

# CSR Promotion Structure

A revised “CSR Guidebook” was distributed in order to promote CSR activities

## The NTN Group’s Corporate Philosophy

### NTN’s Corporate Philosophy

**We shall contribute to an international society through creating new technologies and developing new products.**

(For New Technology Network)

1. Creation of original technologies
2. Offering the technologies for additional values and services that are suitable for each customer and end user.
3. Improvement of employees’ standard of living, distribution of fair returns to stockholders, and contribution to society based on the steady growth of our business.
4. Promotion of globalization, and formation of management systems / corporate organization which are essential for NTN, as an international leading company.

### NTN’s “Environmental Policy” was added to “NTN’s Basic Policies”

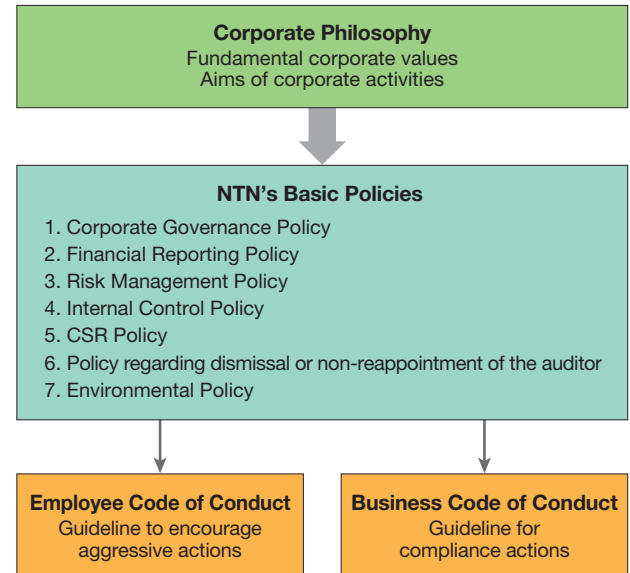
We established “NTN’s Basic Policies” as our management policies for practicing our Corporate Philosophy.

In March 2009, we added the “Environmental Policy.” The entire NTN Group committed to actively preserving the global environment and to fully informing all directors and employees.

### Informing everyone of our “CSR Policy” using our “CSR Guidebook” and “Response Card”

In June 2006, we established a “CSR Policy.” With the aim of continuing to be a corporation that is trusted by society, we

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summarized NTN’s approach and the main points of our wide range of activities into eight items to declare how we fulfill our responsibilities to stakeholders.

At the same time, we established an “Employee Code of Conduct” that encourages employees, managers, and supervisors to be proactive. We also revised the “Business Code of Conduct” that sets out how directors and employees should conduct themselves. We distributed a “CSR Guidebook” and “Response Card” that describes policies such as our Business Code of Conduct in easy-to-understand terms to further incorporate CSR activities into our day-to-day business.

### CSR Policy

1. Legal compliance/Policy for activities: We shall comply with both the letter and the spirit of laws and regulations, and carry out our business activities in an open and honest manner.
2. Customers: We shall strive to develop new technologies and new products, as well as to provide safe and reliable products.
3. Business partners: We shall engage in fair and free competition, and at the same time establish excellent partnerships with our business partners.
4. Stockholders/Disclosure of information: We shall work to develop this corporation and increase stockholder return, while at the same time communicating broadly with society and actively disclosing information.
5. Employees: We shall value the individuality and diversity of our employees, work to create a safe and pleasant work place, and achieve comfort and prosperity.
6. The environment: With ample consideration to preserving the global environment and protecting the ecosystem, we shall work toward the creation of a sustainable, progressing society.
7. Society: We shall make every effort to interact meaningfully with society on a local level, and to engage in activities that contribute to society.
8. International activities: We shall, as a matter of course, obey all international rules as well as the laws of each country and each region that we operate in; we shall also respect local cultures and practices and contribute to local development.

### Employee Code of Conduct

1. We respect social ethics and act as good members of society.
2. We have noble ambitions and always make efforts to brainstorm and achieve the set target.
3. We accept changes, have broad vision and act voluntarily.
4. We deepen mutual understanding and enhance the vitality of our work site.
5. Management and supervisors in particular, as faces of the corporation, improve their qualifications, make efforts to develop individuals, always take care of safety and show leadership.

### Business Code of Conduct

1. Compliance with laws and norms
2. Pursuit of quality and safety
3. Compliance with the Anti-Trust Law
4. Fair trade with suppliers
5. Honoring agreements
6. Refusal to engage in improper conduct with business partners
7. Proper labeling and specification
8. Respect for intellectual property rights
9. Proper control of confidential information
10. Ensuring security by strengthening export controls
11. Compliance with industrial laws
12. Compliance with corporate accounting principles
13. Compliance with international rules
14. Promotion of environmental preservation
15. Positive contribution to society
16. Compliance with labor-related laws and company work rules
17. Realization of a safe and positive work environment
18. Respect for human rights
19. Prohibition of sexual harassment
20. Proper control of information about individuals
21. Strict distinction between public and private matters
22. Confronting harmful social forces
23. Proper utilization of our information system
24. Prohibition of insider trading
25. Self-restraint regarding entertainment and gifts
26. Lawful donations/political donations

## CSR promotion structure

### Meetings to explain the revised “CSR Guidebook” to our managers

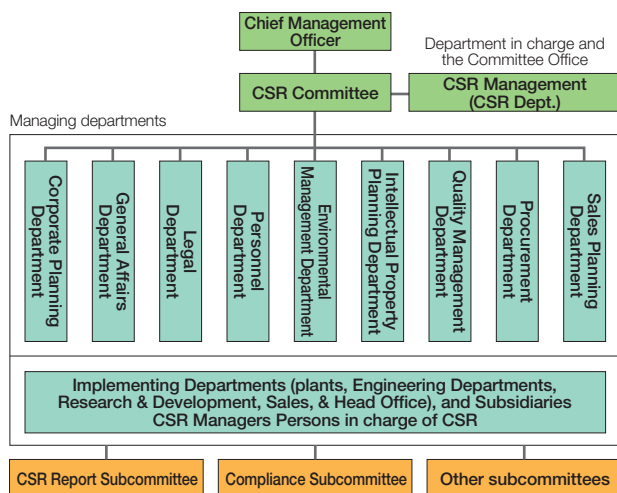
Our CSR Committee spearheads CSR activities and is made up of the director responsible for the CSR Dept. and CSR managers from each operating site in each group company in Japan.

In fiscal 2008, in order to strengthen compliance, we reviewed the applicable laws, regulations, and case studies and revised the “CSR Guidebook.” We distributed the revised Guidebook to all directors and employees in the NTN Group in Japan (about 11,000 persons including those working overseas). In addition, we held meetings on the subject for our managers and 689 people attended these meetings.



“CSR Guidebook”

### CSR Promotion Structure



## Corporate governance

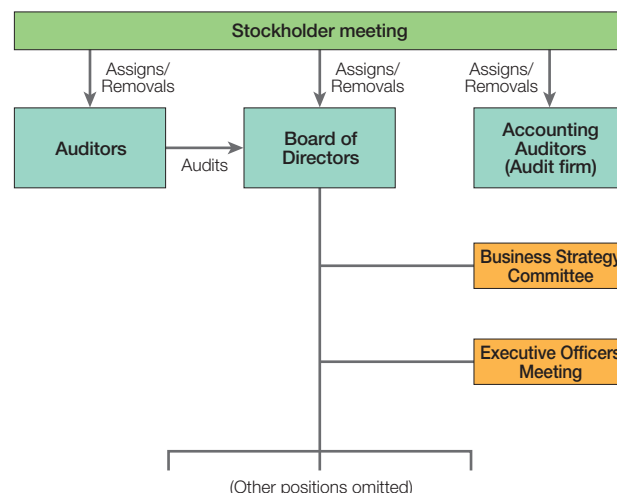
### Spearheading the creation of a more transparent management system

Strengthening corporate governance and making it comprehensive is one of our most important issues. We are working to create an efficient management system with a high degree of transparency.

We employ an auditor system; independence and objectivity of the corporate auditors are assured by employing three outside auditors (of the four auditors on the audit team (Standing: 2, Part-time: 2)). Directors meetings are held to make decisions on important items and to direct the execution of business in the company. In 2004, we put in a system of executive officers so that decisions can be made and executed more rapidly.

To strengthen our organizational structure, in April 2008, responsibility for internal audits and operating the internal control system was transferred from the CSR Dept. to the newly created Internal Audit Dept.

### Corporate Governance Structure



## Introduction of measures to prevent hostile takeovers

If there is a large-scale acquisition of NTN shares, we believe that how to respond to such an action should be decided by the shareholders. This judgment should be based not just on information from the parties attempting the acquisition, but also on the evaluation and opinion of our company. We also believe that a considerable review period is essential. Our company believes that if such acquisition is harmful to corporate value or to the interests of shareholders, it is necessary to negotiate with the parties making the large-scale purchase and take any necessary countermeasures.

Based on this approach, a “Policy for responding to a large-scale

acquisition of NTN shares” (Measures to prevent a hostile takeover) was adopted by the Board of Directors on February 5, 2008. The annual shareholder meeting was held on June 27 of the same year, where this policy was approved. The objectives of this policy are to ensure that our shareholders are given enough information and to ensure that there is sufficient time and opportunity for good faith negotiations to secure and improve corporate value and shareholder profit.

These measures are valid for 3 years, but shareholders may cancel them at a shareholder meeting with immediate effect so that the wishes of our shareholders are always reflected.