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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 Introduction of Trust-Type Employee Shareholding Incentive Plan

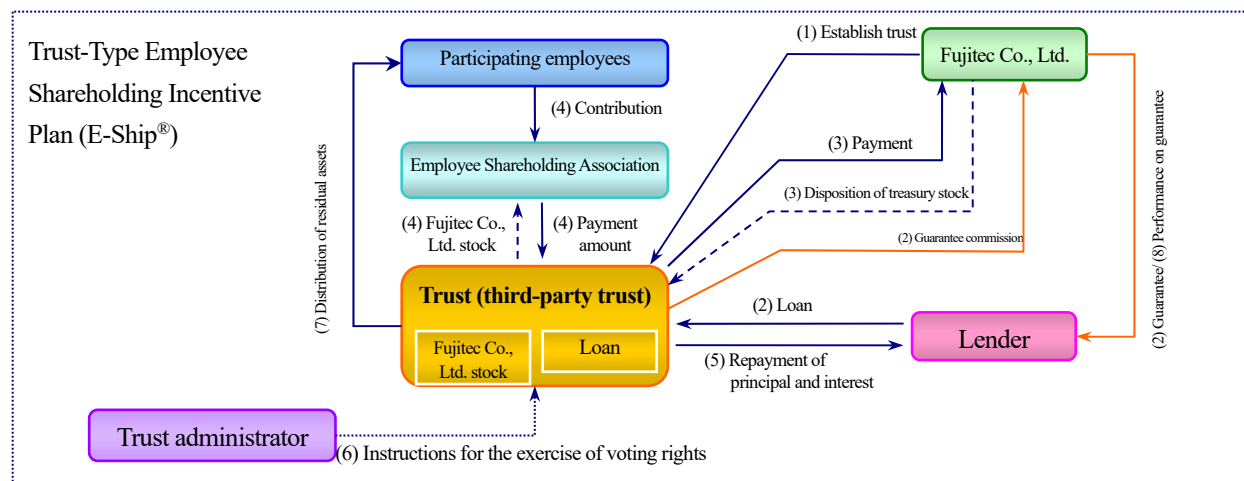
Fujitec Co., Ltd. (the “Company”) hereby announces that it has resolved at a meeting of its Board of Directors held on November 6, 2020, to introduce the E-Ship® Trust-Type Employee Shareholding Incentive Plan (“Plan”). The purpose of this plan is to incentivize employees to raise corporate value over the medium and long term, to expand employee welfare benefits, and to encourage steady company growth by motivating employees through equity participation. The adoption of the plan is as described below.

1. Overview of the Plan

The Plan will be available to all employees who participate in the Fujitec Employee Shareholding Association (“Shareholding Association”). Under the shareholding incentive plan, the Company will establish the Fujitec Employee Shareholding Association Trust (“Trust”) within a trust bank. The Trust will acquire company stock that the Shareholding Association is expected to acquire over the next five years via third party allotment, leveraging borrowings from the Company’s transaction financial institutions as the source of funds. Thereafter, the Trust will sell the company shares in question to the Shareholding Association on an ongoing. If, upon the conclusion of the trust, the Trust has accumulated an amount equivalent to a gain on sale of stock, such amount equivalent to said gain shall be distributed as residual assets to those persons meeting requirements as beneficiaries. The Company will guarantee the loans used to acquire Company shares by the Trust. Therefore, if the Trust accumulates an amount equivalent to a loss on sale of stock and the Trust has accumulated a debt balance equivalent to such loss on the sale of Company stock at the conclusion of the Trust, the Company will repay the remaining debt in question.

In conjunction with the introduction of the Plan, the Company has resolved to transfer the 415,300 shares (equivalent to approximately 930 million yen) of the 8,985,121 shares of treasury stock (as of March 31, 2020) in a lump sum to the Trust. For details, refer to *Notice Concerning Disposition of Treasury Stock via Third-Party Allotment of Shares*, announced today.

2. Plan Framework



- (1) The Company will establish the Trust as a third-party trust whose beneficiaries are Shareholding Association members who meet eligibility criteria as beneficiaries.
- (2) The Trust will borrow the funds necessary from lending banks and the Company will provide guarantees for the loans in question. The Company will receive a guarantee fee in exchange for loan guarantees from the Trust
- (3) The Trust will acquire the number of Company shares expected to be acquired by the Shareholding Association during the trust period.
- (4) Throughout the trust period, the Trust will continue to sell Company shares acquired in accordance with (3), above, to the Shareholding Association in line with an established plan defining terms and methods.
- (5) The Trust will repay the principal and interest related to loans from proceeds of the sale of Company stock to the Shareholding Association, as well as from dividends on Company stock held.
- (6) Voting rights associated with Company shares held by the Trust will be exercised according to instructions from the trust administrator, which has been selected to act on behalf of beneficiaries.
- (7) Any residual assets held in the Trust at the conclusion of the trust period will be distributed to persons who meet beneficiary eligibility criteria.
- (8) Any loans outstanding at the conclusion of the trust period will be repaid by the Company according to the loan guarantee covenants as described in (2), above.

3. Overview of the Trust

- (1) Name: Fujitec Employee Shareholding Association Trust
- (2) Trustor: Fujitec Co., Ltd.
- (3) Trustee: The Nomura Trust and Banking Co., Ltd.
- (4) Beneficiaries: Employees who meet beneficiary eligibility criteria
(certain procedures required once eligibility as beneficiary has been confirmed)
- (5) Date of trust contract: November 9, 2020
- (6) Trust period: November 9, 2020 to November 27, 2025
- (7) 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
- (8) Beneficiary eligibility requirements: To eligible, a beneficiary must be living on the date when procedures for confirming eligibility begin (including the date on which the trust period ends and all trust assets have been converted to cash, the date on which all Company stock held as trust assets have been sold to the Shareholding Association, etc.), and further, be a member of the Shareholding Association (including former members who withdrew membership due to mandatory retirement, promotion to Company director, etc. after the date of the signing of the trust contract and prior to the date on which procedures for confirming beneficiary eligibility began).

(Reference)

E-Ship® is a registered trademark of Nomura Securities Co., Ltd.

E-Ship® (an abbreviation of Employee Shareholding Incentive Plan) is an incentive plan for employees modeled after Employee Stock Ownership Plans widely used in the United States. This incentive plan was developed jointly by Nomura Securities Co., Ltd. and The Nomura Trust and Banking Co., Ltd. for use as an employee stock ownership plan