

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.

June 22, 2021

**To all parties concerned:**

<b>Company</b>	Fujitec Co., Ltd. (Stock Code 6406)
<b>Representative</b>	Takakazu Uchiyama President and CEO
<b>Contact:</b>	Masashi Tsuchihata Director, Senior Executive Operating Officer, General Manager of Finance HQ (TEL 072-622-8151)

**Notice Concerning the Disposal of Treasury Shares as Restricted Stock Compensation**

At a meeting held today, the Fujitec Co., Ltd. board of directors resolved to dispose of treasury shares ("Treasury Stock Disposal" or "Disposal") as follows.

**1. Overview of Disposal**

(1) Date of Disposal	July 21, 2021
(2) Class and Number of Shares for Disposal	12,468 shares of Fujitec Co., Ltd. common stock
(3) Disposal Price	2,397 yen per share
(4) Total Value of Disposal	29,885,796 yen
(5) Disposal Beneficiaries, Number of Beneficiaries, and Number of Shares for Disposal	Directors (excluding outside directors): 4 6,707 shares Executive officers: 19 5,761 shares (not concurrently serving as company directors)
(6) Other	A securities notice has been filed regarding the Treasury Stock Disposal pursuant to the Financial Instruments and Exchange Act.

**2. Purpose and Reason for Disposal**

At a meeting held on May 12, 2021, the Fujitec Co., Ltd. board of directors resolved to adopt a restricted stock-based 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."). This new plan has the purpose of providing 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. At the 74th Ordinary General Meeting of Shareholders, held on June 22, 2021, shareholders have approved the payment to Eligible Directors of monetary claims of up to 100 million yen per annum and issuance and/or disposal of up to 200,000 shares of the company's common stock per annum, with transfer restriction periods for the restricted stock ranging from 3 to 40 years. Payment is granted as monetary remuneration, and constitutes property for contribution for acquisition of restricted stock ("restricted stock-based compensation").

The following provides an overview of the Plan.

## Plan Overview

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 in 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.

In addition, the issuance or disposal of the company's common stock ("Stock") under the Plan, a restricted stock allocation agreement ("Allotment Agreement") shall be executed between the company and Eligible Directors, Etc. The contents of the agreement shall include (but not be limited to) the following two terms: (1) Eligible Directors, Etc. may not transfer, grant a security interest in, or otherwise dispose of ("Transfer Restrictions") company common stock ("Allotted Stock") allocated under the 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; and (2) in the event of certain reasons, the company may acquire the Allotted Stock free of charge (please see the Notice Concerning the Adoption of a Restricted Stock-Based Compensation Plan, dated May 12, 2021, for details).

After consultation with the Nomination and Compensation Advisory Committee and in consideration of factors such as the purpose of the Plan, the business conditions of the company, the activities within the responsibilities of each of the Eligible Directors, Etc. and their contribution to business performance, the company decided to grant 12,468 shares of the Stock and a total of monetary claims of 29,885,796 yen ("Monetary Claims") to 23 Eligible Directors, Etc. In addition, to instill shared values with shareholders over the medium to long-term, which is the purpose of adopting the Plan, the transfer restriction period for these shares has been set to 40 years.

In the Treasury Stock Disposal, Eligible Directors, Etc. who are to receive allotments shall pay all Monetary Claims from the company under the Plan as contributions in kind, receiving disposals of the Stock. An overview of the Allotment Agreement executed between the company and Eligible Directors, Etc. within the Treasury Stock Disposal is provided in Item 3, below.

### 3. Overview of the Allotment Agreement

#### (1) Restriction period

From July 21, 2021 ("Payment Date") to July 21, 2061

#### (2) Treatment upon resignation, etc.

If an Eligible Director, Etc. resigns from all positions of director, executive officer not concurrently serving as company director, Audit & Supervisory Board member, senior adviser, corporate adviser, or other equivalent title at the company or a company subsidiary prior to the expiration of the Restriction Period, the company shall acquire as a matter of course the Allotted Stock without consideration, excluding cases in which said resignation is justifiable, including the expiration of term of office, reaching the mandatory retirement age, 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 acquire 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 the Eligible Directors, Etc. have held at least one of the following positions on a continued basis during the Restriction Period: director, executive officer not concurrently serving as company director, Audit & Supervisory

Board member, senior adviser, corporate adviser, or other equivalent title.

In addition, if an Eligible Director, Etc. resigns from all positions of director, executive officer not concurrently serving as company director, Audit & Supervisory Board member, senior adviser, corporate adviser, or other equivalent position at the company or a company subsidiary due to reasons for which said resignation is justifiable, including expiration of term of office, reaching the mandatory retirement age, or death ("resignation" shall be deemed to include loss of position by death), transfer restrictions shall be removed immediately after the resignation of the Eligible Director, Etc. In such an event, the number of shares eligible for transfer restriction removal shall be calculated as the multiplicative product of the number of shares of the Allotted Stock held as of the time of the resignation in question and the number of months from the month including the Payment Date (however, this shall be read hereinafter as "the month including the starting day of the 75th fiscal year" for executive officers not concurrently serving as company directors) to the month including the day of the resignation of the Eligible Director, Etc., divided by 12 (if the number of months divided by 12 exceeds 1, then this number shall be 1) (any fractional shares generated by this calculation shall be truncated).

(4) Management of stock

The Allotted Stock shall 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. To ensure the effectiveness of transfer restrictions and other elements related to the Allotted Stock, the company has executed a contract with Nomura Securities Co., Ltd. in relation to the management of accounts for Allotted Stock held by each Eligible Director, Etc. The Eligible Directors, Etc. shall agree to the details of management of these accounts.

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

If, during the Restriction Period, the company's General Meeting of Shareholders (or company's board of directors if approval by company 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 transfer agreement in which the company becomes a wholly owned subsidiary, or stock transfer plan or other organizational restructuring, etc., then, subject to a resolution of the board of directors, the Transfer Restrictions on a certain number of shares shall be removed immediately prior to the business day before the effective date of the organizational restructuring, etc. The relevant number of shares shall be calculated as the product of the number of shares of Allotted Stock held at the time of the aforementioned approval multiplied by the number of months from the month including the Payment Date to the month including the day of the approval in question, divided by 12 (if the number of months divided by 12 exceeds 1, then this number shall be 1) (any fractional shares generated by this calculation shall be truncated). In addition, the company shall acquire, as a matter of course and without consideration, all Allotted Stock for which the Transfer Restrictions were not removed immediately following the removal of the Transfer Restrictions.

#### 4. Basis for Payment Amount Calculation and Specific Details

The Treasury Stock Disposal shall be conducted using Monetary Claims as property contributed in kind. To eliminate arbitrariness, the disposal price shall be 2,397 yen, the closing price of the company's common stock on the Tokyo Stock Exchange on June 21, 2021 (the business day immediately preceding the date of resolution of the board of directors). This price represents the market price immediately preceding the date of resolution of the board of directors, and therefore, we believe it to be reasonable and not a price that is particularly favorable.

End