

Value Creation Story

We will meet the challenge of generating innovation with our unique motion control technology.

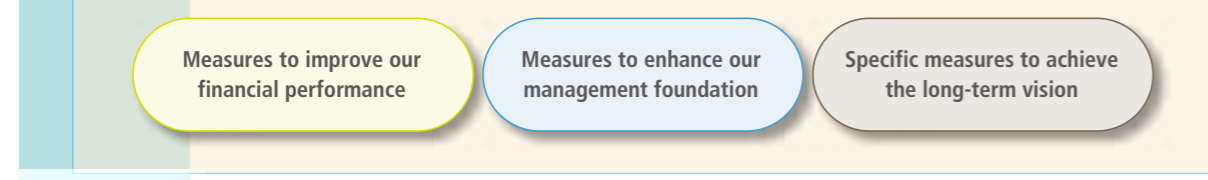
Purpose With our unique motion control technology, we will provide safety, comfort and a sense of security in daily lives as well as in any form of transportation.

Long-term Vision **P35** Leaders in Innovation for the Future

Our Aim for 2030

- Creating new value with our unique technology and intelligence
- Enriching lifestyles and the environment worldwide
- "Moving your heart" by providing safety and security

Management Materiality **P37** Important challenges for the achievement of the long-term vision



Medium-term management plan **P41** Declaration to embrace challenges



For a shift to "new motion control" Continuous enhancement of the management foundation

- Outlook for the External Environment**
- [Risks]**
 - Impact on business caused by short-term demand changes
 - Loss of competitiveness due to delayed implementation of IoT, DX and electrification promotion measures
 - Increase in cost due to the need to deal with climate change
 - Difficulty faced in procurement due to the discontinuance of business by a supplier
 - Intensification of competition for the acquisition of human resources
 - [Opportunities]**
 - Expansion of business that can contribute to the SDGs
 - Demand for electrification and systematization
 - Demand increase for products and services with high environmental performance
 - Increase in employees' satisfaction thanks to flexible work styles

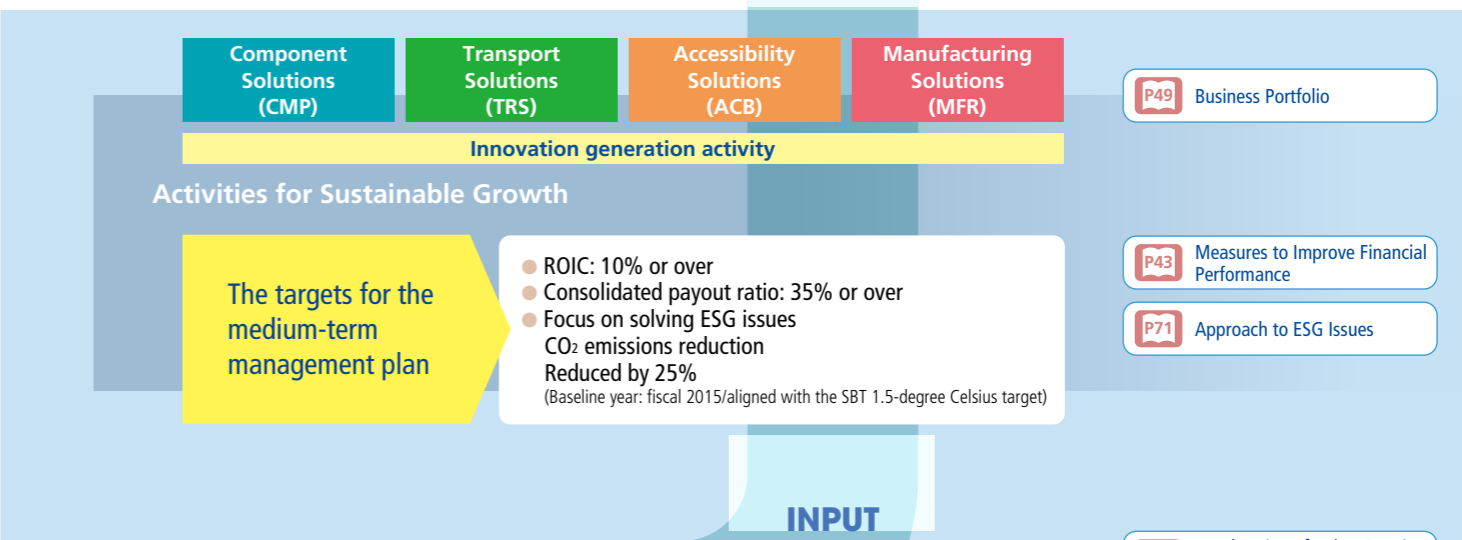
OUTCOME

Created Value

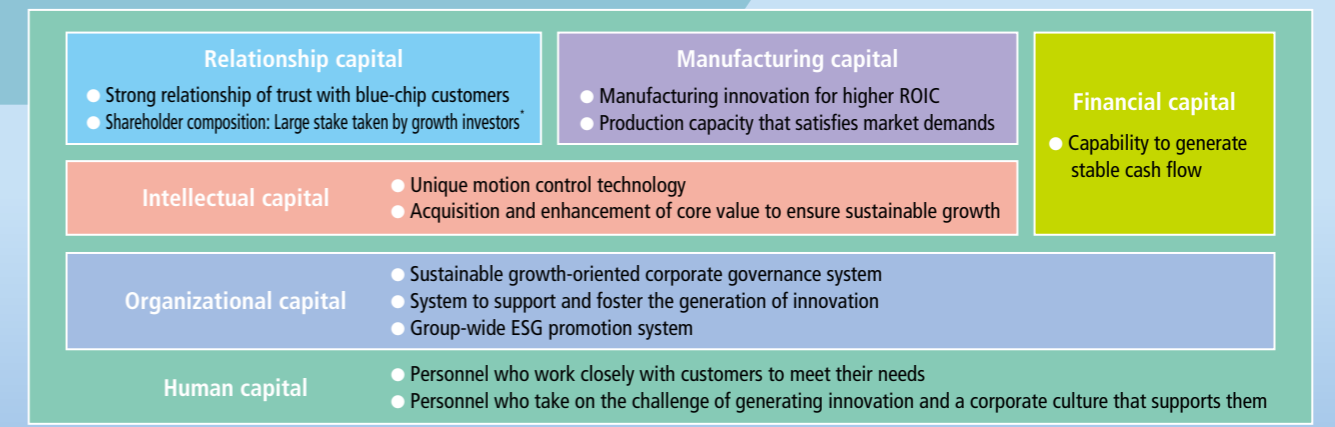
	Value for the Nabtesco Group	Impact on external stakeholders
Relationship capital ▶ Relations of trust with customers ▶ Relations of trust with shareholders ▶ Relations of trust with suppliers ▶ Relations of trust with local communities	<ul style="list-style-type: none"> ● Customer bases founded on top-class market shares ● Trust in the management team and high-scoring ESG evaluation ● Responsible supply chain management ● Improvement of recognition through community investment 	<ul style="list-style-type: none"> ● Deliver solutions for social challenges through business ● Enhancement of partnership with stakeholders ● Increasing the resilience of the supply chain ● Contribution to the solution of social challenges in the fields of the environment, education and welfare fields
Financial capital	<ul style="list-style-type: none"> ● Robust balance sheet that realizes growth investments 	<ul style="list-style-type: none"> ● Capital efficiency and stable return of profit that meet shareholders' expectations
Manufacturing capital	<ul style="list-style-type: none"> ● Promotion of smart manufacturing process 	<ul style="list-style-type: none"> ● Provision of safety, comfort and a sense of security and contribution to climate change mitigation and biodiversity
Intellectual capital	<ul style="list-style-type: none"> ● Acquisition of technology for "new motion control" ● Generation and enhancement of core value for sustainable growth 	<ul style="list-style-type: none"> ● Open innovation through co-creation
Organizational capital	<ul style="list-style-type: none"> ● Highly ethical corporate culture based on a global compliance system 	<ul style="list-style-type: none"> ● Management transparency based on the autonomous improvement of its functions by the Board of Directors
Human capital	<ul style="list-style-type: none"> ● Optimization of human capital to become "Leaders in Innovation" 	<ul style="list-style-type: none"> ● Respect for diversity and various expertise in the workplace

P19 Management of Various Categories of Capital

Value Creation Process



Managerial Resources that Support Value Creation



P17 Acceleration of Value Creation throughout the Value Chain

* Growth investors: Investors who make investments with a focus on the growth potential of companies

Acceleration of Value Creation throughout the Value Chain

We will make combined use of the various types of capital uniquely available to us to enhance our competitiveness.

We will speed up our value creation process by making combined and advanced use of the various categories of capital available to us across the value chain.

Effective use of the various categories of capital across Nabtesco's value chain

R&D		
Major categories of capital	Characteristics of capital that help "meet expectations"	Actions and direction to "exceed expectations"
Relationship capital	Relationships of trust with blue-chip customers, which helps in identifying their needs in real time	Promotion of innovation through collaboration with both domestic and foreign universities and research institutes
Financial capital	Balance sheet that supports proactive R&D investment	Acquisition of latest technologies through CVC and others Proactive R&D investment to generate innovation (Budget for 2022 to 2024: ¥40 billion)
Intellectual capital	Unique motion control technology - Cutting, polishing & processing, assembly and inspection technologies - Fluid control and opening/closing control technologies - CAE analysis technology Intellectual property management to secure the competitiveness of "current core value"	Model-based development, and use of metal additive manufacturing and other technologies Advancement and acceleration of development activities by the use of digital twin technology Governance over intellectual property to acquire "future core value"
Organizational capital	In-house company support system provided by the Technology and R&D Division Certification system for environment-friendly/energy-saving products	Promotion of the technological innovation of products in which they are used, including electrification and systematization Enhancement of product development system to contribute to the solution of social issues
Human capital	Human resources equipped with sufficient mechanical skills Robust training system to develop personnel with advanced skills Innovation system that encourages employees to embrace challenges	Acquisition and development of human resources for soft/power electronics and DX Development of an innovation-oriented corporate culture through the revitalization of the innovation system

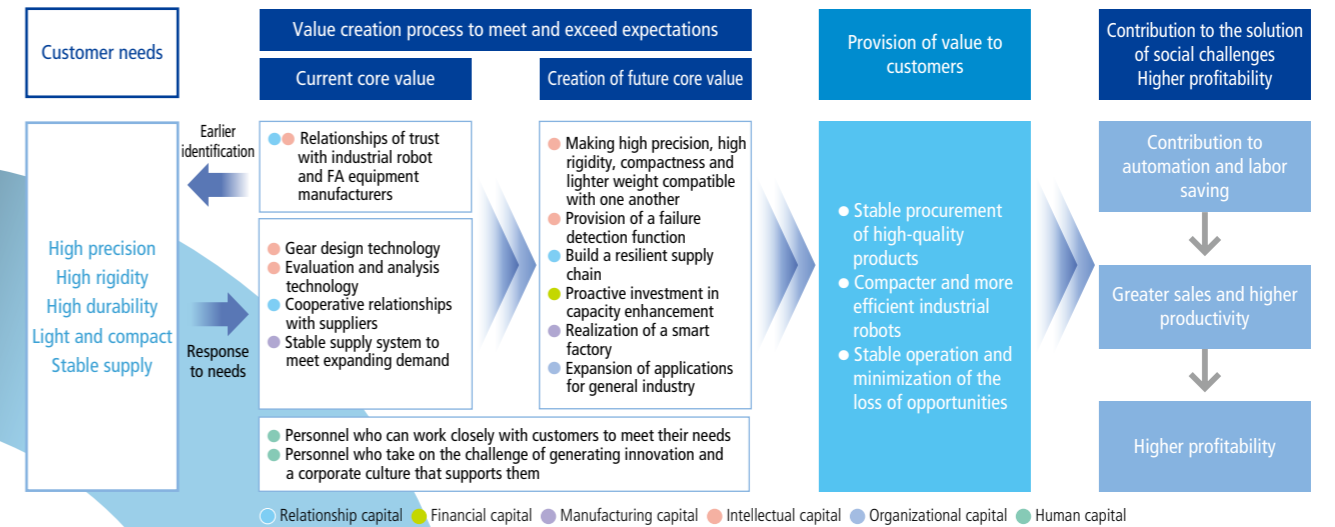
After-sales service/MRO

Major categories of capital	Characteristics of capital that help "meet expectations"	Actions and direction to "exceed expectations"
Intellectual capital	Sensing technology and expertise for the effective use of IoT technologies Ability to develop OEM products so as to promote the sales of after-sales services	Creation of new customer value through the effective use of sensing, AI and IoT technologies
Organizational capital	Network to provide MRO services in an attentive manner	Promotion of DX to expand opportunities for and increase the efficiency of MRO services

Production and production management

Major categories of capital	Characteristics of capital that help "meet expectations"	Actions and direction to "exceed expectations"
Relationship capital	Close relationship with production equipment manufacturers	Maintenance and enhancement of relationships with production equipment manufacturers
Financial capital	Balance sheet that supports proactive capital investment	Proactive capital investment (Budget for 2022 to 2024: ¥88 billion)
Manufacturing capital	Ability to supply products to meet the demand - System to mass-produce high-precision products Steady energy conservation & creation activities System to flexibly produce a variety of products in small lots	Manufacturing innovation for higher ROIC - Reduction of the inventory turnover period Innovative production management enabled through DX Creation of an environment-friendly smart factory
Intellectual capital	High-precision processing & assembly and surface processing know-how Advanced automation, combined processing and other innovative production know-how	Promotion of advanced automation Development of unique production technologies
Organizational capital	Production management system to support QCDS performance	Even higher QCDS performance
Human capital	Experienced workers for high-precision assembly and processing Quality-oriented culture nurtured since before the integration of the two companies to create Nabtesco Unique human resources education, such as the Quality University courses	Maintenance of the skills of experienced engineers and incorporation of such skills into automated processes Continuous achievement of product safety-related targets - Full achievement of product safety education plans - Full achievement of product safety inspection implementation plans

Causal path for value creation by precision reduction gears



By making combined use of the various categories of capital uniquely available to us across the value chain, we have been able to enjoy a very strong market position for our precision reduction gear business, which drives our corporate growth.

With salespeople who can meet customers' needs by working closely with them, we have built a robust customer base in the fields of industrial robots and FA equipment and are contributing to the solution of social challenges by creating next-generation products based on our development ability, which is underpinned by our long experience. Moreover, we have been making investments to enhance our production capacity to meet expanding demand, while honing our mass production technology to ensure the stable supply of high-precision products. The pursuit of these various elements of our capital constitutes a sustainable growth cycle that helps us increase our competitive advantage.

Sales

Major categories of capital	Characteristics of capital that help "meet expectations"	Actions and direction to "exceed expectations"
Relationship capital	Relationships of trust with customers built through the long-term maintenance of large market shares	Maintenance and enhancement of the Nabtesco brand
Organizational capital	Inter-business synergies based on the mutual use of overseas bases System for regional headquarters to support in-house companies' overseas business expansion	Establishment of trust with promising new customers Sharing of information about customers' needs across the Group through the notification system to support the creation of intellectual property
Human capital	Personnel who can work closely with customers with sincerity to meet their needs Open, fair and honest corporate culture	Acquisition of the ability to make proposals that "exceed the expectations of customers"

Procurement

Major categories of capital	Characteristics of capital that help "meet expectations"	Actions and direction to "exceed expectations"
Relationship capital	Supply chain to support stable supply Advanced, sustainability-oriented procurement BCP system built across the supply chain	Solution of ESG issues across the supply chain Greater understanding and recognition of the CSR-oriented procurement policy among suppliers Provision of BCP-related support to make the supply chain more resilient
Organizational capital	Procurement network optimized across the in-house companies Efficient logistics network optimized for procurement based on information sharing	Greater synergies for procurement across the Group
Human capital	"BCP buyer" system Enhancement of employees' procurement ability based on the Certified Procurement Professional certification system (CPP-B grade)	Enhancement of the resilience of the supply chain through the development of more "BCP buyers"

Management of Various Categories of Capital

Meeting and exceeding the expectations of customers and society through human capital management

Story of enhancing corporate value through the optimization of human capital

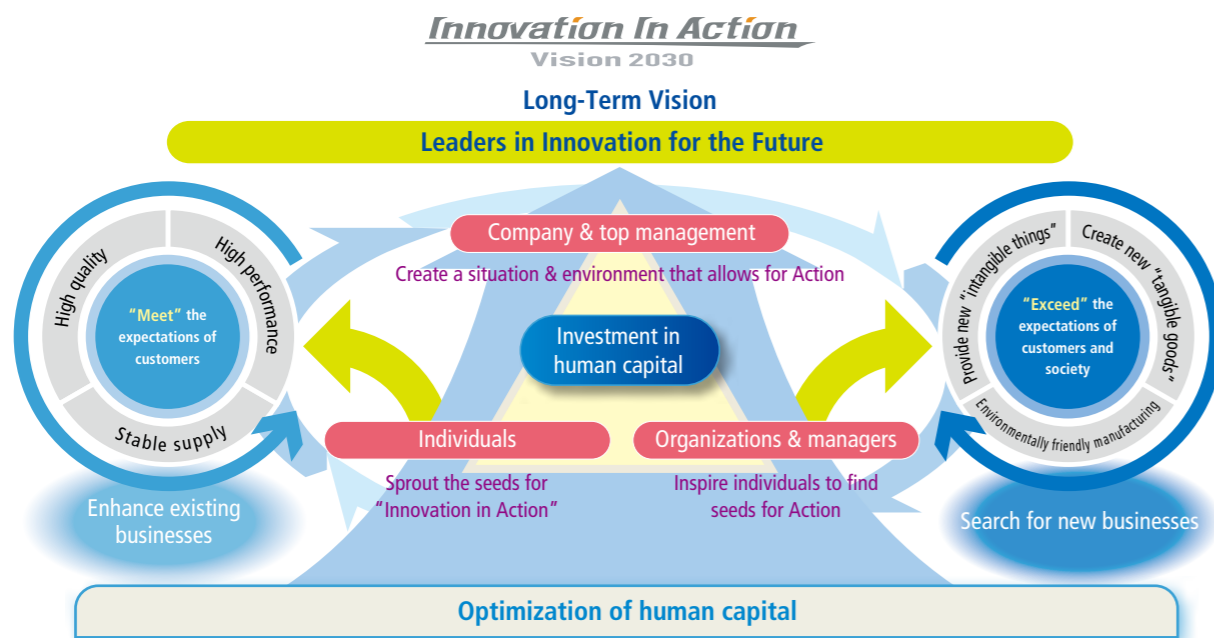
Under the slogan, "Leaders in Innovation," as upheld in its long-term vision, Nabtesco has been striving to increase its corporate value, with a focus on meeting customer needs and exceeding the expectations of both customers and society alike. This effort carries on a long tradition dating back not only to the Company's founding but also to the aims of its two predecessor companies prior to their integration. Toward this goal, we are striving to enhance both our financial impact and social impact by boosting our performance and contributing to the solution of social challenges.

To this end, we need to enhance our existing businesses while also searching for new businesses, as proposed in the theory of organizational ambidexterity. To meet this requirement, we must foster reforms for the various categories of capital that provide us with a foundation for innovation. In particular, human capital is essential for our value creation process, and Nabtesco accordingly aims to manage and optimize its human capital toward becoming "Leaders in Innovation."

In order to "meet" the expectations of customers, we need personnel who are strongly committed to meeting the needs of customers through unyielding technological

innovation, performance & quality improvement and higher productivity. To take the next step of then exceeding the expectations of customers and society, we need to develop and attract personnel who can expand our existing business domains and launch new businesses to create and propose expectation-exceeding value.

As an organization, we also need to gain the ability to respond agilely to changes in our business environment. To this end, managers are required to play important roles to encourage individual employees to take actions autonomously and independently and to serve as an intermediary to foster not only traditional top-down measures taken under the leadership of top management but also bottom-up measures taken at the initiative of general employees. Nabtesco's human capital management is thus based on measures promoted by the three actors: top management, middle managers, and individual employees. Nabtesco will proactively make investments to support these three actors in fulfilling their respective roles and will strongly repeat the cycle of meeting and exceeding the expectations of customers and society toward the achievement of its long-term vision.



Vision for human capital management

Nabtesco believes that the creation of new value will be promoted by the fulfillment of defined roles by the company & top management, organizations & managers, and individual employees. Based on this recognition, we have set a vision for each of the above for the optimization of human capital.

The role of the company & top management is to create a situation & environment that allows for Action. The role of organizations & managers is to inspire individuals to find seeds for Action. The role of individual employees is to sprout those seeds for "Innovation in Action." Nabtesco upholds this vision for its human capital management.



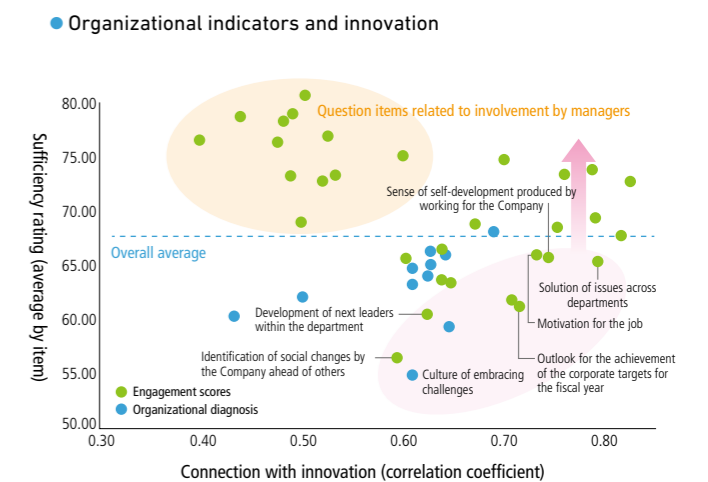
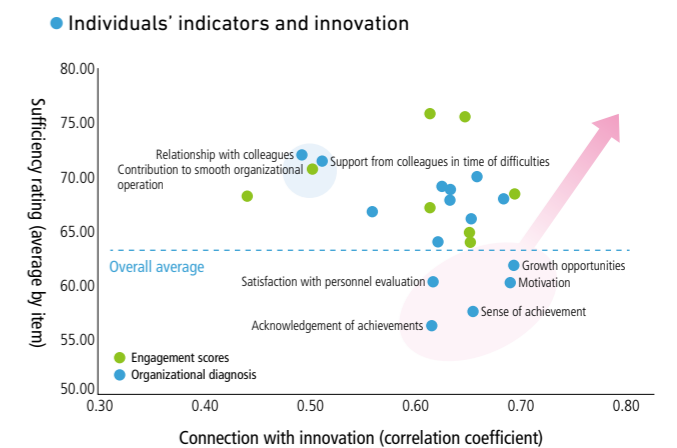
Gaps between reality and vision: Identification of issues

Nabtesco regularly conducts an employee engagement & organizational diagnosis survey to grasp employees' subjective ideas based on their engagement scores (ES) and clarify the present situation from the viewpoint of individuals and organizational culture.

When designing the questionnaire for organizational diagnosis, we first set "innovation items" that are thought to be highly related to challenges, co-creation, learning and creativity—elements that help foster innovation. We then classified the questions into those related to individuals (individuals' indicators) and those related to the organization (organizational indicators). For these two types of indicators, we analyzed the survey results with a focus on correlations between the sufficiency rating given to each of the question items, including both innovation items and others, and the item's connection to innovation. The graph shown on the right indicates the level of each item's connection to innovation (horizontal axis) and its sufficiency rating (vertical axis).

The items shown on the lower right side of the two graphs are items that are strongly connected to innovation but for which the sufficiency rating is low. As for individuals, the survey results imply that a driving force for innovation would be individual employees feeling satisfied with their jobs and able to feel a sense of achievement and self-growth.

For the organizational indicators set for the company & top management and for organizations & managers, the key items are "Outlook for the achievement of targets," "Identification of social changes by the company ahead of others" and "Creation of a culture of embracing challenges" for the former and are "Solution of issues across the departments" and "Development of the next generation of leaders" for the latter. Based on the survey results, we have formulated the following hypothesis: To become "Leaders in Innovation," it is essential for Nabtesco to focus more on these key items.



Management of Various Categories of Capital

Setting various indicators for the innovation, linkage and engagement indexes

In order to narrow the gap as described on the previous page, we have set indexes for innovation, linkage and engagement as indicators to realize the vision set for each of the three actors. These three indicators are set based on the results of the organizational diagnosis and the engagement scores, and we aim to increase the score of each indicator to 75 points. We have also set factor-based indicators that are linked with the progress of individual actions to be taken to increase the scores.

The innovation index is an indicator intended for the creation of the situation & environment that allows for Action. We will further instill The Nabtesco Way across the board and enhance our human resources portfolio to encourage both organizations and individuals to take actions toward their shared goal for innovation.

The linkage index is an indicator designed to enhance

support for individual employees through the establishment and improvement of the personnel assignment, education and evaluation systems and new business creation systems toward encouraging employees to take actions to "meet" and "exceed" our customers' expectations, being inspired to find seeds for Action.

The engagement index is an indicator intended to encourage individuals to sprout seeds for "My Innovation in Action" by implementing The Nabtesco Way with ownership, developing their careers in an autonomous manner, and by fostering reskilling to develop an innovation mindset.

We will sophisticate our human capital management by adjusting the KPIs on human capital in line with changes in related issues, while monitoring progress made with the implementation strategies and for each of the indicators.

Key performance indicators (KPIs) for human capital

	Results-based indicator	Important implementation strategy	Factor-based indicator
Company & top management	Innovation index Actual result for FY2022: 68 Target: 75	Activity to increase employees' awareness of The Nabtesco Way	Degree of penetration and assimilation of The Nabtesco Way
		Activity to give commendations for innovation	Number of Nabtesco award recipients and total amount of monetary prizes
		Enhancement of the human resources portfolio	Fill rate for employment of digital experts, female employees and non-Japanese personnel
		Development of successors for each position	Succession fill rate
Organizations & managers	Linkage index Actual result for FY2022: 63 Target: 75	Increased mobility of personnel within the Company	Numbers of people assigned to new businesses and those transferred across departments, and number of job rotations per person
		Initiatives to "exceed" expectations: Creation of ideas and knowledge	Number of ideas proposed and commercialized, and frequency of cross-departmental meetings held for knowledge sharing
		Initiatives to "meet" expectations: Higher productivity	Total number of working hours saved through higher operational efficiency, and labor productivity indicator (Value added per person and per labor hour)
		Support for diverse people to thrive	Fill rate for digital experts and hiring rate for female new graduates and non-Japanese people
Individuals	Engagement index Actual result for FY2022: 59 Target: 75	Promotion of the process to implement The Nabtesco Way with ownership	Declaration on "My Innovation in Action," and frequency of one-on-one meetings
		Promotion of measures for autonomous career development	Results related to second jobs, overseas studies and in-house job solicitation as well as to trainees dispatched overseas
		Attendance at training seminars for skill enhancement	Total number of hours spent in training, the cost of training and the number of trainees
		Communication measures to promote innovation and the embracing of challenges	Number of managers playing senior roles (relative to their job grades), and frequency of one-on-one feedback meetings

Major actions to be taken to increase the index scores

Innovation index

Organizational diagnosis score regarding awareness and assimilation of The Nabtesco Way

Fiscal Year	Score
2013	68.6
2015	65.7
2017	64.3
2020	71.4
2022	67.1

Increasing employees' awareness of The Nabtesco Way

The Nabtesco Way provides the management team and individual employees with a basis for their decision-making and actions. Nabtesco has been conducting awareness-raising activities on an ongoing basis and we check the level of awareness annually. Unfortunately, it is yet to reach a sufficient level.

In response, we will revise The Way in 2023 to make it more meaningful for the coming era while ensuring that it continues to reflect our long-held values.

In order to become "Leaders in Innovation" as upheld in the long-term vision, we will work to further raise employees' awareness and assimilation of The Nabtesco Way.

Linkage index

Transfer of personnel

Further mobility of personnel within the Company

To revitalize innovation activities, we attribute importance to the indicator describing the mobility of personnel within the Company. We introduced the in-house job solicitation system in 2019 and have since allowed employees to take second jobs with an eye to providing them with more opportunities to make use of their skills and abilities, thereby boosting their motivation and engagement. In 2022, we introduced the intrapreneurship program "Light" and the in-house company innovation system to enhance our existing businesses to meet the expectations of customers while also searching for new businesses in order to exceed the expectations of customers and society.

*1 Including the number of personnel transferred between the in-house companies and administrative departments and those seconded to other Group companies
*2 Excluding directors, Audit & Supervisory Board members and managing executive officers
*3 Included in the target are those enrolled as of December 1 of each fiscal year.

Engagement index

Cost of training and number of trainees

Attending training seminars for autonomous career development

Due to the pandemic, we substantially changed our training style from traditional face-to-face collective training to online and on-demand training. This shift has eased the attendance burden on employees and also contributed to expanding the scope of training to provide employees with more opportunities for autonomous learning. As a result, the number of trainees increased with the expansion of reskilling opportunities.

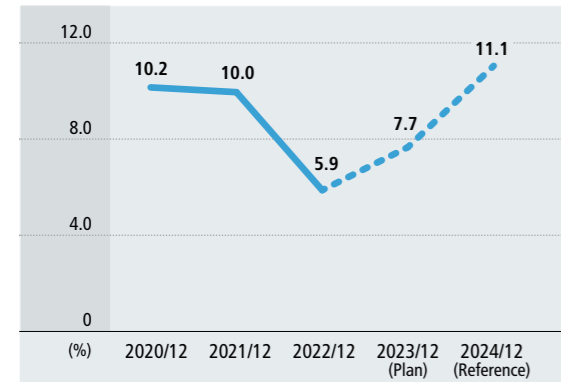
In 2022, we started DX-related training in combination with the assessment of DX skills to help trainees develop their DX skills according to their respective skill levels.

Management of Various Categories of Capital

We will deliver unique value through the enhancement of various categories of capital.

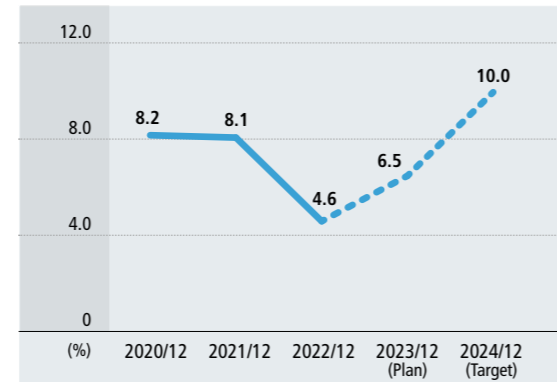
Financial Capital

Operating Income Margin



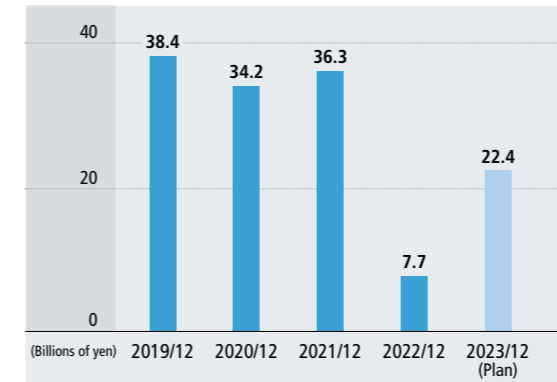
For FY2022, we recorded a decrease in profit in the hydraulic equipment business due to stagnant demand for construction machines in China. Also, influenced by the rise in material and personnel costs, our operating income margin fell sharply year on year. In FY2023, we will implement measures to counter the factors causing a decrease in our profitability, including offsetting rising costs by raising our prices and boosting our productivity. Going forward, we will continue to improve our profitability by expanding the MRO business and adding more value to our products through electrification and systematization.

ROIC



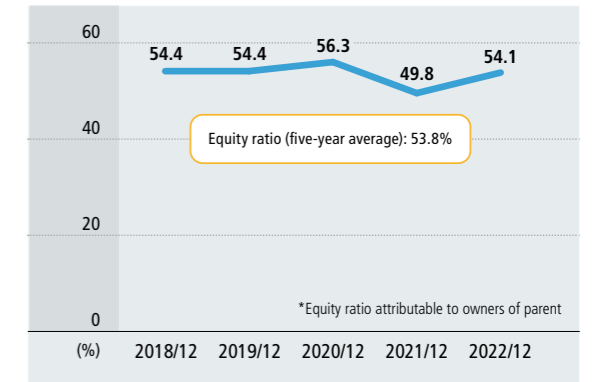
We are working to improve ROIC, upholding "ROIC: 10% or over" as one of our management targets under the medium-term management plan. For FY2022, ROIC was lowered to 4.6% due to a fall in profitability. For FY2023, however, we will raise it again to exceed the level of the previous fiscal year following an increase in profit. In FY2022, we formulated the Basic Policy on the Business Portfolio. By taking actions based on the results of financial and business potential evaluation, we will work to build the optimal business portfolio.

Cash Flows from Operating Activities



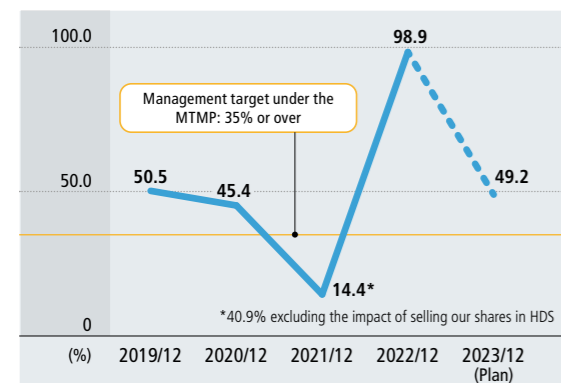
For FY2022, we posted a drop in cash flows as profit before tax decreased because of the payment of corporate tax on the sale of HDS shares. However, we have been able to generate cash flows from operating activities at the level of ¥20 billion to ¥30 billion in a stable manner. We will make effective use of the cash thus generated for capital investment and R&D and also to make growth investments for the achievement of the long-term vision.

Equity Ratio*



The Nabtesco Group is fostering the improvement of capital efficiency and disciplined financial management, being rated A by the credit rating agencies. The equity ratio has been around 53% for the most recent five years, and this means that we are on a level that allows us to make steady growth investments and stably return profit to stakeholders.

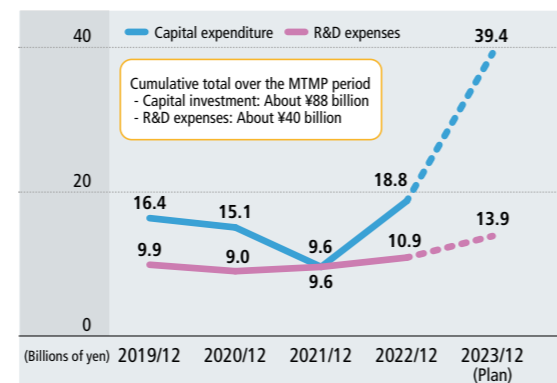
Consolidated Payout Ratio



Due to the posting of financial profit/loss following the selling of HDS shares, the ratio differs between FY2021 and FY2022. However, we have been distributing dividends in a stable manner according to the policy of pursuing a "Consolidated payout ratio of 35% or over" as promised under the medium-term management plan (MTMP). In 2021, we acquired our own shares and cancelled ¥20 billion worth of treasury stock. We will continue to pay dividends in a stable manner to our shareholders.

(Note) HDS: Harmonic Drive Systems Inc.

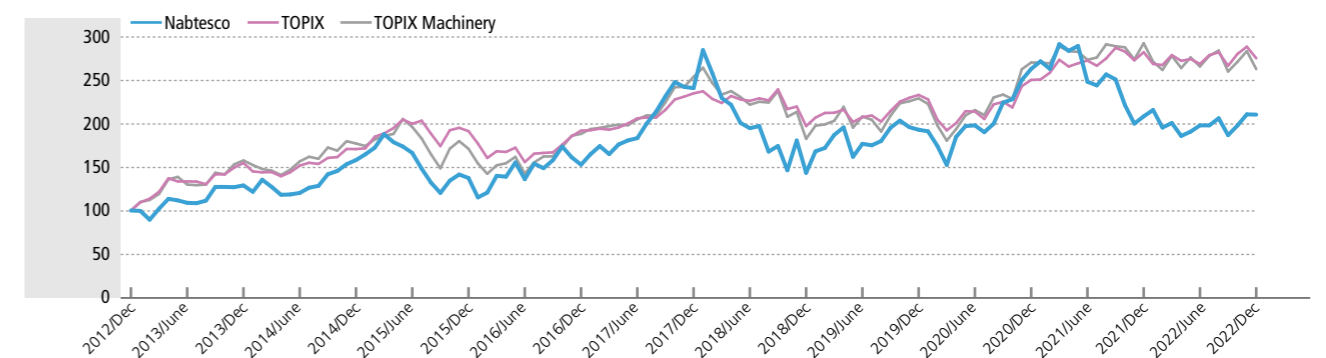
Capital Expenditure/R&D Expenses



Under the medium-term management plan (MTMP), we will make aggressive investments for future growth. As for capital investment, we will make large investments in FY2023 for the construction of a new plant in Hamamatsu city to expand our production capacity for precision reduction gears as well as in the rebuilding of the Tarui Plant to make it an eco-friendly plant in the hydraulic equipment business. For R&D, we will focus on the development of electrified and systematized products.

Relationship capital

Total Shareholder Return (TSR) for the Past 10 Years



Return on Investment (ROI) as of December 31, 2022

	Past one year	Past three years		Past five years		Past 10 years	
	Annualized return	Cumulative return	Annualized return	Cumulative return	Annualized return	Cumulative return	Annualized return
Nabtesco	1.1%	10.1%	3.3%	-13.4%	-2.8%	109.7%	7.7%
TOPIX	-2.5%	18.1%	5.7%	17.2%	3.2%	174.2%	10.6%
TOPIX Machinery	-10.2%	14.7%	4.7%	3.5%	0.7%	161.8%	10.1%

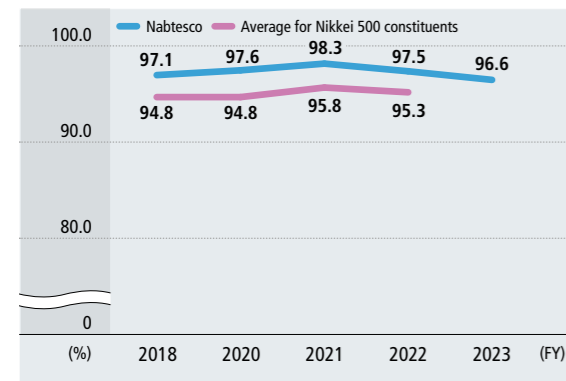
For TSR, cumulative return and annualized return over the past ten years came to 109.7% and 7.7%, respectively, as of the end of 2022. Reflecting a decrease in profit posted for FY2022, Nabtesco's stock price showed a declining trend and was low relative to TOPIX and TOPIX Machinery. We will work to expand TSR by steadily implementing growth investments to generate added value and thereby increase our corporate value.

(Note) The above graphs show ROI as of December 31, 2022 in cases where investments were made on December 31, 2012. As for the data on Nabtesco shares, investment results calculated based on the stock prices by adding dividends (on the assumption that dividends will not be reinvested) have been indexed by setting the amount of investments as of December 31, 2012 as 100. TOPIX and TOPIX Machinery have also been indexed in a similar manner by using data that included dividends.

(Source) Prepared by the Nabtesco Group based on the Tokyo Stock Exchange's monthly closing stock prices and other data

Management of Various Categories of Capital

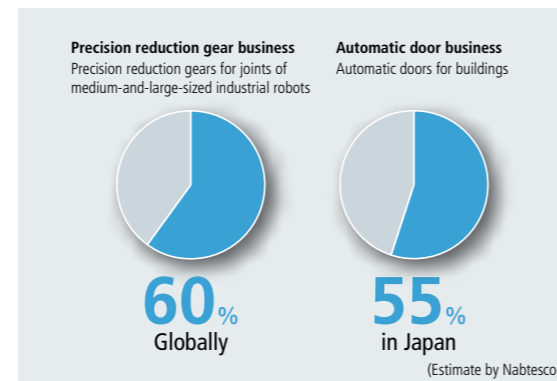
Affirmative Vote Rate of Selected Directors



Nabtesco defines an affirmative vote rate for selected Directors at the general meeting of shareholders as an indicator of confidence in management. The affirmative rate has been over 96% for the past five years, exceeding the average for listed companies in Japan. At the general meeting of shareholders held in March 2023, the rate for Nabtesco was 96.6%.

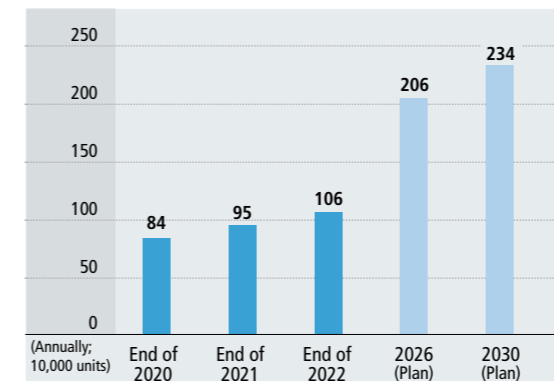
(Note) Nabtesco's affirmative vote rate of selected Directors is the average rate calculated based on the affirmative vote rates recorded for each of the selected Directors at the general meeting of shareholders for the fiscal period. For Nikkei 500 constituents' affirmative vote rates of selected Directors, the average rate was calculated for companies that submitted temporary reports on their general meetings of shareholders held in June by early July.

Strong relationships of trust with blue-chip customers



The large market shares we command in each business are proof of the trust our customers have in the Nabtesco Group and provide the basis for us to offer more value to society. The Nabtesco Group boasts leading shares in both domestic and overseas product markets. We will make use of the ability to collect information, which we have gained through holding these leading market positions, to identify more social needs and contribute to the solution of social challenges through our business operations.

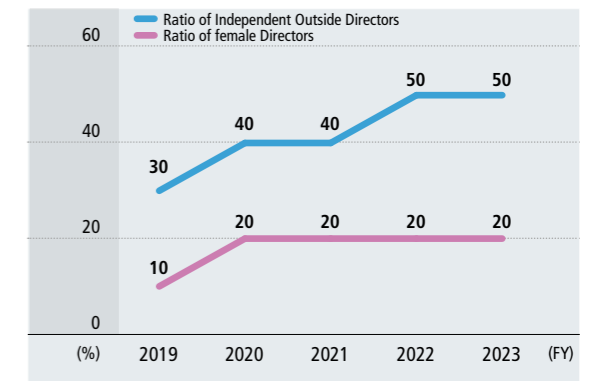
Precision Reduction Gear Production Capacity



Due to expanding needs for EVs, greater labor efficiency and automation, demand for precision reduction gears will remain brisk going forward. In October 2023, the Hamamatsu Plant will be completed as a leading-edge manufacturing base and, in 2030, our regular production capacity for precision reduction gears will reach 2.34 million units per year, almost double that of the current level. We will thus build a system to meet the increasing demand, thereby solidifying our competitive position in the market.

Organizational Capital

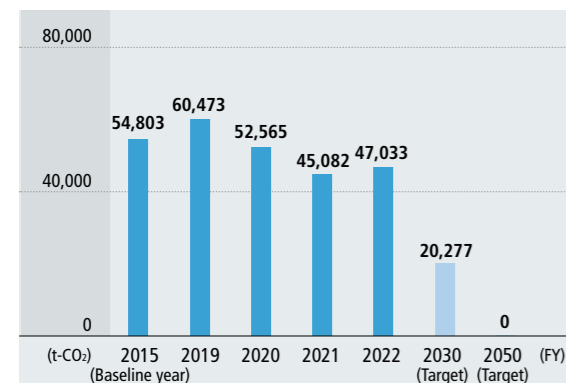
Board of Directors with Increased Diversity



In FY2020, the proportion of female directors on the Board was increased from 10% to 20%, and in FY2022 the number of independent outside directors was also increased by one person, or a proportional increase to 50%. In order to make flexible responses to our dynamically changing business environment and to implement management strategies in consideration of the various features of our business, we choose directors with a focus on diversity.

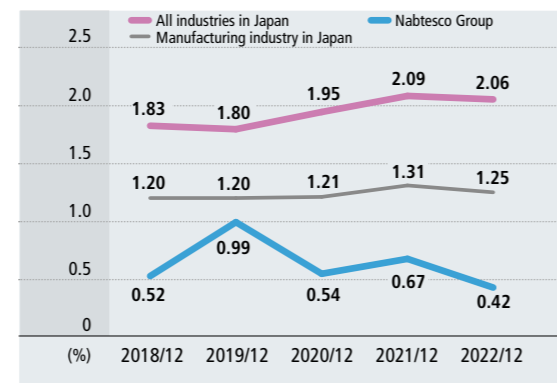
Manufacturing Capital

Global CO₂ Emissions (Total)



As "Countermeasures for climate change," which is included in our management materiality, we set a long-term target of reducing our CO₂ emissions in Scopes 1 and 2 by 63% in FY2030 and by 100% in FY2050 relative to FY2015. We have been steadily conducting energy conservation and creation activities and fostering the procurement of renewable energy (by purchasing certificates) to achieve this target. Also, for Scope 3, we are promoting collaboration with suppliers with the expectation that they will set their own voluntary CO₂ emissions reduction targets in FY2025 and SBTs in 2030. In the meantime, we are urging our primary suppliers, who collectively account for 70% of our procurement in monetary value, to set their targets ahead of schedule in FY2024.

Lost Time Injury Frequency Rate



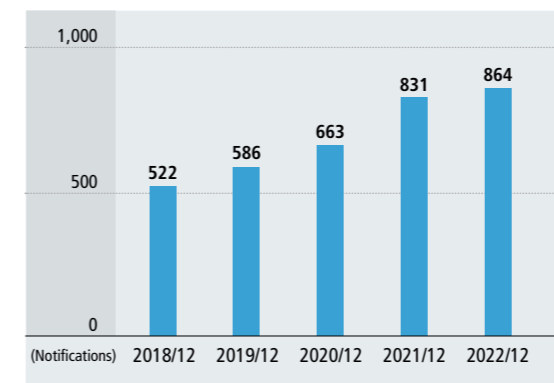
Ensuring safety is a basic precondition for business activities. In the "pursuit of safety, comfort and a sense of security" which is included in our management materiality, we take various actions to eliminate occupational accidents.

Although Nabtesco's lost time injury frequency rate has been lower than the average in all industries and the manufacturing industry in Japan, we have not yet achieved the goal of zero occupational accidents including commuting related ones. For the achievement of the target, we will continuously conduct activities to build the culture of safety in our own way.

(Note) Data for the all-industries average and the manufacturing industry average in Japan are from the 2022 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare.

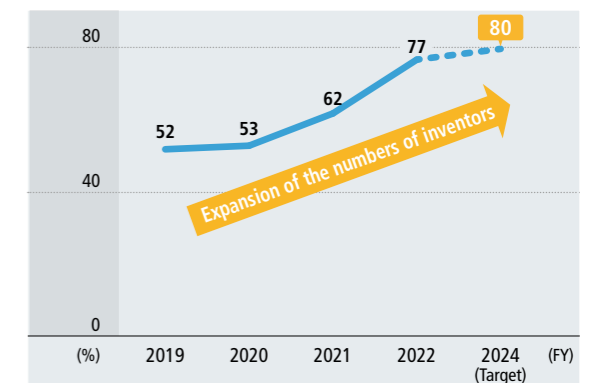
Intellectual capital

Number of Notifications on Intellectual Property Creation



We have set the creation of intellectual property as one of the performance indicators for in-house companies. In order to foster a corporate culture toward innovations, we encourage creative activities by engineers for new business generation, new technology development and accumulation of design/production know-how. Consequently the number of notifications on intellectual property creation has been increasing year on year. Moreover, increasing employees' motivation toward creative activities, we give commendations to excellent inventors who have contributed to our business.

Increase in the Ratio of Inventors Who Will Lead Innovation



The ratio of inventors to the total number of our engineers has been increasing year on year. In the category of engineers, we include not only those engaging in design and development but also those in charge of production technologies at our plants. We have thus steadily nurtured a mindset oriented to the creation of innovation among engineers across the Nabtesco Group.