

April 28<sup>th</sup>, 2021

To Whom It May Concern,

Strategic Capital, Inc.  
Tsuyoshi Maruki, President & CEO

**Re: Shareholder Proposal to ASANUMA CORPORATION**

Strategic Capital, Inc. (hereinafter referred to as "Strategic Capital") is under a discretionary investment contract with INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (hereinafter referred to as the "Fund") and the Fund and Strategic Capital hold over 300 units of voting right of ASANUMA CORPORATION (hereinafter referred to as "Asanuma" or the "Company" as the context requires) over 6 months.

The Fund and Strategic Capital are pleased to announce that, on April 26<sup>th</sup>, 2021, we notified Asanuma of our execution of the shareholders' right to make a proposal at the annual shareholder meeting held in the coming June and confirmed that, on April 27<sup>th</sup>, 2021, Asanuma certainly received the documents of the proposal.

We would like to explain the context of our proposal as following;

1. Overview of our proposal and
2. The detailed translation of our proposal.

1. Overview of our proposal

① Sell cross-shareholdings to improve capital efficiency

One of the reasons for Asanuma's low valuation is excessive cash and cross-shareholdings it holds. To improve capital efficiency and eliminate the impact of the stock price movements on Asanuma's financial results, we propose to sell the cross-shareholdings during the FY ending March 2022. We hope they will use the proceeds to enhance shareholder value.

② Prevent further accumulation of equity capital

Due to the continuous low level of shareholder returns in the past, Asanuma 's equity capital and net cash have accumulated and account for 20% of its market capitalization as of April 19, 2021.

We propose a payout ratio of 100% to prevent further accumulation of cash and equity capital.

Note that we made the same shareholder proposals as above last year, and both gained 21-28% of favor votes.

2. The detailed translation of our proposal

① Revision of the provisions of articles with regard to the Dissolution of Cross-Shareholdings

Add the following Chapter and Article to the current Articles of Incorporation

CHAPTER VII. DISSOLUTION OF CROSS-SHAREHOLDINGS

Article 34 (Dissolution of cross-shareholdings)

The Company shall sell all the cross-shareholdings, as of the effective date of the revision of the Articles of Incorporation, immediately during the 87<sup>th</sup> fiscal period.

② Appropriation of surplus

A) Type of dividend

Cash

B) Allocation and the total amount of dividends

The amount obtained by deducting the amount of dividend payment from surplus per common share of the Company which will be proposed by the Board of Directors of the Company at the 86<sup>th</sup> Annual General Meeting of Shareholders and approved thereat, from JPY498.

In case Earnings Per Share rounded down to the nearest integer in the 86<sup>th</sup> fiscal period (hereinafter referred to as “actual EPS”) is different from JPY498, JPY498 in the previous paragraph shall be replaced with actual EPS.

The total amount of dividends is calculated by multiplying the dividend amount per the one common stock described above by the number of shares subject to dividend payment as of the record date of voting rights at the 86<sup>th</sup> Annual General Meeting of Shareholders

C) Effective date of dividend payment from surplus

The day after the 86<sup>th</sup> Annual General Meeting of Shareholders of the Company is held.

If the Board of Directors of the Company submits the proposal on appropriation of surplus at the 86<sup>th</sup> Annual General Meeting of Shareholders, this proposal will be submitted to make an additional proposal separately from such proposal.

Contact Information  
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