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(Stock Exchange Code 6472)  
June 2, 2016

**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 117TH 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 117th 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 23, 2016.  
[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 21 to page 22).

**1. Date and Time:** Friday, June 24, 2016 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 117th Fiscal Year (April 1, 2015 - March 31, 2016) 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 117th Fiscal Year (April 1, 2015 - March 31, 2016)

**Proposals to be resolved:**

- Proposal 1:** Distribution of Surplus  
**Proposal 2:** Election of Fourteen (14) Directors  
**Proposal 3:** Election of Two (2) Audit & Supervisory Board Members  
**Proposal 4:** Determination of Amount of Performance-linked Stock Compensation Scheme for Directors, etc.

**Proposal 5:** Revision to Amount of Compensation for Audit & Supervisory Board Members

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 21 ).

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: 2,658,337,790 yen
- (3) Effective date of distribution of surplus  
June 27, 2016

**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 (Date of birth)	Past experience, positions held and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Hiroshi Ohkubo (May 14, 1953)	April 1977 Joined the Company April 2004 Deputy General Manager, Finance Department August 2009 Director, NTN Wälzlager (Europa) G.m.b.H. April 2010 Executive Officer June 2010 Finance and Accounting Department, Budgeting Department April 2011 Accounting Department, Legal Department, Internal Audit Department April 2012 Legal Department, Fair Trade Promoting Office, Internal Audit Department June 2012 Director October 2012 Corporate General Manager, Finance Headquarters CSR Department, Legal Department, Fair Trade Promoting Office, Internal Audit Department June 2013 Managing Director Management Division April 2014 Executive Vice President and Director June 2014 President and Director (current position)	46,000 shares
[Reasons for selection as a candidate for Director, etc.]			
As stated above, Mr. Hiroshi Ohkubo possesses operational experience in areas such as the Finance Division and Overseas Division, and broad knowledge 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.			



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	Fukumatsu Kometani (December 29, 1949)	April	1972	Joined the Company	82,000 shares
		April	1998	General Manager, Sales Department, Tokyo Branch, Sales Headquarters	
		January	2007	Deputy General Manager, Europe & Africa Region	
		April	2008	Executive Officer	
		April	2009	General Manager, Europe & Africa Region	
		June	2010	Director	
		June	2011	Managing Director China Region, ASEAN & Oceania Region, India & West Asia Region, Europe & Africa Region Automotive Business Headquarters, Industrial Business Headquarters	
		April	2012	Corporate General Manager, China Business Headquarters	
		June	2012	Executive Director (current position) China Region, ASEAN & Oceania Region, India & West Asia Region, Americas Region, Europe & Africa Region	
		October	2012	Corporate General Manager, ASEAN, Oceania, India, and West Asia Business Headquarters	
		October	2013	Corporate General Manager, Aftermarket Business Headquarters	
		October	2014	Automotive Business Headquarters, Industrial Business Headquarters, Aftermarket Business Headquarters (concurrently) NTN KOREA CO., LTD.	
		April	2015	Industrial Business Headquarters, Aftermarket Business Headquarters, NTN KOREA CO., LTD.	
		June	2015	Aftermarket Business Headquarters, NTN KOREA CO., LTD. (current position)	
[Reasons for selection as a candidate for Director, etc.]					
As stated above, Mr. Fukumatsu Kometani possesses operational experience in areas such as Business Divisions for the aftermarket 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	
4	Yoshinori Terasaka (August 30, 1959)	April	1983	Joined the Company	26,000 shares
		August	2008	General Manager, Constant Velocity Joints Engineering Department, Automotive Product Headquarters	
		April	2011	General Manager, Constant Velocity Joints Technology Department, Automotive Product Headquarters (concurrently)	
		April	2012	General Manager, Corner Module Technology Department Executive Officer	
		June	2013	Deputy Corporate General Manager, Automotive Business Headquarters	
		April	2014	Director Managing Director (current position)	
		June	2014	Corporate General Manager, Automotive Business Headquarters	
		June	2014	EV Module Business Headquarters	
		October	2014	EV Module Business Headquarters (concurrently) ASEAN & Oceania Region, India & West Asia Region	
		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	
		April	2016	Research, Engineering Division, Americas Region (current position) Quality Management Division (current position)	
		(Significant concurrent positions)		Chairman and Director, NTN USA CORP.	
[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
5	Keiji Ohashi (October 14, 1956)	April 1979	Joined the Company	51,000 shares
		April 2003	General Manager, Management Department, KUWANA WORKS	
		April 2006	General Manager, Management Department, IWATA WORKS	
		April 2007	Deputy General Manager, IWATA WORKS (concurrently) General Manager, Management Department, IWATA WORKS	
		January 2008	General Manager, General Affairs Department	
		April 2010	Executive Officer	
		August 2010	General Affairs Department (concurrently) General Manager, Human Resources Department	
		April 2011	General Manager, Human Resources, General Affairs Department	
		April 2012	Human Resources, General Affairs Department	
		June 2012	Director	
		April 2014	Human Resources, General Affairs, Global Personnel Training Department	
		June 2014	Managing Director (current position) Management Division	
		October 2014	Management, Procurement, Logistics, Cost Planning Division	
		April 2015	Corporate General Manager, Finance Headquarters (current position) General Affairs, Environment Division CSR Headquarters (current position)	
		April 2016	General Affairs, Environmental Management Department (current position)	
[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.				
6	Hideaki Miyazawa (October 18, 1960)	April 1983	Joined the Company	20,200 shares
		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	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	
		April 2016	EV Module Business Headquarters Europe & Africa Region, Electric Module Product Business Division (current position) EV Module Business Department (current position)	
[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
7	Itsuji Gotou (June 24, 1959)	April 1982	Joined the Company	39,000 shares
		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 Corporate Management Department, Accounting Department	
		June 2012	Deputy Corporate General Manager, Automotive Business Headquarters	
		October 2012	Deputy Corporate General Manager, Finance Headquarters	
		June 2013	Director (current position) Corporate General Manager, Finance Headquarters CSR Department, Legal Department, Fair Trade Promoting Office, Internal Audit Department	
		April 2014	CSR Department, Legal Department, Fair Trade Promoting Department, Internal Audit Department	
		June 2014	Internal Audit Department	
		October 2014	Procurement, Logistics, Cost Planning Division, China Region	
		April 2016	Human Resources Division, Cost Planning Department, China Region (current position)	
[Reasons for selection as a candidate for Director, etc.]				
As stated above, Mr. Itsuji Gotou possesses operational experience in areas such as the Finance 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.				
8	Hiroshi Nakano (October 2, 1962)	April 1986	Joined the Company	8,000 shares
		April 2008	General Manager, Legal Department	
		April 2012	General Manager, Fair Trade Promoting Office	
		October 2013	Executive Officer	
		December 2013	General Manager, CSR Department	
		April 2014	Corporate General Manager, CSR Headquarters (current position)	
		June 2014	Director (current position)	
		October 2014	Internal Audit Department (current position)	
[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
9	Hidefumi Tsuji (May 24, 1958)	April	1981	Joined the Company	28,000 shares
		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	
		April	2013	Senior Executive Officer Corporate General Manager, China Business Headquarters (concurrently) General Manager, China Region	
		October	2013	General Manager, China Region (current position)	
		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)	
[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.					
10	Takehiko Umemoto (March 7, 1957)	April	1980	Joined the Company	22,000 shares
		April	2007	General Manager, Product Design Department, Industrial Product Headquarters	
		August	2009	General Manager, Applied Design Department, Industrial Product Headquarters	
		April	2010	General Manager, Industrial Technology Department, Industrial Business Headquarters	
		April	2011	Executive Officer Deputy Corporate General Manager, Industrial Business Headquarters	
		April	2012	Deputy Corporate General Manager, China Business Headquarters (concurrently) Deputy General Manager, China Region	
		April	2013	Deputy Corporate General Manager, Automotive Business Headquarters (current position) Precision Equipment Business Division	
		August	2013	Corporate General Manager, EV Module Business Headquarters (current position)	
		April	2014	Senior Executive Officer	
		April	2015	Quality Management Division	
		June	2015	Director (current position)	
		April	2016	General Manager, EV Module Business Department (current position) Quality Management Division (current position)	
[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
11	Toshinori Shiratori (July 13, 1958)	April 1982	Joined the Company	16,000 shares
		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)	
[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.				
12	Kazuki Kawashima (November 5, 1956)	April 1980	Joined the Company	12,000 shares
		July 2005	General Manager, Automotive Engineering Department, Automotive Product Headquarters	
		October 2011	Deputy Corporate General Manager, Industrial Business Headquarters (concurrently) General Manager, NAGANO WORKS	
		April 2014	Executive Officer Deputy Corporate General Manager, Industrial Business Headquarters (concurrently) General Manager, Cost Planning Department	
		October 2014	Corporate General Manager, Industrial Business Headquarters (current position)	
		June 2015	Director (current position)	
		April 2016	Composite Material Product Division (current position)	
[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
13	Akira Wada (January 17, 1945)	April 1967	Joined Hitachi Zosen Corporation	28,000 shares
		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	
		June 2006	Full-time Corporate Auditor, NICHIZOTECH INC.	
		June 2011	Director, the Company (current position)	
[Reasons for selection as a candidate for Outside Director, etc.]				
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.				
14	New appointment Noboru Tsuda (November 25, 1949)	April 1973	Joined Mitsubishi Kasei Industries Corporation (currently Mitsubishi Chemical Corporation)	0 shares
		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 (scheduled to retire in July 2016)	
[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. Mr. Akira Wada currently serves as Outside Director of the Company, and his term of office as Outside Director will be five years at the conclusion of this year's Annual General Meeting of Shareholders.
  4. Mr. Akira Wada has been defined as an Independent Board Member 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 14 to page 15).
  6. The Company has concluded an agreement with Mr. Akira Wada as stipulated in Article 427, Paragraph 1 of the Companies Act to limit his 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 him. Furthermore, the maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. Additionally, it is scheduled to conclude an identical agreement with Mr. Noboru Tsuda to limit his liability if the appointment is approved.
  7. Mr. Noboru Tsuda is scheduled to assume the position of Outside Director of Tokyu Fudosan Holdings Corporation on June 28, 2016.

### Proposal 3: Election of Two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members, namely Messrs. Mizuho Hikida and Tadao Kagono, will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of two Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions held at the Company, and significant concurrent positions			Number of shares of the Company held
1	New appointment  Yusuke Iyama (March 27, 1959)	April	1983	Joined the Company	20,000 shares
		April	2009	Deputy General Manager, General Affairs Department	
		August	2010	General Manager, Secretariat Office (current position)	
		April	2014	Executive Officer (current position)	
[Reasons for selection as a candidate for Audit & Supervisory Board Member, etc.]					
As stated above, Mr. Yusuke Iyama possesses operational experience and broad knowledge in areas such as the General Affairs Division, and has a deep understanding of the Company's operations. At this time, to utilize this experience and knowledge, etc., to maintain compliance through appropriate audits of business execution and to aim to improve the soundness and transparency of management, the Company requests his new election as a candidate for Audit & Supervisory Board Member.					
2	Tadao Kagono (November 12, 1947)	March	1970	Graduated from Kobe University School of Business Administration	28,000 shares
		November	1988	Professor, School of Business Administration	
		April	1998	Dean, School of Business Administration	
		April	1999	Professor, Graduate School of Business Administration	
		June	2003	Outside Auditor, Santen Pharmaceutical Co., Ltd.	
		June	2004	Outside Audit & Supervisory Board Member, the Company (current position)	
		March	2006	Outside Audit & Supervisory Board Member, Sumitomo Rubber Industries, Ltd. (current position)	
		April	2011	Special Visiting Professor, Konan University (current position)	
		March	2012	Outside Director, Familiar, LTD. (current position)	
				(Significant concurrent positions) Special Visiting Professor, Konan University Outside Audit & Supervisory Board Member, Sumitomo Rubber Industries, Ltd. Outside Director, Familiar, LTD.	
[Reasons for selection as a candidate for Outside Audit & Supervisory Board Member, etc.]					
As stated above, although Mr. Tadao Kagono has not been directly involved in corporate management, he possesses broad knowledge based on extensive experience and achievements as an academic specializing in management. In the future, through appropriate audits of business execution of the Company to maintain compliance and to aim to improve the soundness and transparency of management from an independent standpoint utilizing this experience and knowledge, etc., the Company requests his continued election as a candidate for Audit & Supervisory Board Member.					

- (Notes)
1. There are no special interests between each candidate and the Company.
  2. Mr. Tadao Kagono is a candidate for Outside Audit & Supervisory Board Member as stipulated in Article 2, Item 16 of the Companies Act.
  3. Mr. Tadao Kagono currently serves as Outside Audit & Supervisory Board Member of the Company, and his term of office as Outside Audit & Supervisory Board Member will be twelve years at the conclusion of this year's Annual General Meeting of Shareholders.
  4. The Company, as the parent company, and related subsidiaries were contacted in March by the European Commission, in May 2014 by the Competition Commission of Singapore, and the Company was contacted in August 2014 by the National Development and Reform Commission, People's Republic of China regarding the imposing of fines due to alleged anti-competitive activities. Outside Audit & Supervisory Board Member Tadao Kagono had regularly provided advice, etc., from the viewpoint of compliance with laws and regulations, but after undergoing investigation by these authorities, while also seeking to confirm the facts, he has been expressing opinions, etc., regarding the establishment of the system and the promotion of activities for thorough compliance with laws and regulations.
  5. Mr. Tadao Kagono has been defined as an Independent Board Member under the stipulations of the Tokyo Stock Exchange, Inc., and has been submitted as such.
  6. Mr. Tadao Kagono satisfies the Company's Standards Regarding Independent Outside Directors and Independent

Outside Audit & Supervisory Board Members (page 14 to page 15).

7. The Company has concluded an agreement with Mr. Tadao Kagono as stipulated in Article 427, Paragraph 1 of the Companies Act to limit his 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 him. 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 4: Determination of Amount and Content of Performance-Linked Stock Compensation for Directors**

Compensation for directors of the Company is comprised of “basic compensation” and “annual incentives (bonuses). The Company, however, is proposing the new implementation of a performance-linked stock compensation scheme (the “Scheme”) to deliver or pay (the “Delivery, etc.”) shares of the Company and the money equivalent to the amount after being converted from shares to cash (the “Company Shares, etc.”) to directors of the Company (excluding outside directors and non-residents of Japan (the “Nonresidents”); the same hereinafter) according to position, achievement of performance targets outlined in the medium-term management plan, etc.

The implementation of the Scheme aims to further clarify the relationship between compensation of directors and the stock price of the Company, increase motivation to improve business results over the medium- to long-term, increase awareness on contributing to the enhancement of shareholder value, and share interests with shareholders. The Company believes its implementation to be appropriate.

This Proposal suggests granting stock compensation to directors separately from the maximum cash compensation for directors (within ¥600 million) approved at the 107th Annual General Meeting of Shareholders held on June 29, 2006.

The number of directors subject to the Scheme shall be 12 if Proposal 2 “Election of 14 Directors” is approved as originally proposed.

**Amount and Content of Compensation in the Scheme**

**(1) Outline of the Scheme**

The Scheme is a performance-linked stock compensation scheme in which shares of the Company will be acquired through a trust, using cash contributed by the Company, and the Delivery, etc. of the Company Shares, etc. will be made to the directors of the Company according to the Company’s performance based on the share delivery plan rules provided by the Company. Delivery, etc., of Company Shares, etc., will be made through the trust. (See (2) and further for details.)

1) Persons to which the Delivery, etc., of Company Shares, etc., in this proposal will be applicable	<ul style="list-style-type: none"> <li>Directors of the Company (excluding outside directors and Nonresidents.)</li> </ul>
2) Upper limit of cash contributed by the Company, upper limit of shares of the Company acquired by directors and impact the shares referred in this proposal will have on the total number of issued shares	
Upper limit of cash contributed by the Company (as stated in (2) below)	<ul style="list-style-type: none"> <li>Applicable to three business years; total of ¥345 million</li> <li>However, in the first round it will be applicable to two business years; total of ¥230 million</li> </ul>
Upper limit of the number of the Company Shares, etc. acquired by directors and method of acquisition of shares of the Company (as stated in (3) below)	<ul style="list-style-type: none"> <li>The upper limit of the number of shares will be 1,650,000 shares over three years in total, and the proportion to the total number of issued shares (as of March 31, 2016) is approximately 0.31%</li> <li>The upper limit of the number of shares in the first round will be 1,100,000 shares over two years in total, and the proportion to the total number of issued shares (as of March 31, 2016) is approximately 0.21%</li> <li>As shares of the Company are planned to be acquired from the stock market, dilution will not occur</li> </ul>
3) Contents of conditions regarding performance results achievement (as stated in (3) below)	<ul style="list-style-type: none"> <li>Varies according to the achievement, towards target figures of the Company’s performance outlined in the medium-term management plan, etc.</li> </ul>



4) Timing of Delivery, etc., of Company Shares, etc., to directors (as stated in (4) below)	<ul style="list-style-type: none"> <li>• Upon the passing of three business years (upon the passing of two business years for the first round)</li> <li>• The shares of the Company that directors acquire under the Scheme during their terms of office cannot be sold until said directors retire</li> </ul>
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(2) Upper limit of cash contributed by the Company

The Scheme, in consideration of the relationship with the medium-term management plan published by the Company, will be applicable to the three consecutive business years (the “Eligible Period”) that corresponds to the period of the medium-term management plan. However, as the current medium-term management plan has two years remaining, in order to apply this system to the period of the current medium-term management plan, the first round will be applicable to the two business years from the business year ending on March 31, 2017 to the business year ending on March 31, 2018. If an extension of the below trust period is made, it shall be applicable to the three consecutive business years that correspond to the periods of each medium-term management plan thereafter.

For each Eligible Period, the Company will contribute cash within the upper limit amount of ¥345 million in total (¥230 million for the two business years in the first round) as a fund to acquire shares of the Company, and set a trust (the “Trust”) with a trust period of three years (including extensions of the trust period as stated below; the same hereinafter) with directors who satisfy the beneficiary conditions as beneficiaries. The Trust, under direction of the trust administrator, will acquire shares of the Company from the stock market, using entrusted cash.

Specifically, concerning the initially set Trust, the Eligible Period will be the two business years from the business year ending on March 31, 2017 to the business year ending on March 31, 2018. The Company will contribute cash within the upper limit amount of ¥230 million in total, and during the trust period, share delivery points (as stated in (3) below) will be given to directors and Delivery, etc., of Company Shares, etc., will be made.

At the expiration of the trust period of the Trust, by modifying the trust period and making additional contributions in the Trust in lieu of setting a new Trust, the Trust may be continued. In such a case, the trust period of the Trust will be extended and the Eligible Period will be the three consecutive business years corresponding to the period of the medium-term management plan after the extension of the trust period. The Company will, for each trust period, within the limit of ¥345 million in total, make additional contributions, and during the extended trust period, continue to give share delivery points to directors and Delivery, etc., of Company Shares, etc. However, in the case that shares of the Company remain (the “Remaining Company Shares”) and cash (along with Remaining Company Shares, collectively the “Remaining Company Shares, etc.”) remains within the trust assets as of the final day of the trust period prior to extension, additional contributions will be made so that the amount of the Remaining Company Shares, etc., and the additionally contributed trust funds will be within the limit of ¥345 million in total, and the number of Remaining Company Shares and shares additionally acquired by the Trust will be within the limit of 1,650,000 shares in total.

(3) Calculation method and upper limit of Company Shares, etc., to be acquired by directors

On June 1 of every year during the trust period, directors will be given share delivery points according to position, achievement of business result targets as outlined in the medium-term management plan, etc..

Then, cumulative share delivery points (the “Number of Cumulative Points”) will be calculated for each director in office at June 1 (June 1, 2018 for the first round) immediately after the conclusion of the Eligible Period (or at retirement if the director retires for reasons other than the expiration of term of office, except when the retirement is due to personal circumstances or dismissal; at the time it becomes apparent that the director will become a Nonresident; or at the time of death if the director passes away), and the Delivery, etc., of one share of Company Shares, etc., will be made for one point in the Number of Cumulative Points according to (4) shown below. However, in the event that shares of the Company undergo a share split or reverse share split, etc., during the trust period, the number of shares of the Company for 1 point will be adjusted according to the split ratio or reverse split ratio, etc., of shares of the Company.

The upper limit for the total number of shares of the Company acquired by the Trust and delivered to directors in each Eligible Period is 1,650,000 shares (1,100,000 shares for the initial two business years). This upper limit number of delivered shares is determined based on the most recent stock price, etc., in consideration of the upper limit of trust funds stated in (2) above.

(4) Method and timing of Delivery, etc., of Company Shares, etc., to directors

Delivery, etc., will be made from the Trust to directors who satisfy beneficiary conditions in approximately July (July 2018 for the first round) immediately after the conclusion of the Eligible Period based on the number of Company Shares, etc., calculated based on (3) above.

At this time, the directors will receive a delivery of shares of the Company for 50% of the Number of Cumulative Points (shares of less than one trading unit will be rounded down), and concerning the remainder, upon conversion within the Trust, the directors will receive money equivalent to the amount after being converted from shares to cash.

If a director retires in the middle of a trust period for reasons other than the expiration of term of office (except when the retirement is due to personal circumstances or dismissal), or becomes a Nonresident, the director receives the cash equivalent to the shares of the Company that correspond to the Number of Cumulative Points after conversion within the Trust.

In case of the passing of a director in the middle of the trust period, the heir to the director receives the cash equivalent to the shares of the Company that correspond to the Number of Cumulative Points after conversion within the Trust.

(5) Voting rights for shares of the Company within the Trust

Concerning the shares of the Company within the Trust, in order to secure objectivity in management, voting rights will not be exercised during the trust period.

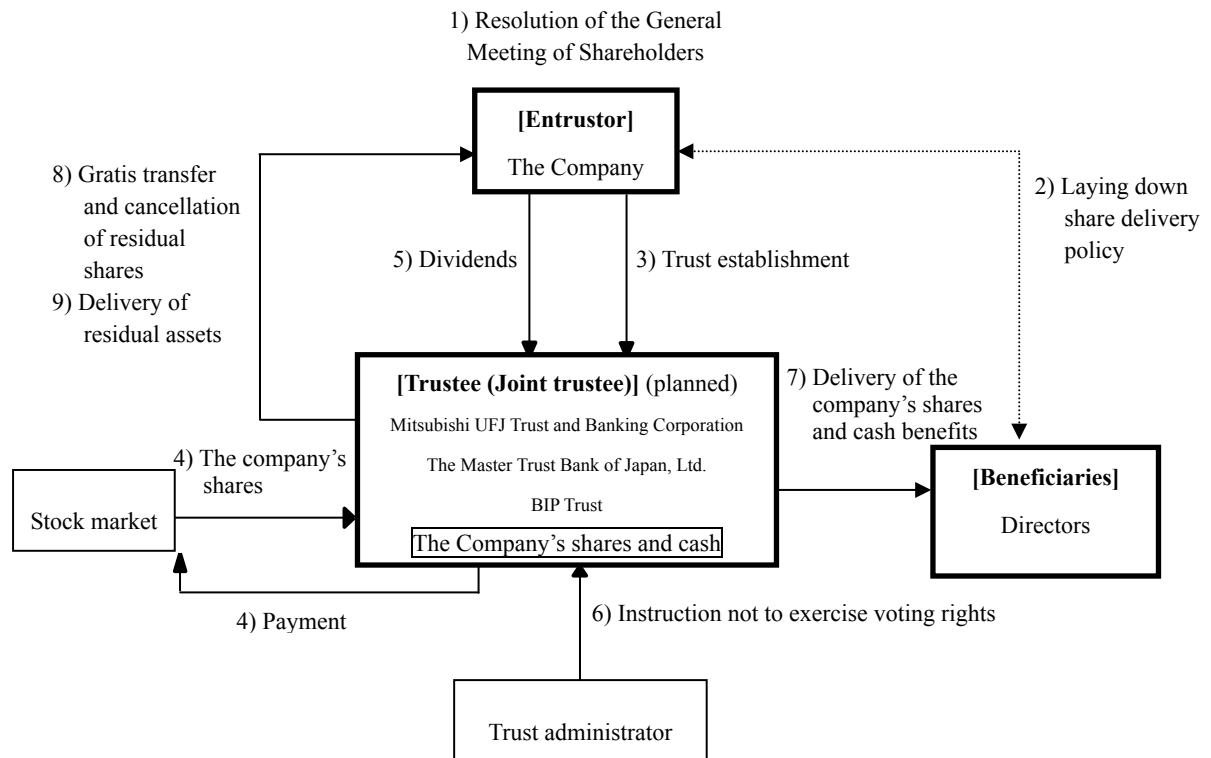
(6) Other contents of the Scheme

Concerning other contents regarding the Scheme, the Company requests that the determination be left to the discretion of the board of directors each time the Trust is set, the trust agreement is modified or additional contribution to the Trust is made.

(Reference)

Concerning details of the Scheme, please refer to “Notice Regarding the Introduction of a Performance-Linked Stock Compensation for Directors of the Company” (reference provided below: abstract from the press release dated April 28, 2016).

(Reference: abstract from the press release dated April 28, 2016)



- (1) The Company will obtain an approval on director remunerations at the General Meeting of Shareholders in relation to introduction of the Scheme.
- (2) The Company will, at the board of directors meeting, lay down Shares Delivery Policy concerning director remunerations in relation to introduction of the Scheme.
- (3) The Company will entrust money to the extent as approved by the resolution at the General Meeting of Shareholders in (1) above and establish a trust (the "Trust") wherein our directors that meet the beneficiary requirements are beneficiaries.
- (4) The Trustee (of the Trust) will acquire the Company shares from the stock market by spending money entrusted in (3) above in accordance with the instructions of the trust administrator. The number of shares acquired by the Trust shall stay within the limitation as approved at General Meeting of Shareholders in (1) above.
- (5) The Company will pay dividends for the Company shares in the Trust in the same manner as other Company shares.
- (6) Voting rights of the Company shares in the Trust will not be exercised during the trust term.
- (7) During the trust term, the Company will grant certain points to our directors in line with several factors, such as their rank and how much the directors have attained its medium-term management targets. Around July immediately after the end of three consecutive accounting years covered with any medium-term management plan (i.e., around July 2018 is the first timing in this case), the Company will deliver to a director the Company shares equivalent to a certain percentage of their points granted if the director satisfies certain requirements as a beneficiary. As for the Company shares corresponding to the remaining points, the Company will grant cash equivalent to the market value of such Company shares after getting converted into cash in the Trust in accordance with the trust agreement.
- (8) If there are remaining shares at the expiry of the trust term due to non-achievement of performance targets or any other reason during the trust term, the Trust may continue to be used as a type of incentive plan similar to the Scheme by extending the trust agreement and entrusting additional money to the Trust, or the Trust may voluntarily convey said remaining shares to the Company and the Company may acquire them without payment and cancel the remaining shares by a resolution at the Board of Directors.
- (9) Residual assets after distribution to beneficiaries at the time of winding up the Trust will belong to the Company to the extent of allowances for trust expenses, which are calculated as the trust money less share acquisition funds. The portion exceeding the allowances for trust expenses will be donated to groups that have no vested interest with the Company and Company officers (directors, non-Japan resident directors, external directors and auditors; hereinafter, the same meaning shall apply).

**Proposal 5: Revision to Remuneration for Audit & Supervisory Board Members**

The amount of remuneration for Audit & Supervisory Board Members of the Company was approved to be within 60.00 million yen per annum at the 107th Annual General Meeting of Shareholders held on June 29, 2006, and this has continued to the present. However, in consideration of the greater responsibility placed on Audit & Supervisory Board Members owing to various factors such as the number of years that have passed, changes in the economic environment since the previous revision, and changes in the management environment such as the increase in the number of consolidated subsidiaries, the Company requests that the amount of remuneration for Audit & Supervisory Board Members be revised to be within 70.00 million yen per annum.

Additionally, the number of Audit & Supervisory Board Members is currently four persons, but even in the case that Proposal 3 is approved as originally proposed, the number of Audit & Supervisory Board Members will not change.

## 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 23, 2016.
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 23, 2016, it is recommended to exercise ahead of time, and contact the Help Desk recorded on page 22 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.