

Email sent by the company to our group, Jan 19, 2026, in response to our previous email.

Dear Mr. César Mourot,

We sincerely appreciate your continued tremendous support.

We would like to explain our current situation, as you pointed out, and our specific strategies for enhancing corporate value going forward, as follows.

1. Optimizing Capital Efficiency to Improve PBR

Currently, our PBR (Price Book-value Ratio) stands at approximately 0.5x, indicating the market undervalues our company.

We analyze this as stemming from accumulated net assets suppressing ROE (Return On Equity) improvement, despite enhanced profit-generating capabilities.

As announced in April 2025, we will vigorously pursue the following strategies to achieve a PBR of 1x or higher by the fiscal year ending March 2030:

- Improving ROE (Target: 10%): In addition to enhancing profit margins, we will increase dividends and, as necessary, repurchase and cancel treasury stock. This will adjust net assets to an appropriate level and improve capital efficiency.
- Enhanced shareholder returns: We aim to gradually increase the payout ratio, targeting over 30% by the fiscal year ending March 2030.
- Improved PER (Price Earnings Ratio): Through proactive shareholder returns, we will strengthen investor confidence and aim to improve PER through rising stock prices.

2. Three Core Strategies for Sustainable Growth

To secure future profits, we will focus on the following three pillars:

- Logistics Advancement: We will introduce IT and robotics to drive efficiency and high value-added services.
- Strengthening International Logistics: We will expand local logistics operations (warehousing and trucking) at overseas locations to accelerate our global expansion.
- Reinvestment in Aging Facilities: We plan approximately ¥20

billion in capital expenditures over the next five years. Through scrapping and rebuilding aging facilities, we will transform them into highly functional, profitable facilities.

3. Financial Strategy and the Investment Decision

The acquisition of fixed assets (trust beneficiary rights in real estate) represents a key investment to realize the aforementioned strategy.

- Utilizing Financial Leverage: The acquisition will be funded by bank loans in addition to our own funds, which will help us to eliminate cash on hand (cash-rich) and optimize our equity ratio.
- Ensuring Profitability: As an income-generating property, this asset will be primarily utilized for rental purposes, aiming to secure stable and continuous future income.
- Securing the Foundation for Business Continuity: This matter concerns the relocation decision necessary for business continuity in accordance with the Tokyo Metropolitan Government's development plan. Although no public compensation or insurance coverage applies, we have determined this investment is essential to safeguard our future business foundation.

4. Strengthening Dialogue with Investors

We believe that dialogue with investors is essential for enhancing corporate value.

- Proactive Information Sharing: We will actively communicate ongoing initiatives in a clearer and more accessible manner.
- Enhanced Dialogue: We will sincerely consider the evaluations and opinions received from the stakeholders, incorporate them into management decisions, and strive to improve the disclosure of information on our website and other platforms.

Thank you for your understanding and kind cooperation.

Sincerely yours,
THE KEIHIN CO., LTD.
GENERAL AFFAIRS SEC.