



(Translated)

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To whom it may concern,

Company name: Nabtesco Corporation
Representative: Katsuhiro Teramoto,
Representative Director, President & CEO
(Securities Code: 6268; 1st Section, Tokyo Stock Exchange)
Contact: Yasushi Minegishi, General Manager,
Corporate Communication Department
(Tel. +81-3-5213-1134)

Announcement of Formulation of New Medium-term Management Plan

Nabtesco Corporation hereby announces the outline of its new three-year medium-term management plan that is implemented from fiscal 2022.

1. Basic policy and strategy for the new medium-term management plan

The Nabtesco Group, toward the realization of the long-term vision for fiscal 2030, which it announced in February 2021, has formulated its new medium-term management plan for the three years from fiscal 2022, upholding the basic policy, “TIME FOR CHALLENGE -Change Yourself, Change the World-.” We will seek to become “Leaders in Innovation” by “Change Yourself” and “Change the World” through three challenges.

(1) Basic policy

TIME FOR CHALLENGE
-Change Yourself, Change the World-

(2) Three challenges

In this medium-term management plan, we will take on three challenges: “Challenge of fostering reforms,” “Challenge of fostering creativity,” and “Challenge of fostering globalization.”

i. Challenge of fostering reforms

- Enjoy the Challenge
 - Change the corporate culture to embrace failure and encourage employees to take on challenges
 - ◇ “Change ourselves”: Redefine our current action guidelines
 - ◇ “Change the company”: Implement innovation systems/tools

- Innovation for “New Motion Control”
 - Create and provide new value through DX, electrification and systematization-
 - ◇ Create new “tangible goods” through electrification and system integration
 - ◇ Create new “intangible things” through IoT and data solution
 - ◇ Attain highly efficient and environmentally friendly manufacturing through automation and DX

ii. Challenge of fostering creativity

- Intelligent Imagination & Execution
 - Create and build new business models by promoting external collaboration-
 - ◇ Promote open innovation utilizing our core value
 - ◇ Create new businesses by utilizing CVC and M&A
 - ◇ Expand to new business areas by accelerating collaboration between each business segment

iii. Challenge of fostering globalization

- Global Value Network
 - Strengthen global management systems-
 - ◇ Enhance overseas regional headquarters (Marketing, R&D, MRO and Shared services)
 - ◇ Establish a global HR system and secure and develop local leaders
 - ◇ Strengthen marketing activity in regions where the Nabtesco Group has yet to conduct business operations
 - ◇ Rebuild global supply chain

2. The targets for the medium-term management plan

The Nabtesco Group has set the targets for the medium-term management plan for 2022 to 2024 as follows.

<Targets>

Indicator	Fiscal 2024
ROIC	10% or over
Dividend payout ratio	35% or over
Focus on solving ESG issues CO ₂ emissions reduction	Reduced by 25% (Baseline year: fiscal 2015/aligned with the SBT 1.5-degree Celsius target)

- Note on the use of numerical targets

Information provided in this document is based on various assumptions that are subject to change, and Nabtesco does not guarantee or warrant the implementation of any plans, numerical targets or measures stated in this document.

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