

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 2, 2024

**Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2023**  
**[Under Japanese GAAP]**  
**(Unaudited)**

Company name: NTN Corporation  
Listing: Tokyo Stock Exchanges  
Securities code: 6472  
URL: <https://www.ntnglobal.com>  
Representative: Eiichi Ukai, President, Executive Officer  
Inquiries: Masaaki Yamamoto, Executive Officer, CFO  
Telephone: +81-6-6443-5001  
Scheduled date to file quarterly securities report: February 8, 2024  
Scheduled date to commence dividend payment: –  
Preparation of supplementary material of the financial results: Yes  
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	620,545	9.0	15,393	55.6	9,781	32.0	7,682	–
Nine months ended December 31, 2022	569,422	21.6	9,891	289.1	7,411	316.8	(754)	–

Note: Comprehensive income: Nine months ended December 31, 2023: 26,363 million yen (135.7%)  
Nine months ended December 31, 2022: 11,183 million yen (11.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2023	14.47	13.78
Nine months ended December 31, 2022	(1.42)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	903,236	257,008	26.7
As of March 31, 2023	869,827	237,425	25.4

Note: Equity (Shareholders' equity + Accumulated other comprehensive income)  
As of December 31, 2023: 241,354 million yen  
As of March 31, 2023: 220,659 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	2.50	–	2.50	5.00
Fiscal year ending March 31, 2024	–	5.00	–		
Fiscal year ending March 31, 2024 (forecast)				5.00	10.00

Note: Revision to the most recently published forecast of dividends: None

3. Forecast of consolidated earnings for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)  
(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	830,000	7.2	25,000	45.8	17,500	45.3	9,000	(13.2)	16.95

Notes: Revision to the most recently published forecast of earnings: Yes

Please refer to "Notice Regarding Revision to Earnings Forecast" issued today (on February 2, 2024).

\* Notes to consolidated financial statements

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting method specific to the preparation of quarterly consolidated financial statements: Yes

(Note) For further details, refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (4) Notes to Quarterly Consolidated Financial Statements," (Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements) on page 10 of the attached documents.

(3) Changes in accounting principles and accounting estimates and retrospective restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

As of December 31, 2023: 532,463,527 shares

As of March 31, 2023: 532,463,527 shares

2) Number of treasury stock at end of the period:

As of December 31, 2023: 1,491,959 shares

As of March 31, 2023: 1,567,870 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 530,945,239 shares

Nine months ended December 31, 2022: 530,884,801 shares

\* This quarterly financial results report is exempt from quarterly review to be performed by certified public accountants or an audit firm.

\* Explanation on the appropriate utilization of earnings forecasts and other special notes

All descriptions about the future of the Company contained herein including earnings forecasts are prepared on the basis of data and information currently in our possession as well as certain assumptions that are deemed reasonable, and therefore are not meant to have us committed to their achievement. Various factors may cause actual results to substantially differ from those described herein. For matters related to the earnings forecasts, please refer to "1. Qualitative Information on Quarterly Consolidated Financial Results for the Nine Months Ended December 31, 2023, (3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements" on page 4 of the attached documents.

[Contents of the Attached Documents]

1. Qualitative Information on Quarterly Consolidated Financial Results for the Nine Months Ended December 31, 2023.....	2
(1) Explanation Regarding Operating Results .....	2
(2) Explanation Regarding Financial Position .....	3
(3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements.....	4
2. Quarterly Consolidated Financial Statements and Major Notes.....	5
(1) Quarterly Consolidated Balance Sheets .....	5
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income .....	7
(Quarterly Consolidated Statements of Income) .....	7
(Quarterly Consolidated Statements of Comprehensive Income) .....	8
(3) Quarterly Consolidated Statements of Cash Flows.....	9
(4) Notes to Quarterly Consolidated Financial Statements .....	10
(Notes to Going Concern Assumption) .....	10
(Notes to Quarterly Consolidated Balance Sheets).....	10
(Notes to Quarterly Consolidated Statements of Income) .....	10
(Notes Related to Significant Changes in Shareholder's Equity) .....	10
(Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements) .....	10
(Segment Information).....	11
(Significant Subsequent Events).....	11
3. Supplementary Information .....	12
(1) Explanatory Materials.....	12

## 1. Qualitative Information on Quarterly Consolidated Financial Results for the Nine Months Ended December 31, 2023

### (1) Explanation Regarding Operating Results

The global economy during the first nine months of the current fiscal year (from April 1, 2023 to December 31, 2023) continued to pick up, but it also remained uncertain due to the situations in Ukraine and the Middle East, energy problems, and price increases, as well as the global monetary tightening. The Japanese economy has been gradually recovering as personal consumption, capital investment, and the employment situation recovered or improved. Overseas, the U.S. economy showed signs of recovery despite concerns about the effects of monetary tightening and inflation. The Chinese economy was hindered by the stagnation in the real estate market, whereas other emerging Asian economies continued to show signs of gradual recovery. The European economy was weakening mainly due to the energy situation and monetary tightening.

Under these business environment, the Company will steadily implement the measures in the Medium-term Management Plan "DRIVE NTN100" Phase 2, which started in April 2021, accelerate the transformation of our business structure, strengthen our financial position and organization, and aim to build a business structure that can flexibly respond to changes in the business environment.

Net sales for the first nine months amounted to 620,545 million yen (up 9.0% year on year). Regarding profit and loss, operating income amounted to 15,393 million yen (up 55.6% year on year), ordinary income amounted to 9,781 million yen (up 32.0% year on year), and profit attributable to owners of parent was 7,682 million yen (loss attributable to owners of parent of 754 million yen in the same period of the previous fiscal year) mainly due to price pass-on measures despite increases in steel prices.

Operating results by reporting segment (company location) were as follows:

#### (1) Japan

Sales in aftermarket applications decreased in industrial machinery aftermarket applications. Sales in industrial machinery applications decreased in construction machinery and gearboxes. Sales in automotive applications increased due to recovered customer demand and other factors. As a result, net sales amounted to 276,560 million yen (up 1.2% year on year). Segment income amounted to 10,131 million yen (down 29.4% year on year) due to increases in material prices, despite price pass-on measures.

#### (2) Americas

Sales in aftermarket applications decreased in industrial machinery and automotive aftermarket applications. Sales in industrial machinery applications decreased in construction machinery, agricultural machinery, and others. Sales in automotive applications increased due to recovered customer demand. As a result, net sales amounted to 201,098 million yen (up 12.4% year on year). Segment loss was 2,453 million yen (segment loss of 7,230 million yen in the same period of the previous fiscal year), although there was a positive impact of the promotion of price pass-on measures accompanied by the price hike in steel prices.

#### (3) Europe

Sales in aftermarket applications decreased in industrial machinery aftermarket applications and increased in automotive aftermarket applications. Sales in industrial machinery applications decreased in agricultural machinery. Sales in automotive applications increased mainly due to recovered customer demand. As a result, net sales amounted to 139,826 million yen (up 13.9% year on year). Segment loss was 3,619 million yen (segment loss of 3,577 million yen in the same period of the previous fiscal year), due to the price hike in steel prices and increased fixed costs, which were partially offset by a positive impact of price pass-on measures.

#### (4) Asia and other areas

Sales in aftermarket applications increased in industrial machinery aftermarket applications. Sales in industrial machinery applications decreased mainly in wind turbines, agricultural machinery, and others. Sales in automotive applications increased mainly due to recovered customer demand. As a result, net sales amounted to 131,089 million yen (up 4.0% year on year). Segment income was 12,017 million yen (up 22.8% year on year) mainly due to price pass-on measures.

Operating results by business sector were as follows.

(1) Aftermarket applications

Due to effects of exchange rate and other factors, net sales amounted to 102,465 million yen (up 3.5% year on year). Operating income amounted to 13,286 million yen (down 15.4% year on year) due to the price hike in steel prices and other factors, which were partially offset mainly by price pass-on measures.

(2) Industrial machinery applications

Net sales amounted to 95,290 million yen (down 7.3% year on year) mainly due to decreased sales of construction machinery and agricultural machinery. Operating income amounted to 2,661 million yen (down 46.0% year on year) due to the price hike in steel prices, the effects of sales volume, and other factors, which were partially offset by the promotion of price pass-on measures.

(3) Automotive applications

Net sales amounted to 422,789 million yen (up 15.0% year on year) mainly due to recovered customer demand. Operating loss amounted to 553 million yen (operating loss of 10,743 million yen in the same period of the previous fiscal year) despite the promotion of price pass-on measures accompanied by the price hike in steel prices and other efforts.

(2) Explanation Regarding Financial Position

(Assets, liabilities, and net assets)

Current assets increased 32,379 million yen (up 6.1%) from the previous fiscal year end and amounted to 561,403 million yen. This is mainly due to an increase of 34,554 million yen in cash and bank deposits, an increase of 14,564 million yen in finished goods & purchased goods, an increase of 4,227 million yen in work in process, and a decrease of 23,084 million yen in notes and accounts receivable-trade. Fixed assets increased 1,030 million yen (up 0.3%) from the previous fiscal year end and amounted to 341,832 million yen. This is mainly due to an increase of 6,445 million yen in deferred tax assets, an increase of 613 million yen in assets for retirement benefits, a decrease of 3,622 million yen in intangible assets, and a decrease of 2,533 million yen in investment securities. As a result, total assets increased 33,409 million yen (up 3.8%) from the previous fiscal year end and amounted to 903,236 million yen.

Current liabilities decreased 22,602 million yen (down 6.1%) from the previous fiscal year end and amounted to 346,472 million yen. This is mainly due to a decrease of 33,263 million yen in short-term loans and an increase of 7,866 million yen in electronically-recorded monetary claims. Fixed liabilities increased 36,428 million yen (up 13.8%) from the previous fiscal year end and amounted to 299,755 million yen. This is mainly due to an increase of 22,096 million yen in convertible-bond-type bonds with share acquisition rights, an increase of 18,519 million yen in long-term loans, and a decrease of 3,564 million yen in liabilities for retirement benefits. As a result, total liabilities increased 13,825 million yen (up 2.2%) compared to the end of the previous fiscal year and amounted to 646,227 million yen.

Total net assets increased 19,583 million yen (up 8.2%) from the previous fiscal year end and amounted to 257,008 million yen. This is mainly due to an increase of 17,425 million yen in translation adjustments, an increase of 3,717 million yen in retained earnings, and a decrease of 1,111 million yen in non-controlling shareholders' equity.

(Cash flows)

Net cash provided by operating activities amounted to 55,131 million yen (up 25,965 million yen, or 89.0%, year on year). This was mainly due to the cash inflow factors of 31,083 million yen in depreciation and amortization, and 27,794 million yen in a decrease in trade receivables.

Net cash used in investing activities amounted to 15,073 million yen (up 1,322 million yen, or 9.6%, year on year). This was mainly due to the expenditure of 15,145 million yen in purchase of property, plant and equipment.

Net cash used in financing activities amounted to 8,177 million yen (down 24,969 million yen, or 75.3%, year on year). This was mainly due to the cash outflow factor of 61,919 million yen in repayment of long-term loans, partially offset by the cash inflow factor of 44,000 million yen in proceeds from long-term loans.

After adding 3,188 million yen of the effect of exchange rate changes and 184 million yen of an increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation, cash and cash equivalents as of December 31, 2023 was 145,929 million yen, an increase of 35,253 million yen (up 31.9%) from the end of the previous fiscal year.

(3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements

We have revised the consolidated earnings forecast announced on August 2, 2023. For details, please refer to “Notice Regarding Revision to Earnings Forecast” issued today (on February 2, 2024). Note that we will promptly announce the impact of the 2024 Noto Peninsula Earthquake on our business performance if any important matters to be disclosed arise in the future.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(In millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and bank deposits	111,658	146,212
Notes and accounts receivable-trade	129,760	106,676
Electronically-recorded monetary claims	6,902	7,799
Finished goods & purchased goods	116,695	131,259
Work in process	62,256	66,483
Raw materials and supplies	60,434	61,407
Short-term loans receivable	21	27
Other	42,086	42,281
Allowance for doubtful accounts	(790)	(745)
Total current assets	529,024	561,403
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	88,671	89,074
Machinery, equipment and vehicles, net	118,272	120,600
Other, net	57,169	53,916
Total property, plant and equipment	264,113	263,591
Intangible assets		
Goodwill	1,768	1,607
Other	38,121	34,660
Total intangible fixed assets	39,890	36,268
Investments and other assets		
Investment securities	25,434	22,901
Deferred tax assets	4,219	10,664
Assets for retirement benefits	3,312	3,925
Other	4,049	5,437
Allowance for doubtful accounts	(217)	(957)
Total investments and other assets	36,799	41,973
Total fixed assets	340,802	341,832
Total assets	869,827	903,236

(In millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	67,283	67,004
Electronically-recorded monetary claims	68,340	76,206
Short-term loans	161,943	128,680
Accrued income taxes	4,307	6,876
Accrued bonuses for directors and other officers	117	86
Other	67,083	67,617
Total current liabilities	369,074	346,472
Long-term liabilities		
Bonds	80,000	80,000
Convertible-bond-type bonds with share acquisition rights	–	22,096
Long-term loans	129,349	147,868
Provision for product defect compensation	251	253
Liabilities for retirement benefits	34,862	31,298
Other	18,863	18,238
Total long-term liabilities	263,327	299,755
Total liabilities	632,402	646,227
<b>Net assets</b>		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	69,166	72,883
Treasury stock	(856)	(833)
Total shareholders' equity	190,626	194,367
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	1,255	281
Translation adjustments	28,079	45,504
Remeasurements of defined benefit plans	697	1,200
Total accumulated other comprehensive income	30,032	46,986
Non-controlling shareholders' equity	16,765	15,654
Total net assets	237,425	257,008
Total liabilities and net assets	869,827	903,236



## (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

## (Quarterly Consolidated Statements of Income)

(In millions of yen)

	Nine months ended December 31, 2022 (April 1, 2022–December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023–December 31, 2023)
Net sales	569,422	620,545
Cost of sales	476,785	517,548
Gross profit	92,636	102,997
Selling, general and administrative expenses	82,745	87,603
Operating income	9,891	15,393
Non-operating income:		
Interest income	845	1,044
Dividend income	268	251
Share of profit of entities accounted for using equity method	1,318	483
Derivative transaction gains	3,998	1,271
Other	2,091	1,923
Total non-operating income	8,523	4,975
Non-operating expenses:		
Interest expenses	4,411	6,244
Foreign exchange losses	4,463	1,621
Other	2,128	2,722
Total non-operating expenses	11,003	10,587
Ordinary income	7,411	9,781
Extraordinary income:		
Gain on contribution of securities to retirement benefit trust	–	1,540
Gain on sale of investment securities	–	521
Total extraordinary income	–	2,061
Extraordinary losses:		
Loss on business restructuring	924	828
Total extraordinary losses	924	828
Income before income taxes and equity in earnings of affiliated companies	6,486	11,014
Income and other taxes	5,998	2,049
Net income	488	8,965
Profit attributable to non-controlling shareholders	1,242	1,283
Profit (loss) attributable to owners of parent	(754)	7,682

(Quarterly Consolidated Statements of Comprehensive Income)

(In millions of yen)

	Nine months ended December 31, 2022 (April 1, 2022–December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023–December 31, 2023)
Net income	488	8,965
Other comprehensive income:		
Net unrealized holding gain on other securities	117	(974)
Translation adjustments	8,189	16,469
Remeasurements of defined benefit plans	449	494
Equity in equity-method affiliates	1,937	1,407
Total other comprehensive income	10,694	17,397
Comprehensive income	11,183	26,363
(Breakdown)		
Comprehensive income attributable to owners of parent	9,980	24,636
Comprehensive income attributable to non-controlling shareholders	1,202	1,726

### (3) Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Nine months ended December 31, 2022 (April 1, 2022–December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023–December 31, 2023)
<b>Cash flows from operating activities</b>		
Income before income taxes and equity in earnings of affiliated companies	6,486	11,014
Depreciation and amortization	31,543	31,083
Goodwill depreciation	160	160
Loss on business restructuring	924	828
Increase (decrease) in allowance for doubtful accounts	(148)	617
Increase (decrease) in accrued retirement benefits for directors and statutory auditor	58	(31)
Increase (decrease) in provision for product defect compensation	79	1
Increase (decrease) in liabilities in retirement benefits	147	(430)
Decrease (increase) in assets for retirement benefits	(1,325)	(613)
Interest and dividend income	(1,114)	(1,296)
Interest expenses	4,411	6,244
Foreign currency translation adjustments / foreign exchange losses (gains)	(2,256)	(2,428)
Loss (gain) on derivative transactions	(3,998)	(1,271)
Share of loss (profit) of entities accounted for using equity method	(1,318)	(483)
Loss (gain) on contribution of securities to retirement benefit trust	–	(1,540)
Loss (gain) on sale of investment securities	–	(521)
Decrease (increase) in trade receivables	18,081	27,794
Decrease (increase) in inventories	(25,169)	(8,029)
Increase (decrease) in trade payables	11,154	4,365
Other	(923)	203
Subtotal	36,792	65,667
Interest and dividend income received	1,931	1,909
Interest paid	(3,939)	(6,488)
Income taxes paid	(5,618)	(5,957)
Net cash provided by operating activities	29,166	55,131
<b>Cash flows from investing activities</b>		
Increase in time deposits	(2,456)	(2,249)
Decrease in time deposits	3,670	2,990
Purchase of property, plant and equipment	(14,048)	(15,145)
Purchase of intangible assets	(3,200)	(1,681)
Proceeds from sale of investment securities	–	1,300
Decrease (increase) in short-term loans receivable, net	37	(4)
Other	2,245	(284)
Net cash used in investing activities	(13,751)	(15,073)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans, net	(12,622)	(2,577)
Proceeds from long-term loans	15,540	44,000
Repayment of long-term loans	(34,487)	(61,919)
Dividend payment	(1,329)	(3,987)
Repayment of lease payable	(1,957)	(2,987)
Proceeds from sale and leaseback	5,025	–
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	–	22,110
Other	(3,315)	(2,815)
Net cash provided by (used in) financing activities	(33,146)	(8,177)
Effect of exchange rate changes on cash and cash equivalents	1,541	3,188
Increase (decrease) in cash and cash equivalents	(16,190)	35,069
Cash and cash equivalents at beginning of the year	121,460	110,675
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	184
Cash and cash equivalents, at end of the quarter	105,270	145,929

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Quarterly Consolidated Balance Sheets)

1. Contingent liabilities

(Guarantee etc.)

The Company provides the following debt guarantees for loans from financial institutions drawn down by companies other than consolidated subsidiaries.

	As of March 31, 2023	As of December 31, 2023
PT. Astra NTN Driveshaft Indonesia	734 million yen	179 million yen

(Lawsuits, etc.)

(1) A lawsuit was filed against the Company and its two consolidated subsidiaries in Europe before the France Tribunal de Commerce de Lyon (hereafter "Lyon Tribunal") by Renault S.A. and its group companies, which are 15 in total (hereafter, "Renault"), alleging that they suffered damages in connection with the infringement of the European competition laws, which was subject of the decision adopted by the European Commission dated March 19, 2014, and seeking compensation of 58.3 million euros for damages as of April 2022. On November 10, 2023, the Lyon Tribunal issued a judgment rejecting Renault's claim and dismissing the lawsuit. On December 8, 2023, Renault appealed against the judgment to the Cour d'appel de Paris.

(2) The NTN Group may be subject to claims for compensation for damages in connection with the violation of competition laws and continue to address these claims. However, it is currently difficult to make reasonable estimates of the future possible effects on the results of operations and financial position of the NTN Group.

(Notes to Quarterly Consolidated Statements of Income)

- \* The Company recorded 924 million yen and 828 million yen of loss on business restructuring under extraordinary losses for the nine months ended December 31, 2022 and 2023, respectively. This was mainly due to manufacturing restructuring of certain consolidated subsidiaries.

(Notes Related to Significant Changes in Shareholder's Equity)

Not applicable.

(Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by multiplying quarterly income before income taxes by an effective tax rate reasonably estimated based on income before income taxes for the full fiscal year, including the first nine months under review, after the application of tax effect accounting. However, in cases where calculating tax expenses using a reasonably estimated effective tax rate yields a result that is notably lacking rationality, then, tax expenses are calculated using the statutory effective tax rate.

(Segment Information)

I. Nine months ended December 31, 2022 (April 1, 2022–December 31, 2022)

1. Information related to sales, income or losses for individual reporting segments (In millions of yen)

	Reporting segment					Adjustments (Note 1)	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	153,675	177,968	118,541	119,237	569,422	–	569,422
Inter-segment sales or transfers	119,739	927	4,248	6,812	131,728	(131,728)	–
Total	273,415	178,895	122,790	126,049	701,150	(131,728)	569,422
Segment income (Operating income (loss))	14,356	(7,230)	(3,577)	9,784	13,332	(3,441)	9,891

Notes: 1. “Adjustments” refers to elimination of all inter-segment transactions.

2. Major countries or regions in each segment:

Americas: U.S., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

II. Nine months ended December 31, 2023 (April 1, 2023–December 31, 2023)

1. Information related to sales, income or losses for individual reporting segments (In millions of yen)

	Reporting segment					Adjustments (Note 1)	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	165,048	198,148	135,753	121,595	620,545	–	620,545
Inter-segment sales or transfers	111,512	2,949	4,073	9,494	128,030	(128,030)	–
Total	276,560	201,098	139,826	131,089	748,576	(128,030)	620,545
Segment income (Operating income (loss))	10,131	(2,453)	(3,619)	12,017	16,076	(682)	15,393

Notes: 1. “Adjustments” refers to elimination of all inter-segment transactions.

2. Major countries or regions in each segment:

Americas: U.S., Canada, South and Central America

Europe: Germany, France, United Kingdom, and others

Asia and other areas: China, Thailand, India, and others

(Significant Subsequent Events)

*Impact of the 2024 Noto Peninsula Earthquake*

The 2024 Noto Peninsula Earthquake, which has been occurring repeatedly since January 1, 2024, has caused damage to some of the Group’s manufacturing sites located in Ishikawa Prefecture. Details of the damage are still under investigation, and the costs required for restoration and the impact on our business performance have not been determined at this time.

3. Supplementary Information  
(1) Explanatory Materials

(In millions of yen, unless otherwise indicated)

		FY2022						FY2023				
		1Q	2Q	3Q	1Q-3Q	4Q	Full year	1Q	2Q	3Q	1Q-3Q	
Consolidated operating results (Lower: % of net sales)	Net sales	172,614	199,087	197,720	569,422	204,537	773,960	200,768	208,878	210,898	620,545	
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	Operating income (loss)	(783)	4,644	6,030	9,891	7,254	17,145	1,490	5,273	8,630	15,393	
		(0.5)%	2.3%	3.1%	1.7%	3.5%	2.2%	0.7%	2.5%	4.1%	2.5%	
	Ordinary income	10	3,582	3,817	7,411	4,636	12,047	1,925	2,957	4,897	9,781	
		0.0%	1.8%	1.9%	1.3%	2.3%	1.6%	1.0%	1.4%	2.3%	1.6%	
Extraordinary income (losses)	—	—	(924)	(924)	(316)	(1,240)	—	(404)	1,637	1,233		
	—	—	(0.5)%	(0.2)%	(0.2)%	(0.2)%	—	(0.2)%	0.8%	0.2%		
Profit (loss) attributable to owners of parent	(2,487)	853	879	(754)	11,122	10,367	1,641	2,482	3,557	7,682		
	(1.4)%	0.4%	0.4%	(0.1)%	5.4%	1.3%	0.8%	1.2%	1.7%	1.2%		
Net sales by region (Lower: % of total)	Japan	44,327	51,189	52,617	148,135	53,466	201,602	50,808	53,857	55,652	160,318	
		25.7%	25.7%	26.6%	26.0%	26.1%	26.0%	25.3%	25.8%	26.4%	25.8%	
	Americas	55,352	63,218	62,768	181,339	64,907	246,246	64,919	68,301	66,710	199,930	
		32.1%	31.8%	31.7%	31.8%	31.7%	31.8%	32.3%	32.7%	31.6%	32.2%	
	Europe	36,087	35,893	37,706	109,687	45,486	155,174	43,033	41,134	39,720	123,888	
		20.9%	18.0%	19.1%	19.3%	22.2%	20.0%	21.4%	19.7%	18.8%	20.0%	
Asia and other areas	36,846	48,786	44,627	130,259	40,677	170,937	42,007	45,585	48,814	136,407		
	21.3%	24.5%	22.6%	22.9%	19.9%	22.1%	20.9%	21.8%	23.1%	22.0%		
Total	172,614	199,087	197,720	569,422	204,537	773,960	200,768	208,878	210,898	620,545		
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Net sales / Operating income by company location	Japan	Net sales	86,634	91,221	95,559	273,415	90,649	364,064	86,111	93,968	96,480	276,560
		Operating income	5,666	2,173	6,517	14,356	3,026	17,382	1,543	2,638	5,948	10,131
		Operating margin	6.5%	2.4%	6.8%	5.3%	3.3%	4.8%	1.8%	2.8%	6.2%	3.7%
	Americas	Net sales	54,776	62,334	61,784	178,895	64,673	243,569	65,119	68,736	67,242	201,098
		Operating income	(3,277)	(2,095)	(1,857)	(7,230)	375	(6,854)	(1,983)	(397)	(71)	(2,453)
		Operating margin	(6.0)%	(3.4)%	(3.0)%	(4.0)%	0.6%	(2.8)%	(3.0)%	(0.6)%	(0.1)%	(1.2)%
	Europe	Net sales	39,975	39,884	42,929	122,790	49,651	172,441	47,542	45,108	47,175	139,826
		Operating income	(1,483)	(808)	(1,286)	(3,577)	166	(3,411)	(1,001)	(1,144)	(1,473)	(3,619)
		Operating margin	(3.7)%	(2.0)%	(3.0)%	(2.9)%	0.3%	(2.0)%	(2.1)%	(2.5)%	(3.1)%	(2.6)%
	Asia and other areas	Net sales	34,879	48,130	43,040	126,049	39,456	165,506	40,515	45,001	45,571	131,089
		Operating income	2,100	4,686	2,997	9,784	2,754	12,538	2,562	4,478	4,977	12,017
		Operating margin	6.0%	9.7%	7.0%	7.8%	7.0%	7.6%	6.3%	10.0%	10.9%	9.2%
	Elimination	Net sales	(43,651)	(42,483)	(45,592)	(131,728)	(39,893)	(171,621)	(38,521)	(43,936)	(45,572)	(128,030)
		Operating income	(3,789)	688	(340)	(3,441)	931	(2,509)	369	(301)	(750)	(682)
	Total	Net sales	172,614	199,087	197,720	569,422	204,537	773,960	200,768	208,878	210,898	620,545
		Operating income	(783)	4,644	6,030	9,891	7,254	17,145	1,490	5,273	8,630	15,393
		Operating margin	(0.5)%	2.3%	3.1%	1.7%	3.5%	2.2%	0.7%	2.5%	4.1%	2.5%

(In millions of yen, unless otherwise indicated)

			FY2022						FY2023			
			1Q	2Q	3Q	1Q-3Q	4Q	Full year	1Q	2Q	3Q	1Q-3Q
Net sales / Operating income by business application	Aftermarket	Net sales	32,341	33,551	33,127	99,020	35,019	134,039	35,458	34,364	32,643	102,465
		Operating income	4,617	5,347	5,739	15,704	6,566	22,270	4,769	4,109	4,406	13,286
		Operating margin	14.3%	15.9%	17.3%	15.9%	18.8%	16.6%	13.5%	12.0%	13.5%	13.0%
	Industrial machinery	Net sales	34,120	34,961	33,766	102,848	36,650	139,499	32,884	31,941	30,464	95,290
		Operating income	1,237	1,453	2,239	4,930	2,359	7,289	851	548	1,261	2,661
		Operating margin	3.6%	4.2%	6.6%	4.8%	6.4%	5.2%	2.6%	1.7%	4.1%	2.8%
	Automotive	Net sales	106,152	130,574	130,826	367,553	132,867	500,421	132,426	142,573	147,790	422,789
		Operating income	(6,638)	(2,156)	(1,947)	(10,743)	(1,671)	(12,414)	(4,131)	616	2,961	(553)
		Operating margin	(6.3)%	(1.7)%	(1.5)%	(2.9)%	(1.3)%	(2.5)%	(3.1)%	0.4%	2.0%	(0.1)%
	Total	Net sales	172,614	199,087	197,720	569,422	204,537	773,960	200,768	208,878	210,898	620,545
		Operating income	(783)	4,644	6,030	9,891	7,254	17,145	1,490	5,273	8,630	15,393
		Operating margin	(0.5)%	2.3%	3.1%	1.7%	3.5%	2.2%	0.7%	2.5%	4.1%	2.5%
Capital expenditures / Depreciation and amortization	Capital expenditures		5,126	4,379	4,659	14,165	8,087	22,253	4,446	6,026	4,923	15,396
	Depreciation and amortization	Domestic	4,090	4,128	4,162	12,382	4,125	16,507	4,071	3,966	3,948	11,986
		Overseas	6,254	6,453	6,453	19,160	6,379	25,540	6,258	6,398	6,440	19,097
	Total		10,344	10,582	10,615	31,543	10,505	42,048	10,330	10,364	10,388	31,083
R&D expenditures			4,538	4,662	4,806	14,007	4,670	18,678	4,738	4,192	4,694	13,625
Ratio of R&D expenditures to net sales			2.6%	2.3%	2.4%	2.5%	2.3%	2.4%	2.4%	2.0%	2.2%	2.2%
Inventories			242,114	247,578	247,659	247,659	239,385	239,385	255,016	256,104	259,151	259,151
Inventory turnover ratio (times)			2.9	3.2	3.2	3.1	3.4	3.2	3.1	3.3	3.3	3.2
Interest-bearing debts	Loans		324,705	302,970	290,221	290,221	291,292	291,292	290,908	285,459	276,549	276,549
	Bonds		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
	Convertible-bond-type bonds with share acquisition rights		—	—	—	—	—	—	—	22,108	22,096	22,096
	Total		404,705	382,970	370,221	370,221	371,292	371,292	370,908	387,568	378,645	378,645
Major management indicators	Ordinary income ratio to total assets		0.0%	1.6%	1.8%	1.2%	2.1%	1.4%	0.9%	1.3%	2.1%	1.5%
	Return on assets (ROA)		(1.1)%	0.4%	0.4%	(0.1)%	5.2%	1.2%	0.7%	1.1%	1.6%	1.2%
	Return on equity (ROE)		(4.8)%	1.6%	1.7%	(0.5)%	20.8%	5.0%	2.9%	4.1%	5.8%	4.4%
	Shareholder's equity ratio		23.8%	24.5%	24.1%	24.1%	25.4%	25.4%	26.7%	26.8%	26.7%	26.7%
	Net assets per share (yen)		400.96	409.28	388.99	388.99	415.64	415.64	451.65	465.72	454.55	454.55
	Net income per share (yen)		(4.69)	1.61	1.66	(1.42)	20.95	19.53	3.09	4.68	6.70	14.47
Employees	Domestic	(persons)	8,656	8,570	8,507	8,507	8,419	8,419	8,522	8,428	8,378	8,378
	Overseas	(persons)	14,834	14,813	14,844	14,844	14,608	14,608	14,221	14,287	14,406	14,406
	Total	(persons)	23,490	23,383	23,351	23,351	23,027	23,027	22,743	22,715	22,784	22,784
Exchange rates	Average	US Dollar	129.59	138.29	141.58	136.49	132.35	135.45	137.20	144.48	147.85	143.18
		Euro	138.08	139.33	144.23	140.54	141.99	140.91	149.39	157.22	159.04	155.22
	At term end	US Dollar	136.57	144.47	133.02	133.02	132.68	132.68	144.76	149.29	141.42	141.42
		Euro	142.59	141.84	141.84	141.84	144.70	144.70	157.27	157.72	156.44	156.44