



NSK Ltd.

Consolidated Business Results for Fiscal 2021 +New Mid-Term Plan



Change & Go Beyond

MTP2026

May 13, 2022
Akitoshi Ichii
President and CEO

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.

- 1. Consolidated Business Results for the Year Ended March 31, 2022**
 - 2. Consolidated Business Forecast for the Year Ending March 31, 2023**
 - 3. New Mid-Term Management Plan (MTP2026) (FY2022 to FY 2026)**
- (Supplementary Information)**

- 1. Consolidated Business Results for the Year Ended March 31, 2022**
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- (Supplementary Information)

Summary of Consolidated Business Results for the Year Ended March 31, 2022 (1)

Business Environment

- Industrial Machinery Business: Demand remained solid primarily for sectors such as machine tools and semiconductor manufacturing equipment
- Automotive Business: Supply chain issues have been prolonged, production adjustment continued
- Inflation and increases in steel prices and ocean freight costs has continued
- COVID-19 risk, Geopolitical risk is growing more evident
- Further depreciation of the Japanese yen

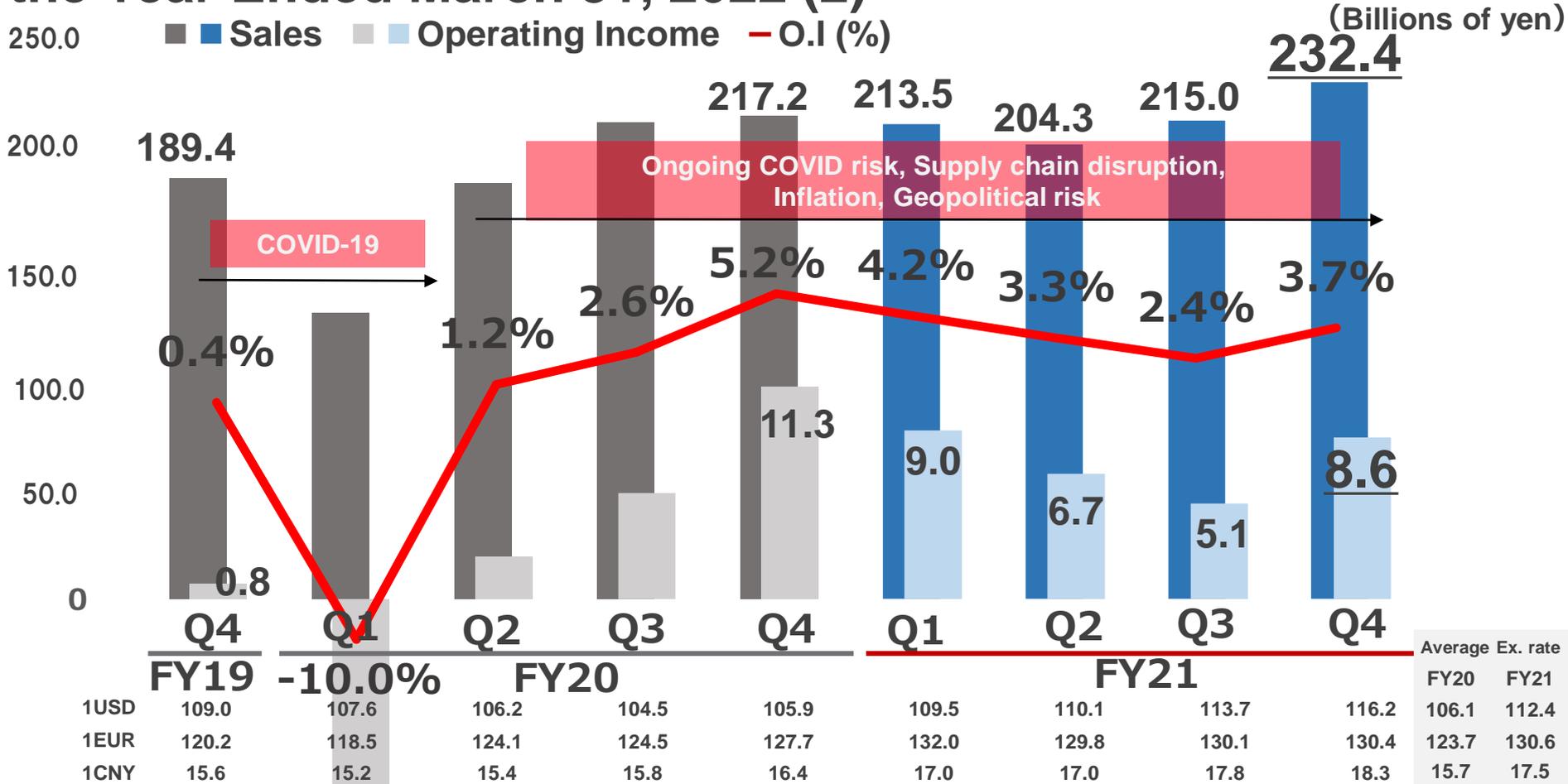
Summary of Business Results for Full Year

| (Billions of yen) | FY2020 | FY2021 | YOY | | Difference | FY2021 |
|--|--------|--------|-----------------------|--|------------|--------------------|
| | Actual | Actual | Increase/ Decrease | Effect of exchange rate fluctuations | | FCST as of Jan. |
| Sales | 747.6 | 865.2 | +117.6 | (+35.5) | +15.7% | 860.0 |
| Segment income * | 4.9 | 28.8 | +23.9 | (+8.5) | 5.9 times | 30.0 |
| (%) | (0.7%) | (3.3%) | | | | (3.5%) |
| Operating income | 6.4 | 29.4 | +23.1 | (+8.5) | 4.6 times | 30.0 |
| (%) | (0.9%) | (3.4%) | | | | (3.5%) |
| Income before income taxes | 5.9 | 29.5 | +23.6 | — | 5.0 times | 30.0 |
| Net income attributable to owners of the parent | 0.4 | 16.6 | +16.2 | — | — | 19.5 |

*Segment Income: Operating income before applying other operating income (currency exchange, etc.) and expenses

- Full year dividend: **¥ 25.0 per share** (Interim dividend: ¥10.00 per share, 2nd half dividend: ¥15.00 per share)
Payout ratio:77.3%

Summary of Consolidated Business Results for the Year Ended March 31, 2022 (2)



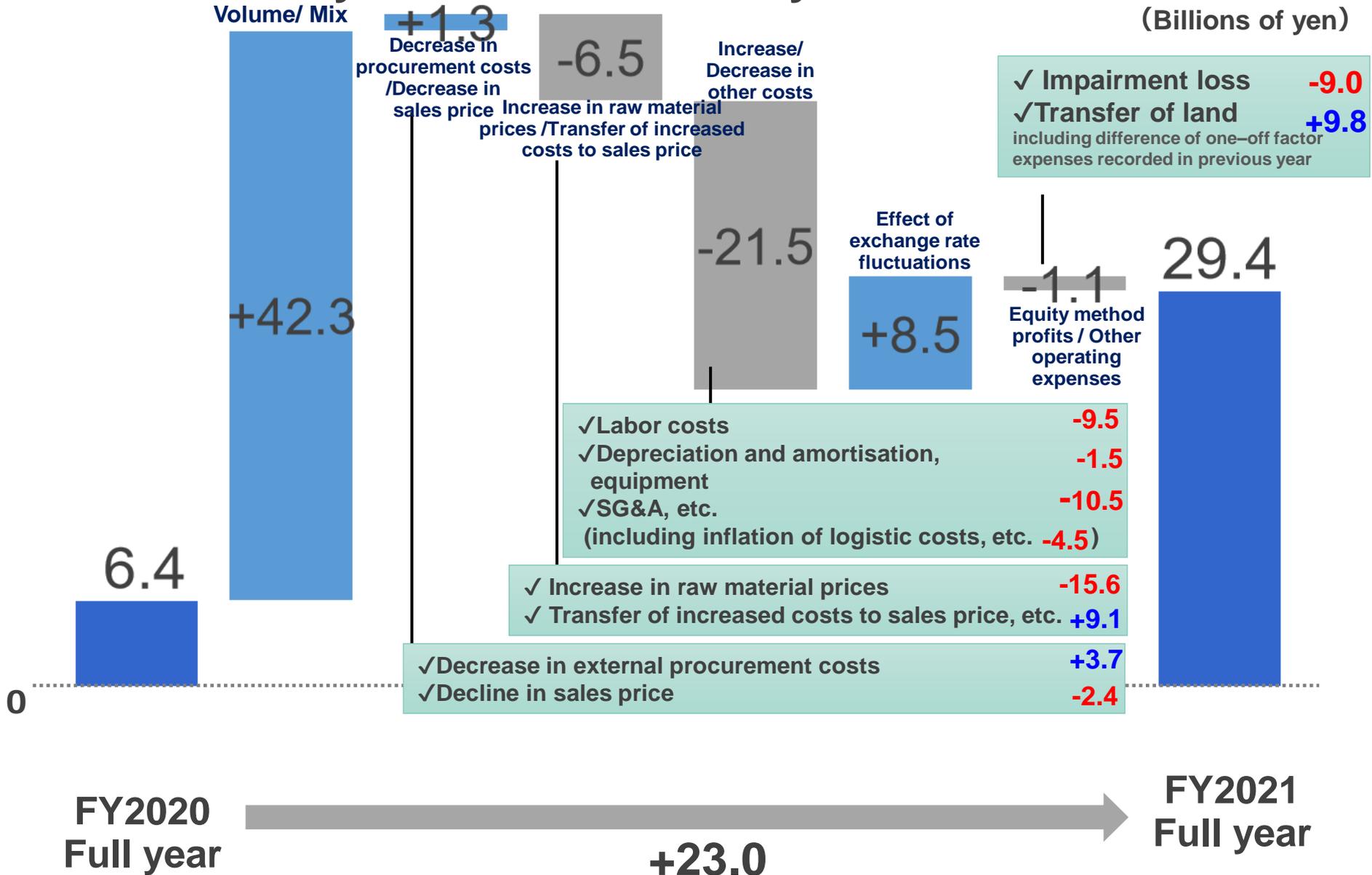
- FY21Q4: Recorded one-off expenses due to the impact of Russia-Ukraine crisis
- FY21 full year: Sales and operating income increased YoY due to rebound from COVID-19 in first half and robust demand in Industrial Machinery Business

Major Indicators (Performance of previous year)

- ✓ ROE 2.8% (0.1%)
- ✓ Net D/E ratio 0.27 times (0.28 times)
- ✓ Inventory turnover 5.0 times (4.9 times)

Operating Income: Factors Behind Change (FY2020 Full year ⇒ FY2021 Full year)

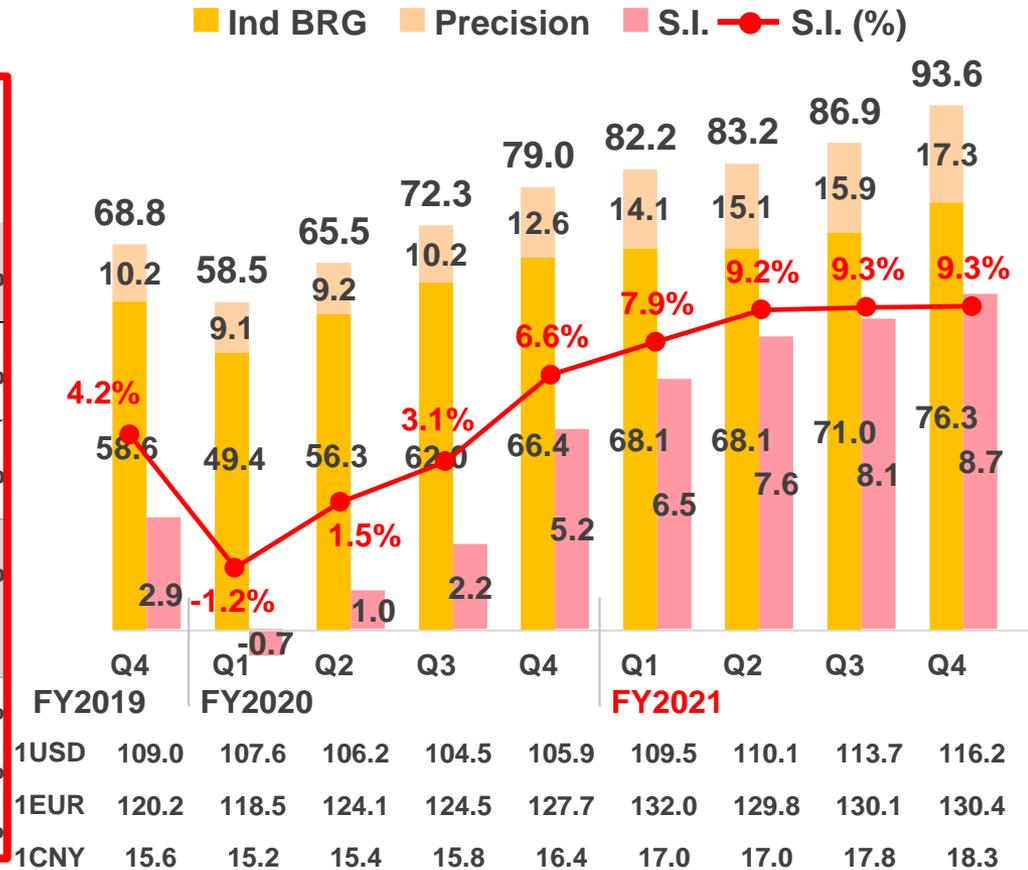
(Billions of yen)



Industrial Machinery Business

(Billions of yen)

| | FY2020 Full year Actual | FY2021 Full year Actual (Effect of exchange rate fluctuations) | Increase/ Decrease YOY | Difference YOY |
|-------------------------------------|-------------------------------|--|------------------------------|-------------------|
| Sales | 275.2 | 345.8 | +70.6 (+16.0) | +25.6% |
| Industrial Machinery Bearings | 234.1 | 283.5 | +49.3 | +21.1% |
| Precision Machinery and Parts | 41.1 | 62.3 | +21.2 | +51.6% |
| Segment income | 7.7 | 30.9 | +23.2 | +302.0% |
| (%) | (2.8%) | (8.9%) | | |
| (Ex. rate: 1USD=) | 106.1 | 112.4 | +6.3 | +6.0% |
| (" 1EUR=) | 123.7 | 130.6 | +6.9 | +5.5% |
| (" 1CNY=) | 15.7 | 17.5 | +1.8 | +11.7% |

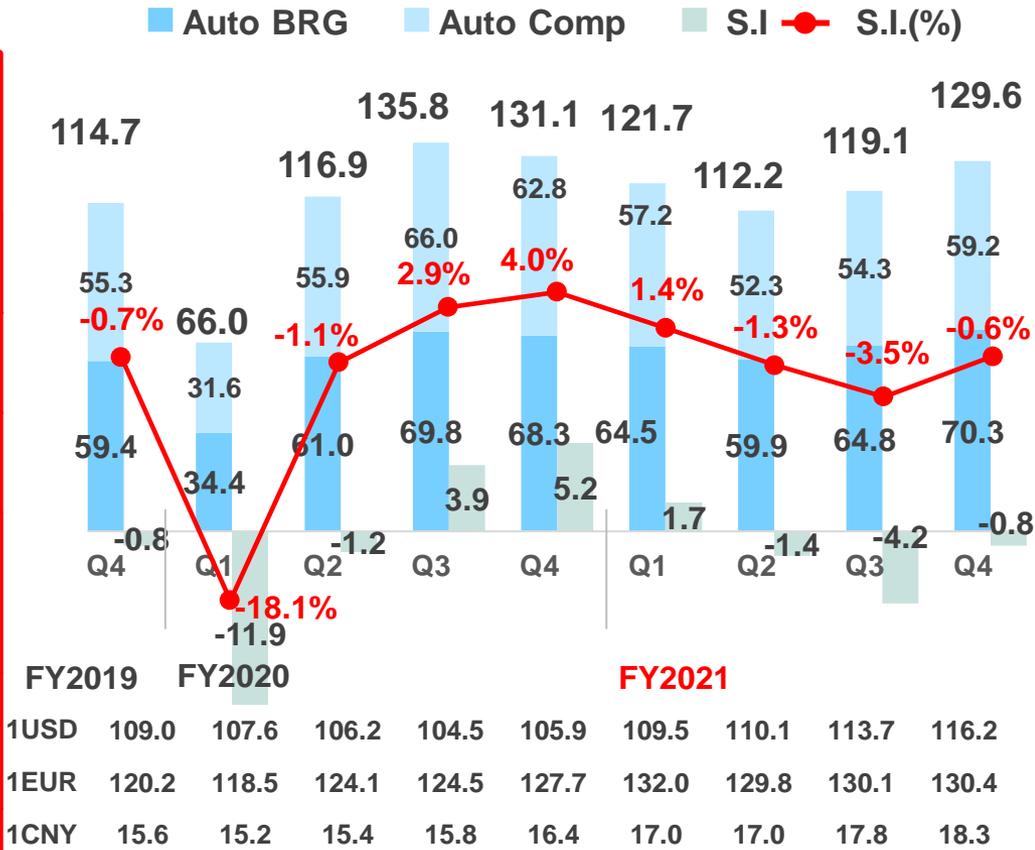


- Both Sales and profits increased YOY. Sales reached a record high.
 - Machine tools and semiconductor manufacturing equipment: Strong demand continued; key sector driving sales to surpass prior peak.
 - Infrastructure: Demand in wind power and railway remained around the same level.
 - E&E: Although automobile sector was affected by production cutbacks, sales increased YOY due to strong demand in home appliances sector.
- Profit margin in 4Q did not reach 10% because of the impact of Russia-Ukraine crisis.

Automotive Business

(Billions of yen)

| | FY2020 Full year Actual | FY2021 Full year Actual | Increase/ Decrease YOY (Effect of exchange rate fluctuations) | Difference YOY |
|---|-------------------------------|-------------------------------|---|-------------------|
| Sales | 449.7 | 482.5 | +32.8 (+18.0) | +7.3% |
| Automotive Bearings | 233.5 | 259.6 | +26.1 | +11.2% |
| Automotive Components | 216.2 | 223.0 | +6.7 | +3.1% |
| Segment income (excluding impairment loss) (%) | -4.0 (-0.9%) | -4.7 (-1.0%) | -0.7 | - |
| Operating income * (including impairment loss) (%) | -4.0 (-0.9%) | -13.8 (-2.9%) | -9.7 | - |
| (Ex. rate: 1USD=) | 106.1 | 112.4 | +6.3 | +6.0% |
| (" 1EUR=) | 123.7 | 130.6 | +6.9 | +5.5% |
| (" 1CNY=) | 15.7 | 17.5 | +1.8 | +11.7% |



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

- Global automotive production volume: 74 million (based on our research) YOY -4%
- Sales increased and profit decreased YOY as supply chain issues prolonged and inflation had a large impact.
- Operating income in Q4 continued in the red due to the impact of Russia-Ukraine crisis

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Consolidated Business Forecast for the Year Ending March 31, 2023

Business Environment / Forecast Assumptions

- Inflation such as steel prices and ocean freight costs and supply chain disruptions to continue
- Industrial Machinery Business: Demand remain strong for sectors such as machine tools and semiconductor
- Automotive business: Global automotive production volume 77 million (FY2021 74 million)
- Forecast reflects the impact of current lockdown in China
- Exchange rate assumptions: USD=¥120, EUR=¥130, CNY=¥19.0

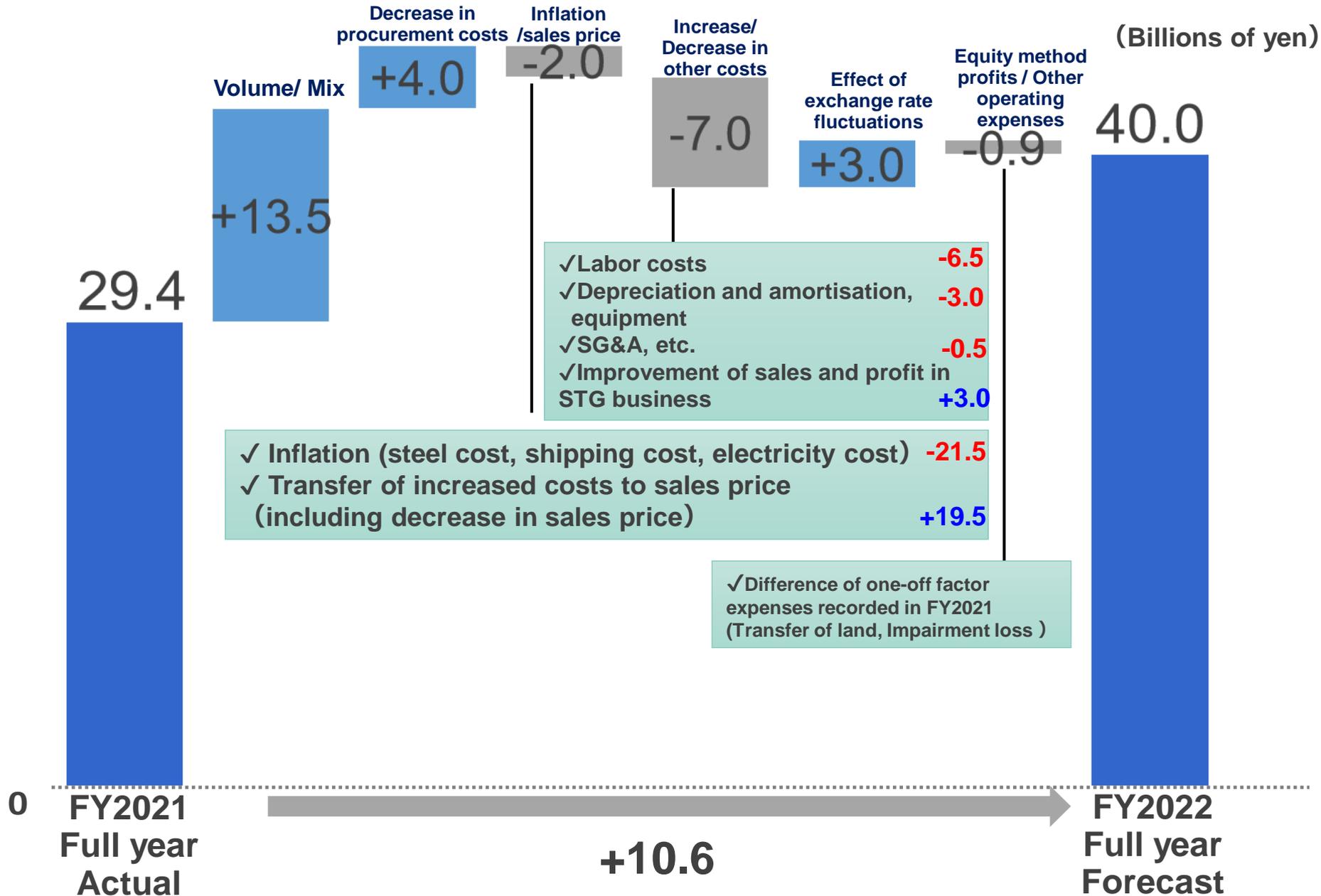
Business Forecast for FY 2022

| (Billions of yen) | FY2021 | FY2022 | Increase/ Decrease | YOY |
|---|--------|----------|-----------------------|------------|
| | Actual | Forecast | | Difference |
| Sales | 865.2 | 940.0 | +74.8 | +8.6% |
| Segment income * | 28.8 | 40.5 | +11.7 | +40.7% |
| (%) | (3.3%) | (4.3%) | | |
| Operating income | 29.4 | 40.0 | +10.6 | +35.9% |
| (%) | (3.4%) | (4.3%) | | |
| Income before income taxes | 29.5 | 40.0 | +10.5 | +35.5% |
| Net income attributable to owners of the parent | 16.6 | 27.0 | +10.4 | +62.8% |

*Segment Income: Operating income before applying other operating income (currency exchange, etc.) and expenses

- Full-year dividend: **¥30 per share** (Interim dividend ¥15 per share, 2nd half dividend ¥15 per share)
Payout ratio: 57.0%

Operating Income: Factors Behind Change (FY2021 ⇒ FY2022 Forecast)



Forecast for FY2022 by Segment

■ Industrial Machinery Business

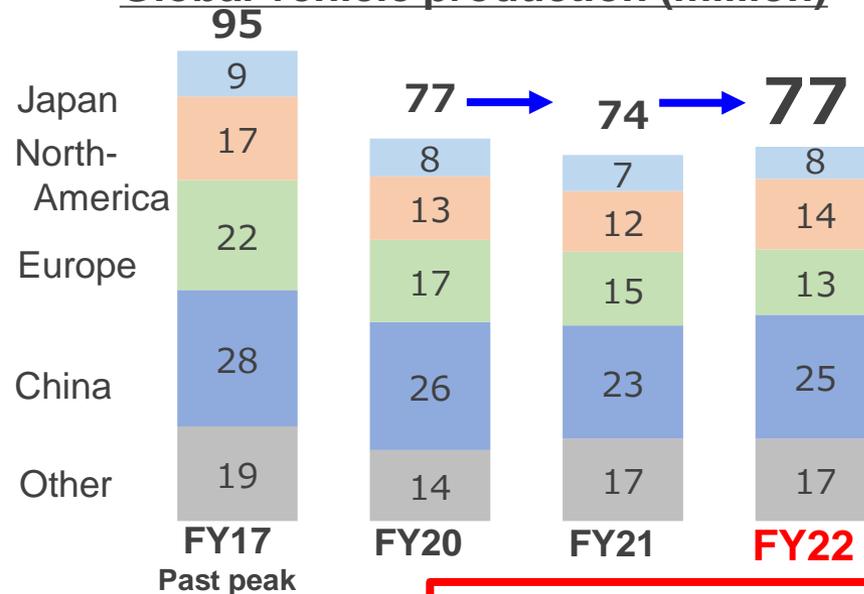
Demand trend by sector

| | FY21 2H vs FY21 1H | FY22 1H vs FY21 2H | FY22 2H vs FY22 1H |
|-------------------------|--------------------------|--------------------------|--------------------------|
| Machine Tools | → | → | → |
| Semi conductors | ↑ | ↑ | ↑ |
| Wind Turbines | → | → | → |
| Railcars | → | → | → |
| Electrical equipment | ↓ | ↑ | → |

| | FY2021 Full year Actual | FY2022 Full year FCST | Increase/ Decrease YOY | Difference YOY |
|-------------------------------------|-------------------------------|-----------------------------|------------------------------|-------------------|
| Sales | 345.8 | 380.0 | +34.2 | +9.9% |
| Industrial Machinery Bearings | 283.5 | 308.0 | +24.5 | +8.7% |
| Precision Machinery and Parts | 62.3 | 72.0 | +9.7 | +15.5% |
| Segment income | 30.9 | 38.0 | +7.1 | +22.8% |
| (%) | (8.9%) | (10.0%) | | |

■ Automotive business

Global vehicle production (million)



| | FY2021 Full year Actual | FY2022 Full year FCST | Increase/ Decrease YOY | Difference YOY |
|---|-------------------------------|-----------------------------|------------------------------|-------------------|
| Sales | 482.5 | 521.0 | +38.5 | +8.0% |
| Automotive Bearings | 259.6 | 295.0 | +35.4 | +13.6% |
| Automotive Components | 223.0 | 226.0 | +3.0 | +1.4% |
| Segment income (excluding impairment loss) | -4.7 | 0 | +4.7 | - |
| (%) | (-1.0%) | (0.0%) | | |

✓ **Possible risk**

1. Further inflation, COVID lockdown in China, recession triggered by geopolitical risk
2. Prolonged supply chain issues

> Manage production and inventory agilely

✓ **Promote management tasks**

1. Reflect inflation costs such as steel price and ocean freight to sales price
2. Industrial Machinery Business:
Strengthen supply capability and improve productivity
3. Automotive Business :
Promote structural reforms of steering business

1. Consolidated Business Results for the Year
Ended March 31, 2022

2. Consolidated Business Forecast
for the Year Ending March 31, 2023



Change & Go Beyond

3. New Mid-Term Management Plan **MTP2026**
(FY2022 to FY 2026)

(Supplementary Information)

Review of 6th MTP - KPI

- Industrial Machinery Business hit past record, but operating margin did not reach double digits. Automotive Business recorded a loss for second consecutive year. Growth in semiconductors, machine tools and robots, shrinking automotive market, acceleration of electrification, missed target for EPS orders
- Ongoing COVID-19 concerns, rapid inflation, supply chain disruption ■ Maintained an A credit rating due to financial stability

6th MTP (FY19–21): KPIs

Results

* Reference values after E&E adjustment

| 6th MTP (FY19–21): KPIs | | | | Results | | | |
|-------------------------|-------------------------------|--|---|--|-------|-------|-----------------------------------|
| | | | | 5th MTP FY18 | FY19 | FY20 | FY21 |
| Growth | Sales/ Growth ratio | Sales growth (CAGR): 2% ¥1 trillion | Industrial Machinery: Achieve sales growth that surpasses market growth Automotive Bearings: Achieve sales growth that surpasses growth in global vehicle production volume Automotive Components: Secure orders to restart growth in steering business | ¥991.4bn Industrial Machinery Business 328.0* | 831.0 | 747.6 | 865.2 (-13%) 345.8 (+5%) |
| | Operating Income % | 8% or more | Secure stable profitability | 631.0* Automotive Business | 2.8% | 0.9% | 482.5 (-24%) |
| | ROE | 10% or more | ROE exceeding cost of capital | 10.4% | 3.3% | 0.1% | 3.4% |
| Financial Stability | Net D/E ratio Equity ratio | 0.3 times 50% | Maintain an A-level credit rating | Maintained an A rating despite COVID-19 | | | |
| Shareholder returns | Payout ratio Share buyback | 30–50% ¥40/share or more | Continue stable dividends, Acquisition of treasury shares Agile capital policy | Continued stable dividend payments | | | |
| Capital expenditure | Capital expenditure | ¥180bn/3yrs | Investment to underpin sustainable growth | Controlled investments according to business conditions ¥144.5bn/3yrs | | | |
| R&D | R&D Expenses | vs. Sales 3–4% | Continue developing technologies for further growth | Maintained at 3–4% (¥30bn/yr) | | | |

MTP2026: Overall Image and Positioning

6th MTP

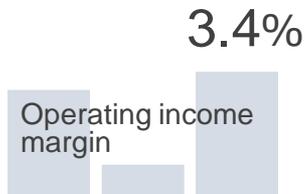
FY19-20-21

Build business base and strengthen resources in preparation for next growth phase

- Pursue new initiatives targeting growth
- Enhance managerial resources
- Contribute to environment and society

Changing business conditions

- Stagnating automotive market
- Carbon neutrality
- Supply chain risk actualizing
- Divided international community
- Costs increasing due to inflation



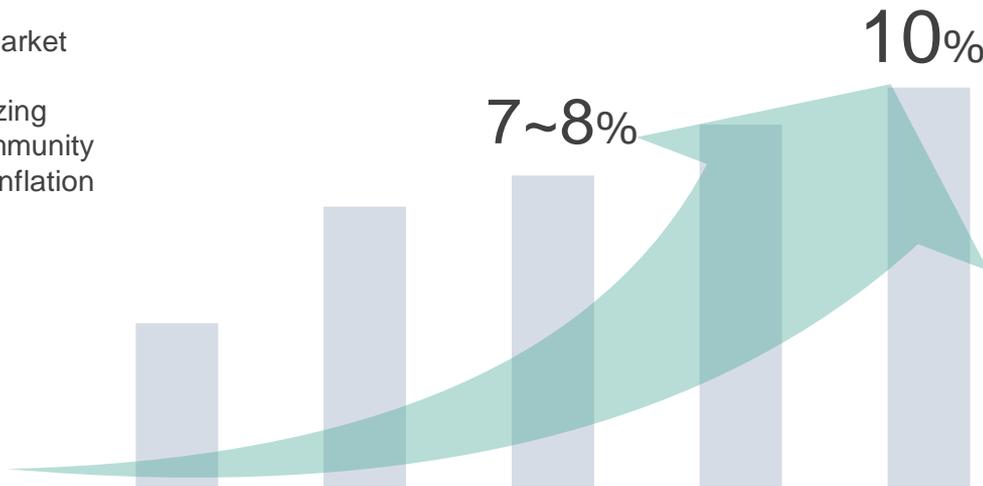
MTP2026

Rebuild corporate foundation for sustainable growth

FY22 — 24 — 26

"Change & Go Beyond" to become new type of trillion-yen company

Accelerate efforts to address management issues



Post2026

Continue exceling for next 100 or even 1,000 years

No.1 in quality and trust
Resolve social issues
Foster technological innovation

- Advances in electrification, automation, and IT
Respond to electrification of automobiles
Growing demand for semiconductors, and robots
- Global push to reduce environmental impact



New Type of Trillion-yen Company

Portfolio reform; 10% operating margin; 10% ROE

» Portfolio reform Bearings & Beyond

① Expand Industrial Machinery business

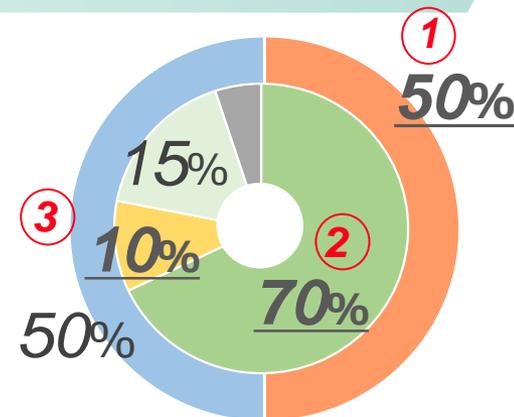
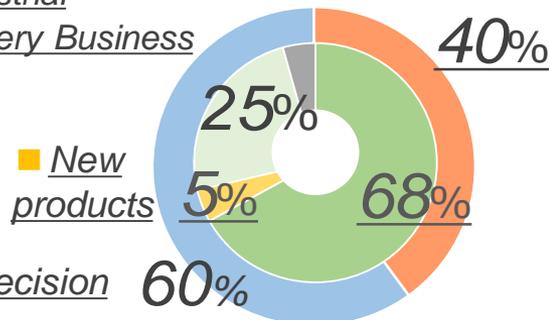
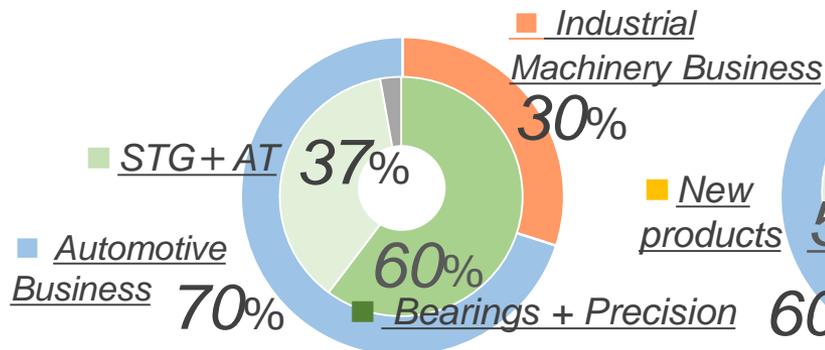
② Deploy bearings + precision machinery to drive earnings

③ Grow new products

FY17
Sales: ¥1 trillion

MTP2026
Sales: ¥1 trillion

Post2026



» KPIs

FY21

FY26

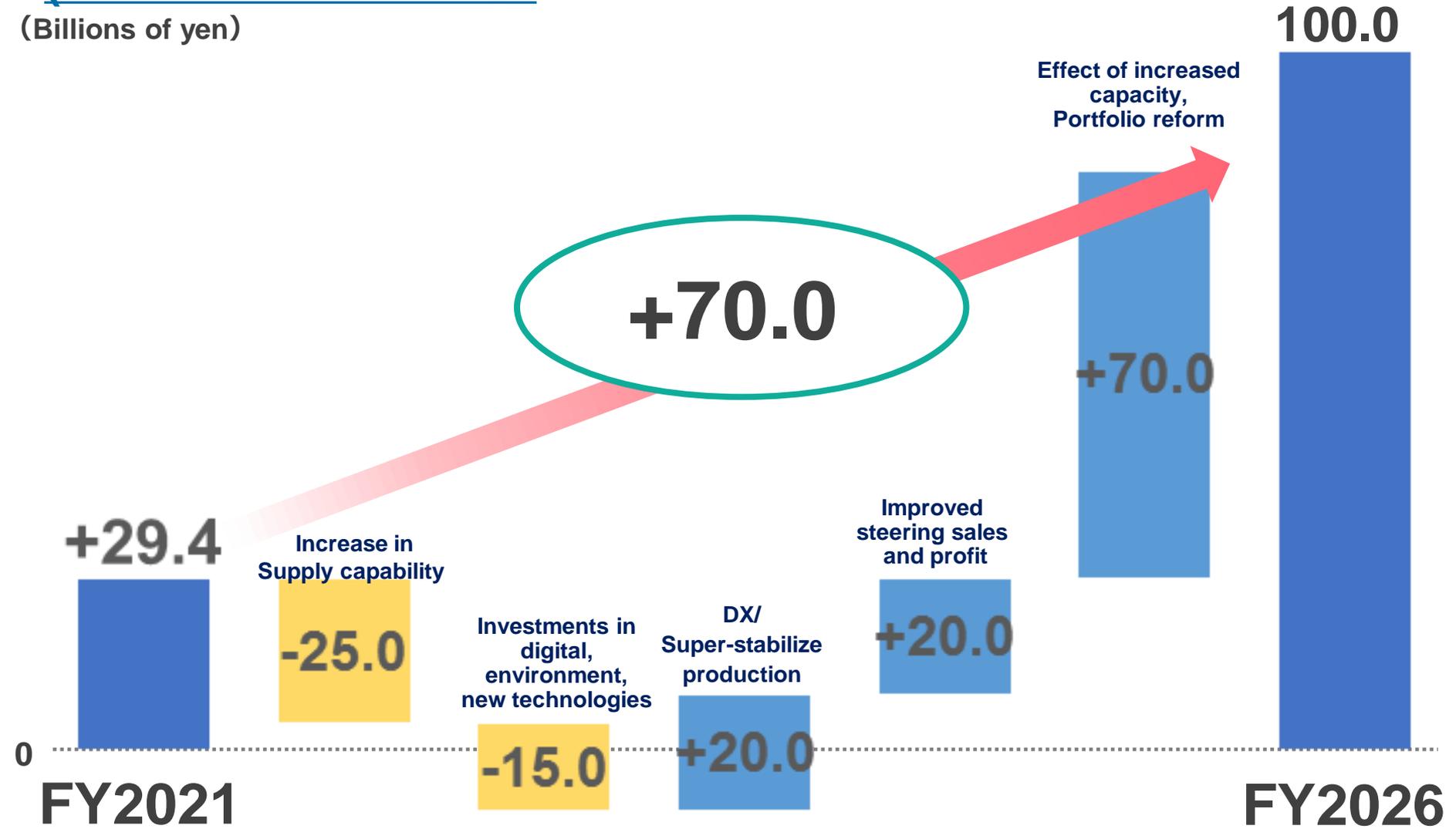
FY21→26

| | | FY21 | FY26 | FY21→26 |
|---------------------|-------------------------|----------------------|----------------------|-----------------------------------|
| Growth | Sales/ Growth ratio | ¥865.2 billion | ¥1 trillion or more | CAGR +5%/year |
| | Operating income margin | ¥29.4 billion (3.4%) | ¥100.0 billion (10%) | +¥70.0 billion +6.6 points |
| Efficiency | ROE | 2.8% | 10% | +7.2 points |
| | ROIC | 1.9% | 8% | +6.1 points |
| Financial Stability | Net D/E ratio | 0.3 times | 0.4 times or less | Maintain an A-level credit rating |
| | Equity Ratio | 50.0% | 50% | |

FY26 forex rates
→ Using average
FY21 rates:
USD ¥112
EUR ¥131
CNY ¥17.5

MTP2026 Operating Income: Factor Behind Changes (FY2021 ⇒ FY2026)

(Billions of yen)



Assumption: Labor cost increases will offset by improved productivity, and inflation of purchasing cost will be absorbed by passing on to selling prices and cutting costs.

We aim to be a needed and trusted company that contributes to the development of a sustainable society by creating new value through the fusion of tribology and information technology

ESG Management

Be needed, trusted, and relied upon by society

- ✓ Promote carbon neutrality
 - » FY26 -50% compared to FY17 (Scope 1, 2)
- ✓ Create better working environments
 - » Continue to be certified as outstanding health and productivity management organization on the “White 500” list of the top-performing 500 companies

Create new value



Operational excellence

Enhancement of Managerial Resources

Enhance our managerial resources with the power of IT and continuously transform our business

- ✓ Engage information technology in all areas
 - ✓ Super-stabilize production
 - ✓ Develop and support diverse career paths
- » 1.5x productivity

Growth with Profitability

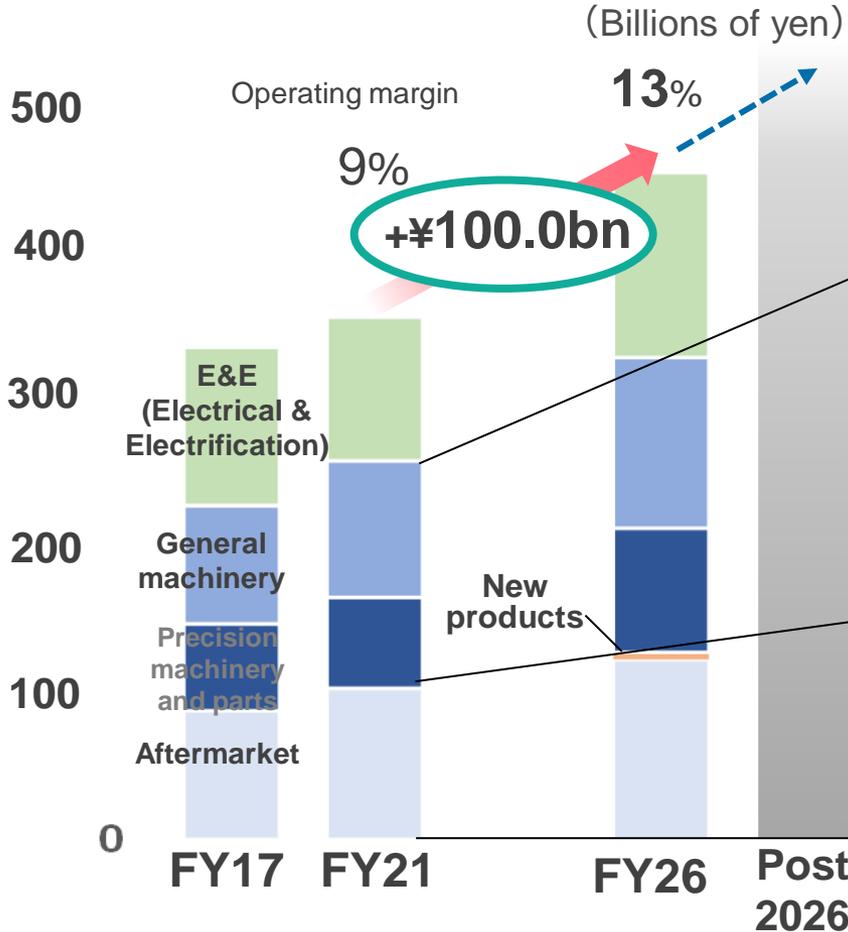
Establish business foundation for sustainable growth even in changing business conditions

- ✓ Bearings & Beyond
 - » Expand industrial machinery business
 - » Deploy bearings + precision machinery to drive earnings
 - » Grow new products
- ✓ Restructure steering business
- ✓ Pursue alliances and M&A

> Expand Industrial Machinery Business

- Aim to capture expanding market demand in electrification, automation, digitalization
- Strengthen supply capabilities and enhance technical services system
- >> FY26 targets: Sales of **¥450.0 billion**; operating margin of **13%**

Industrial Machinery Business: Growth vision



Business growth initiatives by sector

1. Increase demand for small motors for electrification, 5G, etc.

+¥30.0 billion

- » High-accuracy, low noise
- » Increase capacity, establish new production sites

2. Demand increases in automation and semiconductor, advanced machining technology

+¥30.0 billion

- » High-speed, high-accuracy, reliability
- » Reinforce supply capacity and develop new products

3. Wind turbines • railways • energy transition

+¥10.0 billion

- » Durability, reliability, high-speed
- » Increase supply capacity in Shenyang and Toyama

4. Transform business model to increase sales

+¥25.0 billion

- » Deploy CMS and reconditioning to establish PLM model

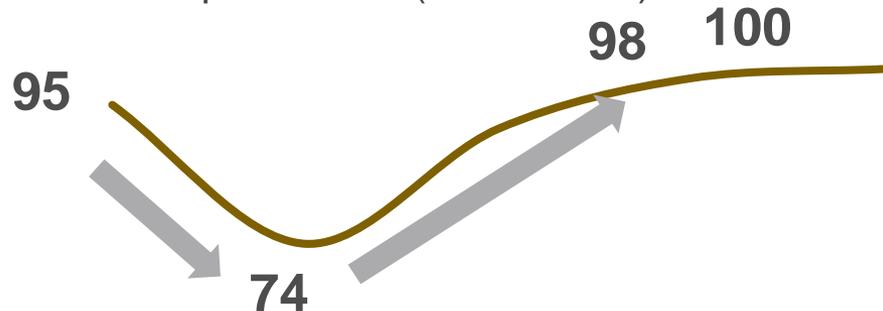
※ PLM: Product lifecycle management

Growth with Profitability – Automotive Bearings Business

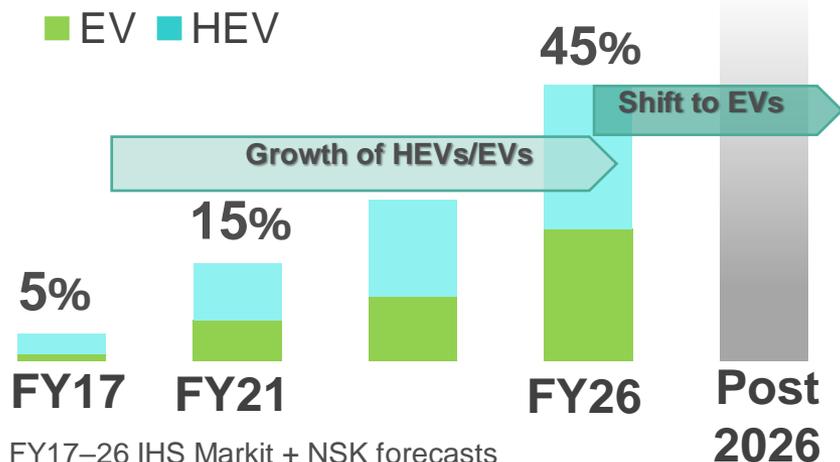
> Respond to electrification of automobiles

- Achieve increase in EV-related sales in excess of decline in ICE-related sales and thus surpass prior peak
- Aim to achieve high market share in products related to low torque, high-speed rotation, and lightweight, and expand introduction of new products for future business.
- » FY26 targets: Sales of **¥340.0 billion**; operating margin of **8%**

Automobile production (million units)



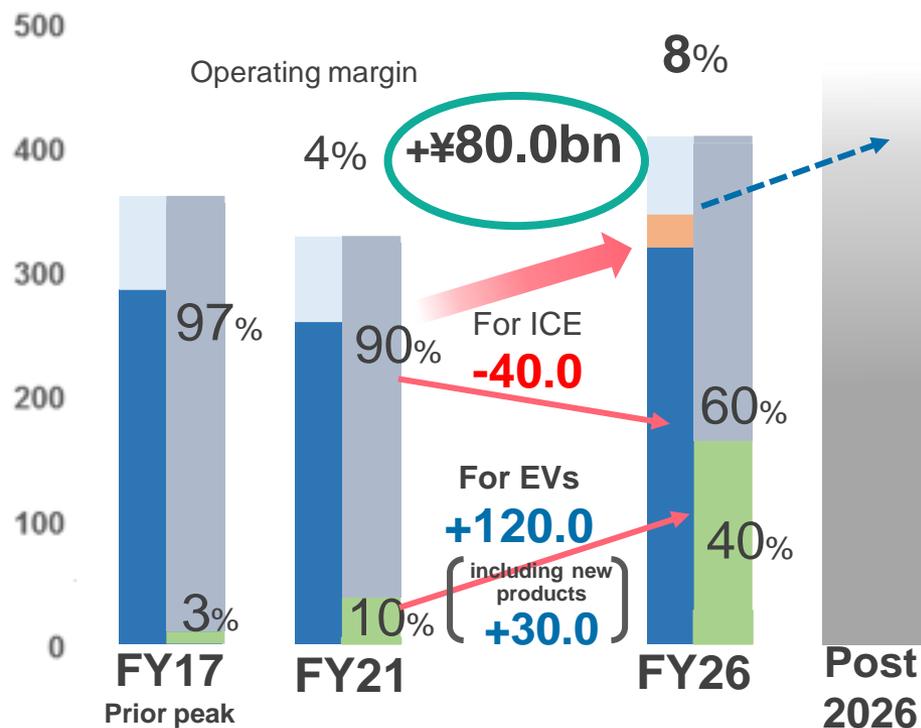
Electric vehicle ratio



FY17–26 IHS Markit + NSK forecasts

Automotive bearings: Sales growth vision (Billions of yen)

Left graph: ■ Automotive bearings ■ New products ■ AT (reference)
Right graph: ■ For ICE ■ For EVs (incl. new products)



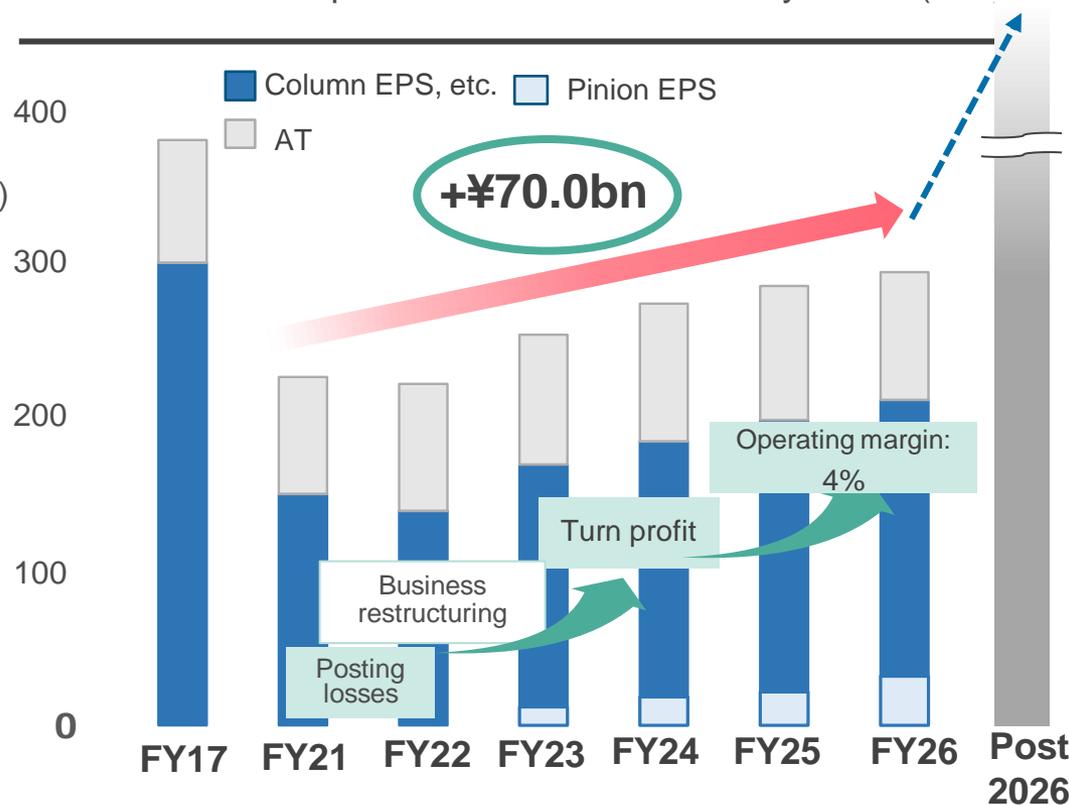
> Restructure steering business and pursue alliances/M&As

- Restore production volume and profitability through structural reform of steering business; **return to profitability in FY23 (2nd half); achieve operating margin of 4% in FY26**
- Utilize alliances and M&A to grow business with profitability
- » FY26 targets: Sales of **¥290.0 billion**; operating margin of **4%**

Measures to recover the steering business

- ✓ Increase number of orders
 - » Pinion-type EPS
 - Roll out of EPS for MEB (EPS for VW's EV)
 - » Column-type EPS
 - Leverage compact, lightweight and quietness to achieve differentiation
- ✓ Reform business
 1. Reorganize production sites
 2. Reassign personnel
- ✓ Pursue alliances/M&As
 - » Secure production scales
 - » Strengthen competitiveness by deploying full lineup of products

Automotive components business: Recovery vision (¥bn)



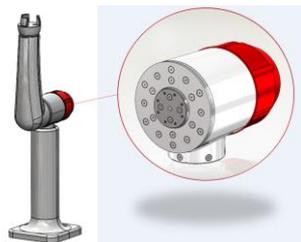
Growth with Profitability – Grow New Products

■ Industrial Machinery Business

Spread of automation, electrification, and predictive maintenance technologies

Acceleration of energy transition

Actuators for robots



Active casters

Service/mobility/transport robots, etc.

"Broaden CMS"
Synergies with BKV



Expand hydrogen-related businesses

Increase sales of industrial actuators

Sales target:
¥50.0 billion

Expand sales of ball screws for electric-hydraulic brake systems:
10 million units/ year



FY26

Post 2026

Traction drive speed reducer
Non-contact torque sensor

■ Automotive Business

Spread of HEVs/EVs

Shift to EVs

Improved EV driving performance

ESG Management – Promoting Carbon Neutrality

- Build a carbon-neutral society through “Create and Utilize” approach
- New target:

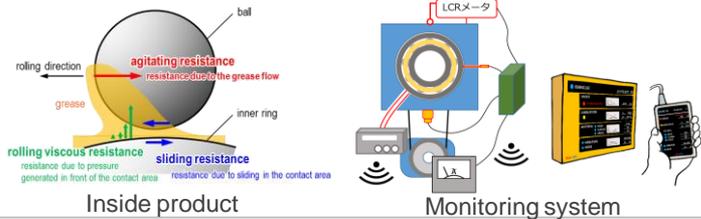
- Achieve Scope 1+2 -50% compared to FY2017 by FY2026
- Achieve Scope 1+2 carbon neutrality by FY2035



Environmental contribution by using “tribology”

Advanced tribology tech = higher energy savings
E.g. Developed “Electrical Impedance Method*” to visualize the inside of bearings

*Received Outstanding Paper Award from Japanese Society of Tribologists
⇒ Contributing to lower torque by making the oil film as thin as possible



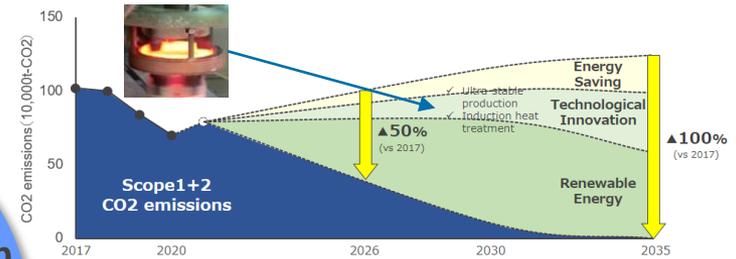
Create

R&D

Production

Reduce CO₂ emissions from business activities

Reduce CO₂ emissions from business activities in three ways: energy saving, technological innovation, and renewable energy adoption

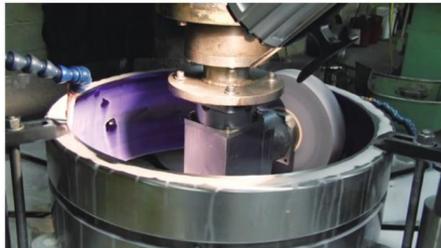


Environmental contribution by utilizing CMS/Reconditioning

Improve reliability and conserve resources by diagnosing product life expectancy, using condition monitoring systems (CMSs), and conducting repairs



Wireless vibration monitoring machine



Reworking the surface of bearings so they can be reused

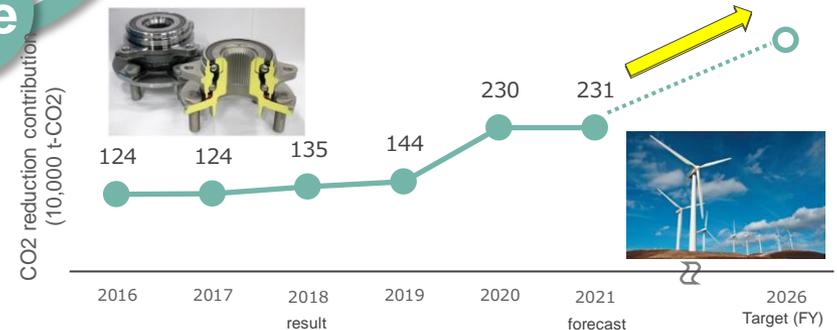
Customer Support

Utilize

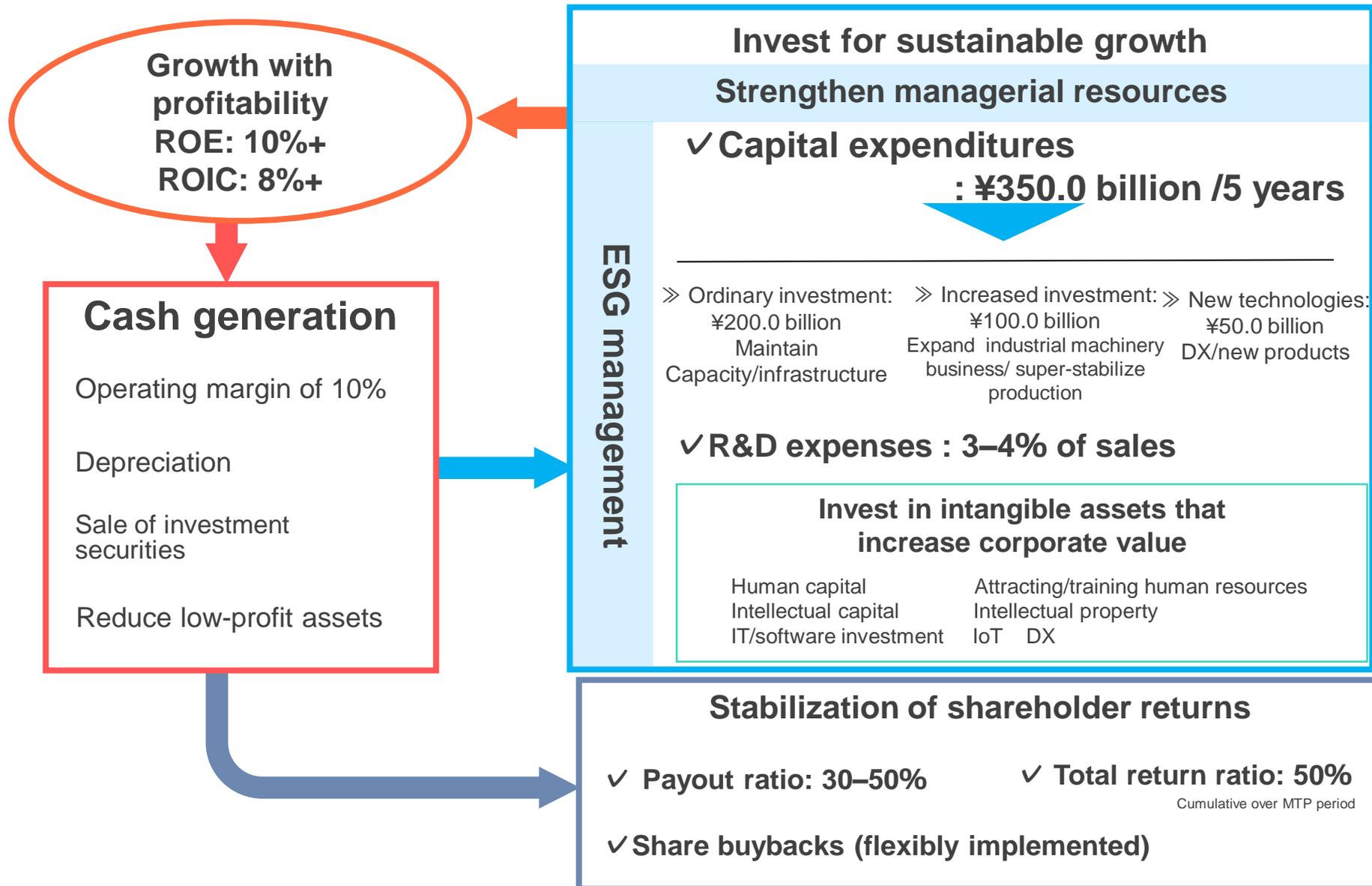
Product

Benefit the environment through our products

Help reduce society-wide CO₂ emissions by offering environmentally friendly products



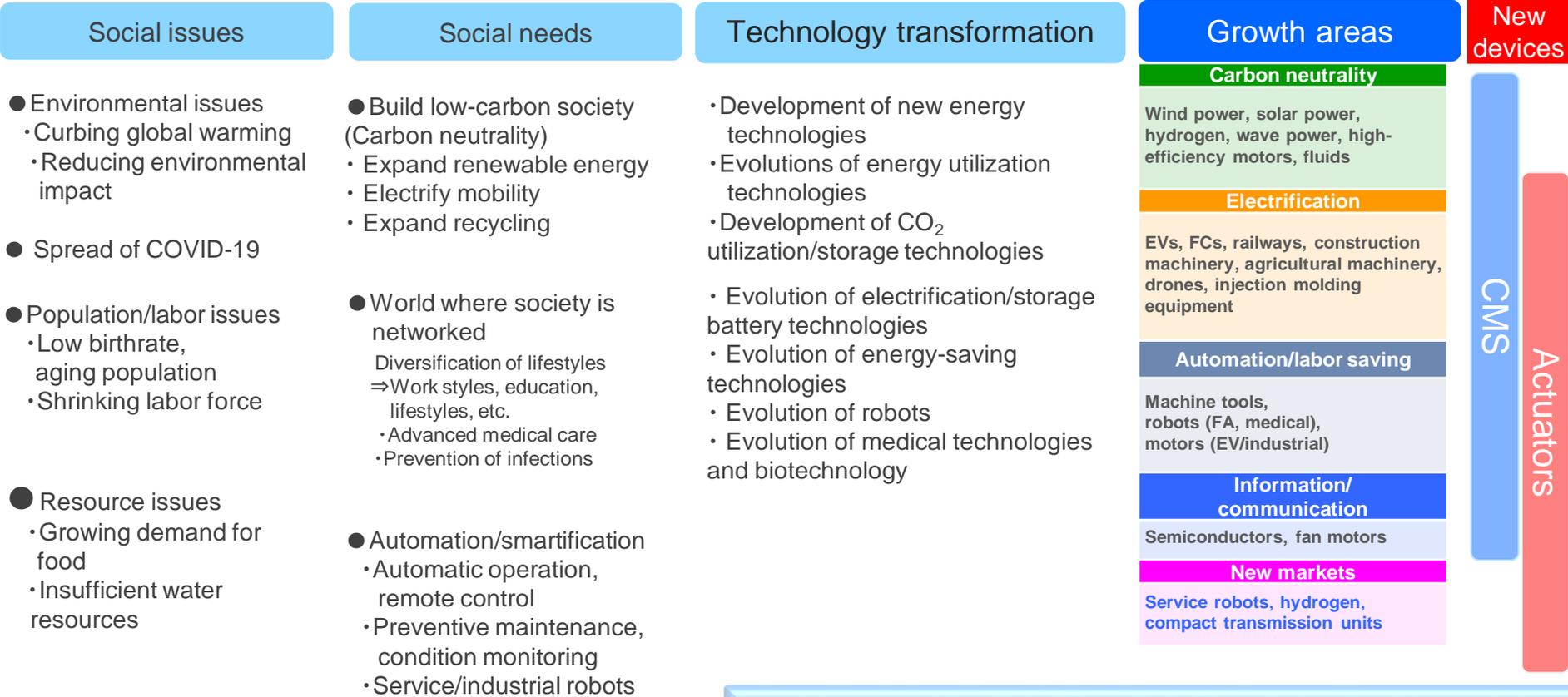
- Contributing to creating a sustainable society while continuously growing corporate value



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(Supplementary Information)

- Aiming for expansion in growth areas such as electrification, automation, digitalization, and carbon neutrality as changes in social issues bring about transformation of social needs and technologies



Basic technologies that drive industrial transformation

- High-speed, large-capacity communication infrastructure
- Digital technologies
- IoT AI/big data and 5G (→ 6G)

DX (Digital Transformation)



- Use information technology effectively to further strengthen quality, technology, and operational capabilities (sources of NSK's competitiveness) and transform our profit structure

NSK's strengths



Quality and technology

- ❑ Market performance and technical information accumulated over 100 years
- ❑ Responsive to customer needs thanks to experience and knowledge of sales, engineering, and production personnel
- ❑ Exceptional equipment development capabilities, as well as on-site equipment usage and maintenance capabilities amassed over many years



Operational capability

- ❑ Long-standing relationships of trust with customers and accumulated customer information
- ❑ Strong sales capabilities backed by global network
- ❑ Continuous improvement of production sites (production innovation activities)
- ❑ Production control with high-level SPI management

**Further reinforce NSK's strengths with the power of digital
(Formalize, streamline, expedite)**

✓ Super-stabilize production

✓ Bearings & Beyond

✓ Revamp infrastructural systems

Growth with Profitability, Enhancement of Managerial Resources, ESG Management –Human Capital–

ESG Management

Enhancement of Managerial Resources

Growth with Profitability

“Change & Go Beyond” : Human resource development to realize management tasks in MTP2026

Provide comfortable working environments

Develop and support diverse career choices

Provide spaces (organizations) where employees can grow

Recruit/promote diverse human resources

- Diversity and inclusion (gender, nationality career, age, religion etc.)
FY26 Japan 15% (35% excluding Japan’s production dept.)
- Remain in Nadeshiko Brand list

Deploy human resources to achieve each initiative

- Enhance education, promote carbon neutrality and DX, expand industrial machinery business, support automobile electrification, improve productivity, enhance product development capability and quality

Maximize human capital value

Promote work-style reforms

- Work from home, flexible leave systems, child and family care leave
- Remain in White 500 list of corporations with excellent health management policies

Nurture digital human resources

- Train 5000 employees in Japan at the first stage and all employees globally in the end
- Develop digital skill of 1200 leaders

Activate communication and emphasize employee engagement

Continue stabilization of shareholder returns

6th MTP

- **Payout ratio 30-50%**
¥ 40 per share and more (during 6th MTP)

- **Acquisition of treasury shares,
Agile capital policy**

Total return ratio (3yrs): Approx.50%

MTP2026

- **Payout ratio 30-50%**
- **Total return ratio: approx. 50%**
(Cumulative over MTP2026 period)
- **Share buybacks
flexibly implemented**

Expand total shareholder's return through implementing stable and continuous dividend and improving corporate value

Supplementary Information :

Financial Results by Business Segment (FY2021)

| | | FY2020 | | | FY2021 | | | YOY | |
|--|-------------------------------|----------|----------|-----------|----------|----------|-----------|-----------------------|------------|
| | | 1st half | 2nd half | Full year | 1st half | 2nd half | Full year | Increase/ Decrease | Difference |
| Total | Sales | 315.9 | 431.7 | 747.6 | 417.8 | 447.4 | 865.2 | +117.6 | +15.7% |
| | Segment Income | -13.0 | 17.9 | 4.9 | 16.2 | 12.5 | 28.8 | +23.9 | +488.4% |
| | (%) | (-4.1%) | (4.1%) | (0.7%) | (3.9%) | (2.8%) | (3.3%) | | |
| | Operating income | -10.6 | 17.0 | 6.4 | 15.7 | 13.7 | 29.4 | +23.1 | +362.4% |
| | (%) | (-3.4%) | (3.9%) | (0.9%) | (3.8%) | (3.1%) | (3.4%) | | |
| Industrial Machinery Business | Sales | 124.0 | 151.3 | 275.2 | 165.3 | 180.4 | 345.8 | +70.6 | +25.6% |
| | Industrial Machinery Bearings | 105.7 | 128.4 | 234.1 | 136.2 | 147.3 | 283.5 | +49.3 | +21.1% |
| | Precision Machinery and Parts | 18.3 | 22.8 | 41.1 | 29.2 | 33.2 | 62.3 | +21.2 | +51.6% |
| | Segment Income | 0.3 | 7.4 | 7.7 | 14.2 | 16.8 | 30.9 | +23.2 | +302.0% |
| | (%) | (0.2%) | (4.9%) | (2.8%) | (8.6%) | (9.3%) | (8.9%) | | |
| Automotive Business | Sales | 182.8 | 266.9 | 449.7 | 233.9 | 248.6 | 482.5 | +32.8 | +7.3% |
| | Automotive Bearings | 95.4 | 138.1 | 233.5 | 124.5 | 135.1 | 259.6 | +26.1 | +11.2% |
| | Automotive Components | 87.5 | 128.8 | 216.2 | 109.4 | 113.5 | 223.0 | +6.7 | +3.1% |
| | Segment Income | -13.2 | 9.2 | -4.0 | 0.3 | -5.0 | -4.7 | -0.7 | - |
| | (%) | (-7.2%) | (3.4%) | (-0.9%) | (0.1%) | (-2.0%) | (-1.0%) | | |
| | Operating income | -13.2 | 9.2 | -4.0 | 0.3 | -14.0 | -13.8 | -9.7 | - |
| | (%) | (-7.2%) | (3.4%) | (-0.9%) | (0.1%) | (-5.6%) | (-2.9%) | | |
| Others | Sales | 18.1 | 24.9 | 42.9 | 29.5 | 30.2 | 59.7 | +16.8 | +39.2% |
| | Operating income | -0.2 | 1.2 | 1.0 | 1.7 | 0.6 | 2.3 | +1.3 | +132.9% |
| | (%) | (-1.4%) | (4.9%) | (2.3%) | (5.7%) | (2.0%) | (3.8%) | | |
| Eliminations (sales) | | -9.0 | -11.3 | -20.3 | -11.0 | -11.9 | -22.9 | -2.6 | - |
| Other operating income and expenses /Adjustments | | +2.5 | -0.8 | +1.7 | -0.4 | 10.4 | 10.0 | +8.3 | - |

Financial Results by Business Segment (FY2022)

(Billions of yen)

| | | FY2021 Actual | | | FY2022 FCST | | | YOY | |
|---|-------------------------------|---------------|----------|-----------|-------------|----------|-----------|-----------------------|------------|
| | | 1st half | 2nd half | Full year | 1st half | 2nd half | Full year | Increase/ Decrease | Difference |
| Total | Sales | 417.8 | 447.4 | 865.2 | 450.0 | 490.0 | 940.0 | +74.8 | +8.6% |
| | Segment Income | 16.2 | 12.5 | 28.8 | 11.5 | 29.0 | 40.5 | +11.7 | +40.7% |
| | (%) | (3.9%) | (2.8%) | (3.3%) | (2.6%) | (5.9%) | (4.3%) | | |
| | Operating income | 15.7 | 13.7 | 29.4 | 11.0 | 29.0 | 40.0 | +10.6 | +35.9% |
| | (%) | (3.8%) | (3.1%) | (3.4%) | (2.4%) | (5.9%) | (4.3%) | | |
| Industrial Machinery Business | Sales | 165.3 | 180.4 | 345.8 | 181.5 | 198.5 | 380.0 | +34.2 | +9.9% |
| | Industrial Machinery Bearings | 136.2 | 147.3 | 283.5 | 147.0 | 161.0 | 308.0 | +24.5 | +8.7% |
| | Precision Machinery and Parts | 29.2 | 33.2 | 62.3 | 34.5 | 37.5 | 72.0 | +9.7 | +15.5% |
| | Segment Income | 14.2 | 16.8 | 30.9 | 15.5 | 22.5 | 38.0 | +7.1 | +22.8% |
| | (%) | (8.6%) | (9.3%) | (8.9%) | (8.5%) | (11.3%) | (10.0%) | | |
| Automotive Business | Sales | 233.9 | 248.6 | 482.5 | 248.5 | 272.5 | 521.0 | +38.5 | +8.0% |
| | Automotive Bearings | 124.5 | 135.1 | 259.6 | 138.5 | 156.5 | 295.0 | +35.4 | +13.6% |
| | Automotive Components | 109.4 | 113.5 | 223.0 | 110.0 | 116.0 | 226.0 | +3.0 | +1.4% |
| | Segment Income | 0.3 | -5.0 | -4.7 | -5.0 | 5.0 | 0 | +4.7 | - |
| | (%) | (0.1%) | (-2.0%) | (-1.0%) | (-2.0%) | (1.8%) | (0.0%) | | |
| | Operating income | 0.3 | -14.0 | -13.8 | -5.0 | 5.0 | 0 | +13.8 | - |
| (%) | (0.1%) | (-5.6%) | (-2.9%) | (-2.0%) | (1.8%) | (0.0%) | | | |
| Others | Sales | 29.5 | 30.2 | 59.7 | 34.0 | 34.5 | 68.5 | +8.8 | +14.7% |
| | Operating income | 1.7 | 0.6 | 2.3 | 1.0 | 1.5 | 2.5 | +0.2 | +9.5% |
| | (%) | (5.7%) | (2.0%) | (3.8%) | (2.9%) | (4.3%) | (3.6%) | | |
| Eliminations (sales) | | -11.0 | -11.9 | -22.9 | -14.0 | -15.5 | -29.5 | -6.6 | - |
| Other operating income and expenses /Adjustments | | -0.4 | 10.4 | 10.0 | -0.5 | - | -0.5 | -10.5 | - |

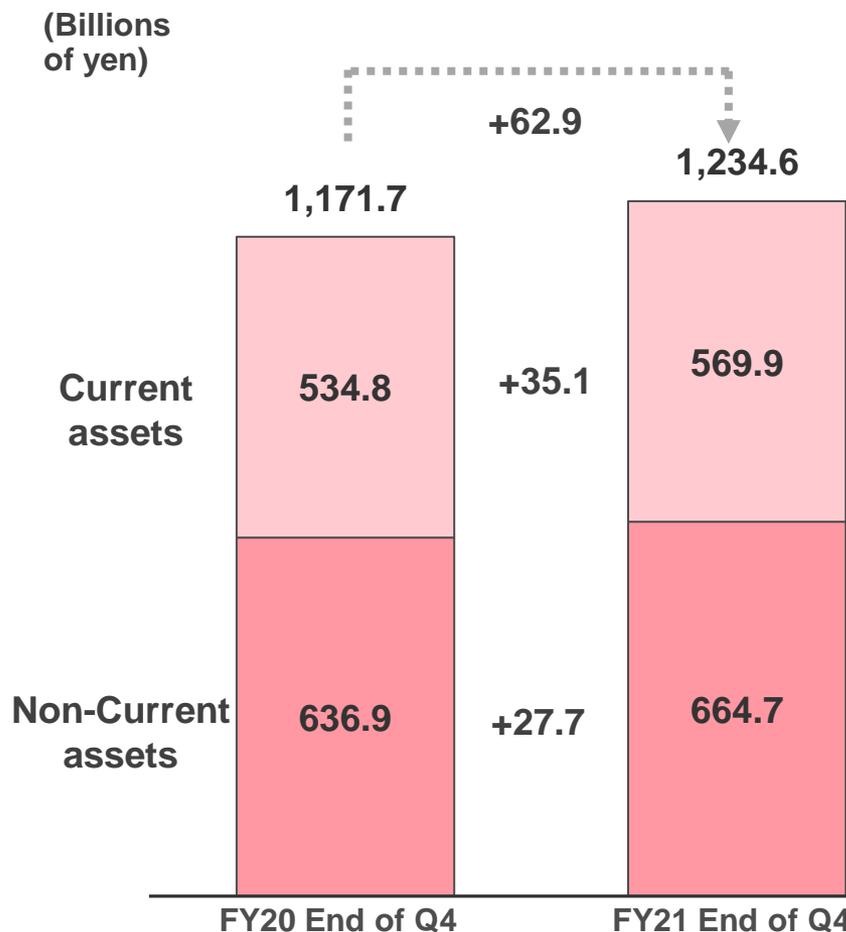
Supplementary Information :

Sales by Customer Location (FY2021)

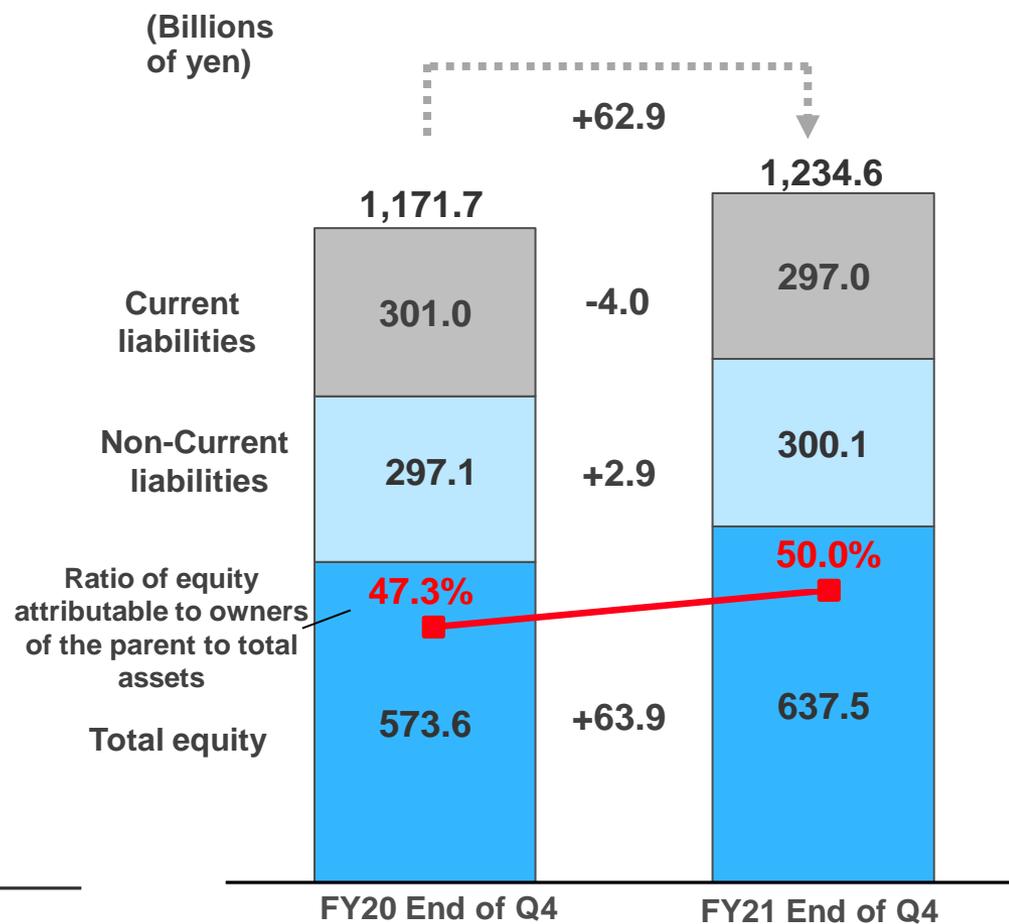
| (Billions of yen) | FY2020 | | | FY2021 | | | | |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|---------------|
| | 1st half | 2nd half | Full year | 1st half | 2nd half | Full year | Increase/Decrease | Difference |
| Sales | 315.9 | 431.7 | 747.6 | 417.8 | 447.4 | 865.2 | +117.6 | +15.7% |
| Japan | 112.7 | 163.1 | 275.8 | 156.8 | 160.8 | 317.6 | +41.8 | +15.2% |
| Non-Japan | 203.2 | 268.6 | 471.8 | 261.0 | 286.6 | 547.6 | +75.8 | +16.1% |
| (Non-Japan Ratio) | (64.3%) | (62.2%) | (63.1%) | (62.5%) | (64.0%) | (63.3%) | | |
| The Americas | 46.7 | 61.1 | 107.8 | 60.4 | 64.7 | 125.1 | +17.3 | +16.0% |
| Europe | 38.1 | 56.7 | 94.8 | 53.5 | 58.4 | 111.9 | +17.1 | +18.0% |
| China | 79.3 | 87.4 | 166.7 | 85.8 | 96.2 | 182.0 | +15.4 | +9.2% |
| Other Asia | 39.1 | 63.4 | 102.5 | 61.3 | 67.2 | 128.5 | +26.0 | +25.4% |
| Ex. Rate | | | | | | | | |
| 1USD | 106.9 | 105.2 | 106.1 | 109.8 | 115.0 | 112.4 | +6.3 | +6.0% |
| 1EUR | 121.3 | 126.1 | 123.7 | 130.9 | 130.2 | 130.6 | +6.9 | +5.5% |
| 1CNY | 15.3 | 16.1 | 15.7 | 17.0 | 18.0 | 17.5 | +1.8 | +11.7% |

Supplementary Information: Consolidated Balance Sheet (FY2021)

Assets



Liabilities / Total equity

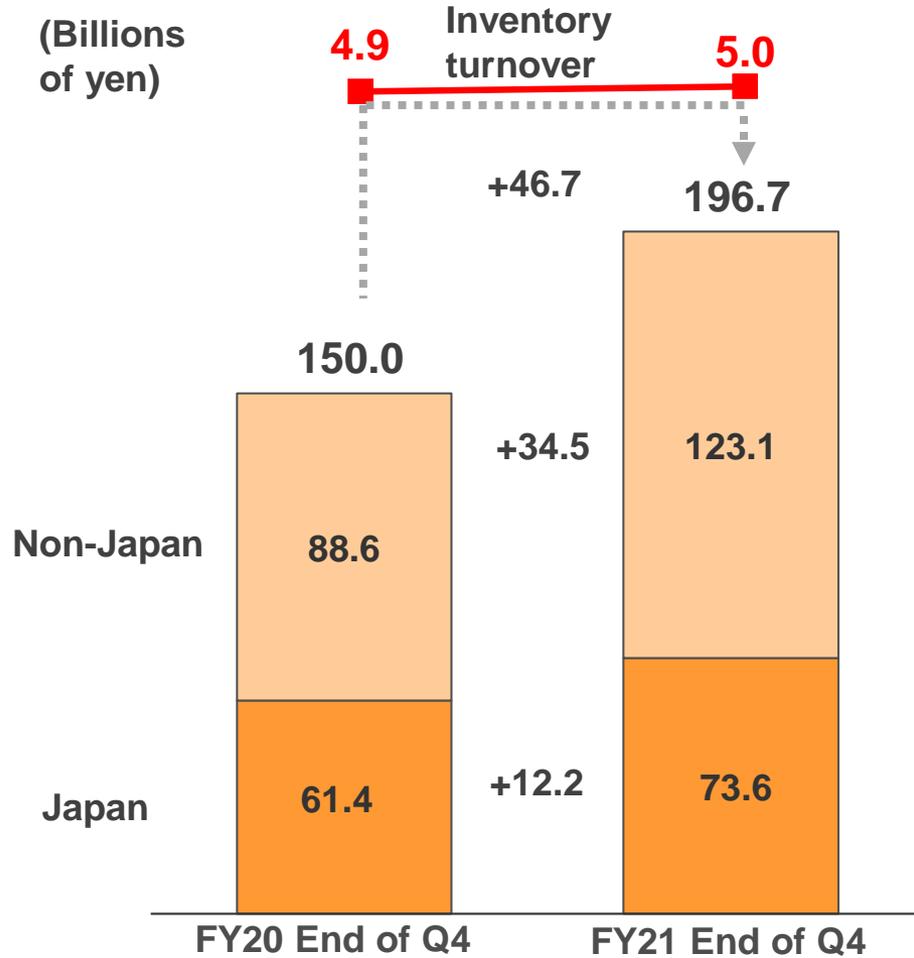


In the third quarter ended December 31, 2021, NSK finalized provisional accounting treatment for business combination, which is reflected in assets and liabilities / total equity for the fourth quarter of the fiscal year 2020.

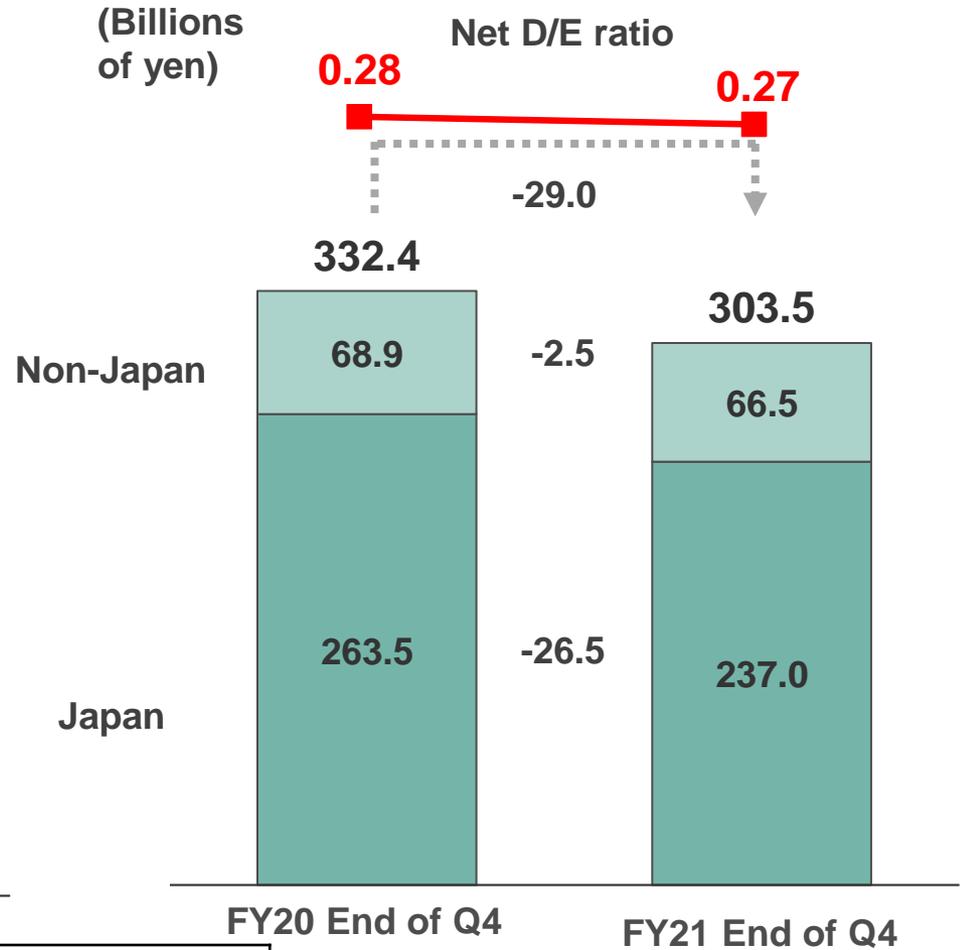
| Ex. Rate | FY20 End of Q4 | FY21 End of Q4 |
|----------|----------------|----------------|
| 1USD | 110.7 | 122.4 |
| 1EUR | 129.8 | 136.8 |
| 1CNY | 16.9 | 19.3 |

Inventories / Interest-Bearing Debt(FY2021)

Inventories



Interest-bearing debt



| Ex. Rate | FY20 End of Q4 | FY21 End of Q4 |
|----------|----------------|----------------|
| 1USD | 110.7 | 122.4 |
| 1EUR | 129.8 | 136.8 |
| Ex. Rate | 16.9 | 19.3 |

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

| (Billions of yen) | FY2020 | FY2021 | | | | | FY2022 |
|---|-----------|--------|------|------|------|-----------|-----------|
| | Actual | Actual | | | | FCST | |
| | Full year | Q1 | Q2 | Q3 | Q4 | Full year | Full year |
| Capital Expenditures | 37.3 | 5.2 | 13.6 | 11.9 | 21.6 | 52.3 | 70.0 |
| Capital Expenditures (excluding lease) | 34.1 | 4.6 | 8.9 | 11.4 | 19.6 | 44.5 | 70.0 |
| Depreciation and Amortisation | 54.5 | 13.9 | 14.2 | 14.6 | 13.9 | 56.6 | 57.0 |
| Depreciation and Amortisation (excluding lease) | 50.0 | 12.8 | 13.0 | 13.4 | 12.7 | 51.8 | 52.0 |
| R&D Expenses (on a statutory basis) | 16.8 | 4.4 | 5.0 | 5.2 | 4.6 | 19.2 | 20.0 |
| (Ref.) R&D Expenses (on a managerial basis) | 28.6 | 7.4 | 7.7 | 7.9 | 7.8 | 30.8 | 32.0 |



Mission Statement

NSK contributes to a safer, smoother society and helps protect the global environment through its innovative technology integrating Motion & Control TM. 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.