



July 23, 2025

To Whom It May Concern:

Company name: GOLDCREST Co., Ltd.
Representative: Hidetoshi Yasukawa, President and CEO
(Code: 8871, Tokyo Stock Exchange Standard Market)
Contact: Masaki Ito, Managing Director
(TEL: +81-3-3516-7111)

Response to Demand for Legal Action from Shareholder

As stated in the “Notice of Receipt of Demand for Legal Action from Shareholder” dated May 30, 2025, on May 23, 2025, GOLDCREST Co., Ltd. (hereinafter, “the Company”) received a document demanding the filing of a lawsuit to pursue liability and other remedies (hereinafter, the “Demand Letter”) from Strategic Capital, Inc., a shareholder of the Company. The Demand Letter requested that the Company file a lawsuit against Hidetoshi Yasukawa (hereinafter, “Mr. Yasukawa”), President and CEO of the Company, seeking total damages of 2,070,840,000 yen (2.07084 billion yen), asserting that his development of condominiums competing with the Company’s business, conducted through a company effectively run by him and without obtaining Board of Directors’ approval (hereinafter, “the Company in Question”), constitutes a violation of non-compete obligations.

In response, the Company’s Audit & Supervisory Board Members have been investigating and examining the shareholder’s request in order to determine whether or not it is appropriate.

As a result, we hereby announce that, in the unanimous opinion of all Audit & Supervisory Board Members, Mr. Yasukawa is not liable for damages as stated in the Demand Letter, primarily for the reasons stated below, and that the Audit & Supervisory Board has decided not to file a lawsuit to pursue liability against Mr. Yasukawa, reporting this to the Board of Directors on July 22, 2025.

1. The condominiums developed and sold (hereinafter, “the Condominiums”) on the land acquired by the Company in Question (hereinafter, “the Sites”) differ significantly from those developed and sold by the Company with regard to product concept and sales price, and are therefore deemed to be of little competition in the market. In addition, the estimated profit that the Company would have earned if the Condominiums were developed and sold on the Sites by the Company were far below the level of the Company’s standards at the time, and the Company did not anticipate carrying out said business. Given this, the development and sale of the Condominiums by the Company in Question cannot be deemed to be a “transaction in the line of business of the Company” (Article 356 (1) (i) of the Companies Act).
2. It can be evaluated that the development and sale of the Condominiums by the Company in Question, together with the acceptance of the Company being entrusted as the sales agent for said condominiums, constitute approval by the Company’s Board of Directors.
3. Considering the fact that the Company has been entrusted as the sales agent for the Condominiums and, as a result, as been earning sales agency commissions without assuming business risks related to the Sites, it cannot be said that the Company has incurred any damages.