

NSK Ltd.

For Immediate Release

February 1, 2017

CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED December 31, 2016 (Unaudited) [IFRS]

Company name	NSK Ltd.
Stock exchange on which the shares are listed	Tokyo Stock Exchange in Japan
Code number	6471
URL	http://www.nsk.com/
Representative	Toshihiro Uchiyama, President and CEO
Contact person	Kenichi Yamana, Vice President
Filing date of quarterly securities report	February 8, 2017
Payment date of cash dividends	-

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Highlights for the Nine Months Ended December 31, 2016

(1) Consolidated financial results

(% indicates changes from the previous year)

	Net sales		Operating income		Income before income taxes		Net income		Net income attributable to owners of the Parent		Total comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended Dec. 31, 2016	697,658	-5.1	45,011	-38.4	44,023	-38.5	32,617	-36.2	30,281	-37.7	47,536	61.0
Nine months ended Dec. 31, 2015	735,457	—	73,114	—	71,597	—	51,113	—	48,626	—	29,523	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 31, 2016	57.18	57.18
Nine months ended Dec. 31, 2015	89.82	89.74

(2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the Parent	Equity ratio attributable to owners of the Parent
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of Dec. 31, 2016	1,048,071	487,187	464,153	44.3
As of Mar. 31, 2016	1,032,374	478,871	454,661	44.0

2. Cash Dividends

(Record date)	Cash dividends per share				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year-end	Full-year total
Year ended Mar. 31, 2016	Yen —	Yen 17.00	Yen —	Yen 17.00	Yen 34.00
Year ending Mar. 31, 2017	—	24.00	—	—	—
Year ending Mar. 31, 2017 (Forecast)	—	—	—	14.00	38.00

(Note) Revision to the forecast of cash dividends from the latest announcement: None

(Note) Cash dividends for the first half of the fiscal year ending March 31, 2017 is comprised of ¥14.00 per share as an ordinary dividend and of ¥10.00 per share as the 100th anniversary commemorative dividend.

3. Forecast of Consolidated Results for the Year Ending March 31, 2017

(% indicates changes from the previous year)

	Net sales		Operating income		Income before income taxes		Net income attributable to owners of the Parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Year ending Mar. 31, 2017	920,000	-5.7	65,000	-27.4	63,000	-27.8	40,000	-39.1	75.71

(Note) Revision to the forecast of consolidated results from the latest announcement: None

4. Others

(1) Changes in the significant subsidiaries during the period (Changes in specified subsidiaries resulting in change in the scope of consolidation): None

(2) Changes in accounting policies, or changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes excluding the above: None

(iii) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding at the end of each period (including treasury stock):

As of Dec. 31, 2016 551,268,104 shares As of Mar. 31, 2016 551,268,104 shares

(ii) Number of treasury stock at the end of each period:

As of Dec. 31, 2016 22,868,885 shares As of Mar. 31, 2016 9,723,762 shares

(iii) Average number of shares issued and outstanding in each period:

Nine months ended Dec. 31, 2016 529,573,699 shares Nine months ended Dec. 31, 2015 541,390,996 shares

Information Regarding the Implementation of Quarterly Review Procedures

These quarterly financial results are not subject to quarterly review procedures. Therefore, at the time of this disclosure, the quarterly financial statement review procedures based on the "Financial Instruments and Exchange Law", have not been completed.

Cautionary Statement with Respect to Forward-Looking Statements

The forecasts in this document are based on currently available information, and actual results may materially differ from any future results expressed herein due to various factors.

1. Business Overview

(1) Qualitative Information Regarding Consolidated Business Results

NSK celebrated its 100th anniversary on November 8, 2016. In order to realize NSK's Mission Statement, NSK has established *NSK Vision 2026* (Setting the Future in Motion), an overarching vision of the type of company it aims to become in the 10 years following its 100th anniversary. Under *NSK Vision 2026*, the NSK Group has commenced its 5th Mid-Term Management Plan, spanning the three years beginning April 2016. Under the slogan "embark on new chapter in evolution towards next 100 years" with two key policies of "operational excellence" and "innovate and challenge," we will address three main management tasks: achieving sustainable growth, reconstructing our profit base, and establishing new growth fields.

Looking at global economic conditions during the nine months of the year ending March 31, 2017, the Japanese economy underwent a gradual recovery as consumer spending rose from a low, despite the underlying trend of a stronger yen. The US economy continued its steady growth, driven largely by solid consumer spending. The European economy continued on a moderate recovery trend, primarily in the Eurozone. Although the Chinese economy showed signs of a gradual pick-up, conditions in other Asian countries remained stagnant. Furthermore, uncertainty over the future of the economy grew in light of the UK's decision to exit the European Union and concerns over the direction of US government policy stemming from the result of last November's presidential election.

In this economic environment, consolidated net sales for the nine months of the year ending March 31, 2017 totaled ¥697,658 million, a year-on-year decrease of 5.1%, and operating income totaled ¥45,011 million, a year-on-year decrease of 38.4%. Income before income taxes was ¥44,023 million, a year-on-year decline of 38.5%. Net income attributable to owners of the parent was ¥30,281 million, a year-on-year decrease of 37.7%.

Business Segment Information

1) Industrial Machinery Business Segment

Sales in the industrial machinery business decreased amidst a weaker demand environment. Looking at the Company's results by geographic breakdown, sales in Japan were lower, primarily in the machine tool sector. In the Americas, sales in the aftermarket sector increased. In Europe, sales declined, primarily in the general machinery sector. In China, sales in the electrical and railcar sectors showed a steady increase, while overall sales in other Asian countries decreased.

With the appreciation of the yen also negatively impacting results, net sales in the industrial machinery business totaled ¥165,384 million, a year-on-year decrease of 11.0%, and operating income was ¥9,931 million, a year-on-year decline of 43.3%.

2) Automotive Business Segment

The global automotive market continued its gradual expansion. Looking at the Company's results by geographic breakdown, sales in Japan increased, primarily in products for transmission systems. In the Americas, sales in the North American market increased steadily. In Europe, the market continued its gradual recovery. In China, sales remained high, backed by special tax incentives for compact cars. Meanwhile, there was a general upward demand trend in other Asian countries.

Despite the above regional performance, the yen's appreciation negatively impacted results. As a result, net sales in the automotive business totaled ¥513,482 million, a year-on-year decrease of 3.0%, and operating income totaled ¥44,919 million, a year-on-year decline of 18.3%.

(2) Qualitative Information Regarding Consolidated Financial Position

Assets and Liabilities

Total assets were ¥1,048,071 million, an increase of ¥15,696 million compared to total assets as of March 31, 2016. The main reasons for this were increases of ¥12,502 million in trade receivables and other receivables, ¥11,885 million in other financial assets (non-current), and ¥13,430 million in net defined benefit assets, which offset ¥21,424 million in cash and cash equivalents.

Total liabilities were ¥560,883 million, an increase of ¥7,380 million compared to total liabilities as of March 31, 2016. The main reasons for this were increases of ¥9,426 million in trade payables and other payables, ¥18,841 million in other financial liabilities (current), ¥7,347 million in provisions (non-current), and ¥6,621 million in deferred tax liabilities, which offset ¥35,255 million in financial liabilities (non-current).

Total equity

Total equity was ¥487,187 million, an increase of ¥8,316 million compared to total equity as of March 31, 2016. The main reasons for this increase was ¥30,281 million in net income attributable to owners of the parent, which offset ¥13,986 million in treasury shares.

Cash Flows

Total cash and cash equivalents at the end of the period were ¥154,091 million, a decrease of ¥21,424 million compared to total cash and cash equivalents as of March 31, 2016, and a ¥53,617 million decrease on year-on-year basis.

1) Net cash flow provided by operating activities

Net cash flow provided by operating activities totaled ¥67,304 million, a decrease of ¥21,628 million, compared to the same period of the previous year. This includes ¥44,023 million in income before income taxes and ¥31,731 million in depreciation and amortization. Meanwhile, the main outflow was ¥14,483 million in income tax paid.

2) Net cash flow used in investing activities

Net cash flow used in investing activities totaled ¥33,922 million, an increase of ¥6,035 million compared to the same period of the previous year.

3) Net cash flow used in financing activities

Net cash flow used in financing activities totaled ¥55,323 million, an increase of ¥19,597 million compared to the same period of the previous year. This includes ¥13,614 million in repayments of long-term loans, ¥15,001 million in acquisition of treasury shares, ¥21,621 million in dividends paid, and ¥2,482 million in dividends paid to non-controlling interests.

(3) Explanation regarding future forecast information including consolidated business forecast

No revision has been made to the consolidated business forecasts for the year ending March 31, 2017 announced on May 11, 2016.

2. Matters Regarding Summary Information (Others)

(1) Changes in Significant Subsidiaries during the Period

None.

(2) Changes in Accounting Policies, or Changes in Accounting Estimates

None.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	As of Mar.31, 2016	As of Dec.31, 2016
Assets		
Current assets		
Cash and cash equivalents	175,515	154,091
Trade receivables and other receivables	182,332	194,835
Inventories	130,564	135,162
Other financial assets	4,052	1,821
Income tax receivables	2,174	4,993
Other current assets	16,613	14,775
Total current assets	511,253	505,678
Non-current assets		
Property, plant and equipment	323,116	320,187
Intangible assets	15,785	16,559
Investments accounted for using equity method	22,179	20,985
Other financial assets	86,163	98,048
Deferred tax assets	20,455	19,973
Net defined benefit assets	49,898	63,328
Other non-current assets	3,522	3,309
Total non-current assets	521,121	542,392
Total assets	1,032,374	1,048,071
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	140,713	150,140
Other financial liabilities	99,674	118,515
Provisions	150	83
Income tax payables	4,536	4,228
Other current liabilities	48,172	52,780
Total current liabilities	293,247	325,747
Non-current liabilities		
Financial liabilities	179,654	144,398
Provisions	1,855	9,202
Deferred tax liabilities	35,540	42,161
Net defined benefit liabilities	38,125	34,666
Other non-current liabilities	5,080	4,705
Total non-current liabilities	260,255	235,135
Total liabilities	553,503	560,883
Equity		
Issued capital	67,176	67,176
Capital surplus	79,603	79,698
Retained earnings	278,524	288,438
Treasury shares	-3,949	-17,936
Other components of equity	33,306	46,776
Total equity attributable to owners of the Parent	454,661	464,153
Non-controlling interests	24,210	23,034
Total equity	478,871	487,187
Total liabilities and equity	1,032,374	1,048,071

(2) Quarterly Consolidated statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Nine months ended Dec. 31, 2015	Nine months ended Dec. 31, 2016
Sales	735,457	697,658
Cost of sales	565,966	546,378
Gross profit	169,491	151,280
Selling, general and administrative expenses	97,032	96,613
Share of profits of investments accounted for using the equity method	3,197	2,973
Other operating income	-	86
Other operating expenses	2,541	12,714
Operating income (loss)	73,114	45,011
Financial income	2,130	2,096
Financial expenses	3,647	3,083
Income (loss) before income taxes	71,597	44,023
Income tax expense	20,484	11,406
Net income	51,113	32,617
Net income attributable to:		
Owners of the Parent	48,626	30,281
Non-controlling interests	2,486	2,335
(Net income per share attributable to owners of the Parent)		
Basic earnings per share (yen)	89.82	57.18
Diluted earnings per share (yen)	89.74	57.18

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended Dec. 31, 2015	Nine months ended Dec. 31, 2016
Net income	51,113	32,617
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	-6,340	8,102
Net changes in financial assets measured at fair value through other comprehensive income	-2,432	9,310
Share of other comprehensive income of investments accounted for using equity method	-3	123
Total items that will not be reclassified to profit or loss	-8,776	17,535
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	-12,517	-2,429
Share of other comprehensive income of investments accounted for using equity method	-294	-186
Total items that may be reclassified to profit or loss	-12,812	-2,616
Total other comprehensive income, net of tax	-21,589	14,919
Total comprehensive income for the period	29,523	47,536
Total comprehensive income for the period attributable to:		
Owners of the parent	27,957	45,245
Non-controlling interests	1,566	2,291

(3) Quarterly Consolidated Statements of Changes in Equity

From April 1, 2015 to December 31, 2015

(Millions of yen)

	Equity attributable to owners of the Parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	79,191	230,214	-4,083
Net income	—	—	48,626	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	48,626	—
Purchase of treasury shares	—	—	—	-10
Disposal of treasury shares	—	142	—	116
Share-based payment transactions	—	145	—	—
Cash dividends	—	—	-17,877	—
Changes in the ownership interest in subsidiaries	—	—	—	—
Other	—	—	-160	—
Total transactions with owners, etc.	—	288	-18,038	105
Closing balance	67,176	79,480	260,802	-3,978

	Equity attributable to owners of the Parent				Total	Non-controlling interests	Total equity
	Other components of equity			Total			
	Exchange differences on translating foreign operations	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of net defined benefit liability (asset)				
Opening balance	23,451	46,356	19,230	89,038	461,536	25,265	486,801
Net income	—	—	—	—	48,626	2,486	51,113
Other comprehensive income	-11,891	-2,471	-6,305	-20,668	-20,668	-920	-21,589
Total comprehensive income for the period	-11,891	-2,471	-6,305	-20,668	27,957	1,566	29,523
Purchase of treasury shares	—	—	—	—	-10	—	-10
Disposal of treasury shares	—	—	—	—	258	—	258
Share-based payment transactions	—	—	—	—	145	—	145
Cash dividends	—	—	—	—	-17,877	-2,977	-20,855
Changes in the ownership interest in subsidiaries	—	—	—	—	—	—	—
Other	—	187	—	187	26	—	26
Total transactions with owners, etc.	—	187	—	187	-17,457	-2,977	-20,434
Closing balance	11,560	44,071	12,924	68,556	472,037	23,853	495,891

From April 1, 2016 to December 31, 2016

(Millions of yen)

	Equity attributable to owners of the Parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	79,603	278,524	-3,949
Net income	—	—	30,281	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	30,281	—
Purchase of treasury shares	—	—	—	-15,007
Disposal of treasury shares	—	27	—	1,021
Share-based payment transactions	—	267	—	—
Cash dividends	—	—	-21,905	—
Changes in the ownership interest in subsidiaries	—	-200	—	—
Other	—	—	1,537	—
Total transactions with owners, etc.	—	94	-20,367	-13,986
Closing balance	67,176	79,698	288,438	-17,936

	Equity attributable to owners of the Parent				Total	Non-controlling interests	Total equity
	Other components of equity						
	Exchange differences on translating foreign operations	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of net defined benefit liability (asset)	Total			
Opening balance	-3,191	35,292	1,204	33,306	454,661	24,210	478,871
Net income	—	—	—	—	30,281	2,335	32,617
Other comprehensive income	-2,554	9,330	8,186	14,963	14,963	-44	14,919
Total comprehensive income for the period	-2,554	9,330	8,186	14,963	45,245	2,291	47,536
Purchase of treasury shares	—	—	—	—	-15,007	—	-15,007
Disposal of treasury shares	—	—	—	—	1,048	—	1,048
Share-based payment transactions	—	—	—	—	267	—	267
Cash dividends	—	—	—	—	-21,905	-2,482	-24,388
Changes in the ownership interest in subsidiaries	—	—	—	—	-200	-984	-1,185
Other	—	-1,493	—	-1,493	44	—	44
Total transactions with owners, etc.	—	-1,493	—	-1,493	-35,752	-3,467	-39,220
Closing balance	-5,745	43,130	9,391	46,776	464,153	23,034	487,187

(4) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended Dec. 31, 2015	Nine months ended Dec. 31, 2016
Operating activities		
Income before income taxes	71,597	44,023
Depreciation and amortisation	32,249	31,731
Increase (decrease) in net defined benefit liability and net defined benefit asset	-3,217	-4,793
Interest and dividend income	-2,117	-2,059
Interest expenses	3,618	2,801
Share of profits of investments accounted for using the equity method	-3,197	-2,973
Decrease (increase) in trade receivables	5,276	-13,731
Decrease (increase) in inventories	-3,876	-5,091
Increase (decrease) in trade payables	2,490	16,020
Other	-1,540	12,474
Subtotal	101,283	78,402
Interest and dividend received	4,893	6,108
Interest expenses paid	-3,546	-2,723
Income tax paid	-13,697	-14,483
Net cash provided by operating activities	88,933	67,304
Investing activities		
Purchases of property, plant and equipment	-31,335	-34,180
Proceeds from sale of property, plant and equipment	200	562
Purchases of other financial assets	-39	-155
Proceeds from sale of other financial assets	3,263	2,278
Other	22	-2,428
Net cash used in investing activities	-27,887	-33,922
Financial activities		
Proceeds from long-term loans	577	318
Repayments of long-term loans	-12,148	-13,614
Acquisition of treasury shares	-4	-15,001
Dividends paid	-17,687	-21,621
Dividends paid to non-controlling interests	-2,977	-2,482
Other	-3,485	-2,921
Net cash provided by (used in) financial activities	-35,726	-55,323
Effect of exchange rate changes on cash and cash equivalents	-1,985	517
Net increase (decrease) in cash and cash equivalents	23,334	-21,424
Cash and cash equivalents at beginning of the period	184,374	175,515
Cash and cash equivalents at end of the period	207,708	154,091

(5) Going Concern Assumption

None.

(6) Notes to Quarterly Consolidated Balance Sheet

Segment Information

1) Overview of Reportable Segments

Two business division headquarters classified by industry of their customers, develop and implement comprehensive global strategies for their respective businesses. Given this background, the NSK Group classifies its reportable segments into the Industrial Machinery Business and the Automotive Business.

In order to strengthen its response to rapidly developing needs for vehicle electrification, the NSK Group reviewed its organization, transferring part of its industrial machinery business operations to the automotive business. Accordingly, the Group altered the categories of its reportable segments as of the third quarter of the fiscal year ending March 31, 2017. Figures for the equivalent period of the previous year have been reclassified to match current segments.

2) Segment Revenue and Performance

From April 1, 2015 to December 31, 2015

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Industrial Machinery Business	Automotive Business	Subtotal				
Sales							
Sales to third parties	185,742	529,506	715,248	20,209	735,457	—	735,457
Intersegment sales	—	—	—	18,787	18,787	-18,787	—
Total	185,742	529,506	715,248	38,996	754,244	-18,787	735,457
Segment income (loss) (Operating income)	17,528	54,960	72,488	2,978	75,466	-2,352	73,114
Total financial income (expenses)							-1,516
Income before income taxes							71,597

(Note 1) "Others" refers to operating segments excluded from reportable segments and include such businesses as the production and sales of steel balls and production of machineries.

(Note 2) The adjustment made for segment income (loss) in the amount of -¥2,352 million includes intersegment elimination in the amount of ¥188 million and other operating expenses not allocated to the reportable segments in the amount of -¥2,541 million.

From April 1, 2016 to December 31, 2016

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Industrial Machinery Business	Automotive Business	Subtotal				
Sales							
Sales to third parties	165,384	513,482	678,866	18,791	697,658	—	697,658
Intersegment sales	—	—	—	19,064	19,064	-19,064	—
Total	165,384	513,482	678,866	37,856	716,723	-19,064	697,658
Segment income (loss) (Operating income)	9,931	44,919	54,851	2,653	57,504	-12,492	45,011
Total financial income (expenses)							-987
Income before income taxes							44,023

(Note 1) "Others" refers to operating segments excluded from reportable segments and include such businesses as the production and sales of steel balls and production of machineries.

(Note 2) The adjustment made for segment income (loss) in the amount of -¥12,492 million includes intersegment elimination in the amount of ¥135 million and other operating income as well as other operating expenses not allocated to the reportable segments in the amount of -¥12,628 million.

Contingencies

1) Litigation and Other Legal Matters

(The third quarter of the year ending Mar. 31, 2017)

Regarding sales of their products, NSK and some of its subsidiaries are under investigation by relevant authorities outside Japan on suspicion of violating competition laws. The NSK Group is cooperating fully with these respective investigations.

In addition, in the United States and Canada, plaintiffs, including representatives of purchasers of bearings or other products, have filed class actions against certain parties, including NSK and some of its subsidiaries in Japan, the United States, Canada and Europe. The plaintiffs allege, among other things, that the defendants conspired with each other to restrict competition in sales of bearings and other products in these countries, and seek damages, injunctive relief, and other relief against the defendants.

In the United States, with respect to bearings or other products, tentative classes representing (i) direct purchasers of bearings, such as automotive manufacturers and industrial equipment manufacturers, (ii) dealers of commercial vehicles, medium and heavy duty trucks, buses, heavy machinery and other similar vehicles, and (iii) end purchasers of automobiles respectively have each filed a class action against NSK and some of its subsidiaries in Japan, the United States and Europe. All of these lawsuits are pending in the Eastern District of Michigan. NSK and some of its subsidiaries in Japan and the United States have settled with part of the tentative classes, including the state government, respectively, including a settlement with some indirect purchasers (automobile dealers and end purchasers of automobiles) that are part of the tentative classes in the amount of US\$ 34.5 million on the 22nd of July 2016 (JST) (21st of July 2016 (EST)). However, the settlement with the end purchasers of automobiles, mentioned above, will require the approval of the Eastern District of Michigan.

Discovery (the formal process in which both parties in a lawsuit request disclosure from the other of evidence that may be presented at trial, including documents relating to the lawsuit) has begun for several of these lawsuits. After discovery, the court will rule on the plaintiffs' motions to certify the class in each lawsuit. The future course of each litigation will depend on the court's ruling on the motions to certify the classes.

In Canada, tentative classes of direct (such as automotive manufacturers) and indirect purchasers (such as automobile dealers and end purchasers of automobiles) have filed class actions against NSK and some of its US, Canadian and European subsidiaries in Ontario, Quebec, British Columbia, and Saskatchewan, with respect to bearings or other products. The class certification stage has begun for some of these class actions.

Furthermore, Peugeot S.A. and 18 of its subsidiaries (collectively, the "Claimants") have filed a claim in the United Kingdom Competition Appeal Tribunal against defendants, including NSK and some of its subsidiaries in Europe, seeking 437.7 million euros (provisional amount) in damages on a joint and several basis related to a violation of European competition law that the European Commission settled on March 19, 2014 (Brussels Time). The Claimants allege that the percentage of purchases from NSK and its subsidiaries is approximately 12% of the total bearing purchases from the four bearing manufacturers named as defendants.

During the third quarter consolidated accounting period, NSK has posted reasonably estimated losses in "other operating expenses" in connection with potential settlements related to alleged violations of competition laws in sales of its and some of its subsidiaries' products.

NSK, its subsidiaries and its affiliated companies may face additional follow-on actions similar or identical in nature to these actions.

The NSK Group will manage these actions appropriately. Furthermore, as the cases proceed, the NSK Group will consider whether it may be able to reach settlements with such plaintiffs and others.

As a result of the above investigations, actions and other consequences, in addition to the aforementioned losses, financial losses, such as surcharge payments or damages, may occur in the future; however, it is not possible to provide a reasonable estimate of the amount of such losses at this stage. Their impact on NSK's operational results and other consequences to its business is uncertain.