

# CSR/ESG Management

## Related Key Stakeholders



## Material Issue: Quality Management

### Why Quality Management Matters

In the Company's manufacturing operations, the quality of the products and services we offer greatly affects the Company's credibility, and providing high-quality products and services is linked to increases in corporate value. To meet the needs and expectations of customers and to remain a company trusted by society, 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 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 (NQ1) 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.

### Quality Assurance Vision 2026

NSK put in place the Quality Assurance Vision 2026 as a part of the Company's efforts to identify specific targets through 2026. As indicated below, this vision also clarifies the ideal state to which the Company aspires. Guided by this vision, NSK is implementing total quality management to achieve a level of "NSK Quality" that engenders trust and contributes to the safety and peace of mind of customers. In specific terms, the Company will endeavor to enhance the quality of its products, work and human resources, which are elements that provide the underlying strength of its business activities, while at the same time incorporating the necessary quality to deliver attractive products that reflect market needs and the requirements of customers.

## NSK Quality

Contribute to Customer Safety, Security, and Confidence

### The Ideal State to which the Company Aspires

- Contribute to society by delivering total quality
- Maintain an approach to quality that customers will evaluate highly
- Ensure all employees think and act based on the quality-first principle according to high-quality ethics

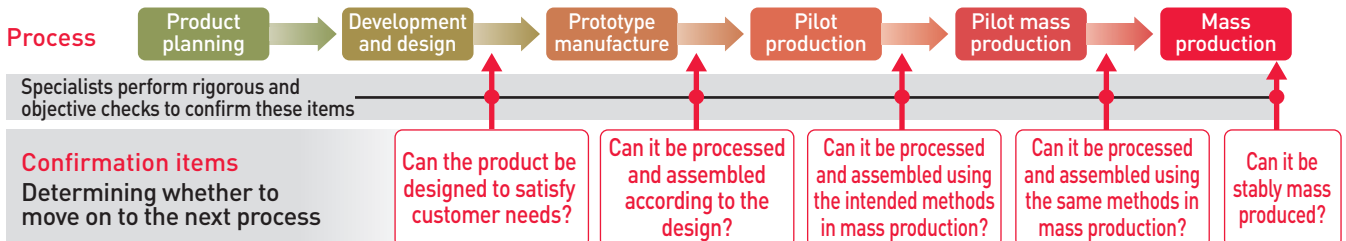
### Action Guidelines

- Put the customer first
- Be honest
- Provide 100% good products and services

### NPDS: Quality Management System

NSK's innovative quality management system, NPDS (NSK Product Development System), is being deployed globally 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, we will 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



### NQ1 Program for Stable Production with Zero Defects

Involving close cooperation between each division, including production, design development, production technology, quality assurance, sales and logistics, NQ1 (NSK Quality No.1) activities are Group-wide and designed to optimize the flow of goods and information throughout the production process, from the procurement of components and materials to delivery to customers.

As part of its NQ1 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 carries out various improvements targeting zero defects on a test line. Effective initiatives are quickly rolled out horizontally to other lines and manufacturing sites around the world.

