



# Medium-Term Management Plan2028

May 13, 2026  
NSK Ltd.



# Medium-Term Management Plan2028

## FY2026-FY2028

Any effects regarding the news released on May 12, 2026 are not factored in the new Medium-Term Management Plan 2028. Please note that any effects regarding this are not factored in the new Medium-Term Management Plan 2028. As appropriate, NSK will disclose the information in a timely manner.

- 1** NSK's Vision for the Future / Aspirations: "NSK Vision 2036"
- 2** Review of Medium-Term Management Plan 2026 (MTP2026)
- 3** Medium-Term Management Plan 2028 (MTP2028)
- 4** Summary

To bring the "digital ideal motion" to life, NSK will continue to play a vital role as a piece of the puzzle that the world needs.

We aim to expand beyond being a business focused on mechanical components—primarily bearings—to also offer proposals that enable customers to optimize their product design through multifaceted unit components and solutions that address customer challenges.

Bearings

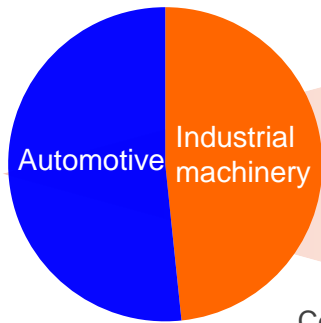
Beyond

**NSK Vision**  
Creating Ideal Motion with  
Tribology Solutions

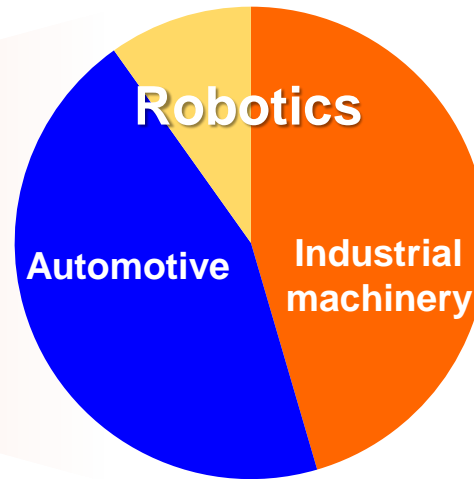
### NSK Corporate Philosophy

NSK contributes to a safer, smoother society and helps protect the global environment through its innovative technology integrating Motion & Control™. As a truly international enterprise, we are working across national boundaries to improve relationships between people throughout the world.

■ Business → Establish business focused on the growing robotics market.



Continue search for strategic partner in Steering Business

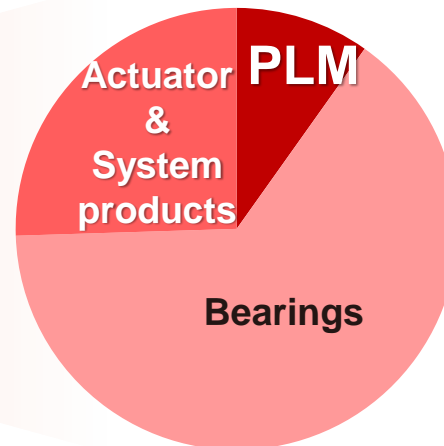
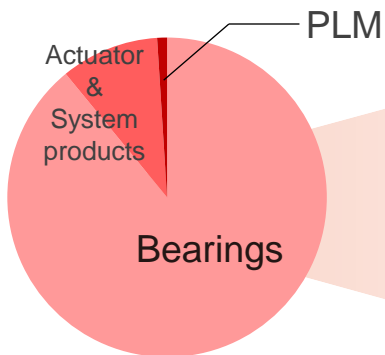


**Robotics Business as New Pillar of Revenue**

- Manufacture and supply parts such as bearings and ball screws
- Development and supply of actuators, which are central to robot design
- Business expansion in robotics market through collaboration

■ Product →

- Establish product line for multifaceted unit components/systems and actuators
- Expand PLM business



**Integration of “Rotation” “Control” and “Actuation” Technologies**

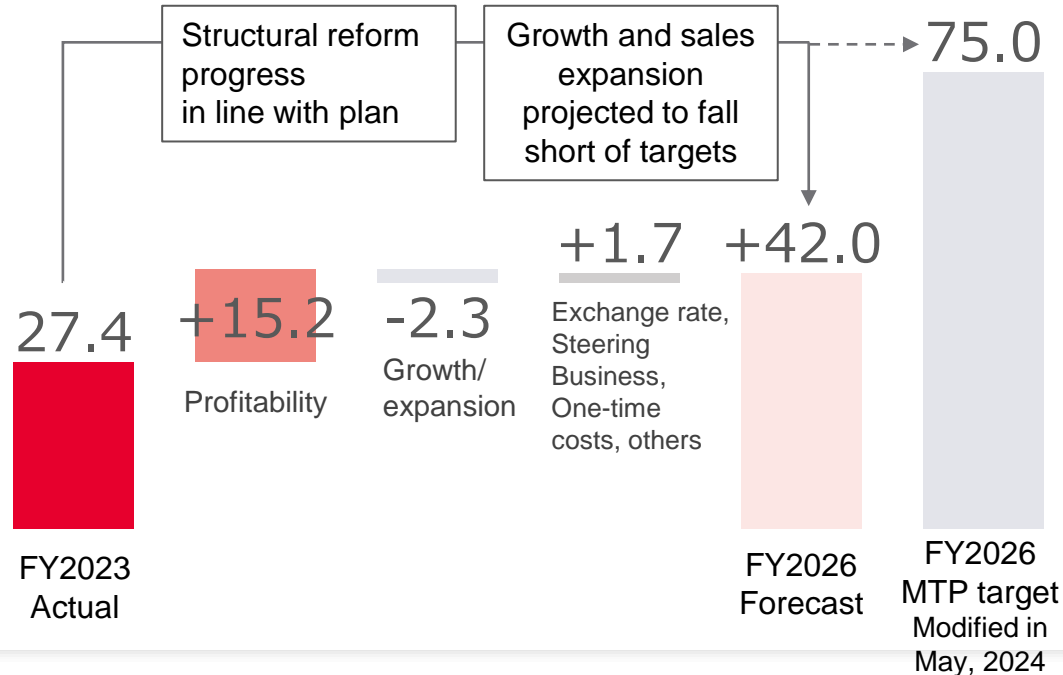
- Actuators for industrial machinery and machine tools
- Expanding sales of ball screws for electric brakes
- Development of new clutch products

**Expand PLM Business (Product-as-a-Service + Maintenance)**

- Condition monitoring and diagnosis
- Maintenance and repair
- Supply of replacement parts

## 2 Review of Medium-Term Management Plan 2026

### MTP2026 (modified in May, 2024) Progress



### Achievements

- Overview of ¥15.0 bn profitability improvement plan [FY2024-FY2026]
  - Passed on cost increases due to inflation and U.S. tariffs to selling prices.
  - Initiated structural reforms to return Europe to profitability.
  - Improved profitability through ultra-stable production and cost reductions.
  - Expanded sales of new products for electric vehicles .
- Maintained stable shareholder returns (with target minimum DOE of 2.5%).

### Challenges

- Market fragmentation, prolonged sluggish demand, technological transformation, and the rise of Chinese manufacturers
  - Expanding sales in the Industrial Machinery Business
  - Price competitiveness
  - Deteriorating profitability in Japan and Europe
  - Maintaining profitability in the Steering Business and seeking strategic partners

A Renewed Commitment to Achieving 8% ROE  
Under Medium-Term Management Plan 2028  
& Progress Toward Realizing Vision 2036

**MTP  
2026****MTP 2028****– FY2036**

- MTP 2026 based on assumption of market recovery and growth
- Continued low ROE

**Challenges**

- Expanding sales in the Industrial Machinery Business
- Price competitiveness
- Deteriorating profitability in Japan and Europe
- Maintaining profitability in the Steering Business and searching for a strategic partner

**Business Portfolio Reform**

**Expansion in Key Sectors & Initiatives in the “Beyond” Domain**  
(Actuators, Robotics, PLM)

**Continue Structural Reforms**

**Complete Structural Reforms in Europe**  
**Promote Structural Reforms in Japan**

**Capital Control****Maintain Stable Dividend**

- DOE 2.5% ⇒ 3.5% (FY2028 Target)
- Dividend Payout Ratio 30%-50%

**Flexible Share Buybacks**

ROE

**8%**

ROE

**10%**ROE  
above  
**10%**

Maximizing the Value of Human Capital: Data-Driven Management and AI Utilization

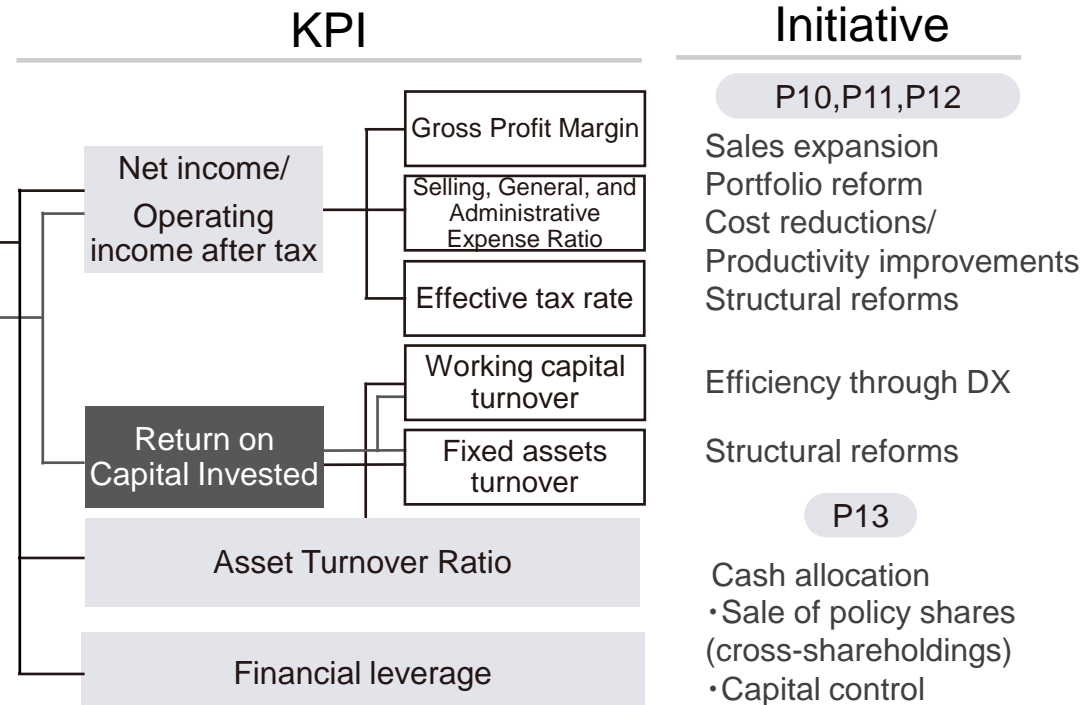
Pursuit of Four Core Values (Safety, Quality, Environment, Compliance)

# 3 Medium-Term Management Plan 2028(2) –Targets–

- Achieve 8% ROE by MTP2028.
- The Steering Business will not be included in the management targets. We will continue to seek strategic partners and maintain profitability in the Steering Business.

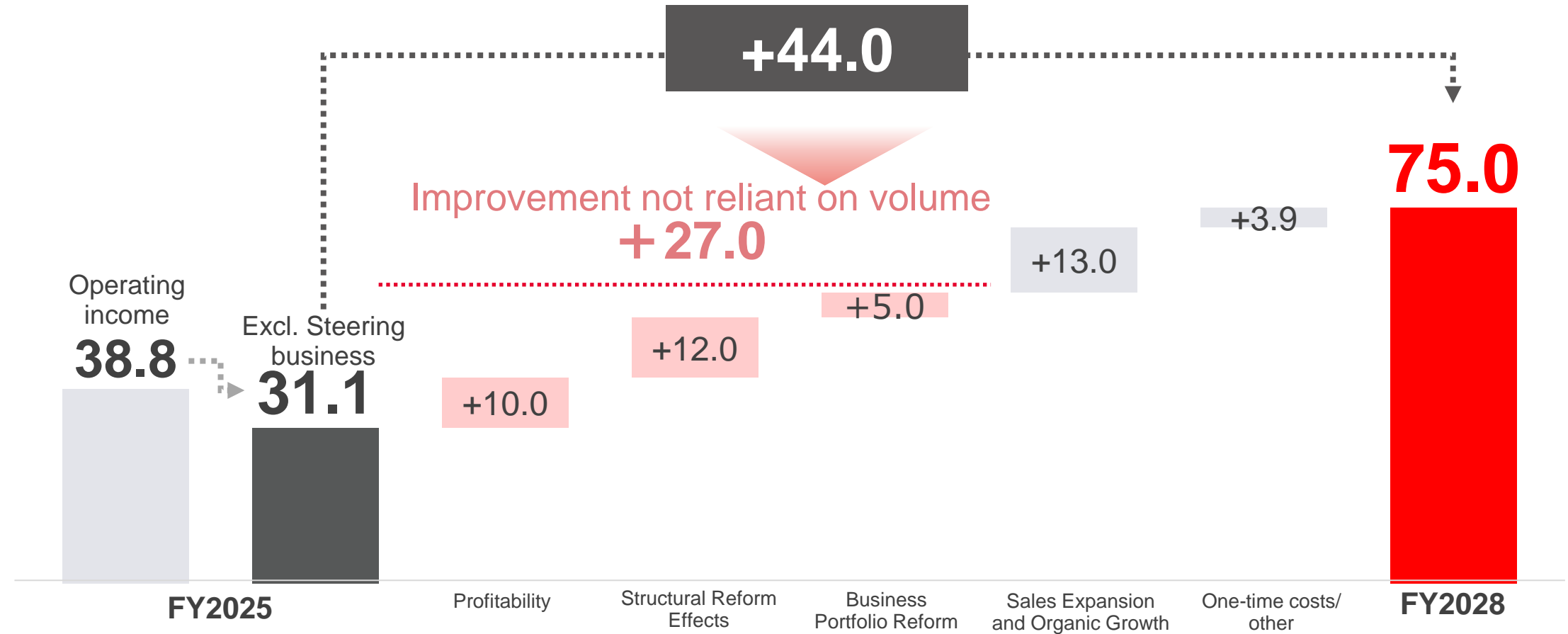
Management Objectives		FY2025 Actual	FY2028 Target
Profitability	Operating income	38.8	<b>75.0</b>
	%	4.1%	<b>over 8%</b>
	Industrial machinery (%)	12.6(3.3%)	<b>42.0(10%)</b>
	Automotive (%)	17.5(4.3%)	<b>30.0(7%)</b>
<b>Capital efficiency</b>	ROE (%)	3.5%	<b>8%</b>
	ROIC (%)	2.6%	<b>6%</b>
Financial stability	Net D/E Ratio	0.24x	<b>Less than 0.4x</b>
Exchange rate (¥/USD)		¥151	¥150
<b>Non-financial targets</b>			
Contributing to the Creation of a Decarbonized Society	CO2 Emissions Scope1+2 vs FY2017	-57% Projection	<b>Under -60%</b>
Maximizing the Value of Human Capital	Employee Engagement Score	74	<b>Over 75</b>

## ■ ROE / ROIC tree



- Under the assumption that the market will see a gradual recovery (annual growth rate of approximately 1%).
- We will offset rising costs and inflation through higher selling prices and cost reductions.
- We aim to achieve our targets by driving operational improvements, leveraging the effects of structural reforms and portfolio transformation, and expanding sales.

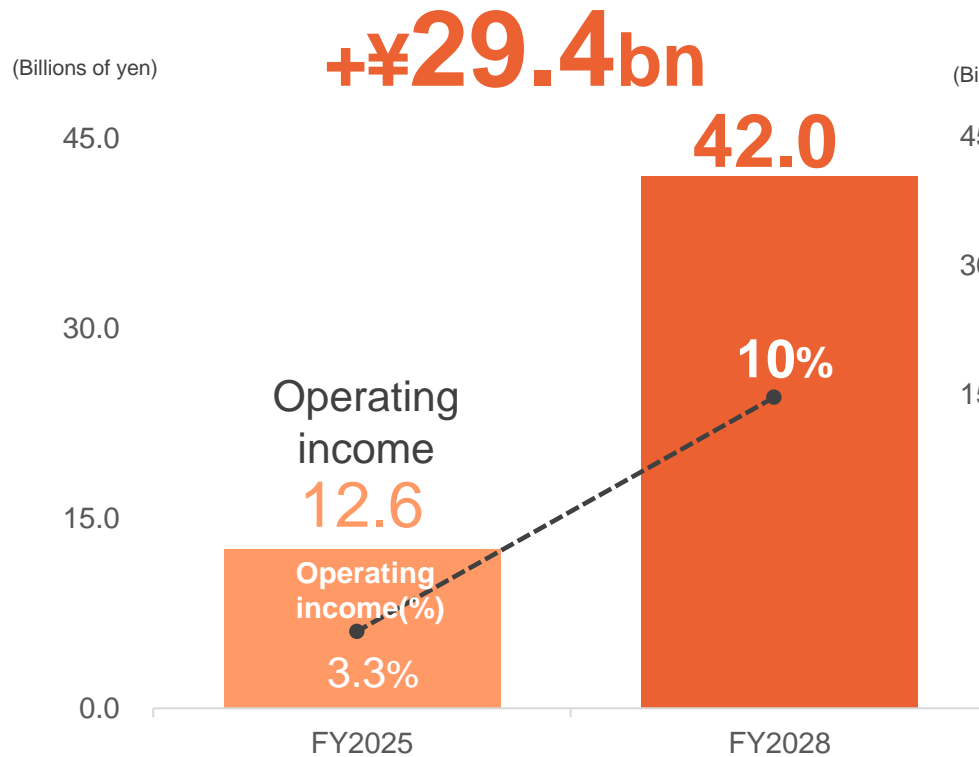
(Billions of yen)



- Drive portfolio transformation and complete structural reforms, with the goal of restoring operating income to over 10%.

## Target Improvement in Operating Income

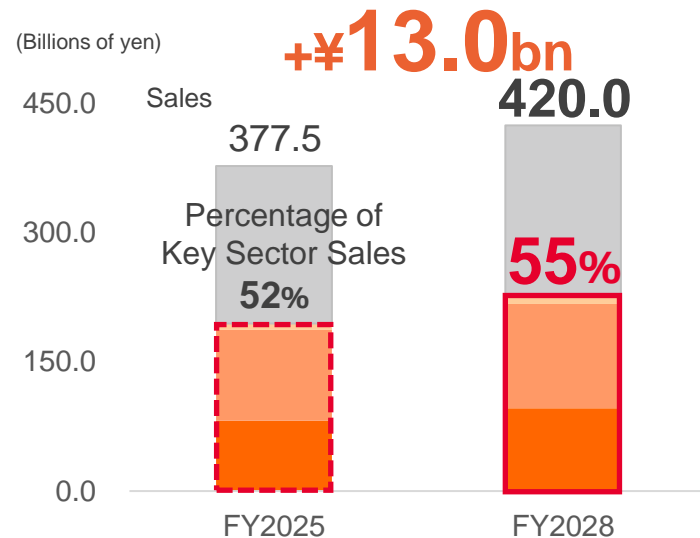
### Profitability Improvement



## Portfolio Transformation and Sales Expansion

AM Precision CMS

### Profitability Improvement



## Improving Fundamental Constitution and Structural Reforms

### Profitability Improvement

**+¥14.0bn**

- Expand Sales in Key Sectors
  - Continue expansion of aftermarket sales in the Americas and India
  - Differentiation and expansion of sales channels through aftermarket-specific products
  - Launch mechatronic products for next-generation semiconductor manufacturing
  - Monetize PLM Business (CMS + Maintenance)
- Promote appropriate pricing and discontinuation of low-margin products
- Structural reforms at plants in Europe and Japan
- Restructuring and streamlining sales operations
- Strengthening of regional design and sales engineering capabilities

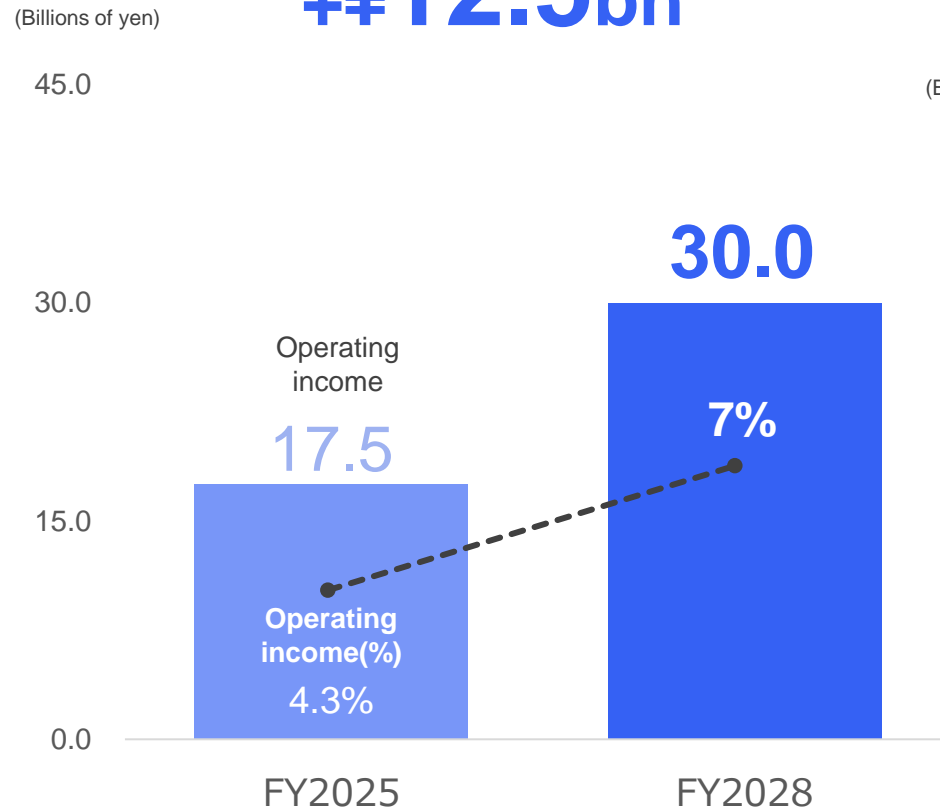
## Reform [Automotive Business]

- Aim to strengthen our revenue base by securing international competitiveness through sales expansion driven by product differentiation and operational improvements.

## Target Improvement in Operating Income

## Profitability Improvement

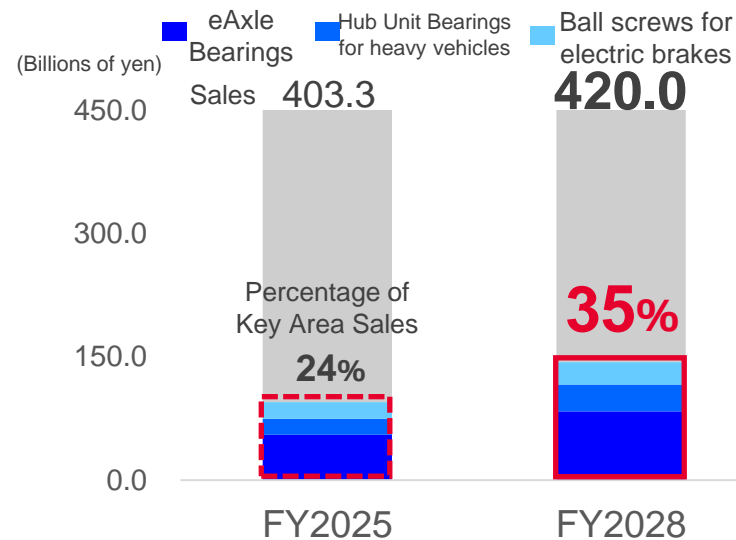
+¥12.5bn



## Portfolio Transformation and Sales Expansion

## Profitability Improvement

+¥5.0bn



## Improving Fundamental Constitution and Structural Reforms

## Profitability Improvement

+¥6.0bn

Global vehicle production is projected to reach 92 million vehicles in FY2025

- Improve Profitability through Continued Sales Expansion in Key Areas

- Hub Unit Bearings for heavy vehicles
- Products for preventing electrical erosion
- Ball screws for electric brakes

- Expanding production capacity in India and North America

- Promotion of appropriate pricing and discontinuation of low-margin products
- Restructuring product lines and production sites both in Japan and globally
- Reduce costs across sales, plants, and engineering through closer collaboration and the adoption of shared digital tools.
- Reduce design and development lead time through closer collaboration.

- In addition to Europe, promote structural reforms in Japan with a view to further strengthen our bottom line.

	MTP2026			MTP2028		
	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Cost	1.0bn	4.6bn	9.4bn	<b>9.0bn</b>	<b>12.5bn</b>	<b>2.5bn</b>
Effect (Benefit) vs FY2023	-	+1.1bn	+5.6bn	+8.6bn (vsFY2025+3.0bn)	+12.0bn (vsFY2025 +6.5bn)	+ <b>17.5bn</b> (vsFY2025 +12.0bn)

**Europe**

- (Poland) Began restructuring production at the Kielce plant
- (Germany) Sale of European production subsidiary Neuweg
- (UK) Announced plans to withdraw from production in Peterlee
- (UK) Announced plans to withdraw from production in Newark

**Complete production restructuring by FY2026**

⇒ Continue operations in Europe

- **Restructure production**  
[Fujisawa (Kugenuma) production transfer, downsize Otsu plant]
- **Restructure sales operations**
- **Promote business process transformation through digital technology**

**Japan**

- Production reorganization of ICE products
- Transition logistics subsidiary to joint-venture

**Other region**

- China: Production reorganization of ICE products (shift toward products for electric vehicles, transfer of facilities to India)
- Americas: Closure of steel ball plant, expansion in growth areas (automotive bearings, aftermarket)

- Cash generated will be allocated to strategic investments and share buybacks, in addition to investment into sustainable growth and dividends.

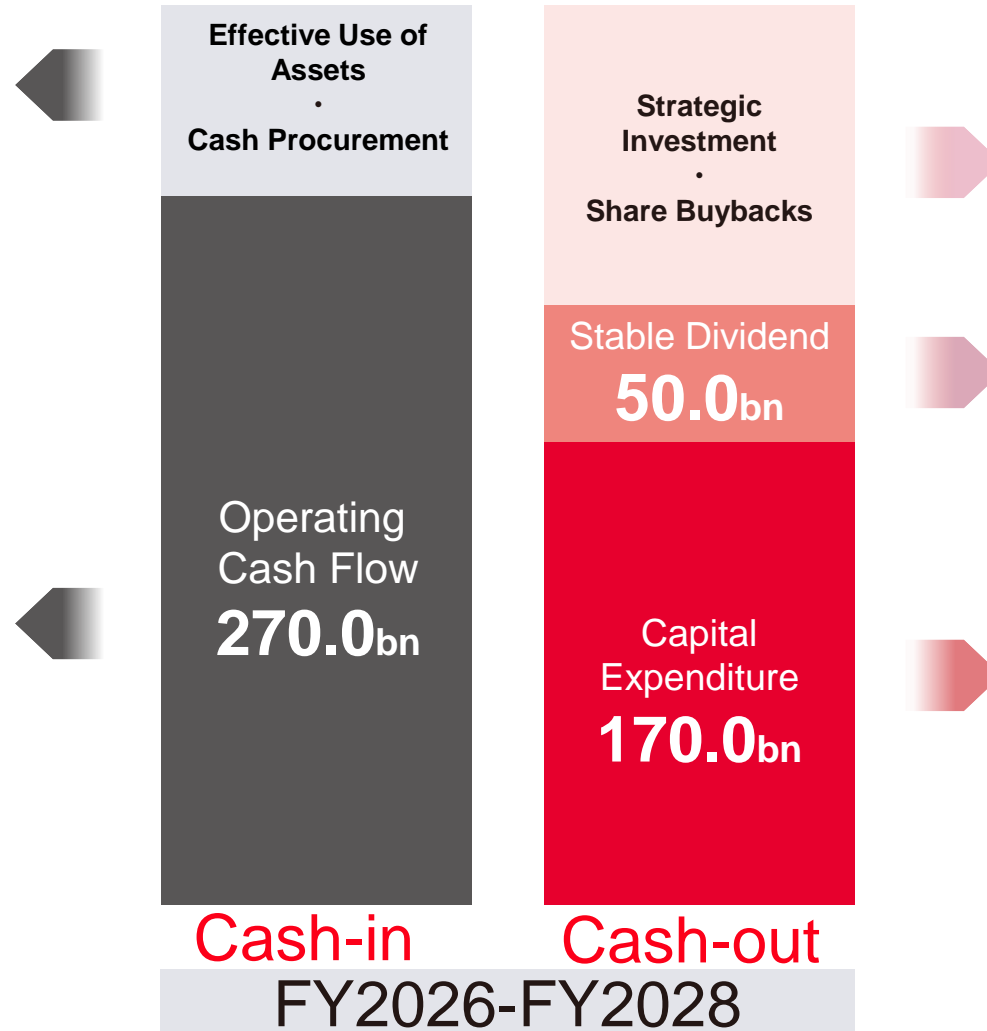
- Sale of policy shares (cross-shareholdings)
- Utilization of cash on hand and interest-bearing debt

Cross-shareholdings **0**

Net D/E ratio less than **0.4x**

Improve profitability and increase cash generation

Operating income(%) **8%**



- Expansion of the “Beyond” domain, including M&A
- Agile share buybacks to improve capital efficiency

#### Maintain Stable Shareholder Returns

- Dividend Payout Ratio **30%-50%**
- DOE **2.5% as minimum target**, improve ROE and raise DOE incrementally based on progress  
→ FY2028 Target DOE **3.5%**

#### Investment for Sustainable Growth

- Strengthening Management Resources **¥50.0bn**
- Capital Investment **¥120.0bn**

Cash-in

Cash-out

FY2026-FY2028

- Implementing measures to achieve 8% ROE under Medium-Term Management Plan 2028 and accelerating efforts toward Vision 2036.

### **Portfolio transformation**

- ✓ Develop differentiated products and expand sales in key sectors.
- ✓ Accelerate business expansion into robotics sector through active collaboration with other companies, such as RT and Delta Electronics.

### **Structural reforms/ Efficiency**

- ✓ Complete Europe structural reforms, promote Japan structural reforms.
- ✓ Promote business process transforms utilizing digital technology and AI through collaboration with Accenture.

### **Capital control**

- ✓ Stable shareholder returns and flexible share buybacks.
- ✓ Balance financial stability and growth investment.

**Pursuing Our Four Core Values**

- ✓ Achieve MTP2026 targets for Scope 1 and 2 CO<sub>2</sub> emissions and energy intensity ahead of schedule.
- ✓ Obtain SBT certification by FY2026 to ensure reliability of our decarbonization plan through third-party verification
- ✓ Enhance the effectiveness of measures to achieve carbon neutrality for our own emissions by FY2035
- ✓ Reduce lost-time injury frequency rate to 0.1 or lower.

**Maximizing the Value of Human Capital**

- ✓ Employees Engagement Score (Global) Target: Maintain score of 75 or higher.
- ✓ Complete rollout of role-based HR system for management, and revision of the HR system for non-management employees. (Japan)
- ✓ Localization rate for global positions: 75% or higher.
- ✓ Strengthen recruitment and development of specialized talent (e.g., Digital, PLM business).

**Data-Driven Management and AI Adoption**

- ✓ Modernize core systems by building a robust data infrastructure
- ✓ Promote initiatives to visualize and utilize AI for manufacturing and quality data
- ✓ Expand the internal use of generative AI, primarily within functional and TC departments (usage rate exceeding 60%).
- ✓ Achieve ultra-stable production through automation and digital transformation