

May 10, 2019

To whom it may concern

Company Name Fujitec Co., Ltd.
(Stock Code 6406)
Representative Takakazu Uchiyama
President and CEO
Contact Person Yoshiichi Kato
Director, Senior Executive Operating Officer,
General Manager of Finance HQ
(Telephone +81-72-622-8151)

**Renewal of Countermeasures to Large-Scale Purchase of Fujitec Co., Ltd.
Shares (Takeover Defense Measures)**

Fujitec Co., Ltd. (the “Company”) renewed the plan for countermeasures to large-scale purchase of the shares in the Company (takeover defense measures) (the “Former Plan”) subject to shareholders’ approval by resolution of its Board of Directors on May 13, 2016 and obtained approval at the ordinary general meeting of shareholders held on June 23, 2016 for the 69th business term. The Former Plan is valid until the conclusion of the ordinary general meeting of shareholders for the 72nd business term to be held on June 21, 2019 (the “Ordinary General Shareholders Meeting”).

The Company announces that before the Former Plan expires, the Company’s Board of Directors resolved at the meeting held on May 10, 2019 to revise and renew the Former Plan (this revision and renewal will be referred to as the “Renewal” and the revised plan will be referred to as the “Plan”) for three years, conditional on the approval by resolution of the Ordinary General Shareholders Meeting, as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(ii)(2) of Ordinance for Enforcement of the Companies Act).

For the Renewal of the Plan, the major changes made from the Former Plan are as follows:

- (1) The Company has made the revisions, adapted to the present situation, to language relating its business units in sections I and II below.
- (2) In regards to whether to invoke the Plan, in principle, at a General Shareholders Meeting for Confirmation of Intent (defined in section III3.(3) below; hereinafter the same), confirmation will be made of the intent of shareholders.
- (3) Trigger Events—that is, the reasons for invoking the Plan—were limited and clearly defined,
- (4) Members of the Independent Committee were changed.

I The Fundamental Policy on Management Control (“FPMC”)

Since its inception in 1948, the Company has specialized in the manufacture of elevators, escalators and moving walkways. The Company has global operations that include manufacturing, sales and maintenance services.

The Fujitec Group has 10 manufacturing bases and a large number of sales offices in 24 different countries and regions worldwide. The group has an operating framework that pursues the best possible performance in line with the goal of optimizing consolidated financial results. This organization allows conducting operations with deep local roots while providing for collaboration among group companies on a global scale. The group is dedicated to developing products that target a diverse range of global market needs. At the same time, the group promotes a global production and sourcing system in which group companies supply product parts and other items to each other in order to hold down expenses and maintain outstanding quality. Through these efforts, the group strives to enhance its power to develop and supply excellent products.

The Company management philosophy is “to work in countries worldwide and with people around the world to create beautiful urban functions that meet the demands of a new era, while placing priority on people, technologies and products.” In the pursuit of this philosophy, the Company: strives to satisfy all stakeholders, including shareholders, customers, users, suppliers, residents of communities, employees and others, through sustained growth and consistent profitability; cultivates advanced skills in R&D, manufacturing technologies and business field; supplies reliable, high quality products; and uses a “total life” approach to offer maintenance services for products. The above philosophy also supports the Company’s efforts to achieve the following goals through its global business activities; to contribute to the industrial progress and economic growth of countries worldwide; to play a part in cultural enrichment and mutual understanding among peoples all over the world; and to promote the spirit of mutual harmony and prosperity. The Company believes that the commitment of the entire Fujitec Group to transforming this philosophy into concrete actions represents the source of the group’s corporate value and will lead to the preservation and enhancement of the Company’s corporate value and shareholders’ common interests.

For these reasons, the Company believes that an entity or group attempting to make a large-scale purchase of the Company stock that would be detrimental to the preservation and enhancement of corporate value and shareholders’ common interests would not be appropriate for controlling decision-making on the Company’s financial affairs and business activities.

II Approaches to preserve and enhance the Fujitec Group’s corporate value and shareholders’ common interests

The Fujitec Group has taken the actions listed in section III as well as those listed below as special measures to realize the FPMC.

1. Actions based on medium-term management plan

Following the medium-term management plan known as “No Limits. Push Forward Together!” that commenced in April 2016, the Fujitec Group started the new three-year medium-term management plan named “Innovation, Quality & Speed “ in April 2019.

Under the new medium-term management plan, with the following four strategic visions, Fujitec aims to provide safe and reliable products to people around the world for sustainable enhancement of our corporate value in the global market.

- Regional Strategy: Expansion of Fujitec standard model in our products throughout the world and enhancement of our profitability with customers' satisfaction
- Product / Technology Strategy: Reinforcement of our technical platform to enhance corporate growth and value
- Operation Strategy: Process innovation to meet changing needs of customers at their required speed
- Corporate Strategy: Enhancement of quality of management with SDGs approach

2. Reinforcement of corporate governance

The Company believes that it is vital to its business activities to fulfill its social obligations in a manner that earns the trust of shareholders, customers, users, suppliers, employees and all other stakeholders. The Company is also aware that enhancement and reinforcement of corporate governance is an important consideration in its business operations. The Company strives to build a more powerful management framework rooted in fairness and transparency in order to ensure appropriate decision-making and expeditious conduct of business activities.

(1) Reinforcement of group governance systems

The Company is dedicated to maintaining the transparency and objectivity of management and to strengthening the checking function of the Board of Directors which has the power to supervise. For this purpose, the Company has adopted an executive officer system, under which the function to make decisions on and supervise business activities and the function to conduct business activities are separated from each other. In addition, in order to respond quickly to rapid changes in the operating environment, the term of office of directors and executive officers has been set at one year. Furthermore, the Company has a Board of Auditors that is independent of the Board of Directors and has also established a corporate auditors department to provide the auditors with personnel required to perform their duties in a smooth manner.

(2) Reinforcement of compliance systems

The Company has a Compliance Committee for the purpose of making everyone at the Company aware of the importance of strictly complying with laws and regulations, standards for corporate ethics and other guidelines in order to conduct business activities properly. The committee conducts compliance activities based on a Compliance Action Plan that the committee creates every year. As part of compliance activities, there are classes and on-demand education using e-learning for all employees. In addition, seminars and other events are arbitrarily held for specific job categories and departments. By using these activities, the Company educates employees and heightens their awareness with regard to case studies, associated laws and regulations and other items involving compliance. The Company has a Compliance Help Desk that functions as an internal reporting system for matters involving compliance. All employees, irrespective of their jobs and organizational affiliation, can contact this help desk directly for consultations, reports and other requirements. Operating this help desk gives the Company a means of preventing improper behavior.

(3) Reinforcement of risk management

The Company has established a Risk Management Committee chaired by the president of the Company. The committee is responsible for quickly identifying risks and enacting countermeasures for the purposes of reducing exposure to business risks and eliminating the causes of risks that can have a significant effect on society, such as risks associated with ethics and compliance, the environment, and product quality. There are Risk Management Operations Committee and Information Security Committee under the supervision of the Risk Management Committee that is responsible for ensuring that risk management systems are functioning properly throughout the Company. To accomplish this, the Risk Management Operations Committee gathers information and provides guidance and oversight in order to act quickly and accurately with regard to potential risks involving the Company's activities.

(4) Reinforcement of internal controls

In response to the May 1, 2006 enactment of the Companies Act, the Company's Board of Directors approved a Basic Policy for Internal Controls. In accordance with this policy, internal control systems were established and operated for the Fujitec Group. In addition, starting on April 1, 2008, the Financial Instruments and Exchange Act have required "assessments and audits of internal controls for financial reporting." To comply with this requirement, the Company has an internal control system that provides for the "visualization" of business processes and other items. Furthermore, in response to the May 1, 2015 enactment of the amended Companies Act, the Company's Board of Directors approved partial amendments to the Basic Policy for Internal Controls, and the Company strives to reinforce corporate governance.

III Approaches to prevent decision-making on the Company's policy on financial affairs and business activities from being controlled by an entity unqualified based on the FPMC

1. Purpose of the Introduction and Continuation of the Plan

The Company's Board of Directors understands that the Company, as a publicly owned company, must permit its stock to be traded without restrictions. Accordingly, the Board will not totally deny so-called "hostile takeovers", which are attempted without approval of the Board, if they will increase corporate value and shareholders' common interests. In addition, the Board of Directors believes that it should ultimately be up to the shareholders to decide whether or not to accept a takeover proposal that would result in transfer of the control of the Company.

However, if the Company receives a takeover offer from a purchaser from outside the Fujitec group, it would not be always easy for shareholders to make appropriate decisions in a short time as to the possible impact of the proposed takeover on the Company's corporate value and shareholders' common interests. This is because such decisions must be made based on a sufficient understanding of the Company's tangible and intangible management resources, potential effects on the Company's long-term initiatives and other factors constituting the Company's corporate value. Therefore, when a takeover proposal is submitted, the Company's shareholders must first be given an opportunity to make appropriate decisions before their input can be properly used. To provide this opportunity, the Company believes that its Board of Directors must conduct

a good-faith, careful examination of the proposal within a reasonable time period necessary to do so. Then the Board must provide the Company shareholders with information necessary and sufficient to make decisions (and/or an alternative proposal from the Board in some cases).

There are often cases of takeovers that are harmful to the target company's corporate value and shareholders' common interests. These takeovers include: cases in which the proposed takeover, in light of its objectives and style and other factors, is designed exclusively to pursue profits of the purchaser without paying attention to the target company's corporate value and shareholders' common interests; cases in which the takeover proposal may practically force shareholders to sell their stock; and cases in which the proposal fails to provide sufficient time and information for the target company's Board of Directors and shareholders to examine the takeover proposal or for the Board to formulate an alternative proposal. For many years, the Company and its group companies have created their corporate value and shareholders' common interests, it is essential to maintain the relationships of mutual trust that has been established over the years by the Company and the Fujitec group with their employees, who support R&D, manufacturing and sales activities, and all other stakeholders surrounding the Company and its group companies. The Fujitec group's corporate value and shareholders' common interests would be impaired unless the proposed purchaser of the Company shares is able to maintain and enhance these relationships over the medium and long terms.

Based on this stance, the Company's Board of Directors objectively and specifically sets forth in the Plan the procedures to be followed by the Large-scale Purchaser and by the Company Board of Directors when a proposal is submitted for a large-scale purchase of the Company stock.

The Company has already introduced the Former Plan, the renewal of which was approved by shareholders at the ordinary general meeting of shareholders for the 69th business term held on June 23, 2016; however, the possibility still remains that in the future, a person may appear who will make or attempt to make a large-scale purchase of Company shares that may require application of the Plan.

For this reason, the Company has renewed the Former Plan and adopted the Plan in order to protect the common interests of shareholders from a purchase that would harm such interests, in a situation where there might be change to the control of management, Company shareholders would be able to judge whether or not to sell their shares in response to a purchase offer, on the basis of necessary and sufficient information and with a sufficient amount of time for consideration and, whether it would be proper to invoke defensive measures against such a purchase.

In adopting the Plan, in light of the developments in the debate regarding the policy for addressing Large-scale Purchases after the introduction of the Former Plan, the Company has made the convening of a General Shareholders Meeting for Confirmation of Intent a fundamental principle and has made other changes necessary to ensure greater objectivity and reasonableness in regards to the relevant procedures.

Major shareholders of the Company as of March 31, 2019 are listed in Appendix 3 titled "Fujitec's Major Shareholders." The Company has received no notices or proposals of a Large-scale Purchase of the shares in the Company from specific third parties.

2. Description of the Plan

(1) Outline of the Plan

In order to preserve and enhance the Company's corporate value and shareholders' common interests, the Plan sets forth the procedure through which the Board of Directors will take the following measures toward an entity which attempts a Large-scale Purchase of the shares of the Company (i) to request the party planning the Large-scale Purchase (the "Large-scale Purchaser") to provide necessary and sufficient information on the proposed Large-scale Purchase in advance; (ii) to secure time to collect information and to examine the proposed Large-scale purchase ; and (iii) to present a plan or an alternative proposal formulated by the Board to shareholders, and to negotiate with the Large-scale Purchaser. In order to achieve the intent and objectives of these procedures, the Board of Directors also requires the Large-scale Purchaser or Specified Shareholder Groups (as defined in (2) below, same hereinafter) to refrain from commencing the proposed Large-scale Purchase until the procedures set forth in the Plan have been completed .

In the event that the Large-scale Purchaser does not follow the procedure in the Plan, the large-scale purchase would be detrimental to the Company's shareholder value and, in turn, the common interests of its shareholders, or in other events, the Company can conduct a gratis allotment of stock acquisition rights (major terms are explained in Appendix 2 'Outline of Rights to Subscribe for New Shares') as a countermeasure in cases where the requirements prescribed in the Plan to take this action have been fulfilled.

The Company has established an Independent Committee for the purpose of eliminating arbitrary decisions of its Board of Directors concerning whether or not to conduct the allotment of stock acquisition rights or to acquire these rights under the plan. These decisions are made only after the Independent Committee has reached an objective decision. The members of this committee are solely outside directors, outside corporate auditors and/or external experts (business executives, attorneys, certified public accountants, and others with a business or academic background) who are independent of the Company's senior executives. The members of the Independent Committee are Terumichi Saeki, Nobuki Sugita and Shigeru Yamazoe (See Appendix 1 for profiles of the committee members). The committee members meet the criteria for appointment of independent directors in the Basic Policy for Corporate Governance which was approved at the Company's Board of Directors on November 6, 2015.

In addition, the Company's Board of Directors will, in principle, convene a General Shareholders Meeting for Confirmation of Intent and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the stock acquisition rights. Transparency with respect to conducting this procedure will be ensured by the timely disclosure of information to all of the Company's shareholders.

(2) Targeted purchase

The Plan applies to: (i) any purchase (including holding any right to demand delivery of shares, etc. under a purchase or other contract and engaging in any of the transactions defined in Article 6, Paragraph 2 or Article 14-6 of the Financial Instruments and Exchange Act and excluding any purchase by entity which has obtained the prior consent of the Company's Board of Directors, irrespective of the specific means by which

the purchase is made, such as market trade or public tender offer; the same applies hereinafter) in order to make a Specified Shareholder Group's*¹ proportion of voting rights*² to be at least 20% of the Company's share , etc.*³; (ii) any purchase which will result in a situation where the proportion of voting rights of a Specified Shareholder Group is at least 20% of the Company's share , etc. or (iii) any agreement, etc.*⁴ which will result in a situation where the proportion of voting rights of a Specified Shareholder Group is at least 20% (any such purchase or agreement shall be hereinafter referred to as a "Large-scale Purchase").

*¹ Specified Shareholder Group means: (i) holders (including entities included in holders under Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act; the same applies hereinafter) of the Company shares, etc. (meaning "shares, etc." as defined in Article 27-23, Paragraph 1 of the said Law) and their joint holders (meaning "joint holders" as defined in Article 27-23, Paragraph 5 of the said law and including entities deemed to constitute joint holders under Paragraph 6 of the same article; the same applies hereinafter), and entities which have a relationship similar to that of holders or joint holders with such holders or their joint holders (such entities include without limitation investment banks, securities companies and other financial institutions which have entered into a financial advisory contract with the Large-scale Purchaser, the public tender offering agent and lead-manager securities companies of the Large-scale Purchaser; hereinafter referred to as "semi-joint holders"), or (ii) entities which make a purchase, etc. (meaning "purchase, etc." as defined in Article 27-2, Paragraph 1 of the said law and including purchases conducted on securities exchanges, whether or not by auction) of the Company shares, etc. (meaning "special interested parties" as defined in Article 27-2, Paragraph 7 of the said Law).

*² Proportion of voting rights means: if the Specified Shareholder Group falls in item (i) of footnote 1, the sum of (1) the holder's shareholding ratio (meaning "shareholding ratio" as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act; in this case, the number of shares, etc. held (meaning "the number of shares, etc. held" as defined in the said paragraph; the same applies hereinafter) by the holder's joint holders shall be included in the calculation of the shareholding ratio) and (2) the shareholding ratio of the holder's semi-joint holders (provided that the addition of (1) and (2) above shall be made without counting the same shares, etc. twice); or (ii) if the Specified Shareholder Group falls in item (ii) of footnote 1, the sum of the shareholding ratio of the Large-scale Purchaser and the share ownership ratios of the Special Interested Parties (meaning "share ownership ratio" as defined in Article 27-2, Paragraph 8 of the said law). In the calculation of the shareholding ratio and share ownership ratio of each holder, the total number of shares issued (meaning the "total number of shares issued" as defined in Article 27-23, Paragraph 4 of the said law) and the total number of voting rights (meaning the "total number of voting rights" as defined in Article 27-2, Paragraph 8 of the said law) may be based on the corresponding figures appearing in the most recently issued of: Securities Report, Semiannual Report, Quarterly Report or Stock Repurchase Report.

*³ Shares, etc. means the "shares, etc." as define in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter unless specified otherwise.

*⁴ Agreement, etc. means any agreement whereby the parties thereto agree to jointly purchase or assign the Company shares, etc. or jointly exercise voting rights or any other rights of shareholders of the Company, or any other act as a result of which the Specified Shareholder group would constitute a joint holder as defined in Article 27-23, Paragraphs 5 and 6 of the Financial Instruments and Exchange Act.

(3) Submission of statement of intent by Large-scale Purchaser

Unless otherwise determined by the Board of Directors, a Large-scale Purchaser who intends to conduct a Large-scale Purchase as defined in III2.(2) above must submit in advance a statement of intent to the Company. The statement must provide the company name, address, governing law of incorporation, names of representatives, contact information in Japan, and a summary of the proposed Large-scale Purchase. The statement must also include a written oath that the Large-scale Purchaser will follow the procedures set forth in the Large-scale Purchase rule.

(4) Provision of information by Large-scale Purchaser

Following receipt of the statement of intent, the Company's Board of Directors will deliver the Large-scale Purchaser a list of information items necessary and sufficient for the Company shareholders to make their decisions and for the Board of Directors to form its opinion ("Requisite Information"). The Large-scale Purchaser must provide the information in accordance with the list within a period, which specifically defined by the Independent Committee, notified by the Board.

Specific information items required will differ depending on the attributes of the Large-scale Purchaser and the nature of the proposed Large-scale Purchase. Information items generally requested include the following:

- ① Information (including names, ownership, financial condition, business activities, experience in the Company's business fields, etc.) on the Large-scale Purchaser and its group (joint holders, special interested parties and (in the case of funds) fund investors, managing partners, and other members, as well as parties which continuously provide investment advice to these entities)
- ② All securities issued by the Company and held by the Large-scale Purchaser; all transactions of the Company securities by the Large-scale Purchaser during the past 60 days (including natures of transactions, prices, places and methods, and counterparties); and all contracts, arrangements and agreements (whether written or oral, and whether feasible or not) entered into by the Large-scale Purchaser concerning the Company securities.
- ③ Objectives, method and description of the Large-scale Purchase (including the amount and kind of consideration proposed to be paid in the Large-scale Purchase, timing of the Large-scale Purchase, the scheme for transactions involved in the Large-scale Purchase, legality of the method of the Large-scale Purchase, any possibility of Fujitec stock being delisted following completion of the Large-scale Purchase and the reason therefore, and feasibility of the Large-scale Purchase and related transactions)
- ④ Bases for calculation of purchase price of the Company stock (including assumptions used, calculation method, numerical data used in the calculation, synergies expected from all transactions involved in the Large-scale Purchase (including the amount or description of synergies distributed to minority shareholders) and the source of funds for the purchase (including the names of fund providers (including substantial providers), procurement methods and descriptions of associated transactions)
- ⑤ Prospective management members (including information on their experience in the Company's industry), management policy, business plan, financial plan, capital policy, dividend policy, and asset utilization policy for the Company which are expected to be used after the Large-scale Purchaser joins the management of the Company.
- ⑥ Description of planned changes (if any) in the relationships between the Fujitec Group and its suppliers, customers, employees and other stakeholders following completion of the Large-scale Purchase
- ⑦ Specific measures to be taken to prevent conflict of interests between the Large-scale Purchaser and other Fujitec shareholders; and
- ⑧ Other items that the Company's Board of Directors or Independent Committee considers reasonably necessary.

The Company's Board of Directors shall promptly pass on to the Independent Committee any information provided by the Large-scale Purchaser. The Independent

Committee, if it determines that the content of the Requisite Information submitted by the Large-scale Purchaser is insufficient for Company shareholders to make a determination or for the Independent Committee to evaluate and examine, the Independent Committee may, directly or through the Board of Directors, request the Large-scale Purchaser to provide, within a period specifically defined by the Independent Committee, additional information so that Requisite Information will be provided. In this case, the Large-scale Purchaser must supply such additional information within the designated period.

The period in which the Large-scale Purchaser shall provide the Requisite Information upon request by the Board (the “Period of Information Provision”) is limited to 60 days commencing on the day following the date of delivery of the list of Requisite Information to the Large-scale Purchaser with the objective of urging the Large-scale Purchaser to provide information promptly and avoiding arbitrary practices by the Board such as ceaseless requests for additional information. Upon expiration of the Period of Information Provision, even if the Requisite Information has not been provided sufficiently then, communications with the Large-scale Purchaser providing such information will be suspended, and the Board’s Examination Period (as defined in 2. (5) below) shall commence with respect to the information which has been provided by that time. However, the Period of Information Provision may be extended for a period of up to 30 days as necessary only if requested by the Large-scale Purchaser for reasonable causes.

In some cases, the Company may find it necessary to disclose to its shareholders, in order to help them make their decisions, the fact of the Company’s receipt of proposal for Large-scale Purchase as well as the Requisite Information submitted to its Board of Directors. In this event, the Company will disclose relevant information whenever deemed appropriate by the Board, except for trade secrets and other information considered by the Board to be inappropriate for disclosure.

In the event that the Board determines that the provision of Requisite Information has been made sufficiently by the Large-scale Purchaser, the Board will send to the Large-scale Purchaser a notice to that effect (the “Notice of Completion of Information Provision”). At the same time, the Board will promptly disclose to its shareholders the fact that it has received sufficient Requisite Information from the Large-scale Purchaser.

The Period of Information Provision shall end on the day when the Board sends the Notice of Completion of Information Provision or the date of its expiration, whichever is earlier.

(5) Examination of Large-scale Purchase, negotiation with Large-scale Purchaser and presentation of alternative proposal

The Company’s Board of Directors will designate an examination period of 60 days (in the case of an all-cash public tender offer for all Company stock (in Japanese Yen)) or 90 days (in the case of any other Large-scale Purchase) commencing on the day following the termination date of the Period of Information Provision (in each case, with the first day not included in the examination period; “Board’s Examination Period”).

However, in the event that the Board of Directors fails to resolve to or not to trigger a countermeasure during the Board’s Examination Period due to unavoidable

circumstances such as default by the Independent Committee in making recommendations as set forth in 3. (1) below within the Board's Examination Period, the Board may extend the Board's Examination Period to the extent necessary for a period of up to 30 days, subject to recommendations of the Independent Committee. The Board will promptly disclose a resolution to extend the Board's Examination Period, if made.

If the Board of Directors decides to extend the Boards' Examination Period in response to the recommendations of the Independent Committee, the Board will disclose the reason for the extension, the period of extension and other information appropriate for disclosure, promptly following the decision to extend the Board's Examination Period.

During the Board's Examination Period, the Board of Directors will assess and examine the details of the proposed Large-scale Purchase from the viewpoint of preservation and enhancement of the Company's corporate value and shareholders' common interests. In this assessment and examination, the Board will consult the Independent Committee and, if necessary, seek advice from external experts and will use information and materials provided by the Large-scale Purchaser. The Board will carefully form and announce its opinion, which should take into account the recommendations of the Independent Committee to the maximum extent possible.

In addition, the Company's Board of Directors shall, as necessary, take measures to collect the opinions of the Company's shareholders as well as of customers, suppliers, employees, residents of relevant local communities and other stakeholders.

Furthermore, the Board of Directors may, as necessary, discuss or negotiate with the Large-scale Purchaser to improve the terms of the proposed Large-scale Purchase. The Board may also present an alternative proposal to the Company's shareholders.

No Large-scale Purchasers and Specified Shareholder Group may initiate a Large-scale Purchase before expiration of the Boards' Examination Period.

3. Policy on measures to be taken toward commencement of Large-scale Purchase

(1) Recommendations by the Independent Committee

If the Large-scale Purchase begins, the Independent Committee will make a recommendation to the Company's Board of Directors as follows.

① Recommendations for the triggering of the Plan

If the Independent Committee determines that one of the trigger events set out below at (2) "Requirements for countermeasures" (collectively called "Trigger Events") arises with respect to the Large-scale Purchase, the Independent Committee will recommend the implementation of the gratis allotment of the stock acquisition rights as a countermeasure (as detailed in the Appendix 2 "Outline of Rights to Subscribe for New Shares;" the relevant stock acquisition rights hereinafter referred to as "Stock Acquisition Rights") to the Company's Board of Directors except in any specific case where further information disclosure from the Large-scale Purchaser or discussion or negotiation with the Large-scale Purchaser is necessary.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights, or (ii) (from effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire the Stock Acquisition Rights for no consideration.

- (A) The Large-scale Purchaser withdraws the Large-scale Purchase or the purchase otherwise ceases to exist after the recommendation.
- (B) There is no longer any Trigger Event due to a change or the like in the facts or other matters on which the recommendation decision was made.

② Recommendations for the non-triggering of the Plan

When the Independent Committee determines that there is no Trigger Event with respect to the Large-scale Purchase, the Independent Committee will recommend to the Company's Board of Directors that the gratis allotment of Stock Acquisition Rights should not be conducted as a countermeasure.

Notwithstanding the preceding paragraph, even after the Independent Committee has already made a recommendation not to implement the gratis allotment of Stock Acquisition Rights, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights in the event that there is a change in the facts or other matters on which the original recommendation decision was made and a Trigger Event occurs.

(2) Requirements for the triggering of countermeasures

The Requirements to trigger in the Plan are as follows.

[Trigger Event (1)]

In the event that the Large-scale Purchase is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Large-scale Purchase is not offered) and it is considered reasonable to trigger the countermeasures.

[Trigger Event (2)]

In the event that the Large-scale Purchase falls under any of the following ① through ② and it is considered reasonable to trigger the countermeasures.

- ① If the Large-scale Purchase is likely to cause obvious damage to the Company's corporate value and shareholders' common interests due to any of the following activities.
 - (i) After speculative buying of the Company shares, etc., demanding the Company for purchase of the shares, etc. at high prices.

- (ii) Gaining temporary control of the Company's management and managing to realize the interests of the Large-scale Purchaser at the price of the Company, such as acquiring the Company's important assets at low prices
 - (iii) Misappropriation of the Company's assets to secure or pay liabilities of the Large-scale Purchaser or its group companies, etc. or
 - (iv) Gaining temporary control of the Company's management to cause the Company to sell high-priced assets that are not involved in the Company's business operations for the time being, with the intention of causing the Company to pay temporarily high dividends using proceeds from such sale or of selling out the Company stock at the highest price by taking advantage of sharp rise in the stock price caused by the temporarily high dividends.
- ② If the Large-scale Purchase constitutes a coercive two-tier tender offer (meaning a tender offer or other purchase offer in which the first round offer is directed to less than all shares and is made with terms for a second round offer unfavorable to shareholders or without clearly disclosing the terms for a second round offer to shareholders)

(3) Convocation of a General Shareholders Meeting for Confirmation of Intent

If the Company's Board of Directors receives a recommendation from the Independent Committee to implement, provided that convening a such a meeting is possible, the Board of Directors shall convene a general shareholders meeting to confirm their intent regarding the implementation of such gratis allotment ("General Shareholders Meeting for Confirmation of Intent")⁵.

⁵ This is not limited to general shareholders meetings under the Companies Act for resolutions on matters for resolutions set forth in Article 295 of the Companies Act, and cases of general shareholders meetings convened in accordance with stipulations in the Companies Act relating to general shareholders meetings where recommendation resolutions will be made regarding matters other than the matters for resolution of Article 295 are included under the language "general shareholders meeting".

In this case, the Company's Board of Directors, without delay, shall disclose that a General Shareholders Meeting for Confirmation of Intent will be held as well as other matters that the Board determines to be appropriate, and shall commence procedures for commencing a General Shareholders Meeting for Confirmation of Intent.

(4) Holding of Board of Directors meeting

If the Independent Committee has made a recommendation in accordance with (1) above, the Company's Board of Directors shall respect such recommendation to the maximum extent, and will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights as an organ under the Companies Act.

However, in the event that pursuant to (3) above, a General Shareholders Meeting for Confirmation of Intent will be convened, the Company's Board of Directors, in accordance with the resolution of such General Shareholders Meeting for Confirmation of Intent, shall approve the necessary resolutions as appropriate. In this case, the Large-scale Purchaser or the Specified Shareholder Group may not begin the Large-scale Purchase until the resolution on the non-implementation of the gratis allotment of the Stock Acquisition Rights has been approved by the Company's Board of Directors.

(5) Information disclosure

When operating the Plan, the Company will appropriately disclose information on matters that the Independent Committee or the Company's Board of Directors considers appropriate including the progress of each procedure set out in the Plan, an outline of recommendations by the Independent Committee, an outline of resolutions by the Board of Directors and an outline of resolutions by the shareholders meeting in a timely manner, in accordance with the applicable laws and ordinances or the regulations and rules of the financial instruments exchange.

4. Impact on shareholders and investors

(1) Impact of the Renewal on shareholders and investors

The objectives of the Plan are to obtain the information needed for shareholders to reach a decision concerning the proposed Large-scale Purchase, to allow the Company's Board of Directors, which is responsible for managing the Company's operations, to submit an opinion to shareholders, and to provide an opportunity for the Board of Directors to submit an alternative proposal to shareholders. This allows the Company's shareholders to reach a proper decision concerning the proposed Large-scale Purchase based on a sufficient amount of information. The Company believes this will contribute to preserving and enhancing its corporate value and, in turn, the common interests of its shareholders. For these reasons, the Company believes that the Renewal is needed to enable the Company's shareholders and investors to reach proper investment decisions and that the Renewal is in the best interests of shareholders and investors.

The Renewal will have no direct and material impact on shareholders because no actual gratis allotment of Stock Acquisition Rights will be implemented. The Renewal only gives the Company's Board of Directors the authority to reach a decision, based on a resolution approved at a shareholders meeting, relating to the gratis allotment of Stock Acquisition Rights to be used as a countermeasure for a Large-scale Purchase.

(2) Impact on shareholders and investors at the time of the triggering of countermeasures

If the Company, at its Board of Directors and shareholders meeting, resolves to make a gratis allotment of Stock Acquisition Rights, then rights will be allocated to the shareholders identified as such as of the record date to be separately designated by the resolution at the Board of Directors or the General Shareholders Meeting for Confirmation of Intent. These shareholders will receive without consideration on such right for each of the Company share they hold. If a shareholder fails to complete the procedures to exercise its rights to subscribe for new shares within the exercise period, the value of shares which have been held by the shareholder will be diluted as a result of other shareholders' exercise of their rights to subscribe for new shares.

In addition, if the Board of Directors decides to cancel the issuance of Stock Acquisition Rights or to acquire these rights at no cost in response to a recommendation from the Independent Committee, no dilution of per-value will occur. In this case, stock price changes may cause unexpected losses to the Company's shareholders and other investors who traded the Company stock based on the assumption that dilution will occur on or after the ex-rights date for the gratis allotment of Stock Acquisition Rights.

(3) Procedures for shareholders to follow upon triggering of countermeasures

If the Board of Directors or the General Shareholders Meeting for Confirmation of Intent decide as a countermeasure to make gratis allotment of Stock Acquisition Rights, the Company will announce the record date for the allocation.

Stock Acquisition Rights will be allocated at no charge to shareholders recorded on the latest shareholder registry, and thus the shareholders need to be recorded in the final register of shareholders as of the record date.

Shareholders will be requested to complete the procedures of making a certain amount of payment within a designated period for acquisition of new stock after exercising the Stock Acquisition Rights.

Provided, however, that the Company takes the procedures for acquisition of the Stock Acquisition Rights according to the acquisition clause which allows the Company to acquire the Stock Acquisition Rights in exchange for the delivery of shares of the Company, shareholders holding the Stock Acquisition Rights that are, by decision of the Board of Directors, subject to the acquisition, shall receive shares of the Company in consideration for the Stock Acquisition Rights, without making the payment.

All these procedures and other details will be communicated to shareholders by information disclosure or notice, after the Board of Directors' approval of the countermeasure. The Company advises its shareholders to refer to these communications for details.

5. Effective period, abolition and amendment of the Plan

The effective period of the Plan (the "Effective Period") is until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years of the conclusion of the Ordinary General Shareholders Meeting.

However, if, before the expiration of the Effective Period, ① a resolution is passed at the Company's shareholders meeting to revoke its resolution to assign to the Company's Board of Directors the authority set out above relating to gratis allotment of Stock Acquisition Rights with respect to the Plan or ② the Company's shareholders meeting or the Company's Board of Directors passes a resolution to abolish the Plan, the Plan will be abolished at the time.

Further, the Company's Board of Directors may revise or amend the Plan even during the Effective Period, if any law, ordinance, or regulation or rule of a financial instruments exchange or the like concerning the Plan is enacted, amended or abolished and it is appropriate to reflect such enactment, amendment or abolition, or if it is appropriate to revise the wording for reasons such as typographical errors and omissions, subject to the approval of the Independent Committee.

Upon any abolition, modification or amendment of the Plan, the Company will promptly disclose information on the fact that such abolition, modification or amendment has been made, and in the case of modification or amendment, on details of the modification and amendment and other information deemed appropriate to be disclosed by the Board of Directors.

IV The Renewal is consistent with the Company's FPMC, is not detrimental to shareholders' common interests and is not intended to protect the positions of current officers, and reasons therefore.

Due to the following reasons, the Company believes that the renewal is consistent with the FPMC, is not detrimental to shareholders' common interests, and is not intended to protect the positions of current officers.

1. The Renewal fulfills requirements required by takeover defense policy

The Plan fulfills the three basic principles (the principle of preservation and enhancement of corporate value and shareholders' common interests; principle of prior disclosure and intentions of shareholders; and principle of necessity and reasonableness) established by the "Policy Concerning Takeover Defenses for Preserving and Enhancing Corporate Value and Shareholders' Common Interests", which was issued by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

The Plan also takes into consideration the "Nature of Takeover Defense Policy considering the Recent Environmental Changes" released by the Business Research Institute on June 30, 2008.

2. The Renewal has been adopted for the purpose of preserving and enhancing shareholders' common interests

The Plan has been adopted with the aim of preserving and enhancing the Company's corporate value and shareholders' common interests. The Plan intends to achieve this aim by: securing, upon receipt of a proposal for purchase of the Company stock, information and time necessary for shareholders to make their decisions as to whether or not to accept the proposed purchase, or necessary for the Company's Board of Directors to present an alternative proposal; and by enabling the Board to negotiate with the purchaser on behalf of shareholders.

The Plan allows the Company's shareholders and other investors to make appropriate investment decisions. The Company thus believes that the Plan is not detrimental but indeed is beneficial to the common interests of shareholders.

3. Placing importance on the intentions of shareholders

The Renewal will be implemented on the condition that the Ordinary General Shareholders Meeting approves a resolution to assign the Company's Board of Directors the authority to decide matters relating to the Plan.

The Company's Board of Directors shall, in principle, confirm the intent of the Company's shareholders at a General Shareholders Meeting for Confirmation of Intent.

Further, the Plan is subject to a so-called sunset clause that sets the Effective Period of approximately three years. However, if a resolution is approved at the shareholders meeting to revoke the resolution to assign authority described above, the Plan will be abolished at that time even if it is before the expiration of the Effective Period of the Plan. In this respect, the life and contents of the Plan are supposed to reflect the intent of the Company's shareholders.

4. Establishment of Independent Committee for ensuring objectivity and reasonableness of decisions made by Board of Directors

The Company establishes an Independent Committee in order to prevent the Board of Directors from making arbitrary decisions in triggering countermeasures.

The Independent Committee consists of three outside directors who have no relationship with the Company's senior operating officers. For the outline of the rules of the Independent Committee, please refer to Appendix 4.

The Company's Board of Directors shall pay its utmost respect to decisions made by the Independent Committee. This represents a system that has been put in place for the operation of the Plan in a transparent manner to the extent beneficial to the Company's corporate value and shareholders' common interests.

5. Establishment of reasonable and objective requirements

As described in III.3. above, the Plan is established so that it will not be triggered unless reasonable and objective requirements set forth in advance have been satisfied, and is a structure to eliminate arbitrary triggering by the Company's Board of Directors is ensured.

6. Shorter term of office of the Company directors

The Company has already shortened the terms of its directors to one year with the approval at a shareholders' meeting.

Therefore, the shareholders will also be able to express their intentions on the Plan through annual appointment of directors.

7. No dead-hand or slow-hand takeover defense measures

As described in III.5. above, the Plan may be abolished by the Board of Directors composed of directors who are appointed by the Company's shareholders' meeting in accordance with nomination by a person who acquires a large number of share certificates. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be stopped). Also, as the Company has not adopted a system of staggered terms of office for the Board of Directors, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which the triggering takes more time to stop due to the fact that all members of the Board of Directors cannot be replaced at once).

Profiles of Independent Committee Members

Terumichi Saeki

- April 1968 Registered as attorney (Osaka Bar Association)
 July 1973 Founded Kitahama Partners (foreign law joint enterprise; formerly known as Yashiro, Saeki & Nishigaki Law Firm); Partner (to present)
 April 2002 Named President, Osaka Bar Association; Vice President, Japan Federation of Bar Associations; Director, Kinki Federation of Bar Associations
 April 2004 Named Auditor, Kyoto University
 October 2005 Named Chairperson, Osaka Prefectural Bid Monitoring Committee
 June 2006 Named Director, Glory, Ltd.
 June 2009 Named Audit & Supervisory Board Member, Fujitec Co., Ltd.
 June 2010 Named Outside Director, IwaiCosmo Holdings, Inc. (to present)
 June 2012 Named Outside Corporate Auditor, Watabe Wedding Corporation (to present)
 June 2014 Named Director, Fujitec Co., Ltd. (to present)
 March 2016 Named Outside Audit & Supervisory Board Member, Toyo Tire Corporation (formerly Toyo Tire & Rubber Co., Ltd.) (to present)

Nobuki Sugita

- April 1977 Joined Economic Planning Agency (Planning Bureau, Planning Division)
 June 1995 Appointed Director of Public Relations, Commissioner's Secretariat Policy Division, Economic Planning Agency
 July 2001 Named President, Gifu Economic and Industrial Promotion Center
 August 2005 Named Deputy Director-General, Ministry of Foreign Affairs (Economic Cooperation, International Cooperation)
 August 2009 Appointed Professor, Department of Economics, Nagoya University
 September 2012 Named General Director of Policies, Ministry of Land, Infrastructure and Transport and Tourism (Policy Evaluation, Logistics Policy)
 June 2013 Named Director, Economic and Social Research Institute, Cabinet Office
 April 2014 Appointed Professor, the Hosei Graduate School of Regional Policy Design
 April 2015 Appointed Professor, College of Economics, Ritsumeikan University (to present)
 June 2017 Named Director, Fujitec Co., Ltd. (to present)

Shigeru Yamazoe

- April 1978 Joined Marubeni Corporation
 April 2006 Named Executive Officer
 April 2009 Named Managing Executive Officer
 June 2019 Named Managing Executive Officer, Member of the Board
 April 2012 Named Senior Managing Executive Officer, Member of the Board
 April 2015 Named Senior Executive Vice President, Member of the Board
 April 2018 Named Vice Chairman of the Board
 June 2018 Named Vice Chairman (to present)
 June 2018 Named Director, Fujitec Co., Ltd. (to present)
 April 2019 Named Outside Auditor of Mizuho Capital Partners Co., Ltd. (to present)

Outline of Rights to Subscribe for New Shares

1. Eligible shareholders and terms and conditions for allocation of rights to subscribe for new shares

Rights to subscribe for new shares will be allocated to the shareholders listed on the shareholder register at the close of business on the record date designated by the Board of Directors. Shareholders will receive at no cost one right to subscribe for new shares for each share of the Company common stock (except common stock held by the Company).

2. Class and number of shares issued as a result of exercise of rights to subscribe for new shares

The Company common stock will be issued upon exercise of rights to subscribe for new shares. The number of shares to be issued as a result of exercise of rights to subscribe for new shares will be no more than the number of authorized the Company shares as of the record date designated by the Board of Directors less the number of the Company common stock issued as of the said date (except common stock held by the Company). The number of shares to be issued per right to subscribe for new shares will be determined separately by the Board of Directors. Necessary adjustments will be made if a stock split or consolidation is undertaken.

3. Number of rights to subscribe for new shares issued

The total number of rights to subscribe for new shares to be issued will be separately determined by the Board of Directors. The Board of Directors may allocate rights to subscribe for new shares more than once.

4. Amount of contribution to be made (amount to be paid in) upon exercise of rights to subscribe for new shares

The amount of contribution to be made (amount to be paid in) upon exercise of shares to subscribe for new shares will be determined by the Board of Directors. The amount will be no less than one yen and may be up to one half of the market price of the Company stock.

5. Restrictions on transfer of rights to subscribe for new shares

Any acquisition of rights to subscribe for new shares by transfer will require the approval of the Company Board of Directors.

6. Terms and conditions for exercise of rights to subscribe for new shares

Exercise of rights to subscribe for new shares is subject to the shareholder's not belonging to a Specified Shareholder Group whose proportion of voting rights is 20% or higher (unless the shareholder has gained the consent of the Board of Directors). Further details will be determined separately by the Board of Directors.

7. Exercise period and other conditions for rights to subscribe for new shares

The effective date of allocation, exercise period, acquisition clause and other necessary terms and conditions will be separately determined by the Board of Directors. The acquisition clause may include provisions that allow the Company to acquire all rights to subscribe for new share, except those held by shareholders who are not entitled to exercise rights to subscribe for new shares due to a failure to satisfy the condition set forth in item 6 above, in exchange for such number of the Company common stock per right to subscribe for new shares as determined separately by the Board of Directors.

8. Acquisition of Stock Acquisition Rights by the Company

- ① If the Company's Board of Directors decides that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, at any time before the Exercise Period Commencement Date, acquire all of the Stock Acquisition Rights for no consideration on a date determined separately by the Board of Directors.
- ② On a date determined separately by the Company's Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised on or before the day prior to the date determined by the Company's Board of Directors. In exchange, holders of these Stock Acquisition Rights will receive Company common stock in the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right. However, this acquisition does not include (1) parties belonging to a specified shareholder group holding at least 20% of the Company's voting rights (except parties that have received prior approval from the Company's Board of Directors) and (2) parties that have not submitted by the acquisition date a document in the format prescribed by the Company stating that they do not belong to the above specified shareholder group (except parties that did not receive a request from the Company to submit this document).

Further, if, on or after the date upon which the above acquisition takes place, the Company's Board of Directors recognizes the existence of any parties holding Stock Acquisition Rights other than parties belonging to the above specified shareholder group (however, to perform this recognition, the Board of Directors can ask a party to submit a document in the format prescribed by the Company as described in 8.(ii) in this section), the Company may, on a date determined by the Board of Directors that falls after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by these parties that have not been exercised on or before the day immediately prior to such date determined by the Company's Board of Directors (if any). In exchange, these parties will receive Company common stock in the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.

- ③ Details of terms for the acquisition of Stock Acquisition Rights will be determined separately by the Company's Board of Directors.

Fujitec's Major Shareholders

Major shareholders of the Company as of March 31, 2019 are as follows.

Name of Shareholders	Equity in Fujitec	
	Number of shareholding	Ratio of shareholding
	thousand shares	%
Uchiyama International Ltd.	5,043	6.22
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,232	5.22
Resona Bank, Ltd.	4,051	5.00
JPMorgan Chase Bank 385632	3,649	4.50
Japan Trustee Services Bank, Ltd. (Trust Account 4)	3,206	3.95
CMB London Jasdec Non-Treaty A/C (Spec No.1 Gen)	2,982	3.68
SSBTC Client Omnibus Account	2,863	3.53
Japan Trustee Services Bank, Ltd. (Trust Account)	2,311	2.85
British Empire Trust plc	2,164	2.67
Mizuho Bank, Ltd.	1,989	2.45

(Notes)

1. The shareholding ratios are calculated by excluding treasury shares (8,984,782 shares).
2. The number of shares for Japan Trustee Services Bank, Ltd. (Trust Account) includes 213,500 shares held by the ESOP Trust Supporting Employee Shareholding Association.
3. The following corporations have submitted a Statement of Large-Volume Holdings (Changes) in accordance with the Financial Instruments and Exchange Act. Although the corporations have reported that the following numbers of shares are held, these shares are not included in the above list of major shareholders because the Company is unable to confirm the effective number of shares held on March 31, 2019.

Name of Holders	Number of shareholding and ratio of ownership		Date of Report
	thousand shares	%	
T. Rowe Price Japan, Inc,	5,825	6.21	April 20, 2018
Sumitomo Mitsui Trust Bank, Limited	5,297	5.88	December 21, 2018
Mitsubishi UFJ Financial Group, Inc.	4,783	5.10	April 16, 2018
Capital Research and Management Company	3,877	4.31	November 8, 2018

Outline of the Rules of the Independent Committee

- The Independent Committee is established by a resolution of the Company's Board of Directors.
- There will be no less than three members of the Independent Committee. The Company's Board of Directors will appoint members of the committee by choosing outside directors who are independent from the Company's senior executives who conduct the Company's business operations, so that the committee can reach fair and neutral independent decisions.
- The Independent Committee will submit recommendations to the Company's Board of Directors concerning items consulted by the Board of Directors. In principle, the Independent Committee shall recommend detail of decisions with grounds and reasons. On making these decisions, committee members shall make such decision with a view to whether or not an action would be beneficial to the Company's corporate value and, in turn, the common interests of its shareholders.
- The Independent Committee may, at the Company's expense, obtain the advice of investment banks, securities companies, attorneys, certified public accountants and other outside specialists.
- Resolutions of the Independent Committee are approved with a majority of the votes of members attending the meeting when a majority of the committee members are in attendance.