

# Compliance

We are enriching our compliance-related education to increase employee awareness

## Compliance management system

### We have started new educational programs to ensure thorough compliance

NTN holds total compliance as a foundation on which we build our CSR activities and our CSR Committee has a Compliance Subcommittee. This subcommittee is made up of the CSR Dept., the Legal Dept., and the Personnel Dept. It spearheads and manages overall compliance efforts across the entire NTN Group. The CSR Dept. investigates and analyzes compliance-related issues and risk, then educates and raises awareness. The Legal Dept. judges things from the perspective of laws, regulations, and company rules and operates the “Help Line.” The Personnel Dept. judges things based on policies and measures related to personnel.

In fiscal 2008, we held meetings to explain the “CSR Guidebook” to CSR managers and to all managers to educate them on issues related to legal and regulatory compliance. We



A talk on compliance issues during a training session for new employees

distributed study materials in order to reinforce their knowledge of these issues.

In September 2008, we surveyed 4,000 employees using questionnaires to gauge how well they understood compliance-related issues as well as the situation in their workplaces. Over 80% of those surveyed completed and returned their questionnaires. The results were analyzed to understand the level of compliance at each operating site.

In fiscal 2009, the CSR Dept. plans to support our CSR managers as they carry out compliance-related education for their departments for all employees. We continuously use questionnaires to raise awareness of issues related to compliance.

## Internal reporting system

### We have opened our “Help Line” to suppliers

If any director or employee discovers or foresees any actions that contravene or may contravene the laws, the Business Code of Conduct, or our internal rules, they can make a report, ask questions, and get advice from the “Help Line.” There is one line inside the company and one outside the company; employees do not have to go through managers to use the help lines. They are able to send information directly by mail or by e-mail, and we take the utmost care to protect user confidentiality and to ensure that users are not penalized. These help lines have been opened to our suppliers, and we give advice to people from companies with which we have a business relationship.

To improve our employees’ understanding of the “Help Line” and to encourage use, we have posted how to use the “Help Line,” and we have established a database to which information can be sent directly by e-mail. In fiscal 2008, we worked hard to inform employees of the “Help Line” at the meetings related to the “CSR Guidebook.” We will use opportunities such as internal training sessions to ensure that all employees are informed of the “Help Line.”

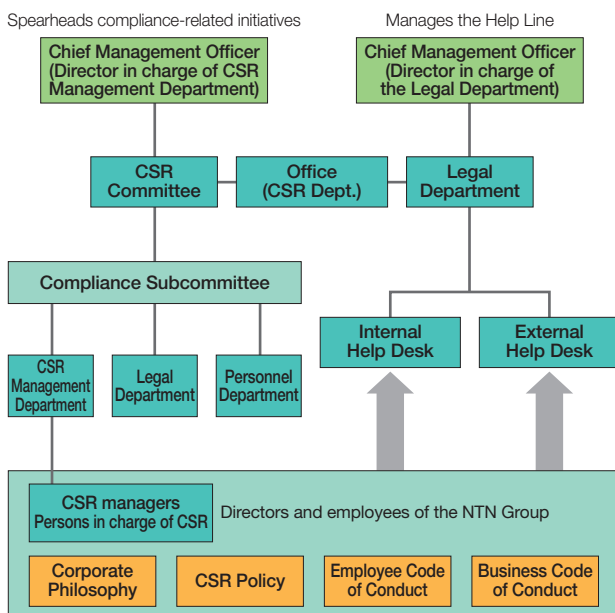
## Managing confidential and personal information

### Appropriate management and protection of information

To manage confidential information, we established an “Information Security Policy” and “Confidentiality rule,” which have been adopted at all related group companies. In addition, the sales departments in Japan use a “Confidentiality manual.”

To manage personal information, we have established “Personal Information Management rule” and a “Personal Information Management manual.” In our system, managers in each department are managed by chief management officers and the Internal Audit Dept. carries out audits.

## Compliance System

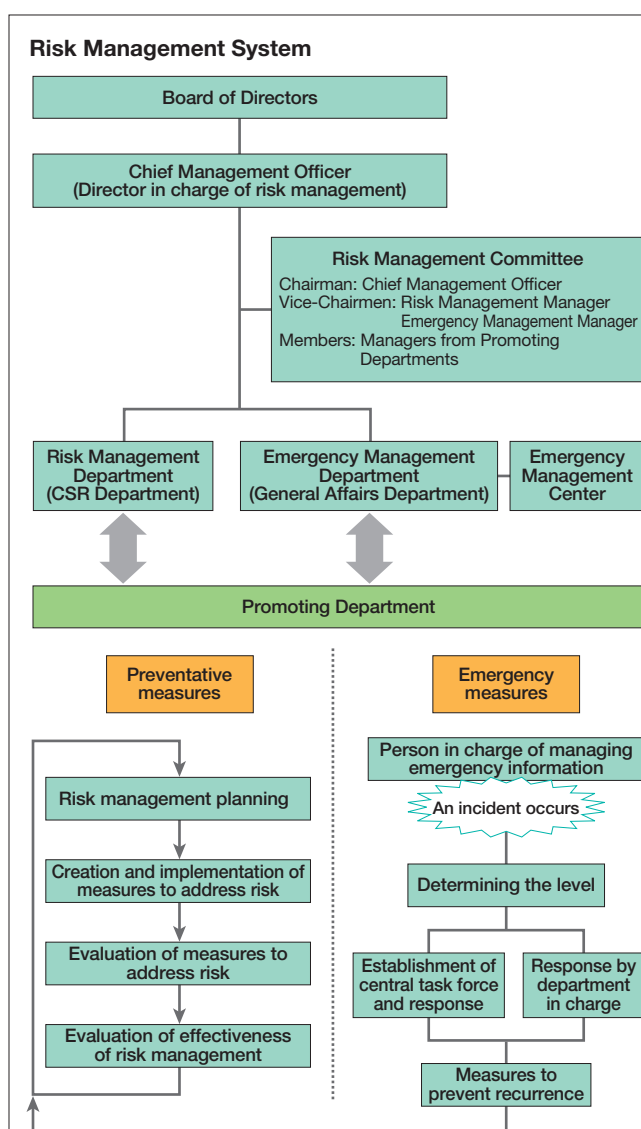


## Risk management

### Creating a risk management system based on both prevention and countermeasures

In March 2008, our company established “Risk Management rule” and established a Risk Management Committee. By shifting our organizational structure from one focused on responding to crises to one that incorporates preventative measures, we re-configured our risk management system into something more comprehensive.

The Risk Management Department (CSR Dept.) is in charge of the preventative measures, while the Emergency Management Department (General Affairs Dept.) is in charge of crisis countermeasures. In the event of a serious crisis, a central task force shall be established to take action and minimize damage.



### Recognizing critical risks and implementing countermeasures related to stopping the spread of infectious diseases

We are implementing a risk management plan through the Risk Management Committee, which selects countermeasures for risks common to all operating sites of the NTN Group as well as through individual departments that are addressing risks that are not common.

As a measure to mitigate earthquake damage, the manufacturing departments of the NTN Group in Japan have been spearheading earthquake improvements to buildings and facilities. In fiscal 2008, these improvements were carried out at Iwata Works, and they will be carried out at the other operating sites in turn.

To prevent the spread of infectious disease, in December 2008, we established “Detailed rules for implementing countermeasures for infectious diseases” and a “Manual of countermeasures for new strains of influenza,” which included everything from preventative measures to crisis countermeasures, and we started stockpiling pharmaceuticals and masks. In April 2009, we responded rapidly to the new strain of swine influenza that in order to prevent infection within the NTN Group.

We are working on implementing countermeasure plans with other departments spearheading efforts to counter other risks.

### More stringent risk management and disaster countermeasures at our group companies

At the NTN Group, the Risk Management Committee spearheads countermeasures for risks common to the entire group.

We have a system that can be used to confirm the personal safety of employees through the internet or telephone in the event of a disaster, and in fiscal 2008, this system was expanded to cover our primary group companies. Every year, we simulate a disaster and carry out training on how to use the system.



Earthquake resistance improvements at Iwata Works



Supplies at Okayama Works in preparation for the new strain of influenza



Supplies at Nagano Works in preparation for the new strain of influenza