

Mid term management plan

NV2025

NSK Vision 2025

22nd Feb. 2020

NAKANISHI INC.

FY2030 NAKSNISHI INC. Long term Vision

VISION 2030

To be The Leading Excellent Global Medical Device Company



In the Global Dental and Medical market
To create new products based on
"innovative grinding technology" and
to be the ONLY ONE medical device company
who can contribute all people in the world to
extend Health Expectancy

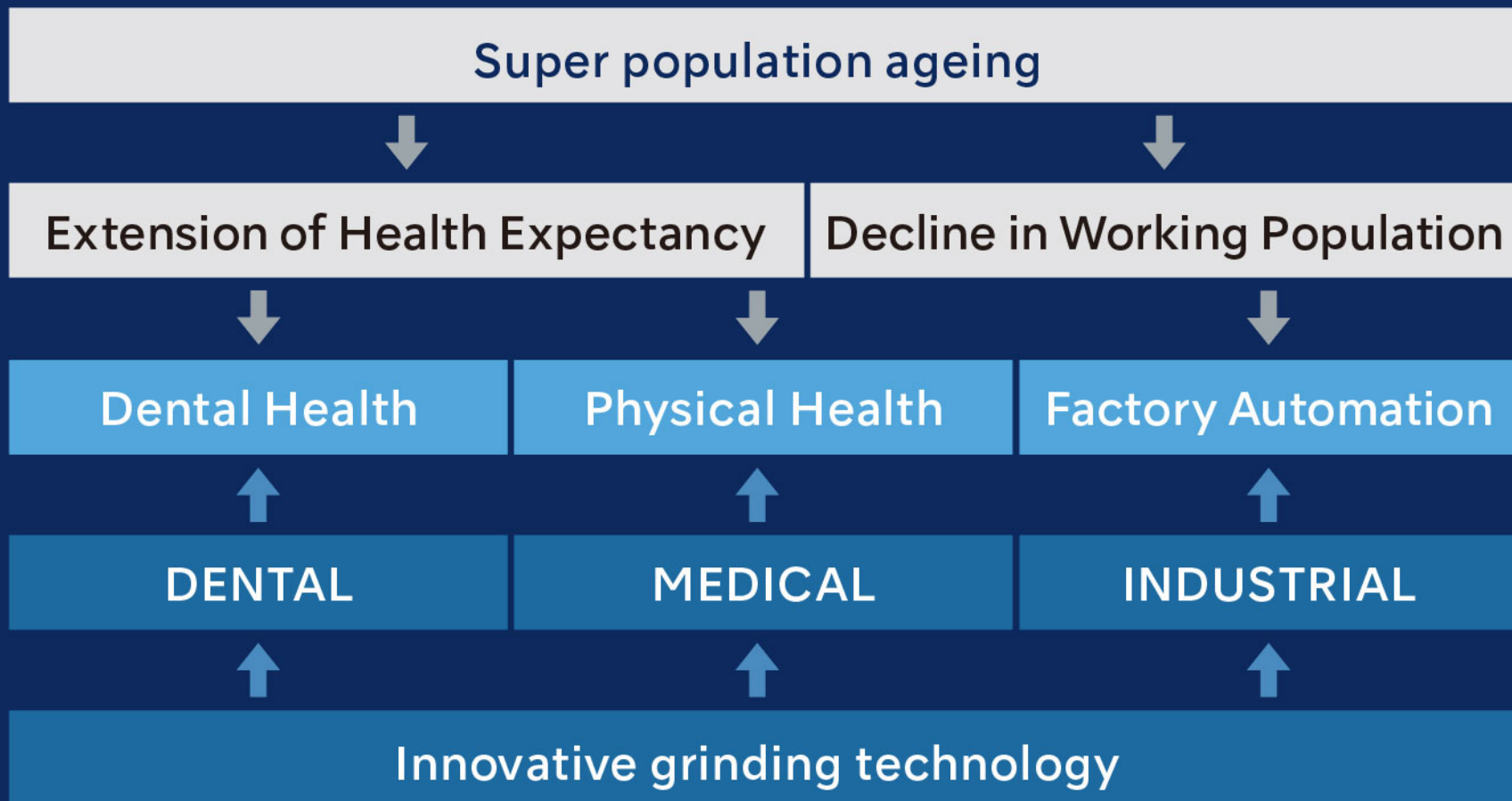
MISSION

To create "brilliant progress" via
innovative "grinding technology"

Keywords in business
development towards 2030

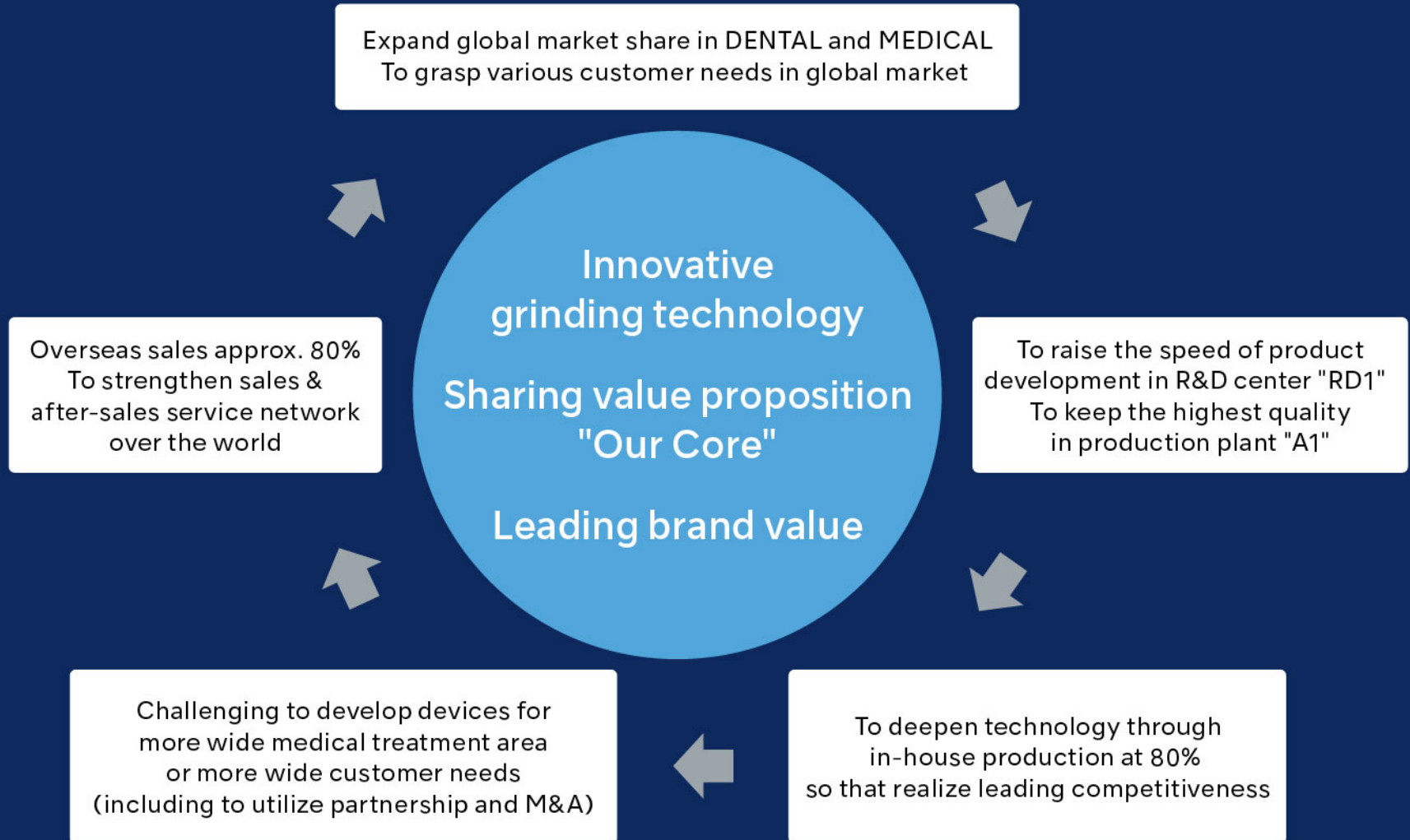
Super population ageing

Keywords in business development towards 2030



MISSION

To be The Leading Excellent Global Medical Device Company



Result in past 5 years

- Achieved CAGR Dental / Medical 6% and Industrial 4%
- Established Sales organization in North and South Americas
- Established Top brand in Handpiece, Implant related and Oral Hygiene market
- Launched 'Primado Air' which extends usage of bone surgical treatment
- Entered into operation at new R&D center "RD1" and new production plant "A1"
- Expanded business areas by M&A
(NSK Dental Italy s.r.l., Integration Diagnostics Sweden AB)

Market environments in coming 5 years

- Demand growing for Dental and Medical products along with Super population ageing and Interest for health spreading
- Dental Middle-range market growing along with centralized purchasing by DSO (Dental Service Organization) and spreading internet trading
- Requests from authority to prepare more detailed medical documents under implementing MDR (Medical Device Regulations in Europe)

Variance factors in financial results

- Quick variance in foreign exchange rate and uncertainty world economy
- To make investment in soft-infrastructure for continuous growth (Ex. To strengthen capability of R&D and RA, To reform supply chain management with ERP system implementation) after hardware investment in "RD1" and "A1"

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Strengthen NSK brand mainly in Dental and Medical market
Continue growth of CAGR 5~6% (for overall NSK group)

1. Strategic expansion in Dental global market

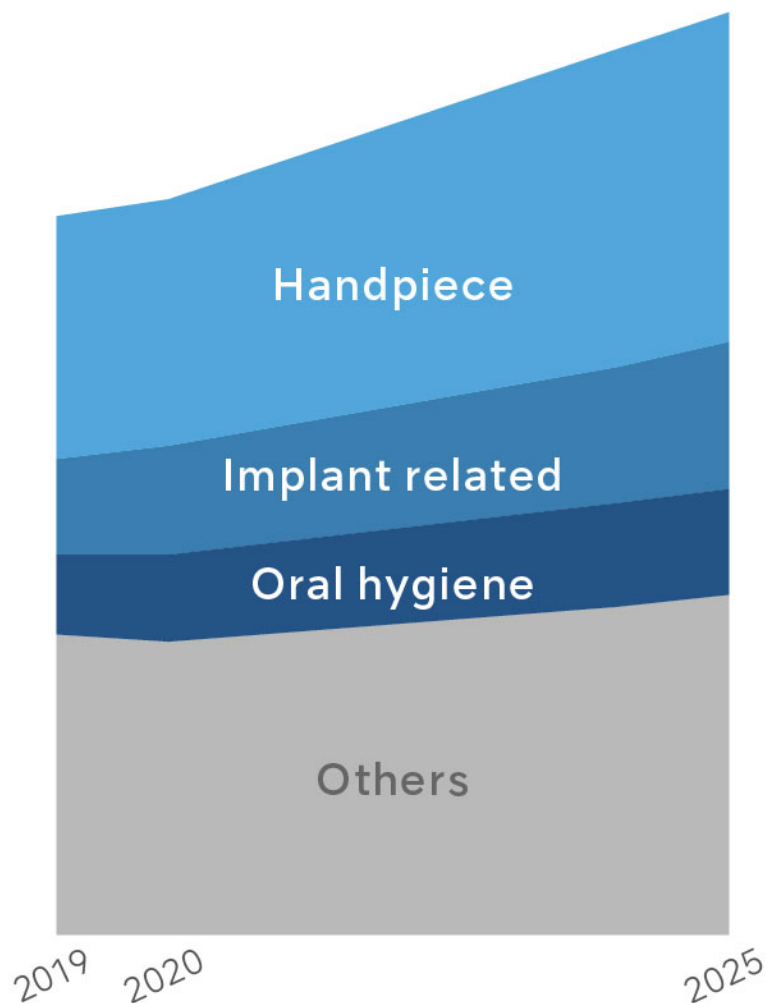
- To keep and expand market share No.1 in Dental rotating instruments through strengthening competitiveness
- To increase market share in Implant related products, Oral hygiene products with upgraded product line-up
- To establish branding in Sterilization and maintenance products under quick demand growing
- To expand business in North and South Americas and China. And to get more firm positioning in Europe
- To prepare sufficient after-sales organization in global market
- To make growth in life-cycle business as parts and consumables
- To strengthen branding and sales organization

2. Growing new business for customer needs in super population ageing

- To expand product portfolio in Medical
- To utilize external resources flexibly

3. Establish infrastructure for speedy product development and leading cost competitiveness

- To establish appropriate organization in product development and manufacturing
- To strengthen global RA function and prepare for Class 3 QMS
- To reform supply-chain management with implementing new ERP system



Key areas

Handpiece
Implant related
Oral hygiene



Innovative and strategic products
responding dentists' demand

Fulfilled support in Hands-on course

After-sale service in good response



To keep and strengthen the position of
Leading Excellent Global Manufacturer



S-Max M Turbine



S-Max M Contra Angles

**Middle-class at top level performance in the class
and better cost performance**

Target at 400% in 2025 compared to 2019
as global strategic product



Osseo integration
Monitoring device

Osseo 100+

Innovative technology
measuring stability value
non-invasively
Link function with Surgic
Pro2
(Launch 2020)



Oral surgery
micromotor system

Surgic Pro2

Improve operability and
stability
Upgrading world market
share No.1 product
(Launch 2020)



Ultrasonic surgical
system

VarioSurg3

By the link function with
Surgic Pro, users can
experience more
efficient operation



Implant / Surgical Handpiece

To be used for more wide
operation
(Launch 2020)

Sales target at Implant related 150% at 2025 compared to 2019



Ultrasonic scaler unit and powder therapy **Varios Combi Pro**

Ultrasonic scaler unit **Varios series**

Ultrasonic scaler tips

Air powered tooth polishing system **Prophy-Mate neo**

Biofilm eraser for periodontal pockets **Perio-Mate**

Cleaning powder **FLASH Pearl / Perio-Mate powder**

Sales target at Oral Hygiene 150% at 2025 compared to 2019

To position at specialized manufacturer in small bone cutting device
 To contribute better medical treatment though development of innovative surgical machine

Primado series



To enhance product line up
of Primado series
by P300 attachment

Class 3 level product will be added

Neuro Surgery

Spine Surgery

Orthopedic Surgery

Otologic Surgery

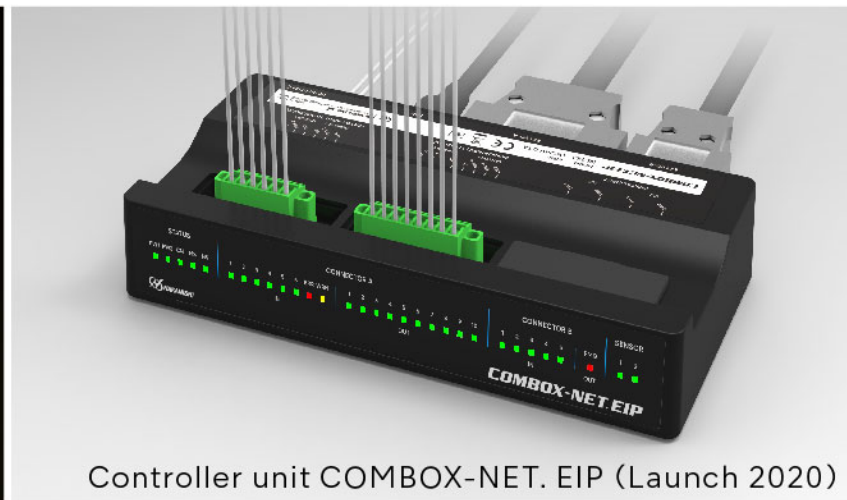
Endoscopic Surgery

Sales target at 200% at 2025 compared to 2019

To position at **ONLY ONE** manufacturer supplying Ultra High-speed Spindle which contribute factory automation



Electrical motor spindle for machine tool E4000 series



Controller unit COMBOX-NET. EIP (Launch 2020)

- Contribute factory automation by Highest power and precision in the class and connection with machine robot
- To spread wide industries as Automotive/ Electronics/ Aero/ Medical/ Precision parts via marketing approach to System Integrator

Sales target at 118% at 2025 compared to 2019

IDSAB

Product development
for Osseo-integration
measuring device

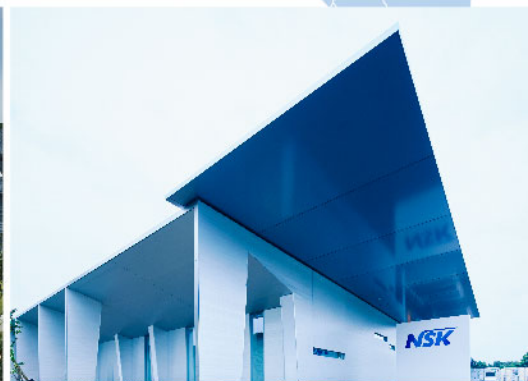
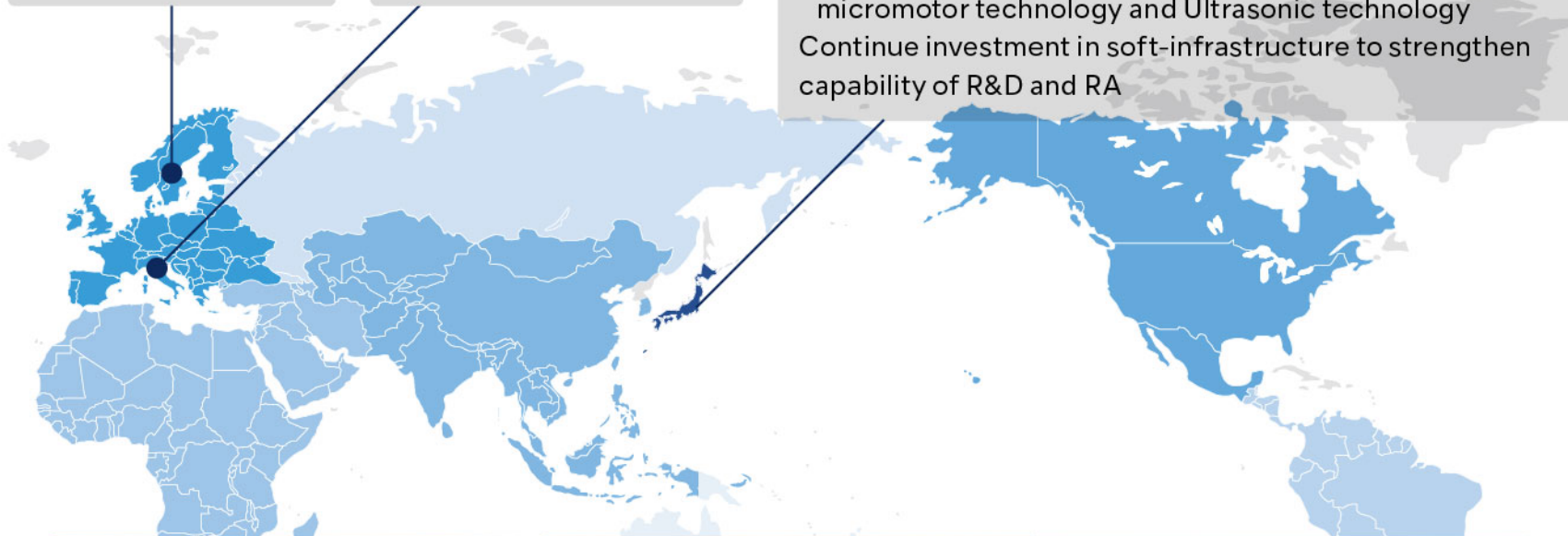
NSK Dental Italy s.r.l

Development and
production for Sterilizer

NAKANISHI INC. Headquarter

Products based on three core technology* of NAKANISHI
are all developed and manufactured in KANUMA

* Ultra high-speed rotating technology, Ultra precise
micromotor technology and Ultrasonic technology
Continue investment in soft-infrastructure to strengthen
capability of R&D and RA

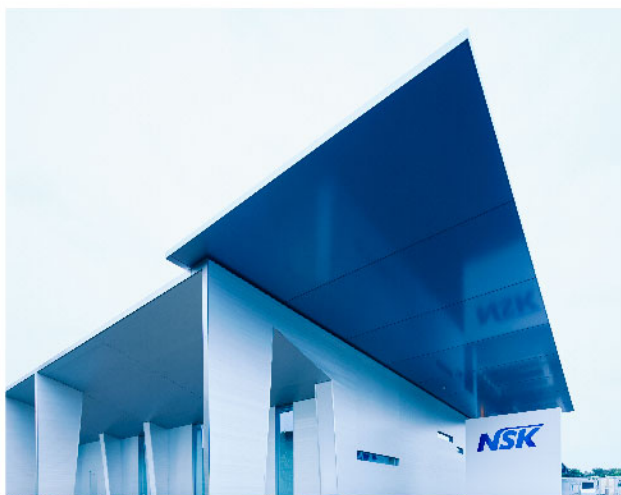




Nucleolus of R&D

"RD1" in headquarter

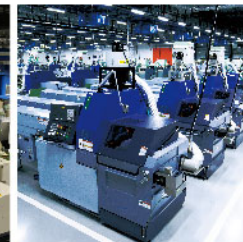
Speedy product development for customer satisfaction



Nucleolus of Production

"A1" new factory

Jump up of Productivity and cost competitiveness



NAKANISHI INC. will more focus on ESG/SDGs and integrate them to Corporate Strategy based on history of various activities below as leading company who contribute Extension of Health Expectancy

	ESG materiality	Social contribution of the business based on NAKANISHI INC. Long term vision "VISION2030"	PDCA activities based on Quality/ Environmental management system or Internal projects	Strengthen corporate infrastructure for continuous growth
E Environment	Reducing energy consumption Reducing climate change	Spread over recycle of medical device through strengthen Global After-sales service organization	Continuously work on activities which reduce environmental burden based on "NAKANISHI Green Plan"	(NSK Oceania) Pick up used and old handpiece from customer and donate them to Pacific ocean countries
	Reduce wastes and Recycle Preserve biodiversity		Disclose material balance of the site in the Environmental Report (after 2016)	
S Social	Participate and develop community		Preserve green area in the site Continue "Clean up NAKANISHI" maintaining environment in surrounding area of the factory	Donate to Tochigi Pref. and Kanuma City for 'Human Resource development project for Manufacturing' Join the project of Tochigi Pref. "Super Technology School" Join sponsorship for some professional sports teams in Tochigi Pref. (Basketball, Soccer etc.)
	Creating health value Affordability of the product Product quality and safety	Contribute Dental health, Physical health and factory automation via products Supply best products at cost performance for all over the world so that contribute to reduce medical expense	All employee join the quality improvement activities based on ISO requirements	Implement Business Continuity Plan so that keep supply chain of medical device
	Health and safety Human resource development	Sharing employee value proposition "OUR CORE"	Implement "6S" internal project (5S and Safety) Implement internal training on environmental requirements and medical device regulations	Strengthen Health management Work style reform and establish office/ factory environment with job satisfaction HR management system and training system to build up more capability of each employee
	Compliance with fair trading Supply chain management	Comply with fair competition in medical device industry based on "Transparency policy"	Work on reducing chemical substances together with suppliers based on 'NAKANISHI Green procurement guideline'	
	Corporate governance and risk management Compliance with laws and regulations	Stress on compliance on Medical regulations at first on product launch		

A wide-angle photograph of a large industrial factory floor. The floor is highly reflective and polished, showing the overhead lights and machinery. In the center of the frame, a worker in a dark blue uniform with a white collar stands facing the camera. The factory is filled with various pieces of industrial equipment, including large machines with control panels and safety railings. The ceiling is high with a complex network of pipes, ducts, and bright fluorescent lights. The overall atmosphere is one of a modern, well-maintained manufacturing environment.

Exemptions

All forecast statements contained in this material include uncertain factors. Please note that actual financial results may differ greatly from forecast by various factors as economical or political situation, foreign exchange market and so on.

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