



Notice Concerning Introduction of Employee Stock Ownership Plan (ESOP) Trust

Tamron Co., Ltd. (the “Company”) hereby announces that a meeting of the Board of Directors held on September 18, 2024 resolved to introduce an employee stock ownership plan (ESOP) trust (the “Plan”), an incentive plan aimed at raising the corporate value over the medium- to long-term utilizing the Company’s employee stock ownership plan and enhancing employee benefit packages. Details are as follows.

1. Purpose of introducing the Plan

The Company will introduce the Plan with the aim of improving corporate value over the medium- to long-term by enhancing its employees’ sustainable property accumulation through the active use of the employee stock ownership plan as part of employee benefit packages and by providing incentives to its employees to take a greater part in its management and to improve business performance.

2. Outline of the Plan

The Company will introduce the Plan for its employees who participate in Tamron Employee Shareholding Association (the “Association”).

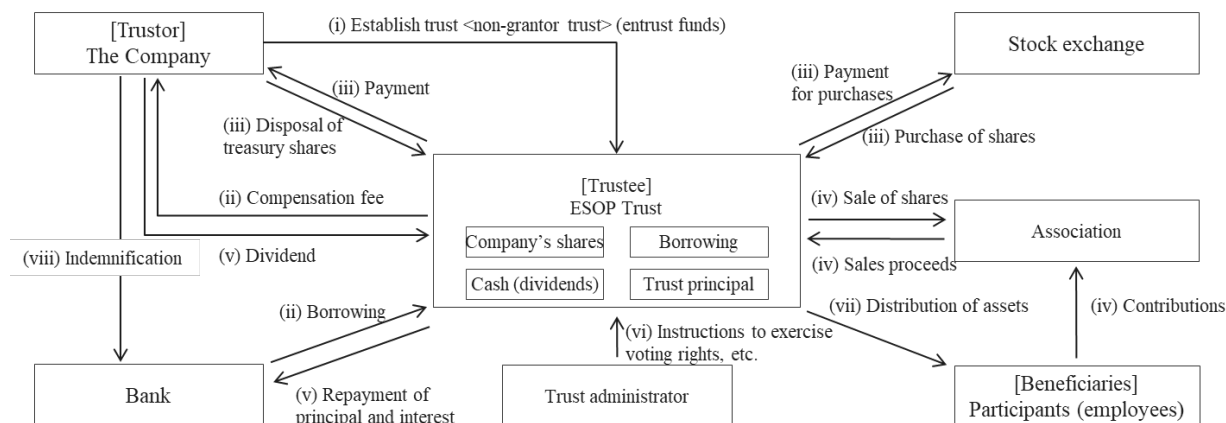
The Company will establish an employee stock ownership trust (non-grantor trust; the “ESOP Trust”) for those among members of the Association who meet certain beneficiary requirements.

The ESOP Trust will use the funds raised by borrowings to collectively acquire shares of the Company’s stock in the number that is expected to be acquired by the Association for a certain period of time after the conclusion of trust agreement. The Company will indemnify the said borrowing to be made by the ESOP Trust.

After the Plan is introduced, the acquisition of shares of the Company’s stock will be implemented through purchases to be made by the ESOP Trust. If the ESOP Trust has an accumulated amount equivalent to the gain on sales of shares through the acquisition of shares of the Company’s stock by the Association, the Company will distribute such amount to employees who are beneficiaries at the end of the Trust. On the other hand, if the ESOP Trust fails to pay off its debts due to a decline in the price of the Company’s stock, the Company will repay outstanding debt to the lending bank. In that case, the Company’s employees who are members of the Association will not be held liable to the obligations.

The Company will make separate announcements with regard to the time of establishment and period of the ESOP Trust and details of acquisition of shares of the Company’s stock (amounts, acquisition method).

3. Structure of the Plan



- (i) The Company will establish an ESOP Trust.
- (ii) The ESOP Trust will borrow from a bank funds that are needed to acquire shares of the Company's stock. In the said borrowing, an indemnity contract will be concluded among the Company, the ESOP Trust and the bank to the effect that the Company will indemnify any loss sustained by the bank with regard to borrowings to be made by the ESOP Trust. As consideration of the indemnity contract, the ESOP Trust will pay the Company compensation fee.
- (iii) The ESOP Trust will collectively acquire shares of the Company's stock in the number that is expected to be acquired by the Association within the trust period (methods will include the disposal of treasury shares (third-party allotment) and acquisition on a stock exchange (including off-floor trading).).
- (iv) The ESOP Trust will sell the shares it holds to the Association at market price on a certain day every month throughout the trust period.
- (v) The ESOP Trust will use proceeds from the sale of shares of the Company's stock received from the Association and dividends with regard to shares held to repay the principal and interest of borrowings from the bank.
- (vi) Throughout the trust period, the interests of the beneficiaries will be protected, and the trust administrator who monitors the trustee will give instructions on the management of trust assets, including the exercise of voting rights.
- (vii) Any residual assets in the ESOP Trust after the repayment of borrowings through the sales of shares of the Company's stock will be distributed to the Company's employees who meet beneficiary requirements depending on the number of shares purchased, etc.
- (viii) If there remains a debt obligation after residual assets in the ESOP Trust are disposed of, the Company will repay the debt obligation in accordance with the indemnity contract.

4. Outline of ESOP Trust

(1) Trustor	The Company
(2) Trustee	To be determined
(3) Beneficiaries	Members of the Association who meet beneficiary requirements
(4) Type of trust	Money trust (non-grantor trust)
(5) Purpose of trust	Stable and continuous supply of shares of the Company's stock to the Association and delivery of trust assets to beneficiaries who are confirmed as beneficiaries through determination proceedings