

Philosophy and Structure

A corporation must first and foremost realize that it is a social entity. NTN's CSR activities start with the question "How can we contribute to society?" In addition, we use NTN's corporate philosophy (which summarizes the ideal state of NTN) to provide perspective, while we are working to put CSR into practice at the entire NTN Group as adapted to local customs and laws.

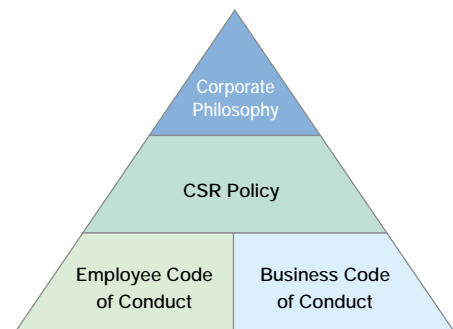
Corporate Philosophy

We shall contribute to international society through creating new technologies and new products

For New Technology Network

- 1 Creation of original technologies
- 2 Offering the technologies for additional value and service that are suitable for each customer and end user
- 3 Improvement of employees' standard of living, distribution of fair returns to stockholders, and contribution to society based on the steady growth of our business
- 4 Promotion of globalization and formation of a corporate management system, which are essential for NTN as a leading international company

NTN's Conceptual Framework



CSR Policy

The "CSR Policy" was created to specify the social responsibilities of a corporation and put a plan into place to completely fulfill these responsibilities. Each employee of NTN takes part in these eight policies, and is putting CSR into practice every day in the workplaces.

Under the "CSR Policy", we have established an "Employee Code of Conduct" to prepare our employees, managers, and supervisors. The "Business Code of Conduct" has already been in place for some time and contains rules that all executives and employees are to follow, but the objective of the "Employee Code of Conduct" is to actively encourage positive thinking and actions from all employees, managers, and supervisors in the course of putting CSR into practice.

1. Legal compliance / Policy for activities	We shall comply with both the letter and the spirit of laws and regulations, and carry out our business activities in an open and honest manner.
2. Customers	We shall strive to develop new technologies and new products, as well as to provide safe and reliable products.
3. Business partners	We shall engage in fair and free competition, and at the same time establish excellent partnerships with our business partners.
4. Stockholders / Disclosure of information	We shall work to develop this corporation and increase stockholder return, while at the same time communicating broadly with society and actively disclosing information.
5. Employees	We shall value the individuality and diversity of our employees, work to create a safe and pleasant workplace, and achieve comfort and prosperity.
6. The environment	With ample consideration to preserving the global environment and protecting the ecosystem, we shall work toward the creation of a sustainable progressing society.
7. Society	We shall actively make every effort to interact meaningfully with society on a local level, and to engage in activities that contribute to society.
8. International activities	We shall, as a matter of course, obey all international rules as well as the laws of each country and each region that we operate in; we shall also respect local cultures and practices and contribute to local development.

CSR Promotion Structure

In April 2006, we established a CSR Department and started CSR activities in a fundamental way.

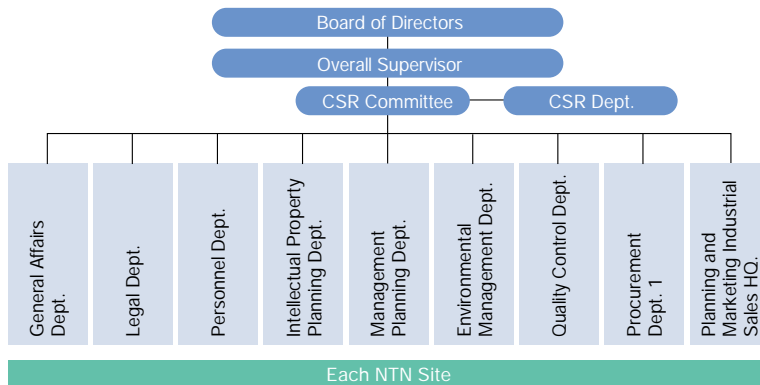
The CSR Department was established as a specialized department to oversee the NTN Group's CSR activities, working to strengthen and promote these efforts. The CSR Department established the "CSR Policy" and the "CSR Activity Management Regulations", which form the guidelines for NTN's CSR activities.

Also, we have established a CSR Committee made up of relevant departments, which is working to overhaul the corporate philosophy, to raise awareness, and to address issues related to CSR.

CSR activities can be defined as company-wide efforts by NTN Group companies to work as a corporation that is needed by society. By setting up a structure that vigorously promotes CSR activities, feedback from

stakeholders can be appropriately incorporated by each department and site into the next company-wide initiative, allowing us to become a corporation that is trusted by society.

CSR Promotion Structure



Corporate Governance

Our company regards the strengthening and enrichment of corporate governance as one of our most important issues. As we pursue greater efficiency and soundness in our management, we are also striving to increase management transparency by disclosing information swiftly and accurately. Our company does employ an auditing system, but to reinforce our corporate governance structure, we are strengthening the board of directors and, through our corporate auditors, our management oversight structure.

Board of Directors

The Board of Directors deliberates and makes decisions related to NTN's fundamental management policies and to laws and regulations, as well as to important management items; it also supervises the execution of business operations by our company officers. As a rule, the Board of Directors meets once a month, but meetings of the Board of Directors are carried out as required.

Business Strategy Committee and the Executive Officer Structure

The Business Strategy Committee deliberates on basic management policies and important policies rela-

ted to management. As a rule, the Business Strategy Committee meets twice a month. In addition, in June 2004, the Board of Directors was slimmed down and an executive officer structure was introduced so that decisions can be made swiftly and functions can be executed promptly.

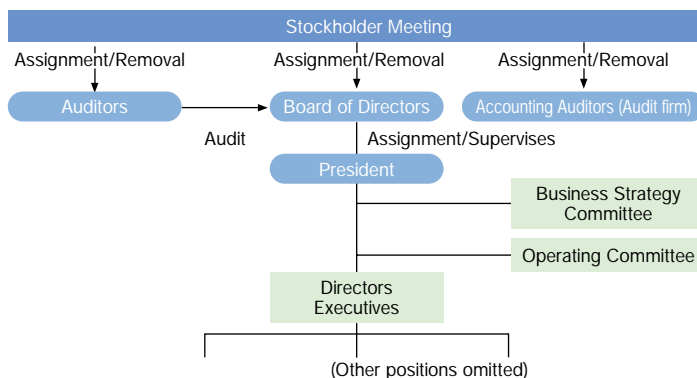
Auditors

NTN has four corporate auditors, two of whom are standing auditors, and three of the four auditors are outside auditors. The auditors audit the board's execution of business operations by attending board meetings and expressing their opinions and by working to maintain and im-

prove the transparency and fairness of the management structure.

Standing auditors also participate in the meetings of the Business Strategy and Operating Committees and the system ensures that they can express their opinions on matters before those committees. Furthermore, the corporate auditors work to increase the efficiency of the overall auditor process, meeting regularly and cooperating with others regarding their own audits, audits by independent public audit firms, and internal audits.

Corporate Governance Structure



Philosophy and Structure

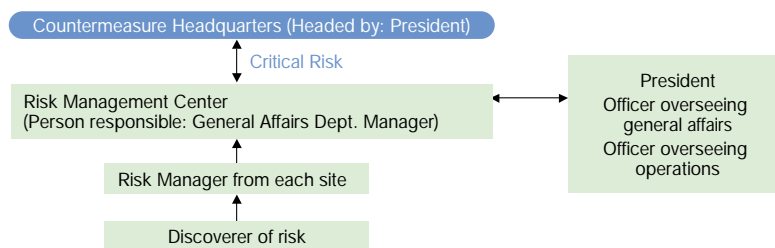
Risk Management

There are many risks in business, and it is important to minimize the effects when these risks materialize. Our company has prepared for the advent of various risks, and we have established an "Emergency Management Center" to deal with them appropriately.

This center identifies risks inherent in daily operation, checks the causes of these risks, and reviews and implements countermeasures for when these risks do materialize. If a critical incident, accident, or problem does occur that seriously affects business operations, this center comprehensively gathers and disseminates information, devises countermeasures, and issues instructions swiftly so that damage is minimized.

These activities ensure that the reliability of the NTN Group as a whole is maintained.

Risk Management Structure



For critical management risks, a Countermeasure Headquarters is established to address the risk. For anything else, the department that has jurisdiction addresses the risk. All information related to risk management goes through the Risk Management Center.

Compliance

Corporate Ethics Committee

With an increased concern regarding corporate social responsibilities, we have established an internal Corporate Ethics Committee to strengthen our compliance structure based on a corporate ethics (compliance) management standard established in May 2003.

In 2006, we distributed the "Revised Insider Trading Restrictions Q&A" published by the Tokyo Stock Exchange to our directors and management, and we are working to increase awareness of the relevant issues and to ensure total compliance. In accordance with the Whistleblower Protection Act, we have established internal and external reporting contacts, augmenting our compliance structure. In terms of export controls to protect security, we have finished creating an internal management structure. We are also strengthening our export controls by educating employees internally (focusing on the sales departments), as well as by implementing internal audits.



Business Code of Conduct

With respect to thorough compliance at NTN, we have established a "Business Code of Conduct" based on our corporate ethics (compliance) standard that shows the laws, regu-

lations, and ethical standards that everyone including top management and all employees should abide by; by carrying out internal employee education and distributing cards, we are working toward the thorough establishment of these practices.



Business Code of Conduct NTN Corporation

Help Line

When a director or employee observes actions that indicate the Business Code of Conduct is being contravened or if he/she has any suspicions that the Code is being contravened, he/she may contact the corporate ethics committee directly without going through regular management channels by contacting an internal or external "Help desk" we have set up. From April 1 of this year, it has become available for whistleblowers, too.

Business Code of Conduct

1. Compliance with laws and norms	We shall do our utmost to act with conscience as corporate employees and as socially responsible adults, by complying with the law, our internal rules, and the ethical norms of society.
2. Pursuit of quality and safety	We shall deliver products that ensure reliability and customer satisfaction by enhancing quality and safety.
3. Proper labeling and specification	We shall properly label and specify the contents of our products and services.
4. Compliance with the Anti-Monopoly Law	We shall not violate the Anti-Monopoly Law and we shall make only fair trades.
5. Fair trade with suppliers	We shall follow fair trade practices with our suppliers and comply with the Subcontract Laws.
6. Refusal to engage in improper conduct with business partners	We shall decline any invitation to engage in improper or illegal conduct with any business partner.
7. Ensuring security by strengthening export controls	We shall not export any freight or provide any technology that may threaten international peace and security.
8. Honoring agreements	We shall enter into and honor fair agreements with our business partners.
9. Respect for intellectual property rights	We shall recognize that intellectual property rights are precious managerial resources, and show respect for and not infringe upon others' intellectual property rights, while making efforts to create and keep our own intellectual property.
10. Proper control of confidential information	We shall place proper controls on our proprietary information and also on such confidential information as we have obtained lawfully from others, and we shall not allow leaks to occur or disclose such information to any party outside our company without the relevant party's consent.
11. Compliance with industrial laws	We shall fully comply with industrial laws in all our business operations, and we shall not violate those laws.
12. Efforts to preserve the environment	We shall make positive efforts to preserve the environment and reduce the burden on our planet by creating a recycling society that will co-exist with the natural environment and contribute to the well-balanced development of society and Earth.
13. Proper disclosure of our managerial information	We shall properly disclose our managerial information, including our financial status, business operating conditions, etc., to relevant parties such as stockholders and investors, in addition to informing them clearly of our management policy and receiving in good faith their opinions or criticism regarding that information.
14. Positive contribution to society	We shall contribute to society through our business activities, and also continuously participate in social, cultural, educational, and sports activities as a good corporate citizen, active supporter, and conscientious contributor.
15. Compliance with labor-related laws and company work rules	We shall comply with labor-related laws, our company work rules, and any ancillary rules and regulations.
16. Realization of a safe, positive work environment	We shall understand and comply with the laws and internal rules concerning operational safety and hygiene in order to ensure our safety and good health in our offices and facilities and to form a positive work environment.
17. Respect for human rights	We shall respect human rights and shall not engage in conduct that might lead to discrimination by sex, age, race, handicap, etc.
18. Prohibition of sexual harassment	We shall recognize that sexual harassment harms our work environment and hinders the smooth operation of the workplace. Therefore, we shall prohibit sexual harassment in the workplace.
19. Proper control of information about individuals	We shall strictly control the information about individuals - executives, employees, and others - that is acquired and used in our business operations.
20. Prohibition of insider trading	We shall not violate nor shall we engage in conduct that even suggests actions contrary to the regulations against insider trading.
21. Confronting harmful social forces	We shall not submit to any social force harmful to society, and we shall resolutely confront any such force.
22. Self-restraint regarding entertainment and gifts	We shall not try to bribe domestic or foreign governmental officials or engage in any such suspicious behavior. We shall circumscribe entertainment or gift-giving in our relations with business partners by practicing proper judgment and common sense.
23. Lawful actions on behalf of political parties	We shall not illegally act on behalf of, or make contributions to, political parties.
24. Proper utilization of our information system	We shall use our information system only for our corporate operations and not for personal purposes.
25. Strict distinction between public and private matters	We shall strictly distinguish personal from corporate interests and carry out our duties in good faith.

Evaluations by External Organizations

In recent years, there has been growing interest in socially responsible investment (SRI), which is regarded as a basis for making investment decisions. Investments are evaluated not only based on profitability and growth but on consideration of environmental conservation and contribution to society. NTN stock is included in the SRI indices shown on the right.

MS-SRI

The first socially responsible investment index in Japan, which includes 150 companies of excellence chosen by Morningstar Japan K.K. from the approximately 3,600 companies listed within Japan.



FTSE4Good

England's FTSE International evaluates corporations from the standpoints of environmental sustainability, social issues, and relationship with stakeholders.



Ethibel

Belgium's Ethibel Group is a company that specializes in evaluating European SRI and CSR activities, and chooses companies that lead the way in terms of sustainability.

