

NSK Ltd.

For Immediate Release

July 29, 2022

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2022 (Unaudited)

[IFRS]

| | |
|---|---|
| Company name | NSK Ltd. |
| Stock exchange on which the shares are listed | Tokyo Stock Exchange in Japan |
| Code number | 6471 |
| URL | https://www.nsk.com/ |
| Representative | Akitoshi Ichii, President and CEO |
| Contact person | Keita Suzuki, Senior Vice President |
| Filing date of quarterly securities report | August 5, 2022 |

(Figures are rounded down to the nearest million yen)

1. Consolidated financial highlights for the three months ended June 30, 2022

(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 | % |
| Three months ended Jun. 30, 2022 | 219,387 | 2.8 | 4,538 | -49.6 | 4,521 | -51.4 | 1,837 | -65.2 | 1,320 | -72.0 | 20,976 | 11.2 |
| Three months ended Jun. 30, 2021 | 213,458 | 65.6 | 9,004 | — | 9,305 | — | 5,274 | — | 4,712 | — | 18,871 | — |

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended Jun. 30, 2022 | 2.57 | 2.57 |
| Three months ended Jun. 30, 2021 | 9.19 | 9.16 |

(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 |
|---------------------|-----------------|-----------------|---|--|
| | Millions of Yen | Millions of Yen | Millions of Yen | % |
| As of Jun. 30, 2022 | 1,255,938 | 649,771 | 630,261 | 50.2 |
| As of Mar. 31, 2022 | 1,234,551 | 637,460 | 617,800 | 50.0 |

2. Cash dividends

| (Record date) | Cash dividends per share | | | | |
|--------------------------------------|--------------------------|------------------------|------------------------|--------------|-----------------|
| | End of the 1st quarter | End of the 2nd quarter | End of the 3rd quarter | Year-end | Full-year total |
| Year ended Mar. 31, 2022 | Yen — | Yen 10.00 | Yen — | Yen 15.00 | Yen 25.00 |
| Year ending Mar. 31, 2023 | — | — | — | — | — |
| Year ending Mar. 31, 2023 (Forecast) | — | 15.00 | — | 15.00 | 30.00 |

(Note) Revision to the forecast of cash dividends from the latest announcement: None

3. Forecast of consolidated results for the year ending March 31, 2023

(% indicates changes from same period of 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, 2022 | 450,000 | 7.7 | 11,000 | -29.9 | 11,000 | -29.6 | 7,000 | -9.8 | 13.65 |
| Year ending Mar. 31, 2023 | 940,000 | 8.6 | 40,000 | 35.9 | 40,000 | 35.5 | 27,000 | 62.8 | 52.65 |

(Note) Revision to the forecast of consolidated results from the latest announcement: None

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 Jun. 30, 2022 | 551,268,104 shares | As of Mar. 31, 2022 | 551,268,104 shares |
|---------------------|--------------------|---------------------|--------------------|
 - (ii) Number of treasury stock at the end of each period:

| | | | |
|---------------------|-------------------|---------------------|-------------------|
| As of Jun. 30, 2022 | 38,410,565 shares | As of Mar. 31, 2022 | 38,413,984 shares |
|---------------------|-------------------|---------------------|-------------------|
 - (iii) Average number of shares issued and outstanding in each period:

| | | | |
|----------------------------------|--------------------|----------------------------------|--------------------|
| Three months ended Jun. 30, 2022 | 512,857,741 shares | Three months ended Jun. 30, 2021 | 512,553,816 shares |
|----------------------------------|--------------------|----------------------------------|--------------------|

Note:

- 1) This summary of quarterly financial results is out of scope of review by certified public accountants or an auditor.
- 2) 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.
- 3) This document is an English convenience translation of a document that was originally prepared in the Japanese language and is provided for convenience purpose only. NSK makes no representation or warranty that this document is a complete or accurate translation of the original Japanese text, and it is not intended to be relied upon. In the event that there is a discrepancy between the Japanese and English versions, the Japanese version shall prevail. This document is not intended and should not be construed as an inducement to purchase or sell stock in NSK.

1. Business overview

(1) Qualitative information regarding consolidated business results

The NSK Group promoted a range of initiatives toward its Mid-Term Management Plan 2026, which spans the five years from April 2022 to March 2027 under the motto of “Change & Go Beyond to become a new type of trillion-yen company.” Positioning safety, quality, environment, and compliance as NSK’s core values, we addressed three main management themes: growth with profitability, enhancement of managerial resources, and ESG management.

Looking at the global economy during the first quarter of the fiscal year ending March 31, 2023, although the economy remained weak in certain regions, economic activity has gradually returned to normality and the global economy continues moving toward recovery. On the other hand, economic outlook remains uncertain due to the impact of supply shortages of components such as semiconductors, the increase of material prices, fluctuations in the financial and capital market, and in addition supply chain disruption due to strict restrictions on economic activities in China, as well as energy price increases and more inflationary pressure triggered by growing tensions in Ukraine.

Looking at the Company’s results by geographic breakdown, in Japan, although steady demand continued for capital expenditure, the economic recovery slowed down due to decreased automotive production volume. In the US, consumer spending and capital expenditure remained robust although supply chain issues and accelerating price inflation are creating downward pressure on economic recovery. In Europe, high inflation continued due to supply shortages caused by the crisis in Ukraine and economic recovery slowed down. In China, the pace of economic recovery slowed down rapidly due to strict restrictions on economic activities based on its Zero-COVID policy.

Though NSK Group was impacted by the depreciation of the yen and passed on the surging raw material cost to the selling price, further inflation in material, energy and logistic costs affected the group’s performance. As a result, consolidated sales for the first quarter of the year ending March 31, 2023 totaled ¥219,387 million, a year-on-year increase of 2.8%. Operating income was ¥4,538 million, a year-on-year decrease of 49.6%. Income before income taxes was ¥4,521 million, a year-on-year decrease of 51.4%. Net income attributable to owners of the parent was ¥1,320 million, a year-on-year decrease of 72.0%.

Business segment information

1) Industrial Machinery Business segment

The strong demand of capital expenditure continued to be robust in the first quarter due to strong demand for electrification and automation in addition to the market expansion in the semiconductor industry. Sales increased compared to the same period of the previous year.

Looking at the Company’s results by geographic breakdown, demand in Japan increased, especially in the semiconductor equipment, machine tool sectors and aftermarket. In the Americas, sales increased due to the strong sales in the aftermarket and semiconductor equipment sectors. In Europe, sales increased due to the strong sales in the aftermarket and machine tool sectors. In China, although lockdown related to the spread of COVID-19 slowed down production activity, sales increased due to currency fluctuations.

As a result, sales in the industrial machinery business totaled ¥94,099 million, a year-on-year increase of 14.5%, and operating income was ¥9,695 million, a year-on-year increase of 48.4%.

2) Automotive Business segment

Global automotive production volume decreased due to the lockdown in China in addition to semiconductor supply shortages and sales decreased compared to the same period of the previous year.

Looking at the Company’s results by geographic breakdown, sales in Japan decreased compared to the previous year as automotive production decreased due to supply issues from China. In the US and Europe, although automotive demand continued to be weak, sales increased due to currency fluctuations. In China, production was affected and sales decreased due to strict restrictions on economic activities based on its Zero-COVID policy. In other Asian regions, sales increased mainly in India.

As a result, sales in the automotive business totaled ¥115,907 million, a year-on-year decrease of 4.8% and operating loss was ¥5,230 million (operating income was ¥1,675 million in the same period last year).

(2) Qualitative information regarding consolidated financial position

Assets and liabilities

Total assets at the end of the period were ¥1,255,938 million, an increase of ¥21,386 million compared to total assets as of March 31, 2022, due to the increase of inventories. Total liabilities at the end of the period were ¥606,166 million, an increase of ¥9,074 million compared to total liabilities as of March 31, 2022, due to the increase of other financial liabilities (current).

Total equity

Total equity was ¥649,771 million, an increase of ¥12,311 million compared to total equity as of March 31, 2022 primarily due to the increase in net income attributable to owners of the parent and other components of equity, which offsets the decrease due to payment of cash dividends.

Qualitative information regarding cash flow

Total cash and cash equivalents at the end of the period were ¥143,857 million, an increase of ¥6,352 million compared to total cash and cash equivalents as of March 31, 2022. This represents a decrease of ¥17,748 million compared to total cash and cash equivalents as of the same period last year.

1) Cash flow from operating activities

Net cash flow provided by operating activities totaled ¥15,441 million (¥12,949 million in the same period of the previous year). This includes the net income before income taxes of ¥4,521 million and movements including depreciation and amortisation, and change in working capital.

2) Cash flow from investing activities

Net cash flow used in investing activities totaled ¥10,801 million (¥5,984 million in the same period of the previous year). This includes spending due to purchases of property, plant and equipment totaling ¥10,351 million.

3) Cash flow from financing activities

Net cash flow used in financing activities totaled ¥2,741 million (¥22,757 million in the same period last year). The main cash outflow was ¥7,455 million in dividends paid, and cash inflow of ¥7,247 million in increase in short-term loans.

(3) Explanation regarding future forecast information including consolidated business forecast

No revision has been made to the consolidated business forecasts announced on May 10, 2022 for the year ending March 31, 2023.

2. Quarterly consolidated financial statements and notes

(1) Quarterly consolidated statements of financial position

(Millions of yen)

| | As of Mar. 31, 2022 | As of Jun. 30, 2022 |
|---|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 137,504 | 143,857 |
| Trade receivables and other receivables | 209,351 | 209,427 |
| Inventories | 196,736 | 214,851 |
| Other financial assets | 1,658 | 1,855 |
| Income tax receivables | 5,562 | 7,490 |
| Other current assets | 19,065 | 18,810 |
| Total current assets | 569,879 | 596,293 |
| Non-current assets | | |
| Property, plant and equipment | 379,042 | 385,336 |
| Intangible assets | 43,987 | 44,834 |
| Investments accounted for using equity method | 30,824 | 28,711 |
| Other financial assets | 66,094 | 61,572 |
| Deferred tax assets | 15,128 | 15,810 |
| Net defined benefit assets | 123,989 | 117,486 |
| Other non-current assets | 5,603 | 5,892 |
| Total non-current assets | 664,672 | 659,645 |
| Total assets | 1,234,551 | 1,255,938 |
| Liabilities and Equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade payables and other payables | 119,855 | 113,033 |
| Other financial liabilities | 113,882 | 132,924 |
| Provisions | 516 | 288 |
| Income tax payables | 5,990 | 3,414 |
| Other current liabilities | 56,758 | 66,632 |
| Total current liabilities | 297,003 | 316,292 |
| Non-current liabilities | | |
| Financial liabilities | 214,684 | 208,678 |
| Provisions | 3,050 | 3,209 |
| Deferred tax liabilities | 56,084 | 50,565 |
| Net defined benefit liabilities | 17,714 | 18,341 |
| Other non-current liabilities | 8,555 | 9,078 |
| Total non-current liabilities | 300,088 | 289,874 |
| Total liabilities | 597,091 | 606,166 |
| Equity | | |
| Issued capital | 67,176 | 67,176 |
| Capital surplus | 80,374 | 80,590 |
| Retained earnings | 410,872 | 404,879 |
| Treasury shares | -37,025 | -37,021 |
| Other components of equity | 96,402 | 114,636 |
| Total equity attributable to owners of the parent | 617,800 | 630,261 |
| Non-controlling interests | 19,659 | 19,509 |
| Total equity | 637,460 | 649,771 |
| Total liabilities and equity | 1,234,551 | 1,255,938 |

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

(Millions of yen)

| | Three months ended Jun. 30, 2021 | Three months ended Jun. 30, 2022 |
|---|-------------------------------------|-------------------------------------|
| Sales | 213,458 | 219,387 |
| Cost of sales | 169,643 | 175,912 |
| Gross profit | 43,814 | 43,475 |
| Selling, general and administrative expenses | 35,771 | 39,238 |
| Share of profits of investments accounted for using the equity method | 1,104 | 640 |
| Other operating expenses | 143 | 338 |
| Operating income | 9,004 | 4,538 |
| Financial income | 813 | 745 |
| Financial expenses | 511 | 762 |
| Income before income taxes | 9,305 | 4,521 |
| Income tax expense | 4,031 | 2,684 |
| Net income | 5,274 | 1,837 |
| Net income attributable to: | | |
| Owners of the parent | 4,712 | 1,320 |
| Non-controlling interests | 561 | 516 |
| (Earnings per share attributable to owners of the parent) | | |
| Basic earnings per share (yen) | 9.19 | 2.57 |
| Diluted earnings per share (yen) | 9.16 | 2.57 |

Quarterly consolidated statements of comprehensive income

(Millions of yen)

| | Three months ended Jun. 30, 2021 | Three months ended Jun. 30, 2022 |
|---|-------------------------------------|-------------------------------------|
| Net income | 5,274 | 1,837 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of net defined benefit liability (asset) | 9,452 | -2,206 |
| Net changes in financial assets measured at fair value through other comprehensive income | 149 | -2,634 |
| Share of other comprehensive income of investments accounted for using equity method | -3 | -12 |
| Total items that will not be reclassified to profit or loss | 9,597 | -4,853 |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translating foreign operations | 3,961 | 23,501 |
| Share of other comprehensive income of investments accounted for using equity method | 38 | 491 |
| Total items that may be reclassified to profit or loss | 3,999 | 23,992 |
| Total other comprehensive income, net of tax | 13,597 | 19,139 |
| Total comprehensive income for the period | 18,871 | 20,976 |
| Total comprehensive income for the period attributable to: | | |
| Owners of the parent | 18,351 | 19,931 |
| Non-controlling interests | 519 | 1,045 |

(3) Quarterly consolidated statements of changes in equity

From April 1, 2021 to June 30, 2021

(Millions of yen)

| | 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 | — | — | 4,712 | — |
| Other comprehensive income | — | — | — | — |
| Total comprehensive income for the period | — | — | 4,712 | — |
| Purchase of treasury shares | — | — | — | -2 |
| Disposal of treasury shares | — | 0 | — | 5 |
| Share-based payment transactions | — | 289 | — | — |
| Cash dividends | — | — | -5,130 | — |
| Other | — | — | 1,146 | — |
| Total transactions with owners, etc. | — | 289 | -3,983 | 3 |
| Closing balance | 67,176 | 80,628 | 398,566 | -37,299 |

| | Equity attributable to owners of the parent | | | | Total | Non-controlling interests | Total equity |
|---|--|---|---|--------|---------|---------------------------|--------------|
| | Other components of equity | | | Total | | | |
| | Exchange differences on translating foreign operations | Net changes in financial assets measured at fair value through other comprehensive income | Remeasurements of net defined benefit liability (asset) | | | | |
| Opening balance | -10,616 | 34,797 | 22,286 | 46,467 | 554,516 | 19,052 | 573,569 |
| Net income | — | — | — | — | 4,712 | 561 | 5,274 |
| Other comprehensive income | 4,038 | 153 | 9,447 | 13,638 | 13,638 | -41 | 13,597 |
| Total comprehensive income for the period | 4,038 | 153 | 9,447 | 13,638 | 18,351 | 519 | 18,871 |
| Purchase of treasury shares | — | — | — | — | -2 | — | -2 |
| Disposal of treasury shares | — | — | — | — | 5 | — | 5 |
| Share-based payment transactions | — | — | — | — | 289 | — | 289 |
| Cash dividends | — | — | — | — | -5,130 | -1,076 | -6,206 |
| Other | — | -146 | — | -146 | 1,000 | — | 1,000 |
| Total transactions with owners, etc. | — | -146 | — | -146 | -3,837 | -1,076 | -4,913 |
| Closing balance | -6,578 | 34,803 | 31,734 | 59,959 | 569,031 | 18,496 | 587,527 |

From April 1, 2022 to June 30, 2022

(Millions of yen)

| | Equity attributable to owners of the parent | | | |
|---|---|-----------------|-------------------|-----------------|
| | Issued capital | Capital surplus | Retained earnings | Treasury shares |
| Opening balance | 67,176 | 80,374 | 410,872 | -37,025 |
| Net income | — | — | 1,320 | — |
| Other comprehensive income | — | — | — | — |
| Total comprehensive income for the period | — | — | 1,320 | — |
| Purchase of treasury shares | — | — | — | -2 |
| Disposal of treasury shares | — | -0 | — | 5 |
| Share-based payment transactions | — | 216 | — | — |
| Cash dividends | — | — | -7,700 | — |
| Other | — | — | 386 | — |
| Total transactions with owners, etc. | — | 216 | -7,313 | 3 |
| Closing balance | 67,176 | 80,590 | 404,879 | -37,021 |

| | Equity attributable to owners of the parent | | | | Total | Non-controlling interests | Total equity |
|---|--|---|---|---------|---------|---------------------------|--------------|
| | Other components of equity | | | Total | | | |
| | Exchange differences on translating foreign operations | Net changes in financial assets measured at fair value through other comprehensive income | Remeasurements of net defined benefit liability (asset) | | | | |
| Opening balance | 25,316 | 27,460 | 43,625 | 96,402 | 617,800 | 19,659 | 637,460 |
| Net income | — | — | — | — | 1,320 | 516 | 1,837 |
| Other comprehensive income | 23,468 | -2,638 | -2,218 | 18,610 | 18,610 | 528 | 19,139 |
| Total comprehensive income for the period | 23,468 | -2,638 | -2,218 | 18,610 | 19,931 | 1,045 | 20,976 |
| Purchase of treasury shares | — | — | — | — | -2 | — | -2 |
| Disposal of treasury shares | — | — | — | — | 5 | — | 5 |
| Share-based payment transactions | — | — | — | — | 216 | — | 216 |
| Cash dividends | — | — | — | — | -7,700 | -1,194 | -8,894 |
| Other | — | -376 | — | -376 | 9 | — | 9 |
| Total transactions with owners, etc. | — | -376 | — | -376 | -7,470 | -1,194 | -8,665 |
| Closing balance | 48,784 | 24,445 | 41,406 | 114,636 | 630,261 | 19,509 | 649,771 |

(4) Quarterly consolidated statements of cash flows

(Millions of yen)

| | Three months ended Jun. 30, 2021 | Three months ended Jun. 30, 2022 |
|--|-------------------------------------|-------------------------------------|
| Operating activities | | |
| Income before income taxes | 9,305 | 4,521 |
| Depreciation and amortisation | 14,075 | 14,288 |
| Increase (decrease) in net defined benefit liability and net defined benefit asset | 144 | -43 |
| Interest and dividend income | -740 | -729 |
| Interest expenses | 633 | 750 |
| Share of losses (profits) of investments accounted for using the equity method | -1,104 | -640 |
| Decrease (increase) in trade receivables | 994 | 6,463 |
| Decrease (increase) in inventories | -12,429 | -8,698 |
| Increase (decrease) in trade payables | 1,698 | -3,841 |
| Other | -629 | 6,931 |
| Subtotal | 11,948 | 19,002 |
| Interest and dividend received | 4,260 | 3,894 |
| Interest expenses paid | -981 | -722 |
| Income tax paid | -2,277 | -6,733 |
| Net cash provided by operating activities | 12,949 | 15,441 |
| Investing activities | | |
| Purchases of property, plant and equipment | -6,078 | -10,351 |
| Proceeds from sale of property, plant and equipment | 1,185 | 68 |
| Purchases of other financial assets | -5 | -6 |
| Proceeds from sale of other financial assets | 240 | 646 |
| Other | -1,326 | -1,160 |
| Net cash used in investing activities | -5,984 | -10,801 |
| Financial activities | | |
| Increase (decrease) in short-term loans | -15,647 | 7,247 |
| Proceeds from long-term loans | — | 4,409 |
| Repayments of long-term loans | -56 | -4,416 |
| Repayments of lease liabilities | -1,217 | -1,347 |
| Acquisition of treasury shares | -0 | -0 |
| Dividends paid | -5,005 | -7,455 |
| Dividends paid to non-controlling interests | -837 | -1,182 |
| Other | 5 | 5 |
| Net cash used in financial activities | -22,757 | -2,741 |
| Effect of exchange rate changes on cash and cash equivalents | 759 | 4,454 |
| Net increase (decrease) in cash and cash equivalents | -15,032 | 6,352 |
| Cash and cash equivalents at the beginning of the period | 176,638 | 137,504 |
| Cash and cash equivalents at the end of the period | 161,606 | 143,857 |

(5) Notes to consolidated financial statements

Going concern assumption

None.

Finalization of provisional accounting treatment associated with business combination

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

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.

2) Segment revenue and performance

From April 1, 2021 to June 30, 2021

(Millions of yen)

| | Reportable segments | | | Others (Note 1) | Total | Adjustments (Note 2) | Consolidated |
|--------------------------------------|-------------------------------------|------------------------|----------|--------------------|---------|-------------------------|--------------|
| | Industrial Machinery Business | Automotive Business | Subtotal | | | | |
| Sales | | | | | | | |
| Sales to third parties | 82,193 | 121,732 | 203,925 | 9,532 | 213,458 | — | 213,458 |
| Intersegment sales | — | — | — | 5,635 | 5,635 | -5,635 | — |
| Total | 82,193 | 121,732 | 203,925 | 15,168 | 219,094 | -5,635 | 213,458 |
| Segment income (Operating income) | 6,531 | 1,675 | 8,207 | 870 | 9,077 | -73 | 9,004 |
| Total financial income (expenses) | | | | | | | 301 |
| Income before income taxes | | | | | | | 9,305 |

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

(Note 2) The -¥73 million adjustment made for segment income(loss) includes intersegment elimination of ¥70 million and -¥143 million in other operating expenses not allocated to the reportable segments.

From April 1, 2022 to June 30, 2022

(Millions of yen)

| | Reportable segments | | | Others (Note 1) | Total | Adjustments (Note 2) | Consolidated |
|---|-------------------------------------|------------------------|----------|--------------------|---------|-------------------------|--------------|
| | Industrial Machinery Business | Automotive Business | Subtotal | | | | |
| Sales | | | | | | | |
| Sales to third parties | 94,099 | 115,907 | 210,006 | 9,380 | 219,387 | — | 219,387 |
| Intersegment sales | — | — | — | 6,523 | 6,523 | -6,523 | — |
| Total | 94,099 | 115,907 | 210,006 | 15,904 | 225,911 | -6,523 | 219,387 |
| Segment income (Operating income) (loss) | 9,695 | -5,230 | 4,464 | 346 | 4,811 | -272 | 4,538 |
| Total financial income (expenses) | | | | | | | -16 |
| Income before income taxes | | | | | | | 4,521 |

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

(Note 2) The -¥272 million adjustment made for segment income (loss) includes intersegment elimination of ¥66 million and -¥338 million in other operating expenses not allocated to the reportable segments.

2023年3月期 第1四半期決算短信 補足説明資料

Supplementary material of consolidated results for the three months ended June 30, 2022

(%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 ※1

| (百万円 / ¥Million) | 2022年3月期 / FY2021 | | | | | 2023年3月期 / FY2022 | |
|--|-------------------|---------|---------|---------|-----------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | YoY |
| 売上高 Sales | 213,458 | 204,306 | 215,015 | 232,386 | 865,166 | 219,387 | 102.8% |
| 営業利益 Operating income | 9,004 | 6,684 | 5,101 | 8,639 | 29,430 | 4,538 | 50.4% |
| 税引前四半期利益 Income before income taxes | 9,305 | 6,318 | 5,308 | 8,584 | 29,516 | 4,521 | 48.6% |
| 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 | 4,712 | 3,047 | 4,294 | 4,532 | 16,587 | 1,320 | 28.0% |
| 基本的1株当たり四半期利益(円) Basic earnings per share (yen) | 9.19 | 5.94 | 8.37 | 8.84 | 32.35 | 2.57 | — |
| 連結子会社数(社) Consolidated subsidiaries | 90 | 90 | 90 | 90 | | 90 | — |
| 日本 Japan | 18 | 18 | 18 | 18 | | 18 | — |
| 海外 Non-Japan | 72 | 72 | 72 | 72 | | 72 | — |
| 期末従業員数(人) Number of employees | 30,520 | 30,573 | 30,632 | 30,577 | | 30,565 | — |
| 日本 Japan | 11,957 | 11,914 | 11,891 | 11,853 | | 12,002 | — |
| 海外 Non-Japan | 18,563 | 18,659 | 18,741 | 18,724 | | 18,563 | — |

【予想 / Forecast】

| (百万円 / ¥Million) | 2023年3月期 / FY2022 | | | | | |
|---|-------------------|--------|---------|--------|---------------|--------|
| | 1H FCT | YoY | 2H FCT | YoY | Full year FCT | YoY |
| 売上高 Sales | 450,000 | 107.7% | 490,000 | 109.5% | 940,000 | 108.6% |
| 営業利益 Operating income | 11,000 | 70.1% | 29,000 | 211.0% | 40,000 | 135.9% |
| 税引前利益 Income before income taxes | 11,000 | 70.4% | 29,000 | 208.7% | 40,000 | 135.5% |
| 親会社の所有者に帰属する当期利益 Net income attributable to owners of the parent | 7,000 | 90.2% | 20,000 | 226.6% | 27,000 | 162.8% |

2. 売上高 / Sales

| (百万円 / ¥Million) | 2022年3月期 / FY2021 | | | | | 2023年3月期 / FY2022 | |
|--------------------------------------|-------------------|---------|---------|---------|-----------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | YoY |
| 報告セグメント Business segment data | | | | | | | |
| 産業機械事業 Industrial machinery business | 82,193 | 83,152 | 86,855 | 93,583 | 345,785 | 94,099 | 114.5% |
| 自動車事業 Automotive business | 121,732 | 112,191 | 119,060 | 129,562 | 482,547 | 115,907 | 95.2% |
| その他 Others | 15,168 | 14,360 | 14,615 | 15,601 | 59,745 | 15,904 | 104.9% |
| 調整額 Adjustments | △ 5,635 | △ 5,398 | △ 5,515 | △ 6,361 | △ 22,911 | △ 6,523 | — |
| 合計 Total | 213,458 | 204,306 | 215,015 | 232,386 | 865,166 | 219,387 | 102.8% |

【予想 / Forecast】

| (百万円 / ¥Million) | 2023年3月期 / FY2022 | | | | | |
|--------------------------------------|-------------------|--------|----------|--------|---------------|--------|
| | 1H FCT | YoY | 2H FCT | YoY | Full year FCT | YoY |
| 産業機械事業 Industrial machinery business | 181,500 | 109.8% | 198,500 | 110.0% | 380,000 | 109.9% |
| 自動車事業 Automotive business | 248,500 | 106.2% | 272,500 | 109.6% | 521,000 | 108.0% |
| その他 Others | 34,000 | 115.1% | 34,500 | 114.2% | 68,500 | 114.7% |
| 調整額 Adjustments | △ 14,000 | — | △ 15,500 | — | △ 29,500 | — |
| 合計 Total | 450,000 | 107.7% | 490,000 | 109.5% | 940,000 | 108.6% |

3. 営業利益 / Operating income ※1

| (百万円 / ¥Million) | 2022年3月期 / FY2021 | | | | | 2023年3月期 / FY2022 | |
|--------------------------------------|-------------------|---------|----------|-------|-----------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | YoY |
| 報告セグメント Business segment data | | | | | | | |
| 産業機械事業 Industrial machinery business | 6,531 | 7,629 | 8,059 | 8,721 | 30,943 | 9,695 | 148.4% |
| 自動車事業 Automotive business | 1,675 | △ 1,420 | △ 13,220 | △ 797 | △ 13,762 | △ 5,230 | — |
| その他 Others | 870 | 821 | 384 | 206 | 2,282 | 346 | 39.8% |
| 調整額 Adjustments | △ 73 | △ 345 | 9,877 | 508 | 9,967 | △ 272 | — |
| 合計 Total | 9,004 | 6,684 | 5,101 | 8,639 | 29,430 | 4,538 | 50.4% |

【予想 / Forecast】

| (百万円 / ¥Million) | 2023年3月期 / FY2022 | | | | | |
|--------------------------------------|-------------------|--------|--------|--------|---------------|--------|
| | 1H FCT | YoY | 2H FCT | YoY | Full year FCT | YoY |
| 産業機械事業 Industrial machinery business | 15,500 | 109.5% | 22,500 | 134.1% | 38,000 | 122.8% |
| 自動車事業 Automotive business | △ 5,000 | — | 5,000 | — | 0 | — |
| その他 Others | 1,000 | 59.1% | 1,500 | 253.8% | 2,500 | 109.5% |
| 調整額 Adjustments | △ 500 | — | — | — | △ 500 | — |
| 合計 Total | 11,000 | 70.1% | 29,000 | 211.0% | 40,000 | 135.9% |

※1: 前連結会計年度の第3四半期において、企業結合に係る暫定的な会計処理の確定を行ったため、2022年3月期第1四半期及び第2四半期に関連する数値は、暫定的な会計処理の確定内容を反映させています。
In the third quarter ended December 31, 2021, NSK finalized provisional accounting treatment for business combination, which is reflected in the relevant figures for the first quarter and the second quarter of the fiscal year 2021.

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

| (百万円 / ¥Million) | 2022年3月期 / FY2021 | | | | | 2023年3月期 / FY2022 | |
|-------------------------------------|-------------------|--------|--------|--------|-----------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | YoY |
| 設備投資額 Capital expenditures | 5,177 | 13,576 | 11,944 | 21,613 | 52,311 | 9,230 | 178.3% |
| 減価償却費 Depreciation and amortisation | 14,075 | 14,298 | 14,343 | 13,841 | 56,558 | 14,288 | 101.5% |

【予想 / Forecast】

| (百万円 / ¥Million) | 2023年3月期 / FY2022 | | | | | |
|-------------------------------------|-------------------|-----|--------|-----|---------------|--------|
| | 1H FCT | YoY | 2H FCT | YoY | Full year FCT | YoY |
| 設備投資額 Capital expenditures | | | | | 70,000 | 133.8% |
| 減価償却費 Depreciation and amortisation | | | | | 57,000 | 100.8% |

5. 研究開発費、技術関連費用 / R&D expenses

| (百万円 / ¥Million) | 2022年3月期 / FY2021 | | | | | 2023年3月期 / FY2022 | |
|--|-------------------|-------|-------|-------|-----------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | YoY |
| 研究開発費 R&D Expenses (on a statutory basis) | 4,400 | 4,964 | 5,209 | 4,600 | 19,175 | 4,549 | 103.4% |
| (参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis) | 7,398 | 7,737 | 7,870 | 7,750 | 30,756 | 7,423 | 100.3% |

【予想 / Forecast】

| (百万円 / ¥Million) | 2023年3月期 / FY2022 | | | | | |
|--|-------------------|-----|--------|-----|---------------|--------|
| | 1H FCT | YoY | 2H FCT | YoY | Full year FCT | YoY |
| 研究開発費 R&D Expenses (on a statutory basis) | | | | | 20,000 | 104.3% |
| (参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis) | | | | | 32,000 | 104.0% |

6. 為替換算レート / Currency exchange rate

| 期中平均レート Average exchange rate (円 / ¥) | 2022年3月期 / FY2021 | | | | | 2023年3月期 / FY2022 | |
|--|-------------------|--------|--------|--------|-----------|-------------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | Full year FCT |
| USD | 109.49 | 110.11 | 113.70 | 116.22 | 112.38 | 129.57 | 120.00 |
| EUR | 131.95 | 129.83 | 130.08 | 130.38 | 130.56 | 138.10 | 130.00 |
| CNY | 16.96 | 17.02 | 17.77 | 18.29 | 17.51 | 19.58 | 19.00 |

| 期末レート Term end exchange rate (円 / ¥) | 2022年3月期 / FY2021 | | | | | 2023年3月期 / FY2022 | |
|---|-------------------|-----------|-----------|-----------|-----------|-------------------|---------------|
| | End of 1Q | End of 2Q | End of 3Q | End of 4Q | End of FY | End of 1Q | Full year FCT |
| USD | 110.61 | 111.95 | 115.02 | 122.41 | 122.41 | 136.69 | 120.00 |
| EUR | 131.63 | 129.90 | 130.52 | 136.77 | 136.77 | 142.65 | 130.00 |
| CNY | 17.12 | 17.29 | 18.07 | 19.26 | 19.26 | 20.39 | 19.00 |