

Re: The Execution of Voting Form at the Shareholder's Meeting

To Shareholders of KYOKUTO BOEKI KAISHA, LTD. (TSE Code: 8093),

Strategic Capital, Inc. (hereinafter referred to as "Strategic Capital") is under the discretionary investment contract with INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (hereinafter referred to as the "Fund"). On April 18th, 2019, the Fund and Strategic Capital notified KYOKUTO BOEKI KAISHA, LTD. (hereinafter referred to as "KYOKUTO") of its execution of the shareholders' right to propose at the shareholders meeting to be held in June 20th, 2019. The purposes of the proposal are followings:

- (1) Disclosure of WACC and its basis of calculation it for more effective dialogues
- (2) Dissolution of shares it holds without rational purposes
- (3) Increase of dividend to achieve 100% payout ratio

We expect you have received the notice to call the above mentioned shareholder meeting with the reference documents and the voting form from KYOKUTO. You can see shareholder's proposal of the Fund (Bill No.4, No.5, and No.6) in the reference documents. Since we believe that it would improve shareholder's value, your precious support on it would be greatly appreciated.

Thank you very much for your time. We look forward to seeing you at the coming shareholder meeting.

Please find further details of our proposals [here](#).



June 4th, 2019

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