

Responsibility to Customers

Working to achieve quality management and customer satisfaction

Striving to further improve customer satisfaction

Creating a system that allows us to be closer to the customer

In January 2008, we reviewed our organizational structure so that we can be closer to the customer when we provide technical information. Thus at each of our sales offices, we assigned dedicated sales staff and sales engineers to our primary customers and sales agents so that we can respond directly to customer requests and questions.

In fiscal 2008, we continued to send engineers to customers to hold product exhibitions and technical seminars. We held product exhibitions for customers at 10 companies in the automotive sector and 18 companies in the industrial machinery sector.

Also, we often carry out customer satisfaction surveys related to our products and services to understand and improve the level of customer satisfaction.

In fiscal 2008, we conducted a survey of the 70 companies that make up our primary customer base (including overseas companies in Europe and the US).

Over the years, the total number of respondents saying that our overall performance was “Very good” or “Good” is going up: 92% in 2006, 95% in 2007, and 97% in 2008.

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.

Meeting customer requests

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We promote product exhibitions as a forum where young engineers who are involved in product development and design can hear directly from customers about their needs, and to offer new products that are based on customer feedback. We are working to strengthen our relationship with customers by offering products that satisfy their needs.

Product exhibition at the customer



Quality management

Quality Policy

“To assure appropriate quality in order to achieve the functions and specifications required by customers”

- NTN's quality must be in step with the market change. (Applicable quality)
- NTN's quality must be superior to the competitors' quality. (Competitive quality)
- NTN's quality must be profitable in the marketplace. (Economical quality)

FY2008 Period Quality Management Policy

1. Engineering

“Design Determines All”=Design and development free from customer complaints

- (1) Integration of parts variation —Design easy-to-understand, easy-to-manufacture, and mistake-proof products—
- (2) Exhaustive design verification —Designing based on scientific basis—
- (3) Learn from past defects and organize the implementation of countermeasures
- (4) Promotion of a “Go and watch the production site” activity —Recognize and learn from actual production process—

2. Production

Establish systems on the following premise:
“Humans will make mistakes and machines will fail”

- (1) Observation of basic rules —Abide by the rules we have made—
- (2) Continuation of special activity aiming at “zero customer complaint” and horizontal deployment of the activity to overseas production facilities
- (3) Assuring the quality of newly manufactured products —Establishment of a global quality assurance system—
- (4) Realization and horizontal deployment of the model line of KANZEN SEISAN*
- (5) Improvement of quality at subcontractors —Coexistence with subcontractors—
- (6) Strengthening the control of special processes —Eradication of serious customer complaint—
- (7) Reducing defective product disposal cost —A challenge to “zero defect”—

3. Sales

Actions creating customer satisfactions and corporate profit
Acknowledgement of customer requirements and their companywide development

4. Logistics

In quest of sure and steady operation
Improvement of logistical quality aiming at “zero” inconvenience to customer

* KANZEN SEISAN: The shop floor condition which we can obtain the best quality and productivity without scrap and machine breakdown.

FY2008 Period Quality Management Policy

1. Engineering

Designing and developing parts knowing that
“Design Determines All”

Our engineering departments work comprehensively to design and develop products that do not result in customer complaints, following the idea “Design Determines All.”

In fiscal 2008, in working hard to “design easy-to-understand, easy-to-manufacture, and mistake-proof products,” we consolidated similar product classifications. We put greater emphasis on developing products with an understanding of

how they are used in the field (particularly overseas). We used quality engineering and CAE* to carry out preliminary design verifications to achieve “Designing based on scientific basis.” We also make sure that the products are changed to reflect the countermeasures that we took in response to past problems.

Our designers have the motto “Recognize and learn from actual production process.” They go to the manufacturing worksite and cooperate with the quality assurance departments and manufacturing departments to build in manufacturing process quality at the design stage.

* CAE (Computer Aided Engineering) : A computer system that supports the design and development of industrial products.

2. Manufacturing

On the following premise: “Humans will make mistakes and machines will fail”

Our manufacturing departments continue to establish systems based on the premise that “Humans will make mistakes and machines will fail.” Our manufacturing departments also believe that following the basic rules comes first. These include laws, regulations, standards, and drawings; 5S (organization, arrangement, cleaning, standardization, and discipline); and 3TEI (prescribed position, prescribed item, and prescribed amount).

For special processes that may cause critical defects (forging, heat treatment, etc.), we have established even more stringent quality inspection systems. We hold heat treatment engineering meetings to develop and improve our specialist engineers.

Because we are becoming increasingly globalized, we are also strengthening our quality assurance systems overseas.

3. Sales

Provide what customers require

Our sales departments have “Actions creating customer satisfactions and corporate profit” as a fundamental, and they work to accurately understand what customers request (such as changes to specifications, design, and purpose) and to rapidly report these requests to the appropriate departments at NTN.

In addition to contacting the department in charge in the event of a quality problem, they use the complaint management database to accurately convey the information required to all the appropriate departments.

Quality management system

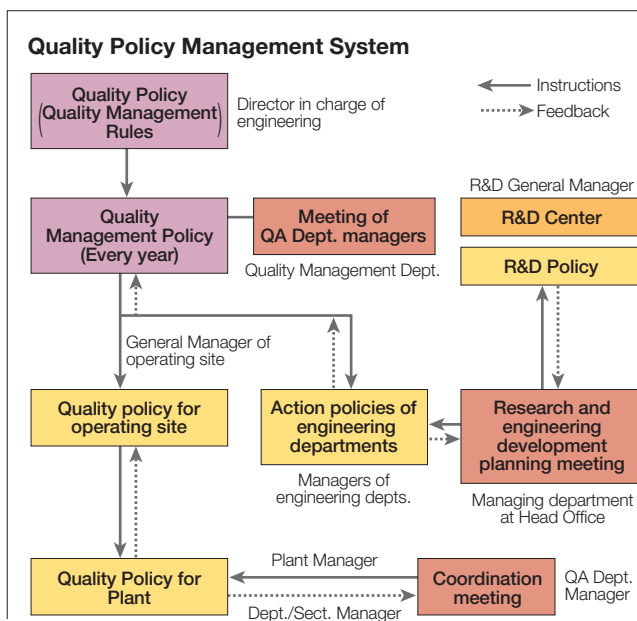
Continuously improving our quality management system

Our company has an ISO 9001:2000 compliant quality management system. Our operating sites in Japan and around the world that produce automotive products have ISO/TS16949:2002 certification, which is the most stringent standard for quality management required by European and American automakers. By using these systems effectively and continuously

improving them, we supply products that are trusted by customers and that can raise the level of customer satisfaction.

We have even more stringent quality controls for products with a high possibility of catastrophe in the event of failure, such as bearings for aerospace devices, the Bullet Train, railroads, and critical safety parts for automobiles.

IRIS, a specialized quality management standard for products related to rail transport, will become mandatory in Europe in 2010, so we are pushing efforts to obtain this certification as well.



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

Information that is used to ensure the safety of the final product that our product is installed in is communicated directly by our sales staff or sales engineers to our sales agents.

In fiscal 2008, we held a meeting of our Domestic Sales Agent Association in Japan, sales agent and sales engineering seminars (beginner and intermediate), meetings to explain the changes of the price sheet, plant tours, sales conferences with our primary sales agents, and joint seminars and product exhibitions with sales agents at customer locations. We had sales agents from all over Japan come to NTN Mie Corporation to take a tour of Plant 1 and the new Plant 2. During these tours, we outlined how we are going to improve production capacity and shorten lead times.

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



A seminar for sales agents

Communicating with customers

Rapidly responding to questions and complaints

When there is a question or complaint 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 General Affairs Dept. at the Head Office, and are then handled by 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. The information obtained through further communication with the customer is then used later in product R&D.

Efforts related to sales agents

Helping sales agents expand their sales

Whenever we put a new product on the market, we hold

Supplying technical information

Supporting design reviews at our customers by providing a catalog of 3D CAD data

As part of our technical services to our customers, we created a 3D electronic catalog of the precision bearings for machine tools and offered it for free in June 2008.

Machine tool manufacturers need to respond to fluctuating markets and to be able to rapidly develop new products. They also need to verify designs in advance using 3D CAD. NTN's electronic catalog enables them to confirm the positional relationship between bearings and adjacent parts at the structural design stage, allowing them to rapidly carry out computer-based thermal and structural analyses of NTN products as they would be installed. This is our contribution to a more efficient development of new products at our customers.



3D electronic catalog