

Financial Results For the Year Ended March 31, 2021
[Japanese Accounting Standards] (Consolidated)
(Unaudited)

May 14, 2021

NTN Corporation
Security Code: 6472
Listings: Tokyo Stock Exchange
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Scheduled date of annual shareholders' meeting: July 25, 2021
Scheduled commencement date of dividend payment: -
Scheduled submission date of financial statements: July 28, 2021
Supplementary material of the financial results: Prepared
Investor meeting: Scheduled

1. Consolidated Financial Results for the Year Ended March 31, 2021
(April 1, 2020 to March 31, 2021)

(Amounts rounded down to the nearest million yen)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders (parent company)	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2021	562,847	-13.7	-3,138	—	-5,742	—	-11,641	—
Year ended March 31, 2020	651,956	-11.2	7,517	-72.4	-1,698	—	-43,992	—

Note: comprehensive income: Year ended March 31, 2021: -14,529 million yen (-%)
Year ended March 31, 2020: -68,523 million yen (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income/ Total assets	Operating income/ Net sales
	yen	yen	%	%	%
Year ended March 31, 2021	-21.92	—	-7.1	-0.7	-0.6
Year ended March 31, 2020	-82.83	—	-22.8	-0.2	1.2

Note: Equity method investment gains or losses: Year ended March 31, 2021: 343million yen
Year ended March 31, 2020: -1,210million yen

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2021	836,563	183,751	20.4	321.04
Year ended March 31, 2020	757,822	168,378	20.6	294.00

Note: Shareholders' equity Year ended March 31, 2021: 170,526 million yen
Year ended March 31, 2020: 156,157 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows used in investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2021	36,473	-17,938	54,671	147,249
Year ended March 31, 2020	43,749	-61,807	7,413	71,165

2. Dividends

	Dividends per share					Total dividends paid (full year) million yen	Dividend payout ratio (consolidated) %	Dividends on net assets (consolidated) %
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total			
	yen	yen	yen	yen	yen			
Year ended March 31, 2020	—	5.00	—	0.00	5.00	2,658	—	1.4
Year ended March 31, 2021	—	0.00	—	0.00	0.00	0	—	0.0
Year ending March 31, 2022 (forecast)	—	0.00	—	0.00	0.00		—	

Note: Forecast of dividends for the fiscal year ending March 2021 is not decided

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(For full year figures, percentage figures represent year-on-year changes. For quarterly figures, percentage figures represent changes against the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholder (parent company)		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
First half (cumulative)	320,000	33.8	4,000	—	1,500	—	-1,000	—	-1.88
Full Year	660,000	17.3	15,000	—	10,000	—	5,000	—	9.41

*Notes

- (1) Significant changes in subsidiaries during the period (Scope of consolidation): None
- (2) Changes in accounting policy, changes in accounting estimates and retrospective restatements
- 1) Changes in accounting principles due to amendment to accounting standards: None
- 2) Changes in accounting policy other than above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatements: None
- (3) Number of shares issued and outstanding (Common stock)
- 1) Number of shares issued and outstanding at end of the period (treasury stock included):
- Year ended March 31, 2021: 532,463,527 shares
- Year ended March 31, 2020: 532,463,527 shares
- 2) Number of treasury stock at end of the period:
- Year ended March 31, 2021: 1,299,641 shares
- Year ended March 31, 2020: 1,314,946 shares
- 3) Average number of shares outstanding:
- Year ended March 31, 2021: 531,159,613 shares
- Year ended March 31, 2020: 531,147,461 shares

Reference: Overview of Financial Results on Non-Consolidated basis

For the Year Ended March 31, 2021 – Non-consolidated

1. Financial Results for the Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Operating Results (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2021	266,678	-20.1	-9,432	—	-5,204	—	-9,382	—
Year ended March 31, 2020	333,634	-4.9	2,176	—	7,835	106.1	-17,535	—

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2021	-17.66	—
Year ended March 31, 2020	-33.01	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2021	628,701	133,183	21.2	250.74
Year ended March 31, 2020	569,705	139,143	24.4	261.97

Note: Shareholders' equity Year ended March 31, 2021:133,183 million yen

Year ended March 31, 2020:139,143 million yen

* This financial result report is exempt from review.

* 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 above forecast, please refer to "1. Operating Results and Analysis of Financial Position (1) Explanation regarding Consolidated Operating Results (Forecast for the Year Ending March 31, 2022)" from page 6.

[Contents of the Attached Documents]

1. Operating Results and Analysis of Financial Position	4
(1) Explanation regarding Consolidated Operating Results	4
(2) Explanation regarding Consolidated Financial Position	6
(3) Dividend Policy and Dividends for the Current and Next Fiscal Year	7
2. The Group Overview	8
3. Basic Approach to Selecting Accounting Standards.....	10
4. Consolidated Financial Statements	11
(1) Balance Sheets	11
(2) Consolidated Statement of Operation and Consolidated Statement of Comprehensive Income	13
(Consolidated Statement of Operation).....	13
(Consolidated Statement of Comprehensive Income)	14
(3) Statement of Changes in Shareholders' Equity	15
(4) Statements of Cash Flows	17
(5) Notes to Consolidated Financial Statements	19
(Going Concern Assumption)	19
(Changes in Presentation Method)	19
(Consolidated Balance Sheet)	20
(Consolidated Statement of Operation).....	23
(Matters Related to Consolidated Statement of Comprehensive Income).....	24
(Consolidated Statements of Changes in Shareholders' Equity)	24
(Cash flows)	25
(Segment Information, etc.).....	26
(Per share data)	30
(Significant Subsequent Events)	30
(Additional information)	31

1. Operating Results and Analysis of Financial Position

(1) Explanation regarding Consolidated Operating Results

During the last quarter year under review (from April 1, 2020 to March, 31, 2021), the Japanese economy was in an extremely difficult situation as a whole due to the spread of the new coronavirus infection. At present, some weaknesses such as personal consumption are seen due to the influence of the re-spread of infection, but the movement of recovery has continued in production.

Although the situation was severe overseas, the U.S. economy and the Chinese economy continued to recover, and the economies of Asia and other emerging countries stopped declining. On the other hand, the European economy showed the signs of weakness as some areas restrained the economy due to the effect of rebound of new coronavirus.

Under these circumstances, we have positioned fiscal year 2020 as a “crisis response period” and are focusing on “ensure the health and safety of employees” through measures to prevent infectious diseases and “secure cash and continue business” in emergencies, while advancing preparation for future growth.

Due to the severe economic situation caused by the spread of the new coronavirus infection, net sales for the fiscal year under review were 562,847 million yen (down 13.7% year on year). Regarding the profit and loss, operating loss was 3,138 million yen (net income of 7,517 million yen in the previous fiscal year), ordinary loss was 5,742 million yen (ordinary loss of 1,698 million yen in the previous fiscal year) although we reduced fixed cost. As a result, the net loss attributable to parent company was 11,641 million yen (net loss of 43,992 in the previous fiscal year).

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

(1) Japan

Sales decreased in all businesses due to the spread of the new coronavirus infection. Sales in aftermarket applications decreased for industrial machinery aftermarket. Sales in industrial machinery application decreased mainly in construction machinery, machine tools and other applications and sales in automotive applications decreased due to decreased customer demand. As a result, net sales were 266,971 million yen (down 19.7% year on year). Despite a decline in fixed cost, segment income/loss was loss of 10,792 million yen (segment income of 2,138 million yen in the previous fiscal year) due to a decline in sales volume and other factors.

(2) Americas

Sales decreased drastically due to the spread of the new coronavirus infection although there was a sign of recovery in a part of business. Sales in aftermarket applications decreased in automotive aftermarket and industrial machinery aftermarket. Sales in industrial machinery applications decreased for construction machinery and wind turbines. Sales in automotive applications also decreased due to decreased customer demand. As a result, net sales were 142,934 million yen (down 16.4% year on year). Despite a decrease in fixed cost and other factors, segment income/loss was loss of 2,803 million yen (segment loss of 6,438 million yen in the previous fiscal year) due to a decrease in sales volume and other factors.

(3) Europe

Sales decreased in all businesses due to the spread of the new coronavirus infection. Sales in aftermarket applications decreased in both industrial machinery and automotive aftermarket application. Sales in industrial machinery applications decreased due to decreased sales mainly for wind turbines and aircrafts. Sales in automotive applications decreased due to decreased customer demand. As a result, net sales were 129,197 million yen (down 17.0% year on year). Despite a decreased in fixed cost, segment income/loss was loss of 2,427 million yen (segment income of 413 million yen in previous fiscal year) due to a decline in sales volume and other factors.

(4) Asia and Others

There was a small decrease in sales due to the recovery from new coronavirus infection in China. Sales in aftermarket applications decreased both in industrial machinery and automotive aftermarket applications. However, sales in industrial machinery applications increased for wind turbines and construction machinery. Sales in automotive applications also increased due to increased customer demand and other factors. As a whole, net sales were 133,419 million yen (down 1.1% year on year). Due to a decreased in fixed cost and other factors, segment income/loss was income of 12,305 million yen (up 7.8% year on year).

Operating results by business sector were as follows.
Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Sales to external customers	109,428	105,210	437,317	651,956
Operating income or loss(-)	12,750	-1,863	-3,369	7,517

Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Sales to external customers	91,492	101,853	369,501	562,847
Operating income or loss(-)	8,904	354	-12,397	-3,138

(1) Aftermarket applications

Net sales were 91,492 million yen (down 16.4% year on year) due to decreased customer demand. Operating income was 8,904 million yen (down 30.2% year on year) mainly due to the effect of decreased sales despite a decline of fixed cost.

(2) Industrial machinery applications

Net sales were 101,853 million yen (down 3.2% year on year) due to the decreased sales for construction machinery and aircrafts. Due to the decrease in fixed cost, operating income was 354 million yen (operating loss of 1,863 million yen in the previous fiscal year) inspite of the effect of decreased sales.

(3) Automotive applications

Net sales were 369,501 million yen (down 15.5% year on year) due to the decreased customer demand. Despite the decreased fixed cost, operating loss was 12,397 million yen (operating loss of 3,369 million yen in the previous fiscal year) due to the effect of decreased sales.

(Forecast for the Year Ending March 31, 2022)

The global economy is expected to recover moderately although it is still in difficult situation due to the impact of the spread of the new coronavirus infection, the rise in steel prices, and the shortage of semiconductor supply and other factors. However, there are events with high uncertainty such as the spread of infection and the timing of end of infection, it may become an important risk.

Under such circumstances, as our full-year earning forecast we expect to see, net sales of 660 billion yen, operating income of 15.0 billion yen, ordinary income of 10.0 billion yen and net income attributable to shareholders (parent company) of 5.0 billion yen. We are assuming exchange rates of ¥107/US\$1.00 and ¥128/EUR1.00.

(2) Explanation regarding Consolidated Financial Position
(Assets, Liabilities, and Net assets)

Total current assets increased 79,957 million yen (up 19.7%) from the previous fiscal year and ended to 485,756 million yen. This is mainly due to an increase of 77,401 million yen in cash and bank deposits, and increase of 13,233 million yen in notes and accounts receivable-trade. Fixed assets decreased 1,216 million yen (down 0.3%) from the previous fiscal year and ended to 350,806 million yen. This is mainly due to a decrease of 8,287 million yen in construction in progress, and increase of 3,812 million yen in machinery, equipment and vehicles. As a result, total assets increased 78,741 million yen (up 10.4%) from the previous fiscal year and ended to 836,562 million yen.

Total current liabilities increased 5,383 million yen (up 1.9%) from the previous consolidated fiscal year and end to 292,346 million yen. This was mainly due to an increase of 6,793 million yen in notes and accounts payable-trade, decrease of 5,869 million yen in electronically recorded monetary claims, and increase of 4,560 million yen in short-term loan. Fixed liabilities increased 57,987 million yen (up 19.2%) from the previous consolidated fiscal year and ended to 360,466 million yen. This was mainly due to an increase of 50,000 million yen in bonds. As a result, total liabilities increased 63,369 million yen (up 10.8%) from the previous consolidated fiscal year and ended to 652,812 million yen.

Total net assets increased 15,373 million yen (up 9.1%) from the previous fiscal year and ended to 183,751 million yen. This is mainly due to an increase of 13,133 million yen in translation adjustments, decrease of 9,352 million yen in retained earnings, increase of 7,032 million yen in accrued retirement benefit adjustment and increase of 3,552 million yen in net unrealized holding gain.

(Cash flows)

Net cash provided by operating activities was 36,473 million yen (decrease of 7,276 million yen, or down 16.6% year on year). Major item was 35,478 million yen of proceeds from depreciation and amortization.

Net cash used in investing activities was 17,938 million yen (decrease of 43,869 million yen, or down 71.0% year on year). This was mainly due to 21,900 million yen of expenditure for purchase of property, plant and equipment and 7,724 million yen of purchase of intangible fixed assets and proceeds of 9,464 million yen in sales of investment securities.

Net cash provided by financing activities was 54,671 million yen (increase of 47,258 million yen, or up 637.5% year on year). This was mainly due proceeds of 58,833 million yen in long-term loans, proceeds of 50,000 million yen in bonds, expenditure of 38,774 million yen of repayment of long-term loans and net decrease of 14,728 million yen in short-term loan payable.

After adding 2,878 million yen in translation adjustments, cash and cash equivalents as of the end of the fiscal year under review ended to 147,249 million yen and increased 76,084 million yen (up 106.9%) from the previous fiscal year end.

(Reference) Cash flow indicators

	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021
Shareholders' equity ratio (%)	30.2	27.4	20.6	20.4
Shareholders' equity ratio based on current market value (%)	28.1	20.7	13.2	21.7
Cash flows to interest-bearing debt ratio (annual)	5.2	8.1	8.3	11.6
Interest coverage ratio (times)	15.6	11.1	11.1	10.5

- Notes:
- Shareholders' equity ratio: Shareholders' equity / Total assets
 - Shareholders' equity ratio based on current market value: Market capitalization / Total assets
 - Cash flows to interest-bearing debt ratio: Interest-bearing debt / Operating cash flows
 - Interest coverage ratio: Operating cash flows / Interest payments
 - Each of them was calculated based on the consolidated statements.
 - Market value on the stock is calculated based on the closing stock price at the end of the respective accounting period above multiplied by the number of shares issued and outstanding as of the end of the respective accounting period above (after deducting treasury stock).
 - Operating cash flow is taken from the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt refers to all debts included in the consolidated balance sheets for which interest is paid. The amount for Interest payments was taken from interest expenses paid in the consolidated statements of cash flows.

(3) Dividend policy and dividends for the current and next fiscal year

The Company considers rewarding its shareholders as an issue of foremost importance. Regarding dividends, the Company makes it a basic policy to first secure funds for research & development and capital expenditure for future growth, and then provides steady, sustainable dividends from a medium- and long-term perspective in accordance with its consolidated performance. Specifically, the Company will determine each dividend in consideration of its cash flow situation and the consolidated dividend payout ratio.

Regarding dividends for the current fiscal year, the Company regrets to announce the dividend will be 0.0 yen because our business performance deteriorated sharply due to the worldwide spread of the new coronavirus. Regarding the dividends in next fiscal year, the Company regrets to announce the dividend will be 0.0 yen because the Company assumed that it will take a certain amount of time to improve our financial position.

2. The Group Overview

The NTN Group consists of NTN Corporation (the Company), 72 subsidiaries, and 15 affiliated companies (as of March 31, 2021). The Group's main business is the manufacturing and sale of bearings, driveshafts and precision equipment for aftermarket applications, industrial machinery applications, and automotive applications. Business activities in Japan are controlled by the Company (head office) and overseas activities of each region are controlled by the general managers' departments allocated to each region. Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

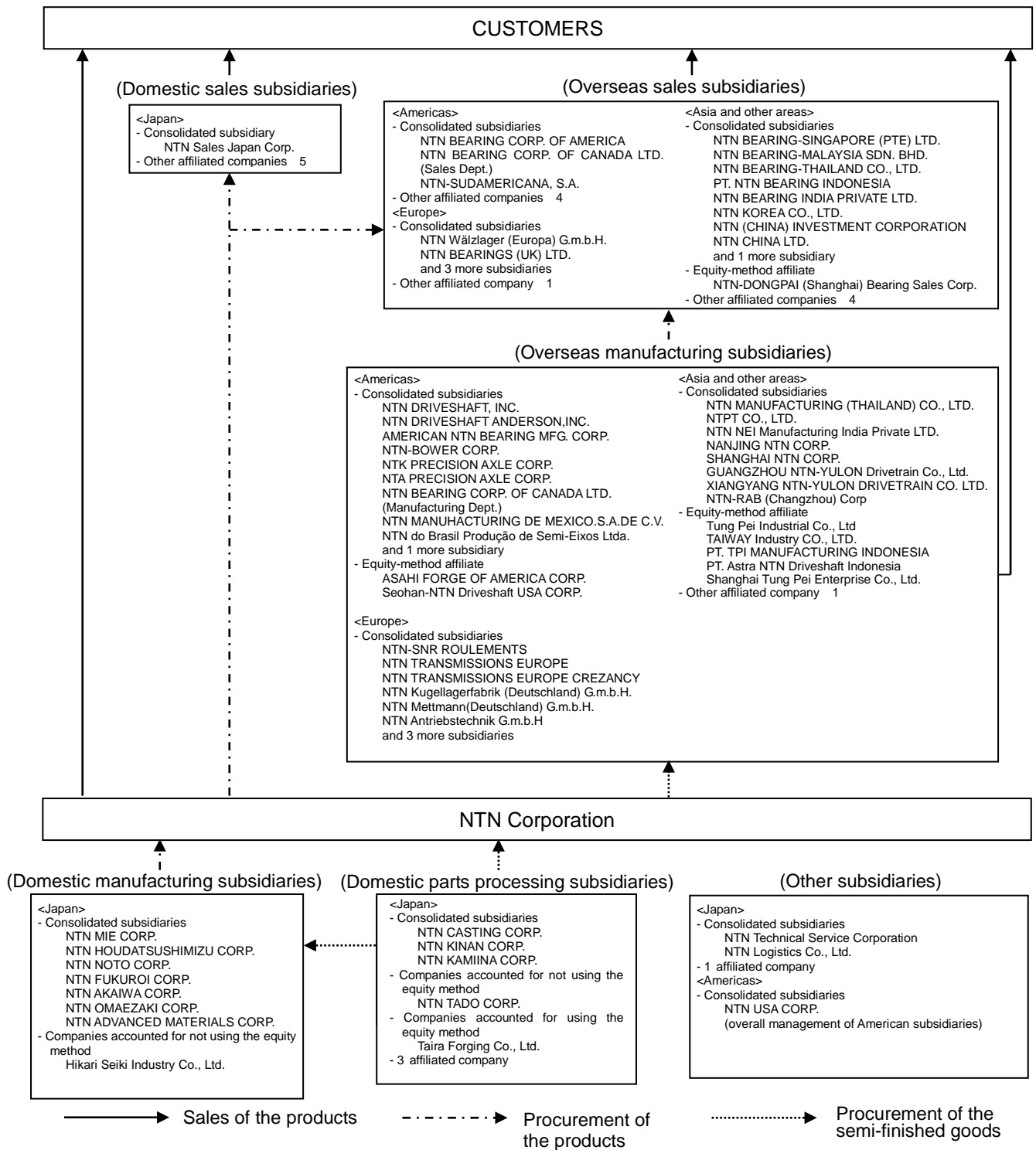
Accordingly, the NTN Group consists of the head office and business segments in different regions based on general managers' departments. Its four reporting segments are "Japan," "Americas," "Europe" and "Asia and other areas."

The main roles of each company within the Group are as follows in all segments.

- Domestic manufacturing is mainly handled by the Company, but some production is consigned to domestic affiliated companies, from whom the Company purchases products. Part of the Company's parts processing operation is also consigned to domestic affiliated companies.
- Domestic sales are mainly handled by the Company, but are also partly made through domestic affiliated companies.
- Overseas manufacturing is handled by the Company's overseas affiliates, with some semi-finished goods supplied by the Company.
- Overseas sales are conducted by the Company, by its overseas sales subsidiaries which procure goods from the Company or from its overseas manufacturing subsidiaries, and by its overseas manufacturing subsidiaries directly.

The Company excluded Seohan-NTN Bearing Co.,Ltd.from its subsidiaries in the scope of the equity method as the Company cannot affect its financial position, sales activity and determination of policy. Also, the Company excluded Beijin NTN-Seohan Driveshaft Co., Ltd. in August 2020, and NTN-LYC(Luoyang)Bearing Corporation in February 2021 from its subsidiaries because the Company sold all stocks holding.

In addition, the Company included NTN Tado Corporation and Hikari Seiki Industry Co., Ltd. who was the unconsolidated subsidiary and Shanghai Tung Pei Enterprise Co., Ltd. who was companies accounted for not using the equity method in the scope of the equity method from March 2021.



3. Basic Approach to Selecting Accounting Standards

NTN Group prepared its consolidated financial statements in accordance with Japanese Accounting Standards in order to improve the comparability of consolidated financial statements between different accounting periods and against different companies.

NTN Group intends to consider the future application of International Financial Reporting Standards (IFRS).

4. Consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and bank deposits	77,568	154,969
Notes and accounts receivable-trade	103,371	116,604
Electronically-recorded monetary claims	4,787	4,996
Finished goods & purchased goods	96,616	91,848
Work in process	48,927	48,600
Raw materials and supplies	37,379	36,397
Short-term loans receivable	2,651	68
Other	35,557	33,282
Allowance for doubtful accounts	-1,061	-1,011
Total current assets	405,799	485,756
Fixed assets		
Property, plant and equipment		
Buildings and structures	214,620	225,560
Accumulated depreciation	-130,300	-138,245
Buildings and structures, net	*3 84,319	*3 87,314
Machinery, equipment and vehicles	706,395	710,231
Accumulated depreciation	-598,042	-598,067
Machinery, equipment and vehicles, net	*3 108,352	*3 112,164
Land	*3 32,370	*3 32,442
Construction in progress	30,518	22,231
Other	61,013	62,495
Accumulated depreciation	-53,930	-56,203
Other, net	*3 7,082	*3 6,291
Total property, plant and equipment	262,643	260,443
Intangible fixed assets	37,430	40,363
Investments and other assets		
Investment securities	*2 41,784	*2 43,836
Deferred tax assets	6,035	2,437
Other	4,340	3,938
Allowance for doubtful accounts	-213	-213
Total investments and other assets	51,948	49,999
Total fixed assets	352,022	350,806
Total assets	757,822	836,563

(In million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	48,675	55,468
Electronically-recorded monetary claims	68,684	62,815
Short-term loans	117,276	121,836
Accrued income taxes	1,827	2,125
Accrued bonuses for directors and statutory auditors	43	36
Other	50,455	50,064
Total current liabilities	286,963	292,346
Long-term liabilities		
Bonds	30,000	80,000
Long-term loans	215,140	220,967
Reserve for product defect compensation	1,118	1,082
Liabilities for retirement benefits	46,726	39,920
Other	9,494	18,495
Total long-term liabilities	302,479	360,466
Total liabilities	589,443	652,812
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	62,138	52,786
Treasury stock	-787	-782
Total shareholders' equity	183,668	174,321
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	5,094	8,646
Translation adjustments	-19,998	-6,865
Accrued retirement benefits adjustments	-12,607	-5,575
Total accumulated other comprehensive income	-27,511	-3,794
Non-controlling shareholders' equity	12,221	13,224
Total net assets	168,378	183,751
Total liabilities and net assets	757,822	836,563

(2) Consolidated Statement of Operation and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Operation)

(In million yen)

	Year ended March 31, 2020 <small>(April 1, 2019 – March 31, 2020)</small>	Year ended March 31, 2021 <small>(April 1, 2020 – March 31, 2021)</small>
Net sales	651,956	562,847
Cost of sales	*2 549,397	*2 477,666
Gross profit	102,558	85,180
Selling, general and administrative expenses	*1, *2 95,041	*1, *2 88,319
Operating income/loss (-)	7,517	-3,138
Non-operating income		
Interest income	988	852
Dividend income	1,084	568
Equity in earnings of unconsolidated subsidiaries	—	343
Foreign exchange gains	—	2,732
Other	2,504	3,146
Total non-operating income	4,576	7,644
Non-operating expenses		
Interest expenses	3,952	3,505
Equity in loss of non-consolidated subsidiaries	1,210	—
Derivative transaction losses	—	2,918
Foreign exchange losses	3,826	—
Other	4,804	3,823
Total non-operating expenses	13,792	10,248
Ordinary loss (-)	-1,698	-5,742
Extraordinary income		
Proceeds from subsidy	—	*4 5,769
Gain on sales of investment securities	1,353	5,699
Gain on sale of tangible fixed assets	627	—
Total extraordinary income	1,980	11,468
Extraordinary losses		
Special factory operating loss	*5 2,096	*5 3,343
Impairment loss	*3 29,001	*3 2,462
Loss related to Anti-Monopoly Act	*6 745	*6 1,176
Loss on valuation of investment securities	2,388	—
Total extraordinary losses	34,231	6,982
Loss (-) before income taxes and equity in earnings of affiliated companies	-33,949	-1,256
Income and other taxes	3,219	3,220
Income and other taxes adjustment	6,925	6,113
Total income and other taxes	10,144	9,334
Net loss (-)	-44,094	-10,590
Net income/loss (-) attributable to non-controlling shareholders	-101	1,051
Net loss (-) attributable to shareholder (parent company)	-43,992	-11,641

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Year ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)
Net loss (-)	-44,094	-10,590
Other comprehensive income		
Net unrealized holding gain on other securities	-6,925	3,552
Translation adjustments	-13,710	15,056
Accrued retirement benefits adjustments	-3,749	7,024
Equity in equity-method affiliates	-44	-513
Total other comprehensive income	* -24,429	* 25,119
Comprehensive income	-68,523	14,529
(breakdown)		
Comprehensive income attributable to owners of parent company	-67,353	12,268
Comprehensive income attributable to non-controlling shareholders	-1,170	2,260

(3) Statement of Changes in Shareholders' Equity

Previous consolidated accounting year (April 1, 2019 to March 31, 2020)

(In million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2019	54,346	67,970	112,777	-789	234,305
Cumulative effects of changes in accounting policies			-0		-0
Balance on April 1, 2019 reflecting changes in accounting policies	54,346	67,970	112,776	-789	234,304
Changes during the current period					
Distribution of retained earnings			-6,645		-6,645
Net loss attributable to shareholder (parent company)			-43,992		-43,992
Purchase of treasury stock				-0	-0
Sales of shares				2	2
Net changes in items other than shareholders' equity during the period					
Total changes during the period	—	—	-50,638	1	-50,636
Balance on March 31, 2020	54,346	67,970	62,138	-787	183,668

	Accumulated other comprehensive income				Minority interest	Total net assets
	Valuation and translation adjustment	Translation adjustments	Accumulated accrued retirement benefits adjustments	Total accumulated other comprehensive income		
Balance on April 1, 2019	12,020	-7,271	-8,899	-4,150	16,249	246,404
Cumulative effects of changes in accounting policies						-0
Balance on April 1, 2019 reflecting changes in accounting policies	12,020	-7,271	-8,899	-4,150	16,249	246,403
Changes during the current period						
Distribution of retained earnings						-6,645
Net loss attributable to shareholder (parent company)						-43,992
Purchase of treasury stock						-0
Sales of shares						2
Net changes in items other than shareholders' equity during the period	-6,925	-12,727	-3,707	-23,360	-4,028	-27,388
Total changes during the period	-6,925	-12,727	-3,707	-23,360	-4,028	-78,025
Balance on March 31, 2020	5,094	-19,998	-12,607	-27,511	12,221	168,378

Current consolidated accounting year (April 1, 2020 to March 31, 2021)

(In million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2010	54,346	67,970	62,138	-787	183,668
Cumulative impact due to change in accounting					
Balance on April 1, 2020 reflecting change in accounting					
Changes during the period			-11,641		-11,641
Distribution of retained earnings			2,289		2,289
Purchase of treasury stock				-0	-0
Sales of treasury stock				5	5
Net changes in items other than shareholders' equity during the period					
Total changes during the period	—	—	-9,352	4	-9,347
Balance on March 31, 2021	54,346	67,970	52,786	-782	174,321

	Accumulated other comprehensive income				Minority interest	Total net assets
	Valuation and translation adjustment	Translation adjustments	Accumulated accrued retirement benefits adjustments	Total accumulated other comprehensive income		
Balance on April 1, 2020	5,094	-19,998	-12,607	-27,511	12,221	168,378
Cumulative impact due to change in accounting						
Balance on April 1, 2020 reflecting change in accounting						
Changes during the period						-11,641
Distribution of retained earnings						2,289
Purchase of treasury stock						-0
Sales of treasury stock						5
Net changes in items other than shareholders' equity during the period	3,552	13,133	7,031	23,716	1,003	24,720
Total changes during the period s	3,552	13,133	7,031	23,716	1,003	15,372
Balance on March 31, 2021	8,646	-6,865	-5,575	-3,794	13,224	183,751

(4) Statements of Cash Flows

(In million yen)

	Year ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)
Net cash provided by operating activities		
Loss (-) before income taxes and equity in earnings of affiliated companies	-33,949	-1,256
Depreciation and amortization	37,306	35,478
Impairment loss	29,001	2,462
Proceeds from subsidy	—	-5,769
Special factory operating loss	2,096	3,343
Loss related to Anti-Monopoly Act	745	1,176
Increase/decrease (-) in allowance for doubtful accounts	-22	-148
Increase/decrease (-) in accrued retirement benefits for directors and statutory auditors	-118	-6
Increase/decrease (-) in reserve for product defect compensation	21	-50
Increase/decrease (-) in liabilities in retirement benefits	1,753	-187
Interest and dividend income	-2,072	-1,421
Interest expenses	3,952	3,505
Foreign currency translation adjustments / foreign exchange losses/gains (-)	1,040	-2,942
Loss or gain (-) on derivative transactions	—	2,918
Equity in earnings (-) / loss of non-consolidated subsidiaries	1,210	-343
Gain (-) or loss on sale of tangible fixed assets	-627	—
Gain (-) or loss on sales of investment securities	-1,353	-5,699
Gain (-) or loss on valuation of investment securities	2,388	—
Decrease (-) / increase in trade receivables	25,011	-7,903
Decrease (-) / increase in inventories	3,994	13,491
Increase/decrease (-) in trade payables	-13,681	-1,193
Other	-6,155	2,259
Subtotal	50,542	37,713
Interest and dividend income received	2,585	1,865
Interest paid	-3,955	-3,488
Subsidies received	—	4,895
Payment of special factory operating loss	-1,546	-2,250
Loss related to Anti-Monopoly Act	-1,233	-990
Income taxes paid	-2,644	-1,272
Net cash provided by operating activities	43,749	36,473
Net cash used in investing activities		
Increase in time deposits	-175	-4,830
Decrease in time deposits	33	4,212
Purchases of property, plant and equipment	-59,009	-21,900
Proceeds from sale of property, plant and equipment	857	—
Purchase of intangible fixed assets	-10,074	-7,724
Proceeds from sales of investment securities	2,410	9,464
Loss on purchase of stock of the consolidated subsidiary	-497	-31
Income on sales of stock of the consolidated subsidiary	4,301	0
Decrease/increase (-) in short-term loans receivable, net	0	2,663
Other	345	206
Net cash used in investing activities	-61,807	-17,938

(In million yen)

	Year ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)
Net cash provided by financing activities		
Increase/decrease (-) in short-term loans, net	6,213	-14,728
Proceeds from long-term loans	29,794	58,833
Repayment of long-term loans	-19,145	-38,774
Proceeds from bonds	—	50,000
Dividend payment	-6,645	—
Repayment of lease payable	-1,369	-1,676
Proceeds from sale and leaseback	—	2,270
Other	-1,434	-1,252
Net cash provided by financing activities	7,413	54,671
Effect of exchange rate changes on cash and cash equivalents	-1,595	2,878
Increase/decrease (-) in cash and cash equivalents	-12,240	76,084
Cash and cash equivalents at beginning of the year	83,474	71,165
Decrease in cash and cash equivalents from exclusion from consolidation	-68	—
Cash and cash equivalents at end of the year	* 71,165	* 147,249

(5)Notes to Consolidated Financial Statements
 (Going Concern Assumption)
 None

(Change in presentation method)

(Change in presentation method due to change in classification of royalty)

“Royalty,” which was previously included in “other” under “non-operating income,” has been included in “net sales” from the first quarter of the current fiscal year under review. In addition, accounts receivable in “other” under “current assets,” was reclassified as “notes and accounts receivable-trade.”

We made this change in order to appropriately indicate the results of the Group's sales activities, as the Company positioned the acquisition of the profit by licensing as one of its main sales activities in the current fiscal year under review.

To reflect this change in presentation, the result of previous fiscal year has been reclassified.

Consequently, in consolidated balance sheet of the previous fiscal year, 136 million yen of the accounts receivable which was displayed in “other” under “current assets” was reclassified as “notes and accounts receivable-trade”, and “notes and accounts receivable-trade” amounted to 103,371 million yen and “other” amounted to 35,557 million yen. Also 460 million yen of “royalty” which was displayed in “other” under “non-operating income” in the same period of the previous fiscal year was reclassified in “net sales” and “operating income” and 460 million yen increased in “net sales” and it became 651,956 million yen, and “operating income” became 7,517 million yen. There is no effect on ordinary income/loss and net income/loss before income taxes.

In addition, the change in accounts receivable in “other” under “net cash provided by operating activities” in the previous fiscal year, was included in “decrease (-) / increase in trade receivables” due to the change in the classification of “royalty.”

As a result, 132 million yen of accounts receivable, which was included in “other” in consolidated statement of cash flow of the previous fiscal year was reclassified as “decrease / increase(-) in trade receivables.” As a result, “decrease / increase(-) in trade receivable” was 25,011 million yen and “other” was -6,155 million yen.

(Consolidated Balance Sheet)

*1 The assets pledged as collateral and the debts related to the collateral are as follows.

1.Assets and debt that ogives as security are as follwos

(In million yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Buildings and structures	-	3,000
Machinery, equipment and vehicles	-	3,597
Land	-	7,191
Other	-	21,075
Total	-	34,865

2. Debt that is related to security

	Year ended March 31, 2020	Year ended March 31, 2021
Long-term loan	-	30,000

*2 value related to non-consolidated subsidiary and related company are as follows.

	Year ended March 31, 2020	Year ended March 31, 2021
Investment securities	20,861	20,871

*3 The reduction entry due to the acceptance of national treasury subsidies are as follows. The amount recorded on the consolidated balance sheet is deducted from this reduction entry.

	Year ended March 31, 2020	Year ended March 31, 2021
Buildings and structures	404	366
Machinery, equipment and vehicles	70	57
Land	798	773
Other	0	0
Total	1,274	1,198

4 Contingency liabilities
(Gurantee, etc)

	Year ended March 31, 2020	Year ended March 31, 2021
PT. Astra NTN Driveshaft Indonesia	-	448

(Lawsuits, etc.)

(1) There is an ongoing investigation by the competition authority in India in relation to overseas sale of bearings.

(2) A lawsuit has been filed against the Company and its two consolidated subsidiaries in Europe before the France Tribunal de Commerce de Lyon by Renault S.A. and its group companies, which are 15 in total (hereafter, "Renault"), seeking compensation of 66.7 million euros (provisional amount) for damages. In December 2020, Renault changed the claiming amount for damages to 32.5 million euros (provisional amount). In addition, a lawsuit has been filed against the Company and its two consolidated subsidiaries in Europe before the United Kingdom Commercial Court by Fiat Chrysler Automobiles N.V. and its group companies, which are seven in total (hereafter, "FCA"), seeking compensation for damages. This lawsuit was transferred to the United Kingdom Competition Appeal Tribunal on July 14, 2024.

These lawsuits were filed by Renault and FCA 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.

(3) 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.

(Consolidated Statement of Operation)

*1 Major items and amounts under "Selling, general and administrative expenses" are as follows.

(In million yen)

	Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)
Salaries and benefit	33,269	30,927
Freight	15,057	12,700
Research and development	12,158	10,804
Rent expenses	5,462	8,042
Retirement benefits expenses	1,941	1,752

*2 Total research and development expense included in general and administrative expense and current manufacturing costs

(In million yen)

	Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)
	19,961	17,485

*3 The NTN Group carries out grouping of assets. With regard to manufacturing assets, any plants etc. coming under managerial accounting business classifications are deemed to be the smallest unit creating cash flow. With regard to Head Office and business-use assets are grouped as corporate assets and the assets no longer used are grouped by individual asset.

In the case of the assets shown in the following table, there is no prospect for future use in the current consolidated accounting period and the previous consolidated accounting period and no possibility of recovery is found for the estimated period of future cash flows. For these reasons, 2,462 million yen of its decreased amount in the previous consolidated accounting period and 29,001 million yen of impairment loss in current consolidated accounting period is recorded as the extraordinary loss. The recoverable amount has been measured using fair value for subsidiary in the U.S. and the net realizable value or the value for other companies. Fair value based on US GAAP is mainly measured by the income approach and calculated by discounting cash flows in the future at a fixed discount rate. Value in use is calculated using a discount rate of 6% on future cash flows for each business segment.

Location	Applications	Type of asset	Impairment loss (million yen)	
			Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)
Japan	Manufacturing facilities and other	Buildings and structures	4,360	—
		Machinery, equipment and vehicles	16,355	—
		Land	400	—
		Construction in progress	248	—
		Tangible fixed assets and others	555	—
		Intangible fixed assets	35	—
Americas	Manufacturing facilities and other	Buildings and structures	—	470
		Machinery, equipment and vehicles	5,517	1,786
		Land	—	174
		Tangible fixed assets and other	—	30
Europe	Manufacturing facilities and other	Buildings and structures	273	—
		Machinery, equipment and vehicles	1,220	—
		Tangible fixed assets and other	34	—
Total			29,001	2,462

*4 5,769 million yen of proceeds from subsidy was recorded as an extraordinary income in current consolidated accounting period. This was the proceed such as subsidies for employment adjustment during the suspension of operations in the Company and its consolidated subsidiaries due to the spread of the new coronavirus.

*5 The Company recorded 3,343 million yen of special factory operating loss as an extraordinary loss. This is a fixed cost during the shutdown in some of overseas subsidiaries due to the worldwide spread of the novel coronavirus disease (COVID-19).

*6 In the previous consolidated fiscal year, the Company has negotiated the compensation of damages with a part of customers in association with investigations by the authorities about competition laws. We considered the effects to our business by the long-term negotiation and reached the conclusion to pay the settlement amount to make the benefits for both parties by amicably and early resolution.

In the current consolidated fiscal year, the Company and its subsidiaries in the U.S. reached a settlement with the direct purchaser plaintiffs regarding a class-action in the U.S. District Court for the Eastern District of Michigan in November 2020. By this settlement, all the U.S. Class Actions will be ended.

Also, on March 2021, the Conselho Administrativo de Defesa Econômica decided to impose fines of 9,318,311.31 Brazilian reais on our subsidiary in Brazil for its alleged violations of the Brazilian competition law with respect to sales made in Brazil and the subsidiary paid the fines on May 2021.

With regard to these settlements etc., the Company recorded 1,176 million yen in the current consolidated fiscal year and 745 million yen in the previous consolidated fiscal year as Loss related to Anti-Monopoly Act in Extraordinary Losses.

(Matters Related to Consolidated Statement of Comprehensive Income)

* Reclassification adjustment and tax effect on other comprehensive income

(In million yen)

	Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)
Net unrealized holding gain on other securities:		
Amount arising in current fiscal year	-8,526	10,765
Reclassification adjustment	-1,353	-5,699
Before tax effect adjustment	-9,879	5,065
Tax effect	2,954	-1,513
Net unrealized holding gain on other securities	-6,925	3,552
Translation adjustments:		
Amount arising in current fiscal year	-13,710	15,056
Reclassification adjustment	—	—
Before tax effect adjustment	-13,710	15,056
Tax effect	—	—
Translation adjustments	-13,710	15,056
Accrued retirement benefits adjustments:		
Amount arising in current fiscal year	-5,258	7,437
Reclassification adjustment	2,809	1,364
Before tax effect adjustment	-2,448	8,802
Tax effect	-1,300	-1,778
Accrued retirement benefits adjustments	-3,749	7,024
Equity in equity-method affiliates:		
Amount arising in current fiscal year	-44	29
Reclassification adjustment	—	-543
Equity in equity-method affiliates	-44	-513
Total other comprehensive income	-24,429	25,119

(Consolidated Statements of Changes in Shareholders' Equity)

Year ended March 31, 2020 (April 1, 2019- March 31, 2020)

1. Type and total number of shares issued and outstanding and Treasury stock

	Number of shares as of April 1, 2019 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2020 (thousand shares)
Shares issued and outstanding				
Common stock	532,463	—	—	532,463
Total	532,463	—	—	532,463
Treasury stock				
Common stock *	1,320	1	7	1,314
Total	1,320	1	7	1,314

Note: The increase of 1,000 shares in common stock in treasury stock is due to the acquisition by purchasing the fractional unit share and decrease of 7,000 shares is due to sales by "BIP Trust" as trust property of stock compensation scheme for directors. Also, number of treasury stocks in common stock includes the treasury stocks acquired by "BIP Trust" (479,000 shares as of April 1, 2020, 472,000 shares as of March 31, 2021)

2. Equity warrant and subscription right to treasury stock

N.A.

3. Dividends

(1) Dividend paid

(Date of approval)	Type of share	Total dividend paid (million yen)	Dividend per share (yen)	Record date	Payable date
Annual general meeting of shareholders on June 26, 2019	Common stock	3,987	7.5	March 31, 2019	June 26, 2019
Board of Directors on October 31, 2019	Common stock	2,658	5.0	September 30, 2019	December 2, 2019

Note 1) The total amount of dividend whose record date is March 31, 2019 includes 3 million yen for the Company's stock acquired by "BIP Trust."

2) The total amount of dividend whose record date is September 30, 2019 includes 2 million yen for the Company's stock acquired by "BIP Trust."

Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

1. Type and total number of shares issued and outstanding and Treasury stock

	Number of shares as of April 1, 2020 (thousand shares)	Increase (thousand shares)	Decrease (thousand shares)	Number of shares as of March 31, 2021 (thousand shares)
Shares issued and outstanding				
Common stock	532,463	—	—	532,463
Total	532,463	—	—	532,463
Treasury stock				
Common stock *	1,314	1	16	1,299
Total	1,314	1	16	1,299

Note: Note: The increase of 1,000 shares in common stock in treasury stock is due to the acquisition by purchasing the fractional unit share and decrease of 16,000 shares is due to sales by “BIP Trust” as trust property of stock compensation scheme for directors. Also, number of treasury stocks in common stock includes the treasury stocks acquired by “BIP Trust” (472,000 shares as of April 1, 2020, 456,000 shares as of March 31, 2021)

2. Equity warrant and subscription right to treasury stock

N.A.

3. Dividends

N.A.

(Cash flows)

* Reconciliation of the amounts of cash and cash equivalents at end of the year stated in Consolidated Statements of Cash Flows to the amounts of accounts stated in Consolidated Balance Sheets

(In million yen)

	Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)	Year ended March 31, 2020 (April 1, 2020 - March 31, 2021)
Cash and bank deposits	77,568	154,969
Short-term loans receivable	2,651	68
Time deposits with original maturities of more than three months	-6,403	-7,719
Short-term loans receivable, excluding repurchase agreements	-2,651	-68
Cash and cash equivalents	71,165	147,249

(Segment Information, etc.)

[Segment information]

1. Description of reporting segments

It is possible to acquire financial information for the separate components making up the Company, and the Company's highest decision-making body (the Board of Directors) carries out regular investigations into the Company's reporting segments in order to decide the allocation of management resources and to assess results.

The Group's main business is the manufacturing and sale of bearings, driveshafts and precision equipment for aftermarket applications, industrial machinery applications, and automotive applications. Business activities in Japan are controlled by the Company (Head Office), the activities of each region are controlled by the general managers' department overseas allocated to each region. Overseas subsidiaries in each region formulate independent business strategies and business plans and develop business activities while analyzing profitability and investment efficiency.

Accordingly, the NTN Group consists of the Head Office and business segments in different regions based on general managers' offices. Its four reporting segments are "Japan," "Americas," "Europe" and "Asia and other areas." Each segment carries out the manufacturing and sale of bearings, driveshafts and precision equipment.

2. Methods used to calculate and report sales, income or losses, assets, liabilities and other items for each reporting segment

The business segment accounting methods for each reporting segment are the same methods as those used in the consolidated financial statements. "Inter-segment sales or transfers" is calculated based on prevailing market prices.

3. Information related to sales, income or losses, assets, liabilities and other items for individual reporting segments

Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(In million yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	205,832	169,879	152,581	123,663	651,956	—	651,956
Inter-segment sales or transfers	126,685	1,193	3,069	11,265	142,214	(142,214)	—
Total	332,517	171,072	155,651	134,929	794,170	(142,214)	651,956
Segment income (Operating income)	2,138	-6,438	413	11,418	7,532	(14)	7,517
Segment assets	584,431	161,409	128,353	170,303	1,044,496	(286,674)	757,822
Segment liabilities	417,340	112,517	101,591	38,181	669,631	(80,187)	589,443
Other items							
Depreciation and amortization	13,424	9,718	7,362	6,801	37,306	—	37,306
Increase in tangible and intangible fixed assets	38,753	18,046	6,097	4,692	67,589	(40)	67,548

Note.1: "Adjustments" refers to elimination of all inter-segment transactions with the exception of segment assets. Also, adjustments under "segment assets" is made up of inter-segment eliminations of -307,596 million yen and company-wide assets not allocated to specific segments of 20,921 million yen (major items include operating capital (deposits and marketable securities), and long-term investment capital (marketable investment securities) etc.).

Note.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

Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(In million yen)

	Reporting segment					Adjustments (Note) 1	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	168,280	142,228	126,777	125,560	562,847	—	562,847
Inter-segment sales or transfers	98,690	705	2,420	7,859	109,676	(109,676)	—
Total	266,971	142,934	129,197	133,419	672,523	(109,676)	562,847
Segment income (Operating income)	-10,792	-2,803	-2,427	12,305	-3,717	579	-3,138
Segment assets	644,491	161,916	129,993	187,410	1,123,812	(287,248)	836,563
Segment liabilities	479,411	118,725	84,609	38,393	721,140	(68,327)	652,812
Other items							
Depreciation and amortization	12,875	8,930	7,232	6,439	35,478	—	35,478
Increase in tangible and intangible fixed assets	18,474	6,379	3,494	3,082	31,431	(0)	31,430

Note1: "Adjustments" refers to elimination of all inter-segment transactions with the exception of segment assets. Also, adjustments under "segment assets" is made up of inter-segment eliminations of -313,207 million yen and company-wide assets not allocated to specific segments of 25,958 million yen (major items include long-term investment capital (marketable investment securities) etc.).

Note2: 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

4. Changes in the reporting segment (Changes in Presentation Method)

"Royalty," which was previously included in "other" under "non-operating income," has been included in "net sales" from the current fiscal year. In addition, accounts receivable in "other" under "current assets," was reclassified as "notes and accounts receivable-trade."

We made this change in order to appropriately indicate the results of the Group's sales activities, as the Company positioned the acquisition of the profit by licensing as one of its main sales activities in the first quarter of the current fiscal year.

Regarding the segment information in previous fiscal year, we used the amount after reflecting this change. Therefore, net sales and segment income increased 3,420 million yen in Japan and 10 million yen in Europe compared to the amount before the change.

[Related information]

Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

1. Information related to products and services

(In million yen)

	Aftermarket applications	Industrial machinery applications	Automotive applications	Total
Sales to external customers	109,428	105,210	437,317	651,956

Note: "Net sales to external customers" refers to sales in each product category based on similarity with sales markets.

2. Geographic information

(1) Net Sales

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
198,100	174,308	140,839	138,707	651,956

Notes: 1. Net sales are classified according to country or region based on the location of customers.

2. Major countries or regions in each reporting 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

3. Of the sales classified as net sales to the Americas, sales to the U.S. accounted for 146,643 million yen.

(2) Property, plant and equipment

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
100,473	78,119	45,224	38,825	262,643

Notes: 1. Of the property, plant and equipment classified under Americas, property, plant and equipment held in the U.S. accounted for 70,347 million yen.

2. Of the property, plant and equipment classified under Europe, property, plant and equipment held in France accounted for 29,687 million yen.

3. Of the property, plant and equipment classified under Asia and other areas, property, plant and equipment held in China accounted for 27,623 million yen.

Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

1. Information related to products and services

(In million yen)

	Aftermarket applications	Industrial machinery Applications	Automotive applications	Total
Net sales to external customers	91,492	101,853	369,501	562,847

(Note) "Net sales to external customers" refers to sales in each product category based on similarity with sales markets.

2. Geographic information

(1) Net Sales

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
162,814	144,431	117,235	138,365	562,847

Notes:1. Net sales are classified according to country or region based on the location of customers.

2. Major countries or regions in each reporting 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

3. Of the sales classified as net sales to the Americas, sales to the U.S. accounted for 123,095 million yen.

4. Of the sales classified as net sales to the Asia and others, sales to China accounted for 79,534 million yen

(2) Property, plant and equipment

(In million yen)

Japan	Americas	Europe	Asia and other areas	Total
100,947	75,696	44,943	38,855	260,443

Notes.1. Of the property, plant and equipment classified under Americas, property, plant and equipment held in the U.S.A accounted for 67,760 million yen.

2. Of the property, plant and equipment classified under Europe, property, plant and equipment held in France accounted for 28,429 million yen.

3. Of the property, plant and equipment classified under Asia and other areas, property, plant and equipment held in China accounted for 27,655 million yen.

[Information related to impairment loss on fixed assets by reporting segment]

Previous consolidated accounting period (April 1, 2019 – March 31, 2020)

(In million yen)

	Japan	Americas	Europe	Asia and other areas	Adjustment	Total
Impairment loss	21,955	5,517	1,528	—	—	29,001

Current consolidated accounting period (April 1, 2020 to March 31, 2021)

(In million yen)

	Japan	Americas	Europe	Asia and other areas	Adjustment	Total
Impairment loss	—	2,462	—	—	—	2,462

(Per share data)

	Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)
Net assets per share (yen)	294.00	321.04
Net income per share or net loss (-) per share	-82.83	-21.92

Notes: 1. Diluted net income per share in the current consolidated accounting period is not reported because no residual securities existed.

2. The Company has introduced an “Officer Remuneration BIP Trust” in the current consolidated accounting period, and recorded the Company’s shares held by such trust as treasury stock in consolidated financial statements. Accordingly, to calculate the “amount of net assets per share,” the Company’s shares held by the trust are included in treasury stock (472,000 shares for the previous consolidated accounting period, 456,000 shares for the current consolidated accounting period) that is excluded from the total number of shares issued and outstanding as of fiscal year end. In addition, to calculate the “amount of net income per share,” the Company’s shares held by the trust are included in treasury stock (474,000 shares for the previous consolidated accounting period, 461,000 shares for the current consolidated accounting period) that is excluded from the calculation of the average number of shares for the period.

3. The basic methods for calculating net income per share are as follows.

	Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)	Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)
Net loss (-) attributable to shareholder (parent company) (million yen)	-43,992	-11,641
Amount not attributable common shareholders (million yen)	—	—
Net loss (-) attributable to shareholders (parent company) for common stocks (million yen)	-43,992	-11,641
Average number of shares during the period (thousand shares)	531,147	531,159

(Significant Subsequent Events)

None

(Additional Information)

1. Application of tax effect accounting related to the transition from the consolidated tax payment system to the group total system

The Company and a part of domestic consolidated subsidiaries will shift to the group accounting system and the group accounting system established in the "Act for Partial Revision of Income Tax Law, etc." (Act No. 8 of 2nd year of Reiwa). For items for which the non-consolidated tax payment system has been reviewed, "Handling of application of tax effect accounting related to the transition from the consolidated tax payment system to the group total system" (Practical Response Report No. 39, March 31, 2020) Due to the handling of paragraph 3, the provisions of paragraph 44 of "Guidelines for Applying Accounting Standards for Tax Effect Accounting" (Corporate Accounting Standards Application Guideline No. 28, February 16, 2018) do not apply. The amount of deferred tax assets and deferred tax liabilities is based on the provisions of the tax law before the amendment.

2. Accounting estimates related to spread of new coronavirus infection

The Company made the accounting estimate on the assumption that the effect of the worldwide spread of the novel coronavirus infection disease will improve by the fiscal year ending March 31, 2022. However it is highly uncertain and its end is not assumed and it might be a important risk in the future.

3.1. Consolidated Financial Results

(in million yen)

		FY2016	FY2017	FY2018	FY2019	FY2020	
Consolidated operating results (Lower: Net sales ratio)	Net sales	683,636 100.0%	744,699 100.0%	733,846 100.0%	651,956 100.0%	562,847 100.0%	
	Operating income	35,929 5.3%	39,935 5.4%	27,222 3.7%	7,517 1.2%	-3,138 -0.6%	
	Ordinary income	29,604 4.3%	31,250 4.2%	22,231 3.0%	-1,698 -0.3%	-5,742 -1.0%	
	Extraordinary loss	-14,714 -2.2%	-4,345 -0.6%	-19,292 -2.6%	-32,251 -4.9%	4,486 0.8%	
	Net income attributable to shareholder (parent company)	2,830 0.4%	20,373 2.7%	-6,958 -0.9%	-43,992 -6.7%	-11,641 -2.1%	
Net sales by region (Lower: Net sales ratio)	Japan	191,635 28.0%	204,500 27.5%	207,400 28.3%	198,100 30.4%	162,814 28.9%	
	Americas	194,774 28.5%	201,683 27.1%	201,464 27.5%	174,308 26.7%	144,431 25.7%	
	Europe	154,989 22.7%	175,598 23.6%	167,826 22.9%	140,839 21.6%	117,235 20.8%	
	Asia and other areas	142,236 20.8%	162,917 21.9%	157,155 21.4%	138,707 21.3%	138,365 24.6%	
	Total	683,636 100.0%	744,699 100.0%	733,846 100.0%	651,956 100.0%	562,847 100.0%	
Net sales / Operating income by location	Japan	Net sales	323,050	351,096	356,816	332,517	266,971
		Operating income	6,677	11,789	4,427	2,138	-10,792
		Operating margin	2.1%	3.4%	1.2%	0.6%	-4.0%
	Americas	Net sales	191,393	198,546	198,302	171,072	142,934
		Operating income	8,286	7,091	4,344	-6,438	-2,803
		Operating margin	4.3%	3.6%	2.2%	-3.8%	-2.0%
	Europe	Net sales	169,016	192,532	184,022	155,651	129,197
		Operating income	3,310	2,816	973	413	-2,427
		Operating margin	2.0%	1.5%	0.5%	0.3%	-1.9%
	Asia and other areas	Net sales	142,302	161,952	155,577	134,929	133,419
		Operating income	14,522	19,600	17,218	11,418	12,305
		Operating margin	10.2%	12.1%	11.1%	8.5%	9.2%
	Deletion	Net sales	-142,126	-159,428	-160,873	-142,214	-109,676
		Operating income	3,133	-1,362	258	-14	579
	Total	Net sales	683,636	744,699	733,846	651,956	562,847
Operating income		35,929	39,935	27,222	7,517	-3,138	
Operating margin		5.3%	5.4%	3.7%	1.2%	-0.6%	

(in million yen)

			FY2016	FY2017	FY2018	FY2019	FY2020
Net sales / Operating income by business application	Aftermarket	Net sales	104,512	116,707	118,861	109,428	91,492
		Operating income	14,006	15,022	15,195	12,750	8,904
		Operating margin	13.4%	12.9%	12.8%	11.7%	9.7%
	Industrial machinery	Net sales	98,779	119,262	123,552	105,210	101,853
		Operating income	1,791	2,973	3,260	-1,863	354
		Operating margin	1.8%	2.5%	2.6%	-1.8%	0.3%
	Automotive	Net sales	480,343	508,728	491,432	437,317	369,501
		Operating income	20,132	21,939	8,766	-3,369	-12,397
		Operating margin	4.2%	4.3%	1.8%	-0.8%	-3.4%
	Total	Net sales	683,636	744,699	733,846	651,956	562,847
		Operating income	35,929	39,935	27,222	7,517	-3,138
		Operating margin	5.3%	5.4%	3.7%	1.2%	-0.6%
Capital expenditures /Depreciation and amortization	Capital expenditures		35,398	37,589	45,172	57,675	23,817
	Depreciation and amortization	Domestic	13,167	13,481	15,285	13,424	12,875
		Overseas	23,461	24,023	23,641	23,882	22,602
	Total		36,629	37,505	38,926	37,306	35,478
R&D expenditures			19,196	21,007	21,661	19,961	17,485
Ratio of R&D expenditures to net sales			2.8%	2.8%	3.0%	3.1%	3.1%
Inventories			171,481	179,738	194,505	182,923	176,847
Inventory turnover ratio (times)			4.0	4.1	3.8	3.6	3.2
Interest-bearing debts	Loans		300,169	290,833	320,344	332,416	342,803
	Bonds		20,000	30,000	30,000	30,000	80,000
	Total		320,169	320,833	350,344	362,416	422,803
Major management indicators	Ordinary income ratio to total assets		3.7%	3.8%	2.6%	-0.2%	-0.7%
	Return on assets (ROA)		0.4%	2.5%	-0.8%	-5.5%	-1.5%
	Return on equity (ROE)		1.2%	8.4%	-2.9%	-22.8%	-7.1%
	Shareholder's equity ratio		28.8%	30.2%	27.4%	20.6%	20.4%
	Net assets per share (yen)		431.66	477.17	433.32	294.00	321.04
	Net income per share (yen)		5.33	38.36	-13.10	-82.83	-21.92
Employees	Domestic (persons)		8,420	8,546	8,648	8,718	8,735
	Overseas (persons)		16,245	16,947	16,340	15,481	14,557
	Total (persons)		24,665	25,493	24,988	24,199	23,292
Exchange rates	Average	Dollar (yen)	108.39	110.85	110.88	108.73	106.01
		Euro (yen)	118.80	129.64	128.41	120.84	123.66
	At term end	Dollar (yen)	111.85	106.49	110.64	107.85	110.36
		Euro (yen)	119.48	131.00	124.21	119.13	129.32

3.2. Non-consolidated Financial Results

(in million yen)

		FY2016	FY2017	FY2018	FY2019	FY2020
Non-consolidated operating results (Lower: Net sales ratio)	Net sales	320,841	346,284	350,966	333,634	266,678
		100.0%	100.0%	100.0%	100.0%	100.0%
	Operating income	-5,401	1,207	-1,543	2,176	-9,432
		-1.7%	0.3%	-0.4%	0.7%	-3.5%
	Ordinary income	-2,522	7,965	3,801	7,835	-5,204
	-0.8%	2.3%	1.1%	2.3%	-2.0%	
	Extraordinary loss	-6,180	-2,599	3,591	-19,284	1,715
		-1.9%	-0.8%	1.0%	-5.8%	0.6%
	Net income attributable to shareholder (parent company)	-7,936	7,413	6,963	-17,535	-9,382
		-2.5%	2.1%	2.0%	-5.3%	-3.5%
Net sales by region (Lower: Net sales ratio)	Japan	185,153	197,395	198,401	192,188	158,643
		57.7%	57.0%	56.5%	57.6%	59.5%
	Americas	52,110	56,455	59,866	54,903	39,867
		16.2%	16.3%	17.1%	16.5%	14.9%
	Europe	32,204	35,111	34,178	26,842	18,178
		10.0%	10.1%	9.7%	8.0%	6.8%
	Asia and other areas	51,373	57,322	58,519	59,699	49,989
		16.0%	16.6%	16.7%	17.9%	18.7%
	Total	320,841	346,284	350,966	333,634	266,678
		100.0%	100.0%	100.0%	100.0%	100.0%
Capital expenditures		7,047	9,325	14,313	26,550	9,727
Depreciation and amortization		7,599	7,864	9,924	10,882	11,691
R&D expenditures		14,006	15,507	16,636	15,032	12,429
Ratio of R&D expenditures to net sales		4.4%	4.5%	4.7%	4.5%	4.7%
Inventories		41,276	43,506	51,319	50,930	51,948
Inventory turnover ratio (times)		7.8	8.0	6.8	6.6	5.1
Interest-bearing debts	Loans	202,051	199,578	222,203	230,982	251,692
	Bonds	20,000	30,000	30,000	30,000	80,000
	Total	222,051	229,578	252,203	260,982	331,692
Major management indicators	Ordinary income ratio to total assets	-0.5%	1.4%	0.6%	1.3%	-0.9%
	Return on assets (ROA)	-1.4%	1.3%	1.2%	-3.0%	-1.6%
	Return on equity (ROE)	-4.5%	4.3%	4.0%	-11.3%	-6.9%
	Shareholder's equity ratio	30.2%	29.8%	28.6%	24.4%	21.2%
	Net assets per share (yen)	323.80	330.65	320.53	261.97	250.74
	Net income per share (yen)	-14.94	13.96	13.11	-33.01	-17.66
Employees (persons)		5,301	5,382	5,892	5,953	5,948