Analyzing Outputs and Outcomes

Outputs

NTN Products P.4 Strengthening the Business Model P.25～32

Three added values to contribute to a sustainable society

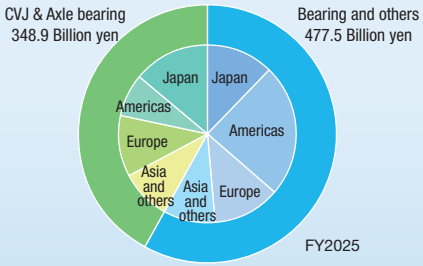
1. Technology not to stop operation
- Contributing to reducing customers' opportunity loss and controlling operation and maintenance costs

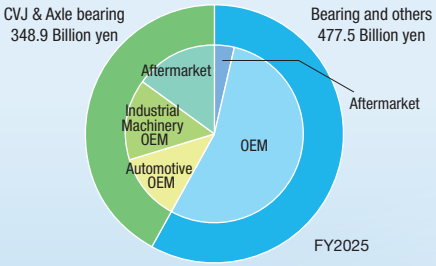
2. Technology for longer operating life
- Improving production efficiency

3. Reduce energy loss
- CVJs with reduced torque loss
- Axle units with reduced friction
- Bearings that support high-speed rotation and long service life

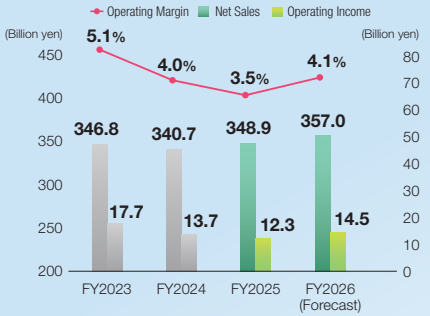
Change in organizational structure from market-based to product-based

- We have established the "Bearing Business HQ." and "CVJ & Axle Bearing Business HQ." to consolidate the bearing business that was previously distributed across different departments. This allows us to strengthen our supply capabilities and build a system that can provide solution proposals, including services. At the same time, we will focus on CVJs and axle bearings as product-based business lines, leveraging our strength in handling both products to enhance our ability to respond to new needs such as electrification.
- We have established the "Innovation & Business Development HQ." to accelerate strategy planning and development initiatives in new areas such as next-generation mobility modules, robotic related modules, and natural energy.

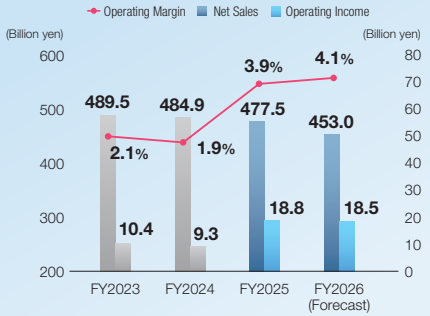




Bearing and others



CVJ & Axle bearing



Outcomes

Our vision

1. A company where the corporate philosophy is understood by all employees around the world, and where all employees think and act by themselves
2. A company that has a global presence with original new products and services appreciated for high quality and functions
3. A company which everyone involved can be proud of the "NTN" brand

Contribution to society through products

- Contribute to carbon-free society
- Realize a sustainable society using natural energy
- Reduce energy loss
- Develop environment-contributing product
- Contribute to prosperous lives
- Provide safety and comfort

NTN Group's "Vision for FY2035"

A company trusted and needed by stakeholders with enhanced corporate value through the improvement of economic, environmental, and social value

Economic value

1 Achieve and further improve ROE that constantly exceeds shareholder capital cost even under economic fluctuation
- Achieve ROE of 8% (FY2026) and early achievement of ROE of 10% from FY2027 and beyond
- Achieve ROIC of 6% (FY2026)

2 Transformation of business structure
- Sales ratio for aftermarket: 20% (FY2026), 40% (FY2035)
- New products sales ratio for bearing and others and CVJ/Axle: 20% (from FY2027)

Environmental/social value

1 Achieve carbon neutrality
- Reduce CO_2 emissions by more than 30% (FY2026 compared to FY2018)
- Achieve carbon neutral target (Scope 1, 2) (FY2035)
- Develop and provide products and services that minimize energy loss

2 Realize prosperous human development
- Securing and developing human resources Developing management talent to lead the Group
  →No. of succession plan candidates: 30 (FY2026)
- Fostering organizational culture
  Diversity, equity & inclusion
  →Percentage of female managers: 5% (FY2026)
  Childcare leave acquisition rate for male employees: 100% (FY2026)
  Percentage of mid-career hires: 30% (FY2026)
  Transformation to a workplace of bravery and mission
  →Scores related to "challenge" and "transformation" in Employee Engagement Surveys: 80% positive response (FY2026)