

NSK Ltd.

For Immediate Release

July 29, 2024

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 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 three months ended June 30, 2024

(1) Consolidated financial results

(% indicates changes from the previous year)

	Continuing operations only						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	%
Three months ended Jun. 30, 2024	200,495	6.5	5,873	42.2	5,153	20.5	2,006	—	1,902	—	23,934	-31.4
Three months ended Jun. 30, 2023	188,247	2.6	4,128	-50.7	4,277	-49.3	-680	—	-929	—	34,885	66.3

	Sum of continuing and discontinued operations	
	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2024	3.89	3.88
Three months ended Jun. 30, 2023	-1.85	-1.85

Note:

Effective from the first quarter of the fiscal year ended March 31, 2024, the steering business has been classified as a discontinued operation. As a result, 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 with the sum of continuing and discontinued operations. For the three months ended June 30, 2024, Rane NSK Steering Systems Private Limited is included in discontinued operations. Furthermore, the Company lost control of NSK Steering & Control Inc. ("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 from NS&C and its subsidiaries are included in continuing operations. For details, refer to P. 14 "Disposal groups classified as held for sale and discontinued operations".

Reference: Continuing operations only

	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
Three months ended Jun. 30, 2024	2,088	16.1	1,941	17.4	3.97	3.96
Three months ended Jun. 30, 2023	1,798	-60.9	1,654	-60.7	3.30	3.29

(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 Jun. 30, 2024	1,301,184	693,796	676,368	52.0
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	—				
Year ending Mar. 31, 2025 (Forecast)		17.00	—	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 same period of previous year)

	Continuing operations only						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	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
Six months ending Sep. 30, 2024	393,000	1.6	8,000	-28.1	7,000	-33.5	500	-24.2	1.02	
Year ending Mar. 31, 2025	820,000	3.9	36,000	31.4	33,500	27.8	19,000	123.5	38.88	

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 a discontinued operation. As a result, sales, operating income, and income before income taxes are presented excluding discontinued operations, while 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 stock):

As of Jun. 30, 2024 500,000,000 shares As of Mar. 31, 2024 500,000,000 shares

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

As of Jun. 30, 2024 11,301,024 shares As of Mar. 31, 2024 11,316,326 shares

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

Three months ended Jun. 30, 2024 488,693,908 shares Three months ended Jun. 30, 2023 501,057,627 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 first quarter of the fiscal year ending March 31, 2025, although uncertainty remained due to exchange rate fluctuations, concerns regarding the Chinese economy and geopolitical risk, the global economy continued to move toward recovery.

Looking at the Company's results by geographic breakdown, in Japan, while consumer spending is weak due to inflation, there are signs of rebound in capital investment. In the US, the economy gradually recovered in the first quarter as consumer spending was supported by a favorable employment environment. In Europe, although inflation has been stabilizing, consumer spending remained weak and continued to gradually decelerate. In China, a stagnant real estate market has put downward pressure on the economy.

In this economic environment, the NSK Group's consolidated sales of continuing operations, excluding discontinued operations, was ¥200,495 million a year-on-year increase of 6.5%, partly due to the depreciation of the yen. Operating income was ¥5,873 million, a year-on-year increase of 42.2%. Income before income taxes was ¥5,153 million, a year-on-year increase of 20.5%. Net income attributable to owners of the parent, the sum of continuing and discontinued operations was ¥1,902 million, (Net loss attributable to the owners of the parent was ¥929 million in the same period of the previous year).

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 controlled the Company's global steering business. As a result, the steering business has been classified as a discontinued operation 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 income and income attributable to owners of the parent are presented as the sum of continuing operations and discontinued operations. For the three months ended June 30, 2024, Rane NSK Steering Systems Private Limited, a steering business subsidiary located in India, is included in discontinued operations. 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 from NS&C and its subsidiaries are included in continuing operations.

Business segment information

1) Industrial Machinery Business segment

Although the recovery of capital investment demand was slower than expected due to the continued adjustment phase of the market, the weaker yen's positive impact increased sales in the first quarter compared to the same period of the previous year.

Looking at the Company's results by geographic breakdown, sales in Japan decreased due to a decrease in aftermarket sales. In the Americas, sales increased due to an increase in aftermarket sales and exchange rate effects. In Europe, demand remained sluggish mainly influenced by the market deterioration in the aftermarket and wind turbine sectors. In China, sales increased due to increasing sales in electrical and railway sectors.

As a result, sales in the industrial machinery business totaled ¥90,523 million, a year-on-year increase of 6.4%, and operating income was ¥2,710 million, a year-on-year increase of 17.4%.

2) Automotive Business segment

Although global automotive production volume remained at the same level as the previous year, the impact of the weakening yen led to increased sales in the first 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 production and shipment reductions by some automotive manufacturers. In the Americas, stable growth in automotive sales led to increase in sales. In Europe, despite a slowdown in automotive market growth, sales increased due to exchange rate effects. Due to slowdown in sales of Japanese cars, demand in China was sluggish and sales increased only slightly.

As a result, sales in the automotive business totaled ¥100,450 million, a year-on-year increase of 5.5% and operating income was ¥3,078 million, a year-on-year increase of 183.3%.

(2) Qualitative information regarding consolidated financial position

Assets and liabilities

Total assets at the end of the period was ¥1,301,184 million, an increase of ¥3,107 million compared to total assets as of March 31, 2024. Total liabilities at the end of the period was ¥607,388 million, a decrease of ¥12,735 million compared to total liabilities as of March 31, 2024.

Total equity

Total equity was ¥693,796 million, an increase of ¥15,842 million compared to total equity as of March 31, 2024. While there was a decrease due to dividend payouts, there was an increase in quarterly profit attributable to owners of the parent and other components of equity.

The above assets, liabilities and equity include ¥19,253 million in assets, ¥20,269 million in liabilities, and -¥356 million in other components of equity related to disposal groups classified as held for sale.

Qualitative information regarding cash flow

1) Cash flow from operating activities

Net cash flow provided by operating activities totaled ¥9,697 million (¥68,065 million provided in the same period of the previous year). This includes the net income before income taxes from continuing operations of ¥5,153 million, movements including depreciation and amortisation of ¥13,594 million, and corporate income tax payment of ¥24,926 million, along with movements in working capital.

2) Cash flow from investing activities

Net cash flow provided by investing activities totaled ¥3,631 million (¥15,599 million used in the same period of the previous fiscal year), mainly due to the purchases of property, plant and equipment totaling ¥11,574 million and the purchase of intangible assets of ¥1,765 million, and acquisition and redemption of other financial assets.

3) Cash flow from financing activities

Net cash used in financing activities amounted to ¥12,612 million (¥36,588 million used in the same period of the previous year), mainly due to ¥7,251 million in cash dividends paid and ¥5,427 million in repayment of long-term debts.

As a result of the above, cash and cash equivalents at the end of the first quarter of the current fiscal year totaled ¥154,595 million, an increase of ¥4,012 million from the end of the previous fiscal year. Cash and cash equivalents decreased ¥5,147 million from the end of the same period last year.

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

No revision has been made to the consolidated business forecasts announced on May 9, 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 Jun. 30, 2024
Assets		
Current assets		
Cash and cash equivalents	150,583	154,595
Trade receivables and other receivables	220,248	214,909
Inventories	185,886	193,885
Other financial assets	45,076	28,806
Income tax receivables	4,988	4,945
Other current assets	18,196	16,770
Subtotal	624,979	613,914
Assets related to disposal groups classified as held for sale	11,643	19,253
Total current assets	636,623	633,167
Non-current assets		
Property, plant and equipment	364,947	364,896
Goodwill and intangible assets	56,548	59,926
Investments accounted for using equity method	49,605	47,731
Other financial assets	51,932	56,011
Deferred tax assets	10,309	10,818
Net defined benefit assets	121,589	121,816
Other non-current assets	6,521	6,816
Total non-current assets	661,454	668,017
Total assets	1,298,077	1,301,184
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	140,451	138,252
Other financial liabilities	128,433	128,307
Provisions	469	409
Income tax payables	25,835	4,259
Other current liabilities	52,583	56,441
Subtotal	347,774	327,670
Liabilities related to disposal groups classified as held for sale	11,370	20,269
Total current liabilities	359,145	347,940
Non-current liabilities		
Financial liabilities	214,864	211,555
Provisions	1,065	860
Deferred tax liabilities	21,890	23,219
Net defined benefit liabilities	13,582	13,694
Other non-current liabilities	9,574	10,118
Total non-current liabilities	260,977	259,447
Total liabilities	620,123	607,388

(Millions of yen)

	As of Mar. 31, 2024	As of Jun. 30, 2024
Equity		
Issued capital	67,176	67,176
Capital surplus	77,897	78,153
Retained earnings	375,402	370,060
Treasury shares	-10,422	-10,407
Other components of equity	150,270	171,741
Other components of equity related to disposal groups classified as held for sale	-345	-356
Total equity attributable to owners of the parent	659,979	676,368
Non-controlling interests	17,975	17,428
Total equity	677,954	693,796
Total liabilities and equity	1,298,077	1,301,184

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

(Millions of yen)

	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2024
Continuing operations		
Sales	188,247	200,495
Cost of sales	149,353	157,238
Gross profit	38,894	43,257
Selling, general and administrative expenses	35,799	37,155
Share of profits of investments accounted for using the equity method	718	232
Other operating income	331	-
Other operating expenses	16	460
Operating income	4,128	5,873
Financial income	1,121	914
Financial expenses	973	1,633
Income before income taxes	4,277	5,153
Income tax expense	2,479	3,065
Net income from continuing operations	1,798	2,088
Discontinued operations		
Quarterly income (loss) from discontinued operations	-2,478	-81
Net income (loss)	-680	2,006
Net income attributable to:		
Owners of the parent	-929	1,902
Non-controlling interests	248	104
(Earnings per share attributable to owners of the parent)		
Basic earnings per share (yen)	-1.85	3.89
Continuing operations	3.30	3.97
Discontinued operations	-5.16	-0.08
Diluted earnings per share (yen)	-1.85	3.88
Continuing operations	3.29	3.96
Discontinued operations	-5.13	-0.08

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2024
Net income (loss)	-680	2,006
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	8,472	6
Net changes in financial assets measured at fair value through other comprehensive income	5,660	2,946
Share of other comprehensive income of investments accounted for using equity method	17	14
Total items that will not be reclassified to profit or loss	14,150	2,967
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	21,109	17,363
Cash flow hedges	-	-65
Share of other comprehensive income of investments accounted for using equity method	305	1,661
Total items that may be reclassified to profit or loss	21,415	18,960
Total other comprehensive income	35,566	21,927
Total comprehensive income for the period	34,885	23,934
Total comprehensive income for the period attributable to:		
Owners of the parent	34,349	23,448
Non-controlling interests	536	486

(3) Quarterly consolidated statements of changes in equity

From April 1, 2023 to June 30, 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 (loss)	-	-	-929	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	-929	-
Purchase of treasury shares	-	-	-	-21,719
Disposal of treasury shares	-	-1	-	6
Share-based payment transactions	-	206	-	-
Cash dividends	-	-	-7,704	-
Transfer to other components of equity related to disposal groups classified as held for sale	-	-	-	-
Other	-	-	38	-
Total transactions with owners, etc.	-	204	-7,665	-21,713
Closing balance	67,176	80,681	407,141	-58,495

	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 (loss)	-	-	-	-	-	-	-929	248	-680
Other comprehensive income	21,129	-	5,676	8,473	35,278	-	35,278	287	35,566
Total comprehensive income for the period	21,129	-	5,676	8,473	35,278	-	34,349	536	34,885
Purchase of treasury shares	-	-	-	-	-	-	-21,719	-	-21,719
Disposal of treasury shares	-	-	-	-	-	-	4	-	4
Share-based payment transactions	-	-	-	-	-	-	206	-	206
Cash dividends	-	-	-	-	-	-	-7,704	-1,007	-8,711
Transfer to other components of equity related to disposal groups classified as held for sale	-5,293	-	-	158	-5,135	5,135	-	-	-
Other	-	-	-	-	-	-	38	-	38
Total transactions with owners, etc.	-5,293	-	-	158	-5,135	5,135	-29,174	-1,007	-30,181
Closing balance	54,758	-	27,492	37,497	119,748	5,135	621,388	18,040	639,428

From April 1, 2024 to June 30, 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	-	-	1,902	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,902	-
Purchase of treasury shares	-	-	-	-2
Disposal of treasury shares	-	-2	-	17
Share-based payment transactions	-	259	-	-
Cash dividends	-	-	-7,337	-
Transfer from other components of equity to retained earnings	-	-	85	-
Transfer to other components of equity related to disposal groups classified as held for sale	-	-	-	-
Other	-	-	7	-
Total transactions with owners, etc.	-	256	-7,245	15
Closing balance	67,176	78,153	370,060	-10,407

	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	69,754	-161	20,747	59,929	150,270	-345	659,979	17,975	677,954
Net income	-	-	-	-	-	-	1,902	104	2,006
Other comprehensive income	18,641	-65	2,960	8	21,545	-	21,545	382	21,927
Total comprehensive income for the period	18,641	-65	2,960	8	21,545	-	23,448	486	23,934
Purchase of treasury shares	-	-	-	-	-	-	-2	-	-2
Disposal of treasury shares	-	-	-	-	-	-	14	-	14
Share-based payment transactions	-	-	-	-	-	-	259	-	259
Cash dividends	-	-	-	-	-	-	-7,337	-1,033	-8,371
Transfer from other components of equity to retained earnings	-	-	-85	-	-85	-	-	-	-
Transfer to other components of equity related to disposal groups classified as held for sale	10	-	-	-	10	-10	-	-	-
Other	-	-	-	-	-	-	7	-	7
Total transactions with owners, etc.	10	-	-85	-	-74	-10	-7,058	-1,033	-8,092
Closing balance	88,407	-226	23,622	59,938	171,741	-356	676,368	17,428	693,796

(4) Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2024
Operating activities		
Income before income taxes	4,277	5,153
Income (loss) before income taxes from discontinued operations	-1,431	-137
Depreciation and amortisation	13,977	13,594
Increase (decrease) in net defined benefit liability and net defined benefit asset	34,724	-279
Interest and dividend income	-1,054	-879
Interest expenses	1,281	1,616
Share of losses (profits) of investments accounted for using the equity method	-718	-232
Decrease (increase) in trade receivables	11,323	11,479
Decrease (increase) in inventories	-1,935	-2,189
Increase (decrease) in trade payables	7,697	-760
Other	5,226	4,057
Subtotal	73,369	31,423
Interest and dividend received	3,561	4,649
Interest expenses paid	-1,191	-1,448
Income tax paid	-7,674	-24,926
Cash flow from operating activities	68,065	9,697
Investing activities		
Purchases of property, plant and equipment	-14,151	-11,574
Proceeds from sale of property, plant and equipment	61	401
Purchases of intangible assets	-1,372	-1,765
Purchases of other financial assets	-6	-20,006
Proceeds from sale of other financial assets	-	149
Proceeds from redemption of other financial assets	-	34,999
Proceeds from business transfer	-	1,341
Other	-129	86
Cash flow from investing activities	-15,599	3,631
Financing activities		
Increase (decrease) in short-term loans	5,432	994
Proceeds from long-term loans	2,000	1,762
Repayments of long-term loans	-12,310	-5,427
Repayments of lease liabilities	-1,700	-1,818
Acquisition of treasury shares	-21,716	-0
Dividends paid	-7,485	-7,251
Dividends paid to non-controlling interests	-811	-886
Other	4	14
Cash flow from financing activities	-36,588	-12,612
Effect of exchange rate changes on cash and cash equivalents	4,648	3,404
Net increase in cash and cash equivalents	20,525	4,120
Cash and cash equivalents at the beginning of the period	160,109	150,583
Net decrease in cash and cash equivalents included in assets related to disposal groups classified as held for sale	-20,891	-107
Cash and cash equivalents at the end of the period	159,743	154,595

(5) Notes to consolidated financial statements

Going concern assumption

None.

Standards for preparation of quarterly 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 the Industrial Machinery Business and the Automotive Business. Effective from the first quarter of the previous fiscal year, the Company has classified its steering business, which was previously included in the automotive business, as a discontinued operation. Segment information now shows only the results of continuing operations excluding the steering business. Furthermore, on August 1, 2023, the Company lost control over NS&C, 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 June 30, 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	85,065	95,179	180,245	8,002	188,247	-	188,247
Intersegment sales	-	-	-	8,709	8,709	-8,709	-
Total	85,065	95,179	180,245	16,712	196,957	-8,709	188,247
Segment income (Operating income)	2,309	1,086	3,396	680	4,077	51	4,128
Total financial income (expenses)							148
Income before income taxes							4,277

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

(Note 2) The ¥51 million adjustment made for segment income includes intersegment elimination of -¥263 million and ¥315 million in other operating income and expenses not allocated to the reportable segments.

From April 1, 2024 to June 30, 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	90,523	100,450	190,973	9,521	200,495	-	200,495
Intersegment sales	-	-	-	9,062	9,062	-9,062	-
Total	90,523	100,450	190,973	18,583	209,557	-9,062	200,495
Segment income (Operating income)	2,710	3,078	5,789	833	6,623	-750	5,873
Total financial income (expenses)							-719
Income before income taxes							5,153

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

(Note 2) The -¥750 million adjustment made for segment income includes intersegment elimination of -¥296 million and -¥453 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 following is a breakdown of the assets and liabilities related to disposal groups classified as held for sale at the end of the period.

(Millions of yen)

	As of Mar. 31, 2024	As of Jun. 30, 2024
Assets related to disposal groups classified as held for sale		
Cash and cash equivalents	6	114
Trade receivables and other receivables	4,065	4,281
Inventories	2,048	2,422
Other current assets	128	234
Property, plant and equipment	4,002	10,314
Goodwill and intangible assets	33	34
Investments accounted for using equity method	222	565
Deferred tax assets	1,114	1,262
Other non-current assets	22	23
Total assets	11,643	19,253
Liabilities related to disposal groups classified as held for sale		
Trade payables and other payables	3,908	4,159
Other financial liabilities (current)	5,961	7,274
Income tax payables	-	40
Other current liabilities	1,427	3,578
Financial liabilities (non-current)	73	5,058
Provisions (non-current)	-	142
Deferred tax liabilities	-	-116
Net defined benefit liabilities	-	131
Total liabilities	11,370	20,269

(1) Transfer of steering business

On May 12, 2023, the Company entered into an agreement with JIS, to jointly manage NS&C, a consolidated subsidiary that controlled the Company's global steering business. Accordingly, the Company classified the steering business as a disposal group classified as held for sale and classified it as a discontinued operation from the first quarter of the previous fiscal year. On August 1, 2023, the Company lost control over NS&C and NS&C became an equity method affiliate of the Company effective from the second quarter of the previous fiscal year. In addition, during the third quarter of the previous fiscal year, the Company's European subsidiaries entered into and executed an agreement with NS&C's European subsidiaries effective December 1, 2023, which includes the transfer of business related to sales and technology of steering products. As a result, all steering entities excluding Rane NSK Steering Systems Private Limited ("RNSS") had been transferred during the previous fiscal year and RNSS had been in continuous negotiations to transfer separately.

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 Rane Holdings Limited ("RHL") to transfer the shares of RNSS that the Company owns and to make RNSS a wholly owned subsidiary of RHL. Accordingly, continuing from the previous fiscal year, RNSS has been classified as a disposal group classified as held for sale and continues to be classified as a discontinued operation for the first quarter of the current fiscal year. The shares are scheduled to be transferred at a later date after approval by the Indian authorities.

(2) Partial transfer of shares of logistic entity

The Company has approved and on July 1, 2024, the Company has entered into an agreement with SBS Holdings, Inc. to transfer 1,199 shares (66.61%) of NSK Logistics Co., Ltd. ("NLK")'s outstanding shares of 1,800 shares held by the Company. Accordingly, the Company has classified NLK as a disposal group classified as held for sale. As a result of this transaction, NLK is scheduled to become an equity method affiliate. NLK is classified in the Others segment. The shares are scheduled to be transferred during the current year.

2) Discontinued operations

For the three months ended June 30, 2024, RNSS, whose shares are scheduled to be transferred at a later date, is included in discontinued operations. Regarding the three months ended June 30, 2023, NS&C and its subsidiaries, prior to the Company losing control of NS&C on August 1, 2023 and RNSS are included in discontinued operations.

(1) Income (loss) from discontinued operations

(Millions of yen)

	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2024
Sales	40,895	8,160
Cost of sales and expenses	42,327	8,297
Income (loss) before income taxes	-1,431	-137
Income tax expense	1,047	-56
Net income (loss)	-2,478	-81

(2) Cash flows from discontinued operations

(Millions of yen)

	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2024
Cash flow from operating activities	650	263
Cash flow from investing activities	-1,737	1,207
Cash flow from financing activities	-24	-26
Total	-1,111	1,443

In the first quarter of the current fiscal year, the Company received a portion of the consideration 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. The proceeds from the business transfer of ¥1,341 million has been recorded in "Cash flow from investing activities" in the consolidated statements of cash flows. Remaining proceeds of €12 million (approximately ¥2,199 million) is planned to be received during the second quarter of the current fiscal year. The Japanese yen value is converted using the currency rate at the end of the first quarter of the current fiscal year.

Events after the reporting period

None.

2025年3月期 第1四半期決算短信 補足説明資料

Supplementary material of consolidated results for the three months ended June 30, 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ています。また、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。2025年3月期第1四半期連結会計期間は、ステアリング事業のインド子会社であるRane NSK Steering Systems Private Limitedを2024年3月期に引き続き非継続事業に含めています。なお、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 the first quarter of the fiscal year ended March 31, 2024, the steering business has been classified as a discontinued operation. Sales, operating income, income before income taxes, capital expenditures, depreciation and amortisation, R&D expenses are presented excluding the discontinued operations. Net income attributable to owners of the parent, basic earnings per share, number of consolidated subsidiaries, and number of employees represent the sum of continuing and discontinued operations. For the three months ended June 30, 2024, Rane NSK Steering Systems Private Limited 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

		2024年3月期 / FY2023					2025年3月期 / FY2024	
		1Q	2Q	3Q	4Q	Full year	1Q	YoY
		(百万円 / ¥Million)						
継続事業 Continuing operations	売上高 Sales	188,247	198,443	201,368	200,808	788,867	200,495	106.5%
	営業利益 Operating income	4,128	6,994	8,180	8,087	27,391	5,873	142.2%
	税引前四半期利益 Income before income taxes	4,277	6,250	8,108	7,573	26,210	5,153	120.5%
	(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	13,526	1,941	117.4%
	(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	27.47	3.97	120.3%
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	8,502	1,902	—
	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	17.27	3.89	—
	連結子会社数(社) Consolidated subsidiaries	92	82	82	82		80	—
	日本 Japan	18	16	16	16		14	—
	海外 Non-Japan	74	66	66	66		66	—
	期末従業員数(人) Number of employees	29,926	26,196	25,923	25,632		25,631	—
	日本 Japan	11,891	10,670	10,580	10,474		10,576	—
海外 Non-Japan	18,035	15,526	15,343	15,158		15,055	—	

【予想 / Forecast】

		2025年3月期 / FY2024					
		1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
		(百万円 / ¥Million)					
継続事業 Continuing operations	売上高 Sales	393,000	101.6%	427,000	106.2%	820,000	103.9%
	営業利益 Operating income	8,000	71.9%	28,000	172.1%	36,000	131.4%
	税引前利益 Income before income taxes	7,000	66.5%	26,500	169.0%	33,500	127.8%
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	500	75.8%	18,500	235.9%	19,000	223.5%

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	
		1Q	2Q	3Q	4Q	Full year	1Q	YoY
売上高 / Sales		188,247	198,443	201,368	200,808	788,867	200,495	106.5%
	産業機械事業 Industrial machinery business	85,065	85,947	83,947	89,885	344,846	90,523	106.4%
	自動車事業 Automotive business	95,179	103,947	107,967	101,727	408,821	100,450	105.5%
	その他 Others	16,712	16,021	18,275	16,646	67,655	18,583	111.2%
	調整額 Adjustments	△ 8,709	△ 7,472	△ 8,821	△ 7,451	△ 32,455	△ 9,062	—
営業利益 / Operating income		4,128	6,994	8,180	8,087	27,391	5,873	142.2%
	産業機械事業 Industrial machinery business	2,309	2,284	1,120	2,292	8,007	2,710	117.4%
	自動車事業 Automotive business	1,086	4,587	7,558	5,343	18,576	3,078	283.3%
	その他 Others	680	702	549	418	2,350	833	122.4%
	調整額 Adjustments	51	△ 579	△ 1,048	32	△ 1,543	△ 750	—

【予想 / Forecast】

	(百万円 / ¥Million)	2025年3月期 / FY2024					
		1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
売上高 / Sales		393,000	101.6%	427,000	106.2%	820,000	103.9%
	産業機械事業 Industrial machinery business	179,000	104.7%	199,000	114.5%	378,000	109.6%
	自動車事業 Automotive business	196,000	98.4%	209,000	99.7%	405,000	99.1%
	その他 Others	33,000	100.8%	35,000	100.2%	68,000	100.5%
	調整額 Adjustments	△ 15,000	—	△ 16,000	—	△ 31,000	—
営業利益 / Operating income		8,000	71.9%	28,000	172.1%	36,000	131.4%
	産業機械事業 Industrial machinery business	4,000	87.1%	15,000	439.4%	19,000	237.3%
	自動車事業 Automotive business	4,500	79.3%	13,500	104.6%	18,000	96.9%
	その他 Others	500	36.2%	500	51.7%	1,000	42.5%
	調整額 Adjustments	△ 1,000	—	△ 1,000	—	△ 2,000	—

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	
	1Q	2Q	3Q	4Q	Full year	1Q	YoY
設備投資額 Capital expenditures	9,853	15,194	12,044	21,385	58,478	12,299	124.8%
減価償却費 Depreciation and amortisation	12,805	13,332	13,267	13,502	52,907	13,594	106.2%
研究開発費 R&D Expenses (on a statutory basis)	3,602	3,888	3,976	4,135	15,602	3,811	105.8%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)	6,415	6,580	6,650	7,726	27,373	6,540	102.0%

【予想 / Forecast】

(百万円 / ¥Million)	2025年3月期 / FY2024					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
設備投資額 Capital expenditures					60,000	102.6%
減価償却費 Depreciation and amortisation					54,000	102.1%
研究開発費 R&D Expenses (on a statutory basis)					16,000	102.5%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)					29,000	105.9%

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	
	1Q	2Q	3Q	4Q	Full year	1Q	Full year FCT
USD	137.37	144.63	147.87	148.61	144.62	155.89	147.72
EUR	149.46	157.30	159.08	161.32	156.79	167.88	158.22
CNY	19.56	19.94	20.44	20.62	20.14	21.48	20.37

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	Full year	End of 1Q	Full year FCT
USD	144.99	149.58	141.82	151.40	151.40	161.14	145.00
EUR	157.56	157.97	157.09	163.28	163.28	172.44	155.00
CNY	19.95	20.46	19.94	20.84	20.84	22.05	20.00