

## Our Positions on Fujitec Co., Ltd.'s Proposals at the 76th Annual Shareholder Meeting

May 31, 2023

Uchiyama International Co., Ltd.

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 76<sup>th</sup> 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 the interests of Fujitec's all stakeholders. Please view our Proposal and other items via [our website, https://freefujitec.com/en/top/](https://freefujitec.com/en/top/).

We hereby announce our official position regarding the Company Proposal released on May 29. The decision has been shared and approved by our 8 independent candidates, to offer all shareholders our transparent decision-making process.

### 1. **Vote AGAINST the 5 current Outside Board Members (Proposal No. 2)**

- **Kazuhiro Mishina** - After the EGM in February, Mishina decided to "switch sides" to vote against the Company, raising questions to his independence and integrity (he had voted with the Company in all previous instances). In addition, when he was a Company candidate, Mishina publicly agreed to not accept Restricted Stock Units ; however, since the EGM, it seems, he has changed his position and is now accepting these as evidenced by the Company release. Furthermore, his purely academic background (no business experience) does not correspond to the skills needed to be the Chair of the Compensation and Nomination Committee. These reasons for not supporting his nomination echo those flagged by proxy advisers in their recommendation against his appointment at the EGM.
- **Kaoru Umino** - As a US-only lawyer with no business management experience, Ms. Umino has been put forward for corporate governance and gender diversity. However, in our judgment, she is not qualified to lead discussions on business and strategy as Chair of the Board. As Chair of the Board these past 3 months, Ms. Umino has allowed emergency procedures on the Board and seems to only follow Oasis' demands, raising questions on her independence, neutrality and leadership as Chair.
- **Torsten Gessner** – Overlaps in business skill and experience to the Company's new nominee Anthony Black. Also has limited scope on broader business and

governance-level oversight as his career has only been in the elevator industry. Most importantly, there are independence concerns raised, as there has been information provided recently that Mr. Gessner has a previous business relationship with Anthony Black.

- **Ako Shimada** - Barely secured majority support at the February EGM with 51.1%. There is already a US-Lawyer in Umino, and Shimada is currently over-loaded as general counsel at 2 companies – 1 in the US and 1 in Europe. Based on her publicly available records, she does not have particularly noteworthy experience as a lawyer.
- **Clark Graninger** - Barely secured majority support at EGM with 51.8%, with at least one proxy adviser recommending against and many major international shareholders voting against.

## 2. **Vote AGAINST the 1 newly proposed nominee Anthony Black (Proposal No. 2)**

- There has been no explanation of the process and rationale of Mr. Black's nomination by the Company, thus raising concern on his independence and the transparency behind his nomination. Presumably, Oasis nominated him, further accentuating our concerns as to why the Company has not released any information about the selection process.
- Mr. Black has a long and tenured career at Otis and is an expert in elevators. However, it should be known that Otis was just recently spun off of United Technologies, after scrutiny of activist investors pointing to years of poor management and low profitability.
- Mr. Black is currently also is a full-time President of a US-based company, which calls into doubt whether he has sufficient time to devote to a non-executive director role at a Japanese listed company.
- Furthermore, even while only 1 of the current Board members has experience as an executive or board members of a listed company, Mr. Black also has no experience in either of these.
- Consequently, Mr. Black does not fill any “gaps” or “need” in the Company’s skill matrix – overlaps in elevator experience with Mr. Gessner, and does not fill experience gaps as previous board experience.
- Most importantly, there are independence and diversity concerns raised, as there has been information provided recently that Mr. Gessner has a previous business relationship with Anthony Black.

## 3. **Vote AGAINST the Company’s Dividend Proposal of 75 yen (Proposal No. 1)**

- We are AGAINST the Company proposal of a 75 yen dividend, and advise all shareholders to vote for the Shareholder proposal of 100 yen (Proposal No. 12). The Company is in a position of strong financial standing, and has paid out dividend

ratios of approximately 70% the past 2 years. The 100 yen put forward in our Shareholder Proposal will follow this trend of sustainable and healthy dividends to suitably reward long-term shareholders of Fujitec.

**4. Vote FOR the 3 company internal executives  
(Masayoshi Harada, Takashige Nakajima, Kosuke Sato)**

- Although we are aghast that the current Board decided to remove and replace ALL 3 internal executive directors - especially as 2 of the 3 proposed candidates have no experience as Board members and have less than 4 years of experience at Fujitec – in the interests of stability and to restore confidence to Fujitec’s customers and employees, we will vote for the election of the 3 internal executive director candidates proposed (Masayoshi Harada, Takashige Nakajima, Kosuke Sato).

In summary, we are excited about the future of Fujitec, but believe an inexperienced board, as is currently in place, is causing instability and discord in the Company and to all stakeholders.

With the seemingly rushed and disorganized selection of candidates, we are even more certain that EXPERIENCE AND STABILITY are desperately needed at the board level.

As a 10% shareholder, we are strongly motivated to contribute to the long-term financial performance of Fujitec as best we can. However, as illustrated in the highly flawed interview process adopted by the Company regarding our alternative nominees ([please click here for information](#)), we feel it important to communicate our stance on all of the key proposals being put forward for shareholders’ consideration at the June 21 Meeting.

We will continue to provide our views and vision for Fujitec to further its mission to become the #1 elevator and escalator company in Asia.

Please join our cause in, “One Board, One Company, One Fujitec”.