

NTN's Human Resources Strategy

NTN Group has established "Prosperous human development" as an ESG issue. We will cultivate a corporate culture that enables our employees to "grow" and "work enthusiastically" through our business activities, and we will sustainably increase our corporate value by developing our personnel systems and working environments to maximize and grow the value of our human capital. This is the practice of "human capital management," through which we intend to achieve "Prosperous human development" by fostering an organizational culture that works to resolve various societal issues and improve our economic, environmental and social value, as well as by nurturing a diverse workforce that is motivated and satisfied by their work.

The strategy for achieving "Prosperous human development" consists of five pillars: "Securing human resources who will lead the next generation to take on the challenge of transformation," "Creating a rewarding environment that respects the diversity of employees," "Fostering a culture of learning and development in the workplace," "Realizing a workplace where employees can work safely and healthily in an environment enabling innovative thinking" and "Respect for human rights."

As specific actions, we will support the change as intended by the "accelerated transformation to the business structure" policy under the Medium-term Management Plan. In order to achieve the optimal vision of the Group, the priorities of the human resources strategy have been developed from either the perspective of "Securing and developing human resources" or "Fostering organizational culture." The priorities are "Enhancing the technical capabilities required to achieve the management strategy," "Developing management talent to lead the Group," "Achieving independent growth and career autonomy," "Diversity, equity and inclusion," "Transformation to a workplace of daring and mission" and "Mindset transformation based on the NTN SPIRIT," and we are progressing work on each priority.

Priority actions

The priorities for action to achieve the Medium-term Management Plan, based on the five pillars of the human resources strategy, are as follows.

Securing and developing human resources

Enhancing the technical capabilities required to achieve the management strategy

To transform our business structure (business portfolio transformation), drastic and proactive initiatives are vital, as are bold moves into new markets, so the organizational capabilities and human resources required to achieve the strategy are also changing. If we are to fulfil the Medium-term Management Plan policy of transforming the business structure and the strategy to achieve this, it is important to secure the necessary organizational capabilities. This is ongoing, with capacity building, assigning the right people to the right posts, and strengthening the recruiting structure, combined with securing more diverse external personnel.

Developing management talent to lead the Group

In order to achieve our management plan in such uncertain times, it is vital that NTN Group methodically develop managers who can lead us forward. In addition to forming a talent pool of leadership candidates who can achieve results, with the top executive and the Personnel Department joining forces to develop these leaders, we are pursuing manager development from a long-term perspective by running a managerial development program for managers, including young business leaders.

Achieving independent growth and career autonomy

Through growth based on independent career plans and career development, and by supporting employees to fulfil their career plans, we can achieve sustained growth of both our employees and the organization.

Fostering organizational culture

Diversity, equity and inclusion

We are working toward "creating a rewarding environment that respects the diversity of employees" in which every individual can express their talents to the greatest extent possible. This is because our organization is made up people with diverse technical specialties and experience and by turning those differences into a strength, taking on diverse perspectives and theories, we can realize innovation and new value creation on a daily basis.

Transformation to a workplace of daring and mission

Under difficult conditions, maintaining or improving our competitive advantage requires the creation of even more unique value. Rather than resting on the laurels of past successes or relying on precedent, we believe it is vital to create a workplace culture that empowers a brave attitude informed by constant new ideas.

Mindset transformation based on the NTN SPIRIT

To achieve the long-term strategy, we have to lure exceptional talent and for this, fostering a company culture of strong engagement is very important. By sharing "the NTN SPIRIT" with all employees that clearly states the mindset and actions to be pursued, the vision for the company, what it exists for, employees can find more meaning in their work. This increases the number of employees thinking for themselves and taking the initiative. Creating serious attempts for transformation in this way will not only lead to increased corporate value, but also the growth of employees, a sense of unity in the organization and lead to increased engagement.



Please see the NTN Group sustainability website for specific initiatives related to our human resources strategy.

<https://www.ntnglobal.com/en/csr/sc/human-resources-strategy.html>

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Indicators and targets

The indicators and targets related to the priority actions under the Medium-term Management Plan are as follows.

Priority actions under the Medium-term Management Plan		Indicator	FY2021	FY2022	FY2023	FY2024	Target	Indicator and reason selected	
Securing and developing human resources	Enhancing the technical capabilities required to achieve the management strategy	Expert course participants (expert: high-level technical expert) (NTN only) *2		—	6	8	As the measure has only just been adopted, targets are yet to be established	As an indicator to measure the improvement of technical skills, we use the status of expert development	
	Developing management talent to lead the Group	No. of succession plan candidates		19	24	25	30 FY2026	Used as an indicator to measure the status of leadership talent development	
	Achieving independent growth and career autonomy	Training hours per employee (NTN only)		16.2 hours	11.9 hours	21.0 hours	Year-on-year growth	Used as indicator of track record of education and training to support employee autonomous growth	
		Training expenditure per employee (NTN only) *3		—	19,180 yen	32,671 yen			
Fostering organizational culture	Diversity, equity and inclusion	Percentage of female managers (NTN only)		4.4%	4.5%	4.2%	5% FY2026	Used as indicator of a rewarding working environment for men and women equally	
		Childcare leave acquisition rate for male employee (NTN only)		37.2%	62.8%	73.0%	100% FY2026		
		Percentage of mid-career hires (NTN only)		19.0%	21.3%	17.3%	30% FY2026	Used as an indicator of career and recruitment systems and workplace environments accommodating to diverse talent	
		Employment of persons with disabilities (NTN only)		2.57% (statutory employment rate: 2.3%)	2.57% (statutory employment rate: 2.3%)	2.50% (statutory employment rate: 2.5%)	Equal to or above the statutory employment rate at that time		
	Transformation to a workplace of daring and mission	Scores related to "challenge" and "transformation" in employee engagement surveys (NTN only) *4	Organization allows for learning from failures	58% of responses positive	—	50% of responses positive	—	80% of responses positive FY2026	Used as an indicator of attitudes to daring and transformation
			The workplace environment encourages new proposal methods	45% of responses positive	—	42% of responses positive	—		
			I try to perform beyond expectations	76% of responses positive	—	65% of responses positive	—		
	Mindset transformation based on the NTN SPIRIT	Scores related to "corporate philosophy" and "collaboration" in employee engagement surveys (NTN only) *4	The NTN SPIRIT is practiced	62% of responses positive	—	51% of responses positive	—	80% of responses positive FY2026	Used as an indicator of the promotion of fostering unity through embedding of the corporate philosophy throughout the organization
			I know the meaning of my work	74% of responses positive	—	55% of responses positive	—		
			There is mutual respect and collaboration among departments	32% of responses positive	—	29% of responses positive	—		
Human rights		No. of participants in human rights education (total number) (NTN only)		1,354	1,443	1,812	Year-on-year growth	Used as an indicator of solid knowledge and understanding of human rights through human rights education	
Investment for Health		Percentage of people in the healthy weight range (BMI between 18.5 and 25) (NTN only)		65.4%	66.0%	65.5%	70.0% FY2026	Used as an indicator of employees safely and healthily working continuously over a long period	
		Percentage of high-stress employees (NTN only)		8.6%	9.0%	8.7%	7.0% FY2026		
		No. of occupational accidents (resulting in lost work time) (NTN only) *5		4	2	0	0		

*1 The above indicators cover NTN Group and its subsidiaries unless otherwise specified.

*2 As the expert course was only started in FY2023, there were no subjects prior to that. The number of persons represents those who are designated and scheduled to be appointed to the expert course.

*3 The survey tracking spending on training started in FY2023.

*4 The employee engagement survey is conducted every two years, so no survey was conducted in FY2022 and FY2024. The next survey is scheduled to be conducted in FY2025. The employee engagement surveys conducted in FY2021 and FY2023 were conducted only on some employees.

*5 Regarding the number of occupational accidents (resulting in lost work time), the period covered by the statistics for FY2024 was the financial year from December 16, 2023 to December 15, 2024, as were the previous periods (FY2023 and earlier).

NTN's Human Resources Strategy

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Mechanisms supporting career independence



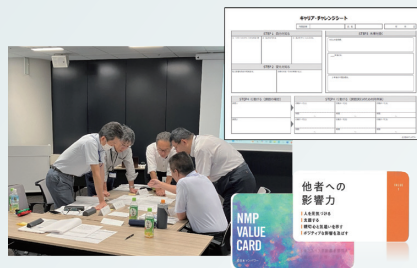
At our company, we are working to create an environment where each employee can think autonomously about their career and take on challenges. By providing diverse career paths and opportunities for challenges, as well as supporting self-understanding and skill development, we help employees to proactively envision their future and “work enthusiastically.”

Post Challenge Program

Since April 2024, we have implemented the “Post Challenge Program” which recruits employees to challenge themselves for positions such as section manager and department manager. This system aims to provide employees with opportunities to choose their desired career and workplace, enhance employee motivation, and promote organizational revitalization. In fiscal year 2024, five employees have used this system to take on new career challenges.

Career plan training

To provide employees with opportunities to independently consider medium- to long-term careers, we have established a career development and support system. “Career Plan (CP) Training” is implemented across a wide range of age groups from young to middle-aged employees to help them consider their own careers. This in turn promotes employee engagement and motivation improvement leading to organizational revitalization, personnel retention, performance improvement, and other aspects of sustainable corporate growth. Additionally, we conduct career interviews to support Career Plan training and provide career support education not only for employees themselves but also for their supervisors who are managers, leading to improved relationships between subordinates and supervisors, improved approaches to subordinates' current job categories, and future-oriented JR (job rotation).



Career plan training scenes

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Initiatives for securing diverse human resources



To secure diverse human resources and promote their active participation, our company is implementing various initiatives in response to changes in the recruitment environment.

Initial Assignment Placement Guaranteed Hiring

The new graduate recruitment environment, against the backdrop of intensifying competition for talent acquisition among companies and diversification of students' career awareness, has seen attention shift from traditional batch recruitment of new graduates and general position recruitment to methods that place greater emphasis on specialization and respond to individual aptitudes and orientations. Our company has newly introduced “Initial Assignment Placement Guaranteed Hiring” scheme for some job categories, matching and guaranteeing initial assignment job categories at the time of recruitment selection. Through this, we believe that not only will students' motivation to join the company and satisfaction with assigned job categories improve, but career formation after joining will become clearer. Additionally, this enables appropriate placement of highly specialized human resources, which we expect will lead to improved engagement and suppression of early turnover.

Target Job Categories	Administrative recruitment: Finance and Accounting positions, IT Planning positions
	Technical recruitment: Research and Development positions, Design and Development positions, Production Engineering positions, Quality Assurance positions, Information Systems positions

Internship and work experience

Our company provides students with practical internship and work experience programs. These are programs where students can learn about working in manufacturing through practical experience in each department, such as bearing design and development, and sales positions. For technical positions, students experience research and development, design and development, quality assurance work for new bearing and products for automotive and industrial machinery, etc. For administrative positions, they experience mock sales negotiations for sales positions, marketing strategy planning for sales planning positions, and process schedule planning for production management positions, etc. With support from senior employees, students can get a sense of working at NTN and the workplace atmosphere in addition to experience the difficulty of achieving results as a team.

Additionally, through feedback from instructors and self-analysis, students can learn about their strengths and areas for improvement, clarify their career vision. Furthermore, it is expected that they will take ownership in their career choices and achieve career autonomy. Through these initiatives, our company also aims to incorporate students' fresh perspectives into our business activities and grow together.



Internship scenes