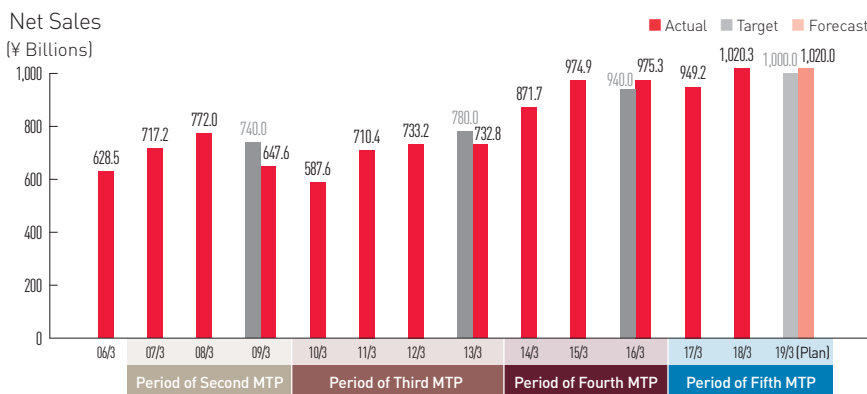


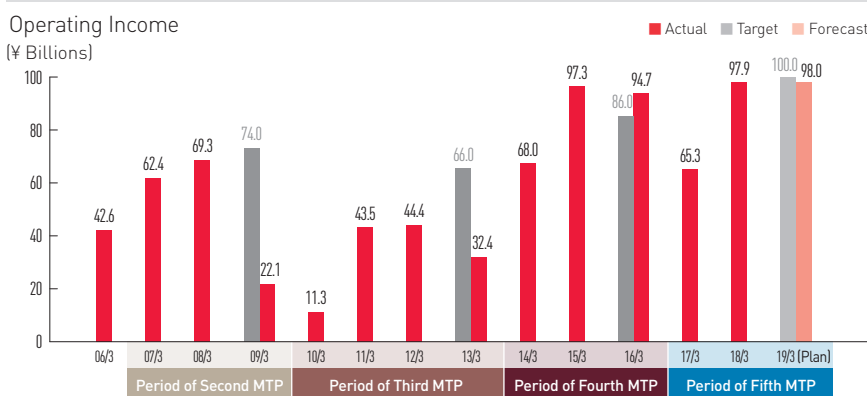
Progress of Mid-Term Management Plan

Business Trends (JP-GAAP up to and including the Fourth MTP, IFRS from the Fifth MTP onward)



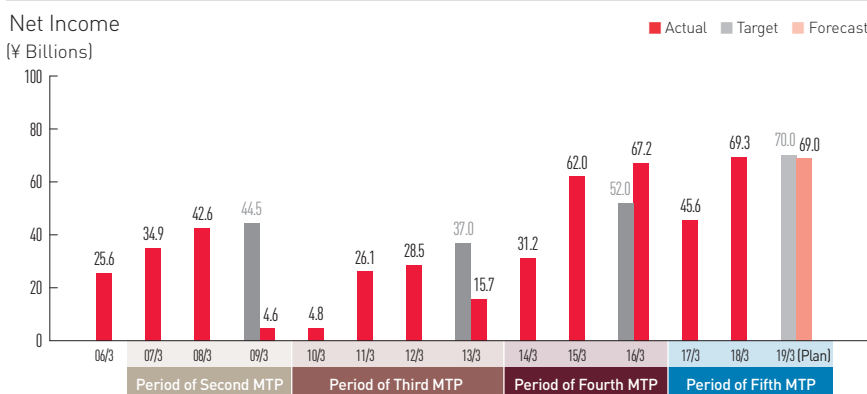
The Second and Third Mid-Term Management Plans (hereinafter MTP) did not meet their final-year numerical targets due to the impact from the collapse of Lehman Brothers in 2008 and the subsequent global financial crisis, and sharp yen appreciation and demand shifts, respectively. On the other hand, the Fourth MTP met its targets, with sales exceeding ¥900 billion, topping levels seen in the past.

NSK achieved the net sales target of ¥1 trillion in its Fifth MTP in the second year of the plan (FY18/3). The Company forecasts sales in the FY19/3 of ¥1.02 trillion.



As with sales, the company did not meet its operating income targets in the final year of the Second and Third MTPs but exceeded the final-year operating income target in the Fourth Plan.

NSK shifted its accounting standard to IFRS from the Fifth MTP. Operating income in FY17/3 decreased substantially from the previous fiscal year as one-time costs are recorded in operating income at IFRS. However, the Company booked a record ¥97.9 billion in operating income in FY18/3. NSK forecasts operating income in FY19/3 of ¥98.0 billion, which is just short of the MTP target of ¥100.0 billion, though we are making every effort to reach that target.



NSK was able to maintain positive net income during FY09/3-FY10/3, when the global financial crisis was at its height.

Past trends show net income remaining at a strong level since the Fourth MTP.

NSK booked net income of ¥69.3 billion in FY18/3, which alongside net sales and operating income set a record high for the Company. We will continue our efforts to maximize profit.

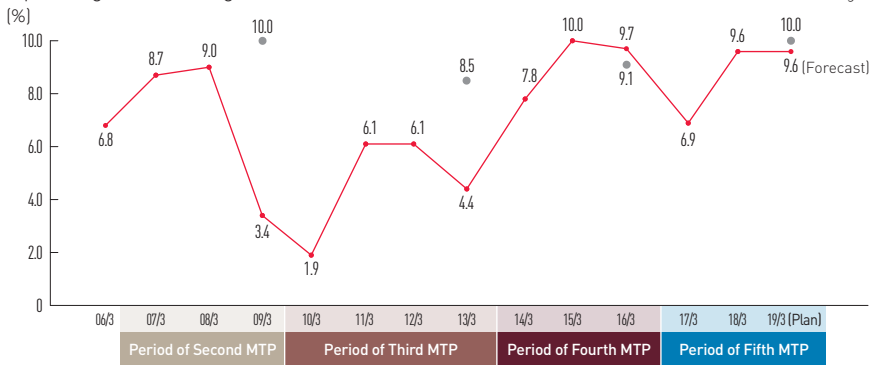
The Fifth Mid-Term Management Plan Capital Expenditures/R&D Expenditures

	Fourth MTP (Actual)	Fifth MTP (Initial Plan)	Fifth MTP (Revised Forecast)
Capital Expenditures (including intangible assets)	¥149.0 billion	¥180.0 billion	¥212.4 billion
Depreciation and Amortisation	¥115.3 billion	¥130.0 billion	¥140.1 billion
R&D Expenditures (on statutory basis)	¥31.7 billion	¥40.0 billion	¥48.9 billion

We have lifted our total capital expenditures forecast for the Fifth MTP by ¥32.4 billion to ¥212.4 billion, factoring in not only capex to improve productivity but also enhanced capex in automotive powertrains, where demand continues to expand, and in industrial machinery, where demand is more robust than expected.

We have also lifted our forecast for R&D expenditures by ¥8.9 billion to ¥48.9 billion in line with the need to develop new technologies and products contributing to sustainable growth moving forward.

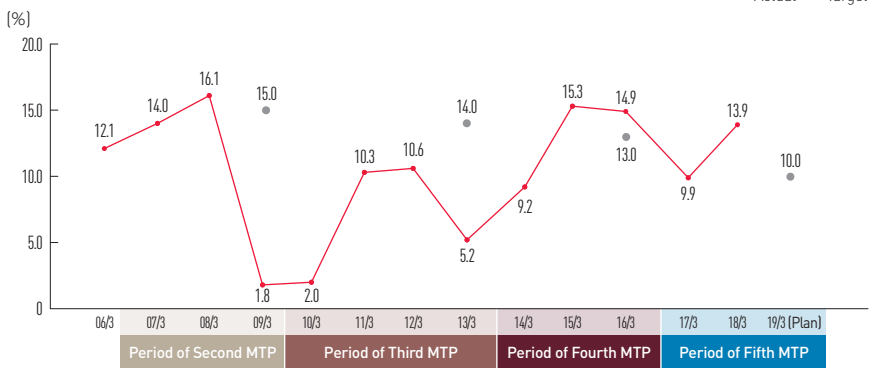
Operating Income Margin



NSK is working on achieving its double-digit operating income margin target. Over the past 10 years or so, the Company's operating income margin has risen steadily thanks to improvement of profitability in the Automotive Business, as well as expansion of business in China and other Asian countries.

NSK estimates an operating income margin of 9.6% compared with 10%, which was the original target for FY19/3, the final year of the Fifth MTP. In line with operating income, we continue to target an operating income margin in double digits.

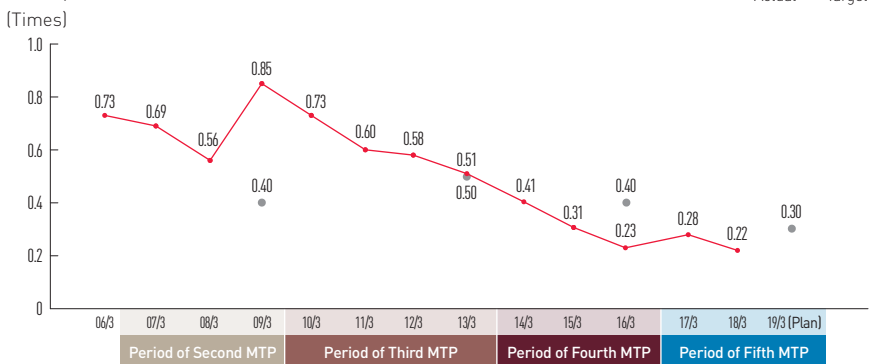
ROE



NSK views ROE as an important management target. As shown with operating income and the operating income margin, ROE dipped to the low single digits in FY09/3-FY10/3 due to the impact from the global financial crisis and in FY13/3 due to weak demand and the impact from sharp yen appreciation.

However, ROE in other years exceeded capital costs and trended between 9% and 16%. Building on a firm financial position, we continue to balance capital allocation, including investment for growth, with shareholder returns and remain maintaining ROE at 10% or higher.

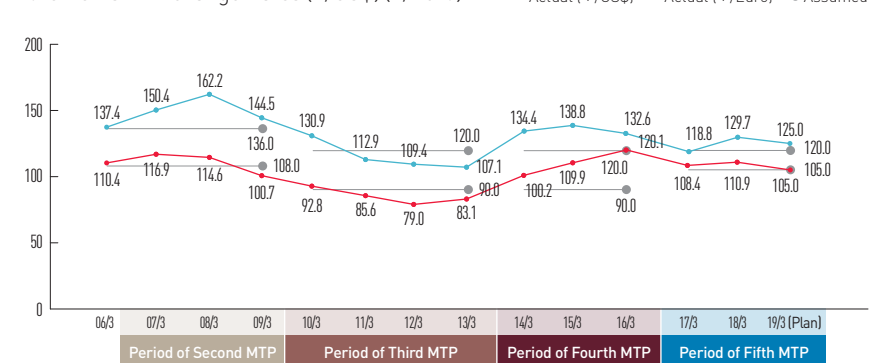
Net D/E Ratio



We believe sustainable growth at NSK requires a stable financial base. While the Company's net D/E ratio has reached 0.7x-0.8x in the past, it has improved and declined steadily since the Third MTP, during which the collapse of Lehman Brothers and the global financial crisis occurred.

As a result of strengthening capital through profits (cash) and reducing interest-bearing debt, the latest net D/E ratio has reduced 0.22x, less than 0.3x the Fifth MTP numerical target.

Movements in Exchange Rates (¥/US\$) (¥/Euro)



Historical trends of the major currencies U.S. dollar and euro are shown in the graph to the left.

Earnings at Japanese companies are often affected by yen appreciation and depreciation, but NSK has been working to free itself from the impact of forex fluctuations by promoting localized procurement and production in areas of demand.

Regarding exports of products from Japan, the exchange rate sensitivity of one yen fluctuation to our annual operating income is about ¥450 million for U.S. dollar and ¥200 million for euro.