

Progress on Strategies for 2026

6th Mid-Term Management Plan Targets and Progress

1 Financial

6th Mid-Term Management Plan Targets				Progress	
Growth	Sales/growth ratio	Sales growth 2%/year	Industrial machinery: Achieve sales growth that surpasses market growth		
			Automotive bearings: Achieve sales growth that surpasses growth in global vehicle production volume		
			Automotive components: Secure orders to restart growth in the steering business		
Profitability	Operating income margin	8% or more	Secure stable profitability		
Efficiency	ROE	10% or more	ROE exceeding cost of capital	3.3%	0.1%
Financial Stability	Net D/E ratio Equity ratio	0.3 times 50%	Maintain an A-level credit rating	Maintained an A-level credit rating even amid the COVID-19 pandemic	
Shareholder Returns	Payout ratio Share buyback	30%–50% Three-year total return ratio Around 50%	Continue stable dividends Acquisition of treasury shares Agile capital policy	Continued stable dividends	
Capital Expenditures	Capital expenditures	Three-year total ¥180.0 billion	Investments to underpin sustainable growth	Controlled capital expenditures in light of the business environment	
R&D	R&D expenses	versus Sales 3%–4%	Continue developing technologies for further growth	Hovered between 3% and 4%	

2 Evolve Personnel Development

Policy	6th Mid-Term Management Plan Targets	FY2020 Targets	FY2020 Results
Leverage a diverse workforce	Promote more diversity and inclusion (D&I)	Raise awareness of D&I	<ul style="list-style-type: none"> President's Diversity Message 2020 published Conducted unconscious bias training
		Improve the paternal leave acquisition rate	Improved 23.5 points against previous fiscal year (Acquisition rate 50.3%)
		Continue to run caregiving seminars	<ul style="list-style-type: none"> Employees taking courses increased by 1.6 times Held training courses for human resource consultation desk staff
		Create a work environment that empowers foreign nationals (Japan) Develop management personnel (global) Support the empowerment of mid-career hires	<ul style="list-style-type: none"> Started cross-cultural training planning, expanded support for language learning Completed Global Management College FY2019 course (Total number of graduates for all nine terms: 111) Conducted follow-up interviews/training for mid-career hires
		Raise awareness of LGBTQ+ issues	<ul style="list-style-type: none"> Held internal seminars Jointly held an external collaborative event
		Raise external awareness of our initiatives to promote D&I	<ul style="list-style-type: none"> Selected again as a <i>Nadeshiko</i> brand Retained <i>Kurumin</i> certification (certification recognizing companies with parent-friendly HR policies and programs)
	Promote the advancement of women Increase the ratio of women among managers and managerial candidates by 1.6 times (compared with the year ended March 31, 2019)	Continue supporting women in career-track positions Promote a higher ratio of women among career-track position hires (administrative and sales staff: 40%; engineers: 10%)	Conducted third round of training for women in career-track positions Administrative and sales staff: 40%; Engineers: 10% achieved
Build more engaging workplaces	Promote work-style reforms	Expand remote work	<ul style="list-style-type: none"> Newly established rules for remote work Environment improvements (e.g., loaning of communication terminals, switched to mobile PCs)
	Promote health and wellness	Raise external awareness of our initiatives to improve the health of our employees	Retained certification as an Outstanding Health and Productivity Management Organization (White 500)
		Centralize the management of employee health checkup results	Commenced centralized management and analysis by installing a health checkup results management system
Provide opportunities for growth	Support the career advancement of every employee	Train young employees at an early stage	Implemented young employee rotations
		Provide ongoing growth opportunities	In addition to conventional face-to-face training, we expanded the number of participants and opportunities to attend by making full use of online options and HyFlex*

*HyFlex: Hybrid-Flexible (face-to-face and online training simultaneously)

3 Environmental Management

Policy	6th Mid-Term Management Plan Targets	FY2020 Targets	FY2020 Results
Contribute to the establishment of a low-carbon society	Avoid at least 2 million t-CO ₂ emissions during the use of NSK products	1.8 million t-CO ₂ or more	2.51 million t-CO ₂
	Reduce CO ₂ emissions in manufacturing, offices, and technology centers by 7% versus FY2017 levels	5% reduction	31% reduction
Contribute to the establishment of a recycling-oriented society	Reduce industrial waste per unit of sales by 4% versus FY2017 levels	3% reduction	11.8% increase
	Recycling ratio of 99% or higher	98.9%	98.9%
Contribute to the establishment of an environmentally symbiotic society	Expand social contribution activities related to biodiversity conservation	Continued activities	Continued activities based on the impact of the COVID-19 pandemic

4 Safety Management

Policy	6th Mid-Term Management Plan Targets	FY2020 Targets	FY2020 Results
Prevent fatal and serious accidents	Each production site manages its own PDCA cycle for identifying dangerous spots and their improvement	Raise the level of risk extraction and inspection at each site and support self-driven risk-reduction activities	Having completed extracted risk reduction up to the previous fiscal year by continuing to improve the serious accident risk assessment criteria and their operation, improved level of self-driven risk reduction at each production site
	Enhance the safety management of outside contractors	Business inspection and improvement guidance for contractors, subcontractors, and outside contractors	<ul style="list-style-type: none"> Established and started operation of the Outside Construction Rule Guidebook Established operation of an outside construction management web system
Increase safety awareness	Train and implement behavior that increases safety awareness, including KYT* and the safety practice of pointing and calling	Plan and launch a safety culture workshop at sites in Japan to raise the NSK safety culture to an interdependent (mutually-enlightening) model	<ul style="list-style-type: none"> Completed construction of a safety culture workshop management system Commenced workshop operations at sites in Japan
Prevent accident reoccurrence	Identify risks through risk assessment of equipment and work procedures and implement measures against those risks	Implementation/evaluation/countermeasures for risk assessment of existing equipment (Promotion of a three-year plan from FY2019 to FY2021)	Promoted risk assessment of the existing equipment as planned while implementing risk-reduction measures

*KYT: *Kiken Yochi* (hazard prediction) Training

5 Supply Chain Management

Policy	6th Mid-Term Management Plan Targets	FY2020 Targets	FY2020 Results
Ensure stable supply and optimize supplier portfolio	Stable procurement	BCP audits of 30 major companies (Cumulative total of 100 companies since FY2018)	On-site inspections not carried out due to the effects of the COVID-19 pandemic, efforts implemented centered on remote follow-ups of inspections conducted on 70 companies in FY2018 and 2019
	Sustainable and responsible procurement	Implementation of self-assessments based on the NSK Supplier CSR Guidelines (every other year)	Implemented to additionally reflect the assessment items pointed out in the CSR audit conducted by a third party in FY2018 Obtained responses from 416 companies in Japan (response rate 95%) and implemented verification of level of progress of efforts

6 Quality Management

Policy	6th Mid-Term Management Plan Targets	FY2020 Targets	FY2020 Results
NSK Product Development System (NPDS) This is NSK's proprietary quality management system for quickly transforming new orders into reliable, stable production.	<ul style="list-style-type: none"> Verify performance with a complete grasp of the level and conditions required by the field Improve field quality 	<ul style="list-style-type: none"> Improve NPDS quality (achieve KPI target value) Construct a global system addressing design <i>kakotora</i> (quality problems experienced in the past) 	<ul style="list-style-type: none"> Established a feedback system and achieved design review (DR) KPI scores in all business divisions Achieved 100% NPDS participation rate for DR experts Established specifications for a global system addressing design <i>kakotora</i> (quality problems experienced in the past)
NSK Quality No. 1 (NQ1) Program NSK is promoting initiatives to realize stable production and ensure zero defects.	<ul style="list-style-type: none"> Improve procurement quality <i>Dantotsu</i> improvement activities (ongoing activities for zero defects) Identify <i>gemba</i> (frontline 4Ms¹) quality risks, review good product conditions Enhance reoccurrence prevention 	<ul style="list-style-type: none"> Establish supplier audit teams Improve supplier quality concern (SQC) issues by means of <i>Dantotsu</i> activities (ongoing activities for zero defects) Strengthen cooperation with regional quality assurance departments Improve the reoccurrence prevention method 	<ul style="list-style-type: none"> Established supplier audit teams and commenced activities Commenced construction of a unified SQC system at domestic plants Achieved global expansion of <i>Dantotsu</i> activities and implemented an internal awards scheme Held global quality conferences online Held regional quality conferences online Held study sessions by Reoccurrence Prevention Promotion Committee members at each plant
Human Resource Development NSK is promoting the human resource development to build a stronger foundation for quality creation.	<ul style="list-style-type: none"> Foster quality-first human resource development 	<ul style="list-style-type: none"> Effectively utilize Quality-<i>dojo</i>² Establish Quality-<i>dojo</i> in technological divisions for design quality training Effectively utilize quality engineering 	<ul style="list-style-type: none"> Established Quality-<i>dojo</i> at all major global bases and commenced training of all employees Commenced establishment of Quality-<i>dojo</i> in technological divisions Implementation of companywide FMEA education

¹ 4M: Man, Machine, Material, Method ² Quality-*dojo*: A dedicated area for quality training put in place at each plant. Established in FY2019.

▶ PP. 40–41 Financial Strategy/Policy on Shareholder Returns, PP. 42–47 Financial and Non-Financial Highlights