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To shareholders and all persons concerned

Company name: Nabtesco Corporation

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## New Medium-Term Management Plan "Think Global! Act Local! For the Second Decade"

It is our pleasure to announce that Nabtesco has created a new medium-term (three-year) management plan starting from fiscal 2014. The outline of the plan, "Think Global! Act Local! For the Second Decade," is as follows:

### ■ Attainment of the Previous Medium-Term Management Plan

The previous medium-term management plan for fiscal 2011 to 2013, which we announced in May 2011, set the following goals for fiscal 2013: net sales of 240 billion yen, operating income of 31.3 billion yen (operating income ratio: 13%), net income of 20.3 billion yen, ROA of 9.5%, and ROE of 17.0%.

However, the business environment the Company faced was severe during the period, including the slow-down of economic growth in China and the debt crisis in Europe, and we had to give our time and energy to cope with these difficulties. Consequently, the actual results for fiscal 2013 were as follows: net sales of 202.2 billion yen, operating income of 20 billion yen (operating income ratio: 9.9%), net income of 14.9 billion yen, ROA of 6.9%, and ROE of 12.2%. We are sorry to report that we did not achieve the performance targets for the period.

	2013 Targets	2013 Results
Net sales	240 billion yen	202.2 billion yen
Operating income	31.3 billion yen	20 billion yen
Operating income ratio	13%	9.9%
Net income	20.3 billion yen	14.9 billion yen
ROA	9.5%	6.9%
ROE	17.0%	12.2%

The Nabtesco Group takes the non-attainment of the previous plan's targets very seriously. We will strive for stable and continuous business growth while remaining resilient and quick to respond to environmental changes. To achieve the long-term vision for fiscal 2020, which was announced in May 2012, we have developed a new medium-term (three-year) management plan "Think Global! Act Local! For the Second Decade."

■ Basic Policy for New Medium-Term Management Plan “Think Global! Act Local! For the Second Decade”

Think Global! Act Local! For the Second Decade  
 ~ Challenge & Creation ~

<Basic Policy>

- Endless pursuit of customer satisfaction
- Further expansion of international businesses
- Development of new technologies and open innovations
- Establishment of global production system
- Improvement of shareholders' value and corporate value

■ Financial targets

We will pursue per-share earnings of 190 yen in fiscal 2016.

Our targets for other financial results are as follows:

	2013 Results	Projections for 2014	Projections for 2016
Net sales	202.2 billion yen	216.0 billion yen	280 billion yen (±5%)
Operating income	20 billion yen	21.6 billion yen	34 billion yen
Operating income ratio	9.9%	10.0%	12.0%
Net income	14.9 billion yen	15.5 billion yen	24.0 billion yen
ROA	6.9%	6.5%	7.5%
ROE	12.2%	11.5%	15.0%
Facilities investment over three years			45 billion yen
R&D activities over three years			23 billion yen

The Company will set a new dividend policy in which it will strive to increase the dividends to shareholders by constantly increasing the per-share earnings, with a goal of 30% or greater consolidated pay-out ratio. We will not decrease the dividend unless the consolidated payout ratio exceeds 40%.

\* Note to the use of financial targets

The financial targets included in this document are estimated based on various assumptions. The Company does not promise or guarantee that it will implement plans and actions or it will achieve the financial goals stated in this document.

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