

Responsibility to Employees

Putting an emphasis on fair evaluations and on creating safe, pleasant work environments

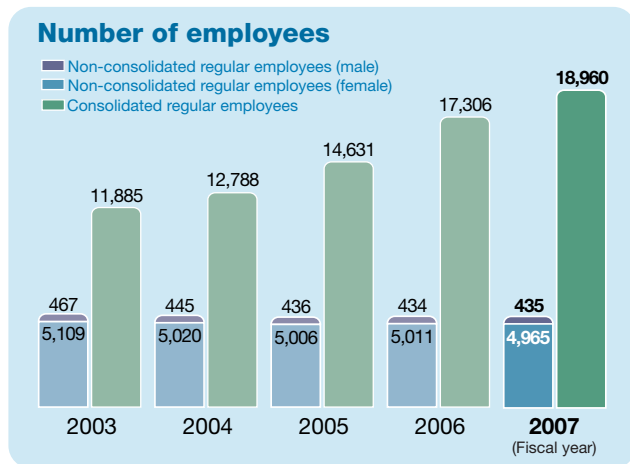
Our employees

The number of overseas employees has increased dramatically

In response to the expansion of our business in Japan and around the world as well as the retirement of the baby-boomers, we are working to increase our workforce and secure the personnel from whom we can learn required technical skills and abilities.

We expanded our business in fiscal 2007, focusing on Asia, and there was a jump in the number of overseas employees. This is why we have labor safety education and work standards in English for our foreign employees.

In Japan, approximately 8% of our employees are female, but the number of women in management is still quite low. In fiscal 2008, we increased the number of newly hired women to 24, and we plan to increase opportunities for them.



Human resources development and increased hiring

Putting the right person in the right place

Some systems that we have to carry out human resources development focus on the individual aptitudes of our employees. We also have a self-declaration system and an in-house recruitment system. We will continue to use these systems to help with individual growth as well as career planning and job change planning.

In addition, we employ and otherwise handle non-standard employees according to the regulations for part-time workers and contract employees. However, we have a system through which contract employees that are recommended by their workplace after a year can go through an essay and interview process to become regular, full-time employees. This lets NTN secure good talent.

Personnel evaluations

Training for personnel evaluators

To let us determine the compensation and the position of employees in a fair and appropriate manner, we created a personnel performance evaluation manual to carry out personnel performance evaluations in an equitable way.

In fiscal 2007, we carried out a mass training session for evaluators in order to check that things were being done according to the personnel performance evaluation manual. To improve the precision of the target management sheet that shows each person's work targets, we made the sheet more detailed and we instructed evaluators on their interview techniques.

Educational support system

Developing human resources that are globally relevant

Human resources development at NTN is based on creating human resources that are "relevant to international society," that are "independent individuals," and that are "creative." This way of thinking also applies to our primary affiliates in Japan.

In fiscal 2007, our policies for human resources development were "to create a human resources development system for both Japan and overseas," "to create an educational system to pass on technical skills and abilities," and "to be thorough in following up with actual performance." In addition to working to ensure the continuation of skills and carrying out specialized training for employees at different levels and in different work categories, we also carried out job-specific training for engineers, production managers, and fabrication managers.

In addition, to connect education and training to actual performance at the worksite, we have evaluators manage skills by looking at work performance and we use post-training exercises, tests, and questionnaires to quantitatively evaluate the results of our training.

In response to the increasing number of overseas operating sites, we are increasing the number of overseas plant support staff, expanding our training system for employees going overseas, and creating a system for training local trainers.



MONOZUKURI skill training in progress

Responsibility to Employees

Helping people achieve a balance between work and family

We created a reemployment system that allows employees to have and raise children and we encourage people to take paid leave while raising children

We have various systems to help our employees achieve a balance between their work and their family.

Starting in January 2007, we have operated a re-employment system (the “mom-back” system) for female employees who quit their jobs to give birth and raise children. This involves having employees who quit to raise children register so that they can be re-employed when they are able to work again. As of January 2008, two people were registered. Also, in order to make it easier for both male and female employees to use their paid leave while raising children, we increased the number of half-day vacations from 10 to 20 and we encouraged people to take these days off. In fiscal 2007, our employees took an average of 7.9 vacations.

In terms of our family support measures, we have a system that allows employees to take leaves of 1 year, which 2 employees are currently using.

Outline of childcare support system

	NTN	Designated by law
Going to hospital for childbirth	Treated as holiday	—
Vacation days before birth	6 weeks paid	No pay
Vacation days after birth	6 weeks paid	No pay
Childcare time	Twice a day with pay (1 hour each time)	30 min/time without pay
Exemption from overtime	Until child enters elementary school	Obligation to make best efforts when child reaches the age of three

* There are also measures to reduce overtime, exemptions from night shifts, and a vacation system to care for children.

Social welfare

Social welfare systems such as volunteer vacations and help with correspondence courses

NTN has put in short sabbaticals and volunteer vacations in addition to the legally mandated paid vacations, and we encourage our employees to take these vacations. In fiscal 2007, one of our hearing-impaired employees took time off to volunteer as a sign-language interpreter.

We also have a system that helps pay for distance education courses taken by our employees to help them improve themselves, and 584 people took advantage of this opportunity in fiscal 2007.

Re-employment system

Two options to re-employ retirees

As the baby-boomer generation is nearing retirement, we have a re-employment system for people in their early 60s that has two options.

The first, the Skill Transfer option, allows participants to pass on their technical skills, abilities, and professional knowledge to young employees. The second is the Full Excellence option, which does not limit their employment category. In fiscal 2007, we re-employed 58 individuals.

Employing disabled individuals

Supporting the employment of the disabled in our “Dream workshops”

We employ disabled people at our regular workplaces. To go a step further and create a workplace where disabled people can excel, we created “Dream workshops” in fiscal 2004 at three manufacturing sites – Kuwana Works, Iwata Works, and Okayama Works. We did this to support disabled individuals in their efforts to become independent and to create workplaces that give people a sense of purpose.

In fiscal 2007, we employed 82 disabled people (8 of whom worked in the “Dream workshop”). Our percentage of disabled employees was 1.82%, which meets Japan’s legal requirement.



Adding bar code labels and preparing product packaging in a “Dream workshop”

Occupational safety and health

Our occupational safety and health management system was certified Working harder to become accident-free

We create a safety control plan every year to continuously increase workplace safety and hygiene. In April 2007, the Occupational Safety and Health Management System (OSHMS) of the seven primary operating sites were certified by the Japan Industrial Safety and Health Association (JISHA).

The number of occupational accidents at our primary operating sites in Japan decreased from 42 incidents in the previous year to 31 incidents in fiscal 2007, and the incidence rate and severity rate of these incidents has also gone down. We achieved 4,650,000 hours without accidents (not including non-lost-time injuries), and we were awarded a Class 2 Accident-free record by the vice-manager of the Labor Bureau in May.

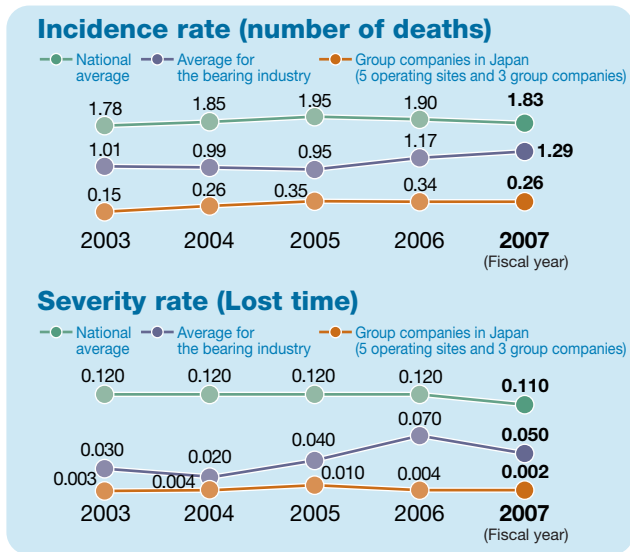
Of the accidents that occur in our primary operating sites in Japan, 70% are irregular work accidents that occur during work such as machinery



Large experiential bearing exhibit at Kuwana Works

adjustments, often involving pinch points and being dragged into equipment. We will continue to carry out risk assessments and hazard experience education to identify hazards and work to strengthen our safety management.

In addition to discussing ways to check and strengthen the safety and health systems at NTN group companies, they also work to understand the status of safety and health at overseas operating sites and are working to improve occupational safety and health across the entire group.



Focusing on individual health to expand our preventative health management

To maintain and improve the health of each of our employees, we are working to enrich our preventative health management in response to lifestyle diseases. In addition to legally mandated health checks, we carry out cancer screenings, dental checks, and measures to prevent back injury. We also have walking programs and blood sugar reduction programs. We plan to give level-specific guidance regarding metabolic syndrome in order to comply with the requirement to give special health examinations and to give special health guidance starting in April 2008.

Also, to prevent employee overwork, we are working to understand and manage overtime and systematically instructing employees not to work overtime. Since March 2007, we have required any employee working more than 60 hours of overtime in a month to see an industrial physician. Those working more than 45 hours of overtime in a month may also go see an industrial physician if they or their superior asks for it.

In terms of mental health efforts, we have a system in place in which workplace managers and supervisors talk to employees, notice any changes, and listen to what employees have to say. We also have a system where more experienced employees mentor new employees in consideration of their mental health. We have also set up a counseling room in each operating site where we carry out mini-interviews to determine if employees are depressed or have panic disorder.

In addition, we carry out level-specific mental health training for all managers and supervisors from department managers to team leaders, and we will continue to carry out focused care in departments with large workloads.

Rewards for employee inventions

Clear rules for attributing patent rights and calculating the reward

To recognize our employees' inventions and to improve our technical competitiveness, we have established a patent management system and a patent reward program. We have clarified how patent rights are attributed and how the value of the award is calculated. The program includes know-how and inventions considered to be trade secrets. There is no upper limit to actual awards. Innovations are chosen through an appraisal and deliberation process.

In fiscal 2007, there were 1,720 patent applications, 288 patent registrations, and 50 rewards for achievement.

Dialogue with employees

Listening to our employees through interviews and help lines

Regular employees are interviewed twice a year by their superiors, who evaluate them on their individual targets and set targets for the next time period. To ensure that these evaluations are fair, the interviews are done according to the personnel performance evaluation manual and employees are evaluated by multiple people.

We have also set up internal and external help desks as ways for employees to make inquiries, get advice, and make a report (see p. 20) as well as to respond to various problems including human rights violations and sexual harassment.

Column

Our new "Advancement of Women" project

To increase our competitiveness and to develop ourselves further, we believe that diversity in our labor force is important, particularly giving women opportunities to excel. For this purpose, we started our "Advancement of Women" project in October 2007. The project members include the Personnel Headquarters and 17 female representatives from various departments. These members work to improve employee awareness, change the corporate culture, create systems of opportunities, and develop the abilities of women.

During the monthly project meeting, issues are identified and measures to resolve them are discussed. Sectional meetings for separate regions look at how to implement and promote specific measures.

