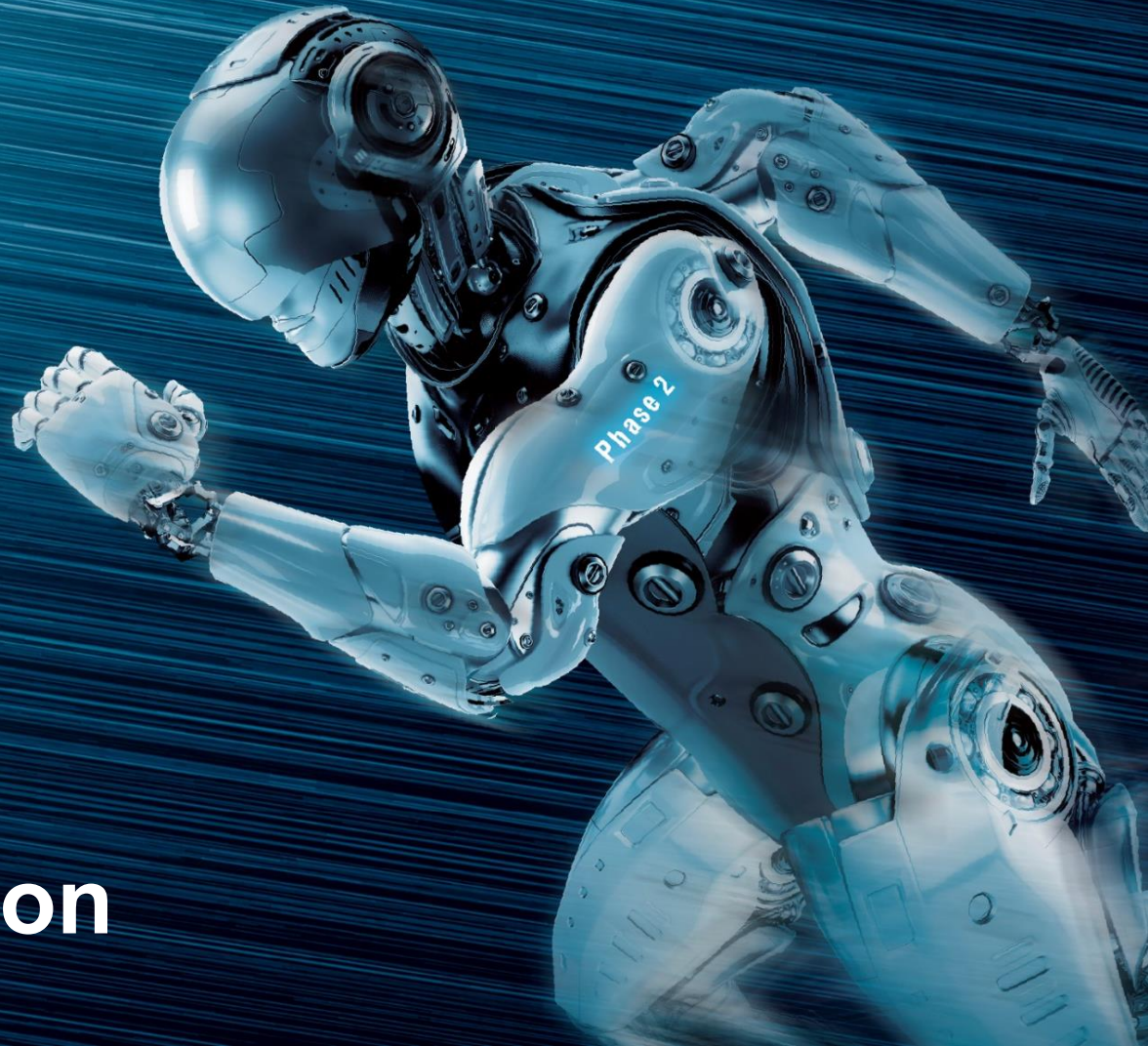


Consolidated Financial Results of FY2021

NTN
Make the world **NAMERAKA**



May 18, 2022

NTN Corporation

- I. Key Point of Financial Result and Progress of “DRIVE NTN100” Phase 2
- II. Financial Result of FY2021 and Forecast of FY2022

1. Key Points of Fiscal Year Ended March 31, 2022

Despite the impact of rise of raw material prices, recovered by procurement reforms and improved selling prices in 4Q

Key Point of FY2021

- ✓ Automobiles decreased more than expected due to the impact of the new coronavirus, semiconductor shortage, and Russia's invasion in Ukraine at the end of the fiscal year. **On the other hand, sales increased compared with the announcement, and industrial machinery and AM were steady, and sales increased compared with the previous fiscal year.**
- ✓ Cost of raw materials such as steel rose sharply. Cost cutting was not sufficient. **NTN made a significant recovery in 4Q by improving selling prices. Operating income exceeded the announcement and was higher compared to previous fiscal year**
- ✓ Proceeded with asset sales, such as strategic shareholdings, and **profit attributable to owners of parent was higher than announcement**
- ✓ Inventory increased due to disruption of customer supply chain, restraining capital investment and **FCF became profitable**

(billion yen)	FY2020	FY2021				
	Results	Results	Year on year	Previous forecast at 3Q	Difference	4Q Results
Net sales	562.8	642.0	+79.2(+14%) Excl. forex 51.1(+9%)	630.0	12.0(+19%) Excl. forex+6.8(+1%)	173.9
Operating income (Operating margin)	-3.1 (-0.6%)	6.9 (1.1%)	+10.0 (+1.7pt)	6.0 (1.0%)	+0.9 (+0.1pt)	4.3 (2.5%)
Ordinary income	-5.7	6.8	+12.6	5.0	+1.8	5.0
Extraordinary income/loss	4.5	10.8	+6.3	3.0	+7.8	9.9
Income before income taxes	-1.3	17.6	+18.9	8.0	+9.6	15.0
Profit attributable to owners of parent	-11.6	7.3	+19.0	2.0	+5.3	8.8
Inventories	176.8	214.8	+38.0	190.0	+24.8	
Capital expenditure	23.8	19.8	-4.0	20.0	-0.2	
FCF	18.5	11.5	-7.1	7.0	+4.5	

2. Results for the Second Half of the Fiscal Year Ended March 31, 2022

Explanation of IR in November

Efforts in 2nd Half

- 1** Utilize automotive resources to expand sales for aftermarket applications
- 2** Reduce or withdraw from unprofitable businesses and rebuild businesses in Europe and the Americas
- 3** Pass on rise in cost of steel materials and logistics costs on selling prices
- 4** Reduce proportional costs through procurement reforms

Result

- ✓ Utilize production capacity for bearings for aftermarket, **increase sales for aftermarket**
- ✓ Restructured the Europe and Americas business through projects, and **improved profitability in both the Americas and Europe in 4Q**
- ✓ Rise of prices of steel and other raw materials exceeded expectation. In response these issue, we applied to customers to pass on selling prices. **In particular, we achieved significant results in the Americas region in 4Q . We also scaled down or withdrew from unprofitable businesses.**
- ✓ **Achieve target benefits as the first year of Phase2 through procurement reforms** in DRIVE NTN100 (reduce proportional costs through centralized purchasing, VA and supplier changes, etc.)

FY2021 (Billion yen)	Aftermarket				Industrial Machinery				Automotive			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	27.0	27.1	28.0	30.1	30.7	30.4	31.3	33.7	98.9	91.7	103.1	110.0
year on year	+7.4	+3.8	+4.1	+5.4	+8.1	+6.2	+6.4	+3.6	+49.2	-8.1	-8.5	+1.6
Operating income	3.4	3.5	3.7	4.1	0.5	0.9	1.3	1.4	-2.2	-4.4	-4.1	-1.2
year on year	+2.7	+1.9	+0.4	+0.8	+1.3	+1.4	+1.3	-0.3	+7.4	-0.8	-4.3	-1.8
Operating margin	12.7%	12.7%	13.1%	13.7%	1.5%	3.0%	4.2%	4.1%	-2.3%	-4.8%	-3.9%	-1.0%

3. Forecasts for the Fiscal Year Ending March 2023

Macro environment is uncertain, promoting cost reductions and passing on sales price

FY2022 Key Points

- ✓ **Business environment is still uncertain** due to disruption in customers' supply chain, effect of new coronavirus and the situation in Ukraine.
- ✓ **Significant increases** in price of raw material, cost of marine transportation and personnel costs.
- ✓ **Promote strongly** the reduction in variable cost **through procurement reforms, passing on sales prices and restraint on price discount**
- ✓ Scheduled to resume dividend payments from the mid of the fiscal year in accordance as planned in the medium-term management plan

(billion yen)	FY2021			FY2022	
	1H Results	2H Results	Full year Results①	Full year forecast②	YoY ①vs②
Net sales	305.8	336.2	642.0	720.0	+78.0 Excl. forex+56.2(+9%)
Operating income	1.6	5.3	6.9	23.0	+16.1
(Operating margin)	(0.5%)	(1.6%)	(1.1%)	3.2%	
Ordinary income	1.7	5.1	6.8	20.0	+13.2
Profit attributable to owners of parent	-1.0	8.4	7.3	10.0	+2.7
Exchange rates US\$	¥109.8	¥114.9	¥112.3	¥120.0	+¥7.7
€	¥130.8	¥130.2	¥130.5	¥135.0	+¥4.5
Inventories	201.5	214.8	214.8	200.0	-14.8
Capital expenditure	8.1	11.7	19.8	23.0	+3.2
FCF	1.1	10.4	11.5	18.0	+6.5
Annual dividends (interim)	¥0(¥0)			¥5(¥2.5)	

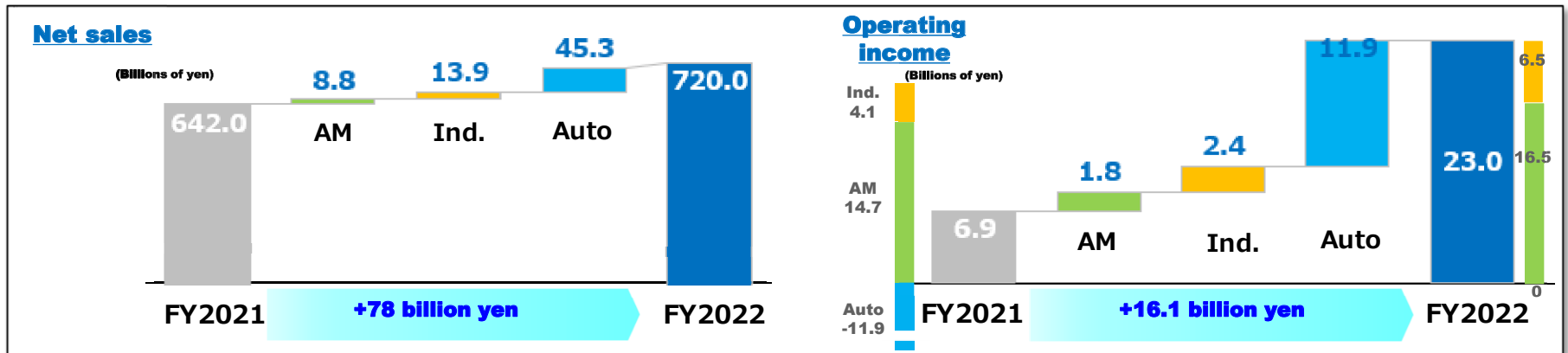
Decreased sales (60.0 billion yen) is included due to semiconductor shortage, situation in Ukraine and new coronavirus

Plan to resume dividend payments

4. Forecasts by business type for the year ending March 31, 2023

Expect the largest sales ever since in industrial machinery business. Focus on expanding sales in AM business.
Observe the demand in automotive business.

(billion yen)	FY2020 Full year Results	FY2021		FY2022 Full year forecast		
		1H Results	2H Results		Full year Results	
Net sales	Aftermarket	91.5	54.1	58.1	112.2	121.0
	Industrial Machinery	101.9	61.1	65.0	126.1	140.0
	Automotive	369.5	190.6	213.1	403.7	459.0
	Total	562.8	305.8	336.2	642.0	720.0
Operating income (Operating margin)	Aftermarket	8.9 9.7%	6.9 12.7%	7.8 13.4%	14.7 13.1%	16.5 13.6%
	Industrial Machinery	0.4 0.3%	1.4 2.3%	2.7 4.1%	4.1 3.2%	6.5 4.6%
	Automotive	-12.4 -3.4%	-6.6 -3.5%	-5.2 -2.4%	-11.9 -2.9%	0.0 0.0%
	Total	-3.1 -0.6%	1.6 0.5%	5.3 1.6%	6.9 1.1%	23.0 3.2%



Focus on
FY2022
(Continued)

1

Expand sales for aftermarket applications (transfer of production of standard products)

2

Reduce or withdraw from unprofitable businesses and rebuild businesses in Europe and the Americas

3

Pass on rise in cost of steel materials and logistics costs on selling prices

4

Reduce variable costs through procurement reforms

5. Aftermarket Business Initiatives



Accelerate transferring production of standard products, strengthen supply capabilities, and capture global demand

1 Status of sales

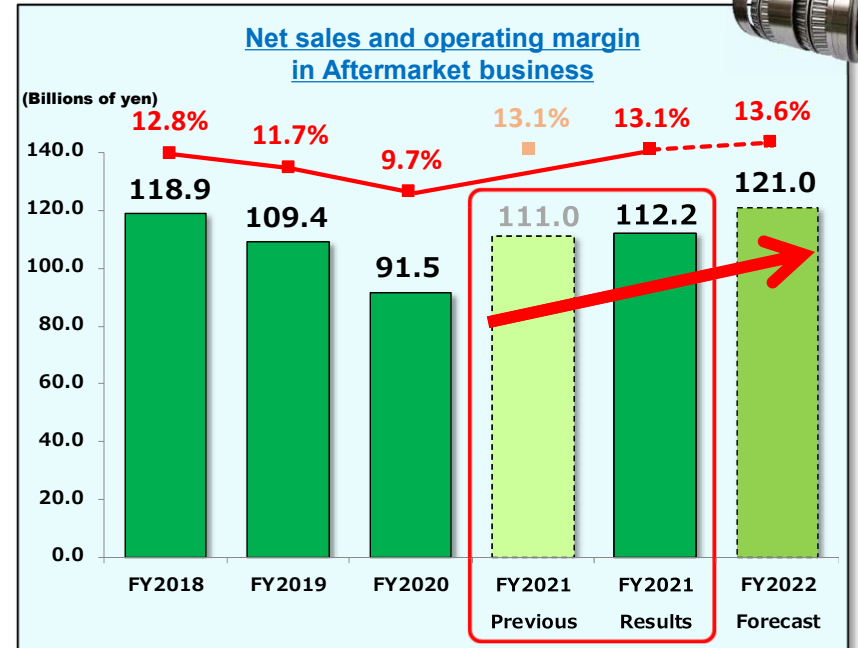
- ✓ 4Q sales were in line with expectations in February (3Q results).
- ✓ Automobile AM decreased in Europe due to the impact of the attack on Ukraine and sales in China declined, due to lockdown however performance was firm in whole.
- ✓ In FY2022, the situation in Ukraine was uncertain, but the other demand environment will be firm.

2 Focus: Strengthen supply capabilities

- ✓ Last April, fastmoving inventory supply system, FIRST started operation.
- ✓ Expand standard product inventory (strengthen production)
- ✓ Promote reducing lead times in shipment by strengthening the logistics system
- ✓ Started outsourcing production of standard radial ball bearings

3 Focus: Improve profitability

- ✓ Promote price hikes by revising the price list globally in response to significant increases in steel prices and logistics costs in FY2022




TOPICS

Began production transferring standard ball bearings to overseas supplier (from September 2022)
Strengthen supply capabilities for aftermarket applications, expand sales, and acquire global demand

Taiwan

6. Initiatives in Industrial Machinery Business



Focus on growth areas, promote passing on higher selling prices, and reducing costs

1 Sales status

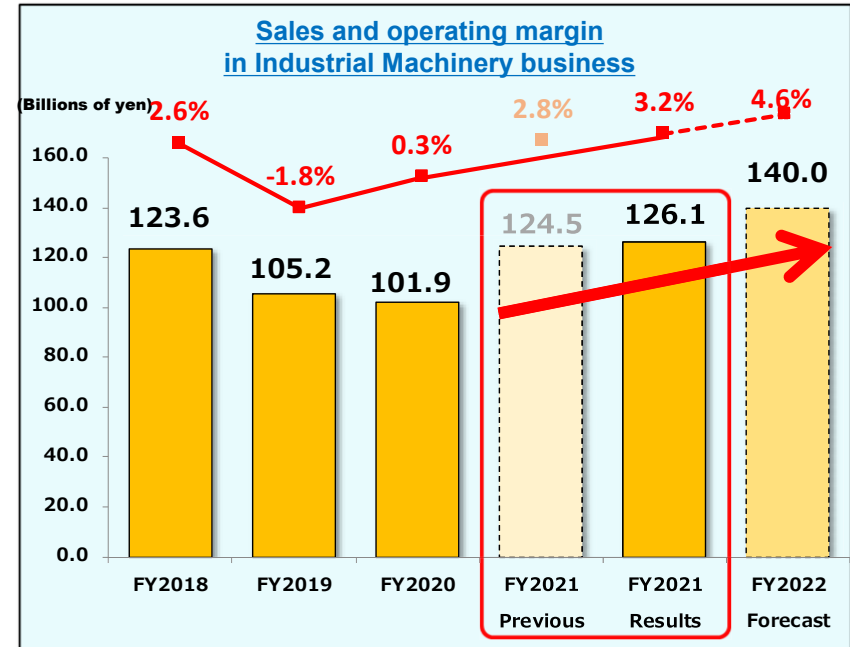
- ✓ 4Q sales decreased compared with the forecast in February (3Q results) in construction machinery, gearboxes and wind turbine mainly due to production adjustment by customers. However, sales increased compared to the forecast, and remained steady.
- ✓ Demand is expected to increase in major industries such as construction machinery, agricultural machinery, gearboxes, aircraft, and machine tools in FY2022.

2 Focus: Improve profitability

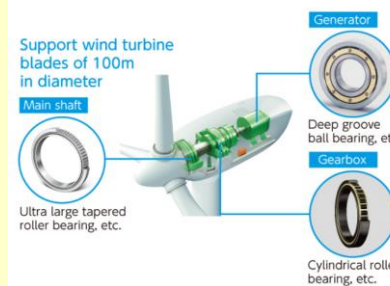
- ✓ Improve profitability in FY2021 by reducing or withdrawing from unprofitable businesses and rebuild businesses and strongly promote price increases for unprofitable products
- ✓ Focus on improving profitability in FY2022 in parallel with passing on rising costs to selling prices
- ✓ Reduce cost through procurement of materials from China and India

3 Focus: Expand sales in growth areas

- ✓ Strengthen competitiveness and increase production capacity of bearings for wind turbine
- ✓ Promote robot related and service solution businesses



TOPICS



Business collaboration with Hokutaku Co., Ltd., which specializes in wind turbine maintenance. Combining our CMS ' high-precision abnormal detection technology with the expertise of Hokutaku Co., Ltd. Providing quick maintenance and expanding wind power related Businesses

7. Automotive Business Initiatives



Focus on improving profitability by taking into account risks such as disruption in customers' supply chain and attack on Ukraine

1 Status of sales

- ✓ 4Q sales increased compared to the previous announcement, despite the impact of disruption in SC, shortage of semiconductors, and the new coronavirus and attack on Ukraine
- ✓ In FY2022, forecast is uncertain due to disruption in SC, attack on Ukraine and lockdown in China. Impact on sales is expected to be approximately ¥60.0 billion.

Car production Data		Latest	Nov.IR	vs	YoY
Source IHS,10K	FY2021	7,627	7,389	+3%	-2%
	FY2022	8,279	-	-	+9%

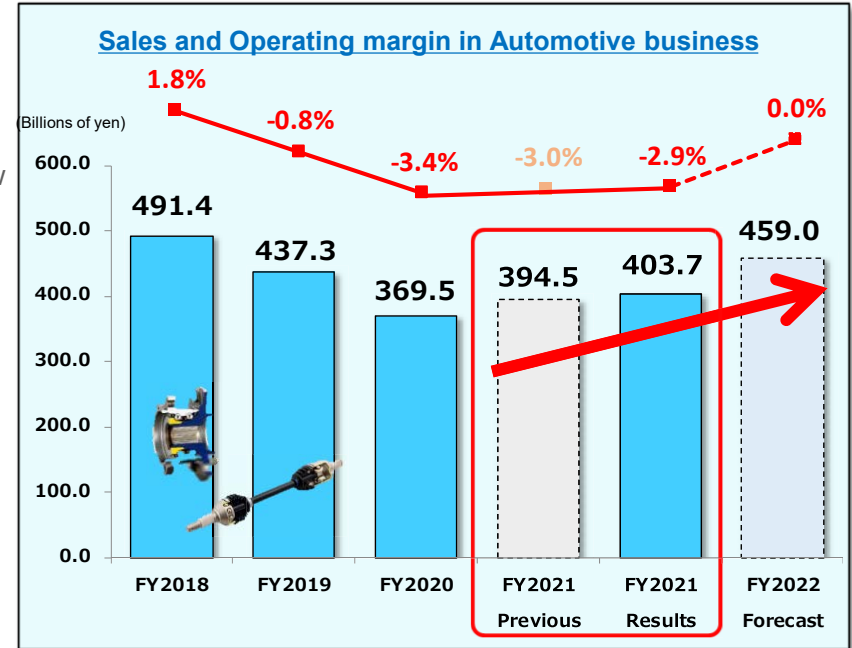
2 Focus: Improving profitability

Priority measures for increased costs (FY2022)

- ✓ Pass on selling prices in response to rise in steel and logistics costs
- ✓ Promote cost reduction and increase price in the Americas and Europe in particular

Measures to Improve Corporate Structure for Sustainable Growth (Medium term)

- ✓ Reorganization of unprofitable businesses and procurement reforms (reduction in proportional cost)
- ✓ Accelerate development and launch of high-performance products for EVs and electrification
- ✓ Strengthen orders for high-performance products for EVs (expand EV composition ratio)



TOPICS

"Deep groove ball bearings for EV and HEV"

Achieved the industry's highest high-speed turnover performance dmn value of 2.2 million

From domestic automakers Received orders for their in-house drive shafts for 100%

(Production starts from this fiscal year)

8. Initiatives for Next Growth (Growth Strategy)



Invest resources in market expanding for growth after NTN's revitalization

Response to electrification (high-performance products)

- ◆ Automotive: Electric oil pumps, Ra-sHUB, eHUB
Expansion of ball screws for automatic brakes
- ◆ Industrial machinery: Develop and introduce high-performance products for electrification of construction machinery and agricultural machinery
- ◆ Electrification project: Electro-corrosion resistant, high-speed rotating bearings that respond to the expansion of the EV motor market



Further strengthen the wind power generation business

- ◆ Participate in Japan's offshore wind turbine business
- ◆ Increase production capacity and capture and expand demand in China
- ◆ Establish CMS (hardware and software) business
Start business in overseas



Pursuing profit
Shift to businesses
to earn stable profits

Hardware and
software
Business



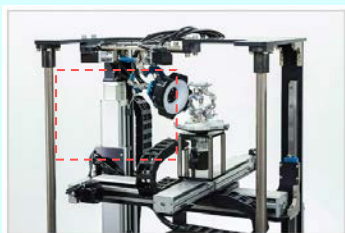
Service and maintenance

- ◆ CMS (condition monitoring service)
- ◆ Portable Vibroscope
- ◆ Remote technical support services
- ◆ Bearing refurbish business

Sales only product
(OEM/Repair)

Respond to the expansion of the robotics market

- ◆ Gearboxes for robots
- ◆ Wrist Joint Module Product "i-WRIST"
- ◆ Developing needs with robotics sensing technology



i-WRIST™ equipped with cameras/lights
Adopted for automatic visual inspection

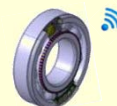
i-WRIST™

Responding to changes in social infrastructure

- ◆ Railway: Expand mainly in China high-speed railway
- ◆ Hydrogen: Growth strategy for the next 10 years



Talking Bearing™ (Under Development)



Built-in vibration and temperature sensor, generator, and wireless communication function for bearings
Proposing early maintenance and maintenance of bearings using IoT

9. ESG Management Initiatives-1 "NTN Group Vision"

Through the implementation of our corporate philosophy, we aim to contribute to solving social issues surrounding and realization of a sustainable "NAMERAKA Society" where people can easily lead a secure and fulfilling life in harmony with nature.

It will be realized by NTN Group's employees who work globally, and it is important that each and every employee maintain pride and belief in his or her own work through ESG management.



※Society where people can easily lead a secure and fulfilling life in harmony with nature*.

Corporate Philosophy

- We shall contribute to international society through creating new technologies and developing new products
1. Creation of original technologies
 2. Offering the technologies for additional value and service that are suitable for each customer and end user.
 3. Improvement of employees' standard of living, distribution of fair returns to stockholders, and contribution to society based on the steady growth of our business.
 4. Promotion of globalization, and formation of management systems/corporate organization which are essential for NTN, as an international leading company.

9. ESG Management Initiatives-2

Initiatives in the Fiscal Year Ending March, 2022

- **Announced support for TCFD recommendation** in May 2021
conduct **scenario analysis of risks and opportunities** caused by climate change in business
(scheduled to be disclosed in the Annual Securities Report)
- **Promote the establishment of targets (KGIs) and KPIs for 13 material issues**
- Consider measures aimed at realizing carbon neutrality

E:Environment

Measures to reduce CO₂ Emissions to achieve carbon neutrality

1. Reduce CO₂ in the heat treatment process (Scope 1)

Switch from burner type (combustion furnace) to **heater type (electric furnace)**

Use of ammonia and hydrogen in the future

2. Installation of solar/wind power generation equipment (Scope 2)

Use of natural energy generated at domestic and overseas business sites

• Solar and wind power generation **results for the fiscal year ended**

March 2021:

Reduce CO₂ emissions by approximately 7,000 tons over a kWh/ of **13 million kWh/year**

• Additional solar panels introduced at Kuwana Works
Generation started in April 2021



Kuwana Works (Japan)
Introduction of 900 solar panels
(Approx. 340,000 kWh/year)

3. Visualization of power consumption at manufacturing plants (Scope 2)

Introduction of a system to see power consumption by production process

Identification and improvement of wasteful electricity use

4. Introduction of internal carbon pricing (Scope 1,2,3)

Carbon neutrality LNG. Zero-power CO₂,

Used as an environmentally friendly method for selecting steel products

Requests by suppliers and customers to reduce CO₂ emissions, anticipating policies for CN, such as a carbon tax, we aim to realize CN by considering both the economy and the environment.

Goal of achieving carbon neutrality

Scope1 & Scope2: FY2035

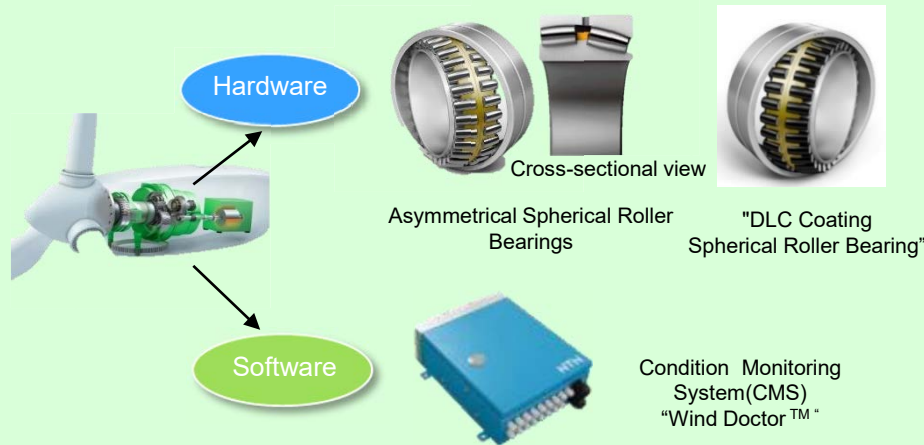
Scope3: FY2050

E:Environment

Contribute to a carbon-free society through the provision of environment-contributing product

1. Realization of a sustainable society using renewable energy

① Contributing to stable operation and dissemination of hardware and software for wind power generation



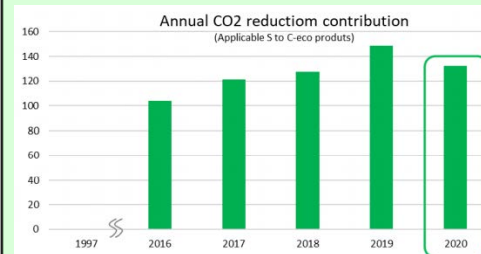
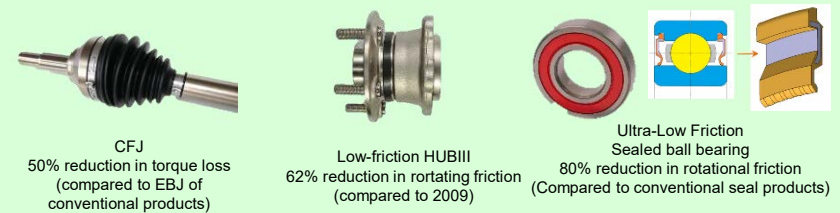
② Contributing to the advent of a hydrogenated society by starting with Hydrogen Embrittlement Resistant Bearings

Applications: Hydrogen production equipment/accumulator (hydrogen tank/Sta.)/FCV, etc.



2. Contribute to the spread of EVs and electrification and energy saving

① Core products (CVJ, hub bearings, bearings)
Reducing CO₂ by Highly Efficient, Low Friction, and Lighter Weight



CVJ and hub bearings
Through environment-contributing product
1,320,000 tons per year*
Contributing to Reducing CO₂
(Results for the year ended March 31, 2021)
*Compared to 1998

② Proposal of new products (multi-functional module products)



9. ESG Management Initiatives-4

S:Society

Strengthen human resource
Develop human resource base
Contribute to disaster prevention and mitigation in local community

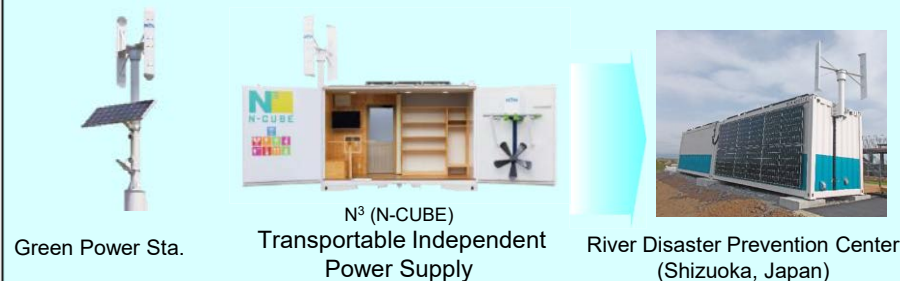
Topics ①: Establish Corporate ESG Award

Establish NTN PROUD AWARD
Recognizing Excellent Initiatives
related to 13 materiality
by E.S.G. division
for all NTN Group employees



Topics ②: Contribute to disaster mitigation and disaster prevention (Safety)

We sell independent power supply units that utilize the natural energy that contributes to prepare for natural disasters



Topics ③: Promote health management



Web Stretch Seminar

Topics ④: ESG index

Actively disclose information and adopt it in the ESG index



2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



2021 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2021



Sompo Sustainability Index

G:Governance

Strengthen the Governance System

Jun. 2019

Transition to a company with a nominating committee, etc.
Separating supervision and execution, strengthening corporate governance
Established the Nominating Committee, and Compensation Committee and Audit Committee which consists of a majority of outside directors.

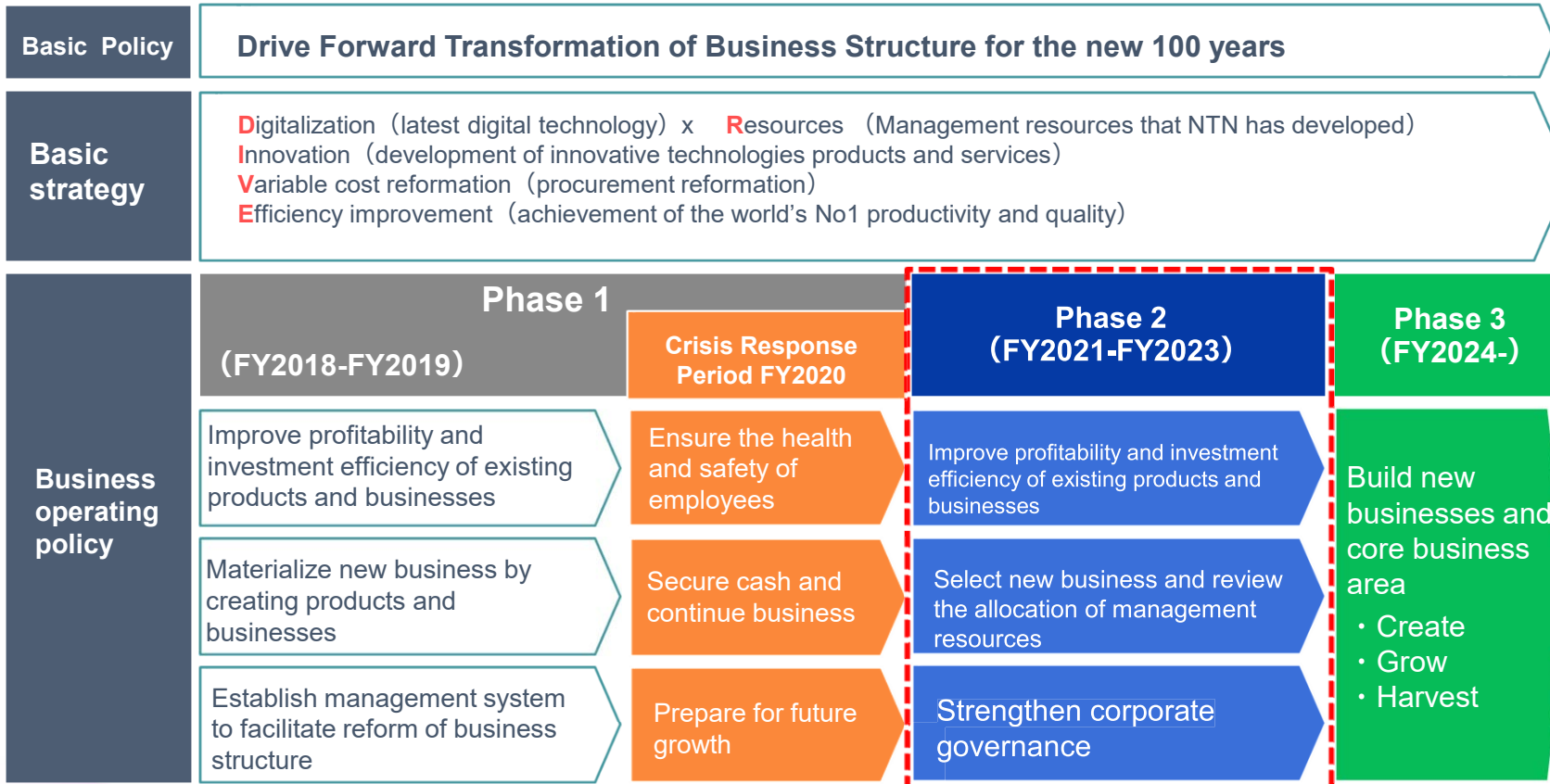
Jun. 2020 Appointed Female Director

April 2021 First change in president due to appointment of nominating committee
Jun. 2021 Abolished the position of executive officer (flattening the hierarchy)
Apr. 2022 Introduced ESG to the performance evaluation of executive officers

10. Reference : Business Operation Policy for the Medium-Term Plan (from Medium-term plan)

*Please refer to the NTN HP for more detail : <https://www.ntnglobal.com/en/investors/mtermplan.html>

DRIVE NTN100



NTN in FY2027

Net sales growth
GDP growth rate in each region + something extra

Operating margin
10% or more

Total asset turnover
1.0 or more

Foreign exchange sensitivity
50% reduction

Phase 1
 Sharp deterioration of financial structure

External Environment
 EV, electrification, and re-acceleration of DX
 COVID-19 (uncertainty)
 Emphasize on safety
 Changes in work styles

Phase 2
 1. Focus on NTN Revitalization in the next 3 years (rebuild BS and improve CF)
 2. Seeding for future growth

- I. Key Point of Financial Result and Progress of “DRIVE NTN100” Phase 2
- II. Financial Result of FY2021 and Forecast of FY2022

1. Key Points of Fiscal Year Ended March 31, 2022

Results for the Year Ended March 31, 2022

- ◇ Net sales: **¥642.0 billion**, year-on-year **+¥79.2 billion** (excl. forex **+¥51.1 billion**)
- ◇ Operating income: **¥6.9 billion**, year-on-year **+¥10.0 billion** (excl. forex **+¥5.4 billion**)
- ◇ Extraordinary income (loss): **10.8 billion yen**
- ◇ Profit attributable to owners of parent: **¥7.3 billion**, year-on-year **+¥19.0 billion**
- ◇ Inventories: **¥214.8 billion**, year-on-year **+¥38.0 billion** (excl. forex **+¥25.7 billion**)
- ◇ Free cash flow: **+¥11.5 billion yen**, **-¥7.1 billion yen** from the previous fiscal year
- ◇ Year-end dividend: **0 yen (no dividend)**. (Annual **0 yen**)

Outlook for the Fiscal Year Ending March 2023

- ◇Net sales: **¥720.0 billion, +¥78.0 billion** year-on-year
- ◇Operating income: **¥23.0 billion, year-on-year +¥16.1 billion**
- ◇Extraordinary income (loss): **-¥3.0 billion**
- ◇Profit attributable to owners of parent: **¥10.0 billion, year-on-year +¥2.7 billion**
- ◇Inventories: **¥200.0 billion, -¥14.8 billion** year-on-year of
- ◇Free cash flow: **+¥18.0 billion, +¥6.5 billion** year-on-year
- ◇Regarding dividends, **the company plans to resume annual dividend payments of ¥5.0**
- ◇Exchange rates: 1US\$=**¥120**, 1EURO=**¥135**

3. Consolidated Statements of Operation

(billion yen)

	FY2020 Results ①	FY2021 Results ②	FY2022 Forecast ③	Year on Year					
				FY2021 ②-①			FY2022 ③-②		
				Total	Volume	Forex	Total	Volume	Forex
Net sales	562.8	642.0	720.0	79.2	51.1	28.1	78.0	56.2	21.8
Operating income	-3.1	6.9	23.0	10.0	5.4	4.6	16.1	10.2	5.9
Operating margin	(-0.6%)	(1.1%)	(3.2%)	(1.6%)			(2.1%)		
Ordinary income	-5.7	6.8	20.0	12.6	7.6	4.9	13.2	7.2	6.0
Extraordinary income	4.5	10.8	-3.0	6.3	6.4	-0.1	-13.8	-13.8	-
Profit attributable to owners of parent	-11.6	7.3	10.0	19.0	15.5	3.5	2.7	-1.6	4.3
Exchange rate									
1USD	¥106.0	¥112.3	¥120.0	¥6.3			¥7.7		
1EURO	¥123.7	¥130.5	¥135.0	¥6.9			¥4.5		

4. Net Sales by Region

(billion yen)

(billion yen)	FY2020	FY2021	FY2022	Year on Year					
	Results	Results	Forecast	FY2021 ②-①			FY2022 ③-②		
	①	②	③	Total	Volume	Forex	Total	Volume	Forex
Japan	162.8	180.8	194.0	17.9	17.9	0.0	13.2	13.2	0.0
Americas	144.4	181.2	220.0	36.8	25.8	11.0	38.8	26.9	11.9
Europe	117.2	127.1	133.5	9.8	3.0	6.8	6.4	2.1	4.3
Asia and others	138.4	153.0	172.5	14.6	4.3	10.3	19.5	13.9	5.6
Total	562.8	642.0	720.0	79.2	51.1	28.1	78.0	56.2	21.8

5. Net Sales and Operating Income by Business Sector

<Net Sales by Business Sector>

(billion yen)

(billion yen)	FY2020	FY2021	FY2022	Year on Year					
	Results	Results	Forecast	FY2021			FY2022		
	①	②	③	②-①		③-②		Total	Volume
Aftermarket	91.5	112.2	121.0	20.7	15.9	4.8	8.8	5.8	3.0
Industrial machinery	101.9	126.1	140.0	24.3	19.4	4.8	13.9	9.9	4.0
Automotive	369.5	403.7	459.0	34.2	15.7	18.5	55.3	40.5	14.8
Total	562.8	642.0	720.0	79.2	51.1	28.1	78.0	56.2	21.8

<Operating Income by Business Sector>

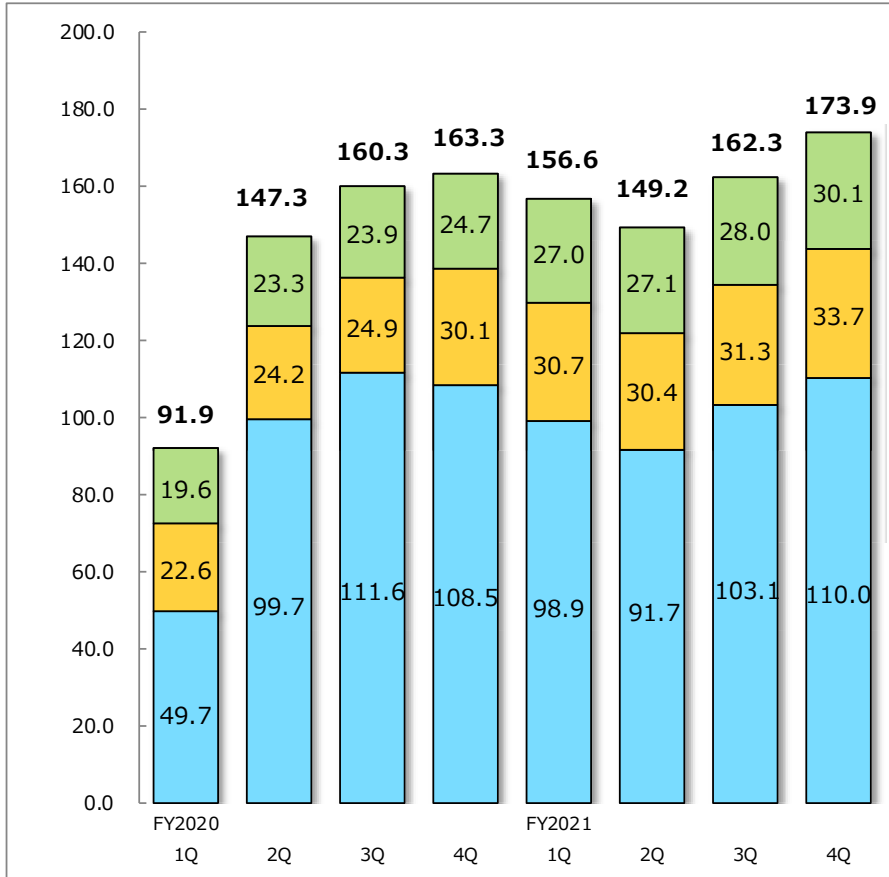
(billion yen)	FY2020	FY2021	FY2022	Year on Year	Year on Year
	Results	Results	Forecast	FY2021	FY2022
	①	②	③	②-①	③-②
Aftermarket	8.9	14.7	16.5	5.8	1.8
Industrial machinery	0.4	4.1	6.5	3.7	2.4
Automotive	-12.4	-11.9	0.0	0.5	11.9
Total	-3.1	6.9	23.0	10.0	16.1

6. Results by Business Sector (Quarterly Trend)

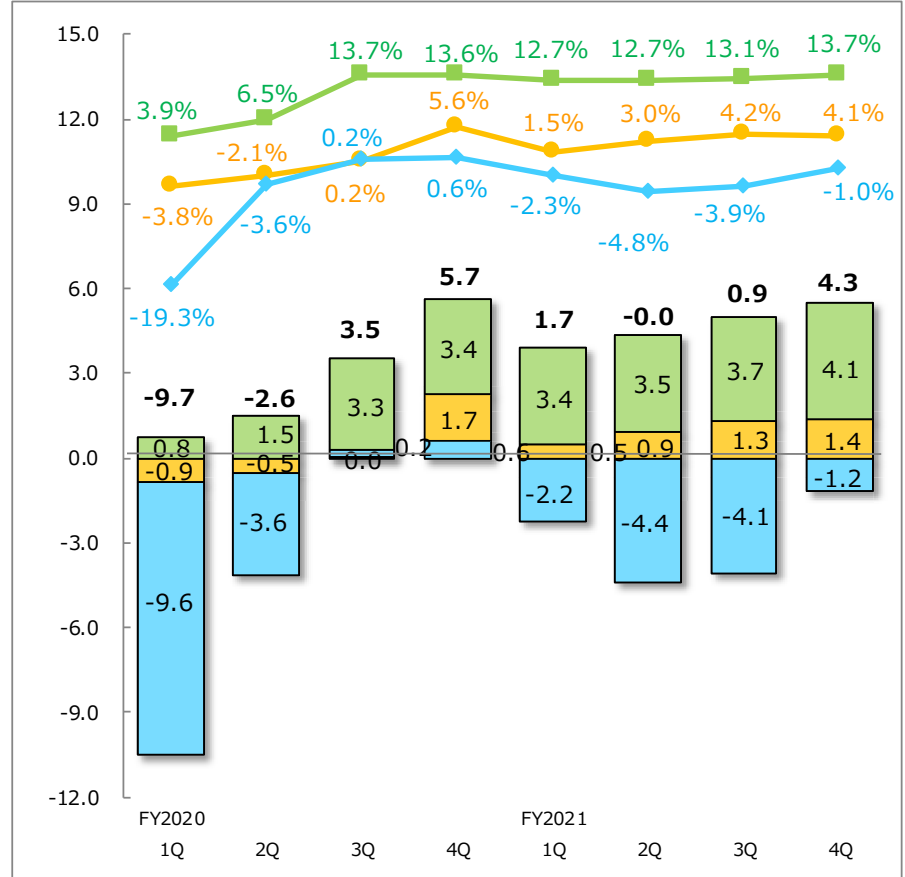
* All figures in billion yen

Net Sales

Automotive Industrial machinery Aftermarket

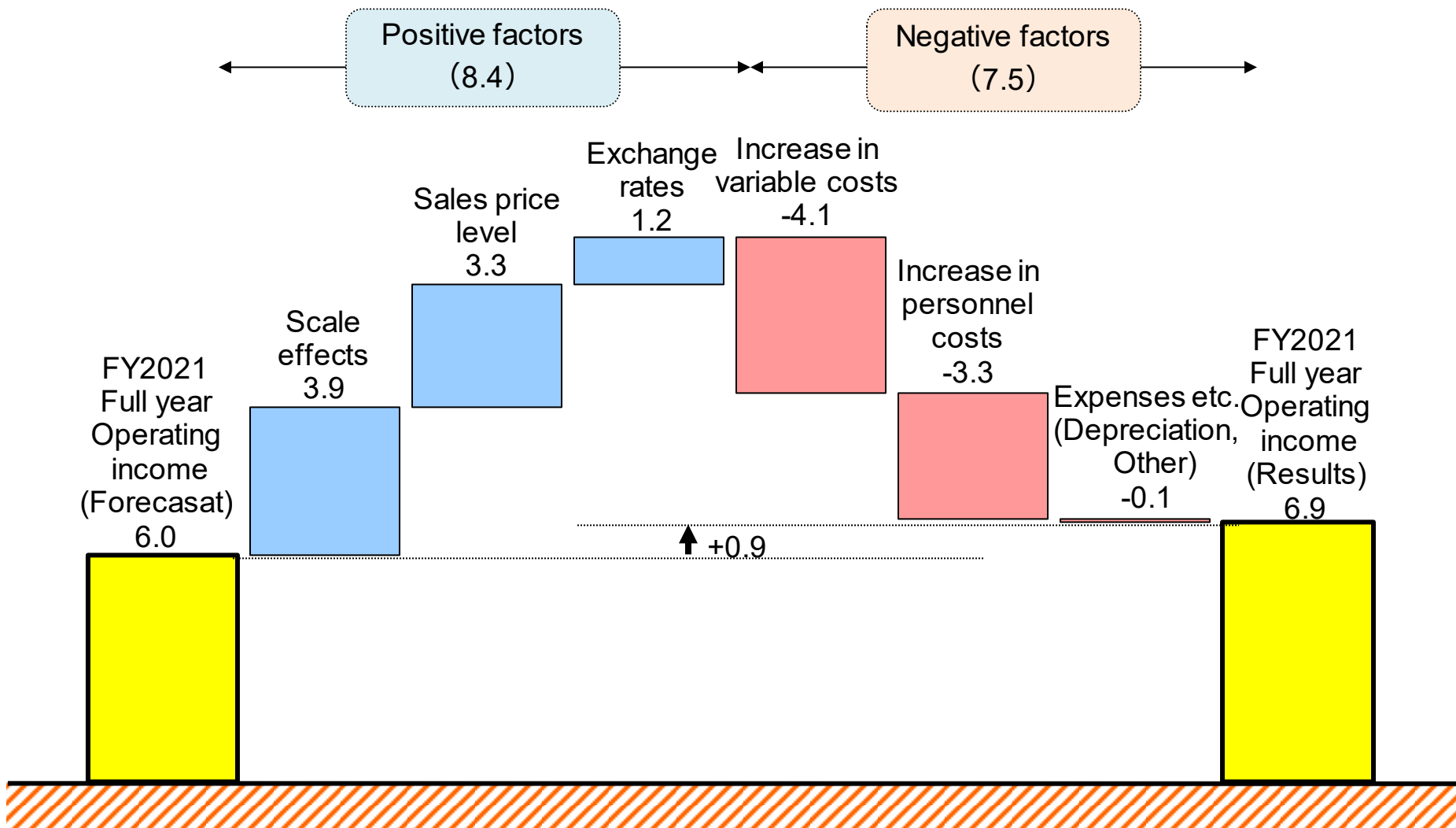


Operating Income/ Operating Margin



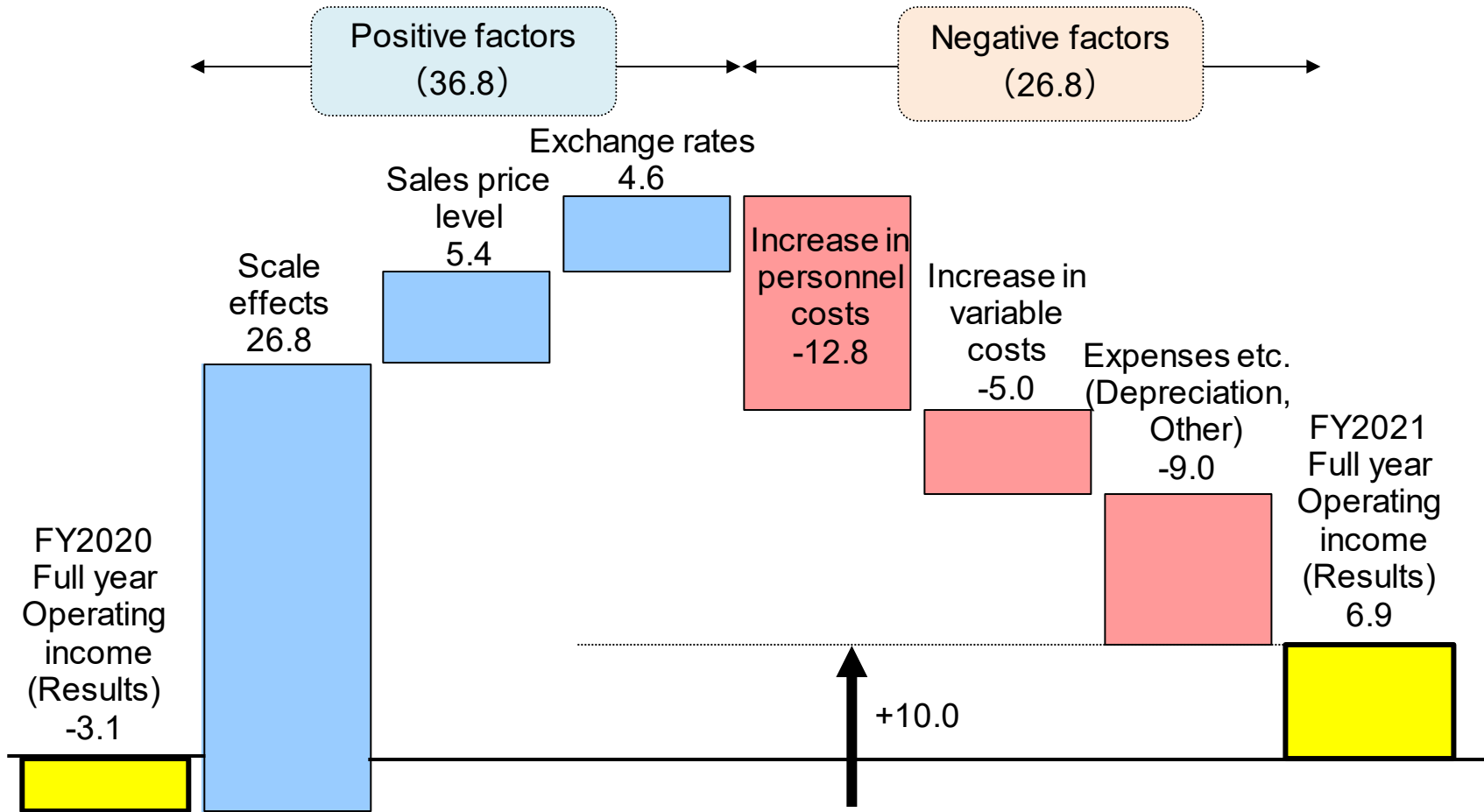
7-1. Analysis of Operating Income (FY2021 Forecast vs FY2021 Results)

* All figures in billion yen



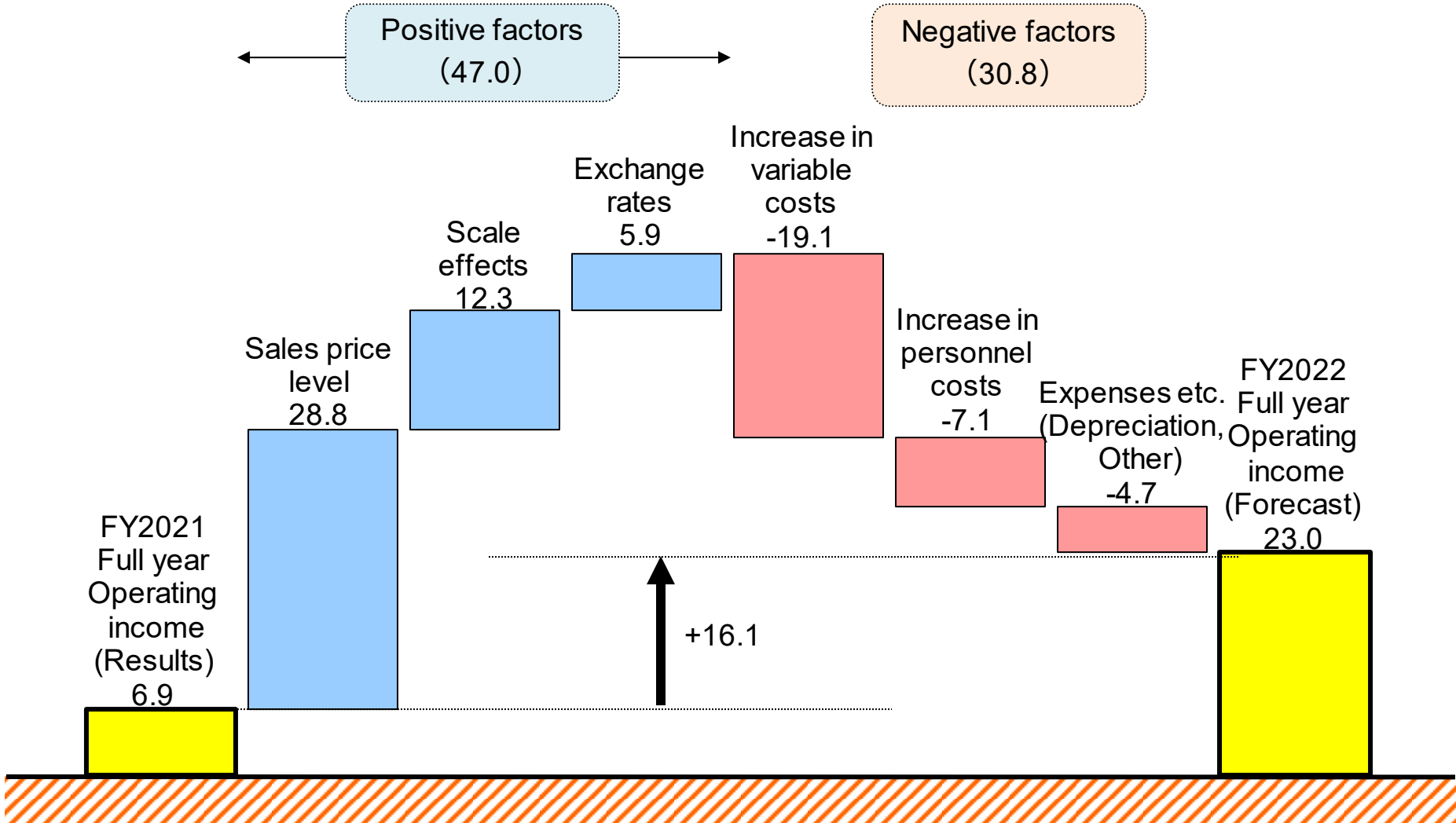
7-2. Analysis of Operating Income (FY2020 Results vs FY2021 Results)

* All figures in billion yen



7-3. Analysis of Operating Income (FY2021 Results vs FY2022 Forecast)

* All figures in billion yen

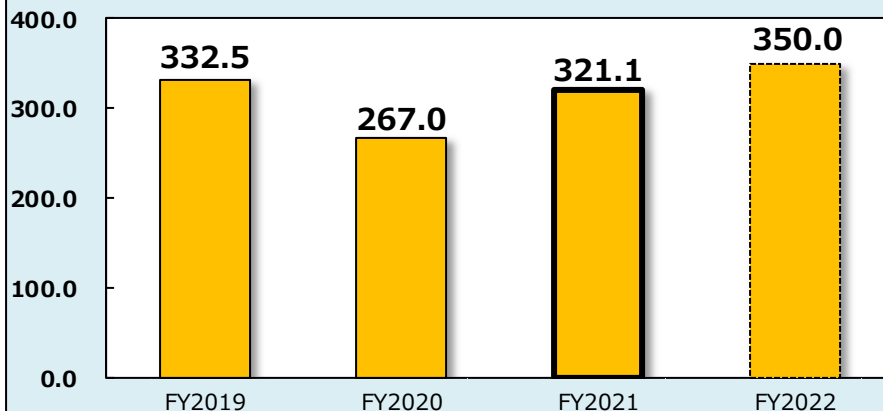


8-1 Net Sales and Operating Income by Company Location

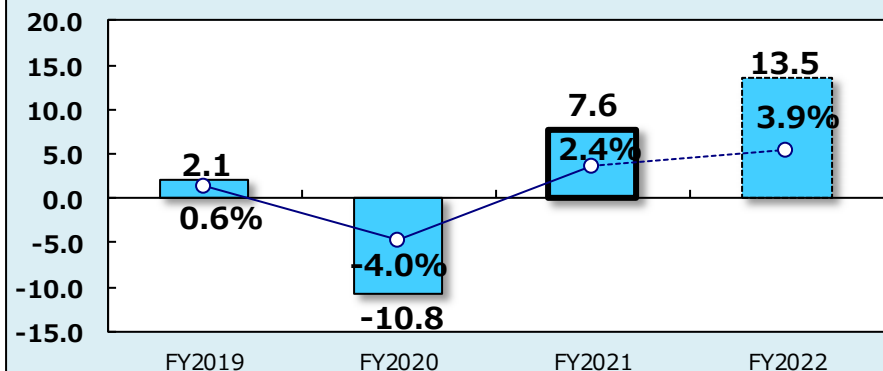
* All figures in billion yen

《 Japan 》

Net Sales

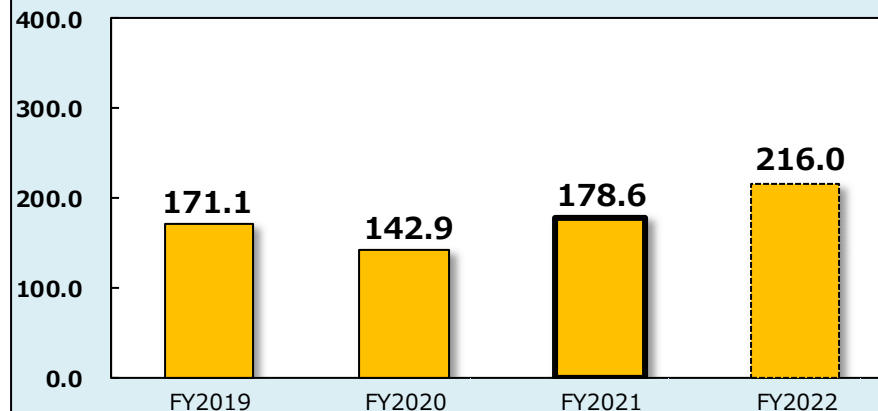


Operating Income

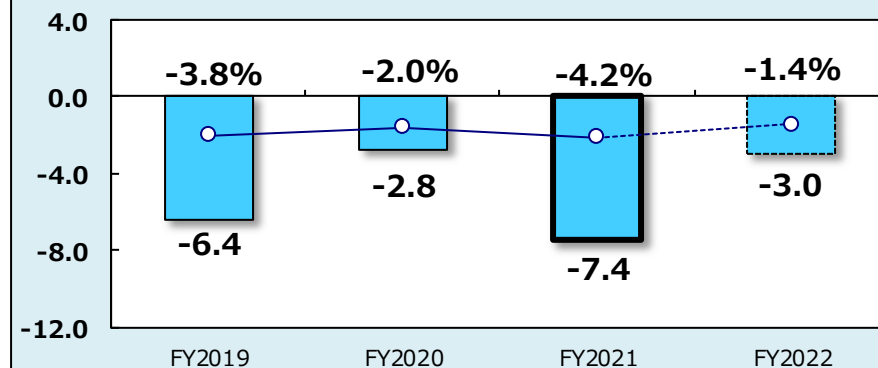


《 Americas 》

Net Sales



Operating Income

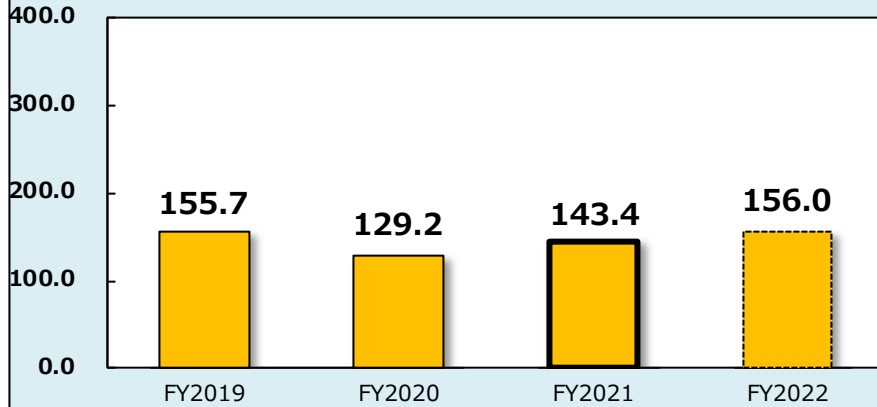


8-2 Net Sales and Operating Income by Company Location

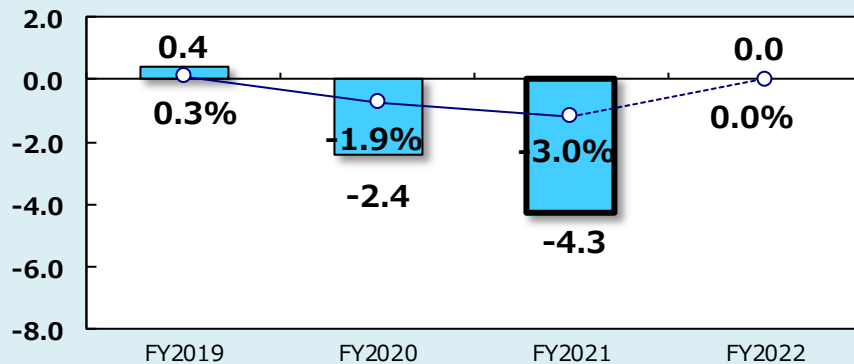
* All figures in billion yen

《 Europe 》

Net Sales

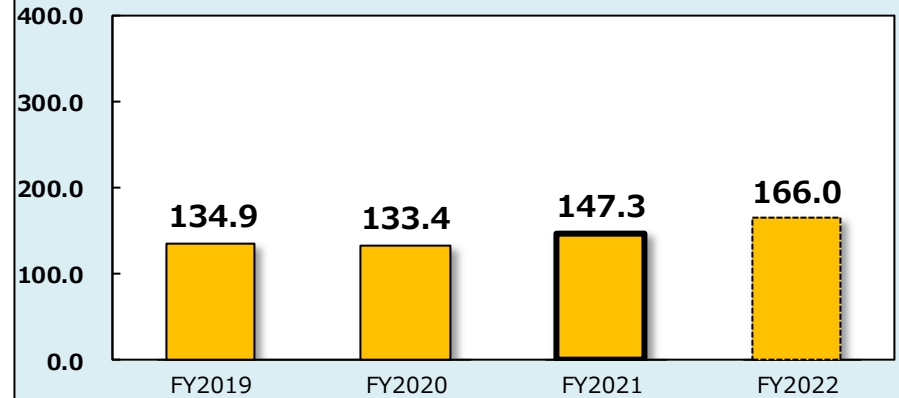


Operating Income

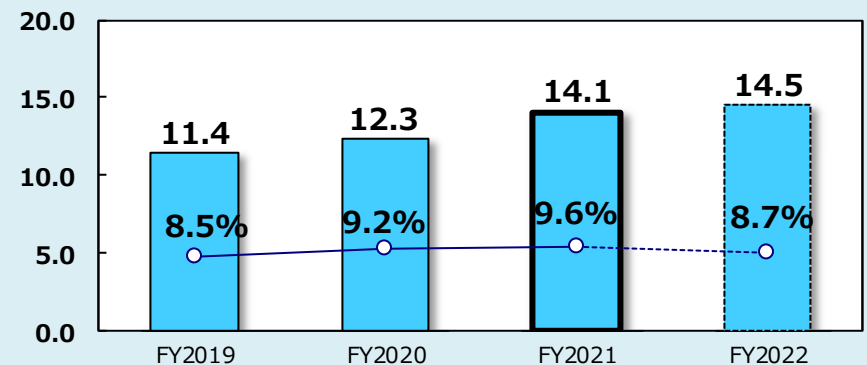


《 Asia and others 》

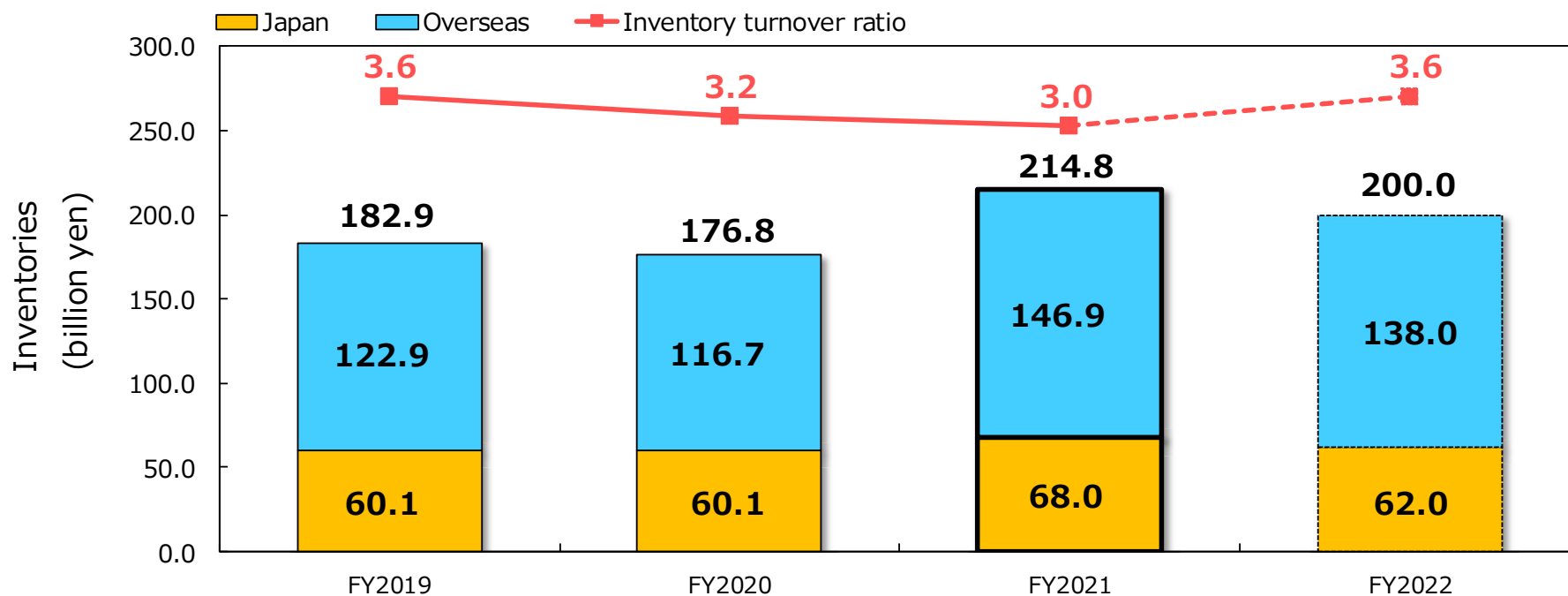
Net Sales



Operating Income



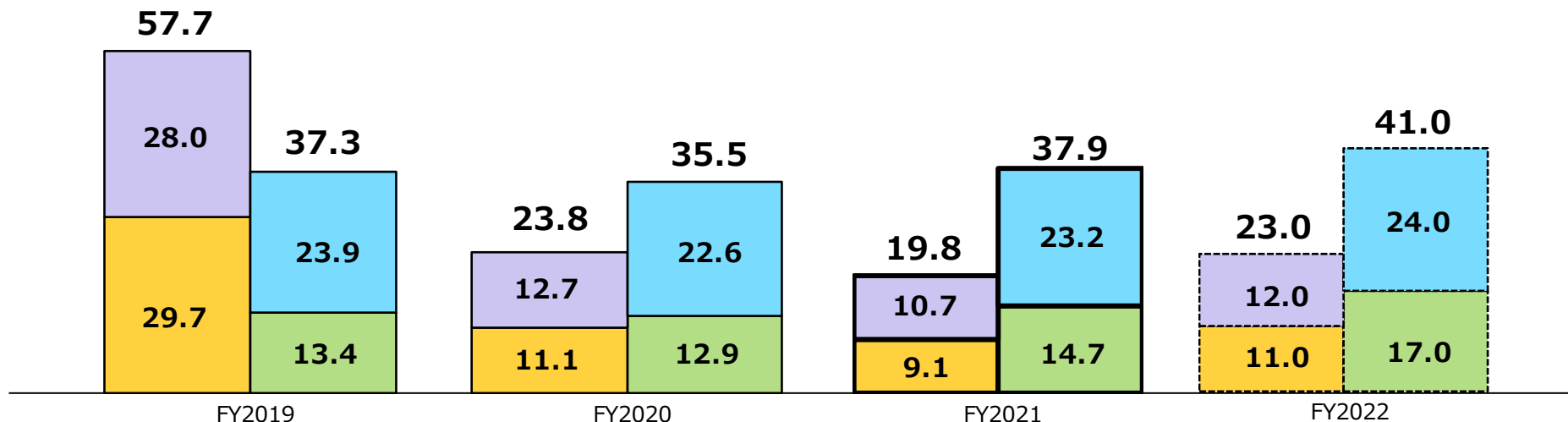
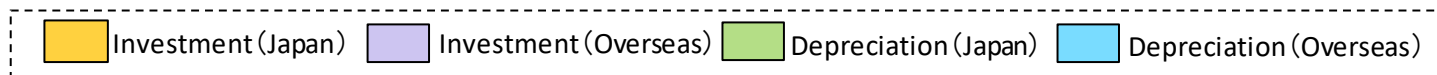
9. Inventories



(billion yen)	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Forecast
Inventories	182.9	176.8	214.8	200.0
(Overseas)	(122.9)	(116.7)	(146.9)	(138.0)
(Japan)	(60.1)	(60.1)	(68.0)	(62.0)
Inventories ratio (times)	3.6	3.2	3.0	3.6

10. Capital Expenditure and Depreciation

(billion yen)

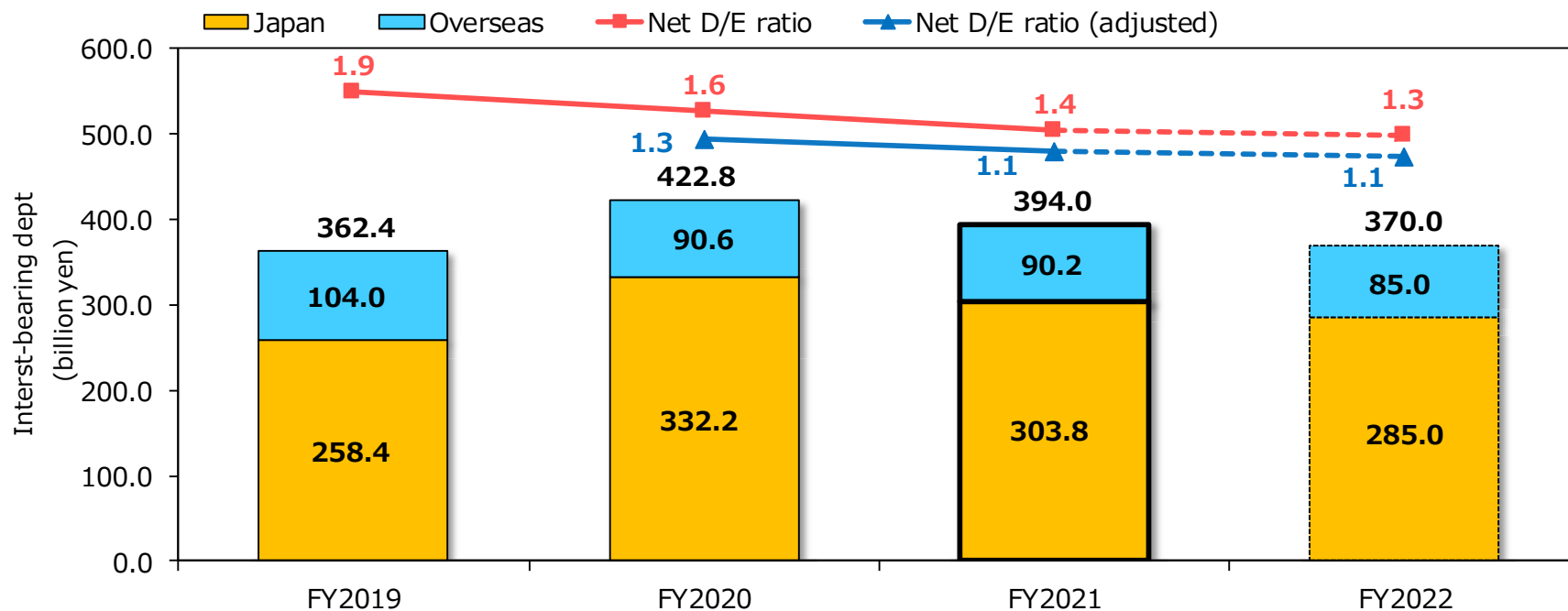


(billion yen)	FY2019 Results	FY2020 Results①	FY2021 Results②	②-①	FY2022 Forecast
Capital expenditure	57.7	23.8	* 19.8	-4.0	23.0
(Overseas)	(28.0)	(12.7)	(10.7)	(-2.0)	(12.0)
(Japan)	(29.7)	(11.1)	(9.1)	(-2.0)	(11.0)

*In addition, capital expenditure for intangible fixed assets (FY2021 full year results : ¥5.6 billion, FY2022 full year forecast : 5.0 billion)

(billion yen)	FY2019 Results	FY2020 Results①	FY2021 Results②	②-①	FY2022 Forecast
Depreciation	37.3	35.5	37.9	2.4	41.0
(Overseas)	(23.9)	(22.6)	(23.2)	(0.6)	(24.0)
(Japan)	(13.4)	(12.9)	(14.7)	(1.8)	(17.0)

11. Interest-Bearing Debt

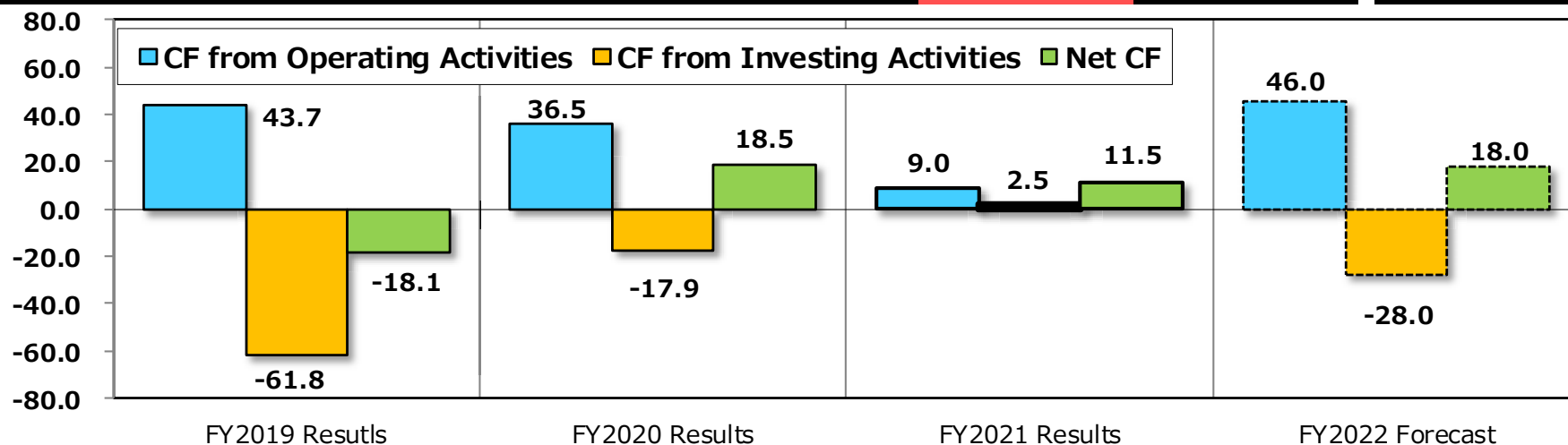


	FY2019	FY2020	FY2021	FY2022
(billion yen)	Results	Results	Results	Forecast
Interest-bearing debt	362.4	422.8	394.0	370.0
(Overseas)	(104.0)	(90.6)	(90.2)	(85.0)
(Japan)	(258.4)	(332.2)	(303.8)	(285.0)
Net Interest-bearing debt	291.3	275.6	272.6	260.0

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

12. Cash Flows

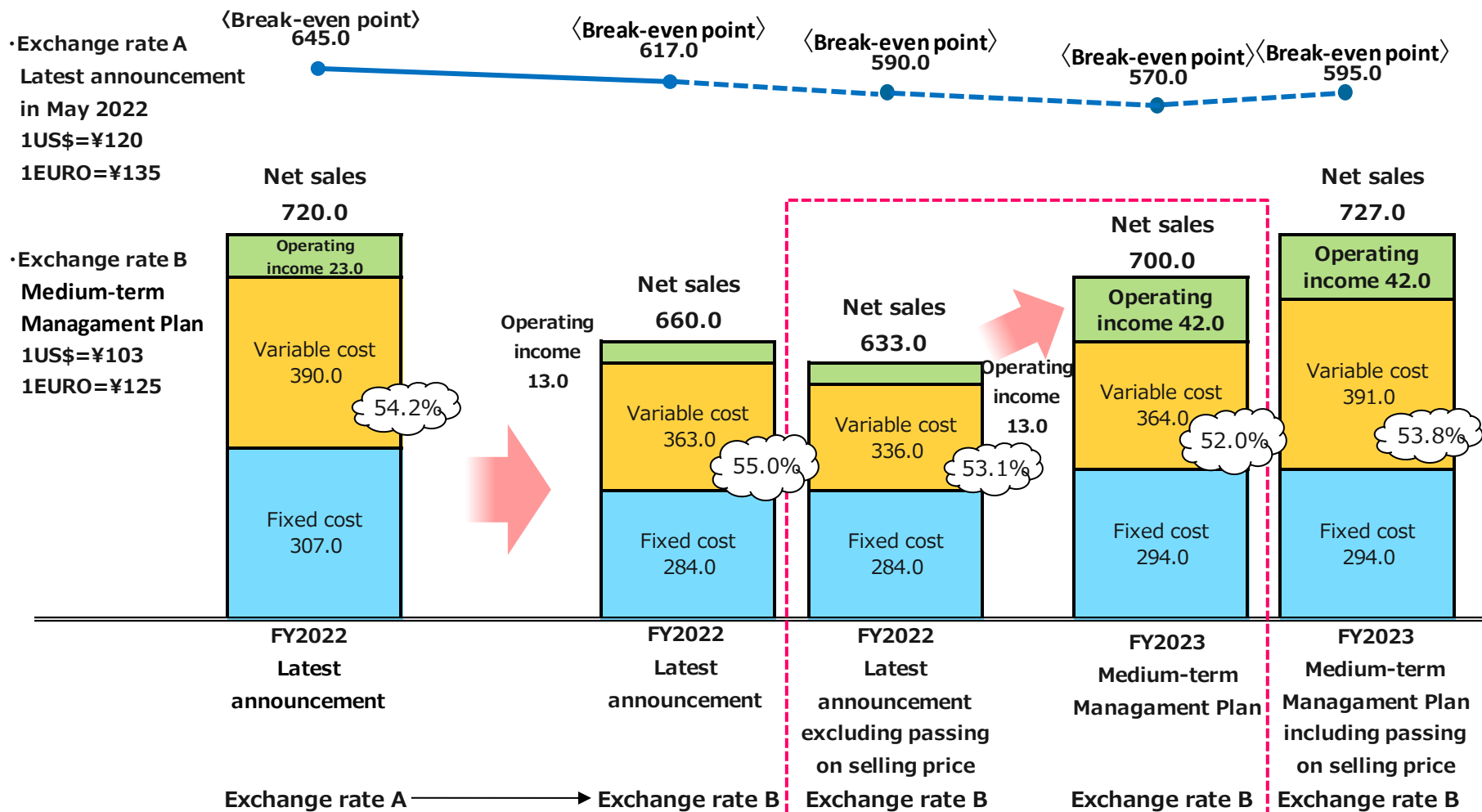
(billion yen)	FY2019 Results	FY2020 Results ^①	FY2021 Results ^②	^② - ^①	FY2022 Forecast
I. Cash flow from operating activities	43.7	36.5	9.0	-27.5	46.0
II. Cash flow from investing activities	-61.8	-17.9	2.5	20.5	-28.0
I + II. Net cash flow	-18.1	18.5	11.5	-7.1	18.0
III. Cash flow from financing activities	7.4	54.7	-41.3	-96.0	-28.0
IV. Effect of exchanging rate translation on cash and cash equivalents	-1.7	2.9	4.0	1.2	-1.5
V. Net increase in cash and cash equivalents	-12.3	76.1	-25.8	-101.9	-11.5



13. Lower Break-even Point towards Revitalization

FY2022 Full Year <Latest Announcement> vs FY 2023 Full Year <Medium-term Management Plan>

(in billion yen)



Priority Issues for the Current Fiscal Year

- ◇ Promotion of higher sales prices
 - ⇒ Pass increased raw material costs on selling prices
 - ⇒ Withdraw from unprofitable product and negotiations on higher prices
- ◇ Reduction of proportional costs through procurement reforms
 - ⇒ - 1 point in the variable cost ratio
- ◇ Fixed cost management in the phase of increasing scale
 - ⇒ Within 15% of the increase in volume

Revitalization scenario

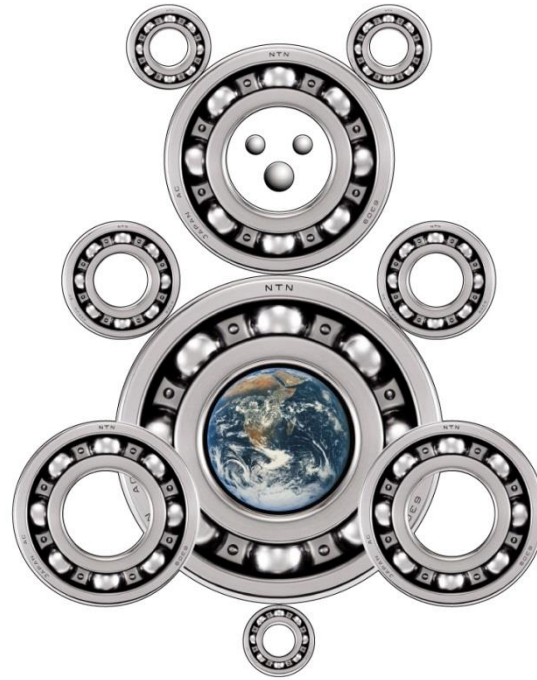
<Definition of Playback>

1. Creating Corporate Value ⇒ ROIC 5%
2. Strengthen financial position ⇒ Net D/E 1.0
3. Realize stable dividends ⇒ DOE 4%

<Acceleration of reforms for revitalization>

1. **Pricing Power**
(Product/Business Portfolio Reform)
2. **Cash Conversion Cycle**
(Production and Logistics Reforms)
3. **Strategic partnership**
(Procurement Reform)

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



NTN
Make the world **NAMERAKA**

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

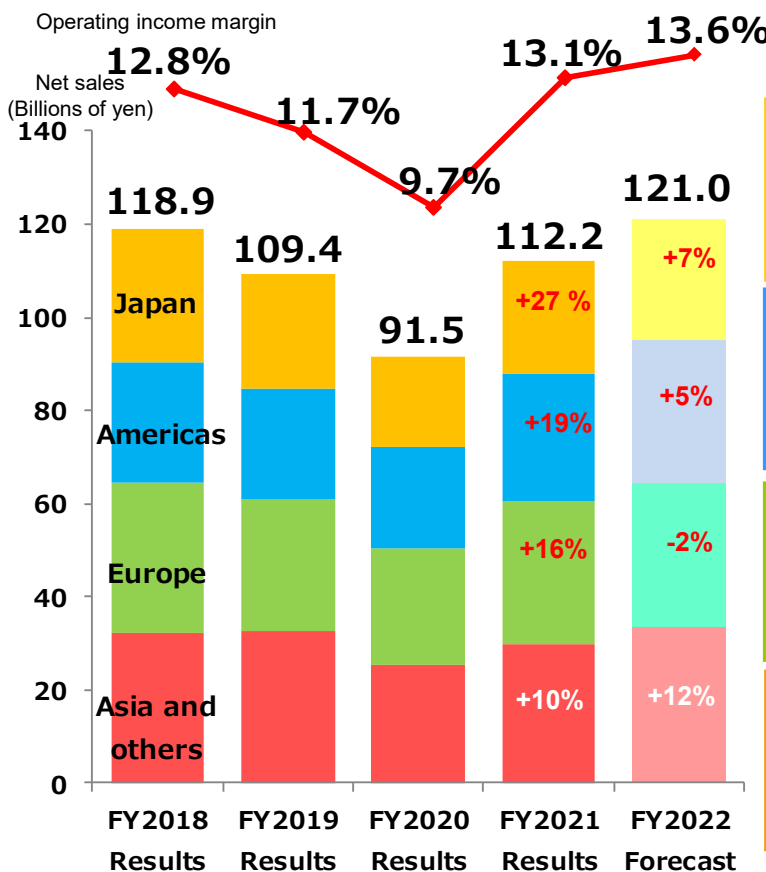


(Reference)

Sales Trends by Business Category : Aftermarket Business

<FY2021 results (vs. FY2020)> **Net sales: ¥112.2 billion (+22.6%), Operating income: ¥14.7 billion**

- Sales of industrial machinery aftermarket increased due to strong global demand.
- Automotive aftermarket sales increased due to higher demand mainly in Europe, Asia, and other regions.



<FY2022 forecast: Comments on changes in sales compared to FY2021>

Japan

Demand continued to recover due to the impact of the new coronavirus, sales are expected to increase year on year.

Americas

Industrial machinery AM, the economy revitalizes as a whole in the Americas. Automotive AM, are expected to be unchanged from the previous fiscal year.

Europe

There is uncertainty due to the impact of the attack on the Ukrainian invasion by Russia despite robust demand

Asia and Others

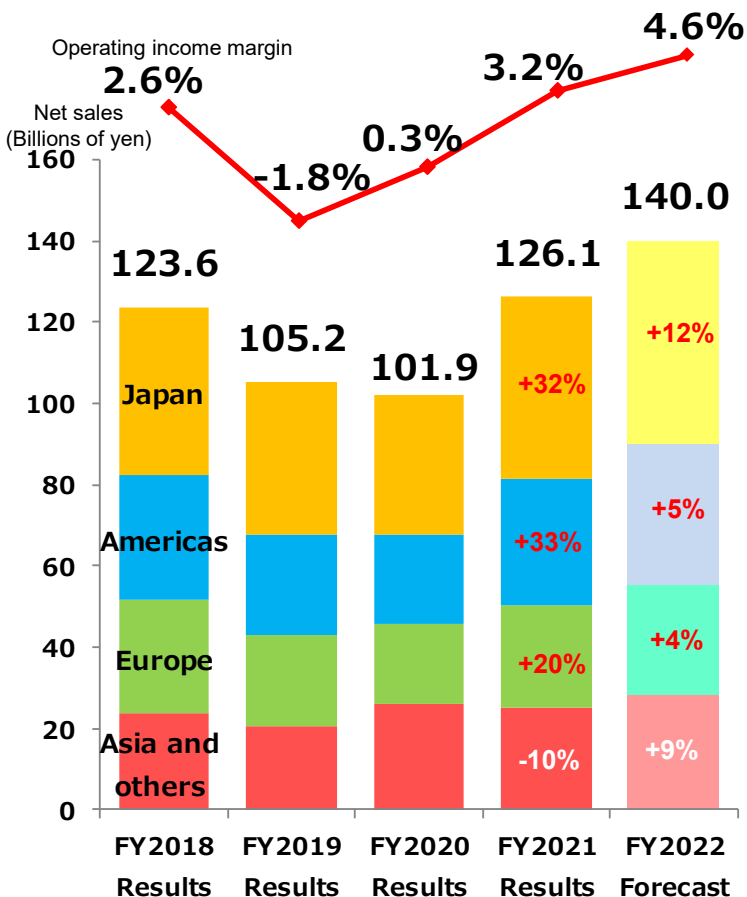
Demand is decreasing in automotive aftermarket, industrial machinery aftermarket recovered from the impact of the new coronavirus and increased sales.

(Reference)

Sales Trends by Business Category : Industrial Machinery Business

<FY2021 results (vs. FY2020)> **Net sales: ¥126.1 billion (+23.8%), Operating income: ¥4.1 billion**

- In the global market, demand for wind power generation was sluggish, but sales increased due to firm demand, mainly for construction machinery, agricultural machinery, gearboxes, and aircraft.
- In China, sales of construction machinery and agricultural machinery increased, but sales of railway rolling stock and wind turbine declined.



<FY2022 forecast: Comments on changes in sales compared to FY2021>

Japan

Agricultural machinery, construction machinery, gearboxes machine tools, aircraft, etc. expected to increase and sales will increase as a whole

Americas

Sales increased mainly in construction machinery and agricultural machinery even though recovery delayed wind turbine.

Europe

Demand for agricultural machinery, transmission equipment, and aircraft is large, and sales will increase. However, there is an effect of attack on Ukraine

Asia and Others

In China, demand for wind turbine and machine tools is rising, and sales will increase in Asia YoY due to an increase in machine tools and gearboxes.

(Reference)

Sales Trends by Business Category : Automotive Business

<FY2021 Results (vs. FY2020) > **Net sales: ¥403.7 billion (+9.3%), Operating income: ¥-11.9 billion**

- Sales in Japan, the Americas, Asia, etc. increased from the previous year.
- New projects in the Americas and Asia, and sales to emerging EV manufacturers in China were strong.

Operating income margin

1.8%

Net sales
(Billions of yen)

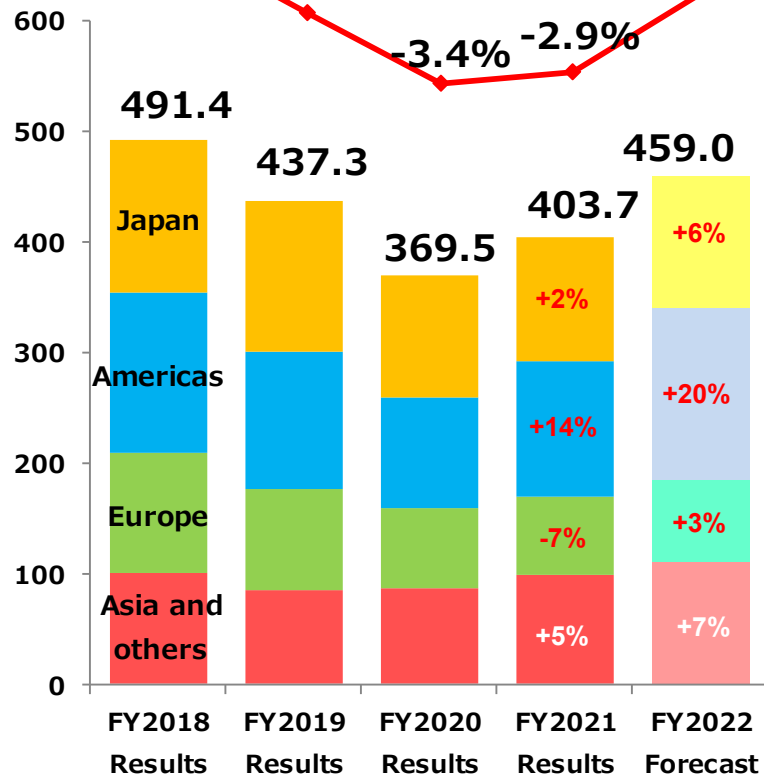
-0.8%

-3.4%

-2.9%

0.0%

<FY2022 forecast: Comments on changes in sales compared to FY2021>



Japan

Demand will increase. Expect a year-on-year increase. The problem of the semiconductor shortage continues.

Americas

Production recovers despite the problem of supplying semiconductors. Sales are expected to increase from the previous year.

Europe

The market is expected to recover, but there is a shortage of semiconductor. Influenced by Russia's attack on Ukraine.

Asia and Others

Despite problems such as lockdown in China, Expect to increase year-on-year due to an increase in new projects in Asia.