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(Securities Code 6406)  
May 31, 2021

**Dear Shareholders:**

Takakazu Uchiyama  
Representative Director, President and CEO  
Fujitec Co., Ltd.  
591-1, Miyata-cho, Hikone, Shiga, Japan

## NOTICE OF THE 74TH ANNUAL MEETING OF SHAREHOLDERS

We would like to express our sincere appreciation for your continued support and patronage.

You are hereby cordially noticed of the 74th Annual Meeting of Shareholders of Fujitec Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

In the interest of preventing the spread of COVID-19, we ask that shareholders exercise their voting rights in advance via the Internet or in writing (postal mail) and refrain from in-person attendance on the day of the General Meeting of Shareholders.

Please review the attached “Reference Documents for the Meeting of Shareholders” (pages 6 to 18), review the “Guide to Exercise of Voting Rights” (page 3) and exercise your voting rights by 5:00 p.m. on Monday, June 21, 2021, Japan time.

1. Date and Time: Tuesday, June 22, 2021 at 10:00 a.m. Japan time
2. Place: Big Wing Hall at the Head Office located at  
591-1, Miyata-cho, Hikone, Shiga, Japan
3. Meeting Agenda:  
Matters to be reported:
  1. The Business Report, Consolidated Financial Statements for the Company’s 74th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 74th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Election of 9 Directors
- Proposal 3: Determining Remuneration for Granting Restricted Stock to Directors  
(Excluding Outside Directors)

#### 4. Other Matters related to this Notice

Of the documents to be provided with this Notice, the following items are disclosed on our website (<https://www.fujitec.com/ir>) pursuant to laws and regulations and Article 16 of the Articles of Incorporation, and are not included in the documents provided with this Notice.

- “Structures for Assuring the Appropriateness of Business Operations and Overview of Operation Status of the Structures” in the Business Report
- “Consolidated Statements of Changes in Shareholders’ Equity” and “Notes to Consolidated Financial Statements”
- “Non-Consolidated Statements of Changes in Shareholders’ Equity” and “Notes to Non-Consolidated Financial Statements”

Please note that the Business Report included in the documents provided with this Notice is part of that audited by the Audit & Supervisory Board Members in preparation for the Audit Report, and the Consolidated Financial Statements and the Non-Consolidated Financial Statements are part of those audited by the Accounting Auditor and the Audit & Supervisory Board Members in preparation for the Accounting Audit Report and the Audit Report, respectively.

End

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- Ⓞ If attending in person, please submit the enclosed voting rights exercise form to the reception desk at the venue. Please note that non-shareholders are not permitted to attend the general meeting. This includes proxies who are not shareholders and non-shareholder companions to shareholders.
  - Ⓞ Executives and staffs of the Company will be wearing masks to prevent the spread of COVID-19. We ask all shareholders attending the meeting to wear masks and to cooperate with hand disinfection and temperature checks on admission. Shareholders who are not feeling well, including those who are exhibiting a cough or fever, may be asked to refrain from entering the venue.
  - Ⓞ Executives and staffs of the Company will be in light attire ( “Cool Biz” ). The Company recommends that shareholders also attend in light attire.
  - Ⓞ Any revisions to the Reference Documents for the Meeting of Shareholders, the Business Report, Consolidated Financial Statements, or the Non-Consolidated Financial Statements will be posted on the Company’s website (<https://www.fujitec.co.jp/ir>). (Japanese version only)

## Guide to Exercising of Voting Rights

Please review the attached Reference Documents for the Meeting of Shareholders on and after page 6, and exercise your voting rights by using one of the following methods.

<Exercise of voting rights prior to the meeting of shareholders>

- Via personal computer, etc.

**Deadline: 5:00 p.m., Monday, June 21, 2021**

Premium Benefit Club: <https://fujitec.premium-yutaiclub.jp/>

Voting Rights Exercise Website: <https://www.web54.net>

Please enter your vote for or against the proposals.

Shareholders using the Premium Benefits Club will receive 300 points.

Please refer to page 4-5 for details.

- Via smart phones or tablet devices

**Deadline: 5:00 p.m., Monday, June 21, 2021**

Please use a smartphone or a tablet device to scan QR Code displayed at the Voting Rights Exercise Form.

Please refer to page 5 for details.

- Exercise of voting rights via post

**Deadline: Received by 5:00 p.m., Monday, June 21, 2021**

Please indicate your vote for or against the proposals on the Voting Rights Exercise Form and return it so that it arrives by the exercise deadline.

<Attend the meeting in person>

**Date and time of General Meeting of Shareholders: 10:00 a.m., Tuesday, June 22, 2021**

Please bring the enclosed Voting Rights Exercise Form and submit it to the reception desk.

### Handling of voting rights exercised in duplicate

- (1) If voting rights are exercised in duplicate both in writing and via the internet, etc. (including those exercised by smartphones or tablet devices), the voting rights exercised via the internet, etc. (including those exercised by smartphones or tablet devices), shall be deemed valid.
- (2) If voting rights are exercised multiple times via the internet, etc. (including those exercised by smartphones or tablet devices), the most recent votes exercise will be deemed valid.

<For institutional investors>

Other than exercising your voting rights via internet, voting rights may also be exercised via the Electronic Voting Rights Exercise Platform operated by ICJ, Inc. (only when registered in advance).

For any inquiries, please contact the shareholder registry administrator below:

**Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support**

Inquiries about how exercising voting rights via PC:

**0120-652-031** (hours of operation: 9:00 a.m. to 9:00 p.m.)

Any other inquiries:

**0120-782-031** (hours of operation: 9:00 a.m. to 5:00 p.m.;  
excluding weekends and holidays)

< Exercise voting rights via personal computer, etc. (Premium Benefit Club)>

(i) Membership registration

Access the Premium Benefit Club via the URL below, and enter the required information to register as a member.

URL : <https://fujitec.premium-yutaiclub.jp/>

[User information required for new member registration]

■ Shareholder number

Enter your nine-digit shareholder number.

\*Find your shareholder number at the top center of your Voting Rights Exercise Form.

■ Postal code

Enter your personal seven-digit postal code.

\*Enter the postal code registered as of March 31, 2021.

You will receive a temporary registration via email. Use this temporary registration to complete the registration process.

(ii) Log in and vote

STEP 1

Go to the Shareholder Post page and click Notice of the 74<sup>th</sup> Annual Meeting of Shareholders.

STEP 2

Proceed to the Voting Rights Exercise page from the Notice of the 74<sup>th</sup> Annual Meeting of Shareholders page.

STEP 3

Select For or Against.

[Inquiries regarding the Premium Benefit Club]

Contact: 0120-302-716

Press 3 to speak with an operator

Toll free /hours of operation 9:00 to 17:00

(excluding weekends, national holidays, year-end, and New Year holidays)

<Exercise voting rights via personal computer, etc. (Voting Rights Exercise Website)>

(i) Access Voting Rights Exercise website: <https://www.web54.net>

(ii) Enter your Voting Rights Exercise Code.

Enter the Voting Rights Exercise Code as indicated on the Voting Rights Exercise Form.

(iii) Enter your password

Enter the password as indicated on the Voting Rights Exercise Form.

Follow the guidance on the screen, and enter your vote for or against the proposals.

\*Connection fees, telecommunications fees, etc. incurred when utilizing the Voting Rights Exercise Website shall be borne by the shareholder.

\*Depending on the internet usage environment, subscribed services or the device model, Voting Rights Exercise Website may not be available.

<Exercise by smart phones or tablet devices>

(i) Access Voting Rights Exercise website for smartphones

Use a smartphone or a tablet device to scan the log-in QR code for the Voting Rights Exercise Website for Smartphones, displayed at the lower right of the enclosed Voting Rights Exercise Form.

\*QR Code is a registered trademark of DENSO WAVE INCORPORATED

(ii) Visit Voting Rights Exercise Website

Follow the guidance on the screen, and enter your vote for or against the proposals.

When you visit the website on the displayed URL, the Voting Rights Exercise Website screen will open.

**You may exercise voting rights by smartphones or tablet devices once only.**

To change your vote after exercising your voting rights by smartphones or tablet devices, please refer to *Exercise voting rights via personal computer, etc.* above, enter Voting Rights Exercise Code and password as indicated on the Voting Rights Exercise Form, and then execute your vote again.

\* You can access to the Voting Rights Exercise Website above by scanning the QR code.

## Reference Documents for the Meeting of Shareholders

### Proposals and References

#### Proposal 1: Appropriation of Surplus

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

With regard to profit distribution, our basic policy for paying dividends is to regard enhancement of the return of profit to our shareholders as our top management priority, while at the same time, we balance the need to retain internal reserves to ensure the long-term stability of the Company's foundation.

Concerning year-end dividends, in consideration of the consolidated business results for the fiscal year under review, the Company proposes ¥40 per share. As a result, the annual dividend will be ¥60 per share, including an interim dividend of ¥20 yen per share.

(1) Type of dividend property

Cash

(2) Matters regarding the allotment of dividend property and the total amount

¥40 per share of common stock of the Company    Total amount: ¥3,260,119,600

(3) Effective date for distribution of dividends

Wednesday, June 23, 2021

## Proposal 2: Election of 9 Directors

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

The candidates are as follows:

(Reference) Composition of the Board of Directors (plan after June 22, 2021)

The candidates' experience in corporate management and expertise are as follows:

No.	Name	Titles and Responsibilities	Experience in Corporate Management and Expertise (Excerpt)					
			Corporate Management		Expertise, etc.			
			Domestic Business	Global Business	Economic Policies	Finance and Accounting	Corporate Legal Affairs	Investor Relations
1	Takakazu Uchiyama Reappointment	Representative Director, Chief Executive Officer	●	●				●
2	Takao Okada Reappointment	Representative Director, Executive Vice President Nomination and Compensation Advisory Committee	●	●				●
3	Takashi Asano Reappointment	Director Senior Executive Operating Officer	●	●				●
4	Masashi Tsuchihata New	Director Senior Executive Operating Officer	●	●		●		●
5	Nobuki Sugita Reappointment Outside Independence	Director Chair of Nomination and Compensation Advisory Committee			●			
6	Shigeru Yamazoe Reappointment Outside Independence	Director Nomination and Compensation Advisory Committee	●	●		●		
7	Kunio Endo Reappointment Outside Independence	Director	●	●		●		
8	Keiko Yamahira Reappointment Outside Independence	Director	●					●
9	Mami Indo New Outside Independence	Director	●		●	●	●	●

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Takakazu Uchiyama (July 16, 1951)	April 1976      Joined Fujitec Co., Ltd. December 1978    Director December 1981    Managing Director November 1989    Senior Managing Director June 1992          Representative Director and Executive Vice President June 2000          Chairman of the Board and Representative Director June 2002          Representative Director and President (to the present) July 2005          Chief Executive Officer (to the present) April 2010          General Manager of Global Business HQ (to the present) April 2016          Regional Director - East Asia October 2016      General Manager of Japan Business HQ April 2019          Regional Director - North America (to the present) [Significant concurrent positions] Representative Director and President, Uchiyama International, Ltd.	331,970 shares
[Reasons for selection as a candidate for Director] As Mr. Takakazu Uchiyama has deep insight stemming from his experience in the control of Japan and overseas businesses in addition to the management of subsidiaries of the Company such as those in the Americas etc., the Company has judged that going forward he will continue to contribute to the global group business management of the Company.			
(Note) There are no special conflicts of interest between Mr. Takakazu Uchiyama and the Company.			



No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Takao Okada (February 4, 1954)	<p>April 1976      Joined Fujitec Co., Ltd.</p> <p>April 2007      Operating Officer</p> <p>April 2009      Executive Operating Officer of the Company</p> <p>April 2012      Senior Executive Operating Officer Deputy General Manager of Japan Business HQ</p> <p>June 2012      Director of the Company (to the present)</p> <p>January, 2015    Deputy General Manager of Global Operations HQ</p> <p>October 2015    Regional Director - China</p> <p>April 2016      President of Company subsidiary Fujitec Shanghai Sourcing Center Co., Ltd.</p> <p>April 2016      Deputy General Manager of Global Business HQ (to the present) General Manager of Global Operations HQ</p> <p>April 2020      Chief Executive Vice President (to the present) General Manager of Japan Business HQ</p> <p>April 2021      Regional Director - East Asia (to the present)</p>	23,779 shares

[Reasons for selection as a candidate for Director]

As Mr. Takao Okada has deep insight stemming from his experience in the control of Japan and overseas businesses in addition to the management of subsidiaries of the Company in East Asia, the Company has judged that going forward he will continue to contribute to the global group business management of the Company.

(Note) There are no special conflicts of interest between Mr. Takao Okada and the Company.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Takashi Asano (March 11, 1954)	<p>April 1977      Joined Fujitec Co., Ltd.</p> <p>April 2012      Operating Officer and Executive Vice President of Company subsidiary Fujitec America, Inc.</p> <p>October 2012    General Manager of Product Development HQ of the Company</p> <p>April 2013      Executive Operating Officer</p> <p>October 2013    President of Company subsidiary Fujitec Shanghai Technologies Co., Ltd.</p> <p>April 2017      Senior Executive Operating Officer (to the present)</p> <p>June 2017      Director (to the present)</p> <p>July 2020      General Manager of Corporate Planning HQ</p> <p>April 2021      General Manager of Technology HQ (to the present)</p>	9,411 shares

[Reasons for selection as a candidate for Director]

As Mr. Takashi Asano has deep insight stemming from his experience in the control of the Company's product development in Japan and abroad in addition to the management of subsidiaries of the Company in Americas and East Asia, the Company has judged that going forward he will continue to contribute to the global group business management of the Company.

(Note) There are no special conflicts of interest between Mr. Takashi Asano and the Company.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	* Masashi Tsuchihata (July 31, 1960)	<p>March 1984      Graduated from Faculty of Engineering, Kanazawa University</p> <p>April 1984      Joined Fujitec Co., Ltd.</p> <p>April 2013      Operating Officer and Executive Vice President of Company subsidiary Fujitec America, Inc.</p> <p>April 2017      Executive Operating Officer</p> <p>July 2017      Regional Deputy Director - South Asia</p> <p>April 2018      Regional Director - South Asia</p> <p>Executive President of Company subsidiary Fujitec Singapore Corpn. Ltd.</p> <p>April 2020      Senior Executive Operating Officer of the Company (to the present)</p> <p>April 2021      General Manager of Finance HQ and Director of Corporate Planning HQ (to the present)</p>	4,340 shares

[Reasons for selection as a candidate for Director]

As Mr. Masashi Tsuchihata has deep insight stemming from his experience in the control of Manufacturing Base in Japan and overseas businesses including the management of subsidiaries of the Company in Americas and South Asia, the Company has judged that going forward he will continue to contribute to the global group business management of the Company.

(Note) There are no special conflicts of interest between Mr. Masashi Tsuchihata and the Company.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Nobuki Sugita (August 9, 1954)	<p>April 1977 Entered the Economic Planning Agency (Planning Division, National and Regional Planning Bureau)</p> <p>June 1995 Chief, Office of Public Affairs, Planning Division, Director General's Secretariat at the Economic Planning Agency</p> <p>July 2001 Director of Gifu Prefecture (President of the Gifu Economic and Industrial Promotion Center)</p> <p>August 2005 Assistant Vice Minister, Minister's Secretariat, Ministry of Foreign Affairs (responsible for Economic Cooperation Bureau and International Cooperation Bureau)</p> <p>August 2009 Professor at the Faculty of School of Economics, Nagoya University</p> <p>September, 2012 Director-General for Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism (responsible for policy evaluation and logistics policy)</p> <p>June 2013 President of Economic and Social Research Institute, Cabinet Office, Government of Japan</p> <p>April 2014 Professor at the Hosei Graduate School of Regional Policy Design</p> <p>April 2015 Professor at the College of Economics, Ritsumeikan University</p> <p>June 2017 Director of the Company (to the present)</p> <p>April 2020 Specially Appointed Professor at the College of Economics, Ritsumeikan University (to the present)</p> <p>[Significant concurrent positions] Professor, College of Economics, Ritsumeikan University</p>	1,470 shares
<p>Reasons for selection as a candidate for outside director, and summary of expected roles</p> <p>For many years, he has held important positions such as university professor of economics, as well as serving in economic-related ministries and agencies. By leveraging the abundant knowledge he has cultivated, he is expected to provide useful suggestions and advice for the management of the Company.</p> <p>Although Mr. Nobuki Sugita 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>			
<p>(Notes) 1. Mr. Nobuki Sugita is a candidate for Outside Director.</p> <p>2. The term of office of Mr. Nobuki Sugita as Director will be 4 year at the conclusion of this meeting.</p> <p>3. Director Nobuki Sugita is a Professor at Ritsumeikan University operated by the Ritsumeikan Trust, and there is a business relationship between Ritsumeikan Trust, an operating company in which this trust invests independently, and the Company for installation, maintenance, and other services ordered in relation to our elevators, escalators, and other products. Net sales to Ritsumeikan Trust and its operating company in the 74th fiscal year of the Company were 2 million yen.</p> <p>4. Mr. Nobuki Sugita is an independent director provided by Tokyo Stock Exchange, Inc., and if he is elected as originally proposed and assumes the position, he will continue to be an independent director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Shigeru Yamazoe (August 11, 1955)	<p>April 1978      Joined Marubeni Corporation</p> <p>April 2006      Executive Officer of Marubeni Corporation</p> <p>April 2009      Managing Executive Officer of Marubeni Corporation</p> <p>June 2010      Managing Executive Officer, Member of the Board of Marubeni Corporation</p> <p>April 2012      Senior Managing Executive Officer, Member of the Board of Marubeni Corporation</p> <p>April 2015      Senior Executive Vice President, Member of the Board of Marubeni Corporation</p> <p>April 2018      Vice Chairman of the Board of Marubeni Corporation</p> <p>June 2018      Vice Chairman of Marubeni Corporation</p> <p>June 2018      Director of the Company (to the present)</p> <p>April 2019      Outside Audit &amp; Supervisory Board Member of Mizuho Capital Partners Co., Ltd. (currently MCP Partners Co., Ltd.) (to the present)</p> <p>April 2020      Chairman of Marubeni Power &amp; Infrastructure Systems Corporation (to the present)</p> <p>August 2020      Member of Outside Director Audit &amp; Supervisory Committee, Bewith, Inc. (to the present)</p> <p>[Significant concurrent positions]  Outside Member of the Audit &amp; Supervisory Board, Mizuho Capital Partners Co., Ltd.  Chairman, Marubeni Power &amp; Infrastructure Systems Corporation  Member of Outside Director Audit &amp; Supervisory Committee, Bewith, Inc.</p>	2,105 shares
<p>Reasons for selection as a candidate for outside director, and summary of expected roles</p> <p>For many years, he has been involved in the overall management of general trading companies and in global business management. By leveraging the abundant knowledge he has cultivated, he is expected to provide useful suggestions and advice for the management of the Company.</p>			
<p>(Notes) 1. Mr. Shigeru Yamazoe is a candidate for Outside Director.</p> <p>2. The term of office of Mr. Shigeru Yamazoe as Director will be 3 years at the conclusion of this meeting.</p> <p>3. Mr. Shigeru Yamazoe currently serves as Chairman of Marubeni Power &amp; Infrastructure Systems Corporation, and there are transactional relationships for orders for installation, maintenance, etc. of the Company's products such as elevators and for real estate leases between the Company and important subsidiaries of Marubeni Corporation, a parent company of Marubeni Power &amp; Infrastructure Systems Corporation. During the 74th fiscal year of the Company, the amount of net sales to said important subsidiaries was 1 million yen, and the amount paid to said important subsidiaries was 66 million yen. In addition, Mr. Shigeru Yamazoe is a member of the Outside Director Audit &amp; Supervisory Committee of Bewith, Inc., and there is a business relationship between a significant subsidiary of Bewith's parent company, Pasona Group, Inc., and the Company for installation, maintenance, and other services ordered in relation to our products, as well as a relationship for employee placement. Net sales to these significant subsidiaries in the Company's 74th fiscal year were 4 million yen, and payments to the same totaled 14 million yen.</p> <p>4. Mr. Shigeru Yamazoe is an independent director provided by Tokyo Stock Exchange, Inc., and if he is elected as originally proposed and assumes the position, he will continue to be an independent director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Kunio Endo (August 23, 1957)	<p>April 1981      Joined Honda Motor Co., Ltd.</p> <p>April 2006      General Manager of Finance Division for Business Management Operations of Honda Motor Co., Ltd.</p> <p>April 2007      General Manager of Accounting Division for Business Management Operations of Honda Motor Co., Ltd.</p> <p>November 2010      President and Director of American Honda Finance Corporation President and Director of Honda Canada Finance Inc.</p> <p>June 2013      Corporate Auditor (Full-time) of Honda Motor Co., Ltd.</p> <p>June 2017      Retired as Corporate Auditor of Honda Motor Co., Ltd.</p> <p>June 2019      Director of the Company (to the present)</p> <p>February 2021      U.S. CPA (Washington State)</p>	583 shares
<p>Reasons for selection as a candidate for outside director, and summary of expected roles</p> <p>For many years, he has held important positions in areas such as finance and accounting, etc., as well as the position of director and member of the Audit &amp; Supervisory Board of companies doing business globally. By leveraging the abundant knowledge he has cultivated, he is expected to provide useful suggestions and advice for the management of the Company.</p>			
<p>(Notes) 1. Mr. Kunio Endo is a candidate for Outside Director.</p> <p>2. The term of office of Mr. Shigeru Yamazoe as Director will be 2 years at the conclusion of this meeting.</p> <p>3. There are no special conflicts of interest between Mr. Kunio Endo and the Company.</p> <p>4. Mr. Kunio Endo is an independent director provided by Tokyo Stock Exchange, Inc., and if he is elected as originally proposed and assumes the position, he will continue to be an independent director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	Keiko Yamahira (November 30, 1960)	April 1983      Joined Kubota House Co., Ltd. (currently Sanyo Homes Corporation) April 2010      Officer of SANYO Homes Corporation (currently Sanyo Homes Corporation) June 2011      Director, Executive Officer of SANYO Homes Corporation June 2012      Director of SANYO Reform Corporation (currently Sanyo Reform Corporation) June 2013      Director, Senior Executive Officer of Sanyo Homes Corporation Director of SunAdvance, Inc. Director of Sanyo Homes Community Corporation June 2015      President and Director of Sanyo Homes Corporation April 2017      Chairman and Representative Director of Sanyo Homes Community Corporation April 2019      Advisor of Joshin Denki Co., Ltd. June 2019      Outside Director of Joshin Denki Co., Ltd. (to the present) June 2019      Director of the Company (to the present) [Significant concurrent positions] Outside Director, Joshin Denki Co., Ltd.	233 shares
<p>Reasons for selection as a candidate for outside director, and summary of expected roles            For many years, she has held the positions of director and executive officer of companies doing construction-related business. By leveraging the abundant knowledge she has cultivated, she is expected to provide useful suggestions and advice for the management of the Company.</p>			
<p>(Notes) 1. Ms. Keiko Yamahira is a candidate for Outside Director.            2. The term of office of Ms. Keiko Yamahira as Director will be 2 years at the conclusion of this meeting.            3. Ms. Keiko Yamahira currently serves as Outside Director of Joshin Denki Co., Ltd., and the Company holds 24 thousand shares of said company. In addition, there is a business relationship between Joshin Denki and the Company for installation, maintenance, and other services ordered in relation to our products, as well as for the purchase of office-use products and other services. Net sales to this entity in the Company's 74th fiscal year were 117 million yen, and payments to this company totaled less than 1 million yen.            4. Ms. Keiko Yamahira is scheduled to be named outside director of Takara Leben Co., Ltd. at that company's ordinary general meeting of shareholders planned to be held in June 2021.            5. Ms. Keiko Yamahira is an independent director provided by Tokyo Stock Exchange, Inc., and if she is elected as originally proposed and assumes the position, she will continue to be an independent director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	* Mami Indo (November 6, 1962)	<p>March, 1985 Graduated from Faculty of Law, Hitotsubashi University</p> <p>April 1985 Joined Daiwa Securities Co. Ltd.</p> <p>April 2009 Senior Managing Director and Executive Officer of Consulting Division, Daiwa Institute of Research Ltd.</p> <p>August 2010 Senior Managing Director and Executive Officer of First Consulting Division, Daiwa Institute of Research Ltd.</p> <p>April 2013 Executive Managing Director, Deputy Executive Officer of Research Division, Daiwa Institute of Research Ltd.</p> <p>April 2016 Senior Executive Director, Daiwa Institute of Research Ltd.</p> <p>December 2016 Commissioner, Securities and Exchange Surveillance Commission, JAPAN</p> <p>June 2020 Outside Director, Tokyo Gas Co., Ltd. (to the present)</p> <p>June 2020 Outside Audit &amp; Supervisory Board Member, Ajinomoto Co., Inc. (to the present)</p> <p>June 2020 Outside Audit &amp; Supervisory Board Member, AIG Japan Holdings KK (to the present)</p> <p>[Significant concurrent positions] Outside Director, Tokyo Gas Co., Ltd. Outside Audit &amp; Supervisory Board Member, Ajinomoto Co., Inc. Outside Audit &amp; Supervisory Board Member, AIG Japan Holdings KK</p>	0 shares

Reasons for selection as a candidate for outside director, and summary of expected roles  
For many years, she has held important positions in the financial field, including as an analyst and in areas related to company management, such as consulting work. By leveraging the abundant knowledge she has cultivated, she is expected to provide useful suggestions and advice for the management of the Company.

- (Notes) 1. Ms. Mami Indo is a candidate for outside director.
2. Ms. Mami Indo is an Outside Director of Tokyo Gas Co., Ltd., and there is a business relationship between Tokyo Gas and the Company for supply of gas to the Company's operating locations and other locations. Payments to Tokyo Gas in the Company's 74th fiscal year were less than 1 million yen. In addition, Ms. Indo is an outside member of the Audit & Supervisory Board of Ajinomoto Co., Ltd., and there is a business relationship between significant subsidiaries of Ajinomoto and the Company related to installation, maintenance, and other services ordered in relation to our products. Net sales to these subsidiaries in the Company's 74th fiscal year were 1 million yen. In addition, Ms. Indo is an outside member of the Audit & Supervisory Board of AIG Japan Holdings KK, and there is a business relationship between significant subsidiaries of AIG Japan Holdings and the Company for overseas travel insurance and corporate officer liability insurance. Payments to these subsidiaries in the Company's 74th fiscal year were 24 million yen.
3. Ms. Mami Indo is an independent director provided by Tokyo Stock Exchange, Inc., and if she is elected as originally proposed and assumes the position, she will be an independent director.

- (Note) 1. The number of shares of the Company held by each candidate includes portions held by the candidate in the Executive Shareholding Association and/or Employee Shareholding Association of the Company as of March 31, 2021.
2. The Company entered into a liability insurance contract for officer and director liability insurance as provided in Article 430-3.1 of the Companies Act for Company and subsidiary directors and members of the Audit & supervisory Board as insured parties. The contract covers the amount of compensation, costs of disputes, etc., in the event that an insured party is subject to a claim of liability for damages arising from the execution of his or her duties. The Company bears the cost of all insurance premiums. To ensure the proper execution of duties by the insured parties, the contract in question establishes a certain deductible amount, and any damages not reaching this deductible amount are not covered. In addition, certain exemptions exist, including the non-payment for damages caused by the commission of a crime or other violation of laws and regulations. Each candidate will be included as an insured party in this insurance contract. This will be updated with the same contract at the next.
3. \* indicates a new candidate for director.



### **Proposal 3: Determining Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)**

With regard to the amount of remuneration for Company directors, at the 60th Ordinary General Meeting of Shareholders, held on June 27, 2007, shareholders approved remuneration up to an amount of 500 million yen per annum. At the 66th Ordinary General Meeting of Shareholders, held on June 25, 2013, shareholders approved the issuance of stock acquisition rights up to an amount of 100 million yen per annum as stock-based compensation to be paid to directors (excluding outside directors).

As part of a review of the Company's executive compensation plans, it is proposed to provide incentives to Company directors (excluding outside directors; hereinafter "Eligible Directors") for the purpose of sustainable improvement in corporate value, as well as to newly provide remuneration for granting restricted stock to Eligible Directors, separate from the remuneration framework described above, with the purpose of encouraging a greater sense of shared value with shareholders.

If adoption of the Proposal is approved at the General Meeting of Shareholders, the Company plans to abolish the compensatory stock option plan for directors and subsequently issue no stock acquisition rights to directors as compensatory stock options, except for those stock acquisition rights already granted.

Based on this proposal, the remuneration to be paid for granting restricted stock to Eligible Directors shall be deemed as monetary claims, and the total of these shall be 100 million or less per annum (not including the portion of salaries representing employee compensation for directors who serve concurrently as employees). Furthermore, the specific timing and allocation of payments to Eligible Directors shall be determined by the Board of Directors.

If Proposal 2, Election of 9 Directors is approved as originally proposed, the number of Eligible Directors will be four.

In addition, for each fiscal year based on resolution of the Company's Board of Directors, Eligible Directors shall pay the entirety of monetary claims paid per this proposal as contributions in kind, receiving issuances or disposals of Company common stock. The total number of shares of Company common stock to be issued or disposed of shall be 200,000 shares or less per annum (however, in the event of a stock split, stock consolidation [including gratis allotment of Company common shares], or other reason requiring adjustment of the total number of shares of Company common stock for issuance or disposal as restricted shares arising on or after the day of approval of this proposal, this total number shall be adjusted within a reasonable range).

The amount to be paid in per share shall be determined by the board of directors based on the closing price of the company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of each board of directors meeting (or, if no trading of shares is conducted the day in question, the closing price on the business day immediately preceding), to the extent that the amount is not particularly favorable to Eligible Directors, who are to receive said common stock. In addition, the issuance or disposal of common stock of the Company under this proposal, as well as the payment of monetary claims as contributions in kind for the same, shall be subject to the execution of a restricted stock allocation agreement (hereinafter the "Allotment Agreement") between the Company and Eligible Directors including the content stated below. In this proposal, the upper limit of remuneration, the total number of Company common shares to be issued or disposed of, and other conditions for granting restricted shares to Eligible Directors based on this proposal have been determined in consideration of the aforementioned purpose, the Company's business conditions, the Company's policy on decisions relating to individual remuneration of directors (please see the Business Report for the Company's 74th Fiscal Year on pages 34 and 35 below for details about this policy), and other miscellaneous matters, and we believe these to be appropriate.

## Overview of Allotment Agreement

### (1) Restriction period

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

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

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

### (3) Removal of restrictions

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

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

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

### (5) Other Matters

Other matters concerning the Allotment Agreement shall be determined by the Company's Board of Directors.

### (Reference)

As a separate initiative vis-a-vis Eligible Directors, the Company plans to similarly grant restricted stock to executive officers not concurrently serving as Company directors.

End

## Business Report

( April 1, 2020 -  
March 31, 2021 )

### 1. Matters Concerning the State of the Corporate Group

#### (1) Business progress and results

##### a. Management environment and business development

Throughout the consolidated fiscal year ended March 31, 2021, the global economy continued to face the impact of the global spread of COVID-19. However, signs of recovery emerged during the second half of the fiscal year. The Chinese economy continued to recover owing to COVID-19 control measures. At the same time, countries and regions elsewhere in Asia showed ongoing signs of economic recovery. Economic and monetary easing measures in the United States strengthened the recovery in that country. The situation Japan has remained challenging. The government issued another state of emergency declaration in response to the re-emergence of infections, although the country's manufacturing and other industries experienced a gradual recovery.

Demand for new installations in the elevator and escalator industry increased on a per-elevator basis in China. However, demand declined significantly in other Asian countries and regions, as well as in North America, due to the impact of the COVID-19 pandemic. On the other hand, our maintenance business, which provides maintenance for the elevators and escalators, experienced only a limited impact of the pandemic, since we are a provider of social infrastructure in every country and region in which we operate.

Amid these challenging circumstances, the Fujitec Group engaged in measures to prevent the spread of COVID-19, placing the highest priority on the safety and security of our customers, business partners, and employees. In accordance with the state of infections and governmental policies, we engaged in conscientious activities to avoid the Three Cs (closed spaces, crowded places, close-contact settings) through telecommuting, full flextime scheduling, and other measures. Through our businesses, we continued to provide safe, reliable maintenance services, which are part of the foundations of society. At the same time, we endeavored to expand sales of our new standard model elevator, XIOR. In response to the new normal, we commercialized a number of products, including our *AirTap* technology (touchless elevator operation), for new and existing installations. In addition, we opened "Creative Studio," an information base for disseminating our latest technologies to customers, at Big Wing (Hikone City, Shiga Prefecture), our Tokyo Head Office, and Big Step (Toyooka City, Hyogo Prefecture). By allowing customers to experience our latest technologies at these locations, we strive to deepen our relationship of trust and enhance our brand power.

Amid the environment discussed above, the Fujitec Group recorded business performance for the consolidated fiscal year ended March 31, 2021, as described below.

In the Japanese market, our New Installation business saw weaker demand from apartment buildings, hotels, and other facilities during the consolidated fiscal year under review due to the impact of COVID-19. As a result, orders for new installations were lower compared to the prior fiscal year. The Aftermarket business experienced a solid performance increase, stemming from an increase in orders from government agencies and other customers for modernization projects related to existing elevators and escalators. In addition, our maintenance business, which performs maintenance for elevators and escalators experienced improved contract rates as we endeavored to offer proposals that reflect customer needs.

In overseas markets, orders in East Asia were largely affected by a decrease in new installations in China, despite an increase in modernization work in Hong Kong and Korea. In South Asia, orders decreased due to fewer new installations in India, despite growth in New Installations and Aftermarket business in Singapore, as well as an increase in New Installation business in Indonesia. Our North America and Europe segment saw an increase in new installations in the U.S. Related to large-scale project orders, combined with a decrease in the Aftermarket business. New installations were lower in Canada. Orders rose in the U.K due to the new consolidation of a subsidiary owing to a corporate acquisition in February 2020.

As a result, total orders received amounted to ¥174,648 million (down 6.3% year on year), consisting of ¥71,605 million in domestic orders received (down 1.0%) and ¥103,042 million in overseas orders received (down 9.6%; down 7.3% after excluding the impact of foreign exchange).

Total net sales amounted to ¥169,573 million (down 6.4%), consisting of ¥69,420 million in domestic net sales (down 4.3%) and ¥100,153 million in overseas net sales (down 7.9%; down 5.5% after excluding the impact of foreign exchange).

Total order backlog amounted to ¥211,024 million (up 1.5% year on year), consisting of domestic order backlog in the amount of ¥67,954 million (up 3.4%) and overseas order backlog in the amount of ¥143,069 million (up 0.7%; up 3.3% after excluding the impact of foreign exchange).

Operating income rose year on year in Japan, while decreasing in North America and Europe, amounting to ¥13,288 million (down 0.6%). Ordinary income amounted to ¥14,633 million (down 0.3%), stemming from a decrease in financial income. Profit before income taxes and other adjustments amounted to ¥15,025 million (up 3.7%), mainly due to an increase in subsidy income. Profit attributable to owners of parent amounted to ¥9,287 million (down 6.3%), owing mainly to an increase in income taxes.

In terms of product development, we conducted a full model change for the XIOR standard elevator in April 2020. XIOR includes a special elevator air conditioner, Air Tap technology (touchless operations), and other features that make XIOR a model for a new era far beyond conventional standards. Further, we now offer a lineup of unique safe, secure, and comfortable features that respond to the new normal. These features include a current capacity status display, IONFUL, an air purifier that inhibits the action of viruses in elevators, and other features that help riders avoid the Three Cs in elevator cars. For escalators, we developed an ultraviolet handrail sterilization device. These hygienic and comfortable clean functions can be incorporated not only in new elevators and escalators, but also in existing equipment.

#### By Group Category: Orders and Net Sales

(Orders)

(Million yen)

Classification	For the Fiscal Year Ended March 31, 2021	For the Fiscal Year Ended March 31, 2020
	(Period 74) ( From April 2020 to March 2021 )	(Period 73) ( From April 2019 to March 2020 )
Elevator, Escalator, and Electric Transport Device Business	174,648	186,320

(Net sales)

(Million yen)

Classification	For the Fiscal Year Ended March 31, 2021	For the Fiscal Year Ended March 31, 2020
	(Period 74) ( From April 2020 to March 2021 )	(Period 73) ( From April 2019 to March 2020 )
Elevator, Escalator, and Electric Transport Device Business	169,573	181,232

(Order backlog)

(Million yen)

Classification	As of March 31, 2021 (Period 74)	As of March 31, 2020 (Period 73)
	Elevator, Escalator, and Electric Transport Device Business	211,024

(Note) The company consists of a single business, namely the Elevator, Escalator, and Electric Transport Device Business. We do not classify this business into multiple segments.

By Group Region: Orders and Net Sales

(Orders)

(Million yen)

Classification	For the Fiscal Year Ended March 31, 2021 (Period 74)		For the Fiscal Year Ended March 31, 2020 (Period 73)	
	( From April 2020 to March 2021 )	Composition Ratio (%)	( From April 2019 to March 2020 )	Composition Ratio (%)
Domestic	71,605	41.0	72,325	38.8
Overseas	103,042	59.0	113,994	61.2
Total	174,648	100.0	186,320	100.0

(Net sales)

(Million yen)

Classification	For the Fiscal Year Ended March 31, 2021 (Period 74)		For the Fiscal Year Ended March 31, 2020 (Period 73)	
	( From April 2020 to March 2021 )	Composition Ratio (%)	( From April 2019 to March 2020 )	Composition Ratio (%)
Domestic	69,420	40.9	72,519	40.0
Overseas	100,153	59.1	108,712	60.0
Total	169,573	100.0	181,232	100.0

(Order backlog)

(Million yen)

Classification	As of March 31, 2021 (Period 74)		As of March 31, 2020 (Period 73)	
		Composition Ratio (%)		Composition Ratio (%)
Domestic	67,954	32.2	65,723	31.6
Overseas	143,069	67.8	142,093	68.4
Total	211,024	100.0	207,817	100.0

## (Major properties for which we received orders)

Location	Delivery Destination	Overview
Sichuan, China	Xi Rui Guang Hua Phase I	Installed 113 elevators for a residential building facility in Chengdu City
Guangdong, China	Shenzhen 2nd Children's Hospital	Installed 67 elevators/escalators for a hospital facility in Shenzhen City
Liaoning, China	Shenyang Metro Line 4 Phase I	Installed 67 escalators for subway station in Shenyang City
Taichung, Taiwan	(tentative) Mitsui Shopping Park LaLaport Taichung	Installed 72 elevators/escalators for a commercial facility street block in Taichung City
Taoyuan, Taiwan	Chunghwa Post mail processing center and postal training center	Installed 30 elevators/escalators for a public postal facility
Seoul, South Korea	Bank of Korea Gangnam Branch Office	Replaced 12 existing elevators at a regional headquarters building for the Central Bank
Lampung, Indonesia	Lampung Bay City	Installed 23 elevators/escalators for a commercial and residential facility complex in Bandar Lampung City
Kyoto, Japan	Hilton Garden Inn Kyoto Shijyo Karasuma	Installed 4 elevators under a new brand for hotels
Kitakyushu, Fukuoka Prefecture, Japan	(tentative) Yahata Higashida Project	Installed 8 elevators/escalators for a commercial facility on the site of the former Space World

## (Major projects completed)

Location	Delivery Destination	Overview
Henan, China	Xin Cai Ru Yi Huayuan	Completed 133 elevators for residential building facility in Zhumadian City
Guangxi Zhuang Autonomous , China	Nanning Normal University Wuming Area	Completed 32 elevators for a university building in Nanning City
Metropolitan Manila, Philippines	81 Newport Boulevard	Completed 24 elevators for condominiums in Pasay City
Hai Pong, Vietnam	AEON MALL Hai Phong Le Chan	Completed 53 elevators/escalators/autowalks for the sixth major AEON MALL commercial facility in Vietnam
New York, USA	Riverside Center	Completed 29 elevators for a commercial and residential facility complex in Manhattan
Buenos Aires, Argentina	200 Della Paolera	Completed 12 elevators for an office building in Catalinas
Tokyo, Japan	BUNKYO GARDEN	Completed 18 elevators/escalators for a 40-floor multi-use complex
Yokohama, Japan	Kanagawa University Minatomirai Campus	Completed 12 escalators for a new campus in the Minatomirai area
Osaka, Japan	W Osaka	Completed 10 elevators for a 27-floor luxury hotel facing Midosuji

b. Geographical segment information by location

Results by geographical segment for the consolidated fiscal year under review are as follows.

(Million yen)

	Net sales			Operating income (loss)		
	FY2020 Q4	FY2019 Q4	Change (%)	FY2020 Q4	FY2019 Q4	Change
Japan	71,859	74,751	(3.9)	5,330	4,891	438
East Asia	69,800	74,748	(6.6)	5,328	5,297	30
South Asia	13,785	16,379	(15.8)	2,160	2,135	25
North America and Europe	23,450	25,443	(7.8)	502	1,045	(542)
Subtotal	178,895	191,323	(6.5)	13,321	13,370	(48)
Adjustments	(9,321)	(10,091)	—	(32)	5	(37)
Total	169,573	181,232	(6.4)	13,288	13,375	(86)

Japan

Net sales amounted to ¥71,859 million (down 3.9% year on year). This result was due to cancellations and delays due to the COVID-19 pandemic, which led to fewer new installation and modernization projects. Operating income amounted to ¥5,330 million (up ¥438 million) due to solid performance of maintenance services in the Aftermarket business and our efforts to improve sales prices in the New Installations business.

East Asia

Net sales amounted to ¥69,800 million (down 6.6% year on year; down 4.3% after excluding the impact of foreign exchange). While new installations and aftermarket services were higher in Hong Kong, new installations and exports were lower in China, driving results down. Operating income amounted to ¥5,328 million (up ¥30 million). Despite a decrease in Taiwan due to delayed progress in large-scale new installation projects, we saw an increase in sales in Hong Kong, improved export profitability in Korea, and an increase in China.

South Asia

Net sales amounted to ¥13,785 million (down 15.8% year on year; down 12.6% after excluding the impact of foreign exchange). This result was mainly due to fewer new installations in Indonesia, Malaysia, and India. Operating income amounted to ¥2,160 million (up ¥25 million). Although we recorded increased SG&A expenses in Singapore and lower profitability on new installations in Indonesia and Malaysia, we saw higher profitability for new installations in India.

North America and Europe

Net sales amounted to ¥23,450 million (down 7.8% year on year; down 5.6% after excluding the impact of foreign exchange). Despite recording an increase in new installations and sales due to the new consolidation of a subsidiary in the U.K., the New Installations and Aftermarket businesses experienced a significant decrease in the U.S. Operating income amounted to ¥502 million (down ¥542 million) due to lower sales in the U.S.

(2) Capital Investment and Financing

During the current consolidated fiscal year under review, the Group conducted a total of 2,638 million yen in capital investment. Of this amount, 1,790 million yen of capital investment was conducted within the Company, while 848 million yen of capital investment was conducted at consolidated subsidiaries.

### (3) Issues to be Addressed

The year 2019 marked the first year of our three-year medium-term management plan. In only the first year of the plan, we had already met every target set for us to accomplish in the third year of the plan. Meanwhile, we faced a challenging business environment the following fiscal year due to the global spread of COVID-19. We expect the with-COVID-19 and post-COVID-19 business environment to be significantly different than our initial assumptions. In response to these circumstances, we reconsidered our future direction and announced the Fujitec Future Strategic Direction on December 4, 2020. We are committed to implementing the initiatives described in the New Strategic Direction. At the same time, we will continue to provide safe and reliable products and services to people around the world for sustainable enhancement of our corporate value in the global market. Our New Strategic Direction emphasizes the following three points:

- Focus on the Aftermarket Business : Focus on the Aftermarket Business in uncertain economic conditions
  - Business expansion in growth markets : Expand business in China and South Asia markets where new businesses are expected to grow
  - Increase Profitability : Increase profitability through operational innovations, automation, etc.
- To focus on the aftermarket business, we will work to expand the modernization business and the maintenance business.

In the modernization business, our goal is to expand the business through the following initiatives related to development, production, sales, and global collaboration.

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

In the maintenance business, our goal is to expand the business by pursuing smart maintenance and global expansion, as follows.

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

- To expand our business in growth markets, we will focus on the China and South Asia markets.

In the Chinese market, we are engaged in the following initiatives toward the sustainable growth driven by strengthened sales structure and cost reduction.

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

In the South Asia market, we are working to expand business in the growth markets of India and the Mekong region through the following initiatives.

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

- In pursuit of increase profitability, we are working primarily to boost profit margins through design, procurement, and production innovations and overhaul installation cost structure.

In design, procurement, and production innovations, we are taking the following initiatives with the goal of boost profit margins.

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

In pursuit of overhaul installation cost structure, we are engaged in the following actions to reduce new installation labor costs.

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

In addition, the company is increasing transparency and strengthening its governance system by establishing a Nomination and Compensation Advisory Committee. Under our global mission statements to collaborate with people from nations around the world to develop beautiful and functional cities, we are also



working proactively toward ESG, accelerate initiatives to reduce our own environmental impact, while continuing to create value in alliance with our stakeholders.

It is uncertain when the impact of the spread of COVID-19 will subside, and the outlook for the elevator and escalator market is unpredictable due to the stagnation in economic activity. Amid these circumstances, we are committed to implementing our newly-announced Our New Strategic Direction and are striving to improve corporate value.

#### (4) Changes in Assets and Income

Classification	Fiscal Year	Period 71	Period 72	Period 73	Period 74
		( April 2017 to March 2018 )	( April 2018 to March 2019 )	( April 2019 to March 2020 )	(Current Consolidated Fiscal Year) ( April 2020 to March 2021 )
Orders	(Million yen)	182,023	179,007	186,320	174,648
Net sales	(Million yen)	168,795	170,759	181,232	169,573
Ordinary income	(Million yen)	11,911	11,922	14,682	14,633
Profit attributable to owners of parent	(Million yen)	8,857	9,220	9,916	9,287
Net income per share	(yen)	109.82	114.14	122.46	114.52
Total assets	(Million yen)	182,503	184,690	193,581	205,196
Net assets	(Million yen)	111,822	113,923	118,714	125,264
Net assets per share	(yen)	1,243.46	1,271.28	1,318.59	1,385.45

(Notes) 1. Net income per share is calculated using the average number of shares during the period in question. The average number of common shares during the period is determined using the number of shares after deducting the number of treasury shares. The number of treasury shares as of the end of Periods 71, 72, and 73 include shares held as an employee stock ownership plan support trust (ESOP), and the number of treasury shares as of the end of Period 74 includes shares held as the E-Ship Trust-Type Employee Shareholding Incentive Plan.

2. Major factors for changes in each consolidated fiscal year are as described below.

Period 71 ... Domestic net sales increased by 3.4% year on year, while overseas net sales decreased by 0.8% over the same period, resulting in a year on year increase of 0.8% in net sales.

Profits declined versus the previous year due to reduced profits in East Asia.

Period 72 ... Domestic net sales increased by 6.3% year on year, while overseas net sales decreased by 2.1% over the same period, resulting in a year on year increase of 1.2% in net sales.

Profits increased only slightly versus the previous year due to reduced profits in Japan.

Period 73 ... Domestic net sales increased by 5.0% year on year, while overseas net sales increased by 6.9% over the same period, resulting in a year on year increase of 6.1% in net sales.

Profits increased versus the previous year due to increased profits in East Asia.

Period 74 ... This information is as provided in 1. *Business Progress and Results* above.

(5) Major Parent Companies and Subsidiaries

a. Relationship with parent company

Not applicable.

b. Status of major subsidiaries

Company Name	Paid-In Capital	Ownership Ratio	Main Business Lines
Fujitec America, Inc.	15,000 USD thousands	100.00%	Manufacture, sale, installation, maintenance, and repair of elevators and/or escalators
Fujitec Canada, Inc.	18,000 CAD thousands	100.00%	Sales, installation, maintenance, and repair of elevators and/or escalators
Fujitec (HK) Co., Ltd.	24,300 HKD thousands	100.00%	Manufacture, sale, installation, maintenance, and repair of elevators and/or escalators
Huasheng Fujitec Elevator Co., Ltd.	708,040 RMB thousands	60.00%	Manufacture, sale, installation, maintenance, and repair of elevators and/or escalators
Shanghai Huasheng Fujitec Escalator Co., Ltd.	106,760 RMB thousands	60.00% (60.00%)	Manufacture, sale, installation, maintenance, and repair of elevators and/or escalators
Fujitec Shanghai Sourcing Center Co., Ltd.	389,124 RMB thousands	100.00%	Manufacture of equipment of elevators and/or escalators
Fujitec Taiwan Co., Ltd.	300,000 TWD thousands	74.83%	Manufacture, sale, installation, maintenance, and repair of elevators and/or escalators
Fujitec Korea Co., Ltd.	27,220,000 KRW thousands	100.00%	Manufacture, sale, installation, maintenance, and repair of elevators and/or escalators
Fujitec Singapore Corpn. Ltd.	5,290 SGD thousands	83.86%	Sales, installation, maintenance, and repair of elevators and/or escalators
Fujitec India Private Ltd.	3,310,200 INR thousands	97.01% (15.56%)	Manufacture, sale, installation, maintenance, and repair of elevators and/or escalators
Fujitec UK Ltd.	12,516 GBP thousands	100.00%	Sales, installation, maintenance, and repair of elevators and/or escalators

(Note) Figures in parentheses in the Ownership Ratio column indicate the percentage of indirect ownership.

(6) Main Business Lines

As a specialized manufacturer of elevators, escalators, and moving sidewalks, the Fujitec Group, consisting of Fujitec Co., Ltd. and 34 affiliated companies (including 19 consolidated subsidiaries), is engaged in the integrated business of manufacturing, sales, installation, maintenance, and repair on a global scale.

The Company has 2 manufacturing bases in Japan. Globally, group companies operate 8 manufacturing bases in North America, East Asia, and South Asia, where elevators, escalators, and other products are manufactured. Group company sales bases in Japan and overseas are engaged in the sales, installation, maintenance, and repair of these products.

## (7) Major Sales Offices and Factories

Fujitec Co., Ltd.	Head Office	591-1, Miyata-cho, Hikone, Shiga, Japan
	Tokyo Head Office	1-17-3 Shirokane, Minato-ku, Tokyo, Japan
	Sales Bases	Tokyo Metropolitan Area Control HQ (Minato-ku, Tokyo) Osaka Metropolitan Area Control HQ (Ibaraki city, Osaka) Hokkaido Branch (Sapporo city), Tohoku Branch (Sendai city), Hokushinetsu Branch (Kanazawa city), Kitakanto Branch (Saitama city), Higashikanto Branch (Chiba city), Yokohama Branch (Yokohama city), Shizuoka Branch (Shizuoka city), Nagoya Branch (Nagoya city), Kyoto/Shiga Branch (Kyoto city), Kobe Branch (Kobe city), Hiroshima Branch (Hiroshima city), Shikoku Branch (Takamatsu city), Kyushu Branch (Fukuoka city), Okinawa Branch (Naha city) Other Sales Offices, Services Centers and Safenet Centers
	Manufacturing Bases	Big Wing (Hikone city, Shiga) Big Step (Toyooka city, Hyogo)
	R&D Centers, etc.	Product Development Center (Hikone city, Shiga) Human Resources Development Center (Ibaraki city, Osaka)
Subsidiaries	Overseas Manufacturing Bases	Fujitec America, Inc. (U.S.A.) Fujitec India Private Ltd. (India) Fujitec (HK) Co., Ltd. (Hong Kong) Fujitec Taiwan Co., Ltd. (Taiwan) Fujitec Korea Co., Ltd. (South Korea) Huasheng Fujitec Elevator Co., Ltd. (China) Shanghai Huasheng Fujitec Escalator Co., Ltd. (China) Fujitec Shanghai Sourcing Center Co., Ltd. (China)
	Overseas Sales Bases	Fujitec Singapore Corpn. Ltd. (Singapore) Fujitec Canada, Inc. (Canada) Fujitec UK Ltd. (U.K.), 18 other bases
	R&D Centers	Fujitec Shanghai Technologies Co., Ltd. (China)

(Note) On April 1, 2021, the Company changed the names of the Hiroshima Branch and the Shikoku Branch to the Chugoku/Shikoku Branch and Shikoku Sales Office, respectively.

## (8) Employees

### a. Group employees

No. of Employees	Year-on-Year Change
10,423	+131

(Note) The number of employees above represents the number of full-time employees, and does not include temporary employees.

### b. Fujitec Co., Ltd. employees

No. of Employees	Year-on-Year Change	Avg. Age	Avg. Years of Service
3,087	+47	41.2 years	18.1 years

(Note) The number of employees above represents the number of full-time employees, and does not include temporary employees.

## (9) Major Lenders

Lender	Amount of loans
Mizuho Bank, Ltd.	1,149 Million yen
Resona Bank, Ltd.	1,008 Million yen

(Note) The balance of borrowings from Resona Bank, Limited includes borrowings from the E-Ship Trust-Type Employee Shareholding Incentive Plan.

## 2. Matters Concerning Stock

- a. Total number of authorized shares 300,000,000 shares
- b. Total number of shares issued (excluding 3,797,010 shares in treasury stock) 81,502,990 shares
- c. Number of shareholders 4,045 people
- d. Major shareholders (Top 10)

Name of Shareholders	Equity in Fujitec	
	Number of shareholding	Ratio of shareholding
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,645	8.15
Uchiyama International Ltd.	5,043	6.19
Resona Bank, Ltd.	4,051	4.97
JPMorgan Chase Bank 385632	3,991	4.90
JPMorgan Bank Luxembourg S.A.381572	3,859	4.74
Custody Bank of Japan, Ltd. (Trust Account 4)	3,239	3.97
Custody Bank of Japan, Ltd. (Trust Account)	2,708	3.32
JPMorgan Chase Bank 380055	2,525	3.10
Mizuho Bank, Ltd.	1,989	2.44
SSBTC Client Omnibus Account	1,767	2.17

(Notes) 1. The Company holds 3,797,010 shares in treasury stock, which is excluded from the list of major shareholders above. Ownership Ratio in the table above represents the ratio of shares held to the total number of issued shares, excluding treasury stock. Treasury shares do not include 362,000 shares held under the E-Ship Trust-Type Employee Shareholding Incentive Plan.

2. While we have reported shareholdings by submitting a Report of Possession (Change) of Large Volume per the Financial Instruments and Change Act as described below, the actual number of shares held as of the end of the current fiscal year cannot be determined and are therefore not included in the table above.

Shareholder	No. of Shares Held and Ownership Ratio	Date of Reporting Obligation (Report Date)
T. Rowe Price Japan, Inc.	7,350 thousand shares 8.16%	November 30, 2020 (December 7, 2020)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	5,062 thousand shares 5.62%	November 30, 2020 (December 4, 2020)
Nikko Asset Management Co., Ltd.	984 thousand shares 1.09%	
Sumitomo Mitsui Trust Bank, Limited	165 thousand shares 0.18%	
MUFG Bank, Ltd.	1,663 thousand shares 1.77%	April 9, 2018 (April 16, 2018)
Mitsubishi UFJ Trust and Banking Corporation	2,793 thousand shares 2.98%	
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	326 thousand shares 0.35%	
Mizuho Bank, Ltd.	1,989 thousand shares 2.21%	October 30, 2020 (November 9, 2020)
Asset Management One Co., Ltd.	2,520 thousand shares 2.80%	

### 3. Matters Concerning Stock Acquisition Rights

Overview of stock acquisition rights granted to Company officers as of the end of the current fiscal year as compensation for the performance of duties

Name (Date of resolution re: issuance)	No. of stock acquisition rights	Type and number of shares to be issued upon exercise of stock acquisition rights	Amount paid for stock acquisition rights	Amount contributed upon exercise of stock acquisition rights	Exercise period of the stock acquisition rights	Main conditions for the exercise of stock acquisition rights	No. of holding directors (excluding outside directors)
Stock Acquisition Rights No.1 (November 8, 2013)	21 rights	Fujitec Co., Ltd. common stock 21,000 shares	Per share 1,016 yen	Per share 1 yen	November 26, 2013 ~ November 25, 2043	(Note)	2 persons
Stock Acquisition Rights No.2 (August 7, 2014)	14 rights	Fujitec Co., Ltd. common stock 14,000 shares	Per share 815 yen	Per share 1 yen	August 26, 2014 ~ August 25, 2044	(Note)	2 persons
Stock Acquisition Rights No.3 (August 7, 2015)	4 rights	Fujitec Co., Ltd. common stock 4,000 shares	Per share 696 yen	Per share 1 yen	August 26, 2015 ~ August 25, 2045	(Note)	2 persons

(Note) 1. Holders of stock acquisition rights may exercise their rights for a period of 7 years from the day following the day on which they lose their position as a director of the Company.

2. Other conditions and details of the exercise of rights shall be as set forth in the Stock Acquisition Rights Allotment Agreement.

## 4. Matters Concerning Company Officers

### (1) Directors and Members of the Audit & Supervisory Board

Positions	Name	Status of Responsibilities and Important Concurrent Positions
Representative Director and President	Takakazu Uchiyama	General Manager of Global Business HQ; Regional Director of North America and East Asia
Representative Director and Vice President	Takao Okada	Representative Director and President, Uchiyama International, Ltd. General Manager of Japan Business HQ; Deputy General Manager of Global Business HQ; Regional Director of China
Director	Yoshiichi Kato	General Manager of Finance HQ
Director	Takashi Asano	General Manager of Corporate Planning HQ; General Manager of Product Development HQ; President of Fujitec Shanghai Technologies Co., Ltd.
Director	Terumichi Saeki	Partner Attorney, Foreign Law Joint Enterprise, Kitahama Partners Outside Director, IwaiCosmo Holdings, Inc. Outside Members of the Audit & Supervisory Board, Watabe Wedding Corporation
Director	Nobuki Sugita	Professor, College of Economics, Ritsumeikan University
Director	Shigeru Yamazoe	Chairman, Marubeni Power & Infrastructure Systems Corporation Outside Member of the Audit & Supervisory Board, MCP Partners Co., Ltd. Member of Outside Director Audit & Supervisory Committee, Bewith, Inc.
Director	Kunio Endo	
Director	Keiko Yamahira	Outside Director, Joshin Denki Co., Ltd.
Member of the Audit & Supervisory Board (Standing)	Kenichi Ishikawa	
Member of the Audit & Supervisory Board (Standing)	Yasuo Utsunomiya	
Member of the Audit & Supervisory Board	Tatsuo Ikeda	Of Counsel, Kitahama Partners
Member of the Audit & Supervisory Board	Satoshi Hiramitsu	Senior Partner, Tax Accounting Corporation, TAS Outside Member of the Audit & Supervisory Board, ARATA CORPORATION

- (Notes) 1. Directors Terumichi Saeki, Nobuki Sugita, Shigeru Yamazoe, Kunio Endo, and Keiko Yamahira are outside directors as stipulated in the Companies Act, and Members of the Audit & Supervisory Board Kenichi Ishikawa, Tatsuo Ikeda, and Satoshi Hiramitsu are outside members of the Audit & Supervisory Board as stipulated in the Companies Act. Also, Terumichi Saeki, Nobuki Sugita, Shigeru Yamazoe, Kunio Endo, Keiko Yamahira, Kenichi Ishikawa, Tatsuo Ikeda, and Satoshi Hiramitsu have been designated as independent directors\* based on the provisions of Tokyo Stock Exchange, Inc., and we have reported such to the exchange.
2. Changes in personnel during the current fiscal year are as follows.  
 (Appointment) Audit & Supervisory Board Member Yasuo Utsunomiya has been elected and appointed at the 73rd Ordinary General Meeting of Shareholders, held on June 23, 2020.  
 (Resignation) As of the conclusion of the 73rd Ordinary General Meeting of Shareholders held on June 23, 2020, Audit & Supervisory Board member Haruo Inoue has completed his term and resigned his position.
3. Director Terumichi Saeki is a partner lawyer of Kitahama Partners's Foreign Law Joint Enterprise, with whom the Company entrusts with legal affairs for individual cases. The total amount of remuneration paid to the office was less than 1 million yen for the Company's 74th fiscal year. Mr. Saeki is also an outside director of IwaiCosmo Holdings, Inc. There is no special conflict of interest between IwaiCosmo Holdings and the Company. In addition, Mr. Saeki is an outside member of the Audit & Supervisory Board of Watabe Wedding Corporation, and there is a business relationship between significant subsidiaries of Watabe Wedding and the Company for installation, maintenance, and other services ordered in relation to our products. Net sales to these significant subsidiaries in the Company's 74th fiscal year were 4 million yen.
4. Director Nobuki Sugita is a Professor at Ritsumeikan University operated by the Ritsumeikan Trust, and there is a business relationship between Ritsumeikan Trust, an operating company in which this trust invests independently, and the Company for installation, maintenance, and other services ordered in relation to our products. Net sales to Ritsumeikan Trust and its operating company in the 74th fiscal year of the Company were 2 million yen.
5. Director Shigeru Yamazoe is Chairman of Marubeni Power & Infrastructure Systems Corporation, and there is a business relationship between significant subsidiaries of that company's parent company, Marubeni Corporation, and the Company for installation, maintenance, and other services ordered in relation to our products, as well as for leasing of real estate and other services. Net sales to these significant subsidiaries in the Company's 74th fiscal year were 1 million yen, and payments to the same totaled 66 million yen.  
 Mr. Yamazoe is an outside member of the Audit & Supervisory Board of MCP Partners Co., Ltd. There is no special conflict of interest between MCP Partners Co., Ltd. and the Company. In addition, Mr. Yamazoe is a member of the Outside Director Audit & Supervisory Committee of Bewith, Inc., and there is a business relationship between a significant subsidiary of Bewith's parent company, Pasona Group, Inc., and the Company for installation, maintenance, and other services ordered in relation to our products, as well as a relationship for employee placement. Net sales to these significant subsidiaries in the Company's 74th fiscal year were 4 million yen, and payments to the same totaled 14 million yen.
6. Director Kunio Endo does not have any special conflict of interest with the Company.
7. Director Keiko Yamahira is an outside director of Joshin Denki Co., Ltd., in which the Company holds 24 thousand shares of stock. In addition, there is a business relationship between Joshin Denki and the Company for installation,

maintenance, and other services ordered in relation to our products, as well as for the purchase of office-use products and other services. Net sales to this entity in the Company's 74th fiscal year were 117 million yen, and payments to this company totaled less than 1 million yen.

8. Member of the Audit & Supervisory Board Kenichi Ishikawa retired from Resona Bank, Limited on June 23, 2014. Resona Bank owns 4,051 thousand shares of the Company. The Company owns 258 thousand shares of Resona Holdings, Inc., the parent company of Resona Bank. In addition, there is a business relationship between Resona Bank, significant subsidiaries of Resona Holdings, and the Company for installation, maintenance, and other services ordered in relation to our products, as well as for borrowing. Net sales to Resona Bank and these significant subsidiaries of Resona Holdings in the Company's 74th fiscal year were 65 million yen, and borrowing from this company totaled 1,008 million yen.
9. Member of the Audit & Supervisory Board Tatsuo Ikeda is an of counsel attorney of Kitahama Partners, with whom the Company entrusts with legal affairs for individual cases. The total amount of remuneration paid to the office was less than 1 million yen for the Company's 74th fiscal year.
10. Member of the Audit & Supervisory Board Satoshi Hiramitsu does not have any special conflict of interest with the Company.
11. Member of the Audit & Supervisory Board Kenichi Ishikawa has held important positions in financial institutions for many years and has considerable knowledge of finance and accounting cultivated through his experience.
12. Member of the Audit & Supervisory Board Yasuo Utsunomiya has a great deal of experience in general affairs, human resources, legal affairs, and other management areas as an executive officer, as well as in management of Company subsidiaries. He has considerable knowledge of accounting and corporate management in general.
13. Member of the Audit & Supervisory Board Tatsuo Ikeda has a wealth of experience and insight from his important roles as a university professor, attorney, and involvement in local government councils. He is familiar with corporate legal affairs, and has considerable knowledge of corporate management in general, including finance and accounting.
14. Member of the Audit & Supervisory Board Satoshi Hiramitsu is familiar with practical business in corporate auditing, acquisition investigations, and more as a certified public accountant and tax accountant, and has considerable knowledge of accounting and tax affairs.
15. Changes in Director Responsibilities and Important Concurrent Positions Occurring After the End of the Current Fiscal Year

Name	After Change	Before Change	Date of Change
Takakazu Uchiyama	General Manager of Global Business HQ; Regional Director of North America Representative Director and President, Uchiyama International, Ltd.	General Manager of Global Business HQ; Regional Director of North America and East Asia Representative Director and President, Uchiyama International, Ltd.	April 1, 2021
Takao Okada	Deputy General Manager of Global Business HQ; Regional Director of East Asia	General Manager of Japan Business HQ; Deputy General Manager of Global Business HQ; Regional Director of China	
Yoshiichi Kato		General Manager of Finance HQ	
Takashi Asano	General Manager of Engineering HQ	General Manager of Corporate Planning HQ; General Manager of Product Development HQ; President of Fujitec Shanghai Technologies Co., Ltd.	

16. The Company entered into a liability insurance contract for officer and director liability insurance as provided in Article 430-3.1 of the Companies Act for Company and subsidiary directors and members of the Audit & supervisory Board as insured parties. The contract covers the amount of compensation, costs of disputes, etc., in the event that an insured party is subject to a claim of liability for damages arising from the execution of his or her duties. The Company bears the cost of all insurance premiums. To ensure the proper execution of duties by the insured parties, the contract in question establishes a certain deductible amount, and any damages not reaching this deductible amount are not covered. In addition, certain exemptions exist, including the non-payment for damages caused by the commission of a crime or other violation of laws and regulations.

(\*Standards for appointment of independent directors)

Having provided an explanation to independent directors at a meeting of the board of directors, the Company may, upon gaining the understanding, recommendation, or agreement of said independent directors, appoint an individual as independent director who is not subject to any of the items below. The Company may also appoint such an individual who is subject to any of the items b. through h. below if the Company has reason to believe said individual possesses the ability to make appropriate independent decisions in light of the individual's character, expertise, etc., said individual may be appointed independent director pursuant to a resolution of the board of directors, under the condition that said reasoning has been explained externally.

- a. An executive director, executive officer, or manager or other employee of the Company or any of its subsidiaries (or a person who has held an equivalent position within the past 10 years)
- b. (i) A person who is a shareholder owning 10% or more of Company voting shares, or, when said shareholder is a corporation owning 10% or more of Company voting shares, a director, member of the Audit & Supervisory Board, accounting advisor, executive officer, executive director, or manager or employee of said parent company or important subsidiary (or person who has held an equivalent position within the past five years)
- (ii) A person who is a director, member of the Audit & Supervisory board, accounting advisor, executive officer, executive director, or manager or employee of a company of which the Company owns 10% or more of voting shares

- c. (i) A person who has paid the Company an amount representing 2% or more of the Company's consolidated net sales related to business transactions with the Company in the current fiscal year (or a party who has paid an equivalent or greater annual amount in any of the most-recent three fiscal years of the Company)
- (ii) A person to whom the Company or a Company subsidiary has paid an amount representing 2% or more of said person's consolidated net sales related to business transactions with said person in the current fiscal year (or a person to whom the Company has paid an equivalent or greater annual amount in any of the most-recent three fiscal years of said person)
- (iii) In the case where the person related the transaction referred to in (i) or (ii) above is a corporation, the executive director, executive officer, corporate officer, or manager or other employee of the said company, its parent company, or important subsidiary
- d. Directors, officers, or employees in charge of business execution at public interest foundations, public interest incorporated associations, non-profit corporations, or other organizations that have received donations or grants from the Company or its subsidiaries in excess of an average of 10 million yen per year or 30% of the annual total expenses of said organization, whichever is greater, over the past three years
- e. Directors, corporate auditors, accounting advisors, executive officers, or corporate officers of companies or their subsidiaries that accept full-time or part-time directors from the Company or its subsidiaries
- f. Directors, corporate auditors, accounting advisors, executive officers, corporate officers, managers, or other employees of financial institutions or other major creditors, or their parent companies or important subsidiaries, who are indispensable to the Company's financing and on whom the Company depends to the extent that there is no substitute available (or who have held an equivalent position in the past three years)
- g. (i) A representative, partner, or employee (or person involved in actual, not auxiliary, services) of an audit corporation of the Company or Company subsidiary or certified public accountant, tax accountant, audit corporation, or tax accountant corporation involved in the accounting of the Company or Company subsidiary (or person who has held an equivalent position within the past three years)
- (ii) Lawyers, certified public accountants, tax accountants, or other consultants not subject to (i) above, who have received monetary or other financial benefits from the Company or company subsidiary in the amount of 10 million yen or more per year on average for the past three years
- (iii) A person who is a representative, partner, associate, or employee of a law firm, audit corporation, tax accountant corporation, consulting firm, or other professional advisory firm not subject to either (i) or (ii) above, who has received payments from the Company or Company subsidiary in an amount of 2% or more of total net sales on average over the past three years
- h. A spouse, relative within the second degree of kinship, or relative living in a household with a person subject to any of the items a. through g. above, or a person whose spouse, relative within the second degree of kinship, or relative living in the same household is subject to any of the items a. through g. above
- i. A person who may have a permanent and substantial conflict of interest with the Company's general shareholders for reasons other than those considered in items a. through h. above



(2) Matters Concerning Outside Officers

a. Relationships between the Company and entities in which an outside officer holds an important concurrent position

Positions	Name	Status of Concurrent Positions
Outside Directors	Terumichi Saeki	Relationships between the Company and entities in which outside officers serve in concurrent positions are as provided in (1) Directors and Members of the Audit & Supervisory Board above.
	Nobuki Sugita	
	Shigeru Yamazoe	
	Keiko Yamahira	
Outside Members of the Audit & Supervisory Board	Tatsuo Ikeda	
	Satoshi Hiramitsu	

b. Relationship with the Company or a Company Specified Related Business Entity

To the best of the Company's knowledge, no outside officers are spouses or relatives within the third degree of kinship to executives or officers (excluding officers who are executives) of the Company or a Company specified related business entity

c. Status of Major Activities During the Current Fiscal Year

Positions	Name	Status of Major Activities
Outside Director	Terumichi Saeki	Mr. Saeki attended five out of six meetings of the board of directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. For many years, he has been involved in corporate legal affairs as an attorney, and has served as an outside officer. By leveraging the knowledge he has cultivated, he provides useful suggestions and advice for the management of the Company.
	Nobuki Sugita	Mr. Sugita attended all six meetings of the board of directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. For many years, he has held important positions such as university professor of economics, as well as serving in economic-related ministries and agencies. By leveraging the abundant knowledge he has cultivated, he provides useful suggestions and advice for the management of the Company.
	Shigeru Yamazoe	Mr. Yamazoe attended all six meetings of the board of directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. For many years, he has been involved in the overall management of general trading companies and in global business management. By leveraging the abundant knowledge he has cultivated, he provides useful suggestions and advice for the management of the Company.
	Kunio Endo	Mr. Endo attended all six meetings of the board of directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. For many years, he has held important positions in areas such as finance and accounting, etc., as well as the position of director and member of the Audit & Supervisory Board of companies doing business globally. By leveraging the abundant knowledge he has cultivated, he provides useful suggestions and advice for the management of the Company.
	Keiko Yamahira	Ms. Yamahira attended all six meetings of the board of directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. For many years, she has held important positions as an executive officer and director of a construction-related company. By leveraging the abundant knowledge she has cultivated, she provides useful suggestions and advice for the management of the Company.
Outside Members of the Audit & Supervisory Board	Kenichi Ishikawa	Mr. Ishikawa attended all six meetings of the board of directors and eight meetings of the Audit & Supervisory Board held during the current fiscal year, and was proactive in making remarks based on his experience and knowledge in finance and accounting.
	Tatsuo Ikeda	Mr. Ikeda attended all six meetings of the board of directors and eight meetings of the Audit & Supervisory Board held during the current fiscal year, and was proactive in making remarks from his specialized standpoint as an attorney.
	Satoshi Hiramitsu	Mr. Hiramitsu attended all six meetings of the board of directors and eight meetings of the Audit & Supervisory Board held during the current fiscal year, and was proactive in making remarks from his specialized standpoint as a certified public accountant and tax accountant.

(3) Remuneration of Directors and Members of the Audit & Supervisory Board for the Current Fiscal Year  
 a. Matters concerning resolutions of the general meeting of shareholders for remuneration of directors and members of the Audit & Supervisory Board

At the 60th Ordinary General Meeting of Shareholders, held on June 27, 2007, shareholders approved remuneration for company directors up to an amount of 500 million yen per annum (not including the portion of salaries representing employee compensation for directors who serve concurrently as employees), and approved remuneration for members of the Audit & Supervisory Board up to an amount of 60 million yen per annum. As of the conclusion of the Ordinary General Shareholders' Meeting in question, Fujitec had nine directors (three of whom were outside directors) and three members of the Audit & Supervisory Board. Furthermore, for directors who are not outside directors, a resolution of the 66th Ordinary General Meeting of Shareholders, held on June 25, 2013, determined that stock acquisition rights as compensatory stock options would be issued up to an amount of 100 million yen per annum. As of the conclusion of the Ordinary General Shareholders' Meeting in question, Fujitec had four directors (excluding outside directors).

b. Matters concerning policies for deciding details of individual director compensation

In regard to its policy for decisions on systems related to director compensation and agenda submission to the General Meeting of Shareholders, the company shall make decisions with a resolution of the Board of Directors, the membership of which independent outside directors shall comprise more than half, with a basic policy of providing incentives for working to improve the corporate value of the company on an ongoing basis, as well as of encouraging a greater sense of shared value with shareholders. An overview of this decision-making policy is as follows.

- (i) For performance-linked remuneration (bonuses and compensatory stock options) and remuneration other than performance-linked (base remuneration), performance of duties and contribution level to business performance shall be evaluated at a target ratio of approximately 1:2.
- (ii) For fixed monthly monetary remuneration, base remuneration paid to each director shall be calculated in consideration of examples at other companies, as well as in consideration of the responsibilities, activity status, etc., of each individual director.
- (iii) To motivate directors to improve performance in the short to medium term, bonuses for performance-linked remuneration to be paid within four months after the end of the current fiscal year shall be determined based on operating income of the previous fiscal year as a performance indicator. The amount to be paid to each individual shall be determined in accordance with the activities of each director in charge and their degree of contribution to business performance, etc. In the event that the performance of the Company exceeds the target of operating income for the fiscal year under review, stock options shall be granted as stock-based compensation in accordance with the issue price, timing and conditions approved by the board of directors.

The table below shows target and actual operating income for each fiscal year from fiscal 2013 through fiscal 2020 (current fiscal year under review). The table also shows the number of directors eligible for performance-linked remuneration and the total amount of remuneration paid.

Operating income (million yen)				Number of Directors Eligible for Performance-Linked Remuneration		Total Remuneration to Directors Eligible for Performance-Linked Remuneration (million yen)			
Fiscal Year	Target	Actual	Achievement Level	Fiscal Year	No.	Base Compensation	Bonuses	Stock Options	Total
Fiscal 2019 (Period 73)	5,200	4,891	94.1%	Fiscal 2020 (Period 74)	4	150	69	—	219
Fiscal 2018 (Period 72)	5,800	5,206	89.8%	Fiscal 2019 (Period 73)	4	163	67	—	231
Fiscal 2017 (Period 71)	5,700	5,728	100.5%	Fiscal 2018 (Period 72)	4	156	67	—	224
Fiscal 2016 (Period 70)	5,200	5,445	104.7%	Fiscal 2017 (Period 71)	5	144	67	—	212
Fiscal 2015 (Period 69)	5,400	5,199	96.3%	Fiscal 2016 (Period 70)	4	130	73	—	204
Fiscal 2014 (Period 68)	4,800	5,149	107.3%	Fiscal 2015 (Period 69)	4	142	81	4	229
Fiscal 2013 (Period 67)	3,600	4,605	127.9%	Fiscal 2014 (Period 68)	4	142	73	19	235
Fiscal 2012 (Period 66)	2,500	3,447	137.9%	Fiscal 2013 (Period 67)	4	145	55	36	236

Separate from this monetary remuneration, we have submitted a proposal to the 74th Ordinary General Meeting of Shareholders, to be held on June 22, 2021, for remuneration of up to 100 million yen per annum of restricted stock (not including the portion of salaries representing employee compensation for directors who serve concurrently as employees) and up to 200,000 shares per annum. If approved, each of these directors shall be granted restricted stocks as above in accordance with their activity status within their responsibilities, contribution to performance, and other factors. Further, the existing system for compensatory stock options for directors (excluding those already issued) shall be abolished. As of the conclusion of the Ordinary General Shareholders' Meeting in question, Fujitec will have four directors (excluding outside directors).

In addition, the details of compensation for individual directors described above have been discussed at a meeting of the board of directors, consisting of a majority of independent outside directors. Further, since February 2021, we have conducted a comprehensive review of said details, including a review by the Nomination and Compensation Advisory Committee on the consistency of decision policies. With due respect given to the content of this report, we have determined that the details described above are consistent with the decision policy in question.

c. Matters concerning delegation of decisions on individual director compensation

Regarding the amount of base compensation and bonuses for each individual director, the Board of Directors, in deciding that the Representative Director and President is the most optimal choice for evaluating each director's performance of duties, level of contribution, etc. with a high-level view of the company's overall performance, has delegated decision-making authority to Takakazu Uchiyama, Representative Director and President. We have also obtained advice and findings from the Nomination and Compensation Advisory Committee regarding the details of these evaluations and decisions, securing their appropriateness and transparency.

d. Total Amount of Remuneration of Directors and Members of the Audit & Supervisory Board

Classification	Number of Persons Compensated	Base Compensation	Bonuses	Stock Options	Total
Directors (Outside directors, included)	9 (5)	Million yen 174 (24)	Million yen 75 (6)	Million yen — (—)	Million yen 250 (31)
Audit & Supervisory Board Members (Outside members, included)	5 (3)	38 (24)	— (—)	— (—)	38 (24)
Total	14	213	75	—	288

- (Notes) 1. Amounts paid to directors do not include the portion of salaries representing employee compensation for directors who serve concurrently as employees, nor expenses incurred in directors' execution of duties.
2. The number of Audit & Supervisory Board Members compensated and the amount of base compensation includes one member retiring as of the conclusion of the 73rd Ordinary General Meeting of Shareholders held on June 23, 2020, and the amount of base compensation paid to said member.
3. There is no issuance of stock acquisition rights as a result of compensatory stock options (stock acquisition rights) for directors (excluding outside directors) for the current fiscal year under review.
4. As of the conclusion of the 60th Ordinary General Meeting of Shareholders held on June 27, 2007, the company has abolished the directors' retirement benefits system.
5. The amount of bonuses is the provision for director bonuses for the current fiscal year under review.
6. Of the remuneration described above, bonuses are considered performance-linked remuneration, etc., while stock options are considered both performance-linked remuneration, etc., and non-monetary remuneration, etc.

## 5. Matters Concerning Financial Statement Auditors

### (1) Name Grant Thornton Taiyo LLC

### (2) Amount of Remuneration

	Amount of Remuneration
Amount of Remuneration for the Current Fiscal Year	30 million yen
Total Amount of Monetary and Non-Monetary Benefits Payable by the Company and its Subsidiaries to the Financial Statement Auditor	30 million yen

- (Notes) 1. After submission and reports of necessary materials from the financial statement auditor and related departments within the Company, the Audit & Supervisory Board checks and examines the appropriateness of the contents of the financial statement auditor's audit plan and the performance of financial statement audit duties, as well as the basis for the auditor's calculations made in remuneration estimates. As these checks and examinations have resulted in the Audit & Supervisory Board's determination that these items are appropriate, we have agreed upon a remuneration amount for the financial statement auditor.
2. The audit agreement between the Company and the financial statement auditor does not and cannot classify audit fees for audits under the Companies Act and the Financial Instruments and Exchange Act. Accordingly, we have listed the total fee herein.
3. Fujitec (HK) Co., Ltd. and 10 other substantial subsidiaries of the Company are audited by certified public accountants (or audit corporations) other than the Company's financial statement auditor.
4. Three subsidiaries of consolidated subsidiary Fujitec Singapore Corpn. Ltd., as well as Fujitec Korea Co., Ltd., have paid remuneration of 9 million yen for audit attestation work and remuneration of less than 1 million yen for non-audit work to Grant Thornton, which belongs to the same network as the Company's financial statement auditor.

### (3) Policy for Determination of Dismissal or Non-Reappointment of Financial Statement Auditor

The Audit & Supervisory Board shall dismiss the financial statement auditor with the consent of all of its members at such time as the financial statement auditor becomes subject to any of the items of Article 340-1 of the Companies Act. In addition, if it is recognized that the financial statement auditor is impeded in the performance of their duties, or if it is deemed appropriate to change the financial statement auditor to improve the appropriateness of audits, the Audit & Supervisory Board shall determine the content of the resolution regarding the selection, dismissal, or non-reappointment of the financial statement auditor.

## 6. Basic Policy on Management Control

### (1) Basic policy overview

Since our inception in 1948, Fujitec Co., Ltd. has specialized in the manufacture of elevators, escalators and moving walkways. The Company has global operations that include manufacturing, sales, and maintenance services.

The Fujitec Group has 10 manufacturing bases and a large number of sales offices in 24 different countries and regions worldwide. Our operating framework pursues the best possible performance in line with the goal of optimizing consolidated financial results. This organization strives to conduct operations with deep local roots, while providing for collaboration among group companies on a global scale. Our group is dedicated to developing products that target a diverse range of global market needs. At the same time, we pursue a global production and sourcing system by which group companies supply product parts and other items to each other to control expenses and maintain outstanding quality. Through these efforts, we strive to improve our power to develop and supply excellent products.

The Fujitec management philosophy is “to work in countries worldwide and with people around the world to create beautiful urban functions that meet the demands of a new era, while placing priority on people, technologies and products.” In the pursuit of this philosophy, we strive to satisfy all stakeholders, including shareholders, customers, users, suppliers, residents of communities, employees and others, through sustained growth and consistent profitability; cultivates advanced skills in R&D, manufacturing technologies and business field; supplies reliable, high quality products. We offer a “total life” approach in providing maintenance services for our products. The above philosophy also supports our efforts to achieve the following goals through our global business activities, to contribute to the industrial progress and economic growth of countries worldwide, to play a part in cultural enrichment and mutual understanding among peoples all over the world, and to promote the spirit of mutual harmony and prosperity. We believe that the commitment of the entire Fujitec Group to translating this philosophy into concrete action represents the source of the group’s corporate value, and will lead to the preservation and enhancement of both our corporate value and our shareholders’ common interests.

For these reasons, the Fujitec believes that an entity or group attempting to make a large-scale purchase of Fujitec stock that could be detrimental to the preservation and enhancement of corporate value and common shareholder interests would not be appropriate for managing decision-making related to our financial affairs and business activities.

### (2) Overview of special initiatives to achieve the basic policy

#### i. Outline of initiatives to utilize property effectively, to form an appropriate corporate group, and otherwise achieve the basic policy

On December 4, 2020, the Fujitec Group announced Fujitec Future Strategic Direction, aiming to achieve the Basic Policy on Management Control. The year 2019 marked the first year of our three-year medium-term management plan, "Innovation, Quality & Speed." In only the first year of the plan, we had already met every target set for us to accomplish in the third year. Meanwhile, we faced a challenging business environment the following fiscal year due to the global spread of COVID-19. We expect the with-COVID-19 and post-COVID-19 business environment to be significantly different than our initial assumptions. In response to these circumstances, we reconsidered our future direction and announced our new strategy. We are committed to implementing the initiatives described in Fujitec Future Strategic Direction. At the same time, we will continue to provide safe and reliable products to people around the world for sustainable enhancement of our corporate value in the global market. Fujitec Future Strategic Direction emphasizes the following three points:

- Focus on the Aftermarket Business : Focus on the Aftermarket Business in uncertain economic conditions
- Business expansion in growth markets : Expand business in China and South Asia markets where new businesses are expected to grow
- Increase Profitability : Increase profitability through operational innovations, automation, etc.

#### ii. Overview of measures to prevent decisions on Company financial and business policies from being controlled by persons who are inappropriate in consideration of the Basic Policy on Management Control

At the 72nd Ordinary General Meeting of Shareholders held on June 21, 2019, the Company received shareholder approval and renewed its Policy Against Large-Scale Purchases of Company Shares (the "Plan"). Further, at a meeting of the board of directors held December 4, 2020, the Company resolved to discontinue the Plan upon the conclusion of 75th Ordinary General Meeting of Shareholders, scheduled to be held in June 2022, which is the effective term of the Plan.

Fujitec will continue to secure and improve corporate value and the common interests of our shareholders after the discontinuation of the Plan. At the same time, we will require any large-scale purchaser of company shares to provide information in a sufficient and necessary manner to allow shareholders to make appropriate judgments as to the propriety of such large-scale purchases, while also disclosing the opinions, etc., of our board of directors and securing time for our shareholders to conduct a review. In this way and others, we will take appropriate measures based on the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations.

To preserve and enhance the Company's corporate value and common shareholder interest, the Plan sets forth the procedure through which the board of directors take the following measures with respect to an entity which attempts a large-scale purchase of Company stock: (i) request the party planning the large-scale purchase ("large-scale purchaser") provide necessary and sufficient information regarding the proposed large-scale purchase in advance; (ii) secure time to collect information and to examine the proposed large-scale purchase; and (iii) present a plan or an alternative proposal formulated by the board to shareholders and negotiate with said large-scale purchaser. To achieve the intent and objectives of these procedures, the board of directors will also require the large-scale purchaser or specified shareholder groups to refrain from commencing the proposed large-scale purchase until the procedures set forth in the Plan have been completed.

In the event that the large-scale purchaser does not follow procedures as defined in the Plan, or if the large-scale purchase, etc., could be detrimental to the Company's shareholder value and, in turn, the common interests of our shareholders, the Company may perform a gratis allotment of stock acquisition rights as a countermeasure.

The Company has established an Independent Committee for the purpose of eliminating arbitrary decisions of its Board of Directors concerning whether or not to conduct the allotment of stock acquisition rights or to acquire these rights under the plan. These decisions are made only after the Independent Committee has reached an objective decision. The members of this committee consist solely of outside directors, outside members of the Audit & Supervisory Board and external experts (business executives, attorneys, certified public accountants, and others with a business or academic background) who are independent of the Company's senior executives.

In general, the Company's board of directors convene a General Shareholders Meeting for Confirmation of Intent and confirm the intent of the Company's shareholders regarding the gratis allotment of stock acquisition rights. The Company shall engage in timely disclosure of information every shareholder to ensure transparency in connection with this procedure.

Visit our website for more information:

[https://www.fujitec.com/common/fjhp/doc/top\\_global/document/irnews/1988/190510\\_Renewal%20of%20Countermeasures%20to%20Large-Scale%20Purchase%20of%20Fujitec%20Co.,%20Ltd.%20Shares\\_Final.pdf](https://www.fujitec.com/common/fjhp/doc/top_global/document/irnews/1988/190510_Renewal%20of%20Countermeasures%20to%20Large-Scale%20Purchase%20of%20Fujitec%20Co.,%20Ltd.%20Shares_Final.pdf)  
Details are provided in a PDF document titled, *Renewal of Countermeasures to Large-Scale Purchases of Fujitec Co., Ltd. Shares (Takeover Defense Measures)*.

(3) Judgments and supporting reasons of the board of directors regarding specific measures

Based on the following reasons, the Company believes that the Plan is consistent with the Basic Policy on Management Control, and that the Plan is not detrimental to the common shareholder interest, nor is intended to protect the positions of current officers.

i. The Plan meets the requirements of the Guidelines Concerning Takeover Defense Measures

The Plan fulfills the three basic principles of the established by the *Policy Concerning Takeover Defenses for Preserving and Enhancing Corporate Value and Shareholders' Common Interests* (the principle of preservation and enhancement of corporate value and shareholders' common interests; principle of prior disclosure and intentions of shareholders; and principle of necessity and reasonableness). This policy was issued jointly by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

The Plan also takes into consideration the *Nature of Takeover Defense Policy considering the Recent Environmental Changes* released by the Business Research Institute on June 30, 2008.

ii. The Plan has been adopted for the purpose of preserving and enhancing common shareholder interests

The Company adopted the Plan with the aim of preserving and enhancing corporate value and common shareholder interests. The Plan is designed to achieve this aim by, upon receipt of a proposal for purchase of the Company stock, securing information and time necessary for shareholders to make decisions about accepting the proposed purchase, as well as time necessary for the Company's board of directors to present an alternative proposal or negotiate with the prospective purchaser on behalf of shareholders.

We believe the Plan allows our shareholders and other investors to make appropriate investment decisions. In this light, the Plan is not detrimental, but indeed is beneficial, to the common interests of shareholders.

iii. The Plan places importance on the intentions of shareholders

In general, the Company's board of directors shall convene a General Shareholders Meeting for Confirmation of Intent and confirm the intent of the Company's shareholders.

Further, the Plan is subject to a so-called sunset clause that sets an effective period of approximately three years. However, if a resolution is approved at a shareholders meeting to revoke the resolution to delegate the authority described above, the Plan will be abolished at that time, even if such is prior to the expiration of the effective period of the Plan. In this respect, the termination of the plan and its details will reflect the intent of the Company's shareholders.

iv. An Independent Committee has been established to ensure objectivity and reasonableness in decisions made by the board of directors

The Company will establish an Independent Committee to prevent the board of directors from making arbitrary decisions that trigger countermeasures.

The Independent Committee will consist of three outside directors who are independent of the Company's senior operating officers. The following provides an overview of the rules of the Independent Committee

Overview of the Rules of the Independent Committee

- The Independent Committee shall be established by a resolution of the Company's board of directors.
- The committee shall consist of no less than three members. The Company's board of directors will appoint members of the committee by choosing outside directors, outside members of the Audit & Supervisory Board, and outside experts who are independent from the Company's senior executives who conduct the Company's business operations. In this way, the committee may reach fair and neutral decisions independently.
- The Independent Committee will submit recommendations to the Company's board of directors concerning items consulted by the board of directors. In principle, the Independent Committee shall recommend decisions supported by evidence and reasons. When making decisions, committee members shall consider whether an outcome would be beneficial to Company corporate value and, in turn, the common interests of shareholders.
- The Independent Committee may, at the Company's expense, obtain advice from investment banks, securities companies, attorneys, certified public accountants, and other outside specialists.
- Resolutions of the Independent Committee shall be approved by a majority vote of members attending the meeting at which a majority of committee members are in attendance.

The Company's board of directors shall respect decisions made by the Independent Committee to the greatest extent possible. This ensures a mechanism for the operation of the Plan in a transparent manner beneficial to Company corporate value and common shareholder interests.

v. Reasonable and objective requirements have been established

The Plan has been established so as not to be triggered unless reasonable and objective requirements set forth in advance have been satisfied. The Plan has been structured to ensure the elimination of arbitrary triggering by the Company's board of directors.

vi. Shorter terms of office for Company directors

We have already shortened the term of service for directors to one year with approval received at a shareholders' meeting. In this way, shareholders will also be able to express their intentions regarding the Plan through their annual appointment of directors.

vii. No dead-hand or slow-hand takeover defense measures have been adopted

The Plan may be abolished by the board of directors, consisting of directors elected at a general meeting of shareholders. The Plan may be abolished by a board of directors consisting of directors nominated at a general meeting of shareholders by a person who has purchased a large number of Company stock certificates. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure that cannot be prevented from being triggered, even if a majority of the members of the board of directors are replaced). Also, the Company has not adopted a system of staggered terms of office for the board of directors. Therefore, the Plan is not a slow-hand takeover defense measure (a takeover defense measure that requires time to prevent the implementation thereof since the members of the board of directors cannot be replaced at once).



## Consolidated Balance Sheets

As of March 31, 2021

(Million yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	149,393	Current liabilities	74,152
Cash and deposits	68,348	Notes and accounts payable-trade	15,026
Notes and accounts receivable-trade	59,022	Electronically recorded obligations-operating	4,734
Merchandise and finished goods	5,634	Short-term debt	2,317
Work in process	6,278	Accrued income taxes	3,425
Raw materials and supplies	7,333	Provision for bonuses	3,385
Other	5,150	Provision for director bonuses	90
Allowance for doubtful accounts	(2,375)	Provision for losses on construction contracts	7,761
		Provision for warranties for completed construction	1,482
		Other provision	40
		Advances from customers	25,620
Fixed assets	55,803	Other	10,268
Property, plant and equipment	33,786	Fixed liabilities	5,778
Buildings and structures	19,627	Long-term debt	809
Machinery and equipment	3,682	Deferred tax liabilities	87
Tools, furniture and fixtures	2,346	Net defined benefit liability	4,150
Land	6,911	Asset retirement obligations	23
Leased assets	539	Long-term accounts payable - other	179
Construction in progress	679	Other	528
		<b>Total liabilities</b>	<b>79,931</b>
		<b>Net assets</b>	
Intangible assets	4,680	Shareholders' equity	124,318
Goodwill	1,214	Paid-in capital	12,533
Other	3,465	Additional paid-in capital	14,474
		Retained earnings	102,516
		Treasury stock	(5,206)
Investments and other assets	17,336	Accumulated other comprehensive income	(11,901)
Investments securities	8,772	Net unrealized gains on securities	2,681
Long-term loans receivable	23	Deferred gains or losses on hedges	(27)
Net defined benefit asset	790	Foreign currency translation adjustments	(13,913)
Deferred tax assets	4,374	Remeasurements of defined benefit plans	(641)
Other	3,489	Stock acquisition rights	35
Allowance for doubtful accounts	(113)	Non-controlling interests	12,812
		<b>Total net assets</b>	<b>125,264</b>
<b>Total assets</b>	<b>205,196</b>	<b>Total liabilities and net assets</b>	<b>205,196</b>

## Consolidated Statements of Income

( April 1, 2020  
to March 31, 2021 )

(Million yen)

Account	Amount	
Net sales		169,573
Cost of sales		129,690
Gross profit		39,883
Selling, general and administrative expenses		26,594
Operating income		13,288
Other income		
Interest income	1,154	
Dividend income	193	
Rent income	126	
Miscellaneous income	272	1,746
Other expenses		
Interest expenses	150	
Foreign exchange loss	138	
Miscellaneous loss	112	401
Ordinary income		14,633
Special gain		
Gain on sales of property, plant and equipment	13	
Gain on sales of investment securities	242	
Subsidy income	537	793
Special loss		
Loss on sales of property, plant and equipment	14	
Loss on retirement of property, plant and equipment	24	
Impairment loss	24	
Loss on sales of investment securities	59	
Loss on valuation of shares of subsidiaries and associates	265	
Loss on valuation of investments in capital of subsidiaries and associates	12	401
Profit before income taxes		15,025
Income taxes expense	5,062	
Deferred taxes expense	(690)	4,372
Profit		10,652
Profit attributable to non-controlling interests		1,365
Profit attributable to owners of parent		9,287

## Balance Sheet

As of March 31, 2021

(Million yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	32,217	Current liabilities	22,599
Cash and deposits	7,492	Notes payable - trade	251
Notes receivable - trade	2,318	Accounts payable – trade	1,984
Accounts receivable – trade	17,273	Electronically recorded obligations-operating	4,734
Merchandise and finished goods	757	Short-term debt	918
Work in process	282	Accounts payable - other	2,884
Raw materials and supplies	2,746	Accrued expenses	277
Prepaid expenses	294	Accrued income taxes	1,970
Short-term loans receivable	919	Advances from customers	2,879
Accounts receivable - other	36	Deposits received	323
Other	99	Provision for bonuses	1,929
Allowance for doubtful accounts	(3)	Provision for director bonuses	90
		Provision for losses on construction contracts	4,089
		Provision for warranties for completed construction	36
Fixed assets	59,936	Other provision	40
Property, plant and equipment	23,599	Notes payable - facilities	0
Buildings	12,863	Asset retirement obligations	6
Structures	264	Other	182
Machinery and equipment	1,853	Fixed liabilities	3,923
Vehicles	57	Long-term loans payable	1,694
Tools, furniture and fixtures	1,642	Long-term accounts payable - other	179
Land	6,705	Allowance for retirement benefits	1,849
Leased assets	2	Asset retirement obligations	23
Construction in progress	209	Other	176
		<b>Total liabilities</b>	<b>26,523</b>
		<b>Net assets</b>	
Intangible assets	870	Shareholders' equity	62,913
Software	486	Paid-in capital	12,533
Right of using facilities	384	Additional paid-in capital	14,565
		Legal capital surplus	14,565
Investments and other assets	35,466	Retained earnings	41,020
Investment securities	8,161	Legal retained earnings	1,337
Shares of subsidiaries and associates	12,838	Other retained earnings	39,683
Investments in capital of subsidiaries and associates	9,218	Reserve for advanced depreciation of fixed assets	67
Long-term loans receivable	908	Reserve for dividends	900
Bankruptcy reorganization claims	1	Reserve for research and development	800
Long-term prepaid expenses	316	General reserve	3,500
Prepaid pension expenses	738	Retained earnings brought forward	34,415
Deferred tax assets	1,336	Treasury stock	(5,206)
Lease deposits	1,496	Valuation and translation adjustments	2,681
Reserve for insurance	153	Net unrealized gains on securities	2,681
Other	410	Stock acquisition rights	35
Allowance for doubtful accounts	(113)	<b>Total net assets</b>	<b>65,630</b>
<b>Total assets</b>	<b>92,153</b>	<b>Total liabilities and net assets</b>	<b>92,153</b>

## Statements of Income

( April 1, 2020  
to March 31, 2021 )

(Million yen)

Account	Amount	
Net sales		71,859
Cost of sales		51,488
Gross profit		20,370
Selling, general and administrative expenses		15,040
Operating income		5,330
Other income		
Interest income	49	
Dividend income	3,036	
Foreign exchange gains	61	
Miscellaneous income	126	3,274
Other expenses		
Interest expenses	29	
Miscellaneous loss	48	77
Ordinary income		8,527
Special gain		
Gain on sales of property, plant and equipment	6	
Gain on sale of investment securities	242	
Subsidy income	47	296
Special loss		
Loss on disposal of fixed assets	13	
Impairment loss	24	
Loss on sale of investment securities	59	
Loss on valuation of shares of subsidiaries and associates	267	
Loss on valuation of investments in capital of subsidiaries and associates	12	377
Profit before income taxes		8,446
Income taxes expense	2,529	
Deferred taxes expense	(506)	2,023
Profit		6,423

# Accounting Audit Report on Consolidated Financial Statements

## Independent Auditor's Report

May 7, 2021

FUJITEC CO., LTD.  
To the Board of Directors

### Grant Thornton Taiyo LLC

Osaka Office

Designated Limited Liability Partners	Certified Public Accountant	Shigeyuki Moriuchi (印)
Engagement Partner	Accountant	
Designated Limited Liability Partners	Certified Public Accountant	Kenji Furuta (印)
Engagement Partner	Accountant	

#### Audit Opinion

We have audited, in accordance with Article 444(4) of the Companies Act, the consolidated financial statements of Fujitec Co., Ltd. for the period from April 1, 2020 to March 31, 2021, which consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in stockholders' equity, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the corporate group consisting of Fujitec Co., Ltd. and consolidated subsidiaries for the period related to the consolidated financial statement in conformity with accounting principles generally accepted in Japan.

#### Basis of Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility for auditing standards is stated in "Liability of Auditors in Auditing Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries and fulfill other ethical responsibilities as an auditor in accordance with the provisions on occupational ethics in Japan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibility of Management, Audit & Supervisory Board and its Members to Consolidated Financial Statements**  
Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the design, implementation, and maintenance of internal control as management determines is necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the consolidated financial statements based on the assumption of a going concern and disclosing such matters if it is necessary to disclose matters related to a going concern based on accounting principles generally accepted in Japan.

The responsibility of the Audit & Supervisory Board and its members is to oversee the execution of the directors' duties in the development and operation of the financial reporting process.

#### Liability of Auditors in Auditing Consolidated Financial Statements

The responsibility of the auditor is to express an opinion on the consolidated financial statements based on the audit conducted by the auditor, from an independent standpoint, with reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error. A misstatement is deemed to be material when it may occur due to fraud or error and, individually or in the aggregate, it is reasonably expected to affect the decision-making of the user of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, the auditors shall make judgments as professional experts through the audit process and carry out the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. We will also design and implement audit procedures to address material misstatement risks. The selection and application of audit procedures are based on the judgment of the auditor. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- Although the purpose of an audit of the consolidated financial statements, etc. is not to express an opinion on the effectiveness of the internal control, in performing the risk assessment, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Assess the appropriateness of fiscal policies adopted by management and their application methods, as well as the reasonableness of accounting estimates made by management and the adequacy of related footnote matters.
- Conclude whether it is appropriate for management to prepare consolidated financial statements, etc. on a going concern basis and whether, based on the audit evidence obtained, material uncertainties with respect to events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern. In cases where material uncertainty regarding the going concern assumption is recognized, the Company is required to draw attention to the notes to the consolidated financial statements in the audit report, or express an opinion on the matters to be excluded in the consolidated financial statements if the notes to the consolidated financial statements regarding material uncertainty are not appropriate. The auditor's conclusion is based on audit evidence obtained through the date of the audit report, but future events and circumstances may prevent the entity from continuing as a going concern.
- Evaluate whether the presentation and notes to the consolidated financial statements comply with accounting principles generally accepted in Japan, as well as whether the presentation, composition and content of the consolidated financial statements, including related notes, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising and implementing the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor shall report to the Audit & Supervisory Board and its members the scope and timing of the planned audit, important findings in the audit, including important deficiencies in the internal controls identified in the course of the audit, and other matters required by the audit standards.

The auditor will report to the Audit & Supervisory Board and its members that they have complied with the Japanese Occupational Ethics provisions for independence, and items that are reasonably considered to affect the auditor's independence, and, if safeguards are in place to eliminate or mitigate obstacles.

#### Interests

The Company and Consolidated Subsidiaries have no interest in the Auditing Corporation or Operating Partners that should be stated pursuant to the provisions of the Certified Public Accountants Act.

End

Independent Auditor's Report

May 7, 2021

FUJITEC CO., LTD.

To the Board of Directors

Grant Thornton Taiyo LLC

Osaka Office

Designated Limited Liability Partners	Engagement Partner	Certified Public Accountant	Shigeyuki Moriuchi	Ⓔ
Designated Limited Liability Partners	Engagement Partner	Certified Public Accountant		
			Kenji Furuta	Ⓔ

**Audit Opinion**

We have audited the financial statements of Fujitec Co., Ltd. for the 74th fiscal year from April 1, 2020 to March 31, 2021, including the balance sheet, profit and loss statement, statement of changes in shareholders' equity, individual notes, and supplementary schedules thereof (hereinafter referred to as "financial statements") in accordance with the provisions of Article 436(2)(i) of the Companies Act.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and the status of profit and loss for the period related to such financial statements in conformity with accounting principles generally accepted in Japan.

**Basis of Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility for auditing standards is stated in "Liability of Auditors for Auditing Financial Statements, etc." We are independent of the Company and fulfill other ethical responsibilities as an auditor in accordance with the provisions on occupational ethics in Japan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibility of Management, Audit & Supervisory Board and its Members to Financial Statements**

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in Japan. This includes the design, implementation, and maintenance of internal controls deemed necessary by management for the preparation and fair presentation of financial statements, etc. free from material misstatement, whether due to fraud or error.

In preparing financial statements, etc., management is responsible for assessing whether it is appropriate to prepare financial statements, etc. based on the assumption of a going concern and disclosing such matters if it is necessary to disclose matters related to a going concern based on accounting standards generally accepted in Japan.

The responsibility of the Audit & Supervisory Board and its members is to oversee the execution of the directors' duties in the development and operation of the financial reporting process.

#### Liability of Auditors in Auditing Financial Statements, etc.

The responsibility of the auditor is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, based on the audit conducted by the auditor, and to express an opinion on the financial statements, etc. from an independent standpoint in the audit report. A misstatement is judged to be material when it may occur due to fraud or error and when, individually or in the aggregate, it is reasonably expected to affect the decision-making of users of financial statements, etc.

In accordance with auditing standards generally accepted in Japan, the auditors shall make judgments as professional experts through the audit process and carry out the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. We will also design and implement audit procedures to address material misstatement risks. The selection and application of audit procedures are based on the judgment of the auditor. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- Although the purpose of an audit of the financial statements, etc. is not to express an opinion on the effectiveness of the internal control, in performing the risk assessment, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Assess the appropriateness of fiscal policies adopted by management and their application methods, as well as the reasonableness of accounting estimates made by management and the adequacy of related footnote matters.
- Conclude whether it is appropriate for management to prepare financial statements, etc. on a going concern basis and whether, based on the audit evidence obtained, material uncertainties with respect to events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern. In cases where material uncertainty regarding the going concern assumption is recognized, the Audit Report is required to draw attention to the notes to the financial statements, etc. or, in cases where the notes to the financial statements, etc. concerning material uncertainty are not appropriate, the Company is required to express opinions on the financial statements, etc. that are excluded. The auditor's conclusion is based on audit evidence obtained through the date of the audit report, but future events and circumstances may prevent the entity from continuing as a going concern.
- Evaluate whether the presentation and notes of financial statements, etc. conform to accounting principles generally accepted in Japan, as well as whether the presentation, composition and contents of financial statements, etc. including related notes, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

The auditor shall report to the Audit & Supervisory Board and its members the scope and timing of the planned audit, important findings in the audit, including important deficiencies in the internal controls identified in the course of the audit, and other matters required by the audit standards.

The auditor will report to the Audit & Supervisory Board and its members that they have complied with the Japanese Occupational Ethics provisions for independence, and items that are reasonably considered to affect the auditor's independence, and, if safeguards are in place to eliminate or mitigate obstacles.

#### Interests

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

End



Audit Report

We have audited the directors performance of duties for the 74<sup>th</sup> fiscal year from April 1, 2020 to March 31, 2021. The method and result are as follows, and represent a unanimous opinion of all members of the Audit & Supervisory Board resulting from discussions based on audit reports drafted by each member.

1. Audit Method

- (1) The Audit & Supervisory Board established audit policy and division of duties, and received reports from each of its members about audit status and results. The board also received reports from the board of directors, other parties, and the accounting auditor regarding the execution of their respective duties, and asked for explanations as necessary. In addition, the Audit & Supervisory Board met with the president and CEO, exchanging opinions and information on audit issues. The board sponsored three-party audit liaison attended by the Audit & Supervisory Board, the accounting auditor, and the Internal Audit Office. In this liaison, parties reported and exchanged information on the status of their respective audits, strengthening cooperation in audit functions.
- (2) Each member of the Audit & Supervisory Board, in conjunction with the Audit & Supervisory Board Standard and in keeping with audit policy and division of duties, used telephones the internet, or other methods to communicate with directors, the Internal Audit Office, and other employees, striving to collect information and improve the audit environment, conducting audits using the following methods. Regarding cooperation with outside directors, we have made efforts for daily cooperation, including regular information exchange meetings.
  - i. Members attended important meetings, such as those of the board of directors, received reports from directors, employees, and other parties about the status of execution of their respective duties, asked for explanations as necessary, inspected important approval documents and other documents, and investigated the status of operations and assets at the head office and major business locations. Members worked to communicate and exchange information with the directors, auditors, etc. of subsidiaries, receiving business reports from these subsidiaries as necessary. Furthermore, members received reports from the Internal Audit Office about the status of execution and results of audits of major subsidiaries, asking for explanations as necessary.
  - ii. With respect to the system (internal control system) described in the business report that has been established based on resolution of the board of directors, the content of which relates to the establishment of systems as prescribed in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act as a system for ensuring the execution of the duties of directors complies with laws, regulations, and the articles of incorporation, as well as to ensure the propriety of business activities in a group of enterprises consisting of the stock company in question and its subsidiaries, members received regular reports on the structure and operating status of said system from directors, employees, and other parties, asking for explanations and expressing opinions as necessary.
  - iii. With respect to the basic policy and initiatives described in the business report corresponding to Article 118, Item 3, (a) and (b) of the Ordinance for Enforcement of the Companies Act, respectively, the contents of said policy and initiatives have also been examined based on the status of deliberations at meetings of the board of directors, etc.
  - iv. We supervised and examined whether the accounting auditors maintained their independent status to ensure appropriate audit execution. We received reports from the accounting auditors regarding their performance of duties and asked for detailed explanations when necessary. We received notice from the accounting auditors that the “System to assure appropriate business performance” (stipulated in each section of Article 131 of the Rules of Corporate Accounting) as prepared appropriate and complies with “Quality management standard for the audit” (28 October 2005 Company Accounting Council) . We requested detailed explanations when necessary. For major matters in the consideration of audits, members held discussions with the accounting auditor, received reports on the status of audit implementation, and asked for explanations as necessary.

In accordance with the aforementioned methods, we have reviewed the business report and supporting schedules, the financial statements (balance sheet, statement of income, statement of changes in net assets and notes to financial statements) and supporting schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements) for the fiscal year under review.

2. Result

(1) Results of the Audit of the Business Report

- i. We confirm that the business report and the supplementary schedules represent the Company’s status in accordance with the law and articles of incorporation.
- ii. We did not recognize any serious facts about acts of dishonesty regarding director execution of duties or violation of the law or articles of incorporation.
- iii. We confirm that the resolution of the board of directors regarding the internal control system is appropriate. Furthermore, we have noted no special points to mention regarding the business report and director execution of duties.
- iv. There are no special matters to mention regarding the Basic Policy on Management Control described in the business report. Furthermore, the “Measures to prevent decisions on Company financial and business policies from being controlled by persons who are inappropriate in consideration of the Basic Policy on Management Control” (initiatives corresponding to Article 118, Item 3, (b) of the Ordinance for Enforcement of the Companies Act) are recognized as being consistent with this Basic Policy, that such is not detrimental to the common interest of Company shareholders, nor is such intended to protect the status of Company officers. As described in the Basic Policy on Management Control, the board of directors resolved at a meeting held December 4, 2020, to discontinue the policy against large-scale purchases of company shares (takeover defense measures), such discontinuation to take effect as of the conclusion of the 72nd Ordinary General Meeting of Shareholders to be held in June 2022.

(2) Results of the Audit of Financial Statements and Supplementary Schedules

We confirm that the methods and results of the audit conducted by Grant Thornton Taiyo LLC were appropriate.

(3) Results of the Audit of Consolidated Financial Statements

We confirm that the methods and results of the audit conducted by Grant Thornton Taiyo LLC were appropriate.

May 10, 2021

FUJITEC CO., LTD. Audit & Supervisory Board

Member of the Audit & Supervisory Board (Standing) (Outside Audit & Supervisory Board Member)	Kenichi Ishikawa	Ⓔ
Member of the Audit & Supervisory Board (Standing)	Yasuo Utsunomiya	Ⓔ
Member of the Audit & Supervisory Board (Outside Audit & Supervisory Board Member)	Tatuo Ikeda	Ⓔ
Member of the Audit & Supervisory Board (Outside Audit & Supervisory Board Member)	Satoshi Hiramitsu	Ⓔ

End