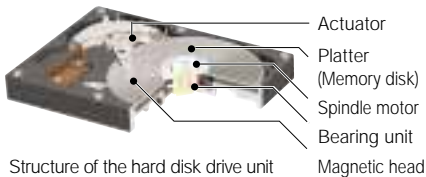


The NTN Group is involved in business activities such as next-generation technological development and research through business-academic partnerships that is carried out by our various employees, departments, and sites. Several of these activities have been brought to fruition and recognized, and are introduced below.

Monozukuri

Outstanding Performance Prize of the First "Monozukuri Nippon Grand Award "

In August 2005, NTN was awarded the newly established Prime Minister's award, the Outstanding Performance Prize of the first "Monozukuri Nippon Grand Award", for a "fluid dynamic bearing unit used in hard disk drive spindle motors".



The award was given in recognition of the decreased noise and resolution of

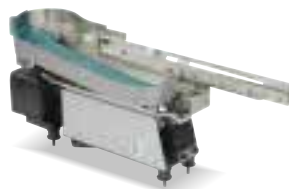


cost issues with a sintered oil-impregnated bearing in the fluid dynamic bearing unit for hard disk drives. The development of the non-contact spindle used in the device required overcoming the unique difficulties of machining dynamic bearings, and achieving mass production while maintaining ultra-high precision. The excellent results represent the culmination of a 2-year research effort by NIDEC and NTN.

"Innovative Product Award"

In April 2006, NTN was awarded the machinery parts division of the 3rd "Innovative Product Award", an award sponsored by the Nikkan Kogyo Shimbun and supported by METI and JCCI, for our "Monodrive Two-Way Feeder".

The Monodrive Two-Way Feeder is a parts feeder that can move parts to both the supply side and the opposite side of the feeder. The number of moving parts is half that of conventional models, and in addition to being smaller and lighter, it also saves energy and incurs low maintenance costs.



"Monodrive Two-Way Feeder"

The first linear feeder to combine the functions of storage, alignment, and supply of parts in a single unit, the feeder has a simple structure and has received praise for its ease of use.



This prize is a "behind-the-scenes" type of prize, and spotlights parts that are low in cost but are high in quality. Parts are the well-spring of competitiveness in Monozukuri, and as a parts manufacturer, we feel that this prize is one that is well-deserved.

Cutting-edge Technology

The first Beatrice Award winner from Japan in 20 years

At the International Solid State Circuit Conference held in February 2005 in San Francisco, an academic paper written in a joint effort between Shizuoka University and NTN won the "Beatrice Award for Editorial Excellence".



This is the largest conference related to integrated circuits and considered the Olympics of integrated circuits. It is the first time in 20 years that this award was given to Japanese recipients.

The award is presented to only one academic paper a year. The award was given for a joint paper titled "A rotary encoder system based on magnetic pattern analysis with a resolution of 10b per rotation". This item is not only significantly smaller than existing products, but also is able to use a 5mm square semiconductor to measure angles at a resolution of 1/1000th of a rotation. This academic paper represents innovative work on large-scale integration incorporating more than 4000 sensor elements and image analysis pattern measurement methods.



Award ceremony

Environment

Superior Energy Management at Plant



In February 2006, NTN's Okayama Works received an award from the Director of the Chugoku Bureau of Economy, Trade and Industry as a superior plant in energy management (electricity category) for fiscal 2005. This award is presented to plants that

promote and achieve major success in energy conservation and that serve as models for others.

This award recognizes Okayama Works' many years of energy management and conservation.