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January 30, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)



Company name: Keihanshin Building Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 8818

URL: <https://www.keihanshin.co.jp/english/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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	%
Nine months ended December 31, 2025	15,244	3.9	4,576	13.9	4,669	15.2	4,038	5.3
December 31, 2024	14,674	0.1	4,018	(4.0)	4,052	0.9	3,833	18.2

Note: Comprehensive income

For the nine months ended December 31, 2025: ¥ 7,197 million [122.3 %]

For the nine months ended December 31, 2024: ¥ 3,238 million [(24.1) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	83.35	83.26
December 31, 2024	78.40	78.23

(Reference) Business profit before depreciation and amortization:

For the nine months ended December 31, 2025: ¥ 8,121 million [14.3 %]

For the nine months ended December 31, 2024: ¥ 7,105 million [(0.8) %]

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 December 31, 2025	177,181	79,841	45.1
March 31, 2025	177,104	76,323	43.1

Reference: Equity

As of December 31, 2025: ¥ 79,824 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
Fiscal year ended March 31, 2025	Yen -	Yen 18.50	Yen -	Yen 21.50	Yen 40.00
Fiscal year ending March 31, 2026	Yen -	Yen 20.00	Yen -		
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	%	
Full year	20,000	2.1	5,500	10.4	5,300	9.7	4,200	(4.3)	88.05

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 quarterly 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 December 31, 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 December 31, 2025	1,109,067 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)

Nine months ended December 31, 2025	48,454,570 shares
Nine months ended December 31, 2024	48,896,921 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

*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 of 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 items listed in the Company's quarterly consolidated financial statements were previously stated in units of 1 thousand yen, but have been changed to in units of 1 million yen from the first quarter consolidated accounting period and the first quarter consolidated cumulative period. For the sake of ease of comparison, the consolidated cumulative periods for the previous consolidated fiscal year and the third quarter of the previous fiscal year have also been changed to units of million yen.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Quarterly Period under Review

During the nine months ended December 31, 2025, the Japanese economy showed a gradual trend toward recovery due to an improvement in employment and income conditions and growing demand for domestic goods and services by foreign tourists to Japan, among other factors. Meanwhile, the economic outlook remained unclear due to rising commodity prices and expectations of higher interest rates in addition to concerns over global economic slowdown and rising geopolitical risks, to name a few.

In the real estate leasing industry, although there are concerns about persistently high prices of construction materials, soaring 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 metropolitan 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 0.58% as of December 31, 2025. In addition, the Group has proactively been working on new investments toward the next growth, including an equity investment in a multifamily property in Dallas, Texas, the U.S., in November 2025. Also, 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 nine months ended December 31, 2025, consolidated net sales increased by 570 million yen (3.9%) year-on-year to 15,244 million yen due mainly to the contribution from new investment properties and an increase in rental income from datacenter buildings.

Though the cost of sales, including electricity expenses, increased, general and administrative expenses decreased due to the absence of expenses, such as the cost of establishing a U.S. subsidiary incurred in the previous fiscal year. As a result, operating profit increased by 557 million yen (13.9%) year-on-year to 4,576 million yen. While interest expenses increased, gain on investments in investment partnerships associated with equity investments and dividend income increased. Consequently, ordinary profit rose 617 million yen (15.2%) year-on-year to 4,669 million yen.

In addition, profit attributable to owners of parent increased by 204 million yen (5.3%) year-on-year to 4,038 million yen due to the recording of extraordinary income in association with sale of a property owned and shares held, 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.

	Nine months ended December 31, 2024		Nine months ended December 31, 2025	
	Net sales (million yen)	Rate (%)	Net sales (million yen)	Rate (%)
Office Building Business	3,357	22.9	3,497	23.0
Datacenter Building Business	7,817	53.3	8,279	54.3
WINS Building Business	2,522	17.2	2,517	16.5
Commercial Building, Logistics Warehouse, and Other Properties Business	975	6.6	949	6.2
Total	14,674	100.0	15,244	100.0

1) Office Building Business

The Group owns and leases a total of eight medium-sized 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 nine months ended December 31, 2025 amounted to 3,497 million yen, an increase of 139 million yen (4.2%) 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 nine months ended December 31, 2025 amounted to 8,279 million yen, an increase of 461 million yen (5.9%) 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 nine months ended December 31, 2025 amounted to 2,517 million yen, a decrease of 4 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 nine months ended December 31, 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 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 nine months ended December 31, 2025 amounted to 949 million yen, a decrease of 25 million yen (2.7%) year-on-year, due to the impact of the sale of Asakusa Ekimae Building despite the full-year contribution from newly acquired Komaki Logistics Center.

(2) Overview of Financial Condition for the Quarterly Period under Review

Total assets at the end of the nine months ended December 31, 2025 amounted to 177,181 million yen, an increase of 77 million yen (0.0%) from the end of the previous fiscal year. This was mainly due to an increase of 12,321 million yen in investment securities resulting from equity investments and an increase in the market value of shares held despite decreases of 3,907 million yen in cash and deposits and 8,472 million yen in property, plant and equipment.

Total liabilities at the end of the nine months ended December 31, 2025 amounted to 97,340 million yen, a decrease of 3,440 million yen (3.4%) from the end of the previous fiscal year. This was mainly due to decreases of 3,961 million yen in interest-bearing debt, due to factors such as the redemption of bonds, and 391 million yen in income taxes payable despite an increase of 1,632 million yen in deferred tax liabilities, which are included in other under non-current liabilities, due to an increase in the market value of shares held.

Total net assets at the end of the nine months ended December 31, 2025 amounted to 79,841 million yen, an increase of 3,518 million yen (4.6%) compared to the end of the previous fiscal year. This was mainly due to an increase of 3,293 million yen in valuation difference on available-for-sale securities despite a decrease of 1,535 million yen resulting from purchase of treasury shares, in addition to an increase of 1,953 million yen in retained earnings due to the recording of 4,038 million yen in profit attributable to owners of parent, which was partially offset by 2,085 million yen in dividends of surplus.

(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 at the end of the nine months ended December 31, 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. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	14,060	10,153
Accounts receivable - trade	548	530
Other	411	555
Total current assets	<u>15,020</u>	<u>11,239</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	106,224	106,422
Accumulated depreciation	(51,845)	(54,377)
Buildings and structures, net	54,379	52,045
Land	55,332	55,425
Buildings in trust	3,986	3,343
Accumulated depreciation	(2,258)	(2,216)
Buildings in trust, net	1,727	1,126
Land in trust	25,235	19,694
Construction in progress	117	65
Other	1,151	1,135
Accumulated depreciation	(895)	(916)
Other, net	255	219
Total property, plant and equipment	<u>137,048</u>	<u>128,576</u>
Intangible assets		
Investments and other assets		
Investment securities	22,399	34,721
Other	2,529	2,553
Total investments and other assets	<u>24,928</u>	<u>37,274</u>
Total non-current assets	<u>162,084</u>	<u>165,942</u>
Total assets	<u>177,104</u>	<u>177,181</u>

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Short-term borrowings	6,336	4,993
Current portion of bonds payable	5,000	-
Income taxes payable	1,129	738
Provisions	51	-
Other	3,244	2,744
Total current liabilities	<u>15,761</u>	<u>8,477</u>
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	23,017	25,398
Retirement benefit liability	72	78
Asset retirement obligations	116	116
Other	11,813	13,270
Total non-current liabilities	<u>85,019</u>	<u>88,863</u>
Total liabilities	<u>100,781</u>	<u>97,340</u>
Net assets		
Shareholders' equity		
Share capital	9,827	9,827
Capital surplus	9,199	9,199
Retained earnings	56,434	58,387
Treasury shares	(358)	(1,893)
Total shareholders' equity	<u>75,103</u>	<u>75,521</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,561	8,855
Revaluation reserve for land	(4,568)	(4,568)
Foreign currency translation adjustment	150	15
Total accumulated other comprehensive income	<u>1,143</u>	<u>4,302</u>
Share acquisition rights	<u>76</u>	<u>16</u>
Total net assets	<u>76,323</u>	<u>79,841</u>
Total liabilities and net assets	<u>177,104</u>	<u>177,181</u>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	14,674	15,244
Cost of sales	9,211	9,241
Gross profit	5,462	6,002
Selling, general and administrative expenses	1,444	1,426
Operating profit	4,018	4,576
Non-operating income		
Interest income	1	14
Dividend income	357	406
Gain on investments in investment partnerships	150	271
Other	12	7
Total non-operating income	521	700
Non-operating expenses		
Interest expenses	151	224
Interest expenses on bonds	304	342
Other	32	40
Total non-operating expenses	488	606
Ordinary profit	4,052	4,669
Extraordinary income		
Gain on sale of non-current assets	-	454
Gain on sale of investment securities	1,491	701
Total extraordinary income	1,491	1,156
Extraordinary losses		
Loss on retirement of non-current assets	6	4
Other	-	0
Total extraordinary losses	6	5
Profit before income taxes	5,537	5,820
Income taxes - current	1,622	1,663
Income taxes - deferred	81	118
Total income taxes	1,703	1,781
Profit	3,833	4,038
Profit attributable to owners of parent	3,833	4,038

Quarterly Consolidated Statement of Comprehensive Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	3,833	4,038
Other comprehensive income		
Valuation difference on available-for-sale securities	(563)	3,293
Foreign currency translation adjustment	(31)	(134)
Total other comprehensive income	(595)	3,159
Comprehensive income	3,238	7,197
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,238	7,197
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements
(Notes on going concern assumption)

Not applicable.

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

The Company included CBRE UIV II MASTER FUND, L.P. and 13100 NOEL ROAD JV LLC, in which we have newly invested, in the scope of application of the equity method from the first quarter and the third quarter of the fiscal year ending March 31, 2026, respectively.

(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."

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2025 have not been prepared. Depreciation and amortization for the nine months ended December 31, 2025 are as follows.

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Depreciation and amortization	2,936 million yen	2,846 million yen

(Significant subsequent events)

Not applicable.