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October 31, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: Keihanshin Building Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 8818
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Scheduled date to file semi-annual securities report: November 4, 2025
Scheduled date to commence dividend payments: December 5, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	10,172	4.8	3,064	10.9	3,083	12.1	2,447	28.6
September 30, 2024	9,701	(1.6)	2,762	(2.5)	2,749	1.2	1,903	(18.6)

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 4,217 million [111.1%]
For the six months ended September 30, 2024: ¥ 1,998 million [(42.5) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	50.32	50.25
September 30, 2024	38.88	38.79

(Reference) Business profit before depreciation and amortization:

For the six months ended September 30, 2025: ¥ 5,604 million [15.1%]
For the six months ended September 30, 2024: ¥ 4,867 million [1.1%]

The Company has positioned business profit before depreciation and amortization as an important management indicator.

Business profit before depreciation and amortization

=Business profit (Operating profit + loss (gain) on investments in investment partnerships + loss (gain) on sale of non-current assets) + Depreciation and amortization

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	173,706	79,558	45.8
March 31, 2025	177,104	76,323	43.1

Reference: Equity

As of September 30, 2025: ¥ 79,541 million
As of March 31, 2025: ¥ 76,246 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	18.50	-	21.50	40.00
Fiscal year ending March 31, 2026	-	20.00			
Fiscal year ending March 31, 2026 (Forecast)			-	20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	20,000	2.1	5,500	10.4	5,300	9.7	4,200	(4.3)	86.25

Note: Revisions to the financial result forecast most recently announced: None

(Reference) Business profit before depreciation and amortization: ¥ 9,700 million [6.6 %]

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	48,811,498 shares
As of March 31, 2025	48,811,498 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2025	114,377 shares
As of March 31, 2025	241,708 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	48,636,000 shares
Six months ended September 30, 2024	48,947,443 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*Appropriate use of business forecasts ; other special items

Information described in this document, such as projections, is prepared based on available information at the time of the release this document and certain assumptions that the Company judged as rational. Actual results may be significantly different due to various factors.

(Changes in the display units for amounts)

The amounts of items and other matters listed in the Company's interim consolidated financial statements were previously stated in units of 1 thousand yen, but have been changed to units of 1 million yen from the current interim consolidated accounting period. For ease of comparison, the previous fiscal year and the previous interim consolidated accounting period have also been changed to millions of yen.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Semi-annual Period under Review	2
(2) Overview of Financial Condition for the Semi-annual Period under Review	4
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	4
2. Semi-annual Consolidated Financial Statements and Principal Notes	5
(1) Semi-annual Consolidated Balance Sheet	5
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income	7
(3) Semi-annual Consolidated Statements of Cash Flows	9
(4) Notes to Semi-annual Consolidated Financial Statements	10
(Notes on going concern assumption)	10
(Changes in scope of consolidation or scope of application of the equity method)	10
(Notes in case of significant changes in shareholders' equity)	10
(Segment information)	10
(Significant subsequent events)	10

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Semi-annual Period under Review

During the six months ended September 30, 2025, the Japanese economy showed a gradual trend toward recovery, supported by an improvement in employment and income conditions and solid demand for domestic goods and services by foreign tourists to Japan, among other factors. Meanwhile, the economic outlook remained unclear as commodity prices continued to increase, interest rates were expected to rise, and uncertainty about the overseas economy remained high due primarily to U.S. trade policy trends and ongoing tensions in the international situation.

In the real estate leasing industry, although there are concerns about soaring construction and personnel costs, intensifying competition due to new supply of large-scale properties, as well as changes in office demand due to diversifying work styles, vacancy rates have remained low, mainly in urban areas.

Under such circumstances, Keihanshin Building Co., Ltd. (“the Group”) focused on operating activities, mainly leasing. As a result, we continued to maintain a high occupancy rate, with the vacancy rate remaining at 0.61% as of September 30, 2025. In addition, as we enter the third year of our Long-Term Business Plan, we have been examining new investment opportunities toward future growth with the aim of further expanding our revenue base and enhancing capital efficiency. As part of our efforts, we decided this September to invest in Healthcare Asset Management Co., Ltd., which manages assets entrusted to it with a sole focus on healthcare facilities. Furthermore, in terms of existing buildings, we have been striving to enhance asset value of them through preventive maintenance against natural disasters and promotion of energy saving.

For the six months ended September 30, 2025, consolidated net sales increased by 470 million yen (4.8%) year-on-year to 10,172 million yen due mainly to the contribution from new investment properties and an increase in rental income from datacenter buildings.

Meanwhile, as the increase in net sales outweighed the increase in the cost of sales, such as repair costs and electricity expenses, operating profit increased by 301 million yen (10.9%) year-on-year to 3,064 million yen. While interest expenses increased, gain on investments in investment partnerships through equity investments and dividend income increased. Consequently, ordinary profit rose 333 million yen (12.1%) year-on-year to 3,083 million yen.

In addition, profit attributable to owners of parent increased by 544 million yen (28.6%) year-on-year to 2,447 million yen due to the recording of extraordinary income in association with sale of a property owned, ensuring profit growth at each profit level.

The Group operates under a single segment of the “Building lease business,” which is primarily engaged in the leasing of land and buildings. The status of each business division operated by the Group is as follows.

	Six months ended September 30, 2024		Six months ended September 30, 2025	
	Net sales (million yen)	Rate (%)	Net sales (million yen)	Rate (%)
Office Building Business	2,223	22.9	2,330	22.9
Datacenter Building Business	5,145	53.0	5,498	54.0
WINS Building Business	1,677	17.3	1,674	16.5
Commercial Building, Logistics Warehouse, and Other Properties Business	655	6.8	669	6.6
Total	9,701	100.0	10,172	100.0

1) Office Building Business

The Group owns and leases a total of eight office buildings, mainly in business areas of Osaka and Tokyo. Our newest properties are equipped with advanced BCP functions based on our expertise in datacenter building operations. Even in older buildings, we strive to provide comfortable and safe business spaces that compare favorably with those in newly constructed buildings through planned facility renovations and maintenance.

Intensifying competition following the completion of a series of new office buildings in metropolitan areas requires attention, although the impact on the Group's office building business has been minimal and occupancy rates remain high.

Consolidated net sales from the office building business for the six months ended September 30, 2025 amounted to 2,330 million yen, an increase of 107 million yen (4.8%) year-on-year due to factors such as improved vacancy rates as a result of progress in finding new tenants when tenants depart.

2) Datacenter Building Business

The Group owns and leases a total of eight datacenter buildings in the Osaka central area. The datacenter buildings, which operate 24 hours a day, 365 days a year, ensure high reliability through advanced disaster-prevention functions with seismic isolation structures, stable electric power supply with large emergency-use generators, and advanced security systems, etc. Our extensive maintenance and management services, based on over 30 years of experience in the datacenter leasing business, are also highly regarded.

Consolidated net sales from the datacenter building business for the six months ended September 30, 2025 amounted to 5,498 million yen, an increase of 352 million yen (6.8%) year-on-year, mainly owing to an increase in rental income with some tenants who shifted to formal contracts.

3) WINS Building Business

WINS buildings refer to the facilities that sell off-track betting tickets for Japan Racing Association (JRA) races held all over Japan. The Group owns and leases a total of five WINS buildings in the central areas of the cities of Kyoto, Osaka, and Kobe. The WINS building business dates back to the Group's founding, and has been one of our core businesses that generate stable earnings for many years.

Although the share of sales at WINS buildings is in a declining trend as online betting is spreading, the impact on the business performance is limited as the buildings are leased at fixed rents.

Consolidated net sales from the WINS building business for the six months ended September 30, 2025 amounted to 1,674 million yen, a decrease of 3 million yen (0.2%) year-on-year.

4) Commercial Building, Logistics Warehouse, and Other Properties Business

The Group owns and leases a total of seven commercial buildings, logistics warehouses, and other properties particularly in the Tokyo metropolitan area and the Kansai area. In the six months ended September 30, 2025, as part of the revolving-type investment business, we sold Asakusa Ekimae Building, a commercial facility, in September 2025. As for property acquisitions, we are targeting prime locations for transportation access, such as locations near terminal stations for commercial facilities and trunk roads for logistics warehouses, and in March 2025 we acquired a new logistics warehouse in Komaki City, Aichi Prefecture. Under our Long-Term Business Plan, we are striving to expand our assets by acquiring properties, including new asset types such as residences and healthcare buildings. We will continue to work on information gathering activities in order to acquire profitable properties.

Consolidated net sales from the commercial building, logistics warehouse, and other properties business for the six months ended September 30, 2025 amounted to 669 million yen, an increase of 13 million yen (2.1%) year-on-year, partly due to the contribution by Komaki Logistics Center, acquired in March 2025.

(2) Overview of Financial Condition for the Semi-annual Period under Review

1) Assets, liabilities and net assets

Total assets at the end of the six months ended September 30, 2025 amounted to 173,706 million yen, a decrease of 3,397 million yen (1.9%) from the end of the previous fiscal year. This was mainly due to a decrease of 7,693 million yen in property, plant and equipment primarily because of sale of a property owned, despite an increase of 4,972 million yen in investment securities resulting from equity investments and an increase in the market value of securities held attributable to rises in stock markets.

Total liabilities at the end of the six months ended September 30, 2025 amounted to 94,148 million yen, a decrease of 6,633 million yen (6.6%) from the end of the previous fiscal year. This was mainly due to a decrease of 6,656 million yen in interest-bearing debt due to factors such as the redemption of bonds.

Total net assets at the end of the six months ended September 30, 2025 amounted to 79,558 million yen, an increase of 3,235 million yen (4.2%) from the end of the previous fiscal year. This was mainly due to an increase of 2,007 million yen in valuation difference on available-for-sale securities, in addition to an increase of 1,335 million yen in retained earnings due to the recording of 2,447 million yen in profit attributable to owners of parent, which was partially offset by 1,111 million yen in dividends of surplus.

2) Cash flows

Cash and cash equivalents at the end of the six months ended September 30, 2025 amounted to 13,165 million yen, a decrease of 895 million yen from the end of the previous fiscal year. The status of each type of cash flows and reasons for cash inflow or outflow are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 3,382 million yen (3,384 million yen provided in the same period of the previous fiscal year). Major inflows were 3,533 million yen in profit before income taxes and 1,912 million yen in depreciation. Major outflows were 1,054 million yen in income taxes paid, 510 million yen in decrease in trade payables, and the recording of extraordinary income of 454 million yen in gain on sale of property, plant and equipment.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to 3,488 million yen (700 million yen used in the same period of the previous fiscal year). Major factors included inflows of 6,433 million yen from the sale of property, plant and equipment and outflows of 2,258 million yen in purchase of investment securities arising from equity investments in Japan and U.S. and 663 million yen due to purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 7,699 million yen (2,451 million yen used in the same period of the previous fiscal year). This was due primarily to outflows of 3,656 million yen in repayments of long-term borrowings, 5,000 million yen in redemption of bonds, and 1,043 million yen in dividends paid, despite the raising of 2,000 million yen through long-term borrowings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There is no change in the consolidated financial results forecast announced on May 15, 2025. The consolidated financial results for the six months ended September 30, 2025 are as originally planned.

We recognize that the business environment outlook will continue to remain unclear, with many factors to watch closely, including the upward pressure on vacancy rates due to an increase in the supply of large-scale properties, as well as trends in commodity prices and interest rates.

However, the Group's business is strong at present, and the impact from tenant departures and requests for rent reductions has been limited.

We will continue to closely monitor these market environment and economic trends, and strive to operate our business appropriately. Furthermore, if any significant changes occur going forward, we will promptly disclose such information.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	14,060	13,165
Accounts receivable - trade	548	563
Other	411	622
Total current assets	15,020	14,351
Non-current assets		
Property, plant and equipment		
Buildings and structures	106,224	106,307
Accumulated depreciation	(51,845)	(53,556)
Buildings and structures, net	54,379	52,750
Land	55,332	55,425
Buildings in trust	3,986	3,343
Accumulated depreciation	(2,258)	(2,174)
Buildings in trust, net	1,727	1,168
Land in trust	25,235	19,694
Construction in progress	117	83
Other	1,151	1,145
Accumulated depreciation	(895)	(913)
Other, net	255	231
Total property, plant and equipment	137,048	129,355
Intangible assets	107	96
Investments and other assets		
Investment securities	22,399	27,371
Other	2,529	2,531
Total investments and other assets	24,928	29,903
Total non-current assets	162,084	159,355
Total assets	177,104	173,706

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Short-term borrowings	6,336	4,747
Current portion of bonds payable	5,000	-
Income taxes payable	1,129	1,071
Provisions	51	56
Other	3,244	2,450
Total current liabilities	15,761	8,325
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	23,017	22,950
Retirement benefit liability	72	76
Asset retirement obligations	116	116
Other	11,813	12,680
Total non-current liabilities	85,019	85,823
Total liabilities	100,781	94,148
Net assets		
Shareholders' equity		
Share capital	9,827	9,827
Capital surplus	9,199	9,199
Retained earnings	56,434	57,770
Treasury shares	(358)	(169)
Total shareholders' equity	75,103	76,628
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,561	7,569
Revaluation reserve for land	(4,568)	(4,568)
Foreign currency translation adjustment	150	(87)
Total accumulated other comprehensive income	1,143	2,913
Share acquisition rights	76	16
Total net assets	76,323	79,558
Total liabilities and net assets	177,104	173,706

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	9,701	10,172
Cost of sales	5,953	6,121
Gross profit	3,748	4,051
Selling, general and administrative expenses	985	986
Operating profit	2,762	3,064
Non-operating income		
Interest income	0	9
Dividend income	186	217
Gain on investments in investment partnerships	133	196
Other	5	4
Total non-operating income	325	427
Non-operating expenses		
Interest expenses	101	145
Interest expenses on bonds	203	230
Other	33	33
Total non-operating expenses	338	409
Ordinary profit	2,749	3,083
Extraordinary income		
Gain on sale of non-current assets	-	454
Total extraordinary income	-	454
Extraordinary losses		
Loss on retirement of non-current assets	6	3
Total extraordinary losses	6	3
Profit before income taxes	2,743	3,533
Income taxes - current	789	1,020
Income taxes - deferred	50	66
Total income taxes	840	1,086
Profit	1,903	2,447
Profit attributable to owners of parent	1,903	2,447

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	1,903	2,447
Other comprehensive income		
Valuation difference on available-for-sale securities	95	2,007
Foreign currency translation adjustment	-	(237)
Total other comprehensive income	95	1,769
Comprehensive income	1,998	4,217
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,998	4,217
Comprehensive income attributable to non-controlling interests	-	-

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,743	3,533
Depreciation	1,971	1,912
Share-based payment expenses	43	34
Increase (decrease) in retirement benefit liability	(2)	3
Increase (decrease) in provision for bonuses	1	4
Interest and dividend income	(186)	(226)
Interest expenses	101	145
Interest expenses on bonds	203	230
Loss (gain) on sale of property, plant and equipment	-	(454)
Loss on retirement of property, plant and equipment	6	3
Loss (gain) on investments in investment partnerships	(133)	(196)
Decrease (increase) in trade receivables	(272)	(244)
Increase (decrease) in trade payables	(377)	(510)
Decrease (increase) in consumption taxes refund receivable	(7)	22
Increase (decrease) in accrued consumption taxes	162	88
Other, net	30	31
Subtotal	4,283	4,379
Interest and dividends received	309	443
Interest paid	(306)	(386)
Income taxes paid	(902)	(1,054)
Net cash provided by (used in) operating activities	3,384	3,382
Cash flows from investing activities		
Purchase of property, plant and equipment	(699)	(663)
Proceeds from sale of property, plant and equipment	-	6,433
Purchase of intangible assets	(1)	(5)
Purchase of investment securities	-	(2,258)
Other, net	-	(17)
Net cash provided by (used in) investing activities	(700)	3,488
Cash flows from financing activities		
Proceeds from long-term borrowings	-	2,000
Repayments of long-term borrowings	(1,522)	(3,656)
Redemption of bonds	-	(5,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(929)	(1,043)
Other, net	-	0
Net cash provided by (used in) financing activities	(2,451)	(7,699)
Effect of exchange rate change on cash and cash equivalents	(23)	(67)
Net increase (decrease) in cash and cash equivalents	208	(895)
Cash and cash equivalents at beginning of period	8,668	14,060
Cash and cash equivalents at end of period	8,877	13,165

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in scope of consolidation or scope of application of the equity method)

During the six months ended September 30, 2025, the Company included CBRE UIV II MASTER FUND, L.P., in which we have newly invested, in the scope of application of the equity method.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information)

Statement is omitted as the Group operates under the single segment of the "Building lease business."

(Significant subsequent events)

Not applicable.