

May 18th, 2020

To Whom It May Concern,

Strategic Capital, Inc.

Tsuyoshi Maruki, President & CEO

Re: The Withdrawal of a part of Shareholder Proposal to KYOKUTO BOEKI KAISHA, LTD.

(TSE code:8093)

INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (hereinafter referred to as the "Fund") and Strategic Capital, Inc. (hereinafter referred to as the "Strategic Capital") notified KYOKUTO BOEKI KAISHA, LTD. (hereinafter referred to as "KYOKUTO") of our execution of the shareholders' right to make a proposal at the annual shareholder meeting held in the coming June by the documents dated April 24th, 2020.

One of our three proposals for the upcoming annual shareholder meeting is to distribute a dividend which equals the earnings per share of the 100th fiscal period, thus realizing a 100% payout ratio. However, KYOKUTO announced to distribute a dividend that exceeds the amount of the earnings per share on May 15th, 2020. Accordingly, the payout ratio will be more than 100% without our proposal and the Fund and Strategic Capital decided to withdrawal said proposal.

Contact Information

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