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To all parties concerned:

Company	Fujitec Co., Ltd. (Stock Code 6406)
Representative	Takakazu Uchiyama President and CEO
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Notice Concerning the Adoption of a Restricted Stock Compensation Plan

At a meeting held today, the Fujitec Co., Ltd. board of directors conducted a review of the company's officer compensation system, resolving to adopt a restricted stock compensation plan ("Plan") for Fujitec directors other than outside directors ("Eligible Directors") and executive officers not concurrently serving as company directors (collectively "Eligible Directors, Etc." including Eligible Directors). In conjunction with this resolution, the company has decided to submit a proposal for the adoption of the Plan for Eligible Directors to the 74th Ordinary General Meeting of Shareholders scheduled for June 22, 2021 ("General Meeting of Shareholders").

1. Purpose of adopting the Plan

The purpose of the Plan is to provide incentives for Eligible Directors, Etc. to improve the corporate value of the company on an ongoing basis, as well as to encourage a greater sense of shared values with shareholders.

With the adoption of the Plan, monetary claims will be paid to Eligible Directors as grants of restricted stock. Therefore, the adoption of the Plan is subject to shareholder approval at the general meeting of shareholders. At the 60th Ordinary General Meeting of Shareholders, held on June 27, 2007, shareholders approved remuneration for company directors up to an amount of 500 million yen per annum. At the 66th Ordinary General Meeting of Shareholders, held on June 25, 2013, shareholders approved the issuance of stock acquisition rights up to an amount of 100 million yen per annum as compensatory stock options to be paid to directors (excluding outside directors).

The company plans to ask shareholders at the General Meeting of Shareholders to approve the adoption of the Plan in place of remuneration in connection with stock acquisition rights as compensatory stock options described above, as well as to approve the establishment of a remuneration framework related to the Plan for company Eligible Directors separate from the remuneration framework described above.

If adoption of the Plan is approved at the General Meeting of Shareholders, the company plans to abolish the compensatory stock option plan for directors and subsequently does not plan to issue stock acquisition rights to directors as compensatory stock options.

2. Plan overview

The company will pay monetary claims for grants of restricted stock to Eligible Directors, Etc. based on the Plan. The total amount of said monetary claims shall be 100 million yen or less per annum for Eligible Directors, Etc. (not including salaries for directors who also serve as employees). The total amount of common stock to be issued or disposed of by the company shall be 200,000 shares or less per annum for Eligible Directors (however, in the event of a common stock split with an effective date after the resolution at the General Meeting of Shareholders (including gratis allotments of the company's common stock) or a stock consolidation, or in the event of reason requiring an adjustment of total company common stock issued or disposed of as other restricted stock, the number of shares in question may, as necessary, be adjusted within a scope deemed rational in accordance with the stock split ratio or stock consolidation ratio occurring after the effective date in question). The total amount of monetary claims to be paid to executive officers who do not concurrently serve as directors of the company and the total number of shares of common stock to be newly issued or disposed of will be announced as soon as such matters have been determined.

Eligible Directors, Etc. shall pay all monetary claims from the company under the Plan as contributions in kind, receiving issuances, or disposals of company common stock. The amount to be paid per share shall be determined by the board of directors based on the closing price of the company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of each board of directors meeting (or, if no trading of shares is conducted on the day in question, the closing price on the business day immediately preceding), to the extent that the amount is not particularly favorable to the Eligible Directors, Etc. who are to receive said common stock. Further, the timing and allocation of the payment to Eligible Directors, Etc. will be determined by the board of directors after consultation with the Nomination and Compensation Advisory Committee.

In addition, the issuance or disposal of shares of common stock of the company ("Shares") under the Plan is subject to the execution of a restricted stock allotment agreement ("Allotment Agreement") between the company and Eligible Directors, Etc. that includes the following conditions.

(1) Restriction period

Eligible Directors, Etc. may not transfer, grant a security interest in, or otherwise dispose ("Transfer Restrictions") of company common stock ("Allotted Stock") allocated under Allotment Agreement for a period of between 3 and 40 years as determined beforehand by the company's board of directors from the day an allotment is received under Allotment Agreement ("Restriction Period").

(2) Treatment upon resignation, etc.

If Eligible Directors, Etc. resign from his or her position as an officer or employee at the company or a company subsidiary as determined beforehand by the company's board of directors prior to the expiration of the Restriction Period, the company shall naturally acquire Allotted Stock without consideration, excluding cases in which said resignation is justifiable, including the expiration of term of office or death. The company may also acquire as a matter of course Allotted Stock in other cases determined by the company's board of directors to be reasonable that the company acquires all Allotted Stock without compensation.

(3) Removal of restrictions

The company will remove restrictions on the transfer of all Allotted Stock upon expiration of the Restriction Period, provided that Eligible Directors, Etc. have held the position set forth in (2) above on a continued basis during the Restriction Period. Notwithstanding the provisions of (1) above, if Eligible Directors, Etc. resign from his or her position stipulated in (2) above prior to the expiration of the Restriction Period due to expiration of the term of office, death, or other justifiable reason as stipulated in (2) above, the number of the Allotted Stock to be released from Transfer Restrictions and the timing of Transfer Restrictions shall be adjusted rationally as necessary. In addition, the company shall acquire as a matter of course, without compensation, Allotted Stock for which Transfer Restrictions have not been removed at the point in time immediately after Transfer Restrictions have been removed in accordance with the provisions above.

(4) Treatment in the event of organizational restructuring, etc.

Regardless of the provisions of (1) above, if, during the Restriction Period, the company's General Meeting of Shareholders (or company's board of directors if approval by the company's general meeting of shareholders is not required for the restructuring, etc., in question) approves a merger agreement in which the company is the dissolved company, a stock exchange agreement in which the company becomes a wholly-owned subsidiary, or stock transfer plan or other organizational restructuring, etc., then, under a resolution of the company's board of directors, Transfer Restrictions shall be removed prior to the effective date of the organizational restructuring, etc., for a number of Allotted Stock determined to be rational based on the period between the beginning day of the Restriction Period to the date of the approval of said organizational restructuring, etc. In addition, in the case specified above, the company shall naturally acquire Allotted Stock for which Transfer Restrictions removed without compensation at the point in time immediately following the removal of Transfer Restrictions.

Shares will be managed in a dedicated account opened by Eligible Directors, Etc. at Nomura Securities Co., Ltd. during the Restriction Period to ensure Shares cannot be transferred, granted as a security interest, or otherwise disposed of during the Restriction Period.

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