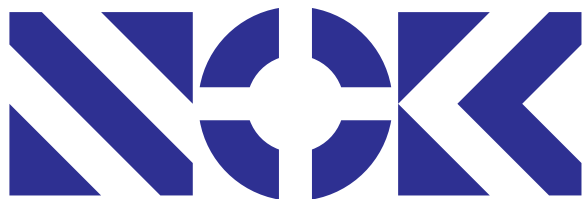


(Translation)

Physical copies of electronically provided information sent to shareholders who request them



Business Report for the 119th Term

From April 1, 2024 to March 31, 2025

To Our Shareholders



Representative Director,
Group Chief Executive Officer

Masao Tsuru

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The following are not included in the physical copies of electronically provided information sent to shareholders who request them, under laws and regulations and the Articles of Incorporation of the Company.

- (i) "System for Ensuring Properness of Operations" in Business Report
- (ii) "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
- (iii) "Statement of Changes in Net Assets" and "Notes to Financial Statements" in the Financial Statements

We would like to express our sincere thanks for your loyal patronage. We hereby report an overview of the business activities of the NOK Group for the 119th term (April 1, 2024 to March 31, 2025).

The NOK Group has promoted product development based on our accumulated basic research, and also "Essential Core Manufacturing – The manufacture of pivotal products that shape society," where our high quality and large-scale stable production is a strength. In addition to supporting the safety and comfort that are the foundation of an affluent society and delivering economic benefits to our stakeholders, we are also moving forward so that we can be a company that people take pride in.

This term is the second fiscal year of the three-year Medium-Term Management Plan, which ends in fiscal 2025. In this Medium-Term Management Plan, we are engaged in a basic policy of constructing a foundation for transformation in order to achieve continual growth and improvement in corporate value. Through this plan, we will carry out four transformations: "Create new growth drivers," "Optimize operational structure for global expansion," "Construct diverse human capital foundation," and "Optimize management resources."

In April 2024, we also formulated a unified new corporate identity for the NOK Group. Under this corporate identity, we are working to build a global brand and enhance our reputation as "Global One NOK," fostering a shared set of values among employees worldwide. In line with this, we are developing a business operation structure to support global business growth as a Group.

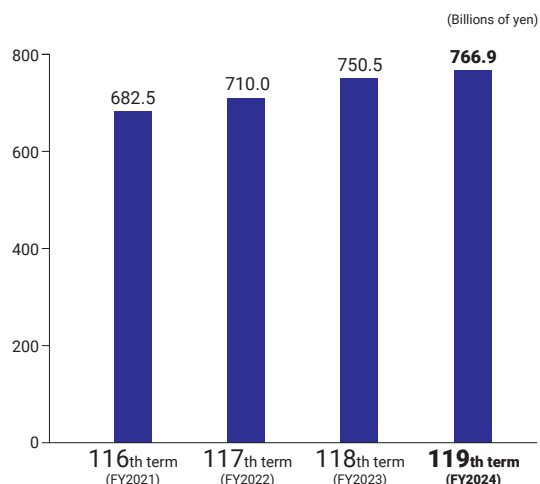
In the consolidated business results for the fiscal year ended March 31, 2025, net sales were 766,859 million yen (up 2.2% from the previous fiscal year) and operating income was 37,264 million yen (up 62.6% from the previous fiscal year), resulting in increased revenue and profit. In the electronic product business, in particular, we achieved profitability, which was planned from the beginning of the fiscal year. We will continue to enact measures aimed at strengthening earnings capability and will work hard toward the final year of the Medium-Term Management Plan.

We would like to ask a favor of each shareholder to have a deep understanding of the business environment surrounding the NOK Group, our management direction, and our determination to forge ahead with change. We also ask you for your further support and cooperation.

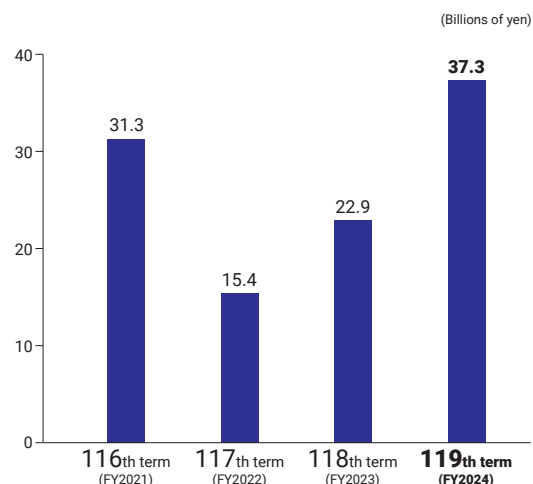
June 2025

Financial Highlights (Consolidated)

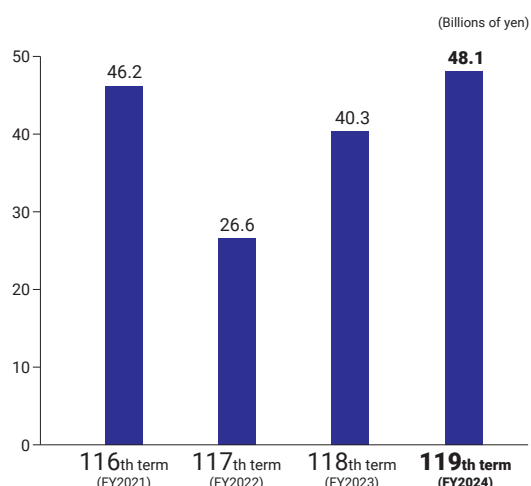
Net Sales



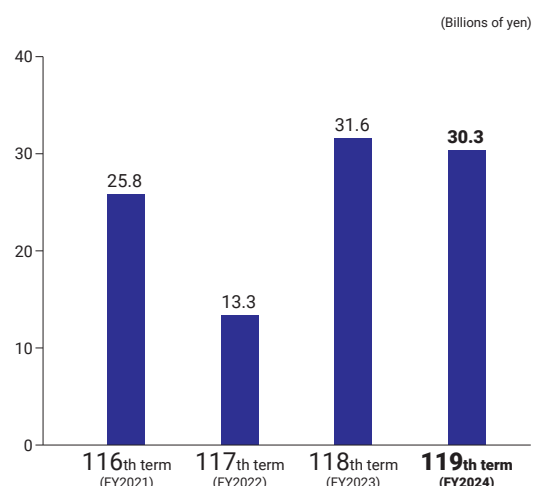
Operating Income



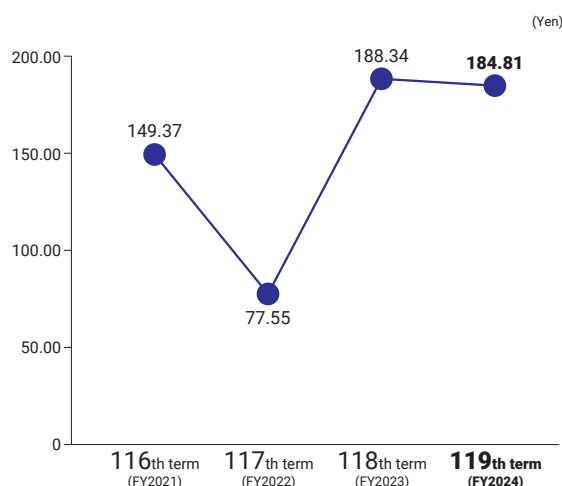
Ordinary Income



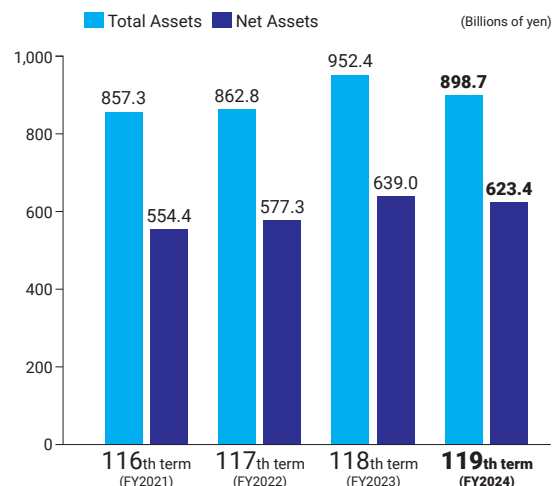
Profit Attributable to Owners of Parent



Net Income Per Share



Total Assets/Net Assets



Note: Amounts described in Financial Highlights (Consolidated) are rounded off to the nearest described point.

1. Current Status of the NOK Group

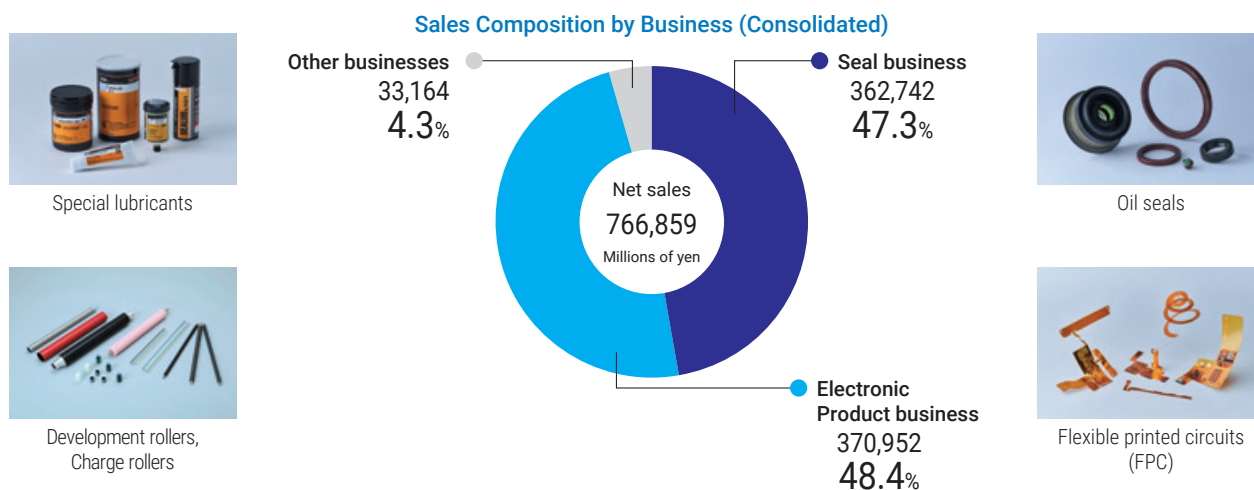
(1) Business Overview

(i) Business conditions and results

For the current fiscal year, the NOK Group posted the following operating results: Net sales totaled 766,859 million yen (up 2.2% from the previous fiscal year); operating income was 37,264 million yen (up 62.6% from the previous fiscal year); ordinary income ended at 48,057 million yen (up 19.3% from the previous fiscal year), resulting in 30,320 million yen in profit attributable to owners of parent (down 4.1% from the previous fiscal year).

Compared to the previous fiscal year, net sales for the seal business trended sideways while sales for the electronic product business increased. Operating income increased for both the seal business and the electronic product business.

The business conditions of the NOK Group by business segment were as follows:



■ Results of the Business Activities by Business Segment

Seal business

Net sales amounted to 362,742 million yen (up 0.0% from the previous fiscal year), and operating income was 26,214 million yen (up 12.4% from the previous fiscal year).

Net sales for automobile applications decreased mainly due to the impact of a decrease in the number of Japanese automobiles produced in Japan as well as, slumping sales of Japanese automobiles in China, and ongoing tightening of automobile loans in Thailand. Despite the impact of inflation in Europe and America, the real estate downturn in China, and other factors on consumption and capital investment, sales for general industrial machinery applications increased due to increased demand mainly for repair parts for construction machinery, recovery demand for agricultural machinery and other factors. Net sales for the segment overall trended sideways due to the positive effect of foreign exchange rates.

On the other hand, operating income increased due to an improvement in variable costs such as raw material prices in addition to the promotion of price revision activities such as transferring costs to prices.

Electronic Product business

As there was a positive effect on net sales due to the exchange rate, net sales amounted to 370,952 million yen (up 3.1% from the previous fiscal year). Operating income amounted to 8,927 million yen, which was a significant increase from an operating loss of 1,023 million yen in the previous fiscal year.

Although sales decreased when excluding the effect of exchange rates, there was a decline of component costs included in sales, and therefore actual sales increased when this is excluded. The business situation broken down by application is as follows:

Regarding sales for smartphones, sales decreased due to a decline of component costs, however sales increased when excluding this factor. Regarding sales for automobiles, sales increased for automotive batteries in electric vehicles for global automobile manufacturers, however sales for other purposes decreased. Sales for hard disk drives increased mainly due to a recovery in demand for data centers.

Due to the increase in net sales and the change in the product mix, operating income greatly increased.

Other businesses

Net sales amounted to 33,164 million yen (up 18.2% from the previous fiscal year) and operating income greatly increased from 626 million yen in the previous fiscal year to 2,127 million yen.

(ii) Capital investment and fund procurement

The NOK Group made capital investments of 52,399 million yen in total (up 15.9% from the previous fiscal year) mainly for increasing production capacities in Japan, China and Southeast Asian countries.

These investments were financed by our own funds.

(2) Issues to be Addressed by the NOK Group

Uncertainties remain in regards to the business environment of the NOK Group including foreign policy trends in the U.S., resulting disruptions in the supply chain, financial policy trends in Europe and the U.S., and geopolitical risks in the Middle East and Eastern Europe. In Japan, there is a growing trend to raise wages in response to rising prices, and we expect to see a continued rise in labor costs. The following are the forecasts for each business area based on this situation.

In the seal business, vehicle production by Japanese automobile manufacturers is expected to decline in the automotive field, in China, the sales share of electric vehicles is expected to increase, and in the ASEAN region, the slowdown in new car demand in the key market of Thailand and the full-scale market entry of Chinese automobile manufacturers are expected to have an impact. For general industrial machinery applications, as well, there is an impact from the economic downturn. While the environment surrounding our business as a whole is expected to remain difficult, we will strive to improve profitability including increasing sales of products for new areas like electric vehicles, expanding sales to non-Japanese automobile manufacturers, and revising prices for achieving fair pricing.

In the electronic product business, while the electric vehicle market remains on a long-term growth trajectory for automobiles, short-term growth has slowed more than expected. We will continue to work to expand sales to the new energy vehicle market, including hybrid vehicles and plug-in hybrid vehicles. Overall market demand for smartphones is expected to remain flat due to the prolonged replacement cycle by end-users. We will make effective use of current production capacity and work to improve productivity. For hard disk drives, we will respond to increasing demand for data centers while closely monitoring trends. As demand trends fluctuate by area, we will level out production by expanding into business areas such as the automotive field, where demand fluctuations are relatively low, and promote a business structure that is less susceptible to demand fluctuation.

As we promote the efforts mentioned above to increase profits in each business field, we will make efforts related to environmental issues including decarbonization, where social demand is expected to increase in the future, invest in human resources as a foundation for sustainable growth and responding to DE&I, and make investments that ensure sustainable business.

As we expect the business environment to continue undergoing large changes at a pace faster than ever, we will work to innovate ourselves and construct a business infrastructure that can achieve continual growth and rising corporate value over the medium and long term. In the three-year Medium-Term Management Plan which ends in fiscal 2025 (April 1, 2023 to March 31, 2026), we are working for the construction of a foundation for transformation that is a key item for basic policy.

An overview of the Medium-Term Management Plan is as shown below.

Four Key Initiatives

1. Create new growth drivers

Function-specific development and sales expansion for electric vehicle (EV) products, green energy product development and sales expansion, sales expansion for products for semiconductor equipment

2. Optimize operational structure for global expansion

Consider transitioning to a company with an Audit & Supervisory Committee, enhance the diversity of the Board of Directors, expand and expedite data utilization, implement steady efforts on ESG items

3. Construct diverse human capital foundation

Introduce a new personnel system, invest in human resources development, implement DE&I initiatives

4. Optimize management resources

Ensuring thorough acceptance of orders at reasonable prices, executing capital policy (1. acquisition of treasury stock, 2. dividends based on DOE (dividend on equity ratio) of 2.5% or more, and 3. selling of cross-shareholdings)

(3) Financial and Operational Results

(i) Trends in consolidated assets and business results of the NOK Group

(Millions of yen, except for per share figures)

Classification	116th term (FY2021)	117th term (FY2022)	118th term (FY2023)	119th term (FY2024)
Net Sales	682,507	709,956	750,502	766,859
Operating Income	31,337	15,378	22,912	37,264
Ordinary Income	46,168	26,557	40,285	48,057
Profit Attributable to Owners of Parent	25,835	13,320	31,602	30,320
Net Income Per Share (Yen)	149.37	77.55	188.34	184.81
Total Assets	857,324	862,750	952,379	898,667
Net Assets	554,355	577,346	639,001	623,421

- In the 116th term (FY2021), net sales increased, reflecting a recovery in demand despite the supply shortage of semiconductors and other components, coupled with the resurgence of the novel coronavirus in Southeast Asia. Despite surging raw material prices and higher personnel and other expenses, profits increased as a result of increased sales.
- In the 117th term (FY2022), net sales increased as a result of transferring costs to prices, despite the negative impacts of the lockdown in China and the supply shortage of semiconductors and other components. Operating income was down due to factors including surging prices of raw materials and energy.
- In the 118th term (FY2023), despite the impact of a global economic slowdown such as the real estate recession in China, sales to the automotive field increased, resulting in increased revenue and profits.
- As for the business performance in the 119th term (FY2024), please refer to the aforementioned (1) Business Overview.

Information for reference: About cross-shareholdings

The amount of the Company's cross-shareholdings (investment securities) listed on the balance sheet at the end of this fiscal year was 98.422 billion yen, which represents 15.8% of the aforementioned consolidated net asset value of the NOK Group.

In fiscal 2024, we completed the sale of 19.4% of our cross-shareholdings as of March 31, 2025, relative to the cross-shareholdings reduction target of 25% on a market value basis as of March 31, 2023.

(ii) Trends in assets and business results of the Company

(Millions of yen, except for per share figures)

Classification	116th term (FY2021)	117th term (FY2022)	118th term (FY2023)	119th term (FY2024)
Net Sales	226,275	218,710	230,826	226,264
Operating Income (loss)	13,342	(380)	3,216	4,626
Ordinary Income	27,232	9,010	26,532	42,584
Net Income	22,433	9,052	39,679	41,629
Net Income Per Share (Yen)	129.63	52.68	236.35	253.60
Total Assets	418,507	408,551	461,165	447,294
Net Assets	265,416	258,093	285,887	290,205

- In the 116th term (FY2021), revenue increased due to a recovery in sales to both the automobile industry and manufacturers of general industrial machinery. Profits increased due to the impact of the increase in sales, an increase in dividend income from subsidiaries, recognition of gain on sales of investment securities, etc., despite the rise in raw material prices.
- In the 117th term (FY2022), revenue decreased as sales slowed to both the automobile industry and manufacturers of general industrial machinery. Profits also decreased in light of sluggish sales, surging raw material and energy prices, and other factors.
- In the 118th term (FY2023), revenue increased due to a recovery in sales for the automobile industry. Profits increased due to the impact of the increase in sales, an increase in dividend income from subsidiaries, recognition of gain on sales of investment securities, etc.
- In the 119th term (FY2024), revenue decreased as sales to the automobile industry slowed. Profits increased due to the decrease in fixed costs such as personnel and depreciation costs, and an increase in dividend income from subsidiaries, etc.

(4) Status of Corporate Affiliations

(i) Condition of major subsidiaries and affiliates

	Company	Capital stock	Investment ratio	Main business
Seal business	Thai NOK Co., Ltd. (Thailand)	THB1,200 million	100.0%	Manufacture and sale of seal products
	Wuxi NOK-Freudenberg Oilseal Co., Ltd. (China)	RMB350,622,000	– % (50.0)	Manufacture and sale of seal products
	NOK Inc. (U.S.A.)	US\$7,200,000	100.0%	Equity investment in Freudenberg-NOK General Partnership which produces and sells seal products, etc.
	Unimatec Co., Ltd.	¥400 million	100.0%	Manufacture and sale of synthetic chemical products
	Eagle Industry Co., Ltd.	¥10,490 million	32.1% (0.2)	Manufacture and sale of mechanical seals, etc.
Electronic Product business	MEKTEC CORPORATION	¥5,000 million	100.0%	Manufacture and sale of electronic parts
	Mektec Manufacturing Corporation (Taiwan) Ltd. (Taiwan)	NT\$416,085,000	– % (86.8)	Manufacture and sale of electronic parts
	Mektec Manufacturing Corporation (Thailand) Ltd. (Thailand)	THB200 million	– % (75.0)	Manufacture and sale of electronic parts
	Mektec Manufacturing Corporation (Zhuhai) Ltd. (China)	RMB431,678,000	– % (97.4)	Manufacture and sale of electronic parts
	Mektec Manufacturing Corporation (Suzhou) (China)	RMB791,236,000	– % (96.7)	Manufacture and sale of electronic parts
Other businesses	SYNZTEC Co., Ltd.	¥350 million	100.0%	Manufacture and sale of roll products for office equipment, etc.
	NOK Klüber Co., Ltd.	¥100 million	51.0%	Manufacture and sale of special lubricants

Notes:

1. The numbers in parentheses in the column "Investment ratio" show the capital ratio which the Company's subsidiaries hold.
2. There are 92 consolidated subsidiaries and 18 equity method affiliates (including the aforementioned 12 major subsidiaries and affiliates).

(ii) Important partners

The Company maintains a partnership with Freudenberg & Co. of the Federal Republic of Germany that encompasses all business aspects including capital and technology.

(5) Main Businesses (as of March 31, 2025)

The major businesses of the NOK Group consist of production and sales of the following products.

Segment	Major products
Seal business	Oil seals, O-rings, vibration-control rubber, plastic products, gaskets, synthetic chemical products, mechanical seals
Electronic Product business	Flexible printed circuits and precision components
Other businesses	Roll products for office equipment, special lubricants and others

(6) Major Business Offices and Factories (as of March 31, 2025)

(i) The Company

Name	Location	Name	Location
Head Office	Minato Ward, Tokyo	Nagoya Branch	Nagoya City, Aichi Pref.
Mito Branch	Mito City, Ibaraki Pref.	Osaka Branch	Osaka City, Osaka
Utsunomiya Branch	Utsunomiya City, Tochigi Pref.	Hiroshima Branch	Hiroshima City, Hiroshima Pref.
Kumagaya Branch	Kumagaya City, Saitama Pref.	Fukuoka Branch	Fukuoka City, Fukuoka Pref.
Tokyo Branch	Minato Ward, Tokyo	Fukushima Plant	Fukushima City, Fukushima Pref.
Tokyo Branch for Electronics Components	Minato Ward, Tokyo	Nihonmatsu Plant	Nihonmatsu City, Fukushima Pref.
Kanagawa Branch	Ebina City, Kanagawa Pref.	Kita Ibaraki Plant	Kita Ibaraki City, Ibaraki Pref.
Fuji Branch	Fuji City, Shizuoka Pref.	Shizuoka Plant	Makinohara City, Shizuoka Pref.
Hamamatsu Branch	Hamamatsu City, Shizuoka Pref.	Tokai Plant	Kikugawa City, Shizuoka Pref.
Anjo Branch 1	Anjo City, Aichi Pref.	Tottori Plant	Saihaku-gun, Tottori Pref.
Anjo Branch 2	Anjo City, Aichi Pref.	Kumamoto Plant	Aso City, Kumamoto Pref.
		Shonan R&D Center	Fujisawa City, Kanagawa Pref.

Note: On April 1, 2025, the Anjo Branch 1 and Anjo Branch 2 were combined and the name was changed to the Anjo Branch. The name of the Tokyo Branch for Electronics Components was changed to the Electric Components Branch.

(ii) Subsidiaries

	Company	Business place	Location
Seal business	Unimatec Co., Ltd.	Kita Ibaraki Plant	Kita Ibaraki City, Ibaraki Pref.
	NOK Elastomers Processing Co., Ltd.	Head office and factory	Kama City, Fukuoka Pref.
	NOK FUGAKU ENGINEERING Co., Ltd.	Head office and factory	Kikugawa City, Shizuoka Pref.
	Saga NOK Corporation	Head office and factory	Ureshino City, Saga Pref.
	Thai NOK Co., Ltd.	Head office and factory	Chonburi, Thailand
	Wuxi NOK-Freudenberg Oilseal Co., Ltd.	Head office and factory	Wuxi City, Jiangsu, China
	NOK Asia Co., Pte. Ltd.	Head office	Singapore
	Kansai NOK Hanbai Co., Ltd.	Head office and sales office	Suita City, Osaka
	NOK-Freudenberg Group Sales (China) Co., Ltd.	Head office and sales office	Shanghai City, China
Electronic Product business	MEKTEC CORPORATION	Head office Ushiku Plant	Minato Ward, Tokyo Ushiku City, Ibaraki Pref.
	Mektec Manufacturing Corporation (Taiwan) Ltd.	Head office and factory	Kaohsiung City, Taiwan
	Mektec Manufacturing Corporation (Thailand) Ltd.	Head office and factory	Ayutthaya, Thailand
	Mektec Manufacturing Corporation (Zhuhai) Ltd.	Head office and factory	Zhuhai City, Guangdong, China
	Mektec Manufacturing Corporation (Suzhou)	Head office and factory	Suzhou City, Jiangsu, China
	Mektec Manufacturing Corporation (Vietnam) Ltd.	Head office and factory	Hung Yen Province, Vietnam
	Mektec Precision Component (Thailand) Ltd.	Head office and factory	Ayutthaya, Thailand
	Mektec Corporation (Hong Kong) Ltd.	Head office and sales office	Hong Kong, China
Other businesses	SYNZTEC Co., Ltd.	Yokosuka office	Yokosuka City, Kanagawa Pref.
	NOK Klüber Co., Ltd.	Kita Ibaraki Plant	Kita Ibaraki City, Ibaraki Pref.

(7) Employee Status (as of March 31, 2025)

(i) Employment of the NOK Group

Business segment	Number of employees	Change from the end of previous term
Seal business	20,204 (1,630)	-307 (+36)
Electronic Product business	15,711 (468)	+132 (+65)
Other businesses	2,043 (313)	+36 (+15)
Total	37,958 (2,411)	-139 (+116)

Note: The number of employees refers to the number of people employed by the NOK Group, excluding part-time workers and temporary workers. Figures in parentheses are the average number of part-time workers and temporary workers on an annual basis.

(ii) Employment of the Company

Business segment	Number of employees	Change from the end of previous term
Seal business	3,146 (403)	-65 (±0)
Electronic Product business	60 (7)	-12 (+1)
Other businesses	45 (7)	-9 (+4)
Total	3,251 (417)	-86 (+5)

Average age	Average length of service
41.7 years old	18.8 years

Note: The number of employees refers to the number of people employed by the Company, excluding part-time workers and temporary workers. Figures in parentheses are the average number of part-time workers and temporary workers on an annual basis.

(8) Major Lenders to the Company (as of March 31, 2025)

Lenders	Borrowings (Millions of yen)
Sumitomo Mitsui Banking Corp.	34,571
Mizuho Bank, Ltd.	15,609
MUFG, Bank, Ltd.	7,980
Sumitomo Mitsui Trust Bank, Ltd.	1,168
The Dai-ichi Life Insurance Company, Ltd.	737
Sompo Japan Insurance Inc.	315

2. Outline of the Company

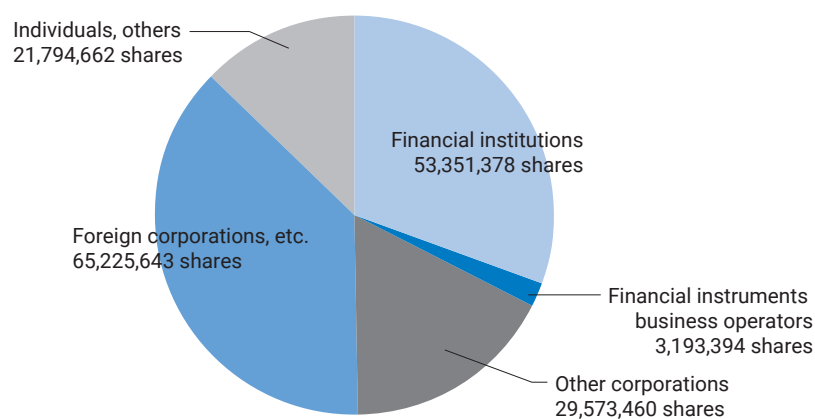
(1) Status of Stock (as of March 31, 2025)

- (i) Total number of shares authorized to be issued: 600,000,000 shares
- (ii) Total number of shares issued: 173,138,537 shares
- (iii) Number of shareholders: 14,423 (an increase of 2,284 year on year)
- (iv) Major shareholders

Shareholder	Number of shares held (thousands)	Ratio of shares held (%)
Freudenberg SE	43,457	26.23
The Master Trust Bank of Japan, Ltd. (Trust account)	16,389	9.89
Custody Bank of Japan, Ltd. (Trust account)	9,541	5.76
Seiwa Jisho Co., Ltd.	8,773	5.29
The Dai-ichi Life Insurance Company, Ltd.	8,000	4.83
NOK Stock Ownership Association	3,827	2.31
Sumitomo Mitsui Banking Corp.	3,203	1.93
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation retirement benefit trust account)	3,000	1.81
STATE STREET BANK AND TRUST COMPANY 505001	2,884	1.74
SUMMIT ECONOMIC RESEARCH INSTITUTE CO., LTD.	2,126	1.28

Note: For the basis of the calculation of "ratio of shares held" above, the Company's treasury stock (7,435,794 shares) is excluded from the total number of shares issued. The Company's treasury stock does not include 1,640,078 of the Company's shares held in the Board Incentive Plan (BIP) Trust or 822,900 of the Company's shares held in the Employee Stock Ownership Plan (ESOP).

(Reference) Number of Shares by Shareholder



(v) State of shares granted to Board Members of the Company as compensation for performance of duties during this fiscal year

	Number of shares	Provided to
Directors (excepting Audit & Supervisory Committee Members and External Directors)	27,700 shares	2

Notes:

- Details about remuneration based on the Company's shares are provided in (2) Board Members of the Company below.
- The above includes shares provided to Board Members of the Company who retired.

(2) Board Members of the Company

(i) Directors (as of March 31, 2025)

Position	Name	Positions, responsibilities or significant concurrent positions
Director, Chief Executive Officer	Masao Tsuru	Group Chief Executive Officer
Director, Senior Executive Officer	Akira Watanabe	Group Chief Financial Officer
Director, Senior Executive Officer	Junichi Orita	Sealing Solution Chief Executive Officer
Director, Senior Executive Officer	Yuki Sato	Group Chief Technology Officer, Head, NOK Group R&D
Director (Full-time Audit & Supervisory Committee Member)	Hideki Watanabe	Chairman of the Audit & Supervisory Committee
Director (Audit & Supervisory Committee Member)	Makoto Fujioka	Chairman of the Nomination and Remuneration Advisory Committee
Director (Audit & Supervisory Committee Member)	Naoki Shimada	CEO, P&E Directions, Inc.
Director (Audit & Supervisory Committee Member)	Motoko Imada	CEO, Mediagene Inc.
Director (Audit & Supervisory Committee Member)	Atsushi Kajitani	Lawyer

Notes:

- Mr. Masao Tsuru is the Representative Director.
- The Company transitioned to a company with an Audit & Supervisory Committee on June 26, 2024, pursuant to a resolution at the 118th Annual Shareholders' Meeting held on the same day.
- Mr. Yuki Sato was newly elected and assumed the position of Director who is not an Audit & Supervisory Committee Member at the 118th Annual Shareholders' Meeting held on June 26, 2024.

4. Ms. Motoko Imada was newly elected and assumed the position of Director who is an Audit & Supervisory Committee Member at the 118th Annual Shareholders' Meeting held on June 26, 2024.
5. Mr. Masato Tsuru, Mr. Yasuhiko Kuroki, and Mr. Kensaku Hogen retired from their positions as Directors due to the expiration of their terms of office at the conclusion of the 118th Annual Shareholders' Meeting held on June 26, 2024. In addition, Mr. Makoto Fujioka and Mr. Naoki Shimada retired from their positions as Directors due to the expiration of their terms of office at the conclusion of the same Annual Shareholders' Meeting and were appointed as Directors who are Audit & Supervisory Committee Members.
6. Mr. Nozomu Maehara, Mr. Osamu Kobayashi, and Mr. Hideki Ogawa retired from their positions as Corporate Auditors due to the expiration of their terms of office at the conclusion of the 118th Annual Shareholders' Meeting held on June 26, 2024. In addition, Mr. Hideki Watanabe and Mr. Atsushi Kajitani retired from their positions as Corporate Auditors due to the expiration of their terms of office at the conclusion of the same Annual Shareholders' Meeting and were appointed as Directors who are Audit & Supervisory Committee Members.
7. Director positions and responsibilities changed as follows on June 26, 2024.

Name	New Position	Former Position
Masao Tsuru	Representative Director Group Chief Executive Officer	Director, Chief Executive Officer
Akira Watanabe	Director Group Chief Financial Officer	Director, Executive Operating Officer, Chief Financial Officer
Junichi Orita	Director Sealing Solution Chief Executive Officer	Director, Executive Operating Officer General Manager, Corporate Business Strategy Office

8. Directors (Audit & Supervisory Committee Members) Mr. Makoto Fujioka, Mr. Naoki Shimada, Ms. Motoko Imada, and Mr. Atsushi Kajitani serve as External Directors.
9. The Company has submitted notification to the Tokyo Stock Exchange that each External Director has been designated as an independent director as stipulated in the regulations of the aforementioned exchange.
10. To improve the effectiveness of audits while strengthening audit and supervisory functions through enhanced information gathering and full coordination with the internal audit department and other divisions, we have appointed Mr. Hideki Watanabe as full-time Audit & Supervisory Committee Member.
11. Director (Audit & Supervisory Committee Member) Mr. Hideki Watanabe has work experience in finance & accounting division and has considerable expertise in finance and accounting.
12. The Company has entered into a directors and officers liability insurance (D&O insurance) policy as provided for in Article 430-3, paragraph 1 of the Companies Act, in which the insured persons are the Directors, Corporate Auditors and Operating Officers of the Company and its subsidiaries (for overseas subsidiaries, the insured persons are limited to those seconded from Japan). The entire amount of insurance premiums, including those for special clauses, are borne by the Company, and there are no insurance premiums actually borne by the insureds. The insurance policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as Directors, Corporate Auditors, etc., or receipt of claims pertaining to the pursuit of such liability. Provided, however, that there are certain reasons for coverage exclusion that, for example, exclude losses arising from any act that the person carried out while being aware that it violated laws and regulations. Also, the deductible clause is set in the policy, whereby losses within such deductible are not covered by the policy.
13. In addition to the above, significant concurrent positions held by Directors are as follows.

Name	Significant concurrent positions
Masao Tsuru	Representative Director, Chairman, MEKTEC CORPORATION Representative Director, Chairman of the Board, NOK Klüber Co., Ltd. Representative Director, Chairman of the Board, Unimatec Co., Ltd. Chairman of the Board & Director, NOK-Freudenberg Singapore Pte. Ltd. Representative Director, Seiwa Jisho Co., Ltd.
Junichi Orita	Chairman of the Board & Director, Wuxi NOK-Freudenberg Oilseal Co., Ltd. Chairman of the Board & Director, Changchun NOK-Freudenberg Oilseal Co., Ltd. Chairman of the Board & Director, Taicang NOK-Freudenberg Sealing Products Co., Ltd.
Makoto Fujioka	Outside Director, Nippon Paper Industries Co., Ltd.
Naoki Shimada	Outside Director, Japan Business Systems, Inc. External Director, RENOVA, Inc.
Motoko Imada	Director, TNL Mediagene
Atsushi Kajitani	Outside Director, DMS Inc.

(ii) Matters concerning remuneration, etc. to Directors and Corporate Auditors

(a) Policies on remuneration to Directors

As described below, the Company has established a policy for deciding the contents of remuneration, etc. for Directors, and based on this policy, within the range of the total amount decided by the Annual Shareholders' Meeting, remuneration for Directors who are not Audit & Supervisory Committee Members is decided by the Board of Directors, while remuneration for Directors who are Audit & Supervisory Committee Members is decided by a meeting of the Directors who are Audit & Supervisory Committee Members.

The Company has established the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors for the purpose of addressing important management issues, including enhancement of objectivity and transparency in matters related to nomination and remuneration of corporate officers. It provides periodical confirmation on particularly important matters such as nomination of corporate officers and remuneration, etc. of Directors in addition to providing the Board of Directors with appropriate advice. The Nomination and Remuneration Advisory Committee is a committee body whose chair and primary constituent members are External Directors. It provides confirmation and advice relating to important management issues such as nomination and remuneration.

The Company's policies on remuneration to Directors are as follows:

- Methods for determining policies

The policies on remuneration to Directors who are not Audit & Supervisory Committee Members are determined at a meeting of the Board of Directors based on the advice of the Nomination and Remuneration Advisory Committee. The policies on remuneration to Directors who are Audit & Supervisory Committee Members are decided by a meeting of the Directors who are Audit & Supervisory Committee Members.

- Basic policies

In order to improve the medium- and long-term corporate value of the NOK Group and increase stakeholder satisfaction, we believe it is necessary to promote the motivation to achieve targets among management, including the Directors of core companies in the NOK Group, through their remuneration. For this purpose, for the management of core companies in the NOK Group, we have introduced share-based remuneration that varies according to the level of KPI achievement, which is a priority implementation measure in the Medium-Term Management Plan of the NOK Group. Together with monetary remuneration that varies depending on the level of achievement of performance targets in a single fiscal year, this is intended to improve medium- and long-term corporate value and increase stakeholder satisfaction.

- Policies for determining amounts or calculation methods for individual remuneration, etc.

Remuneration to Directors who are not Audit & Supervisory Committee Members consists of a fixed remuneration portion, a remuneration portion for short-term expected achievements and a remuneration portion for long-term expected achievements, with consideration given to Directors' responsibilities to improve business results each fiscal year and to increase the corporate value from a medium- to long-term perspective. The Company classifies the remuneration in three types: (1) basic remuneration (monetary), (2) short-term performance-linked remuneration (monetary), and (3) medium- to long-term performance-linked remuneration (shares). When the remuneration for short-term and long-term expected individual achievements is the standard amounts, levels are established in the total amount of remuneration using ratios within the range of approximately 1 to 1.9 according to the individual's official responsibilities.

On the other hand, because Directors who are Audit & Supervisory Committee Members are responsible for audits and supervision of the conduct of official duties throughout the NOK Group, based on their positions, they receive only basic remuneration (monetary) according to their roles.

In addition, with respect to the payment of remuneration, the remuneration may be temporarily reduced or not paid in case of a sudden deterioration in business performance or a situation that damages corporate value.

- Policies for determining the components of performance-linked remuneration, etc.-related performance indicators, etc., and calculation methods of amounts and/or numbers therein

In accordance with the bonus provisions and share delivery provisions approved by the Board of Directors, performance-

linked remuneration is paid within a range from 0% to 200% according to the level of achievement of the evaluation items.

The evaluation indicators related to short-term performance-linked remuneration utilize financial indicators aimed at achieving both expansion of business scale and ensuring profit levels (net sales and operating income) and individual evaluations which appropriately apply individual results. The amount to be paid is decided with consideration for other matters that may have an impact on business performance (natural disasters, extraordinary income and loss, etc.). The evaluation weighting of each indicator is [sales: operating income: individual evaluation] = [15%:35%:50%] ([30%:70%:0%] for the President and Representative Director). In order to ensure objectivity and transparency, target settings and evaluations for individual evaluations are decided by the Board of Directors based on a report from the Nomination and Remuneration Advisory Committee.

For indicators related to medium- to long-term performance-linked remuneration, for reasons of increasing the overall profitability of the NOK Group and also carrying out management with consideration for ESG, ROA is used as the financial indicator and the FTSE Russell's ESG Ratings are used as the non-financial indicator. The evaluation weighting of these indicators is [90%:10%].

- Policies for determining the details of non-monetary remuneration, etc., and calculation methods of amounts and/or numbers therein

Regarding the medium- to long-term performance-linked remuneration, the Company utilizes a Board Incentive Plan (BIP) trust scheme in order to increase the motivation of Directors to contribute to improving business results and increasing corporate value of the NOK Group over the medium to long term. For the eligible Directors (excluding Directors who are Audit & Supervisory Committee Members, External Directors, and those who are non-residents of Japan), and Operating Officers (excluding those who are non-residents of Japan), this plan delivers or grants the number of the Company's shares and the amount of money equivalent to the converted value of the Company's shares (the "Company's Shares, etc.") corresponding to the number of points calculated according to the position and time in office, the level of achievement of medium-term targets, etc.

- Policies for determining the proportion (ratio) of amounts for individual remuneration, etc. for each type

In consideration for the fact that the Company manufactures and sells components for automobiles, electronic equipment, and other products, and performance is highly susceptible to trends in the industry, short-term performance-linked remuneration and medium- to long-term performance-linked remuneration of Directors have been set at 20% and 20% of total remuneration, respectively.

- Policies for determining the timing and conditions for providing remuneration, etc.

For the basic remuneration, the monthly amount for one year starting in the month following the annual shareholders' meeting is determined at a meeting of the Board of Directors that is held after the annual shareholders' meeting, and a fixed amount is paid on a certain date every month. For the short-term performance-linked remuneration, the amount is determined at a meeting of the Board of Directors in line with "Policies for determining the components of performance-linked remuneration, etc.-related performance indicators, etc., and calculation methods of amounts and/or numbers therein" above according to the year-end financial results, and is paid prior to the annual shareholders' meeting for the settlement of accounts. For the medium- to long-term performance-linked remuneration, fixed points calculated according to the position and time in office and performance-linked points for the purpose of increasing the incentives for achieving the targets in the Medium-Term Management Plan, etc. are granted at a certain time each year. In principle, when the Medium-Term Management Plan ends, the Company's Shares, etc. corresponding to the accumulated number of fixed points and the Company's Shares, etc. corresponding to the number calculated by multiplying the accumulated number of performance-linked points by the performance-linked coefficient according to the level of achievement of the medium-term targets are delivered or provided.

- Methods for determining the details of individual remuneration, etc.

The amounts of remuneration, etc. for individual Directors who are not Audit & Supervisory Committee Members or the calculation methods for those amounts are determined at a meeting of the Board of Directors when the proposal regarding

corporate officer remuneration is presented to the Board of Directors by the Director and Chief Executive Officer, who serves as chairperson of the Board of Directors, based on advice from the Nomination and Remuneration Advisory Committee.

The amounts of remuneration, etc. for Directors who are Audit & Supervisory Committee Members are decided by a meeting of the Directors who are Audit & Supervisory Committee Members.

For the Directors' individual remuneration, etc., for the current fiscal year, the Board of Directors has confirmed that the method for determining the details of remuneration, etc., and the details of determined remuneration, etc., are consistent with the determination policies resolved by the Board of Directors and the advice given by the Nomination and Remuneration Advisory Committee is respected, determining such remuneration, etc., are in accordance with the said determination policies.

(b) Matters concerning resolution of the annual shareholders' meeting related to remuneration, etc., to Directors and Corporate Auditors

For remuneration, etc., to the Company's Directors and Corporate Auditors prior to transitioning to a company with an Audit & Supervisory Committee, it was resolved that the maximum amount of remuneration, etc., to the Directors was 450 million yen per year (excluding employee salaries) and the maximum amount of remuneration, etc. to the Corporate Auditors was 96 million yen per year at the 103rd Annual Shareholders' Meeting held on June 25, 2009. The number of Directors at the end of such shareholders' meeting was eight (8) and that of Corporate Auditors was five (5).

Additionally, the 116th Annual Shareholders' Meeting held on June 24, 2022 passed a resolution to provide additional performance-linked remuneration based on the Company's shares to Directors, etc. (but not External Directors and those who are non-residents of Japan), with upper limits of 345 million yen per fiscal year contributed by the Company to a trust and 320,000 shares granted by the Company per fiscal year. The number of eligible Directors at the conclusion of that annual shareholders' meeting was six (6).

For remuneration to the Company's Directors after transitioning to a company with an Audit & Supervisory Committee, it was resolved that the maximum amount of remuneration, etc., to the Directors who are not Audit & Supervisory Committee Members was 450 million yen per year (including a maximum of 20 million yen per year for External Directors and excluding employee salaries) and the maximum amount of remuneration, etc. to the Directors who are Audit & Supervisory Committee Members was 90 million yen per year at the 118th Annual Shareholders' Meeting held on June 26, 2024. The number of Directors who are not Audit & Supervisory Committee Members at the end of such shareholders' meeting was four (4) (including zero (0) External Directors) and that of Directors who are Audit & Supervisory Committee Members was five (5) (including four (4) External Directors).

Additionally, the 118th Annual Shareholders' Meeting held on June 26, 2024 passed a resolution to provide additional performance-linked remuneration based on the Company's shares to Directors, etc. (excluding Directors who are Audit & Supervisory Committee Members, External Directors, and those who are non-residents of Japan), with upper limits of 345 million yen per fiscal year contributed by the Company to a trust and 320,000 shares granted by the Company per fiscal year. The number of eligible Directors at the conclusion of that annual shareholders' meeting was four (4).

(c) Total sum of remuneration, etc. paid during the current fiscal year

Classification	Total sum of remuneration, etc. (Millions of yen)	Total sum of remuneration, etc. by type (Millions of yen)			Number of Directors and Corporate Auditors who receive remuneration (persons)
		Basic remuneration (monetary)	Performance-linked remuneration		
			Short-term (monetary)	Medium- and long-term (shares, etc.)	
Directors (excluding Audit & Supervisory Committee Members) (External Directors among the above)	355 (7)	199 (7)	90 (-)	64 (-)	9 (3)
Directors (Audit & Supervisory Committee Members) (External Directors among the above)	48 (30)	48 (30)	- (-)	- (-)	5 (4)
Corporate Auditors (External Corporate Auditors among the above)	20 (7)	20 (7)	- (-)	- (-)	5 (3)
Total (External officers among the above)	423 (45)	268 (45)	90 (-)	64 (-)	19 (10)

Notes:

1. The Company transitioned to a company with an Audit & Supervisory Committee on June 26, 2024, pursuant to a resolution at the 118th Annual Shareholders' Meeting held on the same day.
2. Number of Directors (excluding Audit & Supervisory Committee Members) who were paid remuneration, etc. and the total amount paid include five (5) Directors (including three (3) External Directors) who resigned at the conclusion of the 118th Annual Shareholders' Meeting held on June 26, 2024, and remuneration, etc. paid to the Directors during their terms of office, respectively. Of these, two (2) Directors (including two (2) External Directors) were newly elected as Audit & Supervisory Committee Members at the same Annual Shareholders' Meeting. Accordingly, the number of recipients and total amount paid are recorded under "Directors (excluding Audit & Supervisory Committee Members)" for their period of service as Directors, and under "Directors (Audit & Supervisory Committee Members)" for their period of service as Audit & Supervisory Committee Members.
3. Number of Corporate Auditors who were paid remuneration, etc. and the total amount paid represent the number of Corporate Auditors who resigned at the conclusion of the 118th Annual Shareholders' Meeting held on June 26, 2024, and remuneration, etc. paid to the Corporate Auditors during their terms of office, respectively. Of these, two (2) Corporate Auditors (including one (1) External Corporate Auditor) were newly elected as Audit & Supervisory Committee Members at the same Annual Shareholders' Meeting. Accordingly, the number of recipients and total amount paid are recorded under "Corporate Auditors" for their period of service as Corporate Auditors, and under "Directors (Audit & Supervisory Committee Members)" for their period of service as Audit & Supervisory Committee Members.
4. Details about the provision of shares and other medium- to long-term performance-linked remuneration during this fiscal year are provided in (1) Status of Stock above. The total amount of medium- to long-term performance-linked remuneration includes the amount of recorded expenses pertaining to the number of shares and other points granted during the fiscal year to the BIP trust; it is non-monetary remuneration.

(iii) Summary of limited liability contract

Under the provisions of Article 427, Paragraph 1 of the Companies Act, the Company entered into a contract with each External Director so as to limit their liability for damage as provided for in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damage under this contract is the amount set forth by the laws and regulations.

(iv) Matters concerning external officers

(a) Relationships between the Company and firms at which directors hold significant concurrent positions

Mediagene Inc., where Director (Audit & Supervisory Committee Member) Ms. Motoko Imada holds a concurrent position, is a business partner of the Company, including for outsourcing advertising production. However, the annual transaction amounts account for less than 1% of the consolidated net sales of the Company and of Mediagene Inc. and its group companies, and there is no special relationship that would affect the independence of the External Director.

There is no relationship requiring disclosure between the Company and any other companies in which the other External Directors hold concurrent positions.

(b) Major activities during the term

Position	Name	Major activities
Director (Audit & Supervisory Committee Member)	Makoto Fujioka	Has attended 12 out of 12 Board of Directors meetings and seven (7) out of seven (7) Audit & Supervisory Committee meetings held during the term, where he made necessary remarks on Items for Resolution.
Director (Audit & Supervisory Committee Member)	Naoki Shimada	Has attended 12 out of 12 Board of Directors meetings and seven (7) out of seven (7) Audit & Supervisory Committee meetings held during the term, where he made necessary remarks on Items for Resolution.
Director (Audit & Supervisory Committee Member)	Motoko Imada	Has attended nine (9) out of nine (9) Board of Directors meetings and seven (7) out of seven (7) Audit & Supervisory Committee meetings held during the term, where she made necessary remarks on Items for Resolution.
Director (Audit & Supervisory Committee Member)	Atsushi Kajitani	Has attended 12 out of 12 Board of Directors meetings (three (3) as Corporate Auditor and nine (9) as Director (Audit & Supervisory Committee Member)), three (3) out of three (3) Board of Corporate Auditors meetings, and seven (7) out of seven (7) Audit & Supervisory Committee meetings held during the term, where he made necessary remarks on Items for Resolution.

Note: As Director (Audit & Supervisory Committee Member) Ms. Motoko Imada was elected at the 118th Annual Shareholders' Meeting held on June 26, 2024, her attendance at Board of Directors meetings differs from that of the other External Directors and Corporate Auditors.

(c) Overview of the job duties performed in connection with the roles expected for External Directors

At the Board of Directors meetings, Mr. Makoto Fujioka, a Director (Audit & Supervisory Committee Member), actively expresses his opinions focusing on matters related to judgment for management strategies, corporate compliance, etc., Mr. Naoki Shimada, a Director (Audit & Supervisory Committee Member), does so on the overall management of the Company from his extensive experience in corporate management, Ms. Motoko Imada, a Director (Audit & Supervisory Committee Member), does so from the perspective that includes strategic external policies and DE&I initiatives based on her experience in global corporate management, and Mr. Atsushi Kajitani, a Director (Audit & Supervisory Committee Member), does so based on his extensive experience and wide-ranging knowledge in corporate legal affairs as a lawyer. Thus, they have performed their roles in a proper manner to ensure validity and appropriateness of decision making.

Furthermore, Directors (Audit & Supervisory Board Members) Mr. Makoto Fujioka and Mr. Naoki Shimada attended five (5) out of five (5) Nomination and Remuneration Advisory Committee Meetings held during the current fiscal year and Directors (Audit & Supervisory Board Members) Ms. Motoko Imada and Mr. Atsushi Kajitani attended four (4) out of four (4) Nomination and Remuneration Advisory Committee Meetings held since assuming the position of Director, as members of the Nomination and Remuneration Advisory Committee (Management Supervision Meeting until June 25, 2024), which is an advisory body to the Board of Directors handling matters related to nomination of and remuneration to the corporate officers, and have carried out their supervisory functions in the course of selection of candidates for the Company's corporate officers, as well as determination of remuneration, etc. to the corporate officers, from an objective and neutral standpoint. The committee chair is Mr. Makoto Fujioka.

(3) Independent Auditor

(i) **Name:** Nihombashi Corporation Certified Public Accountants

(ii) **Amount of remuneration**

(Millions of yen)

	Amount of payment
Amount to be paid by the Company as remuneration for duties stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	46
Amount to be paid by the Company and its subsidiaries to the Independent Auditor as financial benefit, such as monetary reward, etc.	84

Notes:

1. In the audit contracts between the Company and its Independent Auditor, the fees for audits conducted under the Companies Act and under the Financial Instruments and Exchange Act are not clearly differentiated. As they cannot be effectively separated, the accounting audit fees for duties stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act for the year under review show the total.
2. Among the Company's major subsidiaries, those located outside Japan are audited by either certified public accountants not employed by Nihombashi Corporation Certified Public Accountants or audit firms other than said corporation.
3. In accordance with the Practical Guidelines for Cooperation with Independent Auditors published by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Committee checked on and examined the audit plans of the Independent Auditor, the status of implementation of audits and the basis for calculation of the remuneration estimate, etc. and consented to the remuneration, etc. of the Independent Auditor.

(iii) Policy concerning decision regarding dismissal and non-reappointment on Independent Auditor

Where there is anything that obstructs the fulfillment of Independent Auditor's duties, or where the Audit & Supervisory Committee considers it necessary, the Audit & Supervisory Committee will decide details of a proposal on the dismissal or non-reappointment of the Independent Auditor to be presented to a shareholders' meeting.

The Audit & Supervisory Committee will dismiss the Independent Auditor with the unanimous consent of all Audit & Supervisory Committee Members in cases where the Independent Auditor is deemed as having fallen under the provisions of each item of Article 340, Paragraph 1 of the Companies Act. In such cases, one Audit & Supervisory Committee Member appointed by the Audit & Supervisory Committee will report the execution of dismissal and the reasons at the first shareholders' meeting following the dismissal.

"System for Ensuring Properness of Operations" is not included in the physical copies of electronically provided information sent to shareholders who request them, under laws and regulations and the Articles of Incorporation of the Company.

All amounts are rounded down to the nearest million yen, and the number of shares is rounded down to the nearest 1,000 shares. Percentages are rounded to the nearest whole unit.

CONSOLIDATED BALANCE SHEET (As of March 31, 2025)

(Millions of yen)

Item	FY2024	FY2023 (Reference)	Item	FY2024	FY2023 (Reference)
ASSETS	898,667	952,379	LIABILITIES	275,245	313,377
CURRENT ASSETS	420,723	440,977	CURRENT LIABILITIES	186,251	213,222
Cash and deposits	136,762	136,913	Accounts payable - trade	61,028	68,548
Notes and accounts receivable - trade	142,193	154,313	Short-term loans payable	44,067	56,593
Electronically recorded monetary claims	20,719	22,552	Income taxes payable	3,750	13,441
Merchandise and finished goods	41,316	46,983	Provision for bonuses	11,805	11,219
Work in process	38,523	38,954	Deposits received from employees	15,857	16,099
Raw materials and supplies	26,235	28,829	Other	49,742	47,320
Other	15,236	12,616	NONCURRENT LIABILITIES	88,994	100,155
Allowance for doubtful accounts	(263)	(185)	Long-term loans payable	17,623	18,871
NONCURRENT ASSETS	477,943	511,401	Deferred tax liabilities	20,975	24,332
Property, plant and equipment	245,320	249,753	Net defined benefit liabilities	41,140	46,945
Buildings and structures	91,897	92,810	Provision for share awards for directors (and other officers)	506	398
Machinery, equipment and vehicles	97,007	104,108	Other	8,748	9,607
Tools, furniture and fixtures	18,616	17,212	NET ASSETS	623,421	639,001
Land	19,933	20,319	SHAREHOLDERS' EQUITY	431,846	420,815
Lease assets	2,299	2,567	CAPITAL STOCK	23,335	23,335
Construction in progress	15,565	12,734	CAPITAL SURPLUS	27,343	26,203
Intangible assets	14,719	14,874	RETAINED EARNINGS	398,858	385,291
Goodwill	9,885	10,512	TREASURY STOCK	(17,691)	(14,014)
Other	4,834	4,361	ACCUMULATED OTHER COMPREHENSIVE INCOME	147,159	165,239
Investments and other assets	217,903	246,774	VALUATION DIFFERENCE ON AVAILABLE-FOR-SALE SECURITIES	55,041	71,971
Investment securities	162,144	188,007	FOREIGN CURRENCY TRANSLATION ADJUSTMENT	66,295	68,779
Long-term loans receivable from employees	1,288	1,495	REMEASUREMENTS OF DEFINED BENEFIT PLANS	25,822	24,487
Deferred tax assets	6,794	6,000	NON-CONTROLLING INTERESTS	44,415	52,946
Net defined benefit asset	14,927	13,428			
Other	32,888	37,987			
Allowance for doubtful accounts	(139)	(145)			
TOTAL	898,667	952,379	TOTAL	898,667	952,379

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

CONSOLIDATED STATEMENT OF INCOME (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	FY2024		FY2023 (Reference)	
Net Sales		766,859		750,502
Cost of Sales		630,808		634,618
Gross Profit		136,051		115,884
Selling, General and Administrative Expenses		98,786		92,971
Operating Income		37,264		22,912
Non-operating Income				
Interest income	1,443		1,333	
Dividend income	3,387		3,185	
Foreign exchange gains	–		6,993	
Share of profit of entities accounted for using equity method	8,790		9,127	
Rent income	880		869	
Other	3,486	17,988	2,717	24,225
Non-operating Expenses				
Interest expenses	3,165		3,299	
Foreign exchange losses	2,027		–	
Loss on valuation of derivatives	1,123		2,591	
Other	878	7,194	960	6,852
Ordinary Income		48,057		40,285
Extraordinary Income				
Gain on sales of noncurrent assets	463		440	
Gain on sales of investment securities	3,100		29,225	
Gain on revision of retirement benefit plan	4,123		–	
Other extraordinary income	8	7,696	262	29,927
Extraordinary Loss				
Loss on sales and retirement of noncurrent assets	1,663		2,799	
Impairment loss	2,092		10,723	
Amortization of prior service cost	1,308		–	
Other	585	5,649	1,998	15,521
Income before Income Taxes		50,104		54,691
Income taxes - current	13,246		20,045	
Income taxes - deferred	1,694	14,941	(1,340)	18,704
Net Income		35,163		35,987
Profit attributable to non-controlling interests		4,843		4,384
Profit (Loss) Attributable to Owners of Parent		30,320		31,602

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

"Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" are not included in the physical copies of electronically provided information sent to shareholders who request them, under laws and regulations and the Articles of Incorporation of the Company.

BALANCE SHEET (As of March 31, 2025)

(Millions of yen)

Item	FY2024	FY2023 (Ref)	Item	FY2024	FY2023 (Ref)
ASSETS	447,294	461,165	LIABILITIES	157,089	175,278
CURRENT ASSETS	213,001	209,050	CURRENT LIABILITIES	105,564	117,142
Cash and deposits	54,621	51,945	Accounts payable - trade	28,141	26,095
Notes receivable - trade	529	1,337	Short-term loans payable	6,924	11,209
Electronically recorded monetary claims	18,194	19,261	Accounts payable - other	5,275	4,611
Accounts receivable - trade	50,532	51,325	Income taxes payable	255	10,121
Finished goods	13,068	14,100	Accrued expenses	2,080	1,993
Work in process	926	747	CMS deposits received	35,551	35,967
Raw materials and supplies	6,105	5,570	Provision for bonuses	4,497	4,418
Short-term loans receivable	55,285	54,931	Deposits received from employees	13,440	13,579
Accounts receivables - other	8,238	7,760	Other	9,397	9,143
Other	5,572	2,141	NONCURRENT LIABILITIES	51,525	58,135
Allowance for doubtful accounts	(71)	(72)	Long-term loans payable	3,159	4,869
NONCURRENT ASSETS	234,292	252,115	Provision for retirement benefits	38,112	38,395
Property, plant and equipment	55,104	58,182	Provision for share awards for directors (and other officers)	303	246
Buildings	20,783	22,069	Long-term income taxes payable	293	-
Structures	1,575	1,852	Deferred tax liabilities	8,134	12,824
Machinery and equipment	19,643	20,937	Other	1,522	1,798
Vehicles	161	152	NET ASSETS	290,205	285,887
Tools, furniture and fixtures	4,119	4,066	SHAREHOLDERS' EQUITY	235,513	214,318
Land	5,557	6,002	CAPITAL STOCK	23,335	23,335
Lease assets	61	65	CAPITAL SURPLUS	20,397	20,397
Construction in progress	3,202	3,037	Legal capital surplus	20,397	20,397
Intangible assets	23	24	RETAINED EARNINGS	209,384	184,517
Investments and other assets	179,164	193,909	Legal retained earnings	2,983	2,983
Investment securities	98,422	123,086	Other retained earnings	206,400	181,534
Stocks of subsidiaries and affiliates	57,517	53,254	Reserve for special depreciation	2	9
Investment in capital of subsidiaries and affiliates	11,396	11,396	Reserve for advanced depreciation of noncurrent assets	2,465	2,466
Long-term loans receivable	5,362	3,458	Retained earnings brought forward	203,932	179,057
Prepaid pension cost	4,478	696	TREASURY STOCK	(17,604)	(13,931)
Guarantee deposits	1,113	1,074	VALUATION AND TRANSLATION ADJUSTMENTS	54,691	71,568
Other	968	1,040	VALUATION DIFFERENCE ON AVAILABLE-FOR-SALE SECURITIES	54,691	71,568
Allowance for doubtful accounts	(94)	(98)	TOTAL	447,294	461,165
TOTAL	447,294	461,165			

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

STATEMENT OF INCOME (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	FY2024		FY2023 (Reference)	
Net Sales		226,264		230,826
Cost of Sales		180,838		187,819
Gross Profit		45,426		43,006
Selling, General and Administrative Expenses		40,799		39,790
Operating Income		4,626		3,216
Non-operating Income				
Interest and dividend income	39,364		22,689	
Rent income	839		833	
Other	639	40,844	3,426	26,950
Non-operating Expenses				
Interest expenses	941		843	
Loss on valuation of derivatives	1,123		2,591	
Other	821	2,886	198	3,633
Ordinary Income		42,584		26,532
Extraordinary Income				
Gain on sales of noncurrent assets	420		31	
Gain on sales of investment securities	3,100		29,219	
Gain on sale of shares of subsidiaries and associates	54		-	
Gain on revision of retirement benefit plan	2,879	6,454	-	29,251
Extraordinary Loss				
Loss on sales and retirement of noncurrent assets	215		1,152	
Loss on sales of investment securities	2		0	
Loss on valuation of investment securities	12		-	
Impairment loss	717		3,971	
Amortization of prior service cost	955		-	
Other	-	1,902	1	5,125
Income before Income Taxes		47,136		50,658
Income taxes - current	3,929		12,759	
Income taxes - deferred	1,578	5,507	(1,779)	10,979
Net Income		41,629		39,679

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

"Statement of Changes in Net Assets" and "Notes to Financial Statements" are not included in the physical copies of electronically provided information sent to shareholders who request them, under laws and regulations and the Articles of Incorporation of the Company.

INDEPENDENT AUDITOR'S REPORT

May 15, 2025

To: The Board of Directors of
NOK CORPORATION

Nihombashi Corporation Chuo Ward, Tokyo

Hidekazu Takahashi Designated and Engagement Partner,
Certified Public Accountant

Hitoshi Watanabe Designated and Engagement Partner,
Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of NOK CORPORATION and its subsidiaries (the "NOK Group"), which comprise the consolidated balance sheet as of March 31, 2025, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the NOK Group, applicable to the fiscal year ended March 31, 2025, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the NOK Group in accordance with the professional ethical standards in Japan, and we have fulfilled our other ethical responsibilities in accordance with those standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other content

Other content refers to the business report and its supplementary schedules. The responsibility of management is to produce and disclose this other content. The responsibility of the Audit & Supervisory Committee is to monitor the directors' performance of duties in the preparation and operation of reporting processes for this other content.

The other content is not subject to our audit opinion regarding the consolidated financial statements, and we do not express an opinion regarding the other content.

Our responsibility in the audit of the consolidated financial statements, etc. is to read through the other content, and in the process of reading through, examine whether there are any material discrepancies between the other content and the consolidated financial statements, and compared with the knowledge gained by us in the process of auditing, also to pay attention to the presence of any signs of other material misstatements in the other content aside from such material discrepancies.

We are required to report the fact in the case that we judge there are material misstatements in the other content based on the work we have performed.

There are no facts that we should report with regard to the other content.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making those risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the NOK Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NOK Group's ability to continue as a going concern. If we conclude that a material uncertainty regarding the assumption of a going concern exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NOK Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of NOK CORPORATION and its consolidated subsidiaries to express opinions on the consolidated financial statements. We are responsible for the direction, supervision, and performance of audits of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and other matters that may reasonably be thought to bear on our independence, and the details in cases when measures have been enacted to eliminate obstruction factors, or cases when safeguards have been applied to reduce obstruction factors to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated and engagement partners do not have any interest in the NOK Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

INDEPENDENT AUDITOR'S REPORT

May 15, 2025

To: The Board of Directors of
NOK CORPORATION

Nihombashi Corporation Chuo Ward, Tokyo

Hidekazu Takahashi Designated and Engagement Partner,
Certified Public Accountant

Hitoshi Watanabe Designated and Engagement Partner,
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements of NOK CORPORATION (the "Company"), which comprise the balance sheet, the statement of income, the statement of changes in net assets and the notes to the financial statements, and the supplementary statements (collectively, the "Financial Statements, etc.") applicable to the 119th term from April 1, 2024 through March 31, 2025.

In our opinion, the Financial Statements, etc. referred to above present fairly, in all material respects, the financial position of the Company applicable to the 119th term ended March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements, etc.* section of our report. We are independent of the Company in accordance with the professional ethical standards in Japan, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other content

Other content refers to the business report and its supplementary schedules. The responsibility of management is to produce and disclose this other content. The responsibility of the Audit & Supervisory Committee is to monitor the directors' performance of duties in the preparation and operation of reporting processes for this other content.

The other content is not subject to our audit opinion regarding the Financial Statements, etc., and we do not express an opinion regarding the other content.

Our responsibility in the audit of the Financial Statements, etc. is to read through the other content, and in the process of reading through, examine whether there are any material discrepancies between the other content and the Financial Statements, etc., and compared with the knowledge gained by us in the process of auditing, also to pay attention to the presence of any signs of other material misstatements in the other content aside from such material discrepancies.

We are required to report the fact in the case that we judge there are material misstatements in the other content based on the work we have performed.

There are no facts that we should report with regard to the other content.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the Financial Statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements, etc.

Our objectives are to obtain reasonable assurance about whether the Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the Financial Statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements, etc.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, etc., consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making those risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty regarding the assumption of a going concern exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements, etc. or, if the notes to the Financial Statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements, etc. and notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the Financial Statements, etc., including the notes to the Financial Statements, etc., and whether the Financial Statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and other matters that may reasonably be thought to bear on our independence, and the details in cases when measures have been enacted to eliminate obstruction factors, or cases when safeguards have been applied to reduce obstruction factors to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated and engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report

This Audit & Supervisory Committee audited the execution of duties by Directors during the 119th term from April 1, 2024 to March 31, 2025. The method and results are reported as follows:

The Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit & Supervisory Committee at the 118th Annual Shareholders' Meeting held on June 26, 2024. As such, for the period from April 1, 2024, until the conclusion of the aforementioned Shareholders' Meeting, the audit procedures were taken over from the Corporate Auditors and the Audit & Supervisory Board, and an audit report for the current fiscal year was prepared after reviewing the procedures.

1. Method and Details of Auditing

With regard to the resolutions of the Board of Directors concerning the matters set forth in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act, as well as the internal control system established pursuant to those resolutions, the Audit & Supervisory Committee receives regular reports from the Directors and employees on the status of the system's establishment and operation, seeks explanations where necessary, states its opinions, and conducts audits using the following method.

- (i) In accordance with the Audit & Supervisory Committee Audit Standards established by the Audit & Supervisory Committee, the audit policy and division of duties, and in cooperation with the Company's internal audit department and other internal control department, the Audit & Supervisory Committee Members have also been attending important meetings, obtaining reports, and where necessary, seeking explanations from the Directors and employees on matters related to the execution of their duties, examining important authorization papers and related documents, and inspecting the state of business affairs and assets at the Company's head office and other major business locations. As for subsidiaries, Audit & Supervisory Committee Members have been promoting communication and information exchange among Directors and Corporate Auditors within the Company's subsidiaries, and have been receiving periodic reports on the state of their business activities as necessary.
- (ii) The Audit & Supervisory Committee has been inspecting and verifying whether independent auditors are maintaining their independence and implementing proper auditing procedures. The Audit & Supervisory Committee has also been receiving reports and, where necessary, seeking explanations from them concerning their audits. The Audit & Supervisory Committee has also been receiving notices from independent auditors to the effect that they have established "systems to ensure proper execution of duties" (those listed in each item of Article 131 of the Corporate Calculation Regulations), in accordance with "Quality Control Standards concerning Audit (Financial Accounting Standards Board)" and, where necessary, has been obtaining explanations from them.

Based on the above method, the Audit & Supervisory Committee has reviewed the business report and accompanying statements, financial statements for the term under review (balance sheet, statement of income, statement of changes in net assets, and notes to financial statements), supplementary statements, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, and consolidated statement of changes in net assets, and notes to consolidated financial statements).

2. Results of Audit

(1) Results of audit of business report

The Audit & Supervisory Committee finds:

- (i) That the business report and the accompanying statements present in a fair manner the conditions of the Company in compliance with the laws and regulations and the Articles of Incorporation of the Company.
- (ii) That there are no unfair practices in the Directors' execution of their duties or any serious conditions that conflict with the laws and regulations or the Articles of Incorporation of the Company.
- (iii) That the Board of Director's decisions in regards to the internal control system are appropriate and that nothing in the details described in the Business Report, or the Directors' execution of their duties related thereto needs to be addressed herein.

(2) Results of audit of the financial statements and the supplementary statements

The Audit & Supervisory Committee finds that the auditing methods of the independent auditors, Nihombashi Corporation, an incorporated accounting firm, and the results of their audit are appropriate.

(3) Results of audit of the consolidated financial statements

The Audit & Supervisory Committee finds that the auditing methods of the independent auditors, Nihombashi Corporation, an incorporated accounting firm, and the results of their audit are appropriate.

May 19, 2025

Audit & Supervisory Committee, NOK CORPORATION

Hideki Watanabe	Full-time Audit & Supervisory Committee Member
Makoto Fujioka	Audit & Supervisory Committee Member
Naoki Shimada	Audit & Supervisory Committee Member
Motoko Imada	Audit & Supervisory Committee Member
Atsushi Kajitani	Audit & Supervisory Committee Member

Note: Audit & Supervisory Committee Members Mr. Makoto Fujioka, Mr. Naoki Shimada, Ms. Motoko Imada, and Mr. Atsushi Kajitani serve as External Directors as defined in Article 2, Paragraph 15 and Article 331, Paragraph 6 of the Companies Act.

Information for Shareholders

Fiscal year	From April 1 to March 31 of the following year
Annual shareholders' meeting	June
Dividend payment record date	Year-end dividend March 31
	Interim dividend September 30
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation
Contact information	1-1 Nikko-cho, Fuchu City, Tokyo, Japan Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation Tel: 0120-232-711 (toll-free number available in Japan only) Mailing address: P.O. Box No. 29, Shin-Tokyo Post Office, Japan, 137-8081 Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation
Method of public notice	An electronic public notice is applied. URL for public notice https://www.nok.co.jp/ (If it becomes impossible for us to make an electronic public notice due to an accident or any other unavoidable reason, we will post it in the Nikkei .)
Share unit	100 shares
Public listing	Tokyo Stock Exchange Listed Name on the Prime Market: NOK (Securities Code: 7240)

NOK CORPORATION

12-15, Shiba-Daimon 1-chome, Minato Ward, Tokyo, Japan 105-8585
Telephone: +81-3- 3432-4211 (main)
<https://www.nokgrp.com>