

“Change & Go Beyond” to Become a New Type of Trillion-Yen Company

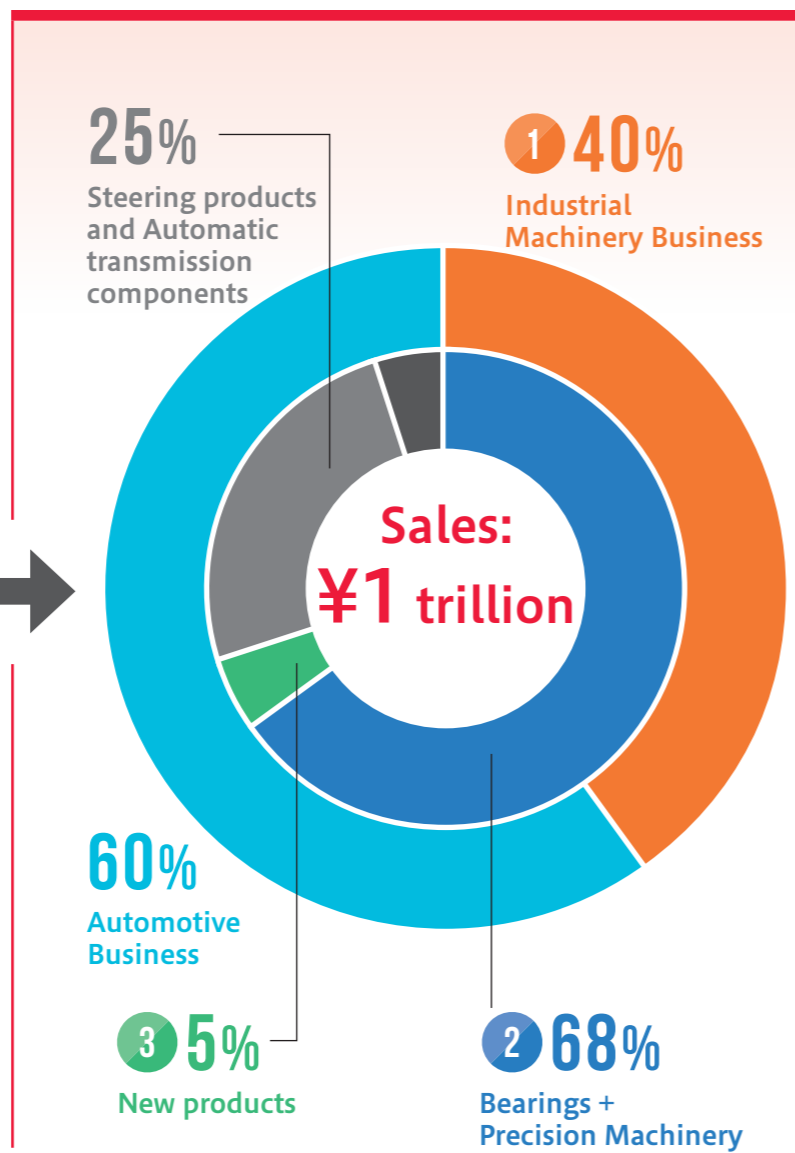
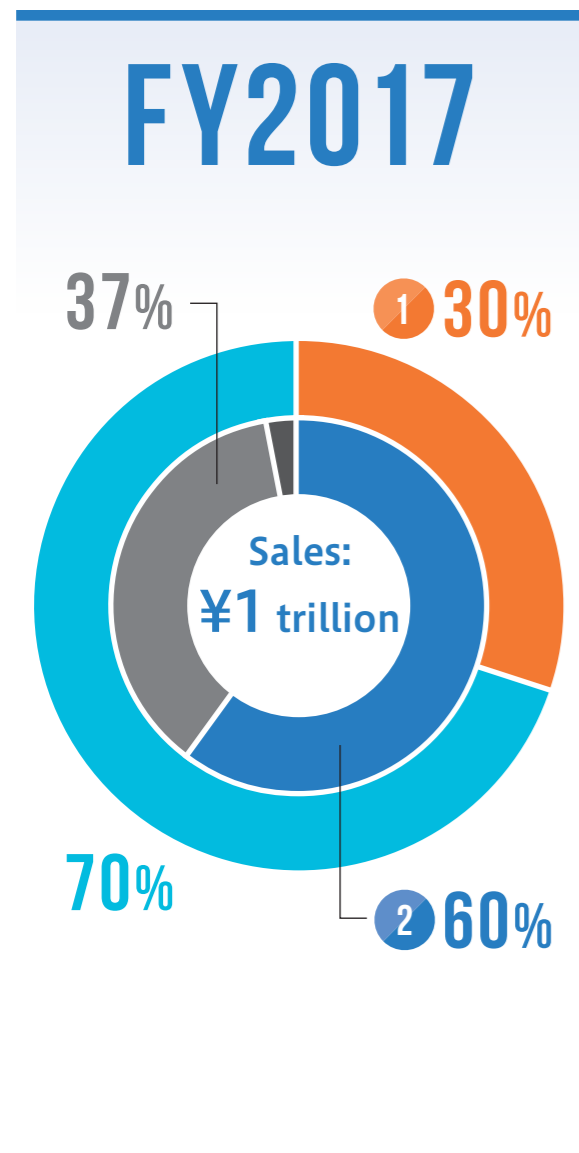
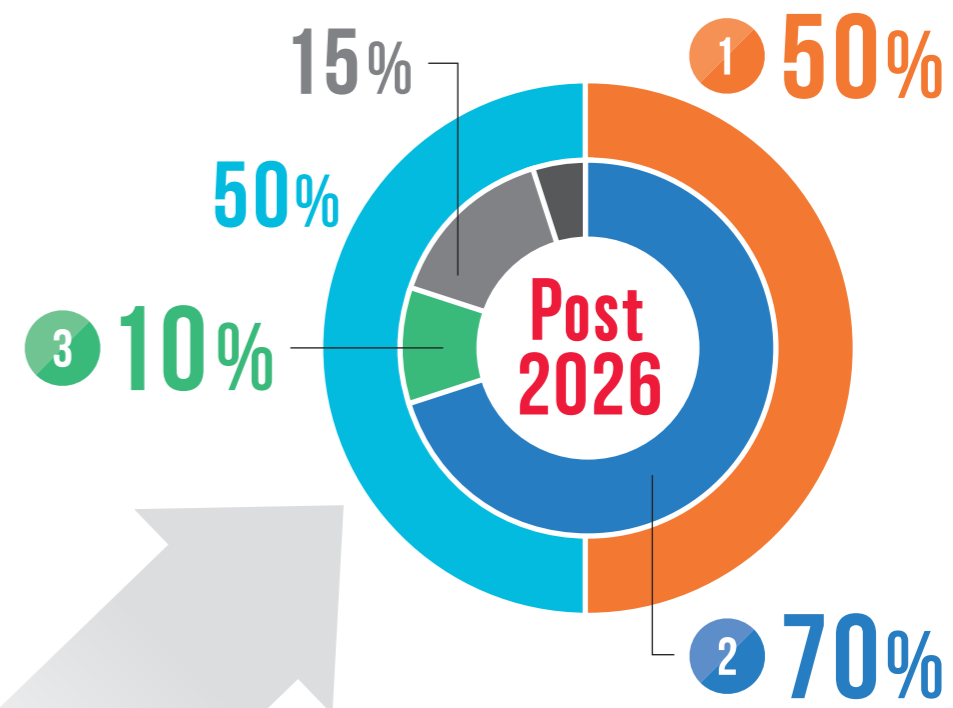
Portfolio Reform – Bearings & Beyond –

NSK’s goal is to become a new type of trillion-yen company. NSK reported sales of ¥1 trillion in FY2017. From a portfolio perspective, 70% of this total was in the Automotive Business. Guided by the keywords Portfolio Reform, as well as Bearings & Beyond, NSK will expand its Industrial Machinery Business portfolio by accelerating the shift to electrification and automation while addressing the trend toward digitalization and changes in the environmental market under MTP2026. We will rebuild our corporate foundation for sustainable growth. To this end, we will increase EV-related sales and the profitability of our core products such as bearings and precision machinery parts and utilize the cash generated to develop new products and new areas of business. Taking the aforementioned into consideration, we are targeting sales of ¥1 trillion, operating income of ¥100 billion, an operating income margin of 10%, and an ROE of 10% as KPIs.

1 Expand the Industrial Machinery Business

2 Deploy bearings and precision machinery to drive earnings

3 Grow new products



MTP2026

KPIs		FY2021	FY2026	FY2021 > 2026
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 percentage points
Efficiency	ROE	2.8%	10%	+ 7.2 percentage points
	ROIC	1.9%	8%	+ 6.1 percentage points
Financial Stability	Net D/E ratio	0.3 times	0.4 times or less	Maintain an A-level credit rating

FY2026 forex rates using average FY2021 rates: USD ¥112; EUR ¥131; CNY ¥17.5

For the Company to continue to be needed and trusted by society, NSK recognizes the importance of not only maintaining a robust financial position but also non-financial strength. Under MTP2026, we will continue to promote a variety of non-financial initiatives targeting such key issues as the reduction of CO₂ emissions, the creation of a safe workplace environment, and promotion of diversity and inclusion.

- ☑ **Scope 1 and 2 CO₂ emission reduction** • -50% compared with FY2017 by FY2026
Achieve carbon neutrality by FY2035 (-25.1% in FY2021)
- ☑ **Create a safe workplace environment** • Further reduction in the lost-time injury frequency rate through the continuous promotion of a safe workplace environment (0.28 in FY2021)
- ☑ **Employee diversity ratio** (gender, nationality, career recruitment) • FY2026: 35%* (FY2021: 25%*) *Figures for Japan excluding the Production Dept.