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June 30, 2022

To all parties concerned:

Company	Fujitec Co., Ltd. (Stock Code 6406)
Representative	Takao Okada President and CEO
Contact	Masashi Tsuchihata Director, Senior Executive Operating Officer, General Manager of Finance HQ (TEL 072-622-8151)

### **Notice Concerning Amendment to Corporate Governance Guidelines**

Fujitec Co., Ltd. hereby announces that it has resolved at a meeting of its Board of Directors held on June 30, 2022 to amend the “Corporate Governance Guidelines” announced on December 22, 2021, as per the attached document.

Related Party Transactions (Article 5), Actions for Sustainability (Article 7, Paragraph 2) and Chairperson of the Board of Directors (Article 15, Paragraph 1&2) have been amended.

Established November 6th, 2015  
Partially amended May 12th, 2017  
Partially amended November 9th, 2018  
Partially amended June 21st, 2019  
Partially amended February 9th, 2021  
Partially amended June 22nd, 2021  
Partially amended December 22nd, 2021  
**Partially amended June 30th, 2022**

(\* Underlined parts indicate amendment.)

Fujitec Co., Ltd.  
Corporate Governance Guidelines

Preamble

The Corporate Governance Guidelines (the “Guidelines”) set forth basic matters concerning corporate governance for Fujitec Co., Ltd. (the “Company”) and aim to contribute to the sustainable growth and improvement of the mid- to long-term corporate value of the Company. The Guidelines shall be disclosed in a timely and appropriate manner when amended.

Chapter 1. General Rules

(Basic Concepts)

Article 1 The Company shall make efforts to improve its corporate governance in line with the following basic concepts:

- (1) the Company shall respect shareholders’ rights and secure equal treatment of shareholders.
- (2) the Company shall take into account interests of stakeholders, including shareholders, and appropriately cooperate with them.
- (3) the Company shall disclose its information properly and ensure transparency.
- (4) the Company shall carry out effective oversight by the Board of Directors of execution of operations.
- (5) the Company shall engage in constructive dialogue with

shareholders who have investment policies corresponding to the mid- and long-term interests of shareholders.

## Chapter 2. Securing the Rights and Equal Treatment of Shareholders

(Securing the Equal Treatment of Shareholders)

Article 2           The Company shall treat shareholders equally in accordance with their shares and make disclosure in a timely and appropriate manner so as to avoid any information gaps among them.

(Basic Strategy for Capital Policy)

Article 3           In order to achieve the sustainable growth and improvement of mid- to long-term corporate value of the Company, the Company shall implement its capital policy considering capital costs.

(Policy with respect to Cross-Shareholding and Standards with respect to Voting Rights as to Cross-Shareholding)

Article 4           When the Board of Directors reasonably determines that the acquisition and holding of shares issued by business partners, etc. will maintain and strengthen business relationships with such business partners, etc. and contribute to the sustainable growth and improvement of the mid-to long-term corporate value of the Company, the Company shall acquire and hold such shares.

2                   With respect to the shares held by the Company in accordance with the provision set forth in paragraph 1 hereof (the “Cross-Shareholdings”), the Board of Directors shall review and determine whether the Company continues to hold or reduces by disposition all or part of the Cross-Shareholdings through detailed examination of the advantages, risks, balance with capital costs, etc. associated with the holding of the Cross-Shareholdings, which is periodically conducted every year.

3                   The Company shall review and determine whether or not it exercises its voting rights as to the Cross-Shareholdings by taking into account the compliance with the provision set forth in paragraph 1 hereof and the contribution to the soundness in the management, sustainable growth and improvement of the corporate value of a company issuing

shares, as well as considering and reviewing the contribution to the improvement of the corporate value and the mid-to long-term interests of the Company.

(Related Party Transactions)

- Article 5     **As a basic policy, the Company does not enter into transactions with directors or major shareholders. However, if the Company engages in transactions with directors or major shareholders due to unavoidable circumstances,** the Company shall ensure the reasonableness of terms and conditions of such transactions by resolution of Board of Directors, pursuant to law and the Company's internal regulations (including, but not limited to, Rules of the Board of Directors), in which independent directors and independent auditors shall participate.
- 2             The reasonableness of terms and conditions of such transactions shall be subject to post-audit by corporate auditors and/or accounting auditors.
- 3             The Company shall prevent situations where related party transactions would harm the interests of the Company or the common interests of its shareholders through prior or subsequent procedures set forth in this Article.

### Chapter 3. Taking into Account the Interests of Stakeholders

(Relationship with Stakeholders)

- Article 6     In order to achieve the sustainable growth and improvement of mid- to long-term corporate value of the Company, the Board of Directors shall take into account the interests of not only the Company's shareholders but also other stakeholders, including but not limited to, the Company's employees, customers, business partners, creditors, local community, and other relevant parties.
- 2             In order to properly operate and manage a defined benefit pension plan, the Company shall establish a Pension Investment Committee consisting of members, etc. (nominated from the Finance and Personnel Departments) headed by the General Manager of the Finance Department.

3 By referring to the suggestion of an investment consulting company from the standpoint of its expertise and conflict of interests, the Pension Investment Committee shall determine the Company's basic policies and its operational guidelines with respect to the Company's investment, select investment products, and conduct periodic evaluation of investing institutions to ensure the operational status of their investment.

(Actions for Sustainability)

Article 7 The Company recognizes that practicing our management philosophy will lead to the creation of sustainable societies and coexistence with society and nature. We formulate domestic and overseas business strategies for Fujitec Group sustainable growth and corporate value improvement over the medium to long term, as well as investments and business plans related to human capital, intellectual capital. Working with stakeholders, we engage in a variety of business activities in the pursuit of safety and security, human resources development, technology continuity, social contribution activities, and environmental activities, disclosing our plans and progress in a timely manner.

2 The Company has established the Sustainability Committee (chaired by the president of the Company) to formulate companywide policies and targets related to sustainability. Through this committee, the Company has established and maintains a system to put sustainability policies and targets into practice, monitoring the implementation of various measures. The Materiality Response Team is the first of two management teams organized under the Sustainability Committee to determine materiality implementation plans and monitor progress. The Climate-related Financial Disclosures Team is the second of two management teams under the Sustainability Committee, responsible for collecting Company information related to the environment, gathering information on climate-response activities, and disclosing the financial impact of risks and opportunities related to climate change in line with the TCFD framework. In this way, the Company responds to various issues related to sustainability. The agenda and results of Sustainability Committee meetings are reported to and discussed by the Board of Directors.

3 The Board of Directors deliberates and supervises matters reported by

the Sustainability Committee to ensure the implementation of business activities in line with the policies provided in Paragraph 1 of this Article.

(Whistle-Blowing)

Article 8 The Company shall promote the establishment and utilization of the “Compliance Hotline” on a Group-wide basis in its offices, including but not limited to, the main offices of its subsidiaries, to collect information from its employees that could not be collected easily through its organizational ladder and to conduct investigations into such information and, if the Company identifies a violation or suspected violation of laws and regulations, the Company shall take appropriate measures to rectify or remedy such violation or suspected violation.

2 The Company shall not treat any employee unfavorably on the ground that he or she consults with or reports to the “Compliance Hotline” set forth above.

#### Chapter 4. Ensuring Appropriate Information Disclosure and Transparency

(Disclosure of Policies Concerning Risk Management, Internal Control System, and Other Matters)

Article 9 Pursuant to the Companies Act and other applicable laws and regulations, the Board of Directors shall establish and disclose in a timely and appropriate manner policies concerning risk management of corporate group, internal control system, compliance with laws and regulations, and other relevant matters.

2 Pursuant to the Companies Act, Financial Instrument and Exchange Act and other applicable laws, as well as the regulations and rules of Financial Instrument Exchange, the Board of Directors shall disclose finance and business-related matters in a fair, detailed and direct manner.

#### Chapter 5. Responsibilities of the Board of Directors

(Roles of the Board of Directors, Delegation to Management)

Article 10       Based upon its fiduciary duty to shareholders who have entrusted management to the Board of Directors, the Board of Directors shall implement efficient and effective corporate governance for all shareholders who shall ensure the promotion of their own interests through maximization of the mid- to long term corporate value, and the Board of Directors shall further be responsible for the sustainable growth and improvement of mid- to long-term corporate value of the Company

2               In fulfilling the responsibilities set forth in Article 10.1, the Board of Directors shall ensure fairness and transparency of management by exercising its monitoring function over the entire management and make the best decisions for the Company through decisions relating to the execution of the Company's important business which are legally required to be made by the Board of Directors.

3               Decisions on such execution of the Company's business other than set forth in Article 10.2 shall be delegated to lower level meetings, including but not limited to, global executive committees and/or operating officers meetings, or other meetings, and the Board of Directors shall supervise the execution of duties by such meetings and/or operating officers, or others.

(Roles of Independent Directors)

Article 11       In order to achieve the sustainable growth and improvement of mid- to long-term corporate value of the Company, independent outside directors shall, from the standpoint of the common interest of shareholders, monitor execution of the Board of Directors and the management and conflicts of interest between the Company and the management and also conduct other monitoring functions.

(Composition and Diversity of the Board of Directors)

Article 12       The number of the Board of Directors shall be eleven (11) or less, as prescribed in the Company's Articles of Incorporation.

2               Considering the importance of independent outside directors for corporate governance, at least one-third of the directors comprising the Board of Directors set forth above shall be independent outside

directors.

- 3 The Company recognizes that diversity on the Board of Directors is one of the important factors for enhancing the effectiveness of the Board of Directors and realizing sustainable growth of the Company. In selecting candidates for its directors, the Company considers the diversity including gender, international orientation, internal and outside career experience, age and years of service. The Company also considers the combination and balance in terms of expertise, experience, skills, etc. of the Board of Directors as a whole to respond business environment, business characteristics, etc., and also considers the appropriate size of the Board of Directors.

(Qualifications and Nomination Procedures of Directors)

Article 13 Candidates for the Company's directors must have excellent personalities, insight, competence and abundant experience, as well as high ethical standards to supervise and execute Company's management in an appropriate, fair and effective manner.

- 2 In order to fulfill their monitoring function, candidates for the Company's independent outside directors must have deep insight and abundant experience in the areas of business management, risk management, and internal control, including legal compliance, corporate ethics, management quality, global management, macroeconomic policy, and other areas. Additionally, the candidates for the Company's independent outside directors must meet criteria for selection of Independent officers, which are determined and disclosed separately.

3 All of the Company's directors shall be subject to election by a resolution at the general shareholders meeting held on an annual basis.

4 In accordance with this Article, candidates for directors, including substitute directors, shall be appointed and selected by the Board of Directors, having consulted with the Nomination and Compensation Committee, which is chaired by an independent outside director and whose membership consists of a majority of independent outside directors, and after proper and transparent deliberations.

5 In the event that any of the Company's directors becomes unable to supervise and execute or faces difficulty in supervising and executing



Company's management in an appropriate, fair and effective manner, the Board of Directors discuss the policy of such dismissal of him/her, and depending on the result of such discussion, the director may be subject to dismissal by a resolution at the general shareholders meeting.

(Qualifications and Nomination Procedures of Corporate Auditors)

- Article 14      Candidates for corporate auditors of the Company must have excellent personalities, insight, competence and abundant experience as well as high ethical standards to monitor directors' execution of their duties in an appropriate, fair and effective manner. In addition, at least one (1) corporate auditor must have appropriate expertise with respect to finance and accounting.
- 2                In order to fulfill their monitoring function, candidates for the Company's independent outside corporate auditors must have deep insight and abundant experience in the areas of business management, risk management, and internal control, including legal compliance, corporate ethics, management quality control, global management, macroeconomic policy, and other areas. Additionally, candidates for independent outside corporate auditors must meet criteria for independence of outside corporate officers, which are determined and disclosed separately.
- 3                In accordance with this Article, candidates for new corporate auditors of the Company, including substitute corporate auditors, shall be appointed and selected by the Board of Directors through consultation with certain director(s) designated by the Board of Directors, proper and transparent discussion of the Board of Directors, and shall be subject to the consent of the Board of Corporate Auditors.
- 4                In the event that any of the corporate auditors of the Company becomes unable to audit or faces difficulty in auditing its directors' execution of their duties in an appropriate, fair and effective manner, the Board of Directors and the Board of Corporate Auditors shall discuss the policy of such dismissal of him/her, and depending on the result of such discussion, the corporate auditor may be subject to dismissal by a resolution at the general shareholders meeting.

(Chairperson of the Board of Directors)

Article 15      **The Chairperson of the Board of Directors shall be an Outside Director selected by the Board of Directors.**

2                The Chairperson of the Board of Directors shall endeavor to enhance the quality of discussions of the Board of Directors and facilitate the Board of Directors meetings in an efficient and effective manner. To carry out these duties, the Chairperson shall make arrangements for securing adequate time for all proposals and shall make appropriate information available to respective directors in a timely manner.

(Duties of Directors)

Article 16      The Company's directors shall collect information sufficient to fulfill their duties, proactively express their opinions, and have thorough discussions.

2                In fulfilling their duties toward the Company, the Company's directors shall make full use of their abilities and spend the necessary amount of time.

(Access to the Company's Information by Independent Directors and Corporate Auditors)

Article 17      Whenever deemed necessary or appropriate, the Company's independent outside directors and/or corporate auditors may request executive directors, operating officers and employees of the Company to provide explanations, reports, and/or or submit internal materials.

2                The Company's corporate sections shall support independent outside directors so that they can perform their duties appropriately.

3                In order for the Board of Corporate Auditors or respective corporate auditors to perform their duties appropriately, the Company shall establish a bureau of the Board of Corporate Auditors (corporate auditors' office) with proper human resources and budget.

(Remuneration, etc. of Directors)

Article 18      Policies for determining Director remuneration plans, etc., and the content of agenda items for the general meeting of shareholders shall be as follows. These matters are based on a basic policy to provide incentives for the sustainable enhancement of Company corporate value and for strengthening shared values with shareholders.

- (1) Performance-based remuneration (bonuses) and remuneration other than performance-based (basic remuneration and grants of restricted stock) will be allocated at a ratio of approximately 1:2.
- (2) Basic remuneration to be paid to each Director as fixed monthly monetary remuneration shall be calculated by taking into account the responsibilities and activities of each director, as well as remuneration paid at other companies.
- (3) Restricted stock will be granted in according to issuance price, timing, and conditions as determined by resolution of the Board of Directors in accordance with the activities of each director in his or her assigned duties and the degree of contribution to business performance.
- (4) To motivate directors to improve performance in the short and medium term, a bonus shall be paid as performance-based remuneration within four months after the end of the current fiscal year. The bonus amount shall be determined based on operating income of the previous fiscal year, used as a performance indicator. This indicator shall take into consideration an addition or subtraction of the amount in the previous fiscal year according to the level of achievement. The amount of bonus to be paid to each individual Director will be according to the activities of his or her assigned duties and the degree of contribution to business performance.

2 In addition to the matters set forth in the preceding paragraph, decisions on the amount and calculation method of remuneration, etc., for Directors shall be made after consultation with the Nomination and Compensation Committee, which is chaired by an independent outside director and whose members consist of a majority of independent outside directors. Representative Directors may be delegated to determine, by a resolution of the said Board of Directors, the amount of the remuneration, etc. of respective director within the annual amount of the remuneration, etc. set by a resolution of a general shareholders meeting and in accordance with the policy determined by the Board of Directors.

(Succession Planning)

Article 19 Based on a proposal by the President (CEO) and having consulted with

the Nomination and Compensation Committee, the Board of Directors shall discuss and, by the resolution of the Board of Directors, determine and review succession planning for the President (CEO).

2 When the President (CEO) resigns or leaves his/her office, the Board of Directors shall determine candidate(s) for the successor of the President (CEO) based on the succession planning set forth above.

(Directors and Corporate Auditors Training)

Article 20 According to their insights, skills, experience, and other attributes, the Company's directors and corporate auditors shall participate in training programs provided by lawyers, certified public accountants and other professionals related to business management, and receive explanations by the President (CEO) and/or operating officer(s) designated by the President (CEO) related to the Company's business strategy, financial conditions and other important matters.

2 To fulfill their respective roles, the Company's directors and corporate auditors shall collect necessary information proactively and make efforts toward self-improvement with respect to the Company's financial condition, legal compliance, corporate governance and other matters.

(Effective Utilization of Independent Outside Directors)

Article 21 In order to enhance their ability to collect information while maintaining their independence, the Company's outside directors shall hold regular meetings with corporate auditors, including independent auditors.

(Evaluation of Effectiveness of the Board of Directors)

Article 22 At the end of each business year, the Company shall conduct a questionnaire survey of all of the Company's directors, including outside directors, with respect to matters which include diversity of the composition of the Board of Directors, the combination and balance in terms of expertise, experience, skills, etc. of the Board of Directors as a whole to respond business environment, business characteristics, etc., the appropriateness of the size of the Board of Directors, sufficiency of agenda materials for the board of director meetings, sufficiency of

explanations from the management of the Company in relation to each agenda item in board meetings, validity of the proceedings of board meetings, sufficiency of time for deliberations and frequency of meeting of the board of directors, etc. The Company shall evaluate the effectiveness of the Board of Directors as a whole based on the results of the questionnaire survey.

## Chapter 6. Dialogue with Shareholders

(Dialogue with Shareholders)

Article 23        In order to realize the sustainable growth and improvement of mid- to long-term corporate value of the Company, the Company shall engage in constructive dialogue with major shareholders who have investment policies corresponding to the mid- to long-term interests of shareholders.

2                    The Company shall establish and disclose policies concerning the measures and organizational structures aimed at promoting constructive dialogue with shareholders.