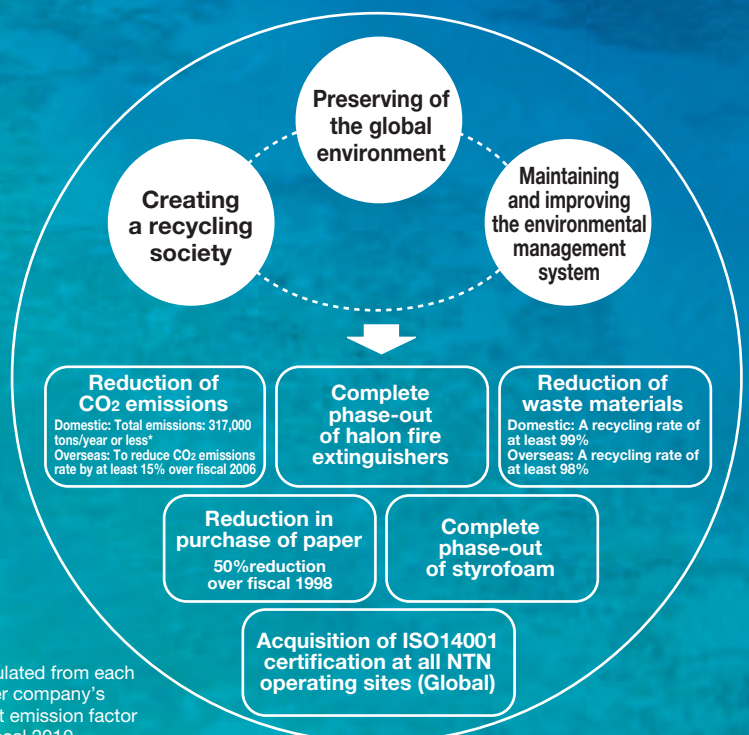


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Environmental Aspects

The NTN Group focuses on the research and development of bearings, which is the ultimate environmental product in terms of the environment. We are also reducing the environmental impact of the processes we use to manufacture bearings. In order to more effectively carry out these efforts, we have set and are committed to targets to achieve by 2010, and we are managing our progress year by year.

NTN's FY 2010 Environmental Targets



* Calculated from each power company's target emission factor for fiscal 2010.

Environmental Management

Improving our environmental management

Basic Concept

Advocating harmony with the global environment is our most important issue and we will make constant efforts to contribute to the harmonious development of society, while aiming to reduce environmental impacts and create a recycling society.

Action Guideline

In connection with its manufacture and sales of bearings, constant velocity joints and precision equipment, the NTN Group will comply with the following guidelines, which state our commitment to continuously reduce the impact of our products and business activities on the environment, and to maintain a safe environment for the future.

1. NTN will contribute to world-wide energy conservation by developing and providing eco-conscious products using tribological technologies and high precision processing technologies.
2. NTN not only will comply with the requirements set forth in applicable governmental laws and regulations but also with customers' requirements and internal standards, as NTN deems necessary.
3. Beginning at the research, development and design stages, NTN will endeavor to reduce environmental impacts.
4. In its purchase of raw materials, parts and equipment, NTN will take into account protection of the environment, preservation of resources and more efficient use of energy. In its production and sales activities, NTN will endeavor to reduce energy consumption and waste generation while promoting recycling.
5. NTN will endeavor to implement production methods and distribution systems that have less environmental effect in terms of pollution, waste and use of resources and energy.
6. NTN will conduct environmental audits and will maintain and improve corporate environmental management systems.
7. NTN will cooperate in programs for environmental protection conducted by national and local government entities and will actively participate in regional environmental activities.
8. NTN will conduct environmental education. NTN will promote improved awareness of this Environmental Policy and environmental protection to all persons working on behalf of the NTN Group.

January 1, 2008
 Yoshikazu Fukumura
 Chief Environmental Management Officer
 Director
 NTN Corporation

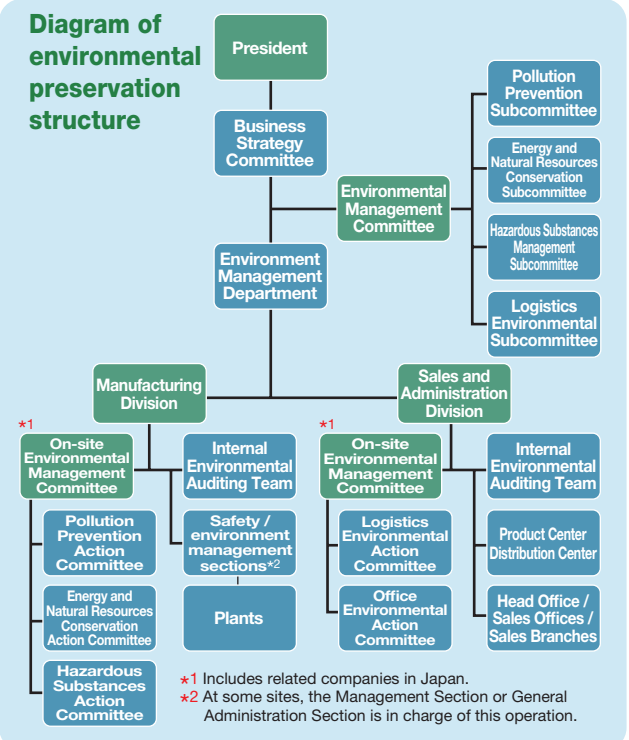
Environmental preservation structure

An environmental management committee at each operating site promotes activities throughout the company

In 1993, we established an environmental preservation committee at the Head Office and in the Engineering, Manufacturing, Sales and Logistics Departments. Company-wide environmental preservation activities were started.

In 1998, this committee was renamed the Environmental Management Committee, and on-site Environmental Management Committees were established in the Manufacturing and in the Sales and Administration Divisions. By having related companies in Japan participate, we created an environmental management structure that covers the entire domestic group. In our Manufacturing Division, we have set targets for management of pollution prevention, energy and natural resources conservation, and hazardous substances through action committees. In our Sales and Administration Division, we have set targets for the management of logistics and office environments. We set various targets and are acting to achieve these targets. (see pp. 39-40).

Diagram of environmental preservation structure



Environmental Management System

Our aim is to have all operating sites around the world obtain ISO14001 certification by fiscal 2010

The NTN Group is promoting acquisition of multi-site ISO14001 certification to structure the integrative environmental management system of all operating sites by 2010.

We are working to develop a structure to get non-certified operating sites – including newly-established sites – to join our multi-site certification.

In fiscal 2007, NTN Fukuroi Corp. (Fukuroi City, Shizuoka Prefecture) and NTN Kinan Corp. (Nishimuro County, Wakayama Prefecture) joined our multi-site certification.

Also, NTN Kamiina Corporation (Kamiina County, Nagano Prefecture) and NTN Bizen Corporation (Akaiwa City, Okayama Prefecture/Nishiwaki City, Hyogo Prefecture) obtained simplified certification such as EcoStage to prepare for multi-site certification.

Overseas, NTN-NIDEC (Thailand) Co., Ltd. newly obtained ISO14001 certification.

As of the end of March 2008, 17 out of our 19 operating sites in Japan have obtained ISO14001 certification, and out of those, 16 operating sites joined our multi-site certification.

Environmental audits

Three different audits showed no major problems

In addition to ISO14001 audits conducted by external organizations, operating sites conduct internal audits and

cross-audits on each other to check our environmental management structure from multiple angles.

The ISO14001 certification maintenance and expansion audits carried out in fiscal 2007 only found 10 minor observations at all operating sites. Our energy conservation practices (including the use of natural energy), our support of suppliers in their efforts to obtain environmental certification, and our contributions to local communities were all highly commended.

In fiscal 2007, all operating sites in the group carried out internal audits and although 133 observations were found, none were major. Also, the cross-audits carried out at six operating sites found 14 observations, but none of them were major observations that indicated serious problems.

In order to augment and improve our internal environmental auditors, 28 new auditors were trained at the company's 2-day auditor training session in January 2008. As of the end of March 2008, there are a total of 182 internal auditors throughout the NTN Group.

Environmental risk management system

Ready for natural disasters and chance accidents

The NTN Group has set out "Environmental management rules," "Risk management rules," and "Pollution prevention management rules" so that we have the procedure in place for responding to natural disasters and accidents. We carry out training and equipment inspections regularly.

We did not have any reportable accidents or environmental infractions in fiscal 2007.

Operating sites with certification

Region	Operating site		Date of certification		Registration	
	Company	Plant	Year	Month	Registration No.	Registration body
Japan	Multi-site certification (Operating sites included) Kuwana Works, Iwata Works, Okayama Works, Takarazuka Works, Nagano Works, NTN Kongo Corp., NTN Mikumo Corp., NTN Engineering Plastics Corp., NTN Powder Metal Corp., Hikari Seiki Industry Co., Ltd., NTN Casting Corp., NTN Omaezaki Corp., NTN Mie Corp., NTN Fukuroi Corp., NTN Kinan Corp., Head Office		1999	11	JSAE176	JSA
	NTN Tado Corp.		2005	3	JSAE1058	JSA
U.S.A.	AMERICAN NTN BEARING MFG. CORP.	Elgin Plant	2000	6	111994	LRQA
		Schiller Park Plant	2000	9	112115	LRQA
	NTN-BOWER CORP.	Macomb Plant	2000	6	111998	LRQA
		Hamilton Plant	2000	6	111999	LRQA

Region	Operating site		Date of certification		Registration	
	Company	Plant	Year	Month	Registration No.	Registration body
U.S.A.	NTN DRIVESHAFT, INC.		1999	12	A8478	UL
	NTN-BCA CORP.		2000	7	A8699	UL
Canada	NTN BEARING CORP. OF CANADA LTD.		1999	7	287	KPMG
Germany	NTN KUGELLAGERFABRIK (DEUTSCHLAND) G.m.b.H.		1999	6	201167-2	LRQA
France	NTN TRANSMISSIONS EUROPE		2003	1	19479	AFAQ
Thailand	NTN MANUFACTURING (THAILAND) CO., LTD.		2003	3	31634	TÜV
	NTN-NIDEC (THAILAND) CO., LTD.		2008	3	C2007-02666	PJR
China	NTN-NIDEC (Zhejiang) Corporation		2005	1	02005E10013R0L	CNAB
	Guangzhou NTN-Yulon Drivetrain Co., Ltd.		2005	4	104043247	TÜV
	Shanghai NTN Corporation		2005	7	CH05/0489	SGS

Operating sites expected to be certified

Region	Operating site	Expected date of certification	
		Year	Month
U.S.A.	NTK PRECISION AXLE CORP.	2008	5
China	NTN-RAB (Changzhou) Co., Ltd	2009	3

Region	Operating site	Expected date of certification	
		Year	Month
India	NTN MANUFACTURING INDIA PRIVATE LIMITED	2010	3

Environmental Management

→ Environmental accounting

Our 4.474 billion yen environmental investment in fiscal 2007 yielded 873 million yen in economic benefits

In fiscal 2007, we expanded the scope of environmental accounting and increased the number of sites from 14 to 16

along with expanding the number of sites with multi-site certification. The capital investment into the environment was 1.427 billion yen, while other expenses related to the environment were 3.047 billion yen.

[Accounting standard for environmental accounting]
 ·Applicable period: April 2007 to March 2008
 ·Organizational scope: All 16 manufacturing sites in Japan that have ISO14001 certification (multi-site)

Environmental preservation costs

(Million yen/year)

Classification	Equipment investment		Costs		
	Amount	Details	Amount	Details	
Cost from within work areas	50	Environmental equipment (dust collectors, particulate smoke removal devices, and wastewater treatment equipment)	128	Maintenance, inspection, and management of environmental equipment (dust collectors, particulate smoke removal devices, and wastewater treatment equipment)	
	168	Energy conservation equipment (adoption of inverters for motors, illumination, air conditioning), etc.	106	Equipment cost for equipment converted for use with inverters (motors, illumination, air conditioning)	
	62	Grinding swarf briquetting machine, recycling of waste, equipment to reduce waste	522	Equipment cost related to the grinding swarf briquetting machine, waste material recycling/reduction measures, general and industrial waste treatment	
Upstream / downstream costs	0		0.1	Costs for green procurement documents	
Costs for management activities	38	Devices for monitoring and measuring environmental impact	358	Labor cost for the EMS and information disclosure (advertising, CSR reports), greening and beautification of company grounds	
R&D costs	1,109	R&D equipment related to environmental preservation	1,814	R&D costs related to environmental preservation	
Costs for social activities	0		5	Greening and beautification outside the company	
Environmental remediation expenses	0		114	Costs for soil sampling	
Total	1,427		3,047		Grand total 4,474
(For reference) Total from last fiscal year	1,412		3,163		4,575

Impact on environmental preservation

Indicator	Result for fiscal 2007
CO ₂ emissions rate	22.0% reduction over fiscal 1997
Reduction of waste	Recycle rate: 98.4%
Reduction in paper purchases	35.2% reduction over fiscal 1998
Reduction in Styrofoam purchases	84.5% reduction over fiscal 1999

Financial effect of environmental preservation activities

(Million yen/year)

Item	Amount	Details of fiscal 2007
Profit from recycling saleable materials	368	Profit from saleable materials such as metallic sludge
Reduced costs from energy conservation	142	Reduced costs from energy conservation (air conditioning, illumination)
Reduced waste treatment costs through resource conservation and recycling	363	Benefit of installing grinding swarf briquetting machine
Total	873	
(For reference) Total from last fiscal year	476	

→ Environmental communications

An internal presentation to raise environmental awareness

Environmental education at the NTN Group is specific to each worker's department and position. We constantly work to enrich our programs.

In fiscal 2007, we held meetings to promote our green procurement measures. Internally, we provided training to our employees for measures to prevent inclusion of environmentally hazardous substances. We also had our managers attend an internal presentation on the topic "The Global Environment Problem and Corporate Social Responsibility" given by environmental journalist Junko Eda. The presentation was recorded so that it could be seen at other NTN operating sites as well.



Presentation given by environmental journalist Junko Eda

Okayama Works Listening to local residents and working to maintain the residential environment

In July 2007, Okayama Works received complaints of noise from local residents.

This was immediately investigated and it was found that one of the water-cooled chillers (a device that prevents the compressor temperature from rising excessively) had malfunctioned, leading to noise. That same day, the machine was stopped and repaired.

We were able to gain the understanding of the residents through this immediate response.



The water-cooled chillers for the compressor at Okayama Works



Environmental preservation activities

Iwata Works

A plant tour for the family

In fiscal 2006, Iwata Works received the Governor's Award as the "company demonstrating excellence in promoting appropriate treatment of industrial waste" from the Shizuoka Industrial Waste Association. Every August, this association holds a family tour of the environmental facilities of a company or plant in Shizuoka and Iwata Works offered this tour in 2007.

In August 2007, 42 elementary school students and their parents from Fukuroi City and seven officials from the Shizuoka Prefecture Environmental Protection Division's Recycling Department, Fukuroi City Hall, and the Shizuoka Industrial Waste Association – a total of 49 persons – participated in the tour of Iwata Works. They saw the manufacturing line in the ball bearing plant, a dynamic display showing how a constant velocity joint works, seismic isolation devices in the R&D center, and the waste storage area. They also got a better understanding of our company's environmental preservation activities from the recycled items and product samples on display in the interpretation area.

We hope to continue these types of tours with local residents so that they can get a better understanding of NTN's environmentally friendly products and environmental efforts.



Family plant tour

NTN OMAEZAKI Corp.

Employee volunteers help plant and care for flowers in the park

In fiscal 2007, 16 employees from NTN OMAEZAKI Corp. (Omaezaki City, Shizuoka) planted flowers in the flower beds in Yachiyo Park, located beside Omaezaki City Hall.

They received professional advice, created a layout for the flower beds and selected the flowers. In June, they planted over 500 flowers and improved the site. They continue to remove weeds and replant flowers. In addition to the cleaning activity around the site that is an ongoing activity, we will continue to maintain these flower beds.



Employees who participated in planting and caring for the flowers

NTN KONGO Corp.

NTN exhibits at environmental forum held by residents' group

NTN KONGO Corp. participated again this year with a display at the "6th Environmental Forum" held by the Kawachinagano Resident's Association in Kawachinagano City, Osaka.

Following this year's theme, "Oh, no! Global warming isn't stopping," local residents, government agencies, and companies got together as exhibitors and spectators to consider what can be done to prevent global warming. Everyone presented what they were doing and exchanged opinions each other.

The NTN booth featured products that help reduce environmental impact as well as the facility's environmental conservation activities. A large number of children and students came to look at the exhibit and we saw some children furiously taking notes to do their summer projects on "Bearings and the Environment."



Kawachinagano Environmental Forum

Nagano Works

Donation of funds for the upkeep of trees and trails in the Kayano Highlands

Nagano Works donated funds to help Minowa Town, located in Ina County, Nagano, with the maintenance of trees and trails. A "Mountain-opening ceremony" in April 2007 in the presence of town residents commemorated the agreement.

In addition to in environmental activities related to Tenryu River (river clean-up and water quality measurements), Nagano Works has participated in Nagano Prefecture's "Adopt-a-Forest" program as part of its greening activities. We hope that the areas maintained in this newest initiative will be enjoyed by local residents as well as by our employees and their families as a place to commune with nature, learn from it, and get and keep fit.

Column

Showcasing our corporate stance toward preserving the environment

In fiscal 2007, with a theme of "Ecology blue," NTN took out a series of corporate ads in national newspapers. Photographs and statements of the famous underwater photographer Ikuo Nakamura showcased our desire to pass on the beauty of nature to future generations.