



Hokuetsu Corporation

Time to Transform Governance at Hokuetsu Corp.

May 2024

OASIS

www.hokuetsucorpgov.com

Legal Disclaimer

The information and opinions in this document are provided by Oasis Management Company Ltd. (“Oasis”) for informational purposes only and should not be construed as financial, legal, tax, investment, accounting, audit, or any other type of professional advice. This information and materials are confidential and are to be used only by the intended recipients, and should not be retransmitted in any form without the express written consent of Oasis. This document may contain forward-looking information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any projection or forecast made in this document will come to pass.

The information and opinions in this document are expressed as of the date presented and may be changed or updated without notice. The information and opinions contained in this document are derived from proprietary and nonproprietary sources deemed by Oasis to be reliable and are not necessarily all-inclusive or guaranteed as to accuracy. While Oasis believes that reasonable efforts have been made to ensure the accuracy of the information and opinions in this document, Oasis makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information or opinions. Any reliance placed on the information or opinions in this document is at the reader’s own risk and Oasis makes no representation or warranty, expressed or implied, about the fitness or suitability for any particular purpose of such information or opinions. In no event will Oasis or any of its employees, directors, officers, or affiliated companies or investment funds managed or operated by Oasis be liable for any direct, indirect, punitive, incidental, special, or consequential damages or damages for loss of profits, revenue, or use arising out of or in any way connected with this document, whether based on contract, tort, negligence, strict liability or otherwise.

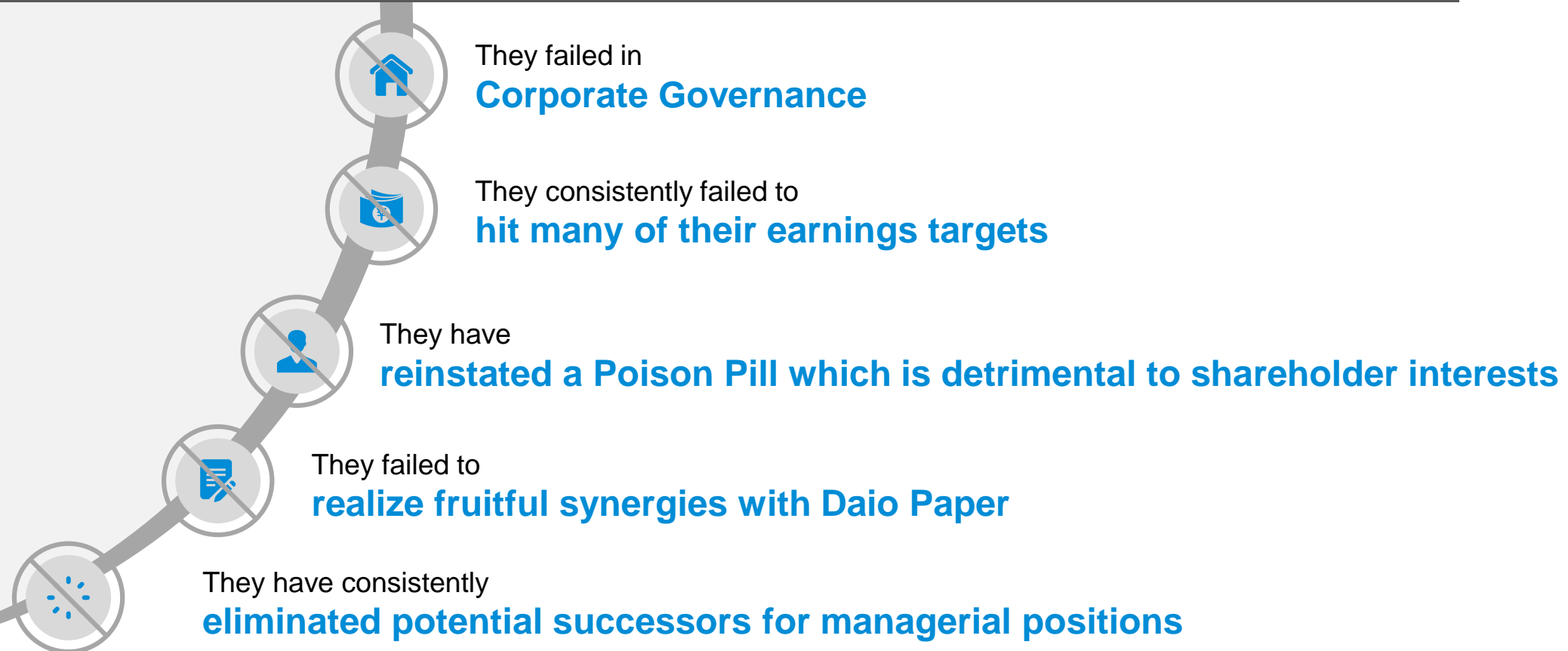
Oasis may have trademarks, copyrights, or other intellectual property rights in the information contained in this document. “Oasis” and the Oasis logo are trademarks of Oasis Management Company Ltd. All other company names, products, and logos are trademarks of their respective owners. The furnishing of this document does not confer any license to use of the trademarks, copyrights, or other intellectual property rights included in or related to this document.

Oasis is not in any way soliciting or requesting shareholders to jointly exercise their voting rights together with Oasis. Shareholders that have an agreement to jointly exercise their voting rights are regarded as “Joint Holders” under the Japanese large shareholding disclosure rules, and they must file notification of their aggregate share ownership with the relevant Japanese authority for public disclosure. Oasis disclaims its intention to be treated as a Joint Holder with other shareholders under the Japanese Financial Instruments and Exchange Act (“FIEA”) by virtue of its act to express its view or opinion or other activities to engage in dialogue with other shareholders in or through these materials, any public statements (whether written or oral, and regardless of medium), and/or this website. These materials exclusively represents the opinions, interpretations, and estimates of Oasis. Oasis is expressing those opinions solely in its capacity as an investment advisor to the Oasis Funds.

Oasis Message to the Hokuetsu Fellow Shareholders



Mr. Kishimoto and “Independent” Directors have failed Hokuetsu in many respects



And yet Mr. Kishimoto’s total control over decision-making continues.
The board should be held accountable NOW for his failures.

O A S I S

Oasis will vote to remove Mr. Kishimoto and incumbent “independent” directors and nominate five new highly qualified, independent and diverse directors at the upcoming AGM. Oasis recommends all Hokuetsu shareholders do the same.

O A S I S

Oasis urges all Hokuetsu shareholders to **vote FOR Oasis's proposals** at the AGM

Proposing entity

O A S I S Oasis's Proposals

Dismissal of President Kishimoto and Four Incumbent "Independent" Directors

- Dismissal of President Mr. Sekio Kishimoto, who acts to protect his vested interest
- Removal of all four incumbent "Independent" directors who have failed to oversee and prevent Mr. Kishimoto from destroying corporate value

Election of New Outside Directors

- Appointment of five new highly qualified, independent and diverse directors

Revision of Outside Director Compensation

- Introduce transparent compensation plan to hire truly independent and competent directors to oversee the management
- Introduction of a new compensation plan that increases the transparency of independent directors' compensation and aligns their incentives with shareholders

Recommended voting actions

Vote **FOR**

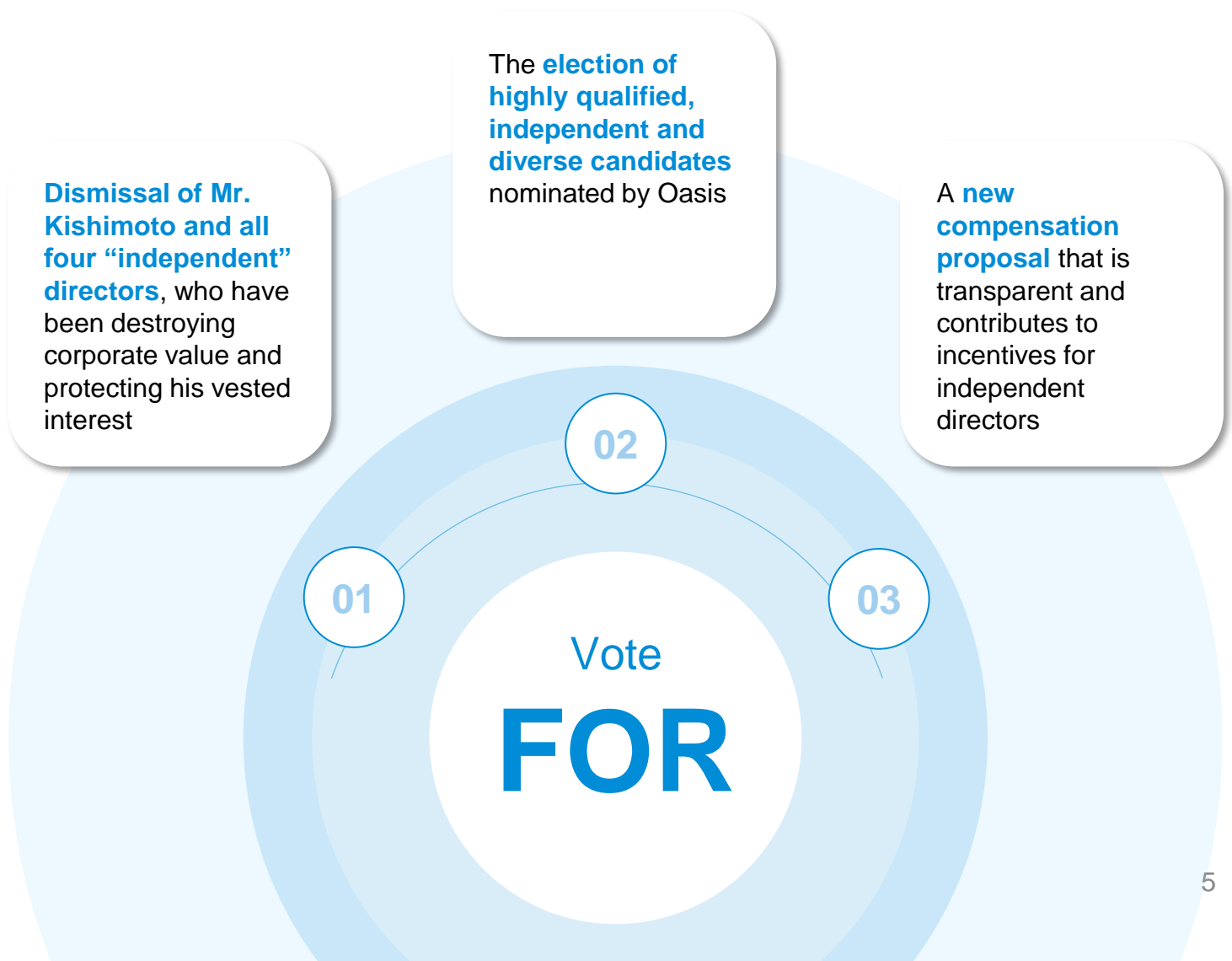
Summary: Oasis asks its fellow shareholders to support its proposals to improve Hokuetsu's corporate governance and increase its corporate value

Current situation

- Oasis is **the second largest shareholder**, holding approximately **18% of Hokuetsu's outstanding shares** (including treasury shares). Oasis is a long-term investor and has initiated engagement with Hokuetsu since 2019. Oasis **seeks to increase corporate governance and corporate value over the medium- to long-term**
- The **control exerted by Mr. Kishimoto is apparent and destructive**, where he has consistently eliminated potential successors for managerial positions
- Mr. Kishimoto has also **resurrected a Poison Pill that was abolished in 2022, which is a detriment to shareholder interests**. It is also apparent that **Independent Directors are failing to oversee Mr. Kishimoto**
- Thus, **we believe the current board is unfit to ensure effective corporate governance**, a crucial matter for Hokuetsu. Despite potential benefits for shareholders and other stakeholders, we believe Mr. Kishimoto's primary interest is self-preservation
- In an increasingly difficult business environment, Oasis is convinced that consolidation is necessary to enhance corporate value. Removing Mr. Kishimoto to eliminate his influence is the **first step in laying the foundation for the new management team to address challenges** together to improve its corporate governance and seek the best way to materialize synergies with Daio Paper

Oasis proposals and recommended voting for fellow shareholders

- ✓ Oasis proposes a fundamental improvement in corporate governance, including **the total replacement of independent directors with new highly qualified, independent and diverse candidates**
- ✓ Oasis believes this proposal is in **the best interest of all stakeholders**



Snapshot of Hokuetsu

Corporate Details

Name	Hokuetsu Corporation
Ticker	3865 JT Equity
Founded	April 1907
Headquarters	3-2-2 Nihonbashihongoku-cho, Chuo-ku, Tokyo 103-0021 Japan
President	Sekio Kishimoto
Website	http://www.hokuetsucorp.com/en/index.html

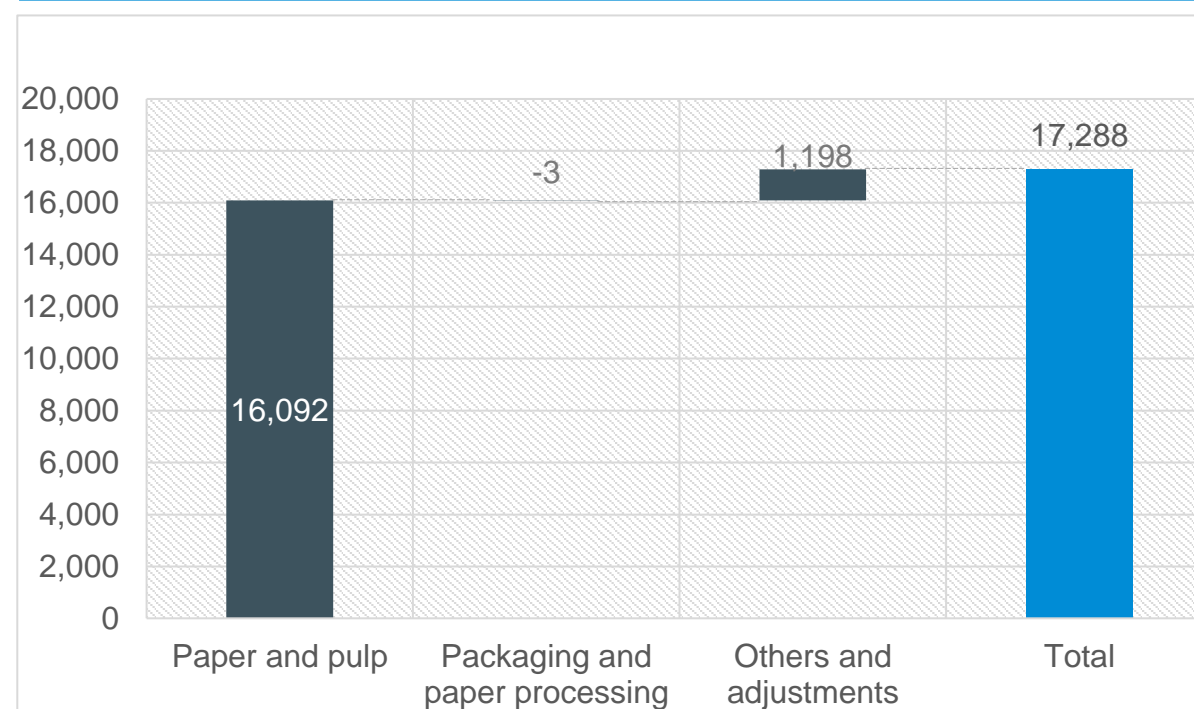
Board of Directors

President and CEO	<ul style="list-style-type: none"> • Sekio Kishimoto
Senior Managing Directors	<ul style="list-style-type: none"> • Shigeru Wakamoto • Shigeharu Tachibana
Director CFO	<ul style="list-style-type: none"> • Makoto Yanagisawa
Directors	<ul style="list-style-type: none"> • Yutaka Ishizuka • Tomoyuki Iida
Outside Directors	<ul style="list-style-type: none"> • Mitsuyasu Iwata • Kazuo Nakase • Hiromitsu Kuramoto • Hiroko Nihei

Overview of the Business

 <p>Paper and pulp segment</p> <ul style="list-style-type: none"> • Production and sale of paper and pulp products 	 <p>Packaging and paper processing segment</p> <ul style="list-style-type: none"> • Production and sale of paper containers and liquid containers, etc.; • Production and sale of all types of printing products, including business forms; • DPS (data processing services) business 	 <p>Others</p> <ul style="list-style-type: none"> • Timber business, • Construction business • Sales of various materials • Real estate trading • Transportation/warehouse business, etc.
---	--	--

Operating Profit Breakdown (Mn JPY, FY3/23)



Hokuetsu by the Numbers

(Latest figures as of May 2023 Yuho, unless specified otherwise)

Market Capitalization

JPY
222_{bn}

Sales Volume in
Domestic Paper Industry

#5

of Employees
(As of March 2023)

4,163

Latest FY Sales

JPY
301_{bn}

Latest FY
Operating Profit

JPY
17.3_{bn}

Latest FY
Operating Margin

5.7%

Table of Contents

Section 1

Oasis's History of Engagement with Hokuetsu

Section 2

Why Shareholders Should Remove Mr. Kishimoto and Current "Independent" Directors NOW

- a. Resurrected Poison Pill to Protect Their Vested Interests
- b. History of Failure to Realize Synergies with Daio Paper and Refusal to Sell its Strategic Shareholdings, incurring Significant Economics Loss
- c. Announced Strategic Alliance with Daio Paper; However, Due To Regulatory Constraints and Inherent Conflicts of Interest, Anticipated Economic Benefits are Limited
- d. Subpar Performance During Extremely Long Tenures

Section 3

Oasis's Proposal

- a. Remove Mr. Kishimoto and all four "Independent" Directors from the Board of Directors
- b. Elect independent director candidates with true independence and relevant experience
- c. Introduce a new compensation structure that aligns incentives for outside directors

Section 1

Oasis's History of Engagement with Hokuetsu

Oasis Has, For Many Years, Consistently Requested a Meeting with Mr. Kishimoto, But we Have Only Been Granted a Meeting with him Once, Despite being the Largest Shareholder at the time

Corporate Governance Code Supplementary Principle 5.1.1



Taking the requests and interests of shareholders into consideration, to the extent reasonable, the senior management, directors, including outside directors, and kansayaku, should have a basic position to engage in dialogue (management meetings) with shareholders.

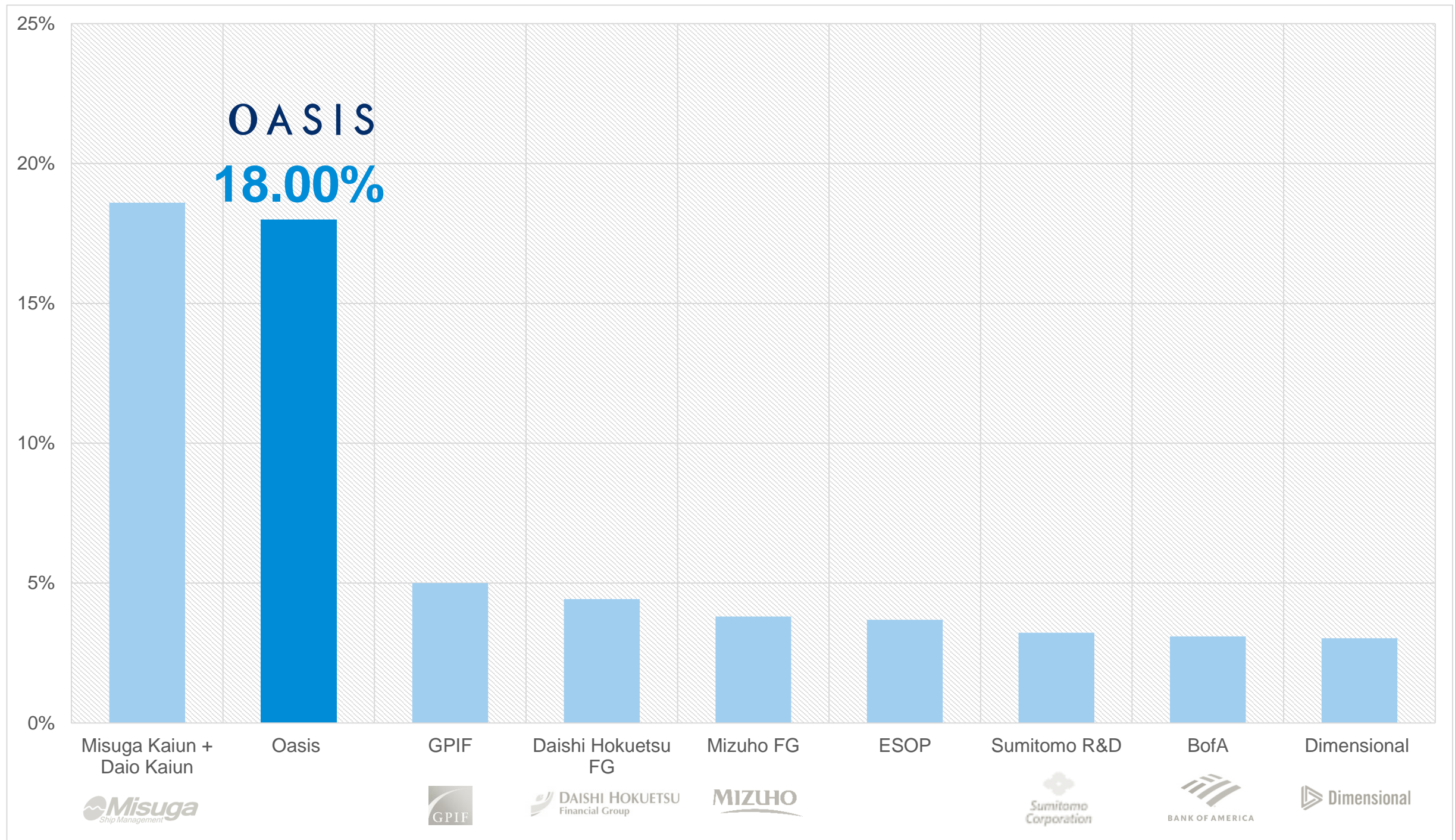


History of Oasis' meeting requests with Mr. Kishimoto

Date	Oasis requests meeting with Mr. Kishimoto in ...																																																																				
2021/5/13	IR interview	<table border="1"> <thead> <tr> <th colspan="4">2021</th> </tr> <tr> <td>JAN</td> <td>FEB</td> <td>MAR</td> <td>APR</td> </tr> <tr> <td>MAY </td> <td>JUN </td> <td>JUL</td> <td>AUG </td> </tr> <tr> <td>SEP</td> <td>OCT </td> <td>NOV</td> <td>DEC </td> </tr> </thead> </table> <table border="1"> <thead> <tr> <th colspan="4">2022</th> </tr> <tr> <td>JAN </td> <td>FEB</td> <td>MAR</td> <td>APR</td> </tr> <tr> <td>MAY </td> <td>JUN </td> <td>JUL</td> <td>AUG </td> </tr> <tr> <td>SEP</td> <td>OCT</td> <td>NOV</td> <td>DEC </td> </tr> </thead> </table> <table border="1"> <thead> <tr> <th colspan="4">2023</th> </tr> <tr> <td>JAN</td> <td>FEB </td> <td>MAR </td> <td>APR</td> </tr> <tr> <td>MAY </td> <td>JUN </td> <td>JUL</td> <td>AUG </td> </tr> <tr> <td>SEP</td> <td>OCT</td> <td>NOV </td> <td>DEC </td> </tr> </thead> </table> <table border="1"> <thead> <tr> <th colspan="4">2024</th> </tr> <tr> <td>JAN</td> <td>FEB </td> <td>MAR </td> <td>APR</td> </tr> <tr> <td>MAY</td> <td>JUN</td> <td>JUL</td> <td>AUG</td> </tr> <tr> <td>SEP</td> <td>OCT</td> <td>NOV</td> <td>DEC</td> </tr> </thead> </table>				2021				JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2022				JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2023				JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2024				JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2021																																																																					
JAN	FEB					MAR	APR																																																														
MAY	JUN					JUL	AUG																																																														
SEP	OCT					NOV	DEC																																																														
2022																																																																					
JAN	FEB					MAR	APR																																																														
MAY	JUN					JUL	AUG																																																														
SEP	OCT					NOV	DEC																																																														
2023																																																																					
JAN	FEB					MAR	APR																																																														
MAY	JUN					JUL	AUG																																																														
SEP	OCT	NOV	DEC																																																																		
2024																																																																					
JAN	FEB	MAR	APR																																																																		
MAY	JUN	JUL	AUG																																																																		
SEP	OCT	NOV	DEC																																																																		
2021/6/1	Letter																																																																				
2021/8/12	Discussion session																																																																				
2021/10/26	Letter																																																																				
2021/12/14	Discussion session																																																																				
2022/1/19	IR interview																																																																				
2022/5/27	Discussion session																																																																				
2022/8/19	IR interview																																																																				
2022/12/1	IR interview																																																																				
2023/2/24	Discussion session																																																																				
2023/2/10	Letter																																																																				
2023/3/17	Discussion session																																																																				
2023/5/22	Vote No Campaign																																																																				
2023/6/1	IR interview																																																																				
2023/8/18	IR interview																																																																				
2023/11/30	IR interview																																																																				
2023/12/20	First Discussion with Mr. Kishimoto																																																																				
2024/2/15	IR interview																																																																				
2024/3/19	Letter																																																																				

Oasis is a very large shareholder of the Company, holding approximately 18% of Hokuetsu's Shares

Ownership of Hokuetsu



Section 2-a

Mr. Kishimoto and “Independent”
Directors have Resurrected Poison
Pill to Protect His Vested Interests

Mr. Kishimoto and “Independent” Directors have Resurrected a Poison Pill to Protect His Vested Interests

O A S I S

Oasis is
the second largest
shareholder of
Hokuetsu,
owning
~18%



- Oasis has been engaging with Hokuetsu since 2019 to encourage the company to improve corporate governance, increase its corporate value and improve profitability



Mr. Kishimoto has resurrected a Poison Pill that Hokuetsu itself abolished in June 2022, to protect his vested interest

Board of Directors made unanimous decision to support the decision. Independent directors failed to perform their duties and raised concerns of independence and integrity



Oasis proposes to remove Mr. Kishimoto and four current independent directors from the Board of Directors and propose a slate of truly independent and qualified candidates

O A S I S

They Resurrected the Poison Pill, which was Abolished in December 2022, in Sole Aim to Protect Mr. Kishimoto's Vested Interests

- Hokuetsu decided to discontinue its poison pill in May 2022. However, Hokuetsu decided to reintroduce it because Mr. Kishimoto viewed Daio Kaiun as a potential threat to his controlling position
- Oasis believes that institutional shareholders are against this plan. There is a trend to abolish such takeover defense measures, and the reinstatement of this poison pill is evidence of a fundamental failure of corporate governance

Release Hokuetsu decided to Abolish its Poison Pill and Subsequent Release to Resurrect Poison Pill¹

2022年5月13日

各位

会社名 北越コーポレーション株式会社
代表者名 代表取締役社長 CEO 岸本 哲夫
(コード番号: 3865 東証プライム)
問合せ先 広報室長 外川 義治
電話 03-3245-4500

当社株式の大量取得行為に関する対応策(買収防衛策)の非継続について

当社は、本日開催の取締役会において、2022年6月29日開催予定の当社第184回定時株主総会(以下「本定時株主総会」といいます。)終結の時をもって有効期間が満了する「当社株式の大量取得行為に関する対応策(買収防衛策)」(以下「本プラン」といいます。)を継続しないことを決議しましたので、下記のとおりお知らせいたします。

この間、当社は長期経営ビジョンや中期経営計画の着実な実行により当期は過去最高益を達成するなど、持続的な成長と企業価値の向上を果たすとともに、自己株式の取得や増配など株主還元の実現やコーポレートガバナンスの強化に積極的に取り組んでまいりました。

本定時株主総会終結の時をもって有効期間の満了を迎えるにあたり、国内外の機関投資家をはじめとする株主の皆様のご意見や、買収防衛策を巡る近時の動向、当社を取り巻く経営環境の変化等を踏まえ、当社取締役会において慎重に検討を重ねた結果、本プランを継続しないこととし、あわせて2021年7月7日付新株予約権の発行登録を取り下げることをいたしました。

May 13, 2022

Hokuetsu Corporation

Decision to Discontinue Takeover Defense Measure

Hokuetsu, through Board of Director meeting held today, have decided to discontinue the takeover defense measure that is due to expire at the end of 184th Annual General Meeting to be held on June 29, 2022.

During this period, ... we have **actively worked to enhance shareholder returns and strengthen corporate governance**, including share repurchases and dividend increases.

...The Company's Board of Directors has decided not to continue the Plan **after careful consideration of the opinions of shareholders, including domestic and foreign institutional investors, recent trends in takeover defense measures**, changes in the business environment surrounding the Company.

2023年12月22日

各位

会社名 北越コーポレーション株式会社
代表者名 代表取締役社長 CEO 岸本 哲夫
(コード番号: 3865 東証プライム)
問合せ先 広報室長 外川 義治
電話 03-3245-4500

大王海運株式会社らによる当社の株券等を対象とする大規模買付行為等を踏まえた当社の株券等の大規模買付行為等に関する対応方針の導入に関するお知らせ

December 22, 2023

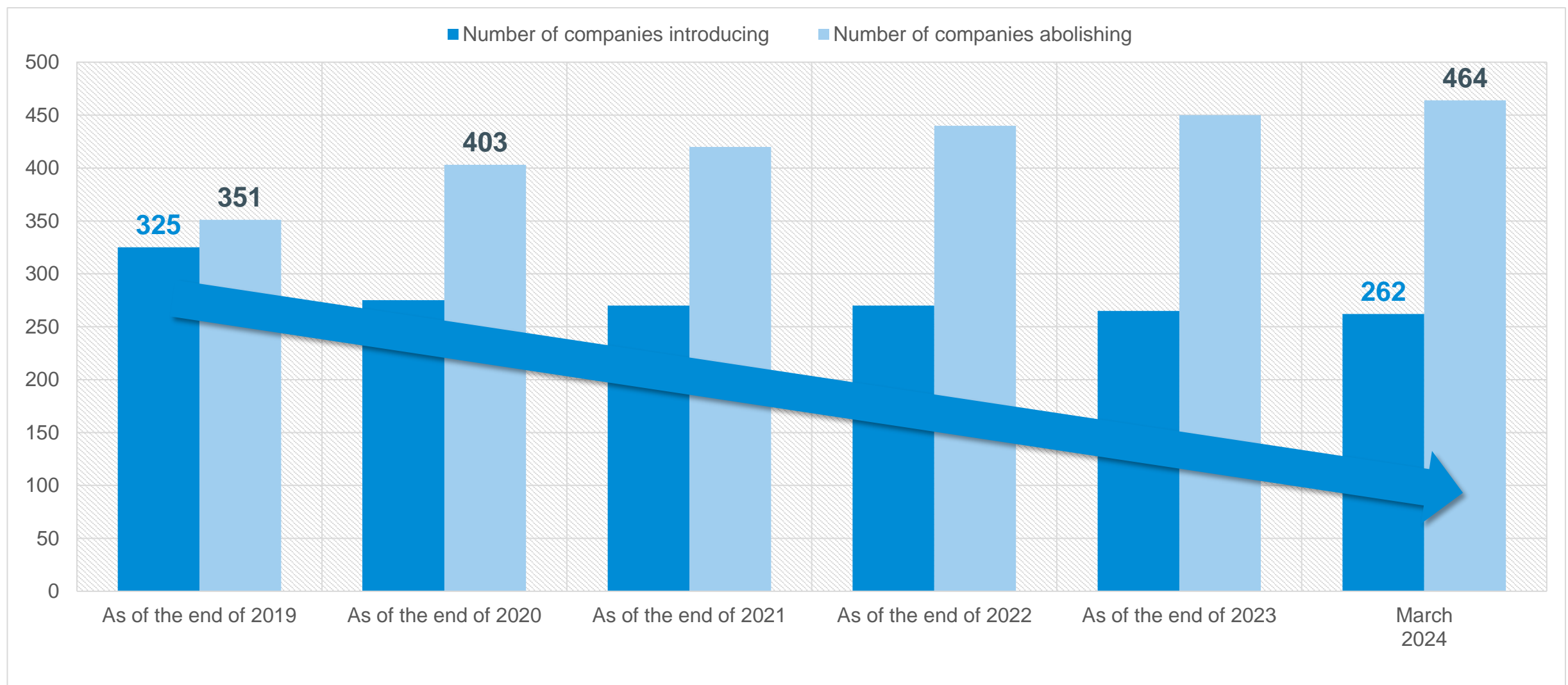
Hokuetsu Corporation

Notice of introduction of takeover defense measures as a response to Daio Kaiun's large-scale purchase of Hokuetsu's shares

This is Against The Corporate Governance Trend in Japan

- Japan is on its way to introducing appropriate and effective corporate governance to increase value
- As a part of improved corporate governance, there is a trend in reduction of the number of Companies introducing takeover defense measures
- Mr. Kishimoto and the “independent” directors are going against this trend by unanimously reintroducing a Poison Pill to protect their vested interests, which is a detriment to shareholder interest

Number of Companies Introducing and Abolishing Takeover Defense Measures



METI's Guidelines Also Criticize such Takeover Defense Measures

- METI acknowledges the risk of takeover defense measures being used **to protect incumbent management**.
- **Further, 50% of Hokuetsu's "Independent" directors have had long tenures, raising doubts as to their being considered truly independent**

“Guidelines for Corporate Takeovers —Enhancing Corporate Value and Securing Shareholders’ Interests —” by METI materials



...response policies have **tended to be adopted by companies with considerable room for management improvement**, such as those with sluggish performance, and where the economic significance of an acquisition can be easily demonstrated. **If they are designed and operated to protect incumbent management**, this may lead to hesitation of potential acquirers to make desirable acquisition proposals, **reduction in management discipline**.

If a company is considering to adopt a response policy, it is ... **required to make reasonable efforts to enhance corporate value ...**

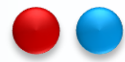















Section 2-b

Mr. Kishimoto and “Independent” Directors have History of Failure to Realize Synergies with Diao Paper and Refusal to Sell its Strategic Shareholdings, incurring Significant Economics Loss

A Bit of History: Despite Hokuetsu's Substantial Daio Paper Shares, The Two Companies Have Had A Long History Of Hostile Relationship

- There are no synergies achieved from the Daio Paper strategic shareholding. The two companies have a hostile history
- Mr. Kishimoto has led this hostility with Daio Paper. We believe this important relationship cannot be repaired until Mr. Kishimoto steps down
- Hokuetsu had 12 years to realize synergies with Daio Paper, but only started to begin discussions in February 2024

- July 2006: Mitsubishi Corp acquired 24.4% of Hokuetsu shares through a private placement 
- July 2006: Oji announced plans to commence a hostile takeover bid for Hokuetsu to acquire 50.1% 
- Aug 2006: Nippon Paper announced it acquired 8.8% of Hokuetsu shares 
- Sep 2006: Oji's hostile tender offer failed 
- Oct 2009: Nippon Paper sold 8.0% of Hokuetsu shares 
- Aug 2012: Hokuetsu acquired 22.3% of Daio Paper shares from Daio Paper's founder family 
- May 2015: Oji acquired 20.9% of Chuetsu shares through private placement 
- Sep 2015: Daio Paper announced issuance of 30bn worth CB 
- Dec 2015: Hokuetsu sued Daio Paper directors for issuing the CB 
- Apr 2017: Daio Paper announces discontinuation comprehensive technical partnership 
- Feb 2018: Oji acquired 33.0% of Mitsubishi Paper shares through private placement (Seller include Mitsubishi Corp) 
- Feb 2020: Mitsubishi Corp sold 13.9% shares of Hokuetsu 
- Dec 2020: Hokuetsu lost Daio Paper's CB issuance petition 
- Feb 2024: Hokuetsu announces commencement of discussions for a Strategic Business Alliance 

Hokuetsu's Refusal to Sell its Daio Paper Strategic Shareholdings Led to a JPY40Bn Loss in Economic Value

- As the two companies have a hostile relationship and cannot or will not achieve synergies, Oasis publicly recommended that Hokuetsu divest its Daio Paper shares in 2021
- However, Mr. Kishimoto unreasonably persisted in holding Daio Paper shares, and Hokuetsu did not divest them. Daio Paper's share price has dropped by -42.3% since Oasis' public recommendation for divestiture of Daio Paper shares, resulting in a significant loss of JPY40Bn in economic value to Hokuetsu & its shareholders. This is equivalent to approx. 3 years of Hokuetsu Net Profit
- We believe Hokuetsu is unable to make rational decisions while Mr. Kishimoto remains in power

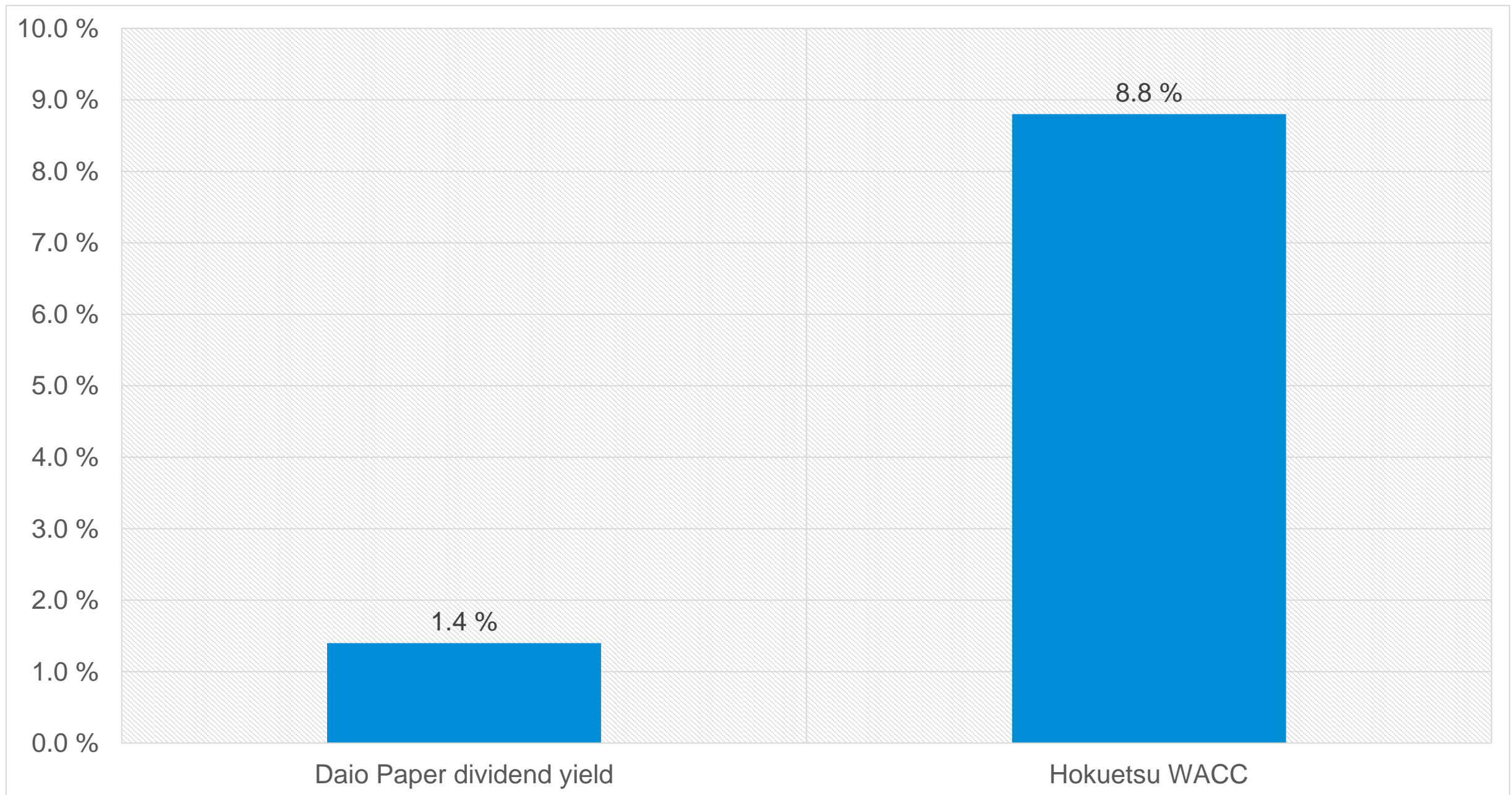
Daio Paper Share Stock Price



Without Synergies, Dividends are NOT a Reason to Own Daio Paper Shares. Rather, the Ownership Destroys the Value of Hokuetsu

- Daio Paper's dividend yield is too low compared to the Hokuetsu WACC

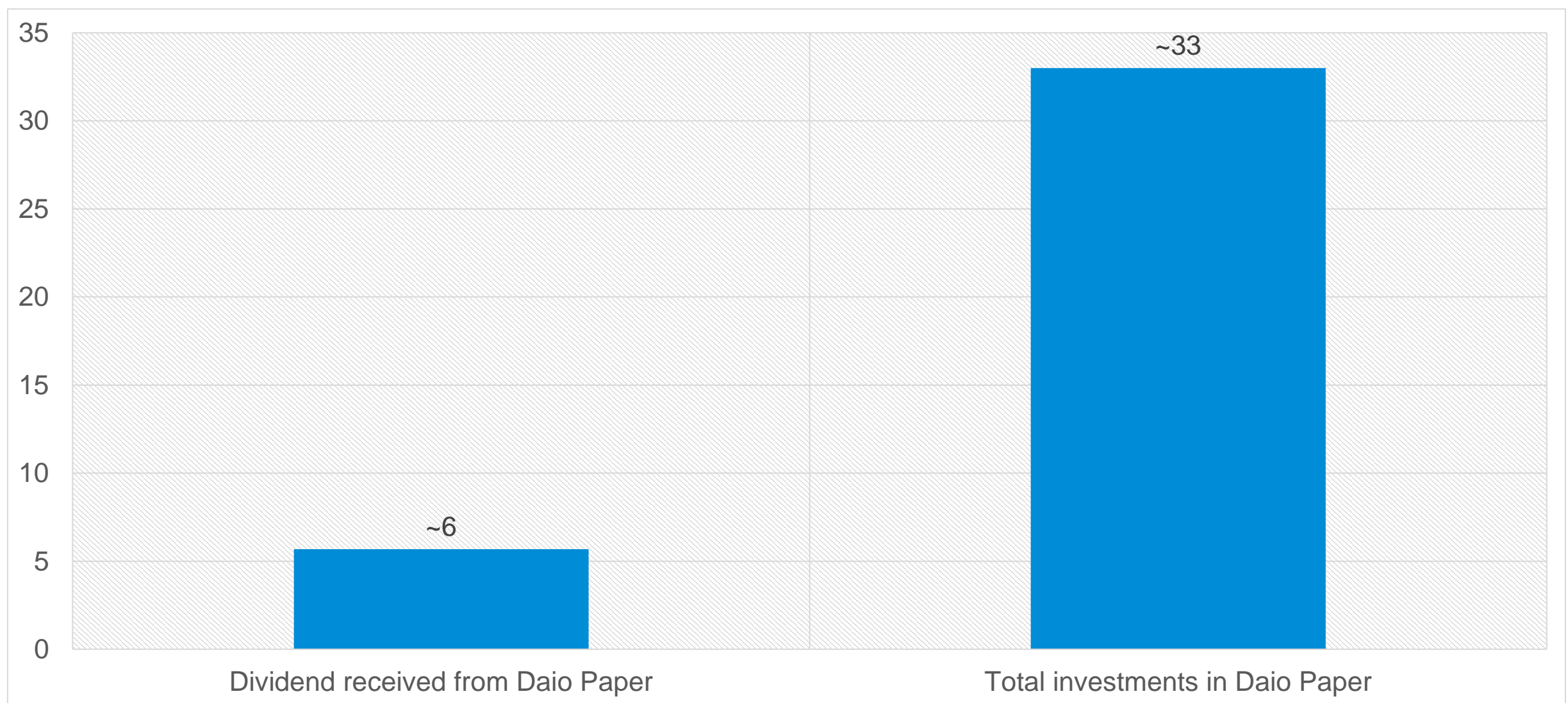
Daio Dividend Yield vs. Hokuetsu WACC



Hokuetsu's Return From Its JPY ~33Bn Daio Paper Investment is Only JPY ~6Bn In 18 Years

- Hokuetsu has made only JPY ~6bn in return, while its total investment in Daio Paper shares is JPY ~33bn
- This means Hokuetsu has made a 17% return over 18 years, or an 1.0% return on an annual basis
- There is no objective reason for Hokuetsu to use such a substantial amount of its balance sheet on an investment that produces such a low annual return

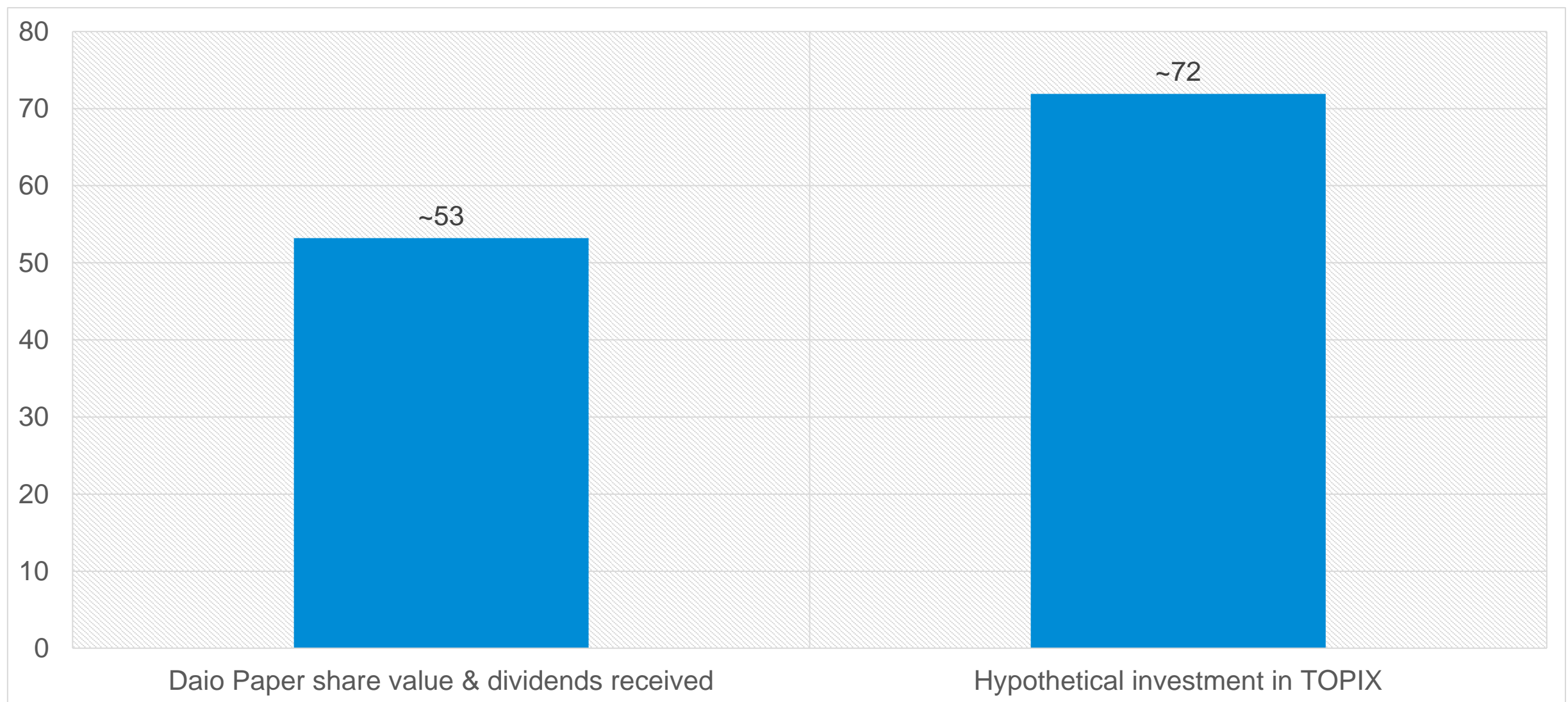
Hokuetsu Return from Investing in Daio Paper Shares (Bn JPY, Oasis estimate)



Investing In Topix Would Have Been a Better Investment For Hokuetsu

- Daio Paper share value and dividends received from Daio Paper amount to ~53 Bn JPY against a ~33 Bn JPY investment. This means the absolute return from Hokuetsu's investment in Daio Paper is 62%.
- An investment in TOPIX over the same period would have returned ~72 Bn JPY, yielding a 119% return.

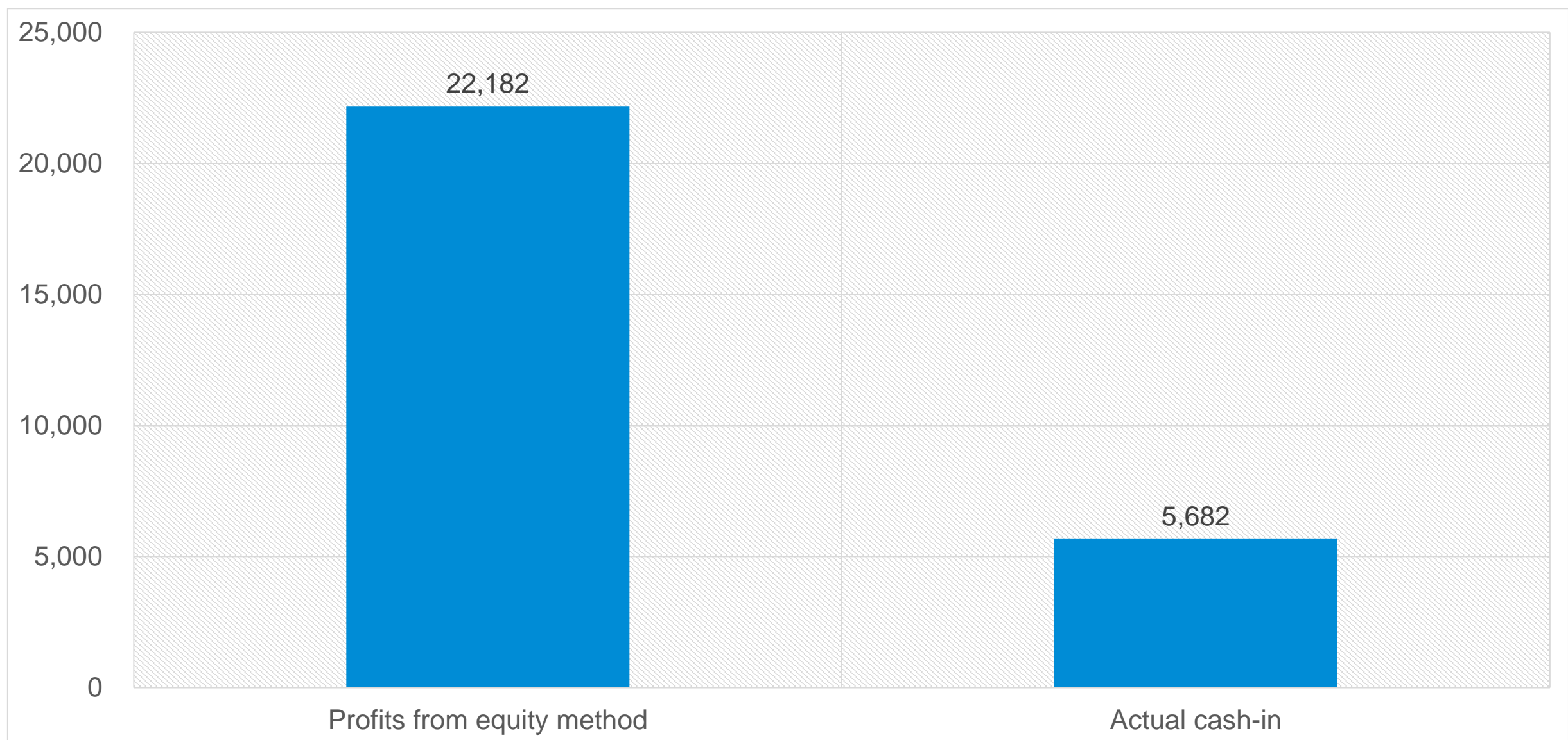
Hokuetsu Return from Investing in Daio Paper Shares (Bn JPY, Oasis estimate)



Hokuetsu Should Not Rely on Accounting Games, but Rather, Should Focus on the Actual Cash-in

- Hokuetsu may claim that they made a profit from Daio Paper by making it an equity method affiliate; however, actual cash-in is substantially smaller in amounts compared to profits considered through equity method.
- An accounting game should not be a reason for owning Daio Paper shares. In fact, the share price of Daio has been decreasing as well, posing a risk of accounting loss at sales

Hokuetsu may claim Profit from Equity Method Affiliate vs. Cash In (Latest FY, Mn JPY)



Hokuetsu Explicitly Mentions the Purpose of Holding Daio Paper Shares as “Strategic-Shareholdings” in the Significant Holder Disclosure

Hokuetsu Significant Holder in Daio Paper

第2【提出者に関する事項】

1【提出者（大量保有者）／1】

(1)【提出者の概要】

①【提出者（大量保有者）】

個人・法人の別	法人（株式会社）
氏名又は名称	北越コーポレーション株式会社
住所又は本店所在地	新潟県長岡市西蔵王三丁目5番1号
旧氏名又は名称	
旧住所又は本店所在地	

②【個人の場合】

生年月日	
職業	
勤務先名称	
勤務先住所	

③【法人の場合】

設立年月日	明治40年4月27日
代表者氏名	岸本 哲夫
代表者役職	代表取締役社長CEO
事業内容	洋紙・板紙その他の製造、加工、販売

④【事務上の連絡先】

事務上の連絡先及び担当者名	経営戦略室長 一木 康司
電話番号	03(3245)4500

(2)【保有目的】

政策投資目的にて保有しております。

(3)【重要提案行為等】

該当事項なし

Japan's Corporate Governance Code Encourages the Sale of Cross-Shareholdings

- It is well known that the Corporate Governance Code encourages the sale of cross-shareholdings

Corporate Governance Code Encourages to Sell Cross-Shareholdings

Principle 1.4 Cross-Shareholdings

When companies hold shares of other listed companies as cross-shareholdings², they should disclose their policy with respect to doing so, including their policies regarding the reduction of cross-shareholdings. In addition, the board should annually assess whether or not to hold each individual cross-shareholding, specifically examining whether the purpose is appropriate and whether the benefits and risks from each holding cover the company's cost of capital. The results of this assessment should be disclosed.

Companies should establish and disclose specific standards with respect to the voting rights as to their cross-shareholdings, and vote in accordance with the standards.

ISS & Glass Lewis Recommend Voting Against CEOs with Significant Strategic Shareholdings

- The proportion of cross-shareholdings only decreased this year because of the dramatic reduction in Daio Paper's share price, and not due to Mr. Kishimoto's efforts to reduce strategic shareholdings

ISS and GL Guidelines on Cross-Shareholdings



Implications for Hokuetsu



At companies with a statutory auditor structure: vote for the election of directors, **except:** (...) **Top executive(s) at a company that allocates a significant portion (20 percent or more) of its net assets to cross-shareholdings;** (...)



Cross-shareholding equates to 26.1%¹ of the Company's net-assets

Glass Lewis will generally recommend voting against the chair of the board when the size of strategic shares held by the company **exceeds 10% or more of its net assets** disclosed in the securities report for the previous fiscal year.



Strategic shareholding equates to 22.5%¹ of the Company's net-assets



However, beginning with shareholder meetings held on and after February 1, 2023, when making these voting recommendations, we will carefully review a company's disclosure of its strategic shareholding policies and practices, and may refrain from recommending shareholders vote against directors for this issue alone **when the company has disclosed a clear plan for reducing the size of its strategic shareholdings including the specific amount of reduction and the timeframe for the reduction.**



No clear disclosures of plans for reducing the size of its strategic shareholdings

Additionally, we may also refrain from recommending voting against directors when the company has posted an average return on equity (ROE) of five percent or more over the past five fiscal years even **if the size of strategic shares** held by the company **falls in the range between 10% and 20% of its net assets.**



Strategic shareholding equates to 22.5%¹ of the Company's net-assets

Source: ISS, Glass Lewis, Company Disclosures

Section 2-d

Mr. Kishimoto and “Independent” Directors have Announced Strategic Alliance with Daio Paper; However, Due To Regulatory Constraints and Inherent Conflicts of Interest, Anticipated Economic Benefits are Limited

Mr. Kishimoto is Making Reckless Claims For “Strategic Business Alliance” and Against Considering Consolidation with Daio Paper



Mr. Kishimoto's Argument

“Realize synergies by beginning discussions for Strategic Business Alliance on “production technology”, “raw material purchasing” and “products logistics”

“There are no additional synergies to be realized when merged (such as economies of scale on raw material purchasing) compared to Strategic Business Alliance

“Customers of pulp and paper companies dislike suppliers to have stronger negotiating power, and thus would likely reduce the volume purchased from the merged company, resulting in low synergy

OASIS

Oasis's View

- Mr. Kishimoto has had 12 years to realize synergies with Daio Paper, and has also previously failed in 2017 to materialize any synergies
- The two companies have an inherent conflict of interest with each other as competitors
- There is also an anti-trust issue, where competing companies will have high bars to share “production technology”, “raw material purchasing” and “products logistics”

- There is a high regulatory barrier to achieve synergies on raw material purchasing for competing companies, and thus a merger would be required
- Completing a merger will remove the inherent conflict of interest and will thus create additional areas of collaboration, such as R&D (including digitalization, CNF, de-plasticization), investment in renewable energy such as biomass, increased resilience to maintain business continuity in the event of large disasters, and expansion to new jurisdictions that the two companies can work together on if they merge

- Oji Paper and Nippon Paper Industries are equivalent size or larger than Hokuetsu and Daio Paper combined, with plenty of customers
- Hokuetsu can also explain to customers how a merger reduces costs and enables the Company to offer higher-quality products at lower prices, leading to increased revenue. Oasis believes that this benefit outweighs any potential downsides, if any, of the merger

Section 2-d

Mr. Kishimoto and “Independent”
Directors have had Subpar
Performance During Extremely Long
Tenures

Mr. Kishimoto Has Failed to Deliver on Almost ALL of His Promises Over the Past Decade

Item	Target for midterm plan ending 2023/3 (Bn JPY)		Target for midterm plan ending 2020/3 (Bn JPY)		Target for midterm plan ending 2017/3 (Bn JPY)		Target for midterm plan ending 2014/3 (Bn JPY)	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Sales	280	✓ 301.2	300.0	✗ 264.6	270.0	✗ 262.4	235.0	✗ 223.9
Operating income	15.0	✓ 17.3	15.0	✗ 11.2	13.5	✗ 12.9	—	—
Operating margin	—	—	5.0%	✗ 4.2%	5%	✗ 4.9%	—	—
Ordinary income	20.0	✗ 11.5	—	—	—	—	15.0	✗ 8.6
Ordinary income margin	—	—	—	—	—	—	6.3%	✗ 3.8%
Net Income Attributable to Parent Company	15.0	✗ 8.3	—	—	—	—	—	—
ROE	7.0	✗ 3.8%	6.0%	✗ 4.3%	—	—	—	—
EBITDA	35.0	✗ 24.3	40.0	✗ 34.9	33.0	✓ 33.9	34.0	✗ 26.9
EBITDA margin	—	—	—	—	—	—	14.4%	✗ 12.0%
Net debt/ equity	—	—	Below 0.6	✓ 0.47	—	—	—	—

CEO Mr. Kishimoto Has Held His Role for 16 Years

- CEO Mr. Kishimoto (78) has served as a Hokuetsu board member for 25 years and CEO for 16 years
- Hokuetsu deserves a new CEO to execute a bold plan to secure Hokuetsu's future

Biography of Mr. Kishimoto

候補者
番号

1

きし もと せき お
岸 本 哲 夫

再任

生年月日

1945年5月16日

取締役在任年数

24年（本株主総会終結時）

取締役会への出席状況

13回／13回

所有する当社の株式数

271,100株

略歴、地位及び担当

1969年7月 三菱商事(株)入社
 1995年7月 同社製紙原料部長
 1999年3月 当社参与物資本部資材部長
 1999年6月 当社取締役物資本部副本部長兼資材部長
 2001年6月 当社常務取締役物資本部長
 2004年6月 当社専務取締役物資本部長
 2006年7月 当社代表取締役副社長
 2007年6月 当社代表取締役副社長 CO-CEO
 2008年4月 当社代表取締役社長 CEO（現任）

取締役候補者とした理由

岸本哲夫氏は、2008年4月より代表取締役社長として強いリーダーシップを発揮して、当社グループの急速な拡大及びグローバル化を実現してまいりました。また、三菱商事(株)及び当社における豊富な業務経験とグローバルな事業経営に関する知見を有しており、長期経営ビジョン「Vision 2030」および「中期経営計画 2026」達成のために欠くことのできない能力と経験を有する同氏には、今後も当社の長期安定的な企業価値の向上への貢献が期待できると判断し、引き続き取締役候補者といたしました。

Mr. Kishimoto Fired All Younger Directors in an Effort to Preserve His Leadership

- Since Mr. Kishimoto became CEO in 2008, he has fired all the other senior directors in order to preserve his role and maintain his rule over the company
- Mr. Iwata and Mr. Nakase (former career at Mitsubishi Group, same as Mr. Kishimoto) have also had long tenures, raising doubts over their independence

Board of Director of Hokuestu

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sekio Kishimoto																
Masaki Suzuki																
Kiyoshi Tamura																
Masahide Yano External																
Masaaki Miwa																
Norihiko Shimokoshi																
Minoru Hotta																
Osamu Suzuki																
Koichi Akagawa																
Hiroshi Sugawara																
Kazunori Hosoi																
Michio Tsuchida																
Sohei Onoda																
Yasuhiro Yamada																
Takayuki Sasaki																
Fumiki Asai																
Yoichi Haruki																
Shinichi Kinoshita																
Michio Kaga External																
Kazumishi Matsuki																
Fumio Abe																
Kazuhiro Aoki																
Yoshihisa Iezato																
Akira Murakoshi External																
Yasushi Nirasawa																
Masanori Sakamoto																
Yu Suzuki																
Yoshinori Kawashima																
Morigami Obata External till 2014																
Takahito Meguro																
Mitsushige Yamamoto																
Kimio Uchivama																
Yasumitsu Iwata External																
Noboru Ushijima External																
Shuji Sekimoto																
Yasuyuki Kondo																
Shigeharu Tachibana																
Kazuo Nakase External																
Shigeru Wakamoto																
Hiroyuki Otsuka																
Masayuki Kuribayashi																
Hiromitsu Kuramoto External																
Hiroko Nihei External																
Makoto Yanagisawa																
Yutaka Ishizuka																
Tomoyuki Iida																

The Board Needs to be Refreshed for Future Growth

- The average age of directors on Hokuetsu’s board is 68. Two of the “independent” directors have been on the board for 7 or more years. There is only one woman on the board.
- Mr. Kishimoto should be removed to lay the foundation for the new management team to address challenges to improve its corporate governance and fundamentals
- We believe Mr. Tachibana and Mr. Wakamoto have sufficient experience in the industry to run the Company after Mr. Kishimoto’s dismissal. At the same time, we believe continuous efforts to bring the best talent to the board will be required for the future

Board Members

No.	Position	Name	Age	Internal / Outside	Tenure	Nationality	Gender	Former Career
1.	President and CEO	Sekio Kishimoto	78	Internal	16	Japan	Male	Mitsubishi Corp
2.	Senior Managing Director	Shigeru Wakamoto	66	Internal	5	Japan	Male	Hokuetsu
3.	Senior Managing Director	Shigeharu Tachibana	65	Internal	7	Japan	Male	Hokuetsu
4.	Director CFO	Makoto Yanagisawa	68	Internal	1	Japan	Male	Current Mizuho Bank
5.	Director	Yutaka Ishizuka	64	Internal	1	Japan	Male	Hokuetsu
6.	Director	Tomoyuki Iida	62	Internal	1	Japan	Male	Marubeni
7.	Outside Director	Mitsuyasu Iwata	77	External	9	Japan	Male	METI
8.	Outside Director	Kazuo Nakase	74	External	7	Japan	Male	Mitsubishi Paper
9.	Outside Director	Hiromitsu Kuramoto	75	External	3	Japan	Male	Nippon Yusen
10.	Outside Director	Hiroko Nihei	47	External	2	Japan	Female	Lawyer
Stats			68	External: 40%		Japanese: 100%	Female: 10%	

Section 3-a

Oasis's Proposal: Remove Mr. Kishimoto and all four "Independent" Directors from the Board of Directors

Oasis urges all Hokuetsu shareholders to remove Mr. Kishimoto and all four outside directors

Mr.
Kuramoto

Ms.
Nihei

Mr.
Kishimoto

Mr.
Iwata

Mr.
Nakase



✗ Mr. Kishimoto

- Resurrected poison pill and introduced it against to Daio Kaiun, which we believe had no intention of acquiring management control, for self-preservation, in a move that was detrimental to shareholder interests
- Announced Strategic Alliance with Daio Paper. However, due to regulatory constraints and inherent conflicts of interest, anticipated economic benefits are limited
- Failed to address long-term challenges, thus failing to present shareholders with prospects for growth
- Consistently eliminated potential successors for managerial positions

Oasis believes dismissing Mr. Kishimoto to eliminate his influence is the **ESSENTIAL FIRST STEP** to recover effective corporate governance

✗ Mr. Kuramoto, Ms. Nihei, Mr. Iwata & Mr. Nakase

- All four independent directors have failed to provide appropriate oversight, and thus have failed in their duty to hold Mr. Kishimoto accountable for his track record of shortcomings
- Unanimously voted for reintroducing a poison pill against Daio Kaiun and supported Mr. Kishimoto's attempt of self-preservation, which was a detriment to shareholders' interest

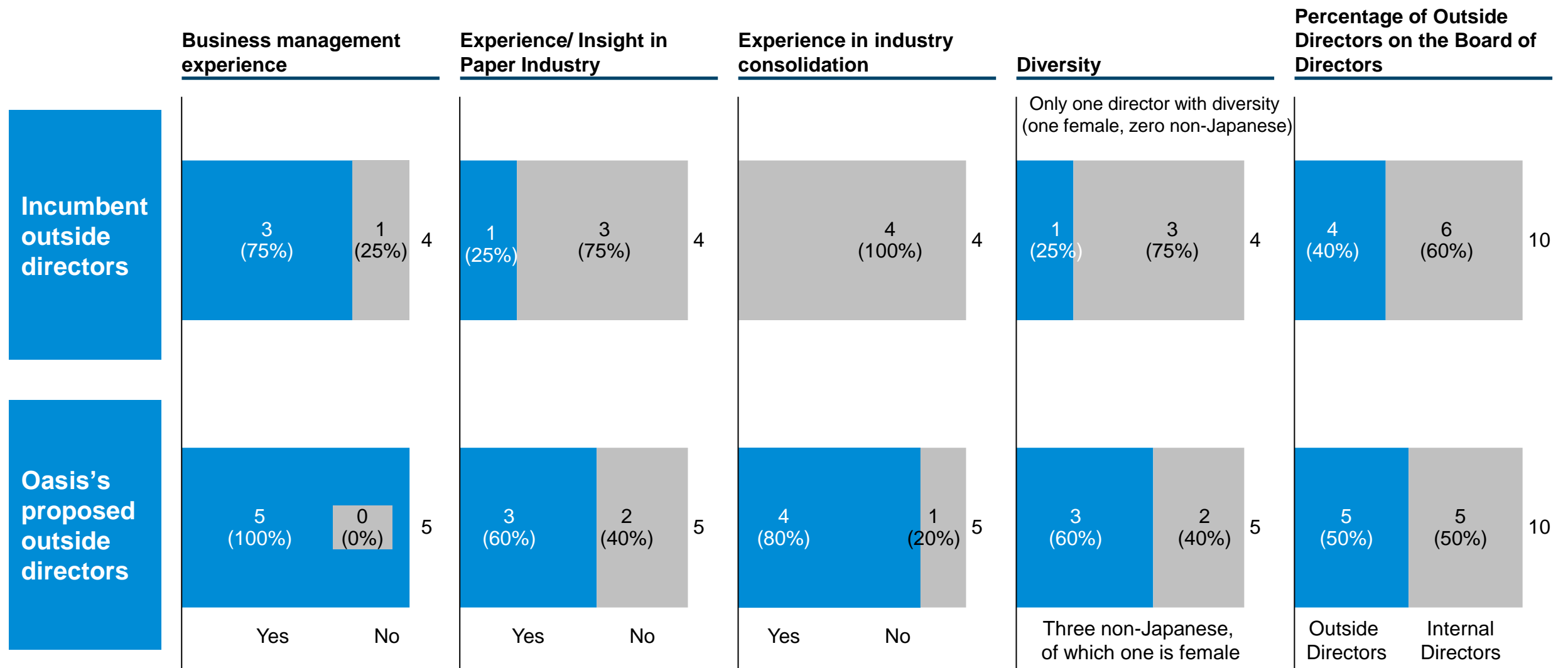
Oasis believes that these four individuals needs to be replaced with **truly independent outside directors**

Section 3-b

Oasis's Proposal: Elect Independent Director Candidates with True Independence and Relevant Experience










We firmly believe that the Oasis's proposed independent director candidates are superior compared to Company's current "independent" directors in quality, independence and diversity, and will greatly enhance Hokuetsu's corporate value

Within the outside directors, number of people ...






Oasis's Candidates Cover More "Relevant Skills and Experience" Under Hokuetsu's Matrix

- Oasis's candidates are more competent compared to incumbent "independent" directors
- Under Hokuetsu's skill matrix, Oasis's candidates cover 25% more Relevant Skills and Experiences

		Relevant Skills and Experience								
Name		 Business Management	 Internationality	 Industry Knowledge	 ESG/ Sustainability	 Finance/ Accounting	 Technology / IT (Manufacturing and R&D)	 Sales and Marketing	 HR / Legal	 Purchasing and Supply
Incumbent "Independent" Director	Mitsuyasu Iwata	●	●		●	●				
	Kazuo Nakase	●		●	●		●			
	Hikomitsu Kuramoto	●	●		●					●
	Hiroko Nihei		●		●				●	
Independent Director Candidate	Wendy Shiba	●	●	●	●	●			●	
	Kenneth Nysten	●	●	●	●	●	●	●	●	●
	Yuuichiro Nakajima	●	●		●	●		●	●	
	Michael Baisley	●	●	●	●	●			●	
	Osamu Watanabe	●	●		●	●			●	




Oasis's proposed outside directors offer superior oversight and better capabilities for business strategy review

Incumbent outside directors

-  **Insufficient experience or knowledge**
Only one director has experience in the paper & pulp industry. They all lack experience in important functions such as mergers and acquisitions, which will be vital in the coming industry restructuring
-  **Strong ties with Mr. Kishimoto, and acceptance of the company's control**
that is nurtured through extensive tenures. Lacks integrity and independence as seen from their acceptance of Poison Pill
-  **Minimum level of diversity**
such as directors being all Japanese

VS

Oasis's proposed directors

-  **Extensive experience and knowledge**
in paper & pulp businesses, as well as important functions such as mergers and acquisitions, which will be vital in the coming industry restructuring
-  **Truly Independent**
from Mr. Kishimoto and able to appropriately monitor internal directors
-  **High level of diversity**
with three international candidates

Oasis proposes outside director candidates with true independence and relevant experience



Ms. Wendy Shiba

Proposal as Outside Director

- Corporate attorney and former C-level executive officer of three NYSE-listed companies including Bowater Incorporated, a pulp and paper manufacturing company
- Had years of responsibility for Legal; Internal Audit; Compliance and Risk Management; Environmental, Health and Safety; and Product Stewardship
- Tenured Associate Professor of Law at Temple University School of Law



Mr. Kenneth Nysten

Proposal as Outside Director

- Served as Senior Vice President of Global Sales & Marketing at Iggesund AB and Pulp & Paper Segment at Kemira Oy
- Years of management experience and in-depth knowledge in the pulp and paper industry
- Over 30 years of diverse general management and sales & marketing experience in Asia, Europe and North America



Mr. Yuuichiro Nakajima

Proposal as Outside Director

- Has over 30 years of experience in strategic corporate finance advisory and M&A
- Expertise in dialogue with capital markets through multiple experience as independent non-executive director of investment trusts
- Multiple years of experience in audit and compliance on both for-profit and non-profit organizations



Mr. Michael Baisley

Proposed as Outside director

- Over 25 years of experience in M&A transactions including his tenure at SMBC Nikko Securities America, as Head of M&A for the Americas
- Substantial experience in supporting Japanese corporates to expand globally through M&A transactions
- Has experience in working with clients in pulp and paper industries, including Japanese players
- Certified Public Accountant in New York (inactive)



Mr. Osamu Watanabe

Proposed as Outside director

- Experienced corporate attorney with experience in Japanese Anti-Trust Law
- Experience in serving as a true independent director in a TSE listed Company as well as private Japanese Company
- Compliance and legal specialist with an experience as a member of Third-Party Committee
- Certified Fraud Examiner

Candidate profile: Ms. Wendy Shiba

– Former C-suite officer of American Pulp and Paper Company (Bowater Inc., current Resolute Forest Products Inc.)



Career history

1979 – 1980	Supreme Court of California, Law Clerk
1980 – 1985	O'Melveny & Myers, Associate
1985 – 1993	Temple University School of Law, Assistant Professor of Law / Associate Professor of Law
1992 – 1993	City of Philadelphia Law Department, Corporate Chair
1993 – 2001	Bowater Incorporated, Vice President, Secretary and Assistant General Counsel
1998 – 2001	Bowater Canada Inc., Board of Directors
2001 – 2007	PolyOne Corporation, Senior Vice President, Chief Legal Officer and Secretary
2007 – 2010	KB Home, Executive Vice President, General Counsel and Secretary
2014 – Present	C.T. Hagberg & Associates
2021 – Present	The Red Bee Group
2009 - Present	Japanese American National Museum, held positions at: Board of Trustees, Vice Chair of the Board, Chair of Nominating and Governance Committee, Chair of Development Committee and Member of Executive Committee

Oasis's reason for proposal

Experienced Lawyer and Executive Officer

Ms. Shiba is an experienced lawyer and a former C-level executive officer of three NYSE-listed companies including former Bowater Inc., a major Canadian paper company now known as Resolute Forest Products, operating in the pulp and paper industry. With her extensive experience, she can bring extensive governance and legal experience to Hokuetsu.

Industry Restructuring Expertise and Insights

She also has experience in industry restructuring, and was involved in the organizational restructuring when Bowater Inc. merged to become Resolute Forest Products. With such industry experience and practical insights, she can contribute to the strengthening of Hokuetsu's corporate governance practices in line with best global standards.

Overcoming Challenges for Sustainable Growth

Her experience and knowledge are invaluable to lay the foundation necessary to overcome numerous challenges such as the shrinking paper products market, decarbonization, and logistics reform, and to achieve sustainable growth in the global market.

For the above reasons, Oasis proposes the election of Ms. Shiba as a candidate for outside director.

Candidate profile: Mr. Kenneth Nysten

– ex-Senior Vice President of European pulp and paper company, with expertise in sales & marketing



Career history

1983	Madden Board Ltd., Sales Manager
1987	Finnboard Singapore Ltd., Managing Director
1990	Finnboard & Finnpap HK Ltd., Managing Director
1995	Skärgårds Kompaniet AB, Finland, Chairman
1996	Metsä-Serla Ltd., Managing Director
1997	Stora Hong Kong Ltd, Managing Director
1999	Stora Enso China Sales / Stora Enso Greater China Ltd., President
2002	Stora Enso Suzhou Paper Company Ltd., Director
2007	Kemira Oy, Vice President of Sales and Marketing – EMEA
2008	Kemira Oy, Senior Vice President, Printing & Writing
2011	Kemira Oy, Regional Head – APAC
2012	Kemira Oy, Senior Vice President, Pulp & Paper – EMEA
2012	Kemira Chemicals Oy / Kemira Kemi AB, Chairman
2017	Algol Oy, Finland, Member of the Supervisory Board (現任)
2018	Iggesund AB, Senior Vice President, Global Sales & Marketing

Oasis's reason for proposal

30+ yrs of Experience in the Pulp & Paper Industry

Mr. Nysten has 30+ years of experience in the pulp and paper industry, having served as executive in the European pulp and paper industry. He also previously served as Senior Vice President of Global Sales at Iggesund AB in Sweden and at the Paper and Pulp Division of Kemira Oy in Finland.

Restructuring Expertise & Global Sales Leadership

Additionally, he has been involved in several restructuring efforts within the paper industry. At Kemira, he successfully turned around underperforming businesses in Europe and Africa. Leveraging such extensive industry experience and expertise, he can contribute to Hokuetsu's global business expansion.

Driving Sustainable Growth in the Paper Market

Such experience and knowledge are invaluable to lay the foundation necessary to overcome numerous challenges such as the shrinking paper products market, decarbonization, and logistics reform, and to achieve sustainable growth in the global market.

For the above reasons, Oasis proposes the election of Mr. Nysten as a candidate for outside director.

Candidate profile: Mr. Yuuichiro Nakajima

– Deep expertise in corporate finance, corporate governance and capital markets



Career history

1982 – 1987	Overseas Economic Co-operation Fund (Japanese ODA execution agency)
1987 – 1997	S.G.Warburg/SBC Warburg, Director
1997 – 1999	Crosby Corporate Advisory, Director and Head of Execution
1999 – 2003	PwC, Managing Director
2007 – 2009	Business Development Asia, Managing Director / Representative Director for Japan
2009 – 2020	Japan Football Association, Member of President’s Advisory Board,
2014 – 2023	JPMorgan Japan Small Cap Growth & Income plc, Non-executive Director and Member of Audit and Nominations Committees
2017 – 2021	Fédération Internationale de Football Association, Member of Audit and Compliance Committee,
2003 – Present	Crimson Phoenix: Founder and Managing Director
2019 – Present	Japan H.L. Limited, Independent Non-executive Director and Chairman
2024 – Present	Montanaro UK Smaller Companies Investment Trust plc, Independent Non-executive Director
2024 – Present	ICEED UK, Trustee

Oasis’s reason for proposal

Strategic Corporate Finance and M&A Expert

Mr. Nakajima brings over 30 years of experience and knowledge of strategic corporate finance and M&A. He has also served as a member of the Audit and Compliance Committee of FIFA (Fédération Internationale de Football Association).

Extensive Experience in Audit and Compliance

Additionally, he has held positions as an outside director at multiple firms including investment firms, possessing advanced insights into corporate valuation methodologies by investors and markets, along with extensive experience in engaging with investors. Leveraging this broad experience and knowledge in capital markets and M&A, he is expected to contribute to facilitating dialogue with investors to improve corporate governance.

Investor Dialogue for Improved Governance

His strategic corporate finance experience and dialogue with the market are invaluable to lay the foundation necessary to overcome numerous challenges such as the shrinking paper products market, decarbonization, and logistics reform, and to achieve sustainable growth in the global market.

For the above reasons, Oasis proposes the election of Mr. Nakajima as a candidate for outside director.

Candidate profile: Mr. Michael Baisley

– M&A expert intimate with Japanese M&A process, with experience in all types of transactions including mergers



Career history

1992-1997	PwC, Senior Consultant
1997-2007	KNOX & Co. (Affiliate of Mitsubishi UFJ Securities Co., Ltd) Vice President / Senior Vice President
2007-2009	KNOX & Co. (Affiliate of Mitsubishi UFJ Securities Co., Ltd) Managing Director
2009-2010	Truenorth Capital Partners LLC, Managing Director
2010-2013	SMBC Nikko Securities, Managing Director, Co-Head of M&A
2013-2023	SMBC Nikko Securities, Managing Director, Head of M&A

Oasis's reason for proposal

Expertise in M&A and Corporate Governance

Mr. Baisley is a certified public accountant in the United States (New York, inactive) and has over 25 years of experience in M&A and corporate governance. He has previously served as the head of the M&A department at SMBC Nikko Securities America Inc, with an extensive track record of supporting global expansion of numerous Japanese companies, including clients from the domestic and international paper industry.

M&A Expertise for Paper Industry Growth

His experience and insights in M&A transactions involving Japanese companies are invaluable for consideration of any investments or M&A and the realization of synergies in the event of any M&A transactions, and invaluable to lay the foundation necessary to overcome numerous challenges such as the shrinking paper products market, decarbonization, and logistics reform, and to achieve sustainable growth in the global market.

**For the above reasons,
Oasis proposes the election of Mr. Baisley as a
candidate for outside director.**

Candidate profile: Mr. Osamu Watanabe

– Corporate Attorney with focus on effective governance and extensive experience as Independent Board Member of Third-Party Committee



Career history

Jan 2016	Kao Corp
April 2019	OMM Law Office
August 2020	Shinju Law Office (Incumbent)
October 2021	Waver Energy KK, Independent Director (Incumbent)
December 2022	Y.S. FOOD CO., LTD., Independent Director (Incumbent)
October 2023	ImageONE Co., Ltd., Third-Party Committee
February 2024	MBK Co.,Ltd., Third Party Committee (Incumbent)

Oasis's reason for proposal

Expertise in Corporate Law and Compliance

Mr. Watanabe has extensive expertise in corporate law (including antitrust law) as a lawyer in Japan and holds qualifications as a Certified Fraud Examiner.

Strengthening Antitrust Compliance

Leveraging his knowledge and expertise in corporate law and compliance, he can contribute to the establishment, verification, and education of compliance measures within the Company, including those related to antitrust law.

Enhancing Reporting and Whistleblowing Systems

Additionally, he can enhance Hokuetsu's internal reporting / whistleblowing system and improve its effectiveness. He can also help establish a mechanism for management to attentively listen to employee feedback. Furthermore, based on his experience serving as an outside director for publicly listed companies, he can contribute to fostering genuine dialogue between the Company and shareholders and the capital market.

Fostering Shareholder Dialogue for Growth

Such experiences are invaluable to lay the foundation necessary to overcome numerous challenges such as the shrinking paper products market, decarbonization, and logistics reform, and to achieve sustainable growth in the global market.

For the above reasons, Oasis proposes the election of Ms. Watanabe as a candidate for outside director.

Section 3-c

Oasis's Proposal: Introduce a New compensation structure that is transparent and contributes to incentives for independent directors

Oasis proposes introducing a new compensation plan that attracts top talent globally and aligns the incentives of independent directors with the interests of shareholders

Fixed remuneration of **15 Mn JPY**

- Increase from current standards to attract candidates with exceptional experience and insights
- Change of AGM resolution from deciding total remuneration for all directors to individual amounts, enhancing remuneration transparency to attract highly qualified, genuinely independent director candidates



7.5 Mn JPY in RSUs

- Currently, stock based compensation (stock options) is provided only to internal directors
- Introduce compensation by RSU for outside directors, in order to attract exceptional candidates and align their interests with those of shareholders

Legal Disclaimer

The information and opinions in this document are provided by Oasis Management Company Ltd. (“Oasis”) for informational purposes only and should not be construed as financial, legal, tax, investment, accounting, audit, or any other type of professional advice. This information and materials are confidential and are to be used only by the intended recipients, and should not be retransmitted in any form without the express written consent of Oasis. This document may contain forward-looking information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any projection or forecast made in this document will come to pass.

The information and opinions in this document are expressed as of the date presented and may be changed or updated without notice. The information and opinions contained in this document are derived from proprietary and nonproprietary sources deemed by Oasis to be reliable and are not necessarily all-inclusive or guaranteed as to accuracy. While Oasis believes that reasonable efforts have been made to ensure the accuracy of the information and opinions in this document, Oasis makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information or opinions. Any reliance placed on the information or opinions in this document is at the reader’s own risk and Oasis makes no representation or warranty, expressed or implied, about the fitness or suitability for any particular purpose of such information or opinions. In no event will Oasis or any of its employees, directors, officers, or affiliated companies or investment funds managed or operated by Oasis be liable for any direct, indirect, punitive, incidental, special, or consequential damages or damages for loss of profits, revenue, or use arising out of or in any way connected with this document, whether based on contract, tort, negligence, strict liability or otherwise.

Oasis may have trademarks, copyrights, or other intellectual property rights in the information contained in this document. “Oasis” and the Oasis logo are trademarks of Oasis Management Company Ltd. All other company names, products, and logos are trademarks of their respective owners. The furnishing of this document does not confer any license to use of the trademarks, copyrights, or other intellectual property rights included in or related to this document.

Oasis is not in any way soliciting or requesting shareholders to jointly exercise their voting rights together with Oasis. Shareholders that have an agreement to jointly exercise their voting rights are regarded as “Joint Holders” under the Japanese large shareholding disclosure rules, and they must file notification of their aggregate share ownership with the relevant Japanese authority for public disclosure. Oasis disclaims its intention to be treated as a Joint Holder with other shareholders under the Japanese Financial Instruments and Exchange Act (“FIEA”) by virtue of its act to express its view or opinion or other activities to engage in dialogue with other shareholders in or through these materials, any public statements (whether written or oral, and regardless of medium), and/or this website. These materials exclusively represents the opinions, interpretations, and estimates of Oasis. Oasis is expressing those opinions solely in its capacity as an investment advisor to the Oasis Funds.