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Business Report for the Company's 76th Fiscal Year (April 1, 2022 - March 31, 2023)

1. Matters Concerning the State of the Corporate Group

(1) Business progress and results

a. Management environment and business development

During the first half of the current consolidated fiscal year, the global economy experienced a gradual upswing under the with-COVID-19 era, despite differences in some regions. During the second half, however, the pace of recovery slowed due to global monetary tightening and rising prices. Business confidence in the Japanese manufacturing sector continued to deteriorate due to continued high raw materials prices. However, non-manufacturing sector conditions improved as COVID-19 infections subsided, while capital investment, housing construction, and public investment remained firm. Although the effects of the real estate recession remained in China, the country's economy trended toward recovery in domestic demand, particularly in consumer spending. In response to these circumstances, the Fujitec Group continued with measures against infectious diseases while implementing our medium-term management plan *Vision24*. Our sales strategy in the Japanese market reflects the strong performance of *AirTap*, a touchless elevator button meeting the needs of the new normal. *SMA-UP*, a new packaged product for modernization, also performed well. In addition, we opened the Osaka Metropolitan Office as a business center in the Kinki area. In the global market, we implemented region-specific sales strategies tailored to the characteristics of each area. Business was active in South Asia, in particular, as evidenced by the receipt of a bulk order for approximately 300 elevators for the Housing & Development Board of Singapore. Under our product and technology strategy, we developed and introduced strategic models that match the maturity level of the market in each country. We developed a new anti-earthquake function for high-rise buildings that shortens the downtime of elevators in the event of an earthquake. We also launched *elemori*, an online service to confirm elevator and escalator operating information and change settings from a PC or smartphone. In March, we were certified by the Ministry of Economy, Trade and Industry as a DX Certified Operator. We intend to advance further in our response to social change brought about by digital technologies. Under our production and operations strategy, we reduced production costs through global procurement. In addition, we reduced installation costs by developing innovative installation methods and improving installation skills toward better efficiencies in the field. We began using smart glasses for certain maintenance operations, leveraging remote instructions by skilled technicians, as well as the sharing of technical skills. These efforts are helping improve operational efficiency. We bolstered our global production base by expanding production capacity at facilities in our elevator factory in Taiwan. Under our corporate strategy, we pursued aggressive M&A activities in Japan and overseas in this growth phase for our company, including the acquisition of Elevadores EV International in Mexico. In terms of capital policy, we repurchased and retired treasury shares to improve capital efficiency. We continued our ESG-related work by strengthening governance. We developed a sustainability promotion system, including TCFD-compliant information disclosures, registering our products for the European market under the environmental product declaration framework, and declaring our support of the TCFD recommendations. In this way and others, we continued to contribute to the creation of sustainable societies. In March, we were recognized as a 2023 Certified Health & Productivity Outstanding Organization by the Ministry of Economy, Trade and Industry. We also announced our multi-stakeholder policy in March.

In product development, we developed a new long-period seismic control operation system that incorporates a laser range scanner. This technology serves as an earthquake countermeasure for elevators in high-rise buildings and high-rise condominiums. With this mechanism, we identify shaking more precisely than before and shorten the downtime of elevators in the event of a long-period earthquake. In our maintenance business, we began offering *ELE-MORI*, a web service for building managers. This service, which we offer free of charge to our maintenance contract customers, allows building managers to check the operating status of elevators and escalators via PC or smartphone. Users also have access to verification and settings related to operating status, various information, and operating functions. The service offers prompt information and convenience, aiming to provide safe and secure social infrastructure. We are also developing robotics-linked technology that allows robots to move autonomously to different floors by connecting elevators and robots via the internet. This technology conforms to the common Robot Friendly Asset (RFA) standard, facilitating links among various robots. Using a robotics platform will aid in the use of robots from different manufacturers and different purposes (delivery, patrolling, cleaning, etc.) in buildings and housing complexes where elevators are installed. This type of platform also supports product and services development adapted to diverse societies and supporting our goal of providing safe, secure, comfortable mobility worthy of the new generation.

As a result, Total orders received amounted to ¥203,230 million (up 3.9% year on year), consisting of ¥82,821 million in domestic orders received (up 7.1%) and ¥120,408 million in overseas orders received (up 1.9%; down 9.5% after excluding the impact of foreign exchange).

Total order backlog amounted to ¥244,898 million (up 9.2% year on year), consisting of domestic order backlog in the amount of ¥80,657 million (up 10.7%) and overseas order backlog in the amount of ¥164,241 million (up 8.5%; down 4.7% after excluding the impact of foreign exchange).

Domestic orders remained firm. New installations increased year on year, mainly for retail locations, factories, and warehouses. We posted stronger performance year on year, as the Aftermarket Business saw orders increase for modernization projects to upgrade existing elevators and escalators. This increase was due mainly to our capture of a wide range of demand for new product and service launches including our New Lifestyle Package and the new *SMA-UP* modernization package. We also recorded solid sales for maintenance, which services and maintains elevators and escalators.

Despite an increase in new installations in Taiwan and South Korea, overseas orders in East Asia saw few new installations in China, mainly due to the Zero-COVID policy through December and the real estate recession. In South Asia, new installations rose in Singapore, Malaysia, and India, while modernization projects decreased in Singapore and Indonesia. In the Americas and Europe, we saw an increase for new installations in the U.S. and Canada, as well as an increase for modernization projects in the U.K.

We recorded higher sales and lower operating income for the current fiscal year. While sales increased, operating income in Japan and East Asia fell compared to the previous fiscal year. Total net sales amounted to ¥207,589 million (up 11.0%), consisting of ¥75,005 million in domestic net sales (up 2.8%) and ¥132,583 million in overseas net sales (up 16.3%; up 1.9% after excluding the impact of foreign exchange). Operating income was ¥11,619 million (down 15.7% year-on-year), and ordinary income was ¥13,332 million (down 15.2% year-on-year) due to the decrease in operating income and recognition of allowance for doubtful accounts. As a result of the pre-tax adjusted decrease in income due to the recording of an impairment loss on the goodwill of a U.K. subsidiary and other factors, net income attributable to owners of the parent amounted to ¥8,433 million (down 22.2% year on year).

Thanks to the support of our stakeholders, we celebrated the 75th anniversary of our founding in February of this year. We remain committed to continuing our pursuit of value creation with our stakeholders.

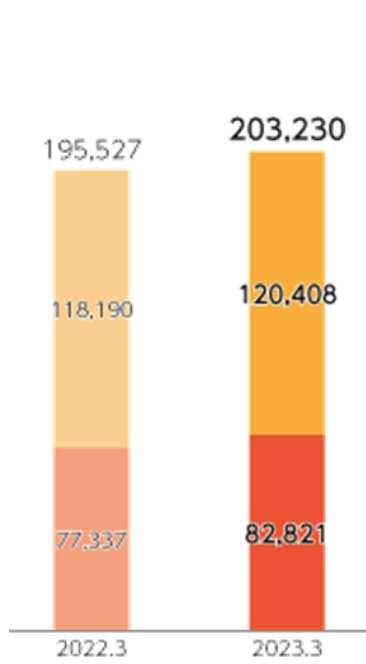
By Group Region: Orders and Net Sales

(Million yen)

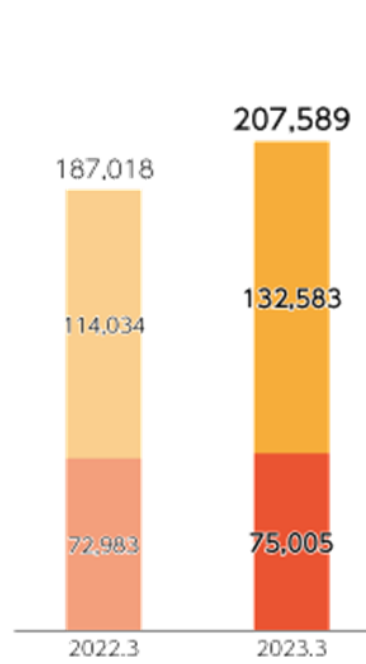
	For the Fiscal Year Ended March 31, 2023 (Period 76)		For the Fiscal Year Ended March 31, 2022 (Period 75)	
	(From April 2022 to March 2023)	Composition Ratio (%)	(From April 2021 to March 2022)	Composition Ratio (%)
Orders	203,230	100.0%	195,527	100.0%
Domestic	82,821	40.8	77,337	39.6
Overseas	120,408	59.2	118,190	60.4
Net sales	207,589	100.0%	187,018	100.0%
Domestic	75,005	36.1	72,983	39.0
Overseas	132,583	63.9	114,034	61.0
Order backlog	244,898	100.0%	224,179	100.0%
Domestic	80,657	32.9	72,840	32.5
Overseas	164,241	67.1	151,338	67.5

(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.

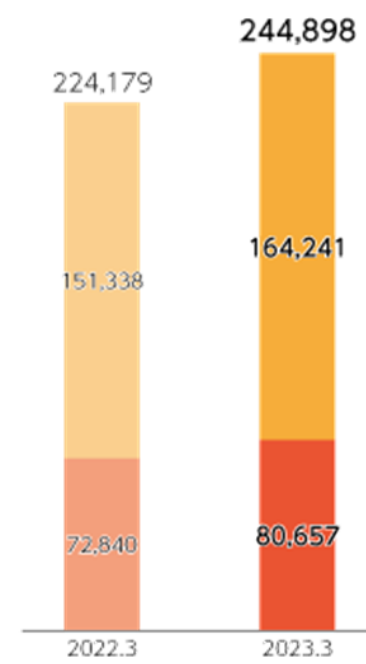
Orders(Million yen) ■ Domestic ■ Overseas



Net sales (Million yen) ■ Domestic ■ Overseas



Order Backlog (Million yen) ■ Domestic ■ Overseas



Net sales
¥207.5 billion
 YoY: +11.0%

Operating income
¥11.6 billion
 YoY: -15.7%

Operating income margin
5.6%
 YoY: -1.8pt

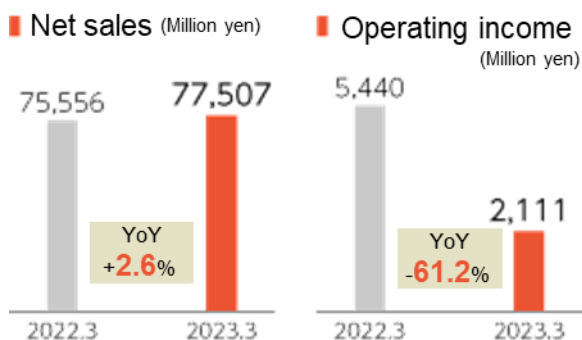
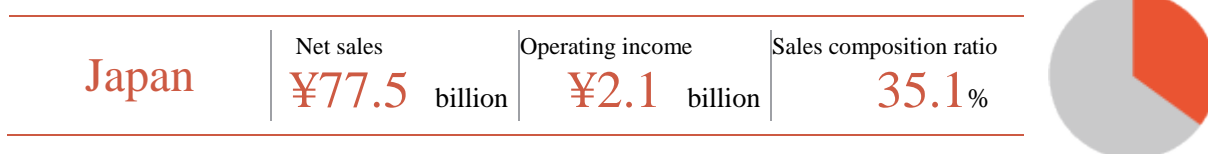
Ordinary income
¥13.3 billion
 YoY: -15.2%

Profit attributable to owners of parent
¥8.4 billion
 YoY: -22.2%

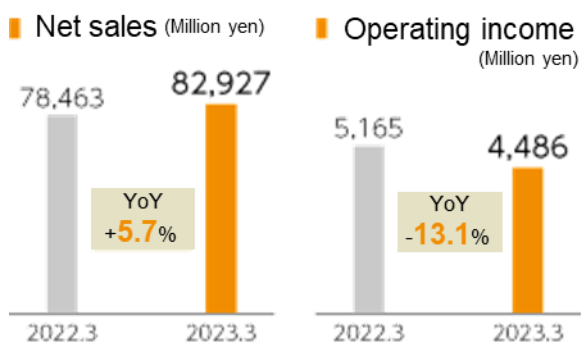
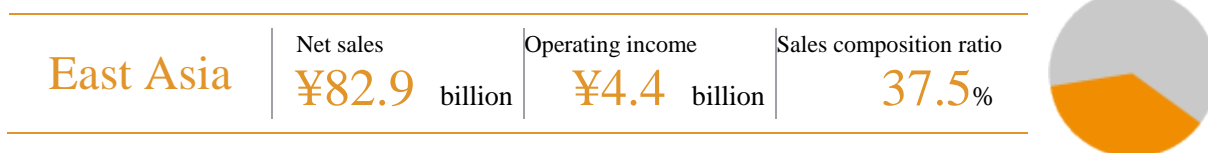
ROE:
6.7%
 YoY: -2.4pt

b. Segment information by corporate group location

The following information highlights segment performance by location for the consolidated fiscal year under review:



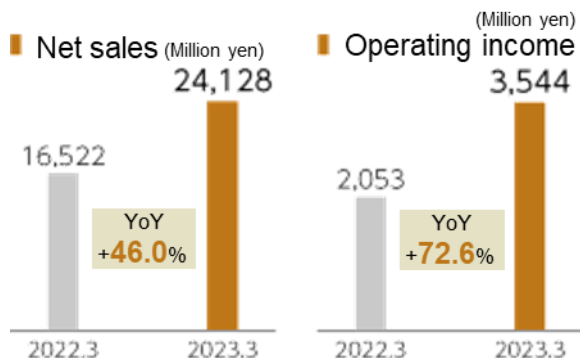
Net sales decreased for the full year, although sales of modernization projects in the Aftermarket Business increased in the second half of the year after a first half impacted significantly by construction delays due to parts procurement disruptions associated with the Shanghai lockdowns. At the same time, sales of new installations were ¥77,507 million (up 2.6% year on year), increased in connection with progress in construction of large-scale projects. Maintenance sales remained strong. Operating income were ¥2,111 million (down ¥3,329 year on year). New installations and modernization projects saw deteriorating profitability due to higher materials costs in connection with soaring prices and a weak yen.



Net sales were ¥82,927 million (up 5.7%; down 7.9% after excluding the impact of foreign exchange), due to an increase in new installations in Hong Kong and Korea, as well as an increase in Japanese currency equivalents due to the weak yen. We did see a decrease in new installations in China due plant stoppages and delays at customer construction sites, etc., stemming from the country's Zero-COVID policy. At the same time, Hong Kong experienced a decrease in Aftermarket Business performance. Operating income were ¥4,486 million (down ¥678 million year-on-year), affected by lower profitability in China stemming from lower sales in the new installations business and soaring raw materials costs, as well as the recording of a provision for losses on construction contracts in Taiwan. Lower sales in the Aftermarket Business in Hong Kong also impacted performance.

South Asia

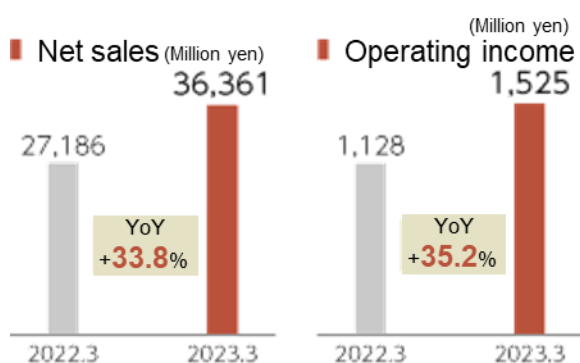
Net sales	Operating income	Sales composition ratio
24.1 billion	3.5 billion	10.9%



Net sales were ¥24,128 million (up 46.0% from the previous year, up 26.8% excluding the effect of currency translation) due to performance of the new installations business in Singapore, Malaysia, and India, as well as an increase in the Aftermarket Business related to repair work in Singapore. However, new installation business sales decreased in Indonesia. Operating income were ¥3,544 million (up ¥1,490 million year-on-year), despite a decrease in new installations in India due to soaring raw materials costs. Sales growth in the Aftermarket Business in Singapore and improved profitability in the new installation business in Indonesia contributed to the increase in operating income.

The Americas and Europe

Net sales	Operating income	Sales composition ratio
36.3 billion	1.5 billion	16.5%



Net sales were ¥36,361 million (up 33.8% from the previous year, up 19.5% excluding the effect of currency translation) due to new installation business performance in the U.K. The Aftermarket Business reported firm results across all regions. The addition of Fujitec Argentina S.A. to the scope of consolidation also had a positive impact on performance. Despite lower profitability stemming from increased maintenance personnel expenses and other expenses in the Aftermarket Business in the U.S., operating income were ¥1,525 million (up ¥397 million year-on-year) due to an increase in sales stemming from the contribution of adding our Argentinian subsidiary to the scope of consolidation.

(Note) Figures for net sales, operating income, and sales composition ratios are before segment adjustments. Segment adjustments amounted to ¥(13,336) million in net sales and ¥(48) million in operating income.

(2) Capital Investment and Financing

During the consolidated fiscal year under review, the Fujitec Group conducted a total of ¥4,280 million in capital investment. Of this amount, ¥2,472 million of capital investment was conducted within the Company, while ¥1,808 million of capital investment was conducted at consolidated subsidiaries.

(3) Issues to be Addressed

We announced a new three-year medium-term management plan, Vision24 Fujitec Medium-Term Management Plan (FY2022 - FY2024) in December 2021. In March 2022, we published supplemental disclosure of Vision24 explaining specific measures and capital policies to improve management transparency. We will increase our market share by expanding our New Installation and Aftermarket Businesses as described in Vision 24. And ensure that we improve our profitability by expanding sales and promoting cost reductions. Through these efforts, 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. Vision 24 Action Guidelines emphasize the following four points:

- Sales Strategy : Cultivate and delve deeper into new markets and customers by expanding our product lineup
 - Product and Technology Strategy : Develop and launch strategic models in collaboration with each location Strengthen development of environment-friendly products
 - Production and Operations Strategy : Achieve cost reforms through procurement and the introduction of next generation technologies in collaboration with each location
 - Corporate Strategy : Strengthen capital policy and governance structure Establish a system to implement group strategies
- We are engaged in the following sales strategy initiatives to expand our domestic market.
- In the domestic market, we will expand sales through the following initiatives.
- Expand New Installation Business sales of the standard XIOR model and enhance name through the completion of large-scale projects
 - Improve profitability in the Aftermarket Business by capturing demand for modernization and expanding sales of modernization products
 - Strengthen collaboration between the New Installation Business and the Aftermarket Business to develop new customers

In the global market, we will pursue the following regional sales strategies, focusing on the Aftermarket Business in mature markets and the New Installation Business in growing markets

- Improve brand power in the Chinese market and expand sales of standard models by winning large-scale projects
- Expand domestic/overseas supply and sales networks in the Indian market
- Grow maintenance volume by marketing modernization products In East Asia, the Americas, and Europe

- We are pursuing the following initiatives under our product and technology strategy to strengthen market competitiveness through introducing products that match the maturity level of the market in each country.
 - Develop next-generation standard models and reduce costs in growth markets
 - Introduce new maintenance service options and expand of modernized product lineups in mature markets
 - Ensure even greater levels of safety and security; improve operational efficiency through next-generation remote maintenance

- Under production and operations strategy, we strive to increase profitability through the following initiatives.
 - <Design, procurement, and production innovations>
 - Reduce costs by pursuing global procurement
 - Improve labor productivity in production operations
 - Reduce design and manufacturing labor-hours by expanding the lineup of standard models

 - <Installation cost innovations>
 - Reduce costs through the development of installation equipment and methods
 - Increase efficiencies and reduce costs through greater skill of installations
 - Reduce maintenance costs by improving remote monitoring functions and leveraging the use of IT

- In pursuing our corporate strategy, we will contribute to the creation of sustainable societies through the following initiatives, growing sustainable businesses, improving capital efficiency, and engaging actively in ESG.
 - Active capital investment plans for growth phases and M&A investment in pursuit of growth opportunities
 - Pursue a capital policy of maintaining a sound financial foundation supporting business growth, improving asset efficiency, and continuing to purchase treasury stock
 - Improve corporate governance further through ongoing efforts to enhance the effectiveness and transparency of the Board of Directors
 - Define a sustainability policy and establish a sustainability promotion system
 - Establish KPIs and disclose materialities as ESG information; engage in TCFD-compliant disclosure

With regard to the impact of the COVID-19 pandemic although a recovery in socioeconomic activities is expected due to the easing of restrictions, the outlook for the elevator and escalator market remains uncertain amid concerns about the impact of international unrest and worldwide inflation, as well as a slowdown in the global economic outlook, particularly in developed countries.

Under these circumstances, we will endeavor to improve corporate value by executing Vision24, in a steady and consistent manner.

(4) Changes in Assets and Income

Classification	Fiscal Year	Period 73	Period 74	Period 75	Period 76
		(From April 2019 to March 2020)	(From April 2020 to March 2021)	(From April 2021 to March 2022)	(Current Consolidated Fiscal Year) (From April 2022 to March 2023)
Orders	(Million yen)	186,320	174,648	195,527	203,230
Net sales	(Million yen)	181,232	169,573	187,018	207,589
Ordinary income	(Million yen)	14,682	14,633	15,713	13,332
Profit attributable to owners of parent	(Million yen)	9,916	9,287	10,835	8,433
Net income per share	(yen)	122.46	114.52	133.42	106.67
Total assets	(Million yen)	193,581	205,196	220,609	230,098
Net assets	(Million yen)	118,714	125,264	140,482	144,118
Net assets per share	(yen)	1,318.59	1,385.45	1,549.83	1,640.29

(Notes) 1. Effective as of the 75th fiscal year, the Company applied Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

The figures for assets and income (loss) for the 75th and 76th fiscal year under review reflect the application of this accounting standard.

- 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 73 include shares held as an employee stock ownership plan support trust (ESOP), and the number of treasury shares as of the end of Periods 74, 75 and 76 includes shares held as the E-Ship Trust-Type Employee Shareholding Incentive Plan.
- Major factors for changes in each consolidated fiscal year are as described below.

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 ...Domestic net sales decreased by 4.3% year on year, while overseas net sales decreased by 7.9% over the same period, resulting in a year on Decrease of 6.4% in net sales. Profit decreased slightly versus the previous fiscal year owing to an increase in Japan, even though profits decreased in North America and Europe.

Period 75 ...Domestic net sales increased by 5.1% year on year, while overseas net sales increased by 13.9% over the same period, resulting in a year on year increase of 10.3% in net sales. Profits increased from the previous year due to an increase in dividend income and recognition of foreign exchange gains.

Period 76 ...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 escalators
Fujitec Canada, Inc.	18,000 CAD thousands	100.00%	Sales, installation, maintenance, and repair of elevators and escalators
Fujitec Argentina S.A.	2,000 ARS thousands	100.00%	„
Fujitec (HK) Co., Ltd.	24,300 HKD thousands	100.00%	Manufacture, sale, installation, maintenance, and repair of elevators and escalators
Huasheng Fujitec Elevator Co., Ltd.	708,040 RMB thousands	60.00%	„
Shanghai Huasheng Fujitec Escalator Co., Ltd.	106,760 RMB thousands	60.00% (60.00%)	„
Fujitec Shanghai Sourcing Center Co., Ltd.	389,124 RMB thousands	100.00%	Manufacture of elevators and other equipment
Fujitec Taiwan Co., Ltd.	300,000 TWD thousands	74.83%	Manufacture, sale, installation, maintenance, and repair of elevators and escalators
Fujitec Korea Co., Ltd.	27,220,000 KRW thousands	100.00%	„
Fujitec Singapore Corpn. Ltd. CORPN. LTD.	5,290 SGD thousands	83.91%	Sales, installation, maintenance, and repair of elevators and escalators
Fujitec India Private Ltd. PRIVATE LTD.	4,952,951 INR thousands	98.01% (10.40%)	Manufacture, sale, installation, maintenance, and repair of elevators and escalators
Fujitec UK Ltd.	12,516 GBP thousands	100.00%	Sales, installation, maintenance, and repair of elevators and 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 38 affiliated companies (including 23 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 10 manufacturing bases in North, Central 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 (Osaka 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), Chugoku/Shikoku Branch (Hiroshima city), Kyushu Branch (Fukuoka city), Okinawa Branch (Naha city) Other Sales Offices, Services Centers and Safenet Centers, Parts Supply Center
	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/Ota-ku, Tokyo)
Subsidiaries	Overseas Manufacturing Bases	Fujitec America, Inc. (U.S.A.) Elevadores EV International, S.A. de C.V. (Mexico) Fujitec India Private Ltd. (India) Express Lifts Limited (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) Express Lifts Limited changed its company name to Fujitec Express Limited on April 20, 2023.

(8) Employees

a. Group employees

No. of Employees	Year-on-Year Change
11,453	+770

(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
3,192	+57	41.2 years	17.7 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.	3,624 million yen
Resona Bank, Ltd.	2,500 million yen

(10) Other Matters Concerning the State of the Corporate Group

(1) Completion of Third-Party Committee Investigation into Related-Party Transactions and Review of Internal Control Systems

On August 10, 2022, the Company established a third-party committee to further investigate and verify the related-party transactions and other activities which were pointed out by some of the Company's shareholders. However, on April 3, 2023, the third-party committee concluded that (i) there was no prospect of obtaining cooperation from the Uchiyama, the family that founded the Company, (ii) the Company was uncooperative in disclosing materials and setting up interviews, etc., and (iii) that the Company had interfered with the contents of the investigation report, etc., and therefore, the third-party committee concluded that it was not possible to establish a relationship of trust with the Company and the Uchiyama. The Company was informed that the term of the contract with the third-party committee, which was supposed to last until the end of December 2022, would not be extended (i.e., the contract would not be renewed), mainly due to the fact that a relationship of trust could not be established between the Company and the third-party committee.

We expressed our desire to extend the contract period and informed the third-party committee that we would accommodate their requests. However, in light of the third-party committee's remarks above, we believe that their decision is regrettable but unavoidable.

We take the above remarks from the third-party committee seriously and have decided to appoint an outside expert to conduct a review of our internal control systems, including compliance awareness and information management, to ensure that this type of situation does not occur again. The Company will proceed to restructure its internal control systems based on the results of the above review.

(2) Governance Structure of the Company after the Extraordinary General Meeting of Shareholders

At the extraordinary general meeting of shareholders held on February 24, 2023 (the "Extraordinary General Meeting of Shareholders"), three outside directors were dismissed and four new outside directors were appointed as proposed by shareholders. Following the resignation of two outside directors before and after this extraordinary shareholders' meeting, the company is currently operating under a new structure consisting of five outside directors and three internal directors as of the end of the current fiscal year. Furthermore, at the Board of Directors meeting held on March 24, 2023, the Company's Board of Directors resolved to appoint Kaoru Unno, an Outside Director, as Chairman of the Company's Board of Directors, and to appoint three Outside Directors as members of the Nomination and Compensation Advisory Committee.

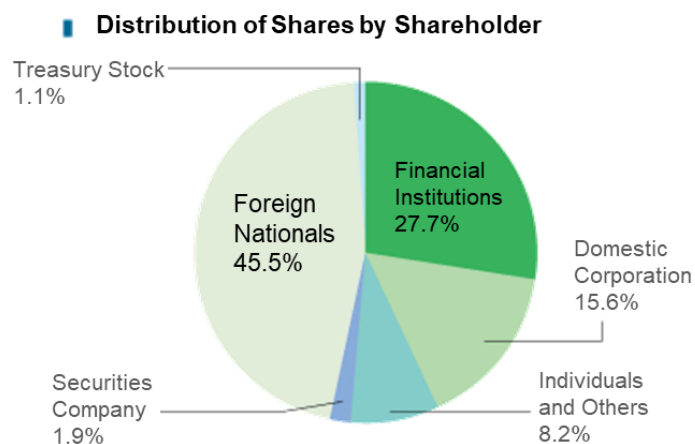
On June 23, 2022, just prior to the 75th Regular General Meeting of Shareholders, the Company withdrew the proposal to appoint Mr. Takakazu Uchiyama as a director candidate, but subsequently selected him as Chairman after the meeting. However, due to (1) the third-party committee's indication, as stated in (i) above, that Mr. Uchiyama did not fully cooperate in the investigation, (2) the Company stakeholders' suspicions that the Company's selection of Mr. Uchiyama as Chairman and the creation of the appearance that Mr. Uchiyama, who does not have the confidence of the General Meeting of Shareholders, wields a certain degree of influence within the Company, may violate the basic principle of corporate governance that the General Meeting of Shareholders has the right to elect the management of the Company, and (3) the fact that the advice and guidance received from Mr. Uchiyama has largely been completed from the standpoint of ensuring continuity of business operations, the Board of Directors' resolved, at its meeting held on March 28, 2023, with unanimous approval from all internal and external directors, to remove Mr. Uchiyama from the position of Chairman.

Furthermore, in response to information received at the time of the Extraordinary General Meeting of Shareholders that the candidates for director proposed by the shareholders were subjected to acts that damaged or degraded their qualifications, social credibility, and reputation, and that they were intimidated or otherwise approached to decline their nomination as candidates for director of the Company, the Board of Directors, at its meeting held on March 28, 2023, decided to appoint an independent third-party committee to fairly and promptly investigate whether or not the Company's officers and employees were involved in such acts, because such involvement of the Company's officers and employees would be a serious problem for the governance of the Company and could constitute a serious violation of laws and regulations.

This series of decisions are part of a concerted effort by the Company's Board of Directors, operating under the new structure, to ensure that the Company faithfully and reliably adheres to the highest standards of corporate governance expected of a publicly traded company. In order to regain the trust of our stakeholders, we will continue to implement further measures and reforms relating to corporate governance.

2. Matters Concerning Stock

- a. Total number of authorized shares 300,000,000 shares
- b. Total number of shares issued 78,023,602 shares
- c. Number of shareholders 6,859 (excluding 876,398 shares in treasury stock)



d. Major shareholders (Top 10)

Name of Shareholders	Equity in Fujitec	
	Number of shareholding thousand shares	Ratio of shareholding %
OASIS JAPAN STRATEGIC FUND LTD.	8,068	10.34
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,336	9.40
OASIS INVESTMENTS II MASTER FUND LTD.	5,578	7.15
Uchiyama International Ltd.	5,043	6.46
GOLDMAN, SACHS & CO. REG	4,781	6.13
Resona Bank, Ltd.	4,051	5.19
Santo Co., Ltd.	2,386	3.06
BNP PARIBAS LUXEMBOURG/2S/JASDEC SECURITIES/UCITS ASSETS	2,312	2.96
Mizuho Bank, Ltd.	1,989	2.55
MUFG Bank, Ltd.	1,663	2.13

(Note) Ownership Ratio in the table above represents the ratio of shares held to the total number of issued shares, excluding 876,398 shares in treasury stock. Treasury shares do not include 51,400 shares held under the E-Ship Trust-Type Employee Shareholding Incentive Plan.

e. Shares granted to Company officers as of the end of the current fiscal year as compensation for the performance of duties

The Company has adopted a restricted stock compensation plan, and the details of stock compensation granted to Company officers as compensation for the execution of their duties during the fiscal year under review are as follows.

Classification	No. of shares	No. of eligible persons
	shares	
Directors (excluding outside directors)	3,298	3

(Notes) 1. The shares noted above were delivered via the disposal of treasury stock having a disposal date of August 19, 2022.

2. In addition to the foregoing, a total of 5,148 shares of treasury stock were issued as of the date of disposal, August 19, 2022, to 21 executive officers who did not concurrently serve as directors.

f. Other Important Matters Concerning Stock

The Company repurchased 3,147,400 shares of treasury stock for a total of 8,932,500,281 yen during the fiscal year ended March 31, 2023. These purchases were based on a written resolution of the board of directors on March 1, 2022. The repurchase of treasury stock based on this resolution was completed as of February 27, 2023, with a cumulative total of 3,500,000 shares repurchased for a cumulative total of 9,936,791,776 yen. In addition, 3,500,000 shares of treasury stock were cancelled on February 15, 2023.

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 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

(Notes) 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	Takao Okada	General Manager of Global Business HQ; Regional Director of East Asia
Senior Managing Executive Officer	Takashi Asano	General Manager of Field Engineering HQ
Director	Masashi Tsuchihata	General Manager of Finance HQ
Director	Kazuhiro Mishina	Professor, Kobe University, Graduate School of Business Administration Substitute Audit & Supervisory Board Member, Sumitomo Metal Mining Co., Ltd.
Director	Kaoru Umino	Partner, DLA Piper Tokyo Partnership Foreign Law Office Officer (Director), Second Harvest Japan Officer (Director), Lawyers for LGBT and Allies Network, NPO
Director	Torsten Gessner	
Director	Clark Graninger	Managing Director, WealthPark Capital, Inc. Representative Director, COO/CFO, Reboot K.K.
Director	Ako Shimada	Vice President, General Counsel and Corporate Secretary, Ushio America, Inc. Outside Director, KA Imaging Inc. General Counsel, Ushio Europe
Member of the Audit & Supervisory Board (Standing)	Yasuo Utsunomiya	
Member of the Audit & Supervisory Board	Tatsuo Ikeda	Foreign Law Joint Enterprise, Kitahama Partners, Of Counsel
Member of the Audit & Supervisory Board	Satoshi Hiramitsu	Senior Partner, Tax Accounting Corporation, TAS Member of Outside Director Audit & Supervisory Committee, ARATA CORPORATION
Member of the Audit & Supervisory Board	Yoshiyuki Yamasaki	Certified Public Accountant, Office of Yoshiyuki Yamasaki Outside Director, Audit and Supervisory Committee Member, Tokyo Rakutenchi Co., Ltd.

- (Notes) 1. Directors Kazuhiro Mishina, Kaoru Umino, Torsten Gessner, Clark Graninger and Ako Shimada are outside directors as stipulated in the Companies Act, and Members of the Audit & Supervisory Board Tatsuo Ikeda, Satoshi Hiramitsu, and Yoshiyuki Yamasaki are outside members of the Audit & Supervisory Board as stipulated in the Companies Act.
Also, Kazuhiro Mishina, Kaoru Umino, Torsten Gessner, Clark Graninger, Ako Shimada, Tatsuo Ikeda, Satoshi Hiramitsu, and Yoshiyuki Yamasaki have been designated as independent directors* based on the provisions of Tokyo Stock Exchange, Inc., and we have reported such to the exchange.
2. Directors Kazuhiro Mishina, Kaoru Umino, Torsten Gessner, Clark Graninger, and Member of the Audit & Supervisory Board Satoshi Hiramitsu do not have any special conflict of interest with the Company.
3. Ms. Shimada is a Vice President, General Counsel and Corporate Secretary of Ushio America, Inc. and General Counsel of Ushio Europe. There is a business relationship between parent company USHIO Inc. 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 76th fiscal year were 1 million yen.
4. 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. He has considerable knowledge of corporate management in general.

5. 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. Also he 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 76th fiscal year.
6. 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 finance, accounting and tax affairs.
7. Member of the Audit & Supervisory Board Yoshiyuki Yamasaki is familiar with practical business in corporate auditing, acquisition investigations, and more as a certified public accountant, and has considerable knowledge of finance, accounting and tax affairs.
8. Changes at the 75th Annual General Meeting of Shareholders held on June 23, 2022 were as follows.
 (Appointment) Directors Kazuhiro Mishina, Kaori Oishi, and Member of the Audit & Supervisory Board Yoshiyuki Yamasaki were elected and appointed at the 75th Ordinary General Meeting of Shareholders, held on June 23, 2022.
 (Resignation) As of the conclusion of the 74th Ordinary General Meeting of Shareholders held on June 22, 2021, directors Takakazu Uchiyama, Keiko Yamahira and Member of the Audit & Supervisory Board Kenichi Ishikawa have completed their terms and resigned their positions.
9. The changes following the conclusion of the 75th Annual General Meeting of Shareholders to be held on June 23, 2022 are as follows.

(Appointment) Directors Kaoru Umino, Torsten Gessner, Clark Graninger, and Ako Shimada have been elected and appointed at the extraordinary general meeting of shareholders, held on February 24, 2023.

(Resignation)

Reason for resignation	Name	Positions	Status of Responsibilities and Important Concurrent Positions	Date of Resignation
Resignation	Mami Indo	Director	Outside Director, Tokyo Gas Co., Ltd. Outside Director, Ajinomoto Co., Inc. Outside Director, AIG Japan Holdings KK	February, 21, 2023
Dismissal	Nobuki Sugita	Director	Professor, College of Economics, Ritsumeikan University	
Dismissal	Shigeru Yamazoe	Director	Part-Time Advisor of 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. Outside Director, AIN HOLDINGS INC.	February, 24, 2023
Dismissal	Kaori Oishi	Director	Partner, Kitahama Partners Outside Director, Paltac Corporation Outside Director, Audit and Supervisory Committee Member, Towa Pharmaceutical Co., Ltd. Adjunct Lecturer, Osaka University Law School	
Resignation	Kunio Endo	Director	—	March, 30, 2023

(Notes) 1. Positions, responsibilities and important concurrent positions are as of the date of retirement.

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 76th fiscal year were less than 1 million yen. In addition, there is a business relationship between significant subsidiaries 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 76th fiscal year were 10 million yen. In addition, Ms. Indo is an outside director 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 76th fiscal year were 1 million yen. In addition, Ms. Indo is an Outside Director of AIG Japan Holdings KK, and there is a business relationship between significant subsidiaries of AIG Japan Holdings and the Company for installation, maintenance, and other services ordered in relation to our products, overseas travel insurance and corporate officer liability insurance. Net sales to these significant subsidiaries in the Company's 76th fiscal year were 2 million yen, and payments to the same totaled 36 million yen.
3. Mr. 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 76th fiscal year of the Company were 3 million yen.

4. Mr. Shigeru Yamazoe currently serves as Part-Time Advisor of Marubeni Power & 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 & Infrastructure Systems Corporation. During the 76th fiscal year of the Company, the amount of net sales to said important subsidiaries was 26 million yen, and the amount paid to said important subsidiaries was 58 million yen. Mr. Yamazoe is also an outside member of the Audit & Supervisory Board of MCP Partners Co., Ltd. There is no special conflict of interest between MCP Partners 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 76th fiscal year were 1 million yen, and payments to the same totaled 3 million yen. Mr. Yamazoe is also an outside director of AIN HOLDINGS INC. There is no special conflict of interest between MCP Partners and the Company.
5. Ms. Kaori Oishi is a Partner 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 76th fiscal year. In addition, Ms. Oishi is an outside director of Paltac Corporation and there is a business relationship between Paltac 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 76th fiscal year were 1 million yen. The Company has a business relationship with an important subsidiary of Medipal Holdings Corporation, the parent company of Paltac Corporation, related to the purchase of pharmaceutical products, and the amount of payments to the subsidiary was 1 million yen. In addition, Ms. Oishi is a member of the Outside Director Audit & Supervisory Committee of Towa Pharmaceutical Co., Ltd., and there is a business relationship between Towa Pharmaceutical 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 76th fiscal year were 14 million yen.
6. Mr. Endo does not have any special conflict of interest with the Company.

10. Changes in Director Responsibilities and Important Concurrent Positions Occurring After the End of the Current Fiscal Year are as follows.

Name	After Change	Before Change	Date of Change
Takao Okada	—	General Manager of Global Business HQ; Regional Director of East Asia	April, 1, 2023
Takashi Asano	Technical officer	General Manager of Field Engineering HQ	
Masashi Tsuchihata	Finance & Investor Relations	General Manager of Finance HQ	

11. 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

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.

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 and Summary of Duties Performed With Respect to the Expected Role
Outside Director	Kazuhiro Mishina	After assuming the position of Director, Mr. Mishina attended nine of the 10 meetings held by the board of directors during the current fiscal year and made appropriate remarks on agenda items and deliberations, mainly regarding overall management. For many years, he has been involved in research related to corporate economics, including management strategy and managerial theory. By leveraging the abundant knowledge he has cultivated, he provides useful suggestions and advice for the management of the Company.
	Kaoru Umino	After assuming the position of Director, Ms. Umino attended all two 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. Ms. Kaoru Umino is a member of the New York State Bar Association, with many years of experience at a major international law firm. In addition, Ms. Umino has experience in charge of legal and compliance departments at major securities firms. Ms. Umino is able to provide useful suggestions and advice for the management of the Company, leveraging her experience in these areas.
	Torsten Gessner	After assuming the position of Director, Mr. Torsten Gessner attended all two 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. Mr. Torsten Gessner has a wealth of operational and management experience at global elevator companies. Mr. Gessner provides useful suggestions and advice for the management of the Company, leveraging his experience in these areas.
	Clark Graninger	After assuming the position of Director, Mr. Clark Graninger attended all two 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. Mr. Clark Graninger has many years of experience in key positions in the financial industry, in publicly traded companies, and in subsidiaries of publicly traded companies. Mr. Graninger provides useful suggestions and advice for the management of the Company, leveraging his experience in these areas.
	Ako Shimada	After assuming the position of Director, Ms. Shimada attended all two 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. Ms. Ako Shimada is a member of the California State Bar Association, with many years of experience advising global companies on intellectual property, legal matters, M&A, and governance. She has also held key positions in global companies. Ms. Shimada provides useful suggestions and advice for the management of the Company, leveraging her experience in these areas.
	Mami Indo	Until his retirement on February 21, 2023, Ms. Indo attended 11 of the 12 meetings held by the board of directors during the current fiscal year and made appropriate remarks on agenda items and deliberations, mainly regarding overall management. 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 provides useful suggestions and advice for the management of the Company.
	Nobuki Sugita	Until his retirement on February 24, 2023, Mr. Sugita attended all 13 meetings held by the board of directors during the current fiscal year and made appropriate remarks on agenda items and deliberations, mainly regarding overall management. 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	Until his retirement on February 24, 2023, Mr. Yamazoe attended all 13 meetings held by the board of directors during the current fiscal year and made appropriate remarks on agenda items and deliberations, mainly regarding overall management. 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.

Positions	Name	Status of Major Activities and Summary of Duties Performed With Respect to the Expected Role
Outside Director	Kaori Oishi	After assuming the position of Director until her retirement on February 24, 2023, Ms. Oishi attended all 8 meetings held by the board of directors during the current fiscal year and made appropriate remarks on agenda items and deliberations, mainly regarding overall management. For many years, she has been involved in corporate legal affairs as an attorney, leveraging the knowledge she has cultivated to provide useful suggestions and advice for the management of the Company.
	Kunio Endo	Until his retirement on March 30, 2023, Mr. Endo attended all 15 meetings held by the board of directors during the current fiscal year and made appropriate remarks on agenda items and deliberations, mainly regarding overall management. 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.

Positions	Name	Status of Major Activities
Outside Members of the Audit & Supervisory Board	Tatsuo Ikeda	Mr. Ikeda attended 13 of the 15 meetings of the board of directors and 10 of the 11 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 14 of the 15 meetings of the board of directors and all 11 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.
	Yoshiyuki Yamasaki	Mr. Yamasaki attended all ten meetings of the board of directors and seven 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.

(Note) Mr. Nobuki Sugita, Chairman of the Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors, and Mr. Shigeru Yamazoe, a member of the same committee, attended all six meetings held during the fiscal year under review. Given the change in composition of the board of directors as a result of the Fujitec extraordinary general meeting of shareholders held February 24, 2023, at a meeting held March 24, 2023, the board of directors selected Mr. Kazuhiro Mishina as chair, Mr. Torsten Gessner and Ms. Ako Shimada as members of the Nomination and Compensation Advisory Committee.

(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 75th Ordinary General Meeting of Shareholders, held on June 23, 2022, shareholders approved remuneration for company directors up to an amount of 500 million yen per annum (of which, the annual amount for outside directors is up to 34 million yen, and from which the employee salaries of employee-directors are excluded). As of the conclusion of the Ordinary General Shareholders' Meeting in question, Fujitec had nine directors (six of whom were outside directors). The amount of the annual retainer for corporate auditors was set at 60 million yen or less at the 60th Ordinary General Meeting of Shareholders held on June 27, 2007. As of the conclusion of the Ordinary General Shareholders' Meeting in question Fujitec had three members of the Audit & Supervisory Board.

Separate from this monetary remuneration, a resolution was passed at the 74th Ordinary General Meeting of Shareholders held on June 22, 2021 to grant restricted stock compensation to the Company's directors (excluding outside directors) in accordance with the activities of their duties and their contribution to the Company's business performance, etc. The amount of restricted stock compensation and the number of shares to be granted shall be no more than ¥100 million per year (not including employee salaries for directors who also serve as employees) and no more than 200,000 shares per year. With this resolution, the stock compensation-type stock option plan approved at the 66th Ordinary General Meeting of Shareholders held on June 25, 2013 (under which stock acquisition rights shall be issued at an annual amount not exceeding ¥100 million) was abolished, except for those shares already granted. As of the conclusion of the Ordinary General Shareholders' Meeting in question, Fujitec had four directors (excluding outside directors).

At the extraordinary general meeting of shareholders held on February 24, 2023, the amount of individual base remuneration for each newly appointed outside director will be set at 12,500,000 yen per person per fiscal year. Shareholders resolved to grant post-delivery stock-based remuneration to outside directors (not limited to newly appointed outside directors) as medium-term incentive compensation. No share price conditions have been set for said post-delivery stock-based remuneration. As of the conclusion of the extraordinary general meeting of shareholders in question, Fujitec had six outside directors (four of whom were new outside directors).

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

With regard to policy for decisions on systems related to director compensation (excluding outside directors) and agenda submission to the General Meeting of Shareholders, the Company shall make decisions via resolution of the board of directors, more than half the membership of which shall consist of independent outside directors. The basic policy in question shall be to provide incentives for improving the corporate value of the Company on an ongoing basis, as well as to encourage 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 remuneration other than performance-linked (base remuneration and the granting of restricted stock-based compensation), 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) Restricted stock will be granted in accordance with 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.
- (iv) 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.

The table below shows target and actual operating income for each fiscal year from fiscal 2015 through fiscal 2022 (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	Transfer-Restricted Share Compensation	Stock Options	Total
Fiscal 2021 (Period 75)	5,400	5,440	100.7%	Fiscal 2022 (Period 76)	4	104	27	11	—	143
Fiscal 2020 (Period 74)	5,000	5,330	106.6%	Fiscal 2021 (Period 75)	5	145	71	16	—	232
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

The details of remuneration 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 Takao Okada, Representative Director and President. In addition, we have consulted with the Nomination and Compensation Advisory Committee and obtained its opinion to ensure the validity and transparency of such evaluations and decisions.

In April 2023, the Board of Directors, after consulting with and receiving a report from this committee, resolved the individual base remuneration for outside directors who will be in office on or after March 2023. This basic remuneration was resolved to be paid in an amount calculated monthly as 12,500,000 yen per person per fiscal year.

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

Classification of officers	Number of officers covered	Total amount of remuneration by type				Total amount of remuneration
		Base Compensation	performance-linked remuneration, etc.	Non-monetary remuneration, etc.		
			Bonuses	Transfer-Restricted Share Compensation	Post-delivery stock-based compensation	
		million yen	million yen	million yen	million yen	million yen
Director (Outside directors, included)	15 (11)	141 (37)	37 (10)	11 (-)	1 (1)	192 (49)
Member of the Audit & Supervisory Board (Outside members, included)	5 (4)	38 (21)	- (-)	- (-)	- (-)	38 (21)
Total	20	180	37	11	1	230

(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 directors and their remuneration includes the number of individuals and amounts paid to seven directors who retired during the current fiscal year (including six outside directors) and four outside directors who were appointed at the extraordinary general meeting of shareholders held on February 24, 2023.

3. The number of Corporate Auditors and their remuneration includes the number of individuals and amount paid to one Corporate Auditor who retired during the current fiscal year (one Outside Corporate Auditor).

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. Matters Concerning Financial Statement Auditors

(1) Name Grant Thornton Taiyo LLC

(2) Amount of Remuneration

Classification	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 11 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. and one subsidiary of Fujitec Argentina S.A., as well as Fujitec America, Inc., Fujitec Korea Co., Ltd. and Fujitec Shanghai Sourcing Center Co., Ltd. have paid remuneration of 39 million yen for audit attestation work and remuneration of 3 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. Structures for Assuring the Appropriateness of Business Operations

The Company's board of directors have made a resolution as follows regarding the Basic Policy for Internal Controls. Based on this policy, the Company has established structures for assuring the appropriateness of business operations

1. Structures to ensure that the execution of duties by the directors and employees of the Company and the directors, etc., and employees of the Company's subsidiaries comply with laws and regulations and the Articles of Incorporation
 - a. To enhance the soundness of Group management and operations, the Company shall establish Management Philosophy, Management Personnel Philosophy, and a Corporate Code of Conduct, communicating these statements throughout the Company and its subsidiaries
 - b. The directors and executive officers of the Company and the directors, etc., of the Company's subsidiaries shall take the initiative in executing and complying with Management Philosophy, Management Personnel Philosophy, and Corporate Code of Conduct. Directors, etc., shall act in accordance with social norms and ethics as members of society to form and maintain a sound corporate culture.
 - c. The board of directors of the Company shall make decisions on the execution of important business matters of the Company in accordance with laws and regulations and the Articles of Incorporation, and shall supervise the execution of duties by the directors of the Company. The board of directors of the Company shall make appropriate and reasonable judgments and decisions by listening to the opinions of outside experts as necessary, and by receiving fair and objective advice and opinions from outside members of the Audit & Supervisory board and outside directors.
 - d. The directors of the Company shall report to the board of directors of the Company immediately upon discovery of any problems in the execution of their duties with respect to compliance with laws and regulations and the Articles of Incorporation.
 - e. The Company shall establish an Internal Audit Office as a department independent of departments in charge of business execution. To achieve management objectives effectively and in accordance with the Basic Rules for Internal Auditing, the Internal Audit Office shall review and evaluate the effectiveness of risk management, controls, and governance processes of the Company and its subsidiaries. The office shall provide opinions, advice, recommendations, and support for improvement based on such reviews and evaluations, regularly reporting these opinions, etc., to the board of directors.
 - f. To promote compliance through the Company group, the Company shall establish the Compliance Committee, which will oversee the formulation and implementation of compliance programs, including guidance and education for employees.
 - g. With respect to unjust or improper acts, or potential unjust or improper acts, the Company shall collect and investigate information from employees who are unlikely to report improper or potentially improper acts through the normal lines of business. The Company shall promote the establishment and use of internal reporting and consultation services throughout the group, including the main offices of the Company's subsidiaries, to take appropriate corrective and remedial measures in the event of such acts.
 - h. To prevent harm to the Company caused by antisocial forces, the Company shall establish a policy to deal with unreasonable demands, including a policy to ignore unreasonable demands, communicating these policies to all employees.

2. Structures for the storage and management of information related to the execution of duties by directors
 - a. Information related to the execution of duties by the directors of the Company shall be made available for inspection at all times in accordance with the internal rules for document management, etc., which stipulate the handling of information, storage method, storage period, etc.
 - b. To promote the appropriate handling and storage of information, prevent leakage, and detect the danger of leakage at an early stage, the Company shall establish an Information Security Policy. The Company shall communicate this policy throughout the group and pursue measures that contribute compliance with the policy by establishing an Information Security Committee within the Company.
3. Regulations and other structures for managing the risk of loss to the Company and its subsidiaries
 - a. The Company shall formulate Risk Management Rules to define risk management within the Company and its subsidiaries. The Company shall manage risks comprehensively across the group based on these rules.
 - b. The Company shall establish a Risk Management Committee, chaired by the president of the Company, to pursue group-wide risk management in the early detection and avoidance of the risk of loss to the Company and its subsidiaries. In addition, the Company shall establish a Risk Management Steering Committee as an advisory body to the Risk Management Committee. These committees shall be responsible for ensuring effectiveness of the group-wide risk management.
 - c. If the Company or any subsidiary is expected to suffer damage due to natural disaster or other unexpected event, the Company shall establish a special and temporary task force in accordance with Crisis Management Rules and other internal regulations. The Company shall pursue measures promptly to prevent damages.
4. Structures to ensure the efficient execution of duties by the directors of the Company and the directors, etc., of the Company's subsidiaries
 - a. The Company shall formulate a medium-term management plan for the group covering a period of three fiscal years. To achieve this medium-term management plan, the Company shall determine important group-wide performance targets and budget allocations for each fiscal year.
 - b. The Company shall delegate the business execution authority of directors to executive officers. The Company shall clarify the duties and responsibilities of executive officers in accordance with resolutions of the board of directors and internal regulations. Further, the Company shall establish an appropriate and efficient executive officer system.
 - c. With respect to important issues that must be addressed to achieve the Company's management goals, executive officers, etc., shall share and communicate information to the Global Management Committee and the Executive Officers' Meeting. Reports or proposals shall be submitted to the board of directors as necessary, after considering and deliberating on various measures related to the issues noted above.
 - d. The Company shall utilize information and communication facilities, including the Company's intranet and video conferencing facilities, to ensure the smooth and prompt communication of information necessary to the duties of directors, for the mutual exchange of information, and to stimulate deliberations.

5. Structures for reporting to the Company on matters related to the execution of duties by directors, etc., of the Company's subsidiaries and other structures for ensuring the appropriateness of operations of the corporate group, which consists of the Company and its subsidiaries
- a. In accordance with rules established by the Company, the Company shall receive reports from its subsidiaries on a regular basis, or upon the expectation of damages arising from a natural disaster or other unexpected event at subsidiaries. Such reports shall address operating results, financial conditions, personnel affairs, and other important management matters of the subsidiaries. If, based on such reports, the Company recognizes the need to address important issues to achieve the group's management objectives, the relevant executive officers of the Company, etc., shall examine and deliberate on various measures related to such issues at the Global Management Committee. The executive officers, etc., shall monitor, instruct, and supervise the execution of business by the subsidiary as necessary.
 - b. When deemed particularly necessary for the business, etc., of a subsidiary, the Company's directors and executive officers, etc., shall be seconded or dispatched to the subsidiary to supervise and/or execute the business.

6. Matters concerning employees assigned to assist in the duties of the members of the Audit & Supervisory Board, the independence of such employees from directors, and ensuring the effectiveness of instructions to such employees

Employees assigned to assist members of the Audit & Supervisory Board in their duties shall be assigned exclusively to a department that is independent of departments involved in business execution. Such employees shall follow the instructions of the members of the Audit & Supervisory board in accordance with work rules regarding such employees. Personnel evaluations, transfers and disciplinary actions of employees assigned to assist members of the Audit & Supervisory Board shall be conducted so as to give appropriate respect to the opinions of the members of the Audit & Supervisory Board.

7. Structures for reporting to members of the Audit & Supervisory Board by directors and employees, structures for reporting to members of the Audit & Supervisory Board by Company subsidiary directors, members of Audit & Supervisory Boards, individuals engaged in work as employees and other equivalent persons and employees, or individuals receiving reports from such individuals, and other structures for reporting to members of the Audit & Supervisory Board and structures to ensure audits conducted by members of the Audit & Supervisory Board are performed effectively
- a. The directors of the Company shall report to the members of the Audit & Supervisory Board immediately upon discovery of any problems in the execution of their duties with respect to compliance with laws and regulations and the Articles of Incorporation.
 - b. In addition to attending meetings of the board of directors, members of the Audit & Supervisory Board may attend other meetings, including the Global Management Committee, to gain an understanding of the status of business execution related to important matters and issues as listed in Paragraph 5, (a). Members of the Audit & Supervisory Board may inspect important documents related to business execution, including approval documents, and may request explanations from directors, executive officers, etc.
 - c. Members of the Audit & Supervisory Board shall receive regular explanations from the independent accounting auditor and the Internal Audit Office regarding their respective audit policies and implementation status. Members of the Audit & Supervisory Board shall cooperate with these entities through the exchange of information, etc.
 - d. The Internal Audit Office shall report to members of the Audit & Supervisory Board on the status of internal audits, etc., regarding compliance, risk management, internal reporting, and consultation, etc., of the Company and its subsidiaries on a regular and/or timely basis.

8. Structures to ensure that individuals reporting to the Audit & Supervisory Board are not treated unfairly in retaliation

In accordance with internal rules, the Company shall prohibit any officer or employee of the group who has submitted a report to members of the Audit & Supervisory Board from being treated unfairly in retaliation. Further, the Company shall properly manage the information of the individual in question and the content of said report.

9. Procedures for prepayment or reimbursement of expenses incurred in the execution of duties by members of the Audit & Supervisory Board and other policies related to the treatment of expenses or liabilities incurred in the execution of such duties

- a. To contribute to the smooth execution of the audit plan by members of the Audit & Supervisory Board, the Company shall estimate in advance the expenses required for the duties under said plan and account for such expenses in the annual budget.
- b. With respect to the expenses or debts stipulated under each item of Article 388 of the Companies Act that are incurred by members of the Audit & Supervisory Board during the execution of their duties, any request made to the Company for advance payment of such expenses, reimbursement of expenses paid, or repayment to creditors, the Company shall, after examination by the department in charge, pay the expenses, etc., of such request without delay, unless it is clear that such expenses, etc., were/are not necessary for the execution of the duties of the members of the Audit & Supervisory Board in question.

7. Overview of the Operation Status of Structures for Assuring the Appropriateness of Business Operations

The Company has implemented and operates in accordance with the aforementioned policies. The following is a summary of major initiatives conducted during the fiscal year under review. During the COVID-19 pandemic, digitalization of socioeconomic activities is accelerating through telework and remote communication. Taking these changes in the environment under consideration, we are working on reviewing and updating our various systems while utilizing appropriate information and communication methods within the Company.

1. Compliance structure

The Compliance Committee held two meetings during the fiscal year under review to discuss and implement policies for the Group, including the Company and its subsidiaries. In addition to disclosing the "Management Philosophy," the "Management and Human Resources Philosophy," the "Corporate Code of Conduct," and other related policies and regulations through the Group's website and by other means, we are working on establishing and updating a system for disseminating and effectively implementing compliance-related knowledge and other related matters, and providing various training materials and information on the Compliance Consultation Desk, an internal reporting hotline, and other consultation services to officers and employees working at major locations in Japan and overseas.

2. Risk and information management structure

Based on the Group's risk management system and Risk Management Regulations, which were reestablished in the previous fiscal year, we formulated activity plans and reviewed the results of the activities and risk assessments based on those plans during the current fiscal year. Based on the risks identified through risk assessments conducted by each division and subsidiary, the Committee reviewed and formulated the Group's annual risk countermeasure priorities at the beginning of fiscal year, monitored the status of these activities, and evaluated them at the end of the fiscal year. For global corporations, we have established a system based on the Fujitec Group Risk Management Policy, which is the and providing Fujitec Group's basic approach to risk management, and ensure proper management by requesting reports on risk management. In addition, based on the "Crisis Management Regulations," we have established a COVID-19 pandemic control Headquarters, which formulates and implements appropriate policies according to the situation. Furthermore, in September, we conducted a mock drill based on our business continuity plan (BCP), which simulated an earthquake directly under the Tokyo metropolitan area. In addition, the Information Security Committee provides support, guidance, and engages in other activities related to the handling and management of information within the group based on the Information Security Policy.

3. Audit system

In order to enhance monitoring by corporate auditors of the status of important business operations, accounting audits, and the progress of internal audits, full-time corporate auditors have traditionally attended the "Global Management Meeting" at which the executive officers in charge of the Group's major business areas report on the status of business operations, etc. In fiscal 2022, however, the meeting was canceled due to the spread of the COVID-19 pandemic. Instead, the Audit & Supervisory Board held meetings to exchange opinions with directors of global corporations and meetings to exchange opinions between corporate auditors and auditors of global corporations. In addition, we monitored the deliberations of important management issues by attending the Risk Management Committee meeting. In addition, members of the Audit & Supervisory Board, independent accounting auditors, and auditors assigned to the Internal Audit Office attend the Three-Party Audit Liaison Meeting on a regular basis to explain the status of audits.

8. 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 12 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 maintenance and modernization approach to build long-term, trusting relationships with customers and users. The above philosophy also supports our efforts to achieve the following goals through our 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 with all stakeholders. 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

In December 2021, we announced our three-year, Vision24 Medium-Term Management Plan (2022-2024) with the aim of realizing our basic policy on corporate control. In March 2022, we published supplemental disclosure of Vision24 explaining specific measures and capital policies to improve management transparency. We will increase our market share by expanding our New Installation and Aftermarket Businesses as described in Vision 24. And ensure that we improve our profitability by expanding sales and promoting cost reductions. Through these efforts, 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. Vision 24 Action Guidelines emphasize the following four points:

- Sales Strategy : Cultivate and delve deeper into new markets and customers by expanding our product lineup
- Product and Technology Strategy : Develop and launch strategic models in collaboration with each location Strengthen development of environment-friendly products
- Production and Operations Strategy : Achieve cost reforms through procurement and the introduction of next generation technologies in collaboration with each location
- Corporate Strategy : Strengthen capital policy and governance structure Establish a system to implement group strategies

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

Fujitec 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.