



FINANCIAL CONFERENCE

**Consolidated Business Results
for Q3 FY2021**

**February 4, 2022
President and CEO
Akitoshi Ichii**

Cautionary Statements with Respect to Forward-Looking Statements

Statements made in this report with respect to plans, strategies and future performance that are not historical fact are forward-looking statements. NSK cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Note : This document is an English translation of material written initially in Japanese.
The Japanese original should be considered as the primary version.

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Good afternoon, everyone. Thank you for taking time out of your busy schedules to join us. Let's go over our third quarter results.

- 1. Consolidated Business Results
for the Third Quarter Ended December 31, 2021**
- 2. Consolidated Business Forecast
for the Year Ending March 31, 2022**
- 3. Future Policy**

1. Consolidated Business Results
for the Third Quarter Ended December 31, 2021

2. Consolidated Business Forecast
for the Year Ending March 31, 2022

3. Future Policy

Business Environment

- **Industrial Machinery Business:** Demand remained solid primarily for sectors such as machine tools and semiconductor manufacturing equipment.
- **Automotive Business:** Supply chain issues has been prolonged from original assumption.
- Costs such as steel prices and ocean freight have continued to increase.
- Omicron risk

Summary of Business Results for Q3

| (Billions of yen) | Q3 | | Q3YTD | | |
|---|-------------|-----------------|--------------|--------------------|--------|
| | (Oct.-Dec.) | (vs FY2020 Q3) | (Apr.- Dec.) | (vs FY2020 Q3 YTD) | |
| Sales | 215.0 | +0.6 +0.3% | 632.8 | +102.4 | +19.3% |
| Segment income ※ | 4.3 | -2.3 -35.0% | 20.6 | +26.9 | — |
| (%) | (2.0%) | | (3.3%) | | |
| Operating income | 5.1 | -0.6 -9.9% | 20.8 | +25.8 | — |
| (%) | (2.4%) | | (3.3%) | | |
| Income before income taxes | 5.3 | -0.5 -8.1% | 20.9 | +25.8 | — |
| Net income attributable to owners of the parent | 4.3 | -0.0 -1.0% | 12.1 | +20.0 | — |

※ Segment Income : Operating income before deduction of other operating income and expenses

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Please take a look at page 3 of the presentation.

Looking back at the third quarter, in the industrial machinery business, sales of machine tools and semiconductor manufacturing equipment continued to be strong, but in the automobile business, production adjustments due to supply chain issues such as semiconductor shortages, took longer than expected.

In addition, steel prices and ocean freight rates continued to rise, and the spread of the Omicron variant began to have an impact in Europe, the United States, and elsewhere.

Under such circumstances, the figures for the third quarter of 2022 YTD are

Sales: 632.8 billion yen, Operating income: 20.8 billion yen, Operating margin: 3.3%.

Net income attributable to owners of the parent was 12.1 billion yen.

Compared to the previous year, sales increased by 102.4 billion yen, operating income by 25.8 billion yen, and net income attributable to owners of the parent by 20.0 billion yen.

Summary of Consolidated Business Results for FY2021 Q3 (2) **NSK**

| (Billions of yen) | FY2020 | FY2021 | | | | vs. FY2020 Q3 YTD | |
|---|---------|--------|--------|--------|---------|-----------------------|------------|
| | Apr-Dec | Q1 | Q2 | Q3 | Apr-Dec | Increase/ Decrease | Difference |
| | Actual | Actual | Actual | Actual | Actual | | |
| Sales | 530.3 | 213.5 | 204.3 | 215.0 | 632.8 | +102.4 | +19.3% |
| Segment income | -6.3 | 9.1 | 7.1 | 4.3 | 20.6 | +26.9 | - |
| (%) ※ | (-1.2%) | (4.3%) | (3.5%) | (2.0%) | (3.3%) | | |
| Operating income | -5.0 | 9.0 | 6.7 | 5.1 | 20.8 | +25.8 | - |
| (%) | (-0.9%) | (4.2%) | (3.3%) | (2.4%) | (3.3%) | | |
| Income before income taxes | -4.9 | 9.3 | 6.3 | 5.3 | 20.9 | +25.8 | - |
| Net income attributable to owners of the parent | -7.9 | 4.7 | 3.0 | 4.3 | 12.1 | +20.0 | - |
| (Ex. rate: 1USD=) | 106.1 | 109.5 | 110.1 | 113.7 | 111.1 | +5.0 | +4.7% |
| (" 1EUR=) | 122.4 | 132.0 | 129.8 | 130.1 | 130.6 | +8.3 | +6.7% |
| (" 1CNY=) | 15.4 | 17.0 | 17.0 | 17.8 | 17.3 | +1.8 | +11.7% |

※ Segment Income : Operating income before deduction of other operating income and expenses

- Profits in 3Q included one-off factors :

Impairment loss -9.0 billion yen (Automotive Components Business)
Land sales gain +9.8 billion yen

- 3Q Apr-Dec: Sales and profits increased YOY.

In the third quarter ended December 31, 2021, NSK finalized provisional accounting treatment for business combination, which is reflected in profit items for the first quarter and the second quarter of the fiscal year 2021.

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The operating income for the third quarter includes an impairment loss of 9.0 billion yen in our automotive components business and a 9.8 billion yen gain on the sale of land, resulting in a net positive impact of 0.8 billion yen.

Sales for the third quarter from October to December were 215.0 billion yen, and segment income was 4.3 billion yen. As shown on page 3, sales increased by 0.6 billion yen year-on-year, while segment income decreased by 2.3 billion yen.

The main reason for the increase in sales and decrease in segment income was the impact of volume. Sales increased by 0.6 billion yen compared to the previous year, but excluding the impact of foreign exchange rates, sales decreased by approximately 9 billion yen. In addition, although there was a foreign exchange gain due to the weakening of the yen, there was also an increase in procurement costs, which regrettably resulted in a decrease in profit compared to the same period last year.

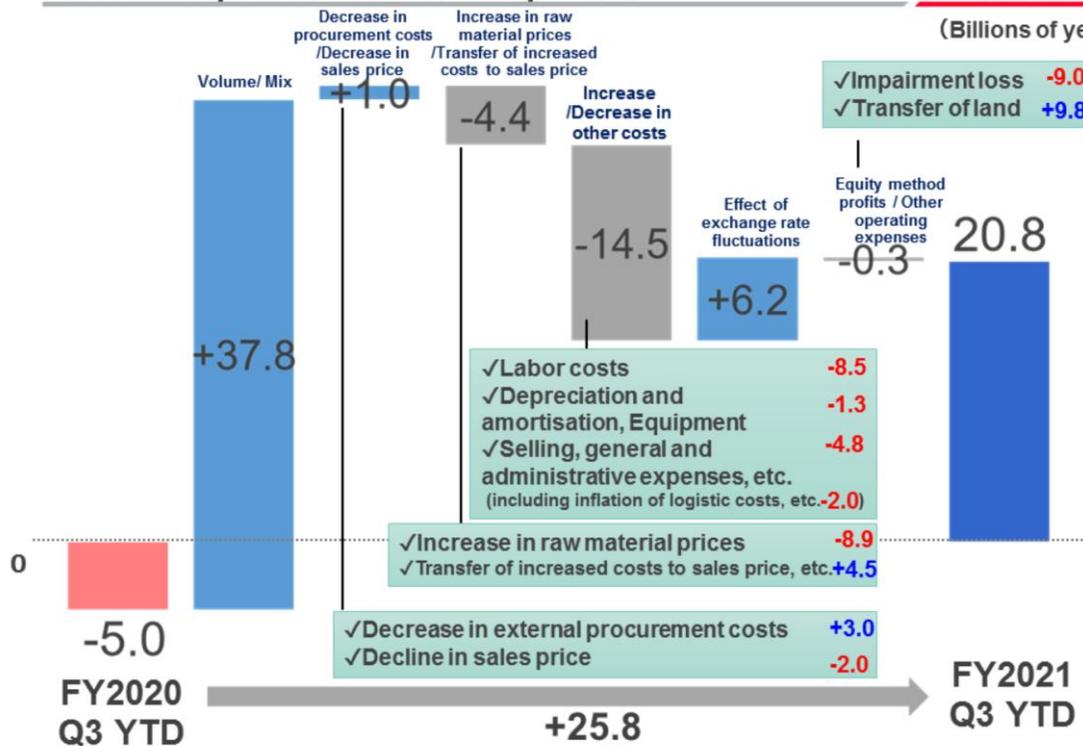
Segment income decreased from the second quarter to the third quarter. The main reason for this is the decline in profit in the automobile business. I will explain in detail on the slide of business results by segment.

Operating income for the third quarter YTD was 20.8 billion yen, down 25.8 billion yen from the same period last year. I will explain the factors behind this in the v-chart on the next slide.

Operating Income: Factors Behind Change (FY2020 Apr-Dec ⇒ FY2021 Apr-Dec)



(Billions of yen)



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I will explain the v-chart in order from the left-hand side.

Excluding the impact of foreign exchange rate fluctuations, the real sales increase of 74.0 billion yen had a positive profit impact of 37.8 billion yen. Cost reductions and selling price decline were in line with our expectations and improved by 1.0 billion yen from the previous year.

Raw material prices increased by 8.9 billion yen, against which we raised selling prices by 4.5 billion yen.

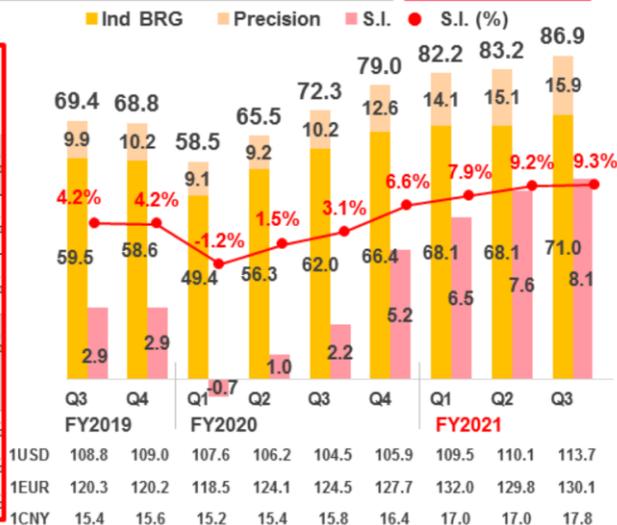
Expenses increased by 14.5 billion yen compared to the previous year. Labor costs increased by 8.5 billion yen, an increase of 3.5 billion yen if we exclude the 5.0 billion yen in one-time gains such as employment adjustment subsidies from the previous year. Amortisation and equipment expenses increased by 1.3 billion yen, and selling, general and administrative expenses increased by 4.8 billion yen. The increase is mainly due to a 2.0 billion yen impact of inflation related to transportation costs, etc. and one-time expenses in the steering business.

Foreign exchange effects increased by 6.2 billion yen due to the weaker yen, while equity in earnings of affiliates/other operating expenses decreased by 0.3 billion yen. As a result, operating income was 20.8 billion yen, an increase of 25.8 billion yen versus the same period last year.

Next is the business results breakdown by business segment.

(Billions of yen)

| | FY2020 Apr-Dec Actual | FY2021 Apr-Dec Actual | Increase/ Decrease YOY | Difference YOY |
|----------------------------------|-----------------------------|-----------------------------|------------------------------|-------------------|
| Sales | 196.2 | 252.2 | +56.0 | +28.5% |
| Industrial Machinery Bearings... | 167.7 | 207.1 | +39.4 | +23.5% |
| Precision Machinery and Parts | 28.5 | 45.1 | +16.5 | +58.0% |
| Segment income | 2.5 | 22.2 | +19.7 | +787.9% |
| (%) | (1.3%) | (8.8%) | | |
| (Ex. rate: 1USD=) | 106.1 | 111.1 | +5.0 | +4.7% |
| (" 1EUR=) | 122.4 | 130.6 | +8.3 | +6.7% |
| (" 1CNY=) | 15.4 | 17.3 | +1.8 | +11.7% |



● **Robust business environment continued from first half onward.**

Sales and profits increased for six consecutive quarters.

• **Machine tools and semiconductor manufacturing equipment :**

Market conditions remained strong.

• **Infrastructure :** Demand in wind power and railway remained around the same level.

• **E&E :** Automotive sector impacted by production cutbacks due to component shortages.

● **Profit ratio remained at 9% level from Q2 onward.**

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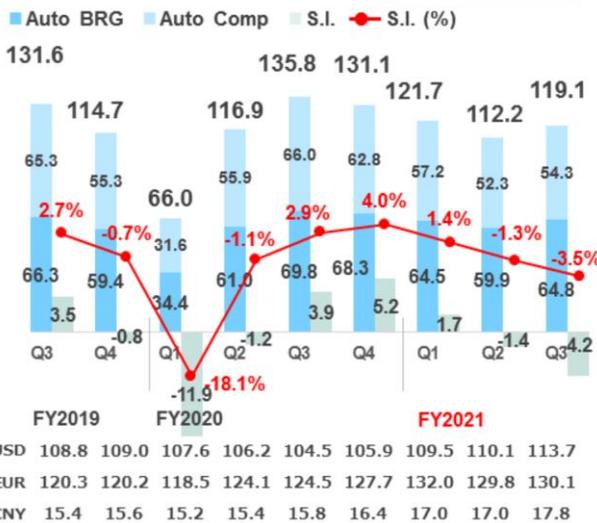
Next I will touch on the industrial machinery business.

Net sales in the industrial machinery business for the first three quarters of the current fiscal year were 252.2 billion yen. Compared to the same period last year, sales increased by 56.0 billion yen, or about 29%. Segment income was 22.2 billion yen, an increase of 19.7 billion yen over the same period last year, mainly due to an increase in material volume. The segment income ratio was 8.8%.

In the third quarter of the current fiscal year, the business environment remained favorable following the first half results. Demand for machine tools and semiconductor equipment remained strong, and orders received remained at a high level. On the other hand, demand in wind power and railway remained flat as in the first half, but the industrial machinery business was able to make progress in improving profitability as well as recovering sales for six consecutive quarters after bottoming out in the first quarter of the previous year.

(Billions of yen)

| | FY2020 Apr-Dec Actual | FY2021 Apr-Dec Actual | Increase/ Decrease YOY | Difference YOY |
|--|-----------------------------|-----------------------------|------------------------------|-------------------|
| Sales | 318.6 | 353.0 | +34.3 | +10.8% |
| Automotive Bearings | 165.2 | 189.2 | +24.1 | +14.6% |
| Automotive Components | 153.5 | 163.7 | +10.3 | +6.7% |
| Segment income (excluding impairment loss) | -9.2 | -3.9 | +5.3 | — |
| (%) | (-2.9%) | (-1.1%) | | |
| Operating income ※ (including impairment loss) | -9.2 | -13.0 | -3.7 | — |
| (%) | (-2.9%) | (-3.7%) | | |
| (Ex. rate: 1USD=) | 106.1 | 111.1 | +5.0 | +4.7% |
| (" 1EUR=) | 122.4 | 130.6 | +8.3 | +6.7% |
| (" 1CNY=) | 15.4 | 17.3 | +1.8 | +11.7% |



| | | | | | | | | | |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1USD | 108.8 | 109.0 | 107.6 | 106.2 | 104.5 | 105.9 | 109.5 | 110.1 | 113.7 |
| 1EUR | 120.3 | 120.2 | 118.5 | 124.1 | 124.5 | 127.7 | 132.0 | 129.8 | 130.1 |
| 1CNY | 15.4 | 15.6 | 15.2 | 15.4 | 15.8 | 16.4 | 17.0 | 17.0 | 17.8 |

※As impairment loss, which was classified as other sales expense, was excluded in segment income, this slide shows operating income too.

- Global automotive production volume in Q3 YTD: 56 million (YOY -2%)
- Sales in Q3 were lower than our expectation due to supply chain issues. Sales increased and profits decreased from Q2 to Q3.
- In Q3, Automotive components business recorded Impairment loss. Segment income was in the red but bearing business secured profits.

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Next I will touch on the automotive business.

Net sales of the automotive business for the first three quarters of the current fiscal year were 353.0 billion yen. Segment income was negative 3.9 billion yen.

Although the bearings business remained in the black, the automotive components business posted a loss, resulting in the second consecutive quarterly loss for the automotive business as a whole. In addition, impairment loss was recorded in the third quarter of this fiscal year in the automotive components business. As a result, operating income was negative 13.0 billion yen and operating income ratio was -3.7%.

On a year-on-year basis, net sales increased by 34.3 billion yen and operating income decreased by 3.7 billion yen.

Cumulative global automobile production in the first three quarters was approximately 56 million units, according to IHS Markit. As a result of the ongoing supply problems with semiconductors and other components, automobile production is down 2% from the same period last year. Although our sales fell short of our forecast due to ongoing supply chain issues, year-on-year, we were able to recover by about 11%, or 7% excluding the effect of foreign exchange rates.

The factors behind the decrease in profit, which resulted in an increase in sales and a decrease in profit from the second to the third quarter of the current fiscal year, were, as explained on slide 5, the recording of a one-time steering-related expense in the third quarter and the expansion of inflation in steel prices and other factors. Furthermore, we kept production strong in the first half of the year to build up inventory, and this is why the operating income in the first half was higher than the operating income in the third quarter.

This concludes my explanation of the results for the third quarter.

1. Consolidated Business Results
for the Third Quarter Ended December 31, 2021

2. Consolidated Business Forecast
for the Year Ending March 31, 2022

3. Future Policy

Business Environment

- Industrial Machinery Business: Robust demand to continue
Automotive Business: Risk of production cutbacks remains due to supply chain disruption and omicron variant
- Cost increases such as steel prices and ocean freight to continue
- Exchange rates in Q4 was revised. (USD ¥114, EUR ¥130, CNY ¥17.8)

Revision of Business Forecast Announced on November 1st

| (Billions of yen) | | Change from Nov. 1st | |
|---|--------|----------------------|--------|
| Sales | 860.0 | — | — |
| Segment income※ | 30.0 | -6.0 | -16.7% |
| (%) | (3.5%) | | |
| Operating income | 30.0 | -14.5 | -32.6% |
| (%) | (3.5%) | | |
| Income before income taxes | 30.0 | -14.0 | -31.8% |
| Net income attributable to owners of the parent | 19.5 | -10.5 | -35.0% |

※ Segment Income : Operating income before deduction of other operating income and expenses

- **Full-year dividend remains unchanged at ¥25 per share**

(Interim dividend ¥10 per share, end of year dividend ¥15 per share)

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Next we will look at the full-year forecast.

As announced at the time of the financial results announcement on January 31, 2022, we have revised downward our full-year forecast announced in November.

The assumption for the business environment is that the industrial machinery business will continue to be strong. On the other hand, in the automotive business, we have factored in continued supply chain risks and lower sales due to operational adjustments caused by the Omicron variant. We have factored in the actual results up to the third quarter of the current fiscal year and the expected impact of higher steel prices and inflation in electricity and other sectors.

The actual exchange rate for the third quarter has been applied to the forecast for the fourth quarter.

Sales are expected to fall by 5 billion yen in real terms due to the spread of the Omicron variant and parts shortages. However, taking into account the positive impact of the translation difference due to the revision of the foreign exchange rate, we will maintain the forecast at 860 billion yen.

Segment income is revised downward by 6 billion yen to 30 billion yen. Operating income is revised downward by 14.5 billion yen to 30.0 billion yen, reflecting the impairment loss of 9.0 billion yen recorded in the third quarter. Net income has been revised downward to 19.5 billion yen.

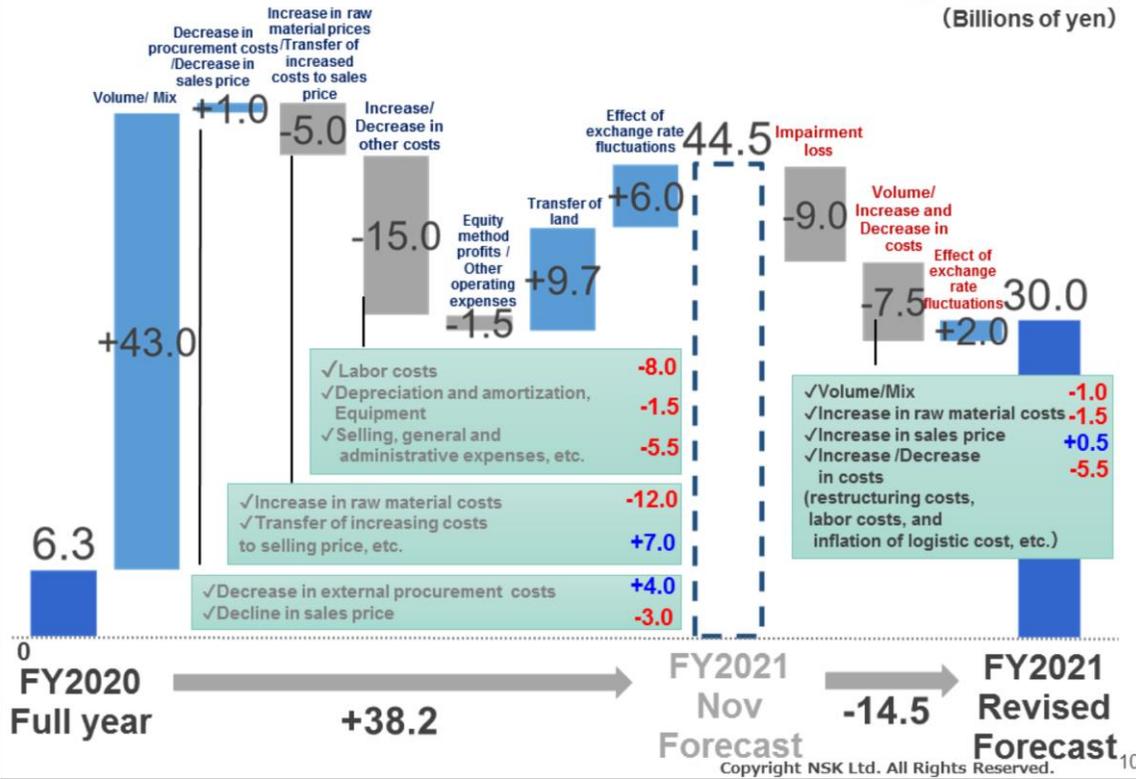
We plan to pay an annual dividend of 25 yen per share, as planned.

The details of the operating income revision are explained in the v-chart on the next page.

Operating Income: Factors Behind Change (FY2020 ⇒ FY2021 Revised Forecast)



(Billions of yen)



The left side of the slide shows the change in profit from the previous year's results to the forecast announced in November. On the right side is the revised forecast. In the forecast announced in November, we expected to be able to execute our cost reduction plan as planned, but the increase in raw material prices was 12 billion yen, much higher than our initial assumption of 6 billion yen. In addition, we have raised the target for the correction of selling prices to the market from the initial plan of 4 billion yen to 7 billion yen.

As for changes in expenses, we have factored in an increase of 4.5 billion yen, from 10.5 billion yen in the initial plan to 15.0 billion yen. The breakdown is as follows: personnel expenses: 1.0 billion yen. SG&A and other expenses increased by 3.5 billion yen, mainly due to the inflationary impact of transportation costs. We have also revised downward our forecast by 8.5 billion yen, to 44.5 billion yen, by revising the impact of foreign exchange rates and including the impact of a decrease in the volume of goods.

Excluding the impact of foreign exchange rates, the revised forecast is for a 1.0 billion yen decrease in operating income mainly due to a decrease in production volume of automobiles. Although in November we expected to exceed our goals in passing on raw material increases to sales prices, raw material prices have been rising further at present, and the net effect of selling price pass-through and raw material price hikes will be a 1.0 billion yen decrease. Expenses are expected to increase by 5.5 billion yen, mainly due to one-time expenses in the steering business, increased labor costs to cope with the increased production volume of industrial machinery, and the increased impact of inflation on electricity and sub-materials. The one-time expenses in the steering business include expenses related to structural reform in the fourth quarter.

In addition to the above, impairment loss of 9.0 billion yen in the automotive components business and the positive impact of 2.0 billion yen in foreign exchange rates are included. We have revised our operating income forecast from 44.5 billion yen announced in November to 30.0 billion yen, a decrease of 14.5 billion yen.

Consolidated Business Forecast for the Year Ending March 31, 2022 by Segment



Industrial Machinery Business

Sales and profits are expected to remain robust primarily in machine tools and semiconductor manufacturing equipment.

| (Billions of yen) | November FCST | 1st half Actual | Q3 Actual | FY2021 | | FY2020 Full year Actual |
|-------------------------------|------------------|--------------------|--------------|------------|-----------------|-------------------------------|
| | | | | Q4 FCST | Revised FCST | |
| Sales | 340.0 | 165.3 | 86.9 | 90.8 | 343.0 | 275.2 |
| Industrial Machinery Bearings | 278.5 | 136.2 | 71.0 | 74.4 | 281.5 | 234.1 |
| Precision Machinery and Parts | 61.5 | 29.2 | 15.9 | 16.4 | 61.5 | 41.1 |
| Segment income | 32.0 | 14.2 | 8.1 | 9.3 | 31.5 | 7.7 |
| (%) | (9.4%) | (8.6%) | (9.3%) | (10.2%) | (9.2%) | (2.8%) |

Automotive Business

Global automotive production volume:

Nov FCST 76 million → Feb FCST 75 million -1% (FY2020 77 million)

| (Billions of yen) | November FCST | 1st half Actual | Q3 Actual | FY2021 | | FY2020 Full year Actual |
|-----------------------|------------------|--------------------|--------------|------------|-----------------|-------------------------------|
| | | | | Q4 FCST | Revised FCST | |
| Sales | 480.0 | 233.9 | 119.1 | 126.0 | 479.0 | 449.7 |
| Automotive Bearings | 255.0 | 124.5 | 64.8 | 65.8 | 255.0 | 233.5 |
| Automotive Components | 225.0 | 109.4 | 54.3 | 60.3 | 224.0 | 216.2 |
| Segment income | 0.0 | 0.3 | -4.2 | 0.0 | -4.0 | -4.0 |
| (%) | (0.0%) | (0.1%) | (-3.5%) | (0.0%) | (-0.8%) | (-0.9%) |

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Next, I will show you the figures by business segment. The upper row shows the industrial machinery business.

As I mentioned earlier in the full-year forecast, we believe that demand for machine tools and semiconductor manufacturing equipment will continue to be strong in the fourth quarter. For the full year, we expect net sales of 343.0 billion yen and segment income of 31.5 billion yen with a segment income ratio of 9.2%, sales increase of 3.0 billion yen over the forecast announced in November, and a decrease of 0.5 billion yen in segment income due to the impact of labor costs and inflation. Segment income for the fourth quarter is expected to recover to the 10% level.

Next is the automobile business.

When we forecast automobile production volume in November, we expected 76 million units based on the assumption that automobile manufacturers would recover from the supply problems caused by semiconductor shortages and other factors. However, the supply chain problems are still in the process of recovery in the second half of the year. We have factored in a further production cut of approximately 1 million units including the impact of the Omicron variant, and now forecast 75 million units for the full year.

As a result, sales are expected to be 479.0 billion yen, a decrease of 1.0 billion yen from the November forecast, and segment income is expected to be 4.0 billion yen lower. In the fourth quarter, we will aim for a return to profitability in operating income, including an increase in production volume due to the recovery in production volume from the third quarter and reflecting steel price negotiations.

Next, I would like to explain our initiatives moving forward.

1. Consolidated Business Results
for the Third Quarter Ended December 31, 2021

2. Consolidated Business Forecast
for the Year Ending March 31, 2022

3. Future Policy

✓ Risks and tasks

1. Earnings pressured by ongoing inflation

- Soaring steel price, and further increasing costs such as ocean freight and electricity costs
- > Complete initially planned increase in sales price to reflect steel cost increases and start price negotiation to cover further cost increases of steel
- > Respond to ongoing inflation including ocean freight and electricity costs

2. Continuing supply chain issues and risks of new variant Covid-19

- Unstable operation, decrease in output due to shutdown
- Worsened production efficiency due to normalized discrepancy between production fluctuation and production system
- > Continue inventory control in response to supply chain and COVID-19 risk

As I have explained so far, the key points for this fiscal year are: first, inflation in steel and other materials has been very strong and fast. And the second is that supply problems, considering COVID and semiconductor shortages, are taking longer than expected to be resolved, resulting in a delayed recovery in automobile production and greater ups and downs in demand. The steering business also remains a point of focus.

Based on this recognition of the issues, I have included some key points on pages 13-14.

We are aiming to complete the reflection in sales prices of the 12.0 billion yen increase in raw material prices that we factored in as of November, but the problem is how to respond to the expansion of inflation, which includes ocean freight and electricity. So far we have been able to absorb the increase through our cost reduction efforts, but depending on future trends, we may need to consider new measures, including direct pass through to sales prices.

The supply chain and COVID risk are ongoing. These are the risks of unstable operations due to increased or decreased production by customers caused by supply chain problems, and the risk of decreased output due to shutdowns caused by the spread of COVID variants.

As the mismatch between production fluctuations and the production system becomes the norm, the question is how to minimize the deterioration of profits due to worsening production efficiency. We are currently in a state of increased inventory, but we believe that we will basically have to maintain this inventory level in order to operate.

✓ Risks and tasks

3. Response to recovery of supply chain and demand increase

- > **Secure necessary human resources and recover productivity**
- > **Implement a plan to increase production capacity for E&E business**

✓ Structural reforms of steering business

- Reform organization to improve profitability

- > **(1) Reorganization of sites, (2) Profit improvement, (3) Employee relocation**

As the supply chain recovers, we will focus on ensuring that we have the right number of employees to meet the recovery in demand.

As you know, due to the labor shortage, we are struggling to find the manpower to respond to increased production in many areas. Therefore, we are going to maintain the labor force we have and accept it as a cost to operate. When the volume comes back, we will aim to link the expansion opportunity to profit.

In addition, from a medium- to long-term perspective, our normal and small size bearings businesses will continue to grow steadily, especially with the shift to electric vehicles, so we will continue to implement plans to strengthen these businesses.

Lastly, I would like to explain the structural reform of the steering business.

In the steering business, we have been expanding our product lineup for the downstream assist type and promoting activities to receive orders, while our earnings are shrinking due to the shift in technology from the column type to the downstream assist type. The development of new systems has been completed, but order-taking activities are still in progress.

The start of cooperation with Volkswagen is one achievement, but since there is a delay in the recovery scenario envisioned in this mid-term plan, we have reviewed our future business plan and made an impairment assessment based on the revision. As a result, an impairment loss of 9.0 billion yen was recorded in the third quarter of the current fiscal year.

(Continued on the next page)

(Supplementary Information)

Although we have been reducing fixed costs and other expenses in line with the downsizing of the steering business, it has become necessary to further improve profitability in the midst of major changes in the business environment. We will move forward with the transformation to a profitable business based on the three pillars of reorganization of business bases, improvement of profitability, and reallocation of personnel that I have outlined here.

The first is the reorganization of production bases, which will involve the review of production items at each base to reduce fixed costs in each region.

The second is to improve profitability. The third is the reallocation of personnel. The third is the reallocation of personnel, including engineering, production, and indirect departments. By doing so, we will reduce the fixed costs of the steering business, and at the same time, we will make effective use of these resources by utilizing human resources and conducting education throughout NSK in consideration of future growth.

The aim is to complete structural reform by the end of the next fiscal year, and in doing so, to return to a profitable structure. At the same time, we will continue with our current efforts to secure orders and expand sales related to newly developed vehicles. The details will be introduced to you when we announce our next mid-term management plan.

This ends my summary of the financial results for the nine-month period. Thank you very much.

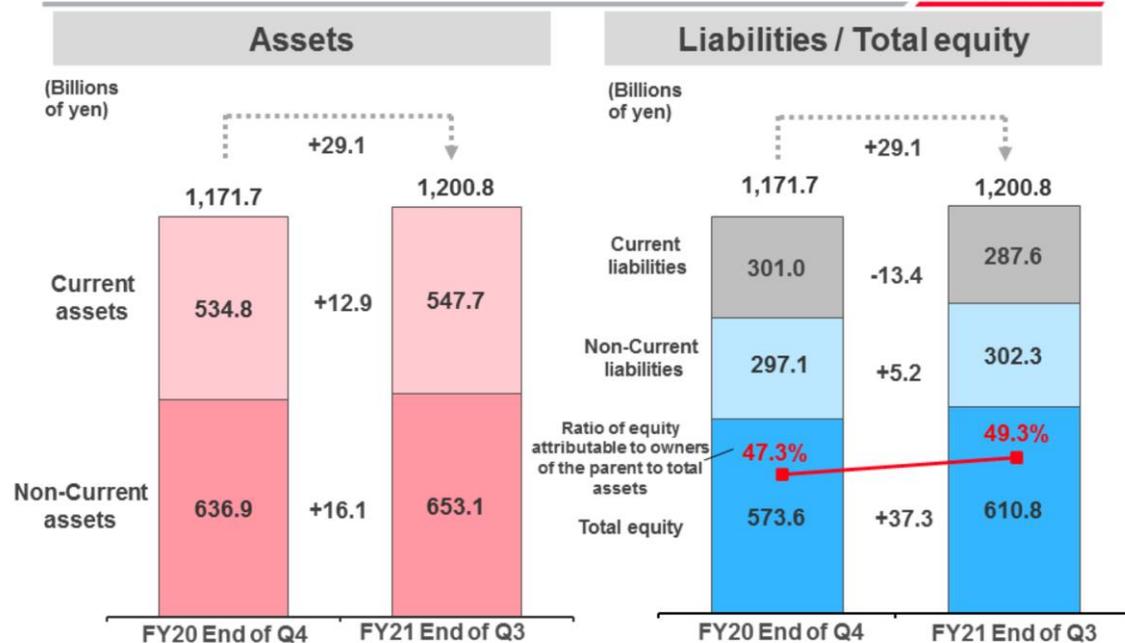
Supplementary Information : Financial Results by Business Segment

| (Billions of yen) | | FY2020 | | | FY2021 vs FY2020 QTD | | | FY2021 vs FY2020 YTD | | | FY2021 |
|---|-------------------------------|-----------|----------------|------------------|----------------------|-------------------|------------|----------------------|-------------------|------------|---------------|
| | | Q3 Actual | Apr-Dec Actual | Full year Actual | Q3 Actual | Increase/Decrease | Difference | Apr-Dec Actual | Increase/Decrease | Difference | Revised FC ST |
| Total | Sales | 214.4 | 530.3 | 747.6 | 215.0 | +0.6 | +0.3% | 632.8 | +102.4 | +19.3% | 860.0 |
| | Segment income | 6.7 | -6.3 | 4.9 | 4.3 | -2.3 | -35.0% | 20.6 | +26.9 | - | 30.0 |
| | (%) | (3.1%) | (-1.2%) | (0.7%) | (2.0%) | | | (3.3%) | | | (3.5%) |
| | Operating income | 5.7 | -5.0 | 6.4 | 5.1 | -0.6 | -9.9% | 20.8 | +25.8 | - | 30.0 |
| (%) | (2.6%) | (-0.9%) | (0.9%) | (2.4%) | | | (3.3%) | | | (3.5%) | |
| Industrial Machinery Business | Sales | 72.3 | 196.2 | 275.2 | 86.9 | +14.6 | +20.2% | 252.2 | +56.0 | +28.5% | 343.0 |
| | Industrial Machinery | 62.0 | 167.7 | 234.1 | 71.0 | +8.9 | +14.4% | 207.1 | +39.4 | +23.5% | 281.5 |
| | Bearings | 10.2 | 28.5 | 41.1 | 15.9 | +5.7 | +55.5% | 45.1 | +16.5 | +58.0% | 61.5 |
| | Precision Machinery and Parts | | | | | | | | | | |
| | Segment income | 2.2 | 2.5 | 7.7 | 8.1 | +5.8 | +263.0% | 22.2 | +19.7 | +787.9% | 31.5 |
| (%) | (3.1%) | (1.3%) | (2.8%) | (9.3%) | | | (8.8%) | | | (9.2%) | |
| Automotive Business | Sales | 135.8 | 318.6 | 449.7 | 119.1 | -16.7 | -12.3% | 353.0 | +34.3 | +10.8% | 479.0 |
| | Automotive Bearings | 69.8 | 165.2 | 233.5 | 64.8 | -5.0 | -7.2% | 189.2 | +24.1 | +14.6% | 255.0 |
| | Automotive Components | 66.0 | 153.5 | 216.2 | 54.3 | -11.7 | -17.8% | 163.7 | +10.3 | +6.7% | 224.0 |
| | Segment income | 3.9 | -9.2 | -4.0 | -4.2 | -8.1 | - | -3.9 | +5.3 | - | -4.0 |
| | (%) | (2.9%) | (-2.9%) | (-0.9%) | (-3.5%) | | | (-1.1%) | | | (-0.8%) |
| | Operating income | 3.9 | -9.2 | -4.0 | -13.2 | -17.1 | - | -13.0 | -3.7 | - | -13.0 |
| (%) | (2.9%) | (-2.9%) | (-0.9%) | (-11.1%) | | | (-3.7%) | | | (-2.7%) | |
| Others | Sales | 12.0 | 30.1 | 42.9 | 14.6 | +2.6 | +21.5% | 44.1 | +14.1 | +46.7% | 60.5 |
| | Operating income | 0.5 | 0.3 | 1.0 | 0.4 | -0.1 | -26.1% | 2.1 | +1.8 | +665.7% | 2.5 |
| | (%) | (4.3%) | (0.9%) | (2.3%) | (2.6%) | | | (4.7%) | | | (4.1%) |
| Eliminations (sales) | | -5.6 | -14.6 | -20.3 | -5.5 | +0.1 | - | -16.6 | -1.9 | - | -22.5 |
| Other operating income and expenses adjustments | | -1.0 | 1.5 | 1.7 | 9.9 | +10.9 | - | 9.5 | +8.0 | - | 9.0 |

※ Segment Income : Operating income before deduction of other operating income and expenses

Supplementary Information : Sales by Customer Location

| (Billions of yen) | FY2020 | | FY2021 | | | FY2021 | | |
|---------------------|-----------|----------------|-----------|-------------------|------------|----------------|-------------------|------------|
| | Q3 Actual | Apr-Dec Actual | Q3 Actual | Increase/Decrease | Difference | Apr-Dec Actual | Increase/Decrease | Difference |
| Sales | 214.4 | 530.3 | 215.0 | +0.6 | +0.3% | 632.8 | +102.4 | +19.3% |
| Japan | 79.3 | 191.9 | 77.5 | -1.7 | -2.2% | 234.3 | +42.4 | +22.1% |
| Non-Japan | 135.2 | 338.4 | 137.5 | +2.3 | +1.7% | 398.5 | +60.1 | +17.8% |
| (Non-Japan Ratio) | (63.0%) | (63.8%) | (63.9%) | | | (63.0%) | | |
| The Americas | 30.0 | 76.7 | 29.9 | -0.1 | -0.4% | 90.3 | +13.6 | +17.7% |
| Europe | 27.1 | 65.2 | 26.9 | -0.1 | -0.5% | 80.4 | +15.2 | +23.4% |
| China | 47.5 | 126.8 | 48.2 | +0.7 | +1.5% | 134.1 | +7.2 | +5.7% |
| Other Asia | 30.6 | 69.7 | 32.4 | +1.9 | +6.1% | 93.7 | +24.1 | +34.5% |
| Ex. Rate | | | | | | | | |
| 1USD | 104.5 | 106.1 | 113.7 | +9.2 | +8.8% | 111.1 | +5.0 | +4.7% |
| 1EUR | 124.5 | 122.4 | 130.1 | +5.6 | +4.5% | 130.6 | +8.3 | +6.7% |
| 1CNY | 15.8 | 15.4 | 17.8 | +2.0 | +12.5% | 17.3 | +1.8 | +11.7% |

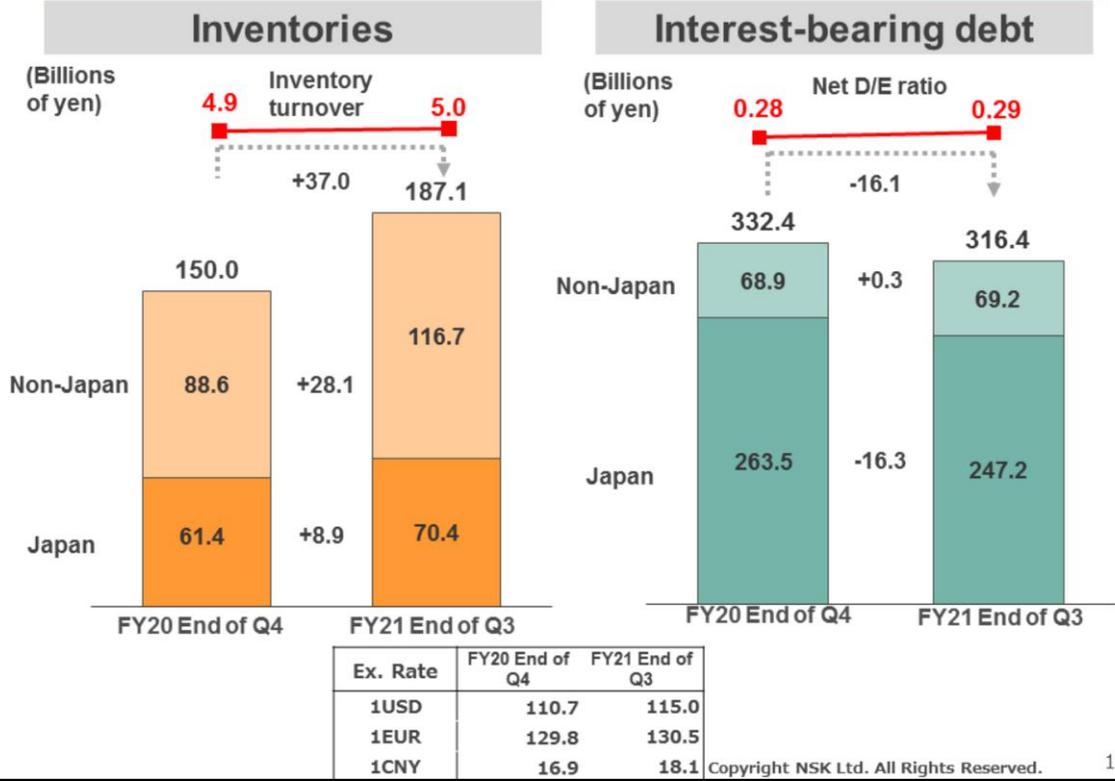


In the third quarter ended December 31, 2021, NSK finalized provisional accounting treatment for business combination, which is reflected in assets and liabilities / total equity for the fourth quarter of the fiscal year 2020.

| Ex. Rate | FY20 End of Q4 | FY21 End of Q3 |
|----------|----------------|----------------|
| 1USD | 110.7 | 115.0 |
| 1EUR | 129.8 | 130.5 |
| 1CNY | 16.9 | 18.1 |

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Supplementary Information: Inventories / Interest-Bearing Debt



Supplementary Information : Capital Expenditures,
Depreciation and Amortisation, R&D Expenses

| (Billions of yen) | FY2020 | FY2021 | | | |
|---|---------------|--------|--------|--------|----------------|
| | Full year Act | Q1Act | Q2 Act | Q3 Act | Full year FCST |
| Capital Expenditures | 37.3 | 5.2 | 13.6 | 11.9 | 51.0 |
| Capital Expenditures (excluding lease) | 34.1 | 4.6 | 8.9 | 11.4 | 51.0 |
| Depreciation and Amortisation | 54.5 | 13.9 | 14.2 | 14.6 | 55.0 |
| Depreciation and Amortisation (excluding lease) | 50.0 | 12.8 | 13.0 | 13.4 | 50.5 |
| R&D Expenses (on a statutory basis) | 16.8 | 4.4 | 5.0 | 5.2 | 17.0 |
| (Ref.) R&D Expenses (on a managerial basis) | 28.6 | 7.4 | 7.7 | 7.9 | 30.0 |

Mission Statement

NSK contributes to a safer, smoother society and helps protect the global environment through its innovative technology integrating Motion & Control™. As a truly international enterprise, we are working across national boundaries to improve relationships between people throughout the world.

NSK Vision 2026

SETTING THE FUTURE IN MOTION

We bring motion to life,
to enrich lifestyles,
and to build a brighter future.

Dedicated to uncovering society's needs,
we set ideas in motion,
to deliver solutions beyond imagination.

We're NSK.
And, we're setting the future in motion.