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To: The Board of Directors, Unizo Holdings Company

Dear Members of the Board:

The purpose of this letter is to put forth our questions regarding Unizo Holdings' ('Unizo') responses to recent tender offer bids for Unizo's stock. We consider this matter highly important in improving corporate and shareholder value and ask that you respond promptly. To provide transparency to the market, a copy of this letter will be made public.

1. In a document entitled "Regarding Basic Policy for Handling Acquisition Proposals Targeting the Company," published as of 27 September 2019, Unizo asserts that in order to determine whether or not the Acquisition Proposal maintains or increases corporate value, "it is necessary that the Acquisition Proposal contains a 'mechanism' that ensures the employment of the Company's employees and ensures that the Company continues to be a company where the employees find their jobs rewarding." As concrete examples, in a document entitled "Overview of Basic Policy for Handling Acquisition Proposals Targeting the Company," published as of the same date, you refer to the signing of an "Agreement" with the prospective acquirer, which will entail (1) the addition of an Employee Share Ownership Management Company as a party to the contract, (2) a clear description of prospective returns to prospective acquirers and the timing and method of their exit from the investment, together with an indication that the Employee Share Ownership Management Company is to be free to choose the timing and method of the shareholder's exit, and (3) a "promise" that a certain level of corporate strength can be maintained up until the exit of the prospective acquirer.

- (1) Why was no such basic policy determined and disclosed to investors ahead of Unizo's expression of opposition to a tender offer bid by H.I.S. Co., Ltd. (hereinafter 'HIS') as of 6 August 2019 or Unizo's expression of support for a tender offer bid by Sapporo Holdings Ltd. (hereinafter 'Sapporo') as of 16 August 2019? Are we to understand that you expressed your opposition to the HIS tender offer, and that you expressed your support for the Sapporo tender offer, without determining any policy for deciding whether or not the acquisition proposals

would maintain or increase Unizo's corporate value or without having even closely examined the content of those proposals?

- (2) With regard to the Company's expression of opinion on the HIS tender offer and a subsequent market check, did you use some kind of separate confirmation or negotiation to determine whether or not the acquisition proposals "contain a 'mechanism' that ensures the employment of the Company's employees and ensures that the Company continues to be a company where the employees find their jobs rewarding"? If so, how and with whom was this carried out?
  - (3) Within your basic policy as above and within the "agreement" as you disclosed in a document titled "Notice of Position Statement (Withholding of Opinion) Regarding Tender Offer by Sapporo GK for UNIZO Holdings Company, Limited Stock," published as of 27 September 2019, we observe that the "Employee Share Ownership Management Company" is to hold veto rights over director appointments, business planning, dividend policy, and other matters of managerial importance, and that, with regard to the exit of shareholders, the Employee Share Ownership Management Company is to have *de facto* strong influence. We ask that you disclose the positions and other details of Unizo employees who will invest in the Employee Share Ownership Management Company. Further, if the mechanism mentioned above is material to the corporate value of your company, please disclose in concrete terms the manner in which you have realized and secured this value as managers of a publicly listed company.
  - (4) As of the same date as your notice of basic policy is dated, you changed your position on the Sapporo tender offer bid from an expression of support to a withholding of opinion. At the time you expressed your support, how did you determine consistency with your above-mentioned basic policy and "Agreement," and arrive at the formal expression of opinion? When you did express your support, why did you not mention such consistency as a reason for doing so?
2. The amendment to Tender Offer Statement submitted by Sapporo as of 2 October 2019, asserts that as of 5 September 2019, your company showed the Fortress Group a plan under which your company would sell the majority of its US property holdings and use the proceeds to enable "a company in which Unizo employees and other persons invest" (the "Employee etc., Company") to "acquire the investment stake of the tender offer purchaser that holds all of the relevant shareholdings at that time and the investment stake of an anonymous association (silent partnership) pertaining to that tender offer purchaser."
- (1) Please disclose this plan in its entirety and its details (including a description of the methodology/mechanism by which your company's assets/funds are to be

utilized by the Employee etc., Company and your justification for same). Also, with regard to this plan, what is the justification for not mentioning it in Unizo's disclosure documents?

- (2) What are the positions and other details of Unizo employees who will invest in the Employee etc., Company, and who other than Unizo employees will invest? The plan entails an extremely high risk of conflicts of interest. We believe that under *Fair M&A Guidelines — Enhancing Corporate Value and Securing Shareholders' Interests* (METI, 29 June 2019) and similar measures, it is necessary to establish a mechanism for excluding any direct or indirect investment by your company's officers in the company or any *de facto* influence. Please provide details of measures you have taken in this regard.

As these questions indicate, we are highly concerned about the lack of disclosure and the risk of conflicts of interest that have appeared in Unizo's handling to date of the tender offer bids from HIS and Sapporo. We believe all Unizo shareholders deserve clear and comprehensive answers to these questions. No answers, or answers that do not directly address shareholders' concerns, will only deepen the misgivings that shareholders are starting to have. We expect your answers will be forthcoming promptly.

Sincerely,

Elliott Advisors (HK) Limited