

Consolidated Financial Results for the Third Quarter of FY2022



February 2, 2023
NTN Corporation

1. Key Points of Financial Results for 3Q of FY2022

◇ Net sales

¥569.4 billion YoY **+¥101.3** billion (excl. forex **+¥44.6** billion)

◇ Operating income

¥9.9 billion YoY **+¥7.3** billion (excl. forex **-¥3.4** billion)

◇ Ordinary income

¥7.4 billion YoY **+¥5.6** billion yen (excl. forex **-¥5.4** billion)

◇ Profit attributable to owners of parent

-¥0.8 billion YoY **+¥0.8** billion (excl. forex **-¥6.2** billion)

◇ Inventories

¥247.7 billion compared to previous FY end **+¥32.8** billion (excl. forex **+¥23.9** billion)

◇ Free cash flow

+¥15.4 billion YoY **+¥20.3** billion yen

2. Consolidated Statements of Operation

	FY2021			FY2022			Year on Year		
	3Q Results	1-3Q Results ①	Full year Results	3Q Results	1-3Q Results ②	Full year Forecast	②-①		
(billion yen)							Total	Volume	Forex
Net sales	162.3	468.1	642.0	197.7	569.4	770.0	101.3	44.6	56.7
Operating income	0.9	2.5	6.9	6.0	9.9	26.0	7.3	-3.4	10.8
Operating margin	(0.6%)	(0.5%)	(1.1%)	(3.1%)	(1.7%)	(3.4%)	(1.2%)		
Ordinary income	0.1	1.8	6.8	3.8	7.4	23.0	5.6	-5.4	11.0
Extraordinary income/loss	1.0	0.9	10.8	-0.9	-0.9	-3.0	-1.8	-1.6	-0.2
Profit attributable to owners of parent	-0.5	-1.5	7.3	0.9	-0.8	12.0	0.8	-6.2	7.0
Exchange rate									
1USD (JPN)	113.7	111.1	112.3	141.6	136.5	134.9	25.4		
1EURO	130.0	130.6	130.5	144.2	140.5	140.4	10.0		

* The exchange rates for 4Q forecast are 1USD=130 yen (previously announced at 140 yen) and 1EURO=140 yen (no change from the previous announcement)

3. Net Sales by Region

(billion yen)	FY2021			FY2022			Year on year		
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast	②-①		
		①			②		Total	Volume	Forex
Japan	47.1	133.4	180.8	52.6	148.1	202.3	14.7	14.7	0.0
Americas	44.9	130.2	181.2	62.8	181.3	245.3	51.1	18.4	32.7
Europe	29.6	91.7	127.1	37.7	109.7	150.2	18.0	10.2	7.8
Asia and others	40.8	112.8	153.0	44.6	130.3	172.2	17.5	1.3	16.2
Total	162.3	468.1	642.0	197.7	569.4	770.0	101.3	44.6	56.7

4. Net Sales and Operating Income by Business Sector

<Net Sales by Business Sector>

(billion yen)	FY2021			FY2022			Year on year		
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast	②-①		
	①			②			Total	Volume	Forex
Aftermarket	28.0	82.1	112.2	33.1	99.0	134.1	16.9	7.3	9.7
Industrial machinery	31.3	92.4	126.1	33.8	102.8	138.2	10.5	1.8	8.7
Automotive	103.1	293.7	403.7	130.8	367.6	497.7	73.9	35.5	38.3
Total	162.3	468.1	642.0	197.7	569.4	770.0	101.3	44.6	56.7

<Operating Income by Business Sector>

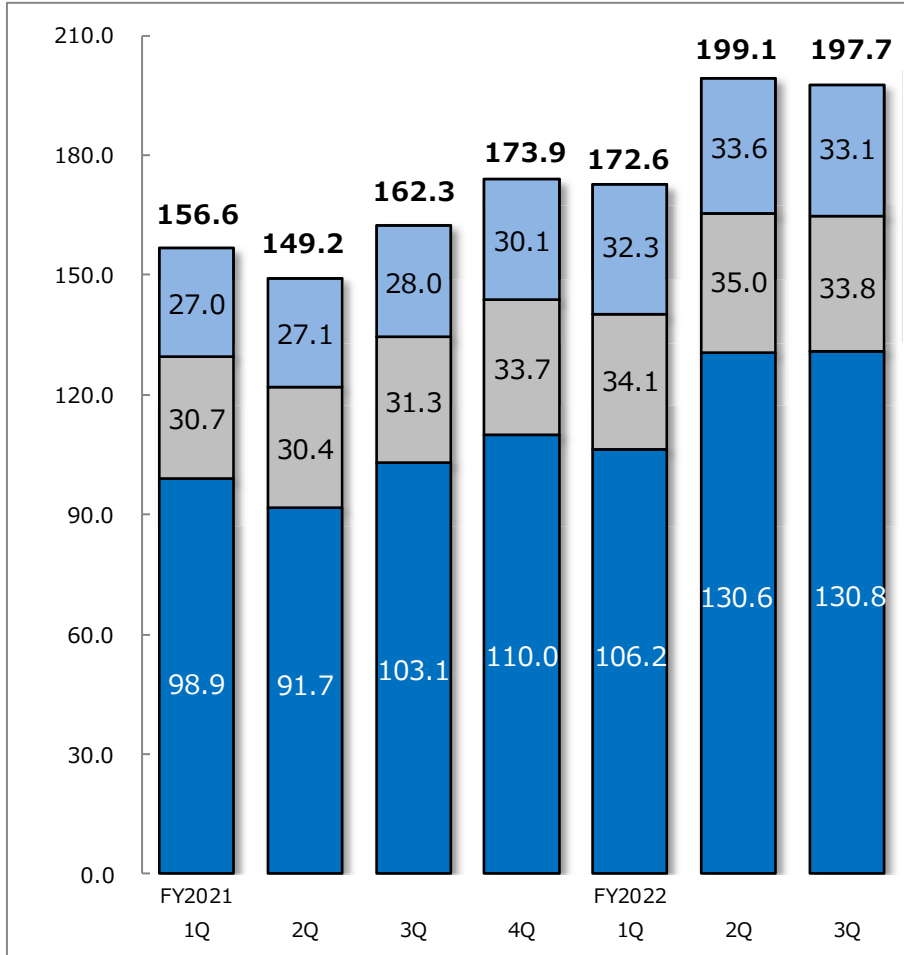
(billion yen)	FY2021			FY2022			Year on year ②-①
	3Q Results	1-3Q Results	Full year Results	3Q Results	1-3Q Results	Full year Forecast	
	①			②			
Aftermarket	3.7	10.5	14.7	5.7	15.7	22.0	5.2
Industrial machinery	1.3	2.7	4.1	2.2	4.9	8.0	2.2
Automotive	-4.1	-10.7	-11.9	-1.9	-10.7	-4.0	-0.0
Total	0.9	2.5	6.9	6.0	9.9	26.0	7.3

5. Results by Business Sector (Quarterly Trend)

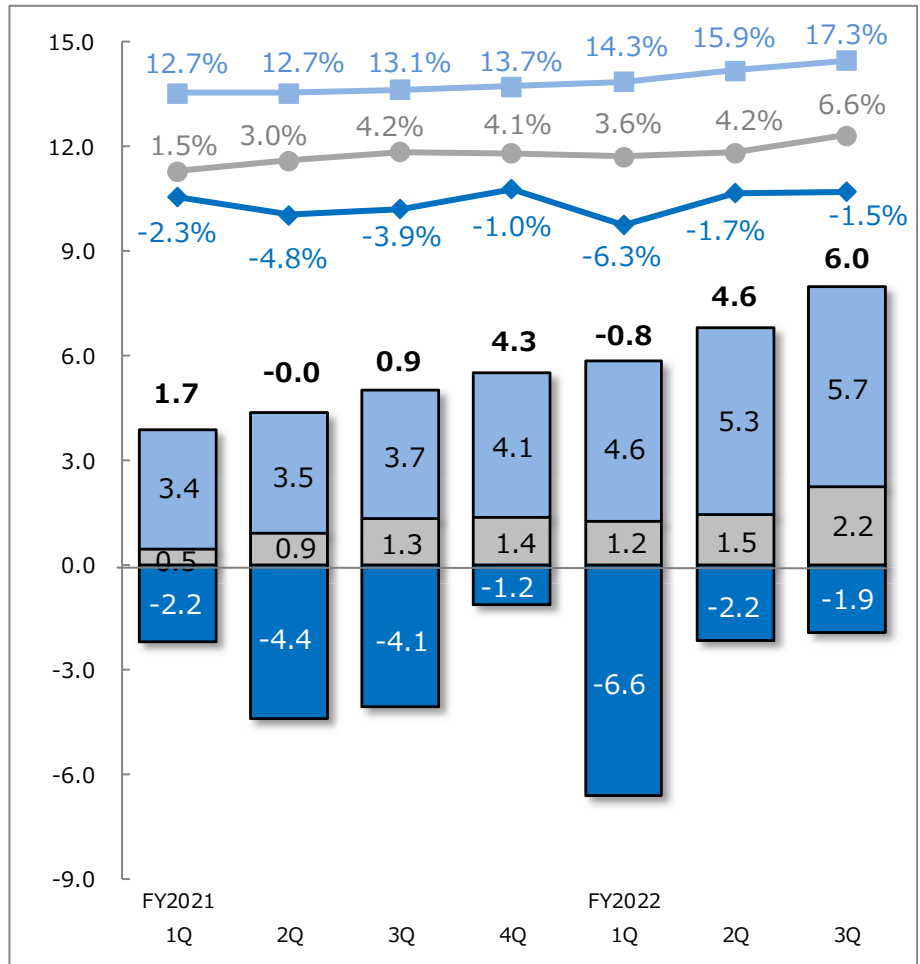
* All figures in billion yen

■ Automotive
 ■ Industrial Machinery
 ■ Aftermarket

Net sales

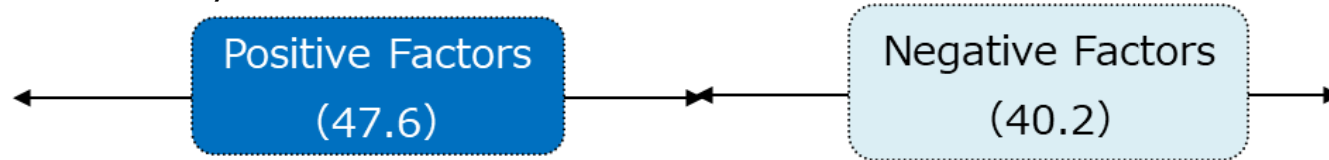


Operating income/Operating margin

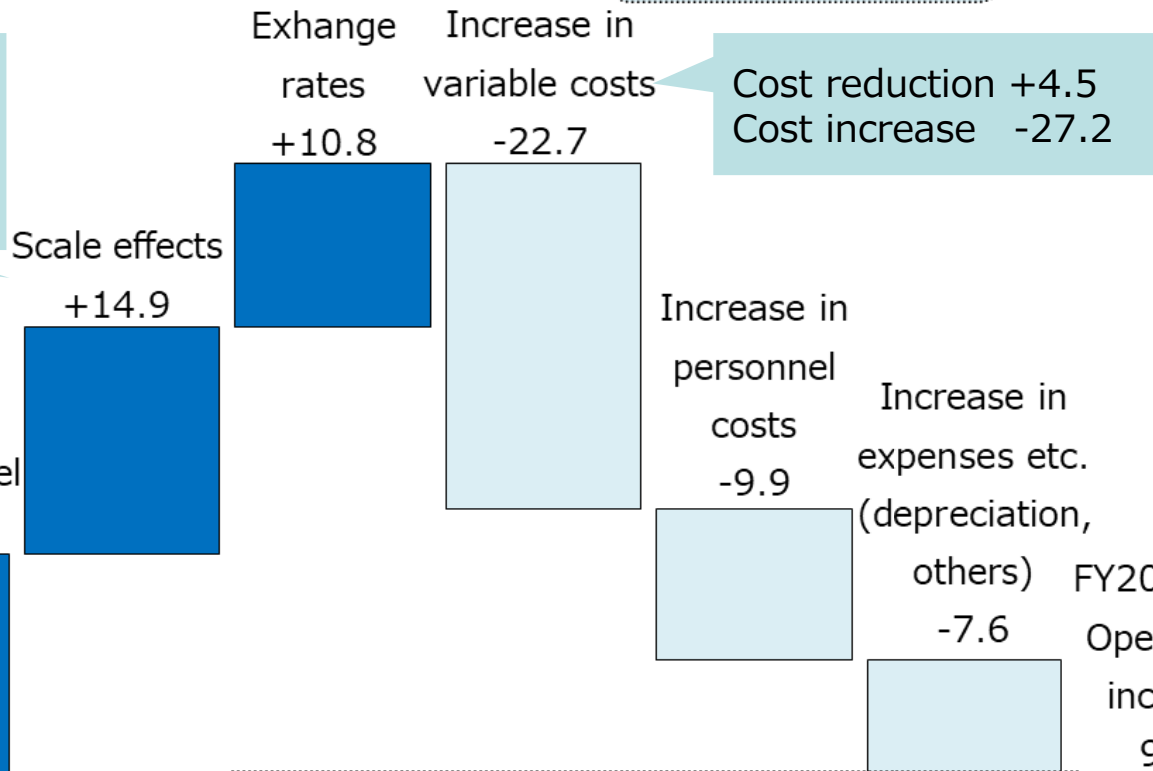


6-1. Analysis of Operating Income (FY2021 3Q Results vs FY2022 3Q Results)

* All figures in billion yen



Sales +21.6
Production +16.1
Inventory valuation +4.6
Others +1.9
} +8.4

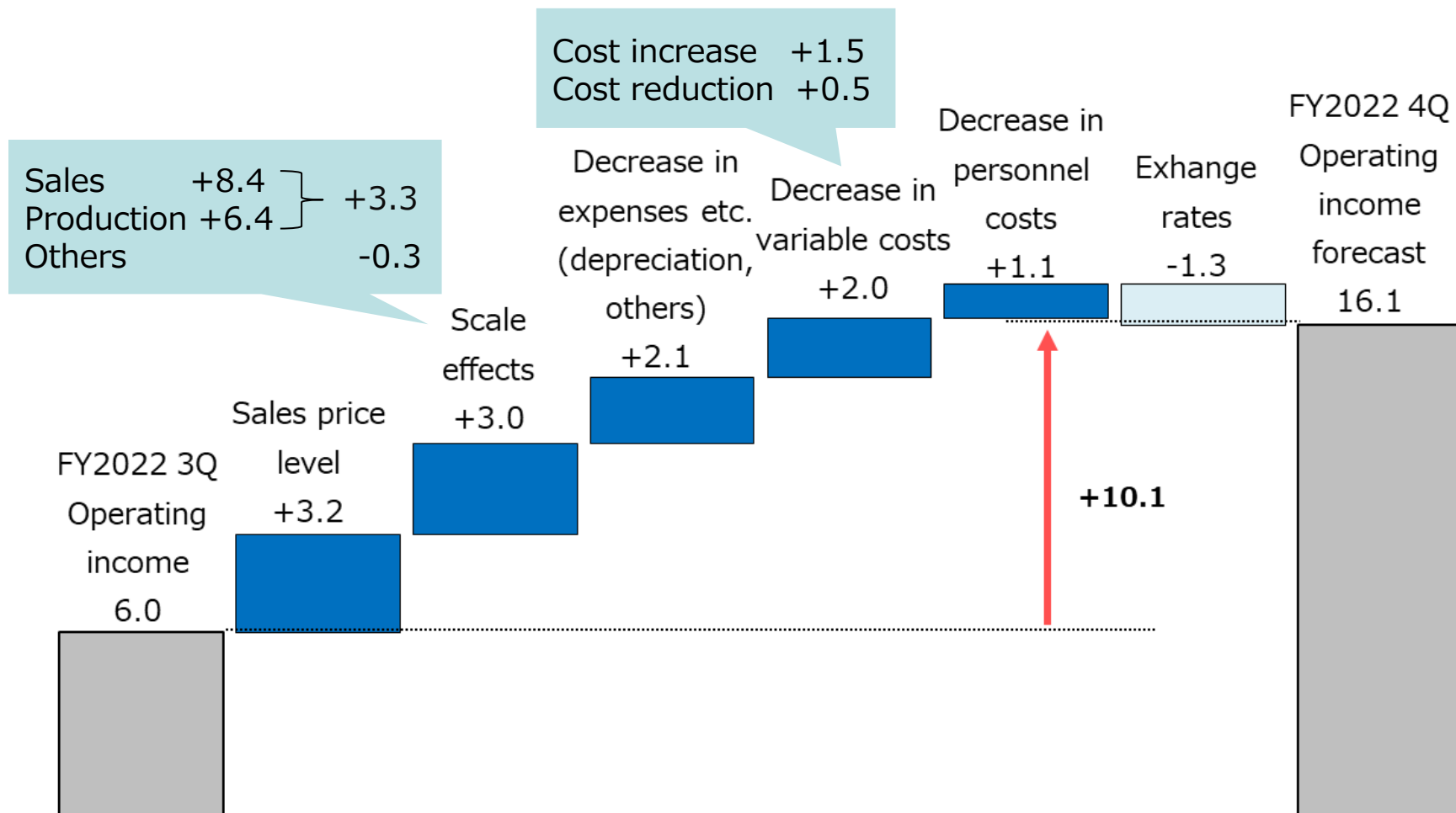


6-2. Analysis of Operating Income (FY2022 3Q Results vs FY2022 4Q Forecast)

* All figures in billion yen

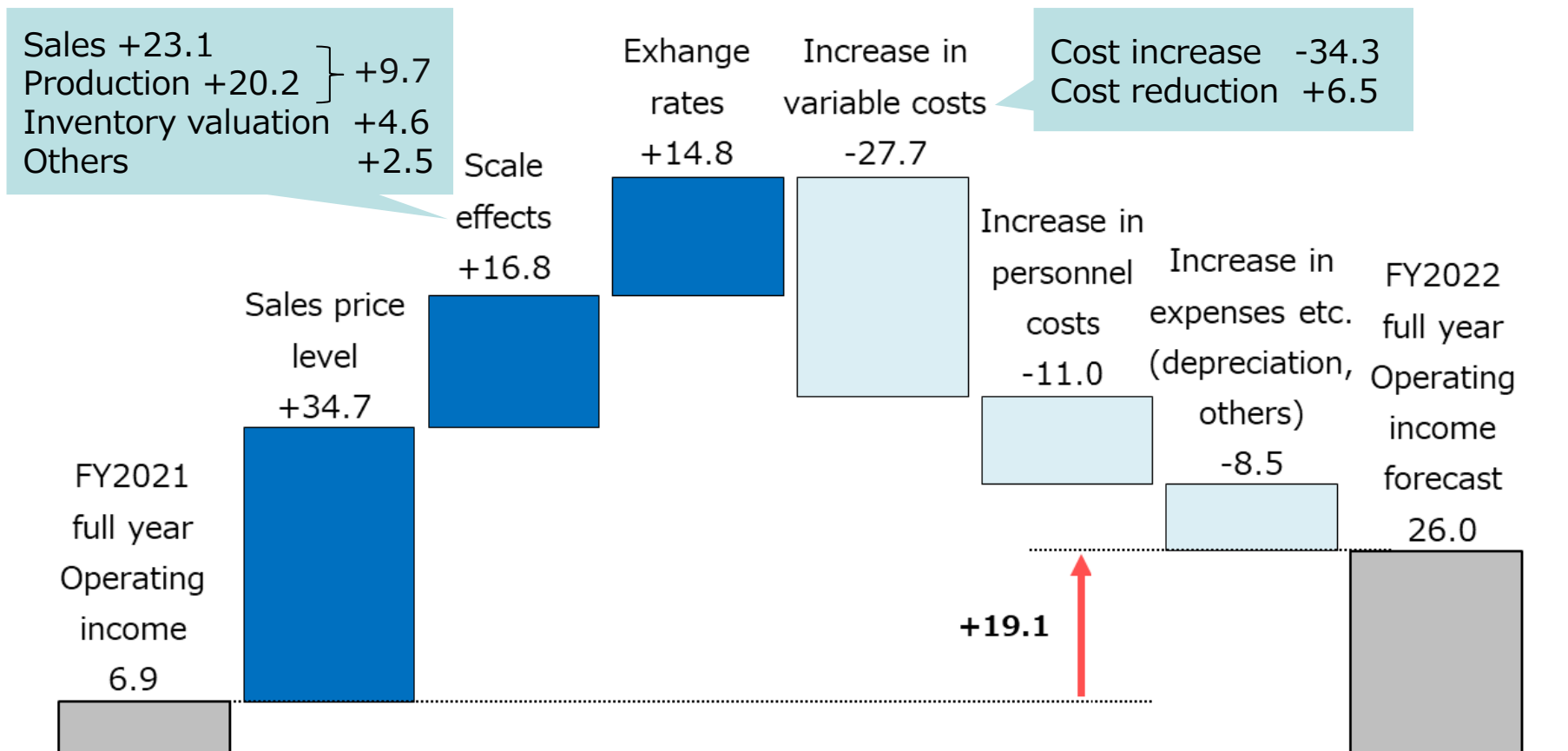
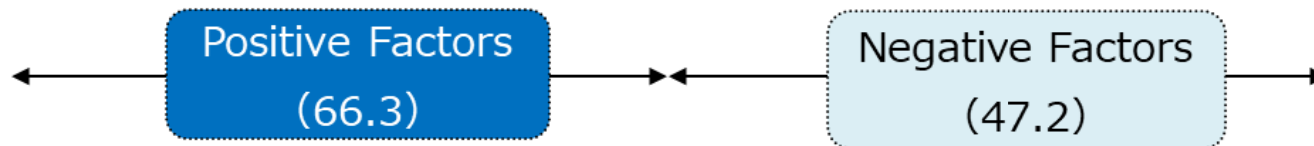
Positive Factors
(11.4)

Negative Factors
(1.3)



6-3. Analysis of Operating Income (FY2021 Results vs FY2022 Forecast)

* All figures in billion yen



6-4. Status of ensuring profits against increased costs due to external factors

<Status of ensuring profits against increased costs due to external factors>

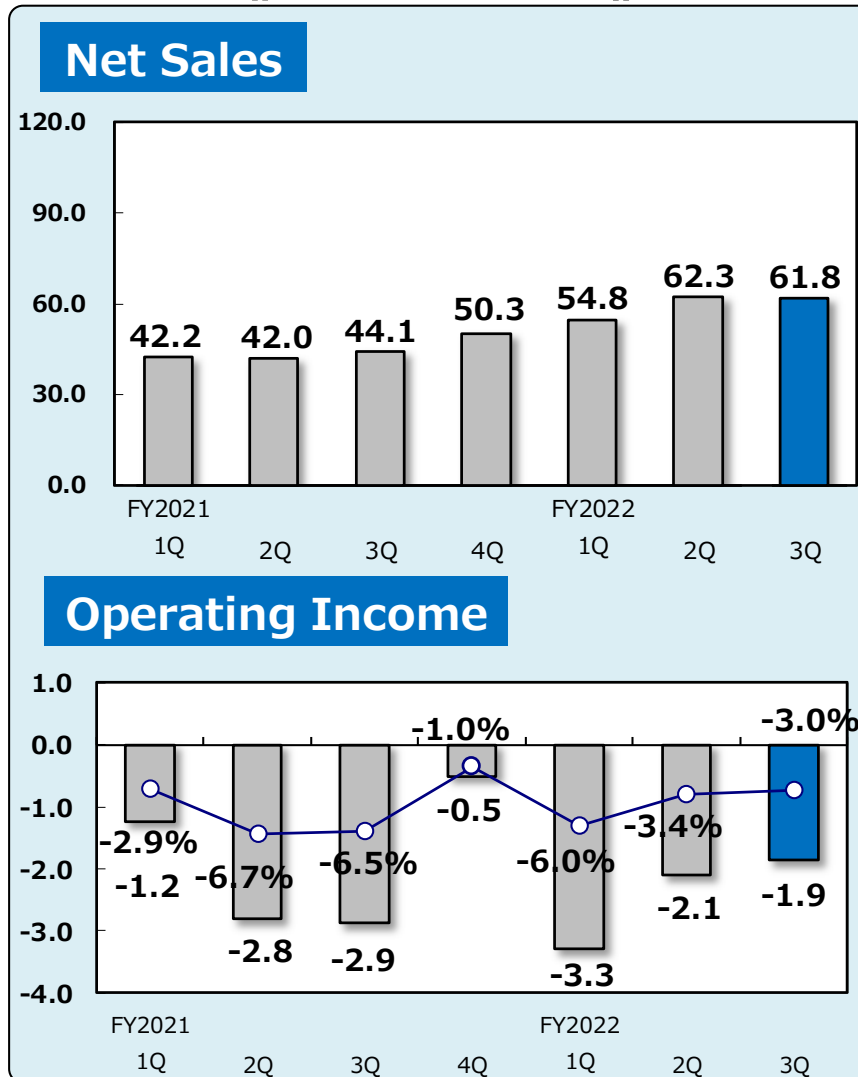
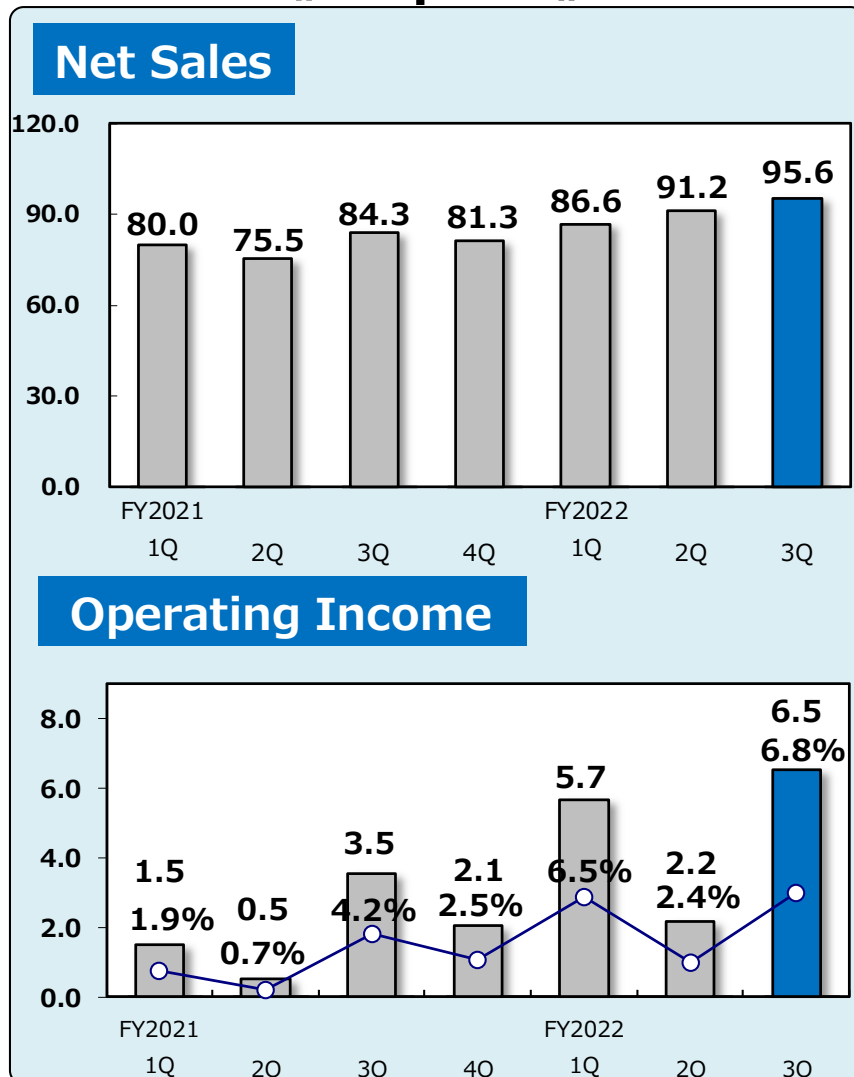
(billion yen)	FY2022					Year on year	Previous announcement	Year on year
	1H Results	3Q Results	1Q-3Q Results	4Q Forecast	Full year forecast	4Q vs 3Q ②-①	Full year forecast	vs previous announcement ③-④
	①			②	③	Total	④	Total
Sales price level	12.3	9.6	21.9	12.8	34.7	+3.2	+37.0	-2.3
Increased costs due to external factors	-22.1	-10.3	-32.4	-9.1	-41.4	+1.2	-45.0	+3.6
(Variable costs)	(-18.6)	(-8.6)	(-27.2)	(-7.1)	(-34.3)	+1.5	-37.2	+2.9
(Sea freight)	(-2.6)	(-1.2)	(-3.8)	(-1.5)	(-5.3)	-0.3	-6.0	+0.7
(Personnel costs in North America)	(-0.9)	(-0.5)	(-1.4)	(-0.5)	(-1.8)	-	(-1.8)	-
Subtotal	-9.8	-0.7	-10.5	+3.8	-6.7	+4.4	-8.0	+1.3
Decrease in variable costs	3.0	1.5	4.5	2.0	6.5	+0.5	7.0	-0.5
Exchange rates	5.5	5.3	10.8	4.0	14.8	-1.3	15.7	-0.8
Total						+3.7		+0.0

7-1 Net Sales and Operating Income by Company Location

* All figures in billion yen

《 Japan 》

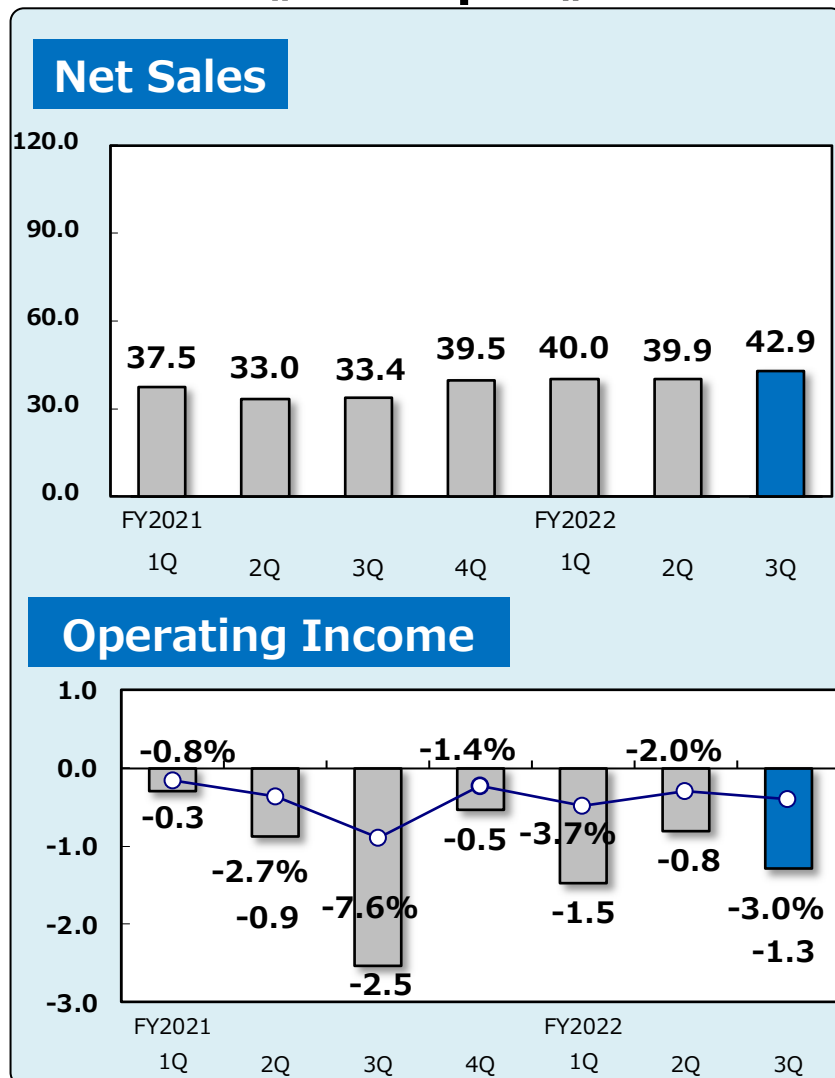
《 Americas 》



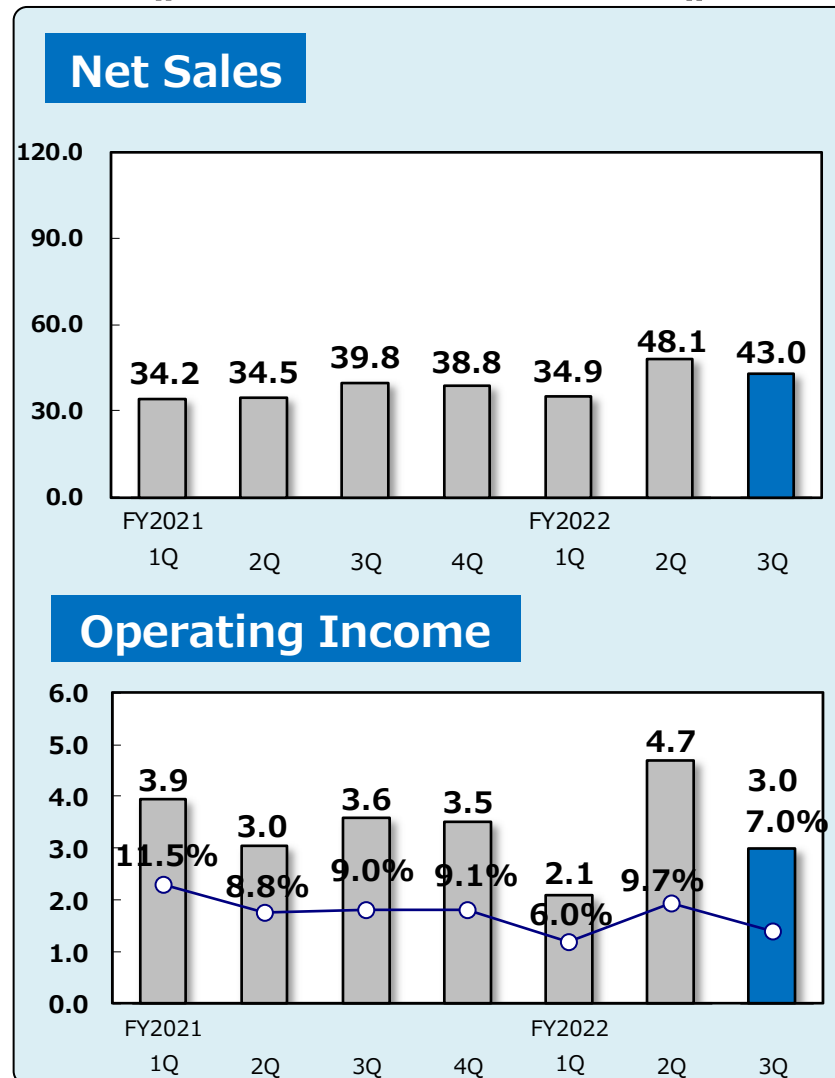
7-2 Net Sales and Operating Income by Company Location

* All figures in billion yen

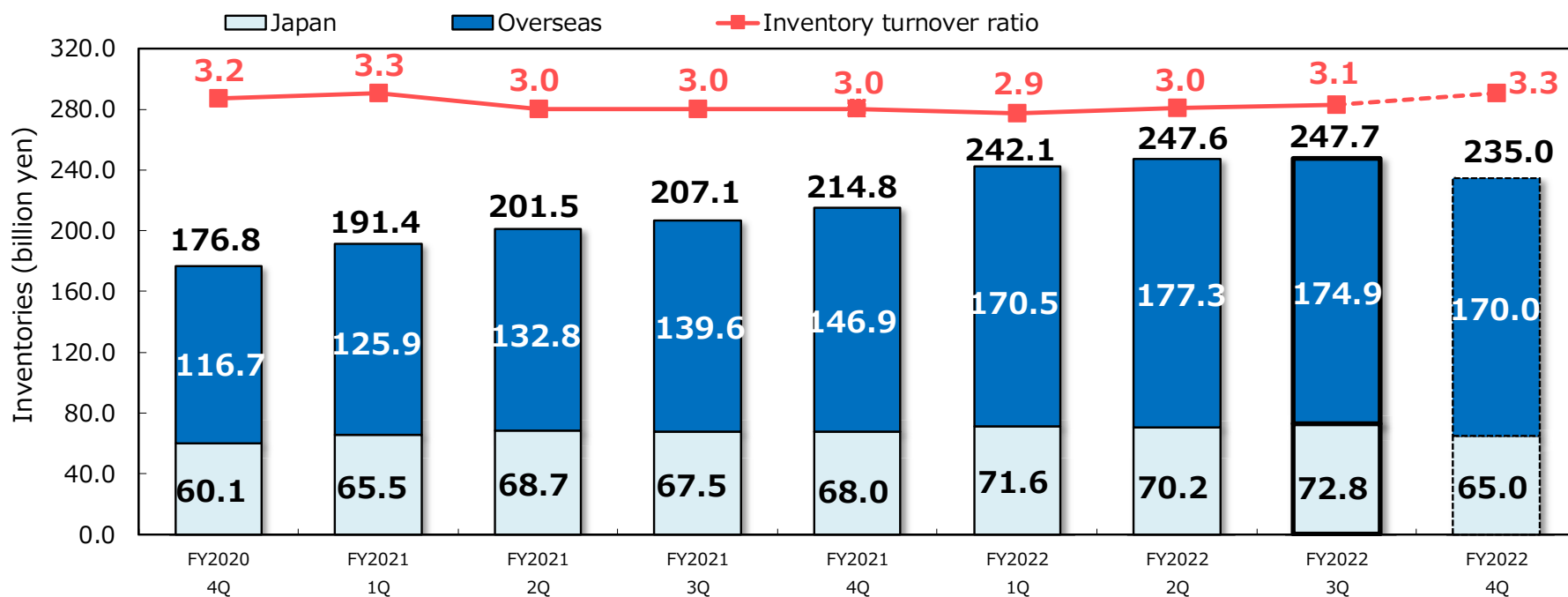
《 Europe 》



《 Asia and others 》

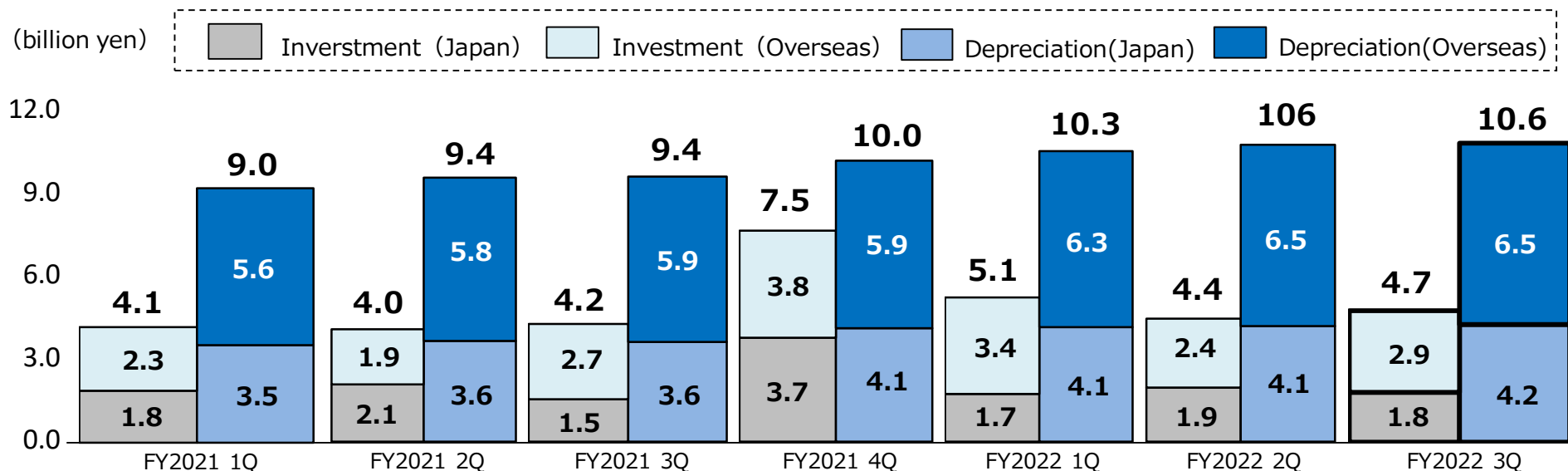


8. Inventories



	FY2020 4Q	FY2021 1Q	FY2021 2Q	FY2021 3Q	FY2021 4Q	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q
(billion yen)	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Inventories	176.8	191.4	201.5	207.1	214.8	242.1	247.6	247.7	235.0
(Overseas)	(116.7)	(125.9)	(132.8)	(139.6)	(146.9)	(170.5)	(177.3)	(174.9)	(170.0)
(Japan)	(60.1)	(65.5)	(68.7)	(67.5)	(68.0)	(71.6)	(70.2)	(72.8)	(65.0)
Inventory turnover ratio (times)	3.2	3.3	3.0	3.0	3.0	2.9	3.0	3.1	3.3

9. Capital Expenditure and Depreciation

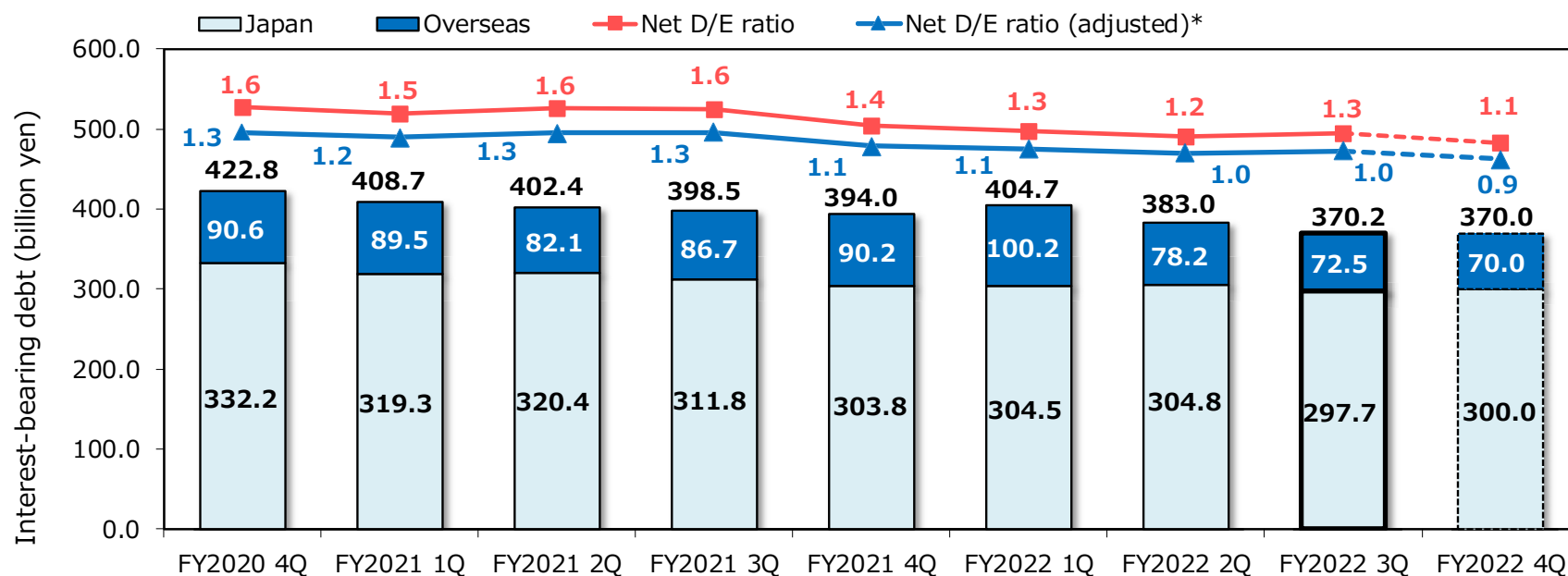


(billion yen)	FY2021		FY2022 1Q-3Q②	Year on Year ②-①	FY2022 Full year forecast
	1Q-3Q①	Full year			
Capital expenditure	12.3	19.8	*14.2	1.9	23.0
(Overseas)	(6.9)	(10.7)	(8.7)	(1.9)	(12.0)
(Japan)	(5.4)	(9.1)	(5.4)	(0.0)	(11.0)

*In addition, capital expenditure for intangible fixed assets of ¥3.0 billion (1Q-3Q) and ¥5.0 billion (full year forecast)

(billion yen)	FY2021		FY2022 1Q-3Q②	Year on Year ②-①	FY2022 Full year forecast
	1Q-3Q①	Full year			
Depreciation	27.9	37.9	31.5	3.6	43.0
(Overseas)	(17.3)	(23.2)	(19.2)	(1.9)	(26.0)
(Japan)	(10.6)	(14.7)	(12.4)	(1.7)	(17.0)

10. Interest-Bearing Debt

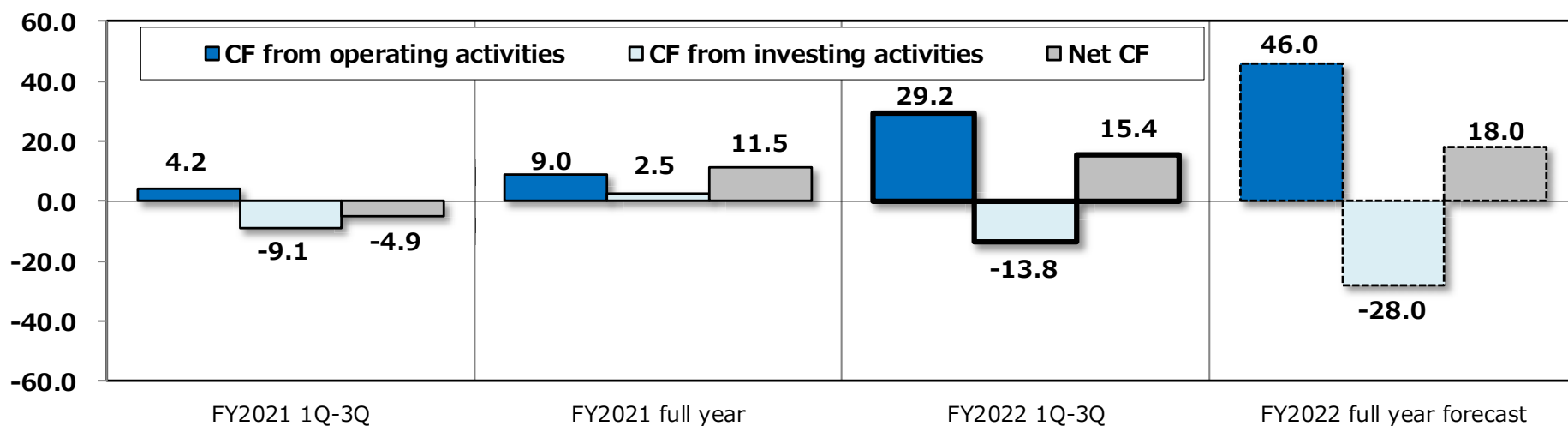


	FY2020 4Q	FY2021 1Q	FY2021 2Q	FY2021 3Q	FY2021 4Q	FY2021 1Q	FY2021 2Q	FY2021 3Q	FY2021 4Q	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q
(billion yen)	Results	Results	Results	Results	Results	Results	Results	Results	Results	Results	Results	Results	Forecast
Interest-bearing debt	422.8	408.7	402.4	398.5	394.0	404.7	383.0	370.2	370.0				
(Overseas)	(90.6)	(89.5)	(82.1)	(86.7)	(90.2)	(100.2)	(78.2)	(72.5)	(70.0)				
(Japan)	(332.2)	(319.3)	(320.4)	(311.8)	(303.8)	(304.5)	(304.8)	(297.7)	(300.0)				
Net interest-bearing debt	275.6	268.0	276.9	285.3	272.6	278.6	268.8	265.0	260.0				

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

11. Cash Flows

(billion yen)	FY2021		FY2022	②-①	FY2022
	1-3Q①	Full year	1-3Q②		Full year forecast
I. Cash flow from operating activities	4.2	9.0	29.2	24.9	46.0
II. Cash flow from investing activities	-9.1	2.5	-13.8	-4.6	-28.0
I + II. Net cash flow	-4.9	11.5	15.4	20.3	18.0
III. Cash flow from financing activities	-30.8	-41.3	-33.1	-2.4	-34.0
IV. Effect of exchanging rate translation on cash and cash equivalents	1.7	4.0	1.5	-0.2	4.5
V. Net increase in cash and cash equivalents	-34.0	-25.8	-16.2	17.8	-11.5



Promote passing on increased cost by external factors to selling price

- ◇ Pass increased raw material costs on selling prices
- ◇ Withdrawal from unprofitable products and negotiations to increase price

Reduce variable costs through variable cost reformation

- ◇ - 1 point in the variable cost ratio

Control fixed cost in the phase of increasing volume

- ◇ Within 15% of the increase in volume

DRIVE

Digitalization Resources Innovation Variable cost reformation Efficiency improvement

NTN 100 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

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