

November 4, 2020

To Whom It May Concern,

Strategic Capital, Inc.  
Tsuyoshi Maruki, President & CEO  
Attention: Dan Kato, Director  
TEL: 03-6433-5277  
EMAIL : [info@stracap.jp](mailto:info@stracap.jp)

**Re: Notice from Sunshine H Investment Partnership –  
Regarding the tender offer for the common shares of Keihanshin Building Co. Ltd. (8818)**

Strategic Capital, Inc. (“SC”) has formed the Sunshine H Investment Partnership\* (“Tender Offeror”) in association with UGS Asset Management Co., Ltd. for the purpose of acquiring the common shares of Keihanshin Buildings Co., Ltd. (“Target Company”) in order to strengthen shareholder voice. Today, we would like to announce the Tender Offeror, has decided to acquire the common shares of the Target Company through a Tender Offer in accordance with the Financial Instruments and Exchange Act (“FIEA”). For specific details of the Tender Offer please refer to the “Notice Concerning the Start of the Tender Offer for Shares of Keihanshin Building Co., Ltd (8818)” (attachment) and the Tender Offer Notification Form to be submitted by the Tender Offeror on November 5, 2020.

SC and fund managed by SC currently own 2,887,800 shares of the Target Company. Since February 2018, we have been proposing measures to improve shareholder value (for more information please refer to our special website, “Increase Keihanshin’s Shareholder Value”, <https://realize-value-keihanshin.com/english/>). For this year’s AGM, we made a shareholder proposal with the express purpose of improving shareholder value. However, their Board of Directors expressed disagreement with the proposal during the AGM, and directly to us when we met with them after the meeting. It became clear that the Target Company did not agree with our ideas and we came to the conclusion that their Board would not change management policy in the direction proposed by us.

We have submitted a request for due diligence cooperation to the Board on October 7, 2020 but have not been able to obtain the cooperation of the Target Company at this time. While we will continue to do so, we believe that it is unlikely we will be able to obtain their cooperation.

As it is the responsibility of Directors to improve shareholder value, and we have patiently and repeatedly proposed measures to improve shareholder value, the Board of Directors of the Target Company should not waste any more time and money on nonsensical questions to prevent from decreasing shareholder value. Instead, they should fulfill their responsibilities

<https://stracap.jp/>

as a Director by expressing an opinion in favor of the Tender Offer or by clarifying countermeasures to reach the share price that is greater than our Tender Offer price.

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\* note the partnership is structured as a Nin-I Kumiai, a type of limited partnership in Japan

Attachments“Notice Concerning the Start of the Tender Offer for Shares of Keihanshin Building Co., Ltd (8818)” – November 4, 2020

Attachment

November 4, 2020

To Whom It May Concern,

6-5-38 suite 807, Akasaka, Minato-ku, Tokyo  
c/o UGS Asset Management  
Sunshine H Investment Partnership  
Managing General Partner – Strategic Capital Inc.  
Tsuyoshi Maruki, President &CEO  
Managing General Partner – UGS Asset Management  
Takamichi Uezu, President &CEO

**Notice Concerning the Start of the Tender Offer for Shares of Keihanshin Building Co., Ltd  
(8818)**

The Sunshine H Investment Partnership (“Tender Offeror”) has decided to acquire the common shares of Keihanshin Building Co., Ltd (security code 8818, TSE 1<sup>st</sup> section, “Target Company”) through a Tender Offer in accordance with the Financial Instruments and Exchange Act (Act No 25 of 1948 including subsequent amendments, “FIEA”). Details are as follows.

Details

1. Target Company name            Keihanshin Building Co. Ltd.
2. Stock type to be purchased    Common Stock
3. Tender offer period            Thurs. Nov 5, 2020 to Thurs. Dec 17, 2020 (30 bus. days)
4. Tender offer price              ¥1,900/share
5. Tender offer amount

Planned amount	Lower Limit	Upper Limit
10,206,100 shares	10,206,100 shares	10,206,100 shares

Note 1 If the number of tendered shares is less than the lower limit (10,206,100 shares), none of the tendered shares will be purchased. Note 2 If the total number of tendered shares exceeds the upper limit (10,206,100 shares), the purchase of all or part of excess portion shall not be carried out and the purchase shall be carried out in accordance with Article 27-13 (5) of the FIEA using the pro-rata method

specified in Article 32 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates by Person Other than Issuer.

Note 3 There are no plans to acquire treasury stock owned by the Target Company through the Tender Offer.

Note 4 Shares less than one unit are also subject to the Tender Offer. In the event a shareholder exercises the right to request the purchase of shares less than one unit, the Target Company, in accordance with the Companies Act may purchase said shares during the Tender offer period.

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|--------------------------|--|
| 6. Settlement start date | Thurs. Dec 24, 2020  |
| 7. Tender offer agent    | MITA SECURITIES Co., Ltd.<br>3-11, Nihonbashi-kabutocho, Chuo-ku, Tokyo<br>(Monex Securities Co., Ltd. (“sub-agent”)<br>1-12-32 Akasaka, Minato-ku, Tokyo) |

For specific details on the Tender Offer, please refer to the Tender Offer Notification Form to be submitted by the Tender Offeror on November 5, 2020.

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