

# Environmental Protection Initiatives

## Environmental Management Structure

In 1993, NTN established environmental committees in every division—from our Head Office, to technical, manufacturing, sales, and distribution divisions—and commenced environmental activities on a Companywide scale. In 1998, these committees were reorganized as environmental management committees and on-site environmental management committees were created in the Manufacturing and Sales & Administration divisions. With the additional participation of affiliated companies in Japan, this established an environmental management structure for the entire domestic Group. In the Manufacturing Division, pollution prevention, conservation of energy and resources, and environmentally harmful substances are monitored. In the Sales & Administration Division, the monitored areas are the distribution environment and office environment. Divisions set targets in each area and undertake activities to achieve these targets.

## Environmental Management System

**NTN aims to complete ISO 14001 certification at all operating bases in Japan and overseas by the fiscal year ending March 31, 2011**

In order to build an integrated environmental management system at all of our domestic offices and plants by fiscal 2010, the NTN Group is pushing forward with multi-site ISO 14001 certification. We are establishing a structure that will allow offices and plants that have yet to receive certification, including new sites, to be admitted to multi-site certification.

In fiscal 2007, NTN Fukuroi Corporation (Fukuroi City, Shizuoka Prefecture) and NTN Kinan Corporation (Nishimuro-gun, Wakayama Prefecture) were added to our multi-site certification. NTN Kamiina Corporation (Kamiina-gun, Nagano Prefecture) and NTN Bizen Corporation (Akaiwa City, Okayama Prefecture / Nishiwaki City, Hyogo Prefecture), which are as yet uncertified, obtained simplified environmental certification, including Eco Stage, in order to establish a basis for addition to multi-site certification. In our overseas operations, meanwhile, NTN-Nidec (Thailand) Co., Ltd. has now obtained ISO 14001 certification. As of March 31, 2008, 17 out of our 19 plants and offices in Japan have obtained ISO 14001 certification, of which 16 have been admitted to multi-site certification.

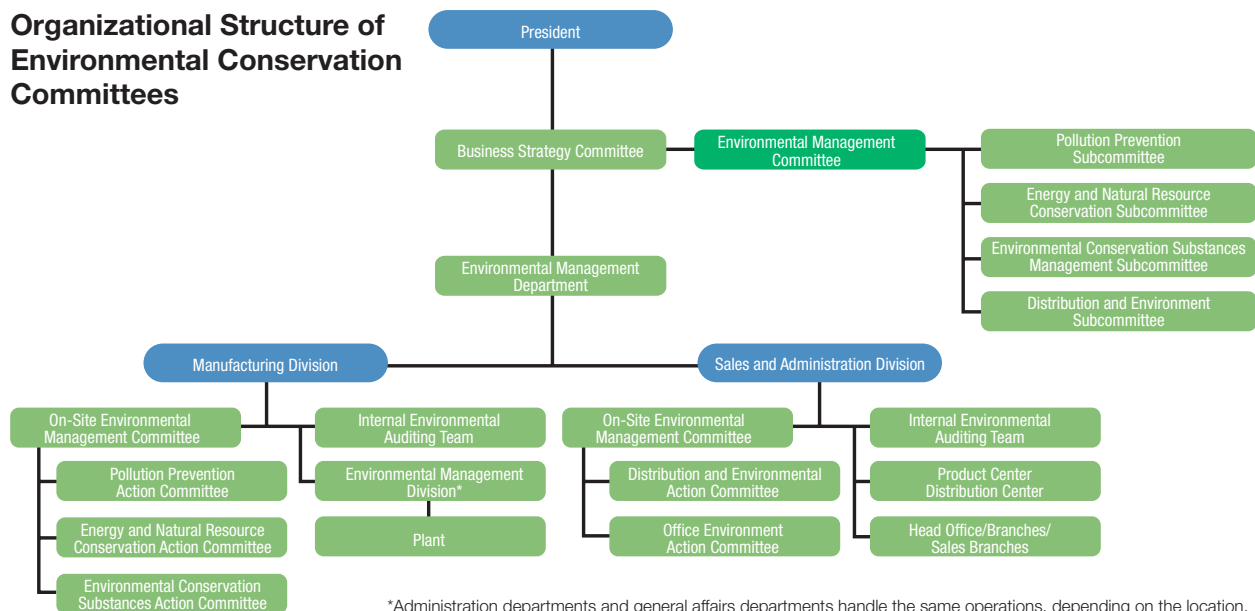
## Environmental Protection Structure Initiatives

### Internal training seminars to foster environmental awareness

The NTN Group implements comprehensive environmental training both by division and by employee level.

In fiscal 2007, a number of presentations were held to promote green procurement. We also implemented internal employee training aimed at eliminating environmentally harmful substances from our products. In addition, environmental journalist Junko Eda held a seminar aimed primarily at Head Office management on the topic “global environmental issues and corporate social responsibility.” The seminar was filmed to allow employees at our other locations the opportunity to view it as well.

## Organizational Structure of Environmental Conservation Committees

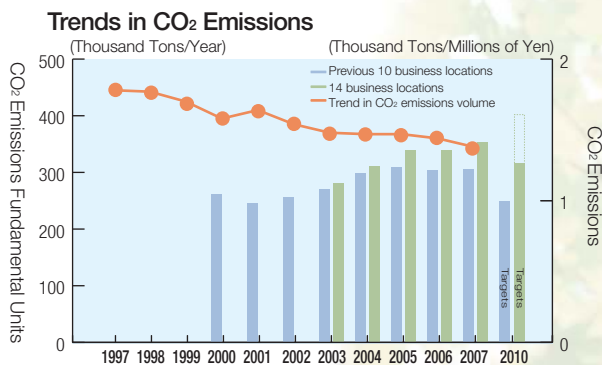


## Reducing CO<sub>2</sub> Emissions

In fiscal 2007, our plants and offices in Japan achieved a 22.0% reduction in CO<sub>2</sub> emissions compared to fiscal 1997 for a total emission volume of 240,000 tons (calculated based on a CO<sub>2</sub> emission coefficient of 0.381 kg/kWh for electric power), thanks to energy conservation initiatives targeting a 22% reduction in CO<sub>2</sub> and total emissions of 261,000 tons or less. Using the electric power companies' fiscal 2006 emission coefficient, the total emission volume, including four new sites admitted to the multi-site ISO 14001 certification since 2003, amounted to 353,000 tons. The NTN Group has been reducing CO<sub>2</sub> emissions based on a goal of 25% reduction in CO<sub>2</sub> basic unit emission volume between fiscal 1997 and fiscal 2010, far more ambitious than the 13% reduction targeted by NTN's industry sector in Japan. However, in light of the current global warming crisis, and in order to set an even more realistic target, we have now established an overall target that calls for total CO<sub>2</sub> emissions of less than 317,000 tons\* by 2010, including new sites. With rising global awareness of the need for energy conservation and growth in demand for bearings that can help to save energy, this target should stem total emissions even as the NTN Group's bearing production volume and CO<sub>2</sub> emissions increase year on year.

At our overseas operating bases, meanwhile, there was substantial progress in basic unit reduction in operating bases in the North America region, with a basic unit reduction of 7.3% achieved versus a target of 1% reduction over fiscal 2006. We are now strengthening initiatives aimed at further CO<sub>2</sub> reductions in order to meet our fiscal 2010 target.

\* Calculated based on electric power companies' 2010 target emission coefficient.



Note: Excluding new affiliates established since fiscal 2003.

(Calculated based on CO<sub>2</sub> emissions factors for each electric power company)

\* Projected emissions volume if measures not taken

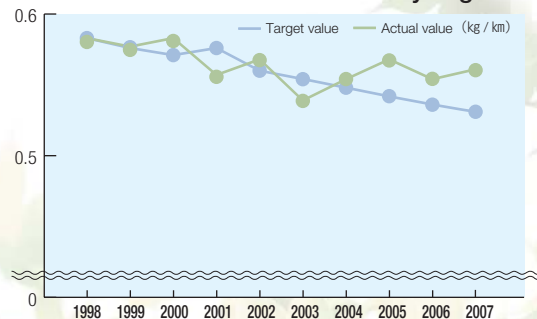
(CO<sub>2</sub> emissions factors are uniformly calculated at 0.381 kg/kWh)

## CO<sub>2</sub> Reduction through a Modal Shift in Distribution

Ninety-nine percent of the NTN Group's products are transported by truck, in all cases contracted out to external transportation companies. The annual transportation volume is 90 million ton-kilometers, which corresponds to the category of

"Specified Freight Carrier" (large shippers transporting at least 30 million ton-kilometers per year) under the Act on the Rational Use of Energy. Therefore, a 1% average annual reduction in CO<sub>2</sub> emission volume units is needed over the medium-to-long term. Since 1998, the NTN Group has targeted a 12% reduction in the CO<sub>2</sub> emission volume base units between fiscal 1998 and fiscal 2010 in order to address the environmental impact of distribution, and we continue to encourage transportation companies to raise their awareness of eco-friendly driving and switch to low-pollution vehicles. At the same time, we are seeking to effect a modal shift away from trucking to rail and sea transportation, which has a lower environmental impact. In fiscal 2007, we switched from trucks to rail transport on the long-haul Kanto-Hokkaido route, and we have embarked on initiatives to use ferries for large-volume transportation of heavy items.

Trend in CO<sub>2</sub> Emissions Generated by Logistics



## Reducing Household CO<sub>2</sub> Emissions with Environmental Account Books

The NTN Group estimates that our employees generate 70,000 tons of CO<sub>2</sub> annually in their homes (see note below). We have launched an initiative aimed at reducing these emissions.

Specifically, we have issued all of our 12,000 employees (including temporary staff) an "NTN Environmental Household Account Book" in which to record their monthly usage of electricity, gas and other utilities. The aim is to raise awareness of energy conservation in the home and reduce CO<sub>2</sub> emissions. We are encouraging employees to keep records every month on a voluntary basis. We are aiming to establish this practice and expand the implementation rate so that it becomes an ongoing activity. We are also distributing the account book to interested distributors and business partners in order to extend the chain of activity outside of the Group.

Note: 5-6 tons of CO<sub>2</sub> per household per year × 12,000 households = 70,000 tons/year



NTN Environmental Household Account Book