

April 26th, 2019

Dear Sirs and Madams,

Strategic Capital, Inc.
Tsuyoshi Maruki, President & CEO

**Re: Shareholder Proposal to ASANUMA CORPORATION and
Announcement of the New Website Open for the Proposal**

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 24th, 2019, 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 25th, 2019, 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.

For further information, please click the link to a special website regarding our proposal (<https://proposal-for-asanuma-from-sc.com/english/>) or the top right links in [our corporate website](#).

1. Overview of our proposal

- ① Disclosure of WACC and its basis of calculation for more effective dialogues.

According to ASANUMA's Medium-Term Plan, ASANUMA recognises its cost of capital as 5% and uses this figure as a measurement of business judgement such as decision whether it holds cross shareholdings or not.

In reality, there is a big gap between the cost of capital ASANUMA recognises and the one market recognises. As stated in Japan's Corporate Governance Code, a

company should accurately identify its cost of capital and investors need to know what level of cost of capital the company identifies for the effective dialogue with the company.

Through the improvement of the transparency regarding the cost of capital which ASANUMA recognizes, the reason of the gap will be clear. This will also accelerate the dialogues between ASANUMA and investors. Therefore, we would like ASANUMA to disclose WACC and its basis of calculation.

② Dissolution of cross shareholdings to increase financial leverage.

One of the reasons for ASANUMA's low valuation is low leverage as a result of holding excessive cash and cross shareholdings. We would like ASANUMA to dispose the cross shareholdings in 3 years and utilize the proceeds to increase shareholders' value such as improvement of financial leverage.

③ Increase of dividend to achieve 100% payout ratio.

As a result of low shareholders' return, ASANUMA's market capitalisation is almost the same as net-cash. To prevent accumulating cash and equity capital, we would like ASANUMA to achieve 100% payout ratio.

2. The detailed translation of our proposal

① Revision of the provisions of articles with regard to disclosure of cost of capital

The following Chapter and Article shall be newly added to the current Articles of Incorporation.

CHAPTER VII. COST OF CAPITAL

(Disclosure of Cost of Capital)

Article 34. The Company shall disclose, in the Corporate Governance Report (hereinafter referred to as "Report") which it submits to the Financial Instruments Exchange, its Weighted Average Cost of Capital and its basis of calculation which it comprehends at the point of within 1 month before the submittal of the Report.

② Revision of the provisions of articles with regard to the Dissolution of Cross Shareholdings

The following Chapter and Article shall be newly added to the current Articles of Incorporation. When the first proposal regarding Chapter VII Article 34 above is not approved, this proposal regarding CHAPTER VIII Article 35 shall be replaced with CHAPTER VII Article 34.

CHAPTER VIII. Dissolution of Cross Shareholdings

(Dissolution of Cross Shareholdings)

Article 35

The Company shall sell all the cross shareholdings, as of the effective date of the revision of the Articles of Incorporation, immediately during 85th to 87nd fiscal periods.

③ Appropriation of Surplus

(1) Type of dividend

Cash

(2) 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 84th Annual General Meeting of Shareholders and approved thereat, from JPY386.

In case Earnings Per Share rounded down to the nearest integer in 84th fiscal period (hereinafter referred to as “actual EPS”) is different from JPY386, JPY386 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 March 31, 2019.

(3) Effective date of dividend payment from surplus

The day after the date of the Annual General Meeting of Shareholders to be held in June 2019.

If the Board of Directors of the Company submits the proposal on appropriation of surplus at the 84th Annual General Meeting of Shareholders, this proposal will be submitted to make an additional proposal separately from such proposal.

Contact Information

Dan Kato

81-3-6433-5267