

# Treating Employees and Local People Right – in China and in the World



A fundamental idea of the NTN Group, having 49 companies and more than 17,000 employees worldwide, is treating people right. We think that it is our social responsibility as a global enterprise to give consideration to employees and people where we are located.

## NTN-RAB (Changzhou)

Location: Changzhou, Jiangsu    Product: Rocker arm bearing  
Start of Production: February 2004

## Shanghai NTN Corp.

Location: Shanghai    Product: Hub-unit Bearing  
Start of Production: June 2003    Half-finished product for constant velocity joint  
Ball bearing  
Torque limiter

## Office of General Manager – China Region, Shanghai Rep. Office

Location: Shanghai  
Start of Office: April 2003

## NTN-NIDEC (ZHEJIANG) Corp.

Location: Pinghu, Zhejiang    Product: Fluid dynamic bearing unit  
Start of Production: March 2003

## Guangzhou NTN-YULON Drivetrain Co., Ltd.

Location: Guangzhou, Guang    Product: Constant velocity joint  
Start of Production: June 2003



## Social responsibility accompanies global expansion

NTN declares “improvement in market presence” as its long-term vision toward 2010. To achieve this goal, we aim to 1) have a strong market presence and be No.1 in the world in key products that are unmatched by competitors; 2) have a presence in the five major markets: Japan, the Americas, Europe, Asia and China; and 3) be a global corporation being good to people and contributing to society.

NTN entered the markets in North America and Europe in the 1970s and established a production base in Asia in the 1990s to manufacture and sell bearings, constant velocity joints, precision equipment, etc. NTN recognizes the social responsibility accompanying this global expansion and thinks that it is most important not only to comply with laws and regulations as a member of the local community, but to celebrate the thinking, culture and practices of local people.

## Shanghai NTN also treating people right

### A base of strategic supply for the world market

Vigorous China has transformed from “the world’s factory” to “the world’s market” and is expected to grow economically while awaiting the big events of the Beijing Olympics in 2008 and the Shanghai International Expo in 2010.

In China, NTN has sited a supply base for products, semi-finished products and parts, establishing Shanghai NTN as its first Chinese production base in 2003. Now, it is operating to supply strategic commodities to strengthen NTN’s price competitiveness in the world and to enhance NTN’s presence in the expanding Chinese automobile market.

Of Shanghai NTN’s sales in 2006, 70% is for half-finished and finished products sold to the NTN Group and 30% is finished products that go directly to customers (direct sales users).



View of NTN Shanghai



Factory entryway



Dining room in NTN-NIDEC



Production in Shanghai NTN

More than 90% of the sales to the NTN Group are parts for constant velocity joints, and by supplying such strategic commodities, NTN Shanghai is contributing to the growth of the entire NTN Group including four Chinese production sites.

### Attaching importance to the education/training of employees

At Shanghai NTN, employees are increasing in number to enhance production power to cope with the expansion of the Chinese market (1,020 persons as of March 2007). In addition, because many experienced workers are needed for production, we stress the training of employees.

Various plans have been implemented such as basic education at hire, fundamental education on safety, inspection and measurements, OJT at each workplace, training in Japan or by engineers dispatched from Japan, outside training,\* etc., based on the annual training plan.

\*Training such as safety control, fireman, drainage, heat treatment, chemical control, training by machine manufacturers and internal auditors for ISO 14001 and TS16949 are performed by outside companies.

### Environment where we can work with security

NTN Shanghai, for thorough control of safety and health, organized a safety committee as in Japan and appointed a

full-time safety professional. We also have various activities such as making every December "safety month" and posting it on the bulletin board and holding a competition about safety knowledge in order to improve safety awareness.

Thinking that raising employee satisfaction is necessary to improve the will to work and consciousness of safety and the environment, we give annual questionnaires about "satisfaction" to employees and installed an opinion box in the cafeteria to listen to the voice of employees. Once we had dissatisfaction on a caterer in the opinion box and we corrected the lunch. We are deepening communication and friendship through short trips or having lunch with local and Japanese employees.

### To local suppliers

For local suppliers, we conduct site inspections at manufacturing sites, 100% inspection by machine at delivery and periodic auditing.

We request each supplier to make delivery on the 20th of each month and to bill on the 25th, and we make payment at the end of the next month.

### Concern for local environment

To preserve the local environment, we treat waste water, collect waste by type and restrict noise levels, based on the ISO 14001 environmental management system and we do environmental audits each year.

## Making much of "People" at all local sites

In China we have three production sites other than Shanghai NTN: Guangzhou NTN-Yulong, NTN-NIDEC and NTN-RAB (Changzhou).

Their local contribution activities have just begun, NTN-NIDEC implemented a cleaning activity near the office on January 2007. Guangzhou NTN-Yulong plan to provide tuition for poor students starting in 2007.

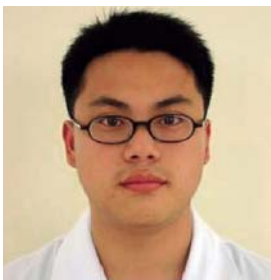
NTN wants to contribute to local people in China and in the world.



View of office in Shanghai NTN



Local cleaning activity by NTN-NIDEC



Jin Xu

Shanghai NTN Quality Eng.  
Dept. Production Eng.  
Section

### I relish the corporate philosophy of NTN to make much of "People"

NTN is a top level bearing manufacturer and a huge multinational enterprise. At NTN, I am presently in charge of introducing new equipment and maintaining and controlling existing equipment as a member of the Production Engineering Section. The meticulous control methodology of Japanese enterprises is well known in China. Chinese employees were initially doubtful and dissatisfied with it. However, owing to efforts by top management, improvement in the work environment progressed rapidly under the Japanese-style control method, and now it is established as the corporate culture of Shanghai NTN.

With the founding of the labor union, the distance between the company and employees narrowed at once, I feel. I understood the company is very concerned with the physical conditions, family life, spirit and lifestyle of individuals. All employees feel NTN's effort to spread and enhance NTN's philosophy of "making much of people."