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October 31, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 [Under Japanese GAAP] (Unaudited)

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 Listing: Tokyo Stock Exchanges
 Securities code: 6472
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 Scheduled date to file quarterly securities report: November 6, 2023
 Scheduled date to commence dividend payment: December 1, 2023
 Preparation of supplementary material of the financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	409,647	10.2	6,763	75.2	4,883	35.9	4,124	—
Six months ended September 30, 2022	371,702	21.6	3,860	140.0	3,593	111.1	(1,633)	—

Note: comprehensive income: Six months ended September 30, 2023: 29,476 million yen (39.6%)
 Six months ended September 30, 2022: 21,109 million yen (707.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2023	7.77	7.63
Six months ended September 30, 2022	(3.08)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	924,239	265,508	26.8
As of March 31, 2023	869,827	237,425	25.4

Note: Equity (Shareholders' equity + Accumulated other comprehensive income)
 As of September 30, 2023: 247,281 million yen
 As of March 31, 2023: 220,659 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	2.50	—	2.50	5.00
Fiscal year ending March 31, 2024	—	5.00			
Fiscal year ending March 31, 2024 (forecast)			—	5.00	10.00

Note: Revision to the most recently published forecast of dividends: None

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)
(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	825,000	6.6	30,000	75.0	23,000	90.9	11,000	6.1	20.72

Notes: Revision to the most recently published forecast of earnings: None

* Notes to consolidated financial statements

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

(Note) For further details, refer to “2.Quarterly Consolidated Financial Statements and Major Notes, (4) Notes to Quarterly Consolidated Financial Statements,” (Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements) on page 9 of the attached documents.

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(4) Number of issued shares (common stocks)

1) Total number of issued shares at the end of the period (including treasury stock):

As of September 30, 2023: 532,463,527 shares

As of March 31, 2023: 532,463,527 shares

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

As of September 30, 2023: 1,491,596 shares

As of March 31, 2023: 1,567,870 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 530,933,871 shares

Six months ended September 30, 2022: 530,879,967 shares

* This quarterly financial results report is exempt from quarterly review to be performed by certified public accountants or an audit firm.

* Explanation on the appropriate utilization of earnings forecasts and other special 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 earnings forecasts, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Results for the Six Months Ended September 30, 2023, (3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 3 of the attached documents.

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1. Qualitative Information on Quarterly Consolidated Financial Results for the Six Months Ended September 30, 2023

(1) Explanation Regarding Operating Results

The global economy during the first six months of the current fiscal year (from April 1, 2023 to September 30, 2023) continued to pick up, but it also remained uncertain due to supply chain disruptions, the situation in Ukraine, energy problems, and price increases, as well as the global monetary tightening. The Japanese economy has been gradually recovering as personal consumption, capital investment, and the employment situation recovered or improved. Overseas, the U.S. economy showed signs of recovery despite concerns about the effects of monetary tightening and inflation. The Chinese economy was hindered by the stagnation in the real estate market, whereas other emerging Asian economies continued to show signs of gradual recovery. The European economy was at a standstill mainly due to the energy situation and monetary tightening.

Under these business environment, 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 first six months amounted to 409,647 million yen (up 10.2% year on year). Regarding profit and loss, operating income amounted to 6,763 million yen (up 75.2% year on year), ordinary income amounted to 4,883 million yen (up 35.9% year on year), and profit attributable to owners of parent was 4,124 million yen (loss attributable to owners of parent of 1,633 million yen in the same period of the previous fiscal year) mainly due to price pass-on measures despite increases in steel prices.

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

(1) Japan

Sales in aftermarket applications decreased in industrial machinery aftermarket applications. Sales in industrial machinery applications decreased in construction machinery. Sales in automotive applications increased due to recovered customer demand and other factors. As a result, net sales amounted to 180,080 million yen (up 1.3% year on year). Segment income amounted to 4,182 million yen (down 46.7% year on year) due to increases in steel prices, despite price pass-on measures.

(2) Americas

Sales in aftermarket applications decreased in industrial machinery and automotive aftermarket applications. Sales in industrial machinery applications decreased in construction machinery and agricultural machinery. Sales in automotive applications increased due to recovered customer demand. As a result, net sales amounted to 133,855 million yen (up 14.3% year on year). Segment loss was 2,381 million yen (segment loss of 5,372 million yen in the same period of the previous fiscal year), although there was promotion of price pass-on measures accompanied by price hike in steel prices.

(3) Europe

Sales in aftermarket applications decreased in industrial machinery aftermarket applications and increased in automotive aftermarket applications. Sales in industrial machinery applications decreased in agricultural machinery. Sales in automotive applications increased due to recovered customer demand. As a result, net sales amounted to 92,651 million yen (up 16.0% year on year). Segment loss was 2,146 million yen (segment loss of 2,291 million yen in the same period of the previous fiscal year), although there was promotion of price pass-on measures accompanied by price hike in steel prices and increased fixed costs.

(4) Asia and other areas

Sales in aftermarket applications increased in industrial machinery aftermarket applications. Sales in industrial machinery applications decreased mainly in wind turbines, machine tools, and others. Sales in automotive applications increased mainly due to the lifting of the lockdown in China that occurred in the same period of the previous fiscal year. As a result, net sales were 85,517 million yen (up 3.0% year on year). Segment income was 7,040 million yen (up 3.7% year on year) mainly due to price pass-on measures.

Operating results by business sector were as follows.

(1) Aftermarket applications

Due to the impact of foreign exchange rates and other factors, net sales amounted to 69,822 million yen (up 6.0% year on year). Operating income amounted to 8,879 million yen (down 10.9% year on year) due to price hike in steel prices, despite price pass-on measures.

(2) Industrial machinery applications

Net sales amounted to 64,825 million yen (down 6.2% year on year) due to decreased sales of construction machinery and agricultural machinery. Operating income amounted to 1,399 million yen (down 48.0% year on year) due to price hike in steel prices and the effect of sales volume in spite of price pass-on measures.

(3) Automotive applications

Net sales amounted to 274,999 million yen (up 16.2% year on year) due to recovered customer demand. Operating loss amounted to 3,515 million yen (operating loss of 8,795 million yen in the same period of the previous fiscal year), although there were promotion of price pass-on measures accompanied by price hike in steel prices.

(2) Explanation Regarding Financial Position

(Assets, liabilities, and net assets)

Current assets increased 40,016 million yen (up 7.6%) from the previous fiscal year end and amounted to 569,040 million yen. This is mainly due to an increase of 34,639 million yen in cash and bank deposits, an increase of 12,169 million yen in finished goods & purchased goods, and a decrease of 10,418 million yen in notes and accounts receivable-trade. Fixed assets increased 14,396 million yen (up 4.2%) from the previous fiscal year end and amounted to 355,198 million yen. This is mainly due to an increase of 9,114 million yen in property, plant and equipment and an increase of 5,042 million yen in deferred tax assets. As a result, total assets increased 54,412 million yen (up 6.3%) from the previous fiscal year end and amounted to 924,239 million yen.

Current liabilities decreased 23,197 million yen (down 6.3%) from the previous fiscal year end and amounted to 345,877 million yen. This is mainly due to a decrease of 33,488 million yen in short-term loans. Fixed liabilities increased 49,527 million yen (up 18.8%) from the previous fiscal year end and amounted to 312,854 million yen. This is mainly due to an increase of 27,654 million yen in long-term loans and an increase of 22,108 million yen in convertible-bond-type bonds with share acquisition rights. As a result, total liabilities increased 26,329 million yen (up 4.2%) compared to the end of the previous fiscal year and amounted to 658,731 million yen.

Total net assets increased 28,083 million yen (up 11.8%) from the previous fiscal year end and amounted to 265,508 million yen. This is mainly due to an increase of 22,936 million yen in translation adjustment.

(Cash flows)

Net cash provided by operating activities amounted to 36,333 million yen (up 13,315 million yen, or 57.8%, year on year). This was mainly due to the cash inflow factors of 20,695 million yen in depreciation and amortization, and 15,874 million yen in a decrease in trade receivables.

Net cash used in investing activities amounted to 12,156 million yen (up 2,686 million yen, or 28.4%, year on year). This was mainly due to the expenditure of 9,822 million yen in purchase of property, plant and equipment and 1,257 million yen in purchase of intangible assets.

Net cash provided by financing activities amounted to 4,183 million yen (24,998 million yen used in the previous fiscal year). This was mainly due to the cash inflow factors of 33,000 million yen in proceeds from long-term loans, 22,110 million yen in proceeds from issuance of convertible-bond-type bonds with share acquisition rights, and 6,940 million yen of increase in short-term loans, partially offset by an expenditure of 54,495 million yen in repayment of long-term loans.

After adding 4,987 million yen of the effect of exchange rate changes and 184 million yen of increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation, cash and cash equivalents as of September 30, 2023 was 144,209 million yen, an increase of 33,533 million yen (up 30.3%) from the end of the previous fiscal year.

(3) Explanation Regarding Consolidated Earnings Forecasts and Other Forward-Looking Statements

No revisions have been made to the consolidated earnings forecast announced on August 2, 2023.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(In millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and bank deposits	111,658	146,297
Notes and accounts receivable-trade	129,760	119,342
Electronically-recorded monetary claims	6,902	8,859
Finished goods & purchased goods	116,695	128,864
Work in process	62,256	65,622
Raw materials and supplies	60,434	61,617
Short-term loans receivable	21	28
Other	42,086	39,314
Allowance for doubtful accounts	(790)	(906)
Total current assets	529,024	569,040
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	88,671	92,273
Machinery, equipment and vehicles, net	118,272	126,825
Other, net	57,169	54,127
Total property, plant and equipment	264,113	273,227
Intangible assets		
Goodwill	1,768	1,661
Other	38,121	36,095
Total intangible fixed assets	39,890	37,756
Investments and other assets		
Investment securities	25,434	26,839
Deferred tax assets	4,219	9,261
Assets for retirement benefits	3,312	3,758
Other	4,049	5,299
Allowance for doubtful accounts	(217)	(943)
Total investments and other assets	36,799	44,215
Total fixed assets	340,802	355,198
Total assets	869,827	924,239

(In millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	67,283	67,405
Electronically-recorded monetary claims	68,340	71,895
Short-term loans	161,943	128,455
Accrued income taxes	4,307	5,947
Accrued bonuses for directors and other officers	117	58
Other	67,083	72,115
Total current liabilities	369,074	345,877
Long-term liabilities		
Bonds	80,000	80,000
Convertible-bond-type bonds with share acquisition rights	–	22,108
Long-term loans	129,349	157,003
Provision for product defect compensation	251	248
Liabilities for retirement benefits	34,862	34,237
Other	18,863	19,255
Total long-term liabilities	263,327	312,854
Total liabilities	632,402	658,731
Net assets		
Shareholders' equity		
Common stock	54,346	54,346
Additional paid-in capital	67,970	67,970
Retained earnings	69,166	71,984
Treasury stock	(856)	(833)
Total shareholders' equity	190,626	193,467
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	1,255	1,735
Translation adjustments	28,079	51,015
Remeasurements of defined benefit plans	697	1,062
Total accumulated other comprehensive income	30,032	53,813
Non-controlling shareholders' equity	16,765	18,226
Total net assets	237,425	265,508
Total liabilities and net assets	869,827	924,239

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(In millions of yen)

	Six months ended September 30, 2022 (April 1, 2022 – September 30, 2022)	Six months ended September 30, 2023 (April 1, 2023 – September 30, 2023)
Net sales	371,702	409,647
Cost of sales	313,090	345,177
Gross profit	58,611	64,469
Selling, general and administrative expenses	54,751	57,705
Operating income/loss (-)	3,860	6,763
Non-operating income		
Interest income	417	734
Dividend income	201	161
Equity in earnings of non-consolidated subsidiaries	712	344
Foreign exchange gains	1,333	2,102
Other	1,338	1,393
Total non-operating income	4,003	4,738
Non-operating expenses		
Interest expenses	2,514	3,999
Other	1,756	2,618
Total non-operating expenses	4,270	6,618
Ordinary income	3,593	4,883
Extraordinary losses		
Loss on business restructuring	–	*404
Total extraordinary losses	–	404
Income before income taxes and equity in earnings of affiliated companies	3,593	4,478
Income and other taxes	4,397	(413)
Net income/loss (-)	(804)	4,891
Profit attributable to non-controlling shareholders	829	767
Profit/loss (-) attributable to owners of parent	(1,633)	4,124

(Quarterly Consolidated Statements of Comprehensive Income)

	(In millions of yen)	
	Six months ended September 30, 2022 (April 1, 2022–September 30, 2022)	Six months ended September 30, 2023 (April 1, 2023–September 30, 2023)
Net income/loss (-)	(804)	4,891
Other comprehensive income		
Net unrealized holding gain on other securities	(111)	480
Translation adjustments	20,109	22,430
Remeasurements of defined benefit plans	(44)	365
Equity in equity-method affiliates	1,959	1,309
Total other comprehensive income	21,913	24,585
Comprehensive income	21,109	29,476
(breakdown)		
Comprehensive income attributable to owners of parent	19,425	27,905
Comprehensive income attributable to non-controlling shareholders	1,683	1,571

(3) Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended September 30, 2022 (April 1, 2022–September 30, 2022)	Six months ended September 30, 2023 (April 1, 2023–September 30, 2023)
Cash flows from operating activities		
Income before income taxes and equity in earnings of affiliated companies	3,593	4,478
Depreciation and amortization	20,927	20,695
Goodwill depreciation	107	107
Loss on business restructuring	–	404
Increase/decrease (-) in allowance for doubtful accounts	(83)	751
Increase/decrease (-) in accrued retirement benefits for directors and statutory auditor	29	(59)
Increase/decrease (-) in provision for product defect compensation	69	(3)
Increase/decrease (-) in liabilities in retirement benefits	381	(558)
Decrease/increase (-) in assets for retirement benefits	(886)	(445)
Interest and dividend income	(618)	(896)
Interest expenses	2,514	3,999
Foreign currency translation adjustments / foreign exchange losses/gains (-)	(5,656)	(6,189)
Equity in earnings (-) /loss of non-consolidated subsidiaries	(712)	(344)
Decrease/increase (-) in trade receivables	10,774	15,874
Decrease/increase (-) in inventories	(16,670)	281
Increase/decrease (-) in trade payables	7,415	(538)
Other	5,993	5,185
Subtotal	27,177	42,741
Interest and dividend income received	1,376	1,518
Interest paid	(2,473)	(4,615)
Income taxes paid	(3,061)	(3,309)
Net cash provided by operating activities	23,018	36,333
Cash flows from investing activities		
Increase in time deposits	(2,150)	(1,540)
Decrease in time deposits	2,994	539
Purchase of property, plant and equipment	(8,803)	(9,822)
Purchase of intangible assets	(2,357)	(1,257)
Decrease/increase (-) in short-term loans receivable, net	21	(3)
Other	824	(71)
Net cash used in investing activities	(9,470)	(12,156)
Cash flows from financing activities		
Increase/decrease (-) in short-term loans, net	(19,875)	6,940
Proceeds from long-term loans	39	33,000
Repayment of long-term loans	(3,766)	(54,495)
Dividend payment	–	(1,329)
Repayment of lease payable	(1,261)	(1,954)
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	–	22,110
Other	(133)	(87)
Net cash provided by (used in) financing activities	(24,998)	4,183
Effect of exchange rate changes on cash and cash equivalents	4,136	4,987
Increase/decrease (-) in cash and cash equivalents	(7,313)	33,349
Cash and cash equivalents at beginning of the year	121,460	110,675
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	184
Cash and cash equivalents, at end of the quarter	114,147	144,209

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Quarterly Consolidated Balance Sheets)

1. Contingent liabilities

(Guarantee etc.)

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

	Year ended March 31, 2023	Six months ended September 30, 2023
PT. Astra NTN Driveshaft Indonesia	734 million yen	706 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.

(Notes to Quarterly Consolidated Statements of Income)

For the six months ended September 30, 2023, loss on business restructuring of 404 million yen was recorded as an extraordinary loss. This loss was due to production restructuring at consolidated subsidiaries.

(Notes Related to Significant Changes in Shareholder's Equity)

Not applicable.

(Adoption of Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by multiplying quarterly income before income taxes by an effective tax rate reasonably estimated based on income before income taxes for the full fiscal year, including the first six months under review, after the application of tax effect accounting. 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 using the statutory effective tax rate.

(Segment Information)

I. Six months ended September 30, 2022 (April 1, 2022-September 30, 2022)

1. Information related to sales, income or losses for individual reporting segments

(In millions of yen)

	Reporting segment					Adjustments (Note 1)	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	99,134	116,447	77,224	78,895	371,702	–	371,702
Inter-segment sales or transfers	78,722	663	2,635	4,113	86,135	(86,135)	–
Total	177,856	117,110	79,860	83,009	457,837	(86,135)	371,702
Segment income (Operating income/loss (-))	7,839	(5,372)	(2,291)	6,787	6,961	(3,101)	3,860

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

II. Six months ended September 30, 2023 (April 1, 2023-September 30, 2023)

1. Information related to sales, income or losses for individual reporting segments

(In millions of yen)

	Reporting segment					Adjustments (Note 1)	Balance sheet amount
	Japan	Americas	Europe	Asia and other areas	Total		
Net sales							
Sales to external customers	108,003	132,042	89,947	79,653	409,647	–	409,647
Inter-segment sales or transfers	72,076	1,813	2,703	5,864	82,457	(82,457)	–
Total	180,080	133,855	92,651	85,517	492,104	(82,457)	409,647
Segment income (Operating income/loss (-))	4,182	(2,381)	(2,146)	7,040	6,695	68	6,763

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)

Not applicable.

2. Supplementary Information

(1) Explanatory Materials

(In millions of yen, unless otherwise indicated)

			FY2021		FY2022		FY2023
			1Q-2Q	Full year	1Q-2Q	Full year	1Q-2Q
Consolidated operating results (Lower: Net sales ratio)	Net sales		305,796	642,023	371,702	773,960	409,647
			100.0%	100.0%	100.0%	100.0%	100.0%
	Operating income/loss (-)		1,608	6,880	3,860	17,145	6,763
			0.5%	1.1%	1.0%	2.2%	1.7%
	Ordinary income		1,702	6,815	3,593	12,047	4,883
			0.6%	1.1%	1.0%	1.6%	1.2%
Net sales by region (Lower: composition ratio)	Japan		86,369	180,756	95,517	201,602	104,665
			28.2%	28.2%	25.7%	26.0%	25.6%
	Americas		85,302	181,214	118,570	246,246	133,220
			27.9%	28.2%	31.9%	31.8%	32.5%
	Europe		62,096	127,056	71,980	155,174	84,168
			20.3%	19.8%	19.4%	20.0%	20.5%
Net sales / Operating income by company location	Asia and other areas		72,027	152,996	85,632	170,937	87,592
			23.6%	23.8%	23.0%	22.1%	21.4%
		Total	305,796	642,023	371,702	773,960	409,647
	Japan		100.0%	100.0%	100.0%	100.0%	100.0%
		Net sales	155,530	321,115	177,856	364,064	180,080
		Operating income	2,025	7,621	7,839	17,382	4,182
		Operating margin	1.3%	2.4%	4.4%	4.8%	2.3%
	Americas	Net sales	84,231	178,643	117,110	243,569	133,855
		Operating income	(4,034)	(7,427)	(5,372)	(6,854)	(2,381)
		Operating margin	(4.8)%	(4.2)%	(4.6)%	(2.8)%	(1.8)%
	Europe	Net sales	70,508	143,447	79,860	172,441	92,651
		Operating income	(1,191)	(4,265)	(2,291)	(3,411)	(2,146)
		Operating margin	(1.7)%	(3.0)%	(2.9)%	(2.0)%	(2.3)%
	Asia and other areas	Net sales	68,719	147,310	83,009	165,506	85,517
		Operating income	6,987	14,090	6,787	12,538	7,040
		Operating margin	10.2%	9.6%	8.2%	7.6%	8.2%
	Deletion	Net sales	(73,194)	(148,493)	(86,135)	(171,621)	(82,457)
		Operating income	(2,178)	(3,139)	(3,101)	(2,509)	68
	Total	Net sales	305,796	642,023	371,702	773,960	409,647
		Operating income	1,608	6,880	3,860	17,145	6,763
		Operating margin	0.5%	1.1%	1.0%	2.2%	1.7%

(In millions of yen, unless otherwise indicated)

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			FY2021		FY2022		FY2023	
			1Q-2Q	Full year	1Q-2Q	Full year	1Q-2Q	
Net sales / Operating income by business application	Aftermarket	Net sales	54,088	112,196	65,892	134,039	69,822	
		Operating income	6,869	14,668	9,964	22,270	8,879	
		Operating margin	12.7%	13.1%	15.1%	16.6%	12.7%	
	Industrial machinery	Net sales	61,090	126,104	69,082	139,499	64,825	
		Operating income	1,385	4,074	2,691	7,289	1,399	
		Operating margin	2.3%	3.2%	3.9%	5.2%	2.2%	
	Automotive	Net sales	190,616	403,722	236,726	500,421	274,999	
		Operating income	(6,646)	(11,862)	(8,795)	(12,414)	(3,515)	
		Operating margin	(3.5)%	(2.9)%	(3.7)%	(2.5)%	(1.3)%	
	Total	Net sales	305,796	642,023	371,702	773,960	409,647	
		Operating income	1,608	6,880	3,860	17,145	6,763	
		Operating margin	0.5%	1.1%	1.0%	2.2%	1.7%	
Capital expenditures / Depreciation and amortization	Capital expenditures		8,098	19,809	9,506	22,253	10,472	
	Depreciation and amortization	Domestic	7,064	14,698	8,219	16,507	8,038	
		Overseas	11,394	23,200	12,707	25,540	12,656	
	Total		18,459	37,898	20,927	42,048	20,695	
R&D expenditures			8,651	17,444	9,200	18,678	8,931	
Ratio of R&D expenditures to net sales			2.8%	2.7%	2.5%	2.4%	2.2%	
Inventories			201,507	214,843	247,578	239,385	256,104	
Inventory turnover ratio (times)			3.0	3.0	3.0	3.2	3.2	
Interest- bearing debts	Loans		322,418	314,031	302,970	291,292	285,459	
	Bonds		80,000	80,000	80,000	80,000	80,000	
	Convertible-bond-type bonds with share acquisition rights		—	—	—	—	22,108	
	Total		402,418	394,031	382,970	371,292	387,568	
Major management indicators	Ordinary income ratio to total assets		0.4%	0.8%	0.8%	1.4%	1.1%	
	Return on assets (ROA)		(0.3)%	0.9%	(0.4)%	1.2%	0.9%	
	Return on equity (ROE)		(1.2)%	4.0%	(1.6)%	5.0%	3.5%	
	Shareholder's equity ratio		20.8%	23.1%	24.5%	25.4%	26.8%	
	Net assets per share (yen)		323.90	372.70	409.28	415.64	465.72	
	Net income per share (yen)		(1.97)	13.83	(3.08)	19.53	7.77	
Employees	Domestic	(persons)	8,737	8,579	8,570	8,419	8,428	
	Overseas	(persons)	14,502	14,804	14,813	14,608	14,287	
	Total	(persons)	23,239	23,383	23,383	23,027	22,715	
Exchange rates	Average	Dollar	(yen)	109.76	112.34	133.94	135.45	140.84
		Euro	(yen)	130.84	130.53	138.70	140.91	153.31
	At term end	Dollar	(yen)	111.97	121.89	144.47	132.68	149.29
		Euro	(yen)	129.85	136.01	141.84	144.70	157.72