

Basic Agreement on Management Integration Between NSK and NTN—JCR to Monitor Future Progress and Reflect It in Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the conclusion of a basic agreement on management integration between NSK Ltd. (securities code: 6471) and NTN Corporation (securities code: 6472).

- (1) On May 12, 2026, NSK and NTN announced that they will establish a joint holding company through a joint share transfer, and that their respective boards of directors had signed a basic agreement regarding a business integration (this "Business Integration"). With the aim of maintaining and strengthening international competitiveness in the future and to achieve that objective as early as possible, they are expected to consider specific measures going forward. Subject to approval by each company's shareholders at their respective general meetings (scheduled for June 2027) and obtaining any permits and approvals from relevant authorities necessary to carry out the Business Integration, the two companies plan to establish a joint holding company that will become the sole parent of both companies. By making both companies wholly owned subsidiaries of the joint holding company, they will complete the integration in October 2027.
- (2) If the Business Integration is realized, the rating could be evaluated negatively depending on the state of the financial base. However, international competitiveness in bearings is expected to improve and the product lineup to expand, and there appears to be significant scope for managerial rationalization, including production restructuring. A key factor in the rating evaluation will be whether the two companies accelerate their ongoing efforts to improve earnings standing and strengthen the financial base by leveraging the Business Integration. Going forward, JCR will monitor the progress of the Management Integration, the medium-term synergies and the state of the financial base, and reflect them in the rating.

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<Reference>

Issuer: NSK Ltd.

Long-term Issuer Rating: A+ Outlook: Stable

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