Other Environmental Initiatives

Basic approach to other environmental initiatives

The NTN Group recognizes climate change response and resource recycling as key priorities, and additionally regards water resources, biodiversity, pollution prevention, and the reduction of environmental impact across the entire product life cycle as important environmental issues that may affect business continuity and the soundness of our supply chain.

In addressing these issues, we refer to international guidelines and assessment methodologies while implementing management practices based on quantitative assessments and continuous improvement.

Water resource management

Water stress analysis and water risk response

The NTN Group regards water resource conservation as an important management issue and is committed to sustainable water resource management. Based on the impact of water consumption and wastewater associated with business activities on regional water resources, our basic policy is to alleviate pressure on water resources by reducing water consumption.

In assessing and evaluating water risks, we utilize the water risk assessment tool "Aqueduct" developed by the World Resources Institute (WRI) to analyze water stress conditions at domestic and overseas business sites. We recognize water resource constraints as a management risk that may affect production planning, capital investment, and business continuity planning (BCP), and are prioritizing countermeasures at business sites located in high water stress regions, including India.

At business sites located in particularly high water stress regions, we work to reduce water consumption through improvements to production processes and enhanced equipment efficiency. The effectiveness of these initiatives is continuously assessed using water consumption intensity indicators.

Key response examples

- Reducing water consumption in production processes
- Enhancing equipment efficiency and appropriate operation of wastewater treatment
- Promoting water recycling to reduce water consumption, including reuse within production processes



Dual-layer filtration and reverse osmosis (RO) water treatment facilities (NNMI, India)

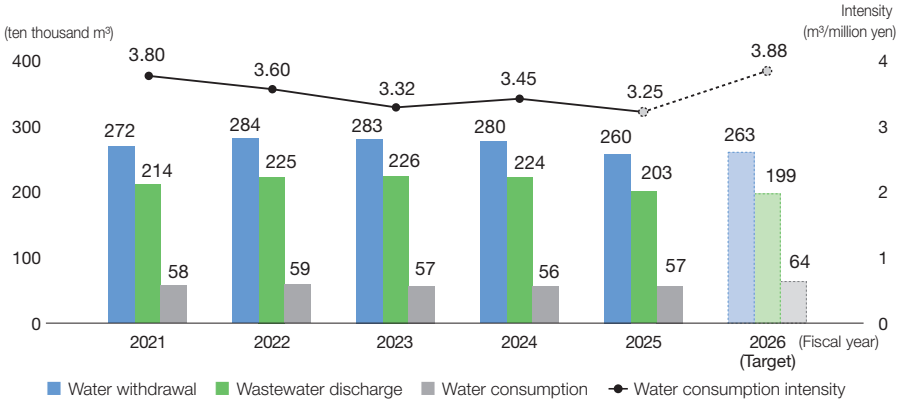
KPIs and targets

The NTN Group has established water consumption intensity as a KPI for water resource management and is committed to continuous improvement with the aim of reducing operational risks associated with water resource constraints.

KPI (Indicator)

Water consumption intensity (water resource management)

Trends in water consumption intensity (results and targets)



- Water consumption intensity is calculated using "production value," which is determined based on an internal price indicator for management purposes, as the denominator. Target values are set with the aim of continuous improvement, taking into account the business plan and water consumption reduction measures at each site.

* Total water consumption and water consumption intensity are calculated for the sites included within the Group's consolidated reporting boundary.

* The water consumption intensity in the main text is calculated using "production value," which is determined based on an internal price indicator for management purposes, as the denominator. In the ESG Data section at the end of this report, water consumption intensity is calculated using "net sales" as the denominator from the perspective of external comparability.

Preserving biodiversity

Biodiversity risk assessment and response

The NTN Group regards biodiversity conservation as an important environmental issue and is working to understand and reduce the impact of business activities on ecosystems. As our basic approach, we have adopted the AR3T framework of Avoid, Reduce, Restore, and Transform, as set out in SBTs for Nature.

For biodiversity risk assessment, we utilized the WWF Biodiversity Risk Filter to conduct assessments of domestic and overseas production sites. Based on the assessment results, we identified sites where business activities may have a relatively significant impact, prioritized our responses, and are considering specific measures. We are also progressively implementing conservation activities that reflect the local characteristics of each site.

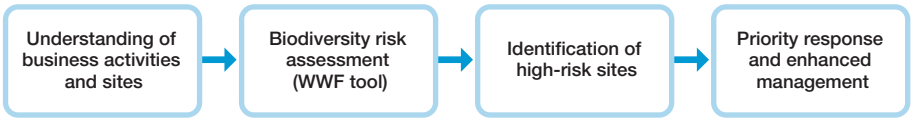
Key assessment results and response approach

- Identification of sites with high risk of impact on ecosystems
- Strengthening management of impacts associated with business activities such as wastewater and land use
- Consideration of conservation activities reflecting regional characteristics



Mangrove planting activities to conserve coastal ecosystems (NMT, Thailand)

Going forward, with reference to the TNFD recommendations, we will progressively incorporate nature-related risks and opportunities into management decisions, aiming to achieve both biodiversity conservation and business continuity.



Biodiversity risk assessment and response process

Reducing environmental impact across the entire product life cycle

Use of Life Cycle Assessment (LCA)

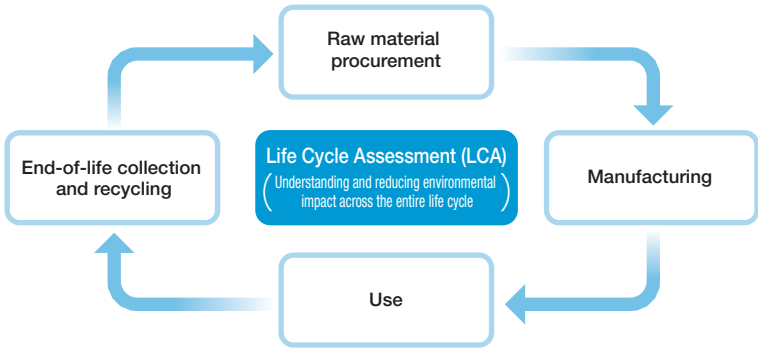
The NTN Group recognizes that environmental impact occurs not only during the manufacturing stage of products, but across the entire life cycle from raw material procurement through to use, disposal, and recycling. For this reason, we position LCA (life cycle assessment) as one of the foundations of product development and business decision-making, and are advancing its utilization.

By applying LCA, we identify processes with significant environmental impact and areas for improvement, leading to reviews of product designs and manufacturing processes. In particular, the compact, lightweight, and low-friction designs of bearings and driveshafts contribute to reducing energy consumption during the customer-use phase.

Key initiatives

- Consideration of environmental impact reduction at the product design stage
- Extending product life through the bearing refurbishment business
- Quantifying contributions to CO_2 emissions reduction using the LCA approach

Through these initiatives, we aim to achieve both environmental impact reduction and enhancement of business value.



Approach to reducing environmental impact across the product life cycle

Related information on the website

For details on our initiatives, please refer to our sustainability website.
We provide information including specific case studies and data.

Resource Recycling and Pollution Prevention

Preserving Biodiversity