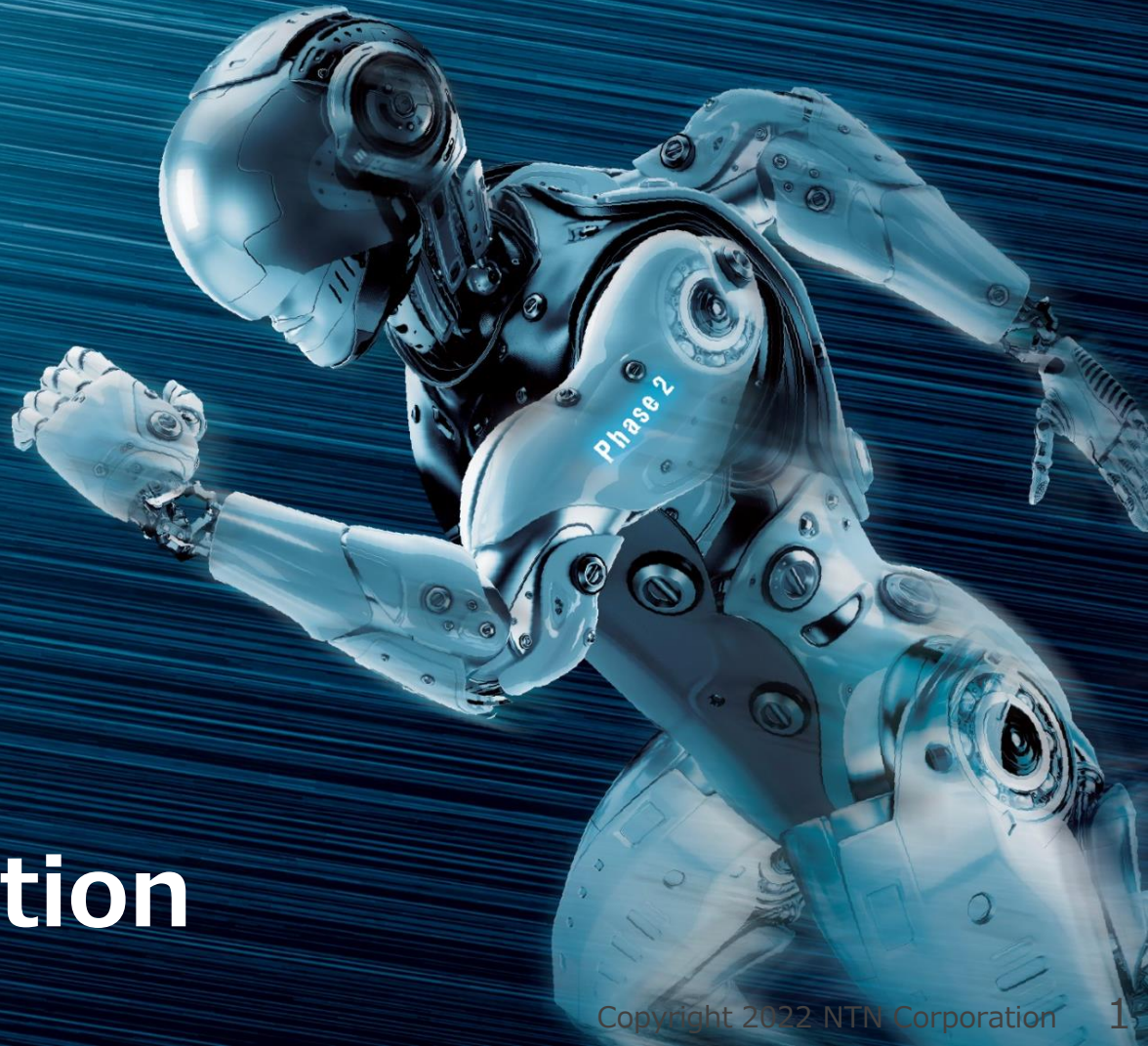


Consolidated Financial Results for the First Quarter of FY2022

NTN
Make the world **NAMERAKA**



August 2, 2022
NTN Corporation

1. Key Points of Financial Results for 1Q of FY2022

◇ Net sales

¥172.6 billion YoY **+¥16.0** billion (excl. forex **+¥2.0** billion)

◇ Operating income

-¥0.8 billion YoY **-¥2.4** billion (excl. forex **-¥4.1** billion)

◇ Operating profit

¥0.01 billion YoY **-¥2.5** billion yen (excl. forex **-¥4.2** billion)

◇ Profit attributable to owners of parent

-¥2.5 billion YoY **-¥3.7** billion (excl. forex **-¥4.6** billion)

◇ Inventories

¥242.1 billion compared to previous FY end **+¥27.3** billion (excl. forex **+¥14.5** billion)

◇ Free cash flow

+¥3.3 billion YoY **-¥5.3** billion yen

2.Comparison of Initial Forecast (announced in May 2022) and Latest Forecast

<Key Points>

- ✓ Operating income in 1Q was -¥0.8 billion (-¥0.1 billion from the initial forecast) almost as the forecast
- ✓ Sales in China, which were sluggish from April to May, recovered in June, and are expected to improve in 2Q.

<Full Year transition>

(billion yen)		FY2022				
		1Q	2Q	1H	2H	Full Year
Initial forecast	Net sales	173.3	172.7	346.0	374.0	720.0
①	Operating income	-0.6	0.6	-	23.0	23.0
Latest forecast	Net sales	172.6	177.4	350.0	370.0	720.0
②	Operating income	-0.8	1.8	1.0	22.0	23.0
Difference	Net sales	-0.7	4.7	4.0	-4.0	-
②-①	Operating income	-0.1	1.1	1.0	-1.0	-

<1Q transition>

(billion yen)		FY2022			
		April	May	June	1Q
Initial forecast	Net sales	57.3	56.2	59.8	173.3
①	Operating income	0.0	-1.2	0.6	-0.6
Results	Net sales	53.0	55.3	64.3	172.6
②	Operating income	-1.2	-1.4	1.8	-0.8
Difference	Net sales	-4.4	-0.9	4.5	-0.7
②-①	Operating income	-1.3	-0.1	1.2	-0.1

3. Consolidated Statements of Operation

(billion yen)	FY2021			FY2022					Year on Year		
	1Q Results	4Q Results	Full Year Results	1Q Results	2Q Forecast	1H Forecast	2H Forecast	Full Year Forecast	②-①		
	①			②					Total	Volume	Forex
Net sales	156.6	173.9	642.0	172.6	177.4	350.0	370.0	720.0	16.0	2.0	14.0
Operating income	1.7	4.3	6.9	-0.8	1.8	1.0	22.0	23.0	-2.4	-4.1	1.7
Operating margin	(1.1%)	(2.5%)	(1.1%)	(-0.5%)	(1.0%)	(0.3%)	(5.9%)	(3.2%)	(-1.5%)		
Ordinary income	2.6	5.0	6.8	0.0	1.0	1.0	19.0	20.0	-2.5	-4.2	1.6
Extraordinary income/loss	-	9.9	10.8	-	-	-	-3.0	-3.0	-	-	-
Profit attributable to owners of parent	1.2	8.8	7.3	-2.5	-1.0	-3.5	13.5	10.0	-3.7	-4.6	0.9
Exchange rate	1USD	109.4	116.2	112.3	129.6	120.0	124.8	120.0	122.4	20.1	
	1EURO	131.9	130.4	130.5	138.1	135.0	136.5	135.0	135.8	6.2	

4. Net Sales by Region

(billion yen)	FY2021			FY2022					Year on Year		
	1Q Results	4Q Results	Full Year Results	1Q Results	2Q Forecast	1H Forecast	2H Forecast	Full Year Forecast	②-①		
	①			②					Total	Volume	Forex
Japan	44.5	47.3	180.8	44.3	49.7	94.0	98.5	192.5	-0.2	-0.2	-
Americas	42.7	51.0	181.2	55.4	53.6	109.0	113.0	222.0	12.6	4.3	8.3
Europe	33.3	35.4	127.1	36.1	30.9	67.0	70.0	137.0	2.8	1.1	1.6
Asia and others	36.1	40.2	153.0	36.8	43.2	80.0	88.5	168.5	0.7	-3.3	4.1
Total	156.6	173.9	642.0	172.6	177.4	350.0	370.0	720.0	16.0	2.0	14.0

5. Net Sales and Operating Income by Business Sector

<Net Sales by Business Sector>

	FY2021			FY2022				Year on Year		
	1Q Results	4Q Results	Full Year Results	1Q Results	1H Forecast	2H Forecast	Full Year Forecast	②-①		
(billion yen)	①			②				Total	Volume	Forex
Aftermarket	27.0	30.1	112.2	32.3	62.5	58.5	121.0	5.4	2.9	2.4
Industrial machinery	30.7	33.7	126.1	34.1	67.0	73.0	140.0	3.4	1.1	2.3
Automotive	98.9	110.0	403.7	106.2	220.5	238.5	459.0	7.2	-2.1	9.3
Total	156.6	173.9	642.0	172.6	350.0	370.0	720.0	16.0	2.0	14.0

<Operating Income by Business Sector>

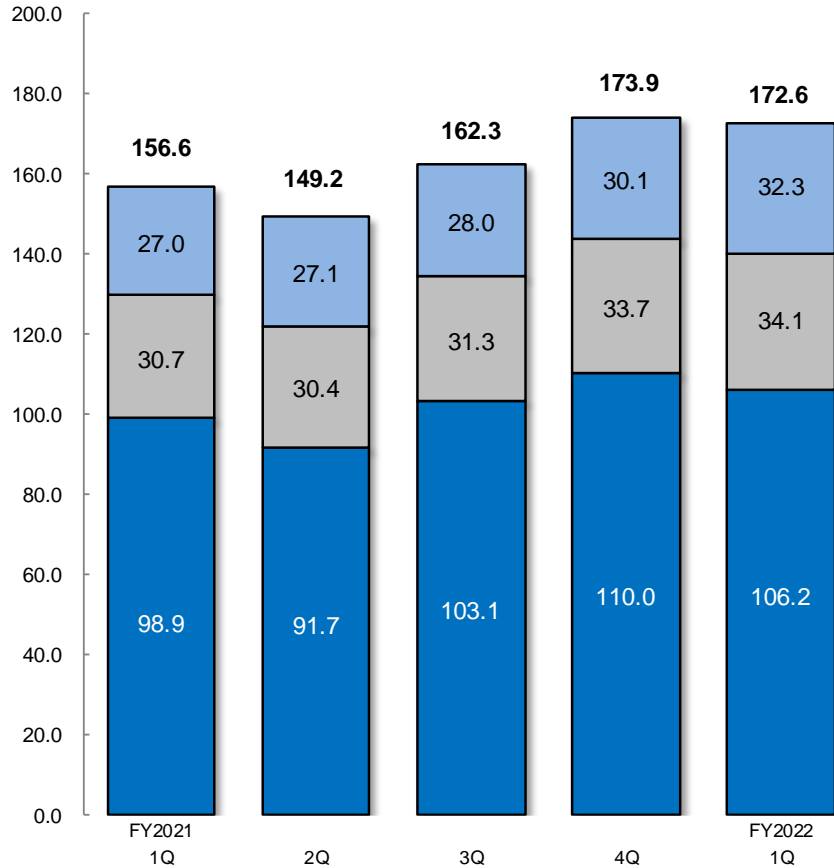
	FY2021			FY2022				Year on Year
	1Q Results	4Q Results	Full Year Results	1Q Results	1H Forecast	2H Forecast	Full Year Forecast	
(billion yen)	①			②				②-①
Aftermarket	3.4	4.1	14.7	4.6	9.0	7.5	16.5	1.2
Industrial machinery	0.5	1.4	4.1	1.2	2.0	4.5	6.5	0.8
Automotive	-2.2	-1.2	-11.9	-6.6	-10.0	10.0	0.0	-4.4
Total	1.7	4.3	6.9	-0.8	1.0	22.0	23.0	-2.4

6. Results by Business Sector (Quarterly Trend)

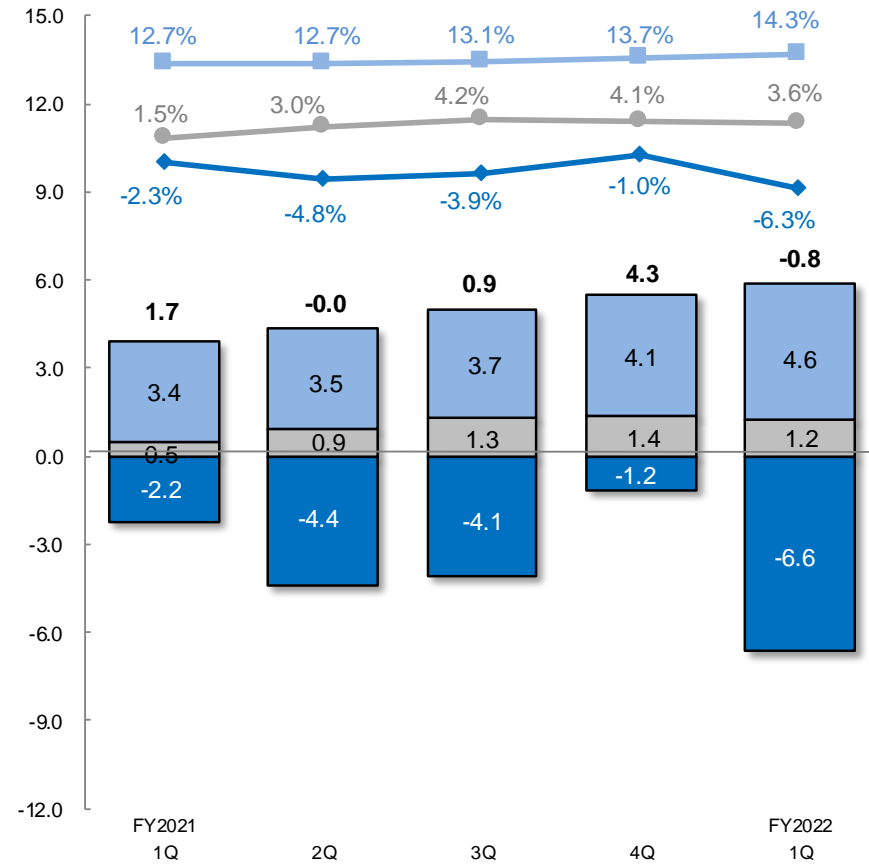
* All figures in billion yen

Net Sales

■ Automotive ■ Industrial machinery ■ Aftermarket

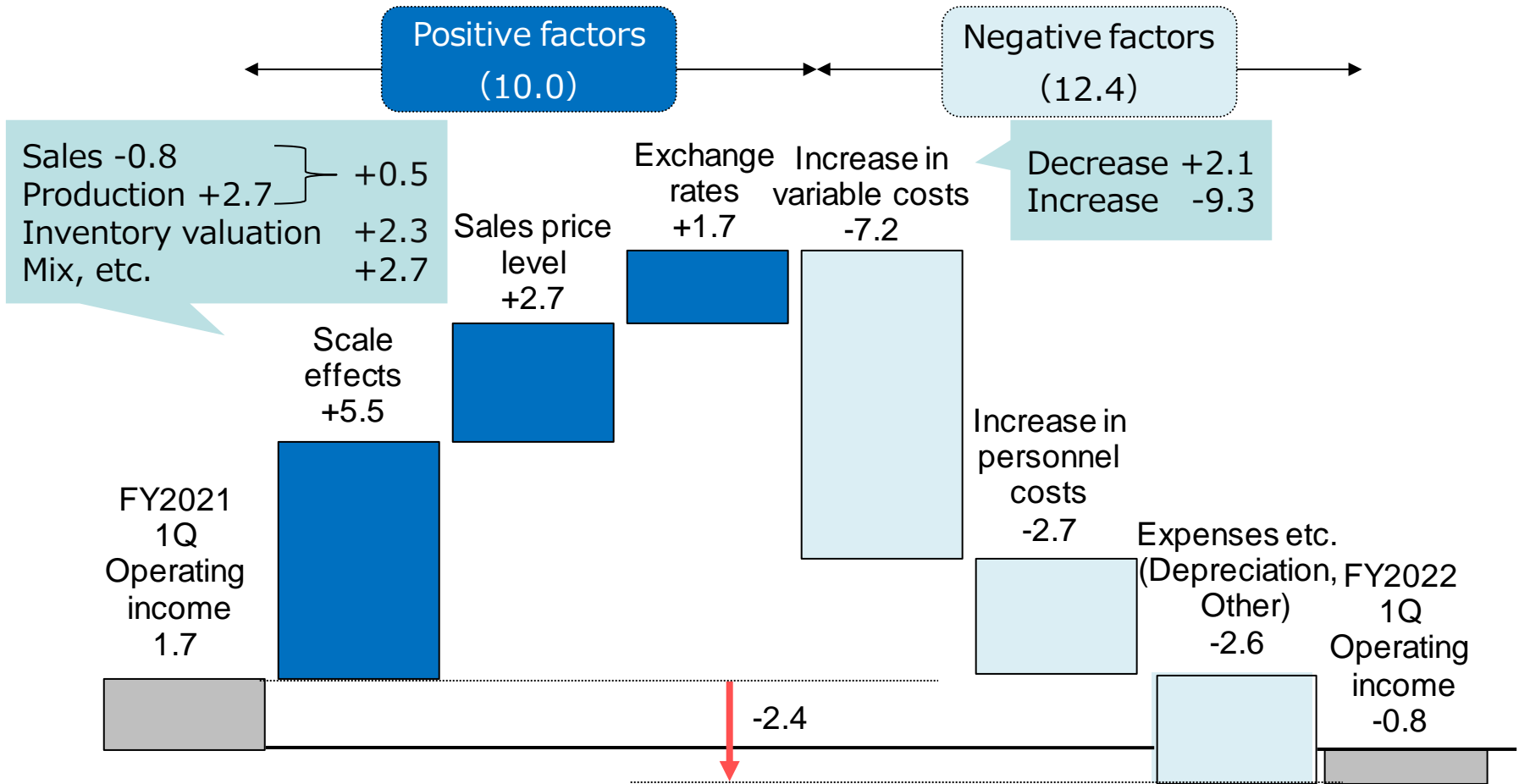


Operating Income/ Operating Margin



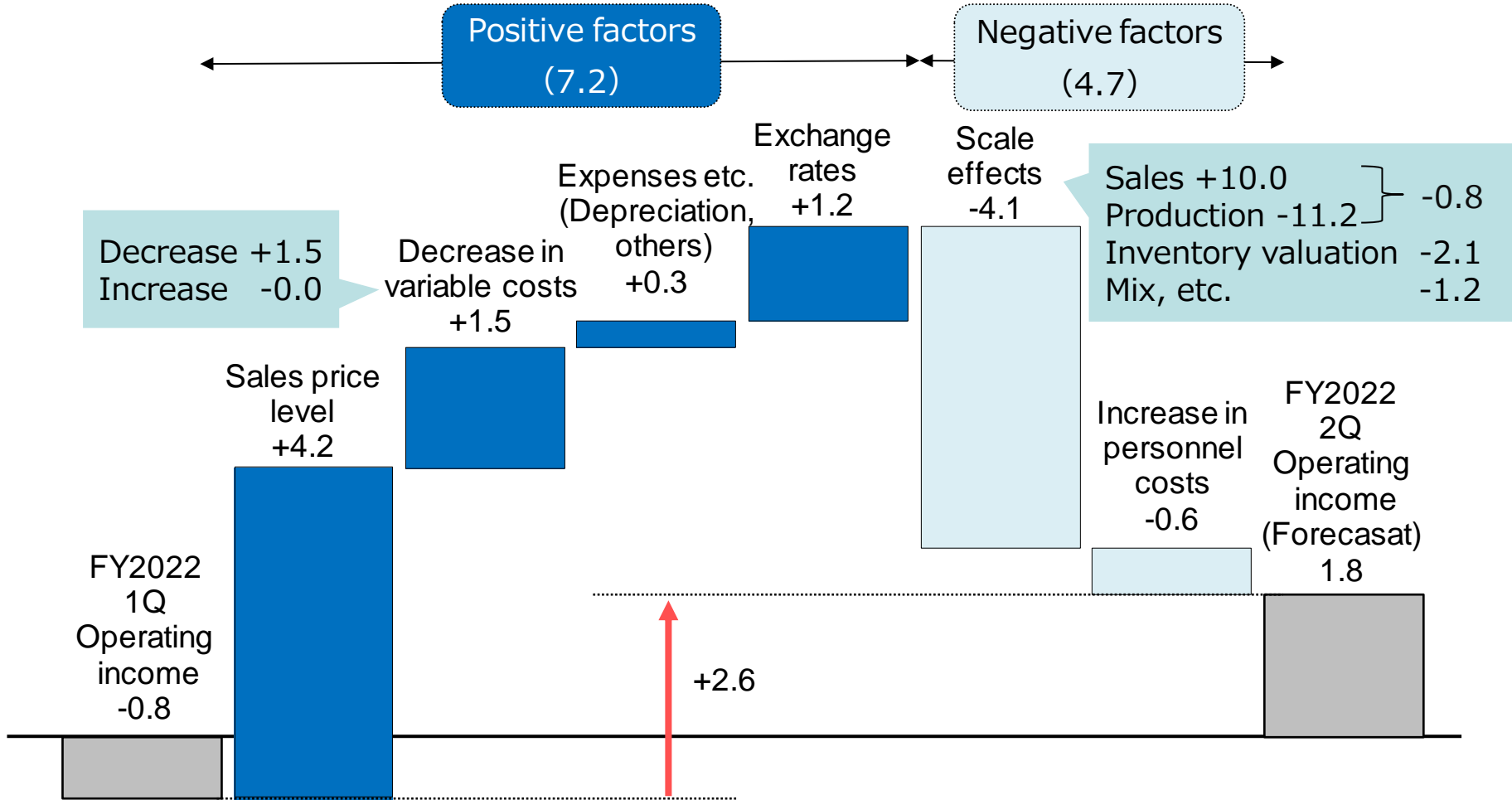
7-1. Analysis of Operating Income (FY2021 1Q Results vs FY2022 1Q Results)

* All figures in billion yen



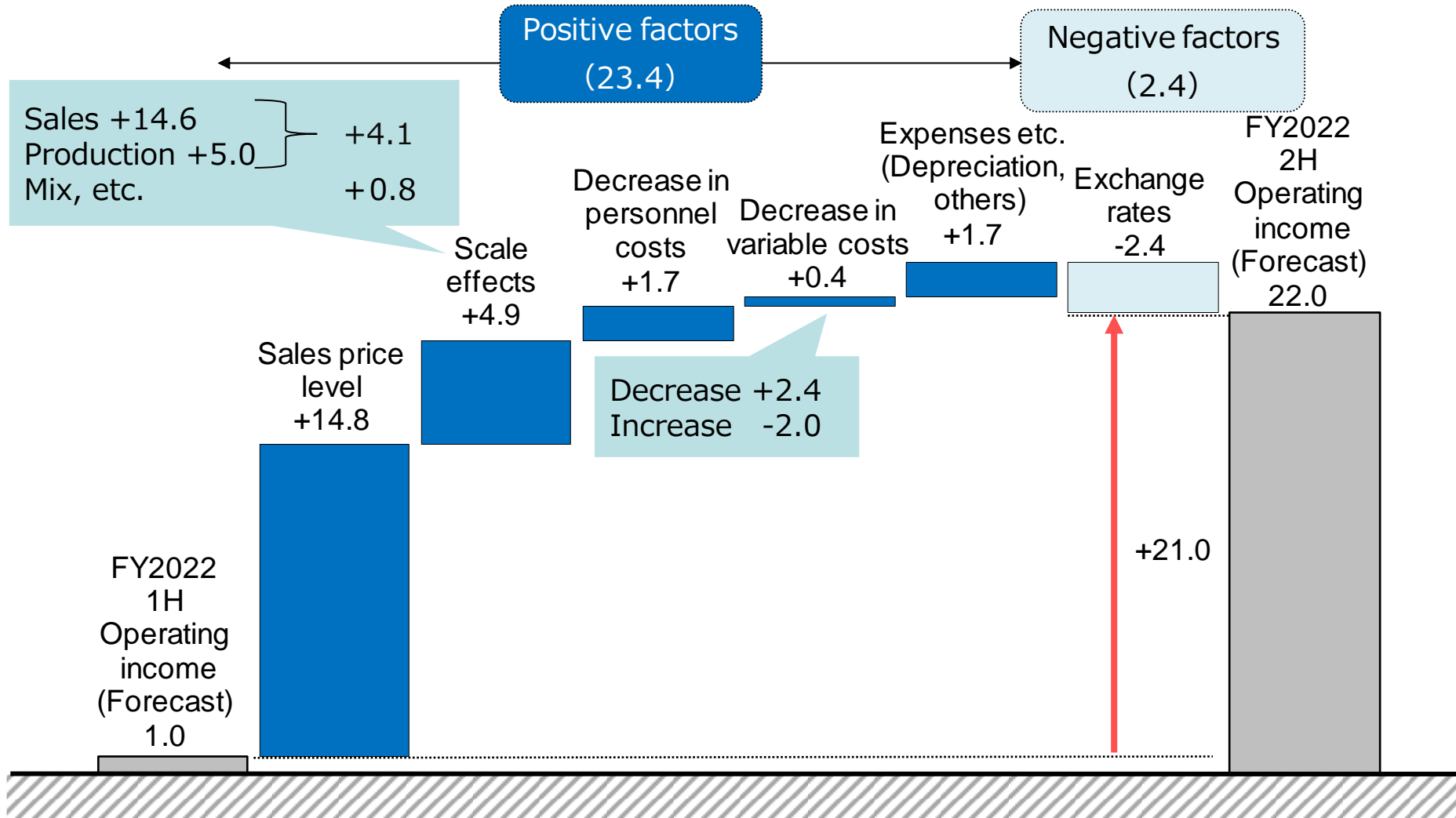
7-2. Analysis of Operating Income (FY2022 1Q Results vs FY2022 2Q Forecast)

* All figures in billion yen



7-3. Analysis of Operating Income (FY2022 1H Forecast vs FY2022 2H Forecast)

* All figures in billion yen

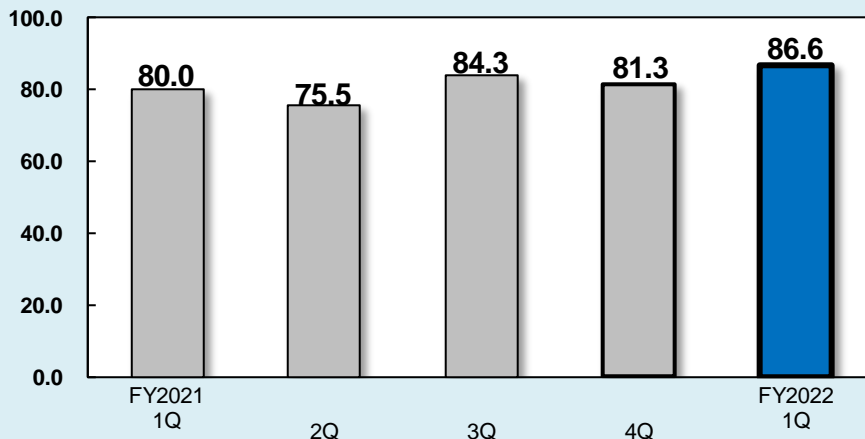


8-1 Net Sales and Operating Income by Company Location

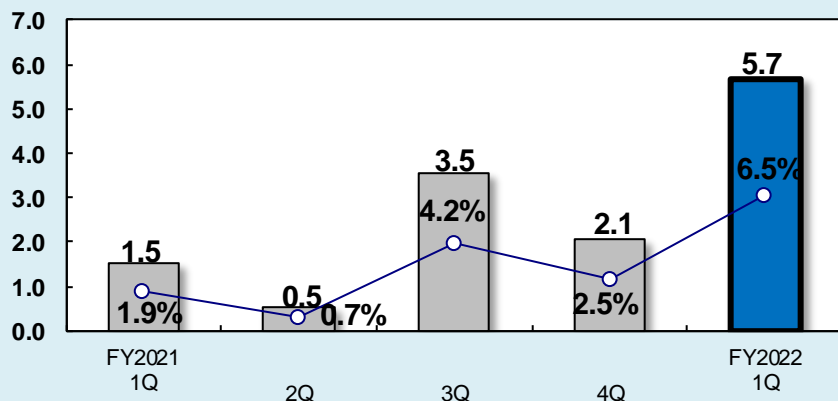
* All figures in billion yen

《 Japan 》

Net Sales

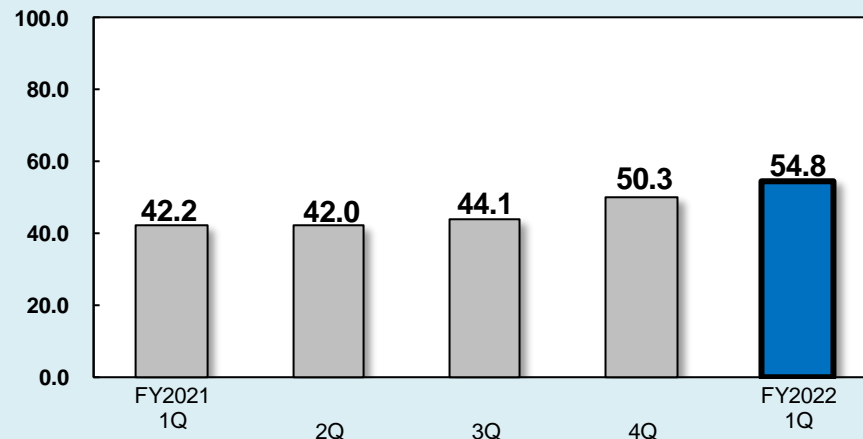


Operating Income

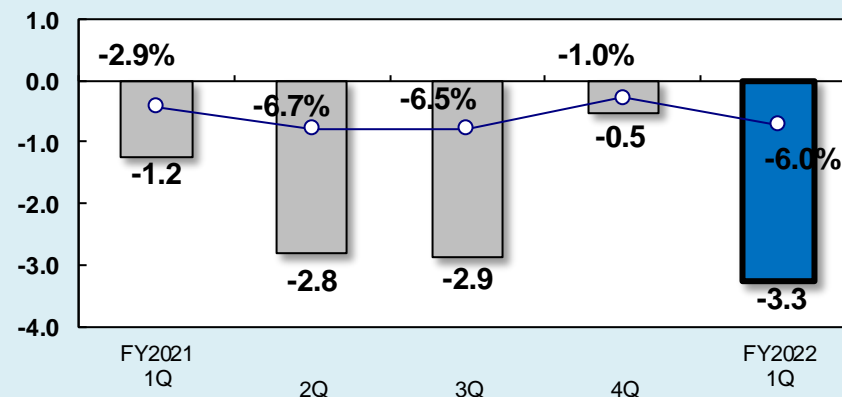


《 Americas 》

Net Sales



Operating Income



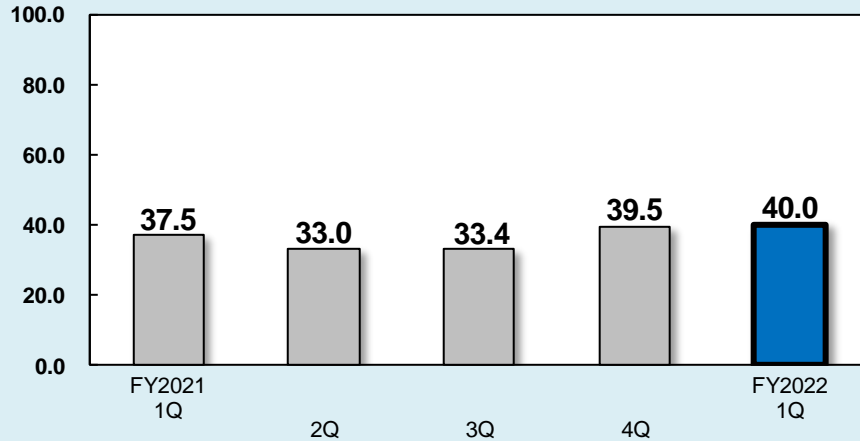
8-2 Net Sales and Operating Income by Company Location

* All figures in billion yen

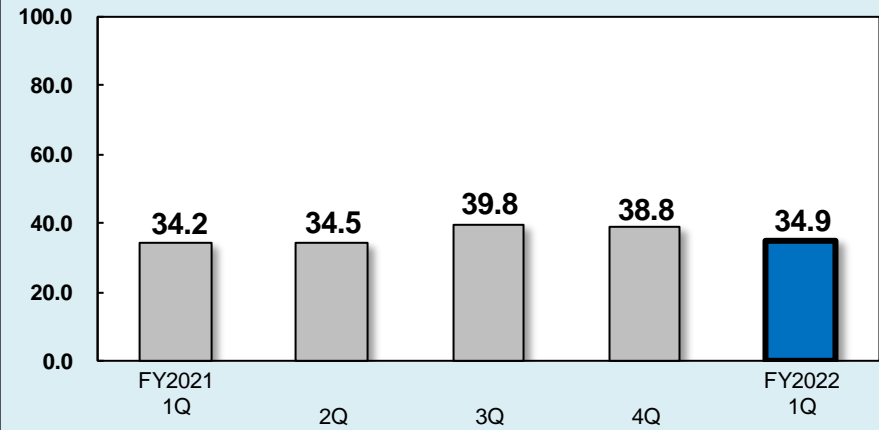
《 Europe 》

《 Asia and others 》

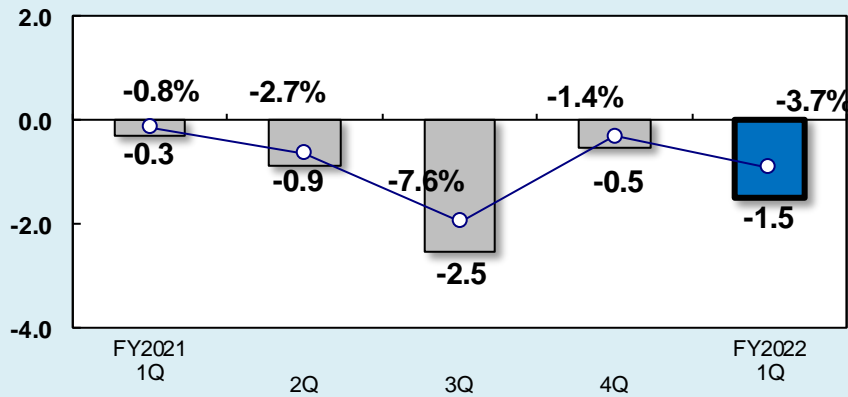
Net Sales



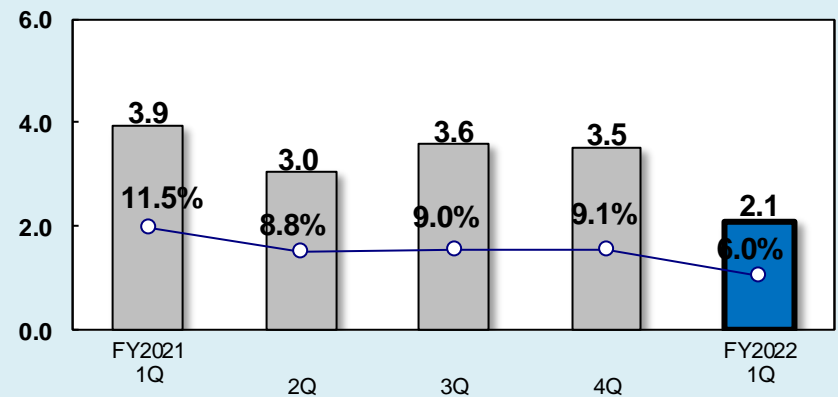
Net Sales



Operating Income



Operating Income



9. Operating Income and Tax by Company Location

<Key Points>

- ✓ Operating income in 1Q was ¥3.0 billion in total of the all regions. However it was finally -¥0.8 billion due to consolidated adjustments (elimination of unrealized profit: -¥3.8 billion, including -¥2.0 billion in volume and -¥1.8 billion for foreign exchange). Consolidated adjustments for the full-year forecast are expected to be -¥2.0 billion, including positive foreign exchange effect of +¥1.8 billion due to the new exchange rate forecast.
- ✓ While income before taxes was ¥0.0 billion, tax expenses for 1Q were ¥2.2 billion in profitable regions, excluding the unprofitable Americas and Europe. However, for the full year, NTN will reduce the loss in the Americas and Europe. Taxes will be ¥5.0 billion (29% of income before taxes), compared with income before taxes of ¥17.0 billion.

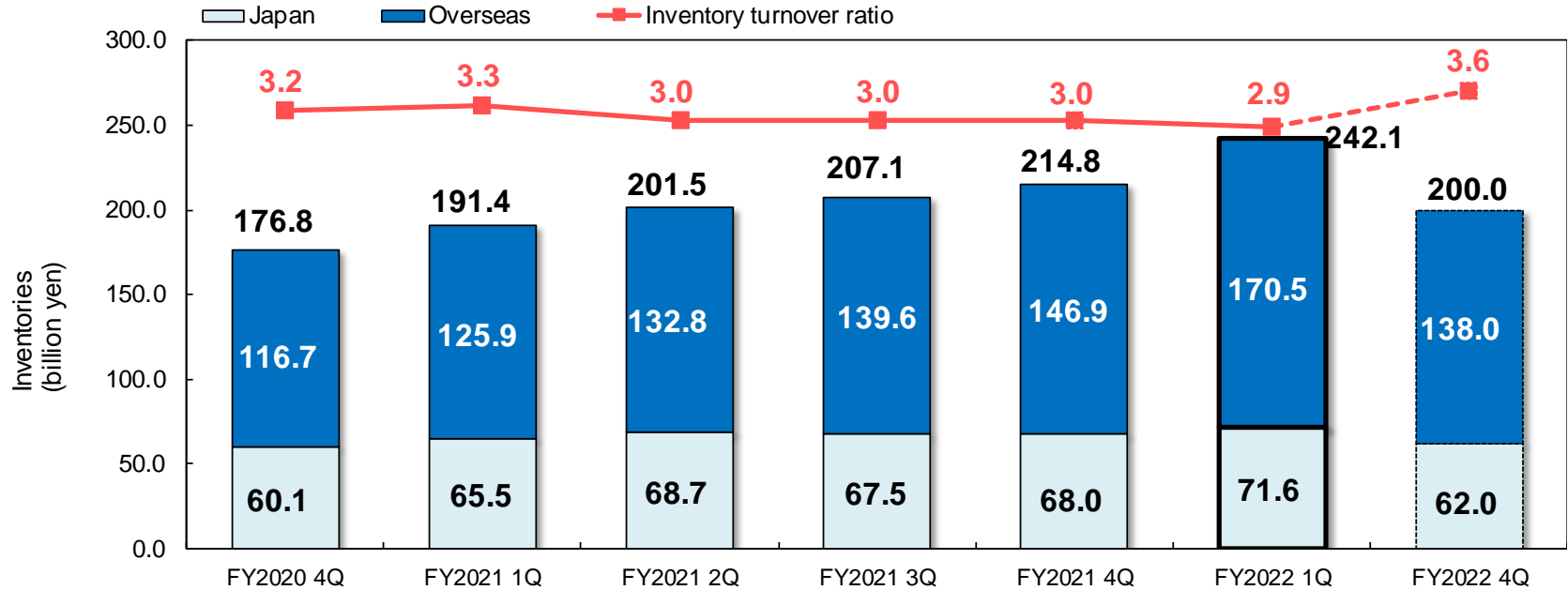
(billion yen)		FY2022	
		1Q Results	Full Year Forecast
Operating income	Japan	5.7	13.5
	Americas	-3.3	-3.0
	Europe	-1.5	0.0
	Asia and others	2.1	14.5
	Total(region)	3.0	25.0
	Consolidated Adjustment	-3.8	-2.0
Total		-0.8	23.0
Income before taxes		0.0	17.0
Taxes		2.2	5.0
Net Income Attributable to non-controlling shareholder		0.3	2.0
Income after taxes		-2.5	10.0

10. Inventories

[Points]

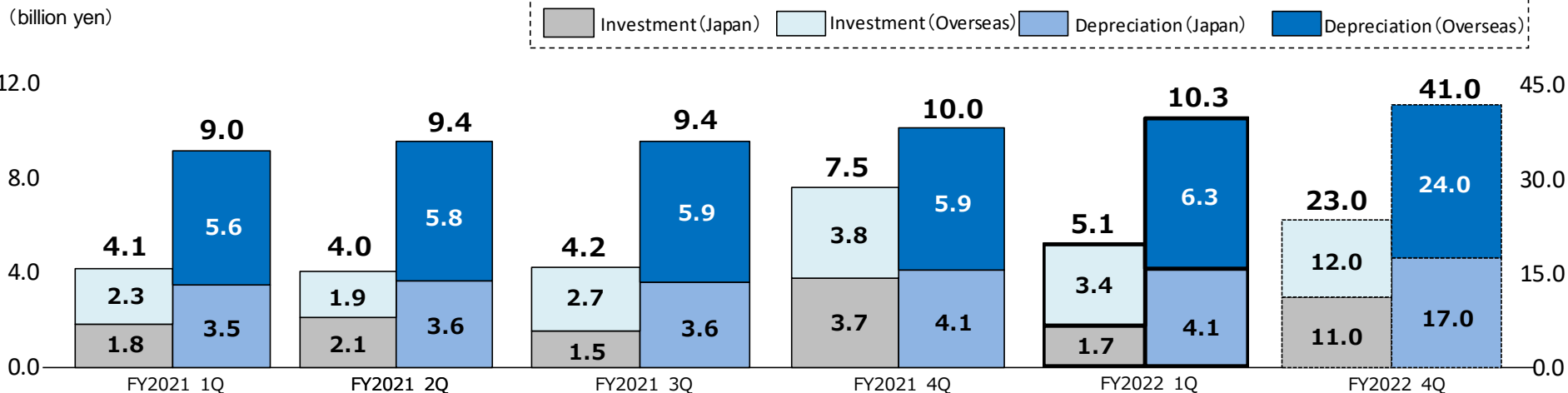
✓ +¥27.3 billion compared to the end of March, 2022 (exchange rate: +¥12.8 billion, volume: +¥14.5)

✓ Material and work in process increased mainly in overseas plants to deal with demand fluctuation of automotive production due to semiconductor shortage



	FY2020 4Q	FY2021 1Q	FY2021 2Q	FY2021 3Q	FY2021 4Q	FY2022 1Q	FY2022 4Q
(billion yen)	Results	Results	Results	Results	Results	Results	Forecast
Inventories	176.8	191.4	201.5	207.1	214.8	242.1	200.0
(Overseas)	(116.7)	(125.9)	(132.8)	(139.6)	(146.9)	(170.5)	(138.0)
(Japan)	(60.1)	(65.5)	(68.7)	(67.5)	(68.0)	(71.6)	(62.0)
Inventory turnover ratio	3.2	3.3	3.0	3.0	3.0	2.9	3.6
(times)							

11. Capital Expenditure and Depreciation

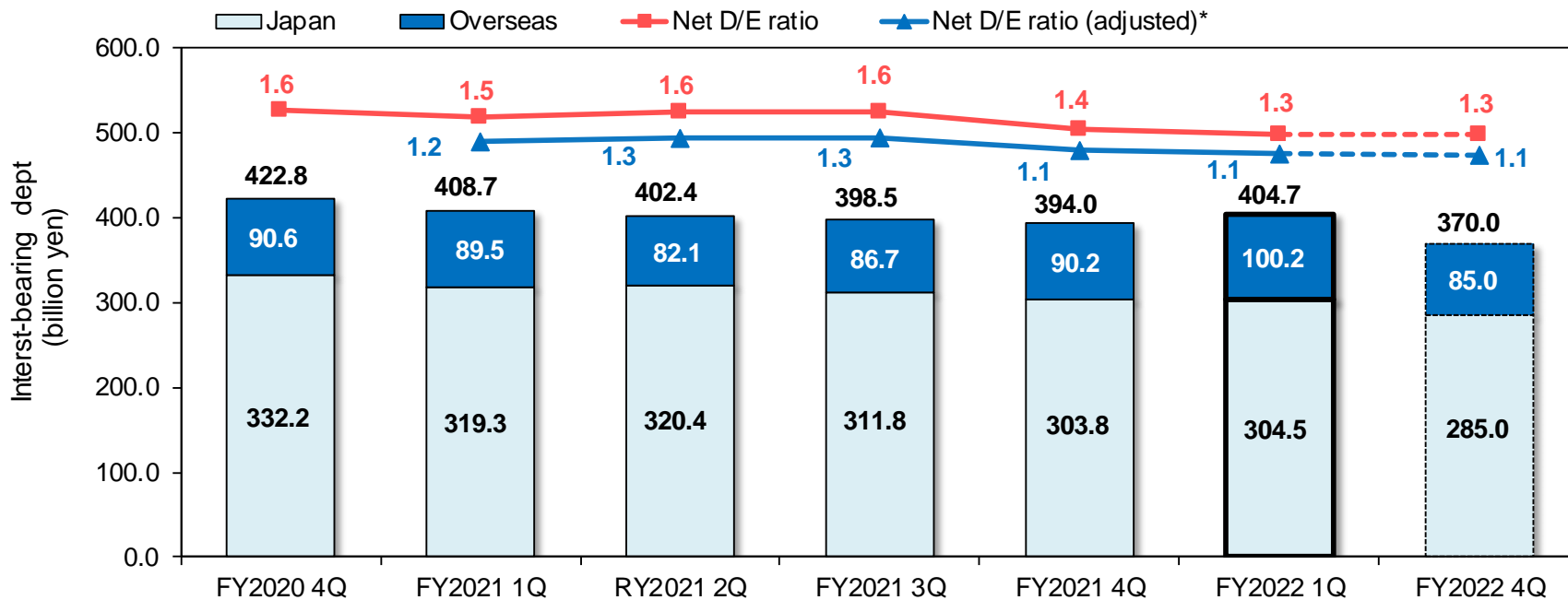


(billion yen)	FY2021					FY2022		FY2022
	1Q Results①	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results②	②-①	Forecast
Capital expenditure	4.1	4.0	4.2	7.5	19.8	* 5.1	1.0	23.0
(Overseas)	(2.3)	(1.9)	(2.7)	(3.8)	(10.7)	(3.4)	(1.1)	(12.0)
(Japan)	(1.8)	(2.1)	(1.5)	(3.7)	(9.1)	(1.7)	(-0.1)	(11.0)

*In addition, capital expenditure for intangible fixed assets (FY2022 1Q Results : ¥1.3 billion, FY2022 Full Year Forecast : 5.0 billion)

(billion yen)	FY2021					FY2022		FY2022
	1Q Results①	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results②	②-①	Forecast
Depreciation	9.0	9.4	9.4	10.0	37.9	10.3	1.3	41.0
(Overseas)	(5.6)	(5.8)	(5.9)	(5.9)	(23.2)	(6.3)	(0.7)	(24.0)
(Japan)	(3.5)	(3.6)	(3.6)	(4.1)	(14.7)	(4.1)	(0.6)	(17.0)

12. Interest-Bearing Debt

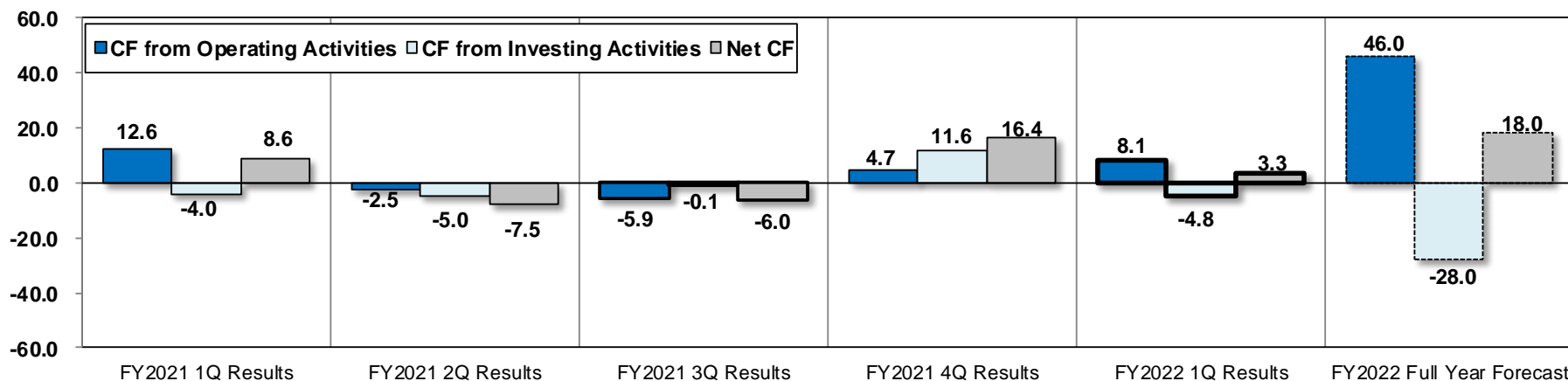


	FY2020 4Q	FY2021 1Q	RY2021 2Q	FY2021 3Q	FY2021 4Q	FY2022 1Q	FY2022 4Q
(billion yen)	Results	Results	Results	Results	Results	Results	Forecast
Interest-bearing debt	422.8	408.7	402.4	398.5	394.0	404.7	370.0
(Overseas)	(90.6)	(89.5)	(82.1)	(86.7)	(90.2)	(100.2)	(85.0)
(Japan)	(332.2)	(319.3)	(320.4)	(311.8)	(303.8)	(304.5)	(285.0)
Net Interest-bearing debt	275.6	268.0	276.9	285.3	272.6	278.6	260.0

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

13. Cash Flows

(billion yen)	FY2021					FY2022	②-①	FY2022
	1Q Results①	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results②		Ful Year Forecast
I. Cash flow from operating activities	12.6	-2.5	-5.9	4.7	9.0	8.1	-4.5	46.0
II. Cash flow from investing activities	-4.0	-5.0	-0.1	11.6	2.5	-4.8	-0.8	-28.0
I + II. Net cash flow	8.6	-7.5	-6.0	16.4	11.5	3.3	-5.3	18.0
III. Cash flow from financing activities	-15.5	-7.3	-8.0	-10.5	-41.3	-0.1	15.4	-28.0
IV. Effect of exchanging rate translation on cash and cash equivalents	0.3	-0.4	1.8	2.3	4.0	1.4	1.0	-1.5
V. Net increase in cash and cash equivalents	-6.5	-15.3	-12.2	8.2	-25.8	4.6	11.1	-11.5



Promote passing on increased cost by external factors to selling price

- ◇ Pass increased raw material costs on selling prices
- ◇ Withdrawal from unprofitable products and negotiations to increase price

Reduce variable costs through variable cost reformation

- ◇ - 1 point in the variable cost ratio

Control fixed cost in the phase of increasing volume

- ◇ Within 15% of the increase in volume

DRIVE
Digitalization Resources Innovation Variable cost reformation Efficiency improvement
NTN100 *Phase 2*



NTN
Make the world **NAMERAKA**

Digitalization, **R**esources, **I**nnovation, **V**ariable cost reformation, **E**fficiency improvement
NTN Transformation for **New 100** years

