Corporate Governance

Please see our website for more information. ▸

NSK's Approach

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.

Policy on Development of Corporate Governance Systems

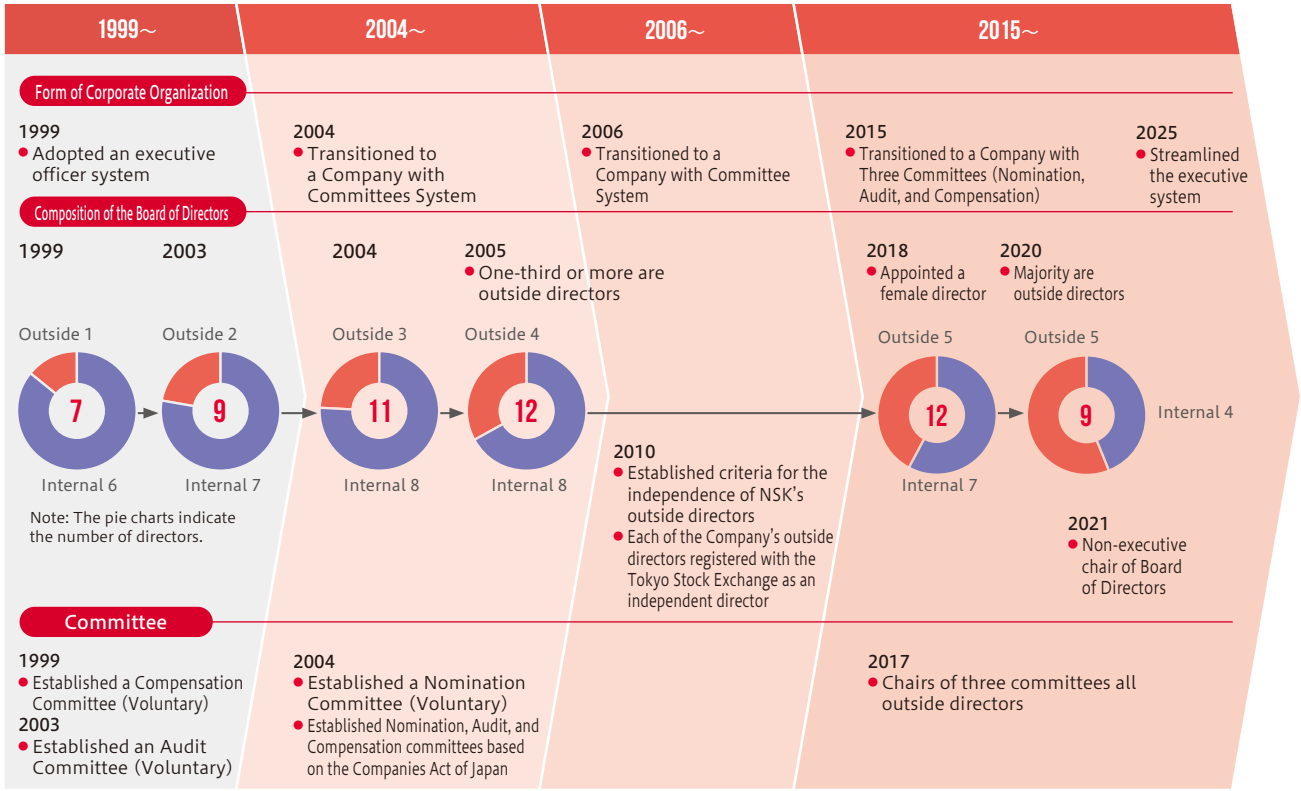
1. To increase the efficiency and agility of management by proactively delegating decision-making on the execution of the operations from the Board of Directors to the Company's executive organizations.
2. To ensure that supervisory organizations have oversight of executive organizations by clearly separating 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.

Corporate Governance Systems

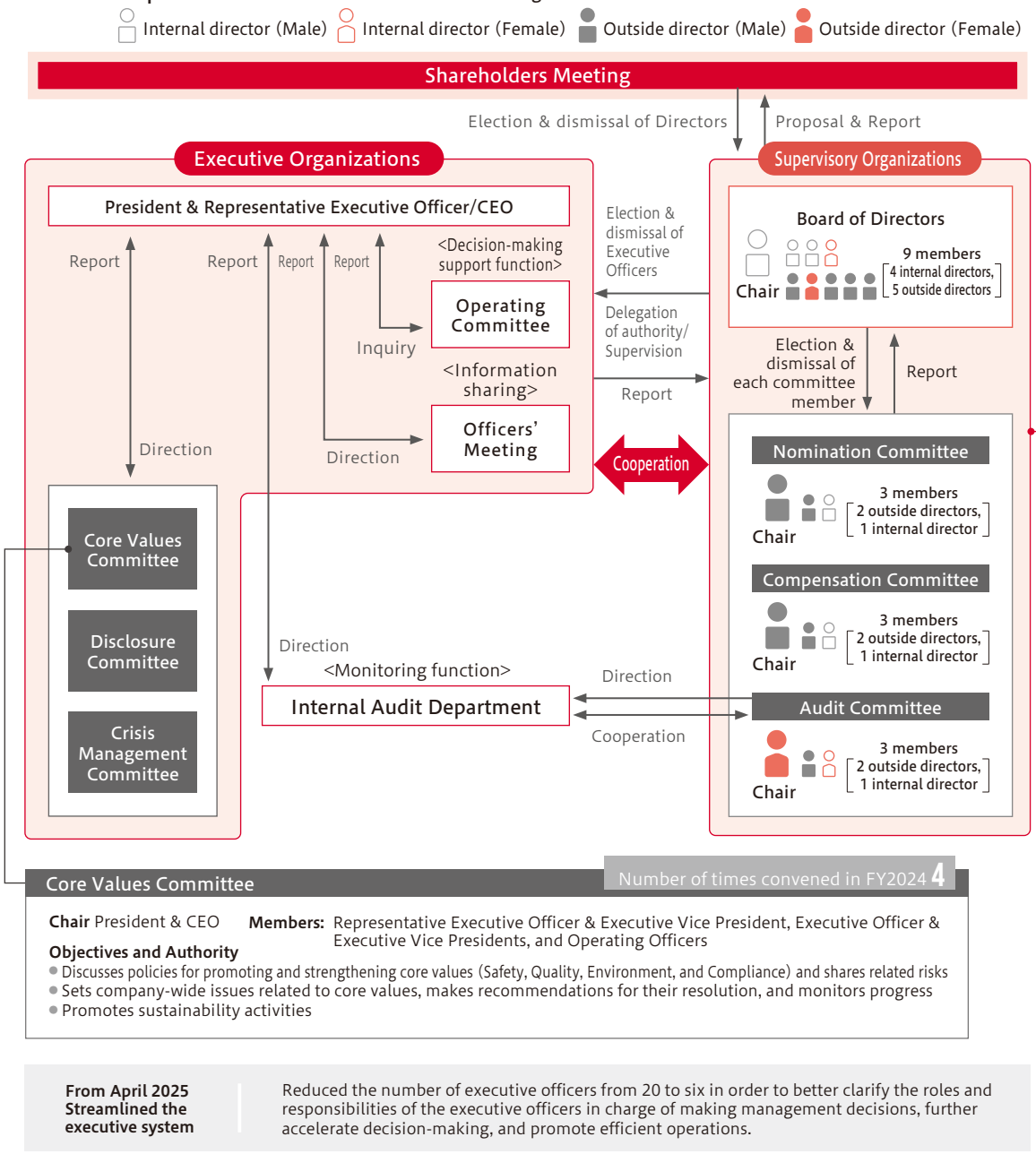
Current Corporate Governance System

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 on the left. NSK's Board of Directors determines basic management policies with the aim of achieving the Group's sustainable growth and increasing mid- to long-term corporate value. The Board proactively delegates decision-making authority regarding business execution to executive organizations, while supervising the status of implementation in an appropriate manner. The CEO has the ultimate authority and responsibility for all decision-making 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 their division of duties.

Changes to NSK's Corporate Governance Systems



NSK's Corporate Governance Structure (As of August 2025)



Core Values Committee

Number of times convened in FY2024 **4**

Chair President & CEO **Members:** Representative Executive Officer & Executive Vice President, Executive Officer & Executive Vice Presidents, and Operating Officers

Objectives and Authority

- Discusses policies for promoting and strengthening core values (Safety, Quality, Environment, and Compliance) and shares related risks
- Sets company-wide issues related to core values, makes recommendations for their resolution, and monitors progress
- Promotes sustainability activities

From April 2025 Streamlined the executive system

Reduced the number of executive officers from 20 to six in order to better clarify the roles and responsibilities of the executive officers in charge of making management decisions, further accelerate decision-making, and promote efficient operations.

Supervisory Organizations

Board of Directors

Number of times convened in FY2024 **10**

Chair a non-executive director

Objectives and Authority

- Passes resolutions related to decisions on basic management policies (including delegation of deciding on the execution of the operations to executive officers)
- Supervises the execution of duties by executive officers

Main Activities during FY2024

- Consolidated financial statements, appropriation of retained earnings, basic policy on the establishment of internal control systems, selection of executive officers
- Enterprise risk management system and Group-wide risks for FY2024
- Activity status of the Nomination, Audit, and Compensation committees
- Verified the rationality of cross-shareholdings held
- Results of dialogue with institutional investors
- Board of Directors' effectiveness assessment
- Budget management policy
- Updated numerical targets for MTP2026
- Monitored the progress of MTP2026
- Monitored the steering business

Nomination Committee

Number of times convened in FY2024 **6**

Chair Outside director

Objectives and Authority

- Determines the content of proposals submitted to the Shareholders Meeting regarding the appointment or dismissal of directors

Main Activities during FY2024

- Composition of the Board of Directors (including the skill matrix)
- Proposals for FY2025 director candidates
- Secured outside director candidates
- Monitored the progress of CEO succession planning

Compensation Committee

Number of times convened in FY2024 **6**

Chair Outside director

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

Main Activities during FY2024

- Determines policies on the amount of compensation of officers and other matters
- Details of individual compensation provided to directors and executive officers, and other matters
- FY2025 officer compensation system

Audit Committee

Number of times convened in FY2024 **14**

Chair Outside director

Objectives and Authority

- Audits the duties of directors and executive officers and creates audit reports
- Determines the content of proposals related to appointment or dismissal of the auditor, and other matters

Main Activities during FY2024

- Conducted audits of important management-related issues (e.g., management under the new Enterprise Risk Management System) based on the audit plan and made recommendations
- Assessed the auditor (including important matters to be discussed and the three-way audit system)

Skill Matrix for Board of Directors

The composition of NSK's Board of Directors is determined based on consideration of career diversity in fields of expertise and business experience 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 as well as consideration of the size of the Board to enhance the effectiveness of deliberations. In appointing individual directors, in addition to selecting persons based on experience in business and management in general or experience in their area of expertise, high ethical standards in management, their insight into corporate governance and risk management, and knowledge on global business operations are sought. Furthermore, directors are expected to have skills, expertise, and experience involved in the areas of corporate management, finance/accounting and capital policy, engineering/manufacturing, digital, and sustainability in order strengthen the Board's supervisory function in a way that contributes to the promotion and achievement of the Company's management philosophy and Mid-Term Management Plan.

◎Chair ○Member

Name	Outside Director	Skills, Experience, and Expertise Expected					Nomination Committee	Audit Committee	Compensation Committee	Expected Roles of the Outside Directors
		Corporate Management	Finance/ Accounting/ Capital Policy	Engineering/ Manufacturing	Digital	Sustainability				
Akitoshi Ichii		●		●		●	○			
Keita Suzuki		●	●		●				○	
Kenichi Yamana		●	●							
Ruriko Yoshida			●			●		○		
Junji Tsuda	●	●		●			◎			Management Strategy
Sayoko Izumoto	●		●			●		◎		Finance/Accounting, Internal Control Systems
Mikio Fujitsuka	●	●	●			●	○			Management Strategy, Finance/Accounting
Nobuhide Hayashi	●	●	●			●			◎	Management Strategy, Capital Policy
Akira Kashima	●	●	●		●			○	○	Finance/Accounting, Internal Control Systems

Common Skills, Experience, and Knowledge

Corporate Governance	We believe that establishing an appropriate governance structure is necessary and important for the Company to continue its global business expansion and to enhance the effectiveness of management oversight throughout the Group.
Risk Management	To enhance corporate value and achieve sustainable growth, we believe it is important to establish and operate internal controls through proper and efficient business execution, as well as to manage various risks related to our business.
Global Business Operations	As we have operated on a global scale and appropriately incorporated geopolitical development, economic conditions, policy directions, and market trends into our management and business strategies, we believe that experience and insight in this field are important.

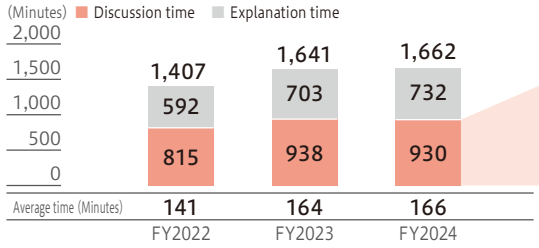
Reasons for Selecting Skill Matrix Items

Item	Reason for selecting the item
Corporate Management	To properly supervise business execution, we believe it is necessary for Directors to have experience in business operations as a top executive, knowledge of corporate reform, and a background in corporate management that enables appropriate risk-taking and prompt, decisive decision-making by the Company's management team.
Finance/Accounting/ Capital Policy	We believe it is necessary to make management decisions that take into account the improvement of profitability and capital efficiency based on appropriate capital allocation from a management perspective.
Engineering/ Manufacturing	We believe it is necessary to have management strategies aligned with technological advancements and changes in the business environment, as well as knowledge of technological trends, including new fields and domains, and manufacturing, including safety and environmental considerations.
Digital	We aim to leverage digital technologies to enhance our managerial resources. To properly monitor the evolution of digital technologies and the business operations that utilize them, we believe that experience and expertise in the digital field are necessary.
Sustainability	We believe it is necessary to enhance corporate value through management that takes into consideration sustainability with respect to the environment and societal issues such as human rights, human resource development, and diversity.

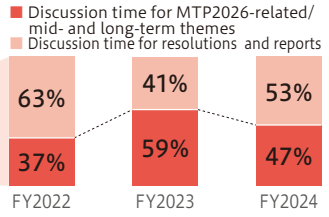
Initiatives to Further Enhance the Effectiveness of the Board of Directors

NSK's Board of Directors proactively delegates decisions regarding the execution of operations to the executive organizations, monitors the status of execution in an appropriate manner, and discusses themes related to mid- to long-term management issues and direction. To stimulate Board deliberations, the Company shares information in an appropriate manner, including distributing Board materials to all directors in advance and having the responsible officers and the Board Secretariat provide detailed explanations about agenda items ahead of time.

Changes in Explanation and Discussion Times



Breakdown of Discussion Time



MTP2026-Related/Mid- and Long-Term Themes for FY2024

Details of the Discussion		Related Page(s)
Monitored the progress of MTP2026		PP.20–25
–Policy and Numerical Targets	● Changes to the FY2026 numerical targets and the vision for NSK beyond 2026	
–Industrial Machinery Business	● Progress in expanding aftermarket sales overseas, etc.	
–Automotive Business	● Progress in expanding new products and technologies coinciding with electrification, etc.	
–Digital Transformation	● Renewal of core systems and progress in projects for optimizing the overall supply chain	

Details of the Discussion		Related Page(s)
Steering Business	● Progress in improving profitability, establishing stand-alone management, and strengthening monitoring, as well as discussions regarding the search for new partners	P.11, PP.50–51
European Structural Reforms	● Review of the initial policy and discussions on revision planning/additional measures	P.10, PP.26–27
Sustainability	● Suggestions regarding the sustainability promotion structure	P.40

Board of Directors' Effectiveness Assessment

NSK conducts annual assessments of the effectiveness of its Board of Directors functions and has worked to further enhance performance every year since FY2015. To maintain the objectiveness of these assessments, NSK commissions external experts to conduct assessments based on the results of these questionnaires and individual interviews with all directors.

In FY2024, the results of the questionnaire and individual interviews confirmed that the effectiveness of the Board of Directors has improved, with accelerated discussion of the 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 by the Board of Directors.

Assessment Procedures

External experts distribute questionnaires and conduct individual interviews → External experts conduct an analysis and assessment based on the results of questionnaires and individual interviews → Assessment results were shared and discussed with the Board of Directors → Issues and initiatives for the next fiscal year were considered

- Target: 9 directors
- Questionnaire items: ❶Management strategies and risk management ❷Composition of the Board of Directors ❸Role and processes of the Board of Directors ❹Meeting management ❺Stakeholder engagement ❻CEO succession planning ❼Committees (Nomination, Audit, and Compensation) ❽Culture ❾Directors' contributions ❿Importance of discussion themes and the amount of discussion
- Individual interview: Individual interviews conducted by external experts based on questionnaire results

FY2022 Issues	FY2023 Initiatives
Sharing the roles of the Board of Directors amid business restructuring	● A process whereby the chairperson of the Board of Directors, outside directors, and the CEO discuss and determine the Board meeting agenda was introduced. ● The Board of Directors was deeply involved in the transition of the Steering Business to a joint venture.
Thorough and complete monitoring of MTP2026	● Directors shared their understanding of monitoring and coordinated with the executive side. ● The Board of Directors enhanced its discussions on MTP2026 themes.
Further strengthening the contribution of outside directors	● Site visits and the practice of holding Board meetings at plants were resumed to deepen the business understanding of outside directors. ● Communication was enhanced through the resumption of regular meetings of outside directors.

FY2023 Issues	FY2024 Initiatives
Enhancement of discussions based on perspectives of stakeholders	● 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.
Further upgrading of monitoring	● Board discussed 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.
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.
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.

FY2024 Issues	Main Future Initiatives
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.
Consideration of the optimal composition of the Board of Directors	● Optimal composition of the Board of Directors in light of the business environment.
Promote business understanding that contributes to effective discussions	● Enhance opportunities for directors to visit sites and communicate with the executive side.
Securing time for discussion	● Review frequency of Board meetings and time per meeting.