



NSK Ltd.

Supplementary information

November 2024

Cautionary Statements with Respect to Forward-Looking Statements

Statements made in this report with respect to plans, strategies and future performance that are not historical fact are forward-looking statements. NSK cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Note : This document is an English translation of material written initially in Japanese.

The Japanese original should be considered as the primary version.

Company Profile

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



Akitoshi Ichii, President and CEO

<Mission Statement>

NSK contributes to a safer, smoother society and helps protect the global environment through its innovative technology integrating Motion & Control™. As a truly international enterprise, we are working across national boundaries to improve relationships between people throughout the world.

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

Established steering business as equity-method affiliate

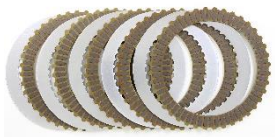
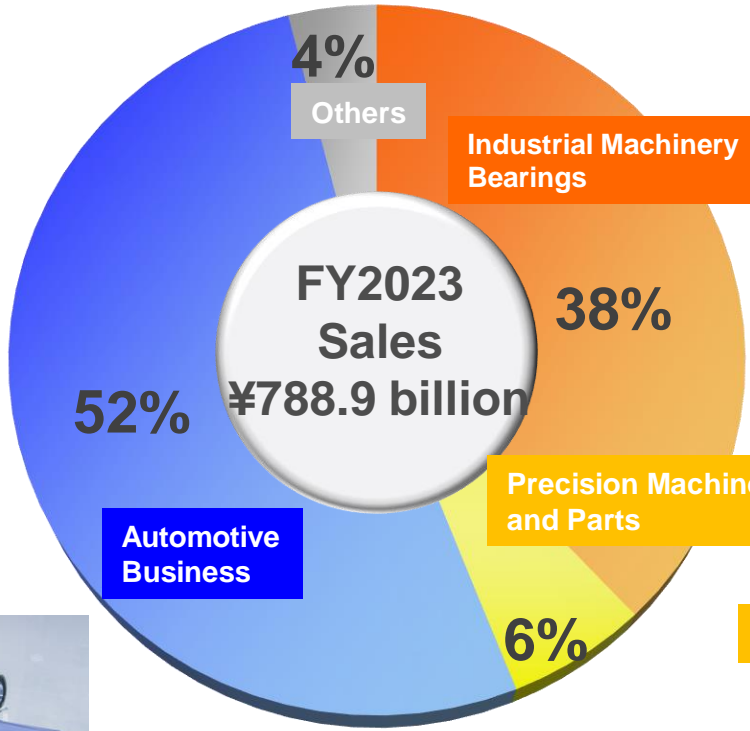


Headquarters
(Tokyo, Japan)

FY2022 Sales Breakdown by Business Segment

Automotive Business
52%

Industrial Machinery Business
44%



Friction Plates

Ball screw unit for electric hydraulic brake systems

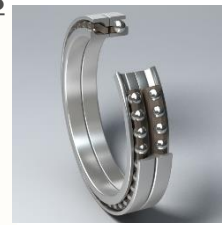


Needle roller bearings



Railways
Axle tapered roller bearings

Industrial Robots



High stiffness thin-section angular contact ball bearings

Others

Steel Balls



Electric erosion resistance Ex.) Ceramic ball bearings



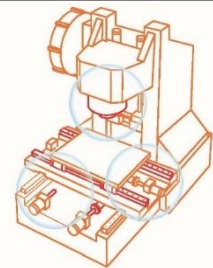
Hub unit bearings



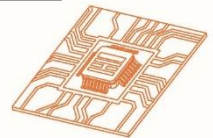
Ball screws



Machine Tools

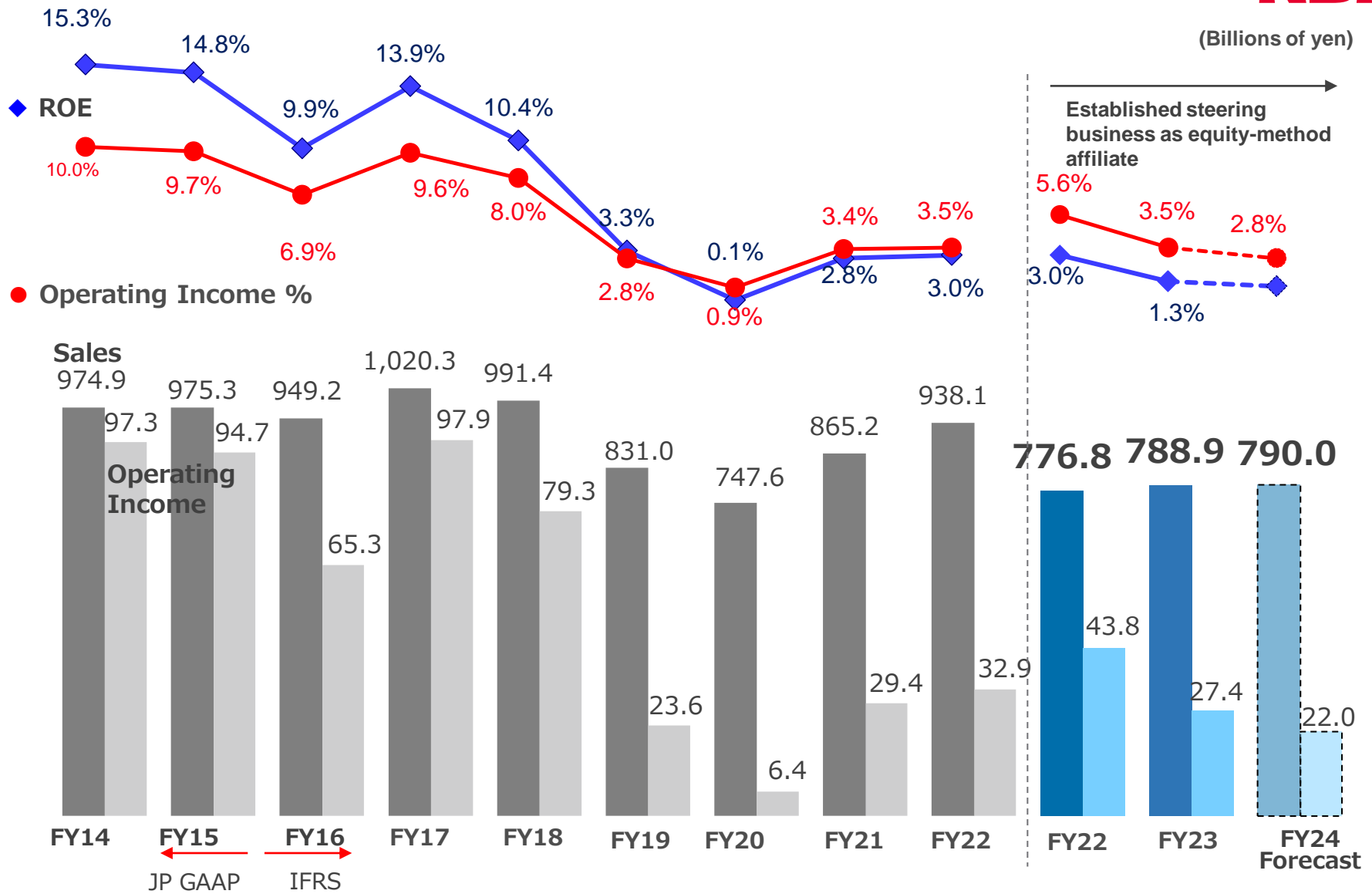


Semiconductor Production Equipment



High speed ball bearing for EV motors (Gen3)

Business Trends – Consolidated Business Trend –

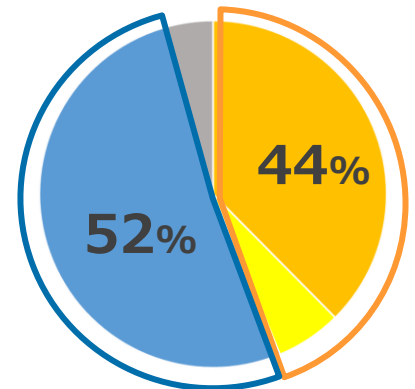
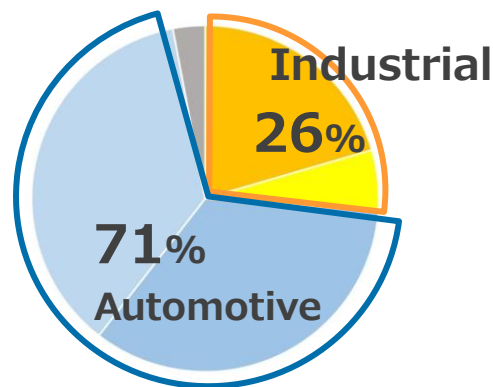
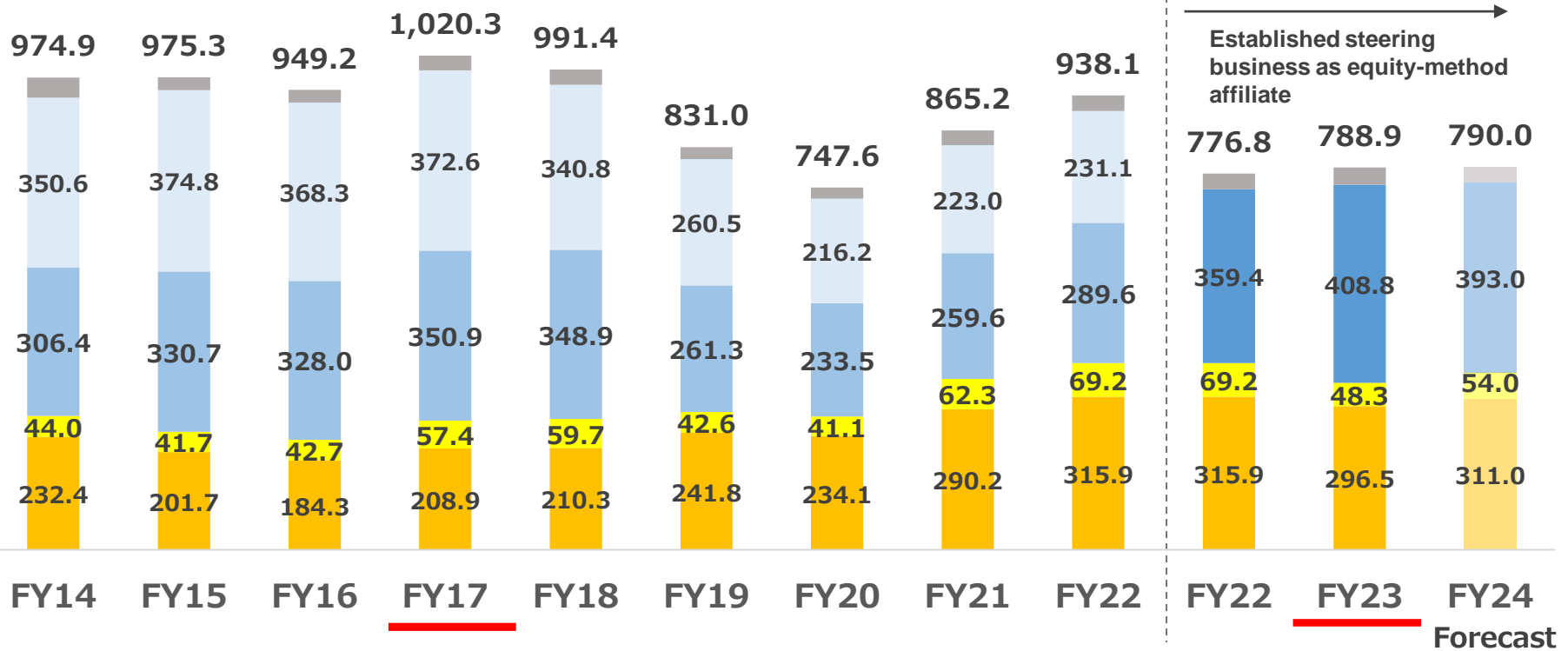


1USD	110	120	108	111	111	109	106	112	135	135	145	145
1EUR	139	133	119	130	128	121	124	131	141	141	157	150

Business Trends – Sales by Business Segment –

(Billions of yen)

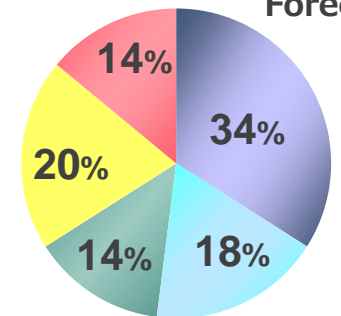
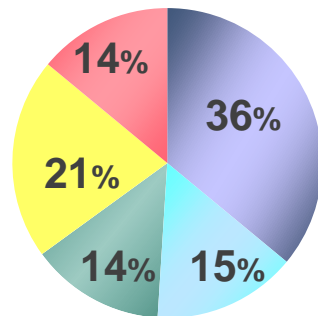
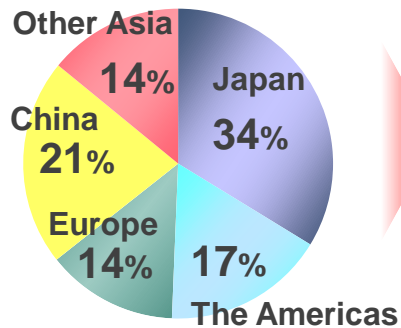
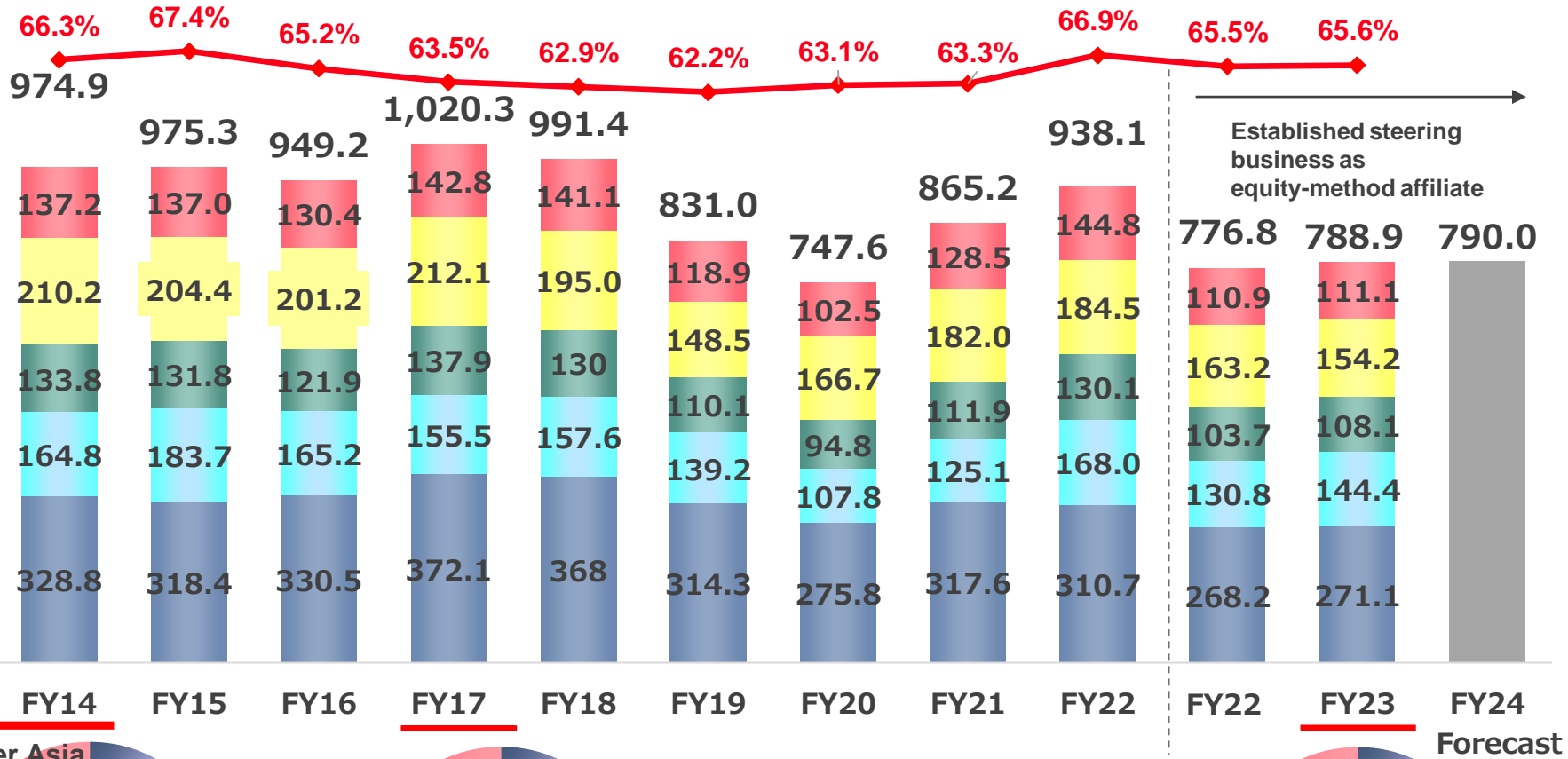
■ Industrial Machinery Bearings
 ■ Precision machinery and parts
■ Automotive Bearings
 ■ Automotive components
 ※FY22~ ■ Automotive



Business Trends – Sales by Customer Location –

(Billions of yen)

Japan The Americas Europe China Other Asia Non-Japan ratio

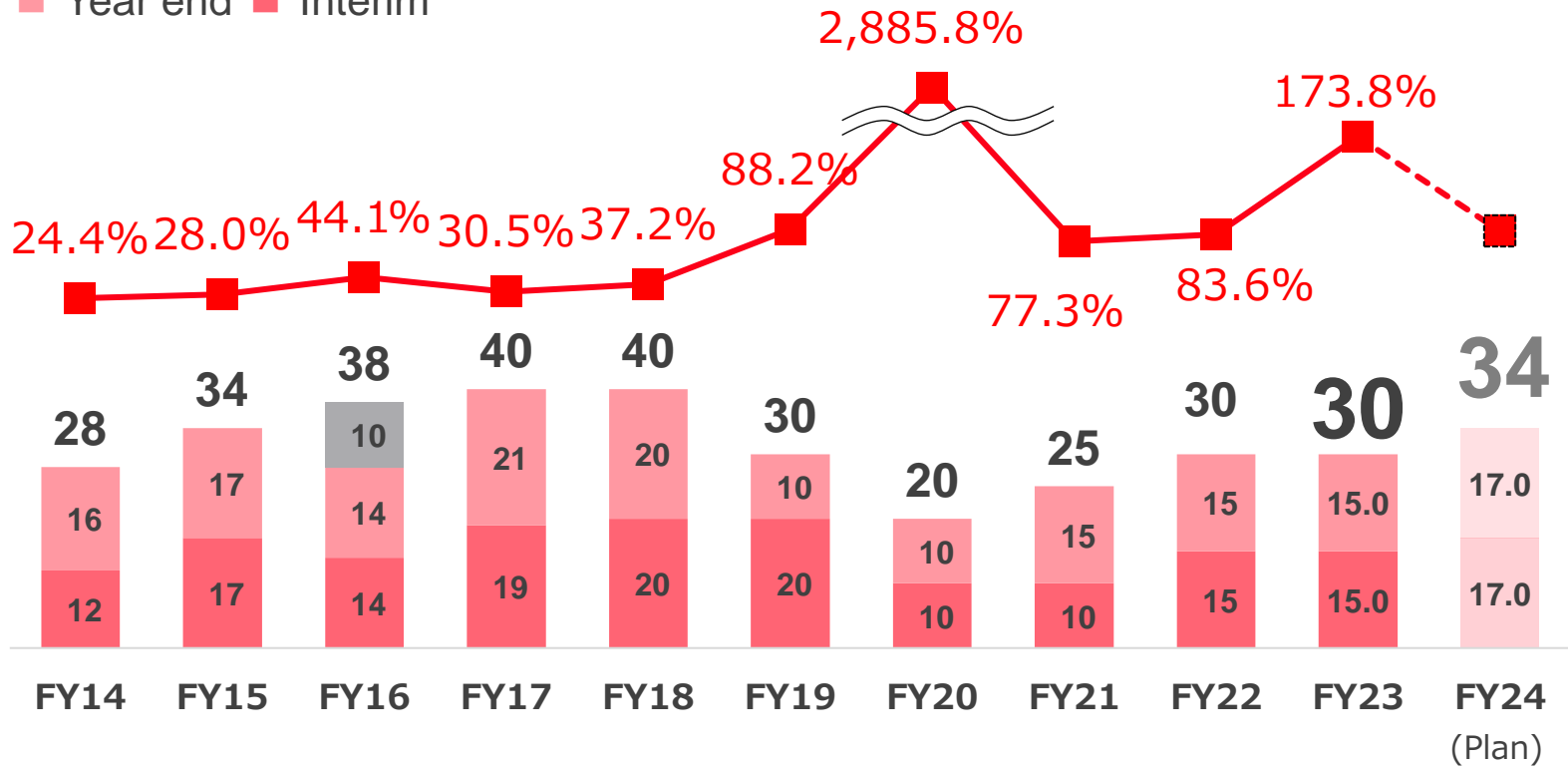


Stock & Bond Information

Dividend Transition

(yen)

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



Acquisition of treasury stock

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

Growth with Profitability

- Steering Business -

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

Purpose

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

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

Mid-Term Management Plan 2026
(Original published in May 13, 2022)
FY2022 to FY2026

MTP2026: Overall Image and Positioning

6th MTP

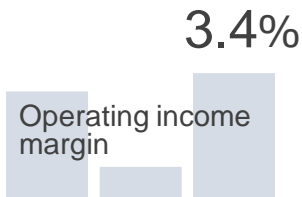
FY19-20-21

Build business base and strengthen resources in preparation for next growth phase

- Pursue new initiatives targeting growth
- Enhance managerial resources
- Contribute to environment and society

Changing business conditions

- Stagnating automotive market
- Carbon neutrality
- Supply chain risk actualizing
- Divided international community
- Costs increasing due to inflation



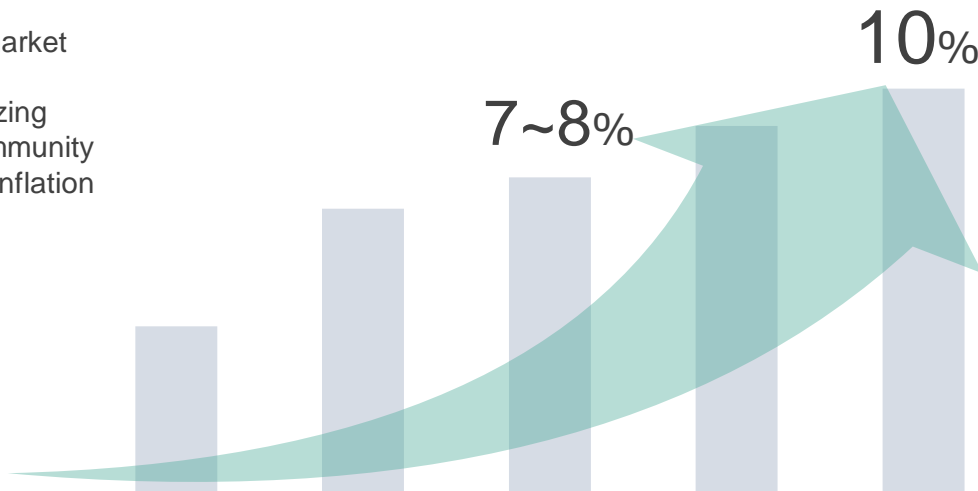
MTP2026

Rebuild corporate foundation for sustainable growth

FY22 — 24 — 26

"Change & Go Beyond" to become new type of trillion-yen company

Accelerate efforts to address management issues



Post2026

Continue excelling for next 100 or even 1,000 years

No.1 in quality and trust
Resolve social issues
Foster technological innovation

- Advances in electrification, automation, and IT
- Respond to electrification of automobiles
- Growing demand for semiconductors, and robots
- Global push to reduce environmental impact



New Type of Trillion-yen Company

Portfolio reform; 10% operating margin; 10% ROE

» Portfolio reform Bearings & Beyond

① Expand Industrial Machinery business

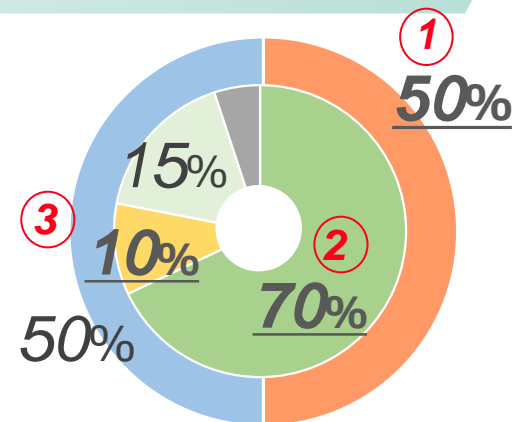
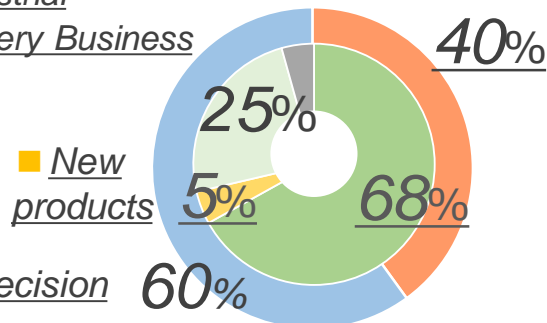
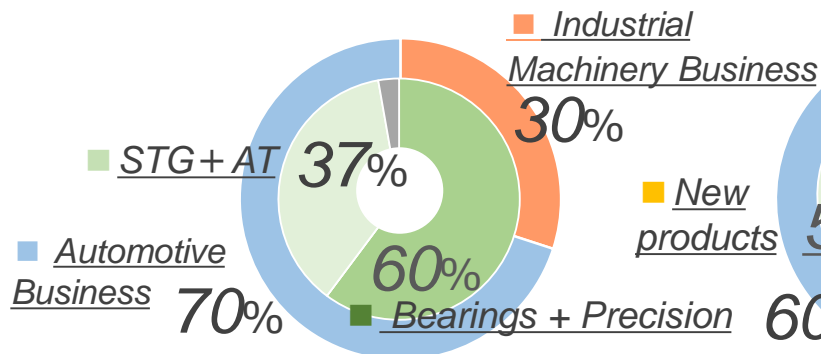
② Deploy bearings + precision machinery to drive earnings

③ Grow new products

FY17
Sales: ¥1 trillion

MTP2026
Sales: ¥1 trillion

Post2026



» KPIs

FY21

FY26

FY21→26

		FY21	FY26	FY21→26
Growth	Sales/ Growth ratio	¥865.2 billion	¥1 trillion or more	CAGR +5%/year
	Operating income margin	¥29.4 billion (3.4%)	¥100.0 billion (10%)	+¥70.0 billion +6.6 points
Efficiency	ROE	2.8%	10%	+7.2 points
	ROIC	1.9%	8%	+6.1 points
Financial Stability	Net D/E ratio	0.3 times	0.4 times or less	Maintain an A-level credit rating

FY26 forex rates
→ Using average
FY21 rates:
USD ¥112
EUR ¥131
CNY ¥17.5