Sustainability report 2025

NAKANISHI INC.

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Editorial Policy

Significance of This Report

NSK has been issuing our Environmental Report since FY2013. Starting from FY2021, we will be issuing our Sustainability Report which expands on the scope of reporting and introduces the sustainability initiatives of the NSK Group. Through this report, we aim to allow stakeholders to widely understand our initiatives.

Scope of Report
In principle, this report covers NSK and its consolidated subsidiaries. In this report, "NSK" refers to NAKANISHI INC. as an unconsolidated entity, while "NSK Group" refers to the overall NSK Group in Japan and overseas.

Period of Report
January 1, 2024 to December 31, 2024 (including 2025 for certain sections)

Time of Issue
August 2025

Reference Guidelines
GRI Sustainability Reporting Standards

Top Message

Through Unique and Innovative Grinding Technology
We Will Contribute toward Achieving a Better Society and People's Happiness

C-P-S —NSK's Management Policy

With its mission, "To create brilliant progress via innovative grinding technology," NSK has developed core high-speed rotary, ultrasound and micromotor technologies and created innovative products in the dental, surgical and industrial business fields. We currently have business sites in 18 locations around the world and sell our products in more than 140 countries. In the conduct of business, we have cherished the three concepts of "Culture oriented," "People based" and "Social perspective" (C-P-S) as our management policy for many years. Through practicing management that respects local cultures, is based on people and has a social perspective, we have earned the trust of stakeholders around the world.

Materiality for Sustainability

In recent years, various social issues such as climate change, human rights, and economic inequality have come to the forefront, requiring response by not only society as a whole, but companies as well. NSK formulated our materiality to share again internally the initiatives carried out under C-P-S up to now and our future direction as well as to make an appropriate response toward requirements from stakeholders.

In "resolving social issues through providing innovative products," we strive to develop innovative products that contribute to the extension of health expectancy and factory automation for the rapidly aging societies that are progressing, particularly in developed countries, while working to enhance our market penetration so that even more customers can use our products.

In "providing peace of mind and safety to medical workers," we have dedicated ourselves to the thorough pursuit of quality while we actively spread information on our products through our website, etc. to help our customers use their products safely and with peace of mind. In addition, we will continue to enhance both the quality and quantity of seminars and training opportunities directed toward medical workers to ensure that our products are being used in the correct manner.

In "creating workplaces where diverse human resources can grow," we are addressing both our internal systems and training in the realization of diversity and inclusion. In addition to continuing to promote our conventional take on health management, we will also increase investment in employee training and provide active support for the acquisition of skills that fit the changes of the times, striving to ensure that our employees can work with motivation as they build long careers.

In "promoting a responsible supply chain," with consideration for social issues that require comprehensive resolution across the entire supply chain such as child labor and forced labor, we formulated our Business Partner CSR Guidelines in 2021 and request all of our business partners to implement initiatives related to ESG. Such requests to business partners will be undertaken globally.

In "response to climate change and contribution to a recycling-oriented society," we engaged in zero-CO_2 monozukuri that sought to switch 100% of the electricity used at our domestic production sites to renewable energy, and achieved carbon neutrality. We will continue to promote environmental activities to realize a sustainable society by implementing measures such as using renewable energy, reducing per unit energy use and reducing waste volumes based on our Green Plan 2030 medium-term plan formulated in 2021.

VISION2030—Toward 2030

Moving toward 2030, NSK thinks that the social issue of super-aging should be handled in particular. The world is aging rapidly, and especially so in Japan, where it is predicted that people 65 years and older will exceed 31% of the population in 2030. There are similar trends in other countries such as various European countries, China and South Korea. The extension of health expectancy holds an important key to the aspects of improving quality of life (QOL) for elderly people and reducing medical expenses which are prevalent in a rapidly aging society. Through our products, we will contribute to it in two ways, dental and physical health.

With regard to dental health in particular, in recent years it was discovered that periodontal disease not only contributes to increased risk of subarachnoid hemorrhage and diabetes, but also to mental deterioration in the manifestation of dementia. Going forward, we will continue to provide innovative products that draw a direct line to dental health through fully applying our unique capacity to develop technology for dental products that the company has been cultivating since its founding.

Furthermore, there is concern that the decline in the working population resulting from the super-aging population will have a negative impact on economic growth. We will help to address this issue through innovative products that contribute to factory automation.

With our 100th anniversary coming in 2030, we will do our best to take an active approach in working toward VISION2030 and the five key sustainability themes as we strive to achieve a better society and people's happiness under our mission, "To create brilliant progress via innovative grinding technology"

Company Profile

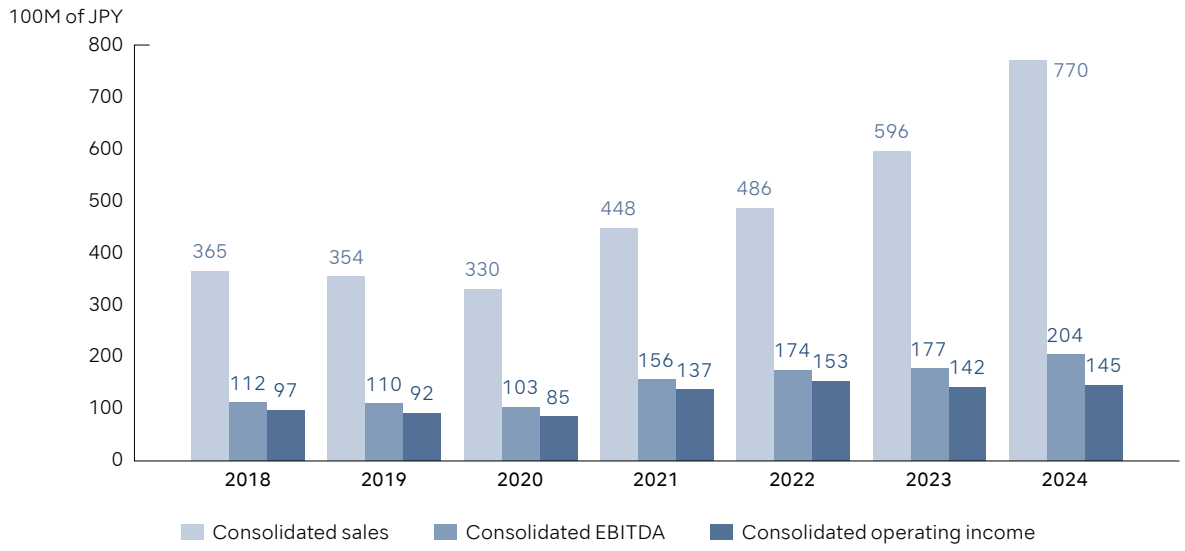
Company Profile

Company Profile

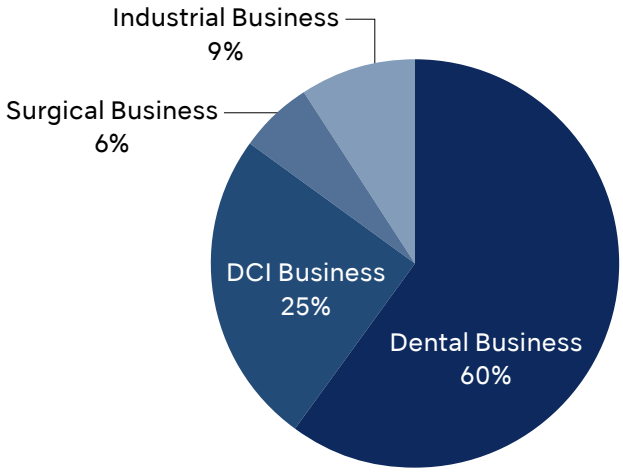
Company Name	NAKANISHI INC.
Founded	February, 1930
Established	January, 1951
Head Office	700 Shimohinata, Kanuma, Tochigi 322-8666, Japan
Phone	+81-289-64-3380
Web Site	https://www.en.nakanishi-inc.jp
Number of Employees	2,180 (as of December 31, 2024)
End of Fiscal Year	December 31
Capital Stock	867 million yen
Representative	President & Group CEO Eiichi Nakanishi
Stock Exchange Listings	Tokyo Stock Exchange, Standard

Financial Results

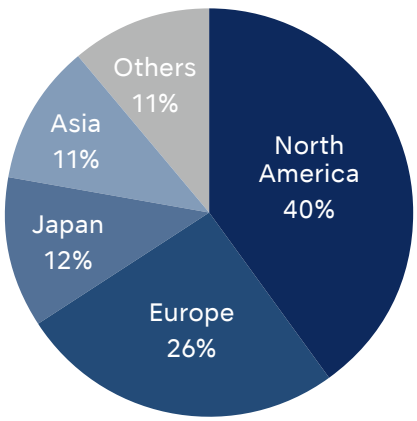
Changes in Financial Results



Sales ratio by business domain (FY2024)



Sales ratio by region (FY2024)



Business Domain

Centered on high-speed rotary technology, NSK undertakes businesses in three domains: dental, surgical and industrial.

Dental business

To achieve “dental health”, we will develop innovative products in the fields of restorative dentistry, preventive dentistry, periodontics, implantology, oral surgery and mobile dental care using NSK’s “innovative grinding technology”, namely, high-speed rotary technology and ultrasound technology. All the aforementioned are complemented by our growing range of decontamination products. In each field, we will produce equipment that will allow dentists and dental hygienists to carry out treatment more quickly, efficiently and safely, equipment that will make it possible to provide new types of treatment and be less stressful for patients.
Furthermore, we will also develop equipment used by veterinary surgeons for the treatment and healthcare of animals.

DENTAL
- RESTORATIVE DENTISTRY
- PREVENTIVE DENTISTRY
- PERIODONTICS
- ORAL SURGERY
- MOBILE DENTAL CARE
- DECONTAMINATION PRODUCTS
- VETERINARY EQUIPMENT

Surgical business

Due to the rapid aging of society, there will be a significant increase in surgery for brain disease (e.g. stroke, subarachnoid hemorrhage), spinal disease (e.g. spinal stenosis, intervertebral disk herniation), orthopedic procedures (e.g. implant surgery of knees and hips), as well as various types of endoscopic surgery. NSK's high-speed rotary will be indispensable in these kinds of surgery. Nothing is more important than safety and speed when considering cranial, spine, and orthopedic surgery. The precision of surgery is linked to the burden reduction on patients and the speed with which they can make a favorable recovery. For this purpose, NSK takes the initiative to include the opinions of famous surgeons around the world to create surgical tools which are truly easy to use.

SURGICAL
- NEUROSURGERY
- SPINE SURGERY
- ORTHOPEDIC SURGERY
- ENDOSCOPIC SURGERY

Industrial business

As more and more factories become automated or unmanned, NSK's high-speed high-precision spindles will be used in machines and robots in automated production lines in a variety of industries. The usage for such equipment is becoming increasingly diversified, and expectations of the performance and conditions are getting higher. However, NSK will develop products by taking these needs into account in advance.
Furthermore, Nakanishi's high-speed micro grinder is used for fine deburring of work that demands precision and accuracy in the mold manufacturing, crafts, and jewelry industries, and is greatly valued as a high-end class product.

- INDUSTRIAL
  - AUTOMOBILE INDUSTRY
  - SMARTPHONE INDUSTRY
  - AIRCRAFT INDUSTRY
  - MEDICAL EQUIPMENT INDUSTRY
  - PRECISION PARTS INDUSTRY
  - CRAFTS & JEWELRY INDUSTRIES

DCI business

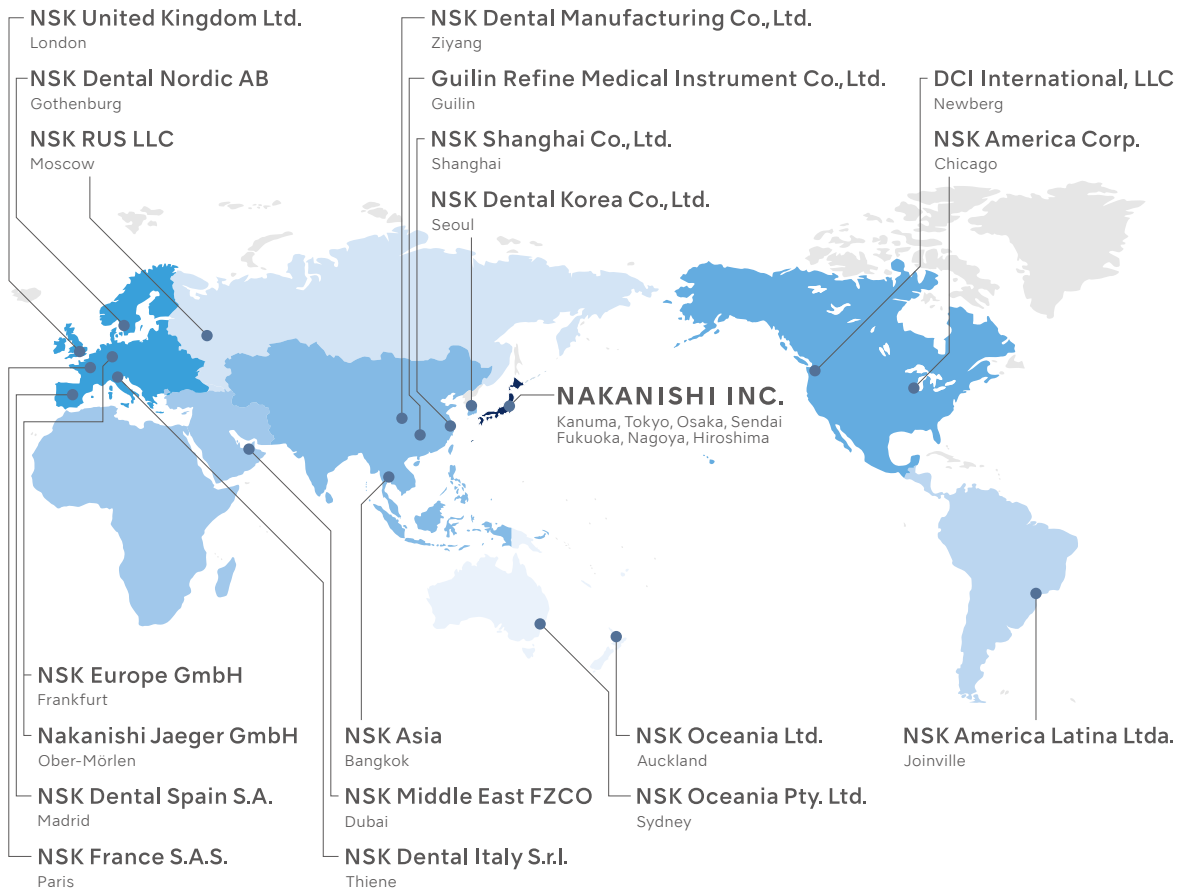
DCI develops, manufactures, and sells dental chairs, dental cabinets, and dental chair components for the North American market. Dental chairs, which are the most essential equipment in dental clinics, must offer operability, durability, and maintainability. DCI dental chairs achieve these qualities at a high level, and their speedy and high-quality after-sales service is highly regarded in the market, enabling the company to rapidly expand its market share. Through its strong customer base built over the years, including dealers and DSOs*, the company continues to contribute to improving the quality of dental care in North America. DCI, which became a wholly owned subsidiary of NSK in August 2023, is highly compatible with our group, which handles dental handpieces. Synergies are being generated through initiatives such as bundling DCI dental chairs with NSK products.

DCI
- Dental chairs
- Dental cabinets
- Dental chair components

*DSOs (Dental Service Organizations):
Large dental clinic chains that encompass numerous dental practices and are rapidly gaining influence in the industry.

NSK—Expanding Globally

The NSK Group has its own sales bases at 18 locations outside Japan, and its products are used in more than 140 countries around the world. We have achieved the number one share of the global market in the field of dental rotary equipment. Even in countries where we do not have local subsidiaries, we are strengthening our partnerships with local sales agents to achieve meticulous responses to user needs.



NSK's Core Technologies

To achieve the mission of "To create brilliant progress via innovative grinding technology," NSK has continued to hone the three core technologies of high-speed rotary technology, ultrasound technology and micromotor technology. Using these core technologies, we will continue to provide innovative products in the dental, surgical and industrial fields, and keep contributing toward the creation of all kinds of progress, such as bringing inspiration, happiness, benefits and joy to society and people.

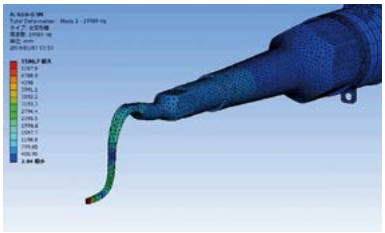
High-speed Rotary Technology

Our dental drill (handpiece)—which we have continued to make since our founding—rotates at an extremely high speed of 400,000 revolutions per minute. The ball bearings inside the handpiece significantly reduce friction between parts to achieve high-speed rotation. At least 90% of the parts, including the ball bearings which require processing precision at the submicron*1 level, are produced in-house. This high rate of in-house production significantly contributes toward improving our product's quality and cost competitiveness.

*1: 0.0001 mm

Ultrasound Technology

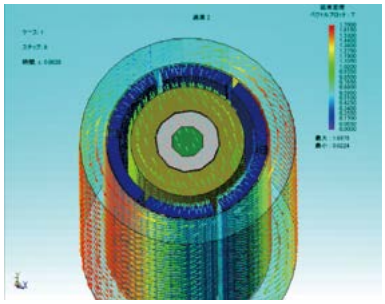
Ultrasound is sound waves with high frequencies that cannot be heard by our ears. Ultrasound vibrate at least 20,000 times per second, and the power (amplitude) of this vibration is applied as grinding power. Examples of ultrasonic equipment being used in the field of dental include ultrasonic scalers and ultrasonic bone cutting equipment. The three parts, the tip, handpiece (vibrating part) and control engine, work together to enhance performance. We brought our ultrasound technology in-house and have succeeded in raising power factor—which is usually around 0.6—to a level close to 1.



Micromotor Technology

Using electronic drive circuits, which we have developed over many years, we achieve stable torque*2 and smoothness over a wide range of rotation speeds, from ultra-low to ultra-high speeds. Our micromotors—which achieve precise rotation control and manifest powerful and stable torque—are used in equipment for implantology in the dental field. They are also used in the field of industrial engineering in products such as robot arms and motor spindles which are used in combination with various types of industrial machines.

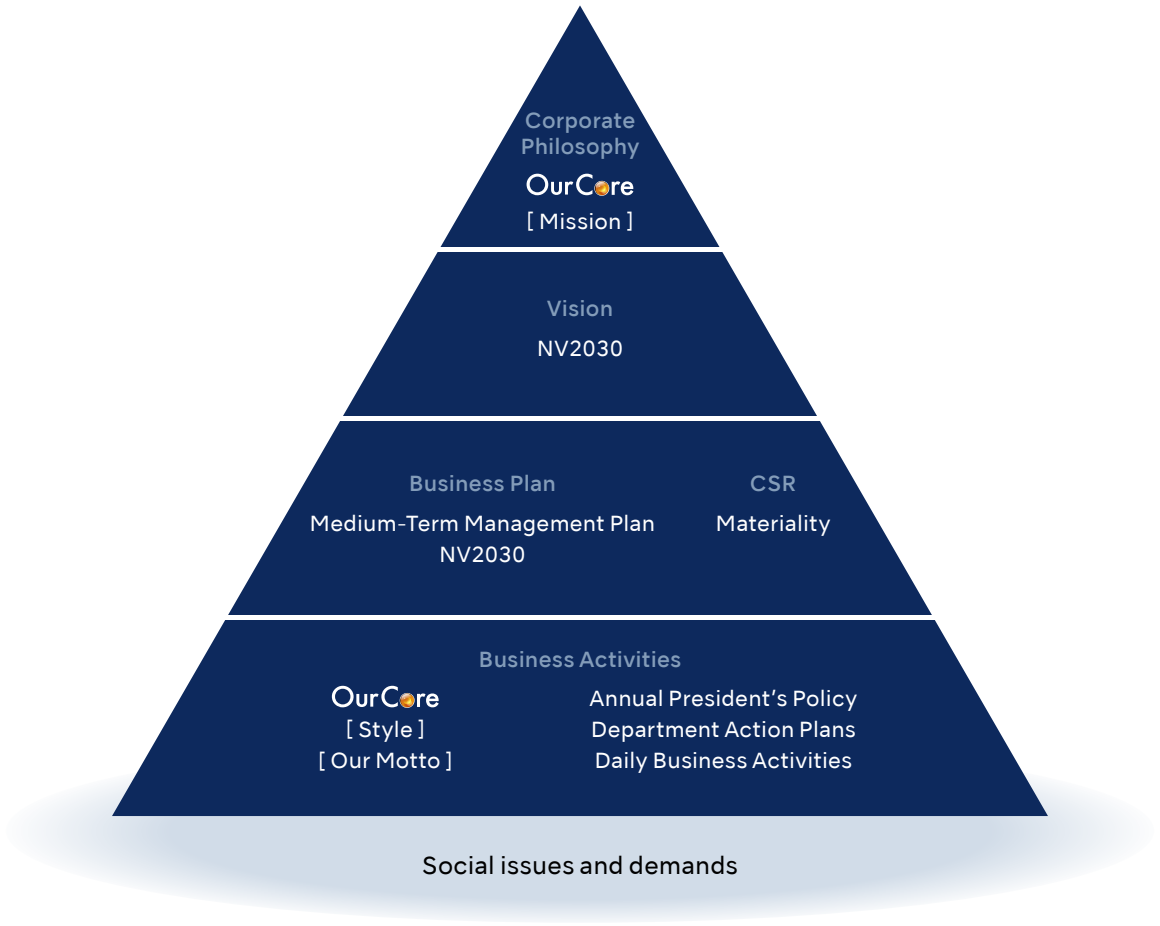
*2: This is the force of rotation centered on an axis, expressed by force multiplied by distance. It refers to rotational force.



Sustainability at NSK

NSK's Corporate Philosophy and Sustainability

In line with the Group's values, "Our Core," NSK holds to the mission of creating "brilliant progress" via innovative "grinding technology." By creating new technologies, we strive to contribute to the development of medical care and to the enrichment of people's lives. Amid the global trend of super-aging, extending health expectancy has become a common issue for humankind. We believe that one of the solutions to extending health expectancy is dental health and physical health. In addition, we also see factory automation as a solution to a decline in the workforce which is attributable to the super-aging of society. Through our business activities, we will provide solutions for these social issues, and we will help to realize a sustainable society.



Corporate Philosophy

Mission	Style	Our Motto
To create "brilliant progress" via innovative "grinding technology"	• Exciting • Quality • Open • Honest (EQOH)	Let's increase individual value "Let's fly" "Let's add"

Our Core represents the corporate philosophy at NSK.
Our Core broadly identifies the thoughts and ideal manner of acting/existing that NSK should value in terms of the company as a whole, its various activities, and each and every member. Positioning Our Core at the nucleus, we strive to be a company with an elevated social value.
Here is an introduction to some aspects of Our Core:

Brilliant progress

It is wonderful that the society in which we live is able to achieve more favorable progress. We at NSK feel "To create brilliant progress" is our raison d'etre - Our mission - throughout all of our corporate endeavors. The simple word "brilliant" is infused with many meanings for us, such as "complete/amazing solution," "what people and society truly pursue," "dramatic change in style," and even concepts of "admirable." The word comes with the connotation of socially ideal progress. Creation of such "brilliant" value via our "innovative grinding technology," in which we take pride, allows us as a company to help the steady development of our customers and society in terms of deep emotion, pleasure, comfort, and convenience.

EQOH

EQOH is our original acronym that uses the first letters from the four types of style upon which we place importance in the conduct and activities we engage under the NSK name. The first letter, E, was taken from "Exciting." It represents a feeling of being excited about new challenges and creation. Q was taken from "Quality," and it represents the pursuit of high quality. O was taken from "Open," representing an openness toward society. And, the H was taken from "Honest," imparting the meaning of sincerity and righteousness. We refer to these four styles, EQOH, as the way of NSK.

Fly & Add

Fly & Add represents the behavioral guidelines for each of us at NSK. The members of NSK engage in their jobs every day, all the while placing great importance on Fly & Add. The meaning of Fly, you know. In this case, it implies unreservedly taking on any challenge to move forward in any job or task. The meaning of Add, you also know. In this case, it implies the adding of one's own additional value in the form of commitment and stance to one's job.
A company is a collection of people, and it is the overall strength of those at NSK that represents the source of its strength. NSK is a gathering of people who display their abilities to their heart's content.

Vision and Keyword for Business Development

Vision

FY2030 NAKANISHI INC. Long term Vision

NV2030

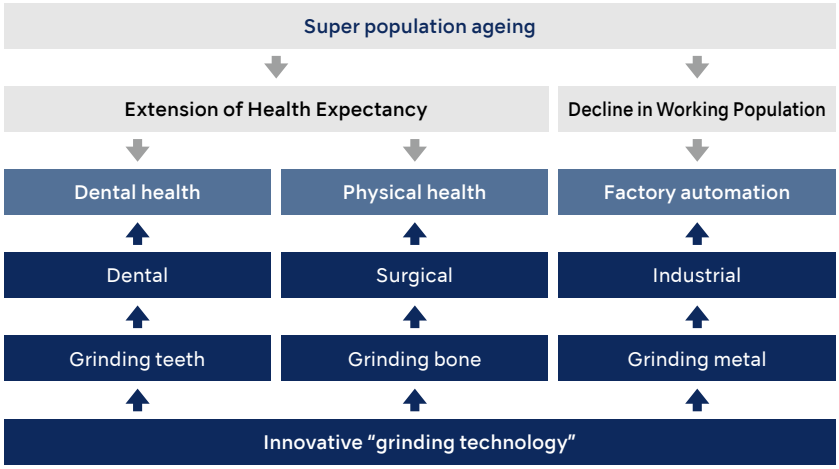
To be The Leading Excellent Global Medical Device Company

In the Global Dental and Surgical market
To create new products based on
"innovative grinding technology" and
to be the ONLY ONE medical device company
who can contribute all people in the world to
extend Health Expectancy

MISSION	Keywords in business development towards 2030
To create "brilliant progress" via innovative "grinding technology"	Super population ageing

Keyword for business development toward 2030

NSK believes that one of the keywords for business development in the decade leading up to its 100th anniversary is "super-aging." The percentage of Japan's population aged 65 and over is currently more than 28%, and is predicted to exceed 31% in 2030. This trend of rapid population ageing is progressing rapidly not only in Japan but also in large parts of the world such as Europe, China and South Korea. In the rapid ageing society, the most important challenge is "the extension of health expectancy", and the solution lies in (i)"dental health" and (ii)"physical health" . Furthermore, super population ageing is leading to "a decline in the workforce", which in turn creates a bottleneck in economic growth, and the solution lies in (iii) "factory automation".
To address these three major social needs, we will create innovative new products and services and make a big social contribution in three business domains (dental, surgical and industrial) using NSK's "innovative grinding technology."



>Related Link:
Mid Term Management Plan "NV2025"

Materiality

In addition to striving to maximize its business value in the dental, surgical and industrial business fields by utilizing the innovative grinding technology that it has been honing since its founding, NSK is also committed to creating social value and environmental value. The Sustainable Development Goals (SDGs) were unanimously adopted at the UN summit in 2015. The aim is to achieve the 17 goals listed as SDGs by 2030, the same year as our 100th anniversary. In the leadup to 2030, we will continue to advance our business based on both a business plan and materiality for sustainability.

Process for Identifying Materiality

In selecting our materiality, we identified the issues to be addressed by first understanding the relevance of the SDGs to our products and services and to our business activities generating them, and by considering priorities with reference to relevant guidelines and ESG evaluation indices, such as the GRI Standards, ISO26000 and the FTSE4Good Index.

STEP1 Understand the relevance of the SDGs to our products and services and to our business activities generating them

▼

STEP2 Consider priorities based on the GRI Standards, ISO 26000, the FTSE4Good Index, etc.

▼

STEP3 Our Sustainability Promotion Team identifies candidate materiality

▼

STEP4 Reconsider candidate materiality based on business value, social value and environmental value

▼

STEP5 Board of Directors discusses and decides on materiality for sustainability

Materiality for Sustainability Promoted by NSK

Contributions to SDGs

Resolve social issues through providing innovative products

~Release innovative products and enhance market penetration~

Dental business

Development of a Successor Model to Meet Needs for Mobile Dental Care

As the population continues to age, the importance of mobile dental care is increasing more and more. In response to such social needs, we launched the VIVA Ace mobile dentistry system in 2016. Since then, it has been used in many medical settings and highly rated by dental professionals. Based on its track record and feedback from the field, we released its successor model, the VIVAace 2, in 2025.

VIVAace 2

The VIVAace 2 is a system that integrates essential functions for mobile dental care into a compact and lightweight body. It features a high-performance micromotor, an ultrasonic scaler, a three-way syringe with LED light (for water spray, air, and mist), and a vacuum function. Enhancements have been made over the previous model, particularly in the vacuum function, which now offers significantly improved suction power and capacity. Its quiet design also ensures smooth and comfortable treatment in home environments. The system is equipped with a large, easy-to-read LCD touch panel that enables intuitive operation. Switching between modes, such as general cutting, ultrasonic scaling, and endodontic treatment, is seamless, significantly improving operability during procedures. The VIVAace 2 is also designed for quick and easy setup and takedown, with a simple storage structure that takes hygiene management into account, making daily maintenance easy. Combining portability with advanced functionality, the VIVAace 2 enables a treatment environment comparable to that of a dental clinic, even during mobile dental care.

We will continue to support the further enhancement of community healthcare by developing products that are aligned with the realities of mobile dental care.

Surgical business

Product Development for Reducing Burden on Patients and Resolving Medical Issues

The surgical bone cutting drill Primado2 is used in an extensive capacity in a variety of surgical fields, including neurosurgery, spinal surgery, and orthopedics. This medical device offers attachments to accommodate diverse surgical needs. One such example is the Slim Attachment 200 (155/U), designed for minimally invasive spinal procedures.

Primado2

Slim Attachment 200(155/U)

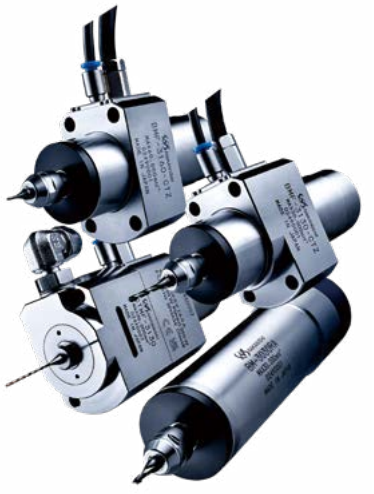
Endoscopic spinal surgery has traditionally been performed using a single-port technique, which requires both the camera and surgical instruments to be inserted through a single incision. However, this approach presented challenges in terms of maneuverability and maintaining a surgical field. In response to these challenges, biportal endoscopic surgery, where the camera and surgical instruments are inserted through two separate small incisions, has been gaining popularity. This method provides a wider surgical field of view and greater freedom of instrument movement, allowing for more precise operations. With improved operability, this procedure has become more accessible to a greater number of surgeons, promoting wider adoption in clinical settings. In addition, surgery with irrigation, which uses saline or other irrigation fluids to flush away blood and tissue fragments, helps maintain a clear visual field during the procedure. The Slim Attachment 200 (155/U) is a product specifically optimized for such biportal endoscopic surgery. With an exceptionally slim tip, it offers excellent maneuverability even in narrow surgical fields. Its structure ensures stable performance even in irrigation environments, maintaining operability and reliability during procedures on delicate

areas like the spine.
We will continue to meet the needs of medical professionals in the field through the development of medical devices, being committed to reducing the burden on patients and improving the quality of treatment.

Industrial business

Providing products that contribute to factory automation and productivity improvement

The motor spindles handled in our industrial business are used in lathes, machining centers, robots, and specialized processing equipment installed at customer factories. They are used across a wide range of machining processes which include drilling holes, cutting, grinding, and deburring. Our spindles, which combine high-speed rotation, high precision, and a compact design, make a significant contribution to improving efficiency in manufacturing operations by reducing machining time, achieving high-precision finishes, saving space, and supporting automation.



E3000i series

The newly developed E3000i Series is designed to enhance the stability of machining quality through features such as rotational speed control via an electric motor, load rate visualization, and automation support. Thanks to its ultra-short body design, it can be installed even in the limited tool spaces of CNC lathes, enabling flexible machining in confined areas that were difficult to access with conventional rotary tools. This expands the range of rotary tool options and increases the number of available machining process choices. When mounted on specialized processing equipment, the compact spindle size contributes to downsizing the entire equipment, helping to reduce installation space. In addition, the E3000i Series offers improved output performance compared to previous models, and supports a broader range of machining applications, including a wider variety of materials and shapes. In this way, the E3000i Series delivers many benefits to manufacturing sites, such as improved machining accuracy, reduced machining time, and extended tool life.
We will continue to deliver new value to monozukuri (manufacturing) sites through the development of high-performance spindles, contributing to the productivity improvement of our customers.

Response to climate change and contribution to a recycling-oriented society
~Reduce environmental impact throughout the entire product lifecycle~

Headquarters Factory and A1 Factory remain carbon neutral

Since acquiring ISO 14001, an international standard for environmental management systems, in 1999, NSK has maintained a commitment to fostering the belief that companies are dutybound to fulfill their responsibility to society and has thereby continued to promote initiatives to realize a sustainable society.

Under these circumstances, from 2021, we began introducing initiatives toward achieving zero-CO2 monozukuri by switching 100% of the electricity used at our Headquarters and A1 Factories.

We continued to accumulate initiatives to reduce greenhouse gas emissions, including installing solar panels at the new A1+ Factory, updating aging equipment, and expanding the scope of application for eco-friendly product packaging.

Furthermore, by utilizing carbon credits created under the J-Credit Scheme to offset greenhouse gas emissions, we have achieved carbon neutrality under the GHG Protocol Scope 1 and 2 at our Headquarters and A1 Factories every year since 2022.

In addition, we acquired third-party assurance confirming the validity of our calculation of greenhouse gas in accordance with the GHG Protocol and that our company conformed with international standards based on specifications for the demonstration of carbon neutrality (PAS 2060) established by the British Standards Institution (BSI).


Head office factory


(From right) A1 Factory, A1+ Factory



Third Party Assurance Report (PAS2060)

Social

Quality, Customer Service and Product Responsibility

Quality Policy

The products and services that are provided by NSK places top priority on conforming to the requirements of relevant laws and regulations as well as customer requirements. We have established our quality policy based on the approach of undertaking quality management with all divisions to meet the satisfaction and trust of customers. Under this policy, we conduct quality management—which includes safety—in the entire product lifecycle, from planning, product development, manufacturing, sales and servicing to disposal.
Once each year, we analyze the state of our organization based on internal and external issues and the needs and expectations of stakeholders to identify initiatives for risks and opportunities.
We formulate quality targets for the fiscal year based on our quality policy, the President's annual direction and the initiatives for identified risks and opportunities. These targets are then developed into departmental targets and activities toward achieving quality targets are undertaken by all employees.

Quality Policy

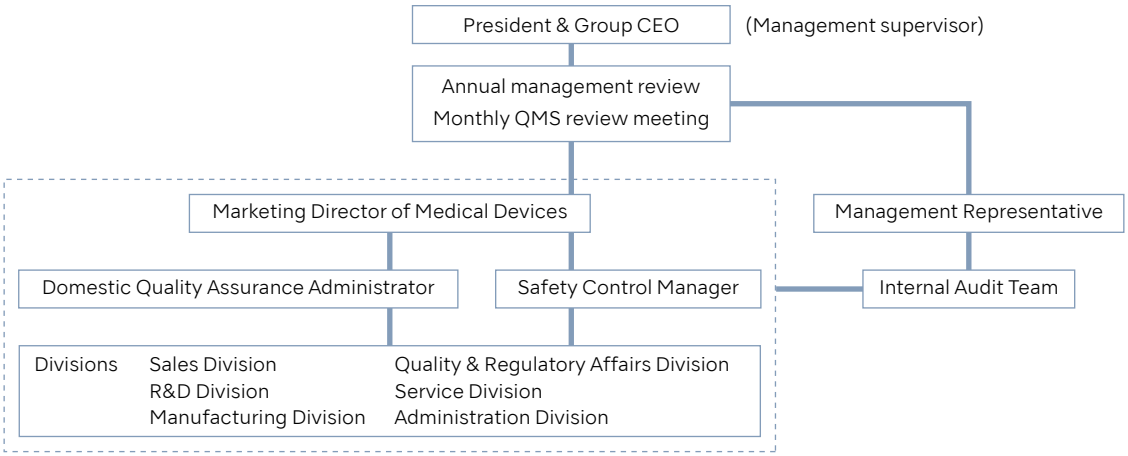
- Nakanishi achieves customer satisfaction and trust by quality management with all Nakanishi staff members, based on the philosophy of "quality first".
- Nakanishi maintains effectiveness of the quality management system by meeting the quality management requirements.

Quality Management Structure

NSK strives to maintain and improve its quality management system structure based on the quality management system standard of ISO 9001 and ISO 13485 as well as the pharmaceutical regulations of market countries, such as Japan's Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (PMD Act). Additionally, all production facilities at the NSK have acquired ISO 9001 and ISO 13485 certifications.
In addition, besides ISO 9001 and ISO 13485 certifications, we obtained MDSAP*1 certification in 2019. We are working on further solidifying legal compliance in our sale of medical devices to various countries such as the transition to Medical Device Regulation (MDR*2).
Our quality management structure is established under the management and control of the President & Group CEO. The Quality & Regulatory Affairs Division is organized into the Quality Department which is in charge of managing product shipment to markets and managing safety after manufacturing and sale; the Regulatory Affairs Department which is in charge of applications based on the pharmaceutical regulations of each country; and the Quality Pharmaceutical Affairs Department, which houses the QMS Section, that implements and maintains the quality management system, and is managed with the representative directors as the executive-in-charge.
In our PDCA cycle, executives and employees including the President & Group CEO, the three persons designated by Japan's PMD Act (Marketing Director of Medical Devices , Domestic Quality Assurance Administrator and Safety Control Manager) and General Managers attend the monthly QMS review meetings and annual management reviews. At these meetings, we work on improving quality by monitoring the progress of plans related to quality, sharing information, and addressing and solving issues.
The company has confirmed that all of its critical suppliers have acquired ISO 13485 certification. Additionally, the company has deepened cooperation with critical suppliers through measures such as implementing MDR training, creating a structure to improve quality over the entire supply chain.

*1: MDSAP(Medical Device Single Audit Program)
A program that confirms the compliance and appropriateness of a manufacturer's QMS against the requirements of regulatory authorities of Australia, Brazil, Canada, Japan and the United States through a single audit by an auditing agency

*2: MDR(Medical Device Regulation)
Regulations that took effect from May 26, 2020, in Europe to replace the Medical Device Directive (MDD) regarding medical devices that are used in the region.



Initiatives

Quality in Design

In the design and development stages of products, NSK always strives to meet the laws, regulations and standards of countries around the world while maintaining and improving product quality.
In the lifecycle process of products, eight phases have been established and design reviews are implemented in each phase.
In addition, during the design and development stages for new products and at all times collecting information about complaints and safety for existing product designs, we conduct risk assessment regarding quality and safety and strive to lower events with high risks.
We put efforts into quality evaluation during the development stage, which is the source of monozukuri (manufacturing), and establish environments allowing the conduct of EMC, product safety tests, usability evaluation, mechanical and environmental tests, material analysis, electronic component analysis and fault analysis within the company to ensure product safety and quality.
At NSK, various testing is done for all new products based on relevant regulations, securing safety and quality for products brought to market only after tests have been passed.

Risk Management for Products

NSK implements risk management to identify any hazards and dangerous conditions in association with our products, estimate and evaluate related risks, and monitor risk controls and the effectiveness of these controls. Members that have been certified through a capability evaluation engage in the various tasks involved in risk management, including planning and proposals, risk analysis, risk assessment, risk control, report composition, and reporting to management, in accordance with our regulations for risk management.
The President & Group CEO performs an annual review of the risk management process to ensure that it is being implemented in an appropriate manner and confirm the effectiveness of the system.

Initiatives to Improve Product Quality and Safety

NSK has established strict internal standards to achieve “competitive products” and “absolute highest quality.”
At NSK, the manufacturing frontlines have in place structures to ensure quality. The occurrences of nonconformance in the manufacturing process and at suppliers are monitored monthly and suppliers with high nonconformance rates are instructed, as appropriate, to improve quality. At the same time, quality audits are conducted regularly.
The Manufacturing Division performs quality inspections of all products based on our shipment inspection standards, and only those products that have passed are sent out for shipping after approval by the Domestic Quality Assurance Administrator. In addition, post-marketing surveillance studies are implemented for the medical devices that we manufacture and sell, and the quality, effectiveness, and safety of these products are confirmed on an annual basis.

Quality Education for Employees

NSK conducts internal education regarding quality policy, quality targets and the impact on the quality management systems of each operation for all employees.
Specifically, skill maps that organize requisite operational knowledge and skills for each department are maintained, identifying areas in which particular employees are lacking skills. Based on the above, education is conducted by department and grade on the relevant standards of quality management systems such as ISO 9001 and ISO 13485 as well as the requirements of law and regulations. Education essential for the maintenance of quality management systems is also conducted, including risk management workshops and internal quality auditor workshops.
In addition, quality education also includes workshops by external agencies, internal seminars with invited external lecturers and internal workshops by employees who are experts in their respective operations.
On the manufacturing frontlines, we implement educational programs involving on-the-job training for maintaining and improving the skills of technicians. We have established standards for capability certifications for tasks that require certain specific technical skills, and maintain overall quality by facilitating these certifications.
We are dedicated to continuing to ensure effectiveness by implementing reevaluations for qualified personnel on a regular basis and keeping their certifications fully updated.

Quality Management for Suppliers

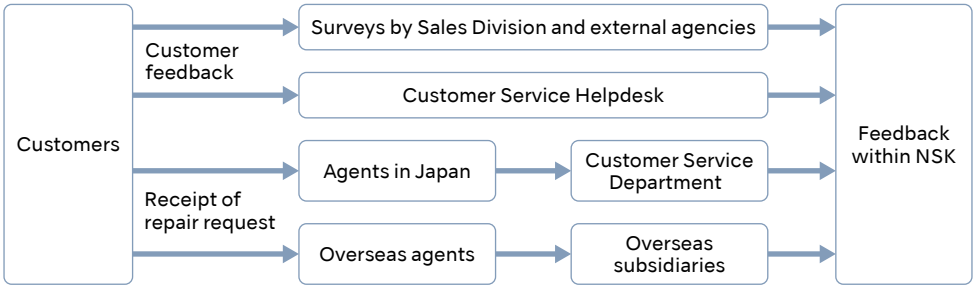
NSK conducts quality inspections of items delivered by suppliers based on our internal standards, and uses only those items that have passed. Quality results for incoming goods received from all suppliers are aggregated and analyzed each quarter, and we recommend improvements by reporting quality results to suppliers whose quality results are classified as low-tier. In addition, we horizontally develop case studies on certain quality issues which were detected that we expect will help prevent similar issues at other suppliers, and use this information to assist in quality improvements for each company. In order to further improve the quality of our supplier's deliveries, we visit the factories of suppliers whose quality performance is classified as low-tier in the results of their business partner evaluations, and implement patrols to monitor their processes. We confirm their processes using check sheets based on NSK's regulations, and promote improvement activities for the supplier by highlighting and explaining any issues identified on site.

Quality Issues and Responses

NSK has introduced a complaint processing system to collect and analyze information about quality from markets around the world in a timely manner. When information about nonconformance is obtained, we immediately pursue the cause to prevent nonconforming products from entering the market. Furthermore, we have constructed a system for delivering reports to the administrative authorities in each country when necessary in a timely manner.
In addition, when corrective or preventive measures are necessary for the nonconformance which occurred, we promptly follow internal regulations to plan and confirm these measures for their effectiveness. Through these actions, we strive to prevent the occurrence of similar nonconformances.
Information related to quality is aggregated on a monthly basis and reported to management at the QMS review meeting held monthly, upon which NSK takes any necessary countermeasures.

Customer Service Structure

At the NSK Group, more than 6,000 cases of customer feedback are collected and analyzed by department through the Customer Service Helpdesk as well as surveys by the Sales Division and external agencies. Reports to the management and verifications are conducted regularly, and the information collected is fed back internally for use in product development and quality improvement.

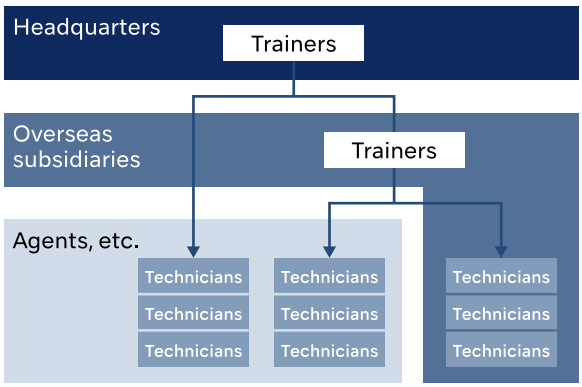


Repair Service

At NSK, to allow customers to use our products with peace of mind, we accept repairs ourselves within Japan's domestic market while 15 local subsidiaries and approximately 450 local agents do so for overseas markets. We are working to enhance our structure for accepting repairs at local subsidiaries and local agents. We have approximately 120 service staff at our headquarters and local subsidiaries.

Technicians who carry out repairs on our products undergo training either at our headquarters or overseas subsidiaries. We have established a system that evaluates the skills and knowledge developed through work and training and certifies technicians who meet a certain standard.

Training Structure



Training by trainer from headquarters

Responsible Marketing

NSK undertakes fair and responsible marketing activities in accordance with the Code of Ethics, Charter of Business Behavior, Promotion Code of the Medical Devices Industry, and Fair Competition Agreement formulated by the Japan Federation of Medical Devices Associations (JFMDA). The JFMDA has the vision of "Quickly providing the latest medical technologies to medical professionals and patients," "Securing further safety for medical devices," and "Strengthening global competitiveness by promoting development of new medical devices and technologies," with the objective of improving citizen welfare and contributing to the development of the medical device industry, and the company participates in its activities as a member.
In addition, advertisements are published after going through a process of internal checking for prohibited items stipulated in the "Guide on Appropriate Advertising for Medical Devices" formulated by the JFMDA.
In addition to requiring compliance with the various regulations of the JFMDA, we internally define the Compliance Behavioral Guidelines, specifying fair sales activities within its framework. A compliance newsletter is also published monthly for all employees in an effort to increase compliance knowledge and awareness.

>Related Link:
The Japan Federation of Medical Devices Associations
- The Code of Ethics
- The Charter of Business Behavior
- The Promotion Code Of the Medical Device Industry
- The Fair Competition Code of the Medical Devices Industry in Japan
- Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organizations

The Code of Ethics
Standards stipulating that companies shall carry out business activities by adhering to the high ethical standards that are expected of a health care related company.

The Charter of Business Behavior
Establishes a concept for how companies should be structured as corporate principles of conduct set forth from the perspective of compliance and CSR (corporate social responsibility).

The Promotion Code Of the Medical Device Industry
Explicitly states the behavioral standards for appropriate business activities as a medical device supplier. Defines specific standards that a supplier should observe and actions in which it must not engage in the development, manufacture, sales, and advertisement of medical devices.

The Fair Competition Code of the Medical Devices Industry in Japan
Defines the rules for ensuring fair and free competition when engaging in transactions involving medical devices.

JFMDA Regulation for Compliance with Competition Laws
Defines regulations with the objective of ensuring due respect for the competition laws of each country and region, including the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the Anti-Monopoly Act), and promoting the observation of these laws.

Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organizations
Defines guidelines related to information disclosure for payments made to medical institutions and other organizations in corporate activities in an effort to ensure and improve transparency and credibility in relationships with medical institutions, etc.

Employee Data

Number of Employees

As of December 31 in each FY

	FY2020	FY2021	FY2022	FY2023	FY2024
NAKANISHI INC.	1,134	1,160	1,246	1,333	1,378
Regular employees*1	869	906	1,004	1,060	1,100
Temporary employees*2	265	254	244	273	278
Overseas group companies	315	333	474	989	1,080
Regular employees*1	315	333	474	989	1,080
Temporary employees*2	—	—	—	—	—
NSK Group (global)	1,449	1,493	1,720	2,322	2,458
Regular employees*1	1,184	1,239	1,478	2,049	2,180
Temporary employees*2	265	254	242	273	278

*1: Excluding employees seconded to other companies *2: Part-time and contract workers

Number of Employees by Gender

As of December 31 in each FY

	FY2020	FY2021	FY2022	FY2023	FY2024
NAKANISHI INC.	1,134	1,160	1,246	1,333	1,378
Male	683	694	763	804	837
Female	451	466	483	529	541

Note: Scope of aggregation covers regular and temporary employees of NAKANISHI INC.

Number of Employees by Region

As of December 31 in each FY

	FY2020	FY2021	FY2022	FY2023	FY2024
NSK Group (global)	1,449	1,493	1,720	2,322	2,458
Japan	1,134	1,160	1,246	1,333	1,378
Europe	189	183	317	332	338
United States	68	73	80	422	484
Asia (excluding Japan) and others	58	77	77	235	258

Number of New Employees

	FY2020	FY2021	FY2022	FY2023	FY2024
NAKANISHI INC.	76	109	160	152	130
Male	43	65	101	83	84
Female	33	44	59	69	46

Note: Scope of aggregation covers regular and temporary employees of NAKANISHI INC.

State of Employee Retention

	FY2020	FY2021	FY2022	FY2023	FY2024
Resignation rate	2.11%	1.81%	2.06%	3.68%	4.18%
Resignation rate of new employees within three years	5.00%	7.69%	4.50%	0.00%	9.09%

Note: Scope of aggregation covers regular employees of NAKANISHI INC. Who resigned due to personal circumstances. The resignation rate of new employees within three years is calculated as of April 1 of each FY based on the number of new employees who joined three years ago and have resigned.

Human Capital Development

Basic Approach

A company is a collection of people, and it is the overall strength of those at NSK that represents the source of our strength. Human resources are our most important resource and most valuable asset. It is human resources that realizes our potential, and the quality of value exchange hinges on the quality of human resources.
We have formed a wonderful team consistent with the "Exciting, Quality, Open, Honest" style of NSK where everyone shares a sense of excitement and fulfillment as well as a sense of joy and achievement at all times, and display their abilities to their heart's content.
Our motto is "Let's increase individual value" and this is the ideal of our actions that we always keep close to heart. We make this the basic policy of our human capital development and constantly undertake human capital development that maximizes individual value.

Basic Policy of Human Capital Development

Our Motto
"Let's increase individual value"

Basic Approach to Human Capital Development

Initiatives

Human Resource System That Increases Individual Value

At NSK, one definition of growth is the improvement of value exchangeability with stakeholders. Our human resource system is the tool that supports the development of human capital which achieves this growth.
Centered on Our Core, which encapsulates our values, we established systems for employee grade, evaluation, remuneration and capability development to achieve increase in individual value and individual and organizational growth, which is equivalent to improvement of value exchangeability. With these systems, we are building mechanisms that support the development of human capital which achieves the improvement of value exchangeability with stakeholders.

Training & Education System

Continuous improvement of education and culture is essential for developing human resources.
At NSK, with increasing individual value as the basic policy of human capital development, human capital development training—such as corporate philosophy training, training by grade, business literacy training and specialized training—is conducted.

Our Motto
"Let's increase individual value"

Values	• Corporate philosophy
Development of management executives	• NSK University • Promoting women's success
By grade	• Recognition of roles Management, Assistant Manager, Mid-level employees and New employees • Skill development Problem solving (basic, elementary, intermediate, advanced)
Business literacy	• Quality Quality by grade • Ethics Safety consideration obligation; harassment • Health Mental health Engagement improvement & subordinate care training • Communication Disability training • Career formation Career design training
Specialization	• Respective fields of specialization(conducted by each department) • ASK

Spreading the message of "Our Core"

Our Core represents the corporate philosophy at NSK. Our Core broadly identifies the thoughts and ideal manner of acting/existing that NSK should value in terms of the company as a whole, its various activities, and each and every member. To enable all team members to share these values and implement them, all executives and employees undergo Our Core training on an annual basis. Through group training that is structured based on the employee's role, such as those for managers, general employees, or mid-career hires, NSK can teach operations and ways of thinking in various areas, leading to corporate activities befitting of NSK.

Fair Evaluation

To increase individual value and achieve individual and organizational growth—which is equivalent to improvement of value exchangeability—NSK decides remuneration based on two aspects: performance evaluation that assesses the accomplishment of tasks based on results, and role and capability evaluation that looks at behavioral characteristics such as how roles and capabilities are applied.
In addition, through our internal open recruitment system, we offer support for autonomous career development that matches, as far as possible, the careers that the company has in mind with the careers desired by employees.
We also create opportunities for the penetration and use of these human resource systems through interviews with superiors that take place three times each year.

Diversity and Equal Opportunities

Basic Approach

NSK is a collection of diverse individualities. Individualities are characteristics possessed by each person. If we can bring together individualities from various backgrounds—such as nationality, culture, age, gender, education, work experience and lifestyles—and fuse them while competing against and learning from each other to create unprecedented power, we will be able to overcome any kind of situation.
We respect diversity such as culture, practices, language and race. At the same time, we actively promote fair employment and utilization of human capital regardless of gender, age or disabilities. Through dynamic teams that achieve breakthroughs by sharing thoughts and efforts, and bringing together individualities, we advance efforts that allow everyone to play active roles and keep aiming to create new value.

Initiatives

Women's Success in the Workplace

The proportion of female employees at NSK is approximately 38.2%.
The rate of women who are dentists, major customers for us, reached 26% (2022 census: Ministry of Health, Labor and Welfare). Also, many women are working as hygienists. Increasing the rate of women in decision making in the company leads to better service and products.
We conduct activities to support careers for future female management candidates to increase the rate of women in our management. We set the goal for the rate of women in our management as 10% in 2025. The rate of women in our management is 6.3% in FY2023.
During the first half of 2023, NSK held workshops for the superiors of female manager candidates, providing lessons on alleviating unconscious biases, issues in personnel development, and communication methods to increase motivation. Furthermore, for female manager candidates, NSK holds periodic training programs that address leadership and communication in management positions.

Rate of Women in Management

	FY2020	FY2021	FY2022	FY2023	FY2024
NAKANISHI INC.	4.5%	3.3%	5.6%	6.3%	6.2%

Note: Figures as of January 1 of each FY

Localization of Management

NSK believes that what is essential to become the global No.1 brand is the building of strong sales and marketing capabilities in major markets around the world, and customer service and after-sales service capabilities to increase customer satisfaction. Currently, we have expanded our direct sales network to 18 bases around the world, including overseas subsidiaries and representative offices.
Out of these 18 bases, 14 of them are led by employees recruited locally. We will continue to promote management rooted in the cultures of countries and regions where we are located.

Internal Promotion

NSK includes an explanation on diversity and equal opportunity in a compliance newsletter that is issued monthly for all employees and commentary on the Compliance Behavioral Guidelines in working to improve understanding throughout the workplace and foster a corporate culture which respects diversity. In addition, we provide regular opportunities for education by including questions and commentary on diversity and equal opportunity in the e-learning courses that are undertaken on an annual basis by managers and employees.

Interaction with Vietnamese Human Resources through Technical Intern Training Program

Since 2009, NSK has been accepting overseas technical interns from Vietnam. Currently, we have approximately 100 interns undergoing technical training.
In 2016, we built a dormitory within company premises to allow all interns to live in a clean and quiet environment. In addition, when constructing our new factory, we gave consideration to being able to commute to work on foot or by bus through implementing dedicated shuttle buses.
Besides technical training, we also provide opportunities for getting in touch with Japanese culture and traditions, such as exchanges with employees and participating in local festivals.
We restarted accepting overseas technical interns in April 2022 although we could not accept them for a while due to the regulation of immigration under the COVID-19 spread. Besides, it became possible to offer technical intern training for a maximum of five years for interns who wish to after finishing Technical Intern Training (ii), as applications for Technical Intern Training (iii) for excellent interns were permitted.
Employment contracts are based on Japan's laws and regulations and signed in Vietnamese.

Participation of Employees with Disabilities

NSK's employment rate of persons with disabilities is 2.71% (FY2023), which has been increasing every year since FY2016.
Toward a society where persons with or without disabilities can work and live together, the Human Resource Department and workplaces collaborate to strengthen support systems and conduct regular seminars for encouraging understanding of staff at workplaces where persons with disabilities work. In this way, we are promoting the creation of workplace environments where employees with disabilities can work easily and with motivation.
We also introduced the use of electronic memo pads and support from sign language interpretation volunteers in company-wide events to support real-time communication with employees with hearing disabilities.

Employment Rate of Persons with Disabilities

As of June 1 of each FY

	FY2020	FY2021	FY2022	FY2023	FY2024
Employment rate (NAKANISHI INC.)	2.42%	2.6%	2.7%	2.7%	2.8%

Reemployment Initiatives

To promote the employment of employees who retired at the mandatory age of 60, we have established a retiree reemployment system. In addition, we also employ part-time workers after they pass 60 years old.

Conducive Workplace Environments

Basic Approach

With being the "To be The Leading Excellent Global Medical Device Company" stated in NSK's long-term vision VISION2030 in mind, efforts are being made to improve workplace environments, establish human resource systems and create the best workplaces with motivation so that everyone working at NSK can work with motivation and continue to apply themselves at their workplaces.

Initiatives

Creation of Comfortable Workplaces Offering Peace of Mind —New Headquarters R&D Center, A1 Factory and M1 Factory

NSK's headquarters R&D center (RD1) is equipped to serve a headquarters function and a research and development function to achieve efficient operations. In particular, to raise the level and speed of new product development, we have created an environment to make it easier for development designers to work assisted by state of the art equipment.

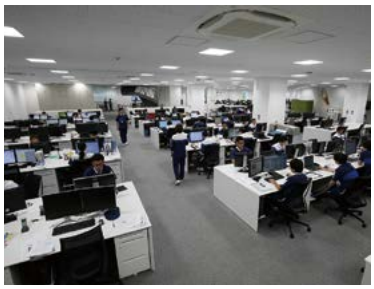
At the M1 Factory, which was fully completed in 2025, is an assembly factory designed to enhance production efficiency and a service division for product repairs are in operation.

On the top floor, we have opened a canteen that features an expansive view over the natural landscape of Kanuma, creating a relaxing space where employees can refresh their minds while enjoy a meal.

In addition, our A1 Factory—which specializes in the integrated production of high-precision parts—comes complete with environmental hygiene and disaster-prevention facilities meeting high standards so that employees can work comfortably with peace of mind. It also has comprehensive measures against oil mist.

Research and development


Center Court


Research and development

A1 Factory


Production facilities


Canteen


M1 Factory

Garden


Canteen

SUNNY CAMPUS

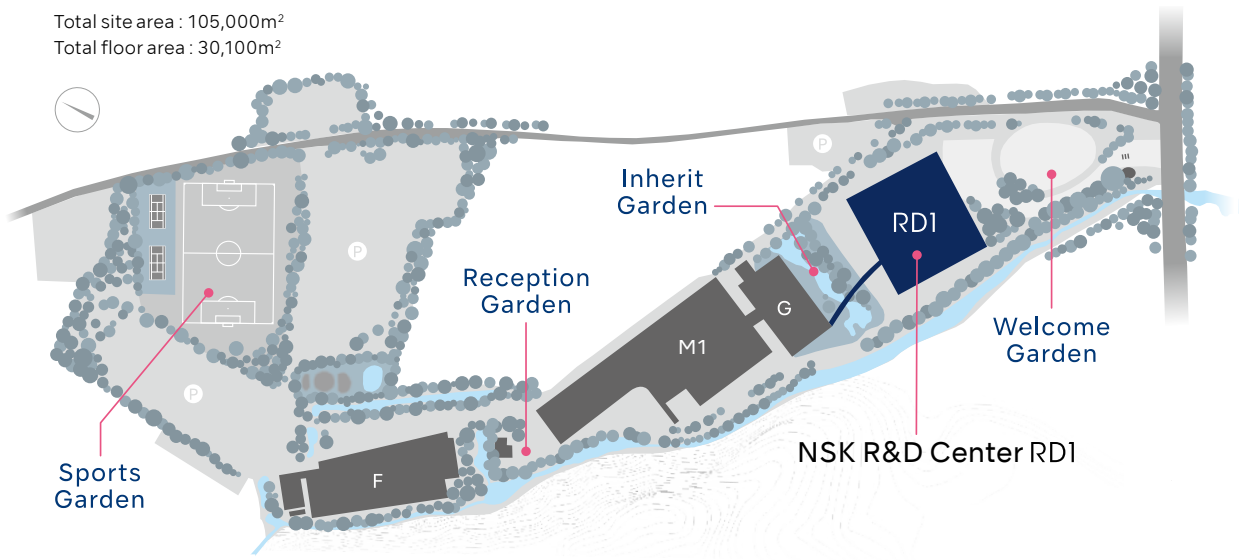

Campus overview

"SUNNY CAMPUS" is the name given to the entire premises of NSK's headquarters.

"SUNNY" is derived from "Hinata" (toward the sun), the name of the area in which our headquarters is located. The name expresses our company ethos of always reaching for the sun and working for a new dawn.

The word "CAMPUS" highlights our company's dedication to production, operations, research and development, positioning this place as the center of innovation.

There are trees, ponds and streams within the campus as well as tennis courts, a field and barbeque pits. We lend them out so that employees can use them to enhance health and communication after work or during non-working days.




Field


Tennis courts


Different flowers bloom during each season

Human Resource System Supporting Diverse Working Styles

At NSK, a system for working from home has been introduced to support diverse working styles that increase options for time and place of work.
In addition, we introduced a paid leave system by the hour so that it is easier to balance work and private life, thereby encouraging the taking of paid leave. The rate of taking paid leave in FY2023 was 67.2%.

Systems to Support Balancing Work and Childcare

As support for balancing work and childcare is an important theme for us, we have established systems for childcare leave and shorter working hours that exceed statutory requirements. These systems are common for both regular and part-time employees.
In FY2023, 21 employees made use of the childcare leave system and 100% of them returned to work. Ten of them were male employees.
NSK has a target of 50% of male employees making use of the childcare leave system by 2025, and results for 2023 were 34%. Through holding seminars to deepen understanding of the childcare leave system and approaching eligible individuals, NSK will work to increase the ratio of persons making use of the program.

Nursing Care Leave

NSK has established various systems related to nursing care.
In addition to statutory nursing care leave, employees also have up to 10 days of our in-house nursing care leave each year, which can be taken in full-day, half-day or hourly units, depending on the number of family members who need care. Employees can take up to 40 days of nursing care leave, when combining accumulated paid leave. Three employee made use of the statutory nursing care leave system in FY2023.
Furthermore, in FY2021, we introduced a system for working from home, which can be used for childcare or nursing care, to support balancing work with caring for children/family members.

Communication between Employees and Management

NSK has an activity called O-Time (Opinion Time). Employees, either self-nominated or nominated by others, discuss on a specific theme related to the company for approximately four months and make proposals to the management. Although the activities were interrupted from the viewpoint of preventing COVID-19, we have restarted discussing. So far, 21 themes have been discussed with several proposals implemented.

Examples of proposals

gym

dialogues with the President and Executive Vice President

signages

Stress & Engagement Survey

Together with the annual stress checks for employees, NSK also conducts an employee engagement survey. We have established a PDCA cycle as an initiative for health and productivity management with the reduction of high stress and low engagement rate* as a target.
The survey results are given as feedback to the departments, which then analyze the results, and develop and execute action plans to improve on issues.

* High stress and low engagement rate: The rate of respondents with a low engagement score in addition to having a stress score higher (worse) than the standard

Employee benefits

From the viewpoint of enriching employee benefits (asset creation) and increasing participation and awareness in management, NSK has introduced a stock ownership plan. Employees who participate in the stock ownership plan receive an incentive of 15% for money paid in to the plan, and can conduct asset creation by reinvesting dividends from shares held back into the stock ownership plan. Additionally, NSK also provides the life plan support system, a type of elective pension plan, to support asset creation for employees after retirement. NSK has also introduced various employee benefit programs, including subsidies for meal costs at the employee canteen, subsidies for expenses involved in social gatherings for encouraging internal exchange, and offering dental exams.
These employee benefit programs are made available to all employees.

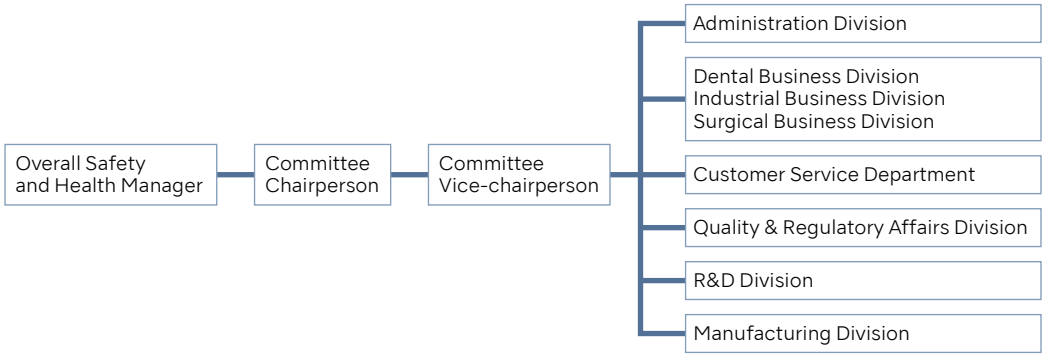
Occupational Safety and Health & Health Management

Safety Policy

NSK states that safety is prioritized over productivity and efficiency in its corporate philosophy. We formulated our safety and health management regulations aimed at creating comfortable work environments that ensure the safety and health of our employees and people who cooperate in our operations. We actively and continuously work on the improvement of working environments and enhancement of both mental and physical health to promote the creation of cheerful and vibrant workplaces without accidents or illnesses.
Based on these regulations, we work on improvement activities to reduce the load on workers and make it easier to work. In addition, based on our Nakanishi Health Management Declaration, we have made it a companywide policy to give top priority to the health aspects of employees.

Safety Management Structure

At NSK, the Health and Safety Committee—which makes decisions about basic matters to enhance safety and health activities and prevent occupational accidents—is established based on the safety and health management regulations to ensure the safety and health of employees at the workplace.



Joint Safety Management by Labor and Management

NSK's safety and health targets cover the number of occupational accidents resulting in time away from work and the promotion of dental, physical and mental health and productivity management. We work toward these targets centered on the Health and Safety Committee. The committee adopts measures to prevent accidents from short- to long-term perspectives based on the approach of risk assessment, such as the elimination of occupational accident risks discovered during workplace patrols.

Initiatives

Occupational Accident Statistics

Number of Fatal Accidents during Work

	FY2020	FY2021	FY2022	FY2023	FY2024
Employees	0	0	0	0	0
Dispatched employees	0	0	0	0	0

Note: Scope of aggregation covers regular and dispatched employees of NAKANISHI INC.

State of Accidents Resulting in Time Away from Work at Sites in Japan

As of December 31 in each FY

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees who required time away from work	2	0	0	0	0

Initiatives to Prevent Occupational Accidents

NSK takes measures to prevent occupational accidents by conducting occupational accident risk assessment each year centered on the Health and Safety Committee.

Conduct of Safety Education

Besides conducting the following training regarding safety education, the required education is conducted at each workplace.

- Safety education training (work supervisor education)
- Dust explosion workshop
- First aid workshop
- Danger experience seminar
- Safe driving workshop
- Automated external defibrillator (AED) workshop

Health and Productivity Management

Based on our Nakanishi Health Management Declaration which is our philosophy for promoting health and productivity management, NSK focuses on dental, physical and mental health when being more active in promoting health enhancement activities, identifying health issues and taking measures.

2023 健康経営優良法人 Health and productivity

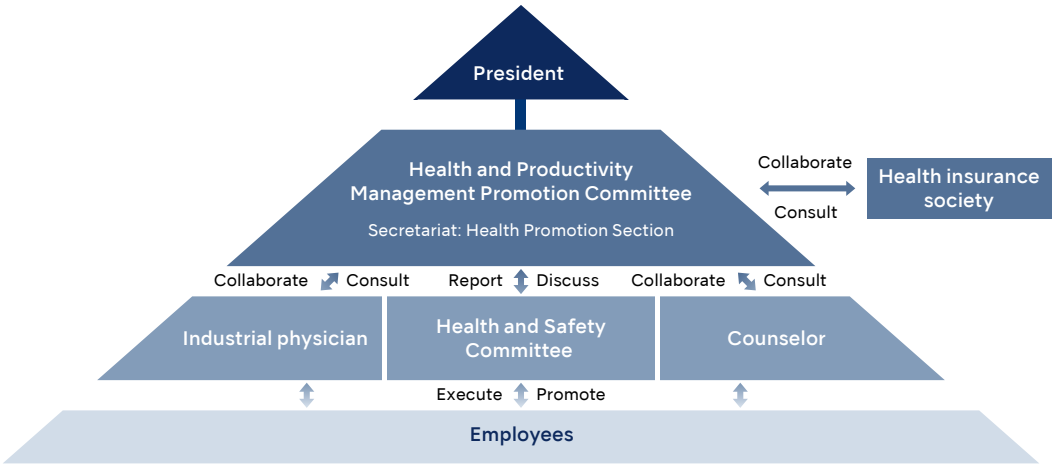
Nakanishi Health and Productivity Management Declaration

Amid a society that is growing old rapidly, NSK strives to contribute toward the extension of health expectancy for people based on the approach that dental health leads to physical health. To achieve this approach, we think that the most important thing is for each and every employee to continue to be healthy.
"Let's increase individual value"—stated in our motto—also applies to health.
We declare that we will actively undertake various health enhancement activities so that each and every employee can take the initiative to maintain and enhance mental and physical health autonomously to increase individual health value.

NAKANISHI INC.
President & Group CEO
Eiichi Nakanishi

Promotion Structure

NSK has established the Health Management Promotion Committee, and health and productivity management promotion measures discussed and decided by the committee are promoted by the Health Enhancement Section of the Human Resource Department—which acts as the secretariat—in collaboration with affiliates within and outside the company. Three meetings were held during FY2023.



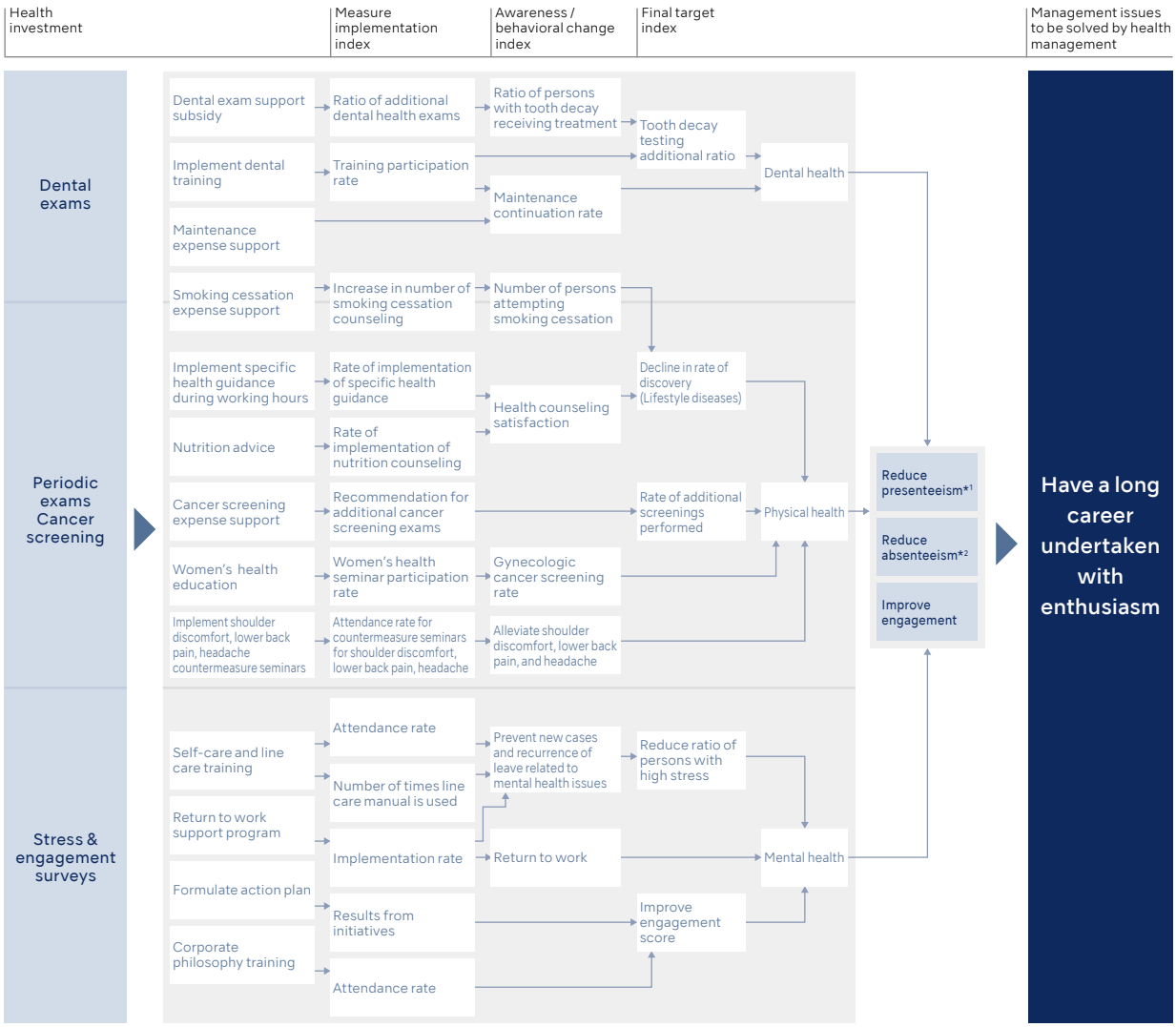
Management issues and health issues

As NSK celebrates its 100th anniversary in 2030, the proportion of the Japanese population aged 65 or over is projected to exceed 31%. To support sustainable growth in such a rapidly ageing society, NSK must not only contribute to the extension of health expectancy, but be a company where each employee can have a long career undertaken with enthusiasm.

Our lives and bodies are maintained through the food we eat every day. The mouth is essentially the entryway for life, serving as the first line of defense in protecting health. As measures to maintain long-lasting health and enable enthusiastic, sustainable workstyles, we approach the issue from the three facets of teeth, body, and mind.

The proportion of female employees at NSK also exceeds 40%. Activities to improve literacy regarding women's health not only serve to increase productivity and create a comfortable working environment, but we also believe it to be an investment in the health of the next generation.

Key measures: Health investment management accounting (Strategy map)



*1: Presenteeism
Depressed performance due to health issues

*2: Absenteeism
Absenteeism due to injuries and sickness

Target indices

Dental Health

It has become widespread knowledge that tooth and oral health is deeply connected with health of the overall body. As a company that is involved in oral hygiene, NSK conducts measures for creating healthy teeth and mouths.
NSK implements oral exams internally for all employees, and we encourage those persons with tooth decay to be examined at a dental clinic.
We will work to improve health literacy by ensuring that each person becomes interested in healthy teeth, leading to actions such as treatment and continued maintenance.

Deadline: Until March 2026

Targets	Tooth decay testing additional ratio 100%
At present: Ratio of persons receiving treatment at dental clinics after discovery of tooth decay at dental exam	
FY2024	55.1%
FY2023	57.1%
FY2022	55.3%

Physical Health

As an initiative to improve citizens' health, "Healthy Japan 21" designates various indices that aim to extend health expectancy, prevent lifestyle diseases, etc.
Based on medical examinations and survey results on health awareness, NSK has established targets regarding the below topics, and will implement various measures.

Preventing lifestyle diseases

High blood pressure, hyperlipidemia, and diabetes, the three major lifestyle diseases, can progress with relatively few symptoms, creating the risk of serious diseases such as stroke or coronary heart disease.
To lead a full, healthy life, it is important to be healthy from a working age. NSK will work to implement measures so that each person can properly understand lifestyle diseases, leading to activities for prevention and mitigation.

Deadline: Until March 2026

Targets	Decline in discovery of three major lifestyle diseases
At present: Ratio of persons with the three major lifestyle diseases*	
FY2024	35.1%
FY2023	34.7%
FY2022	35.3%

*Persons who have been identified as requiring monitoring or treatment for high blood pressure, hyperlipidemia, or metabolic issues (excluding persons already undergoing treatment)

Early cancer detection

In recent years, cancer has become a disease that can be dealt with over the long term while people can continue with their careers. However, cancer treatment also requires long-term sick leave and is a challenging experience.

For the early detection of various cancers, NSK implements cancer screenings as part of its mobile health examinations. For particularly important screening items, recommendations are made for additional exams for those people who are initially deemed to be at high risk.

By engaging in measures for the early discovery and early treatment of cancer, we will work to reduce absenteeism and presenteeism.

Deadline: Until March 2026

Targets	Rate of additional exams performed leading to early cancer detection 100%

At present: Rate of undergoing additional cancer screening			
	stomach/lung/colon	uterus/breast	prostate
FY2024	71.4%	95.6%	77.8%
FY2023	70.0%	66.6%	69.2%
FY2022	44.6%	90.0%	57.1%

Mental Health

"Healthy" is defined as a state in which physical, mental, and social needs are met. To create a workplace where employees can work in good health and with enthusiasm, NSK implements a stress check as part of its engagement surveys. Results are provided in the form of feedback to each department, and each organization creates an action plan.

Furthermore, through the use of support from various angles, such as self-care, line care, and external counseling, we work to implement countermeasures for high stress, and conduct activities leading to high engagement.

Deadline: Until March 2026

Targets	Ratio of employees experiencing high stress: 10% or less / Maintain engagement score of 50 or more

At present: Mental health index		
	Ratio of high-stress individuals	Engagement score
FY2023	14.2%	49.7
FY2023	13.3%	49.9
FY2022	14.5%	49.8

*Data collection method changed from 2020 to 2021

Status of implementation of measures to achieve targets

Dental Health

Contents	FY2022	FY2023	FY2024
Dental health examination	93.7%	96.6%	95.1%
Persons with tooth decay	24.0%	48.7%	27.6%
Participation rate in dental training	97.5%	95.1%	100%
Maintenance persistency rate	40.4%	53.0%	57.1%

Although NSK implements group dental exams at our headquarters and the Tokyo Office, moving forward we will aim to achieve an examination rate of 100% via measures such as expanding group exams and creating structures for expense subsidies, ensuring that employees at other offices have opportunities to receive examinations.
Dental training is conducted under the theme of oral hygiene and full-body health. We believe it important to deepen awareness of lifestyle choices that can prevent periodontal disease.

Physical Health

Contents		FY2022	FY2023	FY2024	FY2022 Health insurance average
Ratio of persons with the three major lifestyle diseases*1	High blood pressure	8.2%	8.7%	11.2%	11.0%
	Dyslipidemia	27.0%	25.3%	26.1%	31.4%
	Metabolic issue	8.2%	7.2%	3.4%	12.3%
Rate of implementation of first guidance session for specific health guidance		93.5%	81.3%	88.6%	
Number of nutrition advice sessions implemented		24 persons	30 persons	29 persons	
Smoking ratio		20.0%	18.7%	18.1%	
Persons with physical symptoms (Any from among shoulder discomfort / Lower back pain / Headache)		56.1%	56.5%	55.9%	

*1: Persons who have been identified as requiring monitoring or treatment (excluding persons already undergoing treatment)
*2: A testing institution change in 2021 caused the implementation rate to decline; implementation rate improved in 2022 due to the below measures
*3: Implemented from November 2021

Regarding lifestyle diseases, NSK sees it necessary to encourage behavioral changes, such as improving lifestyles in areas including nutrition and exercise while receiving medical attention as required. We were successful in having more employees take part in specific health guidance by having the first guidance session be done by appointment. Moving forward, we believe that measures such as evaluations on completion of specific health guidance and expansion of nutritional counseling availability to employees will be necessary.
As smoking has effects on not only overall health but periodontal disease, NSK engages in smoking cessation activities. Internal surveys have revealed that 46% of smokers would like to quit if possible. We will create a corporate culture that makes it easy to try quitting smoking, and supports those who take on the challenge.
We have also discovered that employees engaged in manufacturing have a high rate of shoulder discomfort, lower back pain, and headaches. With the aim of reducing presenteeism, NSK will conduct activities to alleviate bodily symptoms.

Measures for women's health

Examination rate	FY2022	FY2023	FY2024
Breast cancer screening	69.4%	71.4%	64.7%
Cervical cancer screening	63.5%	66.6%	57.0%

NSK will aggressively work to increase the rate of cancer screenings to enable early cancer detection for breast cancer and cervical cancer, which have particularly high rates of diagnosis during women's working years. Specifically, to spread proper knowledge of breast cancer, the following themes will be used in promotional activities.

- Let's get screened for cancer
- Let's do self-checks every month for breast cancer
- Let's think about it with our families

An annual seminar is held under the theme of women's health.

- 2022: PMS seminar
- 2023: Menopause seminar
- 2024: Preconception care seminar

Mental Health

Contents	FY2022	FY2023	FY2024
Leave rate*1	0.65%	0.32%	0.53%
Number of mental health e-learning courses implemented	93.8%	93.0%	90.5%
Return to work support program implementation rate	33.3%	75.0%	75.0%
Results for measures to formulate action plans	98.5%	100.0%	97.0
Corporate philosophy training	99.1%	99.4%	99.5%

*1: Months of leave taken / (Full-time employees + part-time employees X 12) X 100

Contents	FY2020-FY2022	FY2021-FY2023	FY2022-FY2024
Return to work rate*2	66.7%	73.5%	78.6%

*2: Persons who have returned to work within three years after taking leave due to mental health issues

As mental health measures, NSK implements e-learning for managers with the objective of enriching line care. Moving forward, we will work to implement e-learning to improve self-care abilities for non-management employees.
Even if taking leave for mental or physical reasons, we will provide support to ensure that employees can return to work with peace of mind after receiving care. Counseling upon returning to work is an opportunity to deepen understanding of stress and learn about coping methods. Additionally, in areas such as preparation for returning to work and follow-up after returning, the three parties of the departments, the Health Enhancement Section, and external specialist institutions will work as a team to provide support for returning to work and to prevent recurrence.
We hold corporate philosophy training once a year for all employees. NSK aims to share its vision and encourage active contributions.

Respect for Human Rights

Basic Approach

Human rights are rights that all human beings are born with and a universal value.
A company is a social system that contributes toward society's expectations and people's happiness. Its management is but a public institution that must follow the logic of people.
NSK is always oriented toward the ideal of companies as public institutions of society. We carry out management not based on the company's logic, which puts the company at the center, but based on the logic of people.
We respect the human rights of every person and do not accept any form of discrimination (such as gender, age, nationality, race, ethnicity, ideology, belief, religion, birth, education, disabilities, illness and marital status), forced labor, and child labor. In addition, we treat everyone with the same respect and dignity.
Based on the above policy, we respect the principles regarding human rights in the United Nations Global Compact and will realize the qualities required by society. We respect the human rights of our employees and those working at our company based on laws and regulations as well as employment rules.

Initiatives

Human Rights Risk Evaluation

NSK checks the state of harassment through the stress & engagement survey conducted annually for all employees and takes corrective actions as appropriate.

Human Rights Awareness & Education Training

NSK strives to prevent violations of human rights by conducting education for purposes such as preventing harassment (annoyance) and spreading the correct knowledge about work.
We conduct training regarding harassment and labor management in the training organized for new managers each year. At the same time, based on the results of stress checks and engagement surveys, we conduct harassment training for existing management and managers as appropriate. In FY2022, 181 managers attended the training.
The Company defines Compliance Behavioral Guidelines that contain regulations on respecting human rights, creating fine working environments, and preventing harassment. Additionally, by publishing a compliance newsletter every month, NSK is working to enhance knowledge and awareness regarding human rights.

Hotlines for Human Rights-related Whistleblowing and Consultation

NSK has established hotlines that can be used freely by all employees and overseas technical interns for consultation about their worries at the workplace and problems in the working environment.
Information regarding whistleblowing is handled strictly so that they can use the hotlines with peace of mind. Employees and interns will not be penalized because of whistleblowing or consultation.

Responsible Supply Chain

Basic Approach

The supply chain, leading from the procurement of raw materials and parts to manufacturing, distribution, inventory management, sales, use and disposal, can include social issues such as human rights abuses, poor working conditions, environmental destruction and conflict minerals, especially in raw material procurement and secondary and tertiary business partners. These problems are seen as a global issue.
To ensure sustainable procurement, companies are required to expand purchasing management to not only their own purchasing but their entire supply chain, contributing to resolving this social issue.
At a time when poverty is causing human rights and labor issues to become increasingly serious, and the social environment is changing at an accelerating pace, NSK recognizes that deepening our relationships with our procurement partners and working to strengthen our purchasing abilities is more important than ever. Based on an optimized, solid procurement platform, we will contribute to the creation of a sustainable society by aiming to resolve social issues such as conflict minerals through collaboration and dialogue with our procurement partners.

Initiatives

Business Partner CSR Guidelines / Green Procurement Guidelines

NSK's corporate activities are founded on our raison d'etre of "creating brilliant progress" as a way so the society in which we live can make better progress. In addition, we also hold that the definition of a company is a social system that seeks happiness and contributes to the expectations of society and the happiness of people through the exchange of value.
This raison d'etre and company definition are defined as our basic principles and management philosophy, which all officers and employees must abide by, and we work to ensure they are all aware of them. In addition, we are committed to meeting society's expectations in terms of safety, quality, compliance, environmental protection, stable supply and fair value.
Also, we believe it is important to promote these initiatives through our business during our procurement of raw materials and services. NSK created our Business Partner CSR Guidelines in April 2021 as a way to respond to the expectations of society in collaboration with all our business partners, and put together the items we want our business partners to work on. Specifically, the regulations define matters related to appropriate and fair trade, conformity with laws and regulations, banning of bribes and giving and receiving inappropriate benefits, protection of intellectual property, abolishment of discrimination, banning of child labor, creating safe and healthy workplaces, and prevention of environmental pollution, and NSK requests conformity with these matters from its transaction partners.

Awareness at transaction partners

In response to social demands regarding compliance, human rights, labor, the environment, etc., NSK distributes the Business Partner CSR Guidelines to all suppliers to create a responsible supply chain. Additionally, excluding suppliers with which transaction amounts are extremely limited, NSK sends an annual survey to all suppliers with which we have regular transactions, and the response rate for 2023 was 100%. The survey includes questions related to quality, compliance, and the environment, and we evaluate each supplier in this context. Furthermore, for critical suppliers and new transaction partners, which make up the majority of our transaction amount, we annually conduct on-site audits primarily focused on quality management systems (QMS) and environmental management systems (EMS).

Healthy Corporate Activities

We respect our suppliers and other business partners as equal partners based on the principle of good faith, aiming for mutual prosperity and practicing sincere, fair, and equitable corporate activities. In addition, we do not carry out any unfair or improper activities that take advantage of our superior position.

To ensure thorough compliance with the Subcontract Act, a relevant law and regulation, NSK provides education to employees in procurement departments.

Monitoring Human Rights Issues across the Supply Chain

We monitor human rights issues and risks such as slave labor, human trafficking, forced labor, and child labor in the supply chains that feed us the parts and raw materials for our products, and strive to comply with the laws and regulations.

In addition, we have established our Green Procurement Guidelines for managing chemical substances.

>Related Link:

Business Partner CSR Guidelines

Green Procurement Guidelines

Statement regarding the UK Modern Slavery Act

Response to the Conflict Minerals Issue

Certain minerals (tin, tantalum, tungsten, and gold) produced in the Democratic Republic of the Congo and neighboring countries have been reported as being a source of funding for armed groups, and may be contributing to human rights abuses caused by their conflicts. This is an issue that arises at the start of the supply chain, and we at NSK are aware that we need to take responsibility for addressing it.

Therefore, we have stopped using conflict minerals from the Democratic Republic of the Congo and neighboring countries in our products, parts, and materials, as we aim for a society where there are no abuses of human rights in the mines that are the start of our supply chain.

We carried out an investigation into conflict minerals, and, within the scope of the investigation, confirmed that there was no evidence of our involvement with these specific minerals or with conflicts.

Relationships with the Local Community, Social Contribution Activities

Basic Approach

The NSK Group holds up the mission of creating "brilliant progress" via innovative "grinding technology" at the "Our Core" values of corporate philosophy. To achieve this, we contribute to the extension of health expectancy for people all over the world through our corporate activities, and at the same time, we carry out a range of social contribution activities as a company rooted in our local community. Our products are sold in more than 140 countries around the world, and we carry out our business activities in many different countries and regions mainly through our headquarters and the overseas subsidiaries we have set up in 18 countries. Amidst this, our group holds CPS (Culture-oriented, People-based, Social-perspective) as its core premise when carrying out our business. Our group strives to provide solutions to social issues by drawing on our partnerships with the various local stakeholders, while we deepen our understanding of the cultures, societies, and environments of the various countries and regions we operate in.

Our headquarters is located in a rich natural environment, overlooking the Oashi River, a major river famed for its clear waters. Inspired by the original Japanese name of the place, we gave it the name SUNNY CAMPUS. While it is of course the headquarters of our group's business, we also hope that it will continue to be a place of organic interactions with the local community.

NSK products end up all over the world, but most of them are produced either at our headquarters factory in SUNNY CAMPUS, or the A1 Factory next door. As the slogan "Made in KANUMA" suggests, for our group, which continues to carry out integrated production in the Kanuma region, maintaining good relationships with the local community is one of the key management issues. As a good corporate citizen, we intend to continue carrying out a range of social contribution activities that build on the demands and expectations the local community has of us.

Initiatives

Main Recent Initiatives

Open SUNNY CAMPUS

"SUNNY CAMPUS" is the name we give to the entire site where our headquarters factory is located. The sports field, tennis courts, and other facilities on the grounds are made available for local educational institutions and so on to use for free.


NSK Rising Event

NSK holds the NSK Rising Event as a way for both us and our local community to continue rising up together. At this event, we invite locals to cultural events held and improve the cultural level of our employees.

In 2024, we welcomed the popular comedy duo "Pack'n Mack'n" (Mr. Patrick Harlan and Mr. Makoto Yoshida) to host a stage event titled "Pack'n Mack'n: Studying is Entertainment!" With plenty of humor and audience participation, they talked about the importance of broadening one's perspective through communication with people from other countries and shared fun ways to learn English. Their message, "English belongs to everyone. Speak without fear of making mistakes!" encouraged many attendees and served as an opportunity for them to become more familiar with English. On the day of the event, around 550 people, including our employees, their families, and local residents, gathered to enjoy a fun-filled time full of laughter and learning. It was a moment where participants could enjoy culture while feeling closer to English, and the venue remained lively until the end.

September 2024

August 2023

Sadao Watanabe Quartet 2023 Concert

Sadao Watanabe, a world-class jazz saxophonist from Tochigi Prefecture, was joined by Akira Onozuka (piano), Takashi Sugawa (bass), and Ittetsu Takemura (drums) for an exclusive concert, with the performance proving to be a huge success.

October 2022

Dai Miyata & Kazuma Miura duo recital

Cellist Dai Miyata and bandoneon player Kazuma Miura, two of Japan's top musicians, performed an extensive selection from a repertoire of various generations and genres. The venue was filled with the rich sound of the cello and bandoneon.

September 2019

Syunputei Ichinosuke

Traditional Rakugo (Japanese comic storytelling) performance

Syunputei Ichinosuke, whose performances are some of the hardest for which to acquire tickets, performed the "Hatsutenjin" and "Mekauma" stories. After an intermission, Koneko Edoya made an appearance and thrilled the crowd with a mimicry performance.

December 2018

Master of wine

Lecture by Kenichi Ohashi

Kenichi Ohashi, who is one of only two Japanese people to hold the title of Master of Wine, held a lecture. Attendees listened intently to various anecdotes that only someone with a global knowledge of wine could provide.

December 2017

Noh actor Shonosuke Okura

Performance

Attendees enjoyed a taiko drum performance and mesmerizing show by Noh actor Shonosuke Okura, who has been comprehensively designated as an important intangible cultural asset.

NSK Nakanishi Foundation (scholarship, R&D grants, study abroad grants)

The NSK Nakanishi Foundation (became a public interest incorporated foundation in 2018), founded on October 12, 2016, provides scholarships to dentistry students to secure and train the skilled people who will lead the dental medicine of the future. As of April 2025, a cumulative total of 324 students have received scholarships.

From August 2023, in addition to the scholarship business, we began to provide R&D grants for medical devices exclusively in the sectors of implant treatment, periodontal disease treatment, and neurosurgery (spinal) alongside foreign exchange program support for researchers who wish to study dentistry overseas. As of April 2025, our support record includes 36 R&D grants and foreign exchange program support for three individuals.

Donation to a crowdfunding project supporting fertility treatment

We made a donation in support of the crowdfunding project supporting fertility treatment organized by the Saiseikai Utsunomiya Hospital. This project aims to expand access to fertility treatment in the local community by establishing a fertility outpatient clinic and introducing assisted reproductive technologies at the hospital.

The donated funds will be used to purchase equipment necessary for assisted reproductive procedures such as in vitro fertilization and microinsemination. This contribution supports the creation of an environment where all individuals who wish to have children can receive treatment with peace of mind and look forward to pregnancy and childbirth. We will continue to engage in initiatives that contribute to the enhancement of community healthcare.

Sponsorship of Local Sports Teams

NSK has signed sponsorship agreements with a number of professional sports teams in Tochigi Prefecture. Encouraging sports together with employees and local residents, it continues contributing to revitalizing the local community and encouraging[promoting] sports in it.

Membership in B.LEAGUE
Professional basketball team
Utsunomiya Brex

Membership in Japan Cycle League
Professional cycle road racing team
Utsunomiya Blitzen

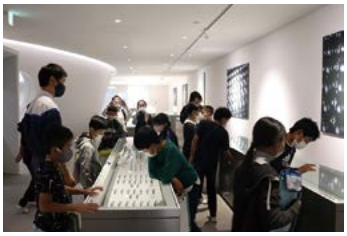
Membership in J.LEAGUE
Professional soccer team
Tochigi Soccer Club

Membership in Asia League Ice Hockey
Professional ice hockey club
H.C. Tochigi Nikko Ice Bucks

Membership in ROUTEINN BCL
Professional baseball team
Tochigi Golden Braves

Hosting Field Trips and Corporate Tours

NSK actively engages with requests for field trips and corporate tours from educational institutions in Tochigi Prefecture. Stemming from our wish to provide an opportunity to experience work to the children who are our future, we take particular care to actively respond to field trip requests from grade schools within Tochigi.



Future Creation University for Children in Tochigi Project

We want to provide children with opportunities to "touch and learn from the real thing" and help them create their own visions of the future. We have been part of the Future Creation University for Children in Tochigi project run by the prefecture since 2018. We also host a number of social studies class visits from elementary schools throughout the prefecture.

Nakanishi Marche Held in Collaboration with Local Shops, Employment Support Facilities Providers, and the Tochigi Prefecture Department of Health and Welfare

At NSK's employee benefit facility La Campanella, we regularly hold "Nakanishi Marche," a market event where locals shops and social welfare corporations near our Headquarters as well as representatives from employment support offices come together and offer sales of a variety of goods, including fresh bread, snacks and sweets, and farm produce. On the day of the market, the sales corner overflows with vibrant energy as NSK employees come out in droves to pick up their favorite items. Nakanishi Marche has proved to be very popular with both the store vendors and our employees themselves.

Blood Donation at the Headquarters and A1 Factory

NSK has held blood drives for many years now, and works with the Tochigi Red Cross Blood Center to hold blood drives at our Headquarters and A1 Factory. These blood drives are held four times a year, in March, July, November, and December, and about 130 people donate blood at each event.

Environment

Environmental Management

In recent years, we have experienced an ever more intense scale of changes in the business environment that surrounds us.

Amid growing geopolitical risks such as the U.S.-China trade friction, the prolonged circumstances surrounding Russia and Ukraine, and the deteriorating situation in the Middle East, concerns are mounting over the fragmentation of the international community and the sustainability of human society, particularly in light of soaring raw material costs and the resulting inflation. In addition, global environmental issues, beginning with climate change, are causing frequent natural disasters such as heatwaves, droughts, wildfires, and floods around the world. We live in an era where once-in-decades disasters can strike close to home. In Japan, the Noto Peninsula Earthquake, torrential rain disasters, and the wildfire spread in Ofunato City, Iwate Prefecture are still fresh in our memories.

These environmental issues, including climate change, are becoming increasingly severe each year. The impact is widespread, such as surging food prices due to poor crop yields, affecting our daily lives. These effects are making people confront the realization that their lifestyles, values, safety, and security are not to be taken for granted, and we are presented with an increasing amount of opportunities to reevaluate environmental and social issues as legitimate factors that can affect us in a personal way.

Furthermore, today's society is burdened with increasingly diverse, serious, and complex social issues. While the emergence of generative AI is accelerating digitalization, the economy remains vulnerable, struggling to find a path toward stable growth amid complex global political dynamics and shortages of resources, energy, and labor. We believe it is essential to further advance efforts toward a sustainable society by identifying new growth opportunities from the social issues revealed through the social impact of generative AI, climate change, and demographic shifts.

With this background in mind, the importance of corporate activities toward realizing a sustainable society is rising. Companies are required to understand the risks and opportunities posed by climate change to their businesses, set long-term reduction targets, work to reduce greenhouse gas emissions across the entire supply chain, and contribute to the establishment of a recycling-oriented society. It is also expected that local communities, companies, and the whole world will work together to resolve important environmental issues. Accordingly, we believe that companies have an increasingly important role to play in solving environmental issues, and that companies are duty-bound to respond to the various needs and expectations of society.

Going forward, for NSK to become an indispensable presence in building a sustainable society, particularly in confronting climate change, sustainability management must be positioned as one of its key themes.

We intend to use the monozukuri (manufacturing) expertise and advanced technological capabilities we have accumulated to demonstrate solutions to environmental problems in tandem with building a foundation for realizing a sustainable society by steadily advancing wide-ranging initiatives. These include strengthening legal compliance, reducing the environmental impact of our monozukuri, developing environmental human capital and conserving biodiversity.

We started procurement of renewable energy at our domestic production sites (Headquarters Factory and A1 Factory) in December 2021, and has since maintained carbon neutrality. In FY2024, we reduced greenhouse gas emissions (Scope 1 and Scope 2 GHG emissions) from our domestic production sites (Headquarters Factory and A1 Factory) in FY2023 to zero through carbon offsetting, obtained carbon neutrality verification by a third-party organization, and continued monozukuri at "zero-CO2 factories".

In addition, by charging electric vehicles (EVs) using the procured renewable energy, it becomes possible to reduce CO2 emissions to zero in each step from recharging to transit. We are systematically promoting the transition to electric vehicles (EVs) and the enhancement of EV charging stations. Other new initiatives toward realizing a sustainable society include the reuse of scrap materials (such as sprues and runners) generated during the molding process of in-house products, and the launch of bottle-to-bottle horizontal recycling in collaboration with local governments (a circular economy*).

The natural environment is common social capital that is essential for the lives of all people, and all of our business activities are founded on the concept of the environment existing as a form of capital.

At NSK, we recognize we are both a member of society and a company that contributes to the global environment. In response to environmental issues such as climate change, we have defined "coexistence between people and the earth" as one of our goals, and we intend to promote our Green Plan 2030 medium-term plan.

By integrating our technological capabilities and inventiveness, and by resolving societal issues and growing our business, we believe we can contribute to the creation of a bright future. We understand this to be a corporate duty, which we intend to continue to fulfill as part of our responsibility to society to ensure that we are able to continuously encourage environmental awareness for various stakeholders and contribute to the establishment of a sustainable society.

* Circular economy
Recycling-oriented economic model; a system that emphasizes the principles of eliminating waste, circulating resources, reducing and regenerating the burden on nature.

Environmental Policy

At NSK, we have established the following Environmental Policy for the purpose of reducing the environmental impact of our business activities and products throughout their lifecycles, in order to preserve the global environment as the very foundation on which various forms of life depend for survival, and realize a healthy, rich and sustainable society not only for the present day, but extending into the future as well.
We believe, as a member of a society that is facing various issues including energy shortages, resource depletion, and climate change, that through striving to actively address the demands of society, instead of just responding to them in a passive manner, by working to spread an accurate understanding of the environment to each and every person and focusing on maintaining the suffix of "-friendly" in relating to people, society, nature, and the planet Earth in all of our business activities, we will be able to create a society that is more prosperous than ever before, and all of our employees engage in environmental activities.

Environmental Policy

NSK shall implement in all its corporate activities, such as research and development, manufacturing, sales and services of ultra-high-speed rotary equipment, including dental instruments, considering the organization state that can affect business activities, the following environmental activities based on the goals of reduction of environmental impact for the global environment of the future, harmony with nature, and the establishment of a healthy and prosperous society:

1. Promotion of environmental protection, including prevention of contamination
NSK reduces environmentally hazardous substances in all of its activities to prevent contamination and protects the natural environment from harm and degradation arising from organizational activities, products and services.

2. Continuous improvement of the environmental performance of energy and resource conservation
NSK continuously improves its environmental performance in all fields of its activities including manufacturing products, focusing on energy conservation for global warming prevention and recycling for resource conservation.

3. Compliance with environmental laws, regulations and other voluntary standards
NSK ensures compliance with environmental laws and regulations related to all of its corporate activities, products and services and standards judged to affect the needs and expectations of interested parties.

4. Reduction of environmental loads in all processes of business considering the life cycle
NSK strives to continuously improve the activities to reduce environmental impact of all production processes from product planning and development to manufacturing, sales, use and disposal, with all of its employees, by accurately assessing the impact of its corporate activities on the environment and setting environmental targets within the range of technological and economical abilities.

5. Promotion of communication with stakeholders
NSK communicates with stakeholders, including those in the surrounding areas, to maintain the environment.

6. Dissemination of environmental policy
NSK communicates environmental policies and the importance of global conservation to all related stakeholders.

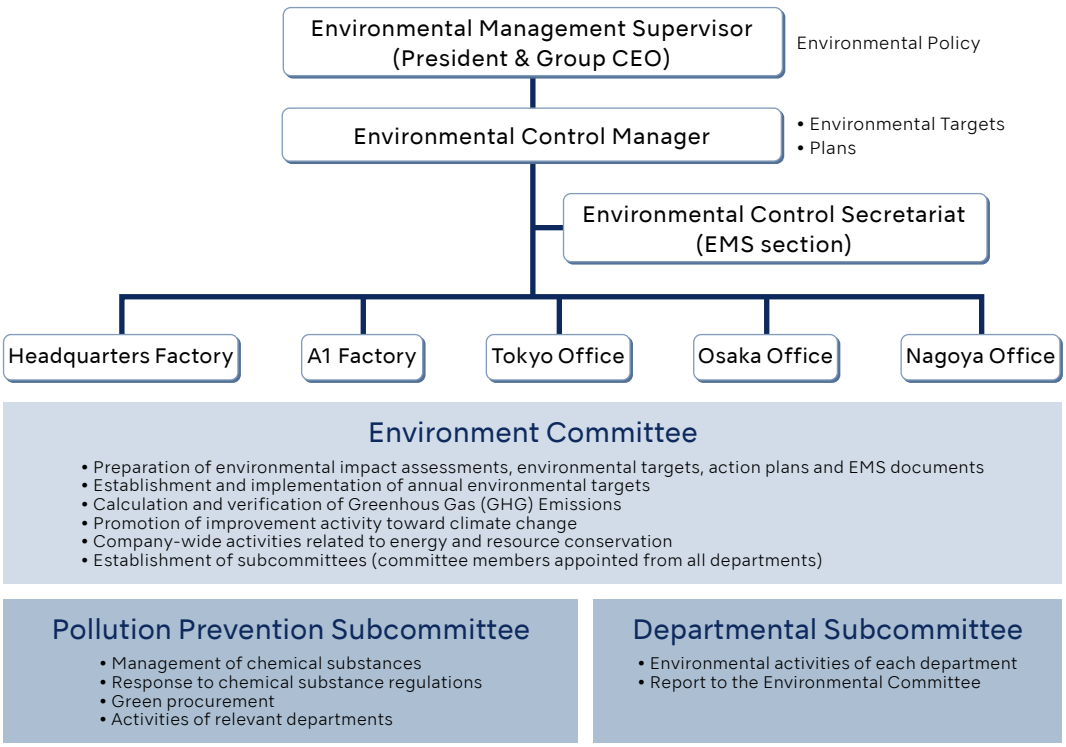
Environmental Management Promotion Structure

At NSK, we maintain the Environmental Management Promotion Structure as depicted in the following chart in response to the increasing necessity of resolving social issues on a global scale as represented by the SDGs and working toward the realization of a sustainable society. The general operations of this promotion structure are overseen by the President & Group CEO, and representatives from each department participate in meetings to discuss and examine various measures involved in environmental promotion activities.

Six key promotion activities
1. Operation of the Environmental Management System
2. Evaluating environmental performance of environmentally friendly products
3. Establishing environmentally friendly monozukuri systems
4. Promoting environmental communication
5. Response to environmental issues such as climate change and resource recycling, etc.
6. Calculation and verification of Greenhouse Gas (GHG) Emissions

In order to promote these aims effectively, we have integrated our company's environmental activities in a cross-departmental manner; specifically, we have appointed an Environmental Control Manager and established the EMS Section as the secretariat responsible for supervising these promotions.
These personnel and organizations are responsible for debating and making decisions on key matters, such as defining our Environmental Policy and environmental activities, ensuring we comply with environmental laws and regulations and making recommendations to the management.
We have also established the Environmental Committee, which is responsible for the operation of the Environmental Management System, document reviews and the promotion of energy conservation and a circular economy (CE)*/ carbon neutrality (CN). Likewise, we have established the Pollution Prevention Subcommittee, which monitors the RoHS Directive, REACH Regulations and other requirements for chemical substances in various countries and seeks to prevent chemical substance pollution and reduce environmental risk. These committees examine and deliberate all manner of issues, and the conclusions are reflected in activities throughout the company.

Environmental Management Promotion Structure



Identifying Environmental Risks and Opportunities

At NSK, we have established an Environmental Management System that conforms to ISO 14001; through this management system, we identify important risks and opportunities related to environmental issues, discuss how to respond to these issues and implement action plans accordingly.

In addition, based on the concepts outlined in ISO 14001:2015, we are in the process of establishing systems to identify risks and opportunities with the potential to impact our business activities in a manner that exceeds merely an environmental framework. Examples include "external and internal issues that can affect an organization" and "the needs and expectations of interested parties."

In FY2023, we have continued to develop activities to maintain carbon neutrality* in initiatives including bringing environmentally friendly products to market, promoting energy conservation such as transitioning to energy-saving and high-efficiency equipment, and transitioning to electric vehicles (EVs), by recognizing that striving to take an active approach to climate change as a member of society is an opportunity to link our efforts to the sustainable growth of the company.

We believe that it is important not only to pursue short-term profits but also to ensure that both the economy and business grow in a sustainable manner, with consideration for environmental and social issues.

In FY2024, we have continued our efforts to maintain carbon neutrality* by bringing environmentally friendly products to market, transitioning to high-efficiency equipment, and promoting energy conservation in our production processes based on the recognition that taking an active approach to climate change as a member of society is an opportunity for sustainable corporate growth.

*Carbon neutrality

An approach in which the amount of carbon dioxide that is emitted when something is produced or as a result of a series of human activities is balanced by the amount of carbon dioxide that is absorbed.

Process for Identifying Risks and Opportunities

Risks and opportunities to be acted on as part of ISO14001		Risk or opportunity
Remarkable environmental aspects	1. Increasing greenhouse gas emissions	Risk
	2. Increasing electricity usage	Risk
	3. Waste emissions	Risk
	4. Promoting resource recovery (3Rs and circular economy)	Opportunity
Organizational issues (external)	1. Monitoring and complying with environmental laws and regulations	Risk
	2. Increasing energy and waste collection and transportation/processing costs	Risk
	3. Decline in environmental performance due to building expansion	Risk
	4. Stagnation of social conditions caused by currency fluctuations and rising prices	Risk
	5. Accelerating efforts for climate change	Opportunity
	6. Contributing to power generation business using waste	Opportunity
Needs and expectations of interested parties	1. Price increase of raw materials due to changing global circumstances	Risk
	2. Formulating medium and long-term Environmental Vision	Opportunity
	3. Response to environmental risks (Climate change, chemical substance contamination, etc.)	Opportunity
	4. Opportunities to ensure compliance with environmental laws and regulations, including chemical substance regulations in various countries	Opportunity
	5. Promoting sustainable management	Opportunity

Environmental Audit

At NSK, in striving for the continuous improvement of our Environmental Management System, prevention of environmental accidents and disasters at work sites, and enhancement of the reliability of disclosed environmental data, we engage in three classifications of audits: internal environmental audits in which each division and work site confirms the suitability, compliance and effectiveness of their own Environmental Management, external environmental audits in which external certification authorities confirm the effectiveness of the company's Environmental Management, and environmental audits of business partners in which the company identifies the status of activities to reduce environmental impact and confirms conformity with relevant regulations by business partners.

The EMS Section, which is the department responsible for environmental management, carries out internal environmental audits once a year in all departments to verify compliance with the requirements of ISO 14001.

Environmental audits of business partners are jointly carried out by the Procurement Department, the Production Management Department and the EMS Section.

"Environmental audits of business partners check sheets" are distributed to business partners in advance to verify the state of their environmental initiatives. We then narrow down target areas to be audited, and carry out a combination of on-site and remote audits to check environmental burden reduction activities, compliance with laws and regulations, and other aspects.

These environmental audits of business partners are also used as opportunities to share issues related to the promotion of environmental management and to identify trends related to environmental laws and regulations. In FY2024, we conducted environmental audits of business partners towards 10 companies (Suppliers: five companies, Subcontractors: five companies), and confirmed that all of the corrections had been completed.

In addition, we found that many business partners demonstrate great interest in initiatives such as our methods for maintaining carbon neutrality, our calculation method of greenhouse gas (GHG) emissions, and an outline of the J-Credit Scheme, and in this way, NSK strives to share our approach to the environment with our business partners as we develop activities toward the establishment of a sustainable society.

Number of Environmental Audits Carried Out

		FY2021	FY2022	FY2023	FY2024
Internal audits		1	1	1	1
Environmental audits of business partners	Suppliers	8	8	8	5
	Subcontractors	5	5	5	5

Other on-site inspection audits of industrial waste contractors and external dangerous goods warehouse managers

At NSK, we carry out on-site inspection audits once a year for industrial waste contractors (collection and transportation, and intermediate disposal sites) and external dangerous goods warehouse man-agers with whom we have concluded con-tracts.

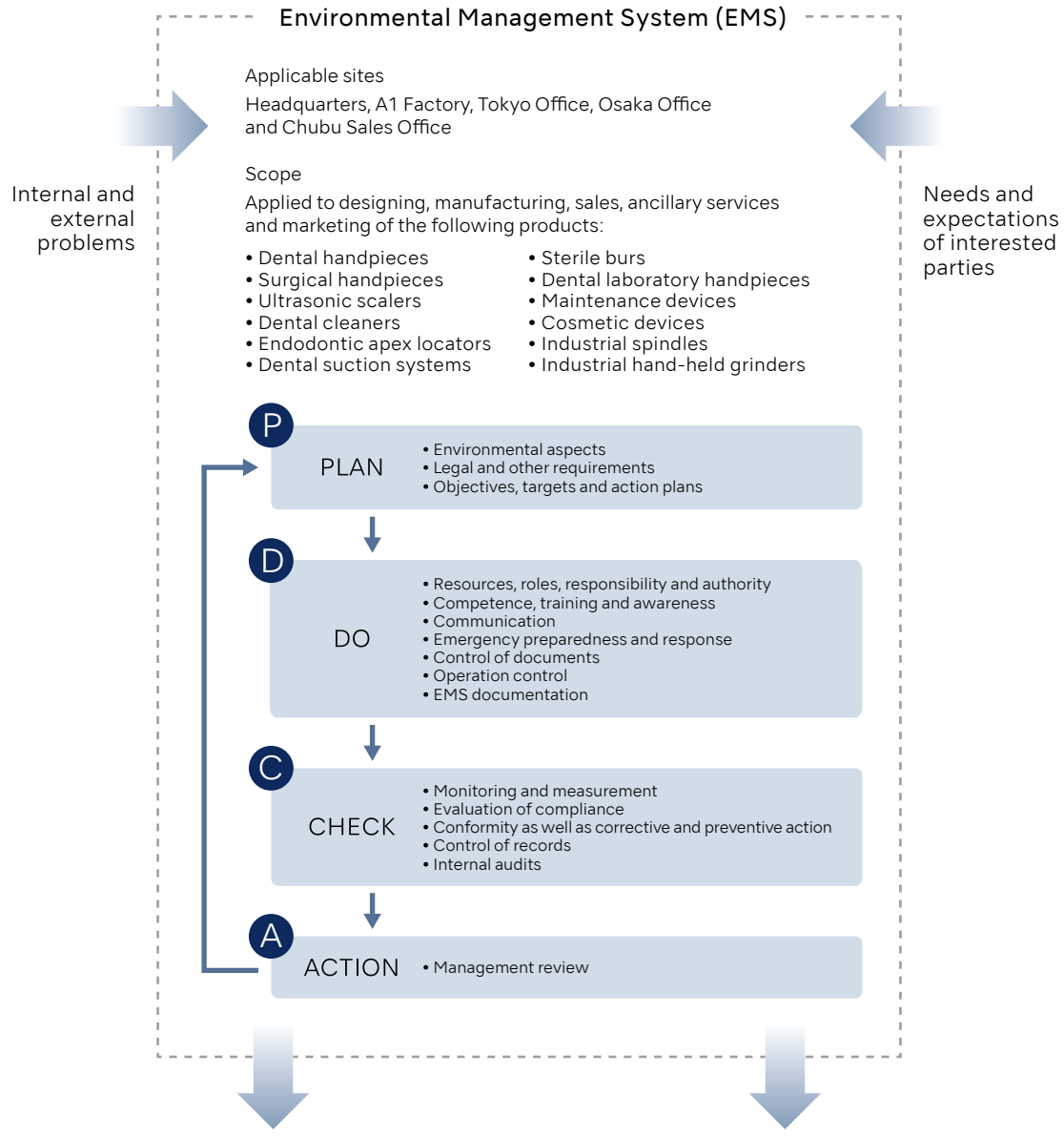
Through these inspection audits, we verify the proper disposal status of entrusted waste, compliance with applicable laws and regulations, and the management of dangerous goods in storage, and suggest corrective measures and recommend improvements where necessary.

In FY2024, we carried out audits of seven industrial waste contractors and one external dangerous goods warehouse man-ager, and found no points that required enhancement. Audits have been postponed to the following fiscal year for some industrial waste contractors (contractors with a small amount of transactions and certified excellent businesses).

Environmental Management System

Environmental issues are common to people all of the world, and it has become an age that companies' effort to reduce their environmental burden affects the evaluation of the management quality and, in turn, the evaluation of products. At NSK, we are engaged in environment-friendly business operations; to this end, we acquired ISO 14001 certification, the global standard environmental management system, in January 1999. We are implementing environmental activities based on our management policy of reducing the environmental impact for the future global environment and realizing a healthy and prosperous society in harmony with nature through all our business activities including research and development, manufacturing, sales, and service of dental medical equipment and other ultra-high-speed rotary equipment.

We have adopted the Environmental Management System at each of our five business sites—our Headquarters and A1 Factories, and our Tokyo, Osaka and Chubu Sales Offices. In order to grasp states of progress and potential issues, and in order to strengthen our management activities at each of these business sites, we have integrated our environmental activities and operate an efficient management system rooted in ISO 14001. Through these activities, we categorize business and environmental issues as "risks" or "opportunities," and implement solutions aimed at their resolution. Our approach conforms to ISO 14001:2015.



Intended results of the environmental management system (EMS)

Targets and Results

Medium-term Plan: Green Plan 2030

At NSK, we performed an analysis from the perspective of examining what is important to the company, our stakeholders, and society at large, confirmed the importance of biodiversity and compliance with regulations on subjects including climate change, resource recycling, and chemical sub-stances, and thereupon formulated our environmental mid-term plan, "Green Plan 2030." The Green Plan 2030 defines our belief that, as the responsibility of a monozukuri company that consumes large amounts of energy, we have an increasingly important role to play in solving environ-mental issues, and that we are duty-bound to respond to the various needs and expectations of society. Rooted in an awareness that making considerations for the environment will help us execute our social responsibilities, at NSK, we carry out a variety of initiatives aimed at reducing our impact on the environment, based on Green Plan 2030.

Going forward, we expect that climate change reduction goals, initiatives and measures will be defined by various countries. We will strive to continue to reduce our greenhouse gas emissions throughout the supply chain, paying close attention to greenhouse gas reduction trends both in Tochigi Prefecture and in Japan as a whole.

We did not review the Green Plan 2030, taking into consideration the status of activities by competitors and the results of past activities to reduce environmental impact.

We started calculation of greenhouse gas emissions since FY2021 as a response to climate change that is a matter of the utmost importance for the company. From the result of the calculation of greenhouse gas emissions, we verify our compliance with the GHG Protocol through a third-party organization for every fiscal year. Furthermore, based on the results of this verification, we determined the reduction target of zero greenhouse gas emissions from our business activities (consumed by our company) at domestic production sites (Scope 1 and Scope 2) by FY2030. Our basic approach involves first developing an understanding of our company's greenhouse gas emissions and then taking independent actions in endeavoring to reduce these emissions, and managing emissions that are not possible for us to reduce on our own through the introduction of renewable energy and utilization of the J-Credit Scheme*1. As a result, we were able to achieve zero greenhouse gas emissions (Scope 1 and Scope 2) at our domestic production sites in December 2021.

We will continue to maintain zero emissions in FY2025, following third-party verification of greenhouse gas emissions for FY2024.

Going forward, through establishing a circular economy, we shall look for how to reduce greenhouse gas emissions in the entire supply chain, which includes considering measures that will lead to reducing other indirect emissions (Scope 3), visualizing greenhouse gas emissions throughout the lifecycle of individual products through the carbon footprint (CFP)*2, and expanding the scope of calculation of greenhouse gas emissions including local subsidiaries.

We also believe it is important to approach our business partners when necessary as we engage in co-creation of a sustainable society.

*1: J-Credit Scheme

Scheme under which the government certifies the amount of CO2 and other emissions reduced through efforts to introduce energy-saving devices and use renewable energy, as well as the amount of CO2, etc. Absorbed through appropriate forest management, as "credit."

*2: Carbon footprint (CFP: Carbon Footprint of Products)

System for visualizing greenhouse gas emissions throughout the entire lifecycle of products and services from the procurement of raw materials to disposal and/or recycling.

Green Plan 2030

Initiative	Aim	Management items	Head-quarters	A1	Base year / Base value	Target values 2025	Target values 2030	Concrete measures
Combating climate change	Control greenhouse gas emissions	Calculated greenhouse gas emissions Scope1+2 (t-CO2)	○	○	2019 7,148	▲80%	▲100%	• Continued maintenance of PAS 2060, a standard for carbon neutrality • Install a solar power generation system into the new M1 building at the Headquarters Factory • Introduction of J-Credit Scheme • Transition to electric vehicles (EVs) • Introduce circular economy through the use of recycled materials
		Reduce per unit CO2 emissions (Number of shipments) (kL per 1,000 units)	○	-	2019 0.3997	▲5%	▲10%	• Repair air loss • Update aging facilities • Review automatic air-conditioning controls and operations • Optimize compressor source pressures • Improvements to productivity
		Reduce per unit CO2 emissions (production units) (kL per 1,000 units)	-	○	2019 0.0513	▲7%	▲15%	
Establishing a recycling-oriented society	Control waste emission volumes	Per unit industrial waste emissions (production units) (kg per 1,000 units)	○	○	2019 55.88	▲20%	▲25%	• Optimize sorting processes • Promote purification, effectively using in-house facilities • Reduce food waste • Carefully implement the 3Rs • Convert industrial waste into valuable material • Introduce circular economy
	Promote zero emission	Resource recovery rate	○	○	99%	99% or more	99% or more	• Resource recovery rate: 99% or more • Switch to valuable sludge waste
	Reduce food loss	Food recycling rate	○	○	2020 21,517	▲30%	▲30%	• Standardize disposal methods • Monitor canteen utilization rate • Optimize food preparation using past data
Management of chemical substances	Promote green procurement in supply chains	Number of cases containing banned substances	○	○	-	0	0	• Regularly monitor laws and regulations in various countries • Ensure green procurement across entire supply chain • Integrate management of data using chemSHERPA
Legal compliance	Monitor applicable laws	Compliance rate with related laws	○	○	-	100%	100%	• Promote green procurement • Monitor domestic and overseas environmental laws and regulations • Respond to chemical substance risk assessments
Preventing environmental pollution	Plant effluent standards	Compliance rate with effluent standards	○	○	-	100%	100%	• Trend management of inspection data • Installation of a 640-person-capacity septic tank (employing the membrane bioreactor method)
Water usage	Water usage surveys and reductions	Headquarters Factory clean water	○	-	-	Monitoring and reductions (m^3)		• A1 Factory installation of water circulation tank
		A1 Factory clean water	-	○				
		A1 Factory industrial water	-	○				
		A1 Factory effluent water	-	○				

Environmental Activity Results for FY2024

At NSK, we set—and work to achieve—annual environmental targets based on our Green Plan 2030 medium-term plan and on the business issues we have categorized as "risks" or "opportunities."
FY2024 are outlined below.

Initiative	FY2024 targets		FY2024 results	Initiative	Assessment
Reduction of the amount of greenhouse gas emissions	Promote carbon neutrality by 2030		Continued carbon neutrality from December 2021 (Scope1+2)	• Calculated GHG emissions and received third-party examination of validity • Introduction of J-Credit Scheme • Acquired PAS 2060, an international standard for carbon neutrality • Decide to install a solar power generation system and EV charging stations into the M1 building • Transition to electric vehicles (EVs) • Introduce circular economy (effective use of scrap materials generated from the resin molding process) • Start providing energy-saving support to five production subcontractors	○
Reducing per unit energy use	Head-quarters	Compared to FY2019 Per unit reduction of 3% 0.3861 kL per 1,000 units	FY2023 results: 0.3544 kL per 1,000 units Target achievement rate: 108%	<Promotion of energy conservation> • Optimization of compressor pressures • Promote reductions in air loss • Introduce automatic air-conditioning control • Install central monitoring systems and visualize energy usage • Control operation of oil mist collectors (linked with production facilities) • Stop outside air conditioners • Introduce refrigerant rectifying devices <Reason for non-achievement> • Due to fluctuations in production operations	×
	A1	Compared to FY2019 Per unit reduction of 3% 0.0489 kL per 1,000 units	FY2023 results: 0.0480 kL per 1,000 units Target achievement rate: 102%		×
Promote zero emission	Resource recovery rate of 99% or more		Industrial waste resource recovery rate: 99.6%	• On-site audits of 7 industrial waste collection and transportation contractors • Careful sorting of industrial waste • Promote switching to valuable industrial waste	○
Reducing waste volume	Compared to FY2019 Per unit produced reduction of 8% Target value of 54.17kg per 1,000 units		FY2023 results: 17.2 kg per 1,000 units Target achievement rate: 166%	• Switch to valuable sludge waste • Conduct in-house purification of treated water when removing wastewater treatment facilities • Utilize food waste for generating power	○
Strengthening management of chemical substances contained in products	Content free of banned/managed substances: 100%		Banned substance-free: 100%	• Identify the status of chemical substances contained in our products at the time of delivery specification agreement	○
Complying with environmental laws and regulations	100% compliance		Exceeded BOD with Headquarters Factory septic tanks (RD1 building, F building) *Plant effluent water was within specified values	<Reason for non-achievement> Implemented major layout rearrangement to accompany construction of new building at Headquarters Factory. In the resulting transition of employees between buildings, water quality of septic tanks was temporarily unstable at buildings with an increased number of employees. <Improvement measures> Change the approach from installing a separate septic tank for each building to managing multiple buildings with a single septic tank.	△

Assessment Criteria:

○ = Achievement rate of 100%　△ = Achievement rate of 90% or more　× = Achievement rate of less than 90%

Combating Climate Change (Reduction of the Amount of Greenhouse Gas Emissions)

Starting carbon neutrality (zero-CO2 monozukuri) (Headquarters Factory and A1 Factory)

Since acquiring ISO 14001 in 1999, NSK, a corporation that is globally active in the dental, surgical and industrial business fields, has maintained a commitment to fostering the belief that companies are duty-bound to fulfill their responsibility to society and has thereby continued to promote initiatives to realize a sustainable society. Under these circumstances, from December 1, 2021, we began introducing initiatives to switch 100% of the electricity used at Headquarters Factory and A1 Factory to renewable energy*1.

We continued to accumulate initiatives to reduce greenhouse gas emissions, including installing solar panels at the A1+ building, updating aging equipment, and expanding eco-friendly product packaging (shifting from plastic to paper) while calculating our greenhouse gas emissions every fiscal year in accordance with the GHG Protocol and having our calculation's validity examined by a third-party organization.

Furthermore, as a result of receiving third-party verification, we successfully offset greenhouse gas emissions by utilizing carbon offsetting*2 provided under the J-Credit Scheme and achieved carbon neutrality under the GHG Protocol*3 Scope 1 and 2*4 at the Headquarters and A1 Factories. In addition, we acquired confirmation from a third-party organization that our company conforms with international standards based on specifications for the demonstration of carbon neutrality (PAS 2060)*5 established by the British Standards Institution (BSI), and started our current operations in zero-CO2 monozukuri.

In FY2024, we launched a new initiative in collaboration with five production sub-contractors closely involved in our monozukuri to reduce the electricity consumed in our monozukuri processes by 1% compared to 2022 levels. Additionally, as part of our circular economy efforts, we began reusing scrap materials generated during the production processes of our products as raw materials for resin-molded components, as well as bottle-to-bottle horizontal recycling in collaboration with local governments.

Going forward, in light of the establishment of the carbon neutrality standard as an international standard (ISO 14068-1*6), we will consider obtaining standards and guidelines that are well-suited to our business activities.

In addition, while actively working to establish a circular economy (recycling-oriented economy) and visualize greenhouse gas emissions throughout the lifecycle of individual products through the carbon footprint (CFP), we will make progress on measures to reduce indirect greenhouse gas emissions (Scope 3). We aim to be a company that continues to carry out the best value exchange, including our environmental activities, with all stake-holders.

*1: 100% renewable energy
Energy readily available from renewable sources that can be used without emissions of the greenhouse gas that causes global warming.

*2: Carbon offsetting
Efforts to make up for emissions of greenhouse gas such as carbon dioxide (CO2) through contribution to reducing or absorbing emissions in other areas. "Carbon" refers to "CO2 (greenhouse gas)" and "offset" means "to make up for, to counter."

*3: GHG Protocol
International standard for calculating and reporting greenhouse gas emissions.

*4: Scope1 and 2
"Scope 1" refers to direct greenhouse gas emissions by the reporting company itself. "Scope 2" refers to indirect emissions from the use of energy (electricity, etc.) provided by others.

*5: PAS2060
Specifications for the demonstration of carbon neutrality created and issued by the BSI.

*6: ISO14068-1
An international standard related to carbon neutrality. It serves as a framework for climate change management and aims to guide the transition toward carbon neutrality (net zero).

GHG Calculation Report

Third-party Assurance Report (PAS 2060)

Why strive for carbon neutrality?

In the modern day, global warming presents a common issue faced by the entire world. The warming of the Earth is creating a major impact on all of our lives. This is not limited to humankind; present conditions are affecting various forms of flora and fauna as well, threatening to shake the very foundations on which life on planet Earth depends for survival.

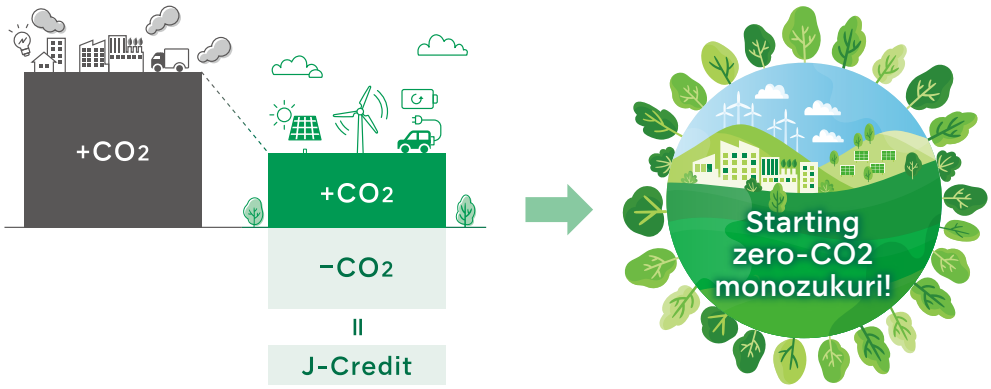
All of our business activities are founded on the concept of the environment as a form of capital. NSK continues to promote carbon neutrality as part of the responses to the climate crisis that are being pushed forward around the world based on our commitment to the idea that growth which ignores the environment is not a desirable development.

"Carbon neutrality" means to reduce overall greenhouse gas emissions to zero. In other words, this term refers to the process of countering the amount of greenhouse gas emissions by subtracting the amount that is absorbed or removed to reach a sum total of zero.

While it may not be possible to achieve zero greenhouse gas emissions through business activities alone, they can at least be reduced.

Towards the realization of a decarbonized society, we set out a target of zero green-house gas emissions generated from our business activities by 2030, and are making continuous efforts to this end through initiatives such as transitioning to renew-able energy, increasing our own power generation ratio by installing solar panels, and utilizing J-Credits.

Going forward, we will maintain our commitment to monozukuri at zero-CO2 factories through gradually introducing electric vehicles (EVs), installing solar panels at the M1 building, which begins full-scale operation in April 2025, etc., in order to fulfill our responsibility to society.



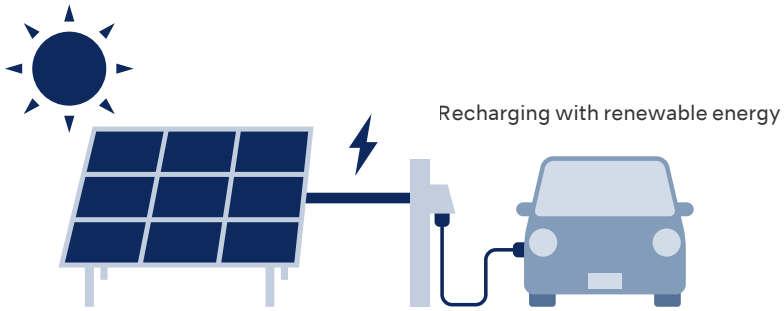
Developments in decarbonization to realize "Zero Carbon Drive"

Zero Carbon Drive refers to driving of any vehicle in which no carbon dioxide is emitted. This initiative was named by the Ministry of the Environment in reference to driving that produces zero greenhouse gas emissions through combining the use of electricity generated from renewable energy sources such as solar and wind power together with electric vehicles (EV), plug-in hybrid vehicles (PHEV), and fuel cell vehicles (FCV).

In December 2023, we introduced two electric vehicles (EVs) in accordance with our company vehicle replacement plan. Furthermore, in FY2024, we replaced one executive vehicle with a hybrid vehicle.

In FY2025, we plan to introduce a total of five vehicles—two hybrid vehicles and three electric vehicles (EVs)—and install three EV charging stations. We will continue to gradually replace our company vehicles with electric vehicles (EVs) in accordance with this plan as we make progress on increasing the number of EV charging stations in a tandem effort.

Through combining these electric vehicles (EVs) together with the electricity generated from 100% renewable energy that we have already procured, we will be able to reduce greenhouse gas emissions during recharging and transit to zero and thereby achieve Zero Carbon Driving.



Energy-saving support for five production subcontractors (contribution to Scope 3)

NSK has long been committed to reducing the electricity consumed in its monozukuri processes. In FY2024, we began an initiative to reduce the electricity consumed in the monozukuri processes of our products by extending the knowledge accumulated through our energy-saving activities to our production subcontractors.

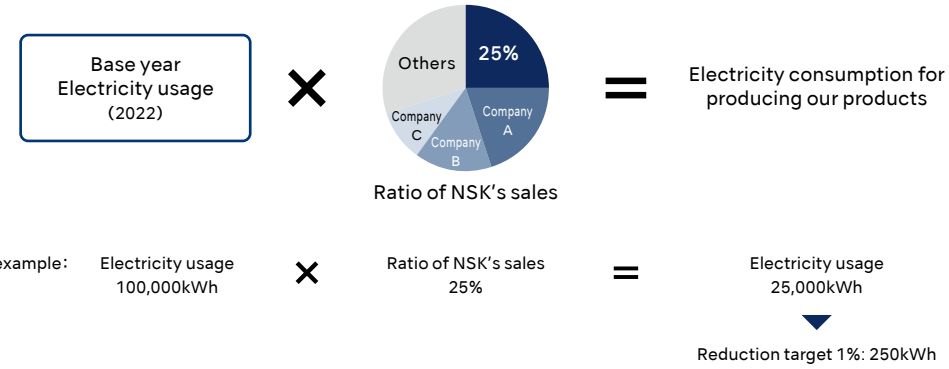
The basic policy of this initiative is to set FY2022 as the base year and calculate the amount of electricity consumed to produce our products (per unit net sales) from the electricity usage of production subcontractors in the base year. The goal is to reduce this electricity consumption by 1% or more annually over the three-year period from FY2024 to FY2026.

In FY2024, we established two common themes for five production subcontractors for electric units: optimizing compressor pressure and reducing unnecessary electricity consumption during idle periods in the PCB mounting process. Our efforts to promote energy-saving support resulted in energy savings of approximately 1,000 thousand kWh.

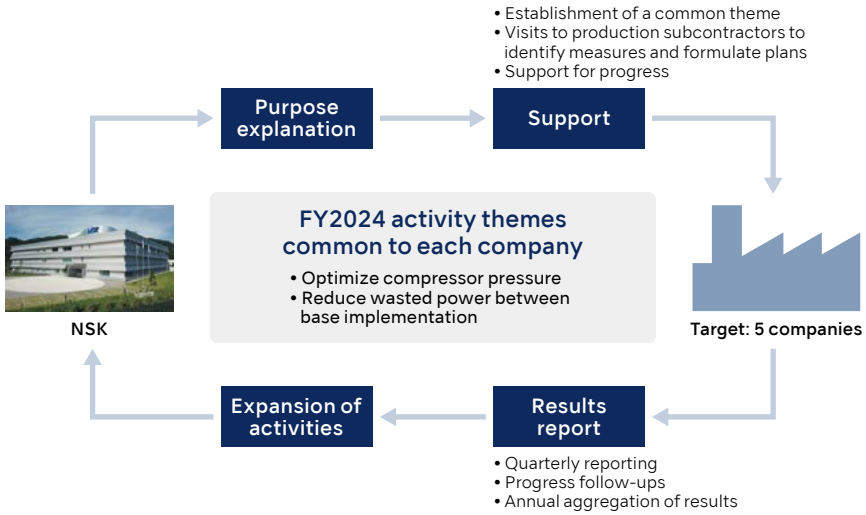
Going forward, we aim to deepen under-standing of this initiative among many business partners and gradually expand the scope of this initiative, which we believe will contribute to building a sustainable society.

Base year: FY2022
Reduction target: The electricity consumed in the monozukuri process of our products is defined as the total electricity usage in FY2022 multiplied by the ratio of our sales for the same year.
With 1% of the calculated electricity consumption set as the reduction target, we aim to reduce this amount by 1% or more annually from 2024 to 2026.

Method for calculating the reduction target



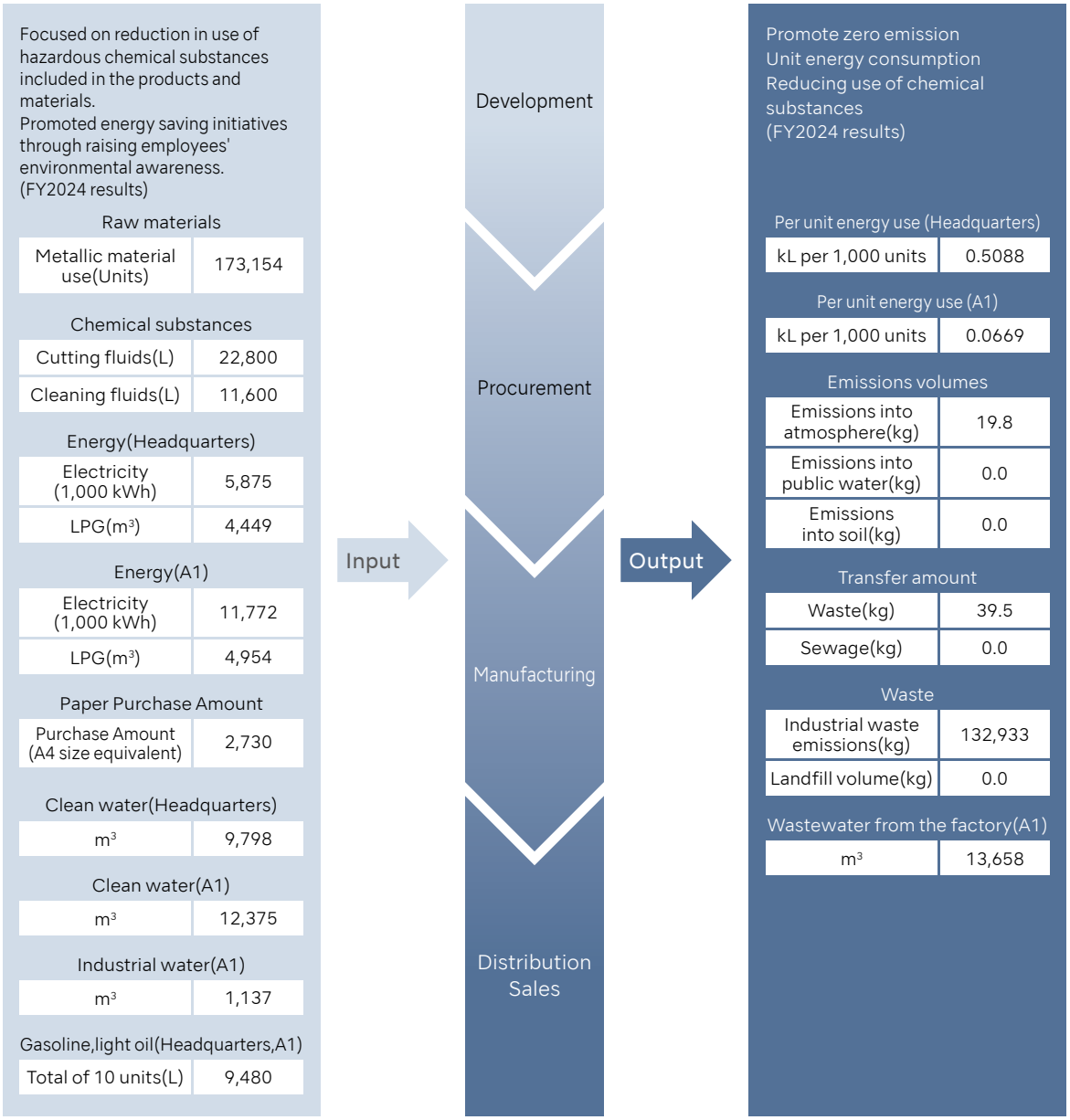
Reduction flow



State of Environmental Impact of Business Activities

At NSK, we carry out processing and assembly at our production sites and each product is provided to market. We monitor the relationship between the amount of resources and energy required for our business activities and the resulting waste and emissions. By evaluating re-source use efficiency in the business activities and working to reduce environ-mental impact, we utilize this information to promote sustainable operations.

Material Balance (2024)



Initiatives

Compliance with Environmental Laws and Regulations

As global warming, resource energy, and other global environmental issues are be-coming more widespread and globalized, policies and regulations are being reviewed and strengthened at the regional and national levels with the aim of achieving sustainable growth.

At NSK, we ensure careful environmental compliance with the aim of minimizing environmental risks such as environmental pollution, destruction of ecosystems and climate change.

In FY2024, the Biological Oxygen Demand (BOD) exceeded the standard at outlets of septic tanks within the Headquarters Factory.

At the Headquarters Factory, septic tanks have been installed in each building.

There was a temporary layout rearrangement involving multiple buildings as a result of constructing the new M1 building within the Headquarters Factory, and a significant number of employees have been transferred between buildings. Consequently, there has been an increase in septic tank inflow at the buildings where the number of employees has temporarily increased, which we believe has led to worsening water quality as a result.

In seeking to review our management practices to prevent any impact from in-creases or decreases in the number of employees at each building, we have introduced a permanent measure to address this issue by switching to a high-efficiency purification system (the membrane bioreactor method), which allows a single septic tank to purify wastewater from multiple buildings. We commenced operations of this new septic tank from April 2024, and believe that personnel shifts between buildings will no longer affect water quality in the septic tank. With the construction of the new M1 building, we also verify compliance with applicable laws and regulations as appropriate, including issuing notices on the installation of new wastewater treatment facilities and septic tanks and monitoring the removal of asbestos and disposal of waste construction materials while dismantling the existing building.

In FY2025, we plan to submit notices on the decommissioning of existing septic tanks and continue addressing the Revised Industrial Safety and Health Act. We will strive to maintain an accurate under-standing of the relevant regulations and ensure that we are in full compliance in response.

Environmental Education

Raising environmental awareness of each employee is important for promoting environmental conservation activities. Therefore, we believe that it is important to enhance the education system and implement continuous education.

At NSK, the Environmental Control Manager and EMS Section work together to carry out various educational programs. Through general environmental education programs, we seek to deepen employee understanding of how environmental activities and various work processes impact the environment; we also implement specialized education programs for relevant departments, aimed at raising awareness of the latest trends in environmental laws and regulations, including those covering chemical substances.

In addition, when elementary school children take part in plant tours, we teach them about recent environmental issues, the environmental activities we carry out at NSK, as well as environmental initiatives that can be carried out by individuals.

At NSK, we carry out monozukuri activities in regions with rich natural environments. We believe it is our corporate duty to pass these natural environments down to future generations, and we implement initiatives accordingly.

From FY2025 and onward, we will continue to accept plant tours as we endeavor to inspire large groups of children to take an interest in the importance of environmental activities through our environmental initiatives.

Controlling Climate Change

Basic Approach

The current vision for the future held by society is to achieve effectively zero greenhouse gas emissions by 2050 and limit the increase in global temperature to below 1.5 ˚C compared to pre-industrial levels. However, according to the IPCC*1 Sixth Assessment Report (Working Group I) published in 2021, it has been found likely that human activities have caused global surface temperatures to warm by approximately 1.1 ˚C from 1850–1900 to 2010–2019, and if current conditions continue, this increase could potentially reach 1.5 ˚C as early as 2030. Global warming stemming from in-creased greenhouse gas emissions is already on a path of progression, and we are beginning to see outbreaks of abnormal weather in various regions such as an increase in torrential rains and typhoon disasters, frequent wildfires, and the thawing of the Siberian permafrost.

In light of these circumstances, in recent years, the EU and other nations across the world have issued declarations on carbon neutrality, and in October 2020, Japan also announced its commitment to achieve carbon neutrality by 2050. Many local governments have also issued climate emergency declarations, and numerous corporations have published their own declarations to achieve net-zero emissions. COP27*2, which took place in Egypt in November 2022, focused on the implementation of measures that are more effective, and COP28, held in November 2023, drew up a commitment in the direction of gradually transitioning away from energy systems based on fossil fuels.

NSK's energy consumption exceeds the equivalent of 1,500 kL of crude oil, and so it is recognized as a Specified Business Operator under the Act on Rationalization of Energy Use and Shift to Non-fossil Energy (Revised Act on the Rational Use of Energy).

We are a company that consumes large amounts of energy, and our business activities therefore have some bearing on environmental issues. At NSK, we have defined "coexistence between people and the earth" as one of our goals and carry out our activities as a member of society accordingly. We recognize that using the monozukuri (manufacturing) expertise and advanced technological capabilities we have accumulated to demonstrate solutions to issues related to global warming is both a need and an expectation of society.

In order to respond to these expectations, we seek to accurately grasp the risks posed by climate change, and work to reduce greenhouse gas emissions in our production processes. At the same time, we intend to work on the basis that expanding sales of environmentally friendly products is an opportunity for creating new business and, by reducing climate change-related risks, fulfill our social responsibility for realizing the Paris Agreement.

For this reason, all our employees will possess high environmental awareness, our supply chain will work together to achieve the Green Plan 2030 and, as an industrial leader, we will contribute to the resolution of environmental problems.

*1: IPCC (Intergovernmental Panel on Climate Change)
An organization established by the United Nations Environment Program (UNEP) and the World Meteorological Organization (WMO) in 1988 with the main objective of conducting comprehensive assessments of scientific, technical and socioeconomic information relevant to the understanding of human induced climate change, potential impacts, and options for mitigation and adaptation.

*2: COP
An abbreviation for "Conference of the Parties" referring to the United Nations framework for discussions on preventing global warming.

Important issues toward climate change

In the Paris Agreement of 2015, as a world-wide concern, a shared long-term goal to limit the increase in global average temperature well below 2 ˚C (WB2 ˚C goal), compared to pre-industrial levels was determined.
For realizing this WB2 ˚C goal and NSK's long-term vision 2030, we deter-mined the reduction targets of green-house gas emissions from our business activities (consumed by our company) (Scope 1 and Scope 2).
We shall consider the feasibility of the reduction targets of greenhouse gas emissions in line with the 1.5 ˚C scenario, taking into account acquiring environ-mental initiative certification.
Since FY2021, we have been visualizing our greenhouse gas emissions with a focus on our domestic production sites which have large energy consumption, and have started reduction activities by setting targets in our Green Plan 2030 medium-term plan toward Scope 1 and Scope 2 in advance.
In FY2024, we calculated our greenhouse gas emissions for FY2023 and offset our emissions with carbon offsetting provided by the J-Credit Scheme based on the results of these calculations. We were also verified by a third-party certification body as being in compliance with PAS 2060, an internationally applicable standard for the demonstration of carbon neutrality.
In addition, from the result of the calculation of these greenhouse gas emissions, the large number of emissions are at the raw materials procurement level and sold product usage level. Accordingly, we recognized that reduction initiatives for environmental burdens when customers use our products (improve the energy efficiency of products) and our business activities (production) are important issues toward climate change. Going forward, through efforts such as establishing a circular economy (recycling-oriented economy) and visualizing greenhouse gas emissions by individual product through the carbon footprint (CFP), we shall continue to examine how to reduce greenhouse gas emissions in the entire supply chain.

Greenhouse gas emission calculation category in all business activities

Calculation category	Explanation	Contents
Scope1	Direct greenhouse gas emissions by the reporting company itself. (e.g., fuel combustion, industry process)	Fuel combustion
Scope2	Indirect emissions from the use of electricity, heat, or steam supplied by others.	Electricity usage
Scope3	Indirect emissions other than Scope1 and Scope2 (Emissions by others related to the company's activities).	Raw materials/ Commuting/ Transportation and delivery/ Usage and waste/ Other

Scope3 Category

Calculation category	Category	Activities
C1	Purchased goods and services	Procurement of raw materials, parts, and containers
C2	Capital goods	Construction of production facilities
C3	Fuels and energy-related activities not included in Scope1 or Scope2	Upstream of purchased fuels and purchased electricity, etc.
C4	Upstream transport and delivery	Transportation and distribution of products and services purchased by the reporting company, third-party transportation and distribution purchased by the reporting company
C5	Waste generated in operations	Processing of waste
C6	Business travel	Business travel by employees
C7	Employee commuting	Employee commuting
C8	Leased assets (upstream)	Assets leased to the reporting company
C9	Downstream transportation and delivery	Transportation and distribution of products sold by the reporting company
C10	Processing of sold products	Processing of intermediate products sold by the reporting company
C11	Use of sold products	Use of products by users
C12	End-of-life treatment of sold products	Processing of products upon disposal by users
C13	Downstream leased assets	Assets leased to other entities by the reporting company
C14	Franchises	Franchises' activities of Scope1 and Scope2
C15	Investments	Stock investment

Our approach to reduce greenhouse gas emissions

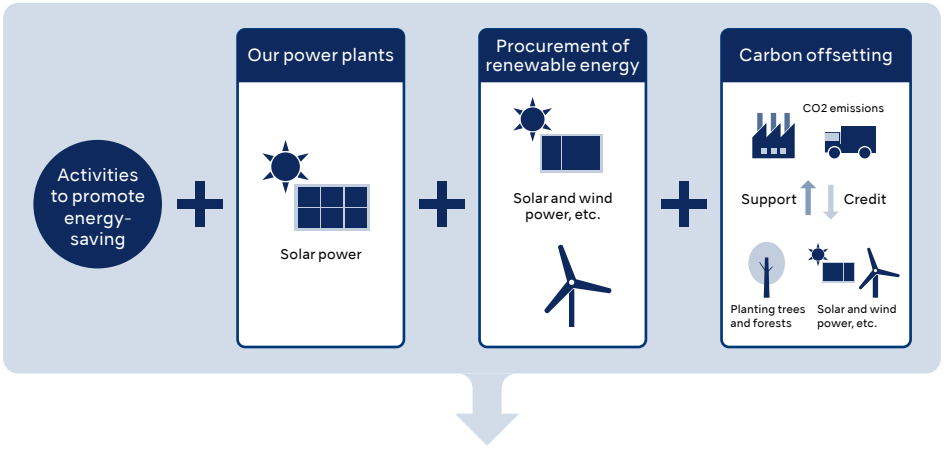
At NSK, we identify the amount of greenhouse gas emissions by the total amount of emissions in various categories mainly in domestic production sites, not only of our company's emissions but also all related emissions from our business activities.

All related emissions from our business activities are the amount of greenhouse gas emissions which are produced from the entire supply chain, such as the procurement of raw materials, manufacturing, transportation, sales, and disposal, etc.

We are working on the promotion of energy saving and procurement of renewable energy and expanding our own power generation ratio so that we reduce greenhouse gas emissions from our business activities (consumed by our company) (Scope 1, Scope 2).

In addition, we reduce greenhouse gas emissions that cannot be reduced through corporate efforts by countering them through the use of carbon offsetting.

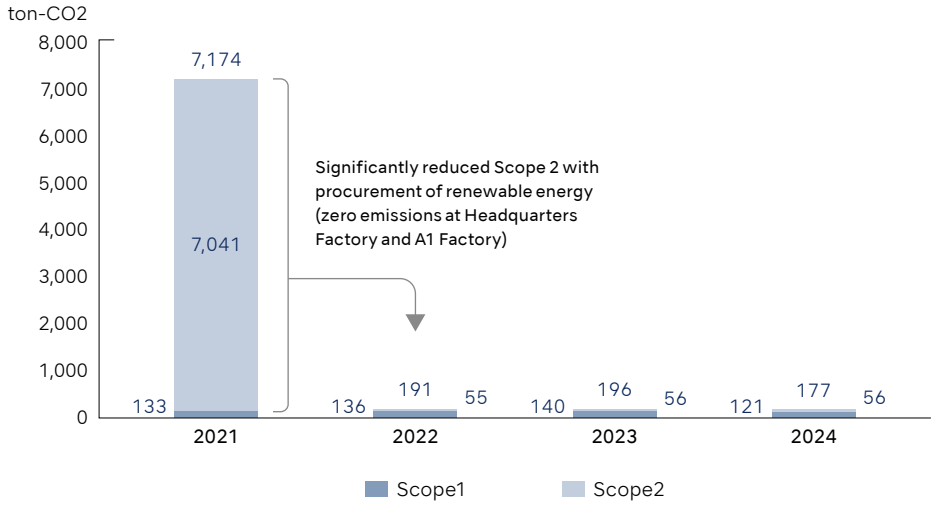
For other indirect emissions (Scope 3), we shall consider measures to realize business growth and improve corporate and brand value by providing environ-mentally friendly products and services and gaining empathy from customers and business partners.



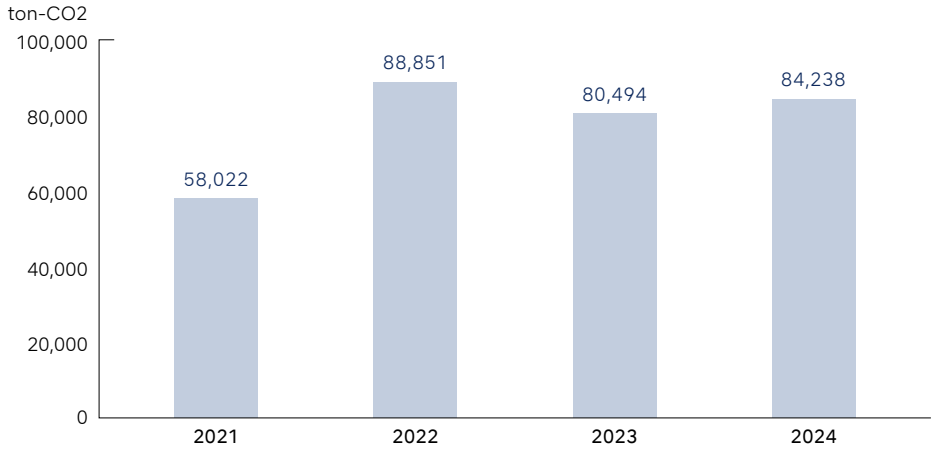
Achieve carbon neutrality as verified by third-party organization

Total emissions at domestic production sites and sales offices

Scope1 and Scope2



Scope3



Realization of carbon neutrality at domestic production sites (achieved zero Scope 1 and Scope 2 emissions)

Since FY2019, NSK has been working on quantifying the amount of greenhouse gas emissions generated from our business activities companywide in accordance with the GHG Protocol.

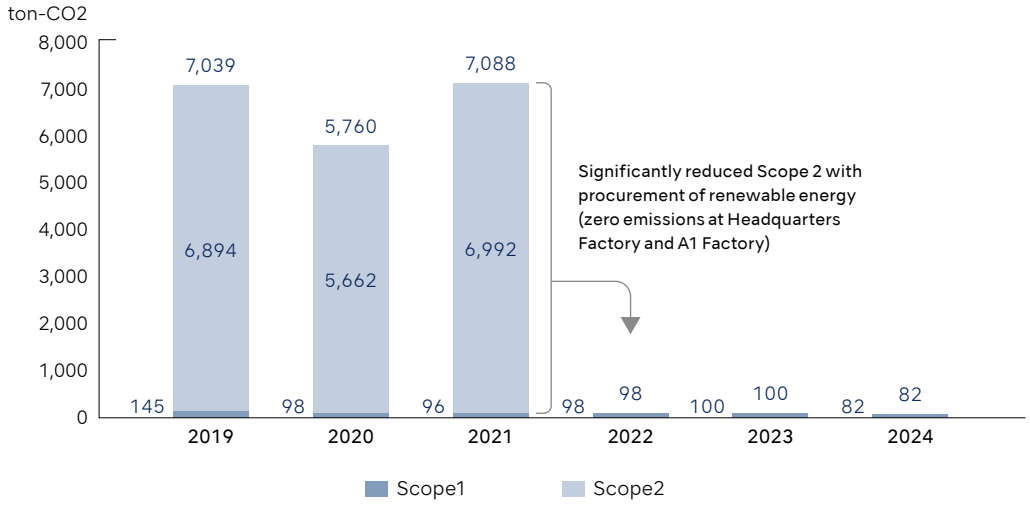
Within greenhouse gas emissions of Scope 1 and Scope 2, most is the result of energy consumed by our company classified as Scope 2 (indirect emissions from the use of electricity, heat, or steam supplied by others).

From December 2021, our domestic production sites (Headquarters Factory and A1 Factory) started to procure renewable energy, and we have continued to achieve zero Scope 2 emissions since FY2022.

In addition, we offset our Scope 1 emissions by introducing carbon offsetting provided by the J-Credit Scheme to coincide with the start of efforts to procure renewable energy.

In FY2025, we will continue to use the result of the calculation of GHG emissions from FY2024 in carbon offsetting for Scope 1 greenhouse gas in order to maintain zero emissions.

Total emissions at domestic production sites (Scope1 and 2)



Initiatives to reduce emissions in Scope1, 2

The EMS Section, as the secretariat of energy-saving of the company, monitors our whole organization in a cross-departmental manner and considers measures for reducing greenhouse gas emissions and shares actual activities, which increases viability to realize the Green Plan 2030.

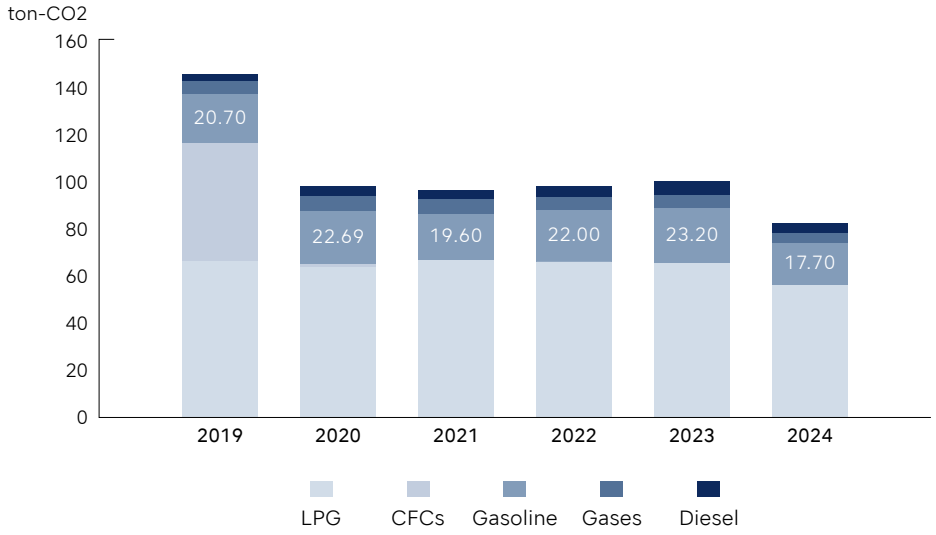
Approximately 90% of the Scope 1 emissions from our domestic production sites are attributable to the consumption of LPG in our canteens and gasoline (high octane/regular) by company vehicles.

NSK currently owns 11 hybrid vehicles and two executive vehicles. In October 2023, we replaced two of these vehicles with electric vehicles (EVs). Subsequently, in December 2023, one executive vehicle was replaced with a hybrid vehicle with low environmental impact, and in March 2024, we introduced one electric vehicle (EV) at the A1 Factory. These initiatives reflect our active efforts to reduce gasoline consumption.

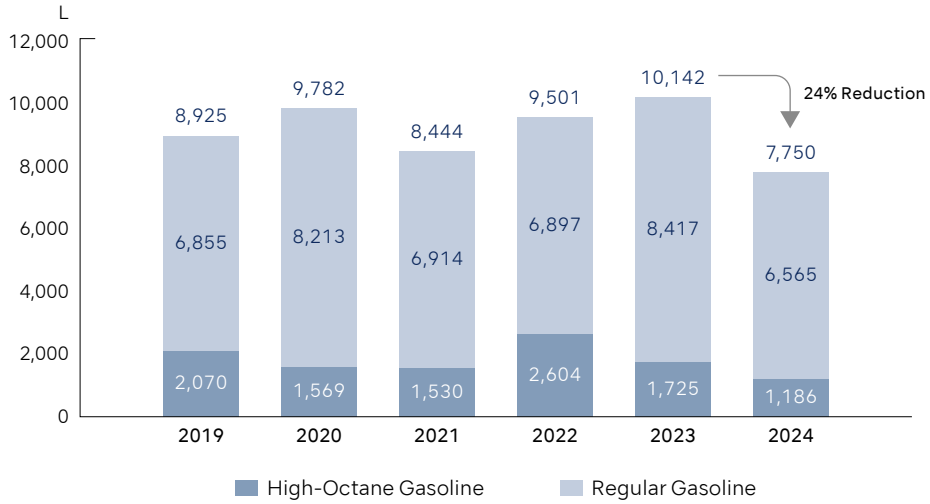
As a result, compared to FY2023, we achieved a reduction of approximately 31% (540 L) in high octane gasoline usage and approximately 22% (1,852 L) in regular gasoline usage, resulting in a total reduction of around 24% (2,392 L).

For FY2025, we plan to replace three vehicles with electric vehicles (EVs). By steadily implementing this plan, we will further advance the reduction of our Scope 1 emissions.

Breakdown of Scope 1 emissions



Trend in high octane gasoline usage



Regarding Scope 2, we will continue our energy-saving initiatives and the procurement of renewable energy to maintain zero greenhouse gas emissions.

NSK reduces the remaining greenhouse gas emissions from Scope 1 to zero through carbon offsetting provided by the J-Credit Scheme, thereby achieving zero greenhouse gas emissions at both the Headquarters Factory and the A1 Factory since December 2021. We have continuously maintained carbon neutrality to date.

To demonstrate that the greenhouse gas emissions directly released from our operations have achieved carbon neutrality, we have received third-party verification of our compliance with PAS 2060, an internationally applicable standard for the demonstration of carbon neutrality.

Looking ahead, since the carbon neutrality standard was formalized as ISO in November 2013, we will consider transitioning to ISO 14068-1 and continue exploring the most appropriate method for demonstrating carbon neutrality for NSK.

Key Initiatives

- Monitor energy consumption from our business activities
- Reduce greenhouse gas emissions in productivity improvement
- Reduce greenhouse gas emissions by expanding the renewable energy ratio
- Reduce fuel consumption by transitioning to electric vehicles
- Acquire PAS 2060 certification

Promotion of carbon offsetting provided by J-Credit

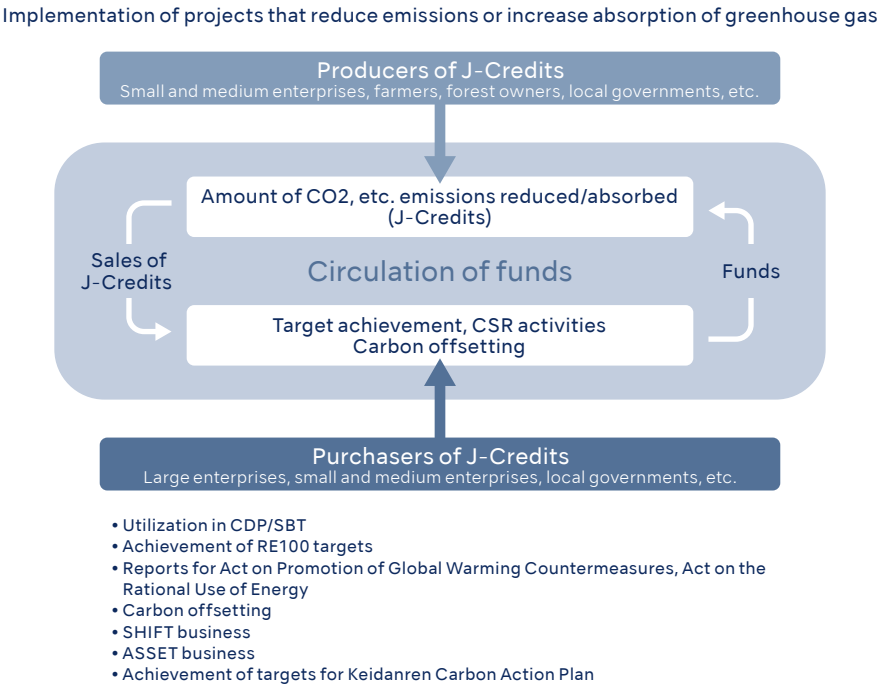
NSK uses J-Credits for carbon offsetting in relation to Scope 1 emissions that are unavoidably difficult to reduce, based on the result of the calculation of greenhouse gas emissions.

Under the J-Credit Scheme, the government certifies the amount of greenhouse gas emissions reduced through efforts to introduce energy-saving devices and use renewable energy, as well as the amount of greenhouse gas absorbed through appropriate forest management, as "credit." This scheme first involves companies and/or local governments, etc. conducting plans to reduce or absorb greenhouse gas emissions by installing renewable energy generation facilities, operating afforestation projects, or similar efforts. These organizations then compose re-ports on their projects and the amount of greenhouse gas emissions that will be reduced or absorbed, and register their project with the government. The government carefully examines the content of the project, and upon verifying that the expected amount of greenhouse gas emissions has been reduced or absorbed as registered, can issue J-Credits based on the amount of greenhouse gas emissions that were reduced or absorbed. Organizations that have received verification from the government are then able to sell the issued J-Credits to other companies, etc. through official auctions, bilateral negotiations, or through intermediary services.

In other words, the J-Credit Scheme allows us to visualize the intangible value of the amount of greenhouse gas that has been reduced or absorbed as credits in accordance with a system of validation under the standards of the national government, and make them available for sale and purchase.

We are committed to actively utilizing schemes operated by the government in this manner as we work to respond to climate change. In addition, as we develop business activities that are rooted in a local region (Kanuma, Tochigi Prefecture), we have made the decision to purchase credits from companies that actively contribute to local environmental conservation, maintain company-owned forests, and promote mountain forest development activities that can be expected to reduce and absorb greenhouse gas in a long-term and stable manner.

Going forward, we will prioritize procurement from companies that actively contribute to local environmental conservation and continue to help preserve the natural environment in local regions.



Introduction of renewable energy

NSK's Headquarters Factory and A1 Factory have continued to procure renewable energy since December 2021, allowing us to maintain zero Scope 2 emissions since FY2022. In FY2023, the total amount of Scope 1 and Scope 2 greenhouse gas emissions company-wide (Headquarters Factory, A1 Factory, Tokyo Office, Osaka Office and Chubu Sales Office combined) was 196 tons of CO2, a slight increase in emissions from that of the previous fiscal year.

Installation of solar panels to the new buildings (A1+ building) at A1 Factory

We newly installed approximately 1,600 solar panels (power generating capacity: 620 kW) on the A1+ building which commenced operation in September 2022. All the generated power is consumed at the A1 Factory. Going forward, we plan to install solar panels on the M1 building which is planned to be newly constructed at the Headquarters Factory.
We strive to continuously expand the renewable energy ratio through our own power generation.

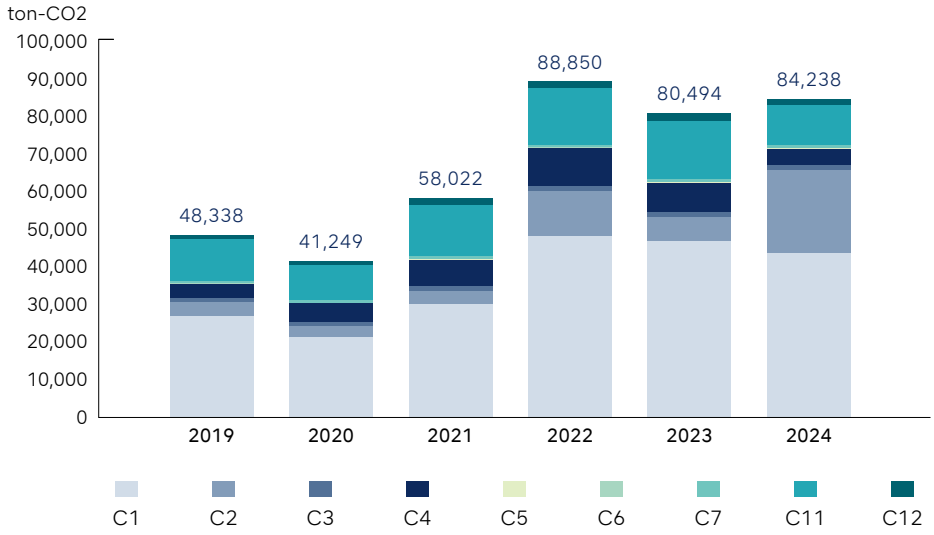

A1+ factory


M1 factory

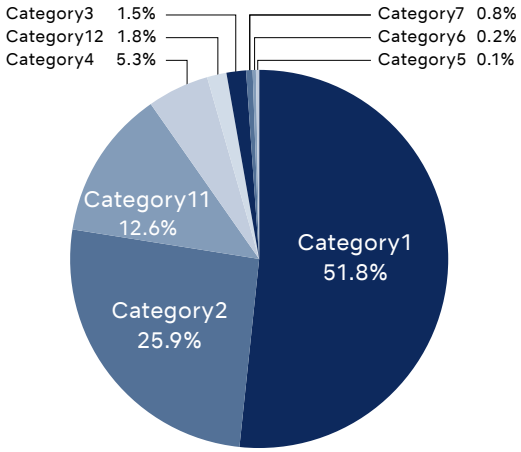
Reducing Scope3 greenhouse gas emissions

In FY2024, Scope 3 emissions from our business activities showed an upward trend compared to the previous fiscal year. As in previous years, there was a strong tendency toward the raw materials procurement level (Category 1) and the sold product usage level (Category 11), which accounted for approximately 65% of Scope 3 emissions. This is thought to be caused by raw materials and other procurement costs increasing.
Additionally, the construction of the new M1 building at the Headquarters Factory in FY2024, including building expansion and renovation, as well as the relocation of wastewater treatment facilities and septic tanks, led to a sudden increase in the capital goods level (Category 2).
In the overall breakdown by category, the business travel level (Category 6) and the employee commuting level (Category 7) remained largely unchanged, while the levels of other categories, excluding the capital goods level, showed a declining trend. This suggests that the primary factor behind the increase in Scope 3 emissions was the rise in emissions from capital goods (Category 2) due to the building expansion and renovation.
Moving forward, we will continue working with the relevant departments to consider ways to reduce Scope 3 emissions, including reducing waste volume and actively promoting the introduction of a circular economy.

Emissions by fiscal year



Breakdown of emissions by category



Participation in global initiatives, etc.

NSK consider participating in environ-mental initiatives including Science Based Targets (SBT) initiatives in order to ensure efforts for climate change.

We consider acquiring certification as a goal based on scientific evidence adhering to the Paris Agreement by quantifying the amount of greenhouse gas emissions globally including local subsidiaries, set-ting the reduction target of greenhouse gas emissions, and submitting it to the organizer of environmental initiatives. Regular disclosure of concrete progress of activities are also planned.

We shall continue to work on business growth providing environmentally friendly products and services and realizing to improve corporate value, and gaining empathy with stakeholders by making considerations for participating in global environmental initiatives while continuing to work to respond to climate change.

GHG reduction targets for each Scope category

Scope category	Reduction targets Matching with the Green Plan 2030
SBTi Criteria	Corporate greenhouse gas emission reduction targets matching with the standards of the Paris Agreement (keep increase in temperatures to well below 2°C compared to pre-industrial levels and strive to limit increase to 1.5°°C) • 2°C standard: reduce greenhouse gas emissions by at least 2.5% every year • 1.5°C standard: reduce greenhouse gas emissions by at least 4.2% every year
Scope1 and Scope2	Reduce by 80% compared to FY2019 by FY2025 Reduce by 100% compared to FY2019 by FY2030

Climate Change Action Policy

In recent years, climate change has become a major business management risk. At NSK, we believe that accurately assessing the risks and opportunities provided by climate change and actively disclosing our Climate Change Action Policy to our stakeholders is necessary for our company to grow in a sustainable manner.

Item	Activities	Progress in FY2024
Governance	• Deliberate progress management and investment decisions related to decarbonization as climate change is a matter of the utmost importance for the company • Set mid- and long-term targets for climate change and other environmental issues in Green Plan 2030 and report progress toward these targets each fiscal year, while deliberating on reviews of our medium-term plan • Report results of environmental activities including climate change to our President and Group CEO who has ultimate responsibility once a year. Deliberate other various strategies, if necessary, with the President and Group CEO and other members of the management.	• Report results of initiatives related to climate change and propose strategies in the ISO14001 management review - Calculate greenhouse gas (GHG) emissions and maintain third-party verification - Decide not to make revisions to the Green Plan 2030 - Encourage realization of carbon neutrality · Decide to set scope to include domestic production sites · Consider measures to reduce Scope 1 emissions → Utilize carbon offsetting · Introduce third-party verification of compliance with international standards on carbon neutrality - Response to circular economy (resource recycling)
Strategies	• Identify risks and opportunity by scenario analysis including not only 2 ˚C scenario but also 4 ˚C scenario • Set "Response to climate change and contribution to a recycling-oriented society" as one of the materialities of the company • Expand initiatives, not only the current power savings, but also reduction of greenhouse gas emissions as climate change is the global environmental issue →Reflect them in the Green Plan 2030 • Promote energy saving such as transition away from the use of fossil fuel-based resources, improve the energy efficiency of our production systems and our products, as we are a monozukuri company. As such, if we do not implement any improvements, then we expose ourselves to the risk of rising capital investment and other costs, and we may also miss out on business opportunities. Examples: repairing air leaks, optimizing compressor air supply pressures, etc. • Response to circular economy (resource recycling) • Promote CO2 reduction that includes production subcontractors	• Conduct calculation of greenhouse gas emissions as of FY2019 (the baseline fiscal year) and third-party examination of calculation validity • Continue 100% renewable energy (Headquarters Factory and A1 Factory) →Installation of 296 kW solar power panels on the M1 building at the Head Office Plant(Operation commenced in May 2025) • Start our own power generation using solar panels installed at A1+ building (power generating capacity) • Gradually replace company vehicles with electric vehicles →Plan to introduce three electric vehicles (EVs) and two hybrid vehicles in FY2025 • In line with this, plan to install three additional EV charging stations • Contribute to biomass power generation using food wastes (Participation in activities in both the public and private sectors) • Start discussing toward acquiring environmental initiatives • Start reusing scrap materials generated during the resin molding process • Start reducing energy consumption in monozukuri related to products supplied to NSK by major business partners • Introduce horizontal recycling of PET bottles • Hold a workshop in a cross-departmental manner (BCP) →Consider risks and training simulating natural disasters • Start to consider electric vehicle utilization during emergencies (gradually introduce electric vehicles and charging stations)
Risk Management	• Based on the concepts outlined in ISO 14001:2015, identify risks and opportunities annually with the potential to impact our business activities in a manner that exceeds merely an environmental framework. Examples include "external and internal issues that can affect an organization" and "the needs and expectations of interested parties." • Increase in electricity costs due to business expansion (building expansion, increased employees, etc.) • Energy costs are rising with the increase of raw materials. →Energy costs have increased due to the transition to 100% renewable energy. Evaluate selection of retail electricity suppliers on a once per year basis • Responding to a circular economy is becoming a greater topic of focus in achieving carbon neutrality. • Slowing response to climate change due to delay in response to a circular economy	• Regular equipment inspections and fire drills • Hold drills based on the business continuity plan (BCP) • Conduct reduction initiatives for climate change -Surveying resin molding businesses for reuse of scrap materials -Explaining the purpose of activities to reduce greenhouse gas emissions to production subcontractors
Indices and Targets	• The amount of greenhouse gas emissions from business activities Reduction of Scope 1 and Scope 2 FY2030 Targets Scope 1 + 2: Reduce by 100% (Compared to FY2019) • Reduction of the amount of greenhouse gas emissions in the entire supply chain	• FY2024 results Calculation of greenhouse gas emissions at domestic production sites (2 locations) and sales offices (3 locations) -Scope 1 + 2: 177t-CO2 -Continue to maintain zero Scope 2 emissions at domestic production sites (Headquarters Factory and A1 Factory) by substituting electricity with renewable energy from December 2021 -Scope 1 emissions at domestic production sites (Headquarters Factory and A1 Factory) are offset with carbon offsetting. J-Credit purchase amount:50ton-CO2 • Amount of greenhouse gas (GHG) emissions in the entire supply chain -Start discussing reduction targets and initiatives based on calculation results

Governance / System

NSK has constructed a system to ensure that the President & Group CEO provides appropriate supervision with regard to climate change and other important sustainability-related issues.

In particular, the executive in charge of the Environmental Promotion Secretariat, the Environmental Control Manager who integrates our company's environmental activities in a cross-departmental manner, and the EMS Section as the secretariat responsible for supervising these pro-motions report on important issues (business risks and opportunities) such as climate change and resource recycling to the President & Group CEO as appropriate, and through this process important matters are discussed, deter-mined, and thereafter reflected in our management strategy.

In FY2024, for the realization of our Green Plan 2030, we discussed and determined our commitment to maintaining carbon neutrality at our domestic production sites (Headquarters Factory and A1 Factory), and at the same time, making a planned transition to electric vehicles (EVs) as well as installing a solar power generation system into the M1 building at the Headquarters Factory.

In addition, as responding to a circular economy is considered essential for achieving carbon neutrality, we have started reusing scrap materials from resin-molded components used in our products as raw materials for our molded components, and launched horizontal recycling of PET bottles in collaboration with Kanuma City.

In the future, while discussing climate change and other environmental issues, we will continue to discuss and determine important matters involved in management at regular meetings on related topics that include the President & Group CEO.

Strategies

At NSK, we formulated the Green Plan 2030 environmental mid-term plan, and we are working on reducing by 100% (vs. 2019) the greenhouse gas emissions (carbon neutral) which are directly consumed by our company in domestic production sites (Headquarters Factory and A1 Factory) by the target fiscal year of FY2030.

In the 2 ˚C scenario (transitional change) for climate change, while risks are projected to result from the accelerated reduction of greenhouse gas, strengthened energy regulations, and increased energy costs, opportunities are also expected to be presented from transitioning to energy-saving facilities and products, in-creased demand in technologies for decarbonizing energy, and the accelerated popularization of electric vehicles (EVs). In the 4 ˚C scenario (physical change), physical risks are projected to become more significant due to disasters, floods and typhoons in particular, as a consequence of the progression of global warming. Meanwhile, business opportunities include the creation of products and services related to environmentally-friendly products and the efficient use of resources in factory operations. We will speculate on these projected risks and opportunities from a mid- to long-term perspective and use this information in our business strategy and activities.

Our business risk

Kind	2˚C scenario Transitional change	
	Policy	Regulations
Time	Long-term	Medium-term
Risks	• Most of greenhouse gas emissions are generated domestically because our monozukuri activities are domestic • We predict that energy regulation will be accelerated due to the increasing reduction of greenhouse gas in response to the Paris Agreement • Global market trend shifts to renewable energy procurement. Subsequent shutdowns of thermal power plants, increasing costs of oil, coal, and LNG for power generating starting materials, lead to increased energy costs. As a result, there will be higher production costs for many of the manufacturers that produce parts and materials, which will in turn result in increased procurement costs for parts and materials.	• An increasing number of companies are considering transition to 1.5 ˚C scenario, since, in the Paris Agreement, the shared long-term goal to limit the increase in global average temperature well below 2 ˚C (WB2 ˚C goal), compared to pre-industrial levels was determined • As a result of the Revised Act on the Rational Use of Energy, the shift to non-fossil energy has accelerated. • Capital investment for our own power generation such as solar power generation systems
Response	• Accelerated initiatives to improve productivity such as improvement of production process and high-efficiency equipment toward the reduction of greenhouse gas emissions in production sites • In FY2024, introduced high-efficiency equipment and hardware improvement such as repairing air loss, and conducted software improvement and reviewed extra energy consumption such as operation efficiency • Ahead of competitors, continued procurement of electricity generated from renewable energy. (Headquarters Factory and A1 Factory) • Continued carbon offsetting using J-Credit Scheme →Offset Scope 1 emissions • Continued calculation of the amount of greenhouse gas emissions	• Consider infrastructure to increase our power generation ratio of renewable energy in order to minimize influence of changing prices due to changing global circumstances -Install a solar power generation system with a power generating capacity of 296 kW into the M1 building, and consume all the generated power in house -Gradually replaced company vehicles with electric vehicles Reduced CO2 emissions associated with driving to absolute zero due to new ability to charge batteries with renewable energy • Installed 1,600 solar panels into the A1+ building which commenced operation in September 2022. Generated electricity consumed by our company. All generated electricity consumed by our company

Kind	4˚C scenario Physical change	
	Acute	Chronic
Time	Medium-term	Long-term
Risks	• Concerns about impact of increased rainfall from larger typhoons and unexpected torrential rain leading to serious damage to the company, suppliers, and employees • There is a possibility of shutdown of operations or employee's lives when natural disasters occur, because the location of our Company is subject to suffer from flood damage and frequent earthquakes • Profits will decrease if our plants stop operation and costs will increase due to recovery costs and delivery delays	• The sea level rise due to continuing global warming. Impact on our company and suppliers shall increase
Response	• In preparation for apparent physical risks, rapid business recovery and prevention of disasters are essential • At NSK, we formulate, maintain, and improve the business continuity plan (BCP) based on BCP, preparing for the damage of production sites and employees due to natural disasters. Decentralize production sites to lower risks • In FY2024, no disasters occurred which stopped important business operations	• Hold drills based on the business continuity plan (BCP) in preparation of natural disaster

Business opportunities in our company

Kind	Timeframe	Opportunities	Response
Energy	Long term	• Continued procurement of renewable energy • Improve social evaluation by the transition to decarbonization • Promote greenhouse gas reduction, including production subcontractors • Monitor Scope 2 emissions globally, including local subsidiaries	• Transition to renewable energy →Promote renewable energy procurement and proactive installation of in-house power generation systems • Calculation of the amount of greenhouse gas emissions • Introduced carbon offsetting using J-Credit Scheme • Maintenance of PAS 2060, an internationally applicable standard for demonstration of carbon neutrality • Promote switch to electric vehicles • Start collaboration on energy-saving activities with five production subcontractors
Efficient use of resources	Long term	• Aim for our business activities to be carbon neutral toward 2030. Focus on reduction of energy consumption through energy saving operation in production sites • Cost reduction by resource efficiency in direct operations • Response to circular economy	• Monitor extra energy consumption by replacement of old facilities to high-efficiency facilities and utilizing energy saving diagnosis in production sites • Reduced energy consumption by improving production process, repairing air loss, and introducing high-efficiency facilities • Expanding our own power generation ratio • Start reusing scrap materials from molded components • Promote horizontal recycling of PET bottles in collaboration with local governments
Products and Services	Long term	• Improve product value and expand profit by creating energy saving products which contribute to climate change mitigation and establishment of decarbonized society	• Promote creation of energy-efficient products which have high environmental performance thanks to productivity improvements such as low-consumption, common parts, and reduced size
Markets	Medium term	• Increase evaluation and expectation from the market by providing environmentally friendly products into market	• Provide new products designed to reduce environmental impact into market →Energy savings, improved efficiency, compact design, reduced weight, etc. • Enhance marketing methods utilizing the web and other media
Resilience	Short term	• Increase customer confidence with stable supply even during natural disasters	• Establish the business continuity plan (BCP) and decentralize production sites to lower risks when disaster occur

Risk Management

NSK's risk management in relation to climate change involves the EMS Section as the secretariat responsible for super-vising promotions working to regularly consider and evaluate risks while engaging in a variety of specific operations (detecting risks, transmitting information, evaluations, structures for responses, etc.).

In addition, for the issues that pose a major risk to management, the management, the executive in charge of the Environmental Promotion Secretariat and the EMS Section as the secretariat responsible for supervising promotions will engage in considerations while discussing countermeasures and preventative actions based on our approach to evaluating potential impact on the sustainable growth and corporate value of the company and the scope of our risk tolerance in the process of making management decisions for the execution of our business.

We carry out monozukuri activities in regions with rich natural environments. Unless we take measures to combat climate change, there will be significant risks to our business continuity, including cost increases, the loss of business opportunities and the onset of natural disasters.

However, we also believe that we can create business opportunities by being among the first to take action. We are committed to sharing and managing in-formation on cases of environmental risks including climate change through collaboration between the Environmental Promotion Secretariat and the management, the executive in charge of the Environmental Promotion Secretariat, and the General Managers of related departments.

Indicator and target

At NSK, we calculate the amount of greenhouse gas emissions generated from domestic production sites. In addition, we are working on initiatives to reduce greenhouse gas emissions of Scope 1 and Scope 2, setting 2030 as the target year.

For greenhouse gas emissions in Scope 1 and Scope 2, on a base of everyday energy-saving measures, we aim to realize "carbon neutral" by 2030 compared to FY2019, by promoting introduction of renewable energy and efficient usage of energy in operation.

Moving forward, we will work to reduce greenhouse gas emissions by identifying the amount of energy we use, including that of local subsidiaries, and collaborating with major business partners. In addition, we will continue to expand our measures to accommodate a circular economy as we consider reduction initiatives of other indirect greenhouse gas emissions outside of our business activities (Scope 3).

GHG reduction targets for each Scope category

Scope category	Reduction targets Matching with the Green Plan 2030
Scope1 and Scope2	Reduce by 80% compared to FY2019 by FY2025 Reduce by 100% compared to FY2019 by FY2030

Response to the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures

In Japan, the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures re-quire companies that use more than a certain amount of energy, or emit more than a certain volume of greenhouse gases, to report their energy usage and greenhouse gas emissions.
The Act on the Rational Use of Energy requires these companies to target, in the medium and long-term, on average an annual 1% reduction in per unit energy consumption, or its equivalent when taking electricity demand leveling into account. However, reductions in green-house gas emissions rely fundamentally on voluntary initiatives; for this reason, under the Act on Promotion of Global Warming Countermeasures, it is important not only to implement energy savings, but also to transition to the use of fuels with low emissions factors in order to realize decarbonization.
NSK is a Specified Business Operator under the Revised Act on the Rational Use of Energy. For this reason, we are working to achieve on average an annual 1% reduction in per unit energy consumption in accordance with the Green Plan 2030 environmental mid-term plan, and we regularly report the results of our initiatives to the relevant adminis-trative bodies.
In the Business Operator Classification System* which classifies business operators into four classes based on regular reports for the Revised Act on the Rational Use of Energy, we intend to obtain the highest rank of S-class for six years running as a result of achieving an annual improvement of 1% in energy conservation in our FY2024 results.

*Business Operator Classification System under the Act on the Rational Use of Energy
All business operators that submit regular reports under the Act on the Rational Use of Energy are classified into 4 classes (S, A, B, and C), and implement various responses according to that class. S-class business operators are announced on the Ministry of Economy, Trade and Industry's website as "excellent business operators."

Target companies for Business Operator Classification System
Reference: "Periodic Reports under the Act on the Rational Use of Energy for Factories and Business Sites (FY2024 Submissions Based on FY2023 Results)" published by the Ministry of Economy, Trade and Industry
The evaluation results over the past four years (2021–2024) are as follows.

Number of reporting companies
Japan: 11,872 companies
Tochigi prefecture: 167 companies

The number of companies with "S class" evaluation four years running
Japan: 11,872 companies (approximately 23%)
Tochigi prefecture: 41 companies (approximately 25%)

Response to the Act on Rational Use and Proper Management of Fluorocarbons
The Act on Rational Use and Proper Management of Fluorocarbons came into effect in April 2015.
As a result, NSK identified all devices that contain fluorocarbons, regularly calculates fluorocarbon leakage quantities and carries out simple inspections, and thereby works to control the generation of greenhouse gases from fluorocar-bon leaks.
In FY2024, we found no fluorocarbon leakage quantities

Company-wide Initiatives

Climate change due to global warming has various impacts on human life and natural ecosystems. Society as a whole must use both energy and resources more efficiently to prevent environmental problems from growing more serious. Similarly, when it comes to reducing environmental burden, there are limits to what a single company acting alone can achieve. Instead, it is vital that the entire supply chain increases its efforts to protect the global environment.

NSK has been striving to reduce its per unit energy consumption. In FY2024, we worked toward promoting energy conservation by setting targets at the Headquarters Factory and the A1 Factory of a 4.2% and a 5.8% reduction, respectively, compared to 2019.

As part of our specific initiatives, we have been systematically working to improve productivity through streamlining efforts such as improving efficiency in our production processes, switching to the use of highly efficient and energy-saving facilities, repairing air leaks in production processes, and linking dust collectors with production facilities.

Also, we actively participate in energy-saving information exchange meetings with other companies as we endeavor to improve the quality of energy conservation activities.

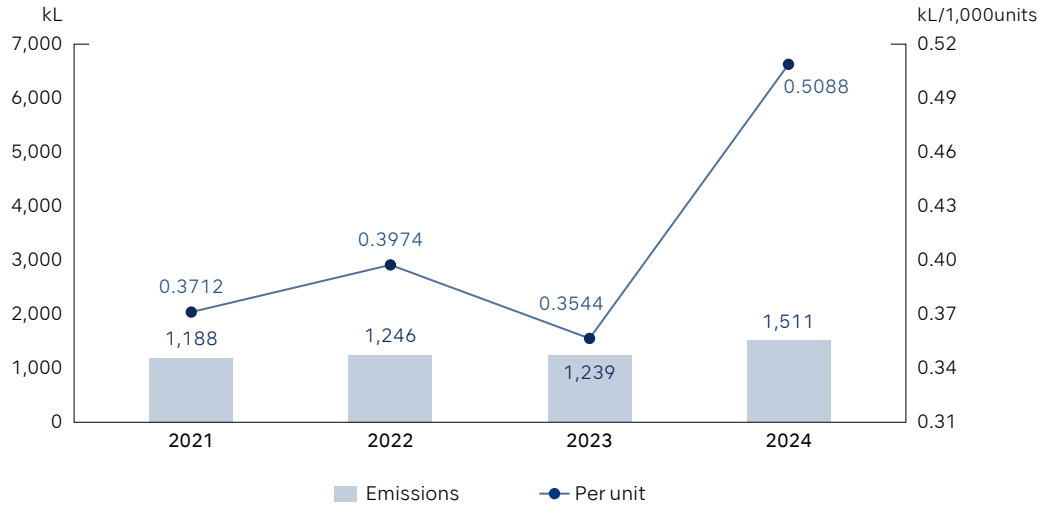
Furthermore, we require delivery vehicles to not idle their engines and to abide by company speed restrictions. We also en-gage in initiatives to exchange information with business partners with regard to energy conservation activities that we are working toward together as we identify the state of and request cooperation with regard to energy conservation initiatives when we carry out environ-mental audits of these business partners.

We are dedicated to enhancing our business partner's environmental awareness while working together with them in contributing to the creation of a sustainable society.

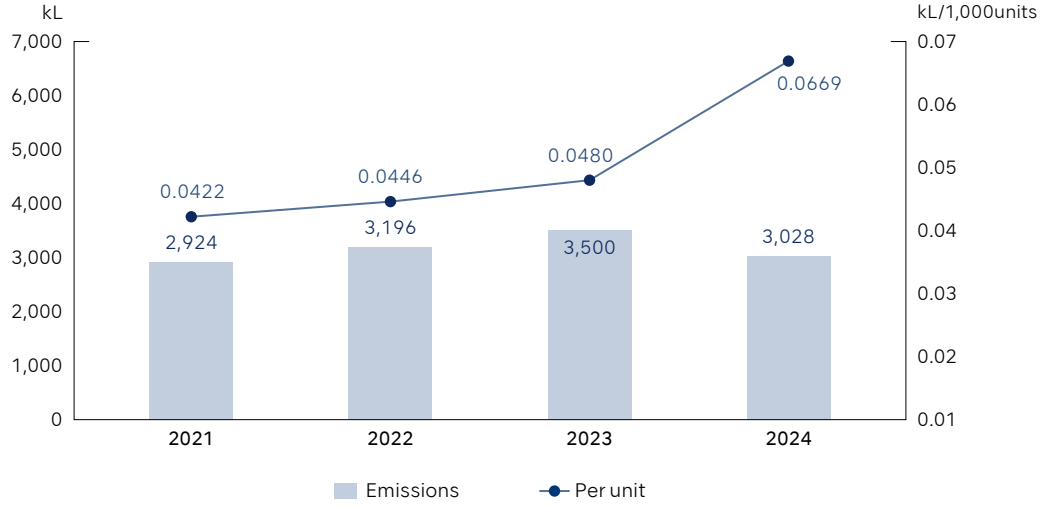
Going forward, in line with our Green Plan 2030, we intend to set even loftier targets, and all our employees will work together to achieve them.

Trend in energy intensity

Greenhouse Gas Emissions Per Unit (Headquarter)



Greenhouse Gas Emissions Per Unit (A1 Factory)



Key Initiatives

Improvements to productivity	Improved yields, automation, optimized production spaces, reduced working hours
Optimizations of facility operating hours	Machines switched off when non-operational, reduced standby power consumption
Review of air-conditioning use	Optimized temperature settings, optimized operational hours, intermittent operation based on automated temperature control, partitioning of spaces
Energy savings at production facilities	Transition to high-efficiency equipment, updates to ageing equipment, Linking of dust collectors with production facilities
Energy savings from air-conditioning	Regular equipment replacements, regular filter cleaning, Installation of refrigeration rectifiers
Energy savings from lighting	Transition to high-efficiency lighting, introduction of motion sensors, transition to fewer lighting fittings, Transition to LED lighting
Energy savings from compressors	Transition to inverters, reduced number of units, optimized air pressures, prevention of air leaks, transition to energy-saving air gun nozzles, Switch to air blowers

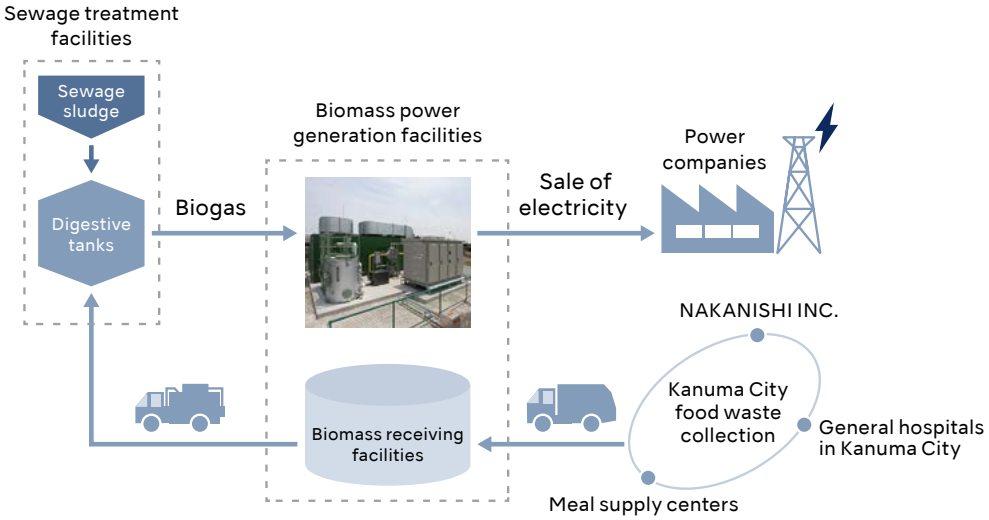
Using Regional Biomass and Contributing to Biomass Power Generation

Tochigi Prefecture's Kanuma City and the private sector are jointly operating a regional biomass power generation business. Sewage sludge, food waste and other regional biomass is collected at sewage treatment facilities and turned into energy, generating approximately 900,000 kWh per year. NSK began participating in the business in 2021 by providing food waste.

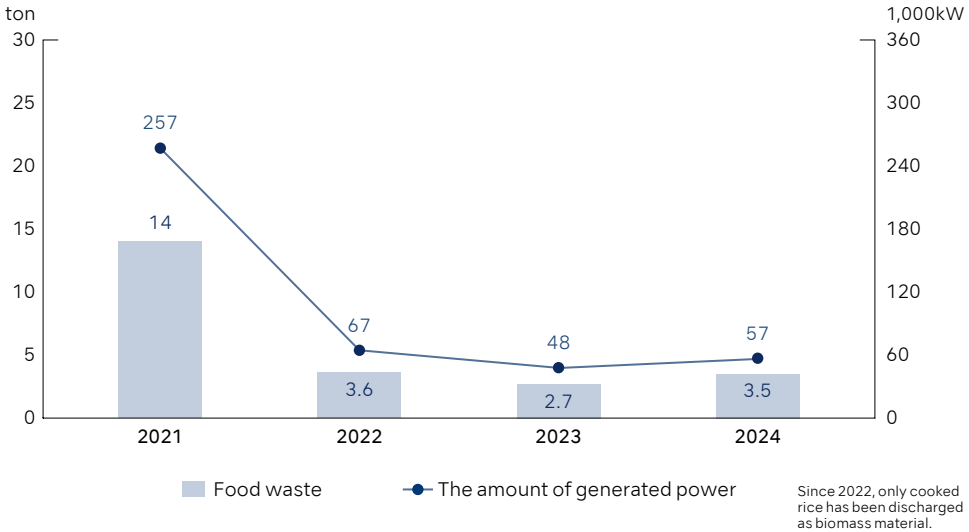
In FY2024, we generated approximately 3.5 tons of food waste, and the amount of electricity generated from our food waste was approximately 57 kWh.

We are participating in a biomass power generation business that makes use of our industrial waste. Waste plastic generated via our industrial activities is combusted, and the resulting combustion gas is used as fuel to generate power.

In FY2024, we generated approximately 10.4 tons of waste plastic as materials to generate power, and the amount of electricity generated from this waste plastic was approximately 17 kWh.



Relationships between food waste and the amount of generated power



Since 2022, only cooked rice has been discharged as biomass material.

Reducing Greenhouse Gas Emissions in Our Production Processes

Corporate energy consumption is one of the sources of greenhouse gas emissions, which cause global warming.
NSK uses large amounts of energy to manufacture products. For this reason, we are continually working to promote careful energy conservation, such as by installing highly efficient facilities and making improvements to our production processes.
To this end, we are carefully working to eliminate waste across all our departments and all our employees, by improving work efficiency in our production activities. Concrete examples include optimizing compressor pressures, preventing air loss and making other improvements to our production processes.
As a monozukuri company, many of our previous energy reduction initiatives re-lated directly to production. Going for-ward, however, we also intend to pay attention to reducing energy use in air conditioning, lighting and other regular sources of electricity consumption in our facilities, and continue to work to reduce our greenhouse gas emissions.

Environmentally Friendly Buildings

NSK's new RD1 headquarters building commenced operations in April 2017. It is surrounded by a beautiful natural environment—including the Nikko mountain range, Mt. Fukaiwa and the Oashi River—and strikes a harmony with Kanuma's scenery, which changes with the four seasons. The exterior wall of the building is covered with "Sigma" environmental control panels, made from special-order aluminum extrusion to protect the structure of the building. These Sigma panels incorporate external insulation layers and natural ventilation devices, helping to control the environment both inside and outside the building and guarantee a comfortable internal environment. They also contribute to significant reductions in energy consumption. Sigma panels feature free-form curve cross sections, which generate soft shadows and, according to the time of day, weather conditions and time of year, result in a variety of light patterns.


RD1 headquarters building


Building exterior showing Sigma environmental control panels

Environmentally Friendly Design of the M1 Building

The exterior walls of the M1 building utilize metal-insulated sandwich panels, and the roof adopts a double folded-plate insulation method. These design choices for the building's weight reduction reduced the mass of structural steel components (such as columns and beams).
In addition, the number of windows has been minimized to reduce air conditioning load, and motion sensor lighting has been installed in corridors and other areas. These features reflect an energy-efficient design applied throughout the building.


M1 building

Use of FSC-CoC Certified Timber*

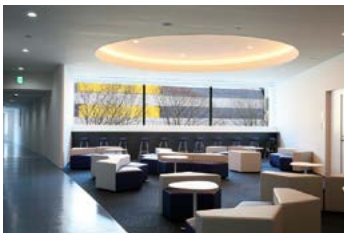
The timber used for the wooden deck on the terrace of the M1 building is CoC-certified. CoC certification ensures that the timber originates from properly managed forests and that no inappropriate materials are mixed in during processing and distribution.

*CoC (Chain of Custody) certification is an international certification system that ensures the sustainable use of resources and transparency within the supply chain. It indicates that timber originating from forest management certified forests is properly handled throughout all stages, including management, processing, and distribution, and that its traceability is maintained.


Wooden deck on the terrace of the M1 building

Energy-conserving Lighting

NSK is working to transition entirely to the use of LED lighting. In addition to a planned transition to LED lighting, we have also installed motion sensors in some corridors to reduce unnecessary energy use.
In addition, all lighting installed in the parking lot is LED lighting.



Interior lighting controlled by motion sensors

Green Spaces and Planting

Our headquarters factory has planted more than 300 of 10 different trees and seeds, including cherry trees, zelkova trees and grasses, outside the building to develop rich green walkways and gardens. In prefectural property opposite our Headquarters main entrance, we carry out beatification activities such as sowing seeds and ivy groundcover, and actively take part in the creation of green spaces.

Planting and green space management on company grounds

Underfloor Cooling and Heating Air-conditioning Systems

The air-conditioning systems in larger spaces in the RD1 building—such as entrances, showrooms and the Center Court with four-story atrium—make use of abundant groundwater. By circulating groundwater and using it in conjunction with underfloor air-conditioning systems, NSK is making efficient use of small amounts of energy to make its residential spaces comfortable.

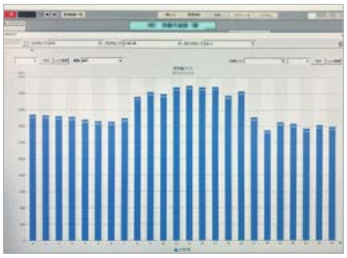
The Center Court uses underfloor cooling and heating

Office Initiatives

All NSK employees engage in environmental contribution activities, ensuring that lighting and computer monitors are switched off during out of office hours. Office air-conditioning is managed by Automated Control Systems that carefully ensure room temperatures of 28˚C in the summer and 21˚C in the winter.

Energy-saving Activities Using the "Power Visualization System"

NSK has installed a Power Visualization System that uses internal monitors to visualize the power usage of individual buildings in real time. Visualizing power usage trends enables us to level our electricity demand by limiting power use at peak times.
Visualizing energy usage helps raise employee awareness of energy conservation and is expected to play a significant role in encouraging further environmental initiatives.



Power Visualization System

Installation of Solar Panels

We installed 1,560 solar panels (power generating capacity: 624 kW) on the A1+ building, which commenced operation in September 2022, and installed solar panels with a power generating capacity of 296 kW on the M1 building at the Headquarters Factory, which commenced operation in May 2025.

Solar panels

Solar panels

Active Introduction of Electric Vehicles (EVs) and Hybrid Vehicles

In order to limit fuel consumption by and greenhouse gas emissions from company vehicles, NSK monitors and manages the distances driven and gasoline consumed by each of its vehicles, and thereby raises environmental awareness among its drivers. We have actively introduced hybrid and fuel-efficient vehicles with less environmental impact than gasoline vehicles, and as a result, have reduced greenhouse gas emissions associated with driving by approximately 34% compared with 2.0 L gasoline vehicles.

Hybrid Vehicle

At NSK, the Headquarters Factory and A1 Factory together own 15 company vehicles. 11 of these vehicles are not used for transportation of goods, and are all either electric vehicles (EVs) or hybrid vehicles. In FY2023, we introduced 2 electric vehicles (EVs) at the Headquarters Factory.

In FY2025, we plan to introduce two hybrid vehicles and three electric vehicles (EVs) at the Headquarters Factory, as well as install three additional EV charging stations at the M1 building. We will continue to replace company vehicles with electric vehicles (EVs) going for-ward.

In addition, all of the company vehicles owned at sales offices in Tokyo, Osaka, and Chubu (18 vehicles) are hybrid vehicles. Going forward, we will be gradually replacing our current vehicles with electric vehicles.

<Fuel consumption>

FY2024 regular gasoline, high octane gasoline, and diesel oil consumption at the Headquarters Factory and the A1 Factory: 9,480 kL (decreased by 24% year-on-year)

Choose industrial disposal sites with low environmental impact

At NSK, we cover electricity by generating power with a turbine. Heat from the incineration of waste is used to generate steam in the waste heat boiler, which drives the turbine. Besides, we choose and outsource the processing of waste to the disposal sites which sell the surplus electricity to private power companies.

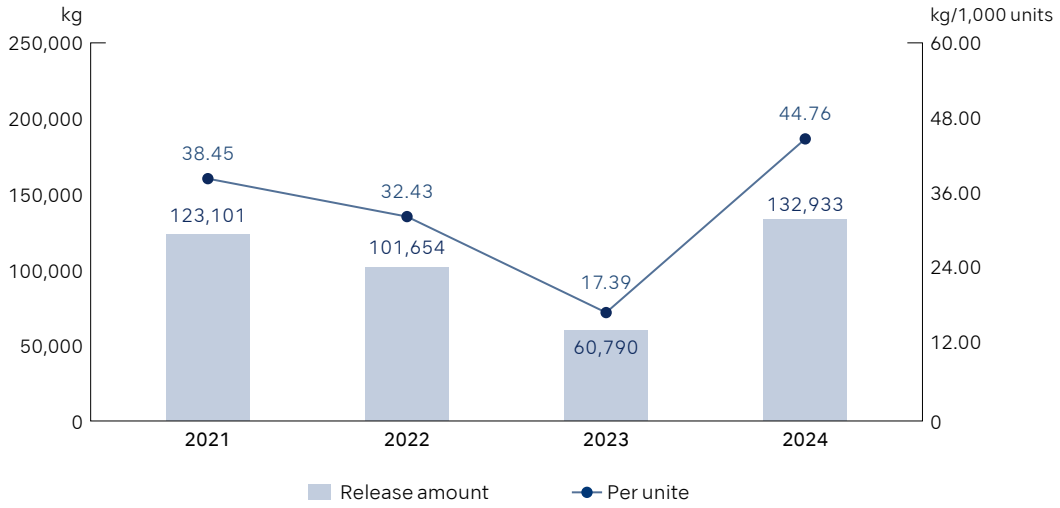
We choose industrial disposal sites within Tochigi prefecture as close as possible in order to reduce greenhouse gas emissions in collecting and transporting wastes.

Effective Use of Resources

Basic Approach

In recent years, the prevalence of the linear economic model of mass production, mass consumption, and mass disposal has caused increased waste leading to environmental pollution, loss of bio-diversity, and a wide selection of other environmental problems to grow more serious.
In order to resolve these problems and strive to realize a sustainable society, initiatives to both control consumption of resources and reduce environmental impact by shifting from a linear economy to a circular economy and promoting a recycling-oriented use of resources are required.
NSK will focus on maximizing the continued use of resources and assets in our business activities to either reduce waste or avoid generating waste altogether to the greatest extent possible, while striving to respond to various environmental issues related to waste such as the problem of plastics.
In our Green Plan 2030 environmental mid-term plan, we have set targets of reducing industrial waste volumes and promoting zero emissions with the aim of contributing to the establishment of a recycling-oriented society while maintaining the goal of reducing and improving recycling rates of industrial waste stemming from our production activities.
In FY2024, we removed the old wastewater treatment facilities previously used at the Headquarters Factory. During this process, it was necessary to dispose of the treated water and accumulated sludge within the facilities. In an effort to minimize industrial waste emissions as much as possible, we transferred the treated water from each tank via pump to the biological treatment tank, enabling purification within our own facilities. As a result, we were able to reduce industrial waste emissions from the initially expected amount of approximately 90 tons to approximately 50 tons.
Additionally, we reviewed the treatment approach for sludge waste and 3D printer waste liquid, switching to a system where they could be sold as valuable materials. These efforts enabled us to achieve our FY2024 reduction target of a 16.6% decrease compared to FY2019.
In the future, we will continue to reduce environmental impact and promote the effective use of resources by minimizing resource inputs in production processes and eliminating waste in manufacturing stages.

Waste Volumes per Unit Produced



Circular Economy

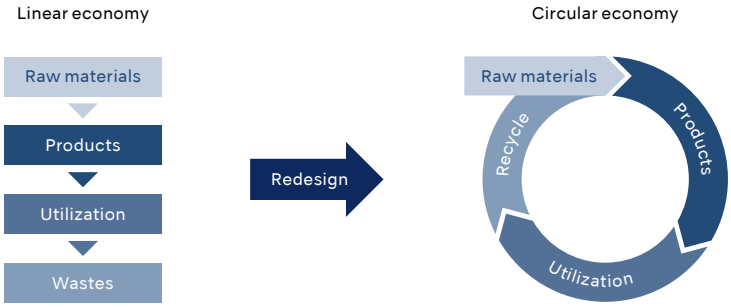
The concept of a circular economy is gaining attention as a new approach to business that replaces the conventional economic model of extracting resources, making products, and eventually throwing them away (a linear economy), which provides grounds for various negative impacts such as concerns for the climate and loss of biodiversity caused by mass production, mass consumption, and mass disposal.

This circular economy represents a recycling-oriented structure that focuses on maximizing the value of existing products without putting them to waste by designing products and services from the initial stages of development with explicit intentions for their eventual recycling and reuse in addition to reducing the volumes of new resources both input and consumed to the greatest extent possible. As climate change, loss of biodiversity, pollution, waste, and resource shortages become urgent issues on a global scale, recently, this idea of a circular economy has garnered importance even in relation to the subject of achieving carbon neutrality, and is gaining an increasing level of attention across the world.

At NSK, toward the realization of a circular economy, we aim to break free from the conventional one-way flow of mass production, mass consumption, and subsequent disposal (a linear economy), and transition to a recycling-oriented model (a circular economy) in which reusable materials remaining after production, consumption, or in production stages are collected and then incorporated back into the production and consumption loop.

In FY2024, we have started reusing scrap materials from resin-molded components used in our products as raw materials for our molded components, and launched horizontal recycling of PET bottles in collaboration with Kanuma City.

Circular Economy Diagram



Reuse of Resin-molded Components

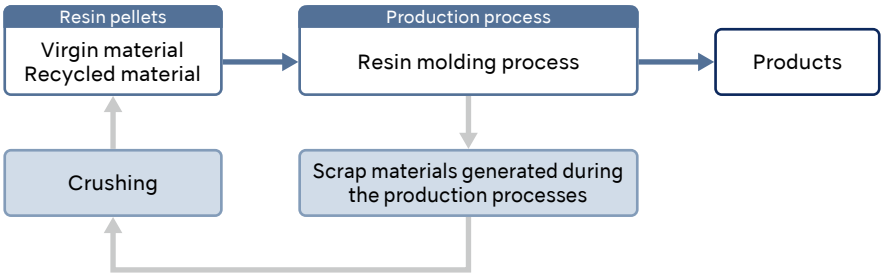
Mass production and mass consumption in economic activities lead to large volumes of waste, becoming a factor in environmental pollution. Moreover, the continued extraction of limited natural resources may result in resource depletion and damage to ecosystems.

To address these challenges, NSK has started reusing materials such as sprues and runners, which are by-products of the resin molding process that do not become part of the final product and would otherwise be discarded. These materials are crushed and reused as raw materials for molded components.

In FY2024, we used resin-molded components containing recycled materials in some of the controllers for our industrial equipment products.

We will continue to increase the ratio of recycled materials used and explore broader applications, aiming to circulate resources efficiently and realize both a sustainable society and economic growth.

Molding Process Flow



Bottle-to-Bottle Horizontal Recycling

Japan boasts high PET bottle recycling performance, with a collection rate of approximately 94% and a recycling rate of about 86%. However, only around 20% of PET bottles are recycled into new PET bottles. The majority are instead processed for use in other applications such as trays or fibers, or exported overseas as resources, effectively breaking the recycling loop at that point.

Around 2010, the concept of sustainability was not yet widespread, and environmental initiatives related to PET bottles primarily focused on weight reduction for “eco” or “resource conservation.”

Amid this backdrop, beverage manufacturers were among the first to recognize the potential of bottle-to-bottle horizontal recycling, which enables the sustainable use of PET bottles as a resource. They developed and implemented a system for horizontally recycling used PET bottles into new PET bottles.

Starting in FY2024, NSK has been working on horizontal recycling of PET bottles provided to visitors. However, because limiting horizontal recycling to PET bottles used by visitors would result in only a small volume of waste, it was not feasible to pursue this initiative independently. Therefore, we approached Kanuma City and began promoting the initiative collaboratively.

Going forward, we will raise awareness among employees and expand the initiative to include all vending machines at the Headquarters Factory and the A1 Factory, while also contributing to horizontal recycling in other applications.

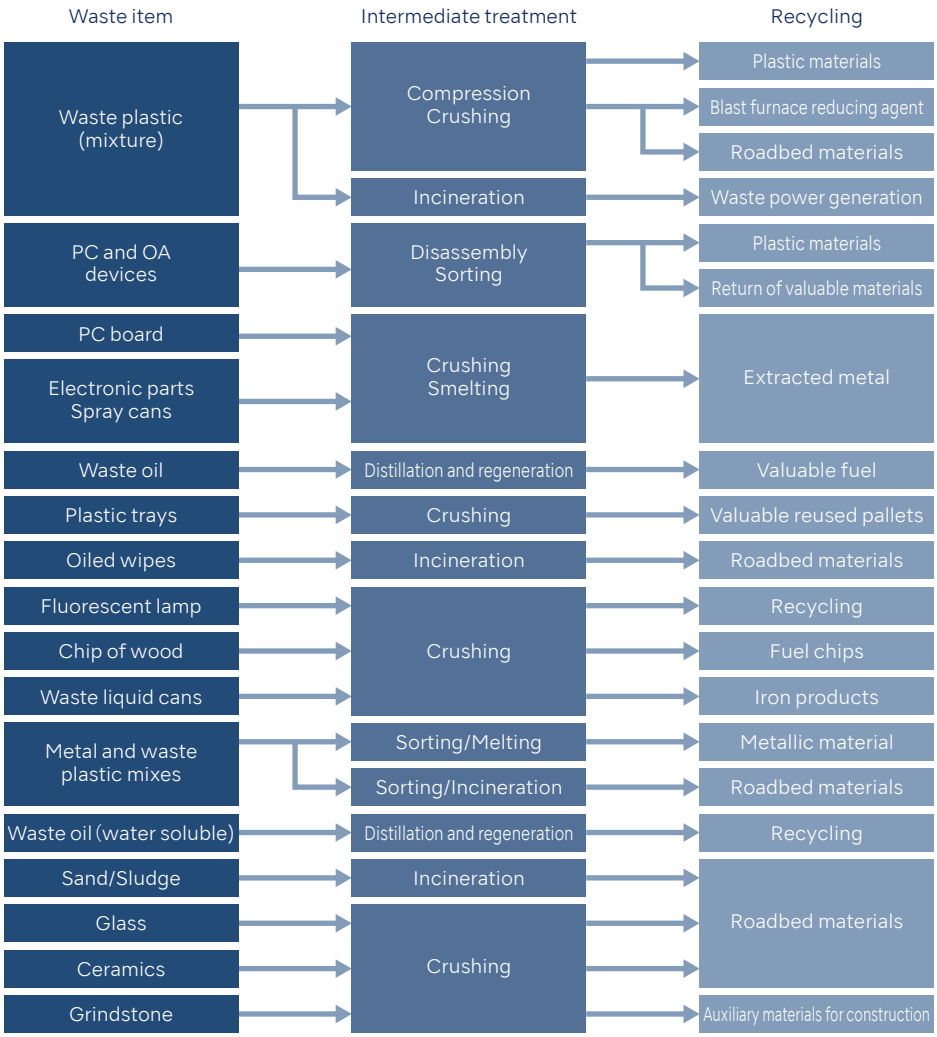
Initiatives to Reduce and Recycle Waste Generated via our Production Processes

At NSK, we are working on reducing industrial waste generated from our business activities. In FY2024, we generated approximately 133 tons of industrial waste.
Waste plastic, waste oil, and sludge ac-count for around 90% of our total volume of waste, and we have been promoting initiatives to prioritize the reduction of these forms of waste. As a result, we were able to reduce our total volume of industrial waste by approximately 18% compared to the base year (FY2019) of our Green Plan 2030 environmental mid-term plan.
In FY2024, we strived to further reduce generated waste by switching to the valuable purchase of sludge waste and 3D printer waste liquid.
We will continue to engage in efforts to reduce industrial waste and actively transition to a circular economy toward the establishment of a recycling-oriented society.

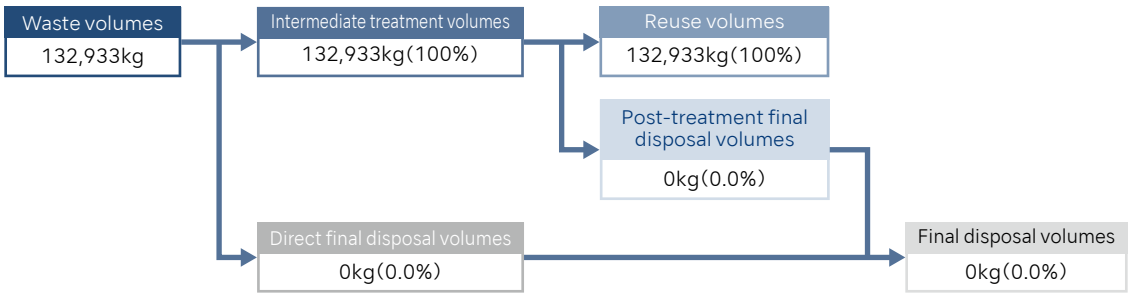
Key Measures

Process improvements	• Increasing yields of parts and products
Packaging material reductions	• Reducing packaging materials by making our products smaller • Using returnable boxes • Switching to paper packaging materials for Eco-friendly packaging • Reuse of packaging materials
Reuse of cutting fluids	• Collecting and reusing cutting fluids stuck to shavings • Collection/reuse of oil mist floating in the workspace air • Collection/reuse of oil mist stuck to air conditioning filters • Valuable purchase of waste oil
Reuse of washing fluids	• Distilling, restoring and reusing spent washing fluids
Other reductions	• Reusing wipes • Recycling metal waste • Transition to valuable byproducts • Recycling uniforms (using the Cross-jurisdictional Waste Management Certification System) • Reducing food waste • Valuable purchase of parts trays • Purification of floor cleaning fluid at in-house wastewater treatment facilities

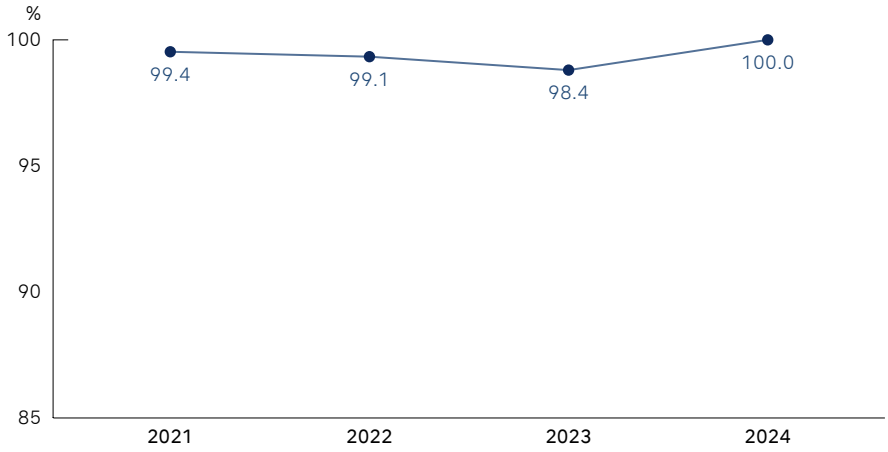
Recycling Industrial Waste



FY2023 Recycling Rates



Recycling rates



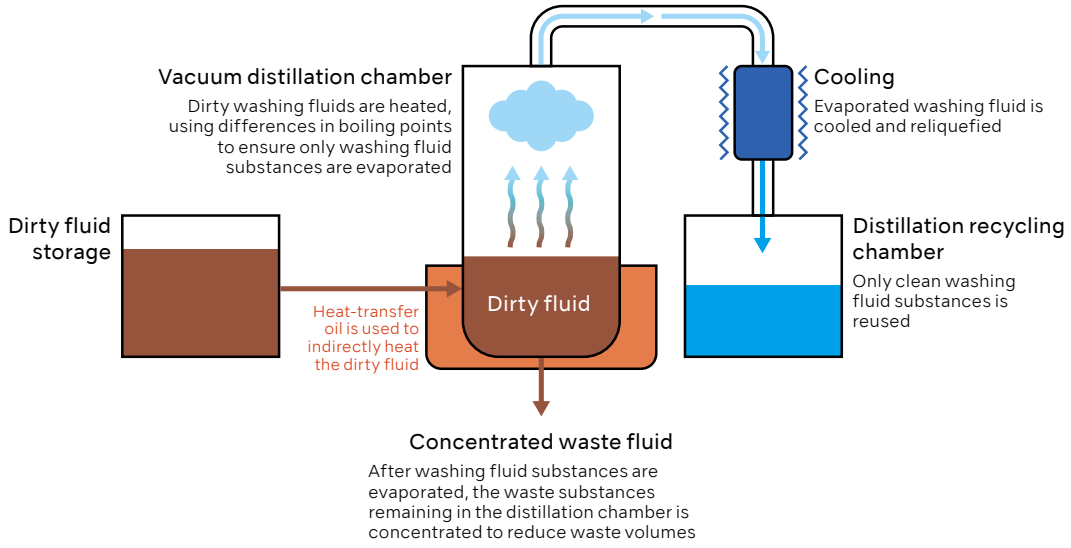
Promoting In-house Recycling of Cutting Fluids and Reducing Purchased and Generated Volumes

NSK is actively engaged in reducing waste oil. The majority of our waste oil comes from cutting fluids used to process metals and is generated by A1 Factory, our dedicated metal processing site.
During processing, cutting fluids adhere to metal shavings and float in factory working environments as oil mist. We use ceiling-mounted oil mist collectors to collect these fluids and micro-filtration devices to recycle them.
These recycled cutting fluids are reused in our in-house production processes, and once it becomes difficult for us to continue recycling them in-house, they are finally sold as valuable resources or reused as fuel for combustion furnaces after removing any residual moisture.

Recycling and Reusing Cleaning Fluids to Reduce Waste

NSK uses hydrocarbon-based washing fluids to wash its parts. Dirty, used washing fluids are heated in distillation regeneration machines, utilizing differences in boiling points to ensure only washing fluid substances are evaporated. The resulting clean recycled washing fluids are reused in our factories to wash parts.

Washing Fluid Recycling System (provisional name)



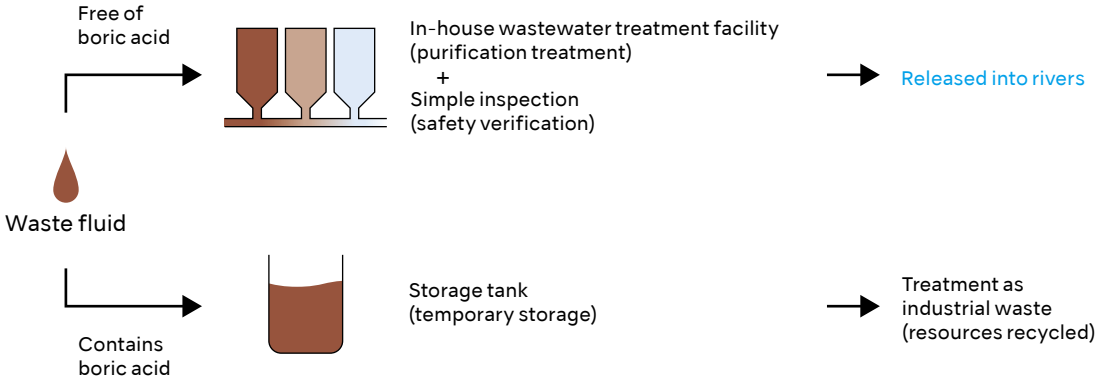
Promoting In-house Treatment (Purification) of Boric Acid-free Waste Fluids

At NSK, we classify the waste fluids generated in the production process of surgical burs as either that containing boric acid or that free of boric acid. Boric acid-free waste fluid goes through purification treatment at wastewater treatment facilities owned by the company before being released into nearby rivers once the safety of the water quality has been verified.

In order to track the risk of water pollution, we regularly take samples of the water at our wastewater treatment facilities and conduct simple water quality analysis to verify that boric acid concentration levels are within the required standards.

As a result, in FY2024, we generated approximately 11 tons of alkaline waste fluid, a reduction of about 60% compared to FY2021 before introducing these efforts.

Diagram of boric acid-free waste fluid treatment

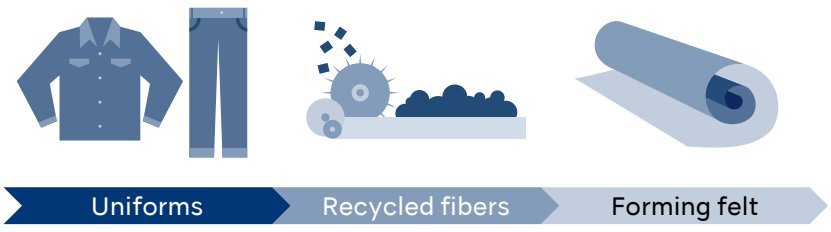


Achieving Industrial Waste Resource Recovery Rate of 100%

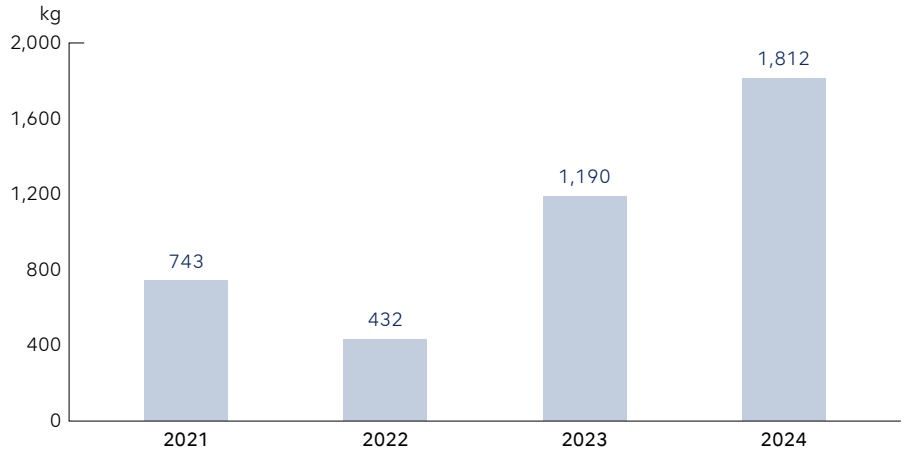
NSK is engaged in the recycling of industrial waste to reach the lofty target for a resource recovery rate of 99% or more set in our Green Plan 2030 environmental mid-term plan.
In FY2023, we made it possible to recycle grindstones as auxiliary materials for construction, which was the only type of industrial waste we generate that was difficult to recycle.
Through this development, all of the industrial waste which we generate is now reused as roadbed materials, auxiliary materials for construction and for other purposes.

Using the Cross-jurisdictional Waste Management Certification System to Reduce Waste Plastic

NSK is engaged in work uniform recycling that makes use of the Ministry of the Environment's Cross-jurisdictional Waste Management Certification System, so reducing its waste plastic volumes.
The "Cross-jurisdictional Waste Management Certification System" is a system in which manufacturers are working to improve the recycling rate through a series of life cycle assessments, ranging from materials to design, production, and recycling.
In FY2023, the amount of used uniforms increased to approximately 1,190kg due to the timings of uniform replacement overlapping as a result of an increase in the number of employees and several years having passed since we updated the uniforms to our current design. We managed to reduce our waste plastic volumes by around 6% through recycling uniforms in FY2024.



Used uniforms by year



Reducing and Recycling Repair and Service Process Waste

Including Maintenance Guides with Repaired Parts to Encourage Long-term Use

When returning repaired parts to its customers, NSK includes Maintenance Guides to encourage the long-term use of its products.
These Maintenance Guides instruct customers on how to appropriately maintain their products, enabling them to extend the life expectancy of their products and contributing to the effective use of limited resources.

Establishing a Customer Service Helpdesk to Communicate Appropriate Methods of Maintenance

NSK has established a Customer Service Helpdesk on its company website. This helpdesk receives a large volume of inquiries and feedback related to product quality, prices, product specifications and maintenance.
Questions related to maintenance methods account for approximately 10% of our monthly inquiries. We explain appropriate methods of maintaining our products to help our customers understand how to use their products safely and for a long time.

Our Products and Environmental Activities

Basic Approach

NSK recognizes that companies are expected to respond to environmental issues such as climate change, and societal changes such as a rapidly ageing society. Consequently, we believe it is important we increase our profits and launch highly competitive products while actively contributing to the resolution of societal issues.
We are working to develop products that help society to reduce its environmental impact and, at the same time, we are responding to the needs and expectations of markets. In this way, we seek to realize a sustainable society in tandem with business growth.

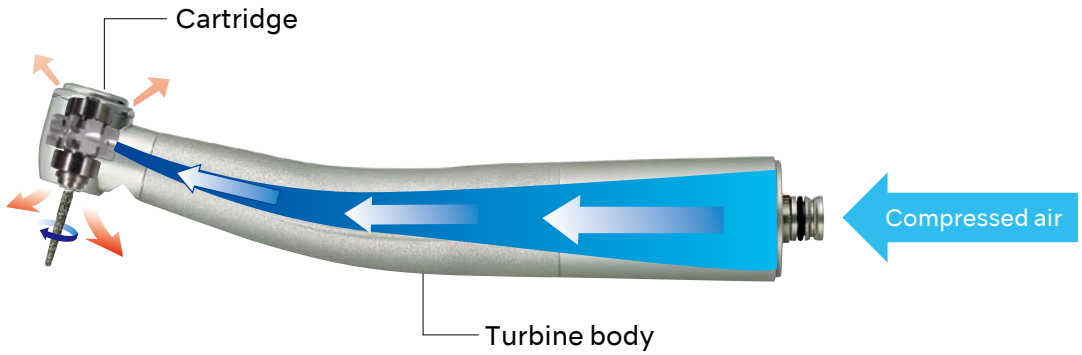
Environmental Design in the Development Process

At NSK, at the development stage we seek to accurately grasp and reduce the environmental impact of the entire lifecycle of our products—from mate-rials to distribution, use and disposal.
We aim to provide high-performance products that are extremely energy-efficient, as well as products that are more compact, lighter, and incorporate multiple functions in response to increasing demand for mobile dental care in a rapidly ageing society. We have set ourselves the goal of "coexistence between people and the earth," and aim to become a company that contributes to improving the global environment and society through the provision of these products.

Structures that Facilitate User Maintenance (Resource Conservation)

Air Turbines are one of our core dental products. They are used to drill teeth, and powered by compressed air. Air Turbines work by using compressed air to drive rotors that spin an axle; the axle is fitted with a bur, and this bur is used to drill teeth. The rotor part of the system is known as the "cartridge."
We gave careful consideration to the maintainability of the cartridge, and designed an easily interchangeable structure. Enabling customers to re-place the cartridge extends the life-expectancy of the turbine, making a significant contribution to saving resources and reducing greenhouse gases during transit.

Air Turbine Structure



Integrating Distinct Products for Greater Efficiency

As societies begin to age with in-creasing rapidity, we can expect greater demand for mobile dental care. And, since elderly people today retain more of their natural teeth, a wide range of mobile treatment will be required.
Our VIVA ace 2 mobile dentistry system integrates a high-performance micromotor, an ultrasonic scaler, a three-way syringe with LED light, and a vacuum into a single package.
The VIVAace 2 is a high value-added product that achieves the balance between power (suction and cutting perfor-mance) and usability (operability, quietness, and maintainability). It not only broadens the scope of possible treatments, but provides the convenience of a traditional dental clinic treatment environment in condensed form.
At NSK, we intend to recognize future societal changes as business opportunities, and provide products that cater to market needs and expectations in a timely manner.

Product Development that Takes Maintenance and Other Lifecycle Processes into Consideration

Handpieces used to treat patients must always be washed and sterilized after use.
At NSK, we have launched iCare, a device that automatically washes and lubricates up to four handpieces at once, and iClave, a device that sterilizes using high-pressure steam.
The iCare automatic cleaning and lubrication system dispenses lubricant volumes tailored to the type of hand-piece used, so reducing excess oil use.
The iClave mini2 high-pressure steam sterilization system is more compact than its predecessor, the iClave mini. In addition, increasing the high-pressure steam gravity dis-placement process enables even the inside of handpieces to be carefully sterilized, and improves the device's sterilization capabilities.
Our maintenance products enable users to keep their handpieces in better condition for long periods of time, and contribute to reduced use of new materials. They also help prevent infection, and can therefore be used safely.

iCare

iClave mini2

Energy Conservation

Outstanding power increase for faster cutting speeds (energy conservation)

The new Ti-Max Z Series Air Turbine includes the addition of a new proprietary system developed using the latest fluid simulation software to achieve a significant increase in power from conventional models. Increased speeds enable us to decrease cutting times by approximately 30% in comparison to conventional models, reducing chairside time and minimizing patient discomfort. This model also features an unprecedented increase in torque, making it highly effective in removing zirconia.

Ti-Max Z990L

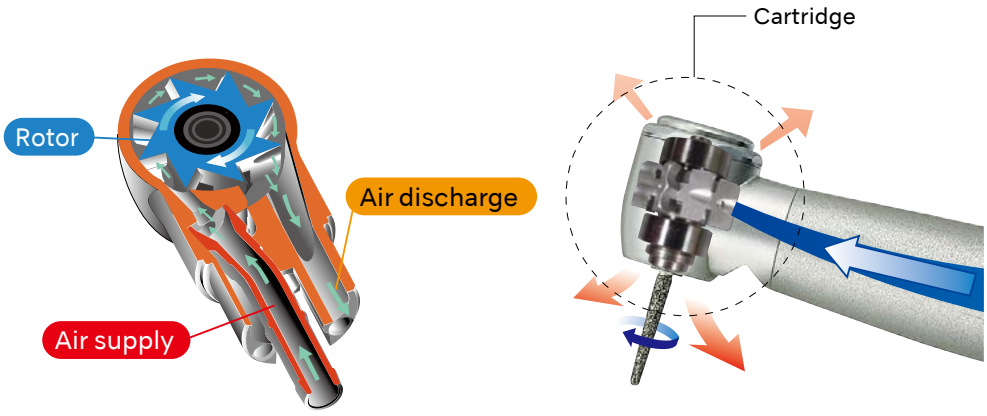
Ti-Max Z890L

Efficient Transmission of Compressed Air to Drive the Rotor (high-efficiency and energy-saving)

Our Air Turbine dental products efficiently transmit compressed air to rotate the rotors. This improves the basic performance of the product, including its rotational speed and rotational torque.

Our S-Max M Turbine uses a modified rotor shape that increases the surface area that receives compressed air by 100% (a two-fold increase) over previous models. Accordingly, the rotor spins more efficiently when using the same volume of compressed air as previous models, leading to a significant increase in torque from 20W to 26W.

Air Turbine Structure



Improved Internal Circuitry Leads to Energy Savings

At NSK, our industrial ultrasonic polishing devices are high-speed devices that operate at 19,000 to 29,000 rotations per second, with a maximum amplitude of 40 μm.

In our latest models, we have introduced a raft of improvements over previous versions, including: a heat-protection function to prevent temperature rises and enable continued use; improved visibility through the use of large numbers of LEDs; and energy savings of 13% by refining the structure of its internal circuits.

At NSK, we work to reduce the environmental burden of our products throughout their lifecycles, and to this end we promote energy savings while they are being used.

Ultrasonic polishing device: Sheenus ZERO

Effective Use of Resources

Transition to Paper Packaging Materials

Recently, the words “Plastic-free” and “Plastic reduction” have become more common. Measures are taken inside and outside of Japan such as charging for disposable plastic containers.
At NSK, we recognize that waste plastics have a major impact on the global environments, such as by con-tributing to marine pollution. For this reason, we are working on switching from the use of plastic to recyclable paper packing materials for approximately 80% of our core products: Air Turbines, Contra-angle Handpiece products, and Handpiece for dental cleaners. Switching to paper packing materials enables us to make our packaging about 30% more compact and about 50% lighter than our previous plastic packaging.
Besides, we had used approximately 55.5 tons of plastic materials for plastic packaging per year. We successfully reduced plastic materials by approximately 49% by switching to paper packing materials since FY2021.

Conserving Resources with Smaller and Lighter Motors

At NSK, we use our proprietary motor technology to design and manufacture dental, surgical, and industrial motors. We are working to reduce the size and weight of our motors with consideration for operability during treatment and other factors involved in enhancing usability.
The Surgic Pro2 used in implant treatment requires approximately 22% fewer components in comparison to con-ventional models and provides a decrease of approximately 28% in product length, achieving a reduction in weight of approximately 8%. We will continue to contribute to resource conversation by focusing on reducing the size and weight of our motors.

Improved Durability from Use of Ceramic Ball Bearings

NSK products are high-rotation and high-torque, which require the use of high-quality and high-performance ball bearings. In these aspects, there is a particular focus on durability, which has led us to utilize ceramic ball bearings offering a higher level of durability over steel ball bearings in some of NSK’s products.
Ceramic balls are light and low-friction, making them suitable for high-speed rotation, which improves product lifecy-cles and also contributes to conserving resources for materials.

Management of Chemical Substances

At NSK, we have formulated the Green Procurement Guidelines to define our basic approach to environmentally friendly materials and parts, and together with our Japanese and overseas business partners we promote green procurement activities.

Our Products and Chemical Substance Management

Acquiring Information Related to Chemical Substances Contained in Products

In order to comply with applicable laws and regulations, to prevent negative health impacts of controlled chemical substances, and to prevent environ-mental pollution, we use chem-SHERPA.

This tool allows us to appropriately manage information on chemical substances contained in our products across our entire supply chain, from upstream to downstream companies, improving information accuracy, and enabling us to carry out more reliable chemical substance management.

In addition, while laws and regulations in each country are being strengthened, we regularly verify the applicability of the laws and regulations. At the same time, we have built a database for the integrated management of this information. At the end of FY2024, we have con-firmed the status of chemical sub-stances contained in all of the parts and materials that we procure.

Preventing Contamination (preventing contamination of our products)

In the EU's RoHS Directive, the use of four phthalates were prohibited in medical devices, the deadline which was July 2021. In addition, an exemption of lead included in metallic mate-rials expired. For four phthalates, we completed the transition to the use of parts and materials that contain none of the four phthalates in question at the end of December 2020.

Besides, for lead included in metallic materials as the exemption of the EU's RoHS Directive, we confirmed that the report which extends the limit of exemption issued on January 13, 2022, from the investigative body which was authorized by the European Commission.

In recent years, progress has been made on strengthening regulations for chemical substances in various countries. We will continue to monitor relevant regulations on chemical sub-stances in each country as we strive to ensure our products do not contain any controlled chemical substances.

Reducing Emissions of Hazardous Chemical Substances

Basic Approach

Our lifestyles are made possible by various natural resources, including the atmosphere, water, soil and animals and plants. NSK's entire value chain—from raw materials procurement and product manufacturing to the energy it uses for transportation—has some impact on ecosystems. We work hard to maintain ecosystems from two perspectives: contributions through our business activities and social contributions re-lated to nature conservation. One of our ecosystem conservation activities en-tails the proper management of chemical substances that have the potential to affect ecosystems.

In terms of concrete initiatives aimed at preventing and reducing the risk of chemical substance contamination, we regularly take and analyze the water quality of samples of factory wastewater that has been treated at our in-house wastewater treatment facilities.

Waste fluids containing boric acid from our production processes are stored temporarily in storage tanks and discharged as industrial waste. This development was a result of the fact that there is a significant distance to connect to the wastewater treatment facilities, and if we installed pipes, we would not be able to wholly eliminate the risk of pipe leakage.

We also conduct simple water quality analysis to detect boric acid concentrations in anticipation of the risk of boric acid flowing into wastewater treatment facilities. As of the current point in time, we have not detected any traces of boric acid.

At NSK, we make advance assessments of the impact our business activities have not only on human health but also on the environment, and we continuously work hard to eliminate as far as possible all risks of environmental pollution.

Advance Assessment of Chemical Substance Risks

When using new chemical substances, NSK refers to information regarding their hazardousness and toxicity contained in safety data sheets (SDS). Based on this information, we identify appropriate methods of handling the chemical substances, necessary facility specifications, levels of risk posed to workers and potential impacts on worker health. We then conduct a chemical substance risk assessment and, if necessary, install local exhaust ventilators and other devices, and so work to improve worker safety.

The Industrial Safety and Health Act is also being revised, and there will be a continuing increase in the directory of controlled substances. At NSK, as we strive to comply with these regulations, we will continue to identify risks based on accurate hazard information in SDS while taking measures to reduce risks posed to workers.

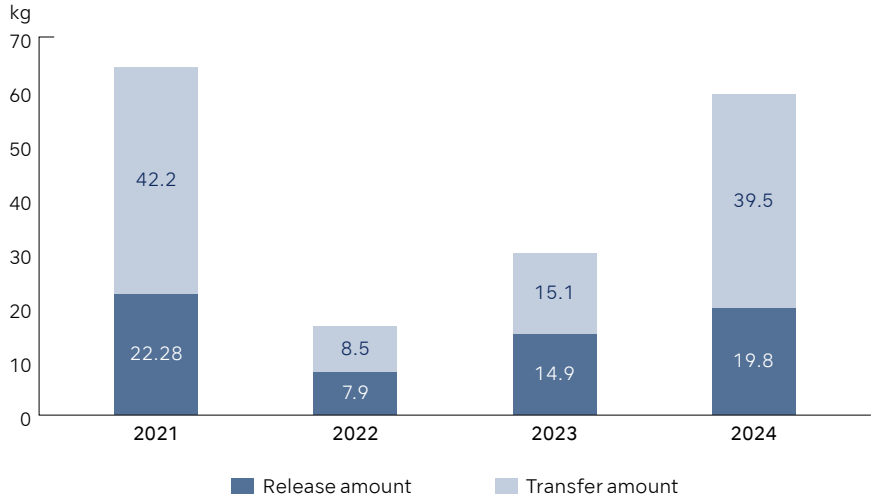
Reducing Release and Transfer of PRTR Substances

NSK works to manage and reduce its use of chemical substances listed on the Pollutant Release and Transfer Register (PRTR)*. We also ensure such sub-stances are handled according to SDSs, and we carry out safety management of our waste. In addition, once a year we aggregate stock, purchase, use, waste and release volumes of PRTR sub-stances and, where necessary, notify the relevant parties. At NSK, we are en-gaged in initiatives to store washing fluids in airtight conditions and increase recycling rates.

Our release and transfer of PRTR substances was approximately 30kg in FY2023.

* PRTR(Pollutant Release and Transfer Register)
The Pollutant Release and Transfer Register is a system that enables Japanese administrative bodies grasp, aggregate, and publicize information regarding chemical substances that are potentially harmful to human health and to ecosystems. Companies independently assess emissions of these substances from their work sites into the environment—into the atmosphere, into bodies of water, and into the soil—and submit reports to the relevant administrative bodies once a year.

PRTR Release and Transfer Volumes



Managing Ozone Depleting Substances

NSK uses specified fluorocarbons, which are ozone depleting substances, as refrigerants in the air-conditioners in its factories. We ensure that waste is appropriately treated in line with all applicable laws. In addition, as required by the Act on Rational Use in FY2023 and Proper Management of Fluorocarbons, we have verified that our calculated leakage amount of fluorocarbons is less than the equivalent of 1,000 tons of CO2.
Going forward, we intend to further strengthen our management of fluorocarbons through daily and regular inspections.

Lead-free Initiatives

All solders used at NSK are lead-free solders. In addition, when carrying out audits of our business partners, we verify whether they have established measures to prevent mixing of lead-containing solders and lead-free solders.
In FY2024, we found no non-conformance related to mixed toxic substances inside and outside the company.

Measures to Combat Atmospheric, Soil and Water Pollution

In order to prevent emissions of hazardous chemical substances from causing atmospheric, soil, or water pollution, NSK ensures it complies with all relevant laws, ordinances and regulations. In addition, we also enter into agreements with local organizations and set our own voluntary standards.

Measures to Combat Soil and Groundwater Pollution

NSK does not use chemical substances that cause soil pollution. With regard to groundwater at Headquarters Factory, we carry out water quality analyses once every two months to verify that we have not exceeded applicable standards. Our A1 Factory does not use groundwater, so we do not carry out analyses there.

Measures to Combat Water Pollution

NSK carries out water quality analyses of factory wastewater at the final outlets at the site boundary which releases water outside of the company once a month. In particular, we analyze concentrations of hydrogen ions and biochemical oxygen demand. Besides, for nitrogen and phosphorus quantity, since FY2021 we increased the quantity checks frequency from once a year to every month, consistently monitoring the water quality at the outlets.
In addition, the wastewater treatment facilities in our factories are fitted with an external interlock function that forcibly interrupts the release of wastewater if abnormalities are detected. We verify that this function operates properly once a year.

Headquarters Factory Water Quality Analysis Results FY2024

Measured Substance	Hydrogen ion concentration	Suspended solids	Biochemical oxygen demand	n-Hexane	Nitrogen quantity	Phosphorus quantity
Units	-	mg/L	mg/L	mg/L	mg/L	mg/L
Standards	5.8~8.6	50 or less	20 or less	5 or less	120 or less	16 or less
January	7.6	3.6	1.1	<0.5	1.4	<1.0
February	7.4	16.0	8.5	<0.5	1.8	0.2
March	Not implemented due to facility relocation					
April	7.4	<1.0	3.2	<0.5	2.7	<1.0
May	7.3	<1.0	6.8	<0.5	3.2	0.2
June	7.3	1.2	2.7	<0.5	4.6	0.1
July	7.6	<1.0	1.5	<0.5	5.0	0.1
August	7.7	<1.0	<1.0	<0.5	5.4	0.2
September	7.5	<1.0	12.9	<0.5	3.9	<1.0
October	7.8	<1.0	2.1	<0.5	3.7	<1.0
November	7.3	2	5.8	<0.5	3.8	<1.0
December	7.8	<1.0	3.8	<0.5	2.6	<1.0

A1 Factory Water Quality Analysis Results FY2024

Measured Substance	Hydrogen ion concentration	Suspended solids	Biochemical oxygen demand	n-Hexane	Nitrogen quantity	Phosphorus quantity
Units	-	mg/L	mg/L	mg/L	mg/L	mg/L
Standards	5.8~8.6	50 or less	20 or less	5 or less	120 or less	16 or less
January	7.7	10.0	6.4	<0.5	4.4	0.2
February	7.4	6.0	20.0	<0.5	15.7	1.0
March	7.4	8.8	2.8	<0.5	7.9	0.3
April	7.3	12.0	20.0	<0.5	16.0	1.9
May	7.4	<1.0	1.1	<0.5	0.4	<0.1
June	7.2	6.4	19.7	<0.5	15.5	1.4
July	7.4	1.2	1.8	<0.5	5.3	0.4
August	7.4	3.2	1.2	<0.5	3.6	0.5
September	6.9	6.8	13.7	<0.5	16.5	1.6
October	7.4	5.6	1.7	<0.5	5.3	0.6
November	7.6	5.2	1.6	<0.5	4.0	0.5
December	7.5	10.8	10.7	<0.5	18.6	1.6

PCB Measures (storage status)

NSK treats polychlorinated biphenyl (PCB) waste and PCB-containing in-use electrical equipment in line with the Law Concerning Special Measures for Promotion of Proper Treatment of PCB Waste*. More specifically, we work together with Japan Environmental Storage & Safety Corporation (JESCO) to treat high-concentration PCB waste, and we work together with government-certified industrial waste disposal companies to treat low-concentration PCB waste. At this time, we do not have any PCB waste in storage.

Reducing Emissions into the Atmosphere

NSK does not emit NOx, SOx or VOC.

Management of Chemical Substances

Basic Approach

Countries and regions around the world are strengthening regulations related to chemical substances. Examples include the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. in Japan and the RoHS Directive and REACH Regulation in the EU. With the addition of increased interest in SDGs and ESG, companies are expected to further improve their management systems and information disclosure for chemical substances.
With regard to chemical substances used in its production processes and contained in its products, NSK has established and conforms to management standards that encompass risks to health and the environment and limits to quantities contained in its products.
In addition to complying with applicable laws and regulations, in order to ensure the penetration and sharing of SDGs and ESG, we work together with all business partners involved in the transmission of chemical substance information, and carry out operational management of chemical substances in a supply chain-wide manner.

Management of Chemical Substances in our Production Processes

NSK works to prevent environmental pollution caused by chemical sub-stances.
Specifically, we manage chemical sub-stances in a manner that prioritizes the environment from purchasing and use to disposal and work to eliminate environmental risks posed by the chemical substances we use as far as possible.
It has been internationally agreed that we should ensure the impact of chemical substances is minimized not only on human health but also on the environment.
As countries around the world strengthen their management of chemical substances, at NSK we take a precautionary approach, carrying out advance assessments of the environ-mental risks posed by chemical sub-stances, and minimizing risks before we start to use them. In this way, we are working to eliminate hazardous sub-stances from our production processes and our products, and thereby improve safety both for our production line workers and for users of NSK-brand products.

Advance Assessment of Risks Posed by Chemical Substance

When using new chemical substances in either its production processes or its products, NSK assesses the risks posed by chemical substances in advance.
In accordance with the Industrial Safety and Health Act, NSK has appointed a Chemical Substance Control Manager and a Protective Equipment Manager. Before using chemical substances, we acquire the relevant SDSs*, carry out risk assessments and take the appropriate measures.
We assess levels of risk posed to workers and potential impacts on worker health based on information regarding the hazardousness and toxicity of the chemical substances, methods of handling them, work environments and facility specifications. According to the results of the above risk assessments, if necessary we install local exhaust ventilators and other devices to improve worker safety.
In addition, regulations on the use of chemical substances in Japan are gradually being strengthened in accordance with the revision of the Industrial Safety and Health Act. In order to minimize the risks posed by chemical substances, we explore potential substitutes, and have already identified a substitute for 1-bromopropane, which is contained in the washing fluids used to wash parts in our production processes.

* Safety data sheets (SDS)
In order to encourage companies to improve proper management of chemical substances, the Act on confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof requires that when specified "chemical substances or products containing chemical substances" are transferred from one company to another, safety data sheets containing information related to the characteristics and handling methods of the chemical substances are provided in advance.

Revision of safety data sheets (SDS) accompanies the revision of Japanese Industrial Standards (JIS)

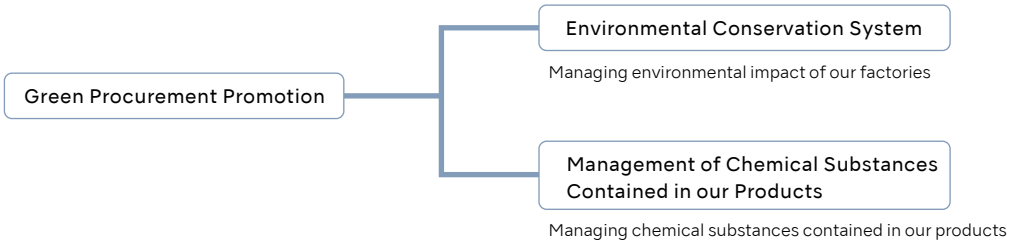
Based on the GHS document sixth re-vised edition of United Nations, JIS Z7252: Classification of chemical based on "Globally Harmonized System of Classification and Labelling of Chemicals (GHS)" and JIS Z7253: Hazard communication of chemicals based on GHS-Labelling and Safety Data Sheet (SDS) were revised on May 25, 2019.
We have completed our compliance with the SDS issued by NSK for 2019.
In addition, NSK prepares SDSs for the oils used in product maintenance, ensuring compliance with the languages and regulations of each country. The SDSs issued by NSK are reviewed annually to reflect the latest regulatory developments and are kept up to date accordingly. These safety data sheets are available on our website.

>Related Link:
Dental business SDS
Industrial business SDS

Green Procurement

In recent years, regulations on chemical substances contained have become increasingly strict, including the implementation of the RoHS Directive in various countries and the revision of REACH Regulation, as well as the TSCA in the United States. In addition, in order to reliably monitor the regulations that are being strengthened in each country, such as the recent movement toward newly strengthening regulations on PFAS (per- and polyfluoroalkyl substances), companies are required to establish and operate thorough management systems.
NSK uses a wide variety of chemical substances both in its monozukuri (manufacturing) processes and in its products. In order to appropriately manage these chemical substances, we have established the "NSK Green Procurement Guidelines." We regard minimizing the environmental risks posed by chemical substances to be an important issue, and we are promoting initiatives to identify which chemical substances must be managed, as well as working to reduce their content and find potential substitutes.
The above initiatives are aimed at preventing the risk that our products will contain hazardous chemical substances when they are shipped, and at minimizing risks both to human health and the global environment. In addition, as our business becomes increasingly global, we make sure to collect and evaluate the latest trends in chemical substance management policies and regulations in countries around the world and see they are reflected in our management of chemical substances.
We have designated two substances as "substances prohibited to be included in procured items such as product parts and materials (prohibited substances)" and "substances that need to be reduced or replaced by understanding their content in procured items in order to reduce environmental impact (con-trolled substances)." We promote "green procurement" in cooperation with our business partners and suppliers to procure products, parts, and materials with low environmental impact.

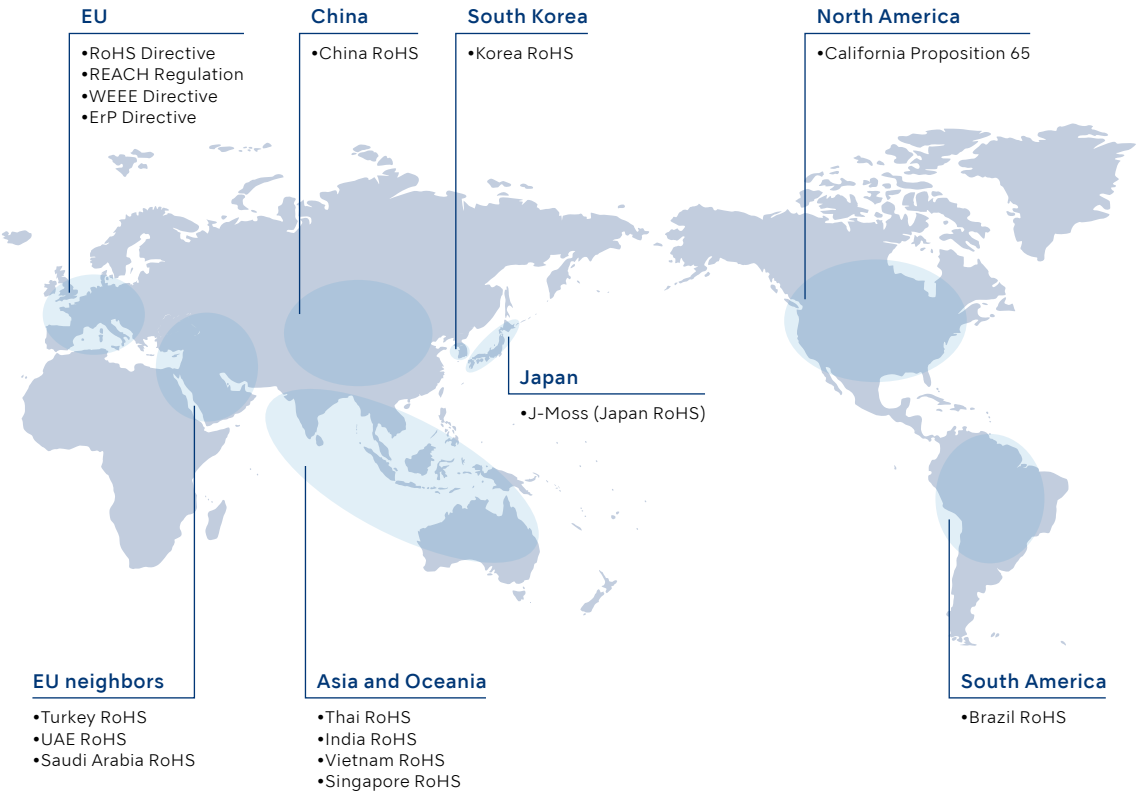
Green Procurement Promotion System



Green Procurement Promotion Structure

NSK has established a Pollution Prevention Subcommittee, comprised of members of its Design and Procurement Departments, under the supervision of the Environment Committee. The subcommittee monitors chemical substances regulations, seeks to standardize our chemical substance management systems and promotes research into chemical substances contained in our products.

Key Regulations regarding Chemical Substances Contained in Products in Countries around the World



Advance Verification of Substances Contained in our Products

Various countries are formulating laws and regulations governing chemical substances contained in products, such as the RoHS directive and REACH Regulation; these regulations cover a growing number of chemical sub-stances, products and uses.
NSK investigates information related to chemical substances contained in its products, auxiliary materials, and packaging materials. The information we gather is shared via internal systems and made available for relevant parties to verify when necessary.
We list banned substances and managed substances in our Green Procurement Guidelines. Before developing new products or switching to different parts and materials, we verify in advance the substances they contain and thereby ensure our products are not hazardous to humans or the natural environment.
In addition, we utilize the opportunity of our annual environmental audits of business partners to directly verify how chemical substances contained in products are being managed and, if their systems are unsatisfactory, request corrections and provide support for the establishment of appropriate systems.

Environmental Audits of Business Partners

When carrying out environmental audits of business partners, NSK also takes the opportunity to directly verify whether they are carrying out Green Procurement.
We ensure our business partners have an accurate understanding of our Green Procurement Guidelines, and carry out regular investigations to verify whether or not their products contain any sub-stances defined as banned substances or managed substances in our guidelines. When we revise our Green Procurement Guidelines, we also verify whether or not the revised information is being properly communicated to our secondary business partners.

Compliance with the RoHS Directive

In 2006, the EU issued the RoHS directive, which limits products from containing specified hazardous sub-stances. Since then, growing numbers of regions outside the EU have also demanded compliance with these standards. The range of product fields falling under the scope of the directive has also steadily expanded, with medical devices—including NSK dental products and medical products—covered in 2014.
RoHS directive standards have subsequently become even stricter, with the additional prohibition of four phthalates and revisions such as the abolition of exempt items.
At NSK, we share the results of investigations into chemical substances contained in our products via internal systems. Using information available in these internal systems, we identified parts and materials containing the four phthalates and completed a transition to substitute materials.

Compliance with REACH Regulation

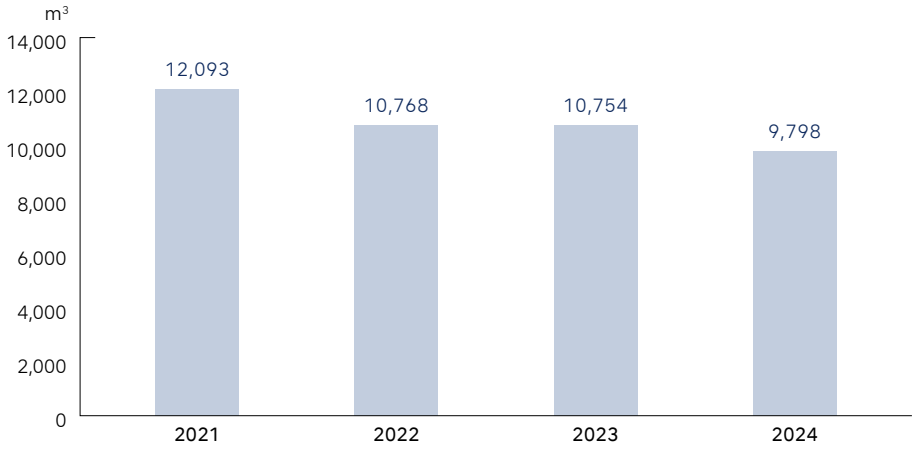
The EU's REACH Regulation is a set of comprehensive chemical substance management regulations that requires the registration, evaluation, authorization, and restriction of chemicals; it applies to all chemicals, whether they are currently in use or new.
REACH Regulation applies to chemical substances contained not only in chemical products but also in articles such as machines and molds. The regulation chemical products came into effect in 2007, and is gradually being enforced.
With regard to the regularly updated candidate substances of very high concern for authorization, NSK continually carries out investigations into whether they are contained in its articles, and verify that contained quantities do not exceed 0.1%.

Conserving Water Resources

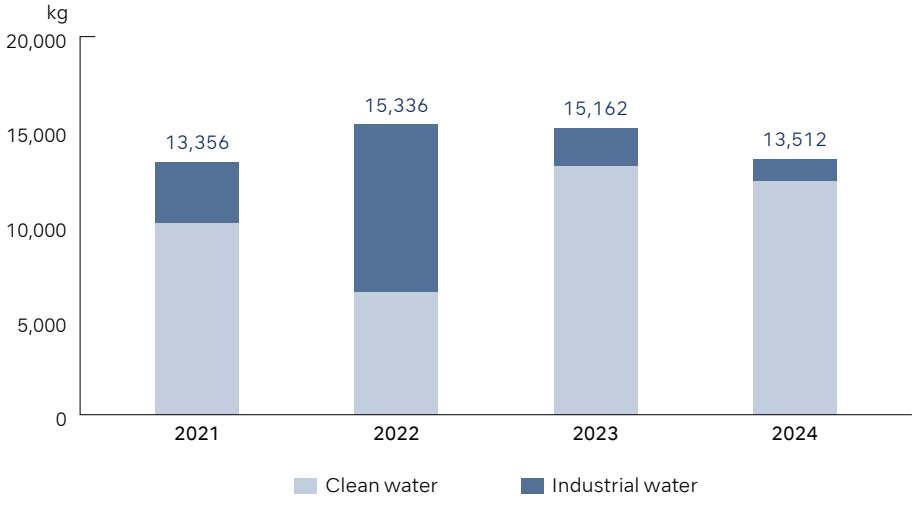
Basic Approach

Due to climate change and the destruction of forests, and to population growth and economic development in developing nations, water shortage risks are increasing around the world. In re-cent years, the impact of climate change and other factors have led to worsening quality of river water, resulting in strengthened regulations. From the perspective of risks to company activities, water-related issues are of great urgency. In FY2024, NSK used approximately 22,173 m3 of clean water and 1,137 m3 of industrial water. After use, this water was purified at our in-house wastewater treatment facilities before being externally released.
Going forward, we intend to continue focusing on the effective use of water resources, and promote activities that enable us to have a positive impact on local aquatic environments.

Clean water use (Headquarters Factory)



Clean and industrial water use (A1 Factory)



Controlling Water Use

Installing Water Faucet Adjustment Valves

In some in-house processes, NSK has installed adjustment valves in its water faucets. These adjustment valves enable small volumes of water to be released at high pressures, helping us to wash our products efficiently. We intend to install these adjustment valves in water faucets that see large amounts of water use—including in production processes, canteens and washing basins—and thereby limit our water use.

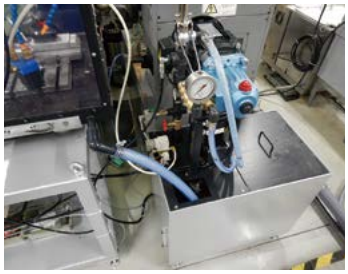


An adjustment valve

Water Circulation in our Electrical Discharge Machines

At its A1 Factory, NSK uses a total of 12 electrical discharge machines, consisting of eight general-purpose machines and four automatic machines. These electrical discharge machines use a mix of industrial water and dielectric fluid, which is poured onto metals during hole machining.


Electrical discharge machining line


Water circulation tank with 100 L capacity

We completed installing water circulation devices on all our electrical dis-charge machines. This enables us to use filters to remove impurities contained in post-process water. This water is then reused in subsequent electrical dis-charge machining processes. Considering that approximately 500 mL of running water is required for drilling a single hole, this initiative has enabled us to reduce industrial water usage by approximately 1,152 m3 annually.

Going forward, we will continue to endeavor to reduce industrial water use.

Wastewater Purification

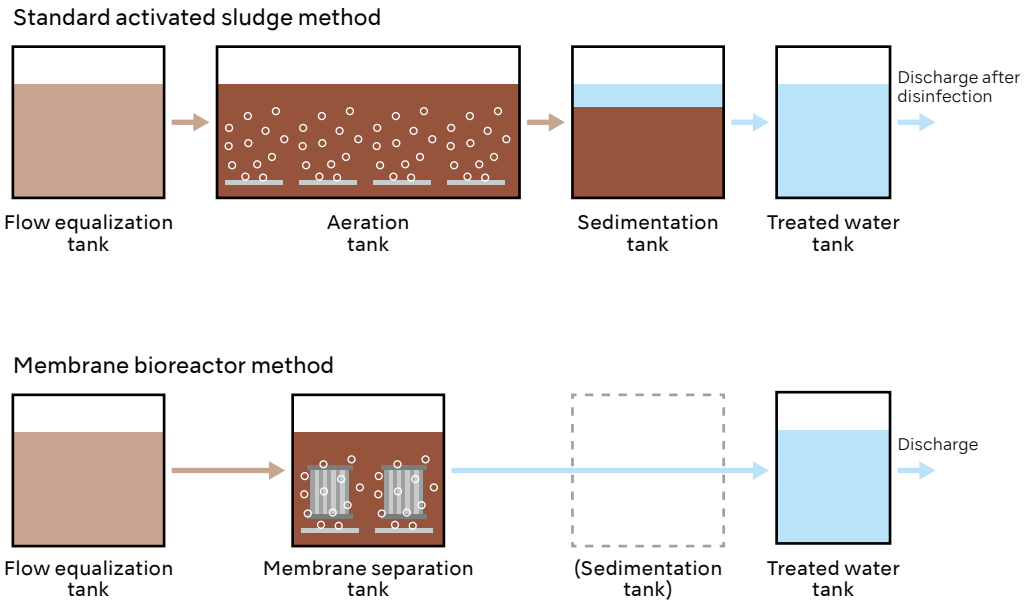
The water NSK uses at its factories is purified at in-house wastewater treatment facilities to meet water quality standards, before being released into nearby rivers or industrial park wastewater treatment facilities. We carry out regular inspections at our wastewater treatment facilities, managing them at all times to ensure there are no irregularities. We also carry out water quality analyses at final outlets to verify that our effluent water meets applicable water quality standards. In addition, we have installed water-release interrupt functions that activate if effluent water exceeds water quality standards. We verify that this function works properly once a year. In this way, we have implemented ample measures to combat environmental risks in the case that effluent water exceeds applicable water quality standards.


Our in-house wastewater treatment facilities

Wastewater purification

At the Company, septic tanks have been installed for each building, and until recently, we used the activated sludge method for wastewater treatment.
This activated sludge method involves cultivating microorganisms while aerating the wastewater. The microorganisms then break down and remove organic substances in the wastewater, thereby purifying the water.
However, with the growing use of water-saving sanitary equipment in recent years, the volume of water flowing into septic tanks has decreased.
As a result, the concentration of pollutants in the treated water tends to increase, making it more difficult to consistently maintain effluent water quality within regulatory limits. To address this issue, in April 2024, we installed a septic tank using the membrane bioreactor method, which offers high treatment performance.
This membrane bioreactor method is a treatment method that separates treated water from sludge using membrane filtration (solid-liquid separation). Specifically, 300 sheets of membranes with microscopic pores are stacked, and treated water is filtered through them. This enhances purification efficiency and enables the stable production of high-quality treated water.
At the Headquarters Factory, we decommissioned some of the septic tanks installed for individual buildings and connected them to the septic tank using the membrane bioreactor method in May 2025. This has also helped prevent water quality deterioration caused by fluctuations in personnel across buildings.
Given that we carry out monozukuri activities in regions with rich natural environments, we remain consistently mindful of the local environments.

Differences between the standard activated sludge method and the membrane bioreactor method



Biodiversity Preservation

Basic Approach

If we wish to live in harmony with nature, we must protect abundant forests and other forms of nature around the world. Yet forests around the world are shrinking, the habitats of diverse creatures are becoming fragmented and loss of biodiversity is growing worse. Loss of biodiversity leads to various issues, including the depletion of biological resources that are vital to society, the inducement of natural disasters and the progress of global warming and, as such, it presents a risk to the sustainability of society as a whole.

In the face of such risks, NSK carries out activities aimed at reducing its impact on the environment, including biodiversity.

By helping to prevent global warming, using resources effectively and managing chemical substances, we act in an environmentally friendly manner when it comes to monozukuri (manufacturing) and to the products and services we provide.

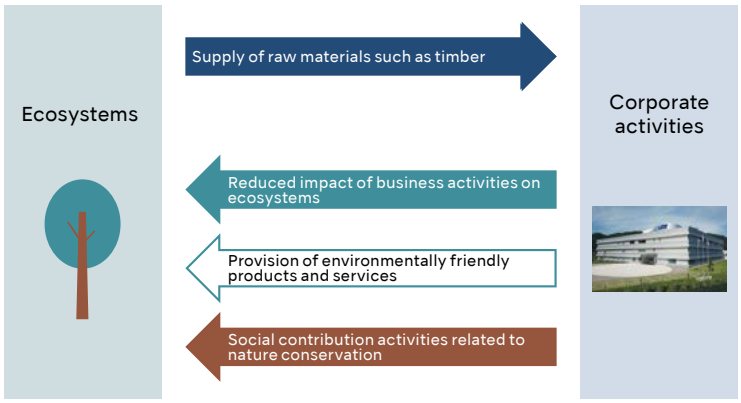
At the same time, we promote conservation activities that have a direct bearing on nature, and so contribute to the realization of a society that coexists in harmony with nature. It takes many years for biodiversity and ecosystems to recover and for their health to improve. For this reason, we analyze the risks and opportunities to our company stemming from biodiversity preservation measures, and promote bio-diversity preservation activities in a long-term and sustainable manner.

Biodiversity Policy

Item	Risks	Opportunities
Managing paper use	• Resource depletion due to deforestation for resource procurement	• Acceleration of work style reform with digitalization, remote work, etc. • Contributions to SDGs by reducing paper use
Managing wastewater	• Ecological destruction due to the impact of releasing dirty factory wastewater into rivers	• Carry out regular inspections of factory wastewater devices • Check external water-release interrupt functions activate correctly in cases of abnormal readings • Carry out regular water quality analysis and trend monitoring
Optimizing planting at our factories	• Shrinking green spaces due to climate change leading to accelerated global warming, loss of habitats and collapse of balanced ecosystems	• Manage planting within company grounds in an appropriate manner

The Relationship between our Company and Ecosystem Conservation

Our lifestyles are made possible by the fruits of nature—also known as ecosystem services—provided by natural capital such as the atmosphere, water, soil and plants and animals.
NSK recognizes that its entire value chain—from materials procurement and production to energy used for transportation—has some impact on local ecosystems. For this reason, we work to maintain and recover ecosystem services from the dual perspectives of contributions through our business and social contributions related to nature conservation.
As far as contributions through our business is concerned, we provide energy-saving and other environmentally friendly products and, as part of our ecosystem conservation activities, carry out proper management of chemical substances. With regard to social contributions related to nature conservation, we promote local clean-ups, green space management and other ecosystem conservation activities.



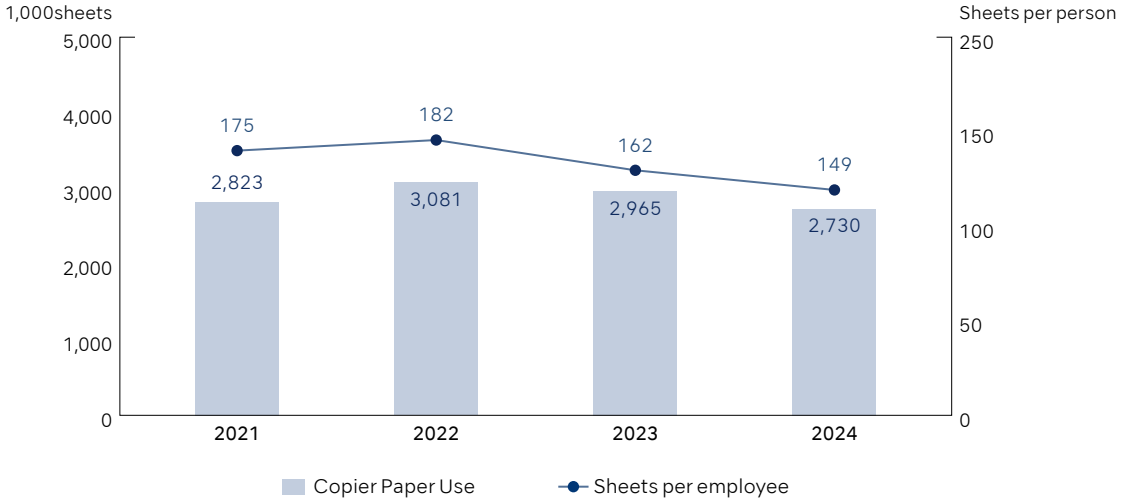
Management of Chemical Substances Contained in Products

As part of its ecosystem conservation activities, NSK manages chemical sub-stances contained in its products from the product development stage. This includes chemicals contained in materials and parts in every stage of the procurement and production processes.
In particular, we carefully manage chemical substances in key procurement mate-rials according to our Green Procurement Guidelines. In cooperation with our business partners, we carry out investigations into chemical substances contained in the materials and parts used in our products, as well as in all purchased parts—including auxiliary materials—used in our production processes.

Reducing Paper Use to Promote Biodiversity

In the past, NSK has used paper in the performance of various procedures and sharing information. Typical examples of this include sending documents and materials to business partners and the distribution and posting of internal documents. However, in recent years, advances in IT and changes in work styles have led the push toward going paperless. In the future, there will be even more opportunities for us to utilize electronic data in online exchanges as we witness the expansion of work style reforms that allow employees to engage from outside the office through remote work (telework) and other similar innovations.
At NSK, we believe that promoting efforts toward going paperless reduces paper waste and contributes to the preservation of the natural environment, one of the goals of the SDGs. Specific activities include digitalizing various in-house application forms and enabling work instructions for our production processes to be viewed via digital media as we strive to reduce per employee use of copier paper.
In order to produce paper, forests must be cut down to obtain those resources. Reducing paper use also reduces deforestation, thereby protecting the precious re-sources of the earth. We are working to resolve environmental problems one by one, starting from the issues that we are the most familiar with.

Per unit Copier Paper Use



Coexisting in Harmony with the Natural Environment

NSK's Headquarters Factory is surrounded by a beautiful natural environment—including the Nikko mountain range, Mt. Fukaiwa and the Oashi Riv-er—and strikes a harmony with Kanuma's scenery, which changes with the four seasons.
Goheiiwa, a mountain rich in greenery that neighbors our Headquarters Factory, provides a habitat for wild animals; fire-flies also live by the river that runs between the mountain and our factory.
At NSK, we endeavor to minimize the risks our business activities have on ecosystems. We have defined "coexistence between people and the earth" as one of our goals and carry out our business activities accordingly. We engage in initiatives to safeguard plant and animal ecosystems, such as helping to maintain the green spaces around Goheiiwa.


Goheiiwa, a mountain neighboring Headquarters Factory, provides a habitat for wild animals

Appropriate Management of Planting at our Factories

Our headquarters factory has planted more than 300 of 10 different trees and seeds, including cherry trees, zelkova trees and grasses, outside the building to develop rich green walkways and gardens. In prefectural property opposite our Head-quarters main entrance, we carry out beautification activities such as sowing seeds and ivy groundcover, and actively take part in the creation of green spaces.


Company Gardens


M1 Factory Gardens

Purifying Factory Wastewater

In order to prevent water contamination due to wastewater, NSK regularly verifies it complies with wastewater standards set out by applicable laws and ordinances.
We have established wastewater treatment facilities within company grounds, where water used by our factories is purified to meet permissible standards. This water is then released into rivers via the company pond. We monitor the concentration at the outlets of these wastewater treatment facilities at all time. In addition, we have installed an interlock function at our facilities that activates to interrupt the external release of wastewater if the concentration exceeds standards,
We verify that this interlock function operates properly through regular maintenance.
In addition, since the use of boric acid is required in some production processes, we verify the stability of our water quality by carrying out a voluntarily simple analysis of the boric acid concentration.
In FY2024, we verified that we have not exceeded the applicable standards.

Communication with Local Communities

Training and Education

In order to resolve recent environmental issues, NSK believes it is imperative that all stakeholders—not just NSK employees—share responsibility for environ-mental issues and recognize the importance of initiatives to improve them.
Every year, we invite elementary schools from Kanuma, Tochigi Prefecture, to participate in factory tours. On these tours, we give lectures related to environmental issues and our company's environmental activities, discussing questions such as: What can we do as individuals in response to existing environ-mental issues? Why are companies recently placing greater importance on environmental issues? and, What environ-mental activities are they carrying out?
Through these activities, we believe that we have been recognized as a monozukuri company that gives due consideration to the environment and develops locally oriented business by local residents.

Supply Chain Environmental Initiatives

>Related Link:
Green Procurement Guidelines

Governance

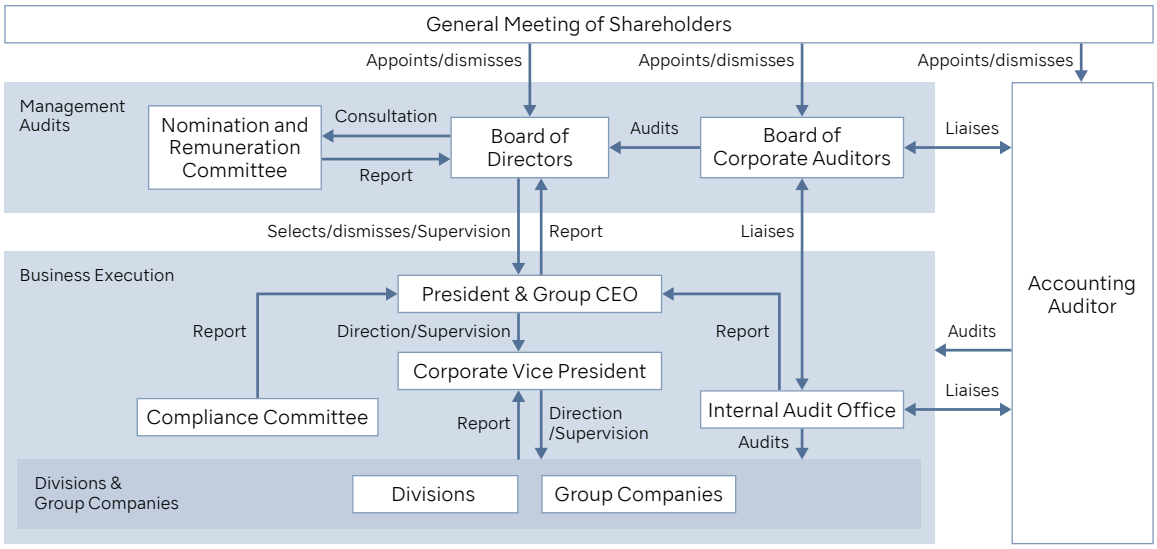
Corporate Governance

Basic Approach

NSK's basic management policy is to increase its corporate value as a global company that is trusted by shareholders and other stakeholders. As such, we promote the strengthening and enhancement of our corporate governance system.

Outline of the Management System

Corporate Governance System



Board of Directors

NSK has a board of directors composed of six directors (including two female directors), which is positioned as the management decision-making organization, and thus judges and makes decisions regarding matters important to our Group. Furthermore, of the six directors, three are outside directors, creating a structure that can demonstrate supervisory functions.

The Board of Directors holds regular meetings, as well as irregular meetings as required, at which decisions are made on key management issues and work execution is supervised. The Board of Directors meetings are attended by, in addition to the six directors, the three auditors, who provide their opinions as appropriate to help strengthen our audit functions.

Board of Corporate Auditors

We have a board of corporate auditors composed of three auditors (all of whom are outside auditors). Based on the audit plans set by the Board of Corporate Auditors, members will attend Board of Directors meetings, exchange opinions with the accounting auditors and internal Audit Department, and carry out other activities to audit management activities, including the directors' performance of their duties.

Nomination and Remuneration Committee

As a voluntary advisory body to the Board of Directors, NSK has established the Nomination and Remuneration Committee that strengthens fairness, transparency, and objectivity of nomination and remuneration for directors. It is comprised of one internal director and two outside directors, for a total of three members. The committee deliberates on matters regarding the nomination and remuneration of directors, subsequently submitting reports to the Board of Directors.

Evaluation for the effectiveness of directors

Regarding the effectiveness of directors, we conduct self-evaluation by questionnaire surveys of the directors and auditors. As a result of analysis and evaluation of the effectiveness of the Board of Directors, we confirmed that the Board of Directors of our company was appropriately managed, and the effectiveness was thoroughly ensured.
In 2021, a lack of agenda items was raised as an issue, and NSK worked to raise the quality of discussions by increasing conversation related to medium- and long-term management issues and strategies. In 2022, a lack of information provided to outside directors was raised as an issue, and we implemented measures with the objective of promoting understanding of NSK by newly-appointed directors.
In 2023, NSK set materiality to be addressed year round by the Board of Directors, and identified issues focusing on discussions involving the Mid-Term Management Plan and other medium- and long-term strategies.
In 2024, we identified the enhancement of internal controls and risk management systems as an issue and began efforts to strengthen these frameworks.
We shall continue to conduct evaluations so that the Board of Directors strengthens its functions.

Skill matrix for the company's directors and auditors

	Corporate management	Global	Production/ Manufacturing	Research/ Development	Sales/ Marketing	Finance/ Account	Legal Affairs/ Compliance	ESG/ Sustainability
President & Group CEO Eiichi Nakanishi	●	●	●	●	●			●
CEO Kensuke Nakanishi	●	●	●	●	●			
Director Masataka Suzuki	●	●		●	●	●	●	●
Outside director Yuji Nonagase	●		●	●	●	●		●
Outside director Yukiko Araki	●	●			●		●	●
Outside director Chika Shiomi	●	●	●		●			
Auditor Jin Harita		●	●			●	●	
Outside auditor Yuji Sawada	●					●	●	
Outside auditor Yoshihiro Maki	●		●	●			●	●

Officers' Remuneration

Amounts such as the remuneration for the Board of Directors are determined by the Board of Directors in consideration of the performance and execution of each director, the company's performance, and the economic situation.
Remuneration for NSK directors (excluding outside directors) is based on a remuneration structure that incorporates shareholder profits to ensure that it adequately functions as an incentive to work toward sustainable improvement in corporate value. In determining remuneration for each director, the basic policy is to provide an appropriate level in view of duties and responsibilities, with fixed remuneration, performance-linked remuneration, and non-monetary remuneration. Additionally, remuneration for outside directors only consists of fixed remuneration since they are at a standpoint independent from business execution. Basic policy for remuneration for directors (excluding outside directors) is as follows.

1. Policy on fixed remuneration
Fixed remuneration shall be determined in comprehensive consideration of the status of duties and execution of each director and the business results of the company, etc.

2. Policy on performance-linked remuneration
Performance-linked remuneration shall be determined based on the level of achievement (business results indices) according to the duties of each director. Business results indices shall be net sales, EBITDA, and ROE.

3. Policy on non-monetary remuneration
Non-monetary remuneration shall be comprised of stock options and restricted stock, with the number of shares allotted determined based on the position, duties, etc., of each director.

4. Policy on ratio of remuneration, etc.
Regarding the ratio of remuneration, etc., the policy shall be to ensure that the ratio is the most appropriate for the purpose of contributing to the sustainable improvement of corporate value.

5. Policy on allotment timing and conditions for remuneration, etc.
Based on each policy, fixed remuneration shall be provided monthly and performance-linked remuneration shall be provided annually. Stock options and restricted stock shall be provided annually.

6. Matters concerning delegation of determining remuneration, etc.
The content of remuneration, etc., for individual directors shall be deliberated by the Nomination and Remuneration Committee and subsequent to receiving its report, determined by the President & Group CEO.

Amounts such as the remuneration for auditors are determined by a meeting of the Audit and Supervisory Board and are set to be within the remuneration limits approved by a resolution of the General Meeting of Stockholders.

Total amount, remuneration, etc. for each officer category by type of remuneration, etc. and number of eligible officers (2023)

Officer category	Total remuneration, etc. (1,000 yen)	Total amount per type of remuneration, etc. (1,000 yen)			No. of eligible officers (persons)
		Fixed compensation	Performance-linked remuneration	Non-monetary remuneration	
Directors (excluding outside directors)	316,252	189,250	88,900	38,102	3
Corporate auditors (excluding outside corporate auditors)	-	-	-	-	-
Outside officers	37,912	37,912	-	-	6

Internal Control

In accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, NSK's Board of Directors passes resolutions on the development and operation of the system (the internal control system) to ensure the appropriateness of the operations of the corporate group (hereafter, "our Group") that comprises NSK and our subsidiaries, working to ensure the appropriateness of our operations as well as improve and strengthen our management systems. We strive to improve corporate value by carrying out sound business operations through the enhancement of internal control.

Internal Audit Office

The Internal Audit Office carries out internal audits and inspections of each Company account ledger. It also audits by monitoring the appropriateness of legal compliance in business activities, systems and initiatives for preventing corruption and observing ethical standards, and systems and initiatives for appropriate marketing activities, together with system effectiveness. Also, Corporate Auditors as well as the Accounting Auditor hold periodic meetings to exchange information and opinions to strive for validity and effectiveness of audit operations. The results of internal audits and progress with activities of the Internal Audit Office are reported to the President and Corporate Auditors as required, as well as to the Board of Directors and the Audit and Supervisory Board on a regular basis.

Operation of the General Meeting of Shareholders

Voting Rights

NSK has stipulated in its Articles of Association that resolutions for the election of directors shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present. In addition, the Articles of Association stipulate that resolutions for the election of directors shall not be made by cumulative voting.

Compliance

Compliance Behavioral Guidelines

NSK's mission is "To create 'brilliant progress' via innovative 'grinding technology.'" To achieve this, we develop, manufacture, and sell high quality products centered around our core ultra-high-speed rotary technology. We contribute significantly to society in the three domains of dental, medical, and industrial, providing products and services in 135 countries around the world. In order to achieve our corporate mission and contribute sustainably to society, we have set out Compliance Behavioral Guidelines which all officers and employees must comply with in their daily work.
In addition, we require all our overseas bases to comply with the laws and regulations of each country in our Group Governance Code.

Compliance Behavioral Guidelines

1. Respect for Human Rights
We respect the human rights of every person and do not accept any form of discrimination (such as gender, age, nationality, race, ethnicity, ideology, belief, religion, birth, education, disabilities, illness and marital status). In addition, we treat everyone with the same respect and dignity.

2. Compliance with Laws and Regulations
We comply with laws, internal regulations and rules, and other social norms, and conduct corporate activities in a fair and sound manner.

3. Responsibility to Society
We act with a social conscience and take a firm hand against all forms of illegal and antisocial behavior.

4. Positive Workplace Environments
We strive to create workplaces that are easy to work in and encourage good interpersonal relationships, respecting the character and personalities of each of our officers and employees. Concerned about how others feel, we ensure personal privacy is protected.

5. Safe, Healthy Workplace Environments
We strive to create workplaces that prioritize the safety and health of each officer and employee, working to achieve safe, comfortable workplace environments where people can work healthy in both mind and body.

6. Preventing Harassment
We do not permit any form of harassment, including sexual or power harassment.

7. Respect Diversity of Human Capital
We aim to be a workplace which respects diversity and where each officer and employee can work with enthusiasm.

8. Dedication to the Job
We dedicate ourselves sincerely to our jobs, following the set procedures and correctly understanding work-related directives and orders. In addition, we follow laws, regulations, and social norms and ethics, always carrying out our work with a high awareness of ethics.

9. Making Products
In order to contribute to society through providing top-quality products using innovative, advanced technologies, our core principle is to not make defective products, and to always deliver them at the promised time. We listen sincerely to opinions from our customers and society regarding our products and services, comply with all relevant laws and regulations, including those relating to medical devices, strive to maintain and improve the quality of our products, and work towards being able to provide a stable supply at fair prices.
Our research and development is carried out independently and sincerely, based on a high sense of ethics and scientific facts.

10. Healthy Corporate Activities
We respect our suppliers and other business partners as equal partners based on the principle of good faith, aiming for mutual prosperity and practicing sincere, fair, and equitable corporate activities. In addition, we do not carry out any unfair or improper activities that take advantage of our superior position.

11. Fair Business Activities
We comply with competition law (the Anti-Monopoly Act in Japan), laws and regulations relating to import and export control, and other laws and regulations, striving to earn the trust of society and improve our corporate and brand images through fair, free and lawful business activities.

12. Effective Use and Protection of Company Assets
We strive for the effective and efficient use of both tangible assets, such as our land, buildings, and facilities, and intangible assets, such as patents, copyrights, and expertise. We manage these appropriately and will not use them for anything other than business purposes, including for personal use. In addition, even for business use, we do not use or provide them for political activities without the approval of the company.
We strive to manage our assets in order that payments to outside be both fair and appropriate.

13. Protection of Intellectual Property Rights
We respect the intellectual property rights of third parties, and do not obtain the results of third parties unfairly, nor use them in our businesses. In addition, we require our business partners to also comply with intellectual property laws.

14. Ensuring Information Management
We carefully manage information related to business or work, and ensure that management secrets are not leaked and that personal information is handled in compliance with the laws and regulations.

15. Appropriate Information Disclosure
We disclose corporate information, such as our business activities or the state of our management, at the appropriate time, accurately, and in a way that is easy to understand, in accordance with the relevant laws and regulations.

16. Prohibition of Insider Trading
We do not use unpublished key information (such as information that could affect company stock prices) for the gain of either ourselves or third parties.

17. Prohibition of Conflicts of Interest and Mixing Public and Private
We carry out our company work sincerely, and do nothing that would go against the company's interests. In addition, we make clear our position as a company and the positions of individuals, and do not do anything that would bring in personal stakes into the company or utilize the company's position.

18. Opposition to Antisocial Forces
We take a firm and organized stance against antisocial forces and groups that threaten the order and safety of civil society, and will not provide them with benefits of any sort. In addition, we cooperate with investigating authorities to the fullest extent provided by law.

19. Contributions to Local Communities
We aim to become a member of our local communities, always contributing to them by carrying out corporate activities that are rooted in the region. In addition, we actively carry out exchanges with local communities.

20. Preventing Bribery and Corruption
We never offer inappropriate gifts or entertainment of any kind. Nor do we ever receive inappropriate gifts or entertainment of any kind.

21. Donations and Aid
We provide donations and aid responsibly, with full awareness of their necessity and appropriateness, as a company that exists as part of society.

22. Environmental Protection
We are aware that the protection of the global environment is one of the most important issues for the entire human race, and that this protection is a vital requirement for our existence and activities as a company. To that end, we give consideration to the protection of the regional and global environment in every field of our corporate activities.

23. Monitoring Human Rights Issues across the Supply Chain
We monitor human rights issues in the supply chains that feed us the parts and raw materials for our products, and strive to comply with the laws and regulations.

Initiatives

Compliance Promotion Structure

NSK has established a Compliance Committee chaired by the President and Group CEO, and its activities work toward resolving compliance issues such as monitoring and supervision of the state of compliance with laws and regulations and implementation of compliance education.

Education

A compliance newsletter is issued monthly for all employees in an effort to improve compliance awareness within the company. Additionally, by periodically distributing commentary on the Compliance Behavioral Guidelines, we aim to improve the understanding of its content. On an individual level, NSK conducts education on overall compliance and training for managers via e-learning with the objective of thorough observance of compliance.

Preventing Corruption

In the Compliance Behavioral Guidelines, we specify our policy stating, "We never offer inappropriate gifts or entertainment of any kind. Nor do we ever receive inappropriate gifts or entertainment of any kind." and explicitly prohibit any form of corrupt practices. Specifically, in addition to prohibiting any exchange of inappropriate gifts or entertainment with business partners, we prohibit the provision of benefits with the intention of inciting fair trade, and include conduct such as conflicts of interest that would go against the company's interests and the mixing of public and private affairs on our list of prohibited acts. While providing internal education for all employees through initiatives including commentary on behavioral guidelines and explanations on specific cases, we will work toward putting in place internal checks and audit systems and ensuring thorough corruption prevention.

Preventing Child Labor and Forced Labor

NSK declares that child labor and forced labor are banned in its Business Partner CSR Guidelines. Setting either the minimum working age or the end of compulsory education, whichever is greater in that particular country or region, as a condition for employment, we comply with laws and regulations stipulated by various countries and regions, and prohibit labor resulting from forced labor, indentured labor, slavery, and human trafficking, etc.

Preventing Harassment

At NSK, we strive to prevent infringements on human rights by providing training designed to prevent all forms of harassment and ensuring people are fully versed with the correct knowledge for working. If an issue is discovered, we investigate the facts and deal with it in accordance with our company regulations.

Whistle-blower System

At NSK, we operate a whistle-blower system through which employees are able to discuss issues they have discovered that violate compliance. Hotlines for this system have been established with the Internal Audit Office internally and with an external agency outside the company, and it is possible to engage in whistleblowing through telephone, fax, email, and postal mail. Information regarding the details involved in whistleblowing and the privacy of the inquiring party is handled strictly, and the system is operated based on regulations which ensure employees will not be penalized in any way because of whistleblowing or consultation.
In FY2023, there were seven cases of whistleblowing reported internally and zero cases externally. In addition, the Board of Directors receives regular reports and supervises the operational status of the whistle-blower system.

Appropriate Relationships with Medical Workers

NSK complies with the regulations set by the Japan Federation of Medical Devices Associations (JFMDA) and the Japan Fair Trade Council of the Medical Devices Industry, and with our internal regulations and employee behavior policies, to carry out corporate activities that maintain high ethical standards.
With the goal of achieving a broad understanding of how we contribute to the development of the life sciences, including medicine and medical engineering, and promote corporate activities that ensure a higher standard of ethics, in compliance with the JFMDA's "Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organizations," NSK publishes information about our corporate activities related to medical institutions and medical personnel.

Dealing with Antisocial Forces

NSK takes a firm and organized stand against antisocial forces and groups that threaten the order and safety of civil society, and will not provide them with benefits of any sort. In addition, we cooperate with investigating authorities to the fullest extent provided by law.

Risk Management

Basic Approach

Changes to the world situation and the globalization of business mean that the business environment is changing rapidly, and we are seeing a greater variety of risks that could impact our business activities. This is why NSK carries out appropriate initiatives towards minimizing risks that could have major impacts on our business activities. In addition, to prepare for unexpected events such as natural disasters, we are also working on business continuity plans to either continue operating or recover as quickly as possible after a disaster.

Risk Management System

We are constructing a system where, if there is an unexpected event that could have a major impact on NSK's operations, it is promptly reported to the management team and the people responsible liaise with the related departments to deal with the issue appropriately. In addition, we have established separate management systems, committees, and councils for major risks, and are working on understanding risks and appropriate responses.

Major Business Risks
1. Risks associated with a high proportion of exports
2. Legal regulations
3. Quality issues
4. Risks related to mergers and acquisitions
5. Risks of litigation
6. Risks related to information security
7. Risks of major natural disasters, infectious diseases, etc.

Initiatives

BCP Initiatives

NSK has a business continuity plan (BCP) in place to use in case of an emergency such as a major natural disaster. This plan sets out the systems, rules, responding organizations, recovery priority steps, and so on needed to minimize the effects on our employees, customers, local people and all other stakeholders and to recover business promptly.

Preparations for Major Disasters

NSK carries out regular drills in order to implement its BCP in the event of a disaster, verifying its effectiveness and making improvements to the plan in a PDCA cycle. In addition, we are working to ensure the effectiveness of our disaster measures by, for example, providing hazard maps, maintaining an emergency contact network, and maintaining a safety confirmation system to collect information on the safety of employees and their families in the event of a disaster.
We are currently operating domestic production sites in two locations, and are working to reduce risks to our business continuity.

Infectious Disease Measures

At NSK, we are working to prevent employees from being infected by ensuring compliance with the “new normal” directed by the government as a way to deal with the COVID-19 pandemic. In addition, we consider stable supply of products and continued service for our customers to be two of the most important issues, so the entire company, especially the Manufacturing Division and the Sales Division, will respond to ensure customer needs are met.

Cybersecurity

NSK works to ensure information security throughout our entire company by establishing a Basic Cybersecurity Policy that protects information received from customers and our own information assets from threats such as accidents, disasters, or crime, allowing us to enjoy the trust of our customers and society. Specifically, we are maintaining and improving information security levels based on rules that regulate personal measures, information asset management, physical measures, access control and authentication, use of IT equipment and software, system development and maintenance, IT infrastructure operation and management, information security incident response and business continuity management. In addition, we have established the Personal Information Protection Regulations to appropriately protect and appropriately handle the personal information of our customers and other stakeholders, and strive to adhere to them.

Tax Transparency

Tax Policy

NSK has established a Basic Tax Policy to carry out tax work ethically, based on sincerity and fairness.

Basic Tax Policy

1. Tax Compliance
We will carry out our tax work ethically, based on sincerity and fairness, to ensure that it does not violate legal or social standards. This is done through understanding and compliance with the guidelines prepared by the Organisation for Economic Co-operation and Development (OECD) and the laws, regulations, etc. related to taxes in the various countries and regions Group companies do business in.

2. Transfer Price Taxation Compliance
We will strive to pay taxes appropriately in each country or region by setting internal Group transaction prices based on the guidelines prepared by the OECD and the laws, regulations, etc. related to taxes in the various countries and regions in order to achieve a fair distribution of income among Group companies in proportion to their contributions.

3. Tax Planning
We will act based on the Base Erosion and Profit Shifting (BEPS) action plan prepared by the OECD, and will not take any actions designed to avoid paying tax that are not economically rational, such as the transfer of profits to lightly taxed countries (tax havens).

4. Relationship with Tax Authorities
We will strive to build and maintain healthy relations with the tax authorities in each country or region through the appropriate and timely presentation of information during tax administration procedures and tax inspections. In addition, we will strive to deal appropriately and promptly with issues pointed out during tax inspections, and make improvements.

Interviews with Outside Directors

Yuji Nonagase

NSK is gradually developing systems for the SDGs. At the point where new products are developed, the company is now considering product structure and packaging materials as well. So we can see progress being made at this point.

The most important thing is to meet the needs of dentists and physicians. Moreover, what's important is to contribute to providing top-class medical care to patients. In line with our corporate philosophy of "Our Core", we are required to take a total, bird's eye view of our customers, who are people working in treatment facilities and their patients, and to take into account sustainability.

It is important to share our values globally, improving satisfaction for all our stakeholders. We need to move ahead with creating organizations that recognize diversity, bringing together a diverse range of human resources, and connecting this to a corporate culture that offers ample motivation. Being able to establish a foundation as a company that has grown from a medium-sized enterprise in a very short time is bound to form the basis for further growth in the future.

Our system to consider the dental health of employees is unique, and helps us have a dialogue with the market. I feel we should be striving to enhance our measures even further.

Yukiko Araki

In 2025, we keenly recognized the increasing difficulty in predicting the future surrounding nations, businesses, and people amid a series of devastating disasters at home and abroad, escalating regional conflicts, and growing uncertainty in the global economic landscape.

At the same time, corporate efforts toward ESG (Environmental, Social, and Governance), which have been strongly demanded by stakeholders such as investors and business partners, are experiencing not only a push for further reinforcement, but also signs of what some describe as a backlash.

However, it is precisely in times like these that companies must avoid blindly following short-term societal trends. Instead, it is essential to further clarify and concretize management and sustainability strategies that are rooted in their own values and strengths, and to steadily put them into practice.

NSK has consistently upheld "brilliant progress" via innovative "grinding technology" as a corporate value. It continues to take on the challenge of transformation based on the significant changes found all over the world through initiatives such as the development of innovative new products that leverage its strengths, breaking ground in new markets through globalization, and business expansion through M&As. The fact that NSK received an "A" rating in the MSCI ESG evaluation for two consecutive years, 2023 and 2024, is a testament to how well its values upheld as a company, management strategy, and sustainability strategy are integrated and strongly promoted.

I expect NSK to further deepen its ongoing initiatives for environmental conservation and to pursue initiatives that further enhance its corporate and social value, including diverse investments in both domestic and international human capital that significantly influence corporate value, and further investment in refining core technologies, even in an increasingly uncertain society.

Chika Shiomi

At NSK, we have identified our materiality based on the principles of the SDGs and the demands of society, and we are steadily advancing initiatives to realize the materiality. We feel that NSK's commitment to contributing to society through its business activities has grown stronger year by year.

In the dental and surgical businesses, we addressed the significant challenge of extending health expectancy in a super-aged society, and once again launched innovative products this year. These products are being delivered to many people through our global sales and service network, contributing to better health outcomes. In the industrial business, we released new products that enable automation and working hour reduction in factories, helping to improve efficiency at production sites. I believe it is highly meaningful that these efforts in each business are addressing diverse societal needs and expanding NSK's value on a global scale. Within the Company, our health and productivity management initiatives are being implemented on an ongoing basis. Advanced measures that leverage our expertise as a medical device manufacturer are also being advanced. The creation of an environment where employees can work with motivation is steadily progressing and forms an important foundation for corporate sustainable growth. In terms of environmental efforts, both our Headquarters and A1 Factories continue to achieve carbon neutrality. This reflects our responsible actions in addressing global-scale issues such as climate change.

Looking ahead, I expect NSK to continue fulfilling its responsibilities as a member of society and to move forward toward a sustainable future.

GRI Standards Content Index

GRI Standards Content Index

General Disclosures

GRI Standards	Disclosures		Sustainability Report	
	Number		page	
GRI 2: General Disclosures 2021	1. The organization and its reporting practices			
	2-1	Organizational details	P.6	Company Profile
	2-2	Entities included in the organization's sustainability reporting	P.2	Editorial Policy
	2-3	Reporting period, frequency and contact point	P.2	Editorial Policy
	2-4	Restatements of information	-	Not applicable
	2-5	External assurance	P.67	GHG Calculation Report, Third-party Assurance Report (PAS 2060)
	2. Activities and workers			
	2-6	Activities, value chain and other business relationships	P.8	Business Domain
	2-7	Employees	P.28	Employee Data
	2-8	Workers who are not employees	-	
	3. Governance			
	2-9	Governance structure and composition	P.123	Corporate Governance
	2-10	Nomination and selection of the highest governance body	P.123	Corporate Governance
	2-11	Chair of the highest governance body	P.123	Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	P.123	Corporate Governance
	2-13	Delegation of responsibility for managing impacts	-	
	2-14	Role of the highest governance body in sustainability reporting	P.14	Sustainability at NSK
	2-15	Conflicts of interest	P.123	Corporate Governance
	2-16	Communication of critical concerns	P.129 P.131	Compliance Promotion Structure Risk Management
	2-17	Collective knowledge of the highest governance body	P.123	Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	P.124	Evaluation for the effectiveness of directors
	2-19	Remuneration policies	P.125	Officers' Remuneration
	2-20	Process to determine remuneration	P.124	Nomination and Remuneration Committee
	2-21	Annual total compensation ratio	-	
	4.Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	P.3	TOP Message
	2-23	Policy commitments	P.127	Compliance Behavioral Guidelines
	2-24	Embedding policy commitments	P.129	Initiatives
	2-25	Processes to remediate negative impacts	P.129	Initiatives
	2-26	Mechanisms for seeking advice and raising concerns	P.130	Whistle-blower System
	2-27	Compliance with laws and regulations	-	Not applicable
	2-28	Membership associations	P.27	Responsible Marketing
	5. Stakeholder engagement			
	2-29	Approach to stakeholder engagement	P.26	Customer Service Structure
			P.29	Human Capital Development
			P.34	Conducive Workplace Environments
			P.27	Responsible Marketing
			P.49	Relationships with the Local Community: Social Contribution Activities
	2-30	Collective bargaining agreements	-	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	P.17	Materiality for Sustainability Promoted by NSK
	3-2	List of material topics	P.17	Materiality for Sustainability Promoted by NSK
	3-3	Management of material topics	P.17	Materiality for Sustainability Promoted by NSK

Economic

GRI Standards	Disclosures		Sustainability Report	
	Number		page	
GRI201: Economic Performance 2016	201-1	Direct economic value generated and distributed	P.7	Financial Results
	201-2	Financial implications and other risks and opportunities due to climate change	P.59	Identifying Environmental Risks and Opportunities
	201-3	Defined benefit plan obligations and other retirement plans	P.37	Employee benefits
	201-4	Financial assistance received from government	-	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	
	202-2	Proportion of senior management hired from the local community	-	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	-	
	203-2	Significant indirect economic impacts	-	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	P.49	Social Contribution Activities
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	-	
	205-2	Communication and training about anti-corruption policies and procedures	P.27	Responsible Marketing
			P.47	Responsible Supply Chain
			P.130	Preventing Corruption
	205-3	Confirmed incidents of corruption and actions taken	-	Not applicable
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	Not applicable
GRI 207: Tax 2019	207-1	Approach to tax	P.133	Tax Transparency
	207-2	Tax governance, control, and risk management	P.133	Tax Transparency
	207-3	Stakeholder engagement and management of concerns related to tax	P.133	Tax Transparency
	207-4	Country-by-country reporting	-	

Environmental

GRI Standards	Disclosures		Sustainability Report	
	Number		page	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	P.70	State of Environmental Impact of Business Activities
			P.92	Effective Use of Resources
	301-2	Recycled input materials used	-	
	301-3	Reclaimed products and their packaging materials	-	
GRI 302: Energy	302-1	Energy consumption within the organization	P.70	State of Environmental Impact of Business Activities
	302-2	Energy consumption outside of the organization	-	
	302-3	Energy intensity	P.70	State of Environmental Impact of Business Activities
	302-4	Reduction of energy consumption	P.65	Environmental Activity Results for FY2022
	302-5	Reductions in energy requirements of products and services	-	
GRI303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	P.114	Conserving Water Resources
	303-2	Management of water discharge-related impacts	P.114	Conserving Water Resources
	303-3	Water withdrawal	P.70	State of Environmental Impact of Business Activities
	303-4	Water discharge	P.70	State of Environmental Impact of Business Activities
	303-5	Water consumption	P.70	State of Environmental Impact of Business Activities
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	
	304-2	Significant impacts of activities, products, and services on biodiversity	-	
	304-3	Habitats protected or restored	P.117	Biodiversity Preservation
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	P.72	Controlling Climate Change
	305-2	Energy indirect (Scope 2) GHG emissions	P.72	Controlling Climate Change
	305-3	Other indirect (Scope 3) GHG emissions	P.72	Controlling Climate Change
	305-4	GHG emissions intensity	P.86	Company-wide Initiatives
	305-5	Reduction of GHG emissions	P.86	Company-wide Initiatives
	305-6	Emissions of ozone-depleting substances (ODS)	P.107	Managing Ozone Depleting Substances
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P.109	Reducing Emissions into the Atmosphere
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	-	
	306-2	Management of significant waste-related impacts	-	
	306-3	Waste generated	P.92	Effective Use of Resources
	306-4	Waste diverted from disposal	P.92	Effective Use of Resources
	306-5	Waste directed to disposal	P.92	Effective Use of Resources
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	P.111	Green Procurement
	308-2	Negative environmental impacts in the supply chain and actions taken	P.111	Green Procurement

Social

GRI Standards	Disclosures		Sustainability Report	
	Number		page	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	P.28	Employee Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	
	401-3	Parental leave	P.36	Human Resource System Supporting Diverse Working Styles
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	-	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	P.38	Occupational Safety and Health & Health Management
	403-2	Hazard identification, risk assessment, and incident investigation	P.38	Occupational Safety and Health & Health Management
	403-3	Occupational health services	P.38	Occupational Safety and Health & Health Management
	403-4	Worker participation, consultation, and communication on occupational health and safety	P.38	Occupational Safety and Health & Health Management
	403-5	Worker training on occupational health and safety	P.38	Occupational Safety and Health & Health Management
	403-6	Promotion of worker health	P.40	Health and Productivity Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P.38	Occupational Safety and Health & Health Management
	403-8	Workers covered by an occupational health and safety management system	P.38	Occupational Safety and Health & Health Management
	403-9	Work-related injuries	P.38	Occupational Safety and Health & Health Management
	403-10	Work-related ill health	P.38	Occupational Safety and Health & Health Management
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	-	
	404-2	Programs for upgrading employee skills and transition assistance programs	P.30	Training & Education System
	404-3	Percentage of employees receiving regular performance and career development reviews	-	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	P.28	Employee Data
	405-2	Ratio of basic salary and remuneration of women to men	-	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	-	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	P.46	Respect for Human Rights
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P.46	Respect for Human Rights
GRI410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	-	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	P.49	Social Contribution Activities
	413-2	Operations with significant actual and potential negative impacts on local communities	-	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	-	
	414-2	Negative social impacts in the supply chain and actions taken	P.47	Responsible Supply Chain
GRI 415: Public Policy 2016	415-1	Political contributions	-	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	P.22	Quality, Customer Service and Product Responsibility
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	P.27	Responsible Marketing
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	Not applicable
	417-3	Incidents of non-compliance concerning marketing communications	-	Not applicable
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	Not applicable
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	-	Not applicable

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