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July 30, 2026

Consolidated Financial Results for the Three Months Ended June 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/
Representative: Tsuneo Wakabayashi, President
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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 three months ended June 30, 2026 (from April 1, 2026 to June 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	5,099	1.7	1,629	10.2	1,739	12.6	1,207	12.5
June 30, 2025	5,015	5.2	1,479	3.8	1,544	1.2	1,073	1.2

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 4,015 million [144.4%]
For the three months ended June 30, 2025: ¥ 1,643 million [(20.2) %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	12.65	12.65
June 30, 2025	11.05	11.02

Reference: Business profit before depreciation and amortization
For the three months ended June 30, 2026: ¥ 2,639 million [5.1 %]
For the three months ended June 30, 2025: ¥ 2,511 million [1.0 %]

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

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	%
June 30, 2026	186,029	84,458	45.4
March 31, 2026	185,602	81,397	43.8

Reference: Equity
As of June 30, 2026: ¥ 84,441 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	-				
Fiscal year ending March 31, 2027 (Forecast)		15.00	-	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	73.37

Note: Revisions to the financial result forecast most recently announced: Yes

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 146.74 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 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 June 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 June 30, 2026	2,218,334 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)

Three months ended June 30, 2026	95,404,662 shares
Three months ended June 30, 2025	97,154,840 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.

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

* 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.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2026, the Japanese economy showed a gradual trend toward recovery due primarily 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 as the economy is exposed to downside risks, such as foreign exchange risks, rising commodity prices, expectations of higher interest rates, and growing instability in the global situation, especially in the Middle East.

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 soaring personnel costs and construction material costs and persistently rising maintenance and management costs, 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 as of June 30, 2026 standing at 0.02%. 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. in May 2026 and an acquisition of a logistics warehouse in Urayasu City, Chiba Prefecture in June 2026. 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 three months ended June 30, 2026, consolidated net sales increased by 83 million yen (1.7%) year-on-year to 5,099 million yen due mainly to an increase in rental income from datacenter buildings. Operating profit increased by 150 million yen (10.2%) year-on-year to 1,629 million yen, due primarily to decreases in repair costs and depreciation, which are included in cost of sales. In addition, ordinary profit increased by 194 million yen (12.6%) year-on-year to 1,739 million yen mainly due to an increase in dividend income despite an increase in interest expenses, and profit attributable to owners of parent increased by 133 million yen (12.5%) year-on-year to 1,207 million yen, 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 the Group’s operations by asset type is as follows.

	Three months ended June 30, 2025		Three months ended June 30, 2026	
	Net sales (million yen)	Rate (%)	Net sales (million yen)	Rate (%)
Office Buildings	1,144	22.8	1,166	22.9
Datacenter Buildings	2,697	53.8	2,815	55.2
WINS Buildings	832	16.6	832	16.3
Commercial Buildings, Logistics Warehouses, and Other Properties	340	6.8	285	5.6
Total	5,015	100.0	5,099	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 three months ended June 30, 2026 amounted to 1,166 million yen, an increase of 21 million yen (1.9%) year-on-year due to improved vacancy rates as a result of progress in finding new tenants when tenants depart and rent revisions.

2) Datacenter Buildings

The Group owns and leases eight urban datacenter buildings in Osaka. 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 three months ended June 30, 2026 amounted to 2,815 million yen, an increase of 118 million yen (4.4%) year-on-year, mainly owing to an increase in rental income with some tenants who shifted to formal contracts.

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 three months ended June 30, 2026 amounted to 832 million yen, a decrease of 0 million yen (0.1%) year-on-year.

4) Commercial Buildings, Logistics Warehouses, and Other Properties

The Group owns and leases eight commercial buildings, logistics warehouses, and other properties in the country, particularly in the Kansai area and the Tokyo metropolitan 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 three months ended June 30, 2026 amounted to 285 million yen, a decrease of 55 million yen (16.4%) year-on-year, due to the impact of the sale of Asakusa Ekimae Building, which we carried out in September 2025 as part of the revolving-type investment business.

(2) Explanation of Financial Condition

Total assets at the end of the three months ended June 30, 2026 amounted to 186,029 million yen, an increase of 427 million yen (0.2%) from the end of the previous fiscal year. This was mainly due to increases of 4,478 million yen in investment securities resulting from equity investments and an increase in the market value of shares held, 1,573 million yen in property, plant and equipment primarily attributable to the acquisition of Urayasu Chidori Logistics Center, and 337 million yen in other under current assets despite a decrease of 6,023 million yen in cash and deposits.

Total liabilities at the end of the three months ended June 30, 2026 amounted to 101,571 million yen, a decrease of 2,634 million yen (2.5%) from the end of the previous fiscal year. This was mainly due to decreases of 833 million yen in interest-bearing debt, 656 million yen in income taxes payable, and 1,075 million yen in other under current liabilities.

Total net assets at the end of the three months ended June 30, 2026 amounted to 84,458 million yen, an increase of 3,061 million yen (3.8%) compared to the end of the previous fiscal year. This was mainly due to increases of 253 million yen in retained earnings, 1,728 million yen in valuation difference on available-for-sale securities, 898 million yen in revaluation reserve for land, and 174 million yen in foreign currency translation adjustment.

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

The consolidated financial results forecast has been revised from the forecast in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)” announced on May 13, 2026. For further details, please refer to the “Notice of Recording of Extraordinary Income Arising from Gain on Transfer of Non-Current Assets, and Revision to Consolidated Financial Result Forecasts” announced today, July 30, 2026.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	16,911	10,888
Accounts receivable - trade	513	546
Other	452	789
Total current assets	17,877	12,224
Non-current assets		
Property, plant and equipment		
Buildings and structures	106,923	107,023
Accumulated depreciation	(55,113)	(55,990)
Buildings and structures, net	51,809	51,033
Land	55,425	55,425
Buildings and structures in trust	3,343	3,679
Accumulated depreciation	(2,258)	(2,302)
Buildings and structures in trust, net	1,084	1,377
Land in trust	19,694	21,765
Construction in progress	113	113
Other	1,139	1,140
Accumulated depreciation	(928)	(943)
Other, net	210	197
Total property, plant and equipment	128,338	129,912
Intangible assets	86	81
Investments and other assets		
Investment securities	36,754	41,232
Other	2,545	2,578
Total investments and other assets	39,300	43,811
Total non-current assets	167,725	173,805
Total assets	185,602	186,029

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Short-term borrowings	7,037	8,329
Income taxes payable	1,107	451
Provisions	55	-
Other	3,627	2,551
Total current liabilities	11,828	11,332
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	28,378	26,254
Retirement benefit liability	72	71
Asset retirement obligations	116	116
Other	13,808	13,796
Total non-current liabilities	92,377	90,238
Total liabilities	104,205	101,571
Net assets		
Shareholders' equity		
Share capital	9,827	9,827
Capital surplus	9,199	9,199
Retained earnings	59,024	59,277
Treasury shares	(1,893)	(1,893)
Total shareholders' equity	76,158	76,411
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,512	11,240
Deferred gains or losses on hedges	(9)	(2)
Revaluation reserve for land	(4,568)	(3,670)
Foreign currency translation adjustment	287	462
Total accumulated other comprehensive income	5,222	8,030
Share acquisition rights	16	16
Total net assets	81,397	84,458
Total liabilities and net assets	185,602	186,029

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	5,015	5,099
Cost of sales	3,036	3,007
Gross profit	1,979	2,092
Selling, general and administrative expenses	500	462
Operating profit	1,479	1,629
Non-operating income		
Interest income	5	15
Dividend income	183	264
Gain on investments in investment partnerships	70	54
Other	2	12
Total non-operating income	260	347
Non-operating expenses		
Interest expenses	72	122
Interest expenses on bonds	118	111
Other	4	3
Total non-operating expenses	195	237
Ordinary profit	1,544	1,739
Extraordinary income		
Penalty income	-	4
Total extraordinary income	-	4
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Total extraordinary losses	3	0
Profit before income taxes	1,541	1,743
Income taxes - current	348	449
Income taxes - deferred	119	86
Total income taxes	467	536
Profit	1,073	1,207
Profit attributable to owners of parent	1,073	1,207

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	1,073	1,207
Other comprehensive income		
Valuation difference on available-for-sale securities	690	1,728
Revaluation reserve for land	-	898
Foreign currency translation adjustment	(120)	174
Share of other comprehensive income of entities accounted for using equity method	-	7
Total other comprehensive income	569	2,808
Comprehensive income	1,643	4,015
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,643	4,015
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)

During the three months ended June 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."

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2026 have not been prepared. Depreciation and amortization for the three months ended June 30, 2025 and 2026 are as follows.

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation and amortization	961 million yen	944 million yen

(Significant subsequent events)

Not applicable.