



This document is a translation to  
the original Japanese document

# Supplemental material regarding our statement on Oasis' claims

January 30, 2023

**Fujitec Co., Ltd.**  
(TSE Prime: 6406)

## Regarding This Material

Today (January 20, 2023), we released a document titled “Statement on Oasis’ claims and its request for an extraordinary shareholders’ meeting.” The matters not fully explained in above document are summarized in this material.

This material includes, (1) our company overview and business strategy, (2) our governance system, and (3) our supplemental opinion on the shareholder proposals.

We have published the following documents, including this material, and ask that you please take the time to read each of them to understand our position on the shareholder proposals by Oasis.

- **Main volume:**  
Statement on Oasis’ claims and its request for an extraordinary shareholders’ meeting
- **Supplemental material:**  
Supplemental material regarding our statement on Oasis’ claims (this document)

A reference material was also published on the same day (January 20, 2023), so please refer to this document as well.

- **Reference material:**  
Regarding Related-Party Transactions, etc.

\*The above materials are available here (<https://www.fujitec.com/announcement/3082> )

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- 3. Fujitec's Supplemental Opinion on Shareholder Proposals**

# **1. Company Overview and Business Strategy**

# Company Overview



**We are a manufacturer specialized in urban space transportation systems, handling elevators, escalators, and moving sidewalks.**

Trade Name	Fujitec Co., Ltd.
Head Office	591-1, Miyata-cho, in Hikone, Shiga Prefecture, Japan
Representative	Takao Okada Representative Director, President and CEO
Paid-in Capital	¥12,533.93 million
Net Sales FY2021	Consolidated: ¥187,018 million Non-consolidated: ¥75,556 million
Stock Exchange Listing	TSE Prime (6406)
No. of Employees as of March 2022	Consolidated: 10,683 Non-consolidated: 3,135
Number of Group Companies	Consolidated subsidiaries: 19 Equity method affiliates: 15
Business Lines	As a specialized manufacturer of elevators, escalators, and moving sidewalks, we are engaged in the integrated business of manufacturing, marketing, installation, maintenance, and repair on a global scale.

## History

- 1948 • Founded in Osaka city as Fuji Transportation Machinery Co., Ltd.
  - Started manufacturing and sales of elevators.
- 1963 • Listed on the Second Section of the Osaka Securities Exchange.
- 1965 • New head office plant established in Ibaraki city, Osaka.
  - Relocated head office to Ibaraki city.
- 1970 • Listed on the Second Section of the Tokyo Stock Exchange.
- 1974 • Company name changed to Fujitec Co., Ltd. Listed on the First Section of the Tokyo Stock Exchange and Osaka Securities Exchange.
- 2006 • Relocated head office and R&D division to Hikone city, Shiga Prefecture.
- 2022 • Transferred to the Prime Market due to a market reclassification.



Big Wing (Hikone city, Shiga Prefecture)

# Relationship between Our Management Philosophy and “Sampo-yoshi” **FUJITEC**

The Japanese principle of “Sampo-yoshi” is directly related to our Management Philosophy of “collaborating with people from nations around the world to develop beautiful and functional cities,” in that we do not seek only our own profit but also wish for the happiness and continuity of society as a whole.



## Sustainability Policy

We believe that by following our Management Philosophy we can achieve harmonious coexistence with society and nature and contribute to the creation of sustainable societies. We partner with stakeholders in a variety of business activities that encompass the **pursuit of safety and security, human resources development, technology transfer, social contribution activities, and environmental activities.**



## Corporate Code of Conduct

1. The first priority is on human life and the protection of human rights
2. Assurance of product safety
3. Maximize use of funds and assets
4. Equitable and sound business transactions
5. Free and fair competition
6. Co-existence and co-prosperity with local communities



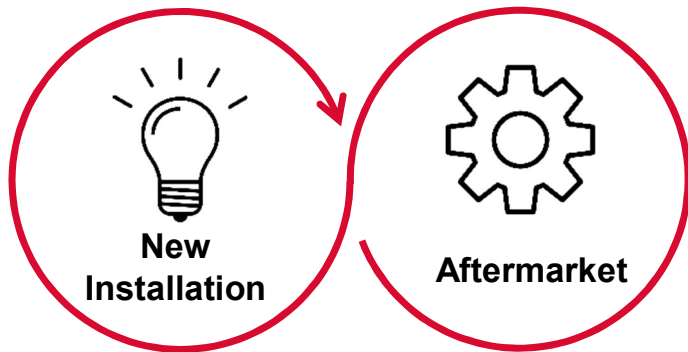
## Sampo-yoshi



# Our Business Model and Strengths

- We have a distinctive business model as a specialized elevator and escalator manufacturer with global operations

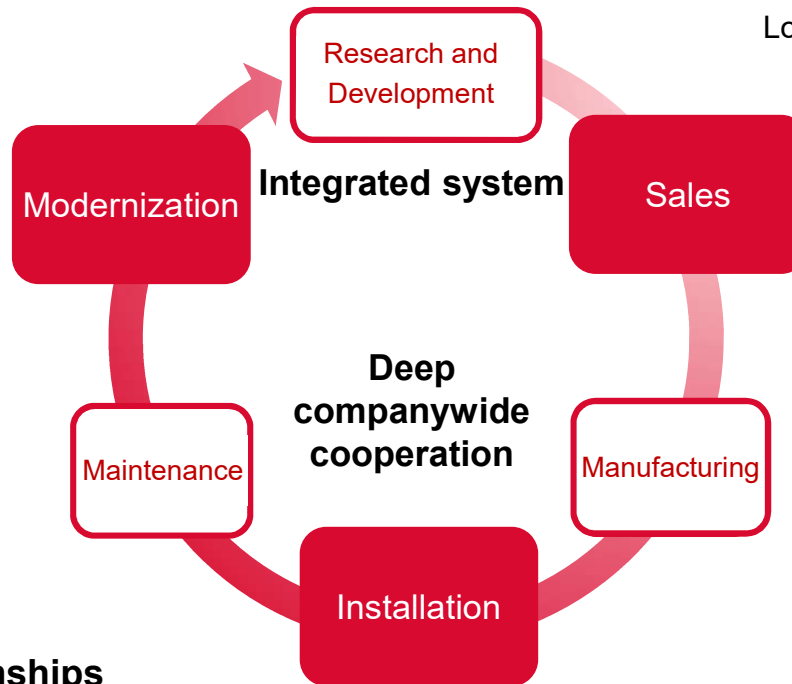
## 1. Two main businesses



**New installation and modernization\*:  
Seamless business**

**Maintenance and repair:  
Maintaining long-term customer relationships**

## 2. Integrated structure as a specialized manufacturer



## 3. Expertise in elevators and escalators

Long-term reliable quality with “safety and security”

Flexible response to customer requests

Highly innovative original technology



**Priority on “safety and security”**

**Accumulated over 75 years  
as a specialized manufacturer**

\*Refers to renewal work and repair work done on elevators and escalators.

# Global Market Expansion

We have established production and corporate bases in 23 countries and regions.  
Our DNA has truly spread around the world.

We became the first in our industry to enter Hong Kong in the 1960s. Since then, we have continued to expand globally, entering North and South America, Europe, East Asia, South Asia, and the Middle East. Our group companies in each country work together closely to engage in business activities with meticulous devotion rooted in their respective communities.



## ■ 欧州 EUROPE

We are doing business based in the U.K. and have met rigorous quality standards represented by ISO.

## ■ 北米 NORTH AMERICA

We have cleared rigorous requirements of top-class architects that work on skyscrapers. Our high technical standards have been proven in many large-scale projects.



FUJITEC AMERICA, INC.

## ■ 日本 JAPAN

The flagship of the Fujitec Group. We have made a great number of outstanding products with the wealth of achievements and know-how cultivated over many years in Japan, the birthplace of the Group.



Big Wing

Big Step

## ■ 南アジア SOUTH ASIA

In 1972, we established our largest production base in Southeast Asia in Singapore. We are highly trusted as a leading company in ASEAN countries, as well as India.



FUJITEC SINGAPORE CORPN. LTD.

FUJITEC INDIA PRIVATE LTD.

## ■ 東アジア EAST ASIA

We have established bases in China, Hong Kong, Taiwan, and South Korea. In China, we have worked with one of the largest general trading companies to establish the joint ventures Huasheng Fujitec Elevator Co., Ltd. and Shanghai Huasheng Fujitec Escalator Co., Ltd.



HUASHENG FUJITEC ELEVATOR CO., LTD.

SHANGHAI HUASHENG FUJITEC ESCALATOR CO., LTD.



FUJITEC KOREA CO., LTD.

FUJITEC TAIWAN CO., LTD.



# Medium-Term Management Plan “Vision 24”

- In December 2021, we announced “Vision 24.” (A supplemental disclosure was announced in March 2022.)
- “Vision 24” has set forth a direction for business expansion, in response to our Future Strategic Direction. In the final year of the plan, we aim to achieve the highest net sales and operating income in our history.



Increase our market share by expanding our New Installation and Aftermarket Businesses. Ensure that we **improve profitability** by expanding sales and reducing costs.

Continue to provide safe and reliable products to people around the world for the sustainable enhancement of shareholder value.

## Action Guidelines

### Sales Strategy

- Delve deeper into new markets and cultivate customers by expanding our product lineup

### Product and Technology Strategy

- Develop and launch strategic models in close collaboration with local operators in each market
- Strengthen the development of environment-friendly products

### Production and Operations Strategy

- Achieve cost reforms through procurement and the introduction of next-generation technologies in close collaboration with local operators in each market

### Corporate Strategy

- Strengthen capital policy and governance structure
- Establish a system to implement group strategies

## Financial Targets ( for FY2024, the final year)

**Net sales\***  
**¥235 billion**

(+25.7% vs. FY2021)

**Operating income**  
**¥22 billion**

(+59.4% vs. FY2021)

**Operating income margin**

**9.4%**

(+2.0 ppt vs. FY2021)

**ROE**

**10.7%**

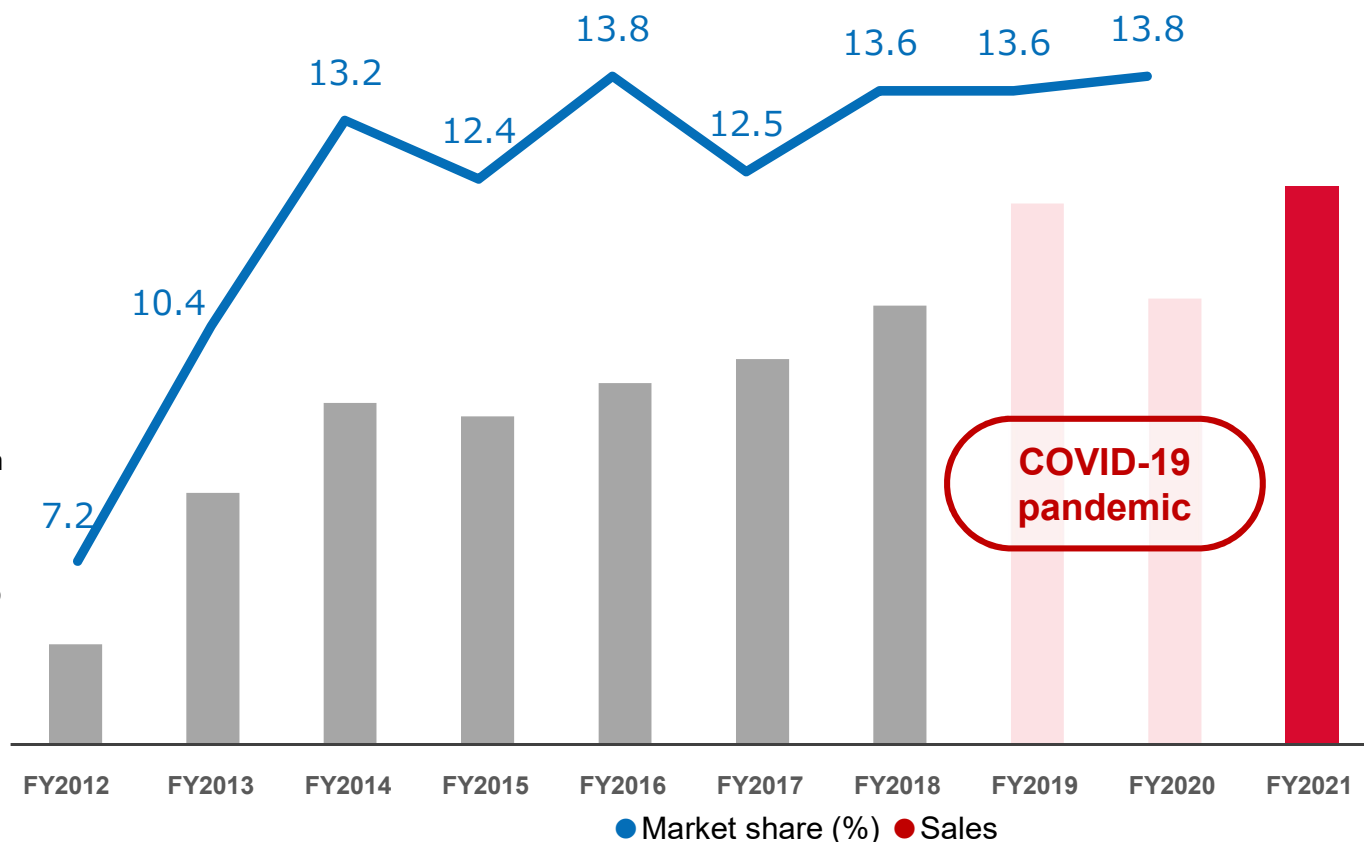
(+1.64 ppt vs. FY2021)

# Growth in the Tokyo Metropolitan Area

- Although originally based in the Kansai region, the Company made a full-scale entry into the Tokyo metropolitan area in the late 2000s.
- Sales have increased 4.6% per year (2010–2021) and market share has doubled (2008–2020) during this time.

Net sales and market share in the Tokyo metropolitan area

- (1) 2008 New Tokyo head quarters opened
- (2) 2011 Received first large project order in Ginza, establishing a solid track record in Ginza
- (3) 2013 Companywide efforts to strengthen the Tokyo metropolitan area
- (4) 2013 Opened two sales offices in Tokyo
- (5) 2014 Received first project order in Tokyo metropolitan area with sales exceeding ¥1.5 billion
- (6) 2015 Received Companywide President’s Award for “expansion of market share in the Tokyo metropolitan area”
- (7) 2017 Received orders for projects worth over ¥2.0 billion for the first time in Japan
- (8) 2017 Wing Square completed
- (9) 2019 Tokyo FIT opened as a new training base in Tokyo
- (10) 2021 **COVID-19 pandemic but achieved record-high sales**



Source: Based on Company data

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# “Wing Square” Leads to Orders in the Tokyo Metropolitan Area



## WING SQUARE



### Facility for creating new value

The Wing Square facility is a place for demonstration of new technologies, where innovative products and services are not only launched, but also served as an opportunity to demonstrate our technological capabilities to important customers and to conduct business negotiations that led to the winning of large orders in the Tokyo metropolitan area.



### I Robot linkage



### EZ-SHUTTLE (Destination floor registration system)



### I Design simulator



### I System integrating facial recognition



**AirTap**  
(Touchless elevator button)



**FlowCare**  
(Escalator hold-up detection device)



**AirClaire**  
(Integrated name for elevator air conditioning system)



**EverFresh**  
(Escalator handrail sterilization device)

## South Asia Region

- In the fast-growing South Asia region, we have been operating our business for 50 years. Going forward, we will continue to drive our business by understanding market characteristics in both new installations and the aftermarket.

### Fujitec Singapore Celebrates its 50th Anniversary

- Last year, the company celebrated its 50th anniversary and held a commemorative ceremony.
- The company has delivered a total of around 20,000 units to the Housing & Development Board and supplied high-speed elevators to One Raffles Place (completed in 1986) in Singapore, thereby contributing to the nation's modernization and establishing a business foundation as a core base for South Asia.



↑ The ceremony was attended by 750 guests, including Singaporean government ministers

One Raffles Place →



### Completion of Fujitec India Plant Expansion and New Elevator Research Tower

- Plant expansion and elevator research tower were completed at the Chennai Plant.
- This marks the completion of production bases for India, where demand is expanding, and for the South Asia region.



### Acquisition of Express Lifts (India)

- We acquired all outstanding shares of Express Lifts Limited in August last year.
- The company has a factory in the state of Gujarat in western India and boasts the largest market share in the state. We aim to strengthen our business base through increased production capacity and expanded sales channels.



# Customer-focused and Proactive Agile Development

- We have been quick to commercialize world and industry-first technologies, such as AI-based elevator operation systems, double-deck elevators, and touchless buttons, based on customer feedback.

## Transition of touchless button “AirTap” lineup expansion

Apr. 2020	Sales begin as an option for the standard elevator “XIOR.”
Aug. 2020	Sales begin for existing facilities.
Sep. 2020	First delivery to existing facilities. New push button integrated model is developed.
Dec. 2020	Application as standard equipment for “XIOR” begins.
Jul. 2021	Received the Jury’s Special Award in the Machinery Industrial Design Awards IDEA.
Oct. 2021	Received the Good Design Award 2021.
Feb. 2022	Commenced sales of “AirTap” for wheelchairs.
Apr., Jul. 2022	Design-oriented buttons are newly added.



Double-deck elevator



Touchless button “AirTap”



Dome clear button (integrated model)



Square clear button (hybrid model)



For users in wheelchairs

# DX Initiatives

- We are promoting digital transformation (DX) with the purpose of contributing to “safety and security.”

## Development of All on Maps (a mapping system)



We have built a mapping system that makes it possible to view work site information in real time on smartphones and other devices, anytime, anywhere.

In 2020, we became the first in the elevator and escalator industry to receive an Information Technology Award, which is given to companies and organizations that have made remarkable efforts to “innovate business by making advanced use of IT” and achieved results.



## Introduction of smart glasses for maintenance and training

Engineers at work site wear smart glasses, and skilled engineers provide real-time guidance from the office via video calls.



## “elemori” web service for building managers

Makes it possible to view various information such as the operating status of elevators and escalators, and set various operations remotely

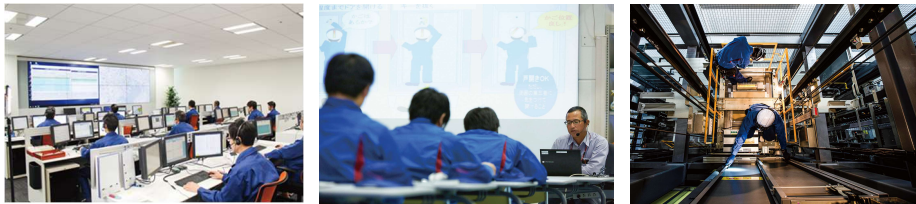


# Development of New Business “Field-i”

- As a wholly owned affiliate company of Fujitec Co., Ltd., FIELD i Co., Ltd. is engaged mainly in maintenance, inspection, and repairs for multi-manufacturers.
- We propose new renewal and maintenance solutions for elevators and escalators. In collaboration with our alliance partners, we contribute to expansion of aftermarket business with “safety and security” at the core of our business.



**We will form alliances  
based on mutual trust with partners  
to establish a firm position  
as a new option in the market**



## Mission



# Approach to ESG Management

- In December 2020, we formulated our Sustainability Policy and set forth six materialities to promote ESG management.

## Sustainability Policy

We believe that by following our Management Philosophy we can achieve harmonious coexistence with society and nature and contribute to the creation of sustainable societies. We partner with stakeholders in a variety of business activities that encompass the pursuit of safety and security, human resources development, technology transfer, social contribution activities, and environmental activities.

Materialities	SDG goals	Major Topics
Pursuing safety and reliability		Safety and security for users
		Safety and security of products and services
		Safety and security of employees
Encourage diverse human resources		Respect basic human rights
		Foster a corporate culture that recognizes diverse values
		Nurture open-minded and energetic human resources
Improve technology and product capabilities		Offer beautiful urban functions
		Technological innovation for a new era
		Provide a robust social infrastructure
Efforts to reduce environmental impact		Contribute to a low-carbon society in response to climate change
		Strengthen our ability to conserve energy
		Implement product life cycle management
Coexist with society and local communities		Work in harmony with society
		Seek co-prosperity with local communities
Build a management infrastructure to support corporate value		Strengthen corporate governance
		Effective stakeholder communications
		Conduct risk management to preserve corporate value
		Rigorously enforce compliance

## United Nations Global Compact



In April 2021, we signed the UN Global Compact proposed by the United Nations and joined the Global Compact Network Japan.

## TCFD (Task Force on Climate-related Financial Disclosures)



In June 2022, we disclosed climate change-related information based on the framework of the TCFD. In November of the same year, we expressed our support for the TCFD recommendations.



# Activities to Reduce Environmental Impact

- We are continuing our activities to contribute to the realization of a sustainable society.

## Introduction of double-trailer trucks for transporting elevators and escalators to reduce CO<sub>2</sub> emissions (Japan) —



- In collaboration with a major logistics company, we introduced a “double-trailer truck” that can transport the equivalent of two trucks with a single driver. Began operations to transport elevators and escalators between Tokyo and Osaka.
- Simultaneous efforts to increase loading rates
- This has led to a 30% reduction in CO<sub>2</sub> emissions compared with before the introduction of the double-trailer trucks, and has been effective in reducing manpower for long-distance transportation and in promoting decarbonization.
- Fujitec won the “FY2022 Excellent Logistics Partnership Commendation Program, Logistics Structural Reform Award” from the Ministry of Land, Infrastructure, Transport and Tourism.

## Initiatives at Fujitec Taiwan Plant



↑ Fujitec Taiwan Hsinchu Plant

- In support of Taiwan’s green energy policy, we are leasing the plant roof to a solar power generation company. The plant generates 170,000 kWh of electricity per year.
- The installation of power generation panels lowered the temperature inside the plant, contributing to an improved working environment.

## Overseas mainstay products registered under Environmental Product Declaration



- We registered ZEXIA, REXIA and ELSIA, our main global business products, under Environmental Product Declaration (EDP).

# Orders Received/Deliveries Made (New Installations)

Please see the Fujitec website for information on our project achievements.  
(<https://www.fujitec.com/project>)



Wangjing SOHO (Beijing, China)  
110 elevators; 32 escalators



SMART WORLD ORCHARD  
(Gurugram, India)  
110 elevators; 32 escalators



Shibuya Scramble Square  
(Tokyo, Japan)  
13 elevators



250 South Street  
(New York, USA)  
12 elevators

# Orders Received/Deliveries Made (Modernization)

Please see the Fujitec website for information on our project achievements.  
(<https://www.fujitec.com/project>)



# Our Human Capital Management

- In December 2020, to strengthen human capital management, we formulated a Human Resources Development Policy based on our Philosophy of Human Resource Management to promote human resource development throughout the Group.

## Philosophy of Human Resource Management

At Fujitec, we gather people who are committed to personal improvement as members of society, enhancing their professional skills, deepening their knowledge as global citizens and are dynamic and open to new ideas. They are people that are committed to achieving personal goals as well as continuing to Fujitec's continued growth and success.

## Human Resources Development Policy

We cultivate human resources that can provide a platform for the next stage in our development, encouraging each individual employee to upskill and adopt a proactive and open-minded mindset.

We are accelerating efforts to foster a sense of values and create an environment that recognizes diversity.

Develop human resources through responsible work experience and training programs.

- **Develop management personnel capable of working in global environments**
- **Cultivate engineers with high levels of expertise**

Create an environment in which diverse human resources and work styles are the norm. Improve our organizational strengths through active communications.

- **Conduct global human resource exchanges**
- **Hire and promote diverse human resources**
- **Offer flexible work styles not limited to time or place**

# Looking Ahead (Long-Term Perspective)

In February 2023, the Company will celebrate its **75th** anniversary.  
We will strive to realize our Management Philosophy,  
which is our purpose, for sustainable growth.

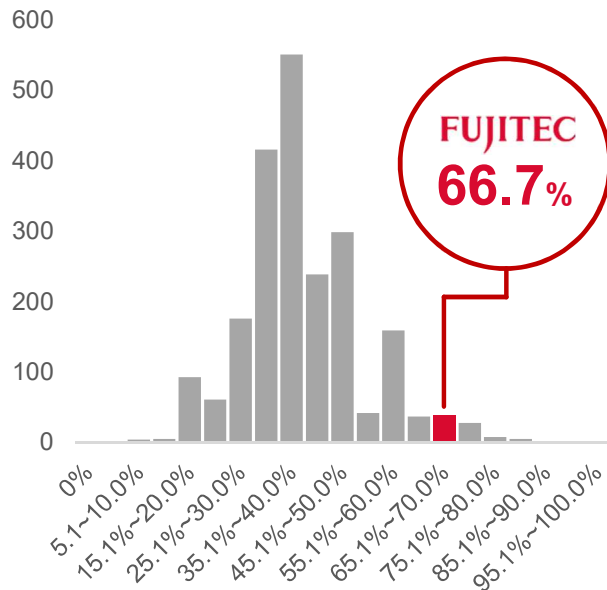


## **2. Fujitec's Governance System**

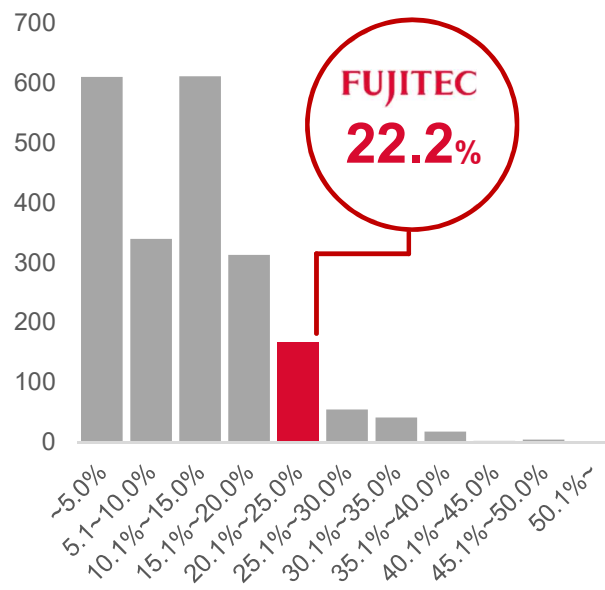
# Our Leading Governance System

- We have an advance governance system in terms of the composition of the Board of Directors (ratio of outside directors and ratio of female directors) and the Audit & Supervisory Board (ratio of outside Audit & Supervisory Board members) of Japanese companies.
- We will propose two new outside directors at this extraordinary meeting of shareholders to further strengthen governance.

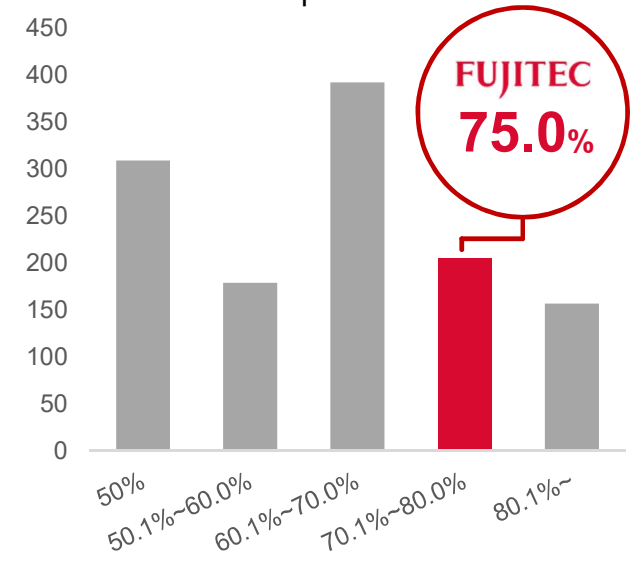
**Ratio of outside directors**  
on Boards of Directors of TOPIX index companies



**Ratio of female directors**  
on Boards of Directors of TOPIX index companies



**Ratio of outside Audit & Supervisory Board members**  
on Audit & Supervisory Boards of TOPIX index companies\*



Source: Published materials

\*Aggregated only for companies with audit & supervisory board members

All bar charts;

X axis = composition of board (%)

Y axis = number of companies

# Appropriateness of our Current Outside Directors

- A comparison of our current outside directors to Oasis’ proposed outside directors, based on objective facts, shows that Oasis’ proposed candidates overwhelmingly lack the experiences and track record in governance that are required of directors in publicly listed companies in Japan

## Comparison of experience and track record of our current outside directors\* and Oasis’ proposed candidates

	<b>FUJITEC</b>	O A S I S
Outside director experience at a domestic publicly listed company	✔ 100% (8 out of 8)	✘ 0% (0 out of 6)
Internal officer experience at a domestic publicly listed company	✔ 38% (3 out of 8)	✘ 16% (1** out of 6)
Work experience at a domestic publicly listed company	✔ 100% (8 out of 8)	✘ 16% (1** out of 6)
Government agency/academia experience	✔ 50% (4 out of 8)	✘ 0% (0 out of 6)

\* This also includes Mr. Iwasaki and Ms. Kaifu, who are candidates at this extraordinary meeting of shareholders.

\*\* Mr. Graninger has experience as an officer and has served as Executive Vice President of the Shinsei Bank when Shinsei Trust and Banking was subject to an administrative sanction by the Financial Services Agency. He was subject to an internal disposition to cut his compensation at Shinsei Bank. Therefore, although he has experience as an officer at a publicly listed company, it is questionable whether he is capable of contributing to improving governance, which is the reason for the proposal.



**Our current outside directors have the highest level of professionalism in Japan and contribute significantly to enhancing our corporate value. Their specific skills and experience demonstrated at the current Board of Directors are shown on the next pages.**



# Appropriateness of Current Outside Directors (1/3)

## Nobuki Sugita



### Career summary

- Mar. 1977 Graduated from The University of Tokyo Faculty of Science
- Apr. 1977 Entered the Economic Planning Agency (Planning Division, National and Regional Planning Bureau)
- May 1982 Graduated from School of Economics, Brown University
- Jun. 1995 Chief, Office of Public Affairs, Planning Division Director General's Secretariat at the Economic Planning Agency
- Jul. 2001 Director of Gifu Prefecture (President of the Gifu Economic and Industrial Promotion Center)
- Aug. 2005 Assistant Vice Minister, Minister's Secretariat, Ministry of Foreign Affairs (responsible for Economic Cooperation Bureau and International Cooperation Bureau)
- Aug. 2009 Professor at the Faculty of School of Economics, Nagoya University
- Sep. 2012 Director-General for Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism (responsible for policy evaluation and logistics policy)
- Jun. 2013 President of Economic and Social Research Institute, Cabinet Office, Government of Japan
- Apr. 2014 Professor at the Hosei Graduate School of Regional Policy Design
- Apr. 2015 Professor at the College of Economics, Ritsumeikan University
- Jun. 2017 Director of the Company (to the present)
- Apr. 2020 Specially Appointed Professor at the College of Economics, Ritsumeikan University (to the present)

Independence

Nomination and Compensation Advisory Committee

### Role as an outside director

Mr. Sugita has long served as a professor of economics and other fields at universities and in key positions at economics-related ministries and agencies, and has extensive global experience in the field of international cooperation at the Ministry of Foreign Affairs. He has provided useful suggestions and advice to the Company's management based on the wealth of knowledge he has cultivated through this experience. Particularly, he provides advice on the latest information on risk management, corporate strategy, and corporate governance.

### Skills

Experience as an officer of a publicly listed company, corporate strategy, corporate governance, risk management

## Shigeru Yamazoe



### Career summary

- Mar. 1978 Graduated from the Hitotsubashi University Faculty of Economics
- Apr. 1978 Joined Marubeni Corporation
- Apr. 2006 Executive Officer of Marubeni Corporation
- Apr. 2009 Managing Executive Officer of Marubeni Corporation
- Jun. 2010 Managing Executive Officer, Member of the Board of Marubeni Corporation
- Apr. 2012 Senior Managing Executive Officer, Member of the Board of Marubeni Corporation
- Apr. 2015 Senior Executive Vice President, Member of the Board of Marubeni Corporation
- Apr. 2018 Vice Chairman of the Board of Marubeni Corporation
- Jun. 2018 Vice Chairman of Marubeni Corporation
- Jun. 2018 Director of the Company (to the present)
- Apr. 2019 Outside Audit & Supervisory Board Member of Mizuho Capital Partners Co., Ltd. (currently MCP Partners Co., Ltd.) (to the present)
- Apr. 2020 Chairman of Marubeni Power & Infrastructure Systems Corporation
- Aug. 2020 Member of Outside Director Audit & Supervisory Committee, Bewith, Inc. (to the present)
- Apr. 2022 Part-Time Advisor of Marubeni Power & Infrastructure Systems Corporation (to the present)

Independence

Nomination and Compensation Advisory Committee

### Role as an outside director

Mr. Yamazoe has many years of experience in overall management and global business management at Marubeni Corporation. He has extensive international experience and knowledge, particularly in Asia, having been stationed in the Philippines during his tenure at Marubeni Corporation. He has experience in M&A, having been involved in the acquisition of Jamaica Public Service Company in 2006, and has also abundant experience in management, having served as vice president and vice chairman of the board. Additionally, he has served as Chairman of the Japan-Kazakhstan Economic Committee, Vice Chairman of the Japan-Azerbaijan Economic Committee, Vice Chairman of the Japan-Turkmenistan Economic Committee, and also has financial experience as he currently serves as an Audit & Supervisory Board Member of Mizuho Capital Partners (currently MCP Partners Co., Ltd.). He has provided useful suggestions and advice to the Company's management based on the wealth of knowledge he has cultivated through his experience in corporate management and as an officer of a publicly listed company.

### Skills

Experience as an officer of a publicly listed company, corporate strategy, corporate finance and M&A, global, corporate governance

# Appropriateness of Current Outside Directors (2/3)

## Kunio Endo



### Career summary

- Mar. 1981 Graduated from the University of Tsukuba Third Cluster of Colleges College of Policy and Planning Sciences Management Science and Engineering
- Apr. 1981 Joined Honda Motor Co., Ltd.
- Apr. 2006 General Manager of Finance Division for Business Management Operations of Honda Motor Co., Ltd.
- Apr. 2007 General Manager of Accounting Division for Business Management Operations of Honda Motor Co., Ltd.
- Nov. 2010 President and Director of American Honda Finance Corporation  
President and Director of Honda Canada Finance Inc.
- Jun. 2013 Corporate Auditor (Full-time) of Honda Motor Co., Ltd.
- Jun. 2017 Retired as Corporate Auditor of Honda Motor Co., Ltd.
- Jun. 2019 Director of the Company (to the present)
- Feb. 2021 U.S. CPA (Washington State)

Independence

### Role as an outside director

Mr. Endo has experience in business operations in the U.S., and many years of experience of important positions in finance and accounting at Honda Motor, a global company, where he has served as a director and corporate auditor. He has provided useful suggestions and advice to the Company's management based on the abundant knowledge he has cultivated as a director and corporate auditor of a global company.

### Skills

Experience as an officer of a publicly listed company, accounting, corporate finance, global

## Mami Indo



### Career summary

- Mar. 1985 Graduated from the Hitotsubashi University Faculty of Law
- Apr. 1985 Joined Daiwa Securities Co. Ltd.
- Apr. 2009 Senior Managing Director and Executive Officer of Consulting Division, Daiwa Institute of Research Ltd.
- Aug. 2010 Senior Managing Director and Executive Officer of First Consulting Division, Daiwa Institute of Research Ltd.
- Apr. 2013 Executive Managing Director, Deputy Executive Officer of Research Division, Daiwa Institute of Research Ltd.
- Apr. 2016 Senior Executive Director, Daiwa Institute of Research Ltd.
- Dec. 2016 Commissioner, Securities and Exchange Surveillance Commission, JAPAN
- Jun. 2020 Outside Director, Tokyo Gas Co., Ltd. (to the present)  
Outside Audit & Supervisory Board Member, Ajinomoto Co., Inc.  
Outside Audit & Supervisory Board Member, AIG Japan Holdings KK
- Jun. 2021 Director of the Company (to the present)  
Outside Director, Ajinomoto Co., Inc. (to the present)  
Outside Director, AIG Japan Holdings KK (to the present)

Independence

Female

### Role as an outside director

Ms. Indo has long held important positions in the financial field, including as an analyst and in areas related to corporate management, such as consulting work. In the past, she was the first female director at Daiwa Institute of Research, and currently serves as an outside director of Tokyo Gas and Ajinomoto, and has a wealth of knowledge on corporate governance. She has provided useful suggestions and advice to the Company's management based on the extensive knowledge she has cultivated as an analyst and an outside director of publicly listed companies.

### Skills

Experience as an officer of publicly listed companies, corporate finance, corporate governance

# Appropriateness of Current Outside Directors (3/3)

## Kazuhiro Mishina



### Career summary

- Mar. 1982 Graduated from the Hitotsubashi University Faculty of Commerce and Management
- Mar. 1984 Completed masters course at the Hitotsubashi University Graduate School Faculty of Commerce and Management
- Sep. 1989 Completed Ph.D. course at Harvard University Graduate School of Arts and Sciences Assistant Professor, Harvard University Business School
- Oct. 1995 Assistant Professor, Japan Advanced Institute of Science and Technology, Research Center for Advanced Science and Technology
- Apr. 1997 Assistant Professor, Japan Advanced Institute of Science and Technology, School of Knowledge Science
- Oct. 2002 Assistant Professor, Kobe University, Graduate School of Business Administration
- Oct. 2004 Professor, Kobe University, Graduate School of Business Administration (to the present)
- Jun. 2012 Outside Director, Nichirei Corporation
- Jun. 2013 Outside Director, Fuji Oil Co., Ltd. (currently FUJI OIL HOLDINGS INC.)
- Jun. 2015 Chairman of Nomination & Compensation Advisory Committee, Fuji Oil Co., Ltd.  
Substitute Audit & Supervisory Board Member, Sumitomo Metal Mining Co., Ltd. (to the present)
- Jun. 2016 Outside Director, Nippon Paint Holdings Co., Ltd.
- Apr. 2019 Advisory Board Member, NTT Data Corporation
- Jun. 2022 Director of the Company (to the present)

Independence

### Role as an outside director

Mr. Mishina has long been engaged in research activities in corporate economics, including management strategy and managerial theory. He has provided useful suggestions and advice to the Company's management based on the wealth of knowledge he has cultivated as an educator and outside director of publicly listed companies. He has received numerous awards, including the Harvard Business School Award in 1988, and in 2005 for his book Senryaku fuzen no ronri (The Logic of Strategy Failure), the Economist Award, Academic Association for Organizational Science Takamiya Prize, the Nikkei Business Publications BizTech Book Award.

### Skills

Experience as an officer of publicly listed companies, corporate strategy, corporate governance, global

## Kaori Oishi



### Career summary

- Oct. 1999 Passed the bar examination
- Mar. 2000 Graduated from the Osaka University School of Law
- Apr. 2000 Joined the Legal Training and Research Institute of the Supreme Court of Japan (54th Term Judicial Apprentice)
- Oct. 2001 Registered as an attorney with the Osaka Bar Association  
Joined Kitahama Law Office (currently, Kitahama Partners)
- Jan. 2009 Of Counsel, Kitahama Partners
- Jan. 2013 Partner, Kitahama Partners (to the present)
- Jun. 2017 Outside Director, Paltac Corporation (to the present)
- Jun. 2020 Outside Director, Audit and Supervisory Committee Member, Towa Pharmaceutical Co., Ltd. (to the present)
- Sep. 2021 Adjunct Lecturer, Osaka University Law School (to the present)
- Jun. 2022 Director, the Company (to the present)

Independence

Female

### Role as an outside director

Ms. Oishi has many years of experience in corporate legal affairs as an attorney, focusing on litigation relating to business transactions and disputes related to construction and real estate. She has handled various litigation cases, including disputes related to real estate development and transactions and disputes over joint research and system development, product liability, and employee misconduct. She has provided useful suggestions and advice to the Company's management based on the extensive knowledge she has cultivated as an attorney and an outside director of publicly listed companies.

### Skills

Experience as an officer of a publicly listed company, attorney, corporate legal affairs, corporate governance

# Third-Party Committee Established through an Appropriate Process **FUJITEC**

- Regarding related-party transactions, on May 30, 2022, Fujitec's Board of Directors concluded that there were no legal or corporate governance issues. Subsequently, based on the opinions of our stakeholders, the Board of Directors of Fujitec decided to conduct an additional third-party committee to dispel all doubts regarding related-party transactions and further reassure our stakeholders.
- The members of the third-party committee established in August 2022 were selected through an appropriate process, and there are no deficiencies in the establishment of the committee that Oasis has suggested.

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

**\*The investigation by the third-party committee is ongoing at the time of publication of this document, and we are fully cooperating with the investigation.**

**\*We will respond to any instruction from the third-party committee in a sincere and genuine manner.**

### **3. Fujitec's Supplemental Opinion on Shareholder Proposals**

## Concerns with Oasis (Inconsistent Claims)

- Oasis has strongly criticized the lack of diversity and independence in the composition of our Board of Directors. Yet, SUNCORPORATION, where Oasis dispatched directors, and Raysum Co., Ltd., where Oasis has acquired a majority of the shares, have no female directors on the Board of Directors and there are questions on their independence.
- Oasis has repeatedly criticized our Board of lack of governance and diversity – however this is inconsistent with their actions at other companies - therefore we question the consistency of Oasis’ claims and their true motives.
- Similarly to their current proposed candidates, Oasis’ past candidates also have overlapping skills and experience.

### Diversity on the Board of Directors of companies where Oasis has been successful in sending directors

	Board member	Gender	Position/Career	
SUNCORPORATION	Ryusuke Utsumi	Male	CEO	
	Yoshimi Kimura	Male	Senior MD	
	Yonatan Domnitz	Male	Director	Proposed by Oasis
	Yakov Zlich	Male	Director	Proposed by Oasis
	Akira Iwata	Male	Outside Director; Professor, Nagoya Institute of Technology	
	Yaniv Vardi	Male	Outside Director; Centrica Business Solutions (energy business)	Proposed by Oasis
	Seiji Muto	Male	Director (Audit & Supervisory Committee Member)	
	Tomoyuki Shinkai	Male	Outside Director (Audit & Supervisory Committee Member); CPA (Cosmos & Co.)	
	Takashi Matsui	Male	Outside Director (Audit & Supervisory Committee Member); Attorney (Olympia Law Office)	
	Raysum	Tsuyoshi Komachi	Male	President (Representative Director)
Tatsuya Iizuka		Male	Executive Vice President (Representative Director)	
Kiyoshi Isogai		Male	Senior Managing Director, General Manager of Sales Division 2	
Taro Someya		Male	Managing Director, General Manager of Real Estate Division	
Kentaro Kanai		Male	Director; Representative in Japan of Oasis Management (Japan) Ltd.	Proposed by Oasis
Yuji Shinohara		Male	Director; Senior Analyst of Oasis Management (Japan) Ltd.	Proposed by Oasis
Hideaki Okada		Male	Director (Standing Audit & Supervisory Committee Member)	
Takashi Fukai		Male	Outside Director (Audit & Supervisory Committee Member); Former Deputy President, Daiwa Securities Co. Ltd.	
Shinichi Nakase		Male	Outside Director (Audit & Supervisory Committee Member); Certified tax accountant (Nakase Tax Office)	
Masaki Miki		Male	Outside Director (Audit & Supervisory Committee Member); Attorney (Hikari Sogoh Law Offices)	

All men

#### SUNCORPORATION

- All are men (no women present)

#### Raysum

- All are men (no women present)
- Both persons proposed by Oasis are Oasis employees from Goldman Sachs (no experience or skills in business/real estate)

- Insufficient diversity
- Duplication of skills and experience of candidates

# Concerns with Oasis (Regarding Suspected Market Manipulation)

- Oasis subscribed to a public offering of new shares after the announcement of a public offering of new shares by Japan Airlines Co., Ltd. in 2006.
- On July 19, 2006, which is the issue price determination date, Oasis placed a large number of the stock purchase order for the closing trade in 15 minutes before the close of trading, and subsequently cancelled it.
- Five minutes before the close of trading, Oasis conducted a large-scale short sale of Japan Airlines stock. This included a violation of Japan's Securities and Exchange Act at the time, which prohibits short selling at prices below the most recently announced price.
- The Securities and Futures Commission (SFC) of Hong Kong found that the above series of actions by Oasis, executed by Seth Fischer, had the appearance of an intent to reduce the closing price of Japan Airlines shares on that date and that the fund was in a position to enable profit making by acquiring publicly offered Japan Airlines shares at an issue price calculated based on its own reduced closing price. Consequently, Oasis and Mr. Fischer were found to be potentially disqualified under Hong Kong law.
- Assuming the HKD/JPY exchange rate as of January 11, 2023, this was a fine of approximately ¥130,000,000 (the highest level for individuals).

September 15, 2011  
Securities and Exchange Surveillance Commission

Regarding the disciplinary action taken by the Securities and Futures Commission of Hong Kong against an investment management company based in Hong Kong and its Chief Investment Officer for committing an inappropriate trading concerning the shares of Japan Airlines Corporation publicly traded in the Japanese stock market

1. The Securities and Futures Commission of Hong Kong (hereafter referred to as "SFC") announced today that it has reprimanded Oasis Management (Hong Kong) LLC (hereafter referred to as "Oasis") and its Chief Investment Officer, Mr. A, and fined each of them HKD 7.5 million pursuant to the applicable law of Hong Kong. Oasis and Mr. A are both licensed by the SFC. The disciplinary action taken by SFC is based on concerns SFC held as to the fitness and appropriateness of Oasis and Mr. A regarding a series of transactions performed by them on behalf of two funds (the "Funds") in the Japanese stock market in 2006.

The series of transactions in question were detected by the market surveillance of the Securities and Exchange Surveillance Commission (hereafter referred to as "SESC"). SESC has continuously provided information relating to the relevant transactions and information relating to the relevant laws and regulations of Japan and market practice in Japanese market, etc. to the SFC. The disciplinary action by SFC has been generated by such close cooperation between SESC and SFC.

2. The outline of the case disciplined by SFC is as follows.

After Japan Airlines Co., Ltd. announced a public offering in 2006, Oasis applied for subscription of new shares on behalf of the Funds. On July 19, 2006, the issue price determination date, Oasis took the following action:

(1) Placement of a large-scale purchase order on the close of trade in the last 15 minutes prior to the market close and cancelled them subsequently; and

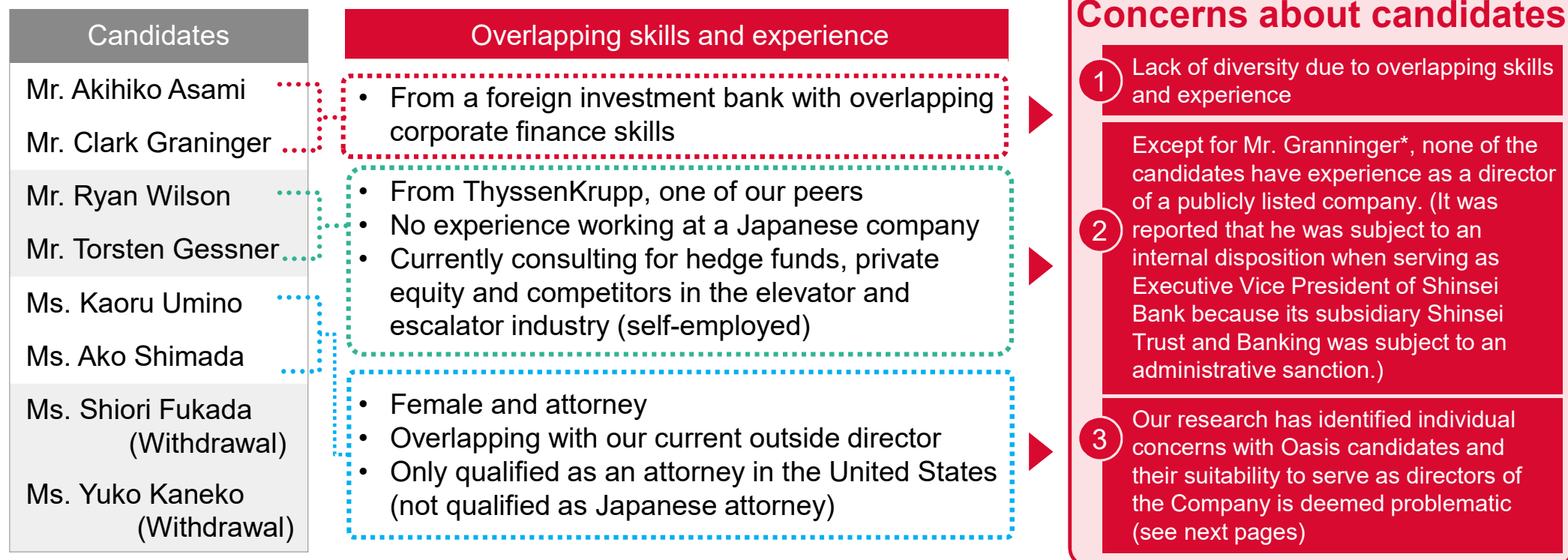
(2) Placement of a large-scale short-selling orders at prices lower than the latest announced prices in the last five minutes prior to the market close. Some of such short-selling orders violated the short-selling regulation under the Securities and Exchange Law of Japan at that time.

Source: Securities and Exchange Surveillance Commission of Japan website

# Fujitec's Opinion on Oasis' Outside Director Candidates

- The Oasis candidates do not have experience as directors or managers of publicly listed companies, and it is doubtful that they can fulfill the responsibilities required of outside directors if they become directors of a Japanese company.
- The purpose and reasoning of the proposal is concerning because there is an overlap among candidates in terms of attributes, skills, experience, etc., and it is unclear whether the diversity or independence that Oasis has indicated can be ensured.

## Concerns about lack of diversity due to overlap in skills and experience of candidates proposed by Oasis





# Fujitec's Opinion on Oasis' Outside Director Candidates (Mr. Asami, Mr. Gessner)

## (1) Mr. Akihiko Asami

### Facts ascertained from public information and interview

- Experience working at a publicly listed company (Japanese or foreign): Yes
- Experience as an officer or director of a publicly listed company: **No experience**
- According to court records, Mr. Asami had filed a lawsuit against his former employer, Barclays Securities Japan, demanding invalidation of his dismissal and payment of unpaid wages and premium severance pay. According to the record of the lawsuit, Barclays argued that Mr. Asami's dismissal was valid because, despite his high compensation (more than ¥200 million including bonus in 2011), he had not delivered results as expected and his work ethic and sales activities were poor. (The case was concluded by settlement, suggesting that his evaluation by the employer was extremely poor.)
- According to court records, he is suing for damages against a venture capital startup in which he invested, claiming that the startup's fundraising associated with the investment constituted fraud. (Despite being a self-proclaimed "professional investor," an advisor of Financial Department of The University of Tokyo National University Corporation and a partner in a public-private sector fund with investments including UTokyo Innovation Platform Co., Ltd. ("UTokyo IPC"), the fact that he is suing for fraud, a company in which he himself invested, raises doubts regarding his investment skills and investment decision-making ability.)
- It has been confirmed that multiple lawsuits have been filed involving Dr. Eri Medical Cosmetics Co., Ltd., of which he is a representative director.
- Prior to the public release of this opinion of the Board of Directors, in an interview with the Company's Directors, he stated that he "resigned from Barclays amicably" and that he "personally has never been involved in any lawsuits or disputes. (Based on the court records, etc., as confirmed by the Company, he cannot be said to have resigned from Barclays amicably and it must be said that he is involved in lawsuits and disputes.)"

### Our opinion on Mr. Asami's appointment as an outside director

Based on his background (no experience as an officer or director) and the misleading answers given at the time of the interview, we do not believe that he is capable of contributing to the corporate governance of the Company, and we oppose his appointment as an outside director.

## (2) Mr. Torsten Gessner

### Facts ascertained from public information and interview

- Experience working at a publicly listed company (Japanese): **No experience**
- Experience as an officer or director of a publicly listed company (Japanese): **No experience**
- Performance information at ThyssenKrupp and other companies is very limited as he has not been affiliated with any company for the last 8 years. (It is not certain if he can advise on the governance of a current publicly listed company.)
- Although Mr. Gessner resigned as CEO of ThyssenKrupp North America, Inc. in October 2014, there was a report\* in the media at the time that the reason for the change in management was not made clear. (This suggests the possibility that his resignation was different in nature from a normal resignation upon the conclusion of a term of office, etc.)
- He worked for the ThyssenKrupp group at the same time as the subsequently mentioned Ryan Wilson, and given that they were managers at the same time in the same geographic region, the two candidates' skill sets overlap significantly – independence is also questionable due to this fact
- He is currently engaged in consultancy for clients including hedge funds, private equity and other competitors in the elevator and escalator industry - and there are concerns that if he were to take office as an outside director of the Company and provide consultancy services to a particular shareholder of the Company, he may make decisions that favor that particular shareholder, raising problems from the standpoint of neutrality and if he will work in the best interest of Fujitec.

\*As reported by Reuters on October 10, 2014  
<https://www.reuters.com/article/thyssenkrupp-usa-ceo-idUSL6N0S51W020141010>

### Our opinion on Mr. Gessner's appointment as an outside director

As noted above, we cannot clearly confirm the reason for his mid-term resignation from ThyssenKrupp, and it is unclear whether he has concluded consultancy contracts with Oasis (or other shareholders) in the past; therefore we must consider that he is not in a neutral independent position and oppose his election as an outside director.

# Fujitec's Opinion on Oasis' Outside Director Candidates (Mr. Graninger, Ms. Umino)

## (3) Mr. Clark Graninger

### Facts ascertained from public information and interview

- Experience working at a publicly listed company (Japanese or foreign): Yes
- Experience as an officer or director of a publicly listed company: Yes
- It has been reported\* that in 2006, the Financial Services Agency (FSA) imposed an administrative sanction on Shinsei Trust and Banking, a subsidiary of Shinsei Bank, where he then served as executive vice president, because of major problems with its compliance and management control system - in response he was internally reprimanded with a 20% reduction in pay for three months.
- Considering the fact that the group company for which Mr. Graninger was executing business has had major problems with legal compliance and management control systems, and that he was held accountable for these problems internally, we do not believe that this will contribute to "improving governance" as stated in the reason for the proposal.

\* As reported by Jiji Press on April 26, 2006

### Our opinion on Mr. Graninger's appointment as an outside director

We oppose his appointment as an outside director because we believe it will be difficult for him to contribute to the Company's corporate governance, given that he has been disciplined in the past for governance issues.

## (4) Ms. Kaoru Umino

### Facts ascertained from public information and interview

- Experience working at a publicly listed company (Japanese or foreign): **No experience**
- Experience as an officer or director of a publicly listed company: **No experience**
- Although Ms. Umino has New York State Bar admission, she has not been admitted to the Japanese bar. (Considering the Company's listing status and the nature of its business, we believe that it is desirable for the candidate to be qualified as an attorney in Japan to provide expert advice on legal and governance matters to the Company, and we see no reason why she should be nominated to replace our current outside director Kaori Oishi.)

### Our opinion on Ms. Umino's appointment as an outside director

We have determined that Ms. Umino cannot make a sufficient contribution to the Company as an outside director, and oppose her election as an outside director.

# Fujitec's Opinion on Oasis' Outside Director Candidates (Mr. Wilson, Ms. Shimada)

## (5) Mr. Ryan Wilson

### Facts ascertained from public information and interview

- Experience working at a publicly listed company (Japanese): **No experience**
- Experience as an officer or director of a publicly listed company (Japanese): **No experience**
- **Mr. Wilson has only worked in Canada and lacks global knowledge.** (As stated in "Vision 24," our new medium-term management plan, we plan to further expand our overseas business with a focus on China, India, and North America. In addition, the Company does not actively develop its business in Canada (the proportion of sales in Canada to total sales is approximately 2%), and does not plan to make Canada a priority region for its overseas business in the future. Accordingly, his insights about Canada are not considered useful in relation to the Company.)
- **Mr. Wilson worked for the ThyssenKrupp group at the same time as the aforementioned Torsten Gessner, and given that they were managers at the same time in the same geographic region, the two candidates' skill sets overlap significantly – as well as questions regarding independence.**
- **He is currently engaged in consultancy for clients including hedge funds, private equity and other competitors in the elevator and escalator industry, and there are concerns that if he were to take office as an outside director of the Company and provide consulting services to a particular shareholder of the Company, he may make decisions that favor that particular shareholder, raising problems from the standpoint of neutrality.**
- **Mr. Wilson also currently serves as the CEO of Jack Cewe Construction Ltd., where his spouse serves as the president. (There are doubts as to whether he is really suited for governance at a public company)**

### Our opinion on Mr. Wilson's appointment as an outside director

Given his personal résumé (no experience working at or as an officer or director of a publicly listed company in Japan) and his answers during the interview, we have determined that Mr. Wilson cannot be seen as being able to contribute to the Company's corporate governance, and oppose his election as an outside director.

## (6) Ms. Ako Shimada

### Facts ascertained from public information and interview

- Experience working at a publicly listed company (Japanese): **No experience**
- Experience as an officer or director of a publicly listed company (Japanese): **No experience**
- Oasis has recommended Ms. Shimada as a candidate for outside director to replace Ms. Fukada. (Ms. Fukada withdrew her candidacy, which made it necessary to urgently select a new candidate, so it seems that Ms. Shimada was selected as a candidate to fit the required number of people as a stopgap measure, and it is doubtful whether she is a truly suitable candidate for improving the governance of Fujitec.)
- **Ms. Shimada has overlapping skills with Ms. Umino, a candidate proposed by Oasis. (It is unclear what role each candidate is expected to play.)**
- She currently serves concurrently as vice president, general counsel, and corporate secretary of Ushio America, Inc., and as general counsel of Ushio Europe. (As the concurrent full-time head of the legal divisions of a U.S. company and an European company, it is unclear whether she will be able to devote sufficient resources to the position of outside director of the Company.)
- **She has been admitted to the bar association of the state of New York; however, she is not licensed to practice law in Japan. (Considering the Company's listing status and business description, it is preferable to have specialist advice regarding legal issues and corporate governance given by a lawyer who is licensed in Japan, and we see no reason for her candidacy as a replacement for the current Outside Director, Kaori Oishi.)**

### Our opinion on Ms. Shimada's appointment as an outside director

Given her personal résumé (no experience working at or as an officer or director of a publicly listed company in Japan) and her answers during the interview, we have determined that Ms. Shimada cannot contribute to the Company's corporate governance, and oppose her election as an outside director.

## Disclaimer

This document is intended to explain to shareholders of Fujitec the opinion of the Board of Directors regarding the shareholder proposals announced January 20, 2023. It is not a solicitation to have Fujitec or a third party exercise voting rights on shareholders' behalf with respect to the proposals to be discussed at the extraordinary meeting of shareholders announced on the same day.

Information other than information from Fujitec described in this document is created based on information available to the public. However, Fujitec does not guarantee the accuracy, validity, or completeness of such information, and does not bear any responsibility for decisions made using said information.

This document also refers to forward-looking prospects based on Fujitec's current plans, estimates, forecasts and predictions regarding our business and industry trends. These forward-looking statements are subject to various risks and uncertainties.

Risks known or unknown, uncertainties and other factors may cause results to differ from those given in our forward-looking statements. Fujitec cannot promise that our forward-looking statements and predictions will be correct, and results may differ substantially from our forward-looking statements.

The forward-looking statements contained in this document are made by Fujitec based on information available as of January 20, 2023. We do not intend to update or amend any of our forward-looking statements to reflect future events or circumstances.

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