Strategic Capital, Inc.
Tsuyoshi Maruki , President & CEO

February 17, 2016

Dear Sirs

Re: Shareholder Derivative Action against the President of Japan Digital Laboratory Co., LTD (TSE Code: 6935).

Strategic Capital, Inc. is under the discretionary investment management contract with INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (hereinafter referred to as the "Fund") and the Fund holds 2.85% of the outstanding share of Japan Digital Laboratory Co., Ltd. (hereinafter referred to as "JDL").

Strategic Capital, Inc. is pleased to announce that the Fund, on Feburatry16th, 2016, filed a shareholder derivative action against the President Kazuo Maesawa of JDL (hereinafter referred to as the “President”) with Tokyo District Court.

The brief reasons for the abovementioned action are as the following.

1. Payments to Sakae Maesawa, a brother of the President

JDL entered into a tax advisory contract with the tax account office managed by a real brother of the President. JDL has paid this tax account office JPY8.86 million per year since the fiscal year March 2004.

JDL also entered into a non-regular employment contract with Mr. Sakae Maesawa, in which Mr. Sakae Maesawa was supposed to be an advisor on business development in tax accountant industries, and JDL paid him JPY7.2 million salary per year based on the abovementioned employment contract since the fiscal year March 2009.

Since the majority of JDL's customers are tax accountants, JDL has no need to ask for further information from one tax accountant. Besides, when the contents of the abovementioned tax advisory contract and employment contract are overlapped, these disbursements are illegal as duplicate payments. Even if the contents of those contracts are not overlapped, the payments based on the employment contract without reasonable necessity are illegal as it damaged the asset of JDL.

2. Payments to Yoshikazu Maesawa, a brother of the President

JDL also entered into a consignment contract for design and supervision of its facilities with the architect office managed by another real brother of the President. JDL has paid this architect office the range of about JPY10 million to over JPY200 million per year for at least past 7 years until the fiscal year March 2012. It is, however, difficult to find facilities which need such large costs and JDL does not disclose the detail of facilities which shall correspond to the abovementioned payment in spite of the request by shareholders.

In consideration of these circumstances, it is highly presumable that the facilities which shall correspond to the payments based on the abovementioned consignment contract does not exist or, even if it exists, such payments were arbitrary and unreasonably expensive compared to the market price.

The disbursements to Yoshikazu Maesawa are illegal in case the abovementioned consignment contract for design and supervision does not reflect real business operation or payments based on such contract were unreasonably expensive.

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