

**NTN**

Make the world **NAMERAKA**

**Consolidated Financial Results of FY2025**

**DRIVE**

*Digitalization Resources Innovation Variable cost reformation Efficiency improvement*

**NTN100**

**Final**



**May 15, 2026**

**NTN Corporation**

- I. Key Points of FY2025 Financial Results and Progress of “DRIVE NTN100” Final
- II. FY2025 Financial Results and FY2026 Forecast
- III. Growth Direction of the NTN Group Toward 2035

# 1. Key Points of FY2025 Financial Results

## Sales and operating income increased both YoY and versus the announced forecast

- Sales increased YoY, despite sluggish demand for automotive applications, supported by higher demand in the aftermarket and industrial machinery, as well as the impact of a weaker yen
- Operating income increased YoY, despite the negative impact of reduced scale, driven by the effects of a weaker yen, price improvements, and cost reduction
- Net profit for the period turned positive and increased significantly YoY, supported by higher ordinary income and the impact of tax effects in Japan
- Inventories achieved the targeted level, excluding the impact of foreign exchange fluctuations and U.S. tariff effects

(billion yen)	FY2024	FY2025		FY2025		4Q Results
	Results	Results	Year on year	Previous forecast	Difference	
Net sales	825.6	<b>826.3</b>	+0.8 +0.1% Excl. forex (10.3)(1.2%)	805.0	+21.3 +2.6% Excl. forex +7.1 +0.9%	<b>223.0</b>
Operating income	23.0	<b>31.0</b>	+8.1	26.0	+5.0	<b>11.7</b>
Operating margin	2.8%	<b>3.8%</b>	+1.0pt	3.2%	+0.5pt	<b>5.3%</b>
Ordinary income	10.5	<b>23.5</b>	+13.0	13.0	+10.5	<b>9.5</b>
Extraordinary income/loss	(19.1)	<b>(8.3)</b>	+10.8	(8.0)	(0.3)	<b>(5.3)</b>
Profit attributable to owners of parent	(23.8)	<b>12.9</b>	+36.7	(4.0)	+16.9	<b>9.2</b>
ROE	(9.6%)	<b>4.9%</b>	+14.5pt	-	-	
Inventories	244.4	<b>245.9</b>	+1.5	230.0	+15.9	
Capital expenditure	32.2	<b>32.5</b>	+0.3	32.0	+0.5	
FCF	19.7	<b>30.9</b>	+11.2	20.0	+10.9	
Exchange rates US\$	¥152.4	<b>¥150.7</b>	(¥1.7)	¥147.8	+¥2.9	
€	¥163.6	<b>¥174.7</b>	+¥11.1	¥171.3	+¥3.4	

## 2. FY2026 Forecast

### Sales will decrease YoY due to lower demand for automobile Operating income will increase YoY due to improvement of selling prices and cost reductions

- Sales will decrease YoY due to sluggish demand for automotive applications, particularly in the Americas and Europe
- Operating income will increase YoY, despite a decline in scale, driven by the effects of structural reforms, price pass-through, and cost reduction
- Net income will increase YoY due to reduced structural reform costs and asset sales.

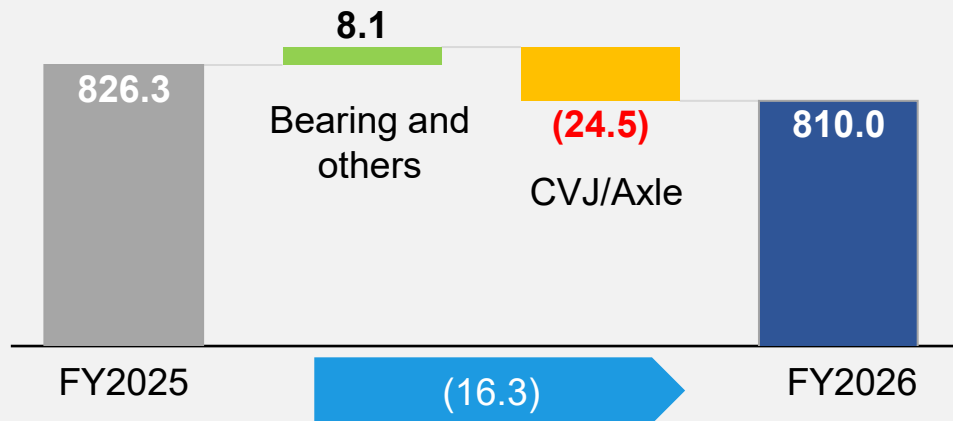
(billion yen)	FY2025			FY2026	
	H1 Results	H2 Results	Full year Results	Full year forecast	YoY
Net sales	402.3	424.1	826.3	<b>810.0</b>	(16.3)(2.0%) Excl. forex(16.5)(2.0%)
Operating income	12.9	18.2	31.0	<b>33.0</b>	+2.0
Operating margin	<b>3.2%</b>	<b>4.3%</b>	<b>3.8%</b>	4.1%	+0.3pt
Ordinary income	8.7	14.8	23.5	<b>21.0</b>	(2.5)
Extraordinary income/loss	(0.4)	(7.9)	(8.3)	<b>6.0</b>	+14.3
Profit attributable to owners of parent	3.1	9.8	12.9	<b>15.0</b>	2.1
ROE	-	-	4.9%	<b>5.2%</b>	+0.3pt
Inventories	246.0	245.9	245.9	<b>220.0</b>	(25.9)
Capital expenditure	13.0	19.4	32.5	<b>36.0</b>	+3.5
FCF	14.3	16.6	30.9	<b>36.0</b>	+5.1
Exchange rates US\$	¥146.0	¥155.4	¥150.7	¥150.0	(¥0.7)
€	¥168.0	¥181.5	¥174.7	¥175.0	+¥0.3

# 3. FY2026 Forecast by Business Segment

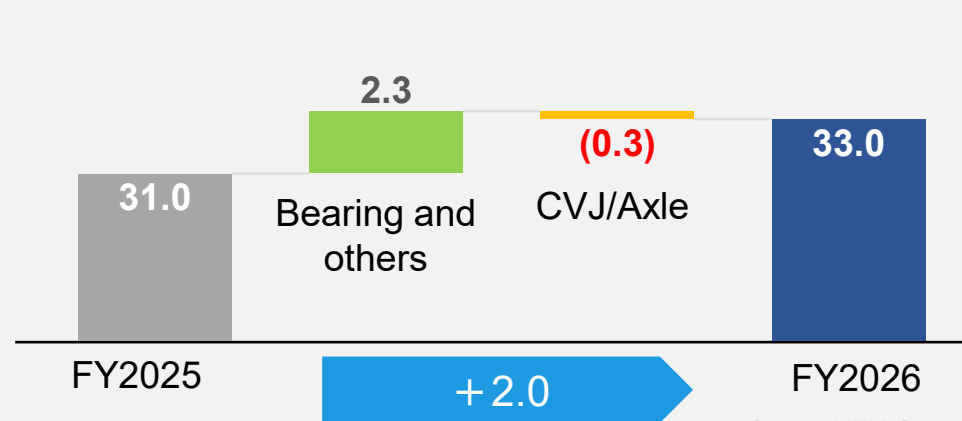
**Bearing and others : Sales and operating income will increase YoY**  
**CVJ and Axle : Sales and operating income will decrease YoY**

(billion yen)		FY2025						FY2026		
		H1 Results		H2 Results		Full year Results		Full year forecast		YoY
Net sales Composition ratio	Bearing and others	167.7	41.7%	181.2	42.7%	348.9	42.2%	<b>357.0</b>	44.1%	<b>+8.1</b>
	CVJ and Axle	234.6	58.3%	242.9	57.3%	477.5	57.8%	<b>453.0</b>	55.9%	<b>(24.5)</b>
	Total	402.3	100.0%	424.1	100.0%	826.3	100.0%	<b>810.0</b>	100.0%	<b>(16.3)</b>
Operating income Operating margin	Bearing and others	4.6	2.7%	7.7	4.2%	12.3	3.5%	<b>14.5</b>	4.1%	<b>+2.3</b>
	CVJ and Axle	8.3	3.5%	10.5	4.3%	18.8	3.9%	<b>18.5</b>	4.1%	<b>(0.3)</b>
	Total	12.9	3.2%	18.2	4.3%	31.0	3.8%	<b>33.0</b>	4.1%	<b>+2.0</b>

Net sales (billion yen)

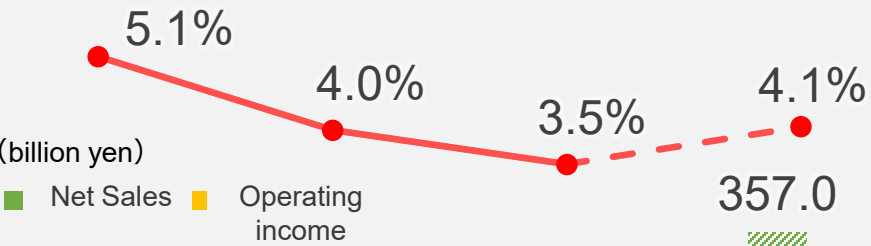


Operating income (billion yen)

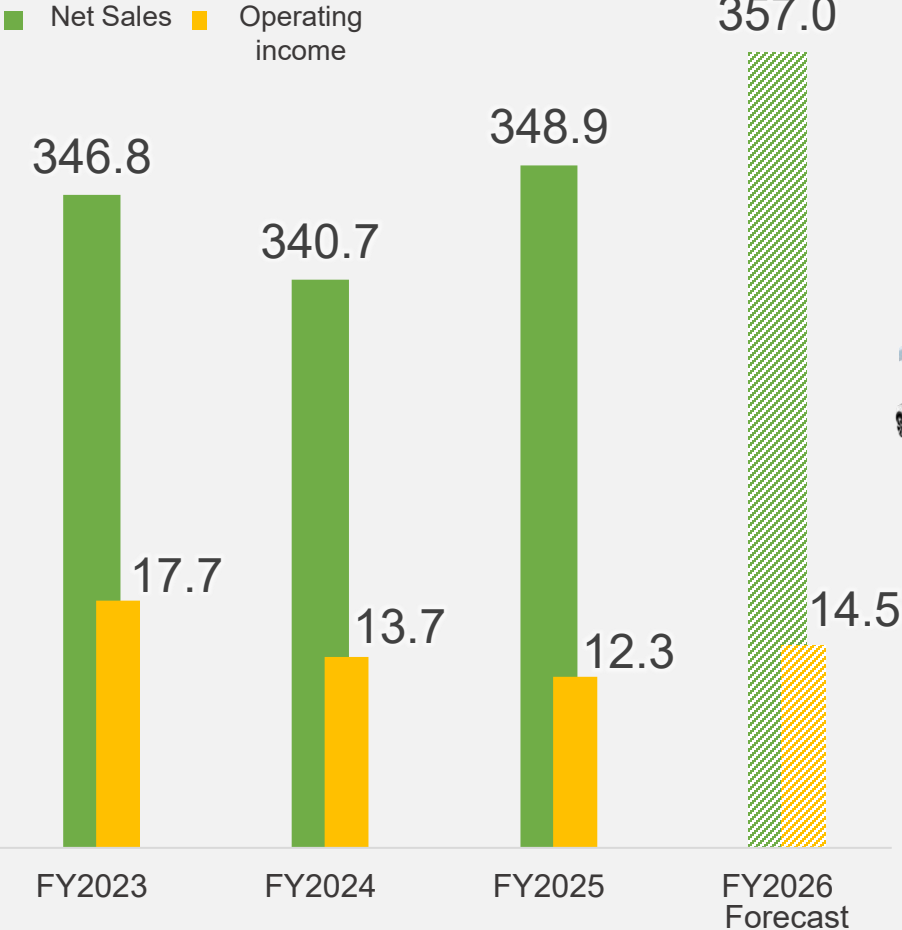


# 4. Initiatives of FY2026 in Bearing and others

Operating margin (%)



(billion yen)



## Sales overview by industry

Industry	FY24 vs FY25	FY25 vs FY26(Forecast)	Notes
Construction machinery	↓	→	Customer inventory adjustments continue in the Americas
Aerospace	↑↑	↑	Market conditions are firm, and our sales are expected to increase
Agricultural machinery	↑	→	While there are signs of a market recovery, sales remain sluggish
Gear box	↑↑	→	Market conditions remain firm, but sales decline after prior growth
Rolling stock	↑	↑↑↑	Demand increase mainly in Japan
Machine tool	→	→	Market conditions awaited; results expected to be flat YoY
Wind turbine	↑↑↑	↓↓↓	Sales decline YoY as special demand effects in the Americas subside
Automobile	↓	↓	Sales remain sluggish in the Americas, Europe, and China

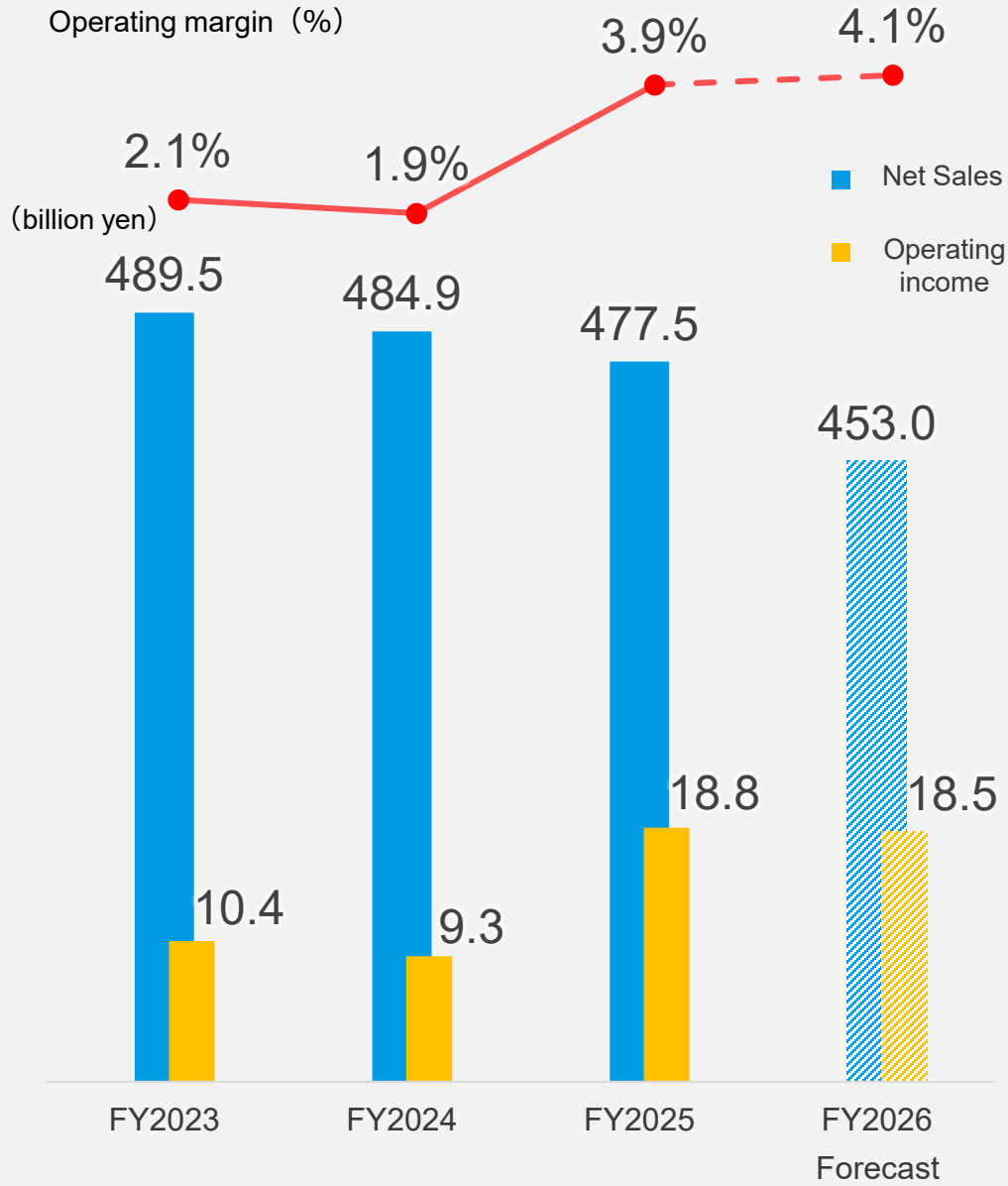
## Preparation for profit improvement and renewed growth

- Following Europe, we have also begun expanding production capacity in Japan at our dedicated aircraft bearing plant, the only such specialized facility operated by a domestic manufacturer
- Establishing a mass-production system in China for resin mold insulated bearings designed for electrification applications
- Continuing price improvements reflecting added value, and reducing fixed costs through the effects of production restructuring



Shanghai NTN Corp.

# 5. Initiatives of FY2026 in CVJ/Axle



## Sales overview

- Global vehicle production is expected to be broadly in line with the previous year
- Sales in the Americas and Europe are expected to decline due to the phase-out of unprofitable business and the completion of mass-production programs and other factors
- With respect to the situation in the Middle East, any decrease is expected to be largely offset by growth in other regions and vehicle segments, resulting in a limited overall impact.

## Profit improvement

### Reduction of fixed assets and fixed costs through production restructuring

- Continue production restructuring mainly in the Americas to complete the three-year plan
- Utilizing pre-process capacity in response to localization requirements in the United States.

### Improvement of selling prices and promotion of value chain reforms

- Regarding the impact of U.S. tariffs, we are negotiating price pass-through, including costs incurred in the previous fiscal year and expect recovery.
- Achieving cost reductions through material reviews and expanded sourcing of components from China, South Korea, India, and other countries.

## Preparation for renewed growth

### Aggressive expansion into the Indian market with significant growth potential

- Priority investments in India, including expansion of production capacity and strengthening of R&D capabilities

### New product development and market launch

- Accelerate development of new products that meet market needs and ensure rapid market launch

**CFJ**  
High Efficiency Fixed Type CVJ  
(Max. operating angle: 47°)



**PTJ**  
Shudderless Sliding Type CVJ  
(Max. operating angle: 26°)

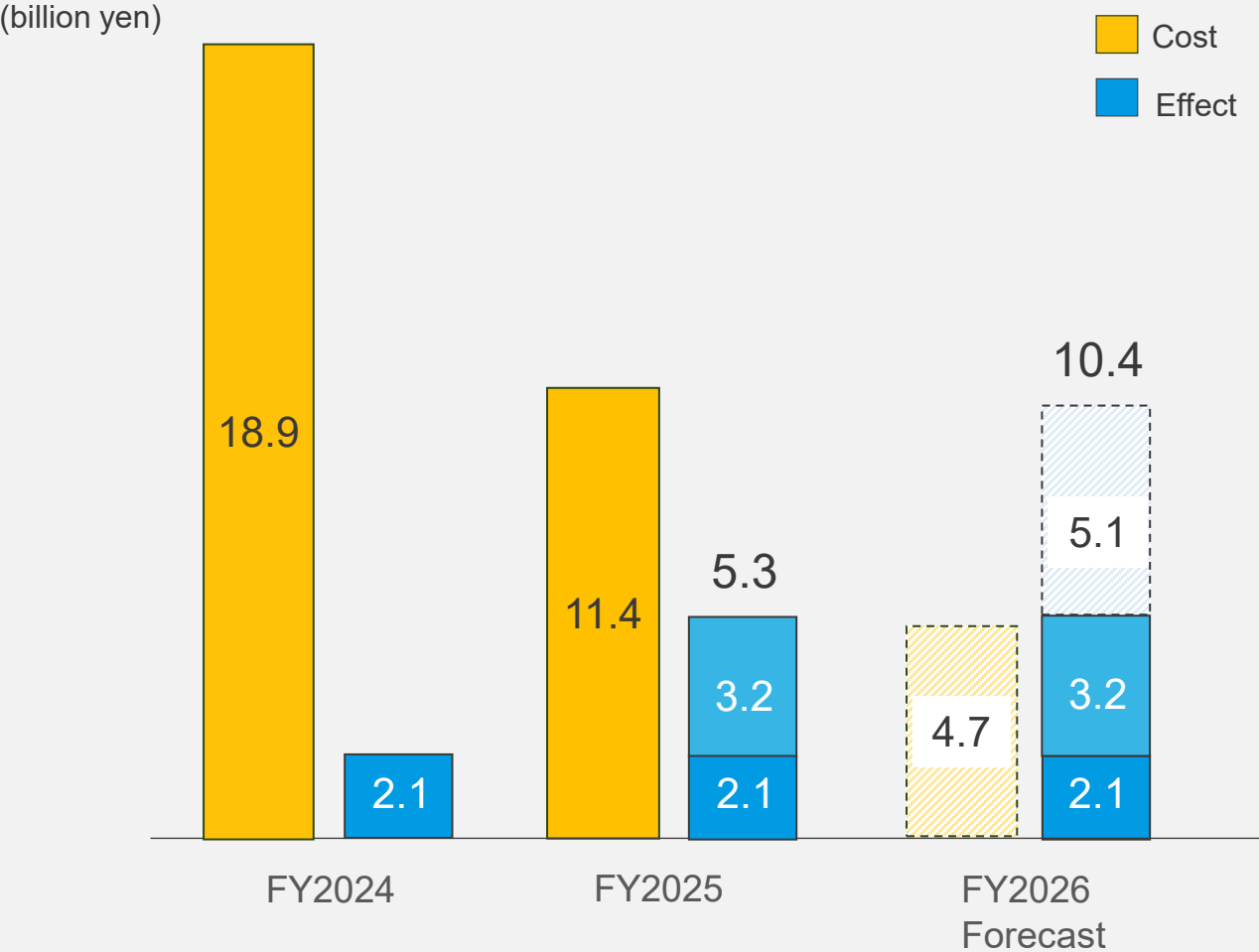
High-angle, high-efficiency, and low-vibration performance for large SUVs

# 6. Progress of “DRIVE NTN100” Final : Structural Reform



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

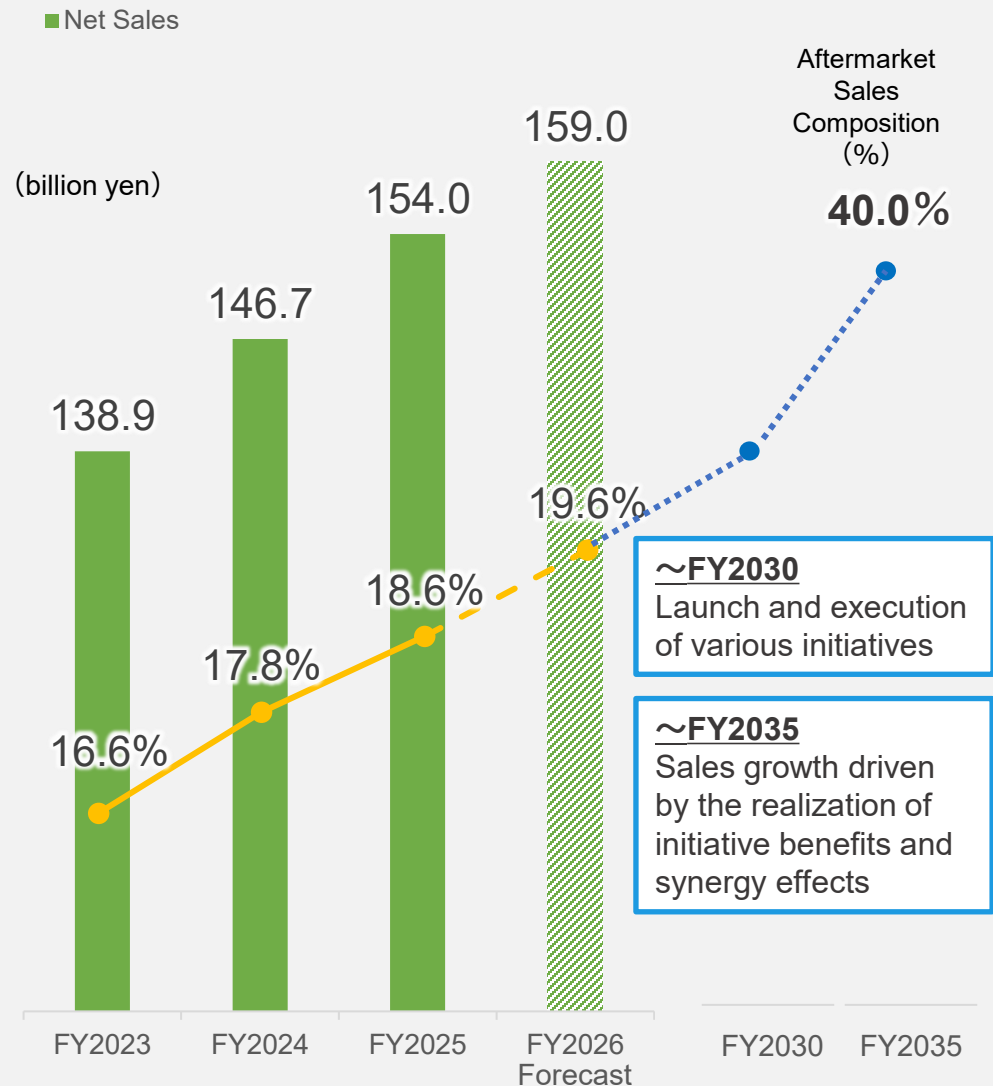
As an effect of structural reforms, we plan to achieve and an improvement of approximately ¥10.0 billion by the third year compared with FY2023



**FY2025 Results**  
Japan : Reorganization of production for ultra-large bearings, including those for wind turbine main shafts  
Americas : Production reorganization initiatives centered on CVJ production sites  
China : Reorganization of bearing-related production sites

**FY2026 Plan**  
Promoting production reorganization mainly in the Americas and China

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



## Expand sales

(For industrial machinery)

- Increasing share with existing distributors (through higher volumes of our products handled) and expanding our global distributor network, primarily in Europe, the Middle East, and Africa (Adding 41 new distributors in FY2025)

(For Automobile)

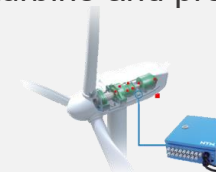
- In the United States, where our market share is relatively low and significant growth potential exists, we are expanding transactions with major distributor groups

## Strengthen supply capability

- Following the expansion of inventory for popular products for the aftermarket (over approximately 4,000 part numbers), we have begun establishing semi-standard inventory for MRO and other applications (approximately 800 part numbers)
- Establishing a development and sourcing framework for ODM products and expanding the product lineup  
\*ODM(Original Design Manufacturing : In-house brand products designed and manufactured by outsourced partners)

## Strengthen service solutions

- Establishment and expansion of a refurbishment business with major customers
- Installation of CMS for wind turbine and proposal of bearing specifications based on abnormality detection status

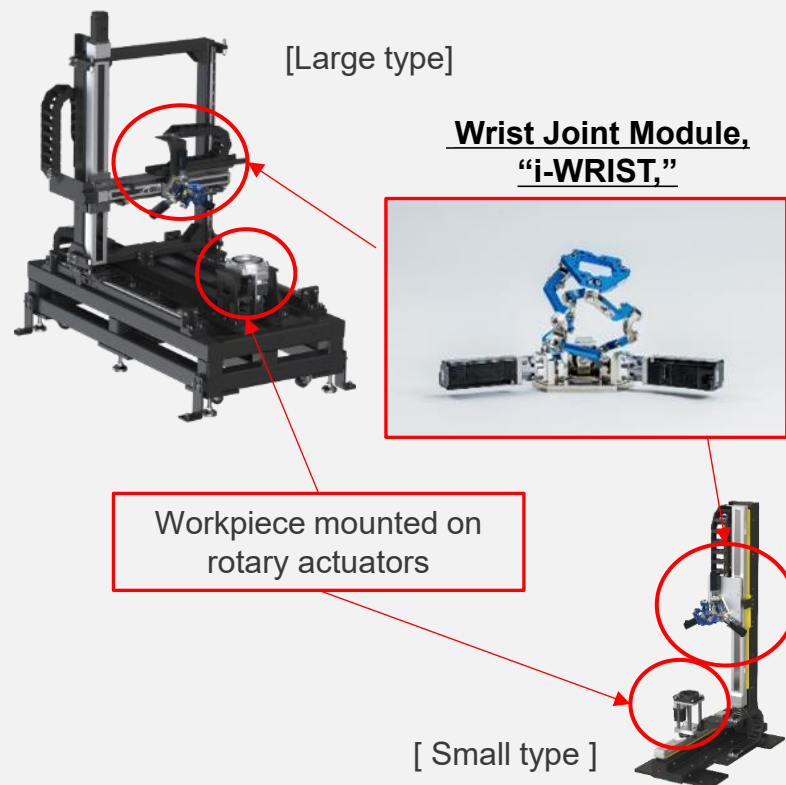


CMS Condition Monitoring System

\* As a result of a review of the sales aggregation methodology, aftermarket sales have increased from FY2024 onward.

## Robot-related module

- Development of a high-speed appearance inspection unit for automated inspection of diverse workpieces, such as die-cast products, as a new unit by integrating the “i-WRIST,” wrist joint module
- Adopted by a leading die-casting manufacturers and a domestic automotive manufacturer for appearance inspection



## Green energy

- Transportable Independent Power Supply “N<sup>3</sup> N-CUBE” adopted as a disaster-prevention container toilet at Disaster Prevention Roadside Stations (disaster-resilient roadside stations) designated by Japan’s Ministry of Land, Infrastructure, Transport and Tourism (MLIT). To date, a total of 11 units has been installed nationwide
- Exploring new application areas leveraging “N<sup>3</sup> N-CUBE” capabilities



Installed at the disaster-resilient roadside station “Tajima no Mahoroba.”



“N<sup>3</sup> N-CUBE”



At the disaster-resilient roadside station “Yufuin” in Oita Prefecture, the “N<sup>3</sup> N-CUBE” features an exterior design that blends in with the surrounding landscape

## Life science

- Effective April 2026, the Microscopic Coating Applicator designed to apply minute volumes of high-viscosity liquids with a positioning accuracy of within  $\pm 15 \mu\text{m}$  (micrometers: one-thousandth of a millimeter) has been renamed as the Precision Liquid Handling System “X-CELList.”



“X-CELList”

### Life science fields

- Efficacy evaluation in drug discovery and toxicity assessment in humans
- Screening of iPS cells and diagnostic reagents
- Fabrication of artificial tissues

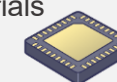
Enhancement of reproducibility through precise quantitative placement of cells and reagents



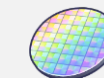
Enhancement of operational efficiency through automation of cell seeding processes

### Industrial fields

- Adhesive application for electronic components
- Coating of sensing materials for sensors
- Formation of wiring on circuit boards
- Development and quality control of new coating materials



Micro-volume dispensing of adhesive onto IC chips



Micro-volume dispensing of organic materials onto semiconductors

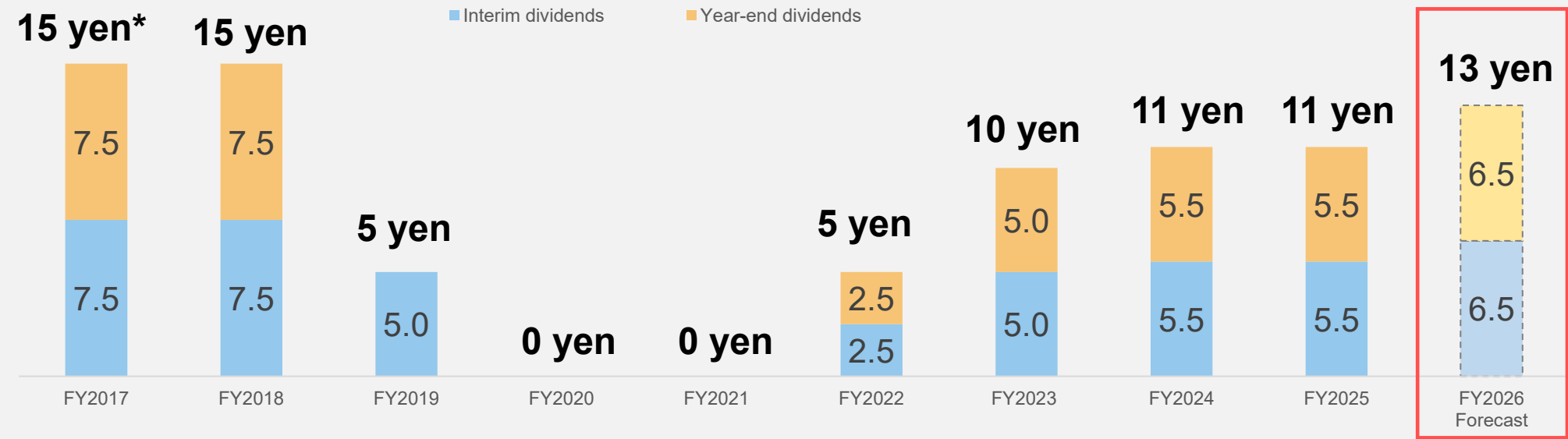
# 9. Forecast of Return to Shareholders

## 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 FY2026

- For fiscal year 2026, dividends are forecast to be ¥13 per share, representing an increase of ¥2 from the previous fiscal year.



\*Including 100th anniversary commemorative dividends

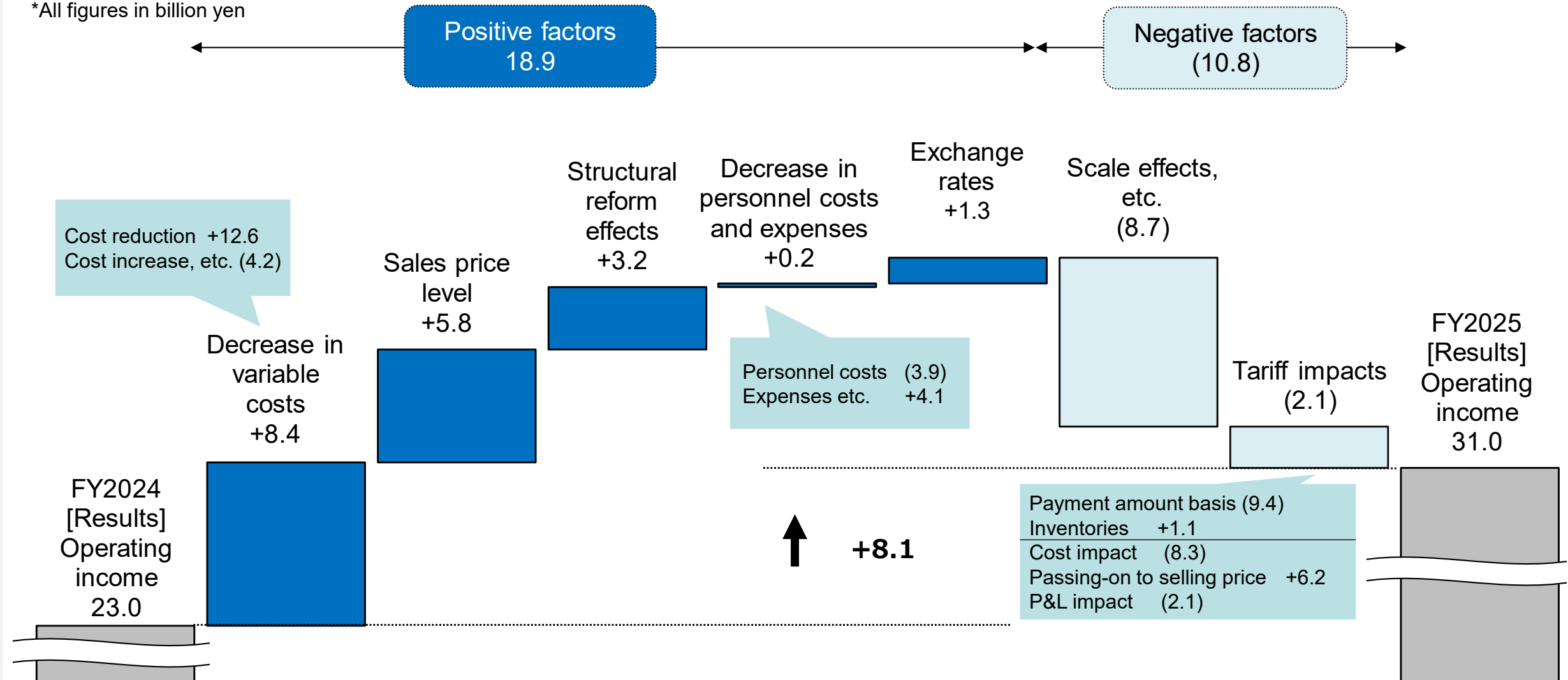
- I. Key Points of FY2025 Financial Results and Progress of “DRIVE NTN100” Final
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# 1-1. Key Financial Indicators of FY2025

(billion yen)	FY2024 Full Year Results ①	FY2025		Diff.					
		Full Year Forecast ②	Full Year Results ③	③-②			③-①		
				Total	Volume	Forex	Total	Volume	Forex
Net sales	825.6	<b>805.0</b>	<b>826.3</b>	<b>21.3</b>	<b>7.1</b>	<b>14.3</b>	<b>0.8</b>	<b>(10.3)</b>	<b>11.1</b>
Operating income	23.0	<b>26.0</b>	<b>31.0</b>	<b>5.0</b>	<b>3.0</b>	<b>2.0</b>	<b>8.1</b>	<b>6.8</b>	<b>1.3</b>
Operating margin	2.8%	<b>3.2%</b>	<b>3.8%</b>	<b>0.5pt</b>			<b>1.0pt</b>		
Ordinary income	10.5	<b>13.0</b>	<b>23.5</b>	<b>10.5</b>	<b>8.8</b>	<b>1.6</b>	<b>13.0</b>	<b>11.7</b>	<b>1.3</b>
Extraordinary income (loss)	(19.1)	<b>(8.0)</b>	<b>(8.3)</b>	<b>(0.3)</b>	<b>0.0</b>	<b>(0.3)</b>	<b>10.8</b>	<b>10.7</b>	<b>0.1</b>
Profit (loss) attributable to owners of parent	(23.8)	<b>(4.0)</b>	<b>12.9</b>	<b>16.9</b>	<b>15.7</b>	<b>1.1</b>	<b>36.7</b>	<b>35.7</b>	<b>1.0</b>
Inventories	244.4	<b>230.0</b>	<b>245.9</b>	<b>15.9</b>	<b>(0.6)</b>	<b>16.4</b>	<b>1.5</b>	<b>(14.1)</b>	<b>15.6</b>
FCF	19.7	<b>20.0</b>	<b>30.9</b>	<b>10.9</b>	-	-	<b>11.2</b>	-	-
Exchange rate	1USD	¥152.4	<b>¥147.8</b>	<b>¥2.9</b>			<b>(¥1.7)</b>		
	1EURO	¥163.6	<b>¥171.3</b>	<b>¥3.4</b>			<b>¥11.1</b>		
FY2025 Annual Dividend		<b>¥11.0</b>							
		<b>(Interim ¥5.5 / Year-end ¥5.5)</b>							

# 1-2. Analysis of Operating Income [ FY2024 Results vs FY2025 Results ]

\*All figures in billion yen



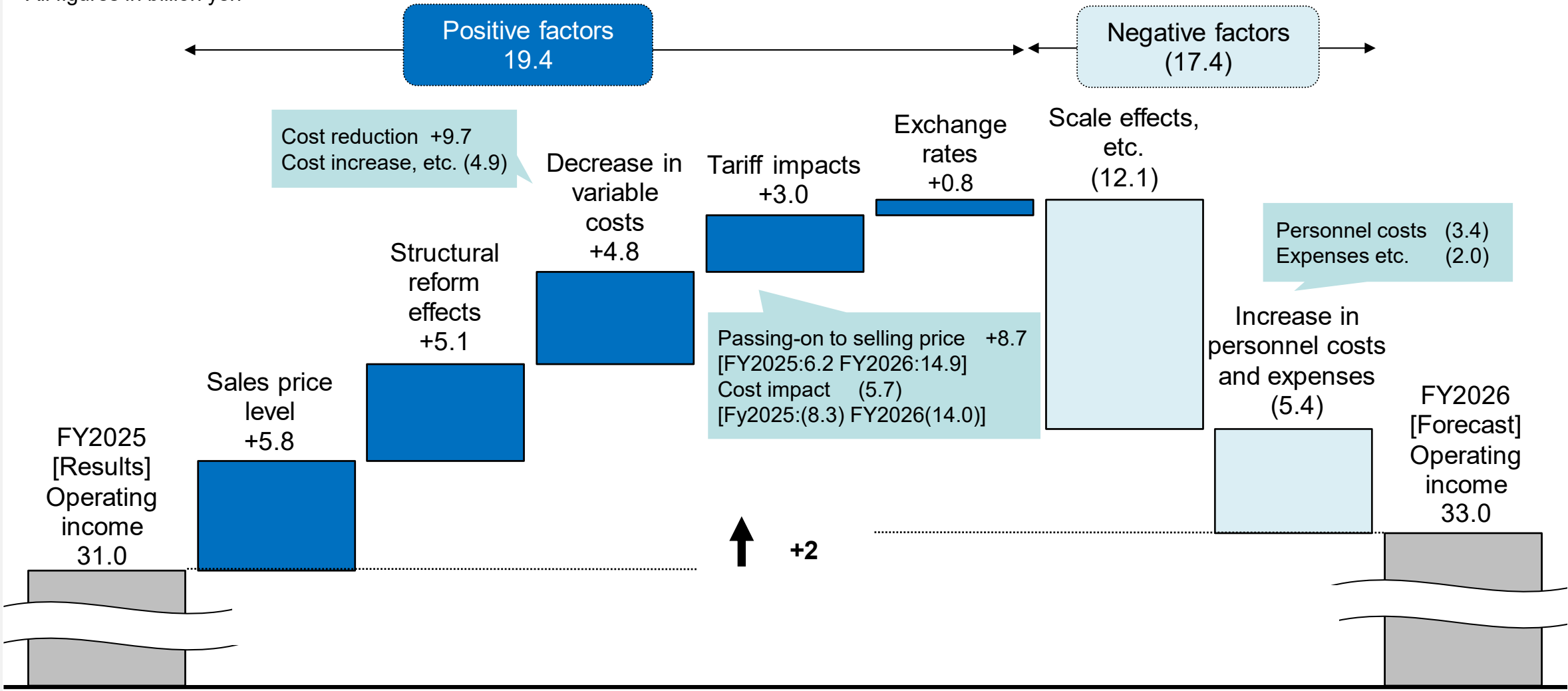
	FY2024 Results	FY2025 Results	Diff.	Forex	Sales price	Passing on tariffs	Volume
Net Sales	825.6	826.3	0.8	11.1	5.8	6.2	(22.3)

## 2-1. Key Financial Indicators of FY2026

(billion yen)	FY2025 Full Year Results ①	FY2026 Full Year Forecast ②	Diff.		
			②-①		
			Total	Volume	Forex
Net sales	826.3	810.0	(16.3)	(16.5)	0.2
Operating income	31.0	33.0	2.0	1.1	0.8
Operating margin	3.8%	4.1%	0.3pt		
Ordinary income	23.5	21.0	(2.5)	(3.5)	1.0
Extraordinary income (loss)	(8.3)	6.0	14.3	14.3	0.0
Profit (loss) attributable to owners of parent	12.9	15.0	2.1	1.2	0.9
Inventories	245.9	220.0	(25.9)	(16.6)	(9.3)
FCF	30.9	36.0	5.1	-	-
Exchange rate	1USD	¥150.7	¥150.0	(¥0.7)	
	1EURO	¥174.7	¥175.0	¥0.3	
FY2026 Annual Dividend		¥13.0 (Interim ¥6.5 / Year-end ¥6.5)			

# 2-2. Analysis of Operating Income [ FY2025 Results vs FY2026 Forecast ] NTN

\*All figures in billion yen



	FY2025 Results	FY2026 Forecast	Diff.	Forex	Sales price	Passing on tariffs	Volume
Net Sales	826.3	810.0	(16.3)	0.2	5.8	8.7	(31.0)

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



(billion yen)	FY2024 Full Year Results ①	FY2025 Full Year Results ②	FY2026 Full Year Forecast ③	Diff.					
				②-①			③-②		
				Total	Volume	Forex	Total	Volume	Forex
Japan	215.2	<b>216.4</b>	<b>225.5</b>	<b>1.1</b>	<b>1.2</b>	<b>(0.0)</b>	<b>9.1</b>	<b>9.1</b>	<b>(0.0)</b>
Americas	269.5	<b>262.5</b>	<b>250.5</b>	<b>(7.0)</b>	<b>(4.9)</b>	<b>(2.0)</b>	<b>(12.0)</b>	<b>(12.3)</b>	<b>0.2</b>
Europe	186.3	<b>193.6</b>	<b>184.5</b>	<b>7.2</b>	<b>(5.6)</b>	<b>12.8</b>	<b>(9.1)</b>	<b>(8.8)</b>	<b>(0.2)</b>
Asia and others	154.5	<b>153.9</b>	<b>149.5</b>	<b>(0.6)</b>	<b>(1.0)</b>	<b>0.3</b>	<b>(4.4)</b>	<b>(4.6)</b>	<b>0.2</b>
Total	825.6	<b>826.3</b>	<b>810.0</b>	<b>0.8</b>	<b>(10.3)</b>	<b>11.1</b>	<b>(16.3)</b>	<b>(16.6)</b>	<b>0.2</b>

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

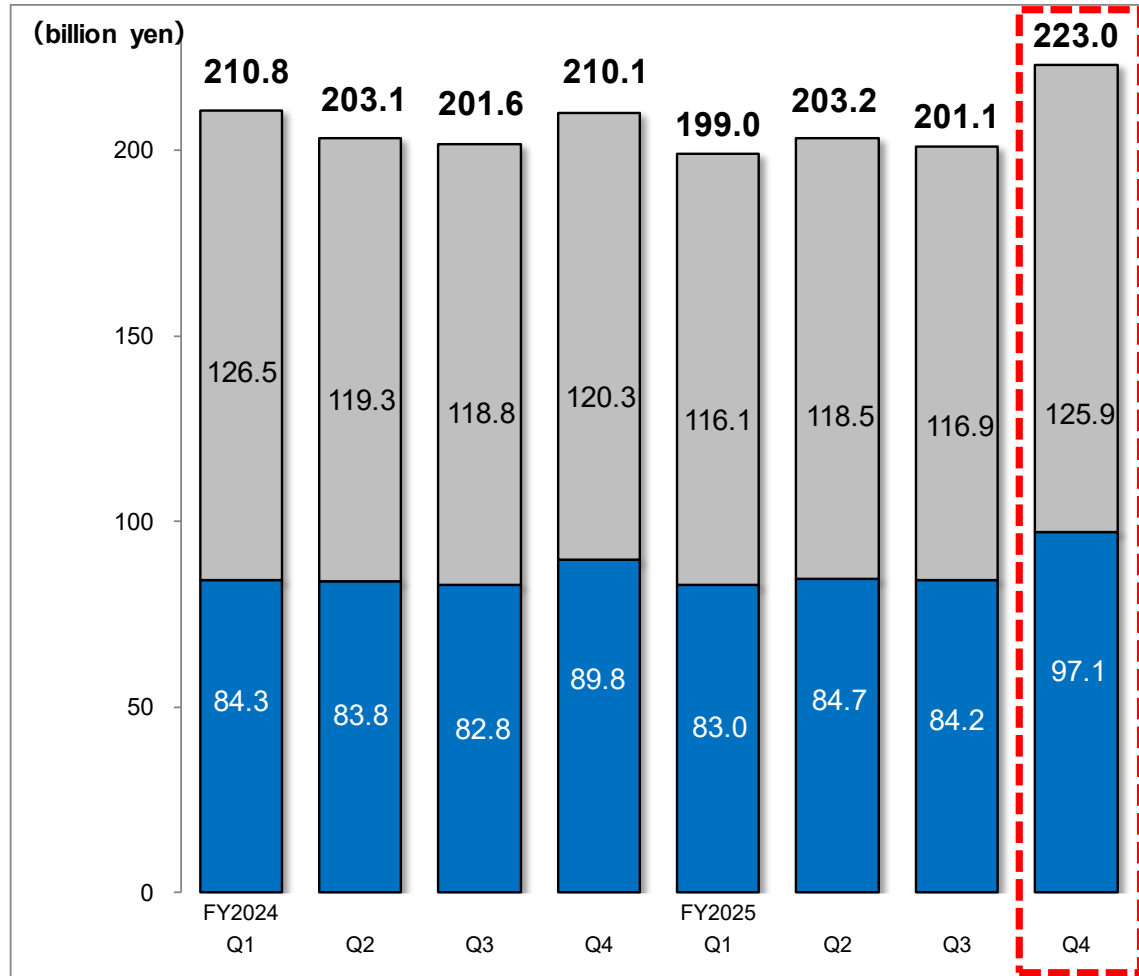
# 4. Net Sales and Operating Income by Business Segment NTN

		FY2024 Full Year Results ①	FY2025 Full Year Results ②	FY2026 Full Year Forecast ③	Diff.					
					②-①			③-②		
(billion yen)					Total	Volume	Forex	Total	Volume	Forex
Net Sales	Bearing and others	340.7	348.9	357.0	8.2	3.0	5.2	8.1	8.4	(0.3)
	CVJ/Axle	484.9	477.5	453.0	(7.4)	(13.3)	5.9	(24.5)	(24.9)	0.5
	Total	825.6	826.3	810.0	0.8	(10.3)	11.1	(16.3)	(16.6)	0.2
Operating Income	Bearing and others	13.7	12.3	14.5	(1.4)	(2.5)	1.1	2.3	1.9	0.3
	%	4.0%	3.5%	4.1%	(0.5pt)			0.6pt		
	CVJ/Axle	9.3	18.8	18.5	9.5	9.3	0.2	(0.3)	(0.8)	0.5
	%	1.9%	3.9%	4.1%	2.0pt			0.1pt		
	Total	23.0	31.0	33.0	8.1	6.8	1.3	2.0	1.1	0.8
	%	2.8%	3.8%	4.1%	1.0pt			0.3pt		

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

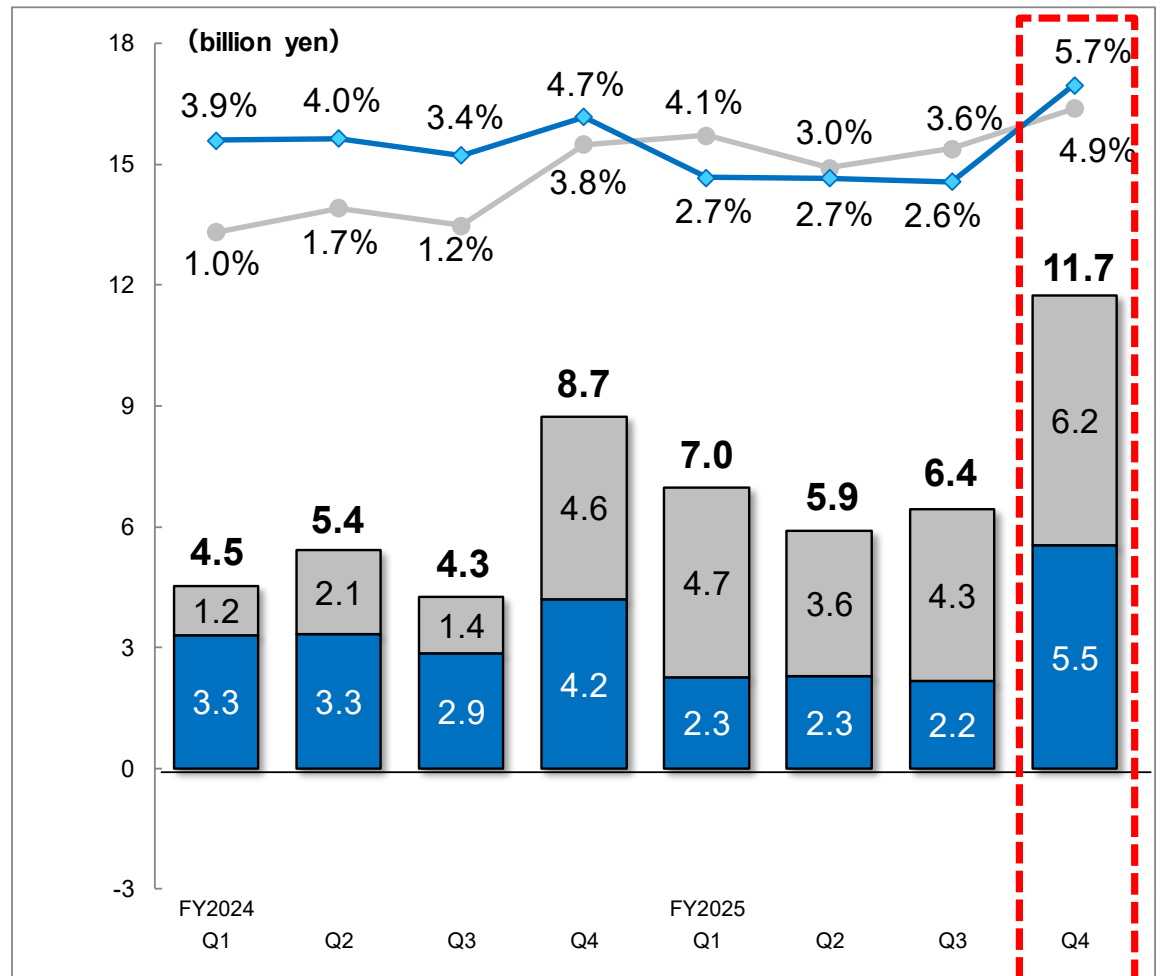
## Net Sales

■ Bearing and others ■ CVJ/Axle



## Operating Income/ Operating Margin

■ Bearing and others ■ CVJ/Axle



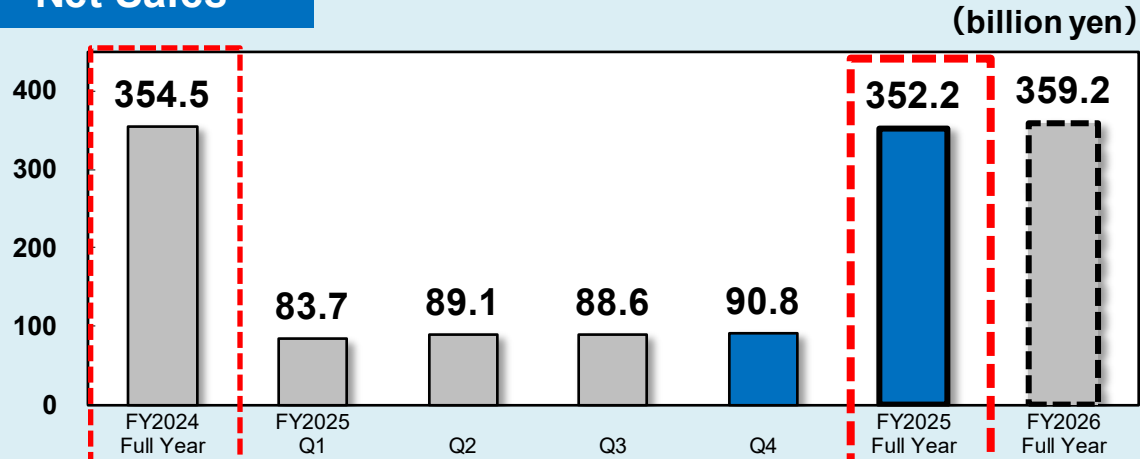
Incl. for Aftermarket	FY2024	Q1	Q2	Q3	Q4	FY2025	Q1	Q2	Q3	Q4
		36.7	36.1	35.9	38.0	35.2	38.4	37.9	42.5	

\*As a result of a detailed review of the sales aggregation methodology applied from FY2024 onward, reported aftermarket sales increased.

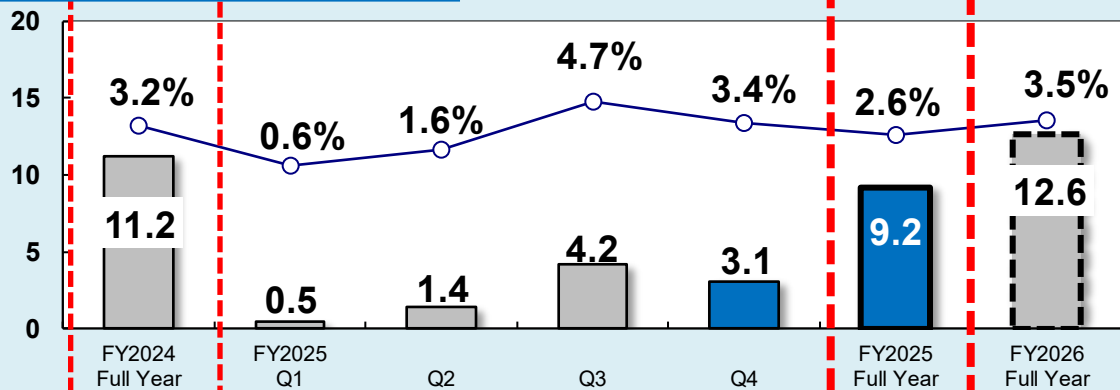
# 6-1. Net Sales and Operating Income by Company Location NTN

## 《 Japan 》

### Net Sales

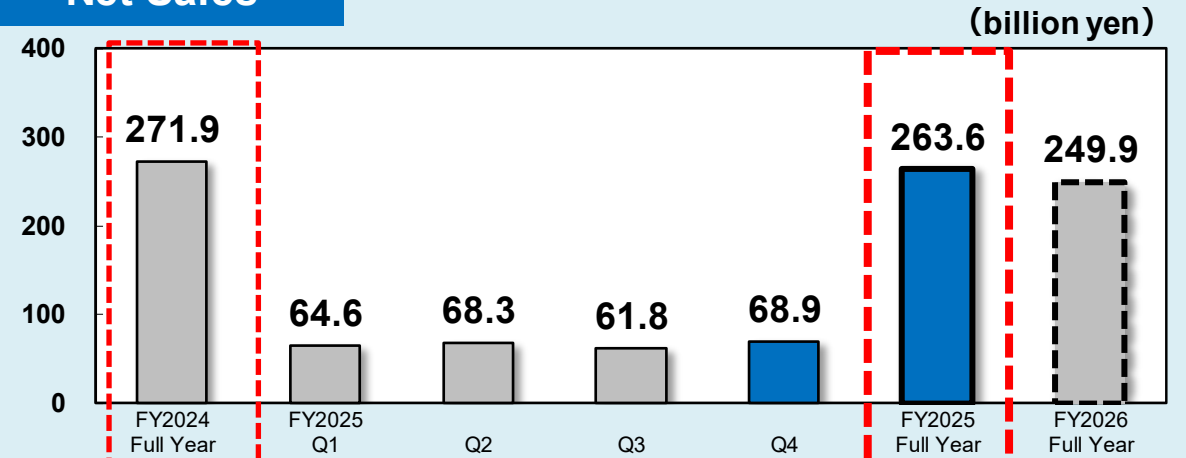


### Operating Income

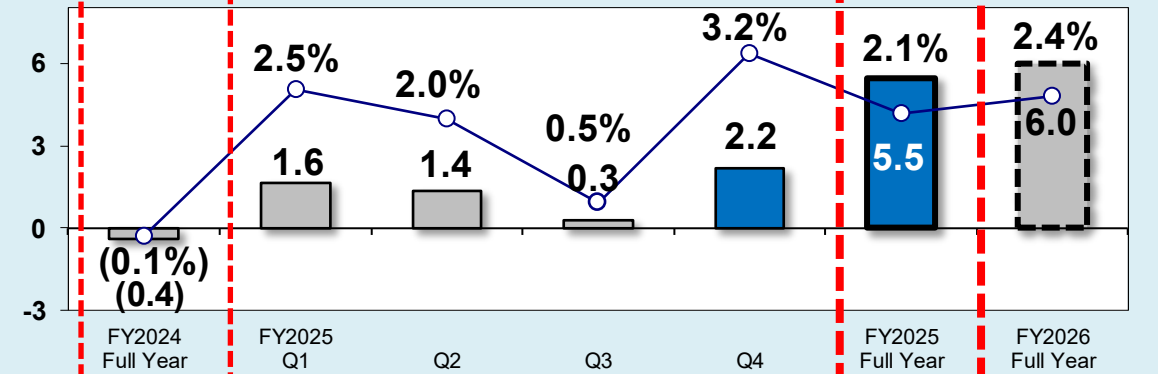


## 《 Americas 》

### Net Sales



### Operating Income

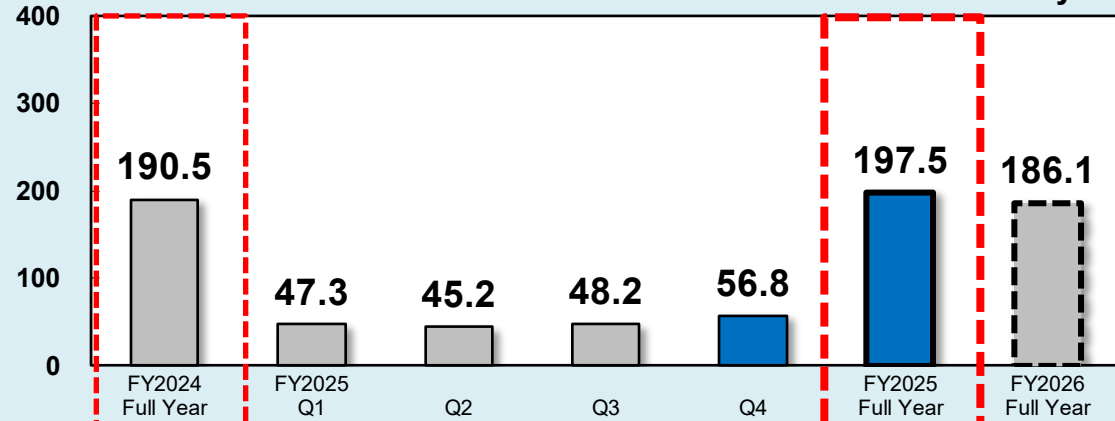


# 6-2. Net Sales and Operating Income by Company Location NTN

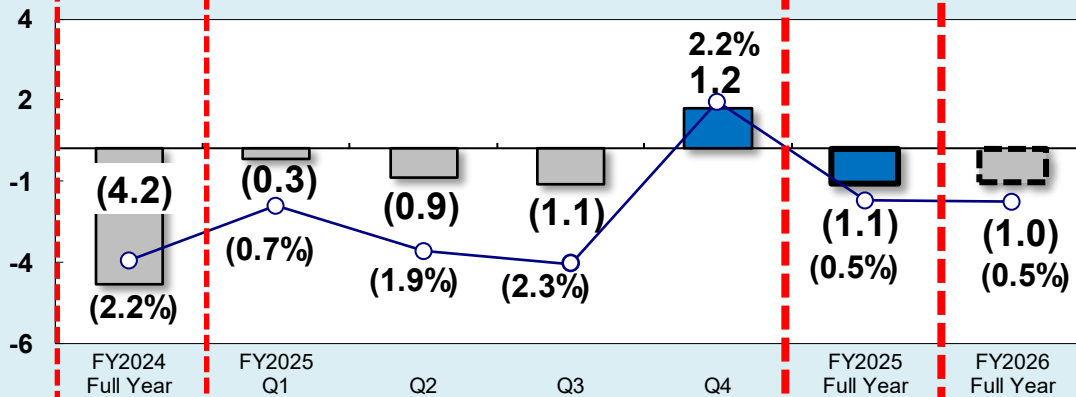
## 《 Europe 》

### Net Sales

(billion yen)



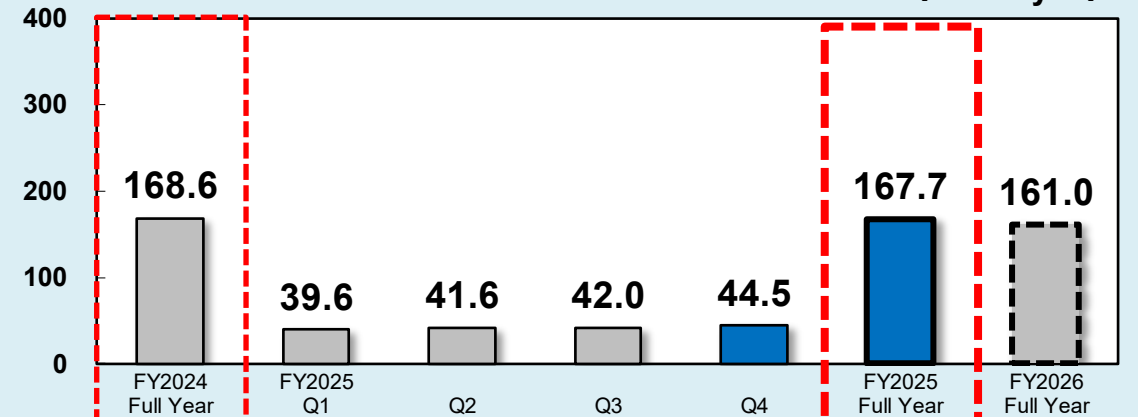
### Operating Income



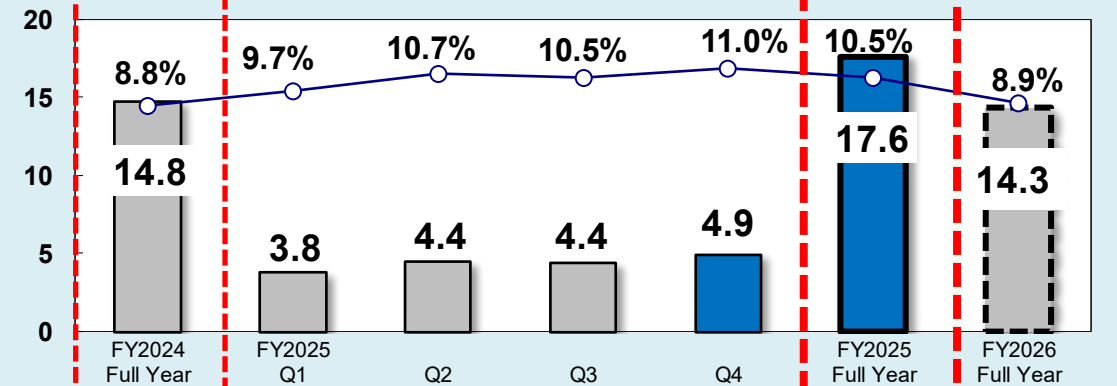
## 《 Asia and others 》

### Net Sales

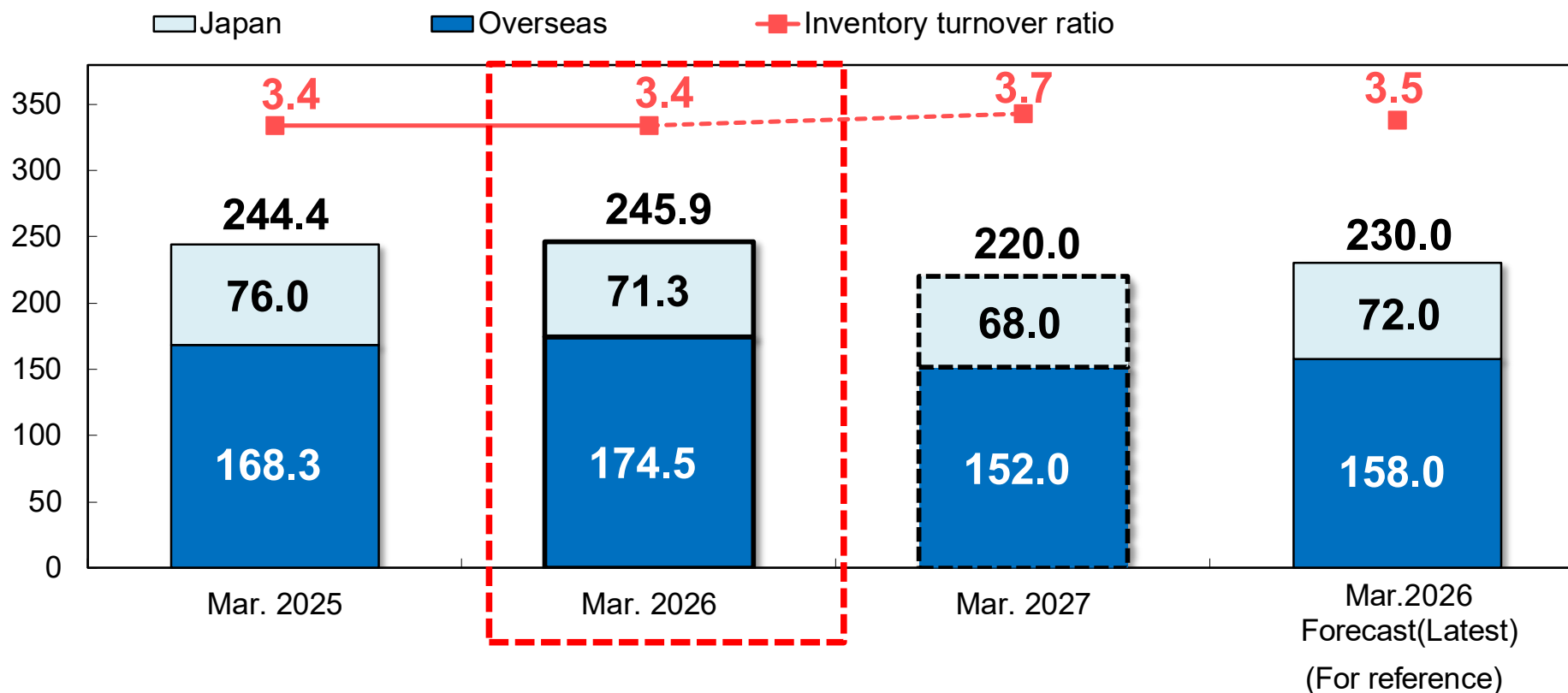
(billion yen)



### Operating Income

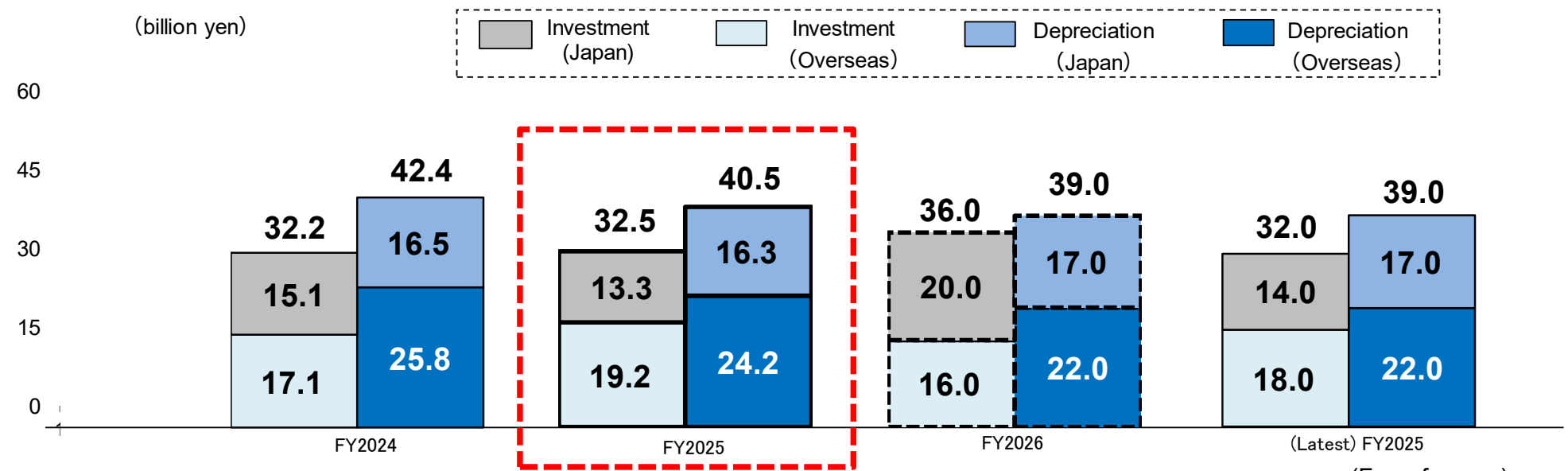


# 7. Inventories



(billion yen)	Mar. 2025 Results	Mar. 2026 Results	Mar. 2027 Forecast	Mar. 2026 Forecast (Latest)
<b>Inventories</b>	244.4	245.9	220.0	230.0
<b>[Japan]</b>	76.0	71.3	68.0	72.0
<b>[Overseas]</b>	168.3	174.5	152.0	158.0
Inventory turnover ratio [times]	3.4	3.4	3.7	3.5

# 8. Capital Expenditures and Depreciation



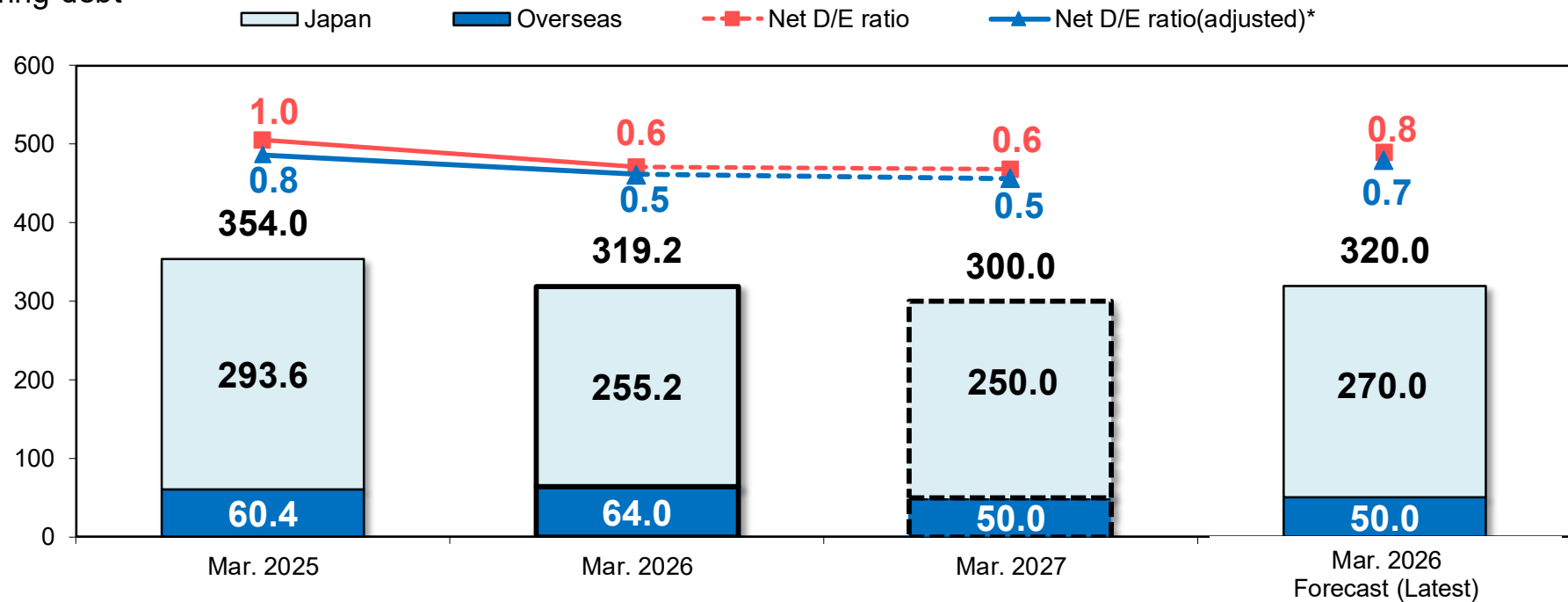
	FY2024	FY2025	Diff.	FY2026	(For reference) FY2025
(billion yen)	Full Year Results①	Full Year Results②	②-①	Full Year Forecast	Full Year Forecast(Latest)
Capital expenditure	32.2	32.5	0.3	36.0	32.0
[Japan]	15.1	13.3	(1.8)	20.0	14.0
[Overseas]	17.1	19.2	2.1	16.0	18.0

\*In addition, capital expenditure for intangible fixed assets (FY2025 Full year Results : ¥3.1 billion, FY2026 Full Year Forecast : ¥4.5 billion)

	FY2024	FY2025	Diff.	FY2026	FY2025
(billion yen)	Full Year Results①	Full Year Results②	②-①	Full Year Forecast	Full Year Forecast(Latest)
Depreciation	42.4	40.5	(1.9)	39.0	39.0
[Japan]	16.5	16.3	(0.2)	17.0	17.0
[Overseas]	25.8	24.2	(1.7)	22.0	22.0

# 9. Interest - Bearing Debt

Interest-bearing debt  
(billion yen)

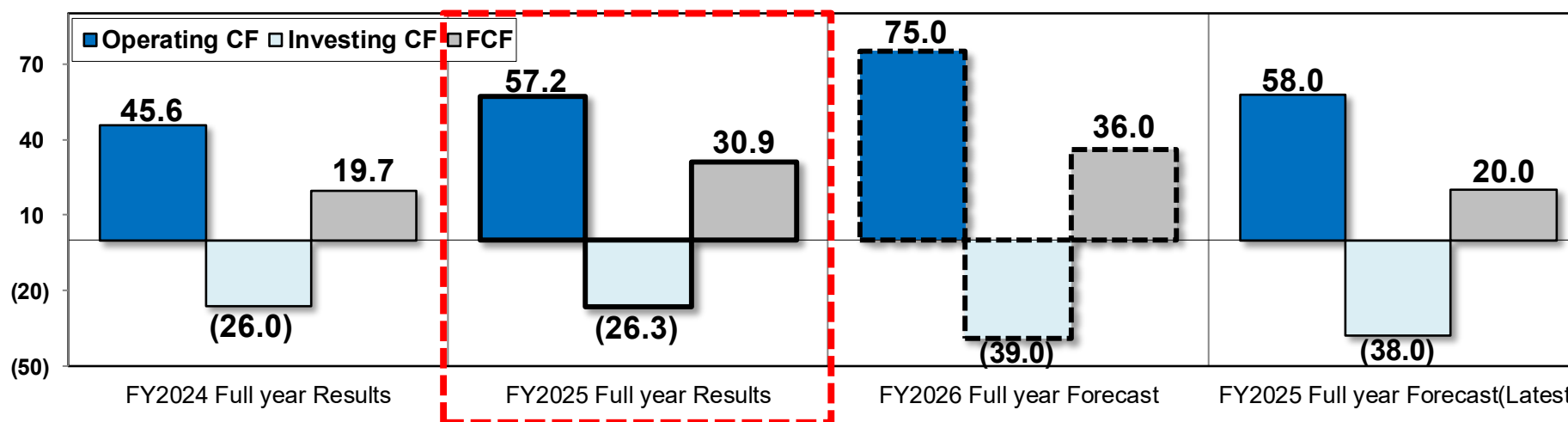


(billion yen)	Mar. 2025 Results	Mar. 2026 Results	Mar. 2027 Forecast	Mar. 2026 Forecast (Latest)
Interest-bearing debt	354.0	319.2	300.0	320.0
[Japan]	293.6	255.2	250.0	270.0
[Overseas]	60.4	64.0	50.0	50.0
Net Interest-bearing debt	226.3	187.9	163.7	194.5

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

# 10. Cash Flows

(billion yen)	FY2024 Full Year Results①	FY2025 Full Year Results②	②-①	FY2026 Full Year Forecast	FY2025 Full Year Forecast
<b>I. Cash flow from operating activities</b>	45.6	57.2	11.6	75.0	58.0
<b>II. Cash flow from investing activities</b>	(26.0)	(26.3)	(0.3)	(39.0)	(38.0)
<b>I + II. Free cash flow</b>	19.7	30.9	11.2	36.0	20.0
<b>III. Cash flow from financing activities</b>	(18.7)	(35.3)	(16.6)	(31.0)	(23.0)
IV. Effect of exchanging rate translation on cash and cash equivalents	(0.5)	8.0	8.5	0.0	(3.0)
V. Net increase in cash and cash equivalents	0.4	3.5	3.1	5.0	(6.0)

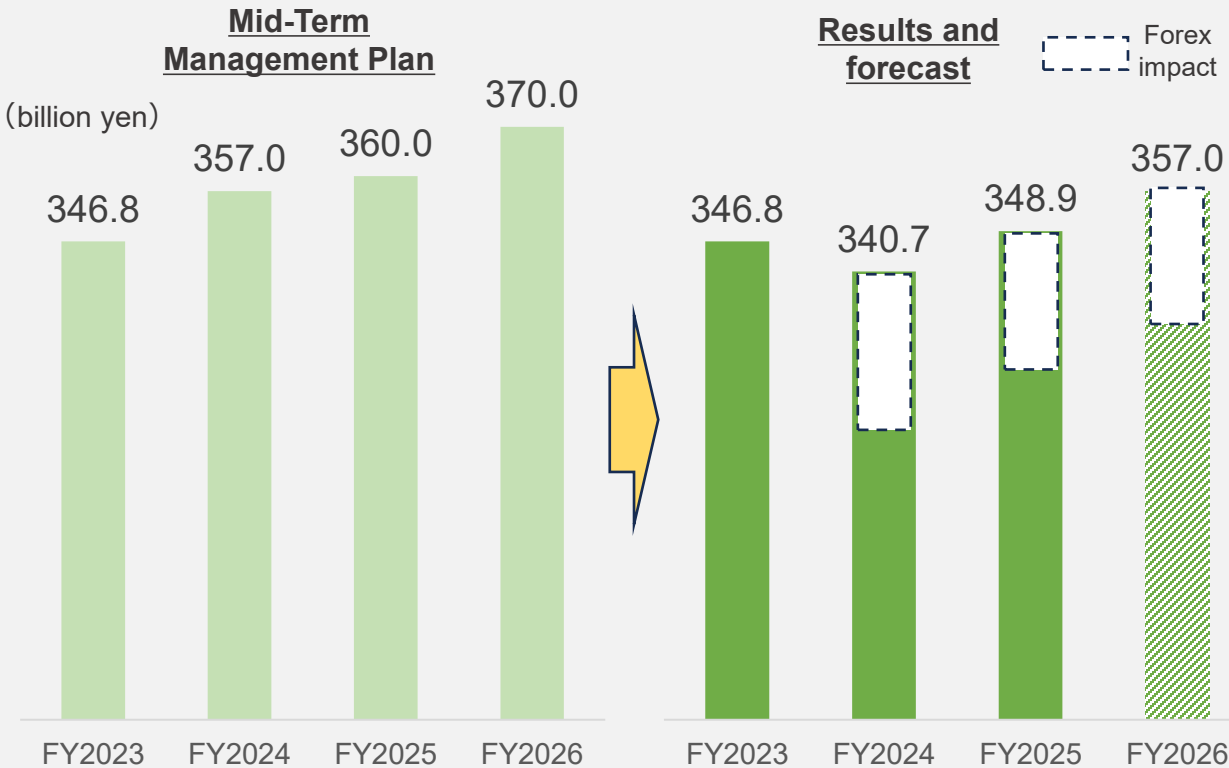


- I. Key Points of FY2025 Financial Results and Progress of “DRIVE NTN100” Final
- II. FY2025 Financial Results and FY2026 Forecast
- III. **Growth Direction of the NTN Group Toward 2035**

# 1. Comparison of Medium-Term Management Plan, Actual Results, and Forecast for Sales by Business Segment

## Bearing and others

- Sales decreased compared with the figures assumed at the time of the mid-term plan formulation, due to a decline in automobile production volumes. In addition, for the industrial machinery, recovery in demand has been slow in areas where we have a high sales composition ratio—such as construction machinery, gearboxes, and agricultural machinery—and the aftermarket has also yet to achieve a full recovery, resulting in lower sales compared with the mid-term plan.



## CVJ/Axle









- Sales declined compared with the assumptions at the time the mid-term plan was formulated, due to a decrease in automobile production volumes, weak performance of Japanese auto manufacturers in China, delays and cancellations of EV projects, and an increase in lost orders in the United States caused by mispricing.



# 2. Growth Direction of NTN Group Toward 2035 : Bearing and others

## DRIVE NTN100

Final (FY2024-FY2026)

-  Delay in demand recovery for industrial machinery and automotive markets
-  Expansion of aftermarket sales ratio
-  Establishment of an immediate delivery system for the aftermarket business
-  Development of new products and services to meet market needs
-  Reduction of fixed costs through structural reforms (Overseas)
-  Reduction of fixed costs through structural reforms (Japan)
-  Passing on increases in costs and tariffs to selling prices
-  Price improvements for unprofitable businesses

## From the Next Medium-Term Management Plan onward

Operating margin **above 10%** driven by growth areas, high-value-added products, and aftermarket expansion

### Aftermarket: Strengthening supply capacity and service solutions

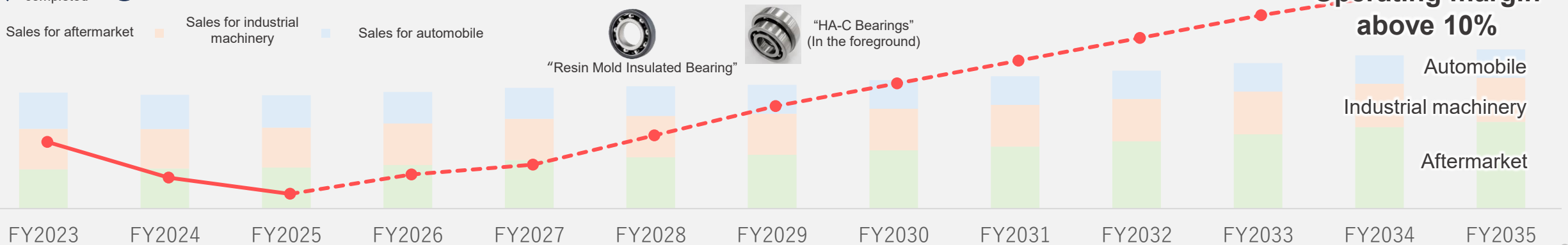
- Accelerating expansion into Germany—the largest market in Europe—as well as low-share regions such as India and the Middle East & Africa
- Launch of new aftermarket products tailored to regional demand, leveraging ODM
- Expansion of semi-standard inventory for MRO and other applications, following popular products
- Market launch and expansion of service solutions business
- Expanding the distributor network by leveraging immediate delivery capabilities and technical support

### Industrial machinery : Focusing management resources on growth areas to shift toward more profitable areas

- Allocation of management resources to growth markets and areas of our strength, such as aerospace (including defense), rolling stock, and machine tools
- Realization of cost reductions through procurement reforms leveraging ODM
- Improving utilization rates and profitability through consolidation of domestic bearing production etc.

### Automobile : Differentiation and profit improvement through high value-added products

- Market launch of new products (such as Resin-Mold Insulated Bearings and HA-C Bearings) supporting long-term electrification, and the establishment of mass production systems



# 3. Growth Direction of NTN Group Toward 2035 : CVJ/Axle



## DRIVE NTN100

### Final (FY2024-FY2026)

- ✗ Decline in demand from our automotive customers
- Reduction of fixed costs through structural reforms
- Reduction of variable costs through design and procurement reforms
- Passing on increases in costs and tariffs to selling prices
- ▲ Development of new products and services to meet market needs
- ▲ Expansion of aftermarket sales ratio
- ▲ Expansion of the product lineup for the aftermarket

✗ Not completed    ○ Completed    ▲ In progress

## From the Next Medium-Term Management Plan onward

Operating margin to **10%** through growth/advantaged- market expansion, turnaround, and stronger aftermarket

### Expanding sales in growth and strategic markets, and executing a turnaround

- Achieving sales growth exceeding market growth through priority investments in the fast-growing Indian market (FY24–FY35: Vehicle production 1.6× vs. our sales target 1.8×)
- Leveraging local production capacity with U.S. additional tariffs and USMCA acting as tailwinds  
Expanding channels for finished product sales and semi-finished products
- Strengthening competitiveness through investment in labor-saving and new product-compatible equipment

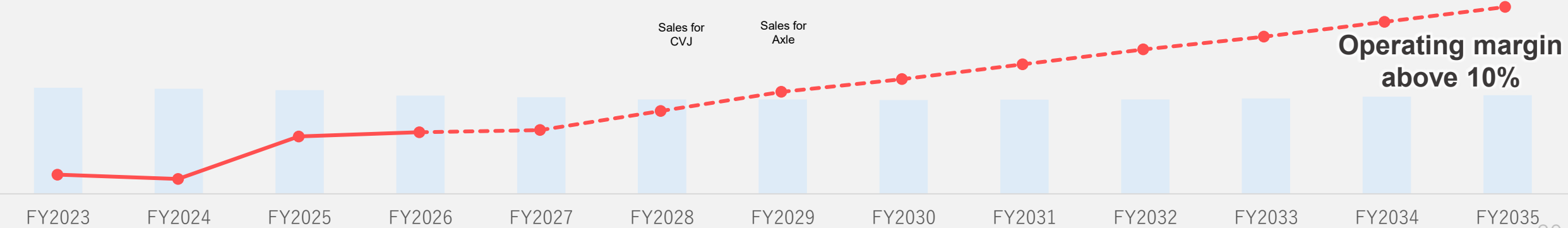
### Launching new products that leverage our competitive advantages

- For CVJs, we will further enhance the functionality of our world-class CFJ and PTJ, while expanding the product lineup
- Axles: Expanding product lineup, low friction, downsizing and weight reduction, and enhanced durability
- Enhancing development speed through the use of AI and digital technologies



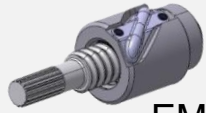
### Expansion of sales to the automotive aftermarket

- Agreement with a major Buying-group and business expansion
- Expanding sales channels in South America and Asia, where growth potential is high and the vehicle parc is large



# 4. Growth Direction of NTN Group Toward 2035 : New Products and New Business **NTN**

## Automotive ball screws



EMB



EHB

## EVs and Electrification

## Realizing a "NAMERAKA Society"

A society where people can easily lead a secure and fulfilling life in harmony with nature.

- Eco-friendly products that reduce friction
- Contributing to the preservation of the global environment

## Robotics

### Electric Actuators



Parallel Shaft Type



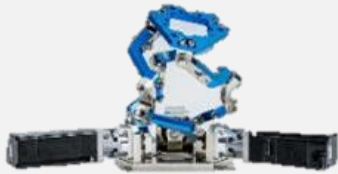
Coaxial Hollow Type

## Sustainability

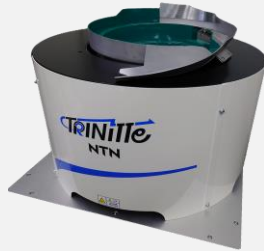
## Life science

## Disaster Prevention and Mitigation

### Robot-related module

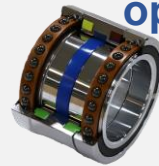


Wrist Joint Module, "i-WRIST,"



Feeder "TRINITTE" for Picking Robots

### Longer operating life



Lubricating Unit for Grease Lubricated Bearings for Machine Tool Spindles

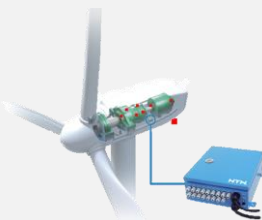


HA-C Bearing



Precision Liquid Handling System "X-CELList."

### Condition monitoring and technology not to stop operation



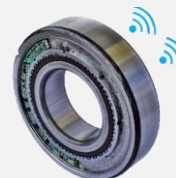
CMS for wind turbine



"NTN Portable Vibroscope"



Bearing Diagnosis App "Bearing Inspector"



Talking Bearing



Sensor Integrated Bearing Unit

Transportable Independent Power Supply "N<sup>3</sup> N-CUBE"



## 5. Growth Direction of NTN Group Toward 2035 : Management Foundation and Governance

### Company-wide fixed cost reduction

- Reduction of fixed costs through additional structural reforms in Japan and Europe
- Improved productivity, shorter lead times, and accelerated inventory reduction through the expansion of production reform activities
- Labor-saving and automation in manufacturing operations through the use of physical AI and other measures to address the decline in the domestic workforce
- Reduction of fixed costs in indirect functions through the consolidation of business processes and the use of digital technologies and AI

### Acceleration of human capital management

- Embedding diverse work styles and diversity
- Enhancing employee engagement
- Establishing an organizational, operational, and governance system premised on the coexistence of people and AI

### Achievement of carbon neutrality targets

- Achieve CO<sub>2</sub> reduction targets (Scope 1 and 2) by FY2035
- Strengthen management of CO<sub>2</sub> emissions intensity at the product and component level
- Support customers in achieving carbon neutrality through carbon-free manufacturing of our products

### Strengthening corporate governance

- Strengthening the monitoring system
- Consideration of achieving a majority of Outside Directors on the Board

### Vision for FY2035

- **Achieve and further improve ROE that consistently exceeds shareholder capital cost, even amid economic fluctuations**
- **Increase the share of aftermarket sales to 40% or more**
- **Achieve carbon neutrality and foster prosperous human development**

Notice Concerning Execution of Memorandum of Understanding Regarding Business Integration Through Establishment of a Joint Holding Company (Share Transfer) Between NSK Ltd. and NTN Corporation

NSK Ltd. and NTN Corporation have reached a basic agreement to establish a joint holding company by way of a joint share transfer and to integrate their businesses. The Companies have executed a memorandum of understanding for the Business Integration after passing a resolution at their respective board of directors meetings as of today to execute the said agreement.

Please note that any effects regarding this are not factored into the current forecasts .  
As appropriate, we will disclose the information in a timely manner.



- This presentation and comments made in this conference or during the following Q&A session include forward-looking statements about future performance and future business strategies, all of which are based on decisions of the management of the Company currently available.
- These statements represent the best judgment of the management of the Company based on the information currently available. However, there can be no assurance that future results will meet any expectation, estimate or projection conveyed by these statements or comments. Actual results may differ materially from Management projections depending on various factors such as changes in product demand, exchange rates and interest rates, and contingent liabilities.