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NTN CORPORATION

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(Security Code: 6472 Tokyo Stock Exchange Prime Market)

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Announcement Regarding Issuance of Zero Coupon Convertible Bonds due 2025

NTN CORPORATION (the “Company”) hereby announces the proposed issuance of Zero Coupon Convertible Bonds due 2025 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) (the “Bonds”) decided today by the President, Executive Officer, based on the delegation by resolution of a meeting of the Board of Directors.

Background and Purpose of the Issuance of the Bonds

Through reform of its business structure, improvement of its financial position, and efforts to realize the SDGs, the Group will reform itself, establish a new foundation for growth, and contribute to the international community as it moves forward toward further growth. On the other hand, the outlook for the global economy remains uncertain due to global inflation and the prolonged conflict in Ukraine. Under these circumstances, in order to increase corporate value while flexibly responding to changes in the business environment, the Company believes that it is essential to invest for sustainable growth through selection and concentration and to build a strong financial position. It, therefore, decided to issue the Bonds, taking into consideration the market environment, the impact on existing shareholders, and financing costs, etc.

Use of Proceeds

The net proceeds from the issue of the Bonds are estimated to be approximately ¥22 billion after deducting expenses. The Company intends to apply the net proceeds for investments on measures to enhance productivity and develop high-added-value products, facilities focused on products that target growth markets as well as initiatives to contribute to the realisation of carbon neutral society. This includes:

(a) approximately ¥10 billion towards investments on growth industries, such as (i) aftermarket applications, (ii) automotive and industrial machinery applications in light of the electrification trend, and (iii) automotive application driven by the increasing need for high-efficiency and high-added value;

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(b) approximately ¥10 billion towards investments on (i) productivity enhancement by promoting the automation and optimisation of existing production lines, and (ii) strategic production reorganisation in response to changes in the business environment; and

(c) approximately ¥2 billion towards investments on the visualisation of production processes and equipment to promote energy-saving, and cash reserve to be used in response to a carbon neutral society.

Issuance of the Bonds with Stock Acquisition Rights due 2025

1. Securities Offered	¥22,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2025 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i>)
2. Issue Price	100.5%
3. Closing Date	22 September 2023
4. Coupon	0%
5. Redemption at Maturity	100.0%

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