

Building a group-wide environmental management structure to reduce environmental impact

Environmental Policy

Formulation of Environmental Policy and promoting activities across the Group

The NTN group, in working to reduce its environmental impact and contribute to the sustainable development of society, has formulated a group-wide “Environmental Policy.”

To enact this policy, we established the Company-wide Environmental Management Committee, which includes group companies in Japan. The committee has set environmental targets for the entire company and for individual operating sites for reducing CO₂ and waste. Also, the Energy and Natural Resources Conservation Action Committee at our Manufacturing Division and the Office Environmental Action Committee at our Head Office and Sales Department have been established to enhance our environmental management structure.

Environmental Policy

Harmony with the global environment is our most important issue and we will continuously strive to contribute to the harmonious development of society and work to reduce the impact of our corporate activities on the environment.

1. Development and sales of environmentally-friendly products

- NTN will contribute to world-wide energy conservation by developing and providing eco-products using tribological technologies and high precision processing technologies.

2. Reduction of environmental impact

- NTN will work to prevent global warming by improving energy efficiency activities throughout the business process, from procurement of materials and parts, through to manufacture, distribution and sales.
- NTN will strive to reduce waste by paying heed to efficient use of raw materials, and thorough application of the 3Rs (reduce, reuse, recycle).
- NTN will avert environmental pollution by rigorous management of substances having an environmental impact that are used in products or processes, and by active substitution of chemical substances suspected of having harmful effects.

3. Observance of laws and regulations and implementation of thorough environmental management systems

- In addition to observing laws, regulations and ordinances, NTN will actively seek to comply with requests from regional communities and customers by imposing tighter self-determined standards and internal rules, and keeping to them.
- NTN will establish an environmental management organization and operational methods, and will conduct environmental audits to maintain and improve corporate environmental management systems. We will also advance communication with society at large by publishing information about our environmental initiatives.
- NTN will conduct environmental education. NTN will promote improved awareness of this Environmental Policy and environmental protection to all persons working on behalf of the NTN group.

4. Activities to contribute to society and protect the natural environment

- By actively participating in regional social contribution activities and natural environmental protection activities, NTN will interact with the immediate community, aiming to develop together with the local region.

March 1, 2009
Person responsible for
company-wide environmental controlling
NTN Corporation

Environmental Management System

Aiming to develop a comprehensive environmental management system

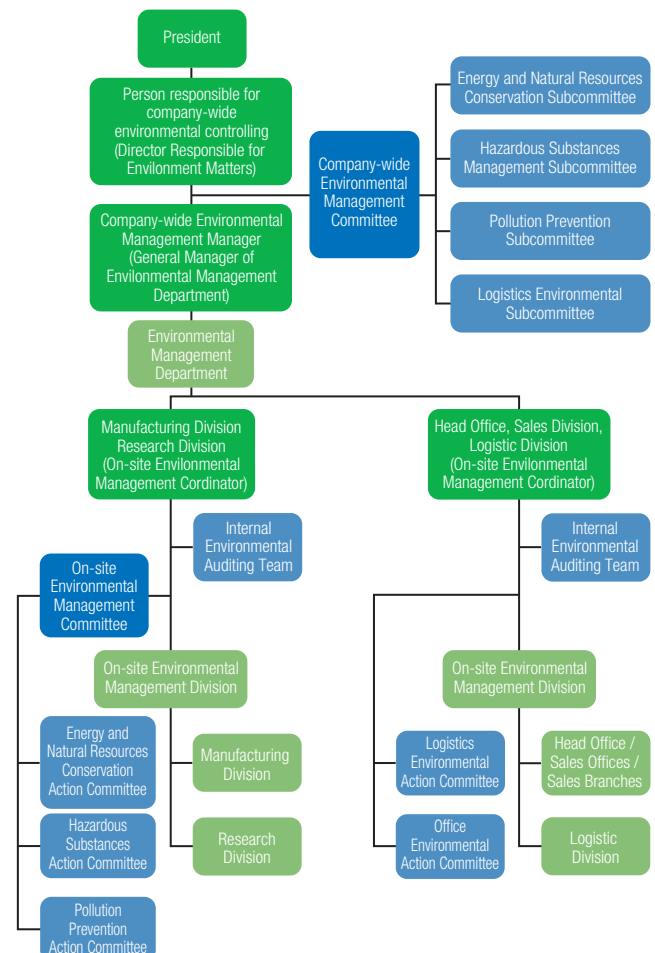
In a bid to enhance its environmental management structure, the NTN group is adopting a comprehensive environmental management system applicable to the entire group. Specifically, the NTN group has obtained a multi-site* ISO 14001 certification for some operating sites and is preparing its other sites to join the multi-site certification.

16 out of 21 operating sites in Japan have obtained ISO 14001 certification and 15 of those are in the multi-site certification. A total of 14 out of 15 overseas operating sites have also obtained ISO 14001 certification.

In fiscal 2010, NTN Kamiina Corp., NTN Bizen Corp., and Elemental Technology R&D Center also began taking part in multi-site certification, as the NTN group made progress in developing this system.

*Multi-site certification: Certification obtained for multiple sites operating under a single system.

Environmental Management Structure



Performing Environmental Audits

Multifaceted approach to environmental audits that includes external audits

The NTN group not only obtains ISO 14001 certification, but also emphasizes the audit of actions it takes to this end. For this reason, the group is developing a multifaceted structure for environmental audits that, in addition to external audits, includes “internal audits” and “cross-audits,” which are done between operating sites.

In fiscal 2009, internal audits were performed at all operating sites, with cross-audits conducted between eight sites. Cross-audits in particular can lead to improved environmental management, since these audits provide opportunities for mutual learning of best practices, not simply detection of observable issues.

For external audits, the NTN group receives periodic, ongoing audits from Japanese Standards Association. Audit results showed four observations, including issues pertaining to document management. However, the group was able to maintain its environmental management registration since all corrective measures put forth were deemed effective for preventing any recurrence.



ISO 14001 Ongoing audit

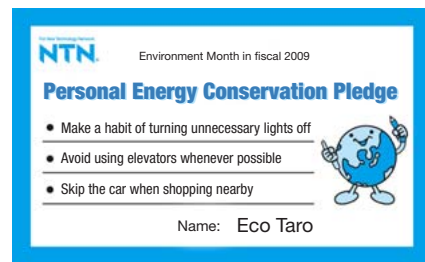
Continued Enactment of Environmental Education

Environmental education for employees to raise environmental awareness

In an effort to increase environmental awareness, the NTN group puts management, new managers, and new employees through the necessary environmental education programs.

During Environment Month in June of fiscal 2009, all employees were given a “personal energy conservation pledge card” to fill out and carry at all times. The NTN group also instituted “Car Free Day” from being driven to work one day a week.

On the other hand, since households generate some 15% of Japan’s carbon emissions, reducing levels of CO₂ emitted not only by industry but from the household is another important task. For this reason, in fiscal 2007, the NTN group started distributing “Household Eco-Account Books” to employees to make households more aware of the importance of reducing energy consumption. In fiscal 2009, approximately 2,500 households participated.



Energy conservation pledge card

Operating sites with ISO 14001 certification

Region	Operating site		Date of certification		Registration	
	Company	Plant	Year	Month	Registration No.	Registration body
Japan	Multi-site certification		1999	11	JSAE176	JSA
	(Operating sites included) Head Office, Kuwana Works, Iwata Works, Okayama Works, Nagano Works, NTN Kongo Corp., NTN Mikumo Corp., NTN Engineering Plastics Corp., NTN Powder Metal Corp., Hikari Seiki Industry Co., Ltd., NTN Casting Corp., NTN Omaezaki Corp., NTN Mie Corp., NTN Fukuroi Corp., NTN Kinan Corp.					
	NTN Tado Corp.		2005	3	JSAE1058	JSA
U.S.A.	AMERICAN NTN BEARING MFG. CORP.	Elgin Plant	2000	6	111994	LRQA
		Schiller Park Plant	2000	9	112115	LRQA
	NTN-BOWER CORP.	Macomb Plant	2000	6	111998	LRQA
		Hamilton Plant	2000	6	111999	LRQA
NTN DRIVESHAFT, INC.		1999	12	A8478	UL	

Region	Operating site		Date of certification		Registration	
	Company		Year	Month	Registration No.	Registration body
U.S.A.	NTN USA CORP. Head Office		2000	4	0112005	LRQA
	NTK PRECISION AXLE CORP.		2008	4	4000717	LRQA
Canada	NTN BEARING CORP. OF CANADA LTD.		1999	7	287	KPMG
Germany	NTN Kugellagerfabrik (Deutschland) G.m.b.H.		1999	6	201167-2	LRQA
	NTN TRANSMISSIONS EUROPE			2003	1	19479
France	SNR ROULEMENTS*		2009	1	0448-4	UTAC
	NTN MANUFACTURING (THAILAND) CO., LTD.		2003	3	31634	TÜV
Thailand	Guangzhou NTN-Yulon Drivetrain co., Ltd.		2005	4	104043247	TÜV
	Shanghai NTN Corp.		2005	7	CH05/0489	SGS

*Multi-site certification

Operating sites expected to be ISO 14001 certified

Region	Operating site	Expected year/month of certification	
		Year	Month
Japan	NTN Kamiina Corp.	2010	11
	NTN Bizen Corp.	2010	11
	Elemental Technology R&D Center	2010	11

Region	Operating site	Expected year/month of certification	
		Year	Month
Japan	NTN Hakui Corp.	2011	11
	NTN Houdatsushimizu Corp.	2011	11
India	NTN NEI Manufacturing India Private LTD.	2010	12

Environmental Policy and Management Structure

Environmental Accounting

Contraction in environmental preservation costs from the recession

The NTN group has introduced environmental accounting as a quantitative tool for evaluating environmental preservation measures by group companies and other entities.

Due to the economic recession, in fiscal 2009 we invested 761 million yen in environment-related equipment, and spent 2,001 million yen in related costs. Both figures were less than the respective 1,035 million yen and 2,900 million yen recorded in fiscal 2008. The economic benefit was 484 million yen, a decline of 419 million yen from a year earlier. Moreover, the NTN group posted recycling-related costs associated with PCB* equipment.

In terms of our environmental impact, lower production volume led to reduced CO₂ emissions and reduced waste, resulting in an improved recycle rate. The amount of paper and styrofoam that we purchased also declined.

*PCB (Polychlorinated Biphenyl): An insulating oil once frequently used in transformers, capacitors and other electrical equipment due to its superior insulating and incombustible properties. Later revealed to be highly toxic, production of PCB was halted in Japan in 1972.

two teachers from Fukuroi Junior High School in Shizuoka Prefecture, who toured the facility to observe its environmental management activities as part of a hands-on social welfare and environmental learning program. During the tour, the visitors learned how NTN group products are inherently eco-conscious, and gained an appreciation for how wastewater treatment plants deal with polluted water and how trash is separated at waste storage facilities. Through real-world environmental learning opportunities of this kind, we intend to promote more environmental activities in partnership with communities in the future.

NTN Casting Corp. holds a meeting every year to strengthen ties with local residents. In fiscal 2009, the meeting for the first time included a plant tour, and featured an explanation of the company's annual environmental plan, as well as opportunities for input from members of the community. Any opinions and requests received from residents are then reflected in future environmental improvement activities.



Hands-on environmental learning program at the Iwata Works

Environmental Communication

Support for hands-on environmental learning programs for local teens

Each operating site works to enhance interaction with local residents, with the environment as a major theme.

The Iwata Works was visited by 29 third-year students and

Environmental Preservation Costs

At operating site in Japan
(Millions of yen/year)

Classification	Equipment Investment		Costs		
	Amount	Details	Amount	Details	
Work areas internal costs	Pollution prevention costs	0	Environmental equipment (dust collectors, particulate smoke removal devices, and wastewater treatment equipment)	100	Inspection and management of environmental equipment (dust collectors and wastewater treatment equipment)
	Expenses to preserve the global environment	124	Energy-conserving equipment (compressors, lighting, air conditioning, etc.)	172	Costs of switching to energy-saving equipment, from halon fire extinguishers to CO ₂ extinguishers, etc.
	Resource recycling expenses	0.01		420	Cost of waste recycling/processing of PCB equipment, cost of processing regular and industrial waste
Upstream / downstream costs	0		0.8	Analysis related to green procurement	
Costs of management activities	0		298	Labor costs related to the EMS and information disclosure (advertising and CSR reports) and the greening and beautification of company grounds	
R&D costs	637	R&D equipment related to environmental preservation	905	R&D costs related to environmental preservation	
Costs of social activities	0		16	Greening and beautification outside the company	
Environmental remediation expenses	0		89	Cost of soil sampling	
Total	761		2,001		Grand total
(For reference) Total from last fiscal year	1,035		2,900		2,762
					3,935

Impact on environmental preservation

Indicator	Result for Fiscal 2009	Result for Fiscal 2008
Total CO ₂ emissions	250,000 tons	310,000 tons
Reduction of waste	Recycle rate 99.9%	99.6%
Reduction in paper purchases	Compared to fiscal 1998 (46.8%)	(43.4%)
Reduction in styrofoam purchases	Compared to fiscal 1999 (98.7%)	(90.1%)

Financial effect of environmental preservation activities

(Millions of yen/year)

Item	Amount	Details
Profit from recycling saleable materials	228	Profit from saleable materials such as metallic sludge
Reduced costs from energy conservation	129	Reduced costs from energy conservation (air conditioning and illumination)
Reduced waste treatment costs through resource conservation and recycling	128	Benefit of installing grinding swarf briquetting machine
Total	484	
(For reference) Total from last fiscal year	903	