

Open Letter to Fujitec Shareholders

May 29, 2023

Uchiyama International Co., Ltd.

Dear Valued Investor of Fujitec,

Uchiyama International Co., Ltd. (hereinafter referred to as "we") along with our affiliated companies, holds approximately 10% of the voting rights in Fujitec Co., Ltd. (hereinafter referred to as "Fujitec" or the "Company"). At Fujitec's upcoming 76th Annual Meeting of Shareholders to be held on June 21, 2023, we are putting forth a shareholder proposal recommending 8 independent outside director candidates as well as other proposals that benefit all interests of Fujitec's stakeholders. Please view our Proposal and other items via our website, [www.FreeFujitec.com" https://freefujitec.com/en/top/](https://freefujitec.com/en/top/).

As a shareholder of Fujitec like yourself and wishing for only the highest levels in corporate governance and shareholder value, we are writing to you to express our collective concern over what we see as a highly irregular and prejudicial turn of events in public announcements made by the Fujitec Board on May 23, 2023. This letter has been prepared after discussions and delegation with our proposed independent 8 candidates, as they have also voiced similar concerns.

The Company's May 23 public statements contained a number of comments with which we disagree, and underlines our concerns of poor governance oversight from the current board - for example regarding dividend policy and the appropriate mix of governance skills and experience that are needed to ensure long-term commercial success for Fujitec. Such disagreements are of course to be expected in contested voting situations such as this. ***But our particular concern is with some factual misrepresentations and omissions of material information the Company's board made in its public explanation for why it is opposing the election of all 8 independent candidates.***

Briefly, the misrepresentations and omissions to which We would like to draw your attention include:

- The Company's Statement asserts that "Further, the Board of Directors has received a report from the Nomination and Compensation Advisory Committee stating that it is unnecessary to elect the candidates pertaining to the shareholder proposals as directors, based on the result of interviews conducted with the candidates after obtaining help from

outside experts as well as the opinions of such outside experts.” ***This clearly creates the impression that all directorship candidates are interviewed by members of the Nomination and Compensation Advisory Committee.***

- However, we can confirm that **only 4 of our 8 independent candidates were in fact interviewed** by two agents from a recruitment agency prior to the release of the Company’s statements on March 23. This is despite all 8 candidates offering themselves for these interviews and making their time available to do so. **Furthermore, of the 4 interviews, only 2 were attended by members of the Nomination and Compensation Committee** (the other 2 interviews were attended by a director not on the Nomination and Compensation Committee). Furthermore, the 2 board members did not ask any questions. In fact, one of them who happens to be a member of the Nomination and Compensation Advisory Committee stated that the member is sitting only as “an observer”.
- Moreover, there is no mention that the six outside director nominees being proposed by the Company (Proposals 3 and 4) were subject to the same interview process or assessment by the same recruitment agency. **We understand that 2 different external advisors were used to evaluate the Company candidates and the Shareholder proposed candidates, leading to questions and doubts on the Company’s earnestness of giving all proposed candidates a fair, impartial and transparent assessment. Such an assessment, according a letter to our legal advisor from the Company’s legal advisor, was what the Company purported to aspire to achieve.**
- Notwithstanding this (at best) incomplete selection process, the Company elected to publicly announce its opposition to election of all eight independent nominees, citing very spurious rationales such as “none of the candidates are even from the domestic elevator industry”, and lifelong distinguished experience from other industry sectors being “difficult to say that these candidates have the expertise and internationality sufficient to provide managerial advice and supervision in line with the business of the Company, which is a specialized elevator manufacturer approaching its 75th anniversary”.
- To further compound this flawed process, **the Company has asked the remaining four independent candidates to still be interviewed, AFTER the public announcement was already made that the Board was opposing their election.** The Company had carried out interviews with our 4 candidates on May 19 (Friday), and in a matter of a couple of short working days, released their public statement opposing all our candidates on May 23 (Tuesday). Yet, on the very next day, May 24 (Wednesday), the Company requested additional interviews with the remaining 4 candidates, raising questions as to the extent and validity of the Board’s process and internal discussion regarding the Proposal and candidates.
- In the circumstances, those four un-interviewed candidates have collectively decided to not participate in what is clearly a biased process.

In summary, we and the independent director candidates have collectively concluded that the intent of Fujitec's incumbent Board is not to engage in any serious dialogue over the Company's long-term strategy and broad stakeholder interests, but rather to see the forthcoming General Meeting as a 'rubber stamp' for a pre-conceived approach driven by a powerful minority shareholder. As a fellow investor in the Company, we suggest that your organization should also be alarmed at the extremely poor governance standards that have been exemplified by this situation.

Aside from alerting you to this specific, unexpected incident, our independent director candidates and we would welcome the opportunity to engage with you further to explain the skills, experience, and governance oversight competencies we plan to bring to Fujitec. We will be reaching out domestic and international investors and their advisers to organize engagement discussions, which we are very hopeful you will find the time to participate in over the next two weeks.

In the meantime, please do not hesitate to contact us through our website, www.FreeFujitec.com" <https://freefujitec.com/en/top/>, or at Team@freefujitec.com should you require any further information.

We genuinely look forward to speaking with you soon.