Management Commitment



Director
Representative Executive Officer, President
CEO (Chief Executive Officer)

Eiichi Ukai

Advancing Business Structure Transformation: Building on the Results of the Final Year of the Medium-Term Management Plan Toward the Next Stage of Growth

In order to continue to be a company trusted and needed by society, including all of our stakeholders, NTN Group is committed to sustainably enhancing corporate value from both an economic and an environmental/social perspective as we work toward realizing a “NAMERAKA Society.” In particular, the transformation of our business portfolio to generate sustained profits that exceed the cost of capital is an extremely important management priority that will shape our company’s future, and we are advancing structural reform with firm resolve. Against this backdrop, the Medium-Term Management Plan “DRIVE NTN100” Final, which we have been pursuing since FY2024, has now entered its final year. In this message, I will reflect on our progress to date, take stock of where we stand in relation to our targets, and share our growth strategy looking ahead to the next medium-term management plan and our vision for FY2035.

Review of the second year of “DRIVE NTN100” Final

Since our founding in 1918, NTN has always challenged itself to develop new technologies and products, built on the foundations of the “Frontier Spirit” and the “Coexistence and Co-prosperity Spirit.” Our flagship product, bearings, smooths every rotating part of machinery and forms a foundation that supports the movement of society. We have contributed to the development of society through our performance across a wide range of industries including automotive, aircraft, railway vehicles, and industrial machinery.

To further strengthen this business foundation and accelerate the transformation of our business portfolio, we reformed our organization in conjunction with the launch of “DRIVE NTN100” Final, to a two-headquarter structure comprised of the Bearing Business HQ. and the CVJ & Axle Bearing Business HQ. For the bearing and others business, we have established an integrated management structure for both OEM and aftermarket, and are advancing efforts to strengthen supply capabilities and enhance our solution-proposing capabilities for aftermarket business expansion. For the CVJ & Axle bearing business, we are strengthening our ability to expand profitability as well as our responsiveness to new market needs including electrification.

Under this structure, in FY2025, sales exceeded the previous year, driven by expanding demand in the aftermarket and for industrial machinery. Operating income also achieved growth, as a result of reforms pursued across procurement, production, sales, and design that began to materialize. In addition, steady progress was made on inventories, with the level—excluding foreign exchange impacts—meeting the announced targets, reflecting advances in production reform.

Initiatives for the final year of “DRIVE NTN100” Final

The environment surrounding our company continues to change significantly, with impacts on supply chains from climate change and escalating geopolitical risks, as well as the evolution of digital technologies including AI. With this awareness, we position FY2026 as both the final year of “DRIVE NTN100” Final and as a year for building the foundations that will support growth from the next medium-term management plan onward. We are committed to further strengthening our competitiveness as a manufacturer.

One key initiative is the integration of “design and development” with “procurement (buying), production (manufacturing), and sales (selling).” In design and development, we will not only respond to customer requests, but also pursue proactive, forward-looking development that anticipates future needs. We will also fundamentally review product design itself, simplifying and standardizing component configurations to achieve both quality improvement and cost reduction simultaneously.

In production, based on the guiding principle of moving from partial optimization to overall optimization, we will streamline the entire supply chain in the OEM domain and shorten lead times while also establishing an efficient supply structure through production leveling and inventory reduction.

In procurement, we anticipate cost reductions through expanded global consolidated negotiations, development of new suppliers, and promotion of dual sourcing, while also advancing more sophisticated supplier risk management, operational efficiency through the introduction of supplier portals, and AI-driven price analysis, thereby strengthening cost competitiveness, ensuring stable procurement, and enhancing resilience.

In logistics, we are advancing reductions in transportation frequency by improving loading efficiency at major hubs, significantly cutting incoming shipments to external warehouses, and pursuing cost reductions through consolidation of hubs and warehouses, optimization of transportation and delivery, and review of supplier logistics. In sales, we will strengthen relationships with customers and review the cost structure of unprofitable segments to drive sustained improvements in profitability.

In driving these reforms, I repeatedly communicate to employees the concept of “Go to GEMBA.” Since our business exists because of our customers, it is essential to go to the site to understand what customers truly need. GEMBA—the frontline of business—refers to every place where people are present and new added value is created, and the solutions to many of our challenges can be found there. By gathering information through dialogue with people on the ground and working together to address issues,



the essential themes become clear. I also believe that feeding these insights back to the organization serves as the driving force that generates a sense of unity and proactive action.

In advancing these initiatives, our most important theme for this fiscal year is “turning time into value.” The intent is for all departments to pursue lead time reduction in their respective domains and to transform speed itself into a competitive advantage. This policy will be practiced as a guiding principle to be shared by all employees in their daily work.

Structural reform supporting portfolio transformation

NTN Group is targeting a portfolio transformation by FY2035 to reach 40% aftermarket sales and 60% OEM sales. As the foundation for transforming our business structure and in line with our plans, we will execute structural reform measures totaling 35 billion yen over three years.

In FY2025, we advanced global reforms including production reform of extra-large size bearings in Japan, CVJs in the Americas, axle bearings in Europe, and bearing-related sites in China. At the same time, we pursued productivity improvement and review of cost structures to strengthen our earnings profile. The effects of these measures are materializing steadily, and we anticipate improvement effects exceeding 10 billion yen in FY2026.

One key factor in expanding the aftermarket business is immediate delivery capability—the ability to reliably supply products when customers need them. In the past, by prioritizing OEM, we inadvertently lost aftermarket customers. Learning from this experience, we have reviewed our organizational structure itself, and by managing OEM and

aftermarket in an integrated manner within the bearing and others business, we are fulfilling accountability to both markets while strengthening our immediate delivery capabilities.

Another pillar supporting aftermarket competitiveness is our engineering structure. By equipping ourselves to provide rapid solutions to customer challenges—in addition to product quality and extended product life—we deepen customer trust. This gives rise to the brand value of “a company we can confidently rely on,” leading to the capture of replacement demand. The aftermarket business ultimately rests on trust between people. Our brand is defined by customers choosing us over competitors offering equivalent performance and quality. We will strengthen our sales network and collaboration with distributors, and by staying close to customers on the ground, build a structure capable of responding swiftly when problems arise.

It should be noted that expanding aftermarket sales does not diminish the importance of the OEM business. OEM business is a critical foundation for developing products that meet sophisticated customer requirements, as well as for honing our mass-production technologies and QCD (Quality, Cost, Delivery) capabilities. This foundation also contributes to enhancing the competitiveness of our aftermarket business. By leveraging the respective strengths of OEM and aftermarket, we will advance our business portfolio transformation and build a business foundation capable of generating sustained profits even amid changing market conditions.

Toward realizing a sustainable society

In terms of enhancing corporate value—which we have defined as our vision for FY2035—the creation of environmental and social value, in addition to economic value, is positioned as an important pillar. Realizing a sustainable society is the very purpose of NTN Group, and for a manufacturer, sustainability means nothing less than pursuing sustainable products and services and providing them to society. Toward this realization, NTN Group places “technology not to stop operation” and “long product life” at its core. Representative examples of the former include the “Condition Monitoring System (CMS) for Wind Turbines” and “Talking Bearings,” while examples of the latter include the “Grease Lubrication Unit for Grease Lubricated Bearings” and the “HA-C Bearing”

What we aim for is not simply to sell hardware, but to monitor signs that products are approaching the end of their service life and to keep customers’ equipment and plants operating longer and more stably. To this end, we have accumulated vast amounts of data. By analyzing this data and proposing appropriate maintenance timing, we prevent unexpected shutdowns and enable planned operation. Another one of our strengths is combining the technologies and know-how cultivated over more than 100 years in response to customer needs to create new solutions. For example, the “i-WRIST” Wrist Joint Module is one example of innovation born from such fusion of technologies, demonstrating our ability to provide optimal solutions for a diverse range of challenges.

We also have high expectations for AI as a technology that further expands the possibilities of data utilization. The evolution of AI is extremely rapid, and the gap between companies that can leverage it effectively and those that cannot will continue to widen. As one example, we are working on advancing smart factories at Wakayama Works. As labor shortages stemming from the declining birthrate and aging population continue to grow, automation and labor-saving in manufacturing are also important themes, and we are also considering the potential utilization of humanoids in the future. We are also advancing the use of AI agents in administrative operations, and will work to improve productivity by appropriately allocating tasks between those requiring human judgment and creativity, and those handled by AI and machines.



Regarding carbon neutrality initiatives, we first addressed energy conservation for air compressors at our plants through measures such as air leak countermeasures and pressure optimization. We have also been advancing efforts toward decarbonization of electricity, including the introduction of PPAs for procuring renewable energy power through long-term contracts with external parties. We are now transitioning to a second phase involving capital investment and organization-wide engagement. Going forward, we believe it is important to deepen our efforts at each site and ultimately as a company-wide activity to achieve even higher targets.

Toward strengthening human capital and organizational capabilities

NTN Group, based on the belief that “a company is its people,” recognizes that the growth of each and every employee leads to the growth of the company. In the transformation toward FY2035, the accumulated small steps forward of each of our approximately 21,000 employees around the world will become a great driving force. To this end, we are promoting human capital management in alignment with the Medium-term Management Plan, working on job-based human resource management, development of autonomous human resources, and mindset transformation, and are transitioning from the phase of system development to implementation and embedding.

In alignment with our business strategy, we are advancing strategic talent placement through the creation of diverse opportunities for challenge and the development of management talent. We are working on developing specialist human resources in growth areas such as AI and DX, while supporting employees’ autonomous career development through internal job posting systems and other means. While employee engagement is showing an overall improving trend, we recognize the importance of further deepening mutual understanding between management and the frontline as we pursue further growth. The essence of human capital management is to provide every employee with opportunities for growth. Human development has no finish line. We will not only create a comfortable working environment, but also support growth through work and deepen dialogue to enhance organizational capabilities.

Governance, like human capital, is critically important as a foundation supporting sustained enhancement of corporate value. Since transitioning to a Company with Nominating Committee, etc. in 2019, we have been working on rapid decision-making, strengthening business execution, and improving management oversight functions. We are currently pursuing further governance enhancement, including ongoing consideration of making Outside Directors a majority on the Board of Directors.

Passing on a better future to the next generation

Regarding the next medium-term management plan, we are currently forming multiple project teams and formulating specific measures. As our policy, we will first secure ROE of 8% and then advance the transformation of our earnings profile to target ROE of 10% beyond that. The various reforms we have deployed to date have been focused on restoring corporate value, but in the next medium-term plan, it is essential to firmly establish those results as profits and grow into a company capable of generating stable earnings power. In addition to ROE, we will work on improving ROIC, aiming for enhanced capital efficiency.



Finally, in May 2026, NTN resolved to advance discussions and deliberations toward a management integration with NSK Ltd. through the establishment of a joint holding company, and a basic agreement was reached. Until now, through individual structural reforms, we have looked ahead to the future on a scale of five to ten years. However, in today’s rapidly changing world, we believe it is also a significant responsibility to think broadly about the way we manage our business to pass on a better future to the next generation.

NTN will continue to advance its path of transformation toward realizing a “NAMERAKA Society” without pause, and will strive to enhance corporate value. We ask for the continued understanding and support of all of our stakeholders.

Schedule	Events
May 12, 2026	Date of execution of Memorandum of Understanding
Within around six months after execution of the Memorandum of Understanding (planned)	Date of execution of Definitive Agreement for Business Integration (including preparation of share transfer plan)
June 2027 (planned)	Date of Companies’ annual shareholders meetings (resolution to approve the Business Integration by way of joint share transfer)
October 2027 (planned)	Date of establishment of Holding Company (effective date) and listing date

Advancing Our Promises

Related information on the website

NTN Report 2024

NTN Report 2025

In last year's integrated report, each Executive Officer presented a keyword and shared the vision they aim to realize under the Medium-term Management Plan, "DRIVE NTN100" Final. As we complete FY2025, the plan has entered its final year. Despite ongoing changes in the external environment, initiatives have progressed steadily, and tangible results are beginning to emerge.

Building on these keywords, this section reviews progress and achievements to date while highlighting key challenges and direction for the final year. These messages demonstrate our determination and specific actions to advance transformation and drive future growth, providing insight into our current position and the path ahead.

Executive Officer

Masaaki Yamamoto



Key Commitment Passing on a legacy to the next generation: completing structural reform

Achievements to date and challenges

In the second year of the Medium-term Management Plan, all key indicators—including operating margin, ROIC, and cash flow—met their targets. Structural reform is also progressing as planned in all regions except Japan, where the plan has been revised. The remaining challenge is the formulation of a growth strategy.

Looking ahead to future growth

All Executive Officers will work as one to complete the structural reforms as planned. The current management and next-generation management candidates will form a team to develop the next medium-term management plan centered on a growth strategy, and pass it on to the next generation.

Executive Officer

Hitoshi Aoki



New appointees

Key Commitment Creating the future as One Team

Aspirations of new appointees

I am taking the lead in realizing the NTN Group's Vision for FY2035, and striving to mobilize the full power of the organization and further strengthen our business foundation as One Team. In FY2026, I will focus on production reorganization in the Americas region and business portfolio reform.

Key focus points for the current fiscal year

We will further strengthen the integrated management of manufacturing, sales, and technology, as well as collaboration between sales companies, to accelerate business portfolio reform. We will give concrete shape to the growth scenario following production reorganization, and work to improve profitability and capital efficiency with an accurate grasp of changes in the market environment.

Executive Officer

Seiji Osumi



New appointees

Key Commitment The capacity to adapt to change and take on challenges

Aspirations of new appointees

As a company trusted and needed by stakeholders, we will keep our strong commitment to stay focused on what truly matters and go beyond conventional thinking, carrying out what needs to be done with speed and consistency, and rising to the challenge of a rapidly changing business environment.

Key focus points for the current fiscal year

We will accelerate currently ongoing initiatives to strengthen competitiveness together with members who think and act on their own initiative, focusing on fundamental improvements in competitive strength. By incorporating the overwhelming speed of local operations, we aim to secure sustainable competitiveness and rebuild our earnings base.

Advancing Our Promises

Executive Officer
Masayuki Kaimi



Key Commitment **“Ability to take action” Try doing it first**

Achievements to date and challenges

In the final year of the medium-term management plan, we will complete all three reforms. In procurement, we will drive reform globally, fully implement measures, and ensure they are established. In logistics, we will achieve early results through analysis-based optimization. In production, we will accelerate improvements in production efficiency by shifting mindsets through new indicators, translating these gains into stronger profitability.

Looking ahead to future growth

With the aim of overall optimization across SCM, we will complete reforms in all areas of procurement, production, and logistics with a strong sense of urgency. The results and experience generated in the process will be handed down to the next generation, embedding them as part of NTN’s DNA.

Executive Officer
Yasuhiro Kawabata



Key Commitment **Challenge and autonomy**

Achievements to date and challenges

We are implementing a range of initiatives and focusing on building the foundation needed to transform our workplace culture so that our diverse employees can work enthusiastically, take on challenges, and see things through to completion. Continued steady practice on the ground remains essential.

Looking ahead to future growth

We will support the autonomy and initiative of each individual employee, and accumulate small changes that will lead to organization-wide transformation. We will also deepen our relationships with stakeholders further and strengthen governance.

Executive Officer
Tsuyoshi Kikuta



Key Commitment **Two-way approach**

Achievements to date and challenges

Our awareness of capital efficiency (ROIC/ROE) has improved alongside profitability, and progress has been made in strengthening our financial structure. However, establishing the link between enhanced economic value creation and non-financial activities (ESG) across the entire organization, and connecting ESG management to enhancement of corporate value remains an ongoing challenge.

Looking ahead to future growth

As in the previous year, we will continue to strengthen our management foundation and financial structure centered on structural reform, while fostering an organizational culture where diverse employees can work enthusiastically and advancing stronger governance through dialogue with employees.

Advancing Our Promises

Executive Officer
Shumpei Kinoshita



Key Commitment **Foresight and careful planning Unity and solidarity**

Achievements to date and challenges

Although ROE fell short of the medium-term target due to a downturn in sales, measures requiring global coordination—such as structural reform in Europe, the Americas, and China, cost reduction, and inventory control—were steadily executed, achieving significant improvement in profits and a return to profitability. Strengthening earning power independent of scale remains a challenge.

Looking ahead to future growth

FY2026 will not simply be “the year we conclude the medium-term management plan,” but rather the year we elevate the aftermarket business to the level of NTN’s identity, completing an irreversible structure that future generations will be unable to revert.

Executive Officer
Ryoichi Konishi



New appointees

Key Commitment **Growing together with customers and the market**

Aspirations of new appointees

The foundation of commerce is the front line. To identify what is truly needed, I will go into the field myself, listen to customers, and incorporate external insights. Working as a unified region to contribute to our customers and the market, we will strive for tangible growth together.

Key focus points for the current fiscal year

While further strengthening the competitiveness of our OEM business and bearing business—the sources of our earnings—we will develop the automotive aftermarket as a third pillar and seize the latent business opportunities in ASEAN, including composite businesses and labor-saving products that we have not yet fully developed.

Executive Officer
Koji Takahashi



Key Commitment **Revitalization of communication**

Achievements to date and challenges

We are accelerating the use of AI and digital technologies, and have launched global CSIRT activities to strengthen information security across Group companies. AI and social media are also being utilized for internal meetings and sharing information with stakeholders, enabling faster communications.

Looking ahead to future growth

We will rapidly establish an environment in which AI, digital technologies, and data can be used safely and securely, along with the necessary organizational and governance frameworks. We aim to promptly realize faster decision-making through human-AI collaboration, automation of manufacturing sites and indirect operations, and revitalization of internal and external communication.

Executive Officer
Yasuaki Takahashi



New appointees

Key Commitment **Driving reform from a quality-first perspective**

Aspirations of new appointees

We will steadily advance structural reform and quality reform, resolve on-site challenges one by one, and build a stable business foundation where employees can work with peace of mind. At the same time, we will make every effort to generate sustainable profits and enhance corporate value.

Key focus points for the current fiscal year

We will strengthen our earnings base through production reorganization in Europe and expansion of aftermarket and aircraft sales, achieving stable profitability. We will shift to quality assurance that proactively prevent defects at the design and manufacturing stages, and improve quality through dialogue with actual workplaces and customers, translating this into enhanced competitiveness.

Advancing Our Promises

Executive Officer
Ikuya Tateoka



Key Commitment **An organization that works as one!**

Achievements to date and challenges

Progress was made in structural reform and production reorganization, advancing the establishment of the earnings base; however, improvements in earnings power and globally optimized operations remain incomplete. Breaking away from the conventional model, shifting to results-oriented execution, and speeding up decision-making are the challenges going forward.

Looking ahead to future growth

We will swiftly convert the foundation that we have established through structural reform into earning power. Leading with speed in decision-making and globally optimized operations, we will focus on results. We will enhance our adaptability to changes in the external environment and connect a clear-eyed, results-oriented approach to our growth strategy.

Executive Officer
Masayuki Tanio



Key Commitment **Taking bold action through a paradigm shift**

Achievements to date and challenges

We gave concrete shape to the direction of structural reform based on our product portfolio, and clarified site-specific measures and the outlook for profit improvement. Meanwhile, enhancing our capacity to respond to demand fluctuations and external environmental changes remains a challenge we are actively working to address.

Looking ahead to future growth

We will steadily advance product-axis optimization toward building a production structure capable of flexibly adapting to the business environment. We will make sure our ongoing efforts lead to tangible outcomes, connecting them to improved profitability and the realization of sustainable growth.

Executive Officer
Yoshiyasu Nakano



Key Commitment **Improving the actualization rate of new products and businesses**

Achievements to date and challenges

Our development KPIs are progressing as planned. Inquiries for new businesses are increasing, and results are beginning to emerge; for example, in the robot-related module field, delivery of the “i-WRIST” appearance inspection system has commenced, while in the renewable energy field, the “N^3 N-CUBE” has been installed at disaster-preparedness roadside stations and Self-Defense Force facilities.

Looking ahead to future growth

We will further improve and standardize our development processes to accelerate development speed and increase the market launch rate. For new businesses, we will reliably tie inquiries to mass production while participating in consortia and strengthening external collaboration to further expand applications.

Executive Officer
Keiji Yanagida



Key Commitment **Thinking is preparation, execution is the real challenge. Take the initiative! Do it now! Do more!**

Achievements to date and challenges

We have launched market-oriented measures, with results achieved in areas such as speed of response, cost improvement, and flexible sales and supply strategies. The challenges of the complex bearing business have been reorganized, and we are now addressing the fundamental issues in strengthening our global business for further growth.

Looking ahead to future growth

We will continue to address fundamental issues of cost and supply, eliminate operational inefficiencies across the global structure on a lateral basis, improve production efficiency, and pursue growth in the aftermarket and OEM segments through the development of new technologies and businesses. We will overcome conventional thinking within NTN and achieve our targets for scale, profitability, and inventory.