

May 23, 2023

To all parties concerned

Company: Fujitec Co., Ltd.
(Stock Code: 6406)
Representative: Takao Okada
President and CEO
Contact: Kosuke Sato
Operating Officer
General Manager of Finance HQ
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Notice Concerning the Board of Directors' Position on Agenda Items to be Submitted by the Company and Agenda Items Proposed by a Shareholder for the Upcoming Annual Meeting of Shareholders

We disclosed in the "Notice Concerning the Receipt of the Shareholder Proposals" dated April 26, 2023, that the Company received a document from Uchiyama International Co., Ltd. (the "Proposing Shareholder") concerning the exercise of the shareholders' right of proposal with respect to the agenda items for the 76th Annual Meeting of Shareholders to be held on June 21, 2023 (the "Annual Meeting of Shareholders"). We hereby notify you as follows that, at the Board of Directors meeting of the Company held on May 23, 2023, the Board of Directors resolved that the Company's proposal (Agenda Item 1 through Agenda Item 4) shall be submitted, and that, **after serious consideration regarding the shareholder proposals (Agenda Item 5 through Agenda Item 12), all of the shareholder proposals shall be opposed.**

1. Submitted Proposals for the Annual Meeting of Shareholders

<Company's proposals>

Agenda Item 1: Disposal of surplus

Agenda Item 2: Election of nine (9) directors

The Company plans to submit Agenda Item 3: Election of one (1) member of the audit & supervisory board, and Agenda Item 4: Election of a substitute audit & supervisory board member for the Annual Meeting of Shareholders. For the details of the candidates for audit & supervisory board member and substitute audit & supervisory board member, please refer to the "Notice Concerning New Candidates for Directors, Members of the Audit & Supervisory Board, and Substitute Members of the Audit & Supervisory Board" dated May 23, 2023.

< Shareholder proposals>

Agenda Item 5: Election of eight (8) directors

Agenda Item 6: Partial amendment to the Articles of Incorporation (Prohibition of information provision, etc. to a specific shareholder)

Agenda Item 7: Partial amendment to the Articles of Incorporation (Election of inspector of execution of operation)

Agenda Item 8: Revision of the amount of remuneration for outside directors

Agenda Item 9: Condition for the payment of remuneration for directors (Clawback clause)

Agenda Item 10: Partial amendment to the Articles of Incorporation (Clawback clause)

Agenda Item 11: Partial amendment to the Articles of Incorporation (Audio recording of the proceedings of the Board of Directors meeting)

Agenda Item 12: Disposal of surplus

* For the outline of and reasons for each shareholder proposal, please see the Exercise of Shareholder's Right to Make Shareholder Proposals, received on April 25, 2023 from the Proposing Shareholder, in the Exhibit, where the original text is quoted.

Furthermore, please note that because the Company's proposals 1 through 4 for the Annual Meeting of Shareholders are listed as Agenda Item 1 through Agenda Item 4, what is listed as Agenda Item 1 in the attached Exhibit is listed as Agenda Item 5, and the subsequent agenda item numbers have also been shifted down.

Meanwhile, the Proposing Shareholder had proposed in section 1 of ITEM 10 of the Exercise of Shareholder's Right to Make Shareholder Proposals in the attached Exhibit that "if Fujitec or any shareholder other than us proposed a dividend of ¥100 or more per share of common stock as a distribution of surplus, ... we propose ...that dividend per share shall be the sum of the amount Fujitec or other shareholder so proposed plus ¥10" as a replacement of Agenda Item 12. However, the Proposing Shareholder explained that the said case where "a dividend of ¥100 or more per share is proposed" does not include the case where any other shareholder has made such proposal as a motion of amendment. As, at that moment, neither Fujitec nor any shareholder other than the Proposing Shareholder had proposed any dividend of ¥100 or more per share, there is no possibility for the precondition for this proposal to be fulfilled. Therefore, we approached the Proposing Shareholder to withdraw the proposal, then the Proposing Shareholder responded that if a dividend of ¥100 or more per share is not proposed as a dividend of surplus, this proposal shall have no effect. As long as there is no possibility for the precondition for the proposal to be fulfilled, it would be legally meaningless to put the proposal on the agenda, and it could cause unnecessary confusion among shareholders. Accordingly, we have decided not to put this proposal on the agenda.

2. Outline of the Company's Proposal and Reasons for Proposal

(1) Agenda Item 1 (Company's proposal) Disposal of surplus

For the disposal of surplus, the Company proposes the following.

With respect to the appropriation of profits, we consider the enhancement of profit returns to shareholders to be the most important management issue we address. Our basic policy is to balance profit distribution with investments in growth to expand our foundation for earnings.

Concerning year-end dividends, in consideration of the consolidated business results for the fiscal year under review, the Company proposes ¥40 per share, including ¥35 per share as ordinary dividend and ¥5 per share as commemorative dividend. As a result, the annual dividend will be ¥75 per share, including an interim dividend of ¥35 per share.

(i) Type of asset to be distributed

Cash

(ii) Matters regarding allotment of dividends and total amount of dividends to be distributed

¥40 per share of common stock of the Company Total amount: ¥3,120,944,080

(including ¥35 per share as ordinary dividend and ¥5 per share as commemorative dividend)

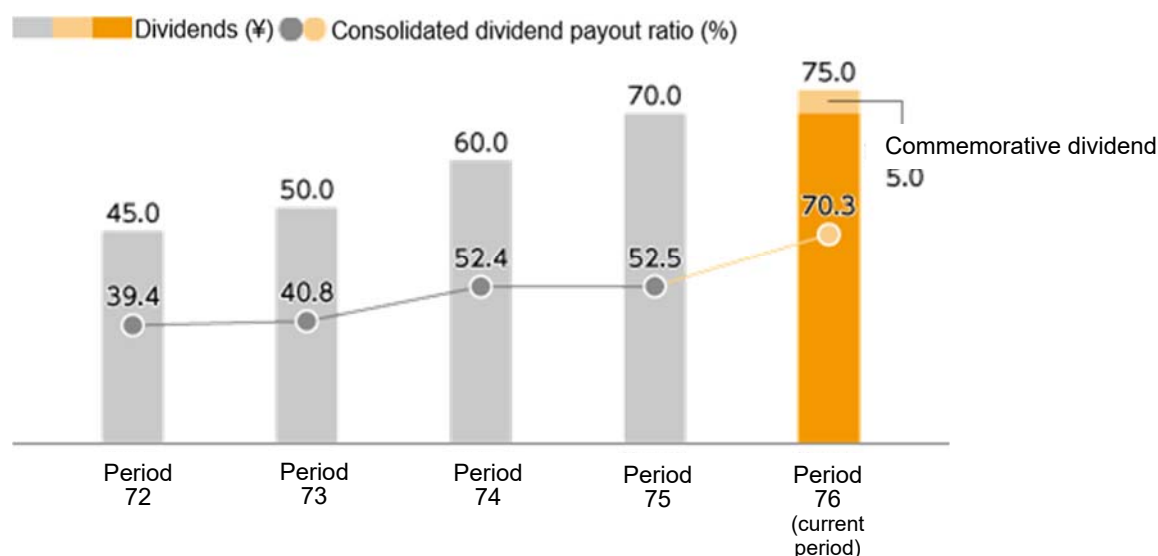
(iii) Date on which dividends become effective

Wednesday, June 21, 2023

(iv) Commencement date of dividend payment

Monday, July 10, 2023

(Reference) Annual dividends per share/consolidated payout ratio



(2) Agenda Item 2 (Company's proposal) Election of nine (9) directors

The terms of office of eight (8) Directors will expire at the conclusion of this meeting. Accordingly, the Company proposes to elect nine (9) Directors.

With regard to the nomination of candidates, the Nomination and Compensation Advisory Committee, which is a voluntary advisory committee to the Board of Directors and all of whose members are independent outside directors, has selected the candidates from the perspectives described below for inside and outside directors respectively. For inside directors in particular, the Nomination and Compensation Advisory Committee has searched for suitable candidates inside and outside the Company, by seeking opinions of senior executives and officers within the Company and obtaining help from globally well known outside experts, and conducted screening on the qualifications, knowledge, experience, expertise, etc., of the said candidates, not only through the biographies of each candidate, but also through interview sessions, and reported on the nomination after due deliberation. Based on the said report by the Nomination and Compensation Advisory Committee, the Board of Directors, which is chaired by an independent outside director and a majority of whose members are independent outside directors, has ultimately decided on the nomination of candidates.

Three (3) of the nine (9) candidates are internal directors responsible for the execution of operations, all of whom are currently serving as operating officers. With regard to internal directors, the nomination has been made from the perspective of their eligibility to take on the task of reforming the concentrated management structure that has continued in the Company for 75 years since its foundation, as well as their qualifications for pioneering a new future for sustainable business growth and increasing mid- to long-term corporate value based on the past performance of the Company.

The remaining six (6) candidates are outside directors, of whom one (1) is newly nominated. With regard to outside directors, the nomination has been made from the perspective of whether they share viewpoints with the Company's shareholders and other stakeholders, while objectively examining various management strategies, as well as based on their independence and expertise in providing a high level of advice and supervision of management, and on their conformity with the Company's governance reform policy, which has been implemented since the conclusion of the Extraordinary General Meeting of Shareholders in February 2023.

As described above, the candidates proposed by the Company have abundant experience and achievements in various fields within and outside Japan, knowledge and experience required for the business of the Company, a perspective on the global environment of the elevator industry conditions, and knowledge regarding corporate legal affairs, compliance, etc., and consist of an appropriate number and are well balanced in terms of skill and knowledge, as well as from the perspective of ensuring diversity in terms of gender, internationality, age and professional experience (Notes 1 and 2), while ensuring sustainable business growth, increasing mid- to long-term corporate value and strengthening the governance system.

As the shareholders proposals are put on the agenda at this meeting, after careful consideration of the Company's management policies, strategies and plans, as well as from the perspective of enhancing and strengthening the governance of the Company and facilitating communication between members small in number but highly capable, the Board of Directors currently considers a total of nine (9) directors, of which three (3) are internal directors and six (6) are outside directors, to be the necessary and sufficient number for the Company, and believes that a Board of Directors consisting of the candidates proposed by the Company is the most appropriate structure.

- Note 1. If all of the said candidates are approved, the proportion of foreign directors will be 33.3% (three (3) out of nine (9) directors) and the proportion of female directors will be 22.2% (two (2) out of nine (9) directors). *Rounded to one decimal place.
2. If this proposal is approved as proposed and Agenda Item 5 (shareholder proposal) is rejected, the directors' experience and knowledge in corporate management after this meeting are as follows.

Name		Masayoshi Harada	Takashige Nakajima	Kosuke Sato	Kazuhiro Mishina	Kaoru Umino	Torsten Gessner	Clark Graninger	Ako Shimada	Anthony Black
New/reappointment		New	New	New	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	New
Positions and responsibilities at the Company		Representative Director, Executive President	Representative Director, Senior Executive Operating Officer	Director, Senior Executive Operating Officer	Outside Director, Independent Director	Outside Director, Independent Director	Outside Director, Independent Director	Outside Director, Independent Director	Outside Director, Independent Director	Outside Director, Independent Director
					Chair of Nomination and Compensation Advisory Committee	Chairperson of Board of Directors	Member of Nomination and Compensation Advisory Committee		Member of Nomination and Compensation Advisory Committee	
Experience and knowledge in corporate management	Corporate management/management strategy	●		●	●		●	●	●	●
	Global	●	●		●	●	●	●	●	●
	Technology		●				●			●
	Finance/accounting			●			●	●		●
	Legal affairs/compliance					●	●	●	●	●
	Risk management	●	●		●	●	●		●	●
	Sustainability		●		●	●				
	Governance	●		●	●	●	●		●	
M&A/capital market			●		●	●	●	●		

The details of the candidates for directors pertaining to Agenda Item 2 are as follows:

Candidate No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Masayoshi Harada (January 22, 1962)	<p>March 1984 Graduated from Kyoto University of Foreign Studies Faculty of Foreign Studies</p> <p>April 1984 Joined the Company</p> <p>April 2009 Operating Officer</p> <p>April 2012 General Manager of Osaka Region HQ, Japan Business HQ</p> <p>April 2013 General Manager of Tokyo Region HQ, Japan Business HQ</p> <p>October 2016 Deputy General Manager of Japan Business HQ</p> <p>April 2017 Executive Operating Officer (to the present)</p> <p>April 2019 President of Company subsidiary Huasheng Fujitec Elevator Co., Ltd. (to the present)</p> <p>May 2019 Director of Company subsidiary Huasheng Fujitec Elevator Co., Ltd. (to the present)</p> <p>April 2023 Regional Director – China (to the present)</p> <p>(Reasons for selection as a candidate for Director) After serving as a sales representative in Hong Kong for 20 years after the second year of joining the Company and a sales representative in Japan for 13 years, Mr. Masayoshi Harada has been responsible for generating profit at a joint venture in China. The Company has judged that he is able to lead the global business operations of the Company as a whole, while being responsible for the revolution of the Company’s management structure, by utilizing his deep understanding of the business and abundant knowledge cultivated through his business experience inside and outside Japan.</p>	10,175 shares
2	Takashige Nakajima (April 12, 1968)	<p>March 1992 Graduated from Waseda University Faculty of Science and Engineering</p> <p>February 2019 Joined the Company</p> <p>October 2019 General Manager of Quality Management HQ (to the present)</p> <p>April 2020 Operating Officer</p> <p>April 2021 Executive Operating Officer (to the present)</p> <p>(Reasons for selection as a candidate for Director) As a quality control professional, Mr. Takashige Nakajima has been consistently in charge of the management of development, manufacture, sales and after-sale service in general. As he has experience of working in Europe for 8 years in total (6 years in Belgium and 2 years in the U.K.) in his previous job, and has achieved significant improvement in the method of quality control at the Company, the Company has judged that he is able to lead the enhancement of the Company operations.</p>	1,526 shares

Candidate No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kosuke Sato (December 30, 1964)	<p>March 1988 Graduated from Osaka University School of Economics</p> <p>January 2021 Joined the Company</p> <p>March 2021 Auditor of Company subsidiary Fujitec Korea Co., Ltd. (to the present)</p> <p>Auditor of Company subsidiary Fujitec Shanghai Sourcing Center Co., Ltd. (to the present)</p> <p>April 2022 Operating Officer (to the present)</p> <p>April 2023 General Manager of Finance HQ (to the present)</p> <p>Director of Company subsidiary Fujitec America, Inc. (to the present)</p> <p>May 2023 Director of Company subsidiary Fujitec Taiwan Co., Ltd. (to the present)</p> <p>(Reasons for selection as a candidate for Director)</p> <p>As Mr. Kosuke Sato has consistently been engaged in corporate business, such as finance, business management and corporate planning, the Company has judged that he is able to promote the Company's governance revolution and lead the enhancement of its financial system and engagement.</p>	316 shares
4	Kazuhiro Mishina (September 23, 1959)	<p>September 1989 Assistant Professor, Harvard University Business School</p> <p>October 1995 Assistant Professor, Japan Advanced Institute of Science and Technology, Research Center for Advanced Science and Technology</p> <p>April 1997 Assistant Professor, Japan Advanced Institute of Science and Technology, School of Knowledge Science</p> <p>October 2002 Assistant Professor, Kobe University, Graduate School of Business Administration</p> <p>October 2004 Professor, Kobe University, Graduate School of Business Administration (to the present)</p> <p>June 2012 Outside Director, Nichirei Corporation</p> <p>June 2013 Outside Director, Fuji Oil Co., Ltd. (currently FUJI OIL HOLDINGS INC.)</p> <p>June 2015 Chairman of Nomination & Compensation Advisory Committee, Fuji Oil Co., Ltd.</p> <p>Substitute Audit & Supervisory Board Member, Sumitomo Metal Mining Co., Ltd. (to the present)</p> <p>June 2016 Outside Director, Nippon Paint Holdings Co., Ltd.</p> <p>April 2019 Advisory Board Member, NTT Data Corporation</p> <p>June 2022 Director (to the present)</p>	858 shares

Candidate No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
		<p>(Significant concurrent positions) Professor, Kobe University, Graduate School of Business Administration Substitute Audit & Supervisory Board Member, Sumitomo Metal Mining Co., Ltd.</p> <p>(Reasons for selection as a candidate for Outside Director, and summary of expected roles) Mr. Kazuhiro Mishina received a Ph.D in Business Economics and has been mainly engaged in the MBA program as a faculty member in operations management, general management and management strategy for over 30 years in Japan and the U.S. At the Company, as the Chairman of the Nomination and Compensation Advisory Committee since March 24, 2023, he has been energetically involved in all aspects of the said Committee, including the search for and selection of candidates for inside and outside directors, and designing of remuneration. The Company expects him to continue to contribute to the expansion of the management structure and enhancement of governance. Although Mr. Kazuhiro Mishina has no past experience in corporate management, the Company has judged, for the reasons mentioned above, that he is able to appropriately carry out the duties of an Outside Director.</p>	

Candidate No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Kaoru Umino (May 13, 1963)	<p>September 1987 Associate, David Polk & Wardwell (New York and Tokyo) (Admitted to the New York State Bar (Second Department) in May 1988)</p> <p>October 1988 Of Counsel, Paul Hastings (Tokyo)</p> <p>October 1999 Partner, Paul Hastings (Tokyo)</p> <p>April 2000 Registered as Gaikokuho Jimu Bengoshi, Daini Tokyo Bar Association</p> <p>February 2006 Managing Director and Associate General Counsel, J.P. Morgan Securities Japan Co., Ltd.</p> <p>June 2008 Partner, Jones Day (Tokyo)</p> <p>January 2018 Partner, DLA Piper (Tokyo) (to the present)</p> <p>February 2023 Director (to the present)</p> <p>(Significant concurrent positions) Partner, DLA Piper (Tokyo) Member of the Board of Trustees for the charity Second Harvest Japan Member of the board of directors (Director) of Lawyers for LGBT and Allies Network</p> <p>(Reasons for selection as a candidate for Outside Director, and summary of expected roles) Ms. Kaoru Umino is licensed to practice law in New York State and has experience in dealing with cross boarder M&A and structured finance projects at some of the largest international law firms for over 30 years, as well as the head of the legal and compliance department of a major securities firm. At the Company, as the chairperson of the Board of Directors since March 24, 2023, she has been leading the governance revolution by demonstrating her leadership. The Company expects her to provide useful suggestions and advice regarding ESG and sustainability. Although Ms. Kaoru Umino has no past experience in corporate management, the Company has judged, for the reasons mentioned above, that she is able to appropriately carry out the duties of an Outside Director.</p>	0 shares
6	Torsten Gessner (March 19, 1963)	<p>October 1985 Joined Otis Elevator Company</p> <p>October 1993 Business Unit Manager, Electronic Division, Otis Elevator Company</p> <p>October 1997 Director, Supply Chain Management (Electronics), United Technologies Corporation</p> <p>October 2003 Vice President (Supply Chain in Europe), Otis Elevator Company</p> <p>January 2005 Area Director, Supply Chain Management & Logistics, Otis UK & Central Europe</p> <p>October 2005 Chief Operating Officer (COO), ThyssenKrupp Elevator CENE GmbH</p> <p>January 2007 Senior Vice President Manufacturing, ThyssenKrupp Elevator AG</p> <p>January 2010 Chairman and CEO, ThyssenKrupp Escalator & Passenger Boarding Bridges GmbH</p> <p>October 2011 Chairman and Chief Executive Officer (CEO), ThyssenKrupp</p>	0 shares

Candidate No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
		<p style="text-align: center;">North America, Inc.</p> <p>February 2015 Senior Advisor and Consultant, self-employed (to the present)</p> <p>February 2023 Director (to the present)</p> <p>(Reasons for selection as a candidate for Outside Director, and summary of expected roles)</p> <p>Mr. Torsten Gessner spent 20 years with Otis Elevator Company, the oldest elevator company and incumbent world market leader, in various global leadership positions and another 9 years with ThyssenKrupp Elevator AG, most recently as President and CEO of the North American Region, a company more than five times the Company’s size. At the Company, as a member of the Nomination and Compensation Advisory Committee since March 24, 2023, he has been energetically involved in all aspects of the said Committee, including the search for and selection of candidates for inside and outside directors, and the designing of remuneration. Going forward, the Company expects him to make significant contributions to the growth of the Company business, by utilizing his global leadership experience in the elevator industry and the resulting network that he has built.</p>	
7	Clark Graninger (January 27, 1968)	<p>September 1991 Joined Nippon Shaft Co.</p> <p>June 1997 Graduated from University of Chicago, Booth School of Business</p> <p>July 1997 Joined Lehman Brothers Japan Inc.</p> <p>June 2000 Joined Shinsei Bank, Ltd., Manager, Head of Credit Trading Team</p> <p>September 2003 Shinsei Bank, Ltd., Senior Managing Executive Officer, Head of Institutional Banking</p> <p>February 2007 Representative Director, Chairman and CEO, Aplus Co., Ltd.</p> <p>November 2009 Executive Advisor to the CEO, Shinsei Bank, Ltd.</p> <p>February 2011 Joined Aozora Bank, Ltd. as Managing Executive Officer, Head of Retail Banking</p> <p>August 2017 Board Member, Managing Director, Chief Wealth Management Officer, WealthPark, Inc.</p> <p>June 2021 Board Member, Managing Director, WealthPark Capital K.K. (to the present)</p> <p>June 2022 Co-Founder, Representative Director, COO/CFO, Reboot K.K. (to the present)</p> <p>February 2023 Director (to the present)</p> <p>(Significant concurrent positions)</p> <p>Board Member, WealthPark Capital K.K.</p> <p>Representative Director, COO/CFO, Reboot K.K.</p> <p>(Reasons for selection as a candidate for Outside Director, and summary of expected roles)</p> <p>Mr. Clark Graninger received a master’s degree in business administration (MBA) from the University of Chicago and gained experience in management to supervise teams of selected elites for over 20 years mainly in the financial industry in Japan. At the Company, since March 24, 2023, he has been promoting the governance revolution in shareholder relations by demonstrating</p>	0 shares

Candidate No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
		his leadership, and the Company expects him to contribute to the planning of measures for enhancement of the corporate value of the Company.	
8	Ako Shimada (October 13, 1973)	<p>August 1999 Associate, Hancock Rothert & Bunshoft LLP March 2001 Associate, Coudert Brothers LLP May 2005 Associate, Rutan & Tucker, LLP May 2008 Senior Corporate Counsel, Apria Healthcare July 2010 Assistant General Counsel, Apria Healthcare May 2014 Assistant General Counsel, Christie Digital Systems April 2017 Vice President, General Counsel and Corporate Secretary, Ushio America, Inc. (to the present) June 2019 Board of Directors (outside director), KA Imaging Inc. (to the present) May 2021 General Counsel, Ushio Europe (to the present) February 2023 Director (to the present)</p> <p>(Significant concurrent positions) Vice President, General Counsel and Corporate Secretary, Ushio America, Inc. Board of Directors (outside director), KA Imaging Inc. General Counsel, Ushio Europe</p> <p>(Reasons for selection as a candidate for Outside Director, and summary of expected roles) Ms. Ako Shimada is licensed to practice law in California State. After working for over 8 years at some of the largest law firms, she gained a wide range of experience as an in-house lawyer at major U.S. companies and the local U.S. subsidiaries of a Japanese company for 15 years in a variety of areas related to intellectual property, legal affairs, M&A and governance. At the Company, as a member of the Nomination and Compensation Advisory Committee since March 24, 2023, she has been energetically involved in all aspects of the said Committee, including the search for and selection of candidates for inside and outside directors, and the designing of remuneration. The Company expects her to contribute to the revolution of the Company’s governance and the enhancement of compliance and risk management, by utilizing her abundant experience related to the group management of global companies.</p>	0 shares

Candidate No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Anthony Black September 20, 1961	<p>May 1984 Graduated from Florida Atlantic University Department of Ocean & Mechanical Engineering</p> <p>June 1984 Joined United Technologies Corporation</p> <p>May 1991 Completed a master's degree in business administration (MBA) of University of Virginia Darden School of Business</p> <p>January 2001 Worldwide Vice President, Field Operations, Environmental Health & Safety, and Quality, Otis Elevator Company United Technologies Corporation</p> <p>March 2005 Managing Director, Nippon Otis Elevator United Technologies Corporation</p> <p>April 2009 Senior Vice President of Operations, Fire & Security United Technologies Corporation</p> <p>June 2010 Vice President of Operations - China Region, Otis Elevator Company United Technologies Corporation</p> <p>February 2012 President & CEO, Otis Elevator Company, Otis China Limited Director & Chairman, Guangzhou Otis Elevator / Shanghai Otis Elevator / Beijing Otis Elevator United Technologies Corporation</p> <p>March 2016 Global Vice President, Service & Field Operations, Otis Elevator Company United Technologies Corporation</p> <p>January 2020 President, Service Husky Injection Molding Systems Ltd. (to the present)</p> <p>(Significant concurrent positions) President, Service, Husky Injection Molding Systems Ltd.</p> <p>(Reasons for selection as a candidate for Outside Director, and summary of expected roles) Mr. Anthony Black received a master's degree in business administration (MBA) from the University of Virginia Darden School of Business. As part of his 35 years of working experience at United Technologies Corporation, the parent company of Otis Elevator Company which is a global leader of the elevator industry, he had been engaged in the elevator business for 26 years. In addition to serving as the CEO of the rapidly growing China business, in particular, and globally supervising the service department, a pillar of earnings strength, he has management experience in Japan as the Managing Director of Nippon Otis Elevator. The Company expects him to contribute to the reexamination of the Company's business strategies through useful advice based on a wide range of knowledge concerning the domestic and overseas elevator industries.</p>	0 shares

3. The Company's Board of Directors' Position on the Shareholder Proposals (Agenda Item 5 through Agenda Item 12)

(1) The Company's Board of Directors' position on the shareholder proposals

The details of the shareholder proposals (Agenda Item 5 through Agenda Item 12) are as stated in the Exercise of Shareholder's Right to Make Shareholder Proposals in the attached Exhibit. The Company's Board of Directors **opposes all of the agenda items pertaining to the shareholder proposals (Agenda**

Item 5 through Agenda Item 12) for the reasons stated below. Please see section (2) and onward for the details of the opposing opinion regarding each agenda item.

The Proposing Shareholder claims that, as the background of the shareholder proposals, ever since the outside directors who were elected at the extraordinary general meeting of shareholders of the Company held on February 24, 2023 (the “Extraordinary General Meeting of Shareholders”) assumed their office, the Company’s Board of Directors has been strongly influenced by a specific shareholder and forced to accommodate the wishes of a shareholder who focuses on short-term selling of the Company’s shares at their peak, and the Company’s Board of Directors has not been able to conduct normal management because it is solely obsessed with measures that seek short-term profit. However, this is not the situation of the Company’s Board of Directors, and the claim of the Proposing Shareholder is not true.

In other words, each outside director of the Company is not only a necessary human resource for the Company because of his/her experience and skills, but is also fully aware of his/her duty of care to the Company and committed to the Company’s governance revolution from a standpoint independent from any shareholder. So, it can never happen that each outside director acts for the benefit of a specific shareholder, as claimed by the Proposing Shareholder. The claim of the Proposing Shareholder is based on groundless conjecture and is extremely unreasonable in that it attempts to mislead shareholders through manipulating their impressions.

Under the new system after the Extraordinary General Meeting of Shareholders, the Company’s Board of Directors has been, in concert irrespective of inside directors or outside directors, promptly and steadily proceeding with efforts for the faithful and secure establishment of the highest level of corporate governance required for a listed company, through activities such as assumption by an outside director of the office of the chairperson of the Board of Directors, innovation of the Nomination and Compensation Advisory Committee, dismissal of Mr. Takakazu Uchiyama (“Mr. Uchiyama”) from the position of Chairman, establishment of a third-party committee concerning interference directed against the candidates for directors proposed by a shareholder at the Extraordinary General Meeting of Shareholders (the “Interference”), and compliance review following the termination of investigations by a third-party committee concerning the related-party transactions and other activities involving Mr. Uchiyama or his relatives. Thus, the Company’s Board of Directors has been striving to recover the trust of each of the stakeholders, including shareholders. Among the above activities, in particular, with respect to the termination of the investigations by the third-party committee concerning the related-party transactions and other activities, the third-party committee pointed out that a relationship of trust with the Company was not fostered because, among other things, the Company was not cooperative in the disclosure of materials and other matters and also that Mr. Uchiyama was not cooperative enough in the investigations. In addition, it is suspected that the Interference took place at the Extraordinary General Meeting of Shareholders. However, all of these issues occurred while Mr. Uchiyama remained in the office of Chairman of the Company. The Company’s Board of Directors is now endeavoring to correct various issues that arose at the time when Mr. Uchiyama had great influence on the Company, and strives to be reborn as a new Fujitec.

On the other hand, the shareholder proposals include a proposal for a dividend increase. This proposal pretends to be based on the analysis of the financial solvency of the Company. However, as stated below, it is different from the approach concerning the financial discipline set forth in the Company’s Mid-Term Management Plan “Vision 24.” Mr. Uchiyama, who led the development of “Vision 24” as the President and CEO of the Company at the time of the development thereof, should clearly understand the Company’s policy towards financial solvency. Nonetheless, the Proposing Shareholder, represented by Mr. Uchiyama, drastically opposes in the shareholder proposal the policy concerning financial discipline set forth in “Vision 24.” Furthermore, the Proposing Shareholder proposes a dividend increase in ITEM 10 of the Exercise of Shareholder’s Right to Make Shareholder Proposals in the attached Exhibit (Agenda Item 9 Disposal of surplus (dividend with additional amount)), which is designed to always be higher than the amount of the dividend proposed by the Company, although such proposal was not put on the agenda. We consider that the Proposing Shareholder demands an excessive surplus dividend from the Company in the said proposal. This indicates that the said proposal for a dividend increase lacks consistency. In addition, the said proposal for a dividend increase is conditioned on the approval of the proposed agenda for the election of six (6) or more directors out of the proposed agenda for the election of eight (8) directors by the Proposing Shareholder. However, a surplus dividend should essentially be determined based on the capital policy/dividend policy of the Company and should not be utilized for the purpose of soliciting affirmative

votes for the agenda item for the election of directors in your own proposal. Based on the foregoing, we must say that the said proposal for a dividend increase was made for the purpose of inciting shareholders' pursuit of short-term profit and contemplates gaining support for the proposal for the election of directors, which is the main objective of the Proposing Shareholder, and that the said proposal disregards the mid- to long-term enhancement of the Company's corporate value.

With respect to the Company's proposal made at this time, the Company proposes the election of inside directors who have excellent credentials and knowledge and the election of new outside directors (to increase the number), who were selected with reference to the Nomination and Compensation Advisory Committee that consists solely of independent outside directors, in order to seek the maximization of corporate value from a more globalized perspective, while paying attention to business continuity. By this proposal, the Company aims to build the most suitable governance system for the Company. Under the new system of the Board of Directors proposed by the Company, the Company's Board of Directors intends to continuously strive for the establishment of the highest level of corporate governance structure required for a listed company and for the maximization of corporate value.

(2) Agenda Item 5 Election of eight (8) directors

(i) Outline of the Agenda Item

Candidates for outside directors: Kazuyoshi Kimura
Tetsuya Nishikawa
Daisuke Kotegawa
Maiko Hagiya
Nobuki Sugihara
Akira Tsuda
Hiroki Okimoto
Kenji Uenishi

For the profile of each candidate, please refer to the Exercise of Shareholder's Right to Make Shareholder Proposals in the attached Exhibit.

(ii) The Company's Board of Directors' position

The Company's Board of Directors **opposes this proposal.**

(iii) Reasons for opposition

As stated in Agenda Item 2, with regard to the nomination of candidates for directors of the Company, the Nomination and Compensation Advisory Committee, which is a voluntary advisory committee to the Board of Directors and all of whose members are independent outside directors, has selected the candidates from the perspectives described below for inside and outside directors respectively. For inside directors in particular, the Nomination and Compensation Advisory Committee has searched for suitable candidates inside and outside the Company, by seeking opinions of senior executives and officers within the Company and obtaining help from globally well known outside experts, and conducted screening on the qualifications, knowledge, experience, expertise, etc., of the said candidates, not only through the biographies of each candidate, but also through interview sessions, and reported on the nomination after due deliberation. Based on the said report by the Nomination and Compensation Advisory Committee, the Board of Directors, which is chaired by an independent outside director and a majority of whose members are independent outside directors, has ultimately decided on the nomination of candidates.

Three (3) of the nine (9) candidates are internal directors responsible for the execution of operations, all of whom are currently serving as operating officers. With regard to internal directors, the nomination has been made from the perspective of their eligibility to take on the task of reforming the concentrated management structure that has continued in the Company for 75 years since its foundation, as well as their qualifications for pioneering a new future for sustainable business growth and increasing mid- to long-term corporate value based on the past performance of the Company.

The remaining six (6) candidates are outside directors, of whom one (1) is newly nominated. With regard to outside directors, the nomination has been made from the perspective of whether they share viewpoints with the Company's shareholders and other stakeholders, while objectively examining various management strategies, as well as based on their independence and expertise in providing a high

level of advice and supervision of management, and on their conformity with the Company's governance reform policy, which has been implemented since the conclusion of the Extraordinary General Meeting of Shareholders in February 2023.

As described above, the candidates proposed by the Company have abundant experience and achievements in various fields within and outside Japan, knowledge and experience required for the business of the Company, a perspective on the global environment of the elevator industry conditions, and knowledge regarding corporate legal affairs, compliance, etc., and consist of an appropriate number and are well balanced in terms of skill and knowledge, as well as from the perspective of ensuring diversity in terms of gender, internationality, age and professional experience (Notes 1 and 2), while ensuring sustainable business growth, increasing mid- to long-term corporate value and strengthening the governance system. After careful consideration of the Company's management policies, strategies and plans, as well as from the perspective of enhancing and strengthening the governance of the Company and facilitating communication between members small in number but highly capable, the Board of Directors currently considers a total of nine (9) directors, of which three (3) are internal directors and six (6) are outside directors, to be the necessary and sufficient number for the Company, and believes that a Board of Directors consisting of the candidates proposed by the Company is the most appropriate structure.

On the other hand, the Proposing Shareholder claims that "[the Proposing Shareholder] was able to elect members who could offer various approaches on how to reach the top of the world as a specialized elevator manufacturer" in the shareholder proposal. However, none of the candidates are even from the domestic elevator industry, not to mention overseas, but, as a matter of fact, three (3) are from the domestic bank and investment securities industry and two (2) are from the public sector. It is difficult to say that these candidates have the expertise and internationality sufficient to provide managerial advice and supervision in line with the business of the Company, which is a specialized elevator manufacturer approaching its 75th anniversary and approximately two thirds of the sales of which is occupied by the overseas businesses. It is also difficult to say that, in terms of each of the aspects of gender, nationality, age and professional experience, these candidates have, compared to the candidates proposed by the Company, sufficient diversity to flexibly respond to the discontinuous and rapid changes in the current business environment.

Further, the Board of Directors has received a report from the Nomination and Compensation Advisory Committee stating that it is unnecessary to elect the candidates pertaining to the shareholder proposals as directors, based on the result of interviews conducted with the candidates after obtaining help from outside experts as well as the opinions of such outside experts.

Based on the foregoing, considering matters such as the nature of the business and management environment of the Company, the Company's Board of Directors firmly believes that the Board of Directors structure proposed by Agenda Item 2, which is the Company's proposal, is the most suitable structure in terms of its skillset or appropriate scale, and it is not necessary to elect the candidates in this proposal as outside directors. Therefore, the Company's Board of Directors opposes this agenda.

- (3) Agenda Item 6 Partial amendment to the Articles of Incorporation (Prohibition of information provision, etc. to a specific shareholder)
- (i) Outline of the Agenda Item
The following Chapter and the clauses will be added to the current Articles of Incorporation.

Chapter 8: Prohibition of providing information, etc. to select shareholders

Article 41 (Prohibition of providing information, etc. to select shareholders)

- ① Directors of the Company shall not disclose, divulge or provide information obtained in the course of performing their duties to select shareholders in violation of their duty of care or duty of loyalty.
- ② Directors of the Company shall not provide any person with any pecuniary benefit in connection with the exercise of rights of a shareholder.
- ③ If any Director of the Company has come into contact with any shareholder who directly or indirectly and, together with any other shareholder who is treated as a “joint-holder” within the meaning of Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, holds one-tenth or more of the voting rights of all shareholders, the director must report at a board meeting (a) the fact of such contact and (b) any request, demand or proposal related to the business of the Company communicated by such shareholder during such contact.

- (ii) The Company’s Board of Directors’ position
The Company’s Board of Directors **opposes this proposal.**

(iii) Reasons for opposition

It is a matter of course under the Companies Act that directors shall not disclose, divulge or provide any information obtained in the course of their duties to, but not only to, a specific shareholder in violation of their duty of care or duty of loyalty. If for any reason a director of the Company provides material information that is not published, the Board of Directors shall promptly and fairly provide information to other investors in accordance with the Fair Disclosure Rule. It is also a matter of course under the Companies Act that directors shall not provide property benefits to any person in connection with the person’s exercise of shareholders’ rights. The directors of the Company will be committed to compliance with these laws and regulations.

Further, the Company has established “Policies concerning the Measures and Organizational Structures Aimed at Promoting Constructive Dialogue with Shareholders” pursuant to Principle 5.1 of the Corporate Governance Code, and has a structure in place to ensure opinions and information received from any shareholder, not only specific major shareholders, are shared with the Board of Directors and others. As the directors naturally act in accordance with this policy based on their duty of care or duty of loyalty, we do not consider it necessary to stipulate in the Articles of Incorporation that all contacts with major shareholders must be reported to the Board of Directors.

Moreover, in the shareholder proposals, the Proposing Shareholder claims that there is a possibility that some outside directors that were proposed by a specific shareholder and elected at the Extraordinary General Meeting of Shareholders may cause harmful effects, such as by providing information to such shareholder in violation of the principle of shareholder equality or taking action based on the shareholder’s intentions, and that the Company is likely suffering from such harmful effects. However, the outside directors of the Company, irrespective of the background of their election, are committed to the enhancement of the corporate governance and corporate value of the Company from a standpoint independent from the Proposing Shareholder. It is not true that the wish of a specific shareholder was accommodated. In addition, there are no circumstances to suspect divulgence of information or provision of benefits by any of the directors of the Company.

Therefore, the Company’s Board of Directors considers it unnecessary to add the above provision to the Articles of Incorporation.

(4) Agenda Item 7 Partial amendment to the Articles of Incorporation (Election of inspector of execution of operation)

(i) Outline of the Agenda Item

Article 42 (Election of inspectors for execution of business)

Any shareholder holding 1/800,000 or more of the voting rights of all shareholders may petition the court for the appointment of a corporate inspector provided by Article 358, Paragraph 1 of the Companies Act of Japan.

(ii) The Company's Board of Directors' position

The Company's Board of Directors **opposes this proposal.**

(iii) Reasons for opposition

If the right to file a petition for the election of an inspector of execution of business is granted to the shareholders holding shares of one unit or more, such right is likely to be abused. We consider it is not appropriate because this will rather increase the possibility of damaging the interests of the Company and shareholders. In addition, as a reason for the proposal, the Proposing Shareholder claims that the Company's directors are currently acting for the benefit of the specific shareholder and expresses concerns that they are engaged in the sale of the Company, or a partial sale or outflow of the Company assets, in opposition to the long-term benefit of the Company. However, no such circumstance exists, and the proposal is based on groundless conjecture and manipulation of impressions.

Therefore, the Company's Board of Directors opposes this agenda item.

(5) Agenda Item 8 Revision of the amount of remuneration for outside directors

(i) Outline of the Agenda Item

The amount of remuneration for each outside director will be revised to be ten million (10,000,000) yen per annum as a fixed amount.

(ii) The Company's Board of Directors' position

The Company's Board of Directors **opposes this proposal.**

(iii) Reasons for opposition

According to the reasons for the proposal, the Proposing Shareholder points out that the amount of monetary remuneration for the Company's outside directors is higher than those of other companies and that restricted stock units are granted to them in addition thereto. The Proposing Shareholder is concerned that the Company's Board of Directors may make determinations for the short-term interest in line with the wish of some shareholders and requests that the amount of remuneration should be a fixed amount of ten million (10,000,000) yen per annum per person.

However, "in order for the Company to aim for reaching the top of the world as a specialized elevator manufacturer," as claimed by the Proposing Shareholder, independent outside directors with global knowledge, sufficient experience and skills are necessary, and to recruit and maintain such excellent personnel, it is essential to prepare a remuneration plan at the level that is suitable for such skills or expected roles. In addition, outside directors are in a position to act for the common interests of all shareholders, including minority shareholders. It can be said that it is appropriate to ensure value sharing with shareholders through restricted stock units to improve the quality of management supervision by outside directors. Furthermore, at the Company, ever since the Extraordinary General Meeting of Shareholders, the Board of Directors has been, in concert irrespective of inside directors or outside directors, promptly and steadily proceeding with efforts for the faithful and secure establishment of the highest level of corporate governance required for a listed company, by growing out of the period of so-called authoritarian management by a manager from the founder's family. To this end, the outside directors are handling a considerable amount of duties at the moment. As the Proposing Shareholder claims that "even outside directors should receive remuneration that properly reflects their own performance, based on the weight of such efforts," the outside directors of the Company are, in reality, committed to the establishment of the highest level of corporate governance structure required for a listed company and the maximization of the Company's corporate value by spending a considerable

amount of time from a standpoint independent from any shareholder, and as a matter of course, it is not true that they make determinations in line with the wish of a specific shareholder, as the Proposing Shareholder is concerned about.

Therefore, the Company's Board of Directors opposes this agenda item.

(6) Agenda Item 9 and Agenda Item 10

(i) Outline of the Agenda Items

Agenda Item 9 Condition for the payment of remuneration for directors (Clawback clause)

As a condition for the payment of remuneration for the directors, we propose that the following condition (clawback clause) should be stipulated.

① If a Director violates laws or regulations (including breach of duty of care or duty of loyalty), ② if a Director provides benefits to any select shareholders, or ③ if a Director provides any select shareholders with information that benefits the select shareholders, Fujitec may demand a return of, or refuse to pay, up to 50% of the amount of paid or otherwise payable compensation, as the case may be, from or to such shareholder.

Agenda Item 10 Partial amendment to the Articles of Incorporation (Clawback clause)

The following clause will be added as Paragraph 2 to Article 25 of the current Articles of Incorporation.

Article 25.

② ① If a Director violates laws or regulations (including breach of duty of care or duty of loyalty), ② if a Director provides benefits to any select shareholders, or ③ if a Director provides any select shareholders with information that benefits the select shareholders, the Company may demand a return of, or refuse to pay, up to 50% of the amount of paid or otherwise payable compensation, as the case may be, from or to such shareholder.

(ii) The Company's Board of Directors' position

The Company's Board of Directors **opposes Agenda Item 9 and Agenda Item 10.**

(iii) Reasons for opposition

The Proposing Shareholder proposes to make the above amendment to the Articles of Incorporation, claiming that, with respect to directors elected by a shareholder proposal, such directors are "dispatched" from such shareholder and there is a risk of such directors illegally divulging internal information to the shareholder, who is a "dispatching" business operator, or receiving directions and orders from the shareholder below the surface. However, if such situation claimed by the Proposing Shareholder existed, we consider that it is appropriate for the Company to investigate such directors' liability on the grounds of the violation of the duty of care or duty of loyalty under the Companies Act, and it is not necessary to separately establish such provision in the Articles of Incorporation.

In addition, irrespective of the background of the election, the directors of the Company are fully aware that they bear the duty of care and the duty of loyalty to the Company, and there is no circumstance where information leakage or benefit provision to a specific shareholder should be a matter of concern. Furthermore, the outside directors of the Company are not "dispatched" from a specific shareholder, but as properly claimed by the Proposing Shareholder, they are executing their duties for the enhancement of the Company's corporate value with "a strong sense of ownership of how well they should promote the growth of the company." They are not engaged in "an act that may be advantageous only to a specific shareholder" and there are no such concerns.

Based on the foregoing, the Company's Board of Directors determined that it is unnecessary to establish such provision as proposed by this agenda item in the Articles of Incorporation.

- (7) Agenda Item 11 Partial amendment to the Articles of Incorporation (Audio recording of the proceedings of the meetings of Board of Directors, etc.)
- (i) Outline of the Agenda Item
The following provisions will be added to Article 24 of the current Articles of Incorporation as Paragraphs 2 and 3.

Article 24.

② The Company shall record all proceedings of the meetings of the Board of Directors and the Nomination and Compensation Advisory Committee and shall keep such voice recordings at its head office for ten years from the respective dates of the meetings.

③ The Company shall attach the transcripts of the voice recordings referred to in the preceding paragraph to the minutes of the meetings of the Board of Directors and of the Nomination and Compensation Advisory Committee.

- (ii) The Company's Board of Directors' position
The Company's Board of Directors **opposes this proposal.**

(iii) Reasons for opposition

A company with a board of directors is obliged to prepare minutes of the business of board of directors meetings in accordance with the Order of the Ministry of Justice (Article 369, paragraph (3) of the Companies Act, and Article 101, paragraph (3) of the Regulations for Enforcement of the Companies Act) and keep such minutes at its head office for the period of ten (10) years from the day of the board of directors meeting (Article 371, paragraph (1) of the Companies Act). Since the Company prepares minutes of meetings of the Board of Directors in accordance with these laws and regulations, and proper operation of the Board of Directors is being ensured thereby, we believe it is unnecessary to additionally provide for the audio recording of the proceedings, etc., in the Articles of Incorporation.

In addition, if every word of the business of the Board of Directors meeting is recorded by audio recording, etc., there is a concern that directors may hesitate to express their opinions frankly, fearing that a third party may take one word of the meeting and use it as a basis to accuse them of something or hold them accountable. Under such circumstances, free and vigorous discussion at the Board of Directors would be prevented, and the effectiveness of the Board of Directors would be hampered, which would be contrary to the interests of shareholders.

The Proposing Shareholder claims that, as the basis for this proposal, there is a concern that the Company's Board of Directors is conducting forceful proceedings, such as emergency proposals being made by outside directors who are under the influence of a specific shareholder, and resolutions being passed without sufficient discussion. However, there is no outside director who is under the influence of any specific shareholder, and all outside directors are independent of any shareholders and are committed to improving the Company's corporate value. Furthermore, since the Company's Board of Directors meetings have been fully deliberating and passing resolutions while ensuring appropriateness, and there have been no forceful proceedings as suggested by the Proposing Shareholder, we believe that the claims of the Proposing Shareholder in the reasons for the proposal are baseless.

Therefore, the Board of Directors of the Company opposes this proposal.

(8) Agenda Item 12 Disposal of surplus

(i) Outline of the Agenda Item

With respect to the proposal for the election of eight (8) directors as proposed in Agenda Item 5, subject to the approval of the proposal for the election of at least six (6) of them, the disposal of surplus will be made as follows. If the Company proposes a proposal for disposal of surplus at the 76th Annual Meeting of Shareholders, since this proposal is being proposed as an alternative to the said proposal, please keep in mind that you should not vote in favor of both the Company's proposal and this proposal.

(1) Type of asset to be distributed

Cash

(2) Matters relating to allotment of dividends and total amount of dividends to be distributed

The amount of dividend per share of common shares of the Company shall be 100 yen.

The total amount in this case would be the amount obtained by multiplying the said dividend amount per share of common shares (100 yen) by the number of shares entitled to the dividend as of the record date for the voting rights at the 76th Annual Meeting of Shareholders of the Company, i.e., approximately 7.9 billion yen.

(3) Date on which dividends become effective

June 30, 2023

(4) Commencement date of dividend payment

July 10, 2023

(Note) In section 1 of ITEM 9 of the Exercise of Shareholder's Right to Make Shareholder Proposals in the attached Exhibit, the Proposing Shareholder states that if voting rights are exercised in favor of both proposals (i.e. the Company's proposal and this proposal), the vote on the proposal with the higher dividend amount shall be treated as valid. However, if voting rights are exercised in favor of both proposals, both shall be treated as void. Furthermore, although the commencement date of dividend payment is not stated in section 1 of ITEM 9 of the Exercise of Shareholder's Right to Make Shareholder Proposals in the attached Exhibit, we have added it with the consent of the Proposing Shareholder.

(ii) The Company's Board of Directors' position

The Company's Board of Directors of the Company **opposes this proposal.**

(iii) Reasons for opposition

- i. The Company has consistently given greater importance to returns to shareholders in the past and has achieved a high level of dividends in recent years.

The Company recognizes that returning profits to shareholders is one of the most important management policies, and in the Mid-Term Management Plan "Vision 24," the Company has stated a payout ratio of 50% or more and announced that it will appropriate the amount equivalent to 50% of operating cash flow, excluding dividends, to additional share buyback.

In fact, according to the "Consolidated Business Results for the Fiscal Year Ended March 31, 2023 (Japan GAAP)" released on May 12, 2023, profit attributable to owners of parent for the fiscal year ended March 31, 2023 was 8,433 million yen, net income per share was 106.67 yen, the planned dividends per year was 75 yen (including a year-end dividend per share of 40 yen), and the payout ratio was 70.3%.

The payout ratios for the fiscal years ending March 31, 2021, and 2022 were 52.4% and 52.5%, respectively, and the Company has been fulfilling its dividend policy, by carrying out its words, since it set the goal of its basic payout ratio at 50% or more in the "Future Strategic Direction Plan" released on December 4, 2020.

- ii. There is a disagreement on the approach to financial solvency.

The Proposing Shareholder claims that the amount of funds that should be retained by the Company is approximately 20 billion yen, the amount of current internal reserves remaining is approximately 30 billion yen, and the amount of internal reserves, which has been increasing each fiscal year, is substantial, so even if dividends are increased, the financial solvency of the Company will not be harmed, and further business growth is possible.

However, as announced in "Vision 24," the Company considers that we need to set aside the necessary cash in the amount equivalent to at least 100 days of net sales in line with our policy of maintaining a sound financial base to support active investment in growth areas. Given that the necessary cash level is approximately 56.9 billion yen based on the net sales for the fiscal year ending March 31, 2023 of 207,589 million yen recorded on the "Consolidated Business Results for the Fiscal Year Ended March 31, 2023 (Japan GAAP)," and that cash and deposits retained by the Company for the said fiscal year was approximately 58.3 billion yen, the Company recognizes that its funds are limited. In addition, we also believe that the proposed dividend of 100 yen per share, or the year-end dividend of a total of approximately 7.9 billion yen, which corresponds to an annual dividend of 135

yen per share, or a payout ratio of 126.6%, is at an excessive level in the current business environment where profitability continues to decline due to soaring raw material prices.

- iii. There are doubts as to whether the proposal is intended to both maintain the financial solvency and enhance returns.

The proposal by the Proposing Shareholders is conditioned upon the approval of the proposal regarding the election of eight (8) directors, six (6) or more of whom are to be elected. As discussed above, Mr. Uchiyama, who led the development of the Company's Mid-Term Management Plan "Vision 24" and participated in the approval and resolution thereof at the Board of Directors meeting as the President and CEO of the Company at the time of the development thereof, should clearly understand the Company's policy towards financial solvency that was stated in "Vision 24." However, the Proposing Shareholder, represented by Mr. Uchiyama, drastically opposes in the shareholder proposal the policy concerning financial discipline published in the Mid-Term Management Plan, subject to the election of directors proposed by themselves. Furthermore, the Proposing Shareholder proposed a dividend increase in ITEM 10 of the Exercise of Shareholder's Right to Make Shareholder Proposals in the attached Exhibit (Agenda Item 9 Disposal of surplus (dividend with additional amount)), which is designed to be always higher than the dividend amount proposed by the Company, although such proposal was not put on the agenda. We must conclude that the proposal for an excessive dividend with such content is intended to incite shareholders to pursue short-term profits and to gain support for the election of proposed directors, which is the main objective of the Proposing Shareholder.

- iv. Review of business strategies and financial strategies of the Company

Based on the foregoing, the Company's Board of Directors opposes this proposal, but the Company intends to review the business and financial strategies of the Company, including the current "Vision 24," under the new Board of Directors and executive structure. The Board of Directors intends to meet the expectations of each of the stakeholders, including shareholders, by improving corporate value.

End.

(Exhibit)

*This Exhibit contains the Exercise of Shareholder's Right to Make Shareholder Proposals in the original text submitted by the Proposing Shareholder.

April 25, 2023

〒 522-8588
591-1 Miyata-cho, Hikone City, Shiga
Fujitec Co., Ltd.
Representative Director: Mr. Takao Okada

〒 530-0001
1-1-3-914, Umeda, Kita-ku, Osaka City, Osaka
Uchiyama International Co., Ltd,
Representative Director: Takakazu Uchiyama

Exercise of Shareholder's Right to Make Shareholder Proposals

Uchiyama International Co., Ltd. (hereinafter, "we" or "our") has continuously held at least three percent (3%) voting rights (5,043,969 shares) of Fujitec Co., Ltd. (hereinafter, "Fujitec" or the "Company") for the past six months. Together with shares held by our representative director and our affiliated companies and other persons, we hold approximately 10% of Fujitec's voting rights.

As the founding family, major shareholder, and former president of Fujitec, we and our representative director have been devoted to guiding the Company to ensure and enhance corporate value and the collective interests of shareholders through adaptive governance, based on Fujitec's mission statement: "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."

However, since last year, Fujitec has been dominated by Oasis Management Company Ltd. (hereinafter, "Oasis"), a Hong Kong-based Cayman Island activist fund management company, which replaced the outside directors through a [proxy] campaign and a cunning manipulation of public opinion. As a result, Fujitec's management now yields to all of Oasis' demands, which are geared towards and focus solely on facilitating a short-term exit. This situation raises serious concerns regarding the enhancement of sustainable corporate value and, ultimately, collective shareholder value through sound governance.

Moreover, this situation has recently escalated, causing turmoil within Fujitec as senior managers are forced to comply with Oasis' demands for a short-term exit. This is evident in the most recent business results, which showed that standard management practices are not being followed. For example, despite it being approximately three months since the new outside directors took office, the Company has neither revised its medium-term management plan in any manner, nor produced a new business plan. In the past few weeks, we have received numerous expressions of concern from shareholders, business partners,

cooperating companies, employees, and members of the executive board, casting doubt on the normalcy of management and day-to-day business operations under the current board.

Oasis' conduct makes clear that, unlike what Seth Fisher has publicly stated, Oasis' true objective is not to improve the corporate value or governance of the Company, but rather to make a quick exit from the investment as part of its usual practice, such as a sale of the Company, as Mr. Seth Fischer himself suggested in an interview with Nikkei on April 19, 2023. Furthermore, during interviews with Nikkei and Bloomberg, Mr. Seth Fischer called for the resignation of the Company's executive directors. This demand can be viewed as part of Oasis' preparations for an exit, and if executed, such forced resignations may hinder Fujitec from conducting even its day-to-day business operations, causing further disruption within the Company. Oasis has already revealed its true nature, and, as the Japanese saying goes, its "armor is visible through the sleeves of its clothes." Oasis' domination should not be tolerated. Fujitec's elevators and escalators have been installed in numerous private and government buildings in Japan and abroad, playing a crucial role in supporting social infrastructures. We believe that a rushed sale of the company is problematic from various perspectives.

We find it deeply troubling that Oasis, holding only about 16.5% of the voting rights, currently exerts influence over the entire board of directors, effectively silencing the voices of almost all the shareholders.

As a major shareholder, we cannot condone this state of affairs and believe that there is an immediate need to appoint board members capable of rebuilding both the management and governance of Fujitec.

At present, the board of directors blindly follows Oasis' demands, which is a grave problem. Recent board resolutions suggest that the directors are not independently working to secure and enhance corporate profits and the interests of all shareholders. In order to secure and continuously improve Fujitec's corporate and shareholder value, we need to have truly independent board members.

Consequently, we are exercising our right to submit the following shareholder proposals in accordance with Article 303, Article 305, and Article 325-4, Paragraph 4 of the Companies Act of Japan and hereby request the following:

- 1 That the matters below in Item 1 shall be discussed at the 76th Annual General Shareholders Meeting of Fujitec to be held on June 21, 2023.

- 2 That the outlines and reasons for the proposals of Items 2 through 10 below shall be electronically disseminated.

ITEM 1: PURPOSE OF THE MEETING (AGENDA)

1 Proposal 1

Election of eight (8) Directors

2 Proposal 2

Partial amendments to the Articles of Incorporation (prohibit providing information to specific shareholders)

3 Proposal 3

Partial amendment to the Articles of Incorporation (election of corporate inspectors)

4 Proposal 4

Adjustment to the amount of compensation for outside directors

5 Proposal 5

Terms and conditions of compensation for the board of directors (Clawback Clause)

6 Proposal 6

Partial amendment to the Articles of Incorporation (Clawback Clause)

7 Proposal 7

Partial amendments to the Articles of Incorporation (Record proceedings of the meetings of the board of directors, etc.)

8 Proposal 8

Distribution of surplus

9 Proposal 9

Distribution of surplus (additional dividend)

ITEM 2: OUTLINE OF PROPOSAL NO. 1 AND REASONS FOR PROPOSAL

1 Outline of Proposal

Appointment of the following eight (8) individuals as Board Members of Fujitec:

Candidate for Outside Director	Kazuyoshi Kimura
Ditto	Tetsuya Nishikawa
Ditto	Daisuke Kotegawa
Ditto	Maiko Hagiya
Ditto	Nobuki Sugihara
Ditto	Akira Tsuda
Ditto	Hiroki Okimoto
Ditto	Kenji Uenishi

2 Reasons for proposal

A brief biography of the eight (8) candidates for outside directors and the reasons behind the proposal are as follows. All candidates for outside directors are independent and have been recommended by a recruiting firm. As a manufacturer specializing in elevators, we believe that we have proposed a slate of directors that can offer diverse perspectives to help us reach the pinnacle in our industry. Please note all directors nominees meet the independence criteria stipulated by Fujitec, the Companies Act, the Tokyo Stock Exchange, and ICGN.

CAND.
NO.

NAME
DATE OF BIRTH

PERSONAL HISTORY

1	Kazuyoshi Kimura November 12, 1943	Apr. 1967 Joined Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.) Mar. 2000 Executive Vice President of said company Jun. 2001 CEO of Nikko Asset Management Co., Ltd. Jun. 2005 Executive Chairman of Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.) Feb. 2007 Representative Executive Chairman of Nikko Cordial Corporation Jun. 2011 Outside Director of Hitachi Koki Co., Ltd. Jun. 2012 Corporate Auditor of SPARX Asset Management Co., Ltd. Jun. 2012 Outside Director of Daiwa House Industry Co., Ltd. Nov. 2012 Director of Bic Camera Inc. Nov. 2012 Director of Kojima Co., Ltd. Sep. 2013 Representative Director, Chairman & President Representative Executive Officer of Kojima Co., Ltd. Jun. 2020 Outside Director (Member of the Audit & Supervisory Committee) of SPARX Group Co., Ltd. (to present) Sep. 2020 Director of Kojima Co., Ltd. Sep. 2020 Representative Director & President of Bic Camera Inc. Mar. 2023 Outside Director of World Holdings Co., Ltd. (to present)
2	Tetsuya Nishikawa June 1, 1947	Apr. 1972 Joined the National Police Agency Aug. 1989 Director of Second Investigation Division, Criminal Investigation Bureau, Metropolitan Police Department Jan. 1991 Counselor of Criminal Investigation Department and Crime Prevention Department, Metropolitan Police Department Apr. 1993 Chief of Wakayama Prefectural Police Headquarters Mar. 1998 Chief of Niigata Prefectural Police Headquarters Aug. 2005 Chief Cabinet Secretary, Defense Agency Jan. 2007 Chief Cabinet Secretary, Ministry of Defense Dec. 2007 Advisor to Meiji Yasuda Life Insurance Company Aug. 2009 Assistant Chief Cabinet Secretary Nov. 2011 Advisor to Sompo Japan Insurance Inc. (formerly Sompo Japan Nippon Koa) Jan. 2012 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) and joined Kasahara Law Office Jun. 2012 Outside Corporate Auditor of TAIHEI Engineering Co., Ltd. (to present) May 2013 Outside Corporate Auditor of SEKIDO CO., LTD. (to present) Jun. 2013 Outside Director of LAC Co., Ltd. Jun. 2014 Outside Corporate Auditor of Shimizu Corporation Mar. 2016 Councilor of Iwatani Naoji Foundation (to present) Mar. 2016 Special Advisor of Iwatani Corporation (to present) Jul. 2018 Auditor of Japan Institute for Space and Security (to present) Dec. 2018 Outside Corporate Auditor of SOKEN CO., LTD. (to present) Oct. 2019 Member of the Board of Shibunkai (to present) Jun. 2020 Member of the Board of Kodokan Judo Institute (to present)

3	Daisuke Kotegawa May 3, 1951	<p>Apr. 1975 Joined Ministry of Finance</p> <p>Jun. 1979 MBA from Stanford University Graduate School of Business</p> <p>Jun. 1996 Director of Security Business Division, Securities Bureau, Ministry of Finance</p> <p>Jun. 1998 Director of Supervisory Coordination Division, Financial Supervisory Agency</p> <p>Jul. 2003 Deputy Director-General, Minister's Secretariat</p> <p>Jul. 2005 Director of Kanto Regional Finance Bureau, Ministry of Finance</p> <p>Jul. 2006 Deputy Manager of Financial Bureau, Ministry of Finance</p> <p>Jul. 2007 Representative Director of Japan to the IMF</p> <p>Feb. 2011 Research Director of The Canon Institute for Global Studies</p> <p>May 2011 Outside Director of Parco Co., Ltd.</p> <p>Apr. 2012 Outside Corporate Auditor of Stream Co., Ltd.</p> <p>May 2012 Outside Director of SEKIDO CO., LTD. (to present)</p> <p>May 2013 Outside Director of ICHIGO HOLDINGS CO., LTD.</p> <p>Apr. 2018 Outside Director of Stream Co., Ltd. (to present)</p> <p>Jan. 2019 Outside Director of Tsuneishi Holdings Corporation (to present)</p> <p>Apr. 2020 Chairman & President of Oita Prefectural College of Arts and Culture</p>
4	Maiko Hagiya January 13, 1966	<p>Mar. 1996 Registered as an attorney at law</p> <p>Apr. 1998 Vice-Chairman of Human Rights Protection Committee, Tokyo Bar Association</p> <p>Apr. 2003 Vice-Chairman of Human Rights Protection Committee, Tokyo Bar Association (second time)</p> <p>Apr. 2005 Commissioned Attorney of Discipline Committee, Japan Federation of Bar Associations</p> <p>Jun. 2010 Secretary of Japan Women's Bar Association</p> <p>Jun. 2014 Vice President of Japan Women's Bar Association</p> <p>Jun. 2019 Outside Director of Cool Japan Fund Inc. (to present)</p> <p>Jun. 2021 Chairman of Investment Committee within Cool Japan Fund Inc. , General Incorporated Association (to present)</p>
5	Nobuki Sugihara January 8, 1949	<p>1989 CEO of Belgotia BVBA</p> <p>1997 CEO of Filon SARL</p> <p>2000 CEO of ABC Diamonds BVBA</p> <p>[2005 CEO of Stardust International BVBA]</p> <p>2018 Honorary Advisor of The Chiune Sugihara Memorial Foundation, General Incorporated Association (to present)</p> <p>[CEO of Sugihara Consult BV (to present)]</p>

6	Akira Tsuda June 15, 1944	<p>Apr. 1968 Joined Nomura Securities Co., Ltd. Dec. 1987 Director of said company Jun. 1991 Managing Director of said company Jun. 1996 Representative Director & Senior Managing Director of said company Jun. 1997 Representative Director & Senior Managing Director of Japan Associated Finance Co., Ltd. (currently JAFSCO Group Co., Ltd.) Apr. 1999 Representative Director & Executive Vice President of said company May 2002 CEO of Nomura Investor Relations Co., Ltd. Jun. 2005 Representative Director & President of Nippon Venture Capital Co., Ltd. Jun. 2005 Director of Hitachi Capital Corporation Jun. 2009 Corporate Auditor of Torishima Pump Manufacturing Co., Ltd. Aug. 2009 Director of TAKARA PRINTING CO., LTD. Jun. 2013 Board of Business Research Institute, General Incorporated Association (to present) Jun. 2015 Director of Torishima Pump Manufacturing Co., Ltd. Apr. 2018 Chairman of Japan Compliance Promotion Association, General Incorporated Association (to present) Jun. 2019 Outside Director of Path Corporation Dec. 2019 Outside Director of FCE Holdings Inc. (to present) Jun. 2021 Outside Director of The Kita-Nippon Bank, Ltd. (to present) Sep. 2021 Advisor of TAKARA PRINTING CO., LTD. (to present)</p>
7	Hiroki Okimoto June 23, 1962	<p>Apr. 1986 The Fuji Bank, Limited (currently Mizuho Financial Group) Apr. 1997 A.T. Kearney K.K. Apr. 1999 Softbank Finance (currently SBI Holdings, Inc.) Oct. 2004 Director & CFO of Triumph International Japan Feb. 2006 Director CFO of Realcom Co., Ltd. (currently Abalance Corporation) Jan. 2008 Executive Vice President CFO of NIWS Co. HQ Ltd. Aug. 2008 Director of AlixPartners Asia LLC Sep. 2012 President of Sunset Management LLC (to present) Oct. 2013 Representative Member of Anchor Management Co., Ltd. (subsequently Deloitte Tohmatsu Anchor Management) Aug. 2019 Partner of Boston Consulting Group Jun. 2020 Representative Director of Fiducia Co., Ltd. Apr. 2023 Outside Director, Olive Union Inc. (to present)</p>
8	Kenji Uenishi August 11, 1953	<p>Jun. 1983 Acoustic Technology Inc. (Boston, US) Jul. 1985 Vigyan Associates Inc. [NASA] (Virginia, US) Jul. 1987 Advanced Technology Research & Development Division, GE Aviation Headquarters (Ohio, US) Mar. 1997 GE Aviation Japan Branch Jan. 2008 GE Energy Asia-Pacific Region Headquarters (Asia-Pacific Region) [President] Oct. 2013 LIXIL Corporation [Senior Managing Director] [President of LIXIL International Inc in Singapore] Jul. 2017 Xacti Corporation</p>

1. There are no special conflicts of interest between any of the candidates and Fujitec. Please note all directors nominees meet the independence criteria stipulated by Fujitec, the Companies Act, the Tokyo Stock Exchange, and ICGN.

2. If Mr. Kimura, Mr. Nishikawa, Mr. Kotegawa, Ms. Hagiya, Mr. Sugihara, Mr. Tsuda, Mr. Okimoto, and Mr. Uenishi are elected as outside directors, the Company will enter into an indemnification agreement with each such director. The Company's maximum liability under such contract will be limited to the minimum liability amount stipulated by law.

(1) MR. KAZUYOSHI KIMURA

Mr. Kazuyoshi Kimura has contributed to the capital markets of Japan through service of over 40 years in Japan's financial security industry, serving as Executive Vice President of Nikko Securities Co., Ltd., President of Nikko Asset Management Co., Ltd., and President of Nikko Cordial Securities Inc. (currently SMBC Nikko Securities).

Subsequently, he worked as an outside director of both Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.) and Daiwa House Industry Co., Ltd. and concurrently served as the CEO of Kojima Co., Ltd., and in 2020 was appointed as the CEO of Bic Camera, Inc., where he utilized his management skills developed during his days in the securities industry to help improve the profitability of the company, which struggled during the pandemic, and to train the successor management team.

He currently serves as the outside director of SPARX Group Co., Ltd. and World Holdings Co., Ltd.

Mr. Kimura has a thorough understanding of investor protection, including fair disclosure rules, which he has developed through his practical experience in the securities industry. He also believes that market valuation is the fair value of corporate worth. Mr. Kimura has a track record of practicing and advising on corporate governance from the perspective of sustainable growth of corporate value, which he considers to be the mission of a company, while absorbing the challenges of a changing era from the standpoint of the market and investors.

Furthermore, Mr. Kimura believes that the key driver of sustainable corporate growth is what he refers to as "improving employee engagement" and consequently has maintained a strong belief in investing in human resources.

Based on Mr. Kimura's experience and track record summarized above, we believe that Mr. Kimura will make a significant contribution to improving Fujitec's corporate governance and

enhancing its corporate value over the long term, and we therefore request that he be elected as an outside director.

(2) MR. TETSUYA NISHIKAWA

After joining the National Police Agency of Japan, Mr. Tetsuya Nishikawa has led investigations on corruption cases and large-scale white-collar crime cases, and was concurrently appointed as a foreign affairs officer in the Foreign Affairs Division of the Security Bureau of the National Police Agency. After receiving training at the Ministry of Foreign Affairs of Japan, he was appointed for service at the Japanese Embassy in the Philippines, where he gathered intelligence on the affairs surrounding the last phase of the Marcos government. He also handled the investigation of cases involving insider trading and extortion involving major supermarket companies during his time as a senior commanding officer at the Criminal Investigation Bureau and Crime Prevention Bureau of the Metropolitan Police Department.

In addition, during his days as Counselor at the Defense Agency of Japan, he was in charge of cyber affairs, which had oversight over the entire IT system within the Agency. He also has experience as the head of Personnel Education Bureau where he participated in Personnel Guidance Administration and as the Director General of Ministry of Defense where he worked on the transition of the Defense Agency to the Ministry of Defense.

He currently works as an attorney at law involved in corporate legal affairs, general civil affairs, and corporate crime-related cases.

We believe that Mr. Nishikawa's outstanding practical experience in dealing with domestic and international fraud, criminal acts and corporate scandals, as well as his ability to manage large organizations and carry out reforms, will enhance the Company's corporate governance in the areas of crisis management, scandal response, governance and legal affairs.

He was awarded The Order of the Sacred Treasure, Gold and Silver Star in the autumn of 2017.

(3) MR. DAISUKE KOTEGAWA

After joining the Ministry of Finance of Japan, Mr. Daisuke Kotegawa undertook measures to deal with the financial crisis that has plagued Japan since the late 1990s. He was in charge of the liquidation of Sanyo Securities Co., Ltd. and Yamaichi Securities Co., Ltd. as the Director of the Securities Business Division of the Ministry of Finance. He was also in charge of the partial nationalization of The Long-Term Credit Bank of Japan, Ltd. and The Nippon Credit Bank, Ltd. as the Director of the Financial Supervisory Agency of Japan. Subsequently, he established the revitalization fund for Development Bank of Japan, Inc. and the Industrial Revitalization

Corporation of Japan.

He was involved in numerous international negotiations, including those relating to the World Bank's capital increase that pushed Japan's position from the 5th place to the 2nd place, the [US/Japan] Yen-Dollar Committee, the structural reform talks, the WTO financial service negotiations, the US/Japan Structural Impediments Initiative, and the establishment of the OECD transfer pricing taxation guidelines. As the Vice Chairman of the OECD Tax Committee, he organized the "Harmful Tax Competition" Committee, which is responsible for the creation of a blacklist. He also held other important positions at the Minister's Secretariat, the Budget Bureau (responsible for Ministry of Foreign Affairs and Economic Cooperation), the Tax Bureau, the Financial Bureau, and the International Bureau in the Ministry of Finance.

He also tackled the global financial crises after the collapse of Lehman Brothers as Japan's Representative Director of IMF. In particular, he chaired the final meeting for the New Arrangements to Borrowing (NAB), which led to an agreement for a \$600 billion increase of IMF resources. He has lectured at Harvard Business School, Thammasat University Graduate School of Economics, and Lee Kuan Yew Business School, among others.

As a member of the Board of Directors, we expect Mr. Kotegawa to contribute to Fujitec's long-term sustainable growth by using his world-class international experience and outstanding practical skills across the areas of finance, business revitalization, and corporate management.

In addition, Mr. Kotegawa is fluent in Japanese and English, as well as Russian and German.

(4) MS. MAIKO HAGIYA

Ever since she registered as an attorney in 1996, Ms. Maiko Hagiya has been an active member of the Tokyo Bar Association's Human Rights Protection Committee. In 1998, she served as the Association's Vice Chair, where she focused on human rights protection activities. Since then, she has made it her passion to strive for corporate compliance based on the knowledge she gained through her activities at the Association.

In 2005, she was appointed as a contract attorney for the Japan Federation of Bar Associations' Disciplinary Lawyers Committee, where she reviewed, analyzed and reported issues of cases involving disciplinary claims against lawyers to the Japan Federation of Bar Associations.

From 2010 to 2011, she served as the secretary for the Japan Women's Bar Association and from June 2014 to May 2017, she served as the vice president of the same association (Japan Women's Bar Association is an association organized by female lawyers (female judges, prosecutors, lawyers, and jurists) to improve women's status and networking in the law industry). Through her experience as secretary and vice president of the Association, she has worked to expand the scope of activities of female lawyers in Japan, networking with other industries, and to promote international exchange

with UN-related NGO groups.

In 2019, she was appointed as an outside director for the Cool Japan Fund Inc., and she continues to serve since 2021 as the chair of the Investment Committee within Cool Japan Fund Inc., where she focuses on building and maintaining the governance and compliance of the Organization and its portfolio companies.

We expect Ms. Hagiya to make useful suggestions to Fujitec's management and governance through her extensive knowledge and experience gained from her dedication to ensuring compliance and improving the social status of women.

(5) MR. NOBUKI SUGIHARA

As the only surviving child of Chiune Sugihara, who saved many Jews from Nazi persecution by issuing "Visas for Life," Mr. Sugihara has held lectures around the world on the importance of supporting refugees and world peace. Those saved by Sugihara are called "Sugihara Survivors" and when all of their descendants are included, there are now more than 100,000 members, and Nobuki is invited to the survivors' meetings every year. Larry Silverstein of Silverstein Properties, who owns \$10 billion (¥1.3 trillion) worth of real estate (including the new World Trade Center), is [~~one of the survivors~~ among his acquaintances]. There are many other prominent real estate owners [and other notables such as Leo Melamed] in the survivors' group, and based on this we can expect the further development of our global business.

After studying economics, business administration, and the Hebrew language at The Hebrew University of Jerusalem, he joined A. Moldawski in 1972, a company of diamonds in Israel. After returning to Japan and learning about the diamond market in [~~Japan~~ Israel], he expanded his activities to Ramat Gan, Antwerp, Bombay, and New York, where he was involved in the import and export of diamonds.

In 1989, he founded and served as CEO of Belgodia, a diamond mining, import/export, and venture capital company in Belgium. During his tenure as CEO, he established polishing plants in Antwerp, Newcastle, and Bangkok, and grew the company to employ 530 polishing technicians. He also established Filon SARL in Madagascar and ABC Diamonds in Belgium, serving as CEO of both companies.

Mr. Sugihara is not only an experienced international businessman, but has also worked tirelessly to support refugees and other humanitarian causes.

Based on his valuable experience, we believe that Mr. Nobuki Sugihara will contribute to Fujitec's long-term growth by providing us with the advice we need to develop our global business and by helping us formulate appropriate policies from an ESG (Environmental, Social and Governance) perspective.

(6) MR. AKIRA TSUDA

Mr. Akira Tsuda joined Nomura Securities Co., Ltd. in 1968, and while achieving outstanding sales results, he also worked energetically to nurture the next generation of employees. He was appointed as director in 1987 at the unusually young age of 43 and was appointed Executive Managing Director in 1996.

After retiring from his post as the Executive Managing Director at Nomura Securities Co., Ltd., he was appointed as the Executive Managing Director at the Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.), and thereafter was appointed as an Executive Vice-President, from which post he concentrated on assisting several start-up companies.

He also served as Director & Chairman of Nomura Investor Relations Co., Ltd. where he engaged in consulting for investor relations.

He also served as the Representative Director and President of Nippon Venture Capital Co., Ltd., a long-established venture capital firm, where he was actively involved in the management of the firm from its early stages and helped many start-ups grow. Later, he served as a director of Hitachi Capital Corporation and Takara Printing Co. Ltd. At the Torishima Pump Manufacturing Co., Ltd., he served as a corporate auditor and has played a central role in the development of the company's compliance policies.

He currently serves as an outside director of The Kita-Nippon Bank, Ltd. and FCE Holdings, where he capitalizes on his wealth of experience as a director to strengthen the governance of both companies through his objective monitoring of their management. He also serves as the Chairman of the Japan Compliance Promotion Association, where he devotes his efforts to improving compliance in Japanese companies.

Mr. Tsuda has an outstanding record and experience in growing and developing numerous companies and promoting compliance. Based on his valuable experience, we believe that Mr. Tsuda will provide appropriate advice to Fujitec's management from an objective perspective and contribute to improving corporate value and governance.

(7) MR. HIROKI OKIMOTO

Mr. Hiroki Okimoto has extensive practical experience in business management and revitalization in a wide range of industries spanning operating companies, financial institutions and consulting firms, both within Japan and abroad. He has been deeply involved in the growth and revitalization of businesses from the standpoint of management, creditor, shareholder, and advisor. In the advisory field, he has served as the president of a group company of Deloitte Tohmatsu and

as a partner in the business revitalization practice of Boston Consulting Group. He was also seconded from Alix Partners, a U.S.-based business revitalization consulting firm, to hold interim CFO positions at domestic and overseas operating companies, where, among other things, he drafted turnaround plans and worked on improving business performance. At A.T. Kearney, he worked primarily on strategy development and implementation with financial institutions.

He also served as an executive (CEO, COO, and CFO) of several operating companies, where he established management controls and led business revitalization phases. As a manager of several startups, he took two companies public and successfully sold a consulting company he founded to the Deloitte Group.

In the financial industry, his experience includes working on real estate lending and default workouts in the U.S. at Fuji Bank (now Mizuho Bank), and venture investment screening, portfolio management, and restructuring of listed portfolio companies at SBI Holdings.

We believe that Mr. Okimoto's experience in various fields will contribute to Fujitec's capital policy and global strategy planning.

Mr. Okimoto's major business management and business turnaround achievements are as follows.

- As CFO/CRO of LDH (former Livedoor) after the Livedoor Incident, he contributed to the restructuring of the business and early dividends to shareholders through, among other things, sales of a publicly listed subsidiary worth ¥10 billion, financial restructuring including debt recovery, board management and handling activist fund shareholders.
- As CEO of Digit Brain (listed on JASDAQ at the time) during its financial distress, he implemented several restructuring steps, including the liquidation of several subsidiaries and personnel reduction of 70%, resulting in a 3.5-fold increase in market capitalization during his tenure.
- As Vice President and CFO of NIWS Co. (listed on the Second Section of the Tokyo Stock Exchange at the time), which he joined during the company's business turnaround process, he was responsible for exposing accounting fraud by the previous management team, implementing a personnel reduction, investor relations, establishing compliance policies, negotiating financial restructuring with bankers, and overseeing the process for a petition for civil rehabilitation and business transfer to new sponsors.
- Served as the president of an internet financial services company and as CFO of a start-up software company, both of which were successfully listed on the stock exchange.

(8) MR. KENJI UENISHI

Mr. Kenji Uenishi moved to the United States at the age of 21. After completing his undergraduate and graduate studies in the U.S., he worked at NASA on aerodynamic computer

simulation research. He then joined General Electric's Aero Engines Division as a Technical Generalist in Research and Development where he worked for 26 years. As the GE Aviation (Aviation Engines Department)'s General Manager of the Japan Branch, he oversaw sales activities for Japanese commercial airlines, aircraft-related heavy industries, and the Ministry of Defense, and was responsible for increasing GE's aircraft engine market share among Japanese commercial airlines (primarily Japan Airlines and All Nippon Airways) from 50% to 85% over a six-year period. He also contributed to increasing the profile of GE engines in the Ministry of Defense. He is also one of the founders of a joint venture between Honda and GE (GE Honda Aero Engines LLC).

Subsequently, as President of GE Energy's Asia Pacific Region, he united a team of 3,000 people of different ethnicities, languages, and cultures to oversee the energy business in 14 countries in the Asia Pacific region, increasing sales from ¥300 billion to ¥550 billion and achieving a consistent 15% operating margin. He also nurtured a number of local leaders in Asia and successfully transformed the company from a U.S. focused global model to a regionally focused leadership model, which was recognized as a Best Practice of the company.

Mr. Uenishi has since served as a director and representative director for major Japanese housing equipment, auto parts, and precision equipment manufacturers, and in 2019 founded the Japanese office of Swiss startup PriceHubble.

We nominate Mr. Uenishi as a candidate for outside director as we expect him to provide useful advice to Fujitec's management based on his experience with international and large-scale operating companies and his knowledge gained through successful experience with global supply chains.

Mr. Uenishi is a U.S. citizen and holds a Ph.D. in Aerospace Engineering from the George Washington University's Graduate School.

ITEM 3: OUTLINE OF PROPOSAL NO. 2 AND REASONS FOR PROPOSAL

1 Outline of Proposal

The following chapter and article shall be added to the current Articles of Incorporation.

Chapter 8: Prohibition of providing information, etc. to select shareholders

Article 41 (Prohibition of providing information, etc. to select shareholders)

- ① Directors of the Company shall not disclose, divulge or provide information obtained in the course of performing their duties to select shareholders in violation of their duty of care or duty of loyalty.
- ② Directors of the Company shall not provide any person with any pecuniary benefit in connection with the exercise of rights of a shareholder.
- ③ If any Director of the Company has come into contact with any shareholder who directly or indirectly and, together with any other shareholder who is treated as a "joint-holder" within the meaning of Article

27-23, Paragraph 5 of the Financial Instruments and Exchange Act, holds one-tenth or more of the voting rights of all shareholders, the director must report at a board meeting (a) the fact of such contact and (b) any request, demand or proposal related to the business of the Company communicated by such shareholder during such contact.

2 Reasons for proposal

Actions by activists may prove to benefit not only all shareholders but also all stakeholders, including employees and business partners, in terms of improving governance through healthy tension between the Company management and its shareholders, which in turn will contribute to the lasting growth of the Company.

However, not all activists are the same and some activists claim that they are protecting the interests of companies, but in reality are gaming for a short-term exit. In some cases, board members who are proposed and appointed by activists to serve their interests may provide information to such activists in violation of the principle of equality of shareholders, or take actions based on the intentions of the activists harmful to the company's and the majority of its shareholders' best interests. In fact, there is a possibility that such harmful effects are already occurring at Fujitec.

In order to prevent such harmful effects, Fujitec's Articles of Incorporation should be amended to clarify the confidentiality obligation of board members and to require disclosure of the contents of contacts between members and activists in order to ensure the principle of equality of shareholders and to restore a healthy management. This amendment to the Articles of Incorporation will, in effect, "protect Fujitec."

ITEM 4: OUTLINE OF PROPOSAL NO. 3 AND REASONS FOR PROPOSAL

1 Outline of Proposal

The following article shall be added to the current Articles of Incorporation.

Article 42 (Election of inspectors for execution of business)

Any shareholder holding 1/800,000 or more of the voting rights of all shareholders may petition the court for the appointment of a corporate inspector provided by Article 358, Paragraph 1 of the Companies Act of Japan.

2 Reasons for the Proposal

The ultimate goal of many activists is to generate a large profit in a short period of time; as the saying goes, "turn a profit as soon as possible and sell at a high price." Since activists must sell out to achieve this goal, their interests and the long-term interests of the company do not coincide. Such activists may aim to sell the Company or divest its assets rather than to focus on improving

management. We are concerned that such phenomenon is already happening at Fujitec.

In order to prevent such harmful effects, we believe it would be prudent to facilitate pursuing responsibility of wrongful activists not only by us, who currently meet the eligibility requirements of Article 358 of the Companies Act (including holding 3% or more of the total voting rights of all shareholders), but also by shareholders holding approximately one unit or more of the Company's shares.

In view of the foregoing, we are proposing an amendment to the Articles of Incorporation to relax the requirements for petitioning the appointment of a corporate inspector. This amendment to the Articles of Incorporation will contribute to the lasting growth of Fujitec.

ITEM 5: OUTLINE OF PROPOSAL NO. 4 AND REASONS FOR PROPOSAL

1 Outline of Proposal

The amount of compensation for outside directors is to be revised to a fixed amount of ¥10 million per person per year.

2 Reasons for proposal

At present, the cash compensation for the four (4) outside directors alone amounts to ¥12.5 million per person per year, which is already sufficiently high. In addition, the outside directors receive Restricted Stock Units (RSUs) (the base amount of which is ¥12.5 million per person, which is also high), which gives the compensation a reward-like aspect for complying with the short-term intentions of Oasis, a Hong Kong-based activist fund.

Considering that this compensation system tends to make the board's decisions skewed to short-term share price increases, consistent with Oasis' plans, rather than medium/long-term growth in corporate value, it is clearly inappropriate as a compensation system for outside directors. Also, considering that the market rate for annual compensation of outside directors is approximately seven (7) million yen at companies comparable to Fujitec, the current compensation system is too generous.

First of all, Fujitec's elevators and escalators are, as the Company likes to say, "important equipment entrusted with people's lives." They operate safely and comfortably because our on-site employees literally put their lives on line to install elevators and continue to perform steady and faithful maintenance. Veteran employees spend several years installing elevators in high-rise buildings. It is a dangerous task, and the job is fraught with the risk of injuries and industrial accidents. On top of that, in Japan, an earthquake-prone country, when a major disaster hits, the entire company responds with employees rushing out for restoration work, whether during the weekends or in the middle of the night.

Fujitec's profits are generated through the steady efforts of all of its executives and employees. Naturally, in view of the significance of their role, even outside directors should receive compensation that appropriately reflects their contributions.

Therefore, we propose an adjustment to the amount of compensation for outside directors in consideration of the market rate for annual compensation of outside directors at companies comparable to Fujitec to a fixed annual amount of ¥10 million, without granting new RSUs.

ITEM 6: OUTLINE OF PROPOSAL NO. 5 AND REASONS FOR PROPOSAL

1 Outline of Proposal

It is proposed that the compensation of directors shall be subject to the following conditions (Clawback Clause).

① If a Director violates laws or regulations (including breach of duty of care or duty of loyalty), ② if a Director provides benefits to any select shareholders, or ③ if a Director provides any select shareholders with information that benefits the select shareholders, Fujitec may demand a return of, or refuse to pay, up to 50% of the amount of paid or otherwise payable compensation, as the case may be, from or to such shareholder.

2 Reasons for Proposal

As a general matter, there is nothing inappropriate with investor-nominated candidates becoming board members.

However, there is an inherent structural risk for directors who are "dispatched" by an activist to improperly leak internal information to, or otherwise secretly take directions from, such activist.

It is axiomatic that board members must have a strong sense of responsibility for the growth of the company. It is unacceptable for directors to take actions that favor only certain shareholders. If directors take actions that benefit only a particular shareholder, they cannot be considered to have discharged the duties for which they were compensated.

Therefore, in order to ensure that directors comply with their duty of care and duty of loyalty to Fujitec and to implement the principle of fair treatment of all shareholders, we propose that as a condition for payment of compensation to directors, if a director engages in conduct such as unfairly favoring a particular shareholder, Fujitec may demand a return of compensation.

Item 7: OUTLINE OF PROPOSAL NO. 6 AND REASONS FOR PROPOSAL

1 Outline of Proposal

The following provisions shall be added as Paragraph 2 to Article 25 of the current Articles of Incorporation.

Article 25.

② If a Director violates laws or regulations (including breach of duty of care or duty of loyalty), ② if a

Director provides benefits to any select shareholders, or ③ if a Director provides any select shareholders with information that benefits the select shareholders, the Company may demand a return of, or refuse to pay, up to 50% of the amount of paid or otherwise payable compensation, as the case may be, from or to such shareholder.

2 Reasons for Proposal

As a general matter, there is nothing inappropriate with investor-nominated candidates becoming board members.

However, there is an inherent structural risk for directors who are "dispatched" by an activist to improperly leak internal information to, or otherwise secretly take directions from, such activist.

It is axiomatic that board members must have a strong sense of responsibility for the growth of the company. It is unacceptable for directors to take actions that favor only certain shareholders. If directors take actions that benefit only a particular shareholder, they cannot be considered to have discharged the duties for which they were compensated.

Therefore, in order to ensure that directors comply with their duty of care and duty of loyalty to Fujitec and to implement the principle of fair treatment of all shareholders, we propose that as a condition for payment of compensation to directors, if a director engages in conduct such as unfairly favoring a particular shareholder, Fujitec may demand a return of compensation.

ITEM 8: OUTLINE OF PROPOSAL NO. 7 AND REASONS FOR PROPOSAL

1 Outline of Proposal

The following provisions shall be added to Article 24 of the current Articles of Incorporation as Paragraphs 2 and 3.

Article 24.

② The Company shall record all proceedings of the meetings of the Board of Directors and the Nomination and Compensation Advisory Committee and shall keep such voice recordings at its head office for ten years from the respective dates of the meetings.

③ The Company shall attach the transcripts of the voice recordings referred to in the preceding paragraph to the minutes of the meetings of the Board of Directors and of the Nomination and Compensation Advisory Committee.

2 Reasons for proposal

At present, there is a concern that the board meetings of Fujitec are being conducted under the coercive influence of a certain activist investor, with emergency proposals being made by outside directors who are believed to be under the influence of such activist and decisions being passed without

sufficient deliberation.

Board minutes have certain evidentiary value to demonstrate the process and results of board deliberation and clarify legal aspects of the proceedings. By also preserving audio recordings of the proceedings and results of the meetings of the board of directors and the Nomination and Compensation Advisory Committee, the Company would be enabling subsequent verification and scrutiny by shareholders and other third parties of the board's and committee's proceedings.

ITEM 9: OUTLINE OF PROPOSAL NO. 8 AND REASONS FOR PROPOSAL

1 Outline of Proposal

On the condition that at least six (6) out of the eight (8) director nominees proposed by Proposal No. 1 above are favorably elected at this shareholders meeting, the distribution of any retained earnings shall be as follows. In the event that Fujitec makes a proposal for the distribution of surplus at the 76th Annual General Shareholders Meeting, this proposal is made as an alternative to Fujitec's proposal. Since this proposal is an alternative to the company proposal, please be reminded not to vote in favor of both. If any shareholder casts votes in favor of both proposals, the voting right exercised for the proposal with a higher dividend shall be treated as valid.

(1) Type of dividend property

Cash

(2) Matters concerning the distribution of dividends to shareholders and the total amount thereof

The dividend shall be ¥100 per share of common stock of Fujitec.

The aggregate distribution of dividend to all shareholders, calculated by multiplying the above dividend per share of common stock (¥100) by the number of shares entitled to receive the dividend as of the record date for the voting rights at the 76th Annual General Shareholders Meeting of Fujitec, is approximately ¥7.9 billion.

(3) Effective date of the dividend distribution of surplus

June 30, 2023

2 Reasons for proposal

It is important to enhance the return of profits to shareholders in an appropriate manner, after taking into consideration the Company's business performance.

However, in order to sustain a high level of shareholder returns, the Company has to grow and have a reliable management team to achieve the growth. Based on these predicates, and after a detailed review of Fujitec's financial condition, we have determined that under the current financial situation, it is feasible to pay a dividend of ¥100 per share from retained earnings.

As a company that specializes in the elevator business, among other things, Fujitec usually needs

to reserve approximately ¥10 billion for advances to business partners, such as subcontractors, and purchases of materials. Approximately ¥10 billion must also be set aside as internal funds for new businesses. After deducting other capital expenditures necessary for business growth, approximately ¥30 billion reserves are currently available. Further, in each fiscal period, Fujitec is expected to generate a substantial amount of additional reserves.

We therefore propose the year-end dividend for the current fiscal year as described above. The dividend increase will not jeopardize Fujitec's financial health and will allow for further business growth. We are committed to continuing this dividend policy for at least the next three years.

We believe that the distribution of retained earnings pursuant to this proposal will be possible only if our director candidates are elected as directors and assume the responsibility for Fujitec's management. We therefore condition this Proposal upon the approval of at least six (6) of the eight (8) candidates proposed by us in Proposal No. 1 as directors.

ITEM 10: OUTLINE OF PROPOSAL NO. 9 AND REASONS FOR PROPOSAL

1 Outline of Proposal

If Fujitec or any shareholder other than we proposes a dividend of ¥100 or more per share of common stock as a distribution of surplus during the 76th Annual General Shareholders Meeting, we propose as a replacement of Proposal No. 8 that the dividend per share shall be the sum of the amount Fujitec or other shareholder so proposed plus ¥10 on and subject to the condition that six (6) or more of the eight (8) candidates proposed by us in Proposal No. 1 are elected as directors of Fujitec.

(1) Type of dividend property

Cash

(2) Matters concerning the distribution of dividends to shareholders and the total amount thereof

The dividend per share of common stock of Fujitec shall be the sum of ¥10 and the dividend proposed, if at all, by Fujitec or any shareholder other than we, that is ¥100 or more per share.

The aggregate distributions of dividend to all the shareholders in this case will be the amount obtained by multiplying the above dividend per share of common stock by the number of shares entitled to the dividend as of the record date for the voting rights at the 76th Annual General Shareholders Meeting of Fujitec.

(3) Effective date of the dividend distribution of surplus

June 30, 2023

2 Reasons for proposal

This proposal is to eliminate control of the Company's management by certain greedy investors who seek only short-term profits and to instead secure a management team that can achieve long-term

growth for Fujitec.

The dividend increase will not harm Fujitec's financial health and will allow for further business growth.

We believe that the distribution of retained earnings pursuant to this proposal will be possible only if our director candidates are elected as directors and assume the responsibility for Fujitec's management.

We believe that the directors and other members of the management team recommended by certain greedy investors oriented toward short-term profits are incapable of successfully achieving both the foregoing dividend policy and robust business operations.

We therefore condition this Proposal upon the approval of at least six (6) of the eight (8) candidates proposed by us in Proposal No. 1 as directors.

For details of each proposal and related information, please visit the following website:

FREE FUJITEC OFFICIAL WEBSITE

<https://www.freefujitec.com/>