

June 23, 2023

To Whom It May Concern,

Strategic Capital, Inc.  
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**Re: Settlement of the action to pursue liability for damages against  
former Representative Director etc. of SEIKITOKYU KOGYO CO., LTD. (1898)**

The fund managed by Strategic Capital, Inc. ("the Fund") is shareholder of SEIKITOKYU KOGYO CO., LTD. ("the Company").

As stated in the December 18, 2020, Press Release titled "Action to pursue liability for damages against Representative Directors etc. of SEIKITOKYU KOGYO CO., LTD. (1898)", the Fund filed a shareholder lawsuit against four directors and former directors of the Company ("the Directors") with the Tokyo District Court. After a ruling in favor of the plaintiff's claims, followed by the Tokyo High Court dismissing the defendants appeal on January 26, 2023, the Directors filed an appeal with the Supreme Court. We would like to announce that on June 22, 2023, a settlement was reached between the Fund, the Company and the Directors at the Tokyo High Court.

**Details**

**1. Litigation timeline**

December 18, 2020	Filing of lawsuit
March 28, 2022	Judgement in favor of plaintiff (Tokyo District Court)
January 26, 2023	Judgement dismissing appeal of defendants (Tokyo High Court)
June 22, 2023	Settlement

**2. Abstract of the settlement**

- Each of the Directors admits liability for damages ranging from JPY 1,579.42 million to JPY 1,834.17 million based on a breach of duty of care as a good manager.
- The Directors shall be exempted from the above obligation on the condition that they jointly and severally pay JPY 120 million to the Company.
- The Company and the Directors pledge not to be reemployed by the Company group.
- The Company shall pay the Fund JPY18,404,100 to cover the legal fees stemming from this lawsuit.
- The Company acknowledges and publicly discloses that an antitrust violation was committed by the entire Company and the report by the Investigation Committee was insufficient.

FIN

**Disclaimer**

This press release is a reference translation of the original announcement in Japanese ([here](#)). In addition, the Abstract of the settlement is extracted from the "[Notice of Settlement of the Shareholder Derivative Lawsuit](#)" (Japanese only) which was released by the Company on June 22, 2023. In the event of any discrepancies, the Japanese versions shall prevail.