Annual Securities Report

Fiscal year	*From April 1, 2025*
FY2025	*to March 31, 2026*

(The 106th Term)

NHK Spring Co., Ltd.
and Consolidated Subsidiaries

Cover

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Clause of stipulation	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
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Fiscal year	106th (April 1, 2025 through March 31, 2026)
Company name	日本発条株式会社 (Nippon Hatsujo Kabushiki Gaisha)
Company name in English	NHK SPRING CO., LTD.
Title and name of representative	Kazuhisa Uemura, Representative Member of the Board and President
Address of registered headquarters	3-10 Fukuura, Kanazawa-ku, Yokohama, Japan
Telephone number	+81-45-786-7519
Name of contact person	Takeshi Mima, Director of Accounting Department, Corporate Planning and Control Division
Nearest place of contact	3-10 Fukuura, Kanazawa-ku, Yokohama, Japan
Telephone number	+81-45-786-7519
Name of contact person	Takeshi Mima, Director of Accounting Department, Corporate Planning and Control Division
Place for public inspection	Nagoya Branch, NHK SPRING CO., LTD. (2-249 Kamiyashiro, Meito-ku, Nagoya, Japan) Osaka Branch, NHK SPRING CO., LTD. (3-5-24 Miyahara, Yodogawa-ku, Osaka, Japan) Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I. Company Information

I. Overview of the Company

1. Trends in key financial indicators

(1) Consolidated financial indicators

Fiscal year		102nd	103rd	104th	105th	106th
Fiscal year ended		March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Net sales	(Millions of yen)	586,903	693,246	766,934	801,698	816,879
Ordinary profit	(Millions of yen)	30,674	37,317	47,814	57,960	52,189
Profit attributable to owners of parent	(Millions of yen)	31,998	21,537	39,188	48,167	27,862
Comprehensive income	(Millions of yen)	45,791	36,917	71,866	48,344	47,713
Net assets	(Millions of yen)	338,847	365,860	420,574	423,172	453,035
Total assets	(Millions of yen)	588,091	606,039	690,289	696,340	738,450
Net assets per share	(Yen)	1,414.87	1,541.70	1,828.86	1,999.16	2,160.14
Basic earnings per share	(Yen)	140.33	94.50	173.27	224.73	137.46
Diluted earnings per share	(Yen)	–	–	–	–	–
Equity-to-asset ratio	(%)	54.9	57.6	58.7	58.5	59.3
Return on equity	(%)	10.5	6.4	10.4	11.9	6.6
Price earnings ratio	(Times)	6.3	10.0	8.6	7.1	17.6
Cash flows from operating activities	(Millions of yen)	34,505	13,656	66,706	55,713	77,446
Cash flows from investing activities	(Millions of yen)	4,987	(41,758)	(10,349)	(47,784)	(41,606)
Cash flows from financing activities	(Millions of yen)	(27,658)	(11,546)	(20,996)	(23,625)	(26,953)
Cash and cash equivalents at end of period	(Millions of yen)	91,894	57,845	93,065	81,805	89,963
Number of employees	(Persons)	17,695 [3,387]	17,612 [2,988]	17,739 [2,785]	17,953 [2,856]	18,121 [2,712]

Notes:
1. The number of employees is the number of full-time employees.
2. The figures in parentheses in the "Number of employees" column indicate the annual average number of temporary employees.
3. Information on diluted earnings per share is omitted due to an absence of potential shares.
4. The Company has introduced a stock compensation plan using a Board Benefit Trust (BBT) for its Directors (excluding External Directors) from the 103rd fiscal year and revised this to a restricted stock compensation plan using a Board Benefit Trust-Restricted Stock (BBT-RS), to include Corporate Officers effective from the 106th fiscal year. In calculating the net assets per share, the Company's shares held by the trust are included in the treasury shares deducted from the number of issued shares as of the end of the fiscal period. In addition, in calculating the basic earnings per share, the Company's shares held by the trust are included in the treasury shares deducted from the average number of shares during the period.

(2) Financial indicators of the Reporting Company

Fiscal year		102nd	103rd	104th	105th	106th
Fiscal year ended		March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Net sales	(Millions of yen)	257,895	293,223	321,540	359,434	371,607
Ordinary profit	(Millions of yen)	28,283	31,533	23,776	39,404	47,503
Profit	(Millions of yen)	31,052	4,442	31,910	32,075	42,585
Share capital	(Millions of yen)	17,009	17,009	17,009	17,009	17,009
Total number of issued shares	(Shares)	244,066,144	244,066,144	244,066,144	231,066,144	231,066,144
Net assets	(Millions of yen)	188,454	186,421	209,750	190,896	223,300
Total assets	(Millions of yen)	382,276	389,756	439,340	427,518	468,633
Net assets per share	(Yen)	826.49	822.99	947.12	936.11	1,102.24
Dividends per share	(Yen)	27.00	32.00	42.00	69.00	66.00
[Interim dividends per share]	(Yen)	[12.00]	[15.00]	[17.00]	[30.00]	[33.00]
Basic earnings per share	(Yen)	136.18	19.49	141.09	149.66	210.10
Diluted earnings per share	(Yen)	–	–	–	–	–
Equity-to-asset ratio	(%)	49.3	47.8	47.7	44.7	47.6
Return on equity	(%)	17.8	2.4	16.1	16.0	20.6
Price earnings ratio	(Times)	6.5	48.6	10.6	10.7	11.5
Payout ratio	(%)	19.8	164.2	29.8	46.1	31.4
Number of employees	(Persons)	5,013 [118]	5,053 [111]	5,100 [97]	5,281 [95]	5,350 [94]
Total shareholder return	(%)	109.9	121.2	192.5	214.0	320.5
[Comparison benchmark: TOPIX]	(%)	[102.0]	[107.9]	[152.5]	[150.2]	[202.2]
Highest share price	(Yen)	1,063	984	1,546	2,094	3,239
Lowest share price	(Yen)	744	795	895	1,201	1,298

Notes:

1. Of the dividend per share of 66.00 yen for the fiscal year ended March 31, 2026, the year-end dividend of 33.00 yen is subject to approval at the Annual General Meeting of Shareholders scheduled to be held on June 25, 2026.
2. The number of employees is the number of full-time employees.
3. The figures in parentheses in the “Number of employees” column indicate the annual average number of temporary employees.
4. Information on diluted earnings per share is omitted due to an absence of potential shares.
5. The Company has introduced a stock compensation plan using a Board Benefit Trust (BBT) for its Directors (excluding External Directors) from the 103rd fiscal year and revised this to a restricted stock compensation plan using a Board Benefit Trust-Restricted Stock (BBT-RS), to include Corporate Officers effective from the 106th fiscal year. In calculating the net assets per share, the Company’s shares held by the trust are included in the treasury shares deducted from the number of issued shares as of the end of the fiscal period. In addition, in calculating the basic earnings per share, the Company’s shares held by the trust are included in the treasury shares deducted from the average number of shares during the period.
6. The highest and lowest share prices are those quoted on the Tokyo Stock Exchange Prime Market on or after April 4, 2022, and on the Tokyo Stock Exchange 1st Section before April 4, 2022.

2. History

The Company was established in June 1936 for the purpose of manufacturing automotive and vehicle springs. We have a history of over 80 years in the field of automotive suspension springs, and have grown to the present day while expanding our business to include precision springs for automobiles, home appliances, and information equipment, as well as automotive seats.

Month/Year	Summary
June 1936	Established as Shibaura Spring.
September 1939	Shibaura Spring changed its name and founded as NHK SPRING CO., LTD.
November 1940	Head Office moved to Yokohama-shi, Kanagawa with the start of automotive suspension spring operation at Yokohama Plant.
December 1943	Ina Plant started production of precision springs.
December 1953	Participated in the management of YOKOHAMA KIKO CO., LTD. (now a consolidated subsidiary).
March 1954	Listed on the Tokyo Stock Exchange.
February 1958	NHK Precision Co., Ltd. (now a consolidated subsidiary) established.
May 1958	Merger with Daido Spring Co., Ltd., a manufacturer of suspension springs, to make it the Company's Kawasaki Plant.
May 1959	The sales division of automotive repair springs spun off and established as NHK SALES CO., LTD. (now a consolidated subsidiary).
June 1961	A new plant specializing in precision springs established at Kawasaki Plant. Toyota Plant established in Toyota-shi, Aichi as a plant specializing in automotive seats.
December 1962	A new plant specializing in automotive seats established at Kawasaki Plant.
July 1963	NHK TRANSPORT CO., LTD. (now a consolidated subsidiary) established.
December 1963	A joint venture company NHK Spring (Thailand) Co., Ltd. (now a consolidated subsidiary) established in Thailand.
August 1964	Hiroshima Plant established in Aki-gun (now Hiroshima-shi), Hiroshima as a plant specializing in automotive seats.
December 1968	Participated in the management of NIPPON SHAFT CO., LTD. (now a consolidated subsidiary).
July 1969	Ota Plant established in Ota-shi, Gunma as a plant specializing in automotive seats.
May 1970	Atsugi Plant established in Aiko-gun, Kanagawa as a plant specializing in piping support equipment.
November 1970	The plant specializing in precision springs at Kawasaki Plant closed and relocated to a newly established Atsugi Plant.
November 1973	Shiga Plant established in Koka-gun (now Koka-shi), Shiga as a plant specializing in automotive suspension springs.
February 1975	Capital participation in the Brazilian leaf spring manufacturer Cimebra, and a joint venture company NHK Cimebra Indústria de Molas Ltda. established in Brazil.
December 1975	Participated in the management of Sumihatsu Co., Ltd. (now a consolidated subsidiary).
April 1980	Acquired Kabushiki Kaisha Sanchu Ko (Komaki-shi, Aichi) and reorganized it as Komaki Plant, Industrial Machinery Division.
September 1980	A joint venture company Eguzkia NHK S.A. established in Spain.
December 1981	A chemical products plant established in Komagane-shi, Nagano.
November 1983	Komagane Plant established as a plant specializing in control cables.
September 1986	A joint venture company NHK-Associated Spring Suspension Components Inc. (now NHK of America Suspension Components Inc., a consolidated subsidiary) established in the U.S.
October 1986	A precision components plant established in Komagane-shi, Nagano.
December 1986	Gunma Plant established in Nitta-gun (now Ota-shi), Gunma as a plant specializing in automotive seats.
April 1987	NIPPATSU SERVICE Co., Ltd. (now a consolidated subsidiary) established through merger with Nippo Kabushiki Kaisha.
May 1987	General Seating of America established in the U.S. (now NHK Seating of America, Inc., a consolidated subsidiary) and General Seating of Canada established in Canada through a joint venture with Lear Seating Corporation (now Lear Corporation).
September 1987	Acquired assets of the mather metal division of Neoax in the U.S. to establish New Mather Metals Inc. (now a consolidated subsidiary).
November 1987	Yokohama site established in Kanazawa-ku, Yokohama as a plant specializing in automotive suspension springs.
November 1989	A joint venture company Ibérica de Suspensiones, S.L. established in Spain.
April 1990	Yokohama Plant (seating) (relocated from Kawasaki-shi, Kanagawa) established at Yokohama site.

Month/Year	Summary
October 1990	NHK Precision Co., Ltd. started to offer its shares to the public through the over-the-counter market.
December 1990	Closed Hiroshima Plant and transferred it to Higashi-Hiroshima-shi, Hiroshima.
February 1991	Head Office transferred from Isogo-ku, Yokohama to Yokohama site in Kanazawa-ku.
March 1993	A plant of the Industrial Machinery and Equipment Division relocated to a newly established plant in Isehara-shi, Kanagawa.
July 1994	NHK Manufacturing (Malaysia) SDN. BHD. (now a consolidated subsidiary) established in Malaysia.
December 1994	NHK Spring (Hong Kong) Co., Ltd. established in Hong Kong.
April 1995	ITES Co., Ltd. (now a consolidated subsidiary) established.
July 1996	Acquired Fabrini, a Brazilian suspension spring manufacturer, jointly with Rasini of Mexico.
August 1996	In Thailand, NHK Spring (Thailand) Co., Ltd. (now a consolidated subsidiary) started operations at its second plant for automotive seats and interior products and precision spring plant, and started construction of the second automotive suspension spring plant.
October 1996	General Seating (Thailand) Co., Ltd. established as a joint venture with Lear Corporation of the U.S. to manufacture automotive seats.
October 1996	Suspension Plant No. 2 established in Komagane-shi, Nagano as a plant specializing in HDD suspensions.
October 1996	Production plant for parking equipment transferred from Komaki-shi, Aichi to Yasu-gun (now Yasu-shi), Shiga.
September 1997	NHK SALES CO., LTD. (now a consolidated subsidiary) started to offer its shares to the public through the over-the-counter market.
January 1998	Capital participation in Jamna Group, a manufacturer of automotive suspension springs in India, to which the Company had provided technical assistance for the past 10 years.
March 1998	Closure of Hiroshima Plant for the purpose of consolidating production sites.
April 1998	JAMNA-NHK-ALLEVARD Suspension Components Ltd., a joint venture with Jamna Group of India, established.
September 1998	Merged Fabrini and NHK Cimebra Indústria de Molas Ltda. in Brazil jointly with Rasini of Mexico to establish Rassini-NHK Autopeças Ltda.
July 1999	Suspension Plant No. 3 established in Komagane-shi, Nagano as a plant specializing in HDD suspensions.
July 2000	NHK Parking Systems Co., Ltd. (now a consolidated subsidiary) established as a joint venture with NHK TRANSPORT CO., LTD.
October 2001	Faurecia-NHK Co., Ltd. and FAURECIA-NHK KYUSHU CO., LTD. (now a consolidated subsidiary) established as joint venture companies with Faurecia of France.
May 2002	NHK-Uni Spring (Guangzhou) Co., Ltd. (now a consolidated subsidiary), a joint venture company, established in China.
June 2002	Acquisition of additional shares of NHK Parking Systems Co., Ltd. (now a consolidated subsidiary) from NHK TRANSPORT CO., LTD. (now a consolidated subsidiary) to make the former a wholly owned subsidiary.
September 2003	Ibérica de Suspensiones, S.L. in Spain merged with Eguzkia NHK S.A.
October 2003	NHK Precision Co., Ltd. (now a consolidated subsidiary) became a wholly owned subsidiary through a share exchange.
October 2003	HORIKIRI, INC. (now a consolidated subsidiary) became a subsidiary.
October 2003	NHK Spring Precision (Guangzhou) Co., Ltd. (now a consolidated subsidiary) established in China.
November 2003	NHK Spring (Shenzhen) Co., Ltd. established in China.
November 2003	NAT Peripheral (H.K.) Co., Ltd. (now a consolidated subsidiary), a joint venture company, established in China.
April 2004	Acquisition of additional shares of Uniflex (now NHK FLEX Co., Ltd., a consolidated subsidiary) to make it a wholly owned subsidiary.
January 2005	New Mather Metals Inc. became a wholly owned subsidiary of NHK International Corporation (now a consolidated subsidiary) through a share exchange.
April 2005	NHK Spring Precision of America, Inc. (now a consolidated subsidiary) established in the U.S.
May 2005	Acquisition of additional shares of NHK-Associated Spring Suspension Components Inc. (now NHK of America Suspension Components Inc., a consolidated subsidiary) to make it a wholly owned subsidiary.
December 2005	Acquired Tokuhatsu Co., Ltd. (now a consolidated subsidiary) from Daido Steel Co., Ltd.
February 2006	Acquisition of additional shares of General Seating of America (now NHK Seating of America, Inc., a consolidated subsidiary) to make it a wholly owned subsidiary.
September 2006	NHK Precision (Thailand) Co., Ltd. became a consolidated subsidiary.
September 2006	TOHOKU NIPPATSU CO., LTD. became a consolidated subsidiary.
July 2007	Shares of Thai Automotive Seating & Interior Co., Ltd. sold to Toyota Boshoku.
December 2007	FAURECIA-NHK KYUSHU CO., LTD. became a consolidated subsidiary.

Month/Year	Summary
April 2008	NIPPATSU SERVICE Co., Ltd. merged with Nippatsu Amenity.
April 2009	NHK Spring India Ltd. became a consolidated subsidiary.
November 2009	Tokyo Sales Branch and Yokohama Sales Branch integrated and relocated to Yokohama Minatomirai Sales Branch.
September 2010	YOKOHAMA KIKO CO., LTD. (now a consolidated subsidiary) became a wholly owned subsidiary through a share exchange.
November 2010	NHK Seating (Hubei) Co., Ltd. (now a consolidated subsidiary) established in China.
December 2010	Acquisition of additional shares of NHK Teleflex (now NHK MEC Corporation, a consolidated subsidiary) to make it a wholly owned subsidiary.
February 2011	NAT Peripheral (Dongguan) Co., Ltd. (now a consolidated subsidiary) established in China.
April 2011	The spring business of YOKOHAMA KIKO CO., LTD. spun off and established as NHK Spring Production Company (now a consolidated subsidiary).
April 2011	FNK China Co., Ltd. established in China.
July 2011	Acquired the precision spring business of Bombay Burmah Trading Corporation Ltd. in India to establish NHK Automotive Components India Private Limited (now a consolidated subsidiary).
November 2011	NHK Spring (China) Co., Ltd. (now a consolidated subsidiary) established in China.
April 2012	NHK SALES CO., LTD. (now a consolidated subsidiary) became a wholly owned subsidiary through a share exchange.
April 2012	Topura Co., Ltd. (now a consolidated subsidiary) became a wholly owned subsidiary through a share exchange.
May 2012	NHK Seating (Zhengzhou) Co., Ltd. established in China.
May 2012	Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd. established in China as a joint venture with Faurecia of France.
November 2012	Acquired SUN NHK PHILIPPINES, INC. and changed its name to NHK Spring Philippines, INC.
October 2012	P.T. NHK F. KBU Indonesia Automotive Seating established in Indonesia as a joint venture with P.T. KARYA BAHANA UNIGAM of Indonesia and Faurecia of France.
February 2013	NHK F. Krishna India Automotive Seating Private Limited established in India as a joint venture with Krishna Group of India.
May 2013	NHK Spring Mexico, S.A. DE. C.V. (now a consolidated subsidiary) established in Mexico.
March 2014	NHK Spring Europe B.V. (now a consolidated subsidiary), a holding company, established in the Netherlands.
April 2014	Topura America Fastener, Inc. became a consolidated subsidiary.
September 2014	NHK SPRING KYUSHU CO., LTD. (now a consolidated subsidiary) established in Miyako-gun, Fukuoka.
April 2015	Acquisition of additional shares of NAT Peripheral (H.K.) Co., Ltd. (now a consolidated subsidiary) to make it a wholly owned subsidiary.
April 2015	NHK Spring Hungary KFT. (now a consolidated subsidiary) established in Hungary.
July 2017	NHK SEATING MIZUSHIMA Co., Ltd. (now a consolidated subsidiary) established in Kurashiki-shi, Okayama.
February 2019	NAT Peripheral (H.K.) Co., Ltd. merged with NHK Spring (Hong Kong) Co., Ltd.
March 2019	Miyada Plant established in Kamiina-gun, Nagano.
July 2021	Sold all of its equity interest in NHK Seating (Zhengzhou) Co., Ltd. (excluded from the scope of consolidation).
April 2022	Moved from the First Section of the Tokyo Stock Exchange to the Prime Market due to a revision of the Tokyo Stock Exchange’s market classification.
April 2025	NHK Automotive Components India Private Limited became a consolidated subsidiary.

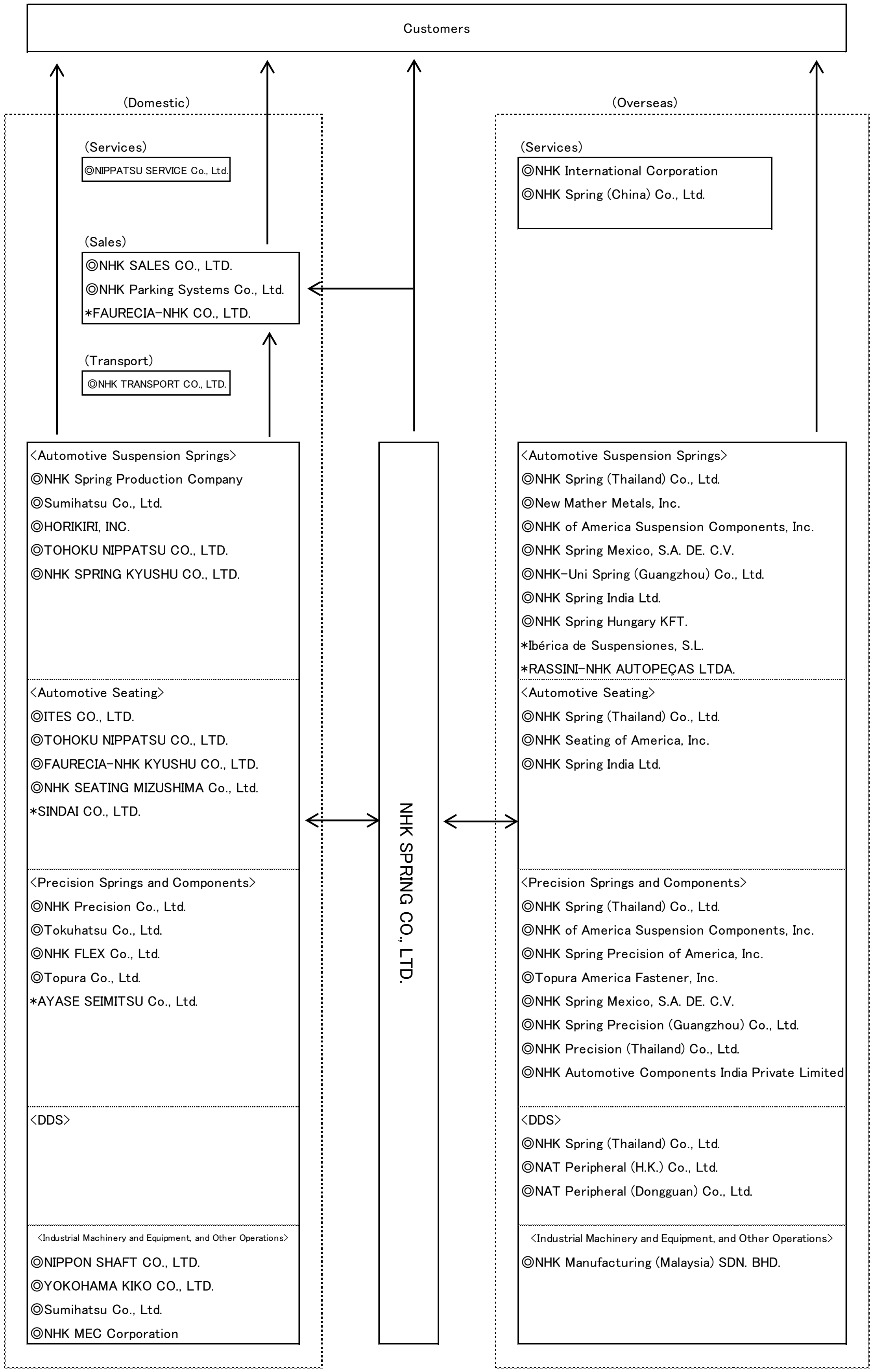
3. Description of business

Consisting of the Company, 67 subsidiaries (including 39 overseas subsidiaries), and 8 associates (including 6 overseas associates), the Group is engaged in the manufacture and sale of automotive parts such as suspension springs, seats and seat parts, and precision parts, as well as the manufacture and sale of information equipment-related products and parts, and logistics and other service businesses related to the above businesses.

The positioning of the Group's businesses and their relationship to the segments are as follows. The following business segments are the same as the segments.

Business segment	Sales category	Area		Principal companies
Automotive Suspension Springs Business	Coil springs, leaf springs, stabilizer bars, accumulators, bellows, torsion bars, stabilizer links, stabilinker, etc.	Domestic	Manufacture and sales	NHK SPRING CO., LTD., NHK Spring Production Company, Sumihatsu Co., Ltd., HORIKIRI, INC., TOHOKU NIPPATSU CO., LTD., and NHK SPRING KYUSHU CO., LTD.
		Overseas	Manufacture, sales, and other	NHK Spring (Thailand) Co., Ltd., NHK International Corporation, New Mather Metals Inc., NHK of America Suspension Components Inc., NHK-Uni Spring (Guangzhou) Co., Ltd., NHK Spring India Ltd., NHK Spring Mexico, S.A. DE. C.V., NHK Spring Hungary KFT., etc.
Automotive Seating Business	Automobile seats, mechanical components for seats, interior components, etc.	Domestic	Manufacture and sales	NHK SPRING CO., LTD., ITES Co., Ltd., TOHOKU NIPPATSU CO., LTD., FAURECIA-NHK KYUSHU CO., LTD., NHK SEATING MIZUSHIMA Co., Ltd., etc.
		Overseas	Manufacture and sales	NHK Spring (Thailand) Co., Ltd., NHK Seating of America, Inc., NHK Spring India Ltd., etc.
Precision Springs and Components Business	Motor cores, flat springs, wire springs, HDD mechanical components, fastener (screw), precision machine components, etc.	Domestic	Manufacture and sales	NHK SPRING CO., LTD., NHK Precision Co., Ltd., Tokuhatsu Co., Ltd., NHK FLEX Co., Ltd., Topura Co., Ltd. etc.
		Overseas	Manufacture and sales	NHK Spring (Thailand) Co., Ltd., NHK of America Suspension Components Inc., NHK Spring Precision of America, Inc., Topura America Fastener, Inc., NHK Spring Mexico, S.A. DE. C.V., NHK Spring Precision (Guangzhou) Co., Ltd., NHK Precision (Thailand) Co., Ltd., NHK Automotive Components India Private Limited, etc.
DDS Business	HDD suspensions and semiconductor testing probe units	Domestic	Manufacture and sales	NHK SPRING CO., LTD.
		Overseas	Manufacture and sales	NHK Spring (Thailand) Co., Ltd., NAT Peripheral (H.K.) Co., Ltd., and NAT Peripheral (Dongguan) Co., Ltd.
Industrial Machinery and Equipment, and Other Operations Business	Semiconductor process components, ceramic products, spring components, piping support equipment, integrated metal substrates, parking equipment, security products, electronic remote controls for ships, golf shafts, lighting fixtures, etc.	Domestic	Manufacture and sales	NHK SPRING CO., LTD., YOKOHAMA KIKO CO., LTD., NIPPON SHAFT CO., LTD., Sumihatsu Co., Ltd., NHK MEC Corporation, etc.
			Sales	NHK SALES CO., LTD., NHK Parking Systems Co., Ltd., NIPPATSU SERVICE Co., Ltd., etc.
			Transport	NHK TRANSPORT CO., LTD., etc.
		Overseas	Manufacture, sales, and other	NHK Manufacturing (Malaysia) SDN. BHD., NHK Spring (China) Co., Ltd., etc.

The following chart shows the Group's business structure.



Notes:

◎ denotes consolidated subsidiaries.

* denotes companies accounted for by the equity method.

Arrows indicate product flow.

4. Overview of subsidiaries and associates

Name	Address	Share capital or investments in capital (Millions of yen)	Description of principal business	Ratio of owning (owned) voting rights		Relationship
				Ratio of owning voting rights (%)	Ratio of owned voting rights (%)	
(Consolidated subsidiaries)						
NHK SALES CO., LTD. (Nippan)	Minato-ku, Tokyo	2,040	Industrial Machinery and Equipment, and Other Operations Business	100	–	Most of the springs purchased from the Company, and some of the others, from affiliated companies. Intra-Group financing.
YOKOHAMA KIKO CO., LTD.	Kanazawa-ku, Yokohama	95	Industrial Machinery and Equipment, and Other Operations Business	100	–	Intra-Group financing.
NHK Precision Co., Ltd.	Isehara-shi, Kanagawa	480	Precision Springs and Components Business	100	–	Products purchased mainly by the Company. Intra-Group financing.
NHK TRANSPORT CO., LTD.	Kanazawa-ku, Yokohama	120	Industrial Machinery and Equipment, and Other Operations Business	98.6 (Indirect ownership: 8.6)	–	Transports most of the products of the Company and its affiliated companies. Intra-Group financing. Equipment leased from the Company.
NIPPATSU SERVICE Co., Ltd.	Kanagawa-ku, Yokohama	200	Industrial Machinery and Equipment, and Other Operations Business	100	–	Provides insurance and other services to the Company's employees. Intra-Group financing. Leases equipment to the Company.
NIPPON SHAFT CO., LTD.	Kanazawa-ku, Yokohama	390	Industrial Machinery and Equipment, and Other Operations Business	90.4 (Indirect ownership: 7.6)	–	Intra-Group financing.
Sumihatsu Co., Ltd.	Sakuragawa-shi, Ibaraki	345	Automotive Suspension Springs Business Industrial Machinery and Equipment, and Other Operations Business	98.6 (Indirect ownership: 2.0)	–	The majority of the products purchased by the Company. Intra-Group financing.
ITES CO., LTD.	Totsuka-ku, Yokohama	50	Automotive Seating Business	100	–	The majority of the products purchased by the Company. Intra-Group financing. Equipment leased from the Company.
HORIKIRI, INC.	Yachiyo-shi, Chiba	375	Automotive Suspension Springs Business	80.0	–	Products purchased mainly by the Company. Intra-Group financing.

Name	Address	Share capital or investments in capital (Millions of yen)	Description of principal business	Ratio of owning (owned) voting rights		Relationship
				Ratio of owning voting rights (%)	Ratio of owned voting rights (%)	
NHK FLEX Co., Ltd.	Ina-shi, Nagano	450	Precision Springs and Components Business	100	–	Products purchased mainly by the Company. Intra-Group financing. Equipment leased from the Company.
NHK Parking Systems Co., Ltd.	Nishi-ku, Yokohama	50	Industrial Machinery and Equipment, and Other Operations Business	100	–	Purchases the majority of the products from the Company. Intra-Group financing.
Tokuhatsu Co., Ltd.	Itami-shi, Hyogo	150	Precision Springs and Components Business	100	–	Intra-Group financing.
TOHOKU NIPPATSU CO., LTD.	Kitakami-shi, Iwate	99	Automotive Suspension Springs Business Automotive Seating Business	97.7	–	Products purchased mainly by the Company. Intra-Group financing.
FAURECIA-NHK KYUSHU CO., LTD.	Kanda-machi, Miyako-gun, Fukuoka	499	Automotive Seating Business	81.0	–	Products and parts purchased from the Company. Intra-Group financing.
NHK MEC Corporation	Kohoku-ku, Yokohama	80	Industrial Machinery and Equipment, and Other Operations Business	100	–	Intra-Group financing.
NHK Spring Production Company	Isehara-shi, Kanagawa	206	Automotive Suspension Springs Business	100	–	The majority of the products purchased by the Company. Intra-Group financing.
Topura Co., Ltd.	Hadano-shi, Kanagawa	1,838	Precision Springs and Components Business	100	–	Parts purchased mainly by the Company. Intra-Group financing.
NHK SPRING KYUSHU CO., LTD.	Kanda-machi, Miyako-gun, Fukuoka	99	Automotive Suspension Springs Business	100	–	The majority of the products purchased by the Company. Intra-Group financing.
NHK SEATING MIZUSHIMA Co., Ltd.	Kurashiki-shi, Okayama	99	Automotive Seating Business	100	–	The majority of the products purchased by the Company. Intra-Group financing.
NHK International Corporation	Novi, Michigan, U.S.	US$ 4,750,000	Automotive Suspension Springs Business	100	–	The development, manufacturing and sales of spring products supported by the Company. Intra-Group financing. Guaranteed by the Company.
New Mather Metals, Inc.	Franklin, Kentucky, U.S.	US$ 2,000	Automotive Suspension Springs Business	100 (Indirect ownership: 100)	–	The development, manufacturing and sales of spring products supported by the Company. Intra-Group financing.

Name	Address	Share capital or investments in capital (Millions of yen)	Description of principal business	Ratio of owning (owned) voting rights		Relationship
				Ratio of owning voting rights (%)	Ratio of owned voting rights (%)	
NHK of America Suspension Components, Inc.	Bowling Green, Kentucky, U.S.	US$ 11,000,000	Automotive Suspension Springs Business Precision Springs and Components Business	100 (Indirect owner-ship: 100)	–	The development, manufacturing and sales of spring products and precision springs and components supported by the Company. Intra-Group financing.
NHK Seating of America, Inc.	Frankfort, Indiana, U.S.	US$ 1,900,000	Automotive Seating Business	100 (Indirect owner-ship: 100)	–	The development, manufacturing and sales of automotive seats supported by the Company. Intra-Group financing.
NHK Spring Precision of America, Inc.	Louisville, Kentucky, U.S.	US$ 1,000	Precision Springs and Components Business	100 (Indirect owner-ship: 100)	–	The development, manufacturing and sales of precision springs and components supported by the Company. Intra-Group financing.
Topura America Fastener, Inc.	Bowling Green, Kentucky, U.S.	US$ 6,025,000	Precision Springs and Components Business	100 (Indirect owner-ship: 100)	–	The development, manufacturing and sales of precision springs and components supported by the Company. Intra-Group financing.
NHK Spring Mexico, S.A. DE. C.V.	Irapuato, Guanajuato, Mexico	50,000 pesos	Automotive Suspension Springs Business Precision Springs and Components Business	100	–	The development, manufacturing and sales of spring products and precision springs and components supported by the Company. Intra-Group financing. Guaranteed by the Company.
NHK Spring (Thailand) Co., Ltd.	Bangplee, Samutprakarn, Thailand	410 million baht	Automotive Suspension Springs Business Automotive Seating Business Precision Springs and Components Business DDS Business	95.3	–	The development, manufacturing and sales of spring products, automotive seats, precision springs and components, and DDS products supported by the Company. Intra-Group financing.
NHK Precision (Thailand) Co., Ltd.	Muang Samutprakarn, Samut Prakan, Thailand	170 million baht	Precision Springs and Components Business	100 (Indirect owner-ship: 97.8)	–	The development, manufacturing and sales of precision springs and components supported by the Company.
NHK Spring India Ltd.	Manesar, India	1,292 million Indian rupee	Automotive Suspension Springs Business Automotive Seating Business	100	–	The development, manufacturing and sales of spring products and automotive seats supported by the Company.
NHK Automotive Components India Private Limited	Chhatrapati Sambhajinagar,	490 million Indian rupee	Precision Springs and	100	–	The development, manufacturing and sales of precision springs

Name	Address	Share capital or investments in capital (Millions of yen)	Description of principal business	Ratio of owning (owned) voting rights		Relationship
				Ratio of owning voting rights (%)	Ratio of owned voting rights (%)	
	Maharashtra, India		Components Business			and components supported by the Company.
NAT Peripheral (H.K.) Co., Ltd.	Kowloon, Hong Kong Special Administrative Region, China	HK$ 70,000,000	DDS Business	100	–	The development, manufacturing and sales of DDS products supported by the Company. Intra-Group financing.
NHK-Uni Spring (Guangzhou) Co., Ltd.	Guangzhou Economic and Technological Development Zone, Guangzhou, China	200,196,000 yuan	Automotive Suspension Springs Business	60.0	–	The development, manufacturing and sales of spring products supported by the Company. Intra-Group financing.
NHK Spring Precision (Guangzhou) Co., Ltd.	Guangzhou Economic and Technological Development Zone, Guangzhou, China	186,144,000 yuan	Precision Springs and Components Business	100	–	The development, manufacturing and sales of precision springs and components supported by the Company. Intra-Group financing.
NAT Peripheral (Dongguan) Co., Ltd.	Chang'an, Dongguan, Guangdong, China	200,000,000 yuan	DDS Business	100 (Indirect owner-ship: 100)	–	The development, manufacturing and sales of DDS products supported by the Company. Intra-Group financing.
NHK Spring (China) Co., Ltd.	Tianhe District, Guangzhou, Guangdong, China	189,159,000 yuan	Industrial Machinery and Equipment, and Other Operations Business	100	–	Intra-Group financing. Guaranteed by the Company.
NHK Seating (Hubei) Co., Ltd.	Xiangyang Gaoxin District, Xiangyang, Hubei, China	241,200,000 yuan	Automotive Seating Business	100	–	The development, manufacturing and sales of automotive seats supported by the Company. Intra-Group financing.
NHK Manufacturing (Malaysia) SDN. BHD.	Seremban, Negeri Sembilan, Malaysia	108,990,000 Malaysian ringgit	Industrial Machinery and Equipment, and Other Operations Business	100	–	The development, manufacturing and sales of integrated metal substrate products supported by the Company. Intra-Group financing.
NHK Spring Europe B.V.	Amsterdam, Noord-Holland, the Netherlands	350,000 euro	Automotive Suspension Springs Business	100	–	The development and sales of spring products supported by the Company.
NHK Spring Hungary KFT.	Tata, Komárom-Esztergom, Hungary	10 million forints	Automotive Suspension Springs Business	100	–	The development, manufacturing and sales of spring products supported by the Company. Intra-Group financing.
(Associates accounted for using equity method) FAURECIA-NHK CO., LTD.	Naka-ku, Yokohama	400	Automotive Seating Business	50.0	–	Develops and sells automotive seats. Intra-Group financing.
Other 4 companies						

Notes: 1 The “Description of principal business” column lists the name of the segment.

2 The figure shown in the parentheses in the “Ratio of owning (owned) voting rights” column indicates the indirect ownership ratio and is included in the immediately above ratio.

3 NHK SALES CO., LTD., Topura Co., Ltd., NHK Manufacturing (Malaysia) SDN. BHD., NHK-Uni Spring (Guangzhou) Co., Ltd., NHK Spring Precision (Guangzhou) Co., Ltd., NHK Spring India Ltd., NHK Spring (China) Co., Ltd. and NHK Seating (Hubei) Co., Ltd. are specified subsidiaries.

4 The ratio of net sales of NHK Spring (Thailand) Co., Ltd. (excluding inter-company sales among consolidated companies) to consolidated net sales exceeds 10%.

(Millions of yen)

	Key profit and loss information				
	Net sales	Ordinary profit	Profit	Net assets	Total assets
NHK Spring (Thailand) Co., Ltd.	152,286	10,258	8,285	71,148	119,935

5 In addition to the above, there are two small non-consolidated subsidiaries accounted for by the equity method.

6 The following two consolidated subsidiaries are currently undergoing liquidation proceedings.

NHK Seating (Hubei) Co., Ltd. and NHK Spring Europe B.V.

II. Overview of Business

1. Management policy, management environment, issues to be addressed, etc.

The Group's management policy, management environment, and issues to be addressed, etc. are as follows.

Forward-looking statements contained herein represent the judgment of the Group as of the end of the fiscal year under review.

(1) Management policy

The Group has adopted the NHK Spring Group Corporate Philosophy, newly established on April 1, 2026, as its basic management policy. Under this corporate philosophy, the Group aims to constantly provide customers with attractive products and services by leveraging its diverse technologies and innovative ideas, and to become a corporate group that earns the trust of its stakeholders through solving social issues and achieving sustainable growth.

NHK SPRING GROUP
CORPORATE PHILOSOPHY

Key Parts, Driving the World Forward

We provide many key parts to the automotive, data communications, industrial, and consumer goods industries by making full use of our core technologies such as "materials development technology," "metal processing technology," "heat treatment technology," "simulation technology," and "bonding technology" cultivated through our automotive parts business.

We aim to contribute to a "sustainable society" by accelerating our response to the drastically changing business environment, such as the ever-increasing electrification of automobiles and the sophistication of data communications, while establishing a stable revenue base for the future and proactively addressing social issues such as carbon neutrality.

(2) Management strategies, etc.

The fiscal year under review was the second year of the 2026 Mid-term Plan, a medium-term management plan spanning from FY2024 to FY2026. The slogans of the 2026 Mid-term Plan are "Respect for people & contribute to society" and "Further promotion of sustainability," and the basic policies are "Respect for people," "Contribute to society," and "Purchase appropriately, manufacture accurately, market and sell properly." Under these slogans and basic policies, we have been working to improve our corporate value and profitability.

FY2026 is the final year of the 2026 Mid-term Plan, a medium-term management plan. The Group continues to set forth "Value of people: Valuing employees and stakeholders," "Social value: Contributing to solving social issues," "Economic value: Aiming to become a profitable company," and "Product value: Providing indispensable key parts" as its four management policies. The entire Group will work together to enhance corporate value and pass these four values on to the future.

(3) Objective indicators to judge the achievement of management targets, etc.

The Group has established the following management targets in the 2026 Mid-term Plan.

We plan to increase sales in both the automobile-related and data communications-related markets, and aim to improve profitability by promoting automation and increasing productivity.

FY2025 results, FY2026 forecasts, and FY2026 management indicator targets

		FY2025 results	FY2026 forecasts	FY2026 targets
Net sales	(Hundred million yen)	8,168	8,600	8,500
Operating profit	(Hundred million yen)	457	590	520
Ordinary profit	(Hundred million yen)	521	640	570
Profit attributable to owners of parent	(Hundred million yen)	278	450	430
ROE		6.6%	10.0%	10% or more
ROIC		6.8%	8.0%	7% or more
Payout ratio		48.0%	31.1%	30% or more
Equity-to-asset ratio		59.3%	61.4%	50% or more

Note: Major assumptions for the FY2026 targets: Global automobile production volume of 98 million units; HDD production volume of 118 million units; and an exchange rate of 145 yen/US dollar.

(4) Management environment

During the fiscal year under review, the global economy maintained solid growth generally despite continuing geopolitical risks and uncertainty surrounding monetary policy. Meanwhile, economic trends varied by region, and the outlook remains uncertain.

In the automotive-related market, which is the main business field of the Group, while global automobile production increased, it declined in Japan, North America, and Mexico, resulting in a business environment characterized by regional disparities overall.

Number of automobiles produced in the fiscal year ended March 31, 2026

		Thousand units	Y/y	Of which, those produced by Japanese makers	Y/y
Global		95,906	3.3%	24,781	(0.7)%
By country	Domestic	8,186	(1.0)%	–	–
	North America (U.S., Canada)	11,675	(1.6)%	4,185	(1.3)%
	Mexico	4,183	(0.8)%	1,337	1.1%
	Thailand	1,492	0.9%	1,164	(4.7)%
	China	34,080	10.1%	2,827	(8.4)%

Note: The above numbers are calculated according to the fiscal year end of each location.

In the other major business field, the data communications-related market, demand for high-capacity HDD for data centers remained strong against the backdrop of the expansion of AI and cloud services, and demand for suspensions for HDD, the Company’s main product, continued to remain at a high level.

(5) Business and financial issues to be addressed

<Overall businesses>

The global economy continues to face an uncertain outlook due to trade policy reviews in various countries and concerns over energy supply and price trends stemming from the situation in the Middle East. In the automobile-related sector in particular, a review of global production bases and changes in the trend toward electrification are expected. Meanwhile, the business environment surrounding the Group is becoming increasingly fierce, with rising costs associated with inflation and difficulties in securing human resources. The challenge for the Group is to accelerate its response to these drastic changes in the business environment while continuing to grow sustainably.

We will create a virtuous cycle of responding flexibly to changes in the environment, conducting speedy business to meet customer needs, encouraging diverse human resources to develop and play active roles, providing indispensable key parts, and becoming a company that contributes to solving social and global environmental issues, thereby enhancing the value of the NHK Spring Group.

<Automotive Suspension Springs Business>

The Automotive Suspension Springs Business has been facing challenges such as hikes in raw materials, logistics, and power and utilities costs, intensifying price competition, and securing stable labor force at our North American bases. We will work to establish a stable production and supply system at all of our global bases and strive to enhance profitability by improving selling prices and productivity and promoting an optimal order-receipt strategy at our North American bases, improving the added value of products, and promoting manufacturing reforms.

As the electrification of automobiles progresses and demands for lighter weight, higher durability, and space saving continue to increase, we will accelerate the development of processing technologies and new steel grades to improve the added value of products. We will also build a new plant for automotive suspension springs in Western India to meet growing global demand.

<Automotive Seating Business>

In order to deal with persistently high raw materials, logistics, power and utilities costs, the Automotive Seating Business has been striving to pass on the increases to customers by raising product prices. However, it continued to face challenging conditions in terms of profits due to regional disparities in automobile production in Japan and abroad. We will continue to further deepen our relationships with automakers and, as a non-affiliated supplier whose strengths lie in high quality and high performance, we will develop the Automotive Seating Business globally based on two key principles, customer orientation and quality first, in a bid to enhance profitability.

The Company's Automotive Seating Business draws on its strengths, which include an in-house system that covers key processes such as metal processing, production of urethane, and sewing, as well as comprehensive design and development capabilities for complete seating products, such as seats for car sickness mitigation. We will leverage these strengths to develop seats that are lighter in weight and more comfortable to ride in, in response to advances in electrification and automated driving.

<Precision Springs and Components Business>

In addition to persistently high raw materials and logistics costs, the Precision Springs and Components Business faces the challenge of responding to the progress of electrification in the automobile-related sector and to fluctuating HDD demand in the data communications sector. Particularly in the automotive-related sector, changes in the market environment are expected due to policy trends in various countries, requiring more prompt and flexible responses.

With regard to motor cores, we are expanding our global production system, and following our base in Mexico, we have decided to invest in establishing a production system at our base in India as well. We will strive to capture the expected growth in demand for electrification while further strengthening our competitiveness and profitability through the review of manufacturing methods and the development of new technologies.

<DDS Business>

In the DDS Business, demand for high-capacity HDD remains strong against the backdrop of the expansion of AI and cloud services, and sales of suspensions are also holding steady at a high level. As HDD capacity continues to increase and the functions required for suspensions are expected to become even more sophisticated, maintaining and strengthening our competitiveness through continuous technological development and productivity improvement will be a key challenge.

We will improve development capability, technological skills and quality, and promote streamlining measures such as the introduction of AI-based AOI to appropriately increase production capacity, with the aim of securing further earnings.

<Industrial Machinery and Equipment, and Other Operations Business>

In the area of semiconductor process components, as robust demand is expected to continue in the semiconductor market, we will strive to further enhance our profitability by optimally allocating production between the two plants at Isehara and Miyada, improving productivity through digital transformation (DX), and expanding production capacity.

As for integrated metal substrates, in addition to existing products, including those for industrial applications such as automotive LEDs and solar power generation, we will promote the development and expansion of sales of next-generation products that respond to the electrification of automobiles. At the same time, we will work to further improve profitability by optimally allocating production between Komagane Plant and Malaysia Plant, enhancing productivity, and expanding production capacity to meet demand.

In other businesses, we will promote selection and concentration.

2. Approach and initiatives for sustainability

The Group’s approach and initiatives for sustainability are as follows.

Forward-looking statements contained herein represent the judgment of the Group as of the filing date of the Annual Securities Report (June 17, 2026).

(1) Basic policy

Based on the Guiding Principles and Corporate Philosophy, the Group is committed to contributing to the realization of a sustainable society and resolution of social issues by continuing to provide “indispensable key parts” for social change.

We have established the “NHK Spring Group Basic Sustainability Policy” as our policy on the responsibilities that the Group must fulfill to achieve sustainable growth and on the value creation, and we conduct our business activities in accordance with this policy.

NHK Spring Group Basic Sustainability Policy

On the basis of our Corporate Philosophy, we will conduct responsible activities grounded in sound governance, thereby striving through Group-wide efforts to realize a sustainable society and enhance corporate value.

- We will make every effort to preserve the global environment.
- We will respect people and nurture talent.
- We will respect human rights in all of our corporate activities.
- We will conduct our business in a transparent, sincere, and sustainable manner.
- We will comply with international norms as well as the laws and regulations of each country and act with integrity.

(2) Important issues (Materiality)

We have clarified our management issues related to sustainability and are working on the important issues (Materiality) listed in the table below, based on our basic policy and past achievements.

<table>
<tr><th>Cate-gory</th><th colspan="2">Materiality</th><th>Major initiatives</th><th>Target/KPI</th></tr>
<tr><td rowspan="5">Business activities</td><td colspan="4">NHK Spring Group’s Environmental Challenges to preserve the global environment</td></tr>
<tr><td rowspan="2"></td><td>Reduction of CO_2 emissions</td><td>• Promotion of energy conservation
• Electrification of equipment, fuel conversion, line organization
• Technical innovation in production processes and product development
• Use of renewable energy (such as purchase of electricity and capital investment in solar power generation)</td><td><table>
<tr><td rowspan="2">Target companies</td><td colspan="3">Scope 1 + Scope 2 CO_2 emissions</td></tr>
<tr><td>2030</td><td>2039</td><td>2050</td></tr>
<tr><td>The Company and domestic consolidated subsidiaries</td><td>50% reduction compared to FY2013</td><td>Achieve CN</td><td>–</td></tr>
<tr><td>The Company and domestic and overseas consolidated subsidiaries</td><td>37% reduction compared to FY2013</td><td>68% reduction compared to FY2013</td><td>Achieve CN</td></tr>
</table></td></tr>
<tr><td>Reduction of environmentally hazardous substances</td><td>• Thorough separation of waste plastics using a material sorting machine and conversion of waste plastics into valuable resources
• Re-examination of recycling contractors that can recycle
• Promotion of free recycling and conversion of waste materials into valuable resources</td><td><table>
<tr><td rowspan="2">Target companies</td><td colspan="3">Industrial waste (non-recyclable waste)</td></tr>
<tr><td>2030</td><td>2039</td><td>2050</td></tr>
<tr><td>The Company and domestic consolidated subsidiaries</td><td>95% reduction compared to FY2013</td><td>Aim for zero industrial waste</td><td>–</td></tr>
</table></td></tr>
<tr><td colspan="2">Creation of products that contribute to the environment</td><td>• Development, production and stable supply of electric vehicle-related products such as motor cores used in drive motors and integrated metal substrates for inverters of electric vehicles</td><td><table>
<tr><td>Products</td><td>2026 sales target</td><td>2030 sales target</td></tr>
<tr><td>Motor cores</td><td>9.8 billion yen</td><td>30.6 billion yen</td></tr>
<tr><td>Integrated metal substrates</td><td>10.2 billion yen</td><td>25.1 billion yen</td></tr>
</table>As of financial results briefing in May 2026</td></tr>
<tr><td colspan="2">Development of products that will contribute to resolving social issues</td><td>• Development, production and stable supply of HDD-related parts and semiconductor process components responding to demand for big data as informatization accelerates throughout society</td><td><table>
<tr><td>Products</td><td>2026 sales target</td><td>2030 sales target</td></tr>
<tr><td>Semiconductor process components</td><td>38.2 billion yen</td><td>64.3 billion yen</td></tr>
</table>As of financial results briefing in May 2026</td></tr>
</table>

Note: CN stands for carbon neutrality.

<table>
<tr><th>Cate-gory</th><th>Materiality</th><th>Major initiatives</th><th>Target/KPI</th></tr>
<tr><td rowspan="4">Management base</td><td>Maximization of the value of human capital</td><td>• Personnel system reform
• Securing and developing human resources
• DE&I promotion
• Improving engagement
• Creating safe and secure workplace</td><td>• Improved engagement through improved compensation and expanded license allowance programs
• Elimination of heavy physical labor<table><tr><th>Item</th><th>2025 (Results)</th><th>2030 (Targets)</th></tr><tr><td>Employee engagement diagnostic score</td><td>68.7 pts</td><td>75.0 pts</td></tr><tr><td>Ratio of female managers</td><td>3.0%</td><td>5.0%</td></tr><tr><td>Ratio of female employees hired on a regular basis for career track positions</td><td>23.9%</td><td>20.0%</td></tr><tr><td>Ratio of male employees taking childcare leave</td><td>76.6%</td><td>100.0%</td></tr></table></td></tr>
<tr><td>Respect for human rights</td><td>• Instillation of a policy of respect for human rights
• Reinforcement of human rights promotion system
• Promotion of preventive measures against human rights risks</td><td>• Implementation of human rights training and 100% participation rate
• Conducting human rights surveys at the Company and its domestic consolidated subsidiaries
• Conducting human rights surveys in the Company’s supply chain
• Implementation of initiatives to prevent long working hours</td></tr>
<tr><td>Compliance</td><td>• Ongoing education for officers and employees</td><td>• Identification of problems and issues based on compliance awareness survey results and their incorporation into compliance programs</td></tr>
<tr><td>Group management</td><td>• Group-wide sustainability and materiality initiatives
• President visiting the Company and consolidated subsidiaries for communication (“TOP Tour”)</td><td>• Fostering a sense of group unity through the “TOP Tour”
• Information sharing through Group presidents’ meetings and Group conference bodies
• At least 80% of employees joining the employee shareholding association at the Company and domestic consolidated subsidiaries
• Creation of a comfortable and rewarding workplace through collaboration with Group companies</td></tr>
</table>

<Materiality determination process>

STEP 1
Extraction of candidates for important issues (materiality)

Launch a cross-divisional project in several related divisions to extract social issues that are candidates for materiality with reference to the SDGs, GRI standards, various ESG assessments, etc.

STEP 2
Verification and analysis of importance

Verify and analyze the importance of materiality candidates to the Company in light of the business environment in which the Company operates, Guiding Principles, Corporate Philosophy, Basic CSR Policy, etc.
Also conduct interviews with external experts and other sources to verify and analyze the importance for our stakeholders

STEP 3
Determination of materiality (important issues)

Based on STEP 1 and STEP 2, plot and determine materiality (important issues)

STEP 4
Analysis of materiality (important issues)

Of the materiality determined in STEP3, determine “response to global environmental preservation (environmental challenges)” and “maximization of the value of human capital” as issues with particularly large financial impact

STEP 5
Discussions with senior management and approval by the Board of Directors

Based on STEP 1 and STEP 2, plot and determine materiality (important issues)

We have identified three issues that have a significant financial impact on sustainability as well as on the environment and society: (i) NHK Spring Group’s Environmental Challenges to preserve the global environment, (ii) Maximization of the value of human capital, and (iii) Respect for human rights. We are striving to continuously improve our corporate value by addressing each of these areas.

(3) Governance and risk management related to overall sustainability

The Company determines response policies on important matters for promoting sustainability management after these matters are discussed and deliberated by the Sustainability Promotion Committee, the Management Committee, and the Board of Directors, depending on the content.

Furthermore, in order to assume risks from various perspectives, prevent them from occurring, and minimize their impact, the Company has established risk management regulations and a risk management system in which the Representative Member of the Board and President is the chief responsible officer and the President of Corporate Planning and Control Division is in charge of promotion.

<Approach to sustainability and promotion structure>

https://www.nhkspg.co.jp/en/sustainability/management/approach

Please refer to the webpage above.

(4) Global environmental conservation activities

In an effort to preserve the global environment, the Group has set the realization of a decarbonized society based on reduction of CO_2 emissions and zero industrial waste (non-recyclable waste) as important issues (Materiality). To further clarify the Group's future role in helping to realize a sustainable society and the Group's future vision, we have established the "NHK Spring Group Environmental Policy," which sets forth our philosophy and approach to environmental conservation. We have also established the "NHK Spring Group's Environmental Challenges" as a set of specific targets and action plans, and each production division is promoting measures to reduce CO_2 emissions and industrial waste (non-recyclable waste). The Global Environmental Response Committee is checking the status of achievement of the measures and discussing further reduction measures. The progress has been made as planned up until FY2025. In FY2026, we will be preparing to collect and compile information for Scope 3.

a) Governance

Based on the NHK Spring Group's Environmental Challenges declaration, the Global Environmental Response Committee has compiled a long-term plan of environmental activities for each business and strengthened activities with a view to realizing a sustainable society in the Group.

The Global Environmental Response Committee meets twice a year. The Committee sets medium- to long-term targets related to the Environmental Challenges, and compiles scenarios and promotes activities geared to realizing them. It periodically reports on the progress of activities to the Management Committee so that they can be reflected in the management strategy.

b) Strategy

Based on the NHK Spring Group's Environmental Challenges, the Group has been working to reduce CO_2 emissions in order to realize a decarbonized society. A scenario analysis was conducted to understand the risks and opportunities climate change presents to the Group and the impact such risks and opportunities may have on the Group, to strengthen the Group's mid- to long-term strategy, and to examine the need for further measures.

<TCFD scenario analysis>

- In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), risks and opportunities arising from climate change were comprehensively identified, which were narrowed down to those of high relevance. Then, a scenario analysis was conducted to assess the significance of each risk and opportunity.
- In the scenario analysis, two scenarios were assumed: one in which the temperature increase can be kept below 2°C above the level of the Industrial Revolution by taking the strict global warming countermeasures that the Group aims for (the 2°C or lower scenario), and the other in

which the temperature increases by 4°C above the level of the Industrial Revolution (the 4°C scenario) as a reference.

- Under each scenario, we evaluated the impact on the Group's business activities based on the changes in the external and social environments assumed for the 2030 and 2050 time frames.

Assumed scenarios

	2°C or lower scenario	4°C scenario (for reference)
Scenario outline	This is a scenario in which strict climate change measures curb greenhouse gas emissions and keep the increase in global average temperature below 2°C compared to pre-industrial times, and the impact of the transition to a decarbonized society will become apparent.	This is a scenario in which no progress is made in combating climate change and the global average temperature increase compared to pre-industrial times reaches 4°C, and the physical and other effects of extreme weather conditions will be greatly manifested.
Anticipated changes in the external environment	• Introduction of a carbon tax and tighter regulations • Diffusion of renewable energy • Transition from gasoline to electric vehicles • Spread of environmentally friendly products • Changes in consumer behavior • Changes in reputation among external stakeholders, such as customers and investors	• Increase in the number of major disasters caused by abnormal weather • Average temperature increase • Sea level rise
Main reference scenarios and references	• IEA, "World Energy Outlook 2024" (NZE) • IEA, "Net Zero by 2050" • Japan Automobile Manufacturers Association, "2050 Carbon Neutral Scenario" • Ministry of Economy, Trade and Industry, etc., "Green Growth Strategy Through Achieving Carbon Neutrality in 2050," etc.	• IPCC, "The RCP8.5 Scenario" • IEA, "World Energy Outlook 2024" (STEPS), etc.

List of Risks and Opportunities

Risk and opportunity factors			Expected practical and financial impact on the Company	Importance to the Company				Measures to address risks and opportunities under the 2°C or lower scenario
				2°C or lower scenario		4°C scenario		
				2030	2050	2030	2050	
Transition risks	Policies/ market	･Increase in the price of carbon with the introduction of carbon pricing	Higher carbon taxes in Japan and abroad will increase energy costs, leading to an increase in operating costs for factory production equipment, lighting, air conditioning, etc.	High	High	Low	Low	Continue energy conservation* activities and consider business strategies that take into account increased operating costs (*Reduction of energy use, introduction of high-efficiency equipment, electrification of manufacturing facilities, etc.)
			Higher carbon taxes in Japan and abroad will increase energy costs required for mining, manufacturing, transportation, etc. of raw materials, leading to an increase in raw material costs at the Company.	High	High	Low	Low	Consider business strategies that take into account the increase in raw material costs
		･Shrinking gasoline vehicle market due to governments' policies to become carbon neutral ･Changing customer preferences	The market for gasoline vehicles (excluding HEVs) is expected to shrink in the long term due to carbon neutrality policies of various governments, resulting in a decrease in sales of the Company's components for gasoline vehicles.	High	High	Low	Low	Invest in production and development of products for electric vehicles and make existing products more versatile Develop new fields by utilizing the Company's core technologies Develop products that can reduce environmental impact throughout their life cycles
		･Spread of renewable energy	With the spread of renewable energy, costs associated with switching from existing energy sources to renewable energy sources and energy procurement costs will increase.	Medium	Medium	Low	Low	Continue energy conservation activities and consider business strategies that take into account increased energy costs
	Technology	･Energy conversion ･Diffusion of renewable energy technologies	The cost of updating factory production equipment will be incurred as a result of energy conversion (introduction of renewable energy, electrification, fuel conversion) toward carbon neutrality.	Medium	Medium	Low	Medium	Consider efficient energy conversion investments
	Reputation	･Increase in ESG investments ･Changes in customer and investor valuations	Delays in climate change action may damage the Company's reputation among employees and investors. It will become increasingly difficult to secure excellent human resources, leading to higher financing costs from investors and lower stock prices.	Medium	Medium	Low	Low	Promote efforts to address climate change and strengthen engagement with relevant stakeholders
Physical risks	Acute	･Occurrence of major disasters caused by abnormal weather	River flooding, huge typhoons, droughts, tsunamis, storm surges, lightning strikes, etc. will cause production stoppages at factories and disruptions in the supply chain (procurement, transportation), leading to production stoppages, reduced production capacity, and lower sales.	Low	Medium	High	High	Update BCP manuals regularly Install lightning rods, prepare sandbags and drainage pumps, inspect hazard maps, implement evacuation drills and business continuity drills, etc.
	Chronic	･Average temperature increase	Rising average temperatures will increase air conditioning use in office buildings and factories, leading to an increase in energy costs associated with air conditioning use and maintenance costs for air conditioning equipment.	Low	Low	Medium	High	Continue energy conservation activities
Transition opportunities	Products/ services	･Tighter gasoline vehicle sales and fuel consumption regulations ･Changing customer preferences	Sales of electric vehicle-related products will increase in line with the expansion of the electric vehicle market due to policy factors, such as tighter gasoline vehicle sales and fuel consumption regulations, and changing consumer preferences.	High	High	High	High	Respond flexibly to the electrification of automobiles and actively consider investments to increase production capacity for growth products in the field
		･Development and diffusion of low-carbon products/services ･Changing customer preferences	As HDDs become more energy efficient and demand for low-power consumption HDDs for data centers increases, sales of the Company's related products will increase.	Low	Medium	Low	Medium	Execute business strategies in the HDD field while keeping a close eye on the trend toward higher value-added HDDs
			Semiconductors will become more energy efficient and achieve higher performance, leading to the expansion of the market for next-generation power semiconductors, and accordingly, sales of the Company's related products will increase.	Low	Medium	Low	Medium	Execute business strategies in the semiconductor field while keeping a close eye on the trend toward higher value-added semiconductors
			The development and diffusion of low-carbon products/services other than existing products and changes in consumer preferences are anticipated. Accordingly, focus on the development of environmentally friendly products will increase sales in new markets.	Low	Medium	Low	Medium	Clarify the definition of environmentally friendly products and reflect it in business strategies
	Resource efficiency	･Penetration of internal carbon pricing	The introduction of internal carbon pricing will enhance management processes, such as facilitating low-carbon investments in internal decision-making processes, leading to more efficient investments.	Medium	Medium	Medium	Medium	Examine the operation of internal carbon pricing in investment decisions and its disclosure
	Energy sources Products/ services	･Use of low-carbon energy sources ･Use of energy-saving technologies	The introduction of electrification and energy-saving technologies in the manufacturing process will improve production efficiency, leading to lower manufacturing costs and higher revenues.	Low	Medium	Low	Medium	Introduce internal incentives for the installation of energy-efficient production equipment
	Market	･Changes in customer and investor valuations	Developing low-carbon products will improve the reputation of the Company among consumers and investors who prefer low-carbon products, leading to higher stock prices and other improvements in the Company's reputation.	Medium	Medium	Low	Low	Enhance disclosure on trends in the development of low-carbon products
Physical opportunities	Resilience	･Adaptation to major disasters caused by abnormal weather	Enhanced BCP response and resilience to major disasters caused by extreme weather events will enhance customers' confidence in the Company's products.	Medium	Medium	High	High	Continue stable operations and stable supply of products through advanced BCP measures

Note: Importance is evaluated based on the following evaluation axes: (i) financial impact, (ii) likelihood of financial impact, (iii) duration of financial impact, and (iv) relevance to the business area.

c) Risk management

The Company determines response policies on important matters for promoting sustainability management, including climate-related risks, after these matters are discussed and deliberated by the Sustainability Promotion Committee, the Management Committee, and the Board of Directors, depending on the content.

d) Indicators and targets

In order to actively promote our response to global environmental preservation, we have established CO_2 reduction targets under the NHK Spring Group's Environmental Challenges.

NHK Spring Group's Environmental Challenges

(CO_2 emission reduction targets under Scope 1 + Scope 2 for the Company and its domestic consolidated subsidiaries)

(i) Achieve carbon neutrality by 2039. To this end, reduce CO_2 emissions by 50% from the FY2013 level by 2030.

(ii) Aim to realize zero industrial waste by 2039. To this end, reduce industrial waste by 95% compared to FY2013 by 2030.

In addition, in March 2025, we established a target to achieve carbon neutrality (Scope 1 + Scope 2) by 2050 for the Company and its domestic and overseas consolidated subsidiaries.

<CO_2 emissions and industrial waste generation(*1) and main measures to reduce them>

	Item		2025		Main measures underway
			Target	Perfor-mance	
CO_2	The Company and domestic consolidated subsidiaries	Emissions (Thousand tons-CO_2)	100	90	• Installation of solar panels(*2) • Use of renewable energy from electric utilities • Electrification of facilities • Prevention of heat dissipation loss • Switch from LPG to LNG • Renewal of air conditioning equipment
		Reduction rate compared to 2013	(35)%	(42)%	
	The Company and domestic and overseas consolidated subsidiaries	Emissions (Thousand tons-CO_2)	276	256	
		Reduction rate compared to 2013	(16)%	(22)%	
Non-recyclable waste	The Company and domestic consolidated subsidiaries	Generation (tons)	11	4	• Conversion of waste plastics into valuable resources using a material sorting machine • Re-examination of dirty mud recycling contractors
		Reduction rate compared to 2013	(91)%	(96)%	

*1 Scope 1 + Scope 2 for the Company and its domestic consolidated subsidiaries

*2 Solar panels have already been installed at six of the Company's locations and 11 domestic and overseas Group companies.

<Bases and plants that have achieved carbon neutrality in their production activities>

	Location	Bases/plants	Date
The Company and domestic consolidated subsidiaries	Nagano	Miyada Plant of the Company	April 2024
		Komagane Plant, Disk Drive Suspension Division of the Company	October 2025
		Komagane Plant of NHK MEC Corporation	October 2025
	Shiga	Yasu Plant of the Company	October 2025
Overseas consolidated subsidiaries	China	NAT Peripheral (Dongguan) Co., Ltd.	January 2025
(Reference) Non-consolidated companies	Philippines	NHK Spring Philippines, INC.	December 2024

(5) Maximization of the value of human capital

The internal and external environment of the Group has been changing dramatically, and we will need to modify our approaches to people and organization in order to continue being a company that is needed by society in the future. For the Group's manufacturing to continue contributing to the resolution of customers' and society's issues, we believe that continued efforts to maximize the value of human capital will become even more important.

a) Governance

Important initiatives related to human resources are discussed and decided by the Management Committee, its subordinate body, the Personnel Policy Committee, or the Sustainability Promotion Committee, and a system is in place to ensure consistency between the business direction and human resources strategy. The President of each division checks the status of activities in his/her division and reports on important matters to the Management Committee and the Board of Directors to review measures as appropriate and improve organizational management and the workplace environment.

b) Strategy

<Policy>

Under the slogan of "Respect for people & contribute to society," and Group's basic policies of "Strengthening trust with stakeholders," "Building a safe and secure company and a rewarding and comfortable workplace," and "Supporting the growth and development of a diverse employee base" of the 2026 Mid-term Plan, we will promote initiatives to develop human resources, organizations, systems, and a corporate culture.

In FY2024, we established the "Type of talent we seek" and "Type of organization we aspire to be" to link management strategies with human resource strategies and to link the results of our efforts to the realization of management policies. In FY2025, we established the NHK Spring Group Talent Development Policy. We will maximize the value of each individual by fusing the "power of the individual" with the "power of the organization" that makes the most of that individual, and by fostering an organizational culture in which diverse people can grow and feel fulfilled, and in which everyone can demonstrate his/her own abilities. We will boldly take on the challenge of various initiatives to further evolve the value of the people who work for us, based on the Guiding Principles and Corporate Philosophy, changes in the external environment, and the future direction of our business.

NHK Spring Group Talent Development Policy

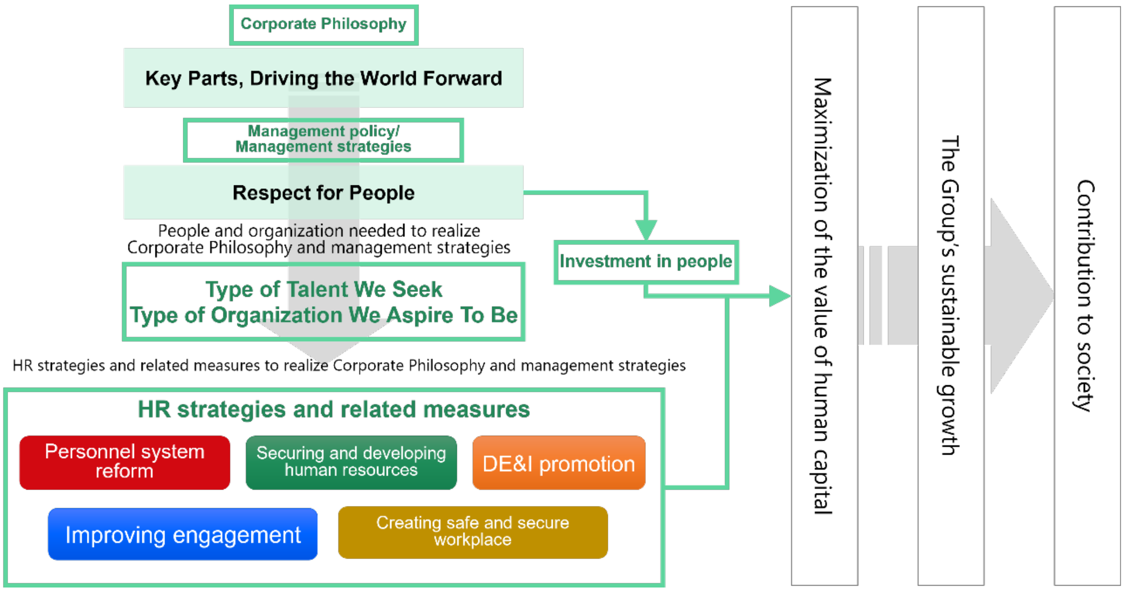
We respect each individual's aspirations and aim to

develop "indispensable talent" who proactively learn and continuously grow.

<Measures implemented and status of efforts>

We are strengthening our efforts to secure and develop the talent we seek, and are developing the employment environment to realize the Type of organization we aspire to be. Specifically, we implement various measures ranging from “Personnel system reform” and “Securing and training talent” to “DE&I promotion,” “Improving engagement,” and “Creating safe and secure workplace.”

In pursuing these initiatives, we recognize that our workforce is the source of the Group’s value creation, and that the active engagement and growth of employees are the foundation of the Group’s sustainable development into the future. Based on this fundamental understanding, we have adopted a policy of “Respect for People” and continue to invest in people. From this perspective, we aim to create a virtuous cycle of maximizing the value of human capital and achieving the Company’s sustainable growth by determining a policy on employee salaries and other benefits, including wage increases, while taking into account factors such as initiatives for new businesses aimed at the next generation, securing the necessary talent, capital and IT investments to improve labor productivity, enhancing our overall human resources systems to empower a diverse workforce, and efforts toward carbon neutrality.



<Personnel system reform>

In FY2025, we moved forward with a human resources reform project aimed at a fundamental review of the grading system, evaluation system, and wage system for union members and senior employees.

We also continued to invest in human capital through base increases, benefits, and expansion of employee welfare programs. The license allowance system, which provides benefits to personnel who hold public qualifications, etc., continues to add new qualifications each year.

<Securing and training talent>

In FY2025, we have advanced our initiatives in recruitment and human resource development based on the “Type of talent we seek” and “Type of organization we aspire to be” that we have established. In new graduate hiring, we revised our new graduate hiring criteria to ensure that we hire students who meet our “Type of talent we seek.” We are also continuing our efforts to increase the ratio of female new graduates hired for career track positions, holding roundtable meetings with senior employees and career interviews. In human resource development, we will revise the training structure and proceed with preparations to implement a variety of new training programs in order to improve the linkage between the personnel system and human resource development.

<DE&I promotion>

In the 2026 Mid-term Plan, in addition to continuing the DE&I promotion activities of the past, we are expanding our activities to cover LGBTQ+ and Group companies. In FY2025, we continued to provide training for female leaders and diversity training for managers, and greatly expanded childcare-related systems. Consequently, the Company received Platinum Kurumin Certification in January 2025 and Eruboshi Certification (three stars) in January 2026. We will continue our efforts to promote DE&I in order to create a workplace where employees feel motivated and can work comfortably.

<Improving engagement>

Efforts to improve engagement at the Group are being promoted through two-pronged approach: improving operational efficiency and reducing total working hours to increase labor productivity; and maximizing added value. In order to improve operational efficiency, we are mainly carrying out a DX promotion project. In order to maximize added value, we start with employee awareness surveys (engagement diagnostics), and promote organizational improvement initiatives tailored to individual issues on a company-wide and workplace bases. The results of the employee awareness survey, which is conducted once a year, are used to measure the effectiveness of our efforts with the goal of raising the results to 75 pts by FY2030. We are continuing our organizational improvement efforts by revising our measures as necessary.

<Creating safe and secure workplace>

Having set the goal of "eliminating fire and occupational accidents" in the Group's management policy, we are striving to further strengthen our existing safety activities to eliminate occupational accidents. We are also stepping up efforts to reduce heavy-muscle work at each plant to create a safe and secure workplace for employees, including women and elderly workers, and to promote diversity. As part of our health promotion initiatives, we continuously conduct mental health education, health events, and nutrition education activities. We have been certified as a "Outstanding Organization of KENKO Investment for Health (Large Enterprise Category)" for seven consecutive years since 2020. Moreover, to eradicate harassment, we conduct information dissemination through the publication of compliance newsletters, harassment theme-based training sessions, and annual compliance awareness surveys, thereby raising awareness of compliance with laws, regulations, and corporate ethics.

c) Risk management

With regard to formulating policies and strategies for maximizing the value of human capital, deciding indicators and targets, managing progress, and so on, the Company determines response policies after these matters are discussed and deliberated by the Personnel Policy Committee, the Sustainability Promotion Committee, the Management Committee, and the Board of Directors.

d) Indicators and targets

The Company sets the indicators that require monitoring and vision (targets) it should aim for across several items to manage progress. Moving forward, we will consider setting targets and further disclosing results, including those of domestic consolidated subsidiaries.

Classification	Indicator	Performance	FY2030 target
Promotion of women's participation and career advancement	Ratio of female managers	3.0%	5.0%
	Ratio of female new graduates hired for career track positions	23.9%	20.0%
	Ratio of male employees taking childcare leave	76.6%	100.0%
Employee engagement	Employee engagement diagnostic results	68.7 pts	75.0 pts

Notes: 1 Performance and targets pertain to conditions in the Reporting Company only.

2 The ratio of female managers and ratio of female new graduates hired for career track positions are actual figures as of March 31, 2026. The ratio of male employees taking childcare leave and employee engagement diagnostic results are actual figures for FY2025.

3 The employee engagement diagnosis conducted by the Company is a survey focused on employee experience and has a maximum score of 100. The Company regularly conducts annual engagement diagnostics on a wide variety of items, including work execution, personnel evaluation, human resources development, personnel assignment, work

environment, and corporate culture, to understand the status and to continuously implement measures to improve employee engagement.

4 In addition to the above indicators, information on the gender wage gap is described in “IV. Information about the Reporting Company, 5. Information about employees, etc., (2) Information about employees.”

(6) Respect for human rights

The Group recognizes that respecting human rights throughout all stages of its business activities is the foundation for realizing a sustainable society and enhancing its corporate value over the medium to long term.

Our fundamental philosophy is to respect international norms related to human rights, including the UN Guiding Principles on Business and Human Rights, and to fulfill our responsibility to respect the human rights of all employees working within the Group, as well as all individuals involved in the Group’s business activities, including those in our supply chain.

The Group has established the “NHK Spring Group Human Rights Policy” and is promoting initiatives geared to respecting the human rights based on this policy.

a) Governance

The Group’s human rights initiatives are overseen by Representative Member of the Board and Executive Vice President in charge of sustainability initiatives and are driven primarily by the Human Rights Subcommittee, which was established under the Sustainability Promotion Committee.

The matters discussed and deliberated upon by the Human Rights Subcommittee are reported to the Management Committee and the Board of Directors through the Sustainability Promotion Committee. We have established a system whereby decisions on important matters are made under management oversight.

b) Strategy (Implementation of human rights due diligence)

In accordance with the UN Guiding Principles on Business and Human Rights, the Group is implementing initiatives based on the concept of human rights due diligence (“human rights DD”).

We have conducted our own human rights risk assessment and have begun identifying human rights risks in our supply chain through means such as the self-assessment questionnaire (SAQ).

We examine and implement measures to prevent and mitigate identified human rights risks, and through dialogue and engagement with our business partners, we will promote initiatives to respect human rights throughout our entire supply chain.

We also continuously conduct human rights training for officers and employees to foster a deep understanding of our human rights policy and the concepts of human rights DD.

c) Risk management

The Group recognizes that human rights violations, should they occur, pose a risk that could have a serious impact not only on our business operations but also on our social reputation and relationships of trust with stakeholders.

Risks related to human rights are continuously identified and assessed by the Sustainability Promotion Committee and the Human Rights Subcommittee, and countermeasures are considered as necessary.

d) Corrective and remedial measures (grievance mechanisms)

The Group has established grievance mechanisms to ensure that individuals who have suffered or may potentially suffer negative human rights impacts can seek advice and report concerns with confidence, and has made these mechanisms public through the Company’s website and other channels.

We have established a system to conduct appropriate investigations into inquiries and reports received through these mechanisms, while taking care to protect the reporters, and to take necessary action as appropriate.

e) Indicators and targets

To enhance the effectiveness of initiatives to respect human rights, the Group is working on the following items. Going forward, we will continue to further refine our human rights DD and disclosure practices, taking into account domestic and international trends and social demands regarding human rights.

Item	Concept	Status of initiatives
(i) Implementation of human rights DD	We will promote the identification of and response to human rights risks affecting the Company, Group companies, and our supply chain.	During the current fiscal year, we conducted a human rights risk assessment for the Company and began identifying human rights risks in our supply chain through means such as the self-assessment questionnaire (SAQ).
(ii) Human rights training for officers and employees	We will continuously conduct human rights training to foster a deep understanding of our human rights policy and the concepts of human rights DD among our officers and employees.	During the current fiscal year, we conducted e-learning sessions focused on respect for human rights to raise awareness among our officers and employees.
(iii) Response to human rights risks in the supply chain	We will identify human rights risks in our supply chain and promote initiatives to respect human rights through dialogue and engagement with our business partners.	We continued to develop and disseminate our Sustainability Procurement Guidelines and, through the implementation of the SAQ, advanced the assessment of our business partners' initiatives to respect human rights.
(iv) Operation of grievance mechanisms	We will establish and operate grievance mechanisms that individuals who have suffered or may potentially suffer negative human rights impacts can use with confidence, and ensure that this leads to appropriate corrective and remedial measures.	We have published our grievance mechanisms on the Company's website and other channels. We have established a system to conduct appropriate investigations into inquiries and reports received, while taking care to protect the reporters, and to take necessary action as appropriate.

3. Business risks

Matters related to Overview of Business, Financial Information, etc., described in the Annual Securities Report that may have a significant impact on investors' decisions are as follows. Recognizing the possibility that these risks may occur, the Group will strive to avoid their occurrence and to take measures to minimize their impact if they do occur.

Forward-looking statements contained herein represent the judgment of the Group as of the filing date of the Annual Securities Report (June 17, 2026).

(1) Rapid fluctuations in the global economy

The Group is strongly affected by global economic fluctuations because it supplies products related to automobiles and data communications across the world. Should an unexpected economic downturn and shrinking demand in any region mainly due to prolonged global inflation, monetary tightening, changes in interest rate trends, heightened geopolitical risks, or shifts in economic and industrial policies in major countries, this could have an impact on the Group's operating results and financial position.

Furthermore, as these complex factors are coming to the fore simultaneously, uncertainty regarding the future business environment is increasing, making it difficult to reasonably assume their impact.

(2) Exchange rate fluctuations

The Group's businesses include the production and sale of products overseas. Items denominated in local currencies, including net sales, expenses, and assets in each region are converted to yen for the purpose of preparing consolidated financial statements, and the yen value of such items may be affected by the exchange rates prevailing at the time of conversion.

In addition, for businesses that produce in and export from Japan, the appreciation of the yen against other currencies will reduce the relative price competitiveness of the Group's products in the global market. On the other hand, in procuring raw materials from overseas, the depreciation of the yen against other currencies causes the cost of procuring raw materials to soar. Accordingly, foreign exchange fluctuations beyond our forecast may affect the Group's performance and financial position.

Although the Group strives to minimize the adverse effects of short-term fluctuations through flexible foreign exchange hedging transactions, it is difficult to totally eliminate the risk, which may have no small impact on the Group's operating results and financial position.

(3) Fluctuations in prices of raw and other materials and energy, as well as shortages of raw materials and parts

The Group procures major raw and other materials, such as steel stocks, and energy, such as electricity and gas, from external suppliers. The Group has concluded basic transaction agreements with these suppliers to ensure stable transactions. Although we assume that significant fluctuations in the prices of raw and other materials and energy caused by changes in market conditions will be passed on to our products' sales prices, the impact on our performance may extend beyond the accounting period because of a delay in passing on costs due to fluctuations to sales prices.

Furthermore, shortages of raw materials and parts could happen due to unforeseen accidents or natural disasters at the source of supply, changes in export or import regulations, supply restrictions stemming from economic security concerns, the impact of political situations among countries on the supply chain, or high resource prices. In such a case, the Group's operating results and financial position could be affected by a decline in production activities.

(4) Increase in tariffs

The Group has production bases in the U.S. and other countries overseas, and when raw materials, parts, etc. are procured from other countries, they are subject to tariffs. Due to the review of trade and economic security policies in various countries triggered by the U.S., tariff rates among countries are being raised, while the scope of products subject to tariffs is being rapidly expanded and reviewed. We do not know what will happen in the future. Although we assume that the tariffs to be changed will be passed on to our products' sales prices, the degree of price pass-on and the timing may affect the Group's operating results and financial position.

(5) New product development capabilities

The Group believes that it can continue to develop attractive new products through aggressive basic and applied research into new technologies, led by the Company's Research and Development Division. However, the process of developing and launching new products to the market is complex and uncertain and entails an array of risks, including the following:

- Risk of not being able to continue to allocate the necessary funds and resources for the development of new products that require a long development period;
- Risk that a new product will be developed through large-scale investment and resource allocation, but they will not be recoverable;
- Risk of declining profitability due to a drop in sales prices caused by intensifying competition; and
- Risk of loss of cost advantage due to loss of novelty of technology in the mid-development stage as a result of development of new technology by competitors or changes in market needs.

The above risks and other factors could reduce the Group's future growth and profitability and affect its operating results and financial position.

(6) Infringement of intellectual property rights

Because the Group's products utilize a wide range of technologies, measures to prevent unauthorized use of intellectual property rights by third parties and to avoid intellectual property infringement cannot be said to be perfect. There is also a possibility that the Group may be required to stop selling products or pay compensation for unintentional infringement of another company's intellectual property rights. In such cases, the Group's operating results and financial position may be affected by disputes and licensing or settlement costs.

(7) Product quality defects

At each production site, the Group manufactures its products in accordance with globally recognized quality control standards. That being said, there is no guarantee that all products will be defect-free and will not be recalled in the future. In addition, although the Group is insured for product liability, there is no guarantee that this insurance will adequately cover the amount of compensation that the Group must ultimately pay. A product defect that leads to a major recall or product liability could result in huge costs and material impact on the Group's reputation, thereby lowering net sales and affecting the Group's operating results and financial position.

(8) Legal restrictions, etc.

The Group is subject to various government regulations in the countries where it operates, including business and investment permits, export restrictions due to national security or other reasons, and other import and export regulations, including tariffs. The Group is also subject to laws and regulations related to commerce, antitrust, patents, consumer, taxation, foreign exchange, employment, and environmental and recycling matters.

The Group is continuously striving to practice compliance with such a wide variety of laws and regulations. However, in the unlikely event that we fail to comply with these, the Group may incur tangible and intangible damages, such as increased direct costs, social sanctions, and reputational damage.

(9) Human rights, working environment, etc.

The Group operates both domestically and internationally, and procures raw and other materials from many countries and regions. In these countries and regions, companies are increasingly concerned about how to deal with issues related to human rights and occupational health and safety, and laws and regulations are changing.

If various human rights issues such as child labor, forced labor, discrimination against foreign workers, harassment, etc., or industrial accidents occur in the Group or supply chain and the Group is unable to respond appropriately to them, the Group's production or procurement could be affected, and the

Group’s social reputation could be damaged. This could affect the Group’s operating results and financial position.

(10) Business expansion into overseas markets

In the business expansion of the Group, there is an inherent risk in some regions and countries that the Group’s business activities may be restricted by the underdeveloped common social capital (infrastructure) due to cultural differences, differences in legal systems, social and political instability, and other factors, or that the following unforeseen events may arise. If any of these events were to occur, local production could be disrupted.

- Difficulty in securing human resources due to unforeseen changes in laws or regulations, changes in the labor market, etc., outbreaks of labor disputes, and rapid increases in labor costs
- Social disruption due to radical demonstrations, riots, terrorism, or other factors

If the situation were to be prolonged, it could have an even greater impact on the Group’s operating results and financial position.

(11) Impact of disasters, etc.

In the event of natural disasters such as earthquakes, typhoons, floods, or other accidents such as fires, power outages, or infectious diseases, the Group’s operating results and financial position could be affected by additional costs incurred due to equipment failure or damage at manufacturing sites and the inability to maintain optimal supply chains.

The Company has established a Sustainability Promotion Committee, which manages Group-wide risks, to foresee and prevent the occurrence of applicable events, report on the occurrence of such events, and consider measures to prevent recurrence of such events. In normal times, the Company identifies risks related to corporate activities, establishes a business continuity plan (BCP) and risk management rules, and conducts education and awareness raising campaigns to prevent risk occurrence. In the event that a risk materializes, a countermeasures headquarters is promptly set up, and under its direction, the responsible divisions and related divisions make a concerted effort to respond to the risk. However, despite the implementation of these risk management initiatives, in the event of disruptions in the Group’s production and delivery activities caused by a major disaster occurring at a production site, widespread power outages, outbreaks of infectious diseases, damage to the Group’s facilities, or the severance of transportation means and routes for products, the Group’s operating results and financial position could be affected.

(12) Risks related to information security

The importance of information systems in the Group’s business activities has increased significantly, and the Group is taking appropriate security measures, in terms of both hardware and software. However, despite these countermeasures, in the event of a shutdown of mission-critical information systems or leakage of corporate or personal information due to an unforeseen cyber attack or unauthorized access, the Group’s operating results and financial position could be affected.

4. Management analysis of financial position, operating results and cash flows

Overview of operating results, etc.

(1) Operating results

In the automotive market, one of the main business fields of the Group, the production volume in Japan was 8,186 thousand units, a decrease of 1.0% from the previous fiscal year. Meanwhile, the comparative results were: 11,675 thousand units, or down 1.6% year-on-year, in North America (U.S. and Canada); 34,080 thousand units, or up 10.1%, in China; and 1,492 thousand units, or up 0.9%, in Thailand (all figures are calculated according to the fiscal year-end of each manufacturing site).

In the data communications market, the Group's other main business field, the global production volume of hard disk drives (HDDs) advanced year-on-year, and demand for high-capacity HDDs for data centers rose, resulting in an increase in the total demand for HDD suspensions, our mainstay products.

As a result of the business environment mentioned above, the Group recorded net sales of 816,879 million yen (up 1.9% year-on-year), operating profit of 45,784 million yen (down 12.2%), ordinary profit of 52,189 million yen (down 10.0%), and profit attributable to owners of parent of 27,862 million yen (down 42.2%).

(2) Summary of net sales and operating profit by segment for the fiscal year ended March 31, 2026

[Automotive Suspension Springs Business]

In the Automotive Suspension Springs Business, although there was a decrease in demand in Japan, as a result of reflecting increased costs of raw materials and other supplies in product selling prices and an increase in the number of units for certain vehicle models in Thailand, net sales were 167,417 million yen (down 1.0% year-on-year) and operating profit was 727 million yen (up 56.6%).

The main factors increasing/decreasing operating profit are as follows:

Volume, product mix	+0.7 billion yen
Selling price improvements and discount	+0.8 billion yen
Foreign exchange	-0.3 billion yen
Fixed costs	-0.4 billion yen
Streamlining	+0.8 billion yen
Material market conditions	-0.6 billion yen
Tariffs	-0.6 billion yen

[Automotive Seating Business]

In the Automotive Seating Business, net sales were 292,561 million yen (down 3.7% year-on-year) and operating profit was 8,052 million yen (down 28.3%) due to the impact of reduced production volumes by Japanese automotive manufacturers in Japan and Thailand and changes in vehicle models and product mixes in North America, etc.

The main factors increasing/decreasing operating profit are as follows:

Volume, product mix	-1.0 billion yen
Selling price improvements and discount	-0.2 billion yen
Foreign exchange	-0.3 billion yen
Fixed costs	+1.5 billion yen
Material market conditions	-0.9 billion yen
Tariffs	-0.5 billion yen
Non-recurring expense	-1.8 billion yen

[Precision Springs and Components Business]

In the Precision Springs and Components Business, due to demand for high-capacity HDDs for data centers increased, the sales volume of mechanical components for HDDs increased. Furthermore, a subsidiary in India has newly been included in the scope of consolidation. As a result, net sales were 105,612 million yen (up 3.5% year-on-year). On the other hand, due to factors such as rising fixed costs and the impact of tariffs, operating profit was 3,651 million yen (down 14.9%).

The main factors increasing/decreasing operating profit are as follows:

Volume, product mix	-0.1 billion yen
Selling price improvements and discount	+0.2 billion yen
Foreign exchange	-0.2 billion yen
Fixed costs	-0.7 billion yen
Material market conditions	+0.5 billion yen
Tariffs	-0.6 billion yen
Consolidation into a subsidiary	+0.3 billion yen

[DDS Business]

In the DDS Business, the sales volume of HDD suspensions increased year-on-year due to an increase in demand for high-capacity HDDs for data centers. As a result of these factors, net sales were 126,753 million yen (up 13.7% year-on-year). On the other hand, due to an increase in fixed costs, etc., operating profit was 26,058 million yen (down 2.3%).

The main factors increasing/decreasing operating profit are as follows:

Volume, product mix	+7.3 billion yen
Selling price improvements and discount	-3.5 billion yen
Foreign exchange	-1.7 billion yen
Fixed costs	-3.0 billion yen
Material market conditions	+0.2 billion yen

[Industrial Machinery and Equipment, and Other Operations Business]

In the Industrial Machinery and Equipment, and Other Operations Business, although demand for semiconductor process components has continued upward, net sales were 124,535 million yen (up 8.1% year-on-year) and operating profit was 7,294 million yen (down 23.3%) mainly due to depreciation for capital expenditures increased to meet future demand growth for semiconductor process components and integrated metal substrates.

The main factors increasing/decreasing operating profit are as follows:

Volume, product mix	+2.9 billion yen
Foreign exchange	-0.2 billion yen
Fixed costs	-3.1 billion yen
Material market conditions	-0.6 billion yen
Others	-1.4 billion yen

(3) Analysis of operating results

(i) Net sales and operating profit

As stated in "(2) Summary of net sales and operating profit by segment for the fiscal year ended March 31, 2026."

(ii) Non-operating income (losses)

Non-operating income totaled 6,404 million yen, an increase of 605 million yen from the previous fiscal year. This was mainly because while share of profit of entities accounted for using equity method decreased, foreign exchange losses due to exchange rate fluctuations and loss on sale of non-current assets decreased.

(iii) Extraordinary income (losses)

Extraordinary income (losses) shifted from an income of 1,657 million yen in the previous fiscal year to losses of 1,881 million yen in the current fiscal year, representing a year-over-year change of 3,538 million yen. This was mainly because while gain on sale of investment securities and gain on return of assets from retirement benefits trust increased, impairment losses increased.

(iv) Income taxes, etc.

The effective income tax rate after application of tax-effect accounting on profit before income taxes was 43.1%, an increase from 16.2% in the previous fiscal year. In the previous fiscal year, the tax rate decreased due to a reduction in valuation allowance and tax credits, among other factors. In the fiscal year under review, meanwhile, the tax rate increased due to an increase in valuation allowance resulting from the recognition of impairment losses on non-current assets, as well as an increase in deferred tax liabilities related to retained earnings of overseas subsidiaries.

(v) Profit attributable to non-controlling interests

Profit attributable to non-controlling interests was 768 million yen compared to 1,788 million yen in the previous fiscal year.

(vi) Profit attributable to owners of parent

Profit attributable to owners of parent was 27,862 million yen, down 42.2% from the previous fiscal year. Basic earnings per share was 137.46 yen, a decrease of 87.27 yen from the previous fiscal year.

(4) Financial position

As for total assets at the end of the fiscal year under review, exchange rate fluctuations pushed up the yen value of assets of overseas subsidiaries, and property, plant and equipment increased mainly due to an increase in capital expenditures. As a result, total assets increased by 42,110 million yen from the end of the previous fiscal year to 738,450 million yen.

Liabilities increased 12,246 million yen from the end of the previous fiscal year to 285,414 million yen due to an increase in income taxes payable resulting from the sale of securities.

Net assets increased 29,863 million yen from the end of the previous fiscal year to 453,035 million yen mainly due to an increase in remeasurements of defined benefit plans, net of tax, and an increase in retained earnings from profit attributable to owners of parent, as well as an increase in foreign currency translation adjustment caused by the depreciation of the yen.

(5) Cash flows

Cash and cash equivalents at the end of the fiscal year under review increased 10.0% from a year earlier to 89,963 million yen.

Net cash provided by operating activities amounted to 77,446 million yen (up 39.0% year-on-year). This was mainly due to profit before income taxes and depreciation.

Net cash used in investing activities totaled 41,606 million yen (down 12.9% year-on-year). This was mainly due to purchase of property, plant and equipment.

Net cash used in financing activities totaled 26,953 million yen (up 14.1% year-on-year). This was mainly due to redemption of commercial papers, repayments of long-term borrowings, and dividends paid, despite proceeds from issuance of commercial papers and proceeds from long-term borrowings.

Results of production, orders and sales

(1) Production

Production results of the Group are similar to sales results, so the information is omitted.

(2) Orders received

Results of orders received of the Group are similar to sales results, so the information is omitted.

(3) Sales

For sales results of the Group, please refer to “5. Financial Information, 1 Consolidated Financial Statements, etc., (1) Notes to consolidated financial statements (Revenue recognition), 1. Information on breakdown of revenue from contracts with customers.”

Analysis of financial position, operating results and cash flows

Forward-looking statements contained herein represent the judgment of the Group as of the filing date of the Annual Securities Report (June 17, 2026).

(1) Major accounting policies and estimates

The consolidated financial statements of the Group are prepared based on the accounting standards recognized as fair and appropriate in Japan. The preparation of these consolidated financial statements requires the establishment of estimates and assumptions that affect the reported amounts of assets and liabilities at year-end and the reported amounts of revenues and expenses during the reporting period. The Group believes that the following major accounting policies have a significant impact on the critical judgments and estimates used in the preparation of the Group’s consolidated financial statements.

For the assumptions used in the significant accounting estimates as of the end of the fiscal year under review that we consider to be at risk of having a particularly significant effect on the consolidated financial statements in the following fiscal year and thereafter, please refer to “5. Financial Information, 1 Consolidated Financial Statements, etc., (1) Notes to consolidated financial statements (Significant accounting estimates).”

(i) Standards for recognition of significant revenues and expenses

For the standards for recognition of significant revenues and expenses in the Group, please refer to “5. Financial Information, 1 Consolidated Financial Statements, etc., (1) Notes to consolidated financial statements (Significant matters that serve as the basis for preparation of consolidated financial statements), (4) Accounting policies, (e) Standards for recognition of significant revenues and expenses.”

(ii) Allowance for doubtful accounts

To prepare for credit losses on receivables, the Group records an estimated uncollectable amount at the amount estimated by either using the historical rate of credit loss for general receivables, or based on individual restructuring plans and other considerations of collectability for specific receivables such as highly doubtful receivables.

(iii) Impairment of non-current assets

For non-current assets owned by the Group, we assess by asset or asset group whether there is any indication that the asset may be impaired, based on internal corporate information such as profit and loss reports and management plans, as well as information on factors external to the Group such as the business environment and market prices. If we determine through this assessment that an impairment loss should be recognized, the carrying amount of the asset is written down to its recoverable amount.

The recoverable amount is the salable value based on real estate appraisal results or the discounted present value of future cash flows based on future management plans. Fluctuations in market value, deviations from management plans, and fluctuations in discount rates caused by changes in the economic environment and other factors may affect the calculation of the impairment amount.

Regarding the impact of increasing raw material costs, labor costs, resource and energy prices, tariffs, etc., we expect to recover costs thereof from customers based on information available at the end of the fiscal year under review as well as assume that the impact will continue for a certain period of time from the following fiscal year onwards. If a large difference arises against these assumptions, it may affect the future impairment of non-current assets.

(iv) Impairment of investment

For impairment of investment, if the market value has declined by 50% or more of the acquisition cost, the Group impairs the investment, except in cases where the market value is likely to recover; if the market value has declined by 30% or more but no more than 50%, the Group determines whether the market value is likely to recover and impairs the investment if it is determined that there is no possibility of recovery.

In determining recoverability, the Group takes into consideration the length of time and extent of decline below book value and the financial condition and future prospects of the company in question, but changes in the market or economic environment may affect the value of the investment.

(v) Deferred tax assets

The Group calculates deferred tax assets by multiplying deductible temporary differences at the end of the fiscal year by the effective statutory tax rate applicable from the following fiscal year. However, future changes in the effective statutory tax rate by the tax authorities may increase or decrease deferred tax assets, which may increase or decrease profits.

The Group records a valuation allowance to reduce its deferred tax assets to the amount more likely than not to be realized. In assessing the need for a valuation allowance, we consider the schedule for reversing deductible temporary differences, taxable income based on future management plans, and prudent and feasible ongoing tax planning. However, if, due to changes in the business environment or management plan, it is determined that all or a portion of the deferred tax assets cannot be realized in the future, an adjustment to the deferred tax assets will be recorded as expenses in the period in which such determination is made. Similarly, if we determine that we will be able to realize deferred tax assets in the future in excess of the net amount recorded, an adjustment to deferred tax assets will increase profits in the period in which such determination is made.

(vi) Retirement benefit expenses

The Group's retirement benefit expenses and obligations vary depending on the assumptions used in their calculation. These assumptions include factors such as discount rate, accrued benefits, interest cost, expected rate of return on plan assets, and mortality.

The discount rate is set based on the yield of low-risk bonds such as government bonds, while the expected rate of return on plan assets is set based on the long-term rate of return on plan assets such as corporate pension funds.

The difference between these assumptions and actual results and the effect of changes in the market value of plan assets are recognized immediately through the consolidated statement of comprehensive income. Although the Group believes that the assumptions used are reasonable, differences from actual results or changes in the assumptions themselves could affect retirement benefit expenses and retirement benefit asset and liability.

(2) Analysis of operating results for the fiscal year ended March 31, 2026

As described in "4. Management analysis of financial position, operating results and cash flows, Overview of operating results, etc."

(3) Analysis of capital resources and liquidity of funds

(i) Cash flows

As described in “4. Management analysis of financial position, operating results and cash flows, Overview of operating results, etc.”

(ii) Basic approach to financial strategy

The Group’s financial strategy is based on the timely and appropriate allocation of management resources to enhance corporate value. We believe it is important to implement a flexible capital policy that responds to changes in the business environment, to make shareholder returns with an awareness of the cost of capital, and to achieve a capital structure that balances efficiency and safety.

The Group’s equity-to-asset ratio is over 50%, indicating the financial health and soundness of the Group. The Group has obtained a “Single A Flat” credit rating (rating by Rating and Investment Information, Inc. (R&I)). Aiming to maintain the equity-to-asset ratio at 50% or more, we will continue to maintain and improve our credit ratings and further enhance resilience against risks.

In addition, the 2026 Mid-term Plan ending in FY2026 sets financial index targets of ROE of 10% or more and ROIC of 7% or more. The results for FY2025 were ROE of 6.6% and ROIC of 6.8%. We will continue to promote investments to realize sustainable growth with full awareness of the cost of capital and return on capital.

Regarding shareholder returns, we recognize that the distribution of profits to shareholders is a matter of utmost importance. While maintaining sustainable growth in our business, we remain committed to a policy of providing stable, consistent dividends, with a target consolidated payout ratio of 30% or more.

Furthermore, our basic policy on retained earnings is to allocate them to business investments and other purposes aimed at strengthening business foundation and further expanding revenue base.

(iii) Approach to fundraising

The Group mainly obtains working capital for business activities, such as funding for materials and parts used in manufacturing, and R&D expenses, from operating cash flows. Concerning funds required until the collection of claims, we maintain fluidity equivalent to 1.5 months of consolidated sales by means of commercial papers and bank borrowing.

Meanwhile, we raise funds for capital investments, including those in measures to realize carbon neutrality, through bank borrowing and issue of corporate bonds, etc., based on the capital investment plan in each business, while comprehensively taking into account market interest and exchange rate trends, or repayment schedules for existing loans, etc. with regard to domestic and overseas fundraising.

The interest-bearing debt at the end of the fiscal year under review decreased 7,546 million yen from a year earlier to 64,271 million yen.

Moreover, the Group improves the efficiency of funding by providing intra-Group loans. Some overseas affiliated companies procure funds from local financial institutions. In such cases, the Company may provide guarantees for the borrowings of its affiliates.

Although the outlook remains uncertain due to rising costs associated with inflation, review of trade policies in various countries, concerns over energy supply and price trends stemming from the situation in the Middle East, and other factors, the Company has a system in place, in preparation for the risk of a downturn in operating cash flow, to secure liquidity on hand through overdraft facilities, the sale of cross-shareholdings, and other means. We will continue our efforts to secure financing in case of emergencies.

5. Material contracts, etc.

Technology acceptance contract

Name of contracting company	Name of the counterparty	Country	Contracted item	Contract details	Contract period
NHK Precision Co., Ltd.	Acument Global Technologies, B.V.	Nether-lands	Torx punch	Licensing of patents and manufacturing technology (Note 1)	From April 23, 2017 To April 22, 2026 (Note 2)
Sumihatsu Co., Ltd.	Pandrol UK Ltd.	U.K.	Pandrol e-Clip	OEM contract (Note 1)	From March 23, 2018 To March 22, 2028
Topura Co., Ltd.	EJOT	Germany	FDS	Licensing of patents and product rights (Note 1)	From October 1, 2024 To September 30, 2028

Notes: 1 A certain percentage of sales is paid as royalties.

2 As of the filing date of this Annual Securities Report, the contract has been automatically renewed through April 22, 2029.

6. Research and development activities

Guided by our corporate philosophy of "Key Parts, Driving the World Forward," the Group is committed to solving social challenges and realizing a sustainable society through research and development ranging from basic technologies to development of new products and production technologies. Moreover, with the recent electrification of automobiles and motorcycles, the Electrification Business Promotion Department, which has a marketing function, has been promoting the development of new products and new businesses in order to promptly reflect market trends and customer needs in our R&D activities. We have recently received inquiries from several customers for new electrification-related products, and are promoting development and new business studies.

We are working on measures against climate change, which has become a global issue, based on the NHK Spring Group's Environmental Challenges. We have launched activities such as electrification, energy replacement, and energy saving, and are striving to achieve virtually zero CO_2 emissions through the manufacture of each product and the technological development of each product.

Currently, R&D is being conducted by 1,134 staff members, or 6.3% of the total number of Group employees, in the R&D Division, the Engineering Division, the Electrification Business Promotion Department at the Head Office, the development, technology, and design departments of each production division, and the development departments of each subsidiary and associate.

Total R&D expenses in the fiscal year under review amounted to 24,676 million yen, or 3.0% of the Group's total sales.

R&D activities by business segment in the fiscal year under review are as follows: The above R&D expenses include 2,973 million yen for basic R&D of materials technology, processing technology, joining technology, analytical technology, analysis technology, etc. common to each business division, which are conducted by the R&D Division, Engineering Division and Electrification Business Promotion Department at the Head Office.

(1) Automotive Suspension Springs Business

In the Automotive Suspension Springs Business, we view the multi-pathway approach to vehicle development adopted by OEMs as an opportunity for growth, and are working to strengthen our business foundation by focusing on the development of products with high quality and high added value. At the same time, we are accelerating our efforts to reduce our environmental impact, and are steadily implementing concrete measures to achieve carbon neutrality.

As for products for automotive suspension springs, in response to the need to improve the electric power consumption performance of electric vehicles (EVs) and the increasing weight of vehicles, including those with internal combustion engines (ICEs), we are promoting weight-reduction technologies, as well as downsizing, which contributes to the improvement of space efficiency in the passenger compartment and cargo area. With the aim of enhancing the competitiveness of products, we are advancing development efforts by utilizing DX at various stages of product design, development, evaluation, and production to improve and enhance efficiencies.

We are expanding the application of our high-quality, lightweight, and compact metal bellows accumulators, which were developed based on our experience with braking systems. In addition to their conventional uses, we are working to grow our business with overseas customers by applying them to suspensions.

In response to global environmental preservation, we are promoting energy conservation in our manufacturing processes, expanding the use of renewable energy, and promoting the electrification of our facilities. With this world-first new manufacturing method for coil springs (scheduled to begin mass production at our European bases in FY2026), CO_2 emissions from the manufacturing process have been reduced by 40% compared to conventional methods (cold forming).

R&D expenses related to this business segment amounted to 5,001 million yen in the fiscal year ended March 31, 2026.

(2) Automotive Seating Business

Development activities in the Automotive Seating Business focus primarily on “safety and weight reduction, items that meet changes in market and OEM needs, and improvement of occupant comfort” and “environmentally conscious products.”

As an effort to improve safety and reduce weight, we will refine the technologies we have developed to date to reduce weight. Additionally, through a joint industry-academia initiative, we will design front and rear seat frames with entirely new structures. We will proceed with the development of these new frames, aiming to achieve both weight reduction by reducing the number of parts and cost reduction by streamlining the manufacturing process.

As part of our efforts to develop items that meet changes in market and OEM needs and improve occupant comfort, we are developing seats designed to accommodate a wide range of body types. By providing optimal support for specific body parts based on scientific principles and optimizing body pressure distribution, we are creating seats that improve drivability and reduce fatigue. We are also developing technology that regulates the physical and mental states of vehicle occupants through sensory stimulation from the seats, guiding them toward states such as relaxation, drowsiness prevention, and refreshment, depending on the driving situation.

Regarding development for environmental considerations, we will mass-produce urethane materials with a high biomass content utilizing biomass raw materials, with a view to contributing to carbon neutrality.

We will continue advanced development, while responding to changes in the industry, aiming for differentiation, and catering to the demands of each car manufacturer.

R&D expenses related to this business segment amounted to 7,608 million yen in the fiscal year ended March 31, 2026.

(3) Precision Springs and Components Business

In the area of Precision Springs and Components Business, we continue to focus on the development of electrification-related products to keep pace with the changing landscape of the automotive industry.

In the area of motor-related products, to meet the demand for smaller, more efficient designs, we are developing a proprietary manufacturing method for motor cores based on high-precision press forming technology, and are exploring ways to expand their application.

In the area of inverters and electrification components, we are advancing the development of conventional spring technology to create a taper leaf spring for power module cooling, as well as a hybrid spring (HyCS® Series) that combines spring properties with electrical conductivity and heat dissipation. We are currently working to gain customer approval and explore mass production options.

In addition, to address the issues of electrical efficiency, heat management, and vibration that have been raised as challenges associated with electrification, we are developing precision springs that contribute to fastening reliability and vibration reduction. For conventional products such as wire springs and disc springs, we are continuously working to optimize design and improve reliability through the use of analysis technology.

With regard to HDD mechanical components, we are developing material technology and products for next-generation HDDs to maintain and enhance the competitiveness of the business.

R&D expenses related to this business segment amounted to 3,677 million yen in the fiscal year ended March 31, 2026.

(4) DDS Business

As for HDD-related products, we have started mass production of CLA/TSA suspensions for HDDs with 10-11 disks and 26-28 TB capacity using CMR. We also continue to supply TSA suspensions for heat assisted magnetic recording, and are continuing to improve productivity, reduce costs, and improve quality through measures such as improving yields and production cycle times. As in the past, high-capacity HDDs, with or without assisted recording, are expected to increase the recording density per disk mainly by increasing the data track density, requiring improved positioning accuracy of the magnetic head. Therefore, the suspension is required to have higher performance resonance characteristics. We are working to develop and optimize the suspension design for the next and subsequent models.

R&D expenses related to this business segment amounted to 2,283 million yen in the fiscal year ended March 31, 2026.

(5) Industrial Machinery and Equipment, and Other Operations Business

In the semiconductor process parts business, we are engaged in development efforts aimed at addressing challenges such as improving semiconductor chip yield, increasing memory capacity, miniaturizing wiring, and depositing new materials.

With the diversification of semiconductor manufacturing processes, we are also engaged in the prototyping and development of products made of metals and alloys that are generally regarded as difficult-to-machine materials with excellent heat and corrosion resistance. In addition to our core joining technology, we are working to improve the precision and efficiency of processing of these difficult-to-machine materials. In addition, we continue to develop and produce high value-added products by applying ceramic thermal spray coating, which has excellent insulation and plasma resistance, to metal base materials.

As for the upper parts of semiconductor manufacturing equipment using solid state diffusion bonding technology, we provide ultra-high purity products that minimize the risk of contamination to the extreme.

The demand for IMS (Integrated Metal Substrate) for EV/HEV has been growing, and the demand for products with not only high quality and high reliability, but also high purity has been on the rise. As semiconductors are mounted more densely and devices have larger capacities, there is a growing need for IMSs with better heat dissipation and noise resistance, and we are continuously promoting the development of material with excellent heat dissipation and insulation properties to cater to this need. The developed insulating material has high heat dissipation, excellent heat resistance and durability, and is intended to replace ceramics.

At the same time, we are focusing on the development of processing technologies such as thick copper etching, special metal processing, and thorough automation to build high-quality, highly productive production lines and expand production capacity to meet future growth in demand.

In the golf shaft area, we are developing products for all levels of customers by utilizing thickness adjustment, heat treatment and analysis technologies. With regard to analysis technology, we are advancing shaft development by analyzing the behavior of the shaft from multiple angles using a ballistic measuring device introduced to improve analysis technology. Based on this analysis, we are developing shafts for tour players that are lighter yet still perform at a tour-level standard.

R&D expenses related to this business segment amounted to 3,131 million yen in the fiscal year ended March 31, 2026.

III. Information About Facilities

1. Overview of Capital Expenditures

During the fiscal year ended March 31, 2026, the Group made capital expenditures amounting to 47,675 million yen for the purposes of developing and receiving orders for new products, improving the productivity and quality of existing products and enhancing the Group's production capability. The capital expenditures reported herein include investments in tangible as well as intangible assets.

Please find below capital expenditures by the segment.

(1) Automotive Suspension Springs Business

In this segment, the Group made capital expenditures totaling 8,843 million yen mainly aimed at receiving orders for new products and improving the productivity and quality of existing products. Major facilities concerned were the Company's and NHK Spring India's production facilities for automotive suspension springs.

None of the segment's key facilities was retired or sold.

(2) Automotive Seating Business

In this segment, the Group made capital expenditures totaling 5,767 million yen mainly aimed at receiving orders for new products and improving the productivity and quality of existing products. Major facilities concerned were the Company's and NHK Seating of America's production facilities for vehicle seating.

None of the segment's key facilities was retired or sold.

(3) Precision Springs and Components Business

In this segment, the Group made capital expenditures totaling 10,627 million yen mainly aimed at developing and receiving orders for new products and improving the productivity and quality of existing products. Major facilities concerned were the Company's, NHK Spring (Thailand)'s, and NHK Spring Mexico's production facilities for precision springs and components.

None of the segment's key facilities was retired or sold.

(4) DDS Business

In this segment, the Group made capital expenditures totaling 5,641 million yen mainly aimed at developing and receiving orders for new products and improving the productivity and quality of existing products. Major facilities concerned were the Company's, NAT Peripheral (Dongguan) Co., Ltd.'s, and NHK Spring (Thailand)'s production facilities for HDD suspensions.

None of the segment's key facilities was retired or sold.

(5) Industrial Machinery and Equipment, and Other Operations Business

In this segment, the Group made capital expenditures totaling 13,307 million yen mainly aimed at developing and receiving orders for new products, improving the productivity and quality of existing products and enhancing production capability. Major facilities concerned were the extension of Komagane Plant, Industrial Machinery and Equipment Division of the Company and production facilities for integrated metal substrates.

None of the segment's key facilities was retired or sold.

(6) Corporate

The Group made capital expenditures totaling 3,486 million yen for facilities used for corporate functions.

None of the corporate's key facilities was retired or sold.

2. Major Facilities

(1) Reporting Company

(As of March 31, 2026)

Name of office (Location)	Name of segment	Type of facility	Carrying amount (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (1,000 m^2)	Other	Total	
Yokohama Plant (Kanazawa-ku, Yokohama)	Automotive Suspension Springs Business	Production facilities for leaf and coil springs	444	2,230	Included under the head office	737	3,412	513
Shiga Plant (Koka-shi, Shiga)	Automotive Suspension Springs Business	Production facilities for coil springs, stabilizer bars, torsion bars, etc.	954	3,377	1,508 [113]	817	6,657	283
Gunma Plant (Ota-shi, Gunma)	Automotive Seating Business	Production facilities for automotive seats	2,573	2,403	965 [63]	605	6,548	542
Yokohama Plant (Kanazawa-ku, Yokohama)	Automotive Seating Business	Production facilities for automotive seats	959	683	Included under the head office	868	2,510	579
Toyota Plant (Toyota-shi, Aichi)	Automotive Seating Business	Production facilities for automotive seats	1,479	1,915	166 [56]	860	4,422	341
Atsugi Plant (Aikawa-machi, Aiko-gun, Kanagawa)	Precision Springs and Components Business	Production facilities for motor cores, precision springs and components, and dies	6,118	3,315	1,755 [49]	4,153	15,343	570
Ina Plant (Miyada-mura, Kamiina-gun, Nagano)	Precision Springs and Components Business	Production facilities for precision springs and components	1,467	0	332 [35]	144	1,944	423
Komagane Plant (Komagane-shi, Nagano)	DDS Business	Production facilities for HDD suspensions	1,137	3,348	1,075 [102]	1,228	6,789	485
Isehara Plant (Isehara-shi, Kanagawa)	Industrial Machinery and Equipment, and Other Operations Business	Production facilities for semiconductor process components and security products	763	674	803 [8]	384	2,625	352
Miyada Plant (Miyada-mura, Kamiina-gun, Nagano)	Industrial Machinery and Equipment, and Other Operations Business	Production facilities for semiconductor process components	4,838	1,945	624 [31]	2,120	9,529	195
Yasu Plant (Yasu-shi, Shiga)	Industrial Machinery and Equipment, and Other Operations Business	Production facilities for parking equipment, ceramic products, piping support equipment, and industrial-use spring mechanisms	424	423	1,508 [59]	198	2,555	79

Name of office (Location)	Name of segment	Type of facility	Carrying amount (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (1,000 m^2)	Other	Total	
Komagane Plant (Komagane-shi, Nagano)	Industrial Machinery and Equipment, and Other Operations Business	Product facilities for integrated metal substrates	521	10	Included under the Komagane Plant (DDS Business)	6,631	7,162	185
Head office (Kanazawa-ku, Yokohama)	Corporate	–	5,158	1,456	2,535 [123]	798	9,949	550

(2) Domestic subsidiaries

(As of March 31, 2026)

Name of company	Name of office (Location)	Name of segment	Type of facility	Carrying amount (Millions of yen)						Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (1,000 m^2)	Leased assets	Other	Total	
NHK SALES CO., LTD. (Nippan)	Head office (Minato-ku, Tokyo)	Industrial Machinery and Equipment, and Other Operations Business	–	32	0	– [–]	–	70	102	117
YOKOHAMA KIKO CO., LTD.	Head office and Fukuura Plant (Kanazawa-ku, Yokohama)	Industrial Machinery and Equipment, and Other Operations Business	Production facilities for lighting fixtures	225	93	1,288 [23]	–	13	1,620	64
NHK Precision Co., Ltd.	Head office and Isehara Plant (Isehara-shi, Kanagawa)	Precision Springs and Components Business	Production facilities for precision springs and components	51	65	– [–]	–	11	128	42
	Yokote Plant (Yokote-shi, Akita)	Precision Springs and Components Business	Production facilities for precision springs and components	678	465	165 [64]	–	111	1,421	165
NHK TRANS-PORT CO., LTD.	Chubu Distribution Center (Toyota-shi, Aichi)	Industrial Machinery and Equipment, and Other Operations Business	Distribution center	397	7	– [–]	–	19	424	29
	Toyota Distribution Center (Toyota-shi, Aichi)	Industrial Machinery and Equipment, and Other Operations Business	Distribution center	233	1	219 [3]	8	12	475	40
	Kikugawa Distribution Center (Kikugawa-shi, Shizuoka)	Industrial Machinery and Equipment, and Other Operations Business	Distribution center	533	6	352 [22]	26	8	926	13

Name of company	Name of office (Location)	Name of segment	Type of facility	Carrying amount (Millions of yen)						Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (1,000 m^2)	Leased assets	Other	Total	
NIPPATSU SERVICE Co., Ltd.	Yokohama Nishiguchi Office (Kanagawa-ku, Yokohama)	Industrial Machinery and Equipment, and Other Operations Business	–	109	7	22 [0]	–	6	146	34
NIPPON SHAFT CO., LTD.	Komagane Plant (Komagane-shi, Nagano)	Industrial Machinery and Equipment, and Other Operations Business	Production facilities for golf shafts	856	876	239 [26]	–	248	2,221	156
Sumihatsu Co., Ltd.	Head office and Tsukuba Plant (Sakuragawa-shi, Ibaraki)	Automotive Suspension Springs Business	Production facilities for leaf springs	540	691	604 [153]	3	499	2,337	441
ITES CO., LTD.	Head office and Totsuka Office (Totsuka-ku, Yokohama)	Automotive Seating Business	Production facilities for automotive seats	80	152	– [–]	0	31	264	58
HORIKIRI, INC.	Head office and Yachiyo Plant (Yachiyo-shi, Chiba)	Automotive Suspension Springs Business	Production facilities for leaf springs	1,038	1,214	336 [17]	–	151	2,740	142
NHK FLEX Co., Ltd.	Head factory (Ina-shi, Nagano)	Precision Springs and Components Business	Production facilities for cables	12	176	– [–]	–	108	298	251
Tokuhatsu Co., Ltd.	Head office and Itami Plant (Itami-shi, Hyogo)	Precision Springs and Components Business	Production facilities for precision springs and components	479	263	71 [14]	–	89	903	150
	Sanda Plant (Sanda-shi, Hyogo)	Precision Springs and Components Business	Production facilities for precision springs and components	509	303	340 [13]	–	15	1,168	21

(As of March 31, 2026)

Name of company	Name of office (Location)	Name of segment	Type of facility	Carrying amount (Millions of yen)						Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (1,000 m2)	Leased assets	Other	Total	
TOHOKU NIPPATSU CO., LTD.	Head factory (Kitakami-shi, Iwate)	Automotive Suspension Springs Business/Automotive Seating Business	Production facilities for coil springs and automotive seats	393	208	104 [10]	–	70	777	172
	Oshu Plant (Oshu-shi, Iwate)	Automotive Seating Business	Production facilities for automotive seats	87	10	116 [22]	–	0	215	21
FAURECIA-NHK KYUSHU CO., LTD.	Head factory (Kanda-machi, Miyako-gun, Fukuoka)	Automotive Seating Business	Production facilities for automotive seats	240	210	444 [26]	5	38	937	139
NHK MEC Corporation	Komagane Plant (Komagane-shi, Nagano)	Industrial Machinery and Equipment, and Other Operations Business	Production facilities for boat components	424	113	237 [15]	8	321	1,105	128
	Head office (Kohoku-ku, Yokohama)	Industrial Machinery and Equipment, and Other Operations Business	–	34	6	1,587 [0]	5	49	1,684	72
NHK Spring Production Company	Head factory (Isehara-shi, Kanagawa)	Automotive Suspension Springs Business	Production facilities for stabilizer bars	346	652	1,012 [31]	–	388	2,400	149
Topura Co., Ltd.	Head office and Hadano Plant (Hadano-shi, Kanagawa)	Precision Springs and Components Business	Production facilities for fasteners (screws)	547	388	1,521 [47]	114	57	2,629	301
	Osaka Plant (Katano-shi, Osaka)	Precision Springs and Components Business	Production facilities for fasteners (screws)	81	202	318 [8]	0	25	628	102
	Tokai Plant (Omaezaki-shi, Shizuoka)	Precision Springs and Components Business	Production facilities for fasteners (screws)	381	316	377 [56]	1	15	1,092	125
NHK SPRING KYUSHU CO., LTD.	Head factory (Kanda-machi, Miyako-gun, Fukuoka)	Automotive Suspension Springs Business	Production facilities for coil springs and stabilizer bars	1,131	631	329 [40]	–	82	2,175	63
NHK SEATING MIZUSHIMA Co., Ltd.	Head factory (Kurashiki-shi, Okayama)	Automotive Seating Business	Production facilities for automotive seats	9	67	– [–]	2	29	109	239

(3) Overseas subsidiaries

(As of December 31, 2025)

Name of company	Name of office (Location)	Name of segment	Type of facility	Carrying amount						Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (1,000 m2)	Leased assets	Other	Total	
NHK Spring (Thailand) Co., Ltd.	Wellgrow Plant (Bangpakong, Chachoengsao, Thailand)	Automotive Suspension Springs Business	Production facilities for automotive suspension springs	97 (Millions of baht)	311 (Millions of baht)	518 (Millions of baht) [159]	–	185 (Millions of baht)	1,111 (Millions of baht)	476
		Precision Springs and Components Business	Production facilities for precision springs and components	143 (Millions of baht)	285 (Millions of baht)	Included under the above	–	75 (Millions of baht)	503 (Millions of baht)	444
		DDS Business	Production facilities for HDD suspensions	126 (Millions of baht)	1,182 (Millions of baht)	Included under the above	–	593 (Millions of baht)	1,903 (Millions of baht)	889
	Bangpoo Plant (Muang Samutprakarn, Samut Prakarn, Thailand)	Automotive Seating Business	Production facilities for automotive seats	39 (Millions of baht)	167 (Millions of baht)	117 (Millions of baht) [71]	–	137 (Millions of baht)	460 (Millions of baht)	838
	Banpho Plant (Ban Pho, Chachoengsao, Thailand)	Automotive Seating Business	Production facilities for automotive seats	49 (Millions of baht)	7 (Millions of baht)	355 (Millions of baht) [189]	–	35 (Millions of baht)	446 (Millions of baht)	297
	Hemaraj Plant (Pluakdaeng, Rayong, Thailand)	Automotive Seating Business	Production facilities for automotive seats	52 (Millions of baht)	34 (Millions of baht)	202 (Millions of baht) [142]	–	84 (Millions of baht)	372 (Millions of baht)	149
NHK Precision (Thailand) Co., Ltd.	Muang Samutprakarn, Samut Prakan, Thailand	Precision Springs and Components Business	Production facilities for precision springs and components	51 (Millions of baht)	44 (Millions of baht)	72 (Millions of baht) [18]	–	21 (Millions of baht)	189 (Millions of baht)	149
NAT Peripheral (Dongguan) Co., Ltd.	Dongguan, Guangdong, China	DDS Business	Production facilities for HDD suspensions	– (Thousands of HK$)	101,525 (Thousands of HK$)	– [–]	–	21,619 (Thousands of HK$)	123,145 (Thousands of HK$)	1,061
NHK-Uni Spring (Guangzhou) Co., Ltd.	Guangzhou Economic and Technological Development Zone, Guangzhou, China	Automotive Suspension Springs Business	Production facilities for automotive suspension springs	21,485 (Thousands of yuan)	40,251 (Thousands of yuan)	– [–]	–	5,051 (Thousands of yuan)	66,788 (Thousands of yuan)	338
NHK Spring Precision (Guangzhou) Co., Ltd.	Guangzhou Economic and Technological Development Zone, Guangzhou, China	Precision Springs and Components Business	Production facilities for precision springs and components	6,992 (Thousands of yuan)	69,915 (Thousands of yuan)	– [–]	–	13,225 (Thousands of yuan)	90,133 (Thousands of yuan)	259
NHK Manufacturing (Malaysia) SDN. BHD.	Seremban, Negeri Sembilan, Malaysia	Industrial Machinery and Equipment, and Other Operations Business	Product facilities for integrated metal substrates	34,836 (Thousands of Malaysian ringgit)	23,367 (Thousands of Malaysian ringgit)	2,410 (Thousands of Malaysian ringgit) [22]	–	4,683 (Thousands of Malaysian ringgit)	65,298 (Thousands of Malaysian ringgit)	388
Topura America Fastener, Inc.	Bowling Green, Kentucky, U.S.	Precision Springs and Components Business	Production facilities for fasteners (screws)	4,031 (Thousands of US$)	2,361 (Thousands of US$)	212 (Thousands of US$) [161]	–	391 (Thousands of US$)	6,997 (Thousands of US$)	83

Name of company	Name of office (Location)	Name of segment	Type of facility	Carrying amount						Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (1,000 m2)	Leased assets	Other	Total	
NHK Spring Mexico, S.A. DE. C.V.	Irapuato, Guanajuato, Mexico	Automotive Suspension Springs Business/ Precision Springs and Components Business	Production facilities for automotive suspension springs, precision springs and components	49,536 (Thousands of Mexican peso)	258,544 (Thousands of Mexican peso)	185,303 (Thousands of Mexican peso) [99]	–	506,694 (Thousands of Mexican peso)	1,000,078 (Thousands of Mexican peso)	434

(As of March 31, 2026)

Name of company	Name of office (Location)	Name of segment	Type of facility	Carrying amount						Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (1,000 m2)	Leased assets	Other	Total	
NHK International Corporation	Novi, Michigan, U.S.	Automotive Suspension Springs Business	–	3,340 (Thousands of US$)	569 (Thousands of US$)	435 (Thousands of US$) [16]	–	191 (Thousands of US$)	4,537 (Thousands of US$)	105
New Mather Metals, Inc.	Franklin, Kentucky, U.S.	Automotive Suspension Springs Business	Production facilities for stabilizer bars	6,570 (Thousands of US$)	24,446 (Thousands of US$)	418 (Thousands of US$) [118]	–	2,766 (Thousands of US$)	34,202 (Thousands of US$)	388
NHK of America Suspension Components, Inc.	Bowling Green, Kentucky, U.S.	Automotive Suspension Springs Business/ Precision Springs and Components Business	Production facilities for coil springs and those for precision springs and components	7,590 (Thousands of US$)	20,158 (Thousands of US$)	360 (Thousands of US$) [176]	–	4,452 (Thousands of US$)	32,561 (Thousands of US$)	295
NHK Seating of America, Inc.	Frankfort, Indiana, U.S.	Automotive Seating Business	Production facilities for automotive seats	27,973 (Thousands of US$)	25,163 (Thousands of US$)	1,803 (Thousands of US$) [282]	–	23,778 (Thousands of US$)	78,720 (Thousands of US$)	819
NHK Spring Precision of America, Inc.	Louisville, Kentucky, U.S.	Precision Springs and Components Business	Production facilities for precision springs and components	3,457 (Thousands of US$)	1,228 (Thousands of US$)	1,120 (Thousands of US$) [69]	–	432 (Thousands of US$)	6,238 (Thousands of US$)	80
NHK Spring India Ltd.	Manesar Plant (Manesar, Haryana, India)	Automotive Suspension Springs Business	Production facilities for coil springs and stabilizer bars	155 (Millions of Indian rupee)	318 (Millions of Indian rupee)	158 (Millions of Indian rupee) [37]	–	5 (Millions of Indian rupee)	639 (Millions of Indian rupee)	268
	Sricity Plant (Sricity, Andhra Pradesh, India)	Automotive Suspension Springs Business/ Automotive Seating Business	Production facilities for coil springs, leaf springs, and automotive seats	256 (Millions of Indian rupee)	247 (Millions of Indian rupee)	– [70]	–	5 (Millions of Indian rupee)	510 (Millions of Indian rupee)	45
NHK Automotive Components India Private Limited	Chhatrapati Sambhajinagar, Maharashtra, India	Precision Springs and Components Business	Production facilities for precision springs and components	210 (Millions of Indian rupee)	242 (Millions of Indian rupee)	– [67]	–	91 (Millions of Indian rupee)	544 (Millions of Indian rupee)	243
NHK Spring Hungary KFT.	Tata, Komárom-Esztergom, Hungary	Automotive Suspension Springs Business	Production facilities for coil springs and stabilizer bars	5,475 (Millions of Hungarian forint)	–	966 (Millions of Hungarian forint) [190]	–	136 (Millions of Hungarian forint)	6,578 (Millions of Hungarian forint)	212

Notes: 1 The “Other” is a sum of the carrying amount of tools, furniture and fixtures and the amount of construction in progress.

2 There are no major facilities that are currently idle.

3. Planned Addition, Retirement, and Other Changes of Facilities

(1) Addition or Other Change of Key Facilities

Since the Group has a wide range of business projects in and outside Japan, the Company discloses planned facility additions and enhancements by the segment in terms of the amount.

The Group plans to make capital expenditures amounting to 58,700 million yen for the next fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027). Please find below the plans by the segment.

(Millions of yen)

Name of segment	Amount of planned expenditures (From April 1, 2026 to March 31, 2027)	Facilities and main investment purpose
Automotive Suspension Springs	10,800	Enhancement and/or renewal of production facilities
Automotive Seating	7,900	Enhancement and/or renewal of production facilities
Precision Springs and Components	11,000	Enhancement and/or renewal of production facilities
DDS	15,400	Enhancement and/or renewal of production facilities
Industrial Machinery and Equipment, and Other Operations	8,300	Enhancement and/or renewal of production facilities
Corporate	5,300	Enhancement and/or renewal of R&D facilities
Total	58,700	

Notes: 1 The Company is going to finance these capital expenditures by allocating its own capital and also by borrowing, among other measures.

2 The Company has no plans to retire any of its key facilities, except for those that will be retired for routine facility upgrading.

IV. Information About Reporting Company

1. Company's Shares, etc.

(1) Total Number of Shares

(i) Authorized shares

Class	Total number of authorized shares (Shares)
Common shares	600,000,000
Total	600,000,000

(ii) Issued shares

Class	Number of shares issued at the end of the fiscal year under review (March 31, 2026) (Shares)	Number of shares issued as of the filing date (June 17, 2026) (Shares)	Name of the financial instruments exchange on which the Company's shares are listed or the authorized financial instruments firms association to which the Company is a party	Description
Common shares	231,066,144	231,066,144	Tokyo Stock Exchange Prime Market	These shares are the Company's standard shares with full and unlimited voting rights. The number of shares per unit is 100 shares.
Total	231,066,144	231,066,144	–	–

(2) Share Acquisition Rights, etc.

(i) Employee share option plans

There are no matters to report under this item.

(ii) Rights plans

There are no matters to report under this item.

(iii) Share acquisition rights for other uses

There are no matters to report under this item.

(3) Exercise Status of Bonds with Share Acquisition Rights Containing a Clause for Exercise Price Adjustment

There are no matters to report under this item.

(4) Changes in Total Number of Issued Shares, Share Capital and Legal Capital Surplus

Date	Increase (Decrease) in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Increase (Decrease) in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Increase (Decrease) in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
March 31, 2025 (Note)	(13,000,000)	231,066,144	–	17,009	–	17,295

Note: Decrease due to cancellation of treasury shares.

(5) Shareholding by Shareholder Category

As of March 31, 2026

Classification	Shareholding status (Number of shares per share unit: 100 shares)								Shares less than one unit (Shares)
	National and local govern-ments	Financial insti-tutions	Financial instru-ments business operators	Other corpo-rations	Foreign entities		Indi-viduals, etc.	Total	
					Non-indi-viduals	Indi-viduals			
Number of shareholders (Persons)	2	37	28	199	296	16	10,502	11,080	–
Number of shares held (Units)	102	951,842	33,202	247,677	593,759	60	482,396	2,309,038	162,344
Percentage of shares held (%)	0.00	41.22	1.44	10.73	25.71	0.00	20.90	100.00	–

Notes: 1. 27,443,353 treasury shares are included in "Individuals, etc." as 274,433 units and "Shares less than one unit" as 53 shares. The number of shares held in effect by the Company as of March 31, 2026 was 27,443,353.

2. "Other corporations" and "Shares less than one unit" include 12 units and 70 shares, respectively, held in the name of Japan Securities Depository Center, Inc.

(6) Major Shareholders

As of March 31, 2026

Name	Address	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of issued shares (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka 1-8-1, Minato-ku, Tokyo, Japan	24,479	12.02
The Master Trust Bank of Japan, Ltd. as the co-trustee of the retirement benefit trust account of Daido Steel Co., Ltd. entrusted to Mitsubishi UFJ Trust and Banking Corporation	Akasaka 1-8-1, Minato-ku, Tokyo, Japan	22,392	11.00
Custody Bank of Japan, Ltd. (Trust account)	Harumi 1-8-12, Chuo-ku, Tokyo, Japan	13,374	6.57
Sojitz Corporation	Uchisaiwaicho 2-1-1, Chiyoda-ku, Tokyo, Japan	13,199	6.48
Custody Bank of Japan, Ltd. as the re-entrusted trustee of the retirement benefit trust account of Kobe Steel Co., Ltd. entrusted to Mizuho Trust & Banking	Harumi 1-8-12, Chuo-ku, Tokyo, Japan	9,504	4.67
Custody Bank of Japan, Ltd. as the re-entrusted trustee of the retirement benefit trust account of Mizuho Bank, Ltd. entrusted to Mizuho Trust & Banking Co., Ltd.	Harumi 1-8-12, Chuo-ku, Tokyo, Japan	5,753	2.83
The Bank of Yokohama, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	Minatomirai 3-1-1, Nishi-ku, Yokohama, Kanagawa, Japan (Harumi 1-8-12, Chuo-ku, Tokyo, Japan)	5,718	2.81
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Konan 2-15-1, Minato-ku, Tokyo, Japan)	4,862	2.39
Employee Shareholding Association of NHK SPRING CO., LTD.	3-10 Fukuura, Kanazawa-ku, Yokohama, Japan	4,337	2.13
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (Standing proxy: MUFG Bank, Ltd.)	AVENUE DES ARTS,35 KUNSTLAAN,1040 BRUSSELS, BELGIUM (Marunouchi 1-4-5, Chiyoda-ku, Tokyo)	3,035	1.49
Total	–	106,654	52.38

Notes: 1 The Company, which has 27,443,353 treasury shares, is nonetheless excluded from this list of major shareholders.

2 All the shares held by the above-mentioned trust banks and Custody Bank of Japan are handled under their fiduciary services.

3 According to a "Statement of Large-Volume Holdings" that was made available for public inspection on December 19, 2025, Nomura Securities Co., Ltd. and its joint holders held, as of December 15, 2025, the Company's shares as shown below. However, these firms are not included in the list of major shareholders, because the Company was not able to confirm the number of shares claimed to be held in effect by these firms as of March 31, 2026.

Please find below the content of the said "Statement of Large-Volume Holdings."

Name	Address	Number of share certificates held (Thousands of shares)	Percentage of share certificates held (%)
Nomura Securities Co., Ltd.	Nihombashi 1-13-1, Chuo-ku, Tokyo, Japan	251	0.11
Nomura International plc	1 Angel Lane, London EC4R 3AB, United Kingdom	223	0.10
Nomura Asset Management Co., Ltd.	Toyosu 2-2-1, Koto-ku, Tokyo, Japan	11,347	4.91
Total	–	11,823	5.12

(7) Voting Rights

(i) Issued shares

As of March 31, 2026

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	–	–	–
Shares with limited voting rights (Treasury shares, etc.)	–	–	–
Shares with limited voting rights (Other)	–	–	–
Shares with full voting rights (Treasury shares, etc.)	(Treasury shares) Common shares 27,443,300	–	These are the Company's standard shares with no limited rights, and 100 shares of them comprise one trading unit.
Shares with full voting rights (Other)	Common shares 203,460,500	2,034,605	Same as above
Shares less than one unit	Common shares 162,344	–	These are the Company's standard shares with no limited rights.
Total number of issued shares	231,066,144	–	–
Total number of voting rights	–	2,034,605	–

Notes: 1 The "Shares with full voting-rights (Other)" include: 1,200 shares (12 voting rights) held in the name of Japan Securities Depository Center, Inc.; 300 shares (three voting rights) held in the name of NHK Sales Co., Ltd. (which are unregistered shares; these were forgotten to be registered when exchanged with the Company on April 1, 2012); and 1,033,700 shares of the Company's stock (10,337 voting rights) held by Custody Bank of Japan, Ltd. (in a Trust E account) in a Board Benefit Trust set up by the Company for its stock compensation plan for Directors (other than External Directors) and Corporate Officers. The 300 shares (three voting rights) held in the name of NHK Sales Co., Ltd. are not held in effect by the said company.

2 The common shares under "Shares less than one unit" include the following shares held by the Company.

Shares held by the Company: 53 shares

(ii) Treasury shares, etc.

As of March 31, 2026

Name of shareholder	Shareholder's address	Number of shares held in own name (Shares)	Number of shares held in other's name (Shares)	Total number of shares held (Shares)	Percentage of shares held to the total number of issued shares (%)
(Shares held by itself) NHK SPRING CO., LTD.	3-10 Fukuura, Kanazawa-ku, Yokohama, Japan	27,443,300	–	27,443,300	11.88
Total	–	27,443,300	–	27,443,300	11.88

Note: The 1,033,700 shares of the Company's stock held by Custody Bank of Japan, Ltd. (in a Trust E account) as trust assets under a stock benefit trust set up by the Company for its stock compensation plan.

(8) Share Ownership Plan for Directors (and Other Officers) and Employees

(Board Benefit Trust Plan for Directors, etc.)

(i) Overview of the restricted stock compensation plan using a Board Benefit Trust-Restricted Stock (BBT-RS)

In line with a resolution passed by shareholders at the 105th Annual General Meeting held on June 25, 2025, the Company introduced a restricted stock compensation plan using a Board Benefit Trust-Restricted Stock (BBT-RS), with the aim of clarifying the linkage between the remuneration of Directors, etc. (excluding External Directors, but including Corporate Officers; the same applies hereafter) and the value of shares, and raising awareness that Directors, etc. contribute to the improvement of medium- to long-term performance and the enhancement of corporate value by sharing not only the merits of rising stock price, but also the risk of stock price declines, with shareholders.

This is a plan in which the Company's shares are acquired through a trust ("the Trust") using the funds contributed by the Company, and the Company's shares and money equivalent to the amount calculated by converting the Company's shares into market value ("the Company's shares, etc.") are provided to Directors, etc. through the Trust in accordance with the Company Rules Governing the Stock Compensation Plan for Directors.

The timing of the provision of the Company's shares to Directors, etc. is at the specified time each year in principle, and the timing of the provision of money equivalent to the amount calculated by converting the Company's shares into market value to Directors, etc. is at the time of their retirement in principle. In the event that Directors, etc. receive the Company's shares during their term of office, they conclude a share transfer restriction agreement with the Company beforehand. Accordingly, the Company's shares received by Directors, etc. during their term of office are restricted from being disposed of by transfer, etc. until the retirement of the said Directors, etc.

(ii) Total Number of Shares Planned for Acquisition by Directors, etc.

During each fiscal year, Directors, etc. are given points whose count is determined in consideration of their position and other factors based on the Company Rules Governing the Stock Compensation Plan for Directors. Those points, awarded with an upper limit of 200,000 points per fiscal year, are converted to the Company's common shares at the rate of one share for each point.

The number of the Company's shares acquired into the Trust per fiscal year is capped at 1,000,000 shares.

(iii) Scope of Persons Eligible to Receive a Beneficiary or Other Interest Attached to the Restricted Stock Compensation Plan Using a Board Benefit Trust-Restricted Stock (BBT-RS)

Directors, etc. who are eligible are those who meet the beneficiary requirements as specified in the Company Rules Governing the Stock Compensation Plan for Directors

(Restricted Stock Incentive Plan for Employees)

(i) Outline of the Restricted Stock Incentive Plan

At a meeting of the Board of Directors held on August 7, 2024, the Board of Directors approved a resolution to introduce a restricted stock incentive plan for eligible employees of the Company and its subsidiaries who are members of the Employee Shareholding Association of the Company or the NHK Springs Group Shareholding Association (the “ESAs”).

The purpose of this plan is to create opportunities for eligible employees to acquire shares of the Company’s common stock issued or disposed of by the Company as restricted stock, as a measure to enhance the welfare program for the eligible employees, thereby helping them to build their wealth, fostering a sense of group unity among them, and increasing their engagement in management toward sustainable enhancement of the corporate value of the Company’s shareholders and the Group.

In the plan, the Company and its subsidiaries shall provide monetary claims to the eligible employees as special incentives to grant 100 restricted shares per person (the “Special Incentives”), and the eligible employees shall contribute the Special Incentives to the ESAs. Subsequently, the ESAs shall provide the Special Incentives contributed by the eligible employees to the Company in kind, and receive the Company’s common stock (the “Allotted Shares”) to be issued or disposed of as restricted stock.

With regard to member equity interest pertaining to the Allotted Shares to be held by the eligible employees corresponding to the monetary claims they contribute to the ESAs, the eligible employees shall be restricted from withdrawing the restricted stock corresponding to the equity interest until the transfer restrictions are lifted, based on the shareholding association rules, the shareholding association detailed operation regulations, etc.

(ii) Number of shares disposed of in accordance with the plan

On January 24, 2025, the Company disposed of treasury shares in accordance with the Restricted Stock Incentive Plan for Employees. The number of shares subject to this disposition was 756,400 shares.

(iii) Range of those that can receive the beneficial rights and other rights of the plan

Employees of the Company and its subsidiaries who are members of the ESAs and meet the requirements for beneficiaries

2. Acquisition and Disposal of Treasury Shares

Class of Shares, etc. Acquisition of common stock as stipulated in Article 155, Item (iii) of the Companies Act, acquisition of common stock as stipulated in Article 155, Item (vii) of the Companies Act, and acquisition of common stock as stipulated in Article 155, Item (xiii) of the Companies Act

(1) Acquisition by Resolution of Shareholders meeting

There are no matters to report under this item.

(2) Acquisition by Resolution of Board of Directors Meeting

Acquisition based on the provisions of Article 156 of the Companies Act as applied by replacing the terms pursuant to the provisions of Article 165, paragraph (3) of the said Act

Classification	Number of shares (Shares)	Total amount (Yen)
Resolution by the Board of Directors Meeting (December 23, 2024) (Acquisition period: December 24, 2024 to June 23, 2025)	13,000,000	26,000,000,000
Treasury shares acquired before the fiscal year under review	11,649,400	21,626,380,404
Treasury shares acquired during the fiscal year under review	1,350,600	1,980,823,508
Total number and amount of treasury shares yet to be acquired	–	2,392,796,088
Percentage of treasury shares yet to be acquired as of the end of the fiscal year under review (%)	0.0	9.2
Treasury shares acquired during the period from April 1, 2026 to the filing date of this Annual Securities Report	–	–
Percentage of treasury shares yet to be acquired as of the filing date (%)	0.0	9.2

Note: The acquisition of treasury shares by the resolution of the Board of Directors meeting was completed on April 11, 2025.

(3) Acquisition not Based on Resolution of Shareholders Meeting or Board of Directors Meeting

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury shares acquired during the fiscal year under review	8,885	2,889,417
Treasury shares acquired during the period from April 1, 2026 to the filing date of this Annual Securities Report	56	156,560

Note: The “Treasury shares acquired during the period from April 1, 2026 to the filing date of this Annual Securities Report” do not include the number of shares acquired through free acquisition of shares with transfer restrictions and the number of shares less than one unit that were acquired through purchase during the period from June 1, 2026 to the filing date of the Report.

(4) Disposal of Treasury Shares and Number of Treasury Shares Held

Classification	Fiscal year under review		Period from April 1, 2026 to the filing date of this Annual Securities Report	
	Number of shares (Shares)	Total amount disposed (Yen)	Number of shares (Shares)	Total amount disposed (Yen)
Acquired treasury shares for which subscribers were solicited	–	–	–	–
Acquired treasury shares that were cancelled	–	–	–	–
Acquired treasury shares that were transferred due to merger, stock exchange, partial share exchange, or company split	–	–	–	–
Other (Disposal of treasury shares through a third-party allotment to the Stock Benefit Trust)	860,200	1,493,307,200	–	–
Number of treasury shares held	27,443,353	–	27,443,409	–

Notes: 1 The treasury shares disposed during the period from April 1, 2026 to the filing date of this Annual Securities Report do not include shares less than one unit sold during the period from June 1, 2026 to the filing date of the Report.

2 The number of treasury shares held during the period from April 1, 2026 to the filing date of this Annual Securities Report does not include the number of shares less than one unit purchased or sold and the number of shares resulting from the free acquisition of shares with transfer restrictions during the period from June 1, 2026 to the filing date of the Report.

3 Neither of the number of treasury shares held during the fiscal year under review nor the number of treasury shares during the period from April 1, 2026 to the filing date of this Annual Securities Report include 1,033,700 shares of the Company's stock held by Custody Bank of Japan, Ltd. (in a Trust E account) as trust assets under a stock benefit trust set up by the Company for its stock compensation plan.

3. Dividend Policy

In principle, the Company pays dividends of surplus twice a year, an interim dividend and a year-end dividend. Decisions on interim dividends are taken by the Board of Directors, while those on year-end dividends are taken by shareholders at a General Meeting.

Basically, the Company pays dividends in a constant and continuous manner with a view to establish long-term business infrastructure, taking into consideration its consolidated business performance, dividend payout ratio, and other factors comprehensively.

The year-end dividend of surplus for the fiscal year under review is expected to be 33 yen per share as an ordinary dividend, for a total annual dividend of 66 yen per share, including the interim dividend of 33 yen per share.

The Company keeps cash reserves to be prepared for future funding needs necessary for continuous growth from a long-term perspective, while making efforts to improve the quality of its business and management.

The Company's Articles of Incorporation stipulate that the Company may pay interim dividends as provided in Article 454, paragraph (5) of the Companies Act.

Please find below the dividends of surplus whose record date falls in the fiscal year under review.

In addition, the total amount of the year-end dividend of 6,719 million yen and the dividend per share of 33 yen are subject to approval at the Annual General Meeting of Shareholders scheduled to be held on June 25, 2026.

Date of resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
November 12, 2025 Resolution by the Board of Directors	6,719	33
June 25, 2026 Resolution of the Annual General Meeting of Shareholders (scheduled)	6,719	33

4. Corporate Governance

(1) Overview of Corporate Governance

(i) Basic Stance on Corporate Governance

The Company is seeking to maintain sound management and increase corporate value over the medium-to-long term by developing management structures and mechanisms and implementing necessary measures.

In order to achieve that, the Company has in place the following five basic principles.

1. We ensure the rights and equality of our shareholders and strive to create an environment in which they can exercise their rights appropriately.
2. We work to sustain a good relationship by fulfilling our responsibility as a company to stakeholders, such as our shareholders, customers, business partners, local communities, and employees.
3. We appropriately conduct disclosure based on the law while also independently striving to provide information other than that required by law.
4. The Board of Directors will intensively deliberate on agenda items, determine the supreme management policy, and supervise business management trends based on each member's knowledge and experience underpinned by a thorough understanding of the business. In addition, the Board will actively discuss management issues derived from the agenda items in order to fulfill its appropriate roles and responsibilities.
5. We will endeavor to engage in constructive dialog with shareholders, and strive to disseminate and share information by providing feedback to management and members of the Board on the opinions and other information collected through such dialog.

(ii) Overview of Corporate Governance System and Reasons for Adopting the System

(a) Overview of Corporate Governance System

(The Board of Directors)

The Company's Board of Directors is comprised of Directors who have expertise in their respective career backgrounds, including sales, engineering and finance. Their seasoned knowledge and work experiences have enabled them to supervise the running of the Company through focused deliberation on matters submitted to the Board and spontaneous discussion on related management issues.

Furthermore, four External Directors are appointed to the Board of Directors, a measure to ensure the rationality of decisions taken by the Company's management and the validity of supervision over it.

The Board of Directors meets once a month as a rule, and there the Board decides on matters stipulated in laws, regulations and the Articles of Incorporation and on other matters of importance regarding the management of the Company and the Group. At Board meetings, the Board also receives job reports from Directors on a periodic basis and thereby supervise their execution of duties. Authority over matters concerning the administration of business operations is delegated to the Management Committee.

Authority over daily business operations is delegated to the Corporate Officer assigned to supervise the division in charge of the operation concerned.

Fourteen Board meetings were held during the fiscal year ended March 31, 2026. Please find below the record of attendance by Directors.

Name	Number of meetings attended
Takashi Kayamoto	14
Kazuhisa Uemura	14
Kiyohiko Kammei	4*1
Hidefumi Yoshimura	4*1
Noritoshi Takamura	10*2
Masayuki Horie	10*2
Shunsuke Sasaki	14
Keiichiro Sue	14
Katsuko Tanaka	14
Hiromi Tamakoshi	14
Reiko Furukawa	14

*1 Attended all 4 Board of Directors meetings held before retirement as Director in June 2025

*2 Attended all 10 Board of Directors meetings held after appointment as Director in June 2025

(The Voluntary Nomination and Compensation Committee)

The Company has the Voluntary Nomination and Compensation Committee to strengthen the independence and objectivity of Board decisions concerning the nomination of and remuneration for Directors and the planning of successors to Directors. Being a body with consultative functions, the Nomination and Compensation Committee, whose majority members are independent External Directors, provides the Board of Directors with advice on the selection of Board candidates and matters concerning remuneration for Directors. The Committee meets, as a rule, three to five times a year. Three meetings were held during the fiscal year ended March 31, 2026. Please find below the record of attendance by the members of the Committee.

Name	Number of meetings attended
Takashi Kayamoto	3
Kazuhisa Uemura	3
Keiichiro Sue	3
Katsuko Tanaka	3
Hiromi Tamakoshi	3
Reiko Furukawa	3

(Business Execution System)

The Company’s business operations are conducted under a corporate officer system.

Corporate Officers, who run and administer operations at their business unit in charge, execute their duties in line with the authority conferred by the Board of Directors.

The Management Committee is the highest decision-making body at the operational level and is comprised of full-time Directors, Executive Corporate Officers and other Corporate Officers in a higher-ranking position, and Corporate Officers who double the President of a division. The Committee deliberates on matters of importance regarding business operations from Company-wide and across-Group perspectives.

(Audit System)

The Company is a company with an Audit & Supervisory Board. As described in “(3) Audits, (i) Audits by Audit & Supervisory Board Members,” the Company ensures the implementation of a support system for thoroughly encouraging the monitoring by the Audit & Supervisory Board over management and takes all measures needed to strengthen the functions of the Audit

& Supervisory Board, with such measures including the appointment of external individuals highly independent from the Company and personnel with expertise in finance and accounting as Audit & Supervisory Board Members.

Please find below the members of the afore-mentioned bodies as of the filing date. (Those marked with ◎ serve as the chairpersons or chairs.)

Title	Name	Board of Directors	Management Committee	Audit & Supervisory Board	Nomination and Compensation Committee
Representative Member of the Board, Chairman and CEO	Takashi Kayamoto	◎	○		◎
Representative Member of the Board, President and Corporate Officer and COO	Kazuhisa Uemura	○	◎		○
Representative Member of the Board, Executive Vice President and Corporate Officer, CQO and CTO	Noritoshi Takamura	○	○		
Representative Member of the Board, Executive Vice President and Corporate Officer and CLO	Masayuki Horie	○	○		
Member of the Board and Executive Corporate Officer	Shunsuke Sasaki	○	○		
External Director (Independent)	Keiichiro Sue	○			○
External Director (Independent)	Katsuko Tanaka	○			○
External Director (Independent)	Hiromi Tamakoshi	○			○
External Director (Independent)	Reiko Furukawa	○			○
Audit & Supervisory Board Member (Full-time)	Masakazu Toyoda		○	◎	
Audit & Supervisory Board Member (Full-time)	Naoya Mizutani		○	○	
External Audit & Supervisory Board Member (Independent)	Ichiro Ebihara			○	
External Audit & Supervisory Board Member (Independent)	Yuko Yamada			○	
Executive Corporate Officer	Jun Umeno		○		
Executive Corporate Officer and CFO	Osamu Ikejiri		○		
Executive Corporate Officer	Toshihiro Tachikawa		○		
Executive Corporate Officer	Hajime Okajima		○		
Executive Corporate Officer	Yoji Ito		○		
Senior Corporate Officer	Masayoshi Yamaguchi		○		
Senior Corporate Officer	Noriyuki Saito		○		
Senior Corporate Officer	Junichi Miyahara		○		

(b) Reasons for Adopting the Said System

As described in “(a) Overview of Corporate Governance System,” the Company distinguishes the roles of the Board of Directors, which is accountable for management and supervision, from those of Corporate Officers, who are put in charge of the execution of business operations. This has enabled the Board of Directors to focus on deliberation and decision-making regarding management matters of importance and has also enabled the Board to supervise duties executed by Corporate Officers, thereby allowing the Company to maintain and improve its management efficiency as well as seek to increase its corporate value continually in the medium- and long-term.

Furthermore, the Company appoints External Directors in order to receive well-informed advice on management policies and improvement approaches as well as seek their proactive involvement in critical decision-making by the Board of Directors.

The responsibility of auditing the Company's management rests with the Audit & Supervisory Board, which is independent from the Board of Directors.

Moreover, as is described in "(a) Overview of Corporate Governance System," a support system is in place to thoroughly encourage Audit & Supervisory Board Members to monitor the Company's management, in addition to all other necessary measures aimed at strengthening the functions of the Audit & Supervisory Board, which include the appointment of external individuals highly independent from the Company and the selection of personnel with expertise in finance and accounting as Audit & Supervisory Board Members.

For the reasons mentioned above, the Company believes that its current corporate governance system is duly effective.

(iii) Other Matters Regarding Corporate Governance

Policy for Internal Control Systems

(System for Ensuring Compliance of Duties Executed by Directors and Employees with Laws, Regulations and Articles of Incorporation)

Apart from setting forth in the "NHK Spring Group Employees Code of Conduct" that all Directors and employees shall comply with laws, regulations and corporate ethics, the Company built a corporate compliance structure and has since promoted corporate compliance under this structure, in which the Representative Member of the Board & President acts as the chief compliance officer, the Director of the Legal Department of the Corporate Planning and Control Division as the promotion officer, the heads of departments as the education officers, and the Legal Department of the Corporate Planning and Control Division as the promotion secretariat.

In addition, the Company is conducting educational and awareness-raising activities in a methodical manner to prevent violation of law or antisocial behavior.

Furthermore, a compliance hotline is set up at a contact point operated by an external third-party organization, thereby facilitating employees of the Company and its domestic Group companies to blow a whistle.

The Internal Auditing Department has performed its internal audits according to a predetermined plan at both the Company and its Group companies to ensure their operational effectiveness and efficiency, compliance with laws and regulations, and the reliability of their financial reporting.

(System for Exclusion of Antisocial Forces)

The Company takes a stance of never having an association with organized crime groups or any other antisocial forces and is determined to take a firm stance against such antisocial forces and not to permit any employee or team or department to personally handle illegal or unjust demands from such forces. Apart from stipulating the stance and determination in the NHK Spring Group Employees Code of Conduct mentioned in the preceding item, the Company is educating employees and raising their awareness about this matter.

(System Regarding Information Storage and Management Related to Duties Executed by Directors)

At the Company, the following documents and information pertaining to duties executed by Directors are stored and handled in accordance with the Company Rules Governing the Board of Directors and the Company Rules Governing the Management of Documents, among other rules.

- Minutes of General Meetings of Shareholders and related materials
- Minutes of Board of Directors meetings and related materials
- Minutes of Management Committee meetings, those of Expanded Management Committee meetings and related materials
- Ringi-sho (written requests for approval) and related materials

- Minutes of committee and council meetings and related materials
- All other documents pertaining to duties executed by Directors

The Company is seeking to thoroughly protect information in accordance with the NHK Spring Group Information Security Management Policy, the Company Rules Governing the Handling of Sensitive Information and Information Management Manual, among other rules.

(Internal Rules and Other System for Managing the Risk of Loss)

The Company has the Sustainability Promotion Committee, which is a cross-sectional body tasked with identifying risk events inherent in the business activities of the Company and its Group companies (such as the risk of any of the companies being held responsible for a fault; financial risk; the risk of an employee being involved in a fraudulent act, misconduct, natural disaster, or accident; and crimes and accidents overseas) and setting out countermeasures against such identified risk events in the Business Continuity Plan, company rules, and the Risk Management Manual. The Company is also conducting educational and awareness-raising campaigns as a preventive measure against such risk events. All risk events, whenever they emerged, have been promptly worked out by the department in charge together with all other related departments. If the Company or its Group company is exposed to a material risk event, the Company will immediately launch a task force to address the problem and, once the problem is worked out, the Sustainability Promotion Committee will lead the effort to prevent it from recurring. Moreover, the Company has a system to preliminarily and exhaustively review important investment, capital injection, or finance loan projects through the Investment and Loan Committee.

(System for Ensuring Efficiency in Duties Executed by Directors)

The Company and part of its Group companies introduced and have since been using a business management system designed to assist Directors in deploying key measures, checking the progress thereof and making revisions thereto.

Furthermore, a corporate officer system is employed by the Company and part of its Group companies to separate management and business execution for the purpose of speeding up the process of decision-making and the execution of operations. The Company is also proactively working on better use of information technologies to raise the efficiency and enhance information security.

(System for Ensuring Proper Business Operations by the Group Made up of the Company and its Subsidiaries)

The Company is sending out its Directors and Audit & Supervisory Board Members to its Group companies in order to get the picture of how the Group companies are being run and to thereby enable the Company to take action and prevent if a Group company is about to get involved in any illegal or unlawful transaction. Moreover, the Company is monitoring management at its Group companies by requiring them to seek prior approval of important matters regarding business plans and operations from the Company and report the development of such matters to the Company. Meanwhile, the Company provides support for its Group companies whenever a necessity arises. Furthermore, internal audits on the Group companies are systematically performed by the Company’s Internal Auditing Department for the purpose of ensuring the effectiveness and efficiency of their business operations and their compliance with laws and regulations among other rules and the reliability of their financial reporting.

(System for Ensuring Reliability of Financial Reporting)

The Group’s internal controls over financial reporting are evaluated, maintained, or improved in accordance with the Financial Instruments and Exchange Act and its related regulations and standards.

(System, If Applicable, Concerning Staff Assigned to Assist Audit & Supervisory Board Members at their Request)

Whenever an Audit & Supervisory Board Member requests for assisting staff, the Company has a discussion about the number of the staff and their assignments and independence among other things with the Audit & Supervisory Board Member before making a move. The Company's rule is that whenever the Company's employees are assigned to concurrently act as assistants to an Audit & Supervisory Board Member, the employees must give priority to the assignment under the Audit & Supervisory Board Member over the other one at the department to which they are originally assigned.

(System for Ensuring Proper Reporting from Directors and Employees to Audit & Supervisory Board Members and Other Systems for Getting Audit & Supervisory Board Members Properly Reported)

Audit & Supervisory Board Members attend the Board of Directors meetings and the Management Committee meetings held at the Company and its Group companies so they are reported with no delay on statutory matters or other important matters that could impact management and business performance. Moreover, the Company has in place a system for protecting those who make a report to an Audit & Supervisory Board Member from receiving detrimental treatment because of the reporting. The Company's departments timely report the following matters to the Audit & Supervisory Board:

- Results of an internal audit performed by the Internal Auditing Department
- Contents of a lawsuit if any
- Contents of a whistle-blowing report if any
- An on-going issue related to corporate compliance, business continuity planning, etc.

(System for Ensuring Effectiveness of Audits by Audit & Supervisory Board Members)

Audit & Supervisory Board Members gain information and opinions from the representative members of the Board of the Company and those of its Group companies, the accounting auditor, and the members of the Internal Auditing Department on both periodic and as-needed bases to ensure the effectiveness of corporate audits.

(iv) Overview of Limited Liability Agreements

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has a contract with External Directors and External Audit & Supervisory Board Members to limit their liability for damages under Article 423, paragraph (1) of the said Act, with the limit of liability pertaining to the contract set at the amount equivalent to the amount of remuneration for their services and other duties that has or will have been paid for two years.

(v) Overview of Director and Officer Liability Insurance Policy

The Company is under a Director and Officer Liability Insurance Policy as provided in Article 430-3, paragraph (1) of the Companies Act with an insurance company. If the Company is sued by a shareholder or other third party over a damage claim, this insurance policy will cover compensation for the damage, litigation cost, and other costs that will otherwise be incurred by the Company. The full amount of the policy premium is borne by the Company, with no practical burden on any of the Directors and other officers, employees and corporate advisors who are insured by the policy.

Please find below the insured of the said insurance policy:

- The Company and its domestic subsidiaries
- The Company's Directors and other officers, those of the Company's domestic subsidiaries, and the employees both thereof (including those who are loaned to or from a Group company and those who have a concurrent post at a Group company)

- Directors and other officers, employees and corporate advisors who concurrently serve as a director or other officer at an affiliated company inside or outside Japan, a corporate entity other than the Group companies inside or outside Japan, or a public interest incorporated foundation and those who are loaned thereto as a director or other officer thereof.

(vi) Maximum Number of Directors

The Company's Articles of Incorporation stipulate that the maximum number of Directors is 12.

(vii) Treasury Shares

Pursuant to Article 165, paragraph (2) of the Companies Act, the Company's Articles of Incorporation stipulate that the Company may acquire its own shares through market transactions, etc., in accordance with a resolution by the Board of Directors at a Board meeting, thereby enabling the Company to promptly implement financial and other business measures in response to a change in economic circumstances.

(viii) Decision-Maker for Interim Dividends

The Company's Articles of Incorporation stipulate that the Company may pay interim dividends to shareholders or registered pledgees of shares on the final list of shareholders as of September 30 each year in accordance with a resolution by the Board of Directors at a Board meeting.

This provision is aimed at giving flexibility to the Company's payment of profits to shareholders.

(ix) Requirements for Special Resolutions by Shareholders at General Meetings

For the purpose of smoothly running a General Meeting of Shareholders, the Company's Articles of Incorporation stipulate that the Company may pass a resolution at a General Meeting of Shareholders as provided in Article 309, paragraph (2) of the Companies Act if the meeting is attended by one-third or higher of shareholders entitled to exercise voting rights and also if the resolution wins two-thirds or higher of the vote.

(x) Requirements for Passing Resolutions on Appointment of Directors

The Company's Articles of Incorporation stipulate that the Company may pass a resolution on the appointment of Directors at a General Meeting of Shareholders if the meeting is attended by one-third or higher of shareholders entitled to exercise voting rights and also if the resolution wins a majority of the vote and that such resolutions shall not be sought with cumulative voting.

(xi) Basic Policy on Control over the Company

The Company has no basic policy regarding this matter.

Since the Company believes that its task of the highest priority is to fulfill its medium-term management plan while enhancing corporate governance and thereby increase its corporate value through continual business growth and thereby get a resultant market appreciation, the Company has no plan to introduce a takeover defense measure.

(2) Directors and Other Officers

(i) List of Directors and other officers

1. The status of Directors and other officers as of June 17, 2026 (filing date of this Annual Securities Report) is as follows.

Nine men and four women (Percentage of women to all Directors and other officers: 30.8%)

Title	Name	Date of birth	Career summary		Term	Number of shares held (Thousands of shares)
Representative Member of the Board and Chairman	Takashi Kayamoto	February 5, 1956	Apr. 1979 June 2010 Apr. 2013 June 2015 Apr. 2016 Apr. 2017 Apr. 2024	Joined the Company Corporate Officer Senior Corporate Officer Member of the Board and Senior Corporate Officer Member of the Board and Executive Corporate Officer Representative Member of the Board, President and Corporate Officer Representative Member of the Board and Chairman (present)	(Note 3)	81
Representative Member of the Board, President and Corporate Officer	Kazuhisa Uemura	July 24, 1960	Apr. 1983 Apr. 2014 Apr. 2018 June 2018 Apr. 2022 Apr. 2024	Joined the Company Corporate Officer Senior Corporate Officer Member of the Board and Senior Corporate Officer Member of the Board and Executive Corporate Officer Representative Member of the Board, President and Corporate Officer (present)	(Note 3)	20
Representative Member of the Board Executive Vice President and Corporate Officer	Noritoshi Takamura	August 16, 1960	Apr. 1983 Apr. 2014 Apr. 2019 Apr. 2023 Apr. 2025	Joined the Company Corporate Officer Senior Corporate Officer Executive Corporate Officer Representative Member of the Board, Executive Vice President and Corporate Officer (present)	(Note 3)	16
Representative Member of the Board Executive Vice President and Corporate Officer President of the Procurement Division	Masayuki Horie	April 19, 1962	Apr. 1986 Apr. 2017 Apr. 2021 Apr. 2024 Apr. 2025 June 2025	Joined the Company Corporate Officer Senior Corporate Officer Executive Corporate Officer Representative Member of the Board, Executive Vice President and Corporate Officer (present) Non-Executive Director of Takano Company Limited (present)	(Note 3)	2

Title	Name	Date of birth	Career summary		Term	Number of shares held (Thousands of shares)
Member of the Board Executive Corporate Officer President of the Sales Division	Shunsuke Sasaki	October 2, 1964	Apr. 1987 Apr. 2018 Apr. 2022 June 2023 Apr. 2026	Joined the Company Corporate Officer Senior Corporate Officer Member of the Board and Senior Corporate Officer Member of the Board and Executive Corporate Officer (present)	(Note 3)	5
Member of the Board	Keiichiro Sue	July 27, 1957	Apr. 1984 Jan. 1989 Oct. 1995 June 2003 June 2009 June 2012 June 2014 June 2015	Registered as Attorney at Law (Dai-Ichi Tokyo Bar Association) Joined the Nobuo Takai Law Firm Joined Matsuo & Kosugi Registered as Attorney at Law in New York State, USA Audit & Supervisory Board Member (External) of NIPPON SIGNAL CO., LTD. Partner of Blakemore & Mitsuki (present) Audit & Supervisory Board Member (External) of Fujitelecom. co., Ltd. (present) External Director of METAWATER Co., Ltd. Audit & Supervisory Board Member of the Company Member of the Board of the Company (present)	(Note 3)	–
Member of the Board	Katsuko Tanaka	September 3, 1945	Apr. 1970 Jul. 1970 May 1976 May 1998 Apr. 2000 Apr. 2004 Apr. 2006 Apr. 2013 June 2016	Researcher of the Hygiene Class, Okayama University Medical School (Served a hospital in the city of Okayama) Medical license registration (No. 207731) Joined the Yokohama municipal government Mayor of Sakae Ward in the city of Yokohama Director General of Social Welfare Bureau of the Yokohama municipal government Director General of Civic Affairs Bureau of the Yokohama municipal government Trustee and Secretary General of Yokohama City University Chancellor of Yokohama City University Member of the Board of the Company (present)	(Note 3)	–

Title	Name	Date of birth	Career summary		Term	Number of shares held (Thousands of shares)
Member of the Board	Hiromi Tamakoshi	June 18, 1962	Oct. 1987	Joined Chuo Audit Corporation	(Note 3)	–
			Apr. 1999	Registered as Attorney at Law (Kanagawa Bar Association)		
				Joined Ryoji Kimura Law Office		
			Apr. 2017	Auditor of Yokohama City University		
			June 2020	Member of the Board of the Company (present)		
			Apr. 2021	Established Yokohama Nagomi Law Office (present)		
Member of the Board	Reiko Furukawa	February 12, 1959	Apr. 1981	Joined Nippon Univac Kaisha, Ltd. (currently BIPROGY Inc.)	(Note 3)	–
			Apr. 2005	General Manager of Service Department of Mechanical Solutions Division of Nihon Unisys Excelutions, Ltd. (currently UEL Corporation)		
			Apr. 2007	General Manager of Industry Development Department of Nihon Unisys Excelutions, Ltd.		
			Apr. 2009	Executive Officer of Nihon Unisys Excelutions, Ltd.		
			Apr. 2011	General Manager of Outsourcing Planning Department of the MBK Outsourcing Center of UNIADEX, Ltd.		
			Apr. 2014	General Manager of Quality Assurance Department of UNIADEX, Ltd.		
			July 2017	Full-time Audit & Supervisory Board Member of UNIADEX, Ltd.		
			June 2022	Outside Director of Hanwa Co., Ltd. (present)		
				Audit & Supervisory Board Member of the Company		
			June 2024	Member of the Board of the Company (present)		
Audit & Supervisory Board Member (Full-time)	Masakazu Toyoda	February 27, 1960	Apr. 1982	Joined Dai-Ichi Kangyo Bank (currently Mizuho Bank)	(Note 4)	10
			Jan. 2013	Joined the Company		
			Apr. 2013	Member of the Board and Vice President of NHK International Corporation		
			May 2017	Senior Manager of Corporate Planning Department of Corporate Planning and Control Division of the Company		
			June 2019	Full-time Audit & Supervisory Board Member (present)		

Title	Name	Date of birth	Career summary		Term	Number of shares held (Thousands of shares)
Audit & Supervisory Board Member (Full-time)	Naoya Mizutani	March 29, 1965	Sept. 1990	Joined the Company	(Note 5)	0
			Apr. 2012	Senior Manager of Accounting Department		
			Apr. 2014	Senior Manager of Corporate Planning Department of Corporate Planning and Control Division		
			Apr. 2018	Director of Internal Auditing Department		
			June 2024	Full-time Audit & Supervisory Board Member (present)		
Audit & Supervisory Board Member	Ichiro Ebihara	April 24, 1959	Sept. 1985	Joined Tohmatsu Aoki & Co. (currently Deloitte Touche Tohmatsu LLC)	(Note 5)	–
			Apr. 1989	Registered as Certified Public Accountant		
			Jul. 2000	Partner of Tohmatsu & Co.		
			Oct. 2013	Executive Officer in charge of finance and administration of Deloitte Touche Tohmatsu LLC		
			Nov. 2015	Group CFO of Deloitte Tohmatsu LLC		
			Aug. 2016	Managing Partner of Deloitte Tohmatsu Services Co., Ltd.		
			June 2019	Representative of Ichiro Ebihara Certified Public Tax Accountant Office (present)		
			June 2020	Audit & Supervisory Board Member of the Company (present)		
Audit & Supervisory Board Member	Yuko Yamada	January 16, 1961	Jul. 1983	Joined Marubeni Corporation	(Note 5)	–
			Apr. 1988	Seconded to Marubeni UK plc		
			Apr. 1995	Seconded to Marubeni America Corporation		
			Oct. 1999	Seconded to Koyo Line, Ltd. (currently MMSL Japan Ltd.)		
			Apr. 2005	General Manager of Finance & Accounting Department of Koyo Line, Ltd.		
			Nov. 2006	Chief Auditor of the Audit Department of Marubeni Corporation		
			Apr. 2007	Registered as Certified Public Accountant in Illinois		
			Apr. 2019	Auditor of Marubeni Pulp & Paper Co., Ltd. (currently Marubeni Forest LinX Co., Ltd.)		
			June 2024	Audit & Supervisory Board Member of the Company (present)		
Total						137

Notes: 1 Keiichiro Sue, Katsuko Tanaka, Hiromi Tamakoshi and Reiko Furukawa are External Directors.

2 Ichiro Ebihara and Yuko Yamada are External Audit & Supervisory Board Members.

3 The term of office for the Director commenced upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2025 and will expire upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2026.

4 The term of office for the Audit & Supervisory Board Member commenced upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2023 and will expire upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027.

5 The term of office for the Audit & Supervisory Board Member commenced upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2024 and will expire upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2028.

6 The Company has a substitute Audit & Supervisory Board Member as set forth in Article 329, paragraph (3) of the Companies Act as a precaution against the case where there is a shortfall in the number of Audit & Supervisory Board Members as prescribed in laws and regulations. Please find below the career summary of the substitute Audit & Supervisory Board Member.

Name	Date of birth	Career summary		Number of shares held (Thousands of shares)
Nobuaki Mukai	April 19, 1969	Apr. 1996	Registered as Attorney at Law (Dai-Ichi Tokyo Bar Association)	–
			Joined Momo-o, Matsuo & Namba	
		2001	Registered as Attorney at Law in New York State, USA	
		Jan. 2004	Partner of Momo-o, Matsuo & Namba (present)	
		Apr. 2022	Specially Appointed Professor (Antitrust Law) of the Department of Business Law of the Graduate School of Law of Hitotsubashi University	
		Apr. 2024	Visiting Professor (Antitrust Law) of the Department of Business Law of the Graduate School of Law of Hitotsubashi University (present)	
		May 2025	Chairman of Commercial and Economic Affairs Subcommittee, Judicial System Research Committee, Japan Federation of Bar Associations (present)	

2. The Company has submitted proposals (matters to be resolved) for the "Election of Eight (8) Members of the Board" and "Election of One (1) Substitute Audit & Supervisory Board Member (External)" to the Annual General Meeting of Shareholders scheduled to be held on June 25, 2026. If these matters are approved as proposed, the composition of the Company's Directors and other officers is expected to be as follows. Please note that the following includes details on the matters to be resolved (positions, etc.) at the Board of Directors meeting scheduled to be held immediately after the relevant Annual General Meeting of Shareholders.

Nine men and three women (Percentage of women to all Directors and other officers: 25.0%)

Title	Name	Date of birth	Career summary		Term	Number of shares held (Thousands of shares)
Representative Member of the Board and Chairman	Takashi Kayamoto	February 5, 1956	Apr. 1979 June 2010 Apr. 2013 June 2015 Apr. 2016 Apr. 2017 Apr. 2024	Joined the Company Corporate Officer Senior Corporate Officer Member of the Board and Senior Corporate Officer Member of the Board and Executive Corporate Officer Representative Member of the Board, President and Corporate Officer Representative Member of the Board and Chairman (present)	(Note 3)	81
Representative Member of the Board, President and Corporate Officer	Kazuhisa Uemura	July 24, 1960	Apr. 1983 Apr. 2014 Apr. 2018 June 2018 Apr. 2022 Apr. 2024	Joined the Company Corporate Officer Senior Corporate Officer Member of the Board and Senior Corporate Officer Member of the Board and Executive Corporate Officer Representative Member of the Board, President and Corporate Officer (present)	(Note 3)	20
Representative Member of the Board Executive Vice President and Corporate Officer	Noritoshi Takamura	August 16, 1960	Apr. 1983 Apr. 2014 Apr. 2019 Apr. 2023 Apr. 2025	Joined the Company Corporate Officer Senior Corporate Officer Executive Corporate Officer Representative Member of the Board, Executive Vice President and Corporate Officer (present)	(Note 3)	16
Representative Member of the Board Executive Vice President and Corporate Officer President of the Procurement Division	Masayuki Horie	April 19, 1962	Apr. 1986 Apr. 2017 Apr. 2021 Apr. 2024 Apr. 2025 June 2025	Joined the Company Corporate Officer Senior Corporate Officer Executive Corporate Officer Representative Member of the Board, Executive Vice President and Corporate Officer (present) Non-Executive Director of Takano Company Limited (present)	(Note 3)	2

Title	Name	Date of birth	Career summary		Term	Number of shares held (Thousands of shares)
Member of the Board Executive Corporate Officer President of the Sales Division	Shunsuke Sasaki	October 2, 1964	Apr. 1987	Joined the Company	(Note 3)	5
			Apr. 2018	Corporate Officer		
			Apr. 2022	Senior Corporate Officer		
			June 2023	Member of the Board and Senior Corporate Officer		
			Apr. 2026	Member of the Board and Executive Corporate Officer (present)		
Member of the Board	Keiichiro Sue	July 27, 1957	Apr. 1984	Registered as Attorney at Law (Dai-Ichi Tokyo Bar Association)	(Note 3)	–
				Joined the Nobuo Takai Law Firm		
			Jan. 1989	Joined Matsuo & Kosugi		
			Oct. 1995	Registered as Attorney at Law in New York State, USA		
			June 2003	Audit & Supervisory Board Member (External) of NIPPON SIGNAL CO., LTD.		
			June 2009	Partner of Blakemore & Mitsuki (present)		
			June 2012	Audit & Supervisory Board Member (External) of Fujitelecom. co., Ltd. (present)		
			June 2014	External Director of METAWATER Co., Ltd.		
				Audit & Supervisory Board Member of the Company		
			June 2015	Member of the Board of the Company (present)		
Member of the Board	Hiromi Tamakoshi	June 18, 1962	Oct. 1987	Joined Chuo Audit Corporation	(Note 3)	–
			Apr. 1999	Registered as Attorney at Law (Kanagawa Bar Association)		
				Joined Ryoji Kimura Law Office		
			Apr. 2017	Auditor of Yokohama City University		
			June 2020	Member of the Board of the Company (present)		
			Apr. 2021	Established Yokohama Nagomi Law Office (present)		

Title	Name	Date of birth	Career summary		Term	Number of shares held (Thousands of shares)
Member of the Board	Reiko Furukawa	February 12, 1959	Apr. 1981	Joined Nippon Univac Kaisha, Ltd. (currently BIPROGY Inc.)	(Note 3)	–
			Apr. 2005	General Manager of Service Department of Mechanical Solutions Division of Nihon Unisys Excelutions, Ltd. (currently UEL Corporation)		
			Apr. 2007	General Manager of Industry Development Department of Nihon Unisys Excelutions, Ltd.		
			Apr. 2009	Executive Officer of Nihon Unisys Excelutions, Ltd.		
			Apr. 2011	General Manager of Outsourcing Planning Department of the MBK Outsourcing Center of UNIADEX, Ltd.		
			Apr. 2014	General Manager of Quality Assurance Department of UNIADEX, Ltd.		
			July 2017	Full-time Audit & Supervisory Board Member of UNIADEX, Ltd.		
			June 2022	Outside Director of Hanwa Co., Ltd. (present)		
				Audit & Supervisory Board Member of the Company		
			June 2024	Member of the Board of the Company (present)		
Audit & Supervisory Board Member (Full-time)	Masakazu Toyoda	February 27, 1960	Apr. 1982	Joined Dai-Ichi Kangyo Bank (currently Mizuho Bank)	(Note 4)	10
			Jan. 2013	Joined the Company		
			Apr. 2013	Member of the Board and Vice President of NHK International Corporation		
			May 2017	Senior Manager of Corporate Planning Department of Corporate Planning and Control Division of the Company		
			June 2019	Full-time Audit & Supervisory Board Member (present)		
Audit & Supervisory Board Member (Full-time)	Naoya Mizutani	March 29, 1965	Sept. 1990	Joined the Company	(Note 5)	0
			Apr. 2012	Senior Manager of Accounting Department		
			Apr. 2014	Senior Manager of Corporate Planning Department of Corporate Planning and Control Division		
			Apr. 2018	Director of Internal Auditing Department		
			June 2024	Full-time Audit & Supervisory Board Member (present)		

Title	Name	Date of birth	Career summary		Term	Number of shares held (Thousands of shares)
Audit & Supervisory Board Member	Ichiro Ebihara	April 24, 1959	Sept. 1985	Joined Tohmatsu Aoki & Co. (currently Deloitte Touche Tohmatsu LLC)	(Note 5)	–
			Apr. 1989	Registered as Certified Public Accountant		
			Jul. 2000	Partner of Tohmatsu & Co.		
			Oct. 2013	Executive Officer in charge of finance and administration of Deloitte Touche Tohmatsu LLC		
			Nov. 2015	Group CFO of Deloitte Tohmatsu LLC		
			Aug. 2016	Managing Partner of Deloitte Tohmatsu Services Co., Ltd.		
			June 2019	Representative of Ichiro Ebihara Certified Public Tax Accountant Office (present)		
			June 2020	Audit & Supervisory Board Member of the Company (present)		
Audit & Supervisory Board Member	Yuko Yamada	January 16, 1961	Jul. 1983	Joined Marubeni Corporation	(Note 5)	–
			Apr. 1988	Seconded to Marubeni UK plc		
			Apr. 1995	Seconded to Marubeni America Corporation		
			Oct. 1999	Seconded to Koyo Line, Ltd. (currently MMSL Japan Ltd.)		
			Apr. 2005	General Manager of Finance & Accounting Department of Koyo Line, Ltd.		
			Nov. 2006	Chief Auditor of the Audit Department of Marubeni Corporation		
			Apr. 2007	Registered as Certified Public Accountant in Illinois		
			Apr. 2019	Auditor of Marubeni Pulp & Paper Co., Ltd. (currently Marubeni Forest LinX Co., Ltd.)		
			June 2024	Audit & Supervisory Board Member of the Company (present)		
Total						137

Notes:
1. Keiichiro Sue, Hiromi Tamakoshi and Reiko Furukawa are External Directors.
2. Ichiro Ebihara and Yuko Yamada are External Audit & Supervisory Board Members.
3. The term of office for the Director commenced upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2026 and will expire upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027.
4. The term of office for the Audit & Supervisory Board Member commenced upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2023 and will expire upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027.
5. The term of office for the Audit & Supervisory Board Member commenced upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2024 and will expire upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2028.
6. The Company has a substitute Audit & Supervisory Board Member as set forth in Article 329, paragraph (3) of the Companies Act as a precaution against the case where there is a shortfall in the number of Audit & Supervisory Board Members as prescribed in laws and regulations. Please find below the career summary of the substitute Audit & Supervisory Board Member.

Name	Date of birth	Career summary		Number of shares held (Thousands of shares)
Nobuaki Mukai	April 19, 1969	Apr. 1996	Registered as Attorney at Law (Dai-Ichi Tokyo Bar Association)	–
			Joined Momo-o, Matsuo & Namba	
		2001	Registered as Attorney at Law in New York State, USA	
		Jan. 2004	Partner of Momo-o, Matsuo & Namba (present)	
		Apr. 2022	Specially Appointed Professor (Antitrust Law) of the Department of Business Law of the Graduate School of Law of Hitotsubashi University	
		Apr. 2024	Visiting Professor (Antitrust Law) of the Department of Business Law of the Graduate School of Law of Hitotsubashi University (present)	
		May 2025	Chairman of Commercial and Economic Affairs Subcommittee, Judicial System Research Committee, Japan Federation of Bar Associations (present)	

List of Corporate Officers: As of June 17, 2026 (filing date of this Annual Securities Report)

Position	Name	Title
Representative Member of the Board, President and Corporate Officer	Kazuhisa Uemura	COO
Representative Member of the Board, Executive Vice President and Corporate Officer	Noritoshi Takamura	CQO, CTO
Representative Member of the Board, Executive Vice President and Corporate Officer	Masayuki Horie	CLO and President of the Procurement Division
Executive Corporate Officer	Jun Umeno	President of Suspension Spring Division
Executive Corporate Officer	Osamu Ikejiri	CFO and President of Corporate Planning and Control Division
Executive Corporate Officer	Toshihiro Tachikawa	President of Industrial Machinery and Equipment Division
Executive Corporate Officer	Hajime Okajima	President of Precision Spring and Components Division
Member of the Board and Executive Corporate Officer	Shunsuke Sasaki	President of the Sales Division
Executive Corporate Officer	Yoji Ito	President of Engineering Division
Senior Corporate Officer	Mitsuru Tanaka	Vice President of Corporate Planning and Control Division and Director of Human Resources Department
Senior Corporate Officer	Masayoshi Yamaguchi	President of Seating Division
Senior Corporate Officer	Noriyuki Saito	President of Disk Drive Suspension Division
Senior Corporate Officer	Kazuhisa Rikitoku	Vice President of the Sales Division
Senior Corporate Officer	Yoichi Ikeji	Member of the Board and President of NHK Spring (Thailand) Co., Ltd.
Senior Corporate Officer	Junichi Miyahara	President of R&D Division
Senior Corporate Officer	Tatsuya Saito	Vice President of Industrial Machinery and Equipment Division
Corporate Officer	Nogi Ichikawa	Vice President of Suspension Spring Division and Director of Administration Department
Corporate Officer	Junichi Oka	Member of the Board and President of NHK Seating of America, Inc.
Corporate Officer	Satoru Miyanagi	Member of the Board and President of New Mather Metals, Inc. and Member of the Board and President of NHK of America Suspension Components, Inc.

Position	Name	Title
Corporate Officer	Hideo Ishikawa	Vice President of Corporate Planning and Control Division and Director of Legal Department
Corporate Officer	Shinichi Okada	Member of the Board and Vice President of NHK Spring (Thailand) Co., Ltd.
Corporate Officer	Tsuyoshi Nakamura	Vice President of Precision Spring and Components Division and Director of Motor Core Project
Corporate Officer	Jun Tominaga	Vice President of Precision Spring and Components Division and Director of Engineering Department
Corporate Officer	Takashi Wada	CIO, Vice President of Engineering Division, Director of Engineering Department, and Director of Safety & Environmental Activities Department
Corporate Officer	Toshihiko Hanamachi	Vice President of Industrial Machinery and Equipment Division
Corporate Officer	Takeshi Furuse	Vice President of Suspension Spring Division and Director of Production Engineering Department I
Corporate Officer	Yasuhiko Kogetsu	Vice President of Corporate Planning and Control Division, Director of Corporate Planning Department and Director of West India Project
Corporate Officer	Jun Kuroki	Member of the Board and President of NHK Spring India Ltd. and Member of the Board and President of NHK Automotive Components India Private Limited
Corporate Officer	Hideki Kashima	Vice President Disk Drive Suspension Division and Director of Product and Process Development Department 1
Corporate Officer	Mitsuhiro Sugiyama	Vice President of R&D Division
Corporate Officer	Takehiro Watanabe	Vice President of Seating Division and Director of Design Department 1
Corporate Officer	Kazuko Tachibana	Vice President of Corporate Planning and Control Division and Director of Corporate Communications Department
Corporate Officer	Atsushi Suzuki	Member of the Board and Vice President of NHK Spring (Thailand) Co., Ltd.

Note: A corporate officer system is adopted by the Company to give continual stimulus to Board meetings, segregate the process of decision-making by the Board of Directors and its supervision over business operations from the functions of the Company's divisions and departments to execute business operations, and to thereby increase the Company's management efficiency.

(ii) External Directors and Other Officers

As of the filing date of this Annual Securities Report, the Company has four External Directors and two External Audit & Supervisory Board Members. The Company has submitted a proposal (matter to be resolved) for the "Election of Eight (8) Members of the Board" to the Annual General Meeting of Shareholders scheduled to be held on June 25, 2026. If this matter is approved as proposed, the Company will have three External Directors and two External Audit & Supervisory Board Members.

(a) Personal, Capital, or Business Relationships or Conflicts of Interest between Reporting Company and its External Directors and External Audit & Supervisory Board Members

(As of the filing date of this Annual Securities Report)

There are no human, capital, or business relationships between Keiichiro Sue, an External Director, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Katsuko Tanaka, an External Director, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Hiromi Tamakoshi, an External Director, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Reiko Furukawa, an External Director, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Ichiro Ebihara, an External Audit & Supervisory Board Member, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Yuko Yamada, an External Audit & Supervisory Board Member, and the Company, nor are there conflicts of interest between the two.

(Following the approval of the proposal at the Annual General Meeting of Shareholders)

There are no human, capital, or business relationships between Keiichiro Sue, an External Director, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Hiromi Tamakoshi, an External Director, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Reiko Furukawa, an External Director, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Ichiro Ebihara, an External Audit & Supervisory Board Member, and the Company, nor are there conflicts of interest between the two.

There are no human, capital, or business relationships between Yuko Yamada, an External Audit & Supervisory Board Member, and the Company, nor are there conflicts of interest between the two.

(b) Functions and Roles of External Directors and External Audit & Supervisory Board Members in Reporting Company's Corporate Governance

The Company appoints external individuals as members of the Board of Directors, which is accountable for running and controlling the Company, to ensure validity in decisions taken by the Company's management and the effectiveness of its supervision over management.

The Company's Audit & Supervisory Board is independent from the Board of Directors and responsible for auditing the management of the Company. With two of the four members being External Audit & Supervisory Board Members, the Company believes that the current Audit & Supervisory Board is functioning properly in the role of ensuring sound and transparent corporate governance.

(c) Criteria or Policies for Determining Independence from Reporting Company in Appointment of External Directors and External Audit & Supervisory Board Members

In order to ensure the objectivity and transparency of corporate governance, the Company has in place criteria with regard to the independence of External Directors and other officers that are in line with requirements set forth by the Tokyo Stock Exchange.

The Company observes the said criteria when appointing independent External Directors or other officers, selecting candidates on the ground that they do not have human, capital, or business relationships of any particular kind with the Company.

(Criteria Regarding Independence of the Company's External Directors and Other Officers)

The Company has in place the following criteria with regard to the independence of External Directors and other officers in order to ensure the objectivity and transparency of its corporate governance.

The Company determines that its External Directors and other officers, or the candidates thereof, have due independence only when an investigation conducted by the Company to the furthest extent reasonably possible finds that they do not fall under any of the items below.

1. A person who executes the business (Note 1) of the Company or of its subsidiary (hereafter collectively the "the Group") or who has executed such business in the last ten years
2. A person whose major client is the Group (Note 2) or a person who executes the business thereof

3. A person who is a major client of the Group (Note 3) or a person who executes the business thereof
4. A person who provides a professional service, such as a consultant, attorney-at-law and certified public accountant, who receives from the Group a large amount of money or other property (Note 4) apart from remuneration for officers paid by the Group (or a person belonging to a corporate body, association, or any other group which receives such money or property from the Group)
5. A person who receives a large amount of donation (Note 5) from the Group (if the person who receives such assets is a corporate body, association, or any other group, a person who executes the business of such group)
6. A person who audits the Company as a partner, etc., of an audit corporation which carries out a statutory audit at the Group
7. A person who executes the business of a financial institution which is a major creditor (Note 6) to the Group.
8. A major shareholder (Note 7) or, if such shareholder is a corporate body, a person who executes the business thereof
9. A person who executes the business of a corporate body of whom the Group is a major shareholder
10. The spouse or a relative within the second degree of kinship of a person falling under any of the afore-mentioned items from 1 to 9 if this person is an important person (Note 8)
11. A person who has been a person falling under any of the afore-mentioned items from 2 to 9 in the last three years

Notes:
1 The "a person who executes the business" means an executive director, executive officer, executive managing officer, or any equivalent thereto, and an employee of a corporate body or any other group.
2 The "a person whose major client is the Group" means a person who receives money at an amount accounting for two or higher percent of the Group's consolidated net sales for the latest fiscal year from the Group.
3 The "a person who is a major client of the Group" means a person who pays money at an amount accounting for two or higher percent of the Group's consolidated net sales for the latest fiscal year to the Group.
4 The "a large amount of money or other property" means an amount of value exceeding 10 million yen that is received per year on average during the last three fiscal years including the latest one.
5 The "a large amount of donation" means an amount of value exceeding 10 million yen that is provided per year on average during the last three fiscal years including the latest one.
6 The "a major creditor" means a lender of money whose loan receivables from the Group exceeds one or higher percent of the Group's consolidated total amount of assets at the end of the latest fiscal year.
7 The "a major shareholder" means a person who directly or indirectly holds voting rights accounting for five or higher percent of all the voting rights.
8 The "an important person" means a director (excluding External Directors), Audit & Supervisory Board Member (excluding External Audit & Supervisory Board Members), executive managing officer, or an employee in a senior-level position such as a head of a department or higher.

(d) Reporting Company's Stance on Appointment of External Directors and External Audit & Supervisory Board Members

The Company has four External Directors and two External Audit & Supervisory Board Members (three External Directors and two External Audit & Supervisory Board Members following the approval of the proposal at the Annual General Meeting of Shareholders), who were appointed in line with the following:

- They shall be able to offer comprehensive and independent advice on corporate governance and live up to expectations from investors; and

- They shall have a wealth of experience and insights as management executives or specialists and be able to offer appropriate advice and fair supervision from an outsider's point of view.

(iii) Mutual Coordination between Supervision/Audits by External Audit & Supervisory Board Members and Audits by Internal Auditing Department, Audit & Supervisory Board Members and Accounting Auditors, and their Relationships with Internal Control Division

The Company's External Audit & Supervisory Board Members receive detailed explanations about matters on the agendas of key meetings and matters concerning interim audits from full-time Audit & Supervisory Board Members at Audit & Supervisory Board meetings.

The Company arranges meetings for External Audit & Supervisory Board Members to receive explanations about management policies and other matters, thereby facilitating their communication with Directors. Moreover, the Company invites External Audit & Supervisory Board Members to join its on-site inspections at major business sites and thereby receives in-depth and far-reaching opinions from them.

The Company's full-time Audit & Supervisory Board Members gain and share opinions with the accounting auditor and the Internal Auditing Department on both regular and as-needed bases and share those opinions with External Audit & Supervisory Board Members at Audit & Supervisory Board meetings.

(3) Audits

(i) Audits by Audit & Supervisory Board Members

The Company is a company with an Audit & Supervisory Board. The Company's Audit & Supervisory Board has four Audit & Supervisory Board Members, including two external members.

Masakazu Toyoda, a full-time Audit & Supervisory Board Member, has a long career at a financial institution. With deep insight in the finance field and work experiences at a Group company acting as an overseas regional headquarters and in the Corporate Planning Department, he has the due expertise to carry out the duties of an Audit & Supervisory Board Member.

Naoya Mizutani, a full-time Audit & Supervisory Board Member, has many years of working in the Finance Department, the Accounting Department and the Corporate Planning Department. His deep insight in these fields and his experience of heading the Internal Auditing Department make him suitable for the duties of an Audit & Supervisory Board Member.

Ichiro Ebihara, an External Audit & Supervisory Board Member, has many years of carrying out accounting audits. As a certified public accountant with the background of working at a major audit corporation, he has deep expertise in the finance and accounting fields.

Yuko Yamada, an External Audit & Supervisory Board Member, has an experience of acting as a corporate auditor for a business company. She has rich experience and knowledge about business management.

In line with the audit policy and schedule determined by the Audit & Supervisory Board, the members attend key meetings, examine important documents, carry out on-site inspections at major business sites, and conduct one-to-one hearings on important matters from employees and express opinions to Directors and others.

At Audit & Supervisory Board meetings, full-time Audit & Supervisory Board Members provide their outside peers with information about, among other things, major matters on the agendas of key meetings and matters concerning interim audits to ensure the effectiveness of audits by Audit & Supervisory Board Members. Seventeen (17) Audit & Supervisory Board meetings were held in the fiscal year under review. Please find below the record of attendance by the members.

Name	Number of meetings attended
Masakazu Toyoda	17
Naoya Mizutani	17
Ichiro Ebihara	17
Yuko Yamada	17

(ii) Internal Audits

Internal audits at the Company are carried out by the Internal Auditing Department, which is independent from any other departments and comprised of a staff of 11.

The Internal Auditing Department carries out audits on business operations and internal control system at the Company's departments and other business sites as well as the Group's major business sites to assess the appropriateness, efficiency and compliance of business operation processes.

The Internal Auditing Department reports a summary of audit results to a representative member of the Board, Director in charge of administration departments and full-time Audit & Supervisory Board Members on a regular basis and explain important audit findings at opinion-sharing sessions with External Directors and Audit & Supervisory Board Members.

The Internal Auditing Department proactively works on coordination with Audit & Supervisory Board Members and the accounting auditor and pays the best effort to closely share opinions with these two throughout the year, making it easier for all these three parties to have timely access to information needed for their respective audits and conduct them properly and thereby helping heighten the quality and efficiency of audits.

Internal controls over financial reporting at applicable business sites are tested and assessed by the Internal Auditing Department every year in coordination with the Accounting Department, the Finance Department and the Information System Department.

(iii) Accounting Audits

(a) Name of Current Audit Corporation

Ernst & Young ShinNihon LLC

The Company has an audit contract with Ernst & Young ShinNihon LLC for accounting audits, which are conducted at the end of each accounting term as well as on an as-needed basis. The Company has provided the audit corporation with all information they need and helped them conduct accurate accounting audits.

(b) Continuous Audit Period

Fifty-seven years

(c) Certified Public Accountants Who Executed the Services

Kenichi Shibata: Designated Limited Liability Partner, Engagement Partner

Masaki Yoshioka: Designated Limited Liability Partner, Engagement Partner

(d) Composition of Assistants for the Audit Services

Certified public accountants: Seven persons

Other Thirty persons

Note: The "Other" included members who passed the CPA examination and those who performed an audit on computer systems.

(e) Policy and Reason for Selecting Current Audit Corporation

(Policy and Reason for Selecting Current Accounting Auditor)

The Company has and will select its accounting auditor based on evaluation by the Audit & Supervisory Board, which performs it by reviewing written documents submitted by audit corporations describing the overview of the audit corporation (including quality control system, independence, etc.), the team they are going to set up for the accounting audits and the estimated audit fees (e.g., “Audit Proposal” and “Outline of the Quality Control System”).

Ernst & Young ShinNihon LLC has the essential expertise and independence expected in accounting auditors, apart from the capability to manage the quality of their audits and the capacity to carry them out on the Group’s global business activities in a centralized manner. Ernst & Young ShinNihon LLC is a suitable choice also when it comes to the continuity and efficiency of audits, and has hence been appointed as the Company’s accounting auditor.

(Policy on Decision about Dismissal or Non-reappointment)

Apart from cases where the dismissal of an accounting auditor by the Audit & Supervisory Board pursuant to Article 340 of the Companies Act applies, the Audit & Supervisory Board approves a proposal for dismissing or not reappointing an accounting auditor if the accounting auditor is deemed unable to perform its audit services properly. If such approval takes place, the Board of Directors submits the proposal for resolution by shareholders at a General Meeting.

(f) Evaluation of Audit Corporation by the Audit & Supervisory Board and its Members

The Audit & Supervisory Board and its members timely assess the independence of the Company’s accounting auditor, its quality control, the suitability of its operation structure for audit services, and findings from its accounting audits and judge the appropriateness of the accounting auditor.

Moreover, Audit & Supervisory Board Members sometimes accompany the accounting auditor in its on-site audits at the Company’s business sites and ask employees working at those business sites for their opinions about the accounting auditor in order to evaluate the accounting auditor in a comprehensive manner.

(iv) Details about Audit Fees, etc.

(a) Fees Paid to the Certified Public Accountants and Others

(Millions of yen)

Classification	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting Company	105	–	106	–
Consolidated subsidiaries	38	–	38	–
Total	143	–	144	–

(b) Fees Paid to Organization Belonging to the Same Network (Ernst & Young) as Certified Public Accountants and Other Staff Working for Accounting Auditor (excluding (a))

(Millions of yen)

Classification	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting Company	–	40	–	36
Consolidated subsidiaries	194	64	215	59
Total	194	105	215	96

(Fiscal year ended March 31, 2025)

Non-audit services for the Company and its consolidated subsidiaries were mainly advisory services concerning transfer price taxation.

Apart from the fees mentioned above, there are fees paid and payable by the Company's non-consolidated subsidiaries. The amount of fees for audit certification services and those for non-audit services paid by the Company and its consolidated and non-consolidated subsidiaries to the organization belonging to the same network as the accounting auditor's certified public accountants and other staff during the fiscal year under review was 213 million yen and 110 million yen, respectively.

(Fiscal year ended March 31, 2026)

Non-audit services for the Company and its consolidated subsidiaries were mainly advisory services concerning transfer price taxation.

Apart from the fees mentioned above, there are fees paid and payable by the Company's non-consolidated subsidiaries. The amount of fees for audit certification services and those for non-audit services paid by the Company and its consolidated and non-consolidated subsidiaries to the organization belonging to the same network as the accounting auditor's certified public accountants and other staff during the fiscal year under review was 227 million yen and 99 million yen, respectively.

(c) Fees for Other Important Audit Certification Services

There are no matters to report under this item.

(d) Policy on Decision about Audit Fees

The Company goes through a negotiation with the certified public accountants and other staff who provide services for the Company before determining fees for them. Prior to such negotiation, the Company examines and validates the estimate submitted by them with regard to "the items of audit, methods, number of staff, time to be spent, and standard unit price for accounting auditors" by considering it in light of their performance in the previous fiscal year.

(e) Reason Why the Audit & Supervisory Board Agreed with Audit Fees for Accounting Auditor

The Audit& Supervisory Board ascertained that the fees were properly evaluated by the Company in line with its policy on decision about audit fees and determined that the amount of the fees was justifiable in light of the contents of the proposed audit services and the appropriateness of these contents.

(4) Remuneration for Directors and Other Officers

(a) Matters Concerning Policy on Decision about Amount of Remuneration for Directors and Other Officers or Decision about Calculation Method Concerned

As a rule, the Company sets remuneration for Directors at a level that is appropriately proportional to the job responsibilities involved in the position they are assigned to. To be more specific, remuneration for internal Directors consists of a fixed salary as monetary reward, a performance-linked remuneration, and a stock compensation as non-monetary reward, while that for External Directors consists of a fixed salary only.

The monetary rewards consist of a fixed salary paid on a monthly basis at an amount according to the job responsibilities of each position, as well as performance-linked remuneration. The performance-linked remunerations are designed to strengthen the commitment to raising business performance from one fiscal year to another, reflecting performance indicators. The amounts are calculated based on the level of the consolidated ordinary profit for the fiscal year under review and the increase or decrease of the said profit from the previous fiscal year. Performance-linked remuneration is paid as a bonus at a fixed time each year.

The non-monetary rewards serve as an incentive to improve the Company's medium- to long-term performance and increase its corporate value and are given in the form of a restricted stock compensation using a Board Benefit Trust-Restricted Stock. Directors are awarded with points according to their position at a certain time every year and receive the Company's shares based on the number of points. However, if a Director meets the requirements set forth in the Company Rules Governing the Stock Compensation Plan for Directors, a certain percentage of the points may be paid out in cash equivalent to the market value of the Company's shares at the time of retirement, in lieu of a grant of the Company's shares.

The proportions of the fixed salary, performance-linked remuneration and stock compensation are set properly in view of sharing interests with the Company's shareholders and in light of continual growth of its corporate value.

Decision about the amount of remuneration for Directors on an individual basis is delegated, in accordance with resolution by the Board of Directors at a Board meeting, to the representative members of the Board, who make such decision based on the advice of the Voluntary Nomination and Compensation Committee.

The said policy is scheduled to be resolved by the Board of Directors at a Board meeting scheduled to be held on June 25, 2026.

When deciding on the amount of remuneration for Directors per individual, the representative members of the Board make sure that the amount they discuss is calculated in line with the afore-mentioned policy and that the amount is based on the advice of the Voluntary Nomination and Compensation Committee. Thus, the Board of Directors believes that the individual amounts of remuneration for Directors have been determined in accordance with the afore-mentioned policy.

As for such decision in the fiscal year under review, the delegation of the authority to the four-party council of Takashi Kayamoto (Representative Member of the Board and Chairman), Kazuhisa Uemura (Representative Member of the Board and President), Noritoshi Takamura (Representative Member of the Board and Executive Vice President) and Masayuki Horie (Representative Member of the Board and Executive Vice President) was resolved by the Board of Directors at a Board meeting held on June 25, 2025. The delegated authority concerned the fixed salary and performance-linked remuneration per Director, and the authority was delegated because the Board of Directors determined that the council of the representative members of the Board would be suitably capable of determining the amounts in light of the Company's overall business performance and each Director's job performance. The validity of the remuneration amounts was examined by the Voluntary Nomination and Compensation Committee ahead of the council by the representative members of the Board.

Remuneration for the Company's Audit & Supervisory Board Members is paid as a fixed salary at an amount within the total limit resolved by shareholders at a General Meeting. The distribution of remuneration among Audit & Supervisory Board Members is determined through a council of the Audit & Supervisory Board.

The upper limit of annual remuneration for Directors is set at 600 million yen in accordance with a resolution passed at the 104th Annual General Meeting of Shareholders held on June 25, 2024, and has been implemented accordingly. As of the conclusion of the said Annual General Meeting of Shareholders, the Board of Directors had nine members (including four External Directors). The upper limit of remuneration for Audit & Supervisory Board Members is set at 120 million yen in accordance with a resolution passed at the 104th Annual General Meeting of Shareholders held on June 25, 2024. As of the conclusion of the said Annual General Meeting of Shareholders, the Audit & Supervisory Board had four members (including two External Audit & Supervisory Board Members).

In addition, at the 105th Annual General Meeting of Shareholders held on June 25, 2025, a restricted stock compensation plan using a Board Benefit Trust-Restricted Stock (BBT-RS) was approved and introduced separately from the above compensation plan. Each fiscal year, Directors (excluding External Directors) will be given points whose count is determined in consideration of their position and other factors in accordance with the Company Rules Governing the Stock Compensation Plan for Directors. The maximum points that can be awarded to Directors per fiscal year are capped at 100,000 points. Points are converted to the Company's common shares at the rate of one share for each point when the Directors receive the stock compensation. As of the conclusion of the Annual General Meeting of Shareholders concerned, the Board of Directors had five members (excluding External Directors).

The Company uses its consolidated ordinary profit, which it believes properly reflects the Group's business performance, as a reference for decision about performance-linked remuneration, making the amount of the remuneration increase or decrease in tandem with a change in the profit. More specifically, the bonus for Directors (excluding External Directors) depends on two metrics, one the level of the consolidated ordinary profit for the fiscal year under review and the other a change in the profit from the previous fiscal year.

(b) Total Amount of Remuneration by Reporting Company's Category of Directors and Other Officers, Total Amount of Remuneration by Type, and Number of Recipient Directors and Other Officers

Category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by the type (Millions of yen)			Number of recipient Directors and other officers (Persons)
		Monetary remuneration		Non-monetary remuneration, etc.	
		Fixed salary	Performance-linked remuneration, etc.	Stock compensation	
Directors	585	326	165	93	11
(External Directors)	[44]	[44]	[–]	[–]	[4]
Audit & Supervisory Board Members	88	88	–	–	4
(External Audit & Supervisory Board Members)	[14]	[14]	[–]	[–]	[2]
Total	673	414	165	93	15
(External Directors and other officers)	[59]	[59]	[–]	[–]	[6]

Note: The table above includes two corporate advisors who retired at the conclusion of the 105th Annual General Meeting of Shareholders held on June 25, 2025.

(c) Total amount of remuneration paid by group to Directors whose amount thereof is 100 million yen or higher in total

Name	Category of Directors and other officers	Category of companies	Total amount of remuneration (Millions of yen)	Amount of remuneration by the type (Millions of yen)		
				Monetary remuneration		Non-monetary remuneration, etc.
				Fixed salary	Performance-linked remuneration, etc.	Stock compensation
Takashi Kayamoto	Member of the Board	Reporting Company	138	73	39	25
Kazuhisa Uemura	Member of the Board	Reporting Company	135	71	39	24

Note: This table only lists the person whose total amount of remuneration paid thereto is 100 million yen or higher in total.

(5) Shareholdings

(i) Criteria and Stance on Classification of Investment Shares

The Company classifies its investment shares as follows: "shares held for pure investment purposes" when the holding of those shares is solely intended for the Company to gain income through stock price fluctuations or dividends attached to the shares; and "shares held for purposes other than pure investment" when the holding of those shares is intended for other purposes.

As a basic rule, the Company does not hold "investment shares held for pure investment purposes."

(ii) Investment Shares Held for Purposes Other than Pure Investment

(a) Policy on Shareholdings, Method to Verify Rationality of Shareholdings, and Verifications by Board of Directors and Others on Suitability of Holding Each Issue

The "investment shares for purposes other than pure investment" held by the Company are those issued by corporations that are expected by the Company to help the Company increase its corporate value, such as the Company's suppliers and customers engaged in the development or production of new products for their own continuous business growth in the Company's main fields of auto components, electronic components, and industrial machinery or equipment.

In the 2026 Mid-term Plan, we aim to reduce the balance of cross-shareholdings, including deemed-shareholdings, to less than 20% of consolidated net assets. We will continue to reduce the balance while examining trends in transaction volume with business partners and future relationships with them. As of March 31, 2026, the Company's cross-shareholdings accounted for 15.7% of net assets.

The Company regularly reports, among other things, the latest dividend attached to each share of all the stocks held by the Company and the prices thereof to the Board of Directors, which in turn verifies the rationality of the Company's shareholdings on an ongoing basis. In addition to examining benefits attached to each issue of the shares held (e.g., incoming dividends, profits/losses from stock valuation, etc.) and quantitative risks involved therein, the Board of Directors assesses the qualitative aspects, such as backgrounds behind the acquisition of the shares and the significance of holding them, and comprehensively judges the suitability of the Company's shareholdings. Such verifications have found that it is becoming less significant for the Company to hold some of the shareholdings, and the Company is selling them while giving consideration to the potential impact therefrom on the market.

(b) Number of Issues and Carrying Amount

	Number of issues (Issues)	Total of carrying amounts (Millions of yen)
Unlisted shares	24	1,901
Shares other than unlisted shares	21	55,346

(Issues whose number of shares increased in the fiscal year under review)

There are no matters to report under this item.

(Issues whose number of shares decreased in the fiscal year under review)

	Number of issues (Issues)	Total sale amount for decreased shares (Millions of yen)
Unlisted shares	–	–
Shares other than unlisted shares	2	8,759

Note: Includes one deemed holdings of shares contributed to a retirement benefit trust.

(c) Number of Specified Investment Shares and Deemed Holdings of Shares by Issue and Information about Carrying Amounts, etc.

Specified investment shares

<table>
<tr><th rowspan="3">Issue</th><th>Fiscal year ended March 31, 2026</th><th>Fiscal year ended March 31, 2025</th><th rowspan="3">Purpose of the shareholding, overview of business alliance, quantitative effects of the shareholding, and reason for increase in the number of shares (Note 1)</th><th rowspan="3">Whether the issuer holds the Company's shares</th></tr>
<tr><th>Number of shares (Shares)</th><th>Number of shares (Shares)</th></tr>
<tr><th>Carrying amount (Millions of yen)</th><th>Carrying amount (Millions of yen)</th></tr>
<tr><td rowspan="2">TOYOTA BOSHOKU CORPORATION</td><td>7,220,500</td><td>7,220,500</td><td rowspan="2">The Company is a vendor of its seating frame products to the issuer and has a collaborative relationship with the issuer in the seating business for Toyota Motor Corporation. The Company holds the shares to continuously maintain and advance the business relationship.</td><td rowspan="2">No</td></tr>
<tr><td>17,408</td><td>14,357</td></tr>
</table>

Issue	Fiscal year ended March 31, 2026 Number of shares (Shares) Carrying amount (Millions of yen)	Fiscal year ended March 31, 2025 Number of shares (Shares) Carrying amount (Millions of yen)	Purpose of the shareholding, overview of business alliance, quantitative effects of the shareholding, and reason for increase in the number of shares (Note 1)	Whether the issuer holds the Company's shares
Daido Steel Co., Ltd.	7,248,500	7,248,500	The issuer is a supplier for the Group. The Company holds the shares to continuously maintain and advance the business relationship, particularly with an eye on the stable procurement of steel bars.	Yes
	13,137	8,625		
Isuzu Motors Limited	2,177,500	2,177,500	The issuer is a customer of the Company's automotive-related products of various sorts. The issuer is an important business partner in the Company's business for the truck industry. The Company holds the shares to continuously maintain and advance the business relationship.	Yes
	4,836	4,390		
Yokohama Financial Group, Inc.	2,959,000	2,959,000	The Bank of Yokohama, Ltd., which is under the issuer, is one of the Group's major financing banks. The Company holds the shares for the purpose of facilitating the Group's financial activities. In addition to being a continuous creditor to the Group, the Bank of Yokohama has provided the Company with information about financial and economic conditions. The Company is seeking to increase its alliance with the issuer with a view to increase the Company's corporate value in the medium- to long-term.	No (Note 3)
	4,065	2,903		
Mitsubishi UFJ Financial Group, Inc.	1,463,400	1,463,400	The Group has a deal with the three financial institutions under the umbrella of the issuer, MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. The Company holds the shares for the purpose of facilitating the Group's financial activities. The issuer has helped the Company to stabilize its Group's entire financial standing, including supporting the Company's trading at overseas business sites. The Company has also received information about financial and economic conditions as well as advice on all the aspects of business management from the issuer. The Company is hence seeking collaboration and alignment with the issuer with a view to increase the Company's corporate value in the medium- to long-term.	No (Note 3)
	3,804	2,942		
NOK CORPORATION	1,105,300	1,105,300	The Company holds the shares to maintain and advance its alliance with the issuer in the automotive components industry.	Yes
	3,095	2,420		

Issue	Fiscal year ended March 31, 2026 Number of shares (Shares) Carrying amount (Millions of yen)	Fiscal year ended March 31, 2025 Number of shares (Shares) Carrying amount (Millions of yen)	Purpose of the shareholding, overview of business alliance, quantitative effects of the shareholding, and reason for increase in the number of shares (Note 1)	Whether the issuer holds the Company's shares
Mizuho Financial Group, Inc.	323,940	323,940	The Group has a deal with the three financial institutions under the umbrella of the issuer, Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., and Mizuho Securities Co., Ltd. The Company holds the shares to facilitate the Group's financial activities. The issuer has helped the Company to stabilize its Group's entire financial standing, including supporting the Company's trading at overseas business sites. The Company has also received information about financial and economic conditions as well as advice on all the aspects of business management from the issuer. The Company is hence seeking collaboration and alignment with the issuer with a view to increase the Company's corporate value in the medium- to long-term.	No (Note 3)
	1,971	1,312		
Sojitz Corporation	283,620	283,620	The issuer is the Company's collaborative partner in its overseas businesses, and the issuer's group company is a supplier for the Company's production facilities and equipment. The Company holds the shares to continuously maintain and advance the business relationship.	Yes
	1,737	930		
Taiho Kogyo Co., Ltd.	1,344,310	1,344,310	The Company holds the shares to maintain and advance its alliance with the issuer in the automotive components industry.	No (Note 3)
	1,372	798		
Takano Company Limited	1,151,500	1,151,500	The issuer is a customer of the Company's precision springs and components. The Company holds the shares to continuously maintain and advance the business relationship.	Yes
	1,201	826		
Kobe Steel, Ltd.	610,700	610,700	The issuer is a supplier for the Group. The Company holds the shares to continuously maintain and advance the business relationship particularly for the purpose of ensuring the stable procurement of wires, steel bars and thin plates.	Yes
	1,154	1,056		
Suzuki Motor Corporation	204,000	204,000	The Company is a vendor of its automotive-related products of various sorts to the issuer. For the Company, the issuer is an important global business partner. The Company holds the shares to continuously maintain and advance the business relationship.	No
	382	369		
Tokio Marine Holdings, Inc.	37,800	37,800	The Company has various kinds of insurance transactions with the issuer. The Company holds the shares to continuously maintain and advance the business relationship.	No (Note 3)
	276	216		

Issue	Fiscal year ended March 31, 2026 Number of shares (Shares) Carrying amount (Millions of yen)	Fiscal year ended March 31, 2025 Number of shares (Shares) Carrying amount (Millions of yen)	Purpose of the shareholding, overview of business alliance, quantitative effects of the shareholding, and reason for increase in the number of shares (Note 1)	Whether the issuer holds the Company's shares
Aichi Steel Corporation	94,000	23,500	The issuer is a supplier for the Group. The Company holds the shares to continuously maintain and advance the business relationship particularly for the purpose of ensuring the stable procurement of flat bars. (Note 2)	Yes
	264	164		
Imasen Electric Industrial Co., Ltd.	310,000	310,000	The issuer is an important business partner for the components of multiple products in the Company's Automotive Seating Business. The Company holds the shares to continuously maintain and advance the business partnership.	No
	256	195		
Mazda Motor Corporation	104,600	104,600	The Company is a vendor of its automotive-related products of various sorts to the issuer. The Company holds the shares to continuously maintain and advance the business relationship.	No
	108	98		
MS&AD Insurance Group Holdings, Inc.	24,066	24,066	The Company has various kinds of insurance transactions with the issuer. The Company holds the shares to continuously maintain and advance the business relationship.	No (Note 3)
	97	77		
F.C.C. Co., Ltd.	21,700	21,700	The Company is a vendor of its precision springs and components to the issuer. The Company holds the shares to continuously maintain and advance the business relationship.	No
	69	67		
Subaru Corporation	22,000	22,000	The Company is a vendor of its automotive-related products of various sorts to the issuer. For the Company, the issuer is the largest customer mainly in the Automotive Seating Business. The Company holds the shares to continuously maintain and advance the business relationship.	No
	54	58		
NISSAN SHATAI CO., LTD.	50,000	50,000	The Company is a vendor of its automotive suspension spring products and precision springs and components to the issuer. The Company holds the shares to continuously maintain and advance the business relationship.	No
	47	51		
Hino Motors, Ltd. (Note 5)	10,000	10,000	The Company is a vendor of its automotive-related products of various sorts to the issuer. The Company holds the shares to continuously maintain and advance the business relationship.	No
	3	4		

Issue	Fiscal year ended March 31, 2026 Number of shares (Shares) Carrying amount (Millions of yen)	Fiscal year ended March 31, 2025 Number of shares (Shares) Carrying amount (Millions of yen)	Purpose of the shareholding, overview of business alliance, quantitative effects of the shareholding, and reason for increase in the number of shares (Note 1)	Whether the issuer holds the Company's shares
TOYOTA MOTOR CORPORATION	–	1,420,500	(Fiscal year ended March 31, 2025) The issuer is an important business partner for the Company's automotive-related business. The Company is a vendor of its automotive suspension springs to the issuer. The Company holds the shares to continuously maintain and advance the business relationship. (Fiscal year ended March 31, 2026) As a result of comprehensively considering and verifying the business relationship as well as benefits and risks involved in the holding of the shares, the Company sold all of them in the fiscal year under review.	No
	–	3,716		
Honda Motor Co., Ltd.	–	450,000	(Fiscal year ended March 31, 2025) The Company is a vendor of its automotive-related products of various sorts to the issuer. The issuer is an important global business partner for the Company's Automotive Suspension Spring Business and Precision Springs and Components Business. The Company holds the shares to continuously maintain and advance the business relationship. (Fiscal year ended March 31, 2026) As a result of comprehensively considering and verifying the business relationship as well as benefits and risks involved in the holding of the shares, the Company sold all of them in the fiscal year under review.	No
	–	604		

Notes:
1. Considering potential impact on business relationships and the stock market, the Company refrains itself from disclosing the quantitative effects of the shareholdings and the results of its verifications on the rationality of the shareholdings. While it is difficult to state the quantitative effects of shareholdings in this document, the Company has regularly reported dividends attached to each share, share prices, etc. to the Board of Directors for its ongoing verification on the rationality of the Company's shareholdings.
2. The number of the shares issued by Aichi Steel Corporation increased due to a stock split that divided one share into four as of July 1, 2025.
3. The issuer of the shares does not hold the Company's shares. However, a subsidiary of the issuer holds the Company's shares.
4. All held issues are stated above, because the total number of the specified investment shares held by the Company is less than 60 issues.
5. Hino Motors, Ltd. and Mitsubishi Fuso Truck and Bus Corporation integrated their operations on April 1, 2026, by establishing ARCHION Corporation as their wholly owning parent company.

   Consequently, one common share of ARCHION Corporation has been allocated for each common share of Hino Motors, Ltd. held by the Company.

Deemed Holdings of Shares

Issue	Fiscal year ended March 31, 2026 Number of shares (Shares) Carrying amount (Millions of yen)	Fiscal year ended March 31, 2025 Number of shares (Shares) Carrying amount (Millions of yen)	Purpose of the shareholding, overview of business alliance, quantitative effects of the shareholding, and reason for increase in the number of shares (Note 2)	Whether the issuer holds the Company's shares
Suzuki Motor Corporation	2,000,000	2,000,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	No
	3,751	3,620		
Daido Steel Co., Ltd.	1,500,000	1,500,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	Yes
	2,718	1,785		
TOYOTA MOTOR CORPORATION	800,000	800,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	No
	2,529	2,092		
Takano Company Limited	1,000,000	1,000,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	Yes
	1,043	718		
Honda Motor Co., Ltd.	690,000	3,000,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights. As a result of verifying the significance and purpose of the holdings, the Company sold a portion of its holdings in the fiscal year under review.	No
	867	4,027		
Subaru Corporation	300,000	300,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	No
	745	793		
Yokohama Financial Group, Inc.	500,000	500,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	No (Note 3)
	687	490		
Mizuho Financial Group, Inc.	100,000	100,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	No (Note 3)
	608	405		
Isuzu Motors Limited	250,000	250,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	Yes
	555	504		
Kobe Steel, Ltd.	50,000	50,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	Yes
	94	86		
Sojitz Corporation	10,000	10,000	The Company contributed the shares to the retirement benefit trust and is authorized to instruct the exercise of voting rights.	Yes
	61	32		

Notes:
1. The number of specified investment shares and that of deemed holdings of shares were not combined when the issues were ranked according to the higher carrying amount.
2. Considering potential impact on business relationships and the stock market, the Company refrains itself from disclosing the quantitative effects of the shareholdings and the results of its verifications on the rationality of the shareholdings. While it is difficult to state the quantitative effects of shareholdings in this document, the Company has regularly reported dividends attached to each share, share prices, etc. to the Board of Directors for its ongoing verification on the rationality of the Company's shareholdings.

3. The issuer of the shares does not hold the Company's shares. However, a subsidiary of the issuer holds the Company's shares.

(d) Investment Shares Held for Pure Investment Purposes

There are no matters to report under this item because the Company does not hold "investment shares held for pure investment purposes."

5. Information about employees, etc.

(1) Basic policy on human resources strategy, etc.

(i) Human resources strategy

The Group's human resources strategy is described in "II. Overview of Business, 2. Approach and initiatives for sustainability, (5) Maximization of the value of human capital."

(ii) Policy on determining the amount and details of employee salaries and other benefits

With the goal of creating a virtuous cycle of maximizing the value of human capital and achieving the Company's sustainable growth, we are actively promoting investment in people. The policy on employee salaries and other benefits is determined by comprehensively considering factors such as business performance, with a view to enhancing employee engagement and ensuring our competitiveness.

(2) Information about employees

(i) Consolidated companies

As of March 31, 2026

Name of segment	Number of employees (Persons)	
Automotive Suspension Springs Business	3,892	[717]
Automotive Seating Business	4,227	[398]
Precision Springs and Components Business	3,356	[369]
DDS Business	2,622	[912]
Industrial Machinery and Equipment, and Other Operations Business	3,097	[260]
Company-wide (common)	927	[56]
Total	18,121	[2,712]

Notes: 1 The number of employees is the number of full-time employees.

2 The figures in parentheses in the "Number of employees" column indicate the annual average number of temporary employees. Temporary employees include part-timers and term employees and exclude dispatched employees.

3 The number shown in the "Company-wide (common)" column is the number of employees in administration departments that cannot be categorized into specific business segments.

(ii) Information about the Reporting Company

As of March 31, 2026

Number of employees (Persons)		Average age (Years)	Average length of service (Years)	Average annual salary (Yen)	Change from previous fiscal year in average annual salary (%)
5,350	[94]	41.9	18.6	8,527,125	7.7

Name of segment	Number of employees (Persons)	
Automotive Suspension Springs Business	834	[17]
Automotive Seating Business	1,497	[43]
Precision Springs and Components Business	896	[14]
DDS Business	672	[–]
Industrial Machinery and Equipment, and Other Operations Business	864	[20]
Company-wide (common)	587	[–]
Total	5,350	[94]

Notes: 1 The number of employees is the number of full-time employees.

2 Average annual salary includes bonuses and extra wages.

3 The figures in parentheses in the "Number of employees" column indicate the annual average number of temporary employees. Temporary employees include part-timers and term employees and exclude dispatched employees.

4 The number shown in the "Company-wide (common)" column is the number of employees in administration departments that cannot be categorized into specific business segments.

(iii) Status of labor union

The NHK Spring Labor Union became affiliated with Confederation of Japan Automobile Workers' Unions on June 1, 1973, and belongs to its subordinate organization representing the unions in Japan's automotive parts industry.

With regard to the labor unions of the Group companies including the Reporting Company (14 domestic and 10 overseas companies), labor-management relations have remained amicable, there have been no disputes of note, and labor and management are cooperating in their efforts to conduct company business.

(iv) Status of the Share Ownership Plan for Directors (and Other Officers) and Employees exclusively for employees and other staff members

The Company has introduced a Share Ownership Plan for Directors (and Other Officers) and Employees, which is exclusively for employees and other staff members. Details on the Share Ownership Plan for Directors (and Other Officers) and Employees are described in "1. Company's Shares, etc., (8) Share Ownership Plan for Directors (and Other Officers) and Employees."

(v) Ratio of female employees in management positions, rate of male employees taking childcare leave, and gender wage gap

a. Reporting Company

<table>
<tr><th colspan="5">Fiscal year ended March 31, 2026</th><th rowspan="3">Supplementary explanation</th></tr>
<tr><th rowspan="2">Ratio of female employees in management positions (%) (Note 1)</th><th rowspan="2">Rate of male employees taking childcare leave (%) (Note 2)</th><th colspan="3">Gender wage gap (%) (Note 1)</th></tr>
<tr><th>All employees</th><th>Permanent, full-time employees</th><th>Part-time and fixed-term employees</th></tr>
<tr><td>3.0</td><td>76.6</td><td>80.2</td><td>79.1</td><td>87.7</td><td>• The gender wage gap is due to the difference in the composition of the number of employees by grade, and there is no difference in the wage system based on gender.
• Permanent, full-time employees include full-time employees who are directly employed and whose employment term is not fixed, as well as non-regular employees who have been converted to permanent status.
• Part-time and fixed-term employees include part-timers, term employees, employees rehired after their mandatory retirement age, and contract employees, and exclude dispatched employees.</td></tr>
</table>

Notes: 1. Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. Childcare leave uptake, etc. calculated as in Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

b. Consolidated subsidiaries

<table>
<tr><th colspan="6">Fiscal year ended March 31, 2026</th><th rowspan="3">Supplementary explanation</th></tr>
<tr><th rowspan="2">Name</th><th rowspan="2">Ratio of female employees in management positions (%) (Note 1)</th><th rowspan="2">Rate of male employees taking childcare leave (%) (Note 2)</th><th colspan="3">Gender wage gap (%) (Note 1)</th></tr>
<tr><th>All employees</th><th>Permanent, full-time employees</th><th>Part-time and fixed-term employees</th></tr>
<tr><td>NHK SALES CO., LTD.</td><td>2.6</td><td>83.3</td><td>60.9</td><td>61.4</td><td>75.4</td><td rowspan="19">• The gender wage gap is due to the difference in the composition of the number of employees by grade, and there is no difference in the wage system based on gender.
• Permanent, full-time employees include full-time employees who are directly employed and whose employment term is not fixed, as well as non-regular employees who have been converted to permanent status.
• Part-time and fixed-term employees include part-timers, term employees, employees rehired after their mandatory retirement age, and contract employees, and exclude dispatched employees.</td></tr>
<tr><td>NHK TRANSPORT CO., LTD.</td><td>2.3</td><td>20.0</td><td>69.0</td><td>71.1</td><td>57.7</td></tr>
<tr><td>NIPPATSU SERVICE Co., Ltd.</td><td>16.7</td><td>–</td><td>60.6</td><td>61.3</td><td>39.6</td></tr>
<tr><td>NHK Spring Production Company</td><td>0.0</td><td>0.0</td><td>85.8</td><td>84.2</td><td>–</td></tr>
<tr><td>Sumihatsu Co., Ltd.</td><td>2.3</td><td>46.7</td><td>81.6</td><td>80.2</td><td>76.2</td></tr>
<tr><td>HORIKIRI, INC.</td><td>18.2</td><td>100.0</td><td>91.6</td><td>89.5</td><td>–</td></tr>
<tr><td>NHK SPRING KYUSHU CO., LTD.</td><td>0.0</td><td>0.0</td><td>95.7</td><td>95.1</td><td>–</td></tr>
<tr><td>TOHOKU NIPPATSU CO., LTD.</td><td>0.0</td><td>66.7</td><td>79.0</td><td>79.9</td><td>83.0</td></tr>
<tr><td>ITES CO., LTD.</td><td>0.0</td><td>50.0</td><td>82.6</td><td>82.1</td><td>99.1</td></tr>
<tr><td>FAURECIA-NHK KYUSHU CO., LTD.</td><td>0.0</td><td>–</td><td>84.1</td><td>81.3</td><td>–</td></tr>
<tr><td>NHK SEATING MIZUSHIMA Co., Ltd.</td><td>0.0</td><td>–</td><td>95.5</td><td>95.1</td><td>102.0</td></tr>
<tr><td>NHK FLEX Co., Ltd.</td><td>0.0</td><td>80.0</td><td>69.9</td><td>79.0</td><td>102.9</td></tr>
<tr><td>Tokuhatsu Co., Ltd.</td><td>0.0</td><td>75.0</td><td>78.8</td><td>83.0</td><td>77.8</td></tr>
<tr><td>NHK Precision Co., Ltd.</td><td>0.0</td><td>66.7</td><td>80.1</td><td>81.8</td><td>65.1</td></tr>
<tr><td>NHK Parking Systems Co., Ltd.</td><td>4.5</td><td>100.0</td><td>71.1</td><td>77.4</td><td>63.1</td></tr>
<tr><td>NHK MEC Corporation</td><td>5.4</td><td>66.7</td><td>69.4</td><td>74.9</td><td>69.8</td></tr>
<tr><td>NIPPON SHAFT CO., LTD.</td><td>0.0</td><td>60.0</td><td>72.6</td><td>73.9</td><td>57.1</td></tr>
<tr><td>Topura Co., Ltd.</td><td>3.4</td><td>30.0</td><td>69.7</td><td>75.5</td><td>63.5</td></tr>
<tr><td>YOKOHAMA KIKO CO., LTD.</td><td>0.0</td><td>–</td><td>86.7</td><td>82.6</td><td>96.4</td></tr>
</table>

Notes:
1. Calculated in accordance with the provisions of the Act on the Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015).
2. Childcare leave uptake, etc. calculated as in Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
3. A “–” is indicated in the relevant column for the “Rate of male employees taking childcare leave” if it cannot be calculated because there were no male workers whose spouses gave birth during the fiscal year, and for the “Gender wage gap” if it cannot be calculated because there were no workers of one gender on the payroll.

c. The Company and domestic consolidated subsidiaries

	Fiscal year ended March 31, 2026					Supplementary explanation
	Ratio of female employees in management positions (%) (Note 1)	Rate of male employees taking childcare leave (%) (Note 2)	Gender wage gap (%) (Note 1)			
			All employ-ees	Perma-nent, full-time employ-ees	Part-time and fixed-term employees	
The Company and domestic consolidated subsidiaries (Note 3)	3.0	67.0	75.3	77.5	68.4	• The gender wage gap is due to the difference in the composition of the number of employees by grade, and there is no difference in the wage system based on gender. • Permanent, full-time employees include full-time employees who are directly employed and whose employment term is not fixed, as well as non-regular employees who have been converted to permanent status. • Part-time and fixed-term employees include part-timers, term employees, employees rehired after their mandatory retirement age, and contract employees, and exclude dispatched employees.

Notes: 1. Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. Childcare leave uptake, etc. calculated as in Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

3. The Company and its consolidated subsidiaries whose addresses are in Japan and that fall under the provisions of Article 2, item (v) of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).

V. Financial Information

1 Methods for preparing the consolidated financial statements and the non-consolidated financial statements

(1) The consolidated financial statements of the Company are prepared in accordance with the “Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Order No. 28 of 1976).

(2) The non-consolidated financial statements of the Company are prepared in accordance with the “Regulation on Terminology, Forms and Preparation Methods of Financial Statements” (Ministry of Finance Order No. 59 of 1963; hereinafter the “Regulations on Non-consolidated Financial Statements”).

As the Company falls under the category of a special company submitting financial statements, the non-consolidated financial statements of the Company are prepared in accordance with Article 127 of the Regulations for Non-consolidated Financial Statements.

2 Audit certification

Pursuant to the provisions of Article 193-2, paragraph (1), of the Financial Instruments and Exchange Act, the Company’s consolidated financial statements for the fiscal year from April 1, 2025 through March 31, 2026 and non-consolidated financial statements for the fiscal year from April 1, 2025 through March 31, 2026 were audited by Ernst & Young ShinNihon LLC.

3 Particular efforts to secure the appropriateness of the consolidated financial statements

The Company makes particular efforts to secure the appropriateness of its consolidated financial statements. Specifically, in order to develop a system that can properly understand the details of the accounting standards and other regulations, the Company has joined the Financial Accounting Standards Foundation (FASF) and attends seminars held by the foundation.

1. Consolidated Financial Statements and Primary Notes

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheets

(Millions of yen)

		As of March 31, 2025		As of March 31, 2026
Assets				
Current assets				
Cash and deposits		97,234		108,401
Notes and accounts receivable - trade, and contract assets	*4	149,992	*4	158,511
Electronically recorded monetary claims - operating	*4	16,465	*4	15,126
Merchandise and finished goods		30,406		30,368
Work in process		16,391		17,727
Raw materials and supplies		39,062		35,907
Partly-finished goods		11,772		12,091
Other		29,102		31,435
Allowance for doubtful accounts		(13)		(23)
Total current assets		390,414		409,546
Non-current assets				
Property, plant and equipment				
Buildings and structures		175,916		182,537
Accumulated depreciation		(120,004)		(125,692)
Buildings and structures, net		55,911		56,845
Machinery, equipment and vehicles		327,914		346,470
Accumulated depreciation		(269,522)		(286,366)
Machinery, equipment and vehicles, net		58,392		60,103
Land		34,939		35,634
Leased assets		1,437		1,783
Accumulated depreciation		(727)		(627)
Leased assets, net		710		1,156
Construction in progress		25,088		28,610
Other		101,102		109,757
Accumulated depreciation		(90,785)		(94,995)
Other, net		10,317		14,761
Total property, plant and equipment		185,359		197,112
Intangible assets		3,229		4,800
Investments and other assets				
Investment securities	*1	64,962	*1	71,110
Long-term loans receivable		1,368		1,774
Deferred tax assets		9,211		9,510
Retirement benefit asset		29,152		27,598
Other	*1	14,409	*1	18,809
Allowance for doubtful accounts		(1,767)		(1,811)
Total investments and other assets		117,336		126,990
Total non-current assets		305,925		328,903
Total assets		696,340		738,450

(Millions of yen)

	As of March 31, 2025		As of March 31, 2026	
Liabilities				
Current liabilities				
Notes and accounts payable - trade		99,018		97,367
Electronically recorded obligations - operating		13,178		4,645
Short-term borrowings		27,199		26,558
Commercial papers		10,000		–
Current portion of bonds payable		–		10,000
Lease liabilities		611		873
Income taxes payable		4,308		10,104
Provision for bonuses		11,915		12,726
Provision for bonuses for directors (and other officers)		325		326
Notes payable - facilities		471		200
Other	*5	27,287	*5	37,048
Total current liabilities		194,317		199,850
Non-current liabilities				
Bonds payable		13,000		3,000
Long-term borrowings		20,015		22,401
Lease liabilities		991		1,437
Long-term income taxes payable		231		–
Deferred tax liabilities		13,002		21,131
Retirement benefit liability		25,244		27,191
Provision for retirement benefits for directors (and other officers)		521		563
Provision for officers’ retirement benefits		970		1,102
Other		4,873		8,735
Total non-current liabilities		78,850		85,564
Total liabilities		273,168		285,414
Net assets				
Shareholders’ equity				
Share capital		17,009		17,009
Capital surplus		17,954		18,290
Retained earnings		327,545		340,727
Treasury shares		(36,768)		(39,054)
Total shareholders’ equity		325,741		336,972
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		26,822		33,795
Foreign currency translation adjustment		42,372		51,571
Remeasurements of defined benefit plans		12,743		15,280
Total accumulated other comprehensive income		81,937		100,648
Non-controlling interests		15,492		15,414
Total net assets		423,172		453,035
Total liabilities and net assets		696,340		738,450

(ii) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026
Net sales	*1	801,698	*1	816,879
Cost of sales	*2, *4	688,643	*2, *4	703,143
Gross profit		113,055		113,736
Selling, general and administrative expenses	*3, *4	60,894	*3, *4	67,952
Operating profit		52,160		45,784
Non-operating income				
Interest income		2,140		2,209
Dividend income		3,189		3,450
Share of profit of entities accounted for using equity method		2,379		929
Other		2,790		2,789
Total non-operating income		10,499		9,377
Non-operating expenses				
Interest expenses		385		612
Loss on sale of non-current assets		695		7
Loss on retirement of non-current assets		818		723
Foreign exchange losses		1,035		319
Expenses for product compensation		326		–
Other		1,438		1,309
Total non-operating expenses		4,699		2,972
Ordinary profit		57,960		52,189
Extraordinary income				
Gain on sale of investment securities		387		5,242
Gain on sale of investments in capital of subsidiaries and associates		–		534
Gain on return of assets from retirement benefits trust		–	*5	3,872
Settlement income	*6	2,000		–
Total extraordinary income		2,387		9,649
Extraordinary losses				
Impairment losses	*7	431	*7	9,835
Loss on valuation of shares of subsidiaries and associates		–		296
Loss on valuation of investments in capital of subsidiaries and associates		–		510
Provision for loss on liquidation of subsidiaries and associates		–		887
Loss on sale of businesses		299		–
Total extraordinary losses		730		11,530
Profit before income taxes		59,617		50,308
Income taxes - current	*8	11,549		17,445
Income taxes - deferred		(1,887)		4,232
Total income taxes		9,662		21,677
Profit		49,955		28,630
Profit attributable to non-controlling interests		1,788		768
Profit attributable to owners of parent		48,167		27,862

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	49,955	28,630
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,504)	6,988
Foreign currency translation adjustment	9,997	9,059
Remeasurements of defined benefit plans, net of tax	(4,407)	2,516
Share of other comprehensive income of entities accounted for using equity method	303	518
Total other comprehensive income	* (1,610)	* 19,083
Comprehensive income	48,344	47,713
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	45,807	46,572
Comprehensive income attributable to non-controlling interests	2,537	1,140

(iii) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,009	19,903	306,866	(23,055)	320,723
Changes during period					
Dividends of surplus			(11,991)		(11,991)
Profit attributable to owners of parent			48,167		48,167
Purchase of treasury shares				(32,273)	(32,273)
Disposal of treasury shares		94		946	1,040
Cancellation of treasury shares		(2,118)	(15,496)	17,615	–
Change in ownership interest of parent due to transactions with non-controlling interests		76			76
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,948)	20,678	(13,712)	5,018
Balance at end of period	17,009	17,954	327,545	(36,768)	325,741

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	34,336	32,801	17,160	84,297	15,552	420,574
Changes during period						
Dividends of surplus						(11,991)
Profit attributable to owners of parent						48,167
Purchase of treasury shares						(32,273)
Disposal of treasury shares						1,040
Cancellation of treasury shares						–
Change in ownership interest of parent due to transactions with non-controlling interests						76
Net changes in items other than shareholders' equity	(7,513)	9,571	(4,417)	(2,360)	(60)	(2,420)
Total changes during period	(7,513)	9,571	(4,417)	(2,360)	(60)	2,597
Balance at end of period	26,822	42,372	12,743	81,937	15,492	423,172

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,009	17,954	327,545	(36,768)	325,741
Changes during period					
Dividends of surplus			(14,680)		(14,680)
Profit attributable to owners of parent			27,862		27,862
Purchase of treasury shares				(1,983)	(1,983)
Disposal of treasury shares				(302)	(302)
Change in ownership interest of parent due to transactions with non-controlling interests		335			335
Net changes in items other than shareholders' equity					
Total changes during period	–	335	13,181	(2,286)	11,231
Balance at end of period	17,009	18,290	340,727	(39,054)	336,972

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	26,822	42,372	12,743	81,937	15,492	423,172
Changes during period						
Dividends of surplus						(14,680)
Profit attributable to owners of parent						27,862
Purchase of treasury shares						(1,983)
Disposal of treasury shares						(302)
Change in ownership interest of parent due to transactions with non-controlling interests						335
Net changes in items other than shareholders' equity	6,973	9,199	2,537	18,710	(78)	18,632
Total changes during period	6,973	9,199	2,537	18,710	(78)	29,863
Balance at end of period	33,795	51,571	15,280	100,648	15,414	453,035

(iv) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	59,617	50,308
Depreciation	29,324	30,454
Impairment losses	431	9,835
Increase (decrease) in net defined benefit asset (debt)	(1,873)	4,879
Interest and dividend income	(5,329)	(5,659)
Interest expenses	385	612
Foreign exchange losses (gains)	(402)	2,007
Share of loss (profit) of entities accounted for using equity method	(2,379)	(929)
Loss (gain) on sale and retirement of property, plant and equipment	1,276	297
Loss (gain) on sale of investment securities	(387)	(5,242)
Loss (gain) on sale of investments in capital of subsidiaries and associates	–	(534)
Loss on valuation of shares of subsidiaries and associates	–	296
Loss (gain) on valuation of investments in capital of subsidiaries and associates	–	510
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	–	887
Settlement income	(2,000)	–
Loss (gain) on sale of businesses	299	–
Gain on return of assets from retirement benefits trust	–	(3,872)
Decrease (increase) in trade receivables	4,019	(3,192)
Decrease (increase) in inventories	(8,255)	4,748
Increase (decrease) in trade payables	(6,141)	(13,106)
Other, net	618	(353)
Subtotal	69,203	71,948
Interest and dividends received	6,192	7,429
Interest paid	(385)	(576)
Settlement received	2,000	–
Redemption of retirement benefits trust	–	10,315
Income taxes paid	(21,296)	(11,669)
Net cash provided by (used in) operating activities	55,713	77,446
Cash flows from investing activities		
Decrease (increase) in time deposits	(4,212)	(2,522)
Purchase of property, plant and equipment	(42,162)	(39,841)
Proceeds from sale of property, plant and equipment	1,425	534
Purchase of intangible assets	(1,082)	(2,077)
Proceeds from sale of intangible assets	351	–
Purchase of investment securities	(1,368)	(608)
Proceeds from sale of investment securities	711	5,585
Loan advances	(386)	(798)
Proceeds from collection of loans receivable	567	427
Other, net	(1,629)	(2,305)
Net cash provided by (used in) investing activities	(47,784)	(41,606)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(232)	2,363
Proceeds from long-term borrowings	24,000	25,000
Repayments of long-term borrowings	(10,784)	(25,827)
Proceeds from issuance of bonds	1,000	–
Proceeds from issuance of commercial papers	38,000	45,000
Redemption of commercial papers	(28,000)	(55,000)
Purchase of treasury shares	(32,273)	(1,983)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,603)	(371)
Repayments of lease liabilities	(820)	(618)
Dividends paid	(11,991)	(14,680)
Dividends paid to non-controlling interests	(918)	(835)
Net cash provided by (used in) financing activities	(23,625)	(26,953)
Effect of exchange rate change on cash and cash equivalents	4,435	(745)
Net increase (decrease) in cash and cash equivalents	(11,260)	8,141
Cash and cash equivalents at beginning of period	93,065	81,805
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	16
Cash and cash equivalents at end of period	* 81,805	* 89,963

[Notes to Consolidated Financial Statements]

(Significant matters forming the basis for preparation of consolidated financial statements)

(1) Scope of consolidation

(a) Number of consolidated subsidiaries: 39

The names of consolidated subsidiaries are omitted here because they are provided in "4. Overview of subsidiaries and associates" under "1. Overview of the Company."

NHK Automotive Components India Private Limited has been included in the scope of consolidation from the fiscal year under review due to its increased significance.

(b) Names of major non-consolidated subsidiaries

AYASE SEIMITSU Co., Ltd.

Reason for exclusion from the scope of consolidation

These non-consolidated subsidiaries are small in size and their total assets, sales, net income or loss (amount corresponding to the equity interest), retained earnings (amount corresponding to the equity interest) and others, and do not have a significant impact on the consolidated financial statements.

(2) Application of the equity method

(a) Number of non-consolidated subsidiaries accounted for using equity method: 2

Name of principal companies

AYASE SEIMITSU Co., Ltd.

NHK Automotive Components India Private Limited has been excluded from the scope of application of the equity method because it was included in the scope of consolidation from the fiscal year under review.

(b) Number of associates accounted for using equity method: 5

Name of principal companies

SINDAI CO., LTD.

FAURECIA-NHK CO., LTD.

Ibérica de Suspensiones, S.L.

RASSINI-NHK AUTOPEÇAS LTDA.

(c) Of the non-consolidated subsidiaries or associates not accounted for using the equity method, name of the principal company

Nippatsu Harmony Co., Ltd.

Reasons for not applying the equity method

The non-consolidated subsidiaries and associates not accounted for using the equity method are excluded from the scope of application of the equity method, because their impact on net income or loss (amount corresponding to the equity interest) and retained earnings (amount corresponding to the equity interest) and others of the fiscal year under review, are minor and also have no significance as a whole.

(d) For the companies accounted for using the equity method whose closing dates differ from the consolidated closing date, the financial statements for the respective fiscal year of those companies are used for the consolidation purpose.

(3) Fiscal year, etc. of consolidated subsidiaries

Of consolidated subsidiaries, the closing date of NHK Spring (Thailand) Co., Ltd., NHK Manufacturing (Malaysia) SDN. BHD., NAT Peripheral (H.K.) Co., Ltd., NHK-Uni Spring (Guangzhou) Co., Ltd., NHK Spring Precision (Guangzhou) Co., Ltd., NHK Precision (Thailand) Co., Ltd., NAT Peripheral (Dongguan) Co., Ltd., NHK Spring (China) Co., Ltd., NHK Seating (Hubei)

Co., Ltd., Topura America Fastener, Inc. and NHK Spring Mexico, S.A. DE. C.V. is December 31 of every year.

In preparing the consolidated financial statements, we use financial statements as of their closing dates and make necessary adjustments for consolidation regarding significant transactions that occur between the consolidated closing date and their closing dates.

(4) Accounting policies

(a) Standards and methods for valuation of important assets

(i) Inventory

Mainly stated at cost using the weighted average method (Balance sheet value is calculated using the book value write-down method based on declining profitability).

(ii) Securities

Available-for-sale securities

Securities other than shares, etc. without market value

Stated at fair value (valuation differences are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method).

Shares, etc. without market prices

Mainly stated at cost using the moving average method.

(iii) Derivatives

Stated at fair value.

(b) Depreciation or amortization method for important depreciable or amortizable assets

(i) Property, plant and equipment (excluding leased assets)

Principally, the declining-balance method is applied.

Buildings and structures at the Company's headquarters are depreciated by the straight-line method.

The Company and its domestic consolidated subsidiaries compute depreciation for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016 by the straight-line method.

(ii) Small-amount depreciable assets (excluding leased assets)

Small-amount depreciable assets with an acquisition cost of 100,000 yen or more but less than 200,000 yen are equally amortized over three years.

(iii) Intangible assets (excluding leased assets)

Principally, the straight-line method is applied. Computer software for internal use is amortized on a straight-line basis over the estimated internal useful life (five years) of the software.

(iv) Leased assets

Finance lease transactions that do not transfer ownership

The straight-line method with no residual value is applied, regarding the term as useful life.

(c) Standards for recording significant provisions and allowances

(i) Allowance for doubtful accounts

To prepare for credit losses on receivables, an estimated uncollectable amount measured by either using the historical rate of credit loss for general receivables, or based on individual consideration of collectability for specific receivables such as highly doubtful receivables is recorded.

(ii) Provision for bonuses

To prepare for the payment of bonuses to employees, the portion of the estimated bonuses incurred during the fiscal year under review is recorded.

(iii) Provision for bonuses for directors (and other officers)

To prepare for the payment of bonuses to directors (and other officers), the portion of the estimated bonuses incurred during the fiscal year under review is recorded.

(iv) Provision for retirement benefits for directors (and other officers)

To prepare for the payment of retirement benefits to directors (and other officers), the domestic consolidated subsidiaries record the amount to be paid at the end of the fiscal year in accordance with the directors' retirement benefit regulations or internal rules.

(v) Provision for officers' retirement benefits

To prepare for the payment of officers' retirement benefits, the Company and its domestic consolidated subsidiaries record the amount to be paid at the end of the fiscal year in accordance with the officers' retirement benefit regulations or internal rules.

(d) Accounting methods for retirement benefits

(i) Method of attributing expected retirement benefit to periods

In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year under review on a benefit formula basis.

(ii) Method of amortization of actuarial gains and losses and past service costs

Past service cost is amortized using the straight-line method over a certain number of years (mainly 15 to 16 years) within employees' average remaining service period when incurred.

Actuarial gains and losses are amortized using the straight-line method over a certain number of years (10 to 16 years) within employees' average remaining service period when incurred in each fiscal year, from the fiscal year following the accrual of each gain or loss.

(iii) Application of simplified method by small-scale companies

In calculating the retirement benefit liability and retirement benefit expenses, certain of the Company's consolidated subsidiaries apply the simplified method in which the amount of retirement benefits payable at the end of the fiscal year for voluntary resignations is the retirement benefit obligation.

(e) Standards for recognition of significant revenues and expenses

The Group is engaged in the manufacture and sale of automobile-related products, such as automotive suspension springs, automotive seating and seat parts, and precision springs and components, as well as the manufacture and sale of information equipment-related products and parts, and logistics and other service business activities related to these businesses.

The Group's performance obligation is primarily to supply finished products to customers. In principle, the performance obligations are deemed satisfied when control is transferred to the customer at the time of product delivery, and revenue is recognized at that time. For domestic sales, if the period from the time of shipment to the time when control of the products is transferred to the customer is a normal period, revenue is recognized at the time of shipment.

The transaction price is calculated by deducting discounts, rebates, etc. from the consideration promised in the contract with the customer.

In addition, the Company estimates variable consideration using the most likely method, etc. based on past experience and the latest information and recognizes only to the extent that it is highly probable that a significant reversal in revenue will not occur.

The consideration for these performance obligations is collected within approximately one year after the performance obligations are satisfied, in accordance with the payment conditions specified separately, and does not include any significant financing components.

(f) Significant hedge accounting methods

(i) Hedge accounting method

Deferred hedge accounting is applied. Allocation method (furiate-shori) is applied to some forward exchange contracts and currency swaps qualifying for such accounting treatment. Exceptional treatment (tokurei-shori) is applied to interest rate swaps qualifying for such exceptional accounting.

(ii) Hedging instruments and hedged items

Hedging instruments	Hedged items
Forward exchange contract	Forecasted transaction in foreign currency
Interest rate swaps	Borrowings
Interest rate and currency swaps	Borrowings
Currency swaps	Loans receivable

(iii) Hedging policy

Based on the Group's internal regulations, the "Cash Management Regulations," these hedging instruments are in principle to be used for the purpose of hedging against exchange rate and interest rate fluctuation risk.

Regarding the exchange rate fluctuations on foreign currency-denominated accounts receivable, which constitutes a major risk, we have entered comprehensive foreign currency forward contracts to avoid this risk, and execute such transactions within a range based on factors considering export performance related to normal foreign currency-denominated business transactions.

(iv) Method of evaluating effectiveness of hedges

The Company evaluates the effectiveness of forward exchange transactions by confirming that they comply with its internal regulations, the "Cash Management Regulations," at the time of concluding such contracts. For interest rate swaps to which the special method is applied, the Company has omitted the effectiveness evaluation based on the Accounting Standards for Financial Instruments.

(g) Scope of cash and cash equivalents in consolidated statement of cash flows

Funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments that are easily convertible into cash and are subject to insignificant risk of fluctuation in value and have a maturity of three months or less from the date of acquisition.

(Significant accounting estimates)

1. Impairment loss on property, plant and equipment at Komagane Plant of the Industrial Machinery and Equipment, and Other Operations Business of the Company

(1) Amount recorded on the consolidated financial statements

(Millions of yen)

		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Komagane Plant, Industrial Machinery and Equipment Division	Impairment losses	–	4,091
	Property, plant and equipment	3,874	7,231

(2) Other information that contributes to the understanding of users of the consolidated financial statements

(i) Method of calculation

Komagane Plant of the Company's Industrial Machinery and Equipment, and Other Operations Business has been continuously posting operating losses due to upfront investments to expand orders and delays in sales volume growth resulting from subsequent changes in the business environment, and the Company has reviewed its non-current assets for impairment losses.

Based on the results of the recoverability test, since the total undiscounted future cash flows expected to be generated from the asset group are less than the asset group's carrying amount, the carrying amount was written down to the recoverable value and the difference was recorded as an impairment loss.

The plant's future cash flows are based on the business plan approved by the Board of Directors. The recoverable value for the plant is based on the net realizable value based on real estate appraisal values, etc. assessed by a third party.

(ii) Key assumptions

The key assumptions used in the calculation of future cash flows are sales volume, selling price and gross profit margin. Sales volume is based on estimated quantities of orders from customers and is considered conservatively, although an increase in the sales volume of integrated metal substrates for power modules for EVs and other factors are expected. In addition, selling price and gross profit margin include improvements to selling prices and manufacturing costs planned to be implemented in the business plan.

The key assumptions in the net realizable value calculations are the unit price per area in real estate appraisals, the replacement cost of the building, the marketability adjustment rate, and the consideration of functional and economic depreciation factors.

(iii) Impact on consolidated financial statements for the next fiscal year and thereafter

The key assumptions in the above may be affected by increases in raw material costs, personnel expenses, resource and energy prices, etc., future changes in uncertain economic conditions, progress in the electrification of automobiles, deterioration of competitive conditions, and other factors.

Due to these factors, there is a possibility that impairment losses will be recorded in the next fiscal year or thereafter.

2. Impairment loss on property, plant and equipment in the Industrial Machinery and Equipment, and Other Operations Business in Malaysia

(1) Amount recorded on the consolidated financial statements

(Millions of yen)

		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
NHK Manufacturing (Malaysia) SDN. BHD.	Impairment losses	–	2,718
	Property, plant and equipment	5,154	2,524

(2) Other information that contributes to the understanding of users of the consolidated financial statements

(i) Method of calculation

NHK Manufacturing (Malaysia) SDN. BHD., a consolidated subsidiary engaged in the Industrial Machinery and Equipment, and Other Operations Business in Malaysia, has been continuously posting operating losses due to upfront investments to expand orders and delays in sales volume growth resulting from subsequent changes in the business environment, and the Company has reviewed its property, plant and equipment for impairment.

Based on the results of the recoverability test, since the total undiscounted future cash flows expected to be generated from the asset group are less than the asset group's carrying amount, the carrying amount was written down to the recoverable value and the difference was recorded as an impairment loss.

The relevant consolidated subsidiary's future cash flows are based on the business plan approved by the Board of Directors. The recoverable value of the relevant consolidated subsidiary was determined as value in use and calculated by the discounted present value of future cash flows from the continued use of the asset group and the net realizable value based on real estate appraisal values, etc. upon the expiration of the economic useful life.

(ii) Key assumptions

The key assumptions for estimating future cash flows are sales volume, operating expenses, and discount rate.

Sales volume is based on estimated quantities of orders from customers and is considered conservatively, although an increase in the sales volume of integrated metal substrates due to the transfer of production from the parent company and other factors are expected. Operating expenses include improvements to manufacturing costs planned to be implemented in the business plan. In addition, the discount rate is calculated based on the weighted average cost of capital.

The key assumptions in the net realizable value calculations are the unit price per area in real estate appraisals, the replacement cost of the building, and the consideration of functional and economic depreciation factors.

(iii) Impact on consolidated financial statements for the next fiscal year and thereafter

The key assumptions in the above may be affected by increases in raw material costs, personnel expenses, resource and energy prices, etc., future changes in uncertain economic conditions, progress in the electrification of automobiles, deterioration of competitive conditions, and other factors.

Due to these factors, there is a possibility that impairment losses will be recorded in the next fiscal year or thereafter.

(New accounting standards not yet applied)

1. "Accounting Standard for Leases," etc.

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, ASBJ)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ), Etc.

(1) Overview

As part of its efforts for ensuring that Japanese GAAP is consistent with international accounting standards, the ASBJ conducted a review, taking into consideration international accounting standards, toward the development of the Accounting Standard for Leases for recognizing assets and liabilities for all leases held by a lessee. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc., which were developed under a basic policy with the aim of being simple and highly convenient by incorporating only the key provisions of IFRS 16 instead of all the provisions, despite being based on the single accounting model of IFRS 16, while also making revisions basically unnecessary even when the provisions of IFRS 16 are applied for non-consolidated financial statements.

Regarding the method for allocating the lessee's lease expenses in the lessee's accounting treatment, a single accounting model is applied for recording the depreciation related to right-of-use assets and the amount equivalent to the interest on lease liabilities for all leases regardless of whether a lease is a finance lease or an operating lease. This is the same as under IFRS 16.

(2) Scheduled date of adoption

To be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of application of the accounting standards

The impact from the application of the "Accounting Standard for Leases," etc. on the consolidated financial statements is currently under evaluation.

2. Practical Guidelines on Accounting for Financial Instruments

- "Practical Guidelines on Accounting for Financial Instruments" (Revised Transferred Guidance No. 9, March 11, 2025, ASBJ)

(1) Overview

In recent years, there has been an increase in financial instruments that include unlisted shares in their portfolios. By valuing these unlisted shares at fair value, useful information is disclosed and provided to investors. As a result, it is expected that more growth capital will be supplied to venture capital funds and similar entities by institutional investors both in Japan and abroad.

In light of these circumstances, the "Practical Guidelines on Accounting for Financial Instruments" were published. Under these guidelines, regarding the current practice where constituent assets of partnerships, etc., invested in by companies are valuated at acquisition cost even if they are shares without market prices, it is stipulated that all shares without market prices included in the constituent assets of partnerships, etc., that meet certain requirements may be valuated at fair value and used as the basis for the accounting treatment by the investors in the partnerships, etc.

(2) Scheduled date of adoption

To be applied from the beginning of the fiscal year ending March 31, 2027.

(3) Impact of application of the accounting standards

The impact from the application of the "Practical Guidelines on Accounting for Financial Instruments" on the consolidated financial statements is currently under evaluation.

3. "Accounting Standard for Subsequent Events," etc.

- "Accounting Standard for Subsequent Events" (ASBJ Statement No. 41, January 9, 2026, ASBJ)
- "Implementation Guidance on Accounting Standard for Subsequent Events" (ASBJ Guidance No. 35, January 9, 2026, ASBJ)

(1) Overview

The "Accounting Standard for Subsequent Events," etc. were developed with the priority objective of establishing comprehensive accounting standards addressing the definition, accounting treatment, and disclosure of subsequent events. As a basic policy, the content related to accounting presented in Auditing Standards Report No. 560, Practical Guideline No. 1 "Audit Treatment of Subsequent Events" issued by the Auditing and Assurance Standards Committee of the Japanese Institute of Certified Public Accountants has principally been carried over and transferred to the ASBJ, and revisions to the wording and a reorganization of the evaluation period for subsequent events were conducted, while also introducing new requirements such as notes regarding the approval for disclosure of financial statements. Accordingly, these standards prescribe the accounting treatment and disclosure related to subsequent events.

(2) Scheduled date of adoption

To be applied from the beginning of the fiscal year ending March 31, 2028.

(Changes in presentation)

(Consolidated balance sheet)

"Electronically recorded monetary claims - operating," which were included in "Notes and accounts receivable - trade, and contract assets" under current assets until the previous fiscal year, are presented separately in the fiscal year under review to enhance clarity. In order to reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 166,457 million yen presented as "Notes and accounts receivable - trade, and contract assets" under current assets in the consolidated balance sheets for the previous fiscal year has been reclassified as "Notes and accounts receivable - trade, and contract assets" of 149,992 million yen and "Electronically recorded monetary claims - operating" of 16,465 million yen.

(Additional information)

(Stock compensation plan for Directors, etc.)

In line with a resolution passed by shareholders at the 102nd Annual General Meeting held on June 28, 2022, the Company introduced a stock compensation plan using a Board Benefit Trust (BBT) for Directors (other than External Directors; the same applies hereafter). Furthermore, in line with a resolution passed by shareholders at the 105th Annual General Meeting held on June 25, 2025, the Company revised this to a restricted stock compensation plan using a Board Benefit Trust-Restricted Stock (BBT-RS) (the "Plan"), to include Corporate Officers (collectively with Directors, "Directors, etc.") effective from FY2025.

(1) Outline of transaction

The Plan is a stock compensation plan in which the Company's shares are acquired through a trust ("the Trust") using the funds contributed by the Company, and the Company's shares and money equivalent to the amount calculated by converting the Company's shares into market value ("the Company's shares, etc.") are provided to Directors, etc. through the Trust in accordance with the Company Rules Governing the Stock Compensation Plan for Directors.

The timing of the provision of the Company's shares to Directors, etc. is at the specified time each year in principle, and the timing of the provision of money equivalent to the amount calculated by converting the Company's shares into market value to Directors, etc. is at the time of their retirement in principle.

(2) Company's shares remaining in Trust

The Company's shares remaining in the Trust are recorded as treasury shares under Net assets based on their carrying amount in the Trust (excluding incidental expenses). The carrying amount and number of such treasury shares were 178 million yen and 196,000 shares at the end of the previous fiscal year and are 1,651 million yen and 1,033,000 shares at the end of the fiscal year under review.

(Consolidated balance sheet)

*1 Notes regarding non-consolidated subsidiaries and associates

Of the amounts included in each item, those for non-consolidated subsidiaries and associates are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Investment securities (shares)	11,447	7,074
Investments and other assets, other (investments in capital)	9,750	8,775

2 Guarantee obligations

The Company has guaranteed borrowings from financial institutions by companies other than consolidated subsidiaries or by employees as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Non-consolidated subsidiaries and associates	118	160
Employees	4	2
Total	123	163

3 Contingent liabilities

In November 2020, the Company received a penalty payment order (TWD 285 million) from the Taiwan Fair Trade Commission (TFTC) for violating Taiwan's Fair Trade Act (anti-monopoly law) in relation to its transactions of HDD suspensions. In objection to this, the Company appealed against such order in January 2021, and completely won the case in August 2023.

The TFTC was dissatisfied with this judgement and appealed in September 2023.

*4 Of "Notes and accounts receivable - trade, and contract assets" under "Current assets," the amounts of receivables arising from contracts with customers are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Notes receivable - trade	1,367	369
Accounts receivable - trade	148,624	158,142
Electronically recorded monetary claims - operating	16,465	15,126

(Changes in presentation)

"Electronically recorded monetary claims - operating," which were included in "Notes receivable - trade" until the previous fiscal year, are presented separately in the fiscal year under review to enhance clarity. In order to reflect this change in presentation, the notes for the previous fiscal year have been reclassified.

As a result, 17,832 million yen presented as "Notes receivable - trade" in the previous fiscal year has been reclassified as "Notes receivable - trade" of 1,367 million yen and "Electronically recorded monetary claims - operating" of 16,465 million yen.

*5 Of "Other" under "Current Liabilities," the amounts of contract liabilities are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Contract liabilities	1,360	5,793

(Consolidated statement of income)

*1 Revenue from contracts with customers

In net sales, revenues arising from contracts with customers and other revenues are not separately presented. The amount of revenues arising from contracts with customers is presented in "Notes (Revenue Recognition) 1. Information on disaggregation of revenue from contracts with customers" to the consolidated financial statements.

*2 Ending inventory is the amount after writing down book values due to declining profitability, and the following loss on valuation of inventories (gain on reversal of loss on valuation of inventories) is included in cost of sales.

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
	481	(113)

*3 Main items and amounts of selling, general and administrative expenses are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Transportation costs	5,099	5,881
Salaries, allowances and bonuses	27,926	30,852
Retirement benefit expenses	329	570
Provision for retirement benefits for directors (and other officers)	894	1,364
Provision for officers' retirement benefits	205	492
Commission expenses	7,180	8,532

*4 Research and development costs included in general and administrative expenses and cost of sales

(Millions of yen)

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
22,740	24,676

*5 Gain on return of assets from retirement benefits trust

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

Gain on return of assets from retirement benefits trust represents the one-time recognition of unrecognized actuarial gains and losses corresponding to the amount returned, following a partial return of the retirement benefits trust.

*6 Settlement income

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Settlement income is due to the settlement of a patent infringement lawsuit against the Company.

*7 Impairment losses

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

The Group recognized impairment losses for the following assets.

(Millions of yen)

Used for	Location	Category	Amount
Production facilities	Hungary	Machinery, equipment and vehicles	8
		Other non-current assets	21
		Construction in progress	286
		Software	2
Idle real estate	Hadano-shi, Kanagawa	Land	111

(Background of recognition of impairment losses)

The book value of the above production facilities was written down to the recoverable value and the difference was recorded as an impairment loss since recoverability of amounts invested is not expected due to declining profitability.

The carrying amount of idle real estate was reduced to the recoverable value because there are no specific plans for future use and the assets are not expected to be used in the future, and the amount of the reduction was recorded as an impairment loss under extraordinary losses.

(Method of grouping assets)

Individual asset items have been grouped by considering management accounting category. Idle assets are treated as a separate asset group.

(Method of calculating recoverable value)

The recoverable value of the production facilities in Hungary was determined by reasonable estimates based on real estate appraisal values, etc.

Idle real estate in Hadano-shi, Kanagawa is measured at its net realizable value.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

The Group recognized impairment losses for the following assets.

(Millions of yen)

Used for	Location	Category	Amount
Production facilities	Kamiina-gun, Nagano	Buildings and structures	7
		Machinery, equipment and vehicles	1,171
		Construction in progress	53
		Other non-current assets	34
	Komagane-shi, Nagano	Buildings and structures	1,420
		Machinery, equipment and vehicles	1,905
		Land	189
		Construction in progress	535
		Other non-current assets	39
	Malaysia	Buildings and structures	1,929
		Machinery, equipment and vehicles	788
	Mexico	Buildings and structures	137
		Machinery, equipment and vehicles	987
		Other non-current assets	70
		Other intangible assets	58
	Hungary	Machinery, equipment and vehicles	8
		Construction in progress	451
		Other non-current assets	44
Total			9,835

(Background of recognition of impairment losses)

The book value of the above production facilities was written down to the recoverable value and the difference was recorded as an impairment loss since recoverability of amounts invested is not expected due to declining profitability.

(Method of grouping assets)

Individual asset items have been grouped by considering management accounting category.

(Method of calculating recoverable value)

The recoverable value of the production facilities in Kamiina-gun and Komagane-shi, Nagano was determined as the net realizable value based on real estate appraisal values, etc.

The recoverable value of the production facilities in Malaysia was determined as value in use based on future cash flows.

The recoverable value of the production facilities in Mexico was determined as value in use based on future cash flows.

The recoverable value of the production facilities in Hungary was determined by reasonable estimates based on real estate appraisal values, etc.

*8 Amount of income taxes for global minimum tax included in income taxes - current

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
	231	–

(Consolidated statements of comprehensive income)

* Reclassification adjustments, income taxes and tax effects relating to other comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Valuation difference on available-for-sale securities		
Amount arising during period	(9,882)	15,506
Reclassification adjustments	(382)	(5,391)
Before income taxes and tax effects	(10,264)	10,115
Income taxes and tax effects relating to other comprehensive income	2,760	(3,126)
Valuation difference on available-for-sale securities	(7,504)	6,988
Foreign currency translation adjustment		
Amount arising during period	9,997	9,059
Remeasurements of defined benefit plans, net of tax		
Amount arising during period	(4,585)	3,679
Reclassification adjustments	(1,434)	(1,107)
Before income taxes and tax effects	(6,019)	2,572
Income taxes and tax effects relating to other comprehensive income	1,612	(55)
Remeasurements of defined benefit plans, net of tax	(4,407)	2,516
Share of other comprehensive income of entities accounted for using equity method		
Amount arising during period	303	518
Total other comprehensive income	(1,610)	19,083

(Consolidated Statement of Changes in Net Assets)

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

1 Matters regarding issued shares

Class of shares	Beginning of fiscal year ended March 31, 2025	Increase	Decrease	End of fiscal year ended March 31, 2025
Common shares (shares)	244,066,144	–	13,000,000	231,066,144

(Summary of reason of change)

The breakdown of the decrease is as follows.

Decrease due to cancellation of treasury shares 13,000,000 shares

2 Matters regarding treasury shares

Class of shares	Beginning of fiscal year ended March 31, 2025	Increase	Decrease	End of fiscal year ended March 31, 2025
Common shares (shares)	22,604,852	18,291,866	13,756,400	27,140,318

Note: The number of treasury shares as of the end of the fiscal year ended March 31, 2025 includes 196,250 shares of the Company's stock held by the Stock Benefit Trust Account as trust assets thereof.

(Summary of reason of change)

The breakdown of the increase is as follows.

Increase due to acquisition of treasury shares in accordance with the provisions of the Articles of Incorporation pursuant to Article 165, paragraph (2) of the Companies Act.	18,288,700 shares
Increase due to free acquisition of shares with transfer restrictions	2,200 shares
Increase due to purchasing shares that are less than one unit	966 shares

The breakdown of the decrease is as follows.

Decrease due to cancellation of treasury shares	13,000,000 shares
Decrease due to disposal of treasury shares as a restricted stock incentive for employee shareholding association	756,400 shares

3 Matters regarding dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on June 25, 2024 (Note 1)	Common shares	5,541	25.0	March 31, 2024	June 26, 2024
Board of Directors' meeting on November 13, 2024 (Note 2)	Common shares	6,450	30.0	September 30, 2024	December 3, 2024

Notes: 1. The total amount of dividends resolved at the Annual General Meeting of Shareholders on June 25, 2024 includes a dividend of 4 million yen on the Company's shares held by the Stock Benefit Trust.

2. The total amount of dividends resolved at the Board of Directors meeting on November 13, 2024 includes a dividend of 5 million yen on the Company's shares held by the Stock Benefit Trust.

(2) Dividends whose effective date falls in the next fiscal year, among dividends whose record date belongs to the fiscal year under review

Resolution	Class of shares	Source of dividends	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on June 25, 2025	Common shares	Retained earnings	7,960	39.0	March 31, 2025	June 26, 2025

Notes: 1. The total amount of dividends resolved at the Annual General Meeting of Shareholders on June 25, 2025 includes a dividend of 7 million yen on the Company's shares held by the Stock Benefit Trust.

2. The dividend per share includes a special dividend of 6.0 yen.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

1 Matters regarding issued shares

Class of shares	Beginning of fiscal year ended March 31, 2026	Increase	Decrease	End of fiscal year ended March 31, 2026
Common shares (shares)	231,066,144	–	–	231,066,144

2 Matters regarding treasury shares

Class of shares	Beginning of fiscal year ended March 31, 2026	Increase	Decrease	End of fiscal year ended March 31, 2026
Common shares (shares)	27,140,318	2,219,685	882,950	28,477,053

Note: The number of treasury shares as of the end of the fiscal year ended March 31, 2026 includes 1,033,700 shares of the Company's stock held by the Stock Benefit Trust Account as trust assets thereof.

(Summary of reason of change)

The breakdown of the increase is as follows.

Increase due to acquisition of treasury shares in accordance with the provisions of the Articles of Incorporation pursuant to Article 165, paragraph (2) of the Companies Act.	1,350,600 shares
Increase in shares held by the Stock Benefit Trust	860,200 shares
Increase due to free acquisition of shares with transfer restrictions	7,600 shares
Increase due to purchasing shares that are less than one unit	1,285 shares

The breakdown of the decrease is as follows.

Decrease due to disposal of treasury shares through a third-party allotment to the Stock Benefit Trust	860,200 shares
Decrease due to grant of shares by the Stock Benefit Trust	22,750 shares

3 Matters regarding dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on June 25, 2025 (Note 1, 2)	Common shares	7,960	39.0	March 31, 2025	June 26, 2025
Board of Directors' meeting on November 12, 2025 (Note 3)	Common shares	6,719	33.0	September 30, 2025	December 2, 2025

Notes:
1. The total amount of dividends resolved at the Annual General Meeting of Shareholders on June 25, 2025 includes a dividend of 7 million yen on the Company's shares held by the Stock Benefit Trust.
2. The dividend amount per share as per the resolution of the Annual General Meeting of Shareholders on June 25, 2025 includes a special dividend of 6.0 yen per share.
3. The total amount of dividends resolved at the Board of Directors meeting on November 12, 2025 includes a dividend of 34 million yen on the Company's shares held by the Stock Benefit Trust.

(2) Dividends whose effective date falls in the next fiscal year, among dividends whose record date belongs to the fiscal year under review

The Company plans to submit the following as a proposal for the Annual General Meeting of Shareholders to be held on June 25, 2026.

Resolution	Class of shares	Source of dividends	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on June 25, 2026	Common shares	Retained earnings	6,719	33.0	March 31, 2026	June 26, 2026

Note: The total amount of dividends resolved at the Annual General Meeting of Shareholders on June 25, 2026 includes a dividend of 34 million yen on the Company's shares held by the Stock Benefit Trust.

(Consolidated statements of cash flows)

* Reconciliation between the balance of cash and cash equivalents at the end of the fiscal year on the consolidated balance sheet and those on the consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Cash and deposits	97,234	108,401
Time deposits with maturity over three months	(15,429)	(18,438)
Cash and cash equivalents	81,805	89,963

(Leases)

(As lessee)

1 Finance lease transactions

Finance lease transactions that do not transfer ownership

(1) Components of leased assets

Property, plant and equipment

Leased assets are principally vehicles (machinery, equipment and vehicles) in the transportation business.

(2) Accounting method for depreciation of leased assets

The straight-line method with no residual value is applied, regarding the term as useful life.

2 Operating lease transactions

Future lease payments to be received under non-cancellable leases of operating lease transactions

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Within 1 year	128	131
Over 1 year	196	81
Total	324	213

3 Impairment losses

There is no impairment loss allocated to leased assets.

(Financial instruments)

1 Status of financial instruments

(1) Policy for financial instruments

The Group limits its fund management to short-term deposits, etc. It also procures funds for short-term working capital through borrowings from financial institution and the issue of commercial papers. Derivatives are used to avoid the risks mentioned below and it is corporate policy not to engage in speculative transactions.

(2) Details and risks of financial instruments

Notes and accounts receivable - trade and electronically recorded monetary claims - operating, which are trade receivables, are subject to customer credit risk. In addition, as the Group develops and operates its business around the world, trade receivables denominated in foreign currencies arising from the global operation are exposed to the risk of fluctuations in foreign exchange rates. However, the Group's export transactions, which occupy large part of such trade receivables, are conducted within a reasonable limit based on its export performance and are hedged using forward exchange contracts. Shares, which are investment securities, are exposed to the risk of fluctuations in market prices. However, they are mainly shares of companies with which we have business relationships, and their fair values are determined on a quarterly basis.

Most of the trade payables, such as notes and accounts payable - trade and electronically recorded obligations - operating, have payment due within one year. Some of them are denominated in foreign currencies and are exposed to the risk of exchange rate fluctuations, but are always within the range of the accounts receivable balance denominated in the same foreign currency. Borrowings and commercial paper are intended to raise funds necessary for working capital and capital investments. They are exposed to interest rate fluctuation risk when procured at variable interest rates, but we make it a rule to hedge these risks using derivative instruments (interest rate swap transactions).

(3) Risk management framework for financial instruments

(i) Management of credit risk (the risk of contractual counterparty default, etc.)

In accordance with the Accounts Receivable Management Regulations, the Group manages due dates and balances for each customer and business partner and regularly and systematically monitors their credit status.

(ii) Management of market risk (the risk of fluctuations in exchange rates and interest rates, etc.)

The Group uses foreign exchange forward contracts for a certain percentage of its foreign currency-denominated accounts receivable to hedge the risk of exchange rate fluctuations.

The Company basically procures long-term borrowings at fixed interest rates. Even when procuring borrowings at variable interest rates, the Company does not have interest rate fluctuation risk because it uses swap transactions to fix interest rate payments.

(iii) Management of liquidity risk associated with financing (the risk that the Group will be unable to pay by the due date)

The Group manages liquidity risk by having the Financial Department prepare and update cash flow plans in a timely manner based on reports from each department.

(4) Supplementary explanation of fair value, etc. of financial instruments

There are no matters to report under this item.

2 Fair value, etc. of financial instruments

The amounts recorded on the consolidated balance sheet, fair values and the differences between them are as follows. Notes are omitted because cash and deposits, notes and accounts receivable - trade, electronically recorded monetary claims - operating, notes and accounts payable - trade, electronically recorded obligations - operating, short-term borrowings, commercial papers, current portion of bonds payable, income taxes payable, notes payable - facilities are settled in the short term and their fair values approximate their book values.

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Millions of yen)

		Amount recorded on the consolidated balance sheet	Fair value	Difference
(1)	Investment securities (*1)			
	Available-for-sale securities	49,848	49,848	–
	Held-to-maturity securities	600	574	(25)
(2)	Long-term loans receivable	1,368	1,270	(98)
	Total assets	51,817	51,694	(123)
(3)	Bonds payable	13,000	12,796	(203)
(4)	Long-term borrowings	20,015	19,828	(186)
(5)	Lease liabilities (*2)	1,603	1,556	(46)
	Total liabilities	34,618	34,181	(436)

(*1) Shares, etc. without market prices are not included in "(1) Investment securities." The carrying amounts of these financial instruments on the consolidated balance sheet are as follows.

(Millions of yen)

Category	Amount recorded on the consolidated balance sheet
Shares of subsidiaries and associates (unlisted)	11,447
Other unlisted shares	1,934
Other	1,131

(*2) The amount of Lease liabilities here are the sum of lease liabilities (under Current liabilities) and lease liabilities (under Non-current liabilities).

Fiscal year ended March 31, 2026 (As of March 31, 2026)

(Millions of yen)

		Amount recorded on the consolidated balance sheet	Fair value	Difference
(1)	Investment securities (*1)			
	Available-for-sale securities	59,736	59,736	–
	Held-to-maturity securities	1,000	945	(54)
(2)	Long-term loans receivable	1,774	1,674	(99)
	Total assets	62,510	62,355	(154)
(3)	Bonds payable	3,000	2,917	(82)
(4)	Long-term borrowings	22,401	22,082	(318)
(5)	Lease liabilities (*2)	2,311	2,219	(91)
	Total liabilities	27,712	27,219	(492)

(*1) Shares, etc. without market prices are not included in "(1) Investment securities." The carrying amounts of these financial instruments on the consolidated balance sheet are as follows.

(Millions of yen)

Category	Amount recorded on the consolidated balance sheet
Shares of subsidiaries and associates (unlisted)	7,074
Other unlisted shares	1,987
Other	1,310

(*2) The amount of Lease liabilities here is the sum of lease liabilities (under Current liabilities) and lease liabilities (under Non-current liabilities).

Note 1: Scheduled redemption amounts of monetary claims and securities with a maturity date after the fiscal year end

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Millions of yen)

	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash and deposits	97,234	–	–	–
Notes and accounts receivable - trade	149,992	–	–	–
Electronically recorded monetary claims - operating	16,465	–	–	–
Held-to-maturity securities	–	300	300	–
Long-term loans receivable	–	1,093	177	97
Total	263,692	1,393	477	97

Fiscal year ended March 31, 2026 (As of March 31, 2026)

(Millions of yen)

	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash and deposits	108,392	–	–	–
Notes and accounts receivable - trade	158,511	–	–	–
Electronically recorded monetary claims - operating	15,126	–	–	–
Held-to-maturity securities	–	500	500	–
Long-term loans receivable	–	1,271	239	263
Total	282,030	1,771	739	263

(Changes in presentation)

“Electronically recorded monetary claims - operating,” which were included in “Notes and accounts receivable - trade” until the previous fiscal year, are presented separately in the fiscal year under review to enhance clarity. In order to reflect this change in presentation, the notes for the previous fiscal year have been reclassified.

As a result, 166,457 million yen presented as “Notes and accounts receivable - trade” in the previous fiscal year has been reclassified as “Notes and accounts receivable - trade” of 149,992 million yen and “Electronically recorded monetary claims - operating” of 16,465 million yen.

Note 2: Scheduled repayment amounts of bonds, long-term borrowings, lease obligations and other interest-bearing liabilities after the fiscal year end

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Millions of yen)

	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Short-term borrowings	27,199	–	–	–	–	–
Commercial papers	10,000	–	–	–	–	–
Bonds payable	–	10,000	1,000	1,000	1,000	–
Long-term borrowings	–	11,015	7,000	1,400	600	–
Lease liabilities	611	424	352	152	62	–
Total	37,811	21,439	8,352	2,552	1,662	–

Fiscal year ended March 31, 2026 (As of March 31, 2026)

(Millions of yen)

	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Short-term borrowings	26,558	–	–	–	–	–
Current portion of bonds payable	10,000	–	–	–	–	–
Bonds payable	–	1,000	1,000	1,000	–	–
Long-term borrowings	–	15,266	6,335	700	100	–
Lease liabilities	873	485	577	265	89	20
Total	37,432	16,751	7,912	1,965	189	20

3 Breakdown of financial instruments by level of fair value

The fair value of financial instruments is categorized into the following three levels based on the observability and significance of the inputs used to measure fair value.

Level 1: Fair values measured using observable inputs that are market prices formed in active markets for the assets or liabilities for which fair value is to be measured

Level 2: Fair values measured using observable inputs other than those used to calculate Level 1 fair value

Level 3: Fair values measured using unobservable inputs

When multiple inputs that have a significant impact on the measurement of fair value are used, the fair value is categorized to the level with the lowest priority in the measurement of fair value among the levels to which each input belongs.

(1) Financial instruments recorded in the consolidated balance sheet at fair value

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities Available-for-sale securities	49,848	–	–	49,848
Total assets	49,848	–	–	49,848

Fiscal year ended March 31, 2026 (As of March 31, 2026)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities Available-for-sale securities	59,736	–	–	59,736
Total assets	59,736	–	–	59,736

(2) Financial instruments other than those recorded in the consolidated balance sheet at fair value

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Held-to-maturity securities				
Government bonds, local government bonds, etc.	–	574	–	574
Long-term loans receivable	–	1,270	–	1,270
Total assets	–	1,845	–	1,845
Bonds payable	–	12,796	–	12,796
Long-term borrowings	–	19,828	–	19,828
Lease liabilities	–	1,556	–	1,556
Total liabilities	–	34,181	–	34,181

Fiscal year ended March 31, 2026 (As of March 31, 2026)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Held-to-maturity securities				
Government bonds, local government bonds, etc.	–	945	–	945
Long-term loans receivable	–	1,674	–	1,674
Total assets	–	2,619	–	2,619
Bonds payable	–	2,917	–	2,917
Long-term borrowings	–	22,082	–	22,082
Lease liabilities	–	2,219	–	2,219
Total liabilities	–	27,219	–	27,219

Note: Explanation of the valuation techniques and inputs used to calculate fair value

Investment securities

Fair values of listed stocks held by the Company, which are determined by using quoted prices at stock exchanges, are categorized as Level 1 since they are traded in active markets. However, because the markets for the local government bonds held by the Company are not regarded as active markets due to the low frequency of transactions, their fair value is classified as Level 2.

Long-term loans receivable

The fair value of long-term loans receivable is measured based on the present value of the expected amount of principal and interest to be received, which reflects the likelihood of recovery, discounted at an appropriate interest rate such as government bond yields, and is classified as Level 2.

Bonds payable

For bonds payable issued by the Company, the fair value of public issues is calculated based on the reference trading statistics published by the Japan Securities Dealers Association, while that of privately placed bonds is calculated by discounting the fair value at a reasonably estimated interest rate that would be applied if a similar bond was issued because they are fully underwritten by the financial institutions involved. Both are classified as Level 2.

Long-term borrowings

The fair value of long-term borrowings is measured based on the total amount of principal and interest discounted at the interest rate expected to be applied if similar new borrowings were made, and is classified as Level 2.

Lease liabilities

The fair value of lease liabilities is measured using the discounted cash flow method based on the total amount of principals and interests, the remaining period of such liabilities, and an interest rate obtained by adding credit risk, and is classified as Level 2.

(Securities)

1 Securities - trading

Fiscal year ended March 31, 2025 (As of March 31, 2025)

There are no matters to report under this item.

Fiscal year ended March 31, 2026 (As of March 31, 2026)

There are no matters to report under this item.

2 Held-to-maturity securities

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Millions of yen)

Category		Amount recorded on the consolidated balance sheet	Fair value	Difference
Securities whose fair value exceeds amount recorded on the consolidated balance sheets	(i) Government bonds, local government bonds, etc.	–	–	–
	(ii) Bonds payable	–	–	–
	(iii) Other	–	–	–
Subtotal		–	–	–
Securities whose fair value does not exceed amount recorded on the consolidated balance sheets	(i) Government bonds, local government bonds, etc.	600	574	(25)
	(ii) Bonds payable	–	–	–
	(iii) Other	–	–	–
Subtotal		600	574	(25)
Total		600	574	(25)

Fiscal year ended March 31, 2026 (As of March 31, 2026)

(Millions of yen)

Category		Amount recorded on the consolidated balance sheet	Fair value	Difference
Securities whose fair value exceeds amount recorded on the consolidated balance sheets	(i) Government bonds, local government bonds, etc.	–	–	–
	(ii) Bonds payable	–	–	–
	(iii) Other	–	–	–
Subtotal		–	–	–
Securities whose fair value does not exceed amount recorded on the consolidated balance sheets	(i) Government bonds, local government bonds, etc.	1,000	945	(54)
	(ii) Bonds payable	–	–	–
	(iii) Other	–	–	–
Subtotal		1,000	945	(54)
Total		1,000	945	(54)

3 Available-for-sale securities

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Millions of yen)

Category		Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Securities whose amount recorded on the consolidated balance sheets exceeds acquisition cost	(i) Shares	49,820	10,617	39,202
	(ii) Bonds	–	–	–
	(iii) Other	–	–	–
Subtotal		49,820	10,617	39,202
Securities whose amount recorded on the consolidated balance sheets do not exceed acquisition cost	(i) Shares	28	34	(5)
	(ii) Bonds	–	–	–
	(iii) Other	–	–	–
Subtotal		28	34	(5)
Total		49,848	10,651	39,197

Note: For impairment of securities, an impairment loss is recorded when the fair value of a security falls by 50% or more compared to its acquisition cost except where it is deemed possible that the fair value will be recovered. If the decline rate is 30% or more but no more than 50%, we determine whether the market value is likely to recover and record an impairment loss if it is determined that there is no possibility of recovery.

Fiscal year ended March 31, 2026 (As of March 31, 2026)

(Millions of yen)

Category		Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Securities whose amount recorded on the consolidated balance sheets exceeds acquisition cost	(i) Shares	59,717	10,458	49,259
	(ii) Bonds	–	–	–
	(iii) Other	–	–	–
Subtotal		59,717	10,458	49,259
Securities whose amount recorded on the consolidated balance sheets do not exceed acquisition cost	(i) Shares	18	19	(0)
	(ii) Bonds	–	–	–
	(iii) Other	–	–	–
Subtotal		18	19	(0)
Total		59,736	10,477	49,258

Note: For impairment of securities, an impairment loss is recorded when the fair value of a security falls by 50% or more compared to its acquisition cost except where it is deemed possible that the fair value will be recovered. If the decline rate is 30% or more but no more than 50%, we determine whether the market value is likely to recover and record an impairment loss if it is determined that there is no possibility of recovery.

4 Available-for-sale securities sold

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(Millions of yen)

Category	Proceeds from sales	Total gain on sales	Total loss on sales
(1) Shares	708	384	–
(2) Bonds			
(i) Government bonds, local government bonds, etc.	–	–	–
(ii) Bonds payable	–	–	–
(iii) Other	–	–	–
(3) Other	4	3	–
Total	712	387	–

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

(Millions of yen)

Category	Proceeds from sales	Total gain on sales	Total loss on sales
(1) Shares	5,585	5,242	–
(2) Bonds			
(i) Government bonds, local government bonds, etc.	–	–	–
(ii) Bonds payable	–	–	–
(iii) Other	–	–	–
(3) Other	–	–	–
Total	5,585	5,242	–

5 Securities for which impairment losses were recognized

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

For the fiscal year ended March 31, 2025, no impairment loss was recognized for investment securities.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

For the fiscal year ended March 31, 2026, no impairment loss was recognized for investment securities.

(Derivatives)

1 Derivatives to which hedge accounting is not applied

Currency derivatives

Fiscal year ended March 31, 2025 (As of March 31, 2025)

There are no matters to report under this item.

Fiscal year ended March 31, 2026 (As of March 31, 2026)

There are no matters to report under this item.

2 Derivatives of which hedge accounting is applied

Interest rate related

Fiscal year ended March 31, 2025 (As of March 31, 2025)

There are no matters to report under this item.

Fiscal year ended March 31, 2026 (As of March 31, 2026)

There are no matters to report under this item.

(Retirement benefits)

1 Overview of retirement benefit plans adopted

The Company and its consolidated subsidiaries have corporate pension plans and lump-sum retirement benefit plans as defined benefit and defined contribution plans. They are primarily cash balance plans, with each participant having an individual virtual account. The employers monthly accumulate contribution credits plus interest credits based on market interest rate trends, etc. to the individual virtual account balance. In addition, the Company has established a retirement benefit trust in the corporate pension plan and lump-sum retirement benefit plan.

For lump-sum retirement benefit plans established by certain consolidated subsidiaries, retirement benefit liability and retirement benefit expenses are calculated by the simplified method.

Some consolidated subsidiaries participate in multiple employer defined benefit corporate pension fund plans. Of which, the plans whose employer is not able to reasonably calculate the amount of pension assets corresponding to the contributions made by it are accounted for in the same way as defined contribution plans.

2 Defined benefit plans

(1) Changes in the retirement benefit obligations at beginning of period and end of period (excluding plans using a simplified method)

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Retirement benefit obligations at beginning of period	55,138	54,417
Service cost	2,788	2,634
Interest cost	843	1,043
Actuarial gains and losses accrued	(3,165)	(2,156)
Retirement benefits paid	(2,987)	(3,729)
Past service cost accrued	–	24
Other (Note)	1,799	1,419
Balance of retirement benefit obligations at end of period	54,417	53,654

Note: "Other" consists primarily of changes resulting from the foreign currency translation of overseas subsidiaries.

(2) Changes in the plan assets at beginning of period and end of period (excluding plans using a simplified method)

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Balance of plan assets at beginning of period	69,634	62,996
Expected return on plan assets	1,369	1,349
Actuarial gains and losses accrued	(7,759)	5,515
Contribution from employer	931	972
Retirement benefits paid	(1,173)	(1,504)
Redemption of retirement benefits trust	–	(10,315)
Other	(5)	(3)
Balance of plan assets at end of period	62,996	59,011

(3) Changes in the retirement benefit obligations of plans using simplified method at beginning of period and end of period

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Retirement benefit liability at beginning of period	4,436	4,671
Retirement benefit expenses	670	794
Retirement benefits paid	(296)	(373)
Contribution to plan	(139)	(142)
Retirement benefit liability at end of period	4,671	4,950

(4) Reconciliation between ending balance of retirement benefit obligations and plan assets, and retirement benefit liability/asset recorded in the consolidated balance sheet

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Retirement benefit obligations of funded plans	34,587	32,031
Plan assets	(62,996)	(59,011)
	(28,408)	(26,980)
Retirement benefit obligations of unfunded plans	24,500	26,573
Net amount of liabilities and assets recorded in the consolidated balance sheet	(3,907)	(406)
Retirement benefit liability	25,244	27,191
Retirement benefit asset	(29,152)	(27,598)
Net amount of liabilities and assets recorded in the consolidated balance sheet	(3,907)	(406)

Note: Include plans to which the simplified method was applied.

(5) Amounts of retirement benefit expenses and their components

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Service cost	2,788	2,634
Interest cost	843	1,043
Expected return on plan assets	(1,369)	(1,349)
Amortization of actuarial gains or losses	(1,776)	(1,287)
Amortization of past service cost	19	44
Retirement benefit expenses calculated using the simplified method	670	794
Retirement benefit expenses for defined benefit plans	1,177	1,879

(6) Remeasurements of defined benefit plans, net of tax

The components of remeasurements of defined benefit plans, net of tax (before tax effects) are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Past service cost	(19)	(19)
Actuarial gains and losses	6,039	(2,552)
Total	6,019	(2,572)

(7) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans (before tax effects) are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Unrecognized past service cost	78	58
Unrecognized actuarial gains and losses	(18,438)	(20,990)
Total	(18,360)	(20,932)

(8) Plan assets

(i) Major components of plan assets

The ratio of each major category to total plan assets is as follows.

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Shares	43%	47%
Bonds	22	31
General account	9	10
Other	26	12
Total	100	100

Note: Total plan assets include 46% of retirement benefit trust for the fiscal year ended March 31, 2025 and 37% for the fiscal year ended March 31, 2026.

(ii) Method for setting the long-term expected rate of return on plan assets

To determine the long-term expected rate of return on plan assets, the Group takes into account current and expected allocation of plan assets, and current and expected long-term return rate on various types of assets constituting plan assets.

(9) Actuarial assumptions

Major actuarial assumptions

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Discount rate		
Domestic	0.6%-1.9%	1.9%-2.8%
Overseas	2.1%-9.9%	1.3%-9.4%
Long-term expected rate of return		
Domestic	1.8%-2.5%	0.5%-3.9%
Overseas	–	–

Note: The Group mainly uses the benefit formula method (a method that does not incorporate the element of future salary increases (point increases)).

3 Defined contribution plans

The amount of contribution required for the defined benefit plans at the Company and its consolidated subsidiaries (including multi-employer defined benefit plans, which are accounted for in the same way as defined contribution plans) was 1,717 million yen for the previous fiscal year and 4,057 million yen for the fiscal year under review.

(Tax effect accounting)

1 Major components of deferred tax assets and liabilities

(Deferred tax assets)

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Retirement benefit liability	5,444	5,745
Tax loss carryforwards (Note 1)	11,307	15,816
Accrued expenses	4,310	3,582
Depreciation and accumulated impairment	5,146	9,602
Provision for bonuses	3,819	4,173
Loss on valuation of investment securities and other	1,835	2,076
Loss on valuation of inventories	1,121	830
Other	5,539	6,085
Subtotal of deferred tax assets	38,522	47,913
Valuation allowances for tax loss carryforwards (Note 1)	(10,747)	(15,350)
Valuation allowance for total deductible temporary differences	(6,406)	(7,929)
Subtotal of valuation allowance	(17,154)	(23,279)
Total of deferred tax assets	21,368	24,633
Amount offset against deferred tax liabilities	12,157	15,123
Net deferred tax assets	9,211	9,510

(Deferred tax liabilities)

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Valuation difference on available-for-sale securities	(12,087)	(15,213)
Retirement benefit asset	(3,006)	(3,045)
Reserve for tax purpose reduction entry of non-current assets	(3,995)	(3,874)
Retained earnings of subsidiaries and associates	(2,073)	(9,272)
Other	(4,058)	(5,205)
Total of deferred tax liabilities	(25,222)	(36,611)
Amount offset against deferred tax assets	(12,219)	(15,479)
Net deferred tax liabilities	(13,002)	(21,131)

(Changes in presentation)

“Retained earnings of subsidiaries and associates,” which were included in “Other” until the previous fiscal year, are presented separately in the fiscal year under review because they became more significant in amount. In order to reflect this change in presentation, the notes for the previous fiscal year have been reclassified.

As a result, (6,132) million yen presented as "Other" in the previous fiscal year has been reclassified as "Retained earnings of subsidiaries and associates" of (2,073) million yen and "Other" of (4,058) million yen.

Note: 1. Tax loss carryforwards and corresponding deferred tax assets by carryforward period

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Millions of yen)

	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years	Total
Tax loss carryforwards (*1)	390	723	247	613	679	8,653	11,307
Valuation allowance	390	723	247	434	627	8,323	10,747
Deferred tax assets	–	–	–	178	51	329	559

Fiscal year ended March 31, 2026 (As of March 31, 2026)

(Millions of yen)

	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years	Total
Tax loss carryforwards (*1)	885	296	783	728	1,657	11,464	15,816
Valuation allowance	815	291	680	728	1,574	11,259	15,350
Deferred tax assets	70	4	103	–	83	204	466

(*1) Tax loss carryforwards are the amounts multiplied by the statutory tax rate.

2 Main components of the difference between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Statutory tax rate of the Reporting Company	30.4%	30.3%
(Adjustments)		
Different tax rates applied to subsidiaries	(5.6)	(1.7)
Entertainment and other expenses that are never tax deductible	0.6	0.7
Dividends and other income that is never taxable	(6.3)	(9.2)
Dividend income from consolidated subsidiaries and associates	7.2	10.9
R&D special tax credits	(3.3)	(3.8)
Investment tax credits	(1.6)	(0.8)
Difference in valuation allowance	(5.0)	7.2
Foreign tax credits	(0.2)	(0.2)
Retained earnings of subsidiaries and associates	(1.2)	14.3
Other	1.2	(4.6)
Effective income tax rate after application of tax-effect accounting	16.2	43.1

(Changes in presentation)

"Retained earnings of subsidiaries and associates," which were included in "Other" until the previous fiscal year, are presented separately in the fiscal year under review because they became more significant in amount. In order to reflect this change in presentation, the notes for the previous fiscal year have been reclassified.

As a result, 0.0% presented as "Other" in the previous fiscal year has been reclassified as "Retained earnings of subsidiaries and associates" of (1.2)% and "Other" of 1.2%.

(Asset retirement obligations)

Asset retirement obligations recorded in the consolidated balance sheet

(1) Overview of asset retirement obligations

They are liabilities related to the obligation to remove asbestos used in some property, plant and equipment using special methods required by the Ordinance on Prevention of Health Impairment due to Asbestos when removing them, and liabilities related to the obligation to restore some branch offices, sales offices, etc. to their original state based on real estate rental contracts when the office is vacated.

(2) Method of calculating asset retirement obligations

The amount of asset retirement obligations was calculated using the remaining useful life of the fixed asset as the expected period until expenditure occurs, and a discount rate of 2.1%.

(3) Changes in total asset retirement obligations during fiscal years ended March 31, 2025 and 2026

(Millions of yen)

	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
Beginning balance	458	438
Adjustment due to passage of time	0	(0)
Decrease due to settlement of asset retirement obligations	(20)	–
Other increase (decrease)	–	0
Ending balance	438	438

(Revenue recognition)

1 Information on disaggregation of revenues from contracts with customers

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(Millions of yen)

	Reportable segment					Total
	Automotive Suspension Springs	Automotive Seating	Precision Springs and Components	DDS	Industrial Machinery and Equipment, and Other Operations	
Net sales						
Japan	67,014	180,118	61,856	34,977	113,456	457,422
Asia	40,231	60,426	26,389	76,533	1,723	205,304
America, Europe & Others	61,861	63,363	13,746	–	–	138,971
Revenue from contracts with customers	169,107	303,908	101,992	111,511	115,179	801,698
Other revenue	–	–	–	–	–	–
Sales to external customers	169,107	303,908	101,992	111,511	115,179	801,698

Notes: 1 Sales by region are based on the location of companies which distribute products.

2 The countries are grouped depending on the geographical proximity.

3 Countries in the groups except Japan

(1) Asia....Thailand, Malaysia, China, India

(2) America, Europe & Others....U.S., Mexico, Netherlands, Hungary

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

(Millions of yen)

	Reportable segment					Total
	Automotive Suspension Springs	Automotive Seating	Precision Springs and Components	DDS	Industrial Machinery and Equipment, and Other Operations	
Net sales						
Japan	65,680	172,062	62,151	41,445	120,002	461,343
Asia	41,710	56,805	30,624	85,307	4,532	218,981
America, Europe & Others	60,026	63,693	12,835	–	–	136,555
Revenue from contracts with customers	167,417	292,561	105,612	126,753	124,535	816,879
Other revenue	–	–	–	–	–	–
Sales to external customers	167,417	292,561	105,612	126,753	124,535	816,879

Notes: 1 Sales by region are based on the location of companies which distribute products.

2 The countries are grouped depending on the geographical proximity.

3 Countries in the groups except Japan

(1) Asia....Thailand, Malaysia, China, India

(2) America, Europe & Others....U.S., Mexico, Netherlands, Hungary

2 Information that provides basis for understanding revenue from contracts with customers

The Group recognizes revenue based on the following five-step approach.

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to separate performance obligations.

Step 5: Recognize revenue when (or as) each performance obligation is satisfied.

The Group’s main business is the manufacture and sale of automobile-related products, such as automotive suspension springs, automotive seating and seat parts, and precision springs and components, as well as the sale of information equipment-related products and parts, and logistics and other service business activities related to these businesses.

The Group’s performance obligation is primarily to supply finished products to customers. In principle, the performance obligations are deemed satisfied when control is transferred to the customer at the time of product delivery, and revenue is recognized at that time. For domestic sales, if the period from the time of shipment to the time when control of the products is transferred to the customer is a normal period, revenue is recognized at the time of shipment.

The transaction price is calculated by deducting discounts, rebates, etc. from the consideration promised in the contract with the customer.

In addition, the Group estimates variable consideration using the most likely method, etc. based on past experience and the latest information and recognizes only to the extent that it is highly probable that a significant reversal in revenue will not occur.

The consideration for these performance obligations is collected within approximately one year after the performance obligations are satisfied, in accordance with the payment conditions specified separately, and does not include any significant financing components.

Regarding charged supply transactions to subcontractors that fall under the repurchase agreements, the Group continues to recognize inventories for the supplies that remain at the subcontractors as financial transactions. In addition, the amount equivalent to the end-of-term inventory of the supplies that remains at the subcontractors is recognized as liabilities related to charged supply transactions. In the consolidated balance sheets, the liabilities related to charged supply transactions are included in “Other” under “Current liabilities.” For charged supply transactions from suppliers, the Group recognized revenue in net amount.

3 Information on the relationship between the satisfaction of performance obligations based on contracts with customers and cash flow arising from these contracts, and information on the amount and timing of revenue expected to be recognized in the next fiscal year or thereafter from contracts existing at the end of the fiscal year under review

(1) Contract balance

The balances of receivables and contract liabilities arising from contracts with customers are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Receivables from contracts with customers		
Notes and accounts receivable - trade	149,992	158,511
Electronically recorded monetary claims - operating	16,465	15,126
Contract liabilities		
Advances received	591	683
Unearned revenue	769	5,109

In the consolidated balance sheets, receivables arising from contracts with customers are included in “Notes and accounts receivable - trade, and contract assets” and “Electronically recorded monetary claims - operating” under “Current assets,” while contract liabilities are included in “Other” under “Current liabilities.”

(Changes in presentation)

“Electronically recorded monetary claims - operating,” which were included in “Notes and accounts receivable - trade” until the previous fiscal year, are presented separately in the fiscal year under review to enhance clarity. In order to reflect this change in presentation, the notes for the previous fiscal year have been reclassified.

As a result, 166,457 million yen presented as “Notes and accounts receivable - trade” in the previous fiscal year has been reclassified as “Notes and accounts receivable - trade” of 149,992 million yen and “Electronically recorded monetary claims - operating” of 16,465 million yen.

(2) Transaction prices allocated to remaining performance obligations

As the Group has no significant transactions whose expected contract periods exceeding one year, we use a practical expedient and omit information about remaining performance obligations.

In addition, there is no significant amount of consideration arising from contracts with customers that is not included in the transaction prices.

(Segment information, etc.)

[Segment Information]

1 Overview of reportable segments

The reportable segments of the Company are components of the Company for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

The Company has five reportable segments based on the Company’s Production Division: Automotive Suspension Springs; Automotive Seating; Precision Springs and Components; DDS (Disk Drive Suspension); and Industrial Machinery and Equipment, and Other Operations.

The major products in each business segment are as follows.

Reportable segment	Major products
Automotive Suspension Springs	Coil springs, leaf springs, stabilizer bars, accumulators, bellows, torsion bars, stabilizer links, stabilinker, etc.
Automotive Seating	Automobile seats, mechanical components for seats, interior components, etc.
Precision Springs and Components	Motor cores, flat springs, wire springs, HDD mechanical components, fastener (screw), precision machine components, etc.
DDS	HDD suspensions and semiconductor testing probe units
Industrial Machinery and Equipment, and Other Operations	Semiconductor process components, ceramic products, spring components, piping support equipment, integrated metal substrates, parking equipment, security products, electronic remote controls for ships, golf shafts, lighting fixtures, etc.

2 Method of calculating net sales, profit or loss, assets and other items by business segment

The accounting method for the operating segments that are reportable is more or less the same as described in “Significant matters forming the basis for preparation of consolidated financial statements.” Profit by business segment is based on operating profit.

Intersegment sales or transfers are based on actual market price.

3 Information on net sales, profit or loss, assets and other items by business segment

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(Millions of yen)

	Reportable segment						Adjust-ments	Total
	Automotive Suspension Springs	Automotive Seating	Precision Springs and Com-ponents	DDS	Industrial Machinery and Equipment, and Other Operations	Total		
Net sales								
Sales to external customers	169,107	303,908	101,992	111,511	115,179	801,698	–	801,698
Intersegment sales or transfers	1,870	77	2,643	(1,019)	13,570	17,143	(17,143)	–
Total	170,977	303,985	104,635	110,491	128,750	818,841	(17,143)	801,698
Segment profit (operating profit)	464	11,227	4,289	26,673	9,505	52,160	–	52,160
Segment assets	141,598	137,246	96,813	66,418	126,516	568,593	127,747	696,340
Other items								
Depreciation	5,451	5,260	5,236	6,448	4,118	26,515	2,809	29,324
Investments in equity method affiliates	3,223	7,355	4,293	–	–	14,872	–	14,872
Increase in property, plant and equipment and intangible assets	6,324	6,472	7,937	4,307	12,691	37,733	2,518	40,252

Note: Adjustments are as follows.

1 The adjustment of 127,747 million yen for segment assets includes corporate assets that are not allocated to each business segment. Corporate assets consist mainly of cash and deposits that do not belong to a particular business segment.

2 The adjustment of 2,809 million yen for depreciation represents the amortization of the headquarters building, etc.

3 The adjustment of 2,518 million yen for increase in property, plant and equipment and intangible assets represents an increase in corporate assets that do not belong to a particular business segment.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

(Millions of yen)

	Reportable segment						Adjust-ments	Total
	Automotive Suspension Springs	Automotive Seating	Precision Springs and Com-ponents	DDS	Industrial Machinery and Equipment, and Other Operations	Total		
Net sales								
Sales to external customers	167,417	292,561	105,612	126,753	124,535	816,879	–	816,879
Intersegment sales or transfers	1,820	1,676	2,751	–	16,593	22,841	(22,841)	–
Total	169,237	294,237	108,363	126,753	141,128	839,721	(22,841)	816,879
Segment profit (operating profit)	727	8,052	3,651	26,058	7,294	45,784	–	45,784
Segment assets	142,917	147,843	97,831	70,996	135,692	595,281	143,168	738,450
Other items								
Depreciation	5,916	4,904	5,633	5,999	5,307	27,760	2,693	30,454
Investments in equity method affiliates	3,728	6,831	349	–	–	10,908	–	10,908
Increase in property, plant and equipment and intangible assets	8,843	5,767	10,627	5,641	13,307	44,188	3,486	47,675

Note: Adjustments are as follows.

1 The adjustment of 143,168 million yen for segment assets includes corporate assets that are not allocated to each business segment. Corporate assets consist mainly of cash and deposits that do not belong to a particular business segment.

2 The adjustment of 2,693 million yen for depreciation represents the amortization of the headquarters building, etc.

3 The adjustment of 3,486 million yen for increase in property, plant and equipment and intangible assets represents an increase in corporate assets that do not belong to a particular business segment.

[Reference Information]

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

1 Information about products and services

The information is omitted because the same information is disclosed in “Segment information.”

2 Information about geographical areas

(1) Net sales

(Millions of yen)

Japan	United States	Thailand	Other	Total
398,186	128,315	162,692	112,503	801,698

(2) Property, plant and equipment

(Millions of yen)

Japan	United States	Thailand	Other	Total
113,051	25,179	23,231	23,896	185,359

3 Information about major customers

Information about major customers is omitted because no single customer accounts for 10% or more of the sales to external customers.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

1 Information about products and services

The information is omitted because the same information is disclosed in "Segment information."

2 Information about geographical areas

(1) Net sales

(Millions of yen)

Japan	United States	Thailand	Other	Total
396,897	128,110	174,368	117,503	816,879

(2) Property, plant and equipment

(Millions of yen)

Japan	United States	Thailand	Other	Total
120,907	25,957	25,691	24,555	197,112

3 Information about major customers

Information about major customers is omitted because no single customer accounts for 10% or more of the sales to external customers.

[Information about Impairment Loss of Non-current Assets by Reportable Segment]

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(Millions of yen)

	Reportable segment						Corporate or elimination	Total
	Automotive Suspension Springs	Automotive Seating	Precision Springs and Components	DDS	Industrial Machinery and Equipment, and Other Operations	Total		
Impairment losses	319	–	111	–	–	431	–	431

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

(Millions of yen)

	Reportable segment						Corporate or elimination	Total
	Automotive Suspension Springs	Automotive Seating	Precision Springs and Components	DDS	Industrial Machinery and Equipment, and Other Operations	Total		
Impairment losses	1,640	–	1,384	–	6,809	9,835	–	9,835

[Information about Amortization and Unamortized Balance of Goodwill by Reportable Segment]

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

There are no matters to report under this item.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

There are no matters to report under this item.

[Related Party Information]

1 Transactions with related parties

(1) Transactions between the Reporting Company and related parties

Non-consolidated subsidiaries and associates of the Reporting Company

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Category	Name	Location	Share capital or investments in capital (Millions of yen)	Business or occupation	Ratio of owning (owned) voting rights, etc. (%)	Relationship with related parties	Transaction details	Amount (Millions of yen)	Account items	Balance at end of period (Millions of yen)
Associates	FAURECIA-NHK CO., LTD.	Naka-ku, Yokohama	400	Automotive Seating Business	(Direct ownership) 50%	Sale of products	Sale of products	23,447	Accounts receivable - trade	5,621

Notes: 1. Transaction terms and method of determining transaction terms, etc.
Transaction prices of sales to each of the above-mentioned companies are determined based on the market prices, etc.
2. Allowance for doubtful accounts of 274 million yen is recorded against long-term loans to affiliated companies. Reversal of allowance for doubtful accounts of 70 million yen was recorded for the fiscal year under review.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

Category	Name	Location	Share capital or investments in capital (Millions of yen)	Business or occupation	Ratio of owning (owned) voting rights, etc. (%)	Relationship with related parties	Transaction details	Amount (Millions of yen)	Account items	Balance at end of period (Millions of yen)
Associates	FAURECIA-NHK CO., LTD.	Naka-ku, Yokohama	400	Automotive Seating Business	(Direct ownership) 50%	Sale of products	Sale of products	23,688	Accounts receivable - trade	5,652

Notes: 1. Transaction terms and method of determining transaction terms, etc.
Transaction prices of sales to each of the above-mentioned companies are determined based on the market prices, etc.
2. Allowance for doubtful accounts of 222 million yen is recorded against long-term loans to affiliated companies. Reversal of allowance for doubtful accounts of 52 million yen was recorded for the fiscal year under review.

(2) Transactions between the consolidated subsidiaries of the Reporting Company and related parties

Non-consolidated subsidiaries and associates of the Reporting Company

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

There are no significant items to be stated.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

There are no significant items to be stated.

2 Notes regarding parent company and major associates

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

There are no matters to report under this item.

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

There are no matters to report under this item.

(Per Share Information)

Net assets per share, basis for calculation of net assets per share, basic earnings per share and basis for calculation of basic earnings per share are as follows.

Item		Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
(1)	Net assets per share	1,999.16 yen	2,160.14 yen
	(Basis for calculation)		
	Total net assets (Millions of yen)	423,172	453,035
	Amount deducted from total net assets (Millions of yen)	15,492	15,414
	(Of which, non-controlling interests)	[15,492]	[15,414]
	Net assets related to common shares at end of period (Millions of yen)	407,679	437,621
	Number of common shares issued (Thousand shares)	231,066	231,066
	Number of common shares held in treasury (Thousand shares)	27,140	28,477
	Number of common shares used in calculation of net assets per share at end of period (Thousand shares)	203,925	202,589

Item		Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)
(2)	Basic earnings per share	224.73 yen	137.46 yen
	(Basis for calculation)		
	Profit attributable to owners of parent on the consolidated statements of income (Millions of yen)	48,167	27,862
	Amount not attributable to common shareholders (Millions of yen)	–	–
	Profit attributable to owners of parent pertaining to common shares (Millions of yen)	48,167	27,862
	Average number of common shares during the period (Thousand shares)	214,330	202,691

Notes: 1 Information on diluted earnings per share is omitted due to an absence of potential shares.

2 The Company has introduced a stock compensation plan using a trust for its Directors (excluding External Directors).

The Company's shares held by the Stock Benefit Trust Account are included in treasury stock which are deducted from the total number of shares issued and outstanding at the end of the fiscal year in the calculation of "net assets per share" (196,000 shares in the previous fiscal year, 1,033,000 shares in the fiscal year under review). In the calculation of "basic earnings per share," such shares are included in treasury shares which are deducted from the calculation of the average number of shares during the period (196,000 shares in the previous fiscal year, 752,000 shares in the fiscal year under review).

(Significant subsequent events)

There are no matters to report under this item.

(v) Annexed Consolidated Detailed Schedules

[Consolidated Detailed Schedule of Corporate Bonds]

Name of companies	Issue	Date of issuance	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate (%)	Collateral	Maturity
NHK SPRING CO., LTD.	9th Series Unsecured Bonds (with inter-bond pari passu clause)	September 21, 2021	10,000 [–]	10,000 [10,000]	0.12	–	September 18, 2026
NHK SPRING CO., LTD.	10th Series Unsecured Bond (guaranteed by The Hachijuni Bank Ltd. and limited to qualified institutional investors)	February 28, 2023	1,000 [–]	1,000 [–]	0.62	–	February 28, 2028
NHK SPRING CO., LTD.	11th Series Unsecured Bond (guaranteed by The Hachijuni Bank Ltd. and limited to qualified institutional investors)	October 31, 2023	1,000 [–]	1,000 [–]	0.74	–	October 31, 2028
NHK SPRING CO., LTD.	12th Series Unsecured Bond (guaranteed by The Hachijuni Bank Ltd. and limited to qualified institutional investors)	October 31, 2024	1,000 [–]	1,000 [–]	0.77	–	October 31, 2029
Total	–	–	13,000 [–]	13,000 [10,000]	–	–	–

Notes: 1 The amount in parentheses in “Balance at beginning of period” and “Balance at end of period” columns is the amount scheduled to be redeemed within one year.

2 The scheduled amount of redemption of bonds within five years after the fiscal year-end date on a yearly basis

(Millions of yen)

Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
10,000	1,000	1,000	1,000	–

[Consolidated Detailed Schedule of Borrowings]

Category	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (%)	Payment due
Short-term borrowings	4,705	7,277	1.344	–
Current portion of long-term borrowings	22,494	19,281	0.654	–
Current portion of lease liabilities	611	873	–	–
Long-term borrowings (excluding current portion)	20,015	22,401	0.786	FY2027 through FY2031
Lease liabilities (excluding current portion)	991	1,437	–	FY2027 through FY2031
Other interest-bearing debt/ Commercial papers (due within one year)	10,000	–	–	–
Total	58,817	51,271	–	–

Notes: 1 “Average interest rate” represents weighted average interest rate with respect to the ending balance of borrowings, etc.

2 The repayment schedule of long-term borrowings (excluding current portion) and lease obligations (excluding current portion) within five years after the fiscal year-end date is as follows:

(Millions of yen)

Category	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
Long-term borrowings	15,266	6,335	700	100
Lease liabilities	485	577	265	89

3 As the current portion of lease liabilities and the lease liabilities (excluding those due within one year) are presented using the interest-inclusive method at some subsidiaries, "Average interest rate" is not stated.

[Consolidated Detailed Schedule of Asset Retirement Obligations]

The information is omitted, because the amounts of asset retirement obligations at the beginning and the end of the fiscal year under review were not more than 1% of the total of liabilities and net assets at the beginning and the end of the fiscal year under review, respectively.

(2) Other

(i) Mid-term information for the fiscal year under review

		Six months ended September 30, 2025	Fiscal year ended March 31, 2026
Net sales	(Millions of yen)	393,930	816,879
Profit before tax	(Millions of yen)	19,833	50,308
Profit attributable to owners of parent	(Millions of yen)	13,906	27,862
Basic earnings per share	(Yen)	68.58	137.46

(ii) Litigation

In July 2019, the Company entered into a plea agreement with the U.S. Department of Justice and paid a penalty for violating the U.S. Sherman Act (antitrust law) regarding the manufacture and sale of suspensions for hard disk drives (HDDs).

For this case, consumer class actions seeking damages have been filed in the United States and Canada.

2. Non-consolidated Financial Statements and Primary Notes

(1) Non-consolidated financial statements

(i) Non-consolidated Balance Sheets

(Millions of yen)

		As of March 31, 2025		As of March 31, 2026
Assets				
Current assets				
Cash and deposits		26,871		34,075
Notes receivable - trade	*1	115		–
Accounts receivable - trade, and contract assets	*1	74,204	*1	78,419
Electronically recorded monetary claims - operating	*1	9,302	*1	10,004
Short-term loans receivable	*1	23,285	*1	13,267
Merchandise and finished goods		9,117		8,828
Work in process		8,315		9,673
Raw materials and supplies		8,013		8,333
Partly-finished goods		7,048		7,458
Prepaid expenses		2,332		2,642
Other	*1	32,453	*1	35,462
Allowance for doubtful accounts		(12)		(12)
Total current assets		201,048		208,153
Non-current assets				
Property, plant and equipment				
Buildings		26,612		25,723
Structures		1,030		1,117
Machinery and equipment		20,105		21,423
Vehicles		273		362
Tools, furniture and fixtures		3,189		3,628
Land		11,403		11,276
Construction in progress		11,397		15,920
Total property, plant and equipment		74,012		79,450
Intangible assets				
Software		660		1,190
Other		2		2
Total intangible assets		663		1,192
Investments and other assets				
Investment securities		49,769		59,558
Shares of subsidiaries and associates		60,891		62,203
Investments in capital of subsidiaries and associates		10,596		11,900
Long-term loans receivable from subsidiaries and associates	*1	16,101	*1	33,714
Long-term prepaid expenses		742		2,233
Prepaid pension costs		13,777		9,458
Other		1,624		1,634
Allowance for doubtful accounts		(1,708)		(866)
Total investments and other assets		151,794		179,835
Total non-current assets		226,470		260,479
Total assets		427,518		468,633

(Millions of yen)

		As of March 31, 2025		As of March 31, 2026
Liabilities				
Current liabilities				
Electronically recorded obligations - operating	*1	7,407	*1	3,111
Accounts payable - trade	*1	70,084	*1	64,986
Short-term borrowings	*1	65,831	*1	77,035
Commercial papers		10,000		–
Current portion of bonds payable		–		10,000
Current portion of long-term borrowings		22,494		19,281
Accounts payable - other	*1	4,343	*1	9,457
Accrued expenses	*1	7,269	*1	7,942
Income taxes payable		554		7,030
Deposits received	*1	1,161	*1	1,192
Provision for bonuses		7,041		7,502
Provision for bonuses for directors (and other officers)		175		167
Other		295		3,979
Total current liabilities		196,657		211,687
Non-current liabilities				
Bonds payable		13,000		3,000
Long-term borrowings		20,015		22,401
Long-term income taxes payable		231		–
Deferred tax liabilities		5,916		7,197
Provision for share awards for directors (and other officers)		46		194
Provision for officers’ retirement benefits		718		814
Long-term accounts payable - other		37		36
Total non-current liabilities		39,964		33,644
Total liabilities		236,622		245,332
Net assets				
Shareholders’ equity				
Share capital		17,009		17,009
Capital surplus				
Legal capital surplus		17,295		17,295
Other capital surplus		–		323
Total capital surplus		17,295		17,618
Retained earnings				
Legal retained earnings		3,633		3,633
Other retained earnings				
Reserve for tax purpose reduction entry of non-current assets		6,799		6,563
Retained earnings brought forward		157,616		185,757
Total retained earnings		168,049		195,955
Treasury shares		(36,681)		(38,967)
Total shareholders’ equity		165,673		191,615
Valuation and translation adjustments				
Valuation difference on available-for-sale securities		25,222		31,685
Total valuation and translation adjustments		25,222		31,685
Total net assets		190,896		223,300
Total liabilities and net assets		427,518		468,633

(ii) Non-consolidated Statements of Income

(Millions of yen)

		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026
Net sales	*2	359,434	*2	371,607
Cost of sales	*2	306,874	*2	315,132
Gross profit		52,559		56,475
Selling, general and administrative expenses	*1, *2	29,638	*1, *2	33,440
Operating profit		22,921		23,035
Non-operating income				
Interest and dividend income		18,464		21,812
Rental income from real estate		577		564
Foreign exchange gains		–		3,109
Other		699		1,313
Total non-operating income	*2	19,741	*2	26,800
Non-operating expenses				
Interest expenses		1,024		1,394
Rental costs on real estate		165		173
Loss on retirement of non-current assets		209		310
Foreign exchange losses		877		–
Other		981		452
Total non-operating expenses	*2	3,258	*2	2,332
Ordinary profit		39,404		47,503
Extraordinary income				
Gain on sale of investment securities		382		5,128
Gain on sale of investments in capital of subsidiaries and associates		–		534
Gain on return of assets from retirement benefits trust		–	*3	3,872
Settlement income	*4	2,000		–
Total extraordinary income		2,382		9,535
Extraordinary losses				
Loss on valuation of investments in capital of subsidiaries		2,573		1,057
Loss on valuation of other investments		1		7
Impairment losses		–	*5	5,358
Loss on sale of businesses		299		–
Total extraordinary losses		2,873		6,423
Profit before income taxes		38,913		50,615
Income taxes - current		4,791		9,622
Income taxes for global minimum tax		231		–
Income taxes - deferred		1,815		(1,592)
Total income taxes		6,837		8,029
Profit		32,075		42,585

(iii) Non-consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	17,009	17,295	2,024	19,319	3,633	7,147	152,681	163,462
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets						(261)	261	–
Decrease in reserves due to the change of effective tax rate						(85)	85	–
Dividends of surplus							(11,991)	(11,991)
Profit							32,075	32,075
Purchase of treasury shares								
Disposal of treasury shares			94	94				
Cancellation of treasury shares			(2,118)	(2,118)			(15,496)	(15,496)
Net changes in items other than shareholders' equity								
Total changes during period	–	–	(2,024)	(2,024)	–	(347)	4,934	4,587
Balance at end of period	17,009	17,295	–	17,295	3,633	6,799	157,616	168,049

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(22,969)	176,822	32,927	32,927	209,750
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		–			–
Decrease in reserves due to the change of effective tax rate		–			–
Dividends of surplus		(11,991)			(11,991)
Profit		32,075			32,075
Purchase of treasury shares	(32,273)	(32,273)			(32,273)
Disposal of treasury shares	946	1,040			1,040
Cancellation of treasury shares	17,615	–			–
Net changes in items other than shareholders' equity			(7,704)	(7,704)	(7,704)
Total changes during period	(13,712)	(11,148)	(7,704)	(7,704)	(18,853)
Balance at end of period	(36,681)	165,673	25,222	25,222	190,896

Fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Reserve for tax purpose reduction entry of non-current assets	Other retained earnings: Retained earnings brought forward	Total retained earnings
Balance at beginning of period	17,009	17,295	–	17,295	3,633	6,799	157,616	168,049
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets						(236)	236	–
Dividends of surplus							(14,680)	(14,680)
Profit							42,585	42,585
Purchase of treasury shares								
Disposal of treasury shares			323	323				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	323	323	–	(236)	28,141	27,905
Balance at end of period	17,009	17,295	323	17,618	3,633	6,563	185,757	195,955

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(36,681)	165,673	25,222	25,222	190,896
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		–			–
Dividends of surplus		(14,680)			(14,680)
Profit		42,585			42,585
Purchase of treasury shares	(1,983)	(1,983)			(1,983)
Disposal of treasury shares	(302)	20			20
Net changes in items other than shareholders' equity			6,462	6,462	6,462
Total changes during period	(2,286)	25,942	6,462	6,462	32,404
Balance at end of period	(38,967)	191,615	31,685	31,685	223,300

[Notes to Non-consolidated Financial Statements]

(Significant accounting policies)

1 Standards and methods for valuation of assets

(1) Inventory

Stated at cost using the weighted average method.

(Balance sheet value is calculated using the book value write-down method based on declining profitability.)

(2) Securities

Shares of subsidiaries and associates

Stated at cost using the moving average method.

Available-for-sale securities

Securities other than shares, etc. without market value

Stated at fair value (valuation differences are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method).

Shares, etc. without market prices

Stated at cost using the moving average method.

(3) Derivatives

Stated at fair value.

2 Depreciation or amortization method for non-current assets

(1) Property, plant and equipment

They are depreciated mainly using the declining-balance method, while some machinery and equipment is depreciated in a shorter period of time calculated by the Company.

However, buildings and structures at the headquarters (main building, research and development building, welfare building) are depreciated using the straight-line method.

In addition, the straight-line method is used for buildings (excluding facilities) acquired on or after April 1, 1998, and for facilities attached to buildings and for structures acquired on or after April 1, 2016.

(2) Small amount depreciable assets

Small-amount depreciable assets with an acquisition cost of 100,000 yen or more but less than 200,000 yen are equally amortized over three years.

(3) Intangible assets

The straight-line method is applied.

Computer software for internal use is amortized on a straight-line basis over the estimated internal useful life (five years) of the software.

(4) Long-term prepaid expenses

The straight-line method is applied.

3 Standards for recording provisions and allowances

(1) Allowance for doubtful accounts

To prepare for credit losses on receivables, an estimated uncollectable amount is recorded at the amount estimated by either using the historical rate of credit loss for general receivables, or based on individual consideration of collectability for specific receivables such as highly doubtful receivables.

(2) Provision for bonuses

To prepare for the payment of bonuses to employees, the portion of the estimated bonuses incurred at the end of the fiscal year under review is recorded.

(3) Provision for bonuses for directors (and other officers)

To prepare for the payment of bonuses to directors and other officers, the portion of the estimated bonuses incurred at the end of the fiscal year under review is recorded.

(4) Provision for share awards for directors (and other officers)

To prepare for the future payment of Company shares to Directors and Corporate Officers pursuant to the stock payment regulations, the Company records the expected amount of stock payment obligations as of the end of the fiscal year.

(5) Provision for retirement benefit

To prepare for the payment of retirement benefits to employees, the amount accrued at the end of the fiscal year is recorded based on the retirement benefit obligations and pension assets at the end of the fiscal year.

Past service cost is amortized using the straight-line method over a certain number of years (15 years) within employees' average remaining service period when incurred.

Actuarial gains and losses are amortized using the straight-line method over a certain number of years (15 years) within employees' average remaining service period when incurred in each fiscal year, from the fiscal year following the accrual of each gain or loss.

In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year under review on a benefit formula basis.

(6) Provision for officers' retirement benefits

To prepare for the payment of officers' retirement benefits, the Company records the amount to be paid at the end of the fiscal year in accordance with the officers' retirement benefit regulations.

4 Standards for recognizing revenue and expenses

The Company's main business is the manufacture and sale of automobile-related products, such as automotive suspension springs, automotive seating and seat parts, and precision springs and components as well as the manufacture and sale of information equipment-related products and parts.

The Company's performance obligation is primarily to supply finished products to customers. In principle, we determine that control of products is transferred to the customer and that performance obligations are satisfied at the time the products are delivered, and we recognize revenue at that time. For domestic sales, if the period from the time of shipment to the time when control of the products is transferred to the customer is a normal period, revenue is recognized at the time of shipment.

The transaction price is calculated by deducting discounts, rebates, etc. from the consideration promised in the contract with the customer.

In addition, the Company estimates variable consideration using the most likely method, etc. based on past experience and the latest information and recognizes only to the extent that it is highly probable that a significant reversal in revenue will not occur.

The consideration for these performance obligations is collected within approximately one year after the performance obligations are satisfied, in accordance with the payment conditions specified separately, and does not include any significant financing components.

5 Hedge accounting method

(1) Hedge accounting method

Deferred hedge accounting is applied.

Allocation method (furiate-shori) is applied to some forward exchange contracts and currency swaps qualifying for such accounting treatment. Exceptional treatment (tokurei-shori) is applied to interest rate swaps qualifying for such exceptional accounting.

(2) Hedging instruments and hedged items

Hedging instruments	Hedged items
Forward exchange contract	Forecasted transaction in foreign currency
Interest rate swaps	Borrowings
Interest rate and currency swaps	Borrowings
Currency swaps	Loans receivable

(3) Hedging policy

Based on the Company's internal regulations, the "Cash Management Regulations," these hedging instruments are in principle to be used for the purpose of hedging against exchange rate and interest rate fluctuation risk.

Regarding the exchange rate fluctuations on foreign currency-denominated accounts receivable, which constitutes a major risk, the Company has entered comprehensive foreign currency forward contracts to avoid this risk.

In addition, the Company executes such transactions within a range based on factors considering export performance related to normal foreign currency-denominated business transactions.

(4) Method of evaluating effectiveness of hedges

The Company evaluates the effectiveness of forward exchange transactions by confirming that they comply with its internal regulations, the "Cash Management Regulations," at the time of concluding such contracts.

As all interest rate swaps satisfy the requirements of the special method, we have omitted the effectiveness evaluation based on the Accounting Standards for Financial Instruments.

6 Significant matters forming the basis for preparation of financial statements

Accounting for retirement benefits

The accounting methods for unrecognized actuarial gains and losses and unrecognized past service costs relating to retirement benefits differ from those used in the consolidated financial statements.

(Significant accounting estimates)

Impairment loss on property, plant and equipment at Komagane Plant of the Industrial Machinery and Equipment, and Other Operations Business

(1) Amount recorded on the financial statements

(Millions of yen)

		Previous fiscal year	Fiscal year under review
Komagane Plant, Industrial Machinery and Equipment Division	Impairment losses	–	4,091
	Property, plant and equipment	3,874	7,231

(2) Other information that contributes to the understanding of users of the non-consolidated financial statements

The method of calculation, key assumptions, and the impact on non-consolidated financial statements for the next fiscal year and thereafter are as described
in the "Notes (Significant accounting estimates), 1. Impairment loss on property, plant and equipment at Komagane Plant of the Industrial Machinery and Equipment, and Other Operations Business of the Company" section of the consolidated financial statements.

(Changes in presentation)

(Non-consolidated balance sheets)

“Electronically recorded monetary claims - operating,” which were included in “Notes receivable - trade” under current assets until the previous fiscal year, are presented separately in the fiscal year under review to enhance clarity. In order to reflect this change in presentation, the non-consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 9,418 million yen presented as “Notes receivable - trade” under current assets in the non-consolidated balance sheets for the previous fiscal year has been reclassified as “Notes receivable - trade” of 115 million yen and “Electronically recorded monetary claims - operating” of 9,302 million yen.

“Accounts receivable - other,” which were presented separately until the previous fiscal year, are included in “Other” under current assets in the fiscal year under review because it became less significant in amount. In order to reflect this change in presentation, the non-consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 19,049 million yen presented as “Accounts receivable - other” and 13,404 million yen presented as “Other” under current assets in the non-consolidated balance sheets for the previous fiscal year have been reclassified as “Other” of 32,453 million yen.

(Additional information)

(Stock compensation plan for Directors, etc.)

Notes to the stock compensation plan for Directors, etc. are omitted because the same details are stated in the “Notes (Additional Information)” section of the consolidated financial statements.

(Non-consolidated balance sheets)

*1 Assets and liabilities of affiliated companies

The amounts of monetary claims and liabilities to affiliated companies are as follows.

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Short-term monetary claims	55,038	45,841
Long-term monetary claims	16,101	33,714
Short-term monetary obligations	84,826	96,193

2 Guarantee obligations

(1) The Company has guaranteed borrowings from financial institutions and other obligations by the following subsidiaries, associates and employees.

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Employees	4	2
Total	4	2

(2) The Company has guaranteed payment obligations by the following subsidiaries and associates for their purchase of goods.

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
TOHOKU NIPPATSU CO., LTD.	34	–
Total	34	–

(3) The Company has guaranteed repayment obligations by its overseas subsidiaries for the government subsidies in the event that they fail to perform the conditions of the subsidies.

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
NHK Spring Hungary KFT.	545	641
Total	545	641

3 Contingent liabilities

In November 2020, the Company received a penalty payment order (TWD 285 million) from the Taiwan Fair Trade Commission (TFTC) for violating Taiwan’s Fair Trade Act (anti-monopoly law) in relation to its transactions of HDD suspensions. In objection to this, the Company appealed against such order in January 2021, and completely won the case in August 2023.

The TFTC was dissatisfied with this judgement and appealed in September 2023.

(Non-consolidated statements of income)

*1 The approximate proportion of expenses attributed to selling expenses was 34% in the previous fiscal year and 34% in the fiscal year under review, while the approximate proportion of expenses attributed to general and administrative expenses was 66% in the previous fiscal year and 66% in the fiscal year under review.

Main items and amounts of selling, general and administrative expenses are as follows.

(Millions of yen)

	Previous fiscal year (April 1, 2024 through March 31, 2025)	Fiscal year under review (April 1, 2025 through March 31, 2026)
Transportation costs	4,423	4,603
Employees’ salaries and allowances	7,117	7,958
Bonus	3,594	3,936
Retirement benefit expenses	(47)	90
Depreciation	1,958	1,986
Commission expenses	4,285	5,165

*2 Transactions with subsidiaries and associates

(Millions of yen)

	Previous fiscal year (April 1, 2024 through March 31, 2025)	Fiscal year under review (April 1, 2025 through March 31, 2026)
Amount of operating transactions		
Net sales	90,172	95,045
Purchase of goods	99,983	109,970
Selling, general and administrative expenses	7,547	8,565
Transactions from non-operating transactions		
Interest and dividends income	16,634	19,849
Other	1,617	1,717

*3 Gain on return of assets from retirement benefits trust

Fiscal year under review (April 1, 2025 through March 31, 2026)

Gain on return of assets from retirement benefits trust represents the one-time recognition of unrecognized actuarial gains and losses corresponding to the amount returned, following a partial return of the retirement benefits trust.

*4 Settlement income

Previous fiscal year (April 1, 2024 through March 31, 2025)

Settlement income is due to the settlement of a patent infringement lawsuit against the Company.

*5 Impairment losses

Fiscal year under review (April 1, 2025 through March 31, 2026)

The Company recognized impairment loss on the following assets.

(Millions of yen)

<table>
<tr><th>Used for</th><th>Location</th><th>Category</th><th>Amount</th></tr>
<tr><td rowspan="12">Production facilities</td><td rowspan="5">Kamiina-gun, Nagano</td><td>Structures</td><td>7</td></tr>
<tr><td>Machinery and equipment</td><td>1,149</td></tr>
<tr><td>Vehicles</td><td>21</td></tr>
<tr><td>Tools, furniture and fixtures</td><td>34</td></tr>
<tr><td>Construction in progress</td><td>53</td></tr>
<tr><td rowspan="7">Komagane-shi, Nagano</td><td>Buildings</td><td>1,373</td></tr>
<tr><td>Structures</td><td>47</td></tr>
<tr><td>Machinery and equipment</td><td>1,902</td></tr>
<tr><td>Vehicles</td><td>3</td></tr>
<tr><td>Tools, furniture and fixtures</td><td>39</td></tr>
<tr><td>Land</td><td>189</td></tr>
<tr><td>Construction in progress</td><td>535</td></tr>
<tr><td colspan="3">Total</td><td>5,358</td></tr>
</table>

(Background of recognition of impairment losses)

The book value of the above production facilities was written down to the recoverable value and the difference was recorded as an impairment loss under extraordinary losses since recoverability of amounts invested is not expected due to declining profitability.

(Method of grouping assets)

Individual asset items have been grouped by considering management accounting category.

(Method of calculating recoverable value)

The recoverable value of the production facilities in Kamiina-gun and Komagane-shi, Nagano was determined as the net realizable value based on real estate appraisal values, etc.

(Securities)

Shares of subsidiaries and associates

Amount of shares, etc. without market prices recorded on the balance sheets

(Millions of yen)

Category	Previous fiscal year	Fiscal year under review
Shares of subsidiaries	59,463	60,775
Shares of associates	1,427	1,427
Total	60,891	62,203

(Tax effect accounting)

1 Major components of deferred tax assets and liabilities

(Deferred tax assets)

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Loss on valuation of investment securities and other	20,506	20,906
Depreciation and accumulated impairment	2,967	4,276
Provision for transfer pricing adjustments	132	400
Provision for bonuses	2,451	2,675
R&D costs, currently not deductible	1,130	859
Allowance for doubtful accounts	538	274
Provision for retirement benefit	320	–
Enterprise tax payable	141	556
Other	1,125	1,658
Subtotal of deferred tax assets	29,313	31,608
Valuation allowance	(20,697)	(20,735)
Total of deferred tax assets	8,615	10,873
Amount offset against deferred tax liabilities	(8,615)	(10,873)
Net deferred tax assets	–	–

(Deferred tax liabilities)

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Valuation difference on available-for-sale securities	(11,202)	(14,076)
Reserve for tax purpose reduction entry of non-current assets	(3,093)	(2,976)
Foreign exchange gains and losses	(235)	(562)
Prepaid pension costs	–	(455)
Total of deferred tax liabilities	(14,531)	(18,070)
Amount offset against deferred tax assets	8,615	10,873
Net deferred tax liabilities	(5,916)	(7,197)

(Changes in presentation)

“Enterprise tax payable,” which was included in “Other” under deferred tax assets until the previous fiscal year, is presented separately in the fiscal year under review because it became more significant in amount. In order to reflect this change in presentation, the notes for the previous fiscal year have been reclassified.

As a result, 1,266 million yen presented as “Other” under deferred tax assets in the previous fiscal year has been reclassified as “Enterprise tax payable” of 141 million yen and “Other” of 1,125 million yen.

2 Main components of the difference between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Statutory tax rate of the Reporting Company	30.4%	30.3%
(Adjustments)		
Entertainment and other expenses that are never tax deductible	0.4	0.6
Dividends and other income that is never taxable	(9.4)	(9.0)
Foreign tax credits	(0.4)	(0.3)
Change in valuation allowance	1.7	0.2
Income special tax credits	(5.7)	(5.6)
Increase in year-end deferred tax assets due to change in tax rate	(0.0)	(0.4)
Other	0.6	0.1
Effective income tax rate after application of tax-effect accounting	17.6	15.9

(Revenue recognition)

Notes to the information that provides a basis for understanding revenue from contracts with customers are omitted because the same details are stated in the “Notes (Revenue Recognition)” section of the consolidated financial statements.

(Significant subsequent events)

There are no significant items to be stated.

(iv) Annexed Detailed Schedules

[Schedule of Property, Plant and Equipment]

(Millions of yen)

Category	Type of assets	Beginning book value	Increase in period	Decrease in period	Depreciation in period	Ending book value	Accumulated depreciation	Acquisition cost at the end of period
Property, plant and equipment	Buildings	26,612	2,442	1,390 [1,373]	1,940	25,723	53,585	79,309
	Structures	1,030	280	55 [54]	138	1,117	4,490	5,607
	Machinery and equipment	20,105	11,738	3,168 [3,051]	7,252	21,423	102,830	124,253
	Vehicles	270	258	25 [25]	143	360	743	1,103
	Tools, furniture and fixtures	3,189	3,002	113 [74]	2,449	3,628	27,503	31,131
	Land	11,403	63	191 [189]	–	11,276	–	11,276
	Leased assets	2	–	–	0	1	3	4
	Construction in progress	11,397	22,884	18,362 [589]	–	15,920	–	15,920
	Total	74,012	40,670	23,306 [5,358]	11,926	79,450	189,156	268,607
Intangible assets	Software	660	649	–	120	1,190	–	–
	Other	2	–	–	0	2	–	–
	Total	663	649	–	120	1,192	–	–

Notes: 1. Major components of the increase in period are as follows.

		(Millions of yen)
Buildings	Buildings for the Industrial Machinery and Equipment, and Other Operations Business	881
	Head office building	551
Machinery and equipment	Production facilities for the Automotive Suspension Springs Business	2,798
	Production facilities for the Automotive Seating Business	2,565
	Production facilities for the Precision Springs and Components Business	1,529
	Production facilities for the DDS Business	2,174
	Production facilities for the Industrial Machinery and Equipment, and Other Operations Business	2,130
	R&D facilities at headquarters	530
Tools, furniture and fixtures	Molds and tools for production for the Automotive Seating Business	1,098
	Molds and tools for production for the DDS Business	586
Land	Acquisition of land for Miyada Plant	62
Construction in progress	Production facilities for the Precision Springs and Components Business	3,857
	Production facilities for the Industrial Machinery and Equipment, and Other Operations Business	8,818

2. Major components of the decrease in period are as follows.

		(Millions of yen)
Buildings	Impairment at Komagane Plant, Industrial Machinery and Equipment Division	1,373
Machinery and equipment	Impairment at Ina Plant	1,149
	Impairment at Komagane Plant, Industrial Machinery and Equipment Division	1,902
Land	Impairment at Komagane Plant, Industrial Machinery and Equipment Division	189
Construction in progress	Production facilities for the Automotive Suspension Springs Business	3,422
	Production facilities for the Automotive Seating Business	4,292
	Impairment at Ina Plant	53
	Impairment at Komagane Plant, Industrial Machinery and Equipment Division	535

* The amount in square brackets in “Decrease in period” is inclusive and represents the amount recorded as impairment losses.

[Schedule of Provisions]

(Millions of yen)

Category	Beginning balance	Increase in period	Decrease in period	Ending balance
Allowance for doubtful accounts	1,721	2	844	879
Provision for bonuses	7,041	7,502	7,041	7,502
Provision for bonuses for directors (and other officers)	175	167	175	167
Provision for share awards for directors (and other officers)	46	168	20	194
Provision for officers' retirement benefits	718	177	80	814

(2) Details of Major Assets and Liabilities

This information is omitted because the Company prepares the consolidated financial statements.

(3) Other

In July 2019, the Company entered into a plea agreement with the U.S. Department of Justice and paid a penalty for violating the U.S. Sherman Act (antitrust law) regarding the manufacture and sale of suspensions for hard disk drives (HDDs).

For this case, consumer class actions seeking damages have been filed in the United States and Canada.

VI. Share-related Administration of Reporting Company

Fiscal year	From April 1 to March 31
Annual General Meeting of Shareholders	In June
Record date	March 31
Record date for dividends of surplus	September 30, March 31
The number of shares constituting one unit	100 shares
Purchase or sale of shares less than one unit	
Business handling office	(Special account) Marunouchi 1-4-5, Chiyoda-ku, Tokyo Transfer Agent Department, Mitsubishi UFJ Trust and Banking Corporation
Shareholder register administrator	(Special account) Marunouchi 1-4-5, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Offices available for repurchase	–
Charge for repurchase	No charge
Method of public notice	Electronic public notice posted on the following website; provided, however, that in the event that electronic public notice is unavailable due to an accident or any other unavoidable reason, the public notice shall be given in the manner of the publication in the Nikkei (Nihon Keizai Shimbun) newspaper. The Company's website for public notices: https://www.nhkspg.co.jp
Shareholders privileges	–

Note: Shareholders of the Company shall not exercise any rights except for the following rights with respect to shares less than one unit held by them.

1 the rights listed in each item of Article 189, paragraph (2) of the Companies Act;

2 the right to make a request under Article 166, paragraph (1) of the Companies Act;

3 the right to receive the allotment of shares for subscription and share options for subscription, according to the number of shares held by them; and

4 the right to make a request to sell the shares less than one unit held by them.

VII. Reference Information on Reporting Company

1. Information on Parent Company or Equivalent of Reporting Company

   The Company has no parent company or equivalent as prescribed in Article 24-7, paragraph (1) of the Financial Instruments and Exchange Act.

2. Other Reference Information

   The Company filed the following documents in the period from the beginning of the fiscal year under review to the date of submission of the Annual Securities Report.

   (1) Annual Securities Report and its attachments and Confirmation Letter

   The 105th fiscal year (April 1, 2024 through March 31, 2025)

   Filed with the Director-General of the Kanto Regional Finance Bureau on June 26, 2025

   (2) Internal Control Report and its attachments

   The 105th fiscal year (April 1, 2024 through March 31, 2025)

   Filed with the Director-General of the Kanto Regional Finance Bureau on June 26, 2025

   (3) Semi-annual Securities Report and Confirmation Letter

   First half of the 106th fiscal year (April 1, 2025 through September 30, 2025)

   Filed with the Director-General of the Kanto Regional Finance Bureau on November 13, 2025

   (4) Extraordinary Report

   (i) Extraordinary report based on Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Results of the exercise of voting rights at the General Meeting of Shareholders)

   Filed with the Director-General of the Kanto Regional Finance Bureau on June 27, 2025

   (5) Securities Registration Statement (Disposal of treasury shares through third-party allotment) and attached documents

   Filed with the Director-General of the Kanto Regional Finance Bureau on August 6, 2025

   (6) Share Buyback Report

   (i) Reporting period from June 1, 2025 through June 30, 2025: Filed with the Director-General of the Kanto Regional Finance Bureau on July 11, 2025

Part II. Information on Guarantors, etc. for Reporting Company

There are no matters to report under this item.

Note : This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.