

# Consolidated Financial Statements

## Consolidated Statements of Financial Position (IFRS)

(¥ Millions)

		FY2020 (March 31, 2021)	FY2021 (March 31, 2022)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		176,638	137,504
Trade receivables and other receivables		185,993	209,351
Inventories		150,046	196,736
Other financial assets		1,569	1,658
Income tax receivables		4,670	5,562
Other current assets		15,850	19,065
<b>Total current assets</b>		<b>534,769</b>	<b>569,879</b>
<b>Non-current assets</b>			
Property, plant and equipment		378,677	379,042
Intangible assets		42,872	43,987
Investments accounted for using equity method		29,773	30,824
Other financial assets		79,203	66,094
Deferred tax assets		10,962	15,128
Net defined benefit assets		88,809	123,989
Other non-current assets		6,632	5,603
<b>Total non-current assets</b>		<b>636,930</b>	<b>664,672</b>
<b>Total assets</b>		<b>1,171,699</b>	<b>1,234,551</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables and other payables		112,374	119,855
Other financial liabilities		130,205	113,882
Provisions		318	516
Income tax payables		3,203	5,990
Other current liabilities		54,888	56,758
<b>Total current liabilities</b>		<b>300,989</b>	<b>297,003</b>
<b>Non-current liabilities</b>			
Financial liabilities		223,211	214,684
Provisions		2,919	3,050
Deferred tax liabilities		45,521	56,084
Net defined benefit liabilities		17,349	17,714
Other non-current liabilities		8,139	8,555
<b>Total non-current liabilities</b>		<b>297,140</b>	<b>300,088</b>
<b>Total liabilities</b>		<b>598,130</b>	<b>597,091</b>
<b>Equity</b>			
Issued capital		67,176	67,176
Capital surplus		80,338	80,374
Retained earnings		397,837	410,872
Treasury shares		(37,303)	(37,025)
Other components of equity		46,467	96,402
<b>Total equity attributable to owners of the parent</b>		<b>554,516</b>	<b>617,800</b>
Non-controlling interests		19,052	19,659
<b>Total equity</b>		<b>573,569</b>	<b>637,460</b>
<b>Total liabilities and equity</b>		<b>1,171,699</b>	<b>1,234,551</b>

## Consolidated Statements of Income (IFRS)

(¥ Millions)

	FY2020 (From April 1, 2020, to March 31, 2021)	FY2021 (From April 1, 2021, to March 31, 2022)
Sales	747,559	865,166
Cost of sales	621,318	695,440
<b>Gross profit</b>	<b>126,240</b>	<b>169,725</b>
Selling, general and administrative expenses	125,425	144,724
Share of profits of investments accounted for using the equity method	4,076	3,785
Other operating income	–	10,225
Other operating expenses	(1,472)	9,582
<b>Operating income</b>	<b>6,364</b>	<b>29,430</b>
Financial income	2,137	2,229
Financial expenses	2,612	2,143
<b>Income before income taxes</b>	<b>5,889</b>	<b>29,516</b>
Income tax expense	6,637	11,851
<b>Net income (loss)</b>	<b>(748)</b>	<b>17,664</b>
<b>Net income attributable to:</b>		
Owners of the parent	355	16,587
Non-controlling interests	(1,103)	1,077
<b>(Earnings per share attributable to owners of the parent)</b>		
Basic earnings per share (Yen)	0.69	32.35
Diluted earnings per share (Yen)	0.69	32.26

## Consolidated Statements of Comprehensive Income (IFRS)

(¥ Millions)

	FY2020 (From April 1, 2020, to March 31, 2021)			FY2021 (From April 1, 2021, to March 31, 2022)		
	Before tax effect	Tax effect	Amount (net)	Before tax effect	Tax effect	Amount (net)
<b>Net income (loss)</b>			<b>(748)</b>			<b>17,664</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of net defined benefit liability (asset)	25,333	(10,127)	15,205	32,433	(11,263)	21,170
Net changes in financial assets measured at fair value through other comprehensive income	28,028	(8,561)	19,467	(2,353)	710	(1,642)
Share of other comprehensive income of investments accounted for using equity method	206	(61)	144	235	(68)	166
<b>Total items that will not be reclassified to profit or loss</b>	<b>53,568</b>	<b>(18,751)</b>	<b>34,817</b>	<b>30,315</b>	<b>(10,621)</b>	<b>19,694</b>
<b>Items that may be reclassified to profit or loss</b>						
Exchange differences on translating foreign operations	23,783	–	23,783	35,774	–	35,774
Cash flow hedges	404	(123)	281	–	–	–
Share of other comprehensive income of investments accounted for using equity method	715	–	715	872	–	872
<b>Total items that may be reclassified to profit or loss</b>	<b>24,904</b>	<b>(123)</b>	<b>24,780</b>	<b>36,647</b>	<b>–</b>	<b>36,647</b>
<b>Total other comprehensive income</b>	<b>78,472</b>	<b>(18,874)</b>	<b>59,597</b>	<b>66,963</b>	<b>(10,621)</b>	<b>56,341</b>
<b>Total comprehensive income for the period</b>			<b>58,849</b>			<b>74,006</b>
<b>Total comprehensive income for the period attributable to:</b>						
Owners of the parent			59,290			72,220
Non-controlling interests			(441)			1,785

## Consolidated Financial Statements

## Consolidated Statements of Changes in Equity (IFRS)

(¥ Millions)

FY2020 (From April 1, 2020, to March 31, 2021)	Equity attributable to owners of the parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	80,456	405,842	(37,662)
Net income (loss)	-	-	355	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	355	-
Purchase of treasury shares	-	-	-	(8)
Disposal of treasury shares	-	30	-	367
Share-based payment transactions	-	(147)	-	-
Cash dividends	-	-	(10,256)	-
Other	-	-	1,896	-
Total transactions with owners, etc.	-	(117)	(8,360)	359
Closing balance	67,176	80,338	397,837	(37,303)

	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Other components of equity					Total	Total		
	Exchange differences on translating foreign operations	Cash flow hedges	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of net defined benefit liability (asset)	Total				
Opening balance	(34,462)	-	17,166	6,988	(10,308)	505,505	21,013	526,518	
Net income (loss)	-	-	-	-	-	355	(1,103)	(748)	
Other comprehensive income	23,846	281	19,509	15,298	58,935	58,935	662	59,597	
Total comprehensive income for the period	23,846	281	19,509	15,298	58,935	59,290	(441)	58,849	
Purchase of treasury shares	-	-	-	-	-	(8)	-	(8)	
Disposal of treasury shares	-	-	-	-	-	398	-	398	
Share-based payment transactions	-	-	-	-	-	(147)	-	(147)	
Cash dividends	-	-	-	-	-	(10,256)	(1,519)	(11,775)	
Other	-	(281)	(1,879)	-	(2,160)	(264)	-	(264)	
Total transactions with owners, etc.	-	(281)	(1,879)	-	(2,160)	(10,279)	(1,519)	(11,798)	
Closing balance	(10,616)	-	34,797	22,286	46,467	554,516	19,052	573,569	

(¥ Millions)

FY2021 (From April 1, 2021, to March 31, 2022)	Equity attributable to owners of the parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	80,338	397,837	(37,303)
Net income	-	-	16,587	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	16,587	-
Purchase of treasury shares	-	-	-	(8)
Disposal of treasury shares	-	(14)	-	286
Share-based payment transactions	-	42	-	-
Cash dividends	-	-	(10,263)	-
Changes in the ownership interest in subsidiaries	-	7	-	-
Other	-	-	6,711	-
Total transactions with owners, etc.	-	35	(3,551)	278
Closing balance	67,176	80,374	410,872	(37,025)

	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Other components of equity					Total	Total		
	Exchange differences on translating foreign operations	Cash flow hedges	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of net defined benefit liability (asset)	Total				
Opening balance	(10,616)	-	34,797	22,286	46,467	554,516	19,052	573,569	
Net income	-	-	-	-	-	16,587	1,077	17,664	
Other comprehensive income	35,933	-	(1,638)	21,338	55,633	55,633	708	56,341	
Total comprehensive income for the period	35,933	-	(1,638)	21,338	55,633	72,220	1,785	74,006	
Purchase of treasury shares	-	-	-	-	-	(8)	-	(8)	
Disposal of treasury shares	-	-	-	-	-	271	-	271	
Share-based payment transactions	-	-	-	-	-	42	-	42	
Cash dividends	-	-	-	-	-	(10,263)	(1,164)	(11,428)	
Changes in the ownership interest in subsidiaries	-	-	-	-	-	7	(14)	(7)	
Other	-	-	(5,697)	-	(5,697)	1,013	-	1,013	
Total transactions with owners, etc.	-	-	(5,697)	-	(5,697)	(8,936)	(1,179)	(10,115)	
Closing balance	25,316	-	27,460	43,625	96,402	617,800	19,659	637,460	

## Consolidated Statements of Cash Flows (IFRS)

(¥ Millions)

	FY2020 (From April 1, 2020, to March 31, 2021)	FY2021 (From April 1, 2021, to March 31, 2022)
Operating activities		
Income before income taxes	5,889	29,516
Depreciation and amortization	54,527	56,558
Impairment loss	132	10,222
Increase (decrease) in net defined benefit liability and net defined benefit asset	(2,658)	(2,442)
Interest and dividend income	(1,763)	(1,728)
Interest expenses	2,739	2,573
Share of profits of investments accounted for using the equity method	(4,076)	(3,785)
Loss (gain) on sales of property, plant and equipment	(291)	(10,048)
Decrease (increase) in trade receivables	(20,822)	(11,902)
Decrease (increase) in inventories	9,155	(34,821)
Increase (decrease) in trade payables	13,800	442
Other	5,591	(2,707)
Subtotal	62,225	31,876
Interest and dividend received	3,895	5,241
Interest expenses paid	(2,398)	(2,936)
Income tax paid	(9,880)	(11,447)
Net cash provided by operating activities	53,842	22,733
Investing activities		
Purchases of property, plant and equipment	(33,797)	(36,063)
Proceeds from sale of property, plant and equipment	878	10,829
Purchases of other financial assets	(130)	(20)
Proceeds from sale of other financial assets	3,804	11,290
Acquisition of shares of subsidiaries	(20,118)	-
Other	(1,732)	(6,010)
Net cash used in investing activities	(51,096)	(19,973)
Financial activities		
Increase (decrease) in short-term loans	39,194	(22,035)
Proceeds from long-term loans	16,727	9,000
Repayments of long-term loans	(10,142)	(9,304)
Payments for redemption of corporate bonds	-	(10,000)
Repayments of lease liabilities	(4,409)	(4,722)
Acquisition of treasury shares	(2)	(1)
Dividends paid	(10,253)	(10,259)
Dividends paid to non-controlling interests	(1,519)	(1,164)
Other	398	263
Net cash used in financial activities	29,992	(48,224)
Effect of exchange rate changes on cash and cash equivalents	6,602	6,330
Net increase (decrease) in cash and cash equivalents	39,340	(39,133)
Cash and cash equivalents at the beginning of the period	137,298	176,638
Cash and cash equivalents at the end of the period	176,638	137,504

Note: In the fiscal year ended March 31, 2022, NSK finalized the provisional accounting treatment for its business combination. The consolidated financial statements for the year ended March 31, 2021, reflect the revision of the initially allocated amounts of the acquisition price.

### NSK Group Tax Policy

As the globalization of business advances, the NSK Group believes that the proper payment of taxes in the countries and regions where it operates is one of the most fundamental and important social responsibilities that it should undertake. With this understanding, the Group has established the NSK Group Tax Policy and is striving to ensure appropriate tax treatment. For more details, please visit the website noted below.

▶ Please see our website for more information. <https://www.nsk.com/investors/management/taxpolicy.html>