



(Translated)

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To whom it may concern,

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### 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 pursue 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 promote 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 encourage challenges with admiring failures-
  - ◇ “Change ourselves”: Redefine our current action guidelines
  - ◇ “Change the company”: Implement innovation system / tools
- Innovation for “New Motion Control”
  - Create and provide new value by DX, electrification and systematization-

- ◇ Create new “tangible goods” by electrification and system integration
- ◇ Create new “intangible things” by IoT and data solution
- ◇ Attain highly efficient and environmentally friendly manufacturing by automation and DX

ii. Challenge of fostering creativity

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

iii. Challenge of fostering globalization

- Global Value Network
  - Rebuild global management systems-
  - ◇ Enforce overseas regional headquarters (Marketing, R&D, MRO and Shared services)
  - ◇ Establish a global HR system and secure and train up local leaders
  - ◇ Strengthen marketing activity for undeveloped region
  - ◇ 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 <sub>2</sub> emissions reduction	Down 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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