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December 4, 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) |

Fujitec Co., Ltd. Announces Future Strategic Direction Plan

Fujitec Co., Ltd. today announced plans for a new strategic direction, focused on priority business areas in the medium-and-long term, the Company's medium- and long-term strategic targets, and measures aimed at strengthening its governance structure. An overview of this new strategic direction follows. Please also refer to the attached document for details.

Background

Fujitec has met all the key performance targets outlined in the Company's 2021 medium-term business plan (*Innovation Quality & Speed*), in the first year of the plan. Despite the global impact of the COVID-19 pandemic and ongoing uncertainties about the economic outlook, the Company has decided to disclose a new strategic direction.

Medium- and Long-Term Priority Business Areas

Fujitec will focus on three priority areas as preparation for a new growth phase.

1. **Focus on the Aftermarket Business:** Needs for modernization and maintenance are rising in mature markets where the number of existing elevators and escalators is high. Here, Fujitec will concentrate resources in the modernization and maintenance areas with the aim of expanding these businesses.
2. **Business expansion in growth markets:** In China and South Asia markets, Fujitec will strengthen the competitiveness of its new installations business by focusing on global standard models and greater operational efficiencies.
3. **Increase profitability:** Adapting to the new normal, Fujitec will strengthen its management structure and increase profitability through operational innovations.

Medium- and Long-Term Strategic Targets

In terms of sales targets, Fujitec aims to outpace market growth in each country. The Company will deepen management focus on achieving operational efficiencies with the goal of achieving an operating profit margin of 10% in the near future, while maintaining a return on equity (ROE) of 10%, or higher, through improved profit margins. In investment strategy, Fujitec will be proactive in making strategic investments in growth areas. The Company plans to strengthen shareholder returns, actively implementing a dividend payout ratio of 50%, or more, and considering expanded shareholder returns in the event of excess cash in the future.

Strengthening Governance Structure

Fujitec plans to further strengthen corporate governance and build more resilient management fundamentals to ensure the Company is well positioned to adapt to changes in the business environment. Specifically, the company has decided to adopt the following measures:

- Establish a Nomination and Compensation Advisory Committee
- Discontinue takeover defense measures

ESG Initiatives

Fujitec's will continue to pursue its global mission: "Respecting people, technologies and products, we work with people from nations around the world to develop beautiful and functional cities that meet the needs of a new age." Alongside this mission, Fujitec also aims to make a greater contribution to sustainable growth by reducing its environmental footprint.



Fujitec Future Strategic Direction

December 4, 2020

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- Fujitec will continue to place the highest priority on pursuing its management philosophy of generating sustainable growth and value creation for all stakeholders

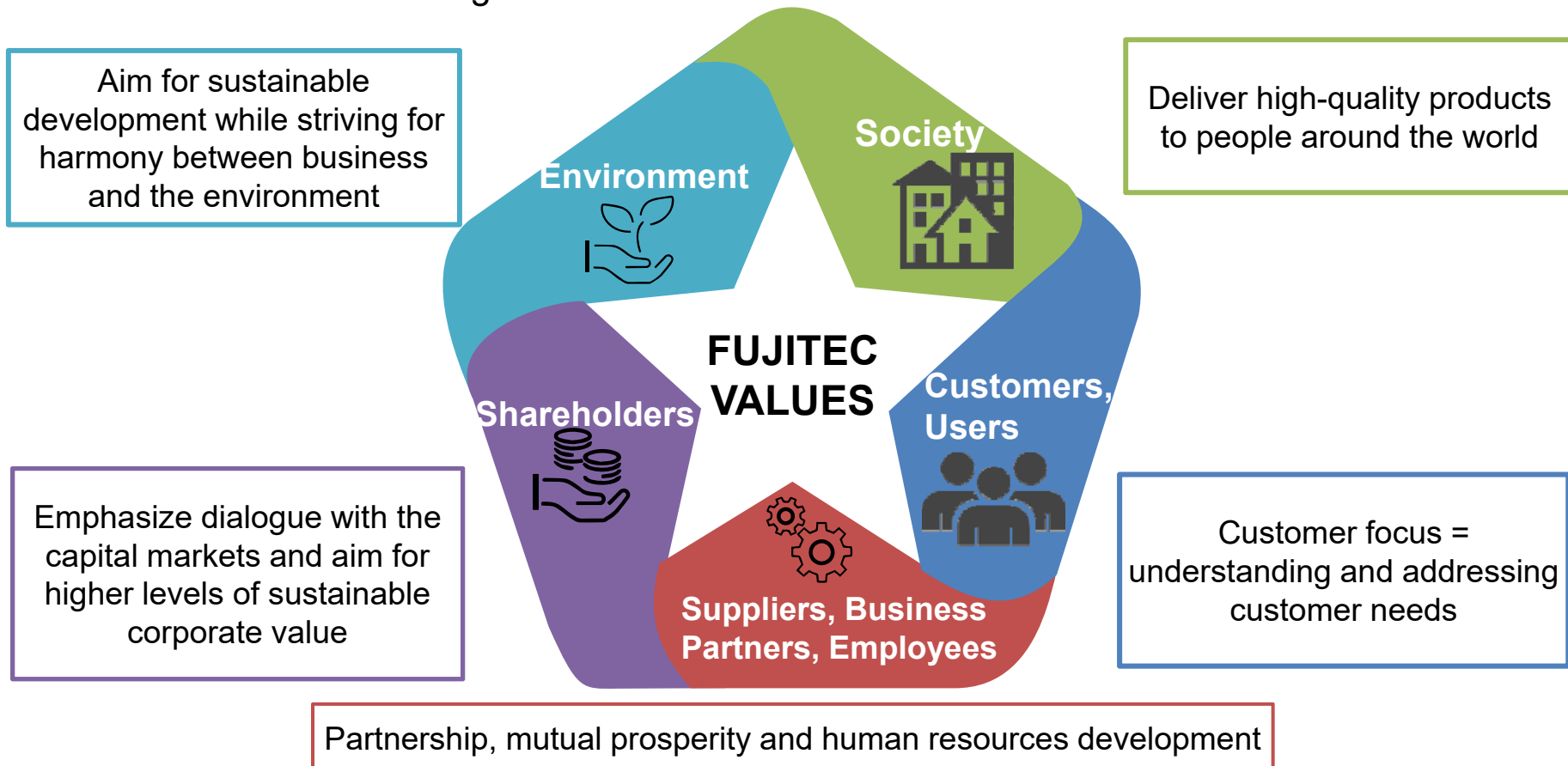
- **Medium- and Long-Term Strategic Priorities**
 - Deepen focus on Aftermarket Business
 - Expand business in growth markets
 - Increase profitability

- **Medium- and Long-Term Targets**
 - Sales growth: Outpace market growth in each country
 - Operating profit margin: Achieve 10% or higher in near term
 - ROE: Maintain 10% or higher by raising profit margins
 - Expand growth investments: Create new growth through active investment in priority markets
 - Strengthen shareholder returns: Maintain a basic dividend payout ratio of 50% or higher
 - Cancel treasury stock: Cancel approx. half, or about 5% of shares issued and outstanding

- **Strengthen Governance Structure**
 - Establish a Nomination and Compensation Advisory Committee, discontinue takeover defense measures

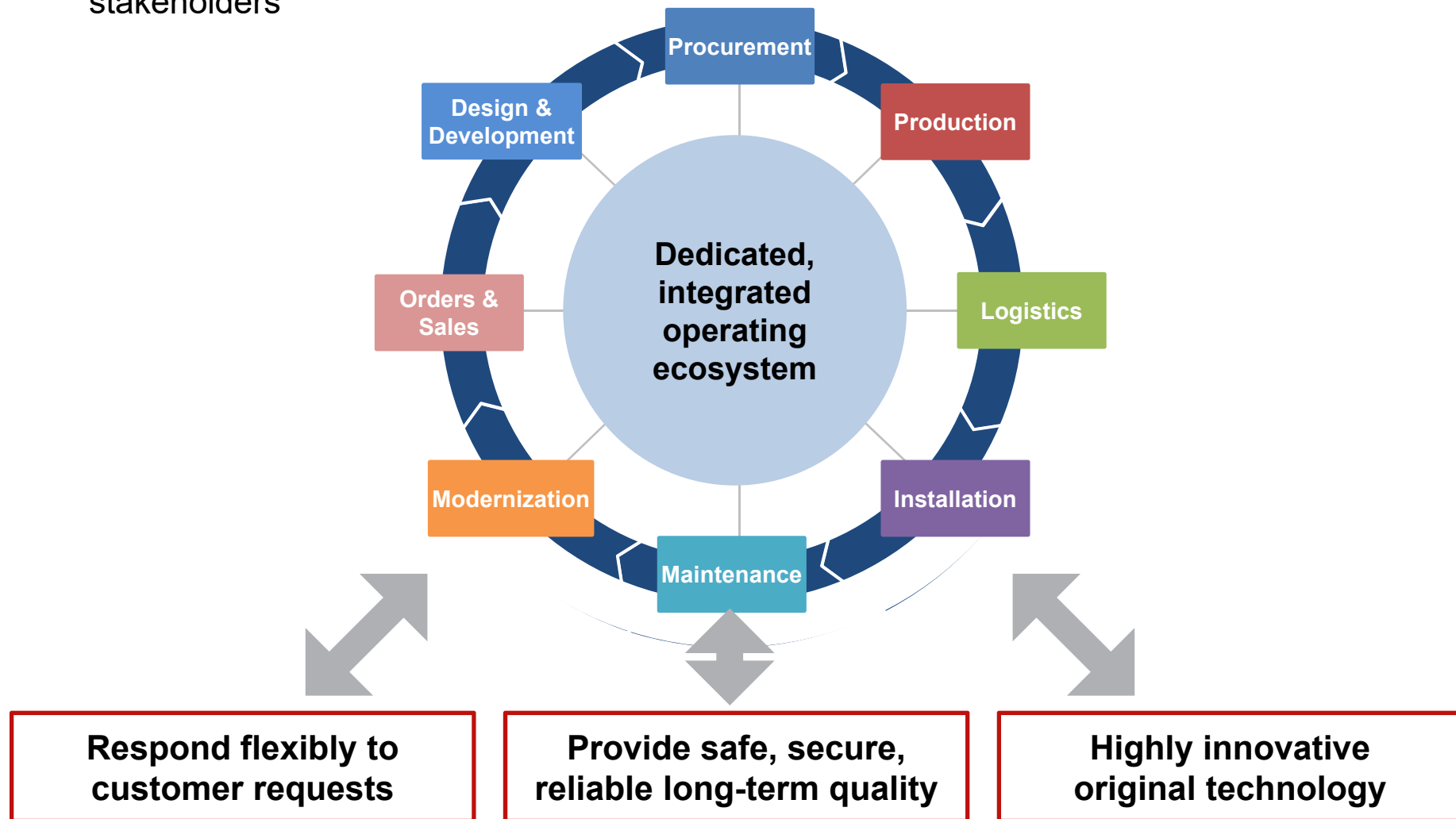
The Fujitec Vision

- Our global mission statements reads, “Respecting people, technologies and products, we collaborate with people from nations around the world to develop beautiful and functional cities that meet the needs of a new age.”
- In line with this mission statement, Fujitec aims to generate sustainable growth that contributes to our SDG goals and creates value for all stakeholders.



Fujitec Strengths

- Fujitec's status as a specialized elevator and escalator manufacturer, that is independent and vertically integrated, will enable it to continue delivering significant added value for all stakeholders



New Standard Model *XIOR* Demonstrates Fujitec's Strengths



- Leverages highly innovative original technology to meet emerging customer requests
- Addresses the needs of customers and society, with features for the “new normal” that go beyond traditional standard products

A new standard elevator: offering specifications that exceed conventional standards

Industry-first* air conditioner as standard

Provides comfort car interior space

Fastest maximum rated speed in the industry*

120meters/minute, enabled for high-rise buildings

Largest LCD monitor in the industry*

Four times the size of screens used in traditional elevators for improved visibility

*As of December 2019 Fujitec research
For Japanese standard machine room-less elevators

Full range of hygiene functions in response to the *new normal*

Touchless control panel

Riders operate without touching the buttons



Occupancy indicator

Displays occupancy, allowing riders to avoid congested cars



Ionful

Air purification via plasma cluster technology

Antimicrobial buttons

Incorporates antimicrobial resin to limit bacterial growth

FY2019-FY2021 Medium-Term Management Plan Review **FUJITEC**

- Fujitec achieved all the targets set out in its FY2019-FY2021 medium-term management plan within the first year
- Looking forward, Fujitec acknowledges the need to strengthen its ability to respond to changes in the operating environment and focus on priority areas to grow earnings

| | FY2021 Targets | FY2019 Results | Achieved |
|-------------------------|----------------|----------------|----------|
| Net sales | ¥180.0 billion | ¥181.2 billion | ✓ |
| Operating profit | ¥13.0 billion | ¥13.4 billion | ✓ |
| Operating profit margin | 7.2% | 7.4% | ✓ |
| ROE: | 8.0% or more | 9.5% | ✓ |

Need to Adapt to a Changing Environment and Focus on Growth Areas

- Economic environment: Economic (customer financial) stagnation and changes in the competitive environment due to COVID-19
- Business environment: Human resources shortages and work-style reform, changes in mobility and working patterns due to the new normal
- Market environment: Reassessment of office workspaces, changes in building demand due to decreased business trips and tourism

Priority Business Areas

- Aggressively pursue disciplined investments to expand businesses in priority areas and transition to a new growth phase

Deepen Focus on Aftermarket Business

Focus on Aftermarket business to counter uncertain economic outlook

Expand Business in Growth Markets

Grow business in China and South Asian markets where new construction is forecast to rise

Disciplined Investments/M&A

Increase Profitability

Increase profitability through operational innovations, automation

Expand Modernization Business

Expand Modernization Business through development, production, sales, and global collaboration

- Develop specialized equipment for modernization
- Launch modernization packaged products for all models
- Improve cost competitiveness through global production and procurement

Expand Maintenance Business

Expand Maintenance Business by pursuing smart maintenance and global expansion

- Improve the functionality of our maintenance information management system connected to map data
- Improve efficiency through big data analysis and AI
- Achieve advanced automated diagnostics and next-generation remote maintenance through IoT

China

Sustainable growth driven by strengthened sales structure and cost reduction

- Leverage model integration and production automation to reduce costs
- Enhance sales operation to grow New Installation Business and strengthen Aftermarket Business
- Expand production procurement network

South Asian Markets

Expand business in the growth markets of India and the Mekong region

- Utilize India as a production and supply base to expand sales of global standard models
- Strengthen our business structure and network of locations, with Singapore as hub
- Launch strategic products specifically designed for the Indian market

Grow Profit Margins

Boost profit margins through design, procurement, and production innovations

- More effectively leverage global supply chains
- Utilize cost-saving technologies such as design simulators and 3D-CAD to drive design/production automation and labor savings
- Achieve cost reductions through custom model design and production innovations

Overhaul Installation Cost Structure

Reduce new installation labor costs

- Develop specialized tools to support innovative installation techniques
- Pre-assemble installation equipment to improve on-site efficiency
- Cultivate more in-house expertise and strengthen cooperation with installation partner companies

Fujitec Medium- and Long-Term Direction



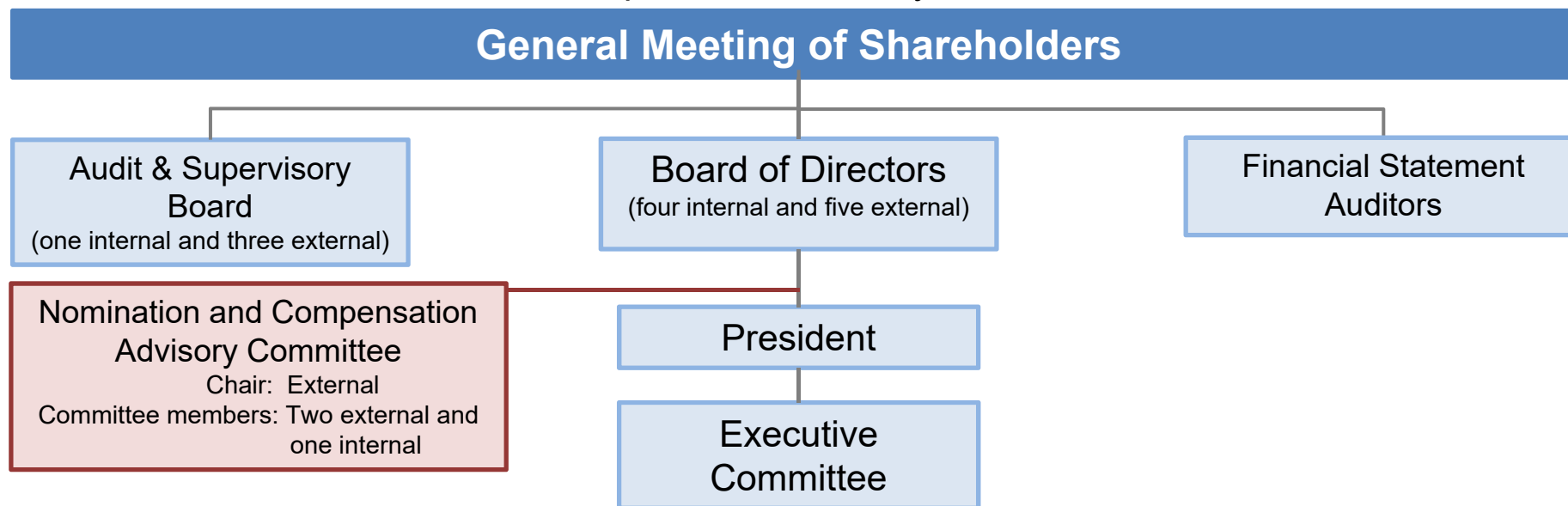
- Fujitec aims to increase shareholder value over the medium to long term by growing the business through a strategic focus on priority areas

| | |
|------------------------------|---|
| Financial Targets | <ul style="list-style-type: none">• Sales growth: Outpace market growth in each country• Operating profit margin: Achieve 10% or higher in near term• ROE: Maintain 10% or higher through increased profit margins |
| Investment Strategies | <ul style="list-style-type: none">• Expand growth investments: Create new growth through active new investments in priority areas<ul style="list-style-type: none">➢ Growth investments to strengthen New Installation and Aftermarket businesses: Improve development and field capabilities, expand production capacity➢ Increase investment to improve profitability through cost efficiencies: Enhance installation capabilities, reduce production costs, expand IT use, cultivate human resources |
| Shareholder Returns | <ul style="list-style-type: none">• Strengthen shareholder returns:<ul style="list-style-type: none">➢ Maintain a basic dividend payout ratio of 50% or higher➢ Consider further returns to shareholders in the event of excess cash in the future➢ Explore share buybacks based on market, business environment, and capital health considerations |

- Cancel roughly half, or 4,767,000 shares, of treasury stock currently held (approximately 5% of outstanding shares)

Measures to Strengthen Governance Structure

- Fujitec continues to strengthen governance and build a more robust management foundation to increase resilience
- Establish a Nomination and Compensation Advisory Committee



- Fujitec will discontinue takeover defense measures
- ✓ The need for takeover defense measures has lessened
 - ✓ However, to reduce the risk of harm to shareholders from an opportunistic hostile bid during the current period of unprecedented economic uncertainty, the defense measures will be discontinued at the end of the ordinary general meeting of shareholders scheduled for 2022, which is the term limit for the current measures.

Fujitec ESG Initiatives

- Contribute to the creation of better infrastructure for a smart society, create economic value, and solve-environmental and social issues



Fujitec seeks to offer solutions for the following challenges:

Challenges

- Creating and protecting the infrastructure of a smart society
- Reducing environmental impact
- Responding to the “with-COVID-19 era”

Solutions

- Introduce new standard models with advanced features
- Improve skills across global operations
- Reduce environmental impact by 45% through modernization
- Generate operational efficiencies through touchless technology, DX, and remote monitoring

FUJITEC

Supplementary Materials

Elevator Industry Overview

■ Elevator Industry Structure by Region

- An estimated one million elevators built worldwide every year
- The nature of the market differs greatly from region to region depending on business practices and user needs. Consequently, Fujitec must develop products and services customized to each region.
- About 60% of the world's new installations are in China, making it the largest new installation market in the world.
- South Asia and other emerging economies and urbanizing countries are expected to drive high growth in new installations. However, the ratio of service revenue tends to be low.
- New installation volume is limited in mature countries such as Europe, U.S., and Japan. However, these markets represent a tremendous opportunity for Aftermarket service revenue, including maintenance and the modernization of aging elevators.

■ Overview of the Elevator and Escalator Industry by Business Segment

| | Overview |
|----------------------|---|
| New Installations | <ul style="list-style-type: none"> • Refers to the new installation of elevators, from design and development to manufacturing, transportation, and installation. • Fujitec offers products for office buildings, apartment buildings, commercial facilities, and more; needs differ by customer. • Offer standard or custom models, depending on speed, loading, interior and other requirements. |
| Aftermarket Services | <ul style="list-style-type: none"> • Manage and maintain elevators 24/7, responding to problems and performing repairs and inspections. • Relevant laws and regulations in each country mandate regular inspections. • Elevators and escalators have longer lives with proper maintenance. |
| Modernization | <ul style="list-style-type: none"> • Improve safety and convenience through modernization for elevators and escalators with 20-30-year life span • Offerings vary according to the needs of customers (improved ride quality, door open/close safety, full or partial modernization) |

Recent Fujitec Initiatives

New Installations

- Grow sales of new standard model *XIOR*
- Adapt to the new normal (non-contact, ventilation, sanitization, etc.)



New Standard Model *XIOR*



Ventilation/Sanitization Touchless controls



Aftermarket Service

- Maintain and improve safety and quality, as only a manufacturer can
- Use IT to improve profit margins and offer added value
- Offer unique maintenance services in cooperation with maintenance subcontractors



Utilization of IT



Advanced remote maintenance

Modernization

- Develop a wide range of manufacturer-quality modernization options
- Expand targets for modernization to stimulate demand



Designated Equipment for modernization



Expand compatible models

This document includes forward-looking statements regarding based current company plans, estimates, expectations, and projections with respect to our business and industry trends. These forward-looking statements involve a variety of risks and uncertainties.

Risks, uncertainties, and other factors that are already known or not yet known may lead to results different than those discussed in forward-looking statements herein. We make no promises as to the accuracy of forward-looking statements or projections. Results may differ significantly from forward-looking statements.

Forward-looking statements in this document are statements of the company based on information available as of December 4, 2020. These forward-looking statements do not include updates or changes reflecting future events or circumstances.

December 4, 2020

FUJITEC CO., LTD.

