

NTN is promoting the creation of mechanisms that enhance management transparency.

Basic Approach to Corporate Governance

Reinforcing and enhancing corporate governance is one of our top priorities. In addition to providing shareholders and investors with the most accurate information in a timely manner, we work to ensure greater management transparency through sound and efficient management practices.

Improving Our Corporate Governance Structure

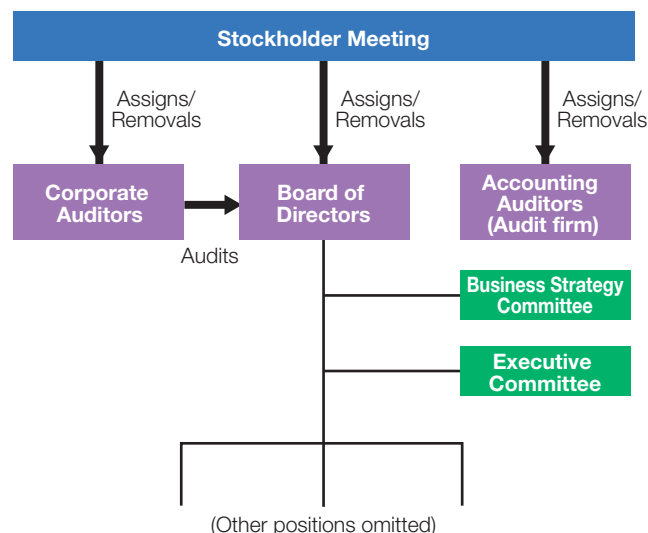
NTN employs a corporate auditor-based governance system. To reinforce its corporate governance organization, the Company is strengthening its Board of Directors and, through its corporate auditors, its management oversight organization.

Internal Control System Placement and Operation

NTN Corporation has put in place and operates internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Setting of the Standards and Practice Standards for Management Assessments and Audits Concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council in 2007. An assessment of internal control over financial reporting was conducted with

March 31, 2010, the end of the fiscal year under review, as the reference date and conformed to the assessment standards for internal control generally accepted in Japan.

Corporate Governance Structure



Board of Directors:

The role of the Board of Directors is to make decisions relating to fundamental business policies, statutory matters and important management issues, and to supervise the performance of duties by its members. The board holds regular meetings at least once per month, with extraordinary meetings also convened at any time when necessary.

Business Strategy Committee:

The Business Strategy Committee discusses fundamental business policies and important management strategies, with meetings held twice per month.

Executive Committee:

NTN introduced the Executive Officer System in fiscal 2004 to enable swift decision-making and business execution. Reviews of monthly performance are conducted by the Executive Committee, comprising Directors and Executive Officers.

Corporate Auditors:

NTN has four corporate auditors, two of whom are standing auditors (with three of the four being outside auditors). The auditors are responsible for auditing the performance of duties by members of the board. Auditors attend board meetings and express their opinions as part of their efforts to maintain and improve the transparency and fairness of the Company’s management supervision system. The system is structured to enable standing auditors to participate and express their opinions during meetings of the Business Strategy and Executive committees. The corporate auditors also strive to increase the efficiency of the overall auditing process, meeting regularly to coordinate their own corporate audits, independent public auditing firm audits, and internal audits. There are no special business relationships or interests between the outside auditors and NTN.

Internal Audit Department:

The Internal Audit Department is responsible for internal audits, and has been established as an independent auditing organization to audit business execution throughout the Company.

Purpose of Takeover Defense Measures

At a board meeting in 2008, the Board of Directors resolved to introduce the Policy toward Large-scale Purchases of the Company’s Shares (the advance-warning type takeover defense measures). This resolution was later approved at the General Meeting held the same year. The purpose of this Policy is to preserve and enhance the corporate value and

the interests of shareholders. To this end, the Policy works to ensure that the shareholders could receive sufficient information regarding the proposed purchase, and that adequate period is secured for opportunities to sincerely negotiate the matter in good faith.