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[Attachment]

**Regarding Long Term Investment in TSI HOLDINGS CO., LTD. (“TSI”) Over 10 Years**

I have been consistently asserting since 1999, the year of establishment of the so-called “Murakami Fund”, to minimize inefficient retained earnings to improve capital efficiency and increasing shareholder value of listed companies. The TOKYO STYLE CO.,LTD., (“TOKYO STYLE”) project was my symbolic project at the time. TSI, of which I have been suspected of market manipulation, is a company which was established by a merger of TOKYO STYLE and SANEI-INTERNATIONAL CO.,LTD. (“SANEI”) in 2011. For me, it is a special company which I have owned shares for over 10 years and have been continuously proposing to improve capital efficiency and increasing shareholder value. Therefore, it is completely against my ideology and contrary to the false reports about my intention to manipulate the market of TSI shares, for profits of a several tens of millions of yen. The trading I have conducted, which has been pointed out is simply a reduction of the held TSI shares by my affiliated companies and there are no intentions or either facts of gaining advantage by market manipulation.

Please allow me to explain as followings in time-series how I was actually engaged with TSI and what I aimed to reform.



1. Establishment of “Murakami Fund”

After resigning from the Ministry of International Trade and Industry in 1999, I established so-called “Murakami Fund”, aiming to improve corporate governance in the capital market of Japan which has always been my belief. Not only has it been a big challenge for the market but for myself and in cases I had to choose a hostile way to achieve this change of listed companies in Japan which retains more of

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unnecessary earnings instead of increasing shareholders' value or/and business efficiency.

2. Shareholder Proposal to TOKYO STYLE

TOKYO STYLE at the time had a market capitalization of approximately 100 billions of yen where the company retained earnings of 128 billions of yen (nearly all held in cash): The retained earnings were exceeding its market capitalization (amounting to 2 years of its sales, annual sales being 62.5 billions of yen). And the company, without a clear plan of use of funds, put these retained earnings to stock and bonds investments, which were not their business. Regarding retained earnings, it is my strong belief that companies should reinvest the funds to improve their shareholders' value and if not reinvested, the money should be returned to shareholders; we, as an investment fund, started investing into TOKYO STYLE soon after I started my own fund. And we had asked for a meeting with TOKYO STYLE management over and over but all were rejected. As long as dialogues between the management and shareholders were denied, all we could do was to take actions solely by ourselves; we have submitted shareholder proposals to the company to increase its dividend amount, to buy back shares, and to elect outside directors and conducted proxy fight. As a result, our proposals were declined, however, we believed that a part of our investment philosophy was eventually admitted as the company introduced measures of increasing shareholders' value by raising dividend amount and so on, after our shareholder proposal. On the other hand, the company's way of management had not changed; the company made a loss of 3.1 billions of yen by investing to MYCAL bonds which were at very high risk and this judgement was made solely by Mr.Takano, CEO of the company at the time, without discussion and resolution of board of directors meeting. We submitted a shareholder lawsuit regarding this issue which resulted in Mr.Takano paying 100 millions of yen as an indemnity,

At the same time as we were taking such actions, I had been obtaining series of advices from my ex-senior of the Ministry of International Trade and Industry ("Senior"), whom I respect the most. In 2002, I was introduced Mr.Miyake, a then chairman of SANEI which was not yet listed company. I believed and actually mentioned to Mr.Miyake that TOKYO STYLE should be merged with a company just like SANEI, which would lead corporate value of each company to improve. My proposal was not realized as Mr.Miyake had preferred choosing IPO of SANEI by itself than merger with others and SANEI actually went public in 2003.

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3. Increased position of TSI shares after its announcement of establishment, with expectation for its corporate value to improve

Even after Murakami Fund was dissolved, I had had a lot a special feeling in TOKYO STYLE and continued to hold a certain amount of its shares on my own. In October 2010, TOKYO STYLE and SANEI announced their merger to establish TSI. I felt truly excited as I sensed TOKYO STYLE would finally change. I contacted the Senior immediately after I heard the news because I thought the Senior had arranged the merger. The senior said to me, “Look what they have actually done! They will be a good group of companies.” When I made a call to the Senior, I was travelling with my wife celebrating our 25<sup>th</sup> anniversary of marriage in Sydney, where we visited for our honey moon as well. It still is a good memory to recall, having had dinner with full of excitement after hearing the news.

In their business plan announced at the time of their merger, it said that newly established group will aim at an annual sale of 300 billions of yen and operating profit of 30 billions of yen and I kept increasing my position with my expectation for their management improvement.

4. Nonattainment of its business plan, even after restructuring of the company

I increased my position of TSI shares through my affiliated companies and by the end of 2012, my share had reached maximum of 4.9% of the company’s outstanding shares. I, as a shareholder, repeatedly had dialogues with the company including Mr.Miyake, a then chairman of TSI, and proposed a sale of cross-held stocks (as they had unrealized profits in such stocks at the time as well), improvement of ROE by higher capital efficiency to be obtained by share buybacks etc., and all of them were remained unexecuted.

I came to feel a sense of danger that its corporate value would keep decreasing. And in February 2013, I officially submitted my proposal in writing to Mr.Miyake:

1. Electing a board of director(s) from my side
2. Tender Take-Over Bid (“TOB”) with price added certain amount of premium if agreed by the company
3. Management Buy Out (“MBO”)

I received a reply from Mr.Miyake which was to wait for one more year as the company would keep moving forward to achieve increase of its corporate value. I had an opportunity to have dinner together with the Senior and Mr.Miyake and he asked for my opinion regarding corporate restructuring including downsizing of personnel and shutting down of factories. I told him “the company should not consider to downsize its personnel, not until the very last minutes, as it may destroy the lives

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of employees especially in local provinces. I asked to put effort in creating better brands and generate profit through your main business.” I cannot forget that Mr.Miyake wiped his tears with his handkerchief after hearing my unexpected opinion. Mr.Miyake declared to devote himself more into its management reorganization and I decided to support the company secretly and held my position. In May 2013, Mr.Miyake visited my house in Singapore and said to me, “Please keep TSI stocks for a long time. I will make the company better, I promise.”

5. Sale of shares after gaining strong opposition from related parties as I proposed a friendly TOB

I believed in Mr.Miyake and awaited, however, none of improvement of its main business, sales of cross-held shares and improvement of capital efficiency by liquidating its unutilized assets made progress as I had hoped for. Therefore, in mid-April 2014, I visited the Senior to discuss TOB of TSI shares, including MBO. The Senior scolded me and said “we will make TSI to achieve its goal of increasing corporate value, so keep quiet and do not sell shares. Are you trying to disgrace me?” Even though I thought that it will not be easy to improve the corporate value, as it was very first time to be scolded by him in more than 20 years of acquaintance and therefore I decided to give up TOB of TSI shares after the meeting: I decided to sell shares when price gets higher and I did.

I sold all of the shares I held through my affiliated companies by the end of January 2015 and I told Mr.Miyake about it. Mr.Miyake expressed his gratitude for my efforts to keep proposing to the company as a shareholder. And in April 2015, 3 of us, the Senior, Mr.Miyake and myself, had dinner together and I received words to express their gratitude.