



# FINANCIAL CONFERENCE

**Consolidated Business Results  
for the First Quarter ended June 30, 2021**

**NSK Ltd.**

**August 2, 2021**  
**Senior Executive Vice President,**  
**CFO**

**Saimon Nogami**

## **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 the primary version.

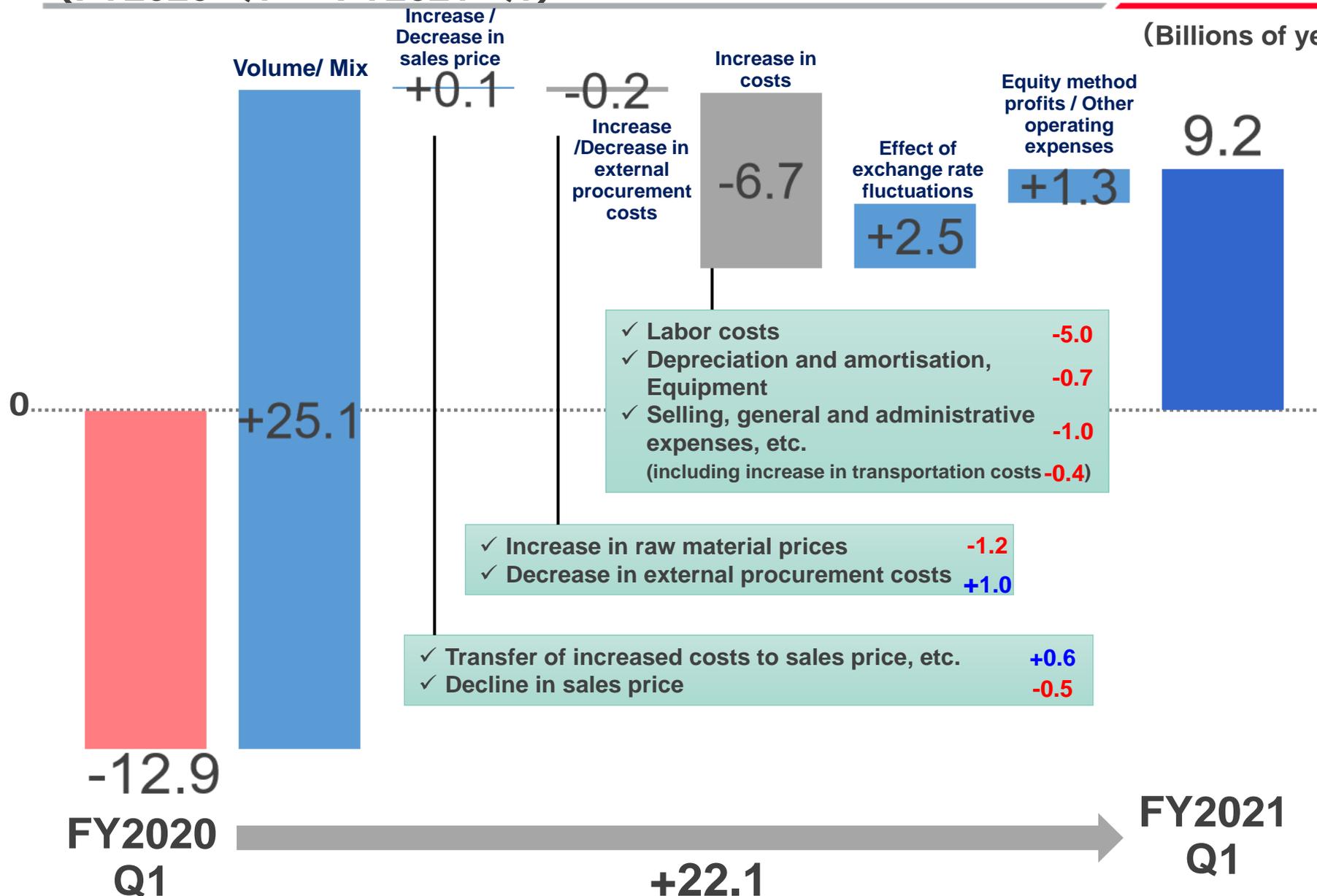
# Summary of Consolidated Business Results for FY2021 Q1

(Billions of yen)	FY2020	FY2021		
	Q1 Actual	Q1 Actual	Increase/ Decrease YOY	Difference YOY
Sales	128.9	213.5	+84.6	+65.6%
Operating income	-12.9	9.2	+22.1	—
(%)	(-10.0%)	(4.3%)		
Income before income taxes	-12.5	9.5	+22.0	—
Net income attributable to owners of the parent	-9.7	4.8	+14.5	—
(Ex. rate: 1USD=)	107.6	109.5	+1.9	+1.7%
( " 1EUR=)	118.5	132.0	+13.5	+11.4%
( " 1CNY=)	15.2	17.0	+1.8	+11.8%

- Recovered from the impact of COVID-19.  
Sales and operating income substantially increased primarily driven by the Automotive Business.
- Results assisted by the depreciation of the Japanese yen.

# Operating Income: Factors Behind Change (FY2020 Q1 ⇒ FY2021 Q1)

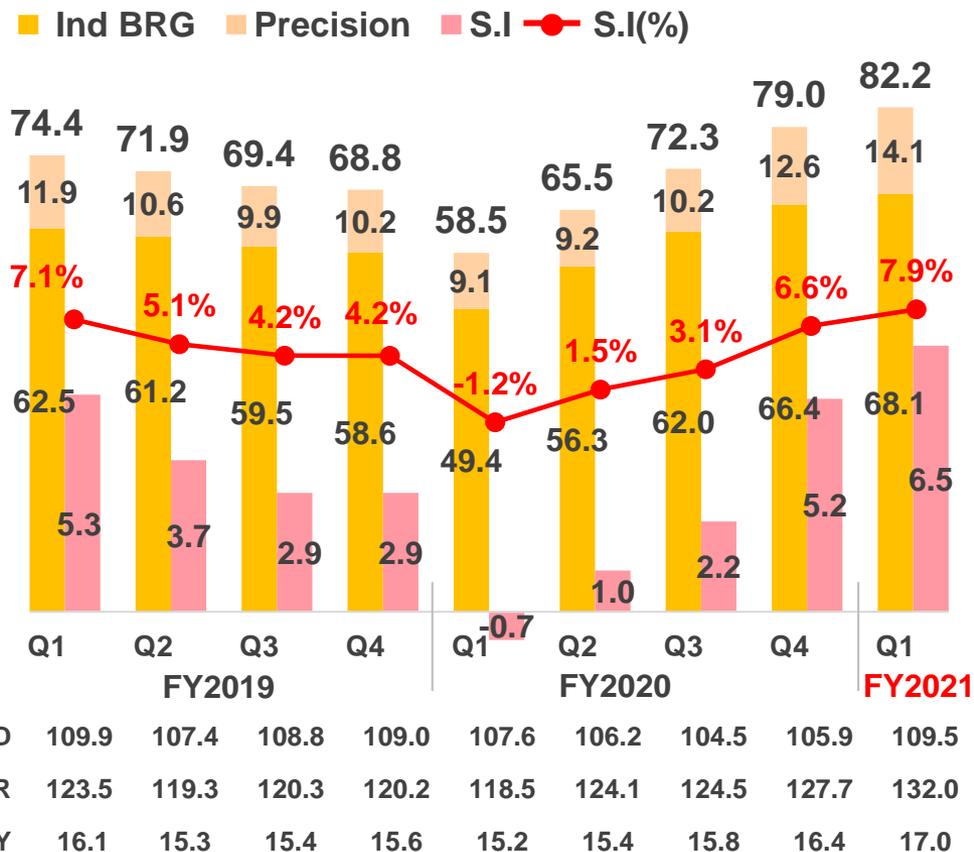
(Billions of yen)



# Industrial Machinery Business

(Billions of yen)

	FY2020 Q1 Actual	FY2021 Q1 Actual	Increase/ Decrease YOY	Difference YOY
<b>Sales</b>	<b>58.5</b>	<b>82.2</b>	<b>+23.7</b>	<b>+40.6%</b>
Industrial Machinery	49.4	68.1	+18.8	+38.0%
Bearings				
Precision Machinery and Parts	9.1	14.1	+5.0	+54.8%
<b>Segment income</b>	<b>-0.7</b>	<b>6.5</b>	<b>+7.2</b>	<b>—</b>
(%)	(-1.2%)	(7.9%)		
(Ex. rate: 1USD=)	107.6	109.5	+1.9	+1.7%
( " 1EUR=)	118.5	132.0	+13.5	+11.4%
( " 1CNY=)	15.2	17.0	+1.8	+11.8%



● Sales and profits continued to recover from Q2 FY2020 onwards.

**Machine tools:** Sales for EMS in China remained strong, recovery in capital investment related to automotive production.

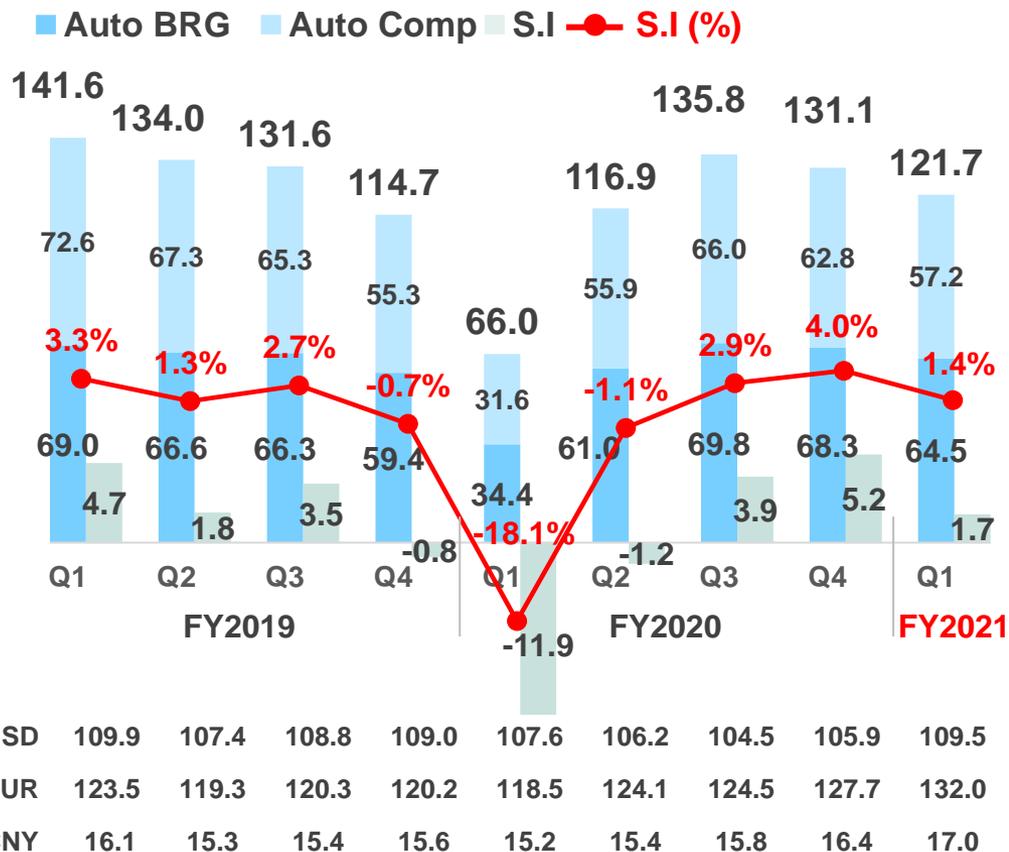
**Semiconductors:** Sales remained strong due to robust market demand.

**Electrical equipment:** Stay-at-home demand for items such as home appliances and power tools remained robust.

# Automotive Business

(Billions of yen)

	FY2020 Q1 Actual	FY2021 Q1 Actual	Increase/ Decrease YOY	Difference YOY
<b>Sales</b>	<b>66.0</b>	<b>121.7</b>	<b>+55.8</b>	<b>+84.5%</b>
Automotive Bearings	34.4	64.5	+30.2	+87.8%
Automotive Components	31.6	57.2	+25.6	+81.0%
<b>Segment income</b>	<b>-11.9</b>	<b>1.7</b>	<b>+13.6</b>	<b>—</b>
(%)	(-18.1%)	(1.4%)		
(Ex. rate: 1USD=)	107.6	109.5	+1.9	+1.7%
( " 1EUR=)	118.5	132.0	+13.5	+11.4%
( " 1CNY=)	15.2	17.0	+1.8	+11.8%



- Demand recovered from COVID-19 impact and sales increased significantly. +85% YOY (excluding exchange rate effects: +77%)  
Global automotive production volume: +49% YOY  
Japanese car manufacturers: +71% YOY
- Both sales and profits decreased compared to Q4 FY2020 due to the effect of semiconductor shortages.

# Consolidated Business Forecast for the Year Ending March 31, 2022

The forecast and the dividend plan announced on May 11th, 2021 remain unchanged

- ✓ **Sales: 860.0 billion**    **Operating Income: 53.0 billion** (Including gain on transfer of land: 9.7 billion)  
Exchange rate assumptions: USD ¥106, EUR ¥124, CNY ¥15.7
- ✓ **Dividend: ¥25 per share**  
(Interim dividend: ¥10 per share, Second half dividend: ¥15 per share)

## ● Industrial Machinery Business

- ▶ **Expect to see continued robust demand, primarily for machine tools.**  
**Will continue to strengthen supply capabilities including increasing the number of staff and capitalize on sales opportunities.**

## ● Automotive Business

- ▶ **Production cutbacks caused by semiconductor shortages had larger impact than expected. Will carefully watch for recovery trend and manage production and inventory accordingly.**

## ● Growing risk of cost increases for raw materials and transportation, etc.

- ▶ **Costs are increasing more than forecast assumptions. Will minimize impact of cost increases through additional negotiation to transfer costs to sales prices, and by improving plant productivity.**

## ● Risk of COVID-19 rebound in Japan and overseas

- ▶ **Infection status in the ASEAN region must be carefully monitored.**  
**Will continue to implement thorough infection prevention measures.**

# (Supplementary Information)

# Supplementary Information : Financial Results by Business Segment

		(Billions of yen)				FY2021 FCST		
		FY2020	FY2021	Increase/ Decrease	Difference	1st half	2nd half	Full year
		Q1	Q1					
<b>Total</b>	<b>Sales</b>	128.9	213.5	+84.6	+65.6%	425.0	435.0	860.0
	Segment Income	-12.5	9.3	+21.9	—	18.5	25.5	44.0
	(%)	(-9.7%)	(4.4%)			(4.4%)	(5.9%)	(5.1%)
	Operating Income	-12.9	9.2	+22.1	—	18.0	35.0	53.0
	(%)	(-10.0%)	(4.3%)			(4.2%)	(8.0%)	(6.2%)
<b>Industrial Machinery Business</b>	<b>Sales</b>	58.5	82.2	+23.7	+40.6%	153.0	159.0	312.0
	Industrial Machinery Bearings	49.4	68.1	+18.8	+38.0%	127.0	132.0	259.0
	Precision Machinery and Parts	9.1	14.1	+5.0	+54.8%	26.0	27.0	53.0
	Segment Income	-0.7	6.5	+7.2	—	12.0	15.0	27.0
	(%)	(-1.2%)	(7.9%)			(7.8%)	(9.4%)	(8.7%)
<b>Automotive Business</b>	<b>Sales</b>	66.0	121.7	+55.8	+84.5%	257.0	263.0	520.0
	Automotive Bearings	34.4	64.5	+30.2	+87.8%	135.0	140.0	275.0
	Automotive Components	31.6	57.2	+25.6	+81.0%	122.0	123.0	245.0
	Segment Income	-11.9	1.7	+13.6	—	5.0	9.0	14.0
	(%)	(-18.1%)	(1.4%)			(1.9%)	(3.4%)	(2.7%)
<b>Others</b>	<b>Sales</b>	8.8	15.2	+6.3	+71.7%	26.5	26.5	53.0
	Segment Income	0.0	1.0	+1.0	—	1.5	1.5	3.0
	(%)	(0.1%)	(6.9%)			(5.7%)	(5.7%)	(5.7%)
<b>Eliminations (sales)</b>		-4.4	-5.6	-1.3	—	-11.5	-13.5	-25.0
<b>Other operating income and expenses /Adjustments</b>		-0.3	-0.1	+0.2	—	-0.5	9.5	9.0

# Supplementary Information : Sales by Customer Location

(Billions of yen)	FY2020 Q1	FY2021 Q1	Increase/ Decrease	Difference
<b>Sales</b>	<b>128.9</b>	<b>213.5</b>	<b>+84.6</b>	<b>+65.6%</b>
<b>Japan</b>	<b>46.7</b>	<b>80.2</b>	<b>+33.5</b>	<b>+71.7%</b>
<b>Non-Japan</b>	<b>82.2</b>	<b>133.2</b>	<b>+51.1</b>	<b>+62.2%</b>
(Non-Japan Ratio)	<b>(63.7%)</b>	<b>(62.4%)</b>		
<b>The Americas</b>	<b>15.3</b>	<b>30.6</b>	<b>+15.3</b>	<b>+100.3%</b>
<b>Europe</b>	<b>14.9</b>	<b>27.7</b>	<b>+12.9</b>	<b>+86.4%</b>
<b>China</b>	<b>37.7</b>	<b>44.1</b>	<b>+6.4</b>	<b>+17.0%</b>
<b>Other Asia</b>	<b>14.3</b>	<b>30.8</b>	<b>+16.5</b>	<b>+115.1%</b>
Ex. Rate				
<b>1USD</b>	<b>107.6</b>	<b>109.5</b>	<b>+1.9</b>	<b>+1.7%</b>
<b>1EUR</b>	<b>118.5</b>	<b>132.0</b>	<b>+13.5</b>	<b>+11.4%</b>
<b>1CNY</b>	<b>15.2</b>	<b>17.0</b>	<b>+1.8</b>	<b>+11.8%</b>

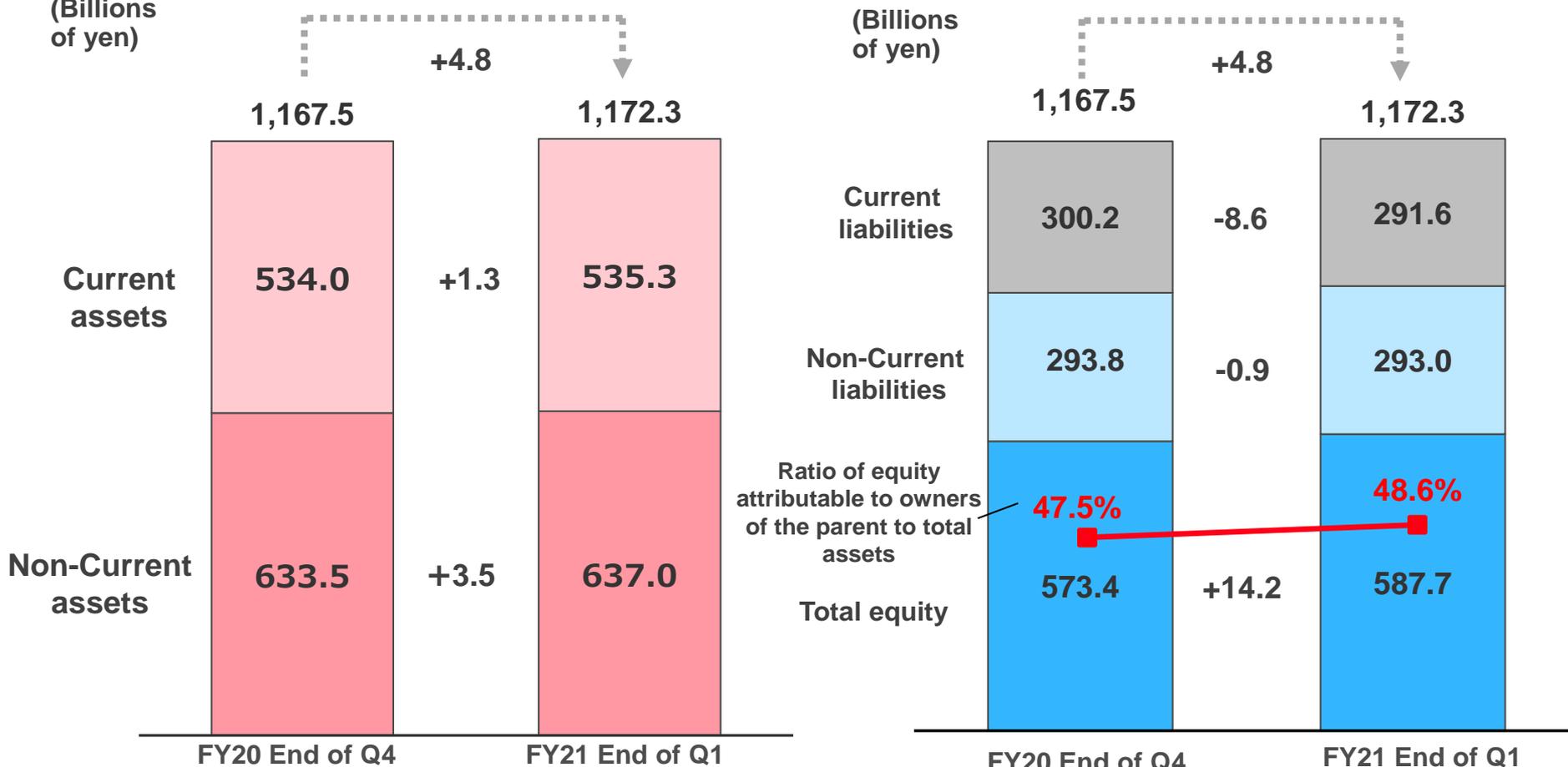
# Supplementary Information: Consolidated Balance Sheet

## Assets

## Liabilities / Total equity

(Billions of yen)

(Billions of yen)



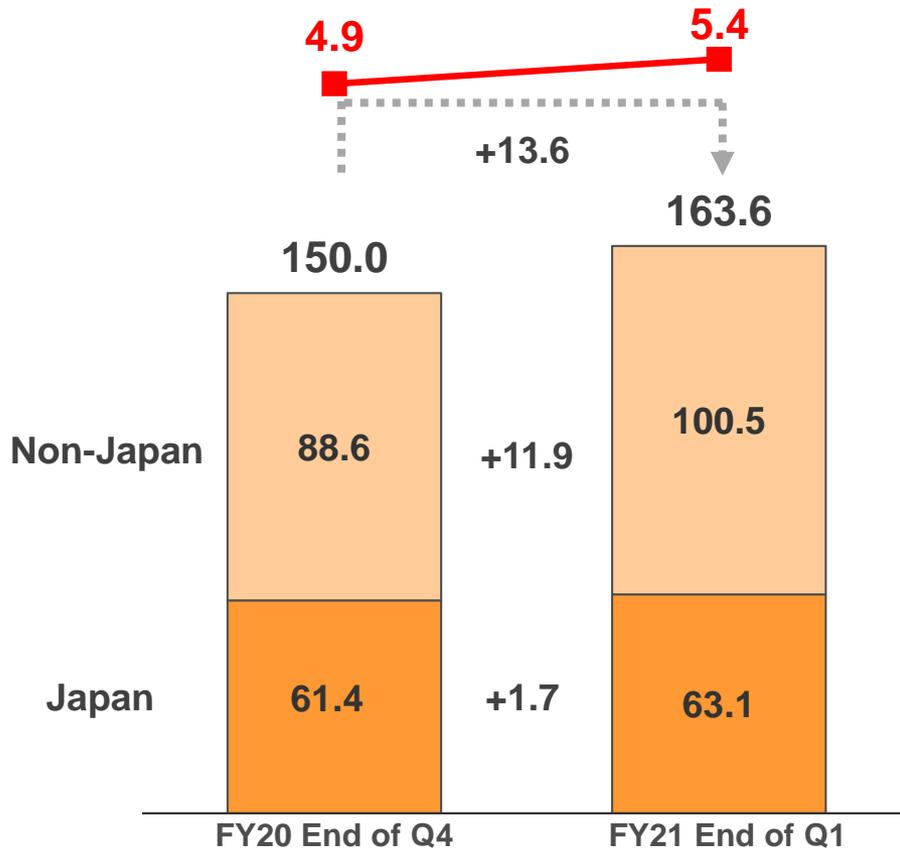
Ex. Rate	FY20 End of Q4	FY21 End of Q1
1USD	110.7	110.6
1EUR	129.8	131.6
1CNY	16.9	17.1

# Supplementary Information: Inventories / Interest-Bearing Debt

## Inventories

(Billions of yen)

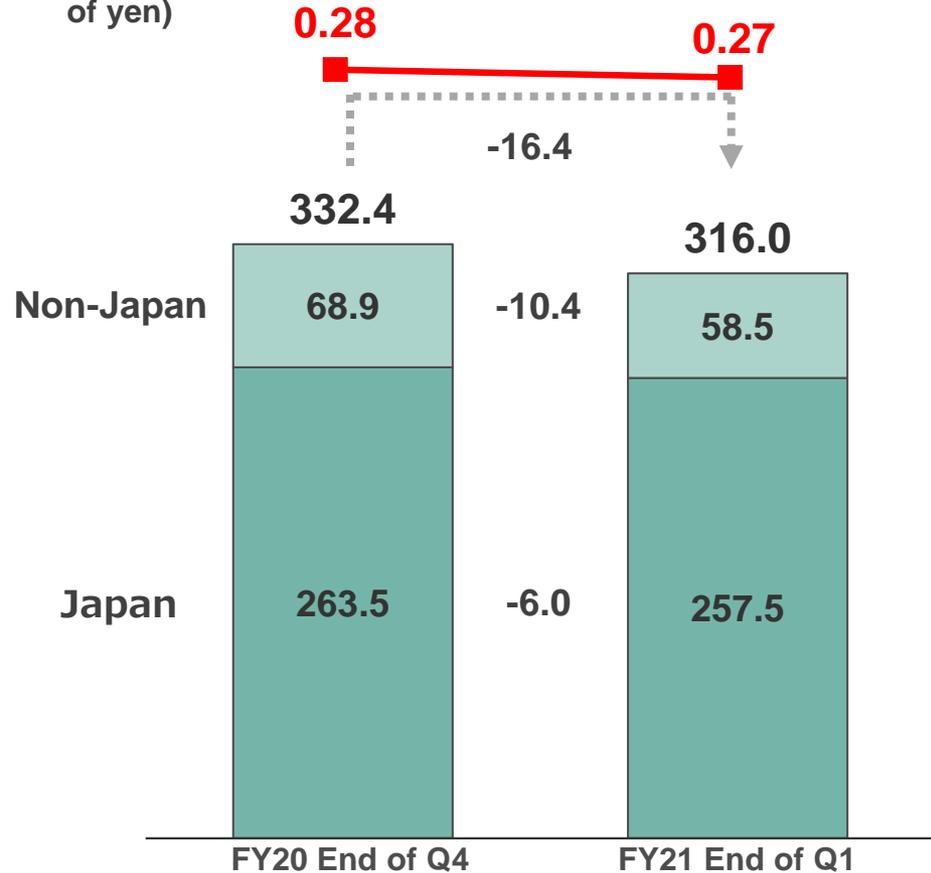
Inventory turnover



## Interest-bearing debt

(Billions of yen)

Net D/E ratio



Ex. Rate	FY20 End of Q4	FY21 End of Q1
1USD	110.7	110.6
1EUR	129.8	131.6
1CNY	16.9	17.1

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

(Billions of yen)	FY2020	FY2021	
	Full year Act	Q1 Act	Full year FCT
Capital Expenditures	37.3	5.2	51.0
Capital Expenditures (excluding lease)	34.1	4.6	51.0
Depreciation and Amortisation	54.5	13.9	55.0
Depreciation and Amortisation (excluding lease)	50.0	12.8	50.5
R&D Expenses (on a statutory basis)	16.8	4.4	17.0
(Ref.) R&D Expenses (on a managerial basis)	28.6	7.4	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.