The 6th Mid-Term Management Plan “New Initiatives Targeting Growth”

NSK has positioned “New Initiatives Targeting Growth” as a key concept under the 6th Mid-Term Management Plan. Each business segment will pursue five initiatives in an effort to realize sustainable growth.

Industrial Machinery Business

1. Capture Demand in Growth Sectors
   - Capture demand in sectors where markets expand reflecting social needs
     - Wind power
     - Railways
     - Construction
     - Information and communications
     - High-performance, energy-saving home appliances

2. Deliver Value Leveraging NSK’s Strength in Precision Technology
   - Further expand NSK’s presence in demand areas including machine tools, robotics and automation
   - Higher specs, improvement in environmental performance, labor-saving and reduction of downtime
   - New Proposal and Contribution to Required Performance (Machine Tools)

3. Establish Industrial Actuators as a New Core Product
   - Market expands as a key component supporting electrification
     - For railcars, construction, robots and medical use
     - Need for automation accelerates, electrification in pneumatic/hydraulic devices
     - Improved comfort, safety and environmental performance

4. Leverage NSK’s Strengths to Expand the GAM Business
   - High-reliability products
   - Engineering support, service response
   - Reduce end-user maintenance costs

5. Construct a New Business Utilizing Condition Monitoring Technology
   - Product-based + Solution-based business
   - Contribute to customers’ productivity and quality improvement
   - Provide technology service and solution services
   - Establish the CMS Development Center: integrate business development and engineering development

Future Vision

Social Needs and Technological Innovation
- Automation, Labor-saving
- Smart technology
- Environmental protection measures

Growth Drivers
- Comprehensive product and service-based approach
- Shift from price-based to value-based approach

NSK’s Products and Services
- Core products
- New products
- New businesses
- Aftermarket

New Initiatives Targeting Growth
- Reduction of downtime
- Smart technology
- High-rigidity
- Heat-proof
- Life diagnosis technology

Capture Demand in Growth Sectors
- Wind power
- Railways
- Construction
- Information and communications
- High-performance, energy-saving home appliances

Growth Exceeding Economic Cycle
- Mobility
- Electrification of power source
- Weight reduction, noise reduction

Vehicle Needs/Technological Innovation
- HEV (Hybrid Electric Vehicle)
- AT (Automatic Transmission)
- Mobility

Develop new applications
- Steer-by-wire etc.
- Technology proposals for motor reducers
- New products: Traction drive unit/systems
- Transmission systems
- Delivery through packaged optimized design proposals

Vehicle Production Volume Forecast by Power Source
- HEV: demand expansion to continue
- FY2018 FY2021 FY2024 FY2030
- AT (Automatic Transmission)
- Expansion in electric-powered vehicles
- Number of In-Vehicle Motors
- FY26

• Market expands as a key component supporting electrification
• High reliability products
• Engineering support, service response
• Reduce end-user maintenance costs

Product-based business
by providing engineering and solution services

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### 5 Initiatives Targeting Growth

#### 1. Expand the Powertrain Business
- **Vehicle Production Volume Forecast by Power Source**
  - **ICE**: Increase in global production volume
  - **HEV**: Demand expansion to continue
- **AT (Automatic Transmission)**
  - Higher installation rate, multistep AT, largest customer increasing volume
  - Increasing technological requirements
  - Compact, lightweight units, more efficient friction control
- **Expand the Powertrain Business**
  - **FY26 Sales: +50% (vs. FY18)**

#### 2. Expand the In-Vehicle Motor Business
- **Dramatic Increase in In-Vehicle Motors due to Electrification**
  - Improve safety, comfort and convenience
  - Improve manufacturability and reduce costs
  - Establish supply structure
- **Number of In-Vehicle Motors**
  - **FY2018**: 2
  - **FY2021**: 87
  - **FY2024**: 107
  - **FY2026**: 116
- **FY26 Sales: +80% (vs. FY18)**

#### 3. Expand the HUB Bearing Business
- **Growing Need for Safety and Fuel Efficiency**
  - Expand sales by leveraging engineering ability
  - High-reliability, low torque, high-load
- **FY26 Sales: +30% (vs. FY18)**

#### 4. Restart Growth in the Steering Business
- **Steer-by-Wire**
  - Leverage "core assets" of mechanical parts and software
  - Improve efficiency in R&D costs per project
- **Steering & Actuator Business**
  - **FY26 Sales: +30% (vs. FY18)**

#### 5. Expand the Actuator Business
- **Ball screws for brakes**
- **Develop new applications**
  - Steer-by-wire etc.
- **Steering & Actuator Sales**
  - **6th MTP**

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**Future Vision**

- **NSK’s Products**
  - Powertrain products
  - Bearings for in-vehicle motors
  - HUB bearings
  - Steering
  - Actuators
- **Vehicle Needs/Technological Innovation**
  - Mobility
    - Environment
    - Safety
    - Comfort
    - Convenience
  - C A S E
    - Connected Autonomous
    - Shared
    - Electric
- **Areas NSK contributes to**
  - Electrification of power source and in-vehicle parts
  - Technology to support mechanical parts, high-efficiency, weight reduction, noise reduction
  - Advanced steering control functions
- **Establish New Presence by Responding to Innovations in Vehicle Technology**
  - Achieve Sales Growth that Surpasses Growth in Global Vehicle Production

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