

FREE FUJITEC

CREATING THE MOST EFFECTIVE

BOARD FOR FUJITEC



<https://freefujitec.com/en/top/>



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Background

Elevator Industry Business Model

- The elevator industry is made up of New Installation business and Aftermarket business, which are interconnected in the product lifecycle – a lifecycle of over 30 years

New Installation



- Low margins but necessary for future stock units for maintenance business
- New economic growth markets have a proportionately larger new installation market



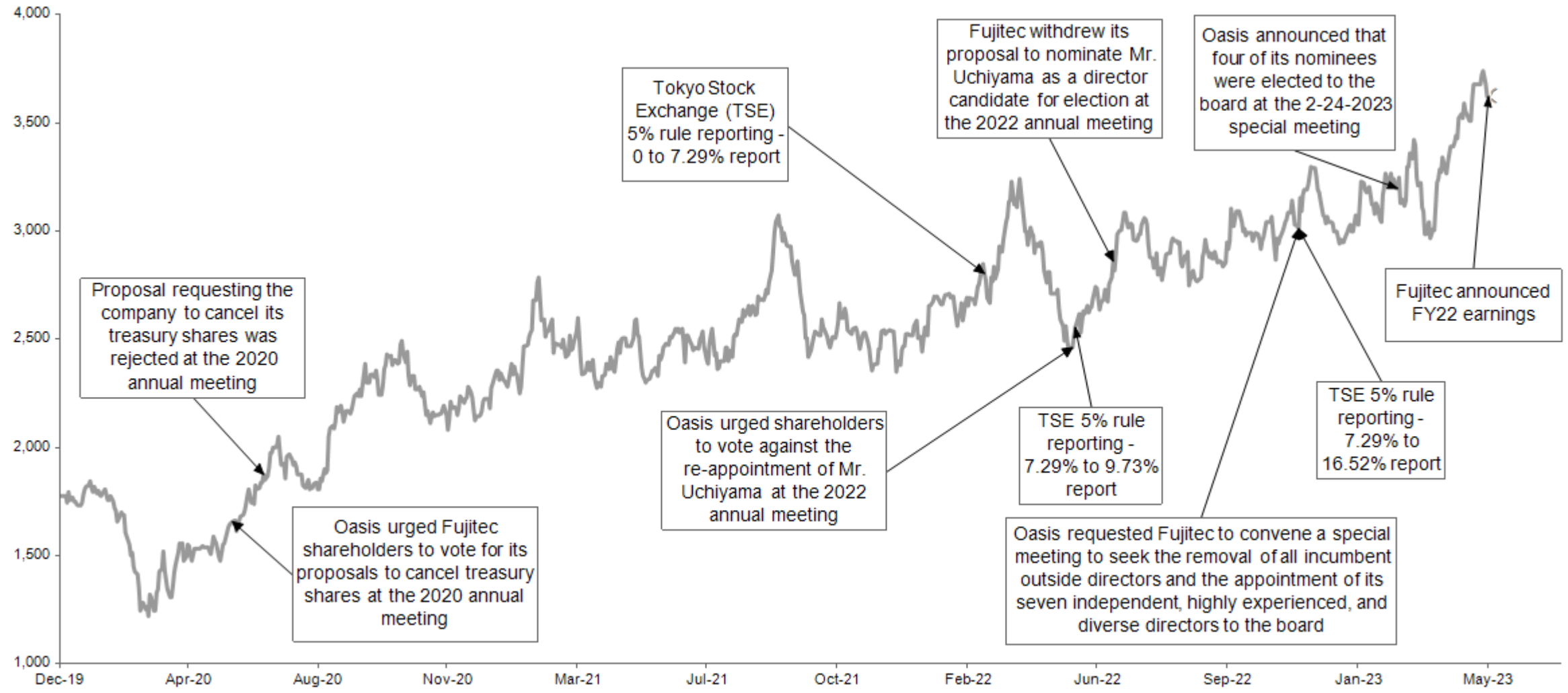
Aftermarket



- High margins but requires ample new installation stock units for scale and profitability
- Mature markets such as the US and Europe have a larger aftermarket business opportunity

- Fujitec is a “Asia based” elevator company, where there are markets with more new installation needs (compared to Europe and US). It is necessary, through low margin new installation, to stockpile a portfolio of elevator units to be able to convert into the high-margin aftermarket business in the future – which is why a long-term management view is crucial.
- It is extremely important to balance these businesses, an over-focus on the aftermarket can be detrimental to the future growth of the business.

Timeline



Background

- As one of the largest shareholders, with 10% ownership stake, we deeply care about the future of Fujitec.
- Following the Extraordinary Shareholder Meeting (EGM) in Feb 2023 and departure of then-Chairman, the Uchiyama family is neither on the Board nor involved in managing Fujitec.
- **No Uchiyama family member is being nominated for election as a director at the upcoming shareholder meeting.**
- In order to assure independence, the Uchiyama family retained a third-party search firm to identify and assess director nominees with relevant experience and expertise.
- **As a significant shareholder we want to ensure the sustainable growth of Fujitec and the continued contribution of its employees and products to society.**
- Considering Oasis and its nominees had advocated for change at Fujitec since Nov. 2022, it is deeply concerning that the reconstituted Board has failed to articulate a credible plan to create value, despite being in control of the Company for over three months.
- **We believe the lack of any progress is due to complete lack of board and management experience, as well as relevant industry and business knowledge of the newly elected directors. Oasis Management has a questionable track record among Asian companies it has tried to control and did not have a credible business plan either**
- We are seeking shareholder support to reconstitute Fujitec's board with highly qualified directors who have true independence as well as the necessary skills and experience to provide the leadership and management oversight needed to create TRUE shareholder value.



Recent Events

- **On May 23, 2023 - Fujitec announced the replacement of ALL three internal executive directors, plus the nomination of one new outside director, Anthony Black.**
- **If company's plan is carried out:**
 - The company did not take stability into account when deciding a change of executive management
 - Even though the 3 nominated executive directors have good and relevant experiences within Fujitec, making replacements to all three positions at the same time will create instability in top management level and may damage the longevity of the business.
 - Approving such a drastic move in such a short time frame shows that the current Board may be malfunctioning
- **Regarding Director Mishina:**
 - Despite opposition from Oasis and from ISS at the extraordinary shareholders' meeting, Mishina is on the ticket for the company proposal since he "changed sides" after EGM – Directors should have clear methodology in their decision making – not just voting in agreeance with the largest shareholder.

Shareholder Proposal 76th General Shareholder Meeting 21st June 2023

- Summary (For the details of the shareholder proposal, please visit [freefujitec.com](https://www.freefujitec.com))

1. Election of eight Independent Directors

- Kazuyoshi Kimura
- Tetsuya Nishikawa
- Daisuke Kotegawa
- Maiko Hagiya
- Nobuki Sugihara
- Akira Tsuda
- Hiroki Okimoto
- Kenji Uenishi

2. Amendments to the Articles of Incorporation to clarify the confidentiality obligation of board members and to require disclosure at a board meeting of the particulars of contacts between any board member and any shareholder holding 10% or more voting rights.

While shareholder engagements are important and encouraged, each director must maintain the transparency of such engagements and no favoritism should play a role in such engagements.

3. Amendments to the Articles of Incorporation to relax the requirements for petitioning the appointment of a corporate inspector.

Currently, any shareholder holding at least three (3) percent voting rights may petition to the court to appoint a corporate inspector when it is reasonably suspected that a certain improper or illegal act has been committed in the operations of the Company. This proposal significantly lower the three (3) percent threshold to allow a much wider group of shareholders to file such a petition.

4. Downward revision of the compensation of outside directors to the total amount of ¥10 million per person per year.

The existing compensation regime for outside directors instituted at the February extraordinary shareholder meeting is excessive, incentivizes short-sighted decision-making and far exceeds the market rate of ¥7 million for comparable companies in Japan.

Shareholder Proposal 76th General Shareholder Meeting 21st June 2023 (contd.)

- Summary (For the details of the shareholder proposal, please visit [freefujitec.com](https://www.freefujitec.com))

5. Clawback for directors' compensation.

If any director violates fiduciary duties or otherwise breach laws or regulations, provides benefits to select shareholders, or shares confidential information to benefit select shareholders, the director may be required to return or forego up to 50% of the director's compensation. The proposal further incentivizes board members to respect their fiduciary duties and otherwise law abiding.

6. Clawback for directors compensation (Amendments to the Articles of Incorporation)

This proposal has the same purpose as above – but includes amendments to the Articles of Incorporation

7. Amendments to the Articles of Incorporation to require the audio recording of all the meetings of the Board of Directors and the Nomination and Compensation Advisory Committee.

This requirement will make it easier for shareholders to monitor both the board and the nomination and compensation committee, which will enhance the transparency of the board and the committee.

8. Subject to the election of at least six (6) out of the eight (8) director candidates nominated by the proposing shareholder, dividend of ¥100 per share for the upcoming dividend distribution – No intention to change the dividend policy for three (3) years.

The company is well capitalized, and its cash reserves are sufficient to support the increased dividend policy. However, these assumptions may not be appropriate if a majority of our nominees are not elected.

9. If a dividend proposal of ¥100 or more per share is made by Fujitec or any other shareholder during the 76th General Shareholders Meeting, we suggest adding ¥10 to the proposed amount per share, provided at least six (6) out of eight (8) candidates from Proposal No. 1 are elected as Fujitec directors.

Reasons for Shareholder Proposals

The Board's Failure to Initiate Action

- The newly constituted Board has not proposed any measures to improve the company's performance
- It has failed to develop a new business strategy and a roadmap for turning around Fujitec, as promised to shareholders.

The Need to Protect All Shareholders

- The current Board of Directors is controlled by Oasis nominees who were elected to the Board in February 2023 ("Oasis Directors").
- Oasis Directors failed to provide effective governance oversight
- The voices of all shareholders are not being heard and directors are not working independently to secure and enhance business corporate profits and the interests of all shareholders.

Oasis Directors Want to Sell Fujitec

- We believe, Oasis Directors intend to sell Fujitec to an overseas company despite its potentially adverse impact on shareholders, employees and National Security as it pertains to protecting Japan's infrastructure.
- A rushed sale of the company would be problematic for all stakeholders.

A Renewed Promise to Shareholders



Promise 1

- A business plan and strategy that can achieve significant shareholder returns.
- Pay ¥100 per year in dividends for three years.



Promise 2

- To always consider the interests of all shareholders, including minority shareholders, and all other stakeholders, without giving priority only to one's own short-term interests.



Promise 3

- Carefully evaluate all plans initiated by Oasis Directors to sell Fujitec and its elevator business to overseas buyers.
- Assess the impact of potential sale on domestic and international infrastructure and governance buildings.
- Adopt a very measured approach to business restructuring.

Our Principled Approach to Oversight of Fujitec



Governance:

- Governance has been sacrificed in favor of short-term management strategy.
- Independence is the priority; the Board must remain open to alternative viewpoints or conflicting ideas, while maintaining mutual understanding and respect.
- Enhancing compliance and governance must remain an objective of the company.
- There must be progress toward global corporate governance and risk management and risk management reform.



Analyzing/maximizing optimal operational efficiency:

- Create sustainable growth (economic value) for the company over the long-term.
- Build a global SCM system that connects America, Europe, Japan, and Asia.
- Pursue efficient global SCM (procurement, manufacturing, and logistics).
- Emphasize technology strategy.



ESG:

- Continual focus on and improvement of employee engagement is critical to the sustainable growth of any company.
- The poor level of engagement with customers of the elevator business, which requires long-term relationships and trust, is concerning.
- Risk arising from information technology and the security ecosystem may impact the stability of the business environment and the wider community.
- Emphasize Leadership & Talent Development.



Re-evaluation of market strategy:

- Given the rapid disruption across all industries, having flexibility to adapt to changing environment will be critical.
- Fujitec's business model is predominantly business-to-business, but it ultimately operates in a much broader stakeholder environment model with a vast number of end-users beyond its immediate customers.
- Fujitec needs to become a more globally oriented company.



Revitalizing Stakeholder Faith in the Business:

- Board of Directors should focus on earning the trust and confidence of its shareholders, customers, employees and community by understanding the changes and challenges of the times, and dedicating effort towards improving corporate value through sustainable growth.
- Adopting a long-term perspective and prioritizing stakeholder satisfaction is key.

The Proposed Nominees Governance Commitment to Shareholders

- Prohibit the sharing of information with only select shareholders
- Expand the rights of shareholder to appoint a corporate inspector
- Lower and Fix the amount of Director compensation from ¥25 million (¥12.5 million cash plus ¥12.5 million Restricted Stock Units) to ¥10 million cash which is more comparable with the current market rate of ¥7 million for comparable companies.
- Extend the clawback policy to include Director Compensation
- Record and provide transcripts of Board and Nomination and Compensation Advisory Committee



Concerns in board independence with Oasis and their candidates

- On February 28, after the EGM, Oasis sent a list of 8 demands in letter form to the Board of Directors of Fujitec. These 8 demands appear to go against stewardship and corporate governance codes, as well as, in our opinion, basic business respect. We are disappointed in Oasis' actions and even more so to the Board of Directors for allowing Oasis's demands to be passed in the hastily called board meetings without any true discussion within the board.
- Specifically, Oasis' 8 demands were passed by the board via emergency resolutions within a 1-week timeframe. Regarding the most important decision of Chair of Board as well as the compensation committee, both of these were passed 5 vs 4, by forced vote and against the consult of the audit committee.
- On an interview with CNBC on March 30, Seth Fischer publicly stated that the decision to have Mr. Uchiyama leave the company was "unanimous". However, this information was not made public by the Company until April 7. This is very concerning and appears to prove the outside directors are informing Mr. Fischer before the public announcement.
- Outside Director Mr. Endo received shareholder votes and was elected this past EGM. However, after the EGM, due to Oasis and Seth Fischer's' pressure via letter, resigned shortly thereafter. Oasis and Seth Fischer has shown poor governance going against their own statements – to pressure a validly elected official to resign – to purge those who disagree with Seth Fischer's' views.

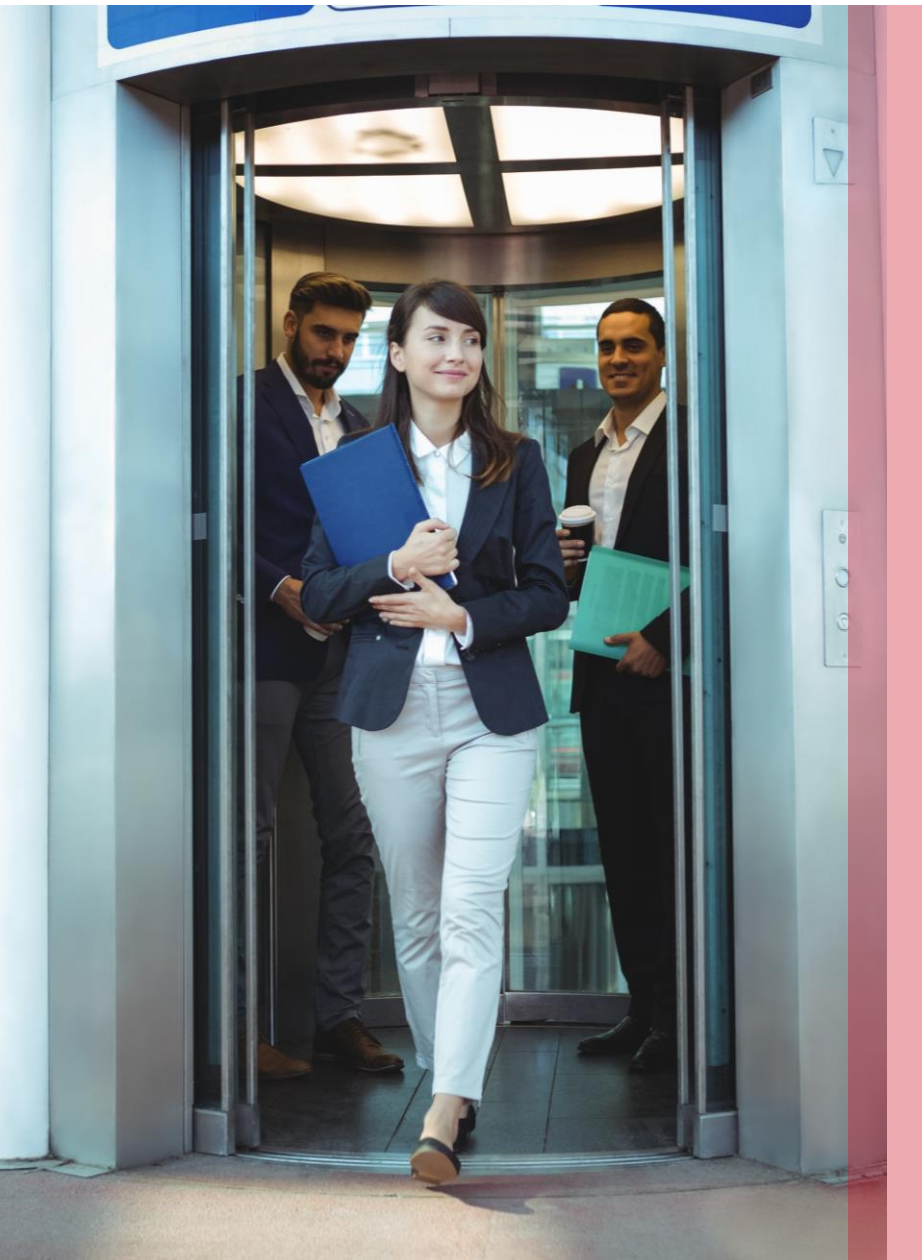


Oasis Directors Appear Beholden to Oasis

Oasis Written Demands from Fujitec's Board Comprising of Oasis Directors	Oasis Directors' Compliance of Oasis Demands Raises Red Flags Regarding Independence of Oasis Directors
1. Cut all ties with Takakazu Uchiyama	✓ Takakazu Uchiyama removed as Chairman (March 28)
2. Overhaul of the Nomination Committee	✓ New Chair and members of Nomination and Compensation Committees appointed (March 24)
3. Appoint Female Independent Chairperson	✓ Ms. Kaoru Umino appointed as Chairman (March 24)
4. Retirement of Mr. Kunio Endo at the upcoming AGM	✓ Mr. Endo tendered his resignation (March 30)
5. Third-Party Investigation into attacks on Oasis Nominee Directors	✓ New Third-Party Committee formed (April 12)



**Incumbent Directors
Don't have Strategy**



Why Are We Here:

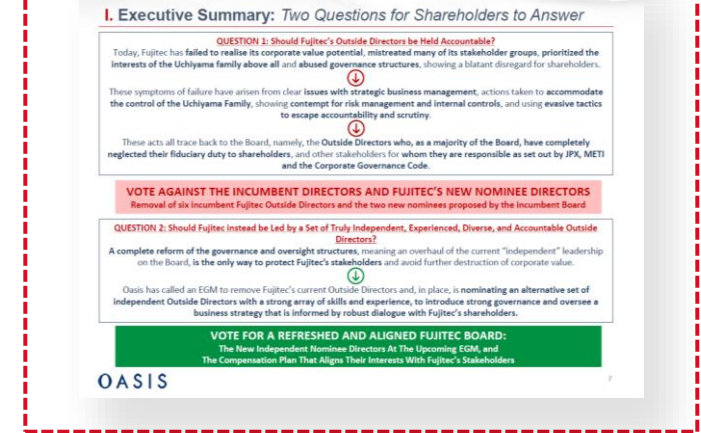
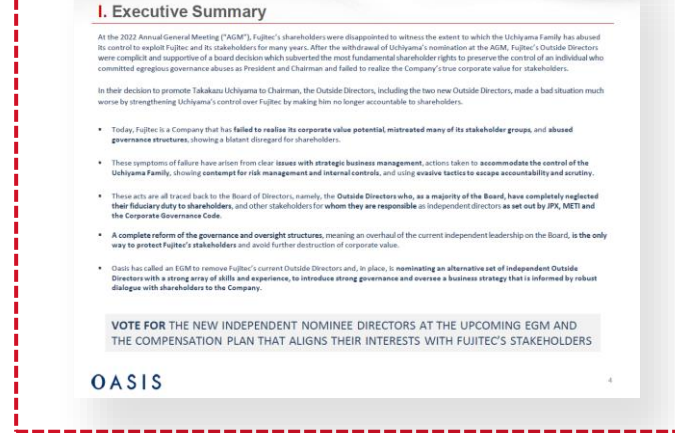
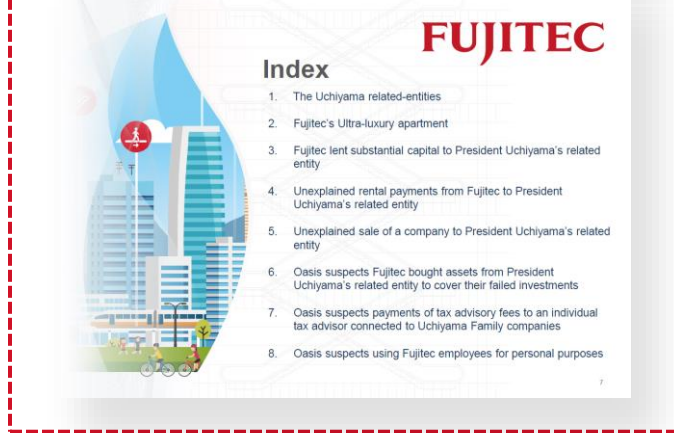
- In Feb. 2023, four Oasis nominated directors (Tortsten Gessner, Clark Graninger, Kaoru Umino, and Ako Shimada) were elected to the Fujitec Board
- Currently, these four directors (“Oasis Directors”) represent an effective majority on the Board
- Oasis has agitated for changes at Fujitec since early 2020, when it ran an unsuccessful campaign asking the Company to cancel its treasury shares.
- Surprisingly, despite its long involvement with Fujitec, during both its campaign to remove Takakazu Uchiyama (former CEO) from the Board, and proxy contest for majority board control, Oasis has failed to articulate details of how it or Oasis Directors would improve Fujitec’s performance aimed at creating shareholder value.
- Instead, Oasis’ campaigns have primarily focused on removing Takakazu Uchiyama from the company and implementing shallow and “cosmetic” governance changes designed to preserve its control over a deferential board.
- Now that Oasis Directors are in control and Takakazu Uchiyama no longer in Fujitec, shareholders are still waiting for the newly constituted Board to present a credible plan for value creation.
- We believe neither Oasis nor Oasis Directors have the any keen insights to improve Fujitec’s performance.
- Oasis Directors clearly lack relevant industry and public board experience to develop a compelling strategy for Fujitec.

Oasis Directors have Failed to Present a Credible Plan

Despite Seeking Majority Board Control, and Running Campaigns Since 2020, Oasis and Oasis Directors have Not Presented a Roadmap to Improve Fujitec



No Executable Ideas to Improve Operating Performance: Revenues or Margins



The Absence of a Plan is Disturbing Considering Oasis Directors Identified 'True Value' Drivers in Previous Campaign



III.a True Value Overlooked

Fujitec trades at **significantly lower EV/EBITDA multiples** to publicly-listed pure play peers – OTIS, KONE, and Schindler. Despite the low Uchiyama Family holding, Fujitec is **perceived by the market as a controlled company**. Fujitec's **margins are also the lowest amongst pure play peers**.

Valuation and Capital Efficiency				
	LFY EV/EBITDA	FY1 EV/EBITDA	P/E Cash Adj.	Operating Margin
FUJITEC	9.8x	9.4x	15.5x	7.4%
OTIS	17.1x	16.5x	30.7x	14.7%
KONE	16.0x	19.2x	24.4x	12.4%
Schindler	12.1x	14.0x	22.0x	10.4%

- Fujitec suffers from a strategy overseen by the Board that is **not maximizing on its strengths and creating value for its stakeholders**, as highlighted by its failure in China.
- Maintenance, not new installs, is the higher margin business which Fujitec has failed to **expand and protect from competitors**.
- This is in addition to **lower operating margins, poor overseas marketing, supply chain management, inefficient capital allocation policy**, etc.

Key Value Drivers Identified by Oasis



Focus on maintenance instead of new installs



Improve operating margins



Focus on supply chain management



Robust capital allocation

Clearly, Oasis Directors Are Idly Following the Same Business Strategy that they Previously Criticized –Reinforcing our View that they Lack the Experience and Expertise Needed to Provide Strategic Guidance

Oasis Criticism: February 2023

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.

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.

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.



Fujitec Plan Under Oasis Directors (mentioned in FY2022 Earnings Announcement in May 2023)

Strategy: Unchanged

“[the Fujitec Group continued] implementing our medium-term management plan Vision24.”

Margins: Nominal Improvement only

In FY23, Capital Investments of 6.4 billion yen is expected to improve operating margins by 40bps only 1.8 billion yen only

Capital Allocation: Unchanged

“We plan to pay an annual dividend of 75 yen per share in the next fiscal year [FY23]” - exactly the same amount in FY22.

The Company also plans to keep the dividend unchanged in FY23, adding to

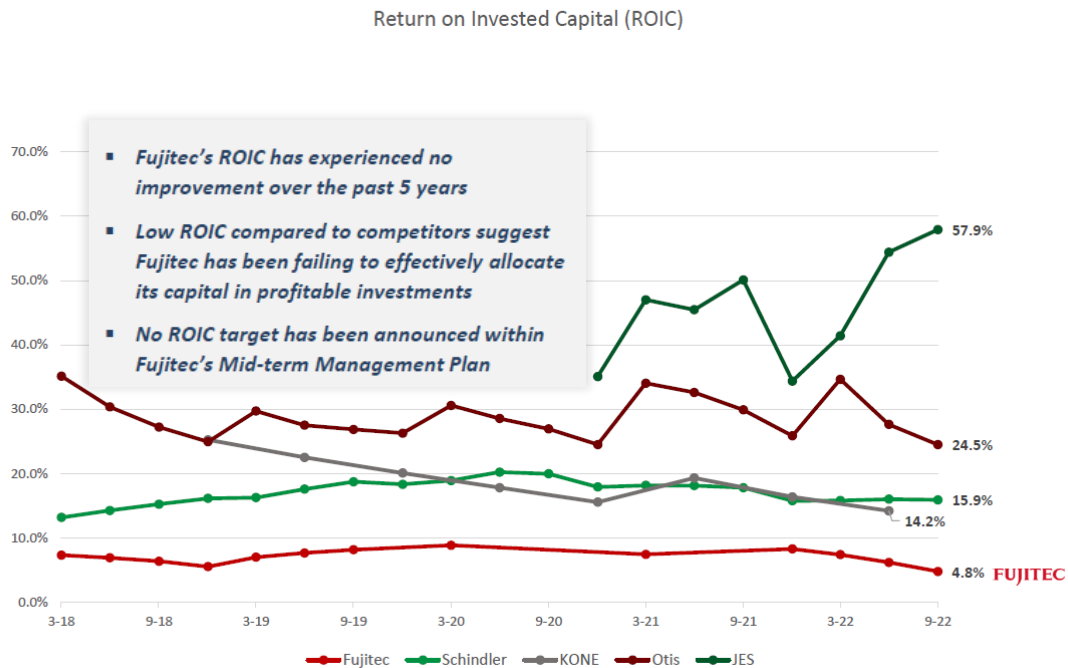
- ★ The Company is proposing same dividend for FY22 and FY23
- ★ The dividend ratio will decline for two consecutive years

Oasis Directors Have Failed To Provide ROIC Target

Oasis Criticism: February 2023

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%



Source: Oasis Presentation, Feb 2023

FY23 Guidance Under Oasis Directors

- ✗ No ROIC Target
- ✗ Based on Capex of 6 billion yen and a **56%** payout ratio, for FY23, we estimate ROIC will decline even further under Oasis Directors watch

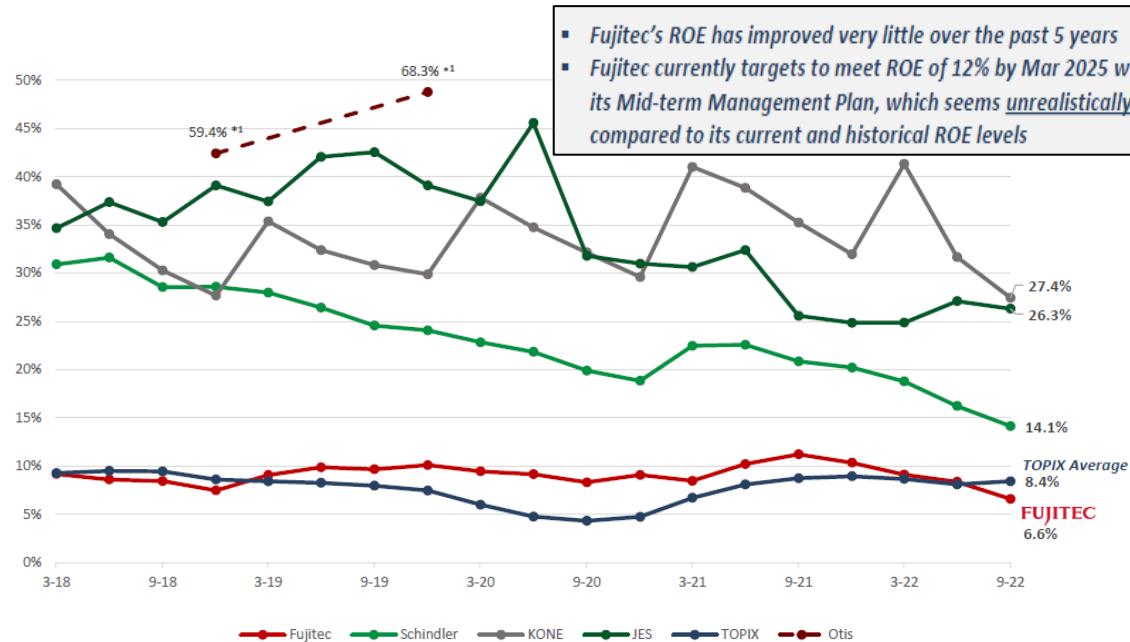
Oasis Directors Have Failed to Provide ROE Target

Oasis Criticism: February 2023

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%

Return on Common Equity (ROE)



Source: Oasis Presentation, Feb 2023

FY23 Guidance Under Oasis Directors

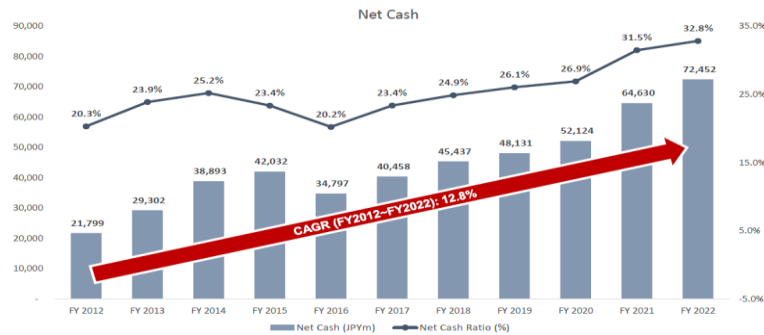
- ✗ Oasis Directors have neither withdrawn nor revised the ROE target
- ✗ Oasis Directors have not presented their plans to improve the ROE

Oasis Directors Announced to Reduce the Payout Ratio

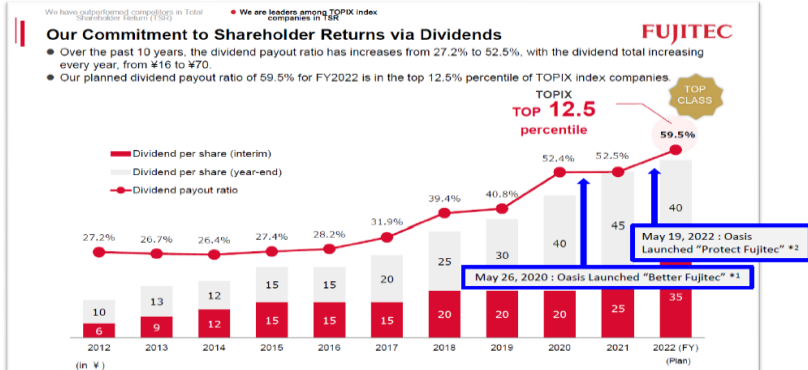
Oasis Criticism: February 2023

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. Dividend Payout Ratio Improved Due to Shareholder Pressure

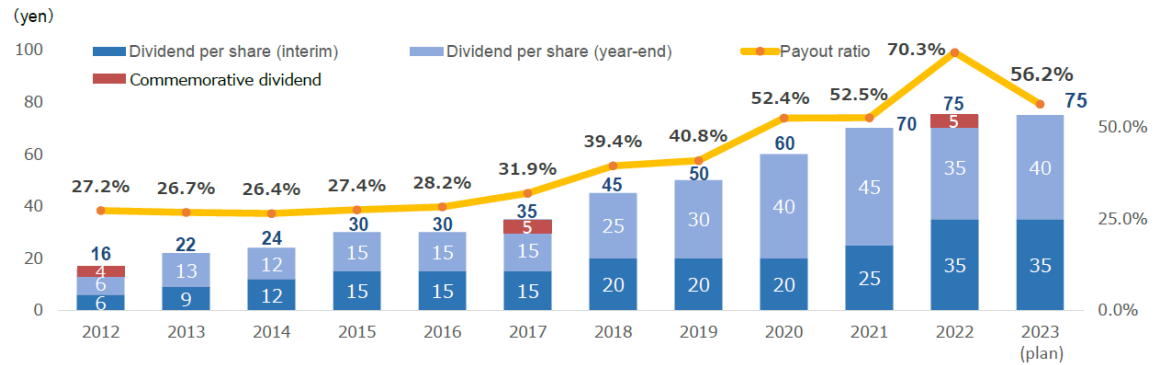


Source: Oasis Presentation, Feb 2023

FY23 Guidance Under Oasis Directors

- ✗ Based on FY23 announcement, Fujitec's payout ratio will fall to 56.2% in FY23 from 70.3% in FY22.
- ✗ Despite criticizing Fujitec for building up cash, the Oasis Directors will do exactly the same – grow the cash position.

Dividend per share and payout ratio



A Lower Payout Ratio Would Result in More Cash and Lower ROIC and ROE Metrics

Oasis Directors Capital Allocation Strategy

"We plan to pay an annual dividend of 75 yen per share in the next fiscal year [FY23]"

Impact of Oasis Directors Capital Allocation Strategy

- In 2023, Payout ratio will be 56.2% down from 70.3% in 2022
- In 2023, dividend payout will be 75 yen, the amount as in 2022 and only 5 yen higher than in 2021 despite significantly higher operating income

(in millions of yen)	FY2021A	FY2022A	FY2023E		% change
Net sales	187,018	207,589	223,000		7.4%
Operating income	13,777	11,619	13,400		15.3%
Operating margin	7.40%	5.60%	6.00%		7.1%
Ordinary income	15,713	13,332	15,100		13.3%
Profit attributable to owners of the parent	10,835	8,433	10,400		23.3%
Net income per share	133.42	106.67	133.38		25.0%

In Comparison, Our Nominees, if Elected, Will Advocate For Significantly Increasing Dividend Payout

If Elected, Our Nominees Will Pursue the Following Capital Allocation Strategy

100 Yen

Dividend per share
per year

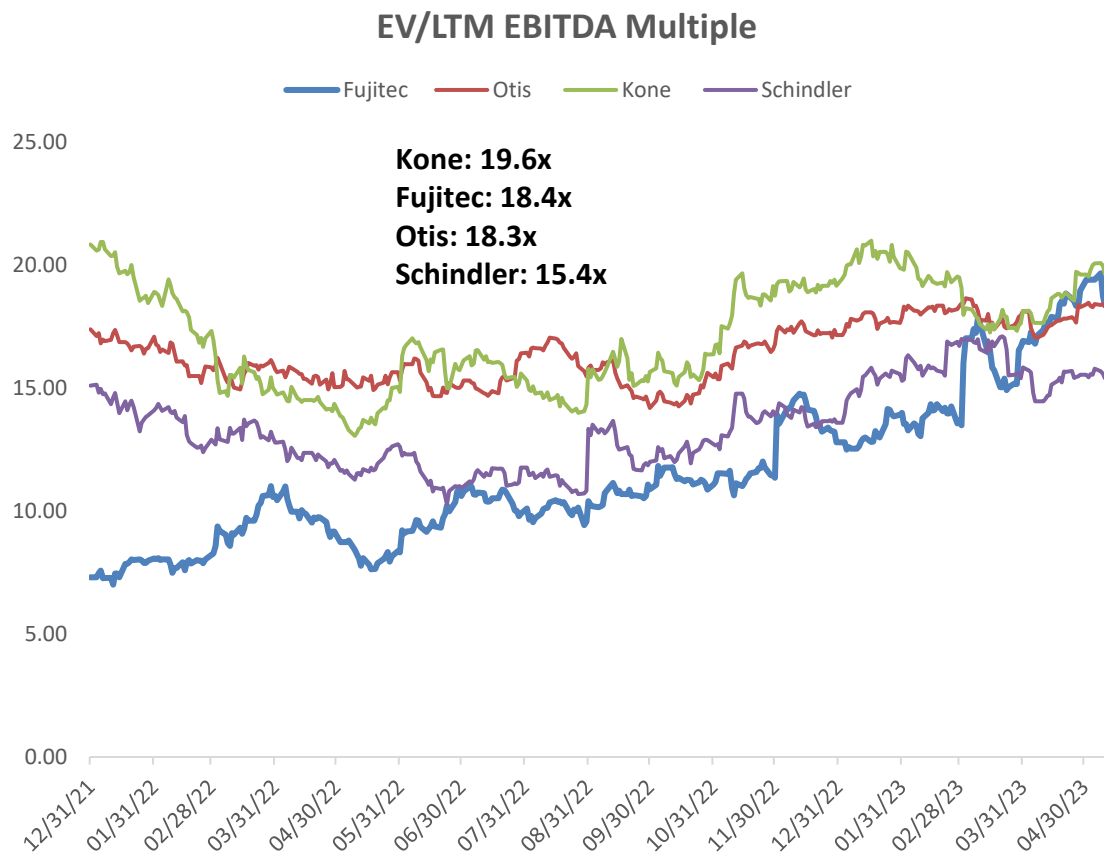
**10 billion
Yen**

Total dividend amount
per year

**33%
More**

than currently proposed by
Oasis Directors

Considering Fujitec's Strategy Remains Unchanged, the Recent Rally in its Share Price and Valuation Multiple is Not Due to Any Operational Improvements

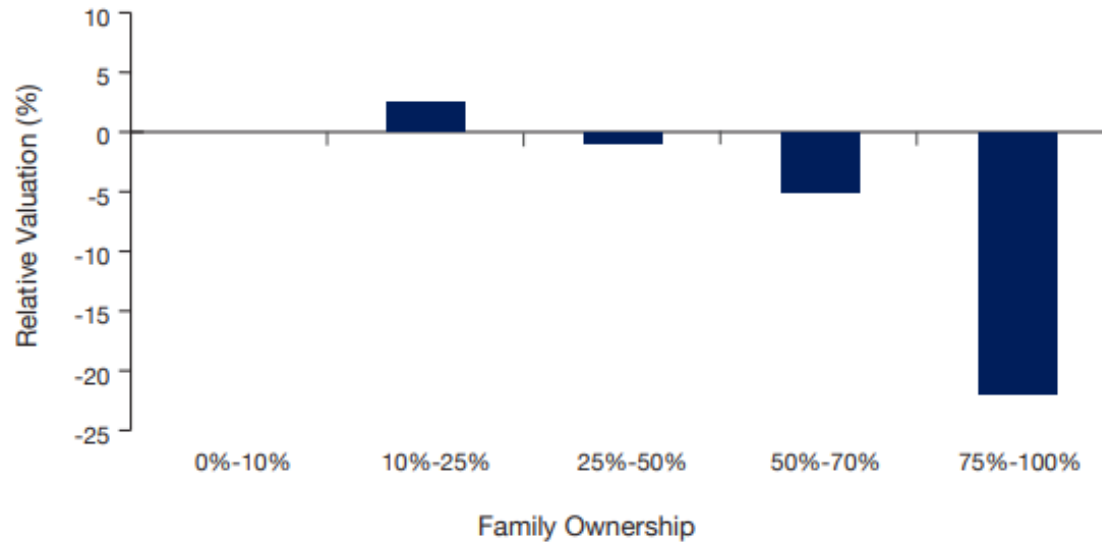


Date	Event	LTM EV/EBITDA
24-Feb-23	Four Oasis nominees elected (EGM)	14.3x
10-May-23	Current	18.4x
Valuation Multiple Expansion		29%

- ✘ No New Strategy Announced
- ✘ No Operational Roadmap Revealed
- ✘ No Strategic Review of Business Segments Initiated
- ✘ Dividend Payment Unchanged (lower payout ratio for FY23 vs FY22)
- ✘ No Change in Capital Allocation Strategy

...Or Removal of Uchiyama Related 'Governance Discount'

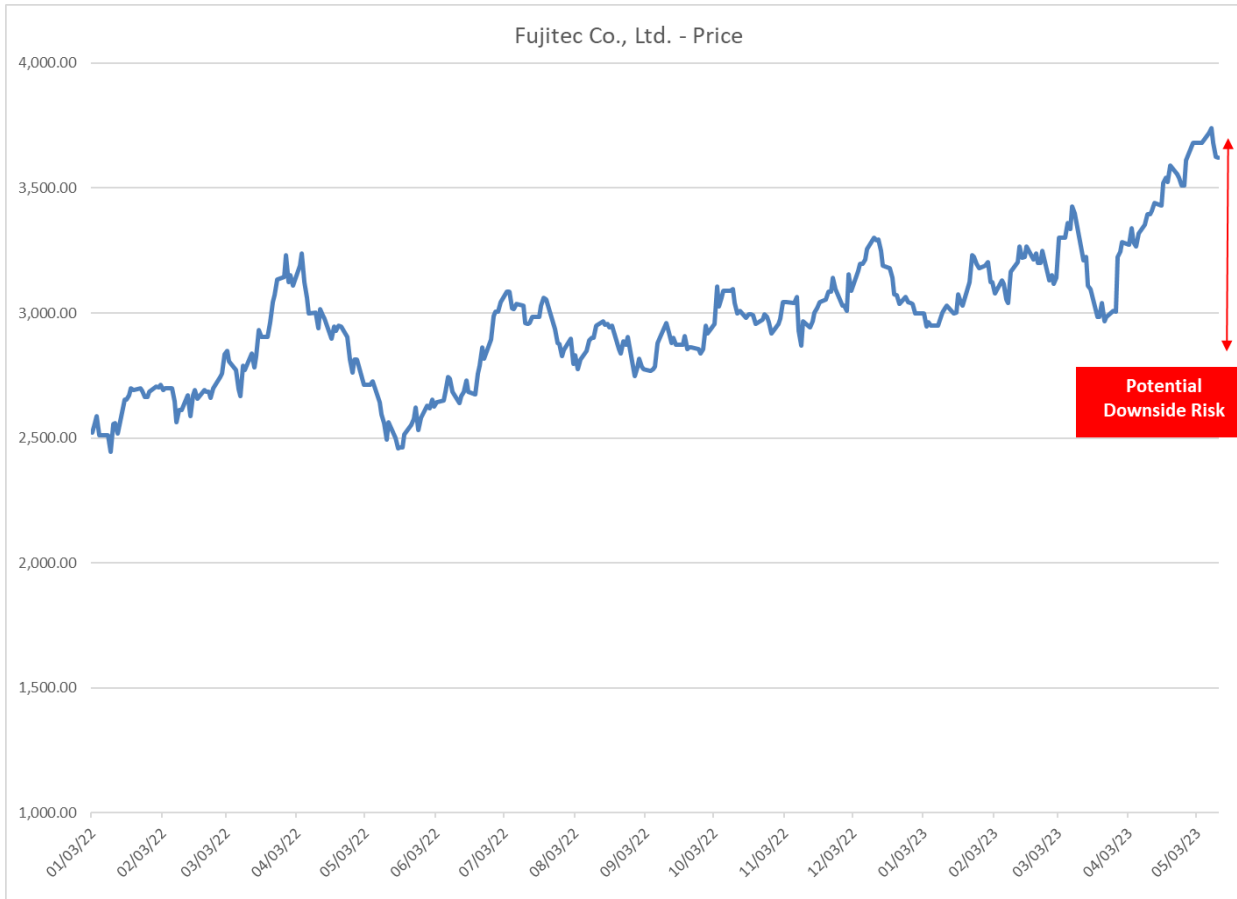
Figure 5.1 Relative Valuation by Family Ownership in Emerging Markets⁶¹



Sources: FactSet and Citigroup Financial Strategy Group

Recent academic study suggests low single digit's valuation discount attributable to family ownership

Absent New Strategy, There is Significant Downside Risk to Fujitec Share Price



- Oasis Directors have clearly failed to articulate a new strategy for the business
- Oasis has demanded removal of Mr. Okada as the CEO, as well as all executive directors.
- Considering none of the Oasis Directors have limited to no recent experience of Fujitec business and given the recent board overhaul, the uncertainty caused by removing the ALL executive directors including CEO Okada could adversely impact the share price.
- Shareholders should question what is Oasis Directors plan to create value? Is it a near term strategic transaction, which benefits short-term investors, at the expense of other long-term stakeholders?

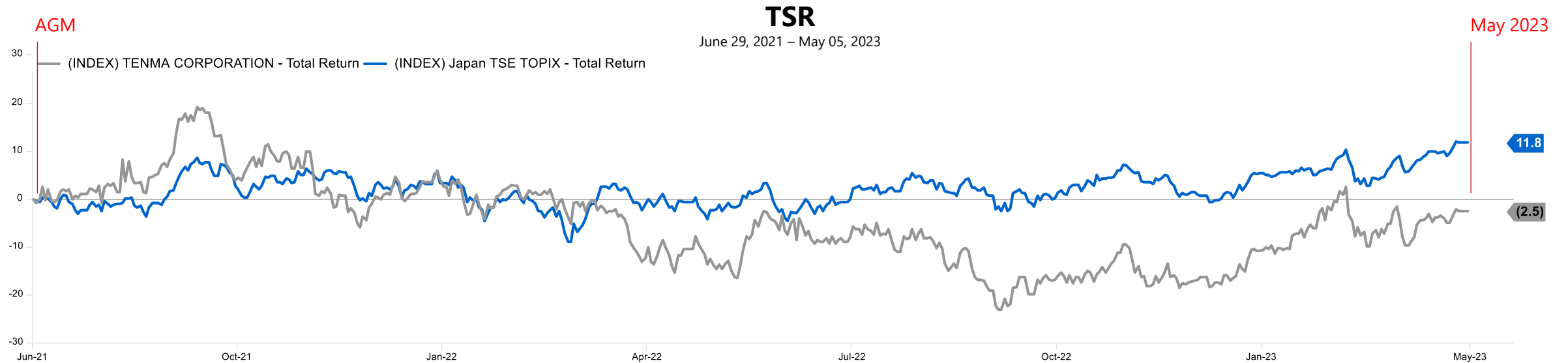


OASIS SELECTED DIRECTORS HAVE A HISTORY OF

UNDERPERFORMANCE

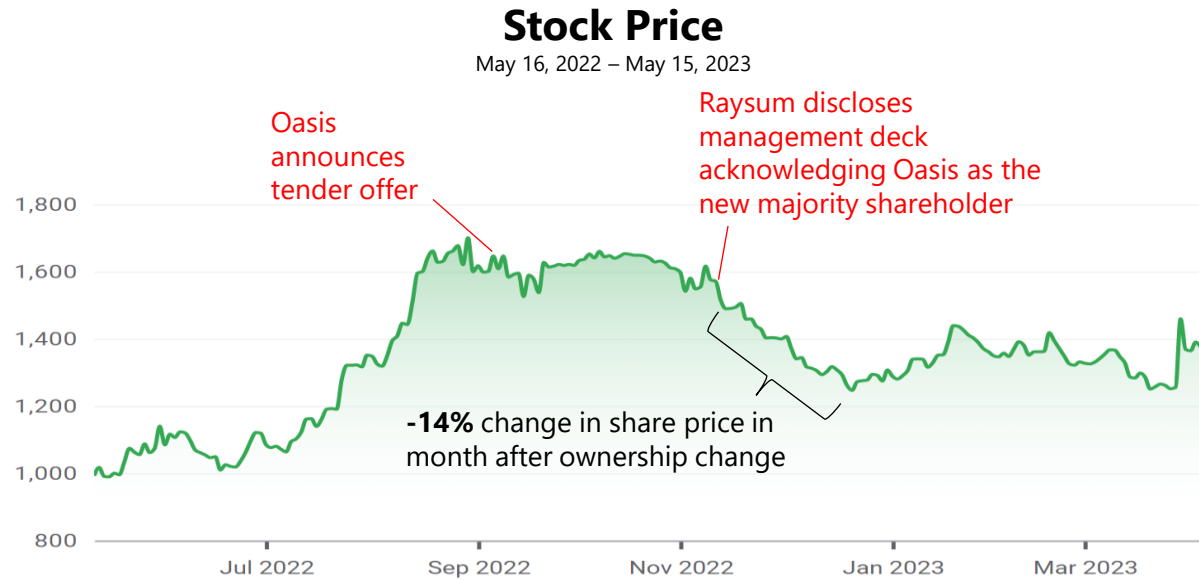
Due to Poorly Designed Strategies and Short-Term Only Thinking

Case Study 1 - TENMA Corporation (Underperformance after Oasis nominees are elected)



- In 2020, Tenma had been embroiled in a dispute with a member representing one of the company's founding families, Osamu Tsukasa. This dispute included allegations by Tsukasa of harassment by management, bribery incidents, and accounting concerns at the company.
- Oasis nominated 3 candidates to replace the Board's audit committee members, with the promise of providing an independent structure to help resolve the dispute with Tsukasa. All 3 candidates were elected to Board during AGM.
 - **Oasis did not outline a plan to improve any aspect of the core business, rather it focused its campaign entirely on the outstanding short-term governance issue.**
- TENMA has underperformed the TOPIX Index since Oasis directors got on the Board. Oasis' lack of a strategy beyond the immediate superficial governance improvement does not create long term shareholder value.

Case Study 2 – Raysum (Underperformance after Oasis took majority control)



“At this time, there are no specific management policies or management plans that have been decided, other than the previously-mentioned plan to send two directors from Oasis to the Target and other management policies”

Oasis tender offer announcement
September 20, 2022

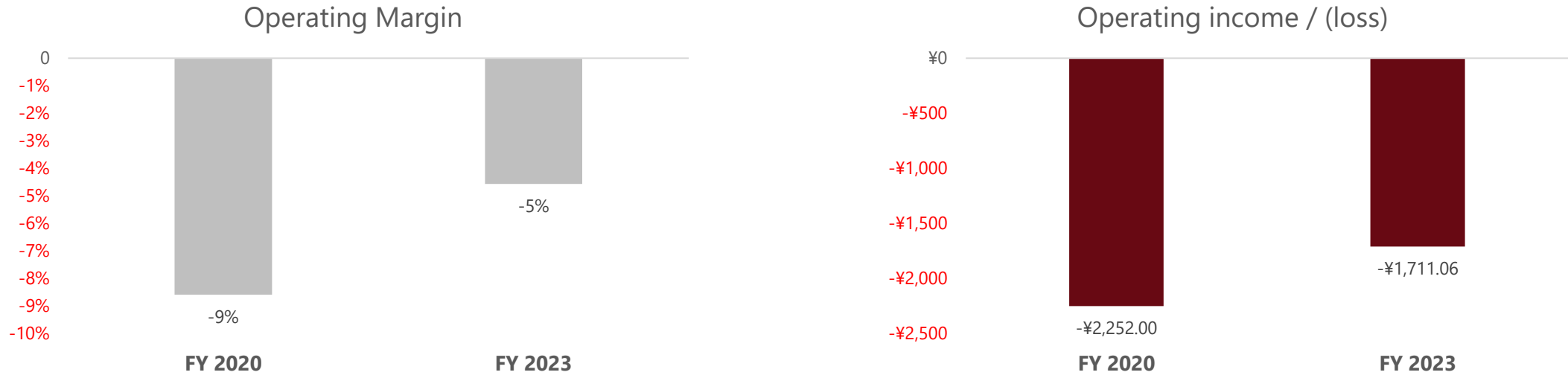
Date	Share Price Change
1 day	-3%
3 month	-20%
6 month	-21%

- Oasis submitted a tender offer to takeover Raysum Corp on September 20, 2022
- In addition to taking majority ownership, Oasis also appointed two additional directors: Kentaro Kenai and Yuji Shinohara
- **Oasis directors had little operating experience - both were 31 years old at the time of appointment**
- No new strategy was announced at time of offer, or several months after, with Oasis offering no insight into its strategy for Raysum into the future
- Raysum’s share price fell 21% within the first six months of Oasis acquiring ownership.

Case Study 3 – SunCorp (Failure to Improve Operating Performance after Oasis Directors Elected)

Operating Income and Margin

(Fiscal year ending in March)



*Income figures shown in millions of Japanese Yen

- Oasis based its activism campaign on Sun Corporation's poor operating performance in previous years, which Oasis attributed to ineffective management and failed oversight by the board
- Oasis nominated 5 directors total, with 3 of these nominees being opposed by management. All 5 directors were elected to the Board in April 2020
- **Even though Operating Margin and Income have improved slightly, these metrics are still negative three years after Oasis directors were elected**
- This further proves that Oasis can win a campaign and implement short-term objectives, however their strategies fail to create lasting value at its target companies

Case Study Takeaways

Oasis and its Nominees Have Consistently Failed to Create Business Value Due to Lack of Focus on Operating Metrics and Capital Allocation Strategies. The Short-Term Improvement in Target Company's Stock Price Following Oasis 'Governance' Focused Campaigns are Temporary Only.



- Focused on short-term governance improvement, no clear long-term operating strategy
- In two years since Oasis candidates elected, company's TSR continues to lag

RAYSUM

- 6 months after tender offer and assuming majority ownership, stock price was below announcement price
- Oasis did not disclose a strategy when announcing takeover, or when appointing new directors

SUNCORPORATION

- Operating income and operating margin still negative after 3 years



**THE BEST BOARD
FOR FUJITEC**

Skills and knowledge the Board Needs to Propel Fujitec Forward

- Building the Best Board for Fujitec and its shareholders requires a modernized approach that considers the current needs of the business, an understanding of industry and market trends, and a truly global vision for Fujitec.
- Prior to conducting a candidate search, an analysis was conducted to identify the Board Skills best suited for Fujitec.

Fujitec's 2023 Board Skill Priorities:






- Independence
- Listed Company Outside Director Experience
- Corporate Management/Management Strategy
- Governance
- Global
- Technology
- Finance/Accounting
- Legal Affairs/Compliance
- Risk Management
- Sustainability
- M&A/Capital Markets



Recommended Priorities from Recent Skills Review:

- Capital Markets
- Shareholder Relations
- Capital structure knowledge
- Global Experience/Understanding of Economic Trends
- ESG
- Business strategy
 - Profitability and Margin Planning
 - Supply Chain management
- Governance
- Prior Management/Executive Experience
- Board Experience

Based on the findings of the Skills Review, a Board Gap Analysis Suggests that the Current Directors Lack Critical Skills

Current Board Members	Nominee Proponent	Relevant Experience/Concerns								
		High Priority						Medium Priority		
		Independence	Shareholder Relations	ESG and Sustainability	Supply Chain Management	Governance	Prior Domestic Public Company Mgmt/ Executive Experience	Business Strategy: Profitability and Margin Planning	Prior Japanese Public Board Experience	
	Torsten Gessner	Oasis	✗	✗	✗	✓	✗	✗	✓	✗
	Clark Graninger	Oasis	✗	✗	✗	✗	✗	✓	✓	✓
	Kaoru Umino	Oasis	✗	✗	✓	✗	✗	✗	✗	✗
	Ako Shimada	Oasis	✗	✗	✗	✗	✗	✗	✗	✗
	Kazuhiro Mishina	Management	✓	✗	✗	✗	✗	✗	✗	✓






Key Deficiencies of the Current Board

- The Board as currently constituted is lacking in key skill areas
- In order for the business to grow and for shareholders to prosper, these skill deficiencies must be addressed immediately
- Shareholders should be concerned that the majority of the current board appears to be acting at the behest of Oasis (lack of independence)
- Shareholders should also be concerned about the absence of Governance and Shareholder Relations experience in light of the recent EGM
- There is also concern regarding the lack of prior operating experience at the management and board levels for Japanese companies given that Oasis directors recently assumed board control

Board Skill Priority	% of Current Board Composition	Best for Shareholders?
Independence	20%	✗
Shareholder Relations	0%	✗
ESG	20%	✗
Governance	0%	✗
Prior Japanese Public Board Experience	20%	✗

The Current Board does NOT have a Clear Shareholder Mandate


- Average vote support for Oasis nominees was less than stellar with only an average vote support of 54.6%
- Two Oasis directors – Ako Shimada and Clark Graninger – barely secured majority support with just over 51% of votes
- With over 16.5% ownership, Oasis was able to ensure that its nominees were elected to the Board
- In fact, absent its large stake in Fujitec shares, Oasis would not have won any board seats let alone board control
- Oasis directors do not represent the will of Fujitec shareholders

Board Member		Proponent	Vote Support	Non-Oasis Support	Clear Shareholder Mandate
	Torsten Gessner	Oasis	56.8%	40.3%	✗
	Clark Graninger	Oasis	51.8%	35.3%	✗
	Kaoru Umino	Oasis	58.7%	42.2%	✗
	Ako Shimada	Oasis	51.1%	34.6%	✗
Average Vote Support for Oasis Directors			54.6%	38.1%	None
Board Member		Proponent	Vote Support	Clear Shareholder Mandate	
	Kazuhiro Mishina	Management	53.2%	✗	

The Wrong Team for the Job – Board Chair

The Oasis Directors selected Kaoru Umino as Board Chair

- ✗ Kaoru Umino has never served as an executive or member of a Board
- ✗ Her legal experience is not transferrable according to her bio:
 - ✗ "Kaoru's experience includes representing Japan Bank for International Cooperation (JBIC) and leading Japanese commercial banks as **lenders in major export-import, investment and project financings** in the United States, Latin America and Asia."
 - ✗ "She has also advised Japanese corporations in connection with strategic overseas investments particularly in the energy and natural resources sector, including renewable energy and nuclear power."




Current Board Members		Nominee Proponent	Relevant Experience/Concerns					
			Independence	Shareholder Relations	ESG and Sustainability	Governance	Prior Japanese Public Company Management /Executive Experience	Prior Japanese Public Board Experience
	Kaoru Umino	Oasis	✗	✗	✓	✗	✗	✗

[Kaoru Umino | DLA Piper](#)

The Wrong Team for the Job – Nomination and Compensation Advisory Committee





The Oasis Directors selected the following individuals as members and chair of the Nomination and Compensation Advisory Committee

- ✗ The Committee is made up of entirely outside directors and no internal directors.
- ✗ The three members chosen have the least knowledge and experience of Fujitec.
- ✗ Torsten Gessner and Ako Shimada no experience as executives or directors of Japanese public companies
- ✗ Ako Shimada and Kazuhiro Mishina do not have the right background or past experiences relevant for this position.
- ✗ Shimada prior expertise is of a lawyer (certified in the U.S. only)
- ✗ Kazuhiro Mishina (Chair) holds primary expertise is academic

Current Board Members		Nominee Proponent	Relevant Experience/Concerns					
			Independence	Shareholder Relations	ESG and Sustainability	Governance	Prior Japanese Public Company Management /Executive Experience	Prior Japanese Public Board Experience
	Torsten Gessner	Oasis	✗	✗	✗	✓	✗	✗
	Ako Shimada	Oasis	✗	✗	✗	✗	✗	✗
	Kazuhiro Mishina	Management	✓	✗	✗	✗	✗	✓

The Wrong Team for the Job – Directors and Nominee Hold Full Time Jobs at Other Firms

Several Directors and the new company nominee hold full-time positions at other firms and do not have the proper amount time and attention needed to allocate to the directorship role

Current Board Members	Current Role	Over Committed and Hold Full Time Positions	
	<p>Ako Shimada</p>	<p>General Counsel of Ushio America, and Ushio Europe</p>	<p>✓</p>
	<p>Karoru Umino</p>	<p>Partner at DLA Piper</p>	<p>✓</p>
	<p>Clark Graninger</p>	<p>Co-Founder, Representative Director, COO and CFO at Reboot</p>	<p>✓</p>
	<p>Anthony Black</p>	<p>President, Service at Husky Technologies</p>	<p>✓</p>

Why Shareholders Should Oppose the Incumbent Outside Directors

Torsten Gessner



- × No officer or director experience at a listed company
- × Stepped down as CEO of ThyssenKrupp North America, Inc October 2014 with no clear explanation from management as to a reason

Clark Graninger



- × Glass Lewis recommended against
- × Nothing material has changed since the EGM therefore the candidates should not be supported by proxy firms for the AGM
- × Executive VP of Shinsei Trust & Banking Co., Ltd. which is reported to have had legal compliance and management system problems with the Financial Service Agency and was subject to administrative disciplinary actions including cutting Graninger's compensation by 20% for three months.

Kaoru Umino



- × No officer or director experience at a listed company
- × Only licensed to practice law in New York State

Ako Shimada



- × No officer or director experience at a listed company
- × Only licensed to practice law in US
- × Over committed by concurrently working at two other companies as head of legal affairs

Kazuhiro Mishina



- × ISS recommended against
- × Nothing material has changed since the EGM therefore the candidates should not be supported by proxy firms for the AGM

Why Shareholders Should Oppose Nominee – Anthony Black



His selection process was not communicated by company - there are multiple independence concerns

Having been selected by the Oasis controlled Board of Directors, is Mr. Black going to be just another director committed solely to Oasis' agenda?

The Board needs truly independent Directors

01

No Board Experience

02

Mostly US-based experience. Fujitec shareholders should be concerned about potential misalignment of his perspective with the Company's goals of an Asia-centric E&E business.

03

Currently, a full time executive at a US company, which limits his availability and ability to devote sufficient time commitment as a Director

04

Oasis Directors' assumption that adding an American E&E expert to the Board will propel Fujitec forward highlights their limited focus

In Comparison, The Proposed Director Candidates, were Identified through an Exhaustive Search Process Managed by an Independent Specialists

01.

Retained an independent headhunter to create a skills-based candidate pool based on the findings of the Skills Review

02.

The headhunter identified and assessed a list of 20 candidates whom all meet the independence criteria of the Tokyo Stock Exchange and ICGN.

03.

Following a rigorous interview and analytical process, the eight most qualified candidates with most relevant experience and skills were nominated

All director nominees meet the independence criteria stipulated by Fujitec, the Companies Act, the Tokyo Stock Exchange, and ICGN.



ICGN
International Corporate Governance Network

The Proposed Nominees

Kazuyoshi Kimura



- ✓ Former Executive Chairman of Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.), CEO of Bic Camera
- ✓ Mr. Kazuyoshi Kimura has a thorough understanding of investor protection, including fair disclosure rules, which he has developed through his practical experience in the financial securities industry.

Tetsuya Nishikawa



- ✓ Former Chief Cabinet Secretary, Defense Agency / Lawyer
- ✓ Mr. Tetsuya Nishikawa outstanding practical experience in dealing with domestic and international fraud, criminal acts and corporate scandals, as well as his ability to manage large organizations and carry out reforms, will enhance the Company's corporate governance in the areas of crisis management, scandal response, governance and legal affairs.

Daisuke Kotegawa



- ✓ Former Representative Director of Japan to the IMF
- ✓ Mr. Kotegawa to contribute to Fujitec's long-term sustainable growth by using his world-class international experience and outstanding practical skills across the areas of finance, business revitalization, and corporate management.

Maiko Hagiya



- ✓ Outside Director for the Cool Japan Fund Inc. / Lawyer
- ✓ Ms. Hagiya has extensive knowledge and experience gained from her dedication to ensuring compliance and addressing challenges for women equality and human rights

The Proposed Nominees

Nobuki Sugihara



- ✓ Honorary Advisor of The Chiune Sugihara Memorial Foundation
- ✓ Mr. Nobuki Sugihara will contribute to Fujitec's long-term growth by providing us with the advice we need to develop our global business and by helping us formulate appropriate policies from an ESG (Environmental, Social and Governance) perspective.

Akira Tsuda



- ✓ Former Nomura Securities Co., Ltd., Representative Director & Senior Managing Director
- ✓ Mr. Akira Tsuda has an outstanding record and experience in growing and developing numerous companies and promoting compliance.

Hiroki Okimoto



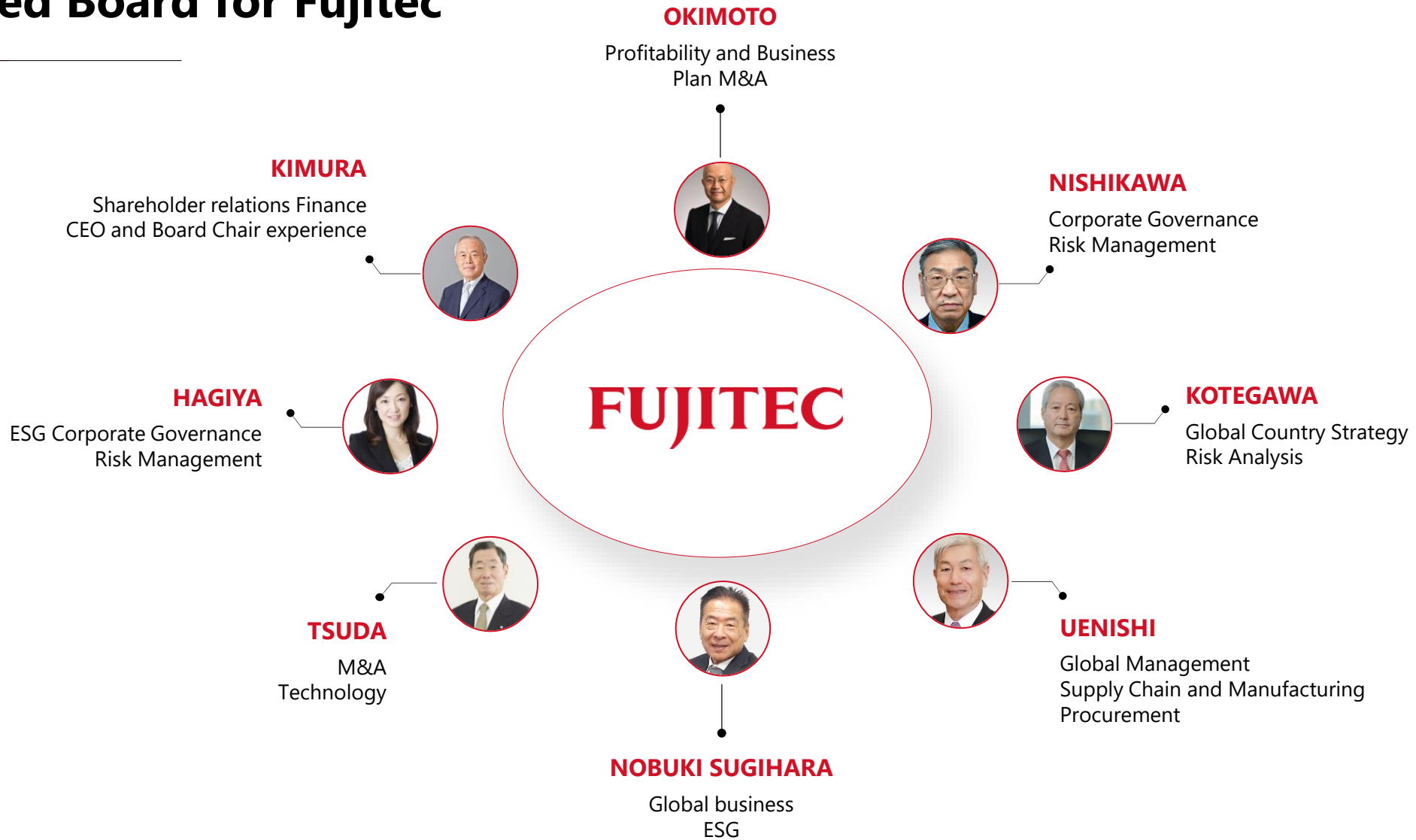
- ✓ Former Partner of Boston Consulting Group
- ✓ Mr. Hiroki Okimoto has extensive practical experience in business management and rehabilitation in a wide range of industries spanning operating companies, financial institutions and consulting firms, both within Japan and abroad and has been deeply involved in the growth and revitalization of businesses from the perspective of management, creditor / shareholder, and advisor.

Kenji Uenishi











- ✓ Former GE Energy Asia-Pacific Region Headquarters President
- ✓ Mr. Kenji Uenishi holds extensive experience with international and large-scale operating companies and his knowledge gained through successful experience with global supply chains.

A Balanced Board for Fujitec



The Proposed Nominees Would Constitute a Highly More Balanced Board

Current Board Members		Relevant Experience								
		Independence	Capital Markets/M&A	Shareholder Relations	Global Experience and Understanding of Economic Trends	ESG and Sustainability	Business Strategy: Profitability and Margin Planning	Governance	Prior Japanese Public Company Management / Executive Experience	Prior Japanese Public Board Experience
	Kazuyoshi Kimura	✓	✓	✓	✓		✓	✓	✓	✓
	Tetsuya Nishikawa	✓						✓		✓
	Daisuke Kotegawa	✓	✓		✓	✓	✓	✓		✓
	Maiko Hagiya	✓				✓		✓		
	Nobuki Sugihara	✓			✓	✓	✓	✓		
	Akira Tsuda	✓	✓	✓	✓		✓	✓	✓	✓
	Hiroki Okimoto	✓	✓	✓	✓		✓	✓	✓	
	Kenji Uenishi	✓	✓		✓	✓	✓	✓	✓	✓

A Clear Choice for Shareholders: Akira Tsuda



Torsten Gessner

Shareholders who **did not** support:



**Only received 56.8% support
(40.3% excl. Oasis ownership)**

Incumbent Nominee	Skills	New Independent Nominee
✗	Independence	✓
✗	Prior Japanese Public Board Experience	✓
✗	Prior Japanese Public Company Management/ Executive Experience	✓
✗	Shareholder Relations	✓
✓	Business Strategy: Profitability and Margin Planning	✓
✓	Capital Markets/M&A	✓



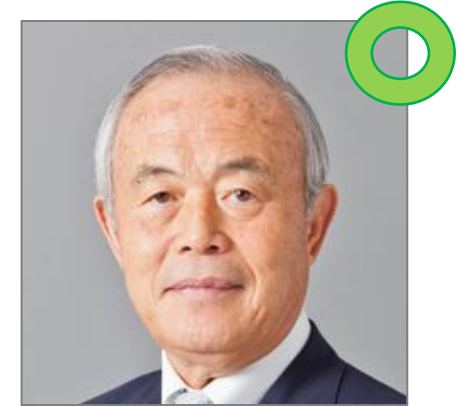
Akira Tsuda

A Clear Choice for Shareholders: Kazuyoshi Kimura



Clark Graninger

Incumbent Nominee	Skills	New Independent Nominee
✗	Independence	✓
✗	Shareholder Relations	✓
✗	Governance	✓
✓	Prior Japanese Public Board Experience	✓
✓	Capital Markets/M&A	✓
✓	Business Strategy: Profitability and Margin Planning	✓



Kazuyoshi Kimura

Glass Lewis recommended **Against**



GLASS LEWIS

Shareholders who **did not** support:



**Only received 51.82% support
(35.3% excl. Oasis ownership)**

A Clear Choice for Shareholders: Maiko Hagiya



Kaoru Umino

Shareholders who **did not** support:



**Only received 58.74% support
(42.2 excl. Oasis ownership) favor**

Incumbent Nominee	Skills	New Independent Nominee
x	Independence	✓
x	ESG	✓
x	Governance	✓
US Only	Legal Compliance	✓



Maiko Hagiya

A Clear Choice for Shareholders: Hiroki Okimoto



Ako Shimada

Shareholders who **did not** support:



**Only received 51.10% support
(34.63% excl. Oasis ownership)**

Incumbent Nominee	Skills	New Independent Nominee
x	Independence	✓
x	Prior Japanese Public Company Management/ Executive Experience	✓
x	Shareholder Relations	✓
x	Business Strategy: Profitability and Margin Planning	✓
✓	Global Experience and Understanding of Economic Trends	✓
✓	Capital Markets/M&A	✓



Hiroki Okimoto

A Clear Choice for Shareholders: Daisuke Kotegawa



Kazuhiro Mishina

ISS recommended
Against



Shareholders who
did not support:



ALLIANCEBERNSTEIN

BLACKROCK

charles SCHWAB



**Only received
53.21% in favor**

Incumbent Nominee	Skills	New Independent Nominee
x	Capital Markets/M&A	✓
x	Global Experience and Understanding of Economic Trends	✓
x	Governance	✓
✓	ESG and Sustainability	✓
✓	Business Strategy: Profitability and Margin Planning	✓
✓	Independence	✓



Daisuke Kotegawa

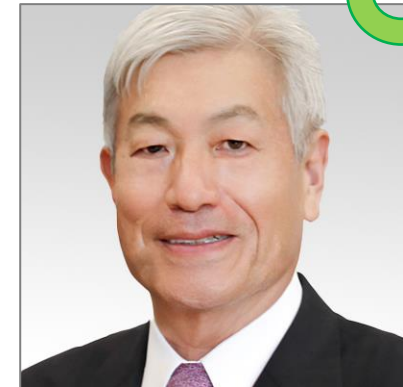
A Clear Choice for Shareholders: Kenji Uenishi



Anthony Black

- Anthony Black holds almost 20 years of experience at Otis, a direct competitor of Fujitec. This conflict of interest is unacceptable.
- Additionally, Mr. Black is currently serving a full-time position as President, Service of Husky Technologies (a U.S based company). He is unable to provide the proper amount of time and attention that a Director role requires.

Incumbent Nominee	Skills	New Independent Nominee
x	Prior Japanese Public Company Management/ Executive Experience	✓
x	Prior Public Board Experience	✓
Otis	Conflict of Interest	No Conflict of Interest
President, Service at Husky Technologies	Over Committed & Holds a Full Time Position at another Firm	Currently No Full-Time Position



Kenji Uenishi

New Nominees Focus Areas: Reemphasis on Stakeholders



Hiroki Okimoto

*"In the Fujitec case, I aim to serve as a **mediator between the company and shareholders**, fostering **effective dialogue and positive outcomes**."*



Kazuyoshi Kimura

*"From my long experience as a senior executive and independent director of a number of major Japanese companies, I firmly believe that creating a system that **that engages and motivates employees, through investment in the people** who are responsible for research and development, capital investment, and business development, is the crux of best practice corporate governance."*

New Nominees Focus Areas: Macro Economic Environment



Macro economic environment: the world and Japan are currently undergoing profound shifts in monetary policy settings, energy transition, geopolitical tension, tech disruption. Our nominees collectively bring experience in managing these dynamics through a variety of challenges in many industries that are adjacent to Fujitec's



Kenji Uenishi

*"About 70% of Fujitec's employees are based outside of Japan, and approximately 65% of its revenue comes from overseas sales. I believe that I can help Fujitec become a more **globally oriented company** that can achieve continuous growth by utilizing my global management expertise and experience."*



Nobuki Sugihara

*"Leveraging my extensive network of international connections, I am confident in my ability to significantly contribute to the **growth and expansion of Fujitec across the world.**"*

New Nominees Focus Areas: Industry Specifics



Industry specifics: The economics of the E&E business are highly sensitive to cycles in the building & construction sector. We have recently emerged from a global pandemic which has had a profound impact in this area, especially in office construction, with changing workplace location trends, decentralisation, urban design, new infrastructure needs etc.



Kenji Uenishi

*"Fujitec, as a group of engineers & technicians responsible for human safety in elevators, requires a long-term business vision. ... **[I have] experience building a global SCM system (procurement, manufacturing, and logistics) that connects America, Europe, Japan, and Asia. [and believe an] efficient global SCM is necessary for Fujitec's future leap forward.**"*



Akira Tsuda

*"Fujitec's business model is predominantly business-to-business, but it ultimately **operates in a much broader stakeholder environment model** with a vast number of end-users beyond its immediate customers."*

New Nominees Focus Areas: Sustainability



Sustainability: A key challenge for all companies is more responsible use of resources, responsible procurement and supply chain and human capital management. One critical example will be the trend to retrofit existing high-rise buildings rather than build new ones as a way of reducing embodied carbon emissions and meet green building standards. This poses numerous technical challenges and opportunities in the R&D arms of Fujitec which will only be achieved through a long-term, sustainable business focus



Kazuyoshi Kimura

*"One of the **greatest drivers for sustainable growth is "employee engagement,"** and continual focus and improvement in this area is critical to the sustainable growth of any company...Fujitec needs to return to an open and free discussion within the board of directors, committed to long-term sustainable growth, with employee and customer."*



Maiko Hagiya

*"[My] objective [is] to enhance compliance and governance within the company. My aim is to **cultivate an environment where employees take pride in their workplace, pursue self-realization and social contribution, and establish a robust corporate structure to support these aspirations.**"*

New Nominees Focus Areas: Cyber Risk and Security

















Cyber Risk and Security: Recent experiences in companies around the world have shown the devastating power of malicious cyber attacks to bring even highly successful companies to their knees and destroy great corporate reputations very quickly. Boards can no longer get by on expertise in specific industries and professional disciplines like law and accounting and finance alone; they need to be vigilant to the realities of the risks inherent in digital tech and cyber security.



Tetsuya Nishikawa

*"...I believe my experience across many of the **risk domains** that confront today's corporate sector, such as **cyber-security and fraud prevention**, will readily transfer to the **governance** level of an iconic Japanese company in Fujitec and complement the skills and experience of other directors."*

Right Team for the Job

Directors		Right for the Job		Nominees	
	Torsten Gessner	✘	✔		Akira Tsuda
	Clark Graninger	✘	✔		Kazuyoshi Kimura
	Kaoru Umino	✘	✔		Maiko Hagiya
	Ako Shimada	✘	✔		Hiroki Okimoto
	Kazuhiro Mishina	✘	✔		Daisuke Kotegawa
	Anthony Black	✘	✔		Kenji Uenishi
	Open Seat	?	✔		Nobuki Sugihara
	Open Seat	?	✔		Tetsuya Nishikawa

Our slate has the right experience for a board of directors

- The Board as currently constituted is lacking in key skill areas
- The key role should be providing effective oversight of management by establishing clear performance metrics and goals for management, to ensure that they are aligned with the company's overall strategy. Industry expertise is therefore not a critical requirement for a BOD member

	Company	Shareholder	Additional info
Proposed number of outside directors (Capacity = 8 persons)	6 persons (while competitors have 10 or 12 directors, Company has only 6)	8 persons	Competitors Otis has 10 Hitachi has 12
Independence of directors	5 out of 6 were nominated by Oasis	Independent by standards of the Tokyo Stock Exchange and ICGN	
Balance of Skills and Experience of Directors	Otis executives 2 US lawyers 2 Academic 1 Finance Expert 1 ⇒ Overlapping and biased skill set and experience	Executive global manufacturer 1 Risk Management Expert 1 Japanese lawyer 1 Global economic expert 1 Consulting 1 CEO·Chairman Experience 1 ESG skills 1 Finance expert 1 ⇒ Diversity of skills and experience	The company's proposed directors have overlapping skills. Specifically, two members from our direct competitor Otis (which held 10% of our shares in 2010) and two U.S. attorneys are evidence that the company has not considered governance or the composition of the board of directors.
Management Experience	3 of 6 candidates 50%	5 of 8 candidates 63%	Regarding company proposal, 3 out of 6 respondents have no business experience.
Public Company Executive experience	1 of 6 candidates 17%	4 of 8 candidates 50%	Only one person in the company proposal has experience as a director of a publicly traded company, either domestic or foreign.
Public Company Director experience	2 of 6 candidates 40%	5 of 8 candidates 63%	The company proposal includes only two people with experience as directors of publicly traded companies.

Kazuyoshi Kimura



Current Roles

- Jun. 2020 Outside Director (Member of the Audit & Supervisory Committee) of SPARX Group Co., Ltd.
- Mar. 2023 Outside Director of World Holdings Co., Ltd.

Previous Experience

- Apr. 1967 Joined Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.), Mar. 2000 Executive Vice President of said company
- Jun. 2001 CEO of Nikko Asset Management Co., Ltd.
- Jun. 2005 Executive Chairman of Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.)
- Feb. 2007 Representative Executive Chairman of Nikko Cordial Corporation
- Jun. 2011 Outside Director of Hitachi Koki Co., Ltd.
- Jun. 2012 Corporate Auditor of SPARX Asset Management Co., Ltd.
- Jun. 2012 Outside Director of Daiwa House Industry Co., Ltd.
- Nov. 2012 Director of Bic Camera Inc.
- Nov. 2012 Director of Kojima Co., Ltd., Sep. 2013 Representative Director, Chairman & President Representative Executive Officer of Kojima Co., Ltd., Sep. 2020 Director of Kojima Co., Ltd.
- Sep. 2020 Representative Director & President of Bic Camera Inc.

Bio

- Mr. Kazuyoshi Kimura has contributed to the capital markets of Japan through service of over 40 years in Japan's financial security industry, serving as Executive Vice President of Nikko Securities, President of Nikko Asset Management Co., Ltd., and President of Nikko Cordial Securities Inc. (currently SMBC Nikko Securities)
- He then worked as the Outside Director of Hitachi Koki (currently Koki Co., Ltd.) and Daiwa House Industry Co., Ltd. At the same time, he served as the CEO of Kojima Co., Ltd., and in 2020 was appointed as the CEO of Bic Camera, Inc.
- He currently serves as the Outside Director of SPARX Group Co., Ltd. and World Holdings Co., Ltd.

Tetsuya Nishikawa



Current Roles

- Jun. 2012 Outside Corporate Auditor of TAIHEI Engineering Co., Ltd.
- May 2013 Outside Corporate Auditor of SEKIDO CO., LTD.
- Mar. 2016 Councilor of Iwatani Naoji Foundation
- Mar. 2016 Special Advisor of Iwatani Corporation
- Jul. 2018 Auditor of Japan Institute for Space and Security
- Dec. 2018 Outside Corporate Auditor of SOKEN CO., LTD.
- Oct. 2019 Member of the Board of Shibunkai
- Jun. 2020 Member of the Board of Kodokan Judo Institute

Previous Experience

- Apr. 1972 Joined the National Police Agency
- Aug. 1989 Director of Second Investigation Division, Criminal Investigation Bureau, Metropolitan Police Department, Jan. 1991 Counselor of Criminal Investigation Department and Crime Prevention Department, Metropolitan Police Department
- Apr. 1993 Chief of Wakayama Prefectural Police Headquarters, Mar. 1998 Chief of Niigata Prefectural Police Headquarters
- Aug. 2005 Chief Cabinet Secretary, Defense Agency
- Jan. 2007 Chief Cabinet Secretary, Ministry of Defense
- Dec. 2007 Advisor to Meiji Yasuda Life Insurance Company
- Aug. 2009 Assistant Chief Cabinet Secretary
- Nov. 2011 Advisor to Sompo Japan Insurance Inc. (formerly Sompo Japan Nippon Koa)
- Jan. 2012 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) and joined Kasahara Law Office
- Jun. 2013 Outside Director of LAC Co., Ltd.
- Jun. 2014 Outside Corporate Auditor of Shimizu Corporation

Bio

- After joining the National Police Agency of Japan, Mr. Tetsuya Nishikawa was appointed as a foreign affairs officer in the Foreign Affairs Division of the Security Bureau of the National Police Agency
- After receiving training at the Ministry of Foreign Affairs of Japan, he was appointed for service at the Japanese Embassy in the Philippines
- He also spent time at the Criminal Investigation Bureau and Crime Prevention Bureau of the Metropolitan Police Department
- In addition, during his days as Counselor at the Defense Agency of Japan, he was in charge of cyber affairs
- He also has experience as the head of Personnel Education Bureau where he participated in Personnel Guidance Administration and as the Director General of Ministry of Defense where he worked on the transition of the Defense Agency to the Ministry of Defense
- He currently works as an attorney at law involved in corporate legal affairs, general civil affairs, and corporate crime-related cases
- He was awarded The Order of the Sacred Treasure, Gold and Silver Star in the autumn of 2017

Daisuke Kotegawa



Current Roles

- May 2012 Outside Director of SEKIDO CO., LTD.
- Apr. 2018 Outside Director of Stream Co., Ltd.
- Jan. 2019 Outside Director of Tsuneishi Holdings Corporation

Previous Experience

- Apr. 1975 Joined Ministry of Finance
- Jun. 1979 MBA from Stanford University Graduate School of Business
- Jun. 1996 Director of Operations Division, Financial Securities Bureau, Ministry of Finance
- Jun. 1998 Chief of Supervisory Coordination Division, Financial Supervisory Agency
- Jul. 2003 Deputy Director-General, Minister's Secretariat
- Jul. 2005 Director of Kanto Local Finance Bureau, Ministry of Finance, Jul. 2006 Deputy Manager of Financial Bureau, Ministry of Finance
- Jul. 2007 Representative Director of Japan to the IMF
- Feb. 2011 Chief Researcher of The Canon Institute for Global Studies, General Incorporated Association
- May 2011 Outside Director of Parco Co., Ltd.
- Apr. 2012 Outside Corporate Auditor for Stream Co., Ltd.
- May 2013 Outside Director of ICHIGO HOLDINGS CO., LTD.
- Apr. 2020 Chairman & President of Oita Prefectural College of Arts and Culture

Bio

- After joining the Ministry of Finance of Japan, Mr. Daisuke Kotegawa, serving as Director of the Securities Business Division and Director of the Financial Supervisory Agency of Japan
- As the Vice Chairman of the OECD Tax Committee, he organized the "Harmful Tax Competition" Committee, which is responsible for the creation of a blacklist
- He also held other important positions at the Minister's Secretariat, the Budget Bureau (responsible for Ministry of Foreign Affairs and Economic Cooperation), the Tax Bureau, the Financial Bureau, and the International Bureau in the Min
- He also tackled the global financial crises after the collapse of Lehman Brothers as Japan's Representative Director of IMF. In particular, he chaired the final meeting for the New Arrangements to Borrowing (NAB), which led to an agreement for a \$600 billion increase of IMF resources
- He has lectured at Harvard Business School, Thammasat University Graduate School of Economics, and Lee Kuan Yew Business School

Maiko Hagiya



Current Roles

- Jun. 2019 Outside Director of Cool Japan Fund Inc.
- Jun. 2021 Chairman of Investment Committee within Cool Japan Fund Inc. , General Incorporated Association

Previous Experience

- Mar. 1996 Registered as an attorney at law
- Apr. 1998 Vice-Chairman of Human Rights Protection Committee, Tokyo Bar Association
- Apr. 2003 Vice-Chairman of Human Rights Protection Committee, Tokyo Bar Association (second time)
- Apr. 2005 Commissioned Attorney of Discipline Committee, Japan Federation of Bar Associations
- Jun. 2010 Secretary of Japan Women's Bar Association
- Jun. 2014 Vice President of Japan Women's Bar Association

Bio

- Ever since she registered as an attorney in 1996, Ms. Maiko Hagiya has been an active member of the Tokyo Bar Association's Human Rights Protection Committee
- In 1998, she served as the Association's Vice Chair
- In 2005, she was appointed as a contract attorney for the Japan Federation of Bar Associations' Disciplinary Lawyers Committee
- From 2010 to 2011, she served as the secretary for the Japan Women's Bar Association and from June 2014 to May 2017, she served as the vice president
- In 2019, she was appointed as an Outside Director for the Cool Japan Fund Inc., and she continues to serve since 2021 as the chair of the Investment Committee within Cool Japan Fund Inc., where she focuses on building and maintaining the governance and compliance of the Organization and its portfolio companies

Nobuki Sugihara



Current Roles

- 2018 Honorary Advisor of The Chiune Sugihara Memorial Foundation, General Incorporated Association

Previous Experience

- 1989 CEO of Belgotia BVBA
- 1997 CEO of Filon SARL
- 2000 CEO of ABC Diamonds BVBA
- 2005 CEO of Stardust International BVBA
- 2018 Honorary Advisor of The Chiune Sugihara Memorial Foundation (to present)

Bio

- After studying economics, business administration, and the Hebrew language at The Hebrew University of Jerusalem, Mr. Nobuki Sugihara joined A. Moldawski in 1972, an Israel diamond company
- He later return to Japan and expanded his activities to Ramat Gan, Antwerp, Bombay, and New York, where he was involved in the import and export of diamonds
- In 1989, he founded and served as CEO of Belgodia, a diamond mining, import/export, and venture capital company in Belgium
- He also established Filon SARL in Madagascar and ABC Diamonds in Belgium, serving as CEO of both companies

Akira Tsuda



Current Roles

- Jun. 2013 Board of Business Research Institute, General Incorporated Association
- Apr. 2018 Chairman of Japan Compliance Promotion Association, General Incorporated Association
- Dec. 2019 Outside Director of FCE Holdings Inc.
- Jun. 2021 Outside Director of The Kita-Nippon Bank, Ltd.
- Sep. 2021 Advisor of TAKARA PRINTING CO., LTD.

Previous Experience

- Apr. 1968 Joined Nomura Securities Co., Ltd., Dec. 1987 Director of said company, Jun. 1991 Managing Director of said company, Jun. 1996 Representative Director & Senior Managing Director of said company
- Jun. 1997 Representative Director & Senior Managing Director of Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.), Apr. 1999 Representative Director & Executive Vice President of said company
- May 2002 CEO of Nomura Investor Relations Co., Ltd.
- Jun. 2005 Representative Director & President of Nippon Venture Capital Co., Ltd.
- Jun. 2005 Director of Hitachi Capital Corporation
- Jun. 2009 Corporate Auditor of Torishima Pump Manufacturing Co., Ltd.
- Aug. 2009 Director of TAKARA PRINTING CO., LTD.
- Jun. 2015 Director of Torishima Pump Manufacturing Co., Ltd.
- Jun. 2019 Outside Director of Path Corporation

Bio

- After retiring from his post as the Executive Managing Director at Nomura Securities Co., Ltd., Mr. Akira Tsuda was appointed as the Executive Managing Director at the Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.), and thereafter was appointed as an Executive Vice-President
- He served as the Executive Chairman for the Board of Nomura Investor Relations Co., Ltd.
- He also served as the Representative Director & President of Nippon Venture Capital Co., Ltd., a long-established venture capital firm, where he was actively involved in the management of the firm from its early stages and helped many start-ups grow
- Later, he served as a director of Hitachi Capital Corporation and Takara Printing Co. Ltd. At the Torishima Pump Manufacturing Co., Ltd., he served as a corporate auditor and has played a central role in the company's compliance promotion
- He currently serves as an Outside Director of The Kita-Nippon Bank, Ltd. and FCE Holdings and as the Chairman of the Japan Compliance Promotion Association

Hiroki Okimoto



Current Roles

- Sep. 2012 President of Sunset Management LLC
- Apr. 2023 Outside Director, Olive Union Inc.

Previous Experience

- Apr. 1986 The Fuji Bank, Limited (currently Mizuho Financial Group)
- Apr. 1997 A.T. Kearney K.K.
- Apr. 1999 SBI Holdings, Inc. (formerly Softbank Finance)
- Oct. 2004 Director & CFO of Triumph International Japan
- Feb. 2006 Director CFO of Realcom Co., Ltd. (currently Abalance Corporation)
- Jan. 2008 Executive Vice President CFO of NIWS Co. HQ Ltd.
- Aug. 2008 Director of AlixPartners Asia LLC
- Oct. 2013 Representative Member of Anchor Management Co., Ltd.
- Aug. 2019 Partner of Boston Consulting Group
- Jun. 2020 Representative Director of Fiducia Co., Ltd.

Bio

- Mr. Hiroki Okimoto has worked extensively in the advisory field, serving as the president of a group company of Deloitte Tohmatsu and as a partner in the business revitalization practice of Boston Consulting Group
- He was also assigned from Alix Partners, to hold interim CFO positions at domestic and overseas operating companies and served as an executive (CEO, COO, and CFO) of several operating companies and as a manager of several venture companies
- He has also worked extensively in the finance industry including working on real estate lending and default workouts in the U.S. at Fuji Bank (now Mizuho Bank), and venture investment screening, portfolio management, and restructuring of listed portfolio companies at SBI Holdings
- Mr. Hiroki Okimoto's major business management and business restructuring achievements include the following: CFO/CRO of LDH (former Livedoor), CEO of Digit Brain (listed on JASDAQ at the time), Vice President CFO of NIWS Co. (listed on the Second Section of the Tokyo Stock Exchange at the time), President of an Internet financial services company and as CFO of a start-up software company, both of which were successfully listed on the stock exchange

Kenji Uenishi



Previous Experience

- Jun. 1983 Acoustic Technology Inc. (Boston, US)
- Jul. 1985 Vigyan Associates Inc. (Virginia, US)
- Jul. 1987 Advanced Technology Research & Development Division, GE Aviation Headquarters
- Mar. 1997 GE Aviation Japan Branch President
- Jan. 2008 GE Energy Asia-Pacific Region Headquarters President (Asia-Pacific Region)
- Oct. 2013 Lixil Corp – Senior Managing Executive Officer (2014-2015)
- Jul. 2017 Xacti Corporation

Bio

- Mr. Kenji Uenishi holds a Ph.D. in Aerospace Engineering from the George Washington University's Graduate School. After completing his undergraduate and graduate studies in the U.S., he worked at NASA on aerodynamic computer simulation research
- He then joined General Electric's Aero Engines Division as a Technical Generalist in Research and Development where he worked for 26 years eventually
- As the GE Aviation's (Aero Engines Department) General Manager of Japan Branch, he oversaw sales activities for Japanese commercial airlines, aircraft-related heavy industries, and the Ministry of Defense
- Later become GE Energy's President of Asia Pacific Region
- He is also one of the founders of a joint venture between Honda and GE (GE Honda Aero Engines LLC)
- Mr. Kenji Uenishi has since served as a director and representative director for major Japanese housing equipment, auto parts, and precision equipment manufacturers
- In 2019 founded the Japanese office of Swiss startup PriceHubble





**A NEW MODEL
FOR SUCCESS**

A Vision for Fujitec that all Shareholders can Support

Become Asia's Leading E&E Player

- **There is currently no major independent E&E player originating from Asia. Our vision would be to become the leading independent E&E company hailing from Asia.**
 - Through heavy investment, increase market share in India and South Asia (Indonesia, Mekong region)
 - Increase after-market business ratio in China
 - Further develop a stronger and more robust manufacturing network in Asia (China + 1)
 - Continue building out the profitable and high market share business in Hong Kong, Singapore, and Taiwan

Be active in the consolidating and streamlining in the E&E industry

- **Unlike the US and Europe, there are numerous opportunities for consolidation in the E&E space in Asia – both vertically and horizontally. By becoming a central figure in consolidation, strive to become Asia's #1**
 - Vertically : Acquisition of businesses that allows for integrated services in a local market – both regionally and by product (e.g., maintenance companies)
 - Horizontally : Willing to undertake large-scale M&A with an eye to major industry restructuring









Further strengthen Fujitec's service and aftermarket capabilities

- **Due to Asia's recent rise (compared to Europe) in terms of need for elevators, there is still more business opportunity in the new sales segment. However, we will grow the service segment to become a global leader in the modernization and service segment**
 - Establish global modernization team responsible for building out modernization business globally
 - In all countries, continue M&A for service-oriented companies to increase service proportion
 - Invest heavily in tech and DX to decrease overhead costs associated with maintenance (toward an automated service method)

Our Model for Success

Company Vision

1. Become Asia's Leading E&E Player
2. Be active in the consolidating and streamlining in the E&E industry
3. Further strengthen Fujitec's service and aftermarket capabilities

Best Independent Board							
							
Kazuyoshi Kimura	Tetsuya Nishikawa	Daisuke Kotegawa	Maiko Hagiya	Nobuki Sugihara	Akira Tsuda	Hiroki Okimoto	Kenji Uenishi

1. Independence	2. Reemphasis on Stakeholders:	3. Core Focus Areas:
	<ul style="list-style-type: none"> ▪ Shareholders ▪ Employees ▪ Clients ▪ Suppliers 	<ul style="list-style-type: none"> ▪ Macro economic environment ▪ Industry specifics ▪ Sustainability ▪ Cyber Risk and Security

Basic Pillars/Principles

Planning and Strategy Tools:

- Review and measure Management performance against the Vision 24 Plan
- Make any necessary plan amendments or adjustments to targets
- Update plan for a Vision 28 or Vision 30 Plan



Successful
FUJITEC



Proposal to Return Capital to Employees

- In recognition of our 2nd Priority, the new Board intends to operate with a renewed dedication and respect for our stakeholders
- One of our more important stakeholders are the employees, the foundation of the company
- In light of past events, for the Company and its Board to be successful, it must pursue and establish a renewed commitment to its employees
- As part of that commitment, the Board intends to better recognize the contributions of the employees to the success of the Company and as part of that recognition, determine a way to return capital directly to its employees
- We have been in contact with a committee of former employees and others to determine what a periodic mechanism to return capital to employees would look like
- We will consider such a mechanism in the following forms:
 - Pension contribution
 - Wage increase
 - Bonus pool tied to company performance
- Upon election, the new Board will finalize and implement the proposal to solidify the Company's new stance: one Board, one Company, one Fujitec

Returning Capital to Employees answers the Government's call on Japanese companies to respond to inflationary pressure and market constraints



Majority of Japan firms heed Kishida's call to raise wages this year

- More than half of Japanese companies are planning to raise wages this year, a survey has found. | REUTERS

BY [ROCKY SWIFT](#)

•REUTERS
Jan 19, 2023

More than half of Japanese companies are planning to raise wages this year, according to a Reuters monthly poll, meeting a key request from Prime Minister Fumio Kishida to help workers cope with surging consumer prices.

Kishida's administration has repeatedly urged companies to make strong efforts to lift employee pay, which has failed to keep up with the fastest inflation in 40 years. That push got a boost last week when Uniqlo operator Fast Retailing said it would [raise wages as much as 40%](#).

Ahead of spring *shuntō* labor negotiations, managers at 24% of the companies polled said they planned on across-the-board bumps in base salary along with regularly scheduled wage increases. Another 29% said they would carry out regular pay increases only, while 38% were undecided...

Japan's workers get biggest pay rises in decades as inflation surges

By [Tetsushi Kajimoto](#) and [Kiyoshi Takenaka](#)

TOKYO, March 15 (Reuters) - Top Japanese companies agreed to their largest pay increases in a quarter century at annual labour talks that wrapped up on Wednesday, heeding, at least for now, Prime Minister Fumio Kishida's call for higher wages to offset rising living costs.

Worker pay has been a casualty of years of sputtering growth in the world's third-largest economy. **Japanese salaries are virtually unchanged since the late 1990s and now well behind the average for the OECD grouping of rich countries.**

Kishida has stepped up his call for better pay as a weak yen currency and higher commodities prices have driven up import costs, sending inflation to its highest in four decades.

The average wage increase at "shunto" spring wage talks this year was the biggest in about 30 years, according to the Keidanren business lobby, which did not give a more exact figure. That put the increase broadly in line with analysts' expectations for a boost of almost 3%, which would be the biggest since 2.9% in 1997...

Strategy Tools and Planning: FF Vision 24

FF Vision 24		
Operating profit ratio	10% (of the total)	Achieve an operating margin of 10%, currently at 7%, by the fiscal year ending March 31, 2025.
ROE	12% (Year ending Mar. 2025)	ROE is currently in the 9% range. Achieve 12% through profit increase and share buyback.
Debt KPI	D/E ratio; 0.5x or more but less than 1x	The capital policy is to raise funds through borrowed debt from the current debt-free status.
Dividend	100 yen/share per year from the fiscal year ending March 31, 2023	Annual dividend of 100 yen/share committed by shareholder proposal. Dividend amount; approximately 8 billion yen/year.
Acquisition of treasury stock	5 billion yen per year	Repurchase of treasury stock to increase stock price and dividend payout ratio.
Dividend payout ratio	More than 70%	Since the actual dividend payout ratio in recent years has been around 70%, the target dividend payout ratio is set at 70% or higher.

Strategies to achieve FF Vision 24

Regional Strategy

- India - Top Strategic Region, Key Investment Area
 - Expansion of sales network
 - Business expansion through M&A
- Japan - Continue current course, but increase share of aftermarket sector
 - Raising unit sales prices in the aftermarket
- China - Reconsider current JV and proceed with negotiations for 100% Fujitec ownership
 - Strengthen direct sales system and expand sales network of distributors
- North America - Improve sales and profitability
- Europe - Considering divestiture of unprofitable countries

M&A Strategy

- 35 billion yen in M&A investment over 3 years
- Develop and execute local M&A strategies for each mature and growing market
- Selection and concentration - Reconsider unprofitable regions and businesses and build growth regions and businesses

Operations Strategy

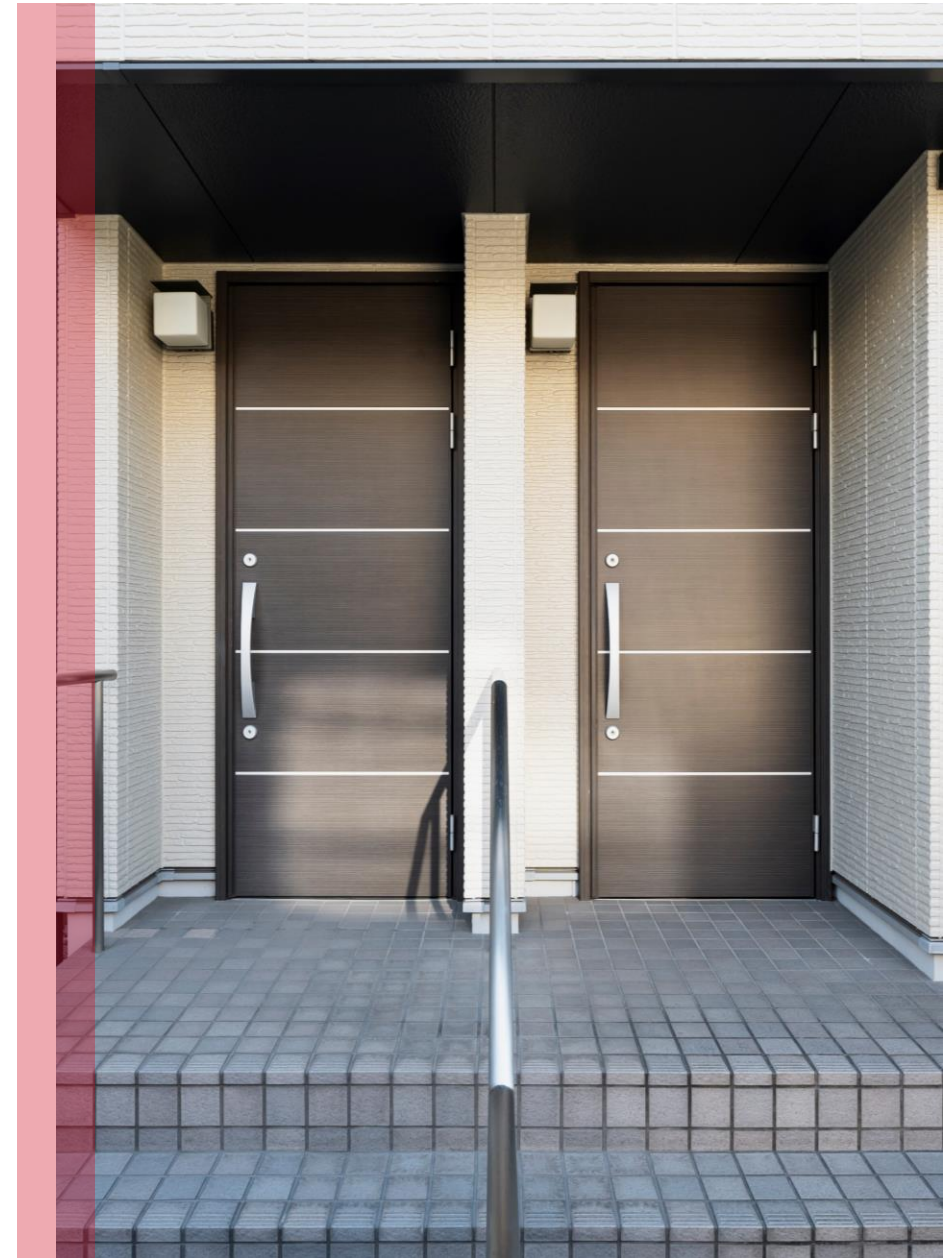
- Investment and capacity building in supply chain management and manufacturing efficiency
- Invest in and build DX and leverage technology

Funding Strategy

- Generation of operating cash flow of 70 billion yen over 3 years (surplus funds of 15 billion yen/year)
- Debt financing; 3-year cumulative total of 40 billion yen
- Dividends; 23 billion yen, share buybacks; 15 billion yen, capital expenditures; 30 billion yen
 - M&A investment; 35 billion yen

Further Change is Needed

- *Shareholders expressed a desire for change at the EGM, but the low margin of vote support suggests a lack of enthusiasm for the Oasis director candidates*
- *Oasis-Selected Directors have a History of Underperformance due to poorly designed strategies hampered by short-term only thinking and Continue to administer questionable Governance*
- *The call for change was primarily driven by shareholders wanting truly independent directors*
- *We have listened to shareholders and placed Independence as our single highest priority in the recruitment of directors*
- *Oasis has a history of underperformance due to poorly designed strategies hampered by short-term thinking*
- *Despite seeking majority board control, and running campaigns since 2020, Oasis and Oasis directors have not presented a credible plan and roadmap to improve Fujitec business*
- *Instead, Oasis directors are idly continuing the same business strategy that Oasis criticized – reinforcing our view that they lack the experience and expertise needed to provide strategic guidance*
- *Oasis directors' appear beholden to Oasis and are not acting as true independent directors should*
- *Oasis-selected directors have a history of underperformance and continue to administer questionable governance*
- *The current board is the wrong team for the job*
- *Our nominees will create the change that shareholders wanted and a vision for Fujitec that all shareholders can support*



APPENDIX

Reprimands to Oasis and Seth Fischer in multiple jurisdictions

Jun. 2008

US



SEC issued a cease-and-desist order to Oasis' predecessor organization run by Seth Fisher in which US SEC fined the organization for a short-sale during the five business days before the pricing of a public offering of shares covered with shares purchased in the offering.

➤ **The US SEC reprimanded and fined Oasis.**

Sep. 2011

Hong Kong/Japan



Oasis lowered the issue price through market manipulation during public offering of JAL shares that helped Oasis' short sale position.

➤ **In an investigation coordinated with the Japanese government, each of Oasis and Seth Fisher was reprimanded and fined 7.5 million Hong Kong dollars by the Securities and Futures Commission of Hong Kong.**

Nov. 2022

South Africa



Research firm releases false information aiding Oasis' short sales of South Africa's Fourth Largest Bank

➤ **The above-mentioned research firm that had a profit-sharing contract with Oasis relating to Oasis' short-sales was fined by the Financial Sector Conduct Authority of South Africa, which was subsequently set aside in a split decision on a jurisdictional ground.**

2022

US



Oasis Name Surfaced in relation to Short Selling Investigations by DOJ and Securities and Exchange Commission

➤ **A number of media reports mention Oasis in connection with a wide-ranging government investigation Involving short-sales.**

Newly established third-party investigation

A third-party investigation commenced on March 28 into “obstruction of candidates for directors at the company's Extraordinary General Meeting of Shareholders” – but the process of choosing the investigation committee chair was entirely in a black box and leaves doubts on its true independence. Even while there are accused independence of prior investigations, the board has failed to supply information regarding how they came to choose the latest investigation committee members.

The Third-party Committee was chosen without a transparent process, and with no short list – only TMI was selected with no other quotes or proposals of other firms.

Fujitec' Current Situation (following FY22 earnings report)

- In the past few weeks, numerous concerns and worries from shareholders, business partners, cooperating companies, employees, and members of the executive board have been expressed.
- It is hard to believe that normal management and day-to-day business operations are being carried out under the current board.



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