

For Employees

It is "People" who support NTN's daily business activities through their efforts to produce a wide variety of products through their individual efforts. It is also our employees, each and every one of them, who will share and increase NTN's technology and skills and who will shoulder the task of carving out a new age for our company. To make our structure a robust one, we are establishing a system where individual ability can be increased and maximized, creating a workplace environment where all employees can work with a sense of pride and satisfaction.

The Human Resource Training and Employment Situation

Our company started promoting the globalization of our business early on, and our corporate activities have an eye on the world market. These activities and efforts will be further intensified.

Based on this situation, we are making an effort to develop individuals who embody and who are able to put into practice our philosophy "For New Technology Network" (connecting the world with new technology).

Meanwhile, in Japan, we are actively making an effort to do mid-career hiring and to promote women. We are encouraging our female employees to maximize and more fully demonstrate their abilities. For all employees, we are matching training to the competence of each individual so these employees can work in a variety of workplaces.

Fiscal 2006 Human Resource Training Policy

1. Imparting skills and increasing workplace vitality especially in the manufacturing workplace
2. Human resource training as professionals
3. Strengthening communications and linkage among research, engineering, sales, and production department
4. Improving business skills
5. Expanding hands-on educational/training programs
6. Increasing appropriate education
7. Promoting a safe and healthy workplace

Establishing a Human Resource System in which Ability can be Maximized

Correctly evaluating the abilities and performance of employees and rewarding them fairly not only stimulates our human resources, but also strengthens the organization as a whole. Creating this motivation is one of our most critical management issues for our growth.

NTN's Human Resource system is based on a philosophy of objectively developing ability in employees.

Internal systems that take advantage of individuality

Our self-declaration system in which employees can state their preferred occupations and employment locations once a year to their superiors or to the Human Resources Department, and our in-house staff recruitment system that is used to recruit individuals when a new project is started up are both systems that draw out new skills in our employees based on their motivation and individuality.

Setting career targets

Job training is based on the ability level required by each qualification and class. The job training for 2nd-year employees and the job training done after an employee is promoted to a chief position both have curriculums in which career targets can be set.

CD45 seminar

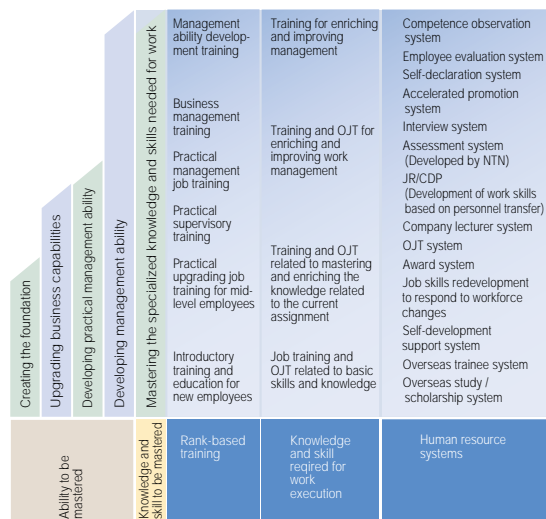
We carry out Career Development 45 seminars where employees examine their work and individual skills to set targets for their working life. An action plan is established and the employee's prospects are clarified as well.

In this way, we are also responding to post-retirement employment needs in Japan.

Career support

We methodically work to help our employees form career choices based on their training and experience. Based on these factors, various systems such as collective job training opportunities are executed, and through this, we support our employees in reshaping their careers.

Human Resources Development Map



By "developing the individual" through "Monozukuri", NTN is promoting a framework in which each individual can maximize and demonstrate their abilities. As part of creating a work environment in which employees can maximize and demonstrate their abilities, we are acting to connect "developing the individual" to "Monozukuri". Focusing on imparting the practical and technical skills that our company has cultivated up until now, we are responding to expected changes to the corporate operating environment and we are creating a stable but flexible organization ready for a new future thereby creating a strong foundation for the corporation.

"Monozukuri means Developing the Individual" is where it starts...

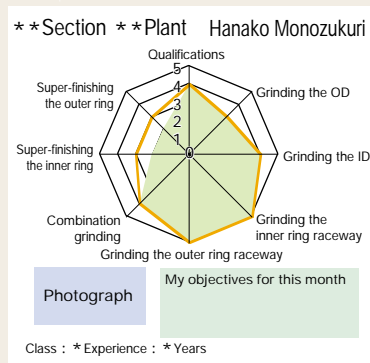
NTN is striving to realize "the world's best quality", "low cost", "and shorter production lead times" (the time from when a product is ordered to when it's delivered) and to increase corporate value. What these efforts is focused on is "people". At NTN, we are training

Our efforts to "develop the individual"

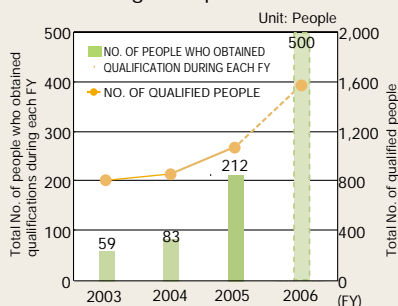
Promoting increased skill and multi-skilling

We are working to achieve an even higher level of technical mastery than before (increased skill) and to make each engineer be able to carry out more than one type of work (multi-skilling).

Skill management radar chart



Promoting skill qualifications



our personnel and vitalizing our workplaces based on the thinking that "Monozukuri means developing the individual"

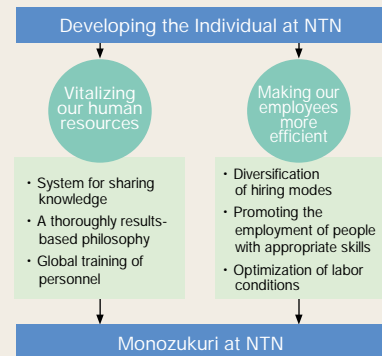
Sharing practical and technical skills

We have introduced a "Meister" system, which provides an organized way for experienced engineers to transfer their technology and skills to their colleagues.

Meister system



Skill training area



Improving workplace vitality

With the slogan "Let's increase workplace vitality and show our workplace creativity" at our manufacturing sites, we are promoting "profitability circle activities". Currently there are over 470 circles active in the NTN Group, which are vigorously working to raise quality and productivity by improving the workplace.

Company-wide circle conference



Number of circles by site (October 2005)

Site	No. of circles
Kuwana Works	95
Iwata Works	182
Okayama Works	76
Takarazuka Works	40
Nagano Works	19
NTN Kongo	20
NTN Engineering Plastics	10
NTN Powder Metal	10
NTN Mikumo	12
Total	464

For Employees

Creating a pleasant workplace

To provide an opportunity for our diverse workforce to maximize and demonstrate each person's ability, our company is proceeding to create a comfortable workplace to work in.

Employing former workers at affiliates

In 1982 we started to employ former and current workers at our affiliates. We did this because we believed it was meaningful from the standpoint of both the corporation and society to utilize their rich experience, practical skills, technical skills, and knowledge. Afterward, NTN Technical Service Corp. (NTS)* undertook the same policy. The core of NTS is made up of people who gained work experience and specialized knowledge at NTN, and they support the work of both NTN and the NTN Group. Our company will continue to promote the continuous employment and reemployment of employees.

*Focusing on NTN production sites, NTN Technical Service Corp. is a 100% owned subsidiary established in August 1987. It carries out technical support including contract work, temporary staffing, procurement of mechanical parts, fabrication and improvement of mechanical devices, and equipment maintenance.

Beyond Compliance with Japan's "Next Generation" Law

In Japan, in response to the Law for Measures to Support the Development of the Next Generation which came into effect in July 2003, we are implementing a review of our entire benefits package with an emphasis on children.

Since December 2005, the number of half-day vacations has been increased to up to 10 days (20 times) from 6 days (12 times). Our aim in increasing the number of vacation days is to facilitate the balance between home life and work.

Starting in fiscal 2006, NTN will introduce in Japan the "Mom Back System" in which people who left their jobs for family reasons, are actively encouraged to return to employment with the company. Under this system, women can be rehired when they determine that their family (or other) situation allows outside employment. Both of these systems are aimed to respond to the trend toward fewer children in Japan and to sustain the continued social progress of women.

Volunteer sabbaticals

To encourage our employees to actively participate in public service activities, we introduced a volunteer

sabbatical system in fiscal 2001. With the volunteer sabbatical system, employees participating in the Japan Overseas Cooperative Association can take a maximum of 28 months of paid leave.

We also have a program where employees are given 5 days of paid leave to donate bone marrow.

Measures to prevent sexual harassment

Sexual harassment violates the human rights of the individual, interferes with the maximization of ability, and disrupts the order of the workplace. To prevent this, in Japan we have distributed an enlightenment pamphlet to all employees, and we have had external advisors come in and hold training sessions for management, thus promoting better understanding of sexual harassment and strengthening NTN's ability to respond.

Moreover, we have created a special help desk and help line for those permanent and temporary employees who have been sexually harassed and we carry out support to resolve issues in the way that one's privacy is fully protected.

Encouraging workers with disabilities through "Ideal Workshops"

With the belief that helping all people become economically independent is one of the roles of the corporation, we continually employ persons with disabilities. NTN set up "Ideal Workshops" at our Iwata, Kuwana, and Okayama Works with the aim of creating a vital and vigorous workplace by accommodating employee needs. We will not only establish more "Ideal Workshops", but we will enrich the work for persons with disabilities and expand employment opportunities at NTN.



Iwata Works: Packaging ball bearings



Okayama Works: Packaging a shipment for export

Kuwana Works: Entering production progress data

Safety, Hygiene and Health

Securing the safety of employees and giving them guidance with respect to managing workplace hygiene and maintaining and improving health can be considered fundamental for the existence of a company. Promoting these benefits is a social responsibility of a corporation.

Based on a "safety comes before all else" spirit that places an emphasis on human dignity, we are working to "ensure workplace safety" and "create a healthy and comfortable workplace environment" to achieve even safer and even better production activities.

OSHMS certification obtained

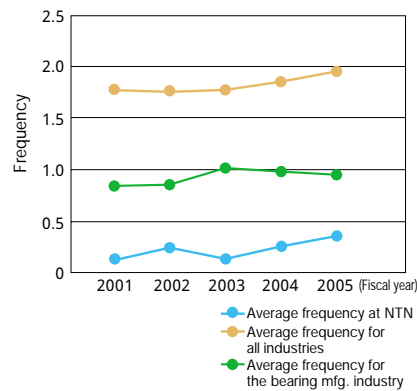
In recent years, the decrease in the number of occupational accidents has slowed, and there is a concern that fewer personnel and personnel changes have led to weakening health and hygiene management. This is why our company is working to become certified in the Occupational Safety and Health and Management System (OSHMS)*. In January 2006, Iwata Works and Kuwana Works obtained this certification. We are working to have 5 more sites certified by March 2007.



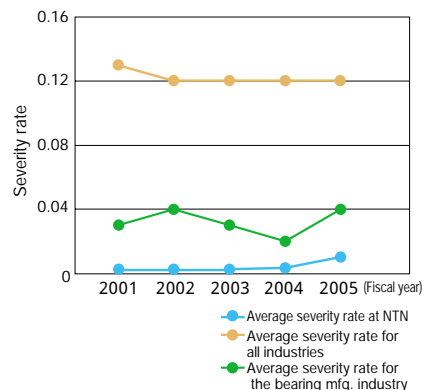
*OSHMS is an abbreviation of Occupational Safety and Health Management System, which is the name of a management system that ensures that workers can work in a safe and hygienic environment, and is a national standard set out by the Ministry of Health, Labor and Welfare.



Number of workplace accidents



Number of workplace accidents (fatalities and injuries) leading to at least 1 day of lost time
 * Frequency = $\frac{\text{Number of workplace accidents (fatalities and injuries) leading to at least 1 day of lost time}}{\text{Total actual hours worked}} \times 1,000,000 \text{ hours}$



* Severity rate = $\frac{\text{Actual number of lost days}}{\text{Total actual hours worked}} \times 1,000 \text{ hours}$

*Applies to NTN and the 3 companies in the NTN group.

Mental health measures

In recent years, mental disorders and stress have come to be problems recognized by society, and it has become an important issue for corporations to address the mental health of employees.

Based on the Ministry of Health, Labor and Welfare's "Guidelines for maintaining and increasing the mental health of workers", and as a specific way to enrich our care structure, our company has created a counseling room where employees can talk to counselors on an ongoing basis. We also conduct "MINI interviews" to respond to the self-care needs of our employees; our management and

supervisors attend mental health seminars to care for our employees.

* MINI is an abbreviation for the Mini-international Neuropsychiatric Interview, which is a simplified interview that can diagnose depression, panic disorders, and obsessive-compulsive disorders.

Raising health awareness

Recently we have been working with health insurance associations to provide various cancer diagnoses to promote early detection and early treatment so that our employees can pay attention to managing their own health and even increasing their

health. To prevent lifestyle-related diseases, we have a "High blood sugar improvement program" and walking activities. NTN also implemented back pain classes to prevent back pain.

In addition, we have a "vacation and leave system for care and recovery" in place so that our employees can work with peace of mind. It is difficult to see from the outside what kind of health condition each individual is in, but we are working to create a workplace where free and positive communication can take place so that everyone can look out for one another.