

October 14, 2020

To Whom It May Concern,

Strategic Capital, Inc.  
Tsuyoshi Maruki, President & CEO  
Attention: Dan Kato, Director  
TEL : 03-6433-5277  
EMAIL : info@stracap.jp

**Re: Request for the filing of actions that enforce the liability of Representative Director etc.  
of SEIKITOKYU KOGYO CO., LTD. (1898)**

Strategic Capital, Inc. is under a discretionary investment management contract with INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (“Fund”) and is a shareholder of SEIKITOKYU KOGYO CO., LTD. (“Seikitokyu” or “Company”).

On July 30, 2019, the Japan Fair-Trade Commission issued a cease and desist order and ordered Seikitokyu to pay a surcharge of 2,897.81 million yen after they found the Company was in violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (“Antitrust Act”) through conducting a price cartel to increase the selling price of asphalt mixtures. Seikitokyu has filed a suit against the Fair-Trade Commission seeking cancellation of 1,063.64 million yen of the surcharge. Since the Company is not disputing the remaining 1,834.17 million yen, it can be said that they are admitting to having committed the act that violates the Antitrust Act and that said amount has been acknowledged as the damages the Company has to incur.

On October 13, 2020, the Fund sent a written request (confirmed received by the Company on October 14, 2020) for the Company (through the Company’s Audit & Supervisory Board) to file an action against the four directors listed below seeking liability for damages.

Details

The following four (ex.) directors shall be liable for damages to the Company relating to the violation of their Duty of Care of a Good Manager as Directors of the Company. With regard to the 1,834.17 million yen, which has been acknowledged as the damages of the Company, we require the Company (through the Company’s Audit & Supervisory Committee) to file an action against each director seeking the following damages, taking into account their term of office as a Representative Director or Director.

- ◆ Toshiaki Sato, Chairman (Amount: 1,732.27 million yen)
- ◆ Kimio Hiramoto, Director (Amount: 1,579.42 million yen)
- ◆ Masahiro Sasaki, Former Director (Amount: 1,579.42 million yen)
- ◆ Kazuhiko Saito, Former Director (Amount: 1,834.17 million yen)

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