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To whom it may concern

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Notice regarding Issuance of Subordinated Bonds through Public Offering

NTN Corporation (hereafter, the Company) hereby announces that it has decided to issue its subordinated bonds (hereafter, hybrid bonds) through a public offering. The Company submitted the amended version of the shelf registration statements regarding this issuance to the Director of the Kanto Local Finance Bureau.

1. Purpose and background of the issuance of the hybrid bonds

The Company is working to transform its business structure in accordance with “Business Operation Policy for NTN’s Revitalization” released on June 19 last year in order to respond to the global sluggish demand caused by the intensified U.S.-China trade frictions and other factors, as well as radical changes in the market due to the spread of new coronavirus.

As part of these initiatives, the Company has decided to procure funds by issuing the bonds, taking into account the implementation of steady business structural reform and the maintenance of financial soundness for future growth.

The bonds are expected to be recognized as having a certain level of equity by rating agencies. The Company aims to achieve sustainable growth in corporate value together with the other important initiatives by improving its financial structure through the bonds without diluting its shares.

2. Characteristics of the hybrid bonds

Financing with the hybrid bonds is a form of hybrid finance that has the characteristics between equity and debt. While they will not dilute the existing shares, they have characteristics similar to shares such as deferred interest payments, super long-term maturity and subordination in the liquidation and bankruptcy proceedings. Therefore the Company expects that 50% of the funds raised by the bonds will be recognized as equity by a rating agency (Rating and Investment Information, Inc.) in the analysis of the rating.

3. Schedule

The Company designated Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Nomura Securities Co., Ltd. as lead managers for the hybrid bonds and will decide the terms and conditions including the issuance amount after comprehensively taking account of various factors such as the demand and interest rate trend. The terms and conditions will be announced as soon as they are determined.

Note: The purpose of this notice is to officially announce the issuance of the subordinated bonds through public offering, not for the purpose of solicitation of investment and other similar activities.