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Securities Code: 6471
June 8, 2022

**NOTICE OF
THE FISCAL 2021 (161st) ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders with Voting Rights:

Notice is hereby given that the Fiscal 2021 (161st) Ordinary General Meeting of Shareholders of NSK Ltd. (hereinafter referred to as “the Company”) will be held as described below.

To prevent the spread of COVID-19 and ensure the health and safety of all, we request that shareholders refrain from attending the meeting in person, and instead exercise voting rights by postal mail or via the internet in advance of the meeting.

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 Monday, June 27, 2022 (Japan time).

Yours very truly,

Akitoshi Ichii
Director,
President and Chief Executive Officer
NSK Ltd.
1-6-3, Ohsaki, Shinagawa-ku, Tokyo, Japan

- 1. Date and Time:** Tuesday, June 28, 2022, at 10:00 a.m. (reception opens at 9:00 a.m.)
- 2. Place:** Nissei Building, 3F (Nissei Hall)
1-6-3, Ohsaki, Shinagawa-ku, Tokyo
- 3. Agenda of the Meeting**
- Matters to be reported:** (1) Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit Committee for the Consolidated Financial Statements for the 161st Fiscal Term (from April 1, 2021 to March 31, 2022)
- Matter to be resolved:**
- Proposal 1** Amendment to the Articles of Incorporation
- Proposal 2** Election of Nine Directors

To prevent the spread of COVID-19, we request that shareholders refrain from attending the meeting in person, and instead exercise voting rights by postal mail or via the internet in advance of the meeting.

Regarding COVID-19 Infection Prevention Measures

At the meeting, we will be implementing the following precautions and measures to prevent the spread of infection.

- Explanation will be more concise compared to previous years to reduce the length of the meeting, thereby reducing the chance of exposure.
- Shareholders are required to sit at intervals between each person. Increasing physical distance between each person reduces the number of available seats. If the hall is full, we may be required to refuse entry to shareholders.
- At the reception desk, we will be checking the temperature of all participants using a non-contact thermometer. Individuals displaying symptoms such as having a high temperature or coughing will be refused entry to the meeting. Individuals who begin to exhibit signs of sickness such as coughing during the meeting may be asked to leave the meeting partway through.
- The coffee and tea station as well as product display will be closed.
- Company officers and employees will be wearing masks.
- We will be requesting all shareholder attendees to disinfect their hands and wear a mask.

Note: Based on the COVID-19 situation and requests from governmental authorities up to the day of the General Meeting of Shareholders, we may change or update the infection prevention measures implemented. Please refer to the following website for the latest information.

The Company's Website:

<https://www.nsk.com/investors/stockandbond/meeting.html>

Other Matters Related to this Notice

Of the documents which should be provided along with this Notice, the Consolidated Statements of Changes in Equity, the Notes to the Consolidated Financial Statements, the Non-consolidated Statements of Changes in Net Assets, and the Notes to the Non-Consolidated Financial Statements 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 161st Report.

The Company's Website

<https://www.nsk.com/investors/stockandbond/meeting.html>

Reference Documents for General Meeting of Shareholders

Proposal 1: Amendment to the Articles of Incorporation

1. Reason for the change

The amendment stipulated in the proviso of Article 1 of the Supplementary Provision of the "Law Partially Amending the Companies Act" (Law No. 70 of 2019) will come into effect on September 1, 2022, and the Articles of Incorporation of the Company are hereby amended as follows to prepare for the introduction of the system allowing the electronic provision of materials for the General Meeting of Shareholders.

(1) Article 15, Paragraph 1 of the proposed amendment provides that the Company shall take measures for electronic provision of information that is the contents of the reference documents, etc. for the General Meeting of Shareholders.

(2) Paragraph 2 of Article 15 of the Proposed Amendment will establish provisions to establish the scope of matters to be included in the documents to be delivered to shareholders who have requested delivery of paper documents.

(3) The provision for Internet disclosure and provision of reference documents for the General Meeting of Shareholders, etc. (Article 15 of the current Articles of Incorporation) is to be deleted as it is no longer necessary.

(4) In accordance with the above new establishment and deletion, the Supplementary Provisions regarding the effective date, etc. will be established.

2. Details of the Amendments

The changes are as follows.

(Underlines indicate changes)

Current Articles of Incorporation	After Amendment
<u>(Internet Disclosure and Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u> (Article 15) <u>The Company may, at the time of convocation of a general meeting of shareholders, deem to have provided to the shareholders information concerning matters to be stated or indicated in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements by disclosing such information via the Internet in accordance with the provisions of the applicable Ordinance of the Ministry of Justice.</u>	(Deleted)
(Not established)	(Electronic provision measures, etc.) (Article 15) (1) The Company shall, at the time of convening a general meeting of shareholders, take measures to provide electronically the information contained in the

	reference documents, etc. for the general meeting of shareholders. (2) For shareholders who have requested paper delivery by the voting right record date, the Company may omit portions of the matters normally specified by the applicable Ordinance of the Ministry of Justice. (Supplementary Provisions) 1. The deletion of Article 15 (Internet Disclosure and Provision of Reference Documents for General Meetings of Shareholders, etc.) of the current Articles of Incorporation and the establishment of Article 15 (Electronic Provision Measures, etc.) of the Proposed Amendment shall take effect on the date of enforcement of the amended provisions prescribed in the proviso of Article 1 of the Supplementary Provisions of the Law to Amend the Companies Act (Law No. 70 of 2019 (the "Effective Date")). 2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the present Articles of Incorporation shall remain in force with respect to shareholders' meetings whose date is within six (6) months from the Date of Enforcement. 3. This Supplementary Provision shall be deleted after six (6) months have elapsed from the effective date or after three (3) months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.
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Proposal 2: Election of Nine Directors

The terms of office of all nine directors will expire at the conclusion of the 161th Ordinary General Meeting of Shareholders of the Company (hereinafter the “Meeting”). Accordingly, election of nine Directors is proposed based on the Nomination Committee’s decision. An overview of the candidates and the policy and procedure for the election of Directors is provided below.

Policy and procedure for the election of Directors:

The Company believes that the Company’s 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 and mid- to long-term corporate value of the NSK Group. Career diversity in field of expertise and business experience are considered to ensure that the Board maintains a well-balanced composition, and the size of the Board is also considered to enhance the effectiveness of deliberations.

In appointing individual directors, in addition to selecting based on experience in business and management in general or experience in their area of expertise, high ethical standards in management and their insight into corporate governance is also in the selection criteria.

The selected were subsequently decided by the Nomination Committee held on March 23, 2022, and were deliberated at the Board meeting on May 20, 2022, and the candidates are outlined in a Proposal to shareholders and taken up at the ordinary general meeting of shareholders.

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**Note:**

- 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 (<https://www.nsk.com/investors/stockandbond/index.html>).

## The List of the Candidates for Director

| No. | Name               | Current Position and Area of Responsibility in the Company                                                                                        | Years as Director at NSK Ltd. | Attendance at Board of Directors and Committee Meetings                                                             | Concurrent Positions at Other Listed Companies |
|-----|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| 1   | Toshihiro Uchiyama | Reappointment<br>Director, Chairman                                                                                                               | 10                            | Board of Directors:<br>100% (10/10)<br>Nomination Committee:<br>100% (2/2)                                          | 2                                              |
| 2   | Akitoshi Ichii     | Reappointment<br>Director, Representative,<br>President and Chief Executive Officer,<br>Member of the Nomination Committee                        | 5                             | Board of Directors:<br>100% (10/10)<br>Nomination Committee:<br>100% (5/5)<br>Compensation Committee:<br>100% (1/1) | 0                                              |
| 3   | Saimon Nogami      | Reappointment<br>Director, Representative,<br>Senior Executive Vice President,<br>Chief Financial Officer<br>Member of the Compensation Committee | 9                             | Board of Directors:<br>100% (10/10)<br>Compensation Committee:<br>100% (4/4)                                        | 0                                              |
| 4   | Kenichi Yamana     | Reappointment<br>Director,<br>Member of the Audit Committee                                                                                       | 1                             | Board of Directors:<br>100% (8/8)<br>Audit Committee:<br>100% (9/9)                                                 | 0                                              |
| 5   | Yoshitaka Fujita   | Reappointment<br>Outside Director<br>Independent Director<br>Member of the Nomination Committee<br>Member of the Audit Committee                  | 3                             | Board of Directors:<br>100% (10/10)<br>Nomination Committee:<br>100% (7/7)<br>Audit Committee:<br>100% (14/14)      | 0                                              |
| 6   | Mitsuhiro Nagahama | Reappointment<br>Outside Director<br>Independent Director<br>Chair of the Compensation Committee<br>Member of the Audit Committee                 | 2                             | Board of Directors:<br>100% (10/10)<br>Compensation Committee:<br>100% (5/5)<br>Audit Committee:<br>100% (14/14)    | 2                                              |
| 7   | Kouichi Obara      | Reappointment<br>Outside Director<br>Independent Director<br>Member of the Compensation Committee                                                 | 1                             | Board of Directors:<br>100% (8/8)<br>Compensation Committee:<br>100% (4/4)                                          | 0                                              |
| 8   | Junji Tsuda        | New Appointment<br>Outside Director<br>Independent Director<br>—                                                                                  | —                             | —                                                                                                                   | 2                                              |
| 9   | Sayoko Izumoto     | New Appointment<br>Outside Director<br>Independent Director<br>—                                                                                  | —                             | —                                                                                                                   | 2                                              |

### Notes:

- Regarding attendance of meetings of the Board of Directors and Committees: The data shows each candidate's attendance at the meetings of the Board of Directors and Committees held during fiscal 2021 (April 1, 2021, through March 31, 2022). On June 25, 2021, Toshihiro Uchiyama resigned as a member of the Nomination Committee and Akitoshi Ichii resigned as a member of the Compensation Committee, and Akitoshi Ichii was appointed to the Nomination Committee, Saimon Nogami was appointed to Compensation Committee, Kenichi Yamana was appointed to the Board of Directors and to the Audit Committee, and Kouichi Obara was appointed to the Board of Directors and to the Compensation Committee. Accordingly, attendance is counted only during the period of appointment.
- Number of concurrent positions is noted as expected on June 28, 2022, the date of the 161th Ordinary General Meeting of Shareholders.
- The planned members of each Committee if all nine candidates for Director are elected at this Meeting are described on page 16.
- Outside Director:** Candidate for Outside Director.
- Independent Director:** Candidate for Outside Director who satisfies the Company's Criteria for Independence of Outside Directors (page 17) and the criteria for independence prescribed by the Tokyo Stock Exchange (<https://www.jpx.co.jp/english/equities/listing/ind-executive/index.html>), and who has been reported by the Company as Independent Director to the Tokyo Stock Exchange, subject to the approval of their election at this Meeting.

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| No. 1                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                            | Toshihiro Uchiyama               |  |
| Reappointment                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                            |                                  |                                                                                     |
| Company Shares Owned: 106,600                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                            | Age: 63 (DoB: November 28, 1958) |                                                                                     |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                            | Board of Directors: 100% (10/10)<br>Nomination Committee:100% (2/2)                                                                                                                        |                                  |                                                                                     |
| <b>Career Summary, Position and Area of Responsibility in the Company<br/>and Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                            |                                  |                                                                                     |
| Apr. 1981                                                                                                                                                                                                                                                                                                                                                                                                                                        | Joined the Company                                                                                                                                                                         |                                  |                                                                                     |
| Mar. 2006                                                                                                                                                                                                                                                                                                                                                                                                                                        | Deputy Head of Procurement Division HQ                                                                                                                                                     |                                  |                                                                                     |
| Jun. 2008                                                                                                                                                                                                                                                                                                                                                                                                                                        | Vice President, Deputy Head of Corporate Planning Division HQ                                                                                                                              |                                  |                                                                                     |
| Jun. 2009                                                                                                                                                                                                                                                                                                                                                                                                                                        | Head of Corporate Planning Division HQ                                                                                                                                                     |                                  |                                                                                     |
| Jun. 2010                                                                                                                                                                                                                                                                                                                                                                                                                                        | Senior Vice President, Head of Corporate Planning Division HQ,<br>Responsible for IR & CSR Offices                                                                                         |                                  |                                                                                     |
| Jun. 2011                                                                                                                                                                                                                                                                                                                                                                                                                                        | Responsible for Asia, Head of Corporate Planning Division HQ,<br>Responsible for IR & CSR Offices                                                                                          |                                  |                                                                                     |
| Jun. 2012                                                                                                                                                                                                                                                                                                                                                                                                                                        | Director (current)                                                                                                                                                                         |                                  |                                                                                     |
| Jun. 2013                                                                                                                                                                                                                                                                                                                                                                                                                                        | Representative, Executive Vice President, Member of the Compensation Committee, President’s<br>Assistant, Responsible for Administrative Divisions, Head of Corporate Strategy Division HQ |                                  |                                                                                     |
| Jun. 2015                                                                                                                                                                                                                                                                                                                                                                                                                                        | President and Chief Executive Officer, Chair of the Nomination Committee                                                                                                                   |                                  |                                                                                     |
| Jun. 2017                                                                                                                                                                                                                                                                                                                                                                                                                                        | Member of the Nomination Committee                                                                                                                                                         |                                  |                                                                                     |
| Apr. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                        | Chairman (current)                                                                                                                                                                         |                                  |                                                                                     |
| <b>Reasons for nominating the candidate for Director:</b>                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                            |                                  |                                                                                     |
| Toshihiro Uchiyama is well versed in the Company’s businesses and markets through his experience as a Director and as President and Chief Executive Officer of the Company. The Company has designated him as a director nominee with the expectation that his abundant experience and insight will enable effective supervision of the Company's business execution and contribute to the development of strategies to enhance corporate value. |                                                                                                                                                                                            |                                  |                                                                                     |
| <b>Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                            |                                  |                                                                                     |
| Outside Director of Sapporo Holdings Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                            |                                  |                                                                                     |
| Outside Director of IHI Co., Ltd. (Expected from June 23, 2022)                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                            |                                  |                                                                                     |

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| No. 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                | Akitoshi Ichii             |  |
| Reappointment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                |                            |                                                                                     |
| Company Shares Owned: 68,161                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                | Age: 59 (DoB: May 8, 1963) |                                                                                     |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Board of Directors: 100% (10/10)<br>Nomination Committee 100% (5/5)<br>Compensation Committee: 100% (1/1)                                                      |                            |                                                                                     |
| <b>Career Summary, Position and Area of Responsibility in the Company<br/>and Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                |                            |                                                                                     |
| Apr. 1986                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Joined the Company                                                                                                                                             |                            |                                                                                     |
| Dec. 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Deputy Head of Automotive Bearings Division HQ (Automotive Business Division HQ)                                                                               |                            |                                                                                     |
| Jun. 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Head of Operations in India                                                                                                                                    |                            |                                                                                     |
| Jun. 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Vice President, Deputy Head of Corporate Planning Division HQ                                                                                                  |                            |                                                                                     |
| Jun. 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Head of Corporate Planning Division HQ (current), Responsible for Asia (current)                                                                               |                            |                                                                                     |
| Apr. 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Vice President                                                                                                                                          |                            |                                                                                     |
| Jun. 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director (current)                                                                                                                                             |                            |                                                                                     |
| Apr. 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Representative (current), Executive Vice President, President’s Assistant, Responsible for Administrative Divisions, Responsible for Investor Relations Office |                            |                                                                                     |
| Jun. 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Member of the Compensation Committee                                                                                                                           |                            |                                                                                     |
| Apr. 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Responsible for Europe and the Americas                                                                                                                        |                            |                                                                                     |
| Apr. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | President and Chief Executive Officer (current), Member of the Nomination Committee (current)                                                                  |                            |                                                                                     |
| Jun. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Member of the Nomination Committee (current)                                                                                                                   |                            |                                                                                     |
| <b>Reasons for nominating the candidate for Director:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                |                            |                                                                                     |
| Akitoshi Ichii is well versed in the Company’s businesses and markets and has a broad range of experience in areas such as corporate planning, the automotive business, and overseas business. The Company has designated him as a director nominee with the expectation that by having the President and CEO concurrently serve as a Director, he will be better positioned to fulfill his accountability for management execution to the Board of Directors, while at the same time contributing to the development and execution of strategies aimed at increasing corporate value. |                                                                                                                                                                |                            |                                                                                     |

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| No. 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                               | Saimon Nogami                     |  |
| Reappointment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                               |                                   |                                                                                     |
| Company Shares Owned: 63,800                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                               | Age: 61 (DoB: September 19, 1960) |                                                                                     |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Board of Directors: 100% (10/10)<br>Compensation Committee: 100% (4/4)                                                                                                                                                        |                                   |                                                                                     |
| <b>Career Summary, Position and Area of Responsibility in the Company<br/>and Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                               |                                   |                                                                                     |
| Apr. 1984                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Joined the Company                                                                                                                                                                                                            |                                   |                                                                                     |
| Feb. 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Deputy Head of Industrial Machinery Business Division HQ                                                                                                                                                                      |                                   |                                                                                     |
| Jun. 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Vice President                                                                                                                                                                                                                |                                   |                                                                                     |
| Jun. 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director (current), Senior Vice President, Head of Corporate Planning Division HQ,<br>Responsible for IR & CSR Offices                                                                                                        |                                   |                                                                                     |
| Jun. 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Representative (current), Executive Vice President, Member of the Compensation Committee,<br>President’s Assistant, Responsible for Administrative Divisions, Responsible for Asia, Head of<br>Corporate Strategy Division HQ |                                   |                                                                                     |
| Jun. 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Chief Financial Officer (current)                                                                                                                                                                                             |                                   |                                                                                     |
| Apr. 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Executive Vice President (current)                                                                                                                                                                                     |                                   |                                                                                     |
| Jun. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Member of the Compensation Committee (current)                                                                                                                                                                                |                                   |                                                                                     |
| <b>Reasons for nominating the candidate for Director:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                               |                                   |                                                                                     |
| Saimon Nogami is well versed in the Company’s businesses and markets and has a broad range of experience in areas such as the industrial machinery business, overseas business, and corporate and financial planning. The Company has designated him as a director nominee with the expectation that by having the Representative Senior Executive Vice President and Chief Financial Officer concurrently serve as a director, he will be better positioned to fulfill his accountability for management execution to the Board of Directors, while at the same time contributing to the development and execution of strategies aimed at increasing corporate value. |                                                                                                                                                                                                                               |                                   |                                                                                     |

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| No. 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                     | Kenichi Yamana                 |  |
| Reappointment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                     |                                |                                                                                     |
| Company Shares Owned: 21,179                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                     | Age: 60 (DoB: January 4, 1962) |                                                                                     |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Board of Directors: 100% (8/8)<br>Audit Committee: 100% (9/9)                       |                                |                                                                                     |
| <b>Career Summary, Position and Area of Responsibility in the Company<br/>and Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                     |                                |                                                                                     |
| Apr. 1986                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Joined the Company                                                                  |                                |                                                                                     |
| Jun. 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Head of Consolidated Accounting Department (Finance Division HQ)                    |                                |                                                                                     |
| Jun. 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Vice President, Deputy Head of Finance Division HQ, Deputy Head of IR & CSR Offices |                                |                                                                                     |
| Jun. 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Deputy Head of IR Office                                                            |                                |                                                                                     |
| Apr. 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Senior Vice President, Responsible for ASEAN Operations                             |                                |                                                                                     |
| Apr. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Executive Advisor                                                                   |                                |                                                                                     |
| Jun. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Director (current), Member of the Audit Committee (current)                         |                                |                                                                                     |
| <b>Reasons for nominating the candidate for Director:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                     |                                |                                                                                     |
| Kenichi Yamana has extensive business experience at the Company, mainly in the finance and accounting departments, and through his management experience as the general manager of the ASEAN region, he is familiar with the Company's business and has insight into corporate governance. Based on his experience and insight, we have nominated Mr. Yamana as a candidate for director because we believe that he is qualified to supervise the Company's management and will contribute to improving the Company's corporate value over the medium to long term. |                                                                                     |                                |                                                                                     |

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| No. 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                       | Yoshitaka Fujita                |  |
| Reappointment<br>Outside Director<br>Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |                                 |                                                                                     |
| Company Shares Owned: 5,600                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       | Age: 70 (DoB: January 27, 1952) |                                                                                     |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Board of Directors: 100% (10/10)<br>Nomination Committee: 100% (7/7)<br>Audit Committee: 100% (14/14)                 |                                 |                                                                                     |
| Years since assuming office as Outside Director of the Company: 3 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                       |                                 |                                                                                     |
| <b>Career Summary, Position and Area of Responsibility in the Company<br/>and Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                       |                                 |                                                                                     |
| Apr. 1975                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Joined Murata Manufacturing Co., Ltd.                                                                                 |                                 |                                                                                     |
| Jun. 1998                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Director of Murata Manufacturing Co., Ltd.                                                                            |                                 |                                                                                     |
| Jun. 2000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Director, Vice President of Murata Manufacturing Co., Ltd.                                                            |                                 |                                                                                     |
| Jun. 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Director, Senior Vice President of Murata Manufacturing Co., Ltd.                                                     |                                 |                                                                                     |
| Jun. 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Director, Executive Vice President of Murata Manufacturing Co., Ltd.                                                  |                                 |                                                                                     |
| Jun. 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Representative Director, Senior Executive Vice President of Murata Manufacturing Co., Ltd.                            |                                 |                                                                                     |
| Jun. 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Vice Chairman of Murata Manufacturing Co., Ltd.                                                                       |                                 |                                                                                     |
| Jun. 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Director (current), Member of the Nomination Committee (current), Executive Advisor of Murata Manufacturing Co., Ltd. |                                 |                                                                                     |
| Jun. 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Member of the Audit Committee (current)                                                                               |                                 |                                                                                     |
| Jul. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Advisor of Murata Manufacturing Co., Ltd. (current)                                                                   |                                 |                                                                                     |
| <b>Reasons for nominating the candidate for Outside Director:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                       |                                 |                                                                                     |
| Yoshitaka Fujita has actively participated in Board of Directors meetings from an independent and fair standpoint, drawing on his extensive experience and insight as a corporate executive. 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 succession planning. Furthermore, as a member of the 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. Fujita as a candidate for outside director because we expect that he will continue to supervise management and provide advice on overall management as an outside director, thereby contributing to the improvement and strengthening of our corporate governance and enhancement of our corporate value. |                                                                                                                       |                                 |                                                                                     |
| <b>Assessment of special interests and the independence of the candidate:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                       |                                 |                                                                                     |
| Yoshitaka Fujita has not been engaged in business execution at Murata Manufacturing Co., Ltd. since July 2019. Although there are mutual transactions between the Company and Murata Manufacturing Co., Ltd., the value of such transactions was less than 0.1% of net sales of the Company, constituting no special interest between the Company and Mr. Fujita. Mr. Fujita fulfills the Company’s Criteria for Independence of Outside Directors (Page 17) and the criteria for independence set forth by the Tokyo Stock Exchange. The Company has filed Mr. Fujita as an Independent Director with the Tokyo Stock Exchange, under the condition that he is elected at this meeting.                                                                                                                                                                                                                                        |                                                                                                                       |                                 |                                                                                     |
| <b>Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                 |                                                                                     |
| Advisor of Murata Manufacturing Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |                                 |                                                                                     |

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| No. 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                              | Mitsuhiro Nagahama              |  |
| Reappointment<br>Outside Director<br>Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                              |                                 |                                                                                     |
| Company Shares Owned: 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                              | Age: 68 (DoB: October 24, 1953) |                                                                                     |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Board of Directors: 100% (10/10)<br>Compensation Committee: 100% (5/5)<br>Audit Committee: 100% (14/14)      |                                 |                                                                                     |
| Years since assuming office as Outside Director of the Company: 2 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                              |                                 |                                                                                     |
| <b>Career Summary, Position and Area of Responsibility in the Company<br/>and Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                              |                                 |                                                                                     |
| Apr. 1976                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Joined Fuji Bank, Ltd.                                                                                       |                                 |                                                                                     |
| Apr. 2002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Head of US Sales Department 2, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)                     |                                 |                                                                                     |
| Mar. 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Vice President, Mizuho Corporate Bank, Ltd, Head of Otemachi Sales Departments 6 and 7                       |                                 |                                                                                     |
| Apr. 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Senior Vice President, Mizuho Corporate Bank, Ltd., Responsible for Sales Divisions                          |                                 |                                                                                     |
| Mar. 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Senior Vice President, Mizuho Corporate Bank, Ltd., Responsible for the Americas                             |                                 |                                                                                     |
| Apr. 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Director, Vice Chairman, Mizuho Corporate Bank, Ltd., Responsible for the Americas (Stepped down April 2013) |                                 |                                                                                     |
| Apr. 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Director, Chairman, Mizuho Securities, Co., Ltd., and Director, Chairman of Mizuho Securities USA, Co., Ltd. |                                 |                                                                                     |
| Apr. 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Executive Advisor, Mizuho Securities, Co., Ltd. (stepped down March 2020)                                    |                                 |                                                                                     |
| Jun. 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Director (current), Chair of the Compensation Committee (current), Member of the Audit Committee (current)   |                                 |                                                                                     |
| <b>Reasons for nominating the candidate for Director:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                              |                                 |                                                                                     |
| We expect Mr. Mitsuhiro Nagahama 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 chairman of the Compensation Committee, he plays a leading role in the discussion and deliberation of executive compensation policies and decisions on compensation. Furthermore, as a member of the Audit Committee, he has played an appropriate role in enhancing the audit system and its operation through discussions and deliberations at committee meetings. We nominated Mr. Nagahama as a candidate for outside director because we believe that he will continue to contribute to improving and strengthening our corporate governance and enhancing our corporate value. |                                                                                                              |                                 |                                                                                     |
| <b>Assessment of special interests and the independence of the candidate:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                              |                                 |                                                                                     |
| Mitsuhiro Nagahama has not been engaged in operations at Mizuho Securities, Co., Ltd. since April 2015. Although there are mutual transactions between the Company and Mizuho Securities, the value of such transactions was less than 0.1% of net sales of Mizuho Securities, constituting no special interest between the Company and Mr. Nagahama. Mr. Nagahama fulfills the Company’s Criteria for Independence of Outside Directors (Page 17) and the criteria for independence set forth by the Tokyo Stock Exchange. The Company has filed Mr. Nagahama as an Independent Director with the Tokyo Stock Exchange, under the condition that he is elected at this meeting.                                                                                                                                                                                                                           |                                                                                                              |                                 |                                                                                     |
| <b>Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                              |                                 |                                                                                     |
| External Auditor of Kuraray, Co., Ltd., Outside Director of Azbil Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                              |                                 |                                                                                     |

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| No. 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                       | Kouichi Obara                |  |
| Reappointment<br>Outside Director<br>Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                       |                              |                                                                                     |
| Company Shares Owned: 500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                       | Age: 72 (DoB: June 22, 1949) |                                                                                     |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Board of Directors: 100% (8/8)<br>Nomination Committee: 100% (4/4)                                    |                              |                                                                                     |
| Years since assuming office as Outside Director of the Company: 1 year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                       |                              |                                                                                     |
| Career Summary, Position and Area of Responsibility in the Company<br>and Significant Concurrent Positions outside the Company:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                       |                              |                                                                                     |
| Apr. 1972                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Joined Maeda Corporation                                                                              |                              |                                                                                     |
| Nov. 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | General Manager of Corporate Planning Department of Maeda Corporation                                 |                              |                                                                                     |
| Jan. 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Vice President of Maeda Corporation                                                                   |                              |                                                                                     |
| Jan. 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Deputy General Manager of Procurement Division of Maeda Corporation                                   |                              |                                                                                     |
| Jun. 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Director of Maeda Corporation                                                                         |                              |                                                                                     |
| Nov. 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | General Manager of Procurement Division of Maeda Corporation                                          |                              |                                                                                     |
| Jun. 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Director, Managing Officer and General Manager, Business Administration Division of Maeda Corporation |                              |                                                                                     |
| Apr. 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | President and Representative Director of Maeda Corporation                                            |                              |                                                                                     |
| Apr. 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Chairman and Representative Director of Maeda Corporation                                             |                              |                                                                                     |
| Apr. 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Advisor and Representative Director of Maeda Corporation                                              |                              |                                                                                     |
| Jun. 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Advisor of Maeda Corporation                                                                          |                              |                                                                                     |
| Apr. 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Executive Advisor of Maeda Corporation                                                                |                              |                                                                                     |
| Jun. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Director (current), Member of the Compensation Committee (current)                                    |                              |                                                                                     |
| Jul. 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Consultant of Maeda Corporation (current)                                                             |                              |                                                                                     |
| Reasons for nominating the candidate for Outside Director:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                       |                              |                                                                                     |
| Kouichi Obara has a wealth of experience as a corporate manager, high ethical standards, and broad insight, and he actively participates in Board of Directors meetings from an independent and fair standpoint. As a member of the Compensation Committee, he has played an appropriate role through discussions and deliberations on executive compensation policies and compensation decisions. We nominated Mr. Obara 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 continuing to supervise management and provide advice on overall management as an outside director. |                                                                                                       |                              |                                                                                     |
| Assessment of special interests and the independence of the candidate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                       |                              |                                                                                     |
| Koichi Obara has not engaged in business execution at Maeda Corporation since July 2019. Although there are mutual transactions between the Company and Maeda Corporation, the value of such transactions was less than 0.1% of net sales of the Company, constituting no special interest between the Company and Mr. Obara. Mr. Obara fulfills the Company’s Criteria for Independence of Outside Directors (Page 17) and the criteria for independence set forth by the Tokyo Stock Exchange. The Company has filed Mr. Obara as an Independent Director with the Tokyo Stock Exchange, under the condition that he is elected at this meeting.                                                        |                                                                                                       |                              |                                                                                     |
| Significant Concurrent Positions outside the Company:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                       |                              |                                                                                     |
| Consultant of Maeda Corporation (current)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                       |                              |                                                                                     |

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| No. 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                       | Junji Tsuda                   |  |
| New Appointment<br>Outside Director<br>Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                               |                                                                                     |
| Company Shares Owned: 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       | Age: 71 (DoB: March 15, 1951) |                                                                                     |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | —                                                                                                                     |                               |                                                                                     |
| <b>Career Summary, Position and Area of Responsibility in the Company<br/>and Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                               |                                                                                     |
| Mar. 1976                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Joined Yaskawa Electric Mfg Co., Ltd (currently Yaskawa Electric Corporation)                                         |                               |                                                                                     |
| Jun. 1998                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Executive Vice President of Yaskawa Electric America, Inc.                                                            |                               |                                                                                     |
| Aug. 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Marketing Manager, Drives Division, Motion Control Division of Yaskawa Electric Corporation                           |                               |                                                                                     |
| Mar. 2004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | General Manager, Drives Division, Motion Control Division of Yaskawa Electric Corporation                             |                               |                                                                                     |
| Jun. 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director/Member of the Board, General Manager, Drives Division, Motion Control Division, Yaskawa Electric Corporation |                               |                                                                                     |
| Mar. 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director/Member of the Board, General Manager, Drives Division of Yaskawa Electric Corporation                        |                               |                                                                                     |
| Mar. 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director/Member of the Board, General Manager, Robotics Division of Yaskawa Electric Corporation                      |                               |                                                                                     |
| Jun. 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Managing Director/Member of the Board, General Manager, Robotics Division of Yaskawa Electric Corporation             |                               |                                                                                     |
| Mar. 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Representative Director, President ;General Manager of Yaskawa Electric Corporation                                   |                               |                                                                                     |
| Mar. 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Representative Director Chairman of the Board/President of Yaskawa Electric Corporation                               |                               |                                                                                     |
| Mar. 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Representative Director Chairman of the Board of Yaskawa Electric Corporation                                         |                               |                                                                                     |
| Mar. 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director of Yaskawa Electric Corporation                                                                              |                               |                                                                                     |
| May 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Senior Advisor of Yaskawa Electric Corporation                                                                        |                               |                                                                                     |
| <b>Reasons for nominating the candidate for Director:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                               |                                                                                     |
| We believe that Junji Tsuda has a wealth of experience as a corporate manager, high ethical standards, and broad insight, which he will utilize in supervising management from an independent and fair standpoint. We have nominated Mr. Tsuda as a candidate for outside director because we expect that he will contribute to improving and strengthening our corporate governance and increasing our corporate value by supervising management and providing advice on overall management as an outside director.                                                                                                                                   |                                                                                                                       |                               |                                                                                     |
| <b>Assessment of special interests and the independence of the candidate:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                               |                                                                                     |
| Junji Tsuda has not been engaged in the execution of Yaskawa Electric Corporation's business since June 2022. Although the Company and Yaskawa Electric have transactions with each other, the amount of both transactions is less than 0.1% of the net sales of both companies, and there is no special interest in any of them. Mr. Tsuda fulfills the Company’s Criteria for Independence of Outside Directors (Page 17) and the criteria for independence set forth by the Tokyo Stock Exchange. The Company has filed Mr. Tsuda as an Independent Director with the Tokyo Stock Exchange, under the condition that he is elected at this meeting. |                                                                                                                       |                               |                                                                                     |
| <b>Significant Concurrent Positions outside the Company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                       |                               |                                                                                     |
| Senior Advisor of Yaskawa Electric Corporation, Outside Director of TOTO LTD., External Member of Directors of Kyushu Electric Power Company, Incorporated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                               |                                                                                     |

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| No. 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                              | Sayoko Izumoto              |  |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| New Appointment<br>Outside Director<br>Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                              |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| Company Shares Owned: 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                              | Age: 68 (DoB: July 8, 1953) |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| Attendance:<br>(FY21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | —                                                                                                                                            |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| <p><b>Career Summary, Position and Area of Responsibility in the Company<br/>and Significant Concurrent Positions outside the Company:</b></p> <table><tr><td>Mar. 1976</td><td>Tohmatsu Awoki &amp; Co. (currently known as Deloitte Touche Tohmatsu LLC)</td></tr><tr><td>Mar. 1979</td><td>Registered as a Certified Public Accountant</td></tr><tr><td>Jul. 1995</td><td>Partner, Deloitte Touche Tohmatsu LLC</td></tr><tr><td>Jan. 2015</td><td>Member, Information and Communications Council, Ministry of Internal Affairs and Communications (current)</td></tr><tr><td>Jul. 2016</td><td>Left Deloitte Touche Tohmatsu LLC</td></tr><tr><td>Aug. 2016</td><td>Established Izumoto Certified Public Accountant Office (current)</td></tr><tr><td>Apr. 2017</td><td>Member of Information Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications (current)</td></tr></table> |                                                                                                                                              |                             |                                                                                     | Mar. 1976 | Tohmatsu Awoki & Co. (currently known as Deloitte Touche Tohmatsu LLC) | Mar. 1979 | Registered as a Certified Public Accountant | Jul. 1995 | Partner, Deloitte Touche Tohmatsu LLC | Jan. 2015 | Member, Information and Communications Council, Ministry of Internal Affairs and Communications (current) | Jul. 2016 | Left Deloitte Touche Tohmatsu LLC | Aug. 2016 | Established Izumoto Certified Public Accountant Office (current) | Apr. 2017 |
| Mar. 1976                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Tohmatsu Awoki & Co. (currently known as Deloitte Touche Tohmatsu LLC)                                                                       |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| Mar. 1979                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Registered as a Certified Public Accountant                                                                                                  |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| Jul. 1995                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Partner, Deloitte Touche Tohmatsu LLC                                                                                                        |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| Jan. 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Member, Information and Communications Council, Ministry of Internal Affairs and Communications (current)                                    |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| Jul. 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Left Deloitte Touche Tohmatsu LLC                                                                                                            |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| Aug. 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Established Izumoto Certified Public Accountant Office (current)                                                                             |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| Apr. 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Member of Information Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications (current) |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| <p><b>Reasons for nominating the candidate for Outside Director:</b></p> <p>We believe that Sayoko Izumoto has a wealth of experience as a certified public accountant, high ethical standards, and broad insight, which she will utilize in supervising management from an independent and fair standpoint. We have nominated Ms. Izumoto as a candidate for outside director because we expect that she will contribute to improving and strengthening our corporate governance and increasing our corporate value by supervising our management and providing advice on overall management as an outside director.</p>                                                                                                                                                                                                                                                                                                                  |                                                                                                                                              |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| <p><b>Assessment of special interests and the independence of the candidate:</b></p> <p>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. Mr. Izumoto fulfills the Company’s Criteria for Independence of Outside Directors (Page 17) 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, under the condition that she is elected at this meeting.</p>                                                                                                                                                                                                                                                                                                          |                                                                                                                                              |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |
| <p><b>Significant Concurrent Positions outside the Company:</b></p> <p>External Audit and Supervisory Board Member of Freund Corporation, Outside Director of Hitachi Transport System, Ltd.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                              |                             |                                                                                     |           |                                                                        |           |                                             |           |                                       |           |                                                                                                           |           |                                   |           |                                                                  |           |

## Notes:

### 1. Liability Limitation Agreement with Directors

The Company has entered into an agreement with each of Toshihiro Uchiyama, Kenichi Yamana, Yoshitaka Fujita, Mitsuhiro Nagahama, and Kouichi Obara to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the Companies Act and Article 27 of the Articles of Incorporation, and if each is re-elected in this Proposal, the above liability limitation agreement will continue with each of them. If Junji Tsuda and Sayoko Izumoto are elected as directors, the Company plans to enter into similar liability limitation agreements with each of them. The maximum amount of compensation for damages under such contracts is the minimum liability limit stipulated by law.

### 2. Indemnity Agreement with Directors

The Company has entered into indemnification agreements with all directors as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify the indemnitees to the extent provided by law for expenses stipulated in Paragraph 1 and losses stipulated in Paragraph 2 of the same Article. However, the Company has taken measures to ensure that the appropriateness of the execution of duties by the indemnitees is not impaired by setting a ceiling on the amount of compensation, requiring the indemnitees to take measures to mitigate damages, and requiring deliberation by the Company's Advisory Committee when making compensation. If each candidate is elected in the Proposal, the Company plans to enter into a similar indemnification agreement with each of them.

### 3. Directors & Officers Liability Insurance Agreement for Directors

The Company has concluded liability insurance agreements with insurance companies for directors and officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act, naming all directors as insureds, and with the Company bearing the entire amount of the insurance premium, including special items.

The insurance policy covers damages that may arise due to the insured directors being held liable for the execution of their duties or being subjected to claims related to the pursuit of such liability.

However, there are some exemptions, such as how damage caused by intentional or gross negligence will not be covered. In addition, if each candidate is elected as a Director in this proposal, each candidate will continue to be an insured person of the relevant insurance policy.

If each candidate is elected as a Director under this proposal, each respective candidate will continue to be an insured person under the insurance policy and the policy will be renewed in September 2022 during the term of office.

### 4. Special interest between the Company and candidates for Director:

No special interest exists between the Company and each candidate for Director above.

### 5. In cases where a candidate for outside director has been a director, executive officer, or corporate auditor of another stock company during the past five years, regarding violations of laws, regulations, or the articles of incorporation or other improper business practices at that stock company during his/her term of office:

Kouichi Obara was a director of Maeda Corporation until June 2019. A former officer of the company committed insider trading a total of three times over a three-year period from February 2019, and the Securities and Exchange Surveillance Commission issued a recommendation for a fine payment order against the former officer on November 19, 2021. The first insider trading was conducted by the former officer during his tenure as Chairman and Representative Director. In the investigation report of the third-party committee established by the company, the insider trading was solely caused by the former officer's low personal standards and low awareness of strict regulations regarding insider trading. The insider trading was not caused by any organizational compliance or governance problems related to information management at the company.

### 6. Number of years of the candidates for Outside Director since assuming the position as Outside Director of the Company:

The number of years in office as Outside Director of the candidates for Outside Director is the cumulative number of years since each assumed the position as Outside Director of the Company until the conclusion of this Meeting.

### 7. Composition of each Committee

If this proposal is approved at the Meeting, the following composition and Chair of each Committee is planned:

|                        | Chair              | Members                                              |
|------------------------|--------------------|------------------------------------------------------|
| Nomination Committee   | Yoshitaka Fujita   | Junji Tsuda, Akitoshi Ichii                          |
| Audit Committee        | Sayoko Izumoto     | Yoshitaka Fujita, Mitsuhiro Nagahama, Kenichi Yamana |
| Compensation Committee | Mitsuhiro Nagahama | Kouichi Obara, Saimon Nogami                         |

## 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 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 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 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 executive or senior managers of relevant companies or trading partners, certified 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.  
(<https://www.nsk.com/company/governance/index.html>)

**Skills Matrix for the Board of Directors** (if each director candidate is elected at this meeting)

The experience and expertise we expect from our Directors will be as follows:

| Name               |                  | Experience/Expertise |                                            |                 |                               |                                           |
|--------------------|------------------|----------------------|--------------------------------------------|-----------------|-------------------------------|-------------------------------------------|
|                    |                  | Corporate Management | Corporate Governance/<br>Internal Controls | Global Business | Engineering/<br>Manufacturing | Finance/<br>Accounting/<br>Capital Policy |
| Toshihiro Uchiyama |                  | ●                    | ●                                          | ●               |                               |                                           |
| Akitoshi Ichii     |                  | ●                    | ●                                          | ●               |                               |                                           |
| Saimon Nogami      |                  | ●                    | ●                                          | ●               |                               | ●                                         |
| Kenichi Yamana     |                  |                      | ●                                          | ●               |                               | ●                                         |
| Yoshitaka Fujita   | Outside Director | ●                    | ●                                          | ●               |                               | ●                                         |
| Mitsuhiro Nagahama | Outside Director | ●                    | ●                                          | ●               |                               | ●                                         |
| Kouichi Obara      | Outside Director | ●                    | ●                                          | ●               | ●                             |                                           |
| Junji Tsuda        | Outside Director | ●                    | ●                                          | ●               | ●                             |                                           |
| Sayoko Izumoto     | Outside Director |                      | ●                                          |                 |                               | ●                                         |

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## **Business Report**

**Fiscal 2021**  
**April 1, 2021 - March 31, 2022**

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**NSK Ltd.**

## **Business Report** **(April 1, 2021 - March 31, 2022)**

### **1. Review of Group Operations**

#### **(1) Business Developments and Corporate Results**

The NSK Group promoted various initiatives over its 6th Mid-Term Management Plan, spanning the three years of fiscal 2019 to fiscal 2021, with a target of “build business base and strengthen resources in preparation for next growth phase.” With safety, quality, compliance and environment as NSK core values, we set forth the two key policies of “operational excellence” and “challenging innovation” and we addressed three main management themes: new initiatives targeting growth, enhancing managerial resources, and contributing to the environment and society.

An overview of the global economy during the consolidated fiscal year under review reveals that, although the infection status of the COVID-19 varied among countries and regions, the economy continued to pick up as a result of the normalization of economic and social activities. On the other hand, the economic outlook is still uncertain due to supply shortages of semiconductors and other components, rising raw material prices, the yen's depreciation, and further inflationary pressures from soaring energy prices and further disruptions in supply chains triggered by the tense situation in Ukraine.

By region, in Japan, although automotive production declined, the economy continued to pick up as capital investment remained firm. In the U.S., accelerating inflation put downward pressure on economic recovery, but consumer spending and capital investment remained firm. In Europe, the economy was on a recovery track due to progress in easing activity restrictions, but business confidence deteriorated recently due to the invasion of Ukraine by Russia. In China, the tempo of economic recovery slowed down as COVID-19 related restrictions became a drag on economic activities.

In this economic environment, consolidated sales for the current fiscal year were ¥865.2 billion, up 15.7% from the previous year. Including gains on sales of fixed assets and impairment losses in the automotive components business, which occurred in the third quarter due to non-recurring factors, full-year operating income was ¥29.4 billion (¥6.4 billion in the previous year), income before income taxes was ¥29.5 billion (¥5.9 billion in the previous year), and net income attributable to owners of the parent was ¥16.6 billion (¥0.4 billion in the previous year).

The market environment and results in the NSK Group's respective business segments are outlined below.

#### **1. Industrial Machinery**

In addition to the growth in the semiconductor market, demand remained strong due to aggressive capital investment mainly in the manufacturing industry, resulting in a year-on-year increase in sales during the current consolidated cumulative period.

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

As a result, sales in the industrial machinery business were ¥345.8 billion (+25.6% year-on-year) and operating income was ¥30.9 billion (¥7.7 billion in the previous year).

#### **2. Automotive**

Global automobile production volume fell below the previous year's level due to the impact of prolonged production cutbacks caused by supply shortages of semiconductors and other materials, but sales increased compared to the previous year during the current consolidated cumulative period.

By region, sales increased in all regions except China due to the recovery from the previous year when demand was sluggish. On the other hand, China, where the automotive market had been recovering quickly since the spring before last, experienced a drop in automotive production volume during the period under review due to the shortage of semiconductors and other factors, resulting in a decline in revenue.

In addition, an impairment loss on fixed assets of ¥9.0 billion was recorded in the automotive components business in the third quarter of the current fiscal year.

As a result, sales in the automotive business were ¥482.5 billion (+7.3% year-on-year), segment loss excluding the fixed asset impairment loss caused by non-recurring factors was ¥4.7 billion, and operating loss was ¥13.8 billion (¥4.0 billion loss in the previous year).

## (2) Investment in Fixed Assets

The NSK Group is working toward strategic investment to sustainably expand its business, strengthen competitiveness, and develop new technologies.

In the current consolidated fiscal year, although the normalization of economic and social activities has progressed, the future remains uncertain due to supply shortages of semiconductors and other materials, rising raw material prices, etc. We invested ¥52.3 billion (up ¥15.0 billion from the previous year) in productivity improvement, facility renewal, and ICT-related investments, mainly in our core values of Safety, Quality, Compliance, and Environment.

In the industrial machinery business, the Group invested ¥21.8 billion (an increase of ¥6.6 billion year-on-year) in productivity improvement, facility renewal, and production transfer for BCP-related\* purposes.

In the automotive business, in addition to productivity improvement and facility renewal, we invested 23.6 billion yen (an increase of ¥2.9 billion year-on-year) in new technology and new product development.

*\*BCP (Business Continuity Plan): A plan for companies to minimize damage and continue or restore business operations in the event of a disaster or other emergency.*

| Unit: ¥100 million               |                                                     |
|----------------------------------|-----------------------------------------------------|
| Segment                          | Capital Expenditure in Year Ended<br>March 31, 2022 |
| Industrial Machinery<br>Business | 218                                                 |
| Automotive Business              | 236                                                 |
| Other                            | 69                                                  |
| Total                            | 523                                                 |

## (3) Financing Activities

Capital expenditure and operating expenses during the consolidated fiscal year under review were funded by the Group's own capital and loans from financial institutions.

The balance of outstanding loans and corporate bonds at the end of the period under review was ¥303.5 billion, a year-on-year decrease of ¥29.0 billion.

## (4) Key Tasks

The Group positioned the three-year period from fiscal 2019 to fiscal 2021 as the "6th Mid-Term Management Plan," and has been working on three management issues: new initiatives targeting growth, enhancing managerial resources, and contributing to the environment and society, with the aim of "strengthening the business foundation for the next stage of growth" based on the core values of Safety, Quality, Compliance, and Environment. However, due to the spread of COVID-19, supply chain disruptions, and semiconductor supply shortages, as well as the effects of inflation in materials, energy, and logistics, growth, profitability, and efficiency did not reach our targets. On the other hand, the industrial machinery business achieved record sales. While maintaining financial stability, we also pursued capital investments and technological development for the next growth phase, including the response to automotive electrification.

The business environment surrounding our group is becoming increasingly unpredictable and uncertain, with the addition of geopolitical risks such as the situation in Ukraine and China's zero-COVID policy. In addition, technological innovation in industry in general is advancing rapidly, and the challenges we must tackle as a company continue to expand, including the development and practical application of AI and IoT, and electrification and automation in the automotive industry. Furthermore, the importance of corporate social responsibility, such as carbon neutrality initiatives, is increasing, and the business environment is rapidly changing.

In this environment, the NSK Group will continue to contribute to the development of a sustainable society by creating value through the fusion of tribology and IT or digital technology in accordance with our corporate philosophy, aiming to be a company that is needed and trusted by society. To achieve this goal, we have launched our "Mid-term Management Plan 2026," which covers the five-year period from fiscal 2022 to 2026.

The goal of Mid-term Management Plan 2026 is to "change and go beyond to become a new type of trillion yen

company.”

Our core values are our management intentions. We will make our core values our highest priority in management decision-making and actions, and address the three management tasks of "Growth with Profitability," "Enhancement of Managerial Resources," and "ESG Management.

The three main management tasks and details of initiatives are shown below.

1. Growth with profitability:

- Promote business portfolio reform through expansion of the industrial machinery business and response to automotive electrification
- Improve profitability through structural reform of the steering business and achieve synergy through business collaboration.
- Under the slogan of "Bearings & Beyond," we will aim to strengthen product appeal of existing products and expand new products and businesses.

2. Enhancement of managerial resources:

- NSK will promote digital transformation (DX) to further enhance quality, technology, and operational capabilities, which are the source of NSK's competitiveness.
- We have adopted a manufacturing policy of "ultra-stabilization of production" and aim to create plants that do not produce defects and that operate non-stop.
- We will aim to maximize the value of our human capital through the appointment of diverse human resources, the development of digital human resources, and the allocation of the right personnel to the right places.

3. ESG Management:

- We aim to achieve carbon neutrality in terms of direct CO2 emissions (Scope 1) and energy use (Scope 2) by 2035.
- We will contribute to the creation of a recycling-oriented society by providing environmentally friendly products and services.
- We will further advance diversity and inclusion and reform of work styles to create a better working environment.
- We will strengthen group governance and deepen dialogue with stakeholders.

We will continue to “change and go beyond” on the above issues, and through corporate activities based on our corporate philosophy and the evolution of MOTION & CONTROL, we will continue to contribute to the resolution of social issues and the sustainable development of society.

We would like to thank our shareholders for their continued understanding and cooperation.

## (5) Financial Highlights

(IFRS)

|                                                                        | Year ended March<br>31, 2019 | Year ended March<br>31, 2020 | Year ended March 31<br>Fiscal 2021 | Year ended March 31<br>Fiscal 2022 |
|------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------------|------------------------------------|
| Net sales                                                              | ¥991,365 million             | ¥831,034 million             | ¥747,559 million                   | ¥865,166 million                   |
| Operating profit                                                       | ¥79,279 million              | ¥23,604 million              | ¥6,364 million                     | ¥29,430 million                    |
| Net income attributable to<br>owners of the Parent                     | ¥55,809 million              | ¥17,412 million              | ¥355 million                       | ¥16,587 million                    |
| Total equity                                                           | ¥560,400 million             | ¥526,518 million             | ¥573,569 million                   | ¥637,460 million                   |
| Total assets                                                           | ¥1,086,456 million           | ¥1,029,884 million           | ¥1,171,699 million                 | ¥1,234,551 million                 |
| Equity per share attributable<br>to owners of the Parent               | ¥1,048.18                    | ¥987.01                      | ¥1,081.88                          | ¥1,204.63                          |
| Basic net income per share                                             | ¥107.46                      | ¥34.00                       | ¥0.69                              | ¥32.35                             |
| Equity attributable to owners<br>of the parent<br>Return on equity (%) | 10.4%                        | 3.3%                         | 0.1%                               | 2.8%                               |

- Notes: 1. Figures listed above are rounded down to the nearest one million yen.  
2. Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") pursuant to Article 120, Paragraph 1 of the Rules of Corporate Accounting.  
3. Net income per share attributable to owners of the Parent is calculated using the number of shares outstanding at the end of the period, while return on equity is calculated using the average number of shares outstanding during the period.  
4. In the fiscal year ended March 31, 2022, the Company finalized the provisional accounting treatment for the business combination, and the related figures for the fiscal year ended March 31, 2021 reflect the details of the finalization of the provisional accounting treatment.

**(6) Major Subsidiaries (as of March 31, 2022)**

| Company Name                             | Capital             | Holding Ratio                  | Business                                                            |
|------------------------------------------|---------------------|--------------------------------|---------------------------------------------------------------------|
| NSK Steering Systems Co., Ltd.           | JPY 7,500 million   | 100.0%                         | Manufacture of automotive components                                |
| Amatsuji Steel Ball Mfg. Co., Ltd.       | JPY 2,101 million   | 100.0%                         | Manufacture and sale of steel balls                                 |
| NSK Americas, Inc.                       | USD 195.7 million   | 100.0%                         | Management of affiliated companies in the Americas                  |
| NSK Brasil Ltda.                         | BRL 1.8 million     | 100.0%                         | Manufacture and sale of industrial machinery bearings, etc.         |
| NSK Europe Ltd.                          | EUR 90.4 million    | 100.0%                         | Management of affiliated companies in Europe                        |
| NSK (China) Investment Co., Ltd.         | CNY 1,987.0 million | 100.0%                         | Management of affiliated companies in China, sale of bearings, etc. |
| Kunshan NSK Co., Ltd.                    | CNY 701.6 million   | 63.3%<br>(85.0%) <sup>3</sup>  | Manufacture of automotive bearings, etc.                            |
| Pt. NSK Bearings Manufacturing Indonesia | USD 45 million      | 75.0%<br>(100.0%) <sup>4</sup> | Manufacture of industrial bearings, etc.                            |
| NSK Korea Co., Ltd.                      | KRW 53.9 billion    | 100.0%                         | Manufacture and sale of automotive bearings, etc.                   |

- Notes: 1. Figures for equity are rounded down to the nearest unit value.  
2. The above nine companies were selected based on their capital, total assets, net sales, and the Company's capital contribution ratio.  
3. The figure in parentheses ( ) includes capital contribution ratio of Chinese affiliate NSK (China) Investment Co., Ltd. (100% owned by the Company), the controlling company of affiliated companies in China.  
4. The figure in parentheses ( ) includes capital contribution ratio of NSK International (Singapore) Pte., Ltd. (100% owned by the Company), the controlling company of affiliated companies in ASEAN.

## **(7) Overview of Main Businesses (as of March 31, 2022)**

The NSK Group operates two main businesses: the industrial machinery business and the automotive business. NSK's industrial machinery business manufactures and supplies a range of products including bearings for general industry, and precision machinery and parts. Meanwhile, in its automotive business the Company manufactures and supplies products such as bearings, automatic transmission components, and steering products to automakers and automotive component manufacturers.

| Business             | Main Products                                                                                                                                                                                  |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Industrial Machinery | Ball bearings, tapered roller bearings, cylindrical roller bearings, self-aligning roller bearings, precision bearings, ball screws, linear guides, XY tables, megatorque motors               |
| Automotive           | Hub unit bearings, needle bearings, tapered roller bearings, cylindrical roller bearings, ball bearings, automatic transmission components, steering products, electric power steering systems |
| Other                | Steel balls, condition monitoring systems, machinery, etc.                                                                                                                                     |

**(8) Main Sites (as of March 31, 2022)****Main Sales Sites**

| Region | Company Name |                                              | Location                                |
|--------|--------------|----------------------------------------------|-----------------------------------------|
| Japan  | NSK Ltd.     | Tohoku Branch                                | Sendai, Miyagi                          |
|        |              | Kita-Kanto Branch                            | Takasaki, Gunma                         |
|        |              | Tokyo Branch                                 | Shinagawa, Tokyo                        |
|        |              | Nishi-Kanto Branch                           | Atsugi, Kanagawa                        |
|        |              | Nagano Branch                                | Suwa, Nagano                            |
|        |              | Shizuoka Branch                              | Shizuoka City, Shizuoka                 |
|        |              | Nagoya Branch                                | Nagoya, Aichi                           |
|        |              | Hokuriku Branch                              | Kanazawa, Ishikawa                      |
|        |              | Kansai Branch                                | Osaka City, Osaka                       |
|        |              | Hyogo Branch                                 | Himeji, Hyogo                           |
|        |              | Chugoku Branch                               | Hiroshima City, Hiroshima               |
|        |              | Kyushu Branch                                | Fukuoka City, Fukuoka                   |
|        |              | Eastern Japan Automotive<br>Department 1     | Atsugi, Kanagawa                        |
|        |              | Eastern Japan Automotive<br>Department 2     | Shinagawa, Tokyo                        |
|        |              | Eastern Japan Automotive<br>Department 3     | Utsunomiya, Tochigi                     |
|        |              | Mid-Japan Automotive<br>Department           | Toyota, Aichi,<br>and Osaka City, Osaka |
|        |              | Mid-Japan Hamamatsu<br>Automotive Department | Hamamatsu, Shizuoka                     |
|        |              | Western Japan Automotive<br>Department       | Hiroshima City, Hiroshima               |

| Region       | Company Name                                    | Location                  |
|--------------|-------------------------------------------------|---------------------------|
| The Americas | NSK Corporation                                 | Michigan, USA             |
|              | NSK Precision America, Inc.                     | Indiana, USA              |
|              | NSK Steering Systems America, Inc.              | Vermont, USA              |
|              | NSK Rodamientos Mexicana, S.A. de C.V           | Silao, Guanajuato, Mexico |
|              | NSK Brasil Ltda.                                | Suzano, Brazil            |
| Europe       | NSK UK Ltd.                                     | Nottinghamshire, UK       |
|              | NSK Deutschland Gmbh                            | Ratingen, Germany         |
|              | Brüel & Kjær Vibro Gmbh                         | Darmstadt, Germany        |
|              | NSK France S.A.S.                               | Guyancourt, France        |
|              | NSK Italia S.P.A.                               | Milano, Italy             |
|              | NSK Polska Sp. z o.o.                           | Kielce, Poland            |
| Asia         | NSK (China) Investment Co., Ltd.                | Kunshan, China            |
|              | NSK International (Singapore) Pte Ltd.          | Singapore                 |
|              | NSK Bearings Manufacturing (Thailand) Co., Ltd. | Chonburi, Thailand        |
|              | Rane NSK Steering Systems Ltd.                  | Tamil Nadu, India         |
|              | NSK Korea Co., Ltd.                             | Seoul, South Korea        |

## Main Manufacturing Sites

| Region       | Company Name                                    |                             | Location                     |
|--------------|-------------------------------------------------|-----------------------------|------------------------------|
| Japan        | NSK Ltd.                                        | Fujisawa Plant              | Fujisawa, Kanagawa           |
|              |                                                 | Ohtsu Plant                 | Ohtsu, Shiga                 |
|              |                                                 | Fukushima Plant             | Higashi Shirakawa, Fukushima |
|              |                                                 | Ishibe Plant                | Konan, Shiga                 |
|              |                                                 | Saitama Plant               | Hanyu, Saitama               |
|              |                                                 | Takasaki Plant/Haruna Plant | Takasaki, Gunma              |
|              | NSK Micro Precision Co., Ltd.                   |                             | Fujisawa, Kanagawa           |
|              | NSK Kyushu Co., Ltd.                            |                             | Ukiha, Fukuoka               |
|              | Inoue Jikuuke Kogyo Co., Ltd.                   |                             | Tondabayashi, Osaka          |
|              | NSK Steering Systems Co., Ltd.                  |                             | Maebashi, Gunma              |
|              | NSK-Warner K. K.                                |                             | Fukuroi, Shizuoka            |
|              | Amatsuji Steel Ball Mfg. Co., Ltd.              |                             | Kadoma, Osaka                |
| The Americas | NSK Machinery Co., Ltd.                         |                             | Kuki, Saitama                |
|              | NSK Corporation                                 |                             | Indiana, USA                 |
|              | NSK Precision America, Inc.                     |                             | Indiana, USA                 |
|              | NSK Steering Systems America, Inc.              |                             | Tennessee, USA               |
|              | NSK Bearings Manufacturing, Mexico, S.A. de C.V |                             | Silao Guanajuato, Mexico     |
| Europe       | NSK Brasil Ltda.                                |                             | Suzano, Brazil               |
|              | NSK Bearings Europe Ltd.                        |                             | Durham, UK                   |
|              | NSK Bearings Polska S.A.                        |                             | Kielce, Poland               |
|              | NSK Steering Systems Europe (Polska) Sp z o.o.  |                             | Walbrzych, Poland            |

| Region | Company Name                                    | Location               |
|--------|-------------------------------------------------|------------------------|
| Asia   | Kunshan NSK Co., Ltd.                           | Kunshan, China         |
|        | NSK Steering Systems Hangzhou Co., Ltd.         | Hangzhou, China        |
|        | Pt. NSK Bearings Manufacturing Indonesia        | Bekasi, Indonesia      |
|        | NSK Bearings Manufacturing (Thailand) Co., Ltd. | Chonburi, Thailand     |
|        | Siam NSK Steering Systems Co., Ltd.             | Chachoengsao, Thailand |
|        | Rane NSK Steering Systems Ltd.                  | Haryana, India         |
|        | NSK Korea Co., Ltd.                             | Changwon, Korea        |

**(9) Employees (as of March 31, 2022)**

| Business                       | Number of Employees | Year-on-Year Change |
|--------------------------------|---------------------|---------------------|
| Industrial Machinery           | 13,051<br>(1,419)   | +640<br>(-43)       |
| Automotive                     | 14,066<br>(1,238)   | -462<br>(+144)      |
| Intersegmental (Common), Other | 3,460<br>(314)      | +21<br>(+23)        |
| Total                          | 30,577<br>(2,971)   | +199<br>(+124)      |

Notes: 1. Number of employees does not include officers of the Company or its subsidiaries.  
2. Numbers in brackets denote the average number of temporary employees directly employed by the Company and its subsidiaries during the fiscal year.

**(10) Major Lenders (as of March 31, 2022)**

| Lender                               | Outstanding Loan Amount |
|--------------------------------------|-------------------------|
| Mizuho Bank, Ltd.                    | ¥68,199 million         |
| MUFG Bank, Ltd.                      | ¥41,417 million         |
| The Bank of Yokohama, Ltd.           | ¥15,190 million         |
| Meiji Yasuda Life Insurance Company  | ¥13,500 million         |
| Nippon Life Insurance Company        | ¥13,000 million         |
| Fukoku Mutual Life Insurance Company | ¥8,500 million          |

Notes: 1. Outstanding loan amount includes loans from overseas subsidiaries of the lenders.  
2. Outstanding loan amounts are rounded down to the nearest one million yen.

## 2. Stock Information (as of March 31, 2022)

- (1) Total number of authorized shares 1,700,000,000 shares
- (2) Number of issued shares 518,353,178 shares  
(excluding 32,914,926 shares of Treasury stock)
- (3) Number of shareholders 64,170
- (4) Top Ten Shareholders

| Shareholders                                                            | Number of shares owned in thousands | Holding ratio |
|-------------------------------------------------------------------------|-------------------------------------|---------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account)                    | 83,296                              | 16.06%        |
| Custody Bank of Japan, Ltd. (Trust Account)                             | 32,896                              | 6.34%         |
| Meiji Yasuda Life Insurance Company                                     | 27,626                              | 5.32%         |
| Fukoku Mutual Life Insurance Company                                    | 22,400                              | 4.32%         |
| Nippon Life Insurance Company                                           | 22,034                              | 4.25%         |
| Mizuho Bank, Ltd.                                                       | 18,211                              | 3.51%         |
| The Master Trust Bank of Japan, Ltd. (Toyota Motor Corporation Account) | 10,709                              | 2.06%         |
| Toyota Motor Corporation                                                | 10,000                              | 1.92%         |
| NSK Customer Shareholding Association                                   | 9,390                               | 1.81%         |
| NSK Employee Shareholding Association                                   | 8,176                               | 1.57%         |

- Notes:
1. Numbers of shares are rounded down to the nearest thousand.
  2. In calculation of the shareholding ratio, the treasury shares of the Company (32,914,926 shares) are excluded from the total number of shares issued.
  3. The treasury shares do not include 5,017,008 shares of the Company held by the trust account related to the share delivery trust.

- (5) Shares issued to corporate officers as compensation for the execution of their duties during the fiscal year under review

| Category            | No. of Shares | Issued to |
|---------------------|---------------|-----------|
| Director (internal) | 27,800        | 1         |
| Director (outside)  | 4,700         | 1         |
| Executive Officer   | 263,300       | 4         |

### 3. Stock Acquisition Rights

Outline of Stock Acquisition Rights held by Officers of the Company as of the end of the Fiscal Year

|                                              |                                         |                                  |            |
|----------------------------------------------|-----------------------------------------|----------------------------------|------------|
| Exercise period for Stock Acquisition Rights |                                         | August 21, 2015 to July 29, 2025 |            |
| Officers issued Stock Acquisition Rights     | Directors (excluding outside directors) | 4                                | 930 rights |
|                                              | Executive Officers                      | 10                               | 440 rights |
| Type of shares to be issued upon exercise    |                                         | Common stock                     |            |
| Number of shares to be issued upon exercise  |                                         | 137,000 shares                   |            |
| Issue price of Stock Acquisition Rights      |                                         | Gratis                           |            |
| Issue price per share                        |                                         | ¥1,806                           |            |

- Notes:
1. Resolved by the Board of Directors based on the provisions of Articles 236, 238 and 240 of the Companies Act.
  2. The number of target shares for each Stock Acquisition Right is 100 shares.
  3. For directors who also serve as executive officers, Stock Acquisition Rights provided are listed in the Directors column.

## 4. Officers of the Company

### (1) Directors of the Company (as of March 31, 2022)

#### I. Concurrent Responsibilities, etc. of Directors

| Name               | Main Assignments and Responsibilities                                                                                                                                                       |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Toshihiro Uchiyama | Outside Director of Sapporo Holdings Co., Ltd.                                                                                                                                              |
| Akitoshi Ichii     | Member of the Nomination Committee                                                                                                                                                          |
| Saimon Nogami      | Member of the Compensation Committee                                                                                                                                                        |
| Kenichi Yamana     | Member of the Audit Committee                                                                                                                                                               |
| Hajime Bada        | Chair of the Nomination Committee, Honorary Advisor of JFE Holdings, Inc., Independent member of the Board of Mitsui Chemicals, Inc., Independent Corporate Auditor of Asagami Corporation. |
| Akemi Mochizuki    | Chair of the Audit Committee, Employee of Akahoshi Audit Corporation, Outside Director of Tsumura, Outside Auditor & Supervisory Board Member of Asahi Kasei Corporation                    |
| Yoshitaka Fujita   | Member of the of the Nomination Committee, Member of the Audit Committee, Advisor of Murata Manufacturing Co., Ltd.                                                                         |
| Mitsuhiro Nagahama | Chair of the Compensation Committee, Member of the Audit Committee, External Auditor of Kuraray, Co., Ltd., Outside Director of Azbil Corporation                                           |
| Kouichi Obara      | Member of the Compensation Committee, Consultant of Maeda Corporation, Co., Ltd.                                                                                                            |

- Notes:
- 1 Hajime Bada, Akemi Mochizuki, Yoshitaka Fujita, Mitsuhiro Nagahama, and Kouichi Obara are Outside Directors as defined in Article 2, Paragraph 15 of the Companies Act of Japan.*
  - 2. Hajime Bada, Akemi Mochizuki, Yoshitaka Fujita, Mitsuhiro Nagahama, and Kouichi Obara have been reported as Independent Directors to the Tokyo Stock Exchange.*
  - NSK has also established its own criteria for the independence of outside directors. These criteria are listed in the Notice of the 161th Ordinary General Meeting of Shareholders.*
  - 3. Akemi Mochizuki, Chair of the Audit Committee, is a Certified Public Accountant and possesses considerable experience and insight in the fields of finance and accounting.*
  - 4. The Company has assigned non-independent director Kenichi Yamana as a full-time member of the Audit Committee in order to improve the effectiveness and efficiency of the Committee. Full-time members of the Audit Committee perform audit duties, attend key meetings, gather information from the operating organizations, monitor and direct the Internal Audit Department, and share this information with all Audit Committee members.*
  - 5. Directors Toshihiko Enomoto and Toshio Iwamoto retired from their positions as of June 25, 2021*

#### II. Liability Limitation Agreement

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 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.

**(2) Executive Officers of the Company (as of March 31, 2022)**

| Title                                                 | Name                 | Main Assignments and Responsibilities                                                                                                                                                     |
|-------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Representative,<br>President and CEO                  | Akitoshi Ichii       | CEO                                                                                                                                                                                       |
| Representative,<br>Senior Executive<br>Vice President | Saimon Nogami        | President's Assistant, CFO                                                                                                                                                                |
| Executive Vice<br>President                           | Tomoyuki Yoshikiyo   | Head of Industrial Machinery Business Division HQ, Head of Electrical & Electrification Division                                                                                          |
| Executive Vice<br>President                           | Hideki Ochiai        | Head of Automotive Business Division HQ                                                                                                                                                   |
| Senior Vice<br>President                              | Nobuaki Mitamura     | Head of Technology Development Division HQ, Head of Core Technology R&D Center, Technology Development Division HQ                                                                        |
| Senior Vice<br>President                              | Tatsuya Atarashi     | Head of Japan Sales & Marketing Division HQ, Industrial Machinery Business Division HQ                                                                                                    |
| Senior Vice<br>President                              | Kunihiko Akashi      | Head of Quality Assurance Division HQ                                                                                                                                                     |
| Senior Vice<br>President                              | Masaru Takayama      | Head of Manufacturing Strategy Division HQ, Head of Procurement Division HQ                                                                                                               |
| Senior Vice<br>President                              | Guoping Yu           | Head of all Chinese Operations                                                                                                                                                            |
| Senior Vice<br>President                              | Keita Suzuki         | Head of Finance Division HQ                                                                                                                                                               |
| Senior Vice<br>President                              | Susumu Ishikawa      | Deputy Head of Industrial Machinery Business Division HQ                                                                                                                                  |
| Senior Vice<br>President                              | Hayato Omi           | Head of Automotive Bearing Technology Center, Head of Automotive Technology Development Center, Automotive Business Division HQ                                                           |
| Senior Vice<br>President                              | Narihito Otake       | Head of Automotive Steering & Actuator Division HQ, Automotive Business Division HQ                                                                                                       |
| Senior Vice<br>President                              | Hiromichi Takemura   | Head of Industrial Machinery Technology Center, Industrial Machinery Business Division HQ, Head of Industrial Machinery Bearing Technology Center, Industrial Machinery Technology Center |
| Senior Vice<br>President                              | Tatsufumi Soda       | Deputy Head of Industrial Machinery Business Division HQ, Head of Industrial Machinery Division HQ, Industrial Machinery Business Division HQ                                             |
| Vice President                                        | Hiroya Achiha        | Head of CMS Development Center, Technology Development HQ                                                                                                                                 |
| Vice President                                        | Tamami Murata        | Head of CSR Division HQ                                                                                                                                                                   |
| Vice President                                        | Hiroyuki Tsugimoto   | Head of ICT Division HQ                                                                                                                                                                   |
| Vice President                                        | Jean-Charles Sanchez | Deputy Head of Automotive Steering & Actuator Division HQ                                                                                                                                 |

|                |                   |                                                                                                                                     |
|----------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Vice President | Hisakazu Tadokoro | Plant Manager, Fujisawa Plant, Industrial Machinery Business Division HQ                                                            |
| Vice President | Ulrich Nass       | Head of European Operations                                                                                                         |
| Vice President | Michio Ozaki      | Head of Automotive Powertrain Division HQ                                                                                           |
| Vice President | Masato Kitou      | Head of Automotive Sales & Marketing Division HQ, Head of Mid-Japan Automotive Department, Automotive Sales & Marketing Division HQ |
| Vice President | Natsuki Sensui    | Head of Manufacturing Engineering Center, Technology Development Division HQ                                                        |
| Vice President | Hidenori Oka      | Head of Human Resources Management Division HQ                                                                                      |
| Vice President | Brian Parsons     | Head of All American Operations                                                                                                     |
| Vice President | Shinji Miyata     | Deputy Head of Steering & Actuator Technology Center, Automotive Technology Development Center, Automotive Business Division HQ     |
| Vice President | Gen Murayama      | Head of Corporate Planning Division HQ                                                                                              |
| Vice President | Naoki Goto        | Deputy Head of Electrical & Electrification Division HQ, Industrial Machinery Business Division HQ                                  |
| Vice President | Michio Komaba     | Deputy Head of Automotive Powertrain Division HQ                                                                                    |
| Vice President | Ruriko Yoshida    | Deputy Head of Corporate Planning Division HQ                                                                                       |
| Vice President | Hideaki Hayami    | Head of All ASEAN Operations                                                                                                        |

*Note : Akitoshi Ichii and Saimon Nogami concurrently serve as directors of the Company.*

## For Reference

Executive officers from April 1 of this year are as follows.

### Executive Officers of the Company (from April 1, 2022 onwards)

| Title                                                 | Name               | Main Assignments and Responsibilities                                                                                                                     |
|-------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Representative,<br>President and CEO                  | Akitoshi Ichii     | CEO                                                                                                                                                       |
| Representative,<br>Senior Executive<br>Vice President | Saimon Nogami      | President's Assistant, CFO                                                                                                                                |
| Executive Vice<br>President                           | Tomoyuki Yoshikiyo | Head of Industrial Machinery Business Division HQ                                                                                                         |
| Executive Vice<br>President                           | Hideki Ochiai      | Head of Automotive Business Division HQ                                                                                                                   |
| Senior Vice<br>President                              | Nobuaki Mitamura   | Head of Technology Development Division HQ, Head of Core<br>Technology R&D Center, Technology Development Division<br>HQ                                  |
| Senior Vice<br>President                              | Kunihiko Akashi    | Head of Quality Assurance Division HQ                                                                                                                     |
| Senior Vice<br>President                              | Masaru Takayama    | Head of Manufacturing Strategy Division HQ, Head of<br>Procurement Division HQ                                                                            |
| Senior Vice<br>President                              | Guoping Yu         | Head of all Chinese Operations                                                                                                                            |
| Senior Vice<br>President                              | Keita Suzuki       | Head of Finance Division HQ                                                                                                                               |
| Senior Vice<br>President                              | Susumu Ishikawa    | Deputy Head of Industrial Machinery Business Division HQ                                                                                                  |
| Senior Vice<br>President                              | Hayato Omi         | Deputy Head of Automotive Business Division HQ, Head of<br>Automotive Technology Development Center, Automotive<br>Business Division HQ                   |
| Senior Vice<br>President                              | Narihito Otake     | Deputy Head of Automotive Business Division HQ, Head of<br>Automotive Steering & Actuator Division HQ, Automotive<br>Business Division HQ                 |
| Senior Vice<br>President                              | Hiromichi Takemura | Deputy Head of Industrial Machinery Business Division HQ,<br>Head of Industrial Machinery Technology Center, Industrial<br>Machinery Business Division HQ |
| Senior Vice<br>President                              | Tatsufumi Soda     | Deputy Head of Industrial Machinery Business Division HQ,<br>Head of Industrial Machinery Division HQ, Industrial<br>Machinery Business Division HQ       |
| Senior Vice<br>President                              | Michio Ozaki       | Deputy Head of Automotive Business Division HQ, Head of<br>Automotive Powertrain Division HQ, Automotive Business<br>Division HQ                          |
| Senior Vice<br>President                              | Hidenori Oka       | Head of Human Resources and General Affairs Division HQ                                                                                                   |
| Vice President                                        | Tamami Murata      | Deputy Head of all Chinese Operations                                                                                                                     |
| Vice President                                        | Ulrich Nass        | Head of European Operations                                                                                                                               |

|                |                |                                        |
|----------------|----------------|----------------------------------------|
| Vice President | Brian Parsons  | Head of All American Operations        |
| Vice President | Gen Murayama   | Head of Corporate Planning Division HQ |
| Vice President | Hideaki Hayami | Head of All ASEAN Operations           |

*Note : Akitoshi Ichii and Saimon Nogami concurrently serve as directors of the Company.*

### **(3) Summary of Contents of Directors' and Officers' Liability Insurance Policy**

The Company has concluded directors' and officers' liability insurance agreements with insurance companies as stipulated in Article 430-3, Paragraph 1 of the Companies Act, insuring directors, executive officers and managerial employees of the Company, with the premiums borne entirely by the Company and certain subsidiaries and affiliates, including the special clause portion. Under the policy, the insurance company will cover damages that may arise as a result of the insured being held liable for the performance of his/her duties or being subject to litigation costs or claims for damages in connection with the pursuit of such liability. However, there is an exclusion of liability for damages caused by willful misconduct or gross negligence.

### **(4) Directors and Executive Officers' Compensation (as of March 31, 2022)**

#### **I. Policy for Determining Executive Compensation, etc.**

As a Company with Three Committees (Nomination, Audit and Compensation), NSK Ltd. makes decisions on executive compensation levels, compensation structure, and individual compensation, etc. at a Compensation Committee chaired by an outside director, and based on advice from external consultants as well as objective information on compensation levels and trends at other companies.

The Company will determine compensation for director and executive officer positions separately. When a director also serves as an executive officer, the total of each respective compensation amount shall be paid. For directors who also serve as executive officers, stock-based compensation will not be provided for the director position.

#### **a) Executive Officers' Compensation**

The compensation package for executive officers consists of a fixed basic compensation and a performance-based compensation that fluctuates with performance. The Company generally sets a compensation ratio of roughly 4:6 of fixed compensation to performance-based compensation.

##### **i. Basic compensation**

The amount of basic compensation is determined according to the title of the executive officer. Moreover, an additional amount will be paid to executive officers with representation rights.

##### **ii. Performance-based compensation**

The Performance-based compensation consists of a short-term performance-based compensation and a mid- to long-term performance-based stock compensation.

##### **(1) Short-term performance-based compensation**

The Short-term performance-based compensation will be determined based on metrics consistent with management goals to increase profitability, raise efficiency of shareholders' equity, and improve corporate value. Metrics include operating income margin, ROE, and cash flow, as well as an achievement target for ESG goals for CO2 emission reductions, and safety and quality improvement. The individual's level of achievement in their designated job duties are also evaluated when determining the amount of compensation paid to each executive officer.

##### **(2) Mid- to long-term performance-based stock compensation**

In order to further incentivize contributions to a sustainable improvement of corporate value, to ensure they share the interests of shareholders, and to further reinforce the link between executive officer compensation and mid- to long-term stock price, the Company has introduced a performance-based stock compensation program using a Board Benefit Trust system.

Through the system, points are fixed every three years based on a relative evaluation of the Company's total shareholder return (TSR) through a comparison with the TOPIX growth rate, the equivalent for which company shares are then distributed upon retirement. However,

for a certain portion of the above, NSK will compensate executive officers with the equivalent amount acquired by converting shares into cash.

The relative TSR for the period from April 2019 to March 2022 was 65.94%. As this system is designed to fix points three years after they are granted, points granted in 2020 will be fixed in 2023, and those granted in 2021 will be fixed in 2024.

#### b) Directors' Compensation

The compensation package for directors consists of a fixed basic compensation and fluctuating stock compensation.

##### i. Basic compensation

Basic compensation is determined based on whether the director is an outside or internal director in addition to the director's role on board committees and the Board of Directors.

##### ii. Stock compensation

In order to further incentivize contributions to a sustainable improvement of corporate value and to ensure they share the interests of shareholders, the Company has introduced a stock compensation program using a Board Benefit Trust system. The system distributes company shares upon retirement based on points allocated each fiscal year, of which separate amounts are given for independent and internal directors. However, for a certain portion of the above, the Company will compensate directors with the equivalent amount acquired by converting shares into cash.

For directors who also serve as executive officers, stock-based compensation will not be provided for the director position.

#### c) Other Matters

In addition, in the event a member of a management team of another company such as a subsidiary or an affiliate, etc., assumes an executive officer position, compensation will be determined separately.

## II. Directors/Executive Officers' Compensation

The amount of compensation for directors and executive officers from April 1, 2021 to March 31, 2022 was as follows:

|                      | Total compensation | Fixed compensation |                    | Performance-based compensation |                    | Stock compensation |                    |
|----------------------|--------------------|--------------------|--------------------|--------------------------------|--------------------|--------------------|--------------------|
|                      |                    | No. of officers    | Amount (¥ million) | No. of officers                | Amount (¥ million) | No. of officers    | Amount (¥ million) |
| Directors (internal) | ¥137 million       | 5                  | ¥120 million       | —                              | —                  | 3                  | ¥17 million        |
| Directors (outside)  | ¥74 million        | 6                  | ¥66 million        | —                              | —                  | 6                  | ¥8 million         |
| Executive officers   | ¥1,243million      | 29                 | ¥862 million       | 28                             | ¥107 million       | 38                 | ¥273 million       |

Notes: 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, 2022, based on the results for the year ended March 31, 2022. The amount of performance-based salary paid on July 1, 2021, based on the results for the year ended March 31, 2021, was ¥279 million.  
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 one million yen.

The Company's Compensation Committee determined the details and the above compensation for Executive Officers and Directors for the fiscal year under review, taking into account the advice of outside experts and objective information regarding the levels and trends of other companies, and therefore determined that the individual compensation of Executive Officers and Directors is in line with this policy.

In addition, beginning in 2022, the ratio of new product sales to net sales was added to the short-term performance-based compensation index to further advance technology development efforts.

## (5) Outside Directors

### I. Special interest between the Company and Directors

Concurrent posts held by the Company's independent directors are listed in the candidate profiles section (pages 7 to 15) of this Notice. Each of the persons listed below fulfill the Company's Criteria for Independence of Outside Directors listed on page 17 of this Notice.

Furthermore, no special interest exists between the Company and each Director below.

### II. Main Roles and Responsibilities of Outside Directors

| Name             | Attendance at Board of Directors and Committee Meetings                                                                                                                 | Main Roles and Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hajime Bada      | Board of Directors: 100%<br>(10 of the 10 meetings held)<br>Nomination Committee: 100% (7 of the 7 meetings held)                                                       | We expect Mr. Bada to supervise management and provide advice on overall management from a fair and independent standpoint, based on his considerable experience and deep insight as a corporate executive.<br>He provides proactive and appropriate guidance to the Board of the Directors, particularly in the fields of compliance and corporate governance, thereby contributing to further enhancement of the Company's corporate value.<br>As Chair of the Nomination Committee, he has provided appropriate guidance on proposals for the election of Directors, in successor planning, and committee nominations.                                                                                                                                                                                                       |
| Akemi Mochizuki  | Board of Directors: 100%<br>(10 of the 10 meetings held)<br>Audit Committee: 100% (14 of the 14 meetings held)                                                          | We expect Ms. Mochizuki to supervise management and provide advice on overall management from a fair and independent standpoint, based on her considerable experience and deep insight as a Certified Public Accountant.<br>She provides proactive and appropriate guidance to the Board of the Directors, particularly in the fields of compliance and corporate governance, thereby contributing to further enhancement of the Company's corporate value.<br>As Chair of the Audit Committee, she leads the committee's proceedings, discusses and deliberates on the enhancement of the audit system and its operation at the committee meetings, reports to the Board of Directors as appropriate, and fulfills the roles expected of her.                                                                                  |
| Yoshitaka Fujita | Board of Directors: 100%<br>(10 of the 10 meetings held)<br>Nomination Committee: 100% (7 of the 7 meetings held)<br>Audit Committee: 100% (14 of the 14 meetings held) | We expect Mr. Fujita to supervise management and provide advice on overall management from a fair and independent standpoint, based on her considerable experience and deep insight as a corporate executive.<br>He provides proactive and appropriate guidance to the Board of the Directors, particularly in the fields of compliance and corporate governance, thereby contributing to further enhancement of the Company's corporate value.<br>In the Nominating Committee, he actively makes comments through discussions and deliberations on proposals for the election of directors and succession planning, etc. In the Audit Committee, he actively makes comments through discussions and deliberations on the enhancement of the audit system and its operation, and fulfills the expected roles of each committee. |

|                    |                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mitsuhiro Nagahama | Board of Directors: 100% (10 of the 10 meetings held)<br>Compensation Committee: 100% (5 of the 5 meetings held)<br>Audit Committee: 100% (14 of the 14 meetings held) | <p>We expect Mr. Nagahama to supervise management and provide advice on overall management from a fair and independent standpoint, based considerable experience and deep insight as a corporate executive.</p> <p>At meetings of the Board of Directors, he actively and appropriately makes statements to enhance corporate value from the perspective of corporate governance, including compliance. As Chair of the Compensation Committee, he leads the committee's proceedings, discusses and deliberates on the executive compensation policy and decisions, etc., and reports to the Board of Directors as appropriate. In the Audit Committee, he actively speaks and fulfills his expected role through discussions and deliberations on the enhancement of the audit system and its operation.</p> |
| Kouichi Obara      | Board of Directors: 100% (8 of the 8 meetings held)<br>Compensation Committee: 100% (4 of the 4 meetings held)                                                         | <p>We expect Mr. Obara to supervise management and provide advice on overall management from a fair and independent standpoint, based considerable experience and deep insight as a corporate executive.</p> <p>He provides proactive and appropriate guidance to the Board of the Directors, particularly in the fields of compliance and corporate governance, thereby contributing to further enhancement of the Company's corporate value.</p> <p>In addition, as a member of the Compensation Committee, he proactively discusses and deliberates on the executive compensation policy and decisions, etc.</p>                                                                                                                                                                                           |

*Notes: Regarding attendance of meetings of the Board of Directors and Committees: The data shows each candidate's attendance at the meetings of the Board of Directors and Committees held during fiscal 2021 (April 1, 2021, through March 31, 2022). On June 25, 2021, Kouichi Obara was appointed to the Board of Directors and the Compensation Committee. Accordingly, attendance is counted only during the period of appointment.*

## 5. Status of Accounting Auditor

### (1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

### (2) Amount of remuneration, etc., of Accounting Auditor for the fiscal year under review

|     |                                                                                                                                      |              |
|-----|--------------------------------------------------------------------------------------------------------------------------------------|--------------|
| [1] | Amount of remuneration payable for the audit service as stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act | ¥192 million |
| [2] | Total amount of monetary or other property benefits to be paid by the Company and its subsidiaries                                   | ¥212 million |

Notes: 1. Amounts are rounded down to the nearest million yen.

2. In the audit agreement between the Company and the Accounting Auditor, there is no demarcation of the remuneration for audits based on the Companies Act and the remuneration for audits based on the Financial Instruments and Exchange Act, and therefore, the amount in [1] above represents the combined sum of the two.

3. Of the Company's principal subsidiaries, seven subsidiaries including NSK Americas, Co., Ltd. and NSK Europe Co., Ltd, are subject to audits (limited to those under the provisions of the Companies Act or the Financial Instruments and Exchange Act, or foreign laws and regulations equivalent to such laws) of financial statements of a certified public accountant or an auditing corporation other than the Company's Accounting Auditor (including those with equivalent foreign qualifications).

4. Taking into consideration the "Practical Guidelines for Cooperation with Accounting Auditor" announced by the Japan Audit & Supervisory Board Members Association, the Audit Committee has given consent to the remuneration, etc., to be paid to the Accounting Auditor as stipulated in Article 399, Paragraph 1 of the Companies Act, as a result of confirming and examining the details of the auditing plan of the Accounting Auditor, status of execution of duties, basis for calculation of estimates of remuneration for previous fiscal years, and other matters through reports and interviews as well as necessary materials obtained from Executive Officers, relevant departments of the Company and the Accounting Auditor.

### (3) Policy on Accounting Auditor dismissal or non-reappointment decision

If judged to be necessary by the Audit Committee, for example in the event of there being obstacles to the performance of the duties of an Accounting Auditor, the Company shall propose the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders.

In the event that it is deemed that any of the reasons for dismissal prescribed in Article 340, Paragraph 1 of the Companies Act apply to the Accounting Auditor, the Audit Committee shall dismiss the Accounting Auditor, and shall report the dismissal and the reasons therefor to the first General Meeting of Shareholders convened after the dismissal.

## 6. Corporate Governance and Related Policies

### **(1) Systems for Ensuring Compliance with Laws and Regulations and the Company's Articles of Incorporation in the Execution of Duties by Executive Officers, and Other Systems for Securing Appropriateness of Duties**

The following section outlines NSK's systems for ensuring compliance with laws and regulations and the Company's Articles of Incorporation during the execution of duties by executive officers, in addition to other systems for securing the appropriateness of operations, as resolved by the Board of Directors (Basic Policy), as well as the operational status of the aforementioned systems.

#### **I. Structure to ensure appropriateness of operations in the NSK Group**

##### **Basic Policy**

NSK shall strive to improve internal control over the NSK Group as a whole, improve the soundness and transparency of management, and manage its business smoothly according to "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 shall receive, on either a periodic 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 NSK Group rules governing management and business procedures.

The Audit Committee or specific Audit Committee members appointed by the Audit Committee shall receive reports from subsidiaries on a regular basis. If necessary, they may visit the subsidiaries themselves or cooperate with the auditor of each subsidiary to inspect the status of operations and assets.

In addition, when the Audit Committee finds it necessary, it may instruct the Internal Audit Department to perform this task under the direction of the Audit Committee members.

##### **Operational Status**

NSK's business is operated consistently across the entire Group in accordance with the basic framework for group governance stipulated in NSK Group Management Rules. Each of the NSK Group's divisions report on key matters, including the status of business execution, in accordance with NSK Group rules governing management and business procedures. In addition, the Company is working to enhance various internal regulations and organizational structures to respond to ESG issues, legal amendments, and the NSK Group's management needs

Based on its audit plan, the Audit Committee conducted site audits and observations of operating divisions both in and outside Japan in conjunction with the Internal Audit Department in order to investigate the progress status of key management tasks and related measures. This year, audits and observations were conducted online using teleconferencing tools and so on due to the ongoing effects of the COVID-19 pandemic.

#### **II. 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**

##### **Basic Policy**

"NSK Code of Corporate Ethics," "Corporate Governance Rules" and "Compliance Rules," which are based on the NSK Corporate Philosophy, prescribe the fundamental principles that executive officers and employees of NSK and directors and other officers/employees of subsidiaries shall comply with, the structure for promoting compliance, and basic matters for operation (organization, structure for training, internal whistleblowing system, etc.)

By fostering awareness of compliance among all officers and employees and strengthening/improving internal

controls, NSK aims to prevent violation of laws, regulations, and the Articles of Incorporation. In particular, NSK will prevent violation of competition laws in Japan and abroad by ensuring adherence to “Rules for Compliance with Competition Law.”

In order to strengthen the compliance structure of the NSK Group, NSK will maintain a Core Value Committee and install dedicated organizations to implement concrete measures based on the policies set by the aforementioned committee. The organizations shall work on an ongoing basis to raise awareness of and strengthen compliance through educational initiatives to encourage all NSK Group employees to recognize their responsibility to act as good corporate citizens and to oversee the implementation status of designated measures.

Furthermore, the Group’s Finance Division Headquarters shall ensure the establishment and operation of internal controls over financial reporting by the NSK Group as a whole, based on the “Rules for Internal Control over Financial Reporting,” while the Internal Audit Department (IAD) shall evaluate their implementation. This system secures a structure from which reasonable assurance of financial reporting reliability can be obtained.

As its basic policy, NSK takes a resolute stance against all antisocial forces that threaten the order and safety of civil society, and shall decline relationships, including business relationships, with such parties. In addition, NSK shall not accede to any unreasonable or illegal demands from such parties.

### **Operational Status**

NSK has established the compliance framework stipulated in internal regulations such as the “Corporate Governance Rules” and “Compliance Rules”(organization, training and education systems, whistleblowing system, etc.) established the necessary subordinate rules to effectively prevent illegal acts, and is working to promote compliance awareness and deploy related measures across the Group, both in and outside Japan.

In addition to repeatedly emphasizing the importance of pursuing the 4 core values, being open, honest, and mutually respectful, and changing & going beyond, the NSK Group’s CEO has established an annual NSK Corporate Philosophy Day (July 26th)—an occasion on which all officers and employees reaffirm their commitment to compliance. Among other activities, the heads of each organization speak directly to employees regarding compliance issues and workplace culture. In addition, we also conduct a periodic awareness survey of all officers and employees in order to gauge the level of compliance awareness within the organization as well as identify any problems occurring in the workplace or areas requiring improvement.

With regards to the reliability of our financial reporting, Finance Division HQ is responsible for developing and operating internal processes, while the Internal Audit Department assesses and validates their soundness.

## **III. Structure for ensuring efficient performance of duties by executive officers of NSK and directors and other officers of subsidiaries**

### **Basic Policy**

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.

### **Operational Status**

Based on the management framework stipulated in NSK Group Management Rules, roles and responsibilities, including those of the Company's executive officers and the directors of its subsidiaries, are clearly defined and operations conducted in an efficient manner with no unnecessary duplication. Decision-making bodies have been designated according to level of importance of the matter at hand in order to achieve efficient business operation.

The Company’s management policies and objectives are outlined in its Mid-Term Management Plan. This year global cooperation was further strengthened while ensuring the safety and security of employees due to the ongoing COVID-19 pandemic.

In addition to the current issues, keeping a focus on the mid- to long-term, the Company will formulate and implement the "Mid-Term Management Plan 2026" for a five year period beginning this year in 2022.

#### **IV. Rules and other frameworks in the NSK Group for management of risk of loss**

##### **Basic Policy**

The NSK Group's Risk Management Rules stipulate the responsible persons and roles of organizations in the execution system, govern the Group's risks exhaustively and comprehensively, and clarify the risk management system.

The Internal Audit Department audits risk the management status of each division and reports results to the Audit Committee. The Committee reports this information to the Board of Directors on a regular basis.

##### **Operational Status**

NSK has established a risk management framework as stipulated in the Company's Risk Management Rules and adopted a range of measures in order to avoid or reduce risks. Risks including changes in technology, natural disasters and infectious diseases, and changes in local conditions are comprehensively identified and reported on either a periodic or immediate basis.

The Internal Audit Department coordinates with the internal auditing divisions of each site or region to classify and evaluate critical risks. The Department monitors the Group's risk management status based on the risk reports submitted by each site as well as site audits, and reports its findings to the Audit Committee.

#### **V. Framework for saving and retention of information related to performance of duties by executive officers of NSK and directors and other officers/employees of subsidiaries**

##### **Basic Policy**

The framework for saving and retention of information regarding performance of duties by executive officers of NSK and directors and other officers of subsidiaries shall follow the provisions of NSK Group Management Rules, NSK Group Rules on Saving and Retention of Documents and NSK Group Information Security Standards.

Executive officers of NSK and directors and other officers/employees of subsidiaries shall make information regarding the above easily available upon request of the Audit Committee or Audit Committee member(s) appointed by the Committee.

##### **Operational Status**

NSK has established a Group-wide regulatory framework for storing information/information security, and stores and manages information in line with these internal rules during the course of its business operations.

Regarding security related to the protection of personal information and the protection of confidential information, a dedicated organization continuously enhances its measures through the establishment of an operational system that complies with laws and public standards, and educational activities.

#### **VI. Matters required for the execution of Audit Committee duties**

##### **Basic Policy**

##### **a) Matters concerning members of the board and employees who should support the duties of the Audit Committee**

NSK's Internal Audit Department is designated as the organization tasked with supporting the duties of the Audit Committee. Selected employees of the Internal Audit Department shall support the duties of the Audit Committee either full-time or part-time.

##### **b) 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 shall be 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 and Internal Audit Department staff requires the prior consent of the Audit Committee.

In addition, the Audit Committee may state opinions about the performance evaluation of the head of the Internal Audit Department and Internal Audit Department staff.

#### **c) NSK Group framework for reporting to the Audit Committee**

The NSK Group shall 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 events 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 on the NSK Group which the Audit Committee finds necessary, with consent of the host of the meeting. In addition, executive officers shall establish an internal whistleblowing system in the NSK Group and report the operation and status of whistleblowing to the Audit Committee or Audit Committee member(s) appointed by the Committee without delay.

In addition to the content or 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 shall prohibit 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 ensure that this policy is understood throughout the NSK Group.

#### **d) Other structures for ensuring effective auditing by the Audit Committee**

The Audit Committee shall 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, performance 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 audit duties the Audit Committee may hire their own consulting lawyer, or receive advice from specialist lawyers or accountants.

NSK shall process expenses incurred during the performance of Audit Committee members' duties in a prompt and appropriate manner, in accordance with the designated methods.

#### **Operational Status**

The Audit Committee 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, which serves as its support organization, in order to audit the Group.

In addition to holding regular discussions with the Company's CEO, CFO, and accounting auditor, the Committee reviews the plans, implementation status, and results of internal audits performed by the Internal Audit Department (including appraisal of internal control over financial reporting), and directs changes or improvements where necessary.

## **(2) Basic Guidance Regarding Control of the Company**

### **I. Outline of the Basic Policy regarding Persons Controlling the Company's Decisions concerning Financial and Business Policies**

The Company 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 the Company 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**

The NSK Group aims to establish a corporate foundation capable of sustainable growth in the mid- to long-term, in order to continue providing value to society through our Motion & Control technology.

In this environment, the NSK Group will continue to contribute to the development of a sustainable society by creating value through the fusion of tribology and IT or digital technology in accordance with our corporate philosophy, aiming to be a company that is needed and trusted by society. To achieve this goal, we have launched our "Mid-term Management Plan 2026," which covers the five-year period from fiscal 2022 to 2026.

The goal of Mid-term Management Plan 2026 is to "change and go beyond to become a new type of trillion yen company." Our core values are our management intentions. We will make our core values our highest priority in management decision-making and actions, and address the three management tasks of "Growth with Profitability," "Enhancement of Managerial Resources," and "ESG Management."

The three main management tasks and details of initiatives are shown below.

#### **1. Growth with profitability:**

- Promote business portfolio reform through expansion of the industrial machinery business and response to automotive electrification
- Improve profitability through structural reform of the steering business and achieve synergy through business collaboration.
- Under the slogan of "Bearings & Beyond," we will aim to strengthen product appeal of existing products and expand new products and businesses.

#### **2. Enhancement of managerial resources:**

- NSK will promote digital transformation (DX) to further enhance quality, technology, and operational capabilities, which are the source of NSK's competitiveness.
- We have adopted a manufacturing policy of "ultra-stabilization of production" and aim to create plants that do not produce defects and that operate non-stop.
- We will aim to maximize the value of our human capital through the appointment of diverse human resources, the development of digital human resources, and the allocation of the right personnel to the right places.

#### **3. ESG Management:**

- We aim to achieve carbon neutrality in terms of direct CO<sub>2</sub> emissions (Scope 1) and energy use (Scope 2) by 2035.
- We will contribute to the creation of a recycling-oriented society by providing environmentally friendly

products and services.

- We will further advance diversity and inclusion and reform of work styles to create a better working environment.
- We will strengthen group governance and deepen dialogue with stakeholders.

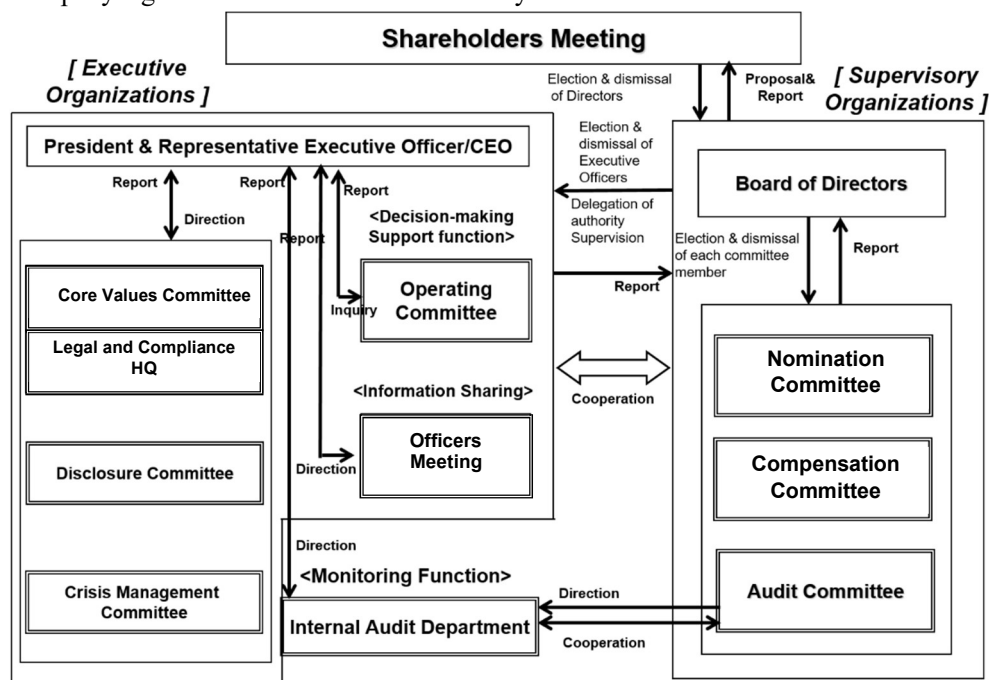
We will continue to “change and go beyond” on the above issues, and through corporate activities based on our corporate philosophy and the evolution of MOTION & CONTROL, we will continue to contribute to the resolution of social issues and the sustainable development of society.

## b) Endeavors to Enhance Corporate Governance

The Company 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 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, the Company 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. The Company is currently endeavoring to further improve its management transparency and soundness under a Company with Three Committees (Nomination, Audit and Compensation) structure, with each the three committees (nominating committee, audit committee, and compensation committee) comprised of an internal director and a majority of outside directors.

Each of the Company’s outside directors have been registered to the Tokyo Stock Exchange as independent directors.

The Company’s governance and internal control systems are outlined below:



## 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

Based on the resolution of the Annual Shareholders' Meeting held on June 30, 2020, the Company continues to take countermeasures (the “Plan”) regarding the large-scale purchase of the Company's shares. The Plan is effective through to the conclusion of the Annual General Meeting of Shareholders scheduled to be held in June 2023.

The Plan applies to any person ("Large-Scale Share Purchaser") who conducts or intends to conduct a purchase, etc. of the Company's shares, etc. for the purpose of increasing the ratio of voting rights of a specific group of shareholders to 20% or more ("Large-scale Share Purchase"). The Company requires a Large-Scale Share Purchaser who conducts or intends to conduct a Large-scale Purchase to comply with the procedures prescribed in this Plan ("Large-Scale Purchase Rules"). Large-scale Share Purchase Rules state that the Large-scale Share Purchaser can only commence the Large-scale Share Purchase after providing information necessary and sufficient for shareholders to make a decision and for the Board of Directors to evaluate etc., and, after providing this information, completion of a specified period during which the Board of Directors will evaluate and examine the proposal of the Large-scale Share Purchase, negotiate with the Large-scale Share Purchaser, form its opinion on the Large-scale Share Purchase and/or elaborate alternative proposals (the "Board of Directors' Evaluation Period").

In the case where the Large-scale Share Purchaser commences a Large-scale Share Purchase in compliance with the Large-scale Share Purchase Rules, the Board of Directors will, as a general rule, not trigger countermeasures to such Large-scale Share Purchase. The board of directors, however, may express its objections, etc., to shareholders. In addition, if such Large-scale Share Purchase is deemed to constitute an abusive acquisition, such as in the case that the Large-scale Share Purchaser is a "greenmailer," or in the case where it is judged that the purchasing method of the Company's suggested by the Large-scale Share Purchaser may force the selling of shares upon the Company's shareholders by restricting the opportunity or freedom of judgment by shareholders, such as a coercive two-tier purchase, such Large-scale Share Purchase is reasonably deemed to materially damage the Company's corporate value and shareholders' common interests, and the board of directors may trigger countermeasures.

On the other hand, in the case where the Large-scale Share Purchaser commences a Large-scale Share Purchase without complying with the Large-scale Share Purchase Rules, the Board of Directors may trigger countermeasures to secure and enhance its corporate value and its shareholders' common interests. Notwithstanding the foregoing, if the board of directors reasonably determines that it is practicable and is appropriate to hold a shareholders' meeting in order to confirm its shareholders' opinion and to have them decide whether to trigger countermeasures, the board of directors shall, after the expiration of the Board of Directors' Evaluation Period, hold a shareholders' meeting, and leave the shareholders to decide whether to trigger countermeasures.

When the board of directors decides on whether to trigger countermeasures, it shall take the following measures in order to secure the reasonableness and fairness of the board of directors' decision.

Before triggering the countermeasures, the board of directors shall consult with the Independent Committee regarding whether to trigger countermeasures, whereupon the Independent Committee shall make a recommendation and the board of directors shall follow this recommendation to the greatest extent possible. The board of directors shall unanimously resolve to trigger countermeasures at a board of directors' meeting at which all directors are present. Under the Plan, the Company will trigger an allotment of share options without contribution as a countermeasure.

Procedures related to the Plan are outlined on the Company website. With respect to the details of the Plan, please see the "Continuation of the Response Measures to Large-scale Purchases of the Company Shares (Takeover Defenses)" as of date June 2, 2020, which is published on the Company's website at the address below.

<https://www.nsk.com/company/governance/index.html>

#### **IV. Judgments of the Board of Directors and reasons therefor regarding the endeavors described above**

The endeavors described in [II] above are part of the Company's basic endeavors for the mid- to long-term improvement of the Company's corporate value, and have been undertaken for the purpose of enhancing the Company's corporate value and the common interests of its shareholders.

The endeavors described in [III] above have been introduced to require the Large-scale Share Purchaser to provide necessary information on the Large-scale Share Purchase, and secure the necessary period to evaluate

etc. the substance of the Large-scale Share Purchase in order to secure and enhance the Company's corporate value and the common interests of its shareholders. In the endeavors described in [III] above, by preventing large-scale share purchases that fall under a certain type outlined in the plan, we will refer to the basic policy of [I] above to prevent the decisions of our financial and business policies from being controlled by inappropriate persons. Furthermore, as described in [III] above, there is a general rule to triggering countermeasures that requires the Board of Directors to hold a shareholders' meeting. If the Board of Directors resolves to trigger the countermeasures, the Board of Directors shall respect the recommendation of the Independent Committee to the greatest extent possible, before coming to a unanimous resolution on triggering countermeasures at a Board of Directors' meeting at which all of the directors are present. As a result, a range of systems and procedures have been put in place to eliminate any arbitrariness in the Board of Directors' decision-making and to secure the reasonableness and fairness of the endeavors.

Therefore, the Board of Directors believes that the endeavors described in [II] and [III] above are consistent with the basic policy described in [I] above, do not damage the common interests of the Company's shareholders, and are not for the purpose of allowing the Company's directors to maintain their position.

### **(3) Policy on the Distribution of Cash Dividends**

NSK places great importance on shareholder returns. As part of the 6th Mid-Term Management Plan, spanning the three years beginning April 2019, we have aimed to provide stable dividends to our shareholders on an ongoing basis, and set the target of dividend payout ratio ranging from 30% to 50% as well as a per-share annual dividend of 40 yen or more on a consolidated basis. Also we regard treasury shares as an option to execute agile capital policy, and set a target of a total return ratio of 50% during the three-year period. We take into account the financial situation and so forth to make proper decisions for the execution.

Based on the policy stated above, we comprehensively took into account our business performance in this fiscal year and future business environment. As a result, the year-end dividends for the fiscal year ended March 31, 2022 will be changed to ¥15.00 per share. The dividends for the first half of the year, paid on December 3, 2021, was ¥10.00 per share. Accordingly, the full year dividends for the fiscal year ended March 31, 2022 will be ¥25.00 per share, a ¥5 increase from the fiscal year ended March 31, 2021.

**Consolidated Statement of Financial Position (Millions of yen)**

|                                                          | Fiscal 2021<br>(Year ended March 31, 2022) | Fiscal 2020(For Reference)<br>(Year ended March 31, 2021)  |
|----------------------------------------------------------|--------------------------------------------|------------------------------------------------------------|
| <b>Assets</b>                                            |                                            |                                                            |
| <b>Current assets</b>                                    |                                            |                                                            |
| Cash and cash equivalents                                | 137,504                                    | 176,638                                                    |
| Trade receivables and other receivables                  | 209,351                                    | 185,993                                                    |
| Inventories                                              | 196,736                                    | 150,046                                                    |
| Other financial assets                                   | 1,658                                      | 1,569                                                      |
| Accrued corporate income tax                             | 5,562                                      | 4,670                                                      |
| Other current assets                                     | 19,065                                     | 15,850                                                     |
| <b>Total current assets</b>                              | <b>569,879</b>                             | <b>534,769</b>                                             |
| <b>Non-current assets</b>                                |                                            |                                                            |
| Property, plant and equipment                            | 379,042                                    | 378,677                                                    |
| Intangible assets                                        | 43,987                                     | 42,872                                                     |
| Investments accounted for using equity method            | 30,824                                     | 29,773                                                     |
| Other financial assets                                   | 66,094                                     | 79,203                                                     |
| Deferred tax assets                                      | 15,128                                     | 10,962                                                     |
| Net defined benefit assets                               | 123,989                                    | 88,809                                                     |
| Other non-current assets                                 | 5,603                                      | 6,632                                                      |
| <b>Total non-current assets</b>                          | <b>664,672</b>                             | <b>636,930</b>                                             |
| <b>Total assets</b>                                      | <b>1,234,551</b>                           | <b>1,171,699</b>                                           |
|                                                          |                                            |                                                            |
|                                                          | Fiscal 2021<br>(Year ended March 31, 2022) | Fiscal 2020 (For Reference)<br>(Year ended March 31, 2021) |
| <b>Liabilities and equity debt</b>                       |                                            |                                                            |
| <b>Current liabilities</b>                               |                                            |                                                            |
| Trade and other payables                                 | 119,855                                    | 112,374                                                    |
| Other financial liabilities                              | 113,882                                    | 130,205                                                    |
| Provisions                                               | 516                                        | 318                                                        |
| Income tax payable                                       | 5,990                                      | 3,203                                                      |
| Other current liabilities                                | 56,758                                     | 54,888                                                     |
| <b>Total current liabilities</b>                         | <b>297,003</b>                             | <b>300,989</b>                                             |
| <b>Non-current liabilities</b>                           |                                            |                                                            |
| Financial liabilities                                    | 214,684                                    | 223,211                                                    |
| Provisions                                               | 3,050                                      | 2,919                                                      |
| Deferred tax liabilities                                 | 56,084                                     | 45,521                                                     |
| Net defined benefit liabilities                          | 17,714                                     | 17,349                                                     |
| Other non-current liabilities                            | 8,555                                      | 8,139                                                      |
| <b>Total non-current liabilities</b>                     | <b>300,088</b>                             | <b>297,140</b>                                             |
| <b>Total liabilities</b>                                 | <b>597,091</b>                             | <b>598,130</b>                                             |
| <b>Equity</b>                                            |                                            |                                                            |
| Issued capital                                           | 67,176                                     | 67,176                                                     |
| Capital surplus                                          | 80,374                                     | 80,338                                                     |
| Retained earnings                                        | 410,872                                    | 397,837                                                    |
| Treasury stock                                           | (37,025)                                   | (37,303)                                                   |
| Other components of equity                               | 46,402                                     | 46,467                                                     |
| <b>Total equity attributable to owners of the parent</b> | <b>617,800</b>                             | <b>554,516</b>                                             |
| <b>Non-controlling interests</b>                         | <b>19,659</b>                              | <b>19,052</b>                                              |
| <b>Total equity</b>                                      | <b>637,450</b>                             | <b>573,569</b>                                             |
| <b>Total liabilities and equity</b>                      | <b>1,234,551</b>                           | <b>1,171,699</b>                                           |

Note: 1. Figures listed above are rounded down to the nearest one million yen.

2. In the fiscal year ended March 31, 2022, the Company finalized the provisional accounting treatment for the business combination, and the related figures for the fiscal year ended March 31, 2021 reflect the details of the finalization of the provisional accounting treatment.

### Consolidated Profit and Loss (Millions of yen)

|                                                                       | Fiscal 2021<br>From April 1, 2021 to March 31, 2022 | Fiscal 2020 (For Reference)<br>From April 1, 2020 to March 31, 2021 |
|-----------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------|
|                                                                       | Amount                                              | Amount                                                              |
| Sales                                                                 | 865,166                                             | 747,559                                                             |
| Cost of sales                                                         | 695,440                                             | 621,318                                                             |
| Gross profit                                                          | 169,725                                             | 126,240                                                             |
| Selling, general and administrative expenses                          | 144,724                                             | 125,425                                                             |
| Share of profits of investments accounted for using the equity method | 3,785                                               | 4,076                                                               |
| Other operating income                                                | 10,225                                              | —                                                                   |
| Other operating expenses                                              | 9,582                                               | (1,472)                                                             |
| Operating income                                                      | 29,430                                              | 6,364                                                               |
| Financial income                                                      | 2,229                                               | 2,137                                                               |
| Financial expenses                                                    | 2,143                                               | 2,612                                                               |
| Profit before tax                                                     | 29,516                                              | 5,889                                                               |
| Income tax expense                                                    | 11,851                                              | 6,637                                                               |
| Net income(loss)                                                      | 17,664                                              | (748)                                                               |
| Net income attributable to:                                           |                                                     |                                                                     |
| Owners of the parent                                                  | 16,587                                              | 355                                                                 |
| Non-controlling interests                                             | 1,077                                               | (1,103)                                                             |

Note: Figures listed above are rounded down to the nearest one million yen. Figures in brackets ( ) indicate negative

### (Reference)Consolidated Cash flow(Millions of yen)

|                                                     | Fiscal 2021<br>From April 1, 2021 to March 31, 2022 | Fiscal 2020 (For Reference)<br>From April 1, 2020 to March 31, 2021 |
|-----------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------|
| Cash flow from operating activities                 | 22,733                                              | 53,842                                                              |
| Cash flow from investing activities                 | (19,973)                                            | (51,096)                                                            |
| Cash flow from financing activities                 | (48,224)                                            | 29,992                                                              |
| Conversion difference for cash and cash equivalents | 6,330                                               | 6,602                                                               |
| Increase/decrease in cash and cash equivalents      | (39,133)                                            | 39,340                                                              |
| Opening balance of cash and cash equivalents        | 176,638                                             | 137,298                                                             |
| Ending balance of cash and cash equivalents         | 137,504                                             | 176,638                                                             |

Note: Figures listed above are rounded down to the nearest one million yen.

**Balance Sheet**
**(Millions of yen)**

|                                     | Fiscal 2021<br>From April 1, 2021 to March 31, 2022 | Fiscal 2020 (For Reference)<br>From April 1, 2020 to March 31, 2021 |
|-------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------|
| <b>Assets</b>                       |                                                     |                                                                     |
| Current assets                      | 266,654                                             | 261,977                                                             |
| Cash and deposit                    | 21,727                                              | 25,383                                                              |
| Bills receivable                    | 4,243                                               | 4,529                                                               |
| Electronically recorded receivables | 19,876                                              | 18,098                                                              |
| Accounts receivable                 | 78,904                                              | 77,896                                                              |
| Securities                          | 43,000                                              | 47,000                                                              |
| Products                            | 31,031                                              | 24,562                                                              |
| Work in Progress                    | 19,926                                              | 15,984                                                              |
| Raw materials and supplies          | 4,779                                               | 4,378                                                               |
| Accounts receivable                 | 34,896                                              | 34,271                                                              |
| Other current assets                | 10,294                                              | 10,820                                                              |
| Allowance for doubtful accounts     | (2,026)                                             | (947)                                                               |
| Non-current assets                  | 449,117                                             | 455,151                                                             |
| Property, plant and equipment       | 137,115                                             | 136,871                                                             |
| Building                            | 42,813                                              | 43,209                                                              |
| Structures                          | 2,628                                               | 2,642                                                               |
| Machinery and equipment             | 58,633                                              | 59,375                                                              |
| Vehicles and delivery equipment     | 360                                                 | 507                                                                 |
| Tools, equipment and fixtures       | 4,033                                               | 4,936                                                               |
| Land                                | 18,474                                              | 18,352                                                              |
| Lease assets                        | 1,973                                               | 1,903                                                               |
| Construction in progress            | 8,236                                               | 5,942                                                               |
| Intangible fixed assets             | 11,200                                              | 11,003                                                              |
| Lease-hold                          | 930                                                 | 934                                                                 |
| Other intangible fixed assets       | 10,270                                              | 10,069                                                              |
| Investment and other assets         | 300,760                                             | 307,276                                                             |
| Investment securities               | 50,171                                              | 62,671                                                              |
| Stock of subsidiaries               | 146,151                                             | 147,630                                                             |
| Investment in affiliated companies  | 45,129                                              | 45,129                                                              |
| Long-term loan                      | 6,228                                               | 4,337                                                               |
| Long-term prepaid expenses          | 577                                                 | 263                                                                 |
| Prepaid pension cost                | 50,715                                              | 44,193                                                              |
| Other                               | 1,955                                               | 3,219                                                               |
| Allowance for doubtful accounts     | (168)                                               | (168)                                                               |
| <b>Total assets</b>                 | <b>715,771</b>                                      | <b>717,129</b>                                                      |

Note: Figures listed above are rounded down to the nearest one million yen.

(Liabilities listed on the following page)

(Millions of yen)

|                                                        | Fiscal 2021<br>From April 1, 2021 to March 31, 2022 | Fiscal 2020 (For Reference)<br>From April 1, 2020 to March 31, 2021 |
|--------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------|
| Liabilities                                            |                                                     |                                                                     |
| Current liabilities                                    | 219,083                                             | 226,912                                                             |
| Bill of payment                                        | 2,004                                               | 1,460                                                               |
| Electronically recorded debt                           | 10,363                                              | 10,093                                                              |
| Accounts payable                                       | 73,061                                              | 72,584                                                              |
| Short-term debts                                       | 91,015                                              | 102,128                                                             |
| Corporate bonds                                        | 10,000                                              | 10,000                                                              |
| Lease liabilities                                      | 482                                                 | 463                                                                 |
| Other payable                                          | 11,907                                              | 11,186                                                              |
| Accrued expenses                                       | 15,202                                              | 14,773                                                              |
| Income taxes payable                                   | 2,999                                               | 2,771                                                               |
| Deposit                                                | 684                                                 | 728                                                                 |
| Asset retirement obligations                           | 145                                                 | —                                                                   |
| Other current liabilities                              | 1,216                                               | 721                                                                 |
| Non-current Liabilities                                | 205,202                                             | 216,257                                                             |
| Corporate bonds                                        | 110,000                                             | 120,000                                                             |
| Long-term debts                                        | 75,500                                              | 76,500                                                              |
| Lease liabilities                                      | 1,600                                               | 1,553                                                               |
| Deferred tax liabilities                               | 13,545                                              | 13,120                                                              |
| Provision for employee stock benefits                  | 158                                                 | 120                                                                 |
| Provision for officer stock benefits                   | 1,518                                               | 1,680                                                               |
| Reserves for environmental measures                    | 863                                                 | 1,042                                                               |
| Asset retirement obligation                            | —                                                   | 144                                                                 |
| Other fixed liabilities                                | 2,017                                               | 2,094                                                               |
| Total liabilities                                      | 424,286                                             | 443,169                                                             |
| Net assets                                             |                                                     |                                                                     |
| Equity attributable to owners of the parent            | 263,936                                             | 239,729                                                             |
| Capital                                                | 67,176                                              | 67,176                                                              |
| Capital surplus                                        | 78,962                                              | 78,977                                                              |
| Legal capital surplus                                  | 77,923                                              | 77,923                                                              |
| Other retained surplus                                 | 1,039                                               | 1,054                                                               |
| Retained earnings                                      | 154,498                                             | 130,560                                                             |
| Benefit reserve                                        | 10,292                                              | 10,292                                                              |
| Other retained earnings                                | 144,205                                             | 120,267                                                             |
| Reserve for advanced depreciation of noncurrent assets | 4,110                                               | 3,808                                                               |
| General reserve                                        | 99,766                                              | 93,766                                                              |
| Retained earnings brought forward                      | 40,329                                              | 22,693                                                              |
| Treasury shares                                        | (36,700)                                            | (36,985)                                                            |
| Valuation and translation adjustments                  | 27,217                                              | 33,825                                                              |
| Valuation difference on available-for-sale securities  | 27,217                                              | 33,825                                                              |
| Stock acquisition rights                               | 330                                                 | 405                                                                 |
| Total net assets                                       | 291,484                                             | 273,959                                                             |
| Total liabilities and net assets                       | 715,771                                             | 717,129                                                             |

Note: Figures listed above are rounded down to the nearest one million yen.

**Profit and Loss**
**(Millions of yen)**

|                                                                 | Fiscal 2021<br>From April 1, 2021 to March 31, 2022 |                     | Fiscal 2020 (For Reference)<br>From April 1, 2020 to March 31, 2021 |                     |
|-----------------------------------------------------------------|-----------------------------------------------------|---------------------|---------------------------------------------------------------------|---------------------|
|                                                                 | Amount                                              | Ratio to sales<br>% | Amount                                                              | Ratio to sales<br>% |
| Net Sales                                                       | 446,623                                             | 100.0               | 389,199                                                             | 100.0               |
| Cost of sales                                                   | 368,659                                             | 82.5                | 328,507                                                             | 84.4                |
| Gross profit                                                    | 77,964                                              | 17.5                | 60,692                                                              | 15.6                |
| Selling, general and administrative expenses                    | 69,820                                              | 15.6                | 63,800                                                              | 16.4                |
| Operating profit and operating loss                             | 8,143                                               | 1.8                 | (3,108)                                                             | (0.8)               |
| Non-operating income                                            | 22,860                                              | 5.1                 | 21,974                                                              | 5.6                 |
| Interest income and dividends                                   | 22,243                                              |                     | 21,147                                                              |                     |
| Miscellaneous profit                                            | 616                                                 |                     | 827                                                                 |                     |
| Non-operating expenses                                          | 4,161                                               | 0.9                 | 3,536                                                               | 0.9                 |
| Interest expense                                                | 1,630                                               |                     | 1,631                                                               |                     |
| Provision allowance for doubtful accounts                       | 991                                                 |                     | 807                                                                 |                     |
| Miscellaneous losses                                            | 1,539                                               |                     | 1,097                                                               |                     |
| Ordinary income                                                 | 26,842                                              | 6.0                 | 15,329                                                              | 3.9                 |
| Special profit                                                  | 17,727                                              | 4.0                 | 4,554                                                               | 1.2                 |
| Gain on sales of property, plant and equipment                  | 9,552                                               |                     | —                                                                   |                     |
| Gain on sale of investment securities                           | 8,174                                               |                     | 2,177                                                               |                     |
| Reversal of allowance for expenses related to anti-monopoly act | —                                                   |                     | 2,376                                                               |                     |
| Extraordinary loss                                              | 2,151                                               | 0.5                 | 96                                                                  | 0.0                 |
| Loss on valuation of affiliated company stock                   | 1,151                                               |                     | —                                                                   |                     |
| Impairment loss                                                 | 866                                                 |                     | —                                                                   |                     |
| Provision for environmental measures                            | 133                                                 |                     | 96                                                                  |                     |
| Income before income taxes                                      | 42,417                                              | 9.5                 | 19,787                                                              | 5.1                 |
| Corporate tax, resident tax and business tax                    | 4,676                                               | 1.0                 | 3,069                                                               | 0.8                 |
| Income tax adjustment                                           | 3,361                                               | 0.8                 | 539                                                                 | 0.1                 |
| Total corporate taxes                                           | 8,038                                               | 1.8                 | 3,609                                                               | 0.9                 |
| Net income                                                      | 34,379                                              | 7.7                 | 16,178                                                              | 4.2                 |

Note: Figures listed above are rounded down to the nearest one million yen.