



NSK Ltd.

Supplementary information

December 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

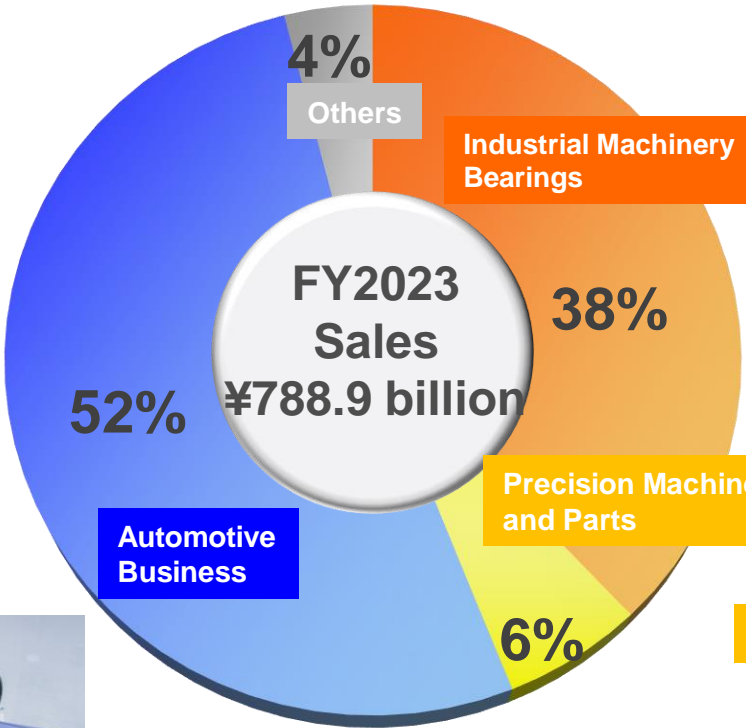


Headquarters
(Tokyo, Japan)

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



Automotive Business

Industrial Machinery Bearings



Railways
Axle tapered roller bearings

Industrial Robots



High stiffness thin-section angular contact ball bearings

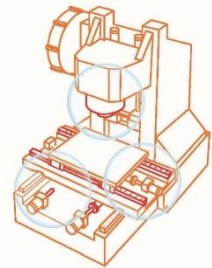
Precision Machinery and Parts

6%

Ball screws



Machine Tools



Others

Steel Balls

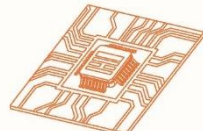


Electric erosion resistance Ex.) Ceramic ball bearings

Hub unit bearings



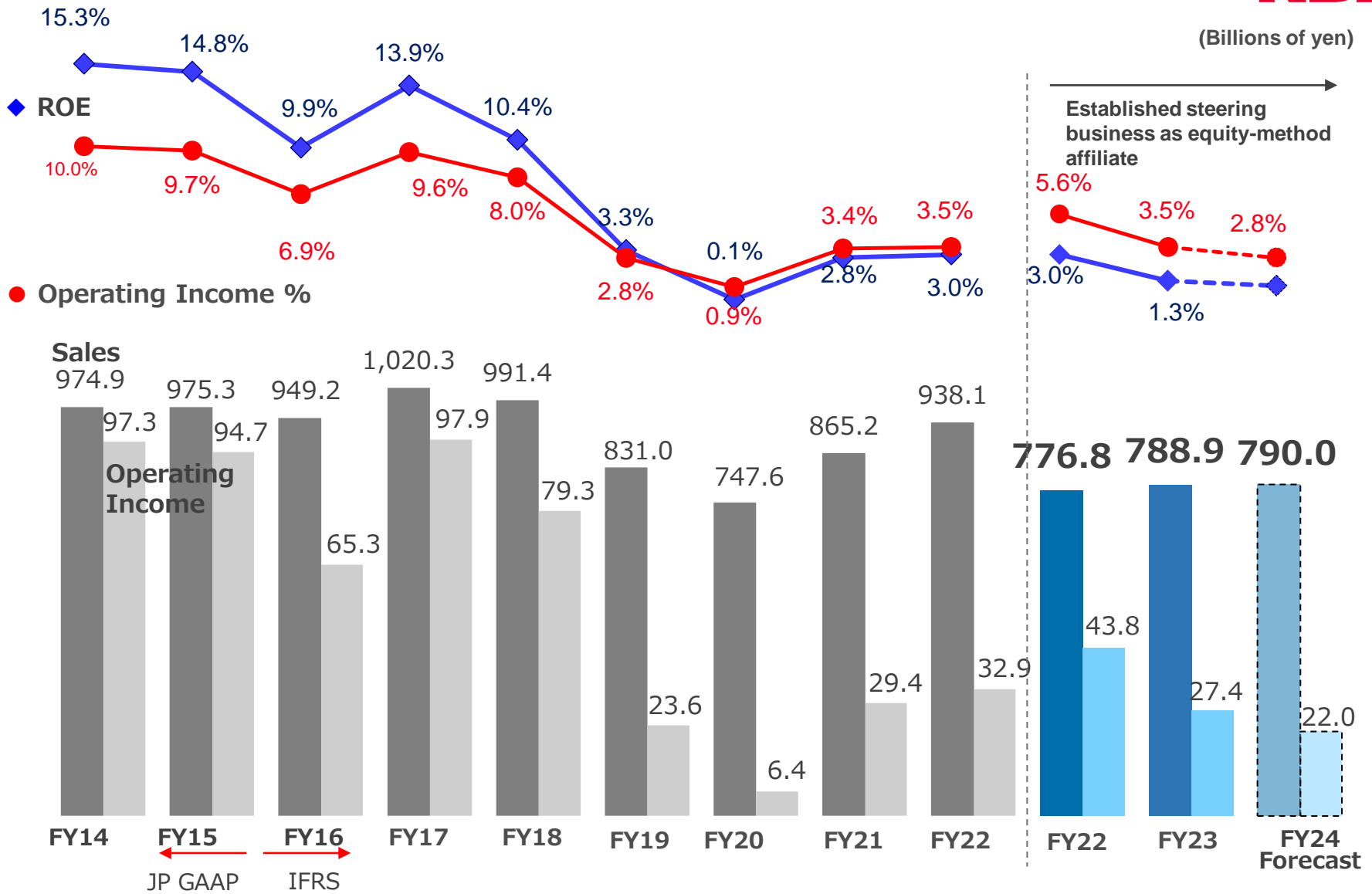
Semiconductor Production Equipment



High speed ball bearing for EV motors (Gen3)



Business Trends – Consolidated Business Trend –

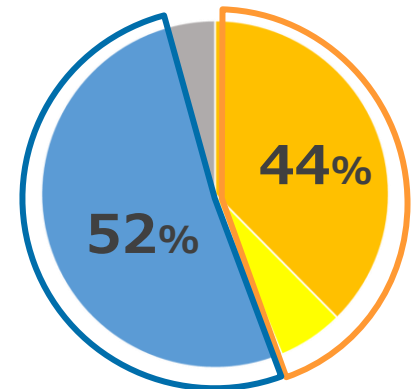
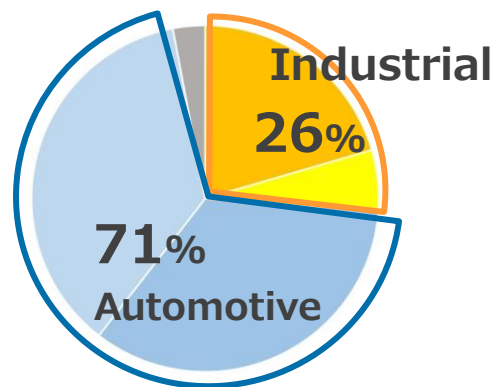
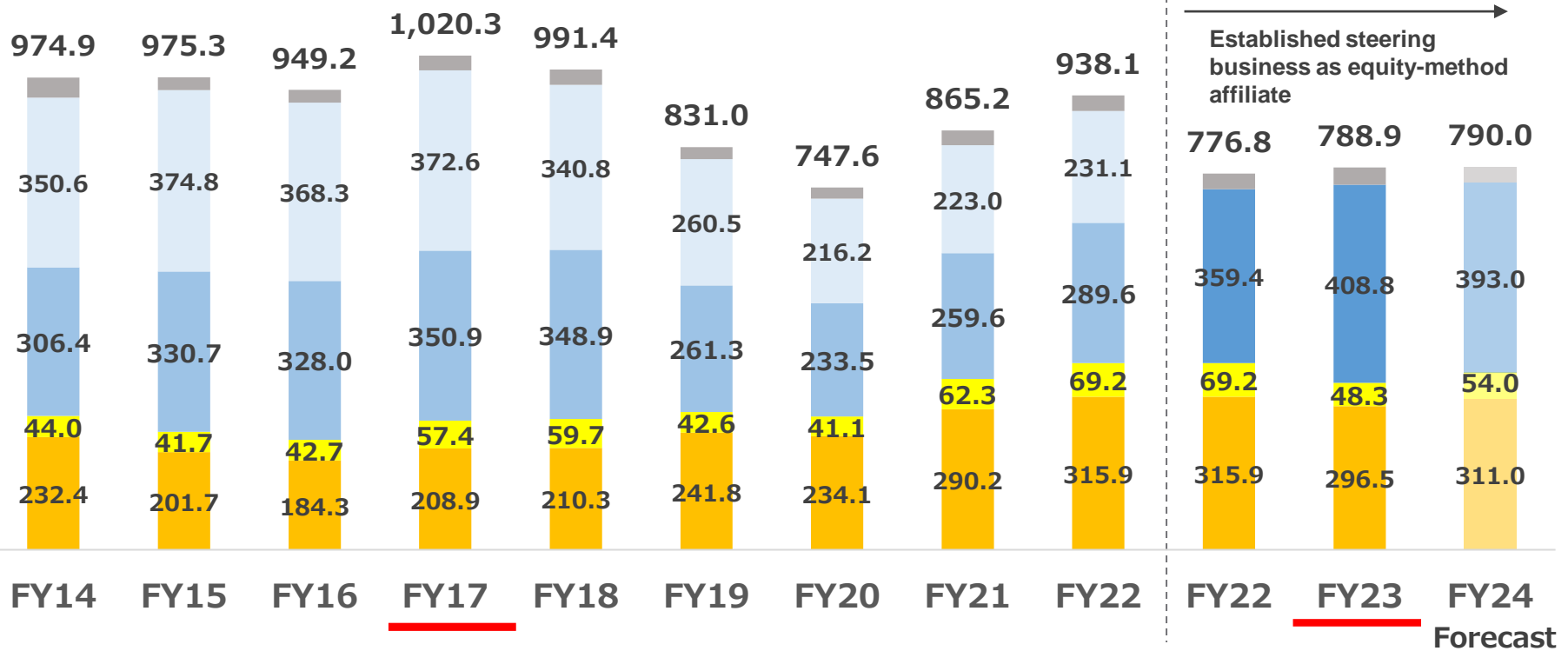


1USD	110	120	108	111	111	109	106	112	135	135	145	145
1EUR	139	133	119	130	128	121	124	131	141	141	157	150

Business Trends – Sales by Business Segment –

(Billions of yen)

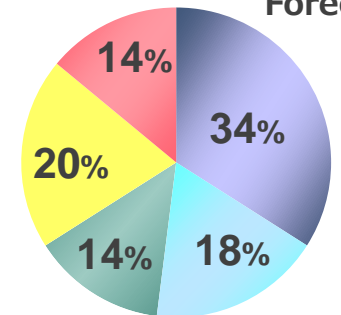
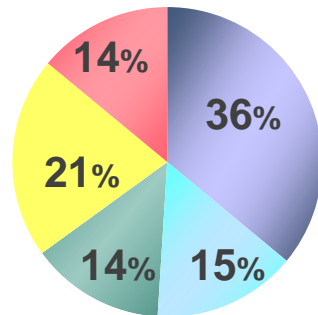
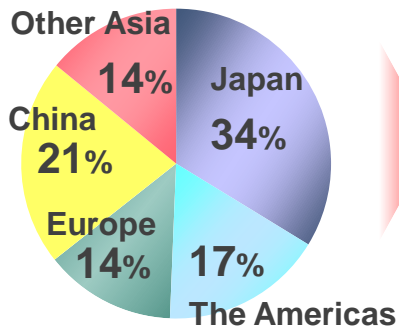
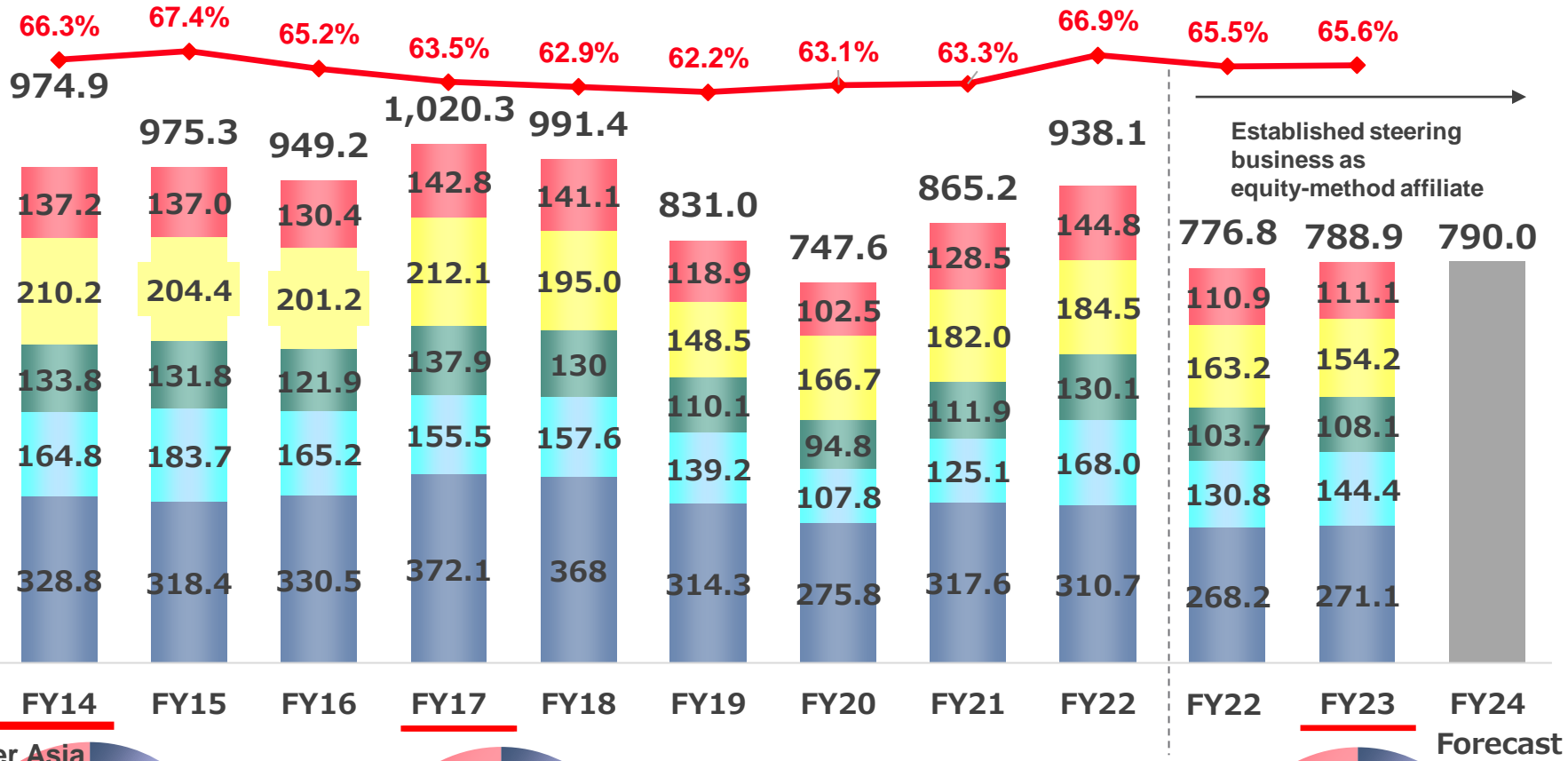
■ Industrial Machinery Bearings
 ■ Precision machinery and parts
■ Automotive Bearings
 ■ Automotive components
 ※FY22~ ■ Automotive



Business Trends – Sales by Customer Location –

(Billions of yen)

Japan The Americas Europe China Other Asia Non-Japan ratio

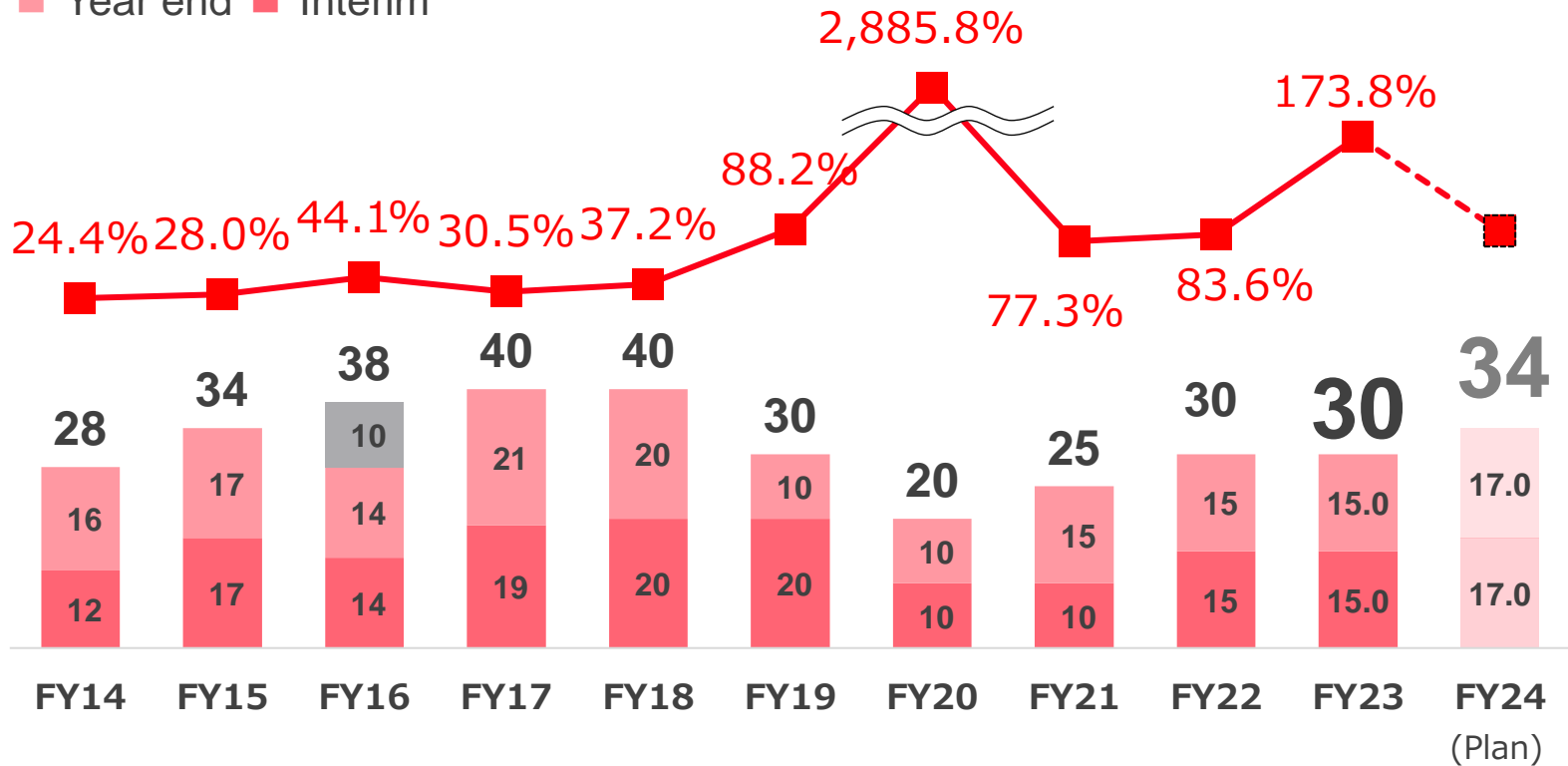


Stock & Bond Information

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

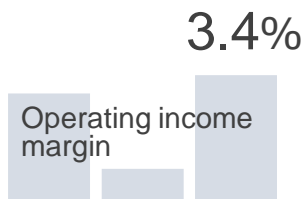
FY19-20-21

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



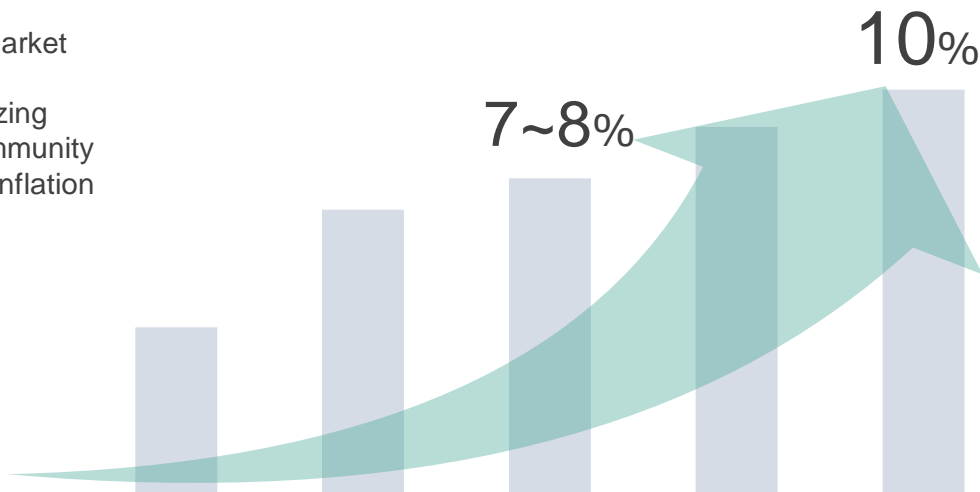
MTP2026

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 exceling 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

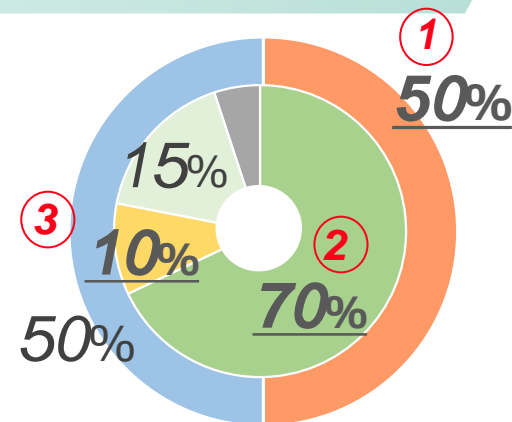
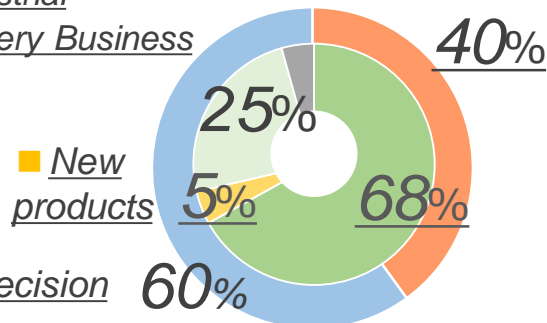
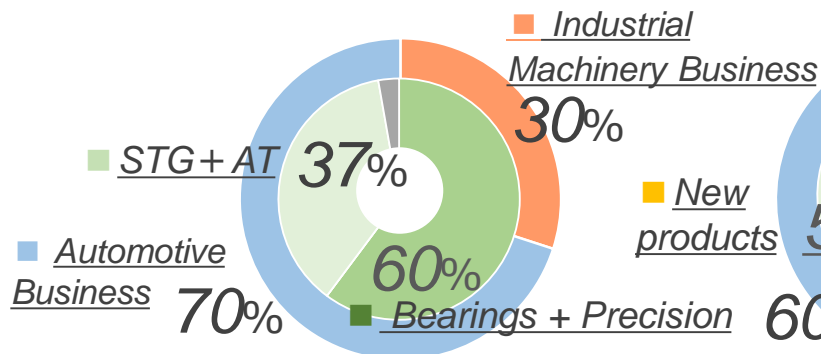
② Deploy bearings + precision machinery to drive earnings

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