

February 16, 2023

To all our shareholders:

Publicly Listed: Fujitec Co. Ltd. (6406)
Representative: President & CEO Mr. Takao Okada

Our Opinion on Glass Lewis' Voting Recommendations on the Agenda Items to be Proposed at the Extraordinary General Meeting of Shareholders

As announced in the "Notice Concerning the Board of Directors' Position on the Agenda Item to be Submitted by the Company and the Agenda Items Proposed by a Shareholder for the Upcoming Extraordinary General Meeting of Shareholders" ("the Press Release") dated January 20, 2023 and in "the Notice of Convocation of the Extraordinary General Meeting of Shareholders" ("the Convocation Notice") dated February 9, 2023, Agenda Item No. 1, which is a management proposal ("the Management Proposal"), and Agenda Items No. 2 through No. 7, which are shareholder proposals ("the Shareholder Proposals"), will be placed on the agenda at our Extraordinary General Meeting of Shareholders to be held on February 24 2023, following the shareholder proposal submitted by Oasis Japan Strategic Fund Ltd. ("the Shareholder Proponent"). With respect to the above Glass Lewis ("GL"), has issued a report ("GL Report") recommending voting "AGAINST" a portion of the Management Proposal and voting "FOR" a portion of the Shareholder Proposal.

Our Board of Directors are in support of the Management Proposal and are opposed to the Shareholder Proposal, and the details of our Board's opinion are set forth in the Press Release, the Convocation Notice, and the January 30, 2023 press release entitled "Statement on Oasis' claims and its request for an Extraordinary Shareholders' Meeting" and the "Supplementary Material Regarding our statement on Oasis' Claim" ("Our Opinion Material").

We held an engagement meeting with GL to accurately convey our opinions and concerns about the Shareholder Proponent and the Shareholder Proponent's Proposal to GL before the GL Report was issued. Although a portion of the contents of the GL Report issued by GL show that they recognized our statement and supported part of our Board of Directors' opinion, we are concerned about the overall content and tone of the GL Report, and therefore express regret toward GL's overall judgement and provide our views on the GL Report as follows.

1. GL Report Voting Recommendations

【Management Proposal】

Agenda Items No.1.1 and 1.2: Election of 2 Outside Directors

- Elect Jiro Iwasaki: Recommends voting **FOR**
- Elect Michi Kaifu: Recommends voting **AGAINST**

【Shareholder Proposals】

Agenda Items No.2 – No.7: Dismissal of 6 Outside Directors

- Dismissal of Nobuaki Sugita: Recommends voting **FOR**
- Dismissal of Shigeru Yamazoe: Recommends voting **FOR**
- Dismissal of Kunio Endo: Recommends voting **AGAINST**

- Dismissal of Mami Indo: Recommends voting **AGAINST**
- Dismissal of Kazuhiro Mishina: Recommends voting **AGAINST**
- Dismissal of Kaori Oishi: Recommends voting FOR

Agenda Item No. 3 Election of 6 Outside Directors

- Election of Akahiko Asami: Recommends voting **AGAINST**
- Election of Torsten Gessner: Recommends voting FOR
- Election of Clark Graninger: Recommends voting **AGAINST**
- Election of Kaoru Umino: Recommends voting FOR
- Election of Ryan Wilson: Recommends voting FOR
- Election of Ako Shimada: Recommends voting FOR

Agenda Item No.4

- Determination of the Amount of Base Compensation for Individual Outside Directors: Recommends voting FOR

Agenda Item No.5.

- Granting of Subsequent-Issuance Type Stock-based Compensation to Outside Directors: Recommends voting FOR

Agenda Item No.6

- Granting of Share Price-linked Subsequent-issuance Type Stock-based Compensation for Outside Directors: Recommends voting **AGAINST**

Agenda Item No.7

- Granting of Share Price-linked Subsequent-issuance Type Stock-based Compensation for Directors Excluding Outside Directors: Recommends voting **AGAINST**

2. Our Opinion on the Voting Recommendations within the GL Report

① Agenda Items regarding the Election & Dismissal of Outside Directors (Agenda 1-3)

In order to preserve the continuity of our Board of Directors and to ensure a good balance in terms of skill sets and independence, the GL Report recommends retaining 3 of the 6 current Outside Directors (recommending voting in favor of 1 candidate included in the Management Proposal and 3 candidates included in the Shareholder Proposal.). However, we believe that GL's perception of the suitability of the Shareholder Proponent proposed candidate's ability to serve as Outside Directors of our Company, including their individual levels of independence and skills, is mis-analyzed. Below we provide our opinion to the GL report recommendations.

[Ms. Michi Kaifu (1 Candidate included in the Management Proposal)]

GL recommends against the appointment of Ms. Kaifu because they believe she is not independent due to her serving as an Outside Director at a company where Ryota Miura of Miura & Partners, who represents our company in legal matters, is also an outside director. **Regarding this, in the first place, the fact that there is currently a contractual relationship between the Company and Miura & Partners has nothing to do with Ms. Kaifu's independence with the Company. As for the relationship between Ms. Kaifu and our Company, Ms. Kaifu has no relationship with Mr. Uchiyama, and there is no business relationship between our Company and Ms. Kaifu (Present or past).** Ms. Kaifu meets the independence criteria set for Independent Outside Directors as stipulated by the Tokyo Stock Exchange, and our Company has

already submitted a notification form for Independent Directors to the Tokyo Stock Exchange on her behalf.

[Mr. Nobuki Sugita (Current Outside Director)]

GL agrees with the independence concerns asserted by the Shareholder Proponent regarding Mr. Sugita due to the fact that several Outside Directors belonging to Ritsumeikan University have held positions at our Company in the past, including former Director Inaba, and thus recommends voting FOR the shareholder proposal to dismiss Mr. Sugita. However, there is no criterion in GL's proxy voting guidelines that states Outside Directors from the same organization cannot be considered as independent. Moreover, in the GL Report, **Mr. Sugita is recognized as "independent" by GL itself.** Therefore, we find their recommendation to vote "FOR" the dismissal of Mr. Sugita to be clearly erroneous. **There is no business relationship between our Company and Ritsumeikan University,** and we have already submitted an Independent Director Notification to the Tokyo Stock Exchange as **we have no concerns about his independence. In addition, there was absolutely no relationship between Mr. Sugita and Mr. Uchiyama prior to Mr. Sugita's appointment as an Outside Director of our Company.**

[Mr. Shigeru Yamazoe (Current Outside Director)]

GL agrees with the independence concerns asserted by the Shareholder Proponent and recommends voting "FOR" the shareholder proposal to dismiss Mr. Yamazoe because he has served as a director of MCP Partners, Inc. in which Mizuho Financial Group, one of our main banks, has a stake, and has also previously worked for Marubeni Corporation, another Mizuho affiliate. However, in the GL Report, **Mr. Yamazoe is recognized as "independent," by GL itself,** and thus we find their recommendation to vote "FOR" his dismissal to be clearly erroneous. Although there is a business relationship between our Company and a subsidiary of Marubeni Corporation, since the amount of transaction is minimal, GL has judged the relationship as independent. Mr. Yamazoe also meets the independence criteria for Independent Outside Directors as stipulated by the Tokyo Stock Exchange, and we have already submitted an Independent Director Notification to the Tokyo Stock Exchange on his behalf. **In addition, there was absolutely no relationship between Mr. Yamazoe and Mr. Uchiyama prior to his appointment as an Outside Director of our Company.**

[Ms. Kaori Oishi (Current Outside Director)]

GL agrees with the independence concerns asserted by the Shareholder Proponent and recommends voting "FOR" the shareholder proposal to dismiss Ms. Oishi because she is a partner of Kitahama Law Office, which was founded by Terumichi Saeki, and because several lawyers from Kitahama Law Office have served as Outside Directors of our Company in the past. However, in the GL Report, **GL itself recognizes Ms. Oishi as "independent,"** and thus we find the recommendation to vote "FOR" her dismissal to be clearly erroneous. Although our Company and Kitahama Law Office have a business relationship in which our Company outsources legal services for individual cases, GL has determined on its own that the relationship is independent because the transaction amount is minimal. Ms. Oishi also meets the independence criteria for Independent Outside Directors as stipulated by the Tokyo Stock Exchange, and thus our Company has already submitted an Independent Director Notification to the Tokyo Stock Exchange on her behalf. **In addition, there was no relationship between Ms. Oishi and Mr. Uchiyama prior to Ms. Oishi's appointment as an outside director of our Company.**

In the GL Report, it is mentioned that the highest percentage of exercised against votes at our Annual Meeting of Shareholders in June 2022 was toward Mr. Sugita, Mr. Yamazoe, and Ms. Oishi. However, GL itself recommended voting "FOR" the election of all 3 candidates in the GL Report at that time.

[Ms. Kaoru Umino and Ms. Ako Shimada (candidates included in the Shareholder Proposal)]

GL recommends voting "FOR" the shareholder proposal for the election of Ms. Umino and Ms. Shimada as they have experience in compliance and in establishing governance systems. **However, Ms. Umino and Ms. Shimada are both admitted to the New York State Bar but are not licensed to practice law in Japan, making their skills duplicative and ill-balanced when considering the entire make-up of the board.** Considering our Company's listing status and the nature of our business, we expect that Ms. Umino and Ms. Shimada be qualified to practice law in Japan, particularly with respect to providing professional advice to our Company on legal matters and governance. We see no apparent reason why these candidates should replace Ms. Oishi, the current Outside Director of the Company, who holds a law license in Japan.

[Mr. Torsten Gessner and Mr. Ryan Wilson (Candidates included in the Shareholder Proposal)]

GL has recommended voting "FOR" the shareholder proposal for the election of Mr. Gessner and Mr. Wilson because of their management experience in the elevator industry. **However, given that Mr. Gessner and Mr. Wilson have overlapping experience working for the ThyssenKrupp Group and were senior executives in the same region at the same time, there is obvious overlap in their experiences and skill set. In addition, neither of them has experience working for, or serving on the board of any listed company, and they are also both currently engaged in consulting work for funds, etc. If they were to provide consulting services to a specific shareholder of our Company after assuming the position of Outside Director of our Company, there is a risk that they would make a decision to favor that specific shareholder, which is considered problematic from the standpoint of neutrality.**

Regarding Mr. Asami and Mr. Graninger, we are in agreement with respect to this recommendation for voting "AGAINST" the shareholder proposal.

② On the Agenda Items regarding Outside Director Compensation (Agenda Items 4 & 5)

The GL Report recommends voting "FOR" Agenda Item No. 4 as a reasonable amount for basic cash-based compensation and Agenda Item No. 5 as a grant of equity compensation that, if properly designed, would help align the interests of Outside Directors with those of shareholders.

Our Board of Directors believes that Agenda Items No. 4 & No. 5 are not appropriate because they are both for the sole benefit of the Shareholder Proponent's candidates.

In other words, it is clear that the compensation under these proposals is proposed for the benefit of the Shareholder Proponent's Outside Director Candidates, since it is conditional upon the election of at least 1 of their candidates. In fact, the original proposal submitted by the Shareholder Proponent was for equity compensation to be granted only to their own Outside Director Candidates, and would not apply to our current Outside Directors. Subsequently, in order to hide the fact that these compensation proposals are intended to benefit the Shareholder Proponent's Outside Director Candidates, the Shareholder Proponent changed its proposal to grant stock-based compensation to the incumbent Outside Directors and Internal Directors. We believe that this creates a contradiction since the Shareholder Proponent is proposing the dismissal of the current Outside Directors and claiming that they are unsuitable as outside directors, while on the other hand, proposing the granting of high stock-based compensation to the incumbent Outside Directors.

3. Our Request for You to Consider When Exercising Your Voting Rights

If, as recommended by GL, a portion of the Shareholder Proponent's proposal is approved, and if the election of the Shareholder Proponent's Outside Directors to our Board of Directors is realized, we are concerned that the management of our Company will become unstable. The construction industry, to which we belong, is characterized by the importance of trust gained from long-term business relationships, etc. If the Shareholder Proponent's, who is an activist fund in Hong Kong, proposal is approved, there will be a serious effect on our Company's future.

To all of our shareholders, we kindly request you to please refer to the Press Release on the GL Report, the Convocation Notice, Our Opinion Materials, and Our Opinion on the GL Report and consider our initiatives to raise our corporate value while exercising your voting rights at the Extraordinary General Meeting of Shareholders.

For the details of our Board's opinion, please refer to our position paper available on our Company's website: <<https://www.fujitec.com/>>