

June 3rd, 2021

To Whom It May Concern,

Strategic Capital, Inc.
Tsuyoshi Maruki, President & CEO

Re: The Withdrawal of a part of Shareholder Proposal to SEIKITOKYU KOGYO CO., LTD. (TSE Code 1898)

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 SEIKITOKYU KOGYO CO., LTD.(hereinafter referred to as "SEIKITOKYU") 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 26th, 2021.

The Fund and Strategic Capital, however, are pleased to announce that we are withdrawing part of our proposal regarding the disclosure of the weighted average cost of capital (WACC) and its basis of calculation for more effective dialogues, at the annual shareholder meeting in consideration of the following.

- On May 12th, 2021, SEIKITOKYU disclosed WACC on its website (<https://www.seikitokyu.co.jp/company/corporate-governance>, Japanese only)
- In a press release announced on the same day titled 「長期ビジョンおよび中期経営計画策定のお知らせ」 (Japanese only, title translation “Notice of the long-term vision and the formulation of a medium-term management plan”), the basis for calculating the cost of equity (a component of WACC) was shown.
- On June 1st, 2021, SEIKITOKYU promised that it would continue to disclose WACC and its basis of calculation to Strategic Capital, Inc.

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