

Consolidated Financial Results for the Third Quarter of FY2020

February 1, 2021
NTN Corporation

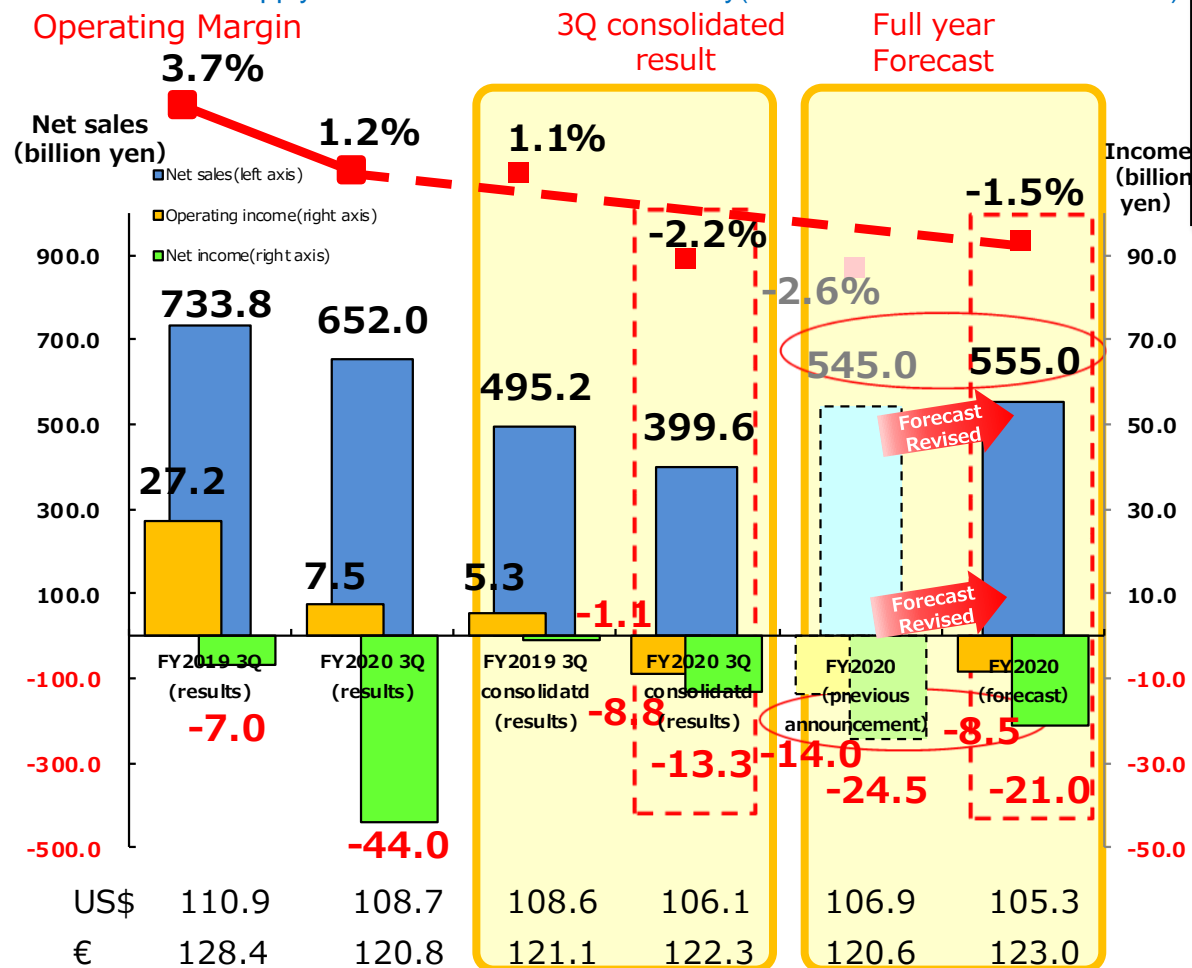
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Outline

Sales: Decreased drastically due to new coronavirus YoY. In 3Q, sales increased in automotive and industrial machinery YoY.

Profit: Decreased due to significant decline in sales volume YoY. In 3Q, focused on controlling increase of fixed cost and improving in valuable cost and make all businesses profitable compared to 2Q.

Full year forecast: Improved due to the increase. Estimated maximum effect of global short supply of semiconductor conservatively(-¥10.0bn in automotive business)



FY2020 3Q consolidated results
 Figures in brackets are FY2019 results
 Net Sales: **¥399.6bn** (¥495.2bn)
 Operating Income: **-¥8.8bn** (¥5.3bn)
 Net Income: **-¥13.3bn** (-¥1.1bn)

FY2020 3Q results
 Figures in brackets are FY2019 results
 Net Sales: **¥160.3bn** (¥160.5bn)
 Operating Income: **¥3.5bn** (¥0.6bn)
All businesses became profitable
 Net Income: **¥1.1bn** (-¥2.3bn)

FY2020 forecast
 Figures in brackets are FY2019 results
 Net Sales: **¥555.0bn** (¥652.0bn)
 Operating Income: **-¥8.5bn** (¥7.5bn)
 Net Income: **-¥21.0bn** (-¥44.0bn)
Estimated effect of semiconductor conservatively

★Financial Results for the Third Quarter of FY2020 Key Factors

- 1. Consolidated Statements of Operation**
- 2. Net Sales by Region**
- 3. Net Sales and Operating Income by Business Sector**
- 4. Results by Business Sector (Quarterly Trend)**
- 5. Analysis of Operating Income**
- 6. Net Sales and Operating Income by Company Location**
 - (1)Japan, Americas**
 - (2)Europe, Asia & Others**
- 7. Inventories**
- 8. Capital Expenditure and Depreciation**
- 9. Interest-Bearing Debt**
- 10. Cash Flows**

Results of FY2020 Third Quarter (April–December)

- ◇ Net sales: **¥399.6 billion**
 - Decrease of **-¥95.6 billion**, year-on-year
(Excluding exchange rates: decrease of **-¥91.0 billion**)
- ◇ Operating income: **-¥8.8 billion**
 - Decrease of **-¥14.1 billion**, year-on-year
(Excluding exchange rates: decrease of **-¥11.4 billion**)
- ◇ Ordinary income: **-¥10.9 billion**
 - Decrease of **-¥11.9 billion**, year-on-year
(Excluding exchange rates: decrease of **-¥9.1 billion**)
- ◇ Net income attributable to shareholder(parent company): **-¥13.3 billion**
 - Decrease of **-¥12.2 billion**, year-on-year
(Excluding exchange rates: Decrease of **-¥10.2 billion**)
- ◇ Free cash flow: **-¥2.1 billion**, increase of **¥22.2 billion**, year-on-year

Revised FY2020 Full Year Forecast

- ◇ Net sales: **¥555.0 billion**
Increase of **¥10.0 billion** compared with previous announcement (¥545.0 billion)
- ◇ Operating income: **-¥8.5 billion**,
Increase of **¥5.5 billion** compared with previous announcement (-¥14.0 billion)
- ◇ Extraordinary income: **-¥3.5 billion**
No revise from the previous announcement
- ◇ Net income attributable to shareholder (parent company): **-¥21.0 billion**,
Increase of **¥3.5 billion** compared with previous announcement (-¥24.5 billion)
- ◇ In regards to dividends, the Company plans **¥0** for this fiscal year
- ◇ Exchange-rate from the third quarter:
1USD = **¥103** (previous announcement, ¥107)
1EURO = **¥125** (previous announcement, ¥120)

1. Consolidated Statements of Operation

(billion yen)

	FY2019			FY2020			Year on Year		
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast	FY2020 1-3Q		
		①			②		②-①		
							Total	Excl.Forex	Forex
Net sales	160.5	495.2	652.0	160.3	399.6	555.0	-95.6	-91.0	-4.6
Operating income	0.6	5.3	7.5	3.5	-8.8	-8.5	-14.1	-11.4	-2.7
Operating margin	(0.4%)	(1.1%)	(1.2%)	(2.2%)	(-2.2%)	(-1.5%)	(-3.3%)		
Ordinary income	-1.9	1.0	-1.7	2.5	-10.9	-12.5	-11.9	-9.1	-2.7
Extraordinary income/loss	-0.0	-0.7	-32.3	-0.1	0.5	-3.5	1.1	1.1	0.0
Net income attributable to shareholder	-2.3	-1.1	-44.0	1.1	-13.3	-21.0	-12.2	-10.2	-2.0
Exchange rate	US \$	108.7	108.6	108.7	104.5	106.1	105.3	-2.6	
	EURO	120.3	121.1	120.8	124.5	122.3	123.0	1.3	

2. Net Sales by Region

(billion yen)

	FY2019			FY2020			Year on Year		
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast	FY2020 1-3Q		
		①			②		②-①		
							Total	Excl.Forex	Forex
Japan	49.3	149.4	198.1	46.6	115.6	162.0	-33.8	-33.8	-
Americas	40.6	131.3	174.3	41.4	102.2	144.0	-29.1	-25.8	-3.3
Europe	33.6	105.8	140.8	33.4	81.6	115.0	-24.2	-25.0	0.8
Asia and others	37.0	108.7	138.7	39.0	100.1	134.0	-8.6	-6.4	-2.1
Total	160.5	495.2	652.0	160.3	399.6	555.0	-95.6	-91.0	-4.6

3. Net Sales and Operating Income by Business Sector

<Net Sales by Business Sector>

(billion yen)

	FY2019			FY2020			Year on Year		
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2020 1-3Q ②-①		
							Total	Excl.Forex	Forex
Aftermarket	26.6	82.6	109.4	23.9	66.8	91.0	-15.9	-15.2	-0.6
Industrial machinery	24.6	78.5	105.2	24.9	71.7	98.0	-6.8	-6.2	-0.5
Automotive	109.3	334.0	437.3	111.6	261.0	366.0	-73.0	-69.5	-3.5
Total	160.5	495.2	652.0	160.3	399.6	555.0	-95.6	-91.0	-4.6

<Operating Income by Business Sector>

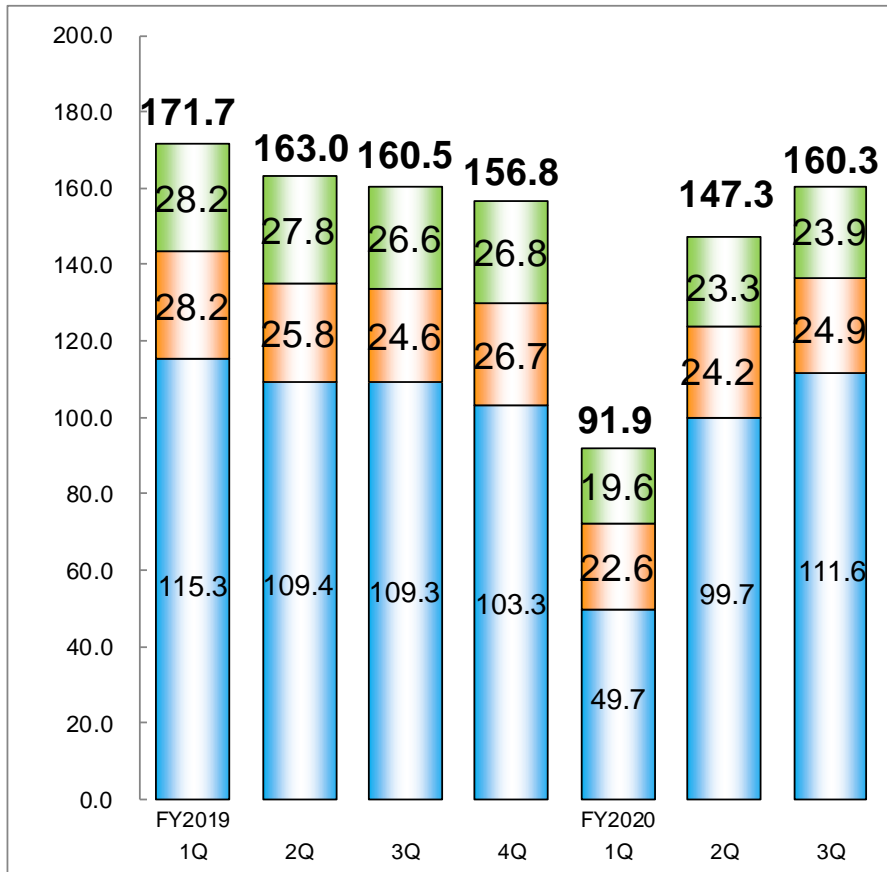
	FY2019			FY2020			Year on Year
	3Q Results	1-3Q Results ①	Full year Results	3Q Results	1-3Q Results ②	Full year Forecast	FY2020 1-3Q ②-①
Aftermarket	2.8	9.4	12.8	3.3	5.5	8.5	-3.9
Industrial machinery	-0.6	-1.7	-1.9	0.0	-1.3	-1.0	0.4
Automotive	-1.6	-2.5	-3.4	0.2	-13.0	-16.0	-10.5
Total	0.6	5.3	7.5	3.5	-8.8	-8.5	-14.1

4. Results by Business Sector (Quarterly Trend)

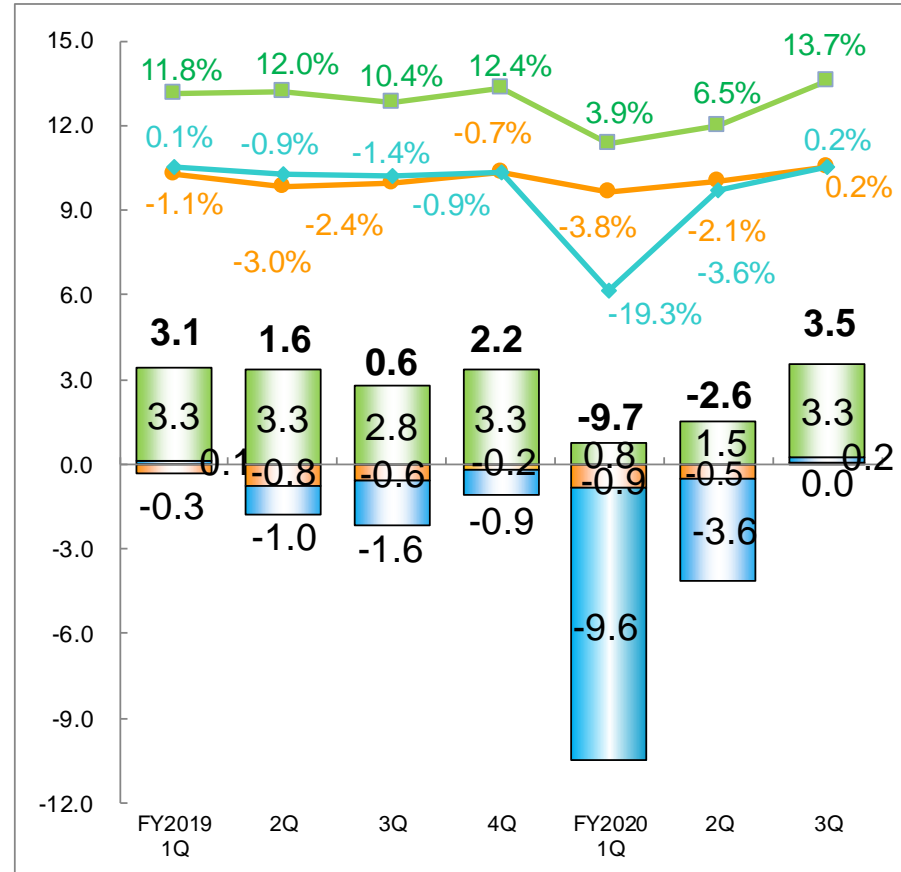
* All figures in billion yen.

Automotive Industrial Machinery Aftermarket

Net Sales



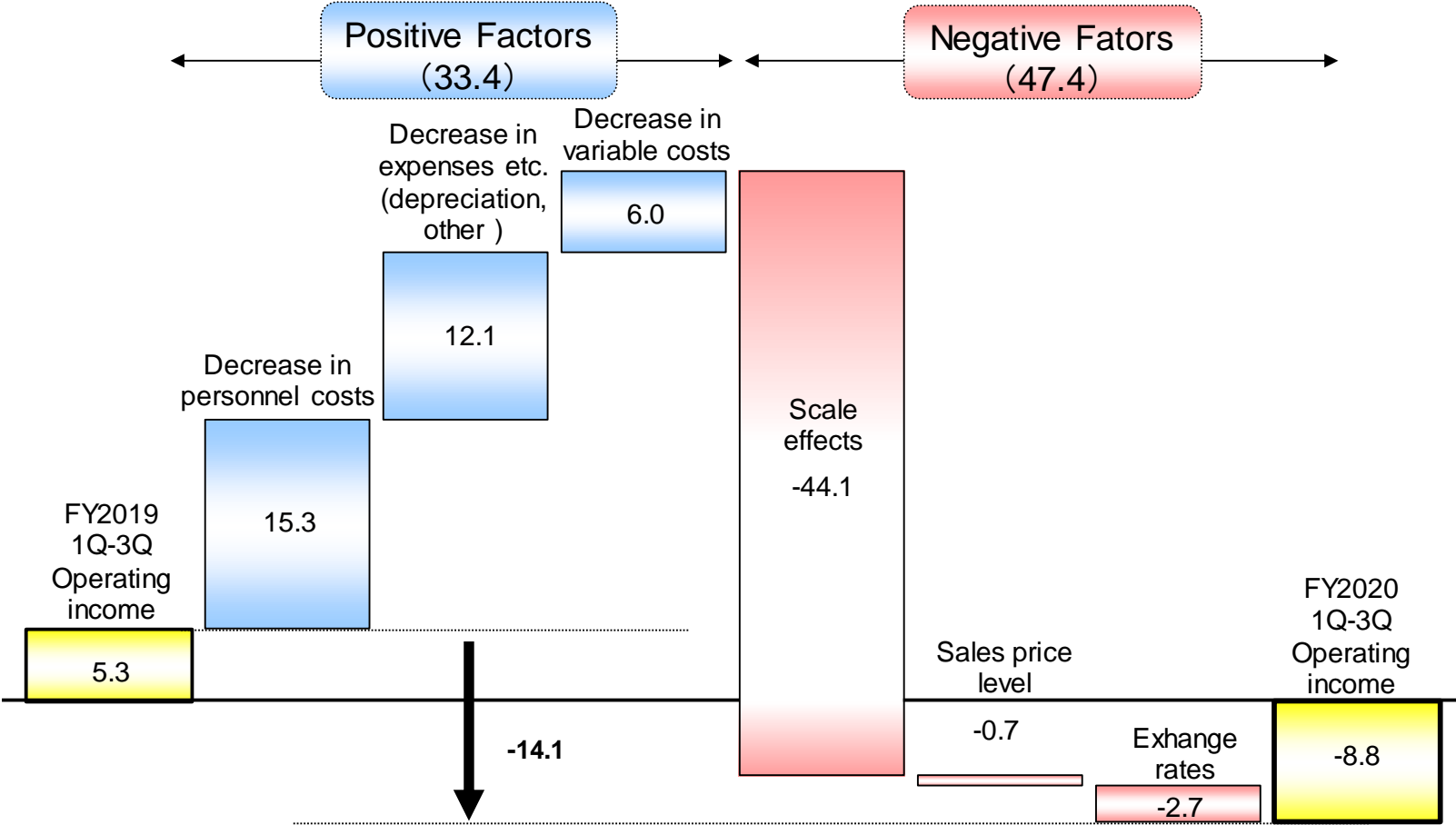
Operating Income/Operating Margin



5-1. Analysis of Operating Income (FY2019 1Q-3Q vs FY2020 1Q-3Q)

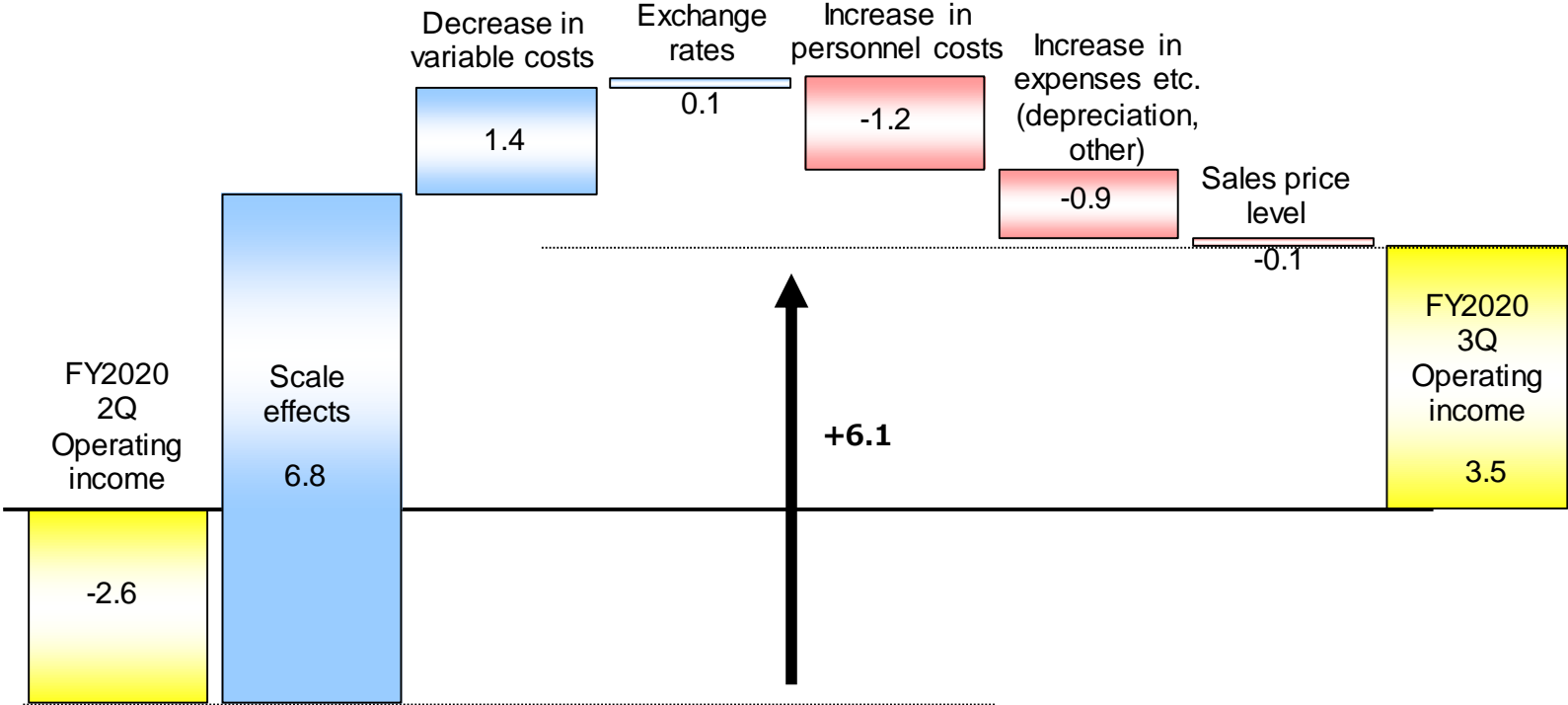
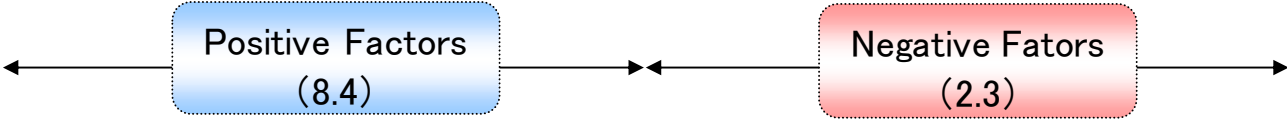


* All figures in billion yen.



5-2. Analysis of Operating Income (FY2020 2Q vs FY2020 3Q) NTN

* All figures in billion yen.

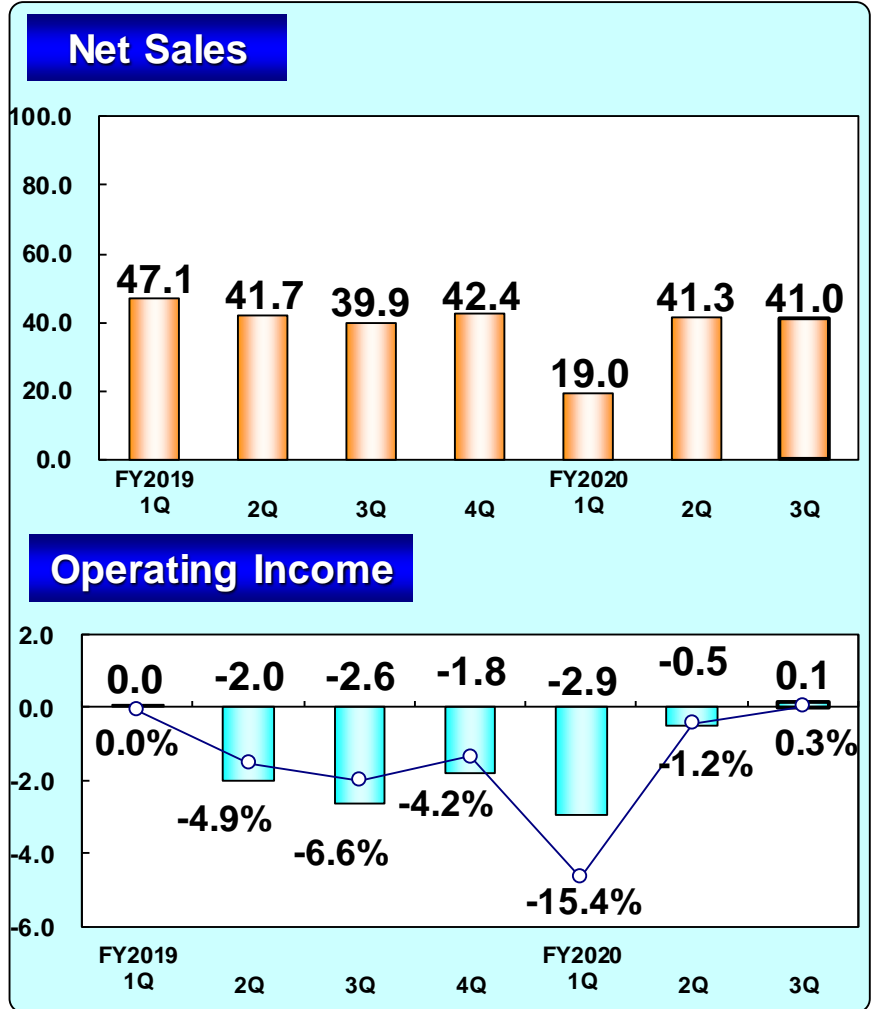
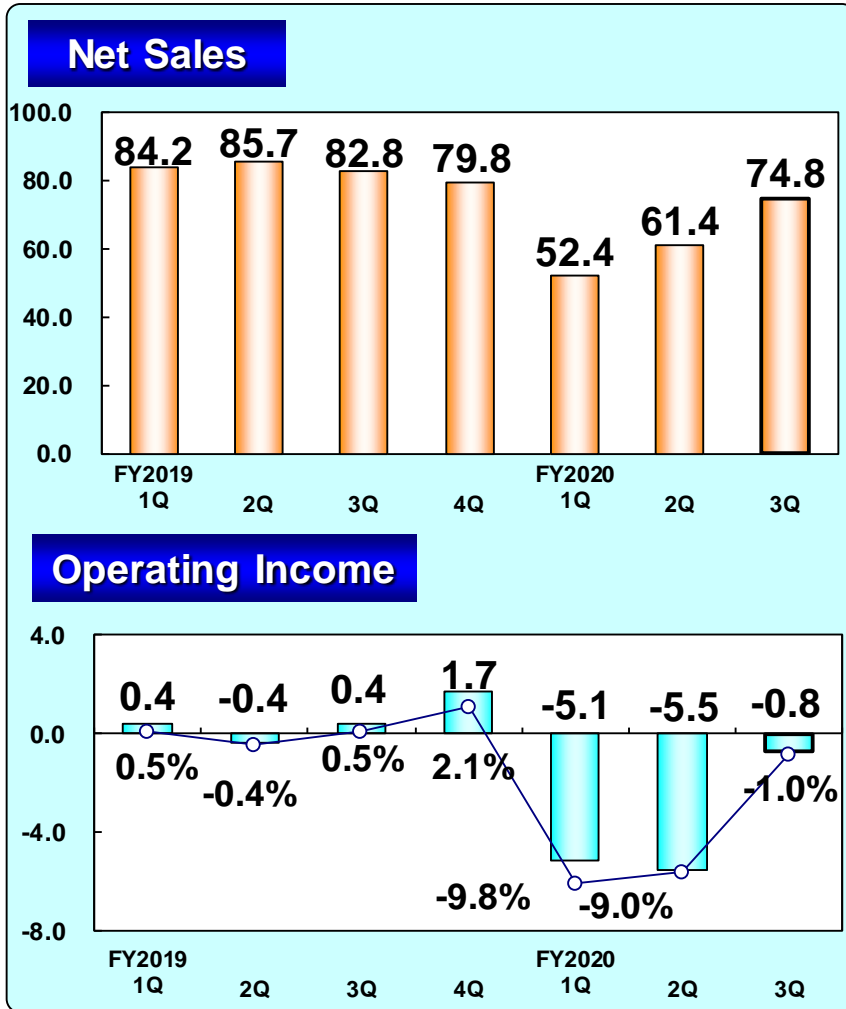


6-1. Net Sales and Operating Income by Company Location

* All figures in billion yen

《 Japan 》

《 Americas 》

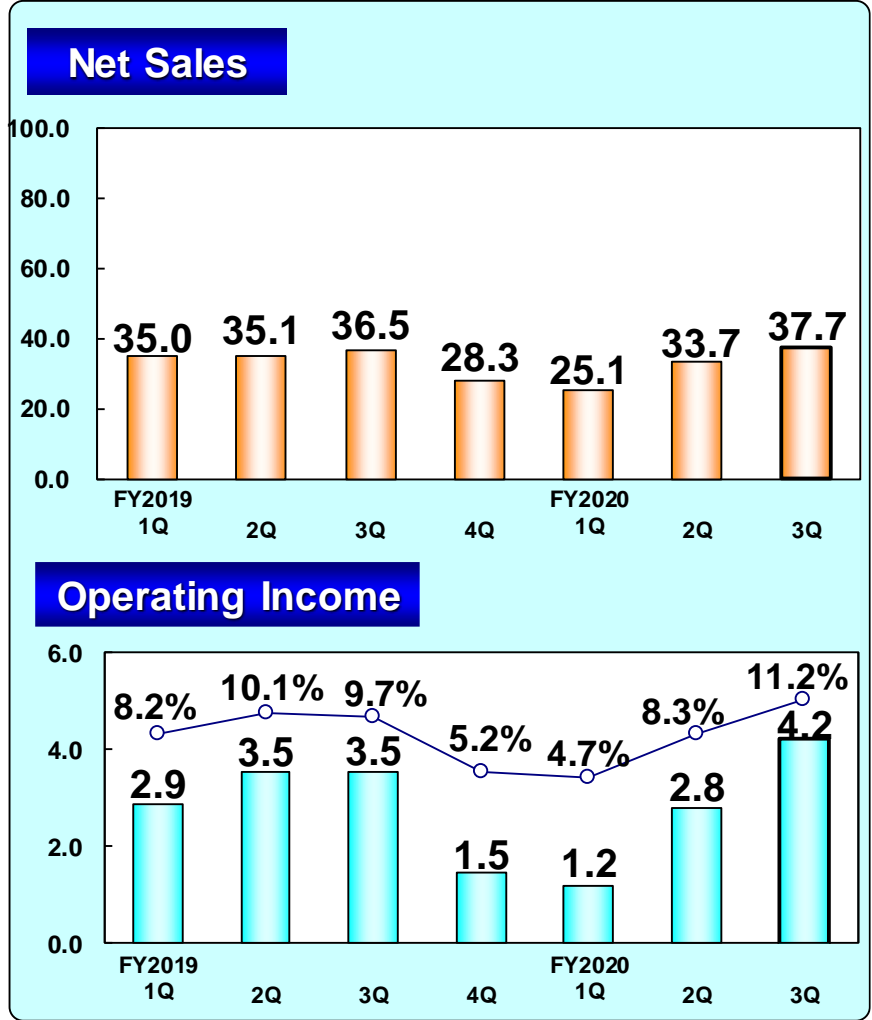
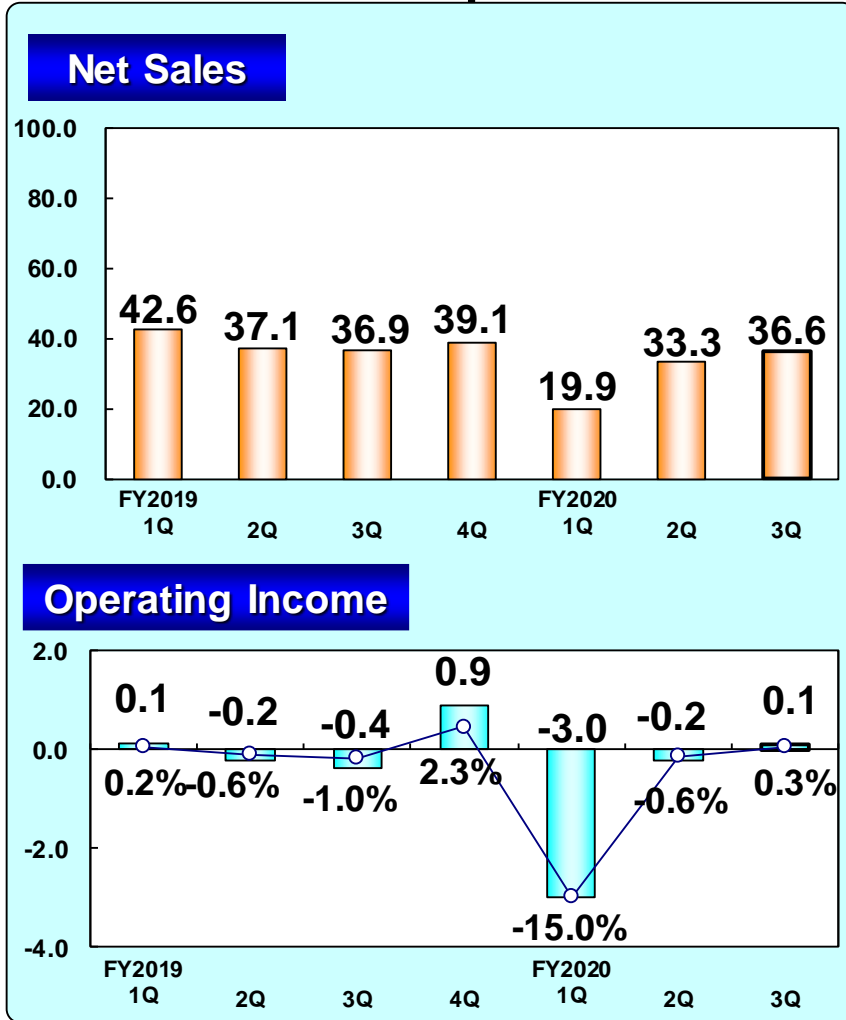


6-2. Net Sales and Operating Income by Company Location

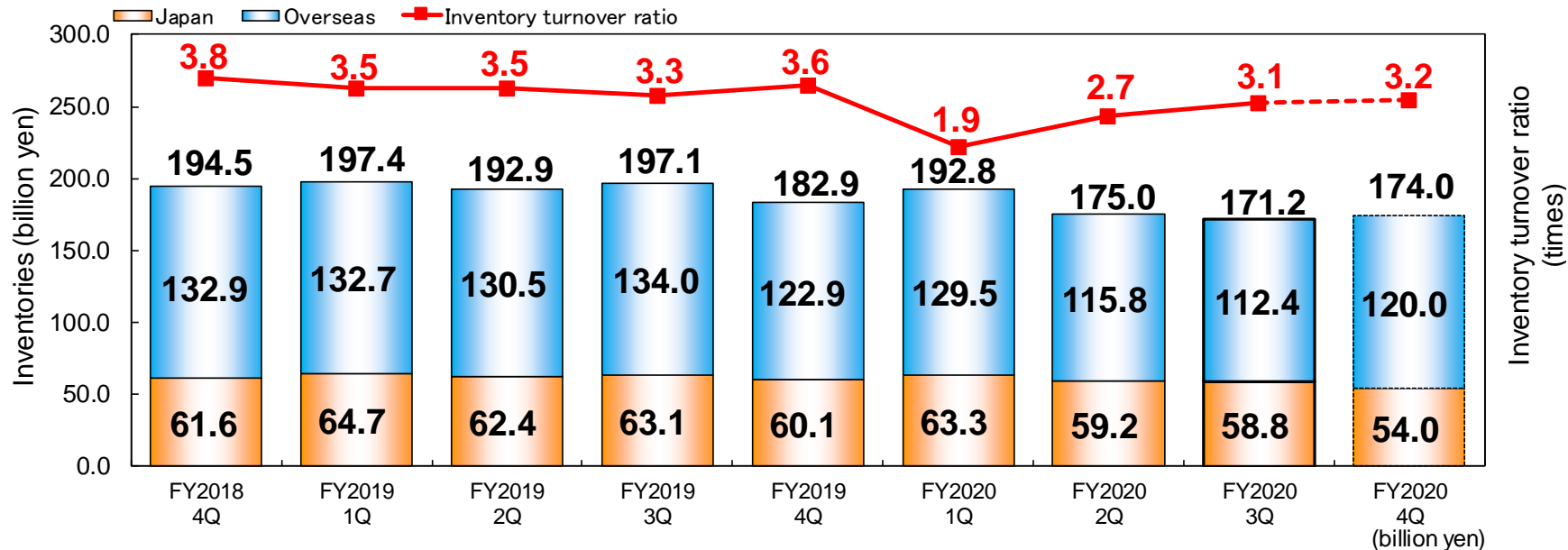
* All figures in billion yen

《 Europe 》

《 Asia and others 》

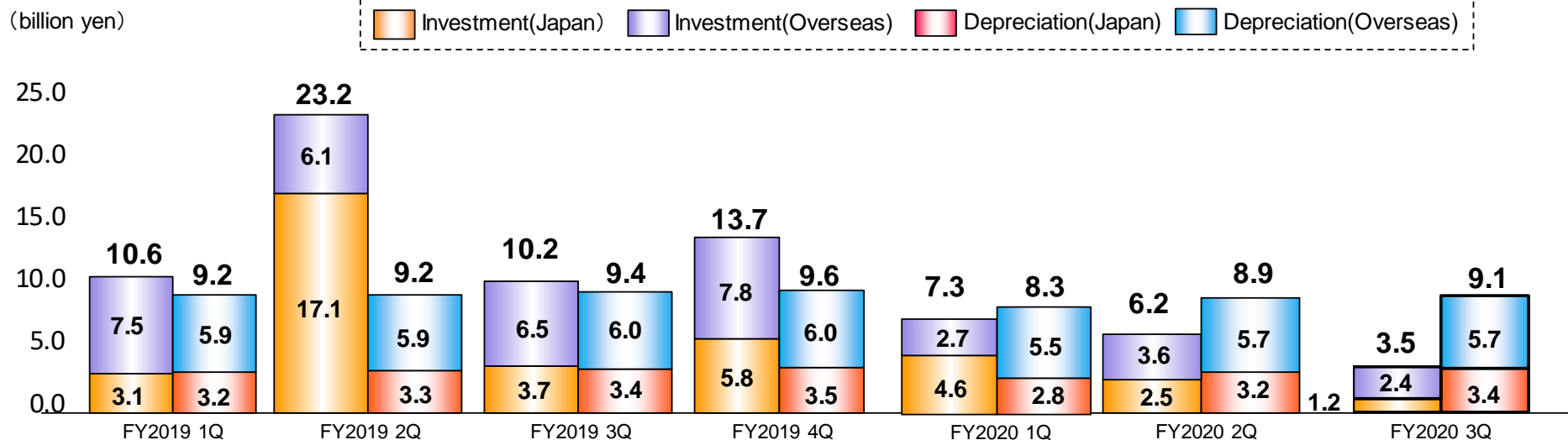


7. Inventories



	FY2018 4Q Results	FY2019 1Q Results	FY2019 2Q Results	FY2019 3Q Results	FY2019 4Q Results	FY2020 1Q Results	FY2020 2Q Results	FY2020 3Q Results	FY2020 4Q Forecast
Inventories	194.5	197.4	192.9	197.1	182.9	192.8	175.0	171.2	174.0
(Overseas)	(132.9)	(132.7)	(130.5)	(134.0)	(122.9)	(129.5)	(115.8)	(112.4)	(120.0)
(Japan)	(61.6)	(64.7)	(62.4)	(63.1)	(60.1)	(63.3)	(59.2)	(58.8)	(54.0)
Inventory turnover ratio (times)	3.8	3.5	3.5	3.3	3.6	1.9	2.7	3.1	3.2

8. Capital Expenditure and Depreciation



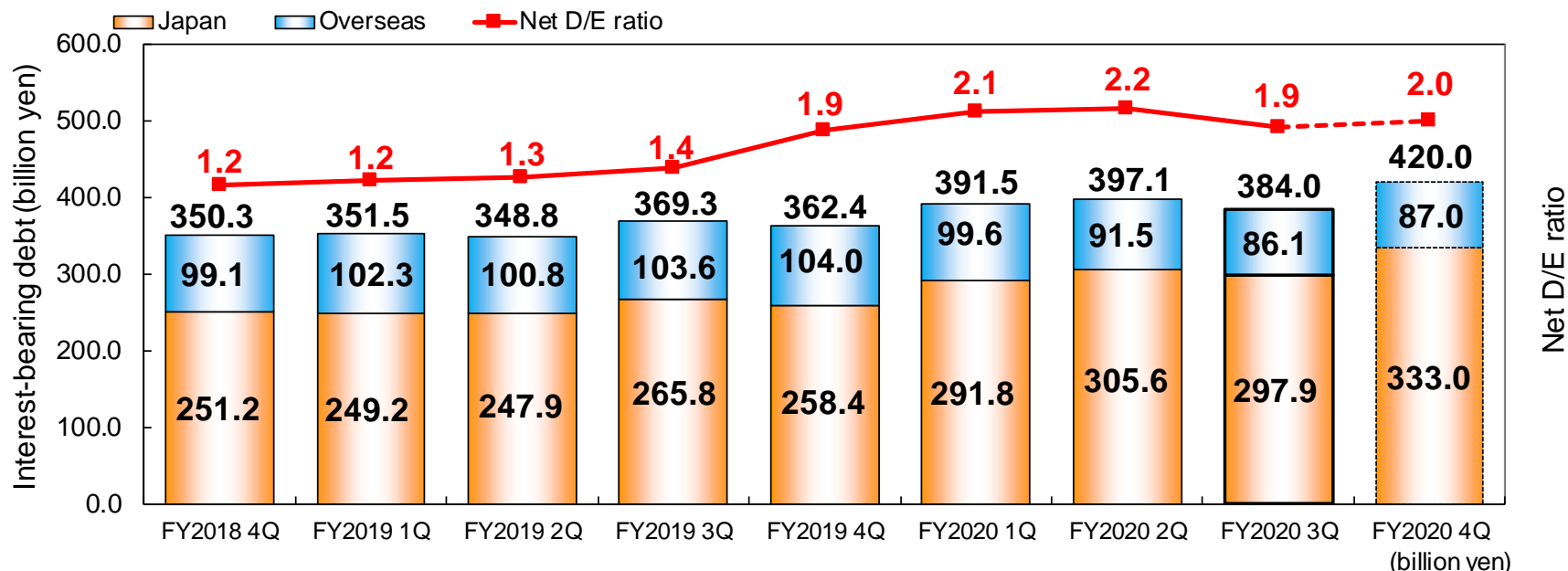
(billion yen)

	FY2019		FY2020	Year on Year	FY2020
	①1-3Q	Full year	②1-3Q	②-①	Full year forecast
Capital expenditure	44.0	57.7	※17.0	-27.0	※20.0
(Overseas)	(20.1)	(28.0)	(8.7)	(-11.4)	(11.0)
(Japan)	(23.9)	(29.7)	(8.3)	(-15.6)	(9.0)

※In addition, intangible fixed assets of ¥6.2 billion (1Q-3Q) and ¥8.5 billion (full year forecast)

	FY2019		FY2020	Year on Year	FY2020
	①1-3Q	Full year	②1-3Q	②-①	Full year forecast
Depreciation	27.7	37.3	26.3	-1.5	35.5
(Overseas)	(17.8)	(23.9)	(16.9)	(-1.0)	(22.5)
(Japan)	(9.9)	(13.4)	(9.4)	(-0.5)	(13.0)

9. Interest-Bearing Debt

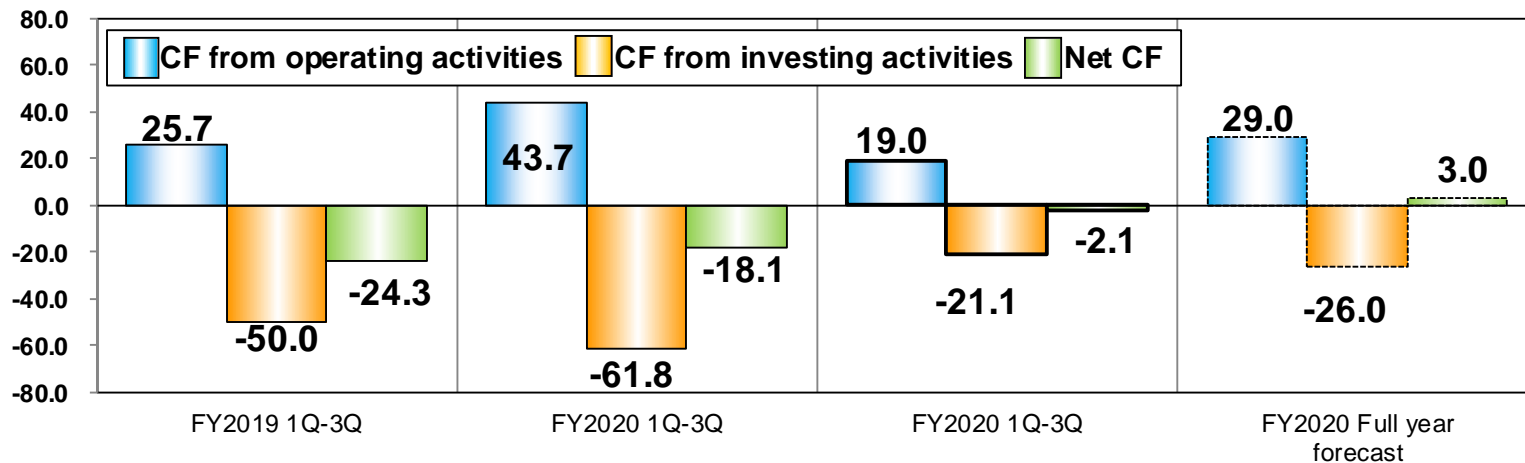


	FY2018 4Q Results	FY2019 1Q Results	FY2019 2Q Results	FY2019 3Q Results	FY2019 4Q Results	FY2020 1Q Results	FY2020 2Q Results	FY2020 3Q Results	FY2020 4Q Forecast
Interest-bearing debt	350.3	351.5	348.8	369.3	362.4	391.5	397.1	384.0	420.0
(Oversea)	(99.1)	(102.3)	(100.8)	(103.6)	(104.0)	(99.6)	(91.5)	(86.1)	(87.0)
(Japan)	(251.2)	(249.2)	(247.9)	(265.8)	(258.4)	(291.8)	(305.6)	(297.9)	(333.0)
Net interest-bearing debt	266.9	268.6	273.2	297.0	291.3	311.3	317.4	292.4	290.0

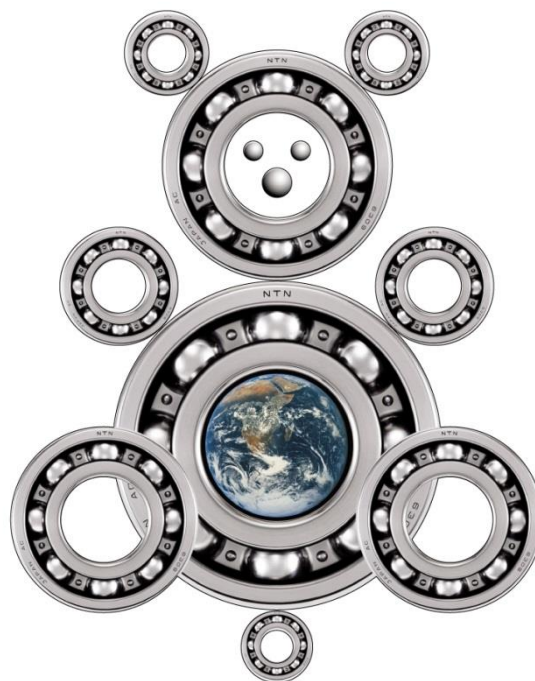
When taking into account a part of the subordinated bonds through public offering that is recognized as equity(50%) in Net D/E ratio(2.0) at the end of March, 2021, Net D/E ratio is 1.6.

10. Cash Flows

(billion yen)	FY2019		FY2020	②-①	FY2020
	①1-3Q	Full year	①1-3Q		Full year forecast
I. Cash flow from operating activities	25.7	43.7	19.0	-6.7	29.0
II. Cash flow from investing activities	-50.0	-61.8	-21.1	28.9	-26.0
I + II. Net cash flow	-24.3	-18.1	-2.1	22.2	3.0
III. Cash flow from financing activities	13.5	7.4	21.5	7.9	55.0
IV. Effect of exchanging rate translation on cash and cash equivalents	-0.4	-1.7	1.1	1.5	1.1
V. Net increase in cash and cash equivalents	-11.2	-12.3	20.4	31.6	59.1



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