
Corporate Philosophy

Our contribution to the global community lies in our creation of new technologies and development of new products.

The directors and employees of NTN Group companies strictly adhere to rules of conduct and strive to be consistently fair and responsible in their business activities. Through these actions, NTN seeks to fulfill the NTN Group's responsibility to its shareholders, customers, local communities, and other stakeholders.

Profile

- NTN, a precision equipment manufacturer, ranks fifth in the world in bearing sales. Since its establishment in 1918, the Company has supplied many industries with products and technologies that have been essential to their development.
- NTN has also achieved notable growth in fields other than bearings. It holds the No. 2 global market share of constant-velocity joints (CVJs)—a key component for automobile drive-trains. In 2003, the Company celebrated the 40th anniversary of CVJ business with cumulative production surpassing 300 million units.
- NTN is a global organization, with more than one third of its approximately 12 thousand employees working overseas. Since 1961, NTN has been building a quint-lateral sales and production network encompassing Japan, the Americas, Europe, Asia, and China. In the fiscal year ended March 2003, overseas sales generated more than 50% of consolidated net sales for the first time.
- NTN is aggressively developing business in China, which is achieving notable economic growth. The Company already has four production bases, and is delivering on orders for bearings and CVJs. NTN proceeded with strengthening management of its operations in China in April 2004 by establishing a China Headquarters.
- Results have been steadily encouraging from the Company's structural reform plan, NTN Evolution for Worldwide Plan 21 (NEW Plan 21), under which the Company focused its full efforts on building a business entity independent of business scale. NTN has, in general, reached the original cost competitiveness targets set under the plan.

Contents

- 1 • Financial Highlights
- 2 • To Our Shareholders
- 6 • Results of New Plan 21 activities
- 8 • Medium-Term Business Plan
"Rapid Advance 21"
- 12 • Review of Operations
 - Bearings
 - Constant-Velocity Joints
 - Precision Equipment
- 25 • NTN's Technological Assets
- 28 • Corporate Social Responsibility
- 31 • Financial Section
- 55 • NTN's Global Network
- 57 • Management
- 58 • Investor Information

- Based on the successes of our NEW Plan21, our long-term vision has several facets. First, we aim to establish a strong market presence capitalizing on our global No. 1 business and products that are unmatched by our competitors. Secondly, we will work to establish presence in the five major global markets, including Japan, the Americas, Europe, Asia and China. Thirdly, we will strive to become a global company that is capable of bringing out the best in people and that contributes to society. We started a new three-year business plan in April 2004. The plan, called "Rapid Advance 21," involves several different policies that emphasize "Value Creation."

Notice: This annual report contains forecasts and projections regarding NTN's future plans, strategies, and business results. Please note that actual business results may vary from the projections made herein by the Company.