

To Whom It May Concern

May 11, 2026  
Strategic Capital, Inc.  
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**Re: Shareholder Proposal to Keihanshin Building Co., Ltd. (8818) and the Launch of the Campaign Website**

Strategic Capital, Inc. (hereinafter referred to as “Strategic Capital”) is under a discretionary investment contract with INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (hereinafter referred to as the “Fund”) and the Fund and Strategic Capital (hereinafter referred to as “we”) hold approximately 11% of Keihanshin Building Co., Ltd. (hereinafter referred to as the “Company” or “Keihanshin”).

We are pleased to announce that we notified the Company of our execution of the shareholders’ right to make a proposal at the annual shareholder meeting to be held this coming June.

The details of the proposals and their reasons are as follows. For further details, please see our campaign website <https://stracap.jp/english/8818-KEIHANSHIN.pdf>

**Details**

**Summary of the Proposal**

**(1) Acquire treasury shares from specific shareholders**

<Summary> Keihanshin to acquire shares of the Company’s common stock as treasury stock from its cross-shareholding partners in order to improve corporate governance.

The proposed counterparties for the treasury share acquisitions are as follows:

GINSEN CO., LTD	Sumitomo Mitsui Trust Bank, Ltd.	Sanoyas Holdings Corporation
Sumitomo Mitsui Banking Corp.	Meidensha Corporation	NOHMI BOSAI LTD.
Kinden Corporation	Mizuno Corporation,	Nankai Electric Railway Co., Ltd.
Kajima Corporation	Tozai Kenchiku Service Co., Ltd.	The Kansai Electric Power Company, Inc.
San ju San Bank, Ltd.	Kubota Corporation	Daikin Industries, Ltd.
The Hyakujushi Bank, Ltd.	The Ashikaga Bank, Ltd.	Torishima Pump Mfg. Co., Ltd.
Sansei Technologies, Inc.	Sumitomo Life Insurance Co.	DAI-DAN Co., Ltd.
Sumitomo Mitsui Card Co, Ltd.	Maruichi Steel Tube Ltd.	TOLI Corporation
Aichi Bank, Ltd.	The Joyo Bank, Ltd.	Seino Holdings Co., Ltd.
DAIBIRU CORPORATION	Sanko Air Conditioning Co., Ltd.	LOOK HOLDINGS INC
Daiwa House Industry Co., Ltd.	Suga Co., Ltd.	Nankai Tatsumura Construction Co. Ltd.
Toda Corporation	Rengo Co., Ltd.	

**Background of the Proposal**

**Issue (1): Management’s continued undermining of shareholder value has been allowed to persist unchecked**

The Company operates a business model centered on owning real estate and generating rental income from those properties. While the leasing of real estate tends to produce stable earnings, it is not a business that can easily and

consistently generate returns sufficiently above the cost of capital that is expected of a listed company.

In addition, holding such a large amount of real estate has resulted in persistently low capital efficiency.

As a result, the true value of the shares is not being fully recognized by the market. We believe that Keihanshin should be worth around JPY 145.4 billion, but under its current management policy it is valued at only JPY 92.3 billion, a 37% discount. This situation is result of management's failure to improve capital efficiency and its complacent neglect of a state that continues to erode shareholder value.

**Issue (2): The slow pace of management reforms aimed at improving capital efficiency**

Furthermore, Company management has been reluctant to rotate assets to address this situation. While companies across the real estate industry have been actively working to improve capital efficiency through the sale and securitization of their real estate properties, Keihanshin has delayed any transition away from its asset-holding business model and has lagged behind its peers in efforts to improve capital efficiency.

As a result, the erosion of shareholder value remains unaddressed, and this very slowness in management's response has itself become one factor hindering the enhancement of corporate value.

**Issue (3): The presence of stable shareholders may be weakening management discipline.**

According to disclosures in the Annual Securities Report for FY2024, shareholders who are stable shareholders account for more than 40% of Keihanshin's outstanding shares. In such a situation, the ability of general shareholders to hold management accountable is weakened, raising the risk that management decisions that impair shareholder value will go uncorrected and unchecked.

**Issue (4): With little progress in the sale of shares held by these stable shareholders, there is concern that there exists a "pressure not to sell."**

Of 21 companies that have disclosed in their Annual Securities Report since FY2019 that they hold Keihanshin shares as cross-shareholdings, only one has sold any of those shares over the past five years. For example, Kajima Corporation has sold shares in other companies with which it is presumed to have larger business transactions with, yet it has not sold any of its Keihanshin shares. That decision is difficult to understand. Similar patterns can also be seen among other stable shareholders.

In its Securities Report Review published as of April 1, 2025, by the Financial Services Agency, it was reported that there are cases in which the issuing companies pressured cross-shareholders not to sell their shares by suggesting a reduction in business transactions. The report also pointed out that if organized efforts are being made to discourage sales with the involvement of staff or management, this could constitute a serious governance problem. There are therefore concerns as to whether a similar "pressure not to sell" situation may also exist at Keihanshin.

For further information, please click the [link](#) to a special website regarding our proposal.

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This press release is a reference translation of the original announcement in Japanese. In the event of any differences between the original and the English translation, the original Japanese version shall prevail.