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Announcement Regarding Introduction of Trust-Type Stock Award System for Our Management Team

We would like to inform you that at today's Board of Directors meeting, our company has decided to introduce a trust-type stock grant system (hereinafter referred to as "the System") targeting our management team. Additionally, we have also decided on the disposal of treasury stock in connection with the introduction of the System at the same meeting. For details on the disposal of treasury stock, please refer to our announcement made today titled " Notice Regarding Disposal of Treasury Stock through Third-Party Allotment in Conjunction with Introduction of Stock-Linked Employee Stock Ownership Plan (ESOP) Trust".

1. Introduction of the System

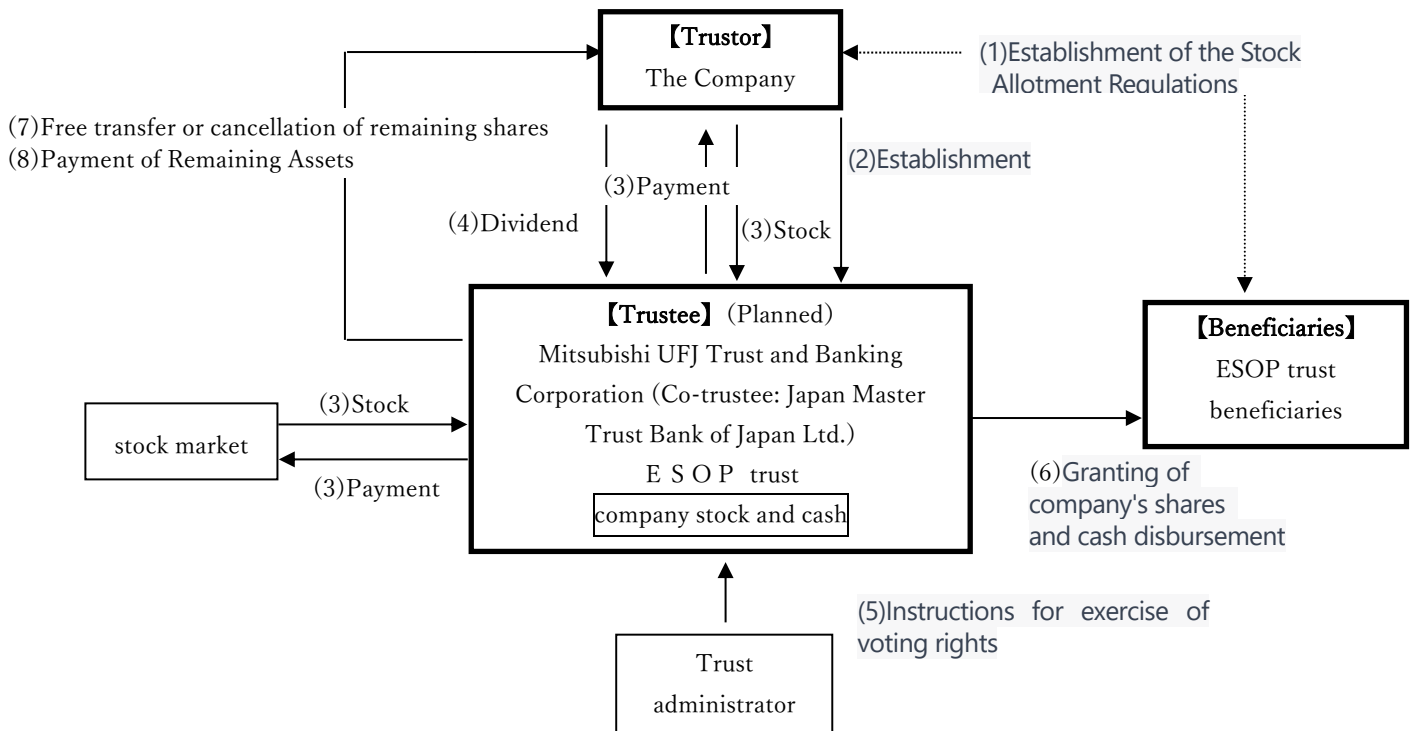
- (1) Our company has adopted the long-term management policy of contributing to "the continuous expansion of our contribution to the happiness of all stakeholders" through solving challenges using small DC motors, under the management philosophy of "contributing to the international community and its continuous expansion". To continue to contribute to solving the challenges faced by the international community through our business activities and sustainably improve our corporate value, we have decided to introduce this incentive plan, the Trust-type Stock Acquisition Plan, for the management team who lead business activities in a position to be more aware of achieving the mid-term management plan and improving corporate value.

- (2) This scheme adopts a mechanism called Employee Stock Ownership Plan (ESOP) trust (hereinafter referred to as "ESOP trust"). The ESOP trust is a trust-type employee incentive plan based on the ESOP system in the United States.

We will establish an ESOP (Employee Stock Ownership Plan) trust, referred to as the "ESOP Trust," by providing funds for the acquisition of our company's shares for the benefit of certain eligible members of our management team. The ESOP Trust will acquire a predetermined number of our company's shares expected to be granted to our management team based on the established stock grant program, from either our company's own share disposal or the stock market (when implementing this program, we will acquire the shares from our own share disposal). Subsequently, in accordance with the stock grant program, the ESOP Trust will provide and deliver the shares and the monetary amount equivalent to the fair value of the company's shares, referred to as "Company Shares, etc.," to our management team during their employment and upon retirement based on the company's performance and individual performance during the trust period.

With the implementation of this system, our management team will be able to benefit from the economic benefits resulting from the increase in our company's stock price. This will encourage them to focus on tasks that contribute to the growth of the stock price, and is expected to increase their motivation to work for the company.

2. Plan Framework



- ① Our company will establish a stock issuance regulation at the Board of Directors meeting regarding the implementation of an Employee Stock Ownership Plan (ESOP) trust.
- ② Our company will establish a trust (hereinafter referred to as the "Trust") with our management team that satisfies the beneficiary requirements as beneficiaries.
- ③ The Trust will follow the instructions of the trustee and use the funds entrusted in ② to acquire our company's shares either from our company (treasury stock) or from the stock market (when introducing this system, shares will be acquired from our company's treasury stock).
- ④ The surplus distribution of our company's shares in the Trust will be conducted in the same manner as other shares.
- ⑤ The Trust will exercise voting rights for our company's shares in accordance with the trustee's instructions throughout the trust period.
- ⑥ During the trust period, our company's management team that meets certain requirements in accordance with the stock issuance regulation will receive certain point grants based on their grade, company performance, and individual performance, and will receive stock issuance and other benefits according to the number of points received.
- ⑦ If there are any remaining shares at the end of the trust period, we plan to either continue using this Trust as a new stock issuance system by amending the Trust agreement and adding additional trusts, or transfer the remaining shares from the Trust to the settlor free of charge and carry out disposal through a resolution of the board of directors.
- ⑧ Upon the liquidation of this trust, any remaining assets after distribution to the beneficiaries will belong to our company within the scope of the trust expense reserve, which is calculated by deducting the funds used for stock acquisition from the trust assets. Furthermore, any excess amount beyond the trust expense reserve will be donated to organizations that are unrelated to our company and the ESOP trust beneficiaries.

(Note) In case there are no more shares of our company in the trust due to the issuance of our company's shares, etc. to the ESOP Trust beneficiaries who meet the beneficiary requirements, the trust will terminate before the

end of the trust period.

Our company may also provide additional funds to the trust as the capital for the acquisition of our company's shares.

(Reference)

Details of the Trust Agreement

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|----------------------------|--|
| Type of Trust: | Money trust other than specified individual management money trust |
| Purpose of the Trust: | Incentive grant to the Company's management team |
| Trustor: | The Company |
| Trustee: | Mitsubishi UFJ Trust and Banking Corporation (planned) (Co-Trustee: Japan Master Trust Bank) |
| Beneficiaries: | Employees of the Company who satisfy the beneficiary requirements |
| Trust Administrator: | A third party (Certified Public Accountant) with no interest in the Company |
| Trust Contract Date: | May 15, 2023 (planned) |
| Trust Period: | May 15, 2023 (planned) to May 31, 2027 (planned) If the ESOP trust is continued by amending the trust agreement and adding trust at the expiration of the initial trust period, the subsequent trust period is planned to be three years. |
| Exercise of voting rights: | The trustee will exercise voting rights on the Company's shares in accordance with the instructions of the trust administrator, which reflect the voting status of the beneficiary candidates. |
| Type of shares acquired: | Our Common Stock |
| Disposal price: | 458,376,000yen |
| Disposal date: | May 18, 2023 |
| How to acquire shares: | Acquisition from our own company (treasury stock) |
| Beneficiary: | The company |
| Remaining assets: | The residual property that can be received by us, as the entitled party, will be within the range of the trust expense reserve fund after deducting the stock acquisition funds from the trust fund. |

(Note) The timing as mentioned above is subject to change to an appropriate time in accordance with applicable laws and regulations.

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