

April 22, 2014

To Whom It May Concern:

Name of the Company: NTN Corporation
Name of the Representative: Shigeyoshi Takagi, President
(Code No.: 6472 TSE 1st Section)
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REGARDING THE 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 (as regards the definition of a "Large-scale Purchase," please refer to II 2(i) below) of the Company's shares, which were approved thereafter at the Company's 109th annual General Meeting of Shareholders held on June 27, 2008. Subsequently, the shareholders of the Company approved the continuation of the said policy at the Company's 112th annual General Meeting of Shareholders held on June 24, 2011 (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 the Company's 115th annual General Meeting of Shareholders to be held on June 25, 2014 (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 Company hereby announces that the continuation of the Current Policy was resolved in the meeting of the Board of Directors of the Company held on April 22, 2014, as to the measures shown below.

Please be informed that no substantive changes will be made to the Current Policy upon the continuation thereof, with the exception of the statement that will specify that there may be cases where the Company will hold a General Meeting of Shareholders to ascertain the intent of the shareholders concerning matters including the implementation of a countermeasure (please refer to Item V described below for details on the countermeasure) (hereinafter, the policies after the revisions are referred to as "this Policy").

This Policy, which is one of our focused drives pursuant to the "Basic Policy on How a Person

Controlling the Determination of a Company's Financial and Business Policies" set forth in Item (iii), Article 118 of the Regulations for the Enforcement of the Companies Act, shall be referred to the shareholders at the Annual General Meeting of Shareholders and shall become effective subject to their approval, according to Paragraph 1, Article 15 of the Company's Articles of Incorporation.

The attached Exhibit 1 shows the major shareholders of the Company as of March 31, 2014. As of this moment, the Company has not received any notice regarding the conduct of a Large-scale Purchase of the Company's shares.

Each paragraph, which makes reference to laws and regulations, is premised on the laws and regulations in force as of April 22, 2014. In the event that a revision of the laws and regulations takes place and the revised laws and regulations become effective, the respective paragraphs of the laws and regulations referred to in this Policy shall be substituted with the revised paragraphs of such laws and regulations that correspond or succeed the former ones, unless the Board of Directors of the Company provides otherwise.

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.

In order to respond to changes in the corporate environment, the NTN Group launched its "Revival 2014" Medium-term Management Plan for the two (2)-year period starting in April 2013. Under "Revival 2014," the basic policy is to "reform the business structure to generate profit." The Company is implementing its priority programs to achieve the task as follows:

- (i) As "Emergency Measures" to generate profit, promote reductions in personnel costs and other expenses as well as in inventories, and in capital expenditure controls.
- (ii) As a "Centralization of Management Resources," concentrate our resources in priority areas such as sales expansion in the highly profitable aftermarket, global strengthening of the industrial machinery business and achieve greater profits in the automotive business.
- (iii) As "Structural Reform" efforts, implement acceleration of overseas production, reform personnel cost structure, and selection of businesses.
- (iv) As an "Expansion of New Product and New Business" efforts towards further growth, strengthen development of module products and system products, fully operate the EV system products business and accelerate the development of composite material products

and market deployment.

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 “Revival 2014” 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 Exhibit 2 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 company auditor(s) (the outline of the Regulations for the Special Committee appears in Exhibit 3 attached hereto; and the members of the Special Committee are specified in Exhibit 4 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 pries 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.

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 2017. 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 2017, 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 company auditor(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 Exhibit 3 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.

EXHIBIT 1**MAJOR SHAREHOLDERS OF THE COMPANY**

The major shareholders of the Company as of March 31, 2014 are as follows:

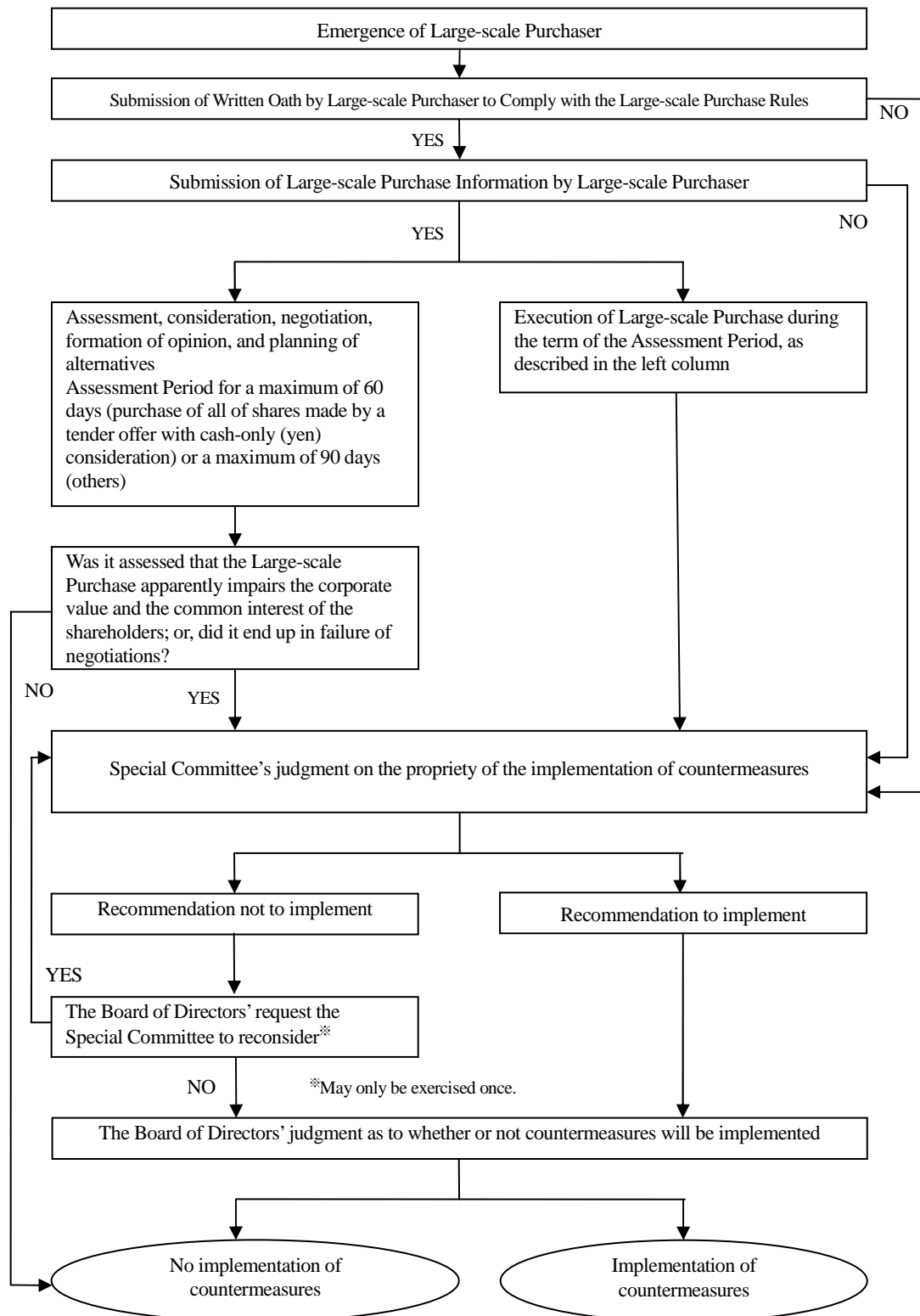
1. The total number of authorized shares 1,800,000,000 shares
2. The total number of issued shares 532,463,527 shares
(Including treasury shares 619,746 shares)
3. Number of shareholders 27,768 shareholders
4. Major shareholders

Name	Shareholders' Investment in NTN	
	Number of shares held (thousands)	Investment ratio
The Master Trust of Japan, Ltd. (Trust account)	32,602	6.12%
The Dai-ichi Life Insurance Company, Limited	23,278	4.37%
Meiji Yasuda Life Insurance Company	22,467	4.21%
NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT	21,703	4.07%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	21,674	4.07%
Japan Trustee Services Bank, Ltd. (Trust account)	18,606	3.49%
NTN Kyoeikai	12,210	2.29%
Mitsubishi UFJ Trust and Banking Corporation	11,870	2.22%
Nippon Life Insurance Company	10,356	1.94%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	7,992	1.50%

[Note 1] The number of shares held is calculated by rounding-down the shares that are less than 1,000

[Note 2] The investment ratio is calculated by the percentage to the total issued shares.

EXHIBIT 2
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.

EXHIBIT 3

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 company auditors, attorneys-at-law, certified tax accountants, certified public accountants, people of experience or academic, or non-company personnel who are experienced as a director, company auditor 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 company auditors' 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 company auditor 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.

EXHIBIT 4

SUMMARY OF THE NAMES AND CAREERS OF THE SPECIAL COMMITTEE MEMBERS

Name	Hisaji Kawabata	
	Date of birth:	December 21, 1939
Career Summary	March 1962	Graduated from the Faculty of Law and Literature, Kanazawa University
	April 1962	Joined <i>Keihanshin Kyuko</i> Railway Company (changed its corporate name to Hankyu Corporation on April 1, 1973)
	June 1996	Managing Director and General Manager of Human Resources Development Section
	June 1998	President, Hankyu Bus Company Limited
	December 1998	Director, Nippon Rent-A-Car Service, Inc.
	April 2007	Advisor, Hankyu Bus Company Limited
	June 2008	Outside Director of NTN (incumbent)

* Hisaji Kawabata 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	Tadao Kagono	
	Date of birth:	November 12, 1947
Career Summary	March 1970	Graduated from the Faculty of Business Administration, Kobe University
	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 2004	Outside Company Auditor of NTN (incumbent)
	April 2011	Special Visiting Professor, Konan University (incumbent)

* Tadao Kagono is an Outside Company Auditor 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	Norifumi Ishii	
	Date of birth:	July 3, 1956
Career Summary	March 1979	Graduated from the Department of Law, Faculty of Law, Chuo University
	April 1985	Assistant Judge
	May 1992	Admitted to bar (Osaka Bar Association)
		Attorney-at-Law, Member of the Osaka West Law Office (up to the present)
	April 2004	Professor, Law School, Legal Professional Degree Program, Kyoto Sangyo University (incumbent)
	November 2006	Standing Director, National Lawyers' Network for Handling Bankruptcy (<i>Zenkoku Tohsan Shori Bengoshi</i> Network) (incumbent)
	June 2007	Outside Company Auditor of NTN (incumbent)

* Norifumi Ishii is an Outside Company Auditor as set forth under Item 16, Article 2 of the Companies Act. He does not have a special conflict of interest with the Company.