

Through our new medium-term business plan “NTN 2010 for the Next Step,” we will promote CSR activities and work to increase corporate value



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Chairman and CEO

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CSR activities are the core elements of our management

Fiscal 2009 marked the beginning of “**NTN 2010 for the Next Step**,” NTN’s new medium-term business plan. It is based on a review of our previous medium-term business plan that started in fiscal 2007 and on the dramatic changes in the business environment from the world economic downturn. This plan reflects our return to a technology-focused approach that is based on our corporate philosophy, “For New Technology Network.” Through “**NTN 2010 for the Next Step**,” we are also working to increase our corporate constitution so that we don’t rely only on our size to succeed.

It’s no understatement when we say that corporate social responsibility (CSR) is the core elements that underpins our management. It is through CSR activities that we work to meet the expectations and trust of all of our stakeholders, including our customers, shareholders, investors, suppliers, employees, and local communities. Corporate social responsibility is more important than ever because of the severity of the current economic environment. This is why in fiscal 2008, we worked to more thoroughly establish corporate ethics and legal and regulatory compliance through revisions to our CSR guidebook and through management education. Additionally, each of our operating sites is working to reduce their CO₂ emissions to address environmental problems such as global warming and resource depletion; we are also involved in “NTN Kigyo no mori” (NTN corporate forest stewardship) activities to contribute to local society and to preserve the environment.

NTN’s internal control system is an added layer of protection and provides peace of mind that our financial reports are valid and trustworthy. We have also created a risk management system to manage the risks faced by our company. Encompassing hazards such as earthquakes and pandemics, this integrated risk management system incorporates provisions ranging from prevention measures to crisis countermeasures.

Responding to the expectations and trust of our stakeholders

We create many opportunities to interact directly and talk with our stakeholders. We help them understand how we are working to respond to global environmental problems and contribute to local communities.

Customers: We always look at things from our customers' perspectives. In addition to proposing suggestions that are suited to their needs, we have broadened our technical horizons to actively promote the modularization and standardization of products.

Shareholders and investors: We disclose information by holding Investor Relations plant tours and product exhibitions for our shareholders and investors so that they can better understand our management policies and strategies. Also, at the June 2008 shareholder meeting, our shareholders approved our "Policy for responding to a large-scale acquisition of NTN shares" in order to increase corporate value and to secure profitability for our shareholders.

Suppliers: We are strengthening strategic partnerships to overcome tough economic times through cooperation. Looking to our shared future, we are also working on joint human resources development.

Employees: We always work to maintain and improve a safe and pleasant work environment. To support women in the workplace, we have established on-site child-care facilities and the "Advancement of Women" project. In our "Dream Workshops," we work to create a workplace that supports the independence of handicapped workers and gives them motivation. We also hold workplace tours for our employees' families in order to strengthen the relationships between the company and employee households.

Using environmentally-friendly plants, equipment, and processes to manufacture environmentally-friendly products

The entire NTN Group is working to reduce industrial waste and to reduce CO₂ emissions to prevent global warming. Though both bearings and constant velocity joints are eco-friendly products because they reduce friction-caused energy losses, we are also contributing to the environment in other ways. Our products are used in wind power generators, which harness natural wind energy. Our products are also used in railroad, which are a clean mode of transportation. When we establish new plants, we install solar generation panels and wind power generators so that we effectively use natural energy. In our manufacturing processes, we have introduced environmentally-friendly processing methods that do not need any oil, created compact production lines, and reduced industrial waste with our grinding swarf briquetting machine. We create

plants that are friendly to the global environment.

We also distributed a "Household Eco-Account Book" this year so that employees can continue to reduce energy consumption in their households. Additionally, our employees take part in "NTN Kigyo no mori" activities to strengthen their relationship with both nature and local communities.

We work to make our "Monozukuri" reflect the idea "Design Determines All"

Safety and quality form the core elements of our company's "Monozukuri." During this major correction in the world economy, having equipment, rules, and structures that prevent mistakes is vitally important. Our "Monozukuri" is based on the idea that "Design Determines All." Our designers personally inspect the actual manufacturing site regularly in order to improve their ability to create solutions and propose new designs. Through periodic safety education and the "hazard experience corners" located in our primary operating sites where employees can raise their safety awareness by experiencing the latent hazards of equipment and work, we are working to achieve zero workplace accidents.

A stronger corporate constitution through prompt decisions

We have designated the two years of "NTN 2010 for the Next Step" as a period in which to build a management constitution that is resilient to **fluctuations** in demand and to increase flexibility in our traditional direction and way of thinking. This will accelerate our decision-making and help us to connect decisions to results.

To strengthen our corporate constitution so that our business does not rely only on its size to succeed, we will improve the follow-through of each employee to increase corporate value.

We hope that our stakeholders continue to understand and support the NTN Group. Thank you.

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