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To Whom It May Concern:

Securities Code: 5384

November 4, 2021

Keishi Seki

President and CEO

FUJIMI INCORPORATED

2-1-1 Chiryō, Nishibiwajima-cho, Kiyosu-shi, Aichi

Notice of Disposal of Treasury Stock by Allocation to Third party in connection with Additional Contribution to Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP)

FUJIMI INCORPORATED (the “Company”) would hereby like to announce that, at the Board of Directors Meeting held today, the Company resolved disposal of our treasury stock by allocation to a third-party (the “Disposal of Treasury Stock” or the “Resolution”), as described below.

1. Outline of Disposal

(1) Date of disposal	November 24, 2021
(2) Class and number of shares subject to disposition:	240,000 shares of common stock
(3) Disposal price:	6,712 yen per share
(4) Amount of proceeds:	1,610,880,000 yen
(5) Subscriber:	Custody Bank of Japan, Ltd. (Trust E Account)
(6) Others:	This Disposal of Treasury Stock is subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and Reason for Disposal

In accordance with a resolution of the 65th Annual General Shareholders’ Meeting held on November 7, 2017, the Company introduced a Board Benefit Trust (BBT) (the “BBT Plan”; the trust established in accordance with the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. under the BBT Plan is referred to below as the “BBT Trust”), which was announced on November 7, 2017.

Also in accordance with a resolution of the Board of Directors Meeting held on April 18, 2017, the Company introduced an Employee Stock Ownership Plan (J-ESOP) (the “J-ESOP Plan”; the trust established in accordance with the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. under the J-ESOP Plan is referred to below as the “J-ESOP Trust”), which was announced on April 18, 2017 and November 7, 2017.

In continuing the BBT Plan and the J-ESOP Plan, the Company has decided at the Board of Directors Meeting held today to (i) make an additional contribution of cash (the “Additional Trust”) to the BBT and J-ESOP Trust to acquire shares in order for future benefits expected to be required for, and (ii) make a disposal of treasury stock by allocation to the Trust E account created by Custody Bank of Japan, Ltd., the re-trustee that has been re-entrusted by Mizuho Trust & Banking Co., Ltd., the trustee of the Trust, in order to hold and dispose of the Company shares.

The number of disposal is equivalent to the number of shares that are expected to be provided to Directors during the trust period, in accordance with the officer stock benefit rules (three fiscal years; 25,000 shares), and also to be provided to employees during the trust period, in accordance with the stock benefit rules (six fiscal years; 215,000 shares). Such number accounts for 0.84% of 28,699,500, the total number of the outstanding shares as of September 30, 2021 (0.96% of 250,108, the total number of voting rights as of September 30, 2021) (rounded to two decimal places).

[Outline of Additional Trust]

	BBT	J-ESOP
Date of Additional Trust:	November 24, 2021 (tentative)	November 24, 2021 (tentative)
Amount of Additional Trust:	167,800,000 yen (tentative)	1,443,080,000 yen (tentative)
Class of shares to be acquired:	Common stock of the Company	Common stock of the Company
Number of shares to be acquired:	25,000 shares	215,000 shares
Date of acquisition of shares:	November 24, 2021 (tentative)	November 24, 2021 (tentative)
Method of acquisition of shares:	Acquisition of treasury stock by disposal of the subscribed Treasury Shares	Acquisition of treasury stock by disposal of the subscribed Treasury Shares

3. Basis of Calculation of Disposal Price and Details Thereof

The disposal price has been fixed at 6,712 yen per share, which is the average closing price of the Company’s common stock on the Tokyo Stock Exchange for the one-month period immediately preceding the date on which the Resolution for the Disposal of Treasury Stock was approved at the Board of Directors Meeting (i.e., October 4, 2021 to November 2, 2021) (rounded down to the nearest yen).

The Company believes that the average of the closing price of the Company’s common stock for the one-month period immediately preceding the date of the Resolution as the disposal price is reasonable because using the leveled value of the average stock price for a certain period rather than the stock price at a specific point in time eliminates the influence of special factors such as temporary stock price fluctuations, and it is a highly objective and reasonable basis of calculation. In addition, the calculation period was set at one month as the Company believes that it is reasonable to use a certain period closest to the most recent market price compared to the last three months or the last six months.

The disposal price of 6,712 yen is the amount obtained by multiplying the closing price of the Company’s common stock of 7,190 yen on the business day immediately preceding the date of the Resolution by 93.35 %,

and is the amount obtained by multiplying the average closing price of the Company's common stock of 6,383 yen (rounded down to the nearest yen) for the three-month period immediately preceding the date of the Resolution by 105.15 %, also is the amount obtained by multiplying the average closing price of the Company's common stock of 5,640 yen (rounded down to the nearest yen) for the six-month period immediately preceding the date of the Resolution by 119.00 %.

As a result of considering the aforementioned matters, the Company has determined that the disposal price for the Disposal of Treasury Stock is not particularly favorable, but is reasonable. A Corporate Auditor and two Outside Corporate Auditors, who were present at the Board of Directors Meeting, expressed their opinion that the disposal price above is not particularly favorable to the subscriber (Custody Bank of Japan, Ltd. (Trust E Account)).

4. Matters Concerning Procedures Under the Code of Corporate Conduct

The Disposal of Treasury Stock neither requires an opinion from an independent third party nor a procedure for confirming the intent of shareholders, which are provided under Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., because (i) the dilution ratio is less than 25%, and (ii) the disposal does not involve a change in controlling shareholders.

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