

Industrial Machinery Business

**Aiming for Growth with Profitability
“Change & Go Beyond”**



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MTP2026

Expand the Industrial Machinery Business

Along with the shift to a safer, more comfortable world brought about by technological innovations such as AI, IoT, and 5G, and amid an increasing awareness of climate change globally, NSK aims to expand this business under the keywords of electrification, automation, digitalization, and the environment. In terms of electrification, the Company is targeting the growing demand for small motors. In terms of automation and

FY2026 targets Sales of **¥450.0 billion** / Operating margin of **13%**

digitalization, in addition to growing demand for robots and semiconductors, the Company will work to increase market share by leveraging its technological capabilities in response to the increasing sophistication and complexity of processes. In terms of the environment market, the Company will expand market share for wind power and railcars and will work to expand sales in the aftermarket sector, including use of CMS.

MTP2026 Strategy and Message

New needs have emerged following changes in the social environment. And with the arrival of significant opportunities for NSK's Industrial Machinery Business to expand, the Company aims for growth in the fields of electrification, automation, digitalization, and the environment. To achieve this growth, every NSK employee involved in the Industrial Machinery Business must possess an awareness of and put into practice “Change & Go Beyond.” Although NSK has declared our intention to promote DX, as employees we must undergo

a transformation of our own initiative. And we must boldly undertake the challenge of new concepts without fearing failure. Even as the world changes, however, NSK's core values of safety, quality, the environment, and compliance will remain unchanged. With this as our foundation, the Company will realize dramatic growth and greater profitability in the Industrial Machinery Business and will aim to become a company that is needed and trusted by addressing electrification, automation, digitalization, the environment, and other needs of society.

Business Environment

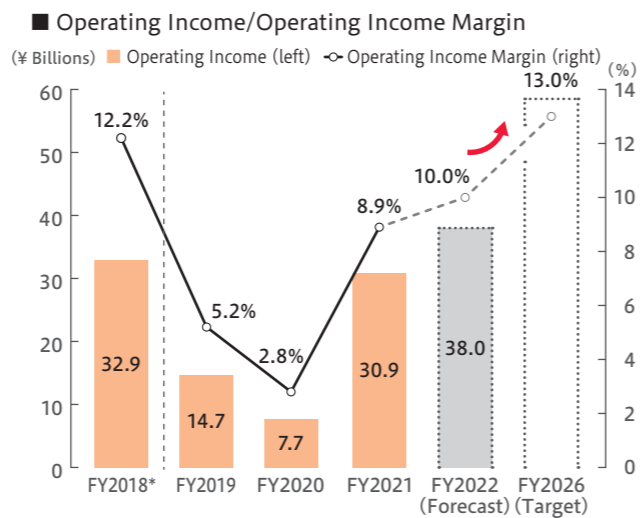
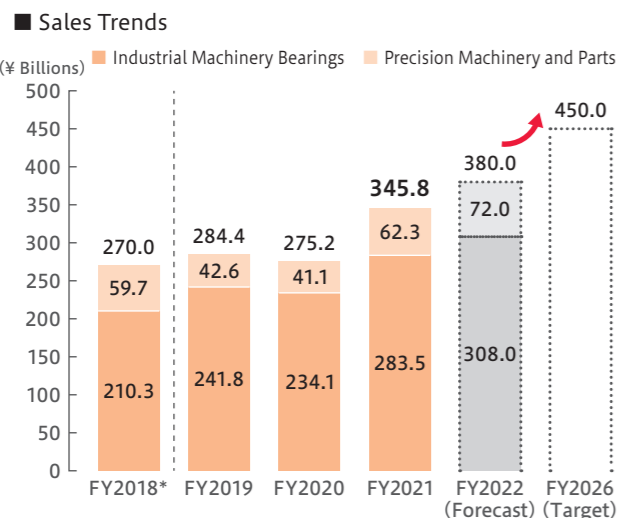
A Look Back at the Business Conditions for FY2021 and the Forecast for FY2022

In addition to growth in the semiconductor market, the Industrial Machinery Business saw demand remain strong due to aggressive capital investment mainly in the manufacturing industry, resulting in a year-on-year increase in full-year sales.

By region, demand in Japan increased mainly for machine tools, semiconductor manufacturing equipment, and electrical and electronics equipment. In the Americas, sales increased due to continued strong demand from the aftermarket and for semiconductor production equipment. In Europe, sales increased due to higher sales in the aftermarket and for machine tools. In China, although demand for wind power and railcars appeared to be slowing, sales for machine tools and electrical and electronics equipment increased.

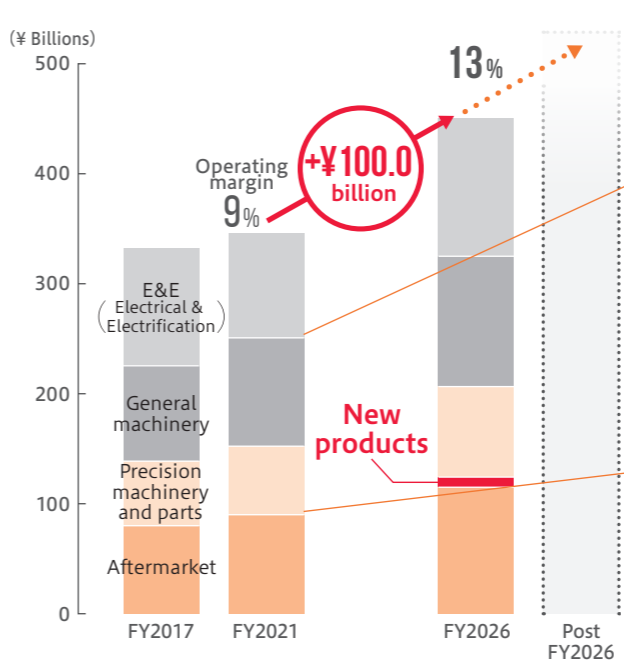
As a result, sales in the Industrial Machinery Business totaled ¥345.78 billion (year-on-year increase of 25.6%) and operating income stood at ¥30.94 billion (¥7.69 billion the previous year) due to an increase in sales in each region.

In this business, the Company will work to strengthen supply capabilities and enhance the technical services system to absorb the increase in demand from the electrification, automation, digitalization, and environment-related markets, for which growth is anticipated. Moreover, the Company aims to expand the Industrial Machinery Business by promoting development and market introduction of condition monitoring systems (CMS), actuators, and other new value-added products.



Social issues	Social needs	Technology transformation	Growth areas	New devices
Environmental issues <ul style="list-style-type: none"> Curbing global warming Reducing environmental impact Spread of COVID-19	Build a low-carbon society (Carbon neutrality) <ul style="list-style-type: none"> Expand renewable energy Electrify mobility Expand recycling A world where society is networked <ul style="list-style-type: none"> Diversification of lifestyles Work styles, education, lifestyles, etc. Advanced medical care Prevention of infections Automation/smartification <ul style="list-style-type: none"> Automatic operation, remote control Preventive maintenance, condition monitoring Service/industrial robots 	<ul style="list-style-type: none"> Development of new energy technologies Evolution of energy utilization technologies Development of CO₂ utilization/storage technologies Evolution of electrification/storage battery technologies Evolution of energy-saving technologies Evolution of robots Evolution of medical technologies and biotechnology 	Carbon neutrality Wind power, solar power, hydrogen, wave power, high efficiency motors, fluids Electrification EVs, FCs, railways, construction machinery, agricultural machinery, drones, injection molding equipment Automation/labor saving Machine tools, robots (FA, medical), motors (EV/industrial) Information/communication Semiconductors, fan motors New markets Service robots, hydrogen, compact transmission units	CMS Actuators

Industrial Machinery Business: Growth vision



Business growth initiatives by sector

- Increase demand for small motors for electrification, 5G, etc.**
 +¥30.0 billion
 ▶ High-accuracy, low noise
 ▶ Increase capacity, establish new production sites
 - Demand increases in automation and semiconductors, advanced machining technology**
 +¥30.0 billion
 ▶ High-speed, high-accuracy, reliability
 ▶ Reinforce supply capacity and develop new products
 - Wind turbines, railways, and energy transition**
 +¥10.0 billion
 ▶ Durability, reliability, high-speed
 ▶ Increase supply capacity in Shenyang and Toyama
 - Transform the business model to increase sales**
 +¥25.0 billion
 ▶ Deploy CMS and reconditioning to establish the PLM* model
- *PLM: Product lifecycle management

*Part of the Automotive Business operations were transferred to the Industrial Machinery Business in FY2020. Accordingly, figures for FY2019 have been reclassified to match current segments.