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Corporate Governance Report

Last Update: June 29, 2026

NSK Ltd.
Representative Executive Officer and President
Akitoshi Ichii
Contact: 03-3779-7111
Securities Code: 6471
<https://www.nsk.com/>

The corporate governance of NSK, Ltd. (“NSK” or “the Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The NSK Mission Statement is as follows: “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. NSK aims to fulfill this responsibility to society while maintaining an appropriate level of profitability that meets the expectations of our shareholders, thereby achieving sustainable growth and increasing our mid- to long-term corporate value.

NSK believes that the establishment and maintenance of systems that ensure transparent, fair, and timely decision-making is essential to achieve sustainable growth and increase our mid- to long-term corporate value. To realize this objective, we are working to construct our corporate governance systems based on the following four guiding principles.

We aim:

- (1) To increase the efficiency and agility of management by proactively delegating decision-making on the execution of the operations from the Board of Directors to the Company’s executive organizations.
- (2) To ensure that supervisory organizations have oversight of executive organizations by clearly separating the two.
- (3) To strengthen supervisory organizations’ oversight of the executive organizations by ensuring cooperation between the two.
- (4) To improve the fairness of management by strengthening compliance systems.

NSK has adopted a Company with Three Committees (Nomination, Audit and Compensation) system as its form of corporate organization to better achieve the aforementioned basic approach. We have articulated this basic approach to corporate governance and its structure in our Corporate Governance Rules, which guide directors and executive officers in the performance of their duties.

(*MOTION & CONTROL defines the scope of NSK’s present and future business. “MOTION” symbolizes our complex hardware, machinery, and systems, while “CONTROL” represents our sophisticated software and electronics systems.)

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

NSK complies with all principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1-4 Cross-Shareholdings]

- (1) Policy on cross-shareholding

In principle, NSK maintains no cross-shareholdings,

Under this policy, regarding the appropriateness of cross-shareholdings, our executive organizations conduct quantitative and qualitative evaluations on an annual basis to determine whether each individual shareholding is delivering acceptable benefits in relation to our capital cost. The Board of Directors receives regular reports from the executive organizations and studies the matter accordingly. We have sold any cross-shareholdings whose possession we believe could not be justified, taking into account stock prices and market trends.

As a result, the number of cross-shareholdings held by the Company has been reduced by 4 stocks (including 3 listed companies) in fiscal 2025, from 136 stocks (including 79 listed companies) at the end of March 2010 to 42 stocks (including 12 listed companies) at the end of March 2026, a reduction of 94 stocks (including 67 listed companies) over 16 years.

In May 2026, we announced our “Mid-Term Management Plan 2028,” under which we are aiming to reduce cross-shareholdings to zero during the plan period (fiscal years 2026 through 2028). To achieve this target, we will further accelerate efforts to reduce cross-shareholdings. However, in cases where shareholdings are deemed necessary to enhance our mid- to long-term corporate value, such as through collaboration with investee companies, we will hold shares of other companies as strategic investments.

(2) Criteria for exercise of voting rights concerning cross-shareholdings

NSK has defined specific criteria for exercise of voting rights concerning cross-shareholdings. When exercising voting rights, we confirm that the proposal in question does not damage shareholder value, and that it serves to improve the mid- to long-term corporate value of both NSK and the company in which the stake is held. We engage in dialogue, such as requesting explanations, with the company in which the stake is held before determining whether or not we support proposals.

[Principle 1-7 Related Party Transactions]

NSK’s Board of Directors conducts prior approval of transactions with officers or major shareholders (transactions between related parties) in accordance with relevant laws such as the Companies Act, as well as internal regulations, to ensure that the interests of the Company and its shareholders are not harmed. The Board also receives regular status reports. Furthermore, the Audit Committee conducts audits on transactions where required.

[Supplementary Principle 2-4-1 Ensuring Diversity in Core Human Resources]

(1) Policy on ensuring diversity in core human resources

In our HR Policy we clearly state that our aim is “to provide challenges and opportunities to our employees, utilizing their skills and encouraging their creativity and individuality” as stated in the NSK Group Management Principles. In addition, based on the idea that each employee is a priceless asset to the company, we have committed ourselves to creating a “fair workplace that empowers the individual.” This commitment features three key areas of focus: leveraging a diverse workforce, building more engaging workplaces, and providing opportunities for growth.

As one concrete measure under “leveraging a diverse workforce,” NSK is working to promote greater diversity and inclusion. We believe that employing people from diverse backgrounds—in gender, age, nationality, culture, lifestyle, values, and career (knowledge and experience)—will foster a work environment full of new perspectives and ways of thinking. This, in turn, will strengthen NSK’s competitiveness and capacity to avoid risks. We also place emphasis on ensuring diversity among managers and managerial candidates and are working in a systematic manner to utilize human resources with diverse attributes and backgrounds.

More information on NSK’s policy and key initiatives on diversity and inclusion can be found at the following website: <https://www.nsk.com/company/sustainability/human-resources/>

<Voluntary KPIs and their status>

	<<Scope>>	<<Goal>>	<<End of Mar. 2025>>
• Number of women in managerial positions and managerial candidates			
	Japan	FY2024: 100	101
• Ratio of midcareer hires among managers and managerial candidates			
	Japan	FY2026: 25% or more	21%

NSK has worked to localize its management with the aim of establishing a framework that enables it to conduct locally oriented, agile business management in each region as it expands its operations outside Japan. Currently, we are expanding our business under local leadership by appointing a number of

national employees to the “global posts” in each regional headquarters that we have defined as key positions in our global business operations, including regional heads.

	<<Scope>>	<<Goal>>	<<End of Mar. 2025>>
• Ratio of national employees assigned to global posts	Global	70% or more is kept	72%

(2) Policies for human resource development to ensure diversity and the status of their implementation
NSK created a roadmap for a three-phase initiative lasting from 2016 to 2026 and is promoting diversity and inclusion in line with this. In addition to empowering women, which is one of our important management objectives, we are also expanding our initiatives to other areas including empowerment of non-Japanese employees and those who identify as LGBTQ. We also recognize that encouraging a diverse workforce to play an active role requires that we make progress in creating work arrangements with more flexibility. This is why we are moving forward with work-style reform, hand in hand with diversity and inclusion, recognizing that each complements the other.

Information on NSK’s diversity and inclusion roadmap, key initiatives and status of implementation, policy on facilitating work-life balance and key initiatives can be found at the following websites:

- NSK website: Diversity - Leveraging a Diverse Workforce:

<https://www.nsk.com/company/sustainability/human-resources/diversity/>

- NSK website: Diversity - Safe and Healthy Workplaces and Work-Style Reforms: Building More Engaging Workplaces:

<https://www.nsk.com/company/sustainability/human-resources/safe-and-healthy-work-places/>

(Reference: Evaluation of NSK’s human resources initiatives by external agencies)

■ Obtained *Platinum Kurumin* certification (Nov. 2024) *:

<https://www.nsk.com/jp-ja/company/news/2024/nsk-retained-platinum-kurumin-certification/>

*Only available in Japanese

■ *PRIDE* index, gold award: Selected for the 4th straight year (Nov. 2024) *:

<https://www.nsk.com/jp-ja/company/news/2024/work-with-pride-gold-2024/>

*Only available in Japanese

■ *KENKO* Investment for Health (Large Corporation Category) (Mar. 2025)

https://kenko-keiei.jp/houjin_list/#houjin_list02

*Only available in Japanese

*Employees refer to all persons working for the NSK Group.

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]

NSK has established a Pension Administration Committee, to which it has assigned personnel from the human resources and finance divisions possessing appropriate knowledge and skills, and operates its pension assets in accordance with defined operating policies. We select the organizations to which we entrust the operation of our pension fund based on a comprehensive evaluation which encompasses investment policy, investment performance, compliance, and other perspectives. The management of our pension assets is commissioned to several organizations, and by entrusting the selection of investment targets and exercise of voting rights to each fund, we ensure that no conflict of interest arises between pension beneficiaries and the Company.

[Principle 3-1 Full Disclosure]

(i) Company objectives, business strategies and business plans

NSK's mission is outlined in our Corporate Philosophy. The Board of Directors resolves mid- to long-term management strategies, management plans, and other key policies in line with this Philosophy.

Further information on our Corporate Philosophy can be found on the following website:

<https://www.nsk.com/company/about-us/corporate-philosophy/>

For more information regarding our management strategies and management plans, NSK's mid-term plan and long-term vision can be found at the following website:

<https://www.nsk.com/company/investors/mid-term-management-plan/>

(ii) Basic views and guidelines on corporate governance

NSK's basic approach and policy on corporate governance are as described in the section of this report entitled “I-1 Basic Views”.

(iii) Policies and procedures of Compensation Committee in determining the compensation of senior management and directors

The policy in determining the compensation of directors and executive officers is as described in the section of this report entitled "II-1. [Compensation for Directors and Executive Officers (*shikkoyaku*)] Disclosure of Policy on Determining Compensation Amounts and Calculation Methods".

- (iv) Board policies and procedures in the appointment/dismissal of senior management and the nomination of director candidates

NSK's directors are required to possess experience and insight in either general business and management or a specific field of expertise, as well as high ethical principles and a sound knowledge of corporate governance. Based on this approach, candidates for director are determined by the Nomination Committee, and the Board of Directors then submits a resolution to the General Meeting of Shareholders for approval.

In the event that it is deemed that a director has failed to exercise appropriate duty of care or duty of loyalty or is otherwise unsuitable to continue serving in the position, the Nomination Committee deliberates on their removal. The Board of Directors then submits a resolution to the General Meeting of Shareholders for approval.

NSK's executive officers are required to possess sufficient capability to swiftly and appropriately enact the decision-making responsibility delegated to them by the Board of Directors. This includes considerable knowledge and insight into business and/or a specific field of expertise, as well as high ethical principles and a sound knowledge of corporate governance. Appointment of executive officers is made via resolution by the Board of Directors in order to construct an optimal operating framework for management of the Group. In the event that the Board of Directors deems that an executive officer has failed to exercise appropriate duty of care or duty of loyalty, or is otherwise unsuitable to continue in the position, it will pass a resolution to remove the officer in question from the position.

- (v) Explanations with respect to the individual appointments/dismissals and nominations by the Board of Directors based on (iv), when appointing/dismissing senior management or nominating director candidates

Reasons for selection of director candidates and the career history, positions, and assignments of directors and executive officers are listed in the Notice of the Ordinary General Meeting of Shareholders as well as disclosed on the following website:

[Notice of the Ordinary General Meeting of Shareholders]

<https://www.nsk.com/company/investors/stock-and-bond/share-holder-meetings/>

[Supplementary Principle 3-1-3 Initiatives for Sustainability]

- (1) Our initiatives for sustainability

Under NSK's corporate philosophy: "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." We will continue to collaborate with stakeholders to create value with the aim of contributing to the resolution of social issues while achieving sustainable growth as a company. The NSK "spirit" and "direction" espoused in our Corporate Philosophy continues to be the starting point of NSK's efforts at sustainability. With the goal of realizing this aim in mind, we will contribute to sustainable society development and aim to become a company that is needed, trusted, relied upon, and chosen by society, by creating synergies of tribology and digital technology, and undertake 3 key management tasks of "Growth with Profitability", "Enhancement of Managerial Resources" and "ESG Management" in our Mid-Term Management Plan 2026. For more information and details regarding our sustainability initiatives, refer to NSK's website:

- NSK website, Sustainability Information: <https://www.nsk.com/company/sustainability/>

NSK has formulated an SDGs Declaration that respects the spirit of the SDGs to realize a sustainable society and has selected seven key goals that are particularly interlinked with our business. In addition, we have formulated the Declaration of NSK's Initiatives as more concrete strategic measures. We are continuing to create collaborative values with our stakeholders through our business activities in order to achieve sustainable growth while contributing to the resolution of social issues and the achievement of the SDGs goals. Please see our website for more information on our SDGs initiatives:

- NSK website, Realizing the World Envisioned by NSK and the SDGs:

<https://www.nsk.com/company/sustainability/nsk-sustainability/sdgs-declaration/>

- (2) Investments in Human Capital

In our HR Policy we clearly state that our aim is “to provide challenges and opportunities to our employees, utilizing their skills and encouraging their creativity and individuality” as stated in the NSK Group Management Principles. In addition, based on the idea that each employee is a priceless asset to the company, we have committed ourselves to creating a “fair workplace that empowers the individual.” This commitment features three key areas of focus: leveraging a diverse workforce, building more engaging workplaces, and providing opportunities for growth. We are currently working on our "Mid-Term Management Plan 2026," which covers the five-year period from FY2022 to FY2026. As technology and society continue to change, we will broaden the perspective of our activities and continue to take on the challenge of "going beyond change" to achieve our lofty goals, aiming to become a company that is needed, trusted, and chosen by society. As the business environment surrounding our group changes drastically, it is important to gather the knowledge, experience, and perspectives of diverse human resources and stimulate each other to revitalize the organization and lead each individual to "change and exceed. This will lead to employees being able to continue to work with a sense of fulfillment and to be able to create results as a team. Based on our talent strategy, which is linked to our management strategy, we aim to maximize the value of our human capital by setting forth the following three goals, in other words, to enable each of our diverse human resources to maximize their individuality and further expand their potential and continue to grow.

<Our vision>

- A company that attracts a diverse workforce
- A company where diverse employees can develop their skills and abilities and grow.
- A safe and healthy workplace

Please see our website for more concrete information on our approach:

- NSK website, Human Resource Management:
<https://www.nsk.com/company/sustainability/human-resources/>
- NSK website, Mid-Term Management Plan 2026:
<https://www.nsk.com/company/investors/mid-term-management-plan/>
- NSK website, NSK report 2024, Human Capital:
https://www.nsk.com/content/dam/nsk/common/company/investors/library/pdf/nsk_report/split/2024/NSK2024_en_web_P3437.pdf

(3) Investment in Intellectual Property

NSK has set its aim to be a needed and trusted company that contributes to the development of a sustainable society by creating new value through the fusion of tribology and information technology in the Mid-Term Management Plan 2026, and will go about this by tackling the three key management tasks of “Growth with Profitability”, “Enhancement of Managerial Resources” and “ESG Management.” To take these measures, NSK intends to make R&D expenses, which we recognize as all expenses in the technology divisions, equivalent to 3 to 4% of sales. Additionally, we will make investments in intangible assets to enhance corporate value, promote the appropriate management of intellectual properties as an investment in intellectual capital, and promote IoT and Digital Transformation (DX) as an investment in IT and software.

Our Four Core Technologies, consisting of tribology, materials, numerical simulation, and mechatronics, along with the “Plus One” technology of manufacturing engineering enable us to quickly supply sophisticated products with new features to the market. Moreover, we will contribute to the realization of a more abundant, sustainable society by engaging in activities to save energy, reduce CO₂ emissions, and conserve the global environment.

Please see the following links for our Mid-Term Management Plan and R&D philosophy:

- NSK website, Mid-Term Management Plan 2026:
<https://www.nsk.com/company/investors/mid-term-management-plan/>
- NSK website, Research & Development - Four Core Technologies plus One:
<https://www.nsk.com/tools-resources/research-and-development/philosophy-and-achievements/>

(4) The impact of risks and opportunities related to climate change on business activities and profits

NSK seeks to minimize CO₂ emissions from its business operations by reducing energy usage through efforts to save energy and adopt innovative production technologies, as well as by utilizing renewable energy. Meanwhile, we are maximizing our contribution to reducing CO₂ emissions of customers who use our products by making smaller, lighter products and products with low-friction performance, and providing products for the renewable energy industry such as products for wind power generation.

We also promote ESG management in our Mid-Term Management Plan 2026 and have set a carbon-neutral target to achieve net-zero Scope 1 and Scope 2 CO₂ emissions by FY2035.

<Target>

Achieve 50% less Scope 1+2 CO₂ emissions compared to FY2017 by FY2026.

Achieve Scope 1+2 carbon neutrality by FY2035.

More information on our Mid-Term Management Plan and climate change measures can be found on our website.

- NSK website, Mid-Term Management Plan 2026:

<https://www.nsk.com/company/investors/mid-term-management-plan/>

- NSK website, Climate Change Measures:

<https://www.nsk.com/company/sustainability/environment/climate-change/>

In January 2020, NSK endorsed the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). In accordance with the recommendations of the TCFD, NSK identifies business risks and opportunities, adapts management plans, and enhances information disclosure with the aim of contributing to both the sustainable development of society and the sustainable growth of NSK, while endeavoring to take its environmental activities to the next level.

For information based on TCFD recommendations, please refer to our website.

- NSK website, Information disclosure based on TCFD Recommendations:

<https://www.nsk.com/company/sustainability/environment/tcf-recommendations/>

[Supplementary Principle 4-1-1 Roles and Responsibilities of the Board of Directors]

NSK's Board of Directors determines basic management policies, etc. with the aim of achieving the Group's sustainable growth and increasing its mid- to long-term corporate value. In order to achieve fair, transparent, and swift decision-making based on the aforementioned policies, the Board proactively delegates decision-making on the execution of the operations to executive officers, while monitoring the status of implementation in an appropriate manner. A list of the items which must be resolved by NSK's Board of Directors can be found at the following website:

<https://www.nsk.com/company/about-us/corporate-governance/>

The Board of Directors also discusses long-term and strategic issues from the perspective of the NSK Group's stakeholders and advises executive officers regarding the planning and implementation of long-term strategy.

[Principle 4-8 Effective Use of Outside Directors]

NSK maintains that the majority of its Board should be comprised of outside directors and has appointed five independent outside directors possessing outstanding character and a broad range of knowledge.

These individuals provide expert knowledge beneficial to the Group and contribute to achieving sustainable growth and increasing NSK's mid- to long-term corporate value. We hold meetings comprised of independent outside directors to facilitate the exchange of information and foster shared understanding. While respecting the objective of these meetings as an opportunity to freely share opinions, the Board secretariat follows up on any relevant matters as appropriate to improve the effectiveness of the Board of Directors.

[Principle 4-9 Independence Standards and Qualifications for Outside Directors]

When electing nominees for outside directors, we refer to the following criteria:

- Persons who have neither a special interest with the Company nor conflict of interest with regular shareholders
- Persons who meet NSK's criteria for independence
- Persons who have considerable experience and deep insight as a corporate executive or as experts
- Persons who can devote sufficient time to perform duties as an outside director of NSK

The Nomination Committee determines outside director candidates who meet the above criteria.

The criteria for the independence of NSK's outside directors can be found in the section of this report entitled "II-1 Independent Directors," as well as the following website:

<https://www.nsk.com/company/about-us/corporate-governance/>

These criteria satisfy those of the Tokyo Stock Exchange, Inc., and each outside director has been registered with the Tokyo Stock Exchange as an independent director.

[Supplementary Principle 4-11-1 Composition of the Board of Directors]

NSK believes that its Board of Directors should be well-versed in the Company's businesses and be capable of supervising important managerial judgments related to business execution, with the aim of enhancing the sustainable growth and mid- to long-term corporate value of the NSK Group. Career diversity in field of expertise and business experience is considered to ensure that the Board maintains a well-balanced composition, in light of the Company's mid- to long-term business strategy or managerial issues, and the size of the Board is also considered to enhance the effectiveness of deliberations. In appointing individual directors, we seek directors who possess not only experience and insight in general business management or in their respective areas of expertise, but also high ethical standards as corporate leaders, along with a deep understanding of corporate governance, risk management and global business operations.

The current Board of Directors consists of a total of nine directors (including two female directors). For reference, we expect each director to have skills, expertise, and experience of corporate management, finance/accounting/capital policy, engineering/manufacturing, digital, sustainability to strengthen its supervisory function in promoting and achieving the Company's management philosophy and mid-term management plan and outline the expected roles of directors.

Details on the skill matrix for NSK's Board of Directors are disclosed on the following website.

- NSK website, Corporate Governance:

<https://www.nsk.com/company/about-us/corporate-governance/>

- Notice of the Fiscal 2025 (165nd) Ordinary General Meeting of Shareholders, p.17 Skills Matrix for the Board of Directors

https://www.nsk.com/content/dam/nsk/common/company/investors/stockandbond/pdf/notice_gm165.pdf

[Supplementary Principle 4-11-2 Status of Directors with Concurrently Held Posts]

NSK discloses the important concurrently held posts of each director in the Business Report and Reference Material sections of the Notice of the Ordinary General Meeting of Shareholders, as well as on the following website:

<https://www.nsk.com/company/investors/stock-and-bond/share-holder-meetings/>

[Supplementary Principle 4-11-3 Assessment of Board of Directors]

To achieve sustainable growth and increase corporate value over the mid- to long-term, NSK conducts annual assessments of the effectiveness of its Board functions and works to further enhance performance. To maintain the objectiveness of these assessments, we commission external experts to conduct assessments through questionnaires and individual interviews.

The following text details the assessment procedures and results of the FY2024 evaluation, future issues and the major initiatives:

[Assessment Procedures]

1. Questionnaires and individual interviews with outside experts

- (1) Questionnaires and individual interviews were conducted with all directors (9) by outside experts.
- (2) The questionnaire consisted of 49 questions and open-ended prompts, and the following items were checked (the questionnaire items were designed to be as detailed as possible and reviewed annually, with an emphasis on continuity and social trends):
 - 1) Management strategy and risk management
 - 2) Board composition
 - 3) Board roles and processes
 - 4) Board management
 - 5) Stakeholder engagement
 - 6) CEO succession planning
 - 7) Committees (Nomination, Audit, and Compensation Committees)
 - 8) Board culture
 - 9) Directors' contributions
 - 10) Importance of discussion topics and amount of discussion

- (3) Responses to the questionnaire were considered, and one-hour interviews were conducted with each director.

2. Analysis and evaluation by outside experts

- Based on the results of the questionnaire and individual interviews, outside experts analyzed and evaluated the effectiveness of the Board of Directors.

3. Evaluation results were shared and discussed with the Board of Directors.

4. Issues and initiatives for the next fiscal year were considered.

(FY2024 evaluation results)

The results of the questionnaire and individual interviews confirmed that the effectiveness of the Board of Directors has improved, with accelerated discussion of Board of Directors from the perspective of the capital markets, sharing with the Board of Directors the items considered and discussed by the

Nomination, Audit, and Compensation Committees, and active discussion at the Board of Directors. The initiatives for FY2024 to address the issues raised in the previous fiscal year are as follows.

1. Enhancement of discussions based on stakeholder perspectives
 - Board discussed with a greater awareness of capital market perspectives through the implementation of dialogue between institutional investors and outside directors.
 - Board proactively involved in action on governance issues based on capital market perspectives, including clarification of criteria for CEO selection and dismissal.
2. Further upgrading of monitoring
 - Board discussed about the revision of numerical targets for the mid-term management plan based on the previous year's situation.
 - Discussions were held at the Board of Directors based on reports from the executive side on the progress of important themes set forth in the mid-term management plan.
3. Awareness and appropriate involvement in the area of "defense"
 - Based on the report from the Audit Committee, board confirmed the effectiveness and efficacy of the new risk management system
4. Appropriate involvement in matters under the Nomination Committee
 - Sharing information to the Board of Directors on the content of Nomination Committee discussions
 - Sharing of CEO succession planning process and philosophy with the Board of Directors

(Future issues and Major Initiatives based on the result of FY2024)

Based on the results of the FY2024 evaluation, the following are the main initiatives that the Company's Board of Directors is taking to further improve its effectiveness.

1. Discussion of strategies and monitoring from a big-picture, mid- to long-term perspective
 - Aligning the Board of Directors on management themes that the Board of Directors should focus on.
2. Consideration of the optimal composition of the board of directors
 - Optimal composition of the Board of Directors in light of the business environment.
3. Promote business understanding that contributes to effective discussions
 - Enhance opportunities for directors to visit sites and communicate with the executive side.
4. Securing time for discussion
 - Review frequency of board meetings and time per meeting.

[Supplementary Principle 4-14-2 Officer Training]

NSK provides training to its directors and executive officers to enhance their knowledge regarding relevant laws such as the Companies Act of Japan, corporate governance, its business, and its financial status.

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

(1) Basic Approach

NSK discloses its management information in a fair and timely manner and strives to maintain a healthy dialogue with investors. By delivering stable shareholder returns and working to secure sustainable growth and increasing mid- to long-term corporate value, we aim to constantly exceed the expectations of our stakeholders, including shareholders and investors.

(2) Investor Relations Framework

NSK positions investor relations initiatives as one of its key management tasks. Accordingly, we have established the IR Office of Corporate Planning Division Headquarters, a specialized organization and is overseen by the executive officer responsible for administration. The IR Office works with the Company's various departments to develop systems by which to disclose business strategies and financial information, as well as non-financial information such as ESG initiatives, in a fair and appropriate matter.

(3) Method of Dialogue and Status of Initiatives

NSK recognizes the General Meeting of Shareholders as an important opportunity for dialogue with its shareholders. When setting meeting dates, we strive to avoid clashes with other companies and work to achieve swift disclosure by sending the Notice of Convocation and Business Report to our shareholders as early as possible.

We also hold face-to-face dialogue between shareholders and investors through briefing meetings for institutional investors and analysts, hosted by top management, to explain our corporate results and mid-term management plans. Specific efforts are as described in the section of this report entitled "III-2 IR Activities".

We also began publishing the NSK Report (Integrated Report) as a tool for advancing constructive dialogue with investors and a range of other stakeholders and conducting constructive dialogue (engagement) relevant to our management strategy and ESG initiatives.

(4) Feedback

NSK has developed systems to swiftly relay the feedback obtained at its General Meeting of Shareholders and through the IR initiatives outlined above to the Board of Directors, upper management, and relevant departments.

(5) Management of Insider Information

NSK will not disclose or divulge insider information during dialogue with shareholders and investors. When disclosing important information regarding NSK that might influence investment decisions of investors as outlined in relevant laws and regulations, the Disclosure Committee will confirm the timeliness and appropriateness of the information prior to release. In addition, we will refrain from dialogue for a certain period prior to the release of our quarterly results, referred to as the “Silent Period”.

(6) Initiatives to Ensure Fair Disclosure

NSK promotes fair disclosure to prevent any information gaps regarding our company between market participants. In addition to exercising caution during communication with shareholders and investors, we work to make information regarding the Company broadly available through our website and other means.

[Status of Dialogue with Shareholders and Investors]

Details on the status of dialogue with shareholders and investors for the fiscal year ending March 31, 2025 are disclosed on the Company’s website below.

- NSK website, Dialogue with Shareholders and Investors:

<https://www.nsk.com/company/investors/shareholder-dialogue/>

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	27th June 2024

Supplementary Explanation

Under the Mid-Term Management Plan 2026 announced in May 2022, NSK has taken up the three management tasks of “Growth with Profitability,” “Enhancement of Managerial Resources,” and “ESG Management.

In May 2024, we set a ROE of 8% and ROIC of 6% as management targets of capital efficiency, following a review based on changes in the business environment. While it is the mission of a listed company to generate a rate of return that exceeds the cost of capital expected by shareholders and investors, we recognize that our cost of capital, estimated from past share price trends, business characteristics and current stock market conditions, is generally between 8% and 9%.

We believe that achieving the management targets of the Mid-Term Management Plan 2026 and, beyond that, achieving an ROE of 10% will lead to an increase in corporate value, and will continue to operate with a focus on achieving these targets.

We will also strive to expand disclosures of our initiatives per the Tokyo Stock Exchange’s “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”.

Please refer to our website for an overview of the Mid-Term Management Plan 2026 and our implementation efforts:

NSK website, Mid-Term Management Plan 2026:

- <https://www.nsk.com/company/investors/mid-term-management-plan/>

2. Capital Structure

Percentage of Foreign Shareholders	From 20% to less than 30%
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[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	69,118,300	13.86
Custody Bank of Japan, Ltd. (Trust Account)	28,628,200	5.74
Meiji Yasuda Life Insurance Company	27,626,000	5.53
Fukoku Mutual Life Insurance Company	22,400,000	4.49
Nippon Life Insurance Company	22,034,490	4.41
Mizuho Bank, Ltd.	13,658,300	2.73
NSK Customer Shareholding Association	11,328,118	2.27
State Street Bank and Trust Company 505001	11,307,042	2.26
NSK Employee Shareholders Association	8,839,413	1.77
Custody Bank of Japan, Ltd. (Trust Account E)	8,818,768	1.76

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Section	Prime Market of the Tokyo Stock Exchange
Fiscal Year-End	March
Type of Business	Machinery
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (Consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-Making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Three Committees (Nomination, Audit and Compensation)
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	No maximum number
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Other director
Number of Directors	9

[Outside Directors]

Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationships with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Sayoko Izumoto	Certified Public Accountant								△			
Mikio Fujitsuka	From another company								△			
Nobuhide Hayashi	From another company								△			
Akira Kashima	From another company											
Noriaki Kiyota	From another company											

* Meaning of symbols under "Relationship with the Company"

*○: The director presently falls or has recently fallen under the category

*△: The director fell under the category in the past

*●: A close relative of the director presently falls or has recently fallen under the category

*▲: A close relative of the director fell under the category in the past

Category definitions:

- Executive of the Company or its subsidiaries
- Non-executive director or executive of a parent company of the Company
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the listed company or an executive thereof
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the listed company or an executive thereof
- Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- Executive of a client or supplier company of the Company (which does not correspond to categories d, e, or f) (the director himself/herself only)
- Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
- Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- Others

Outside Directors' Relationships with the Company (2)

Name	Membership in Committees	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Sayoko Izumoto	Audit Committee	Independent Director	Sayoko Izumoto has not been engaged in the management of Deloitte Touche Tohmatsu LLC since August 2016. There are no transactions and no special interests between the Company and the said auditing firm. Ms. Izumoto fulfills the Company's Criteria for Independence of Outside Directors and the criteria for independence set forth by the Tokyo Stock Exchange. The Company has filed Ms. Izumoto as an Independent Director with the Tokyo Stock Exchange.	We expect Sayoko Izumoto to supervise management and provide advice on general management from an independent and fair standpoint, drawing on her extensive experience as a certified public accountant, high ethical standards, and broad insight, and she has actively participated in Board of Directors meetings. As the Chair of the Audit Committee, she has played a leading role through discussions and deliberations at committee meetings regarding the enhancement of the audit system and its operation. We nominated Ms. Izumoto as an Outside Director because we believe that she will continue to contribute to improving and strengthening our corporate governance and enhancing our corporate value.
Mikio Fujitsuka		Independent Director	Mikio Fujitsuka has not been engaged in the execution of Komatsu Ltd.'s business since April 2019. Although the Company and Komatsu Ltd. have transactions with each other, the amount of such transactions is less than 0.3% of net sales of the Company and less than 0.1% of net sales of Komatsu Ltd., and there is no special interest in any of them. Mr. Fujitsuka fulfills the Company's Criteria for Independence of Outside Directors and the criteria for independence set forth by the Tokyo Stock Exchange. The Company has filed with Mr. Fujitsuka as an Independent Director with the Tokyo Stock Exchange.	We expect Mikio Fujitsuka to supervise management and provide advice on general management from an independent and fair standpoint, drawing on his extensive experience as a corporate manager, high ethical standards, and broad insight, and he has actively participated in Board of Directors meetings. As a member of the Nomination Committee, he has played an appropriate role through discussions and deliberations on proposals for the appointment of Directors and CEO succession planning. We nominated Mr. Fujitsuka as an Outside Director because we believe that he will continue to contribute to improving and strengthening our corporate governance and

				enhancing our corporate value.
Nobuhide Hayashi	Compensation Committee	Independent Director	Nobuhide Hayashi has not engaged in business execution at Mizuho Bank, Ltd. since April 2019. Although the Company has a borrowing transaction with the Bank, the Company is not particularly dependent on it as the Bank is one of multiple lenders used by the Company, and no special interest exists between the Bank and the Company. Mr. Hayashi meets the Company's Criteria for Independence of Outside Directors and the independence criteria set by the Tokyo Stock Exchange, and the Company has registered him as an independent officer with the Tokyo Stock Exchange.	We expect Nobuhide Hayashi to supervise management and provide advice on general management from an independent and fair standpoint, drawing on his extensive experience as a corporate manager, high ethical standards, and broad insight, and he has actively participated in Board of Directors meetings. As the Chair of the Compensation Committee, he has played a leading role through discussions and deliberations on executive compensation policies and compensation decisions. We nominated Mr. Hayashi as an Outside Director because we believe that he will contribute to improving and strengthening our corporate governance and enhancing our corporate value
Akira Kashima	Audit Committee Compensation Committee	Independent Director	We expect Akira Kashima to supervise management and provide advice on general management from an independent and fair standpoint, drawing on his extensive experience as a corporate manager, high ethical standards, and broad insight, and he has actively participated in Board of Directors meetings. As a member of the Compensation Committee, he has played an appropriate role through discussions and deliberations on executive compensation policies and compensation decisions. Furthermore, as a member of Audit Committee, he has played an appropriate role through discussions and deliberations at committee meetings regarding the enhancement of the audit system and its operation. We nominated Mr. Kashima as a candidate for Outside Director because we believe that he will contribute to improving and strengthening our corporate governance and	Akira Kashima has not been engaged in the execution of business of PwC Consulting LLC since July 2020. In addition, he has not been engaged in the execution of PwC Japan LLC's business since July 2024. There are no transactions and no special interests between the Company and PwC Consulting LLC and PwC Japan LLC. Mr. Kashima meets the Company's Criteria for Independence of Outside Directors (listed on page 16) and the independence criteria set by the Tokyo Stock Exchange, and the Company has registered him as an independent officer with the Tokyo Stock Exchange on the condition that he is elected at this General Meeting of Shareholders.

			enhancing our corporate value.	
Noriaki Kiyota	Nomination Committee	Independent Director	Noriaki Kiyota is Representative Director, Chairman of the Board of TOTO LTD. There are no transactions and no special interests between the Company and TOTO LTD. Mr. Kiyota meets the Company's Criteria for Independence of Outside Directors and the independence criteria set by the Tokyo Stock Exchange, and the Company has registered him as an independent officer with the Tokyo Stock Exchange on the condition that he is elected as the General Meeting of Shareholders.	We expect Noriaki Kiyota to supervise management from an independent and fair standpoint, drawing on his wealth of experience as a corporate manager, high ethical standards, and broad insight. We nominated Mr. Kiyota as a candidate for Outside Director because we believe that he will contribute to improving and strengthening our corporate governance and enhancing our corporate value by supervising management and providing advice on overall management as an Outside Director.

[Committees]

Committee's Composition and Attributes of Chairpersons

	All Committee Members	Full-time Members	Internal Directors	Outside Directors	Chairperson
Nomination Committee	3	0	1	2	Outside Director
Compensation Committee	3	0	1	2	Outside Director
Audit Committee	3	1	1	2	Outside Director

[Executive Officers (*shikkoyaku*)]

Number of Executive Officers (<i>shikkoyaku</i>)	6
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Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Akitoshi Ichii	Yes	Yes	Yes	-	-
Keita Suzuki	Yes	Yes	-	Yes	-
Hideki Ochiai	-	-	-	-	-
Hayato Oumi	-	-	-	-	-
Tatsufumi Soda	-	-	-	-	-
Naoki Goto	-	-	-	-	-

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Officers (*shikkoyaku*)

The Internal Audit Department is appointed as the organization that supports the duties of the Audit Committee. Selected employees of the Internal Audit Department support the duties of the Audit Committee either full-time or part-time. The Internal Audit Department is an organization reporting directly to the CEO, independent from audit subject divisions and the executive officer(s) responsible for it. The Audit Committee may give direct instructions/directions to the head of the Internal Audit Department or employees belonging to the Internal Audit Department. Official notification of appointment or disciplinary disposition of the head of the Internal Audit Department or staff assigned to assist the Audit Committee in the performance of their duties (Audit Committee secretariat) on either a full time or part time basis requires the prior consent of the Audit Committee, and the Audit Committee may state opinions about the performance evaluation of the aforementioned members.

Cooperation among Audit Committee, Accounting Auditors, and Internal Audit Departments

The Audit Committee receives reports from the accounting auditor at the time of formulation of the accounting auditor's audit plan and at appropriate intervals, such as on a quarterly basis. Matters for discussion include the implementation status of the accounting auditor's duties and the results of audits of the Group's non-consolidated and consolidated financial statements. Where necessary, the Audit Committee requests further clarification. The above system maintains the independence of the accounting auditor and ensures that the auditing duties of the Audit Committee are monitored to verify their appropriate operation. The Audit Committee also creates an audit policy as well as an annual audit plan. In addition to conducting day-to-day auditing duties, the Committee also coordinates with the Internal Audit Department in order to audit the Group.

In addition, the Audit Committee reviews the plans, implementation status, and results of audits performed by the Internal Audit Department (including appraisal of internal control over financial reporting) and directs changes or improvements where necessary. The Committee also receives reports regarding the risk management system and monitoring of the risk management status from the Internal Audit Department as appropriate and directs additional investigations or other follow-up actions as required.

[Independent Directors]

Number of Independent Directors	5
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Matters relating to Independent Directors

NSK classifies all outside directors who meet the criteria for independent officers as Independent Directors. Criteria for independence is outlined below:

<Criteria for Independence of Outside Directors>

The following persons are ineligible to become independent director candidates of the Company:

- 1) Persons holding positions at a company which constituted 2% or more of the previous year's consolidated sales of NSK, or persons who held such a position until recently.
- 2) Persons holding positions at a company which made 2% or more of its previous year's consolidated sales to NSK or a subsidiary of NSK, or persons who held such a position until recently.
- 3) Persons holding positions at a financial institution which NSK relies on for funding, or persons who held such a position until recently.
- 4) Consultants, accounting professionals, or legal professionals receiving significant financial compensation in addition to compensation for the NSK independent director position, or persons who held such a position until recently.
- 5) Persons belonging to a company or organization which held 10% or more of NSK's total number of shares issued at the end of the most recent financial reporting period, or persons belonging to such a company or organization until recently.
- 6) Persons belonging to a company or organization which NSK holds 10% or more of the company's total number of shares issued at the end of the most recent financial reporting period, or persons belonging to such a company or organization until recently.
- 7) Relatives within the second degree, or family members living in the same household as persons specified in items 1 to 6 (excluding non-key posts). ("Key posts" are generally assumed to refer to

- executive or senior managers of relevant companies or trading partners, chartered public accountants belonging to relevant audit firms, and legal professionals belonging to relevant legal firms.)
- 8) Persons who hold executive positions at NSK or a subsidiary of NSK, or relatives within the second degree or family members living in the same household of persons who held such positions until recently.

The wording “recently” in the items above is assumed as a period of three years or less from the date NSK elects directors.

* This information is also available on the Company’s website below:

<https://www.nsk.com/company/about-us/corporate-governance/>

[Incentives]

Incentive Policies for Directors and/or Executive Officers (<i>shikkoyaku</i>)	Introduction of performance-based compensation system
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Supplementary Explanation

At the Compensation Committee meeting held on May 16, 2016, the decision was made to end stock option programs. Furthermore, at the Compensation Committee meeting held on March 27, 2019, the committee resolved to revise the stock compensation program for executive officers from the year ending March 31, 2020, changing it into a performance-based program. However, the stock compensation program for directors will be operated as previously as a stock compensation program with no added incentive for business performance, in consideration of the supervisory role of directors. For directors who also serve as executive officers, stock-based compensation will not be provided for the director’s position. Details of performance-based and stock compensation can be found in the sections of this report entitled “Compensation for Directors and Corporate Executive Officers (*shikkoyaku*), Disclosure of Policy on Determining Compensation Amounts and Calculation Methods”.

Recipients of Stock Options	
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Supplementary Explanation

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[Compensation for Directors and Executive Officers (*shikkoyaku*)]

Disclosure of Individual Directors’ Compensation	Individual compensation is not disclosed
Disclosure of Individual Executive Officers’ (<i>shikkoyaku</i>) Compensation	Selected corporate executive officers (<i>shikkoyaku</i>)

Supplementary Explanation

Compensation for year ended March 31, 2026

	Total Compensation	Fixed Compensation		Short-Term Performance-Based Salary		Stock Options	
		No. of officers	Amount	No. of officers	Amount	No. of officers	Amount
Directors (internal)	¥104 million	5	¥89 million	-	-	3	¥14 million
Directors (outside)	¥90 million	6	¥69 Million	-	-	6	¥20 million
Executive Officers	¥696 million	6	¥215 Million	6	¥145 million	11	¥334 million

1. Compensation (excluding stock compensation) for directors (internal) includes compensation for directors who also serve as executive officers.

2. The amount of performance-based salary is the planned amount to be paid on July 1, 2026, based on the results for the year ended March 31, 2026.
3. The amount of stock compensation is the amount recorded as expenses for the current fiscal year.
4. Figures listed above are rounded down to the nearest million yen.

Policy on Determining Compensation Amounts and Calculation Methods	Appointed
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

With respect to the policy for determining the amount of compensation for officers or the method of calculating such compensation, the Compensation Committee, chaired by an outside director, of NSK, which is a company with a nominating committee, etc., has determined the policy. The basic approach and specific policies regarding the determination of compensation for officers are as follows,

<Basic Approach>

- Strengthen the linkage between compensation and corporate value, and ensure transparency in the compensation framework to enhance corporate value over the mid to long term.

<Specific Policies>

- Secure outstanding human resources
- Incentivize management to contribute to the enhancement of mid to long-term corporate value
- Align the interests of management with those of shareholders
- Ensure fair, objective, and highly transparent corporate governance

(1) Compensation of Executive Officers

Compensation for Executive Officers consists of Fixed Compensation and Performance-based Compensation that varies according to business performance.

① Base compensation

Monetary compensation paid in accordance with each Executive Officer's role and responsibilities.

② Performance-Based Compensation

(a) Short-Term Performance-based Compensation

- Monetary compensation determined based on annual performance results.
- Evaluation indicators will consist of single year metrics aligned with management goals such as improving profitability and enhancing corporate value, related to the Mid Term Management Plan, including operating margin, cash flow, CO₂ emission reductions, and ESG related indicators such as safety and quality improvements.
- Payment amounts will reflect the degree of achievement for each indicator.
- Individual amounts will incorporate evaluations of each Executive Officer's performance in executing duties and progress in key management initiatives.

(b) Mid-to long-term performance-based stock compensation

- Stock compensation based on mid to long term performance indicators.
- Evaluation indicators will include those based on the Mid Term Management Plan such as ROE, relative TSR (vs. TOPIX), and engagement scores, as well as indicators contributing to cost conscious management, alignment with shareholders' interests, and strengthening of human capital, together with ESG indicators such as inclusion in the DJBICI World / Asia Pacific index.
- After a certain period has elapsed following the granting of points under the Board Benefit Trust, the number of points will be adjusted based on designated evaluation metrics.
- Company shares equivalent to a portion of the points will be delivered during the term of office, subject to transfer restrictions until retirement. Upon lifting of the transfer restrictions, the remaining portion will be converted into cash within the trust and paid accordingly.

(2) Compensation of Directors

Compensation for Directors consists of Fixed Basic Compensation and Performance-based Stock Compensation as variable compensation.

① Base Compensation

Monetary compensation paid according to the distinction between internal directors knowledgeable about the Company's business and outside directors who provide objective advice as effective supervision of management, as well as their roles on committees and the Board of Directors.

② Stock Compensation

- Designed to further motivate Directors to contribute to sustainable enhancement of corporate value and align their interests with those of shareholders. In light of their supervisory role, stock compensation for Directors will not be linked to business performance.
- Points will be granted annually, with a portion of shares delivered during the term of office under transfer restrictions until retirement. Upon lifting of the transfer restrictions, shares corresponding to the remaining points will be converted into cash within the trust and paid accordingly.

(3) Return of Compensation (Malus and Clawback Provisions)

For short term performance-based compensation and mid to long term performance based stock compensation, in cases of serious compliance violations or revisions to indicators forming the basis of compensation calculations, the Company has established a mechanism whereby all or part of the performance based compensation already paid may be reclaimed based on a resolution of the Compensation Committee.

(4) Compensation Structure and Method of Setting Compensation Levels

In setting the compensation structure and levels, NSK has established a peer group consisting of machinery manufacturers, auto parts manufacturers, similar sized manufacturers, ESG advanced companies, and overseas peer companies, and has utilized the advice of outside experts to set competitive compensation structures and levels.

The compensation structure for the President • CEO, Executive Officers (Executive Vice Presidents), and Directors is set according to specified ratios (assuming achievement of performance targets).

	Basic compensation	Short-Term performance-linked compensation	Stock-based compensation
President & CEO	1	1	1
Executive Officers	4	3	3
Non-Executive Directors	4	0	1
Outside Directors	4	0	1

* Compensation for President & CEO includes compensation as a director.

(5) Other

The Company determines base compensation for service as an Executive Officer and base compensation for service as a director separately. Where a director concurrently serves as an Executive Officer, the compensation payable for each position is aggregated and paid as total compensation.

However, Directors who concurrently serve as Executive Officers are not eligible to receive stock compensation in their capacity as Director.

[Supporting System for Outside Directors]

NSK provides information to its outside directors in an appropriate manner, including distributing meeting materials to all directors in advance, and providing prior explanation by the officers responsible or the Board secretariat. Furthermore, in previous years, we have provided opportunities for outside directors to visit business facilities in Japan and overseas, which enables them to deepen their understanding of NSK's business and matters specific to NSK.

Each outside director is a member of either the Nomination, Audit, or Compensation committees, and are supported in the corresponding duties by the respective secretariats.

[Retired Presidents/CEOs Holding Advisory Positions (*sodanyaku*, *komon*, etc.)]

Information on Retired Presidents/CEOs Holding Advisory Positions (*sodanyaku*, *komon*, etc.)

Name	Job Title/ Position	Responsibilities	Employment Terms (Full/Part Time, with/without Compensation, etc.)	Date when Former Role as President/ CEO Ended	Term
Norio Otsuka	Honorary advisor	Key external engagements to further the Company's activities in the business world	Part-time, compensated	6/24/2015	Maximum of five years
Toshihiro Uchiyama	Honorary advisor	Key external engagements to further the Company's activities in the business world	Part-time, compensated	3/31/2021	Maximum of five years

Number of Retired Presidents/CEOs Holding Advisory Positions (<i>sodanyaku</i> , <i>komon</i> , etc.)	2
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Others

- Honorary advisors and counselors have no involvement in managerial decision-making. They engage in social activities and public services including key external engagements that serve to increase the Group's corporate value.
- "Term" in the above table indicates the maximum term of honorary advisors and counselors.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)

(1) Current Framework

NSK's Board of Directors determines basic management policies, etc. with the aim of achieving the Group's sustainable growth and increasing its mid- to long-term corporate value. The Board proactively delegates decision-making on the execution of the operations to executive organizations while supervising the status of implementation in an appropriate manner. In addition, the Nomination Committee, Audit Committee, and Compensation Committee, each of which are chaired by an outside director, have been granted independent authority, and work to strengthen monitoring functions by fulfilling the criteria defined by the Companies Act, etc. and the rules of each board committee. At the time of this report, our Board is comprised of nine directors (seven men, two women), five of whom are outside directors, while four are internal directors (two of whom concurrently serve as executive officers). The CEO has the ultimate authority and responsibility for all decision-making on the execution of the operations and operational executive functions delegated by the Board. Under the direction of the CEO, executive officers are responsible for executing their respective duties in accordance with the division of duties. We also maintain an Operating Committee, which functions as an organization to support the CEO in the decision-making process. The Committee deliberates on policies and key matters related to the NSK Group's business operations. NSK also holds Officers' Meetings to foster a common understanding by sharing information on managerial issues, operational direction, and the status of the execution of their duties. An Officers' Meeting consists of the CEO, Executive Officers, Operating Officers, and Group Officers, and is chaired by the CEO.

The structure of the Board and each committee, the number of times each meeting was convened during the period from April 1, 2025 to March 31, 2026, and the attendance record of each member are outlined below:

[Board of Directors]

- Objectives and authority
 - Passes statutory resolutions related to basic management policies, etc. (including delegation of decision-making on the execution of the operations by executive officers)
 - Supervises execution of duties by executive officers
- Structure: 9 members: (5 outside directors, 4 internal directors; Chair: non-executive director)
- Number of times convened: 10
- Secretariat: Employees from the Corporate Planning Division Headquarters and the Secretariat Office perform secretariat duties in addition to their regular duties.
- Members (number of meetings attended):

Akitoshi Ichii (10/10)
Keita Suzuki (10/10)
Kenichi Yamana (10/10)
Ruriko Yoshida (8/8) *appointed as of June 25, 2025
Junji Tsuda (10/10)
Sayoko Izumoto (10/10)
Mikio Fujitsuka (10/10)
Nobuhide Hayashi (10/10)
Akira Kashima (8/8) *appointed as of June 25, 2025

Directors Junji Tsuda retired from their positions as of June 25, 2026, Noriaki Kiyota were appointed as directors on the same date.

[Nomination Committee]

- Objectives and authority
 - Determines the content of proposals submitted to the General Meeting of Shareholders regarding the appointment or dismissal of directors.
- Structure: 3 members: (2 outside directors, 1 internal director; Chair: outside director)
- Secretariat: Employee from the Human Resources and General Affairs Division Headquarters performs secretariat duties in addition to the regular duties.
- Number of times convened: 7
- Members (number of meetings attended)
Junji Tsuda (7/7)
Mikio Fujitsuka (7/7)
Akitoshi Ichii (7/7)

Directors Junji Tsuda retired from their positions as of June 25, 2026, Noriaki Kiyota were appointed as directors on the same date.

[Audit Committee]

- Objectives and authority
 - Audits the duties of directors and executive officers
 - Creates audit reports
 - Determines the content of proposals related to appointment or dismissal of accounting auditors and other matters.
- Structure: 3 members: 2 outside directors, 1 internal director (standing Audit Committee member);
Chair: outside director
- Secretariat: Employees from the Internal Audit Department perform secretariat duties either exclusively or in addition to their regular duties.
- Number of times convened: 14
- Members (number of meetings attended)
Sayoko Izumoto (14/14)
Akira Kashima (9/9) *appointed as of June 25, 2025
Ruriko Yoshida (9/9) *appointed as of June 25, 2025

[Compensation Committee]

- Objectives and authority
 - Determines policies on the compensation of directors and executive officers
 - Determines the individual compensation provided to directors and executive officers, and other matters
- Structure: 3 members: (2 outside directors, 1 internal director; Chair: outside director)
- Secretariat: Employee from Human Resources and General Affairs Division Headquarters performs secretariat duties in addition to the regular duties.
- Number of times convened: 7
- Members (number of meetings attended)
Nobuhide Hayashi (7/7)
Akira Kashima (6/6) *appointed as of June 25, 2025
Keita Suzuki (7/7)

(2) Initiatives to Strengthen Audit Committee Functions

As a Company with Three Committees (Nomination, Audit, and Compensation), in order to maximize the efficiency and effectiveness of our Audit Committee function, we strive to place outside directors with correlating expertise and experience, such as Certified Public Accountants, on the Committee. In addition, we have assigned an internal director who does not concurrently serve as an executive officer as a full-time (standing) member of the Committee. Furthermore, we have established a dedicated (full-time) secretariat to support the Audit Committee, while the Internal Audit Department, the Group's internal auditing division, collaborates with the Committee to perform audits of the Group's operations.

(3) Liability Limitation Agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act and Article 26 of the Articles of Incorporation of the Company, the Company has executed agreements to limit liability for damage of Directors under Article 423, Paragraph 1 of the Companies Act with all Directors (excluding executive directors). The limits of liability for damage under the agreement are equal to the minimum amount of liability as set forth in the relevant laws and regulations.

3. Reasons for Adoption of Current Corporate Governance System

NSK has adopted a Company with Three Committees (Nomination, Audit and Compensation) system as its form of corporate organization to better achieve the basic approach described in the section of this report entitled "I-1 Basic Views".

We believe that this organizational design, in which outside directors who have no conflict of interest with regular shareholders and participate in Board of Directors meetings, as well as the use of three supervisory committees (Nomination, Audit, and Compensation) to determine key management policies and monitor the duties of executive officers, serves to further the transparency and soundness of our corporate management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	NSK works to provide early disclosure of the Notice of the Ordinary General Meeting of Shareholders. We registered with Tokyo Stock Exchange and posted a disclosure on the company's website on Friday, May 29, 2026, 27 days prior to the Shareholders' Meeting.
Scheduling AGMs Avoiding the Peak Day	In general, NSK aims to hold its Ordinary General Meeting of Shareholders at least two days prior to the busiest date for shareholders meetings in Japan. The meeting for fiscal 2025 (the year ended March 31, 2026) was held on Thursday, June 25, 2026.
Allowing Electronic Exercise of Voting Rights	NSK has allowed the electronic exercise of voting rights since fiscal 2008.
Participation in Electronic Voting Platform	NSK has allowed the electronic exercise of voting rights since fiscal 2008.
Providing Convocation Notice in English	NSK registers English-language versions of its basic information to the Tokyo Stock Exchange and publishes the same information on its website.
Other	NSK publishes the Notice of the Ordinary General Meeting of Shareholders and Business Report on its website.

2. IR Activities

	Supplementary Explanations	Explanation by Representative of the Company
Preparation and Publication of Disclosure Policy	NSK strives to disclose information rapidly and fairly to investors and other stakeholders. Accordingly, we have published our disclosure policy, which outlines our basic approach of actively engaging in dialogue with stakeholders, on our website at the address below:	

	https://www.nsk.com/company/investors/management/disclosure-policy/	
Regular Investor Briefings for Individual Investors	We hold several briefings per year for individual investors.	No
Regular Investor Briefings for Analysts and Institutional Investors	We hold quarterly briefings, hosted by top management, to explain our corporate results and mid-term management plans as well as the progress of each. In addition, we hold several small meetings per year hosted by our CEO.	Yes
Regular Investor Briefings for Overseas Investors	NSK aims to communicate proactively with investors outside Japan. Every year, top management holds individual meetings with institutional investors in Europe, the United States and Asia. We also participate in several conferences per year for overseas investors held by securities companies.	Yes
Posting of IR Materials on Website	NSK's quarterly financial results, securities reports, reporting materials (business reports, consolidated and non-consolidated financial statements, audit reports, etc.), NSK Report (Integrated Report), results presentation materials, fact books, mid-term management plans, and other reference materials are published on our website below: https://www.nsk.com/company/investors/	
Establishment of Department and/or Manager in Charge of IR	NSK has established the IR Office of Corporate Planning Division Headquarters, a specialized organization which is overseen by the executive officer responsible for administration.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	With the NSK Corporate Philosophy serving as the cornerstone for all our management decisions, respect for the position of our stakeholders is ingrained in all our internal regulations, such as the NSK Code of Corporate Ethics, Corporate Governance Rules, and Compliance Rules. We regard customers, suppliers, employees, shareholders and investors, local communities, and future generations as important stakeholders of the NSK Group.
Implementation of Environmental Activities, CSR Activities etc.	We report on implementation status of our activities related to sustainability including environmental and social issues, in our NSK Report and on our website below: NSK Report https://www.nsk.com/company/investors/ir-reports/ NSK Website Sustainability https://www.nsk.com/company/sustainability/
Development of Policies on Information Provision to Stakeholders	We realize that improving the soundness and transparency of our management to achieve smooth business operations ultimately contributes to the profitability of NSK. To ensure transparency, we have set out rules for timely disclosure of financial and other corporate information in the NSK Group Management Rules and proactively work to provide key corporate information. In the aforementioned website which has information related to sustainability, we provide information on implementation of our activities in line with GRI (Global Reporting Initiative) Sustainability Reporting Standards.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

1. Basic policy on the development of internal control systems

Since deciding on the Basic Policy on the Development of Internal Control Systems in 2006, NSK's Board of Directors has continually reviewed and updated this policy in light of the changing societal expectations placed on companies. Our current policy is outlined below.

(1) Structure to ensure appropriateness of operations in the NSK Group

NSK aims to improve internal controls over the NSK Group as a whole, improve the soundness and transparency of its management, and manage its business smoothly in line with the "NSK Group Management Rules." Based on this policy, NSK aims to establish a structure that ensures the appropriateness of operations throughout the NSK Group. In addition, NSK must receive, on a regular or continuous basis, reports from the NSK Group's respective divisions regarding relevant duties, and reports from directors of subsidiary companies or equivalent persons regarding the performance of their duties, in accordance with the NSK Group rules governing management and business procedures. NSK shall establish a system that enables the Audit Committee to confirm regular reports from the NSK Group's divisions. The Audit Committee or the Audit Committee members may visit the NSK Group's divisions themselves or cooperate with the auditors of subsidiaries to inspect the status of operations and assets.

(2) Structure to ensure executive officers and employees of NSK and directors and employees of its subsidiaries conform to laws and regulations and the Articles of Incorporation during performance of duties.

The Company has established the NSK Code of Corporate Ethics, Corporate Governance Rules, and Compliance Rules, which set forth the fundamental principles that all executive officers and employees of NSK, as well as directors and employees of its subsidiaries, are required to follow in accordance with the NSK Corporate Philosophy framework. These rules also prescribe the organizational framework and basic operational requirements for promoting compliance, including organizational structures, training systems, and internal reporting (whistleblowing) mechanisms. The NSK Group endeavors to foster a strong culture of compliance while continuously strengthening and enhancing its internal control systems in order to effectively prevent violations of laws, regulations, and the Articles of Incorporation. In particular, with respect to domestic and international competition laws, the Group ensures strict compliance with the Competition Law Compliance Rules and promotes ongoing education and awareness activities to further strengthen compliance consciousness and more effectively prevent violations. The Legal & Compliance Division formulates policies aimed at strengthening the compliance framework of the NSK Group, implements measures based on those policies, and continuously monitors their effectiveness and implementation status. The activities of the Legal & Compliance Division are regularly reported to the Sustainability & Core Values committee. Through discussions of policies for promoting and reinforcing compliance—one of the Group's Core Values—and through the sharing of related risks, the Committee provides recommendations for resolving company-wide compliance issues and monitors progress on such matters. Furthermore, pursuant to the Internal Control Rules for Financial Reporting, the Finance Division is responsible for establishing and operating internal controls over financial reporting throughout the NSK Group, while the Internal Audit Department is responsible for evaluating their effectiveness. Through this framework, the Group ensures that reasonable assurance is obtained regarding the reliability of financial reporting. In addition, NSK maintains a firm stance against antisocial forces that threaten the order and safety of civil society. As a matter of basic policy, the Group rejects all unreasonable or unlawful demands from such forces, completely severs any relationships with them, including business relationships, and thereby fulfills its social responsibilities in the conduct of corporate activities.

(3) Structure for ensuring efficient performance of duties by executive officers of NSK and directors and other officers of subsidiaries

"NSK Group Management Rules" provide the framework to ensure efficient performance of duties by executive officers of NSK and directors and other officers/employees of subsidiaries regarding principles governing group management, decision-making mechanisms, continuous monitoring of business risks, and each NSK group company's performance targets and management.

(4) Rules and other frameworks in the NSK Group for management of risk of loss

"Risk Management Rules" stipulates the roles and responsibilities of organization in the execution system for management of risk of loss, manages the NSK Group's risks exhaustively and comprehensively, clarify the risk management system. The Internal Audit Department audits risk

management status of each division and reports the results to the Audit Committee. The Committee then reports the same to the Board of Directors on a regular basis.

(5) Framework concerning saving and retention of information related to performance of duties by executive officers of NSK and directors and other officers/employees of subsidiaries

The Company has established, in the NSK Group Management Rules and the Rules on the Retention and Management of Documents and Records, a framework for the retention and management of information relating to the execution of duties by the Company's executive officers and the directors and officers of its subsidiaries. In addition, the Company's executive officers and the directors and officers of its subsidiaries shall make such information available for inspection by the Audit Committee whenever requested by the Committee.

(6) Matters required for the execution of Audit Committee duties

1) Matters concerning members of the board and employees who support the duties of the Audit Committee

The Internal Audit Department is appointed as the organization that supports the duties of the Audit Committee. Selected employees of the Internal Audit Department support the duties of the Audit Committee either full-time or part-time.

2) Matters concerning independence from the executive officer in charge of the Internal Audit Department and effectiveness of directions issued to the Internal Audit Department

The Internal Audit Department is an organization reporting directly to the CEO, independent from audit subject divisions. In order to conduct organizational audits, the Audit Committee may give direct instructions/directions to the head of the Internal Audit Department or employees belonging to the Internal Audit Department. Official notification of appointment or disciplinary disposition of the head of the Internal Audit Department or staff assigned to assist the Audit Committee in the performance of their duties (Audit Committee secretariat) on either a full time or part time basis requires the prior consent of the Audit Committee, and the Audit Committee may state opinions about the performance evaluation of the aforementioned members.

3) NSK Group framework for reporting to the Audit Committee

The NSK Group must establish a framework under which the responsible persons in business divisions and Group Companies are required to report on items deemed necessary by the Audit Committee. Any event with the potential to cause substantial detriment to the NSK Group must be reported to the Audit Committee on a regular basis. When it is judged that an event likely to cause substantial detriment to the Group has occurred, details must be reported to the Audit Committee immediately. As a means to complement reports, Audit Committee members appointed by the Audit Committee may attend important meetings of the NSK Group which the Audit Committee finds necessary, with consent of the host of the meeting. In addition, executive officers must establish an internal whistleblowing system in the NSK Group and report the operation and status of whistleblowing to the Audit Committee without delay. In addition to the content and methods of the reports stipulated above, directors, executive officers, employees, and auditors of the NSK Group, or persons receiving reports from the aforementioned parties, may report to the Audit Committee. The NSK Group prohibits unfavorable treatment of any person reporting to the Audit Committee as a result of the aforementioned or other reports, regardless of the reporting format, and ensures that this policy is understood throughout the NSK Group.

4) Other structures for ensuring effective auditing by the Audit Committee

The Audit Committee exchange opinions with the CEO and accounting auditor on a regular basis, and, in order to ensure the effectiveness of internal audits performed by the Internal Audit Department, may recommend to executive officers changes to audit plans, the execution of additional audits, or improvements in light of the annual internal audit plan, its implementation status, and results. In addition, if necessary, during the course of their auditing duties, the Audit Committee may hire their own consulting lawyer or receive advice from specialist lawyers or accountants. NSK will process expenses incurred during the performance of Audit Committee members' duties in a prompt and appropriate manner, either via pre-payment or reimbursement, in accordance with the designated method.

2. Functions and Organization Related to Internal Control

The main functions related to the development, maintenance, and operation of the NSK Group's internal control systems, as well as the role of the organizations responsible are outlined below. The following organizations play a key role in the development and operation of internal control systems.

(Compliance)

The Legal & Compliance Division formulates policies to strengthen the Group's compliance system, implements various measures based on these policies, continuously monitors the status of these policies, and regularly reports its activities to the Sustainability & Core Values Committee.

(Risk Management)

The Corporate Planning Division Headquarters coordinates with each business, functional and regional headquarters and oversee and manage general risks related to management of the NSK Group. It is also responsible for maintaining and enhancing the internal control systems necessary for risk management.

The Crisis Management Committee oversees the NSK Group's business continuity management efforts, anticipates the materialized risks that the NSK Group may encounter, and promote preparedness in normal times to minimize damage. In the event that a risk is materialized, the committee cooperates with related departments and direct and control prompt and accurate actions.

(Approval and Reporting)

Each NSK Group company must duly apply to the CFO for approval on matters related to corporate management, systems, the governance structure, and shareholder interests, or to the controlling business or functional division headquarters in the case of important decisions related to business operations. NSK Group Companies must also report on the status of their operations to the Company on a regular basis.

2. Basic Views on Eliminating Anti-Social Forces

As its basic policy, NSK takes a resolute stance against all antisocial forces that threaten the order and safety of civil society, and declines relationships, including business relationships, with such parties. NSK does not accede to any unreasonable or illegal demands from such parties. In order to ensure a systematic response across the NSK Group, this policy is clarified in the NSK Code of Corporate Ethics, and we are making ongoing efforts to promote awareness, as well as strengthening collaboration with the police and other external organizations.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	None
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Supplementary Explanation

I. Outline of the Basic Policy Regarding Persons Controlling the Company's Decisions Concerning Financial and Business Policies

NSK is a stock company whose shares are traded on capital markets, and therefore, the Company believes that, in the case of a large-scale purchase of NSK shares, the decision whether to accept such a purchase should ultimately be left to the shareholders.

However, there is a possibility that a sudden and unsolicited large-scale purchase of shares could occur without necessary and sufficient information being disclosed and an opportunity to consider the proposal being given to the shareholders, and without the NSK's Board of Directors being provided with the information and time to express its opinion and make an alternative proposal. Such large-scale purchases of shares could damage the Company's corporate value and the common interests of its shareholders if, for instance, the purchaser does not intend to manage the Company reasonably or in good faith.

We believe that any party that makes a large-scale purchase of the Company shares that damages NSK's corporate value and the common interests of its shareholders is not an appropriate party to control decisions concerning financial and business policies.

II. Special Endeavors which Contribute to the Realization of the Basic Guidance

a) Endeavors to Enhance Corporate Value under the Mid-Term Management Plan

In accordance with our corporate philosophy, the NSK Group will continue to use progress in technological innovation and efforts to reduce the burden on the global environment as opportunities for growth and respond to them by offering high quality and reliability through our technologies, products, and services.

To achieve this goal, NSK Group has been implementing initiatives aligned with the “Mid-Term Management Plan 2026,” which covers the five-year period from fiscal 2022 to fiscal 2026, focusing on three key management priorities: “Growth with Profitability,” “Enhancement of Managerial Resources,” and “ESG Management.” At the same time, in light of the challenging business environment, NSK Group have pursued measures to improve profitability, including structural reforms in Europe and the pass-through of inflationary cost increases to product pricing. However, compared with the business environment assumed in the Mid-Term Management Plan 2026, global automobile production volumes have declined below expectations, and the recovery in demand for production goods, such as machine tools, as well as consumer goods, including home appliances, has been delayed. As a result, the competitive environment across the entire bearings industry has become increasingly severe. Accordingly, we have determined that further improvement in our earnings structure and the transformation of our product portfolio is necessary. Based on this recognition, we accelerated the formulation of our next Mid-Term management plan by one year and announced the “Mid-Term Management Plan 2028” in May 2026.

In the newly announced “Mid-Term Management Plan 2028,” under the concept of “Bearings & Beyond”—which signifies our commitment to generating stable profits in our existing businesses while achieving further growth in new businesses and new domains—we will pursue the following initiatives to realize this vision.

As part of our “Bearings” initiatives, we aim to enhance profitability in our existing businesses by strengthening our earnings structure in ways that do not rely on volume growth, while also reinforcing our product portfolio.

- We will complete structural reforms in Europe and initiate structural reforms in Japan, accompanied by a reorganization of our global production structure.
- We will pursue cost reductions through close collaboration across development, design, production, and sales functions, while also enhancing operational efficiency through the utilization of digital technologies, thereby strengthening our international competitive advantage.
- We will expand high-margin products, including those for the aftermarket, as well as differentiated products that leverage our technological strengths—such as miniaturization and weight reduction, low-friction technologies, and products designed for specialized environments—in order to improve profitability.

As part of our “Beyond” initiatives, we will reallocate resources to growth areas and establish an organizational structure designed with a view to the future, in order to cultivate new pillars of earnings.

- In response to the ongoing electrification of automobiles, we will aim for further growth while maintaining a high market share in ball screws for electric braking systems. In addition, by leveraging the technological capabilities and customer base we have built to date, we will continue to develop mechanical unit products and contribute to the realization of safe and environmentally friendly mobility.
- Beyond the provision of products for repair and replacement, we will also offer a combination of technical services—such as condition monitoring solutions, life prediction, and reconditioning—thereby contributing to the development of a circular economy.
- In the rapidly expanding robotics industry driven by advances in AI, we will not only supply bearings that support robot joints and linear motion products that enable arm extension and contraction, but also actively pursue external collaborations. Through these efforts, we will take on the challenge of developing unit products such as actuators and providing technical services for robot implementation, thereby contributing to addressing labor shortages in an aging society.

By addressing the aforementioned management challenges, NSK Group will continue to accumulate improvements and to take on the challenge of advancing to the next stage, with the aim to be a vibrant company that continues to move forward toward future-looking and ambitious goals. We position our core values of “Safety, Quality, Environment, and Compliance” as an overriding shared value standard in management decision-making and actions. Through corporate activities based on our corporate philosophy and the evolution of MOTION & CONTROL™, we will continue to contribute to the resolution of societal challenges and the sustainable development of society.

b) Endeavors to Enhance Corporate Governance

NSK has been actively working to improve the transparency and soundness of its management-related decision-making in order to fulfill its social responsibilities as well as enhance its corporate value and, by extension, the common interests of its shareholders. Even before shifting to a Company with Committees, etc. governance system in 2004, NSK worked to enhance its governance by introducing an executive officer system, inviting outside directors onto its board, and voluntarily establishing a Compensation Committee and Audit Committee. NSK is currently endeavoring to further improve its management transparency and soundness under a Company with Three Committees (Nomination, Audit and Compensation) system, with each of the three committees (Nomination Committee, Audit Committee and Compensation Committee) comprised of an internal director and a majority of outside directors.

Each of the Company's outside directors has been registered to the Tokyo Stock Exchange as an independent director.

III. Endeavors to Prevent Decisions Concerning the Company's Financial and Business Policies from Being Controlled by Inappropriate Persons in Light of the Basic Policy

NSK abolished the countermeasures against large-scale purchases of the Company's shares (takeover defense measures) introduced in June 2008 at the conclusion of the 162nd Ordinary General Meeting of Shareholders held on June 23, 2023, when the effective period expired.

NSK will continue to make efforts to enhance its corporate value and, in turn, the common interests of its shareholders and will request that any person who intends to conduct a large-scale acquisition of the Company's shares that may damage the corporate value of the Company and, in turn, the common interests of its shareholders, provide necessary and sufficient information and time for the shareholders to consider the pros and cons of such an action. In addition, we will take appropriate measures to the extent permitted by the Financial Instruments and Exchange Law, the Companies Act, and other related laws and regulations, such as disclosing the opinions of our Board of Directors and other relevant information to ensure that our shareholders have the opportunity to make an appropriate decision on the purchase.

IV. Judgments of the Board of Directors and Reasons Therefore Regarding the Endeavors Described Above

The efforts described in II. above are part of NSK's basic efforts to enhance its corporate value over the mid- to long-term and are implemented for the purpose of improving the Company's corporate value and, in turn, the common interests of its shareholders.

In addition, the initiatives described in III. above are intended to secure necessary and sufficient information, time, and opportunities for shareholders to consider the pros and cons of a large-scale purchase and are implemented for the purpose of ensuring and enhancing the Company's corporate value and, in turn, the common interests of its shareholders.

Accordingly, the efforts described in II. and III. above are in line with the basic policy described in I. above and are not detrimental to the common interests of NSK shareholders, nor are they intended to maintain the status of the Company's officers.

2. Other Matters Concerning the Corporate Governance System

【Overview of Timely Disclosure System】

1. Basic Views

NSK will disclose management information rapidly and fairly, and actively engage in dialogue with our stakeholders, including customers, suppliers, shareholders and investors, employees, local communities, and future generations. NSK will disclose information in compliance with the Financial Instruments and Exchange Act of Japan and all other applicable laws and regulations (hereinafter "laws and regulations") as well as the regulations of the stock exchanges on which NSK is listed.

In addition, NSK will disclose not only information required by laws and regulations, but also management and financial information it regards as useful in deepening stakeholder understanding of NSK management policy and business activities. NSK will also disclose non-financial information regarding the environmental and social impact of its activities.

2. Internal Structures for Timely Disclosure

(1) Disclosure Committee

NSK has established the Disclosure Committee, an organization directly under the control of the Representative Executive Officer, Senior Executive Vice President, and CFO, to control information disclosure. In order to ensure the timeliness and appropriateness of disclosure of important corporate information, the Disclosure Committee considers whether or not information requires timely disclosure based on the Timely Disclosure Rules, as well as matters such as the content and timing of disclosed information.

<Members of the Disclosure Committee>

Chairperson: Representative Executive Officer, Executive Vice President, and CFO

Committee Members:

Head of Corporate Planning Division Headquarters,
Head of Human Resources and General Affairs Division Headquarters,
Head of Finance Division Headquarters,

Department Head of Corporate Planning & Controller Department of Corporate Planning Division Headquarters,
 Group Manager of Corporate Governance Administration Department of Corporate Planning Division Headquarters,
 Group Manager of IR office of Corporate Planning Division Headquarters,
 Department Head of Accounting Department of Finance Division Headquarters,
 Group Manager of Consolidated Accounting Department of Finance Division Headquarters,
 Head of Corporate Communications Department,
 Head of General Affairs Division of Human Resources and General Affairs Division Headquarters
 Secretariat: Corporate Planning Division Headquarters

<Timing of Disclosure Committee Meetings>

- Prior to the release of quarterly and full-year results
- When a fact that should be disclosed arises, such as an important decision or occurrence of fact
- Prior to release of important disclosure documents such as quarterly reports and annual securities reports

(2) Implementation of Timely Disclosure

1. Decisions, company earnings information, and other matters related to institutional decisions

When resolution of the Board of Directors is required in accordance with Board of Directors Rules, such matters will be disclosed only after approval by the Board of Directors. As the Company is a company with Three Committees (Nomination, Audit and Compensation), matters that are transferred to the Representative Executive Officer and President will be determined by the Representative Executive Officer and President and disclosed without delay.

2. Facts which Occurred

Members of the Disclosure Committee will disclose information without delay after reporting to the Representative Executive Officer and President.

3. Audit Structure related to Timely Disclosure

NSK's Audit Committee conducts audits on timely disclosure to ensure that the financial and corporate information disclosed is transparent and reliable.

