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FOR IMMEDIATE RELEASE

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(Securities Code: 7128; TSE Prime Market)
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Notice Regarding Introduction of Employee Stock Ownership Plan (ESOP) Trust

MARUKA FURUSATO Corporation (the “Company”) hereby announces that it resolved at its meeting of the Board of Directors held today to introduce an Employee Stock Ownership Plan (ESOP) Trust as an incentive plan (hereinafter the “Plan”) for employees of the Company’s major subsidiaries (hereinafter “Eligible Subsidiaries”) (hereinafter “Employees”). The details are as follows.

1. Introduction of the Plan

- (1) As part of our “human capital investment” aimed at sustainable improvement of the Group’s corporate value, the Company will introduce the Plan in order to provide the Employees with an incentive for improving corporate value and foster their sense of participation in management.
- (2) The Plan will adopt a structure called an Employee Stock Ownership Plan (ESOP) Trust (hereinafter the “ESOP Trust”).

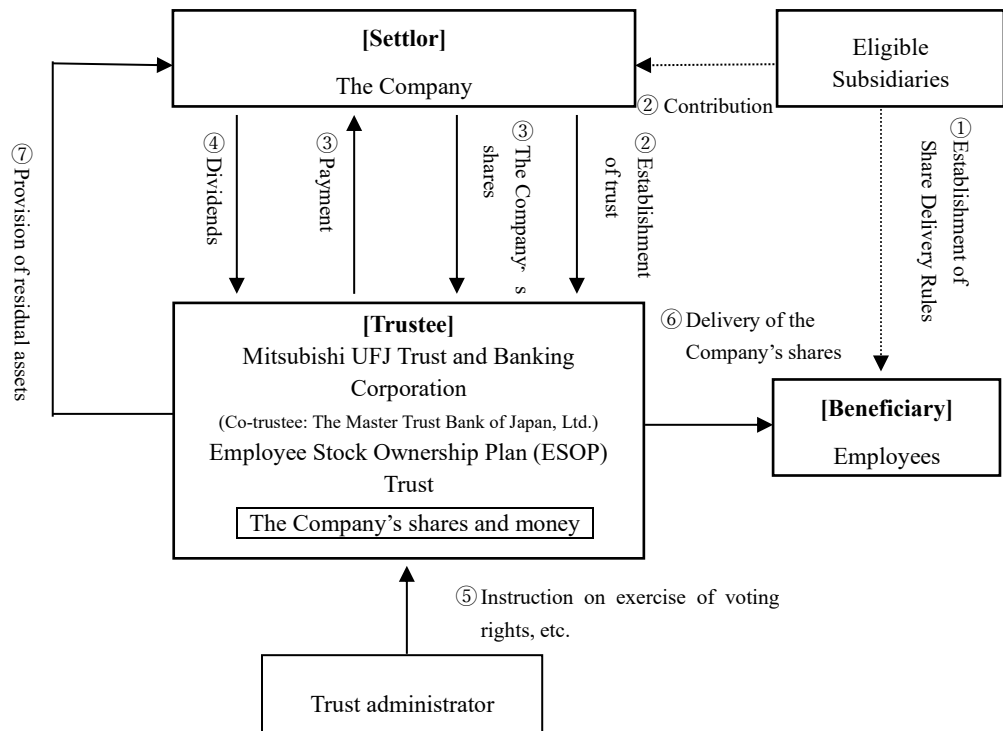
The ESOP Trust is an incentive plan for Employees based on the ESOP system in the U.S., under which the Company’s shares acquired by the ESOP Trust are delivered to the Employees who satisfy certain requirements based on the predetermined Share Delivery Rules.

Since the Company contributes all of the funds for the Company’s shares acquired by the trust, the Employees do not bear any such costs.

(3) The introduction of the ESOP Trust will enable the Employees to receive economic benefits when the Company’s share price increases. Therefore, it encourages the Employees to adopt a share price-conscious mindset in the performance of their duties, and it is also expected to boost their morale. In addition, the exercise of voting rights related to the Company’s shares that belong to the trust assets of the ESOP Trust will be carried out based on a structure that reflects the intentions of the Employees who are beneficiary candidates, and will be effective as a corporate value improvement plan that encourages the Employees to participate in management.

(Note) Of the 616,765 treasury shares currently held by the Company (as of December 31, 2023), the Company has resolved to dispose 160,000 shares (388,800 thousand yen) for the ESOP Trust together with the introduction of the Plan. For details, please refer to the “Notice Regarding Disposal of Treasury Shares Through Third-Party Allotment Following Introduction of Employee Stock Ownership Plan Trust” announced separately today.

2. Structure of the Plan



- ① The Eligible Subsidiaries will establish Share Delivery Rules upon the introduction of the Plan.
- ② The Company will establish the ESOP Trust, in which the Company will entrust the money received as contributions from the Eligible Subsidiaries and in which the beneficiaries are the Employees who satisfy the beneficiary requirements.
- ③ In accordance with the instruction of the trust administrator, the ESOP Trust will use the money contributed in ② as the source of funds to acquire from the Company (disposal of treasury shares) the number of the Company's shares expected to be delivered to beneficiaries during the trust period.
- ④ Dividends shall also be paid for the Company's shares in the ESOP Trust in the same manner as for other shares of the Company.
- ⑤ For the Company's shares in the ESOP Trust during the trust period, the trust administrator shall provide instruction on the exercise of voting rights and other rights as a shareholder, and in accordance with the instruction, the ESOP Trust shall exercise the rights as a shareholder.
- ⑥ The Company's shares are delivered to the Employees who satisfy certain requirements based on the Share Delivery Rules.
- ⑦ Any residual assets at the termination of the ESOP Trust after distribution to beneficiaries are planned to belong to the Company within the limit of the trust expense reserve, which is calculated by deducting the funds to acquire shares from the trust money.

(Note) During the trust period, if there is a possibility of a shortfall in the number of shares in the ESOP Trust or if the money in the trust assets may be insufficient to pay the trust fees and trust expenses, the Company may entrust additional money to the ESOP Trust.



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[Reference]

● Outline of the trust agreement

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| (1) Type of trust: | Designated non-collectively managed trust of money other than money trust (third-party-benefit trust) |
| (2) Purpose of trust: | Provision of incentive to the Employees |
| (3) Settlor: | The Company |
| (4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (5) Beneficiary: | The Employees who satisfy the beneficiary requirements |
| (6) Trust administrator: | A third party that has no interest in the Company |
| (7) Date of trust agreement: | March 1, 2024 |
| (8) Trust period: | March 1, 2024 to August 31, 2027 (planned) |
| (9) Exercise of voting rights: | The trustee shall exercise the voting rights for the Company's shares in accordance with the instruction of the trust administrator, reflecting the exercise status of voting rights of the beneficiary candidates. |
| (10) Class of shares to be acquired: | Common stock of the Company |
| (11) Total value of shares to be acquired: | 388,800 thousand yen |
| (12) Acquisition method of shares: | Acquired through third-party allotment of the Company's treasury shares |