

Financial Results for the Nine Months Ended December 31, 2022
[Japanese Accounting Standards] (Consolidated)
(Unaudited)

February 2, 2023

NTN Corporation

Security Code: 6472

Listings: Tokyo Stock Exchanges

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Supplementary material of the financial results: Prepared

Investor meeting: Scheduled

1. Consolidated financial results for the nine months ended December 31, 2022
 (April 1, 2022 to December 31, 2022)

(Amounts rounded down to the nearest million yen)

(1) Operating Results

(Percentage figures represent a year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2022	569,422	21.6	9,891	289.1	7,411	316.8	-754	-
Nine months ended December 31, 2021	468,126	17.2	2,542	-	1,778	-	-1,508	-

Note: comprehensive income: Nine months ended December 31, 2022 : 11,183 million yen (11.7%)
 Nine months ended December 31, 2021 : 10,015million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2022	-1.42	-
Nine months ended December 31, 2021	-2.84	-

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Nine months ended December 31, 2022	857,703	222,963	24.1
Year ended March 31, 2022	855,483	216,425	23.1

Note: Shareholders' equity Nine months ended December 31, 2022 : 206,512million yen
 Year ended March 31, 2022 : 197,850 million yen

2. Dividends

(Record date)	Dividends per share				
	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, 2022	-	0.00	-	0.00	0.00
Year ending March 31, 2023	-	2.50	-		
Year ending March 31, 2022 (forecast)				2.50	5.00

Notes: Adjustment from the previously published forecast of dividends: None

3. Forecast of consolidated earnings for the year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentage figures represent a year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	770,000	19.9	26,000	277.9	23,000	237.5	12,000	63.5	22.60

Notes: Adjustment from the previously published forecast of earnings: none

* Notes to consolidated financial statements

(1) Significant changes in subsidiaries during the period (Scope of consolidation): None

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

(Notes) For further details, refer to “(4) Notes to consolidated financial Statements” (Adoption of accounting method specific to the preparation of quarterly consolidated financial statements) in “2.Consolidated financial statements for the nine months” on page 10 of attached documents.

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

1) Changes in accounting principles due to amendment to accounting standards: None

2) Changes other than above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of shares issued and outstanding (Common stock)

1) Number of shares issued and outstanding at end of the period (treasury stock included):

Nine months ended December 31, 2022: 532,463,527 shares

Year ended March 31, 2022: 532,463,527 shares

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

Nine months ended December 31, 2022: 1,567,553 shares

Year ended March 31, 2022: 1,599,787 shares

3) Average number of shares outstanding during the quarter:

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

Nine months ended December 31, 2021: 531,017,984 shares

* This quarterly financial results report is exempt from quarterly 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 the forecast above, refer to “(3) Explanation regarding information on future forecast, including forecast of consolidated earnings in 1. Qualitative Information of Consolidated Financial Statements for the Nine Months ended December 31, 2022 on page 4 of attached documents.

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1. Qualitative information of consolidated financial statements for the nine months ended December 31, 2022

(1) Explanation regarding consolidated operating results

Regarding the global economy in the third quarter of the current fiscal year (from April 1, 2022 to December 31, 2022), it showed signs of recovery as the normalization of economic activities progressed although the economy was standstill in a part of regions. Regarding the Japanese economy, personal consumption recovered gradually although the domestic price of companies and consumer's price is rising. Economy in the U.S., Europe, Asia and other emerging countries has shown the signs of recovery. However, the Chinese economy slow down due to the rebound of COVID-19. On the other hand, the situation of global economy is still uncertain due to the effect of semiconductor shortage, supply chain disruptions, situation in Ukraine and energy problems and global monetary hardening.

Under these business environments, 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 third quarter amounted to 569,422 million yen (up 21.6% year on year). Regarding profit and loss, although the company incurs the cost such as price hike in steel price and increased fixed cost in advance of price pass-on measures mainly in European and American automotive market, operating income was 9,891 million yen (up 289.1% year on year), ordinary income was 7,411 million yen (up 316.8% year on year), and loss attributable to owners of parent was 754 million yen (loss attributable to owners of parent of 1,508 million yen in the same period of the previous fiscal year) due to the sales volume and effect of exchange rate.

Operating results by reporting segment by region were as follows:

(1) Japan

Sales in the aftermarket applications increased in industrial machinery aftermarket applications. Sales in the industrial machinery applications increased in construction machinery. Sales in automotive applications increased due to increased customer demand and other factors. As a whole, net sales amounted to 273,415 million yen (up 14.0% year on year). Segment income was 14,356 million yen (up 157.8% year on year) due to the price pass-on measures, an increase in volume and effects of exchange rate, although there was the price hike in steel price and increased fixed cost.

(2) Americas

Sales in the aftermarket applications increased in industrial machinery aftermarket applications and decreased in automotive aftermarket applications. Sales in industrial machinery applications increased in construction machinery and others, however, decreased in wind turbines. Sales in automotive applications increased due to recovered customer demand. As a whole, net sales amounted to 178,895 million yen (up 39.4% year on year). Segment profit and loss was loss of 7,230 million yen (loss of 6,902 million yen in the same period of the previous fiscal year) because the company incurs the cost such as price hike in steel price and increased fixed cost in advance of price pass-on measures at this moment although there was the effect of increased volume.

(3) Europe

Sales in the aftermarket applications increased in industrial machinery aftermarket applications and decreased in automotive aftermarket applications. Sales in industrial machinery applications increased in aircrafts and others. Sales in automotive applications also increased due to recovered customer demand. As a whole, net sales amounted to 122,790 million yen (up 18.1% year on year) even though there was the effect of situation in Ukraine. Segment profit and loss was loss of 3,577 million yen (loss of 3,720 million yen in the same period of the previous fiscal year) because the company incurs the cost such as price hike in steel price and increased fixed cost in advance of price pass-on measures at this moment although there was the effect of increased volume.

(4) Asia and other areas

Sales in the aftermarket applications increased in industrial machinery aftermarket applications. Sales in industrial machinery applications decreased in construction machinery and others. Sales in automotive applications increased mainly due to recovered customer demand. As a whole, net sales amounted to 126,049 million yen (up 16.2% year on year). Segment income and loss was income of 9,784 million yen (down 7.4% year on year) due to the shutdown and decrease in operation rate caused by the city lockdown in China and other factors.

Operating results by business sector were as follows.

(1) Aftermarket applications

Due to an increase in customer demand and other factors, net sales amounted to 99,020 million yen (up 20.7% year on year). Operating income was income of 15,704 million yen (up 48.9% year on year) due to the price pass-on measures, sales volume and effect of exchange rate although there was price hike in steel price and increased fixed cost.

(2) Industrial machinery applications

Net sales amounted to 102,848 million yen (up 11.3% year on year) due to increased sales of construction machinery and aircraft. Operating income and loss was income of 4,930 million yen (up 82.1% year on year) due to the price pass-on measures, sales volume and effect of exchange rate although there was price hike in steel price and increased fixed cost.

(3) Automotive applications

Net sales amounted to 367,553 million yen (up 25.2% year on year) due to the recovered customer demand. However, operating loss and profit was loss of 10,743 million yen (operating loss of 10,710 million yen in the same period of the previous fiscal year) because the company incurs the cost such as price hike in steel price and increased fixed cost in advance of price pass-on measures at this moment although there was the effect of increased volume and exchange rate.

(2) Explanation regarding consolidated financial position

(Assets, Liabilities, and Net assets)

Current assets increased 6,208 million yen (up 1.2%) from the previous consolidated fiscal year and ended to 518,239 million yen. This was mainly due to increase of 12,458 million yen in finished goods & purchased goods, increase of 10,249 million yen in work in process, increase of 10,109 million yen in raw materials and supplies, increase of 3,838 million yen of accounts receivable and others, decrease of 17,416 million yen in cash and bank deposits and decrease of 14,193 million yen in notes and accounts receivable. Fixed assets decreased 3,988 million yen (down 1.2%) from the previous consolidated fiscal year and amounted to 339,463 million yen. This was mainly due to decrease of 3,003 million yen in intangible fixed assets and, and decrease of 2,762 million yen in tangible fixed asset and increase of 1,600 million yen of investment securities. As a result, total assets increased 2,220 million yen (up 0.3%) from the previous consolidated fiscal year and amounted to 857,703 million yen.

Current liabilities increased 40,246 million yen (up 12.5%) from the previous consolidated fiscal year and amounted to 361,451 million yen. This was mainly due to an increase of 22,774 million yen in short-term loan, increase of 9,274 million yen in electronically recorded monetary claim and increase of 3,522 million yen in notes and accounts payable-trade. Fixed liabilities decreased 44,566 million yen (down 14.0 %) from the previous consolidated fiscal year and amounted to 273,287 million yen. This was mainly due to a decrease of 46,585 million yen in long-term loans. As a result, total liabilities decreased 4,319 million yen (down 0.7%) from the previous consolidated fiscal year and amounted to 634,739 million yen.

Total net assets increased 6,538 million yen (up 3.0%) from the previous consolidated fiscal year and amounted to 222,963 million yen. This was mainly due to an increase of 10,172 million yen in translation adjustments, decrease of 2,123 million yen of non-controlling interest and decrease of 2,083 million yen of retained earnings.

(Cash flows)

Net cash provided by operating activities was 29,166 million yen (increase of 24,934 million yen, up 589.2% year on year). This was mainly due to proceeds of 31,543 million yen of depreciation and amortization, a decrease of 18,081 million yen in trade receivables and an increase of 25,169 million yen in increase of inventories.

Net cash used in investing activities was 13,751 million yen (increase of 4,621 million yen, up 50.6% year on year). This was mainly due to the expense of 14,048 million yen in acquisition of tangible asset.

Net cash used in financing activities was 33,416 million yen (increase of 2,350 million yen, up 7.6% year on year). This was mainly due to the proceeds of 15,540 million yen from long-term loans, expense of 34,487 million yen in long-term loan and decrease of 12,622 million yen of short-term loan.

After adding 1,541 million yen of translation adjustments, cash and cash equivalents at the end of the third quarter of

the fiscal year under review was 105,270 million yen, a decrease of 16,190 million yen (down 13.3%) from the end of the previous consolidated fiscal year.

(3) Explanation regarding information on future forecast, including forecast of consolidated earnings

The Company has made no modification to the consolidated earnings forecast announced on October 31, 2022.

2. Consolidated financial statements for the nine months

(1) Balance sheets

(In million yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and bank deposits	128,644	111,228
Notes and accounts receivable-trade	125,507	111,314
Electronically-recorded monetary claims	6,491	7,578
Finished goods & purchased goods	105,514	117,972
Work in process	55,939	66,188
Raw materials and supplies	53,389	63,498
Short-term loans receivable	57	23
Other	37,533	41,371
Allowance for doubtful accounts	-1,045	-936
Total current assets	512,031	518,239
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	87,955	88,736
Machinery, equipment and vehicles, net	122,607	120,918
Other, net	55,234	53,380
Total property, plant and equipment	265,797	263,035
Intangible fixed assets		
Goodwill	1,983	1,822
Other	42,046	39,204
Total intangible fixed assets	44,029	41,026
Investments and other assets		
Investment securities	24,679	26,279
Deferred tax assets	3,495	2,294
Assets for retirement benefits	1,555	2,880
Other	4,094	4,160
Allowance for doubtful accounts	-200	-213
Total investments and other assets	33,624	35,401
Total fixed assets	343,451	339,463
Total assets	855,483	857,703

(In million yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable-trade	61,033	64,555
Electronically-recorded monetary claims	60,881	70,155
Short-term loans	134,229	157,003
Accrued income taxes	4,544	4,716
Accrued bonuses for directors and statutory auditors	29	87
Other	60,486	64,933
Total current liabilities	321,205	361,451
Long-term liabilities		
Bonds	80,000	80,000
Long-term loans	179,802	133,217
Reserve for product defect compensation	408	488
Liabilities for retirement benefits	36,852	36,697
Other	20,790	22,884
Total long-term liabilities	317,853	273,287
Total liabilities	639,058	634,739
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	60,127	58,044
Treasury stock	-866	-856
Total shareholders' equity	181,578	179,504
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	1,044	1,162
Translation adjustments	16,025	26,197
Accrued retirement benefits adjustments	-797	-352
Total accumulated other comprehensive income	16,272	27,007
Non-controlling shareholders' equity	18,574	16,451
Total net assets	216,425	222,963
Total liabilities and net assets	855,483	857,703

(2) Consolidated statement of operation and consolidated statement of comprehensive income
(Consolidated income statements)
(Nine Months Ended December 31, 2022)

(In million yen)

	Nine months ended December 31, 2021 <small>(April 1, 2021 – December 31, 2021)</small>	Nine months ended December 31, 2022 <small>(April 1, 2022 – December 31, 2022)</small>
Net sales	468,126	569,422
Cost of sales	391,421	476,785
Gross profit	76,704	92,636
Selling, general and administrative expenses	74,162	82,745
Operating income	2,542	9,891
Non-operating income		
Interest income	648	845
Dividend income	590	268
Equity in earnings of unconsolidated subsidiaries	925	1,318
Derivative transaction gains	—	3,998
Other	2,465	2,091
Total non-operating income	4,629	8,523
Non-operating expenses		
Interest expenses	3,234	4,411
Foreign exchange losses	357	4,463
Other	1,800	2,128
Total non-operating expenses	5,393	11,003
Ordinary income	1,778	7,411
Extraordinary income		
Gain on sale of tangible fixed assets	^{*1} 3,803	—
Total extraordinary income	3,803	—
Extraordinary losses		
Business restructuring loss	—	^{*2} 924
Loss related to Anti-Monopoly Act	^{*3} 2,928	—
Total extraordinary losses	2,928	924
Income before income taxes and equity in earnings of affiliated companies	2,652	6,486
Income and other taxes	2,789	5,998
Net income/loss (-)	-137	488
Profit attributable to non-controlling shareholders	1,370	1,242
Profit/loss (-) attributable to owners of parent	-1,508	-754

(Consolidated income statements)
 (Nine Months Ended December 31, 2022)

(In million yen)

	Nine months ended December 31, 2021 <small>(April 1, 2021 – December 31, 2021)</small>	Nine months ended December 31, 2022 <small>(April 1, 2022 – December 31, 2022)</small>
Net income/loss (-)	-137	488
Other comprehensive income		
Net unrealized holding gain on other securities	-355	117
Translation adjustments	8,709	8,189
Accrued retirement benefits adjustments	571	449
Equity in equity-method affiliates	1,227	1,937
Total other comprehensive income	10,152	10,694
Comprehensive income	10,015	11,183
(breakdown)		
Comprehensive income attributable to owners of parent company	7,719	9,980
Comprehensive income related to non-controlling shareholders	2,295	1,202

(3) Statements of cash flows

(In million yen)

	Nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 – December 31, 2022)
Net cash provided by operating activities		
Income before income taxes and equity in earnings of affiliated companies	2,652	6,486
Depreciation and amortization	27,901	31,543
Goodwill depreciation	107	160
Business restructuring loss	—	924
Loss related to Anti-Monopoly Act	2,928	—
Increase/decrease (-) in allowance for doubtful accounts	14	-148
Increase/decrease (-) in accrued retirement benefits for Officers	-12	58
Increase/decrease (-) in reserve for product defect compensation	-688	79
Increase/decrease (-) in liabilities in retirement benefits	1,605	147
Decrease/increase (-) in assets for retirement benefits	—	-1,325
Interest and dividend income	-1,238	-1,114
Interest expenses	3,234	4,411
Foreign currency translation adjustments / foreign exchange losses/gains (-)	295	-2,256
Loss or gain (-) on derivative transactions	-631	-3,998
Equity in earnings (-) /loss of non-consolidated subsidiaries	-925	-1,318
Gain (-) or loss on sale of tangible fixed assets	-3,803	—
Decrease/increase (-) in trade receivables	7,733	18,081
Decrease/increase (-) in inventories	-25,416	-25,169
Increase/decrease (-) in trade payables	-6,381	11,154
Other	3,528	-923
Subtotal	10,906	36,792
Interest and dividend income received	1,507	1,931
Interest paid	-2,955	-3,939
Loss related to Anti-Monopoly Act	-3,121	—
Income taxes paid	-2,103	-5,618
Net cash provided by operating activities	4,232	29,166
Net cash used in investing activities		
Increase in time deposits	-1,019	-2,456
Decrease in time deposits	1,329	3,670
Purchases of property, plant and equipment	-11,474	-14,048
Proceeds from sale of property, plant and equipment	4,710	—
Purchase of intangible fixed assets	-4,597	-3,200
Proceeds from purchase of subsidiaries' stock resulting in change in scope of consolidati	1,200	—
Decrease/increase (-) in short-term loans receivable, net	24	37
Other	696	2,245
Net cash used in investing activities	-9,130	-13,751
Net cash provided by financing activities		
Increase/decrease (-) in short-term loans, net	-2,018	-12,622
Proceeds from long-term loans	12,172	15,540
Repayment of long-term loans	-37,813	-34,487
Dividend payment	—	-1,329
Repayment of lease payable	-1,551	-1,957
Proceeds from sale and leaseback	—	5,025
Other	-1,585	-3,315
Net cash provided by financing activities	-30,796	-33,146
Effect of exchange rate changes on cash and cash equivalents	1,698	1,541
Increase/decrease (-) in cash and cash equivalents	-33,996	-16,190
Cash and cash equivalents at beginning of the year	147,249	121,460
Cash and cash equivalents, at end of the quarter	113,253	105,270

(4) Notes to consolidated financial statements

(Notes to Going Concern Assumption)

None

(Notes to balance sheet)

1. Contingency liabilities

(Guarantee etc.)

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

	Year ended March 31, 2022	Nine months ended December 31, 2022
PT. Astra NTN Driveshaft Indonesia	707 million yen	749 million yen

(Lawsuits, etc.)

(1) 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 April 2022, Renault changed the claiming amount for damages to 58.3 million euros (provisional amount). This lawsuit was filed by 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.

(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. (Consolidated quarterly statements of income)

*1 3,803 million yen in gains from sale of tangible fixed assets was recorded as an extraordinary income in the previous third quarter of the consolidated fiscal year. This was the income of 3,729 million yen of land and building of headquarters and 73 million yen of others.

*2 In the previous consolidated cumulative third quarter, the Company recorded 924 million yen of business restructuring loss as an extraordinary loss. This is a loss due to the restructuring in production of consolidated subsidiaries.

*3 In the previous consolidated cumulative 3rd quarter, the Company has negotiated the compensation of damages with a part of customers in association with investigations by the authorities about the 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.

With regard to these settlements, the Company recorded 2,928 million yen in the previous consolidated cumulative 3rd quarter as Loss related to Anti-Monopoly Act in Extraordinary Losses.

(Notes related to significant changes in shareholder's equity)

None

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

(Calculation of tax expenses)

Regarding tax expenses, we estimate a reasonable effective tax rate after adopting tax effect accounting for income before income taxes of the full fiscal year including the nine months ended December 31, 2022. By multiplying the effective tax rate with quarterly income before income taxes, we calculate the tax expenses. 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 by using the statutory effective tax rate.

(Additional Information)

(Application of tax effect accounting in relation to the transition from the consolidated tax payment system to the Group taxation system)

The Company and some of its domestic subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system from the current first quarter ended June 30, 2022. Therefore, corporate and local corporate taxes, and tax-effect accounting are accounted for and disclosed in accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021. Hereafter “PITF 42”). In addition, based on Article 32 (1) of PITF 42, we assume that there is no effect of the change in accounting policies due to PITF 42.

(Accounting estimates regarding COVID-19 infection)

There is no significant change in the assumptions regarding the impact of the spread of COVID-19 infections, which was included in the additional information in the previous consolidated financial year’s securities report.

(Segment Information)

I. Nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)

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

(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	137,908	127,582	100,901	101,733	468,126	—	468,126
Inter-segment sales or transfers	101,886	771	3,055	6,762	112,474	(112,474)	—
Total	239,794	128,354	103,956	108,495	580,600	(112,474)	468,126
Segment income (Operating income/ loss(-))	5,569	-6,902	-3,720	10,569	5,516	(2,974)	2,542

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

2. Information on impairment loss of fixed assets, goodwill, etc. by reporting segment

(Important difference of the amount of goodwill)

In the segment of Japan, the amount of goodwill regarding business combination with Taira Forging Co., Ltd. in the first quarter under review was provisionally calculated, as distribution of the acquisition price was not completed. It was completed in the second quarter and the amount of goodwill was changed to 2,143 million yen from 1,667 million yen.

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

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

(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	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 |

(Significant Subsequent Events)

None

3. Supplementary information

(1) Explanatory materials

(in million yen)

		FY2021						FY2022				
		1Q	2Q	3Q	Nine months total	4Q	Full year	1Q	2Q	3Q	Nine months total	
Consolidated operating results (Lower: Net sales ratio)	Net Sales	156,623	149,172	162,329	468,126	173,897	642,023	172,614	199,087	197,720	569,422	
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	Operating income	1,654	-46	934	2,542	4,337	6,880	-783	4,644	6,030	9,891	
		1.1%	-0.0%	0.6%	0.5%	2.5%	1.1%	-0.5%	2.3%	3.1%	1.7%	
	Ordinary income	2,554	-852	76	1,778	5,036	6,815	10	3,582	3,817	7,411	
	1.6%	-0.6%	0.0%	0.4%	2.9%	1.1%	0.0%	1.8%	1.9%	1.3%		
Extraordinary income/loss	—	-98	972	874	9,930	10,804	—	—	-924	-924		
	—	-0.1%	0.6%	0.2%	5.7%	1.7%	—	—	-0.5%	-0.2%		
Profit attributable to owners of parent	1,184	-2,232	-459	-1,508	8,849	7,341	-2,487	853	879	-754		
	0.8%	-1.5%	-0.3%	-0.3%	5.1%	1.1%	-1.4%	0.4%	0.4%	-0.1%		
Net sales by region (Lower: Net sales ratio)	Japan	44,492	41,876	47,072	133,441	47,314	180,756	44,327	51,189	52,617	148,135	
		28.4%	28.1%	29.0%	28.5%	27.2%	28.2%	25.7%	25.7%	26.6%	26.0%	
	Americas	42,707	42,595	44,895	130,198	51,016	181,214	55,352	63,218	62,768	181,339	
		27.3%	28.6%	27.7%	27.8%	29.3%	28.2%	32.1%	31.8%	31.7%	31.8%	
	Europe	33,305	28,790	29,608	91,704	35,351	127,056	36,087	35,893	37,706	109,687	
	21.3%	19.3%	18.2%	19.6%	20.3%	19.8%	20.9%	18.0%	19.1%	19.3%		
Asia and other areas	36,118	35,909	40,753	112,781	40,214	152,996	36,846	48,786	44,627	130,259		
	23.1%	24.1%	25.1%	24.1%	23.1%	23.8%	21.3%	24.5%	22.6%	22.9%		
Total	156,623	149,172	162,329	468,126	173,897	642,023	172,614	199,087	197,720	569,422		
	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 location	Japan	Net sales	80,006	75,524	84,263	239,794	81,320	321,115	86,634	91,221	95,559	273,415
		Operating income	1,512	512	3,544	5,569	2,051	7,621	5,666	2,173	6,517	14,356
		Operating margin	1.9%	0.7%	4.2%	2.3%	2.5%	2.4%	6.5%	2.4%	6.8%	5.3%
	Americas	Net sales	42,216	42,015	44,122	128,354	50,289	178,643	54,776	62,334	61,784	178,895
		Operating income	-1,238	-2,795	-2,867	-6,902	-525	-7,427	-3,277	-2,095	-1,857	-7,230
		Operating margin	-2.9%	-6.7%	-6.5%	-5.4%	-1.0%	-4.2%	-6.0%	-3.4%	-3.0%	-4.0%
	Europe	Net sales	37,496	33,011	33,448	103,956	39,490	143,447	39,975	39,884	42,929	122,790
		Operating income	-304	-886	-2,528	-3,720	-545	-4,265	-1,483	-808	-1,286	-3,577
		Operating margin	-0.8%	-2.7%	-7.6%	-3.6%	-1.4%	-3.0%	-3.7%	-2.0%	-3.0%	-2.9%
	Asia and other areas	Net sales	34,234	34,485	39,775	108,495	38,814	147,310	34,879	48,130	43,040	126,049
		Operating income	3,941	3,046	3,581	10,569	3,521	14,090	2,100	4,686	2,997	9,784
		Operating margin	11.5%	8.8%	9.0%	9.7%	9.1%	9.6%	6.0%	9.7%	7.0%	7.8%
	Deletion	Net sales	-37,330	-35,864	-39,279	-112,474	-36,018	-148,493	-43,651	-42,483	-45,592	-131,728
		Operating income	-2,256	77	-795	-2,974	-164	-3,139	-3,789	688	-340	-3,441
	Total	Net sales	156,623	149,172	162,329	468,126	173,897	642,023	172,614	199,087	197,720	569,422
Operating income		1,654	-46	934	2,542	4,337	6,880	-783	4,644	6,030	9,891	
Operating margin		1.1%	-0.0%	0.6%	0.5%	2.5%	1.1%	-0.5%	2.3%	3.1%	1.7%	

(in million yen)

			FY2021						FY2022				
			1Q	2Q	3Q	Nine months total	4Q	Full year	1Q	2Q	3Q	Nine months total	
Net sales / Operating income by business applications	Aftermarket	Net sales	26,981	27,107	27,980	82,069	30,126	112,196	32,341	33,551	33,127	99,020	
		Operating income	3,415	3,453	3,675	10,544	4,123	14,668	4,617	5,347	5,739	15,704	
		Operating margin	12.7%	12.7%	13.1%	12.8%	13.7%	13.1%	14.3%	15.9%	17.3%	15.9%	
	Industrial machinery	Net sales	30,701	30,388	31,290	92,381	33,723	126,104	34,120	34,961	33,766	102,848	
		Operating income	465	919	1,323	2,708	1,365	4,074	1,237	1,453	2,239	4,930	
		Operating margin	1.5%	3.0%	4.2%	2.9%	4.1%	3.2%	3.6%	4.2%	6.6%	4.8%	
	Automotive	Net sales	98,941	91,675	103,058	293,675	110,047	403,722	106,152	130,574	130,826	367,553	
		Operating income	-2,226	-4,419	-4,064	-10,710	-1,152	-11,862	-6,638	-2,156	-1,947	-10,743	
		Operating margin	-2.3%	-4.8%	-3.9%	-3.6%	-1.0%	-2.9%	-6.3%	-1.7%	-1.5%	-2.9%	
	Total	Net sales	156,623	149,172	162,329	468,126	173,897	642,023	172,614	199,087	197,720	569,422	
		Operating income	1,654	-46	934	2,542	4,337	6,880	-783	4,644	6,030	9,891	
		Operating margin	1.1%	-0.0%	0.6%	0.5%	2.5%	1.1%	-0.5%	2.3%	3.1%	1.7%	
Capital expenditures / Depreciation and amortization	Capital expenditures		4,105	3,993	4,194	12,293	7,516	19,809	5,126	4,379	4,659	14,165	
	Depreciation and amortization	Domestic	3,456	3,608	3,569	10,634	4,064	14,698	4,090	4,128	4,162	12,382	
		Overseas	5,584	5,810	5,872	17,267	5,933	23,200	6,254	6,453	6,453	19,160	
	Total		9,040	9,418	9,442	27,901	9,997	37,898	10,344	10,582	10,615	31,543	
R&D expenditures			4,502	4,149	4,426	13,078	4,365	17,444	4,538	4,662	4,806	14,007	
Ratio of R&D expenditures to net sales			2.9%	2.8%	2.7%	2.8%	2.5%	2.7%	2.6%	2.3%	2.4%	2.5%	
Inventories			191,351	201,507	207,123	207,123	214,843	214,843	242,114	247,578	247,659	247,659	
Inventory turnover ratio (times)			3.3	3.0	3.1	3.0	3.2	3.0	2.9	3.2	3.2	3.1	
Interest- bearing debts	Loans		328,714	322,418	318,513	318,513	314,031	314,031	324,705	302,970	290,221	290,221	
	Bonds		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	
	Total		408,714	402,418	398,513	398,513	394,031	394,031	404,705	382,970	370,221	370,221	
Major management indicators	Ordinary income ratio to total assets		1.2%	-0.4%	0.0%	0.3%	2.4%	0.8%	0.0%	1.6%	1.8%	1.2%	
	Return on assets (ROA)		0.6%	-1.1%	-0.2%	-0.2%	4.2%	0.9%	-1.1%	0.4%	0.4%	-0.1%	
	Return on equity (ROE)		2.7%	-5.2%	-1.1%	-1.2%	18.8%	4.0%	-4.8%	1.6%	1.7%	-0.5%	
	Shareholder's equity ratio		20.8%	20.8%	21.5%	21.5%	23.1%	23.1%	23.8%	24.5%	24.1%	24.1%	
	Net assets per share (yen)		328.44	323.90	335.61	335.61	372.70	372.70	400.96	409.28	388.99	388.99	
	Net income per share (yen)		2.23	-4.21	-0.87	-2.84	16.67	13.83	-4.69	1.61	1.66	-1.42	
Employees	Domestic	(persons)	8,837	8,737	8,694	8,694	8,579	8,579	8,656	8,570	8,507	8,507	
	Overseas	(persons)	14,485	14,502	14,494	14,494	14,804	14,804	14,834	14,813	14,844	14,844	
	Total	(persons)	23,322	23,239	23,188	23,188	23,383	23,383	23,490	23,383	23,351	23,351	
Exchange rates	Average	Dollar	(yen)	109.44	110.08	113.67	111.06	116.17	112.34	129.59	138.29	141.58	136.49
		Euro	(yen)	131.89	129.79	130.04	130.57	130.41	130.53	138.08	139.33	144.23	140.54
	At term end	Dollar	(yen)	110.58	111.97	115.10	115.10	121.89	121.89	136.57	144.47	133.02	133.02
		Euro	(yen)	131.55	129.85	130.35	130.35	136.01	136.01	142.59	141.84	141.84	141.84