

Responsibility to Suppliers

Establishing prosperity together through good partnerships

→ Procurement policy

Strengthening our procurement activities with greater emphasis on the environment and safety

Our basic policy regarding our procurement activities is to provide good products at a good price to the world based on consideration for the environment, quality assurance, and being fair. It also involves raising our Enterprise Value over the long term by working together with our suppliers.

We also place an emphasis on creating good, long-term business relationships; to us, our suppliers are strategic partners, and we will work together to improve quality and technical skills based on a foundation of mutual trust and cooperation.

In fiscal 2007, in order to introduce green procurement and to respond to changes to related laws and regulations, we changed our basic purchasing contract, and we signed the revised agreement with our suppliers. Based on these changes, we will push even more strongly for environmental friendliness and product safety.

Basic procurement policy

1. To pursue stable procurement for best quality/cost and prepare for market fluctuations.
2. To improve corporate value for both sides through mutual cooperation.
3. To create trust with affiliated companies by observing rules, regulations and social precepts.
4. To comply with social duties (such as preservation of the global environment) through procurement activity.

→ Maintaining fair and appropriate relationships

Maintaining fair dealing based on self-audits

To ensure fair dealing, our company established a voluntary audit manual for subcontractors in 1997 and created a system

based on internal audits by subcontractors. These self-audits are based on requests from individual operating sites and on the judgment of the Procurement Dept., and are done with the Procurement Dept. present.

Also, in order to establish the importance of fair dealing with our subcontractors in the minds of our employees, we require our procurement staff to attend annual talks and external seminars related to dealing with subcontractors fairly.

We will continue to strengthen our system for fair dealing.

Supplier meetings

NTN holds supplier meetings twice a year.

In fiscal 2007, 77 suppliers participated. We explained our procurement policies for fiscal 2007 to our suppliers. These policies are “securing stable as-delivered quality” and “reducing procurement

costs.” We also recognized 21 suppliers for a diverse range of achievements such as quality, increased production, price, and ISO certification.



The March 2008 supplier meeting

→ Dialogue with suppliers

Suppliers can now access our help desks

Accompanying the Whistleblower Protection Act that was put into force in April 2006, our help line (see p.20), which is a means of disclosing information in the public interest, was expanded in scope to include our suppliers.

Any consultation with suppliers is done by a manager that has nothing to do with the supplier's regular contact person, and we ensure that anyone making a report is not punished.

Column Safety and hygiene management for suppliers and external workers*

NTN focuses its safety and hygiene management not only on our own employees, but also on suppliers and external workers. Our current initiatives include: (1) reducing accidents that occur during irregular work; (2) expanding NTN's labor safety and hygiene management; (3) promoting mental health activities in the workplace; and (4) promoting increased health.

In fiscal 2007, 70% of the workplace accidents at NTN – including external workers – involved pinch points and being dragged into equipment.

We will continue to carry out thorough risk assessments for irregular work and hazard experience education for both employees and non-employees.

* External workers: These include employees from subcontracting companies, workers from temporary agencies, and part-time employees.



External workers being instructed in safety