

Message from the President



Environmental problems have become increasingly serious on a global level such as global warming, increased pollution, and the depletion of resources. We must move beyond the framework of country, company and region and ask ourselves "what should we do to solve environmental problems?" and take action accordingly.

The bearings and constant velocity joints that the NTN Group provides are essentially "eco-friendly products" in that they reduce energy loss and improve efficiency and we are actively promoting the development of environmentally responsive products -- striving for compact size, low torque, high efficiency and longer life. Additionally, for future environmental conservation, we are actively introducing wind and solar power generation systems with the understanding that the utilization of natural energy is the key to conservation. Using our original technology, we are developing and commercializing "high performance bearings for wind power generators."

With regards to the main items we set up the previous fiscal year (such as global warming prevention and the reduction of waste materials), we have met our environmental targets. For CO₂ emission, at present, we have met the reduction targets of trade organizations (The Japan Bearing Industrial Association cooperating with the Japan Business Federation) and NTN's voluntary reduction targets. However with the issuance of the Kyoto Protocol this February, further voluntary efforts are anticipated and we will set still higher targets for fiscal 2010 and work to reduce CO₂ emission.

We at NTN are working to expand our environmental management from domestic to overseas and to include our suppliers. With regards to ISO14001, NTN Omaezaki Works (domestic), NTN-NIDEC (ZHEJIANG) CORP (China), and GUANGZHOU NTN-YULON DRIVETRAIN CO., LTD (China) have been newly added giving us a total of 13 domestic operating sites and 12 overseas operating sites with the certification. This fiscal year we aim to achieve the ISO certification at one domestic site and one overseas site that recently started operations. Additionally, we have requested of environmental certification from all our major suppliers and are working to expand this circle of environmental management. We support the certification process for suppliers with smaller operations and in order to reduce the expense of these processes, NTN has suggested a simpler certification level, "Eco Stage Introductory Level," to be accepted at the examining authority and we hope this will lead to an expansion in the acquisition of the certification.

The NTN Group has begun efforts with our midterm management plan "Rapid Advance 21" and through the "Monozukuri movement" we have promoted the efficient use of all production resources such as human resources, raw materials, and energy. At the NTN Mie Works, opened the previous fiscal year as a model Monozukuri plant, we worked to make the production facilities more compact and utilize natural energy and strove to reduce the environmental impact.

We have compiled these efforts into the "Environmental Action Report 2005." We have incorporated the opinions and suggestions of our past readers and tried to make the layout easier to understand. We hope that you will take the time to review this report. We invite our investors, stockholders, and suppliers and customers to submit their candid opinions and suggestions so that we can refine our environmental conservation activities.

Yasunobu Suzuki

President
NTN corporation