



August 7, 2025

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Notice Regarding Disposal of Treasury Shares Through Third-Party Allotment

NSK Ltd. (the “Company”) hereby announces that it has resolved today to dispose of treasury shares through third-party allotment (hereinafter referred to as the “disposal of treasury shares”) as described below.

Although this disposal of treasury shares will be formally conducted by allotting shares to Custody Bank of Japan, Ltd. (Trust E Account), which is the re-trustee receiving a re-trust from Mizuho Trust & Banking Co., Ltd., the trustee of the trusts established under trust agreements related to the Company’s stock compensation system for directors, executive officers, and executive positions (the latter effective from April 1, 2025; hereinafter collectively referred to as “Officers, etc.”), and the incentive plan for certain employees of the Company and some subsidiaries (hereinafter collectively referred to as “Employees, etc.”), this disposal is essentially equivalent to allocating shares to Officers, etc., and Employees, etc. as compensation for services provided to the Company or its subsidiaries.

1. Overview of the Disposal

- (1) Disposal date: Monday, August 25, 2025
- (2) Type and number of shares to be disposed: 2,391,307 shares of common stock
- (3) Disposal price: ¥706 per share
- (4) Total disposal amount: ¥1,688,262,742
- (5) Intended disposal recipient: Custody Bank of Japan, Ltd. (Trust E Account)
- (6) Other: This disposal of treasury shares is conditional upon the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan.

2. Purpose and Reason for the Disposal

The Company introduced its stock compensation system for directors on May 16, 2016, revised the system into a performance-linked compensation system for executive officers from April 1, 2019, and additionally applied it to

operating executive positions from April 1, 2025, in line with to changes in the Company's senior management framework. The Company also introduced an incentive plan for Employees, etc. on August 7, 2017. (For details, please refer to the Company's Japanese-language releases dated May 16, 2016, August 7, 2017, and March 27, 2019, concerning the introduction and partial revision of these systems.)

This disposal of treasury shares is intended for holding and disposing of the Company's shares as part of the continuation of the stock compensation program for Officers, etc. (Board Benefit Trust) and the incentive plan for Employees, etc. (Employee Stock Ownership Plan). Accordingly, the Company will dispose of treasury shares through third-party allotment to the Trust E Account established at Custody Bank of Japan, Ltd., which is the re-trustee receiving a re-trust from Mizuho Trust & Banking Co., Ltd., the trustee of both the Board Benefit Trust and the Employee Stock Ownership Plan. Although the disposal will be formally conducted with Custody Bank of Japan, Ltd. (Trust E Account) as the allottee, it is substantially equivalent to allocating shares to Officers, etc. and Employees, etc. as compensation for services provided to the Company or its subsidiaries.

The number of shares to be disposed of corresponds to the total number of shares expected to be granted during the trust period based on the Company's stock grant rules: 1,404,614 shares for Officers, etc. (for the three fiscal years ending March 31, 2026 through March 31, 2028) and 986,693 shares for Employees, etc. (for the same period), totaling 2,391,307 shares. This represents 0.48% of the total issued shares of 500,000,000 shares and 0.48% of the total voting rights of 4,952,144 as of March 31, 2025 (both rounded to the third decimal place).

In light of the objectives of the stock compensation program for Officers, etc. (Board Benefit Trust) and the incentive plan for Employees, etc. (Employee Stock Ownership Plan), as described in the Company's Japanese-language releases dated May 16, 2016, August 7, 2017, and March 27, 2019, the Company considers the scale of dilution to be reasonable.

Note 1: Overview of the Board Benefit Trust Agreement

Item	Details
Type of trust	Money held in trust other than in the form of a monetary trust (third party beneficiary trust)
Purpose of the trust	To deliver shares of NSK Ltd. and cash equivalent to the market value of NSK shares, which constitute the trust assets, to beneficiaries in accordance with the stock grant rules.
Entrustor	The Company
Trustee	Mizuho Trust & Banking Co., Ltd. (Mizuho Trust & Banking Co., Ltd. has entered into a comprehensive trust agreement with Custody Bank of Japan, Ltd., which serves as the re-trustee.)
Beneficiaries	Former Officers, etc. who meet the beneficiary requirements set forth in the stock grant rules.
Trust administrator	Third party with no vested interest in the Company

Item	Details
Date of trust agreement	August 25, 2016
Initial date of trust contribution	August 25, 2016
Trust period	From August 25, 2016 to the termination of the trust

Note 2: Overview of the Employee Stock Ownership Plan Agreement

Item	Details
Type of trust	Money held in trust other than in the form of a monetary trust (third party beneficiary trust)
Purpose of the trust	To deliver shares of NSK Ltd. and cash equivalent to the market value of NSK shares, which constitute the trust assets, to beneficiaries in accordance with the stock grant rules.
Entrustor	The Company
Trustee	Mizuho Trust & Banking Co., Ltd. (Mizuho Trust & Banking Co., Ltd. has entered into a comprehensive trust agreement with Custody Bank of Japan, Ltd., which serves as the re-trustee.)
Beneficiaries	Former Employees, etc. who meet the beneficiary requirements set forth in the stock grant rules.
Trust administrator	Employee of the Company
Date of trust agreement	August 25, 2017
Initial date of trust contribution	August 25, 2017
Trust period	From August 25, 2017 to the termination of the trust

3. Basis of Calculation of Disposal Price and Details Thereof

The disposal price has been set at the one-month average closing price of the Company's common stock on the Tokyo Stock Exchange from July 7, 2025 to August 6, 2025 (the last business day prior to the date of resolution), which is ¥706 (rounded down to the nearest yen).

The Company determined to use a one-month average price instead of a price at a single point in time to eliminate arbitrariness and to mitigate the impact of temporary stock price fluctuations, thus providing a more objective and

rational basis for calculation. The choice of one month as the calculation period was deemed most appropriate as it reflects the most recent market price compared with averages over three or six months.

The disposal price of ¥706 represents 95.24% of the closing price on the last business day prior to the resolution date (¥741.3), 105.69% of the three-month average closing price (¥668), and 108.62% of the six-month average closing price (¥650) (all rounded down). Taking these into account, the disposal price is considered neither advantageous nor unreasonable.

The Company's Audit Committee has expressed the opinion that this disposal price does not constitute a particularly advantageous price.

4. Matters Regarding Procedures under the Corporate Conduct Code

As (i) the dilution rate is less than 25%, and (ii) there is no change in the controlling shareholder, this disposal of treasury shares does not require independent third-party opinion or confirmation of shareholder intent as stipulated in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

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