

This document is an English translation of a document that was originally prepared in the Japanese language and is provided for convenience purposes only. NSK makes no representation or warranty that this document is a complete or accurate translation of the original Japanese text, and it is not intended to be relied upon. In the event that there is a discrepancy between the Japanese and English versions, the Japanese version shall take precedence. This document is not intended and should not be construed as an inducement to purchase or sell stock in NSK.

Securities Code: 6471  
June 2, 2016

## NOTICE OF THE 155th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders with Voting Rights:

Notice is hereby given that the 155th Ordinary General Meeting of Shareholders of NSK Ltd. (hereinafter referred to as “the Company”) will be held as described below. Your attendance is cordially requested.

If you are unable to attend the meeting, you can exercise your voting rights by postal mail or via the Internet. Please review the “Reference Documents for the General Meeting of Shareholders” which follow this Notice, and exercise your voting rights no later than 5:15 p.m. on Thursday, June 23, 2016 (Japan time).

Yours very truly,

Toshihiro Uchiyama  
Director,  
President and Chief Executive Officer  
NSK Ltd.  
6-3, Ohsaki 1-chome, Shinagawa-ku,  
Tokyo, Japan

**1. Date and Time:** Friday, June 24, 2016, at 10:00 a.m. (Reception starts at 9:00 a.m.)

**2. Place:** Keio Plaza Hotel Tokyo, 5F Concord Ballroom  
2-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo  
The place of meeting has been changed from last year.

### 3. Agenda of the Meeting

**Matters to be reported:** (1) Business Report, Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit Committee for the Consolidated Financial Statements for the 155th Fiscal Term (from April 1, 2015 to March 31, 2016)  
(2) Non-Consolidated Financial Statements for the 155th Fiscal Term (from April 1, 2015 to March 31, 2016)

**Matter to be resolved:**  
**Proposal** Election of Twelve Directors

#### 4. Other Matters Related to this Notice

The Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements, which should be provided along with this Notice, are published on the Company's website at the following address pursuant to laws and regulations as well as Article 15 of the Articles of Incorporation of the Company. Therefore, these documents are not included in the attached 155th Report.

<b>【The Company's Website】</b> <a href="http://www.jp.nsk.com/investors/shareholders.html">http://www.jp.nsk.com/investors/shareholders.html</a>
---

The Accounting Auditor duly audited the Consolidated Financial Statements and the Non-Consolidated Financial Statements in the 155th Report, as well as the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements which are published on the Company's website at the address above.

The Audit Committee duly audited the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements in the 155th Report, as well as the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements which are published on the Company's website at the address above.

#### Methods of Exercising Voting Rights

##### (1) Voting by postal mail

Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form, and return the form to us by postal mail so that it will arrive by no later than 5:15 p.m. on Thursday, June 23, 2016, (Japan Time).

##### (2) Voting via the Internet

Please access the designated voting website and enter your voting code and password supplied in the enclosed Voting Rights Exercise Form. Follow the instructions (in Japanese language only) and enter your vote for the proposal no later than 5:15 p.m. on Thursday, June 23, 2016 (Japan Time).

Voting website <http://www.it-soukai.com/>

\* If you exercise your voting rights more than once via the Internet, the last vote will be deemed valid.

\* If you exercise your voting rights both in writing and via the Internet, the vote via the Internet will be deemed valid.

#### Reference:

Institutional investors may use the platform for the electronic exercise of votes operated by ICJ, Inc.

#### Notes:

- Please present the enclosed Voting Rights Exercise Form at the reception if you attend the meeting in person. In order to conserve resources, please bring this notice and the enclosed 155th Report with you.
- If there are any amendments to the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements and/or Non-consolidated Financial Statements, these amendments will be published on the Company's website (<http://www.jp.nsk.com/investors/shareholders.html>).

## Reference Documents for the General Meeting of Shareholders

### Proposal: Election of Twelve Directors

The terms of office of all twelve Directors will expire at the conclusion of this meeting. Accordingly, election of the following twelve Directors is proposed based on the Nominating Committee's decision.

The candidates for Directors are as follows:

No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
1	Norio Otsuka (July 5, 1950)	<p>Apr. 1973      Joined the Company</p> <p>Dec. 1999      Deputy Head of Corporate Planning Division Headquarters</p> <p>Apr. 2000      Vice President, Head of Corporate Planning Division Headquarters</p> <p>Jun. 2002      Director (current), Senior Vice President, Head of Corporate Strategy Division Headquarters</p> <p>Jun. 2004      Representative Executive Vice President, Responsible for Administrative Divisions, Head of Corporate Strategy Division Headquarters</p> <p>Jun. 2007      Representative Executive Officer and Senior Executive Vice President</p> <p>Jun. 2009      President and Chief Executive Officer, Chairperson of the Nominating Committee</p> <p>Jun. 2015      Chairperson of the Board of Directors (current)</p>	116,800
		<p><b>Reasons for nominating the candidate for Director:</b></p> <p>Norio Otsuka has extensive experience in corporate management and possesses deep insight into the Company's business and corporate governance, which makes him suitably qualified to supervise the execution of the Company's business operations. Therefore, he is nominated for the position of non-executive Director.</p>	

No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
2	Toshihiro Uchiyama (November 28, 1958)	<p>Apr. 1981      Joined the Company</p> <p>Mar. 2006      Deputy Head of Procurement Division Headquarters</p> <p>Jun. 2008      Vice President, Deputy Head of Corporate Planning Division Headquarters</p> <p>Jun. 2009      Head of Corporate Planning Division Headquarters</p> <p>Jun. 2010      Senior Vice President, Head of Corporate Planning Division Headquarters, Responsible for IR &amp; CSR Office</p> <p>Jun. 2011      Responsible for Asia, Head of Corporate Planning Division Headquarters, Responsible for IR &amp; CSR Office</p> <p>Jun. 2012      Director (current)</p> <p>Jun. 2013      Representative Executive Vice President, Member of the Compensation Committee, Responsible for Administrative Divisions, Head of Corporate Strategy Division Headquarters</p> <p>Jun. 2015      President and Chief Executive Officer (current), Chairperson of the Nominating Committee (current)</p>	76,000
		<p><b>Reasons for nominating the candidate for Director:</b></p> <p>Toshihiro Uchiyama has experienced a broad range of businesses at the Company, spanning overseas regional headquarters, procurement and corporate planning, thereby acquiring considerable knowledge of the Company's entire business. As Director and Representative Executive Officer of the Company, he also has a wealth of experience in corporate management. The Company has designated him as a director nominee with the expectation that, by having the top executive officer concurrently serve as a director, the Board of Directors will be able to better understand the status of business execution and internal affairs of the Company, allowing the Board to exercise its oversight function more effectively.</p>	

No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
3	Saimon Nogami (September 19, 1960)	<p>Apr. 1984      Joined the Company</p> <p>Feb. 2011      Deputy Head of Industrial Machinery Business Division Headquarters</p> <p>Jun. 2011      Vice President</p> <p>Jun. 2013      Director (current), Senior Vice President, Head of Corporate Planning Division Headquarters, Responsible for IR &amp; CSR Office</p> <p>Jun. 2015      Representative Executive Vice President (current), Member of the Compensation Committee (current), Responsible for Administrative Divisions (current), Responsible for Asia (current), Head of Corporate Strategy Division Headquarters (current)</p> <p><b>Reasons for nominating the candidate for Director:</b> Saimon Nogami has experienced a broad range of businesses at the Company, spanning overseas regional headquarters, the industrial machinery business and corporate planning, thereby acquiring considerable knowledge of the Company's entire business. The Company has designated him as a director nominee with the expectation that, by having an officer responsible for the execution of business concurrently serve as a director, the Board of Directors will be able to better understand the business execution status and internal affairs of the Company, allowing the Board to exercise its oversight function more effectively.</p>	32,200
4	Shigeyuki Suzuki (December 15, 1959)	<p>Apr. 1982      Joined the Company</p> <p>Jun. 2009      Head of Eastern Japan Automotive Department 3 - Automotive Sales &amp; Marketing Division Headquarters - Automotive Business Division Headquarters</p> <p>Jun. 2010      Vice President, Deputy Head of Automotive Sales &amp; Marketing Division Headquarters - Automotive Business Division Headquarters, Head of Eastern Japan Automotive Department 3 - Automotive Sales &amp; Marketing Division Headquarters - Automotive Business Division Headquarters</p> <p>Apr. 2011      Deputy Head of Operations in Europe</p> <p>Jun. 2012      Senior Vice President</p> <p>Oct. 2013      Deputy Head of Automotive Bearings Division Headquarters - Automotive Business Division Headquarters</p> <p>Jun. 2014      Director, Executive Vice President (current), Head of Automotive Bearings Division Headquarters - Automotive Business Division Headquarters (current)</p> <p><b>Reasons for nominating the candidate for Director:</b> Shigeyuki Suzuki has experienced a broad range of businesses at the Company, spanning sales and marketing, overseas regional headquarters and the automotive business, thereby acquiring considerable knowledge of the Company's entire business. The Company has designated him as a director nominee with the expectation that, by having an officer responsible for the execution of business concurrently serve as a director, the Board of Directors will be able to better understand the business execution status and internal affairs of the Company, allowing the Board to exercise its oversight function more effectively.</p>	41,900

No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
5	[New appointment] Hirotohi Aramaki (May 18, 1959)	<p>Apr. 1984      Joined the Company</p> <p>Jun. 2008      Head of Industrial Machinery Bearing Technology Center, Deputy Head of Corporate Research &amp; Development Center</p> <p>Jun. 2009      Vice President, Head of Industrial Machinery Bearing Technology Center - Industrial Machinery Business Division Headquarters</p> <p>Jun. 2011      Senior Vice President, Deputy Head of Corporate Research &amp; Development Center - Technology Development Division Headquarters</p> <p>Jun. 2012      Head of Corporate Research &amp; Development Center - Technology Development Division Headquarters</p> <p>Jun. 2014      Deputy Head of Technology Development Division Headquarters Responsible for Quality Assurance Division Headquarters</p> <p>Jun. 2015      Executive Vice President (current), Responsible for Technology Divisions (current), Head of Technology Development Division Headquarters (current)</p> <p><b>Reasons for nominating the candidate for Director:</b> Hirotohi Aramaki has considerable experience in research and product development at the Company, and extensive knowledge of the technology development process. The Company has designated him as a director nominee with the expectation that, by having an officer responsible for the execution of business concurrently serve as a director, the Board of Directors will be able to better understand the business execution status and internal affairs of the Company, allowing the Board to exercise its oversight function more effectively.</p>	48,300
6	[New appointment] Yasuhiro Kamio (July 22, 1959)	<p>Apr. 1982      Joined the Company</p> <p>Jun. 2006      Deputy Head of Automotive Components Division Headquarters - Automotive Business Division Headquarters</p> <p>Jun. 2009      Vice President, Head of all ASEAN operations, CEO of NSK International (Singapore) Pte Ltd., President of NSK Bearings (Thailand) Co., Ltd.</p> <p>Jun. 2013      Senior Vice President (current), Head of China operations (current), CEO of NSK (China) Investment Co., Ltd.(current)</p> <p><b>Reasons for nominating the candidate for Director:</b> Yasuhiro Kamio has experienced a broad range of businesses at the Company, spanning sales and marketing, the automotive business and overseas regional headquarters, thereby acquiring considerable knowledge of the Company's business. The Company has designated him as a director nominee with the expectation that, by having an officer responsible for the execution of business concurrently serve as a director, the Board of Directors will be able to better understand the business execution status and internal affairs of the Company, allowing the Board to exercise its oversight function more effectively.</p>	69,600

No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
7	Minoru Arai (January 30, 1961)	<p>Apr. 1984      Joined the Company Oct. 2008      Deputy Head of Quality Assurance Division                          Headquarters Jun. 2011      Vice President, Head of Quality Assurance                          Division Headquarters Jun. 2014      Senior Vice President (current) Jun. 2015      Director (current), Responsible for Manufacturing                          Divisions (current), Responsible for Environmental                          Programs (current), Responsible for Quality                          Assurance Division Headquarters (current), Head                          of Manufacturing Strategy Division Headquarters                          (current), Head of Procurement Division                          Headquarters - Manufacturing Strategy Division                          Headquarters (current)</p> <p><b>Reasons for nominating the candidate for Director:</b> Minoru Arai has experienced a broad range of businesses at the Company, spanning domestic and overseas manufacturing divisions and quality assurance divisions, thereby acquiring considerable knowledge of the Company's entire business. The Company has designated him as a director nominee with the expectation that, by having an officer responsible for the execution of business concurrently serve as a director, the Board of Directors will be able to better understand the business execution status and internal affairs of the Company, allowing the Board to exercise its oversight function more effectively.</p>	22,300
8	[New appointment] Toshihiko Enomoto (August 28, 1958)	<p>Apr. 1985      Joined the Company Jun 2008      Head of Consolidated Accounting Department                          - Finance Division Headquarters Jun. 2013      Vice President, Deputy Head of Finance                          Division Headquarters Jun. 2015      Advisor (current), Head of Internal Audit                          Department(current)</p> <p><b>Reasons for nominating the candidate for Director:</b> Toshihiko Enomoto has experienced a broad range of businesses at the Company, spanning finance and accounting, overseas regional headquarters, and auditing, thereby acquiring considerable knowledge of the Company's entire business. Such experience and knowledge make him sufficiently qualified to supervise the execution of the Company's business operations. Accordingly, he is nominated for the position of non-executive Director.</p>	12,716

No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
9	<p>Kazuaki Kama (December 26, 1948)</p> <p>[Candidate for Outside Director]</p> <p>[Independent Director]</p> <p>Attendance (FY2015) • Board of Directors : 90% (9/10) • Compensation Committee : 100% (5/5)</p>	<p>Jul. 1971      Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently, IHI Corporation)</p> <p>Jun. 2004      Executive Officer, General Manager of Finance &amp; Accounting Division of Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Apr. 2005      Managing Executive Officer, General Manager of Finance &amp; Accounting Division of Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Jun. 2005      Director, Managing Executive Officer, General Manager of Finance &amp; Accounting Division of Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Apr. 2007      President and Chief Executive Officer of Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Jul. 2011      Chairman and the Board of Directors of Japanese Aero Engines Corporation (current)</p> <p>Apr. 2012      Chairman of the Board of IHI Corporation</p> <p>May. 2013      President of Japan Ship Exporters' Association (Retired in May 2015)</p> <p>Jun. 2013      Independent Director of Kyokuto Boeki Kaisha, LTD. (current), President of Financial Accounting Standards Foundation (current)</p> <p>Jul. 2013      Chairman of Japan Vocational Ability Development Association (current)</p> <p>May. 2014      Chairman of The Society of Japanese Aerospace Companies (Retired in May 2016)</p> <p>Jun. 2014      Director (current), Member of the Compensation Committee (current), Independent Director of Konica Minolta, Inc. (current)</p> <p>Apr. 2016      Director of IHI Corporation (current)</p> <p><b>Reasons for nominating the candidate for Outside Director:</b> Kazuaki Kama has actively expressed his opinions at meetings of the Board of Directors from a fair and independent standpoint, based on his considerable experience and deep insight as a corporate executive. As a member of the Compensation Committee, he has played a role in enhancing the transparency and objectiveness of the procedures for determining compensation. The Company has designated him as an independent director nominee with the expectation that he will continue to contribute to enhancement and reinforcement of the Company's corporate governance, as well as ensure its sustainable growth and increase its corporate value. Mr. Kama fulfills the criteria for the independence of independent directors prescribed by the Company.</p>	900



No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
10	<p style="text-align: center;">Ichiro Tai (November 16, 1948)</p> <p>[Candidate for Outside Director]</p> <p>[Independent Director]</p> <p>Attendance (FY2015) • Board of Directors : 100% (10/10) • Audit Committee : 100% (10/10) • Nominating Committee : 100% (5/5)</p>	<p>Apr. 1976      Joined Tokyo Shibaura Electric Co., Ltd. (currently, Toshiba Corporation)</p> <p>Jun. 2003      Executive Officer, Corporate Vice President of Toshiba Corporation</p> <p>Jun. 2007      Executive Officer, Corporate Senior Vice President of Toshiba Corporation</p> <p>Jun. 2008      Executive Officer, Corporate Executive Vice President of Toshiba Corporation</p> <p>Jun. 2009      Director, Representative Executive Officer, Corporate Senior Executive Vice President of Toshiba Corporation</p> <p>Jun. 2011      Senior Advisor of Toshiba Corporation (Retired in June 2014)</p> <p>Jun. 2012      Independent Director of Toko Electric Corporation (currently, Takaoka Toko Co., Ltd.) (retired in March 2014)</p> <p>Jun. 2014      Director (current), Member of the Nominating Committee (current)</p> <p>Jun. 2015      Member of the Audit Committee (current)</p> <p><b>Reasons for nominating the candidate for Outside Director:</b> Ichiro Tai has actively expressed his opinions at meetings of the Board of Directors from a fair and independent standpoint, based on his considerable experience and deep insight as a corporate executive. As a member of the Audit Committee, he has provided precise opinions on the development and operation of systems for auditing the execution of business operations. As a member of the Nominating Committee, he has taken a role in enhancing the transparency and objectiveness of the determination procedures for nomination. The Company has designated him as an independent director nominee with the expectation that he will continue to contribute to enhancement and reinforcement of the Company's corporate governance, as well as ensure its sustainable growth and increase its corporate value. Mr. Tai fulfills the criteria for the independence of independent directors prescribed by the Company.</p>	3,400

No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
11	<p>Yasunobu Furukawa (October 11, 1953)</p> <p>[Candidate for Outside Director]</p> <p>[Independent Director]</p> <p>Attendance (FY2015)</p> <ul style="list-style-type: none"> <li>• Board of Directors : 100% (7/7)</li> <li>• Audit Committee : 100% (10/10)</li> <li>• Nominating Committee : 100% (4/4)</li> </ul>	<p>Apr. 1976      Joined Tetsuzo Ota &amp; Co. (currently, Ernst &amp; Young ShinNihon LLC)</p> <p>Sep. 1980      Registered as a Certified Public Accountant</p> <p>May. 1999      Representative Partner of Ernst &amp; Young ShinNihon LLC</p> <p>Aug. 2008      Executive Partner of Ernst &amp; Young ShinNihon LLC</p> <p>Aug. 2010      Senior Executive Partner of Ernst &amp; Young ShinNihon LLC</p> <p>Aug. 2012      Senior Advisor of Ernst &amp; Young ShinNihon LLC (retired in June 2014)</p> <p>Jun. 2014      Independent Director of Keisei Electric Railway Co., Ltd. (current)</p> <p>Jun. 2015      Director (current), Chairperson of the Audit Committee (current), Member of the Nominating Committee (current), Outside Corporate Auditor of Saitama Resona Bank, Ltd.(current)</p> <p><b>Reasons for nominating the candidate for Outside Director:</b></p> <p>Yasunobu Furukawa has actively expressed his opinions at meetings of the Board of Directors from a fair and independent standpoint, based on his considerable experience and deep insight as a Certified Public Accountant. As a member of the Audit Committee, he has provided precise opinions on the development and operation of systems for auditing the execution of business operations. As a member of the Nominating Committee, he has played a role in enhancing the transparency and objectiveness of the determination procedures for nomination. The Company has designated him as an independent director nominee with the expectation that he will continue to contribute to enhancement and reinforcement of the Company's corporate governance, as well as ensure its sustainable growth and increase its corporate value. Mr. Furukawa fulfills the criteria for the independence of independent directors prescribed by the Company.</p>	500

No.	Name (Date of Birth)	Career Summary, Position and Area of Responsibility in the Company and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
12	Teruhiko Ikeda (December 5, 1946)  [Candidate for Outside Director] [Independent Director]  Attendance (FY2015) • Board of Directors : 100% (7/7) • Audit Committee : 100% (10/10) • Compensation Committee : 100% (5/5)	<p>Apr. 1969      Joined The Fuji Bank, Limited (currently, Mizuho Bank, Ltd.)</p> <p>Jun. 1996      General Manager of Branch Department of The Fuji Bank, Ltd.</p> <p>Apr. 1998      Managing Director (Member of the Board) of The Fuji Bank, Ltd.</p> <p>May. 2001      Senior Managing Director (Member of the Board) of The Fuji Bank, Ltd.</p> <p>Apr. 2002      Deputy President of Mizuho Corporate Bank, Ltd. (currently, Mizuho Bank, Ltd.) (retired in April 2004)</p> <p>Apr. 2004      Advisor of Mizuho Trust &amp; Banking Co., Ltd.</p> <p>Jun. 2004      President and Chief Executive Officer of Mizuho Trust &amp; Banking Co., Ltd.</p> <p>Apr. 2007      Chairman of Trust Companies Association of Japan (retired in April 2008)</p> <p>Jun. 2008      Chairman of the board of Mizuho Trust &amp; Banking Co., Ltd. Outside Corporate Auditor of TOKYO FM Broadcasting Co., Ltd. (current), Outside Corporate Auditor of Yokogawa Electric Corporation (retired in June 2013)</p> <p>Jun. 2010      Advisor of Mizuho Trust &amp; Banking Co., Ltd. (current), Independent Director of Kao Corporation (retired in March 2014)</p> <p>Mar. 2012      Independent Director of Sapporo Holdings Limited (current)</p> <p>Jun. 2012      President of Shouohkai Foundation (current)</p> <p>Jun. 2015      Director (current), Chairperson of the Compensation Committee (current)</p> <p><b>Reasons for nominating the candidate for Outside Director:</b> Teruhiko Ikeda has actively expressed his opinions at meetings of the Board of Directors from a fair and independent standpoint, based on his considerable experience and deep insight as a corporate executive. As a member of the Compensation Committee, he has played a role in enhancing the transparency and objectiveness of the procedures for determining compensation. The Company has designated him as an independent director nominee with the expectation that he will continue to contribute to enhancement and reinforcement of the Company's corporate governance, as well as ensure its sustainable growth and increase its corporate value. Mr. Ikeda fulfills the criteria for the independence of independent directors prescribed by the Company.</p>	0

Notes: 1. Special interests between the Company and candidates for Directors (business relationships refer to such relationships in FY2015)

- 1) Kazuaki Kama is a Director of IHI Corporation, with which the Company has a business relationship. The value of transactions is less than 1% of net sales of the Company, and no special interest exists between the Company and the individual.
- 2) Ichiro Tai is from Toshiba Corporation, with which the Company has a two-way business relationship. The value of transactions in this relationship is less than 1% of net sales of both companies, and no special interest exists between the Company and the individual.
- 3) Yasunobu Furukawa has held previous positions with Ernst & Young ShinNihon LLC, with which the Company has a business relationship. The value of transactions is less than 1% of operational revenue of the audit firm, and no special interest exists between the Company and the individual.
- 4) Teruhiko Ikeda serves as an Advisor at Mizuho Trust & Banking Co., Ltd. ("Mizuho Trust & Banking"), which is a lender to the Company. The Company is not particularly dependent on the loans from Mizuho Trust & Banking (the balance of the loans from Mizuho Trust & Banking is

approximately 4% of the Company's total loans). In addition, the Company has a business relationship with Mizuho Trust & Banking. The value of transactions is less than 1% of the gross profit of Mizuho Trust & Banking. In each of the above cases, no special interest exists between the Company and the individual.

5) No special interest exists between the Company and any other candidates for Director above.

2. Candidates for Outside Director and Independent Director

Kazuaki Kama, Ichiro Tai, Yasunobu Furukawa and Teruhiko Ikeda are candidates for Outside Director. As each candidate satisfies the criteria for independence of Independent Directors prescribed by the Company (stated on page 13) and the conditions of independence prescribed by the Tokyo Stock Exchange, the Company has reported them as Independent Directors to the Tokyo Stock Exchange subject to the condition that their election is approved at the meeting.

3. Number of years since the candidates for Outside Director assumed their positions as Outside Director of the Company

Kazuaki Kama, Ichiro Tai, Yasunobu Furukawa and Teruhiko Ikeda will have served as Outside Directors of the Company for two years, two years, one year and one year respectively at the conclusion of this meeting.

4. Where a candidate for Outside Director served as director, executive officer, or corporate auditor of a company or an entity other than the Company in the past five years, the facts of violations of laws and regulations or articles of incorporation, or improper execution of business at such company or entity during the candidate's term of office

During the time Ichiro Tai served as a Director and Executive officer at Toshiba Corporation through to June 2011, the company conducted inappropriate accounting practices, and Toshiba corrected its financial statements and other related documents in September 2015. Following the fact that Toshiba committed false representations in its financial statements and other related documents for that period, Tokyo Stock Exchange and Nagoya Stock Exchange designated Toshiba's stock as a security on alert, and imposed listing agreement violation penalties on Toshiba in September 2015. Moreover, in December 2015, the Commissioner of Japan's Financial Services Agency ordered Toshiba to pay a surcharge.

During the time Yasunobu Furukawa served as a Senior Executive Partner at Ernst & Young ShinNihon LLC through to August 2012, the audit firm received an order to improve its operations from the Financial Services Agency of the Japanese Government in July 2012, regarding the audit certificate issued to Olympus Corporation. The firm formulated an improvement plan, and submitted it to the Agency in August 2012. In addition, with regard to the audit of Toshiba Corporation conducted by Ernst & Young ShinNihon LLC, the firm received an order to suspend the conclusion of new contracts for three months and to improve operations from Japan's Financial Services Agency in December 2015. The firm formulated an improvement plan, and submitted it to the Agency in January 2016. In the same month, the Commissioner of the Financial Services Agency ordered the firm to pay a surcharge.

5. Liability limitation agreement with candidates for Directors

Pursuant to Article 427, Paragraph 1 of the Companies Act and Article 27 of the Articles of Incorporation of the Company, the Company has executed agreements to limit the liability for damages of Directors under Article 423, Paragraph 1 of the Companies Act with Directors Norio Otsuka, Kazuaki Kama, Ichiro Tai, Yasunobu Furukawa and Teruhiko Ikeda. If they are reelected as Directors at the meeting, the Company will continue said agreements with each of them. If Toshihiko Enomoto is elected as Director, the Company plans to conclude a similar liability limitation agreement with him.

The maximum amount of liability for damage under these agreements is equal to the minimum amount of liability as set forth in the relevant laws and regulations.

## <Reference>

### **Policies and Procedures for Electing Directors**

Regarding the appointment of Directors, the Company selects candidates for Director in consideration of the expected structure of the Board and the Company's corporate governance system. Following deliberation and approval by the Nominating Committee, a proposal for election of the candidates is submitted to the Company's General Meeting of Shareholders.

In consideration of the business environment surrounding the Company (industry and sector trends), the structure of the Board of Directors is designed to offer the functionality required to properly supervise important management decisions affecting business execution, based on a detailed knowledge of the Company's business. The Board of Directors is structured to ensure diversity and balance of career in terms of expertise, business experience and other aspects, at a size optimal for achieving this purpose.

### **Criteria for Independence of Independent 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 or legal professionals receiving significant financial compensation from NSK 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 stock 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 in which NSK holds 10% or more of the company's total stock 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 executives 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 shall be assumed to be a period of three years or less from the date NSK elects directors.

\* This information is also available on the Company's website.  
(<http://www.nsk.com/company/governance/index.html>)