



Strategic Capital

株式会社 ストラテジックキャピタル

Japan Activist Investment Manager

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The need for Corporate Governance in Japan

Management of many Japanese companies have long held to a belief that companies exist for their own and their employees needs.

They do not realize that the company belongs to its shareholders, who as principals, have appointed management to be their agents in order that they maximize shareholder value.

Strategic Capital will

Actively Teach

Actively Demand

Actively Strengthen

Better corporate governance in Japan

Actions taken by management

Some examples of what management have done are

Accumulate
excessive cash

Excessive
shareholder's
equity

Unneeded Cross-
share holdings

Non-core assets
(real estate etc.)

Poison pills

Low ROE/ROIC

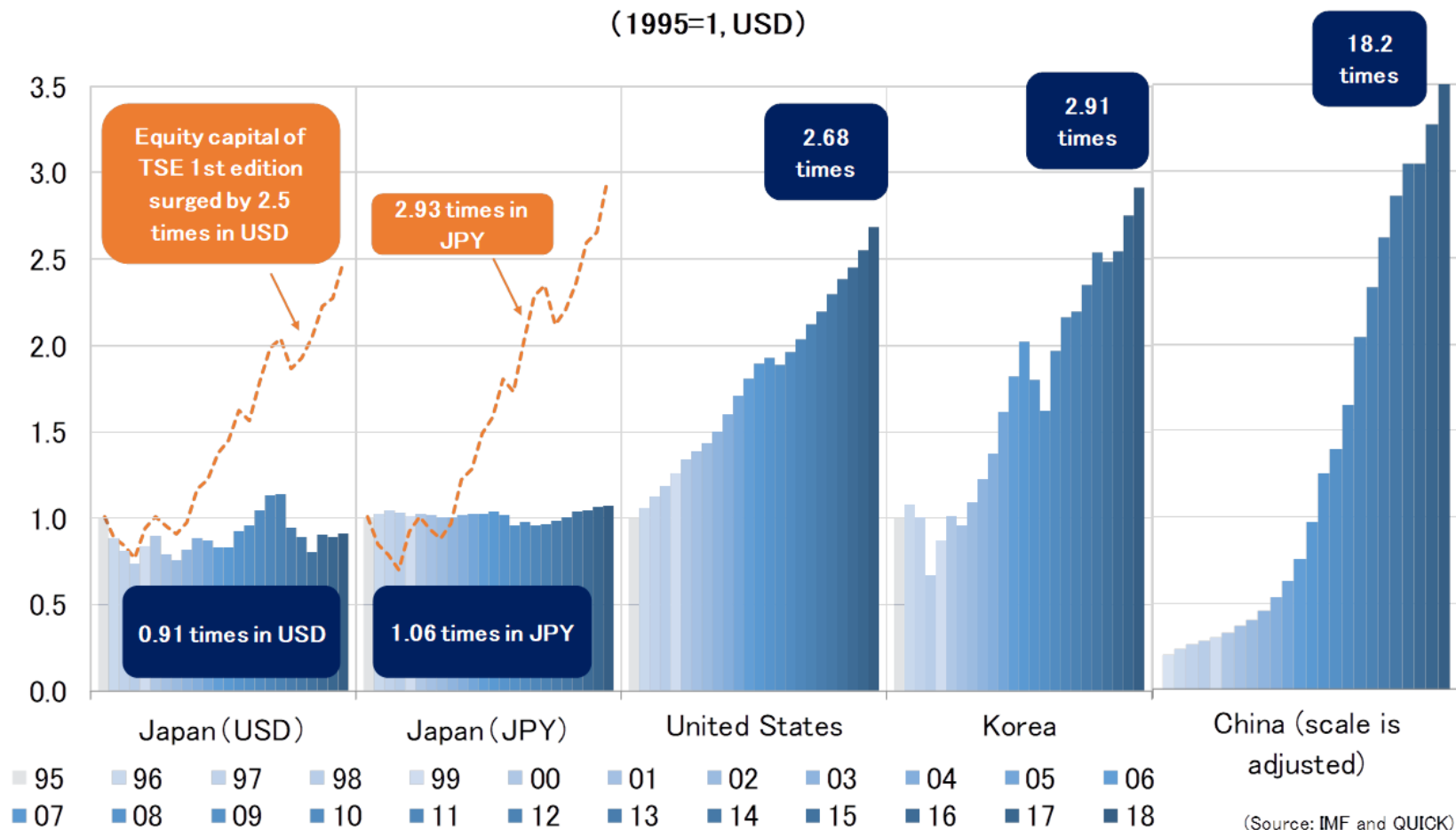
Lack of Board
independence

Poor IR

Parent/child
company structure

Nominal GDP (bar chart) & Equity Capital of TSE 1st Section (line chart)

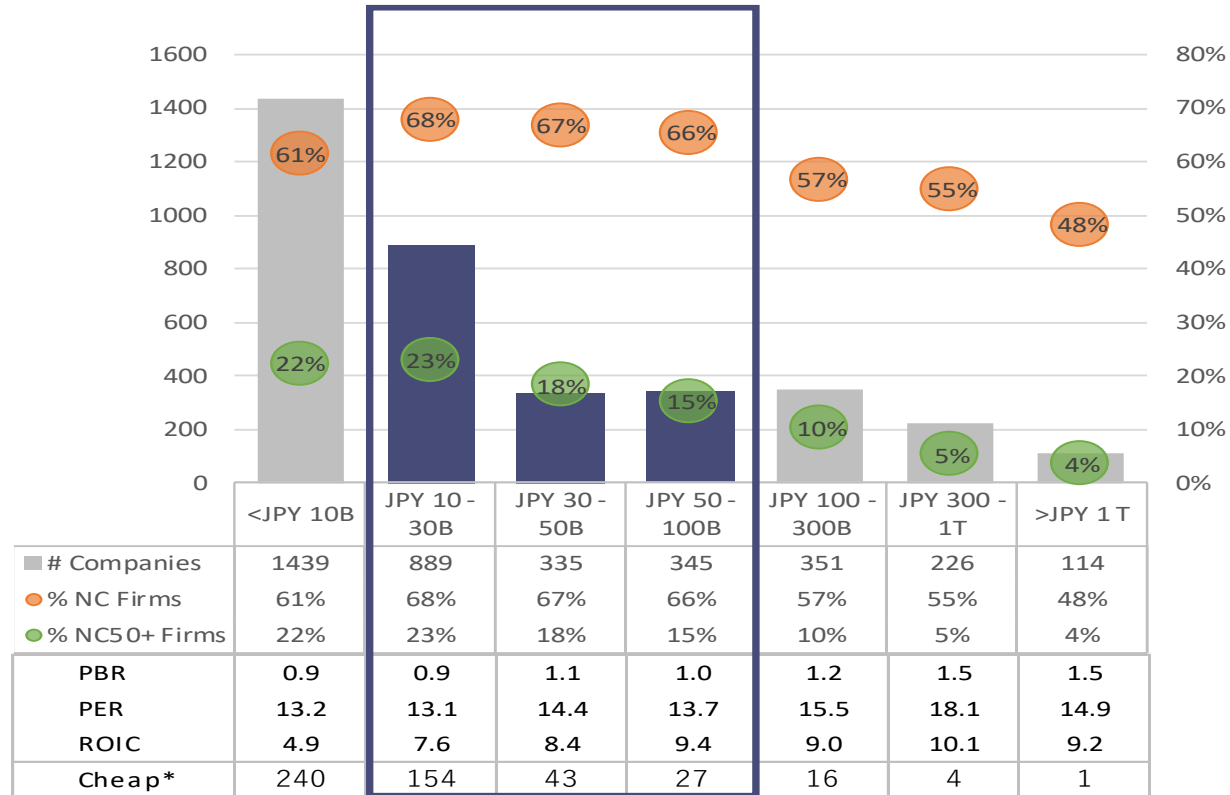
(1995=1, USD)



(Source: IMF and QUICK)

Value Stocks in Japan

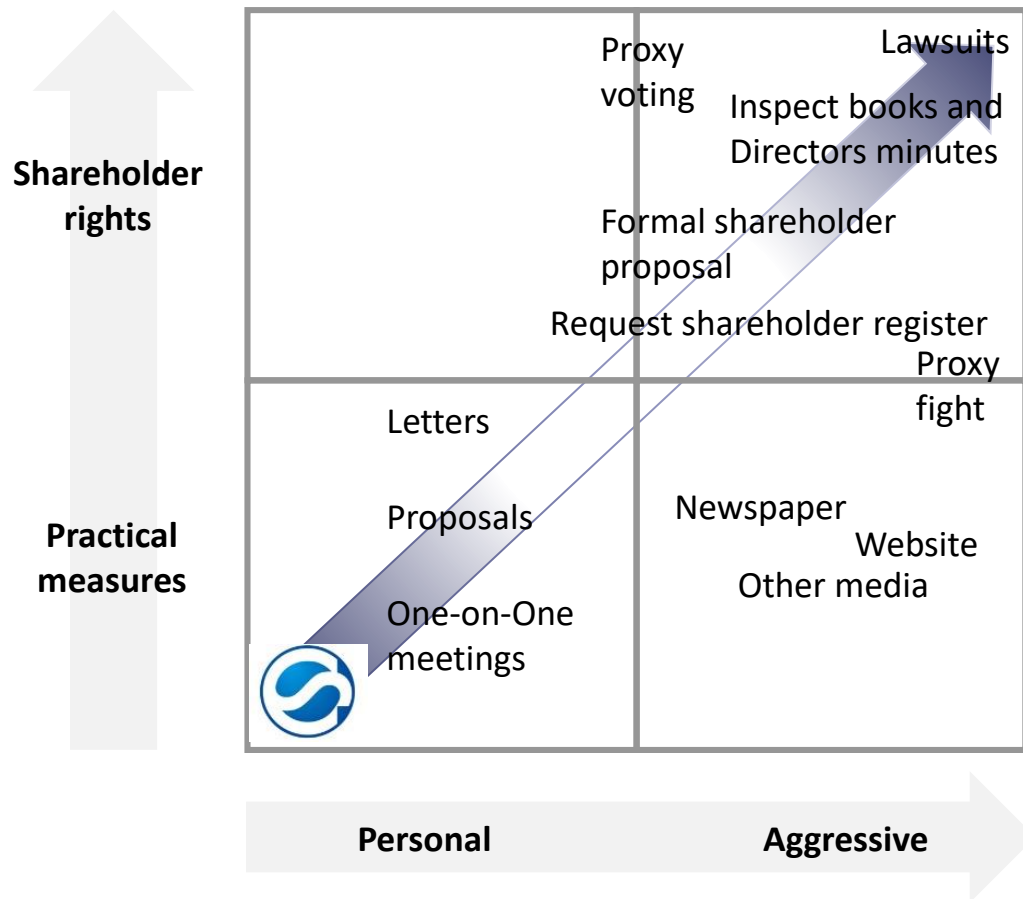
All Listed Japanese Firms by market cap (ex financials)



Source: Quick Jul 2019

*Firms with PBR<0.8, NC50%+

Strategic Capital Activism – Aggressive Only When Necessary



- Campaigns start privately employing a **personal and face-to-face** approach. The preference is to influence through passion, education in a non-threatening and non-public way.
- Over time, increase pressure by **strategically using more aggressive means.**
- Many campaigns successfully completed before an aggressive approach is needed