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(Commencement date of electronic provision measures: May 29, 2026)

**OTHER MATTERS SUBJECT TO ELECTRONIC
PROVISION MEASURES FOR
THE FISCAL 2025 (165th) ORDINARY GENERAL
MEETING OF SHAREHOLDERS
(MATTERS OMITTED FROM THE PAPER COPY OF
MEETING MATERIALS)**

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(From April 1, 2025 to March 31, 2026)

NSK Ltd.

Consolidated Financial Statements: Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent			
	Issued capital	Capital surplus	Retained earnings	Treasury shares
Opening balance	67,176	78,174	375,003	(10,310)
Net income	—	—	22,867	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	22,867	—
Purchase of treasury shares	—	—	—	(9)
Disposal of treasury shares	—	(3)	—	499
Share-based payment transactions	—	(470)	260	—
Cash dividends	—	—	(16,645)	—
Changes by business combination	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	10,502	—
Total transactions with owners, etc.	—	(473)	(5,882)	490
Closing balance	67,176	77,700	391,988	(9,820)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Other components of equity							
	Exchange differences on translating foreign operations	Cash flow hedges	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of net defined benefit liability (asset)	Total			
Opening balance	60,939	(356)	17,209	63,625	141,417	651,462	17,727	669,189
Net income	—	—	—	—	—	22,867	1,440	24,308
Other comprehensive income	31,233	51	7,452	(24,724)	14,013	14,013	926	14,939
Total comprehensive income for the period	31,233	51	7,452	(24,724)	14,013	36,881	2,366	39,248
Purchase of treasury shares	—	—	—	—	—	(9)	—	(9)
Disposal of treasury shares	—	—	—	—	—	496	—	496
Share-based payment transactions	—	—	—	—	—	(209)	—	(209)
Cash dividends	—	—	—	—	—	(16,645)	(1,133)	(17,778)
Changes by business combination	—	—	—	—	—	—	1,199	1,199
Transfer from other components of equity to retained earnings	—	—	(9,560)	(941)	(10,502)	—	—	—
Total transactions with owners, etc.	—	—	(9,560)	(941)	(10,502)	(16,368)	66	(16,302)
Closing balance	92,172	(304)	15,101	37,960	144,929	671,975	20,160	692,135

(Note) Figures listed above are rounded down to the nearest million yen.

Notes to the Consolidated Financial Statements

Other important information on the basis for preparing the consolidated financial statements

1. Standards for Preparation of Consolidated Financial Statements

Consolidated Financial Statements of the NSK Group are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") pursuant to Article 120, Paragraph 1 of the Rules of Corporate Accounting. However, there are some omissions of disclosure items designated by IFRS pursuant to the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting.

2. Scope of Consolidation

(1) Consolidated subsidiaries

The Company has 90 consolidated subsidiaries.

Major consolidated subsidiaries:

Amatsuji Steel Ball Mfg. Co., NSK Steering Systems Co., Ltd., NSK Americas, Inc., NSK Brasil Ltda.,
NSK Europe Ltd., NSK (China) Investment Co., Ltd., Kunshan NSK Co., Ltd.,
Pt. NSK Bearings Manufacturing Indonesia, NSK Korea Co., Ltd.

(2) Equity-method affiliated companies

The Company has 13 equity-method affiliates.

In addition to the above, there are 5 subsidiaries of equity-method affiliates with material impact to the consolidated financial statements and is included in the profit and loss of equity-method affiliates.

Major equity-method affiliates:

NSK-Warner K. K., Inoue Jikuu Kogyo Co., Ltd.

(3) Changes in consolidation and affiliation

Consolidated subsidiaries

Increase due to stock acquisition :	13 companies
Increase due to new establishment :	1 company (NSK Steering & Control India Private Ltd.)
Decrease due to dormancy :	1 company (NSK New Zealand Ltd.)

Equity-method affiliates and their subsidiaries

Increase due to stock acquisition :	1 company (RT Corporation)
Decrease due to stock acquisition :	13 companies

On September 1, 2025, the Company acquired all shares of NSK Steering & Control Inc. (hereinafter "NS&C"), an equity-method affiliate, from Japan Industrial Solutions III Investment Limited Partnership (hereinafter "JIS"). As a result, NS&C and its subsidiaries have become consolidated subsidiaries of the Company.

3. Matters relating to accounting principles and standards

(1) Valuation rules and methods for significant assets

I. Trade receivables and other receivables

Trade receivables and other receivables are initially recognised on the day on which they arise, and are measured at fair value at initial recognition. They are measured thereafter at amortised cost using the effective interest method less allowance for doubtful accounts with respect to impairment.

Changes in the allowance for doubtful accounts are recognised in net income.

II. Other financial assets

Financial assets are recognised on the day on which the NSK Group becomes the party to the contract (trade date). They are classified either as financial assets measured at amortised cost or as financial assets measured at fair value through net income or other comprehensive income. The classification is determined at initial recognition. All financial instruments other than those classified as “financial assets measured at amortised cost” are classified as “financial assets measured at fair value.” Financial assets measured at fair value except held-for-trading equity financial assets and derivative assets are designated either as measured at fair value through other comprehensive income or as measured at fair value through profit or loss and this designation is applied consistently.

At the end of the reporting period, classified and measured change in the fair value of financial assets that have been designated as measured at fair value through other comprehensive income is recognised in fair value as other comprehensive income, and financial assets that have been designated as measured at fair value through net income are recognised as net income. Dividends from financial assets are recognised as finance income.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset are expired or when the rights to receive cash flows from the financial asset are transferred and substantially all risks and rewards of ownership of the financial asset are transferred.

III. Inventories

Inventories are measured at the lower of cost or net realisable value. Cost consists of raw material costs, direct labor costs, and other direct costs and appropriate allocation of indirect costs of manufacturing. Net realisable value is the estimated selling price, less estimated selling expenses.

The cost of merchandise, finished goods, work in progress, and raw materials are calculated using the weighted average method, and the cost of supplies is calculated using the first-in first-out method.

(2) Accounting principles for depreciation of material depreciable assets

Property, plant and equipment

The straight-line method is used to calculate depreciation of depreciable assets.

(3) Accounting principles for material allowances

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the consideration required to settle the present obligation at the end of the reporting period. The present value is recognised at a discounted rate that takes into account the time value of money and the specific risks and uncertainties surrounding the obligation.

(4) Accounting principles for retirement benefit obligations

The Company and the NSK Group maintains defined benefit plans and defined contribution plans.

I. Defined benefit plans

Defined benefit plans are calculated by estimating the future benefit amount earned by employees in exchange for the service they have provided in prior years and the current year. Net defined benefit assets or liabilities are recognised as the present value of the defined benefit obligation less the fair value of plan assets. If a defined benefit plan is overfunded, the net defined benefit

asset is capped at the present value of the economic benefits available as a return from the plan or reduction in future contributions to the plan. The present value of the defined contribution obligations and retirement benefit obligations are calculated using the projected unit credit method, and the discount rate is determined by reference to market yields at the end of the consolidated fiscal year of high-quality corporate bonds.

Current and past service cost and net interest on the net defined benefit liability (assets) are recognised in profit and loss. Actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling excluding the portion included in interest expense are recognised as remeasurements concerning defined benefit plans as other comprehensive income in the period in which they arose.

II. Defined contribution plans

Cost for defined contribution plans is recognised as expenses in the period during which services were rendered by employees.

(5) Revenue recognition

The NSK Group has adopted IFRS 15 “Revenue from Contracts with Customers” and except for revenue including interest and dividends income, etc. under IFRS 9 “Financial Instruments,” revenue from contracts with customers is recognised by applying the following five-step approach:

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when the entity satisfies a performance obligation

The NSK Group engages in the production and sale of industrial machinery bearings, precision machinery and parts, condition monitoring systems, etc., bearings for car manufacturers and automotive component manufacturers, automotive components, and steering systems and related products for car manufacturers etc. For sales of products such as bearings, because the customer obtains control over the products upon delivery, the performance obligation is judged to have been satisfied and revenue is therefore recognised upon delivery of the products. For transactions in which control of products and services, etc. is transferred over time, such as the provision of condition monitoring systems and services, considering the nature of such products and services provided to customers, revenue is recognised by measuring progress toward complete satisfaction of performance obligations based on the output method and the input method. Revenue is measured by the amount after excluding discounts, rebates, and returned products from the value set forth in contracts with customers.

(6) Conversion of credit and liabilities in foreign currencies to Japanese currency

I. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of transaction or a rate that approximates such rate.

All foreign currency monetary assets and liabilities denominated at the end of the period are re-translated into the functional currency at the spot exchange rate as at the end of the period, and the resulting difference is recognised as net income.

II. Financial statements of foreign operation

Assets and liabilities of foreign operations are translated into Japanese Yen using the exchange rate at the end of the period, and income and expenses are translated into Japanese Yen using the average exchange rate during the period.

Foreign exchange translation differences arising from the translation of financial statements of foreign operation are recognised in other comprehensive income. In cases where a foreign operation is disposed of, the cumulative amount of foreign exchange translation differences relating to such foreign operation is reclassified to net income at the time of disposal.

Notes on Accounting Estimates

In preparing the financial statements in accordance with IFRS, the Company applies accounting policies and makes judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses. Actual results may differ materially from these estimates. These estimates and assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates will be recognised in the accounting period in which the estimates are changed and in future accounting periods.

Estimates and judgments that have a material impact on the amounts recognised in the consolidated financial statements are as follows.

1. Recoverability of deferred tax assets

(1) Account title and amount recorded for the current accounting period

Account title	Amount
Deferred tax assets	¥11,843 million
Deferred tax liabilities	¥14,795 million

(2) Other information contributing to the understanding of the content of the estimate

I. Method of calculation

For future deductible temporary differences, the recoverability of deferred tax assets is determined based on taxable income based on future profitability and tax planning. Estimates of taxable income take into account expected sales and sales growth rates.

II. Key assumptions

The key assumptions used in future business planning as the basis for estimating taxable income are expected sales and sales growth rates. The forecasted net sales take into account the expected orders received from major customers and market trends in each business segment. The sales growth rate is estimated by taking into account market conditions with reference to available external data.

III. Impact on the consolidated financial statements for the next fiscal year

Although the forecasted net sales and sales growth rates are calculated based on the best estimates of management, the actual results may differ due to the results of uncertain future changes in economic conditions, etc. If a significant revision is required, it may have a significant impact on the amounts recognised in the consolidated financial statements for the following fiscal year.

2. Measurement of defined benefit plan obligations

(1) Account title and amount recorded for the current fiscal year

Account title	Amount
Net defined benefit assets	¥29,504 million
Net defined benefit liabilities	¥17,294 million

(2) Other information contributing to the understanding of the content of the estimate

The Company and some of its domestic subsidiaries have defined benefit pension plans and lump-sum payment plans to provide post-retirement benefits to their employees. Certain overseas subsidiaries, such as those in the United Kingdom, also maintain defined benefit plans.

The present value of the defined benefit plan obligations and related service cost, etc. are calculated based on actuarial assumptions. The actuarial assumptions include various estimates such as discount rate, retirement rate, mortality rate, and salary increase rate. The Group obtains advice from external actuaries on the appropriateness of actuarial assumptions, including these variables. Such estimates are based on management's best estimates. However, actual results may differ due to the results of uncertain future changes in economic conditions and other factors, as well as revisions and promulgation of related laws and regulations. If a significant revision becomes necessary, it may have a significant impact on the amounts recognised in the consolidated financial statements for the next and subsequent fiscal years.

3. Fair value measurement of financial instruments such as unlisted equity securities etc.

Amount recorded in the current fiscal year ¥8,763 million

In assessing the fair value of certain financial instruments, the Group uses valuation techniques that utilise inputs that are not based on observable market data. Inputs that are not based on observable market data may be affected by the outcome of uncertain future changes in economic conditions and other factors, and if a significant revision is required, it may have a material impact on the consolidated financial statements.

Notes to the Consolidated Statement of Financial Position

1. Accumulated depreciation of property, plant and equipment	¥964,778 million
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2. Provisions

Summary of the Company's Provisions

Restructuring provision	¥5,639 million
Reserves for environmental measures	¥1,934 million
Other	¥263 million

Restructuring provision

The expenses related to the reorganisation of production sites resulting from the structural reforms in European operations have been recorded.

Reserves for environmental measures

Estimated costs involved with disposing of asbestos and polychlorinated biphenyl (PCB) and other materials have been recorded. Expected outflow of economic benefits in the future is within one year from the end date of each reporting period.

Notes to Consolidated Statement of Income

1. Other operating income

Main components of other operating income in the consolidated fiscal year are as follows.

	Amount (Millions of yen)
Gain on bargain purchase	8,527
Foreign exchange gains	611
Others	926
Total	10,065

(Note) The “Gain on bargain purchase” is stated in Notes on business combinations.

2. Other operating expenses

Main components of other operating expenses in the consolidated fiscal year are as follows.

	Amount (Millions of yen)
Loss on step acquisition	4,662
Others	257
Total	4,919

(Note) The “Loss on step acquisition” is stated in Notes on business combinations.

Notes to the Consolidated Statement of Changes in Equity

1. Type of shares and total number of issued shares at the end of the consolidated fiscal year

Common stock 500,000,000 shares

2. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
May 23, 2025 Board of Directors	Common stock	8,436	17.00	March 31, 2025	June 6, 2025
November 4, 2025 Board of Directors	Common stock	8,477	17.00	September 30, 2025	December 4, 2025
Total		16,914			

(Note) The total amount of dividends includes dividend of ¥268 million paid to the Company's shares held in the trust account of the Board Benefit Trust.

(2) Regarding dividends with a record date within the consolidated fiscal year but with an effective date in the following consolidated fiscal year, the following distribution of capital surplus is to be proposed and deliberated at the Board of Directors meeting to be held on May 28, 2026.

I. Total amount of dividend	¥8,477 million
II. Financial source of dividend	Retained earnings
III. Dividend per share (yen)	¥17.00
IV. Record date	March 31, 2026
V. Effective date	June 8, 2026

(Note) The total amount of dividend based on the resolution to be proposed at the meeting of the Board of Directors to be held on May 28, 2026 includes dividend of ¥149 million paid to the Company's shares held in the trust account of the Board Benefit Trust.

Notes to the Statement of Financial Instruments

1. Financial Instruments

Management of financial risks

The NSK Group is exposed to financial risks (i.e. market risks, credit risks, and liquidity risks) in the course of conducting its business activities. The NSK Group executes risk management based on certain policies to deal with such risks.

(1) Market risks

I. Foreign exchange risks

The NSK Group, which is engaged in business activities on an international scale, is exposed to the risk of fluctuations in the exchange rates of various currencies, mainly in relation to the US Dollar and the Euro. Foreign exchange risks arise from recognised assets and liabilities denominated in foreign currencies.

In order to tackle exchange rate fluctuation risks, NSK Group companies seek to strike a balance between foreign currency receivables and payables and hedge risks through forward exchange contract as necessary in accordance with internal rules.

II. Interest rate risk

Some of NSK Group's borrowings are borrowings with floating rates and are exposed to the risk of interest rate fluctuations. Interest risks are also hedged by using derivatives transactions (interest swap transactions) as necessary in accordance with internal rules.

III. Price risks

The NSK Group holds equity instruments (shares) of entities primarily with which it has a business relationship, and is exposed to share price fluctuation risks. The market value, the issuer's financial position, etc. are identified periodically with respect to equity instruments (shares), and the holding status is reviewed on an ongoing basis in consideration of its customers and financial institutions with which it has dealings.

(2) Credit risks

Trade receivables are exposed to customer credit risks. The NSK Group seeks to quickly identify and mitigate the risk of default in relation to customers' contractual obligation by such means as periodically monitoring the status of major customers.

At the end of the current consolidated fiscal year, the maximum amount of credit risk is the balance sheet amount of financial assets that are exposed to credit risks.

Also, the NSK Group manages past-due trade receivables by treating them as high-risk and monitors the status of customers.

There are no significant assets that are held as collateral or as part of other credit enhancements with respect to financial assets.

(3) Liquidity risks

The NSK Group is exposed to liquidity risk, which is risk of not earning enough cash and thus having difficulties in performing the obligation to pay financial liabilities. The NSK Group manages liquidity risks by such means as preparing and updating a financial plan in a timely manner based on reports from each department and major consolidated subsidiaries and maintaining liquidity in hand at an adequate level. Such risks are deemed to be limited in the NSK Group, given that it has established a ¥40,000 million line of commitment with financial institutions and has secured a ¥50,000 million facility for issuing commercial papers, in addition to its ability to generate cash flows through operating activities.

2. Carrying amount and fair value

The carrying amount and fair value of financial assets and liabilities are as follows.

The fair value of financial assets/liabilities measured at amortised cost other than corporate bonds and long-term debt is not included because they are close to their book values.

In addition, financial instruments that are measured at fair value on a recurring basis are not included because their fair value and book value are the same.

(Millions of yen)		
	Carrying amount	Fair value
Financial liabilities		
Long-term debts	70,442	67,587
Corporate bonds	158,000	151,460

The fair value of trade receivables and other receivables, trade payables and other payables and short-term debts is deemed to be equal to their carrying amount as they are mainly instruments that are settled within a short-term period.

Among investment securities, the fair value of listed shares for which an active market exists is calculated based on the price at exchanges. The fair value of unlisted shares for which no active market exists is mainly calculated by using a price multiple valuation model based on price book-value ratio. Also, an illiquidity discount of 30%, which is an unobservable input, is used for measuring the fair value of unlisted shares.

Among derivative financial assets and liabilities, forward exchange contracts and interest rate swaps are based on the valuation presented by financial institutions with which the contracts were concluded.

The fair value of long-term debt is calculated based on the present value calculated by discounting the sum of the principal and interest by the interest rate that takes into account the remaining period and credit risk of such long-term debt. However, for long-term debt with variable interest rates, the interest rate is revised at certain intervals, and the fair value is approximately equal to the book value. Therefore, the fair value is based on the book value.

The fair value of the bonds issued by the Company was estimated based on market prices.

3. Matters relating to the fair value of financial instruments by level of fair value, etc.

The fair value hierarchy of financial instruments is classified from Level 1 to Level 3 as follows.

Level 1: Fair value measured at quoted market prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Fair value of the asset or liability measured using directly observable inputs or indirectly observable inputs other than quoted market prices included in Level 1.

Level 3: Fair value of the asset or liability measured by inputs that are not based on observable market data.

The hierarchical classification of the Group's financial assets and liabilities measured at fair value or for which fair value is disclosed is as follows.

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through other comprehensive income				
Shares and other securities	24,236	—	8,635	32,871
Financial assets at fair value through profit or loss				
Derivative financial assets	—	26	—	26
Other financial assets	—	—	127	127
Financial liabilities				
Financial liabilities measured at amortised cost				
Long-term debt	—	67,587	—	67,587
Corporate bonds	—	151,460	—	151,460
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	—	434	—	434
Derivatives to which hedge accounting is applied				
Derivative financial liabilities	—	457	—	457

Financial assets classified as Level 1 are listed stocks and other securities.

Financial assets classified as Level 2 are forward exchange contracts, and financial liabilities are borrowings, bonds, forward exchange contracts, and interest rate swaps.

Financial assets classified as Level 3 include unlisted equity securities.

The Group recognises transfers between levels of these assets and liabilities at the end of each reporting period.

Per Share Information

- | | |
|--|-----------|
| 1. Equity per share attributable to owners of the Parent | ¥1,373.28 |
| 2. Basic net income per share | ¥46.75 |

Notes on Revenue Recognition

(1) Breakdown of Earnings

On September 1, 2025, the Company acquired all shares of NS&C, an equity-method affiliate of the Company, that globally oversees the steering business from JIS. As a result, NS&C and its subsidiaries have become consolidated subsidiaries of the Company. Accordingly, the "Steering Business" has been added as a new reportable segment. The Group's operations consist of the Industrial Machinery, Automotive and Steering businesses, which are subject to periodic review by the Company's Board of Directors to determine the allocation of management resources and evaluate their performance.

Revenues are broken down by region for these reportable segments as follows.

(Millions of yen)

	Reportable segments				Others	Total
	Industrial Machinery Business	Automotive Business	Steering Business	Subtotal		
Japan	83,914	156,247	29,899	270,061	16,887	286,949
Americas	65,887	91,543	25,551	182,981	168	183,149
Europe	58,201	32,200	29,432	119,834	6,865	126,699
China	112,245	66,949	10,886	190,080	4,410	194,490
Other Asia	57,242	56,364	4,784	118,391	1,963	120,355
Total	377,491	403,304	100,554	881,349	30,294	911,644

(Note) 1 Sales are based on the customers' location and categorised by either countries or regions.

2 The categories of the countries or the regions are based on their relative proximity.

3 Major countries or regions other than Japan and China:

Americas: U.S.A., Canada, Mexico, Brazil, etc.

Europe: U.K., Germany, Poland, and other European countries, etc.

Other Asia: East and South East Asia (apart from Japan and China), India, Australia, etc.

4 "Others" refers to operating segments excluded from the reportable segments and includes businesses such as the production and sales of steel balls and production of machineries.

The Industrial Machinery Business manufactures and sells bearings, precision machinery-related products, and condition monitoring systems to general industries, etc., the Automotive Business manufactures and sells bearings and automotive parts to automobile and automotive parts manufacturers and the Steering Business manufactures and sells steering systems and related products for car manufacturers. For sales of products such as bearings, revenue is recognised when control of the goods is transferred to the customer, i.e., when the goods are delivered to the location designated by the customer. For transactions in which control of products and services, etc. is transferred over time, such as the provision of condition monitoring systems and services, considering the nature of such products and services provided to customers, revenue is recognised by measuring progress toward complete satisfaction of performance obligations based on the output method and the input method. Payment is received primarily within three months after delivery to the customer, and the amount of consideration promised does not include a significant financial component.

The Group determines the transaction price of goods at the inception of each transaction with each customer. However, there are some rebates based on transaction volume and other factors over a certain period of time, and the transaction price is adjusted for these variable consideration amounts based on contractual terms and conditions.

(2) Outstanding contracts

The Group's contract balances are primarily receivables arising from contracts with customers.

(3) Transaction prices allocated to remaining performance obligations

Since the Group does not recognise any significant transactions with an initial expected contract period exceeding one year, the practical expedient method is applied and no information regarding residual performance obligations is disclosed. In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

Notes on business combinations

(1) Outline of the business combination

On September 1, 2025, the Company acquired all shares of NS&C, an equity-method affiliate, from JIS. NS&C and its subsidiaries have become consolidated subsidiaries of the Company. As a result, the ratio of voting rights of NS&C held by the Company rose from 49.9% to 100%. The Company owns all the voting rights of NS&C.

(2) Name of the acquired company and its business

I. Name of the acquired company: NSK Steering & Control, Inc.

II. Business activities: Sales and R&D of automotive parts

Manufacturing, sales, development and design of electronic components and software

(3) Date of acquisition

September 1, 2025

(4) Method of acquisition of the acquired company

Acquisition of shares with cash as consideration

(5) Main reason for the business combination

NS&C was a consolidated subsidiary overseeing NSK's global steering business. Since August 1, 2023, NS&C has become an equity method affiliate with JIS holding 50.1% of the voting rights and NSK holding 49.9%. JIS and NSK have been working on various improvement measures.

Approximately two years have passed since the new structure, and out of the four improvement measures, "Further structural reforms to improve profitability", "Promote independent operation (review governance structure and processes)" and "Strengthen monitoring system" are on track to be achieved and a profitable business structure has been realised as NS&C has turned profitable on a consolidated basis for the fiscal year ended March 31, 2025.

On the other hand, the business environment surrounding the automotive parts industry has changed dramatically in recent years, requiring a more agile response than ever before. Therefore, NSK has decided to move forward with the transaction to take initiative to work on the last improvement measure, "Explore opportunities for alliances with strategic partners". After the transaction, NS&C will continue to be maintained a stand-alone company within the NSK Group and will work to further strengthen its corporate structure.

(6) Consideration transferred and its components

(Millions of yen)

	Amount
Fair value of equity interests held before the date of acquisition	13,273
Payment by cash	24,760
Total of the consideration transferred	38,033

(7) Fair value of assets acquired, liabilities assumed and consideration paid as of the acquisition date

(Millions of yen)

	Provisional	Change	Final
Total of the consideration transferred for the acquired shares	38,033	—	38,033
Loans to the acquired company	30,715	—	30,715
Total	68,748	—	68,748
Cash and cash equivalents	22,111	—	22,111
Trade receivables and other receivables	40,668	—	40,668
Inventories	24,494	105	24,599
Property, plant and equipment	31,567	2,871	34,438
Goodwill and intangible assets	2,574	(2,172)	401
Other assets	14,119	1,878	15,997
Total assets	135,535	2,683	138,218
Trade payables and other payables	35,606	—	35,606
Other liabilities	22,878	1,257	24,136
Total liabilities	58,485	1,257	59,742
Equity	77,050	1,425	78,475
Non-controlling interests	1,028	171	1,199
Gain on bargain purchase	(7,272)	(1,254)	(8,527)

(Note)1 Non-controlling interests are measured at the proportionate share of the fair value of the acquired company's identifiable total equity.

2 The fair value of assets acquired, liabilities assumed had not yet been measured at the date of acquisition and were therefore provisionally calculated. The Company completed the fair value measurement of the acquired assets and assumed liabilities, and finalised the purchase price allocation during this fiscal year. The finalisation of this provisional accounting treatment increased property, plant and equipment by ¥2,871 million and decreased goodwill and intangible assets by ¥2,172 million, and increased gain on bargain purchase by ¥1,254 million.

3 Gain on bargain purchase resulting from this acquisition was incurred as the fair value of the equity acquired exceeded the consideration transferred for the acquired shares and is recorded as "Other operating income" in the consolidated statement of income.

(8) Cash flow information

(Millions of yen)

	Amount
Cash and cash equivalents used in the acquisition	(24,760)
Cash and cash equivalents held by the acquired company at the time of acquisition	22,111
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(2,648)

(9) Loss on step acquisition

As a result of remeasuring at its acquisition-date fair value the controlling interest in NS&C that the Company held at the time of acquisition, the Company recognised a loss of ¥4,662 million as a loss on step acquisition. This is recognised under "Other operating expenses" in the consolidated statement of income.

(10) Acquisition-related expenses

Acquisition-related expenses for the relevant business combination of ¥101 million is recognised under "Other operating expenses" in the consolidated statement of income.

(11) Sales and net income of the acquired company after the acquisition date which are recognised in the consolidated statement of income

Sales: ¥100,554 million

Net income: ¥4,070 million

Due to the acquisition of NS&C on September 1, 2025, sales and net income for the seven months of the acquired company are shown.

Net income does not include gain on bargain purchase and loss on step acquisition.

Notes on Significant Subsequent Events

Execution of Memorandum of Understanding Regarding Business Integration Through Establishment of a Joint Holding Company (Share Transfer) Between NSK Ltd. and NTN Corporation

The Company and NTN Corporation (“NTN”; together with NSK, the “Companies”) announced on May 12, 2026 that they have reached a basic agreement to establish a joint holding company (the “Holding Company”) by way of a joint share transfer (the “Share Transfer”) and to integrate their businesses (the “Business Integration”). The Companies have executed a memorandum of understanding for the Business Integration (the “Memorandum of Understanding”) after passing a resolution at their respective board of directors meetings as of today to execute the said agreement.

1. Background and Objectives of Management Consolidation

Since its foundation in 1916, NSK has supported global industrial development by producing a variety of innovative products and technologies, including bearings, automotive products, and precision machine components. NSK’s mission statement is to contribute to a safer, smoother society, help protect the global environment through its innovative technology integrating Motion & Control™, and work across national boundaries to improve relationships between people throughout the world.

On the other hand, NTN has developed its business since its foundation in 1918 with bearings, drive shafts, and precision equipment as its main products, building a social reputation with its quality-first approach and its high level of technological expertise. NTN aims to achieve a “NAMERAKA (smooth) society” - a society where people can easily lead a secure and fulfilling life in harmony with nature - by practicing its corporate philosophy, “contribute to international society through creating new technologies and developing new products.”

In this way, the Companies have grown through healthy competition as Japan-origin companies centered on bearings with more than 100 years of history. However, the business environment surrounding the Companies has seen rapid changes in recent years due to the slowdown in China’s economic growth, weak conditions in the European manufacturing sector, as well as delays in market recovery and increasing uncertainty resulting from the impact of U.S. tariff policies, among other factors. The Companies are working on structural reforms, including production restructuring, to respond to these changes and achieve sustainable growth.

Under these circumstances, the Companies have reached a shared understanding that it is necessary to pursue the Business Integration in order to achieve long-term profitable growth going forward and to secure Japan’s position as an industrial base in the world. Accordingly, they have entered into the Memorandum of Understanding.

As Japan-origin companies operating global businesses in fields such as bearings and precision equipment, the Companies will, through the integration, bring together their respective strengths to build a resilient and sustainable business foundation and contribute to industry, the environment, and society through business growth and value creation, while at the same time maintaining and enhancing their international competitiveness over the long term. With these objectives in mind, the Companies will step up discussions and deliberations for achieving the Business Integration based on a spirit of equality. Through the Business Integration, the Companies aim to (a) achieve long-term profitable growth backed by a sense of urgency, rather than mere expansion of the business scale, (b) ensure the effective succession of Japan-origin technologies, quality, and management and secure Japan’s position as an industrial base in the world, and (c) contribute to achievement of a sustainable society.

2. Summary of Management Consolidation

(1) Method of Management Consolidation

The Companies plan to implement the Business Integration in the form of a joint share transfer, under which the Companies will become wholly owned subsidiaries of a joint holding company to be established and the joint holding company will become the wholly owning parent company of the Companies, subject to shareholders meeting approval of each Company and the permits and approvals of the relevant authorities necessary for the Business Integration.

(2) Schedule of Management Consolidation

Date of resolution at board of directors meeting	May 12, 2026
Date of execution of Memorandum of Understanding	May 12, 2026
Date of execution of Definitive Agreement for Business Integration (including preparation of share transfer plan)	Within around six (6) months after execution of the Memorandum of Understanding
Date of Companies' annual shareholders meetings (resolution to approve Share Transfer)	June 2027 (scheduled)
Date of establishment of Holding Company (effective date) and listing date	October 2027 (scheduled)

Note: The schedule above is the current plan and is subject to change due to future discussions between the Companies. The Companies will promptly announce if the schedule of the Business Integration changes or consideration thereof is suspended due to responses relating to U.S. securities laws, domestic and foreign competition laws necessary for implementation of the Business Integration, or other circumstances.

(3) Matters Related to Listing Application for Holding Company

The Companies plan to apply for a new listing (technical listing) of the shares of common stock of the newly established Holding Company on the Prime Market of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"). The listing date is scheduled to be October 2027.

The Companies will become wholly owned subsidiaries of the Holding Company through the Share Transfer and will accordingly be delisted from the Tokyo Stock Exchange in connection with the listing of the Holding Company. However, shareholders of the Companies will continue to be able to trade the shares of the Holding Company delivered at the time of the Share Transfer on the Tokyo Stock Exchange due to the listing of the shares of the Holding Company.

The date of listing of the Holding Company and the date of delisting of the Companies will be determined in accordance with the rules of the Tokyo Stock Exchange.

(4) Share Transfer Ratio

Based on the results of due diligence to be conducted in the future, the results of calculation of the share transfer ratio by the third-party valuation agencies respectively used by the Companies, the market stock price, and other factors, the Companies will, through good-faith discussions and deliberations, specify the share transfer ratio in a definitive agreement for the Business Integration (the "Definitive Agreement").

(5) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with Share Transfer

Neither of the Companies has issued stock acquisition rights or bonds with stock acquisition rights.

(6) Consolidation Preparatory Committee

The Companies will establish an integration preparatory committee to ensure the smooth realization of the Business Integration and will hold intensive discussions on the Business Integration.

3. Overview of Holding Company

(1) Trade Name and Other Information

The trade name, head office location, representative, description of business, stated capital, and other particulars of the Holding Company will be decided by the execution of the Definitive Agreement upon future discussions between the Companies.

(2) Organ and Other Matters

1) Organ

The Holding Company will be a company with nominating committee, etc.

2) Authority, functions, officers, etc.

At the time of its establishment, the Holding Company will have only the minimum functions required to ensure governance as a listed company and to promote the Business Integration. For the time being, the Companies will operate as wholly owned operating subsidiaries of the Holding Company, assuming responsibility for business operations while maintaining a balance between managerial autonomy and agility on the one hand and smooth execution of the group management strategy on the other. The future organizational structure will be examined by prioritizing early achievement of the synergies expected from the Business Integration.

The composition and other particulars of the board of directors of the Holding Company at the time of its establishment are planned to be as follows:

Chairman of board of directors (Chair of board meetings, Non-executive)	Nominated by NTN
Director, Representative Executive Officer, President and CEO	Nominated by NSK
Director, Representative Executive Officer, Vice President	Nominated by NTN
Director, Representative Executive Officer, Managing Officer and CFO	Nominated by NSK
Director (Audit Committee Member) (one (1) person)	Nominated by NSK
Outside Directors (Independent Officer) (five (5) persons)	To be decided after discussions between the Companies. However, there will be three (3) Outside Directors appointed from among candidates proposed by NSK and two (2) Outside Directors appointed from among candidates proposed by NTN.

The composition of the nominating committee of the Holding Company at the time of its establishment is planned to be as follows:

Director, Representative Executive Officer, President and CEO	
Director, Representative Executive Officer, Vice President	
Outside Director (Chair) (one (1) person)	To be decided after discussions between the Companies. However, the Outside Director (Chair) will be an Outside Director appointed from among candidates proposed by NSK.
Outside Directors other than the Outside Director above (three (3) persons)	To be decided after discussions between the Companies. However, there will be one (1) Outside Director appointed from among candidates proposed by NSK and two (2) Outside Directors appointed from among candidates proposed by NTN.

4. Overview of Parties to Share Transfer

Trade name	NSK Ltd.	NTN Corporation
Date of incorporation	November 1916	March 1918
Location of head office	1-6-3 Osaki, Shinagawa-ku, Tokyo	3-6-32 Nakanoshima, Kita-ku, Osaka
Representative	Akitoshi Ichii Director, Representative Executive Officer, President and CEO	Eiichi Ukai Director, Representative Executive Officer, President CEO
Amount of stated capital	67,176 million yen (as of March 31, 2026)	54,346 million yen (as of September 30, 2025)
Description of business	Industrial Machinery Business (production and sales of industrial machinery bearings, precision machinery & parts, condition monitoring systems, etc.), Automotive Business (production and sales of bearings and automatic transmission components for car manufacturers and automotive component manufacturers, etc.), Steering Business (production and sales of steering systems and related products for car manufacturers.)	Manufacture and sale of bearings, drive shafts, precision equipment products, etc.
Total number of issued shares	500,000,000 shares (as of March 31, 2026)	532,463,527 shares (as of September 30, 2025)
Fiscal year-end	March 31	March 31

5. Others

If the Business Integration is implemented, shares of the Holding Company will be delivered to shareholders of the Companies. It is likely that, pursuant to the U.S. Securities Act of 1933, the Companies will file a Form F-4 registration statement (“Form F-4”) for the Business Integration with the U.S. Securities and Exchange Commission (“SEC”).

Financial Statements: Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent			
	Issued capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Capital surplus Total
As of April 1, 2025	67,176	77,923	5	77,929
Change of items during the period				
Cash dividends	—	—	—	—
Accumulation of reserves	—	—	—	—
Reversal of reserves	—	—	—	—
Net income	—	—	—	—
Forfeiture of share acquisition rights	—	—	—	—
Purchase of treasury shares	—	—	—	—
Disposal of treasury shares	—	—	(481)	(481)
Transfer from retained earnings to capital surplus	—	—	476	476
Net change during the period, except for items under shareholders' equity	—	—	—	—
Total changes of items during the period	—	—	(5)	(5)
As of March 31, 2026	67,176	77,923	—	77,923

	Equity attributable to owners of the parent				
	Retained earnings				
	Retained earnings	Other retained earnings			Retained earnings Total
		Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward	
As of April 1, 2025	10,292	3,585	139,766	51,262	204,906
Change of items during the period					
Cash dividends	—	—	—	(16,914)	(16,914)
Accumulation of reserves	—	—	20,000	(20,000)	—
Reversal of reserves	—	(119)	—	119	—
Net income	—	—	—	11,229	11,229
Forfeiture of share acquisition rights	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	(476)	(476)
Net change during the period, except for items under shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	(119)	20,000	(26,041)	(6,161)
As of March 31, 2026	10,292	3,465	159,766	25,221	198,745

	Equity attributable to owners of the parent		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury shares	Total equity attributable to owners of the parent	Other valuation difference on available-for-sale securities	Total valuation and translation adjustments		
As of April 1, 2025	(9,334)	340,677	16,653	16,653	260	357,592
Change of items during the period						
Cash dividends	—	(16,914)	—	—	—	(16,914)
Accumulation of reserves	—	—	—	—	—	—
Reversal of reserves	—	—	—	—	—	—
Net income	—	11,229	—	—	—	11,229
Forfeiture of share acquisition rights	—	—	—	—	(260)	(260)
Purchase of treasury shares	(0)	(0)	—	—	—	(0)
Disposal of treasury shares	978	496	—	—	—	496
Transfer from retained earnings to capital surplus	—	—	—	—	—	—
Net change during the period, except for items under shareholders' equity	—	—	(3,758)	(3,758)	—	(3,758)
Total changes of items during the period	977	(5,189)	(3,758)	(3,758)	(260)	(9,208)
As of March 31, 2026	(8,357)	335,488	12,895	12,895	—	348,384

(Note) Figures listed above are rounded down to the nearest million yen.

Notes to the Non-Consolidated Financial Statements

Notes on Significant Accounting Policies

1. Valuation of securities

Shares of subsidiaries and affiliates are stated at cost using the moving-average method. Securities with fair market value are stated using the mark-to-market method based on the market price at the balance sheet date. (Total net unrealised gains or losses after tax effect adjustment are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.) Other securities that do not have fair market value are stated at cost using the moving-average method.

2. Valuation of inventories

Finished products, raw materials and work in progress are valued at cost using the weighted average method (book values are recorded on the balance sheet based on decreased profitability of assets).

Supplies are valued at cost using the first-in first-out method (book values are recorded on the balance sheet based on decreased profitability of assets).

3. Depreciation and amortization of noncurrent assets

Depreciation for tangible noncurrent assets (excluding lease assets) and intangible non-current assets (excluding lease assets) is calculated using the straight-line method.

Depreciation for lease assets arising from finance lease transactions not involving transfer of ownership is calculated using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

4. Allowances

(1) Allowance for doubtful accounts

To prepare for possible losses from uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectables. For specific receivables for which there is concern regarding collectability, an estimate amount is recorded by studying the possibility of collection for each individual account.

(2) Provision for retirement benefits

In order to provide employee retirement benefits, the amount of retirement benefit obligations and pension assets recorded by the Company is based on projected retirement benefit obligations and pension assets at the end of the fiscal year.

(3) Provision for officer stock benefits

In order to provide compensation in the form of the Company's stock, etc. to directors and executive officers, the amount of stock benefits is recorded based on projected stock benefits at the end of the fiscal year.

(4) Provision for employee stock benefits

In order to provide compensation in the form of the Company's stock, etc. to certain officers and employees of the Company and certain subsidiaries, the amount of stock benefit obligations recorded by the Company is based on projected stock benefit obligations at the end of the fiscal year.

(5) Reserves for environmental measures

Estimated costs involved with disposing of asbestos and polychlorinated biphenyl (PCB) and other materials have been recorded.

(6) Provision for loss on business of subsidiaries and affiliates

To prepare for losses related to the businesses of subsidiaries and affiliates, the estimated amount of losses is recorded taking into account the financial conditions of such companies.

5. Recognition criteria for revenue and expenses

The Company applies the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others, and recognises revenue by applying the following five steps to customer contracts.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligation in the contract

Step 3: Calculate the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: The entity recognises revenue when the performance obligations are satisfied

The Company manufactures and sells bearings to general industry, precision machinery-related products, bearings to automotive and automotive parts manufacturers, and parts for automatic transmissions. The Company recognises revenue from the sale of such goods at the time of delivery of the goods because the performance obligation is deemed to be satisfied when the customer obtains control over the goods at the time of delivery. Revenue is measured at the amount of consideration promised in the contract with the customer, less discounts, rebates and returns.

Revenue is recognised on a net basis when the Company is involved in the sale of products as an agent.

Notes on Accounting Estimates

In preparing the financial statements, the Company applies accounting policies and makes judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses. Actual results may differ from these estimates. The Company reviews these estimates and assumptions on an ongoing basis. The effect of changes in accounting estimates is recognised in the fiscal year in which the estimates are changed and in future fiscal years.

Estimates and judgments that have a material impact on the amounts recognised in the financial statements are as follows.

1. Recoverability of deferred tax assets

(1) Account title and amount recorded for the current fiscal year

Account title	Amount
Deferred tax assets (before deduction of valuation allowance)	¥70,018 million
Valuation allowance	¥(51,085) million

(2) Other information contributing to the understanding of the content of the estimate

Since the same information is provided in the same section of the consolidated financial statements [Notes on Accounting Estimates], the description has been omitted.

2. Measurement of defined benefit plan obligations

(1) Account title and amount recorded for the current fiscal year

Account title	Amount
Prepaid pension cost	¥23,696 million

(2) Other information contributing to the understanding of the content of the estimate

Since the same information is provided in the same section of the consolidated financial statements [Notes on Accounting Estimates], the description has been omitted.

3.Valuation of shares of affiliated companies

(1) Account title and amount recorded in the current fiscal year

Account title	Amount
Stocks of subsidiaries and affiliates	¥127,435 million
Investment in subsidiaries and affiliates	¥40,243 million

(2) Other information contributing to the understanding of the content of the estimate

The Company recognises a valuation loss on stocks of subsidiaries and affiliates when the market value of the stocks at the end of the fiscal year has declined significantly and there is no possibility of recovery.

The possibility of recovery is determined based on the business plans of the shares of the subsidiaries and affiliates. However, the possibility of recovery may be affected by the outcome of uncertain future economic conditions, and if a review is required, the amount recognised in the financial statements for the following fiscal year or later may be materially affected.

4. Impairment loss of fixed assets related to the precision machinery and parts business

(1) Account title and amount recorded in the current fiscal year

Account title	Amount
Impairment loss	¥1,463 million

(2) Other information contributing to the understanding of the content of the estimate

1) Method of calculation

The recoverable amount of a cash-generating unit is compared with its carrying amount, and if the carrying amount exceeds its recoverable amount, the excess is recognised as an impairment loss.

The recoverable amount is the higher of fair value less costs of disposal or value in use. The fair value less costs of disposal exceeded the value in use, therefore the fair value less costs of disposal has been deemed the recoverable amount.

2) Key assumptions

The fair value assessment of real estate and the estimation of disposal costs—of which soil contamination remediation costs are a principal component— form the basis for the calculation of net realisable value, and the Company uses external specialists to calculate these values.

The valuation methodology of the aforementioned values is complex and requires specialised expertise, and therefore may have a significant impact on the amount of impairment loss.

3) Impact on the financial statements for the next fiscal year

Although the key assumptions are calculated based on management's best estimates, they may be affected by uncertain future economic conditions. If the underlying conditions change, the calculation results of the recoverable amount may differ.

Notes to Balance Sheet

1. Accumulated depreciation of tangible noncurrent assets ¥358,318 million

2. Loan guarantees

Loan guarantees	¥68,740 million
(Guarantees for bank loans of affiliates)	(¥68,442 million)
(Guarantees for bank guarantees of affiliates)	(¥297 million)

3. Receivables from affiliated companies and payables to affiliated companies

Short-term receivables	¥85,699 million
Long-term receivables	¥8,858 million
Short-term payables	¥66,081million
Long-term payables	¥111 million

Notes to Statement of Income

1. Transactions with affiliated companies

Operating transactions	Sales	¥132,644 million
	Purchases	¥121,588 million
Other non-operating transaction		¥62,669 million

2. Loss on valuation of stocks of subsidiaries and affiliates

The Company recorded extraordinary losses totaling ¥17,458 million in loss on valuation of stocks of affiliated companies, primarily ¥12,188 million for Brüel & Kjær Vibro GmbH, and ¥4,331 million for NSK Europe Ltd.

3. Impairment loss

(Millions of yen)

Use	Type	Location	Description	Amount
Business assets	Machinery and equipment	Hanyuu, Saitama Fujisawa, Kanagawa	Precision machinery and parts business assets	1,463

The book value of business assets with declining profitability was reduced to the net selling price, which was calculated by deducting the estimated cost of disposal from the real estate appraisal value, etc., by grouping the assets by the main cash-generating unit, and the reduction was recognised as an impairment loss.

4. Business restructuring related expenses

The Company recorded ¥59 million in business restructuring related expenses under extraordinary loss. The main details are losses related to external expert fees arising from the business restructuring activities of the steering business.

Notes to Statement of Changes in Shareholders' Equity

Type and number of treasury stock at end of period Common stock 10,152,617 shares

Notes on Tax Effect Accounting

The main causes for the deferred tax assets and deferred tax liabilities are as follows.

Deferred tax assets	
Accrued retirement benefits	¥9,248 million
Accrued bonuses	¥3,478 million
Valuation loss on stock of subsidiaries and affiliates	¥45,999 million
Loss on devaluation of investment securities	¥224 million
Impairment loss	¥459 million
Foreign tax credit carryforward	¥2,212 million
Tax loss carryforward	¥902 million
Other	¥7,493 million
Subtotal of deferred tax assets	¥70,018 million
Valuation allowance	¥(51,085) million
Total deferred tax assets	¥18,932 million
Deferred tax liabilities	
Reserve for advanced depreciation of noncurrent assets	¥(1,585) million
Valuation difference on available-for-sale securities	¥(5,692) million
Other	¥(355) million
Total deferred tax liabilities	¥(7,632) million
Net deferred tax assets (liabilities)	¥11,299 million

Practical solution on the accounting and disclosure under the group tax sharing system

The Company applies the group tax sharing system and conducts accounting and disclosure for corporate and local income taxes and related tax effect accounting in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021).

Notes on Leased Noncurrent Assets

In addition to the noncurrent assets recorded on the balance sheet, the Company has other significant noncurrent assets which it uses under lease contracts, notably selected computer equipment and related devices.

Notes on Related-Party Transactions

Subsidiaries and affiliates, etc.

(Millions of yen)

Type	Company Name	Possession of Voting Rights	Relationship with Related Party	Types of Transaction	Transaction Amount	Title of Account	Balance as of March 31, 2026
Subsidiary	NSK Steering & Control, Inc.	100.0%	Executive posts concurrently held	Loans ¹ Recovery of funds ¹	65,415 34,700	Short-term loans	34,700
Subsidiary	NSK Toyama Co., Ltd.	100.0%	Purchase of finished goods Executive posts concurrently held	Recovery of funds ¹	1,222	Long-term loans	7,752
Subsidiary	Amatsuji Steel Ball Mfg. Co., Ltd.	100.0%	Purchase of finished goods Executive posts concurrently held	Borrowings ¹	3,470	Short-term debts	28,993
Affiliate	NSK-Warner K. K.	50.0%	Purchase of finished goods Executive posts concurrently held	Purchase of automotive-related finished goods ²	35,329	Accounts payable	6,740

Terms and conditions of transactions, and policies on such terms and transactions Notes:

1. Interest rates for borrowing and lending are set in a rational manner taking into account market rates.
2. The purchase of finished goods is decided after engaging in price negotiations in consideration of the total costs of the counterparty.

Per Share Information

Net assets per share ¥711.21

Net income per share ¥22.93

Notes on Significant Subsequent Events

Execution of Memorandum of Understanding Regarding Business Integration Through Establishment of a Joint Holding Company (Share Transfer) Between NSK Ltd. and NTN Corporation

The Company and NTN Corporation (“NTN”; together with NSK, the “Companies”) announced on May 12, 2026 that they have reached a basic agreement to establish a joint holding company (the “Holding Company”) by way of a joint share transfer (the “Share Transfer”) and to integrate their businesses (the “Business Integration”). The Companies have executed a memorandum of understanding for the Business Integration (the “Memorandum of Understanding”) after passing a resolution at their respective board of directors meetings as of today to execute the said agreement.

1. Background and Objectives of Management Consolidation

Since its foundation in 1916, NSK has supported global industrial development by producing a variety of innovative products and technologies, including bearings, automotive products, and precision machine components. NSK’s mission statement is to contribute to a safer, smoother society, help protect the global environment through its innovative technology integrating Motion & Control™, and work across national boundaries to improve relationships between people throughout the world.

On the other hand, NTN has developed its business since its foundation in 1918 with bearings, drive shafts, and precision equipment as its main products, building a social reputation with its quality-first approach and its high level of technological expertise. NTN aims to achieve a “NAMERAKA (smooth) society” - a society where people can easily lead a secure and fulfilling life in harmony with nature - by practicing its corporate philosophy, “contribute to international society through creating new technologies and developing new products.”

In this way, the Companies have grown through healthy competition as Japan-origin companies centered on bearings with more than 100 years of history. However, the business environment surrounding the Companies has seen rapid changes in recent years due to the slowdown in China’s economic growth, weak conditions in the European manufacturing sector, as well as delays in market recovery and increasing uncertainty resulting from the impact of U.S. tariff policies, among other factors. The Companies are working on structural reforms, including production restructuring, to respond to these changes and achieve sustainable growth.

Under these circumstances, the Companies have reached a shared understanding that it is necessary to pursue the Business Integration in order to achieve long-term profitable growth going forward and to secure Japan’s position as an industrial base in the world. Accordingly, they have entered into the Memorandum of Understanding.

As Japan-origin companies operating global businesses in fields such as bearings and precision equipment, the Companies will, through the integration, bring together their respective strengths to build a resilient and sustainable business foundation and contribute to industry, the environment, and society through business growth and value creation, while at the same time maintaining and enhancing their international competitiveness over the long term. With these objectives in mind, the Companies will step up discussions and deliberations for achieving the Business Integration based on a spirit of equality. Through the Business Integration, the Companies aim to (a) achieve long-term profitable growth backed by a sense of urgency, rather than mere expansion of the business scale, (b) ensure the effective succession of Japan-origin technologies, quality, and management and secure Japan’s position as an industrial base in the world, and (c) contribute to achievement of a sustainable society.

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(1) Method of Management Consolidation

The Companies plan to implement the Business Integration in the form of a joint share transfer, under which the Companies will become wholly owned subsidiaries of a joint holding company to be established and the joint holding company will become the wholly owning parent company of the Companies, subject to shareholders meeting approval of each Company and the permits and approvals of the relevant authorities necessary for the Business Integration.

(2) Schedule of Management Consolidation

Date of resolution at board of directors meeting	May 12, 2026
Date of execution of Memorandum of Understanding	May 12, 2026
Date of execution of Definitive Agreement for Business Integration (including preparation of share transfer plan)	Within around six (6) months after execution of the Memorandum of Understanding
Date of Companies' annual shareholders meetings (resolution to approve Share Transfer)	June 2027 (scheduled)
Date of establishment of Holding Company (effective date) and listing date	October 2027 (scheduled)

Note: The schedule above is the current plan and is subject to change due to future discussions between the Companies. The Companies will promptly announce if the schedule of the Business Integration changes or consideration thereof is suspended due to responses relating to U.S. securities laws, domestic and foreign competition laws necessary for implementation of the Business Integration, or other circumstances.

(3) Matters Related to Listing Application for Holding Company

The Companies plan to apply for a new listing (technical listing) of the shares of common stock of the newly established Holding Company on the Prime Market of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"). The listing date is scheduled to be October 2027.

The Companies will become wholly owned subsidiaries of the Holding Company through the Share Transfer and will accordingly be delisted from the Tokyo Stock Exchange in connection with the listing of the Holding Company. However, shareholders of the Companies will continue to be able to trade the shares of the Holding Company delivered at the time of the Share Transfer on the Tokyo Stock Exchange due to the listing of the shares of the Holding Company.

The date of listing of the Holding Company and the date of delisting of the Companies will be determined in accordance with the rules of the Tokyo Stock Exchange.

(4) Share Transfer Ratio

Based on the results of due diligence to be conducted in the future, the results of calculation of the share transfer ratio by the third-party valuation agencies respectively used by the Companies, the market stock price, and other factors, the Companies will, through good-faith discussions and deliberations, specify the share transfer ratio in a definitive agreement for the Business Integration (the "Definitive Agreement").

(5) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with Share Transfer

Neither of the Companies has issued stock acquisition rights or bonds with stock acquisition rights.

(6) Consolidation Preparatory Committee

The Companies will establish an integration preparatory committee to ensure the smooth realization of the Business Integration and will hold intensive discussions on the Business Integration.

3. Overview of Holding Company

(1) Trade Name and Other Information

The trade name, head office location, representative, description of business, stated capital, and other particulars of the Holding Company will be decided by the execution of the Definitive Agreement upon future discussions between the Companies.

(2) Organ and Other Matters

1) Organ

The Holding Company will be a company with nominating committee, etc.

2) Authority, functions, officers, etc.

At the time of its establishment, the Holding Company will have only the minimum functions required to ensure governance as a listed company and to promote the Business Integration. For the time being, the Companies will operate as wholly owned operating subsidiaries of the Holding Company, assuming responsibility for business operations while maintaining a balance between managerial autonomy and agility on the one hand and smooth execution of the group management strategy on the other. The future organizational structure will be examined by prioritizing early achievement of the synergies expected from the Business Integration.

The composition and other particulars of the board of directors of the Holding Company at the time of its establishment are planned to be as follows:

Chairman of board of directors (Chair of board meetings, Non-executive)	Nominated by NTN
Director, Representative Executive Officer, President and CEO	Nominated by NSK
Director, Representative Executive Officer, Vice President	Nominated by NTN
Director, Representative Executive Officer, Managing Officer and CFO	Nominated by NSK
Director (Audit Committee Member) (one (1) person)	Nominated by NSK
Outside Directors (Independent Officer) (five (5) persons)	To be decided after discussions between the Companies. However, there will be three (3) Outside Directors appointed from among candidates proposed by NSK and two (2) Outside Directors appointed from among candidates proposed by NTN.

The composition of the nominating committee of the Holding Company at the time of its establishment is planned to be as follows:

Director, Representative Executive Officer, President and CEO	
Director, Representative Executive Officer, Vice President	
Outside Director (Chair) (one (1) person)	To be decided after discussions between the Companies. However, the Outside Director (Chair) will be an Outside Director appointed from among candidates proposed by NSK.
Outside Directors other than the Outside Director above (three (3) persons)	To be decided after discussions between the Companies. However, there will be one (1) Outside Director appointed from among candidates proposed by NSK and two (2) Outside Directors appointed from among candidates proposed by NTN.

4. Overview of Parties to Share Transfer

Trade name	NSK Ltd.	NTN Corporation
Date of incorporation	November 1916	March 1918
Location of head office	1-6-3 Osaki, Shinagawa-ku, Tokyo	3-6-32 Nakanoshima, Kita-ku, Osaka
Representative	Akitoshi Ichii Director, Representative Executive Officer, President and CEO	Eiichi Ukai Director, Representative Executive Officer, President CEO
Amount of stated capital	67,176 million yen (as of March 31, 2026)	54,346 million yen (as of September 30, 2025)
Description of business	Industrial Machinery Business (production and sales of industrial machinery bearings, precision machinery & parts, condition monitoring systems, etc.), Automotive Business (production and sales of bearings and automatic transmission components for car manufacturers and automotive component manufacturers, etc.), Steering Business (production and sales of steering systems and related products for car manufacturers.)	Manufacture and sale of bearings, drive shafts, precision equipment products, etc.
Total number of issued shares	500,000,000 shares (as of March 31, 2026)	532,463,527 shares (as of September 30, 2025)
Fiscal year-end	March 31	March 31

5. Others

If the Business Integration is implemented, shares of the Holding Company will be delivered to shareholders of the Companies. It is likely that, pursuant to the U.S. Securities Act of 1933, the Companies will file a Form F-4 registration statement (“Form F-4”) for the Business Integration with the U.S. Securities and Exchange Commission (“SEC”).

Notes to the Company's consolidated dividend regulations

The Company is a company subject to consolidated dividend regulations.

Notes to Revenue Recognition

The information that forms the basis for understanding revenue from contracts with customers is identical to that in the “Notes to Revenue Recognition” in the Notes to the Consolidated Financial Statements, and therefore, the notes have been omitted here.