Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 19, 2026

For immediate release

Company: Nitta Corporation
Representative: Seiichi Kitamura, President
Code: 5186; Prime Market, Tokyo Stock Exchange
Contact: Koichi Kakegami, Director, Managing Executive Officer,
and General Manager of Corporate Center
Tel: +81-6-6563-1211

Notice Regarding the Acquisition of 100% Ownership of Gates Unitta Asia Company through Dissolution of Joint Venture with Gates Corporation, Changes in Equity-Method Affiliates, and Expected Recording of Extraordinary Income

Nitta Corporation (the "Company") hereby announces that, at a meeting held on November 19, 2026, its Board of Directors resolved to dissolve the joint venture with Gates Corporation (Colorado, the United States; CEO: Ivo Jurek, hereinafter "Gates") and enter into share transfer agreements and other related agreements. Under these agreements, the Company will acquire all of the shares in Gates Unitta Asia Company ("GUA") held by Gates, thereby making GUA a wholly owned subsidiary of the Company, and transfer to Gates the shares and other equity interests held by the Company in the other joint venture companies operated with Gates, which are equity-method affiliates.

1. Reasons for the dissolution of the joint venture

In 1971, the Company and Uniroyal, Inc. of the United States established Unitta Co., Ltd. (now GUA) as a joint venture company in Japan. The Company's joint venture with Gates began in 1986 when Gates acquired Uniroyal's timing belt-related business. Since then, the Company and Gates have also established joint venture companies in China, South Korea, Thailand, India, and Singapore, through which they have manufactured and sold timing belts, pulleys, and other products in Asia.

In January 2023, Gates filed a petition for arbitration against the Company, and the Company has been responding to the arbitration since then, but at the same time, the Company has also continued discussions directly with Gates.

As a result of these discussions, the Company and Gates have determined that transitioning to a structure through which each party is able to make its own decisions independently based on business strategy and capital policy and respond more quickly and flexibly to changes in market conditions and customer needs would lead to strengthening competitive power and adding corporate value in the medium to long term, and the parties have agreed to dissolve the joint venture.

By strengthening collaboration with its belt-related businesses, the Company will seek to make effective use of its management resources and improve operational efficiency, with the aim of enhancing corporate value.

2. Details of the dissolution of the joint venture

(1) Details of the dissolution of the joint venture

The Company and Gates have six joint venture companies engaged in manufacturing and sales in Japan, China, South Korea, Thailand, India, and Singapore. Following the dissolution of the joint venture, GUA, currently an equity-method affiliate of the Company, is expected to become a wholly owned consolidated subsidiary of the Company. The following five companies are expected to cease to be equity-method affiliates of the Company: Gates Nitta Belt Company LLC (including its wholly owned subsidiaries, Gates Unitta Power Transmission (Suzhou) Ltd. and Gates Unitta Power Transmission (Shanghai) Ltd.), Gates Unitta Korea Co., Ltd., Gates Unitta (Thailand) Co., Ltd., Gates Unitta India Company Pvt. Ltd., and Gates Unitta Asia Trading Company PTE LTD.

Joint venture company	Business activities	Ownership percentages	
		Current	After dissolution of the joint venture
Gates Unitta Asia Company	Manufacture and sale of timing belts and other products (Japan)	Nitta 49%, Gates 51%	Nitta 100%
Gates Nitta Belt Company LLC	Holding company for businesses that manufacture and sell timing belts and other products (China)	Nitta 49%, Gates 51%	Gates 100%
Gates Unitta Korea Co., Ltd.	Sale of timing belts and other products (South Korea)	Nitta 49%, Gates 51%	Gates 100%
Gates Unitta (Thailand) Co., Ltd.	Manufacture and sale of timing belts and other products (Thailand)	Nitta 49%, Gates 51%	Gates 100%
Gates Unitta India Company Pvt. Ltd.	Manufacture and sale of timing belts and other products (India)	Nitta 49%, Gates 51%	Gates 100%
Gates Unitta Asia Trading Company PTE LTD	Sale of timing belts and other products (Singapore and other markets)	Nitta 49%, Gates 51%	Gates 100%

(2) Cash consideration in connection with the dissolution of the joint venture

In connection with the dissolution of the joint venture with Gates, an independent valuation firm valued the six joint venture companies. Following discussions based on those valuations, the Company and Gates agreed that the Company would acquire all of the shares in GUA held by Gates for approximately US$131 million (approximately ¥20.3 billion, converted at an exchange rate of ¥155 per US dollar) and that Gates would acquire all of the shares and other equity interests held by the Company in the five joint venture companies other than GUA (collectively, the "Transaction"). Based on the difference in the respective valuations, the Company expects to receive approximately US$152 million (approximately ¥23.5 billion, converted at an exchange rate of ¥155 per US dollar) from Gates. This amount is the current estimate and may change as a result of post-closing purchase price adjustments for working capital and other items.

As a result of the Transaction, GUA is expected to become a wholly owned subsidiary of the Company, and GUA's net sales and operating profit will be included in the Company's consolidated financial results. The Company's share of profit of entities accounted for using the equity method is expected to decrease as GUA becomes a consolidated subsidiary and the other five companies cease to be equity-method affiliates of the Company.

Reference: Historical share of profit of entities accounted for using the equity method

	FY2023	FY2024	FY2025
Gates Unitta Asia Company	1,122 million yen	1,369 million yen	1,329 million yen
Total for the five companies that will cease to be equity-method affiliates of the Company	2,862 million yen	3,354 million yen	2,934 million yen

* The Transaction is subject to obtaining the required approvals under competition laws in the relevant jurisdictions and satisfying the other closing conditions. The arbitration proceedings are expected to be withdrawn upon closing of the Transaction. The Company will promptly disclose any matters that require disclosure as they arise.

3. Overview of the companies whose status as a subsidiary or equity-method affiliate will change

Gates Unitta Asia Company (Expected to become a wholly owned consolidated subsidiary of the Company, currently an equity-method affiliate of the Company)

(1) Company name	Gates Unitta Asia Company ("GUA")			
(2) Location	4-4-26 Sakuragawa, Naniwa-ku, Osaka, Japan			
(3) Title and name of representative	Low Yew Chong, Representative Director and President			
(4) Business activities	Manufacture and sale of timing belts and other products (Japan)			
(5) Share capital	380 million yen			
(6) Date of establishment	January 14, 1971			
(7) Major shareholders and ownership percentages	Gates 51%, Nitta 49%			
(8) Relationship between the Company and the entity	Capital relationship	The Company holds a 49% equity interest in GUA.		
	Personnel relationship	The Company appoints directors to GUA and seconds employees to GUA.		
	Business relationship	The Company and GUA engage in transactions involving rubber products.		
(9) Financial position and operating results of the entity for the past three fiscal years				
Fiscal year ended	December 31, 2023		December 31, 2024	December 31, 2025
Net assets	4,612 million yen		7,397 million yen	9,343 million yen
Total assets	9,271 million yen		12,014 million yen	13,390 million yen
Net assets per share	6,278 yen		10,068 yen	12,716 yen
Net sales	16,086 million yen		16,717 million yen	16,622 million yen
Operating profit	3,016 million yen		3,686 million yen	3,681 million yen
Ordinary profit	3,259 million yen		3,978 million yen	3,965 million yen
Profit	2,288 million yen		2,784 million yen	2,662 million yen
Earnings per share	3,114 yen		3,790 yen	3,623 yen
Dividends per share	975 yen		No dividend	No dividend

Gates Nitta Belt Company LLC (Expected to cease to be an equity-method affiliate of the Company)

(1) Company name	Gates Nitta Belt Company LLC ("GNBC")*	
(2) Location	1144 Fifteenth Street, Suite 1400, Denver, CO 80202	
(3) Title and name of representative	Matthew Heiman, Legal Representative	
(4) Business activities	Holding company for businesses that manufacture and sell timing belts and other products (China)	
(5) Share capital	US$9 million	
(6) Date of establishment	September 1995	
(7) Major shareholders and ownership percentages	Gates 51%, Nitta 49%	
(8) Relationship between the Company and the entity	Capital relationship	The Company holds a 49% equity interest in GNBC.
	Personnel relationship	The Company appoints directors to GNBC.
	Business relationship	There is no business relationship to be disclosed.

* GNBC is a U.S. holding company that owns the following two companies in China, one in Shanghai and the other in Suzhou.

Company name	Location	Share capital	Date of establishment
Gates Unitta Power Transmission (Suzhou) Ltd.	15 Hai Tang Street, Suzhou Industrial Park, Suzhou 215021, China	US$52 million	November 1995
Gates Unitta Power Transmission (Shanghai) Ltd.	No.122 Fute East 1st Road, China (Shanghai) Pilot Free Trade Zone , Shanghai 200131	US$3 million	October 2003

Gates Unitta Korea Co., Ltd. (Expected to cease to be an equity-method affiliate of the Company)

(1) Company name	Gates Unitta Korea Co., Ltd. ("GUKC")	
(2) Location	8F, LDC Biz Tower, 47, Heungan-daero 427beon-gil, Dongan-gu, Anyang-si, Gyeonggi-do, Republic of Korea 14059	
(3) Title and name of representative	Nathan Rogers, Representative Director	
(4) Business activities	Sale of timing belts and other products (South Korea)	
(5) Share capital	KRW6,000 million	
(6) Date of establishment	January 2004	
(7) Major shareholders and ownership percentages	Gates 51%, Nitta 49%	
(8) Relationship between the Company and the entity	Capital relationship	The Company holds a 49% equity interest in GUKC.
	Personnel relationship	The Company appoints directors to GUKC.
	Business relationship	There is no business relationship to be disclosed.

Gates Unitta (Thailand) Co., Ltd. (Expected to cease to be an equity-method affiliate of the Company)

(1) Company name	Gates Unitta (Thailand) Co., Ltd. ("GUTC")	
(2) Location	Eastern Seaboard Industrial Estate, 64/86 Moo 4, T. Pluakdang, A. Pluakdang, Rayong 21140, Thailand	
(3) Title and name of representative	Low Yew Chong, President	
(4) Business activities	Manufacture and sale of timing belts and other products (Thailand)	
(5) Share capital	THB707 million	
(6) Date of establishment	February 2002	
(7) Major shareholders and ownership percentages	Gates 51%, Nitta 49%	
(8) Relationship between the Company and the entity	Capital relationship	The Company holds a 49% equity interest in GUTC.
	Personnel relationship	The Company appoints directors to GUTC.
	Business relationship	The Company and GUTC engage in transactions involving rubber products.

Gates Unitta India Company Pvt. Ltd. (Expected to cease to be an equity-method affiliate of the Company)

(1) Company name	Gates Unitta India Company Pvt. Ltd. ("GUIC")	
(2) Location	Plot No. F19, SIPCOT Industrial Park, Pondur A, Sriperumbudur, Kanchipuram District, Tamil Nadu 602105, India	
(3) Title and name of representative	Prasanna Kumara Guttahalli Nagaraja, Managing Director	
(4) Business activities	Manufacture and sale of timing belts and other products (India)	
(5) Share capital	INR1,242 million	
(6) Date of establishment	September 2002	
(7) Major shareholders and ownership percentages	Gates 51%, Nitta 49%	
(8) Relationship between the Company and the entity	Capital relationship	The Company holds a 49% equity interest in GUIC.
	Personnel relationship	The Company appoints directors to GUIC.
	Business relationship	There is no business relationship to be disclosed.

Gates Unitta Asia Trading Company PTE LTD (Expected to cease to be an equity-method affiliate of the Company)

(1) Company name	Gates Unitta Asia Trading Company PTE LTD ("GUATC")
(2) Location	1 Marina Boulevard #28-00, One Marina Boulevard, Singapore 018989
(3) Title and name of representative	Low Yew Chong, Managing Director
(4) Business activities	Sale of timing belts and other products (Singapore and other markets)
(5) Share capital	US$3 million
(6) Date of establishment	June 1998

(7) Major shareholders and ownership percentages	Gates 51%, Nitta 49%	
(8) Relationship between the Company and the entity	Capital relationship	The Company holds a 49% equity interest in GUATC.
	Personnel relationship	The Company appoints directors to GUATC.
	Business relationship	There is no business relationship to be disclosed.

4. Overview of the counterparty to the dissolution of the joint venture

(1) Company name	Gates Corporation ("Gates")	
(2) Location	1144 Fifteenth Street, Suite 1400, Denver, CO 80202	
(3) Title and name of representative	Ivo Jurek, Chief Executive Officer	
(4) Business activities	Manufacture and sale of belts and hose products	
(5) Share capital	US$2.6 million (as of December 31, 2025)	
(6) Date of establishment	1911	
(7) Net assets	US$3,689 million (as of December 31, 2025)	
(8) Total assets	US$7,151 million (as of December 31, 2025)	
(9) Major shareholders and ownership percentages	Blackrock, Inc. 11.2%, FMR LLC 6.4% Allspring Global Investments Holdings, LLC 5.7% (as of April 7, 2026)	
(10) Relationship between the Company and the entity	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Related party status	Not applicable

5. Number of shares to be acquired, acquisition price, and share ownership before and after the acquisition

Gates Unitta Asia Company

(1) Number of shares held before the acquisition	360,003 shares (Percentage of voting rights held: 49%)
(2) Number of shares to be acquired	374,697 shares (Percentage of voting rights held: 51%)
(3) Acquisition price	Expected share acquisition price approximately US$131 million The acquisition price was determined after a series of discussions between the parties, taking into account the results of a valuation conducted by an independent valuation firm.
(4) Number of shares held after the acquisition	734,700 shares (Percentage of voting rights held: 100%)

6. Schedule

(1) Date of the Board of Directors' resolution	November 19, 2026
(2) Date of signing of the share transfer agreements	November 19, 2026
(3) Date of completion of the share transfer (planned)	By the end of March 2027 (Closing) The dissolution of the joint venture is expected to be completed by the end of March 2027, subject to regulatory filings and other procedures with regulatory authorities in the applicable jurisdictions.

7. Future outlook and expected recording of extraordinary income

The Company will integrate the use of management resources, and accelerate decision-making by making GUA a wholly owned subsidiary, thereby improving operational efficiency and profitability. In Japan, the Company will leverage synergies between GUA's timing belt business and the Company's belt business to strengthen its business base and expand its market share. In Asia, the Company will pursue new market development unique to the Group through specialty processed belt products that utilize the technology and know-how the Company has cultivated in its flat belt business. Through these initiatives, the Company will work to enhance corporate value in the medium to long term.

In addition, the Company expects to record extraordinary income as a gain on sale of shares of subsidiaries and affiliates in its consolidated financial results for the fiscal year ending March 31, 2027, as a result of the transfer of the shares and other equity interests held by the Company in the five equity-method affiliates other than GUA. It is currently difficult to reasonably calculate the amount of this extraordinary income and the impact of the Transaction on the Company's consolidated financial results for the fiscal year ending March 31, 2027, because they may vary depending on post-closing purchase price adjustments for working capital and other items, exchange rates, tax expenses, and other factors. Accordingly, the impact of the Transaction has not been reflected in the Company's consolidated earnings forecast for the fiscal year ending March 31, 2027, as currently announced. The Company will promptly disclose the impact once a reasonable calculation becomes possible.

Separately, the Company plans to use the cash consideration it expects to receive in connection with the Transaction to invest in expanding the business of GUA, which is expected to become a wholly owned subsidiary of the Company, as well as to invest in the Company's growth sectors. The Company also intends to use a portion thereof to return profits to shareholders through measures such as a special dividend and share repurchases. The Company will promptly announce the details of the special dividend and any other such measures once they have been finalized.

Under its existing shareholder return policy, the Company intends to determine its ordinary dividend based on profit and net assets adjusted to exclude gains and losses arising from the dissolution of the joint venture and the effects of other one-time gains and losses. The Company targets a consolidated payout ratio of at least 30% and a dividend-on-equity (DOE) ratio of at least 2.5%. The Company currently plans to pay an annual dividend of ¥170 per share for the current fiscal year.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Invention & Innovation
NITTA

Acquisition of 100% Ownership of Gates Unitta Asia Company through Dissolution of Joint Venture with Gates Corporation and Changes in Equity-Method Affiliates

SHIFT 2030
SHIFT INNOVATOR
cored around manufacturing

November 19, 2026



NITTA CORPORATION

Copyright © NITTA CORPORATION All Rights Reserved.

Key Agreements with Gates Corporation and Next Steps

1	Dissolution of Joint Venture
2	Changes in Ownership of the Joint Venture Companies Following the Dissolution of the Joint Venture
3	Next Steps

Copyright © NITTA CORPORATION All Rights Reserved.

Dissolution of the Joint Venture

- In January 1971, Nitta and Uniroyal, Inc. of the United States established Unitta Co., Ltd. (currently Gates Unitta Asia Company, hereinafter “GUA”) as a joint venture business in Japan. Following Gates Corporation’s (“Gates”) acquisition of Uniroyal’s timing belts business, Nitta and Gates established joint venture companies in China, South Korea, Thailand, India, and Singapore, through which they have manufactured and sold timing belts, pulleys, and other products in Asia.
- In January 2023, Gates filed a petition for arbitration against Nitta, and Nitta has been responding to the arbitration, but at the same time, Nitta has also continued discussions directly with Gates.
- As a result of these discussions, we have determined that transitioning to a structure through which each party is able to make its own decisions independently based on its own business strategy and capital policy and respond quickly and flexibly to changes in market conditions and customer needs would lead to strengthening competitive power and adding corporate value in the medium to long term, and the parties have agreed to dissolve the joint venture.

Copyright © NITTA CORPORATION All Rights Reserved.

History of the Joint Venture with Gates Corporation from the Beginning until Dissolution

Date	Key Developments
January 1971	Established Unitta Co., Ltd. (currently Gates Unitta Asia Company) as a joint venture with Uniroyal, Inc. of the United States
1986	Gates Rubber Company of the United States (currently Gates Corporation) acquired Uniroyal's Power Transmission Business Division
1995	Established Gates Unitta Power Transmission (Suzhou) Ltd. (Suzhou, China) (Gates Nitta Belt Company LLC was established concurrently as a holding company)
1998	Established Gates Unitta Asia Trading Company PTE LTD (Singapore)
2002	Established Gates Unitta (Thailand) Co., Ltd. (Thailand)
2002	Established Gates Unitta India Company Pvt. Ltd. (India)
2003	Established Gates Unitta Power Transmission (Shanghai) Ltd. (Shanghai, China) (Established as a subsidiary of the holding company Gates Nitta Belt Company LLC)
2004	Established Gates Unitta Korea Co., Ltd. (South Korea)
November 19, 2026	Approval of the dissolution of the joint venture by Nitta's Board of Directors and signing of the share transfer agreements
FY 2026 Q4 (planned)	Completion of the share transfer (dissolution of the joint venture) *The dissolution of the joint venture is expected to be completed in FY 2026 Q4, subject to regulatory filings and other procedures with regulatory authorities in applicable jurisdictions.

Copyright © NITTA CORPORATION All Rights Reserved.

Products Manufactured and Sold by the Joint Venture Companies with Gates Corporation

- The primary products manufactured and sold by the joint venture companies with Gates are as follows:

Automotive Products

Timing Belts



Tensioners



V-Ribbed Belts

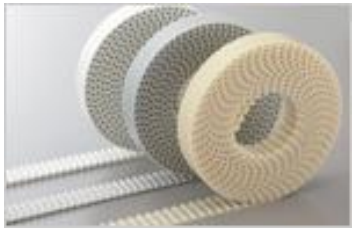


General Industrial Products

Power Transmission Timing Belts



Timing Belts for Conveyor Applications



Pulleys



Copyright © NITTA CORPORATION All Rights Reserved.

Changes in Ownership of the Joint Venture Companies Following the Dissolution of the Joint Venture

Current Status

- Joint venture operations led by Gates

・Issues related to smooth operation of the joint venture business
・Ongoing arbitration risks and burden (costs)

Nitta — Arbitration Suspended — **Gates**

49% **51%**

Company Name	(Business Area)
GUA	(Japan)
GNBC	(China)
GUKC	(South Korea)
GUTC	(Thailand)
GUIC	(India)
GUATC	(Asia)

Agreement

<What this Agreement Signifies>

- ✓ Acquisition of management control over GUA
- ✓ Transaction based on equity valuation of each JV company by an independent valuation firm
- ✓ Elimination of arbitration-related risks
- ✓ New growth opportunities through strengthening of collaboration between Nitta and GUA

Future

- Independent operations by each of Nitta and Gates in the relevant markets
- Transition to a new cooperative relationship

・Dissolution of the joint venture to transition to a new cooperative relationship
・Termination of arbitration and development of new growth strategies

Nitta — Relationship of Cooperation Continues — **Gates**

100%

GUA
(Japan)

+

Approximately US$152 million

※Tentative value.

100%

GNBC
(China)
GUKC
(South Korea)
GUTC
(Thailand)
GUIC
(India)
GUATC
(Asia)

NITTA CORPORATION
Copyright © NITTA CORPORATION All Rights Reserved.

[Reference] Changes in Share of Profit of Entities Accounted for Using Equity Method

■ The dissolution of the joint venture will affect Nitta's share of profit of entities accounted for using equity method as follows.

Fiscal Year	Historical share of profit of entities accounted for using equity method recognized by Nitta for GUA (49% of GUA's net profit)	Historical share of profit of entities accounted for using equity method recognized by Nitta for the five companies that will cease to be its equity-method affiliates (GNBC, GUKC, GUTC, GUIC, GUATC)
FY 2023	¥1,122 million	¥2,862 million
FY 2024	¥1,369 million	¥3,354 million
FY 2025	¥1,329 million	¥2,934 million

After the dissolution of the joint venture, GUA will become a wholly owned consolidated subsidiary of Nitta. Accordingly, Nitta will no longer recognize its share of profit of entities accounted for using equity method, while GUA's net sales and operating profit will be included in Nitta's consolidated financial results.

After the dissolution of the joint venture, the five companies will become wholly owned consolidated subsidiaries of Gates. Accordingly, Nitta will no longer recognize its share of profit of entities accounted for using equity method in respect of these companies.

Nitta is currently assessing the impact of the transaction on its consolidated financial results and financial condition. Nitta will promptly disclose any matters that require disclosure as they may arise.

Copyright © NITTA CORPORATION All Rights Reserved.

Next Steps

- Leverage synergies between timing belts and other products manufactured and sold by GUA and Nitta's belt business (flat belts), and begin jointly promoting business initiatives to expand market share domestically in Japan.
- Along with the dissolution of the joint venture, Nitta Group will intensify its own business development activities in the "customized and modified belt" market (see Appendix).
- Utilize the funds from the dissolution of the joint venture to promote investments in strengthening the operating structure and expanding the business of GUA.
- Expand marketing and PR activities on timing belts under the Unitta brand to strengthen brand recognition and market penetration. Explore opportunities for strategic partnerships and M&A in growth sectors.

Copyright © NITTA CORPORATION All Rights Reserved.

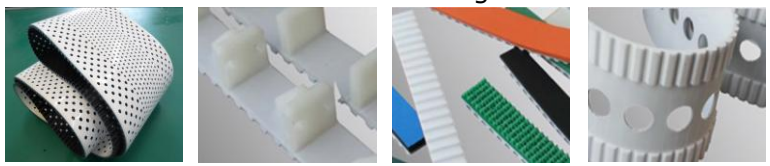
(Appendix) Business Development in Customized and Modified Belts

- In the Asia market, because we have been conducting the joint venture business with Gates thus far, the Nitta Group has not actively pursued development of its own belt business, but with the dissolution of the joint venture, the Nitta Group will step up its efforts to develop the Asian market independently.
- As the first step, the Nitta will focus on the customized and modified belt market where it can capitalize on its proprietary know-how developed through customization and modification of flat belts, and will strive to expand its market share in Asia and globally.

"Customized and Modified Belt" Market

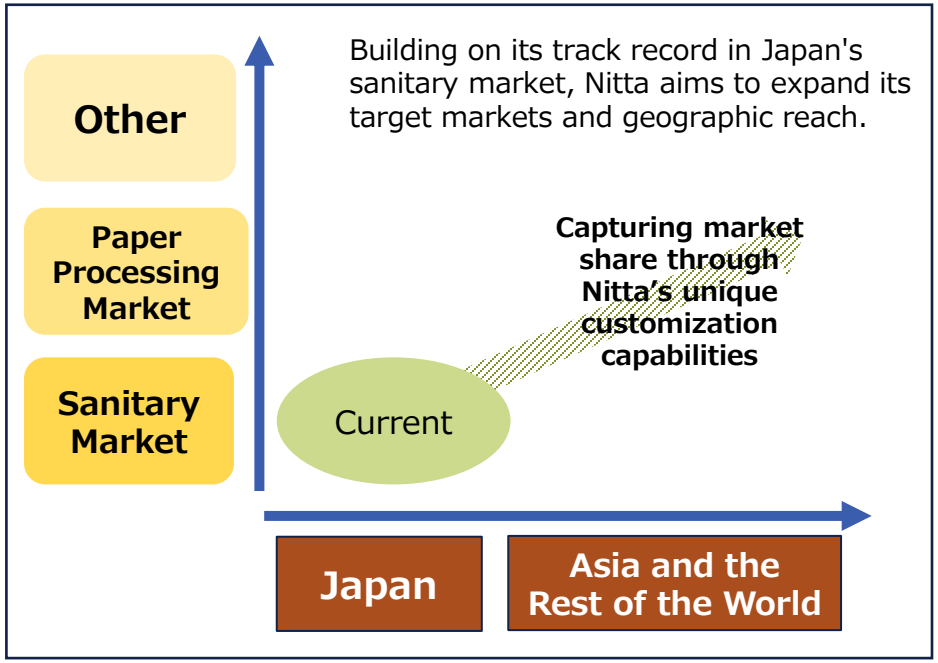
✓ Customized and modified belts are standard toothed belts for conveyance applications that have been customized through additional processing or to special specifications to meet specific customer needs or operating conditions(e.g., silicone coating on the belt surface, hole punching, etc.)

<Product Images>



✓ According to Nitta's estimates, there is a global market for customized and modified belts, valued at over JPY 100 billion, and in that market, Nitta is focused on customized and modified belt products used in manufacturing of sanitary products or in paper processing equipment, which account for approximately 20% of the entire market.

【Business Development Overview】



NITTA CORPORATION

Copyright © NITTA CORPORATION All Rights Reserved.

SHIFT 2030
SHIFT INNOVATOR
cored around manufacturing

THANK YOU

The earnings forecasts in this document are based on the current information and certain assumptions that are considered reasonable, and actual results may greatly depend on various factors.

NITTA CORPORATION

Copyright © NITTA CORPORATION All Rights Reserved.

Invention & Innovation NITTA