Initiatives to Strengthen CSR/ESG Management

Human Resource Management

Why Human Resource Management Matters
At NSK, we see our workforce as a vital asset in the continued success of our business. We know that employees who are fully engaged in their work have the greatest potential for growth, which is an essential component for the sustainable growth of the Company as a whole. This is why we are committed to creating an equal opportunity workplace that embraces diversity and inspires each and every employee to put their best effort forward.

Basic Approach
In our Management Principles, NSK clearly states that our aim is "to provide challenges and opportunities to our employees, channeling their skills and fostering their creativity and individuality." In acknowledgment of the fact that each and every employee is a priceless asset, we have committed ourselves to creating a "fair workplace that empowers the individual." This commitment features three key areas of focus: leveraging a diverse workforce, building more engaging workplaces, and providing opportunities for growth. We strive to create and maintain engaging work environments that inspire our employees and enable us to develop the human resources we need to lead NSK in the future.

Prohibiting Discrimination and Respecting Fundamental Rights at Work
NSK respects the Universal Declaration of Human Rights and promotes activities based on the declaration’s ideals. Having clearly stated that our aim is "to provide challenges and opportunities to our employees, utilizing their skills and encouraging their creativity and individuality" in our Management Principles, we have also defined the "prohibition of unfair discrimination" and "respect for basic fundamental rights at work" in the NSK Code of Corporate Ethics. We prohibit discrimination—on the basis of race, appearance, belief, gender, social status, lineage, ethnicity, nationality, age or disability—as well as harassment, forced labor and child labor, and aim to create workplaces that engage and inspire our diverse workforce. We strive to provide equal opportunity in recruitment, job assignment, evaluations and other aspects of employment.

In addition to making NSK’s stance on human rights better known among our employees, we also work to identify acts that run contrary to this stance through internal audits and our internal reporting system, and take immediate action to rectify any improper behavior.

Leveraging a Diverse Workforce

2026 Diversity Roadmap
NSK is promoting diversity and inclusion in a three-phase initiative lasting from 2016 to 2026.

Promoting Diversity and Inclusion
It is our conviction that employing people from diverse backgrounds—in gender, age, nationality, culture, lifestyle and values—will foster a work environment full of new perspectives and ways of thinking. We believe that this will in turn strengthen our competitiveness and ability to avoid risks.

For this reason, NSK promotes the creation of a diverse and inclusive corporate culture that embraces a wide range of people and the values they hold. Our initiatives in this area include diversity training and LGBT (SOGI)* seminars for both executives and employees, and directed talks from the president and other members of senior management.

* LGBT is an acronym for lesbian, gay, bisexual, and transgender. SOGI stands for sexual orientation and gender identity.

Promoting the Advancement of Women in the Workplace (Japan)
NSK believes that having more women empowered to actively demonstrate their abilities in the workplace will encourage diversity and inclusion and enhance the competitiveness of the Company. To achieve this, we have begun taking efforts to improve our female hiring rate and expand work options for female employees. We conduct training for female managerial candidates to prepare them with the skills and mindset they will need to excel as leaders. We also hold events to give female university students in the sciences an opportunity to experience firsthand how a career in engineering can be a great option for them. Through these programs, we hope to develop female leaders of the future.

<table>
<thead>
<tr>
<th>Female Employee Rate</th>
<th>Female Manager Rate*</th>
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<tbody>
<tr>
<td>FY2016</td>
<td>FY2017</td>
</tr>
<tr>
<td>Female employees</td>
<td>10.7%</td>
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<tr>
<td>Female managers</td>
<td>1.2%</td>
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</tbody>
</table>

* Includes employees of NSK Ltd. and major NSK Group companies in Japan

A Fair Workplace that Empowers the Individual

Building more engaging workplaces
Respecting fundamental rights at work
Creating safe and inspiring workplaces
Improving health and wellness

Providing opportunities for growth
Talent management
Self-development and educational opportunities

NSK is promoting diversity and inclusion in a three-phase initiative lasting from 2016 to 2026.
Support for Working Parents and Caregivers (Japan)

To create a workplace that meets the needs of a diverse workforce and allows each and every one of our employees to thrive, NSK is taking active efforts to provide support for working parents and caregivers. Our programs to support these employees go above and beyond the legal requirements. We not only provide comprehensive support for working parents and caregivers, but also take efforts to create a work environment where they can realize their full potential.

Many employees are eager to excel in the workplace despite the time constraints of parenthood. This is why we provide flexible time for working parents and offer onsite childcare services on working holidays when regular daycare facilities are closed. We also provide support for employees with family members requiring long-term care.

We offer seminars that cover the basics of family care as well as the company programs available to them with the aim of reducing the stress associated with long-term care, creating opportunities for employees to discuss their concerns, and ultimately allowing them to continue working as they start providing care for a family member in need.

We are also currently trialing seminars to support employees as they make the transition back to work after parental leave. In addition, we have published and widely distributed support guidebooks to help ease concern and promote workplace communication on these issues—one for working mothers, another for caregivers, and a third for managers of working parents.

Work Style Reforms (Japan)

It is our conviction at NSK that having employees who enjoy and are actively engaged in both their work and personal lives will have a beneficial impact on our business. An improvement in employee productivity will lead to an improvement in their ability to produce quality work, which will ultimately cultivate a more fulfilling life both at work and at home. For this reason, NSK strives to better manage employee working hours, to encourage employees to take their annual paid leave, and to provide a variety of work style options like flextime to fit their diverse lifestyles.

We are also trialing telecommuting options—from home or satellite office—to offer new ways of working and lessen the burden of a commute. In order to boost job satisfaction, NSK also runs seminars and other programs to raise awareness—of both managers and employees—on the need for work style reform.

Providing Opportunities for Growth

Leveraging Global Talent

At NSK, we are constantly looking for ways to best leverage our global talent. This is why we have worked with regional HR departments to standardize rules and policies across regions, and to create programs aimed at developing a workforce that spans the globe. We have designed NSK core competencies, which are used in leadership training and employee reviews. Our succession plan serves as a guide for the systematic promotion of managers. We also operate a global mobility guideline that supports assignment across regions, allowing our workforce to thrive in roles around the world.

Human Resource Development Programs

To develop the talent necessary to support sustainable growth, NSK employs strategic assignment to ensure that all employees can realize their full potential. We are also working to promote career advancement and boost employee motivation by orchestrating job rotations that serve to stretch the skills and abilities of our employees. Through a variety of educational offerings and training programs that further refine our people’s abilities, knowledge and character, NSK provides numerous opportunities and forums for further development.

In addition to targeted training geared for managers and other levels of the organization, each year NSK runs both the Japan Management College and the Global Management College, which provide selective training for future leaders of the organization. NSK has also begun offering opportunities to participate in external education and liberal arts programs, with an aim to broaden horizons and develop the well-rounded character required to succeed in global business.

We also offer professional education by function, such as the NSK Manufacturing Education and Training Center, established to facilitate the transfer of technical skills required in manufacturing, and the NSK Institute of Technology (NIT), which conducts comprehensive technical training for NSK’s engineers. In addition, we have been focusing on language training in order to equip employees with the skills they need to communicate effectively with people from around the world.

In fiscal 2018, we invested approximately ¥86,000 per person (non-consolidated) in employee development, allowing us to improve the quality of our education and training programs and make them available to more employees.

Building More Engaging Workplaces

Health and Wellness Initiatives (Japan)

The physical and mental health of NSK employees and their families is an invaluable asset to the Company. We see an investment in health as an investment in corporate value, and as such, NSK is committed to a full range of initiatives to promote employee health and wellness.

We are working to spread awareness of the role of corporate health management and are actively encouraging our employees to be more conscious of their health.

In fiscal 2018, we distributed the NSK Health and Wellness Initiative 2018 handbook to employees and executives in Japan. In addition, we shared employee efforts to improve their wellbeing in the company newsletter and on our internal website.

In 2018, NSK was recognized externally for its health and wellness initiatives, receiving certification from Japan’s Ministry of Economy, Trade and Industry as an Outstanding Health and Productivity Management Organization in the large enterprise category. We have worked to maintain our certification in 2019 as well.