

Respect Diversity and Create a Safe and Easy-to-Work Workplace

NTN supports these measures so prosperity materializes for all. NTN aims to create an evaluation system that allows diverse individuals to demonstrate their ability, to provide equal opportunity in employment, to provide a safe, healthful and comfortable working environment and to support career planning and personal development.

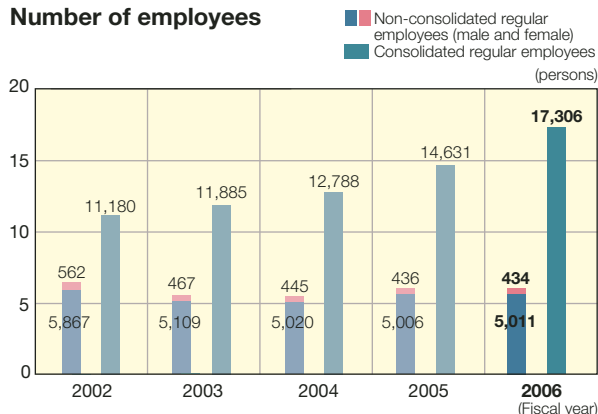
Employee circumstances

Increased employees for succession of technology and skill

With business expansion at home and abroad and just before the retirement of the baby-boom generation, the company increased consolidated employees by 2,675 from the previous year, securing persons to succeed to core technology and skills.

As a means to retain persons for succession of skills, we introduced a system for temporary employment from 2005 and employed persons for an effective term of 6 months, mainly for production. As of March 2007, this company has 172 persons and 184 persons consolidated (an increase of 78 and 80 respectively vs. previous year). Also we have a system where a temporary employee who has worked over one year and is recommended by the workplace may become a regular employee. In 2006, 82 persons (89 in consolidation) became full-time.

Number of employees



Basic policy of employment and protection of diversity in the workplace

Creation of a workplace respecting human rights

NTN and related companies defined the basic policy of employment in a Labor Agreement in 1982 that “for the cause of nationality, belief or social rank, we shall not discriminate on wages, working hours and other working conditions.” NTN also declared the respect of human right as a major principle.

We think that holders of diverse thoughts and senses of value will stimulate each other and bring dynamism and originality to the corporation. For that, we must prepare a working environment to improve productivity and employee satisfaction, where various able persons can display the most of their ability. It is also important to allow a variety of working styles for making use of their various abilities.

Based on this concept, we strive to create a just and fair workplace environment where human rights are respected and no discriminating acts such as sexual harassment exist. Such an attitude is defined in the CSR basic policy. To become aware of this policy, all are instructed thoroughly, for example, at new manager training on labor management or newcomer training.

With business globalization, we do not admit any child labor nor forced labor, and request the same from suppliers.

Female employees are 8.0% and female managers are as yet few, but are increasing.

We will bring up personnel adapted to their qualities so that they can play active roles in various workplaces and we will expand opportunities for females to work.

Basic policy for personnel affairs

Just and fair performance evaluations and employment decisions

As to payment for the employees, as the basic policy, corporate performance is reflected in bonuses and individual performance is reflected in raises or promotions through the personnel performance evaluation system.

Evaluation criteria to determine pay and position is based on implementation of just and fair performance evaluations and determination of treatment according to NTN’s “personnel performance evaluation manual.”

Payment is systemized with a combination of person-based wages and performance based wages. In Japan, the person-based wage is determined by age, whereas the performance-based wage is determined using a wage table based on the assessment according to the personnel performance evaluation manual.

A comprehensive evaluation is made by several evaluators from various points of view. We endeavor to practice just and appropriate performance evaluations.

NTN supports job and family balance

Enriching the system to help balance family and career

NTN tries to enrich various systems to support employees who aim to balance job and family.

In Japan in 2006, we introduced a reemployment system (the momback system*) for female employees who resigned their job due to childbirth or childcare. We increased half-day vacations available in January 2006 to enable male and female employees to utilize paid holidays for child care purposes.

We also have a nursing holiday system that allows a one-year leave of absence and one person is utilizing this system now.

We are now designing a new welfare program to begin in 2008 to assist childcare and nursing.

* momback system: by registering at resignation, reemployment is possible as demanded once a working environment is arranged.

Outline of Assistance System for child raising

	This company	Designated by law
Hospital visit leave for pregnant female	Officially admitted	—
Leave before childbirth	6 weeks with pay	Without pay
Leave after childbirth	6 weeks with pay	Without pay
Childcare leave	Guaranteed bonus of 150,000 yen minimum	Without pay or bonus
Childcare time	Twice a day with pay (1 hour each time)	30 min/each time without pay
Exemption from overtime	Until child enters elementary school	"Best efforts" obligation from 3 years old

* There are also measures to reduce overtime, exemptions from midnight shift and system of leave for nursing.

Reemployment system

System to ensure technology, skills and special knowledge are handed down

The company has operated a reemployment system for employees including related companies from 1982. In 2006, we started a reemployment system for those in their early 60s and we reemploy persons irrespective of the kind of work under two courses: "certain transfer" and "dynamic vigor."

The certain transfer course is to pass down technology, skill and special knowledge and to guide the younger employees who inherit them. The course

"dynamic vigor" is to perform conventional duties while making the most of cultivated technology, skill and special knowledge.

In 2006, 79 qualified persons are in this system and more than 77% of the applicants are reemployed.

Employment of the disabled

Addressing employment of the disabled in the "dream workshop"

As the main policy for employment of the disabled, we strive to surpass the official rate of disabled employment and to ensure all employees play an active role in the workplace. In addition to NTN's standard workplaces, we opened a dream workshop in 2004 in three plants, creating a workplace specially adapted for the disabled.

In 2006, our employment of the disabled is 82 persons, including 6 in "dream workshops." This is a 1.98% employment rate for the disabled, compared to the official rate of 1.8%.

Hereafter we will try to expand the kinds of jobs and increase the number of persons participating to expand employment opportunities for the handicapped.



Operation of packaging in "Dream Workshop"

Occupational health and safety

Improvement in occupational health and safety

In order to assure safety and health in the workplace and provide an environment comfortable to work in, we set and execute a "safety control plan" every year.

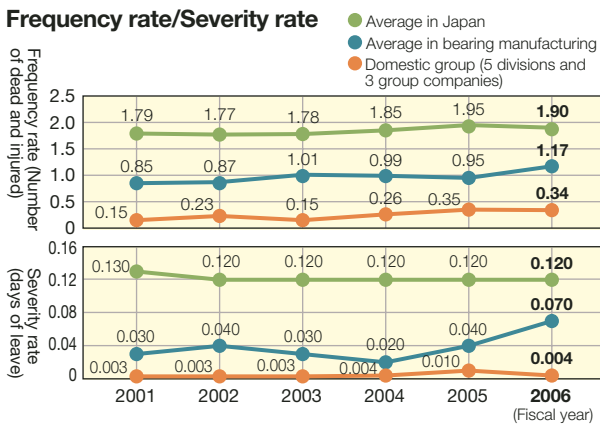
In 2006, we set "preventive control measures" as the major target and addressed important issues such as 1) acquiring company-wide safety and health management system certification (OSHMS); 2) implementation of risk assessments; and 3) strengthening of mental health measures.

We acquired the OSHMS certification for seven domestic divisions in April 2007. Based on the OSHMS

system, we plan to improve the level of health and safety.

Our risk assessments involve investigating and identifying dangers based on an analysis of past labor accidents and preparing work instructions to decrease risk levels.

In the health and safety control plan for 2007, the eradication of labor accident at non-stationary works and the firm establishment of OSHMS are important items for implementation.



Supporting health and safety at affiliated companies

We support suppliers in business areas such as technology, the environment and health and safety.

We implemented a training course on joint health and safety, patrols and accident cases, under the national “Group Health and Safety Assistance Project,” for two companies doing business with the Iwata Works in Shizuoka Prefecture.

For physical and mental health

To help each employee manage their own health, NTN not only promotes regular physical examinations but also encourages preventive health measures such as early detection of cancer and appropriate measures for lifestyle-related diseases.

For mental health, we set up counseling areas at each location where all can consult with a counselor. We implemented the “MINI diagnostic exam” which can diagnose melancholia, panic disorder or obsession neurosis. Further we are “noticing” and “listening” in the workplace, and promoting mental health education.

We assist employees with personal care and educate managers on mental health.

Rewarding job-related inventors

Rewards for job-related and un-related inventions

We encourage employees to develop patents and to improve NTN’s technological competitiveness. We attribute patents and judge their potential worth through our “patent control program” and “patent reward program.” There is no upper limit for the reward. Inventions to be kept as trade secrets may also receive a reward.

In 2006, NTN paid awards for 2,233 patent applications, 191 registrations and 32 awards for achievements.

Reducing overtime

Interviews by industrial physician started

In order to prevent overworking employees, we monitor working hours and holidays worked. Those who have overworked contrary to the agreement on overtime and working holidays, are issued a warning when their working hours go over the limit.

In 2006, excessive working hours per employee were 15.3 hours on average, reduced slightly from 16.2 hours in 2005. From March 2007, all whose working hours exceed 60 hours per month and those whose working hours exceed 45 hours as proposed by themselves or their supervisors are interviewed by an industrial physician.

Communication window for employees

Evaluation by interview and utilization of help line

A biennial interview with general employees is held to make an agreement between them and their supervisors on their evaluation and goalsetting for the next term. Interviews are conducted based on the personnel performance evaluation manual and by multiple persons to maintain fair evaluations.

A help line (see p. 19) was established as an internal and external window for all employees to be able to report such issues as human rights violations, sexual harassment and other harassment.