



April 27, 2017

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### **Performance-linked and Share-based Incentive Plan for Directors, etc.**

OMRON Corporation (hereinafter referred to as “the Company”) hereby announces that the Board of Directors of the Company, in its meeting held on April 27, 2017, resolved to adopt a new performance-linked and share-based incentive plan (hereinafter referred to as “the Plan”) for directors (excluding outside directors) and executive officers of the Company and directors of the Company’s subsidiaries who assume positions of executive officers of the Company (hereinafter collectively referred to as “Directors, etc.” Accordingly, the Company resolved to submit a proposal regarding the adoption of the Plan, targeting directors of the Company, for approval at the 80<sup>th</sup> Ordinary General Meeting of Shareholders to be held in June 2017 (hereinafter referred to as “the Shareholders Meeting”).

#### **1. Adoption of the Plan**

- (1) The OMRON Group has established its long-term vision that targets the decade leading to fiscal 2020. The vision is referred to as “Value Generation 2020” (hereinafter referred to as “VG2020”), and outlines the Company’s goal of becoming “a value-generator for people and the Earth that is qualitatively and quantitatively superior.” As part of this vision, the OMRON Group recently launched a new medium-term management plan, called “VG2.0,” targeting the four years from fiscal 2017 through fiscal 2020 as a means of achieving VG2020 goals.

The Company will adopt this Plan as an incentive plan for Directors, etc. using a trust that is linked to corporate performance results and based on shares of Company stock. Its purpose is to clarify the linkage between compensation for Directors, etc. and the Company’s corporate value to heighten their motivation to attain performance targets specified in the VG2.0 medium-term management plan. Moreover, the Plan is intended to further motivate Directors, etc. to contribute to sustainably enhancing corporate value (stock value) through their ownership of the Company’s shares.

- (2) The adoption of the Plan is subject to approval at the Shareholders Meeting for the proposal concerning the adoption of the Plan for Directors, etc.
- (3) The Plan targeting directors of the Company and those of the Company's subsidiaries, who assume the positions of executive officers of the Company (hereinafter collectively referred to as "Directors covered by the Plan") employs a compensation structure called a "Board Incentive Plan Trust" (hereinafter referred to as "BIP Trust"). A BIP Trust is an executive incentive plan based on the performance share and restricted stock plans in the U.S. and Europe. It is designed to grant the Company's shares acquired by the BIP Trust and cash in the amount of the converted value of such shares (hereinafter referred to as "the Company's shares, etc.") to Directors, etc. according to executive position and their degree of achievement of performance targets. The Company will establish two BIP Trusts to use depending on the eligible persons for each plan.

BIP Trust I: Directors of the Company

BIP Trust II: Directors of the Company's subsidiaries who also assume positions of executive officers of the Company

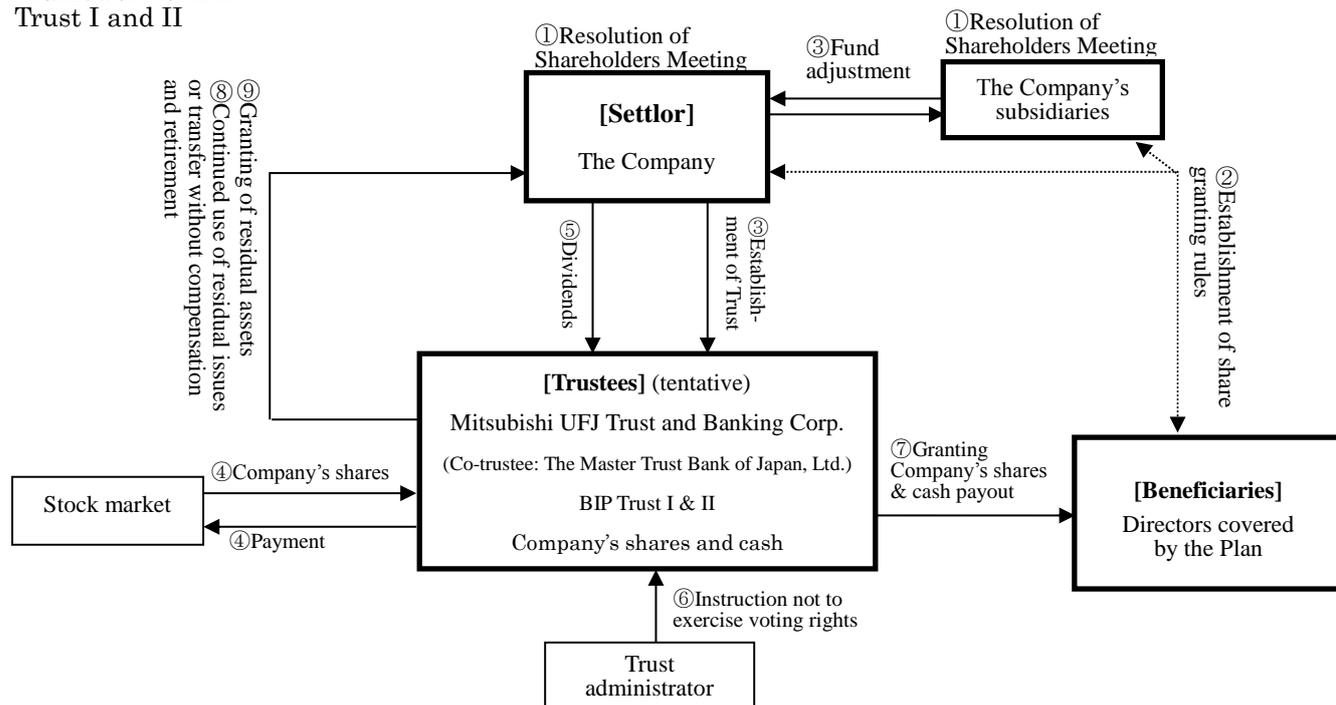
The Plan covering the executive officers of the Company (excluding those who are covered by the BIP Trust I or II, hereinafter referred to as "Executive Officers covered by the Plan") employs a structure called "Employee Stock Ownership Plan Trust" (hereinafter referred to as "ESOP Trust"). An ESOP Trust is an employee incentive plan using a trust fund based on the Employee Stock Ownership Plan employed in the U.S.

- (4) Subject to the approval of the proposal regarding the Plan at the Shareholders Meeting, the medium-term performance-linked bonus and stock compensation plans, which had been employed during the three years of the previous medium-term management plan covering fiscal 2014 through fiscal 2016 will be discontinued and new stock options will no longer be issued for the performance-linked stock acquisition rights (stock options with charge).

## **2. Overview of the Plan**

Refer to Attachment 1 for BIP Trust I and II and Attachment 2 for the ESOP Trust.

(Attachment 1)  
 Framework of BIP  
 Trust I and II



- ① With respect to the adoption of the Plan, the Company and the Company's subsidiaries will obtain approval of compensation for Directors, etc. at their respective Shareholders Meetings.
- ② The Company and the Company's subsidiaries will establish share granting rules with respect to the Plan by a resolution of the Board of Directors.
- ③ The Company will entrust money within the upper limit approved by the resolution of the Shareholders Meeting as in ①, above, and establish a BIP Trust I wherein the Company's directors who meet the beneficiary requirements are beneficiaries, and a BIP Trust II wherein the directors of the Company's subsidiaries who assume positions of the Company's executive officers and who meet the beneficiary requirements are beneficiaries (BIP Trust I and II hereinafter combined and referred to as "the Trust"). An amount equivalent to the trust money contributed to the BIP Trust II, for compensation of directors of each subsidiary of the Company who assume positions of executive officers of the Company, will be adjusted between the Company and the subsidiary concerned.
- ④ The Trust will acquire the Company's shares from the stock market using the funds entrusted in ③ above, in accordance with the instructions of the trust administrator.
- ⑤ Dividends on the shares of the Company under the Trust will be paid in the same manner as those on other shares of the Company.
- ⑥ Voting rights will not be exercised during the trust period with regard to the Company's shares under the Trust.
- ⑦ During the trust period, a certain number of points will be awarded to Directors covered by the Plan according to executive position and the degree of achievement of performance targets. Directors covered by the Plan who meet certain beneficiary requirements will be granted the Company's shares in proportion to their accumulated points as in (6) below after the completion of the medium-term management plan and when they retire. (As stated in (6) below,

beneficiaries, as a basic rule, will receive the Company's shares equivalent to 50% of the Company's shares corresponding to their accumulated points (odd-shares will be rounded off). Meanwhile, the Company's shares in a number equivalent to the remaining points will be converted into cash in the Trust in accordance with the Trust Agreement and beneficiaries will receive monetary equivalent.)

- ⑧ If there are residual shares at the expiry of the trust period, the Company will either continue the Trust for use in the Plan or for other similar share-based compensation plans by making amendments to the Trust Agreement and additional contributions to the Trust, or the residual shares will be transferred from the Trust to the Company without compensation and the Company will then retire the said residual shares by a resolution of the Board of Directors.
- ⑨ Upon the termination of the Trust, residual assets remaining after distribution to beneficiaries will belong to the Company within the range of the reserve for trust expenses derived by deducting the funds for purchasing shares from the trust money. With regard to any portion in excess of the reserve for trust expenses, the Company plans to donate to organizations that have no interest in the Company.

Note: If the number of the Company's shares under the Trust fall short of the number of shares corresponding to the accumulated points during the trust period due to granting of the Company's shares, etc. to the Directors covered by the Plan who meet the beneficiary requirements, the Trust will be terminated prior to the expiry of the trust period. To circumvent such termination, however, the Company may entrust additional money to the Trust to the extent of the upper limit of trust money approved by the resolution of a Shareholders Meeting and the upper limit of the number of the Company's shares to be granted (as stated in (7) below) for use in acquisition of additional shares of the Company.

### **(1) Overview of the Trust**

This Trust is a share-based compensation system covering a series of fiscal years of the Company's medium-term management plan (hereinafter referred to as "the covered period") by which the Company's shares, etc. are granted as compensation for Directors covered by the Plan depending on their executive position and the degree of achievement of performance targets. The Trust consists of the performance-linked portion in which the Company's shares, etc. will be granted after the completion of the Company's medium-term plan, and the non-performance-linked portion in which the Company's shares, etc. will be granted when the Directors covered by the Plan retire. The performance-linked portion is aimed at motivating the Directors, etc. to achieve the goals of the Company's medium-term management plan and strengthening the linkage of the compensation for Directors, etc. with the medium- to long-term corporate performance. The non-performance-linked portion in turn is intended to promote alignment of interests of the Directors covered by the Plan with those of other shareholders of the Company through ownership of the Company's shares. The performance-linked portion and the non-performance-linked portion account for 60% and 40%, respectively.

In the event that the Trust is continued as provided for in (4) b., below, fiscal years corresponding to the subsequent medium-term management plan will be set as the covered period.

**(2) Resolution of the Shareholders Meeting regarding the Adoption of the Trust**

The upper limit of trust money to be contributed to the Trust and the maximum total number of the Company's shares, etc. to be granted to Directors covered by the Plan during the covered period, as well as other necessary matters will be resolved at respective Shareholders Meetings of the Company and the Company's subsidiaries. The Company and the Company's subsidiaries will implement the Plan to the extent approved by each respective Shareholders Meeting.

**(3) Eligibility for the Trust (Requirements for Beneficiaries)**

Directors covered by the Plan will be granted the Company's shares, etc. by the Trust in amounts corresponding to their accumulated points (as stated in (5) below), provided they meet the beneficiary requirements as follows:

(Performance-linked portion)

- (1) The beneficiary assumed the position of a Director covered by the Plan during the covered period
- (2) The beneficiary has not resigned for personal reasons, been fired, or engaged in certain illegal conduct while in office
- (3) Any other requirements deemed necessary to fulfill the purpose of the Plan as a share-based compensation system.

(Non-performance-linked portion)

- (1) The beneficiary assumed the position of a Director covered by the Plan during the covered period
- (2) The beneficiary has retired from the position of a Director covered by the Plan<sup>1</sup>
- (3) The beneficiary has not resigned for personal reasons, been fired, or engaged in certain illegal conduct while in office
- (4) Any other requirements deemed necessary to fulfill the purpose of the Plan as a share-based compensation system.

<sup>1</sup> If the trust period is extended as described in (4) c., below, and Directors covered by the Plan who may possibly meet beneficiary requirements are still in office, the Trust will terminate and said Directors will be granted the Company's shares, etc. while in office.

**(4) Trust Period**

a. Initial Trust Period

The trust period specified for the Plan will be approximately four years, from August 1, 2017 (tentative) to August 31, 2021 (tentative).

b. Extension of the Trust

Upon expiry of the trust period, the Company may continue the Trust as a share-based compensation plan similar to this Plan by making amendments to the Trust Agreement and making additional contributions to the Trust. In such a case, the trust period will be extended further with respect to the number of years corresponding to the subsequent medium-term management plan, established at that time. The Company and the Company's subsidiaries will make additional contributions to the Trust within the upper limit of trust money for which approval by resolution of the respective Shareholders Meeting has been obtained for each extended trust period, and will continue awarding points to Directors covered by the Plan during the trust period. In such cases where such additional contributions are to be made when there are any Company's shares (excluding Company's shares equivalent to points granted to Directors covered by the Plan that are yet to be granted) and money remaining in the trust property (hereinafter referred to as "residual shares, etc.") at the last day of the trust period prior to the extension, however, the sum of the amount of residual shares, etc. and additional trust money to be contributed shall be within the upper limit of trust money for which approval by resolution of each respective Shareholders Meeting has been obtained. Such an extension of the trust period will not be limited to one time only, and the trust period may subsequently be re-extended in the same manner.

c. Termination of the Trust (extension of the trust period not accompanied by additional contributions)

If Directors covered by the Plan who may meet the beneficiary requirements remain in office at the expiry of the trust period, the Company will not award points to the said Directors. However, the trust period may be extended until said Directors retire and the grant of the Company's shares, etc. is completed.

**(5) The Company's Shares, etc. to be Granted to Directors Covered by the Plan**

The Company's shares will be granted according to the number of points awarded to each Director covered by the Plan. The points are calculated by the following formulas. One point shall be equivalent to one share of the Company. If, however, the number of the Company's shares under the Trust increases or decreases because the Company's stock is subject to a share split or share consolidation, or allotment of shares without contribution, etc., the Company will adjust the number of the Company's shares to be granted for each point according to the percentage of increase or decrease of the Company's shares.

(Point calculation formula)

(a) Performance-linked portion

The points calculated by dividing the individual compensation amount, which has been determined in advance with respect to each executive position by the stock price at the time when the Trust acquired the Company's shares, will

serve as the base (hereinafter referred to as “base points”). Based on the base points, single fiscal-year points will be calculated by the following formula, and awarded to Directors covered by the Plan who hold office on the last day of each fiscal year of the covered period. After the end of the covered period, the number of performance-linked points is calculated by adding up single fiscal-year points granted to Directors covered by the Plan, and then multiplying the cumulative total by the performance-linked coefficient that is determined by the degree of achievement of performance targets specified in the medium-term management plan.

Calculation formula for single fiscal-year points : Base points x 60%

Calculation formula for performance-linked points : Sum of single fiscal-year points during the covered period x Performance-linked coefficient<sup>2, 3</sup>

<sup>2</sup> The performance-linked coefficient varies between 0% and 200% depending on the degree of achievement of performance targets for consolidated net sales, earnings per share (EPS), and return on equity (ROE), specified according to the medium-term management plan and sustainability indexes based on the evaluation rating of third-party organizations.

<sup>3</sup> If a Director covered by the Plan should die before the end of the covered period (including cases in which the Director dies before the end of the covered period after resigning due to expiry of term of office or other reasons), the number of performance-linked points will be calculated by adding up the number of single fiscal-year points granted up to the date of death, and assuming that the performance-linked coefficient is 100%.

(b) Non-performance-linked portion

The non-performance-linked points, calculated by the following formula based on the base points, will be awarded to Directors covered by the Plan who hold office on the last day of each fiscal year of the covered period. The cumulative total (hereinafter referred to as “cumulative total non-performance-linked points”) will be calculated by adding up non-performance-linked points awarded for each fiscal year.

Calculation formula for non-performance-linked points : Base points x 40%

**(6) Method and Timing for Granting the Company's Shares, etc. to Directors Covered by the Plan**

**(a) Performance-linked portion**

The Company's shares relating to the performance-linked portion are granted after the end of the covered period. The Directors covered by the Plan who meet beneficiary requirements will receive the Company's shares corresponding to 50% of the number of their performance-linked points (odd-shares will be rounded off), and receive money equivalent to the Company's shares corresponding to the number of remaining performance-linked points that are converted into cash under the Trust. Directors who have received the Company's shares shall continue to hold them while they are in office.

If a Director covered by the Plan should die before the end of the covered period (including cases in which the Director dies before the end of the covered period after resigning due to expiry of term of office or for other reasons), the legal heir(s) of the said Director shall receive money equivalent to the number of the Company's shares that are converted into cash under the Trust.

If a Director covered by the Plan does not have a securities brokerage account that handles Japanese shares, he or she shall receive money equivalent to the Company's shares corresponding to the number of performance-linked points that are converted into cash under the Trust.

**(b) Non-performance-linked portion**

The Company's shares relating to the non-performance-linked portion are granted to Directors covered by the Plan after their resignation. The Directors covered by the Plan who meet beneficiary requirements will receive the Company's shares corresponding to 50% of the cumulative total non-performance-linked points accumulated before they resign (odd-shares will be rounded off), and receive money equivalent to the Company's shares corresponding to remaining cumulative total non-performance-linked points that are converted into cash under the Trust.

If a Director covered by the Plan should die while holding office, the legal heir(s) of the said Director shall receive money equivalent to the number of the Company's shares corresponding to the number of non-performance-linked points accumulated before his or her death that are converted into cash under the Trust.

If a Director covered by the Plan does not have a securities brokerage account that handles Japanese shares, he or she shall receive money equivalent to the

Company's shares corresponding to the number of cumulative total non-performance-linked points that are converted into cash under the Trust.

**(7) Upper Limit of Trust Money to be Contributed to the Trust and the Maximum Number of the Company's Shares to be Granted from the Trust**

The upper limits of the total amount of trust money to be contributed to the Trust and the total number of the Company's shares, etc. to be granted from the Trust shall be as follows, provided they are approved by a resolution of the respective shareholders meetings of the Company and the Company's subsidiaries. The upper limit of the total amount of trust money to be contributed to each Trust during the initially covered period is as follows:

BIP Trust I : 2.4 billion yen<sup>4</sup>

BIP Trust II: 800 million yen<sup>4</sup>

However, if the Trust is extended as described in (4) b., the upper limit for the total amount of trust money to be contributed to the BIP Trust I will be 600 million yen multiplied by the number of years of the new trust period, and the upper limit for the BIP Trust II will be 200 million yen multiplied by the number of years of the new trust period.

<sup>4</sup> These amounts comprise the funds for the acquisition of the Company's shares by the Trust during the trust period, trust fees, and trust expenses.

The upper limit of the number of the Company's shares, etc. to be granted during the initially covered period is as follows:

BIP Trust I: 600,000 shares<sup>5</sup>

BIP Trust II: 200,000 shares<sup>5</sup>

However, if the Trust is extended as described in (4) b., the upper limit for the total number of the Company's shares, etc. to be granted from the BIP Trust I will be 150,000 shares multiplied by the number of years of the new trust period, and the upper limit of the Company's shares, etc. to be granted from the BIP Trust II will be 50,000 shares multiplied by the number of years of the new trust period.

<sup>5</sup> The upper limit of the total number of the Company's shares, etc. to be granted is determined by taking into account the upper limit of the total trust money discussed above and in reference to the Company's stock price at that point in time.

**(8) Method for the Trust to Acquire the Company's Shares**

The Trust shall plan to acquire the Company's shares from the stock market to the extent of the upper limit of the funds for acquiring the Company's shares and the number of the Company's shares to be granted as stated in (7) above.

**(9) Exercising Voting Rights Related to the Company's Shares under the Trust**

To ensure the neutrality for the Company's management, voting rights shall not be exercised for the Company's shares held in the Trust during the trust period.

**(10) Treatment of Dividends of the Company's Shares under the Trust**

Dividends related to the Company's shares under the Trust will be paid to the Trust, and allocated to trust fees and trust expenses. If, after the allocation to trust fees and expenses, residual assets remain at the expiry of the Trust, such assets will be donated to organizations with no interest in the Company. If the Company continues to use the Trust, such residual assets will be applied to the acquisition of shares.

**(11) Treatment of Residual Shares at the Expiry of the Trust Period**

If residual shares remain in the Trust at the expiry of the trust period due to underachievement of performance targets or other factors, the Trust may be continued to be used for the Plan or a similar share-based compensation plan. But in the case in which the Trust is to be terminated at the expiry of the trust period, the said residual shares will be transferred from the Trust to the Company without compensation, and the Company will retire said shares by a resolution of the Board of Directors of the Company as a way to return value to shareholders.

(Reference)

**【Details of the Trust Agreement】**

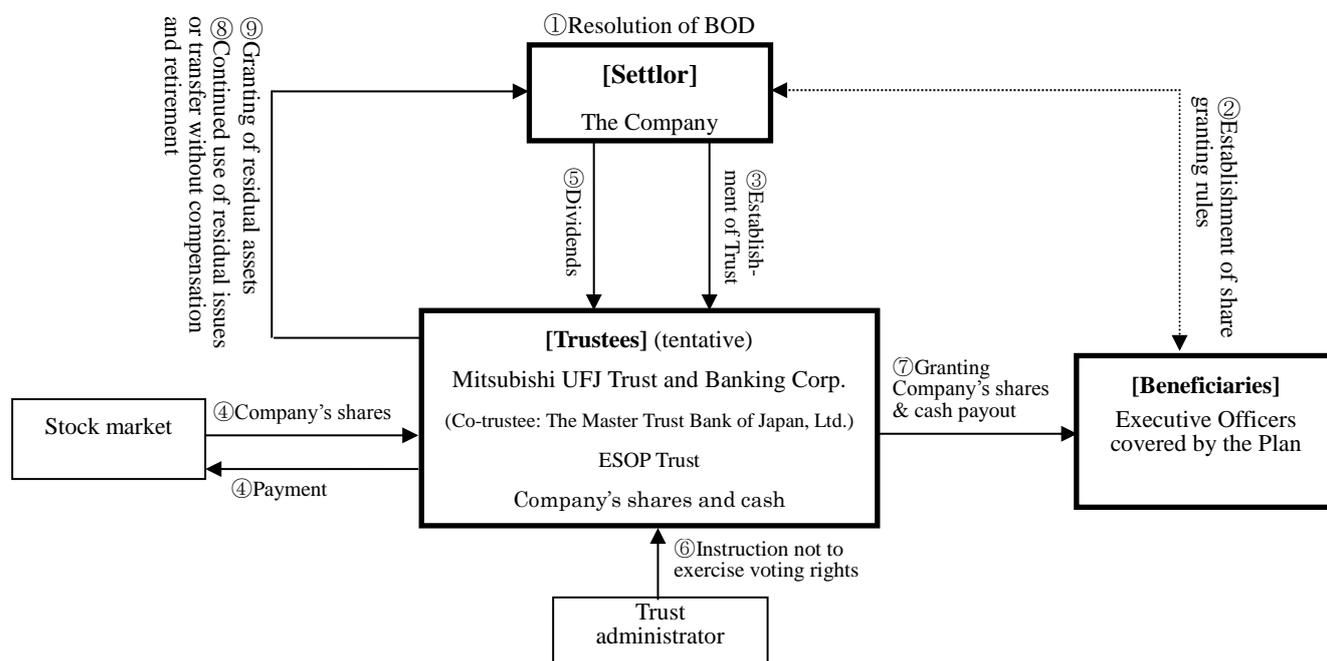
- |                                     |                                                                                                                                                                                                               |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ① Trust type:                       | Monetary trust other than an individually operated designated money trust (third-party benefit trust)                                                                                                         |
| ② Purpose of trust:                 | Provide Directors covered by the Plan with incentives                                                                                                                                                         |
| ③ Settlor:                          | The Company                                                                                                                                                                                                   |
| ④ Trustee:                          | Mitsubishi UFJ Trust and Banking Corporation<br>(tentative)<br>(Co-trustee: The Master Trust Bank of Japan, Ltd.)                                                                                             |
| ⑤ Beneficiaries:                    | Directors covered by the Plan who meet the beneficiary requirements                                                                                                                                           |
| ⑥ Trust administrator:              | A third party who has no interest in the Company (e.g., certified public accountant)                                                                                                                          |
| ⑦ Date of trust agreement:          | August 1, 2017 (tentative)                                                                                                                                                                                    |
| ⑧ Trust period:                     | August 1, 2017 (tentative) to August 31, 2021<br>(tentative)                                                                                                                                                  |
| ⑨ Commencement of the Plan:         | August 1, 2017 (tentative)                                                                                                                                                                                    |
| ⑩ Exercise of voting rights:        | No voting rights will be exercised during the trust period                                                                                                                                                    |
| ⑪ Type of shares to be acquired:    | Common stock of the Company                                                                                                                                                                                   |
| ⑫ Amount of trust money:            | BIP Trust I: 2.4 billion yen (tentative) (includes trust fees and trust expenses)<br>BIP Trust II: 800 million yen (tentative) (includes trust fees and trust expenses)                                       |
| ⑬ Time period for acquiring shares: | August 2, 2017 (tentative) to August 31, 2017<br>(tentative)                                                                                                                                                  |
| ⑭ Method of share acquisition:      | To be acquired from the stock market                                                                                                                                                                          |
| ⑮ Rights holder:                    | The Company                                                                                                                                                                                                   |
| ⑯ Residual assets:                  | The Company, as the rights holder, may receive residual asserts within the extent of the reserve for trust expenses, which is calculated by deducting funds to acquire the Company's shares from trust money. |

Note: The tentative dates given above are subject to change as necessary to conform to applicable laws and regulations.

**【Administrative duties related to Trust and Shares】**

- |                                 |                                                                                                                                                                                            |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ① Trust-related administration: | Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. will be the trustees of the Trust and will perform trust-related administrative duties.              |
| ② Share-related administration: | Based on the commission agreement, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will perform administrative duties related to the granting of the Company's shares to beneficiaries. |

(Attachment 2)  
 Framework of  
 ESOP Trust



- ① The Company will obtain approval from its Board of Directors regarding the adoption of the Plan.
- ② The Company will establish share granting rules with respect to the Plan by a resolution of the Board of Directors.
- ③ The Company will establish an ESOP Trust wherein the Company's Executive Officers covered by the Plan who meet the beneficiary requirements are beneficiaries.
- ④ The ESOP Trust will acquire the Company's shares from the stock market using the funds entrusted in ③ above, in accordance with the instructions of the trust administrator.
- ⑤ Dividends on the shares of the Company under the ESOP Trust will be paid in the same manner as those on other shares of the Company.
- ⑥ Voting rights will not be exercised during the trust period with regard to the Company's shares under the ESOP Trust.
- ⑦ During the trust period, a certain number of points will be awarded to Executive Officers covered by the Plan according to executive position and the degree of achievement of performance targets. Executive Officers covered by the Plan who meet certain beneficiary requirements will be granted the Company's shares in proportion to their accumulated points after the completion of the medium-term management plan and when they retire. (In accordance with the provisions of the Trust Agreement, beneficiaries, as a basic rule, will receive the Company's shares equivalent 50% of the Company's shares corresponding to their accumulated points (odd-shares will be rounded off). The Company's shares in a number equivalent to the remaining points will be converted into cash in the ESOP Trust and beneficiaries will receive monetary equivalent.
- ⑧ If there are residual shares at the expiry of the trust period, the Company will either continue the

ESOP Trust for use in the Plan or for other similar share-based incentive plans by making amendments to the Trust Agreement and additional contributions to the ESOP Trust, or the residual shares will be transferred from the ESOP Trust to the Company without compensation and the Company will then retire the said residual shares by a resolution of the Board of Directors.

- ⑨ Upon the termination of the ESOP Trust, residual assets after distribution to beneficiaries will belong to the Company within the extent of the reserve for trust expenses derived by deducting the funds for purchasing shares from the trust money. With regard to any portion in excess of the reserve for trust expenses, the Company plans to donate to organizations that have no interest in the Company.

Note: If the number of the Company's shares under the ESOP Trust fall short of the number of shares corresponding to the accumulated points during the trust period due to granting of the Company's shares, etc. to the Executive Officers covered by the Plan, the ESOP Trust will be terminated prior to the expiry of the trust period. To circumvent such termination, however, the Company may entrust additional money to the ESOP Trust for use in acquisition of additional shares of the Company.

### **(1) Overview of the ESOP Trust**

Subject to approval by a resolution of the Shareholders Meeting, the Company will establish an ESOP Trust covering a series of fiscal years of the Company's medium-term management plan, wherein Executive Officers covered by the Plan who meet beneficiary requirements are beneficiaries. The ESOP Trust acquires an estimated number of the Company's shares to be granted to Executive Officers covered by the Plan from the stock market in accordance with the share granting rules established in advance. In accordance with the share granting rules, the ESOP Trust grants the Company's shares, etc. to Executive Officers covered by the Plan according to executive position and the degree of achievement of performance targets specified in the medium-term management plan. As with BIP Trust I and II, the ESOP Trust consists of the performance-linked portion, in which the Company's shares, etc. will be granted after the completion of the Company's medium-term plan, and the non-performance-linked portion in which the Company's shares, etc. will be granted when the Executive Officers covered by the Plan retire. The performance-linked portion is aimed at motivating the Executive Officers covered by the Plan to achieve the goals of the Company's medium-term management plan, and strengthening the linkage of economic benefits with medium- to long-term performance. The non-performance-linked portion is intended to promote alignment of interests of the Executive Officers covered by the Plan with those of other shareholders of the Company through ownership of the Company's shares. The performance-linked portion and the non-performance-linked portion account for 60% and 40%, respectively.

(Reference)

**【Details of Trust Agreement】**

- |                                     |                                                                                                                                                                                                               |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ① Trust type:                       | Monetary trust other than an individually operated designated money trust (third-party benefit trust)                                                                                                         |
| ② Purpose of trust:                 | Provide Executive Officers covered by the Plan with incentives                                                                                                                                                |
| ③ Settlor:                          | The Company                                                                                                                                                                                                   |
| ④ Trustee:                          | Mitsubishi UFJ Trust and Banking Corporation (tentative)<br>(Co-trustee: The Master Trust Bank of Japan, Ltd.)                                                                                                |
| ⑤ Beneficiaries:                    | Executive Officers covered by the Plan who meet the beneficiary requirements                                                                                                                                  |
| ⑥ Trust administrator:              | A third party who has no interest in the Company (e.g., certified public accountant)                                                                                                                          |
| ⑦ Date of trust agreement:          | August 1, 2017 (tentative)                                                                                                                                                                                    |
| ⑧ Trust period:                     | August 1, 2017 (tentative) to August 31, 2021 (tentative)                                                                                                                                                     |
| ⑨ Commencement of the Plan:         | August 1, 2017 (tentative)                                                                                                                                                                                    |
| ⑩ Exercise of voting rights:        | No voting rights will be exercised during the trust period                                                                                                                                                    |
| ⑪ Type of shares to be acquired:    | Common stock of the Company                                                                                                                                                                                   |
| ⑫ Amount of trust money:            | 1.5 billion yen (tentative) (includes trust fees and trust expenses)                                                                                                                                          |
| ⑬ Time period for acquiring shares: | August 2, 2017 (tentative) to August 31, 2017 (tentative)                                                                                                                                                     |
| ⑭ Method of share acquisition:      | To be acquired from the stock market                                                                                                                                                                          |
| ⑮ Rights holder:                    | The Company                                                                                                                                                                                                   |
| ⑯ Residual assets:                  | The Company, as the rights holder, may receive residual asserts within the extent of the reserve for trust expenses, which is calculated by deducting funds to acquire the Company's shares from trust money. |

Note: The tentative dates given above are subject to change as necessary to conform to applicable laws and regulations.

**【Administrative duties related to Trust and Shares】**

- |                                 |                                                                                                                                                                                            |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ① Trust-related administration: | Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. will be the trustees of the ESOP Trust and will perform trust-related administrative duties.         |
| ② Share-related administration: | Based on the commission agreement, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will perform administrative duties related to the granting of the Company's shares to beneficiaries. |