

# NSK Ltd.

For Immediate Release

May 11, 2021

## CONSOLIDATED RESULTS FOR THE YEAR ENDED MARCH 31, 2021 (Unaudited) [IFRS]

Company name	NSK Ltd.
Stock exchange on which the shares are listed	Tokyo Stock Exchange in Japan
Code number	6471
URL	<a href="https://www.nsk.com/">https://www.nsk.com/</a>
Representative	Akitoshi Ichii, President and CEO
Contact person	Keita Suzuki, Senior Vice President
Date of the ordinary general shareholders' meeting	June 25, 2021
Payment date of cash dividends	June 11, 2021
Filing date of securities report	June 25, 2021

(Figures are rounded down to the nearest million yen)

### 1. Consolidated financial highlights for the year ended March 31, 2021

#### (1) Consolidated financial results

(% indicates changes from the previous year)

	Sales		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2021	747,559	-10.0	6,364	-73.0	5,889	-75.5	-748	—	355	-98.0	58,708	—
Year ended Mar. 31, 2020	831,034	-16.2	23,604	-70.2	24,065	-69.6	18,108	-69.2	17,412	-68.8	-11,134	—

	Basic earnings per share	Diluted earnings per share	Return on equity (ROE)	Income before income taxes / Total assets	Operating income margin
	Yen	Yen	%	%	%
Year ended Mar. 31, 2021	0.69	0.69	0.1	0.5	0.9
Year ended Mar. 31, 2020	34.00	33.91	3.3	2.3	2.8

(Note) Share of profits of investments accounted for using the equity method Year ended Mar. 31, 2021 4,076 million yen Year ended Mar. 31, 2020 2,282 million yen

(Note) Basic earnings per share and diluted earnings per share are calculated based on the net income attributable to owners of the parent.

#### (2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity per share attributable to owners of the parent
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of Mar. 31, 2021	1,167,498	573,428	554,375	47.5	1,081.60
As of Mar. 31, 2020	1,029,884	526,518	505,505	49.1	987.01

#### (3) Consolidated results of cash flow

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ended Mar. 31, 2021	53,842	-51,096	29,992	176,638
Year ended Mar. 31, 2020	72,387	-39,784	-21,333	137,298

### 2. Cash dividends

	Cash dividends per share					Total dividend	Dividend payout ratio	Dividend on equity (DOE)
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year-end	Full-year total	(Full-year)	(Consolidated)	(Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Year ended Mar. 31, 2020	—	20.00	—	10.00	30.00	15,550	88.2	2.9
Year ended Mar. 31, 2021	—	10.00	—	10.00	20.00	10,367	2,885.8	1.9
Year ending Mar. 31, 2022 (Forecast)	—	10.00	—	15.00	25.00		33.7	

### 3. Forecast of consolidated results for the year ending March 31, 2022

(% indicates changes from the previous year)

	Sales		Operating income		Income before income taxes		Net income attributable to owners of the parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending Sep. 30, 2021	425,000	34.5	18,000	—	18,000	—	13,000	—	25.36
Year ending Mar. 31, 2022	860,000	15.0	53,000	732.7	52,500	791.5	38,000	—	74.14

#### Others

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

(2) Changes in accounting policies, or changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes excluding the above: None
- (iii) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding at the end of each period (including treasury stock):

As of Mar. 31, 2021 551,268,104 shares As of Mar. 31, 2020 551,268,104 shares

(ii) Number of treasury stock at the end of each period:

As of Mar. 31, 2021 38,717,721 shares As of Mar. 31, 2020 39,111,034 shares

(iii) Average number of shares issued and outstanding in each period:

Year ended Mar. 31, 2021 512,427,148 shares Year ended Mar. 31, 2020 512,142,780 shares

#### (Reference)

#### Non-consolidated financial highlights for the year ended March 31, 2021

##### (1) Non-consolidated financial results

(% indicates changes from the previous year)

	Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2021	389,199	-8.9	-3,108	—	15,329	-21.5	16,178	-23.9
Year ended Mar. 31, 2020	427,006	-13.5	-6,372	—	19,518	-32.1	21,267	-24.8

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
Year ended Mar. 31, 2021	31.54	—
Year ended Mar. 31, 2020	41.49	—

(Note) The Company reported "Valuation loss on investments in subsidiaries & associates" under "Extraordinary loss" in the year ended March 31, 2020. However, as the amount of this component has become less material, related expenses have been included in "Non-operating expenses - Others" from the year ended March 31, 2021. Accordingly, "Ordinary income" for the year ended March 31, 2020 has also been adjusted.

##### (2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Mar. 31, 2021	717,129	273,959	38.1	533.22
As of Mar. 31, 2020	666,368	252,086	37.8	490.93

(Reference) Equity capital As of Mar. 31, 2021 273,554 million yen As of Mar. 31, 2020 251,664 million yen

(Note) Figures for non-consolidated financial highlights were formulated based on Japanese GAAP.

(Note) This summary of financial results is out of scope of review by certified public accountants or an auditor.

#### Cautionary statement with respect to forward-looking statements

The forecasts in this document are based on currently available information and certain assumptions that the Company regards as reasonable, and actual results may materially differ from any future results expressed herein due to various factors. Please refer to page 5: 1. Business overview (4) Business forecast for the assumptions and preconditions on which the forecast has been based.

## 1. Business overview

### (1) Qualitative information regarding consolidated business results

The NSK Group is promoting various initiatives of its 6th Mid-Term Management Plan, spanning the three years beginning April 2019 with a target of “build business base and strengthen resources in preparation for next growth phase.” Setting safety, quality, compliance and environment as NSK core values, we continue to implement two key policies of “operational excellence” and “challenging innovation” established in the 5th Mid-Term Management Plan (From April 2016 to March 2019) and we address three main management themes: new initiatives targeting growth, enhance managerial resources, and contribute to the environment and society.

Looking at the global economy during the year ended March 31, 2021, the economic situation in each country deteriorated rapidly due to the global spread of COVID-19 in the first quarter. From the second quarter onward, resumption of economic activities has progressed in stages. Although economic activities appeared to be at a standstill in some regions due to even stricter restriction of activities because of the new surge of COVID-19 cases, the economy continued moving towards recovery.

In Japan, although exports increased against the backdrop of global recovery of vehicle production, consumer spending has partially been weak due to the second declaration of a state of emergency in response to COVID-19, and the economy remained in a severe condition. In the US, the economy continued to pick up as additional economic measures began to take effect and economic activities resumed further with the rollout of COVID-19 vaccines. In Europe, although there were some signs of bottoming out in capital expenditure and picking up in manufacturing activities after easing of restrictions, the pace of recovery became slow due to the resurgence of cases. In China, manufacturing activities quickly resumed, and the economy continued to show signs of picking up such as recovery in new vehicle sales thanks to the government’s vehicle subsidies.

In the economic environment, consolidated sales for the year ended March 31, 2021 totaled ¥747,559 million, a year-on-year decrease of 10.0%, and operating income totaled ¥6,364 million, a year-on-year decrease of 73.0%. Income before income taxes was ¥5,889 million, a year-on-year decrease of 75.5%. Net income attributable to owners of the parent was ¥355 million, a year-on-year decrease of 98.0%.

### Business segment information

#### 1) Industrial Machinery Business segment

In the industrial machinery business, the cautious approach in capital expenditure across the world was seen in the first quarter against the backdrop of the contraction of economic activities due to the global spread of COVID-19. Thereafter, production activities in China returned toward normal before other regions, and demand in regions other than China also started to recover toward the end of the fiscal year. However, the full-year sales in the industrial machinery business decreased year-on-year due to sluggish demand in the first half.

Looking at the Company’s results by geographic breakdown, overall sales in Japan decreased due to slumping demand in every sector although the machine tools sector started to show recovery toward the end of the fiscal year. In the Americas, overall sales declined due to sales decrease in the aftermarket sector as well as the impact of the foreign exchange factor, while sales in the semiconductor sector increased. In Europe, overall sales declined due to sales decrease in the electrical and electrical accessory sectors. On the other hand, sales in China increased thanks to robust demand in the wind power, machine tools as well as electrical and electrical accessory sectors.

As a result, sales in the industrial machinery business totaled ¥275,226 million, a year-on-year decrease of 3.2%, and operating income was ¥7,697 million, a year-on-year decrease of 47.8%.

#### 2) Automotive Business segment

Global vehicle production in the first quarter dropped substantially due to restrictions on movement, disruption in the supply chain and suspension of production because of the global spread of COVID-19. From the second quarter onward, although the automotive market changed to a recovering trend, the full-year sales in the automotive business decreased year-on-year due to the significant drop in the first quarter.

Looking at the Company’s results by geographic breakdown, sales in Japan decreased due to a sluggish automotive market. In the Americas and Europe, sales dropped due to stagnant vehicle sales caused by a restriction on economic activities. In China, while sales in electric power steering (EPS) systems decreased, overall sales increased due to stronger sales of bearings and products for the automatic transmission (AT) systems.

As a result, sales in the automotive business totaled ¥449,722 million, a year-on-year decrease of 13.8%, and operating loss was ¥4,018 million (operating income was ¥9,174 million in the same period last year).

## **(2) Qualitative information regarding consolidated financial position**

### **Assets and liabilities**

In the fiscal year ended March 31, 2021, other financial liabilities (current) increased by ¥58,398 million compared to other financial liabilities (current) as of March 31, 2020 due to the borrowing in preparation for liquidity risk posed by contingencies including the global spread of COVID-19. Meanwhile, outflow associated with the acquisition of the condition monitoring system (CMS) business was ¥20,118 million. Accordingly, cash and cash equivalents increased by ¥39,340 million. Trade receivables and other receivables increased by ¥31,002 million and trade payables and other payables increased by ¥14,416 million as the business environment has recovered with the resumption of economic activities. Moreover, other financial assets (non-current) increased by ¥23,704 million due to the rise in stock prices.

As a result, total assets were ¥1,167,498 million, an increase of ¥137,614 million compared to total assets as of March 31, 2020. Total liabilities were ¥594,070 million, an increase of ¥90,704 million compared to total liabilities as of March 31, 2020.

### **Total equity**

Total equity totaled ¥573,428 million, an increase of ¥46,909 million compared to total equity as of March 31, 2020 mainly due to the increase in net income attributable to owners of the parent and other components of equity, which offsets the decrease in cash dividends.

## **(3) Qualitative information regarding cash flow**

Total cash and cash equivalents at the end of the period were ¥176,638 million, an increase of ¥39,340 million compared to total cash and cash equivalents as of March 31, 2020. Free cash flow remained positive (¥2,745 million) despite the decreases in profits and cash due to the outflow associated with the acquisition of the CMS business.

### **1) Net cash flow provided by operating activities**

Net cash flow provided by operating activities totaled ¥53,842 million, a decrease of ¥18,544 million compared to the previous year. This includes the net income before income taxes of ¥5,889 million with subsequent adjustments including the depreciation and amortisation, and movements on working capital.

### **2) Net cash flow used in investing activities**

Net cash flow used in investing activities totaled ¥51,096 million, an increase of ¥11,312 million compared to the previous year. This includes purchases of property, plant and equipment of ¥33,797 million and acquisition of shares of subsidiaries of ¥20,118 million associated with the acquisition of CMS business.

### **3) Net cash flow provided by financing activities**

Net cash flow provided by financing activities totaled ¥29,992 million, an increase of ¥51,326 million compared to the previous year. The main cash inflows were ¥39,194 million in increase in short-term loans in preparation for contingencies such as the spread of COVID-19, and ¥16,727 million in proceeds from long-term loans. Meanwhile, the main outflows were ¥10,142 million in repayments of long-term loans and ¥10,253 million in dividends paid.

#### (4) Business forecast

Regarding the business environment for the year ending March 31, 2022, the Company anticipates a pick-up in momentum will continue, although there are risk factors including further spread of COVID-19 and short supply of some components such as in-vehicle semiconductors, which will worsen business confidence.

The business environment surrounding both the industrial machinery and automotive businesses is expected to recover in machine tools and demand expansion in semiconductors as well as recovery in automotive demand due to increase in global automotive production volume.

	<u>Year ending Mar. 31, 2022</u>	(Changes from the previous year)
<b>Consolidated financial highlights (IFRS)</b>		
Sales	¥ 860,000 million	(+ 15.0%)
Operating income	¥ 53,000 million	(+ 732.7%)
Income before income taxes	¥ 52,500 million	(+ 791.5%)
Net income attributable to owners of the parent	¥ 38,000 million	( - %)

\*Exchange rate forecast for the year ending March 31, 2022:

1 USD=¥106, 1 EUR=¥124, 1 CNY=¥15.7

\*For business forecast by segment, please refer to page 16: "Supplementary material of consolidated results for the year ended March 31, 2021."

#### Notes

All forecasts are based on a number of assumptions regarding business environment and policies, and are subject to change with various factors. Actual financial results may differ materially and NSK accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

#### (5) Basic policy on appropriation of retained earnings and dividends

NSK places great importance on shareholder returns. As part of the 6<sup>th</sup> Mid-Term Management Plan, spanning the three years beginning April 2019, we have aimed to provide stable dividends to our shareholders on an ongoing basis, and set the target of dividend payout ratio ranging from 30% to 50% as well as a per-share annual dividend of 40 yen or more on a consolidated basis. Also we regard treasury shares as an option to execute agile capital policy, and set a target of a total return ratio of 50% during the three-year period. We take into account the financial situation and so forth to make proper decisions for the execution.

Based on the policy stated above, we comprehensively took into account our business performance in this fiscal year and future business environment. As a result, unfortunately the year-end dividends for the fiscal year ended March 31, 2021 will be ¥10.00 per share. The dividends for the first half of the year, paid on December 8, 2020, was ¥10.00 per share. Accordingly, the full year dividends for the fiscal year ended March 31, 2021 will be ¥20.00 per share, a ¥10 decrease from the fiscal year ended March 31, 2020.

The dividends forecast for the fiscal year ending March 31, 2022 are planned to be ¥25.00 per share (¥10.00 per share for the first half of the year.)

#### 2. Basic stance on selection of accounting standards

Beginning with the consolidated financial statements in the Annual Securities Report for the year ended March 2016, NSK has adopted International Financial Reporting Standards (IFRS) in order to improve management efficiency through standardization of the group's financial reporting and enhance comparability of financial information across international capital markets.

### 3. Consolidated financial statements and notes

#### (1) Consolidated statements of financial position

(Millions of yen)

	As of Mar.31, 2020	As of Mar.31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	137,298	176,638
Trade receivables and other receivables	154,226	185,228
Inventories	152,971	150,046
Other financial assets	3,138	1,569
Income tax receivables	3,513	4,670
Other current assets	15,304	15,850
Total current assets	466,452	534,004
Non-current assets		
Property, plant and equipment	383,978	378,677
Intangible assets	19,768	39,435
Investments accounted for using equity method	26,785	29,773
Other financial assets	55,498	79,203
Deferred tax assets	9,698	10,962
Net defined benefit assets	61,508	88,809
Other non-current assets	6,193	6,632
Total non-current assets	563,431	633,493
<b>Total assets</b>	<b>1,029,884</b>	<b>1,167,498</b>
<b>Liabilities and Equity</b>		
Liabilities		
Current liabilities		
Trade payables and other payables	97,193	111,609
Other financial liabilities	71,806	130,205
Provisions	159	318
Income tax payables	3,474	3,203
Other current liabilities	45,305	54,888
Total current liabilities	217,939	300,224
Non-current liabilities		
Financial liabilities	228,707	223,211
Provisions	8,160	2,919
Deferred tax liabilities	24,764	42,225
Net defined benefit liabilities	18,345	17,349
Other non-current liabilities	5,447	8,139
Total non-current liabilities	285,426	293,845
Total liabilities	503,365	594,070
Equity		
Issued capital	67,176	67,176
Capital surplus	80,456	80,338
Retained earnings	405,842	397,837
Treasury shares	-37,662	-37,303
Other components of equity	-10,308	46,325
Total equity attributable to owners of the parent	505,505	554,375
Non-controlling interests	21,013	19,052
<b>Total equity</b>	<b>526,518</b>	<b>573,428</b>
<b>Total liabilities and equity</b>	<b>1,029,884</b>	<b>1,167,498</b>

**(2) Consolidated statements of income and consolidated statements of comprehensive income****Consolidated statements of income**

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Sales	831,034	747,559
Cost of sales	677,511	621,318
Gross profit	153,522	126,240
Selling, general and administrative expenses	130,238	125,425
Share of profits of investments accounted for using the equity method	2,282	4,076
Other operating expenses	1,961	-1,472
Operating income	23,604	6,364
Financial income	3,409	2,137
Financial expenses	2,948	2,612
Income before income taxes	24,065	5,889
Income tax expense	5,956	6,637
Net income (loss)	18,108	-748
Net income attributable to:		
Owners of the parent	17,412	355
Non-controlling interests	696	-1,103
(Earnings per share attributable to owners of the parent)		
Basic earnings per share (yen)	34.00	0.69
Diluted earnings per share (yen)	33.91	0.69

**Consolidated statements of comprehensive income**

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Net income (loss)	18,108	-748
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	1,744	15,205
Net changes in financial assets measured at fair value through other comprehensive income	-8,333	19,467
Share of other comprehensive income of investments accounted for using equity method	-44	144
Total items that will not be reclassified to profit or loss	-6,633	34,817
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	-22,150	23,642
Cash flow hedges	—	281
Share of other comprehensive income of investments accounted for using equity method	-459	715
Total items that may be reclassified to profit or loss	-22,609	24,639
Total other comprehensive income, net of tax	-29,242	59,456
Total comprehensive income for the period	-11,134	58,708
Total comprehensive income for the period attributable to:		
Owners of the parent	-11,075	59,149
Non-controlling interests	-58	-441



### (3) Consolidated statements of changes in equity

From April 1, 2019 to March 31, 2020

(Millions of yen)

	Equity attributable to owners of the parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	80,426	400,720	-37,779
Net income	—	—	17,412	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	17,412	—
Purchase of treasury shares	—	—	—	-11
Disposal of treasury shares	—	41	—	128
Share-based payment transactions	—	-11	—	—
Cash dividends	—	—	-20,501	—
Other	—	—	8,211	—
Total transactions with owners, etc.	—	29	-12,290	117
Closing balance	67,176	80,456	405,842	-37,662

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Other components of equity					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	-12,598	—	33,494	5,234	26,131	536,676	23,724	560,400
Net income	—	—	—	—	—	17,412	696	18,108
Other comprehensive income	-21,864	—	-8,376	1,753	-28,487	-28,487	-755	-29,242
Total comprehensive income for the period	-21,864	—	-8,376	1,753	-28,487	-11,075	-58	-11,134
Purchase of treasury shares	—	—	—	—	—	-11	—	-11
Disposal of treasury shares	—	—	—	—	—	169	—	169
Share-based payment transactions	—	—	—	—	—	-11	—	-11
Cash dividends	—	—	—	—	—	-20,501	-2,652	-23,154
Other	—	—	-7,951	—	-7,951	259	—	259
Total transactions with owners, etc.	—	—	-7,951	—	-7,951	-20,095	-2,652	-22,748
Closing balance	-34,462	—	17,166	6,988	-10,308	505,505	21,013	526,518

From April 1, 2020 to March 31, 2021

(Millions of yen)

	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		
	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	23,705	281	19,509	15,298	58,794	58,794	662	59,456
Total comprehensive income for the period	23,705	281	19,509	15,298	58,794	59,149	-441	58,708
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	-10,757	—	34,797	22,286	46,325	554,375	19,052	573,428

#### (4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Operating activities		
Income before income taxes	24,065	5,889
Depreciation and amortisation	53,926	54,527
Increase (decrease) in net defined benefit liability and net defined benefit asset	-80	-2,658
Interest and dividend income	-2,145	-1,763
Interest expenses	2,523	2,739
Share of profits of investments accounted for using the equity method	-2,282	-4,076
Decrease (increase) in trade receivables	34,335	-20,822
Decrease (increase) in inventories	579	9,155
Increase (decrease) in trade payables	-26,888	13,800
Other	-1,127	5,432
Subtotal	82,905	62,225
Interest and dividend received	4,693	3,895
Interest expenses paid	-2,581	-2,398
Income tax paid	-12,629	-9,880
Net cash provided by operating activities	72,387	53,842
Investing activities		
Purchases of property, plant and equipment	-47,876	-33,797
Proceeds from sale of property, plant and equipment	1,638	878
Purchases of other financial assets	-22	-130
Proceeds from sale of other financial assets	13,606	3,804
Acquisition of shares of subsidiaries	—	-20,118
Other	-7,131	-1,732
Net cash used in investing activities	-39,784	-51,096
Financial activities		
Increase (decrease) in short-term loans	-62	39,194
Proceeds from long-term loans	17,688	16,727
Repayments of long-term loans	-21,788	-10,142
Proceeds from issuance of corporate bonds	30,000	—
Payments for redemption of corporate bonds	-20,000	—
Repayments of lease liabilities	-4,157	-4,409
Acquisition of treasury shares	-2	-2
Dividends paid	-20,483	-10,253
Dividends paid to non-controlling interests	-2,652	-1,519
Other	124	398
Net cash provided by financing activities	-21,333	29,992
Effect of exchange rate changes on cash and cash equivalents	-3,934	6,602
Net increase (decrease) in cash and cash equivalents	7,333	39,340
Cash and cash equivalents at the beginning of the period	129,965	137,298
Cash and cash equivalents at the end of the period	137,298	176,638

## (5) Notes to consolidated financial statements

### Going concern assumption

None.

### Segment information

#### 1) Overview of reportable segments

NSK operates the business on a business-division basis classified by the industry of customers, and each division develops and implements comprehensive global strategies. Given this background, the NSK Group classifies its reportable segments into the Industrial Machinery Business and the Automotive Business.

In order to strengthen its response to IoT, 5G and electrification needs for vehicle and industrial machinery, the NSK Group reviewed its organization, transferring part of its automotive business operations to the industrial machinery business as of October 1st, 2020. Accordingly, the Group altered the categories of its reportable segments from the fiscal year ended March 31, 2021. Figures for the equivalent period of the previous year have been reclassified to match current segments.

#### 2) Segment revenue and performance

From April 1, 2019 to March 31, 2020

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Industrial Machinery Business	Automotive Business	Subtotal				
(Millions of yen)							
Sales							
Sales to third parties	284,426	521,857	806,284	24,750	831,034	—	831,034
Intersegment sales	—	—	—	23,937	23,937	-23,937	—
Total	284,426	521,857	806,284	48,687	854,971	-23,937	831,034
Segment income (Operating income)	14,732	9,174	23,907	1,365	25,273	-1,668	23,604
Total financial income (expenses)							460
Income before income taxes							24,065
Other items							
Capital expenditure	23,365	28,390	51,755	3,182	54,937	-9	54,927
Depreciation and amortisation	18,122	31,761	49,883	4,345	54,229	-303	53,926
Equity gain from investment in associates	410	1,854	2,265	17	2,282	—	2,282

(Note 1) "Others" refers to operating segments excluded from reportable segments and include such businesses as the production and sales of steel balls and production of machineries.

(Note 2) The -¥1,668 million adjustment made for segment income (loss) includes intersegment elimination of ¥293 million and -¥1,961 million in other operating expenses not allocated to the reportable segments.

From April 1, 2020 to March 31, 2021

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Industrial Machinery Business	Automotive Business	Subtotal				
<b>Sales</b>							
Sales to third parties	275,226	449,722	724,948	22,611	747,559	—	747,559
Intersegment sales	—	—	—	20,307	20,307	-20,307	—
<b>Total</b>	<b>275,226</b>	<b>449,722</b>	<b>724,948</b>	<b>42,918</b>	<b>767,866</b>	<b>-20,307</b>	<b>747,559</b>
Segment income (loss) (Operating income)	7,697	-4,018	3,678	979	4,658	1,705	6,364
Total financial income (expenses)							-475
Income before income taxes							5,889
<b>Other items</b>							
Capital expenditure	15,189	20,643	35,833	1,527	37,361	-57	37,303
Depreciation and amortisation	19,059	31,540	50,599	4,219	54,818	-290	54,527
Equity gain from investment in associates	562	3,357	3,920	156	4,076	—	4,076

(Note 1) "Others" refers to operating segments excluded from reportable segments and include such businesses as the production and sales of steel balls and production of machineries.

(Note 2) The ¥1,705 million adjustment made for segment income (loss) includes intersegment elimination of ¥233 million and ¥1,472 million in other operating expenses not allocated to the reportable segments.

### 3) Information by product and service

This information is omitted as similar information has been disclosed in "Segment revenue and performance".

#### 4) Information by region

##### ① Sales to third parties

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Japan	314,281	275,777
The Americas	139,249	107,829
Europe	110,075	94,800
China	148,525	166,660
Other Asia	118,902	102,492
Total	831,034	747,559

(Note 1) Sales are based on the customers' location and categorized by either countries or regions.

(Note 2) The categories of the countries or the regions are based on their relative proximity.

(Note 3) Main countries and regions belonging to other regions apart from Japan and China are follows;

The Americas: the United States, Canada, Mexico, Brazil, etc.

Europe: the United Kingdom, Germany, Poland, and other European countries, etc.

Other Asia: East and South East Asian countries (apart from Japan and China), India, Australia, etc.

##### ② Non-current assets

(Millions of yen)

	As of Mar.31, 2020	As of Mar.31, 2021
Japan	225,530	221,115
The Americas	32,434	31,889
Europe	34,715	54,995
China	66,510	65,922
Other Asia	44,555	44,189
Total	403,747	418,112

(Note 1) Non-current assets represent the amount of property, plant and equipment and intangible assets.

(Note 2) The categories of the countries or the regions are based on their relative proximity.

(Note 3) Main countries and regions belonging to other regions apart from Japan and China are follows;

The Americas: the United States, Canada, Mexico, Brazil, etc.

Europe: the United Kingdom, Germany, Poland, and other European countries, etc.

Other Asia: East and South East Asian countries (apart from Japan and China), India, Australia, etc.

#### 5) Information on major customers

In terms of sales to third parties, none of the counterparties accounted for 10% or more of sales in the consolidated statements of income in the previous consolidated fiscal year or the current consolidated fiscal year, therefore, no information on major customers is stated.

## Per share information

### 1) Basic earnings per share and diluted earnings per share

	Year ended Mar.31, 2020	Year ended Mar.31, 2021
Basic earnings per share	¥34.00	¥0.69
Diluted earnings per share	¥33.91	¥0.69

### 2) Basis of calculation of basic earnings per share and diluted earnings per share

	Year ended Mar.31, 2020	Year ended Mar.31, 2021
Net income attributable to owners of the parent (millions of yen)	17,412	355
Weighted average number of issued common shares (thousand shares)	512,142	512,427
Impact of dilution: board benefit trust, etc. (thousand shares)	1,386	1,627
Weighted average number of issued common shares after dilution (thousand shares)	513,529	514,054

## Events after the reporting period

### Regarding Transfer of Fixed Assets

NSK Ltd. made a decision to transfer ownership of a fixed asset on April 28, 2021, and entered into the transfer agreement on the same day.

#### 1. Transfer Purpose

The Company has decided to transfer the asset in question in order to improve asset efficiency through the effective use of management resources.

#### 2. Outline of the asset to be transferred

Location	4-1, Saginuma, Miyamae Ward, Kawasaki City, Kanagawa Prefecture
Name and description of the asset	Land 36,861 m <sup>2</sup> , building 371 m <sup>2</sup>
Current status	Used as a sports ground

The transfer price and book value will not be disclosed in detail according to our contractual agreement with the transferee. The transfer price is appropriate and reflect the market price.

#### 3. Outline of the Transferee

The transferee is an educational entity, but we will refrain from disclosing further details according to our contractual agreement with the transferee. In addition to continuing to contribute to the local community by allowing use of the facilities, etc., the transferee will take into account the requests of Kawasaki City, such as requests regarding operational considerations and to meet the needs of the surrounding urban area.

#### 4. Schedule of the transfer

- 1) Date of decision by Company Representative: April 28, 2021
- 2) Contract execution date: April 28, 2021
- 3) Handover date (planned): October 29, 2021

#### 5. Effects on NSK's Business Performance

As a result of the transfer of the fixed asset, we expect to record approximately 9.7 billion yen in other operating income in our consolidated financial results for the fiscal year ending March 31, 2022.

## (2) 2021年3月期 決算短信 補足説明資料

## (2) Supplementary material of consolidated results for the year ended March 31, 2021

(%表示は、通期は対前期比、四半期は対前年同四半期比)  
(% indicates previous year's comparison)

## 1. 決算概要 / Summary of financial results

(百万円 / ¥Million)	2020年3月期 / FY2019			2021年3月期 / FY2020					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
売上高 Sales	434,820	396,213	831,034	315,892	72.6%	431,666	108.9%	747,559	90.0%
営業利益 Operating income	15,765	7,838	23,604	△ 10,636	—	17,001	216.9%	6,364	27.0%
税引前利益 Income before income taxes	15,552	8,512	24,065	△ 10,671	—	16,560	194.5%	5,889	24.5%
親会社の所有者に帰属する当期利益 Net income attributable to owners of the parent	11,816	5,596	17,412	△ 12,287	—	12,642	225.9%	355	2.0%
基本的1株当たり当期利益(円) Basic earnings per share (yen)	23.07	10.93	34.00	△ 23.98	—	24.67	—	0.69	—

(百万円 / ¥Million)	2020年3月期 / FY2019				2021年3月期 / FY2020							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
売上高 Sales	222,942	211,878	206,799	189,413	128,870	57.8%	187,022	88.3%	214,445	103.7%	217,221	114.7%
営業利益 Operating income	10,263	5,501	7,014	824	△ 12,903	—	2,266	41.2%	5,659	80.7%	11,342	1376.0%
税引前四半期利益 Income before income taxes	10,636	4,916	7,410	1,101	△ 12,527	—	1,855	37.8%	5,775	77.9%	10,784	978.7%
親会社の所有者に帰属する四半期利益 Net income attributable to owners of the parent	8,838	2,977	4,456	1,139	△ 9,699	—	△ 2,587	—	4,339	97.4%	8,303	728.7%
基本的1株当たり四半期利益(円) Basic earnings per share (yen)	17.26	5.81	8.70	2.22	△ 18.94	—	△ 5.05	—	8.47	—	16.20	—
連結子会社数(社) Consolidated subsidiaries	89	89	89	89	89	—	89	—	89	—	92	—
日本 Japan	18	18	18	18	18	—	18	—	18	—	18	—
海外 Non-Japan	71	71	71	71	71	—	71	—	71	—	74	—
期末従業員数(人) Number of employees	31,648	31,387	31,273	30,747	30,620	—	30,309	—	30,276	—	30,378	—
日本 Japan	12,035	11,953	11,908	11,803	11,987	—	11,906	—	11,850	—	11,774	—
海外 Non-Japan	19,613	19,434	19,365	18,944	18,633	—	18,403	—	18,426	—	18,604	—

## 【予想 / Forecast】

(百万円 / ¥Million)	2022年3月期 / FY2021					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
売上高 Sales	425,000	134.5%	435,000	100.8%	860,000	115.0%
営業利益 Operating income	18,000	—	35,000	205.9%	53,000	832.7%
税引前利益 Income before income taxes	18,000	—	34,500	208.3%	52,500	891.5%
親会社の所有者に帰属する当期利益 Net income attributable to owners of the parent	13,000	—	25,000	197.7%	38,000	—



## 2. 売上高 / Sales

(百万円 / ¥Million)	2020年3月期 / FY2019			2021年3月期 / FY2020					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
報告セグメント Business segment data									
産業機械事業 Industrial machinery business	146,247	138,179	284,426	123,967	84.8%	151,258	109.5%	275,226	96.8%
自動車事業 Automotive business	275,582	246,274	521,857	182,841	66.3%	266,880	108.4%	449,722	86.2%
その他 Others	25,476	23,210	48,687	18,065	70.9%	24,853	107.1%	42,918	88.2%
調整額 Adjustments	△ 12,485	△ 11,451	△ 23,937	△ 8,981	—	△ 11,325	—	△ 20,307	—
合計 Total	434,820	396,213	831,034	315,892	72.6%	431,666	108.9%	747,559	90.0%

(百万円 / ¥Million)	2020年3月期 / FY2019				2021年3月期 / FY2020							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
報告セグメント Business segment data												
産業機械事業 Industrial machinery business	74,372	71,874	69,413	68,766	58,454	78.6%	65,513	91.1%	72,261	104.1%	78,997	114.9%
自動車事業 Automotive business	141,626	133,955	131,595	114,678	65,964	46.6%	116,876	87.2%	135,807	103.2%	131,073	114.3%
その他 Others	13,566	11,909	11,273	11,937	8,831	65.1%	9,233	77.5%	12,024	106.7%	12,828	107.5%
調整額 Adjustments	△ 6,623	△ 5,861	△ 5,483	△ 5,968	△ 4,380	—	△ 4,601	—	△ 5,647	—	△ 5,678	—
合計 Total	222,942	211,878	206,799	189,413	128,870	57.8%	187,022	88.3%	214,445	103.7%	217,221	114.7%

### 【予想 / Forecast】

(百万円 / ¥Million)	2022年3月期 / FY2021					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
産業機械事業 Industrial machinery business	153,000	123.4%	159,000	105.1%	312,000	113.4%
自動車事業 Automotive business	257,000	140.6%	263,000	98.5%	520,000	115.6%
その他 Others	26,500	146.7%	26,500	106.6%	53,000	123.5%
調整額 Adjustments	△ 11,500	—	△ 13,500	—	△ 25,000	—
合計 Total	425,000	134.5%	435,000	100.8%	860,000	115.0%

## 3. 営業利益 / Operating income

(百万円 / ¥Million)	2020年3月期 / FY2019			2021年3月期 / FY2020					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
報告セグメント Business segment data									
産業機械事業 Industrial machinery business	8,951	5,780	14,732	282	3.2%	7,414	128.3%	7,697	52.2%
自動車事業 Automotive business	6,423	2,751	9,174	△ 13,170	—	9,151	332.6%	△ 4,018	—
その他 Others	1,210	155	1,365	△ 249	—	1,229	793.0%	979	71.8%
調整額 Adjustments	△ 819	△ 848	△ 1,668	2,500	—	△ 794	—	1,705	—
合計 Total	15,765	7,838	23,604	△ 10,636	—	17,001	216.9%	6,364	27.0%

(百万円 / ¥Million)	2020年3月期 / FY2019				2021年3月期 / FY2020							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
報告セグメント Business segment data												
産業機械事業 Industrial machinery business	5,282	3,669	2,908	2,872	△ 679	—	961	26.2%	2,220	76.3%	5,194	180.8%
自動車事業 Automotive business	4,663	1,759	3,548	△ 796	△ 11,939	—	△ 1,230	—	3,921	110.5%	5,230	—
その他 Others	826	384	296	△ 141	4	0.6%	△ 254	—	520	175.4%	708	—
調整額 Adjustments	△ 507	△ 312	260	△ 1,109	△ 288	—	2,789	—	△ 1,003	—	209	—
合計 Total	10,263	5,501	7,014	824	△ 12,903	—	2,266	41.2%	5,659	80.7%	11,342	1376.0%

※売上高、営業利益の報告セグメントの数値は、一部事業の担当領域を「自動車事業」から「産業機械事業」に変更したことに伴い、2020年3月期に遡って組み替えて表示しています。

Part of automotive business operations were transferred to the industrial machinery business. Accordingly, figures for the year ended March 2020 have been reclassified to match current segmen

### 【予想 / Forecast】

(百万円 / ¥Million)	2022年3月期 / FY2021					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
産業機械事業 Industrial machinery business	12,000	—	15,000	202.3%	27,000	350.8%
自動車事業 Automotive business	5,000	—	9,000	98.3%	14,000	—
その他 Others	1,500	—	1,500	122.0%	3,000	306.2%
調整額 Adjustments	△ 500	—	9,500	—	9,000	—
合計 Total	18,000	—	35,000	205.9%	53,000	832.7%

#### 4. 設備投資額、減価償却費 / Capital expenditures, Depreciation and amortisation

(百万円 / ¥Million)	2020年3月期 / FY2019			2021年3月期 / FY2020					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
設備投資額 Capital expenditures	21,676	33,251	54,927	13,866	64.0%	23,436	70.5%	37,303	67.9%
減価償却費 Depreciation and amortisation	26,783	27,142	53,926	26,940	100.6%	27,586	101.6%	54,527	101.1%

(百万円 / ¥Million)	2020年3月期 / FY2019				2021年3月期 / FY2020							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
設備投資額 Capital expenditures	10,535	11,140	12,143	21,108	6,383	60.6%	7,483	67.2%	7,524	62.0%	15,911	75.4%
減価償却費 Depreciation and amortisation	13,369	13,414	13,594	13,548	13,376	100.1%	13,563	101.1%	13,558	99.7%	14,028	103.5%

#### 【予想 / Forecast】

(百万円 / ¥Million)	2022年3月期 / FY2021					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
設備投資額 Capital expenditures					51,000	136.7%
減価償却費 Depreciation and amortisation					55,000	100.9%

#### 5. 研究開発費、技術関連費用 / R&D expenses

(百万円 / ¥Million)	2020年3月期 / FY2019			2021年3月期 / FY2020					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
研究開発費 R&D Expenses (on a statutory basis)	9,160	9,105	18,265	8,425	92.0%	8,395	92.2%	16,820	92.1%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)	15,882	15,531	31,413	14,137	89.0%	14,412	92.8%	28,550	90.9%

(百万円 / ¥Million)	2020年3月期 / FY2019				2021年3月期 / FY2020							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
研究開発費 R&D Expenses (on a statutory basis)	4,616	4,543	4,639	4,466	4,015	87.0%	4,410	97.1%	4,160	89.7%	4,235	94.8%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)	7,866	8,015	7,786	7,745	6,976	88.7%	7,161	89.3%	7,034	90.3%	7,378	95.3%

#### 【予想 / Forecast】

(百万円 / ¥Million)	2022年3月期 / FY2021					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
研究開発費 R&D Expenses (on a statutory basis)					17,000	101.1%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)					30,000	105.1%

6. 為替換算レート / Currency exchange rate

期中平均レート Average exchange rate (円 / ¥)	2020年3月期 / FY2019			2021年3月期 / FY2020		
	1H	2H	Full year	1H	2H	Full year
USD	108.63	108.87	108.75	106.92	105.20	106.06
EUR	121.41	120.25	120.83	121.29	126.11	123.70
CNY	15.68	15.52	15.60	15.26	16.08	15.67

期中平均レート Average exchange rate (円 / ¥)	2020年3月期 / FY2019				2021年3月期 / FY2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
USD	109.90	107.36	108.75	108.99	107.62	106.22	104.49	105.91
EUR	123.49	119.33	120.33	120.17	118.47	124.11	124.53	127.69
CNY	16.07	15.29	15.44	15.60	15.17	15.35	15.80	16.36

期末レート Term end exchange rate (円 / ¥)	2020年3月期 / FY2019		2021年3月期 / FY2020	
	End of 1H	End of 2H	End of 1H	End of 2H
USD	107.96	108.83	105.81	110.72
EUR	118.04	119.65	124.16	129.76
CNY	15.14	15.30	15.54	16.86

期末レート Term end exchange rate (円 / ¥)	2020年3月期 / FY2019				2021年3月期 / FY2020			
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q	End of 4Q
USD	107.75	107.96	109.55	108.83	107.74	105.81	103.52	110.72
EUR	122.46	118.04	122.51	119.65	121.05	124.16	126.99	129.76
CNY	15.68	15.14	15.68	15.30	15.23	15.54	15.89	16.86

【予想 / Forecast】

期中平均レート Average exchange rate (円 / ¥)	2022年3月期 / FY2021
	Full year FCT
USD	106.00
EUR	124.00
CNY	15.70