

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

November 6, 2020

To all parties concerned:

Company	Fujitec Co., Ltd. (Stock Code 6406)
Representative	Takakazu Uchiyama President and CEO
Contact	Yoshiichi Kato Director, Senior Executive Operating Officer, General Manager of Finance HQ (TEL 072-622-8151)

Notice Concerning Disposition of Treasury Stock via Third-Party Allotment of Shares

Fujitec Co., Ltd. hereby announces that it has resolved at a meeting of its Board of Directors held on November 6, 2020, to conduct a disposition of treasury stock via third-party allotment as described below.

1. Summary of Disposition

(1) Date of disposition	December 2, 2020
(2) Number of shares to be disposed	415,300 shares
(3) Disposition price	2,239 yen per share
(4) Total disposition amount	929,856,700 yen
(5) Subscriber	The Nomura Trust and Banking Co., Ltd. (Fujitec Employee Shareholding Association Trust)
(6) Other	This disposition of treasury stock is conditional upon the effect of a filing submitted under the Financial Instruments and Exchange Act.

2. Objectives and reasons for disposition

At a meeting held today, the Fujitec Co., Ltd. board of directors resolved to introduce the E-Ship® Trust-Type Employee Shareholding Incentive Plan (“Plan”) to incentivize employees to raise corporate value and to encourage steady company growth by motivating employees through equity participation.

For an overview of this Plan, see *Notice Concerning Introduction of Trust-Type Employee Shareholding Incentive Plan*, announced today. This target of this disposition of treasury stock will be The Nomura Trust and Banking Co., Ltd. (Fujitec Employee Shareholding Association Trust; “Trust”).

The number of shares subject to disposition will be equivalent to the number of shares expected to be purchased by the Trust over a five-year trust period based on the current annual purchases of Fujitec shares by the Shareholding Association. Fujitec believes the scope of dilution under this plan is acceptable. The level of dilution is approximately 0.46% of shares outstanding (representing a ratio of 0.51% of the total 810,634 shares with voting rights as of March 31, 2020).

Overview of Trust Agreement

Trustor:	Fujitec Co., Ltd.
Trustee:	The Nomura Trust and Banking Co., Ltd.
Beneficiaries:	Employees who meet beneficiary eligibility criteria (certain procedures required once eligibility as beneficiary has been confirmed)
Trust administrator:	Selected by Fujitec employees
Date of trust contract:	November 9, 2020
Trust period:	November 9, 2020 to November 27, 2025
Purpose of trust:	To ensure the stable and continued provision of shares to the Shareholding Association and the distribution of trust assets to persons who meet beneficiary eligibility criteria
Exercise of voting rights:	The trust will exercise voting rights related to Fujitec stock according to the instructions of the trust administrator.

3. Basis for calculation and specific details of amount to be paid

The purpose of this disposal of treasury stock is to implement the Plan, which is a shareholding plan for employees. To eliminate the potential for arbitrariness, the disposition price shall be ¥2,239 per share, representing the closing price of Fujitec shares on the Tokyo Stock Exchange (“TSE”) on November 5, 2020 (business day preceding the day of the Fujitec board resolution). This is the market price of the shares on the day immediately prior to the board resolution and we deem this to be a reasonable price. Note that this price represents a -5.65% deviation ratio compared to the average closing price of ¥2,373 (rounded down to nearest yen) for Fujitec shares on the TSE over a one-month period (October 6, 2020 to November 5, 2020), a 0.22% deviation ratio compared to the average closing price of ¥2,234 (rounded down to nearest yen) for Fujitec shares on the TSE over a three-month period (August 6, 2020 to November 5, 2020), and a 11.95% deviation ratio compared to the average closing price of ¥2,000 (rounded down to nearest yen) for Fujitec shares on the TSE over a six-month period (May 1, 2020 to November 5, 2020).

In light of the preceding, we believe the disposition price for this disposal of treasury stock is not particularly advantageous to the company and is therefore reasonable.

All members of the company’s Audit & Supervisory Board (including three external members) who attended the board of directors meeting expressed the opinion that the third-party allotment in question is for the purposes of the Plan, that the disposal price is the closing price of the day preceding the board of director resolution, and, therefore, the payment price is not particularly advantageous to the target of the disposal.

4. Procedures Based on the Corporate Code of Conduct

This third-party allotment does not require the opinion of an independent third party or the approval of shareholders as described in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange. The rationale for this conclusion is that 1) the dilution ratio of the transaction is less than 25% and 2) the transaction does not involve a change in controlling shareholder (even in the event that all stock acquisition rights or all rights for acquisition are exercised, no change in the status of controlling shareholders is expected).