
24 September 2025

HS Holdings Co., Ltd.

Netherlands Hills Mori Tower RoP 1307, 1-11-1 Toranomon 5-chome, Minato-ku,
Tokyo, 105-0001, Japan

Subject: Request for the Filing of a Lawsuit to Pursue Directors' Liability for Damages

Dear Board of Directors:

In the Annual Securities Reports for the 66th and 67th fiscal years, HS Holdings Co., Ltd. (hereinafter "HS Holdings") disclosed the following transactions as related party transactions:

- (1) Acquisition of shares (¥13bn in total) from the representative director of the management company of HS Holdings' largest shareholder fund and from another fund managed by that company;
- (2) A loan (¥2bn) to another fund managed by the same management company;
- (3) A preferred equity investment (¥0.5bn) in a balance-sheet insolvent company whose representative director is a capital provider to the largest shareholder fund and also serves as a director of HS Holdings.

Furthermore, in the Annual Securities Report for the 68th fiscal year, HS Holdings disclosed the following as a significant subsequent event:

- (4) Acquisition of shares (¥3.5bn) from another fund managed by the aforementioned management company.

(Transactions (1) through (4) are hereinafter collectively referred to as the "Transactions.")

As an activist shareholder, we have a serious interest in the legitimacy and fairness of the Transactions and have consistently urged HS Holdings to take actions that increase shareholders' value. Instead of responding constructively, HS Holdings has refused to engage with us and has made unfounded allegations that our activities are unlawful. Such conduct disregards accountability to shareholders and is unacceptable.

We have therefore determined that it is necessary to seek legal remedies to clarify the propriety of the Transactions. As stated in our letter dated 22 September addressed to HS Holdings' statutory auditors, we have demanded that a lawsuit be filed to hold all directors of HS Holdings liable for damages in connection with the Transactions, which total ¥19bn.

Whether we proceed with a shareholder derivative action will depend on both the statutory auditors' response to our demand and the outcome of our separate petition for access to the minutes of the board of directors' meetings. We strongly urge the board to reconsider its current approach, to fulfil its duty of accountability, and to respond in good faith to our petition for access to the minutes.

Kind regards,
Satoru Matsuhashi
Founder & CEO, Nanahoshi Management Ltd.