



# Financial Conference

Consolidated Business Results for the  
Year ended March 31, 2026

## Medium-Term Management Plan 2028

May 13, 2026

NSK Ltd.



Notice Concerning Execution of Memorandum of Understanding Regarding Business Integration Through Establishment of a Joint Holding Company (Share Transfer) Between NSK Ltd. and NTN Corporation

NSK Ltd. and NTN Corporation hereby announce that they have reached a basic agreement to establish a joint holding company by way of a joint share transfer and to integrate their businesses. The Companies have executed a memorandum of understanding for the Business Integration after passing a resolution at their respective board of directors meetings as of today to execute the said agreement.

Please note that any effects regarding this are not factored in the new Medium-Term Management Plan 2028. As appropriate, NSK will disclose the information in a timely manner.

1. Consolidated Business Results for the Year Ended March 31, 2026
2. Consolidated Business Forecast for the Year Ending March 31, 2027
3. Medium-Term Plan 2028

## (Supplementary Information)

This document contains forward-looking statements, including forecasts of financial performance and business plans. Such statements are based on certain assumptions regarding the economic environment and business strategies as of the time this document was prepared. Accordingly, actual results may differ materially from the forecasts due to various factors.

# Consolidated Business Results for the Year Ended March 31, 2027

The Steering Business was consolidated as a subsidiary on September 1, 2025, with financial results disclose as an independent segment starting with the results for the fiscal year ended March 31, 2026 (FY2025). Accordingly, equity method investment gains/losses related to the Steering Business included in the Automotive Business for FY2024 (ended March 31, 2025) and FY2025 through August have been reclassified and presented under the Steering Business segment. We have completed the fair value measurement of acquired assets and assumed liabilities as of the end of FY2025 and finalized the allocation of acquisition costs. Accordingly, we have restated income and depreciation expenses retroactively to September 1, 2025.

# Key Points – Consolidated Business Results for FY2025

## FY2025 Results

- ✓ Sales and profits increased YoY with structural improvements and the Steering Business consolidation taking effect.

(billions of yen)		YoY	YoY Steering Business
Sales	911.6 bn	+ 115.0 bn	(+ 100.6 bn)
Operating Income	38.8 bn	+10.4 bn	(+ 6.3 bn)
*OI Excl. One-Time Costs	45.2 bn	+8.8 bn	
ROE	3.5%	+ 1.9pt	
ROIC	2.6%	+ 1.1pt	

Incl. one-time gain/loss due to consolidation of Steering Business +2.6 bn (+ 1.4 bn, as of Q2)

## FY2026 Full Year Forecast

- ✓ New Medium-Term Management Plan from FY2026 — Taking the next step in structural reforms to further improve our fundamentals. YoY

		YoY	YoY Steering Business
Sales	1,000.0 bn	+88.4 bn	(+ 69.4 bn)
Operating Income	42.0 bn	+ 3.2 bn	(-3.7 bn)
* OI Excl. One-Time Costs	53.2 bn	+8.0 bn	

## Shareholder Returns

- ✓ Continue stable shareholder returns (with a target minimum DOE of 2.5%).  
- FY2025 Full Year Dividend ¥34/stock      - FY2026 Full year Dividend Plan ¥34/stock

OI Excl. One-Time Costs: Refers to Operating Income excluding transient factors such as forex impact and one-time expenses for the structural reforms and Steering Business consolidation (FY2025).

# Summary – Consolidated Business Results for FY2025

- ✓ Sales and profits increased YoY and exceeded revised forecast (Feb).
- ✓ Profit increased YoY despite the early recognition of restructuring costs (recorded ¥9.4bn up from ¥6.5bn) supported by factors including foreign exchange impact.

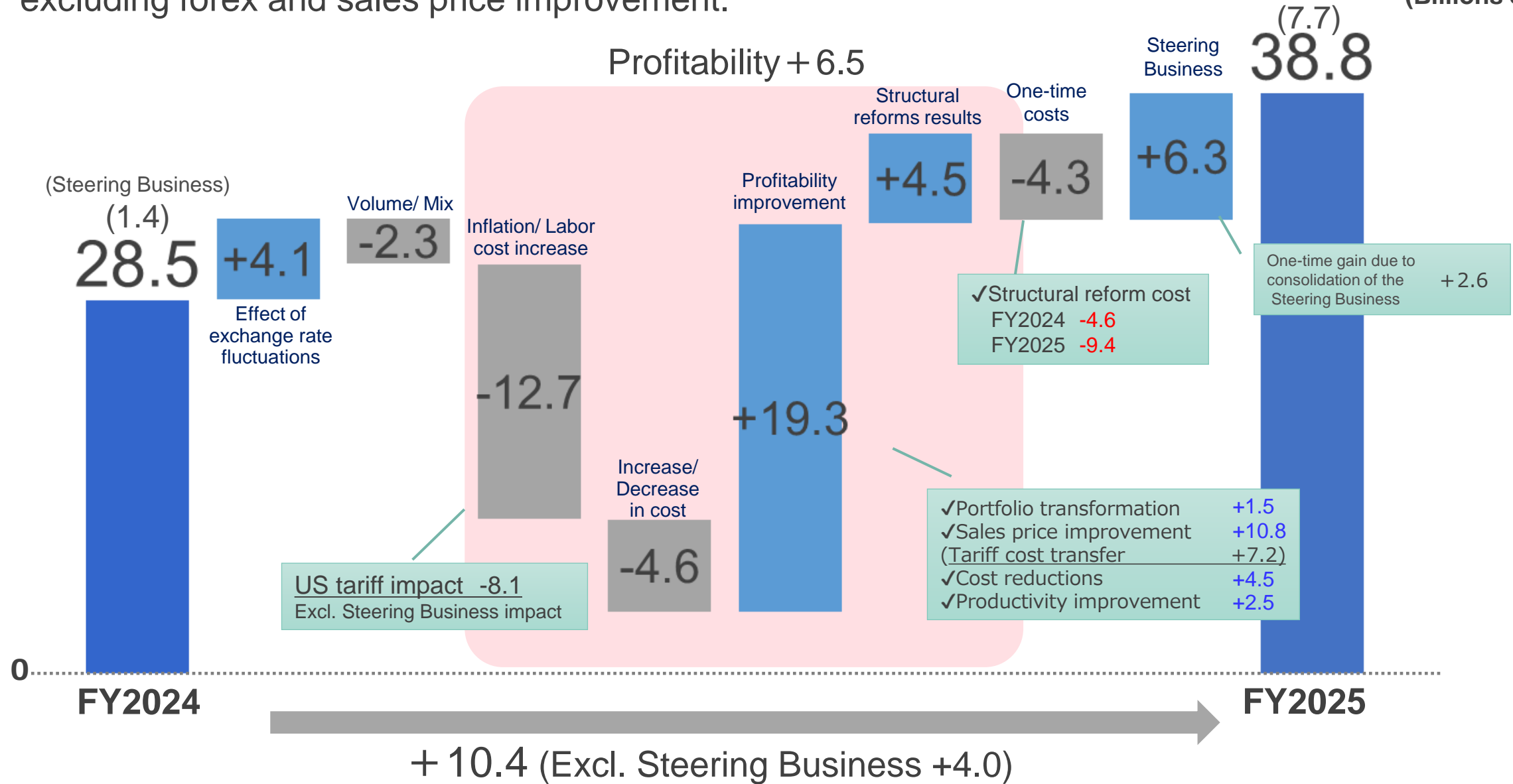
	(Billions of yen)	FY2024	FY2025	Increase/ Decrease YOY (Forex impact)	Difference YOY	FY2025 Forecast as of Feb.
		Actual	Actual			
Continuing operations	Sales	796.7	911.6	+115.0 (+5.3)	+14.4%	900.0
	Operating income	28.5	38.8	+10.4 (+4.1)	+36.4%	37.0
	(%)	3.6%	4.3%			4.1%
	excl. one-time cost *1	36.4	45.2	+8.8 (+1.0)	+24.1%	42.5
	(%)	4.6%	5.0%			4.7%
	Income before income taxes	25.1	38.0	+12.9	+51.5%	36.0
Continuing and discontinued operations	Net income attributable to owners of the parent	12.4	22.9	+10.5	+84.6%	20.0
	Net income attributable to owners of the parent *2	10.6	22.9	+12.2	+114.8%	20.0
	(Ex. rate: 1USD=)	152.6	150.8	-1.8	-1.2%	149.1
	( " 1EUR=)	163.7	174.8	+11.1	+6.7%	173.9
	( " 1CNY=)	21.1	21.3	+0.1	+0.7%	20.8

\*1 Represents operating profit excluding other operating income and expenses (including foreign exchange gains and losses), restructuring-related expenses, and one-time gains or losses resulting from the consolidation of the steering business (FY2025).

\*2 FY2025 results do not include discontinued operations; only continuing operations are included.

# Operating Income: Factors Behind Change (FY2024 ⇒ FY2025)

- ✓ Steady progress on structural improvements; although the impact of volume/mix was negative excluding forex and sales price improvement.

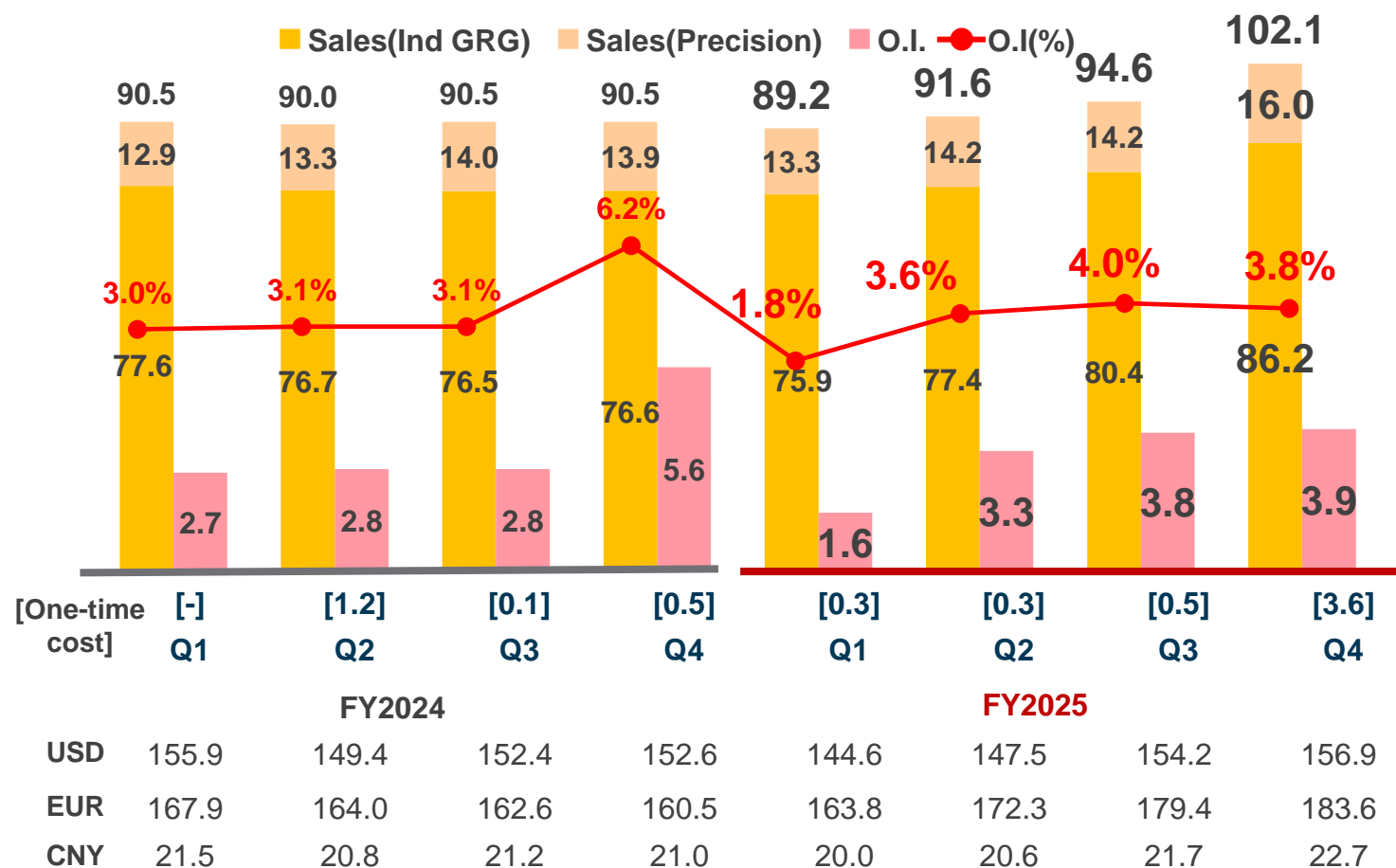


FY2025 Result: Sales up +3.6% excluding forex impact.

- Industrial Bearings: Increased mainly in machine tools in China.
- Precision Products: Increased sales in China for machine tools and the Americas for semiconductor manufacturing equipment.

Q4 operating income is 7.3% excluding one-time costs of ¥3.6bn.

(Billions of yen)	FY2024 Full Year Actual	FY2025 Full Year Actual	Increase/Decrease YOY (Forex impact)	Difference YOY (Excl. Forex impact)
Sales	361.5	377.5	+16.0 (+3.1)	+4.4% (+3.6%)
Industrial Machinery Bearings	307.3	319.8	+12.5	+4.1%
Precision Machinery and Parts	54.1	57.7	+3.5	+6.5%
Operating income	13.9	12.6	-1.4	-9.9%
(%)	3.9%	3.3%		
excl. one-time cost	15.8	17.2	+1.4	+8.5%
(%)	4.4%	4.5%		
(Ex. rate: 1USD=)	152.6	150.8	-1.8	-1.2%
( " 1EUR=)	163.7	174.8	+11.1	+6.7%
( " 1CNY=)	21.1	21.3	+0.2	+0.7%



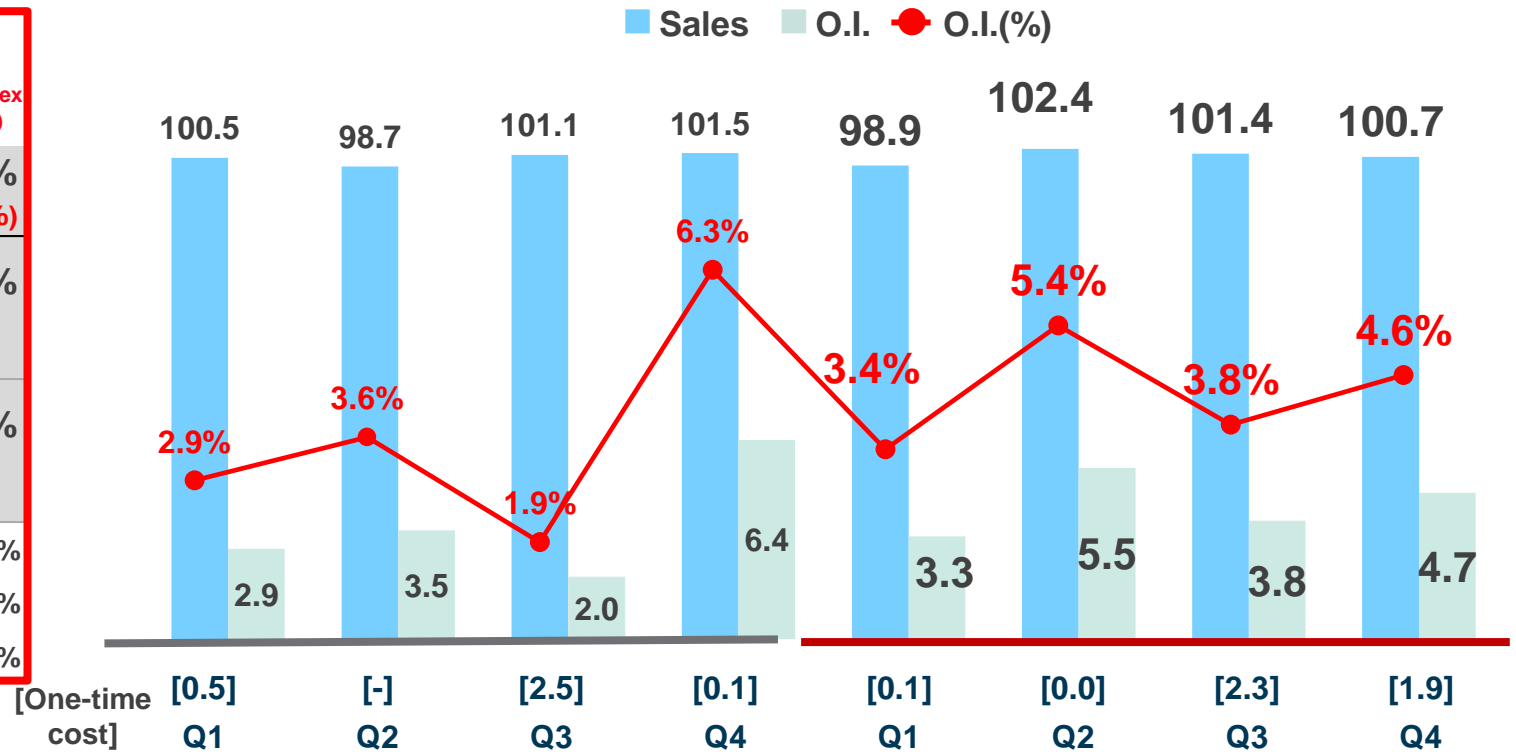
FY2025 Result: Sales slightly down excluding forex impact.

- Sales in Europe declined, partly due to the impact of structural reforms. Sales in Asia (excl. Japan) increased due to sales expansion efforts.

Operating income(%) of Q4 is 6.5% excluding ¥1.9bn one-time costs.

\* For FY2024 and FY2025 through August, equity method investment gains/losses for the Steering Business have been reclassified from the Automotive Business to the Steering Business.

(Billions of yen)	FY2024 Full Year Actual	FY2025 Full Year Actual	Increase/Decrease YOY (Forex impact)	Difference YOY (Excl. Forex impact)
Sales	401.7	403.3	+1.6 (+1.8)	+0.4% (-0.1%)
Operating income (%)	3.7%	4.3%	+2.7	+18.0%
excl. one-time cost (%)	4.4%	5.3%	+3.6	+20.4%
(Ex. rate: 1USD=)	152.6	150.8	-1.8	-1.2%
( " 1EUR=)	163.7	174.8	+11.1	+6.7%
( " 1CNY=)	21.1	21.3	+0.2	+0.7%



## Global Vehicle Production (million; S&P)

FY2024	FY2025	Increasing/Decreasing rate
90	92	+2.2%

	FY2024				FY2025			
USD	155.9	149.4	152.4	152.6	144.6	147.5	154.2	156.9
EUR	167.9	164.0	162.6	160.5	163.8	172.3	179.4	183.6
CNY	21.5	20.8	21.2	21.0	20.0	20.6	21.7	22.7

# FY2025 Sales by Customer Region (Excl. Steering Business)

**Japan** : Sales increased in industrial machinery whereas decreased in automotive

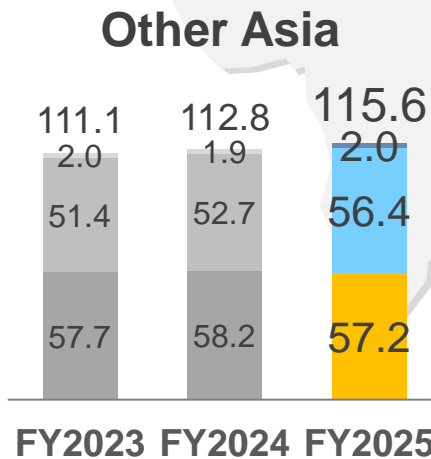
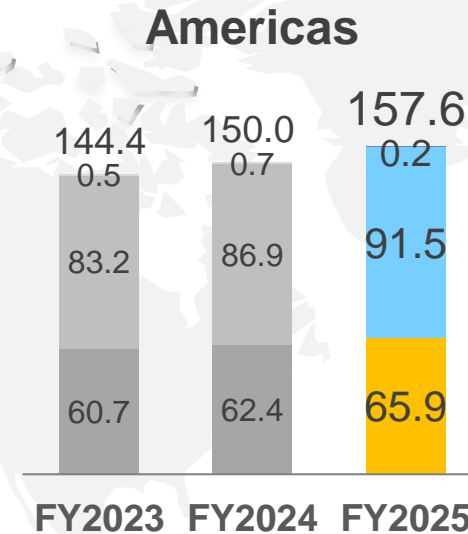
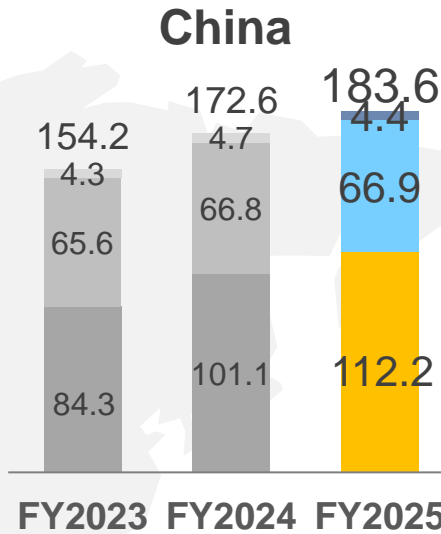
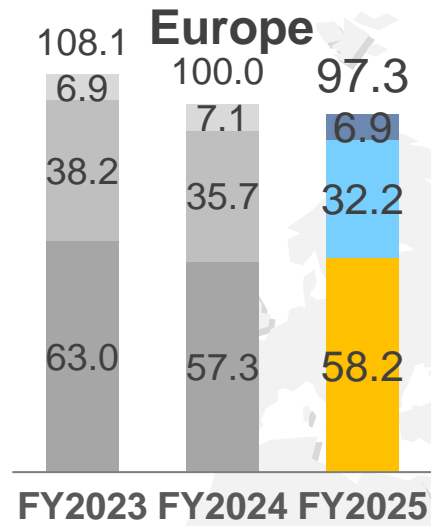
**Americas**: Robust demand continues excluding US tariff impact.

**Europe** : Economic downturn, sales decreased in Industrial machinery and Automotive.

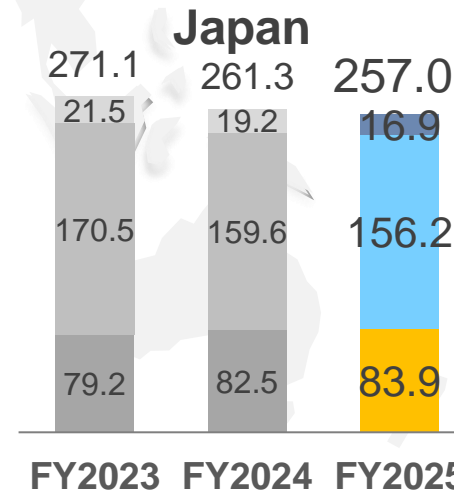
**China** : Sales increased through sales expansion and economic stimulus

(Billions of yen)

■ Industrial Machinery  
■ Automotive  
■ Other



• Increased in Automotive sales mainly in Korea



Region breakdown graphs exclude the below numbers from the Steering Business.

#### Steering Business

Japan 29.9 Americas 25.6 Europe 29.4  
China 10.9 Other Asia 4.8

Forex Rate	FY2023	FY2024	FY2025
USD	144.6	152.6	156.9
EUR	156.8	163.7	183.6
CNY	20.1	21.1	22.7

Consolidated Business  
Forecast for the Year Ending  
March 31, 2027

Exchange rate	✓ USD ¥150、EUR ¥180、CNY ¥21
Business environment	<ul style="list-style-type: none"> <li>✓ Industrial machinery : Strong performance continues in semiconductor and machine tool sectors. Aftermarket expected to see a gradual recovery.</li> <li>✓ Automotive : Supply chain risk; global vehicle production volume expected to be on par with FY2025 level.</li> </ul>
Middle East situation	<ul style="list-style-type: none"> <li>✓ H1 results forecast reflects a sales decline of approximately ¥4.0bn.</li> <li>✓ Cost impact from Q2 estimated to be approximately ¥2.0bn→ we expect to pass on cost increases to customers through higher prices.</li> </ul>
Us tariffs	✓ Continue policy of passing on any cost increases or decreases resulting from tariff policies to selling prices.
Structural reforms	<ul style="list-style-type: none"> <li>✓ Continuing global business structure reforms mainly focused on Europe and Japan. <ul style="list-style-type: none"> <li>- Europe : [UK] Discontinue production operations at Peterlee and Newark plants; [Poland] Downsize operations at Kielce plant.</li> <li>- Japan : Reorganization of production and sales operations.</li> </ul> </li> </ul>

# Consolidated Business Forecast for the Year Ending March 31, 2027 (FY2026)

- ✓ Sales and profits forecast to increase YoY. The figures below reflect ¥9.0bn in structural reform costs.
- ✓ FY2026 Annual Dividend plan: ¥34/share (Interim Dividend: ¥17/share).

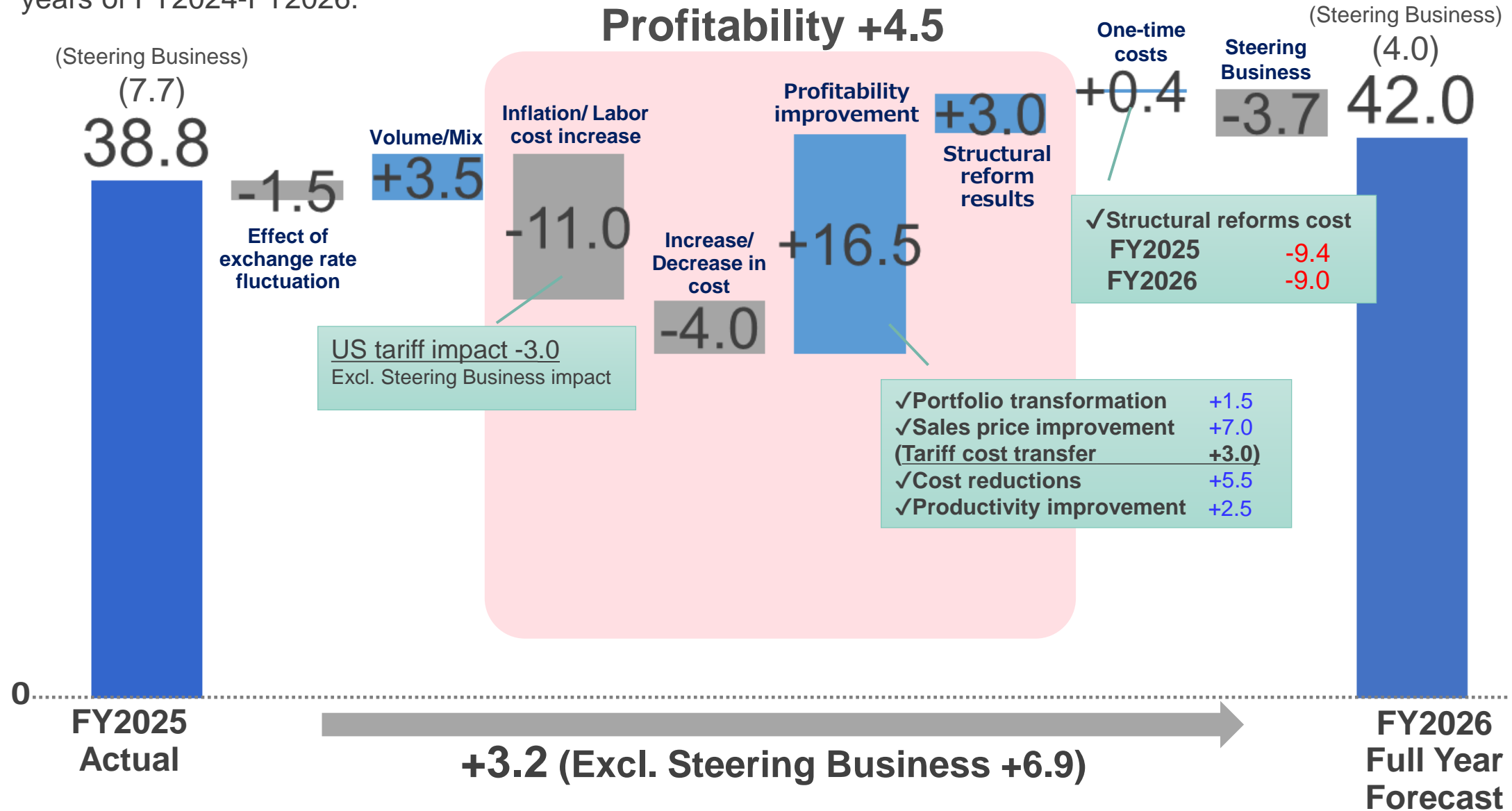
	(Billions of yen)	FY2025	FY2026	YoY	
		Full Year Actual	Full Year Forecast	Increase/ Decrease YOY (Forex impact)	Steering Business Difference YOY
Continuing operations	Sales	911.6	1,000.0	+88.4 (-)	(+69.4) +9.7%
	Operating income	38.8	42.0	+3.2 (-1.5)	(-3.7) +8.2%
	(%)	4.3%	4.2%		
	excl. one-time cost *	45.2	53.2	+8.0 (-)	+17.8%
	(%)	5.0%	5.3%		
Continuing and discontinued operations	Income before income taxes	38.0	40.0	+2.0	+5.2%
	Net income attributable to owners of the parent	22.9	24.0	+1.1	+5.0%
	(Ex. rate: 1USD=)	150.8	150.0	-0.8	-0.5%
	( " 1EUR=)	174.8	180.0	+5.2	+3.0%
	( " 1CNY=)	21.3	21.0	-0.3	-1.2%

\* OI Excl. One-Time Costs: Refers to Operating Income excluding transient factors such as forex impact and one-time costs for structural reforms and steering business consolidation (FY2025).

# Operating Income: Factors Behind Change

(FY2025 Result ⇒ FY2026 Full Year Forecast)

- ✓ Structural reform effect (profitability improvement) of ¥4.5bn for FY2026, and ¥15.0bn total improvement over the three years of FY2024-FY2026.



# Breakdown by Segment – Consolidated Business Forecast for FY2026

Trend in Major Sectors (NSK forecast)

## Industrial Machinery Business

(Billions of yen)	FY2025 Full year Actual	FY2026 Full year Forecast	Increase/Decrease YOY	Difference YOY	FY2026 H1 Forecast	FY2026 H2 Forecast
<b>Sales</b>	<b>377.5</b>	<b>400.0</b>	<b>+22.5</b>	<b>+6.0%</b>	<b>195.0</b>	<b>205.0</b>
Industrial Machinery Bearings	319.8	335.0	+15.2	+4.7%	163.0	172.0
Precision Machinery and Parts	57.7	65.0	+7.3	+12.7%	32.0	33.0
Operating income	12.6	22.0	+9.4	+75.1%	10.0	12.0
(%)	3.3%	5.5%			5.1%	5.9%
excl. one-time cost	17.2	29.0	+11.8	+68.9%	11.0	18.0
(%)	4.5%	7.3%			5.6%	8.8%

	FY2026 H1 Vs FY2025 H2	FY2026 H2 vs FY2026 H1
Aftermarket	→	→
E&E	Home Appliances	→
	Automotives	→
	Robotics	→
OEM	Wind power	↓
	Railway	→
	Machine tools	→
	Semiconductor	↑ ↑ ↑
		→

• Plan to record ¥7.0 bn in restructuring costs. Forecast increase in sales and profits YoY due to volume effects resulting from the strong recovery in demand for semiconductor manufacturing equipment.

## Automotive Business

(Billions of yen)	FY2025 Full year Actual	FY2026 Full year Forecast	Increase/Decrease YOY	Difference YOY	FY2026 H1 Forecast	FY2026 H2 Forecast
<b>Sales</b>	<b>403.3</b>	<b>400.0</b>	<b>-3.3</b>	<b>-0.8%</b>	<b>199.0</b>	<b>201.0</b>
Operating income	17.4	18.0	+0.6	+3.6%	8.0	10.0
(%)	4.3%	4.5%			4.0%	5.0%
excl. one-time cost	21.5	20.0	-1.5	-7.0%	9.0	11.0
(%)	5.3%	5.0%			4.5%	5.5%

## Global Vehicle Production (million, NSK forecast)

FY2025			FY2026	
92		▶	91	
H1	H2		H1	H2
46	46		45	46

• Promoting structural reforms and cost improvements. Full year operating income of 5% (excluding one-time costs).

# Medium-Term Management Plan2028

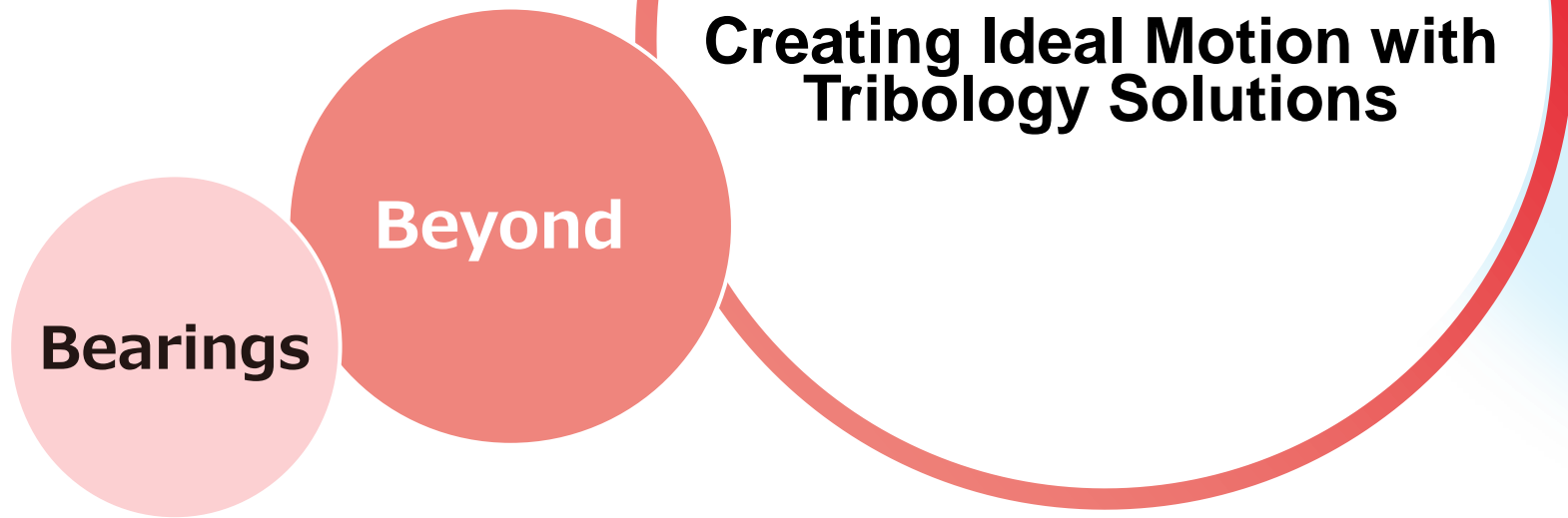
## FY2026-FY2028

Any effects regarding the news released on May 12, 2026 are not factored in the new Medium-Term Management Plan 2028. Please note that any effects regarding this are not factored in the new Medium-Term Management Plan 2028. As appropriate, NSK will disclose the information in a timely manner.

- 1** NSK's Vision for the Future / Aspirations: "NSK Vision 2036"
- 2** Review of Medium-Term Management Plan 2026 (MTP2026)
- 3** Medium-Term Management Plan 2028 (MTP2028)
- 4** Summary

To bring the "digital ideal motion" to life, NSK will continue to play a vital role as a piece of the puzzle that the world needs.

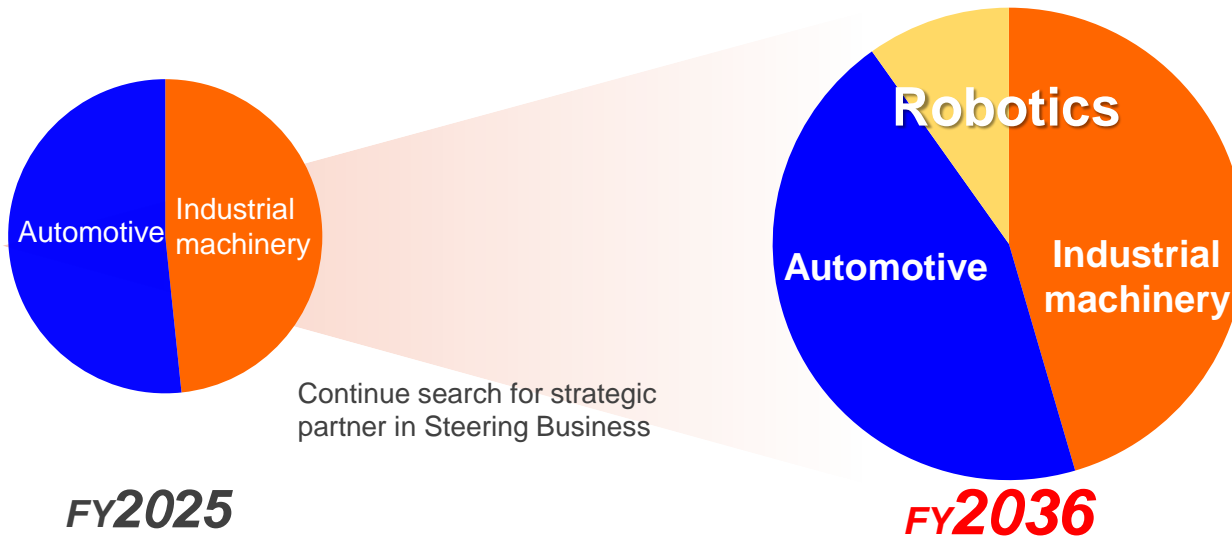
We aim to expand beyond being a business focused on mechanical components—primarily bearings—to also offer proposals that enable customers to optimize their product design through multifaceted unit components and solutions that address customer challenges.



### NSK Corporate Philosophy

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.

■ Business → Establish business focused on the growing robotics market.

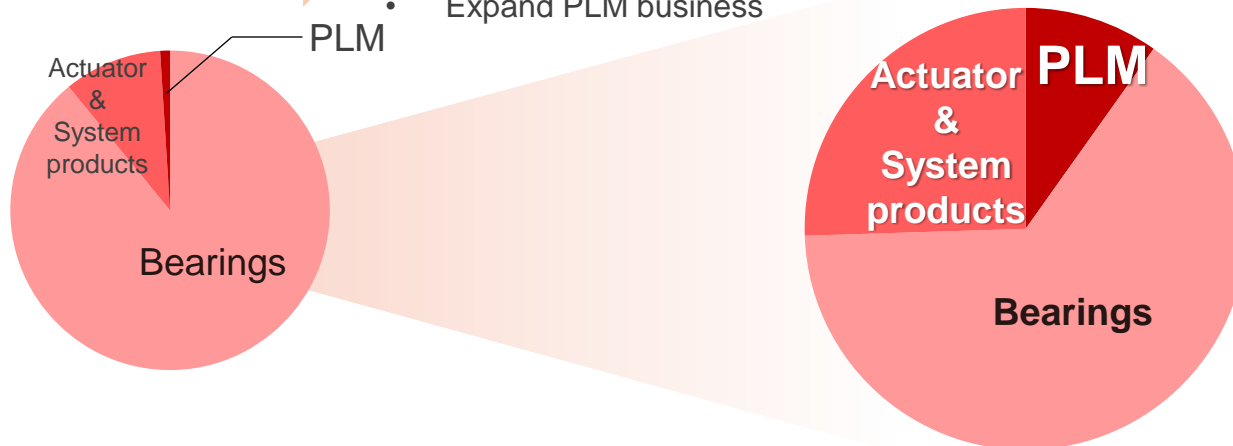


### Robotics Business as New Pillar of Revenue

- Manufacture and supply parts such as bearings and ball screws
- Development and supply of actuators, which are central to robot design
- Business expansion in robotics market through collaboration

■ Product →

- Establish product line for multifaceted unit components/systems and actuators
- Expand PLM business



### Integration of “Rotation” “Control” and “Actuation” Technologies

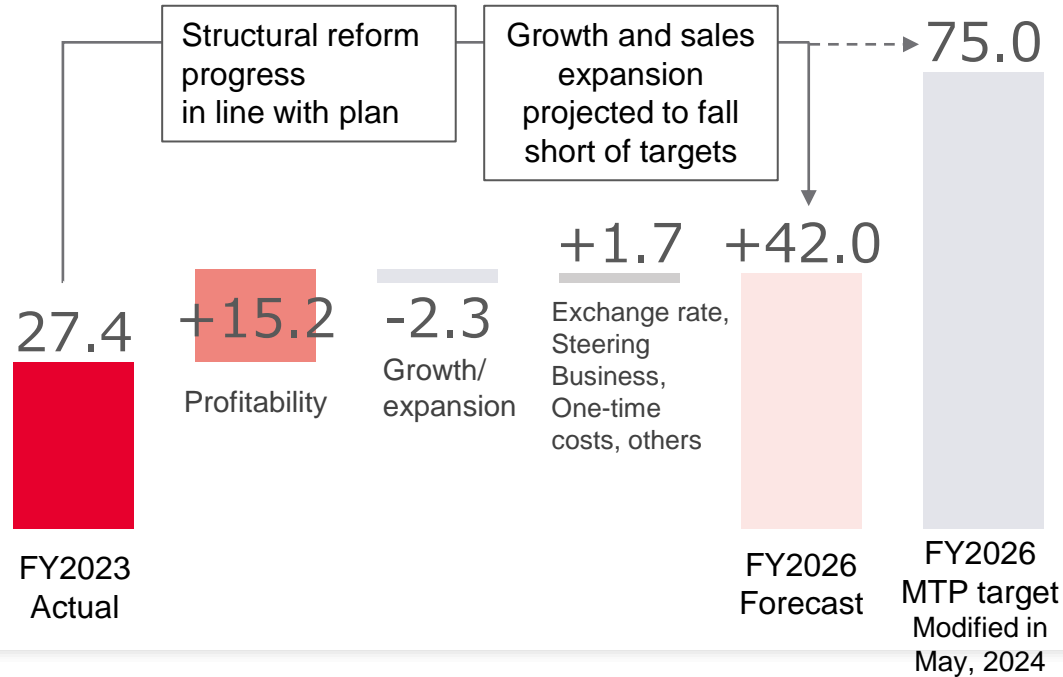
- Actuators for industrial machinery and machine tools
- Expanding sales of ball screws for electric brakes
- Development of new clutch products

### Expand PLM Business (Product-as-a-Service + Maintenance)

- Condition monitoring and diagnosis
- Maintenance and repair
- Supply of replacement parts

## 2 Review of Medium-Term Management Plan 2026

### MTP2026 (modified in May, 2024) Progress



### Achievements

- Overview of ¥15.0 bn profitability improvement plan [FY2024-FY2026]
  - Passed on cost increases due to inflation and U.S. tariffs to selling prices.
  - Initiated structural reforms to return Europe to profitability.
  - Improved profitability through ultra-stable production and cost reductions.
  - Expanded sales of new products for electric vehicles .
- Maintained stable shareholder returns (with target minimum DOE of 2.5%).

### Challenges

- Market fragmentation, prolonged sluggish demand, technological transformation, and the rise of Chinese manufacturers
  - Expanding sales in the Industrial Machinery Business
  - Price competitiveness
  - Deteriorating profitability in Japan and Europe
  - Maintaining profitability in the Steering Business and seeking strategic partners

A Renewed Commitment to Achieving 8% ROE  
Under Medium-Term Management Plan 2028  
& Progress Toward Realizing Vision 2036

**MTP  
2026****MTP 2028****– FY2036**

- MTP 2026 based on assumption of market recovery and growth
- Continued low ROE

**Challenges**

- Expanding sales in the Industrial Machinery Business
- Price competitiveness
- Deteriorating profitability in Japan and Europe
- Maintaining profitability in the Steering Business and searching for a strategic partner

**Business Portfolio Reform**

**Expansion in Key Sectors & Initiatives in the “Beyond” Domain**  
(Actuators, Robotics, PLM)

**Continue Structural Reforms**

**Complete Structural Reforms in Europe**  
**Promote Structural Reforms in Japan**

**Capital Control****Maintain Stable Dividend**

- DOE 2.5% ⇒ 3.5% (FY2028 Target)
- Dividend Payout Ratio 30%-50%

**Flexible Share Buybacks**

ROE

**8%**

ROE

**10%**ROE  
above  
**10%**

Maximizing the Value of Human Capital: Data-Driven Management and AI Utilization

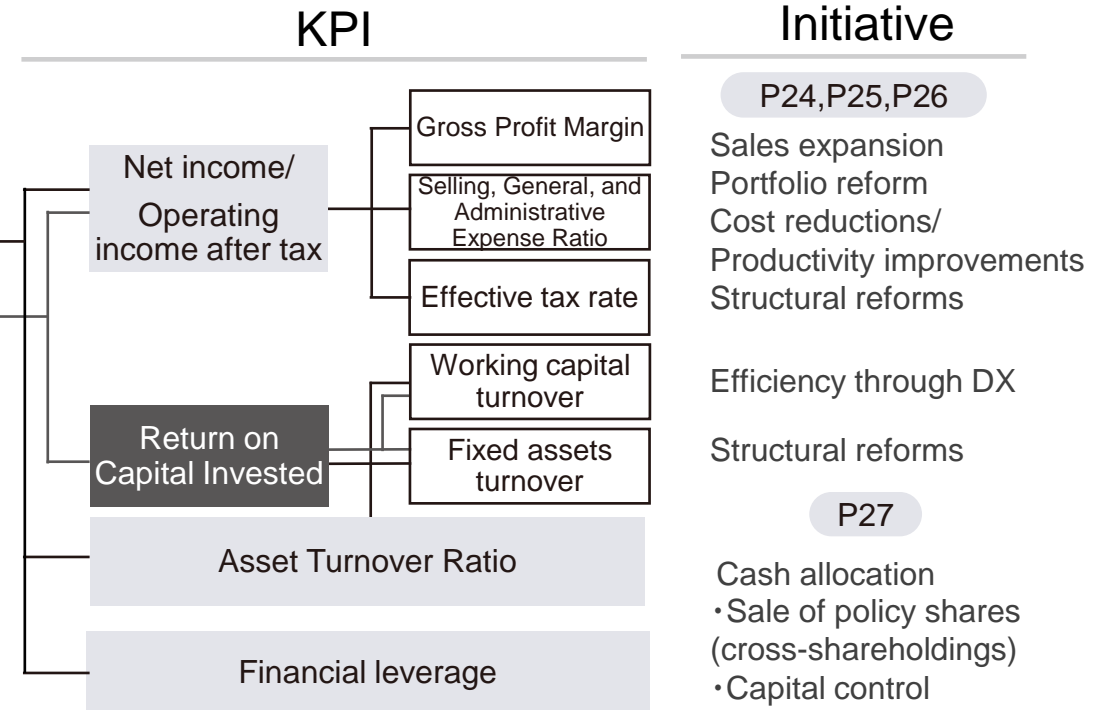
Pursuit of Four Core Values (Safety, Quality, Environment, Compliance)

# 3 Medium-Term Management Plan 2028(2) –Targets–

- Achieve 8% ROE by MTP2028.
- The Steering Business will not be included in the management targets. We will continue to seek strategic partners and maintain profitability in the Steering Business.

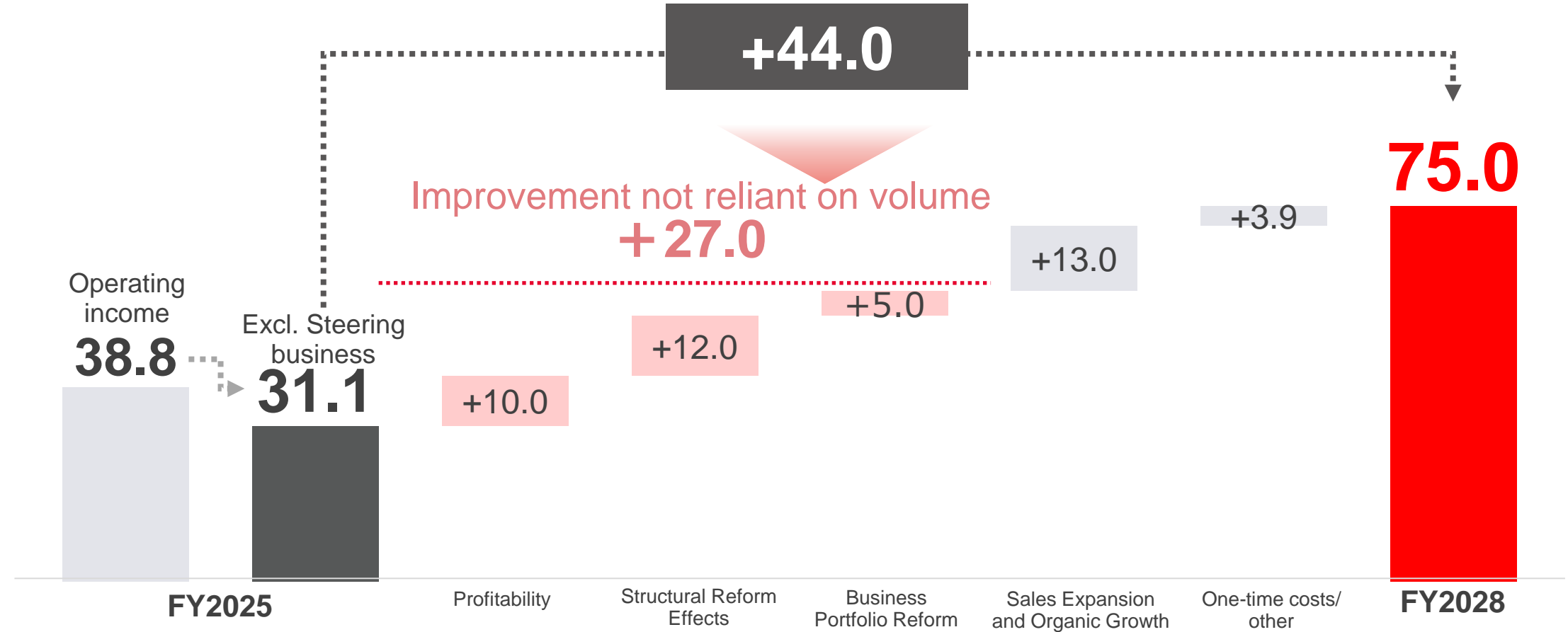
Management Objectives		FY2025 Actual	FY2028 Target
Profitability	Operating income	38.8	<b>75.0</b>
	%	4.1%	<b>over 8%</b>
	Industrial machinery (%)	12.6(3.3%)	<b>42.0(10%)</b>
	Automotive (%)	17.5(4.3%)	<b>30.0(7%)</b>
<b>Capital efficiency</b>	ROE (%)	3.5%	<b>8%</b>
	ROIC (%)	2.6%	<b>6%</b>
Financial stability	Net D/E Ratio	0.24x	<b>Less than 0.4x</b>
Exchange rate (¥/USD)		¥151	¥150
<b>Non-financial targets</b>			
Contributing to the Creation of a Decarbonized Society	CO2 Emissions Scope1+2 vs FY2017	-57% Projection	<b>Under -60%</b>
Maximizing the Value of Human Capital	Employee Engagement Score	74	<b>Over 75</b>

## ■ ROE / ROIC tree



- Under the assumption that the market will see a gradual recovery (annual growth rate of approximately 1%).
- We will offset rising costs and inflation through higher selling prices and cost reductions.
- We aim to achieve our targets by driving operational improvements, leveraging the effects of structural reforms and portfolio transformation, and expanding sales.

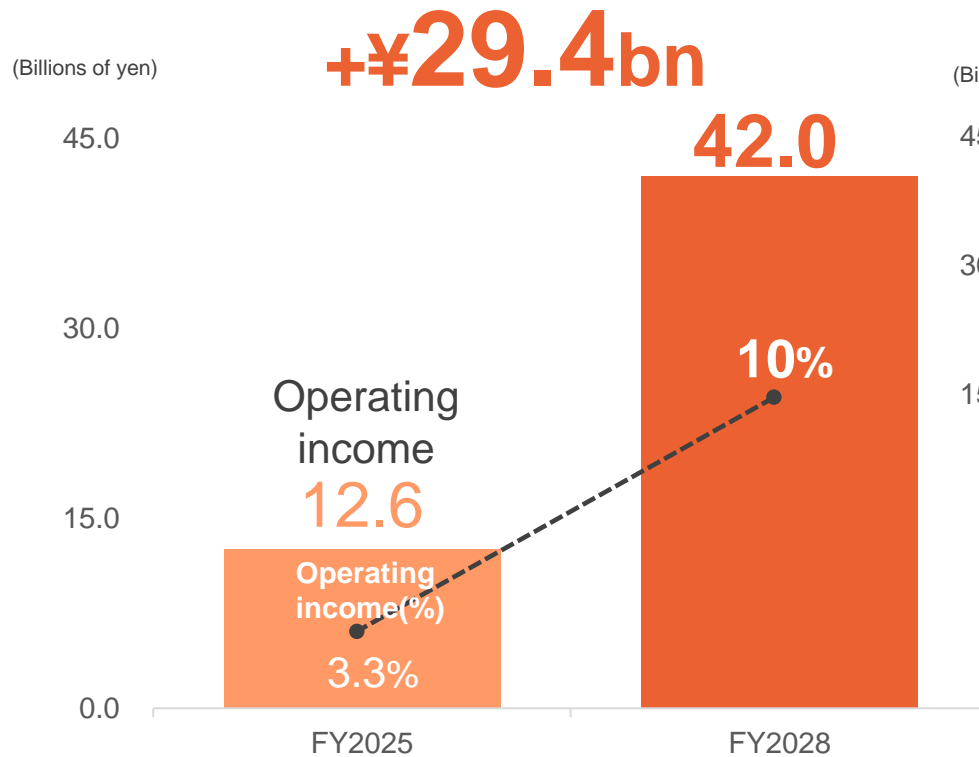
(Billions of yen)



- Drive portfolio transformation and complete structural reforms, with the goal of restoring operating income to over 10%.

## Target Improvement in Operating Income

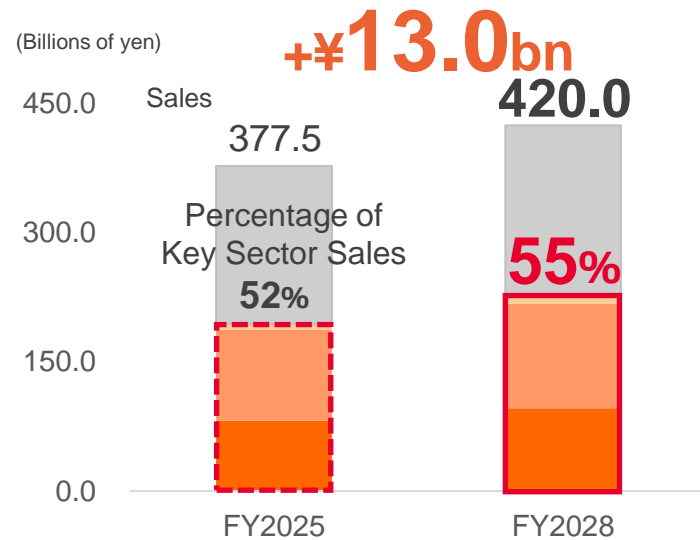
### Profitability Improvement



## Portfolio Transformation and Sales Expansion

AM Precision CMS

### Profitability Improvement



## Improving Fundamental Constitution and Structural Reforms

### Profitability Improvement

**+¥14.0bn**

- Expand Sales in Key Sectors
  - Continue expansion of aftermarket sales in the Americas and India
  - Differentiation and expansion of sales channels through aftermarket-specific products
  - Launch mechatronic products for next-generation semiconductor manufacturing
  - Monetize PLM Business (CMS + Maintenance)
- Promote appropriate pricing and discontinuation of low-margin products
- Structural reforms at plants in Europe and Japan
- Restructuring and streamlining sales operations
- Strengthening of regional design and sales engineering capabilities

## Reform [Automotive Business]

- Aim to strengthen our revenue base by securing international competitiveness through sales expansion driven by product differentiation and operational improvements.

## Target Improvement in Operating Income

## Profitability Improvement

+¥12.5bn

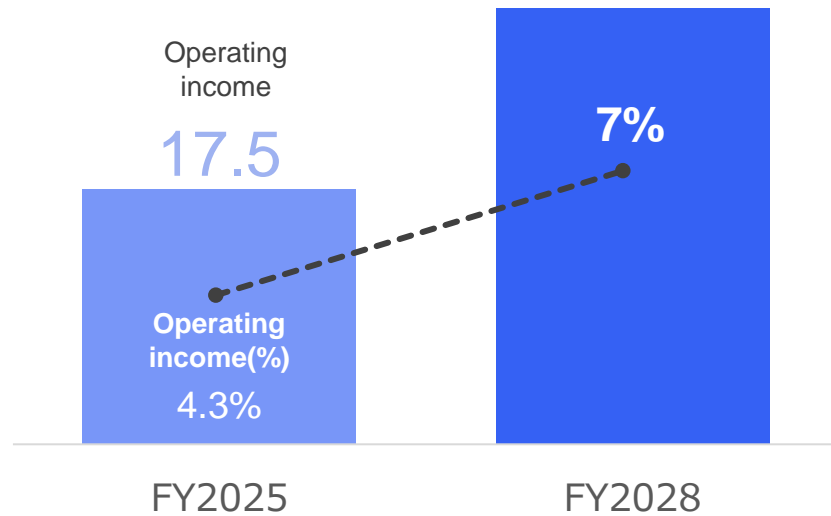
(Billions of yen)

45.0

30.0

15.0

0.0



## Portfolio Transformation and Sales Expansion

## Profitability Improvement

+¥5.0bn

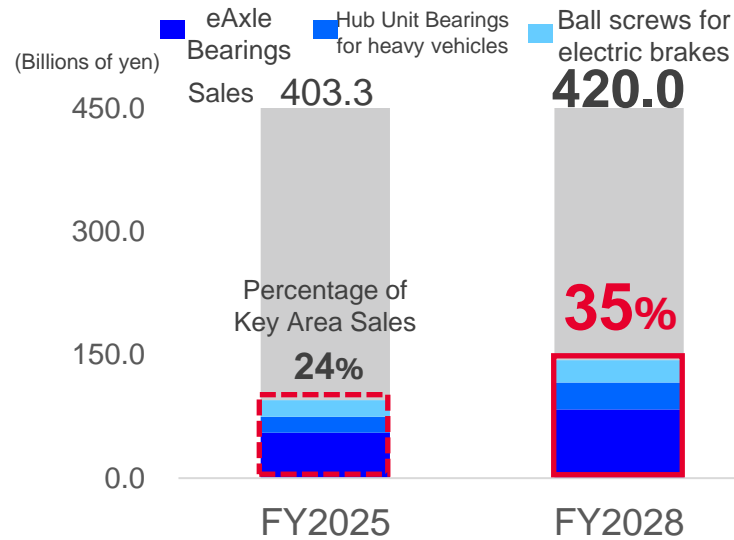
(Billions of yen)

450.0

300.0

150.0

0.0



## Improving Fundamental Constitution and Structural Reforms

## Profitability Improvement

+¥6.0bn

Global vehicle production is projected to reach 92 million vehicles in FY2025

- Improve Profitability through Continued Sales Expansion in Key Areas

- Hub Unit Bearings for heavy vehicles
- Products for preventing electrical erosion
- Ball screws for electric brakes

- Expanding production capacity in India and North America

- Promotion of appropriate pricing and discontinuation of low-margin products
- Restructuring product lines and production sites both in Japan and globally
- Reduce costs across sales, plants, and engineering through closer collaboration and the adoption of shared digital tools.
- Reduce design and development lead time through closer collaboration.

- In addition to Europe, promote structural reforms in Japan with a view to further strengthen our bottom line.

	MTP2026			MTP2028		
	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Cost	1.0bn	4.6bn	9.4bn	<b>9.0bn</b>	<b>12.5bn</b>	<b>2.5bn</b>
Effect (Benefit) vs FY2023	-	+1.1bn	+5.6bn	+8.6bn (vsFY2025+3.0bn)	+12.0bn (vsFY2025 +6.5bn)	+ <b>17.5bn</b> (vsFY2025 +12.0bn)

**Europe**

- (Poland) Began restructuring production at the Kielce plant
- (Germany) Sale of European production subsidiary Neuweg
- (UK) Announced plans to withdraw from production in Peterlee
- (UK) Announced plans to withdraw from production in Newark

**Complete production restructuring by FY2026**

⇒ Continue operations in Europe

- **Restructure production**  
[Fujisawa (Kugenuma) production transfer, downsize Otsu plant]
- **Restructure sales operations**
- **Promote business process transformation through digital technology**

**Japan**

- Production reorganization of ICE products
- Transition logistics subsidiary to joint-venture

**Other region**

- China: Production reorganization of ICE products (shift toward products for electric vehicles, transfer of facilities to India)
- Americas: Closure of steel ball plant, expansion in growth areas (automotive bearings, aftermarket)

- Cash generated will be allocated to strategic investments and share buybacks, in addition to investment into sustainable growth and dividends.

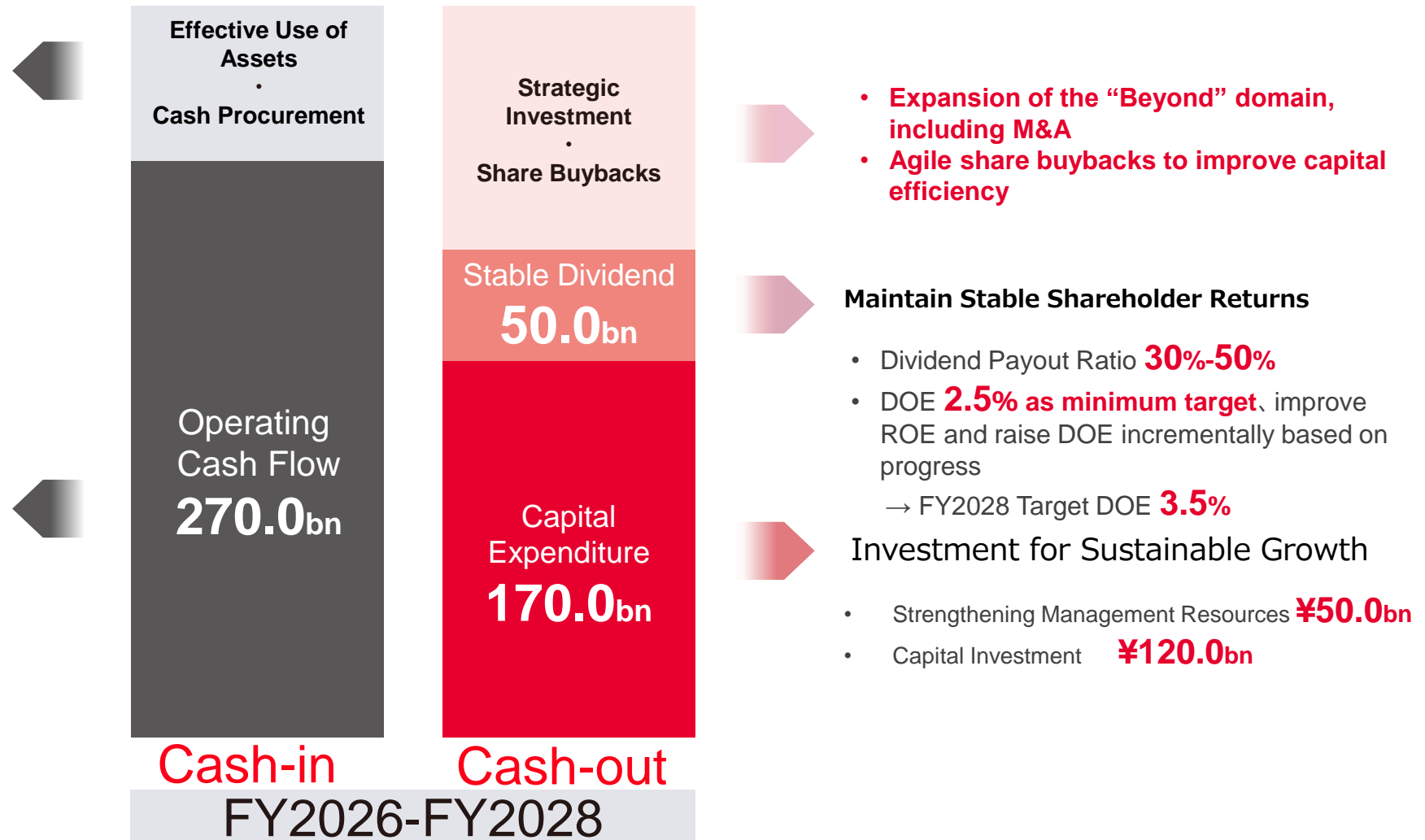
- Sale of policy shares (cross-shareholdings)
- Utilization of cash on hand and interest-bearing debt

Cross-shareholdings **0**

Net D/E ratio less than **0.4x**

Improve profitability and increase cash generation

Operating income(%) **8%**



- Implementing measures to achieve 8% ROE under Medium-Term Management Plan 2028 and accelerating efforts toward Vision 2036.

### **Portfolio transformation**

- ✓ Develop differentiated products and expand sales in key sectors.
- ✓ Accelerate business expansion into robotics sector through active collaboration with other companies, such as RT and Delta Electronics.

### **Structural reforms/ Efficiency**

- ✓ Complete Europe structural reforms, promote Japan structural reforms.
- ✓ Promote business process transforms utilizing digital technology and AI through collaboration with Accenture.

### **Capital control**

- ✓ Stable shareholder returns and flexible share buybacks.
- ✓ Balance financial stability and growth investment.

**Pursuing Our Four Core Values**

- ✓ Achieve MTP2026 targets for Scope 1 and 2 CO<sub>2</sub> emissions and energy intensity ahead of schedule.
- ✓ Obtain SBT certification by FY2026 to ensure reliability of our decarbonization plan through third-party verification
- ✓ Enhance the effectiveness of measures to achieve carbon neutrality for our own emissions by FY2035
- ✓ Reduce lost-time injury frequency rate to 0.1 or lower.

**Maximizing the Value of Human Capital**

- ✓ Employees Engagement Score (Global) Target: Maintain score of 75 or higher.
- ✓ Complete rollout of role-based HR system for management, and revision of the HR system for non-management employees. (Japan)
- ✓ Localization rate for global positions: 75% or higher.
- ✓ Strengthen recruitment and development of specialized talent (e.g., Digital, PLM business).

**Data-Driven Management and AI Adoption**

- ✓ Modernize core systems by building a robust data infrastructure
- ✓ Promote initiatives to visualize and utilize AI for manufacturing and quality data
- ✓ Expand the internal use of generative AI, primarily within functional and TC departments (usage rate exceeding 60%).
- ✓ Achieve ultra-stable production through automation and digital transformation

# **(Supplementary Information)**

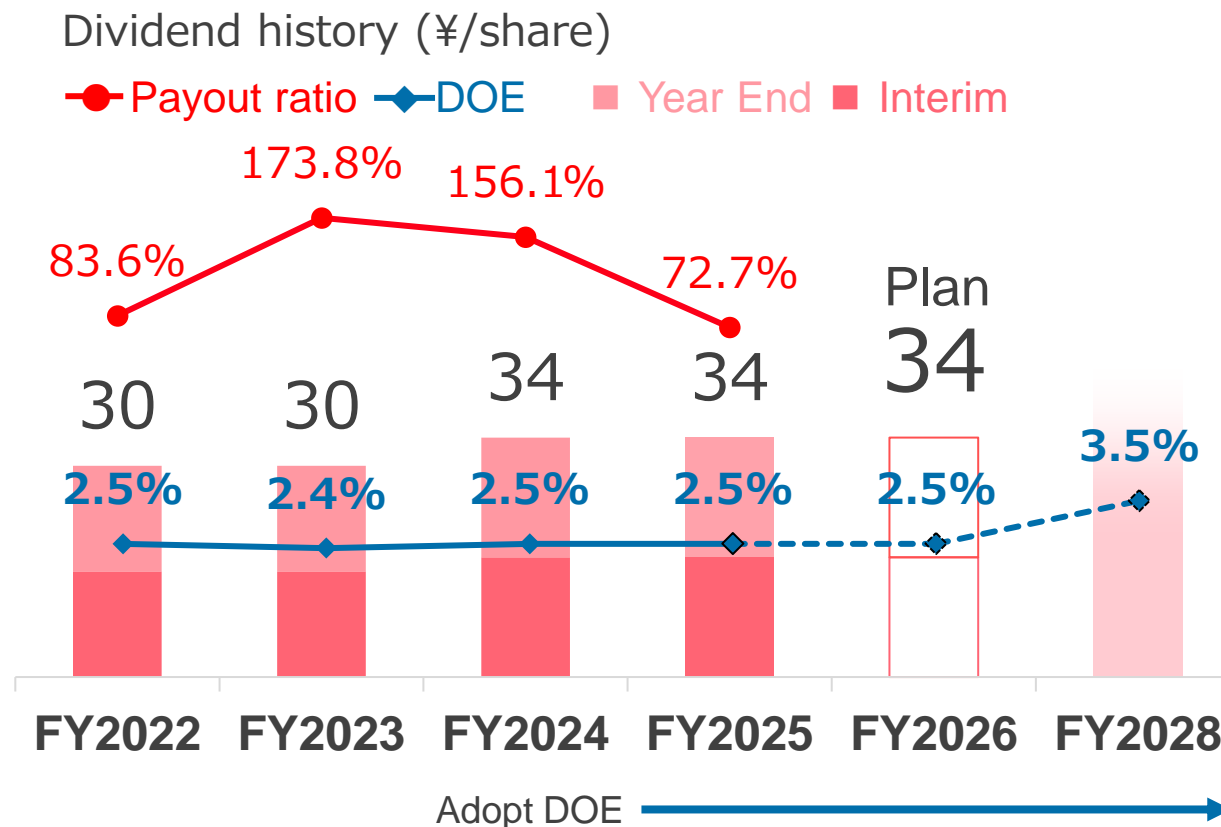
# Supplementary Information : Shareholder Returns

✓ FY2026 full year dividend ¥34/share (Interim dividend ¥17/share).

## Mid-Term Management Plan 2028 Shareholder Return Policy

### Continue Stable Shareholder Returns

- Dividend Payout Ratio 30-50%
- Dividend on Equity (DOE) will target a minimum of 2.5% and will be raised in stages in line with progress in improving ROE. Target DOE for FY2028 is 3.5%.
- Flexible share buybacks



Share Buyback	—	¥21.7 <sub>bn</sub>	—	—
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# Supplementary Information : Financial Results by Business Segment

\*Equity method investment gains/losses related to the Steering Business included in the Automotive Business for FY2024 (ended March 31, 2025) and FY2025 through August have been reclassified and presented under the Steering Business segment. We have completed the fair value measurement of acquired assets and assumed liabilities as of the end of FY2025 and finalized the allocation of acquisition costs. Accordingly, we have restated income and depreciation expenses retroactively to September 1, 2025.

		FY2024 Actual					FY2025 Actual					YoY		FY2026 Forecast		
(Billions of yen)		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Increase/ Decrease	Difference	H1	H2	Full Year
<b>Total</b>	<b>Sales</b>	200.5	197.1	199.3	199.7	796.7	195.8	216.5	246.2	253.2	911.6	+115.0	+14.4%	490.0	510.0	1,000.0
	<b>Operating Income</b>	5.9	3.8	5.9	12.8	28.5	4.8	12.9	11.2	9.9	38.8	+10.4	+36.4%	18.0	24.0	42.0
	<b>(%)</b>	2.9%	1.9%	3.0%	6.4%	3.6%	2.4%	6.0%	4.6%	3.9%	4.3%			3.7%	4.7%	4.2%
<b>Exclu. Steering Business</b>																
	<b>Sales</b>	200.5	197.1	199.3	199.7	796.7	195.8	201.3	203.7	210.4	811.1	+14.4	+1.8%	408.0	422.0	830.0
	<b>Operating Income</b>	5.7	4.8	4.9	11.6	27.1	4.5	8.9	8.7	8.9	31.1	+4.0	+14.8%	17.0	21.0	38.0
	<b>(%)</b>	2.8%	2.4%	2.5%	5.8%	3.4%	2.3%	4.4%	4.3%	4.2%	3.8%			4.2%	5.0%	4.6%
<b>Industrial Machinery Business</b>	<b>Sales</b>	90.5	90.0	90.5	90.5	361.5	89.2	91.6	94.6	102.1	377.5	+16.0	+4.4%	195.0	205.0	400.0
	<b>Industrial Machinery Bearings</b>	77.6	76.7	76.5	76.6	307.3	75.9	77.4	80.4	86.2	319.8	+12.5	+4.1%	163.0	172.0	335.0
	<b>Precision Machinery and Parts</b>	12.9	13.3	14.0	13.9	54.1	13.3	14.2	14.2	16.0	57.7	+3.5	+6.5%	32.0	33.0	65.0
	<b>Operating Income</b>	2.7	2.8	2.8	5.6	13.9	1.6	3.3	3.8	3.9	12.6	-1.4	-9.9%	10.0	12.0	22.0
	<b>(%)</b>	3.0%	3.1%	3.1%	6.2%	3.9%	1.8%	3.6%	4.0%	3.8%	3.3%			5.1%	5.9%	5.5%
<b>Automotive Business</b>	<b>Sales</b>	100.5	98.7	101.1	101.5	401.7	98.9	102.4	101.4	100.7	403.3	+1.6	+0.4%	199.0	201.0	400.0
	<b>Operating Income</b>	2.9	3.5	2.0	6.4	14.7	3.3	5.5	3.8	4.7	17.4	+2.7	+18.0%	8.0	10.0	18.0
	<b>(%)</b>	2.9%	3.6%	1.9%	6.3%	3.7%	3.4%	5.4%	3.8%	4.6%	4.3%			4.0%	5.0%	4.5%
<b>Others</b>	<b>Sales</b>	18.6	15.0	14.6	14.8	63.0	15.1	13.1	13.4	13.4	54.9	-8.1	-12.8%	26.0	28.0	54.0
	<b>Operating Income</b>	0.8	0.1	1.6	-0.3	2.3	0.3	-0.1	0.0	0.2	0.5	-1.8	-78.6%	0.0	0.0	0.0
	<b>(%)</b>	4.5%	0.7%	10.9%	-1.8%	3.6%	2.3%	-0.6%	0.0%	1.6%	0.9%			0.0%	0.0%	0.0%
<b>Eliminations (sales)</b>		-9.1	-6.5	-6.9	-7.0	-29.5	-7.3	-5.8	-5.7	-5.8	-24.6	+4.8	—	-12.0	-12.0	-24.0
<b>Other operating income and expenses /Adjustments</b>		-0.8	-1.6	-1.4	-0.1	-3.8	-0.7	0.2	1.1	0.1	0.7	+4.5	—	-1.0	-1.0	-2.0
<b>Steering Business</b>	<b>Sales</b>	-	-	-	-	-	-	15.2	42.6	42.8	100.6	+100.6	—	82.0	88.0	170.0
	<b>Operating Income</b>	0.2	-1.0	1.0	1.2	1.4	0.3	4.0	2.5	1.0	7.7	+6.3	+459%	1.0	3.0	4.0
	<b>(%)</b>	-	-	-	-	-	-	26.4%	5.8%	2.3%	7.7%			1.2%	3.4%	2.4%

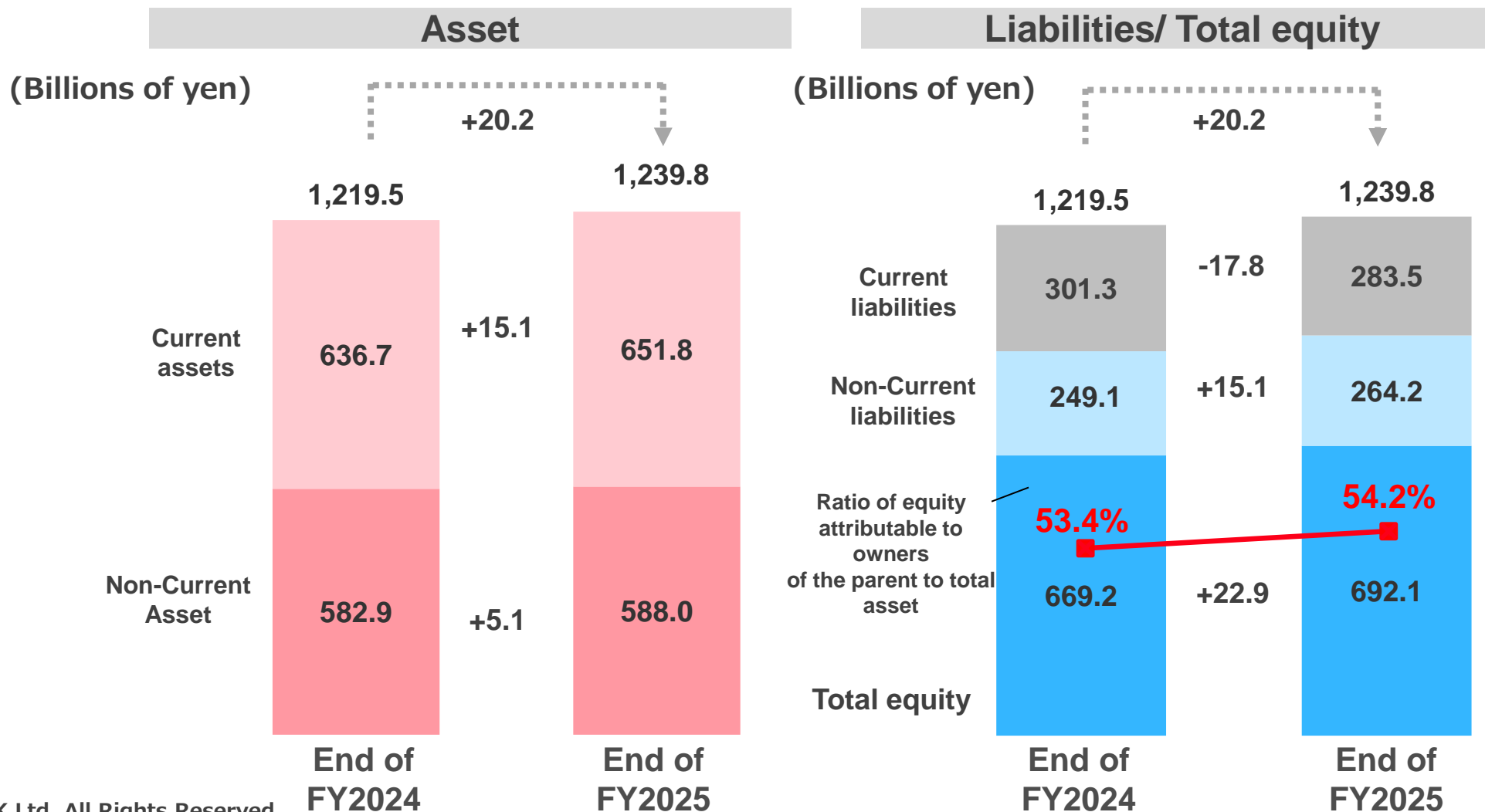
# Supplementary Information: Sales by Customer Location

(Billions of yen)	FY2024 Actual					FY2025 Actual					YOY	
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full Year	Increase/ Decrease	Difference
<b>Sales</b>	<b>200.5</b>	<b>197.1</b>	<b>199.3</b>	<b>199.7</b>	<b>796.7</b>	<b>195.8</b>	<b>216.5</b>	<b>246.2</b>	<b>253.2</b>	<b>911.6</b>	<b>+115.0</b>	<b>+14.4%</b>
<b>Japan</b>	<b>64.1</b>	<b>65.8</b>	<b>66.3</b>	<b>65.1</b>	<b>261.3</b>	<b>62.5</b>	<b>68.9</b>	<b>77.7</b>	<b>77.9</b>	<b>286.9</b>	<b>+25.7</b>	<b>+9.8%</b>
<b>Non-Japan</b>	<b>136.4</b>	<b>131.3</b>	<b>133.0</b>	<b>134.7</b>	<b>535.4</b>	<b>133.3</b>	<b>147.6</b>	<b>168.5</b>	<b>175.3</b>	<b>624.7</b>	<b>+89.3</b>	<b>+16.7%</b>
(Non-Japan Ratio)	68.0%	66.6%	66.8%	67.4%	67.2%	68.1%	68.2%	68.4%	69.2%	68.5%		
<b>The Americas</b>	<b>39.2</b>	<b>36.1</b>	<b>36.2</b>	<b>38.5</b>	<b>150.0</b>	<b>38.6</b>	<b>42.8</b>	<b>47.5</b>	<b>54.3</b>	<b>183.1</b>	<b>+33.2</b>	<b>+22.1%</b>
<b>Europe</b>	<b>27.1</b>	<b>23.8</b>	<b>23.0</b>	<b>26.1</b>	<b>100.0</b>	<b>23.8</b>	<b>27.5</b>	<b>35.9</b>	<b>39.5</b>	<b>126.7</b>	<b>+26.7</b>	<b>+26.7%</b>
<b>China</b>	<b>42.0</b>	<b>43.2</b>	<b>46.4</b>	<b>41.2</b>	<b>172.6</b>	<b>43.2</b>	<b>47.7</b>	<b>54.7</b>	<b>48.8</b>	<b>194.5</b>	<b>+21.9</b>	<b>+12.7%</b>
<b>Other Asia</b>	<b>28.1</b>	<b>28.3</b>	<b>27.5</b>	<b>29.0</b>	<b>112.8</b>	<b>27.7</b>	<b>29.6</b>	<b>30.5</b>	<b>32.6</b>	<b>120.4</b>	<b>+7.5</b>	<b>+6.7%</b>
Ex. Rate												
<b>1USD</b>	<b>155.9</b>	<b>149.4</b>	<b>152.4</b>	<b>152.6</b>	<b>152.6</b>	<b>144.6</b>	<b>147.5</b>	<b>154.2</b>	<b>156.9</b>	<b>150.8</b>	<b>-1.8</b>	<b>-1.2%</b>
<b>1EUR</b>	<b>167.9</b>	<b>164.0</b>	<b>162.6</b>	<b>160.5</b>	<b>163.7</b>	<b>163.8</b>	<b>172.3</b>	<b>179.4</b>	<b>183.6</b>	<b>174.8</b>	<b>+11.1</b>	<b>+6.7%</b>
<b>1CNY</b>	<b>21.5</b>	<b>20.8</b>	<b>21.2</b>	<b>21.0</b>	<b>21.1</b>	<b>20.0</b>	<b>20.6</b>	<b>21.7</b>	<b>22.7</b>	<b>21.3</b>	<b>+0.1</b>	<b>+0.7%</b>

# Supplementary Information: Consolidated Balance Sheet

Due in part to the consolidation of the Steering Business as a subsidiary on September 1, 2025, assets and liabilities have increased from the previous fiscal year-end balance.

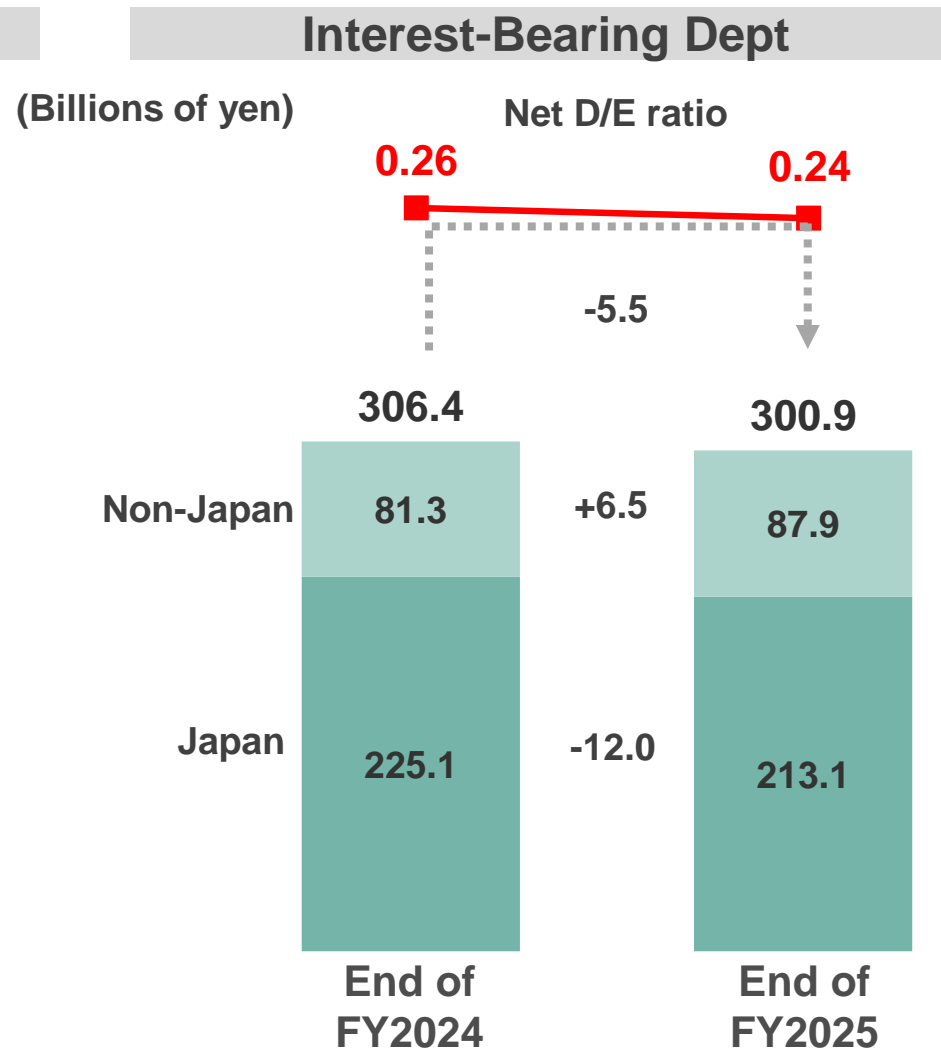
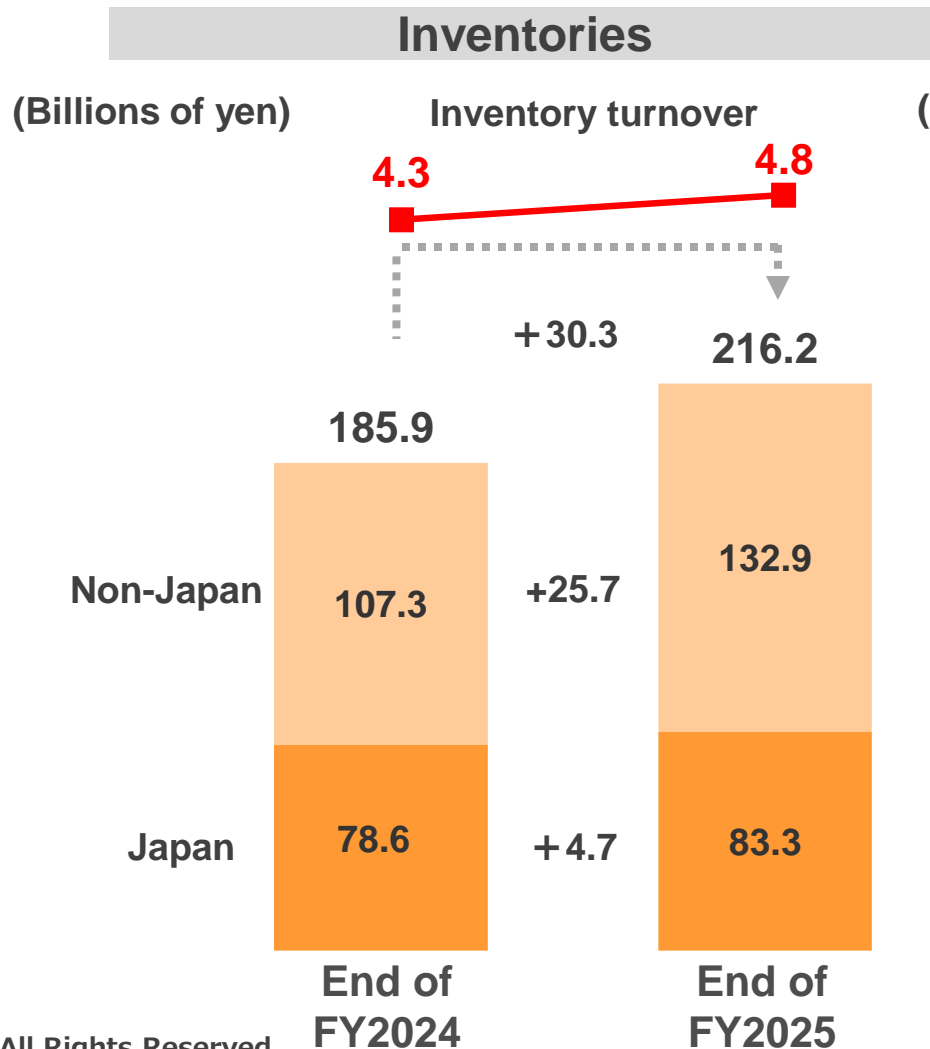
Ex. Rate	End of FY2024	End of FY2025
1USD	149.5	159.9
1EUR	162.0	183.4
1CNY	20.6	23.1



# Supplementary Information: Inventories/ Interest-Bearing Dept

Due in part to the consolidation of the Steering Business as a subsidiary on September 1, 2025, assets and liabilities have increased from the previous fiscal year-end balance.

Ex. Rate	End of FY2024	End of FY2025
1USD	149.5	159.9
1EUR	162.0	183.4
1CNY	20.6	23.1



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

(Billions of yen)	FY2024 Full year Actual	FY2025 Full year Actual	FY2026 Full year Forecast
Capital Expenditures	56.5	51.9	60.0
Capital Expenditures (Excl. lease)	51.0	47.2	55.0
Depreciation and Amortization	52.4	55.1	58.0
Depreciation and Amortization (Excl. lease)	47.6	50.4	53.0
R&D Expenses (on a managerial basis)	27.5	34.2	40.0
R&D Expenses (on a statutory basis)	16.3	17.2	19.0