

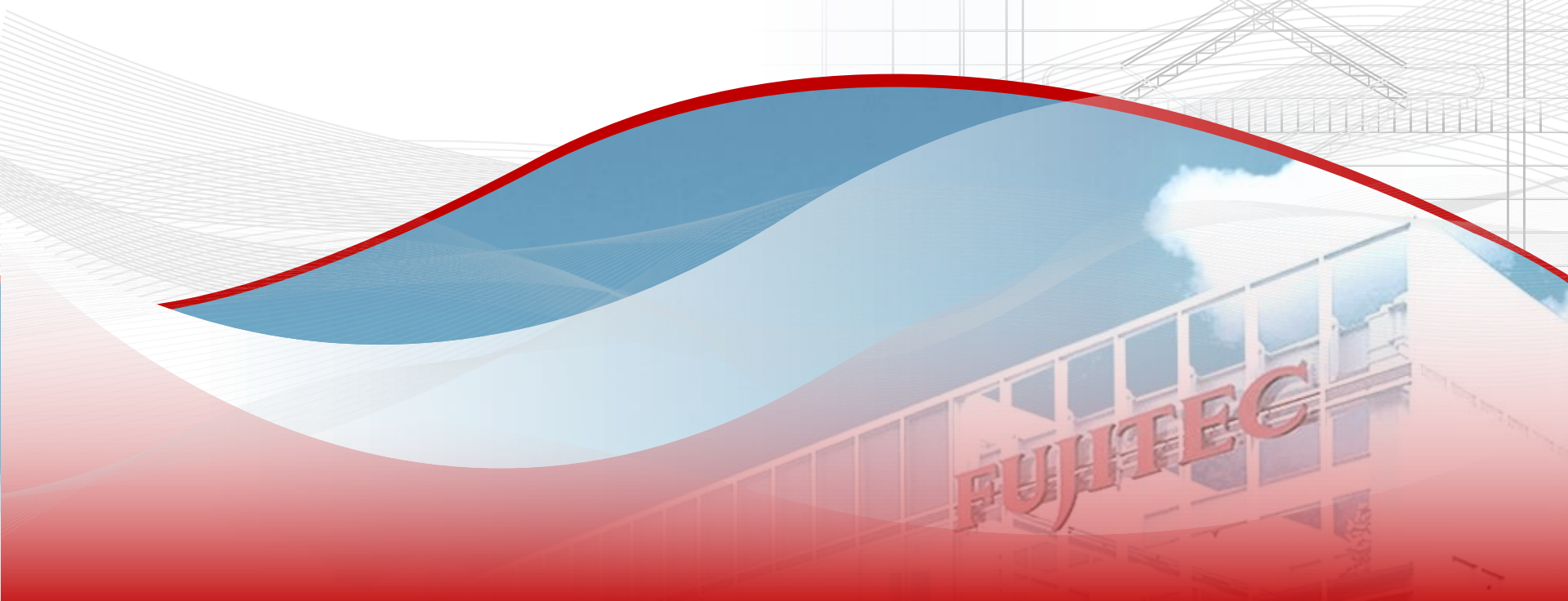
FUJITEC

Protect Fujitec

Oasis Response to Fujitec's Claims

February 2023

www.protectfujitec.com



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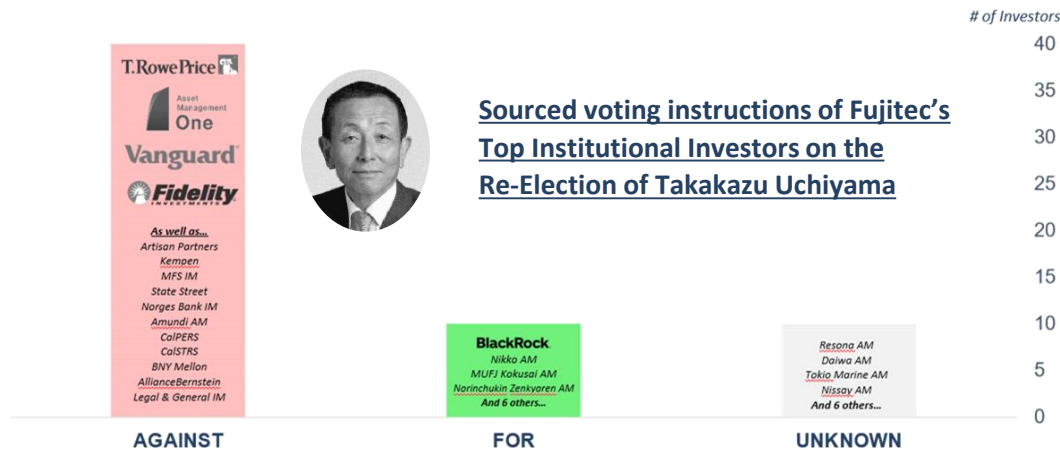
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I. Executive Summary: A Bad Situation Made Worse

At the 2022 Annual General Meeting (“AGM”), Fujitec’s shareholders were shocked and enraged to witness the **extent to which the Uchiyama Family had abused its control to exploit Fujitec and its stakeholders for many years.**

Fujitec withdrew Takakazu Uchiyama’s nomination at the AGM as soon as Fujitec realized the majority of shareholders, approx. 65% of shareholders, voted AGAINST Uchiyama. To maintain Uchiyama’s control, Fujitec’s **Outside Directors promoted Uchiyama to the unaccountable position of Chairman of the Company.** The duty of Outside Directors is to protect the interests of all shareholders but Fujitec’s Outside Directors took the opposite position, they did not just disregard shareholder votes but instead they elevated Uchiyama beyond any shareholder accountability allowing him to maintain his ability to exert influence over Fujitec. Fujitec’s Outside Directors were complicit and supportive of a board decision which subverted the most fundamental shareholder rights to preserve the control of an individual who committed egregious governance abuses. Simply, Fujitec’s Outside Directors continue to blatantly prioritize Uchiyama Family interests above those of all other stakeholders.

In their decision to promote Takakazu Uchiyama to Chairman, the Outside Directors, including the two new Outside Directors (OISHI and MISHINA), made a bad situation much worse by **strengthening Uchiyama’s control over Fujitec by making him no longer accountable to shareholders.**



A month and a half after Oasis requisitioned an Extraordinary General Meeting (“EGM”) and disclosed the profiles to be put forward to shareholders, Fujitec released materials in opposition, confirming the **meeting date to be on the 24th February 2023.**

I. Executive Summary: *Outside Directors Failed Shareholders*

Fujitec’s Outside Directors have **failed in their most basic role to protect the interests of its shareholders by overseeing egregious behavior by management including inappropriate use of company assets, as well as partaking in egregious behavior themselves by entirely disregarding shareholder rights and publishing misleading statements.**

Even **the newest Outside Directors appointed at the 2022 AGM** were complicit in **appointing Takakazu Uchiyama as the Chair of the Company**, an unelected position where he can continue to exert control.

Fujitec’s Outside Directors Need to be Held Accountable

Vote to **REMOVE** 6 incumbent Outside Directors

- | | | | |
|---|-----------------|---|------------------|
| 1 | Nobuki SUGITA | 4 | Mami INDO |
| 2 | Shigeru YAMAZOE | 5 | Kazuhiro MISHINA |
| 3 | Kunio ENDO | 6 | Kaori OISHI |

Vote **AGAINST** the 2 new Outside Directors proposed by these Directors

- | | |
|---|--------------|
| 1 | Jiro IWASAKI |
| 2 | Michi KAIFU |

Stakeholders Are Clear on the Concept of Accountability

ISS ▶ “Under extraordinary circumstances, vote against individual directors, members of a committee, or the entire board, due to:

- **Material failures of governance**, stewardship, risk oversight (including, but not limited to, environmental, social, and climate change issues), or **fiduciary responsibilities at the company**;
- **Failure to replace management as appropriate**;

....” [Source](#)



“The Board of Directors is accountable to **shareholders and each stakeholder**, and through consideration of a wide range of stakeholders, including ESG factors, pursues sustainable growth of the company from a long-term perspective and **acts in the interest of shareholders.**” [Source](#)

I. Executive Summary: *Fujitec Stoops to a New Low*

Within these materials, Fujitec launched a series of **disparaging and scattergun attacks on our nominees**, at the same time presenting itself as a beacon of aspirational governance for other Japanese companies. Fujitec’s response **ignored the key issues raised by Oasis and sought only to distract Fujitec shareholders from the true focus: holding the Board to account.**

Oasis’ Assessment of Fujitec’s Response Materials (January 2023)

✘ Distraction with Irrelevant Points

- ✘ **Dishonest claims** against Oasis nominees;
- ✘ **Scattergun attacks** on unrelated issues;
- ✘ **Unsubstantiated grandstanding** on governance;
- ✘ **Aimless nominations** of new directors; and,
- ✘ **Misjudged remarks on RPTs***1 under investigation.

? Failure to Address Key Issues

- ? **Egregious events** at the 2022 AGM;
- ? **Ongoing presence of Uchiyama** at Fujitec;
- ? **Failure to correct misstatements** to the market;
- ? **Flawed governance** structures; and,
- ? **Conflicted and flawed investigations** into RPTs*1

Fujitec has stooped to a new low by justifying the retention of the incumbent Outside Directors by **launching dishonest personal and disparaging attacks on our nominees instead of:** (1) addressing the key issues raised by Oasis; (2) admitting the actions which breached basic shareholder rights; (3) **displaying governance credentials exceeding empty cosmetic measures;** and (4) **withholding from launching intimidation tactics directly, and through agents, against our nominees in an attempt to get them to stand down.**

Shareholders have seen the highly aggressive and personal public attacks on our independent Outside Director candidates, all of whom have accepted to be nominated to lend their experience and skills to create value for Fujitec’s stakeholders.

One of Fujitec’s attacks is criticism of Oasis’ “careless” process, resulting from two of our nominee changes and further clarification of our Outside Director’s qualifications and biographies. Oasis has aimed for the highest integrity in ongoing engagements with the Company. Fujitec’s decision to target nominee changes as “careless” is an extension of what is viewed to be an **excessively aggressive and unwarranted attack on Oasis – the Company’s largest shareholder - and the candidate nominees, all of whom hold strong reputations and integrity.**

I. Executive Summary: *Two Questions for Shareholders to Answer*

QUESTION 1: Should Fujitec's Outside Directors be Held Accountable?

Today, Fujitec has **failed to realise its corporate value potential, mistreated many of its stakeholder groups, prioritized the interests of the Uchiyama family above all and abused governance structures**, showing a blatant disregard for shareholders.



These symptoms of failure have arisen from clear **issues with strategic business management**, actions taken to **accommodate the control of the Uchiyama Family**, showing **contempt for risk management and internal controls**, and using **evasive tactics to escape accountability and scrutiny**.



These acts all trace back to the Board, namely, the **Outside Directors who, as a majority of the Board, have completely neglected their fiduciary duty to shareholders**, and other stakeholders for **whom they are responsible as set out by JPX, METI and the Corporate Governance Code**.

VOTE AGAINST THE INCUMBENT DIRECTORS AND FUJITEC'S NEW NOMINEE DIRECTORS

Removal of six incumbent Fujitec Outside Directors and the two new nominees proposed by the incumbent Board

QUESTION 2: Should Fujitec instead be Led by a Set of Truly Independent, Experienced, Diverse, and Accountable Outside Directors?

A complete reform of the governance and oversight structures, meaning an overhaul of the current “independent” leadership on the Board, **is the only way to protect Fujitec's stakeholders** and avoid further destruction of corporate value.







Oasis has called an EGM to remove Fujitec's current Outside Directors and, in place, is **nominating an alternative set of independent Outside Directors with a strong array of skills and experience**, to **introduce strong governance and oversee a business strategy that is informed by robust dialogue with Fujitec's shareholders**.

VOTE FOR A REFRESHED AND ALIGNED FUJITEC BOARD:

**The New Independent Nominee Directors At The Upcoming EGM, and
The Compensation Plan That Aligns Their Interests With Fujitec's Stakeholders**

I. Executive Summary: *Shareholders Should Vote FOR Accountability*

The EGM has been called for **February 24, 2023**, Oasis recommends the following:

Item #	Oasis Recommendation	Proposal
1		Fujitec is seeking to add two additional directors that lack true independence
2		Oasis seeks to remove Fujitec's current Outside Directors that violated shareholders' most basic right by protecting Uchiyama Family control and electing Uchiyama to the unaccountable role of Chairman despite evidence of inappropriate related-party transactions
3		Oasis is nominating six truly independent directors with an array of skills and experience that will ensure accountability to stakeholders by improving Fujitec's governance and increasing corporate value of the Company in the medium- and long-term future
4		
5		Oasis is proposing stock-based compensation for Internal and Outside Directors to align their interests with shareholders
6		
7		

VOTE AGAINST FUJITEC'S CURRENT AND NEW NOMINEE DIRECTORS
VOTE FOR THE NEW INDEPENDENT NOMINEE DIRECTORS AND
THE COMPENSATION PLAN THAT ALIGNS THEIR INTERESTS WITH FUJITEC'S STAKEHOLDERS

I. Executive Summary: *Vote FOR the Oasis nominees*

- Outside Directors are proposed, following an **extensive nomination process** that has taken **over 5 months with the help of executive search firms**, to address Fujitec’s governance weaknesses.
- No changes to incumbent Inside Directors – ensuring **stability in day-to-day operations and management continuity**.
- The proposed Outside Directors will **ensure independent oversight, while strengthening the experience, skills, and diversity** represented on the Board.
- The proposed new Outside Directors, **as a collective**, will bring the required change to Elevate Fujitec’s Board to strengthen its governance on all fronts.

Independent, Experienced, and Diverse Nominees



Akihiko Asami



Clark Graninger



Kaoru Umino



Ryan Wilson



Ako Shimada



Torsten Gessner

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II. The Big Picture: *It's About Uchiyama*

In its Response Materials (i.e. the convocation notice and presentation materials published in January 2023), Fujitec is looking to muddy the waters and **avoid directly addressing Oasis' findings that Fujitec's current Outside Directors have a history of promoting Uchiyama Family interests** above those of all other stakeholders, including shareholders. In fact, in all of Fujitec's Response materials, Uchiyama's name appears only 5 times in English and 3 times in Japanese. Fujitec is desperately trying to distract shareholders and hide the fact that both Takakazu Uchiyama and his son, Yusuke Uchiyama, will continue to operate Fujitec as their own personal fiefdom with complete disregard to the interests of general shareholders and stakeholders.

In their quest to protect and preserve Uchiyama Family control, the Outside Directors have failed in their duties to oversee the business and have been openly biased in favor of the Uchiyama Family by having:

- Undertaken a **coup d'état against shareholders by violating their most basic right** – hold their representatives accountable – where they disregard shareholders' votes AGAINST Uchiyama's nomination at the 2022 AGM and then appointing him to a position (i.e. Chairman) where he is no longer accountable to shareholders.
- **Published false statements** to protect Uchiyama
- **Oversaw inappropriate related-party transactions** that benefited the Uchiyama Family to the detriment of Fujitec and its stakeholders
- **Launched inappropriate public personal attacks** against truly independent Outside Director nominees

The incumbent Outside Directors need to be held accountable and be replaced by independent Outside Directors to wrestle control away from the Uchiyama Family and allow Fujitec to **create value for all stakeholders.**

1. **Fujitec's nominee directors are biased towards Uchiyama**
2. **Voting for Fujitec's current outside directors is support for the maintenance of Uchiyama control over Fujitec**
3. **There will be no meaningful change at Fujitec without replacing the current Outside Directors**
4. **A vote for the current directors is a vote for a governance that is treating shareholders unequally and not upholding their most basic shareholder rights**

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III. Fujitec Fails to Address the Main Issues

Fujitec’s Outside Directors have **failed in their role to protect the interests of its stakeholders**, including shareholders, over their tenure by **overseeing egregious behavior by management**, as well as **partaking in egregious behavior themselves**. Fujitec has not sought to address these issues, instead it has been focused on distracting shareholders and launching personal attacks against the nominee directors. **More details in Oasis’s December 2022 presentation, which can accessed [here](#).**

Outside Directors’ Track Record

Failure in Oversight Role	SUGITA	YAMAZOE	ENDO	INDO	MISHINA	OISHI
Poor Set-up of Third-Party Committee	Present	Present	Present	Present	Present	Present
Poor Selection of Chairman Candidates for Third-Party Committee					Present	Present
Appointment of Uchiyama as unelected Chair	Present	Present	Present	Present	Present	Present
Failure to Protect Whistleblowers	Present	Present	Present	Present	Present	Present
Historical Connection of Kitahama Partners and Fujitec						Present
Repeal of Proposal to Elect Uchiyama	Present	Present	Present	Present		
Improper Investigation	Present	Present	Present	Present		
Misleading Statements to the Market	Present	Present	Present	Present		
Appointment of a Conflicted Law Firm	Present	Present				
Ignoring Request to Appoint Third-Party Committee	Present	Present	Present	Present		
Lack of Strategic Oversight	Present	Present	Present	Present		
Presence During Related-Party Transactions	Present	Present	Present	Present		
Oversight Over Poor Nomination Process	Present	Present				
Lack of Succession Plan	Present	Present				
Lax Risk Management & Control	Present	Present	Present	Present		
Poor Oversight of ESG	Present	Present	Present	Present		
Complicit in Dishonest Personal Attacks on our Nominees	Present	Present	Present	Present	Present	Present

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IV. Changes to Oasis Nominees

Following an extensive nomination process that took over five months and the involvement of an executive search firm, Oasis selected and published the profiles of seven nominees in the deck released at the beginning of December 2022. **Oasis was mindful of the Board’s maximum size** when deciding on the number of candidates to propose and the **opportunity for the newly constituted to collectively work to nominate new Director(s) at the 2023 AGM.**

Fujitec, its board directors and their advisors undertook a campaign of intimidation against Oasis’ nominees, which included but not limited to a call and letters to their places of work. Additionally, two candidates have received intimidation letters from an unknown source, describing the sender as “a Fujitec general shareholder”, attempting to blackmail them into stepping down from being Oasis nominees. **These candidates have submitted a criminal complaint to the police to seek immediate commencement of criminal investigation regarding this blackmail attempt.**

Fujitec’s campaign, the most inappropriate we have seen anywhere in the world, culminated in the dishonest and misleading personal public attacks. The lack of objective and honest debate surrounding the experience and skills of nominees demonstrates that Fujitec’s Board and its advisors are **focused only on perpetuating Uchiyama family control of Fujitec** and have no interest in acting in the best interests of all stakeholders.

To Oasis’ disappointment, in the subsequent weeks to our requisition of the EGM, two of the nominees withdrew their nominations for personal reasons.

Fortunately, **Ako SHIMADA accepted the nomination and brings with her a strong background in law, international business, intellectual property, governance and strategy to the nominee group.**

Ako SHIMADA



Governance



Law



Corporate Finance



Global Business

We would like to extend our sincere gratitude to Shiori FUKUDA and Yuko KANEKO, who committed their valuable profiles to the Protect Fujitec campaign.

*We believe their actions speak to the independence of all nominees –
Oasis’ candidates make their own choices, and strongly stand as individuals among the collective.*

IV. Meanwhile, Fujitec Revises Its Disclosures All the Time

In the [press release](#) published by Fujitec on January 20, 2023, Fujitec criticizes Oasis for making several revisions to its EGM proposals:

“The proposal process that the Proposing Shareholder took was irresponsible and careless, and the content of each of the agenda items are questionable at best and problematic from a corporate governance perspective”

However, these revisions were made in relation to withdrawal of the Outside Director candidates.

Fujitec’s own IR disclosure records prove that they have been **“IRRESPONSIBLE”** and **“CARELESS”**.

Summary of Revisions Made by Fujitec in its Public Disclosures (2022 – 2023)

Date Announced	Amendments Made
January 25, 2023	Changed one of the Director Candidate’s titles in its response document to Oasis’ EGM proposals (Japanese)
December 19, 2022	Changed name of a Company in the Notice of Acquisition of Elevadores EV International, S. A. de C.V. (English)
August 16, 2022	Changed one of the committee members’ titles in the Notice Concerning the Third-Party Committee (Japanese)
August 16, 2022	Changed one of the committee members’ titles in the Notice Concerning the Third-Party Committee (English)
July 29, 2022	Updated FY22/3 Annual Securities Reports (“Yuhō”) (Japanese)
June 30, 2022	Updated FY21/3 Annual Securities Reports (“Yuhō”) (Japanese)
June 30, 2022	Updated FY20/3 Annual Securities Reports (“Yuhō”) (Japanese)
June 30, 2022	Updated FY19/3 Annual Securities Reports (“Yuhō”) (Japanese)
June 30, 2022	Updated FY18/3 Annual Securities Reports (“Yuhō”) (Japanese)
June 6, 2022	Updated Notice Concerning Partial Amendment to the Articles of Incorporation and Selection of Substitute Audit & Supervisory Board Member (Japanese)
June 6, 2022	Updated Notice Concerning Partial Amendment to the Articles of Incorporation and Selection of Substitute Audit & Supervisory Board Member (English)
June 6, 2022	Updated Notice Concerning Revision to Amount of Director Compensation (Japanese)
June 6, 2022	Updated Notice Concerning Revision to Amount of Director Compensation (English)

13 revisions to its disclosures since June 2022

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V. More Details Emerge on the Related-Party Transactions

Oasis had published a 61-page presentation in May 2022 highlighting **egregious related-party transactions between Fujitec and (former) President Uchiyama** (see [here](#)). These transactions were only the ones that Oasis identified, there may be many more...

Fujitec’s latest Response Materials to Oasis’ EGM proposals highlight more problematic practices and misstatements with these related-party transactions. These highlight the control that the Uchiyama Family has over the Board.

The Related-Party Transactions Highlighted by Oasis



DOMUS MOTO AZABU

Failure to disclose, rented at a discounted price to Uchiyama and discounted sale to Uchiyama’s son



URBAN WELL IBARAKI

Funneled payments by renting rooms from Uchiyama company

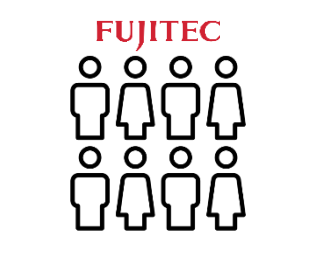


TAKANAWA BUILDING

Sale of Building to Uchiyama at an Opportune Time

Fujitec continues to argue these transactions were “legal” and that there was no issue from a governance perspective.

Saying it’s “legal” does not mean these transactions were appropriate – Fujitec’s stakeholders have lost out on each of these transactions whilst they benefited the Uchiyama Family.



FUJITEC EMPLOYEES

Using Fujitec’s Employees for Uchiyama’s Personal Use




UNSECURED LOAN

No Collateral, Low Interest, Extended Loan to Uchiyama



FIT WILL HIKONE

Purchase of Uchiyama’s Failed Investment



GLASS LEWIS

“It appears a number of these related-party transactions were undertaken primarily, if not solely, for the benefit of Mr. Uchiyama, other members of the Uchiyama family, or entities affiliated with the Uchiyama family.”

Glass Lewis Report – Fujitec (2022)



V. Related-party Transactions: *Domus Moto-Azabu* (1/4)

Misleading Statements on Tax

In the May 30, 2022, [public statement](#) published by Fujitec, the Board stated the following in reference to the related-party transactions:

“Further, there was no concern raised by the auditors or tax offices”

However, in Fujitec’s January 2023 response to the Oasis EGM proposals, Fujitec reveals that they had in fact been forced to **raise the rent due from Uchiyama because of queries from the National Tax Administration Bureau:**

“The rent was changed (increased) on March 1, 2017, after the Taxation Bureau of Japan pointed out the treatment of the kitchen located in the reception area”

These contradicting statements demonstrates (again) how the **incumbent Outside Directors are willing to publish misleading statements** in order to protect Uchiyama. Such behavior illustrates their bias towards the Uchiyama Family and putting their interests above all other stakeholders.

Misleading Statements on the Reception Area

In Fujitec’s response to Oasis’s proposals, the Company takes great pains to stress that the **claimed reception area for Fujitec is entirely separate from the living quarters:**

“The purchased property offered sufficient space with an exclusive area of 441.47m², structurally divided into two areas by function and by entrance. The 2 areas - reception area and residence area were designed independently from each other so as not to interfere with either functions.”

Yet, in the same slide of its presentation, Fujitec admits that it was **forced to increase the rent because of the treatment of the kitchen located in the reception area:**

“The rent was changed (increased) on March 1, 2017, after the Taxation Bureau of Japan pointed out the treatment of the kitchen located in the reception area”

Since the Tax Bureau forced Fujitec to increase the rent charged to Uchiyama for the kitchen located in the reception area, it suggests that the Uchiyama Family was using the kitchen and that **the reception and residence area are NOT wholly designed independently of each other.**

The claims of independent areas within the apartment are hard to believe, yet, out of blind loyalty to the Uchiyama Family, Fujitec’s current Outside Directors are willing to support these misleading statements to its shareholders.

Shareholders should ask how a truly independent set of Outside Directors do not see clear governance issues when the tax bureau forces Fujitec to raise the rent paid by Uchiyama? And how they can approve misleading statements to shareholders?



V. Related-party Transactions: *Domus Moto-Azabu* (2/4)

Below Market Rent

In a true arm's length transaction, Fujitec would charge Uchiyama rent for the apartment in line with the fair market value. In this case, however, Fujitec admits that the main consideration in charging rent was not to ensure fairness and equal treatment of all shareholders. **Fujitec's main consideration appears to be offering a lower rent to help Uchiyama avoid paying tax.**

“With respect to rent for the residential area, the Company established an amount that would not trigger income tax as a director's salary based on the Income Tax Act, Fundamental Directives of Income Tax 36-40, with consultation and advice from a tax accountant.”

Based on the above, one can objectively conclude that **Uchiyama's rent was not based on fair market value** and was given favorable treatment.

Office Activities in a Residential Zone

Domus Moto-Azabu is an ultra-luxury residential block of apartments branded as “luxury vintage apartments”. **Residents would be extremely upset if their building became a quasi-office block.**

In fact, Oasis has spoken to the management company of Domus Moto-Azabu and they have confirmed that **they do not allow any office activities to take place in any of these apartments.**

It is difficult to imagine that Fujitec's prime location for a “sales representative office” would be in a residential block that does not allow office activities...supporting valid reasons to believe that the reason for acquiring this flat was primarily for the benefit of the Uchiyama Family with the needs of Fujitec being a distant second.

Shareholders should ask how a truly independent set of Outside Directors do not see clear governance issues when rent is being set at a level to not trigger income tax? How is this ensuring that they are responsible and reliable custodian of shareholder assets?



V. Related-party Transactions: *Domus Moto-Azabu* (3/4)

A Changing Story – No Longer Just for “Sales”

In [the first investigation report](#), dated May 30, 2022, Nishimura & Asahi claimed that:

On February 14, 2013, Fujitec executed a purchase and sale agreement for Domus Motoazabu Room No. 104 with an unrelated third party.

“At that time, Fujitec had been planning to make a full-fledged entry into the Tokyo metropolitan area market, and thought it would utilize Domus Moto Azabu No. 104 as a reception facility for the president himself to make sales, in order to improve the Company’s presence in the Tokyo metropolitan area”

However, in Fujitec’s response to the Oasis EGM proposals, the Company added more reasons for the use of the property – the apartment was not purchased to help “sales” activities but also...

“...was within walking distance to the Tokyo Headquarters, as it would be necessary to set up an emergency location in the event of a large-scale disaster”

Fujitec maybe realized that the acquisition of an ultra-luxury apartment and having Uchiyama live in it does not make sense in the context of promoting “sales” in Tokyo alone. As a result, **Fujitec adds this peculiar “new fact” of needing a location that is nearby in case of a large-scale disaster.** If true, then this is a rather important fact that Nishimura & Asahi’s report left out.

The “New Fact” Does Not Make Sense

“...was within walking distance to the Tokyo Headquarters, as it would be necessary to set up an emergency location in the event of a large-scale disaster”

Furthermore, this “new fact” simply does not make any sense for the following reasons:

- 1. Emergency locations in case of large-scale disaster should be far away from each other not within walking distance.** In case of a large-scale disaster in Tokyo, Domus Moto-Azabu would almost definitely be impacted in the same way as Fujitec’s Tokyo Headquarters since it is within walking distance, so choosing it for the purpose of having an “emergency location” does not make rational sense
- 2. Fujitec already has a viable emergency location.** Fujitec’s manufacturing plant in Shiga prefecture would be the most obvious place for employees to go if there was a large-scale disaster in Tokyo. There is no need for Fujitec to have a luxurious alternative location in Tokyo.
- 3. Domus Moto-Azabu is not as safe as Fujitec’s Tokyo Headquarters.** At the time, Fujitec’s headquarters was in the Minebea Mitsumi Building which was built in February 2008 and was built to the new highest earthquake resistant standards. On the other hand, Domus Moto-Azabu was built in 1984 with outdated earthquake resistant standards.

Shareholders should question why this “new fact”, if true, was not disclosed in the “independent” report by Nishimura & Asahi? Also, shareholders should judge whether this “new fact” even stands up to scrutiny... a truly independent set of Outside Directors would not have allowed this to be published in an attempt to protect Uchiyama



V. Related-party Transactions: *Domus Moto-Azabu* (4/4)

Discounted Sale

The sale of Domus Moto-Azabu in June 2021 at a price well below market-value to Yusuke Uchiyama, Takakazu Uchiyama's son, via his personal entity is **objectively problematic from any stakeholder's perspective – except the Outside Directors.**

- **Fujitec's Board did not seek the highest price for Domus Moto-Azabu by putting it in a public auction** which would have achieved the highest price. Instead, they took the average of two selective valuation.
- Fujitec sold Domus Moto-Azabu to Yusuke Uchiyama, through his personal entity Santo, at a discount because ***"the living area was occupied by residents"***
- **The registered residents is Yusuke Uchiyama himself and his mother.** The Outside Directors need to explain to shareholders why they believed that it was fair to give Yusuke Uchiyama a lower price because he and his family live in the apartment.
- No qualified truly independent Outside Director would acquiesce to such questionable terms unless their **loyalties were not to shareholders but to the person who nominated them – Takakazu Uchiyama.**

ISSUES WITH THE SALE

ONE: The valuations applied a discount to their valuation because the Uchiyama family lived as tenants in the apartment.

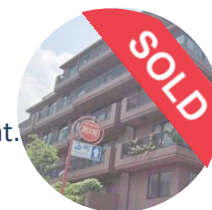
TWO: The two valuations were well below directly comparable sales in Domus Moto-Azabu West which would value the apartment at over JPY730 million, 98% higher than the price paid by Yusuke Uchiyama.

THREE: The valuations do not stand up to the scrutiny as they imply for lower price appreciation over the period than those according to third-parties:

1. The lowest valuation, amounting to JPY317 million, implies a total price increase of just 9.3% from 2013 to 2021, a CAGR of 1.1%
2. The higher valuation, amounting to JPY421 million, implies a total price increase of just 45% from 2013 to 2021, a CAGR of 4.8%

However, according to the Real Estate Information Network, apartment sales prices in Azabu Juban (Nanboku Line) rose 85.5% in the same period, a CAGR of 8% and would imply a sales price of JPY538 million, 46% higher than the price paid by Yusuke Uchiyama ([Source](#))

It is difficult to understand why the board of directors rubber stamped this deal without any scrutiny unless they are biased towards the Uchiyama family



The Outside Directors need to explain to shareholders how they did not see, at least from a governance perspective, a sale of a Company asset to Uchiyama's son was inappropriate? They also need explain why they thought the sales process was appropriate and how they could believe that it was fair to give Yusuke Uchiyama a lower price because he and his family live in the apartment!

V. Related-party Transactions: *Additional Transactions (1/2)*



FitWill Hikone: Fujitec Confirm Oasis' Findings

The details provided by Fujitec in the EGM response are broader, and **differ from the findings presented in the Nishimura & Asahi report.**

These new details include:

1. In 2007, prior to Uchiyama International buying the facility, **Fujitec rejected the opportunity** to operate the facility despite requests from the local community because ***“owning the facility was not rational from the viewpoint of the Company”***.
2. In 2009, Uchiyama International was looking to close the facility ***“due to its lack of expertise in facility operations.”*** To us, this translates to Uchiyama International was losing money.
3. In August 2009, Fujitec decides to take over the facility ***“from the viewpoint of contributing to the local community.”*** In 2007, Fujitec correctly decided not to own the facility because it was not rational although it would contribute to society. Only in 2009, after Uchiyama had taken over the facility and was losing money, did Fujitec step in and save Uchiyama’s investment and gracing him with a profit.
4. In Nishimura & Asahi report, the ***“purpose of acquiring the FitWill Hikone business, at the August 5, 2009 board of directors meeting, it was explained that the purpose was (i) to effectively use the facilities as part of welfare benefits to improve the health of employees, and (ii) to contribute to local society as part of corporate citizenship activities”***. In the new EGM response, there is **no mention of welfare benefits to employees, a point that Oasis publicly questioned.**
5. Clearly the only reason Fujitec changed its mind on acquiring FitWill Hikone was to save Uchiyama’s investment.

The Gardener: Who would have thought it would be so complicated?

The details provided by Fujitec in the EGM response and in the Nishimura & Asahi report appear to contradict each other and do not deny that the Uchiyama had this **Fujitec employee perform garden work at his private residence.**

In the EGM response, the Company claims that Uchiyama hired the employee on an individual basis only after June 2021 and appears to admit that the employee worked for Uchiyama personally under the guise of “general administrative work” whilst as an employee of Fujitec.

Purpose of the Transactions

Hiring for general administrative work/part-time work

The Outside Directors considered the above related-party transactions “legal”. Shareholders should question as to how they can consider these transactions as “appropriate” and in the interest of Fujitec’s stakeholders?



V. Related-party Transactions: *Additional Transactions (2/2)*

Loans to the Takakazu Uchiyama's personal entity

In Fujitec's response to Oasis' EGM proposals, the Company provided limited information as to Oasis' questions regarding the loans to the Takakazu Uchiyama's personal entity. One key takeaway, however, was that **Fujitec latest disclosure includes less detail when compared to Nishimura & Asahi's report – which brings into question whether this was intentional or not.**

Nishimura & Asahi's report claimed that the loans to the Uchiyama entities were secured by “**real property and negotiable securities as collateral**”. At the time, Oasis was unable to verify Nishimura & Asahi's claim that the loan was secured and we questioned this further.

In Fujitec's latest response, there is **no mention of the collateral**. **The Outside Directors should explain the reason they ratified the Nishimura & Asahi report if it contained factual errors or why they are choosing to disclose less material information now for shareholder evaluation?**

Fujitec Takanawa Building

Fujitec fails to provide new information or adequately respond to Oasis' findings that the transactions were structured to benefit the Uchiyama Family over all other stakeholders.

The Outside Directors should explain whether they had analyzed all issues relating to this transaction. If yes, why is no further information being disclosed on this to shareholders?

Urban Well Ibaraki

Fujitec fails to provide new information or adequately respond to Oasis' findings that the transactions were structured to benefit the Uchiyama Family over all other stakeholders.

The Outside Directors should explain whether they had analyzed all issues relating to this transaction. If yes, why is no further information being disclosed on this to shareholders?

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VI. Third-Party Committee: *Poor Disclosures on Assignment*

In August 2022, Fujitec disclosed that its newly appointed Outside Directors and auditors only selected the Third-Party Committee's chairperson "**candidates**", whereas they now claim these directors and auditors **selected the committee chairperson**

Notice Concerning the Third-Party Committee (August 10, 2022) [Source](#)

*Today, the board of directors appointed members of the third-party committee and commissioned an investigation... A selection committee was formed by newly appointed outside directors and auditors, Kazuhiro MISHINA, Kaori OISHI and Yoshiyuki Yamasaki, to select committee chairperson **candidates***

Vs.

Supplemental material regarding our statement on Oasis claims, Page 28 (January 30, 2023) [Source](#)

OASIS

Oasis' unsubstantiated criticism

Newly appointed outside directors/members of the Audit & Supervisory Board should have made the final selection of the committee chair and members.

In Japan, when a third-party committee is established, it is supposed to be composed of individuals who are independent from each other.

FUJITEC

Appropriate committee member-selection process

- (1) Newly appointed outside directors and members of the Audit & Supervisory Board selected the committee chair
- (2) The chair recommended other committee members (common practice)
- (3) Committee members were finally determined by a resolution of the Board of Directors

VI. Third-Party Committee: *Members Lacking Independence*

In their latest response disclosure to Oasis' EGM proposals, Fujitec seems to admit that their **third-party committee members are not independent from each other** and that it has **proactively chosen NOT to have an independent third-party committee**.

FUJITEC

Related-Party Transactions, Page 3 (January 30, 2023) [Source](#)

The Company understands that there is no practice in Japan to require committee members to be independent from each other or regarding a selection method of committee members as pointed out by Oasis, and thus, the Company does not find any issues related to the composition of the third-party committee – the current members of the committee are entirely independent from the Company and/or the Board.

OASIS views on Third-Party Committee Members' independence, composition, and market practice

(Reference) [Protect Fujitec Deck \(December 2022\)](#) [Source](#)

Looking at the Committee established by the Company, we note that:

- Where a third-party committee has been established in Japan, the committee should be made up of individuals that are **both independent of the company and each other**
- There are two Nagashima Ohno & Tsunematsu (“NO&T”) members on the Committee – Hideaki Kobayashi has led corporate crisis team at NO&T of which Tomohiro HEN is also a member
- The **two NO&T members constitute a majority of the Committee**, which limits the effectiveness and independence of this Committee. This is even more concerning as Hideaki Kobayashi is also the Committee's Chair.
- Hideaki Kobayashi's **public statements limiting scope, depth and disclosure investigations and previous track-record** regarding third-party committees raise significant doubts of the integrity of the investigation

VI. Flawed Third-Party Committee: *Toyo Tires Case (1/3)*

Fujitec’s current Third-Party Committee is chaired by Hideaki Kobayashi, whose **independence, neutrality and capability to lead a fair investigation in the interest of the Company’s stakeholders is highly questionable** based on his track record at Toyo Tire



- Hideaki Kobayashi of Nagashima Ohno & Tsunematsu (“NO&T”) previously led an investigation for Toyo Tire’s data mishandling incident announced in February 2015
- However, **Kobayashi appears to have acted in the interest of the sitting management** of Toyo Tire and **failed to discover other major misconducts** within the company
- **A series of incidents for other rubber products became public** in October 2015 and February 2017 that had been overlooked within the investigation report published by Kobayashi’s team in June 2015

Timeline of Incidents and Investigations at Toyo Tire

February 2014 –	Toyo Tire’s subsidiary becomes aware of data mishandling during performance tests for its building rubber products. Subsidiary reports to Toyo Tire, which launched an internal investigation.
February 2, 2015	Toyo Tire personnel visits Hideaki Kobayashi of NO&T for advice on handling the data mishandling crisis. <i>✗ Investigation team had already been involved as a legal advisor to the Company at the time of crisis, whose independence and neutrality to conduct a fair investigation were highly questionable</i>
February 6, 2015	Toyo Tire requested an external investigation team, chaired by Hideaki Kobayashi, to investigate the incident <i>✗ Investigation team reported its findings to Toyo Tire as requested by its management, lacking independence</i> <i>✗ Kobayashi’s team explicitly neglected Japan Federation of Bar Associations’ (JFBA) Third-party Committee Guidelines</i>
March 13, 2015	Toyo Tire announced that its building rubber products failed to meet regulatory standards. Source
June 22, 2015	Investigation team led by Kobayashi published a final investigation report. Source <i>✗ Scope of the investigation was limited to the specific incident in 2014, and failed to look at the Company as a whole</i> <i>✗ Investigation team consisted of 10 lawyers from NO&T, lacking independence and any expert insights into rubber business</i>
October 14, 2015	Toyo Tire announced anti-vibration rubber products were sold without conducting quality inspections. Source
February 7, 2017	Toyo Tire announced data mishandling for industrial rubber products sold from 2009 to 2017. Source
October 2015 & February 2017	<i>✗ Both subsequent misconducts had been found at the same factory at Akashi, Hyogo as the first incident, which was never picked up by Kobayashi’s investigation team</i>

VI. Flawed Third-Party Committee: *Toyo Tires Case (2/3)*

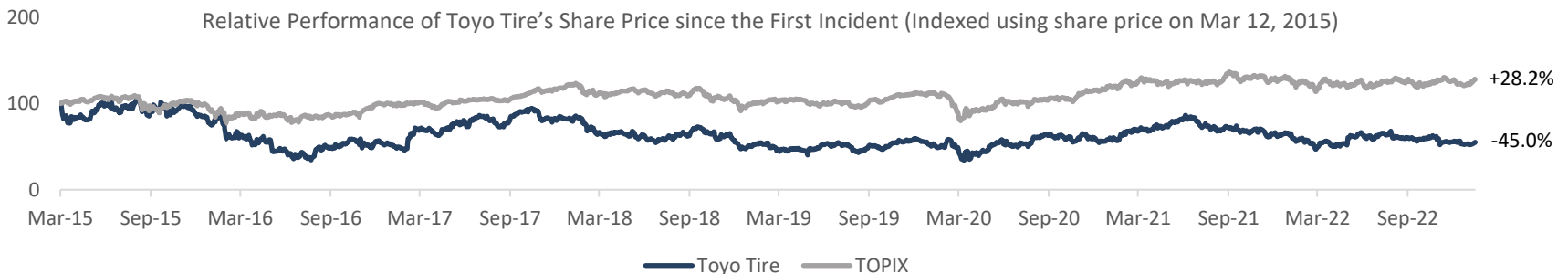
Other legal professionals have criticized Kobayashi's narrow-scoped investigation conducted in the interest of the Company's management, which has led to further damage to shareholders' value by failing to prevent further misdeeds

...(Kobayashi's investigation team's) investigation scope failed to cover past incidents and was limited to rubber-laminated bearings (building rubber) division, and therefore, there was **no investigation of the root cause**... Despite the amount of time and cost that was invested for this investigation, the **team failed to prevent the subsequent incident**... If the investigation team was aware of the severe damage that another incident could do to the Company, such investigation should have been conducted as a proper Third-Party Committee investigation, for the Company to transform its corporate culture and revitalize its enterprise value. (Oasis translation)

– Hideaki Kubori (Representative Partner, Hibiya Park Law Offices)

... It is evident that the misconduct in question is **not an ordinary level of misconduct, but one that involves management and serious organizational problems**. However, it is not clear whether the definition of "crisis management" conducted by the external investigation team was referring to (1) the crisis for the management or (2) a serious harm to the Company's value and stakeholders' profits. It seems such ambiguous position of the external investigation team led to **lack of deep analysis into the root cause and preventative measures**... **With an investigation period over 4 months, it would be natural to expand the scope of investigation into inadequate responses to past incidents or the possibility of any related or similar cases**. However, after 4 months, the investigation team merely concluded that the Company should rely on other external experts to investigate all other business operations and only issued a warning that "if another scandal occurs, the Company would be in jeopardy." It is debatable whose "crisis" the investigation team tried to manage, considering that Toyo Tire's enterprise value was further damaged through the discovery of another incident soon after... (Oasis translation)

– Tadashi Kunihiro (Partner, T.Kunihiro & Co. Attorneys-at-Law)



VI. Flawed Third-Party Committee: *Toyo Tires Case (3/3)*

More criticism from professionals on Kobayashi's investigation...

*This report should have identified the root cause of the incident, clarified the responsibilities of the management that has the obligation to establish an internal control system to prevent and to stop any misconduct once recognized, and should have considered preventative measures, all of which this report failed to pursue. This report is written by an “external” investigation team consisting of “external professionals” with the authority to decide on its investigation methodologies and to make a proposal to the Company. At the same time, the team explicitly expresses that it is not a third-party committee as defined by JFBA and that the purpose of the investigation does not include evaluation / consideration of the relevant parties' legal liabilities (including fiduciary duty of the Board and other responsibilities that the Board may have to the company). As a result, **it cannot be helped if this investigation report is seen as trying to obscure the responsibilities of the sitting management for their survival**, and such investigation was made possible due to the committee members all belonging of the same law firm.*

– Makoto Saito (Representative Member, SAITO Law Office Legal Profession Corporation)

*From the start, **this investigation report seems to have had a predetermined conclusion** that the irrational manipulation of numbers by an employee conducting performance tests for the rubber product was the primary cause for the incident, and relentlessly chases down the details of this event. However, if the product had been manufactured to meet the regulatory standards in the first place, the employee would not be forced to manipulate performance test results, but **this report intentionally neglects this very simple cause of the problem...** This report does not mention whether Toyo Tires really had the technological capabilities to manufacture a proper product, whether it could not manufacture them due to cost reduction, whether manufacturing division was unaware of the fraud and believed their products had been compatible with regulatory standards, or whether there were any pressures from the corporate divisions to cut down costs. All these points remain a mystery... These mysteries seem to relate to the absence of experts in the investigation team, which would be obvious investigation points to such experts. **It even makes us question whether the management and the investigation team intended to keep the experts away from the beginning, so that they don't get too close to the real cause, the background and the fundamental structure of the problem.***

– Yoshio Shioya (Former Journalist at Nihon Keizai Shimbun)

*Although the report expresses the investigation team's intention to maintain neutrality, it remains unclear how they had put this into practice. They mention that the investigation team fully consisted of lawyers, but just because the investigation is conducted by lawyers, it doesn't mean the investigation is unbiased... **It is unavoidable to question whether the investigation report was created in accordance with the client's (the sitting management of Toyo Tires) preferences**, given all members of the investigation team are from the same law firm and have received the job as a group as large as 10 legal experts.*

– Iwao Taka (Professor, School of Economics and Business Administration, Reitaku University)

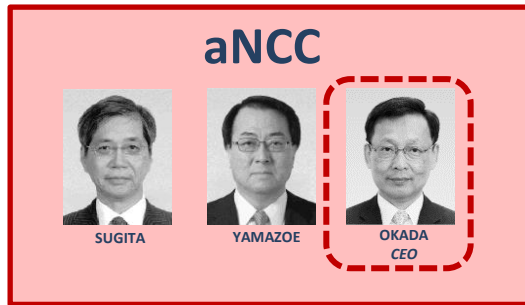
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VII. Accommodation to Uchiyama Control: *Nomination Process*

Fujitec only established an **advisory** Nomination and Compensation Committee (“aNCC”) in February 2021, meaning that **any nomination prior to such date was directly led by former-President**, Takakazu Uchiyama. This committee includes Nobuki SUGITA, Shigeru YAMAZOE and Takao OKADA

Flawed Composition Discredits Any Mandate to Nominate and Compensate



Mandate: “The Nomination and Compensation Advisory Committee deliberates matters related to the **election and dismissal of officers**¹, **succession plans for the president**² (chief executive officer), and **corporate officer remuneration**³, reporting to the board of directors.”

“This committee raises the **level of objectivity and transparency**⁴ in the procedures for determining the nominations and compensation of directors, **enhancing the Company’s corporate governance structure.**”⁵ (Source)

- 1 Instead of electing/dismissing officers, **they shield Uchiyama from shareholder accountability**
- 2 No communication of a succession plan for 20+ year tenured President until forced out – **future nepotism concerns remain**
- 3 President/CEO deciding on his own pay – **conflicting decision-making going against international best practice**
- 4 Committed to the preservation of Uchiyama control as shown by appointing **Uchiyama to a position unaccountable to shareholders**
- 5 A checklist approach to governance fails to achieve its intended purpose - **accountability enhances the governance structure**

The Committee is committed to protecting Uchiyama and all of its nominees will be committed to maintaining Uchiyama control of Fujitec and cannot be considered truly independent

VII. Questionable Independence of New Nominees: *Michi KAIFU*



Michi KAIFU – Serves as an Outside Director TechMatrix, together with Ryota MIURA (founder of Miura & Partners). **Ryota MIURA is representing Fujitec in its campaign against our nominee directors to preserve Uchiyama control over Fujitec.**

KAIFU’s relationship with Ryota MIURA demonstrates that her interests will lie with preserving Uchiyama control and cannot be considered truly independent

Relationship between Michi KAIFU and Ryota MIURA



Services/Products Solutions Corporate Info IR Contact

Investor Relations

- Management Policy >
- Financial Information >
- IR Library >
- At a glance >
- IR Events >
- Non-financial

- Management Policy >
- Financial Information >
- IR Library >
- At a glance >
- IR Events >
- Non-financial Information(ESG) >



Outside Director
Michi Kaifu

1983 April. Joined Honda Motor Co., Ltd.
 1988 June. Joined Bain & Company, Inc.
 1989 September. Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
 1996 May. Director, Business Development, NextWave Telecom Inc.
 1998 August. Chief Executive Officer, Started ENOTECH Consulting, Inc. (to present)
 2020 June. Outside Director, the Company (to present)

Fujitec’s New Outside Director Nominee



Outside Director (Audit & Supervisory Committee Member)
Ryota Miura

2000 April. Registered as a lawyer and joined Mori Sogo Law Offices (currently Mori Hamada & Matsumoto Law Offices)
 2007 January. Partner, Mori Hamada & Matsumoto Law Offices
 2008 June. Auditor, the Company
 2015 June. Director who is an Audit & Supervisory Committee Member (to present)
 2019 January. Partner, Miura & Partners (to present)
 2020 June. Outside Auditor, Tokyo Electron Ltd. (to present)
 2021 June. Outside Director, Eisai Co., Ltd. (to present)

Fujitec’s Lawyer

TechMatrix has been client of Ryota Miura

Fee: JPY27m in FY2022/3

Historical Amount Paid by TechMatrix to Miura Ryota’s law firm(JPYm)

FY2015/3*	<u>0</u>
FY2016/3*	<u>1.2</u>
FY2017/3*	<u>2.2</u>
FY2018/3*	<u>6.0</u>
FY2019/3	<u>1.0</u>
FY2020/3	<u>4.6</u>
FY2021/3	<u>7.6</u>
FY2022/3	<u>27.0</u>

*payment to Mori Hamada & Matsumoto, where Ryota Miura worked as partner³³

VII. Questionable Independence of New Nominees: *Jiro IWASAKI*



Jiro IWASAKI and Terumichi SAEKI had an existing relationship before this EGM as they were both nominees for the Save Sekisui House campaign. Terumichi SAEKI is the founder of Kitahama Partners and was a long-term outside director/auditor at Fujitec from 2009 to 2021 and was later replaced by his colleague at Kitahama Partners, Kaori OISHI. Terumichi SAEKI approved many of the related-party transactions.

Additionally, Oasis also suspects there is a deep relationship between Renesas Electronics (where Jiro IWASAKI currently serves as an Outside Director) and **Miura & Partners** (Fujitec’s lawyers).

List of Candidates (proposed as shareholder proposal) for the “Save Sekisui House” campaign in 2020

No.		Name	Approval Rate
1	Outside	Christopher Douglas Brady	30.49%
2	Outside	Pamela Fennell Jacobs	13.23%
3	Outside	Yasushi Okada	11.42%
4	Outside	Terumichi Saeki	13.22%
5	Outside	Jiro Iwasaki	25.48%
6	Outside	Makoto Saito	12.14%
7	Outside	Hitomi Kato	18.39%
8	Internal	Fumiyasu Suguro	6.17%
9	Internal	Motohiko Fujiwara	2.02%
10	Internal	Koji Yamada	2.03%
11	Internal	Isami Wada	6.13%



SAVE SEKISUI HOUSE [Source](#)

- Terumichi SAEKI** (founder of Kitahama Partners)
- SAEKI approved many related-party transactions at Fujitec as outside director/auditor (2009-2021)
 - Nominee of Fujitec outside director as “Save Sekisui House” Campaign (shareholder proposal)
 - Kitahama Partners has been legal adviser of Fujitec

Jiro IWASAKI

- Nominee of Fujitec outside director (Company Proposal) at 2023 AGM
- Nominee of Fujitec outside director as “Save Sekisui House” Campaign (shareholder proposal)



北浜法律事務所
KITAHAMA PARTNERS

VII. Questionable Independence Across Fujitec's Board

Apart from misrepresenting skills and experience of our nominees, **Fujitec has loosely assigned “independence” to all of its incumbent Outside Directors.** Due to the inappropriate related-party transactions with the Uchiyama Family, shareholders already had their doubts about the independence of the incumbent Outside Directors; however, **the unprecedented events at the 2022 AGM where shareholders’ most basic right was violated confirmed shareholders’ view that all of the incumbent Outside Directors are not independent of Takakazu Uchiyama.**

Apart from the behavior and actions of incumbent Outside Directors, other relationships cast significant doubt on incumbent Outside Directors.

- 1** **Nobuki SUGITA** – The Faculty of Economics at **Ritsumeikan University** has been supplying Outside Directors to Fujitec for a prolonged period of time. Former Fujitec Director, **Kazuo Inaba** (Prof. of Economics at Ritsumeikan University) approved many of the related-party transactions during his tenure (2007-2014). **Kazuo Inaba is the boss of Nobuki SUGITA at Ritsumeikan University** (Appendix).
- 2** **Shigeru YAMAZOE** - Has a strong relationship with Fujitec’s cross shareholder, **Mizuho Financial Group**. Mizuho lends money to Fujitec and Marubeni as their main bank through a cross shareholding – Shigeru YAMAZOE has served as a board member on both companies (Appendix).
- 3** **Kaori OISHI** – Is a Partner at **Kitahama Partners** since 2013 and is conflicted due to the **commercial relationship** between Fujitec and Kithama Partners and the fact that her boss at Kitahama Partners was previously a Fujitec Outside Director (Appendix).

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VIII. Double Standards (1/8)

Fujitec's Board demonstrates double-standards in their rejection of Oasis' nominee directors

Accusations of conflict-of-interest

Fujitec rejects both Torsten Gessner and Ryan Wilson claiming that there is a risk they may give preferential treatment to certain shareholders or stakeholders due to their consulting practice.

Unlike Fujitec's current Outside Directors, Mr. Gessner and Mr. Wilson are truly independent, do not consult for Oasis and would not consult to any party on Fujitec or anything related to Fujitec or breach their director duties in any way.

Fujitec's Outside Directors have shown themselves to be entirely biased towards a single shareholder and stakeholder, the Uchiyama Family. Additionally, many of the current directors and new nominees are related to parties with special interests in Fujitec and the Uchiyama Family including:

1. **Kaori OISHI** is partner at Kitahama Partners, which provides legal services to Fujitec. Kitahama Partners has provided a number of directors to Fujitec and include those who have approved many of the inappropriate related-party transactions.
2. **Shigeru YAMAZOE** has strong links to Mizuho Financial Group, one of the main banks of Fujitec, through his directorship at MCP Partners, which is partially owned by Mizuho, and having worked at Marubeni, which is part of the Mizuho keiretsu.
3. **Michi KAIFU** is linked to Ryota MIURA (of Miura & Partners) by serving together on another board – TechMatrix. Ryota MIURA is representing Fujitec in its campaign against our nominee directors to preserve Uchiyama control over Fujitec.
4. **Nobuki SUGITA** is from Ritsumeikan University. His boss, also from Ritsumeikan University, served as a director of Fujitec and had approved related-party transactions at Fujitec.
5. **Jiro IWASAKI** has an existing relationship with Terumichi SAEKI, the founder of Kitahama Partners and a long-term outside director/auditor at Fujitec from 2009 to 2021. Terumichi SAEKI approved many of the related-party transactions. Additionally, Oasis also understands there is a deep relationship between Renesas Electronics (where Jiro IWASAKI currently serves as an Outside Director) and Miura & Partners (Fujitec's lawyers).

Fujitec's Outside Directors have prioritized the interests Uchiyama Family above all other stakeholders, they have no right to accuse anyone else.

VIII. Double Standards (2/8)

Fujitec's Board demonstrates double-standards in their rejection of Oasis' nominee directors

Unequal treatment regarding fines

The only reason that Fujitec rejected Oasis' Outside Director nominee Mr. Clark Graninger was due to legal compliance and business management issues that occurred at Shinsei Trust & Banking Co., Ltd. during his tenure as an executive in 2006. These issues led to all the executives, including Mr. Graninger, being fined a portion of their salaries.

Meanwhile, Fujitec does not consider it an issue when it comes to its nominees...exhibiting a clear double-standard:

1. **Jiro IWASAKI**, Fujitec's new nominee director was fined a portion of his salary due to an accounting scandal at JVC Kenwood during his tenure there as a director in 2010.
2. **Shigeru YAMAZOE**, the current Chairman of Fujitec, was fined a portion of his salary at Marubeni due to bribery being committed in Indonesia during his tenure in 2014.

If Fujitec believes Mr. Clark Graninger should be not be supported due to a fine, then they should also not support their own nominees - Jiro IWASAKI and Shigeru YAMAZOE.

Fujitec is not being consistent and is merely rejecting Mr. Clark Graninger because they wish to ensure that only directors committed to Uchiyama's preservation are appointed.

VIII. Double Standards (3/8)

Fujitec's Board demonstrates double-standards in their rejection of Oasis' nominee directors

Reasons for Resignations

Fujitec states that since no reasons were given in the media for Mr. Gessner leaving ThyssenKrupp North America, then ***“it is possible that Mr. Gessner’s resignation was of a different nature than that of a normal resignation such as a departure upon the expiration of the term in office.”*** There was no other reason, Mr. Gessner left ThyssenKrupp amicably. Fujitec are attempting to mislead shareholders and create suspicion where there is none.

Fujitec, again, applies a double-standard here whereby:

- **Jiro IWASAKI**, the new Fujitec nominee director, was a director, Senior VP and Executive of JVC KENWOOD Holdings from June 2009 to May 2010. **He resigned after less than a year without any explanation.** Additionally, Jiro IWASAKI resigned from being an outside director of **Mori Denki just after six months** due to “personal reasons”. Yet, Fujitec is happy to nominate Jiro IWASAKI without explaining these short tenures.

Fujitec should not be raising suspicious where there is none. Oasis believes that many people leave companies for various reasons without them needing to be published in the press. However, if leaving a company without the reasons being published in the press is a red flag for Fujitec, then it should not be recommending Jiro IWASAKI either.

Oasis believes that many people leave companies for various reasons without them needing to be published in the press. However, if leaving a company without the reasons being published in the press is a red flag for Fujitec, then it should not be recommending Jiro IWASAKI either.

VIII. Double Standards (4/8)

Fujitec's Board demonstrates double-standards in their rejection of Oasis' nominee directors

Prior experience as an outside director is necessary?

Fujitec rejects a number of our nominees by claiming that they have no experience as an officer or a director of a listed company in Japan and therefore cannot contribute. This claim is not just irrational but also presents a further double-standard applied by Fujitec:

Nobuki SUGITA has no experience as an officer or director of a listed in company in Japan prior to his appointment at Fujitec.

Regardless of the double standard, the Oasis nominee directors have a breadth of skills and experience that is missing at Fujitec and would dramatically improve the Company's prospects. Fujitec's blanket excuse that the lack of experience at a listed Japanese company means that the nominees cannot contribute to the Company's corporate governance is unacceptable.

For example:

- **Ms. Umino** setup governance structures at J.P. Morgan Securities Japan Co., Ltd.
- **Ms. Shimada** works as General Counsel at Ushio America and Ushio Europe with international subsidiaries
- **Mr. Gessner** has held senior leadership roles at Thyssenkrupp and OTIS in various jurisdictions with full control of subsidiaries
- **Mr. Graninger** has held senior executive officer at Shinsei Bank, and Aozora, and was representative director, President of Aplus (listed at the time).
- **Mr. Asami** has been Vice Chairman of Barclays Securities Japan Limited and Managing Director of Investment Banking Division, Goldman Sachs.
- **Mr. Wilson** has held senior leadership roles at Thyssenkrupp and Schindler with full control of subsidiaries

Fujitec's claim here is irrational.

It demonstrates a myopic view of governance and ignores the value of people with different experience.

VIII. Double Standards (5/8)

Fujitec's Board demonstrates double-standards in their rejection of Oasis' nominee directors

A Question of Time?

Fujitec questions whether Ako Shimada has time to perform her duties as an outside director due to her working on a full-time basis. Many Outside Directors of Japanese companies have full-time jobs in addition to their roles acting as outside directors. She also has approval from her company and she is ready to contribute.

Is Fujitec suggesting that all full-time employed people are disqualified from acting as outside directors?

- Should **Kaori OISHI** resign because she has a full-time job as a lawyer, works as an adjunct lecturer and is an outside director of two other companies?
- Should **Nobuki SUGITA** resign because he has a full-time job as a professor?
- Should **Kazuhiro MISHINA** resign because he has a full-time job as a professor?

Fujitec is rejecting the Oasis nominees for spurious and illogical reasons. The double-standards being applied are symptomatic of a Board that is focused on protecting the Uchiyama family above all else.

VIII. Double Standards (6/8)

Fujitec's Board demonstrates double-standards in their rejection of Oasis' nominee directors

Overlap of expertise?

Fujitec raises doubts over the need of Mr. Gessner and Mr. Wilson as they claim they were senior executives at the same company in the same region and at the same time; both possess extensive global management experience, but in addition to it:

1. **Mr. Gessner** has stronger experience on supply chain management, engineering background and operational background.
2. **Mr. Wilson** has stronger experience on restructuring business, and in service strategy, maintenance retention, the 3rd Party Maintenance competitive challenges, technology and innovation and its impact on long-term profitable growth

Fujitec has failed to expand sufficiently in international markets and compete with the leading elevator companies. For some reason, Fujitec does not believe that more international elevator experience is relevant for them.

Fujitec raises doubts over the need of Ms. Umino and Ms. Shimada because they are both US qualified lawyers and as a result their skills overlap. This is simply ignorant, as each of them has a very different background in law:

1. **Ms. Umino's** experience is in cross-border finance, M&A and ESG and has been the head of legal and compliance at a J.P. Morgan in Japan
2. **Ms. Shimada's** experience is as a General Counsel of subsidiaries of listed Japanese company and has been involved in M&A, distressed assets, intellectual property management, transport regulations, employment law and compliance.

Fujitec is also exhibiting a double-standard as their directors also have overlapping skills and experience. Mr. SUGITA is an economics professor and Mr. MISHINA is a professor at a business school.

Fujitec is applying an extremely narrow view of experience and qualifications to the Oasis nominee directors compared to their own.

VIII. Double Standards (7/8)

Fujitec's Board demonstrates double-standards in their rejection of Oasis' nominee directors

Wrong regional experience?

Fujitec raises doubts over Mr. Wilson as they claim at his elevator experience in Canada is not relevant for "Vision 2024" which is focused on China, India and USA. Yet, Fujitec does not offer any candidates with direct experience in China or India or any candidates with elevator experience. Instead, it claims that Michi KAIFU can offer a global perspective even though she has only experience in Japan and the US.

Oasis sees Mr. Wilson's extensive experience with Schindler and ThyssenKrupp will help Fujitec to develop new business strategies to increase profitability and growth. In addition, Mr. Wilson:

- successfully restructured operations and marketing, including supply chain of ThyssenKrupp Canada after managing experience at Schindler.
- was involved in North America of ThyssenKrupp as a management member
- Advised all major elevator markets as part of the regional CEO network, including TKE Asia internally.
- Led and developed, one of, if not TKE's top performing business unit globally.
- Advised other regional entities, especially that were not performing to the same level of performance, working closely together to maximize synergies between the large markets.

Fujitec's recent decline in profitability is largely supply chain related, so it is critical that the Company have a director with supply chain restructuring experience. Fujitec also criticizes Mr. Wilson for now working at a local civil engineering company that he acquired with his wife by claiming that he cannot contribute to governance advice to Fujitec. **Fujitec seems to have forgotten that prior to this, Mr. Wilson headed the Canadian subsidiary of ThyssenKrupp, which is larger than the whole of Fujitec's North American business, just shy of the whole of Fujitec's East Asia .**

Additionally, Fujitec also seems to have forgotten that international subsidiaries in the elevator industry generally have international supply chains, something which Mr. Wilson is extremely familiar with and can help improve the Company's supply chain issues which heavily impacted its most recent results.

Fujitec is again applying double-standards in an attempt to dismiss nominee directors that can really help improve the business

VIII. Double Standards (8/8)

Fujitec's Board demonstrates double-standards in their rejection of Oasis' nominee directors

Stock-based compensation threaten independence?

Fujitec states that stock-based compensation for outside directors threaten the independent governance of outside directors and create conflicts of interest, going against the standards of governance.

However, the fact that Fujitec's current directors acted to prioritize the Uchiyama Family over all other stakeholders, is a clear evidence that Fujitec's current remuneration system (fixed compensation) is not properly functioning to provide appropriate incentives to the directors.

In fact, one of Fujitec's current outside directors, Kazuhiro MISHINA, has stated the following:

"Furthermore, the remuneration system and motivation for outside directors is a fixed salary, so even if they did not study anything and just sat there without saying anything, their remuneration would be the same as someone who studied and thought hard about various things.

The question is, where is the incentive to spend the time and effort to go through the materials for the next day's board meeting from cover to cover, and if necessary, to order the relevant literature and do a lot of research? It is the managers who are going in and doing it when they don't think there is that much of an incentive. It is the outside directors who say there is no way they would do it if there is no incentive."

In addition, **Mami INDO, another outside director of Fujitec, currently receives stock-based compensation from Tokyo Gas, where she serves as an independent outside director.** Should INDO resign from her role as independent outside director of Tokyo Gas as the compensation system prevents her from acting independently?

Furthermore, Tokyo Electron has introduced RSU to its outside directors in 2020, when Fujitec's legal counsel, Ryota MIURA became the outside auditor of Tokyo Electron. We wonder if MIURA raised any concerns about independence of outside directors at Tokyo Electron.

Fujitec is applying double-standards only to reject Oasis' proposal, which contradicts with the public comments and actions taken by its own Outside Directors

VIII. Fujitec's Criticism on Umino and Shimada

Fujitec's Board recommended against Oasis independent Outside Director nominees with strong legal experience, amongst others such as corporate management and sustainability - **Kaoru Umino** (Attorney-at-law admitted to New York bar) and **Ako Shimada** (Attorney-at-law admitted to California bar) - for the following two reasons: (1) they are not qualified in Japan; and (2) the Board already has **Kaori OISHI**. The justifications for opposing Oasis' independent nominees – Kaoru Umino and Ako Shimada – on these two points do not make sense for the following reasons:

- Japanese legal license is not a necessary requirement for Outside Directors because **Fujitec already has a team of outside legal counsel who provides legal advice. Outside Directors who are qualified attorneys should not be expected to serve as attorneys. They should be expected to serve as directors with relevant experience and skills necessary to exercise appropriate oversight and independent judgment.**
- An Outside Director should not provide legal advice but be **able to contribute to boardroom discussions leveraging legal and other relevant expertise**. An Outside Director's main role is to provide advice and supervise the performance of management, promote sustainable growth, increase corporate value on a mid- to long-term basis, and be accountable to shareholders.
- **Fujitec's defense of Kaori OISHI – an incumbent Outside Director – demonstrates the Board's flawed view on governance:**
 - Kaori OISHI is a Partner at Kitahama Partners, a law firm that provides services to Fujitec, which creates serious ethical issues as the founder of her firm approved many of Uchiyama's related-party transactions.
 - The fact the Board seems to assume that Kaori OISHI's role is to provide law advice as an Outside Director amplifies this ethical lapse - ***"Ms. OISHI, who currently serves as an outside director of the Company and is qualified as a lawyer under Japanese law, is appropriate in terms of providing the Company with professional legal and governance advice"***.
 - The problem with a lawyer serving in the dual role as an Outside Director and counselor is that the **lawyer becomes his/her own client.**



Kaori OISHI



FUJITEC

Kitahama Partners' **commercial relationship** with Fujitec precludes OISHI's independence. Moreover, due to her tenure appearing to be a succession of the tenure of a predecessor colleague, Terumichi SAEKI, makes her nomination highly questionable. SAEKI was a Director at Fujitec during when **most of the inappropriate related-party transactions took place.**

- Fujitec has been a long-term client of Kitahama Law Firm
- Fujitec's Yuho explains that Fujitec has been a client since at least FY2015
- 2 Directors and 1 Auditor were recruited from Kitahama Partners at Fujitec

See slide 90 for more information.

VIII. Fujitec's Dishonest Personal Attack on Aki Asami

Fujitec board of director's attack on our Outside Director nominee Aki Asami was particularly vicious and entirely dishonest. Their attempt to mislead shareholders through malicious, inaccurate and defamatory allegations is truly shocking and entirely unacceptable, especially in Japan.

False allegations of personal misconduct and low performance valuation were taken from Asami's lawsuit against Barclays for unfair dismissal. Fujitec's Board dishonestly claim that since the lawsuit was terminated by settlement the low evaluation was definitive. This is untrue. The settlement was found entirely in Asami's favor with Barclays paying the full amount it owed and withdrew its notice of termination, proving that Asami was correct in his claims and Barclays allegations were wrong.

Fujitec misleads on lawsuits. Mr. Asami is the plaintiff in each of the lawsuits he is involved in and is not the defendant. It is perfectly reasonable for companies and individuals to initiate lawsuits if they have been wronged and require courts to enforce their rights against defendants.

Fujitec on the other hand has been a defendant in a number lawsuits and accused of wrong-doings, yet this does not sufficient disqualify Fujitec's directors

It is a true shame that Fujitec's board of directors attempted to discredit Asami's reputation and tried to mislead shareholders by carrying out unfounded personal attacks on independent individuals.

Sadly, the distortions and manipulations promoted by Fujitec's Board will discourage potential honest, experienced, and motivated individuals from looking to improve governance at companies in Japan in the future.

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IX. Rather than Accountability, Fujitec Highlights Misplaced Skills

Fujitec's criticism and personal attacks on the independent Outside Director nominees provides clear insight into their **dogmatic approach to governance and nomination process**.

Every company is unique, and each company should adapt its governance to reflect the needs of the business while being mindful of investor expectations and best practice recommendations. However, one principle that will hold true for all companies regardless of size, geography, ownership structure, or business is that a **company's governance structure should be accountable to its owners**.

Fujitec's Outside Directors Failed in Their Primary Role – To Be Accountable

While not responding to the Outside Directors' **failure to hold management accountable** and **violating shareholders' most fundamental right**.... Fujitec highlights that its Outside Directors have....

- **Outside Director experience of a domestic listed company... BUT**, there is no value of such experience if these individuals **failed to bring any learnings about what it means to be an Outside Director** and the responsibilities it entails to those that they were elected to represent.
- **Internal Director experience of a domestic listed company... BUT**, there is no value of such experience (exhibited by one director – Shigeru YAMAZOE) if such role was served at a conglomerate (compared to Fujitec's focused business) that **failed to guide Fujitec's Internal Directors in communicating a strategy that resonated with the market** ("Vision24" had to be revised following severe investor backlash).
- **Working experience at a Japanese listed company... BUT**, there is no value of such experience if he/she **failed to guide the Board in addressing stakeholder concerns, improving communication with the market, and strengthening the internal control procedures to prevent inappropriate related-party transactions**.
- **Government and academia experience... BUT**, there is no value of such experience if these Directors, who are in roles that society entrusts a lot of goodwill, **failed to institute appropriate business conduct, ethics, stakeholder relations, corporate culture, and transparent/honest communication to the market**.

We don't prescribe arbitrary limits on portfolio companies – we advocate that a board should comprise of diverse and independent individuals that is best positioned to fit the requirements of the business.

IX. Fujitec's Board Skills Matrix Manipulation

Fujitec's Board Skills Matrix is packed with **double standards, misjudgments of independence, questionable award of "governance" experience and manipulation of assessed points** to preclude relevant skills that favor the Oasis nominees. Notably, **Fujitec excludes critical "Industry" experience** as a relevant and necessary skill for the Board to be appraised on.

As mentioned in the previous slide, Fujitec centered their evaluation of Oasis's Outside Director nominee on their experience as executive and non-executive roles at listed Japanese companies:

"As [NAME] has no experience as an officer or director of a listed company, he is not expected to contribute to the corporate governance of the Company to the extent that he can replace the current outside directors."

The Corporate Governance System Guideline from **METI doesn't expect Outside Director to have experience as an executive officer/director at a listed company in Japan**. Institutional investors also expect companies to **keep the candidate pool broad** to ensure more diverse candidates emerge to fulfill the requirements of a business, as well as those that have **direct industry experience**.



2.5.2. Election of directors based on the challenges facing the company

It would be beneficial to appoint persons with the knowledge, experience, and abilities required for the board of directors, taking into consideration the appropriate size of the board, depending on the issues facing the company.

"When appointing directors for such a purpose, specific candidates are expected to include those with strategic CFO experience at other companies, experienced asset managers or asset owners, analysts familiar with the company's industry, and experienced IR professionals who are familiar with both investor relations and internal corporate decision making."

"It is important that the Guidelines not be interpreted to mean that the market will evaluate a company if it has a person with a certain level of experience formally on its board of directors, or conversely, that not having a person with a certain level of experience formally on its board of directors will result in a negative evaluation of the company." (Oasis translation)

CGS Guideline (July 19, 2022) from METI

[Source](#)



"The board should have **sufficient industry expertise** to monitor management's implementation of corporate strategy. **At least two of the independent members should have worked in the industry.**"

[Source](#)



"Companies should also be prepared to **look outside the usual pool of candidates** to include those from a less traditional 'corporate board' backgrounds."

[Source](#)

IX. Just Some of Fujitec's Board Skills Matrix Manipulation

- Fujitec claim **Wilson** and **Gessner** are not independent because they could potentially give consulting service to "specific shareholder" **(they don't and won't)**
- Yamazoe** has connection with Mizuho Group, cross shareholder with Fujitec ([Source](#))
- Oishi's** law firm serves Fujitec as an ongoing client

- Sugita** and **Endo** has never been outside director of listed company before Fujitec.
- Indo** served for only one year as outside director before Fujitec

- Sugita** is professor of economics, a bureaucrat (not business)
- Oishi** is Lawyer from Kitahama, never worked at a company. Her other board seat ([Paltac](#)) did not assign her this skill/experience
- Umino** led 60+ person at Legal & Compliance Dept at J.P. Morgan Japan, and a member of the senior mgmt team in Tokyo.
- As Ushio America's Corporate Secretary, **Shimada** participates in monthly board meetings to discuss all aspects of operations.

- Wilson** gave strategic advice to all major elevator markets as part of regional CEO network (incl. Asia market)
- Sugita** and **Mishina** have no global working experience

	Independence	Experience as outside director of publicly listed company	Corporate management/ Management strategy	Global	Technology	Finance/ Accounting	Legal/ Compliance	Risk management	Sustainability	Governance	M&A/ Capital market
Sugita	✗	✓	✗	✗				✗		✗	
Yamazoe	✗	✓	✓	✓		✗				✗	✓
Endo	✗	✓	✓	✓		✓				✗	
Indo	✗	✓	✓			✓	✓		✗	✗	✓
Mishina	✗	✓	✓	✗				✗	✓	✗	
Oishi	✗	✓	✗				✓	✗		✗	
Iwasaki	✗	✓	✓				✗	✓		✓	✓
Kaifu	✗	✓	✓	✓	✓					✗	
Asami	✓		✓	✓	✓	✓	✓	*3			✓
Graninger	✓			✓	✓	✓	✓	✓	✓	*4	✓
Umino	✓		✓	✓		✓	✓*5	✓	✓	✓	✓
Wilson*1	✓		✓	✓	✓			✓	✓	✓	✓
Shimada	✓		✓	✓	✓		✓*5	✓	✓	✓	✓
Gessner*1	✓		✓	✓	✓			✓	✓	✓	✓

- Yamazoe** was subject to management pay cut during his tenure at Marubeni for bribery in Indonesia ([May 2014](#)) as an executive officer
- Iwasaki** got reduction of Director compensation (Iwasaki: -5% for 3 months) as Director & Senior VP at JVC Kenwood Holdings in [March 2010](#) due to inappropriate accounting scandal. Two months later, he resigned
- Graninger** got pay cut but that was in 2006 but promoted to Representative Director, President of Aplus (listed at that time). Really irrelevant to skill matrix for outside director.

- Asami** is suing his personal investee company, and he was not sued, irrelevant to skill matrix for outside director.
- Fujitec** is and has been and is currently a defendant in [lawsuits](#)

- Skill matrix by [Ajinomoto](#) and [Tokyo Gas](#) don't state **Indo** has sustainability expertise
- Umino** is the Asia lead for DLA Piper's sustainability and ESG initiative and a working group member of the Future of Boards global project in partnership with the University of Cambridge Institute for Sustainability Leadership.

- Fujitec claims **Yamazoe** has financial experience just because "he currently serves as an Audit & Supervisory Board Member of Mizuho Capital Partners (currently MCP Partners Co., Ltd.)," ([Source](#))
- Umino** represents corporations, investment banks, commercial banks and export credit agencies in a wide range of cross-border investments, projects and financing transactions, with particular emphasis on corporate finance, structured finance and debt restructuring ([Source](#))

- Indo** and **Iwasaki** don't have any law licenses
- Iwasaki's** other board seat ([Renesas](#)) did not assign him this skill/experience
- Umino** and **Shimada** are both lawyers and have worked at corporates

IX. Just Some of Fujitec's Board Skills Matrix Manipulation

- CGS Guideline from METI does not require candidates to have experience as outside director of publicly listed company.
- This is the column to intentionally give ✓ to existing and not give ✓ to our nominees to makeup skill matrix.

- Independence, Risk Management, and Governance skills have SUBSTANTIALLY failed.
- Approved many related party transactions.
- Withdrew the agenda to nominate Uchiyama just before AGM once aware the majority of shareholders voted against.

- Nominated Uchiyama as chairman
- Deteriorated whistleblowing system

- Iwasaki** has existing relationship with Terumichi Saeki, existing legal adviser of Fujitec. Both were candidates at SaveSekisuiHouse campaign.
- Kaifu** has existing relationship with Ryota Miura, legal adviser of Fujitec. Kaifu is outside director of TechMatrix and Ryota Miura is its outside auditor.

	Independence	Experience as outside director of publicly listed company	Corporate management/ Management strategy	Global	Technology	Finance/ Accounting	Legal/ Compliance	Risk management	Sustainability	Governance	M&A/ Capital market
Sugita	✗	✓	✗	✗				✗		✗	
Yamazoe	✗	✓	✓	✓		✗				✗	✓
Endo	✗	✓	✓	✓		✓				✗	
Indo	✗	✓	✓			✓	✓		✗	✗	✓
Mishina	✗	✓	✓	✗				✗	✓	✗	
Oishi	✗	✓	✗				✓	✗		✗	
Iwasaki	✗	✓	✓	✓			✗	✓		✓	✓
Kaifu	✗	✓	✓	✓	✓					✗	
Asami	✓		✓	✓	✓	✓	✓	*3			✓
Graninger	✓		✓	✓	✓	✓	✓	✓	✓	*4	✓
Umino	✓		✓	✓		✓	✓*5	✓	✓	✓	✓
Wilson*1	✓		✓	✓	✓			✓	✓	✓	✓
Shimada	✓		✓	✓	✓		✓*5	✓		✓	✓
Gessner*1	✓		✓	✓	✓			✓	✓	✓	✓

- No evidence of governance management in **Kaifu's** background

IX. Just Some of Fujitec's Board Skills Matrix Manipulation

Graninger has been investing his own capital and serving on Board of tech startups for 5 years. Primarily SaaS infrastructure and operations, e-commerce and fintech. **Wilson** spearheaded the development of an Americas Engineering Centre, as well as sat on the America's PLM and PRC Board approving all new products as well as deciding which products would be deemed obsolete ([Source](#)) **Gessner** started in engineering and is very familiar with the elevator and escalator technology. Public information shows his involvement into several patents (IP) ([Source](#)). He was involved into the Otis Gen2 system, he implemented the ThyssenKrupp TWIN System, the ThyssenKrupp accelerating moving walkway (Toronto Airport), he was responsible for the second generation of accelerating moving walkways **Shimada** is not only familiar with the companies' technologies but also provides advice on Ushio's intellectual property strategies and leads IP litigation, working closely with Ushio's IP and technical groups.

Asami and **Graninger** led financial institutions, were in charge of information control and financial regulatory compliance.

	Independence	Experience as outside director of publicly listed company	Corporate management/ Management strategy	Global	Technology	Finance/ Accounting	Legal/ Compliance	Risk management	Sustainability	Governance	M&A/ Capital market
Sugita	✗	✓	✗	✗				✗		✗	
Yamazoe	✗	✓	✓	✓		✗				✗	✓
Endo	✗	✓	✓	✓		✓				✗	
Indo	✗	✓	✓			✓	✓		✗	✗	✓
Mishina	✗	✓	✓	✗				✗	✓	✗	
Oishi	✗	✓	✗				✓	✗		✗	
Iwasaki	✗	✓	✓	✓			✗	✓		✓	✓
Kaifu	✗	✓	✓	✓	✓					✗	
Asami	✓		✓	✓	✓	✓	✓	*3			✓
Graninger	✓		✓	✓	✓	✓	✓	✓	✓	*4	✓
Umino	✓		✓	✓		✓	✓*5	✓	✓	✓	✓
Wilson*1	✓		✓	✓	✓		✓	✓	✓	✓	✓
Shimada	✓		✓	✓	✓		✓*5	✓		✓	✓
Gessner*1	✓		✓	✓	✓		✓	✓		✓	✓

Umino was tasked to implement the corporate governance structure change of JPMorgan from a branch of a Singapore company to a 'kabushiki kaisha', communicating with FSA to ensure appropriate board oversight **Wilson** chaired Compliance Committee at TKE Canada. While on the Board of TKIS Canada he reviewed all compliance, governance, and financial statements with \$ 1 Bn revenue. As General Counsel of Ushio America and Ushio Europe, **Shimada** is part of Ushio Group's global governance / compliance initiatives (e.g. online compliance training, internal reporting system) **Gessner** has a long background of governance in the elevator industry

Umino handles both corporate finance and complex cross-border M&A transactions for Japanese clients. As Ushio America's General Counsel, **Shimada** leads due diligence and deal negotiation and is directly involved in post-merger integration and other aspects of the deals. **Wilson** completed many transactions and signed off and approved all of them for Canada. He has experience of M&A sourcing, execution and PMI. Advised on the US acquisitions as well. **Gessner** was involved many deals e.g., Sale of ThyssenKrupp Waupaca Inc. to KPS Capital Partners ([Source](#))

Graninger served on the credit and/or management and investment committee of 2 major Japanese banks for a combined total of over 15 years, overseeing all credit risk, investment risk and asset liability issues. **Wilson** directed risk management and personally sign off on all projects over \$5 Million in project value. Approved and guided on multiple \$40 Million new installation and modernization projects. Some of largest projects completed globally for TKE. **Gessner** was responsible for all subsidiary management under ThyssenKrupp North America, Inc. as CEO/President with 20,000 employees. For example, he closed the US Holding Organization and eliminated legacy entities.

Graninger co-founded Reboot, a SaaS ESG company that extends the life of tech devices through a subscription model and ensures recycling to reduce e-waste **Wilson** led and oversaw the de-commissioning of a legacy elevator manufacturing facility and re-positioning to an engineering center with continental oversight and engineering leadership.

IX. Just Some of Fujitec's Board Skills Matrix Manipulation

	Independence	Experience as outside director of publicly listed company	Corporate management/ Management strategy	Global	Technology	Finance/ Accounting	Legal/ Compliance	Risk management	Sustainability	Governance	M&A/ Capital market	Elevator industry	Intellectual Property
Sugita	✗	✓	✗	✗				✗		✗			
Yamazoe	✗	✓	✓	✓		✗				✗	✓		
Endo	✗	✓	✓	✓		✓				✗			
Indo	✗	✓	✓			✓	✓		✗	✗	✓		
Mishina	✗	✓	✓	✗				✗	✓	✗			
Oishi	✗	✓	✗				✓	✗		✗			
Iwasaki	✗	✓	✓	✓			✗	✓		✓	✓		
Kaifu	✗	✓	✓	✓	✓					✗			
Asami	✓		✓	✓	✓	✓	✓	*3			✓		
Graninger	✓		✓	✓	✓	✓	✓	✓	✓	*4	✓		
Umino	✓		✓	✓		✓	✓	✓	✓	✓	✓		
Wilson*1	✓		✓	✓	✓			✓	✓	✓	✓	✓	
Shimada	✓		✓	✓	✓		✓	✓		✓	✓	✓	✓
Gessner*1	✓		✓	✓	✓			✓		✓	✓	✓	✓

Wilson joined the elevator industry in 1995. He served as Regional Vice President, Schindler Elevator Corporation (Canada), and President and CEO, Thyssenkrupp Elevator Canada Ltd. He was part of global management.

Gessner joined elevator industry in 1985. He served as Vice President Supply Chain (Europe), Otis Elevator company, COO Manufacturing, R&D and Supply Chain Management, ThyssenKrupp Elevator CENE GmbH and Chairman and Chief Executive Officer (CEO), ThyssenKrupp North America, Inc.

Fujitec has great technology and intellectual property, including hundreds of registered patents. But Fujitec may not be fully taking advantage of them. Based on her IP and licensing expertise, **Shimada** may be able to provide guidance on strategy to optimize the company's IP offensively and defensively. For example, Ms. Shimada would be able to assist with strategic planning for patent infringement and invalidation proceedings, digitization of the company's patent portfolio to understand the technology landscape and life cycle and identify patents that are obsolete and those that are competitive. This analysis can lead to significant monetization of the portfolio.

Gessner can support setting strategy of IP invention process and usage in elevator industry. Public information shows his involvement into several patents (IP) ([Source](#)).

IX. Here is the true picture of the Skills Matrix

All things counted, the skills matrix that Fujitec presented is far from the truth. The skills matrix should in fact look much like this:

	Independence	Corporate management/Management strategy	Global	Technology	Finance/Accounting	Legal/Compliance	Risk management	Sustainability	Governance	M&A/Capital market	Elevator industry	Intellectual Property
Sugita												
Yamazoe		✓	✓							✓		
Endo		✓	✓		✓							
Indo		✓			✓	✓				✓		
Mishina		✓						✓				
Oishi						✓						
Iwasaki		✓	✓				✓		✓	✓		
Kaifu		✓	✓	✓								
Asami	✓	✓	✓	✓	✓	✓				✓		
Graninger	✓	✓	✓	✓	✓	✓	✓	✓		✓		
Umino	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Wilson*1	✓	✓	✓	✓			✓	✓	✓	✓	✓	
Shimada	✓	✓	✓	✓		✓	✓		✓	✓		✓
Gessner*1	✓	✓	✓	✓			✓		✓	✓	✓	✓

IX. A Matrix Based on Independent and Public Information

The below matrix compares Fujitec’s overall Board – considering the new Outside Directors and Inside Directors - against peers on key board attributes (based on MSCI ESG) as well as an evaluation of the skills and experience that the new Outside Directors will bring to Fujitec (based on Oasis’s evaluation using public disclosures)

Independent, Experienced, and Diverse Nominees

Criteria		Pure Play Peers			Domestic (Conglomerate) Peers	
		Kone	Otis	Schindler	Hitachi	Mitsubishi Electric
Attributes	Independence	Fujitec Ahead	Fujitec Behind	Fujitec Ahead	Fujitec Behind	Fujitec Ahead
	Non-National Representation	Fujitec Behind	Fujitec Ahead	Fujitec Ahead	Same as Fujitec	Fujitec Ahead
	Diversity	Fujitec Behind	Fujitec Behind	Fujitec Behind	Fujitec Ahead	Fujitec Ahead
Skills**	Corporate Experience	Fujitec Ahead	Same as Fujitec	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead
	Elevator Industry	Fujitec Behind	Fujitec Ahead	Fujitec Behind	Fujitec Ahead	Fujitec Ahead
	Corporate Finance	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead
	Corporate Governance	Fujitec Behind	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead

Incumbent Outside Directors

Criteria	Pure Play Peers			Domestic (Conglomerate) Peers		
	Kone	Otis	Schindler	Hitachi	Mitsubishi Electric	
Attributes	Independence (as disclosed)	Fujitec Ahead	Fujitec Behind	Fujitec Ahead	Fujitec Behind	Fujitec Ahead
	Independence (as practiced)	Fujitec Behind	Fujitec Ahead	Fujitec Ahead	Fujitec Behind	Fujitec Ahead
	Non-National Representation	Fujitec Behind	Fujitec Ahead	Fujitec Ahead	Fujitec Behind	Fujitec Ahead
Skills**	Diversity	Fujitec Behind	Fujitec Behind	Fujitec Behind	Fujitec Ahead	Fujitec Ahead
	Corporate Experience	Fujitec Behind	Same as Fujitec	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead
	Elevator Industry	Fujitec Behind	Fujitec Ahead	Fujitec Behind	Fujitec Ahead	Fujitec Ahead
	Corporate Finance	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead
Corporate Governance	Fujitec Behind	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead	Fujitec Ahead	

Relative to the incumbent Outside Directors, the New Outside Directors will significantly elevate Fujitec’s governance positioning versus peers on having relevant experience and diverse views. More importantly, they will bring independent thinking to the boardroom.

Source: MSCI ESG, Oasis

*Oasis’s interpretation of Fujitec Outside Directors’ independence

**Skills considered only for non-executive directors and evaluated by Oasis based on public disclosures. Within +/-2 pp, Oasis considered peers to be the same as Fujitec.

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X. Flawed Governance: *Outside Directors and Auditors*

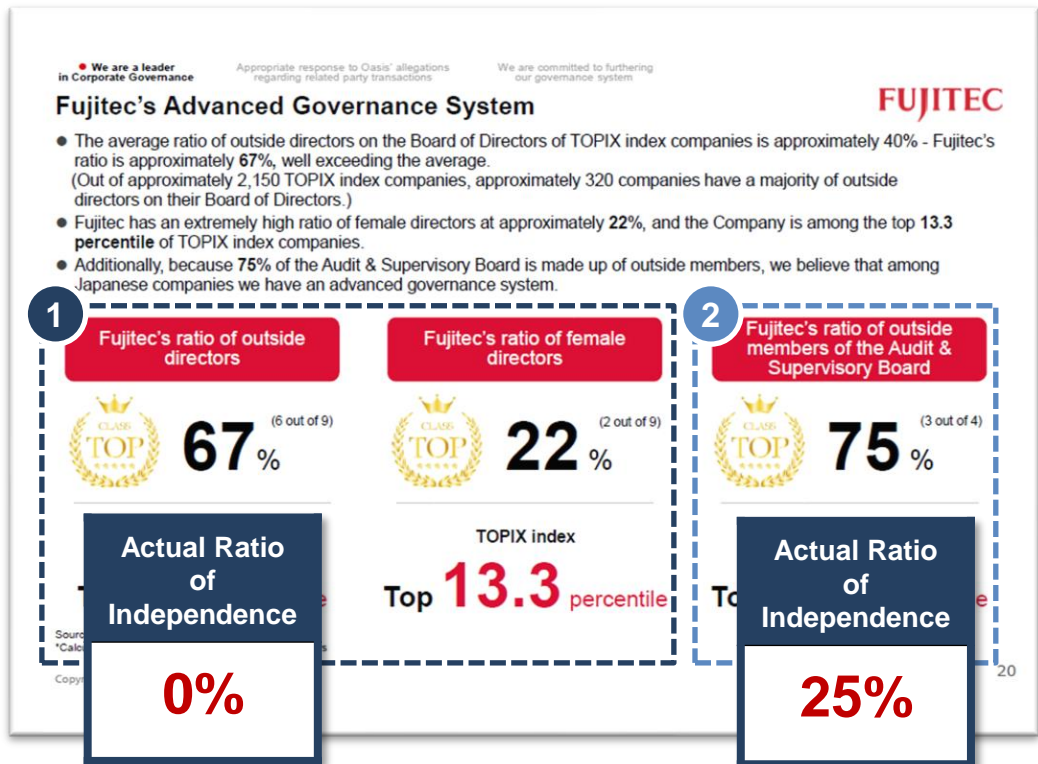
Although Fujitec praises its “high” governance ratings, the outside directors have all demonstrated **no independence** and majority of the outside members of the Audit & Supervisory Board are **conflicted** individuals

1 Fujitec’s Outside Directors are Not Independent

- All of Fujitec’s outside directors have shown loyalty to Uchiyama
- None of the Outside Directors have demonstrated independence** to protect stakeholders’ rights

2 Outside members of the Audit & Supervisory Board are conflicted

- 2 out of 3** outside members of the Audit & Supervisory Board have **strong historical connections with Fujitec (inherited position)**
- Despite Fujitec arguing its high outside auditor ratio, its Audit & Supervisory Board also seems to lack independence



Tatsuo Ikeda

- Attorney-at-Law at Kitahama Partners since 2005
- Fujitec has been a **long-term client of Kitahama Partners**



Satoshi Hiramitsu

- Worked for Masanobu Nakano, who was Fujitec’s outside auditor for **11 years** from 2007 to 2018
- Hiramitsu became an outside auditor to Fujitec since June 2019, **taking over Nakano’s seat** in the Audit & Supervisory Board

X. Governance Grandstanding...

Throughout Fujitec's response to the Oasis deck, the Company paints itself as a shining beacon of aspirational governance, leading the Japanese market in many metrics of objective good governance, and high scores in "independent" analyses. **This level of grandstanding given the shareholder abuses at the hands of the current Board, is not only inaccurate, but embarrassing**

FUJITEC RELEASE – 20th January 2023

"We have established an enhanced governance system in Japan by bringing together the highest level of knowledge and experience"

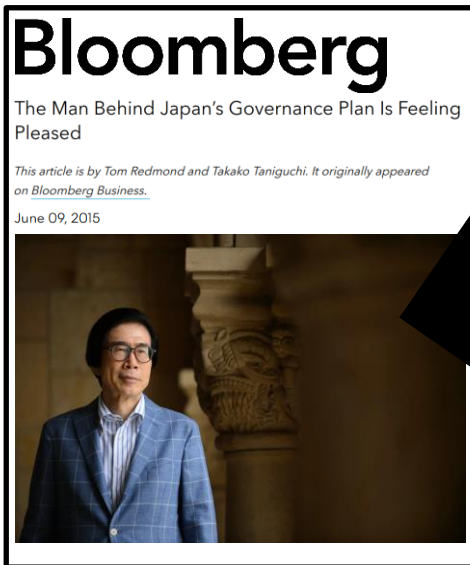
...

"We believe that we can be called a leading governance company in Japan"

	FUJITEC	TOPIX
Ratio of Outside Directors	6/9 ✓	Top 3.8%
Ratio of Female Directors	2/9 ✓	Top 13.3%
Outside Directors (Audit Board)	3/4 ✓	Top 29.1%

	FUJITEC
Board Skills	✓
Director Independence	✓
Director Track Record	✓

- Fujitec preferred to showcase the results of the Sumitomo Mitsui Trust Bank (SuMi Trust) Governance Survey stating that it was *"more reliable than the one-sided evaluation by an overseas third-party organization"* -> we assume Fujitec is **discrediting the globally renowned MSCI's ESG Research. An independent opinion.**
 - We understand **only clients of SuMi Trust** (i.e. Fujitec) are surveyed and results are based on the company's own submission. A potentially conflicted opinion.**
 - Fujitec further tout the legitimacy of their score based on the involvement of Kunio Ito. **Oasis is doubtful that governance experts, such as Kunio Ito, would condone Fujitec's misappropriation to support a track record of egregious breaches of shareholder rights.**



Boilerplate Explanations

"The big question is how companies are going to implement it," according to Jamie Allen, secretary general of the Asian Corporate Governance Association in Hong Kong. "Some will take it quite seriously. Others that don't care for this will find the simplest, most formulaic way around it, but over time the number of companies that see value in it will increase."

While positive about the code, Allen also wanted its provisions to apply to all companies in Japan, rather than just those on the first and second sections of the TSE. Two independent directors isn't enough, he said.

**** Sumitomo Mitsui Trust Bank owns 165,000 shares of Fujitec as part of cross shareholding. Fujitec owns 6,500 shares of Sumitomo Mitsui Trust Holdings.**

**** Sumitomo Mitsui Trust Bank offers shareholder administration services.**

[Source](#)

X. Fujitec's Actual Governance

Fujitec claims it has excellent governance based on its **self-assessed survey** submitted to SuMi Trust (of whom Fujitec is a client). Fujitec do not want shareholders to check all of the objective independent ESG ratings services which all found Fujitec to be well behind.

Sustainability Not Managed

Fujitec's Board has developed a poor track record on extra-financial risks, generally those known to fall under the umbrella of ESG. This is made evident by their **consistently low ESG Scoring** relative to direct industry peers across numerous globally recognized independent research providers. Unsurprisingly, **management of sustainability issues is a delegated to a below-Board committee with limited visibility on how material topics are determined.**

Concerns raised have included increasing industrial waste production, low female and non-Japanese national representation in management, lacking investment in clean tech and omittance of pay gap and living wage disclosure.

1%



The ratio of women in management positions as of March 2022. [Source](#)

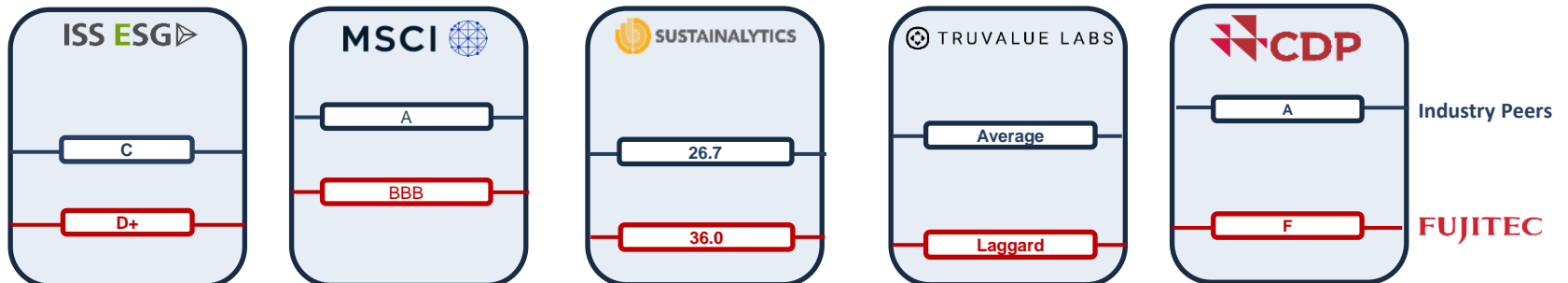
NO Reporting According to International Standards

GRI

SASB

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



X. ... Does Little to Hide the Reality

Regardless of the grandstanding, shareholders and other market participants can see right through to the core: **poor governance and lack of accountability**



Media



Fujitec's board withdrew the motion to reappoint Uchiyama as president. This not only spared him humiliation, but cleared the way for the board, later that day, to appoint him company chair and **cement the view of many that governance in Japan still has a long way to go.**

Bloomberg

Of course, not all Japanese companies are good — nor all activists bad. [...] Most recently, Seth Fischer of Oasis deserves applause for **uncovering some eyebrow-raising behavior at elevator maker Fujitec Co.**



Proxy
Advisors



Uchiyama is a founding family member, who has **been on the board for 43 years, so insiders may find it very difficult to challenge him.** The 10-member board will have six independent directors after this meeting, and the board independence of 60 percent is high by Japanese standards. Nonetheless, given the allegations made by Oasis, **shareholders may find it difficult to fully rely on the board.**



In this case, we believe the Fujitec board's stated intention to implement further improvements to Fujitec's overall corporate governance, including with respect to supervision of related-party transactions, amounts to **tacit admission of an ongoing corporate governance deficiency that requires prompt remedial action by the board**



Fujitec
Investors

BlackRock.

"AGAINST incumbents in view of **corporate misbehaviors**"

NOMURA

"**Inappropriate related party transactions** have been identified, but the Nominating Committee has not fully pursued liability"



"The Company has **not provided disclosure surrounding the use of former CEO as Advisor to the Board**"

Kempen

"In our view, **none of the current Directors classify as truly independent Directors.**"



"The Company has not met our expectations and principles in regard to **board diversity.** Further, **governance oversight at the company is of concern.**"



"Even if [the Oasis' requisitioned EGM] not fully successful, these actions reinforce to company boards in general, and **outside directors in particular, the importance of listening to shareholders and adopting good governance practices...**"

T.RowePrice

"As a founding family member, and the top executive who has been **on the board for 43 years,** Takakazu Uchiyama should be held **responsible for the company's insufficient handling of the case.**"

X. Fujitec Says its Governance Passes ISS & Glass Lewis Criteria...

Fujitec says the metrics such as ROE, cross shareholding, and ratio of Outside Directors meet ISS and Glass Lewis' criteria, but **both proxy advisory firms recommended shareholders to vote AGAINST** the re-election of Takakazu Uchiyama at the 2022 AGM (the President)

We Meet All Standards of Major Proxy Voting Advisory Companies **FUJITEC**

- Fujitec has met the standards for **all** of the key governance-related issues set by ISS and Glass Lewis, the major proxy voting advisory companies, in their "voting advisory standards."

Comparison of key governance-related items in the "voting advisory standards" set by major proxy voting advisory companies with Fujitec's current situation

	FUJITEC	ISS ISS counter standards	GLASS LEWIS Glass Lewis counter standards
Capital productivity (ROE, etc.)	Meets ISS/GL standards	Average of less than 5% for the past five years, no improvement trend	No clear quantitative criteria
Excessive holding of cross-shareholdings	Meets ISS/GL standards	Cross-shareholdings of 20% or more of net assets	Cross-shareholdings of 10% or more of net assets
Outside directors	Meets ISS/GL standards	Outside directors are less than one-third of all directors, or there are less than two outside directors	The total number of independent officers on the Board of Directors and the Audit & Supervisory Board is less than one-third, and there are less than two independent outside directors
Diversity of the Board of Directors	Meets ISS/GL standards	No female director*	None
Outside members of the Audit & Supervisory Board	Meets ISS/GL standards	Does not meet ISS independence criteria	Less than one-third of outside members of the Audit & Supervisory Board are independent
Takeover defense measures	Meets ISS/GL standards	Introduction and renewal of takeover defense measures (poison pills)	Introduction and renewal of takeover defense measures (poison pills)

Sources: "2022 Proxy Voting Guidelines Benchmark Policy Recommendations" (ISS), "2022 Guidelines/An Overview of the Glass Lewis Approach to Proxy Advice" (Glass Lewis)
*Scheduled to be introduced by ISS from February 2023
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Re-election of Takakazu Uchiyama (President)

ISS and Glass Lewis Recommend Shareholders Vote Against the Reelection of Fujitec President Takakazu Uchiyama

More information available at www.ProtectFujitec.com

June 08, 2022 08:58 AM Eastern Daylight Time

HONG KONG & TOKYO--(BUSINESS WIRE)--Oasis Management Company Ltd. ("Oasis") is the manager to funds that own over 9.7% of Fujitec Co. Ltd. ("Fujitec" or the "Company").

"Usually, when a corporate scandal is alleged, the company will set up a third-party investigation committee composed of independent outsiders, and release in-depth investigation results as well as countermeasures to be taken. However, this is not the case here."

On May 29, 2022, Fujitec published its investigation into the inappropriate and conflicted dealings with President Uchiyama raised by Oasis (the "Investigation Report"). Far from absolving President Uchiyama, the Investigation Report highlights the value destructive related-party transactions raised by Oasis and demonstrates President Uchiyama and his entities' efforts to enrich themselves at the expense of Fujitec stakeholders. Our full response to Fujitec's investigation Report, together with questions remaining unanswered, is available on our website at <https://protectfujitec.com/oasisresponse>.

The independent proxy advisory firms, ISS and Glass Lewis, have both recommended that Fujitec shareholders vote against the reelection of President Uchiyama at the upcoming Fujitec AGM.

ISS, in its June 5 "Proxy Analysis & Benchmark Policy Voting Recommendations" for the Fujitec AGM, acknowledges Oasis's concerns and recommends that shareholders vote against the reelection of President Uchiyama. The June 5 ISS report states that the "company's actions to date fall short of shareholder expectations" and that it has concerns "about the depth of the investigation" carried out by Fujitec. ISS points out that "Usually, when a corporate scandal is alleged, the company will set up a third-party investigation committee composed of independent outsiders, and release in-depth investigation results as well as countermeasures to be taken. However, this is not the case here."

Ultimately, ISS has framed the fundamental issue being brought to shareholders when deciding on their vote as:

"[Shareholders want assurances] not only that no laws were violated, but that related-party transactions were properly vetted by the board (without Uchiyama's involvement) to ensure fairness to the company and to independent shareholders."

Glass Lewis, in its June 6 Proxy Paper for the Fujitec AGM, opines that:

"It appears a number of these related-party transactions were undertaken primarily, if not solely, for the benefit of Mr. Uchiyama, other members of the Uchiyama family, or entities affiliated with the Uchiyama family... the findings of the investigation do not convincingly address, in our view, whether these transactions were undertaken for the benefit of the Company and its shareholders, or for the benefit of Mr. Uchiyama and the interests of his family and affiliated entities."

Glass Lewis concludes:

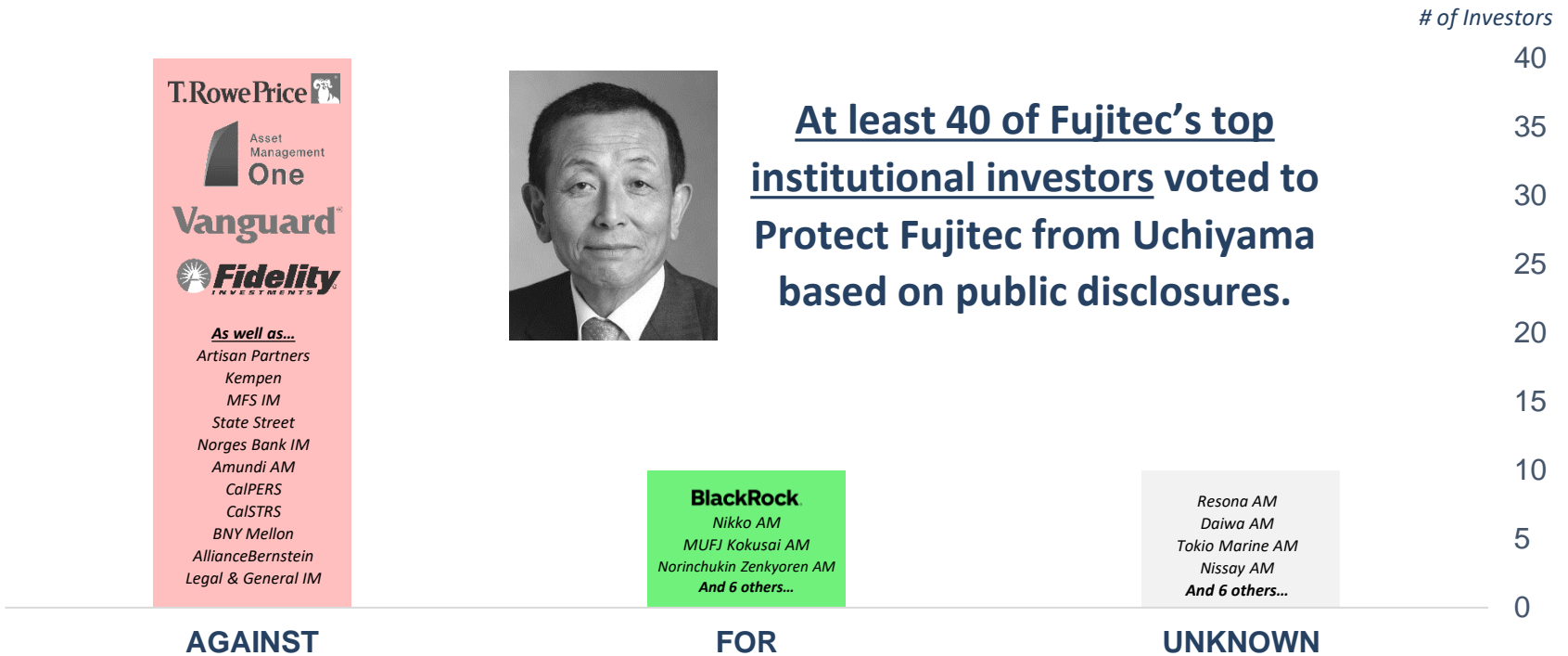
"In our opinion, opposing Mr. Uchiyama's re-election is both warranted and the best means of conveying shareholders' dissatisfaction and concern with respect to these issues."

X. Shareholders Going AGAINST the Board's Leadership

At the 2022 AGM, **approx. 65% of investors voted to Protect Fujitec** by voting AGAINST the reappointment of Takakazu Uchiyama. At the unprecedented 2022 AGM, **the Board decided to egregiously breach shareholders' most basic right** – the right to vote and hold directors accountable - by resolving to remove the proposal to re-elect former-President Takakazu Uchiyama.

While the action to shield Uchiyama from a shareholder vote was egregious in its own right, the Board's subsequent decision to appoint Uchiyama to an unelected Chairman role served as a **shocking demonstration of the depth of entrenchment and complete lack of independent counterbalancing power.**

Fujitec's Unapologetic Disregard for Basic Governance



X. Governance Grandstanding...the Reality is Clear

Regardless of the grandstanding, shareholders and other market participants can see right through to the core: **poor governance and lack of accountability**. The question that only Fujitec can answer is: *does the Board genuinely believe it is a governance leader?*

FUJITEC

“We are a leader in Corporate Governance”

[Source](#)

*Which Complex Does
Fujitec Have?*

*Does Fujitec genuinely
believe it is a governance
leader in Japan...*



*... or does it know it is
not but pretending to
avoid accountability*



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XI. Fujitec Assertion: *Cherry Picking Operational Performance*

Claims made by
FUJITEC

What we believe
OASIS

Fujitec has delivered MTP targets

In FY2018, Fujitec failed to achieve its medium-term management plan (“MTP”). In its subsequent MTP for FY2021, Fujitec used excessively conservative targets to ensure they achieved them. Additionally, **Fujitec’s current MTP, Vision 2024, is unrealistic** and it has already had to dramatically revise down its FY23/3 guidance.

Outperforming competitors in growth rates of key financial indicators

Fujitec has tried to mislead shareholders by comparing its financial performance to competitors using revenue, operating income, EBITDA and net income growth rates. However, looking at the metrics that matter including its historical operating profit margin, EBITDA margin and net income margin performance, Fujitec has shown **no signs of improvement** and **continues to have the lowest margins compared to its competitors**. In addition, its **ROE and ROIC have also remained at the lowest level in the past 5 years** amongst its peers.

Highest levels of shareholder return amongst competitors

Fujitec’s total shareholder return (TSR), share price, and dividend payout ratio have **improved dramatically since Oasis launched its first public campaign in May 2020**. Although its shareholder returns have been improving in the past few years, Fujitec is still **piling up a lot of cash and suffers from poor capital allocation**, instead the Company should be invested into expanding business and further increasing returns to shareholders.

XI. Fujitec Assertion: *Medium-term Plan Execution History*

Fujitec has set an unrealistic targets for FY2024, which is unlikely to be achieved based on current business performance

		FY2018	FY2021	FY2022 *1	FY2024
Net sales	Target	JPY 200.0 billion	JPY 180.0 billion	—	JPY 235.0 billion
	Actual	JPY 170.8 billion	JPY 187.0 billion	JPY 207.0 billion	—
	Achieved	✗	✓	—	—
Operating income	Target	JPY 16.0 billion	JPY 13.0 billion	—	JPY 22.0 billion
	Actual	JPY 10.3 billion	JPY 13.8 billion	JPY 10.5 billion	—
	Achieved	✗	✓	—	?
Operating income margin	Target	8.0%	7.2%	—	—
	Actual	6.0%	7.4%	—	—
	Achieved	✗	✓	—	—
ROE	Target	—	8.0% or more	—	—
	Actual	—	9.1%	—	—
	Achieved	—	✓	—	—

*Failed to
achieve MTP*

*Conservative compared
to previous targets*

*Ongoing MTP is **unrealistic**
considering current guidance*

*1 – FY2023/3 is based on the latest guidance provided by Fujitec [Source](#)

XI. Misleading Fujitec Assertion on Operational Performance

● Record of “delivering on promises”

Outperforming competitors in growth rates of key financial indicators

Positive feedback from the markets regarding our medium-term management plan

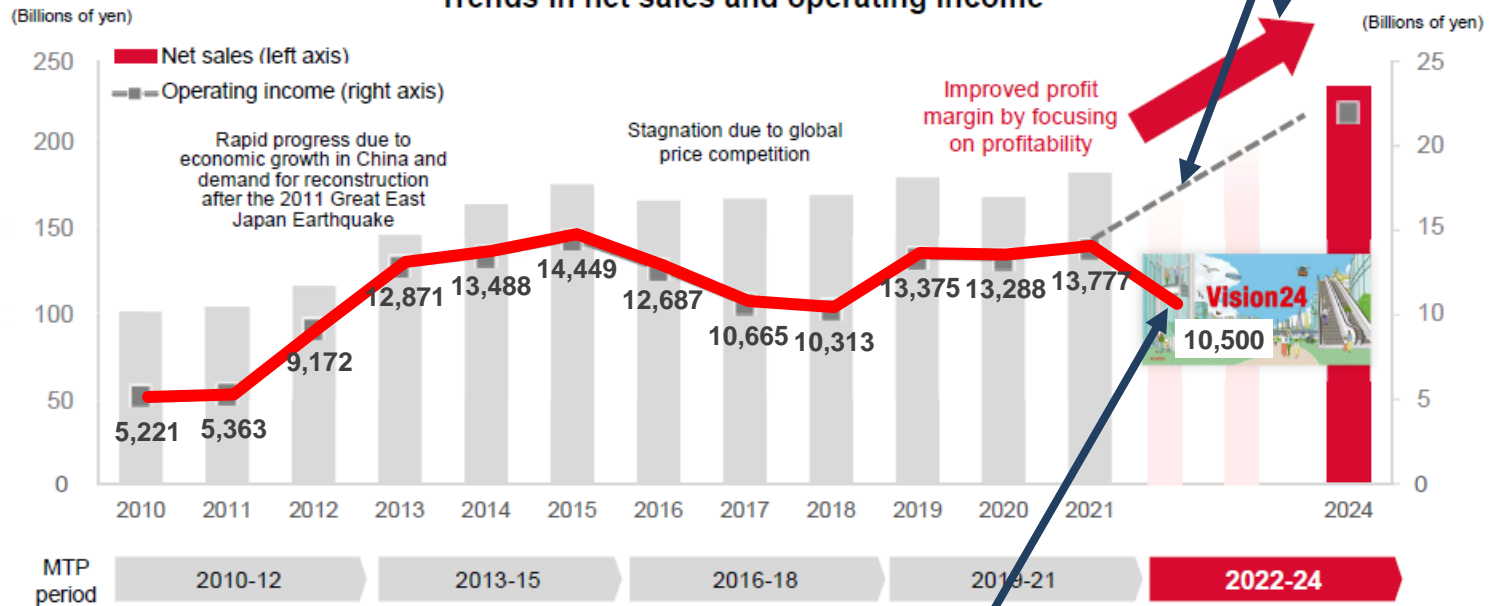


Fujitec’s Steady Growth Trajectory

- Through earning **the trust of our customers** since our founding, our business has gradually expanded, by the formulation of appropriate business strategies, the steady execution of initiatives, and the release of safe and reliable services based on high professional ethics
- We aim to advance with the new medium-term management plan “Vision 24” announced in the fall of 2022

Misleading

Trends in net sales and operating income



FY 2023/3 Company Revised Guidance
Operating Profit: JPY 10.5billion
 (Revised down on Nov 8, 2022)

XI. Revised Guidance in FY2023/03

Fujitec significantly revised down its Operating Profit Guidance for FY23/03 from 14,700 million to 10,500 million. **This is primarily due to underperformance of Japan Segment**

Recently Revised FY2023/3 Guidance Downward

(Amounts less than one million yen are rounded down)

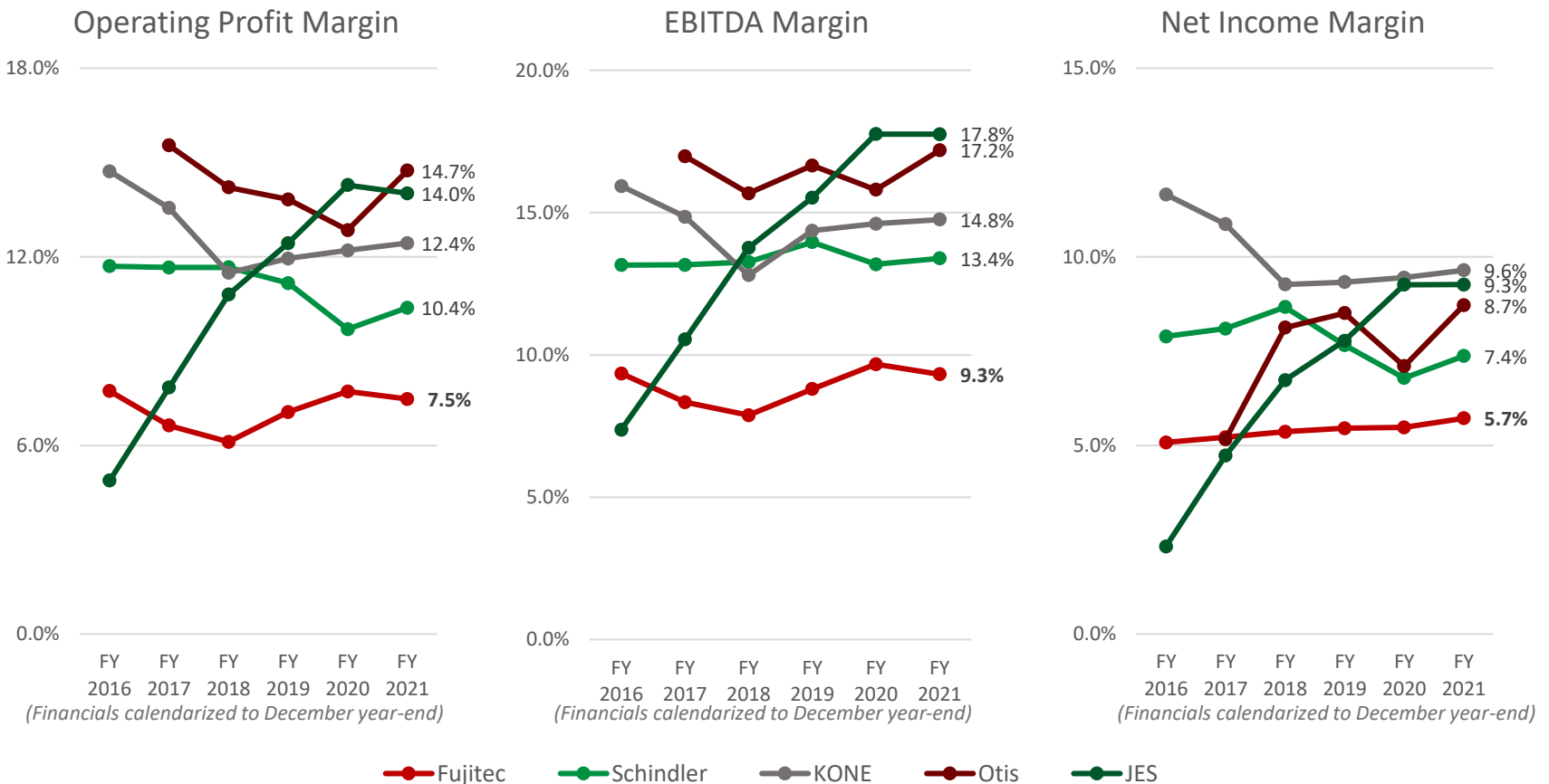
	FY2022		change(%)
	Previous Forecast	Revised Forecast	
Net sales	200,000	207,000	3.5
Operating income	14,700	10,500	(28.6)
Ordinary income	15,600	12,300	(21.2)
Profit attributable to owners of parent	10,200	7,000	(31.4)
Net income per share	125.98 yen	88.41 yen	—
Dividends	75.00	75.00	—

	Net sales			Operating income (loss)		
	Previous Forecast	Revised Forecast	Change (%)	Previous Forecast	Revised Forecast	Change
Japan	78,000	77,000	(1.3)	6,300	2,200	(4,100)
East Asia	85,000	83,000	(2.4)	4,600	3,700	(900)
South Asia	19,000	23,000	21.1	2,400	3,100	700
The Americas and Europe	31,000	37,000	19.4	1,500	1,600	100
Subtotal	213,000	220,000	3.3	14,800	10,600	(4,200)
Adjustments	(13,000)	(13,000)	—	△100	△100	—
Total	200,000	207,000	3.5	14,700	10,500	(4,200)

XI. Fujitec Assertion: *Cherry Picking Operational Performance*

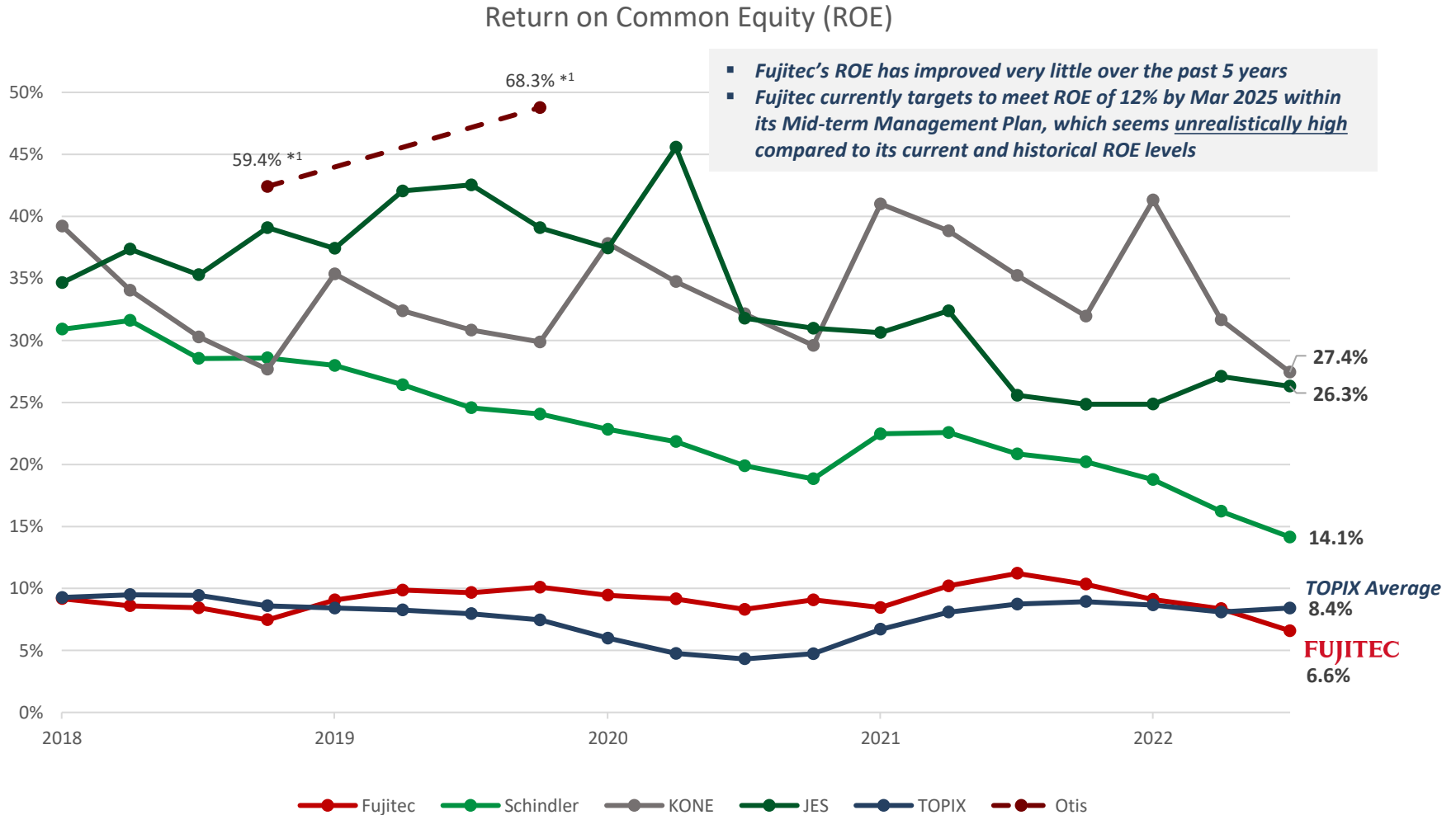
Fujitec attempts to mislead shareholders by focusing on the minimal outperformance of the growth rate of its EBITDA, operating income and net income against its competitors KONE, Otis and Schindler

Shareholders, however, know that **Fujitec significantly underperforms in the most important of metrics**, its operating margin, EBITDA margin and net income margin in each of the last five years



XI. Fujitec Assertion: *Cherry Picking Operational Performance*

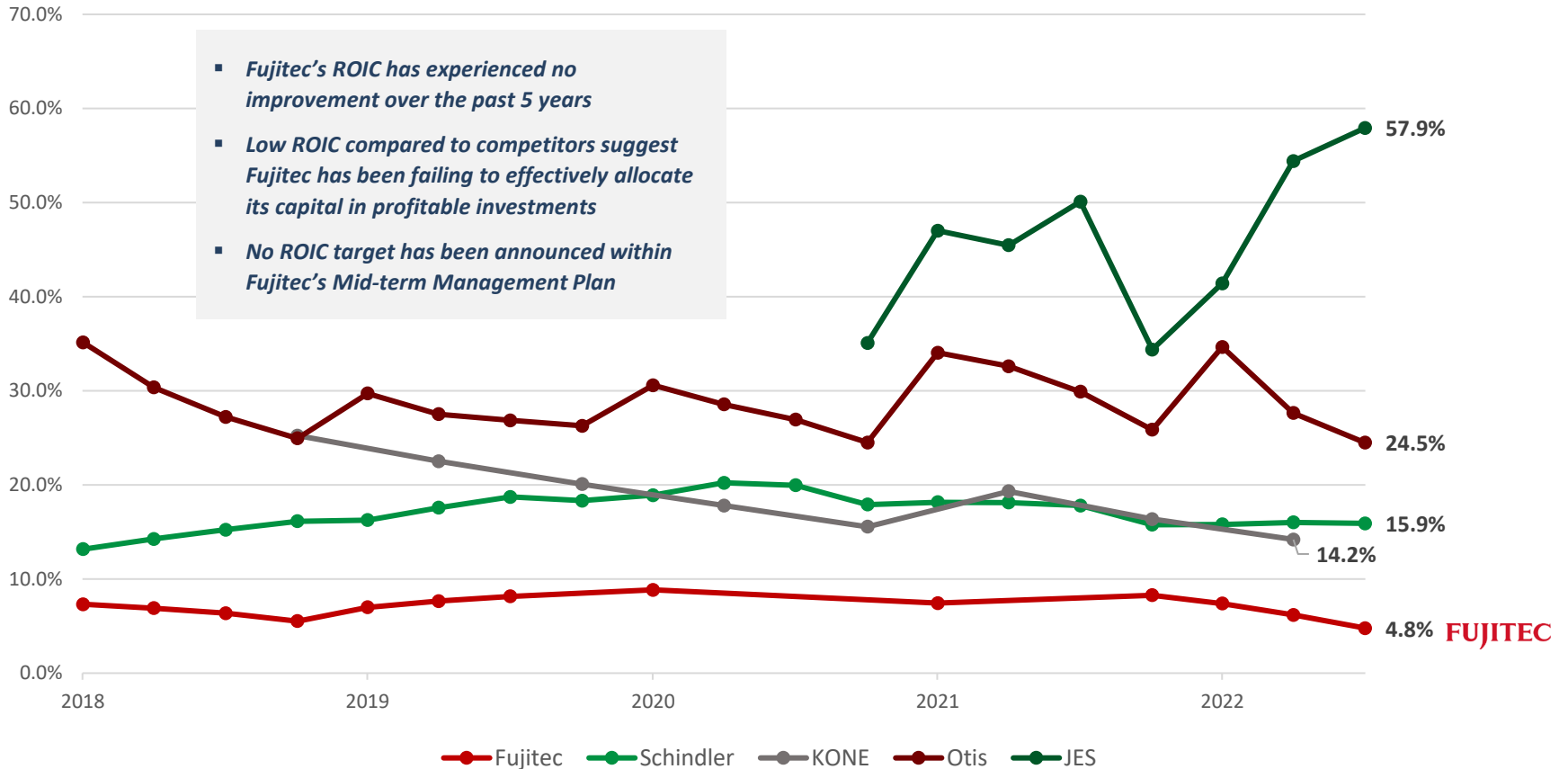
Fujitec's ROE has always been the lowest among its competitors over the past 5 years with current ROE of 6.6%, which is lower than the TOPIX average of 8.4%



XI. Fujitec Assertion: *Cherry Picking Operational Performance*

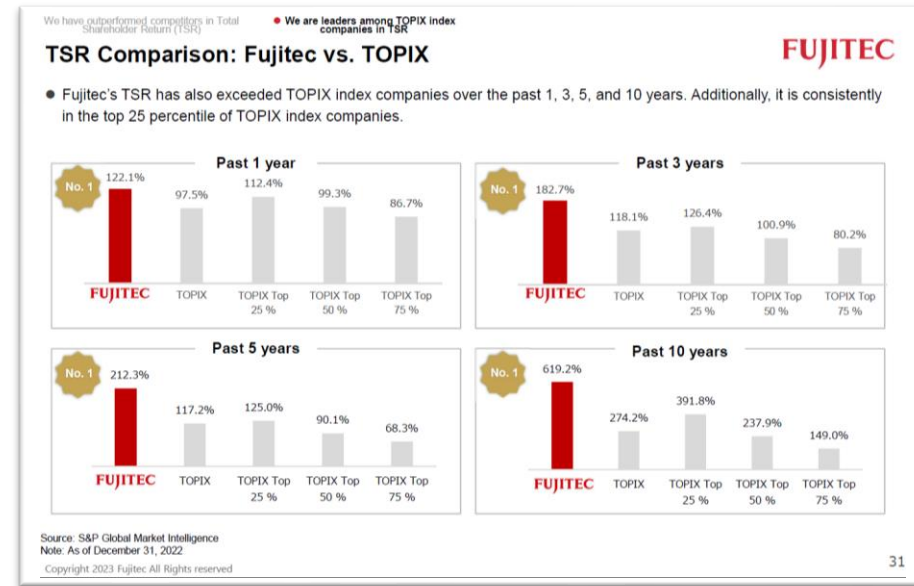
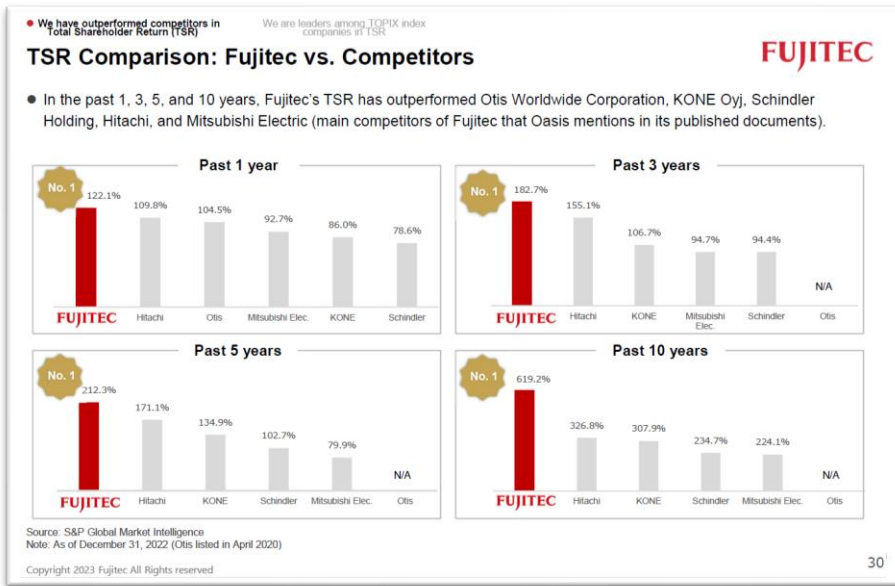
Fujitec's ROIC has always been the lowest among its competitors over the past 5 years with current ROIC of 4.8%

Return on Invested Capital (ROIC)



XI. Fujitec Assertion: Total Shareholder Return

Fujitec highlighted that it has the highest TSR among peers



XI. TSR Improvement after Shareholder Pressure

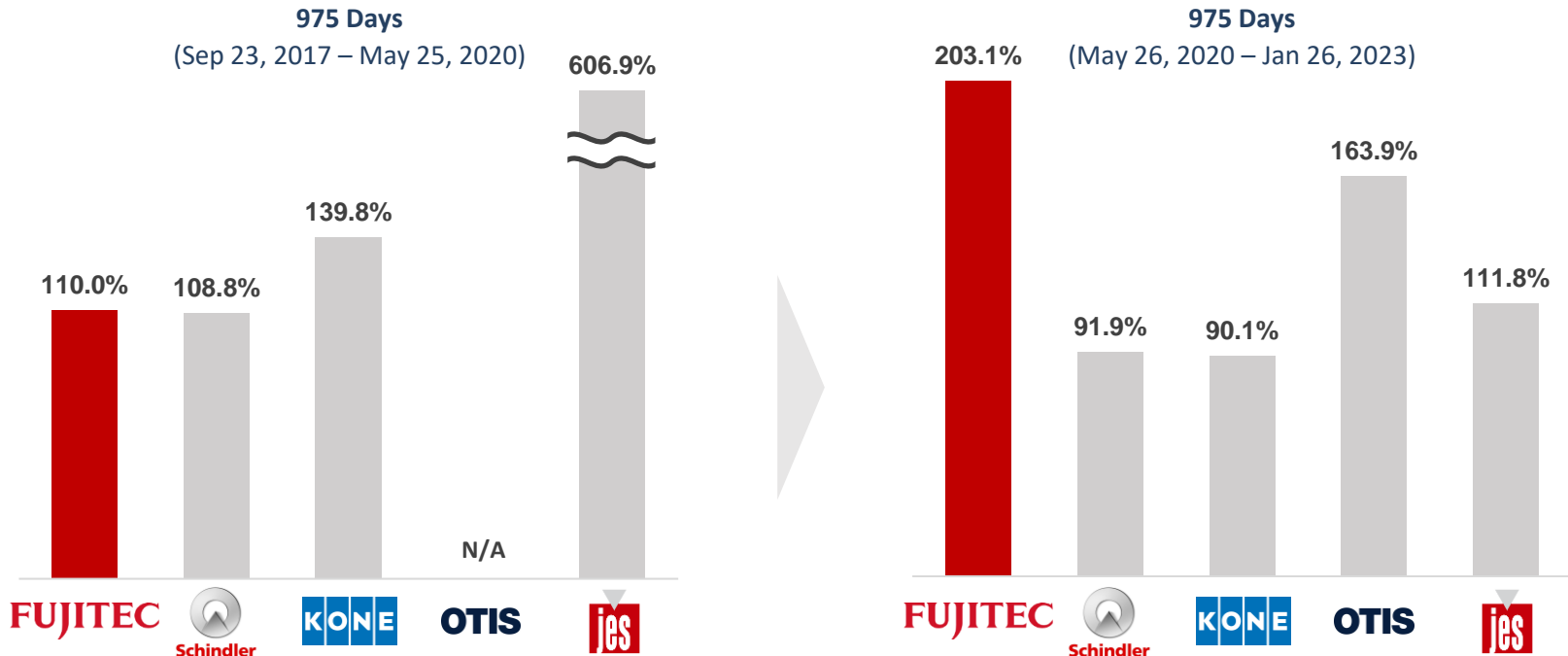
Fujitec’s TSR was average before Oasis initiated its public campaign in May 26, 2020, and other shareholders also started demanding more from Fujitec. Fujitec has only outperformed to higher-than global competitor levels since shareholder pressure

Before 2020

Fujitec’s TSR lagged behind its global and domestic peers prior to May 2020

After 2020

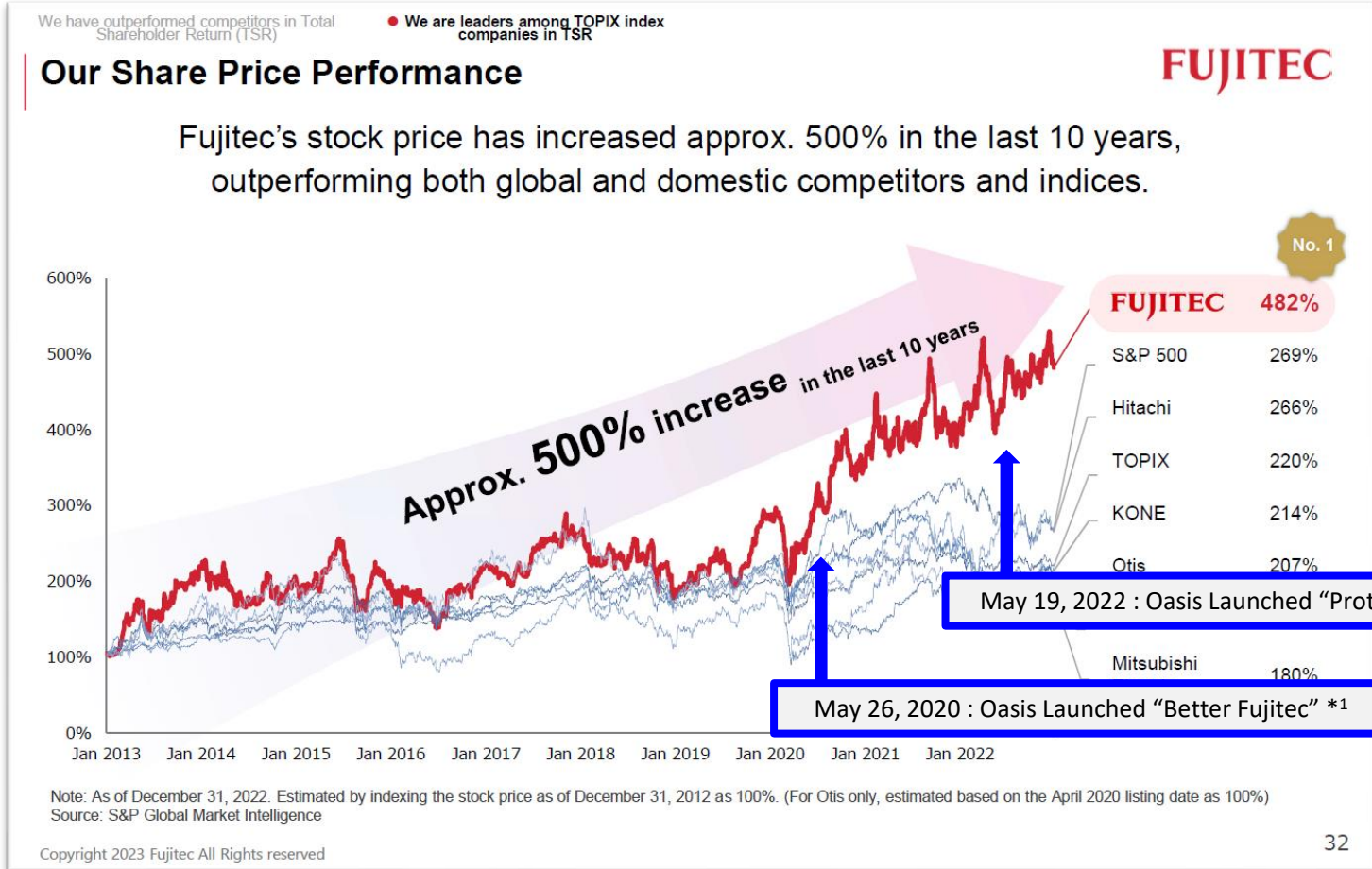
Fujitec’s TSR is now the highest among peers as result of active engagement by Oasis



*Total Shareholder Return (TSR) =

$(\text{Share Price at End Date} + \text{Cumulative Dividend Income during Investment Period}) / \text{Share Price at Start Date}$

XI. Higher Share Price after Shareholder Pressure



*1 – “Better Fujitec” [press release](#)

*2 - “Protect Fujitec” campaign [website](#)

XI. Dividend Payout Ratio Improved Due to Shareholder Pressure

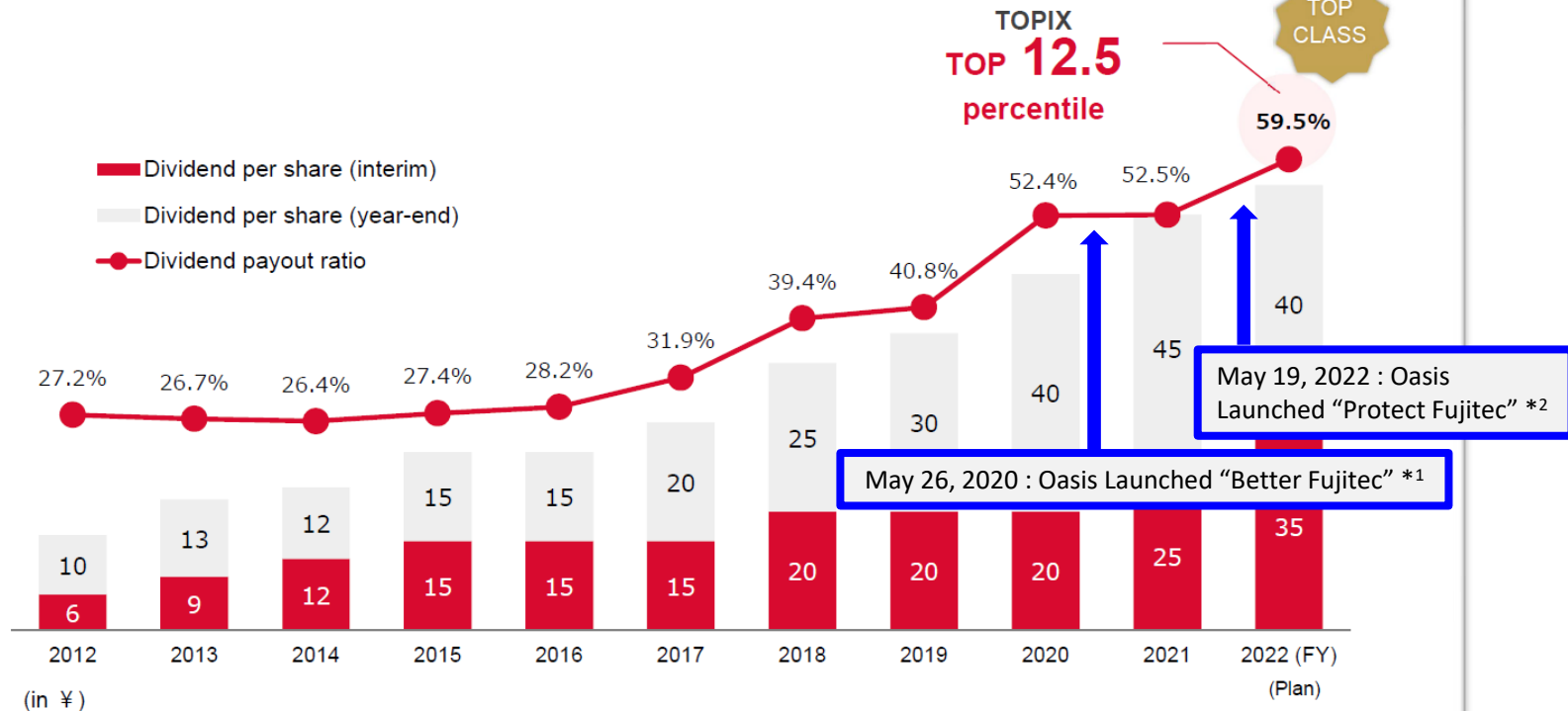
We have outperformed competitors in Total Shareholder Return (TSR)

• We are leaders among TOPIX index companies in TSR

FUJITEC

Our Commitment to Shareholder Returns via Dividends

- Over the past 10 years, the dividend payout ratio has increased from 27.2% to 52.5%, with the dividend total increasing every year, from ¥16 to ¥70.
- Our planned dividend payout ratio of 59.5% for FY2022 is in the top 12.5% percentile of TOPIX index companies.



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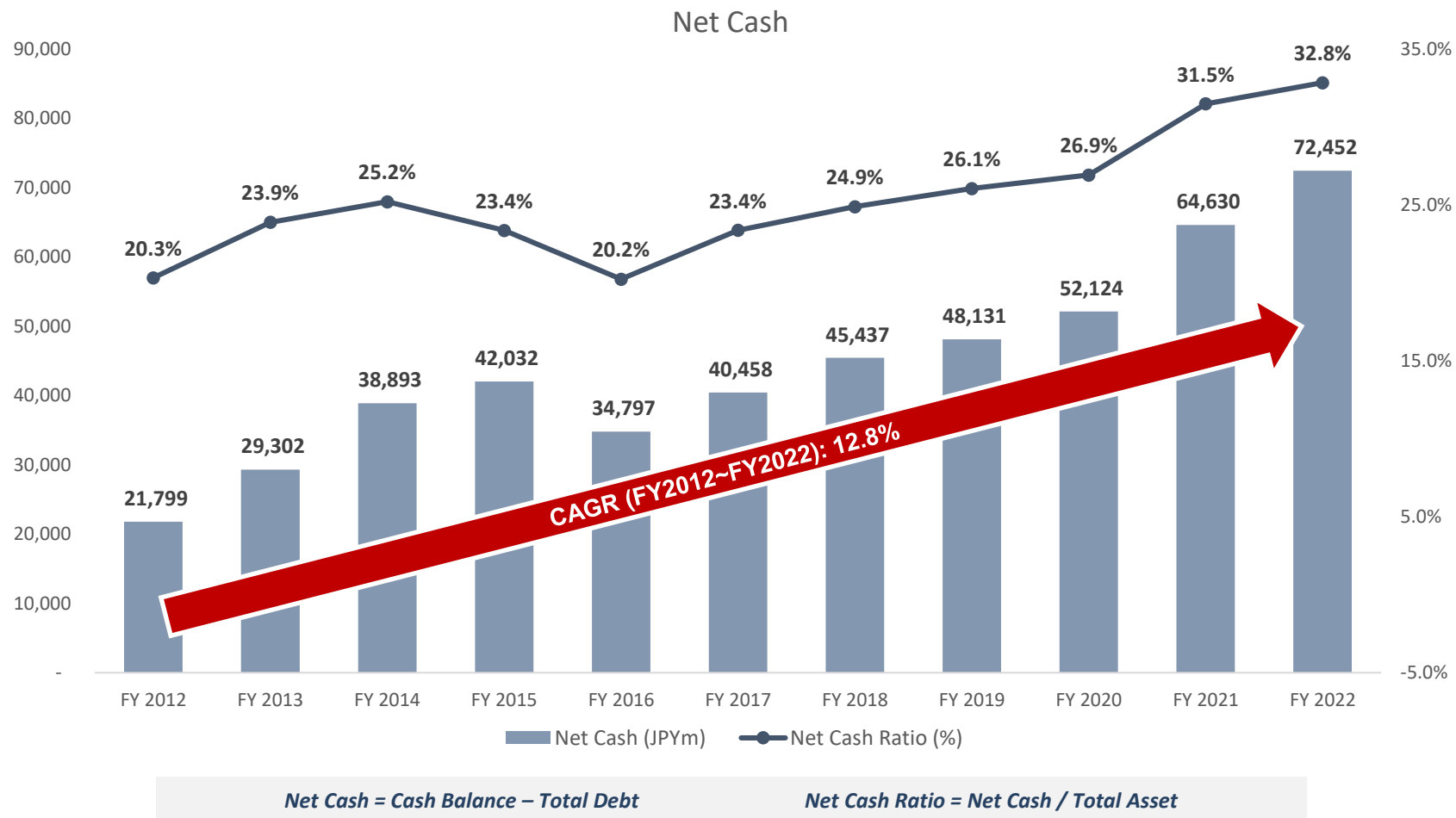
33

*1 – “Better Fujitec” [press release](#)

*2 - “Protect Fujitec” campaign [website](#)

XI. Further Room for Improvement in Shareholder Returns

Although Fujitec claims to be focused on shareholder returns, it has **steadily built-up cash** over the past 10 years



XI. Vision 2024 is Unrealistic

Based on Fujitec's latest guidance for FY23/3, its "Vision 2024" targets seem extremely difficult to achieve

Record of "delivering on promises" Outperforming competitors in growth rates of key financial indicators Positive feedback from the markets regarding our medium-term management plan

Our Commitment to the Medium-term Management Plan, "Vision 24" **FUJITEC**

- (1) Margin improvement and (2) capital policy/capital reinvestment are points in our business strategy that have been noted for improvement by some investors including Oasis. Taking these comments into consideration, we have set ambitious targets for both (1) and (2), and the entire management team is determined to achieve these targets.

Upside from FY2021 to FY2024 targets

	FY2021 records	FY2024 targets	Upside
Net sales	¥187.0 billion	¥235.0 billion	+25.7%
Operating income	¥13.8 billion	¥22.0 billion	+59.4%
Operating income margin	7.4%	9.4%	+2.0 ppt
ROE	9.1%	12.0%	+2.9 ppt

FY23/3 Guidance *1

JPY 207.0bn

JPY 10.5bn

5.1%

5.2% *2

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*1 – FY23/3 is based on the latest guidance provided by Fujitec

*2 – FY23/3 ROE is calculated based on guidance for Profit attributable to owners of parent and total common equity as of September 2022

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- XII. PROPOSALS ON REMUNERATION OF DIRECTORS**
- XIII. APPENDIX

XII. Proposals on Remuneration for Directors

Our Rationale for Amending Fujitec's Remuneration Practices

Fujitec's Internal and Outside Directors have been beholden to Takakazu Uchiyama since their involvement in Fujitec, and Fujitec's current remuneration practices **have not incentivized the right behavior.** There is a problem that needs to be fixed.

With the support of **PayGovernance Japan, an independent external consultant**, we are proposing a plan that aligns the interests of the Directors with that of shareholders and motivates the Directors to create corporate value.

Our Thought Process

- Like Board composition, **a company's remuneration practices should fit their unique needs** while being mindful of investor expectations. Fujitec's current position is objectively unique.
- Oasis is nominating independent Outside Director nominees – not direct representatives of Oasis – to **ensure these Outside Directors serve the interest of all shareholders.**
- There is a real concern with the level of Uchiyama Family entrenchment within Fujitec – meaning that **Outside Directors, if elected, will likely face internal obstruction to carryout their oversight functions.**
- Clearly aligning Outside Directors' interests with shareholders – best achieved through provision of shares – will **provide extra incentive to withstand a challenging task and remain focused on creating mid- to long-term corporate value.**
- The challenge and work at Fujitec's oversight body is unprecedentedly high. The remuneration structure needs to **ensure that it can attract and retain highly qualified Directors and to address the time, effort, expertise and accountability required of active Board membership.**
- As confirmed by Fujitec in its public response, **none of the Outside Director nominees were involved in determining their pay.** These are proposals **for shareholders to determine how best to motivate, incentivize, and align Outside Directors.**

Fujitec's current pay practices failed to achieve the desired behavior and alignment.

XII. Proposals on Remuneration for Directors

FUJITEC

Oppose,
as it may
jeopardize our
corporate value



It has been confirmed that the candidates for Proposal 1, the current outside directors, and the executive directors have no intention of receiving the compensation even if Proposal 5 to 7 are passed.

- Fujitec states “*Oasis’ proposed stock-price linked compensation for outside directors endangers the independence of outside directors and conflicts with the defined role of outside directors which is to “supervise directors,” contradicting governance standards”*”
- Fujitec states that “*the current outside directors...have not intention of receiving the compensation even if Proposal 5 to 7 are passed*”. We are assuming this is because the current Outside Directors believe the statement from Fujitec in the point above.
- However, this belief of the current Outside Directors may not be true because...

1 Mami INDO (Incumbent Outside Director of Fujitec)



Mami INDO, an Outside Director of Fujitec, currently receives stock-based compensation from **Tokyo Gas**, where she serves as an independent Outside Director. [Source](#)



How come Mami INDO does not have an issue with receiving stock-based compensation from Tokyo Gas?

Should all Outside Directors at Tokyo Gas be considered non-independent?

2 Introduction of a share-based compensation plan using a trust

The Compensation Committee meeting held on June 29, 2021 resolved to introduce a share-based compensation plan for Directors and Corporate Executive Officers with the objective of providing incentives encouraging the enhancement of corporate value.

Separately, an introduction of a similar share-based compensation plan for executive officers has also been resolved.

(1) Overview
The Company has established a share trust (see the “Overview of the trust”). Points are to be granted to officers each year according to their position, and they shall receive company shares based on the points when they retire/resign.

(2) Target persons
Directors (including Outside Directors), Corporate Executive Officers, and Executive Officers

(3) Overview of the trust (at the time of setting up the trust)

Trust period	From August 2021 to August 2024 (tentative)
Amount to be contributed by the Company as funds for acquiring shares	¥461,889,900
Method to acquire shares for the trust	Acquisition via disposal of treasury shares
Number of shares for the trust	224,600 shares

Fujitec is applying double-standards only to reject Oasis’ proposal, which contradicts with the public comments and actions taken by its own Outside Directors

XII. Proposals on Remuneration for Directors

Fujitec's Outside Director Says that Fixed Pay Does Not Incentivize Directors to Do More...

2

Kazuhiro MISHINA
(Incumbent Outside
Director of Fujitec)



*“And the limitation they have is that they only know the business of the company. This means that the person who joins the board as an outside director must not only have a good understanding of the company's current business, but must also know and think about the company's other possible businesses and future businesses. It is quite a challenge. **Furthermore, the remuneration system and motivation for outside directors is a fixed salary, so even if they did not study anything and just sat there without saying anything, their remuneration would be the same as someone who studied and thought hard about various things.**”*

The question is, where is the incentive to spend the time and effort to go through the materials for the next day's board meeting from cover to cover, and if necessary, to order the relevant literature and do a lot of research? It is the managers who are going in and doing it when they don't think there is that much of an incentive. It is the outside directors who say there is no way they would do it if there is no incentive.

*The company whose stock went down would be bought by another company, if that is the original premise of capitalism. **And the managers would be forced out. More capable managers would come in and take over the company. This is the way it should be.** However, there is a problem that this self-cleansing system is not working very well in Japan, and in this sense, I think that managers are also over-protected. It would be wonderful if all of you could help to remove this excessive protection.” (Oasis Translation)*

[Source](#)

XII. Proposals on Remuneration for Directors

...While Awarding Equity to Outside Directors... is Encouraged (in Japan)...



コーポレート・ガバナンス・システムに関する実務指針
(CGS ガイドライン)

2022年7月19日



Practical Guidelines for Corporate Governance Systems

“Many companies have only granted fixed remuneration to outside directors, but there is a strong perception that outside directors in Japan have not necessarily had a high awareness of improving corporate value or being a member of the board of directors. Given the fact that granting incentive compensation is unlikely to undermine their independence and make them less independent, it would be effective to consider the option of granting stock-based and performance-linked compensation to outside directors as a way of providing incentives to them.

Stock-based compensation may be effective for outside directors, who are responsible for appropriately reflecting the opinions of shareholders, from the perspective of aligning their views with those of shareholders. In particular, a type of stock-based remuneration that grants shares of the company's stock with no performance conditions attached may be a viable option, as long as the ratio of such stock-based remuneration is not excessively high compared to monetary remuneration, as there is no significant difference between this and outside directors purchasing and holding their own shares, and there is little harm in granting such stock-based remuneration. (Note 108)

Note 108

Some people are concerned that the granting of stock compensation to outside directors in Japan is opposed in principle by some Japanese institutional investors in their standards for exercising their voting rights. It was pointed out that in Japan, where the level of remuneration for outside directors is low, there is basically no opposition to remuneration for outside directors in the form of company stock. It is desirable for institutional investors in Japan to clarify in their voting criteria the scope of permissible introduction of stock compensation.”

Source: METI

XII. Proposals on Remuneration for Directors

...Meanwhile, Fujitec Misleading Stakeholders with Incomplete Information (Again!)

Fujitec leaves out key exceptions that investors make when evaluating equity awards to Outside Directors.

FUJITEC

Oasis' Proposed Compensation Plan Contradicts Governance Standards

- Oasis' proposed stock-price linked compensation for outside directors endangers the independence of outside directors and conflicts with the defined role of outside directors which is to "supervise directors", "contradicting governance standards"
- Furthermore, as shown below, many institutional investors oppose these incentive-type compensation packages proposed by Oasis.
- Fujitec opposes these incentive-linked compensation proposals because of the possibility of a weakened corporate governance system which in turn will erode corporate value.

<p>三井住友トラスト・アセットマネジメント Sunabono Mitsui Trust Asset Management</p>	<p>Opposes, if recipients of incentives include outside directors, directors who are audit and supervisory committee members, corporate auditors, outside corporate auditors, or persons who are not recognized to have a direct relationship with the improvement of business performance.</p>
<p>NOMURA 野村アセットマネジメント Nomura Asset Management</p>	<p>Opposes, in principle, if the following individuals are included as recipients of incentives: Outside directors, directors who are audit committee members or audit and supervisory committee members, corporate auditors, or other outsiders deemed to be inappropriate to provide stock incentives.</p>
<p>東京海上アセットマネジメント Tokio Marine Asset Management</p>	<p>Opposes, in principle, if recipients of incentives include outside directors or corporate auditors (including directors who are audit and supervisory committee members).</p>

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What Fujitec did not want you to see

What Fujitec did not want you to see



- ③ If the persons eligible for receiving company stocks include the following persons:
- (i) If the board of directors is a monitoring board and such remuneration is not subject to performance achievement conditions, statutory auditors or any external parties who are found to be inappropriate to receive the stock incentive. However, even if company stocks are offered to external parties, we will vote for the resolution, if explanation is provided in an appropriate manner and it is found that the offering of company stocks as remuneration to the external parties contributes to the improvement of shareholder value; and
 - (ii) In cases other than those referred to above, outside directors, directors who are audit committee members or directors who are audit and supervisory committee members, statutory auditors, or any external parties who are found to be inappropriate to receive the stock incentive. However, even if company stocks are offered to external parties, we will vote for the resolution, if explanation is provided in an appropriate manner and it is found that the offering of company stocks as remuneration to the external parties contributes to the improvement of shareholder value.

[Source](#)



Proposal Details	General Rules Criteria	Exceptional Criteria
Stock and Stock option-based payment (Not based on performance)	⑧ If outside directors, directors who serve as audit and supervisory committee members, corporate auditors, outside corporate auditors, or persons who are not considered directly related to the improvement of business performance are included in the grantees, we will dissent from the proposal.	Regarding the granting of positions to outside directors, if the necessity is confirmed through engagement, etc., and if there are no problems with system design and governance, we will support the proposal.

[Source](#)

Fujitec's current pay practices failed to achieve the desired behaviour and alignment.



XII. Proposals on Remuneration for Directors

A Considered Pay Structure to Meet the Demands of a Unique Situation

CONTEXT			CONCERNS		
MARKET	PEERS	SITUATION	INDEPENDENCE	RISK	EQUITABLE
Director pay is low in Japan to attract global nominees	Pure-play global peers pay on average \$219,000 per annum (solely for being members).	Fujitec is in a unique situation where it needs to align itself with the interests of stakeholders due to Uchiyama control	Investors can tolerate exceptions and support equity to Directors that they consider to not impact their independence	Focusing on having the market accurately reflect Fujitec's corporate value will ensure max. alignment	Common approach to all Directors to ensure equitable treatment and alignment
Average TOPIX 100 Outside Director received ~\$107k (using current forex) in 2020 vs. \$308k for a S&P 500 Director (Source).	Otis, for example, offers 60% of fees in shares - <i>"significant equity component aligns directors' interests with those of our shareholders."</i> Source	Fixed pay only does not adequately address the alignment issue. Other global situations have required to tailor incentives to address core issues (ex: HESS, Agrium, etc.)	Japan's largest companies – like SONY, Hoya, Olympus, Takeda Pharmaceutical, Tokyo Electron (where Fujitec legal adviser, MIURA Ryota works as outside auditor Source) etc. – grant restricted stock and/or options to Outside Directors.	Outside Directors will strive to work collaboratively with management towards an objective common goal through consensus-driven discussions within the boardroom	The proposal aims to provide all Directors with the same pay – rather than entertaining a cash "top-up" to avoid boardroom divide

Top Fujitec Shareholders Endorse Compensation Committee Chairs that Grant Equity in Japan

2022 AGMs

Company	Proposal	Resona AM	Sumitomo Mitsui Trust AM	Nomura AM	Nikko AM	Daiwa AM	BlackRock	Vanguard	SSgA
	Re-Elect Emiko Higashi (Chair of Compensation Committee)	FOR	FOR	FOR	FOR	FOR	FOR	FOR	FOR
	Re-Elect Shuzo Kaihori (Chair of Compensation Committee)	FOR	FOR	FOR	FOR	FOR	FOR	FOR	FOR



"The compensation of External Directors who are not Audit & Supervisory Committee Members consists of Basic Compensation, which is paid as a fixed amount, and Long-term Incentive (stock compensation). **The stock compensation is linked only to share price and not to company performance results.**" [Source](#)



"In order for newly-appointed Directors to **share the same perspective as shareholders in regards to share price**, and for re-appointed to share **common interest with shareholders on long-term basis**, commensurate stock options, fixed number of stock options are granted to Outside Directors **each year.**" [Source](#)

XII. Proposals on Remuneration for Directors

- 1 Fujitec's current pay practices failed to achieve the desired behavior and alignment
- 2 A Considered Pay Structure to Meet the Demands of a Unique Situation
- 3 METI's Guidelines encourage equity for Outside Directors
- 4 Many of Japan's largest companies are granting equity awards to Outside Directors
- 5 Despite Fujitec's misleading presentation, local and global asset managers make exception to the use of equity for Outside Directors (if explained)

We summarize the proposals below with details available in the Oasis EGM proposal.

AGENDA 4: Determination of the amount of individual **base remuneration** for each Outside Director

AGENDA 5: Granting of the **stock-based compensation to Outside Directors** to incentivize nominee directors to be steadfastly independent and grow corporate value in the mid- to long-term

AGENDA 6: Granting of the **stock-based compensation with Stock Price Conditions to Outside Directors** to incentivize them to be steadfastly independent and grow corporate value in the mid- to long-term

AGENDA 7: Granting of the **stock-based compensation to Directors** (excluding Outside Directors) to incentivize executives to be aligned with the interests of shareholder

VOTE FOR TO INCENTIVIZE DIRECTORS TO FOCUS ON CREATING MID- TO LONG-TERM CORPORATE VALUE AND ALIGNING THEIR INTERESTS WITH SHAREHOLDERS

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XIII. Appendix 1 – Answering Fujitec’s Criticism

Fujitec Criticism

Oasis’ criticism of Fujitec’s lack of gender diversity is not consistent with its nomination practice: the boards of Sun Corporation and Raysum lack the gender diversity. As for the two Oasis directors sent to Raysum, they both are ex-GS employees and lack skills and experience in real estate business.

Oasis Refutation

At the time when Oasis chose candidates for nomination at Sun Corporation and Raysum respectively, unlike Fujitec’s case, Oasis was not proposing nomination of all of the outside directors, which clearly distinguishes these two cases from Fujitec’s case. Oasis is not in a position to discuss the diversity of these two companies as each of them has its own history and management policy.

When Oasis made the nomination for those two companies, Oasis chose the best candidates to enable these companies to optimize the intrinsic value of these companies. In the then current relevant circumstance, those best candidates happened to be male candidates. The two Oasis employees who were nominated for Raysum do have the relevant experience and expertise in real estate business. Yuji Shinohara was a member of the special situations group at Goldman Sachs which invests in and manages assets including real estate, experience is useful for Raysum. Kentaro Kanai had intensive experience in M&A, corporate finance and advice for business strategy in the investment banking group at Goldman Sachs and has skills and expertise which are useful for Raysum.

XIII. Appendix 2 – Questionable Independence Across Fujitec’s Board: Nobuki SUGITA

1



Nobuki SUGITA – The Faculty of Economics at **Ritsumeikan University** has been supplying Outside Directors to Fujitec for a prolonged period of time. Former Fujitec Director, **Kazuo INABA** (Prof. of Economics at Ritsumeikan University) **approved many of the related-party transactions during his tenure (2007-2014). Kazuo INABA is the boss of Nobuki SUGITA at Ritsumeikan University.**

Name	Nominated at Fujitec’s AGMs in...															
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Nobuki SUGITA																
Kazuo INABA																

Kazuo INABA ([Source](#))

- April 2017 – Present: Specially Appointed Professor at the College of Economics, Ritsumeikan University
- April 2008 – March 2010: **Dean at the College of Economics, Ritsumeikan University**
- **June 2007 – June 2014: Outside director at Fujitec**
- April 2001 – March 2003: Deputy Director at the College of Economics, Ritsumeikan University
- April 1997 – March 1998: Chairperson, Planning and Research Committee at the College of Economics, Ritsumeikan University
- April 1993 – March 2017: **Professor at the College of Economics, Ritsumeikan University**
- April 1986 – March 1994: Assistant Professor at the College of Economics, Ritsumeikan University



Nobuki SUGITA ([Source](#))

- April 2020 – Present: Specially Appointed Professor at the College of Economics, Ritsumeikan University
- **June 2017 – Present: Outside director at Fujitec**
- April 2015 – March 2020: **Professor at the College of Economics, Ritsumeikan University**
- April 2014 – March 2015: Professor at the Hosei Graduate School of Regional Policy Design
- June 2013 – March 2014: President of Economic and Social Research Institute, Cabinet Office, Government of Japan
- Sept 2012 – June 2013: Director-General for Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism

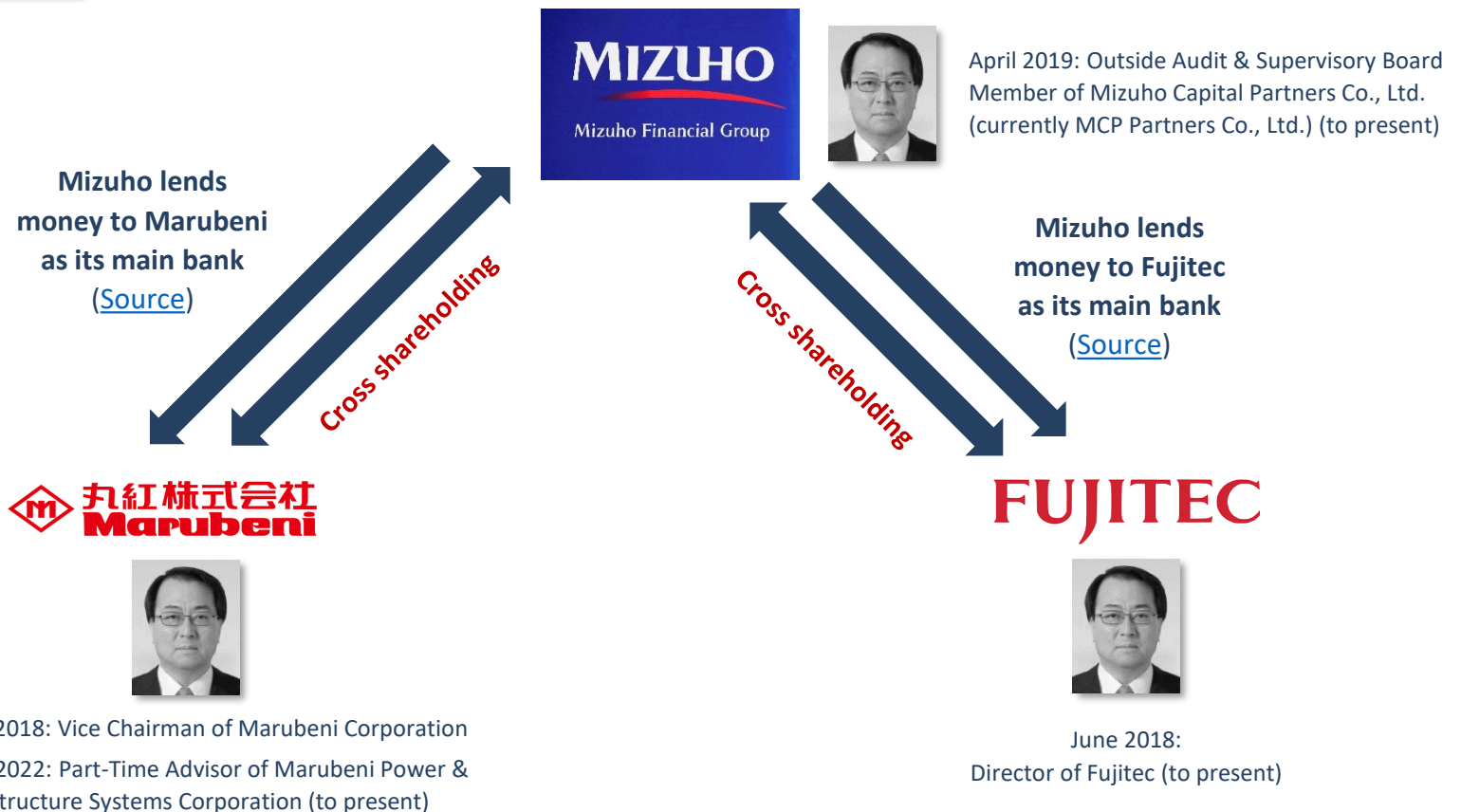
XIII. Appendix 2 – Questionable Independence Across Fujitec’s Board: Shigeru YAMAZOE

2



Shigeru YAMAZOE - Has a strong relationship with Fujitec’s cross shareholder, **Mizuho Financial Group**. Mizuho lends money to Fujitec and Marubeni as their main bank through a cross shareholding – Shigeru YAMAZOE has served as a board member on both companies.

Conflicted relationship around YAMAZOE

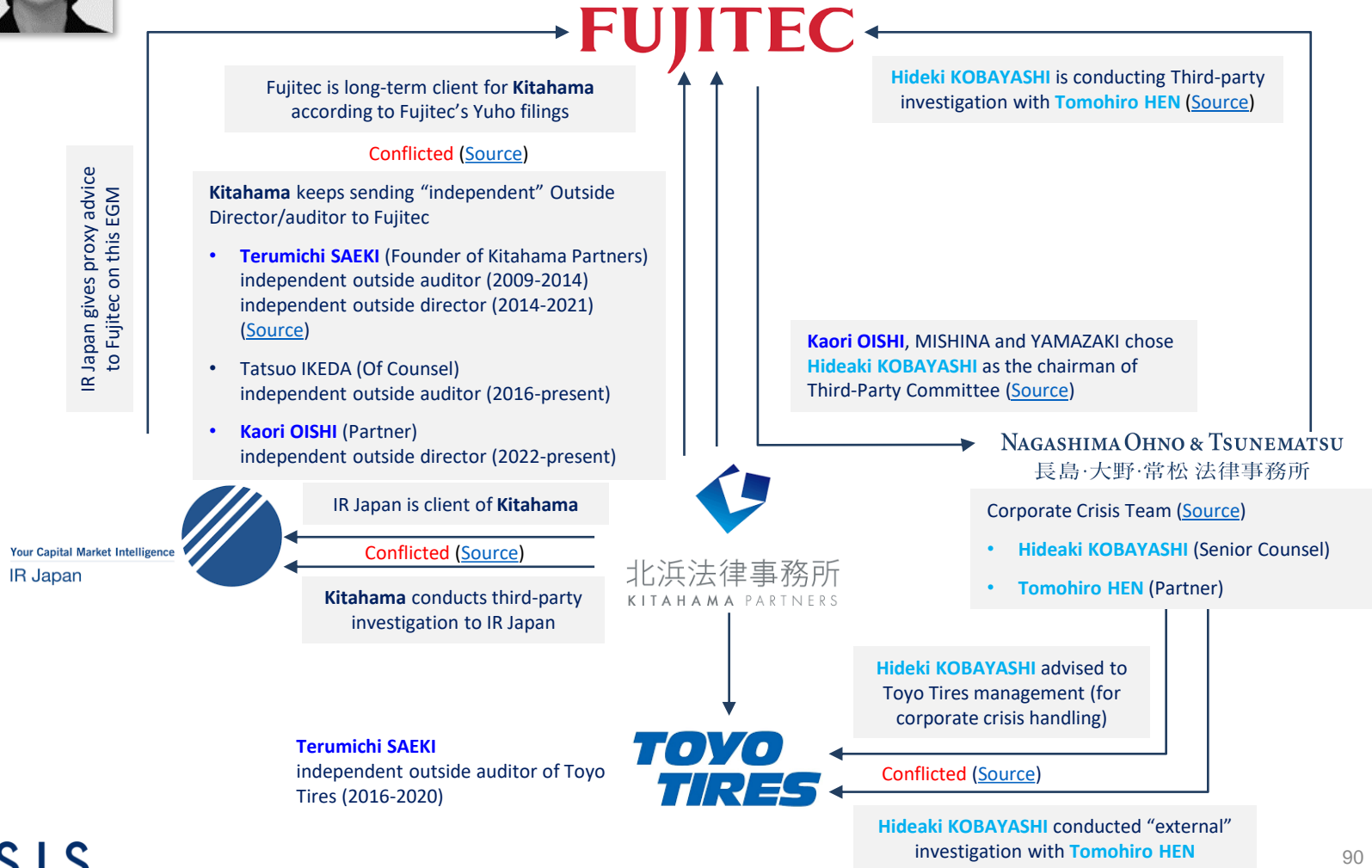


XIII. Appendix 2 – Questionable Independence Across Fujitec’s Board: Kaori OISHI

3




Kaori OISHI – Is a Partner at **Kitahama Partners** since 2013 and is conflicted due to the commercial relationship between Fujitec and Kithama Partners and the fact that her boss at Kitahama Partners was previously a Fujitec Outside Director.



XIII. Appendix 3 – Fujitec’s Approach to Governance is Form Over Substance: Major Events (1/2)

August 7, 2014	Fujitec board resolution to extend the loan to Takakazu Uchiyama’s private entity (New repayment date: September 30, 2017) and to sell the stake of SPC owning Fujitec Takanawa bldg. to Takakazu Uchiyama’s private entity as its area has redevelopment
September 30, 2014	Fujitec sold the stake of SPC owning Fujitec Takanawa bldg. to Takakazu Uchiyama’s private entity
March 2015	Takakazu Uchiyama’s private entity repaid 1.7BLN to Fujitec
November 2015	Fujitec Established "Basic Corporate Governance Policy"
April 2018	The part-timer started gardening at Takakazu Uchiyama’s house
March 29, 2019	Takakazu Uchiyama’s private entity sold the stake of SPC owning Fujitec Takanawa bldg. to JR East.
June 2019	<ul style="list-style-type: none"> - Increase ratio of outside directors on the Board (43% ⇒ 56%) by adding 2 more outside directors (5 in total) - Appointment of 1 female director - Disclosure of Skills Matrix
March 26, 2020	Oasis sent letter to Fujitec that the board of Fujitec should dismiss Takakazu Uchiyama due to poison pill for self-protection.
July 15, 2020	Oasis requested independent directors to establish third-party committee to investigate related party transactions with Uchiyama family.
February 2021	<ul style="list-style-type: none"> - Establishment of Nomination and Compensation Advisory Committee (majority of members to be independent outside directors and chairperson of board be served by an independent outside director) June 2021 - Increase of one female director to a total of two (11%⇒22%) - Introduction of a restricted stock compensation plan
May 12, 2021	Board resolution to sell Domus Moto Azabu to Yusuke Uchiyama’s private entity.
June 28, 2021	Fujitec sold Domus Moto Azabu to Yusuke Uchiyama’s private entity.
December 2021	<ul style="list-style-type: none"> - In "Vision 24," the new medium-term management plan, measures/plans to strengthen capital policy and governance structure are disclosed Mar. 2022 - Progress is being made in reducing policy shareholdings
Jan 27, 2022	Oasis raised questions over related party transactions
March 14, 2022	Oasis sent detailed list of questions about related party transactions
April 11, 2022	Upon request from Fujitec, Oasis counsel submitted the list of further detailed questions.
April 18, 2022	Fujitec counsel from Nishimura Asahi answered that all board resolution of related party transactions was in a unanimous and no objections from auditors
May 13, 2022	Fujitec announces nomination of two new directors including Kaori Oishi whose law firm has long affiliation with Fujitec and the related-party transactions

 Events where Fujitec’s Board prioritized Uchiyama over other stakeholders

 Events where Fujitec’s Board acted in the interest of its stakeholders

XIII. Appendix 3 – Fujitec’s Approach to Governance is Form Over Substance: Major Events (2/2)

May 19, 2022	Oasis launched campaign
May 20, 2022	Fujitec made misleading statements
May 30, 2022	Board resolution to support flawed and biased investigation by conflicted lawyer from Nishimura & Asahi
June 14-17, 2022	Institutional investors finished voting
June 17, 2022	Board resolution of additional third-party investigation
June 22, 2022, 5pm	The deadline for Exercise of voting rights prior to the meeting of shareholders (Fujitec found Takakazu couldn’t get majority of support)
June 23, 2022, 9am	Fujitec announced board resolution to withdraw the agenda of Takakazu Uchiyama
June 23, 2022, 10am	Fujitec AGM
June 23, 2022, 1pm	Fujitec explained in “off recording” media conference that the withdrawal of his agenda was irrelevant to the voting result (misleading)
June 23, 2022	Board resolution to nominate Takakazu Uchiyama as the unaccountable chairman of Fujitec
August 10, 2022	Fujitec announces flawed additional third-party investigation team
January 20, 2023	Unacceptable personal public attack on individual independent nominee directors Nomination of new independent directors that are not truly independent or are nominated based on double-standard approach to selection

Events where Fujitec’s Board prioritized Uchiyama over other stakeholders

Events where Fujitec’s Board acted in the interest of its stakeholders

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