



# NSK Ltd.

## Supplementary information

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March 2025

### **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.

# Company Profile

The first Japanese bearing manufacturer / Share of bearings: No.1 in Japan, No.3 worldwide



Akitoshi Ichii, President and CEO

## <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.

■ <b>Company Name</b>	NSK Ltd.
■ <b>Established</b>	November 8, 1916
■ <b>Capital</b>	¥67.2 billion (As of March 31, 2024)
■ <b>Sales</b>	¥788.9 billion (Year ended March 31, 2024)
■ <b>Operating Income</b>	¥27.4 billion (Year ended March 31, 2024)
■ <b>Subsidiaries</b>	82 companies (As of March 31, 2024)
■ <b>Number of Employees</b>	25,632 (As of March 31, 2024)

Established steering business as equity-method affiliate

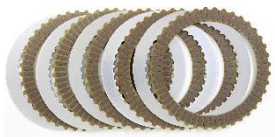


Headquarters  
(Tokyo, Japan)

# Sales Breakdown by Business Segment

**Automotive Business**  
52%

**Industrial Machinery Business**  
44%

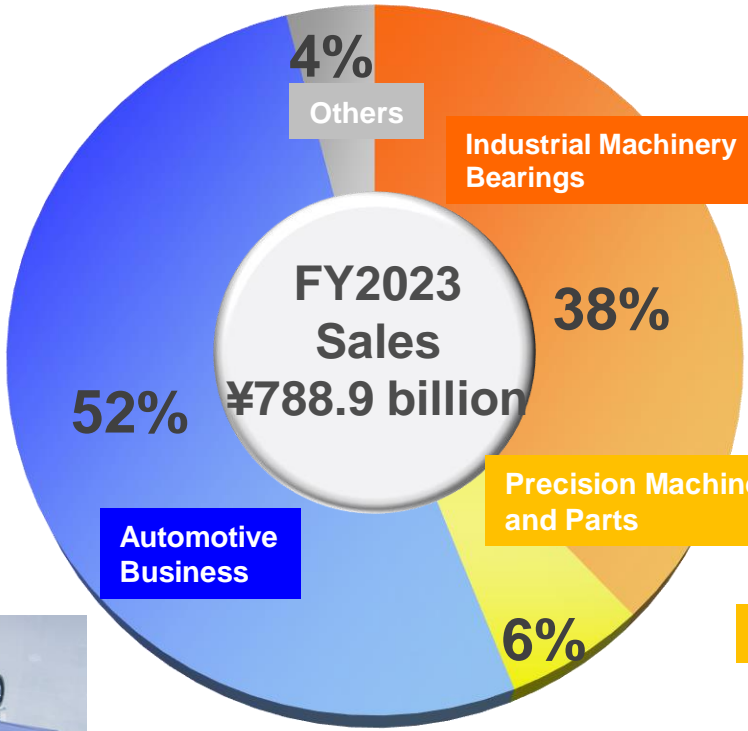


**Friction Plates**

**Ball screw unit for electric hydraulic brake systems**



**Needle roller bearings**



**Railways**  
Axle tapered roller bearings

**Industrial Robots**



**High stiffness thin-section angular contact ball bearings**

**Automotive Business**

**Precision Machinery and Parts**



**eAxle**



**Hub unit bearings**

**Others**

**Steel Balls**



**Electric erosion resistance Ex.) Ceramic ball bearings**

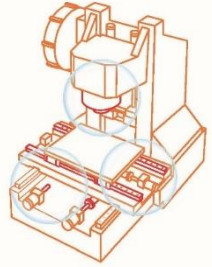


**High speed ball bearing for EV motors (Gen3)**

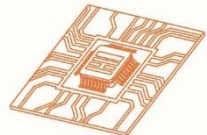
**Ball screws**



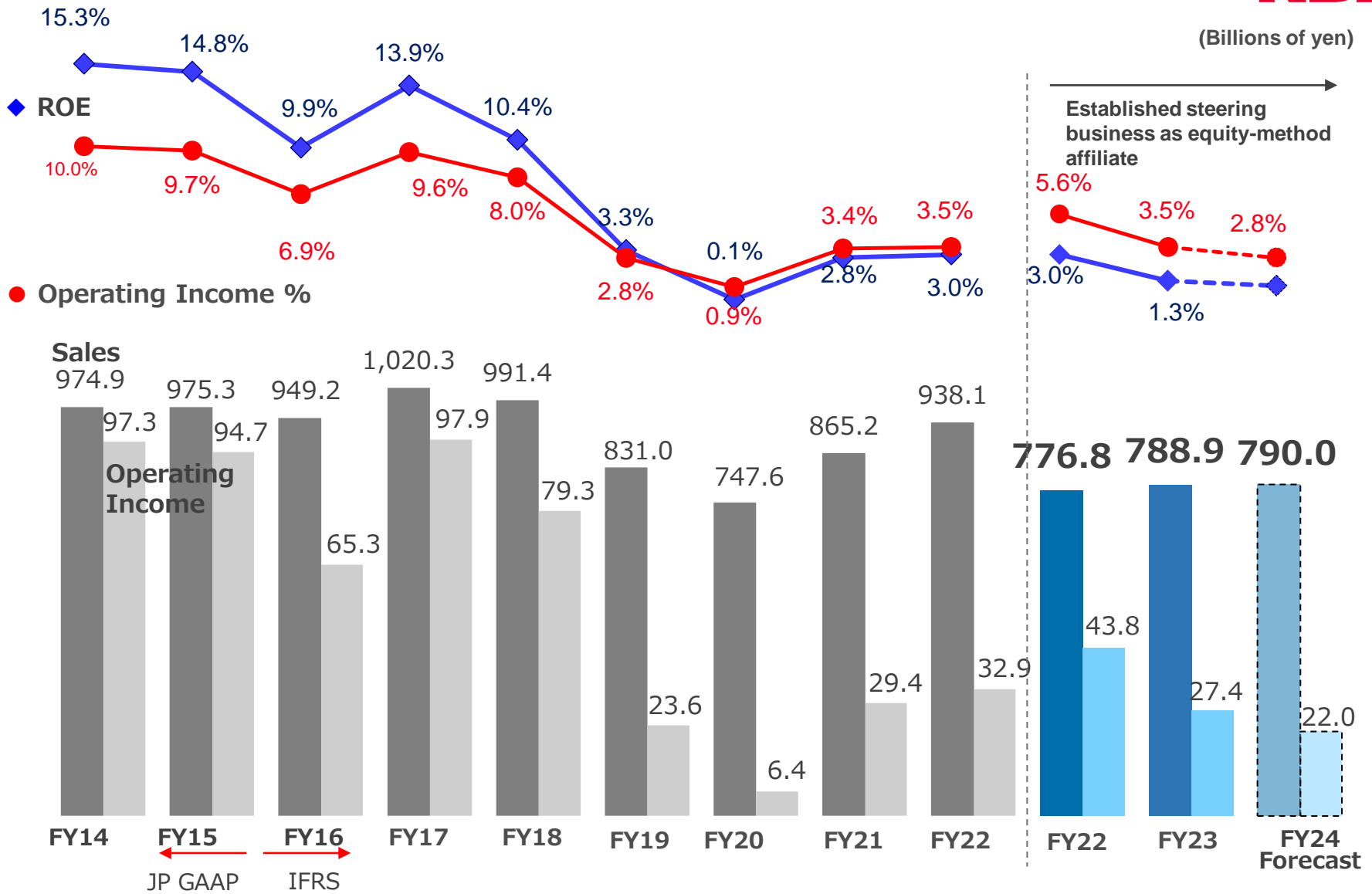
**Machine Tools**



**Semiconductor Production Equipment**



# Business Trends – Consolidated Business Trend –

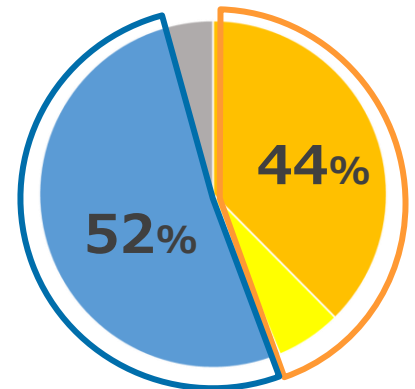
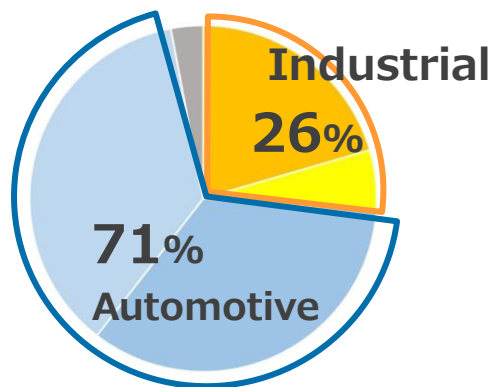
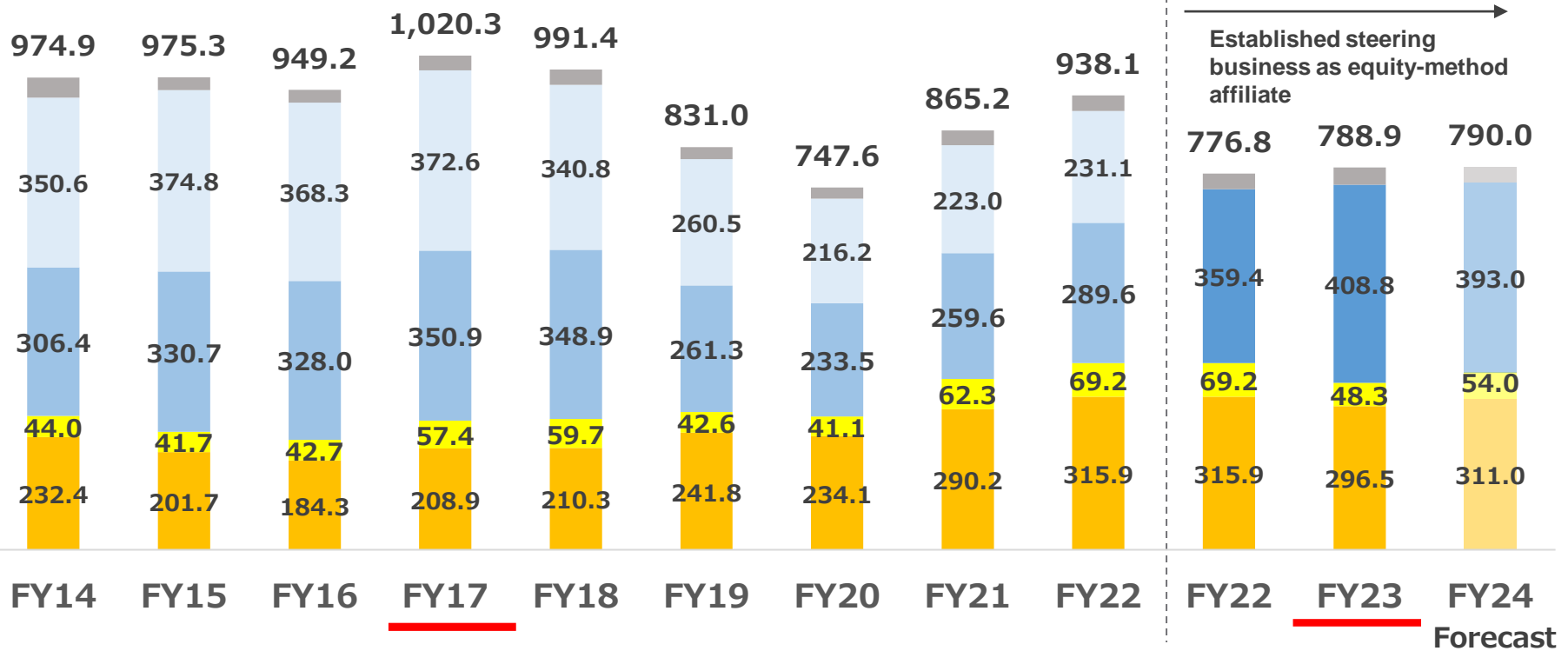


1USD	110	120	108	111	111	109	106	112	135	135	145	145
1EUR	139	133	119	130	128	121	124	131	141	141	157	150

# Business Trends – Sales by Business Segment –

(Billions of yen)

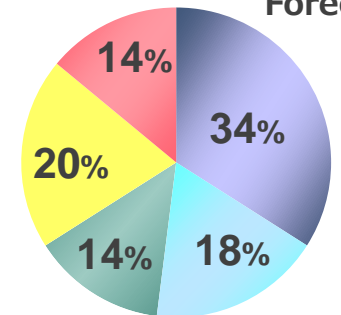
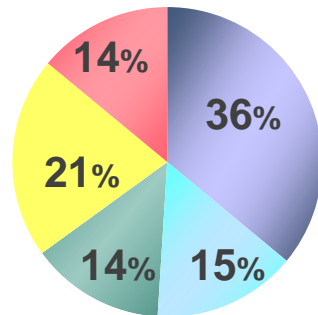
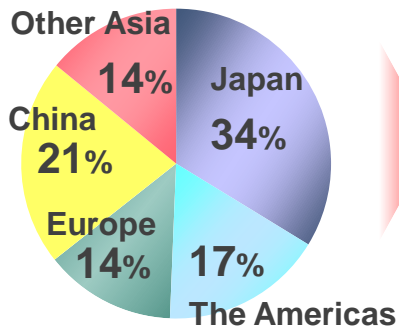
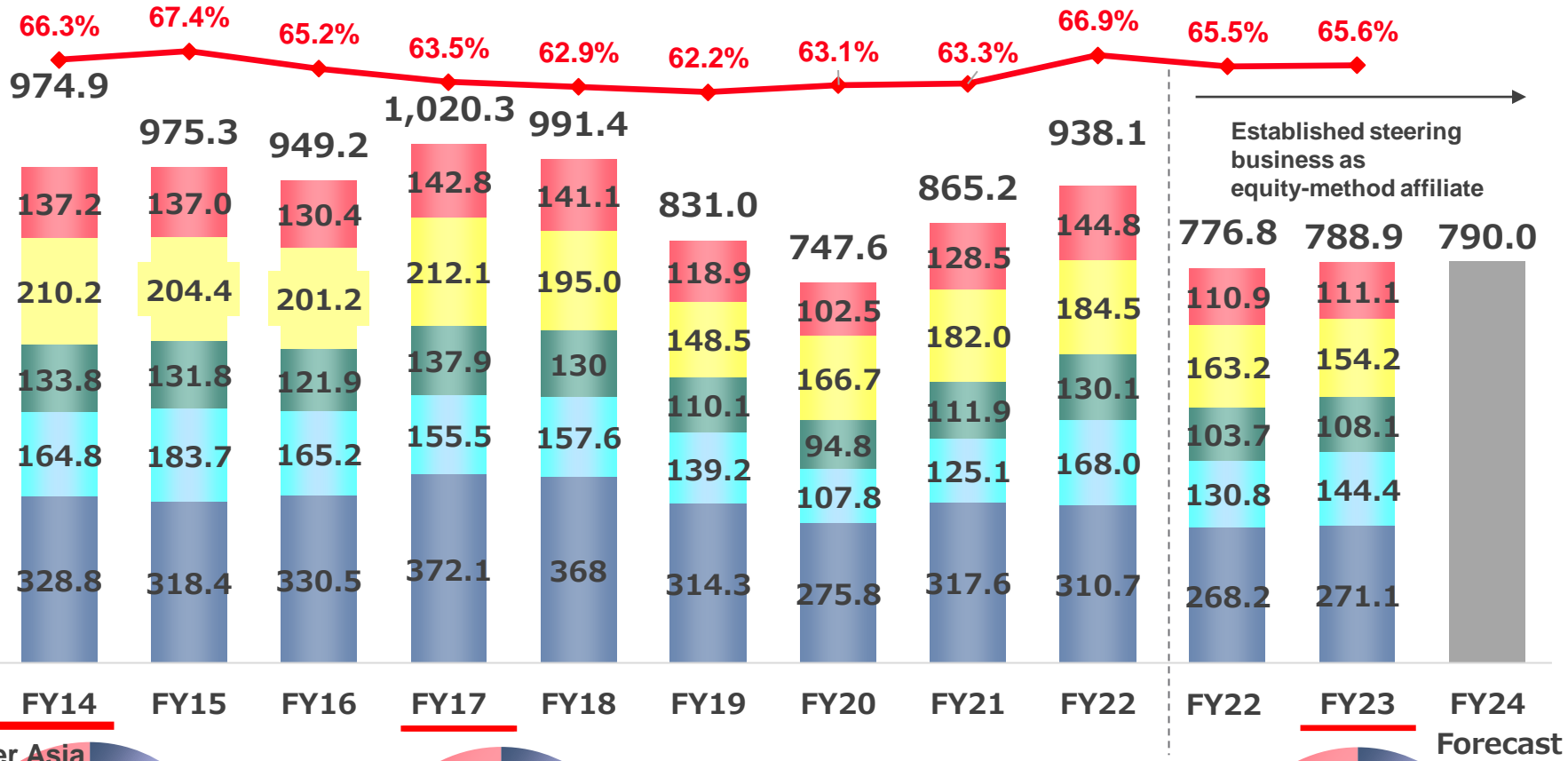
■ Industrial Machinery Bearings 
 ■ Precision machinery and parts  
■ Automotive Bearings 
 ■ Automotive components 
 ※FY22~ ■ Automotive



# Business Trends – Sales by Customer Location –

(Billions of yen)

Japan The Americas Europe China Other Asia Non-Japan ratio

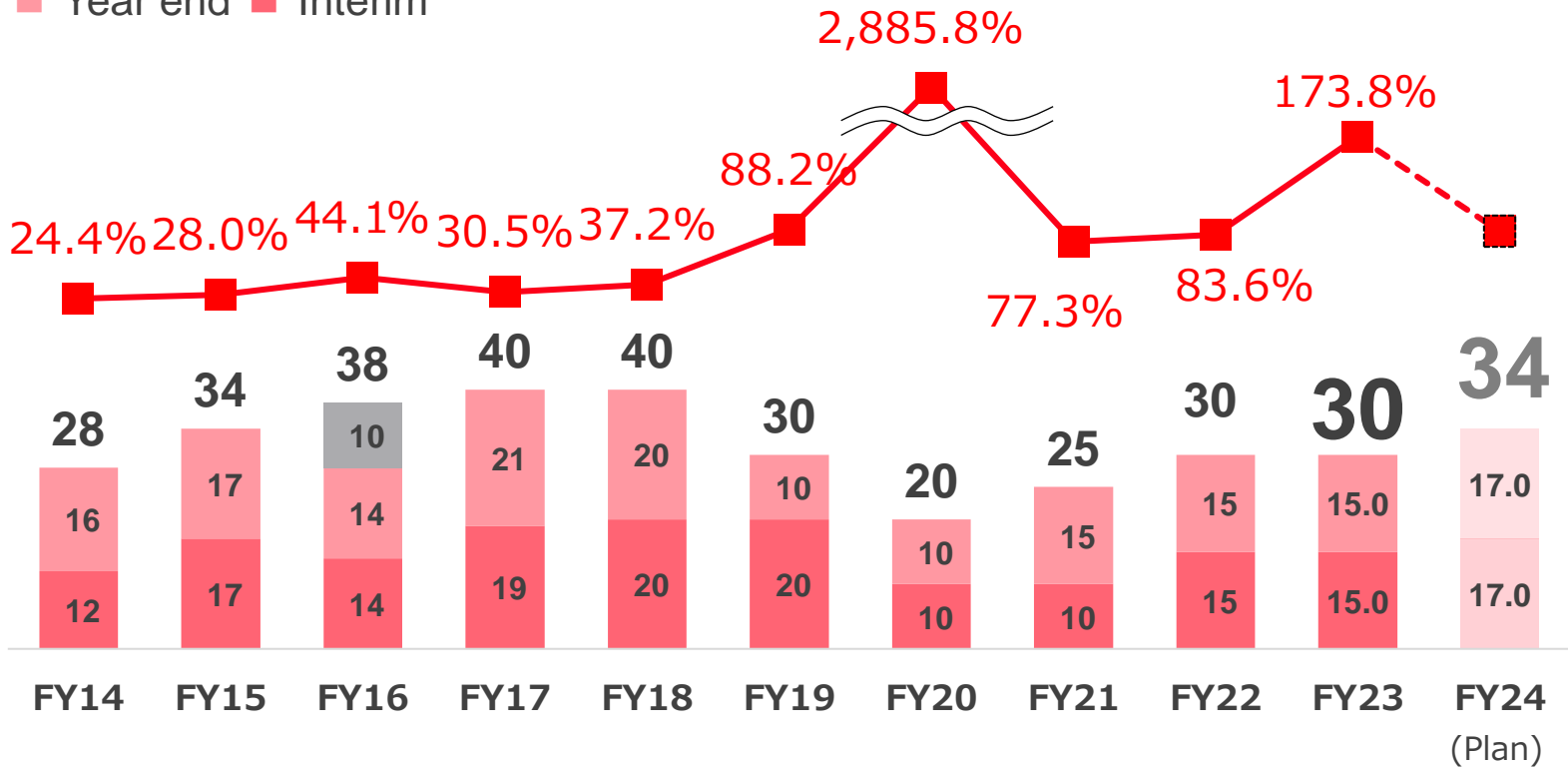


# Stock & Bond Information

## Dividend Transition

(yen)

- Payout ratio (Payout ratios are based on IFRS from FY2015.)
- 100th anniversary Commemorative dividend
- Year end ■ Interim



## Acquisition of treasury stock

¥15.0billion (FY16) ¥20.0billion (FY18) **¥21.7billion (FY23)**

# Growth with Profitability

## - Steering Business -

- ✓ Terminated joint venture discussion with thyssenkrupp AG and signed joint venture agreement with Japan Industrial Solutions III Investment Limited Partnership (JIS)
- ✓ Changed status of NSK Steering & Control, Inc., a subsidiary of the Company, to equity-method affiliate on July 3, 2023 (Shareholding ratio: NSK 49.9%、JIS 50.1%)

### Purpose

Promote structural reform by delegating management leadership to JIS, which has experience and expertise in management improvement in several Japanese manufacturing industry companies including automotive parts companies.

- Further structural reforms to improve profitability
- Promote independent operation (review governance structure and processes)
- Explore opportunities for alliances with strategic partners
- Strengthen monitoring system



# **Mid-Term Management Plan 2026**

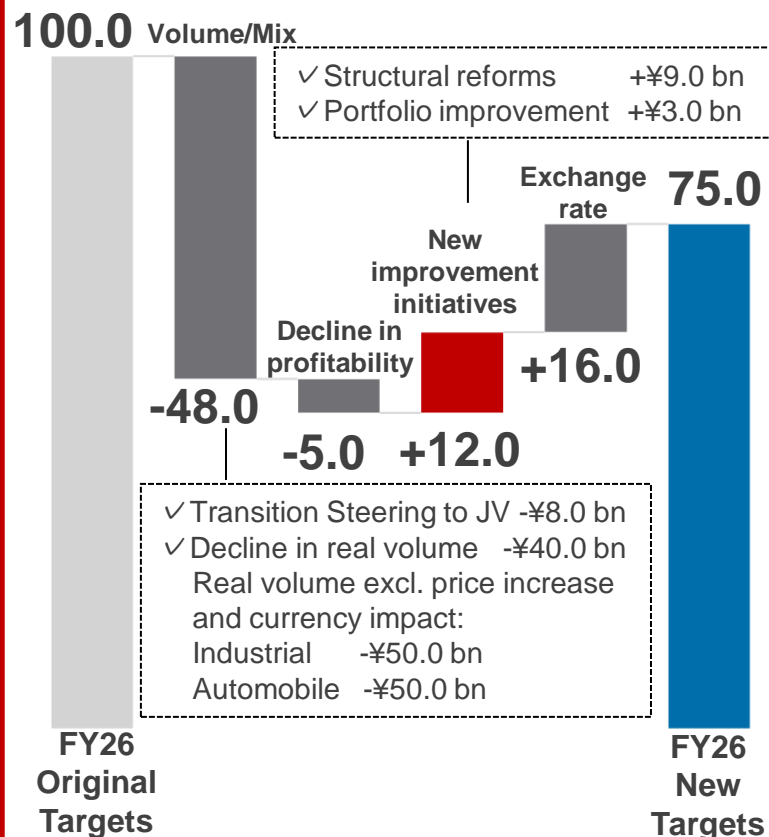
## **FY2022 to FY2026**

# MTP2026: New Targets Published in May 15, 2024

- ✓ Targets Revised Down: Sales ¥900.0 bn, Operating income ¥75.0 bn (8%) and 8% ROE
- New targets exclude sales and profits of Steering Business
- Maintained sales targets in Industrial and Automotive
- Adjusted Industrial operating income target to reflect decline in real volume; Maintained Automotive operating income target (excluding Steering)

	Original Targets	New Targets
Sales	Over ¥1 tn	¥900.0 bn
Industrial Machinery	¥450.0 bn	¥450.0 bn
Automotive (excluding Steering)	¥410.0 bn	¥410.0 bn
Steering	¥220.0 bn	—
Operating Income	¥100.0 bn	¥75.0 bn
Operating Income %	10%	8%
Industrial Machinery	13%	10%
Automotive (excluding Steering)	7%	7%
Steering	4%	—
ROE	10%	8%
ROIC	8%	6%
Net D/E Ratio	Below 0.4x	Below 0.4x
Forex Assumption	USD ¥112	USD ¥140

Factors behind change in operating income (Billions of yen)



# MTP2026 Profitability Improvement Measures

## FY24-26 Goal

Aim to strengthen business foundation through sales growth and portfolio reform to recover from deterioration in profitability due to change in business environment

### Management Policy

- ✓ Continue initiatives toward Three Key Management Tasks
- ✓ Profitability improvement is top priority
- ✓ Maintain investment in human resources, environment, DX

**Three Key Management Tasks**

- Growth with Profitability**
- ESG Management**
- Enhance Managerial Resources**

**Growth**

**Structural Improvement**

### Initiatives

- ✓ Business portfolio reform
  - » Expand Industrial Machinery
  - » Expand EV sales and increase share
  - » New products to market
- ✓ Ultra-stabilization of production
- ✓ DX driving efficiency
- ✓ Unit cost reductions, transfer labor cost increases to sales prices
- ✓ Execute structural reform/production reorganization

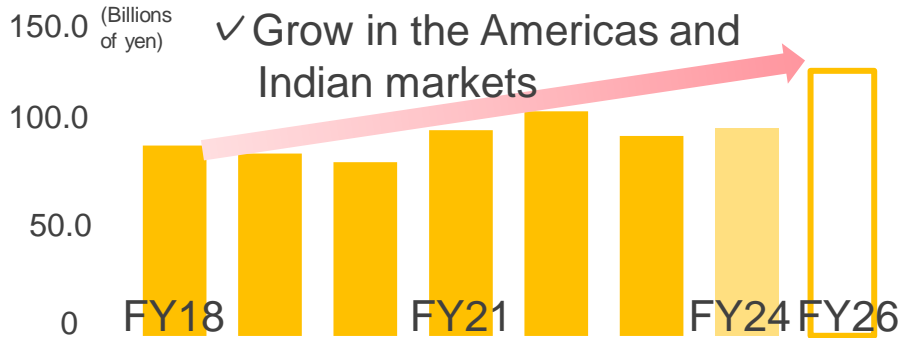
# MTP2026 Profitability Improvement Measures Progress

## ✓ Business Portfolio Reform

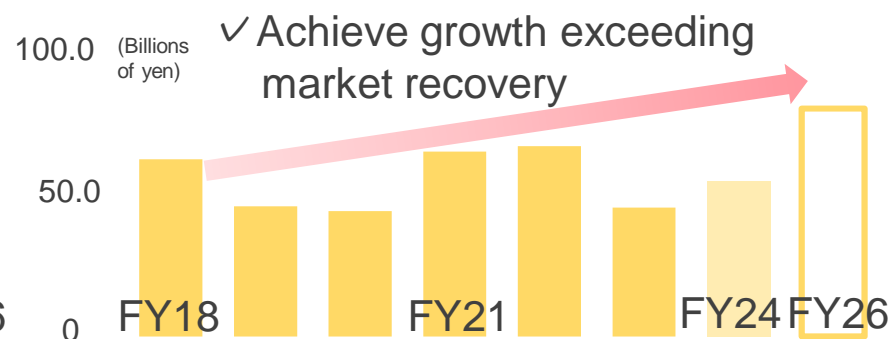
1. Expand Industrial Machinery » Sales ratio of total sales to 50% by FY26  
 FY21 41% > FY23 44% > FY24 Forecast 46%

Key Initiative:

### 1. Expand Aftermarket Sales



### 2. Expand Sales of Precision Products



## 2. Expand Sales Capturing Auto Electrification

- » EV (EV+HEV) Sales ratio to 45%  
 FY21 10% > FY23 21% > FY24 Forecast 25%

Key Initiative:

- High added value product lineup  
 eAxle、HUB  
 » Automotive bearings No.1
- Ball screws for electric brake systems  
 » No.1 market share (50%)
- Expand sales at non-Japanese customers  
 » Increase to over 30%

## 3. New Products to Market

- » New products goal: ¥50.0 bn  
 Progress: 80%

### Expand CMS Sector



Growth of electric brake ball screw business to ¥30.0 bn