Sustainable Supply Chain

Materiality — Improve the reliability of products and services (Quality assurance, stable supply)

Build the quality assurance system

Create the quality to improve customer satisfaction

We strive to maintain and improve product quality globally in accordance with our Quality Policy, which serves as the basic philosophy for all of our manufacturing activities, in order to create quality that satisfies our customers.

We also conduct customer satisfaction surveys as an opportunity to hear directly from our customers about their satisfaction level and requirements. In the survey for the fiscal year ended March 2023, a total of 113 customers responded and 88% of the overall evaluations were "Excellent" or "Good," as well as the results from the previous year. Going forward, we will continue to provide quality that is responsive to customer needs in order to further improve satisfaction.

Quality management system

In order to improve customer satisfaction and provide products/services in a consistent manner, the Group's domestic and overseas manufacturing sites have acquired ISO9001 certification, which is an international management system standard. We are steadily working to acquire certification for new businesses and newly launched plants. 100% of our domestic and overseas consolidated subsidiaries related to manufacturing have acquired certification for their quality management systems.

We have also acquired IATF16949 certification, a standard for the automotive industry, and JIS Q 9100 and Nadcap, standards for the aerospace industry, as well as CRCC (China) certification for the railway industry.

Develop quality awareness of human resources

In order to enhance knowledge and awareness of quality among employees, we provide specialized quality education such as basic and advanced QC courses. In the fiscal year 2022, 145 employees took part in these courses. In our training, we use examples of actual claim cases that have occurred in the past to show specifically how customers have been affected so that participants can be reminded of the importance of quality.

In March 2023, we issued the third edition of our "Quality Control Handbook: Quality Guidelines", which describes our approach to quality and the basic actions that are essential to maintain quality. In the future, we will translate it into English and other languages, and distribute it as a reference for suppliers, making it widely available on a global basis.

Stabilize new core system

As a company-wide project, we are rebuilding our mission-critical systems by standardizing business processes and systems using ERP* and other new packaged systems. This will serve as an IT foundation to support future DX promotions, and we are promoting business speed and service levels as well as more efficient operations. Following the start of operations of new systems in the areas of financial accounting, human resources and salaries, and technology, a new system for sales, logistics, supply and demand adjustment, inventory management, etc. of finished products in the SCM field began full-scale operations in August 2020. Thereafter, we are promoting activities to introduce new systems into the production, procurement, process, work-in-process, and cost domains at each plant.

The new systems have enabled us to improve the efficiency of drawing and prototype control through the digitization of sales activities and the introduction of a project management system, to speed up price and delivery deadline response, to strengthen inventory management, and to enhance cost management. Furthermore, we aim to ensure a stable supply for customers and respond flexibly to fluctuations in demand by linking future demand plans to plants, not only based on fresh demand information, inventory information, and sales results, but also using statistical prediction.

*ERP is an abbreviation of Enterprise Resource Planning, which is packaged software that oversees the company's core operations, including sales, logistics, production, accounting, and human resources.

Build the CSIRT system

In response to increasing risks of cyber attacks and information leakage, we newly established "The Basic Policy of Information Security" as one of the NTN Group's Basic Policy to be set forth under our Management Policy, in view of the importance of information security in recent years.

As cyber attacks are becoming more complicated and sophisticated every day, other companies have also suffered similar damage such as information leakage quite often. In case of an information security incident, a quick response against information security risks is required, from detection to reporting and handling. Therefore, we have been developing a cross-department emergency system for handling information security risks (NTN-CSIRT: NTN Computer Security Incident Response Team).

Purposes of developing the information security emergency response system (NTN-CSIRT)

(1) Detect information security risks and accelerate communication, reporting, handling, and recovery in case of risk occurrence
(2) Reduce risk of and prevent information security incidents
(3) Strengthen governance to enhance information security

Please refer to our website for other initiatives related to "Improve the reliability of products and services (Quality assurance, stable supply)."
https://www.ntnglobal.com/en/csr/sc/customer.html