

# Stakeholder Dialogue

## 11th Stakeholder Dialogue

Through dialogue with various stakeholders, we are working to sustainably enhance corporate value.

### Themes of the dialogue

- Disseminating sustainability information
- Prosperous human development - NTN's human capital



Facilitator

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### NTN

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\*The affiliation and titles of the attendees were current at the time of Dialogue.

## Recommendations from Experts

### Substantial activities with impact in mind

"Impact" and "Stakeholders" are the key points for identifying materiality. I would like to see these two aspects thoroughly implemented to substantiate sustainability activities. For this purpose, it would be effective to examine what value NTN creates for each item. Current sustainability information disclosure standards do not sufficiently reflect investors' decision-making, so companies must make efforts to disclose meaningful information.

The most important information regarding human capital is information about how much companies invest in employees, such as personnel costs and education expenses. However, Japanese companies are weakest in this area, so improvement is urgently needed. Career autonomy is also an important issue, but for this, each employee needs to seriously consider their purpose (what they want to do) at this company.

### Importance of sustainability activities based on original purpose

Our company has not established a Sustainability Committee, but instead uses a monitoring system through the Board of Directors. From an operational perspective, we recognize the importance of committees, but we believe it is necessary to carefully consider whether committees can truly be effective and how to structure committee members.

On the other hand, there is a tendency to be evaluated as "conducting sustainability activities properly" when responding to various disclosure requirements including legal regulations. However, without keeping the original purpose of activities in mind, this will result in wasting resources such as labor and costs. Through this dialogue, we learned very important things, including how to proceed with sustainability activities.



### Katsuhiko Kokubu

Professor, Graduate School of Business  
Administration, Kobe University

### Strengthening monitoring systems and responding to EU regulations

NTN is a Company with Nominating Committee, etc., where Outside Directors serve as the chairperson of the Board of Directors and heads of the three committees, and I believe the separation of execution and supervision is progressing. Taking this one step further, by establishing a sustainability committee as an advisory body under the Board of Directors, with an Outside Director serving as Chairperson and including Outside Directors as members, the system for monitoring activities can be strengthened.

On the other hand, regarding responses to European regulations, NTN is expected to be subject to CSRD\* as a non-EU company. By FY2029, consolidated sustainability reports (for FY2028) must be filed through French subsidiaries, but first, consideration should be given to reporting double materiality assessments using both SSBJ standards and GRI universal standards.

\*CSRD (Corporate Sustainability Reporting Directive): EU directive on corporate sustainability information disclosure currently under revision.



### Kyoko Kozuma

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### Junichi Tanahashi

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### NTN




### Implementing improvements toward "substantiation" of sustainability activities

This time, Professors Kokubu and Kozuma provided us with many eye-opening insights along with various key words such as "practice of corporate philosophy," "substantiation," "value creation," and "career autonomy." We were made aware that there are areas in our daily activities that we have been unconsciously putting off. We reflect that we have been reactive, responding because it was legally required or because customers demanded it. We want to improve these aspects.

Additionally, hearing from Sysmex, we learned that they have similar concerns to ours. We would like to exchange opinions again if there is an opportunity to do so.

# Stakeholder Dialogue

## Communication with Stakeholders

Stakeholders	Stance to Stakeholders	Main Activities
 <p><b>Employees</b></p>	<p>NTN Group respects diversity, individuality and a safe and healthy workplace environment where employees can work successfully.</p>	<p><b>“NTN PROUD AWARD” as ESG Corporate Award</b>                      “NTN PROUD AWARD” is a system that encourages employees’ sustainability activities and commends outstanding initiatives linked to 13 items of materiality responding to sustainability activities identified by the Group. The system aims to promote understanding and awareness of sustainability activities among employees and fosters their motivation and engagement.</p> <p><b>Employee engagement survey</b>                      Based on the survey result, we conduct activities to improve workplace issues, activate workplace communication and work to develop an environment in which each employee has a good reliable relationship with each other.</p> <p><b>Global QC Circle Convention</b>                      We strive to improve safety, quality, and productivity on a global basis, and with the convention as a forum for international exchange, we exchange information on a variety of activities.</p>
 <p><b>Customers</b></p>	<p>NTN Group seeks to maximize customer satisfaction and trust by providing products and services of superior quality, safety and reliability.</p>	<p><b>Nationwide Distributors’ Meeting</b>                      We invite distributors from across Japan to briefing sessions on account settlement overview and aftermarket business measures to strengthen our bond with distributors.</p> <p><b>Technical service units</b>                      We run completely-tailored, multi-functional technical service units worldwide, equipped with teaching materials and exhibits to introduce our products, and hold bearing technical seminars for our customers.</p>
 <p><b>Business partners</b></p>	<p>NTN Group, in a fair and free environment, builds good partnership with its business partners and works together for mutual growth and development.</p>	<p><b>Briefing for suppliers</b>                      We share information on our globalization initiatives and the business environment surrounding our company with our business partners and have seminars in collaboration with external specialized institutions.</p> <p><b>Promotion of sustainable procurement</b>                      Through sustainable questionnaires based on the Sustainable Procurement Guidelines, we promote activities with our business partners to help them understand the importance of sustainable procurement.</p>

Stakeholders	Stance to Stakeholders	Main Activities
 <p><b>Local communities</b></p>	<p>NTN Group respects cultures and customs in the local communities and builds long-term trust relationships by meeting their expectations through its business activities.</p>	<p><b>Activities that contribute to the local community (family tours, summer festivals, etc.)</b>                      We hold family tours and summer festivals at each business site as an opportunity to interact with employees’ families and neighboring residents.</p> <p><b>NTN Rotating School</b>                      As an environmental education program for children who will lead the next generation, mobile-type schools have been opened in various places to deepen friendships with the local community.</p> <p><b>Conservation of biodiversity</b>                      In cooperation with local residents and NPOs, we are working to protect the environment of Satoyama (village forest) areas around our business sites and to protect endangered species.</p>
 <p><b>Shareholders</b></p>	<p>NTN Group focuses on return for shareholders by sustainable profitable growth and builds long-term trust relationships with shareholders through active communications.</p>	<p><b>Shareholders’ Meeting</b>                      The Shareholders’ Meeting is a forum for communication to build long-term relationships of trust with shareholders.</p> <p><b>ESG briefing</b>                      In addition to holding results briefings for investors, we also hold ESG briefings to promote understanding of our ESG initiatives. The opinions we receive at the briefings are used to strengthen our activities and information disclosure.</p>
 <p><b>Environment</b></p>	<p>NTN Group harmonizes its business activities with nature and contributes to preserve the global environment by providing its technologies, products and services.</p>	<p><b>Reducing environmental impact in business activities</b>                      We are working to minimize harmful environmental impacts by monitoring and reducing emissions of CO<sub>2</sub> and regulated chemicals in our business activities.</p> <p><b>Sustainable use of resources</b>                      We are striving for sustainable resource utilization by reducing the use of resources such as raw materials and water, and by thoroughly implementing the 3Rs (reduce, reuse, and recycle) of waste.</p> <p><b>Developing environment-contributing product</b>                      We are contributing to the realization of a carbon-free society by developing products that help reduce energy loss in finished products and natural energy-related products.</p>