

Indispensable Key Parts



NHK SPRING CO.,LTD.



Integrated Report NHK SPRING REPORT 2025

NHK SPRING CO.,LTD.

Let's Overcome the Impossible.

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Editorial Policy

Since fiscal 2008, NHK Spring has published the NHK Spring Report, which summarizes and outlines our annual social, environmental, and financial activities, including those in the NHK Spring Group companies. Now in its 18th year, NHK Spring Report 2025 represents the third time for issue as an integrated report. This report is intended to convey the ways in which NHK Spring Group contributes to society and creates corporate value through “providing indispensable key parts.”

Please read in tandem with the latest sustainability information and detailed information for shareholders and investors that can be found on our website.

→ [NHK Spring website](#)

Highlights of NHK Spring Report 2025

Regarding our long-established value of “Respect for People,” this report demonstrates why people are essential for our Company to grow, while reflecting on how their strengths have been and will continue to be demonstrated.

Scope of Reporting

This Report basically covers the NHK Spring Group's business activities. We have strived for accuracy in reporting by using “the NHK Spring Group” for activity reports covering the entire Group, “our Company/the Company” for activity reports covering NHK Spring Co., Ltd. alone, and the name of each company for activity reports covering Group companies.

Reporting Period

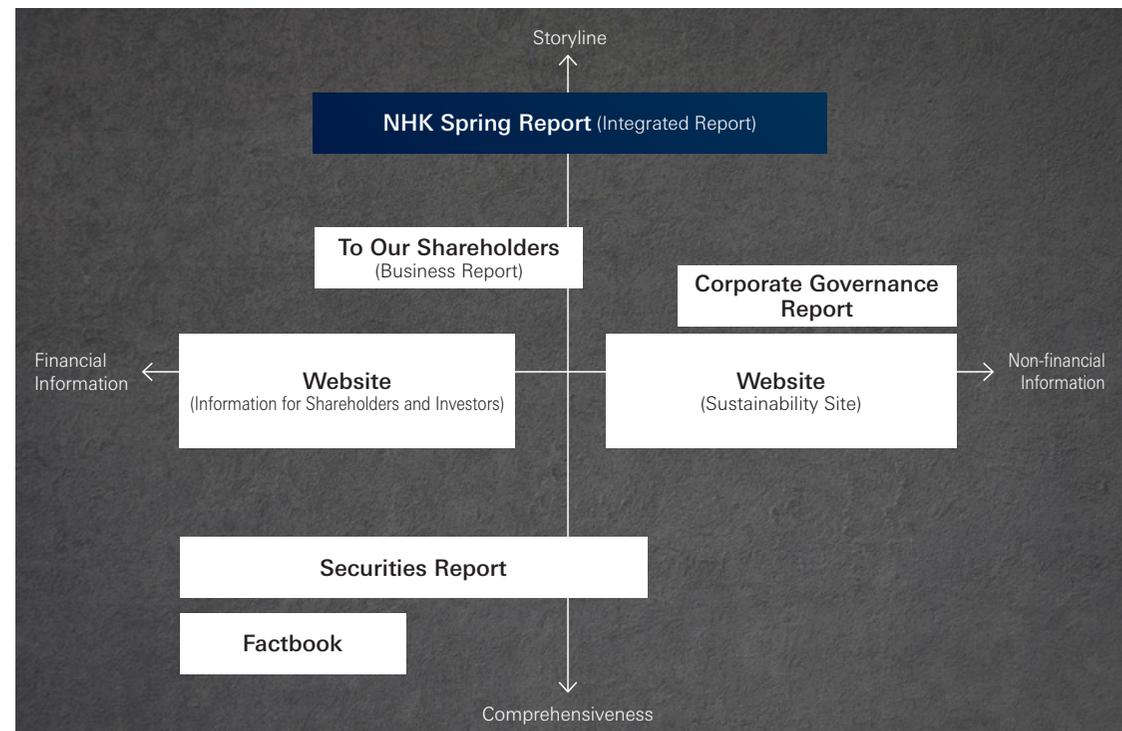
In principle, the Report covers our business activities from April 2024 to March 2025. Additionally, it also includes any major developments since April 2025.

Intended Readers

This report is intended for our shareholders, investors, and other stakeholders.

Reference Guidelines

- International Integrated Reporting Framework (IFRS Foundation)
- Guidance for Collaborative Value Creation 2.0 (Ministry of Economy, Trade and Industry)
- GRI Standards (Global Reporting Initiative)



Values Cherished by NHK Spring Group

Guiding Principles

Our Guiding Principles were established in 1964 by our third company president, Hisashi Sakamoto. They represent three principles that NHK Spring regards as important: 1) contributing to society through the growth of our business and our employees; 2) having the strong will to overcome difficulties and win out in competition; and 3) building relationships of trust with our employees and society.

Continuous progress

Ceaseless excellence

Caring teamwork

Continuous progress

Both our employees and the Company grow, and we contribute to society by providing key parts indispensable for the development of society.

Ceaseless excellence

We work with passion and persistently tackle problems without giving up in the face of difficulties.

Caring teamwork

We cherish our employees and deal sincerely with all stakeholders.

Corporate Philosophy

Our Corporate Philosophy was announced in 1990 by our seventh president, Shohei Hamada. It clearly defines the way in which our Group provides value, challenging new ways of thinking and acting from a global perspective and returning the results of these efforts to society at large.

To contribute to an affluent society through an attractive corporate identity by applying innovative ideas and practices, based on a global perspective, that bring about corporate growth.



Values Cherished by NHK Spring Group

In 2013, we published the “NHK Spring Way” to clearly indicate the direction and desirable vision of NHK Spring Group. The employees of all Group companies are united in sharing the NHK Spring Group's values and character, which remain unaffected by changes in the business environment.

Speedy action

Making bold decisions and acting quickly

By valuing innovative ideas and quickly sensing the changing values of people and new needs of stakeholders in the midst of a changing social environment and evolving times, we strive to make bold decisions and take bold actions.

Innovation within innovation

Ongoing innovation and challenge

Progress day by day

We never stop moving forward

Recognizing that the spring-like flexibility and resilience of our temperament is the NHK Spring Group's strength, we will never stop moving forward and aiming for high goals in improvement activities, while striving to better our own abilities.



NHK SPRING WAY
ニッパツウェイ

Relationship

Walking together and prospering together

Working together with our stakeholders to realize a better society, we contribute to the prosperity of all parties.

Never give up

Never give up

Even when unexpected problems occur and we find ourselves in difficulties, we never give up but take prompt action to avoid damaging the trust and expectations of our superiors, colleagues, workplaces, customers, and society.

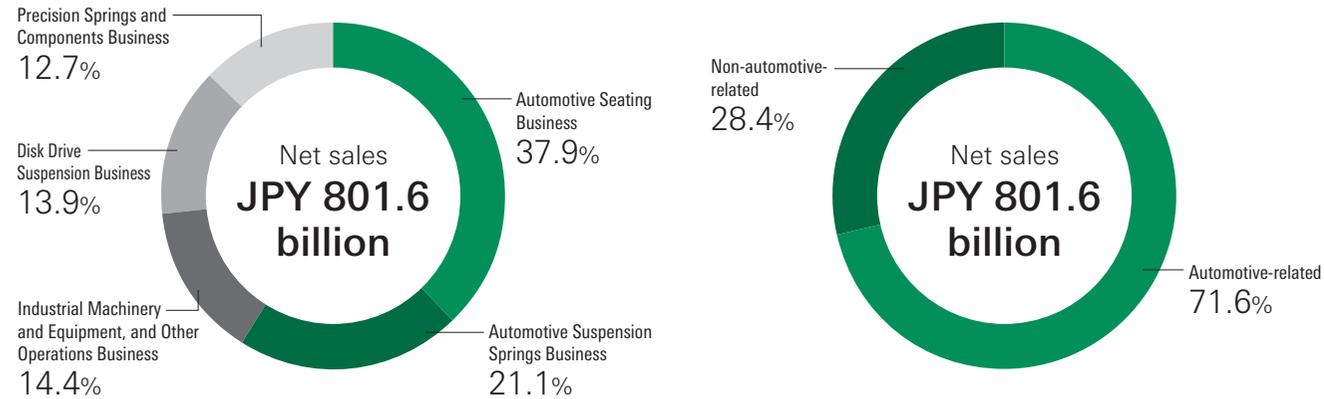
Grand vision

Having a high perspective and a broad view

As our business becomes increasingly global, we act with a high perspective and a broad view to ensure we are worthy of the trust of our various stakeholders in Japan and overseas.

At a glance

Breakdown of net sales (as of the end of March 2025)



NHK Spring in Figures (as of the end of March 2025)

Founding

1939

Number of consolidated employees

20,809

*The number of employees including the average number of temporary employees

Number of Group Companies

54 companies in **14** countries

*Incl. 38 consolidated companies
8 equity-method companies

Automotive suspension springs world share

1st

*Investigation by NHK Spring

HDD suspensions world share

1st

*Investigation by NHK Spring

Global market share of integrated metal substrates for power devices

1st

*Investigation by NHK Spring

NHK Spring Group's strengths

Metalworking and other core technologies that have been refined since the Company's founding and proprietary know-how

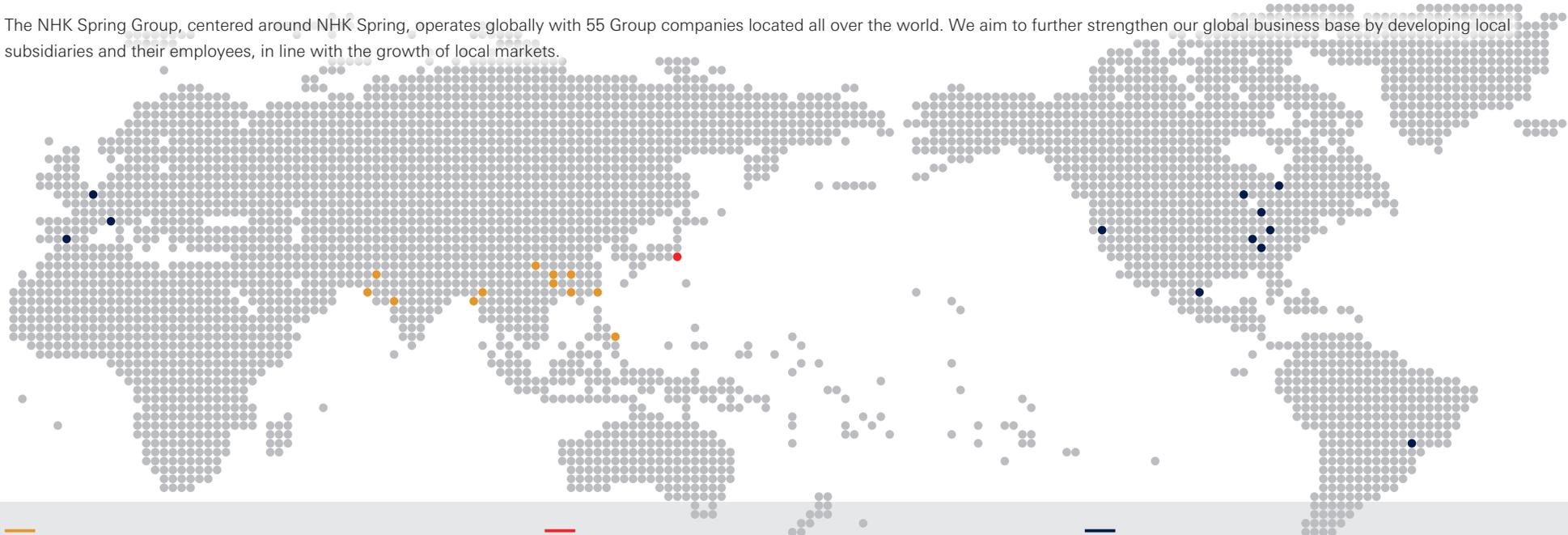
Understanding of industry trends, relationships of trust with customers, accumulation of know-how, and all-round strategies that only an independent company can provide

Quality-first manufacturing, a front-loading approach, and analysis and evaluation technologies that support quality

Product lines with high market share

At a glance

The NHK Spring Group, centered around NHK Spring, operates globally with 55 Group companies located all over the world. We aim to further strengthen our global business base by developing local subsidiaries and their employees, in line with the growth of local markets.



Asia

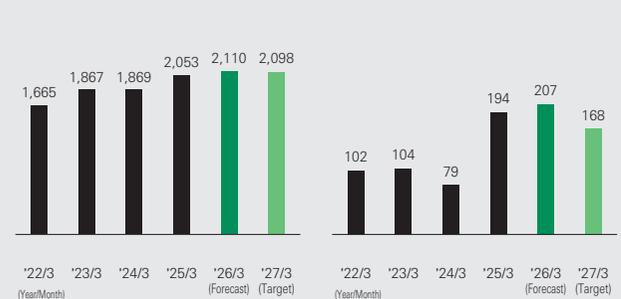
In 62 years since entering the Thai market, the Company has manufactured automotive parts and HDD suspensions.

20 Group Companies

Incl. **10** consolidated subsidiaries
3 equity-method companies

8,307 employees

Net sales (JPY hundred million) Operating profit (JPY hundred million)



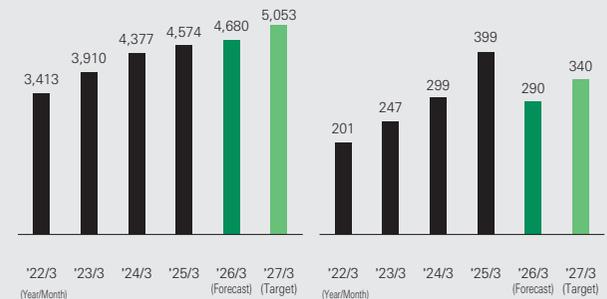
Japan

In Japan, the Company has the mother plants for all its products and also a research and development hub.

A total of **24** companies,
including the Head Office
Incl. **19** consolidated subsidiaries
3 equity-method companies

9,882 employees

Net sales (JPY hundred million) Operating profit (JPY hundred million)



North America and Europe, etc.

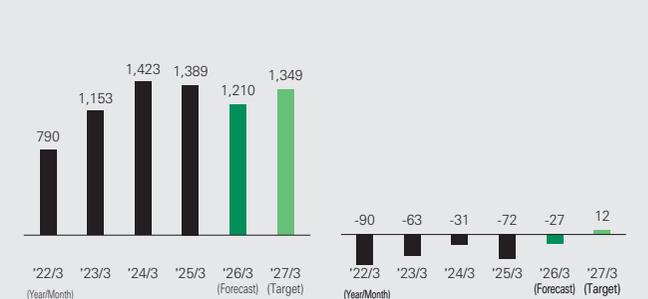
In 49 years since entering the United States, the Company has produced mainly automotive parts and established a research and development hub.

11 Group Companies

Incl. **9** consolidated subsidiaries
2 equity-method companies

2,620 employees

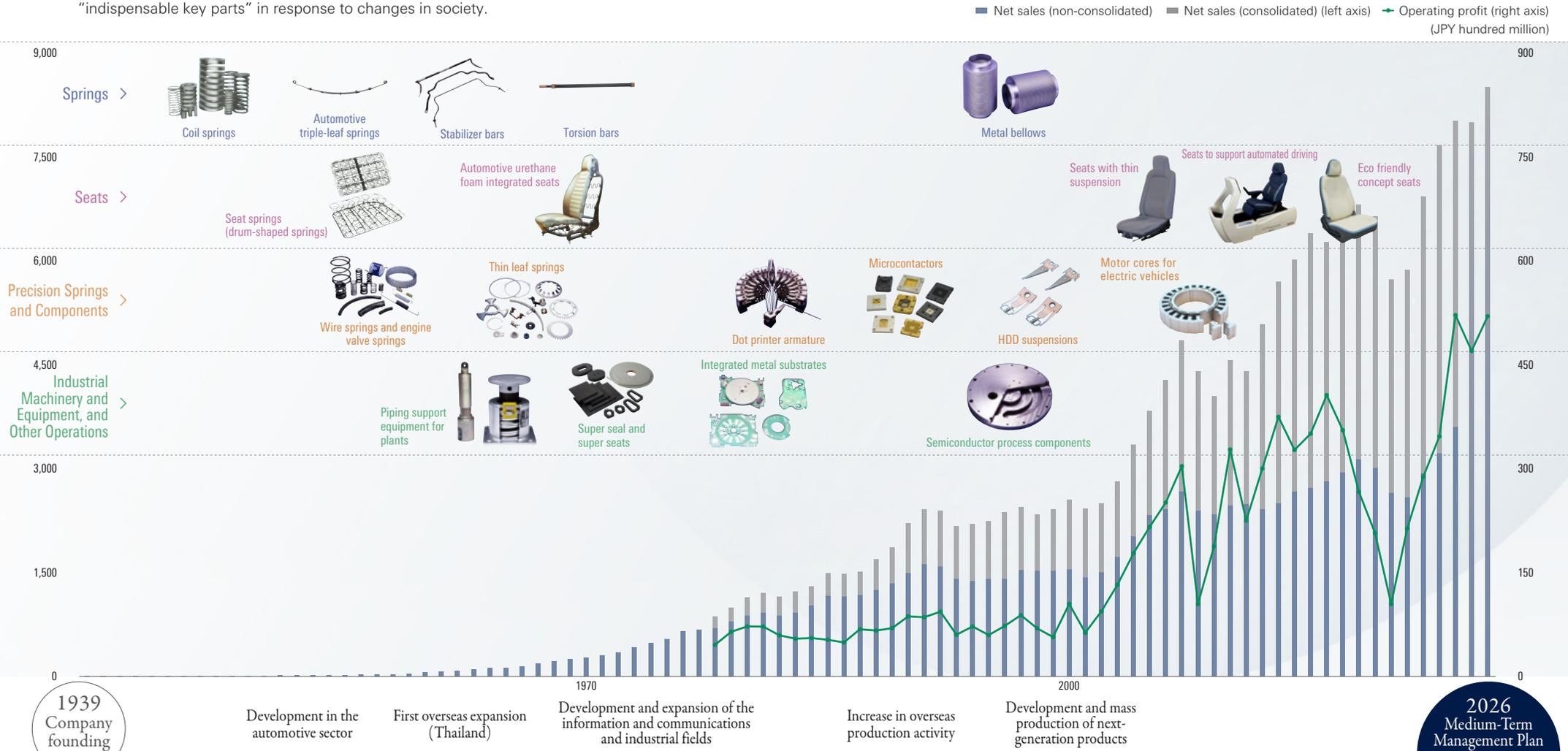
Net sales (JPY hundred million) Operating profit (JPY hundred million)



Trajectory of Value Creation

Trajectory of NHK Spring Group

Since its founding in 1939, the NHK Spring Group has continuously created value by conducting business activities in accordance with the spirit of its Guiding Principles and Corporate Philosophy, and by providing "indispensable key parts" in response to changes in society.



External Environment >

1923
Great Kanto Earthquake
Automobiles had been regarded as a luxury, however, due to the damage caused to railways by the earthquake, they came to play a more practical role in society.

1939-1945
WWII
Following the end of the war, many automobiles were brought into Japan by the U.S. Occupation Forces.

1973
Oil crisis
Suffering a sharp decline in orders for automotive parts, the Company scrambled to absorb the needs of its customers.

1990
Bursting of Japan's economic bubble
As trends shifted from luxury to individuality and functionality, safety and environmental pollution countermeasures were emphasized, while enhanced vehicle safety and comfort were demanded.

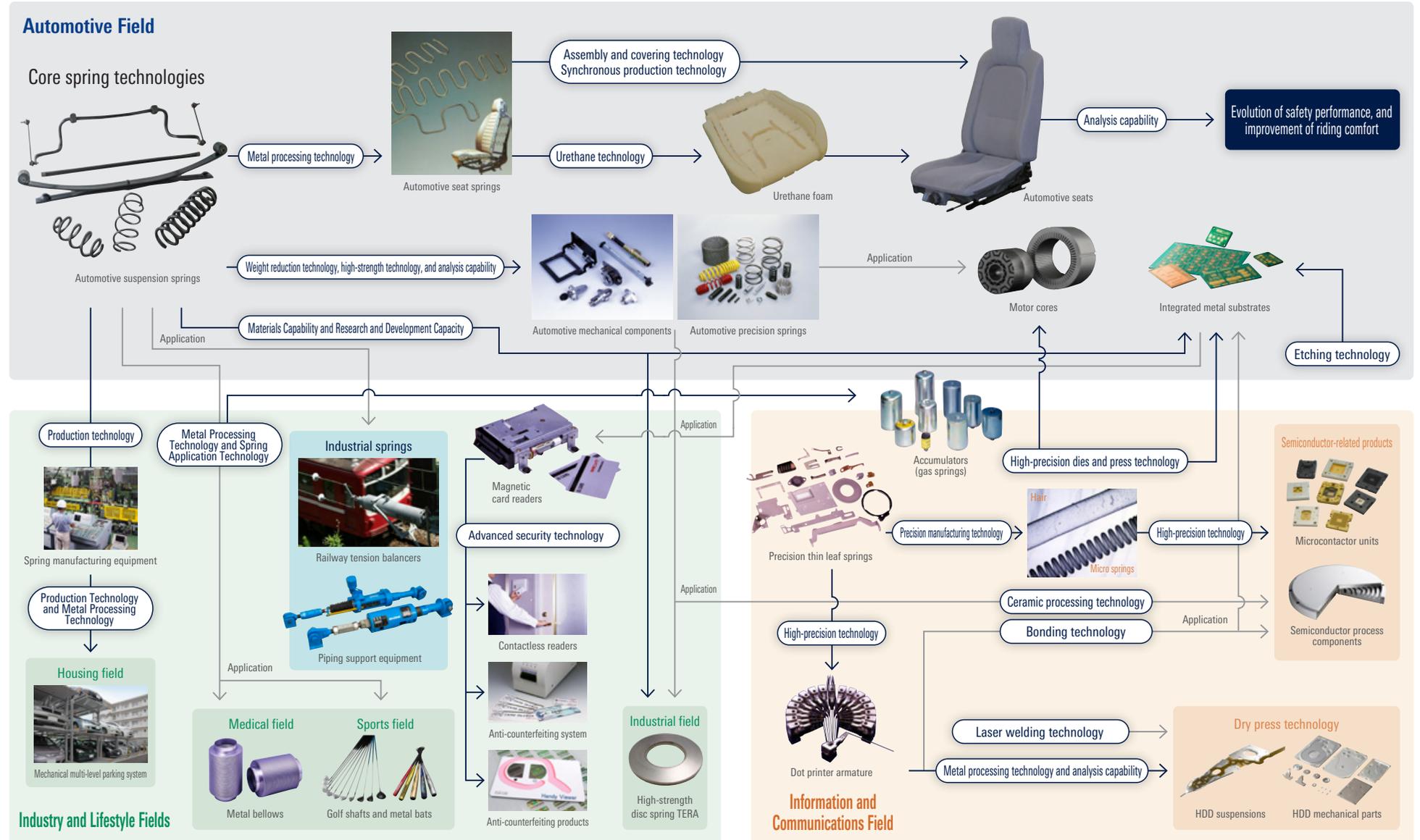
2006~
Acceleration of development related to automated driving of automobiles

2016~
"CASE" - the new trend of the automobile industry Heralding a once-in-a-century transformation in the automobile industry

2020~
In response to the Government of Japan's Carbon Neutral declaration, measures to address climate change are gaining momentum

Development of Core Technologies

NHK Spring Group has produced various products that contribute to society in response to the demands of the times. Having started out from automotive suspension springs, NHK Spring Group's business has developed into the Automotive, Information & Communication, Industry and Lifestyle Fields based on its core spring and metal processing technologies. NHK Spring Group will continue to provide "indispensable key parts" to the world and support social development through manufacturing.



Message from the Chairman and CEO

Review of the First Year Since Appointment

Over a year and a half has passed since my appointment as Chairman & Representative Member of the Board, CEO in April 2024. The time has passed so quickly. The world has confronted numerous external challenges during this period, including a shift in the automotive industry from an all-out approach skewed toward BEVs to a multi-purpose and multi-track approach, supply risks regarding resources and semiconductors, conflicts and other geopolitical risks, and issues related to U.S. tariffs. The Company is no exception to these trends, and we have earnestly engaged in initiatives regarding these issues so that we can respond to changes in the external environment. Additionally, in my position overlooking the entire industry as Chairman of the Japan Auto Parts Industries Association, I aim to promote appropriate transactions across the industry, thereby boosting the competitiveness of the entire supply chain. I firmly recognize that for Japan to maintain its competitiveness in manufacturing, it is essential for automobile manufacturers and parts companies to pursue co-creation as true partners and create cars that they can be proud of on the global stage.

The Journey of Creating a New Business Through Technology and Challenges

Looking back over my own career, my passion for manufacturing and desire to take on challenges have driven me forward. Ever since I joined the Company in 1979, I have advanced my career at research and development sites. In my mid-30s, I developed a technology for welding together different types of metals, and I obtained a doctorate in engineering based on the results of this research. Ever since, I have been enthusiastic to make this technology into a product that would sell well. I brought welded samples with me as I visited numerous companies and spent many days searching for potential use cases. As a result of this process, I realized I could create a product that customers would need if I could apply the technology to semiconductor manufacturing. This led to the birth of semiconductor process components, a vital product group that supports growth in the Company's Information and Communications Field. Through this experience, I gained a firm belief in a corporate culture focused on "developing individuality and talent." When I devoted myself to bonding technology development work within a small group of people in my 30s, my supervisor and colleagues at the time respected the willpower that I demonstrated. A culture of believing in people who take on challenges and allowing employees to freely pursue their desired paths has helped the Company become more multifaceted and achieve sustainable growth. This corporate culture is the source of the Company's

competitive edge, and is an asset that we should thoroughly preserve going forward.

Strengthening Governance and Engaging in Dialogue with Shareholders

As Chairperson of the Board of Directors, I am also driving efforts to strengthen governance. In FY2024, I participated in SR meetings with shareholders from Japan, where I engaged in ongoing and frank dialogue while focusing on important topics that are of significant interest to shareholders, such as cross shareholdings, the role of external directors and auditors, the positioning of ROIC within our new indicators in the 2026 Medium-Term Management Plan, and the stock-based compensation system. The feedback that we receive serves as a vital guide for further enhancing transparency and soundness in management.

The Company is making steady progress in selling cross shareholdings. In addition, we are reinforcing the supervisory functions of our management by securing the independence of the Board of Directors while utilizing the diverse insights of external directors and auditors. In particular, I expect external directors and auditors to look deeply into the projects and measures that we are currently pursuing and to offer remarks regarding risks and areas that may not be noticed by internal directors. My ongoing policy is to select suitable candidates who can realize the Company's purpose and long-term vision, rather than selecting individuals for their skillsets alone. The Board of Directors clarifies the vision we aim for and supplements the required skills accordingly. In addition, the Company positions enhancements to capital efficiency as one of its important management issues and has implemented ROIC as a management indicator. Through these efforts, we aim to boost awareness regarding capital costs and achieve our target of 7% ROIC across our entire business mix. In particular, we will work to improve ROIC in the Suspension Springs and Precision Springs and Components Businesses while maintaining the leading market share in the DDS Business as we focus efforts on our growth businesses. Also, with respect to the stock-based compensation system, we will implement a restricted stock-based compensation system to enhance the interrelationship between director compensation and share value. Through constructive dialogue with shareholders and investors, we will make every effort to deepen our relationships of trust and sustainably boost our corporate value. I will continue to closely collaborate with President & COO Mr. Uemura, the top corporate officer, as we enhance corporate value through both supervision and execution of duties.

NHK Spring's Mission and Challenges for the Future

Ever since its founding, the NHK Spring Group has continually provided "indispensable key parts." This mission remains the same in the face of today's rapidly changing society. We will accelerate technological innovation in a wide range of fields, including automobiles, telecommunications, and industry, thereby continuing to serve as a company that supports global industry and people's lives. We will persist in taking on challenges together as a Company. I invite our shareholders and investors to understand the Company's journey, and I look forward to your continued support.



Chairman & Representative
Member of the Board, CEO

Takashi Kayamoto

Message from the President & COO



President & COO and Representative
Member of the Board

Kazuhisa Uemura

Message as President

Over a year has passed since my appointment as President in April 2024. Since assuming the position of President, I have had more opportunities to send messages to employees, such as through “Top Patrols,” where I visit different plants and Group companies, as well as at ceremonies celebrating our founding and through projects for our internal newsletter. On these occasions, I focus on expressing gratitude. The NHK Spring Group’s businesses are growing thanks to the employees who earnestly engage in manufacturing. The NHK Spring Group could not achieve growth without its employees. For this reason, I aim to express my appreciation from the very beginning. Accordingly, I always include a “thank you” page at the start of the materials that I use to send my messages. Moreover, I believe that we are able to continue our business thanks to the trusting relationships we have built not only with our employees but also shareholders, investors, customers, business partners, local residents, and all other stakeholders. Going forward, I will work earnestly in management with a sense of gratitude toward all the people involved with the NHK Spring Group.

FY2024 Results and the 2026 Medium-Term Management Plan

In FY2024, we recorded record-high results in all areas: net sales, operating profit, ordinary profit, and profit attributable to owners of parent. We have made a solid start in the first fiscal year of the 2026 Medium-Term Management Plan.

The environment surrounding the NHK Spring Group has not been kind by any means, with U.S. tariffs and other factors on top of the decrease in automobile production volume. Nevertheless, owing to the expansion in demand regarding suspensions for HDDs used in data centers, a recovery in the semiconductor market resulting in greater demand for semiconductor process components, and other factors, the telecommunications field has achieved strong results that have supported

the Company’s performance.

One of our current priority issues is to improve profit at North American sites related to the automotive field. In terms of talent, improvements in the employment environment are steadily alleviating personnel shortages. Meanwhile, we are accelerating improvement measures, such as reinforcing talent support from Japan with a view toward further boosts in productivity.

Our efforts to improve profit include a company-wide focus on major DX investment, as indicated in the 2026 Medium-Term Management Plan. DX initiatives enable more sophisticated approaches for solving operational issues that could not be achieved through conventional means. As such, we can expect these initiatives to contribute to profits. Furthermore, by nurturing DX talent, we are pursuing a strategy that will help establish sustainable competitiveness, which is essential for the Company’s growth.

Challenges Facing NHK Spring with a View Beyond the 2026 Medium-Term Management Plan

The Company will also pursue initiatives for creating new businesses with a perspective that goes beyond the 2026 Medium-Term Management Plan.

SkyDrive Inc. made waves with its eVTOL aircraft exhibit at Expo 2025 Osaka, Kansai. Through capital investment and a business partnership with SkyDrive Inc., as well as through the provision of seat and skid components, we helped to bring a future mobility society one step closer. SkyDrive Inc. plans to commercialize eVTOL aircraft, and the Company decided to engage in capital investment and a business partnership in 2022. I was President of the Sales Division when talks about this move began within the Company. Back then, our team members saw the significance and potential regarding the Company participating in eVTOL aircraft efforts, and expressed their enthusiasm to me about going ahead with it. I was struck by their passion and decided to support them. Collaborating with a venture was something that the Company did not have much knowledge about at the time. However, it is an honor for us as a manufacturing company to be involved in development to create the

Message from the President & COO

future of mobility with a new partner. I would like to take on initiatives in co-creating value with a wide range of partners and thereby realize new next-generation businesses.



©SkyDrive

NHK Spring's Strength Backed by Human Capital

The NHK Spring Group's strength is its capability for all departments in charge to come together in research, design, development, procurement, production, and sales, thereby exerting our Group's collective strengths in maximizing customer value. Our human capital serves as the source of all these efforts. Each and every employee demonstrates individuality and talent as they take on challenges in the things they want to do, based on new ideas with a forward-looking perspective. They engage in their own tasks and do not let themselves be constrained by the categorical borders within operations, nor do they falter in the face of hardships as they refine and develop their abilities. These efforts culminate in their skills being demonstrated as our collective strengths, and help develop the NHK Spring Group's businesses while also contributing to the creation of new businesses. The NHK Spring Group is a company that originated with the production of automotive suspension springs. Ever since we started operations, we have catered to the needs of markets and customers, thereby aiming to achieve a multifaceted position in a wide range of fields, including mobility, telecommunications, industry, and lifestyle. We have utilized core technologies in each of these fields to continually create "indispensable key parts" that are essential for social development. As a result, our customers trust us, and we have many products with a high market share. We have achieved this solely through earning the trust of customers and all other stakeholders by operating as an independent company, not faltering in the face of a harsh business environment, and continually taking on challenges tirelessly with freeform

thinking, unconstrained by the boundaries of existing businesses. The NHK Spring Group will continue to foster a corporate culture geared toward taking on challenges and develop employees with individuality and talent who are passionate about manufacturing and can engage in bold initiatives. As a member of management, I will support them in their challenges and endeavors. To continually maintain and enhance the strengths of the NHK Spring Group's human capital, I have adopted "Respect for People" as a Group-wide slogan, and have defined "Challenge," "Accomplishment," "Co-creation," and "Imagination" as the elements of the "type of talent we seek." To achieve this aim, as well as the "type of organization we aspire to be" that we defined alongside it, we will review our training and personnel systems, enhance incentives through license allowances and other measures, reduce heavy-duty work to mitigate the strain on employees and promote the participation and career advancement of women and senior personnel, and execute many other measures in all manner of areas.

Type of talent we seek	Challenge	People who are willing to take on new challenges
	Accomplishment	People who take responsibility and see things through to the end without running away
	Co-creation	People who create value by combining individual strengths
	Perspective	People who can think about things from a high perspective and with a broad view
Type of organization we aspire to be	Developing individuality and talent	An organization that gives opportunities to people who take on challenges and grow
	Facing things head-on	An organization that is sincere to all stakeholders
	Creating collaboration	An organization in which people cooperate while transcending self-interest
	Utilizing diversity	An organization where people with diverse strengths can play active roles

Promoting Sustainability

We have positioned sustainability as part of our sustainable policies in the 2026 Medium-Term Management Plan, and we have further strengthened our efforts in this regard from FY2024 onward. Out of the eight materialities defined by the NHK Spring Group, we placed particular focus in FY2024 on "Respect for People" as well as "achieving carbon neutrality" and "respect for human rights." In relation to "achieving carbon neutrality," we set new targets for

overseas Group companies, and we will make Group-wide efforts to attain these targets.

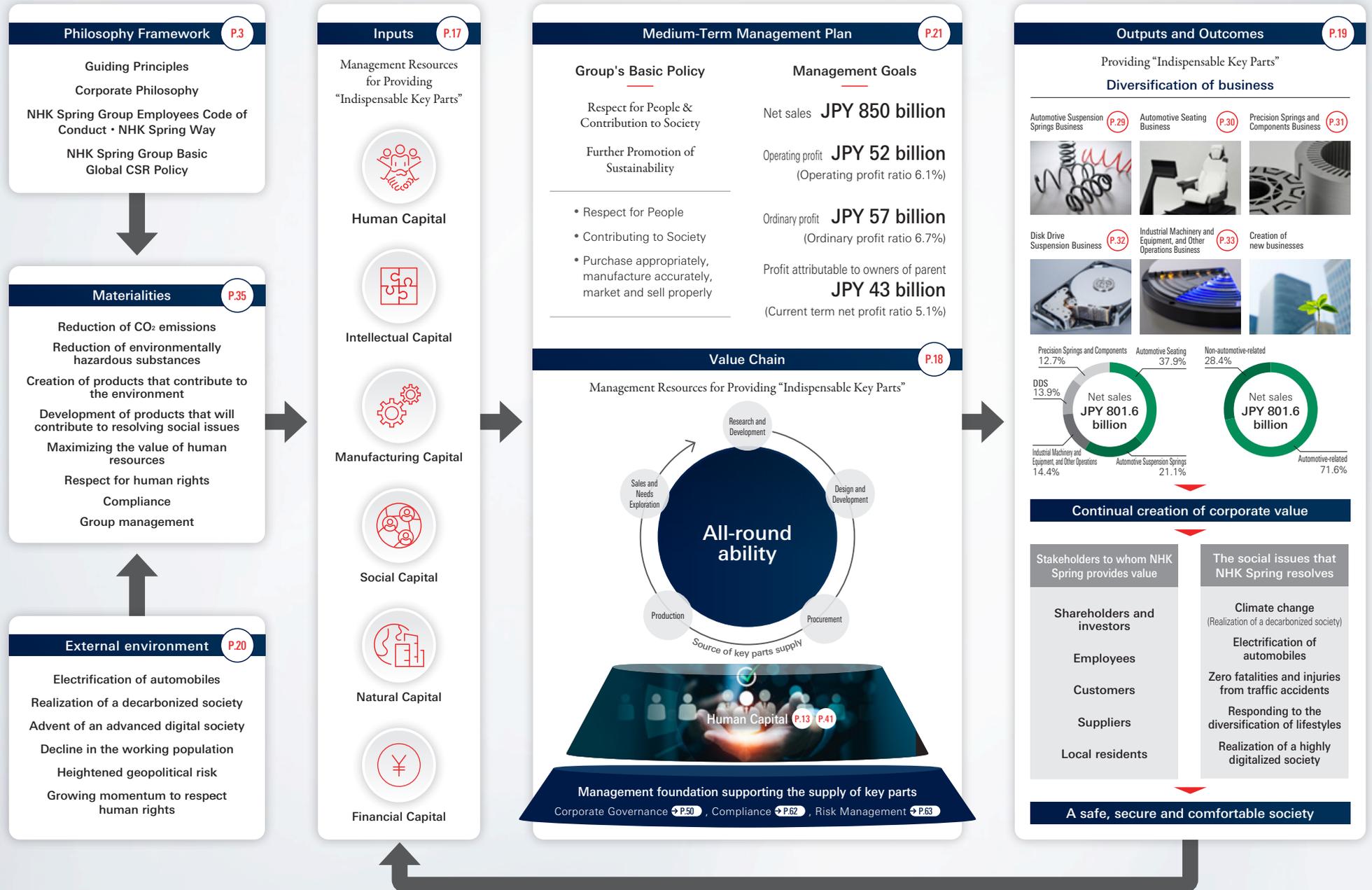
As a result of efforts including switching to electric furnaces for the Miyada Plant in Nagano Prefecture, which produces semiconductor process components, we have made advanced initiatives to achieve carbon neutrality within our production activities. Among our Group companies, another three plants similarly achieved carbon neutrality in the fall of this year. However, high-temperature furnaces are required for the manufacturing process in the Automotive Suspension Springs Business, the Company's founding business, making it hard to switch to electrical power. This serves as a severe barrier to achieving fundamental cuts to CO₂ emissions. To overcome this issue, we are currently conducting experiments with furnaces that use hydrogen and other alternative energy sources. We will continue with technology development to achieve carbon neutrality by 2039 in Japan and 2050 overseas, in line with our targets. In relation to "respect for human rights," we made major revisions to the NHK Spring Group Sustainability Procurement Guidelines in June 2025, in light of international norms, industry association guidelines, and other factors. In other efforts, we have launched measures for human rights due diligence, including human rights risk assessments, the establishment of a desk for handling complaints, and surveys with business partners. We will strive to further boost our effectiveness compared to our conventional initiatives and work with our business partners to enhance value across the entire supply chain.

Greetings

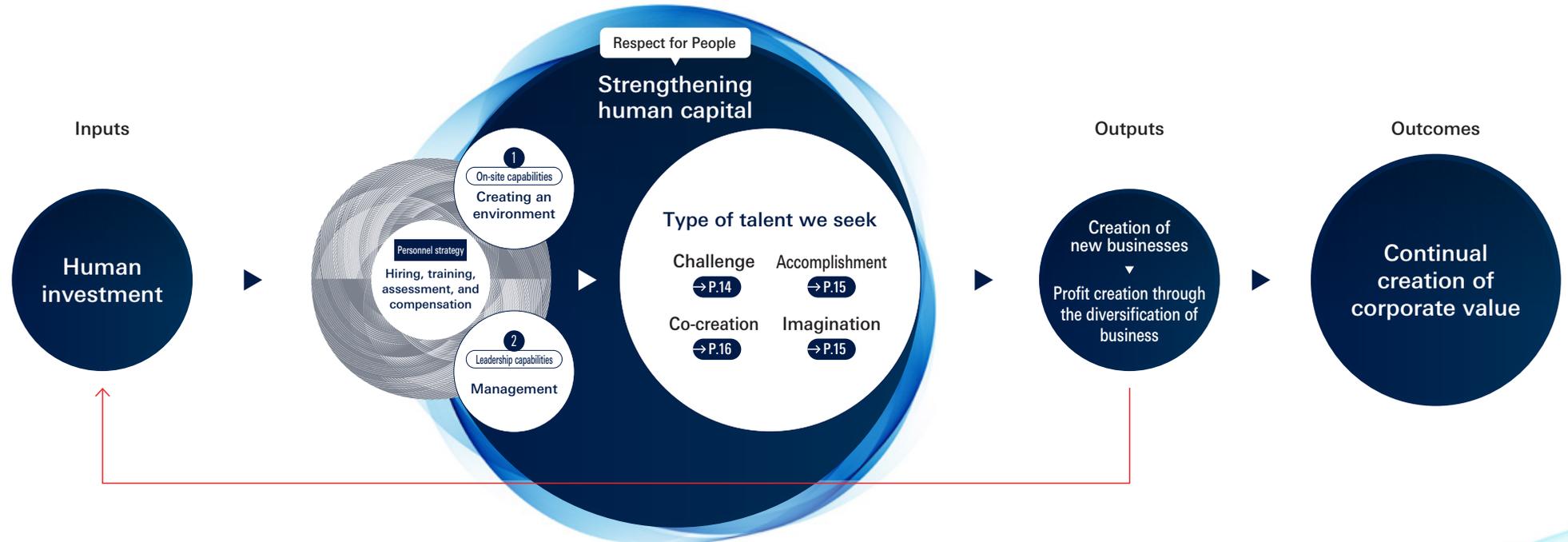
The NHK Spring Group seeks to continually provide value and become an "indispensable company" within society by flexibly changing and tirelessly taking on challenges in the face of a shifting business environment. Throughout this Integrated Report, we would like to impart to our shareholders, investors, and other stakeholders an understanding of some aspects of the NHK Spring Group's thinking and activities, while also sparking a sense of anticipation. Additionally, we seek to provide more opportunities for constructive dialogue aimed at improving our corporate value. We would like to thank you all for your continued support.

Value Creation Process

NHK Spring Group contributes to the development of an affluent society through "providing indispensable key parts."



Cycle of Strengthening Human Capital



Personnel strategy Hiring, training, assessment, and compensation

Promising talent that **we want to hire**

People with **distinct individuality**

Talent that we want to train

through ability development

People with **individuality on a daily basis**

1 On-site capabilities Creating an environment

Nurturing individuality and talent

Utilizing people who help provide workplaces that are both rewarding and comfortable to work in, and leveraging diversity

A culture of supporting people in taking challenges across boundaries
Respecting freeform ideas and actions that are not bound by preconceptions within the organization or business

Workplaces that develop individuality and talent
Watching over, supporting, and encouraging the growth of talent that take on challenges, rather than restricting them

A culture in which every person envisions their ideal status and autonomously thinks and takes action to this end through backcasting
Serious consideration at worksites about methods to generate profit in light of market conditions, competition, and the Company's strengths

2 Leadership capabilities Management

Timely and robust support from management

Management can make accurate decisions and rapidly issue the necessary support just when worksites are accelerating efforts to take on challenges

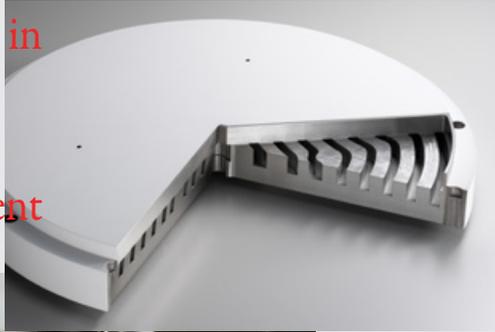
Management and worksites unite in picking up the gauntlet

Project teams are backed by management, enabling them to accelerate marketing, prototyping, and sales as they learn from both successes and failures

Our Journey in Human Capital and Value Creation

PAST »»» PRESENT »»» FUTURE

Taking on Challenges in the Semiconductor Industry with Individuality and Talent



Semiconductor Process Components

—Creating new technologies and entering the unknown—

Around the year 1990, one young researcher developed a technology to bond different types of metal together. At the time, this researcher first focused on developing the technology.

Ever since joining the Company as an employee, he had dreamed of manufacturing that offered profitability with a high unit price. The Company recognized his passion as a form of individuality and provided an environment in which he could freely take on challenges.

Later, this technology would find a connection with the demand for aluminum bonding for cooling plates in the semiconductor industry. In this way, the results of his research went beyond just bonding technology, expanding to cover all products using this technology—in other words, key component sales.

Utilizing its strong capabilities in integrated development right up to the stage of finished products, NHK Spring has grown as a company that can provide added value to everything from materials and processing technologies to quality assurance. This technology is now positioned in the category of semiconductor process components in the Industrial Machinery and Equipment Division and has expanded in the form of an important growing product line that will lead the Company into the future.

→ Industrial Machinery and Equipment, and Other Operations Business P.33

Challenge

—The power to turn 0 into 1—



Promoting Challenges for the Future, with Passion as the Key



Initiatives for Exploring New Businesses

—Sowing seeds for the next generation—

We have an organization for exploring new businesses that has continually existed from the past to the present, although the structure of this organization has changed flexibly with the times.

Currently, the Sales Division, Research and Development Division, and Corporate Planning and Control Division each have departments and teams for exploring new businesses that can serve as pillars of the Company in the next generation. Each division investigates the potential of new businesses from many different angles, while also teaming up to achieve synergistic effects.

These activities are rooted in a sense of excitement about the future as well as a passion to take action. These elements are key for propelling efforts to take on challenges.

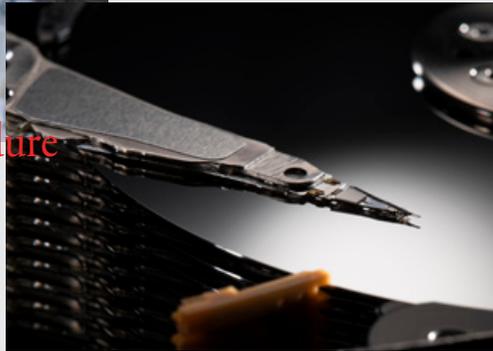
→ Research and Development P.48

Our Journey in Human Capital and Value Creation

PAST ➤➤➤ PRESENT ➤➤➤ FUTURE



Perseverance to Endure Tough Times and Look to the Future



HDD Suspensions

—Overcoming harsh times and aiming to attain the top global market share—

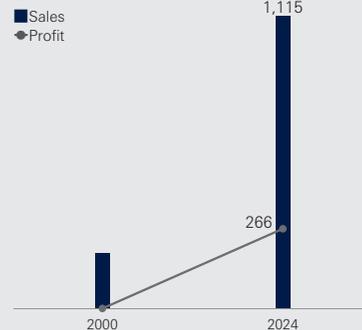
In the 1960s, the head of the Company at the time established a target for expansion in the field of telecommunications, which was outside of the automotive field. In line with this, the Company shifted away from the dot printer business and began developing HDD suspensions in the 1980s.

The process of business development involved large-scale investment that resulted in several years of losses. Nevertheless, the head of the Company firmly believed in the market strengths that HDDs posed in the context of a new, highly digitized society with respect to cost superiority and stability in data storage. By focusing our perspective on future growth, we persevered and continued development while improving worksites.

Employees had the desire to attain world-leading status with distinct products, and they made efforts toward this goal, which have helped to boost the Company's development capabilities. As a result, we have developed products with high added value and have streamlined our production line, thereby improving profitability. In addition, we have established a structure with three sites in Japan, China, and Thailand and created a training program. The ability to provide products with uniform quality on a global scale has allowed us to expand our market share from an initially low value as a suspension manufacturer, and we have now achieved the top market share in the industry.

Trends in HDD Suspension Business Profit

(JPY hundred million)



→ HDD Suspension Business P.32

—The power to persevere and endure in the face of hardships—

Accomplishment

—The power to refine technologies with an eye toward future growth—

Imagination

Bold Investment of Management Resources in Growing Fields



Motor Cores

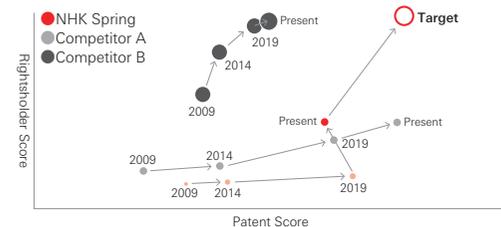
—Coming back from major capital expenditures and improving profit—

To cater to customers' issues in our EV development, we have taken on challenges in new product development (motor cores) while leveraging our technologies. However, the number of units sold did not grow as expected, and we also had costly capital expenditures at the same time, resulting in a grueling experience.

Nevertheless, by creating a common understanding across all plants that motor cores are essential products for the electrification of cars, we promoted a transformation in awareness among all worksites and staff members. As a result, every employee polished the skills needed to realize a future of business expansion, and we successfully boosted productivity and achieved greater added value. In addition, we are improving profit through increased productivity and a growing number of orders.

Changes in Our Portfolio of Motor Core-related Patent Applications Over Time

*Created by NHK Spring using "Biz Cruncher" of Patent Result Co., Ltd.



*Changes over time from 2009→2014→2019→2024

*The circle size represents the number of patent applications.

Overview of Motor Core-related Patent Applications in NHK Spring

■ Ratio of applications to total company filings
 ■ Ratio of engineers in their first 5 years of employment

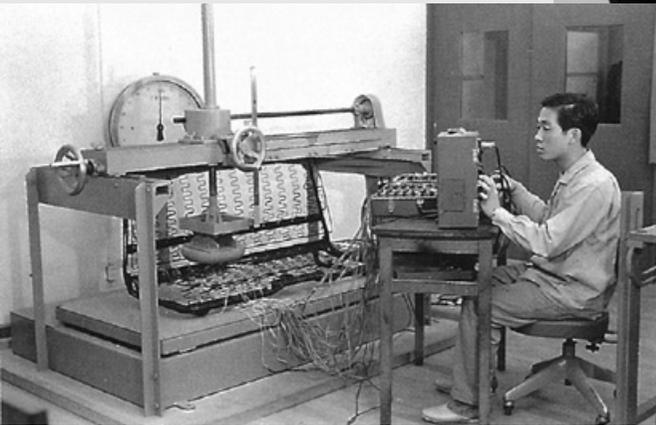


→ Precision Springs and Components Business P.31

Our Journey in Human Capital and Value Creation

PAST >>> PRESENT >>> FUTURE

Expansion in Existing Businesses Through Trusting Relationships with Customers



Automotive Seating

—Aiming to become a finished-product manufacturer with a focus on proposals—

The Company has fostered a relationship between Subaru Corporation and the Automotive Seating Business, which was sparked when our torsion bars were used in the Subaru 360. We have successfully gained even greater trust by boosting delivery efficiency through synchronous seating production.

At the time, our production was limited to metal frames alone. However, as we pursued automotive seating development for Subaru Corporation, we sought to become a finished-product automotive seating manufacturer and develop the ability to propose designs on our own, allowing us to consider the comfort of the seat as a whole. To this end, we learned and expanded urethane foaming technologies. Currently, we demonstrate our strengths as the only automotive seating manufacturer capable of using a urethane formula in-house. We are involved in the seating for almost all Subaru models and have built a robust relationship of trust.

→ Automotive Seating Business P.30

Co-creation

—The power to create value with partner companies—



Taking on New Challenges with a New Partner



©SkyDrive

SkyDrive Inc. and eVTOL Aircraft

—Value Co-Creation with a Venture—

As our team members involved in both research and development and sales explored businesses that could serve as pillars of the Company in the next generation, they decided to take on a challenge within a new field in which the Company had a gap in its knowledge; namely, collaborating with a venture in the aviation industry. These team members gained understanding from inside the Company as they launched a project for a new business.

Our challenge in the aviation industry bore fruit through a fusion between our technologies and those of the venture serving as our new partner. We aim for our products to be officially adopted in commercial aviation planned for 2028.

Venture Capital Project (VC Project)

We established the VC Project in FY2024 and are pursuing initiatives for the co-creation of value with new partners.

Management Resources (FY2024 results)

The NHK Spring Group realizes sustainable growth by allocating various management resources to its business activities and providing customers with "indispensable key parts."



Human Capital

Based on the concept of "Respect for People" as the source of value provided to society and stakeholders, we work on human resources development, organizational development, and the development of systems and culture with an aim to maximize the value of the talent that will lead to the realization of our management strategies.

- Employees (consolidated): **20,809**
*The number of employees including the average number of temporary employees
- Total number of training hours: **330**hours
- Number of overseas trainee program participants: **6**
- Engagement score: **67.6**pt



Intellectual Capital

We will work to create new technologies and products that anticipate changes in society by rigorously protecting and managing our intellectual property and by utilizing the knowledge and know-how we have accumulated over the years, including intellectual property.

- Number of patents: **5,522**
(of which 3,180 are overseas)
- R&D expenses: **JPY22.7 billion**
(R&D per sales ratio 2.8%)
- Number of R&D sites: **2**



Manufacturing Capital

By establishing manufacturing bases around the world, we are building a global production and supply system, and we continue to actively make capital expenditure investments in growth areas in order to create new added value.

- Number of manufacturing centers: **52**
- Capital expenditure: **JPY40.2 billion**



Social Capital

The NHK Spring Group aims to be "Caring teamwork" by building strong relationships of trust with all stakeholders based on sincere engagement, and growing together with them and society.

- Total number of suppliers: approximately **1,400**
- Total dialogues with shareholders and investors: **211**
- Brand strength of "NHK Spring" in markets



Natural Capital

Aiming for harmony between business activities and the global environment, we work to minimize the environmental impact of the NHK Spring Group's business activities, beginning with measures to address climate change.

- Electricity use (purchased): **162,284 MWh**
- Gas use: **4,676,000 m³**
- Water use (city water): **252,000 m³**
(Well water): **226,000 m³**



Financial Capital

We maintain a sound and robust financial base, while strengthening our earnings structure and implementing optimal capital allocation.

- Free cash flow: **JPY7.9 billion**
- Cash and cash equivalents: **JPY81.8 billion**
- Total assets: **JPY696.3 billion**
- Rating and Investment Information, Inc. (R&I) Credit Rating: **A(Stable)**

Value Chain

At the NHK Spring Group, more than 20,000 employees pull together to supply “indispensable key parts” to our customers. The NHK Spring Group’s strength, which makes it possible to provide “indispensable key parts,” is “all-round ability.” From research and development to sales, we demonstrate our all-round ability by making the most of our strengths in human capital and each process, ensuring that the entire value chain is closely tied together.

Creation of Key Parts through Demonstration of All-round Ability



Research and Development

Accumulating the core technologies and know-how of the NHK Spring Group, including metal processing technology, we develop new products and applied products that utilize these core technologies in collaboration with customers, business partners, research institutions, etc.



Sales

We strive to build and maintain strong relationships of trust with our customers and improve customer satisfaction based on our understanding of industry needs and trends as an independent company.



Design and Development

We work to realize the requests of our customers and propose high-value-added products that utilize NHK Spring’s core technologies. We also promote front-loading to prevent quality problems from arising.



Production

We will improve our production capacity and productivity and stably supply high-quality products while taking into consideration regional safety and environment.



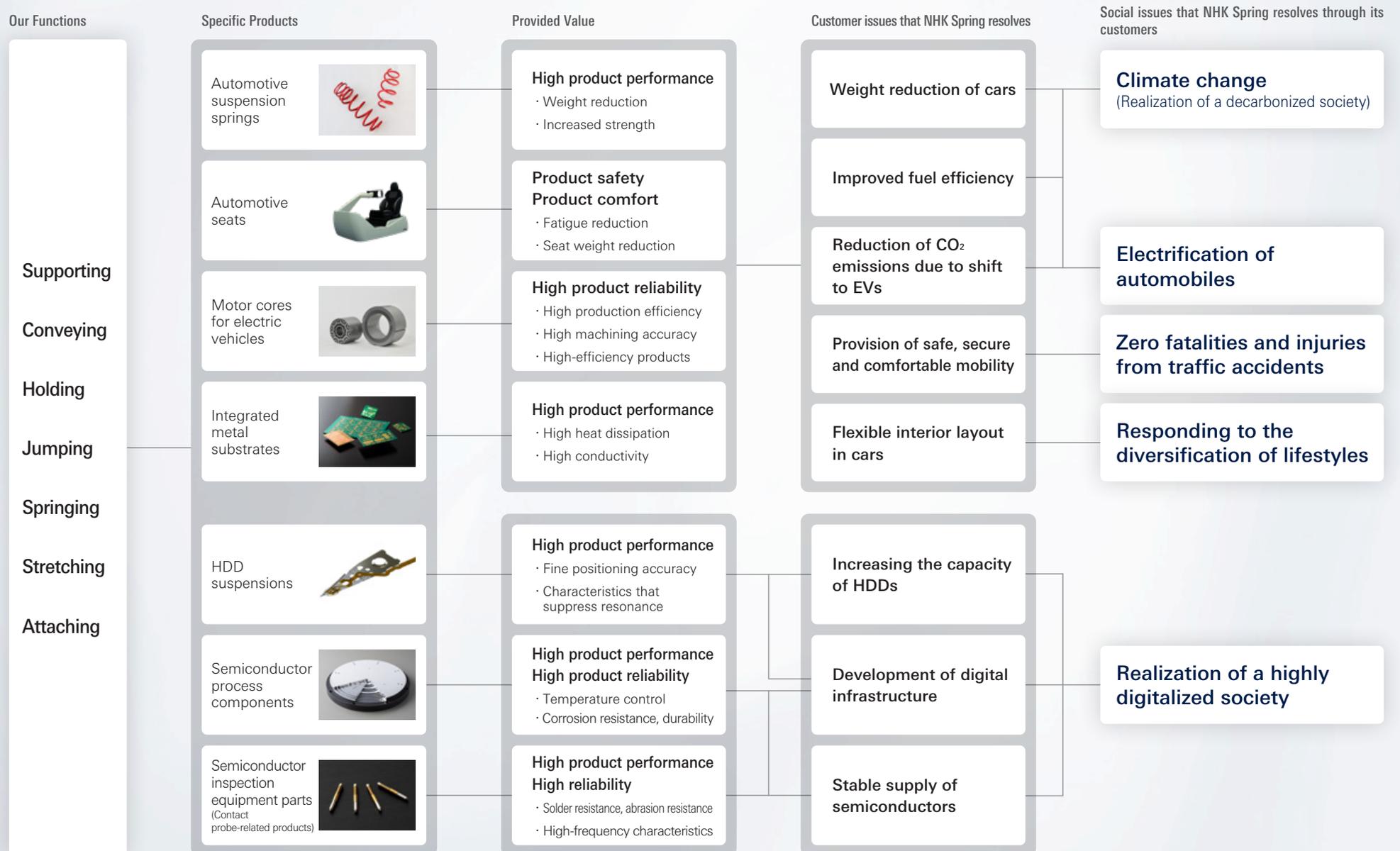
Procurement

We will conduct appropriate transactions in compliance with the Subcontracting Law, relevant laws and regulations pertaining to human rights, etc., and international rules. We will work with business partners to build a strong supply chain and procure the optimal materials and parts for manufacturing products.



Key Parts the NHK Spring Group Supplies to Society

The NHK Spring Group is committed to developing products that will contribute to solving social issues, and we will continue to provide "indispensable key parts."



Changes in External Environment, Risks, and Opportunities

We will introduce the risks and opportunities arising from changes in the external environment recognized by the NHK Spring Group, and how we are responding to them.

Changing External Environment	Risks	Opportunities	Countermeasures for Risks and Opportunities
1 Electrification of automobiles	Due to the progress of electrification, if the production volume of gasoline-powered vehicles decreases due to stricter regulations, it is expected that the NHK Spring Group's sales of parts for gasoline-powered vehicles will decrease.	With the market expected to expand due to the advance of electrification, sales of the NHK Spring Group's electrification-related products are expected to increase.	<ul style="list-style-type: none"> · Accelerating the development of electrification-related products through proactive investment
2 Realization of a decarbonized society	With consumer preferences shifting to more environmentally friendly products, we may face a risk of decreased order volume if we fail to respond in a timely manner.	By actively promoting carbon neutrality and working to reduce environmental impacts in other ways, our Group can earn high praise from stakeholders.	<ul style="list-style-type: none"> · Realization of carbon neutrality · Creation of environmentally friendly products (including electrification-related products), and proactive investment
3 Advent of an advanced digital society	With the advent of an advanced digital society, there is a risk of a decrease in the market share of HDDs and an increase in the market share of storage devices such as DRAMs and SSDs due to the falling price of semiconductors.	As we move towards an advanced digital society, we can expect to see an increase in the number of HDDs in data centers, as well as an increase in demand for high-performance products, such as miniaturized semiconductors.	<ul style="list-style-type: none"> · Increasing the precision of HDD suspensions and expanding production capacity · Increasing the functionality of parts for semiconductor manufacturing equipment and semiconductor inspection equipment parts
4 Decline in the working population	Due to the declining population of working age in Japan, there is a risk of a deterioration in productivity due to the difficulty of passing on skills.	In order to make the most of our diverse talent, working to create workplaces that are both rewarding and comfortable to work in will lead to increased productivity and innovation.	<ul style="list-style-type: none"> · Strengthening of human capital management (securing and developing human resources, D&I, work style reform, personnel system reform, creating a safe and secure workplace) · Improving labor productivity through labor saving
5 Heightened geopolitical risk	There are parts procurement risks due to plant shutdowns and supply chain disruptions caused by large-scale natural disasters, etc.	By implementing BCP measures and strengthening and diversifying the supply chain, we will strengthen our relationships of trust with customers and other stakeholders.	<ul style="list-style-type: none"> · Implementation of BCP measures · Strengthening and diversification of the supply chain
6 Growing momentum to respect human rights	If human rights violations arise in the supply chain, these can negatively impact business and lead to reduced sales.	By soundly implementing human rights due diligence, relationships of trust with stakeholders will become even stronger.	<ul style="list-style-type: none"> · Strengthening of the human rights promotion system · Implementation of human rights due diligence

2026 Medium-Term Management Plan

Basic Policies and Priority Measures

Stance and Background in Formulation of Priority Measures

We believe that the source of the NHK Spring Group's growth has always resided in and will continue to reside in our employees. Under the theme of "Respect for People," we aim to be a Company where employees feel "I'm glad to work for the NHK Spring Group." To this end, we tackle challenges for the personnel system, employee benefits, and the promotion of DE&I under the key themes of "creating a safe and secure workplace," "creating a comfortable workplace," and "creating a rewarding workplace." Specifically, we will promote women's participation and career advancement, strengthen systems and education that enable flexible work styles, and create a workplace environment where people can play an active role regardless of gender. Moreover, by eliminating heavy-duty work, we will reduce physical strain on our staff while aiming to enhance productivity. We will further strengthen our relationships of trust by disclosing information in a way that is easy for stakeholders to understand, and by making improvements through ongoing dialogue with stakeholders.

The theme of "Contributing to society" refers to the promotion of sustainability activities. This is a social requirement that is consistent with NHK Spring's Corporate Philosophy. Specifically, as we aim to achieve carbon neutrality in Japan and zero industrial waste by 2039, we will continue creating products that contribute to the environment and address social issues. We also engage in ongoing community service activities to build relationships of trust with the local community.

The theme of "Purchase appropriately, manufacture accurately, market and sell properly" mainly refers to efforts to ensure proper transactions. In procurement, we will comply with CSR procurement and subcontracting laws*; in manufacturing, we will enhance competitiveness by maintaining quality and promoting DX; and in sales, we will secure appropriate profits by appropriately communicating product value to customers.

*In 2025, the Subcontract Act was amended into the "Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields (abbreviation: "Anti-Delay Act")," which will be enforced on January 1, 2026. At the same time, in laws, regulations, and guidelines, terms such as "main subcontracting business operators" and "subcontractors" have been revised to "entrusting business operators" and "small and medium-sized entrusted business operators," respectively.

Basic Policy	Priority Measures
Respect for People	Creating safe and secure workplaces <ul style="list-style-type: none"> • Enhancement of health promotion We will strengthen our health-related consultation services.
	Creating a comfortable workplace <ul style="list-style-type: none"> • Promoting DE&I We will establish working conditions that allow a diverse range of people to demonstrate their abilities. • Improving the work environment We aim to create a comfortable work environment by eliminating heavy-duty work.
	Creating a rewarding workplace <ul style="list-style-type: none"> • Review of the personnel system We will reduce the seniority factor and switch to a personnel system that makes the most of individual abilities • Review of the training system We will build a training system linked to the personnel system.
	Further strengthening trust with stakeholders <ul style="list-style-type: none"> • Dialogue with stakeholders We will promote mutual understanding through dialogue.
Contributing to Society	<ul style="list-style-type: none"> • To achieve the goals set forth in NHK Spring Group's Environmental Challenges, we are working to solve social issues by reducing CO₂ emissions and industrial waste. • We develop products that resolve social issues required by the automotive and telecommunications industries. • We help revitalize communities through local contribution activities.
Purchase appropriately, manufacture accurately, market and sell properly	<ul style="list-style-type: none"> • We will comply with the standards of the Subcontract Act and the Act on the Promotion of Small and Medium-Sized Enterprises, and strive to ensure appropriate transactions. • Establish front-loading and strive to optimize both quality and cost. • By promoting DX, we will develop the infrastructure for business transformation with the aim of updating core systems and improving business efficiency. • We strive to secure appropriate profits commensurate with the value of our products.

2026 Medium-Term Management Plan

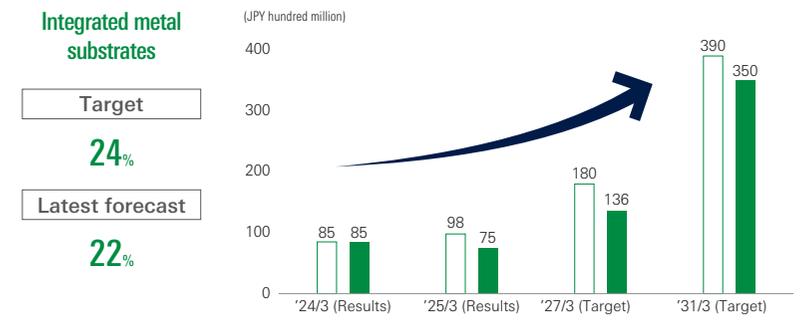
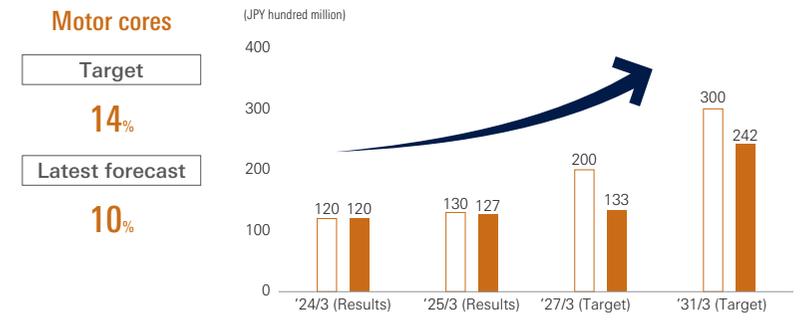
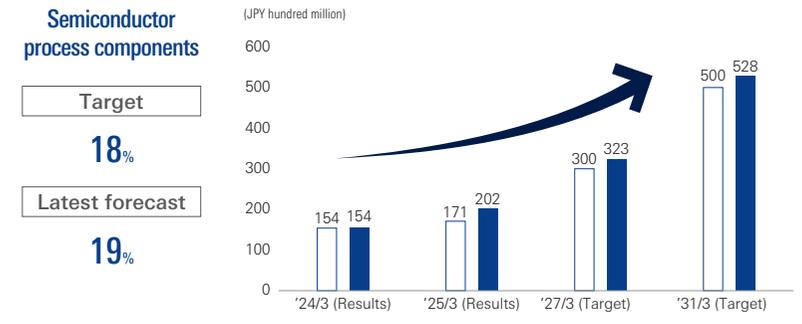
Progress in Financial Indicators

In the year ended March 31, 2025, we achieved an ROE of 11.9%, exceeding the target of 10% under our 2026 Medium-Term Management Plan. For the year ending March 31, 2026, we forecast an ROE of 9.6% and will continue working to achieve 10% or higher. We have been outperforming our targets under the Medium-Term Management Plan for the management indicators newly added starting from the 2026 Plan: ROIC, stockholders' equity to total assets ratio, and ratio of cross shareholdings to net assets. Regarding CAGR for our three growth business segments, semiconductor process components are expected to outperform the target. As for motor cores and integrated metal substrates, while the vehicle electrification trend has slowed down, we continue preparing for development and production, in anticipation of expanding demand.

		FY2024/3 (Results)	FY2025/3 (Results)	FY2026/3 (Forecast)	2026 Medium-Term Management Plan (Targets)	
Net Sales and Profit/Loss	Net sales	JPY 766.9 billion	JPY 801.6 billion	JPY 800 billion	JPY 850 billion	
	Operating profit <small>(Operating profit ratio)</small>	JPY 34.6 billion (4.5%)	JPY 52.1 billion (6.5%)	JPY 47 billion (5.8%)	JPY 52 billion (6.1%)	
	Ordinary profit <small>(Ordinary profit ratio)</small>	JPY 47.8 billion (6.2%)	JPY 57.9 billion (7.2%)	JPY 53 billion (6.6%)	JPY 57 billion (6.7%)	
	Profit attributable to owners of parent <small>(Net profit margin)</small>	JPY 39.1 billion (5.1%)	JPY 48.1 billion (6.0%)	JPY 40 billion (5.0%)	JPY 43 billion (5.1%)	
Financial Indicator	Investment efficiency	ROE	10.4%	11.9%	9.6%	10% or higher
		ROIC	6.1%	8.3%	7.1%	7% or higher
	Shareholder return	Dividend payout ratio	24.2%	30.7%	33.6%	30% or higher
	Soundness	Stockholders' equity to total assets ratio	58.7%	58.5%	59.3%	50% or higher
	Cross shareholdings	Net asset ratio	20.8%	14.8%	13.1%	Less than 20%

Red text: Management indicators newly added from the 2026 Medium-Term Management Plan

Compound Annual Growth Rate of Net Sales (CAGR) Period: FY2024/3 to FY2031/3



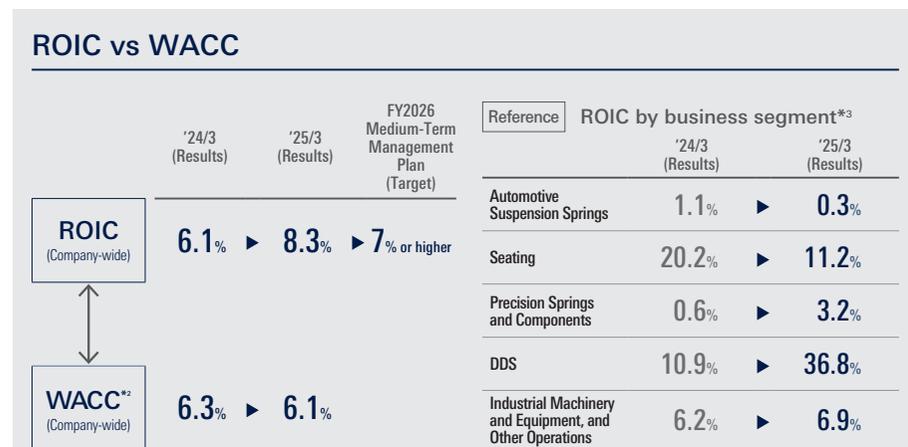
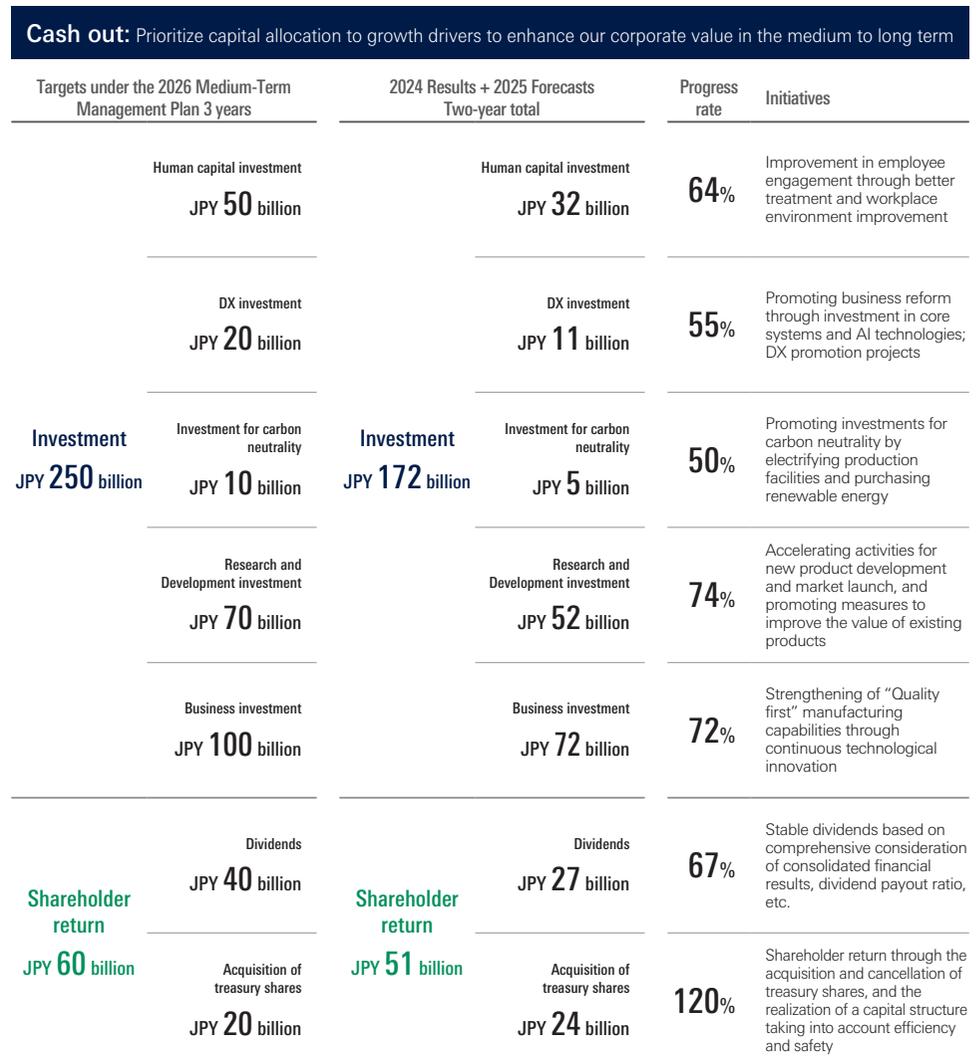
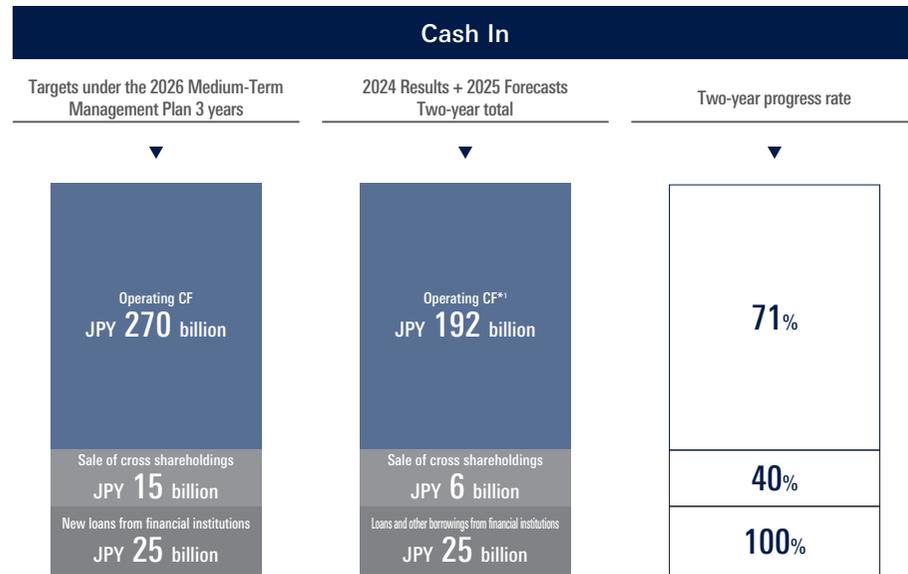
Legend: □ Targets under the Medium-Term Management Plan | ■ Results and latest forecasts

2026 Medium-Term Management Plan

Capital Cost and Cash Allocation

Comparing the ROIC and WACC, in the year ended March 31, 2025, the ROIC was 8.3%, exceeding the WACC of 6.1%. The ROIC has exceeded the target of 7% under the 2026 Medium-Term Management Plan, with the overall performance driven by the HDD Suspension Business. Regarding cash in, our operating cash flow is on track with the plan. As for cross shareholdings, we will continue our efforts to keep the ratio to net assets under 20%.

To enhance our corporate value in the long term, we are actively allocating our capital to invest in growth drivers, including human capital, DX, carbon neutrality, R&D, and business.



*1 The operating cash flow of JPY 192 billion was calculated by adding expenses of JPY 77.8 billion included in cash out investments (human capital investment: JPY 26.5 billion, DX investment: JPY 3 billion, carbon neutrality investment: JPY 1 billion, R&D investment: JPY 47.3 billion) to the actual operating cash flow of JPY 114.2 billion.
 *2 In calculating WACC, we use the yield on newly issued 10-year Japanese government bonds as the risk-free rate, the equity risk premium based on weekly data for two-year periods since 1974, and the Company's 60-month historical beta.
 *3 ROIC by business segment is calculated on a simplified basis using non-current assets and inventories for management efficiency purposes.

Human Capital Investment

The purpose of this investment is to maximize the value of human resources by developing employees and enhancing their engagement as a source of our business growth.

Investment Overview

Creating a comfortable workplace

Improve working conditions, including eliminating heavy-duty work

Eliminating heavy-duty work

“Heavy-duty work” refers to lifting heavy objects at manufacturing sites, working in strenuous postures, and other tasks that involve physical strain. To reduce the current physical strain on our employees and prepare for future labor shortages, we evaluated tasks across all our sites, including our domestic Group companies, based on posture and the weight handled. Based on the evaluation results, we identified tasks exceeding a certain score as “heavy-duty work” and are promoting initiatives to reduce them.

Target	2026 Medium-Term Management Plan	Cases of heavy-duty work 95 (As of July 2025) ▶ 0 (Target for FY2026)
	After 2026 Medium-Term Management Plan	Eliminate tasks that scored below the threshold for “heavy-duty work” but are still “subjectively perceived as physically demanding”

Investment amount

FY2024	FY2025	FY2026
JPY 1.0 billion	JPY 1.3 billion (Budget)	JPY 0.9 billion (Forecast)

Target: Domestic Group companies

Semiconductor process components Automating inspection processes

Manufacturing semiconductor process components involves a series of operations: gripping disk-shaped metal products, polishing them and flipping them over before inspection, placing them into and removing them from inspection water tanks, and placing them in a drying area. Since these components weigh between 10 kg and over 30 kg, manually carrying them and loading/unloading them from inspection water tanks placed significant physical strain on employees. Although lifting precision components that cannot tolerate any defects with robot arms is highly challenging, automating processes where feasible is expected not only to reduce the existing physical strain but also to enable us to assign women and seniors, thereby providing greater flexibility in securing personnel.



Automated ultrasonic flaw detection process for semiconductor process components using robots

Personnel system reform

Revise the personnel and education systems

Initiatives to promote health

Newly establish a “Mental Health Consultation Service” and “Consultation Service for Gender-Specific Diseases”

Improvement of employee engagement

- Enhance the license allowance system
 - Obtain “Platinum Kurumin” certification
- (Enhance childcare support)



License allowances

To secure and train talent with advanced expertise, we have established a new system for providing allowances to employees holding government-approved certifications, professional licenses, and company-certified qualifications. Following the establishment of the new system in FY2023, we gradually expanded the scope of eligible qualifications in FY2024 and FY2025. This expansion is expected to help enhance employees' motivation for upskilling in the medium to long term.

	FY2023	FY2024
Estimated investment amount	JPY 300 million	JPY 400 million
Number of eligible qualifications	223	279
Number of employees holding eligible qualifications	2,775	3,117
Number of allowances per person	2.25	2.47
Allowance amount per person	JPY 12,526	JPY 12,417

→ Initiatives for Human Capital P. 41

DX Investment

The purpose of this investment is to promote DX, thereby enhancing our competitiveness.

Investment Overview

Promoting business reform

Update core systems, build next-generation networks, and launch DX promotion projects

Investing in AI technologies

Validate the automation of AI-enabled visual inspection processes for HDD suspensions

Developing DX talent

Implement specialized training by business segment and DX literacy training for all employees*

*Excluding some employees at manufacturing sites

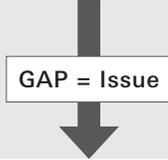
Purpose and system for promoting DX

To solve business issues by implementing IT, digital technologies, and data, we launched the DX Promotion Project in FY2024. By addressing business issues that were previously difficult to solve (gaps between “The Vision We Aim For” and our current status) across the entire company, we are streamlining operations, improving productivity, and developing DX talent to enhance our competitiveness.

Cases of DX promotion Initiatives by the HDD Suspension Business

Previously

- Quality data from different sites were managed separately, making cross-site analysis difficult
- Collecting and organizing data took so much time that we could not focus on improvement activities

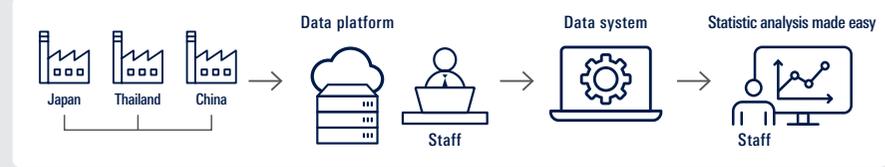


Now

With data collection and organization processes automated, engineers' jobs shifted from “compiling data” to “making improvements based on data.” The quality data platform was expanded to include production and facility data, further enhancing quality and improving productivity.

Initiative ① | Building and utilizing a data platform for factor analysis

We built a system that centrally manages quality big data by using the cloud from our three production sites in Japan and overseas. By using the dashboard to visualize the quality performance across all the sites, we reduced the person-hours for factor analysis. We will continue expanding the use of this system to further accelerate our improvement cycles and enhance quality stability as desired by customers, thereby strengthening customer trust.



Initiative ② | Developing DX talent and internalizing capabilities

With collaborative support from external experts, we have established a system that enables our staff to build and expand data platforms on their own. By internalizing capabilities, we have significantly enhanced our responsiveness to meet new analysis needs and improved cost efficiency.

Targets	Objectives	Training contents
<p>System development members</p>	Develop data systems in-house Deploy AI to increase work efficiency, etc.	[Collaborative support for building data systems] Combine various cloud services to build data systems tailored to different purposes, and accelerate and advance data utilization [AI workshop] Data analysis workshops using machine learning
<p>System users</p>	Understand DX better, effectively utilize digital tools, etc.	[Internal training] Training on analysis software, BI tools, AI, etc. [External training] Training for learning about DX and cloud through peers' case studies

Investment for carbon neutrality

The purpose of this investment is to achieve carbon neutrality as declared under the NHK Spring Group's Environmental Challenges.

Investment Overview

Upgrading facilities to reduce CO₂ emissions

Electrify and update facilities, switch fuels, and configure lines

Utilizing renewable energy

Purchase renewable electricity, invest in solar power generation, etc.

Hollow stabilizer bars Electrifying the tempering process

At NHK Spring Production Company, our domestic Group company, we switched the heating method for tempering hollow stabilizer bars from gas furnaces (LNG) to electric heating.

We were already advancing this initiative group-wide prior to

the 2026 Medium-Term Management Plan. With this project, we have completely eliminated gas furnace tempering across all our domestic production sites for hollow stabilizer bars.

CO₂ emissions reduced **-14.6t-CO₂/year**

Deploying solar power generation panels

In 2024, we installed solar power generation panels at Isehara Plant No. 2. To date, we have deployed solar power generation

equipment at 36 business sites: 6 at NHK Spring plants, 24 at Group companies in Japan, and 6 at Group companies overseas.

→ Environmental Initiatives P. 36

R&D Investment

The purpose of this investment is to strengthen development in existing business segments and create new businesses in the medium to long term.

Investment Overview

Strengthening development in existing business segments

Enhance the added value of existing products, develop new products in existing fields

Exploring new business development opportunities

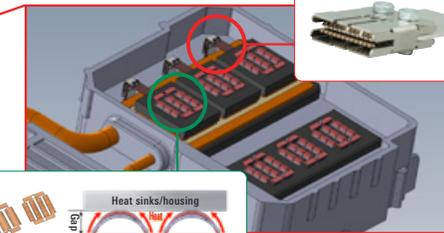
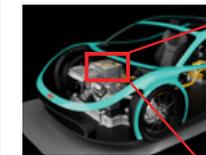
Conduct joint research projects with universities and other institutions, collaborate with communities and peers

Developing heat management products

HyCS® (precision spring products)

We have developed spring products for EV inverters and busbars connecting electrical components. This product showcases our strengths through a structure that integrates flat springs with different metal materials, providing spring properties and electrical conductivity, or spring properties and thermal conductivity.

[Example applications for EV inverters]



HyCS® joint
Busbar connection



HyCS®TIM

Heat dissipation and holding for power semiconductors



→ R&D Initiatives P. 48

Business Investment

The purpose of this investment is to strengthen "quality-first" manufacturing, enhance production capabilities in growth segments, expand and update plants, and transform manufacturing using IoT.

Investment Overview

Investing in growth segments

Purchase land, build or expand production buildings, and deploy equipment to reinforce production capabilities

Investing in existing businesses

Update facilities

Investing in integrated metal substrates to reinforce capabilities

To meet the strong demand for our integrated metal substrates used in vehicles and industrial equipment, we invested in building a new production building at the Komagane Plant (Industrial Machinery & Equipment) in Nagano Prefecture. In addition to this investment, we are considering gradually investing several billion yen, including in facilities, to meet the demand for integrated metal substrates, which is expected to grow significantly. By doing this, we aim to achieve sales of JPY 35 billion for FY2030 in our integrated metal substrates business.



Conceptual image of the new production building, Komagane Plant (Industrial Machinery & Equipment)

CFO's Message



CFO, Executive Corporate Officer,
President of Corporate Planning
and Control Division

Osamu Ikejiri

Greeting from the Newly Appointed CFO

My name is Osamu Ikejiri, and I assumed the position of CFO in April 2025. I have gained a broad range of experience over many years in corporate divisions, such as by working in the fields of accounting and finance, as well as being involved in corporate planning and information system operations. I have supported the Company's journey in active overseas expansion and corporate transformation, chiefly from the perspective of accounting and finance, starting in the year 2000. I feel that this process has shaped my career.

Review of FY2024 and Outlook for FY2025

FY2024 was the first fiscal year of the 2026 Medium-Term Management Plan, and it marked an important first step toward the Company's future. The external environment continues to be severe, with factors including global raw material price hikes, personnel cost increases, and exchange rate fluctuations. Nevertheless, the Company

has flexibly and reliably responded to these issues and has striven to stabilize its business and reinforce its financial base. In terms of business, the DDS (Disk Drive Suspension) Business in the telecommunications field showed strong performance, serving as a driving force for the overall results of the NHK Spring Group. The major factor for this performance was a recovery in hard disk drive (HDD) demand, owing to a rise in data center demand and an increase in AI-related data. The Company boasts the top global market share in this field and excels in its technological capabilities, including mass-production technology with high precision up to the micron level, thin leaf processing, and laser welding technology. Owing to this market environment and our technological superiority, I am certain that the DDS Business will continue to serve as a stable revenue source and drive the Company's growth. In terms of finance, we have outperformed our targets under the Medium-Term Management Plan in ROIC, stockholders' equity to total assets ratio, and net asset ratio of cross shareholdings, which we newly added as management indicators starting from the 2026 Medium-Term Management Plan. The major reason for the improvement in ROIC is the boost in operating profit caused by the strong performance of the DDS Business as well as the depreciation

[Excerpt from internal training materials]

Considering the implementation of new management indicators in the 2026 Medium-Term Management Plan to build a management base for the 2030 Medium-Term Management Plan

External requests

- In light of PBR falling below 1, there is strong demand for implementing ROIC to realize management with an even stronger awareness of capital efficiency and capital cost.
- There are requests to consider a business portfolio utilizing ROIC for each business and to disclose medium- to long-term financial strategies and cash allocation.

Issues with awareness within the Company

- There is a strong tendency to focus on managed profits and losses, and awareness has not been sufficiently fostered regarding non-current assets, inventories, and other types of invested capital (the balance sheet).
- There is a desire to firmly instill an approach to business management that considers efficiency in addition to the conventional focus on profitability.

The vision we aim for in the 2026 Medium-Term Management Plan

- Implement ROIC in the targets and indicators displayed in relation to improving corporate value (2026 Medium-Term Management Plan: **7.0% or more** > WACC (hurdle rate): **6.3%**)
- Foster a sense of awareness regarding invested capital (the balance sheet), which had been an issue internally, and boost sentiments about improving capital efficiency.
- Appropriately respond to requests from capital markets by disclosing ROIC, medium-term financial strategies, cash allocation, CAGR for growing businesses, and other details.
- Continue to communicate quantitative growth strategies that come with a story, foster greater understanding and higher expectations among external investors, and aim to correct PBR falling below 1.

Gaining even greater attention from external parties by externally disclosing ROIC for each business

CFO's Message

of the yen in foreign exchange.

To spread ROIC, we are working to instill awareness of the balance sheet, including inventory, in addition to our conventional measures to verify the return on investment in capital expenditures. We are currently in the middle of efforts to spread awareness and will continue with discussions about the target level to be achieved in the 2030 Medium-Term Management Plan.

Next, I would like to talk about the net asset ratio of cross shareholdings. The Board of Directors regularly reviews stock holdings to determine whether they contribute to the improvement of NHK Spring's corporate value. The medium-term plan has a target of selling JPY 15 billion of stock. In FY2024, we sold JPY 6 billion of stock, and the net asset ratio of cross shareholdings was 14.7%. The number of brands held decreased by three* from March 31, 2024 to March 31, 2025. In FY2025, we expect to maintain this pace of reduction and create over JPY 9 billion in cash by FY2026.

Next, I would like to describe the progress of cash allocation over the two-year period of FY2024 and FY2025.

In terms of cash inflow, we expect to secure a total of JPY 223 billion

*Including deemed shareholdings in one brand held in retirement benefit trusts

in funds, chiefly by creating operating cash flow as well as through the sale of cross shareholdings and through new borrowings from financial institutions. Operating cash flow has reached JPY 192 billion, including investment in human capital, DX, carbon neutrality, and research and development. The progress rate compared to the 2026 Medium-Term Management Plan is 71%. This result has been achieved by focusing on businesses with high profitability as well as by boosting working capital efficiency.

Meanwhile, in terms of cash outflow, we are allocating funds while balancing both growth investment and shareholder return. We can see steady progress in each field, with JPY 32 billion in human capital investment, JPY 11 billion in DX investment, JPY 5 billion in carbon neutrality investment, JPY 52 billion in research and development investment, and JPY 72 billion in business investment. With regard to shareholder return, we have set the annual payout for FY2024 at JPY 69, including a special dividend of JPY 6, and we have striven to increase shareholder value. The dividend payout ratio was 30.2%, including the special dividend.

In FY2025, we aim to achieve sustainable growth through initiatives

to reduce our environmental impact and by strengthening investment in new businesses. Currently, the electrification of cars is slowing down in part; however, we expect continued growth in electrification over the medium to long term. As such, we will reinforce our capability to produce components for drive motors and power control units in the automotive field. In the telecommunications field, we will focus on manufacturing semiconductor components related to AI and thereby seize new market opportunities. In each case, we will actively promote human investment and link these efforts to a boost in the value of our talent, based on our philosophy that "people are the source of growth" and our slogan of "Respect for People."

Message for Shareholders and Investors

The Company recognizes that shareholder return is its most important task. We aim to maintain stable dividends with a dividend payout ratio of 30% or more and to increase shareholder value. We plan to pay out JPY 66 per share in FY2025.

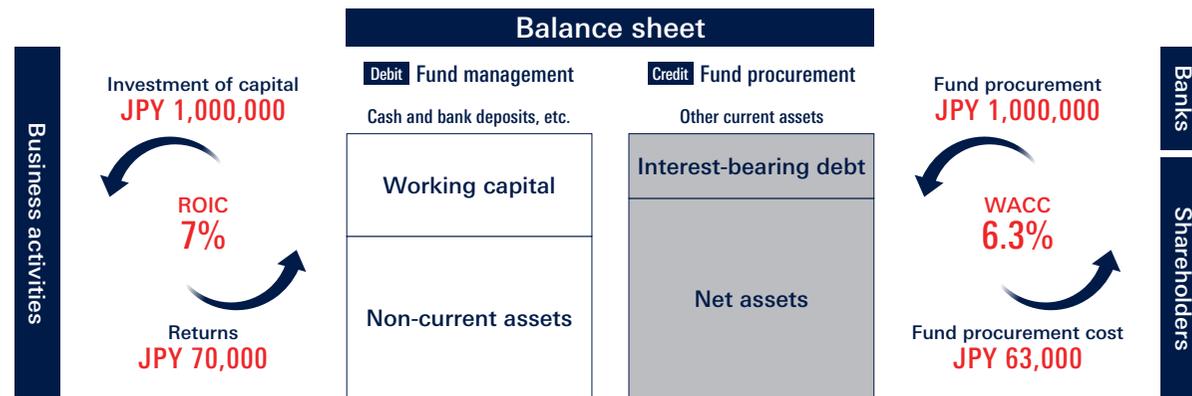
The Company positions dialogue with investors as an important means toward increasing corporate value and has actively disclosed information and exchanged opinions through IR activities. In FY2024, we held an online briefing for individual investors, watched by some 2,000 people, whereby we expanded the opportunities and scale of our activities. We will utilize the valuable feedback that you have given us to further improve our IR activities.

With regard to SR meetings, Chairman Mr. Kayamoto has begun participating in these meetings from this fiscal year onward, allowing him to directly express the philosophy behind the Company's governance and to hear vital opinions and requests from shareholders.

Members of management will actively participate in dialogue to create deeper mutual understanding with shareholders, thereby building a strong relationship together. I aim to sincerely listen to your feedback and incorporate it into initiatives to increase corporate value.

[Excerpt from internal training materials]

Aims for ROIC and WACC in the medium-term plan



For example, investing JPY 1 million would bring JPY 70,000 in profit

For example, procuring JPY 1 million would require JPY 63,000 in costs

Demand for a high ROIC rather than a low WACC

Business Overview

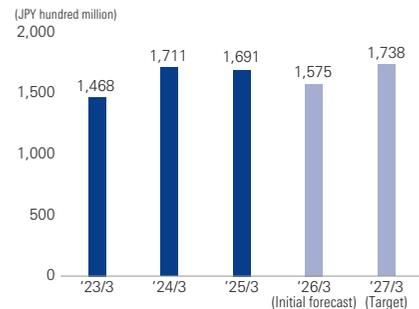
In the Automotive Suspension Springs Business, we supply suspension springs used mainly in automobiles.

Main Products | Coil springs, leaf springs, stabilizer bars, accumulators, torsion bars, stabilizer links, stabilizers, etc.

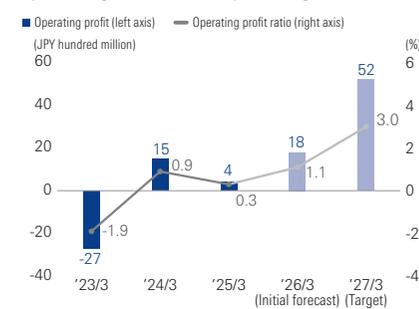
Trends in Net Sales and Operating Profit / Operating Profit Ratio

Net sales were 169.1 billion yen (down 1.2% year-on-year), and operating profit was 400 million yen (down 71.0 % year-on-year) due to an increase in one-time costs for new product launches in Mexico and a decline in automotive demand in Thailand.

Net sales



Operating Profit and Operating Profit Ratio



Growth Strategy and Future Outlook

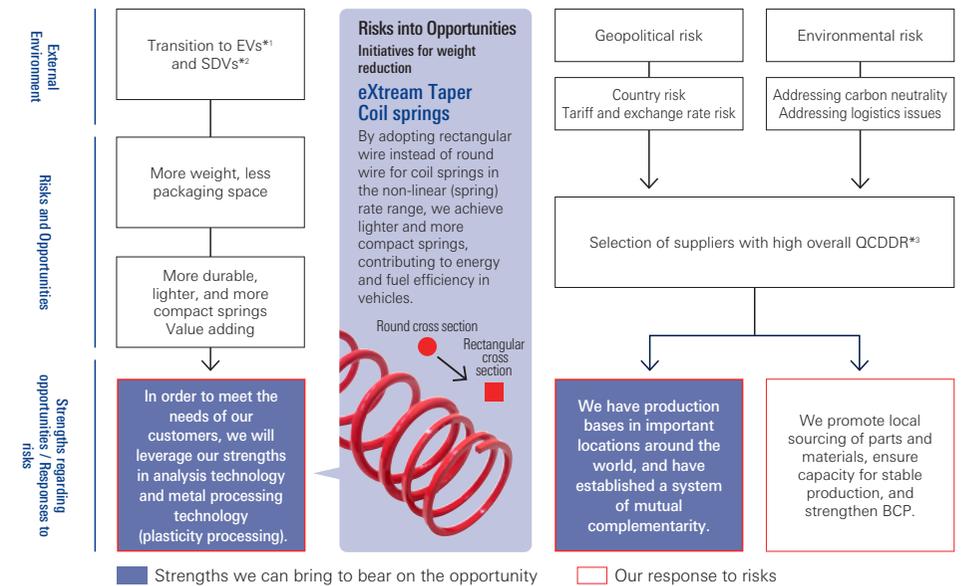
In the Automotive Suspension Springs Business, in order to respond to changes in the market and achieve sustainable growth, we are working to strengthen manufacturing at our global bases. To improve QCDDR globally while responding to the diversification of customer needs, we are working to build the next-generation production line from the following three perspectives.

- ① Promotion of carbon neutrality: We are switching to electricity for the lines installed in each facility, and we are also promoting the adoption of energy-saving and renewable energy technologies.
- ② Utilization of DX: By promoting digitalization in production activities, we will establish production lines that allow us to implement and reflect root cause analysis and countermeasures easily and in a timely manner. Through improved spring shape accuracy and enhanced facility management, we will improve productivity by 25% by the end of FY2026 compared to FY2023.
- ③ Response to EVs: In response to expected further acceleration of the shift to EVs, we will manufacture springs that are lightweight, compact, and highly durable. Starting in 2025 with domestic sites, we are progressively rolling out next-generation production lines that incorporate these perspectives to overseas locations on a unit-by-unit basis. To meet the needs of a global and diverse market, we will strive to strengthen our competitiveness by building a robust production system endowed with mutual complementarity against various risks.

Business Risks and Opportunities

The automotive industry is facing higher procurement risks due to parts supply shortages and US tariffs. The situation urgently requires strengthening the supply chain. We will strive to strengthen our competitiveness by viewing these risks as opportunities and by establishing a stable global supply system.

Main External Environment, Opportunities and Risks



*1 : Electric Vehicle *2 : Software Defined Vehicle *3 QCDDR...Quality, Cost, Delivery, Development, Response



Business Overview

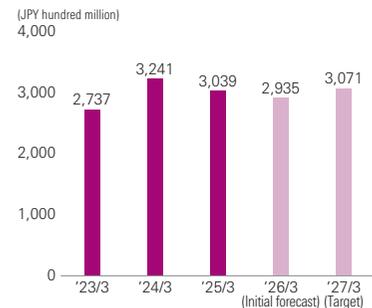
In the Automotive Seating Business, we mainly supply seats that are used in automobiles.

Main Products | Automotive seats, seat components, interior components, etc.

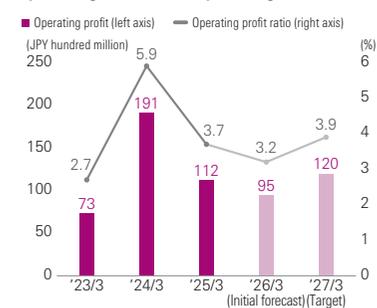
Trends in Net Sales and Operating Profit / Operating Profit Ratio

Net sales were 303.9 billion yen (down 6.2% year-on-year), and operating profit was 11.2 billion yen (down 41.3% year-on-year), primarily due to decreased production and product mix differences in North America and reduced production in Thailand.

Net sales



Operating Profit and Operating Profit Ratio



Growth Strategy and Future Outlook

Amidst recent reforms and innovations, such as CASE, MaaS, and carbon neutrality, the pace of change is so fast that it is difficult to predict the long-term direction of the times. We will continue to develop attractive new products and technologies by anticipating the future needs of the market and meeting the diverse needs of our customers. In addition, we will aim to maintain and improve the profitability of our business by maintaining our cost advantage through steady implementation of measures utilizing AI and virtual technology to strengthen our competitiveness in manufacturing, which is the foundation of our business as an automotive seat manufacturer. Moreover, by leveraging our reliability and benchmark capacity as an “independent automotive seat manufacturer” endowed with cutting-edge technology in a wide range of materials and processing, and extensive business relationships with all Japanese automobile OEMs, we will continue to respond quickly to the needs of each domestic automobile manufacturer and aim for continuous and stable transactions.

Business Risks and Opportunities

Against a backdrop of electrification, carbon neutrality, and automated driving, we need to promptly respond to diversifying needs for automotive seats.

Main External Environment, Opportunities and Risks





Business Overview

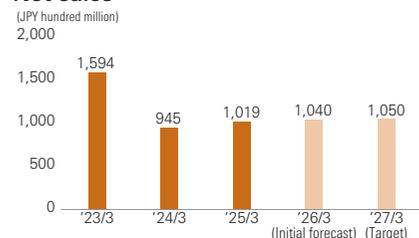
In the Precision Springs and Components Business, we supply products in a wide range of fields, including automobiles and information and communications, by leveraging our strengths in metal material analysis and high-precision press processing.

Main Products | HDD mechanical components, wire springs, thin leaf springs, motor cores, etc.

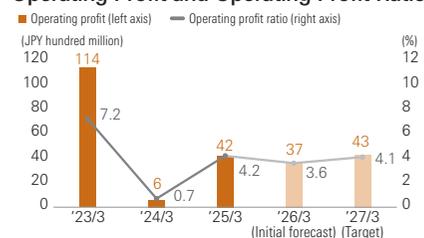
Trends in Net Sales and Operating Profit / Operating Profit Ratio

In the Automotive Business, while the demand for BEVs (Battery Electric Vehicles) plateaus, HEVs (Hybrid Electric Vehicles) showed strong market performance, leading to increased demand for our products. In the Information and Communications Business, recovery in demand for large-capacity HDDs for data centers drove HDD mechanical parts volumes. As a result, net sales were 101.9 billion yen (up 7.9% year-on-year) and operating profit was 4.2 billion yen (up 549.4% year-on-year).

Net sales



Operating Profit and Operating Profit Ratio



*Starting from the earnings announcement for the year ended March 31, 2025, the DDS (Disk Drive Suspension) Business was separated from the Precision Springs and Components Business. Therefore, the figures for the year ended March 31, 2024 and onwards exclude the DDS Business.

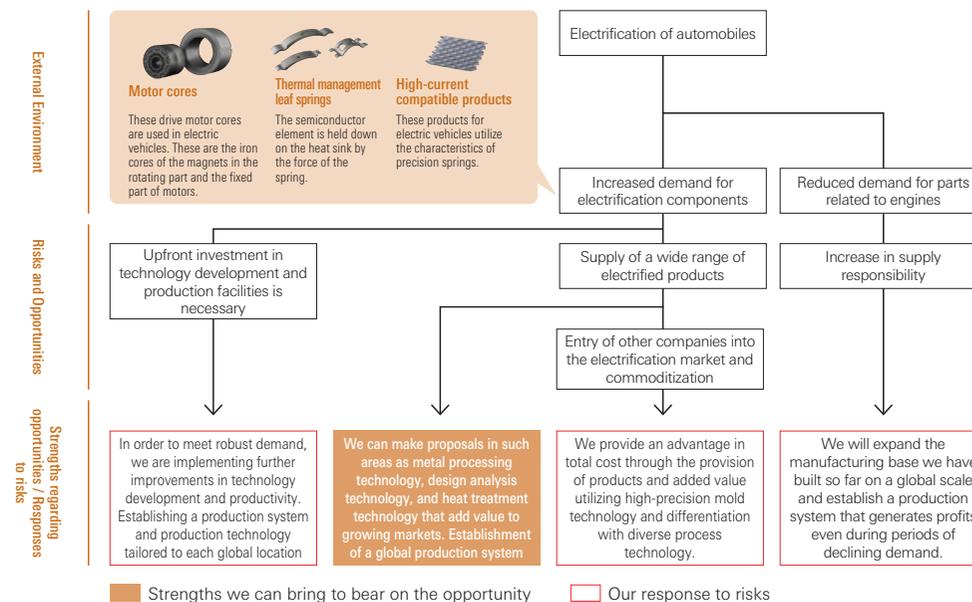
Growth Strategy and Future Outlook

In the Precision Spring Business, we regard motor cores and electrical control-related springs for electric vehicles as a future growth area, while demand for existing wire springs and disc springs used in engines and transmissions is declining due to the increasing electrification of cars. Amidst the global trend toward decarbonization, the demand for drive motors for electric vehicles and other applications is expected to remain brisk, and we intend to expand this as a new pillar of earnings by further promoting the establishment of a global supply system and responding to customer needs. Concerning motor cores, we will expand the business by boosting production capacity at our Atsugi and Mexico plant, while closely monitoring profitability. In order to respond to technological needs and differentiate our technology from competitors, we will pursue even higher precision in stacking technology to add value and strengthen our global market competitiveness. In the longer term, the demand for electrified or electrically controlled components other than motor cores is expected to increase. We will focus on the development of next-generation products that take advantage of our strengths in metal processing technologies, and will aggressively promote sales expansion activities. Concerning existing engine parts and transmission-related wire springs and disc springs, demand is expected to decline. It is necessary to establish a profit structure that is not affected by the shrinking market size.

Business Risks and Opportunities

As the electrification of vehicles spreads rapidly, demand for high-performance electrification components is increasing due to advances in battery and drive control technologies. For companies that can provide competitive products, there are opportunities to achieve significant growth, however, the electric vehicle market is unstable due to government policies and economic conditions. Therefore, it is necessary to make investments in areas such as technology development and production facilities based on long-term forecasts of the fluctuating market.

Main External Environment, Opportunities and Risks



Business Overview

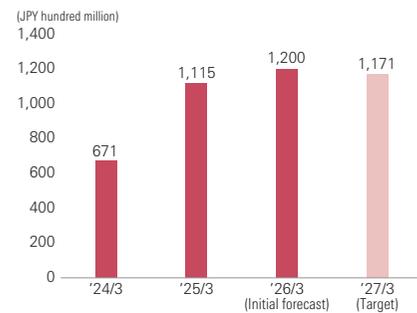
In the DDS Business, we primarily provide HDD suspensions, which are specialized spring products that control the magnetic head position on HDDs.

Main Products | HDD suspensions, contact probes (Microcontactor®)

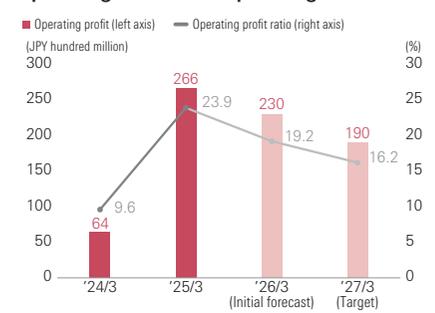
Trends in Net Sales and Operating Profit / Operating Profit Ratio

The recovery in demand for high-capacity HDDs for data centers led to a sharp increase in demand for HDD suspensions, which resulted in net sales of ¥111.5 billion (up 65.9% year-on-year) and operating profit of ¥26.6 billion (up 313.1% year-on-year).

Net sales



Operating Profit and Operating Profit Ratio



*Effective from the fiscal year ended March 31, 2025, the DDS Business was separated from the Precision Springs and Components Business. Figures for the fiscal year ended March 31, 2023 and earlier periods are included in the Precision Springs and Components Business.

Growth Strategy and Future Outlook

To convert growing data center HDD demand into increased suspension sales, we must maintain and expand our market share in a competitive environment. We will continue to support HDD manufacturers' high-capacity drive development by leveraging our design and analysis strengths and delivering suspensions that enable next-generation technologies. On the manufacturing front, we will expand production capacity and strengthen cost competitiveness by further increasing line speeds and advancing automation across inspection and supporting operations. Additionally, through digital transformation initiatives, we will optimize production parameters and drive continuous quality improvement. These initiatives will strengthen our competitive position and secure sustained share growth.

Microcontactor is another DDS Business product line which is used as contact probes for semiconductor inspection processes.

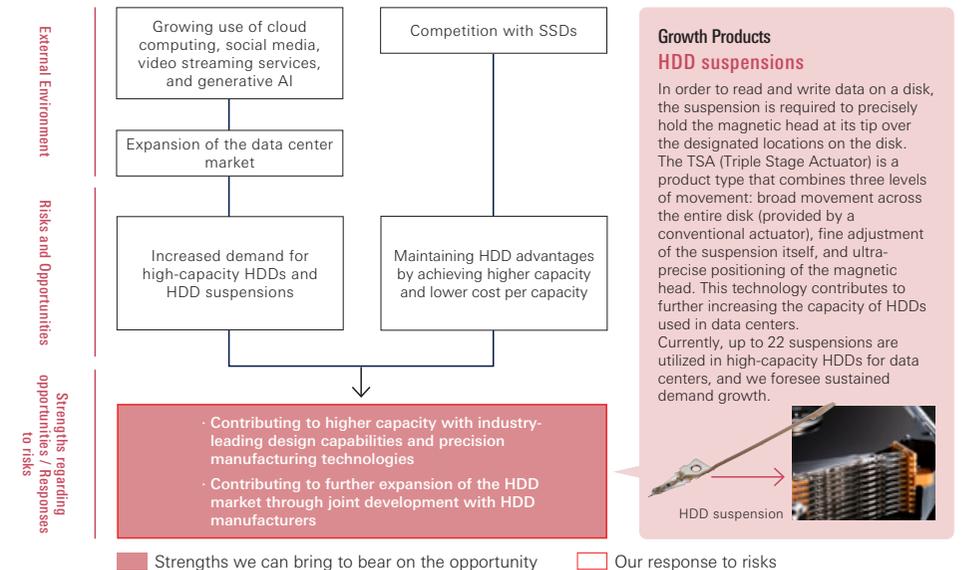
As the information society continues to advance, this market will undoubtedly grow. Although our current market share remains at a few percent, we will expand it through two key initiatives: customer-driven product development and the production automation technologies refined in our HDD suspension business, which will enable production scaling and enhanced cost competitiveness.

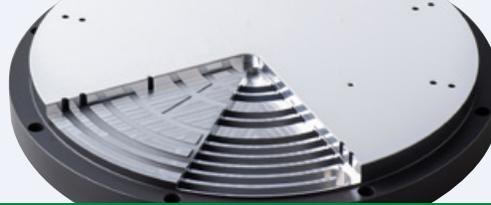
Business Risks and Opportunities

Although SSD* adoption has increased in mobile PCs and other devices, HDDs continue to offer clear technical and cost advantages for data center applications that require high capacity. As the data center market expands—driven by the growing use of cloud computing and the rise of generative AI—we expect demand for high-capacity HDDs to continue increasing.

* SSD...Solid State Drive

Main External Environment, Opportunities and Risks





Business Overview

In the Industrial Machinery and Equipment, and Other Operations Business, we manufacture a wide variety of products in such fields as electric vehicles, semiconductors, railways, and leisure products.

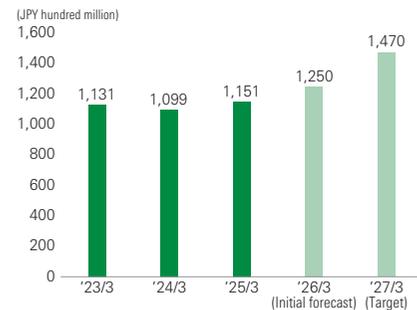
Main Products

Semiconductor process components, piping support equipment, integrated metal substrates, multilevel parking equipment, security products, lighting fixtures, golf shafts, marine products, etc.

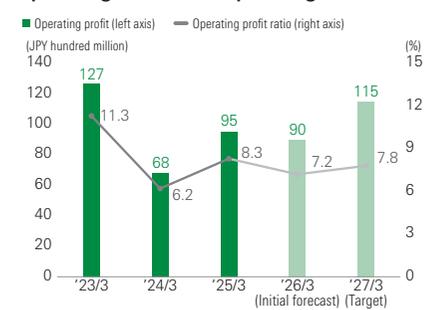
Trends in Net Sales and Operating Profit / Operating Profit Ratio

Net sales were 115.1 billion yen (up 4.7% year-on-year), and operating profit was 9.5 billion yen (up 39.5% year-on-year), primarily due to recovery in semiconductor process component volumes, influenced by signs of improvement in the semiconductor market.

Net sales



Operating Profit and Operating Profit Ratio



Growth Strategy and Future Outlook

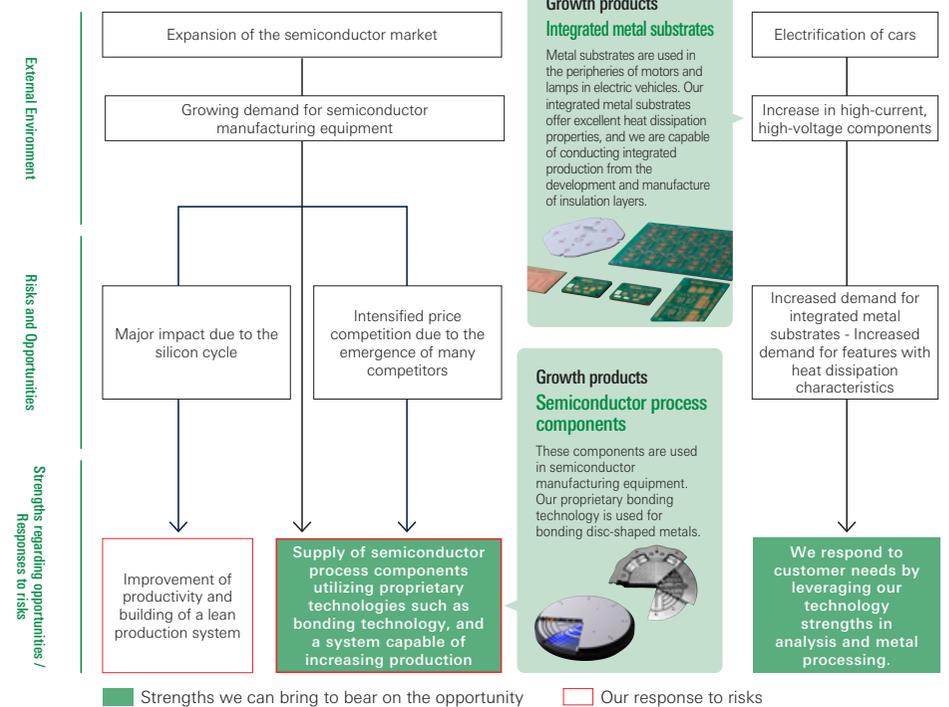
In the Industrial Machinery and Equipment, and Other Operations Businesses segment, we position semiconductor process components and integrated metal substrates as future growth products. In the area of semiconductor process components, our Miyada Plant, which began full-scale operations in the second half of FY2020, has been gradually expanding its production capacity to meet strong demand while optimally allocating production with the existing Isehara Plant. Miyada Plant will further expand its facilities to respond to the anticipated increase in future demand, while also working to enhance its profitability. In addition, we will continue developing technologies to meet the increasing diversity and higher precision required for semiconductor performance, as further multi-layer stacking and miniaturization progress.

With regard to integrated metal substrates, we will expand sales of existing products, such as those for automotive LED, as well as promote the development and sales expansion of products that respond to the electrification of automobiles, such as power modules and AC-DC/DC-DC converters, while also increasing the capacity of our Komagane and NHK Spring (Malaysia) plants.

Business Risks and Opportunities

We see opportunities in the increase in demand for semiconductor manufacturing equipment due to the expansion of the semiconductor market, and the increase in demand for integrated metal substrates due to the expansion of the market for power modules for electric vehicles and industrial applications. On the other hand, we see the decline in demand associated with the semiconductor silicon cycle and intensifying price competition as risks.

Main External Environment, Opportunities and Risks



Basic Sustainability Policy and Promotion Structure

Basic Sustainability Policy

The NHK Spring Group solves social issues and contributes to a sustainable society by continuously providing “indispensable key parts” for social development.

Moreover, regarding our Group's legal, ethical, and social responsibilities, in 2016, we established our “NHK Spring Group Basic Global CSR Policy.” Under this policy, we declared five principles—“Maintain transparency,” “Act ethically,” “Preserve the global environment,” “Nurture people,” and “Engage globally as a Group”—and we strive to enhance our corporate governance and ensure legal compliance.

The NHK Spring Group aims to continue earning the trust of society by strengthening the competitiveness and management base in our core businesses, increasing our corporate value, and returning the results of our efforts to our respective stakeholders.



NHK Spring Group Basic Global CSR Policy

The basic policy of the NHK Spring Group to take on the challenge of solving the various social issues that exist in society at large, based on our Guiding Principles and Corporate Philosophy.

We are committed to solving a broad range of social issues that exist throughout society by making the best use of our capabilities. Our basic policy for achieving this is as follows:

- 1. Maintain transparency:**
We will always maintain transparency and accountability in our corporate activities that affect society, the environment, and the economy.
- 2. Act ethically:**
We will not only comply with international norms and each country's laws and regulations, but also act ethically.
- 3. Preserve the global environment:**
We will make every effort to preserve the global environment.
- 4. Nurture people:**
We will uphold human rights, advocate D&I, care for others, and nurture people.
- 5. Engage globally as a Group:**
All members of the NHK Spring Group will share this basic policy, and we will globally engage in CSR activities.

Sustainability Promotion Structure

In April 2024, we established the Sustainability Promotion Committee. Depending on the nature of the topic, the Sustainability Promotion Committee, the Management Committee, and the Board of Directors discuss and deliberate on key topics for promoting sustainability management, with the Board of Directors making final decisions on particularly important matters.



Purpose of the Sustainability Promotion Committee

This committee is intended to improve the NHK Spring Group's medium- to long-term corporate value by promoting Company-wide sustainability, based on accurate management decisions, while disclosing, publicizing, and disseminating information to all employees and stakeholders.

Role of the Sustainability Promotion Committee

- Planning for promoting sustainability
- Promotion and follow-up of sustainability-related measures
- Collection, sharing and discussion of internal and external information related to sustainability

Members of the Sustainability Promotion Committee

The Committee consists of: the Executive Vice President and Representative Member of the Board as the Chairperson; the Executive Vice President and Representative Member of the Board (CQO, CTO) and the President of the Corporate Planning and Control Division (CFO) as Vice Chairpersons; and directors of departments in related fields as Standing Committee Members.

Main agenda items discussed by the Sustainability Promotion Committee (FY2024)

- Promotion of materiality-related initiatives
- Activities to promote sustainability
- Review of our purpose and long-term vision, and systematization of various policies and guidelines
- Clarification of Key Performance Indicators (KPIs)
- Advancing of governance and risk management
- Promotion of measures that lead to stakeholder engagement

Integration of the Sustainability Promotion Committee with Management

This committee meets four times a year, and the content discussed at the committee meetings is reported to the Management Committee and Board of Directors as necessary.

Integration of the Sustainability Promotion Committee with related departments and subcommittees

The content discussed by this committee is further discussed by the subcommittees (cross-departmental) or the departments in charge of each area before specific measures are formulated and implemented.

Materialities (Important Issues) and Concrete Initiatives

Based on the significance to us and expectations from external parties, we have identified the following eight materialities and will advance concrete initiatives for each.

→ Please see our website for how we identify our materialities.



Classification	Materialities	Major initiatives	Targets, KPIs	Relevant SDGs	Relevant page															
Business activities	Reduction of CO₂ emissions <small>Global environmental conservation activities: NHK Spring Group's Environmental Challenges</small>	<ul style="list-style-type: none"> Promotion of energy conservation Electrification of equipment, fuel conversion, line reorganization Technical innovation in production processes and product development Utilization of renewable energy (purchasing electricity, investing in solar power generation equipment, etc.) 	<table border="1"> <tr> <th rowspan="2">Target company</th> <th colspan="3">CO₂ emissions in SCOPE 1 + SCOPE 2</th> </tr> <tr> <th>2030</th> <th>2039</th> <th>2050</th> </tr> <tr> <td>Our company and domestic consolidated subsidiaries</td> <td>50% decrease compared to 2013</td> <td>Achieve carbon neutrality</td> <td>—</td> </tr> <tr> <td>Our company and consolidated subsidiaries in Japan and overseas</td> <td>37% decrease compared to 2013</td> <td>68% decrease compared to 2013</td> <td>Achieve carbon neutrality</td> </tr> </table>	Target company	CO ₂ emissions in SCOPE 1 + SCOPE 2			2030	2039	2050	Our company and domestic consolidated subsidiaries	50% decrease compared to 2013	Achieve carbon neutrality	—	Our company and consolidated subsidiaries in Japan and overseas	37% decrease compared to 2013	68% decrease compared to 2013	Achieve carbon neutrality		→ P.37
			Target company		CO ₂ emissions in SCOPE 1 + SCOPE 2															
				2030	2039	2050														
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	<table border="1"> <tr> <th rowspan="2">Target company</th> <th colspan="3">Industrial waste (non-recyclable waste)</th> </tr> <tr> <th>2030</th> <th>2039</th> <th>2050</th> </tr> <tr> <td>Our company and domestic consolidated subsidiaries</td> <td>95% decrease compared to 2013</td> <td>Aim for zero</td> <td>—</td> </tr> </table>	Target company	Industrial waste (non-recyclable waste)			2030	2039	2050	Our company and domestic consolidated subsidiaries	95% decrease compared to 2013	Aim for zero	—		→ P.38						
Target company	Industrial waste (non-recyclable waste)																			
	2030	2039	2050																	
Our company and domestic consolidated subsidiaries	95% decrease compared to 2013	Aim for zero	—																	
<table border="1"> <tr> <th>Product</th> <th>Sales target for 2026</th> <th>Target sales for FY2030</th> </tr> <tr> <td>Motor cores</td> <td>13.3 billion yen</td> <td>JPY 24.2 billion</td> </tr> <tr> <td>Integrated metal substrates</td> <td>JPY 13.6 billion</td> <td>JPY 35 billion</td> </tr> </table> <p>As of the financial results briefing in May 2025</p>	Product	Sales target for 2026	Target sales for FY2030	Motor cores	13.3 billion yen	JPY 24.2 billion	Integrated metal substrates	JPY 13.6 billion	JPY 35 billion		→ P.39									
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Product	Sales target for 2026	Target sales for FY2030																		
Semiconductor process components	JPY 32.3 billion	JPY 52.8 billion																		
Management base	Maximizing the value of human resources	<ul style="list-style-type: none"> Securing and developing human resources Promoting DE&I Work style reform Personnel system reform Creating a safe and secure workplace 	<ul style="list-style-type: none"> Improved treatment and expanded license allowance system to increase engagement Elimination of (eliminating) heavy-duty work <table border="1"> <tr> <th>Category</th> <th>2024 (Results)</th> <th>2030 (Targets)</th> </tr> <tr> <td>Employee engagement diagnostic results</td> <td>67.6pt</td> <td>75.0pt</td> </tr> <tr> <td>Ratio of female managers</td> <td>2.9%</td> <td>5.0%</td> </tr> <tr> <td>Ratio of new female graduates hired for career track positions</td> <td>11.1%</td> <td>20.0%</td> </tr> <tr> <td>Ratio of male employees taking childcare leave</td> <td>60.2%</td> <td>100.0%</td> </tr> </table>	Category	2024 (Results)	2030 (Targets)	Employee engagement diagnostic results	67.6pt	75.0pt	Ratio of female managers	2.9%	5.0%	Ratio of new female graduates hired for career track positions	11.1%	20.0%	Ratio of male employees taking childcare leave	60.2%	100.0%		→ P.41
			Category	2024 (Results)	2030 (Targets)															
			Employee engagement diagnostic results	67.6pt	75.0pt															
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Ratio of new female graduates hired for career track positions	11.1%	20.0%																		
Ratio of male employees taking childcare leave	60.2%	100.0%																		
Respect for human rights	<ul style="list-style-type: none"> Promotion of human rights respect policy Strengthening the human rights promotion system Promotion of preventive measures against human rights risks 	<ul style="list-style-type: none"> Implementation of human rights training, with a 100% participation rate Conducting human rights surveys at our company and domestic consolidated subsidiaries Conducting human rights surveys in our supply chain Implementing initiatives to prevent excessive working hours 		→ P.44																
Compliance	<ul style="list-style-type: none"> Ongoing education for officers and employees 	<ul style="list-style-type: none"> Identification of issues and challenges based on results of compliance awareness survey and incorporation of results into compliance program 				→ P.62														
Group management	<ul style="list-style-type: none"> Initiatives in the Sustainability and Materiality Group Communication through visits by the president to our company and consolidated subsidiaries (these visits are called "TOP Rounds") 	<ul style="list-style-type: none"> Fostering a sense of unity within the Group through "TOP Rounds" Information sharing through group president meetings and group meetings Participation rate of 80% or more in employee stock ownership plan at our company and domestic consolidated subsidiaries Promoting the creation of comfortable and rewarding workplaces through collaboration with group companies 																		

NHK Spring Group's Global Environmental Conservation Activities

Environmental Policy

We have newly formulated an environmental policy as the overarching concept for the NHK Spring Group's Environmental Challenges.

NHK Spring Group Environmental Policy

We aim to operate in harmony with the planet while contributing to a sustainable society.

- | | |
|-------------|--|
| Action Plan | ① We promote the NHK Spring Group's Environmental Challenges and are committed to reducing CO ₂ emissions and industrial waste |
| | ② We address environmental challenges facing society as a whole by creating environmentally friendly products and services and complying with environmental laws, regulations, and other rules |
| | ③ We are committed to mitigating climate change, promoting a circular economy, and conserving biodiversity throughout our business activities |
| | ④ We work with all our stakeholders, including the NHK Spring Group's employees, partner companies, and local communities to implement this policy |

NHK Spring Group's Environmental Challenges

Since publication of the Environmental Voluntary Plan in 1993, the entire NHK Spring Group has worked to implement global environmental conservation activities.

After declaring the NHK Spring Group's Environmental Challenges in September 2021, we have promoted initiatives to reduce CO₂ emissions and environmentally hazardous substances as material issues and have progressed as planned through FY2024.

Moreover, in FY2024, we expanded the SCOPE to include our overseas consolidated subsidiaries and established targets to achieve carbon neutrality (SCOPEs 1 + 2) by 2050 across the Company and its consolidated subsidiaries, both in Japan and overseas.

NHK Spring Group's Environmental Challenges

- ① Achieve carbon neutrality by 2039. To this end, reduce CO₂ emissions by 50% from the FY2013 level by 2030.
- ② Aim to realize zero industrial waste by 2039. To this end, reduce industrial waste by 95% compared to FY2013 by 2030.

At present, in line with our Medium-Term Management Plan through FY2026, we are promoting measures to reduce CO₂ emissions and industrial waste in each of our production divisions.

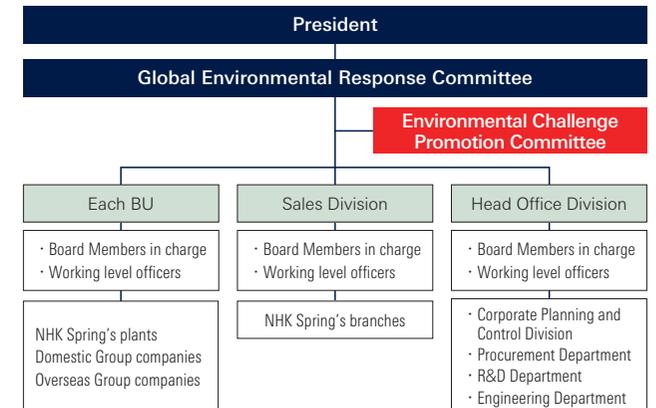
Item	Emissions		Main Measures Geared to Reduction	Key Ongoing Initiatives
	FY2023	FY2024		
CO₂ (thousand t-CO ₂)	120	109	<ul style="list-style-type: none"> Promotion of energy conservation Electrification of equipment, fuel conversion, line rearrangement Technical innovation in production processes and product development Capital expenditure in solar power generation, etc. Purchase of electric power derived from renewable energy 	<ul style="list-style-type: none"> Upgrading of plant lighting fixtures (LED conversion) Electrification of forklifts Electrification of equipment, prevention of heat loss Improvement of air leaks Switching from LPG to LNG Updating of air conditioning equipment, etc.
Industrial waste (t)	38	28	<ul style="list-style-type: none"> Re-examining of recycling contractors Promotion of free recycling Conversion of waste materials into valuable resources 	<ul style="list-style-type: none"> Conversion of waste plastic into valuable resources using material judgment equipment Re-verifying sludge recycling companies

(Note) The above emissions are the total for NHK Spring and consolidated subsidiaries in Japan.

Promotion Structure

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 NHK Spring Group.

The Global Environmental Response Committee, which meets twice a year, establishes medium-to-long-term goals based on the NHK Spring Group's Environmental Challenges, develops scenarios to achieve them, and promotes related initiatives. The progress of these initiatives is reported regularly to the Management Committee and reflected in management strategies.



BU: Business Unit

Board Members in charge: Oversee the environmental conservation activities of the Production Division (Corporate Officers and Division Vice Presidents)

Working level officers: Implement actual activities under the Board Members in charge (Department Director/Deputy Director class)

Reduction of CO₂ Emissions

Indicators and Targets

Our Company and Group companies have established targets for CO₂ emissions calculated from energy consumption and are working on environmental conservation.

As we aim to achieve the goals declared under the NHK Spring Group's Environmental Challenges, we switched to managing total CO₂ emissions in FY2021.

Medium- and Long-term Targets

Item	Target year	Target value
CO ₂ Emissions	2030	CO ₂ emissions in SCOPE 1 + SCOPE 2 50% down compared to FY2013
	2039	Zero CO ₂ emissions in SCOPE 1 + SCOPE 2

* SCOPE 1: Direct emissions of greenhouse gases by business operators (fuel combustion, industrial processes)
 * SCOPE 2: Indirect emissions arising in line with use of electricity, heat and steam supplied by other companies

Initiatives Implemented in FY2024 to Reduce Domestic CO₂ Emissions

In FY2024, following on from the previous year, we implemented measures such as (1) updating compressors to optimize control, (2) replacing aging air conditioners, (3) electrifying boilers that use fossil fuels, and (4) reducing and discontinuing use of equipment. In addition, we introduced solar power generation facilities and purchased renewable energies.

As a result, both our Company and our domestic Group companies have reduced total CO₂ emissions.

Transition in CO₂ Emissions and Reduction Targets (NHK Spring + Domestic Group Companies)



Utilizing Renewable Energy - Amount of Solar Power Generated

The NHK Spring Group is promoting the use of renewable energy, including installing solar power generation equipment, to transition to non-fossil energy sources.

To date, we have deployed solar power generation equipment at 36 business sites: 6 at NHK Spring plants, 24 at Group companies in Japan, and 6 at Group companies overseas.

In FY2024, 2.35% of the global power consumption of our Company and Group companies was sourced from solar power.

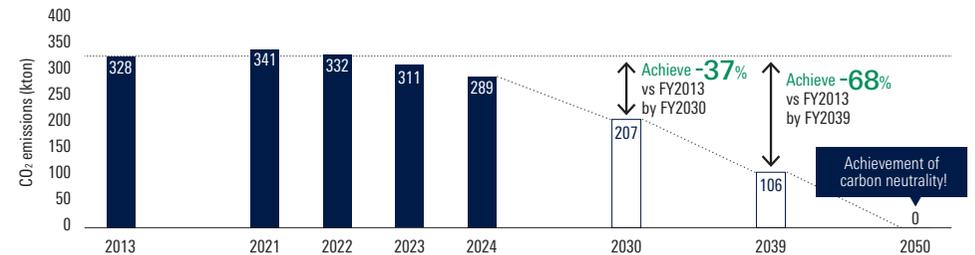
To achieve carbon neutrality, we are currently planning to deploy solar power generation equipment at additional business sites and expand our existing solar systems.

Carbon Neutrality Targets for Overseas Group Companies

Our Company and Group companies have established CO₂ emission reduction targets that include overseas Group companies, setting global carbon neutrality targets for the NHK Spring Group.

Item	Target year	Target value
CO ₂ Emissions	2030	CO ₂ emissions in SCOPE 1 + SCOPE 2 37% down compared to FY2013
	2039	CO ₂ emissions in SCOPE 1 + SCOPE 2 68% down compared to FY2013
	2050	Zero CO ₂ emissions in SCOPE 1 + SCOPE 2

Transition in CO₂ Emissions and Reduction Targets (Overseas Group Companies)



Sites that Achieved Carbon-Neutral Production in FY2024

NHK Spring's plants	Miyada Plant	Total: 1 plant
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Reduction of Industrial Waste

Target (NHK Spring Group's Environmental Challenges)

Management item	Target year	Contents
Amount of non-recyclable waste	2030	Reduce emissions by 95% compared to FY2013.
	2039	Aim for zero emissions

Our Company and domestic Group companies are working to reduce industrial waste as part of our initiatives to preserve the global environment and have achieved the Group target recycling rate of 99% or higher. Furthermore, in accordance with the industrial waste targets set out in the "NHK Spring Group's Environmental Challenges" declaration of September 2021, we will work to achieve even stricter targets for reducing the amount of non-recyclable waste.

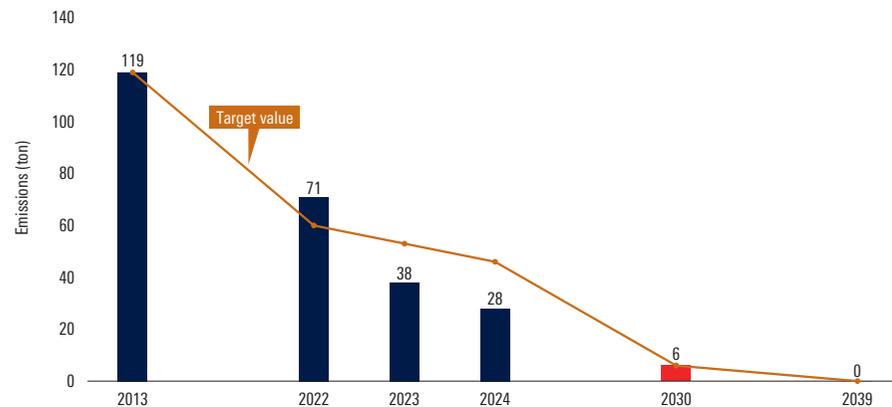
While we currently define thermal recycling as a form of resource recovery, we will consider switching to material recycling because thermal recycling generates CO₂ during incineration.

*Non-recyclable waste = industrial waste that is not reused and recycled due to landfilling or otherwise

FY2024 Reduction Results and Future Reduction Plans

The industrial waste output in FY2024 was down 76% from FY2013, achieving our reduction target. We remain committed to reducing waste to achieve the targets declared under the NHK Spring Group's Environmental Challenges.

Amount of Non-Recyclable Waste Reduced and Targets for Our Company and Domestic Group Companies



Sites That Produced No Non-Recyclable Waste in FY2024

The following sites of our Company and domestic Group companies produced no non-recyclable waste in FY2024.

NHK Spring's plants	<ul style="list-style-type: none"> Shiga Plant Yokohama Plant (Seating) Ina Plant Isehara Plant Nos. 1 and 2 Miyada Plant 	<ul style="list-style-type: none"> Gunma Plant Atsugi Plant DDS Komagane Plant Komagane Plant (Industrial Machinery) 	Total: 9 plants
	Domestic Group companies	<ul style="list-style-type: none"> NHK SALES NHK Spring Production Company Sumihatsu TOHOKU NIPPATSU ITES FAURECIA-NHK KYUSHU 	

We will continue our efforts to keep these sites free of non-recyclable waste and to replicate this accomplishment at other sites, thereby achieving our targets.

Reducing Thermal Recycling and Converting Waste into Valuable Resources

Here are examples of initiatives by our Company and domestic Group companies to reduce thermal recycling and convert waste into valuable resources. Our basic approaches are as follows:

- ① Properly sort waste
- ② Re-examine recycling contractors
- ③ Eliminate recycling costs and convert waste into valuable resources

Case study: Proper waste sorting and re-selecting recycling contractors (Atsugi Plant)

At the Atsugi Plant, we no longer dispose of waste without recovering resources or through thermal recycling; instead, we are promoting the conversion of waste into valuable resources.

By separating stretch film used to prevent cargo shifting during delivery and changing plastic waste processing vendors, waste we previously paid to dispose of is now collected as marketable materials.



Result: Reduced industrial waste by 2.5 tons per year

Stretch film used to prevent cargo from shifting during delivery

Creation of Products that Contribute to the Environment

NHK Spring creates environmentally friendly products from two perspectives: "products with functions that contribute to the environment" and "products that reduce environmental impact in the manufacturing process".

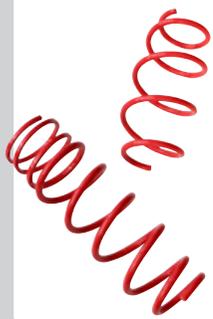
Overview of Environmentally Friendly Products



Weight reduction

Coil springs made from high-strength steel

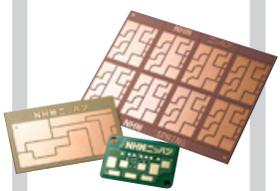
By using high-strength steel materials developed in collaboration with material manufacturers, NHK Spring has achieved weight reduction while increasing strength.



Heat dissipation

Integrated metal substrates

This component is installed in the inverters and converters of electric vehicles. It supports the electrification of vehicles through high heat dissipation.



Recyclability

Environmentally-friendly concept seats

Conventional seats used a metal fitting called a hog ring when assembling the cover and pad. As a result, there were issues due to it taking a long time to disassemble the parts and having difficulty sorting them out. As a result of reviewing the structure of the covering, the environmentally friendly concept seat can now be dismantled in about half the time it used to take. In addition, the seat is highly recyclable, as it is easy to sort the materials when disposing, and it uses a cushion pad that has obtained biomass mark certification.



Manufacture of electric vehicle parts

Motor cores

This component provides the driving force for the motor of an electric vehicle. Through electric vehicles, we contribute to the environment by reducing CO₂ emissions.



Leaf springs for holding

This spring is used to improve the cooling effect by pressing a heat-generating element such as a power semiconductor against a cooler using the force of the spring. Improved cooling efficiency leads to improved fuel efficiency.



Optimization of manufacturing method

Thick-diameter wire coil springs for EVs

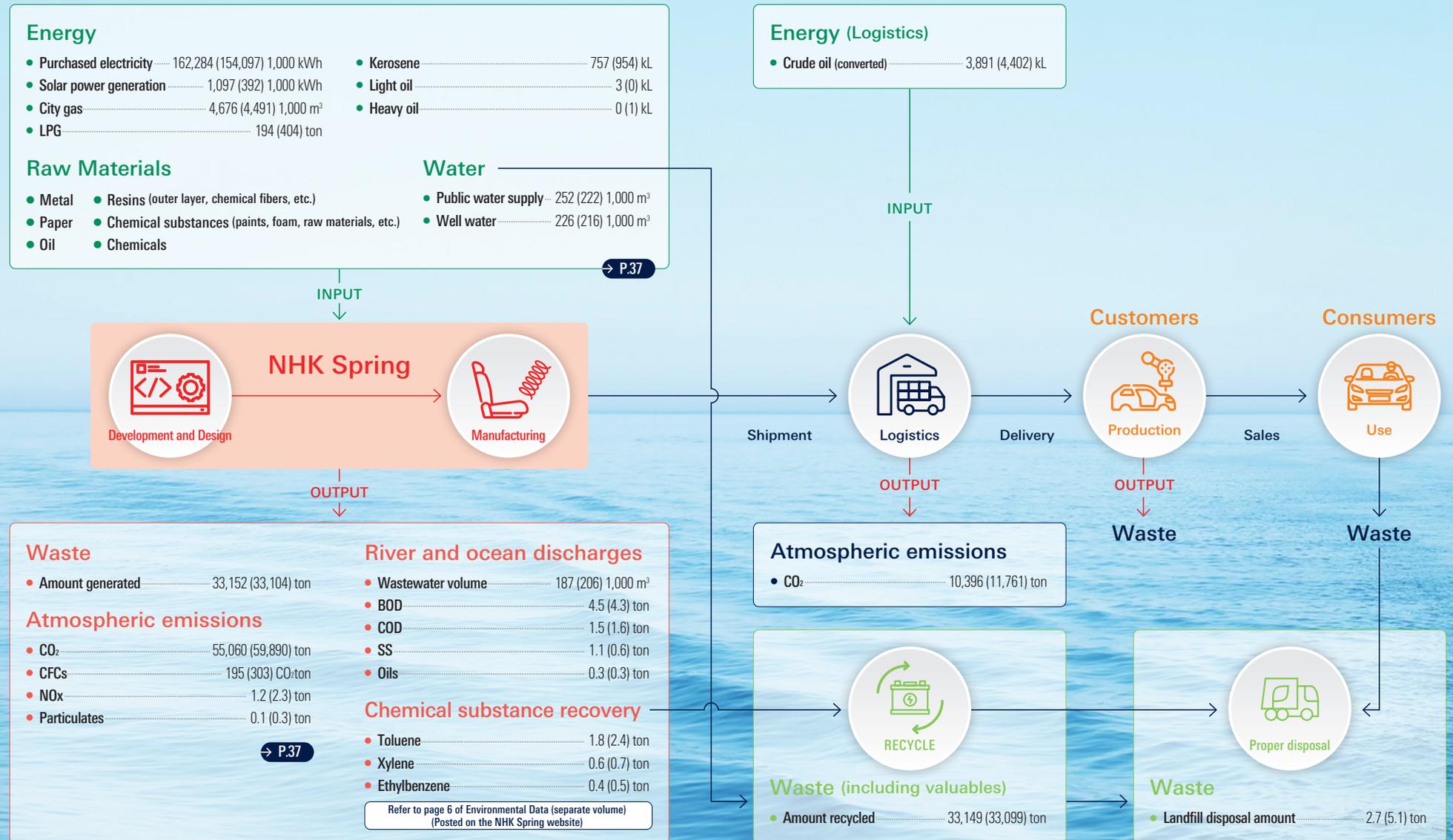
The new forming method, which has modified the number of heat treatment steps and heating methods, reduces CO₂ emissions compared to conventional cold forming. This new forming method allows springs to be wound from larger-diameter materials while maintaining forming flexibility, making it possible to support vehicle weight even within the limited space of EVs.

Reduced CO₂ emissions by approximately 50%
 (Compared to conventional cold forming)

Cold forming	New forming method
Heating/quenching ↓ Tempering ↓ Coiling ↓  ↓ Stress relief	Coiling ↓  ↓ Heating/quenching ↓ Tempering

Business Activities and Life-cycle Flow

By taking a lifecycle view of the entire business and quantitatively grasping inputs and outputs, we are using the results as basic data for advancing NHK Spring Group's Environmental Challenges. We also aim to realize a recycling-oriented society that takes into account the circular economy through the efficient use of resources and recycling of waste.



Scope: NHK Spring Head Office, R&D Division & 13 domestic plants
 Figures in parentheses indicate FY2023 results.
 *The CO₂ emission factor for electricity uses the coefficient provided by our contracted electricity supplier.

Strengthening of Human Capital Management

Basic Approach

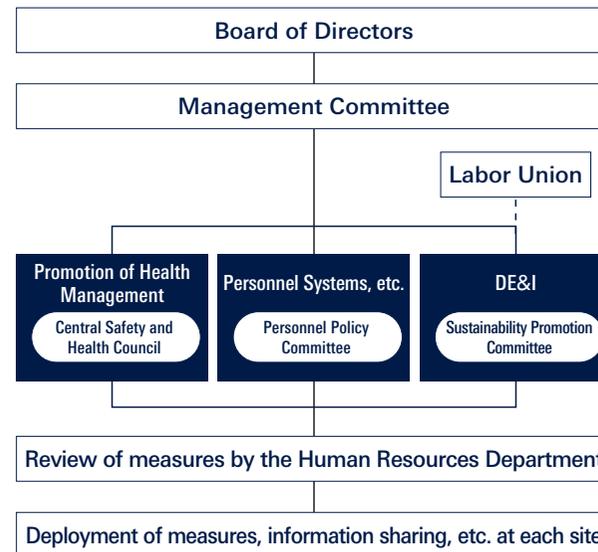
To promote maximizing the value of human resources, one of our material challenges, we established the type of talent we seek and the type of organization we aspire to be in 2024, which summarize the values and behaviors we consider important. We use these as the foundation for our various initiatives.

NHK Spring aims to maximize the value of human resources by combining the "individual power" of each person with the "organizational power" that makes the most of each individual, and by fostering an organizational culture in which diverse talent can feel a sense of growth and fulfillment and demonstrate their abilities.



Promotion Structure

Key HR measures are discussed and decided upon by the Management Committee or its subordinate body, the Personnel Policy Committee, with the Sustainability Promotion Committee handling DE&I (diversity, equity, and inclusion) and the Central Safety and Health Council overseeing health management promotion. This framework ensures that our business direction and HR strategies are aligned and promoted together.



Securing and developing human resources

As an independent manufacturer supplying various products in a wide range of fields including automobiles, IT, industry, and lifestyle, we employ talent in Japan and overseas who are engaged in diverse fields such as R&D, design, procurement, production, sales, management, etc. We will further strengthen our recruitment and training efforts to secure talent and maximize their value. Such talent includes individuals with advanced expertise across various fields and those with leadership capabilities to drive transformation in response to the evolving internal and external environments.

Measures in FY2024

- Recruit by job classification to secure technical personnel for strategic businesses
- Start company-wide referral recruitment
- Start alumni recruitment* to further increase career recruiting channels
- Develop a training structure that will serve as the foundation for NHK Spring's training system
- Expand training for department directors
- Expand the scope of career training participants

*Alumni recruitment ... A recruitment method for rehiring employees who have left NHK Spring for whatever reason

Planned Measures in FY2025

- Establish and disseminate a talent development policy
- Expand recruitment methods by releasing new videos targeting high school graduates
- Expand recruitment channels by participating in career events for students studying abroad and bilingual job seekers
- Develop and implement educational programs for new graduates hired for career track positions throughout the year

Results and Goals

Item	Goals	Results (FY2024)
Regular hires of technical personnel for career track positions	Hires in 2025: 50	50
Ratio of new female graduates hired for career track positions	Hires in 2030: 20%	24% (17/70 for career track positions)
Development of training structure	To be completed in FY2027	Ongoing initiative

Diversity, Equity, and Inclusion (DE&I)

We believe that through DE&I initiatives, we can create a rewarding workplace where each employee can fully leverage their diverse individuality and abilities, thereby fostering a corporate culture of innovation and achieving sustained growth for our Group. We started promoting DE&I in FY2021, and our company-wide DE&I Subcommittee currently leads relevant discussions and efforts to address the four key challenges.

Strengthening of Human Capital Management

Measures to Address Important Issues in FY2024

Challenge 1 Promotion of understanding for DE&I

- ✓ Revision of the basic diversity policy and implementation across the Group
- ✓ Expansion of internal training (new implementation of DE&I training for department directors and implementation of Kaizen leader training to promote inter-plant exchange)
- ✓ Renewal of the uniform with diversity as the theme

Issue 2 Promotion of women's participation and career advancement

- ✓ Training of female career-track leaders
- ✓ Implementation of a women's health seminar
- ✓ Strengthening of hiring of female new graduates for career track positions

Challenge 3 Employment of individuals with disabilities

- ✓ Identification of issues and development of countermeasures related to employing individuals with disabilities across the Group
- ✓ Strengthening of recruitment at head office divisions and recruitment of para-athletes

Issue 4 Support for work-life balance

- ✓ Expansion of childcare systems and promotion of paternity leave uptake
- ✓ Application of HR and employee benefit programs for domestic partners
- ✓ Obtaining of Platinum Kurumin certification
- ✓ Establishment of OB/GYN and pediatric consultation channels

Planned Measures in FY2025

Our 2026 Medium-Term Management Plan identifies “expanding and refining DE&I promotion initiatives” as the theme. Under this theme, we will expand our efforts, including strengthening the employment of people with disabilities and LGBTQ+ initiatives, in addition to our existing initiatives. We will also roll out our existing initiatives for the four key challenges across our Group companies and accelerate the promotion of DE&I throughout the Group.

Results and Goals

Item	2024 (Results)	2030 (Targets)
Employee engagement diagnostic results	67.6pt	75.0pt
Ratio of female managers	2.9%	5.0%
Ratio of new female graduates hired for career track positions	24.3%	20.0%
Ratio of male employees taking childcare leave	60.2%	100.0%

*Non-consolidated

Work Style Reform

At NHK Spring, we believe that creating a rewarding and comfortable workplace with top priority given to the physical and mental wellbeing of our employees, and enabling each member of our diverse workforce to fully exhibit their abilities, is essential for the sustainable development of the Company. Based on this, we are implementing various work style reform initiatives.

Measures in FY2024

• Improvement of work efficiency

Our management and employees are working together on initiatives to improve work-life balance. We also continue to promote diverse and flexible work styles. In FY2023, we launched the DX promotion project and established a framework for improving operational efficiency company-wide.

Main Measures

- ✓ Ongoing implementation of measures to reduce total working hours and encourage employees to take annual leave
- ✓ Ongoing improvement of the work environment by reducing and eliminating heavy-duty work
- ✓ Implementation of various measures in the DX promotion project
- ✓ Implementation of approval circulation and electronic signature systems
- ✓ Implementation of a new expense reimbursement system

• Improvement of employee engagement

Since FY2022, we have conducted an annual Employee Engagement Survey, collecting responses from almost all employees. Using a dedicated survey system, we analyze the results in detail, including free comments, to identify the current situation and develop effective measures. We conduct detailed analyses not only company-wide but also by department, enabling each department to compare its results with those of others to identify unique challenges and continuously improve the workplace.

Main Measures

- ✓ Ongoing improvement of the workplace through the Employee Engagement Survey
- ✓ Enhancement of allowances (license allowances) for qualification holders (addition and revision of 41 qualifications)
- ✓ Increase of meeting opportunities, including career consultation
- ✓ Consideration of implementing a mentorship program in selected departments and implementation of meetings with non-direct supervisors
- ✓ Implementation of hot-desking in selected departments

Planned Measures in FY2025

• Improvement of work efficiency

To achieve the targets under the 2026 Medium-Term Management Plan, our management and employees continue working together to reduce total working hours while promoting various initiatives. In addition, by utilizing the latest IT solutions, we will continue to improve our workflows and processes.

Main Plans

- ✓ Ongoing implementation of measures to reduce total working hours and encourage employees to take annual leave
- ✓ Ongoing improvement of the work environment by reducing and eliminating heavy-duty work
- ✓ Updating of the core (ERP) system

• Improvement of employee engagement

We will conduct the annual Employee Engagement Survey in FY2025 and reflect identified challenges in various initiatives. Starting from this year, we have accelerated the survey to allow more time between results feedback and budget planning, thereby facilitating the implementation of costly initiatives. We are also considering conducting surveys from new perspectives by collaborating with external educational and research institutions.

Main Plans

- ✓ Ongoing improvement of the workplace through the Employee Engagement Survey
- ✓ Expansion of career counseling and consultation opportunities between supervisors and their team members, and implementation of a mentorship program in select departments
- ✓ Implementation of exchange events (luncheons) between employees and officers
- ✓ Installation of private booths for online meetings
- ✓ Enhancement of allowances (license allowances) for qualification holders

Regarding initiatives for enhancing engagement, we have established the following targets:

Results and Goals

Item	Target (FY2030)	Result (FY2024)
Company-wide engagement score	75.0pt	67.6pt

Personnel System Reform

To build a safe and secure company and a rewarding and comfortable workplace, as outlined in the Group's Basic Policy under the 2026 Medium-Term Management Plan, we are promoting a personnel system reform. This reform serves as the foundation for responding to changes in internal and external business environments and diversifying employee values, while maximizing the value of all our people.

Measures in FY2024

In FY2024, we assessed our current system and identified challenges to reform our HR programs for core employees: those in career track positions, specialists, and senior personnel. Moreover, we have

Strengthening of Human Capital Management

expanded the eligible qualifications for our license allowance program, which provides allowances for employees holding professional certifications and qualifications. This expansion aims to secure and train specialized talent to sustain our growth and strengthen our competitiveness.

Future Measures

By promoting our personnel system reform based on the established type of talent we seek and the type of organization we aspire to be, and by thoroughly implementing our initiatives to build a safe and secure company and a rewarding and comfortable workplace, we continue to maximize the value of each employee.

Building a Safe and Secure Workplace

In the 2026 Medium-Term Management Plan, NHK Spring has established the Group's Basic Policy as to "Build a safe and secure company and a rewarding and comfortable workplace." We believe it is important for the Company's sustainable growth that employees can continue to work with good physical and mental health and vitality, which will lead to improved performance. To this end, we will actively promote health management aimed at improving the health of our employees.

Measures in FY2024

• Mental Healthcare

The number of employees taking time off work due to personal injury or illness is on the rise, and the increase in the rate of absence due to mental health problems is one of the contributing factors. To reduce the number of employees experiencing mental health problems and shorten leave periods, we are implementing measures to prevent mental health problems and detect them at an early stage. As one such measure, improving the workplace environment has successfully reduced the average risk level of workplaces identified as high-risk in FY2024.

Main Measures

- ✓ Mental healthcare training
- ✓ Utilization of stress checks (improving the work environment through individual follow-up and group analysis results)
- ✓ Establishment of the Employee Assistance Program (EAP)

• Physical Healthcare

The rate of absence due to lifestyle-related diseases has remained almost unchanged. However, more serious lifestyle-related diseases tend to result in longer medical leave periods, so we are implementing necessary measures to prevent such diseases from occurring and worsening. As the results of the health checkups show that the higher the BMI, the greater the likelihood of abnormalities due to lifestyle diseases, we have worked on reducing BMI as one countermeasure. When we recruited participants for health promotion events as part of our measures, we confirmed a decrease in BMI values among participants in the "Health Visualization Program" with a BMI of 25 or higher. As one of our initiatives, we will continue to attract more participants to the program and encourage them to utilize it.

We are also working to build a comfortable work environment for both male and female employees by establishing external consultation channels and holding seminars, among other initiatives.

Main Measures

- ✓ Implementation of health events leveraging the Health Visualization Program
- ✓ Provision of dietary education and healthy meals
- ✓ Efforts to prevent secondhand smoking
- ✓ Establishment of a Consultation Service for Gender-Specific Diseases
- ✓ Implementation of menstrual cramp simulation sessions
- ✓ Implementation of a women's health seminar on menopause

Planned Measures in FY2025

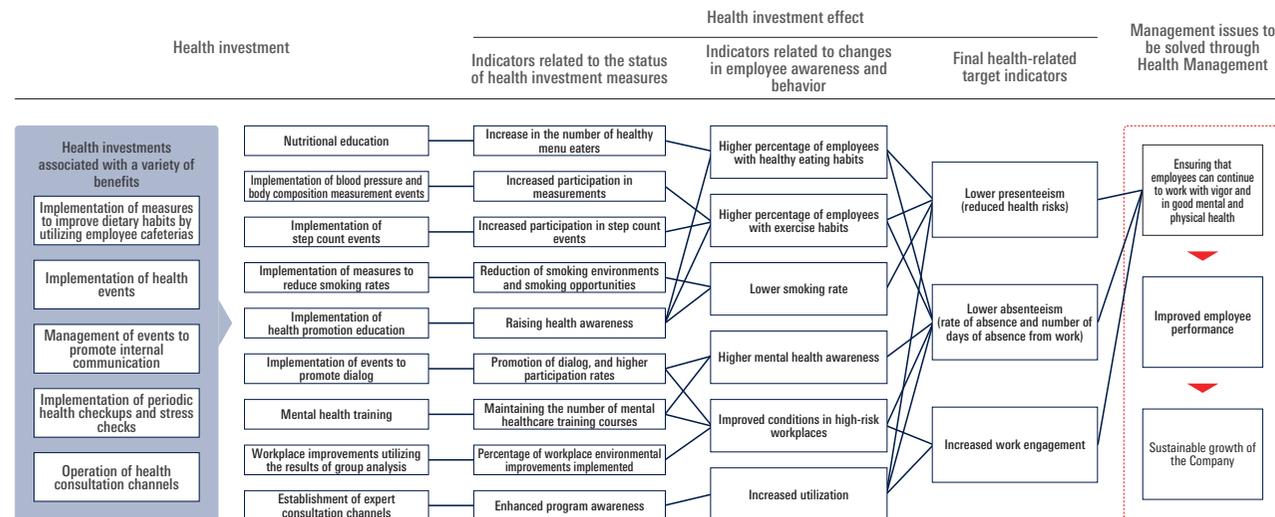
We will continue promoting employee health by effectively utilizing external consultation channels to address diverse mental and physical concerns and personal anxieties. In addition to our existing initiatives, such as women's health seminars, we plan to conduct a menstrual cramp simulation workshop and other relevant events.

Targets and Trends

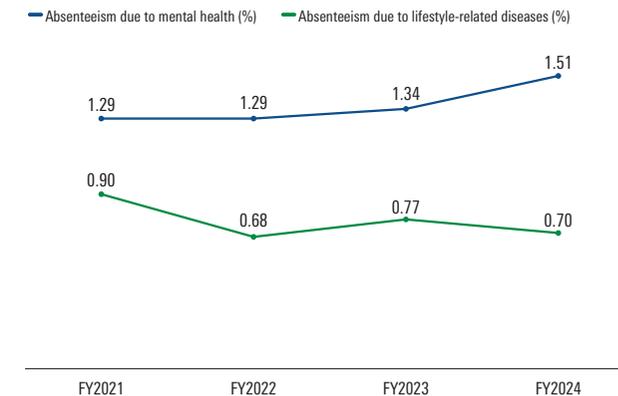
3-year goal from FY2024

Absenteeism due to mental health	1.0% or less*
Absenteeism due to lifestyle-related diseases	0.8% or less*

*To achieve this, the target values have been left unchanged from the previous 3-year plan.



Trend of Absenteeism



Respect for Human Rights

Human Rights Policy

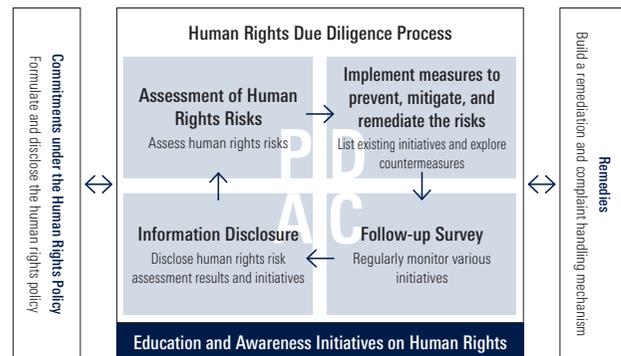
In August 2024, we formulated the “NHK Spring Group Human Rights Policy.” Respect for human rights is an important part of the NHK Spring Group’s business activities around the world, as we provide “indispensable key parts” and continue to be a necessary presence in society. This policy respects major international norms in addition to the principles of the NHK Spring Group Basic Global CSR Policy. Based on this policy, the NHK Spring Group works to identify and appropriately address human rights issues in its business activities.

- | | |
|---|--|
| 1. Commitment to Respect for Human Rights | 5. Education |
| 2. Scope of Application | 6. Information Disclosure |
| 3. Human Rights Due Diligence | 7. Dialogue and Consultation with Stakeholders |
| 4. Remediation | 8. Management System |

➔ The full NHK Spring Group Human Rights Policy is available on our website.

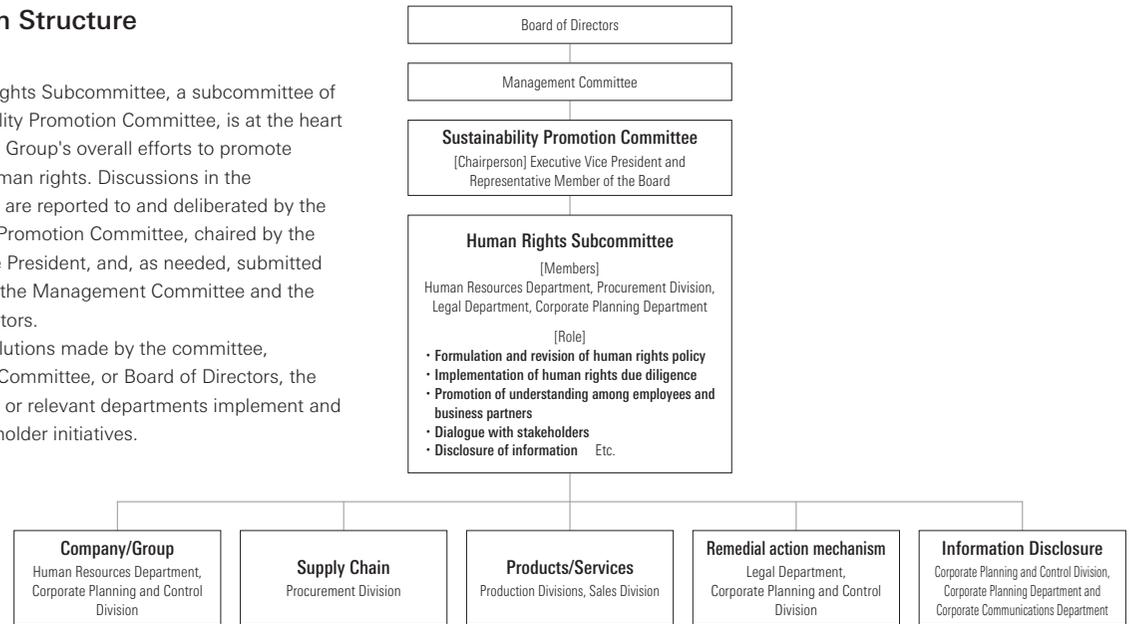
Initiatives for Human Rights Due Diligence

To conduct human rights due diligence based on standard international procedures, we are strengthening our frameworks and initiatives.



Promotion Structure

The Human Rights Subcommittee, a subcommittee of the Sustainability Promotion Committee, is at the heart of NHK Spring Group’s overall efforts to promote respect for human rights. Discussions in the subcommittee are reported to and deliberated by the Sustainability Promotion Committee, chaired by the Executive Vice President, and, as needed, submitted or reported to the Management Committee and the Board of Directors. Based on resolutions made by the committee, Management Committee, or Board of Directors, the subcommittee or relevant departments implement and monitor stakeholder initiatives.



① Assessment of human rights risks

We assess human rights risks. We identify human rights risks that may arise in our business and supply chain, including potential adverse impacts on human rights, and analyze and assess the impacts and severity. In analyzing and assessing human rights risks in our supply chain, we first obtained a comprehensive picture of human rights risks across our business operations through hearings with relevant departments, risks identified by international organizations and NGOs, and cases of materialized risks within the industry. We then conducted screening to identify and assess priority risks requiring particular attention.

② Priority human rights risks and prevention and mitigation measures

Focusing on human rights risks identified as priorities through the assessment, we are strengthening our existing measures to prevent and mitigate them, while advancing new countermeasures.

③ Remedies (complaint handling mechanism)

To appropriately handle grievances regarding violations of human rights and unfair treatment, we have established complaint handling mechanisms for our business partners and employees, respectively. In response to reports, we investigate and verify the matters before notifying whistleblowers of the investigation results and implementing remedies and other appropriate measures.

④ Internal education and awareness activities

To widely disseminate our human rights policy and promote understanding of business and human rights, we carry out educational and awareness-raising activities related to human rights.

Fiscal Year	Description
FY2024	Implemented the human rights policy group-wide
	Explained the details and background of the human rights policy at the regular liaison meeting with Group companies (Mutsumikai)
	Published the human rights policy in the internal newsletter as part of the initiative to disseminate it
FY2025	Conducted an e-learning program to educate employees on respect for human rights and our initiatives
	Launched a company newsletter series on respect for human rights

Supply Chain Management

Basic Approach on Procurement

• Basic Procurement Policies

NHK Spring procures supplies based on three basic policies for procurement: "Building long-term partnerships based on mutual trust," "Fair and open procurement," and "Compliance and confidentiality." In addition, to ensure sustainable business activities throughout the supply chain, we have established the NHK Spring Group Sustainability Procurement Guidelines and the Green Procurement Guidelines and disseminate them to our business partners.

Basic Policies for Purchasing Supplies

● Building long-term partnerships based on mutual trust

We aim to build long-term relationships of trust as the best partner and grow together, through mutual efforts and fair transactions.

● Fair, equitable and open procurement

We are open to all suppliers, regardless of country of origin, size, or affiliation, and select suppliers based on comprehensive consideration of quality, price, service, technology, and development capabilities.

● Compliance and confidentiality

All our procurement activities are premised on compliance (adherence to laws and regulations, work rules, corporate ethics, and social norms). We do not make any unauthorized disclosures to third parties of any confidential information we may acquire through our business partners.



NHK Spring Group
Sustainability Procurement
Guidelines

→ The PDF is available on
our website.



NHK Spring Group
Green Procurement
Guidelines

→ The PDF is available on
our website.

Continued Promotion of Fair Transactions

In the 2026 Medium-Term Management Plan, one of the Group's Basic Policies is defined as "Purchase appropriately, manufacture accurately, market and sell properly." With regard to "Purchase appropriately," as a member of the Japan Auto Parts Industries Association (JAPIA), NHK Spring is working with the Japan Automobile Manufacturers Association to promote the following initiatives to ensure fair trade in accordance with the Automobile Industry Fair Trade Guidelines, which were formulated by the Ministry of Economy, Trade and Industry as part of its efforts to promote fair competition and strengthen competitiveness in the automobile industry.

• Revision of payment terms

Starting from the end of June 2024, we revised our payment terms so that payments are made by bank transfer at the end of the month following month-end closing for all our business partners with capital of 300 million yen or less, expanding from the previous scope that covered only subcontractors. Additionally, effective from the end of April 2025, we shortened the bill maturity period from 120 days to 60 days for business partners with capital exceeding 300 million yen (with some exceptions). Through these initiatives, we are working to ease the burden throughout the supply chain.

• Establishing systems and mechanisms within the Group

In addition to the regular audits conducted by the Internal Audit Department, the Procurement Department also conducts audits of the Subcontracting Law and other regulations. As with other audits, we follow up until the issues raised are resolved, and we confirm that appropriate subcontracting transactions are being carried out.

• Holding Purchasing Committee Meetings

The NHK Spring Group Purchasing Committee has held meetings since 2012 with the aim of strengthening Group's purchasing power and communications. Procurement managers from each Group company participate in this meeting, which is held once a year to discuss procurement methods, price analysis and reduction methods, etc., as well as to share information on steel prices. We also set aside time in each meeting to explain the Subcontracting Law and the Act on the Promotion of Small and Medium-sized Enterprises, and we work to ensure compliance across the entire NHK Spring Group by sharing information on changes to the law and audit findings.

Initiatives to Respect Human Rights in the Supply Chain

Against the backdrop of growing global interest in sustainability, there is a strong demand for companies to consider human rights in their business activities. In September 2022, the Ministry of Economy, Trade and Industry established the "Guidelines for Respecting Human Rights in Responsible Supply Chains, etc." and began requiring that companies consider human rights throughout the supply chain. In light of such changes in the external environment, we established the "NHK Spring Group Human Rights Policy" in August 2024, and are promoting initiatives to respect human rights in the NHK Spring Group supply chain.

To further strengthen our initiatives for our supply chain, we have significantly revised our previous NHK Spring Group CSR Procurement Guidelines, establishing the NHK Spring Group Sustainability Procurement Guidelines in June 2025. Based on the new guidelines, we are currently conducting due diligence, including SAQs (Self-Assessment Questionnaires).

• Addressing responsible mineral procurement

NHK Spring has formulated a policy on conflict minerals in response to the issue of such minerals being mined in the Democratic Republic of the Congo and surrounding countries. Based on this policy, we ask our business partners to engage in responsible procurement of resources and raw materials, and we conduct a survey of conflict minerals using the CMRT*1 and EMRT*2 once a year.

*1 Conflict minerals reporting template

*2 Extended minerals reporting template

Quality Initiatives for Creating Safe and Reliable Products

Quality Control Framework

We have the Quality Committee under the Board of Directors, with the Executive Vice President and Representative Member of the Board (CQO, or Chief Quality Officer) chairing the committee. The committee formulates quality policies, shares quality issues, and discusses the medium-to-long-term vision and future direction of initiatives. The committee members include not only the quality control departments but also the corporate planning and control, R&D, and sales departments. Resolutions made by the committee are shared with manufacturing teams through the quality control department of each production division. We manage quality through a comprehensive approach with various departments working together, rather than the quality control departments managing quality on their own.



Responding to Quality Issues

Quality issues are promptly communicated to related parties. We also strive to maintain high risk awareness to respond to issues naturally and swiftly. When particularly serious quality issues occur, they are shared with related departments under the leadership of the Executive Vice President and Representative Member of the Board (CQO), and the departments immediately discuss countermeasures. If an issue is difficult to solve, we launch a cross-departmental project team, establishing a system for flexible and prompt response.

FY2026 Medium-Term Quality Policy

To achieve global improvement in customer satisfaction, by competitive quality based on human resource development and fostering a quality culture.

We view enhancing customer satisfaction, an unwavering objective for a manufacturer, as the core of our quality policies. Under these policies, we declare that we strive to earn greater recognition by listening to customers across the globe, engaging in manufacturing from customer perspectives, and identifying and improving issues.

FY2025 Priority Measures

Each year, we establish priority measures as specific action guidelines based on our quality policies.

(1) Follow the B.N.F.(*) "Bad News First / Fast" rule, and we all address our concerns together.

*Bad News First / Fast: Bad News should be shared as a top priority (First) and urgently (Fast).

(2) Apply solutions considering the whole process throughout the stages, from data preparation to analysis.

We emphasize the principle of BNF (Bad News First / Fast) as a key approach to preventing quality issues from worsening. This approach encourages sharing minor concerns and anything unusual arising in the workplace at the earliest possible stage before anything else. By sharing issues with relevant parties while they are still minor, and developing and steadily implementing remedies, we can prevent the issues from becoming serious, promoting stable and enhanced quality.

Meanwhile, in manufacturing, consistently acting in each process with customers and downstream processes in mind helps thoroughly ensure quality across processes, leading to greater customer trust and confidence. To accomplish this, we collect in-process quality data

for centralized management and use its analysis to accurately understand in-process quality. We apply the front-loading principle, which will be described later, to prevent defective products from reaching downstream processes and prevent defects from occurring within each process.

Quality Audits and Education

To embed the BNF principle and improve quality awareness, we conduct audits and educational activities for individual sites under the leadership of the head office. Through integrated activities combining audits and education, we address issues facing individual employees at manufacturing sites and develop a transparent work environment where employees can confidently focus on manufacturing. We aim to foster a culture where the entire organization can work together to achieve stable and enhanced quality.

Audits of Audits

At our Company, the quality control department of each production division conducts regular audits on quality management situations at the plants they oversee. Moreover, the head office's quality control department conducts "audits of audits" that examine the results from a third-party perspective for the 40 production sites in Japan, including our Group companies.

In these audits of audits, we provide advice based on on-site verification of actual places, actual products, and actual situations (principles and standards) to help each site identify its strengths and weaknesses and take concrete actions for improvement. In addition, we identify on-site concerns through surveys of plant staff and issues related to plant operations and labor management through one-on-one interviews with managers and supervisors. We identify potential issues at plants from three perspectives—on-site verification, surveys, and interviews—and carefully review quality audit results to give advice for creating a transparent work environment where teams can work together to solve issues. By doing so, we facilitate the building of trust that leads to a sense of organizational unity.

Quality Initiatives for Creating Safe and Reliable Products

Instilling Our Values

As part of our auditing initiative, we conduct in-person, classroom-style lectures to educate plant personnel on quality control. These lectures aim to further enhance employees' understanding by conveying our strong commitment and passion for quality compliance and culture development in person and enabling two-way communication.



Manufacturing Based on Front-loading

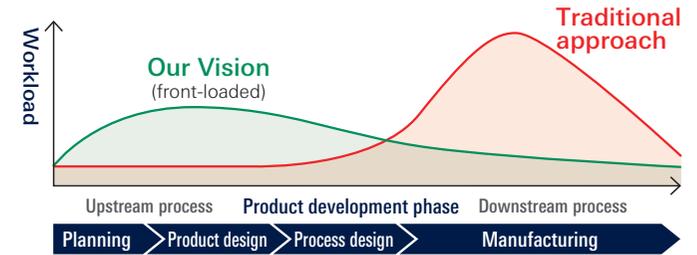
Based on our quality policies and priority measures, we promote the front-loading approach to achieve more competitively superior quality. We maintain high quality awareness through all production processes and identify and address potential risks in the upstream process (design phase). This allows us to reduce issues and rework in the downstream process (manufacturing phase), efficiently ensuring high product quality that promotes customer trust and confidence.

In production, we are utilizing IT and digital technology to digitize and centrally manage quality-related data, including manufacturing conditions and the results of product inspections conducted in-process and prior to shipment. By statistically analyzing various collected data together, we identify how manufacturing conditions and product quality are interrelated. By preventing defective products from reaching downstream processes and systematically eliminating potential in-process risks, we aim to achieve zero defects.

In the design and development fields, we digitize and centrally manage data on factors affecting quality, including material properties and variations in

shapes and sizes. By doing so, we reinforce countermeasures for worst-case quality scenarios caused by inconsistency in product quality from the prototyping to mass production phases. This approach facilitates launching mass production and allows us to ensure stable product quality.

Front-loading Approach for Work Efficiency



Customer Reviews (2023 to 2024)

The NHK Spring Group's products have been highly evaluated by many customers in Japan and overseas. We will continue to work tirelessly to maintain the trust of our customers.

	Customer (corporate suffixes omitted)	Name of Commendation	Products
Domestic	Toyota Motor Corporation TOYOTA GAZOO RACING COMPANY	Certificate of Appreciation for Technology and Quality	Precision Springs and Components [Racing valve springs]
	Nissan Motor	Certificate of Appreciation for Outstanding Quality	Springs, Automotive Seating, Precision Springs and Components
	Nissan Shatai	Certificate of Appreciation for Quality Contribution	Springs
	Hino Motors	Outstanding Quality Control Award	Springs, Automotive Seating
	EXEDY	Outstanding Quality Award	Precision Springs and Components
	Western Digital	Best Supplier Award	DDS
Overseas	Nissan North America	Quality Master Certificate	Springs (NASCO)
	Isuzu Engine Manufacturing (Thailand)	FY2023 QD Awards	Precision Springs (NHK Spring Thailand)
	Hino Motors Manufacturing (Thailand)	Best Quality Performance, Silver Award	Springs, Seats, Precision Springs (NHK Spring Thailand)
	Jatco Guangzhou & Suzhou Automatic Transmission	Quality Award	Precision Springs and Components (NSPG)
	Jatco Mexico	Quality Award	Precision Springs and Components (NSPA, NASCO)
FCC Foshan (China FCC Foshan)	Quality Excellence Award	Precision Springs and Components (NSPG)	

	Customer (corporate suffixes omitted)	Name of Commendation	Products
Domestic	Nissan Motor	Certificate of Appreciation for Outstanding Quality	Springs, Automotive Seating, Precision Springs and Components
	Mitsubishi Motors	Quality Excellence Award	Automotive Seating
	EXEDY	Outstanding Quality Award	Precision Springs and Components
	Sawafuji Electric	Quality Excellence Award	Precision Springs and Components
	Western Digital	Best Supplier Award	DDS
Overseas	Toyota Motor Europe (TME)	Quality Award, Safety Award	Springs (ISSA)
	Nissan North America	Supplier Operational Excellence Award	Springs (NMMI)
	Honda Cars India Ltd.	Certificate of Appreciation (Spare Pt)	Springs (NSI)
	Mitsubishi Motors (Thailand) (MMTh)	The Best Quality Award	Springs, Seats, Precision Springs (NHK Spring Thailand)
	Yamaha Motor Manufacturing America	Supplier Excellence Award	Springs (NMMI)
	AISIN World of America	Quality & Delivery Award	Precision Springs and Components (NASCO)
Jatco Guangzhou & Suzhou Automatic Transmission	Quality Award	Precision Springs and Components (NSPG)	

*Examples of quality-related awards received from customers (in no particular order).

Research and Development

Basic Approach

Working under the slogan “Technology Experts NHK/Manufacturing Experts NHK,” the NHK Spring Group conducts a variety of basic and applied research with the aim of developing new products that will form the pillars of the next generation. In particular, in order to respond to the rapidly changing social environment, we have set out a policy of creating next-generation core businesses. Moreover, in order to create “indispensable key parts” that contribute to sustainable growth, we are actively allocating the necessary R&D expenses, promoting co-creation through open innovation, and collaborating with universities. In addition, NHK Spring believes that the development of specialized talent is the most important aspect of research and development. In a culture of “developing individuality and talent,” we are strengthening human resources development and taking on new challenges in fields such as medicine and electric flying cars (eVTOLs) with flexible thinking.

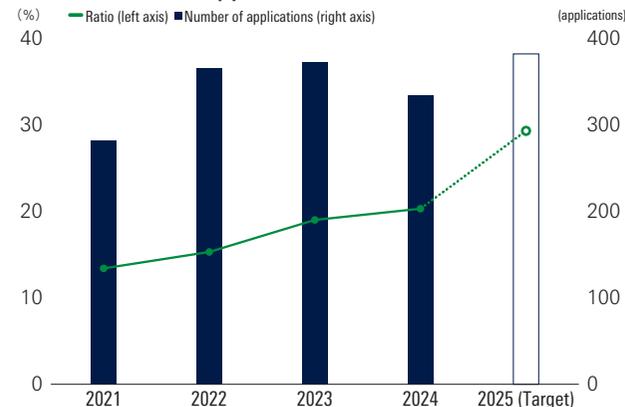
Research and Development Structure

NHK Spring's R&D system is based on two pillars: development and intellectual property (IP). With regard to development, we select development themes aimed at creating products that will contribute to solving social issues, through lively discussions at the “Development Project Review Meeting,” which is attended by two head office organizations (the R&D Headquarters and the Engineering Division), and the development department of each Production Division. The Review Meeting is attended by members of the Board, as well as Corporate Officers, directors and theme leaders from each development division, enabling rapid decision-making. With regard to IP, our policy is to ensure that we obtain IP rights for the products and technologies we develop, and that we do not infringe on the IP rights of other companies. Based on this, the IP Strategy Committee discusses and decides on IP strategies, and manages progress. In addition, since FY2021, we have been actively filing patent applications, and we are continuously implementing patent application analysis, IP education, and invention discovery activities that are specialized for each production division with the aim of improving quality and differentiating ourselves from our competitors. Furthermore, in FY2025, we are actively utilizing generative AI, which has evolved remarkably in recent years, to streamline and advance IP-related activities, thereby promoting the creation of strong and useful patents.

Intellectual Properties That Build a Competitive Edge for Next-Generation Businesses

We have been working to strengthen our intellectual property rights to secure competitive superiority in the future, with a focus on electrification-related products (motor cores, integrated metal substrates, etc.) and semiconductor-related products (semiconductor process components, inspection equipment parts, etc.) as our strategic growth products. As a result, our strategic growth products account for an increasing share of our total patent applications. This indicates that we are updating our intellectual property portfolio in accordance with our growth strategy. We continue to enhance both the quantity and quality of our intellectual properties in line with our medium-to-long-term business plans, driving the competitiveness of products that will serve as pillars of our next-generation businesses.

Ratio of Applications for Strategic Growth Products to Our Total Patent Applications



In addition, starting from the initial development phase, the IP Department joins projects, working with the development team to identify winning strategies for target businesses through information analysis using generative AI. By conceptualizing future business scenarios from the initial development phase and creating the necessary intellectual properties through backcasting from the future, we aim to further increase useful assets that will help drive our competitive superiority. We carry out this initiative along with our traditional IP mining activities, and aim to maintain our business foundation and strengthen our competitive edge by leveraging both rights that protect our products and rights that serve as entry barriers.

New Approaches to New Theme Exploration Activities

The R&D Division's “Exploratory Activities for Development Themes,” which started in FY2021, aiming to create new businesses, have produced a number of promising ideas. In FY2024, we took up these seeds as specific development themes and worked to promote and strengthen development. Moreover, we have been exploring segments where market expansion is expected to continue, including the battery and medical sectors.

Commitment to Creating Products That Contribute to the Environment

As a new initiative in FY2024, the “Waku-Waku Team,” an exploration team of young, dedicated members, continues to engage in projects that inspire excitement, or waku-waku, among members. Through fun activities, they aim to create products that contribute to the environment. They are exploring themes for making contributions and implementing initiatives encompassing agriculture and fisheries—areas our business has rarely been involved in. Furthermore, the Waku-Waku Team is also focusing on collaboration with external parties. Meeting and interacting with new people has helped further energize the team's activities. As an example of such initiatives, the team is working with the Co-Creation/New Business Development Division of Yamaha Motor Co., Ltd. to develop a new beach-cleaning device called the “microplastic collector.” Although prototyping and demonstration experiments on the beach do not always go as planned, the team's youthful agility enables them to address challenges through discussions and swift improvements and experiments. We continue to strongly support initiatives that inspire excitement in curious members, accelerating their efforts to create new products.



Microplastic Collector: Unit 3 (courtesy of Yamaha Motor)

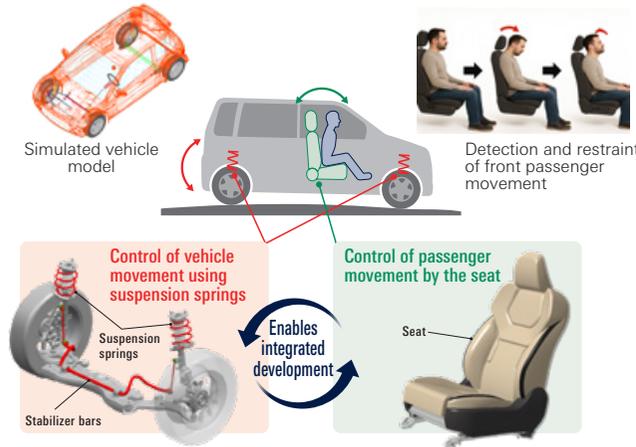
Research and Development

New Initiatives Geared to Improving Competitiveness

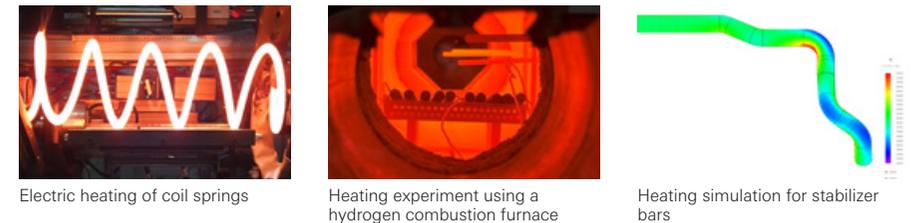
The NHK Spring Group is focusing on deepening and creating fundamental technologies to improve its competitiveness. As front-loading is the focus of attention in product design and development, in addition to existing fundamental technologies, we are actively promoting collaboration with universities in areas such as AI and data science, to foster the development of specialized talent.

Improved Ride Comfort Through the Synergy of Springs and Seats

In the future electrification of automobiles and the autonomous driving society, it will be necessary to address new riding comfort needs due to changes in vehicle structures and passenger postures. As the only company that manufactures both suspension springs and seating products that are essential for riding comfort, we aim to pair the products in an optimal way by leveraging simulation and evaluation technologies.

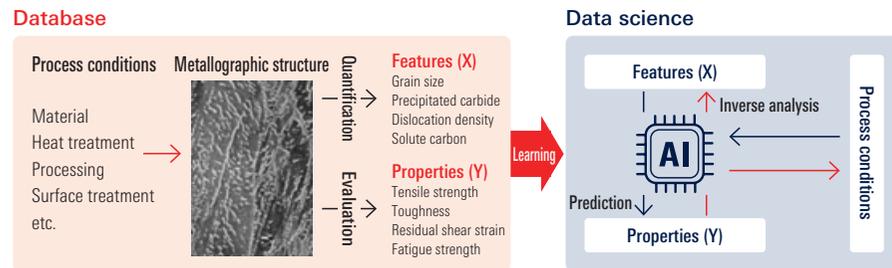


Evolution of Heat Treatment Technology Toward Carbon Neutrality



Our high-quality, high-performance suspension spring products utilize advanced heat treatment technology to control the microstructure of materials and achieve the required performance. However, because the traditional heat treatment process emits large amounts of CO₂, we are promoting the application of electric heating, which is more environmentally friendly. In addition, we are currently developing new heat treatment technologies utilizing hydrogen and ammonia combustion, aiming to quickly apply these technologies to mass production and achieve carbon neutrality by leveraging heat treatment simulations conducted by the Research and Development Department.

Forecasting of Material Characteristics by Utilizing AI



We will expand areas for utilizing AI and data science from production technologies to R&D. With a view to eliminating the need for prototypes and greatly shortening development lead times, we are advancing the optimization of process conditions based on, for example, prediction of material properties and inverse analysis. By also leveraging joint research with universities, we are linking such activities to the development of human resources in the fields concerned.

Steerable Fine Wire with Variable Stiffness, Expected for Medical Applications

As a potential next-generation core business, we aim to enter the medical market, which is expected to see further growth, and meet new needs under the concept of "fine wire with bendability and variable stiffness," utilizing the characteristics of springs. The control of fine wire bending shapes and stiffness leverages our advanced production technologies cultivated over many years, including precision coiling and precise welding of micro components, as well as spring design and simulation technologies that ensure high reliability.



Corporate Governance

Basic Approach to Corporate Governance

Based on various principles of the Corporate Governance Code, we have made available on our website our "Corporate Governance Report." This report addresses topics such as securing shareholder rights and equality, appropriate collaboration with stakeholders other than shareholders, enhancing disclosure, ensuring transparency, responsibilities of the Board of Directors, and dialogue with shareholders.

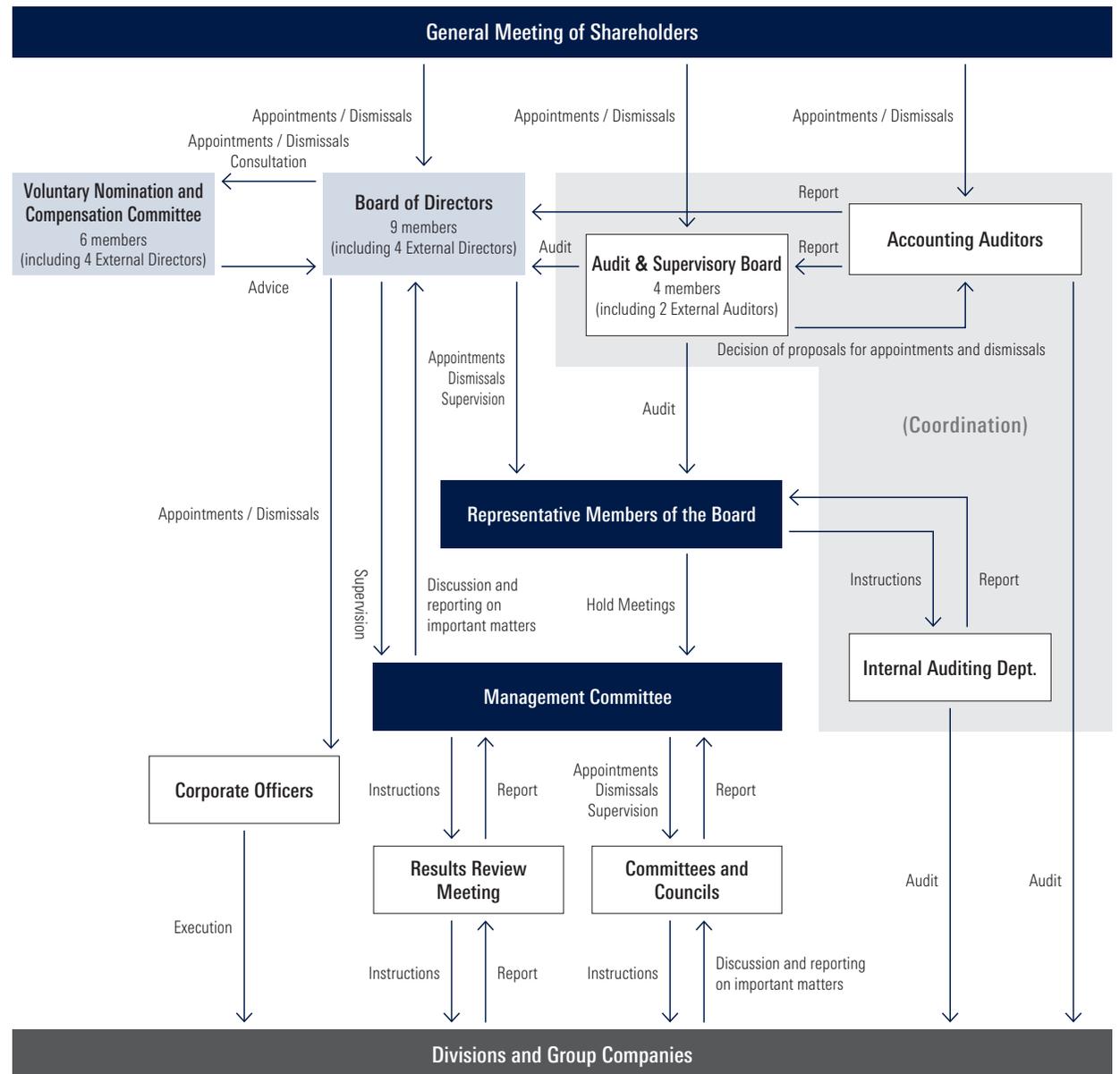
We aim to maintain sound management and increase corporate value from the medium- to long-term perspective by developing management organizational structures and mechanisms and implementing the necessary measures.

To achieve this, we have adopted the following five basic approaches.

Basic Approaches for Corporate Governance

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 good relationships by fulfilling our responsibility as a Company to stakeholders, such as our shareholders, customers, 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 optimal 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 dialogue 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.

Governance Structure (as of June 25, 2025)



Corporate Governance

Purpose, Meeting frequency, etc. of Each Conference Body

Following the passing of a resolution to increase the number of external directors by one at the NHK Spring General Meeting of Shareholders held in June 2024, the ratio of external directors and auditors in the Board of Directors and Nomination and Compensation Committee increased as shown below. We are working to further strengthen our supervisory functions and improve the fairness and transparency of our management by utilizing external know-how.

<Ratio of External Directors>

Board of Directors	37.5% (FY2023) → 44.4% (FY2024/FY2025)
Nomination and Compensation Committee	60.0% (FY2023) → 66.7% (FY2024/FY2025)

Name of Conference Body	Functions and Roles	Members	Meeting frequency Figures in parentheses () are actual figures
Board of Directors	In order to achieve sustainable growth and medium- to long-term improvement in corporate value for NHK Spring and Group companies, we exercise our supervisory function over all aspects of management to ensure fairness and transparency. In addition, we seek optimal decision-making through important business decisions, etc., while appropriately dealing with the risks we face.	Internal Directors 5 members (including 4 Representative Members of the Board)/Independent External Directors 4 members Total 9 members <small>* Members of the Audit & Supervisory Board also attend as observers.</small>	In principle, ONCE per month (FY2024: 14 times)
Audit & Supervisory Board	To live up to shareholders' expectations and social trust, the Audit & Supervisory Board audits the execution of duties by Board members as an independent body and carries out matters stipulated in laws, regulations, and the Articles of Incorporation. As such, it is our duty to contribute to the establishment of a high-quality corporate governance system that will enable the sound and sustainable growth of NHK Spring and its group companies.	Internal Members of the Audit & Supervisory Board 2 members / External Members of the Audit & Supervisory Board 2 members Total 4 members	In principle, ONCE per month (FY2024: 17 times)
Voluntary Nomination and Compensation Committee	To ensure objectivity and transparency in matters such as the compensation and selection of Board members, we have established the voluntary Nomination and Compensation Committee as an advisory body to the Board of Directors.	Internal Directors 2 members / External Directors 4 members Total 6 members	3-5 times per year (FY2024: 5 times)

Past Initiatives to Strengthen Corporate Governance

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
External Factors	· Publication of the Ito Report	· Enactment of the revised Companies Act · Table of Corporate Governance Code			· Revision of CG Code		· Revision of CG Code	· Review of market segmentation			
Board of Directors		Appointment of the first External Director	Addition of one female External Director			Addition of one female External Director				Addition of one female External Director	
Nomination and Compensation							Establishment of the Nomination and Compensation Committee (3 External Directors + 2 Internal Directors) Establishment of standards for judging the independence of external directors/auditors		Introduction of a stock benefit trust (stock-based compensation)	Addition of 1 External Director to the Nomination and Compensation Committee (4 External Directors + 2 Internal Directors)	Revision of the stock-based compensation system (Transition to restricted stock compensation and increase in the ratio of stock-based compensation)
(Reference)											
Reduction of Cross-Shareholdings		Sale of 1 brand	Sale of 1 brand	Sale of 1 brand		Sale of 6 brands	Sale of 3 brands	Sale of 1 brand	Sale of 10 brands	Sale of 3 brand*	
Shareholding ratio (end of year)	24.6%	20.5%	23.7%	21.8%	18.8%	20.1%	18.8%	18.2%	20.8%	14.8%	
Disposal amount	-	JPY 15,000,000	JPY 42,000,000	JPY 2,409,000,000	-	JPY 664,000,000	JPY 125,000,000	JPY 41,000,000	JPY 16,602,000,000	JPY 8,280,000,000	

*Including deemed shareholdings held in retirement benefit trusts

Corporate Governance

Skill Matrix

The skills, abilities and experience of the Members of the Board and Members of the Audit & Supervisory Board in order for NHK Spring to achieve the 2026 Medium-Term Management Plan and contribute to a sustainable society by providing “indispensable key parts” are as follows.

(Note) The list below does not represent all the expertise possessed by Members of the Board and Members of the Audit & Supervisory Board. In the table below, each Corporate Officer's skills are marked with ○, with ⊙ indicating domains where they demonstrate particular expertise. We will continue to review the skills we expect each Member of the Board and each Member of the Audit & Supervisory Board to have according to changes in the business environment and the Company's management policies.

Name	Title	Gender	Affiliation	Qualifications	Expected Skills									
					Corporate Management	Engineering, R&D, Manufacturing	Finance & Accounting	Sales and Marketing	Overseas Experience, International Perspective	Global Environment	Human Resources, Labor, Human Rights	Corporate Governance	Risk Management, Compliance, Legal Affairs	IT・DX
Takashi Kayamoto	Chairman & Representative Member of the Board, CEO	Male	Nomination and Compensation Committee Member (Chairperson)		○	○		○	○	○		○		○
Kazuhiisa Uemura	President & COO and Representative Member of the Board, Corporate Officer	Male	Nomination and Compensation Committee Member		○		○	○	○		○	○		○
Noritoshi Takamura	Executive Vice President and Representative Member of the Board, Corporate Officer, COO, CTO	Male			○	○		○	○	○				○
Masayuki Horie	Executive Vice President and Representative Member of the Board, Corporate Officer, President of Procurement Division	Male			○		○	○	○		○			○
Shunsuke Sasaki	Member of the Board, Senior Corporate Officer and President of Sales Division	Male			○		○	○	○					
Keiichiro Sue	Members of the Board (External)	Male	External Independent Nomination and Compensation Committee Member	Lawyer Licensed Attorney in New York State					○		○	○	○	○
Katsuko Tanaka	Members of the Board (External)	Female	External Independent Nomination and Compensation Committee Member	Physician					○	○	○			
Hiromi Tamakoshi	Members of the Board (External)	Female	External Independent Nomination and Compensation Committee Member	Lawyer Certified Public Accountant			○				○	○	○	
Reiko Furukawa	Members of the Board (External)	Female	External Independent Nomination and Compensation Committee Member		○						○			○
Masakazu Toyoda	Audit & Supervisory Board Member	Male			○		○	○				○	○	
Naoya Mizutani	Audit & Supervisory Board Member	Male					○					○	○	
Ichiro Ebihara	Audit & Supervisory Board Member (External)	Male	External Independent	Certified Public Accountant	○		○					○	○	
Yuko Yamada	Audit & Supervisory Board Member (External)	Female	External Independent	Certified Internal Auditor Certified Public Accountant (USA)			○		○			○	○	

Definition of Skills

- Corporate Management**
Ability to assess changes in the business environment, develop appropriate strategies, and support responsible business execution
- Engineering, R&D, Manufacturing**
Ability to secure world-class quality through innovative research and technological development
- Finance & Accounting**
In addition to accurate financial and accounting reporting, the ability to support the formulation of financial strategies that contribute to sustainable improvements in corporate value.
- Sales and Marketing**
Ability to formulate sales strategies that accurately capture the business environment and customer needs, and secure market superiority.
- Overseas Experience, International Perspective**
Understanding of diverse values and cultures, and ability to make decisions from a global perspective
- Global Environment**
Ability to promote the creation of a decarbonized society through the reduction of CO₂ emissions and the realization of zero industrial waste.
- Human Resources, Labor, Human Rights**
Ability to drive a corporate culture of “Respect for People,” and promote the growth and success of a diverse range of human resources.
- Corporate Governance**
Understanding of the status of governance of business execution and ability to raise appropriate issues
- Risk Management, Compliance, Legal Affairs**
Understanding the status of risk control and ability to raise appropriate issues
- IT・DX**
Ability to utilize the latest IT and DX knowledge to drive improvements in productivity and operational efficiency

Corporate Governance

Policy and Procedures in Appointing Candidate Members of the Board

Policy in Nominating Members of the Board

Candidates for NHK Spring's Board of Directors are selected and nominated based on a comprehensive judgment of their high level of insight into NHK Spring's business, their ability to cooperate with other Corporate Officers to solve problems based on NHK Spring's Corporate Philosophy, and their high level of awareness of compliance with laws and corporate ethics. In addition, the basic policy is to consider the balance of the entire Board of Directors (including the number of External Directors) as well as the experience, authority and expertise of each individual, in order to create the optimal structure that can accurately respond to the management issues of the NHK Spring Group business.

Approach to Developing Managerial Talent

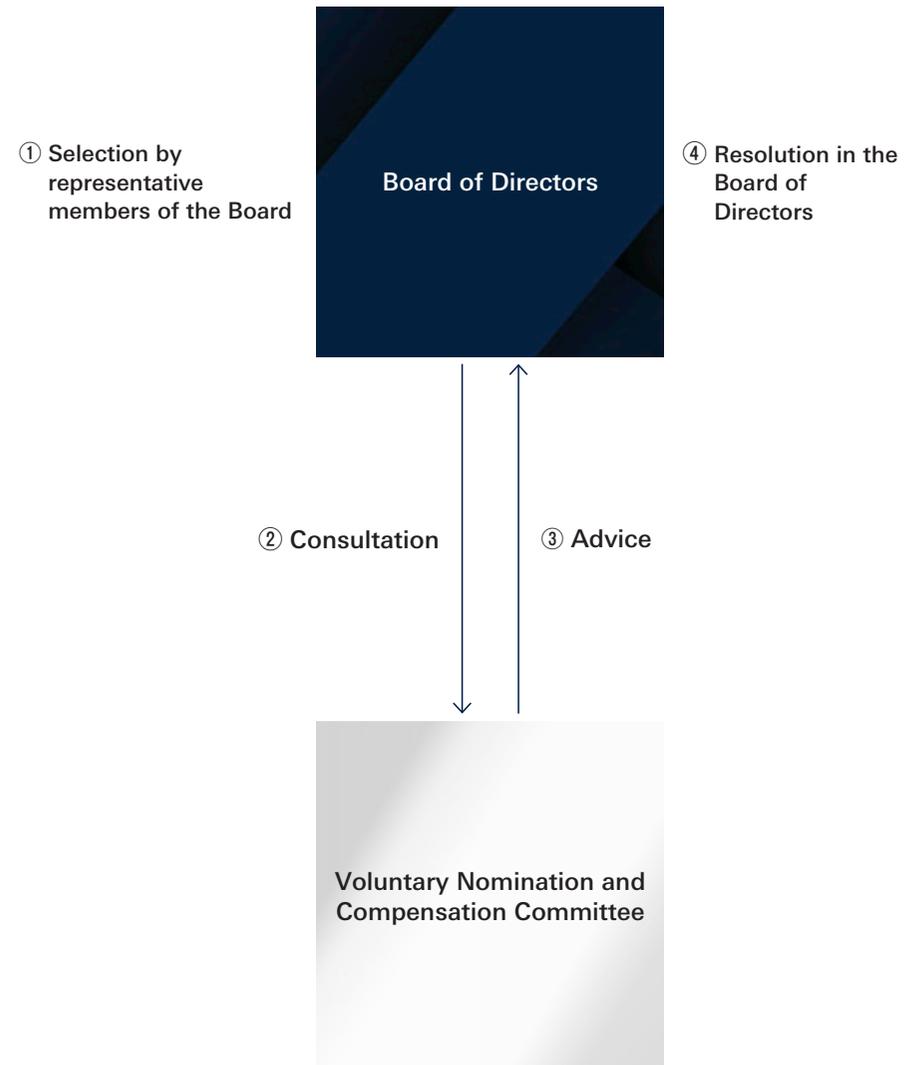
NHK Spring considers the selection of the President and other senior executives to be one of the most important roles and functions of the Board of Directors. NHK Spring is working to develop management talent by strategically placing members of the Board and Corporate Officers who are candidates for succession to positions such as President and other management positions, so that the most suitable people can be appointed to these positions in a timely and appropriate manner, thereby enabling the Group as a whole to achieve sustainable growth and long-term improvements in corporate value.

Procedures for Nominating Candidate Members of the Board

Regarding the nomination and appointment of candidate Board members, after the representative members select candidates, the voluntary Nomination and Compensation Committee, the Board advisory body with External Directors accounting for two-thirds, thoroughly examines whether the content conforms to the above policy and advises the Board of the results. The Board of Directors makes a decision based on the results.

Procedures for Dismissal of the President and other Senior Management

NHK Spring will dismiss the President and other senior executives if it is objectively determined that dismissal is appropriate due to serious violations of laws or the Articles of Incorporation, etc., after deliberation by the Board of Directors.



Corporate Governance

Compensation of Corporate Officers

Regarding compensation for Corporate Officers, our “Basic Policy on Compensation for Corporate Officers” establishes our basic approach and is available on our website.

Overview

- 1 Compensation for our Board members is based on the fundamental policy of ensuring appropriate levels that reflect the responsibilities of each member's position. The compensation consists of three components: fixed compensation as basic remuneration, performance-linked compensation as short-term incentives, and stock-based compensation as medium- to long-term performance incentives.
- 2 With regard to External Directors, only basic remuneration is paid, in light of their duties.
- 3 The ratio of basic remuneration to performance-linked compensation and non-monetary compensation will be appropriate in line with the sharing of interests with shareholders and the continuous improvement of corporate value.
- 4 With regard to the amount of compensation for each individual, the Board of Directors, by resolution, delegates the decision on the specific details to the representative members of the Board, based on advice from the Nomination and Compensation Committee.
- 5 The members of the Audit & Supervisory Board receive fixed compensation within the limit of the total compensation amount as decided by the General Meeting of Shareholders. The specific allocation of compensation to each member of the Audit & Supervisory Board is determined through discussions at meetings of the Audit & Supervisory Board.

Compensation composition, payment ratios, etc.

Types of compensation	Overview	Payees		
		Board members (excluding External Directors)		External Directors and Audit & Supervisory Board Members
		Eligibility	Approximate percentage	
Monetary compensation	Fixed compensation	○	40-60%	○
	Performance-linked compensation (bonus)	○	20-30%	-
Non-monetary compensation	Stock-based compensation	○	20-30%	-

(Note 1) At the 104th Ordinary General Meeting of Shareholders held on June 25, 2024, it was resolved that the total annual compensation for Board members, comprising basic remuneration and performance-linked compensation, will not exceed JPY 600 million (of which no more than JPY 100 million is for External Directors).

(Note 2) At the 104th Ordinary General Meeting of Shareholders held on June 25, 2024, it was resolved that the annual compensation for Audit & Supervisory Board Members will not exceed JPY 120 million.

Actual compensation, etc. for members of the Board and Members of the Audit & Supervisory Board for FY2024

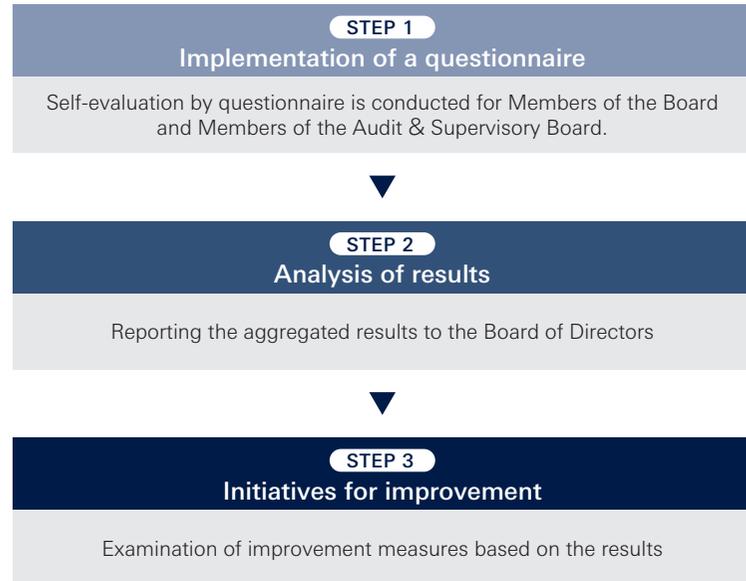
Classification	The total amount of compensation, etc. (JPY million)	Total amount by type of compensation, etc. (JPY million)			Number of eligible Corporate Officers (#)
		Monetary compensation		Non-monetary compensation	
		Fixed compensation	Performance-linked compensation	Stock-based compensation	
Members of the Board (External)	577 (40)	378 (40)	179 (-)	19 (-)	9 (4)
Members of the Audit & Supervisory Board (number of external members)	81 (14)	81 (14)	- (-)	- (-)	6 (3)
Total (number of External Directors/Auditors)	658 (54)	459 (54)	179 (-)	19 (-)	15 (7)

Corporate Governance

Board of Directors effectiveness evaluation

NHK Spring believes that it is important to continuously strengthen corporate governance in order to achieve sustainable growth and improve corporate value over the medium to long term. To enhance stakeholders' trust in our corporate governance, since FY2017, we have been annually analyzing and assessing the effectiveness of our Board of Directors and addressing issues identified through the evaluation.

Evaluation Method and Contents



Questionnaire content

Composed of a five-point scale evaluation for a total of 29 questions across the following seven categories, with optional free comments for each question



Overview of Evaluation Results in FY2024

- The results of the feedback for each evaluation item were generally high overall. In particular, “**2** Operation of the Board of Directors” and “**4** Operation of the Nomination and Compensation Committee” show improved ratings primarily due to revised criteria for Board agenda items and increased time and frequency of deliberations by the Nomination and Compensation Committee.
- Meanwhile, regarding “**5** Communication with shareholders and investors,” the evaluation identified a need for deeper engagement in response to growing expectations from shareholders and investors.

Future Initiatives

In response to the evaluation results in FY2024, we will strengthen the following initiatives in FY2025.

- Continue to expand opportunities for the CEO to directly explain to investors and shareholders
- Promote sharing and reporting feedback from discussions with investors and shareholders at Board of Directors meetings
- Thoroughly reviews deliberation documents and clarifies key issues in advance to further revitalize and streamline discussions by the Board of Directors

Dialogue with Shareholders and Investors

NHK Spring is actively engaged in IR and SR activities to help shareholders and investors deepen their understanding of the Company. In addition to disclosing information in a timely, appropriate and fair manner, we aim to deepen mutual understanding through conducting continuous and constructive dialogue and holding explanatory meetings, and we will feed back the opinions and results of dialogue received from shareholders and investors to management.

IR and SR Activity Structure

Internal Promotion Structure

Under the supervision of the CFO, who is responsible for IR information, NHK Spring has established an IR Group within the Corporate Communications Department at Head Office. The IR Group takes the lead in promoting IR initiatives in collaboration with related departments such as the Corporate Planning Department, Accounting Department, Finance Department, Human Resources Department, Legal Department, and General Affairs Department. Under this system, we are working to enhance our dialogue and communication tools, including meetings with shareholders and investors, information disclosure, holding events such as financial results briefings, operating our IR website, publishing shareholder newsletters and NHK Spring Reports (integrated reports), and responding to the mass media.

Management Feedback System

At NHK Spring, we reflect the opinions of shareholders and investors in management by appropriately summarizing and reporting the opinions and concerns we have identified through dialogue to the Board of Directors and Management Committee as necessary.

Contents	Frequency	Reporting Method
Investor and analyst comments (Content that should be shared immediately)	When needed	Directly or by email, etc. to the relevant executive officers
Investor and analyst comments (Reactions at the time of the earnings announcement)	On day of announcement	Email to the relevant executive officers
Investor and analyst comments (Comments arising from dialogue)	Once/month	Email to the relevant executive officers
IR strategy, annual plan, and progress report	Twice/year	Directly at the Board of Directors and Management Committee

Implementation of Various Events for Shareholders and Investors (FY2024)

Name of Event	Contents	Main Speakers (Presenters)	Timing
General Meeting of Shareholders	Appropriation of surplus, appointments of Members of the Board	Members of the Board, Members of the Audit & Supervisory Board	June
Financial results briefings (Full-year results, 2nd quarter results)	Business results, earnings forecasts, and progress of the Medium-Term Management Plan	President & COO and Representative Member of the Board, Executive Vice President & CFO and Representative Member of the Board	May, November
Small meetings for investors and analysts	Top management's responses to questions from investors and analysts	President & COO and Representative Member of the Board, Executive Vice President & CFO and Representative Member of the Board	As needed FY2024: 2 times
Business briefings for analysts	Business strategy, plant tours, etc.	President & COO and Representative Member of the Board, President of the Production Division, and Project Director	As needed FY2024: 1 time
Briefings for individual investors	Corporate overview, business performance, business strategy	President & COO and Representative Member of the Board	As needed FY2024: 1 time
Seminars held by a securities company	Corporate overview, business strategy	Director of Administration Department	As needed FY2024: 1 time

Summary of individual dialogues (FY2024)

Number of dialogues/ Total number of companies	Outline of the other parties	NHK Spring representatives
136/211	<ul style="list-style-type: none"> Institutional investors in Japan and overseas with a wide range of investment styles Various areas of responsibility (analyst, fund manager, ESG manager, proxy voter, etc.) 	Chairman & Representative Member of the Board, CEO, President & COO and Representative Member of the Board, Executive Vice President & CFO and Representative Member of the Board, President of Corporate Planning and Control Division, Corporate Planning Department, Finance Department, Accounting Department, Human Resources Department, Corporate Communications Department, etc.

Main Topics in Dialogue

Main Topics	Contents
Latest results	The impact from tariff policies in the United States, details on the automobile and information-related markets, etc.
Initiatives toward electrification	Trends in orders for motor cores and integrated metal substrates, investment strategies, etc.
Growth strategies	Market trends and investment strategies related to semiconductor process components, etc.
Shareholder returns	Thoughts on the dividend payout ratio, stock repurchase, etc.
Financial strategy	Capital cost, cash allocation, balance sheet thinking, etc.
ESG-related	Initiatives for carbon neutrality, human capital management, governance philosophy, approach regarding the nomination and remuneration of Members of the Board, etc.

Insider Information Management

In order to prevent leaks of insider information, NHK Spring observes a "silent period" before announcing financial results, refraining from any dialogue related to financial information during this time in accordance with our Disclosure Policy. In addition, the Company strictly manages insider information in accordance with our insider trading prevention regulations and confidential information management regulations.

→ Our Disclosure Policy is available on our website

Special Feature: A Dialogue Between the Representative Member of the Board and an External Director



Representative Member of the Board

Kazuhisa
Uemura

Special Feature

Member of the Board
(External)

Reiko
Furukawa



technologies. As such, it is also imperative to incorporate the perspective that we can generate business by adding elements to technologies from the NHK Spring Group, or by adding the NHK Spring Group's technologies to other existing technologies. We have been engaged in behind-the-scenes initiatives for the collaboration with the venture since the 2010s. Currently, we have established individual teams for exploring new businesses at the Corporate Planning and Control Division, the Sales Division, and the Research and Development Division. We are aiming for as many people as possible to be able to think about things from the perspective of exploring new businesses. Apart from maintaining and expanding existing businesses, we are also sowing the seeds of new businesses and using considerable funds for growth investment that will help the Company endure into the next generation, whereby we can effectively provide value to society in the future. This is the value of our existence, and it is essential for the development of society.

Ideal Governance Structure for the Medium to Long Term

Uemura: We have carried out reinforcements in the past few years, such as by establishing a voluntary Nomination and Compensation Committee, implementing a stock-based compensation system, and increasing the number of External Directors. I feel that there is no need to make rapid, wide-reaching changes to the current system. We must gather opinions from External Directors, shareholders, and investors through dialogue about the elements that we should add to the current structure as well as the areas that we should improve in our operations, and make decisions accordingly.

Furukawa: The corporate culture of NHK Spring is such that nobody takes a dishonest approach. I feel that this is a truly wonderful thing about the Company. There is a fundamental philosophy of "taking actions that will not bring shame." I feel that this sense of sincerity is a strength in terms of governance. On the other hand, one challenge for the Company is the dissemination of management policy. The organization is large when including Group companies, so creative ideas are required to spread these concepts. The Medium-Term Management Plan is not linked with materialities. Perhaps this is a factor as to why management policies have not yet spread thoroughly. By reorganizing the Medium-Term Management Plan and materialities and setting appropriate KPIs to suit these materialities, the policies and targets

Reflections One Year After Appointment

Uemura: Over a year has passed since my appointment as President. With everyone's support, we achieved record-high profits in our FY2024 performance. We will continue to earnestly engage in the management of the NHK Spring Group, propelled not just by the assistance of External Directors like yourself, Ms. Furukawa, but also by the assistance of many other stakeholders. Ms. Furukawa, a little over a year has passed since you assumed the position as External Director. What are your thoughts at this point in time?

Furukawa: I was appointed as an External Director in 2024 after serving for two years as an External Audit & Supervisory Board Member. My first impression of NHK Spring was that it is "sincere and serious." Put another way, I felt that it was "excessively sincere and serious." However, in the past few years, I have sensed a change in NHK Spring's stance; specifically in how it

deals with shareholders. There has been an increase in awareness regarding the importance of actively telling shareholders what kind of company we are and what we are aiming for, not just in terms of the Company's growth, but also for society in general and shareholders themselves. The Company was already good before, but I have the impression that it is evolving to become more expansive and forward-looking. I hope that NHK Spring reinforces its DNA of "pursuing value in key parts" by taking on new challenges. The Company is engaging in bold endeavors within new fields, such as by collaborating with a venture. While not everything may go as intended, I imagine that the Company will build experience, achieve added value by "manufacturing accurately," as described in the 2026 Medium-Term Management Plan, and get involved together with seeds for the future.

Uemura: Society has been moving rapidly in recent years. It is becoming unfeasible in terms of business timelines to follow a conventional style of taking time to create and nurture our own

Special Feature: A Dialogue Between the Representative Member of the Board and an External Director

of management and on-site divisions will be aligned, and it will be possible to check the progress toward these targets as well.

Uemura: You are correct. We should take a systematic approach to the Medium-Term Management Plan and materialities. With respect to disseminating management policies to Group employees, I aim to actively send messages to them. I visit Group companies and NHK Spring's plants at least once a year so that I can inform people in person when possible, and I also participate in "Top Patrols," where I share my perspective and policies. My aim is to disseminate management policies through these initiatives.

Furukawa: With respect to the Medium-Term Management Plan, I feel that there is also a challenge in terms of the duration of discussions among the Board of Directors. Currently, there is a strong trend for the Board of Directors to deliberate on matters on an individual basis, and this takes a lot of time. A thorough explanation was given when establishing the 2026 Medium-Term Management Plan. However, I felt that there was little space for discussion among the Board of Directors at that time. Perhaps it may be beneficial to have separate opportunities for discussion in addition to regular deliberations at the Board of Directors, so that Board members can talk about things as they currently are with a more direct approach.

Uemura: Right now, Board of Directors meetings only have two categories: "resolutions" and "matters for reporting." As such, there were also suggestions internally that we should add a new

category of "matters for discussion," whereby we can deliberate about the overarching direction of the Company. It may be a good idea to create time for discussion with a general framework regarding the question of what the NHK Spring Group seeks. I am interested in hearing your frank opinions during these discussions.

Furukawa: Rather than speaking about detailed points in business, it would be better to discuss things in general with a bird's-eye perspective, with topics such as global strategies regarding which fields and regions to focus on in future overseas expansion, customer strategies, and the management of various types of risks, including risks related to China. I feel that these kinds of discussions about the general framework will connect to the Medium-Term Management Plan and vision.

I also have a comment with respect to governance. NHK Spring has established a voluntary Nomination and Compensation Committee, and while this organization is voluntary, shareholders and investors have questions about its structure. The Nomination and Compensation Committee has important functions in securing fairness and transparency in the process for selecting members of management, as well as in reinforcing accountability toward stakeholders. At an increasing number of companies in recent years, an external director is appointed as the head of such a committee, from the perspective of securing transparency and objectivity.

Uemura: I feel that my most important job is to pass the baton to the best possible person. Regarding the method for this, I would

like to gather extensive feedback from yourself and the other Committee members, engage in ample discussions, and carry out initiatives together to achieve more effective operations in the Committee.

Furukawa: Yes, we need to think about this topic together. It is also important to select candidates based on an understanding of the skills that are required of Members of the Board in relation to NHK Spring's direction. It is crucial to pursue tactical measures in light of this, such as changing the Members of the Board. For example, you could select foreign nationals, people with extensive experience in overseas companies, or individuals with expertise in IT, sustainability, IR, M&A, and other fields.

Approaches in Management for Promoting Sustainability

Uemura: The Company established a secretariat function at the Corporate Planning Department in relation to promoting sustainability starting in FY2024 and launched the Sustainability Promotion Committee. This Committee will make steady progress in measures related to the eight identified materialities. We have defined KPIs related to materialities in 2025. Ms. Furukawa, how do you view our current initiatives from your perspective?

Furukawa: Sustainability has a broad scope, so it is crucial to define KPIs. If unreasonable KPIs are set, they will not spread to the people on-site. For example, if a KPI for the ratio of female managers is set while ignoring the actual ratio of female employees, the KPI will be unattainable, which will cause uncertainty. Setting appropriate KPIs and incorporating them into business management policies will enable the creation of processes for attaining these KPIs. I am of course monitoring the progress regarding these newly set KPIs at Board of Directors meetings alongside you, Mr. Uemura, and I imagine that we may make revisions to the KPIs as well. I will continue to pay close attention to this matter.

Uemura: With respect to women's participation and career advancement, we are finally at the point at which the number of female managers is starting to increase. We cannot gain a team of female executives overnight. As such, we are conducting many measures to first increase the number of female managers, such as holding leadership training sessions for assistant managers who are candidates for managerial positions and other activities with a focus on education, as well as efforts to revise systems. As you have said, there is a need to set appropriate targets in parallel with these measures.



Special Feature: A Dialogue Between the Representative Member of the Board and an External Director

Human Capital Measures and Corporate Culture

Furukawa: There is greater mobility in talent within Japan as well as elsewhere. As such, there is a greater risk of personnel moving away from the NHK Spring Group. What are your thoughts about this?

Uemura: Based on the Company's philosophy that "people are the source of growth," we have established "Respect for People" as a priority measure within the Medium-Term Management Plan. In terms of our recent measures, we have begun giving out "license allowances" to employees with expert knowledge and skills in addition to their regular compensation. This helps to boost the motivation of employees who work hard, so I feel it contributes to talent retention.

Furukawa: I agree. I feel it was a bold move, with a sizeable budget. The employees are happy with it as well. However, I expect that the mobility of talent will continue to increase. Perhaps we could achieve an even closer link between investment in people and corporate value if we use the license allowances effectively while also supporting individuals in taking on challenges and helping employees get a picture of how results are connected with assessment.

Uemura: It is unacceptable to follow the trend whereby it is harder for unique individuals to thrive as a company grows larger. I believe that it is best to allow unique people to work in the way they like whenever possible. The NHK Spring Group has a firmly rooted culture that lets people do what they want if they have declared their intent to do so. I would like to arrange things so that management can give suitable support in this regard. Looking back on the Company's past, new businesses such as HDD suspensions, semiconductor process components, and integrated metal substrates were generally launched by a tag team of two people: one excellent engineer and one excellent salesperson. This is why I feel that the Company grows by nurturing these unique people with individuality and talent. This is the reason why people are the source of the NHK Spring Group's all-round ability. While it is essential for the Company to carry out suitable management, it is also imperative to have an environment for people to freely do what they want, instead of simply managing them all the time.



Engaging in Dialogue and Sharing Information with Investors

Uemura: The other day, I participated in my first overseas IR activity after being appointed as President. For this activity, I visited investors who are expected to hold our stock over the long term. I gained the impression that they feel a sense of assurance regarding the NHK Spring Group's financial base, as well as expectations regarding growth products. I would like to continue with initiatives like this every year to encourage mutual understanding as well as to build even stronger relationships of trust with shareholders and investors.

Furukawa: What kind of dialogue did you have with the investors?

Uemura: Our dialogue focused on topics of what the Company should do as well as its ideal position in the future, rather than about the Company's current performance. When I first participated in IR meetings, I had an ardent desire to speak about current performance. However, I received the following harsh feedback at the time from an institutional investor: "You shouldn't make excuses about current performance. Instead, you should be

telling me a story about how your company will get better next year and beyond." I want to leave explanations of the Company's performance to the IR division, and speak about targets, dreams, and other topics that only I can describe.

Furukawa: Mr. Uemura, you have traveled overseas as President for IR activities. Similarly, Chairman Mr. Kayamoto engages in dialogue at SR meetings. In this way, I feel that there are more opportunities for the people leading the Company to participate in dialogue with shareholders and investors. It is incredibly important that both of you are engaging in direct dialogue with shareholders and investors. You are both enthusiastic about developing people, and neither of you makes halfhearted or irresponsible statements. I feel that your personal appeal and the sense of assurance you inspire will come through to others in the course of dialogue. While I feel that the NHK Spring Group is a sincere and good company, I also feel that its appeal has not been fully conveyed to the capital market. I hope that the Company can come together as a whole in expressing the NHK Group's appeal through dialogue like this, as well as through other means.

Uemura: Yes, let's work together in these efforts. Thank you very much for joining me today.

Management Structure (as of June 25, 2025)



Management Structure (as of June 25, 2025)



=Number of Board of Directors meetings attended,
 =Number of Audit & Supervisory Board meetings attended,
 =This indicates years served by the Board Members and Audit & Supervisory Board Members in their respective positions.

Members of the Board

1 Takashi Kayamoto Tenure: 10 years
● 14/14 meetings

Chairman & Representative Member of the Board, CEO

Apr. 1979 Joined the Company

Jun. 2010 Corporate Officer, Vice President of Research and Development Division and Director of Development Department

Apr. 2013 Senior Corporate Officer and President of Suspension Spring Division

Jun. 2015 Member of the Board, Senior Corporate Officer and President of Sales Division

Apr. 2016 Member of the Board, Executive Corporate Officer and President of Sales Division

Apr. 2017 President & COO and Representative Member of the Board, Corporate Officer

Apr. 2019 President & CEO and Representative Member of the Board, Corporate Officer

Apr. 2024 Chairman & Representative Member of the Board, CEO (present)

2 Kazuhisa Uemura Tenure: 7 years
● 14/14 meetings

President & COO and Representative Member of the Board, Corporate Officer

Apr. 1983 Joined the Company

Apr. 2014 Corporate Officer, Vice President of Sales Division and Director of Seating & Component Sales Department

Apr. 2018 Senior Corporate Officer and President of Sales Division

Jun. 2018 Member of the Board, Senior Corporate Officer and President of Sales Division

Apr. 2022 Member of the Board, Executive Corporate Officer, President of Sales Division

Apr. 2024 President & COO and Representative Member of the Board, Corporate Officer (present)

Apr. 2024 President & COO and Representative Member of the Board, Corporate Officer (present)

3 Noritoshi Takamura New appointment
● 14/14 meetings

Executive Vice President and Representative Member of the Board, Corporate Officer, COO, CTO

Apr. 1983 Joined the Company

Apr. 2014 Corporate Officer, Vice President of Precision Spring & Components Division, Manager of Ina Plant

Apr. 2016 Corporate Officer, Vice President of Precision Spring & Components Division, Director of Development Department

Apr. 2017 Corporate Officer, Vice President of Precision Spring & Components Division, Director of Production Technology Department

Dec. 2017 Corporate Officer, Vice President of Precision Spring & Components Division

Apr. 2019 Senior Corporate Officer, Vice President of Precision Spring & Components Division

Jan. 2020 Senior Corporate Officer, Vice President of Engineering Division, Director of Quality Management Department

Apr. 2021 Senior Corporate Officer, Vice President of Engineering Division

Apr. 2023 Executive Corporate Officer, President of Precision Spring & Components Division, in charge of Electrification Business Promotion Office

Apr. 2025 Executive Vice President, Corporate Officer, COO, CTO, in charge of Electrification Business Promotion Office

Jun. 2025 Executive Vice President and Representative Member of the Board, Corporate Officer, COO, CTO, in charge of Electrification Business Promotion Office (present)

4 Masayuki Horie New appointment
External Independent
● 14/14 meetings

Executive Vice President and Representative Member of the Board, Corporate Officer, President of Procurement Division

Apr. 1986 Joined the Company

Jun. 2009 Director of Administration Department, Disk Drive Suspension Business Division

Apr. 2017 Corporate Officer, Vice President of Suspension Spring Division, Director of Administration Department

Jan. 2019 Corporate Officer, Vice President of Industrial Machinery and Equipment Division

Apr. 2019 Corporate Officer, Vice President of Industrial Machinery and Equipment Division, Director of Administration Department

Apr. 2021 Senior Corporate Officer, President of Industrial Machinery and Equipment Division

Apr. 2024 Executive Corporate Officer, President of Industrial Machinery and Equipment Division

Apr. 2025 Executive Vice President, Corporate Officer, President of Procurement Division

Jun. 2025 Executive Vice President and Representative Member of the Board, Corporate Officer, President of Procurement Division (present)

5 Shunsuke Sasaki Tenure: 2 years
● 14/14 meetings

Member of the Board, Senior Corporate Officer and President of Sales Division

Apr. 1987 Joined the Company

Apr. 2018 Executive Corporate Officer, Vice President of NHK International Corporation

Apr. 2019 Corporate Officer, Vice President of Suspension Spring Division and Director of Administration Department

Apr. 2022 Senior Corporate Officer, Vice President of Suspension Spring Division and Director of Administration Department

Apr. 2023 Senior Corporate Officer and President of Sales Division

Jun. 2023 Member of the Board, Senior Corporate Officer and President of Sales Division (present)

6 Keiichiro Sue External Independent
Tenure: 10 years
● 14/14 meetings

Member of the Board

Apr. 1984 Registered as Attorney at Law (a member of Dai-ichi Tokyo Bar Association) Joined Nobuo Takai Law Firm

Jan. 1989 Joined Matsuo & Kosugi

Oct. 1995 Registered as Attorney at Law in New York State, USA

Jun. 2009 Partner of Blakemore & Mitsuki (present)

Jun. 2014 External Director of METAWATER Co., Ltd.

Jun. 2014 Audit & Supervisory Board Member (External) of the Company

Jun. 2015 Member of the Board (External) of the Company (present)

7 Katsuko Tanaka Tenure: 9 years
● 14/14 meetings

Member of the Board

Apr. 1970 Researcher, hygiene class, Okayama University Medical School (Worked in the local hospital.)

Jul. 1970 Medical license registration (No. 207731)

May 1976 Worked at Yokohama City Hall

May 1998 Mayor, Sakae Ward, Yokohama City

Apr. 2000 Director General, Social Welfare Bureau, Yokohama City

Apr. 2004 Director General, Civic Affairs Bureau, Yokohama City

Apr. 2006 Trustee and Secretary General, Yokohama City University

Apr. 2013 Chancellor, Yokohama City University

Jun. 2016 Member of the Board (External) of the Company (present)

8 Hiromi Tamakoshi External Independent
Tenure: 5 years
● 14/14 meetings

Member of the Board

Oct. 1987 Joined Chuo Audit Corporation

Apr. 1999 Registered as Attorney at Law (Kanagawa Bar Association) Joined Ryoji Kimura Law Office

Apr. 2017 Auditor of Yokohama City University (present)

Jun. 2020 Member of the Board (External) of the Company (present)

Apr. 2021 Established Yokohama Nagomi Law Office (present)

9 Reiko Furukawa External Independent
Tenure: 1 year
● 10/10 meetings

Member of the Board

Apr. 1981 Joined Nippon Univac Kaisha, Ltd. (now BIPROGY Inc.)

Apr. 2005 Nihon Unisys Exelutions (now UEL Corporation) General Manager of Service Department, Mechanical Solutions Division

Apr. 2007 General Manager of Industry Development Dept. in the above company

Apr. 2009 Executive Officer in the above company

Apr. 2011 UNIADDEX, Ltd., MBK Outsourcing Center General Manager of Outsourcing Planning Department

Apr. 2014 General Manager of Quality Assurance Dept.

Jul. 2017 Audit & Supervisory Board Member of UNIADDEX, Ltd.

Jun. 2022 Audit & Supervisory Board Member (External) of the Company External Member of the Board, Hanwa Co., Ltd. (present)

Jun. 2024 Member of the Board (External) of the Company (present)

Members of the Audit & Supervisory Board

10 Masakazu Toyoda Tenure: 6 years
● 14/14 meetings
● 17/17 meetings

Audit & Supervisory Board Member

Apr. 1982 Joined Dai-ichi Kangyo Bank (now Mizuho Bank)

Jan. 2013 Joined the Company

Apr. 2013 Member of the Board (Vice President) of NHK International Corporation

May 2017 Director of Corporate Planning Department, Corporate Planning and Control Division

Jun. 2019 Audit & Supervisory Board Member of the Company (present)

11 Naoya Mizutani Tenure: 1 year
● 10/10 meetings
● 13/13 meetings

Audit & Supervisory Board Member

Sep. 1990 Joined the Company

Apr. 2012 Senior Manager, Accounting Department

Apr. 2014 Senior Manager, Corporate Planning Department, Corporate Planning and Control Division

Apr. 2018 Director of Internal Auditing Department

Jun. 2024 Audit & Supervisory Board Member of the Company (present)

12 Ichiro Ebihara External Independent
Tenure: 5 years
● 14/14 meetings
● 17/17 meetings

Audit & Supervisory Board Member

Sep. 1985 Joined Tohmatsu Aoki & Co. (now Deloitte Touche Tohmatsu LLC)

Apr. 1989 Registered as Certified Public Accountant

Oct. 2013 Executive Officer in charge of finance and administration

Nov. 2015 Group CFO of Deloitte Tohmatsu LLC

Aug. 2016 Managing Partner of Deloitte Tohmatsu Services Co., Ltd.

Jun. 2019 Ichiro Ebihara Certified Public Tax Accountant Office (present)

Jun. 2020 Audit & Supervisory Board Member (External) of the Company (present)

13 Yuko Yamada External Independent
Tenure: 1 year
● 10/10 meetings
● 13/13 meetings

Audit & Supervisory Board Member

Jul. 1983 Joined Marubeni Corporation

Apr. 1988 Assigned to Marubeni UK

Apr. 1995 Assigned to Marubeni USA

Oct. 1999 Assigned to Koyo Steamship Co., Ltd. (now MMSL Japan Co., Ltd.)

Apr. 2005 General Manager of the Financial Affairs & Accounting Department in the above company

Nov. 2006 Senior Auditor, Auditing Department, Marubeni Corporation

Apr. 2019 Marubeni Pulp & Paper Sales Co., Ltd. (Now Marubeni Forest Links Corporation) Audit & Supervisory Board Member

Jun. 2024 Audit & Supervisory Board Member (External) of the Company (present)

Compliance

Basic Approach

The NHK Spring Group regards compliance as an important foundation and cornerstone for contributing to the realization of a sustainable society through manufacturing. In addition to legal compliance, we believe that adhering to our Employees Code of Conduct, Company Rules, and social norms (manners and morals) constitutes fulfillment of our social responsibility and leads to the building of relationships of trust with stakeholders, and we strive to raise employee awareness and prevent violations.

Compliance Promotion Structure

Under the supervision of the President & COO, the Director of the Legal Department in the Corporate Planning and Control Division has been appointed as the person responsible for promotion, with the directors of each department responsible for providing guidance and the Legal Affairs Department acting as the promotion secretariat. In addition, the Company systematically conducts compliance education and awareness-raising activities to prevent the occurrence of legal violations and antisocial behavior.

Whistleblowing System (Compliance Hotline) and Partner Reporting Desk

As a mechanism for employees of the Company and its domestic subsidiaries to consult or report internally when they have questions or doubts, a Compliance Hotline, which allows anonymous reporting, has been established at a contact point operated by an external third-party organization from the viewpoint of neutrality and impartiality. In the event where a whistleblower makes a report, the Company reports the matter to the Compliance Promotion Manager and conducts an investigation to ascertain the facts. If a problem is confirmed to exist, corrective measures are taken and the whistleblower is briefed on the response if they desire feedback. In addition, the Company has a system in place for appropriately reporting to the Board of Directors on serious matters. At global locations, similar systems have been introduced in overseas Group companies including those in North America, China, Thailand. Furthermore, we have established the Business Partners Compliance Hotline on our website so our business partners can report any instances of compliance violations and related issues in transactions with us. The Company has established a system for realizing the early detection and correction of problems by appropriately handling reports that are made to these contact points.

Transitions in the Number of NHK Spring Group Compliance Hotline Reports (excluding overseas)

	FY2022	FY2023	FY2024
Number of whistleblowing cases	152 cases	163 cases	123 cases
Number of cases reported through the Business Partners Compliance Hotline	0	0	0

Compliance Awareness Survey

Since FY2021, the Company has conducted a Compliance Awareness Survey of employees in NHK Spring and domestic Group companies. The results of this survey are reported to top management and fed back to our Group companies and divisions. Moreover, the degree of penetration of compliance awareness is confirmed and, based on the results, a compliance activity plan for the next fiscal year is formulated.

(Number of respondents to the awareness survey in FY2024: 8,751)

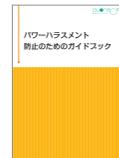
Training and Activities to Promote Understanding

NHK Spring is continuously implementing training and awareness-raising activities for its employees. In addition to the training listed in the table below, we also disseminate a monthly Compliance newsletter and designate November as the "Month for Strengthening Ethical Values." We also disseminate messages from top management in multiple languages, post posters, and take other dissemination measures. Through these initiatives, we aim to raise the awareness of each and every employee.

Type of Training	Training contents
Group-wide	Group-wide Compliance Training
Rank-based	New Recruit Training, Mid-career Recruit Training, Newly Appointed Senior Manager Training, Newly Appointed Manager Training, Newly Appointed Floor Supervisor Training
Employees engaged in work responding to whistleblowing	Caution points, etc. in responding to whistleblowing
Antitrust Law Training	Updates in antitrust laws
Overseas Assignment Advance Training	Importance of compliance, risks, etc.

Anti-harassment Measures

The "NHK Spring Group Human Rights Policy" states that "We do not tolerate any form of harassment." By implementing training, distributing guidebooks, and providing e-learning, we are cultivating employee awareness and creating a safe and secure Company and a rewarding and comfortable workplace.



Guidebook distributed to all employees of the Group

Anti-Bribery and Anti-Corruption Initiatives

We have formulated the "NHK Spring Group Anti-Corruption Policy" and are implementing it throughout our Group. In addition, we have established the "NHK Spring Group Guidelines for Entertainment and Gift-Giving" to clearly indicate prohibited acts related to bribery. In the event that an individual faces a bribery risk or a similar situation, guidelines and advance application and approval procedures have been established to make fair and honest judgments, and a system to prevent bribery is being implemented.

We make sure that all employees are aware of the importance of our anti-bribery and corruption policy through various training programs, etc., and we also check for any violations or signs of violations in the workplace through compliance awareness surveys.

Security Export Control

In response to a worldwide strengthening of laws and regulations concerning security export control, NHK Spring Group has formulated and implements security export control regulations and detailed rules and conducts training and awareness promotion to ensure compliance with security export control-related legislation.

Risk Management

Basic Approach

NHK Spring aims to prevent risks that could affect sound company management, and minimize losses in the event where risks do occur.

Risk Management Organization

NHK Spring has built a risk management structure in which the President & COO and Representative Member of the Board acts as the chief responsible officer and the President of the Corporate Planning and Control Division is placed in charge of promotion. We work to prevent risks from arising and minimize damage if risks do occur, and the Sustainability Promotion Committee manages the progress of these efforts. In addition, in the event where a major risk arises, a report is made immediately to the President & COO and Representative Member of the Board, and countermeasures are taken. A system is in place to report to the Sustainability Promotion Committee an overview of the case, including measures to stop the risk from reoccurring.

Major risk category	Minor risk category	Risk Description	Measures to Address Risks
External risk	Sudden fluctuation in the global economy	<ul style="list-style-type: none"> Market contraction and shrinking demand exceeding expectations in major markets around the world, including Japan, Asia, the United States, and Europe 	<ul style="list-style-type: none"> Diversification of business Improving the accuracy of demand forecasting Flexible production system Global expansion of production bases Creation of products that contribute to the environment Development of products that contribute to solving social issues
	Exchange rate fluctuation	<ul style="list-style-type: none"> Impact of exchange rate fluctuations on consolidated financial statements Reduced price competitiveness in the global market due to appreciation of the yen Rising costs of procuring raw materials due to depreciation of the yen 	<ul style="list-style-type: none"> Agile currency hedging transactions Global expansion of production bases Appropriate transfer of raw material procurement costs to prices
	Price fluctuations in raw materials, supplies, and energy, as well as shortages of raw materials and parts	<ul style="list-style-type: none"> Impact on business performance due to large fluctuations in prices of raw materials, various materials and energy caused by changes in market conditions, and the time lag in passing on price increases Shortages of raw materials and parts due to unforeseen accidents or natural disasters at suppliers, changes in export or import regulations, the impact of Russia's invasion of Ukraine and other political developments between countries, and soaring resource prices 	<ul style="list-style-type: none"> Introduction of price adjustment clauses in contracts Strengthening and diversification of the supply chain Optimization of inventory management
	Increase in tariffs	<ul style="list-style-type: none"> Risk of increased transportation costs, decreased profit, and supply network restructuring due to increased tariffs in the U.S. and other countries 	<ul style="list-style-type: none"> Sales price increases based on negotiations with customers
	Violation of legal regulations	<ul style="list-style-type: none"> Risk of increased costs, social sanctions, and reputational damage in the event of failure to comply with business and investment permits, national security or other import/export regulations, and laws and regulations related to trade, antitrust, patent, consumer, tax, foreign exchange, employment, and policies on environment and recycling in the countries in which we operate 	<ul style="list-style-type: none"> Formulation of compliance regulations Implementation of compliance training Implementation of compliance awareness surveys Collaboration with outside experts
	Impact of disasters, etc.	<ul style="list-style-type: none"> Risk of additional costs and disruption to the supply chain due to equipment failure or damage at manufacturing sites caused by natural disasters such as earthquakes, typhoons, floods, fires, accidents such as power outages, and infectious disease outbreaks 	<ul style="list-style-type: none"> Formulate BCP and risk management regulations Establishment of BCP system Conducting evacuation drills and other educational and awareness activities Earthquake and disaster prevention measures for facilities Strengthening and diversification of the supply chain
Strategic risk	Risks related to new product development	<ul style="list-style-type: none"> Risk of insufficient funds due to the development of new products that require a long development period Risk of becoming unable to recoup investment in new product development that requires large-scale financial outlay and investment of other resources Risk of declining profitability due to falling sales prices caused by intensifying competition with competitors Risk of losing cost advantage due to losing technological originality in development and distribution because of development of new technology by competitors or changes in market needs 	<ul style="list-style-type: none"> Utilization of diverse financing methods Appropriate response to CASE and other development needs Active practice of basic and applied research on new technologies Building partnerships Promotion of open innovation
	Business expansion into overseas markets	<ul style="list-style-type: none"> 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, and other factors 	<ul style="list-style-type: none"> Identifying and responding to country risks Developing standards and manuals to serve as guidelines for deportation Improvement of working environment and safety measures Securing diverse channels to the labor market
Operational risk	Infringement of intellectual property rights	<ul style="list-style-type: none"> Risk of unauthorized use or infringement of intellectual property rights by third parties Risk of product discontinuation, disputes, licensing or settlement costs in the event of unintentional infringement of intellectual property rights of other companies by NHK Spring Group 	<ul style="list-style-type: none"> Acquisition and appropriate management of intellectual property rights necessary to enhance the value of NHK Spring Group Education and enlightenment of employees
	Product quality defects	<ul style="list-style-type: none"> Risk of incurring significant costs and losing trust in the event of product defects that could lead to major recalls or product liability 	<ul style="list-style-type: none"> Manufacture of products according to global quality control standards Purchase of product liability insurance Implementation of quality training and audit Fostering a culture of quality Establishment of internal whistleblowing system
	Occurrence of human rights and labor environment-related issues	<ul style="list-style-type: none"> Risk of impacts on production and procurement and loss of reputation in the NHK Spring Group due to occurrence of human rights issues such as child labor, forced labor, discrimination against foreign workers, harassment, and industrial accidents in our Group or in the supply chain, and failure to respond appropriately to these issues 	<ul style="list-style-type: none"> Formulation of human rights policy Implementation of human rights due diligence Enhancement of human resource management Enhancement of internal audits and compliance Improvement of the work environment and safety measures
	Risks related to information security	<ul style="list-style-type: none"> Risk of outages of core information systems and leakage of corporate and personal information due to cyber-attacks, unauthorized access, etc. that exceed expectations 	<ul style="list-style-type: none"> Establishment of a company-wide cross-functional organization (CSIRT) as an incident response system Provision of information security education to employees Strengthening of systems

Financial Highlights

		Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025
Net sales	(JPY hundred million)	6,014	6,405	6,269	6,597	6,810	6,644	5,726	5,869	6,932	7,669	8,016
Operating profit	(JPY hundred million)	327	350	406	355	266	207	104	213	288	346	521
Operating profit ratio	(%)	5.4	5.5	6.5	5.4	3.9	3.1	1.8	3.6	4.2	4.5	6.5
Ordinary profit	(JPY hundred million)	390	361	416	364	314	212	145	306	373	478	579
Ordinary profit ratio	(%)	6.5	5.6	6.6	5.5	4.6	3.2	2.5	5.2	5.4	6.2	7.2
Profit attributable to owners of parent	(JPY hundred million)	238	215	250	204	71	46	93	319	215	391	481
Return on sales	(%)	4.0	3.4	4.0	3.1	1.0	0.7	1.6	5.5	3.1	5.1	6.0
ROE (Return on Equity)	(%)	9.9	8.3	9.3	7.2	2.5	1.7	3.4	10.5	6.4	10.4	11.9
ROIC (Return on Invested Capital)	(%)	7.6	7.6	8.7	7.5	5.7	4.5	2.4	4.4	5.5	6.1	8.3
ROA (Return on Assets)	(%)	7.9	7.0	8.0	6.6	5.5	3.8	2.7	5.3	6.3	7.4	8.4
EPS (Earnings Per Share)	(JPY)	98.29	88.90	103.70	86.45	29.97	19.46	40.45	140.33	94.50	173.27	224.73
PER (Price Earnings Ratio)	(Times)	12.8	12.1	11.9	13.0	33.2	36.4	20.5	6.3	10.0	8.6	7.1
PBR (Price-to-Book Ratio)	(Times)	1.2	1.0	1.0	0.9	0.8	0.6	0.7	0.6	0.6	0.8	0.8
Total assets	(JPY hundred million)	5,265	5,062	5,379	5,683	5,731	5,326	5,607	5,880	6,060	6,902	6,963
Stockholders' equity	(JPY hundred million)	2,626	2,572	2,796	2,928	2,811	2,709	2,839	3,226	3,492	4,050	4,076
Stockholders' equity to total assets ratio	(%)	49.9	50.8	52.0	51.5	49.0	50.9	50.6	54.9	57.6	58.7	58.5
Capital expenditure	(JPY hundred million)	206	273	256	340	449	398	249	232	280	370	402
Depreciation & amortization	(JPY hundred million)	214	235	231	241	250	264	274	283	288	286	292
R&D expenses	(JPY hundred million)	157	163	161	161	168	184	156	160	175	193	227
R&D per Sales Ratio	(%)	2.6	2.5	2.6	2.4	2.5	2.8	2.7	2.7	2.5	2.5	2.8
Cash dividends (annual payout per share)	(JPY)	20	22	23	23	24	17	17	27	32	42	69*1
Dividend payout ratio	(%)	20.3	24.7	22.2	26.6	80.1	87.4	42.0	19.2	33.9	24.2	30.7
Amount of treasury shares acquired	(JPY hundred million)	—	—	67	—	—	13	54	—	14	73	322
Net cash provided by operating activities	(JPY hundred million)	448	426	556	498	367	366	296	345	136	667	557
Net cash arising from/incurred in investing activities	(JPY hundred million)	△244	△351	△277	△329	△422	△458	△241	49	△417	△103	△477
Free cash flow	(JPY hundred million)	204	75	279	168	△55	△91	55	394	△281	563	79
Net cash arising from/incurred in financing activities	(JPY hundred million)	△52	△136	△169	△59	73	△169	27	△276	△115	△209	△236
Cash and cash equivalents at end of year	(JPY hundred million)	834	722	824	950	984	743	789	918	578	930	818

*1 Includes a special dividend of JPY 6.

*2 Following application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the fiscal year ended March 31, 2022, the figures for the fiscal year ended March 31, 2022 and thereafter are based on application of the said accounting standards.

Non-Financial Highlights

		Scope	Year ended March 2021	Year ended March 2022	Year ended March 2023	Year ended March 2024	Year ended March 2025		
E Environment	CO₂ emissions								
	SCOPE 1	(kton-CO ₂)	Domestic	40	42	43	44	43	
	SCOPE 2	(kton-CO ₂)	Domestic	108	115	93	77	66	
	SCOPE 3	(kton-CO ₂)	—	—	—	—	—		
S Society	Number of employees		(employees)	Non-consolidated	5,457	5,379	5,417	5,468	5,623
	Number of female employees		(employees)	Non-consolidated	709	709	716	738	767
	Ratio of female employees		(%)	Non-consolidated	13.0	13.2	13.2	13.5	13.6
	Average length of service								
		Male	(years)	Non-consolidated	16.6	17.0	17.1	17.1	17.0
		Female	(years)	Non-consolidated	17.1	17.8	18.4	18.4	18.0
	Percentage of continued employment after 10 years of service								
		Male	(years)	Non-consolidated	61.6	68.2	66.7	62.9	63.4
		Female	(years)	Non-consolidated	42.9	60.0	83.3	85.7	80.0
	Number of female managers		(employees)	Non-consolidated	13	14	16	17	21
	Ratio of female managers		(%)	Non-consolidated	1.7	1.9	2.2	2.4	2.8
	Ratio of female new graduates hired for career track positions		(%)	Non-consolidated	7.2	11.8	16.7	11.3	11.1
	Ratio of childcare leave utilization								
		Male	(%)	Non-consolidated	5.3	14.2	30.1	47.2	61.0
		Female	(%)	Non-consolidated	100.0	100.0	95.8	100.0	118.8
	Average amount of childcare leave taken								
		Male	(days)	Non-consolidated	61.8	44.4	49.7	59.0	51.5
		Female	(days)	Non-consolidated	461.8	423.4	530.0	458.6	436.6
	Number of foreign employees		(employees)	Non-consolidated	45	43	45	42	45
	Ratio of foreign employees		(%)	Non-consolidated	0.9	0.9	0.9	0.8	0.9
Number of senior employees (rehired after retirement)		(employees)	Non-consolidated	200	216	252	288	315	
Ratio of senior employees (rehired after retirement)		(%)	Non-consolidated	3.9	4.3	5.0	5.7	6.1	
Number of employees with disabilities		(employees)	Non-consolidated	153.5	153.5	154.5	167	177	
Ratio of employees with disabilities		(%)	Non-consolidated	2.37	2.36	2.35	2.48	2.54	
Number of mid-career hires		(employees)	Non-consolidated	1,953	1,945	2,028	2,103	2,215	
Ratio of mid-career hires		(%)	Non-consolidated	38.2	38.0	39.7	41.1	43.3	
G Governance	Number of Independent External Directors		(employees)	Non-consolidated	3	3	3	3	4
	Ratio of Independent External Directors		(%)	Non-consolidated	37.5	37.5	37.5	37.5	44.4
	Number of female Members of the Board		(employees)	Non-consolidated	2	2	2	2	3
	Ratio of female Members of the Board		(%)	Non-consolidated	25	25	25	25	33

* As of June 1, 2025

Corporate Overview and Stock Information (as of March 31, 2025)

Corporate Overview

Trade name	NHK SPRING CO., LTD.
Founding	September 8, 1939
Capital	JPY 17,009,566,312
Employees	5,281 (non-consolidated) 20,809 (consolidated) * The number of employees including the average number of temporary employees
Net sales	JPY 801.6 billion (consolidated)
Head office	3-10 Fukuura, Kanazawa-ku, Yokohama, 236-0004, Japan
Divisions	Suspension Spring Division, Seating Division, Precision Spring & Components Division, DDS (Disk Drive Suspension) Division, Industrial Machinery and Equipment Division

Plants	Yokohama Plant (Suspension Springs/Seating), Shiga Plant, Gunma Plant, Toyota Plant, Atsugi Plant, Ina Plant, Komagane Plant (DDS/Industrial Machinery & Equipment), Isehara Plant No. 1 and No. 2, Miyada Plant, Yasu Plant
Sales Head office	Yokohama Minatomirai
Branches	Kita-Kanto, Hamamatsu, Nagoya, Osaka, Hiroshima, Fukuoka
Group companies	23 Domestic, 31 Overseas

Basic Stock Information

Securities Code	5991 (Metal Products)
Listed on:	Tokyo Stock Exchange Prime Market
Business year	April 1 to March 31 of the next year
Ordinary General Meeting of Shareholders	Every June
Dividend Record	Date Year-end: March 31 Interim: September 30
Number of shares per unit	100

Stock situation

Total number of authorized shares	600,000,000 shares
Total number of shares issued	231,066,144 shares
Total number of shareholders	16,196

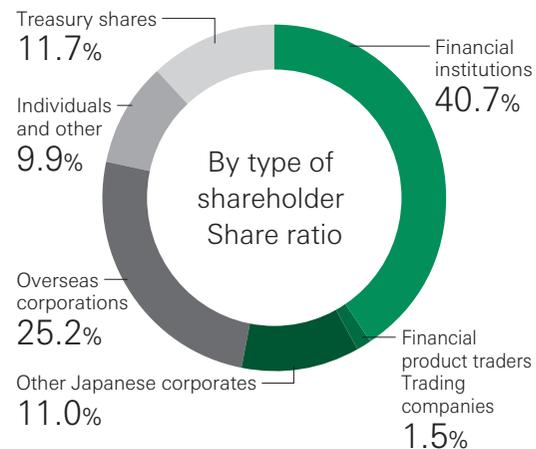
Contact to

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3-10 Fukuura, Kanazawa-ku, Yokohama, 236-0004, Japan

TEL: 045-786-7513 FAX: 045-786-7598 NHK Spring website: <https://www.nhkspg.co.jp/en/>

Email: b2101@nhkspg.co.jp

Breakdown of shareholders



Major shareholders

Name of shareholder	Number of shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,757	13.11
Mitsubishi UFJ Trust and Banking Corporation Retirement Benefit Trust Daido Steel Account Joint Trustee: The Master Trust Bank of Japan, Ltd.	22,392	10.97
Sojitz Corporation	13,199	6.47
Custody Bank of Japan, Ltd. (Trust Account)	11,135	5.46
Mizuho Trust & Banking Co., Ltd. (Kobe Steel, Ltd. Retirement Benefit Trust Account) Re-trustee: Custody Bank of Japan, Ltd.	9,504	4.66
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust (Mizuho Bank Account) Re-trustee: Custody Bank of Japan, Ltd.	5,753	2.82
The Bank of Yokohama, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	5,718	2.80
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	4,504	2.21
NHK Spring Employees' Shareholding Association	4,358	2.14
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (Standing proxy: MUFG Bank, Ltd.)	3,052	1.50

External Evaluations



2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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