

NSK Ltd.

For Immediate Release

January 31, 2025

CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED December 31, 2024 (Unaudited)

[IFRS]

Company name	NSK Ltd.
Stock exchange on which the shares are listed	Tokyo Stock Exchange in Japan
Code number	6471
URL	https://www.nsk.com
Representative	Akitoshi Ichii, President and CEO
Contact person	Naoya Takigawa, Head of Finance Division HQ

(Figures are rounded down to the nearest million yen)

1. Consolidated financial highlights for the nine months ended December 31, 2024

(1) Consolidated financial results

(% indicates changes from the previous year)

	Continuing operations						Sum of continuing and discontinued operations					
	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, 2024	596,921	1.5	15,633	-19.0	12,854	-31.0	4,392	-18.8	3,931	-16.8	13,630	-66.6
Nine months ended Dec. 31, 2023	588,059	1.2	19,303	-35.4	18,636	-37.3	5,410	-55.3	4,723	-56.8	40,870	—

	Sum of continuing and discontinued operations	
	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 31, 2024	8.04	8.01
Nine months ended Dec. 31, 2023	9.57	9.53

Note:

Effective from the first quarter of the fiscal year ended March 31, 2024, the steering business has been classified as discontinued operations. Sales, operating income, and income before income taxes are presented excluding discontinued operations. Net income, net income attributable to owners of the parent, total comprehensive income, basic earnings per share, and diluted earnings per share are presented as the sum of continuing and discontinued operations. Effective from the second quarter of the previous fiscal year, the equity earnings of NSK Steering & Control Inc. and its subsidiaries are included in continuing operations.

With respect to Rane NSK Steering Systems Private Limited ("RNSS"), an Indian subsidiary in the steering business that was classified as discontinued operations in the previous fiscal year, the Company transferred its entire ownership interest in RNSS to Rane Holdings Limited on September 19, 2024, thereby losing control of RNSS. The income (loss) related to the loss of control is included in discontinued operations.

For details, refer to P. 14 "Disposal groups classified as held for sale and discontinued operations".

Reference: Continuing operations

	Net income		Net income attributable to owners of the parent		Basic earnings per share	Diluted earnings per share
	Millions of Yen	%	Millions of Yen	%	Yen	Yen
Nine months ended Dec. 31, 2024	6,268	-33.9	5,671	-37.2	11.60	11.56
Nine months ended Dec. 31, 2023	9,481	-46.8	9,031	-46.4	18.30	18.23

(2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of Dec. 31, 2024	1,249,417	675,380	657,320	52.6
As of Mar. 31, 2024	1,298,077	677,954	659,979	50.8

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, 2024	Yen —	Yen 15.00	Yen —	Yen 15.00	Yen 30.00
Year ending Mar. 31, 2025	—	17.00	—		
Year ending Mar. 31, 2025 (Forecast)				17.00	34.00

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

3. Forecast of consolidated results for the year ending March 31, 2025

(% indicates changes from the same period of the previous year)

	Continuing operations						Sum of continuing and discontinued operations	
	Sales		Operating income		Income before income taxes		Net income attributable to owners of the parent	Basic earnings per share
Year ending Mar. 31, 2025	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
	790,000	0.1	22,000	-19.7	18,000	-31.3	6,000	-29.4
								Yen 12.28

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

Effective from the first quarter of the previous fiscal year, the steering business has been classified as discontinued operations. Sales, operating income, and income before income taxes are presented excluding discontinued operations. Net income attributable to owners of the parent and basic earnings per share are presented as the sum of continuing operations and discontinued operations.

Others

(1) Significant changes in the scope of consolidation during the period: 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 shares):

As of Dec. 31, 2024 500,000,000 shares As of Mar. 31, 2024 500,000,000 shares

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

As of Dec. 31, 2024 11,207,897 shares As of Mar. 31, 2024 11,316,326 shares

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

Nine months ended Dec. 31, 2024 488,754,412 shares Nine months ended Dec 31, 2023 493,598,219 shares

Note:

- 1) This summary of quarterly financial results has not been reviewed by certified public accountants or auditors.
- 2) Cautionary statement with respect to forward-looking statements
The forecasts in this document are based on currently available information and certain assumptions that the Company regards as reasonable, and actual results may materially differ from any future results expressed herein due to various factors.
- 3) This document is an English convenience translation of a document that was originally prepared in the Japanese language and is provided for convenience purpose only. NSK makes no representation or warranty that this document is a complete or accurate translation of the original Japanese text, and it is not intended to be relied upon. In the event that there is a discrepancy between the Japanese and English versions, the Japanese version shall prevail. This document is not intended and should not be construed as an inducement to purchase or sell stock in NSK.

1. Business overview

(1) Qualitative information regarding consolidated business results

The NSK Group promoted a range of initiatives toward three main management themes: Growth with Profitability, Enhancement of Managerial Resources, and ESG Management as Mid-Term Management Plan 2026, which spans the five years from April 2022 to March 2027.

Looking at the global economy during the third quarter of the fiscal year ending March 31, 2025, the global economy continued to pick up gradually despite uncertainties such as the impact of monetary policy shifts in various countries, concerns about the future of the Chinese economy, and the policy trends in the U.S.

Looking at the Company's results by geographic breakdown, economic recovery has slowed down in Japan, with sluggish growth in consumer expenditure and weak trends in some areas of industrial production. In the U.S., the economy remained robust, supported by a firm labor market and monetary easing. In Europe, inflation is settling down, but the economy is stagnant due to sluggish capital investment and production. In China, the prolonged stagnant real estate market and weakened consumer spending put downward pressure on the economy, resulting in a slowdown.

In this economic environment, the NSK Group's performance of continuing operations excluding discontinued operations was affected by the depreciation of the yen, resulting in consolidated sales for the third quarter of the year ending March 31, 2025 totaling ¥596,921 million, a year-on-year increase of 1.5%. Operating income was ¥15,633 million, a year-on-year decrease of 19.0%. Income before income taxes was ¥12,854 million, a year-on-year decrease of 31.0%. Net income attributable to owners of the parent, the sum of continuing and discontinued operations was ¥3,931 million, a year-on-year decrease of 16.8%.

On May 12, 2023, the Company entered into an agreement with Japan Industrial Solutions III Investment Limited Partnership ("JIS") to jointly manage NSK Steering & Control Inc. ("NS&C"), a consolidated subsidiary that controls the Company's global steering business. As a result, the steering business has been classified as discontinued operations since the first quarter of the previous fiscal year. Sales, operating income, and income before income taxes are presented as continuing operations excluding discontinued operations, while net income and net income attributable to owners of the parent are presented as the sum of continuing operations and discontinued operations. The Company lost control of NS&C on August 1, 2023, and NS&C and its subsidiaries became equity method affiliates of the Company effective from the second quarter of the previous fiscal year. For the six months ended September 30, 2023, profits related to the loss of control is included in discontinued operations and equity method profits are included in continuing operations.

With respect to Rane NSK Steering Systems Private Limited ("RNSS"), an Indian subsidiary in the steering business that was classified as discontinued operations in the previous fiscal year, the Company transferred its entire ownership interest in RNSS to Rane Holdings Limited ("RHL") on September 19, 2024, thereby losing control of RNSS. The income (loss) related to the loss of control is included in discontinued operations.

Business segment information

1) Industrial Machinery Business segment

In addition to a gradual recovery in demand for capital investment, the effects of a weaker yen resulted in a year-on-year increase in sales in the third quarter compared to the same period of the previous year. Looking at the Company's results by geographic breakdown, sales in Japan increased mainly due to an increase in sales of machine tool sectors. In the Americas, sales increased due to firm demand in aftermarket and semiconductor equipment sectors. In Europe, sales decreased as demand continued to be sluggish due to deteriorating market conditions, especially in aftermarket, electrical and electronics accessory sectors. In China, sales increased due to higher sales to machine tool, electrical, and railway sectors.

As a result, sales in the industrial machinery business segment totaled ¥271,007 million, a year-on-year increase of 6.3%, and operating income was ¥8,344 million, a year-on-year increase of 46.0%.

2) Automotive Business segment

Global automotive production volume declined from the same period of the previous year, resulting in a year-on-year decrease in sales in the third quarter compared to the same period of the previous year. Looking at the Company's results by geographic breakdown, sales in Japan declined due to the suspension of production and shipments by some automotive manufacturers. In the Americas, sales increased as automotive sales maintained a moderate recovery trend. In Europe, sales declined due to continued sluggishness of the automotive market. In China, sales declined due to a drop in demand caused by sluggish sales of Japanese cars.

As a result, sales in the automotive business segment totaled ¥300,188 million, a year-on-year decrease of 2.2% and operating income was ¥8,561 million, a year-on-year decrease of 35.3%.

(2) Information regarding consolidated financial position

Assets and liabilities

Total assets at the end of the period was ¥1,249,417 million, a decrease of ¥48,660 million compared to total assets as of March 31, 2024. Total liabilities at the end of the period was ¥574,037 million, a decrease of ¥46,085 million compared to total liabilities as of March 31, 2024.

Total equity

Total equity was ¥675,380 million, a decrease of ¥2,574 million compared to total equity as of March 31, 2024. While there was an increase in net income attributable to owners of the parent and other components of equity, total equity decreased mainly due to dividend payout from retained earnings.

Information regarding cash flow

1) Cash flow from operating activities

Net cash flow provided by operating activities totaled ¥4,835 million (¥89,243 million provided in the same period of the previous fiscal year). This includes the income before income taxes from continuing operations of ¥12,854 million, depreciation and amortisation of ¥39,964 million, and corporate income tax payment of ¥43,573 million, along with movements in working capital.

2) Cash flow from investing activities

Net cash flow used in investing activities totaled ¥209 million (¥82,279 million used in the same period of the previous fiscal year), while there were proceeds of ¥4,783 million from sales of other financial assets in effort to reduce the number of shares held, there were purchases of property, plant and equipment of ¥28,738 million and the purchase of intangible assets of ¥8,846 million, as well as other financial assets acquisition and redemption.

3) Cash flow from financing activities

Net cash flow used in financing activities amounted to ¥12,965 million (¥7,098 million used in the same period of the previous fiscal year), mainly due to dividend payments of ¥15,611 million.

As a result of the above, cash and cash equivalents at the end of the third quarter of the current fiscal year totaled ¥143,500 million, a decrease of ¥7,083 million from the end of the previous fiscal year and a decrease of ¥19,562 million from the end of the same period of the previous fiscal year.

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

No revision has been made to the consolidated business forecasts announced on October 31, 2024 for the fiscal year ending March 31, 2025.

2. Quarterly consolidated financial statements and notes

(1) Quarterly consolidated statements of financial position

(Millions of yen)

	As of Mar. 31, 2024	As of Dec. 31, 2024
Assets		
Current assets		
Cash and cash equivalents	150,583	143,500
Trade receivables and other receivables	220,248	217,653
Inventories	185,886	192,348
Other financial assets	45,076	12,812
Income tax receivables	4,988	16,523
Other current assets	18,196	16,081
Subtotal	624,979	598,920
Assets related to disposal groups classified as held for sale	11,643	—
Total current assets	636,623	598,920
Non-current assets		
Property, plant and equipment	364,947	349,458
Goodwill and intangible assets	56,548	60,851
Investments accounted for using equity method	49,605	50,081
Other financial assets	51,932	49,757
Deferred tax assets	10,309	11,266
Net defined benefit assets	121,589	121,936
Other non-current assets	6,521	7,144
Total non-current assets	661,454	650,497
Total assets	1,298,077	1,249,417
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	140,451	127,982
Other financial liabilities	128,433	126,419
Provisions	469	1,073
Income tax payables	25,835	3,474
Other current liabilities	52,583	50,682
Subtotal	347,774	309,633
Liabilities related to disposal groups classified as held for sale	11,370	—
Total current liabilities	359,145	309,633
Non-current liabilities		
Financial liabilities	214,864	220,013
Provisions	1,065	1,076
Deferred tax liabilities	21,890	19,729
Net defined benefit liabilities	13,582	13,749
Other non-current liabilities	9,574	9,834
Total non-current liabilities	260,977	264,403
Total liabilities	620,123	574,037
Equity		
Issued capital	67,176	67,176
Capital surplus	77,897	78,185
Retained earnings	375,402	366,060
Treasury shares	-10,422	-10,319
Other components of equity	150,270	156,217
Other components of equity related to disposal groups classified as held for sale	-345	—
Total equity attributable to owners of the parent	659,979	657,320
Non-controlling interests	17,975	18,059
Total equity	677,954	675,380
Total liabilities and equity	1,298,077	1,249,417

(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, 2023	Nine months ended Dec. 31, 2024
Continuing operations		
Sales	588,059	596,921
Cost of sales	463,676	469,847
Gross profit	124,383	127,074
Selling, general and administrative expenses	105,404	109,341
Share of profits of investments accounted for using the equity method	1,633	1,931
Other operating income	—	1,646
Other operating expenses	1,308	5,676
Operating income	19,303	15,633
Financial income	2,862	2,323
Financial expenses	3,528	5,103
Income before income taxes	18,636	12,854
Income tax expense	9,154	6,586
Net income from continuing operations	9,481	6,268
Discontinued operations		
Net income (loss) from discontinued operations	-4,071	-1,875
Net income	5,410	4,392
Net income attributable to:		
Owners of the parent	4,723	3,931
Non-controlling interests	687	460
(Earnings per share attributable to owners of the parent)		
Basic earnings (loss) per share (yen)	9.57	8.04
Continuing operations	18.30	11.60
Discontinued operations	-8.73	-3.56
Diluted earnings (loss) per share (yen)	9.53	8.01
Continuing operations	18.23	11.56
Discontinued operations	-8.70	-3.55

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024
Net income	5,410	4,392
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	16,143	41
Net changes in financial assets measured at fair value through other comprehensive income	5,563	1,183
Share of other comprehensive income of investments accounted for using equity method	17	18
Total items that will not be reclassified to profit or loss	21,723	1,244
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	13,591	6,856
Cash flow hedges	-124	-154
Share of other comprehensive income of investments accounted for using equity method	268	1,291
Total items that may be reclassified to profit or loss	13,735	7,993
Total other comprehensive income, net of tax	35,459	9,237
Total comprehensive income for the period	40,870	13,630
Total comprehensive income for the period attributable to:		
Owners of the parent	40,381	12,596
Non-controlling interests	488	1,033

(3) Quarterly consolidated statements of changes in equity

From April 1, 2023 to December 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	80,476	415,736	-36,781
Net income	—	—	4,723	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	4,723	—
Purchase of treasury shares	—	—	—	-21,723
Disposal of treasury shares	—	-81	—	536
Retirement of treasury shares	—	-47,540	—	47,540
Share-based payment transactions	—	-108	—	—
Cash dividends	—	—	-15,040	—
Changes due to loss of control of subsidiaries	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	7,626	—
Transfer to other components of equity related to disposal groups classified as held for sale	—	—	—	—
Other	—	—	40	—
Total transactions with owners, etc.	—	-47,730	-7,374	26,353
Closing balance	67,176	32,745	413,085	-10,427

	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Other components of equity					Total	Total		
	Exchange differences on translating foreign operations	Cash flow hedges	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of net defined benefit liability (asset)	Total				
Opening balance	38,922	—	21,816	28,865	89,604	—	616,213	18,511	634,724
Net income	—	—	—	—	—	—	4,723	687	5,410
Other comprehensive income	14,056	-124	5,582	16,143	35,658	—	35,658	-198	35,459
Total comprehensive income for the period	14,056	-124	5,582	16,143	35,658	—	40,381	488	40,870
Purchase of treasury shares	—	—	—	—	—	—	-21,723	—	-21,723
Disposal of treasury shares	—	—	—	—	—	—	455	—	455
Retirement of treasury shares	—	—	—	—	—	—	—	—	—
Share-based payment transactions	—	—	—	—	—	—	-108	—	-108
Cash dividends	—	—	—	—	—	—	-15,040	-1,159	-16,200
Changes due to loss of control of subsidiaries	—	—	—	—	—	—	—	-244	-244
Transfer from other components of equity to retained earnings	—	—	-7,305	-320	-7,626	—	—	—	—
Transfer to other components of equity related to disposal groups classified as held for sale	332	—	—	—	332	-332	—	—	—
Other	—	—	—	—	—	—	40	—	40
Total transactions with owners, etc.	332	—	-7,305	-320	-7,293	-332	-36,377	-1,403	-37,781
Closing balance	53,312	-124	20,093	44,689	117,970	-332	620,217	17,596	637,813

From April 1, 2024 to December 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	77,897	375,402	-10,422
Net income	—	—	3,931	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	3,931	—
Purchase of treasury shares	—	—	—	-7
Disposal of treasury shares	—	-6	—	111
Share-based payment transactions	—	294	—	—
Cash dividends	—	—	-15,655	—
Changes due to loss of control of subsidiaries	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	2,372	—
Other	—	—	9	—
Total transactions with owners, etc.	—	288	-13,274	103
Closing balance	67,176	78,185	366,060	-10,319

	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Other components of equity					Total	Other components of equity related to disposal groups classified as held for sale		
	Exchange differences on translating foreign operations	Cash flow hedges	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of net defined benefit liability (asset)	Total				
Opening balance	69,754	-161	20,747	59,929	150,270	-345	659,979	17,975	677,954
Net income	—	—	—	—	—	—	3,931	460	4,392
Other comprehensive income	7,221	-154	1,208	43	8,319	345	8,664	572	9,237
Total comprehensive income for the period	7,221	-154	1,208	43	8,319	345	12,596	1,033	13,630
Purchase of treasury shares	—	—	—	—	—	—	-7	—	-7
Disposal of treasury shares	—	—	—	—	—	—	104	—	104
Share-based payment transactions	—	—	—	—	—	—	294	—	294
Cash dividends	—	—	—	—	—	—	-15,655	-1,197	-16,853
Changes due to loss of control of subsidiaries	—	—	—	—	—	—	—	247	247
Transfer from other components of equity to retained earnings	—	—	-2,385	13	-2,372	—	—	—	—
Other	—	—	—	—	—	—	9	—	9
Total transactions with owners, etc.	—	—	-2,385	13	-2,372	—	-15,255	-949	-16,204
Closing balance	76,975	-316	19,571	59,986	156,217	—	657,320	18,059	675,380

(4) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024
Cash flow from operating activities		
Income before income taxes	18,636	12,854
Income (loss) before income taxes from discontinued operations	-1,875	-2,883
Depreciation and amortisation	40,603	39,964
Increase (decrease) in net defined benefit liability and net defined benefit asset	33,000	-249
Interest and dividend income	-2,623	-2,169
Interest expenses	4,257	4,719
Share of losses (profits) of investments accounted for using the equity method	-1,633	-1,931
Decrease (increase) in trade receivables	8,106	11,527
Decrease (increase) in inventories	-421	-6,125
Decrease (increase) in trade payables	20,318	-6,166
Other	-3,852	-2,734
Subtotal	114,515	46,804
Interest and dividend received	5,048	5,969
Interest expenses paid	-4,171	-4,364
Income tax paid	-26,149	-43,573
Cash flow from operating activities	89,243	4,835
Cash flow from investing activities		
Purchases of property, plant and equipment	-38,429	-28,738
Proceeds from sale of property, plant and equipment	12	577
Purchases of intangible assets	-5,596	-8,846
Purchases of other financial assets	-85,018	-35,519
Proceeds from sale of other financial assets	11,868	4,783
Proceeds from redemption of other financial assets	44,999	64,999
Proceeds from business transfer	—	3,372
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-10,917	-2,394
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	1,147
Other	802	408
Cash flow from investing activities	-82,279	-209
Cash flow from financing activities		
Increase (decrease) in short-term loans	-7,878	7,522
Proceeds from long-term loans	68,727	16,783
Repayments of long-term loans	-26,310	-16,476
Proceeds from issuance of corporate bonds	15,000	20,000
Payments for redemption of corporate bonds	-15,000	-20,000
Repayments of lease liabilities	-4,206	-4,089
Acquisition of treasury shares	-21,717	-0
Dividends paid	-15,008	-15,611
Dividends paid to non-controlling interests	-1,159	-1,197
Other	455	104
Cash flow from financing activities	-7,098	-12,965
Effect of exchange rate changes on cash and cash equivalents	3,152	1,249
Net increase (decrease) in cash and cash equivalents	3,018	-7,089
Cash and cash equivalents at the beginning of the period	160,109	150,583
Net increase (decrease) in cash and cash equivalents included in assets related to disposal groups classified as held for sale	-65	6
Cash and cash equivalents at the end of the period	163,062	143,500

(5) Notes to consolidated financial statements

Going concern assumption

None.

Standards for Preparation of Consolidated Financial Statements

The Company's quarterly consolidated financial statements (quarterly consolidated statements of financial position, quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income, quarterly consolidated statements of changes in equity, quarterly consolidated statements of cash flows and notes) have been prepared in compliance with Article 5, Paragraph 2 of Standards for preparation of quarterly financial statements of Tokyo Stock Exchange, Inc. (The omission of the description specified in Article 5, Paragraph 5 is applied.) and the certain disclosure items and notes required by IAS34 "Interim Financial Reporting" have been omitted.

Segment information

(1) Overview of reportable segments

NSK operates the business on a business-division basis classified by the industry of customers, and each division develops and implements comprehensive global strategies. Given this background, the NSK Group classifies its reportable segments into "Industrial Machinery Business" and "Automotive Business".

"Industrial Machinery Business" engages in the production and sales of industrial machinery bearings, precision machinery & parts, condition monitoring systems, etc.

"Automotive Business" engages in the production and sales of bearings for car manufacturers and automotive component manufacturers, automatic transmission components, etc.

Effective from the first quarter of the previous fiscal year, the Company reclassified its steering business, which was previously included in the automotive business, as discontinued operations. Segment information now shows only the results of continuing operations excluding the steering business. The Company lost control of NS&C on August 1, 2023, and NS&C became an equity method affiliate of the Company effective from the second quarter of the previous fiscal year. Equity method profits and losses from NS&C and its subsidiaries are included in continuing operations.

(2) Segment revenue and performance

From April 1, 2023 to December 31, 2023

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Industrial Machinery Business	Automotive Business	Subtotal				
Sales							
Sales to third parties	254,960	307,094	562,054	26,004	588,059	—	588,059
Intersegment sales	—	—	—	25,004	25,004	-25,004	—
Total	254,960	307,094	562,054	51,009	613,063	-25,004	588,059
Segment income (Operating income)	5,714	13,232	18,946	1,932	20,879	-1,575	19,303
Total financial income (expenses)							-666
Income before income taxes							18,636

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

(Note 2) The -¥1,575 million adjustment made for segment income includes intersegment elimination of -¥267 million and -¥1,308 million in other operating expenses not allocated to the reportable segments.

From April 1, 2024 to December 31, 2024

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Industrial Machinery Business	Automotive Business	Subtotal				
Sales							
Sales to third parties	271,007	300,188	571,195	25,726	596,921	—	596,921
Intersegment sales	—	—	—	22,441	22,441	-22,441	—
Total	271,007	300,188	571,195	48,168	619,363	-22,441	596,921
Segment income (Operating income)	8,344	8,561	16,905	2,526	19,432	-3,798	15,633
Total financial income (expenses)							-2,779
Income before income taxes							12,854

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

(Note 2) The -¥3,798 million adjustment made for segment income includes intersegment elimination of -¥380 million and -¥3,418 million in other operating expenses not allocated to the reportable segments.

Disposal groups classified as held for sale and discontinued operations

(1) Assets and liabilities related to disposal groups classified as held for sale

The Company has approved and on July 1, 2024, the Company has entered into an agreement with SBS Holdings, Inc. ("SBSHD") to transfer a portion of its shares of NSK Logistics Co., Ltd. ("NLK") to SBSHD. NLK had been classified as a disposal group classified as held for sale from the first quarter of the current fiscal year, and the transferring of a portion of NLK's shares was completed on October 1, 2024. For details, refer to "(4) Transfer of NLK shares".

The procedure for the transfer of shares of RNSS, an Indian subsidiary in the steering business, which was classified as a disposal group classified as held for sale in the previous fiscal year, was completed during the second quarter of the current fiscal year.

There are no assets and liabilities related to disposal groups classified as held for sale as of December 31, 2024.

(Millions of yen)

	As of Mar. 31, 2024	As of Dec. 31, 2024
Assets related to disposal groups classified as held for sale		
Cash and cash equivalents	6	—
Trade receivables and other receivables	4,065	—
Inventories	2,048	—
Other current assets	128	—
Property, plant and equipment	4,002	—
Goodwill and intangible assets	33	—
Investments accounted for using equity method	222	—
Deferred tax assets	1,114	—
Other non-current assets	22	—
Total assets	11,643	—
Liabilities related to disposal groups classified as held for sale		
Trade payables and other payables	3,908	—
Other financial liabilities (current)	5,961	—
Other current liabilities	1,427	—
Financial liabilities (non-current)	73	—
Total liabilities	11,370	—

(2) Discontinued operations

For the nine months ended December 31, 2024, transactions related to the loss of control of RNSS and RNSS prior to the loss of control are included in discontinued operations. Regarding the nine months ended December 31, 2023, transactions related to the loss of control of NS&C, and income (loss) of NS&C and its subsidiaries prior to the loss of control and RNSS are included in discontinued operations.

1) Income (loss) from discontinued operations

(Millions of yen)

	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024
Sales	78,744	14,341
Cost of sales and expenses	80,620	17,225
Income (loss) before income taxes	-1,875	-2,883
Income tax expense	2,195	-1,007
Net income (loss)	-4,071	-1,875

Cost of sales and expenses include a net loss of ¥2,432 million related to the sale of shares and loss of control of RNSS. For details, refer to "(3) Transfer of RNSS shares".

2) Cash flows from discontinued operations

(Millions of yen)

	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024
Cash flow from operating activities	3,095	-117
Cash flow from investing activities	-13,395	731
Cash flow from financing activities	64,919	293
Total	54,619	907

For the nine months ended December 31, 2024, the Company received the consideration of ¥3,372 million related to the transfer of the Company's European subsidiaries business related to sales and technology of steering products that was executed in the third quarter of the previous fiscal year and has been recorded in "Cash flow from investing activities" in the Quarterly consolidated statements of cash flows.

(3) Transfer of RNSS shares

1) Outline of transaction

Regarding RNSS, the Company's steering entity located in India, the Company has approved and has entered into an agreement effective July 1, 2024 with RHL to transfer the shares of RNSS that the Company owns. The share transfer associated with this agreement was executed on September 19, 2024.

2) Assets and liabilities related to loss of control of subsidiaries

(Millions of yen)

	Amount
Current assets	6,012
Non-current assets	5,269
Total assets	11,282
Current liabilities	11,606
Non-current liabilities	181
Total liabilities	11,788

3) Cash flows from loss of control of subsidiaries

(Millions of yen)

	Amount
Payments for transfer of shares and loss of control	-2,334
Cash and cash equivalents of subsidiary due to loss of control	-60
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-2,394

Payments for sale of investments in subsidiaries resulting in change in scope of consolidation is included in "Cash flow from investing activities" of the Quarterly consolidated statements of cash flows.

4) Income (loss) related to loss of control of subsidiaries

The Company recognised a net loss of ¥2,432 million related to the sale of shares and loss of control of RNSS in "Net income (loss) from discontinued operations" in the Quarterly consolidated statements of income.

(4) Transfer of NLK shares

1) Outline of transaction

During the first quarter of the current fiscal year, the Company resolved to transfer 1,199 of the 1,800 outstanding shares of NLK (66.61% of outstanding shares) to SBSHD and entered into an agreement with SBSHD on July 1, 2024, to transfer the shares. The share transfer associated with this agreement was executed on October 1, 2024. As a result, the Company lost control over NLK, and NLK became an equity method affiliate of the Company effective from the third quarter of the current fiscal year.

2) Assets and liabilities related to loss of control of subsidiaries

(Millions of yen)

	Amount
Current assets	2,280
Non-current assets	6,298
Total assets	8,578
Current liabilities	2,698
Non-current liabilities	5,003
Total liabilities	7,702

3) Cash flows from loss of control of subsidiaries

(Millions of yen)

	Amount
Consideration received from transfer of shares	1,665
Cash and cash equivalents of subsidiary due to loss of control	-628
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,037

Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation is included in “Cash flow from investing activities” of the Quarterly consolidated statements of cash flows.

4) Income (loss) related to loss of control of subsidiaries

The income on transfer due to the loss of control over NLK for the third quarter of the current fiscal year was a gain of ¥1,646 million, which is included in “Other operating income” of the Quarterly consolidated statements of income. The net gain includes a gain of ¥564 million resulting from the measurement of the remaining investments at the fair value at the date of loss of control.

The total fair value of NLK was determined using the income approach, and the future cash flows used in that measurement were calculated using key assumptions made by management, including sales and operating expenses. The fair value hierarchy of this fair value measurement is level 3.

Events after the reporting period

Partial refunding of retirement benefit trust

NSK has established a stock-based retirement benefit trust for the purpose of providing for future retirement benefits. The asset for retirement benefits including the retirement benefit trust is overfunded relative to the liability for retirement benefits, and this situation is expected to continue in the future. Therefore, it has been decided that the Company will receive a partial refund of the retirement benefit trust.

1) Date of event

January 17, 2025

2) Date of refund

February 7, 2025 (scheduled)

3) Amount to be refunded

¥70,000 million

4) Impact on profit and loss

There is no impact to the consolidated statement of income for the year ending March 31, 2025. For the consolidated statement of financial position, an increase of ¥70,000 million in cash and cash equivalents and a decrease of ¥70,000 million in net defined benefit assets is expected.

2025年3月期 第3四半期決算短信 補足説明資料

Supplementary material of consolidated results for the nine months ended December 31, 2024

(%表示は、通期は対前期比、四半期は対前年同四半期比)

(% indicates previous year's comparison)

2024年3月期第1四半期連結会計期間より、ステアリング事業を非継続事業に分類しています。これにより、売上高、営業利益、税引前当期(四半期)利益、設備投資額、減価償却費、研究開発費、技術関連費用は、非継続事業を除いた金額を表示し、親会社の所有者に帰属する当期(四半期)利益、基本的1株当たり当期(四半期)利益、連結子会社数、期末従業員数は、継続事業及び非継続事業の合算を表示しています。また、2024年3月期第2四半期連結会計期間より、NSKステアリング & コントロール株式会社及び同社の子会社に係る持分法による投資利益を継続事業に含めています。

2024年3月期に引き続き非継続事業に分類していたステアリング事業のインド子会社であるRane NSK Steering Systems Private Limited(以下「RNSS」)について、2024年9月19日に当社が所有するRNSSの全株式をRane Holdings Limitedに譲渡し、RNSSに対する支配を喪失しました。なお、支配の喪失に係る損益を非継続事業に含めています。2025年3月期の予想の数値についても同様に表示しています。

Effective from the first quarter of the fiscal year ended March 31, 2024, the steering business has been classified as discontinued operations. As a result, sales, operating income, income before income taxes, capital expenditures, depreciation and amortisation, R&D expenses are presented excluding discontinued operations. Net income attributable to owners of the parent, basic earnings per share, number of consolidated subsidiaries, and number of employees are presented with the sum of continuing and discontinued operations. Effective from the second quarter of the fiscal year ended March 31, 2024, the equity earnings of NSK Steering & Control Inc. and its subsidiaries are included in continuing operations.

With respect to Rane NSK Steering Systems Private Limited ("RNSS"), an Indian subsidiary in the steering business that was classified as discontinued operations in the previous fiscal year, the Company transferred its entire ownership interest in RNSS to Rane Holdings Limited on September 19, 2024, thereby losing control of RNSS. The income (loss) related to the loss of control is included in discontinued operations. Forecast for the fiscal year ending March 31, 2025 is presented in the same manner.

1. 決算概要 / Summary of financial results

	(百万円 / ¥Million)	2024年3月期 / FY2023			2025年3月期 / FY2024					
		1H	2H	Full year	1H	YoY	2H FCT	YoY	Full year FCT	YoY
継続事業 Continuing operations	売上高 Sales	386,691	402,176	788,867	397,643	102.8%	392,356	97.6%	790,000	100.1%
	営業利益 Operating income	11,123	16,267	27,391	9,704	87.2%	12,295	75.6%	22,000	80.3%
	税引前利益 Income before income taxes	10,528	15,682	26,210	7,735	73.5%	10,264	65.5%	18,000	68.7%
	(参考)親会社の所有者に帰属する当期利益 Ref. Net income attributable to owners of the parent	5,731	7,794	13,526	3,726	65.0%				
	(参考)基本的1株当たり当期利益(円) Ref. Basic earnings per share (yen)	11.56	15.91	27.47	7.63	66.0%				
継続事業及び 非継続事業 Continuing and discontinued operations	親会社の所有者に帰属する当期利益 Net income attributable to owners of the parent	659	7,843	8,502	1,969	298.5%	4,030	51.4%	6,000	70.6%
	基本的1株当たり当期利益(円) Basic earnings per share (yen)	1.33	15.94	17.27	4.03	303.0%	8.25	51.8%	12.28	71.1%

	(百万円 / ¥Million)	2024年3月期 / FY2023				2025年3月期 / FY2024							
		1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
継続事業 Continuing operations	売上高 Sales	188,247	198,443	201,368	200,808	200,495	106.5%	197,148	99.3%	199,277	99.0%		
	営業利益 Operating income	4,128	6,994	8,180	8,087	5,873	142.2%	3,830	54.8%	5,929	72.5%		
	税引前四半期利益 Income before income taxes	4,277	6,250	8,108	7,573	5,153	120.5%	2,581	41.3%	5,118	63.1%		
	(参考)親会社の所有者に帰属する四半期利益 Ref. Net income attributable to owners of the parent	1,654	4,077	3,300	4,494	1,941	117.4%	1,785	43.8%	1,945	58.9%		
	(参考)基本的1株当たり四半期利益(円) Ref. Basic earnings per share (yen)	3.30	8.35	6.75	9.20	3.97	120.3%	3.65	43.7%	3.98	59.0%		
継続事業及び 非継続事業 Continuing and discontinued operations	親会社の所有者に帰属する四半期利益 Net income attributable to owners of the parent	△ 929	1,589	4,063	3,779	1,902	—	66	4.2%	1,962	48.3%		
	基本的1株当たり四半期利益(円) Basic earnings per share (yen)	△ 1.85	3.25	8.32	7.73	3.89	—	0.14	4.3%	4.02	48.3%		
	連結子会社数(社) Consolidated subsidiaries	92	82	82	82	80		78		77			
	日本 Japan	18	16	16	16	14		14		13			
	海外 Non-Japan	74	66	66	66	66		64		64			
	期末従業員数(人) Number of employees	29,926	26,196	25,923	25,632	25,631		24,783		24,402			
	日本 Japan	11,891	10,670	10,580	10,474	10,576		10,544		10,314			
海外 Non-Japan	18,035	15,526	15,343	15,158	15,055		14,239		14,088				

2. 事業別セグメント情報（継続事業） / Business Segment Data (Continuing operations)

(百万円 / ¥Million)	2024年3月期 / FY2023			2025年3月期 / FY2024					
	1H	2H	Full year	1H	YoY	2H FCT	YoY	Full year FCT	YoY
売上高 / Sales	386,691	402,176	788,867	397,643	102.8%	392,356	97.6%	790,000	100.1%
産業機械事業 Industrial machinery business	171,012	173,833	344,846	180,491	105.5%	184,508	106.1%	365,000	105.8%
自動車事業 Automotive business	199,127	209,694	408,821	199,132	100.0%	193,867	92.5%	393,000	96.1%
その他 Others	32,733	34,921	67,655	33,598	102.6%	30,901	88.5%	64,500	95.3%
調整額 Adjustments	△ 16,182	△ 16,273	△ 32,455	△ 15,579	—	△ 16,920	—	△ 32,500	—
営業利益 / Operating income	11,123	16,267	27,391	9,704	87.2%	12,295	75.6%	22,000	80.3%
産業機械事業 Industrial machinery business	4,593	3,413	8,007	5,501	119.8%	6,998	205.0%	12,500	156.1%
自動車事業 Automotive business	5,674	12,902	18,576	5,613	98.9%	6,386	49.5%	12,000	64.6%
その他 Others	1,383	967	2,350	940	68.0%	△ 440	—	500	21.3%
調整額 Adjustments	△ 527	△ 1,015	△ 1,543	△ 2,350	—	△ 649	—	△ 3,000	—

(百万円 / ¥Million)	2024年3月期 / FY2023				2025年3月期 / FY2024							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
売上高 / Sales	188,247	198,443	201,368	200,808	200,495	106.5%	197,148	99.3%	199,277	99.0%		
産業機械事業 Industrial machinery business	85,065	85,947	83,947	89,885	90,523	106.4%	89,968	104.7%	90,515	107.8%		
自動車事業 Automotive business	95,179	103,947	107,967	101,727	100,450	105.5%	98,682	94.9%	101,055	93.6%		
その他 Others	16,712	16,021	18,275	16,646	18,583	111.2%	15,014	93.7%	14,569	79.7%		
調整額 Adjustments	△ 8,709	△ 7,472	△ 8,821	△ 7,451	△ 9,062	—	△ 6,516	—	△ 6,862	—		
営業利益 / Operating income	4,128	6,994	8,180	8,087	5,873	142.2%	3,830	54.8%	5,929	72.5%		
産業機械事業 Industrial machinery business	2,309	2,284	1,120	2,292	2,710	117.4%	2,790	122.1%	2,843	253.7%		
自動車事業 Automotive business	1,086	4,587	7,558	5,343	3,078	283.3%	2,534	55.2%	2,947	39.0%		
その他 Others	680	702	549	418	833	122.4%	106	15.2%	1,586	288.5%		
調整額 Adjustments	51	△ 579	△ 1,048	32	△ 750	—	△ 1,600	—	△ 1,447	—		

3. 設備投資額、減価償却費、研究開発費（継続事業）

Capital expenditures, Depreciation and amortisation, R&D expenses (Continuing operations)

(百万円 / ¥Million)	2024年3月期 / FY2023			2025年3月期 / FY2024					
	1H	2H	Full year	1H	YoY	2H FCT	YoY	Full year FCT	YoY
設備投資額 Capital expenditures	25,048	33,430	58,478	23,056	92.0%	36,943	110.5%	60,000	102.6%
減価償却費 Depreciation and amortisation	26,137	26,770	52,907	26,699	102.1%	27,300	102.0%	54,000	102.1%
研究開発費 R&D Expenses (on a statutory basis)	7,491	8,111	15,602	7,967	106.4%	8,032	99.0%	16,000	102.5%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)	12,996	14,376	27,373	13,556	104.3%	15,443	107.4%	29,000	105.9%

(百万円 / ¥Million)	2024年3月期 / FY2023				2025年3月期 / FY2024							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
設備投資額 Capital expenditures	9,853	15,194	12,044	21,385	12,299	124.8%	10,756	70.8%	10,187	84.6%		
減価償却費 Depreciation and amortisation	12,805	13,332	13,267	13,502	13,594	106.2%	13,104	98.3%	13,265	100.0%		
研究開発費 R&D Expenses (on a statutory basis)	3,602	3,888	3,976	4,135	3,811	105.8%	4,156	106.9%	3,939	99.1%		
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)	6,415	6,580	6,650	7,726	6,540	102.0%	7,016	106.6%	6,836	102.8%		

4. 為替換算レート / Currency exchange rate

期中平均レート Average exchange rate (円 / ¥)	2024年3月期 / FY2023			2025年3月期 / FY2024		
	1H	2H	Full year	1H	2H FCT	Full year FCT
USD	141.00	148.24	144.62	152.62	148.72	150.67
EUR	153.38	160.20	156.79	165.93	158.80	162.37
CNY	19.75	20.53	20.14	21.15	20.58	20.86

期中平均レート Average exchange rate (円 / ¥)	2024年3月期 / FY2023				2025年3月期 / FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
USD	137.37	144.63	147.87	148.61	155.89	149.35	152.44	
EUR	149.46	157.30	159.08	161.32	167.88	163.98	162.60	
CNY	19.56	19.94	20.44	20.62	21.48	20.82	21.15	

期末レート Term end exchange rate (円 / ¥)	2024年3月期 / FY2023		2025年3月期 / FY2024	
	End of 1H	End of 2H	End of 1H	End of 2H FCT
USD	149.58	151.40	142.82	145.00
EUR	157.97	163.28	159.53	155.00
CNY	20.46	20.84	20.47	20.00

期末レート Term end exchange rate (円 / ¥)	2024年3月期 / FY2023				2025年3月期 / FY2024			
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q	End of 4Q
USD	144.99	149.58	141.82	151.40	161.14	142.82	158.17	
EUR	157.56	157.97	157.09	163.28	172.44	159.53	164.86	
CNY	19.95	20.46	19.94	20.84	22.05	20.47	21.67	