

Taking diverse steps to improve quality management and customer satisfaction

Enhancing customer satisfaction

Action policy: Further improve customer satisfaction in terms of QCDDS, which stands for quality, cost, delivery, development, and service.

Related departments collaborating to boost customer satisfaction

Our “CSR Policy” pledges that we will strive to develop new technologies and new products, as well as to provide safe and reliable products. We seek to fulfill this policy by ensuring that all related departments collaborate in all stages to boost customer satisfaction. These endeavors encompass everything from identifying customer needs to developing, designing, manufacturing, and delivering.

Building a customer-driven structure

Customers will trust us only if we strive to identify their requirements. Thus at each of our sales offices we assign dedicated sales staff and sales engineers to customers and sales agents so that we can respond directly to customer requests and questions and resolve issues speedily.

Continuing to hold “traveling product exhibitions” and “technical seminars”

We continue to send engineers to customers to hold “travelling product exhibitions” and “technical seminars” to rigorously augment information about our products and technologies.

The traveling exhibitions showcase our products and publicize our technologies and offerings to boost sales and ascertain customer needs. In fiscal 2009, we held product exhibitions for customers in the automotive and industrial machinery sectors at a total of about 60 companies. The number of product exhibitions for industrial machinery companies was triple that in fiscal 2008, reflecting our strengthening of business in the “ecological and new energy” markets such as wind power generation.

Technical seminars showcase our product technologies, product handling, and other areas. These events deepen understanding of our technologies and offerings, fostering technical exchanges with customers and contributing to product development. In fiscal 2009, we held technical seminars for customers in the automotive and industrial machinery sectors at about 30 companies in total.

Continuing to conduct “customer satisfaction surveys”

It is important to properly understand customer satisfaction levels and act accordingly so we can further improve customer satisfaction. We thus often carry out “customer satisfaction surveys” related to our products and services.

In fiscal 2009, we conducted a survey of our customers in Japan and overseas. The total number of respondents saying that our overall performance was “Very good” or “Good” was five percentage points higher than in fiscal 2008. While average assessments of our overall performance were basically unchanged in fiscal 2009, respondents noted that we need

Traveling product exhibition



substantial improvements in four areas, up from one a year earlier. We therefore formed a special project team to boost quality and set about analyzing root causes to foster tangible and intangible enhancements to increase customer satisfaction.

The results of this survey, including customer opinions and requests, are given to the departments affected and are used to create even better products and to improve service.

Quality management

Formulating and strictly implementing annual quality management policies

Quality management is fundamental to “MONOZUKURI” at NTN. We thus formulated a Basic policy of quality as a “basic concept” for “MONOZUKURI”, and create annual quality management policies that prioritize focuses, comprehensively pursuing quality management.

Basic policy of quality

Pursuit of appropriate quality which can suffice the functions and specifications required by customers.

- Quality that meets diversified needs in markets (Conformable quality)
- Superior quality to competitors' (Competitive quality)
- Quality that benefits producer (Economic quality)

FY2009 Period Quality Management Policy

1. Engineering:

“Design Determines All”

Initiate the practice of “easy-to-understand design, easy-to-manufacture, and mistake-proof products”

- (1) Integrate parts variation
- (2) Verify drawings and production process by the engineers (Collaboration between Quality Assurance Department and Production Department)
- (3) Extensive design verification — Verification of global and scientific viewpoints—

2. Production:

Eradication of defects goes and watches on the floor and the starting point.

- (1) Correspondence to production organization
Quality checks involving persons, equipment, systems, and continuance of measures
- (2) Preventative action
Measure irregularities on the floor as the customer complains
- (3) Prevent recurrence
Implementing countermeasures and improvement of the process assurance level
- (4) Change control
— Observe internal and customer rules—
- (5) Control of special process
— Ending serious customer complaints—
- (6) Reduce defective product disposal cost rate
- (7) Improved quality at subcontractors

3. Sales:

Improve customer satisfaction and problem solution from customer's viewpoint

Communicating and understanding customer requirements immediately

4. Logistics:

Perform exhaustive actual activities

Improvement of Logistic Quality (Packing in Plant — Warehouse— Customer)

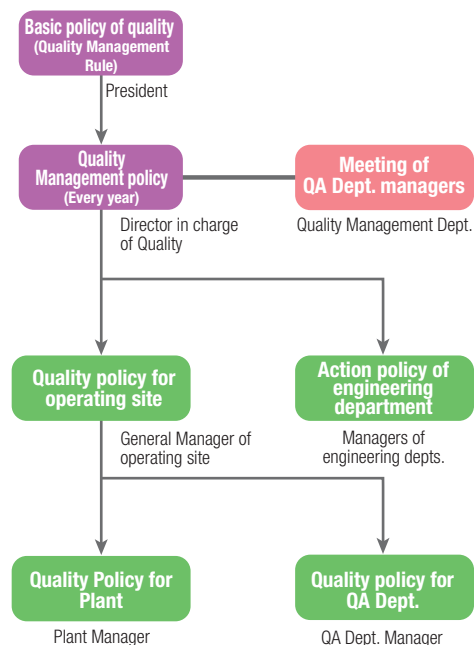
Quality management system

Effectively deploying and continuously improving our quality management system

We built, effectively deploy, and continuously improve our quality management system to manufacture reliable products and improve customer satisfaction.

We have an ISO 9001 certification for quality management. Our operating sites in Japan and around the world that produce automotive products have ISO/ TS16949 certification for quality management.

Quality Policy Management System



We aim to build greater trust by boosting customer satisfaction.

Electric and Office Equipment Project Team
Industrial Business Headquarters

Sim Weisin

We set up business-specific project teams to directly determine customers' desires, swiftly conveying this information to the relevant in-house businesses and creating an integrated system to follow up on everything from design and development to quality, delivery, and sales. We aim to carry out such activities both in Japan and around the globe.

Responsibility to Customers

Obtaining IRIS (International Railroad Industry Standard) certification

In February 2010, NTN became Japan's first bearing manufacturer to obtain certification under the International Railroad Industry Standard (IRIS), the quality standard for the European railway industry. This achievement complements the quality management system certification of the Association of American Railroads that we received in 2003, underscoring our high quality as a supplier to the rail industry. IRIS certification has been a prerequisite for railroad-related transactions since April 2010, and should help us increase sales.

Railroad bearings must satisfy extraordinarily high safety requirements, so we maintain quality management systems and even more stringent quality management levels in this area.



IRIS registration certificate

Helping suppliers improve quality

We work with suppliers to improve quality through our "Supplier quality improvement meeting," quality audit, and other activities. At this annual quality improvement meeting, each supplier presents examples of improvements and attends presentations by external speakers, thus sharing knowledge and know-how to raise awareness of quality improvement issues.

The quality audit checks the quality assurance systems of suppliers. Based on our proprietary check sheet, we conduct ongoing assessments of quality systems, confirm process management and progress with measures to prevent recurrences of defective deliveries, and take other steps to help suppliers enhance quality.

Communicating with customers

Rapidly responding to questions

When there is a question from a customer, we respond through our sales offices or website.

When there is a question from a customer to any of our sales offices, the people in charge respond and are able to visit the customer immediately if needed. Questions received via our website are all reviewed by the Head Office, and are then handled by a member of our sales staff or a sales engineer at one of our sales offices.

Depending on the nature of the request or matter, the person in charge then gives the customer a phone call, sends information, or visits the customer if necessary. The information obtained through further communication with the customer is passed to the relevant department and is then used later in product R&D.

Efforts related to sales agents

Collaborating with sales agents to improve customer satisfaction

We collaborate with agents selling our products in efforts to improve customer satisfaction.

Every year, we deepen ties by holding an annual meeting of our Domestic Sales Agent Association, sales agent and sales engineering seminars, plant tours, and joint seminars and product exhibitions with sales agents at customer locations.

Whenever we put a new product on the market, we hold a meeting to explain our technologies and products to the sales agents that sell our products. Also, we periodically hold training sessions for new and mid-level employees of our agents.

We will continue to reinforce our sales engineers at NTN and to help our sales agents expand sales and gain new orders.



Meeting of our Domestic Sales Agent Association

Number of seminars for sales agents in fiscal 2009

Initiative	Number of gatherings
Sales agent and sales engineering seminars	35
Technical seminars	17
Training sessions for new employees of agents	9



Meeting weekly with related parties to secure IRIS certification in one year.

Manager, Quality Control Section,
Quality Assurance Dept., Kuwana Works

Kazuo Nishio

The process of obtaining IRIS certification was very challenging. We had to interpret a requirements specifications document that contained complex English-language phrases. Right after we completed our IRIS quality manual, there were major additions to the requirements specifications, so we had to rush to make amendments before the assessment. Meeting this tough challenge made our joy at obtaining certification all the more satisfying. We plan to further improve our quality assurance system for IRIS certification renewals.