



June 29, 2023

To whom it may concern,

Company: FUJI CORPORATION
Representative: Joji Isozumi, President & COO
(Securities Code: 6134, TSE Prime, NSE Premiere)
Contact: Junichi Kano, CFO
(Tel: +81 566-81-8246)

Notice regarding the Disposal of Treasury Shares for Transfer-Restricted Stock Compensation

FUJI CORPORATION (hereinafter, the “Company”) hereby announces that a resolution detailed below was passed at a Board of Directors meeting held today to conduct a disposal of treasury shares (hereinafter, the “Disposal of Treasury Shares” or the “Disposal”).

1. Overview of the Disposal

(1) Disposal date	July 28, 2023
(2) Class and number of shares to be disposed of	Common shares of the Company: 13,685 shares
(3) Disposal price	2,557 yen per share
(4) Total disposal amount	34,992,545 yen
(5) Recipients and the numbers thereof; number of shares to be disposed of	Four directors of the Company (excluding outside directors): 13,685 shares
(6) Other	The Company has filed a securities registration for the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and reason for the Disposal

The Company resolved at a Board of Directors meeting held on May 11, 2021 to introduce a new remuneration system, namely, a transfer-restricted stock compensation system (hereinafter, the “System”), for its directors (excluding outside directors) (hereinafter, the “Directors”) in order to provide incentives for the sustainable improvement of our corporate value and to promote an enhanced level of value-sharing with our shareholders.

In addition, approval was obtained at the 75th Ordinary General Meeting of Shareholders held on June 29, 2021, to provide the Directors with monetary claims up to 90 million yen per annum as monetary compensation for assets contributed to acquire transfer-restricted stock (hereinafter, the “Transfer-Restricted Stock Compensation”) pursuant to the System, to issue or dispose of up to 50,000 common shares of the Company per annum, and to set the transfer restriction period for the restricted stock to be from the allotment date of the common shares of the Company (hereinafter, the “Allotted Shares”) through the time immediately following the Director’s resignation of or retirement from their position as per terms and conditions set forth by the board of directors of the Company.

An outline of the System is provided below.

[Outline of the System]

The Directors will pay all of the monetary claims provided by the Company based on the System as in-kind contribution assets, which shall be issued or disposed of as the common stock of the Company. The amount paid per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the resolution of each meeting of the Board of Directors (or, if the transaction is not completed on the same day, shall be the closing price on the most recent trading day prior to that day). The Board of Directors will make its decision to the extent that the amount is not especially advantageous to the Directors who will take up the common stock.

Moreover, issuing or disposing of the Company's common stock under the System shall require the conclusion of a transfer-restricted share allotment agreement between the Company and the Directors, which includes content to the effect that (1) for a certain period, the transfer of shares to a third party, the establishment of collateral rights and all other dispositions pertaining to the Allotted Shares shall be prohibited, and (2) in the event of certain events occurring, the Company shall acquire the shares free of charge, etc.

At this point in time, in view of the purpose of the System, business performance of the Company, the scope of responsibility of the Directors, and other relevant circumstances, it has been decided that a total of 34,992,545 yen in monetary claims (hereinafter, the "Monetary Claims") in 13,685 common shares shall be granted.

In the Disposal of Treasury Shares, the four Directors who are scheduled to receive allotments will pay all of the Monetary Claims granted in accordance with the System as in-kind contribution assets and shall be subject to the disposal of the Allotted Shares. An outline of the transfer-restricted share allotment agreement (hereinafter, the "Allotment Agreement") to be concluded between the Company and Directors for the Disposal of Treasury Shares, is provided in section 3 below:

3. Outline of the Allotment Agreement

(1) Transfer restriction period

Period from July 28, 2023 (allotment date) through immediately after the resignation of or retirement from the position as the Company's director

(2) Conditions for canceling restrictions

The Company shall cancel the transfer restrictions on all the Allotted Shares of a Director upon the expiration of the transfer restriction period, provided that he or she has continuously served as a director of the Company from the first day of his or her office as a director of the Company through the time immediately prior to the first Ordinary General Meeting of Shareholders of the Company thereafter.

(3) Treatment in the event a Director leaves during the transfer restriction period due to legitimate reasons

(i) When to cancel the transfer restrictions

In the case that a Director leaves his or her position as a director of the Company due to legitimate reasons, the transfer restrictions shall be cancelled immediately after the resignation or retirement of the Director

(ii) Number of shares eligible for cancellation of the transfer restrictions

The final number of shares shall be calculated by dividing the number of months from the month which includes the date upon which the Director commenced his or her duties through the month which includes the date of resignation of the Director by 12 (if that number exceeds one, it will be rounded down to one), and multiplying it by the number of Allotted Shares held at the time of resignation as described in (i). (Any fractional shares of less than one unit of stock resulting from the calculation shall be rounded down.)

(4) Company acquisition free of charge

When the restriction period expires or is canceled in the case described in (3) above, the Company shall automatically acquire the Allotted Shares whose transfer restrictions are not cancelled, without consideration.

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

If, during the transfer restriction period, a merger agreement in which the Company will be the absorbed company, a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. is approved at the Company's General Meeting of Shareholders (or at the Board of Directors meeting for items not requiring approval at the General Meeting of Shareholders), the Company shall, by resolution of the Board of Directors, cancel transfer restrictions on the business day preceding the effective date of the organizational restructuring, etc. for the number of Allotted Shares held at that time, calculated by dividing the number of months from the month following the month that includes the date upon which the Director commenced his or her duties through the month that includes the approval date of the organizational restructuring, etc. by 12 (if that number exceeds one, it will be rounded down to one), and multiplying it by the number of shares. (Any fractional shares of less than one unit of stock resulting from the calculation shall be rounded down.) Additionally, the Company shall, without consideration, automatically acquire all the Allotted Shares whose transfer restrictions are not cancelled as of the time immediately after the transfer restrictions are cancelled.

(6) Management of the shares

The Allotted Shares are to be managed in a dedicated account opened by Nomura Securities Co., Ltd. during the transfer restriction period so that the shares cannot be transferred, have security rights allied, or be otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions, etc. of the Allotted Shares, the Company has signed an agreement with Nomura Securities Co., Ltd. related to the management of accounts for the Allotted Shares held by each Director. In addition, the Directors shall agree to how these accounts will be managed.

4. Basis for calculating payment amount and the details thereof

The Disposal of Treasury Shares for the scheduled recipients of allotments shall be performed through monetary claims treated as in-kind contribution assets granted by the Company as the Transfer-Restricted Stock Compensation for the 78th fiscal year in accordance with the System. To eliminate any arbitrary decisions, the disposal price has been set at 2,557 yen, the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on June 28, 2023 (the business day preceding the resolution by the Board of Directors). The Company believes that this price, the market price as of the day preceding the resolution date, is reasonable and not particularly advantageous.