

CSR Management

Fulfilling our responsibilities to our stakeholders

NTN's Corporate Philosophy

Working to inform everyone of and thoroughly establish our five Basic Policies

Our Corporate Philosophy is as follows: We shall contribute to an international society through creating new technologies and new products. To put this Corporate Philosophy into practice, it is important for everyone inside and outside the company to know what policies guide us in our work and for each one of us to embody these policies.

To do this, our company has established five Basic Policies, and we are working to make sure that all officers and employees are fully informed of them.

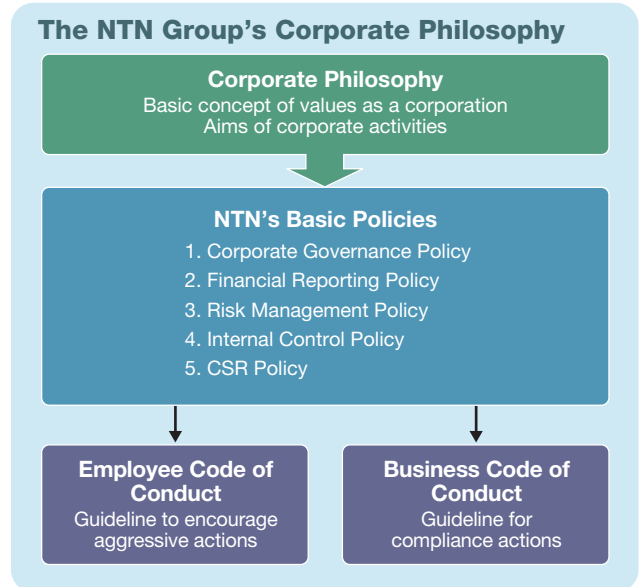
The NTN Group's approach to CSR

The basis of our Corporate Philosophy system: Each one of our employees works to realize CSR

In April 2006, "NTN established a CSR Policy" to help us become an even more trusted corporation, and we have made CSR an essential part of our business in order to raise our Enterprise Value. By bolstering our corporate governance and by acting to preserve the global environment, to make a social contribution, and to improve our workplace environment on a solid bedrock of total compliance, we declare that we will fulfill all of our responsibilities to our stakeholders.

At the same time, we established an Employee Code of Conduct that urges employees, managers, and supervisors to be proactive. We also revised the Business Code of Conduct that directors and employees are required to follow.

We used the CSR Guidebook and the Response Card to inform all directors and employees of these developments and we publicized the results on our website to inform people outside the company.



NTN's Corporate Philosophy

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

**For New Technology Network:
Connect through new technologies**

1. **Creation of original technologies**
2. **Offering technologies with added value and services 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 a 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.**

CSR Policy

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 work place, 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 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

Our new “Advancement of Women” project

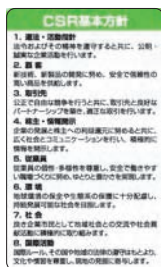
NTN has created a CSR Committee that has CSR managers from each department and each group company in Japan; this committee engages in CSR activities on a regular basis. In Japan, in order to support CSR activities at various levels, the CSR Department periodically convenes meetings of the CSR Committee to better understand the CSR plans and activities and CSR performance for each organization.

In fiscal 2007, as part of the CSR Committee’s activities to expand opportunities for women to excel, our Personnel Department officially started the “Advancement of Women” project. These activities are intended to promote additional opportunities for our female employees (See p.30).



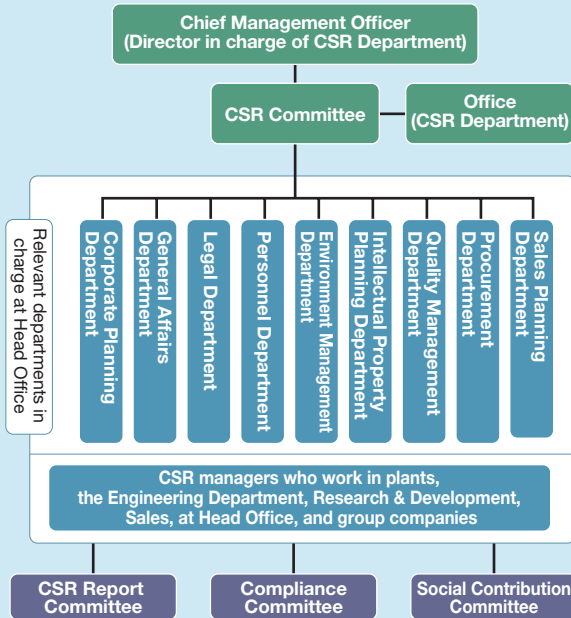
Activities related to the “Advancement of Women” project

Tools to inform all directors and employees in the NTN Group of our CSR Policy and Business Code of Conduct



Left: CSR Guidebook
Right: Two types of Response Cards

CSR promotion structure



Employee Code of Conduct

1. We respect social ethics and act as good members of society.
2. We have noble ambitions and always make efforts to brainstorm and achieve the set target.
3. We accept changes, have broad vision and act voluntarily.
4. We deepen mutual understanding and enhance the vitality of our work site.
5. Management and supervisors in particular, as faces of the corporation, improve their qualifications, make efforts to develop individuals, always take care of safety and show leadership.

CSR Management

Corporate governance

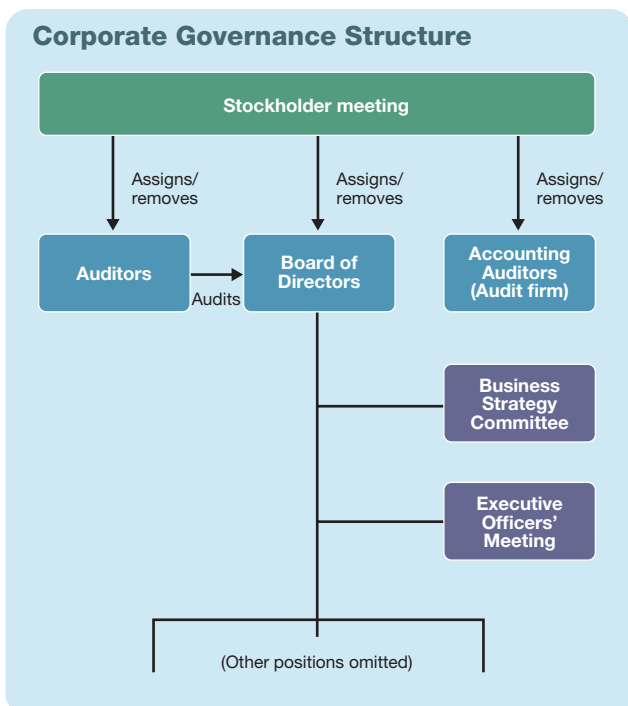
One of our most important issues as a corporation

NTN has designated corporate governance as one of our most important issues. We are pursuing greater efficiency and soundness in our management, and we are working to increase corporate transparency through the rapid disclosure of accurate information.

A director's meeting is held every month in order to decide on important items and to direct the execution of business in the company. Also, the Business Strategy Committee is made up of directors as well as executive officers who have been chosen for specific issues; this Committee discusses management strategy and execution. The Executive Officers' Meeting is attended by directors and executive officers to confirm the month-to-month execution status of business.

We employ an auditor system; auditors monitor the board's execution of business operations. The independence and objectivity of the corporate auditors is assured by employing three outside auditors among the four auditors who make up the audit team (Standing: 2, Part-time: 2).

In terms of internal audits, we have created an Internal Audit Department as a separate auditing structure. This department carries out audits related to the execution of business across the company.

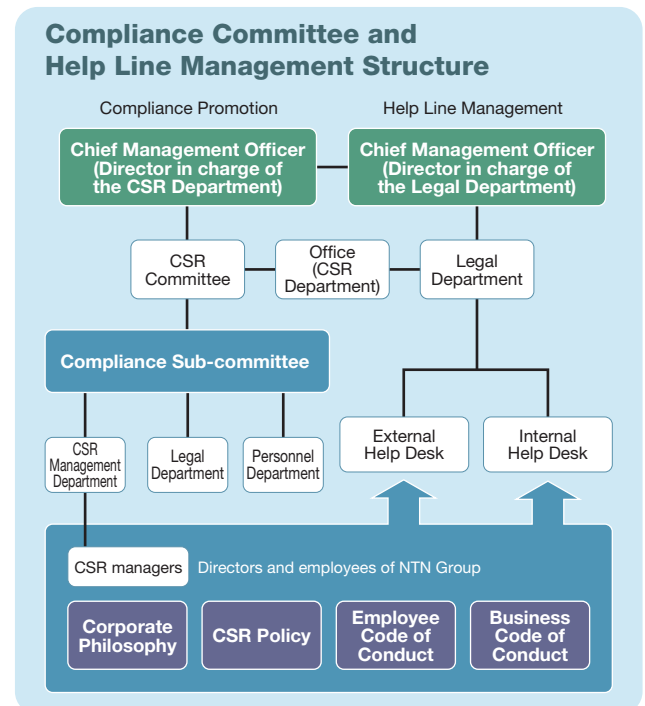


Compliance

The CSR Department, Legal Department, and Personnel Department promote and manage compliance

NTN has established a Compliance Sub-Committee under the CSR Committee. This sub-committee is made up of the CSR Department and the Legal and Personnel Departments. The CSR Department investigates and analyzes compliance and risk and is in charge of education and awareness-raising activities related to compliance. The Legal Department judges issues based on the law and NTN's internal rules, and is in charge of our help line management. The Personnel Department is in charge of evaluating issues from the perspective of personnel measures and policies. This system allows us to promote and manage compliance comprehensively on a company-wide scale for NTN and our group companies in Japan.

Also, the Chief Management Officer for CSR, the CSR Department, and the CSR managers from each department work together to ensure compliance.



We are clarifying the Business Code of Conduct for directors and employees

In fiscal 2006, we established a CSR Policy and an Employee Code of Conduct; we also revised our Business Code of Conduct. Our Business Code of Conduct requires that in order to

fulfill their corporate social responsibilities, each one of the NTN Group's directors and employees be thorough in their compliance and be fair in their actions.

This is not limited to just obeying the law; through a shared Business Code of Conduct, we are putting into practice a philosophy that is based on a framework of values and ethics characteristic of good associates of a corporation and good members of society.

Expanding compliance training for employees

During the training of new employees and third-year employees, as well as during management training, we educate our employees about CSR issues, compliance, and corporate law.

Also in fiscal 2008, we revised our CSR Guidebook and we plan on holding a meeting to explain CSR and compliance to all of our managers.

Help desk for employees to make inquiries, get advice, and make a report Suppliers can now access our help desks

At NTN and our Japanese group companies, employees are able to make a report if they discover or foresee any actions taken by directors or employees that contravene the law, our Business Code of Conduct, and our internal rules. They can report such compliance issues directly to a help line or to a help desk by fax or e-mail. They can also make inquiries, get advice, and make a report without going through management.

There are two help lines: one is the Internal help desk that our Legal Department responds to, and the other is the External help desk that a legal office advising our company responds to. Both of these entities work to ensure that people



Compliance training for new employees

who make a report are not punished. We have also informed our employees of how to use these help lines in our CSR Guidebook and in our CSR/compliance education.

Since March 2007, we have also let our 602 suppliers access these help lines so that we can receive inquiries, give advice, and receive reports of illegal activities.

Protecting personal information

A person in charge in each department works to ensure personal information is protected

NTN has created rules and a manual for managing personal information, and we have established a management system headed by a chief manager or a person in charge of managing personal information in each workplace.

NTN properly handles personal information based on our rules and manual related to managing personal information. Our Internal Audit Department does periodic audits to make sure that it is being managed properly.

Business Code of Conduct

1. Compliance with laws and norms

We shall do our utmost to act according to high principles as corporate employees and as socially responsible adults by complying with laws, our internal rules and the ethical norms of society.

Code for business activities

- 2. Pursuit of quality and safety 3. Compliance with the Anti-Trust Law 4. Fair trade with suppliers 5. Honoring agreements
- 6. Refusal to engage in improper conduct with business partners 7. Proper labeling and specification
- 8. Respect for intellectual property rights 9. Proper control of confidential information 10. Ensuring security by strengthening export controls
- 11. Compliance with industrial laws 12. Compliance with corporate accounting principles

Code for co-existence with society

- 13. Compliance with international rules 14. Promotion of environmental preservation 15. Positive contribution to society

Code for ensuring a positive work environment

- 16. Compliance with labor-related laws and company work rules 17. Realization of a safe and positive work environment
- 18. Respect for human rights 19. Prohibition of sexual harassment 20. Proper control of information about individuals

Code for corporate employees

- 21. Strict distinction between public and private matters 22. Confronting harmful social forces
- 23. Proper utilization of our information system 24. Prohibition of insider trading 25. Self-restraint regarding entertainment and gifts
- 26. Lawful donations/political donations

CSR Management

➔ Risk management

Creating a risk management system that is proactive – not just reactive

In March 2008, we established a “Risk Management Policy,” and we replaced our “Emergency management rules” with our new “Risk management rules,” which is an integrated response process that includes everything from measures to prevent risk to those related to emergency response. We also established a new Risk Management Committee.

The Risk Management Committee works to oversee the management of risks carried by NTN, and we have identified departments with critical risks through a risk identification and evaluation process. Each department carries out risk

reduction measures and, if an incident does occur, is able to carry out emergency measures. The Risk Management Committee monitors progress.

If a serious crisis does occur, we will set up a central task force department that will give instructions to mitigate any damage.

These measures are also being implemented at NTN Group companies

We have informed our group companies of our Risk Management Policy, and we have instructed each company to create a risk management system.

NTN’s Risk Management Committee works to address the critical risks facing the group as a whole.

We place an emphasis on earthquake and fire countermeasures to ensure a steady product supply

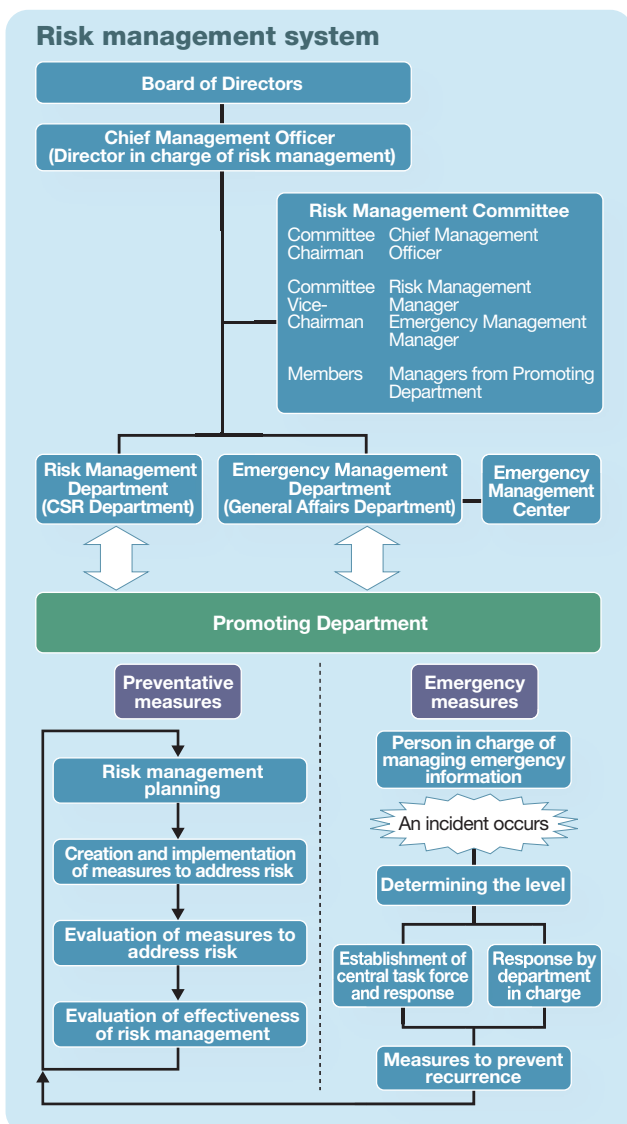
Our Manufacturing Department has prepared for earthquakes and fires based on the Fire and disaster management rules in order to prevent our customers’ production lines from ever coming to a stop due to natural disasters or accidents.

As of the end of fiscal 2007, 84% of earthquake resistance improvements to our manufacturing facilities in terms of floor area were complete. As for disaster training, we carry out evacuation and firefighting exercises every year at each manufacturing workplace. Moreover, we carried out training on safety check for all employees using an internet-based registration system in March 2008.

We will continue training on rapid restart of production in the event of an emergency.



Earthquake resistance improvements underway at Okayama Works



Firefighting training at Iwata Works