Quality Management

Why Quality Management Matters
Raising the quality of the products and services a company offers greatly affects credibility among its customers and society, and is linked to increase in corporate value. This is why NSK classifies quality into four categories: field quality, design quality, manufacturing quality, and supplier quality, and strives to enhance the level of each in cooperation with its customers and suppliers.

NSK’s Approach
NSK aims to become “No. 1 in Total Quality.” In other words, the Group is working to achieve the industry’s best quality in everything it delivers—not only products and services, but also information. The Group believes that this commitment to quality ensures that its products will satisfy customers all over the world.

Toward that end, the Group engages in activities based on the Three Pillars of NSK Quality Assurance.

Three Pillars of NSK Quality Assurance
1. NSK Product Development System (NPDS)
   In order to quickly transform new orders into reliable, stable production, the NSK Group is promoting initiatives that build quality into each process.
2. NSK Quality No. 1 (N01) Program
   The NSK Group is promoting initiatives to realize stable production and ensure zero defects.
3. Human Resources Development
   The Group is promoting human resources development in order to build a stronger foundation for quality creation.

NPDS: Quality Management System
NSK is deploying globally its innovative quality management system, NPDS (NSK Product Development System), to respond promptly and reliably to new projects and to mass produce products that satisfy customers. At each stage of the process, from product planning to development/design, prototype manufacturing and mass production, dedicated staff perform stringent checks to confirm that any concerns are resolved and build quality. In addition, even after a product has entered mass production, we conduct thorough management to stably maintain high quality.

Outline of NPDS

![NPDS Diagram]

<table>
<thead>
<tr>
<th>Process</th>
<th>Product planning</th>
<th>Development and design</th>
<th>Prototype manufacture</th>
<th>Pilot production</th>
<th>Pilot mass production</th>
<th>Mass production</th>
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</thead>
<tbody>
<tr>
<td>Specialists perform rigorous and objective checks to confirm these items</td>
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<tr>
<td>Confirmation items</td>
<td>Determining whether to move on to the next process</td>
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<td>Can the product be designed to satisfy customer needs?</td>
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<td>Can it be processed and assembled according to the design?</td>
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<tr>
<td>Can it be processed and assembled using the intended methods in mass production?</td>
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<td>Can it be processed and assembled using the same methods in mass production?</td>
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<tr>
<td>Can it be stably mass produced?</td>
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N01 Program for Stable Production with Zero Defects
Involving close cooperation between divisions, including production, design development, production technology, quality assurance, sales and logistics, N01 (NSK Quality No. 1) activities aim to achieve zero defects in stable production, and are designed to optimize the flow of goods and information throughout the process, from the procurement of components and materials to delivery to customers.

As part of its N01 program, NSK is engaged in improvement activities aiming for the very best quality, with zero defects, called “Dantotsu activities.” Each plant decides initiative themes and thoroughly carries out various improvements targeting zero defects on a test line. Results are then rolled out horizontally to other lines and manufacturing sites.

Quality that Contributes to Safety and Security from the Perspective of Markets and Customers
NSK endeavors to satisfy the needs of its customers with regard to quality, and in tandem with this, we work to grasp the needs from the perspective of the end user of that product which contains the items we produce as we seek to construct a framework in which we can continue to propose products and services that fully provide the quality that society demands.

To this end, we take the issues we learn of through daily interactions with customers and other exchanges of information, analyze that from the perspective of quality assessments, and identify issues for improvement. In addition, we conduct monitoring of the quality of products after they have been introduced to the market, and then aggregate and analyze information on defects and other problems. By providing feedback on issues to divisions involved in development, design, manufacturing, sales and other areas, we enhance the level of products and services, and together with this, endeavor to prevent quality problems before they occur.

Customer Commendations on Quality
NSK receives commendations from customers in recognition of its efforts.

- January 2019: “Award for Excellence” from Ogura Clutch Co., Ltd.
- February 2019: “Award for Quality Control Excellence” from Toyota Motor Corporation
- March 2019: “Quality Control Award” from Hino Motors, Ltd.
- March 2019: “Excellence in Quality” from Toyota Motor Corporation, Kinu-ura Plant
- April 2019: “REGIONAL AWARD for excellence in Quality” from Yamaha Motor Co., Ltd.

Other related quality management information
NSK’s Website: Home > Sustainability > Creating Quality to Earn the Confidence of Society: https://www.nsk.com/sustainability/qa/index.html