



PALM HARBOUR
C A P I T A L

23rd of April 2025

Chairman Mr. Minoru Fujii

President Mr. Mitsuhiro Fujii

Members of the Board of Directors

SK Kaken Co Ltd

Dear Sirs,

We write to you as shareholders of SK Kaken Co Ltd regarding the long-term performance of the shares. I hope you are well and having a healthy and fruitful year. First, I would like to thank you for the English earnings summary with the third quarter results. We really appreciate this step and hope English disclosures will continue. We think this will be a great benefit to the company and will increase its profile in the Japanese market and the world. We would really like to see the investor relations website in English as this would facilitate a wider investor community. It would also be very useful to have an introductory presentation that explains the business in English for new investors to understand this magnificent company in an easy to digest manner.

Second, we would like to reiterate our request as outlined in our previous letter to the board for a three year management plan in line with what other excellent Japanese companies provide. It would be very useful to the investor community to have numerical targets outlined especially around growth, margins, capital expenditures and other relevant factors to understand the significant cash flow generation of our wonderful company.

Thirdly, we would like to reiterate that we believe the balance sheet is underutilized and we would like to see larger shareholder remuneration such as share buybacks (given the substantial discount in which the shares trade to intrinsic value) and dividends.

We believe these steps will greatly enhance shareholder value and return the shares to above book value, which would put the company in better standing with the stock exchange and government policy and desires.

We believe these items should be highlighted at the presentation of the annual results and further emphasized at the annual meeting.

We look forward to further progress regarding these very important matters and continued successful growth in earnings.

Sincerely,

Peter Smith

Managing Partner

Palm Harbour Capital LLP

Palm Harbour Capital LLP is authorized and regulated by the Financial Conduct Authority, UK. Palm Harbour Capital manages the COBAS Lux SICAV Palm Harbour Global Value Fund.