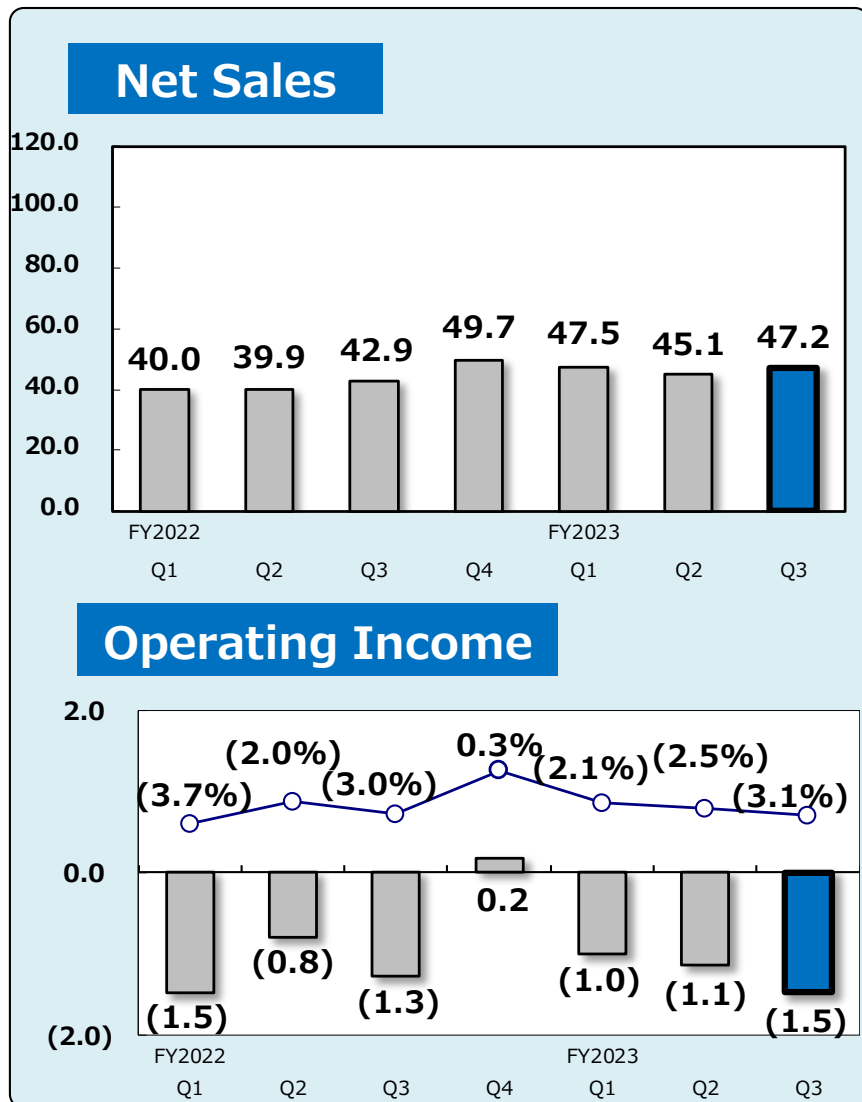


# 6-2. Net Sales and Operating Income by Company Location

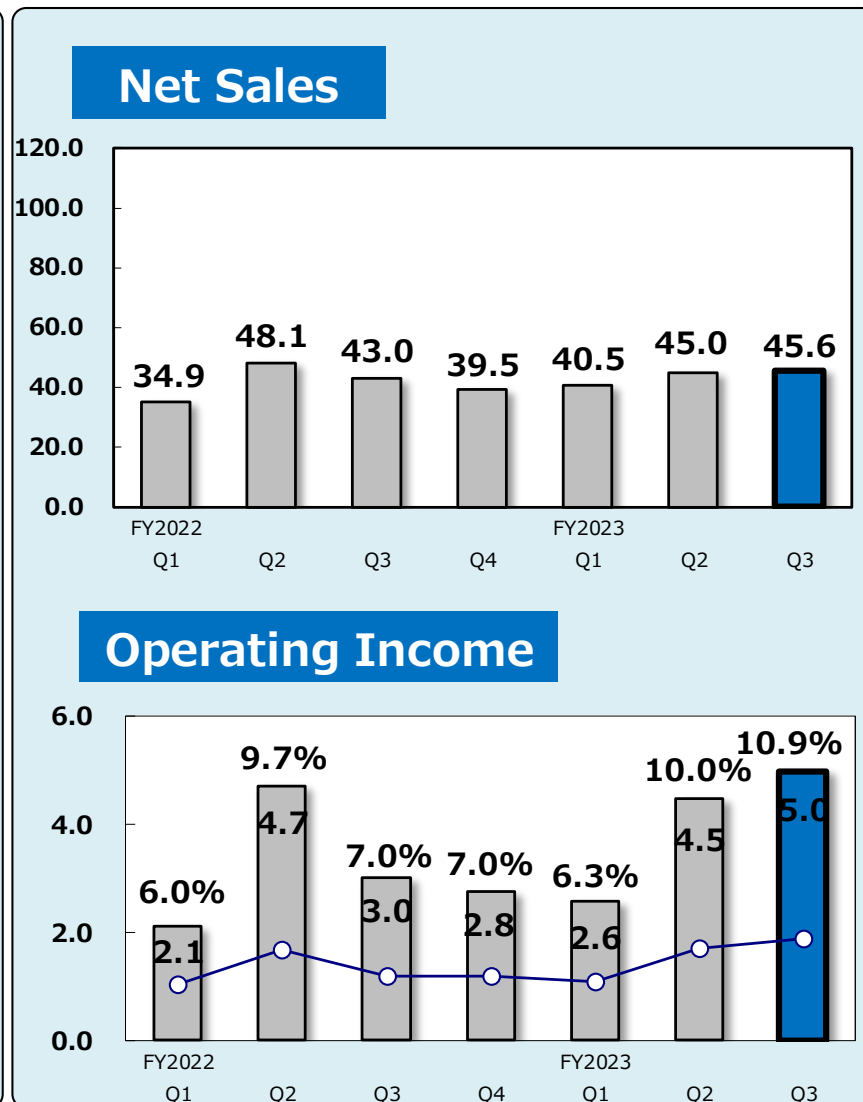


\* All figures in billion yen

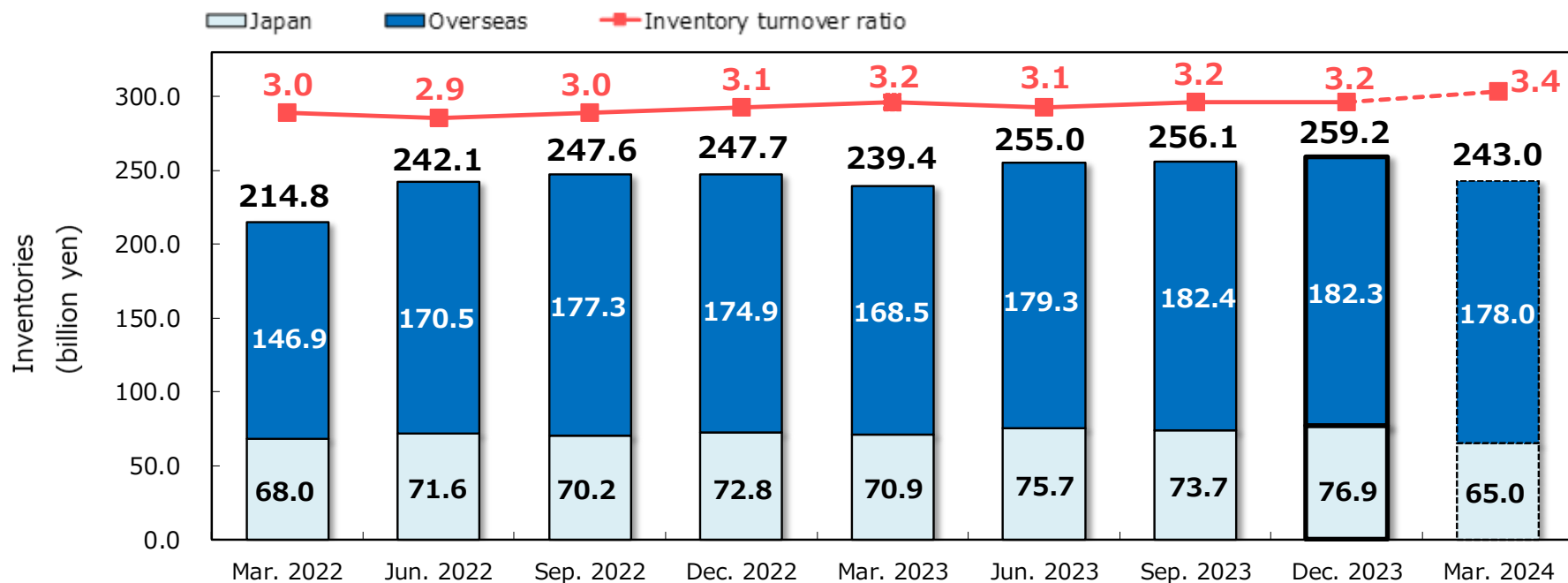
## 《 Europe 》



## 《 Asia and others 》

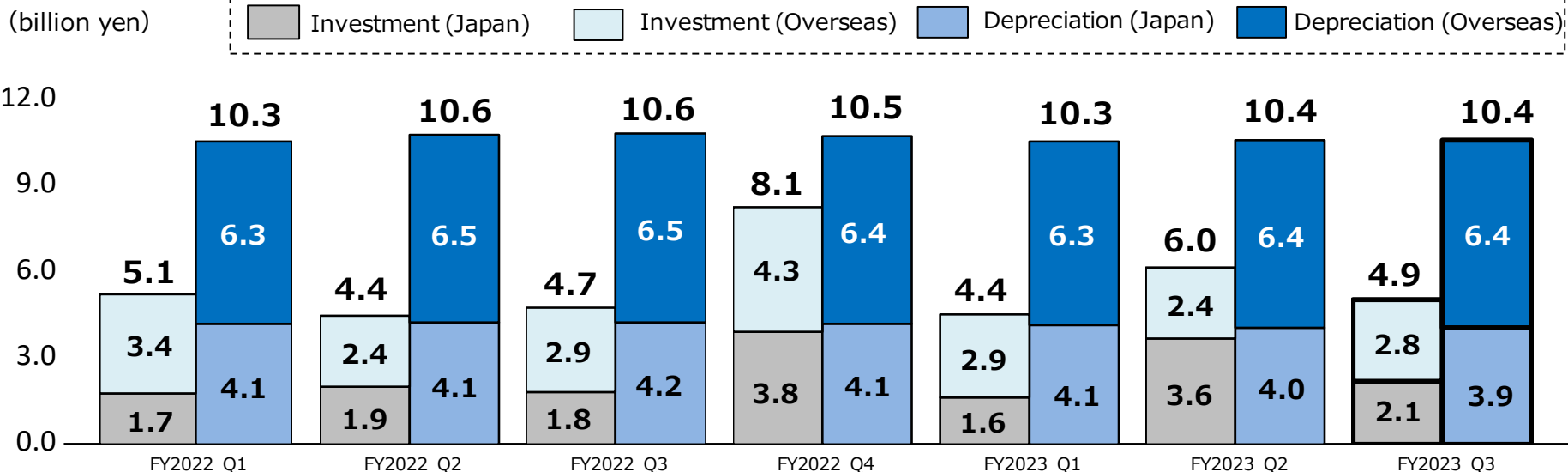


# 7. Inventories



	Mar. 2022	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023	Jun. 2023	Sep. 2023	Dec. 2023	Mar. 2024
(billion yen)	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Inventories	214.8	242.1	247.6	247.7	239.4	255.0	256.1	259.2	243.0
[Overseas]	146.9	170.5	177.3	174.9	168.5	179.3	182.4	182.3	178.0
[Japan]	68.0	71.6	70.2	72.8	70.9	75.7	73.7	76.9	65.0
Inventory turnover ratio (times)	3.0	2.9	3.0	3.1	3.2	3.1	3.2	3.2	3.4

# 8. Capital Expenditures and Depreciation

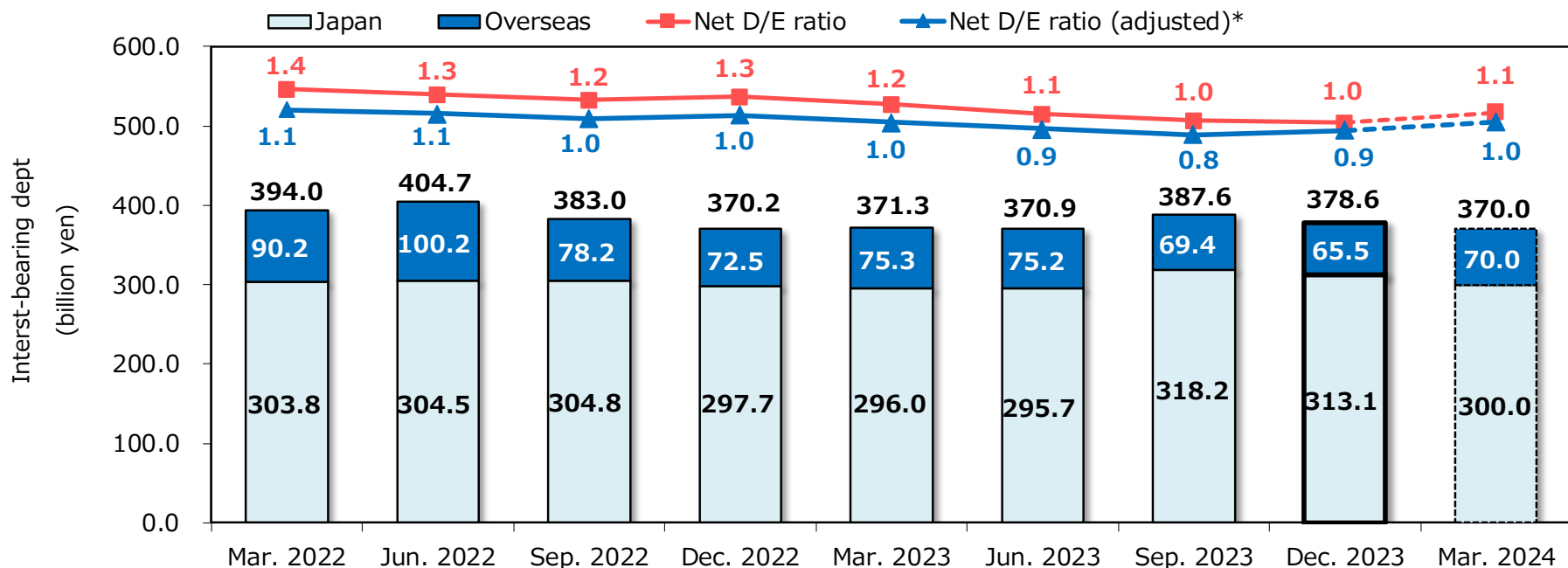


(billion yen)	FY2022		FY2023		FY2023
	Q1-3 Results①	Full Year Results	Q1-3 Results②	②-①	Full Year Forecast
Capital expenditure	14.2	22.3	15.4 *	1.2	25.0
[Overseas]	8.7	13.0	8.1	(0.7)	12.0
[Japan]	5.4	9.2	7.3	1.9	13.0

\*In addition, capital expenditure for intangible fixed assets (FY2023 Q1-3 Results : ¥1.7 billion, FY2023 Full Year Forecast : ¥3.0 billion)

(billion yen)	FY2022		FY2023		FY2023
	Q1-3 Results①	Full Year Results	Q1-3 Results②	②-①	Full Year Forecast
Depreciation	31.5	42.0	31.1	(0.5)	41.0
[Overseas]	19.2	25.5	19.1	(0.1)	25.0
[Japan]	12.4	16.5	12.0	(0.4)	16.0

# 9. Interest-Bearing Debt



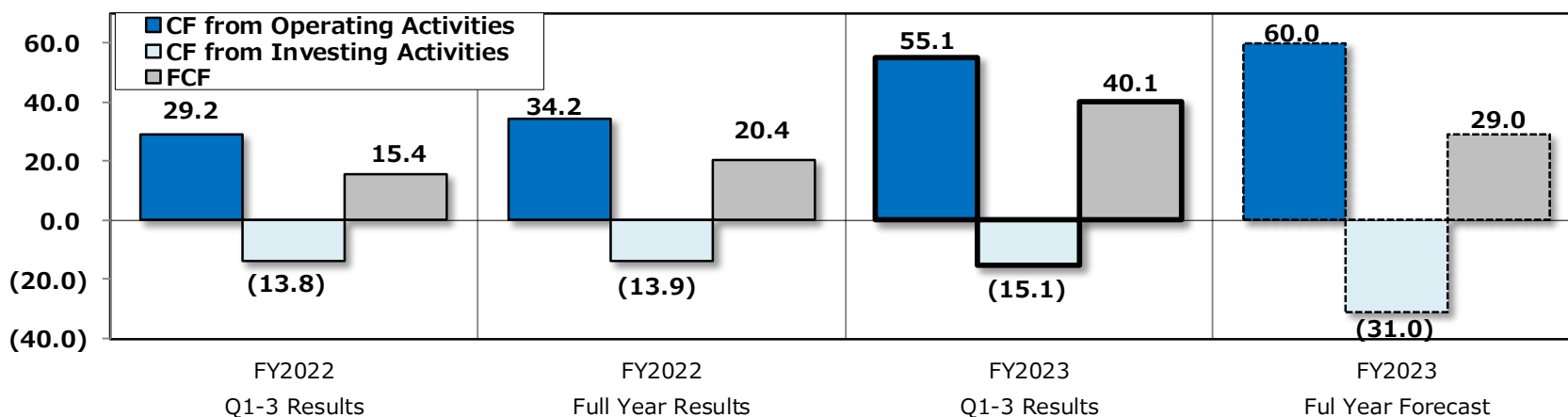
	Mar. 2022	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023	Jun. 2023	Sep. 2023	Dec. 2023	Mar. 2024
(billion yen)	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Interest-bearing debt	394.0	404.7	383.0	370.2	371.3	370.9	387.6	378.6	370.0
[Overseas]	90.2	100.2	78.2	72.5	75.3	75.2	69.4	65.5	70.0
[Japan]	303.8	304.5	304.8	297.7	296.0	295.7	318.2	313.1	300.0
Net Interest-bearing debt	272.6	278.6	268.8	265.0	260.6	253.7	243.4	232.7	245.0

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



# 10. Cash Flows

(billion yen)	FY2022		FY2023	②-①	FY2023
	Q1-3 Results①	Full Year Results	Q1-3 Results②		Ful Year Forecast
<b>I. Cash flow from operating activities</b>	29.2	34.2	<b>55.1</b>	<b>26.0</b>	<b>60.0</b>
<b>II. Cash flow from investing activities</b>	(13.8)	(13.9)	<b>(15.1)</b>	<b>(1.3)</b>	<b>(31.0)</b>
<b>I + II. Free cash flow</b>	15.4	20.4	<b>40.1</b>	<b>24.6</b>	<b>29.0</b>
<b>III. Cash flow from financing activities</b>	(33.1)	(33.3)	<b>(8.2)</b>	<b>25.0</b>	<b>(17.0)</b>
IV. Effect of exchanging rate translation on cash and cash equivalents	1.5	2.1	<b>3.2</b>	<b>1.6</b>	<b>2.3</b>
V. Net increase in cash and cash equivalents	(16.2)	(10.8)	<b>35.3</b>	<b>51.4</b>	<b>14.3</b>



# DRIVE

*Digitalization Resources Innovation Variable cost reformation Efficiency improvement*

# NTN100

*Phase 2*

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