

March 2, 2020

Via Emails

David.Lewis@fatf-gafi.org

ExecutiveSecretary@fatf-gafi.org

Mr. David Lewis
Executive Secretary
Financial Action Task Force
2, Rue Andre Pascal
75775 Paris Cedex 16
France

Re: Request for FATF Review and Support for Seeking Prompt Transparency regarding Sekisui House, Ltd.'s 5.55 Billion Yen (approx. US\$51.9 million) Loss in the Fraudulent Gotanda Land Transaction, which Raises Numerous Red Flags of Money Laundering by Criminal and/or Terrorist Financing Groups

Dear Mr. Lewis,

The Financial Action Task Force (“FATF”) will publish an assessment of Japan’s AML Compliance standards and enforcement efforts later this year. This letter underscores apparent and ongoing deficiencies in this area regarding Japan’s foremost home builder and Bank. This is an important matter for FAFT to heed because if Japan’s top financial and commercial institutions fail to have robust AML Compliance then widespread deficiencies in other, particularly smaller regional institutions can be expected. A poor review from FATF can result in Japan and its bank and commercial institutions having severely decreased access to the global financial system that requires adherence to rigorous AML Compliance standards and enforcement efforts.

On February 17, 2020, Sekisui House, Ltd. (“Sekisui House” or the “Company”) issued a press release announcing a shareholder petition that proposes for election 11 directors to the Company’s Board of Directors (the “Slate”).¹ The Slate is comprised of mainly independent directors with two women and two prominent Americans, and will stand for election at Sekisui House’s next shareholders’ meeting in April. The Slate aims to bring sorely needed corporate governance to the Company, which is listed on the Tokyo Stock Exchange and plays an important role in the Japanese, U.S. and other nations’ commercial real estate and home-building industries.

Having lost friends on 9/11, I am honored to be counsel to the Slate with legal expertise in corporate governance and anti-anti-money laundering requirements, including the Patriot Act and combatting terrorist financing. Our Slate applauds your work through FATF as a global leader in setting high standards for countries to detect against and otherwise combat money laundering and criminal/terrorist financing activities. As an American lawyer, I see FATF’s

¹ For periodic Slate updates please go to: <https://www.savesekisuihouse.com>.

efforts and others, have caused the U.S. to foster very rigorous detection and reporting mechanisms built upon some of the highest AML standards and attention to enforcement.

Every director candidate on our Board Slate is committed to get to the bottom of what strongly appears to be a cover-up of a transaction that shows classic indicia of money laundering at Sekisui House. In this regard, we are privy to an “Investigation Report” that was completed by a Sekisui House independent committee on January 24, 2018 (the “Report”), but Sekisui House refused for many months to disclose the Report, which was only submitted to the court in July 2019 and made public in a redacted format through a court order in November 2019. The Report, which contains Company redactions on such things as the name of a former Diet member, and the full-text of which has never been disclosed to the public voluntarily by Sekisui House, is attached hereto as **Exhibit A**. The Report speaks for itself as to the inordinate number of serious missed red flags that to the knowledge and belief of our Board Slate have gone unanswered by the current Board and management of the Company. We are resolutely committed to thoroughly investigate the actual causes of the massive loss of funds and report back findings to the Company’s shareholders, and concurrently seek recovery of the 5.55 billion yen (approx.) US\$51.9 million that was misappropriated in a transaction rife with so many red flags that our FBI sources say scream of money laundering by organized crime/terrorist financing group[s].

Our Board Slate also has been made aware of a letter sent to Mitsubishi UFJ Financial Group, Inc. (“MUFG” or the “Bank”) from me and my Japanese co-counsel representing Sekisui House shareholders demanding that the Bank investigate this matter as the Bank apparently assisted Sekisui House in facilitating the funds transfers in the improper Gotanda land transaction. See letter to Kanetsugu Mike, President & Group CEO; Junichi Hanzawa, Group Chief Compliance Officer; and William Langford, Head of Global Finance, Mitsubishi UFJ Financial Group, from William W. Uchimoto, Esq., William W. Uchimoto Law; and Naoki Matsuoka, Esq., Osaka City Law Office, dated January 9, 2020 (the “MUFG Bank Demand Letter”). We observe that you and the Financial Action Task Force (“FATF”) were copied on the MUFG Bank Demand Letter. We understand that the Bank has not responded to the MUFG Bank Demand Letter.

Our Board Slate, comprised of U.S. and Japanese professionals, are extremely troubled by the alarming oversights and general laxness by the Company, the Bank and Japanese regulators shown during the transaction and its aftermath. We are concerned that the business process and overall governance breakdowns, the cover-ups, and the strong scent of money laundering and terrorist/criminal financing pervading this transaction will lead, if left open and unchecked, to the reoccurrence of scandals as well as significant lingering damage to the corporate trust and reputation of Sekisui House, which harms its stakeholders, including shareholders, employees, consumers and community in general.

On behalf our Board Slate, I respectfully request FAFT review the serious matters raised in this letter and support us in a call for prompt and greater transparency by Sekisui House’s current Board and management as well as by MUFG as to what happened and why there have been no publicly announced efforts being made for the prompt and full recovery of the substantial amount of misappropriated funds.

I look forward to having a call at your earliest convenience to share more details and discuss this serious AML matter with you as to next steps.

Sincerely,

A handwritten signature in black ink, appearing to read "William W. Uchimoto". The signature is fluid and cursive, with the first name being the most prominent.

William W. Uchimoto, Esquire

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Attachment: Exhibit A, Redacted Sekisui House Investigation Report