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October 30, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (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 file semi-annual securities report: November 2, 2026
Scheduled date to commence dividend payments: December 4, 2026
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, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	10,317	1.4	2,527	(17.5)	2,500	(18.9)	5,778	136.1
September 30, 2025	10,172	4.8	3,064	10.9	3,083	12.1	2,447	28.6

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 8,861 million [110.1%]
For the six months ended September 30, 2025: ¥ 4,217 million [111.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	60.55	60.52
September 30, 2025	25.16	25.13

Reference: Business profit before depreciation and amortization
For the six months ended September 30, 2026: ¥ 10,475 million [86.9 %]
For the six months ended September 30, 2025: ¥ 5,604 million [15.1 %]

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

Note: The Company conducted a stock split at a ratio of 2-for-1 for the Company's common shares on July 1, 2026. Basic earnings per share and diluted earnings per share were calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	193,088	90,269	46.7
March 31, 2026	185,602	81,397	43.8

Reference: Equity
As of September 30, 2026: ¥ 90,252 million
As of March 31, 2026: ¥ 81,380 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, 2026	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2027	-	15.00			
Fiscal year ending March 31, 2027 (Forecast)			-	15.00	30.00

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

The Company conducted a stock split at a ratio of 2-for-1 for the Company's common shares on July 1, 2026. For the fiscal year ended March 31, 2026, the actual amount of dividends prior to the stock split is stated in the table above. If the stock split is not taken into consideration, the annual dividends per share for the fiscal year ending March 31, 2027 (forecast) would be 60.00 yen.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	20,500	1.2	5,500	(2.6)	4,500	(19.7)	7,000	49.7	73.33

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

The Company conducted a stock split at a ratio of 2-for-1 for the Company's common shares on July 1, 2026. Basic earnings per share in the forecast of consolidated financial results for the fiscal year ending March 31, 2027, take into account the impact of the stock split. If the stock split is not taken into consideration, basic earnings per share for the fiscal year ending March 31, 2027 would be 146.66 yen.

Reference: Business profit before depreciation and amortization ¥ 14,500 million [42.1 %]

*** 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, 2026	97,622,996 shares
As of March 31, 2026	97,622,996 shares

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

As of September 30, 2026	2,157,624 shares
As of March 31, 2026	2,218,334 shares

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

Six months ended September 30, 2026	95,433,323 shares
Six months ended September 30, 2025	97,272,000 shares

Note: The Company conducted a stock split at a ratio of 2-for-1 for the Company's common shares on July 1, 2026. Total number of issued shares at the end of period, total number of treasury shares at the end of period, and average number of shares during the period were calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

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

* Proper use of earnings forecasts, and other special matters

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.

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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, 2026, the Japanese economy showed a gradual trend toward recovery due primarily to a pickup in personal consumption owing to an improvement in employment and income conditions as well as effects of various measures taken by the government. Meanwhile, the economic outlook continued to be unclear against a backdrop of geopolitical risk, including the situation in the Middle East, and the impact of natural disasters, as well as trends in financial and capital markets.

In the real estate leasing industry, although the operating environment continues to require careful attention due to increases in financing costs resulting from higher interest rates in addition to rising personnel costs, construction costs, and land prices, vacancy rates of office and other buildings remained low, mainly in metropolitan areas. In the real estate investment market, although trends in interest rates need to be closely monitored, investment demand from domestic and overseas institutional investors remained solid.

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 at 0.46% as of September 30, 2026. In addition, based on its Long-Term Business Plan, the Group proactively worked on new investments in Japan and abroad toward the next growth, including an equity investment in a logistics warehouse development project in Plainfield, Illinois in the U.S. and an acquisition of a logistics warehouse in Urayasu City, Chiba Prefecture. Also, in terms of existing buildings, we will continue 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, 2026, consolidated net sales increased by 144 million yen (1.4%) year-on-year to 10,317 million yen due mainly to an increase in rental income from datacenter buildings.

Meanwhile, operating profit decreased by 537 million yen (17.5%) year-on-year to 2,527 million yen as a result of increases in repair costs and electricity expenses, which are included in cost of sales, and an increase in selling, general and administrative expenses due to the recording of taxes and dues, and a provision for shareholder benefit program. Despite an increase in dividend income, ordinary profit decreased by 582 million yen (18.9%) year-on-year to 2,500 million yen due primarily to a decrease in gain on investments in investment partnerships and an increase in interest expenses.

However, profit attributable to owners of parent increased by 3,330 million yen (136.1%) year-on-year to 5,778 million yen due primarily to an increase in extraordinary income in association with the sale of a property owned and cross-shareholdings.

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 the Group's operations by asset type is as follows.

	Six months ended September 30, 2025		Six months ended September 30, 2026	
	Net sales (million yen)	Rate (%)	Net sales (million yen)	Rate (%)
Office Buildings	2,330	22.9	2,334	22.6
Datacenter Buildings	5,498	54.0	5,776	56.0
WINS Buildings	1,674	16.5	1,654	16.0
Commercial Buildings, Logistics Warehouses, and Other Properties	669	6.6	551	5.4
Total	10,172	100.0	10,317	100.0

1) Office Buildings

The Group owns and leases a total of eight office buildings, mainly in business areas of Osaka and Tokyo. Our office buildings have strengths in comfort and high environmental performance, in addition to the advanced BCP functions which have been cultivated through datacenter building operations. We are specialized in medium-sized office buildings.

Although concerns remain that the vacancy rate will increase due to a large supply of new office buildings in the Tokyo metropolitan area, its impact on the Group is minor at present and we continue to maintain a high occupancy rate.

Consolidated net sales from the office buildings for the six months ended September 30, 2026 amounted to 2,334 million yen, an increase of 4 million yen (0.2%) year-on-year mainly due to the implementation of rent revisions.

2) Datacenter Buildings

The Group owns and leases a total of eight datacenter buildings in the Osaka central area. The Group's datacenter buildings are equipped with the latest features such as advanced disaster-prevention functions, stable electric power supply, and advanced security systems, and enable tenants to continue their business operations even in the event of a major disaster or other emergency. In addition, our maintenance and management services, based on the expertise accumulated over 30 years, are also highly regarded, and are one of our strengths.

Consolidated net sales from the datacenter buildings for the six months ended September 30, 2026 amounted to 5,776 million yen, an increase of 278 million yen (5.1%) year-on-year owing to an increase in rental and electricity expenses received.

3) WINS Buildings

WINS buildings refer to the facilities that sell off-track betting tickets for Japan Racing Association (JRA) races held all over Japan. The Group has owned and leased since its founding a total of five WINS buildings in the central areas of the cities of Kyoto, Osaka, and Kobe, including Umeda in Osaka and Gion in Kyoto, which are prime locations for transportation access. It has strived to create facilities that are loved by horse racing fans and the local communities in tandem with the JRA.

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 buildings for the six months ended September 30, 2026 amounted to 1,654 million yen, a decrease of 20 million yen (1.2%) year-on-year.

4) Commercial Buildings, Logistics Warehouses, and Other Properties

The Group owns and leases seven commercial buildings, logistics warehouses, and other properties in the country, particularly in the Tokyo metropolitan area and the Kansai area. 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. In June 2026, we acquired a new logistics warehouse in Urayasu City, Chiba 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.

Consolidated net sales from the commercial buildings, logistics warehouses, and other properties for the six months ended September 30, 2026 amounted to 551 million yen, a decrease of 118 million yen (17.7%) year-on-year due to the impact of the sale of a property owned.

(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, 2026 amounted to 193,088 million yen, an increase of 7,486 million yen (4.0%) from the end of the previous fiscal year. This was mainly due to increases of 7,088 million yen in investment securities resulting from equity investments and an increase in the market value of shares held, and 467 million yen in cash and deposits, while property, plant and equipment decreased by 86 million yen following the sale of the Shijo-Kawaramachi Building, offset by an increase in association with the acquisition of the Urayasu Chidori Logistics Center.

Total liabilities at the end of the six months ended September 30, 2026 amounted to 102,819 million yen, a

decrease of 1,385 million yen (1.3%) from the end of the previous fiscal year. This was mainly due to increases of 993 million yen in income taxes payable, 480 million yen in provision for shareholder benefit program, and 852 million yen in other non-current liabilities, despite decreases of 2,523 million yen in borrowings and 1,196 million yen in other current liabilities.

Total net assets at the end of the six months ended September 30, 2026 amounted to 90,269 million yen, an increase of 8,871 million yen (10.9%) compared to the end of the previous fiscal year. This was mainly due to increases of 2,871 million yen in retained earnings, 2,613 million yen in valuation difference on available-for-sale securities, 2,850 million yen in revaluation reserve for land in association with the sale of a property owned, and 397 million yen in foreign currency translation adjustment.

2) Cash flows

Cash and cash equivalents at the end of the six months ended September 30, 2026 amounted to 17,378 million yen, an increase of 467 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 3,214 million yen (3,382 million yen provided in the same period of the previous fiscal year). Major inflows were 8,439 million yen in profit before income taxes and 1,880 million yen in depreciation. Major outflows were 1,065 million yen in income taxes paid, 469 million yen in decrease in trade payables, and the recording of extraordinary income of 5,923 million yen in gain on sale of property, plant and equipment.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to 724 million yen (3,488 million yen provided in the same period of the previous fiscal year). Major factors included inflows of 7,293 million yen in the proceeds from sale of property, plant and equipment and 1,759 million yen in proceeds from sale of investment securities. Major outflows were 4,527 million yen in purchase of investment securities and 3,800 million yen due to purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 3,473 million yen (7,699 million yen used in the same period of the previous fiscal year). This was due primarily to outflows of 2,523 million yen in repayments of long-term borrowings and 953 million yen in dividends paid.

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

There is no change in the consolidated financial results forecast for the fiscal year ending March 31, 2027 in the “Notice of Recording of Extraordinary Income Arising from Gain on Transfer of Non-Current Assets, and Revision to Consolidated Financial Result Forecasts” announced on July 30, 2026. Furthermore, if any significant changes occur going forward, we will promptly disclose such information.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	16,911	17,378
Accounts receivable - trade	513	595
Other	452	376
Total current assets	17,877	18,350
Non-current assets		
Property, plant and equipment		
Buildings and structures	106,923	105,630
Accumulated depreciation	(55,113)	(55,590)
Buildings and structures, net	51,809	50,039
Land	55,425	54,306
Buildings and structures in trust	3,343	3,679
Accumulated depreciation	(2,258)	(2,349)
Buldings and sttructures in trust, net	1,084	1,329
Land in trust	19,694	21,765
Construction in progress	113	624
Other	1,139	1,143
Accumulated depreciation	(928)	(956)
Other, net	210	186
Total property, plant and equipment	128,338	128,251
Intangible assets	86	77
Investments and other assets		
Investment securities	36,754	43,843
Other	2,545	2,566
Total investments and other assets	39,300	46,409
Total non-current assets	167,725	174,738
Total assets	185,602	193,088

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Short-term borrowings	7,037	7,429
Current portion of bonds payable	-	5,000
Income taxes payable	1,107	2,101
Provision for bonuses	55	54
Provision for shareholder benefit program	-	480
Other	3,627	2,430
Total current liabilities	11,828	17,497
Non-current liabilities		
Bonds payable	50,000	45,000
Long-term borrowings	28,378	25,463
Retirement benefit liability	72	80
Asset retirement obligations	116	116
Other	13,808	14,661
Total non-current liabilities	92,377	85,322
Total liabilities	104,205	102,819
Net assets		
Shareholders' equity		
Share capital	9,827	9,827
Capital surplus	9,199	9,213
Retained earnings	59,024	61,895
Treasury shares	(1,893)	(1,841)
Total shareholders' equity	76,158	79,095
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,512	12,125
Deferred gains or losses on hedges	(9)	63
Revaluation reserve for land	(4,568)	(1,717)
Foreign currency translation adjustment	287	685
Total accumulated other comprehensive income	5,222	11,156
Share acquisition rights	16	16
Total net assets	81,397	90,269
Total liabilities and net assets	185,602	193,088

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

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

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	10,172	10,317
Cost of sales	6,121	6,259
Gross profit	4,051	4,057
Selling, general and administrative expenses	986	1,530
Operating profit	3,064	2,527
Non-operating income		
Interest income	9	26
Dividend income	217	272
Gain on investments in investment partnerships	196	159
Other	4	5
Total non-operating income	427	464
Non-operating expenses		
Interest expenses	145	244
Interest expenses on bonds	230	223
Other	33	24
Total non-operating expenses	409	492
Ordinary profit	3,083	2,500
Extraordinary income		
Gain on sale of non-current assets	454	5,923
Gain on sale of investment securities	-	10
Penalty income	-	4
Total extraordinary income	454	5,938
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Total extraordinary losses	3	0
Profit before income taxes	3,533	8,439
Income taxes - current	1,020	2,025
Income taxes - deferred	66	635
Total income taxes	1,086	2,660
Profit	2,447	5,778
Profit attributable to owners of parent	2,447	5,778

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

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	2,447	5,778
Other comprehensive income		
Valuation difference on available-for-sale securities	2,007	2,613
Foreign currency translation adjustment	(237)	397
Share of other comprehensive income of entities accounted for using equity method	-	73
Total other comprehensive income	1,769	3,083
Comprehensive income	4,217	8,861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,217	8,861
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, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,533	8,439
Depreciation	1,912	1,880
Share-based payment expenses	34	31
Increase (decrease) in retirement benefit liability	3	7
Increase (decrease) in provision for bonuses	4	(0)
Increase (decrease) in provision for shareholder benefit program	-	480
Interest and dividend income	(226)	(299)
Interest expenses	145	244
Interest expenses on bonds	230	223
Loss (gain) on sale of investment securities	-	(10)
Loss (gain) on sale of property, plant and equipment	(454)	(5,923)
Loss on retirement of property, plant and equipment	3	0
Loss (gain) on investments in investment partnerships	(196)	(159)
Penalty income	-	(4)
Decrease (increase) in trade receivables	(244)	(9)
Increase (decrease) in trade payables	(510)	(469)
Decrease (increase) in consumption taxes refund receivable	22	-
Increase (decrease) in accrued consumption taxes	88	(97)
Other, net	31	(14)
Subtotal	4,379	4,316
Interest and dividends received	443	434
Interest paid	(386)	(470)
Income taxes paid	(1,054)	(1,065)
Net cash provided by (used in) operating activities	3,382	3,214
Cash flows from investing activities		
Purchase of property, plant and equipment	(663)	(3,800)
Proceeds from sale of property, plant and equipment	6,433	7,293
Purchase of intangible assets	(5)	-
Purchase of investment securities	(2,258)	(4,527)
Proceeds from sale of investment securities	-	1,759
Other, net	(17)	-
Net cash provided by (used in) investing activities	3,488	724
Cash flows from financing activities		
Proceeds from long-term borrowings	2,000	-
Repayments of long-term borrowings	(3,656)	(2,523)
Redemption of bonds	(5,000)	-
Proceeds from sale of treasury shares	-	3
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,043)	(953)
Other, net	0	(0)
Net cash provided by (used in) financing activities	(7,699)	(3,473)
Effect of exchange rate change on cash and cash equivalents	(67)	1
Net increase (decrease) in cash and cash equivalents	(895)	467
Cash and cash equivalents at beginning of period	14,060	16,911
Cash and cash equivalents at end of period	13,165	17,378

(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, 2026, the Company included CBRE UIV III 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.