



June 20, 2023

To All Stakeholders:

Company	USS Co., Ltd.
Representative	Yukihiko Ando Chairman and Representative Director
Stock Code	4732
Listings	Prime Market, Tokyo Stock Exchange Premier Market, Nagoya Stock Exchange
Contact	Masafumi Yamanaka Executive Vice President, Officer, Supervisory Office (Tel +81-52-689-1129)

USS To Reintroduce Trust Employee Shareholding Incentive Plan (E-Ship®)

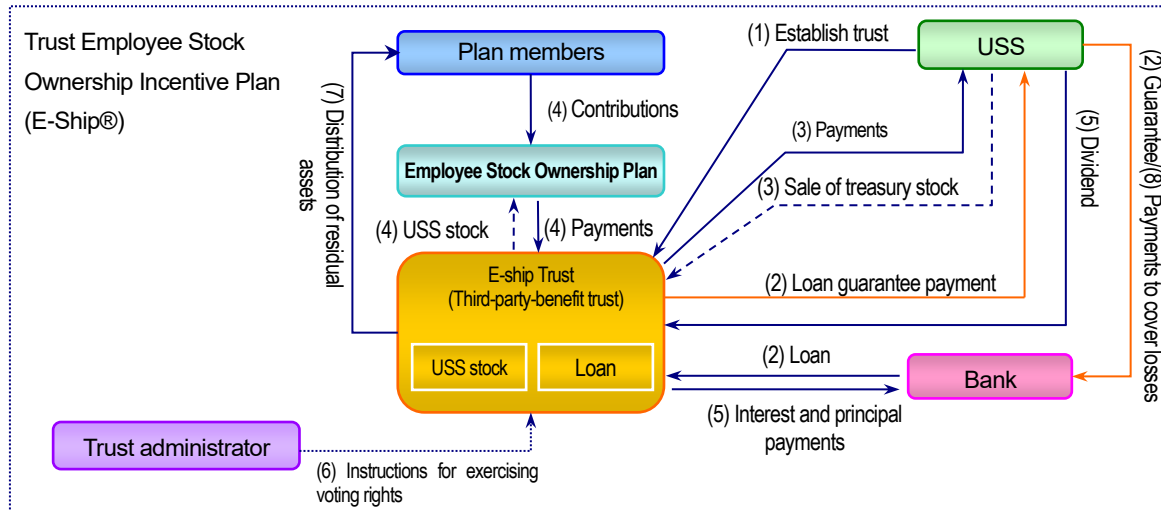
The USS Board of Directors approved a resolution on June 20, 2023 to reestablish an employee stock ownership incentive plan using a trust (E-Ship®) (“the Plan”). The purposes of this plan are to give employees an incentive to contribute to the medium to long-term growth of corporate value, to increase benefits for employees, and to increase motivation by giving employees to receive potential benefits as owners of USS just as for other shareholders. These measures are expected to further strengthen the company’s foundation for sustained growth.

1. Overview of the Plan

The Plan is an incentive plan for all employees who belong to the USS employee stock ownership plan. USS will establish a USS employee stock ownership plan trust (“the E-Ship Trust”) at a trust bank. Using loans from financial institutions, the E-Ship Trust will use a third-party allotment from USS to purchase in advance a number of shares of USS stock expected to be sufficient for the expected purchases of this stock by the employee stock ownership plan during the trust period, which is about two years and nine months. Subsequently, the E-Ship Trust will continuously sell USS stock to the employee stock ownership plan. When this trust ends, an amount equal to the cumulative gains on sales of this stock by the trust, if any, will be distributed as residual trust assets to qualified beneficiaries of the trust. USS will guarantee the loans received by the E-Ship Trust to fund purchases of USS stock. As a result, if there is a cumulative loss on sales of USS stock at the E-Ship Trust due to a decline in the price of USS stock and, at the end of the trust, there is an outstanding loan at the trust equal to this cumulative loss, USS will repay the remaining loan in this amount.

In association with the establishment of the Plan, the USS Board of Directors approved a resolution today to sell to the E-Ship Trust 369,200 shares (proceeds of 879,803,600 yen) of USS stock currently held as treasury stock. USS had 12,372,986 shares of treasury stock as of March 31, 2023. More information about this sale of treasury stock is in a release dated today titled “Sale of Treasury Stock Using a Third-party Allotment.”

2. Structure of the Plan



- (1) USS will establish the E-ship Trust (third-party-benefit trust) with qualified members of the ESOP as beneficiaries.
- (2) The E-ship trust will borrow the amount from bank that is needed to purchase USS stock. USS will guarantee the loan. The E-ship trust will pay USS a loan guarantee fee.
- (3) The E-Ship Trust will purchase a number of shares of USS stock expected to be sufficient for the purchases of this stock by the ESOP.
- (4) During the trust period, the E-ship Trust will continuously sell the USS stock acquired as described in item 3 to the ESOP at the market price and in accordance with a plan (terms and methods).
- (5) The E-ship Trust will use proceeds from the sale of USS stock to the ESOP and dividends received from this stock to make interest and principal payments for the loans.
- (6) Voting rights for the Company's stock held by the Trust will be exercised according to the instructions of the trust administrator selected by the beneficiaries.
- (7) If there are residual assets in the trust upon the trust's termination, these assets will be distributed to qualified beneficiaries.
- (8) If there are loans remaining upon the trust's termination, USS will repay these loans in accordance with the guarantee as described in item 2.

3. Profile of E-ship Trust

- 1) Name USS Employee Stock Ownership Plan Trust
- 2) Trustor USS Co., Ltd.
- 3) Trustee The Nomura Trust and Banking Co., Ltd.
- 4) Beneficiaries Individuals who fulfill the requirements to be beneficiaries (individuals must complete the prescribed procedure once confirmed as eligible to be beneficiaries)
- 5) Trust contract June 20, 2023
- 6) Trust period June 20, 2023 – April 2, 2026
- 7) Trust objectives The objectives are to provide a stable and consistent supply of stock to the USS Employee Stock Ownership Plan and to distribute trust assets to qualified beneficiaries
- 8) Requirements for beneficiaries
Qualified beneficiaries are individuals who have completed the prescribed procedure and who are alive on the starting date for the procedure to confirm qualified beneficiaries (date of completion of conversion and disposal of trust assets upon completion of trust period, date when all USS stock held by the trust has been sold to the ESOP, etc.), belong to the USS Employee Stock Ownership Plan (however, also includes individuals who leave the ESOP due to transfer, appointment as a director or corporate auditor up to the starting date for the procedure).

(Reference)

E-Ship® is a registered trademark of The Nomura Trust and Banking Co., Ltd.

E-Ship® (abbreviation for Employee Shareholding Incentive Plan) is a type of incentive plan for employees that was developed by Nomura Securities and Nomura Trust and Banking based on conventional employee stock ownership plans, using as reference the employee stock ownership plans that are widely used in the United States.