

NSK Ltd.

For Immediate Release

May 10, 2022

CONSOLIDATED RESULTS FOR THE YEAR ENDED MARCH 31, 2022 (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	Keita Suzuki, Senior Vice President
Date of the ordinary general shareholders' meeting	June 28, 2022
Payment date of cash dividends	June 9, 2022
Filing date of securities report	June 28, 2022

(Figures are rounded down to the nearest million yen)

1. Consolidated financial highlights for the year ended March 31, 2022

(1) Consolidated financial results

(% indicates changes from the previous year)

	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	%
Year ended Mar. 31, 2022	865,166	15.7	29,430	362.4	29,516	401.2	17,664	—	16,587	—	74,006	25.8
Year ended Mar. 31, 2021	747,559	-10.0	6,364	-73.0	5,889	-75.5	-748	—	355	-98.0	58,849	—

	Basic earnings per share	Diluted earnings per share	Return on equity (ROE)	Income before income taxes / Total assets	Operating income margin
	Yen	Yen	%	%	%
Year ended Mar. 31, 2022	32.35	32.26	2.8	2.5	3.4
Year ended Mar. 31, 2021	0.69	0.69	0.1	0.5	0.9

(Note) Share of profits of investments accounted for using the equity method Year ended Mar. 31, 2022 3,785 million yen Year ended Mar. 31, 2021 4,076 million yen

(Note) Basic earnings per share and diluted earnings per share are calculated based on the net income attributable to owners of the parent.

(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	Equity per share attributable to owners of the parent
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of Mar. 31, 2022	1,234,551	637,460	617,800	50.0	1,204.63
As of Mar. 31, 2021	1,171,699	573,569	554,516	47.3	1,081.88

(3) Consolidated results of cash flow

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ended Mar. 31, 2022	22,733	-19,973	-48,224	137,504
Year ended Mar. 31, 2021	53,842	-51,096	29,992	176,638

2. Cash dividends

	Cash dividends per share					Total dividend	Dividend payout ratio	Dividend on equity (DOE)
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year-end	Full-year total	(Full-year)	(Consolidated)	(Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Year ended Mar. 31, 2021	—	10.00	—	10.00	20.00	10,367	2,885.8	1.9
Year ended Mar. 31, 2022	—	10.00	—	15.00	25.00	12,958	77.3	2.2
Year ending Mar. 31, 2023 (Forecast)	—	15.00	—	15.00	30.00		57.0	

3. Forecast of consolidated results for the year ending March 31, 2023

(% indicates changes from the previous year)

	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, 2022	450,000	7.7	11,000	-29.9	11,000	-29.6	7,000	-9.8	13.65
Year ending Mar. 31, 2023	940,000	8.6	40,000	35.9	40,000	35.5	27,000	62.8	52.65

Others

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

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

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

(ii) Changes excluding the above: None

(iii) Changes in accounting estimates: None

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

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

As of Mar. 31, 2022 551,268,104 shares As of Mar. 31, 2021 551,268,104 shares

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

As of Mar. 31, 2022 38,413,984 shares As of Mar. 31, 2021 38,717,721 shares

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

Year ended Mar. 31, 2022 512,760,152 shares Year ended Mar. 31, 2021 512,427,148 shares

(Reference)

Non-consolidated financial highlights for the year ended March 31, 2022

(1) Non-consolidated financial results

(% indicates changes from the previous year)

	Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2022	446,623	14.8	8,143	—	26,842	75.1	34,379	112.5
Year ended Mar. 31, 2021	389,199	-8.9	-3,108	—	15,329	-22.2	16,178	-23.9

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
Year ended Mar. 31, 2022	66.99	—
Year ended Mar. 31, 2021	31.54	—

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Mar. 31, 2022	715,771	291,484	40.7	567.18
As of Mar. 31, 2021	717,129	273,959	38.1	533.22

(Reference) Equity capital As of Mar. 31, 2022 291,154 million yen As of Mar. 31, 2021 273,554 million yen

(Note) Figures for non-consolidated financial highlights were formulated based on Japanese GAAP.

Note:

- This summary of quarterly financial results is out of scope of review by certified public accountants or an auditor.
- 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. Please refer to page 5: 1. Business overview (4) Business forecast for the assumptions and preconditions on which the forecast has been based.
- 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 its 6th Mid-Term Management Plan, which spanned the three years from April 2019 to March 2022 with the target of “building a business base and strengthening resources in preparation for the next growth phase.” Positioning safety, quality, compliance and environment as NSK core values, we implemented two key policies of “Operational Excellence” and “Challenging Innovation” and addressed three main management themes: new initiatives targeting growth, enhancement of managerial resources, and contribution to the environment and society.

Looking at the global economy during the year ended March 31, 2022, although COVID-19 infection rates varied by country and region, economic activity has gradually returned to normality and the global economy continued moving toward recovery. On the other hand, economic outlook remains uncertain due to the impact of supply shortages of components such as semiconductors, the increase of material prices, weakening of the yen, and in addition energy price increases and more inflationary pressure due to supply chain disruption triggered by growing tensions in Ukraine.

Looking at the Company's results by geographic breakdown, in Japan, although automotive production slowed down in the short term, the economy continues to recover due to steady demand for capital expenditure. In the US, consumer spending and capital expenditure remained robust although price inflation is creating downward pressure on economic recovery. In Europe, we see signs of moderate economic recovery due to the easing of COVID-19-related restrictions but Russia's aggression against Ukraine is causing an economic slowdown. In China, the pace of economic recovery slowed down due to resurgence of restrictions related to COVID-19.

In the economic environment, consolidated sales for the year ended March 31, 2022 totaled ¥865,166 million, a year-on-year increase of 15.7%. With the recording of gains on sales of property, plant and equipment and an impairment loss on fixed assets for automotive components business, operating income was ¥29,430 million (compared to ¥6,364 million in the previous year). Income before income taxes was ¥29,516 million (compared to ¥5,889 million in the previous year). Net income attributable to owners of the parent was ¥16,587 million (compared to ¥355 million in the previous year).

Business segment information

1) Industrial Machinery Business segment

In addition to increasing demand in the semiconductor industry, a strong global recovery in capital expenditure was seen during the year, centering on the manufacturing industry. Sales increased compared to the same period of the previous year.

Looking at the Company's results by geographic breakdown, demand in Japan increased, especially in the machine tool, semiconductor sectors, and electrical and electronics accessory. In the Americas, demand in the aftermarket and semiconductor sectors increased. In Europe, sales in the aftermarket and machine tool sectors increased. In China, although demand in the wind turbine and railcar sectors was stagnant, sales increased in the machine tool and the electrical and electronics accessory sectors.

As a result, sales in the industrial machinery business totaled ¥345,785 million, a year-on-year increase of 25.6%, and operating income was ¥30,943 million (compared to ¥7,697 million in the previous year).

2) Automotive Business segment

Global automotive production volume decreased continuously due to semiconductor supply shortages resulting in a decrease compared to the previous year, but sales increased compared to the same period of the previous year. Looking at the Company's results by geographic breakdown, sales in all regions, excluding China, increased as a result of the recovery in demand compared to the previous year. On the other hand, sales in China decreased mainly due to the impact of the semiconductor supply shortage, in addition to the fact that China's automotive industry had already shown recovery from the impact of COVID-19 ahead of the rest of the world in the first quarter of the previous fiscal year.

An impairment loss of 9,044 million yen was recognized on fixed assets for the automotive components business in the third quarter of the year ended March 31, 2022.

As a result, sales in the automotive business totaled ¥482,547 million, a year-on-year increase of 7.3%, segment loss excluding impairment losses on fixed assets resulting from nonrecurring factors was ¥4,718 million and operating loss was ¥13,762 million (operating loss was ¥4,018 million in the same period last year).

(2) Qualitative information regarding consolidated financial position

Assets and liabilities

In the fiscal year ended March 31, 2022, at the end of the period, inventories increased as a precaution for supply chain risk. Meanwhile, following the recovery of overall business conditions, cash and cash equivalents and other financial liabilities (current) decreased due to the partial repayment of the borrowings procured as a countermeasure for liquidity risks posed by the global spread of COVID-19.

Total assets at the end of the period were ¥1,234,551 million, an increase of ¥62,852 million compared to total assets as of March 31, 2021. Total liabilities at the end of the period were ¥597,091 million, a decrease of ¥1,038 million compared to total liabilities as of March 31, 2021.

Total equity

Total equity was ¥637,460 million, an increase of ¥63,890 million compared to total equity as of March 31, 2021 mainly due to the increase in net income attributable to owners of the parent and other components of equity, which offsets the decrease in cash dividends.

(3) Qualitative information regarding cash flow

Total cash and cash equivalents at the end of the period were ¥137,504 million, a decrease of ¥39,133 million compared to total cash and cash equivalents as of March 31, 2021 due to repayment of borrowings with the recovery of business conditions.

1) Cash flow from operating activities

Net cash flow provided by operating activities totaled ¥22,733 million, a decrease of ¥31,108 million compared to the previous year. This includes the net income before income taxes of ¥29,516 million with subsequent adjustments including the depreciation and amortization of ¥56,558 million, and increase in inventory of ¥34,821 million.

2) Cash flow from investing activities

Net cash flow used in investing activities totaled ¥19,973 million, a decrease of ¥31,123 million compared to the previous year. This includes spending due to purchases of property, plant and equipment totaling ¥36,063 million and also including cash inflow from the sales of property, plant and equipment ¥10,829 million and other financial assets totaling ¥11,290 million resulting from the reduction of crossheld shares.

3) Cash flow from financing activities

Net cash flow from financing activities totaled ¥48,224 million (Net cash provided by financing activities was ¥29,992 million at the same period last year). The main cash outflows were ¥10,259 million in dividends paid, ¥22,035 million in decrease in short-term loans and ¥10,000 million in repayments of bonds.

(4) Business forecast

Regarding the business environment for the year ending March 31, 2023, the Company anticipates the momentum to continue, although there are heightened geopolitical risks like the situation in Ukraine and other risk factors including strict restrictions based on Zero-COVID policy in China, which will worsen business confidence.

The business environment surrounding both the industrial machinery and automotive businesses are expected to recover in machine tools and demand expansion in semiconductors due to increase in EVs and digitalization as well as recovery in automotive demand due to increase in global automotive production volume.

	<u>Year ending Mar. 31, 2023</u>	(Changes from the previous year)
Forecast (Consolidated)		
Sales	¥ 940,000 million	(+8.6%)
Operating income	¥ 40,000 million	(+35.9%)
Income before income taxes	¥ 40,000 million	(+35.5%)
Net income attributable to owners of the parent	¥ 27,000 million	(+62.8%)

*Exchange rate assumed for the year ending March 31, 2023:
1 USD=¥120, 1 EUR=¥130, 1 CNY=¥19.0

*For business forecast by segment, please refer to page 16: "Supplementary material of consolidated results for the year ended March 31, 2022."

Notes

All forecasts are based on a number of assumptions regarding business environment and policies, and are subject to change with various factors. Actual financial results may differ materially and NSK accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

(5) Basic policy on appropriation of retained earnings and dividends

NSK places great importance on shareholder returns. As part of the 6th Mid-Term Management Plan, spanning the three years beginning April 2019, we have aimed to provide stable dividends to our shareholders on an ongoing basis, and set the target of dividend payout ratio ranging from 30% to 50% as well as a per-share annual dividend of 40 yen or more on a consolidated basis. Also we regard treasury shares as an option to execute agile capital policy, and set a target of a total return ratio of 50% during the three-year period. We take into account the financial situation and so forth to make proper decisions for the execution.

Based on the policy stated above, we comprehensively took into account our business performance in this fiscal year and future business environment. As a result, the year-end dividends for the fiscal year ended March 31, 2022, will be ¥15.00 per share. The dividends for the first half of the year, paid on December 3, 2021, was ¥10.00 per share. Accordingly, the full year dividends for the fiscal year ended March 31, 2022 will be ¥25.00 per share, a ¥5 increase from the fiscal year ended March 31, 2021.

The dividend forecast for the fiscal year ending March 31, 2023 is planned to be ¥30.00 per share (¥15.00 per share for the first half of the year.)

2. Basic stance on selection of accounting standards

Beginning with the consolidated financial statements in the Annual Securities Report for the year ended March 2016, NSK has adopted International Financial Reporting Standards (IFRS) in order to improve management efficiency through standardization of the group's financial reporting and enhance comparability of financial information across international capital markets.

3. Consolidated financial statements and notes

(1) Consolidated statements of financial position

(Millions of yen)

	As of Mar.31, 2021	As of Mar.31, 2022
Assets		
Current assets		
Cash and cash equivalents	176,638	137,504
Trade receivables and other receivables	185,993	209,351
Inventories	150,046	196,736
Other financial assets	1,569	1,658
Income tax receivables	4,670	5,562
Other current assets	15,850	19,065
Total current assets	534,769	569,879
Non-current assets		
Property, plant and equipment	378,677	379,042
Intangible assets	42,872	43,987
Investments accounted for using equity method	29,773	30,824
Other financial assets	79,203	66,094
Deferred tax assets	10,962	15,128
Net defined benefit assets	88,809	123,989
Other non-current assets	6,632	5,603
Total non-current assets	636,930	664,672
Total assets	1,171,699	1,234,551
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	112,374	119,855
Other financial liabilities	130,205	113,882
Provisions	318	516
Income tax payables	3,203	5,990
Other current liabilities	54,888	56,758
Total current liabilities	300,989	297,003
Non-current liabilities		
Financial liabilities	223,211	214,684
Provisions	2,919	3,050
Deferred tax liabilities	45,521	56,084
Net defined benefit liabilities	17,349	17,714
Other non-current liabilities	8,139	8,555
Total non-current liabilities	297,140	300,088
Total liabilities	598,130	597,091
Equity		
Issued capital	67,176	67,176
Capital surplus	80,338	80,374
Retained earnings	397,837	410,872
Treasury shares	-37,303	-37,025
Other components of equity	46,467	96,402
Total equity attributable to owners of the parent	554,516	617,800
Non-controlling interests	19,052	19,659
Total equity	573,569	637,460
Total liabilities and equity	1,171,699	1,234,551

(2) Consolidated statements of income and consolidated statements of comprehensive income**Consolidated statements of income**

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Sales	747,559	865,166
Cost of sales	621,318	695,440
Gross profit	126,240	169,725
Selling, general and administrative expenses	125,425	144,724
Share of profits of investments accounted for using the equity method	4,076	3,785
Other operating income	—	10,225
Other operating expenses	-1,472	9,582
Operating income	6,364	29,430
Financial income	2,137	2,229
Financial expenses	2,612	2,143
Income before income taxes	5,889	29,516
Income tax expense	6,637	11,851
Net income (loss)	-748	17,664
Net income attributable to:		
Owners of the parent	355	16,587
Non-controlling interests	-1,103	1,077
(Earnings per share attributable to owners of the parent)		
Basic earnings per share (yen)	0.69	32.35
Diluted earnings per share (yen)	0.69	32.26

Consolidated statements of comprehensive income

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Net income (loss)	-748	17,664
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	15,205	21,170
Net changes in financial assets measured at fair value through other comprehensive income	19,467	-1,642
Share of other comprehensive income of investments accounted for using equity method	144	166
Total items that will not be reclassified to profit or loss	34,817	19,694
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	23,783	35,774
Cash flow hedges	281	—
Share of other comprehensive income of investments accounted for using equity method	715	872
Total items that may be reclassified to profit or loss	24,780	36,647
Total other comprehensive income, net of tax	59,597	56,341
Total comprehensive income for the period	58,849	74,006
Total comprehensive income for the period attributable to:		
Owners of the parent	59,290	72,220
Non-controlling interests	-441	1,785

(3) Consolidated statements of changes in equity

From April 1, 2020 to March 31, 2021

(Millions of yen)

	Equity attributable to owners of the parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	80,456	405,842	-37,662
Net income (loss)	—	—	355	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	355	—
Purchase of treasury shares	—	—	—	-8
Disposal of treasury shares	—	30	—	367
Share-based payment transactions	—	-147	—	—
Cash dividends	—	—	-10,256	—
Other	—	—	1,896	—
Total transactions with owners, etc.	—	-117	-8,360	359
Closing balance	67,176	80,338	397,837	-37,303

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Other components of equity					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	-34,462	—	17,166	6,988	-10,308	505,505	21,013	526,518
Net income (loss)	—	—	—	—	—	355	-1,103	-748
Other comprehensive income	23,846	281	19,509	15,298	58,935	58,935	662	59,597
Total comprehensive income for the period	23,846	281	19,509	15,298	58,935	59,290	-441	58,849
Purchase of treasury shares	—	—	—	—	—	-8	—	-8
Disposal of treasury shares	—	—	—	—	—	398	—	398
Share-based payment transactions	—	—	—	—	—	-147	—	-147
Cash dividends	—	—	—	—	—	-10,256	-1,519	-11,775
Other	—	-281	-1,879	—	-2,160	-264	—	-264
Total transactions with owners, etc.	—	-281	-1,879	—	-2,160	-10,279	-1,519	-11,798
Closing balance	-10,616	—	34,797	22,286	46,467	554,516	19,052	573,569

From April 1, 2021 to March 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	80,338	397,837	-37,303
Net income	—	—	16,587	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	16,587	—
Purchase of treasury shares	—	—	—	-8
Disposal of treasury shares	—	-14	—	286
Share-based payment transactions	—	42	—	—
Cash dividends	—	—	-10,263	—
Changes in ownership interests in subsidiaries	—	7	—	—
Other	—	—	6,711	—
Total transactions with owners, etc.	—	35	-3,551	278
Closing balance	67,176	80,374	410,872	-37,025

	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	-10,616	—	34,797	22,286	46,467	554,516	19,052	573,569	
Net income	—	—	—	—	—	16,587	1,077	17,664	
Other comprehensive income	35,933	—	-1,638	21,338	55,633	55,633	708	56,341	
Total comprehensive income for the period	35,933	—	-1,638	21,338	55,633	72,220	1,785	74,006	
Purchase of treasury shares	—	—	—	—	—	-8	—	-8	
Disposal of treasury shares	—	—	—	—	—	271	—	271	
Share-based payment transactions	—	—	—	—	—	42	—	42	
Cash dividends	—	—	—	—	—	-10,263	-1,164	-11,428	
Changes in ownership interests in subsidiaries	—	—	—	—	—	7	-14	-7	
Other	—	—	-5,697	—	-5,697	1,013	—	1,013	
Total transactions with owners, etc.	—	—	-5,697	—	-5,697	-8,936	-1,179	-10,115	
Closing balance	25,316	—	27,460	43,625	96,402	617,800	19,659	637,460	

(4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Operating activities		
Income before income taxes	5,889	29,516
Depreciation and amortisation	54,527	56,558
Impairment loss	132	10,222
Increase (decrease) in net defined benefit liability and net defined benefit asset	-2,658	-2,442
Interest and dividend income	-1,763	-1,728
Interest expenses	2,739	2,573
Share of losses (profits) of investments accounted for using the equity method	-4,076	-3,785
Loss (gain) on sales of property, plant and equipment	-291	-10,048
Decrease (increase) in trade receivables	-20,822	-11,902
Decrease (increase) in inventories	9,155	-34,821
Increase (decrease) in trade payables	13,800	442
Other	5,591	-2,707
Subtotal	62,225	31,876
Interest and dividend received	3,895	5,241
Interest expenses paid	-2,398	-2,936
Income tax paid	-9,880	-11,447
Net cash provided by operating activities	53,842	22,733
Investing activities		
Purchases of property, plant and equipment	-33,797	-36,063
Proceeds from sale of property, plant and equipment	878	10,829
Purchases of other financial assets	-130	-20
Proceeds from sale of other financial assets	3,804	11,290
Acquisition of shares of subsidiaries	-20,118	—
Other	-1,732	-6,010
Net cash used in investing activities	-51,096	-19,973
Financial activities		
Increase (decrease) in short-term loans	39,194	-22,035
Proceeds from long-term loans	16,727	9,000
Repayments of long-term loans	-10,142	-9,304
Payments for redemption of corporate bonds	—	-10,000
Repayments of lease liabilities	-4,409	-4,722
Acquisition of treasury shares	-2	-1
Dividends paid	-10,253	-10,259
Dividends paid to non-controlling interests	-1,519	-1,164
Other	398	263
Net cash provided by financing activities	29,992	-48,224
Effect of exchange rate changes on cash and cash equivalents	6,602	6,330
Net increase (decrease) in cash and cash equivalents	39,340	-39,133
Cash and cash equivalents at the beginning of the period	137,298	176,638
Cash and cash equivalents at the end of the period	176,638	137,504

(5) Notes to consolidated financial statements

Going concern assumption

None.

Finalization of provisional accounting treatment associated with business combination

In the fiscal year ended March 31, 2022, NSK finalized the provisional accounting treatment for business combination. The consolidated financial statements for the year ended March 2021 reflect the revision of the initially allocated amounts of acquisition price.

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.

2) Segment revenue and performance

From April 1, 2020 to March 31, 2021

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Industrial Machinery Business	Automotive Business	Subtotal				
Sales							
Sales to third parties	275,226	449,722	724,948	22,611	747,559	—	747,559
Intersegment sales	—	—	—	20,307	20,307	-20,307	—
Total	275,226	449,722	724,948	42,918	767,866	-20,307	747,559
Segment income (loss) (Operating income)	7,697	-4,018	3,678	979	4,658	1,705	6,364
Total financial income (expenses)							-475
Income before income taxes							5,889
Other items							
Capital expenditure	15,189	20,643	35,833	1,527	37,361	-57	37,303
Depreciation and amortisation	19,059	31,540	50,599	4,219	54,818	-290	54,527
Equity gain from investment in associates	562	3,357	3,920	156	4,076	—	4,076

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

(Note 2) The ¥1,705 million adjustment made for segment income (loss) includes intersegment elimination of ¥233 million and ¥1,472 million in other operating expenses not allocated to the reportable segments.

From April 1, 2021 to March 31, 2022

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Industrial Machinery Business	Automotive Business (Note 3)	Subtotal				
Sales							
Sales to third parties	345,785	482,547	828,333	36,833	865,166	—	865,166
Intersegment sales	—	—	—	22,911	22,911	-22,911	—
Total	345,785	482,547	828,333	59,745	888,078	-22,911	865,166
Segment income (loss) (Operating income)	30,943	-13,762	17,180	2,282	19,462	9,967	29,430
Total financial income (expenses)							86
Income before income taxes							29,516
Other items							
Capital expenditure	21,837	23,569	45,407	6,904	52,311	—	52,311
Depreciation and amortisation	20,447	31,083	51,530	5,333	56,864	-279	56,585
Impairment loss (Note 3)	—	9,044	9,044	—	9,044	—	9,044
Equity gain from investment in associates	831	2,916	3,748	37	3,785	—	3,785

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

(Note 2) The ¥9,967 million adjustment made for segment income (loss) includes intersegment elimination of ¥279 million and ¥9,687 million in other operating expenses not allocated to the reportable segments.

(Note 3) Segment loss excluding the impairment loss of ¥9,044 million resulting from nonrecurring factors was ¥4,718 million.

3) Information by product and service

This information is omitted as similar information has been disclosed in "Segment revenue and performance".

4) Information by region

① Sales to third parties

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Japan	275,777	317,612
The Americas	107,829	125,094
Europe	94,800	111,890
China	166,660	182,036
Other Asia	102,492	128,532
Total	747,559	865,166

(Note 1) Sales are based on the customers' location and categorized by either countries or regions.

(Note 2) The categories of the countries or the regions are based on their relative proximity.

(Note 3) Main countries and regions belonging to other regions apart from Japan and China are follows;

The Americas: the United States, Canada, Mexico, Brazil, etc.

Europe: the United Kingdom, Germany, Poland, and other European countries, etc.

Other Asia: East and South East Asian countries (apart from Japan and China), India, Australia, etc.

② Non-current assets

(Millions of yen)

	As of Mar.31, 2021	As of Mar.31, 2022
Japan	221,115	223,306
The Americas	30,440	30,844
Europe	59,881	60,452
China	65,922	65,788
Other Asia	44,189	42,637
Total	421,549	423,029

(Note 1) Non-current assets represent the amount of property, plant and equipment and intangible assets.

(Note 2) The categories of the countries or the regions are based on their relative proximity.

(Note 3) Main countries and regions belonging to other regions apart from Japan and China are follows;

The Americas: the United States, Canada, Mexico, Brazil, etc.

Europe: the United Kingdom, Germany, Poland, and other European countries, etc.

Other Asia: East and South East Asian countries (apart from Japan and China), India, Australia, etc.

5) Information on major customers

In terms of sales to third parties, none of the counterparties accounted for 10% or more of sales in the consolidated statements of income in the previous consolidated fiscal year or the current consolidated fiscal year, therefore, no information on major customers is stated.

Per share information**1) Basic earnings per share and diluted earnings per share**

	Year ended Mar.31, 2021	Year ended Mar.31, 2022
Basic earnings per share	¥0.69	¥32.35
Diluted earnings per share	¥0.69	¥32.26

2) Basis of calculation of basic earnings per share and diluted earnings per share

	Year ended Mar.31, 2021	Year ended Mar.31, 2022
Net income attributable to owners of the parent (millions of yen)	355	16,587
Weighted average number of issued common shares (thousand shares)	512,427	512,760
Impact of dilution: board benefit trust, etc. (thousand shares)	1,627	1,466
Weighted average number of issued common shares after dilution (thousand shares)	514,054	514,227

Events after the reporting period

None.

(2) 2022年3月期 決算短信 補足説明資料

(2) Supplementary material of consolidated results for the year ended March 31, 2022

(%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)

1. 決算概要 / Summary of financial results ※1

(百万円 / ¥Million)	2021年3月期 / FY2020			2022年3月期 / FY2021					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
売上高 Sales	315,892	431,666	747,559	417,764	132.2%	447,402	103.6%	865,166	115.7%
営業利益 Operating income	△ 10,636	17,001	6,364	15,688	—	13,741	80.8%	29,430	462.4%
税引前利益 Income before income taxes	△ 10,671	16,560	5,889	15,624	—	13,892	83.9%	29,516	501.2%
親会社の所有者に帰属する当期利益 Net income attributable to owners of the parent	△ 12,287	12,642	355	7,760	—	8,826	69.8%	16,587	—
基本的1株当たり当期利益(円) Basic earnings per share (yen)	△ 23.98	24.67	0.69	15.14	—	17.21	—	32.35	—

(百万円 / ¥Million)	2021年3月期 / FY2020				2022年3月期 / FY2021							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
売上高 Sales	128,870	187,022	214,445	217,221	213,458	165.6%	204,306	109.2%	215,015	100.3%	232,386	107.0%
営業利益 Operating income	△ 12,903	2,266	5,659	11,342	9,004	—	6,684	295.0%	5,101	90.1%	8,639	76.2%
税引前四半期利益 Income before income taxes	△ 12,527	1,855	5,775	10,784	9,305	—	6,318	340.4%	5,308	91.9%	8,584	79.6%
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	△ 9,699	△ 2,587	4,339	8,303	4,712	—	3,047	—	4,294	99.0%	4,532	54.6%
基本的1株当たり四半期利益(円) Basic earnings per share (yen)	△ 18.94	△ 5.05	8.47	16.20	9.19	—	5.94	—	8.37	—	8.84	—
連結子会社数(社) Consolidated subsidiaries	89	89	89	92	90	—	90	—	90	—	90	—
日本 Japan	18	18	18	18	18	—	18	—	18	—	18	—
海外 Non-Japan	71	71	71	74	72	—	72	—	72	—	72	—
期末従業員数(人) Number of employees	30,620	30,309	30,276	30,378	30,520	—	30,573	—	30,632	—	30,577	—
日本 Japan	11,987	11,906	11,850	11,774	11,957	—	11,914	—	11,891	—	11,853	—
海外 Non-Japan	18,633	18,403	18,426	18,604	18,563	—	18,659	—	18,741	—	18,724	—

【予想 / Forecast】

(百万円 / ¥Million)	2023年3月期 / FY2022					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
売上高 Sales	450,000	107.7%	490,000	109.5%	940,000	108.6%
営業利益 Operating income	11,000	70.1%	29,000	211.0%	40,000	135.9%
税引前利益 Income before income taxes	11,000	70.4%	29,000	208.7%	40,000	135.5%
親会社の所有者に帰属する当期利益 Net income attributable to owners of the parent	7,000	90.2%	20,000	226.6%	27,000	162.8%

2. 売上高 / Sales ※2

(百万円 / ¥Million)	2021年3月期 / FY2020			2022年3月期 / FY2021					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
報告セグメント Business segment data									
産業機械事業 Industrial machinery business	123,967	151,258	275,226	165,346	133.4%	180,439	119.3%	345,785	125.6%
自動車事業 Automotive business	182,841	266,880	449,722	233,924	127.9%	248,623	93.2%	482,547	107.3%
その他 Others	18,065	24,853	42,918	29,528	163.5%	30,216	121.6%	59,745	139.2%
調整額 Adjustments	△ 8,981	△ 11,325	△ 20,307	△ 11,034	—	△ 11,877	—	△ 22,911	—
合計 Total	315,892	431,666	747,559	417,764	132.2%	447,402	103.6%	865,166	115.7%

(百万円 / ¥Million)	2021年3月期 / FY2020				2022年3月期 / FY2021							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
報告セグメント Business segment data												
産業機械事業 Industrial machinery business	58,454	65,513	72,261	78,997	82,193	140.6%	83,152	126.9%	86,855	120.2%	93,583	118.5%
自動車事業 Automotive business	65,964	116,876	135,807	131,073	121,732	184.5%	112,191	96.0%	119,060	87.7%	129,562	98.8%
その他 Others	8,831	9,233	12,024	12,828	15,168	171.7%	14,360	155.5%	14,615	121.5%	15,601	121.6%
調整額 Adjustments	△ 4,380	△ 4,601	△ 5,647	△ 5,678	△ 5,635	—	△ 5,398	—	△ 5,515	—	△ 6,361	—
合計 Total	128,870	187,022	214,445	217,221	213,458	165.6%	204,306	109.2%	215,015	100.3%	232,386	107.0%

【予想 / Forecast】

(百万円 / ¥Million)	2023年3月期 / FY2022					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
産業機械事業 Industrial machinery business	181,500	109.8%	198,500	110.0%	380,000	109.9%
自動車事業 Automotive business	248,500	106.2%	272,500	109.6%	521,000	108.0%
その他 Others	34,000	115.1%	34,500	114.2%	68,500	114.7%
調整額 Adjustments	△ 14,000	—	△ 15,500	—	△ 29,500	—
合計 Total	450,000	107.7%	490,000	109.5%	940,000	108.6%

3. 営業利益 / Operating income ※1 ※2

(百万円 / ¥Million)	2021年3月期 / FY2020			2022年3月期 / FY2021					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
報告セグメント Business segment data									
産業機械事業 Industrial machinery business	282	7,414	7,697	14,161	—	16,781	226.3%	30,943	402.0%
自動車事業 Automotive business	△ 13,170	9,151	△ 4,018	254	—	△ 14,017	—	△ 13,762	—
その他 Others	△ 249	1,229	979	1,691	—	591	48.1%	2,282	232.9%
調整額 Adjustments	2,500	△ 794	1,705	△ 418	—	10,386	—	9,967	—
合計 Total	△ 10,636	17,001	6,364	15,688	—	13,741	80.8%	29,430	462.4%

(百万円 / ¥Million)	2021年3月期 / FY2020				2022年3月期 / FY2021							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
報告セグメント Business segment data												
産業機械事業 Industrial machinery business	△ 679	961	2,220	5,194	6,531	—	7,629	793.3%	8,059	363.0%	8,721	167.9%
自動車事業 Automotive business	△ 11,939	△ 1,230	3,921	5,230	1,675	—	△ 1,420	—	△ 13,220	—	△ 797	—
その他 Others	4	△ 254	520	708	870	—	821	—	384	73.9%	206	29.1%
調整額 Adjustments	△ 288	2,789	△ 1,003	209	△ 73	—	△ 345	—	9,877	—	508	—
合計 Total	△ 12,903	2,266	5,659	11,342	9,004	—	6,684	295.0%	5,101	90.1%	8,639	76.2%

※1: 当連結会計年度の第3四半期において、企業結合に係る暫定的な会計処理の確定を行ったため、2022年3月期第1四半期及び第2四半期に関連する数値は、暫定的な会計処理の確定内容を反映させています。
In the third quarter ended December 31, 2021, NSK finalized provisional accounting treatment for business combination, which is reflected in the relevant figures for the first quarter and the second quarter of the fiscal year 2021.

※2: 売上高、営業利益は、2021年3月期中に一部事業の担当領域を「自動車事業」から「産業機械事業」に変更したことに伴い、2021年3月期1Qに遡って組み替えて表示しています。
Part of the automotive business operations were transferred to the industrial machinery business in the year ended March 31, 2021. Accordingly, sales and operating income have been reclassified from the first quarter of the year to match current segments.

【予想 / Forecast】

(百万円 / ¥Million)	2023年3月期 / FY2022					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
産業機械事業 Industrial machinery business	15,500	109.5%	22,500	134.1%	38,000	122.8%
自動車事業 Automotive business	△ 5,000	—	5,000	—	0	—
その他 Others	1,000	59.1%	1,500	253.8%	2,500	109.5%
調整額 Adjustments	△ 500	—	—	—	△ 500	—
合計 Total	11,000	70.1%	29,000	211.0%	40,000	135.9%

4. 設備投資額、減価償却費 / Capital expenditures, Depreciation and amortisation

(百万円 / ¥Million)	2021年3月期 / FY2020			2022年3月期 / FY2021					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
設備投資額 Capital expenditures	13,866	23,436	37,303	18,753	135.2%	33,558	143.2%	52,311	140.2%
減価償却費 Depreciation and amortisation	26,940	27,586	54,527	28,073	104.2%	28,511	103.4%	56,585	103.8%

(百万円 / ¥Million)	2021年3月期 / FY2020				2022年3月期 / FY2021							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
設備投資額 Capital expenditures	6,383	7,483	7,524	15,911	5,177	81.1%	13,576	181.4%	11,944	158.7%	21,613	135.8%
減価償却費 Depreciation and amortisation	13,376	13,563	13,558	14,028	13,902	103.9%	14,171	104.5%	14,643	108.0%	13,867	98.9%

【予想 / Forecast】

(百万円 / ¥Million)	2023年3月期 / FY2022					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
設備投資額 Capital expenditures					70,000	133.8%
減価償却費 Depreciation and amortisation					57,000	100.7%

5. 研究開発費、技術関連費用 / R&D expenses

(百万円 / ¥Million)	2021年3月期 / FY2020			2022年3月期 / FY2021					
	1H	2H	Full year	1H	YoY	2H	YoY	Full year	YoY
研究開発費 R&D Expenses (on a statutory basis)	8,425	8,395	16,820	9,364	111.2%	9,810	116.9%	19,175	114.0%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)	14,137	14,412	28,550	15,135	107.1%	15,620	108.4%	30,756	107.7%

(百万円 / ¥Million)	2021年3月期 / FY2020				2022年3月期 / FY2021							
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY	3Q	YoY	4Q	YoY
研究開発費 R&D Expenses (on a statutory basis)	4,015	4,410	4,160	4,235	4,400	109.6%	4,964	112.6%	5,209	125.2%	4,600	108.6%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)	6,976	7,161	7,034	7,378	7,398	106.0%	7,737	108.0%	7,870	111.9%	7,750	105.0%

【予想 / Forecast】

(百万円 / ¥Million)	2023年3月期 / FY2022					
	1H FCT	YoY	2H FCT	YoY	Full year FCT	YoY
研究開発費 R&D Expenses (on a statutory basis)					20,000	104.3%
(参考) 技術関連費用 Ref. R&D Expenses (on a managerial basis)					32,000	104.0%

6. 為替換算レート / Currency exchange rate

期中平均レート Average exchange rate (円 / ¥)	2021年3月期 / FY2020			2022年3月期 / FY2021		
	1H	2H	Full year	1H	2H	Full year
USD	106.92	105.20	106.06	109.80	114.96	112.38
EUR	121.29	126.11	123.70	130.89	130.23	130.56
CNY	15.26	16.08	15.67	16.99	18.03	17.51

期中平均レート Average exchange rate (円 / ¥)	2021年3月期 / FY2020				2022年3月期 / FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
USD	107.62	106.22	104.49	105.91	109.49	110.11	113.70	116.22
EUR	118.47	124.11	124.53	127.69	131.95	129.83	130.08	130.38
CNY	15.17	15.35	15.80	16.36	16.96	17.02	17.77	18.29

期末レート Term end exchange rate (円 / ¥)	2021年3月期 / FY2020		2022年3月期 / FY2021	
	End of 1H	End of 2H	End of 1H	End of 2H
USD	105.81	110.72	111.95	122.41
EUR	124.16	129.76	129.90	136.77
CNY	15.54	16.86	17.29	19.26

期末レート Term end exchange rate (円 / ¥)	2021年3月期 / FY2020				2022年3月期 / FY2021			
	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	107.74	105.81	103.52	110.72	110.61	111.95	115.02	122.41
EUR	121.05	124.16	126.99	129.76	131.63	129.90	130.52	136.77
CNY	15.23	15.54	15.89	16.86	17.12	17.29	18.07	19.26

【予想 / Forecast】

期中平均レート Average exchange rate (円 / ¥)	2023年3月期 / FY2022	
	Full year FCT	
USD	120	
EUR	130	
CNY	19.0	