



May 12, 2023

Japan Industrial Solutions Co., Ltd.

JIS TO INVEST IN CLASS SHARES ISSUED BY NSK STEERING & CONTROL INC.

Japan Industrial Solutions (“JIS”) announced today that JIS has entered into a joint venture agreement with NSK Ltd. (TSE Prime Section: 6471, “NSK”). Japan Industrial Solutions Fund III will acquire 10,041 class shares (approximately 20 billion yen) of NSK Steering & Control Inc. (“NS&C”), a NSK’s subsidiary which manages NSK’s global steering business. NS&C will become a joint venture company owned by JIS and NSK; with voting right ratio of 50.1% and 49.9% respectively.

The automotive industry is currently undergoing a once-in-a-century transformation. In addition, the COVID-19 pandemic, supply chain issues in semiconductors related materials, geopolitical risks including the situation in Ukraine, and global inflation have added to the extremely challenging business environment. Under such circumstances, NSK has been conducting business structural reforms to improve its steering business performance as announced in the Mid-Term Management Plan 2026 dated May 13, 2022, and consideration of an alliance with external strategic partners in parallel.

JIS and NSK have held thorough in-depth dialogue on improvement measures for the NS&C’s steering business, and come to an agreement to sign a contract to pursue various key initiatives including (1) conducting further structural reforms to improve profitability, (2) establishing operations as a stand-alone company (with review of governance structure and decision processes), (3) exploring strategic alliance opportunities, and (4) strengthening PDCA monitoring cycle.

The corporate philosophy of JIS is to contribute to revitalization of the Japanese economy by supporting business restructuring or reorganization with an aim to revitalize industry and to offer specific solutions that will enhance global competitiveness as well as corporate value. JIS considers that investment in the class shares and execution of value add-up efforts in NS&C will ultimately contribute to revitalization and strengthening Japanese industries.