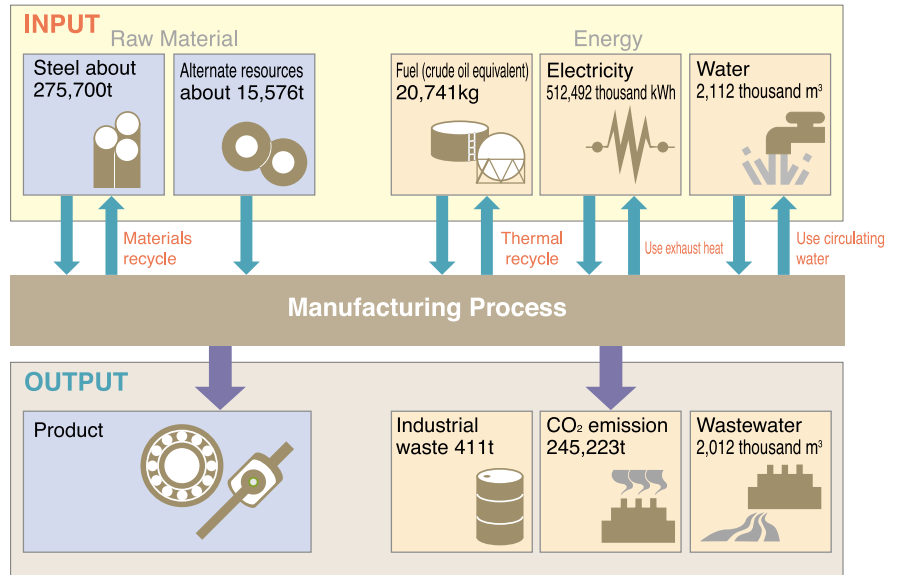


Business Activities and Environmental Hazard/ Environmental Accounting

Business Activities and Environmental Hazard

● INPUT and OUTPUT in Manufacturing

For fiscal 2004, the production amount (INPUT) for NTN as a whole increased 12% in relation to the previous year. However, as a result of energy conservation measures and efforts towards zero emission, we were able to keep CO₂ emission (OUTPUT) down to a 9% increase.



Environmental Accounting

● Increased economic effect through environmental accounting

In NTN's environmental accounting for fiscal 2004, the total cost for

environmental equipment and environmental preservation was ¥4,376 million. The financial effect of environmental preservation activities exceeded that of the previous year at ¥356 million.

■ Environmental preservation costs

Unit: million yen / year

Classification of Environmental Preservation Costs		Environmental Equipment Investment	Environmental Preservation Costs
1) Cost of in-factory facilities (Environmental preservation cost for inhibiting environmental hazards caused by business activities)	Pollution prevention costs	46	138
	Global environmental preservation expenses	207	144
	Resource recycling expenses	41	507
2) Upstream/downstream expenses (Environmental preservation cost for inhibiting environmental hazard caused upstream and downstream from the business activities)		0	11
3) Management activity expenses (Environmental preservation cost for management activities)		0	217
4) R&D expenses (Environmental preservation cost for R&D)		681	2,315
5) Social activity expenses (Environmental preservation cost for social activities)		0	24
6) Environmental remediation expenses (Cost for environmental remediation)		0	45
Grand total		975	3,401
(Reference) Grand total for previous year		2,086	3,482

■ Impact of environmental preservation

Indicator	Result (for fiscal 2004)
CO ₂ emission rate	18% reduction relative to fiscal 1997
Reduction of waste	Recycle rate 99%
Reduction in cardboard box purchase factor	19% reduction relative to fiscal 1998

■ Financial effect of environmental preservation activities

Unit: million yen / year

Items	Amount
Cost reductions through resource conservation	71
Cost reductions through energy conservation	149
Cost reductions of waste treatment through the recycling	136
Grand total	356
(Reference) Grand total for previous year	320