



CONSOLIDATED BUSINESS RESULTS

FOR THE THIRD QUARTER
ENDED DECEMBER 31, 2019



January 30, 2020
NSK Ltd.

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

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Business Results for FY2019: Q3

	Q3 (Oct. –Dec.)	(vs. FY2018 Q3)	Q3 YTD (Apr. – Dec.)	(vs. FY2018 Q3 YTD)
Sales	¥ 206.8 billion	(-¥ 41.3 billion / -16.6%)	¥ 641.6 billion	(-¥ 116.0 billion / -15.3%)
Operating Income	¥ 7.0 billion	(-¥ 14.3 billion / -67.1%)	¥ 22.8 billion	(-¥ 43.5 billion / -65.6%)
(O.I%)	(3.4%)		(3.6%)	
Net Income Attributable to Owners of the Parent	¥ 4.5 billion	(-¥ 11.4 billion / -71.9%)	¥ 16.3 billion	(-¥ 30.5 billion / -65.2%)

Business Environment

- ✓ Prolonged sluggish demand in the key sectors, primarily machine tools.
- ✓ Vehicle production volume : Decreased year-on-year.
- ✓ China: concern over the delay in recovery.
Keeping watch for economic effects of coronavirus outbreak.
- ✓ Ongoing profitability improvement measures:
cost reduction, restraint on capital expenditure, productivity enhancement measures.

Summary of Consolidated Business Results for FY2019: Q3

(Billions of yen)	FY2018			FY2019						Full year FCST <Oct.>
	Q3 <Actual>	Apr-Dec <Actual>	Full year <Actual>	Q3 <Actual>	Increase/ Decrease YOY	Difference YOY	Apr-Dec <Actual>	Increase/ Decrease YOY	Difference YOY	
Sales	248.1	757.7	991.4	206.8	-41.3	-16.6%	641.6	-116.0	-15.3%	860.0
Operating income	21.3	66.3	79.3	7.0	-14.3	-67.1%	22.8	-43.5	-65.6%	32.0
<%>	<8.6%>	<8.7%>	<8.0%>	<3.4%>			<3.6%>			<3.7%>
Income before income taxes	21.2	66.3	79.2	7.4	-13.8	-65.0%	23.0	-43.3	-65.4%	31.5
Net income attributable to owners of the parent	15.8	46.8	55.8	4.5	-11.4	-71.9%	16.3	-30.5	-65.2%	21.0
(Ex. rate:1USD=)	112.91	111.15	110.91	108.75	-4.16	-3.7%	108.67	-2.48	-2.2%	108.32
(" 1EUR=)	128.79	129.49	128.40	120.33	-8.46	-6.6%	121.05	-8.44	-6.5%	120.71
(" 1CNY=)	16.33	16.61	16.54	15.44	-0.89	-5.5%	15.60	-1.01	-6.1%	15.49

Reference :

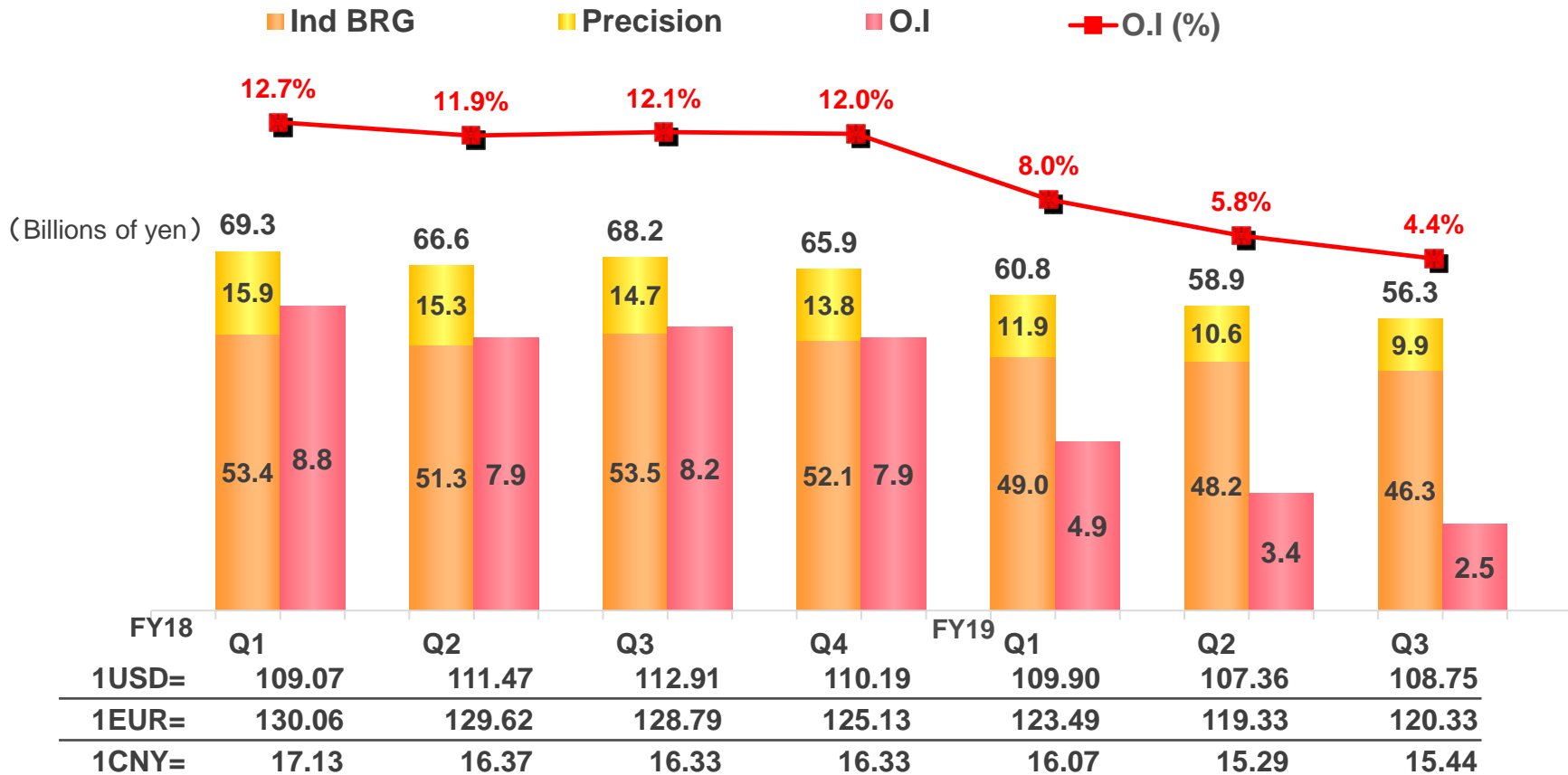
Segment income*	21.8	68.2	83.3	6.8	-15.0	-68.7%	23.6	-44.7	-65.5%	35.0
<%>	<8.8%>	<9.0%>	<8.4%>	<3.3%>			<3.7%>			<4.1%>

*Segment income : Income after returning other operating income and expenses (foreign exchange gains and losses, etc.) to operating income

Sales & Operating Income Results by Business Segment

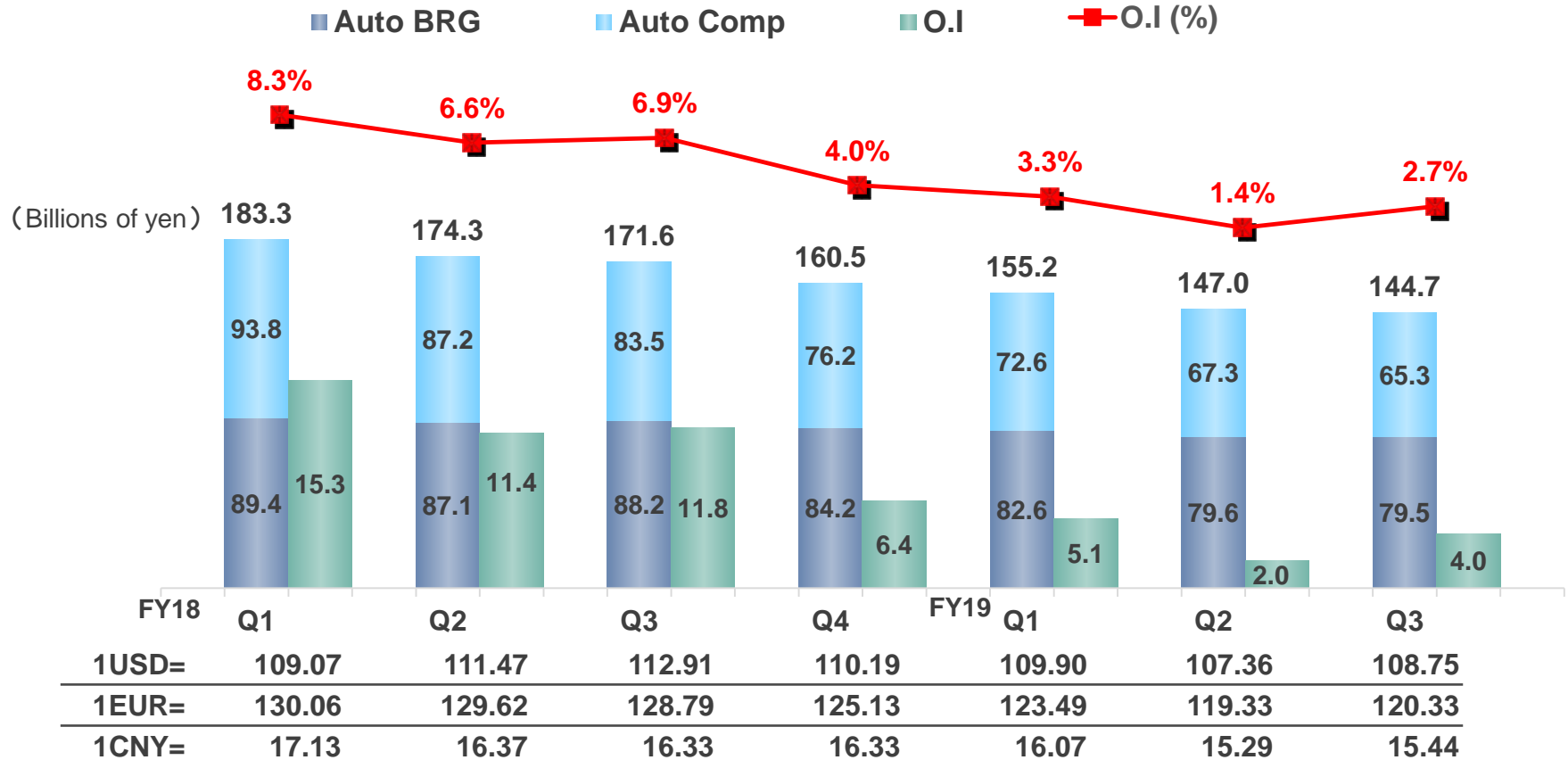
(Billions of yen)		FY2018			FY2019						Full year FCST <Oct.>
		Q3 <Actual>	Apr-Dec <Actual>	Full year <Actual>	Q3 <Actual>	Increase/ Decrease YOY	Difference YOY	Apr-Dec <Actual>	Increase/ Decrease YOY	Difference YOY	
Total	Sales	248.1	757.7	991.4	206.8	-41.3	-16.6%	641.6	-116.0	-15.3%	860.0
	Operating income	21.3	66.3	79.3	7.0	-14.3	-67.1%	22.8	-43.5	-65.6%	32.0
	<%>	8.6%	8.7%	8.0%	3.4%			3.6%			3.7%
Industrial Machinery Business	Sales	68.2	204.0	270.0	56.3	-11.9	-17.4%	175.9	-28.1	-13.8%	239.0
	Industrial Machinery Bearings	53.5	158.1	210.3	46.3	-7.1	-13.3%	143.5	-14.6	-9.3%	195.5
	Precision Machinery and Parts	14.7	45.9	59.7	9.9	-4.8	-32.4%	32.4	-13.5	-29.3%	43.5
	Operating income	8.2	25.0	32.9	2.5	-5.7	-69.8%	10.8	-14.2	-56.7%	17.0
	<%>	12.1%	12.2%	12.2%	4.4%			6.1%			7.1%
Automotive Business	Sales	171.6	529.2	689.7	144.7	-26.9	-15.7%	446.9	-82.3	-15.6%	594.5
	Automotive Bearings	88.2	264.7	348.9	79.5	-8.7	-9.9%	241.7	-23.0	-8.7%	325.0
	Automotive Components	83.5	264.5	340.8	65.3	-18.2	-21.8%	205.2	-59.3	-22.4%	269.5
	Operating income	11.8	38.5	44.9	4.0	-7.9	-66.4%	11.0	-27.5	-71.4%	15.5
	<%>	6.9%	7.3%	6.5%	2.7%			2.5%			2.6%
Others	Sales	17.7	48.1	62.9	11.3	-6.5	-36.4%	36.7	-11.3	-23.6%	52.0
	Operating income	2.0	4.8	5.6	0.3	-1.7	-85.1%	1.5	-3.3	-68.8%	2.5
	<%>	11.2%	10.0%	8.9%	2.6%			4.1%			4.8%
Eliminations (sales)		-9.4	-23.7	-31.2	-5.5	+4.0		-18.0	+5.7		-25.5
Other operating income and expenses / Adjustments		-0.7	-2.0	-4.2	0.3	+1.0		-0.6	+1.5		-3.0

Business Trend: Industrial Machinery Business



- ✓ Ongoing sluggish demand. Sales decrease, primarily in the machine tools and electrical sectors.
- ✓ Continued robust demand in the wind power and railcars sectors, primarily for China.
- ✓ Ongoing adjustment in the key sectors, while signs of recovery in semiconductor sector began to emerge.

Business Trend: Automotive Business



- ✓ Production volume decline: Q3 YTD -6% globally, -8% in China year-on-year.
- ✓ Ongoing uncertainty over automotive market.
- ✓ AT: sales increase on both YOY and QOQ bases in the US and China due to newly launched projects.

Sales Results by Customer Location

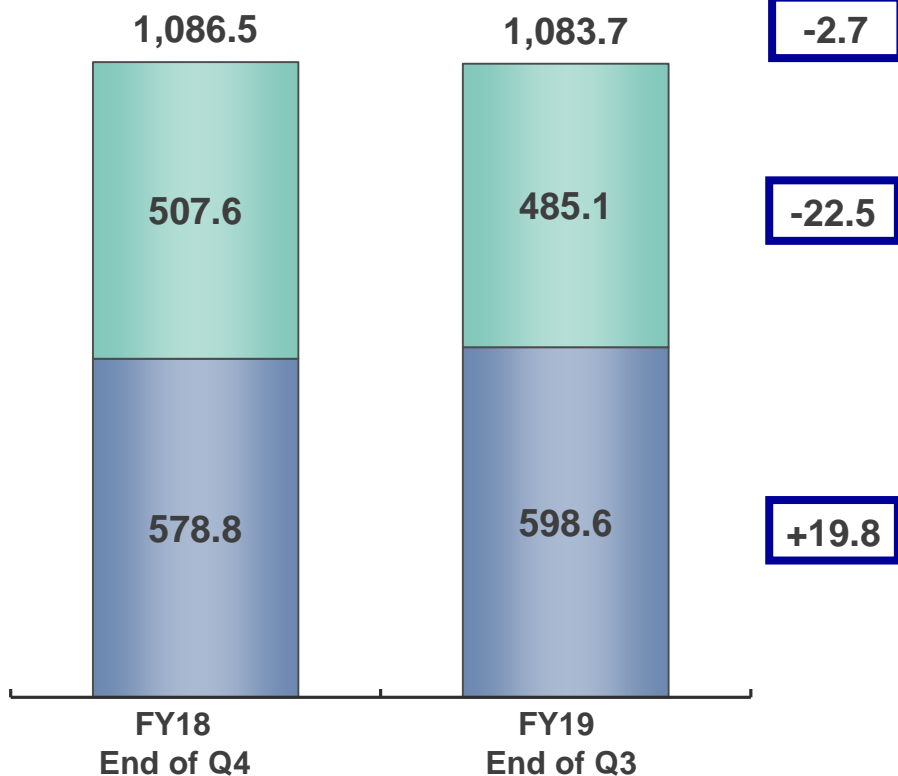
(Billions of yen)	FY2018			FY2019						Full year FCST <Oct.>
	Q3 <Actual>	Apr-Dec <Actual>	Full year <Actual>	Q3 <Actual>	Increase/ Decrease YOY	Difference YOY	Apr-Dec <Actual>	Increase/ Decrease YOY	Difference YOY	
Sales	248.1	757.7	991.4	206.8	-41.3	-16.6%	641.6	-116.0	-15.3%	860.0
Japan	93.7	280.6	367.5	76.8	-16.9	-18.1%	238.5	-42.1	-15.0%	323.0
Non-Japan	154.4	477.1	623.8	130.0	-24.3	-15.8%	403.1	-74.0	-15.5%	537.0
<Non-Japan ratio>	<62.2%>	<63.0%>	<62.9%>	<62.9%>			<62.8%>			<62.4%>
The Americas	38.4	117.9	157.6	33.8	-4.6	-12.0%	108.1	-9.8	-8.3%	145.0
Europe	31.5	96.2	130.1	25.1	-6.4	-20.3%	82.0	-14.2	-14.7%	113.0
China	49.3	155.2	195.0	41.9	-7.4	-15.0%	122.1	-33.1	-21.3%	157.5
Other Asia	35.3	107.9	141.1	29.3	-6.0	-17.0%	90.9	-17.0	-15.7%	121.5
(Ex. rate:1USD=)	112.91	111.15	110.91	108.75	-4.16	-3.7%	108.67	-2.48	-2.2%	108.32
(" 1EUR=)	128.79	129.49	128.40	120.33	-8.46	-6.6%	121.05	-8.44	-6.5%	120.71
(" 1CNY=)	16.33	16.61	16.54	15.44	-0.89	-5.5%	15.60	-1.01	-6.1%	15.49

(Supplementary Information) Consolidated Balance Sheet

Assets

■ Non-Current assets ■ Current assets

(Billions of yen)

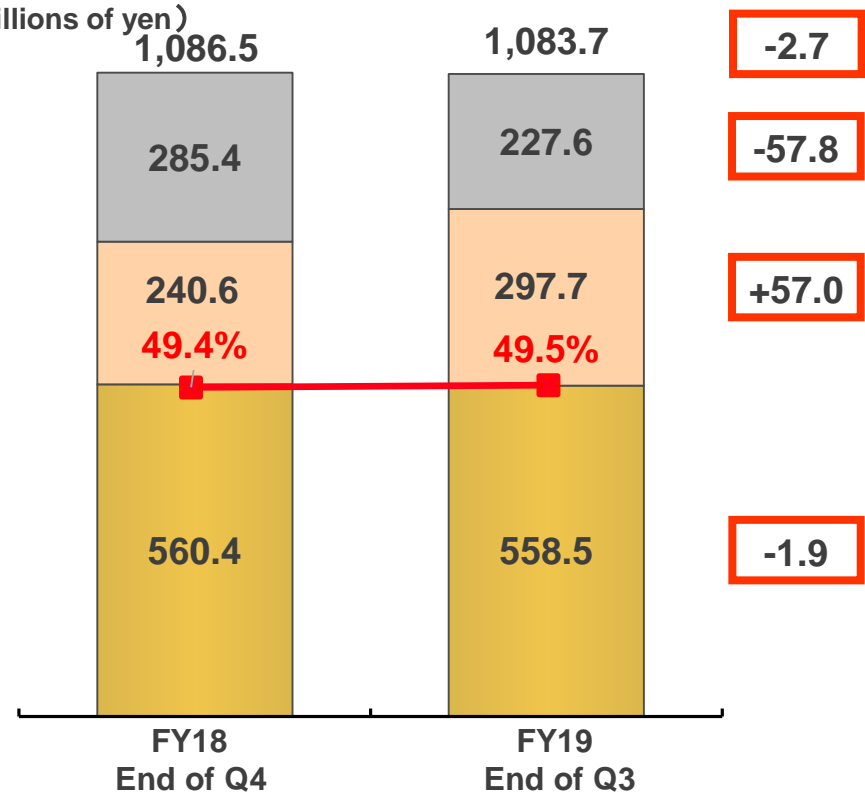


Liabilities / Total equity

■ Current liabilities
■ Non-Current liabilities
■ Total equity
■ Ratio of equity attributable to owners of the parent to total assets

Change from Q4 FY18

(Billions of yen)



Ex. Rate	FY18 End of Q4	FY19 End of Q3
1USD=	111.01	109.55
1EUR=	124.56	122.51
1CNY=	16.48	15.68

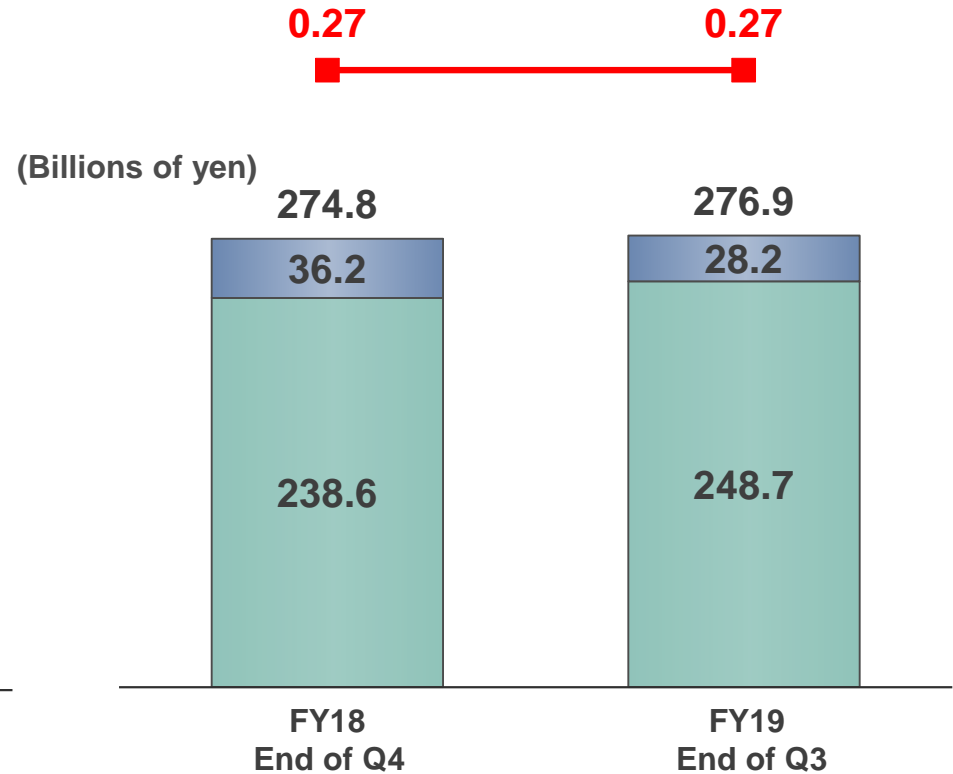
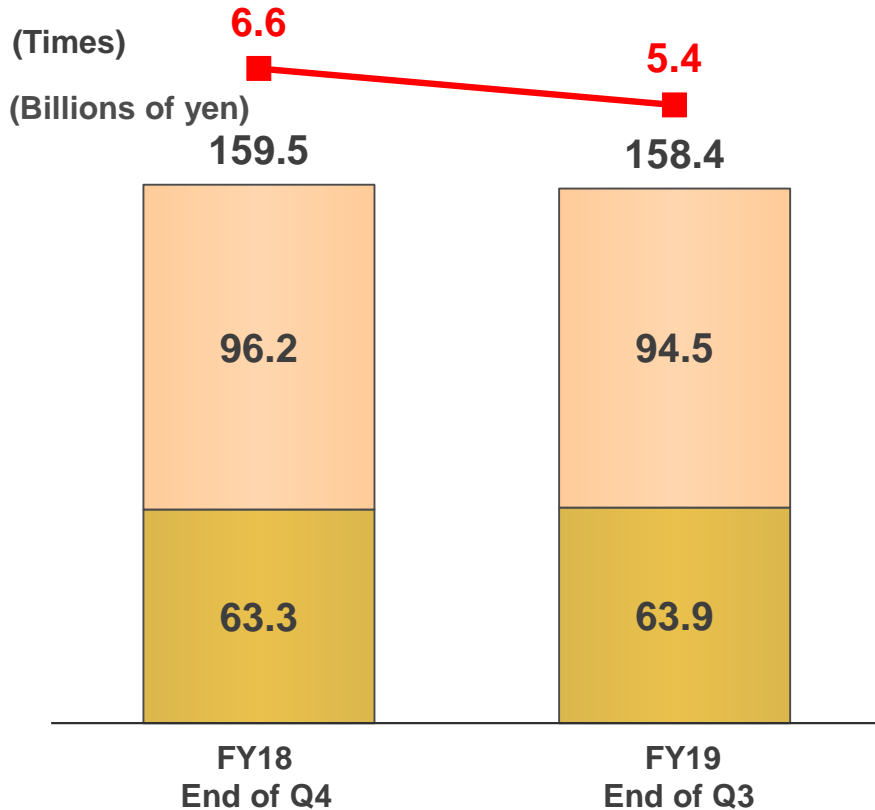
(Supplementary Information) Inventories / Interest-Bearing Debt

Inventories

Interest-bearing debt

■ Japan ■ Non-Japan ■ Inventory turnover

■ Japan ■ Non-Japan ■ Net D/E ratio



Ex. Rate	FY18 End of Q4	FY19 End of Q3
1USD=	111.01	109.55
1EUR=	124.56	122.51
1CNY=	16.48	15.68

(Supplementary Information) Capital Expenditure, Depreciation and Amortisation, R&D Expenses

(Billions of yen)	FY2018					FY2019			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Full Year (FCST)
Capital Expenditure	10.4	16.7	23.6	30.5	81.1	10.5	11.1	12.1	60.0
Depreciation and Amortisation	11.9	12.0	12.3	12.6	48.8	13.4	13.4	13.6	52.0

(Billions of yen)	FY2018					FY2019			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Full Year (FCST)
R&D Expenses (on a statutory basis)	4.4	5.0	4.9	4.7	19.0	4.6	4.5	4.6	19.0
*Reference R&D Expenses (on a managerial basis)	7.7	8.4	8.0	8.2	32.4	7.9	8.0	7.8	32.0