



February 1st 2010

To whom it may concern:

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Announcement of Introduction of the Employee Stock Ownership Plan Trust

At the meeting held on February 1st 2010, the Board of Directors of NOK Corporation resolved to introduction of the Employee Stock Ownership Plan Trust (the ESOP Trust), which is designed in order to enhance our corporate value in a long term.

1. Purpose of Introduction of the ESOP Trust

In order to survive current business environment, NOK decided to introduce new incentive plan, the ESOP Trust. With the ESOP Trust, employee's benefits are linked to financial result and stock price, so it can accelerate their motivation to increase corporate value in a long term.

2. Outline of ESOP Trust

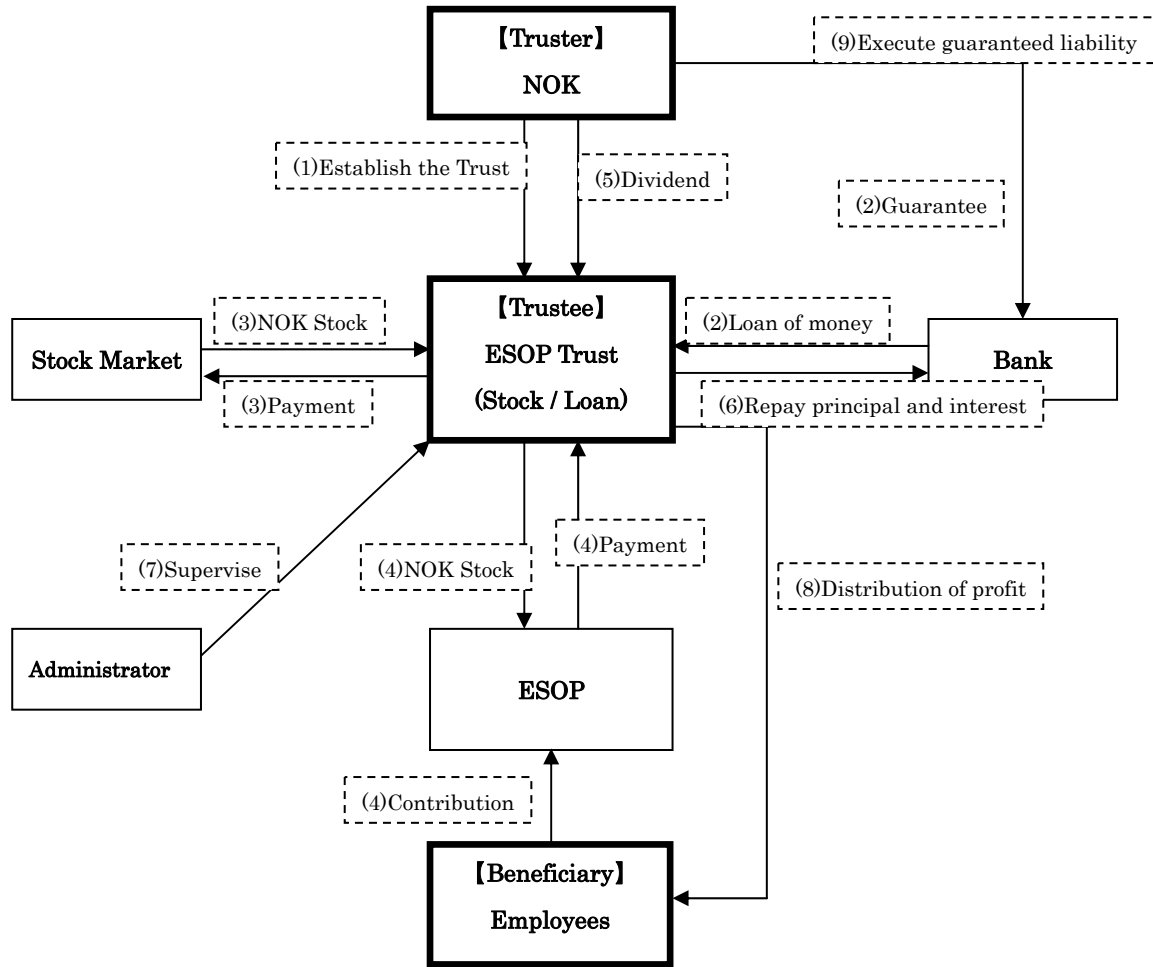
The ESOP Trust is an incentive plan that refers to the system the ESOP in the US. It creates employee's property by the stocks of NOK and improves the welfare system of NOK.

NOK Corporation establishes the ESOP Trust, in which beneficiaries are the member of the ESOP and must satisfy a necessary condition. The ESOP Trust, within a definite period of time, acquires the stocks that are supposed to be acquired by the ESOP in the next five years.

After that, The ESOP Trust sells the stock to the ESOP at the beginning of every month. At the expiration of the ESOP Trust, if there are profits by an increase of the stock price, the beneficiaries will get money as their contribution.

If there are debts remained by a decrease of the stock price, NOK Corporation will pay off the debt instead, which means the members do not have an additional responsibility.

3. Structure



- (1) NOK Corporation establishes the ESOP Trust, in which beneficiaries are employees who must satisfy standard conditions.(It includes the retired people who satisfy a certain condition)
- (2) The ESOP Trust borrows necessary funds from the bank to buy the stocks. In these dealings, NOK Corporation will guarantee a borrowing of the ESOP Trust.
- (3) By using these funds, the ESOP Trust buys the stocks all at once from the stock market. The amount of the stocks purchased is the same amount of the stocks that the ESOP would buy until the expiration of the trust.
- (4) The ESOP Trust sells the stocks to the ESOP at a market value in the beginning of every month.
- (5) The ESOP Trust, as the stockholder of NOK Corporation, receives dividends.

- (6) The ESOP Trust pays off the debts with interests to the bank. The ESOP Trust's fund consists of payment from the ESOP for the stocks and dividends.
- (7) During the terms of the trust, the administrator directs the right of stockholder such as the right to vote. According to it, the ESOP Trust will exercise the right of the stockholders.
- (8) After the terms of the trust, when there are the stock remained in the trust caused by an increase of the stock price, the beneficiaries will receive money as their contribution.
- (9) After the terms of the trust, when there are debts caused by a decrease of the stock price, NOK Corporation will pay off them to the bank, according to the agreement listed on (2) above.

* When there are no stock remained in the ESOP Trust during the terms of trust, earnings will be distributed to the beneficiaries and property remained will be restored to the trustor. Consequently, the ESOP Trust expires before the term of the trust.

(Reference) Content of the Agreement of the Trust

- (1) Type: Specified Money in Trust
- (2) Purpose: A standard and continuous supply of the stock to the ESOP and an incentive to employees who is qualified as the beneficiary.
- (3) Trustee: NOK Corporation
- (4) Trustee: Mitsubishi UFJ Trust and Banking
- (5) Beneficiary: Employees, (including the retired people who satisfy a certain condition), who satisfy a necessary condition
- (6) Administrator: A third party that does not have an interest
- (7) Date of the Agreement: February 4th 2010
- (8) The Terms of the Trust: February 4th 2010 – March 20th 2015
- (9) The Exercise of the Right to Vote: The ESOP Trust exercises the right to vote, according to the administrator reflected by the ESOP's situation of the right to vote.
- (10) Type of the Stock Purchased: The Ordinary Stock of NOK Corporation
- (11) The Amount of the Stock Purchased: 2,000 million JPY
- (12) The Term of the Acquisition of the Stock: February 9th 2010 – March 9th 2010
- (13) The Way of the Acquisition of the Stock: On the Stock Market

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