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To whom it may concern

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Announcement Concerning Voluntary Retirement Scheme for Employees of NOK Corporation Consolidated Subsidiary

NOK Corporation hereby announces that it was decided at the board meeting held on October 21, 2020, that Nippon Mektron Ltd., a consolidated subsidiary, would offer voluntary retirement to employees as below.

1. Reasons for offering voluntary retirement

In the electronic product business, in which Nippon Mektron Ltd. is engaged, market conditions are expected to become even more severe in the future, mainly due to a decline in product demand as a result of slow growth in the mainstay smartphone market, seasonal fluctuations in demand, and changing trends in technology.

Given these market conditions, Nippon Mektron Ltd. has been implementing measures such as reducing capital expenditure and the burden of depreciation as well as costs. However, the Company has come to the decision to offer voluntary retirement as below, based on the judgement that further improvement in profitability is necessary to address the recent sharp decline in the market and to continue to enhance the Company's value.

2. Outline of voluntary retirement

- 1) Subject company: Nippon Mektron Ltd.
- 2) Required number of voluntary retirees: Around 300
- 3) Application period: November 1, 2020 to December 31, 2020
- 4) Retirement date: Retirement is required to be completed by March 31, 2021.
- 5) Preferential treatment: Voluntary retirees will be paid additional special pay in addition to the prescribed retirement allowance. Those who are interested will be provided with re-employment support through an outplacement company.

3. Future outlook

Providing there are enough candidates to fill the required number of voluntary retirees, the costs for the current term are expected to come to around 4.7 billion yen as an extraordinary loss, which was reflected in the projections for the consolidated financial results for the full year ending March 31, 2021 announced today.

This is expected to reduce Nippon Mektron Ltd.'s payroll costs by around 3.0 billion yen per year.

These figures will be disclosed again once the applicants are confirmed as they will vary depending on the actual number and composition of applicants.