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(Stock Exchange Code 6472)
June 1, 2017

To Shareholders with Voting Rights:

Hiroshi Ohkubo
President and Director
NTN Corporation
3-17, 1-chome, Kyomachibori, Nishi-ku,
Osaka-shi, Osaka

**NOTICE OF
THE 118TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 118th Annual General Meeting of Shareholders of NTN Corporation (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights via either of the methods below.
[If exercising voting rights via mail]

Indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the close of the business day (5:25 p.m.) on Thursday, June 22, 2017.
[If exercising voting rights via the Internet]

Utilize the log-in ID and provisional password printed on the Voting Rights Exercise Form to access the Voting Web Site designated by the Company (<http://www.evotep.jp/>) and indicate your vote for or against the proposals in accordance with the guidance on the web. Additionally, when following the steps, please confirm the details in "Guide to the Exercise of Voting Rights via the Internet" (page 38 to page 39).

- 1. Date and Time:** Friday, June 23, 2017 at 10:00 a.m. Japan time
- 2. Place:** Within Corporate Head Office located at
3-17, 1-chome, Kyomachibori, Nishi-ku, Osaka-shi, Osaka
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company's 118th Fiscal Year (April 1, 2016 - March 31, 2017) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 118th Fiscal Year (April 1, 2016 - March 31, 2017)
 - Proposals to be resolved:**
 - Proposal 1:** Distribution of Surplus
 - Proposal 2:** Election of Fourteen (14) Directors
 - Proposal 3:** Continuation of Countermeasures to Large-Scale Purchases of The Company's Shares (Takeover Defense Measures)

Additionally, other matters regarding the convocation for this Annual General Meeting of Shareholders are indicated in "Guide to the Exercise of Voting Rights, etc." (page 38).

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Company views return of profits to its shareholders as one of its most important policies. Concerning dividends, while securing funds for research and development, capital investment, etc., that are necessary for future growth, the Company's basic policy is to implement dividends according to business results in a stable and continuous manner from a medium- to long-term viewpoint. Specifically, when determining dividends, the consolidated dividend payout ratio is emphasized, taking into consideration cash flow conditions.

Matters concerning year-end dividends


Concerning year-end dividends for the fiscal year under review, the Company proposes dividends of 5.00 yen per share (10.00 yen per share when combined with previously paid-out interim dividends).


- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount
5.00 yen per common share of the Company
Total amount: 2,658,215,665 yen
- (3) Effective date of distribution of surplus
June 26, 2017

Proposal 2: Election of Fourteen (14) Directors

The terms of office of all 14 Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of three additional 14 Directors is proposed. The candidates are as follows:


No.	Name
1	Hiroshi Ohkubo <input type="checkbox"/> Reappointment
2	Hironori Inoue <input type="checkbox"/> Reappointment
3	Yoshinori Terasaka <input type="checkbox"/> Reappointment
4	Keiji Ohashi <input type="checkbox"/> Reappointment
5	Hideaki Miyazawa <input type="checkbox"/> Reappointment
6	Itsuji Gotou <input type="checkbox"/> Reappointment
7	Hiroshi Nakano <input type="checkbox"/> Reappointment
8	Hidefumi Tsuji <input type="checkbox"/> Reappointment
9	Takehiko Umemoto <input type="checkbox"/> Reappointment
10	Toshinori Shiratori <input type="checkbox"/> Reappointment
11	Kazuki Kawashima <input type="checkbox"/> Reappointment
12	Eiichi Ukai <input type="checkbox"/> New appointment
13	Akira Wada <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director
14	Noboru Tsuda <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director


No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	 <p data-bbox="209 533 387 595">Hiroshi Ohkubo (May 14, 1953)</p> <p data-bbox="209 622 387 658"><u>Reappointment</u></p>	<p data-bbox="427 271 596 293">April 1977</p> <p data-bbox="635 271 847 293">Joined the Company</p> <p data-bbox="427 304 596 327">April 2004</p> <p data-bbox="635 304 1118 327">Deputy General Manager, Finance Department</p> <p data-bbox="427 338 596 360">August 2009</p> <p data-bbox="635 338 1098 360">Director, NTN Wälzlager (Europa) G.m.b.H.</p> <p data-bbox="427 371 596 394">April 2010</p> <p data-bbox="635 371 823 394">Executive Officer</p> <p data-bbox="427 405 596 427">June 2010</p> <p data-bbox="635 405 1257 427">Finance and Accounting Department, Budgeting Department</p> <p data-bbox="427 439 596 461">April 2011</p> <p data-bbox="635 439 1241 483">Accounting Department, Legal Department, Internal Audit Department</p> <p data-bbox="427 495 596 517">April 2012</p> <p data-bbox="635 495 1289 539">Legal Department, Fair Trade Promoting Office, Internal Audit Department</p> <p data-bbox="427 551 596 573">June 2012</p> <p data-bbox="635 551 727 573">Director</p> <p data-bbox="427 584 596 607">October 2012</p> <p data-bbox="635 584 1257 663">Corporate General Manager, Finance Headquarters CSR Department, Legal Department, Fair Trade Promoting Office, Internal Audit Department</p> <p data-bbox="427 674 596 696">June 2013</p> <p data-bbox="635 674 871 719">Managing Director Management Division</p> <p data-bbox="427 730 596 752">April 2014</p> <p data-bbox="635 730 1214 786">Executive Vice President and Director Corporate Strategy Headquarters, Management Division</p> <p data-bbox="427 797 596 819">June 2014</p> <p data-bbox="635 797 1050 819">President and Director (current position)</p>	61,000 shares
[Reasons for selection as a candidate for Director, etc.]			
<p data-bbox="134 875 1426 1039">As stated above, Mr. Hiroshi Ohkubo possesses operational experience in areas such as the Finance Division and Overseas Division, and broad knowledge of company management for promoting business globally based on these achievements, and has served as President and Representative Director of the Company since June 2014. In the future, to lead management decision-making in the Board of Directors utilizing this experience and knowledge, etc., to achieve the NTN100 Medium-term Management Plan, and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.</p>			


No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	 <p data-bbox="209 622 387 685">Hironori Inoue (July 29, 1951)</p> <p data-bbox="209 712 387 745"><u>Reappointment</u></p>	<p data-bbox="427 255 1289 288">April 1976 Joined the Company</p> <p data-bbox="427 288 1289 322">October 2005 Deputy Corporate General Manager, Monozukuri Headquarters</p> <p data-bbox="427 322 1289 356">January 2008 General Manager, OKAYAMA WORKS</p> <p data-bbox="427 356 1289 389">April 2009 Executive Officer</p> <p data-bbox="427 389 1289 423">November 2009 General Manager, KUWANA WORKS</p> <p data-bbox="427 423 1289 501">February 2010 Deputy Corporate General Manager, Industrial Machinery Business Headquarters (concurrently) General Manager, KUWANA WORKS</p> <p data-bbox="427 501 1289 535">June 2010 Director</p> <p data-bbox="427 535 1289 568">June 2011 Production, Engineering, Cost Planning, Logistics Division</p> <p data-bbox="427 568 1289 669">April 2012 Research, Development, Quality Management, Environmental Management, Production, Procurement, Cost Planning, Logistics Division</p> <p data-bbox="427 669 1289 703">June 2012 Managing Director Production, Procurement, Cost Planning, Logistics Division</p> <p data-bbox="427 703 1289 736">June 2013 Production, Procurement, Logistics, Cost Planning Division</p> <p data-bbox="427 736 1289 770">June 2014 Executive Director</p> <p data-bbox="427 770 1289 848">October 2014 Production, Human Resources, General Affairs, Global Personnel Training Division</p> <p data-bbox="427 848 1289 882">April 2015 Human Resources, Production Division</p> <p data-bbox="427 882 1289 983">June 2015 Executive Vice President and Director (current position) Human Resources Division Production Division</p> <p data-bbox="427 983 1289 1016">October 2015 Human Resources Division Procurement, Logistics, Production Division</p> <p data-bbox="427 1016 1289 1084">April 2016 Natural Energy Product Business Department (current position) Human Resources Division (current position)</p>	52,000 shares


[Reasons for selection as a candidate for Director, etc.]

As stated above, Mr. Hironori Inoue possesses operational experience in areas such as the Production Division and the Human Resources Division and broad knowledge based on these achievements, and has served as Executive Vice President and Representative Director of the Company since June 2015. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.

No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	 Yoshinori Terasaka (August 30, 1959) <u>Reappointment</u>	April 1983 Joined the Company August 2008 General Manager, Constant Velocity Joints Engineering Department, Automotive Product Headquarters April 2011 General Manager, Constant Velocity Joints Technology Department, Automotive Product Headquarters General Manager, Corner Module Technology Department April 2012 Executive Officer Deputy Corporate General Manager, Automotive Business Headquarters June 2013 Director April 2014 Managing Director (current position) Corporate General Manager, Automotive Business Headquarters EV Module Business Headquarters June 2014 Corporate General Manager, Automotive Business Headquarters EV Module Business Headquarters October 2014 Corporate General Manager, Automotive Business Headquarters ASEAN & Oceania Region, India & West Asia Region EV Module Business Headquarters April 2015 Research, Engineering, Quality Management Division, Composite Material Product Division, ASEAN & Oceania Region, India & West Asia Region, Americas Region June 2015 Research, Engineering Division, Americas Region, Composite Material Product Division Quality Management Division April 2016 Research, Engineering Division, Americas Region (current position) Quality Management Division April 2017 Quality Assurance Headquarters (current position) (Significant concurrent positions) Chairman and Director, NTN USA CORP.	33,000 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Yoshinori Terasaka possesses operational experience in areas such as the Research Division, Engineering Division and Business Division for the automotive market, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	 <p data-bbox="193 607 400 667">Keiji Ohashi (October 14, 1956)</p> <p data-bbox="217 696 384 730"><u>Reappointment</u></p>	<p data-bbox="427 255 1273 288">April 1979 Joined the Company</p> <p data-bbox="427 288 1273 344">April 2003 General Manager, Management Department, KUWANA WORKS</p> <p data-bbox="427 344 1273 378">April 2006 General Manager, Management Department, IWATA WORKS</p> <p data-bbox="427 378 1273 412">April 2007 Deputy General Manager, IWATA WORKS</p> <p data-bbox="427 412 1273 445">General Manager, Management Department, IWATA WORKS</p> <p data-bbox="427 445 1273 479">January 2008 General Manager, General Affairs Department</p> <p data-bbox="427 479 1273 512">April 2010 Executive Officer</p> <p data-bbox="427 512 1273 568">August 2010 General Manager, Human Resources General Affairs Department</p> <p data-bbox="427 568 1273 624">April 2011 General Manager, Human Resources, General Affairs Department</p> <p data-bbox="427 624 1273 658">April 2012 Human Resources, General Affairs Department</p> <p data-bbox="427 658 1273 692">June 2012 Director</p> <p data-bbox="427 692 1273 748">April 2014 Human Resources, General Affairs, Global Personnel Training Department</p> <p data-bbox="427 748 1273 804">June 2014 Managing Director (current position) Management Division</p> <p data-bbox="427 804 1273 837">October 2014 Management, Procurement, Logistics, Cost Planning Division</p> <p data-bbox="427 837 1273 916">April 2015 Corporate General Manager, Finance Headquarters (current position) General Affairs, Environment Division CSR Headquarters (current position)</p> <p data-bbox="427 916 1273 1010">April 2016 General Affairs, Environmental Management Department (current position)</p>	63,000 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Keiji Ohashi possesses operational experience in areas such as the Finance Division and the General Affairs Division, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.			


No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	 Hideaki Miyazawa (October 18, 1960) <u>Reappointment</u>	April 1983 Joined the Company October 2007 Deputy Corporate General Manager, Automotive Product Headquarters (concurrently) General Manager, Automotive Planning Department October 2009 Deputy General Manager, China Region October 2013 Deputy Corporate General Manager, Automotive Business Headquarters (concurrently) General Manager, Business Planning Department April 2014 Executive Officer June 2014 Director Deputy Corporate General Manager, Automotive Business Headquarters Americas Region October 2014 Deputy Corporate General Manager, Automotive Business Headquarters Americas Region, Europe & Africa Region April 2015 Corporate General Manager, Automotive Business Headquarters (current position) EV Module Business Headquarters, Europe & Africa Region June 2015 Managing Director (current position) Europe & Africa Region EV Module Business Headquarters April 2016 Europe & Africa Region, Electric Module Product Business Division (current position) EV Module Business Department (current position)	35,200 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Hideaki Miyazawa possesses operational experience in areas such as Business Divisions for the automotive market and Overseas Divisions, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.			


No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	 <p data-bbox="212 562 391 622">Itsuji Gotou (June 24, 1959)</p> <p data-bbox="212 651 391 685"><u>Reappointment</u></p>	<p data-bbox="427 259 1283 1249"> April 1982 Joined the Company April 2006 General Manager, Finance Department April 2007 General Manager, Management Department, KUWANA WORKS January 2009 Deputy General Manager, China Region General Manager, Management Department, NTN (CHINA) Investment Corp. April 2012 Executive Officer Business Administration Department, Accounting Department June 2012 Deputy Corporate General Manager, Automotive Business Headquarters Corporate Management Department, Accounting Department October 2012 Deputy Corporate General Manager, Automotive Business Headquarters (concurrently) Deputy Corporate General Manager, Finance Headquarters (concurrently) General Manager, Affiliated Company Management Department June 2013 Director Corporate General Manager, Finance Headquarters CSR Department, Legal Department, Fair Trade Promoting Office, Internal Audit Department April 2014 Corporate General Manager, Finance Headquarters CSR Department, Legal Department, Fair Trade Promoting Department, Internal Audit Department June 2014 Corporate General Manager, Finance Headquarters Internal Audit Department October 2014 Corporate General Manager, Finance Headquarters Procurement, Logistics, Cost Planning Division, China Region April 2015 Procurement, Logistics, Cost Planning Division, China Region April 2016 Procurement, Logistics, Cost Planning Division, China Region, Human Resources Division, Cost Planning Department, China Region (current position) June 2016 Managing Director (current position) </p>	50,000 shares


[Reasons for selection as a candidate for Director, etc.]

As stated above, Mr. Itsuji Gotou possesses operational experience in areas such as the Cost Planning and Overseas Divisions, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.

No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
7	 <p data-bbox="197 562 395 618">Hiroshi Nakano (October 2, 1962)</p> <p data-bbox="213 651 381 685"><u>Reappointment</u></p>	<p data-bbox="427 271 852 293">April 1986 Joined the Company</p> <p data-bbox="427 304 1015 327">April 2008 General Manager, Legal Department</p> <p data-bbox="427 338 1171 394">April 2012 General Manager, Legal Department (concurrently) General Manager, Fair Trade Promoting Office</p> <p data-bbox="427 405 823 427">October 2013 Executive Officer</p> <p data-bbox="427 439 1177 506">December 2013 General Manager, CSR Department (concurrently) General Manager, Legal Department (concurrently) General Manager, Fair Trade Promoting Office</p> <p data-bbox="427 517 1286 595">April 2014 Corporate General Manager, CSR Headquarters (concurrently) General Manager, CSR Department (concurrently) General Manager, Legal Department</p> <p data-bbox="427 607 1134 685">June 2014 Director (current position) Corporate General Manager, CSR Headquarters (current position)</p> <p data-bbox="427 696 1094 719">October 2014 Internal Audit Department (current position)</p>	14,000 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Hiroshi Nakano possesses operational experience in areas such as the Legal Division, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
8	 <p data-bbox="209 633 379 692">Hidefumi Tsuji (May 24, 1958)</p> <p data-bbox="209 723 379 757"><u>Reappointment</u></p>	<p data-bbox="427 255 1273 831"> April 1981 Joined the Company October 2004 General Manager, Production Engineering Planning Department, Monozukuri Headquarters April 2009 President (concurrently) CEO, Shanghai NTN Corp. April 2011 Executive Officer Deputy General Manager, China Region April 2012 Deputy Corporate General Manager, China Business Headquarters (concurrently) Deputy General Manager, China Region April 2013 Senior Executive Officer Corporate General Manager, China Business Headquarters (concurrently) General Manager, China Region October 2013 General Manager, China Region June 2015 Director (current position) Production Division, ASEAN & Oceania Region, India & West Asia Region April 2016 Production Division, Procurement, Logistics Department, ASEAN & Oceania Region, India & West Asia Region (current position) </p>	33,000 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Hidefumi Tsuji possesses operational experience in areas such as the Production Division and Overseas Divisions, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.			


No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
9	 <p>Takehiko Umemoto (March 7, 1957)</p> <p><u>Reappointment</u></p>	<p>April 1980 Joined the Company</p> <p>April 2007 General Manager, Product Design Department, Industrial Product Headquarters</p> <p>August 2009 General Manager, Applied Design Department, Industrial Product Headquarters</p> <p>April 2010 General Manager, Industrial Engineering Department, Industrial Business Headquarters</p> <p>April 2011 Executive Officer Deputy Corporate General Manager, Industrial Business Headquarters (concurrently)</p> <p>April 2012 General Manager, Industrial Engineering Department Deputy Corporate General Manager, China Business Headquarters (concurrently)</p> <p>April 2013 Deputy General Manager, China Region Deputy Corporate General Manager, Automotive Business Headquarters Precision Equipment Business Division</p> <p>August 2013 Corporate General Manager, EV Module Business Headquarters</p> <p>April 2014 Senior Executive Officer</p> <p>April 2015 Corporate General Manager, EV Module Business Headquarters Quality Management Division</p> <p>June 2015 Director (current position)</p> <p>April 2016 General Manager, EV Module Business Department (current position) Quality Management Division</p> <p>April 2017 Quality Assurance Headquarters (current position)</p>	29,000 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Takehiko Umemoto possesses operational experience in areas such as Business Divisions for the industrial machinery market and technical divisions, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.			


No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
10	 Toshinori Shiratori (July 13, 1958) <u>Reappointment</u>	April 1982 Joined the Company April 2005 General Manager, Production Planning Department, Production Headquarters November 2007 General Manager, Human Resources Department, Human Resources Headquarters August 2010 Deputy Corporate General Manager, Corporate Strategy Headquarters December 2010 Deputy Corporate General Manager, Corporate Strategy Headquarters (concurrently) General Manager, Information Planning Department April 2011 Executive Officer Deputy Corporate General Manager, Corporate Strategy Headquarters (concurrently) General Manager, Corporate Planning Department (concurrently) General Manager, Information Planning Department April 2012 Corporate General Manager, Corporate Strategy Headquarters (concurrently) General Manager, Corporate Planning Department (concurrently) General Manager, Information Planning Department June 2013 Corporate General Manager, Corporate Strategy Headquarters (concurrently) General Manager, Information Planning Department April 2015 Corporate General Manager, Corporate Strategy Headquarters (current position) June 2015 Director (current position)	20,000 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Toshinori Shiratori possesses operational experience in areas such as the Human Resources Division and the Corporate Strategy Division, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.			


No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
11	 <p data-bbox="188 546 406 607">Kazuki Kawashima (November 5, 1956)</p> <p data-bbox="212 636 383 667"><u>Reappointment</u></p>	<p data-bbox="427 255 1214 286">April 1980 Joined the Company</p> <p data-bbox="427 286 1214 344">July 2005 General Manager, Automotive Engineering Department, Automotive Product Headquarters</p> <p data-bbox="427 344 1214 403">October 2011 Deputy Corporate General Manager, Industrial Business Headquarters , General Manager, NAGANO WORKS</p> <p data-bbox="427 403 1214 461">January 2014 Deputy Corporate General Manager, Industrial Business Headquarters</p> <p data-bbox="427 461 1214 519">April 2014 Executive Officer</p> <p data-bbox="427 519 1214 577">Deputy Corporate General Manager, Industrial Business Headquarters (concurrently) General Manager, Cost Planning Department</p> <p data-bbox="427 577 1214 636">October 2014 Corporate General Manager, Industrial Business Headquarters (current position)</p> <p data-bbox="427 636 1214 672">June 2015 Director (current position)</p> <p data-bbox="427 672 1214 707">April 2016 Composite Material Product Division (current position)</p>	23,000 shares

[Reasons for selection as a candidate for Director, etc.]

As stated above, Mr. Kazuki Kawashima possesses operational experience in areas such as Business Divisions for the automotive market and Business Divisions for the industrial machinery market, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his continued election as a candidate for Director.

No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
12	 Eiichi Ukai (February 1, 1957) <u>New appointment</u>	April 1980 Joined the Company April 2001 General Manager, Quality Assurance Department, OKAYAMA WORKS February 2003 General Manager, Quality Assurance Department, IWATA WORKS January 2005 General Manager, Quality Assurance Department February 2006 General Manager, Quality Assurance Department, TAKARZUKA WORKS January 2007 Deputy Corporate General Manager, TAKARAZUKA WORKS (concurrently) General Manager, Quality Assurance Department, TAKARZUKA WORKS February 2009 General Manager, Quality Assurance Department April 2011 Executive Officer April 2012 Deputy Corporate General Manager, Automotive Business Headquarters (concurrently) General Manager, OKAYAMA WORKS June 2013 Deputy Corporate General Manager, ASEAN & Oceania Region, India & West Asia Region (concurrently) General Manager, Business Planning Department (concurrently) General Manager, ASEAN & Oceania Region October 2013 General Manager, ASEAN & Oceania Region, (concurrently) General Manager, India & West Asia Region (current position) April 2014 Senior Executive Officer (current position)	38,000 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Eiichi Ukai possesses operational experience in areas such as Quality Assurance and Overseas Divisions, and broad knowledge based on these achievements. In the future, to strengthen management decision-making functions in the Board of Directors utilizing this experience and knowledge, etc., and to aim to continuously improve corporate value, the Company requests his new election as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
13	 <p data-bbox="181 613 389 770">Akira Wada (January 17, 1945) <u>Reappointment</u> <u>Outside Director</u></p>	<p data-bbox="416 255 1254 618"> April 1967 Joined Hitachi Zosen Corporation June 2001 Executive Officer June 2003 Managing Executive Officer June 2005 Managing Director General Manager of Environment Business Headquarters December 2005 Responsible for Business and Product Development Center, Quality Assurance Division, Environmental Management & Safety Department (concurrently) General Manager April 2006 Advisor (retired in June 2006) June 2006 Full-time Corporate Auditor, NICHIZOTECH INC. (retired in June 2010) June 2011 Director, the Company (current position) </p>	34,000 shares
[Reasons for selection as a candidate for Outside Director, etc.]			
<p data-bbox="121 842 1382 985">As stated above, Mr. Akira Wada possesses broad knowledge based on extensive experience in the management of other companies. In the future, by securing validity and legality of management through supervision of management of the Company from an independent standpoint and receiving appropriate advice and suggestions utilizing this experience and knowledge, etc., the Company aims to strengthen management decision-making functions in the Board of Directors and thus requests his continued election as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
14	 Noboru Tsuda (November 25, 1949) <u>Reappointment</u> <u>Outside Director</u>	April 1973 Joined Mitsubishi Kasei Industries Corporation (currently Mitsubishi Chemical Corporation) June 2005 Executive Officer (retired in April 2009) October 2005 Executive Officer, Mitsubishi Chemical Holdings Corporation April 2009 Managing Executive Officer April 2013 Senior Managing Executive Officer Member of the Board, Mitsubishi Rayon Co., Ltd. (retired in April 2015) June 2013 Member of the Board, Senior Managing Executive Officer, Mitsubishi Chemical Holdings Corporation April 2014 Member of the Board (Representative Director), Vice President Executive Officer June 2015 Advisor (retired in June 2016) June 2016 Director, the Company (current position) Outside Director of Tokyu Fudosan Holdings Corporation (current position) (Significant concurrent positions) Outside Director of Tokyu Fudosan Holdings Corporation	5,000 shares
[Reasons for selection as a candidate for Outside Director, etc.]			
As stated above, Mr. Noboru Tsuda possesses broad knowledge based on extensive experience in the management of other companies. In the future, by securing validity and legality of management through supervision of management of the Company from an independent standpoint and receiving appropriate advice and suggestions utilizing this experience and knowledge, etc., the Company aims to strengthen management decision-making functions in the Board of Directors and thus requests his continued election as a candidate for Outside Director.			

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Messrs. Akira Wada and Noboru Tsuda are candidates for Outside Director as stipulated in Article 2, Item 15 of the Companies Act.
 3. Messrs. Akira Wada and Noboru Tsuda currently serve as Outside Directors of the Company, and their terms of office as Outside Directors will be six years and one year, respectively, at the conclusion of this year's Annual General Meeting of Shareholders.
 4. Messrs. Akira Wada and Noboru Tsuda have been defined as Independent Board Members under the stipulations of the Tokyo Stock Exchange, Inc., and has been submitted as such. Additionally, it is scheduled to define Mr. Noboru Tsuda as an Independent Board Member under the stipulations of said Exchange, and submit as such.
 5. Both Messrs. Akira Wada and Noboru Tsuda satisfy the Company's Standards Regarding Independent Outside Directors and Independent Outside Audit & Supervisory Board Members (page 18 to page 19).
 6. The Company has concluded an agreement with Messrs. Akira Wada and Noboru Tsuda as stipulated in Article 427, Paragraph 1 of the Companies Act to limit their liability pursuant to Article 423, Paragraph 1 of the same Act. If the reappointment is approved, the Company plans to conclude the same agreement with them. Furthermore, the maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.

(Reference)

Standards Regarding Independent Outside Directors and Independent Outside Audit & Supervisory
Board Members

To secure appropriate corporate governance, the Company has established proprietary “Standards Regarding Independent Outside Directors and Independent Outside Audit & Supervisory Board Members” that concern the disposition and independence of Outside Board Members.

The contents are as follows.

Article 1 (Conditions for Outside Board Members)

Conditions for Outside Directors and Outside Audit & Supervisory Board Members of the Company (hereinafter “Outside Board Members”) shall be defined via these standards.

Article 2 (Conditions for Disposition)

Within the Company Group (the Company and its subsidiaries; hereinafter the same), which conducts business on a global scale, Outside Board Members must not only strengthen corporate governance, but have required dispositions to aim for global business expansion, namely, achievements as a corporate manager, attorney, certified public accountant, or academic, etc., and possess a wealth of experience and specialized knowledge.

Article 3 (Conditions for Independence)

1. Outside Board Members, in order to secure independence from the Company Group, must be in adherence with all of the following items.
 - (1) He or she must not be a Director involved in business execution (as defined by Article 2, Item 15 of the Companies Act [in the event that the Companies Act is amended, the same stipulation in the post-amended Article]), an Executive Officer, an Accounting Advisor, or an employee (hereinafter “a Director involved in business execution, etc.”) of the Company Group, and must also have not been a Director involved in business execution, etc., of the Company Group for ten (10) years prior to assuming office.
 - (2) At the time of assuming office and for three (3) years prior, none of the following may apply.
 - a. i. A major shareholder of the Company Group or a Director who is not a Director involved in business execution or a Director involved in business execution, etc., of a major shareholder organization of the Company Group (defined as an entity that holds 10% or more of the total voting rights, including in the form of indirect holdings; hereinafter the same)
 - ii. A Director involved in business execution, etc. of an organization of which the Company Group is the major shareholder
 - b. A main lender of the Company Group or a Director involved in business execution, etc. of an organization that is a main lender of the Company Group (defined as an entity that is a lender of the Company Group’s liabilities that is equal to or greater than 2% of the Company Group’s total assets as of the closing date of the most recent fiscal year)
 - c. A Director involved in business execution, etc. of the lead underwriting firm of the Company Group
 - d. i. A main customer or a Director involved in business execution, etc. of an organization that is a main customer of the Company Group (defined as a customer from which the Company Group has received monetary compensation in exchange for goods or services within the most recent three (3) fiscal years that is equal to or greater than 2% of consolidated net sales for the most recent fiscal year of the Company Group)
 - ii. A main supplier or a Director involved in business execution, etc. of an organization that is a main supplier of the Company Group (defined as a supplier for which the Company Group has provided monetary compensation in exchange for goods or services within the most recent three (3) fiscal years that is equal to or greater than 2% of consolidated net sales for the most recent fiscal year of the supplier)
 - e. A person affiliated with the Company Group’s Accounting Auditor
 - f. Separate from compensation as an Outside Board Member, a person who has received 10 million yen or more in monetary or other compensation from the Company Group within any of

- the three (3) most recent fiscal years for consulting, accounting, or legal services, or a person affiliated with an organization that has received significant monetary or other compensation within the any of the three (3) most recent fiscal years (defined as either 10 million yen or more, or 2% or more of the net sales or revenue of said organization for its fiscal year, whichever is greater).
- g. A person who has received a significant donation from the Company Group within any of the three (3) most recent fiscal years (defined as 10 million yen or more per fiscal year), or a person affiliated with an organization that has received a significant donation
 - h. A person under mutual association with an Officer of the Company Group (defined as a person that is affiliated with an organization to which an Officer or employee of the Company Group was an existing Officer, etc. subsequently becoming an Officer of the Company Group)
- (3) He or she must not be a relative (defined as a spouse or relative within the second degree, etc.) to any of the following persons.
- a. At the time of assuming office, a person who is a Director involved in business execution, etc., or, a person who was a Director involved in business execution, etc. of the Company Group within the previous ten (10) years
 - b. A person to which any of the items in Item (2) applies (excluding unimportant employees and affiliated persons)
2. Even in the event that the previous conditions are not met, if it is the case where it can be determined that there will be no conflicts of interest between the person to be appointed as Outside Board Member and general shareholders, and if the decision is unanimous among all Outside Board Members that satisfy the previous conditions, only in cases where the conditions of the Companies Act are met, the person may be appointed as an Outside Board Member. In this case, reasoning for the application and rationale, etc., for the appointment will be made clear in the Reference Documents for the General Meeting of Shareholders, Securities Report, etc.

**Proposal 3 : Continuation of Countermeasures to Large-Scale Purchases of The Company's Shares
(Takeover Defense Measures)**

The Company had resolved, in the meeting of the Board of Directors of the Company held on February 5, 2008, to introduce countermeasures to Large-scale Purchases of the Company's shares, which were approved thereafter at the Company's 109th annual General Meeting of Shareholders held on June 27, 2008. Most recently, the shareholders of the Company approved the continuation of the said policy at the Company's 115th annual General Meeting of Shareholders held on June 25, 2014 (hereinafter, the continued policies are referred to as the "Current Policy").

Since the term of the Current Policy will expire as of the close of this year's annual General Meeting of Shareholders (hereinafter referred to as the "Annual General Meeting of Shareholders"), the Company has reviewed the Current Policy including the necessity of its continuation, considering the change in the social and economic situation, the trend of discussions concerning takeover defense measures and other factors, as well as the viewpoint of securing and enhancing the corporate value and common interest of the shareholders of the Company.

As a result of such review, the Company determined that the Current Policy is still valuable from the viewpoints including (i) ensuring that the shareholders are provided with sufficient information and securing sufficient time for negotiations; and (ii) promoting the deterrent effects against abusive Large-scale Purchases of the Company's shares. The continuation of the Current Policy with some revisions of the statements therein subject to approval of the Annual General Meeting of Shareholders, was resolved in the meeting of the Board of Directors of the Company held on April 28, 2017.

Major revisions to Current Policy are as follows (hereinafter, the policies with the revisions are referred to as "this Policy"):

- (i) Necessary revisions corresponding to the formulation of Medium-term Management Plan "NTN100".
- (ii) Clarification that in the case of implementing the countermeasure, the Company shall not pay any financial compensation such as money for acquisition of share options held by Large-scale Purchasers.
- (iii) Editing revisions to wordings, etc..

In accordance with Article 15, Paragraph 1 of the Company's Articles of Incorporation, the Company proposes Annual General Meeting of Shareholders that the shareholders of the Company approve this Policy.

The content of this Policy is as follows.

I. CORPORATE VALUE OF THE COMPANY: OUR CONCERTED DRIVE TO ENSURE AND ENHANCE THE COMMON INTEREST OF THE SHAREHOLDERS

The NTN Group's corporate philosophy is "to contribute to international society by creating new technologies and developing new products (For New Technology Network)." Based on compliance with laws and regulations, fairness and honesty, the Group carries out business activities appropriate for an international company by creating unique technologies, improving customer satisfaction and promoting globalization as well as aiming to reduce its burden on the environment and construct a resources recycling society. We consider that it is our most important mission to maximize corporate value for our shareholders, customers, employee, local communities, and other stakeholders through continuous sound corporate activities based on the foregoing.

The Company will celebrate the 100th anniversary in March 2018. In order to continue growing in the next 100 years the Company has defined "Our vision" as follows:

- (i) A company where its corporate philosophy is understood by all employees around the world and where all employees think and act for themselves.
- (ii) A company with original new products and services, appreciated for its high quality and functions, and has a global presence.
- (iii) A company where everyone involved with NTN is able to be proud of the "NTN" brand.

In the April 2015-March 2018 Medium-term Management Plan "NTN100" that started in April 2015 we deem the three years as the period for implementing transformation and building the foundation aimed at realizing "Our Vision". In this period we will work in accordance with the three basic policies: "Manage Growth" to concentrate resources (personal, materials and cash) on strategic areas, "Manage Profitability" to reform business structure from "volume" to "value" to generate profit, and "Manage Foundation" that will strengthen management and financial foundations. Acting on these three policies we are forging ahead with the following major themes:

<Manage Growth>

- (i) Develop Businesses in New Areas
"Develop business in new areas fusing NTN's technology and knowhow"
- (ii) Expand Aftermarket Business
"World's No. 1 customer satisfaction level with product lineup and engineering services"

< Manage Profitability >

- (iii) Structural Reform of the Driveshaft Business
"NTN driveshafts achieving World's No.1 customer satisfaction level"
- (iv) "Monozukuri" with Next-generation Technology
"Innovation with "Monozukuri" methods toward next 100 years"

<Manage Foundation>

- (v) Strengthen the Management Foundation
"Establish management foundation as a truly global company"
- (vi) Strengthen the Financial Foundation
"Strengthen profit control and improve asset efficiency"

The NTN Group continues to look to both the medium and long-term, and is committed to securing and enhancing the corporate value and common interest of the shareholders by taking steps to put the global management resources on strategic products that value quality first, enhancing competitiveness of products and services, and strengthening proposal capabilities.

II. PURPOSE AND OUTLINE OF LARGE-SCALE PURCHASE RULES

1. Purpose of the Large-scale Purchase Rules

Under the above-mentioned corporate philosophy and “NTN100” Medium-term Management Plan, the NTN Group aims to create its continued growth, and to secure and enhance the corporate value and common interest of the shareholders. However, sudden conducts of one-sided large-scale purchase of shares have recently been found in the capital markets of Japan, without carrying-out deliberate discussions with the management of the target company or following due process including obtaining the management’s consent.

The Board of Directors of the Company does not flatly deny every large-scale purchase of the Company’s shares. The Company believes that, in the event that a large-scale purchase occurs, the shareholders of the Company should make the final decision as to whether or not to accept the proposal of a large-scale purchase. However, the Company believes that it is difficult for the shareholders of the Company to make appropriate decisions unless there is an appreciation of the business environment and understanding of the NTN Group’s effort to carry its business to maximize corporate value to every stakeholder. The Company also believes that, when the shareholders of the Company assess the large-scale purchase by a Large-scale Purchaser (as regards the definition of the “Large-scale Purchaser” in this Policy, please refer to 2 (i) below), it is crucial for the shareholders to appropriately receive an assessment of such large-scale purchase from the Board of Directors of the Company, which has full understanding of the characteristics of the Company’s business; the Board’s opinion on the said large-scale purchase, and the information provided by the large-scale purchasers. It is also crucial for the shareholders that a reasonable period be given for their assessment.

Furthermore, we believe that, for those shareholders who do not intend to sell their shares but intend to continue to hold them, management policies or the content of the business program, including a policy regarding relationships with every stakeholder, which is contemplated by the Large-scale Purchaser, forms part of the substantial information that are considered by the shareholders in continuing to hold on to their shares.

The occurrence of a Large-scale Purchase of the Company’s shares may give an adverse effect on the performance of the Company’s efforts as described in I above. We believe that the Board of Directors of the Company is responsible for collecting and providing information necessary for the shareholders of the Company to make the ultimate judgment on the propriety of the Large-scale Purchase; it is also responsible for assessing and considering whether the management policies of the content of the business program will expedite the securing and enhancing of the corporate value and common interest of the shareholders of the Company. Furthermore, and as a result of such assessment and consideration, when the Board of Directors judges that such Large-scale Purchase will impair the corporate value and common interest of the shareholders of the Company, we should take countermeasures, if necessary, alongside with the negotiations with the Large-scale Purchasers, to improve the content of the purchase proposals. The Board of Directors of the Company does not propose for the Large-scale Purchase rules to remove every purchase activity against the Company. The aim of the rules is to ensure the provision of sufficient information, including of the purchase conditions, by those who intend to conduct a purchase, as well as provide a chance and time for faithful and sincere negotiations between the purchasers and the Board of Directors of the Company; and, subsequently, to secure and enhance the corporate value and common interest of shareholders of the Company.

Reflecting such basic policy, the Board of Directors of the Company considers that compliance with certain reasonable rules on the occasion of a Large-scale Purchase expedites securing and enhancing the corporate value and common interest of the shareholders of the Company. The Board of Directors of the Company therefore establishes the “Large-scale Purchase Rules” and asks Large-scale Purchasers to comply therewith. If a Large-scale Purchaser does not comply with the Large-scale Purchase Rules, the Board of Directors of the Company may take

countermeasures against it upon the recommendation of the Special Committee (defined below). We believe that it is necessary for the shareholders of the Company to secure sufficient information, by establishing such reasonable rules in advance regarding the provision of information by Large-scale Purchasers and asking them to comply therewith. In addition, we consider that efforts to obtain transparency by establishing such rules in advance, compared with cases where there are no similar rules, enable the parties to secure the predictability of the Large-scale Purchasers and prevent the giving of any chilling effect against those Large-scale Purchases that may benefit the Company and the shareholders of the Company.

2. Outline of the Large-scale Purchase Rules

With an aim to secure and enhance the corporate value and common interest of the shareholders of the Company, the Large-scale Purchase Rules permits the commencement of an actual Large-scale Purchase only after the provision of sufficient information by the Large-scale Purchaser to the Board of Directors of the Company prior to the conduct of the Large-scale Purchase, after the Board of Directors' assessment and consideration pursuant thereto for a certain period, and after the shareholders of the Company are able to make an appropriate judgment based on the said information, assessment and consideration. The outline of the Large-scale Purchase Rules appears below. The outline of the procedure to be followed in the event of a Large-scale Purchase is described in Reference 1 attached hereto.

(i) Subject Matter of the Large-scale Purchase Rules

Under the Large-scale Purchase Rules, a "Large-scale Purchase" is defined as either (i) a Group of Shareholders' [Note 1] Purchasing the Company's Certificates of Shares and Other Securities [Note 2] with the intent of increasing their Voting Rights Ratio [Note 3] to 20 % or more, or (ii) a Purchase of the Company's Certificates of Shares and Other Securities resulting in 20% or more of the Voting Rights Ratio being held by a Group of Shareholders. The person who conducts such Purchase is defined as a "Large-scale Purchaser," and is required to comply with the Large-scale Purchase Rules (this is regardless of the concrete method of the Purchase, including an acquisition through market transactions or an acquisition through a take over bid, except in cases where there is an approval by the Board of Directors of the Company for such Purchase prior to the actual Purchase).

(ii) Submission of the Written Oath to Comply with the Large-scale Purchase Rules

In the event that a Large-scale Purchaser intends to commence a Large-scale Purchase, the Large-scale Purchaser shall submit to the President of the Company a written oath to comply with the Large-scale Purchase Rules (the "Written Oath to Comply with the Large-scale Purchase Rules"). In the Written Oath to Comply with the Large-scale Purchase Rules, the name of the Large-scale Purchaser, address, governing law of its establishment, the name of the representative, contact details in Japan, outline of the proposed Purchase and the oath to comply with the Large-scale Purchase Rules shall be specified.

(iii) Provision of Large-scale Purchase Information and the Disclosure thereof

Within ten (10) business days after receipt of the Written Oath to Comply with the Large-scale Purchase Rules, the Company will deliver to the Large-scale Purchaser a list of the information that has to be provided by the Large-scale Purchaser, which is a requirement to allow the Company's shareholders and the Board of Directors to assess and consider such Large-scale Purchase (the "Large-scale Purchase Information"). If the Board of Directors of the Company determines that the Large-scale Purchase Information is insufficient, it may require the Large-scale Purchaser to submit additional information to sufficiently complete the Large-scale Purchase Information. The Large-scale Purchase Information shall include the following items:

- outline of the Large-scale Purchaser and its Group of Shareholders;
- the purposes and contents of the Large-scale Purchase;
- whether any communication has been made with a third party with regard to the Large-scale Purchase and the outline thereof, if any;
- the basis in the determination of the Purchase price;
- the funds used for the Purchase (including methods of raising funds, specific name of the person or corporation supplying the funds for the purchase (including substantive supplier) and other outlines);
- management policies, business plans, financial plans, capital policy and dividend policy which the Large-scale Purchaser intends to adopt after the completion of the Large-scale Purchase;
- policies that would be implemented after the completion of the Large-scale Purchase with regard to the customers, employees, local community and any other stakeholders of the Company and the NTN Group.

If the Board of Directors of the Company considers it necessary for the shareholders of the Company to make its decisions, the Company will disclose the fact that a Large-scale Purchase was proposed and all or part of the Large-scale Purchase Information submitted to the Company at such time that it deems appropriate.

(iv) Establishment of the Special Committee

The Company may take the countermeasures described in V below if it determines it necessary to secure and enhance the corporate value and common interest of the shareholders of the Company, regardless of whether the Large-scale Purchase Rules are complied with or not. To secure the reasonableness and fairness of the judgment of the Board of Directors of the Company in such a case, the Company has a special committee (the “Special Committee”), which is a body that is independent from the Board of Directors of the Company, and constituted by three (3) members who are outside director(s) and outside audit & supervisory board member(s) (the outline of the Regulations for the Special Committee appears in Reference 2 attached hereto; and the members of the Special Committee are specified in Reference 3 attached hereto).

If the Board of Directors of the Company decides to take countermeasures, prior to the actual exercise thereof, the Board of Directors of the Company shall seek the recommendation of the Special Committee on the propriety of such exercise. The Special Committee shall, pursuant thereto, make recommendations to the Board of Directors of the Company on the propriety of such exercise. To ensure that the decision made by the Special Committee shall be reasonable and fair in view of securing and enhancing the corporate value and common interests of the shareholders of the Company, the Special Committee may obtain advice from independent third parties (including financial advisors, certified public accountants, lawyers, consultants and other professionals) at the Company’s expense. The Board of Directors of the Company shall conform to, in principle, the decision of the Special Committee in determining whether or not countermeasures are to be implemented. However, if the Board of Directors of the Company determines that there are material differences in the recognition of facts, which served as the premise for such judgment of the Special Committee, or if the grounds for such judgment are irrational, the Board of Directors of the Company may require the Special Committee to reconsider the matters, but only once.

Furthermore, the Special Committee shall evaluate whether the Large-scale Purchase Information provided is sufficient or insufficient, and convey such evaluation to the Board of Directors of the Company. The Special Committee may also make other recommendations, if necessary, on matters submitted by the Board of Directors of the Company. When the Special Committee makes a recommendation that the Large-scale Purchase Information provided is sufficient for the relevant Large-scale Purchase, the Board of Directors of the Company shall not require the Large-scale Purchasers to submit additional information.

(v) **Establishment of the Board of Directors Assessment and Negotiation Period**

Upon completion of the submission of the Large-scale Purchase Information by the Large-scale Purchaser, the Board of Directors of the Company shall notify the Large-scale Purchaser and disclose the fact that such submission was completed to the shareholders and investors of the Company at the appropriate time.

Depending on the difficulty level of the assessment of the Large-scale Purchase, the Board of Directors of the Company shall be given a period for it to reach its assessment, etc. (the “Board of Directors Assessment Period”). Such period shall be for a maximum of sixty (60) days (in case the purchase of all of the Company’s shares is made by a tender offer with cash-only (yen) consideration) or a maximum of ninety (90) days (in case of any other Large-scale Purchase), commencing from the date immediately succeeding the date when the submission of the Large-scale Purchase Information is completed; provided, however, that if the Board of Directors of the Company requests the Special Committee to reconsider a recommendation made by the latter, the relevant period shall be extended by an additional maximum period of fourteen (14) days, and if the Board of Directors of the Company convenes a General Meeting of Shareholders to ascertain the intent of the shareholders, the period shall be extended as reasonably necessary to hold such General Meeting of Shareholders. Upon such extension, the Board of Directors shall disclose the reason therefor and the number of the days so extended to the shareholders and investors of the Company. The Special Committee shall make recommendations to the Board of Directors of the Company at latest ten (10) days before the end of the Board of Directors Assessment Period. The Large-scale Purchaser may conduct the Large-scale Purchase after the expiration of the Board of Directors Assessment Period. If the Large-scale Purchase is conducted before the expiration of the Board of Directors Assessment Period, the Board of the Directors of the Company may take countermeasures upon the recommendation of the Special Committee (as regards the countermeasures, etc., to be adopted by the Board of Directors of the Company in the event that a Large-scale Purchase takes place after the expiration of the Board of Directors Assessment Period, please refer to III below). During the Board of Directors Assessment Period, the Board of Directors of the Company shall assess and examine the submitted Large-scale Purchase Information, receiving advice from the Special Committee and outside experts, etc., carefully form its opinion, and disclose such opinion to the shareholders and investors of the Company. The Board of Directors of the Company may negotiate with the Large-scale Purchaser, as may be deemed necessary, regarding the improvement of the conditions relating to the Large-scale Purchase, and propose an alternative plan to the shareholders of the Company.

III. IF THE LARGE-SCALE PURCHASER COMPLIES WITH THE LARGE-SCALE PURCHASE RULES

In case a Large-scale Purchaser complies with the Large-scale Purchase Rules, the Board of Directors of the Company, in principle, will not take any countermeasures against it, since it is the shareholders of the Company who ultimately determine whether or not to accept the Purchase proposals of the Large-scale Purchasers, after considering the Purchase proposal, the opinion presented by the Company regarding such proposal or alternative plans, etc.

However, even if the Large-scale Purchaser complies with the Large-scale Purchase Rules, when it is deemed that such Large-scale Purchase meets any of the factors as set forth in paragraphs (i) through (vi) below, and when such Large-scale Purchase is regarded as apparently harmful to the corporate value and common interests of the shareholders of the Company, the Board of Directors of the Company may still allocate share options for no consideration as a countermeasure to secure the corporate value and common interest of the shareholders of the Company (as regards the outline of the allotment of share options for no consideration, please refer to V below). On the other hand, when it is not deemed that such Large-scale Purchase meets such factors as set forth in either paragraph (i) through (vi) below, the Company shall not take any countermeasure.

If the Board of Directors of the Company deems it appropriate to ascertain the intent of the shareholders, it may convene a General Meeting of Shareholders to ascertain the intent of the shareholders concerning the implementation of a countermeasure or other conduct related to the said Large-scale Purchase.

The Board of Directors of the Company shall discuss and negotiate with the Large-scale Purchaser as may be deemed necessary. Even after the Board of Directors of the Company decides to allocate share options for no consideration as a countermeasure, if there is any material change in the matters that served as a basis for its judgment, including the Large-scale Purchaser's proposal to change any matter that is essential to the relevant Large-scale Purchase, the Board of Directors may halt the countermeasures, including the cancellation of the allotment of share options for no consideration, but only if it is made before the ascertainment of the shareholders' rights that accrue from the implementation of countermeasures, and such halt will not impair the common interest of the shareholders.

Regarding the consideration and judgment as to whether a Large-scale Purchase is apparently harmful to the corporate value and the common interests of the shareholders of the Company, the Board of Directors of the Company shall conform to, in principle, the judgment of the Special Committee, to secure the objectiveness and fairness of such consideration and judgment (the Special Committee shall recommend to the Board of Directors of the Company that the issuance of share options is not allowed, when it is not deemed that such Large-scale Purchase meets any of the factors set forth in paragraph (i) through (vi) below). However, if the Board of Directors of the Company determines that there are material differences in the recognition of facts, which served as the premise for such judgment, or if the grounds for such judgment are irrational, the Board of Directors of the Company may require the Special Committee to reconsider the matters, but only once. The outline of the Special Committee's recommendation and the reasons for its judgment will be disclosed to the shareholders and investors of the Company at the appropriate time.

- (i) a buy-out of the Company's shares in order to demand that the Company and its affiliates purchase the said shares at an inflated price, without any intent to participate in the Company's management;
- (ii) a buy-out of the Company's shares in order to obtain temporary control of the Company, to enable the transfer of intellectual property rights, know-how, confidential information proprietary to the Company, major business acquaintance or costumers, which are necessary for the operation of the Company, to the Large-scale Purchaser or its Group;
- (iii) a buy-out to cause the diversion of the Company's assets to secure or repay the debts of the Large-scale Purchaser or its Group's businesses;
- (iv) obtaining temporary control of the Company's management to bring about a disposal of its high-value assets (including know-how and intellectual property) that have no current relevance to the Company's business and declaring temporary high dividends from the profits of the disposal, or selling the shares at a high price, taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends;
- (v) any conduct by the Large-scale Purchaser other than those set forth in paragraphs (i) through (iv) that may cause irrecoverable damage to the corporate value of the Company without any sincere aim to participate in the Company's management, or
- (vi) a buy-out of the Company's share that threatens to have the effect of compelling the shareholders to sell their shares, such as a coercive two-tiered tender offer (meaning a takeover which coerces the shareholders into accepting a front-end tender offer by setting unfavorable terms, without making the same offer for all of the Certificate of Shares and Other Securities, or without specifically indicating the terms for the back-end of the transaction); however, partial acquisition through a takeover bid will not immediately meet the factors set forth in this paragraph.

IV. NON-COMPLIANCE WITH THE LARGE-SCALE PURCHASE RULES

If a Large-scale Purchaser does not comply with the Large-scale Purchase Rules, the Board of Directors of the Company may allocate share options as a countermeasure for no consideration, upon recommendation of the Special Committee, to secure corporate value and the common interest of shareholders of the Company. This countermeasure may, as a result, cause the Large-scale Purchaser, who does not comply with these Large-scale Purchase Rules, a disadvantage including economic damages. Therefore, these Large-scale Purchase Rules also aim to call the Large-scale Purchasers' attention in advance, to prevent them from conducting a Large-scale Purchase while ignoring the rules.

However, even if the Large-scale Purchaser does not comply with the Large-scale Purchase Rules, the Board of Directors of the Company may discuss and negotiate with the Large-scale Purchaser as may be deemed necessary; even after the Board of Directors of the Company decides to allocate share options for no consideration as a countermeasure, if there is any material change in the matters that served as a basis for its judgment, including the Large-scale Purchaser's proposal to change any matter that is essential to the relevant Large-scale Purchase, the Board of Directors may halt the countermeasures including the cancellation of an allotment of share options for no consideration, only if it is made before the ascertainment of the shareholders' rights that accrue from the implementation of countermeasures, and such halt will not impair the common interest of the shareholders.

V. OUTLINE OF ALLOTMENT OF SHARE OPTIONS FOR NO CONSIDERATION AS A CONCRETE COUNTERMEASURE

The outline for the allotment of share options for no consideration, to be conducted by the Board of Directors of the Company as a countermeasure, is as follows:

- (i) The shareholders who are entitled to receive the allotment and the number of shares to be allotted to such shareholders
The shareholders of the Company registered or recorded in the latest register of shareholders, as of the allotment date, separately determined by the Board of Directors of the Company (meaning shareholder(s) deemed recorded in the register of shareholders as of the said allotment date pursuant to Paragraph 1, Article 152 of the Act on Book-Entry Transfer of Company Bonds, Shares, etc., hereinafter the same shall apply), will be allotted one share option for each share of common stock of the Company held by them (except for the common stock held by the Company).
- (ii) The type and number of shares to be acquired
The type of share that may be acquired shall be the common stock of the Company, and the number of shares that may be acquired upon the exercise of each share option shall be one share; provided, however, that if the Company conducts a share split or consolidation of shares, the requisite adjustment shall be adopted.
- (iii) The effective date of the allotment of the share options for no consideration
To be separately determined by the Board of Directors of the Company.
- (iv) The total number of shares that may be allotted for the share options
The total number of shares that may be allotted for the share options shall be separately determined by the Board of Directors of the Company, which allotted number may equal a maximum of the latest total number of issued shares of the Company as of the date of the allotment.

- (v) The amount to be invested upon the exercise of the share options
The amount to be invested upon the exercise of the share options shall be one (1) Japanese yen. However, in cases where share options with an acquisition clause, described in (ix) below, are issued, the shareholder shall not be required to pay in any money.
- (vi) The assignment of the share options
The approval of the Board of Directors of the Company is required for the acquisition of the share options through an assignment.
- (vii) The exercise period for the share options
The effective date of the allotment of the share options, or such other date separately determined by the Board of Directors of the Company in the resolution for the allotment of the share options for no consideration, shall be the commencement date of the exercise period of the share options and shall extend for such period separately determined by the Board of Directors, which shall be between one (1) month to two (2) months; provided, that when the last day for the exercise period is a holiday in the place where any money payment to be made upon the exercise is to be handled, the day immediately following such holiday shall be the last date. However, in cases where share options with an acquisition clause, as described in (ix) below, are issued, the shareholder shall not be required to pay in any money.
- (viii) The conditions for the exercise of the share options
Any party who may qualify under any of the following items is not entitled, in principle, to exercise the share options for no consideration pursuant to this Policy:
 - (a) The Large-scale Purchasers; (b) Joint Holder of the Large-scale Purchasers (defined in Paragraph 5, Article 27-23 of the Financial Products and Exchange Act of Japan and a person deemed as a joint holder pursuant to Paragraph 6 of the same article, including a person deemed to meet such provisions by the Board of Directors of the Company); (c) any Person with a Special Relationship (defined in Paragraph 7, Article 27-2 of the Financial Products and Exchange Act, including a person deemed to meet such provision by the Board of Directors of the Company); (d) any party who was assigned with, or succeeded to, the share options for no consideration pursuant to this Policy from any person who may qualify under any of the items provided in (a) through (c), without obtaining the approval thereto of the Board of Directors of the Company; or (e) any related party of the person who may qualify under any of the items provided in (a) through (d) (means a person substantially controlled by such person, or deemed by the Board of Directors of the Company as being controlled by, under common control with, or acting in concert with such person; “control” means “when (it) controls decisions of the financial and business policy” of the other company, etc. (Paragraph 3, Article 3 of the Ordinance for Enforcement of the Companies Act of Japan).
- (ix) Others
The Company may issue share options with an acquisition clause providing that the Company may acquire the share options in exchange for the Company’s shares. In such a case, there may be instances where the Large-scale Purchasers are treated differently from other shareholders concerning the consideration for acquisition of such share options or other conditions, or, there may be instances where the share options held by the Large-scale Purchasers are excluded from the subject of the said acquisition. The Board of Directors of the Company shall separately determine the event for the acquisition of the share options and such other necessary matters. The Company shall not pay any financial compensation such as money for acquisition of share options held

by Large-scale Purchasers.

VI. EFFECTIVE TERM, EXPIRATION OF, AND CHANGES TO THE POLICY

This Policy will not become effective in case the shareholders do not approve the proposal on the continuation of this Policy, in the Annual General Meeting of Shareholders.

If the shareholders of the Company approve the proposal on the continuation of this Policy, in the Annual General Meeting of Shareholders, then this Policy shall remain effective until the close of the annual General Meeting of Shareholders to be held in June 2020. However, in the event that a resolution to abolish this Policy is passed at the General Meeting of Shareholders of the Company prior to the expiration of the above period, this Policy shall become invalid upon such resolution.

Furthermore, even during the effective term of this Policy, the Board of Directors of the Company may review or change any part of this Policy, with the consent of the Special Committee, to the extent that such review or change adheres to the intent of the resolution to be passed at the General Meeting of Shareholders of the Company with regard to the continuation of this Policy.

If this Policy is abolished or changed, then the Board of Directors of the Company will disclose the fact of such abolishment or change and such other matters as deemed necessary by it to the shareholders and investors of the Company at the appropriate time.

VII. REASONABLENESS OF THE POLICY

1. The Policy Fulfills the Requirements of the Guidelines for the Takeover Defense Plan

This Policy fulfills the three principles (the principle of securing and enhancing the corporate value and common interest of the shareholders, the principle of disclosure in advance and valuing the shareholders' intentions, and the principle of necessity and appropriateness) required by the "Guidelines regarding the Takeover Defense Plan to Secure or Enhance the Corporate Value and Common Interest of the Shareholders" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. This Policy also gives appropriate consideration to the content of the "Takeover Defense Measures in Light of Recent Environmental Changes" publicized, on June 30, 2008 by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry.

2. The Policy is for the Purpose of Ensuring and Enhancing the Common Interests of the Shareholders

As stated above, this Policy is for the purpose of ensuring and enhancing the corporate value of the Company, and, subsequently, the common interests of the shareholders, by providing the information or period necessary for the shareholders of the Company to evaluate the appropriateness of a Large-scale Purchase, or to enable the Company to negotiate with the Large-scale Purchasers, in behalf of the shareholders of the Company, in the event of a Large-scale Purchase of the shares of the Company.

3. The Policy Values the Shareholders' Intentions

In order to reflect the shareholders' intentions with regard to this Policy, the Company shall obtain the approval of the shareholders thereto, at the Annual General Meeting of the Shareholders by submitting proposals relating to the continuation of this Policy. In the event that such approval is not obtained, this Policy will not become effective.

Although it is set that the effective term of this Policy will be until the close of the annual General Meeting of Shareholders of the Company to be held in June 2020, this Policy nevertheless reflects the shareholders' intentions by its possible immediate abolishment upon the passing of a resolution thereon at the General Meeting of Shareholders of the Company before expiry of the Policy's term.

4. The Policy Values the Judgment of Outsiders Who are Highly Independent

The Company has the Special Committee as a body, which removes the possibility of arbitrary decisions being made by the members of the Board of Directors of the Company. Such body makes substantial judgments objectively on the operations of this Policy for the shareholders of the Company.

The Special Committee is constituted by outside director(s) and outside audit & supervisory board member(s) who are independent from the Board of Directors of the Company (as regards the criteria of the election of the members of the Special Committee, please refer to the Reference 2 attached hereto).

Pursuant to the Regulations for the Special Committee, in the event that an actual Large-scale Purchase occurs in the Company, the Special Committee will assess whether such Large-scale Purchase prejudices the corporate value of the Company and the common interest of the shareholders, etc.; thereafter, the Board of Directors of the Company shall conform to, in principle, the Special Committee's judgment. However, if the Board of Directors of the Company determines that there are material differences in the recognition of facts, which served as the premise for such judgment by the Special Committee, or if the grounds for such judgment are irrational, the Board of Directors may require the Special Committee to reconsider the matters, but only once.

As described above, the Special Committee strictly monitors any arbitrary activity of the Board of Directors of the Company. At the same time, the Special Committee is expected to disclose an outline of its recommendations and the reasons for its judgment to the shareholders and investors of the Company at the appropriate time. Accordingly, it is ensured that this Policy will be operated within a scope that will enhance the corporate value and the common interest of the shareholders of the Company.

5. The Policy Establishes Reasonable Objective Requirements

Pursuant to this Policy, the countermeasures to a Large-scale Purchase will not be triggered unless reasonable and detailed objective requirements are fulfilled. Thus, the Policy is secured against the arbitrary implementation of its countermeasures by the Board of Directors of the Company.

6. The Company Obtains Third Party Opinions

In the event that a Large-scale Purchaser appears, the Special Committee is required to obtain advice from independent third parties (including financial advisors, certified public accountants, lawyers, consultants and other professionals) at the Company's expense. This further secures the fairness and objectiveness of the judgment made by the Special Committee.

7. The Policy is Not a Dead Hand Type or Slow Hand Type Takeover Defense Plan

As described above, the General Meeting of Shareholders of the Company can abolish this Policy. Therefore, this Policy is not the so-called Dead Hand Type Takeover Defense Plan (in which an implementation of the countermeasures cannot be deterred even if the majority of the board of directors is replaced).

Also, considering that the tenure of office of the Directors of the Company is for one (1) year, this Policy is also not the so-called Slow Hand Type Takeover Defense Plan (which takes time for an implementation of the countermeasures to be deterred due to the staggered terms of the members of the board of directors whereby they cannot all be replaced at once).

VIII. THE POLICY'S IMPACT, ETC. ON THE SHAREHOLDERS AND INVESTORS

1. Impact of Continuing the Policy

The allotment of the share options for no consideration will not be implemented at the time of the Policy's continuation. Therefore, it will not have any concrete direct impact on any right or economic interests of the shareholders or investors.

2. Impact at the Time of Implementation of the Countermeasures

The Board of Directors of the Company may implement the countermeasures mentioned above for the purpose of ensuring and enhancing the common interests of the shareholders. When the Board of Directors of the Company decides to implement the concrete countermeasures, it will make timely and appropriate disclosures pursuant to applicable laws and regulations and the securities exchange rules, etc.

Upon the implementation of the countermeasure, considering that no dilution of the value of the entire shares of the Company will occur, although the value per share of the shares held by the shareholders will be diluted, the Company expects that the shareholders and investors of the Company will not suffer any particular legal or economic loss. However, as regards the Large-scale Purchasers who fall in any of the provisions in III (i) through (vi) above, or any person who qualifies under any of the provisions in V (viii) (a) through (e), they may suffer a legal and economic disadvantage as a result of the implementation of the actual countermeasures.

The Company may, even after the reference date for the allocation of the share options, or after date that the allocation of the share options for no consideration becomes effective, cancel the allocation of the share options for no consideration on the day immediately before the commencement date of the execution of the share options or obtain the share options for no consideration without delivering the shares of the Company to the holder of the share options, due to circumstances including a withdrawal of the Large-scale Purchase by the Large-scale Purchaser. In such a case, no dilution will occur to the value per share, and thus, the shareholders, who conducted a sale, etc., on the assumption that the value per share will be diluted, may expectedly suffer an appropriate loss resulting from the corresponding fluctuation in the value of the share.

3. Procedures to be Taken by the Shareholders upon the Implementation of the Countermeasures

In the event that the shareholders exercise their share options, they will be asked to pay a certain amount of money during the prescribed period.

However, when the Company stipulates that the Company may obtain the share options in exchange for the shares of the Company, the shareholders who are holding the share options determined by the Board of Directors of the Company to be the subject of the acquisition will receive the shares of the Company without the need for the payment of any money equivalent to the exercise amount; such will be the consideration for such acquisition of the share options by the Company; provided, that in such instance, the shareholders may be separately asked to submit a document in a format prescribed by the Company, to make an oath that he/she is not a Large-scale Purchaser.

As regards the details of these formalities, the Company shall separately provide information therefor, pursuant to applicable laws and regulations and the securities exchange rules, etc., upon the occurrence of matters that entail these formalities.

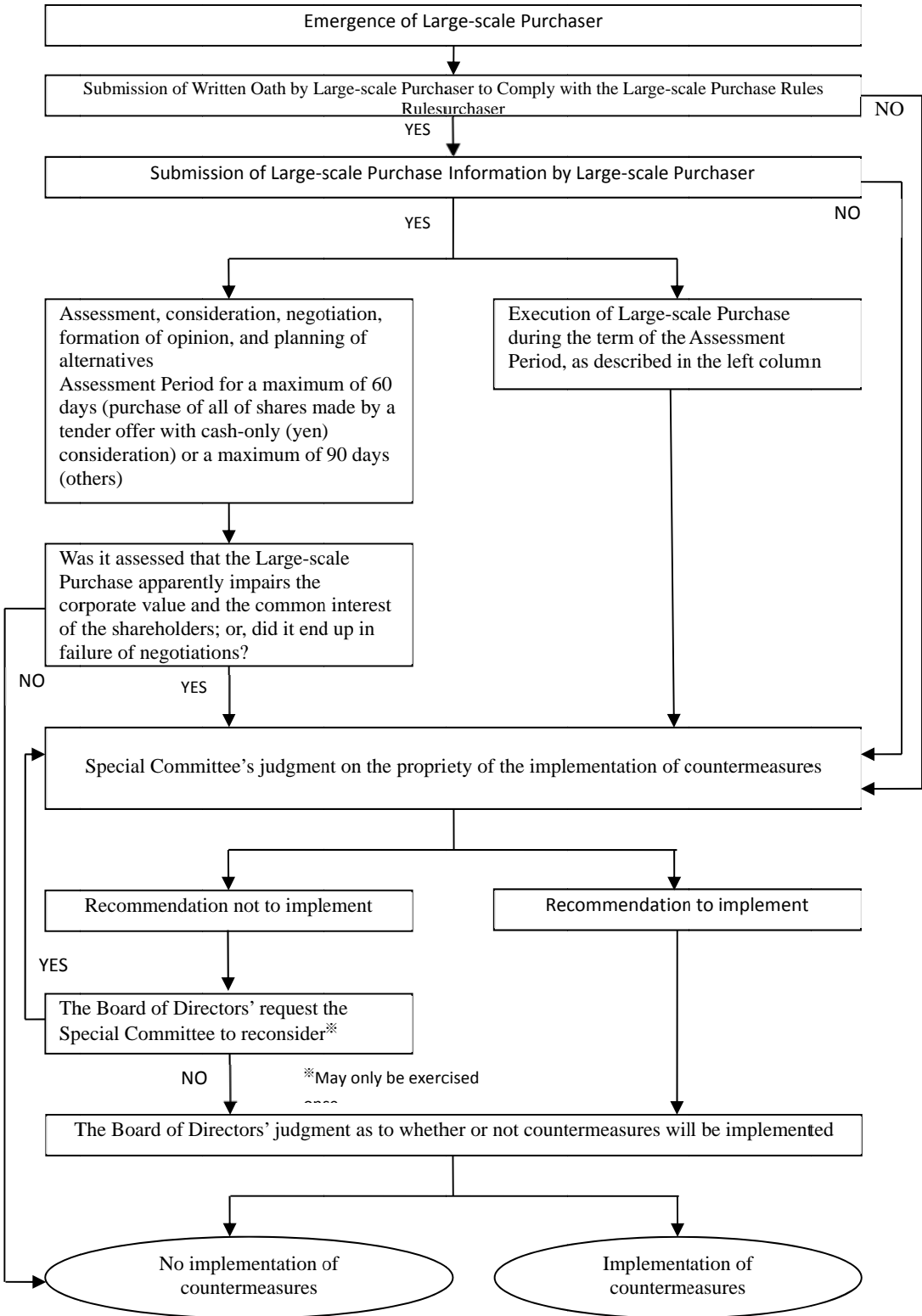
[Note 1] A Group of Shareholders means a Holder (defined in Paragraph 1, Article 27-23 of the Financial Products and Exchange Act of Japan (“FPEA”), including a person deemed as a holder pursuant to Paragraph 3, Article 27-23 thereof) of Certificate of Shares and Other Securities (meaning the “Share Certificates, etc.” defined in Paragraph 1, Article 27-23 of the FPEA) of the Company and any Joint Holders thereof (defined in Paragraph 5, Article 27-23 of the FPEA, including a person deemed as a joint holder pursuant to Paragraph 6, Article 27-23 thereof), or a person or a company who makes a Purchase, etc. (defined in Paragraph 1, Article 27-2 of the FPEA, including those made on a securities exchange market) of Certificates of Shares and Other Securities of the Corporation (defined in Paragraph 1, Article 27-2 of the FPEA) and any Person with a Special Relationship (defined in Paragraph 7, Article 27-2 of the FPEA.)

[Note 2] The Certificate of Shares and Other Securities mean the “Share Certificates, etc.” defined in Paragraph 1, Article 27-23 of the FPEA.

[Note 3] The Voting Rights Ratio means, according to the concrete methods for the Purchase by each Group of Shareholders, (i) when the Group of Shareholders is the Holder (defined in the Paragraph 1, Article 27-23 of the FPEA, including a person deemed as a holder pursuant to Paragraph 3, Article 27-23 thereof) and its Joint Holder (defined in Paragraph 5, Article 27-23 of the FPEA, including a person deemed as a joint holder pursuant to Paragraph 6, Article 27-23 thereof) of the Company’s Certificates of Shares and Other Securities (meaning the “Share Certificates, etc.” defined in Paragraph 1, Article 27-23 of FPEA), the “Holding Ratio of Share Certificates, etc.” of such Holder (defined in Paragraph 4, Article 27-23 of the FPEA; in calculating such Ratio, the “Number of Share Certificates, etc. Held” (defined in the same article) by a Joint Holder of the Holder shall be counted as well); or (ii) the total of the Holding Ratio of Share Certificates, etc. (defined in Paragraph 8, Article 27-2 of the FPEA) of the Large-scale Purchasers of the Company’s Certificates of Shares and Other Securities (meaning the “Share Certificates, etc.” defined in Paragraph 1, Article 27-1 of the FPEA) and any of its Person with a Special Relationship (defined in Paragraph 5, Article 27-23 of the FPEA, including a person deemed as a joint holder pursuant to Paragraph 6, Article 27-23 thereof), when a Group of Shareholders consists of the Large-scale Purchasers of the Company’s Certificates of Shares and Other Securities and any of its Person with a Special Relationship. In calculating each Holding Ratio of Share Certificates, etc., the Total Voting Rights (defined in Paragraph 8, Article 27-2 of the FPEA) and the Total Number of Issued Shares (defined in Paragraph 4, Article 27-23 of the FPEA) that appear in the latest of any of the securities reports, Quarterly Securities Report, or Share Buyback Report can be referred to.

REFERENCE 1

PROCEDURES REGARDING THE LARGE-SCALE PURCHASE RULES (OUTLINE)



[Note 1] If the Board of Directors deems it appropriate, it may hold a General Meeting of Shareholders to ascertain the intent of the shareholders.

[Note 2] The "PROCEDURES REGARDING THE LARGE-SCALE PURCHASE RULES (OUTLINE)" shown above is a reference material prepared to help with the understanding of the Large-scale Purchase Rules. Please refer to the body of the text for more information.

REFERENCE 2

REGULATIONS FOR THE SPECIAL COMMITTEE (OUTLINE)

1. Establishment of the Special Committee and Election and Dismissal of the Members Thereof

- (i) The Special Committee shall be established by a resolution of the Board of Directors.
- (ii) The number of the members of the Special Committee shall be three (3).
- (iii) The members of the Special Committee shall be elected and appointed by the Company's Board of Directors from among the outside directors, outside audit & supervisory board members, attorneys-at-law, certified tax accountants, certified public accountants, people of experience or academic, or non-company personnel who are experienced as a director, audit & supervisory board member or executive officer.
- (iv) The election and dismissal of the members of the Special Committee shall be made by the resolution of the Board of Directors. A resolution for dismissal shall be made by an affirmative vote of more than two-thirds of the directors present.

2. Term of the Office of the Members of the Special Committee

The term of the office of the members of the Special Committee shall expire on the close of the Company's annual General Meeting of Shareholders on the last business year that ends within the period of three (3) years after the day of the election of the members of the Special Committee, unless any other specific provision is adopted by a resolution of the Board of Directors.

3. Criteria for the Election of the Members of the Special Committee

The person who falls under any of the following shall not be elected as a member of the Special Committee:

- (a) The person himself/herself used to be the Company's executive director or employee, or his/her relative, whose degree of kinship to him/her is two (2) degrees or less (including his/her spouse, hereinafter the same shall apply), used to be the Company's executive director or employee.
- (b) The person himself/herself or his/her relative, whose degree of kinship to him/her is two (2) degrees or less, received remuneration (except directors' remuneration or audit & supervisory board members' remuneration) in the amount of more than JPY10, 000,000 from the Company within any one (1) year within the past three (3) years.
- (c) The person who falls under any of the following: (i) the person himself/herself or his/her relative, whose degree of kinship to him/her is two (2) degrees or less, is an employee of the audit firm that is entrusted to perform the accounting auditing or consulting services, etc. for the Company; (ii) the person himself/herself is an employer of the said audit firm; (iii) his/her relative, whose degree of kinship to him/her is two (2) degrees or less, is an employer of the said audit firm and is engaged in its accounting auditing or consulting services, etc.; or (iv) the person himself/herself or his/her relative, whose degree of kinship to him/her is two (2) degrees or less, used to be an employee or an employer of the said audit firm, and engaged in any accounting auditing or consulting services for the Company.
- (d) The person himself/herself or his/her relative, whose degree of kinship to him/her is two (2) degrees or less, used to be an executive officer of a company other than the Company, and one

of the current directors of the Company used to be an outside director or outside audit & supervisory board member of the same company.

- (e) In case where the person himself/herself or his/her relative, whose degree of kinship to him/her is two (2) degrees or less, is an executive officer or an employer of a company other than the Company, and the Company has paid to the said company as consideration for any good or service within the past three (3) business years, or the said company has paid as consideration for any good or service to the Company within the past three (3) business years, the higher of (i) more than JPY100,000,000 or (ii) two (2) percent of the consolidated net sales of the said company.

4. Resolution Requirement

A resolution of the Special Committee shall be made by an affirmative vote of the majority of the members of the Special Committee.

5. Recommendations to the Board of Directors

The Special Committee shall make recommendations to the Board of Directors as to whether the Large-scale Purchase Information provided by the Large-scale Purchasers is sufficient, and as to whether it is permissible for the Company to implement countermeasures against the Large-scale Purchase, as well as make recommendations on matters consulted by the Board of Directors, as necessary. When the members of the Special Committee make recommendations, they are required to evaluate the matter with the view of enhancing the corporate value and common interest of the shareholders of the Company, and shall not aim to gain any individual advantage for himself/herself, or for any director of the Company.

6. Advise by Third Parties

The Special Committee may obtain advice from independent third parties (including financial advisors, certified public accountants, lawyers, consultants and other professionals), as may be deemed necessary, at the Company's expense.

REFERENCE 3

SUMMARY OF THE NAMES AND CAREERS OF THE SPECIAL COMMITTEE MEMBERS

Name	Tadao Kagono	
Career Summary	Date of birth:	November 12, 1947
	November 1988	Professor, Faculty of Business Administration, Kobe University
	April 1998	Dean, Faculty of Business Administration, Kobe University
	April 1999	Professor, Graduate School of Business Administration, Kobe University
	June 2003	Outside Director of Santen Pharmaceutical Co., Ltd
	June 2004	Outside Audit & Supervisory Board Member of the Company (incumbent)
	March 2006	Outside Audit & Supervisory Board Member of Sumitomo Rubber Industries, Ltd. (incumbent)
	April 2011	Special Visiting Professor, Konan University (incumbent)
	March 2012	Outside Audit & Supervisory Board Member of Familiar LTD. (incumbent)

* Tadao Kagono is an Outside Audit & Supervisory Board Member as set forth under Item 16, Article 2 of the Companies Act. He does not have a special conflict of interest with the Company.

Name	Noboru Tsuda	
Career Summary	Date of birth:	November 25, 1949
	April 1973	Joined Mitsubishi Kasei Industries Corporation (currently Mitsubishi Chemical Corporation)
	June 2005	Executive Officer (retired in April 2009)
	October 2005	Executive Officer, Mitsubishi Chemical Holdings Corporation
	April 2009	Managing Executive Officer
	April 2013	Senior Managing Executive Officer Member of the Board, Mitsubishi Rayon Co., Ltd.
	June 2013	Member of the Board, Senior Managing Executive Officer, Mitsubishi Chemical Holdings Corporation
	April 2014	Member of the Board (Representative Director), Vice President Executive Officer of the company
	June 2015	Advisor of the company
	June 2016	Outside Director of the Company (incumbent) Outside Director of Tokyu Fudosan Holdings Corporation(incumbent)

* Noboru Tsuda is an Outside Director as set forth under Item 15, Article 2 of the Companies Act. He does not have a special conflict of interest with the Company.

Name **Ryo Kawakami**

	Date of birth:	October 1,1967
Career Summary	March 1999	Admitted to bar (Osaka Bar Association) Attorney-at-Law, Member of the Osaka West Law Office(currently Osaka West Law Office LPC & Partners)(incumbent)
	October 2011	Specially Appointed Professor of Osaka University Law School (incumbent)
	June 2015	Outside Audit & Supervisory Board Member of the Company (incumbent)

* Ryo Kawakami is an Outside Audit & Supervisory Board Member as set forth under Item 16, Article 2 of the Companies Act. He does not have a special conflict of interest with the Company.

Guide to the Exercise of Voting Rights, etc.

1. In the event that revisions to the Reference Documents for the General Meeting of Shareholders or the Attached Documents are required, such revision will be made available on the Company's website (<http://www.ntn.co.jp>).
2. If a vote for or against a proposal is not indicated on the Voting Rights Exercise Form, the vote will be treated as an affirmative vote for the proposal.
3. The deadline for the exercise of voting rights via the Internet shall be the close of the business day (5:25 p.m.) on Thursday, June 22, 2017.
4. If voting rights are exercised both via the Voting Rights Exercise Form and via the Internet, the voting right exercised via the Internet shall be deemed valid.
5. If voting rights are exercised multiple times via the Internet, the last vote cast shall be deemed the valid execution of voting rights. Additionally, if voting rights are exercised both via personal computer or smartphone and mobile phone, the last vote cast shall be deemed valid.

Guide to the Exercise of Voting Rights via the Internet

If exercising voting rights via the Internet, please confirm the following items before exercising your vote.

If attending the General Meeting of Shareholders on the day of the meeting, it is not necessary to exercise your voting rights either via mail (Voting Rights Exercise Form) or the Internet.

1. About the Voting Rights Exercise Website

- (1) Voting rights may only be exercised via the Internet by accessing the Voting Web Site designated by the Company (<http://www.evote.jp/>) from a personal computer, smartphone, or mobile phone (i-mode, EZweb, Yahoo! Keitai) * (However, the service will be unavailable between the hours of 2 a.m. to 5 a.m. daily).
(* "i-mode" is a registered trademark of NTT DOCOMO, INC., "EZweb" is a registered trademark of KDDI CORPORATION, and Yahoo! is a registered trademark of United States-based Yahoo! Inc.)
- (2) Exercise of voting rights via personal computer or smartphone, depending upon your Internet environment, may not be possible if using a firewall, if using antivirus software, if using a proxy server, or if TLS encrypted transmission is not designated when connecting to the Internet.
- (3) Exercise of voting rights via mobile phone must be performed via either i-mode, EZweb, or Yahoo! Keitai. For security reasons, you cannot vote by a mobile phone that does not have functions of TLS encrypted transmission or transmission of mobile phone information.
- (4) Although the deadline for the exercise of voting rights via the Internet shall be the close of the business day (5:25 p.m.) on Thursday, June 22, 2017, it is recommended to exercise ahead of time, and contact the Help Desk recorded on page 38 with any questions.

2. About the Exercise of Voting Rights via the Internet

- (1) Access the Voting Web Site (<http://www.evote.jp/>) via personal computer, smartphone, or mobile phone, utilize the "log-in ID" and "provisional password" printed on the Voting Rights Exercise Form, and proceed in accordance with the guidance on the web.
- (2) In order to prevent unauthorized access by third parties other than the specific shareholder ("spoofing") or unauthorized alterations of exercised voting rights, shareholders will be asked to change the "provisional password" on the Voting Web Site. We appreciate your understanding.
- (3) A new "log-in ID" and "provisional password" will be provided at each convocation of General Meeting of Shareholders.

3. Multiple Exercise of Voting Rights

- (1) If voting rights are exercised multiple times both via mail and the Internet, the voting rights exercised via the Internet shall be deemed valid. We appreciate your understanding.
- (2) When exercising voting rights via the Internet multiple times, the last vote cast shall be deemed valid. Additionally, if voting rights are exercised both via personal computer or smartphone and mobile phone, the last vote cast shall be deemed valid.

4. Fees Associated with Accessing the Voting Web Site

Fees associated with accessing the Voting Web Site (Internet connection fees, etc.), shall be borne by the shareholder. Additionally, utilizing a mobile phone, etc. will require packet transmission fees and other mobile phone usage fees, but these shall be borne by the shareholder as well.

Inquiries Regarding the System, etc. Stock
Transfer Agency Department (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Telephone: 0120-173-027
(Hours of operation: 9:00 to 21:00, toll free within Japan)

5. About the Electronic Voting Rights Exercise Platform

Concerning shareholders of record of trust banks, etc., (including standing proxies), if advance registration is made to utilize the Electronic Voting Rights Exercise Platform operated by ICJ, Inc., established by the Tokyo Stock Exchange, Inc., the platform in question may be utilized as a method to exercise voting rights via the Internet, etc., for the Company's General Meeting of Shareholders, other than the exercise of voting rights via the Internet detailed in 2. above.