Reference Translation

August 7, 2026

Notice Regarding Introduction of an Employee Share Benefit Trust for Executive Officers

Company name :	**SMC Corporation**
Stock exchange listing :	Tokyo Stock Exchange Prime Market
Security code :	6273
URL :	https://www.smcworld.com/ir/en-jp/
Representative :	Yoshiki Takada, President
Contact person :	Akinori Kato, General Manager of Corporate Communications Office

SMC Corporation (the "Company") hereby announces that its Board of Directors resolved today to introduce an Employee Share Benefit Trust as a new stock incentive plan for executive officers who do not concurrently serve as directors (the "Executive Officers").

1. Purpose of the Plan

The purpose of the plan is to further motivate Executive Officers to contribute to the Company's medium- to long-term business performance and corporate value enhancement.

2. Overview of the Plan

Under this plan, a trust established with funds contributed by the Company will acquire shares of SMC Corporation. Based on the Share Benefit Regulations established by the Board of Directors, eligible Executive Officers will receive Company shares and cash equivalent to the market value of such shares through the trust.

Points will be granted to Executive Officers based on business performance. When the prescribed beneficiary requirements are satisfied, Company shares and cash corresponding to the accumulated points will be delivered through the required procedures.

The plan is intended to strengthen awareness of the Company's share price and commitment to improving performance by enabling Executive Officers to benefit from increases in the Company's share value. In addition, because voting rights attached to shares held in the trust will reflect the intentions of eligible Executive Officers, the plan is also expected to enhance their sense of participation in management.

Outline of the Trust Structure

1. The Company establishes the Share Benefit Regulations.
2. The Company contributes cash and establishes the trust.
3. The trust acquires Company shares through the stock market.
4. Dividends on shares held in the trust are received by the trust.
5. Voting rights relating to trust-held shares are exercised in accordance with instructions from the trust administrator.
6. Points are granted to Executive Officers based on business performance, and eligible Executive Officers receive Company shares and cash corresponding to their accumulated points.

Note: If all shares held in the trust are delivered to beneficiaries, the Company may make additional cash contributions to the trust to fund further acquisitions of Company shares.

Reference Information

1. Summary of the Trust Agreement

Item	Details
Name	Employee Share Benefit Trust
Settler	SMC Corporation
Trustee	Resona Bank, Limited
Beneficiaries	Employees who satisfy the beneficiary requirements under the Share Benefit Regulations
Trust administrator	Selected from among Company employees
Type of Trust	Money trust other than a specified money trust (third-party benefit trust)
Trust agreement date	August 17, 2026 (planned)
Trust funding date	August 17, 2026 (planned)
Trust period	From August 17, 2026 until termination of the trust

Resona Bank will enter into a master trust agreement with Custody Bank of Japan, Ltd., which will act as the sub-trustee.

2. Initial Acquisition of Company Shares

Item	Details
Type of shares	Common shares of SMC Corporation
Amount to be entrusted for share acquisition	JPY 750,000,000
Maximum number of shares to be acquired	15,000 shares
Acquisition method	Purchases on the Tokyo Stock Exchange
Acquisition period	August 17, 2026 to September 16, 2026 (planned)

END