October 18, 2021

For Immediate Release

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(Securities code: 7085, First Section of the Tokyo Stock Exchange)
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Notice Concerning the Introduction of a Stock Benefit Plan for Employees

The Company hereby announces that the Board of Directors at its meeting today resolved to introduce a Stock Benefit Trust (J-ESOP) (the "Plan," with the "Trust" to be established in accordance with the trust agreement to be concluded with Mizuho Trust & Banking Co., Ltd.), an incentive plan providing employees of the Company and the Company's subsidiaries ("Eligible Employees") with shares of the Company's stock to enhance the connection between the Company's stock price, business performance and the treatment of employees, and to increase the morale of employees and their motivation to improve the stock price and business performance through the sharing of economic benefits with our shareholders.

At the same meeting, the Board of Directors of the Company also resolved to introduce the Board Benefit Trust ("BBT") as a new stock compensation plan for the directors and executive officers of the Company and the Company's subsidiaries. The BBT proposal will be submitted to the 13th Ordinary General Meeting of Shareholders on November 25, 2021. For the details of the BBT, please see the Notice Concerning the Introduction of Stock Compensation Plan for Directors and Officers dated today.

Details

1. Background behind the Introduction

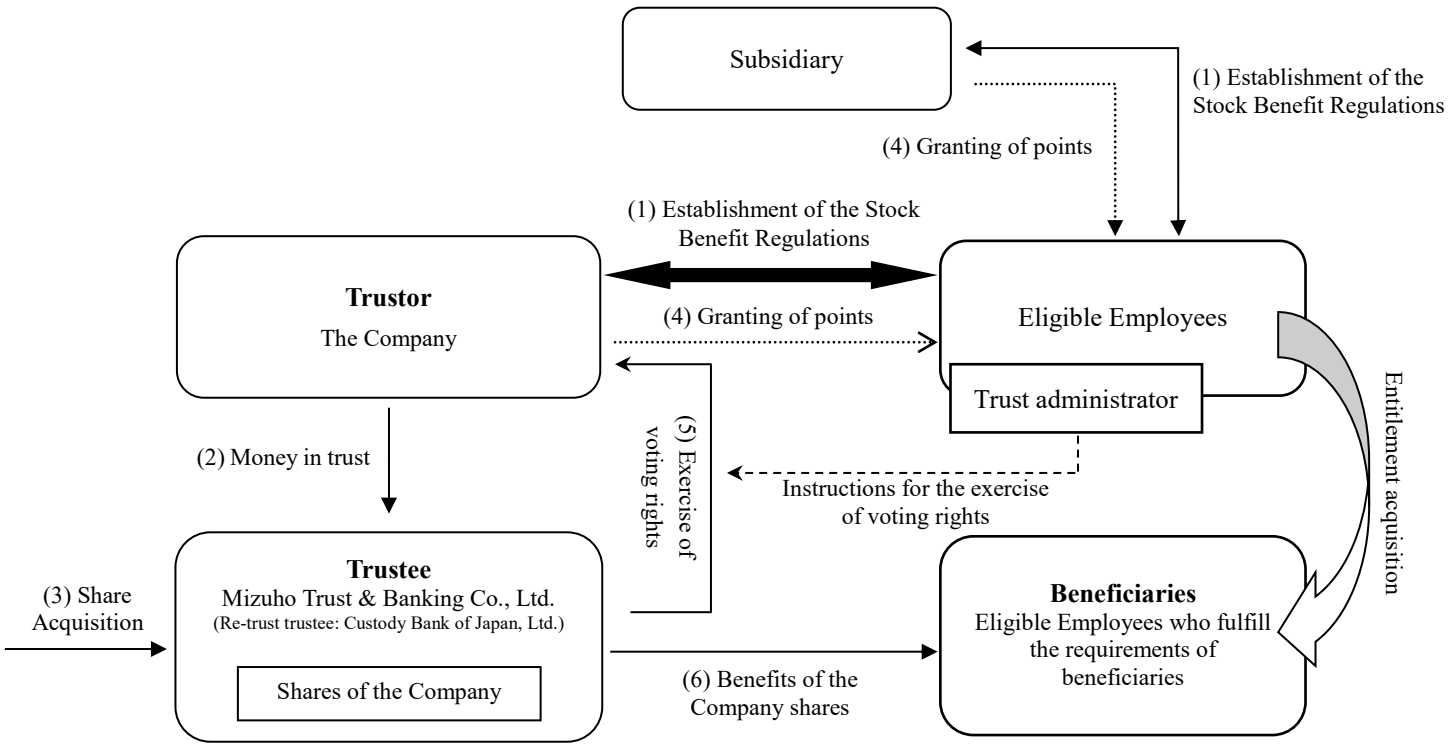
The Company has been considering the introduction of the Employee Stock Ownership Plan (ESOP), a compensation plan for employees, as part of the incentive plan from a perspective of fostering a sense of ownership among Eligible Employees and motivating them to increase the stock price. We have decided to introduce the Plan, which is a remuneration system that provides Eligible Employees with shares of the Company's stock and reflects the value of these shares in their compensation.

2. Overview of the Plan

The Plan is a system that provides benefits in the form of the Company stock to Eligible Employees who meet certain requirements in accordance with the stock benefit regulations established by the Company.
The Company grants points to Eligible Employees in accordance with their individual contributions, years of service, etc., and in principle provides them with shares of the Company's stock equal to the awarded points at the time of retirement. The shares to be granted to Eligible Employees shall be acquired, including the future portion, using money set aside in advance in a trust, and shall be segregated and managed as trust assets.

The introduction of the Plan is expected to increase Eligible Employees' interest in increasing the stock price and business performance, and contribute to their motivation to work harder than ever before.
The timing of the establishment of the trust, and the amount initially deposited in it under the Plan will be announced as soon as it is determined.

Structure of the Plan



(1) The Company and its subsidiaries will establish the Stock Benefit Regulations with the introduction of the Plan.
(2) The Company will place money in a trust (third-party benefit trust) with Mizuho Trust & Banking Co., Ltd. (re-trustee: Custody Bank of Japan, Ltd.) to acquire in advance the shares that will be granted to Eligible Employees in the future in accordance with the Stock Benefit Regulations.
(3) The Trust will acquire the Company's shares using the money entrusted in (2) above as the source of funds through the stock exchange market or by subscribing to the Company's treasury shares that are to be disposed.
(4) The Company and its subsidiaries grant points to Eligible Employees in accordance with the Stock Benefit Regulations.
(5) The Trust will exercise voting rights in accordance with the instructions of the trust administer.
(6) The Trust will deliver shares of the Company's stock to the Eligible Employees who fulfill the requirements of beneficiaries as set forth in the Stock Benefit Regulations (the "beneficiaries") in accordance with the number of points granted to the beneficiaries.